

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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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>SCHULMAN EDWARD M</u>  (Last) (First) (Middle) <u>C/O AVALONBAY COMMUNITIES, INC.</u> <u>2900 EISENHOWER AVE., SUITE 300</u>  (Street) <u>ALEXANDRIA VA 22314</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>AVALONBAY COMMUNITIES INC [ AVB ]</u>  3. Date of Earliest Transaction (Month/Day/Year) <u>02/20/2007</u>  4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner X Officer (give title below) Other (specify below) <u>SVP-General Counsel</u>  6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person
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**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	02/20/2007		M		9,102	A	\$99.15	20,487.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		1,500	D	\$146.36	18,987.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		200	D	\$146.44	18,787.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		400	D	\$146.48	18,387.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		200	D	\$146.5	18,187.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		100	D	\$146.51	18,087.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		800	D	\$146.52	17,287.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		800	D	\$146.53	16,487.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		1,600	D	\$146.55	14,887.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		600	D	\$146.56	14,287.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		700	D	\$146.57	13,587.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		700	D	\$146.58	12,887.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		500	D	\$146.6	12,387.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		100	D	\$146.61	12,287.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		200	D	\$146.62	12,087.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		200	D	\$146.63	11,887.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		300	D	\$146.65	11,587.253 <sup>(1)</sup>	D	
Common Stock, par value \$.01 per share	02/20/2007		S		202	D	\$146.66	11,385.253 <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	Amount or Number of Shares				
Employee Stock Options (Right to Buy)	\$99.15	02/20/2007		M			9,102	02/09/2007 <sup>(2)</sup>	02/09/2016	Common Stock	9,102	\$0.00 <sup>(2)</sup>	35,093 <sup>(3)</sup>	D	

**Explanation of Responses:**

1. The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.
2. The options exercised were included in options granted on February 9, 2006, which became exercisable in three equal annual installments beginning on February 9, 2007.
3. The number of derivative securities beneficially owned following the reported transaction includes options granted in prior periods with varying exercise prices and vesting dates. Following the reported transaction the reporting person holds 18,205 more options that expire on February 9, 2016 with an exercise price of \$99.15.

**Remarks:**

/s/ Edward M. Schulman

02/22/2007

\*\* 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.

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