

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>SARGEANT THOMAS J</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>08/11/2008</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> EVPand CFO</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 |
|---|--|---|

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 | 08/11/2008 | | M | | 15,000 | A | \$69.95 | 140,189.2257 ⁽¹⁾ | D | |
| Common Stock, par value \$.01 per share | 08/11/2008 | | M | | 3,750 | A | \$50.6 | 143,939.2257 ⁽¹⁾ | D | |
| Common Stock, par value \$.01 per share | 08/11/2008 | | S | | 18,750 | D | \$106.95 ⁽²⁾ | 125,189.2257 ⁽¹⁾ | D | |
| Common Stock, par value \$.01 per share | | | | | | | | 1,352 ⁽³⁾ | I | Owned by spouse |

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) | \$50.6 | 08/11/2008 | | M | | | 3,750 | 02/12/2005 ⁽⁴⁾ | 02/12/2014 | Common Stock | 3,750 | \$0.00 ⁽⁴⁾ | 0 ⁽⁵⁾ | D | |
| Employee Stock Options (Right to Buy) | \$69.95 | 08/11/2008 | | M | | | 15,000 | 02/11/2006 ⁽⁶⁾ | 02/11/2015 | Common Stock | 15,000 | \$0.00 ⁽⁶⁾ | 43,908 ⁽⁷⁾ | D | |

Explanation of Responses:

- The amount of securities owned following the reported transaction reflects direct ownership of all shares of common stock, including restricted shares.
- The price represents the weighted average price of the shares sold. The shares were sold within a range of \$106.47 to \$107.39. The reporting person will provide, upon request by the SEC staff, the issuer, or any security holder of the issuer, full information regarding the number of shares sold at each separate price.
- No transaction is reported. The amount of securities owned indirectly following the reported transaction is included for information purposes only.
- The options exercised were included in options granted on February 12, 2004 which became exercisable in three equal annual installments beginning on February 12, 2005.
- Following the reported transaction, the reporting person holds a total of 219,806 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.
- The options exercised were included in options granted on February 11, 2005 which became exercisable in three equal annual installments beginning on February 11, 2006.
- Following the reported transaction, the reporting person holds a total of 204,806 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.

Remarks:

Edward M. Schulman, as attorney-in-fact under Power of Attorney dated January 1, 2000 08/13/2008

** 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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