

BERKSHIRE INCOME REALTY ANNOUNCES YEAR END FUNDS FROM OPERATIONS OF \$6,516,104

BOSTON, MASSACHUSETTS - - April 4, 2008 - - Berkshire Income Realty, Inc. (AMEX: "BIR_pa", "BIRPRA", "BIR-A" "BIR.PR.A") ("Berkshire" or the "Company") reported its results for the year ended December 31, 2007. Financial highlights for the year ended December 31, 2007 include:

-The Company's Funds From Operations ("FFO") for the year ended December 31, 2007 were \$6,516,104, a slight decrease of \$117,406 or 2% less than FFO of \$6,633,510 for the year ended December 31, 2006. The decrease is due mainly to increased interest expense related to higher levels of debt, specifically for increased debt refinanced in late 2006 for the largest property in the portfolio, which was offset by improved operating results of the properties in the portfolio.

- For the year ended December 31, 2007, net income, prior to charges for depreciation, including depreciation reported as part of discontinued operations, and the gain on the sale of real estate assets or interests in real estate assets was \$3,060,134. Comparable net loss, prior to charges for depreciation, including depreciation reported as part of discontinued operations, and the gain on the sale of real estate assets or interests in real estate assets, was \$(2,885,764) for the year ended December 31, 2006. The increase in net income, prior to charges for depreciation, including depreciation reported as part of discontinued operations, and the gain on the sale of real estate assets or interests in real estate assets, was due primarily to increases in interest expense related to new mortgage debt financing and the refinancing of mortgage debt, to take advantage of historically low interest rates, offset by a decrease in charges to minority common interest in the Operating Partnership, which was due to the elimination of a special distribution payment to common limited partners of the Operating Partnership in 2007 which was \$8,000,000 less than the amount paid in 2006. In addition, the net operating income ("NOI") of the portfolio increased to \$41,176,763 in 2007, up \$6,956,447 or 20% from 2006 NOI of \$34,220,316. The increase in NOI reflects positive operations of properties owned at December 31, 2007 including full year results for properties acquired in 2006 and partial year results for properties acquired during 2007. The results of properties sold during 2007 have been reported as discontinued operations and are not included in the NOI comparison.

- As of December 31, 2007, the Company's capital continues to be fully deployed in real estate assets and real estate related investments. The Company was also fully invested at the end of 2006 and 2005. During 2007, additional funds became available for investment as a result of the sale of two of the Company's properties, new secondary mortgage financing in the amount of \$15,000,000 and refinanced mortgage debt that provided additional capital of approximately \$12,000,000 to the Company in excess of the debt paid off as a result of the refinancing. As funds became available the Company invested the capital in the acquisition of two additional multifamily properties. As has been the Company's policy in the past, as additional capital becomes available for investment in future periods, the Company will continue to consider investment of those funds in real estate assets or real estate related investments it determines will fit the Company's operating business strategies.

- The Company continues to implement our business strategy of acquiring properties that it determines will benefit from the Company's property management and rehabilitation expertise. Additionally, the Company intends to develop multifamily apartment communities on land it currently owns or could acquire in the future. Management will continue to assess potential acquisitions deemed to align with the Company's property profile and continue to renovate and rehabilitate new and existing properties. Pursuant to that strategy, during 2007 the Company continued to achieve improved operating results at newly acquired properties and at properties undergoing major renovation projects where returns from renovated units are in alignment with management's forecasted expectations. The Company continues to undertake major rehabilitation projects and is currently developing a multifamily apartment community on land directly adjacent to a property already owned. The development project is progressing on schedule and completion is anticipated in early 2009.

President and CFO, David Quade comments, *“Berkshire Income Realty continued to generate positive operating results in 2007 as evidenced by increases in net operating income, gains from the sale of real estate assets and net income as compared to 2006. Interest expense increased over the prior year due to higher levels of debt resulting from the refinancing of existing debt and new secondary debt on various properties. The financing activity, while contributing to increased costs, allows us to take advantage of favorable capital markets and lock in fixed rates for an extended period of time. The Company continues to manage its portfolio of properties to maximize operating revenues and is continually assessing new properties for potential acquisition as capital becomes available. Additionally, the Company broke ground on the development of a new apartment community on previously acquired land which is contiguous with another of our properties. Construction is progressing on schedule and we expect our first tenants to occupy the new units in early 2009.”*

Funds From Operations

The Company has adopted the revised definition of FFO adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”). FFO falls within the definition of a “non -GAAP financial measure” as stated in Item 10(e) of Regulation S-K promulgated by the SEC. Management considers FFO to be an appropriate measure of performance of an equity REIT. We calculate FFO by adjusting net income (loss) (computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”), including non-recurring items), for gains (or losses) from sales of properties, real estate related depreciation and amortization, and adjustment for unconsolidated partnerships and ventures. Management believes that in order to facilitate a clear understanding of the historical operating results of the Company, FFO should be considered in conjunction with net income (loss) as presented in the consolidated financial statements included elsewhere herein. Management considers FFO to be a useful measure for reviewing the comparative operating and financial performance of the Company because, by excluding gains and losses related to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company’s real estate between periods or as compared to different companies.

The Company’s calculation of FFO may not be directly comparable to FFO reported by other REITs or similar real estate companies that have not adopted the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently. FFO is not a GAAP financial measure and should not be considered as an alternative to net income (loss), the most directly comparable financial measure of our performance calculated and presented in accordance with GAAP, as an indication of our performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP and is not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance; FFO should be compared with our reported net income (loss) and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

The following table presents a reconciliation of GAAP net income (loss) to FFO for the years ended December 31, 2007, 2006 and 2005:

	December 31,		
	2007	2006	2005
Net income (loss)	\$ 2,928,632	\$ (19,996,781)	\$ 6,388,747
Add:			
Depreciation of real property	26,460,337	22,007,364	16,727,642
Depreciation of real property included in results of discontinued operations	528,907	-	388,541
Minority interest in Operating Partnership	3,904,400	11,713,200	7,320,750
Minority interest in properties	2,031,195	1,555,595	-
Amortization of acquired in-place leases and tenant relationships	1,132,995	1,142,273	3,164,380
Amortization of acquired in-place leases and tenant relationships in included in results of discontinued operations	-	25,596	156,856
Equity in loss of Multifamily Venture	2,955,647	-	133,150
Funds from operations of Multifamily Venture	100,308	-	230,445
Less:			
Minority interest in properties	-	-	(83,063)
Equity in income of Multifamily Venture	-	(8,623,757)	-
Funds from operations of Multifamily Venture	-	(250,674)	-
Minority interest in properties share of funds from operations	(947,933)	(939,306)	(1,008,978)
Gain on transfer of property to Multifamily Venture	-	-	-
Gain on disposition of real estate assets	(32,578,384)	-	(25,215,105)
Funds from Operations	<u>\$ 6,516,104</u>	<u>\$ 6,633,510</u>	<u>\$ 8,203,365</u>

The net income in 2007 and the net loss in 2006, include certain items of a variable nature. The most significant is the gain on the disposition of real estate assets of \$32,578,384 in 2007. The gain was related to the sale of the Dorsey's Forge and Trellis at Lee's Mill properties in 2007. Additionally, losses from discontinued operations during 2007 and 2006 relate exclusively to the sale of the Dorsey's Forge and Trellis at Lee's Mill properties and include property operating costs and approximately \$566,290 of costs associated with the early extinguishment of the outstanding debt on the property in 2007. Additional variable activity relates to charges to minority common interest in Operating Partnership expense, which decreased by approximately \$8,000,000 in the year ended December 31, 2007 as compared to the prior year, which was primarily related to a special distributions of \$8,000,000 paid in 2006.

Additional information regarding the Company's investments in the Mortgage Funds and the operating results of Berkshire for the years ended December 31, 2007, 2006 and 2005 can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, which was filed with the Securities and Exchange Commission on March 31, 2008. The document is available on the Commission's website at www.sec.gov.

Other Non-GAAP Measures

The Company believes that the use of certain other non GAAP measures for comparative presentation between reporting periods allows for more meaningful comparisons of the periods presented. Net income, prior to charges for depreciation, including depreciation reported as part of discontinued operations, and the gain on the sale of real estate assets or interests in real estate assets, allows for comparison of operating results absent the significant non-cash charge included in GAAP net income and eliminates the unusual activity related to the gain from the sale of the real estate assets in the current year results, which presents a more meaningful comparison to the prior year results, which did not include a similar event. Additionally, the Company believes NOI is a measure of operating results that is useful to investors to analyze the performance of a real estate company because it provides a direct measure of the operating results of the Company's multifamily apartment communities.

The following tables represent the reconciliation of GAAP net income (loss) to the other Non-GAAP measures presented for the years ended December 31:

	2007	2006	2005
Net income (loss)	\$ 2,928,632	\$ (19,996,781)	\$ 6,388,747
Add:			
Depreciation	32,180,978	26,131,654	20,060,865
Depreciation included discontinued operations	528,908	1,097,419	1,507,481
Net income, prior to charges for depreciation	35,638,518	7,232,292	27,957,093
Less:			
Gain on disposition of real estate assets	(32,578,384)	-	(25,215,105)
Gain on disposition of interests in real estate assets	-	(10,118,056)	-
Net income (loss), prior to charges for depreciation, including depreciation reported as part of discontinued operations, and the gain on the sale of real estate assets or interests in real estate assets	<u>\$ 3,060,134</u>	<u>\$ (2,885,764)</u>	<u>\$ 2,741,988</u>
	2007	2006	2005
Net income (loss)	\$ 2,928,632	\$ (19,996,781)	\$ 6,388,747
Add:			
Depreciation	32,180,978	26,131,654	20,060,865
Interest	27,504,819	20,505,854	15,936,348
Loss on extinguishment of debt	316,702	1,540,851	80,017
Amortization of intangible assets	1,132,995	1,142,273	3,164,380
Minority interest in properties	2,031,195	1,555,595	(83,063)
Minority common interest in Operating Partnership	3,904,400	11,713,200	7,320,750
Equity in (income) loss of Multifamily Venture and Multifamily Limited Partnership	2,955,647	(8,623,757)	133,150
Equity in income of mortgage Funds	-	-	(3,040,732)
Discontinued operations	799,779	251,427	1,316,107
Less:			
Gain on sale of real estate assets	(32,578,384)	-	(25,215,105)
Net Operating Income ("NOI")	<u>\$ 41,176,763</u>	<u>\$ 34,220,316</u>	<u>\$ 26,061,464</u>

The Company

The Company is a REIT whose objective is to acquire, operate, and rehabilitate multifamily apartment communities. The Company owns interests in twenty-six such multifamily apartment communities, of which eight are located in the Baltimore/Washington, D.C. metropolitan area, four are located in Virginia, four are located in Houston, Texas, three are located in Dallas, Texas, two are located in the Chicago, Illinois area and one is located in each of Austin, Texas, Charlotte, North Carolina, Atlanta, Georgia, Sherwood, Oregon and the Tampa, Florida area.

Forward Looking Statements

With the exception of the historical information contained in this release, the matters described herein may contain forward-looking statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, changes in economic conditions generally and the real estate and bond markets specifically, legislative/regulatory changes (including changes to laws governing the taxation of REITs), possible sales of assets, the acquisition restrictions placed on the Company by its investment in Berkshire Multifamily Value Fund, LP and Berkshire Multifamily Value Fund II, LP, availability of capital, interest rates and interest rate spreads, changes in accounting principles generally accepted in the United States of America and policies and guidelines applicable to REITs, those set forth in Part I, Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and other risks and uncertainties as may be detailed from time to time in the Company's public announcements and Securities and Exchange Commission filings. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company assumes no obligation to update such information.

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BERKSHIRE INCOME REALTY, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2007	2006
ASSETS		
Multifamily apartment communities, net of accumulated depreciation of \$144,240,061 and \$148,670,523, respectively	\$ 464,265,061	\$ 445,597,599
Cash and cash equivalents	22,479,937	15,393,249
Cash restricted for tenant security deposits	1,953,503	1,803,633
Replacement reserve escrow	7,760,738	5,645,565
Prepaid expenses and other assets	11,026,329	9,013,615
Investment in Multifamily Venture and Limited Partnership	16,794,450	11,000,949
Acquired in place leases and tenant relationships, net of accumulated amortization of \$7,136,556 and \$6,215,155, respectively	201,002	718,994
Deferred expenses, net of accumulated amortization of \$1,045,194 and \$702,730, respectively.	3,581,610	3,526,574
	<u>\$ 528,062,630</u>	<u>\$ 492,700,178</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	\$ 506,903,882	\$ 469,378,510
Due to affiliates	1,952,547	1,380,472
Dividend and distributions payable	1,837,607	1,837,607
Accrued expenses and other liabilities	13,351,402	12,012,347
Tenant security deposits	1,955,389	2,152,228
	<u>526,000,827</u>	<u>486,761,164</u>
Total liabilities		
Commitments and Contingencies	-	-
Minority interest in properties	-	-
Minority interest in Operating Partnership	-	-
Stockholders' equity:		
Series A 9% Cumulative Redeemable Preferred Stock, no par value, \$25 stated value, 5,000,000 shares authorized, 2,978,110 shares issued and outstanding at December 31, 2007 and 2006, respectively	70,210,830	70,210,830
Class A common stock, \$.01 par value, 5,000,000 shares authorized; 0 shares issued and outstanding at December 31, 2007 and 2006, respectively	-	-
Class B common stock, \$.01 par value, 5,000,000 shares authorized; 1,406,196 issued and outstanding at December 31, 2007 and 2006, respectively	14,062	14,062
Excess stock, \$.01 par value, 15,000,000 shares authorized, 0 shares issued and outstanding at December 31, 2007 and 2006, respectively	-	-
Accumulated deficit	(68,163,089)	(64,285,878)
Accumulated other comprehensive income (loss)	-	-
	<u>2,061,803</u>	<u>5,939,014</u>
Total stockholders' equity		
Total liabilities and stockholders' equity	<u>\$ 528,062,630</u>	<u>\$ 492,700,178</u>

BERKSHIRE INCOME REALTY, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

	For the year ended December 31,		
	2007	2006	2005
Revenue:			
Rental	\$ 79,325,533	\$ 67,641,093	\$ 56,508,075
Interest	1,119,173	969,835	446,054
Utility reimbursement	1,447,256	1,118,974	814,717
Other	3,411,446	2,631,914	1,965,467
Total revenue	<u>85,303,408</u>	<u>72,361,816</u>	<u>59,734,313</u>
Expenses:			
Operating	21,632,801	18,246,453	15,129,964
Maintenance	5,695,375	4,977,528	4,380,391
Real estate taxes	8,537,503	7,692,656	6,594,411
General and administrative	3,291,466	2,749,285	3,456,577
Management fees	4,969,500	4,475,578	4,111,506
Depreciation	32,180,978	26,131,654	20,060,865
Interest	27,504,819	20,505,854	15,936,348
Loss on extinguishment of debt	316,702	1,540,851	80,017
Amortization of acquired in-place leases and tenant relationships	1,132,995	1,142,273	3,164,380
Total expenses	<u>105,262,139</u>	<u>87,462,132</u>	<u>72,914,459</u>
Loss before minority interest in properties, equity in income (loss) of Multifamily Venture and Limited Partnership, gain on disposition of real estate assets, equity in income of Mortgage Funds, minority common interest in Operating Partnership and discontinued operations	(19,958,731)	(15,100,316)	(13,180,146)
Minority interest in properties	(2,031,195)	(1,555,595)	83,063
Minority common interest in Operating Partnership	(3,904,400)	(11,713,200)	(7,320,750)
Equity in income (loss) of Multifamily Venture and Limited Partnership	(2,955,647)	8,623,757	(133,150)
Equity in income of Mortgage Funds	-	-	3,040,732
Net loss from continuing operations	<u>(28,849,973)</u>	<u>(19,745,354)</u>	<u>(17,510,251)</u>
Discontinued operations:			
Loss from discontinued operations	(799,779)	(251,427)	(1,316,107)
Gain on disposition of real estate asset	32,111,239	-	25,215,105
Income (loss) from discontinued operations	<u>31,311,460</u>	<u>(251,427)</u>	<u>23,898,998</u>
Gain on disposition of real estate assets	467,145	-	-
Net income (loss)	<u>\$ 2,928,632</u>	<u>\$ (19,996,781)</u>	<u>\$ 6,388,747</u>
Preferred dividend	<u>(6,700,792)</u>	<u>(6,700,793)</u>	<u>(6,700,796)</u>
Net loss available to common shareholders	<u>\$ (3,772,160)</u>	<u>\$ (26,697,574)</u>	<u>\$ (312,049)</u>
Net loss from continuing operations per common share, basic and diluted	<u>\$ (24.95)</u>	<u>\$ (18.81)</u>	<u>\$ (17.95)</u>
Net income (loss) from discontinued operations per common share, basic and diluted	<u>\$ 22.27</u>	<u>\$ (0.18)</u>	<u>\$ 17.72</u>
Net loss per common share, basic and diluted	<u>\$ (2.68)</u>	<u>\$ (18.99)</u>	<u>\$ (0.23)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>1,406,196</u>	<u>1,406,196</u>	<u>1,348,963</u>
Dividend declared per common share	<u>\$ 0.07</u>	<u>\$ 0.20</u>	<u>\$ 0.15</u>
