SEC Form 5

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FORM 5

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

Washington, D.C. 20549

OMB APPROVAL OMB Number: 3235-0362

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Form 3 Holdings Reported.

Form 4 Transactions Reported.

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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* NAUGHTON TIMOTHY J			2. Issuer Name and Ticker or Trading Symbol AVALONBAY COMMUNITIES INC [AVB]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)				
<u>NAUGHION</u>	<u>IIMOTHY J</u>		[]	X	Director	10% Owner		
(Last)	(First)	(Middle)		X	Officer (give title below)	Other (specify below)		
C/O AVALONBAY COMMUNITIES, INC. 2900 EISENHOWER AVE., SUITE 300		INC.	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 12/31/2006	President				
(Street) ALEXANDRIA	VA	22314	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Indivi X	idual or Joint/Group Filing (Che Form filed by One Reporting Form filed by More than On	g 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)	Code (Instr.	4. Securities Acquir (Instr. 3, 4 and 5)	red (A) or E	Disposed Of (D)	5. Amount of Securities Beneficially Owned	6. Ownership Form: Direct (D) or Indirect	7. Nature of Indirect Beneficial
			Amount	(A) or (D)	Price	at end of Issuer's Fiscal Year (Instr. 3 and 4)		Ownership (Instr. 4)
Common Stock, par value \$.01 per share	12/27/2006	G	250	D	\$0.00 ⁽¹⁾	81,932.516 ⁽²⁾	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)			Expiration Date		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	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	- Reported Transaction(s) (Instr. 4)	Transaction(s)		

Explanation of Responses:

1. Reflects gift of 250 shares.

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

Remarks:

By Edward M. Schulman under Power of Attorney dated as of

02/06/2007

January 1, 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.