AVALONBAY COMMUNITIES INC
Form 4
May 25, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Dunn Lili F

(Last) (First) (Middle)

2900 EISENHOWER AVE., SUITE 300

(Street)

ALEXANDRIA, VA 22314

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
AVALONBAY COMMUNITIES INC [AVB]

3. Date of Earliest Transaction (Month/Day/Year)
05/24/2005

4. If Amendment, Date 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)
Senior Vice President

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	05/24/2005		M		3,805	A	$ 38.15	30,212.259 (1)	D	
Common Stock, par value $.01 per share	05/24/2005		M		10,082	A	$ 36.3125	40,294.259 (1)	D	
Common Stock, par value $.01	05/24/2005		S		13,887	D	$ 75.54	26,407.259 (1)	D	

per share								
Common Stock, par value $.01 per share	05/24/2005		M	5,000	A	$ 38.15	31,407.259 (1)	D
Common Stock, par value $.01 per share	05/24/2005		F	2,523	D	$ 75.59	28,884.259 (1)	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 Underlying Securiti (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Employee Stock Options (Right to Buy)	$ 38.15	05/24/2005		M			8,805	10/29/1998(2)	10/29/2007	Common Stock	8,80
Employee Stock Options (Right to Buy)	$ 36.3125	05/24/2005		M			10,082	06/05/1999(4)	06/05/2008	Common Stock	10,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dunn Lili F 2900 EISENHOWER AVE., SUITE 300			Senior Vice President	

ALEXANDRIA, VA 22314

Signatures

By Edward M. Schulman, as attorney in fact under Power of Attorney dated March 1, 2005	05/25/2005
**Signature of Reporting Person	Date

Explanation of Responses:

***** 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).

(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 October 29, 1997 which became exercisable in three equal annual installments beginning on October 29, 1998.

(3) The amount of securities owned following the reported transaction includes options granted on various dates with varying exercise prices and vesting dates. After the exercise described above, the reporting person has 2,403 remaining options that expire on October 29, 2007 with an exercise price of $38.15.

(4) The options exercised were included in options granted on June 5, 1998, which became exercisable in three equal annual installments beginning on June 5, 1999.

(5) 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 4,918 more options that expire on June 5, 2008 with an exercise price of $36.3125.

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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