

AVALONBAY COMMUNITIES INC

Form 424B5

September 17, 2013

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-179720

CALCULATION OF REGISTRATION FEE

Title of Securities Being Registered	Maximum Aggregate Offering Price	Amount of Registration Fee
3.625% Notes due 2020	\$400,000,000	\$54,560(1)

(1)

The registration fee of \$54,560 is calculated in accordance with Rules 457(o) and 457(r) under the Securities Act of 1933, as amended (the "Securities Act"). In accordance with Rules 456(b) and 457(r) under the Securities Act, the registrant initially deferred payment of all of the registration fee for Registration Statement No. 333-179720 filed by the registrant on February 27, 2012.

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Pricing Supplement No. 16 dated September 16, 2013
(To Prospectus dated February 27, 2012 and
Prospectus Supplement dated September 6, 2012)

Medium-Term Notes Fixed Rate

3.625% Notes due 2020

Principal Amount: \$400,000,000

Net Proceeds to Issuer: \$396,412,000

Stated Maturity Date: October 1, 2020

Original Issue Date: September 20, 2013

Interest Payment Dates: April 1 and October 1

Redemption:

Issue Price (Public Offering Price): 99.728%

Agents' Discount Commission: 0.625%

Interest Rate: 3.625%

CUSIP: 05348E AS8

First Interest Payment Date: April 1, 2014

The Notes cannot be redeemed prior to the Stated Maturity Date at the option of the issuer.

The Notes may be redeemed prior to the Stated Maturity Date at the option of the issuer.

Initial Redemption Date: See Additional/Other Terms of the Notes.

Initial Redemption Percentage/Redemption Price: See Additional/Other Terms of the Notes.

Annual Redemption Percentage Reduction: N/A

Optional Repayment:

The Notes cannot be required to be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.

The Notes can be repaid prior to the Stated Maturity Date at the option of the Holder of the Notes.

Optional Repayment Dates:

Repayment Price: %

Currency:

Specified Currency: U.S. Dollars (If other than U.S. Dollars, see attached)

Minimum Denominations:

(Applicable only if Specified Currency is other than U.S. Dollars)

Original Issue Discount ("OID"): Yes No

Total Amount of OID:

Yield to Maturity:

Initial Accrual Period:

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Form: Book-Entry Certificated

Agent: Goldman, Sachs & Co.
 UBS Securities LLC

J.P. Morgan Securities LLC
 Other (names):
Deutsche Bank Securities Inc.
Morgan Stanley & Co. LLC
BB&T Capital Markets, a division of
BB&T Securities, LLC
BBVA Securities Inc.
Mitsubishi UFJ Securities (USA), Inc.

Agent acting in the capacity as indicated below:

Agent Principal
If as Principal:

- The Notes are being offered at varying prices related to prevailing market prices at the time of resale.
- The Notes are being offered at a fixed initial public offering price of 99.728% of principal amount.

If as Agent:

The Notes are being offered at a fixed initial public offering price of % of Principal Amount.

Exchange Rate Agent: N/A

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Additional/Other Terms of the Notes

Other Terms:

Reopening of Issue. We may, from time to time and without the consent of the noteholders, reopen an issue of notes and issue additional notes having the same terms and conditions (including maturity, interest payment terms and CUSIP number) as notes issued on an earlier date, except for the issue date, issue price and, if applicable, the first payment of interest. After such additional notes are issued, they will be fungible with the notes issued on such earlier date.

Optional Redemption. The Notes may be redeemed at any time at the option of AvalonBay, in whole or in part, upon notice of not more than 60 and not less than 30 days prior to the Redemption Date, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued interest thereon to the Redemption Date and (ii) the Make-Whole Amount, if any, with respect to such Notes. If the Notes are redeemed on or after 90 days prior to the Maturity Date, the Redemption Price will equal 100% of the principal amount of the Notes being redeemed plus accrued interest thereon to the Redemption Date.

Acceleration of Maturity; Make-Whole Amount. If an Event of Default with respect to the Notes that are then outstanding occurs and is continuing, and pursuant to Section 2.7 of the Amended and Restated Third Supplemental Indenture dated as of July 10, 2000 (the "Third Supplemental Indenture"), the Trustee or the Holders of not less than 25% in principal amount of the then outstanding Notes of this series shall have declared the principal amount (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms hereof) of all the Notes of this series to be due and payable immediately, by a notice in writing to AvalonBay (and to the Trustee if given by the Holders), then upon any such declaration such principal, or specified portion thereof, plus accrued interest to the date the Notes of this series are paid, plus the Make-Whole Amount on the Notes, shall become immediately due and payable. With respect to the Notes of this series, if an Event of Default set forth in Section 501(6) of the Indenture, dated as of January 16, 1998, between AvalonBay and the Trustee (the "Indenture") occurs and is continuing, such that pursuant to Section 2.7 of the Third Supplemental Indenture all the Notes of this series are immediately due and payable, without notice to AvalonBay, at the principal amount thereof (or, if the Notes of this series are Original Issue Discount Securities or Indexed Securities, such portion of the principal as may be specified in the terms of the Notes), plus accrued interest to the date the Notes are paid, then the Make-Whole Amount on the Notes shall also be immediately due and payable.

Definitions. Terms used but not defined herein shall have the meanings set forth in the Indenture and the Third Supplemental Indenture. The following terms shall have the following meanings:

"Make-Whole Amount" means, in connection with any optional redemption or accelerated payment of any Note, the excess, if any, of (i) the aggregate present value as of the date of such redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest (exclusive of interest accrued to the date of redemption or accelerated payment) that would have been payable in respect of such dollar if such redemption or accelerated payment had not been made, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of Redemption is given or declaration of acceleration is made) from the respective dates on which such principal and interest would have been payable if such redemption or accelerated payment had not been made, over (ii) the aggregate principal amount of the Notes being redeemed or paid.

"Reinvestment Rate" means twenty-five (25) basis points plus the arithmetic mean of the yields under the respective headings "This Week" and "Last Week" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month)

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corresponding to the remaining life to maturity, as of the payment date of the principal being redeemed or paid. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For such purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Statistical Release" means the statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination of the Make-Whole Amount, then such other reasonably comparable index which shall be designated by AvalonBay.

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Risk Factors

In addition to the other information contained in this pricing supplement and the accompanying prospectus supplement and prospectus, you should carefully consider the risks described in the accompanying prospectus supplement and prospectus under the heading "Risk Factors" and any additional information and risk factors described in the documents incorporated by reference in the accompanying prospectus supplement and prospectus, including (i) our Annual Report on Form 10-K, (ii) our Quarterly Reports on Form 10-Q and (iii) any other documents we file with the SEC after the date of the prospectus that are deemed incorporated by reference in the prospectus before making a decision to invest in the Notes. These risks are not the only risks we face. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. These risks could adversely affect, among other things, our business, financial condition, results of operations or cash flows, and could cause the trading price of the Notes to decline, resulting in the loss of all or part of your investment.

Forward-Looking Statements

This pricing supplement and the accompanying prospectus supplement and prospectus and any related free writing prospectus, including the information incorporated by reference, contain statements that are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "project," "plan," "may," "shall," "will," "outlook" and other similar expressions that predict or indicate future events and trends and which do not relate to historical matters. We cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect our current expectations of the approximate outcomes of the matters discussed. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. In addition, these forward-looking statements represent our estimates and assumptions only as of the date of this pricing supplement. We do not undertake to update these forward-looking statements and, therefore, they may not represent our estimates and assumptions after the date of this pricing supplement. These risks, uncertainties and other factors, which are described below and under the headings "Risk Factors" and "Forward-Looking Statements" in the accompanying prospectus supplement and prospectus and in the documents incorporated by reference, may cause our actual results, performance or achievements to differ materially, and potentially in adverse ways, from the anticipated future results, performance or achievements expressed or implied by these forward-looking statements.

Some of the factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following:

we may fail to secure development opportunities due to an inability to reach agreements with third-parties to obtain land at attractive prices or to obtain desired zoning and other local approvals;

we may abandon or defer development opportunities for a number of reasons, including changes in local market conditions which may make development less desirable, increases in costs of development, increases in the cost of capital or lack of capital availability, resulting in losses;

construction costs of a community may exceed our original estimates;

we may not complete construction and lease-up of communities under development or redevelopment on schedule, resulting in increased interest costs and construction costs and a decrease in our expected rental revenues;

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occupancy rates and market rents may be adversely affected by competition and local economic and market conditions which are beyond our control;

financing may not be available on favorable terms or at all, and our cash flows from operations and access to cost effective capital may be insufficient for the development of our pipeline which could limit our pursuit of opportunities;

our cash flows may be insufficient to meet required payments of principal and interest, and we may be unable to refinance existing indebtedness or the terms of such refinancing may not be as favorable as the terms of existing indebtedness;

we may be unsuccessful in our management of investment funds and joint ventures, or any REIT vehicles that are used with any specific fund or joint venture, described in greater detail in our reports filed with the SEC that are incorporated by reference into this prospectus supplement; and

we may be unsuccessful in managing changes in our portfolio composition, including operating outside of our core markets as a result of the Archstone Portfolio Acquisition (as defined in the accompanying prospectus).

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Use of Proceeds

We will use the net proceeds, after estimated issuance costs, of approximately \$396,212,000 from the sale of the Notes to reduce indebtedness outstanding under our \$1,300,000,000 unsecured revolving credit facility and for general corporate purposes, which may include the acquisition, development and redevelopment of apartment communities and repayment and refinancing of other indebtedness. Pending such uses, we may invest the net proceeds from the sale of the Notes in short term, interest bearing, investment grade securities. Borrowings under our unsecured revolving credit facility were used to fund the acquisition, development and redevelopment of apartment communities and for general working capital purposes.

As of August 31, 2013, we had borrowings of approximately \$285,000,000 outstanding under our unsecured revolving credit facility, as well as approximately an additional \$70,184,560 used to provide letters of credit, resulting in approximately \$944,815,440 available for borrowing under the unsecured revolving credit facility. At August 31, 2013, the outstanding tranches we had borrowed under our unsecured revolving credit facility had a weighted average interest rate of 2.31% per annum. As of the date of this pricing supplement, the weighted average maturity date of the outstanding tranches is approximately three hundred and ninety-three (393) days, but the maturity of all tranches may be extended, by subsequent rollovers of each tranche, until April 2018, which is the final maturity date of our unsecured revolving credit facility if we exercise our option to extend the maturity for up to one year through the exercise of two, six month extension options for extension fees of \$1,950,000 for each extension. Available amounts under our unsecured revolving credit facility may also be used to provide additional letters of credit.

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Each of the Agents has severally agreed to purchase from AvalonBay, and AvalonBay has agreed to sell to the Agents, the principal amount of Notes set forth opposite the Agent's name below:

Agent	Principal Amount
Deutsche Bank Securities Inc.	\$ 114,000,000
Morgan Stanley & Co. LLC	114,000,000
UBS Securities LLC	92,080,000
BB&T Capital Markets, a division of BB&T Securities, LLC	26,640,000
BBVA Securities Inc.	26,640,000
Mitsubishi UFJ Securities (USA), Inc.	26,640,000
	\$ 400,000,000

Each of the Agents will receive a discount commission for the Notes to be sold by them as set forth above. The Agents propose to offer the Notes initially at the public offering price set forth above and to certain dealers at that price less a concession not in excess of .375% of the principal amount of the Notes. The Agents may allow, and the dealers may reallow, a discount not in excess of .25% of the principal amount of the Notes on sales to certain other dealers. After this offering of the Notes, the Agents may vary the public offering price and other selling terms from time to time.

It is expected that delivery of the Notes will be made against payment therefor on or about September 20, 2013, the fourth business day following the date hereof. Trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this pricing supplement or on the following three business days will be required, by virtue of the fact that the Notes will settle in T+4, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

As described in the accompanying prospectus supplement, in the ordinary course of business, each of the Agents and/or their affiliates have engaged, or may in the future engage, in commercial banking or investment banking transactions with us and our affiliates for which they have received, and will in the future receive, customary compensation. In addition, the Agents and their affiliates have provided, and may in the future provide, construction loans, letter of credit facilities and other credit-related arrangements to us.

Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, The Bank of New York Mellon, an affiliate of BNY Mellon Capital Markets, LLC, Barclays Bank PLC, an affiliate of Barclays Capital Inc., Deutsche Bank Trust Company Americas, an affiliate of Deutsche Bank Securities Inc., JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, Morgan Stanley Bank, N.A., an affiliate of Morgan Stanley & Co. LLC, PNC Bank, National Association, an affiliate of PNC Capital Markets LLC, SunTrust Bank, an affiliate of SunTrust Robinson Humphrey, Inc., UBS Loan Finance LLC, an affiliate of UBS Securities LLC, and Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC, each hold a commitment under our \$1,300,000,000 unsecured revolving credit facility. Additionally, Bank of America, N.A. acts as Administrative Agent, Swing Lender, Issuing Bank and a Bank, JPMorgan Chase Bank, N.A. acts as Syndication Agent and a Bank, Morgan Stanley Bank, N.A., Deutsche Bank Trust Company Americas and Wells Fargo Bank, N.A. each act as a Bank and a Documentation Agent, Barclays Bank PLC acts as a Bank and a Co-Documentation Agent, UBS Securities LLC acts as a Co-Documentation Agent, The Bank of New York Mellon, PNC Bank, National Association, and SunTrust Bank act as a Bank and a Managing Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated act as Joint Bookrunners and Joint Lead Arrangers under this credit facility. Certain

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affiliates of each of the Agents are lenders under this credit facility. To the extent that we use the net proceeds from the sale of the Notes to reduce indebtedness outstanding under this credit facility, affiliates of the Agents will receive their pro rata portion of such payments.

Wells Fargo Securities, LLC, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Deutsche Bank Securities Inc. are sales agents under our sales agency financing agreements, pursuant to which we can issue and sell up to \$750,000,000 of our common stock from time to time through them. As of August 31, 2013, our net proceeds from the issuance of our common stock under these sales agency financing agreements was \$102.2 million.

In addition, the Agents and their affiliates have provided, and may in the future provide, construction loans, letter of credit facilities and other credit-related arrangements to us. The Agents and their affiliates have participated in, and may in the future participate in, debt offerings for us. The Agents and their affiliates have provided, or may in the future provide, various investment banking, commercial banking, financial advisory, brokerage and other services to us and our affiliates for which services they have received, and may in the future receive, customary fees. In the ordinary course of their various business activities, the Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of us. Certain of the Agents and/or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

For additional information concerning the offering and sale of the Notes, see "Supplemental Plan of Distribution" in the accompanying prospectus supplement and "Plan of Distribution" in the accompanying prospectus.

United States Federal Income Tax Considerations

The following is a summary of the material United States federal income tax considerations of the purchase, ownership and disposition of the Notes, and it may not contain all the information that may be important to you. It deals only with Notes held as capital assets (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or the Code) and does not purport to deal with persons subject to special tax treatment under the Code, such as financial institutions, insurance companies, tax-exempt organizations, regulated investment companies, real estate investment trusts, dealers in securities or currencies, persons that mark their securities to market for United States federal income tax purposes, pass-through entities or investors in such entities, persons holding Notes as part of a hedge, conversion, straddle, or constructive sale transaction for United States federal income tax purposes, persons subject to the alternative minimum tax, persons whose "functional currency," as defined in Section 985 of the Code, is not the United States dollar, "controlled foreign corporations," "passive foreign investment companies," persons eligible for benefits under income tax treaties to which the United States is a party, and certain U.S. expatriates. It also does not deal with holders other than those who purchase the Notes on original issuance at the initial offering price (the first price at which a substantial portion of the Notes is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), except where otherwise specifically noted, and does not address state, local, non-U.S. or

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United States tax considerations other than income taxation. Persons considering the purchase of the Notes should consult their own tax advisors concerning the application of United States federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction. This discussion does not address the federal income tax considerations associated with any debt instrument we may offer other than the Notes covered by this pricing supplement.

As used in this pricing supplement, the term "U.S. Holder" means a beneficial owner of a Note that is for United States federal income tax purposes:

- (1) a citizen or resident, as defined in Code Section 7701(b), of the United States;
- (2) a corporation or other entity treated as a corporation for United States federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;
- (3) an estate the income of which is subject to United States federal income tax regardless of its source; or
- (4) a trust (i) if a court within the United States is able to exercise primary supervision over the trust's administration and one or more United States persons have the authority to control all substantive decisions of the trust or (ii) that has a valid election in effect under the applicable Treasury Regulations to be treated as a United States person under the Code.

As used in this pricing supplement, the term "non-U.S. Holder" means a beneficial owner of a Note that is a foreign corporation or a nonresident alien individual for United States federal income tax purposes.

If a partnership (including any entity treated as a partnership for United States federal income tax purposes) holds the Notes, the United States federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership acquiring Notes, you should consult your tax advisors.

The information in this summary is based upon the current Code, applicable Treasury Regulations, the legislative history of the Code, the current administrative interpretations and practices of the Internal Revenue Service, including practices endorsed in private letter rulings, which are not binding on the Internal Revenue Service except in the case of the taxpayer to whom a private letter ruling is addressed, and existing court decisions. Those authorities may be changed, possibly retroactively, or may be subject to differing interpretations, so as to result in United States federal income tax consequences different from those summarized below. Thus, it is possible that the Internal Revenue Service could challenge the statements in this discussion, which do not bind the Internal Revenue Service or the courts, and that a court could agree with the Internal Revenue Service.

You are urged both to review the following discussion and to consult with your own tax advisor to determine the effect of purchase, ownership and disposition of the Notes on your individual tax situation, including any state, local or non-U.S. tax consequences.

U.S. Holders

Payments of interest. Stated interest on a Note will be includable in income of a U.S. Holder as ordinary interest income at the time such interest is received or accrued, in accordance with the U.S. Holder's regular method of tax accounting.

Original issue discount. If the issue price of a debt security is less than its stated redemption price at maturity, then the debt security will be treated as being issued with original issue discount ("OID") for U.S. federal income tax purposes unless the difference between the debt security's issue price and

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its stated redemption price at maturity is less than the statutory *de minimis* amount. The amount of OID on a debt security, which is equal to the difference, must be included in income as ordinary interest as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. Generally, the "issue price" of a debt security is the first price at which a substantial amount of the debt securities is sold to purchasers other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The "stated redemption price at maturity" of a debt security is the total of all payments to be made under the debt security, other than "qualified stated interest," and, generally, is expected to equal the principal amount of the debt security. "Qualified stated interest" generally is stated interest that is unconditionally payable in cash or property at least annually at a single fixed rate or at certain floating rates that properly take into account the length of the interval between stated interest payments. The amount of OID on the debt security will be *de minimis* if it is less than 0.0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity.

The amount of OID for the Notes will be *de minimis* under the above rules, and thus the Notes will not be treated as having OID for U.S. federal income tax purposes.

U.S. Holders may, upon election, include in income all interest, including stated interest, *de minimis* original issue discount, market discount, and *de minimis* market discount, as adjusted by any amortizable bond premium or acquisition premium, that accrues on a Note by using the constant yield method applicable to original issue discount, subject to limitations and exceptions.

Disposition of a Note. Except as discussed above, upon the sale, exchange, redemption, repurchase, or other taxable disposition of a Note, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized (less an amount equal to any accrued but unpaid interest, which will be taxable as such) on the sale, exchange, redemption, repurchase, retirement or other taxable disposition and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal the amount the U.S. Holder paid for the Note, decreased by the amount of any payments received, other than stated interest payments. Such gain or loss on the sale, exchange, redemption, repurchase, or other taxable disposition of a Note generally will be long-term capital gain or loss if the Note were held for more than one year. Non-corporate taxpayers are generally subject to reduced rates of United States federal income taxation on net long-term capital gains. The deductibility of capital losses is generally subject to limitations.

Non-U.S. Holders

The rules governing the United States federal income taxation of a non-U.S. Holder are complex and no attempt will be made herein to provide more than a summary of such rules. Non-U.S. Holders should consult their tax advisors to determine the effect of United States federal, state, local and foreign tax laws, as well as tax treaties, with regard to an investment in the Notes.

Payments of principal and interest on a Note beneficially owned by a non-U.S. Holder generally will not be subject to United States federal withholding tax, subject to the discussion below regarding FATCA withholding; provided, in the case of interest, each of the following conditions is met:

- (1) the non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- (2) the non-U.S. Holder is not a controlled foreign corporation that is related, directly or indirectly, to us; and
- (3) the non-U.S. Holder is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code.

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In order for a Non-U.S. Holder to qualify for the above exemption from taxation on interest (including OID), the "withholding agent" (generally, the last U.S. payor or a non-U.S. payor who is a qualified intermediary or withholding foreign partnership) must have received a statement (generally made on IRS Form W-8BEN) from the Non-U.S. Holder that: (i) is signed under penalties of perjury by the beneficial owner of the debt security, (ii) certifies that such owner is not a "United States person" within the meaning of the Code and (iii) provides the beneficial owner's name and address. Certain securities clearing organizations and other entities that are not beneficial owners may provide a signed statement accompanied by a copy of the beneficial owner's IRS Form W-8BEN to the withholding agent. An IRS Form W-8BEN is generally effective for the remainder of the year of signature plus three full calendar years unless a change in circumstances renders any information on the form incorrect. The beneficial owner must inform the withholding agent within 30 days of such change and furnish a new IRS Form W-8BEN.

A non-U.S. Holder will not be subject to United States federal income and withholding taxes on any gain realized on the sale, exchange or other disposition of a Note, subject to the discussion below regarding FATCA withholding, unless the gain is effectively connected with a trade or business conducted by such non-U.S. Holder in the United States or, in the case of an individual, such non-U.S. Holder is present in the United States for 183 days or more in the taxable year in which the sale, exchange or other disposition occurs and certain other conditions are met.

If a non-U.S. Holder engages in a trade or business in the United States, and if interest on the note (or gain realized on its sale, exchange or other disposition) is effectively connected with the conduct by such non-U.S. Holder of such trade or business (and where an applicable income tax treaty so provides, is attributable to a U.S. permanent establishment), the non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraphs, will generally be subject to regular United States income tax on that interest (or gain) on a net basis in the same manner as if such non-U.S. Holder were a U.S. Holder. In addition, if a non-U.S. Holder is classified as a corporation for United States federal income tax purposes, such non-U.S. Holder may also be subject to a branch profits tax at a 30% rate (unless reduced or eliminated by an applicable income tax treaty) on the non-U.S. Holder's effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on, and any gain recognized on the sale, exchange or other disposition of, a Note will be included in the non-U.S. Holder's effectively connected earnings and profits if such interest or gain, as the case may be, is effectively connected with the conduct by the non-U.S. Holder of a trade or business in the United States.

The Foreign Account Tax Compliance Act, or FATCA, provisions of the Code, enacted in 2010, impose a 30% withholding tax on certain types of payments to (i) foreign financial institutions that do not agree to comply with certain diligence, reporting and withholding obligations with respect to their U.S. accounts and (ii) non-financial foreign entities that do not identify (or confirm the absence of) substantial U.S. owners. For these purposes, a foreign financial institution generally is defined as any non-U.S. entity that (i) accepts deposits in the ordinary course of a banking or similar business, (ii) is engaged in the business of holding financial assets for the account of others, or (iii) is engaged or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities, partnership interests, commodities, or any interest in such assets. Under current Internal Revenue Service guidance, withholding under this legislation on withholdable payments to foreign financial institutions and non-financial foreign entities is expected to apply after December 31, 2016 with respect to gross proceeds of a disposition of property that can produce U.S. source interest or dividends and after June 30, 2014 with respect to other withholdable payments.

A withholdable payment generally includes any payment of interest from sources within the U.S. and gross proceeds from the sale or disposition of a debt instrument that would produce interest from sources within the U.S. However, under current Internal Revenue Service guidance, FATCA would not apply to interest payments from, and/or gross proceeds from a sale of, an obligation outstanding on

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July 1, 2014. An obligation that constitutes indebtedness for U.S. tax purposes is outstanding on July 1, 2014, if it has an issue date before July 1, 2014. Any material modification of an outstanding obligation would result in the obligation being treated as newly issued or executed as of the effective date of such modification. Prospective investors should consult their tax advisors regarding all aspects of this legislation.

Medicare Tax on Unearned Income

For taxable years beginning after December 31, 2012, a U.S. stockholder that is an individual is subject to a 3.8% tax on the lesser of (1) his or her "net investment income" for the relevant taxable year or (2) the excess of his or her modified adjusted gross income for the taxable year over a certain threshold (between \$125,000 and \$250,000 depending on the individual's U.S. federal income tax filing status). A similar regime applies to certain estates and trusts. Net investment income generally would include gross interest income and net gains from the disposition of Notes, unless such interest or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). Prospective investors that are U.S. persons that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of this tax to their income and gains in respect of their investment in the Notes.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments on a Note (including payments of interest and of the proceeds of the sale, exchange, redemption, repurchase or other disposition of a Note) to a U.S. Holder, unless an exception applies. Further, under the backup withholding rules, the payee will be subject to backup withholding tax at the current rate of 28% if:

the payee fails to furnish its taxpayer identification number, or TIN, to the payor or to establish an exemption from backup withholding;

the Internal Revenue Service notifies the payor that the TIN furnished by the payee is incorrect;

in the case of interest, there has been a notified payee under-reporting with respect to interest, dividends, or original issue discount described in Section 3406(c) of the Code; or

in the case of interest, there has been a failure of the payee to certify under the penalty of perjury that the payee is not subject to backup withholding under the Code.

Some U.S. Holders, including corporations, are exempt from backup withholding.

Information reporting requirements and backup withholding generally will not apply to payments on a Note to a non-U.S. Holder if an applicable IRS Form W-8 (such as IRS Form W-8BEN described above) is duly provided by such holder or the holder otherwise establishes an exemption, provided that the withholding agent does not have actual knowledge or reason to know that the holder is a United States person or that the claimed exemption is not in fact satisfied. Information reporting requirements and backup withholding generally will not apply to any payment of the proceeds of the sale of a Note effected outside the United States by a foreign office of a "broker" (as defined in applicable Treasury Regulations). However, this exemption does not apply to brokers that are U.S. persons and certain foreign brokers with substantial U.S. ownership or operations. Any amount withheld from a payment to a holder of a Note under the backup withholding rules is allowable as a credit against such holder's United States federal income tax liability (which might entitle such holder to a refund), provided that such holder furnishes the required information to the Internal Revenue Service on a timely basis.

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Prospectus Supplement
(To Prospectus dated February 27, 2012)

\$500,000,000

Medium-Term Notes
Due nine months or more from date of issue

AvalonBay Communities, Inc.

The Company: AvalonBay Communities, Inc. Our executive offices are located at Ballston Tower, 671 N. Glebe Road, Suite 800, Arlington, Virginia 22203 and our telephone number is (703) 329-6300.

Terms: We plan to offer and sell medium-term notes from time to time, in various amounts. The medium-term notes will have various terms, including the following:

Ranking as senior unsecured indebtedness of AvalonBay

Stated maturities of nine months or more from date of issue

Redemption and/or repayment provisions, if applicable, whether mandatory or at the option of AvalonBay or noteholders

Payments in U.S. dollars or one or more foreign currencies

Minimum denominations of \$1,000 or other specified denominations for foreign currencies

Book-entry, through The Depository Trust Company, or certificated form

Interest at fixed or floating rates, or no interest at all. The floating interest rate may be based on one or more indices plus or minus a spread and/or multiplied by a spread multiplier.

Interest payments on fixed rate notes as specified in a pricing supplement and on the maturity date

Interest payments on floating rate notes on a monthly, quarterly, semiannual or annual basis

We will specify the final terms for each medium-term note, which may be different from the terms described in this prospectus supplement, in the applicable pricing supplement.

Investing in the notes involves risks. See "Risk Factors" beginning on Page S-1.

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Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement, the accompanying prospectus or any pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to public	Agents' discounts and commissions		Proceeds to AvalonBay	
Per Note	100%	0.125%	0.750%	99.875%	99.250%
Total	\$ 500,000,000	\$625,000	\$3,750,000	\$499,375,000	\$496,250,000

We are offering the medium-term notes on a continuous basis to or through the agents listed below acting as agents or principals using their reasonable efforts on our behalf. AvalonBay reserves the right to cancel or modify this offer without notice. AvalonBay or an agent, if the agent solicits the offer on an agency basis, may reject any offer to purchase notes in whole or in part. See "Supplemental Plan of Distribution."

Goldman, Sachs & Co.

J.P. Morgan

UBS Investment Bank

The date of this prospectus supplement is September 6, 2012

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. Neither we nor any agent has authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor any agent is making an offer to sell these medium-term notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate only as of the date on the front cover of the applicable document.

References in this prospectus supplement to "AvalonBay," "the Company," "our company," "we," "us," or "our" or similar expressions in this prospectus supplement refer collectively to AvalonBay Communities, Inc., a Maryland corporation, and its subsidiaries, and their respective predecessor entities for the applicable periods, considered as a single enterprise.

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Risk Factors

Before you invest in the medium-term notes, you should carefully consider the risks described below as well as other information contained in this prospectus supplement, the accompanying prospectus and any pricing supplement and the documents incorporated or deemed incorporated by reference herein or therein.

Notes indexed to interest rates, currencies or other indices or formulas have inherent risks not associated with a conventional debt security.

If you invest in notes indexed to one or more interest rates, currencies or composite currencies or other indices or formulas, you will be subject to significant risks not associated with a conventional fixed rate or floating rate debt security. These risks include fluctuation of the indices or formulas and the possibility that you will receive a lower, or no, amount of principal, premium or interest and at different times than you expected. We have no control over a number of matters, including economic, financial and political events, that are important in determining the existence, magnitude and longevity of these risks and their results. In addition, if an index or formula used to determine any amounts payable in respect of the notes contains a multiplier or leverage factor, the effect of any change in the particular index or formula will be magnified. In recent years, values of these indices and formulas have been volatile and volatility in those and other indices and formulas may be expected in the future.

There may not be any trading market for your notes.

We cannot assure you that a trading market for your notes will be maintained or ever develop. Many factors independent of our creditworthiness may affect the trading market of your notes and the value of the applicable index or indices, or formula or formulas. These factors include:

the complexity and volatility of the index or formula applicable to the notes;

the possibility that each index or formula may be subject to significant changes;

the method of calculating the principal, premium and interest in respect of the notes;

the time remaining to the maturity of the notes;

the outstanding amount of the notes;

the redemption features of the notes;

the amount of other securities linked to the index or formula applicable to the notes; and

the level, direction and volatility of market interest rates generally.

Finally, because some notes may be designed for specific investment objectives or strategies, those notes will have a more limited trading market and may experience more price volatility than other forms of debt securities. The notes will not have an established trading market when issued, and there can be no assurance of a secondary market for the notes or the liquidity of this market if one develops. This may affect the price you receive for these notes, your anticipated yield, or your ability to sell the notes at all. You should not purchase any of these notes unless you understand and know that you can bear the related investment risks.

Redemption may adversely affect your return on the notes.

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If the notes are redeemable at our option, we may choose to redeem the notes at times when prevailing interest rates are relatively low. In addition, if the notes are subject to mandatory redemption, we may also be required to redeem the notes at times when prevailing interest rates are relatively low. As a result, you may be required to reinvest redemption proceeds at a time that is not chosen by you and generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the notes being redeemed.

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Repayment procedures may limit your ability to obtain repayment of the notes.

Your notes may