HOME PROPERTIES INC

Form 10-O

November 06, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended

SEPTEMBER 30, 2009

"TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF

For the transition period from

to

Commission File Number:

1-13136

HOME PROPERTIES, INC.

(exact name of registrant as specified in its charter)

MARYLAND (State or other jurisdiction of incorporation or organization)

16-1455126 (I.R.S. Employer

Identification No.)

850 Clinton Square, Rochester, New York

14604

(Address of principal executive offices)

(Zip Code)

(585) 546-4900

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

> Yes x No :

> > No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

> (The Registrant is not yet required to submit Yes "

> > Interactive Data)

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x

Accelerated filer "

Non-accelerated filer " (Do not check if a smaller reporting reporting company) Smaller reporting company "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes " No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock Outstanding at October 30,

2009

\$.01 par value 33,551,052

HOME PROPERTIES, INC.

TABLE OF CONTENTS

	PAGE
PART I.FINANCIAL INFORMATION	
Item 1.Financial Statements (Unaudited)	
Consolidated Balance Sheets –	
September 30, 2009 and December 31, 2008	3
Consolidated Statements of Operations –	
Three months ended September 30, 2009 and 2008	4
Consolidated Statements of Operations –	
Nine months ended September 30, 2009 and 2008	5
Consolidated Statements of Equity –	
Nine months ended September 30, 2009 and year ended December 31,	
2008	6
Consolidated Statements of Cash Flows –	
Nine months ended September 30, 2009 and 2008	
	7
Notes to Consolidated Financial Statements	8-18
Item 2.Management's Discussion and Analysis of Financial Condition and	19-31
Results of Operations	
Item 3. Quantitative and Qualitative Disclosures About Market Risk	32
Item 4.Controls and Procedures	32
PART II.OTHER INFORMATION	
Item 1A.Risk Factors	33
Item 2.Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 6.Exhibits	33
Signatures	34

Page 2

PART I – FINANCIAL INFORMATION ITEM 1. FINANCIAL STATEMENTS

HOME PROPERTIES, INC.

CONSOLIDATED BALANCE SHEETS SEPTEMBER 30, 2009 AND DECEMBER 31, 2008 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA) (UNAUDITED)

2009

2008

Real estate: Land \$511,610 \$515,610 Construction in progress 164,697 111,039 Buildings, improvements and equipment 3,238,440 3,245,41 Less: accumulated depreciation (714,815 3,606,970) Real estate, net 3,199,726 323,542 Cash and cash equivalents 6,879 6,567 Cash and cash equivalents 26,793 27,904 Accounts receivable 11,707 14,078 Prepaid expenses 19,06 11,707 Deferred charges 13,086 11,307 Other assets 4,156 5,488 Total assets 4,156 5,488 Total assets 13,286 13,108 Total properties payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 7,000 Accorued expenses and other liabilities 27,419 32,043 Security deposits 20,291 2,415 Total liabilities 2,245,252		2009	2008
Land \$511,404 \$515,610 Construction in progress 164,697 111,039 Buildings, improvements and equipment 3,238,440 3,245,741 Less: accumulated depreciation (714,815) 6636,970) Real estate, net 3,199,726 3,235,420 Cash and cash equivalents 6,879 6,567 Cash in escrows 26,793 27,904 Accounts receivable 11,707 14,078 Prepaid expenses 19,756 16,277 Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets 3,282,103 3,317,094 LIABILITIES AND EQUITY Mortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 2,143 Accrued expenses and other liabilities 27,419 32,045 Total liabilities </td <td>ASSETS</td> <td></td> <td></td>	ASSETS		
Construction in progress 164,697 111,039 Buildings, improvements and equipment 3,238,440 3,245,741 Less: accumulated depreciation (714,815 6636,970) Real estate, net 3,199,726 3,235,420 Cash and cash equivalents 6,879 6,567 Cash in escrows 26,793 27,904 Accounts receivable 11,707 14,078 Prepaid expenses 19,756 16,277 Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets 3,322,103 3,317,094 LIABILITIES AND EQUITY 33,82,103 3,317,094 Mortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 security deposits 2,405,562			
Buildings, improvements and equipment 3,238,440 3,245,741 Less: accumulated depreciation 3,914,541 3,872,390 Real estate, net 3,199,726 3,235,420 Cash and cash equivalents 6,879 6,567 Cash and cash equivalents 26,793 27,904 Accounts receivable 11,707 14,078 Prepaid expenses 19,756 16,277 Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets 3,282,103 3,317,094 LIABILITIES AND EQUITY Wortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Common stock, \$0.01 par value; 80,00			
Cass: accumulated depreciation	· ·		
Less: accumulated depreciation	Buildings, improvements and equipment		
Real estate, net 3,199,726 3,235,420 Cash and cash equivalents 6,879 6,567 Cash in escrows 26,793 27,904 Accounts receivable 11,707 14,078 Prepaid expenses 19,756 16,277 Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets \$3,282,103 \$3,317,094 LIABILITIES AND EQUITY \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 20,291 21,443 Total liabilities 335 324 Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 <		3,914,541	3,872,390
Cash and cash equivalents 6,879 6,567 Cash in escrows 26,793 27,904 Accounts receivable 11,707 14,078 Prepaid expenses 19,756 16,277 Deferred charges 13,086 13,360 Other assets 4,156 5,488 Total assets \$3,282,103 \$3,317,094 LIABILITIES AND EQUITY \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 24,25,257 2,405,562 Commitments and contingencies 18,000 32,405,562 Equity: 335 324 Excess stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issuad and outs	Less: accumulated depreciation	(714,815)	(636,970)
Cash in escrows 26,793 27,904 Accounts receivable 11,707 14,078 Prepaid expenses 19,756 16,277 Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets \$3,282,103 \$3,317,094 LIABILITIES AND EQUITY Wortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2425,257 2,405,562 Commitments and contingencies 2425,257 2,405,562 Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding 2,25,257 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no	Real estate, net	3,199,726	3,235,420
Accounts receivable 11,707 14,078 Prepaid expenses 19,756 16,277 Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets 4,156 5,488 Total assets \$3,382,103 \$3,317,094 LIABILITIES AND EQUITY \$2,138,524 \$2,112,331 Exchangea notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2425,257 2,405,562 Commitments and contingencies 2425,257 2,405,562 Commitments and contingencies 335 324 Equity: 208, respectively 335 324 Excess stock, \$0.01 par value; 80,000,000 shares authorized; 30,488,760 3	Cash and cash equivalents	6,879	6,567
Prepaid expenses 19,756 16,277 Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets \$3,282,103 \$3,317,094 LIABILITIES AND EQUITY **** ***** Mortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accorused interest payable 12,668 10,845 Accurued interest payable 12,668 10,845 Accurued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies 2,425,257 2,405,562 Equity: 2 335 324 Excess stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 2xcess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - -	Cash in escrows	26,793	27,904
Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets \$3,282,103 \$3,317,094 LIABILITIES AND EQUITY \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accorued interest payable 12,668 10,845 Accurued interest payable 27,419 32,043 Security deposits 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies 2425,257 2,405,562 Equity: 25,000,000,000,000,000,000,000,000,000,0	Accounts receivable	11,707	14,078
Deferred charges 13,086 11,360 Other assets 4,156 5,488 Total assets \$3,282,103 \$3,317,094 LIABILITIES AND EQUITY Mortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accorued interest payable 12,668 10,845 Accured interest payable 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 20,291 21,443 Total liabilities 20,291 24,05,562 Commitments and contingencies 2425,257 2,405,562 Equity: 2008, respectively 335 324 Excess stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - - outstanding - - Additional paid-in capital 880,605<	Prepaid expenses	19,756	16,277
Total assets \$3,282,103 \$3,317,094 LIABILITIES AND EQUITY *2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: - Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - - - 2008, respectively 335 324 - - - Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - - - Additional paid-in capital 880,605 857,415 - Distributions in excess of accumulated earnings (251,058) (206,961)		13,086	11,360
LIABILITIES AND EQUITY Mortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding -	Other assets	4,156	5,488
Mortgage notes payable \$2,138,524 \$2,112,331 Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - <td>Total assets</td> <td>\$3,282,103</td> <td>\$3,317,094</td>	Total assets	\$3,282,103	\$3,317,094
Exchangeable senior notes 135,632 134,169 Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies 2 Equity: 300 300 Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - - Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	LIABILITIES AND EQUITY		
Line of credit 71,500 71,000 Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies 2 Equity: 32 20,291 20,245,257 Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - - Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	Mortgage notes payable	\$2,138,524	\$2,112,331
Accounts payable 19,223 23,731 Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - - Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	Exchangeable senior notes	135,632	134,169
Accrued interest payable 12,668 10,845 Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - - - Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	Line of credit	71,500	71,000
Accrued expenses and other liabilities 27,419 32,043 Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	Accounts payable	19,223	23,731
Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)		12,668	10,845
Security deposits 20,291 21,443 Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	Accrued expenses and other liabilities	27,419	32,043
Total liabilities 2,425,257 2,405,562 Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	•	20,291	21,443
Commitments and contingencies Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital Distributions in excess of accumulated earnings (251,058) (206,961)	Total liabilities	2,425,257	2,405,562
Equity: Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively 335 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding - Additional paid-in capital Distributions in excess of accumulated earnings (251,058) (206,961)	Commitments and contingencies		
Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively 335 324 Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	<u> </u>		
and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital Distributions in excess of accumulated earnings 335 324			
2008, respectively Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital Distributions in excess of accumulated earnings 335 324			
Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding Additional paid-in capital Distributions in excess of accumulated earnings Additional paid-in capital 880,605 857,415 (251,058) (206,961)	• • •	335	324
outstanding Additional paid-in capital Distributions in excess of accumulated earnings			
Additional paid-in capital 880,605 857,415 Distributions in excess of accumulated earnings (251,058) (206,961)	*	_	_
Distributions in excess of accumulated earnings (251,058) (206,961)	· · · · · · · · · · · · · · · · · · ·	880,605	857.415
	Total common stockholders' equity	629,882	650,778
Noncontrolling interest 226,964 260,754	_ · ·	·	· ·
Total equity 856,846 911,532	· ·		
Total liabilities and equity \$3,282,103 \$3,317,094	• •	•	

The accompanying notes are an integral part of these consolidated financial statements.

HOME PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA) (UNAUDITED)

	2009	2008
Revenues:		
Rental income	\$116,996	\$114,791
Property other income	9,288	8,982
Interest income	4	20
Other income	29	30
Total revenues	126,317	123,823
Expenses:		
Operating and maintenance	51,959	50,998
General and administrative	6,102	5,948
Interest	30,772	29,936
Depreciation and amortization	30,319	28,292
Total expenses	119,152	115,174
Income from continuing operations	7,165	8,649
Discontinued operations:		
Income from discontinued operations	77	1,008
Loss on disposition of property	(22)	· -
Discontinued operations	55	1,008
Net income	7,220	9,657
Net income attributable to noncontrolling interest	(1,956)	(2,818)
Net income attributable to common shareholders	\$5,264	\$6,839
Basic earnings per share:		
Income from continuing operations	\$0.16	\$0.19
Discontinued operations	-	0.02
Net income attributable to common shareholders	\$0.16	\$0.21
The medic difficulties to common shareholders	ψ0.10	Ψ0.21
Diluted earnings per share:		
Income from continuing operations	\$0.16	\$0.19
Discontinued operations	-	0.02
Net income attributable to common shareholders	\$0.16	\$0.21
Weighted average number of shares outstanding:		
Basic	32,972,794	31,884,119
Diluted	33,091,764	32,395,032
Dividends declared per share	\$0.67	\$0.66

The accompanying notes are an integral part of these consolidated financial statements.

HOME PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA) (UNAUDITED)

	2009	2008
Revenues:	4251 20 6	\$241.562
Rental income	\$351,296	\$341,762
Property other income	30,711	30,640
Interest income	18	159
Other income	397	308
Total revenues	382,422	372,869
Expenses:		
Operating and maintenance	160,734	154,805
General and administrative	18,240	18,786
Interest	91,582	88,749
Depreciation and amortization	90,609	83,607
Total expenses	361,165	345,947
Income from continuing operations	21,257	26,922
Discontinued operations:		
Income (loss) from discontinued operations	(4,167	1,227
Gain on disposition of property	13,471	29,848
Discontinued operations	9,304	31,075
Net income	30,561	57,997
Net income attributable to noncontrolling interest	(8,375	(17,055)
Net income attributable to common shareholders	\$22,186	\$40,942
Basic earnings per share:		
Income from continuing operations	\$0.47	\$0.59
Discontinued operations	0.21	0.69
Net income attributable to common shareholders	\$0.68	\$1.28
The medic activation to common shareholders	Ψ0.00	Ψ1.20
Diluted earnings per share:		
Income from continuing operations	\$0.47	\$0.59
Discontinued operations	0.20	0.68
Net income attributable to common shareholders	\$0.67	\$1.27
Weighted average number of shares outstanding:		
Basic	32,841,779	31,914,710
Diluted	32,905,711	32,357,364
	,	, ,
Dividends declared per share	\$2.01	\$1.98

The accompanying notes are an integral part of these consolidated financial statements.

HOME PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND THE YEAR ENDED DECEMBER 31, 2008 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA) (UNAUDITED)

				Distributions		
			Additional	in Excess of		
	Common Stock		Paid-In	Accumulated	Noncontrolling	
	Shares	Amount	Capital	Earnings	Interests	Totals
Balance, December 31, 2007	32,600,614	\$326	\$853,358	\$ (185,623)	\$ 279,061	\$947,122

Cumulative effect of change in accounting principle