

KELFER GERALD D  
 Form 4  
 December 24, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

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).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KELFER GERALD D**

2. Issuer Name and Ticker or Trading Symbol  
**AVATAR HOLDINGS INC**  
**[AVTR]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President & CEO**

(Last) (First) (Middle)  
**AVATAR HOLDINGS INC., 201**  
**ALHAMBRA CIRCLE, 12TH**  
**FLOOR**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**12/22/2008**

**CORAL GABLES, FL 33134**

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock, \$1.00 par value	12/22/2008		M <sup>(1)</sup>		50,000	A	⑒	141,689	D
Common Stock, \$1.00 par value	12/22/2008		M <sup>(1)</sup>		75,000	A	⑒	216,689	D
Common Stock,	12/22/2008		F		45,487	D	\$	171,202	D
							27.49		

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\$1.00 par value						(3)		
Common Stock, \$1.00 par value	12/22/2008		M(4)	90,000	A	(2)	261,202	D
Common Stock, \$1.00 par value	12/22/2008		F	32,733	D	\$ (5)	228,469	D
Common Stock, \$1.00 par value							2,000	I
								By children

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

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(9-02)

**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 Underlying Security (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Conditioned Restricted Stock Units	(2)	12/22/2008		C	50,000	12/22/2008	12/22/2008	Common Stock	50,000
Performance Conditioned Restricted Stock Units	(2)	12/22/2008		C	75,000	12/22/2008	12/22/2008	Common Stock	75,000
Performance Conditioned Restricted Stock Units	(2)	12/22/2008		C	90,000	12/22/2008	12/22/2008	Common Stock	90,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELFER GERALD D AVATAR HOLDINGS INC. 201 ALHAMBRA CIRCLE, 12TH FLOOR CORAL GABLES, FL 33134	X		President & CEO	

## Signatures

Gerald D. Kelfer                      12/24/2008

    Signature of                      Date  
Reporting Person

## 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) Settlement of performance conditioned Restricted Stock Units.
- (2) The Units convert to Common Stock of the Issuer on a 1-for-1 basis.
- (3) Represents 45,487 shares of the Issuer's Common Stock withheld by Issuer in payment of Reporting Person's tax liability upon the vesting of 125,000 performance conditioned Restricted Stock Units at a price of \$27.49 per share.
- (4) Exchange of performance conditioned Restricted Stock Units for restricted shares of Issuer's Common Stock.
- (5) Represents 32,733 shares of the Issuer's Common Stock withheld by Issuer in payment of Reporting Person's tax liability upon the exchange of 90,000 performance conditioned Restricted Stock Units at a price of \$27.49 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.