



FOR IMMEDIATE RELEASE

HOME PROPERTIES REPORTS TAXABLE COMPOSITION OF 2005 DIVIDENDS

ROCHESTER, NY, January 10, 2006 – Home Properties (NYSE:HME) today reported the taxable composition of its 2005 dividend payments on its Common Stock and its publicly-traded Series F Cumulative Redeemable Preferred Stock. Due primarily to the on-going shelter provided by non-cash depreciation expenses, a portion of each distribution is treated as a return of capital by the Internal Revenue Service. 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 Company did not incur any foreign taxes. The classifications for 2005 are as follows:

Common (CUSIP #437306103)			Distribution Type				
Record Dates	Payable Dates	Distributions Per Share	Ordinary Taxable Dividend	Qualified Dividend	Return of Capital	Long-Term Capital Gain	Unrecaptured Sec. 1250 Gain
2/17/2005	2/28/2005	\$0.63	42.95%	0%	55.34%	0%	1.71%
5/17/2005	5/27/2005	\$0.63	42.95%	0%	55.34%	0%	1.71%
8/15/2005	8/26/2005	\$0.63	42.95%	0%	55.34%	0%	1.71%
11/15/2005	11/25/2005	<u>\$0.64</u>	<u>42.95%</u>	<u>0%</u>	<u>55.34%</u>	<u>0%</u>	<u>1.71%</u>
TOTALS		<u>\$2.53</u>	<u>42.95%</u>	<u>0%</u>	<u>55.34%</u>	<u>0%</u>	<u>1.71%</u>

Series F Cumulative Preferred (CUSIP #437306509)			Distribution Type				
Record Dates	Payable Dates	Distributions Per Share	Ordinary Taxable Dividend	Qualified Dividend	Return of Capital	Long-Term Capital Gain	Unrecaptured Sec. 1250 Gain
2/17/2005	2/28/2005	\$0.56250	96.16%	0%	0%	0%	3.84%
5/17/2005	5/31/2005	\$0.56250	96.16%	0%	0%	0%	3.84%
8/15/2005	8/31/2005	\$0.56250	96.16%	0%	0%	0%	3.84%
11/15/2005	11/30/2005	<u>\$0.56250</u>	<u>96.16%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>3.84%</u>
TOTALS		<u>\$2.25000</u>	<u>96.16%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>3.84%</u>

Home Properties is the sixth largest publicly traded apartment company in the United States. A real estate investment trust with operations in selected Northeast, Midwest, Mid-Atlantic and Southeast Florida markets, the Company owns, operates, acquires and rehabilitates apartment communities. Currently, Home Properties operates 158 communities containing 47,001 apartment units. Of these, 43,432 units in 153 communities are owned directly by the Company; 868 units are partially owned and managed by the Company as general partner, and 2,701 units are managed for other owners. For more information, visit Home Properties' Web site at www.homeproperties.com.

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