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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>SCHUSTER ALLAN D</u>			2. Issuer Name and Ticker or Trading Symbol <u>AVALONBAY COMMUNITIES INC [AVB]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)		
(Last) (First) (Middle) <u>C/O AVALONBAY COMMUNITIES, INC.</u> <u>2900 EISENHOWER AVE., SUITE 300</u>			3. Date of Earliest Transaction (Month/Day/Year) <u>12/28/2004</u>					
(Street) <u>ALEXANDRIA VA 22314</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City) (State) (Zip)								

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$.01 per share	12/28/2004		M		10,000	A	\$36.125	32,309.368 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	12/28/2004		M		10,000	A	\$36	42,309.368 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	12/28/2004		S		20,000	D	\$75.0032	22,309.368 ⁽¹⁾	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Options (Right to Buy)	\$36.125	12/28/2004		M			10,000	06/11/1999	06/11/2008	Common Stock	10,000	\$0.00 ⁽²⁾	41,000 ⁽³⁾	D	
Stock Options (Right to Buy)	\$36	12/28/2004		M			10,000	05/12/2000	05/12/2009	Common Stock	10,000	\$0.00 ⁽⁴⁾	31,000 ⁽⁵⁾	D	

Explanation of Responses:

- The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including Deferred Stock Units ("Units"), which may be subject to vesting requirements. The Units will convert into common stock when the reporting person ceases to be an employee or director of the issuer. The amount of securities owned following the reported transaction also includes a total of 251,234 Units issued in lieu of dividends on the issuer's second and third quarter dividend payment dates.
- The options exercised were included in options granted on June 11, 1998 under the issuer's Stock Option and Incentive Plan.
- The number of derivative securities beneficially owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds no more options that expire on June 11, 2008 with an exercise price of \$36.125.
- The options exercised were included in options granted on May 12, 1999 under the issuer's Stock Option and Incentive Plan.
- The number of derivative securities beneficially owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. Following the reported transaction, the reporting person owns no more options that expire on May 12, 2009 with an exercise price of \$36.00.

Remarks:

By Edward M. Schulman under
Power of Attorney dated January 12/29/2004
27, 2000

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.