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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>01/27/2006</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	01/27/2006		M		7,000	A	\$44.35	20,310.286 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	01/27/2006		M		7,000	A	\$46.36	27,310.286 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	01/27/2006		M		7,000	A	\$43.14	34,310.286 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	01/27/2006		S		21,000	D	\$99.8456	13,310.286 <sup>(1)</sup>	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)	\$44.35	01/27/2006		M			7,000	05/15/2002	05/15/2011	Common Stock	7,000	\$0.00 <sup>(2)</sup>	14,000 <sup>(3)</sup>	D	
Stock Options (Right to Buy)	\$46.36	01/27/2006		M			7,000	05/14/2003	05/14/2012	Common Stock	7,000	\$0.00 <sup>(4)</sup>	7,000 <sup>(5)</sup>	D	
Stock Options (Right to Buy)	\$43.14	01/27/2006		M			7,000	05/21/2004	05/21/2013	Common Stock	7,000	\$0.00 <sup>(6)</sup>	0	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 includes 234,264 Units issued in lieu of dividends on the reporting person's Units not previously reported.
- The options exercised were included in options granted on May 15, 2001 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 15, 2011 with an exercise price of \$44.35.
- The options exercised were included in options granted on May 14, 2002 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 May 14, 2012 with an exercise price of \$46.36.
- The options exercised were granted on May 21, 2003 under the Issuer's Stock Option and Incentive Plan.

**Remarks:**

By Edward M. Schulman under  
Power of Attorney dated January 01/30/2006  
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.