UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **April 19, 2007**

AVI BioPharma, Inc.

(Exact name of Company as specified in its charter)

Oregon	**0-22613**	**93-0797222**
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

One S.W. Columbia, Suite 1105
Portland, OR 97258
(Address of principal executive offices)

(503) 227-0554
Registrant's telephone number, including area code

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement

On April 19, 2007, AVI BioPharma, Inc. (Nasdaq: AVII) ("AVI") entered into a real property purchase agreement with WKL Investments Airport, LLC ("WKL") to purchase a parcel of real property at 1749 SW Airport Avenue, Corvallis, Oregon 97330, including improvements situated on the land and intangibles related to the land.

Under the terms of the real property purchase agreement, the total purchase price of the property is $3,300,000. AVI paid the purchase price as follows: $350,000 in an earnest money deposit, assumed two loans secured by the property in the amount of $2,196,208.04, paid $3,791.96 in immediately available funds, and issued 270,758 shares of AVI common stock (at $2.77 per share or $750,000 in the aggregate) to WKL in exchange for the property.

Section 7 Regulation FD

Item 7.01 Regulation FD Disclosure

A copy of AVI's press release concerning the transaction with WKL is attached as Exhibit 99.1 to this Current Report on Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein are deemed to have been furnished and shall not be deemed to be "filed" under the Securities Exchange Act of 1934.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release, dated April 20, 2007.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Portland, State of Oregon, on April 23, 2007.

AVI BioPharma, Inc.

By: /s/ ALAN P. TIMMINS

Alan P. Timmins
President and Chief Operating Officer
(Principal Operating Officer)

Exhibit 99.1

AVI Contact:
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For Release 6 a.m. PDT
April 20, 2007

AVI BioPharma Completes Purchase of Building for GMP Manufacturing
Facility to Support Future Drug Supply Needs

PORTLAND, Ore. — April 20, 2007 — AVI BioPharma, Inc. (Nasdaq: AVII), announced that it closed on the purchase of a building in Corvallis, Ore. The 34,000-square-foot facility will house additional capability for the large-scale GMP production of AVI's proprietary phosphorodiamidate morpholino oligomers (PMOs), and for the recovery and purification of PMO precursors. Additional capacity for both of these processes will be necessary to meet the anticipated bulk drug supply requirements for AVI and its partners.

The company will continue to occupy the building it currently leases in Corvallis, which houses research space and a smaller-scale GMP manufacturing site. The purchase price of the new facility was $3.3 million, including a down payment of approximately $1.1 million in AVI common stock and cash, and the assumption of an existing mortgage.

"When our GMP build-out is completed, we believe that this new facility will provide the space and production capacity we anticipate needing to advance our NEUGENE® antisense programs," said Dwight Weller, senior vice president of chemistry and manufacturing at AVI BioPharma. "We anticipate needing to produce larger amounts of material for advancing clinical trials and for eventual commercial production."

About AVI BioPharma
AVI BioPharma develops therapeutic products for the treatment of life-threatening diseases using third-generation NEUGENE antisense drugs. AVI's lead NEUGENE antisense compound is designed to target cell proliferation disorders, including cardiovascular restenosis, cancer and polycystic kidney disease. In addition to targeting specific genes in the body, AVI's antiviral program uses NEUGENE antisense compounds to combat disease by targeting single-stranded RNA viruses, including West Nile virus, hepatitis C virus, dengue virus, Ebola virus and influenza A virus. AVI has introduced a NEUGENE-based exon-skipping technology called ESPRIT therapy. More information about AVI is available on the company's Web site at http://www.avibio.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements that are not historical facts contained in this release are forward-looking statements that involve risks and uncertainties, including, but not limited to, the results of research and development efforts, the results of preclinical and clinical testing, the effect of regulation by the FDA and other agencies, the impact of competitive products, product development, commercialization and technological difficulties, and other risks detailed in the company's Securities and Exchange Commission filings.

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