

Berkshire Income Realty Announces Tax Treatment for 2011 Dividends Paid

BOSTON, January 18, 2012 – Berkshire Income Realty, Inc. (NYSE Amex Equities: BIR.PR.A, BIR_PA, BIRPRA, BIR-A, BIR.A, BIR/PRA) (the “Company”) announced today that the tax treatment for dividends paid on the Series A Preferred Stock during 2011 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 in quarterly installment during the year ended December 31, 2011. Of the total per share dividends paid by the Company, \$2.25, or 100%, is taxable as a capital gain distribution reported on Form 1099-DIV, box 2a.

The Company is a Real Estate Investment Trust (“REIT”) whose objective is to acquire, own, operate, develop and rehabilitate multifamily apartment communities. The Company owns interests in twenty-six multifamily apartment communities and two development projects, of which six 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, Walnut Creek, California and Denver, Colorado.

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, 2010 and Quarterly Report on Form 10-Q for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011.

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