

**BERKSHIRE INCOME REALTY ANNOUNCES
OPERATING RESULTS AND FUNDS FROM OPERATIONS
FOR THE QUARTER ENDED MARCH 31, 2010**

BOSTON, MASSACHUSETTS - - May 19, 2010 - - Berkshire Income Realty, Inc. (AMEX: "BIR_pa", "BIRPRA", "BIR-A" "BIR.PR.A") ("Berkshire" or the "Company") reported its results for the quarter ended March 31, 2010. Financial highlights for the three-month period ended March 31, 2010 include:

-The Company's Funds from Operations ("FFO"), a non-GAAP financial measure, for the three months ended March 31, 2010 were \$773,396, an increase of \$641,573 or 486.7%, as compared to \$131,823 for the comparable three-month period ended March 31, 2009. The increase was due to the growth in rental revenue during the period from newly acquired or developed properties as well as net gains in rental revenue from existing properties in the portfolio. Additionally, there were no costs in the current quarter ended March 31, 2010 that are comparable to transaction costs of \$979,094 for the acquisition of a property recorded in the quarter ended March 31, 2009. The increases were partially offset by an increase of approximately \$500,000 in the equity loss of the multifamily venture limited partnership recognized by the Company in the quarter ended March 31, 2010 as compared to the quarter ended March 31, 2009. Additional offsets included incremental interest expense of the new properties and increases in snow removal and related costs incurred in the Mid Atlantic region where unusual storm activity took place during the period ended March 31, 2010.

-For the three months ended March 31, 2010, Berkshire reported adjusted net income (loss), before depreciation ("Adjusted Net Income (Loss)"), a non-GAAP financial measure, of \$420,868 as compared to Adjusted Net Income Loss of \$(431,782) for the three months ended March 31, 2009. The increase in Adjusted Net Income (Loss) was primarily due to a reduction in general and administrative expenses as a result of the 2009 Glo Apartments ("GLO") transaction costs partially offset by the increase in the equity loss recognized by the Company as mentioned previously.

-Adjusted net operating income, which excludes the GLO transaction costs previously mentioned ("Adjusted NOI"), for the three-month period ended March 31, 2010 was \$8,876,286 as compared to \$8,552,253 for the comparable period ended March 31, 2009, an increase of \$324,033 or approximately 3.8%. The increase was due to growth in rental revenue from both existing properties in the portfolio as well as newly acquired or properties developed during the comparable periods. The Same Property portfolio, properties owned and placed in service prior to January 1, 2009 ("Same Property"), had total revenue increases of approximately 2.0% for the quarter ended March 31, 2010 as compared to the quarter ended March 31, 2009. These gains were partially offset by increases in Same Property operating expenses of approximately 2.0% of which the majority of the increase was due to snow removal and related costs incurred in the Mid Atlantic region where unusual storm activity took place during the period ended March 31, 2010.

-A presentation and reconciliation of net income (loss), the most directly comparable financial measure calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), to FFO, Adjusted Net Income (Loss), and Adjusted NOI is set forth on pages 2 and 3 of this press release.

-Economic conditions in early 2010 exhibited signs of improvement over the challenging operating environment we experienced in 2009 from the prolonged recession. Despite the challenges, the Company continues to proactively emphasize strategies intended to maximize the financial results of the portfolio. The strategies have included implementation of property management efficiencies, physical asset improvements and turnover of assets for replacement with newer, higher quality properties in strong markets.

President and CFO David Quade comments: “2010 operating results to date are positive with both our Same Property portfolio revenue and net operating income increasing approximately 2% over the comparable quarter of 2009. Management’s continued focus on retaining tenants and maximizing occupancy levels at our properties has resulted in average occupancy of over 95% for the quarter. We are optimistic about the signs of improvement in the national economy and we believe the operating challenges the industry has faced over the past few years are beginning to abate. We will continue to manage our properties with a strong focus on maintaining occupancy levels and implementing rent increases in markets showing improving economic trends.”

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 Securities and Exchange Commission (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 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 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 net loss to FFO for the three months ended March 31, 2010 and 2009:

	Three months ended	
	March 31,	
	2010	2009
Net loss	\$ (7,594,902)	\$ (8,217,218)
Add:		
Depreciation of real property	7,172,006	6,801,477
Amortization of acquired in-place leases and tenant relationships	48,044	272,189
Equity in loss of Multifamily Limited Partnership	1,661,687	1,154,256
Funds from operations of Multifamily Venture and Limited Venture	-	202,176
Less:		
Funds from operations of Multifamily Venture and Limited Venture	(369,292)	-
Noncontrolling interest in properties share of funds from operations	(144,147)	(81,057)
Funds from Operations	<u>\$ 773,396</u>	<u>\$ 131,823</u>

FFO for the three months ended March 31, 2010 increased as compared to FFO for the three-month period ended March 31, 2009. The increase in FFO is due primarily to the transaction costs for the acquisition of GLO recorded in 2009 totaling \$979,094, included in General and Administrative expense on the Consolidated Statement of Operations, for which there were no comparable costs in the current quarter ended March 31, 2010. The increase was partially offset by increases in operating costs related to snow removal, increased interest expense and the increase in equity loss of the multifamily venture limited partnership recognized in the current quarter ended March 31, 2010.

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. Additionally, the Company believes Adjusted 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 loss to the other non-GAAP measures presented for the three months ended March 31, 2010 and 2009:

	Three months ended March 31,	
	2010	2009
Net loss	\$ (7,594,902)	\$ (8,217,218)
Add:		
Depreciation	8,015,770	7,785,436
Adjusted net income (loss), before depreciation	<u>\$ 420,868</u>	<u>\$ (431,782)</u>

	Three months ended March 31,	
	2010	2009
Net loss	\$ (7,594,902)	\$ (8,217,218)
Add:		
Depreciation	8,015,770	7,785,436
Interest	6,745,687	6,247,309
Amortization of intangible assets	48,044	272,189
Equity in loss of Multifamily Venture Limited Partnership	1,661,687	1,154,256
Equity in loss of Mezzanine Loan Limited Liability Company	-	173,218
Discontinued operations	-	157,969
Net Operating Income ("NOI")	8,876,286	7,573,159
Transaction costs – (ASC 805-10)	-	979,094
Adjusted NOI	<u>\$ 8,876,286</u>	<u>\$ 8,552,253</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 six are located in the Baltimore/Washington, D.C. metropolitan area, five are located in Virginia, four are located in Houston, Texas, two 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, Tampa, Florida, Philadelphia, Pennsylvania and Los Angeles, California.

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 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, 2009 and other risks and uncertainties as may be detailed from time to time in the Company's public announcements and SEC 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.

Contact Information:

Berkshire Income Realty, Inc.
One Beacon Street, Suite 1500
Boston, Massachusetts 02108

Attention:

James Juliano
Telephone: 1-617-574-8382
E-mail: james.juliano@berkshire-group.com
Facsimile: 1-617-423-8919

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BERKSHIRE INCOME REALTY, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2010 (unaudited)	December 31, 2009
ASSETS		
Multifamily apartment communities, net of accumulated depreciation of \$176,734,747 and \$168,718,977, respectively	\$ 435,089,011	\$ 441,983,721
Cash and cash equivalents	17,081,668	17,956,617
Cash restricted for tenant security deposits	2,119,821	1,875,771
Cash restricted other	-	12,621,014
Replacement reserve escrow	4,131,141	3,938,646
Prepaid expenses and other assets	7,955,466	10,092,883
Investment in Multifamily Venture Limited Partnership	9,539,562	11,201,249
Acquired in place leases and tenant relationships, net of accumulated amortization of \$1,156,313 and \$1,108,269 respectively	113,766	161,810
Deferred expenses, net of accumulated amortization of \$2,042,206 and \$1,880,816, respectively	3,254,197	3,413,587
Total assets	\$ 479,284,632	\$ 503,245,298
LIABILITIES AND DEFICIT		
Liabilities:		
Mortgage notes payable	\$ 462,410,463	\$ 474,830,728
Note payable, affiliate	15,720,000	15,720,000
Due to affiliates, net	1,338,229	2,149,628
Dividend and distributions payable	837,607	837,607
Accrued expenses and other liabilities	9,768,320	11,086,062
Tenant security deposits	1,884,755	1,838,501
Total liabilities	491,959,374	506,462,526
Commitments and contingencies	-	-
Deficit:		
Noncontrolling interest in properties	105,410	416,382
Noncontrolling interest in Operating Partnership	(43,179,437)	(34,251,501)
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 March 31, 2010 and December 31, 2009, 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 March 31, 2010 and December 31, 2009, respectively	-	-
Class B common stock, \$.01 par value, 5,000,000 shares authorized, 1,406,196 issued and outstanding at March 31, 2010 and December 31, 2009, respectively	14,062	14,062
Excess stock, \$.01 par value, 15,000,000 shares authorized, 0 shares issued and outstanding at March 31, 2010 and December 31, 2009, respectively	-	-
Accumulated deficit	(39,825,607)	(39,607,001)
Total deficit	(12,674,742)	(3,217,228)
Total liabilities and deficit	\$ 479,284,632	\$ 503,245,298

BERKSHIRE INCOME REALTY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended March 31,	
	2010	2009
Revenue:		
Rental	\$ 18,633,721	\$ 17,574,204
Interest	5,083	47,594
Utility reimbursement	414,206	383,735
Other	974,053	761,448
Total revenue	20,027,063	18,766,981
Expenses:		
Operating	5,396,930	5,244,283
Maintenance	1,288,100	984,748
Real estate taxes	2,131,408	2,081,668
General and administrative	1,137,307	1,717,923
Management fees	1,197,032	1,165,200
Depreciation	8,015,770	7,785,436
Interest	6,745,687	6,247,309
Amortization of acquired in-place leases and tenant relationships	48,044	272,189
Total expenses	25,960,278	25,498,756
Loss before equity in loss of Multifamily Venture Limited Partnership and Mezzanine Loan Limited Liability Company and loss from discontinued operations	(5,933,215)	(6,731,775)
Equity in loss of Multifamily Venture Limited Partnership	(1,661,687)	(1,154,256)
Equity in loss of Mezzanine Loan Limited Liability Company	-	(173,218)
Net loss from continuing operations	(7,594,902)	(8,059,249)
Discontinued operations:		
Loss from discontinued operations	-	(157,969)
Loss from discontinued operations	-	(157,969)
Net loss	(7,594,902)	(8,217,218)
Net loss attributable to noncontrolling interest in properties	123,556	202,870
Net loss attributable to noncontrolling interest in Operating Partnership	8,927,936	9,457,963
Net income attributable to Parent Company	1,456,590	1,443,615
Preferred Dividend	(1,675,196)	(1,675,196)
Net loss available to common shareholders	\$ (218,606)	\$ (231,581)
Net loss from continuing operations attributable to Parent Company per common share, basic and diluted	\$ (0.16)	\$ (0.05)
Net loss from discontinued operations attributable to Parent Company per common share, basic and diluted	\$ 0.00	\$ (0.11)
Net loss attributable to Parent Company per common share, basic and diluted	\$ (0.16)	\$ (0.16)
Weighted average number of common shares outstanding, basic and diluted	1,406,196	1,406,196
Dividend declared per common share	\$ 0.00	\$ 0.00

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