

BERKSHIRE INCOME REALTY ANNOUNCES YEAR END FUNDS FROM OPERATIONS OF \$6,428,251

BOSTON, MASSACHUSETTS - - April 7, 2011 - 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, 2010. Financial highlights for the year ended December 31, 2010 include:

-FFO grew 33.9% - The Company's Funds from Operations ("FFO"), a non-GAAP financial measure, for the year ended December 31, 2010 were \$6,428,251, an increase of \$1,627,109 or 33.9%, as compared to \$4,801,142 for the year ended December 31, 2009. The increase in FFO is due primarily to expenses incurred in 2009 for which there were no recurring comparative expenses in 2010, including acquisition transaction costs of \$1,183,299, legal matter costs of \$774,990 incurred in 2009 and included in General and Administrative expense on the Consolidated Statement of Operations, and an other-than-temporary impairment write-off of the Company's investment in the Mezzanine Loan LLC in the amount of \$1,117,825 recorded during the same period. The decrease in expenses was partially offset by \$2,207,795 of accrued incentive advisory management fee pursuant to the Advisory Services Agreement for which there was no comparable expense in 2009.

- Adjusted Net income up \$2,149,135 - For the year ended December 31, 2010, Berkshire reported net income, before depreciation (including depreciation reported as part of discontinued operations) and gain on sale of real estate assets ("Adjusted Net Income"), a non-GAAP financial measure, of \$5,599,999 as compared to Adjusted Net Income of \$3,450,864 for the year ended December 31, 2009. The increase in Adjusted Net Income was primarily due to various expenses incurred in 2009 for which there were no recurring comparative expenses in 2010, including the write-off of the Company's investment in the Mezzanine Loan LLC, the transaction costs of the Glo Apartments and the judgment paid as previously mentioned. Also as previously mentioned, the decrease in expenses was partially offset by accrued incentive advisory management fee for which there was no comparable expense in 2009.

- Same Property Net Operating Income ("Same Property NOI") grew 2.9% - Comparative revenues of properties acquired or placed in service prior to January 1, 2009 ("Same Property") increased \$974,958 to \$75,801,562 for the year ended December 31, 2010 from \$74,826,604 for the year ended December 31, 2009 at the same time, Same Property operating expenses for the year ended December 31, 2010 were \$34,764,594, a slight decrease of \$212,341 from operating expense of \$34,976,935 for the year ended December 31, 2009. The higher revenues of the Same Property portfolio combined with the lower operating expenses of the Same Property portfolio resulted in Same Property NOI of \$41,036,968 for the year ended December 31, 2010, an increase of \$1,187,299, or 2.9% over the Same Property NOI of \$39,849,669 for the year ended December 31, 2009.

-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 Same Property NOI is set forth on page 4 of this press release. For the years ended December 31, 2010, 2009 and 2008, the net income (loss) was (\$25,726,511), (\$28,685,234), and \$53,999,236, respectively.

-2010 was a year marked with signs of modest improvement in the national economy. While economists declared the worst recession to hit the United States since the 1930s was over in late 2009, with policymakers' efforts to stabilize the banking system and provide a fiscal stimulus to the economy, the high national unemployment rates have started to stabilize and, in some markets, begun to improve. While continued indications of economic stabilization during 2010 in both domestic and foreign economies were evident, the signs of a strong and sustained expansion are not yet apparent. Recovery in the labor markets is a leading indicator of stabilization and expansion and tends to recover with some lag. It is only when the labor markets stabilize that there will be an increase in household formation, which represents the greatest driver for rental apartments.

President David Quade comments: *“2010 was a year of improvement, both with the Company operations as well as the multifamily industry. The Company’s real estate portfolio performed well, achieving a 3.73% Net Operating Income increase, a high occupancy level of 95.8%, and a positive value increase. In addition, the rehabilitation of Berkshires at Town Center in Towson, Maryland has been a success and is substantially complete. Looking forward to 2011, all indications are that it will be a good year as well. For example, we have seen an increase of 3.9% over the past 90 days on new leases in our Baltimore/suburban Maryland portfolio, which represents approximately 31% of BIR’s real estate. We attribute the Maryland portfolio increase to the Base Realignment Act (BRAC) which is bringing approximately 40,000 new jobs to the area. In addition, in the first quarter of 2011, we acquired a 207 unit Class A townhouse property in Dallas, and closed on two developments, a 231 unit planned apartment in downtown Denver and a 33% interest in a 603 unit planned apartment in downtown Washington, D.C. Both properties have their approvals and financing, and have recently broken ground. These three new property closings continue BIR’s trend to bring newer Class A properties into its portfolio. These Class A properties will be in addition to the Class A properties purchased or developed over the last few years, including GLO in Los Angeles and The Reserves at Arboretum in Newport News, Va.*

The multifamily industry is seeing a strong recovery. Apartment demand in 2010 was the best seen in years, and with favorable supply and demand fundamentals, 2011 through 2013 is expected to be above trend. With an estimated 3.2 million increase in the 20- to 34- year old demographic and projected new household formation over the next five years, the rental market is projected to benefit from a surge in prospective tenants. After weathering the economic recession over the past three years, we eagerly anticipate this multifamily recovery.”

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 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 (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 net income (loss) to FFO for the years ended December 31, 2010, 2009 and 2008:

	December 31,		
	2010	2009 Adjusted*	2008 Adjusted*
Net income (loss)	\$ (25,726,511)	\$ (28,685,234)	\$ 53,999,236
Add:			
Depreciation of real property	28,064,868	28,207,506	24,618,377
Depreciation of real property included in results of discontinued operations	-	-	3,335,613
Amortization of acquired in-place leases and tenant relationships	117,848	827,930	474,258
Amortization of acquired in-place leases and tenant relationships included in results of discontinued operations	-	-	-
Equity in loss of Multifamily Venture Limited Partnership	4,080,225	4,143,070	4,321,483
Funds from operations of Multifamily Venture Limited Partnership	940,551	1,064,133	1,026,424
Less:			
Noncontrolling interest in properties share of funds from operations	(1,048,730)	(756,263)	(932,812)
Gain on disposition of real estate assets	-	-	(79,487,487)
Funds from Operations	<u>\$ 6,428,251</u>	<u>\$ 4,801,142</u>	<u>\$ 7,355,092</u>

* See Part IV, Item 15, Notes to the Consolidated Financial Statement, Note 5 – Investment in Multifamily Venture Limited Partnership of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

FFO for the year ended December 31, 2010 increased \$1,627,109 or 33.9%, as compared to the year ended December 31, 2009. The increase in FFO is due primarily to expenses incurred in 2009 for which there were no comparative expenses in 2010, including transaction costs for the acquisition of Glo of \$1,183,299, costs of \$774,990 accrued in 2009 for a legal matter, which were included in General and Administrative expense on the Consolidated Statement of Operations in 2009, and the other-than-temporary impairment write-off of the Company’s investment in the Mezzanine Loan LLC in the amount of \$1,117,825 recorded during the same period. The decrease in expenses was partially offset by \$2,207,795 of accrued incentive advisory fee pursuant to the Advisory Services Agreement for which there was no comparative expense in 2009.

Additional information regarding the Company’s operating results for the years ended December 31, 2010, 2009 and 2008 can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which was filed with the SEC on March 31, 2011. The document is available on the SEC’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.

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

	2010	2009 Adjusted*	2008 Adjusted*
Net income (loss)	\$ (25,726,511)	\$ (28,685,234)	\$ 53,999,236
Add:			
Depreciation	31,326,510	32,136,098	28,277,756
Depreciation included discontinued operations	-	-	4,181,183
Net income, prior to charges for depreciation	5,599,999	3,450,864	86,458,175
Less:			
Gain on disposition of real estate assets	-	-	(79,487,487)
Adjusted 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 ("Adjusted Net Income")	<u>\$ 5,599,999</u>	<u>\$ 3,450,864</u>	<u>\$ 6,970,688</u>

* See Part IV, Item 15, Notes to the Consolidated Financial Statement, Note 5 – Investment in Multifamily Venture Limited Partnership of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

	2010	2009 Adjusted*
Net income (loss)	\$ (25,726,511)	\$ (28,685,234)
Add:		
Depreciation	31,326,510	32,136,098
Interest	27,475,543	26,387,424
Amortization of intangible assets	117,848	827,930
Equity in loss of Multifamily Venture Limited Partnership	4,080,225	4,143,070
Equity in (income) loss of Mezzanine Loan Limited Liability Company	-	947,294
Discontinued operations	-	175,072
Less:		
Gain on sale of real estate assets	-	-
NOI	37,273,615	35,931,654
Add:		
Net operating loss related to properties acquired after January 1, 2009 and non property activities	3,763,353	3,918,015
Same Property NOI	<u>\$ 41,036,968</u>	<u>\$ 39,849,669</u>

* See Part IV, Item 15, Notes to the Consolidated Financial Statement, Note 5 – Investment in Multifamily Venture Limited Partnership of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

The Company

The Company is a REIT whose objective is to acquire, operate, and rehabilitate multifamily apartment communities. The Company owns interests in twenty-nine such multifamily apartment communities or development projects, of which seven are located in the Baltimore/Washington, D.C. metropolitan area, five 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, Tampa, Florida, Philadelphia, Pennsylvania, Los Angeles, California and Denver, Colorado.

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, the recovery of the multifamily real estate market and the expected increase in prospective tenants in 2011, 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, 2010 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

— tables to follow—

BERKSHIRE INCOME REALTY, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2010	2009 Adjusted*
ASSETS		
Multifamily apartment communities, net of accumulated depreciation of \$200,045,487 and \$168,718,977, respectively	\$ 419,531,860	\$ 441,983,721
Cash and cash equivalents	12,893,665	17,956,617
Cash restricted for tenant security deposits	1,610,659	1,875,771
Cash restricted other	-	12,621,014
Replacement reserve escrow	3,990,924	3,938,646
Prepaid expenses and other assets	9,258,604	10,092,883
Investment in Multifamily Venture Limited Partnership	6,047,858	10,128,083
Acquired in place leases and tenant relationships, net of accumulated amortization of \$1,226,117 and \$1,108,269, respectively	43,962	161,810
Deferred expenses, net of accumulated amortization of \$2,270,646 and \$1,880,816, respectively	3,488,897	3,413,587
Total assets	\$ 456,866,429	\$ 502,172,132
LIABILITIES AND DEFICIT		
Liabilities:		
Mortgage notes payable	\$ 476,386,979	\$ 474,830,728
Note payable, affiliate	-	15,720,000
Due to affiliates, net	1,820,827	2,149,628
Due to affiliate, incentive advisory fees	2,207,795	-
Dividend and distributions payable	837,607	837,607
Accrued expenses and other liabilities	11,092,336	11,086,062
Tenant security deposits	1,827,837	1,838,501
Total liabilities	494,173,381	506,462,526
Commitments and contingencies	-	-
Deficit:		
Noncontrolling interest in properties	(191,881)	416,382
Noncontrolling interest in Operating Partnership	(65,806,083)	(34,172,349)
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, 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 December 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 December 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 December 31, 2010 and December 31, 2009, respectively	-	-
Accumulated deficit	(41,533,880)	(40,759,319)
Total deficit	(37,306,952)	(4,290,394)
Total liabilities and deficit	\$ 456,866,429	\$ 502,172,132

* See Part IV, Item 15, Notes to the Consolidated Financial Statement, Note 5 – Investment in Multifamily Venture Limited Partnership of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

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

	For the years ended December 31,		
	2010	2009 Adjusted*	2008 Adjusted*
Revenue:			
Rental	\$ 75,234,879	\$ 74,043,952	\$ 65,441,106
Interest	12,655	105,223	605,703
Utility reimbursement	2,341,544	1,835,985	1,433,262
Other	4,093,812	3,637,353	2,725,314
Total revenue	<u>81,682,890</u>	<u>79,622,513</u>	<u>70,205,385</u>
Expenses:			
Operating	19,866,004	20,614,401	17,703,108
Maintenance	5,139,923	4,132,269	4,377,041
Real estate taxes	7,990,892	8,485,196	7,435,548
General and administrative	4,401,076	5,688,334	3,030,145
Management fees	4,803,585	4,770,659	4,487,677
Incentive advisory fees	2,207,795	-	-
Depreciation	31,326,510	32,136,098	28,277,756
Interest, inclusive of amortization of deferred financing fees	27,475,543	26,387,424	23,370,634
Amortization of acquired in-place leases and tenant relationships	117,848	827,930	474,258
Total expenses	<u>103,329,176</u>	<u>103,042,311</u>	<u>89,156,167</u>
Loss before equity in loss of Multifamily Venture Limited Partnership and Mezzanine Loan Limited Liability Company and loss from discontinued operations	(21,646,286)	(23,419,798)	(18,950,782)
Equity in loss of Multifamily Venture Limited Partnership	(4,080,225)	(4,143,070)	(4,321,483)
Equity in income (loss) of Mezzanine Loan Limited Liability Company	-	(947,294)	92,293
Loss from continuing operations	<u>(25,726,511)</u>	<u>(28,510,162)</u>	<u>(23,179,972)</u>
Discontinued operations:			
Loss from discontinued operations	-	(175,072)	(2,308,279)
Gain on disposition of real estate assets	-	-	79,487,487
Net income (loss) from discontinued operations	<u>-</u>	<u>(175,072)</u>	<u>77,179,208</u>
Net income (loss)	(25,726,511)	(28,685,234)	53,999,236
Net (income) loss attributable to noncontrolling interest in properties	18,981	376,955	(5,528,481)
Net (income) loss attributable to noncontrolling interest in Operating Partnership	31,633,734	34,172,349	(12,689,300)
Net income attributable to Parent Company	5,926,204	5,864,070	35,781,455
Preferred dividend	(6,700,765)	(6,700,785)	(6,700,682)
Net income (loss) available to common shareholders	<u>\$ (774,561)</u>	<u>\$ (836,715)</u>	<u>\$ 29,080,773</u>
Net loss from continuing operations attributable to Parent Company per common share, basic and diluted	<u>\$ (0.55)</u>	<u>\$ (0.48)</u>	<u>\$ (34.21)</u>
Net income (loss) from discontinued operations attributable to Parent Company per common share, basic and diluted	<u>\$ 0.00</u>	<u>\$ (0.12)</u>	<u>\$ 54.89</u>
Net income (loss) available to common shareholders per common share, basic and diluted	<u>\$ (0.55)</u>	<u>\$ (0.60)</u>	<u>\$ 20.68</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>
Dividend declared per common share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.20</u>

* See Part IV, Item 15, Notes to the Consolidated Financial Statement, Note 5 – Investment in Multifamily Venture Limited Partnership of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

-- end --