

HOME PROPERTIES DECLARES DIVIDEND AND REVISES TAXABLE COMPOSITION

For Immediate Release:

Tuesday, February 3, 1998

Rochester, New York/ PR Newswire/ -- Home Properties (NYSE:HME), a real estate investment trust ("REIT") specializing in apartment communities in the Northeast, today declared a regular dividend of \$.45 per share for the quarter ended December 31, 1997, payable on February 24, 1998, to shareholders of record on February 13, 1998. This dividend is equivalent to an annualized dividend rate of \$1.80 per share and represents a 6.8% yield based on yesterday's closing price of \$26.5625. Home Properties' stock will begin trading ex-dividend on February 11, 1998.

Shareholders may elect to reinvest their dividends or make direct purchases of additional shares of stock at a 3% discount through the Company's Dividend Reinvestment and Stock Purchase Plan. Copies of the Dividend Reinvestment and Stock Purchase Plan Prospectus and enrollment materials may be obtained by contacting Rebecca Fountain, Investor Relations at (716) 246-4192.

Additionally, the Company announced a revised taxable composition for each of its 1997 dividend payments as follows:

Declaration Dates	Record Dates	Payable Dates	Distributions Per Share	Distribution Type		
				Ordinary Taxable Dividend	Return of Capital	Long-Term Capital Gain
2/4/97	2/14/97	2/25/97	\$0.43	50.1%	49.9%	0%
5/6/97	5/16/97	5/28/97	\$0.43	50.1%	49.9%	0%
8/5/97	8/15/97	8/26/97	\$0.43	50.1%	49.9%	0%
10/28/97	11/13/97	11/25/97	\$0.45	50.1%	49.9%	0%
		TOTALS	<u>\$1.74</u>	<u>50.1%</u>	<u>49.9%</u>	<u>0%</u>

A portion of shareholder distributions are sheltered from current taxes on an ongoing basis from depreciation expenses. In addition, extraordinary items relating to prepayment of debt and a property disposition resulted in 49.9% of HME's 1997 dividends being treated as a return of capital for tax purposes. Without these one-time events, approximately 30% of the dividend would have been treated as a return of capital.

Home Properties is a self-managed real estate investment trust which operates 158 communities with 21,316 apartment units. Of these, 14,048 units in 63 communities are owned outright, 4,782 units are managed by the Company as general partner, and 2,486 units are managed for other owners. The majority of the communities are located throughout New York State, with additional holdings in Michigan, New Jersey, Ohio, and Pennsylvania. In addition, Home Properties manages 1.7 million square feet of commercial space. Home Properties' common stock is traded on the New York Stock Exchange under the symbol "HME".

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For further information:

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Copies of other recent Home Properties press releases are available via fax at no charge by calling Company News on Call at 1-800-758-5804 and entering the code #371957 or on the Internet (<http://www.prnewswire.com/cnoc/exec/menu?371957>).