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**For Immediate Release**

**AVALONBAY COMMUNITIES ANNOUNCES  
 2009 DIVIDEND INCOME TAX TREATMENT**

ALEXANDRIA, VA (January 18, 2010) – AvalonBay Communities, Inc. (“AvalonBay” or the “Company”) (NYSE: AVB) announced today the final income allocations of the Company’s 2009 dividend distributions on its Common Stock. The final income allocations as they will be reported on Form 1099-DIV are set forth in the following table:

**Common Shares (CUSIP #053484101)**

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share</u>	<u>Taxable Ordinary Income (1)</u>	<u>Return of Capital</u>	<u>Capital Gain</u>	<u>Unrecap. Section 1250 Gain</u>
03/16/09	04/01/09	04/15/09	\$0.89250	\$0.61583	\$0.00000	\$0.18743	\$0.08925
06/15/09	06/30/09	07/15/09	0.89250	0.61583	0.00000	0.18743	0.08925
09/14/09	09/28/09	10/15/09	0.89250	0.61583	0.00000	0.18743	0.08925
12/15/09	12/31/09	01/15/10	0.89250	0.61583	0.00000	0.18743	0.08925
Totals			\$3.57000	\$2.46330	\$0.00000	\$0.74970	\$0.35700
			100%	69%	0%	21%	10%

Components may not sum to the totals due to rounding differences. Additionally, the Company did not incur any foreign taxes, and the information above presents final income allocations.

(1) None of the dividends classified as taxable ordinary income represents “qualified dividend income” and, therefore, are not eligible for capital gains rates.

**About AvalonBay Communities, Inc.**

As of December 31, 2009, the Company owned or held a direct or indirect ownership interest in 172 apartment communities containing 50,364 apartment homes in ten states and the District of Columbia, of which seven communities were under construction and seven communities were under reconstruction. AvalonBay is in the business of developing, redeveloping, acquiring, and managing apartment communities in high barrier-to-entry markets of the United States. More information on AvalonBay, an S&P 500 company, may be found on the Company’s Web site at <http://www.avalonbay.com>.