

42nd Annual Meeting of Shareholders The City Club San Francisco



May 15, 2012



Villa Granada | Santa Clara, California

Annual Meeting Agenda

BRE Properties, Inc.



10:00 a.m. Welcome and Call to Order

1. Review Agenda

Irving F. "Bud" Lyons III

2. Chairman's Comments

Irving F. "Bud" Lyons III

3. Official Business

Irving F. "Bud" Lyons III

– Review of Proxy Items No. 1, No. 2, & No.3

– Voting and Report: Inspector of Elections

4. Adjournment of Formal Meeting

10:30 a.m. CEO's Report

Constance B. Moore

11:00 a.m. Q&A

Constance B. Moore

11:30 a.m. Annual Meeting Concludes

Board of Directors



Irving F. “Bud” Lyons III*
(Chairman)
Lead Independent Director, ProLogis
Director, Equinix
Former Vice Chairman & CIO, ProLogis

Paula F. Downey*
President & CEO
AAA Northern California, Nevada and
Utah Insurance Exchange

Christopher J. McGurk*
Chairman & CEO
Cinedigm Digital Cinema
Former Vice Chairman & COO, MGM

Matthew T. Medeiros*
President & CEO
SonicWALL, Inc.

Constance B. Moore
President & CEO
BRE Properties, Inc.

Jeanne R. Myerson*
President & CEO
The Swig Company

Jeffrey T. Pero*
Director, Redwood Trust
Retired Partner, Latham & Watkins

Thomas E. Robinson*
Director, Tanger Factory Outlet Centers
Senior Advisor, Stifel Nicolaus Weisel
Former President and CFO, Storage USA

Dennis E. Singleton*
Chairperson, Digital Realty Trust, Inc.
Founding partner and former CFO, CIO
and Director, Spieker Properties

Thomas P. Sullivan*
Co-founder & former Managing Partner
Wilson Meany Sullivan

* Denotes Independent Director

Management Team



Constance B. Moore

President

Chief Executive Officer

Deborah J. Jones

Executive Vice President

Associate Relations & Development

Stephen C. Dominiak

Executive Vice President

Chief Investment Officer

Scott A. Reinert

Executive Vice President

Operations

Kerry Fanwick

Executive Vice President

General Counsel & Secretary

John A. Schissel

Executive Vice President

Chief Financial Officer

Shareholder Proposals



- 1. Election of Directors**
- 2. Ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the year ending December 31, 2012**
- 3. Advisory vote on executive compensation**

CEO Report



Villa Granada | Santa Clara, California

Points of Emphasis

- Strength of market fundamentals in California
- Quality of the development pipeline
- Portfolio operating excellence
- Capital allocation
- Balance sheet strength

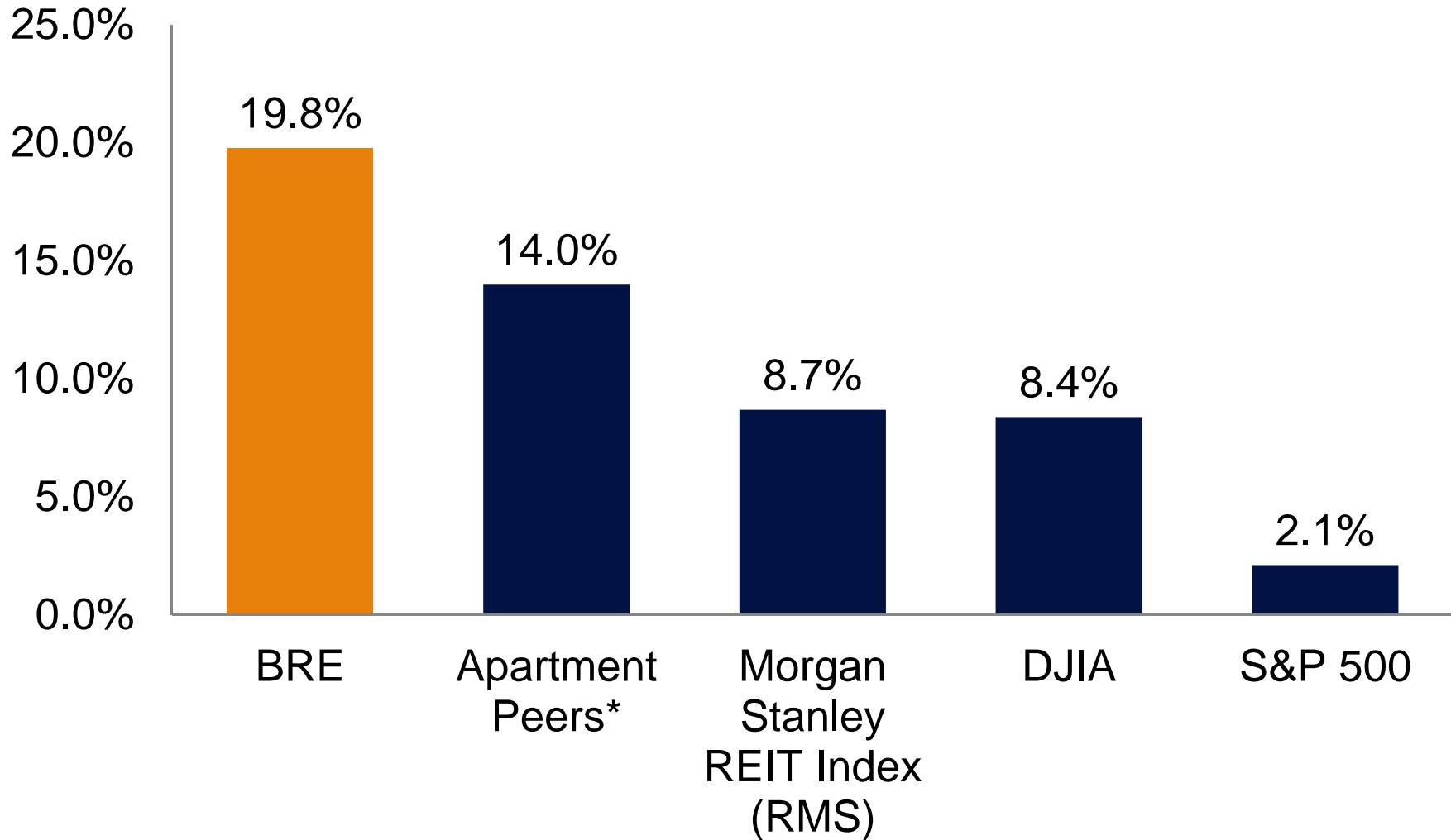
- **Publicly traded REIT (NYSE:BRE)**
- **Multifamily focus; founded 1970**
- **76 wholly-owned communities; 21,336 homes⁽¹⁾**
- **10 development sites⁽²⁾; 3,146 homes**
- **\$5.6 billion total market cap**
- **Uninterrupted dividends since inception**

Data as of May 2012.

⁽¹⁾ Excludes 11 JV communities (3,592 homes) representing 1.0% of NOI.

⁽²⁾ Includes 3 land parcels under option contract which will support the future development of 872 homes.

2011 Total Return



**Peer average comprises the 11 largest market caps in the sector, excluding BRE. DJIA is price-only return.*

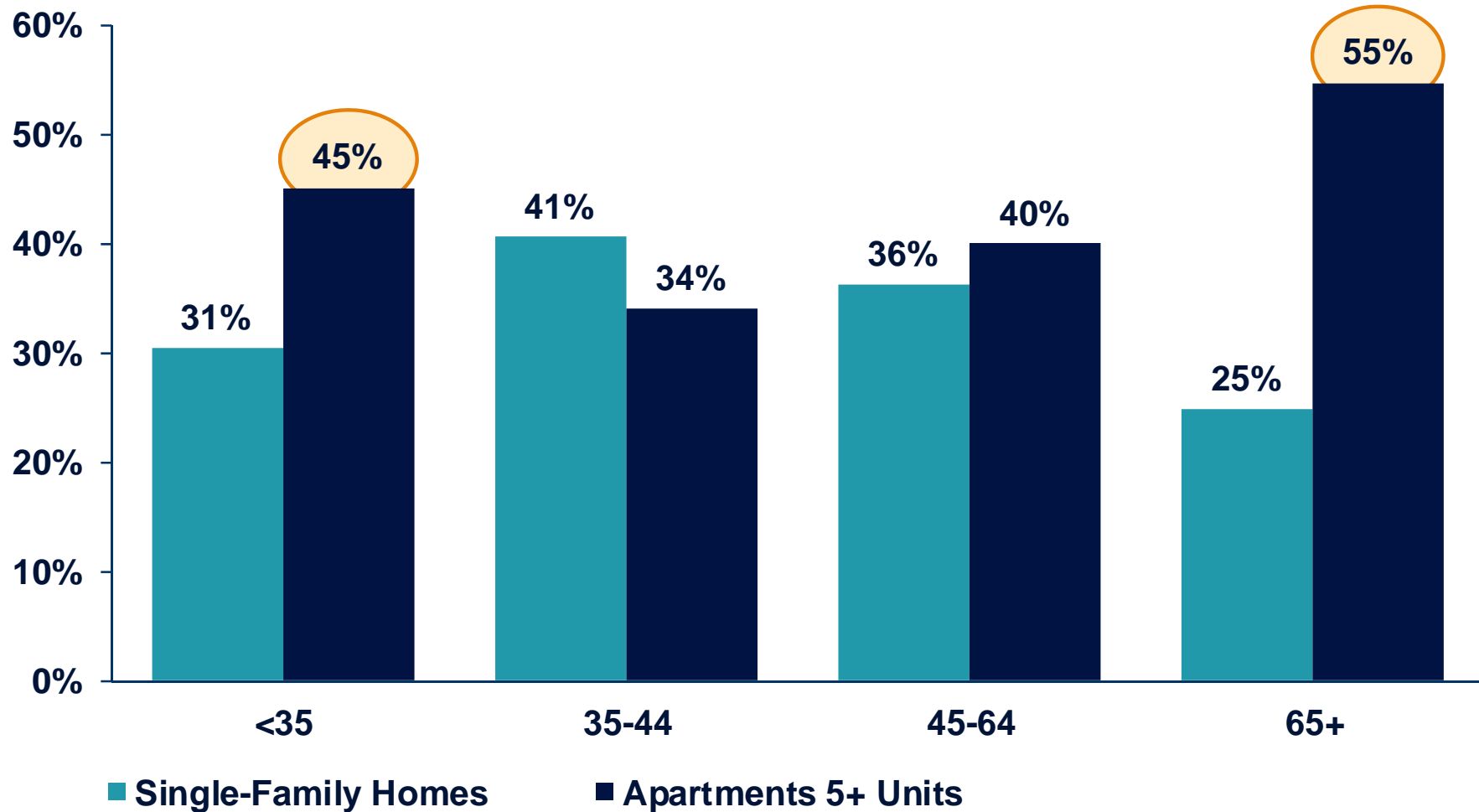
“Big Four” Drivers of Apartment Fundamentals:

California Style

<p>Demographics</p> <p>✓✓✓✓</p>	<ul style="list-style-type: none"> • 20 to 34-year-old cohort expected to grow 2.5x faster in CA vs. the rest of the nation over the next 10 years
<p>Propensity to Rent</p> <p>✓✓✓✓</p>	<ul style="list-style-type: none"> • CA’s homeownership rate is ~17% below national rate • 74% of CA’s population under age 35 rents
<p>Limited Supply</p> <p>✓✓✓✓</p>	<ul style="list-style-type: none"> • New supply in BRE markets estimated to average only 0.8% of existing stock over next 5 years • Geographic & political barriers deter new supply in coastal CA
<p>Jobs</p> <p>✓✓✓✓</p>	<ul style="list-style-type: none"> • Every 4-5 new jobs creates demand for 1 apartment • CA leads the nation in personal income growth

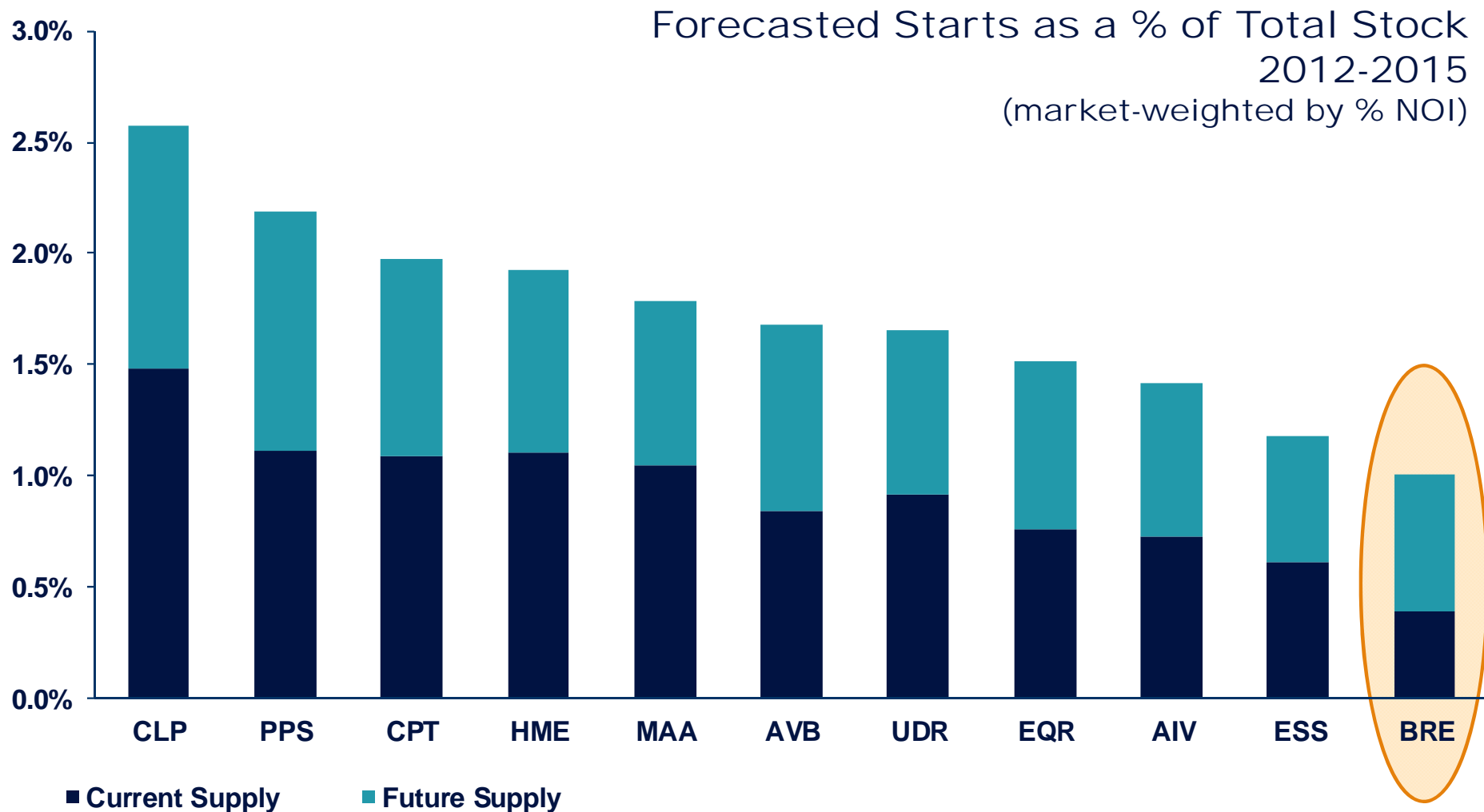
✓✓✓✓ Demographics

<35 and 65+ Age Cohorts Tend to Rent Apartments



✓✓✓✓ Limited Supply

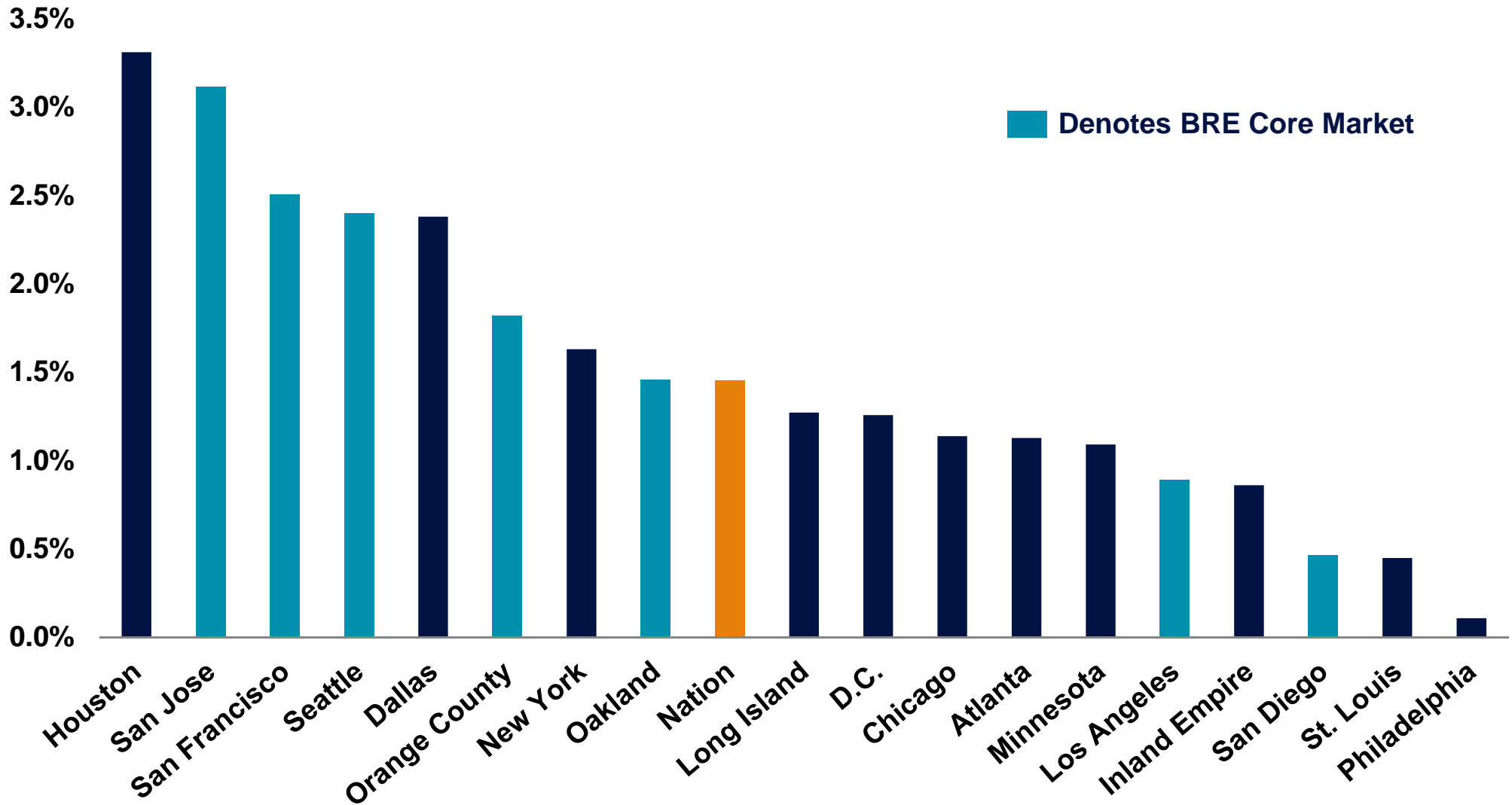
REIT Exposure to Future Supply



Source: Morgan Stanley research, April 2, 2012.

✓✓✓✓ Jobs

YoY % Change in Jobs – March 2012

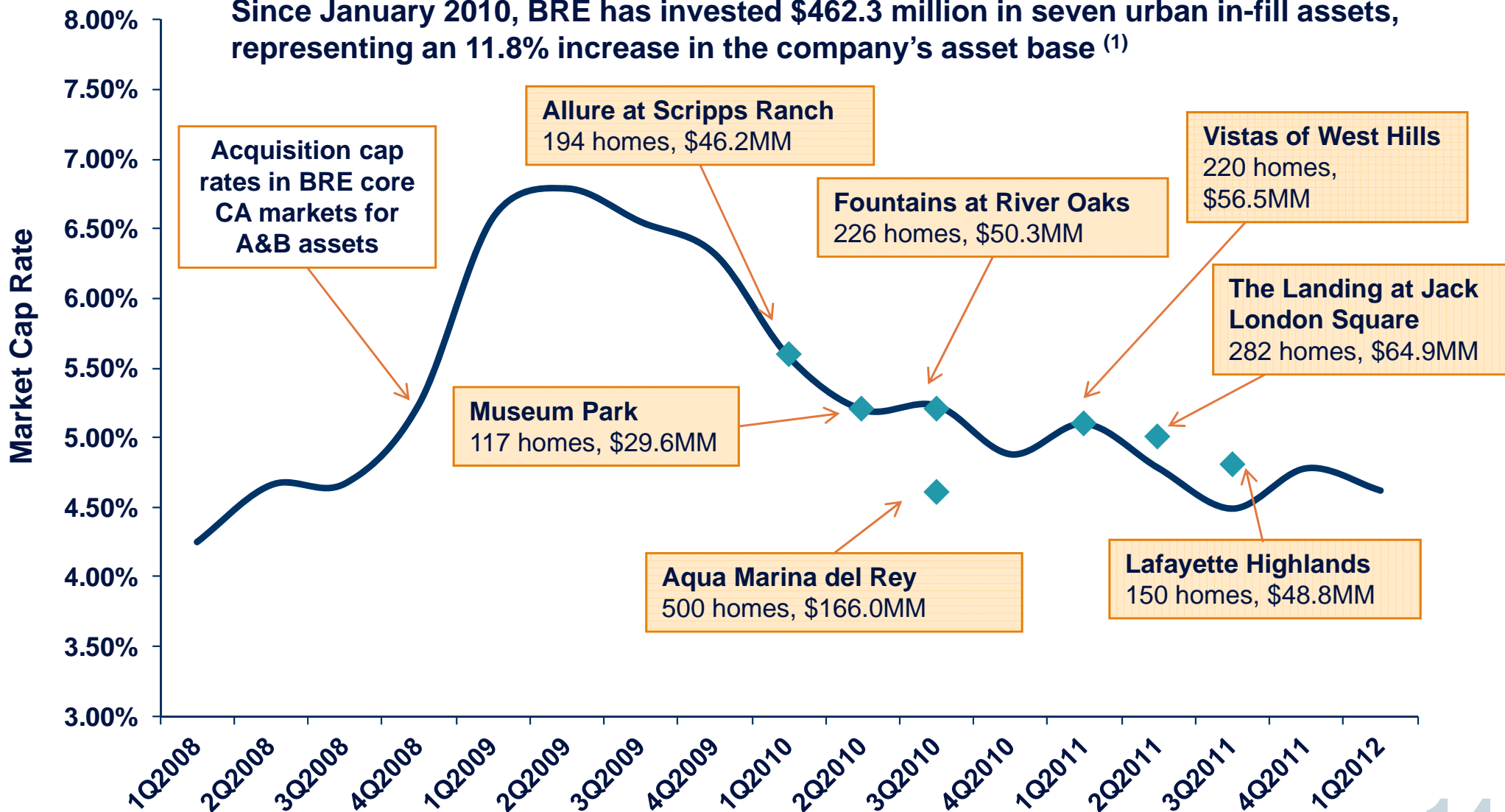


Source: Bureau of Labor Statistics, March 2012.

Active Early Cycle Investor

Acquisition Cap Rates in BRE California Core Markets

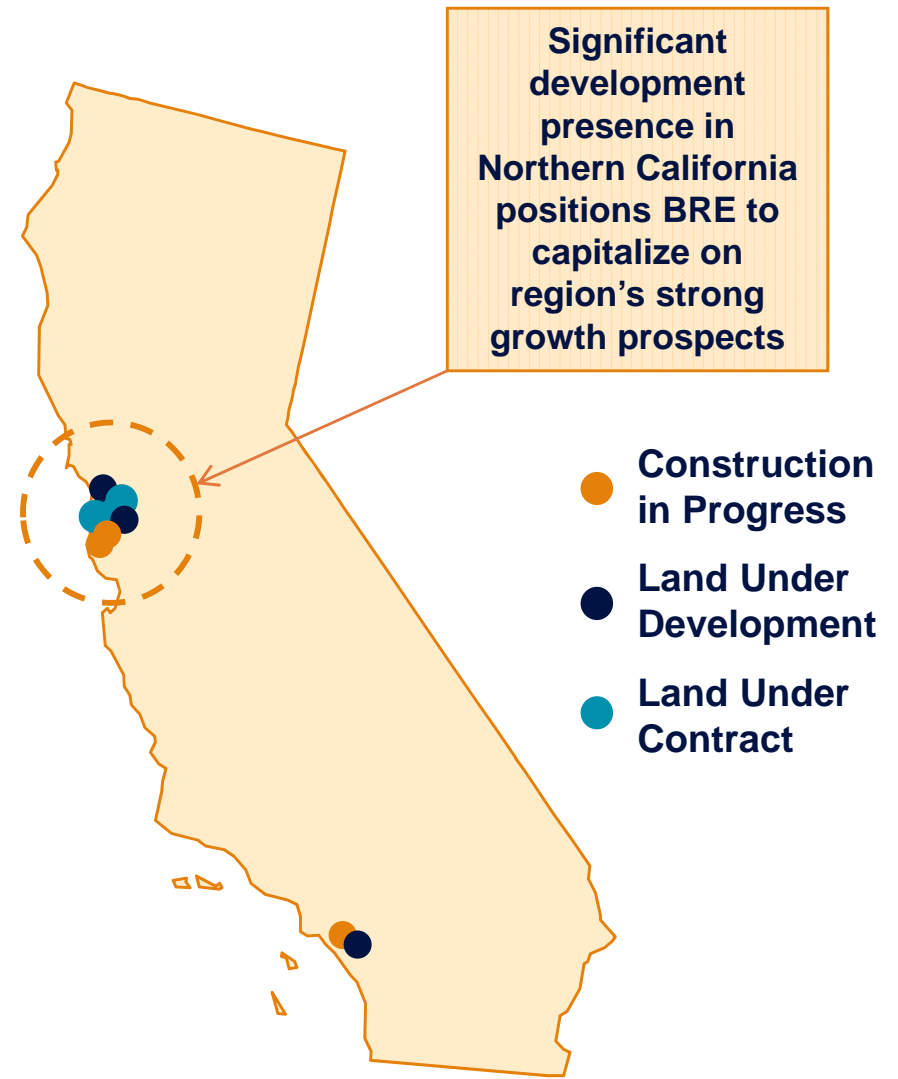
Since January 2010, BRE has invested \$462.3 million in seven urban in-fill assets, representing an 11.8% increase in the company's asset base ⁽¹⁾



Notes: Cap rates equal to 1st year NOI/Purchase price + 1.5% transaction costs.
 (1) Calculated as a percent of the company's enterprise value as of December 31, 2009.

Focused Investment in Northern CA

	Project / Location	Homes	Est. Costs	Balance to Fund	Current Status
Northern California & Seattle	Lawrence Station Sunnyvale, CA	336	\$110.0	\$34.9	CIP
	Aviara Seattle, WA	166	44.5	28.0	CIP
	Solstice Sunnyvale, CA	280	121.9	74.4	CIP
	Mission Bay San Francisco, CA	360	TBR	TBR	LUD
	Pleasanton I Pleasanton, CA	254	TBR	TBR	LUD
	Redwood City Redwood City, CA	263	TBR	TBR	Option Contract
	Pleasanton II Pleasanton, CA	251	TBR	TBR	Option Contract
	Walnut Creek BART Walnut Creek, CA	358	TBR	TBR	Option Contract
Northern CA Total		2,268	\$276.4	\$137.3	
Southern California	Wilshire La Brea Los Angeles, CA	478	\$277.3	\$137.1	CIP
	Park Viridian II Anaheim, CA	400	TBR	TBR	LUD
Southern CA Total		878	\$277.3	\$137.1	
Total Development Pipeline		3,146	\$553.7	\$274.4	



Development pipeline delivery schedule subject to change.

Lawrence Station

An Update



Location:	Sunnyvale, CA
Homes:	336
Land Purchase:	October 2009
Project Start:	October 2010
1st Deliveries:	July 2012

Lawrence Station

Construction in Progress



Lawrence Station

Construction in Progress



Lawrence Station

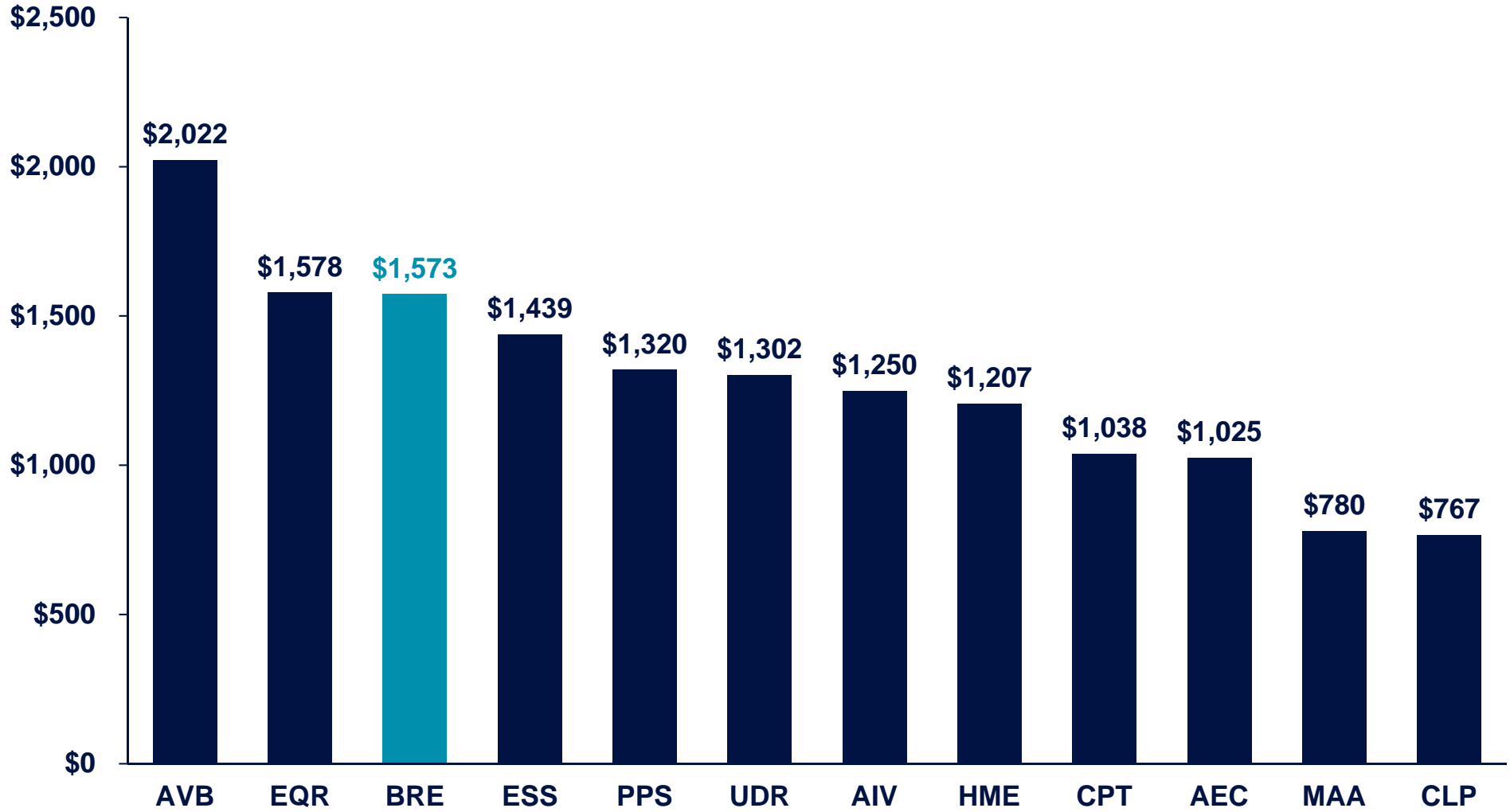
Construction in Progress



High Quality Portfolio



Average Revenue Per Same Store Home



Source: Company supplementals as of March 31, 2012.

Portfolio Refinement

- Redevelop select assets to enhance value, extend useful life, and improve growth characteristics

Redevelopment decisions driven by:

- Asset submarket location, positioning and opportunity
- Return on investment

Redevelopment Value Creation

- Higher rents + higher growth rate + lower operating expenses

Target redevelopment returns of 7% – 10%

Redevelopment Case Study

Fountains at River Oaks, San Jose, CA



226-home community originally built in 1990

Purchased by BRE in August 2010 for \$50.3 million

Centrally located in-fill property in established neighborhood:

- **½ mile from Cisco's headquarters (17,000 employees)**

Renovation scope – full interior & exterior renovation

- **Kitchens & baths (62% completed)**
- **New business center and fitness center**
- **Full exterior paint**
- **Leasing office and signage improvements**

Renovation rent premium: \$150 to \$175 per home

Acquisition cost + Renovation cost = \$248,000/home

- **Recent sales comps in the neighborhood = \$340,000/home**

Pre-renovation

Fountains at River Oaks, San Jose, CA



Post-renovation

Fountains at River Oaks, San Jose, CA



Pre-renovation

Fountains at River Oaks, San Jose, CA



Post-renovation

Fountains at River Oaks, San Jose, CA



Pre-renovation

Fountains at River Oaks, San Jose, CA



Post-renovation

Fountains at River Oaks, San Jose, CA



Pre-renovation

Fountains at River Oaks, San Jose, CA



Post-renovation

Fountains at River Oaks, San Jose, CA



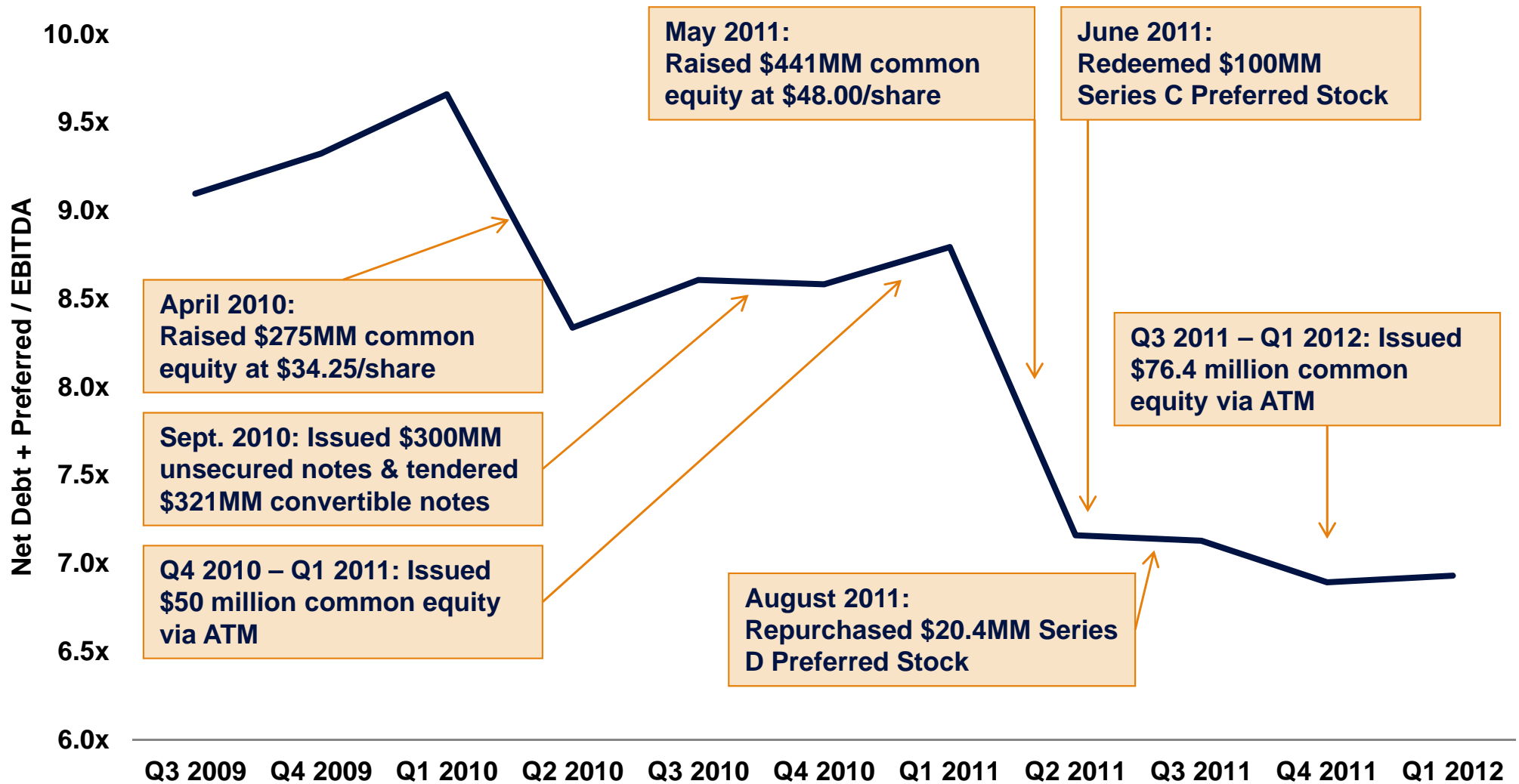
Post-renovation

Fountains at River Oaks, San Jose, CA



Capital Activity

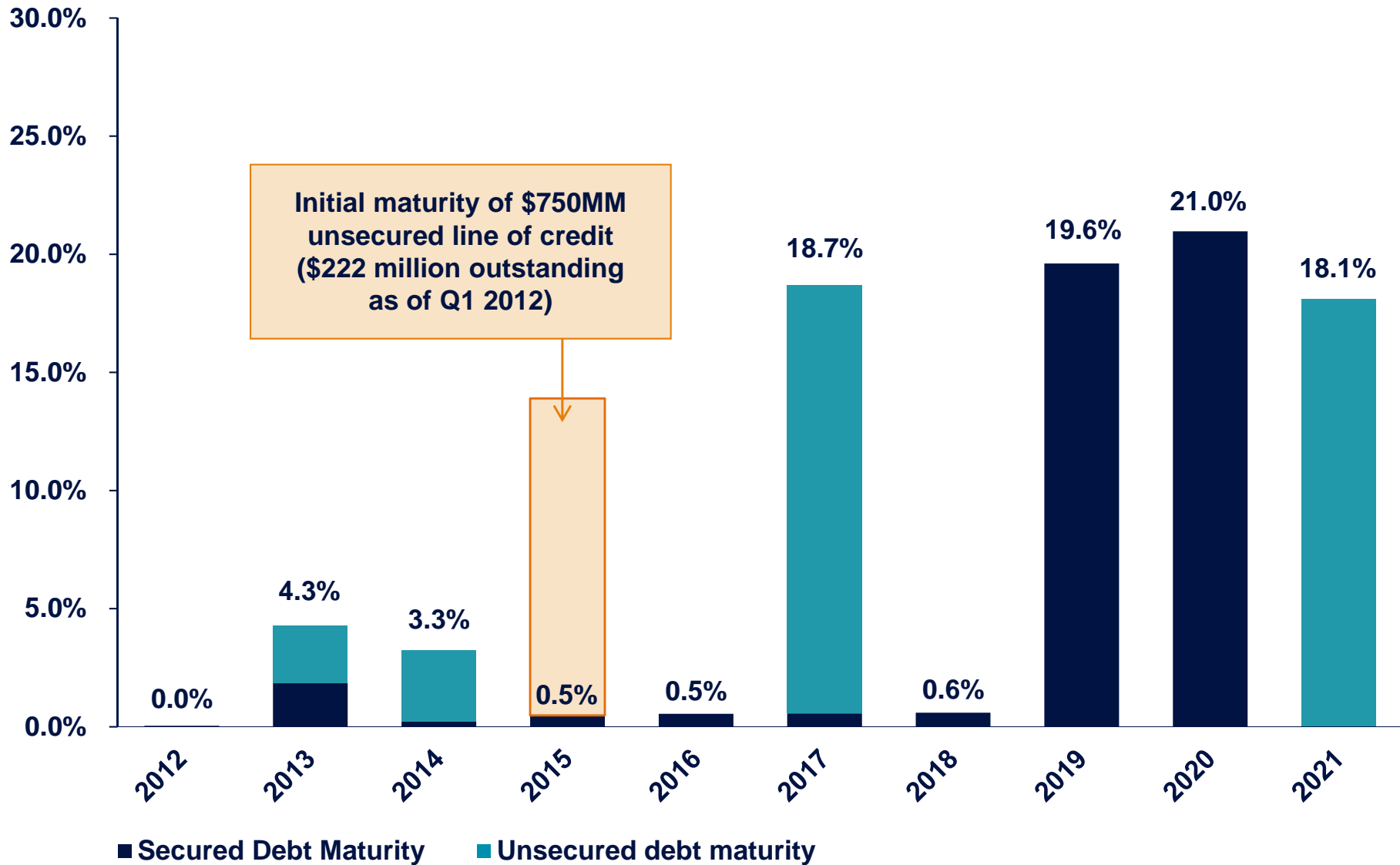
(Debt + Preferred) / EBITDA



Source: Company data.

Well-Staggered Debt Maturities

% Total Debt Maturing Each Year



Source: Company supplemental, as of March 31, 2012.

Balance Sheet Flexibility & Strength

Debt / EBITDA	6.7x
(Debt + Pfd) / EBITDA	6.9x
Debt / Gross Assets	40.7%
(Debt + Pfd) / Gross Assets	42.1%
Interest Coverage	2.8x
Fixed Charge Coverage	2.6x
FFO per Share ⁽¹⁾	\$2.14
AFFO Payout Ratio	83%

Note: Data as of December 31, 2011.

(1) Represents diluted per share amounts.

BRE: Never a Better Time



- **Strong multifamily fundamentals drive post-recession growth**
- **California's market dynamics favor multifamily**
- **Leading West Coast multifamily operator with best-in-class EBITDA margins**
- **Well-capitalized balance sheet with significant flexibility and liquidity**
- **Strong dividend coverage with uninterrupted dividends since inception in 1970**

Safe Harbor Statement



“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Except for the historical information contained herein, this presentation contains forward-looking statements regarding Company and property performance and financial and economic trends, and is based on the Company’s current expectations and judgment. Actual results could vary materially depending on risks and uncertainties inherent to general and local real estate conditions, competitive factors specific to markets in which BRE operates, legislative or other regulatory decisions, future interest rate levels or capital markets conditions. The Company assumes no responsibility to update this information. For more details, please refer to the Company’s SEC filings, including its most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q.