

HOME PROPERTIES REPORTS TAXABLE COMPOSITION OF 1998 DIVIDENDS

For Immediate Release:

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Rochester, New York/ PR Newswire/ -- Home Properties (NYSE:HME), a real estate investment trust ("REIT") specializing in apartment communities in select Northeast, Midwest, and Mid-Atlantic markets, today reported the taxable composition for its 1998 dividend payments. Due primarily to the on-going shelter provided from non-cash depreciation expenses, a portion of each distribution is treated by the Internal Revenue Service as a return of capital. This portion is not currently taxable and should be applied to reduce the tax cost basis of the shares upon which the dividends were paid. The classifications for 1998 are as follows:

Declaration Dates	Record Dates	Payable Dates	Distributions Per Share	Distribution Type		
				Ordinary Taxable Dividend	Return of Capital	Long-Term Capital Gain
2/3/98	2/13/98	2/24/98	\$0.45	79.4%	20.6%	0%
5/5/98	5/15/98	5/27/98	\$0.45	79.4%	20.6%	0%
8/4/98	8/14/98	8/25/98	\$0.45	79.4%	20.6%	0%
10/27/98	11/16/98	11/24/98	<u>\$0.48</u>	<u>79.4%</u>	<u>20.6%</u>	<u>0%</u>
TOTALS			<u>\$1.83</u>	<u>79.4%</u>	<u>20.6%</u>	<u>0%</u>

Home Properties is a fully integrated, self-administered, and self-managed real estate investment trust, which operates 259 communities containing 34,226 apartment units. Of these, 23,936 units in 97 communities are wholly owned directly or indirectly by the Company, 7,479 units are partially owned and managed by the Company as general partner, and 2,811 units are managed for other owners. The communities are located throughout the Northeastern quadrant of the United States, including New York, Michigan, Pennsylvania, New Jersey, Maryland, Illinois, Maine, Virginia, Connecticut, Indiana, and Ohio. 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" and on the Berlin Stock Exchange under the symbol "HMP GR". The Company's web site address is www.homeproperties.com.

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