

BRE FINANCIAL NEWS

Investor Contact: Edward F. Lange, Jr., 415.445.6559
Media Contact: Thomas E. Mierzwinski, 415.445.6525



FOR IMMEDIATE RELEASE

BRE PROPERTIES REPORTS SECOND QUARTER 2007 RESULTS

July 31, 2007 (San Francisco) – BRE Properties, Inc. (NYSE:BRE) today reported operating results for the quarter ended June 30, 2007. All per share results are reported on a fully diluted basis.

Funds from operations (FFO), the generally accepted measure of operating performance for real estate investment trusts, totaled \$35.6 million, or \$0.68 per share, during second quarter 2007, as compared with \$51.4 million, or \$0.96 per share, for the quarter ended June 30, 2006.

Second quarter 2007 FFO included nonroutine income of \$1.9 million, or \$0.04 per share, in proceeds from a legal settlement. Second quarter 2006 FFO included two nonroutine income items totaling \$23.0 million, or \$0.43 per share. Excluding the nonroutine income items, second quarter 2007 FFO per share increased 21% over the previous year.

Net income available to common shareholders for the second quarter totaled \$15.1 million, or \$0.29 per share, as compared with \$70.6 million, or \$1.33 per share, for the same period 2006. In addition to the nonroutine income items noted above, earnings in second quarter 2006 included gains on the sale of assets, which totaled \$38.3 million, or \$0.72 per share.

Total revenues from continuing operations for the quarter were \$85.4 million, as compared with \$79.2 million a year ago, representing growth of 8%. Adjusted EBITDA for the quarter totaled \$58.6 million, as compared with \$52.8 million in second quarter 2006.

Six-Month Period Ended June 30, 2007

For the year-to-date period, FFO totaled \$67.8 million, or \$1.29 per share, as compared with \$78.5 million, or \$1.47 per share, for the six-month period in 2006. Nonroutine income was reported in both the current and prior periods, in amounts previously referenced. Excluding nonroutine items, core FFO per share growth was 19% year-over-year.

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Net income available to common shareholders for the six-month period totaled \$27.1 million, or \$0.52 per diluted share, as compared with \$78.0 million, or \$1.49 per diluted share, for the same period 2006. The 2006 year-to-date results included nonroutine income items and gains from property sales cited previously.

For the first half of 2007, total revenues from continuing operations were \$168.5 million, as compared with \$155.3 million for the same period 2006, representing growth of 8.5%. Adjusted EBITDA for the six-month period totaled \$115.1 million, as compared with \$106.0 million for the same period in 2006.

BRE's positive year-over-year earnings and FFO results were driven primarily by same-store property-level operating results, and income from acquisitions and newly developed properties. Same-store NOI growth was 8.2% and 8.7% for the quarter and year-to-date periods, respectively, as compared with the same periods in 2006. For the second quarter and six-month period, same-store NOI increased \$4.1 million and \$8.5 million, respectively, relative to the same periods in the prior year. Communities acquired and newly developed generated \$1.8 million in additional NOI during the quarter, as compared with second quarter 2006.

Same-Store Property Results

BRE defines same-store properties as stabilized apartment communities owned by the company for at least five full quarters. Of the 22,681 apartment units owned directly by BRE, same-store units totaled 19,481 for the quarter.

On a year-over-year basis, same-store NOI growth was driven by revenue growth of 5.0% for the quarter. Average same-store market rent for the second quarter 2007 increased 3.5% to \$1,406 per unit, from \$1,358 per unit in second quarter 2006. Same-store physical occupancy levels averaged 94.4% during second quarter 2007, as compared with 95.1% in the same period 2006. Physical occupancy at the end of the second quarter was 95.2%. Rent concessions in the same-store portfolio totaled \$790,000, or 3.8 days rent, for second quarter 2007, as compared with \$540,000, or 2.5 days rent, for the same period 2006. Property-level operating expense decreased 1.9% from second quarter 2006 levels.

On a sequential basis, same-store NOI increased 2.1% from first quarter 2007. Revenue increased 2.1% and expenses increased 2.0% from the previous quarter. Average physical occupancy improved 1.3%.

Investment Activity

At the end of the second quarter, BRE had one Southern California property in lease-up, Renaissance at Uptown Orange in Orange. When completed, the community will have 460 units. To date, 151 units have been delivered, with 81 units leased and occupied.

BRE currently has seven communities under construction, with a total of 1,969 units, an aggregate projected investment of \$602 million and an estimated balance to complete totaling \$246 million.

BRE owns four land parcels representing 1,422 units of future development, and an estimated aggregate investment of \$549 million upon completion. Construction starts for the five parcels range from fourth quarter 2007 to the third quarter of 2009. The land parcels are located in Southern California and Northern California.

During the second quarter, BRE acquired an apartment community in Westminster, Colo., through a joint venture with JPMorgan Asset Management. The property, Calavera Point, has 276 units; the purchase price was \$33 million. BRE acquired a 15% interest (\$4.9 million) in the asset, and will provide property management services.

At June 30, the company classified five operating properties and two excess land parcels as held for sale, with a total net book value of \$79.9 million. The five operating properties are located in: Sacramento (2), Phoenix (1) and Seattle (2), totaling 1,153 units, with a total net book value of \$58.9 million. The two excess land parcels are in Northern California and Seattle, with a book value of \$21 million.

Subsequent to the quarter's end, BRE sold and contributed a 432-unit property to a joint venture: Arcadia Cove, the Phoenix, Ariz., asset noted in the previous paragraph, with a total value of approximately \$52 million. The company retained a 15% interest in the property, and will provide property management services. The company's joint venture partner is JPMorgan Asset Management. In connection with the transaction, the company will record a net gain on sale of approximately \$26.5 million, which will be recognized during third quarter 2007.

Earnings Outlook

The company has revised its guidance for the full year 2007, adjusting expectations for FFO per share to a range of \$2.59 to \$2.66, from the previous range of \$2.55 to \$2.70. Guidance for earnings per share (EPS) has been revised to a range of \$1.60 to \$1.67, from the previous range of \$1.05 to \$1.20. For the year, management anticipates same-store revenue growth will range 5% to 6%, and same-store NOI growth will range 7% to 8%.

The revised FFO guidance range for 2007 includes the \$1.9 million of nonroutine income recognized during the second quarter (\$0.04 per share), and nonroutine expenses the company may recognize during the second half of the year associated with the early retirement of securities, estimated at approximately \$2.7 million (\$0.05 per share). EPS estimates include the expected gain on sale associated with previously noted property sale, but do not include any additional projected gains or losses associated with property sales. Management will assess the range of earnings estimates for 2007 at the end of each quarter.

Q2 2007 Analyst Conference Call

The company will hold a conference call on Wednesday, August 1, at 9:30 a.m. Pacific (12:30 p.m. Eastern) to review these results. The dial-in number to participate in the U.S. and Canada is 888.290.1473; the international number is 706.679.8398. Enter Conf. ID# 2203856. A telephone replay of the call will be available for 30 days at 800.642.1687 or 706.645.9291 international, using the same ID# 2203856. A link to the live webcast of the call will be posted on www.breproperties.com, in Investors, on the Corporate Profile page. A webcast replay will be available for one month following the call.

Q3 2007 Earnings Dates

The company will report third quarter 2007 earnings after close of market on October 30, 2007, followed by a conference call on October 31, 2007, at 8:30 a.m. Pacific (11:30 a.m. Eastern).

About BRE Properties

BRE Properties—a real estate investment trust—develops, acquires and manages apartment communities convenient to its residents' work, shopping, entertainment and transit in supply-constrained Western U.S. markets. BRE directly owns and operates 81 apartment communities totaling 22,681 units in California, Arizona and Washington. The company currently has 11 other properties in various stages of development and construction, totaling 3,391 units, and joint venture interests in 10 additional apartment communities, totaling 2,948 units.

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Except for the historical information contained herein, this news release contains forward-looking statements regarding the Company’s capital resources, portfolio performance and results of operations, and is based on the company’s current expectations and judgment. You should not rely on these statements as predictions of future events because there is no assurance that the events or circumstances reflected in the statements can be achieved or will occur. Forward-looking statements are identified by words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “pro forma,” “estimates,” or “anticipates” or their negative form or other variations, or by discussions of strategy, plans or intentions. The following factors, among others, could affect actual results and future events: defaults or nonrenewal of leases, increased interest rates and operating costs, failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in effecting acquisitions, failure to successfully integrate acquired properties and operations, inability to dispose of assets that no longer meet our investment criteria under acceptable terms and conditions, risks and uncertainties affecting property development and construction (including construction delays, cost overruns, liability to obtain necessary permits and public opposition to such activities), failure to qualify as a real estate investment trust under the Internal Revenue Code of 1986, as amended, and increases in real property tax rates. The Company’s success also depends on general economic trends, including interest rates, tax laws, governmental regulation, legislation, population changes and other factors, including those risk factors discussed in the section entitled “Risk Factors” in the Company’s most recent Annual Report on Form 10-K as they may be updated from time to time by the Company’s subsequent filings with the Securities and Exchange Commission, or SEC. Do not rely solely on forward-looking statements, which only reflect management’s analysis. 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.