

**BERKSHIRE INCOME REALTY ANNOUNCES
OPERATING RESULTS AND FFO
FOR THE PERIOD ENDED SEPTEMBER 30, 2010**

BOSTON, MASSACHUSETTS - - November 16, 2010 - - Berkshire Income Realty, Inc. (AMEX: "BIR_pa", "BIRPRA", "BIR-A", "BIR.PR.A") ("Berkshire" or the "Company") reported its results for the periods ended September 30, 2010. Financial highlights for the three and nine-month periods include:

The Company's Funds from Operations ("FFO") for the three and nine months ended September 30, 2010 were \$1,659,833 and \$4,514,532, respectively, as compared to \$2,151,361 and \$2,123,610, respectively, for the three and nine months ended September 30, 2009. The increase of \$2,390,922 during the comparable nine-month periods primarily relate to events that occurred in the nine-month period ended September 30, 2009 for which there was no comparable activity recorded in the current period. The events include the Company's other-than-temporary impairment adjustment on its investment in the Leggat McCall Hingham Mezzanine Loan LLC (the "Mezzanine Loan LLC") pursuant to ASC 325-20, the Company's adoption of ASC 805-10, which changed the way the Company accounts for transaction costs related to acquisition of properties, and the recognition of a loss contingency for damages resulting from an unsuccessful appeal of a legal dispute. During the nine months ended September 30, 2009, the Company recorded an other-than-temporary impairment loss of \$1,075,192 on its investment in the Mezzanine Loan LLC, expensed \$1,183,299 in transaction costs related to the acquisition of GLO Apartments ("GLO") which are required to be expensed under ASC 805-10, when historically these type of costs would have been capitalized, and recorded a loss contingency of \$747,990 related to the unsuccessful appeal of a legal dispute in which the lower court ruled against the Company. There were no comparable impairment adjustments, transaction cost expenses or loss contingencies recorded in the nine-month period ended September 30, 2010. The increase was partially offset by \$1,113,904 of accrued Incentive Advisory Fee recorded during the nine months ended September 30, 2010 pursuant to the Advisory Services Agreement, of which \$988,245 was recorded during the three months ended September 30, 2010. FFO decreased \$491,528 for the three months ended September 30, 2010 compared to same period in 2009, primarily as a result of the \$988,245 accrued Incentive Advisory Fee recorded during the three-month period ended September 30, 2010.

-For the three and nine months ended September 30, 2010, Berkshire reported net income (loss), before depreciation ("Adjusted Net Income (Loss)") of \$1,407,716 and \$3,695,375, respectively, as compared to Adjusted Net Income of \$1,937,550 and \$938,278, respectively, for the three and nine months ended September 30, 2009. The increase of \$2,757,097 during the comparable nine-month periods was primarily due to a reduction in general and administrative expenses as a result of the 2009 GLO transaction costs and reduction in a loss contingency, decreased losses from the Company's equity investment in the Mezzanine Loan LLC, and decreased amortization of acquired in-place leases and tenant relationships, partially offset by increases in interest expense due to increased debt levels in the comparable periods, increased losses from the Company's equity investment in the Multifamily Venture Limited Partnership, and accrued Incentive Advisory Fee recorded during 2010. Adjusted Net Income decreased \$529,834 during the three months ended September 30, 2010 as compared to the same period in 2009 primarily as a result of accrued Incentive Advisory Fee recorded during the three months ended September 30, 2010.

- Adjusted Net Operating Income, which excludes the acquisition costs for GLO ("Adjusted NOI"), for the three months ended September 30, 2010 was \$8,993,522 as compared to \$9,828,439 for the same period ended September 30, 2009, a decrease of \$834,917 or approximately 8.5%, due primarily to the \$988,245 accrued Incentive Advisory Fee recorded during the three-month period ended September 30, 2010. Adjusted NOI for the nine months ended September 30, 2010 was \$27,842,029 as compared to \$26,929,481 for the nine months ended September 30, 2009, an increase of \$912,548 or approximately 3.4%. The increase was due to growth in rental revenue from both existing properties in the portfolio as well as properties newly acquired or 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 1.1% for the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. Same Property total operating expenses decreased approximately 1.9% during the same comparable periods, primarily due to savings in operating expenses such as marketing costs, electricity and gas and reduced real estate taxes. These savings were partially offset by increased maintenance expenses related primarily to snow removal and related costs incurred in the Mid-Atlantic region, where unusual storm activity took place during the nine-month period ended September 30, 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 3 and 4 of this press release.

President and CFO David Quade comments: *“Nationally, we are seeing early indications of a recovery in the multifamily real estate sector. We are pleased that this improvement is also being reflected in the performance of the Berkshire Income Realty portfolio. The trends seem to be all going in the right direction with year-to-date net effective rents increasing over 6%, Same Store Portfolio results 4% over the comparable nine month period of 2009, and quarter over quarter financial results improving. In addition, our real estate portfolio is enjoying 95%+ occupancy and tenant retention of over 65%, as of quarter end. As these favorable trends continue, we look forward to increasing rents and making up for some of the rent compression that was a result of the recession. While the economic recovery and jobs reports are still modest, we see strong resident demand for apartments in most of our markets and are optimistic, due to the favorable supply/demand fundamentals, going forward.”*

Non-GAAP Financial Measures

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 Rule 101 of Regulation G and Item 10(e) of Regulation S-K promulgated by the Securities and Exchange Commission. Management considers FFO to be an appropriate measure of performance of an equity Real Estate Investment Trust (“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 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 net loss to FFO for the three and nine months ended September 30, 2010 and 2009:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net loss	\$ (6,147,209)	\$ (6,143,768)	\$ (19,902,993)	\$ (23,145,399)
Add:				
Depreciation of real property	6,779,235	7,077,324	21,161,292	21,089,283
Amortization of acquired in-place leases and tenant relationships	28,218	113,416	104,480	757,732
Equity in loss of Multifamily Venture Limited Partnership	731,653	1,046,676	3,419,709	3,257,561
Funds from operations of Multifamily Venture Limited Partnership	581,314	299,612	453,147	752,287
Less:				
Noncontrolling interest in properties share of funds from operations	(315,378)	(241,899)	(721,103)	(587,854)
Funds from Operations	\$ 1,659,833	\$ 2,151,361	\$ 4,514,532	\$ 2,123,610

FFO for the nine months ended September 30, 2010 increased as compared to FFO for the nine-month period ended September 30, 2009. The increase in FFO is due primarily to the transaction costs for the acquisition of Glo of \$1,183,299 and costs accrued for the judgment in the Lakeridge legal matter of \$774,990, which were included in General and Administrative expense on the Consolidated Statement of Operations during the nine months ended September 30, 2009, in addition to the other-than-temporary impairment write-off of the Company's investment in the Mezzanine Loan LLC in the amount of \$1,075,192 recorded during the same period. The increase was partially offset by \$1,113,904 of accrued Incentive Advisory Fee recorded during the nine months ended September 30, 2010 pursuant to the Advisory Services Agreement, of which \$988,245 was recorded during the three months ended September 30, 2010. FFO decreased \$491,528 for the three months ended September 30, 2010 compared to the three months ended September 30, 2009, primarily as a result of the \$988,245 accrued Incentive Advisory Fee recorded during the three months ended September 30, 2010.

Other Non-GAAP Financial 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 (loss), prior to charges for depreciation, allows for comparison of operating results absent the significant non-cash charge included in net income determined in accordance with GAAP, and Adjusted NOI provides a direct measure of the operating results of the Company's multifamily apartment communities.

The following table represents the reconciliation of net income (loss) determined in accordance with GAAP to net income (loss), before depreciation, a non-GAAP financial measure, presented for the three and nine months ended September 30, 2010 and 2009:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net loss	\$ (6,147,209)	\$ (6,143,768)	\$ (19,902,993)	\$ (23,145,399)
Add:				
Depreciation	7,554,925	8,081,318	23,598,368	24,083,677
Adjusted net income before depreciation	\$ 1,407,716	\$ 1,937,550	\$ 3,695,375	\$ 938,278

The following table represents the reconciliation of net loss determined in accordance with GAAP to Adjusted NOI, a non-GAAP financial measure, for the three and nine months ended September 30, 2010 and 2009:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net loss	\$ (6,147,209)	\$ (6,143,768)	\$ (19,902,993)	\$ (23,145,399)
Add:				
Depreciation	7,554,925	8,081,318	23,598,368	24,083,677
Interest	6,825,935	6,732,894	20,622,465	19,684,864
Discontinued operations	-	(2,097)	-	160,454
Amortization of acquired in- place leases and tenant relationships	28,218	113,416	104,480	757,732
Equity in loss of Multifamily Limited Partnership	731,653	1,046,676	3,419,709	3,257,561
Equity in loss of Mezzanine Loan Limited Liability Company	-	-	-	947,293
Net operating income	8,993,522	9,828,439	27,842,029	25,746,182
Add:				
Acquisition transaction costs expensed pursuant to ASC 805-10	-	-	-	1,183,299
Adjusted net operating income	\$ 8,993,522	\$ 9,828,439	\$ 27,842,029	\$ 26,929,481

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: 1-617-646-2422

-- tables follow--

BERKSHIRE INCOME REALTY, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2010	December 31, 2009
ASSETS		
Multifamily apartment communities, net of accumulated depreciation of \$192,317,345 and \$168,718,977, respectively	\$ 424,693,288	\$ 441,983,721
Cash and cash equivalents	13,768,360	17,956,617
Cash restricted for tenant security deposits	1,598,546	1,875,771
Cash restricted other	-	12,621,014
Replacement reserve escrow	4,185,195	3,938,646
Prepaid expenses and other assets	9,513,223	10,092,883
Investment in Multifamily Venture Limited Partnership	7,781,540	11,201,249
Acquired in place leases and tenant relationships, net of accumulated amortization of \$1,212,749 and \$1,108,269 respectively	57,330	161,810
Deferred expenses, net of accumulated amortization of \$2,129,822 and \$1,880,816, respectively	3,621,064	3,413,587
Total assets	\$ 465,218,546	\$ 503,245,298
LIABILITIES AND DEFICIT		
Liabilities:		
Mortgage notes payable	\$ 477,278,812	\$ 474,830,728
Note payable, affiliate	-	15,720,000
Due to affiliates, net	2,230,681	2,149,628
Dividend and distributions payable	837,607	837,607
Accrued expenses and other liabilities	11,656,935	11,086,062
Tenant security deposits	1,840,324	1,838,501
Total liabilities	493,844,359	506,462,526
Commitments and contingencies	-	-
Deficit:		
Noncontrolling interest in properties	(143,637)	416,382
Noncontrolling interest in Operating Partnership	(58,506,183)	(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 September 30, 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 September 30, 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 September 30, 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 September 30, 2010 and December 31, 2009, respectively	-	-
Accumulated deficit	(40,200,885)	(39,607,001)
Total deficit	(28,625,813)	(3,217,228)
Total liabilities and deficit	\$ 465,218,546	\$ 503,245,298

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

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Revenue:				
Rental	\$ 18,877,415	\$ 18,978,189	\$ 56,243,615	\$ 55,152,551
Interest	2,785	10,347	10,665	92,019
Utility reimbursement	463,689	430,504	1,312,265	1,215,602
Other	1,091,937	1,028,281	3,083,232	2,658,964
Total revenue	<u>20,435,826</u>	<u>20,447,321</u>	<u>60,649,777</u>	<u>59,119,136</u>
Expenses:				
Operating	4,670,181	4,941,356	14,410,249	14,944,595
Maintenance	1,410,435	1,358,994	4,079,628	3,643,027
Real estate taxes	2,149,371	2,133,677	6,438,603	6,651,627
General and administrative	1,025,223	990,714	3,171,056	4,576,468
Management fees	2,187,094	1,194,141	4,708,212	3,557,237
Depreciation	7,554,925	8,081,318	23,598,368	24,083,677
Interest, inclusive of amortization of deferred financing fees	6,825,935	6,732,894	20,622,465	19,684,864
Amortization of acquired in-place leases and tenant relationships	28,218	113,416	104,480	757,732
Total expenses	<u>25,851,382</u>	<u>25,546,510</u>	<u>77,133,061</u>	<u>77,899,227</u>
Loss before equity in loss of Multifamily Venture Limited Partnership and Mezzanine Loan Limited Liability Company and loss from discontinued operations	(5,415,556)	(5,099,189)	(16,483,284)	(18,780,091)
Equity in loss of Multifamily Venture Limited Partnership	(731,653)	(1,046,676)	(3,419,709)	(3,257,561)
Equity in loss of Mezzanine Loan Limited Liability Company	-	-	-	(947,293)
Loss from continuing operations	<u>(6,147,209)</u>	<u>(6,145,865)</u>	<u>(19,902,993)</u>	<u>(22,984,945)</u>
Discontinued operations:				
Income (loss) from discontinued operations	-	2,097	-	(160,454)
Net income (loss) from discontinued operations	<u>-</u>	<u>2,097</u>	<u>-</u>	<u>(160,454)</u>
Net loss	(6,147,209)	(6,143,768)	(19,902,993)	(23,145,399)
Net (income) loss attributable to noncontrolling interest in properties	(18,305)	26,899	80,006	273,465
Net loss attributable to noncontrolling interest in Operating Partnership	7,653,308	7,605,835	24,254,682	27,230,771
Net income attributable to Parent Company	1,487,794	1,488,966	4,431,695	4,358,837
Preferred dividend	(1,675,187)	(1,675,197)	(5,025,579)	(5,025,589)
Net loss available to common shareholders	<u>\$ (187,393)</u>	<u>\$ (186,231)</u>	<u>\$ (593,884)</u>	<u>\$ (666,752)</u>
Net loss from continuing operations attributable to Parent Company per common share, basic and diluted	<u>\$ (0.13)</u>	<u>\$ (0.13)</u>	<u>\$ (0.42)</u>	<u>\$ (0.36)</u>
Net income (loss) from discontinued operations attributable to Parent Company per common share, basic and diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.11)</u>
Net loss available to common shareholders per common share, basic and diluted	<u>\$ (0.13)</u>	<u>\$ (0.13)</u>	<u>\$ (0.42)</u>	<u>\$ (0.47)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>1,406,196</u>	<u>1,406,196</u>	<u>1,406,196</u>	<u>1,406,196</u>
Dividend declared per common share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

-- end --