FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| OMB APPRO |
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| OMB Number: | 3235-0287 |
|--------------------------|-----------|
| Estimated average burden | |
| hours per response: | 0.5 |

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

| | | | or ecotion co(n) or the investment company riot or 1040 | | | | | | |
|--|---------|----------|--|---|---------------------------------|----------------------|--|--|--|
| 1. Name and Address of Reporting Person* | | | 2. Issuer Name and Ticker or Trading Symbol AVALONBAY COMMUNITIES INC [AVB] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | | | |
| WILLIAMS AMY P | | | | X | Director | 10% Owner | | | |
| | | | | | Officer (give title | Other (specify | | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) | | below) | below) | | | |
| C/O AVALONBAY COMMUNITIES, INC. | | | 08/16/2006 | | | | | | |
| 2900 EISENHOWER AVE., SUITE 300 | | | | | | | | | |
| (Street) | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Indiv | dual or Joint/Group Filing (Che | eck Applicable Line) | | | |
| ALEXANDRIA | VA | 22314 | | X | Form filed by One Reporting | Person | | | |
| ALLXANDRIA | VA | | | | Form filed by More than One | e 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) | Transaction Code (Instr. | | 4. Securities Ac Disposed Of (D | | | Securities | Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--|---|--------------------------|---|------------------------------------|---------------|----------|------------------|---|---|
| | | | Code | v | Amount | (A) or (D) | Price | (Instr. 3 and 4) | | (11311.4) |
| Common Stock, par value \$.01 per share | 08/16/2006 | | S | | 1,000 | D | \$114.45 | 6,643(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) | | Expiration Date | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | Derivative | derivative Securities Beneficially Owned Following Reported | 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 | Amount or Number of Shares | | Transaction(s) (Instr. 4) |

Explanation of Responses:

Remarks:

By Edward M. Schulman under Power of Attorney dated May 20, 08/16/2006 2003

** 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.

^{1.} The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.