

Berkshire Income Realty to Pay Regular Cash Dividend on its Series A Preferred Stock, Announces Tax Treatment for 2010 Dividends Paid

BOSTON, January 31, 2011 – Berkshire Income Realty, Inc. (Amex: BIR.PR.A, BIR_PA, BIRPRA, BIR-A, BIR.A, BIR/PRA) (the “Company”) announced today that it will pay its regular quarterly cash dividend of \$.5625 on each share of its 9% Series A Cumulative Redeemable Preferred Stock on February 15, 2011, to shareholders of record on February 10, 2011. The regular cash dividend payable on the Series A Preferred Stock is payable on February 15, May 15, August 15 and November 15 of each year.

Also, the Company is providing notification that the tax treatment for dividends paid on the Series A Preferred Stock during 2010 has been finalized. Total dividends of \$2.25 per share of Series A Preferred Stock, or 9% of its \$25 per share liquidation preference, were paid on a quarterly basis during the year ended December 31, 2010. Of the total per share dividends paid by the Company, \$2.17, or 96.3% of the total, represents taxable ordinary dividends while the remaining \$0.08, or approximately 3.7%, represent non-taxable distributions.

The Company is a Real Estate Investment Trust (“REIT”) whose objective is to acquire, own, 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.

This press release may contain “forward-looking statements,” within the meaning of the Private Securities Litigation Reform Act of 1995, about the Company. These statements involve a number of risks and uncertainties that could materially affect future results. Among these risk factors are the ones listed in the Company’s periodic reports filed with the Securities and Exchange Commission, including without limitation the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and Quarterly Report on Form 10-Q for the periods ended March 31, 2010, June 30, 2010 and September 30, 2010.

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