

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>HOrey Leo S III</u> (Last) (First) (Middle) <u>C/O AVALONBAY COMMUNITIES, INC.</u> <u>BALLSTON TOWER, 671 N. GLEBE ROAD</u> (Street) <u>ARLINGTON VA 22203</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>02/25/2011</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>Executive Vice President</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	02/25/2011		M		2,036	A	\$49.09	65,880.7705 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	02/25/2011		M		11,472	A	\$67.86	77,352.7705 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	02/25/2011		F		1,691	D	\$118.11	75,661.7705 ⁽¹⁾	D	
Common Stock, par value \$.01 per share	02/25/2011		S		15,000	D	\$117.3333 ⁽²⁾	60,661.7705 ⁽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)		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)	\$49.09	02/25/2011		M			2,036	02/12/2005 ⁽³⁾	02/12/2014	Common Stock	2,036	\$0.00 ⁽³⁾	0 ⁽⁴⁾	D	
Employee Stock Options (Right to Buy)	\$67.86	02/25/2011		M			11,472	02/11/2006 ⁽⁵⁾	02/11/2015	Common Stock	11,472	\$0.00 ⁽⁵⁾	6,232 ⁽⁶⁾	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.
- This transaction was executed in multiple trades at prices ranging from \$117.00 to \$117.50. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.
- The options exercised were included in options granted under the issuer's stock option and incentive plan on February 12, 2004, which became exercisable in three equal annual installments beginning on February 12, 2005.
- Following the reported transaction, the reporting person held a total of 130,895 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 under the issuer's stock option and incentive plan on February 11, 2005, which become exercisable in three annual installments beginning on February 11, 2006.
- Following the reported transaction, the reporting person holds a total of 119,423 options to purchase the issuer's common stock granted on various dates and with varying exercise prices and vesting dates.

Remarks:

Catherine T. White, as attorney-in-
fact under Power of Attorney dated 03/01/2011
February 23, 2009

** 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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