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HOME PROPERTIES OF NEW YORK INC
Form 10-K405
February 27, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2001

OR

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

Commission File Number 1-13136

HOME PROPERTIES OF NEW YORK, 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 Number)

850 CLINTON SQUARE
ROCHESTER, NEW YORK 14604
(Address of principal executive offices)

Registrant's telephone number, including area code: (585) 546-4900
Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of Each Exchange on Which Registered -----
Common Stock, \$.01 par value	New York Stock Exchange

Indicate by check mark whether 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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

The aggregate market value of the shares of common stock held by non-affiliates (based upon the closing sale price on the New York Stock Exchange) on February

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22, 2002 was approximately \$794,950,800. As of February 22, 2002, there were 24,968,808 shares of common stock, \$.01 par value outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The proxy statement to be issued in connection with the Company's 2002 Annual Meeting of Stockholders is incorporated by reference into Items 11, 12 and 13 of Part III of this Report.

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HOME PROPERTIES OF NEW YORK, INC.

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PART I

Item 1. Business

The Company

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Home Properties of New York, Inc. ("Home Properties" or the "Company") is a self-administered and self-managed real estate investment trust ("REIT") that owns, manages, acquires, rehabilitates and develops apartment communities. The Company's properties are regionally focused in the Northeastern, Mid-Atlantic and Midwestern United States. It was formed in November, 1993, to continue and expand the operations of Home Leasing Corporation ("Home Leasing"). The Company completed an initial public offering of 5,408,000 shares of common stock (the "IPO") on August 4, 1994.

The Company conducts its business through Home Properties of New York, L.P. (the "Operating Partnership"), a New York limited partnership in which the Company held a 60.0% partnership interest as of December 31, 2001 (57.6% at December 31, 2000) (such interest has been calculated as the percentage of outstanding common shares divided by the total outstanding common shares and Operating Partnership Units outstanding) and two management companies (together, the "Management Companies") - Home Properties Management, Inc. ("HP Management") and Home Properties Resident Services, Inc. ("HPRS") (formerly Conifer Realty Corporation), both of which are Maryland corporations.

Home Properties, through its affiliates described above, as of December 31, 2001, operated 293 communities with 49,745 apartment units. Of these, 39,007 units in 143 communities are owned outright (the "Owned Properties"), 8,035 units in 132 communities are managed and partially owned by the Company as general partner, and 2,703 units in 18 communities are managed for other owners (collectively, the "Managed Properties"). The Management Companies and the Operating Partnership, prior to 2001, were also involved in certain development activities.

The Owned Properties and the Managed Properties (collectively, the "Properties") are concentrated in the following market areas:

Market Area -----	Apts. Owned -----	Apts. Managed As General Partner -----	Apts. Fee Managed -----
Baltimore, MD	6,322	0	2,158
Philadelphia/Lehigh Valley, PA	6,276	0	0
Detroit, MI	5,694	0	108
Suburban Washington, DC	4,277	0	0
Rochester, NY	2,565	1,747	365
Northern New Jersey	2,520	352	0
Chicago, IL	2,242	0	0
Long Island, NY	1,933	0	0
Buffalo, NY	1,644	156	0
Syracuse, NY	1,565	1,486	0
South Bend, IN	706	168	0
Albany/Hudson Valley, NY	684	777	61
Central VA	664	0	0
Portland, ME	595	0	0
Hamden, CT	498	0	0
Delaware	432	0	0
Columbus, OH	242	948	0
Western PA	148	2,401	11
	-----	-----	-----
Total # of Units	39,007	8,035	2,703
	=====	=====	=====

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Total Number of Communities

143

132

18

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The Company's mission is to maximize shareholder value by acquiring, rehabilitating, and managing apartment communities while enhancing the quality of life for its residents, improving the broader communities in which the Company operates, providing employees with opportunities for growth and accomplishment, and demonstrating personal integrity and dedication at all times.

The Company's business strategies include: (i) aggressively managing and improving its communities to achieve increased net operating income; (ii) acquiring additional apartment communities with attractive returns at prices significantly below replacement costs; and (iii) maintaining a conservative capital structure with cost effective access to the capital markets.

Structure

The Company was formed in November, 1993 as a Maryland corporation and is the general partner of the Operating Partnership. On December 31, 2001, it owned a 62.9% interest in the Operating Partnership - one percent as sole general partner and the remainder as a limited partner through its wholly owned subsidiary, Home Properties Trust. A portion of the limited partner interests held by Home Properties Trust as of December 31, 2001 consisted of all of the Series B, C, D, and E Limited Partnership Units (3,150,000 units, or 7.3% of the total). Those preferred interests in the Operating Partnership have rights and preferences that mirror the rights and preferences of the holders of the related series of preferred shares in the Company held by GE Capital Equity Investment, Inc., an affiliate of Prudential Real Estate Investors, Teachers Insurance and Annuity Association of America, affiliates of AEW Capital Management and Pacific Life Insurance Company, and The Equitable Life Assurance Society of the United States. The remaining units (23,579,226 or 54.6% of the total) held by Home Properties Trust have basically the same rights as the other limited partner interests (the "Units") in the Operating Partnership. Those other Units are owned by certain individuals who received Units in the Operating Partnership as partial consideration for their interests in entities owning apartment communities purchased by the Operating Partnership, as well as certain officers of the Company.

The Operating Partnership is a New York limited partnership formed in December, 1993. Holders of Units in the Operating Partnership may redeem a Unit for one share of the Company's common stock or cash equal to the fair market value at the time of the redemption, at the option of the Company. Management expects that it will continue to utilize Units as a form of consideration for a significant portion of its acquisition properties.

Both of the Management Companies are Maryland corporations and, effective January 1, 2001, both converted to taxable REIT subsidiaries under the Tax Relief Extension Act of 1999. HP Management was formed in January, 1994 and HPRS was formed in December, 1995. As of December 31, 2001, the Operating Partnership held 95% of the economic interest in HP Management and 99% of the economic interest in HPRS. Nelson and Norman

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Leenhouts (the "Leenhouts") hold the remaining five percent and one percent interest, respectively. The Management Companies manage, for a fee, certain of the residential, commercial and development activities of the Company and provide construction, development and redevelopment services for the Company.

In September, 1997, Home Properties Trust ("QRS") was formed as a Maryland real estate trust and as a qualified REIT subsidiary, with 100% of its shares being owned by the Company. The QRS has been admitted as a limited partner of the Operating Partnership and the Company transferred all but one percent of its interest in the Operating Partnership to the QRS.

The Company currently has approximately 2,000 employees and its executive offices are located at 850 Clinton Square, Rochester, New York 14604. Its telephone number is (585) 546-4900.

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Operating Strategies

The Company will continue to focus on enhancing the investment returns of its Properties by: (i) acquiring apartment communities at prices below new construction costs and repositioning those properties for long-term growth; (ii) recycling assets by disposing of properties that have reached their potential or are less efficient to operate due to size or remote location; (iii) reinforcing its decentralized company philosophy by encouraging employees' personal improvement and by providing extensive training; (iv) enhancing the quality of living for the Company's residents by improving the quality of service and physical amenities available at each community every year; (v) readily adopting new technology so that the time and cost spent on administration can be minimized and the time spent attracting and serving residents can be maximized; (vi) continuing to utilize its written "Pledge" of customer satisfaction that is the foundation on which the Company has built its name-brand recognition; and (vii) engaging in aggressive cost controls and taking advantage of volume discounts, thus benefiting from economies of scale while constantly improving the level of customer service.

Acquisition, Sale and Development Strategies

The Company's core strategy is to grow primarily through acquisitions in geographic regions that have similar climates, easy access to the Company's headquarters, enough apartments available for acquisition to achieve a critical mass and minimal investment ownership by other apartment REITs. Targeted markets also possess other characteristics similar to the Company's existing markets, including a limited amount of new construction, acquisition opportunities below replacement costs, a mature housing stock and stable or moderate job growth. The Company expects that its growth will be focused in select metropolitan areas within the Northeast, Mid-Atlantic and Midwestern regions of the United States, where it has already established a presence. The six major metropolitan areas the Company will focus on include Baltimore/Washington, Boston, Chicago, Detroit, New York, and Philadelphia. The Company expects to maintain or grow existing portfolios in other markets as economic/market conditions permit. Continued geographic specialization is expected to have a greater impact on operating

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efficiencies versus widespread accumulation of properties. The Company will continue to pursue the acquisition of individual properties as well as multi-property portfolios. It may also consider strategic investments in other apartment companies.

During 2001, the Company completed the sale of 14 communities with a total of 2,855 units for a total consideration of approximately \$122 million. The properties sold were either in slower growth markets or less efficient to operate due to their remote locations and/or smaller size. Over 50% of the properties sold were in the Upstate New York Region. The Company was able to achieve targeted price levels and reinvest the proceeds at higher returns. The Company reinvested proceeds by repurchasing 1.2 million common shares and UPREIT Units at an aggregate cost of \$32.5 million, or an average of \$27.08 per share/unit. In addition, the Company recycled the proceeds from those properties that were expected to produce an unleveraged internal rate of return ("IRR") from 9% to 10% with the purchase of properties expected to produce an unleveraged IRR of at least 12%. Several of the properties sold were originally acquired through UPREIT transactions; as a result, Section 1031 exchanges were used to defer taxable gains of the UPREIT investor.

The Company will continue to contemplate the sale of several of its mature communities. The Company has identified seven communities with over 1,700 units for potential sale during 2002. The total estimated value of these communities is \$100 million. The communities are spread over several markets, where they are less efficient to operate due to their remote locations and/or their small size. The Company will not sell these properties; however, unless it achieves targeted prices at levels which would allow it to reinvest the proceeds at higher returns by making acquisitions with repositioning potential. Several of these properties were originally acquired through UPREIT transactions, so that sales will have to be matched with suitable acquisitions using tax deferred exchanges.

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Effective December 31, 2000, the Company sold its affordable housing development operations to Conifer, LLC. With the growth in the Company's owned portfolio of market-rate properties, the Company concluded that the affordable development activities required a disproportionate allocation of financial and management resources. The Company intends to minimize its involvement in the complex development and re-development of apartment communities utilizing various government programs. However, the Company retained the property management operations for 8,325 apartment units in 136 existing affordable communities. These activities are expected to generate ongoing management fees, incentive management fees and participation in residual value. They also increase the Company's volume purchasing ability, and position the Company to build market rate or affordable communities when and if market factors warrant.

Financing and Capital Strategies

The Company intends to adhere to the following financing policies: (i) maintaining a ratio of debt-to-total market capitalization (total debt of the Company as a percentage of the market value of outstanding diluted common stock and Units plus total debt) of approximately 50% or less; (ii) utilizing primarily fixed rate debt; (iii) varying debt

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maturities to avoid significant exposure to interest rate changes upon refinancing; and (iv) maintaining a line of credit so that it can respond quickly to acquisition opportunities.

On December 31, 2001, the Company's debt was approximately \$993 million and the debt-to-total market capitalization ratio was 41% based on the year-end closing price of the Company's stock of \$31.60. The weighted average interest rate on the Company's mortgage debt as of December 31, 2001 was 7.2% and the weighted average maturity was approximately ten years. Debt maturities are staggered, ranging from August, 2002, through June, 2036. As of December 31, 2001, the Company had an unsecured line of credit facility from M&T Bank of \$100 million. This facility is available for acquisition and other corporate purposes and bears an interest rate at 1.25% over the one-month LIBOR rate. As of December 31, 2001, there was \$33 million in outstanding borrowings on the line of credit.

Management expects to continue to fund a significant portion of its continued growth by taking advantage of its UPREIT structure and using Units as currency in acquisition transactions. The Company issued approximately \$19 million worth of Units as partial consideration in acquisition transactions during 2001.

The Company also intends to continue to pursue other equity transactions to raise capital with limited transaction costs. In 2000, an aggregate of \$115 million of Series C, D and E Convertible Cumulative Preferred Stock ("Series C Preferred", "Series D Preferred" and "Series E Preferred") was issued in four private sales to an affiliate of Prudential Real Estate Investors, Teachers Insurance and Annuity Association of America, an affiliate of AEW Capital Management, and Pacific Life Insurance Company, and The Equitable Life Assurance Society of the United States.

The Company raised approximately \$32 million in 2001 under its Dividend Reinvestment and Direct Stock Purchase Plan (the "Dividend Reinvestment Plan"). Effective April 10, 2001, the Dividend Reinvestment Plan was amended to reduce the discount from the current market price from 3% to 2%. The maximum amount that can be invested without the Company's prior approval was reduced from \$5,000 to \$1,000. These changes were implemented to minimize amounts raised under the Dividend Reinvestment Plan at a time when the Company's common stock was trading below the Company's estimate of net asset value.

In 2001, the Company also announced a 1,000,000 share increase in management's authorization to buy back the Company's outstanding common stock. Shares may be repurchased through the open market or in privately-negotiated transactions. The Company's strategy is to opportunistically repurchase shares at a discount to its underlying net asset value, thereby continuing to build value for long-term shareholders. In 2001, the Company repurchased 754,600 of its shares of common stock for an aggregate price of \$20,600,000 (an average of

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\$27.32 per share) and 436,700 UPREIT Units at an aggregate cost of \$11,900,000 (an average of \$27.25 per unit).

Competition

The Company competes with other multifamily owners and operators and other real estate companies in seeking properties for acquisition, and potential residents. The Company's Properties are primarily in developed areas where there are other properties of the same type which directly compete for residents. The Company, however, believes that its focus on service and resident satisfaction will enable it to continue to maintain its occupancy levels. The Company also believes that the moderate level of new construction of multifamily properties in its markets in 2001 will not have a material adverse effect on its turnover rates, occupancies or ability to increase rents and minimize operating expenses. To date, the Company has faced limited competition in acquiring properties from other REITs or other operators from outside its regional focus. The Company may encounter competition as it seeks attractive properties in broader geographic areas. Given the perceived depth of available opportunities, management does not believe that increased competition will result in the Company's not being able to meet its growth expectations.

Market Environment

From the IPO through 2000, the markets in which Home Properties operates could be characterized as stable, with moderate levels of job growth. During 2001, the national recession resulted in negative job growth for both the country as a whole and the Company's markets. The Company's markets compared favorably to national averages, with a 0.4% reduction in jobs verses a 0.8% reduction nationally.

New construction in the Company's markets is low, relative to the existing multifamily housing stock and, for the past two decades, has been limited, with most of the existing housing stock built before 1980. Zoning restrictions, a scarcity of land and high construction costs make new development difficult to justify in many of the Company's markets. In 2001, Home Properties' markets represented 18% of the total estimated existing U.S. multifamily housing stock, but only 11% of the country's estimated net new supply of multifamily housing units. In addition, after considering the obsolescence of older communities and the conversion of rental housing to condominiums or co-ops, historically, the net increase in the multifamily rental housing stock in the Company's markets represented only a fraction of the estimated number of new units needed to satisfy increased demand. In 2001, the recession reversed historical trends, with a net oversupply created.

In 2000, net new multifamily supply as a percent of net new multifamily demand in the Home Properties markets was approximately 49%, compared to a national average of 98%. In 2001, both the national and the Company's markets have resulted in an estimated oversupply. The 2001 demand (oversupply) for the Company's markets relative to estimated net new multifamily supply still compares favorably to national averages.

The third to the last column in the Multifamily Supply and Demand table on page 10 shows the net new multifamily supply as percent of existing multifamily housing stock. In the Company's markets, net new supply only represents 0.6% of the existing multifamily housing stock. This compares to the national average net new multifamily supply estimates at 0.9% of the multifamily housing stock.

The information on the Market Demographics table on page 9 was compiled by the Company from the sources indicated on the table. The

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methods used includes estimates and, while the Company feels that the estimates are reasonable, there can be no assurance that the estimates are accurate. There can also be no assurance that the historical information included on the table will be consistent with future trends.

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Market Demographics

MSA Market Area	% of Owned Units	2001 Number of Households	December Job Growth Trailing 12 Months % Change	December Job Growth Trailing 12 Months Actual	December Unemployment Rate
Baltimore, MD	16.2%	986,132	(0.2%)	(2,400)	4.6%
Eastern PA (1)	16.1%	2,152,817	(0.5%)	(14,900)	4.4%
Detroit, MI	14.6%	1,705,100	(1.9%)	(42,700)	5.2%
Northern VA/DC	11.0%	1,880,198	1.0%	27,600	5.7%
Downstate NY (2)	6.7%	1,575,811	0.2%	4,900	3.6%
Rochester, NY	6.6%	422,892	(1.7%)	(9,300)	5.3%
Northern NJ (3)	6.5%	2,133,193	(0.2%)	(6,800)	4.4%
Chicago, IL	5.8%	2,998,772	(1.0%)	(41,700)	5.8%
Buffalo, NY	4.2%	471,554	(0.6%)	(3,500)	5.5%
Syracuse, NY	4.0%	276,390	(0.5%)	(1,900)	5.2%
South Bend, IN	1.8%	101,016	(0.6%)	(800)	4.9%
Central/Southern VA	1.7%	989,880	(0.1%)	(1,000)	3.6%
Portland, ME	1.5%	99,448	2.3%	3,600	3.8%
Hamden, CT	1.3%	208,457	0.0%	100	3.1%
Delaware	1.1%	225,394	(0.8%)	(2,700)	3.1%
Columbus, OH	0.6%	598,649	(0.3%)	(2,900)	3.2%
Pittsburgh, PA	0.4%	976,329	(0.5%)	(6,000)	4.2%
Home Properties Markets	100.0%	17,802,032	(0.4%)	(100,400)	4.3%
United States		107,023,920	(0.8%)	(1,106,000)	5.8%

(5) see footnote subsequent page

(1) Eastern Pennsylvania is defined for this report as Philadelphia, PA MSA & Allentown-Bethlehem-Easton MSA.

(2) Downstate New York is defined for this report as the Hudson Valley Region of Dutchess Co MSA, Newburgh NY-PA MSA, Putnam & Ulster Counties; Long Island, NY (Nassau-Suffolk MSA); Westchester County MSA; & Rockland County MSA.

(3) Northern New Jersey is defined for this report as Middlesex-Somerset-Hunterdon MSA, Bergen-Passaic MSA, Monmouth-Ocean MSA, & Newark MSA.

(4) Based on the 1990 U.S. Census figures.

Sources: Bureau of Labor Statistics (BLS); Claritas, Inc.; US Census Bureau - Manufacturing & Construction Div.;

New York State Department of Labor, Div. Of Research and Statistics. Data collected is data available as of February 19, 2002 and in some cases may be preliminary.

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BLS is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics.

Claritas Inc. is a leading provider of precision marketing solutions and related products/services.

U.S. Census Bureau's parent federal agency is the U.S. Dept. of Commerce, which promotes American business and trade.

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Multifamily Supply and Demand

MSA Market Area	Estimated 2001 New Supply of Multifamily/(6)/	Estimated 2001 Multifamily Obsolescence/(7)/	Estimated 2001 Net New Multifamily Supply/(8)/	Estimated 2001 New Multifamily Household Demand/(9)/	Estimated Net New Multifamily Supply as a % of New Multifamily Demand	Estimated Net New Multifamily Supply % of Total Supply
Baltimore, MD	1,730	978	752	(296)	(254.1%)	0.
Eastern PA /(1)/	2,656	1,793	863	(1,526)	(56.5%)	0.
Detroit, MI	2,564	1,430	1,134	(4,508)	(25.1%)	0.
Northern VA/DC	8,929	3,099	5,830	5,614	103.8%	0.
Downstate NY /(2)/	2,106	1,239	867	471	184.2%	0.
Rochester, NY	329	301	27	(826)	(3.3%)	0.
Northern NJ /(3)/	2,701	2,125	575	(832)	(69.1%)	0.
Chicago, IL	9,719	4,520	5,198	(7,853)	(66.2%)	0.
Buffalo, NY	554	274	280	(253)	(110.9%)	0.
Syracuse, NY	104	227	(124)	(189)	65.6%	(0.
South Bend, IN	74	69	5	(68)	(7.7%)	0.
Central/Southern VA	2,518	1,005	1,513	(125)	(1214.9%)	0.
Portland, ME	117	91	26	382	6.8%	0.
Hamden, CT	119	227	(108)	13	(815.0%)	(0.
Delaware	679	210	469	(316)	(148.6%)	1.
Columbus, OH	4,132	632	3,500	(379)	(922.2%)	2.
Pittsburgh, PA	1,534	687	847	(516)	(164.3%)	0.
<hr/>						
Home Properties Markets	40,564	18,881	21,683	(11,424)	(189.8%)	0.
<hr/>						
United States	305,282	105,879	199,402	(130,602)	(152.7%)	0.

(1)-(4) see footnotes prior page

(5) 2001 Multifamily Housing Stock = 2001 total housing stock multiplied by the % of multifamily housing stock in each MSA market (based on 1990 U.S. Census figures).

(6) Estimated 2001 New Supply of Multifamily = Multifamily permits (2001 figures U.S. Census Bureau, Mfg. & Constr. Div., 5+ permits only) adjusted by the average % of permits resulting in a construction start (estimated at 95%).

(7) Estimated 2001 Multifamily Obsolescence = 0.5% of 2001 multifamily housing stock.

(8) 2001 Net New Multifamily Supply = Estimated 2001 New Supply of Multifamily - Estimated 2001 multifamily obsolescence. (9) 2001 New Multifamily Household Demand = Trailing 12 month job growth (Nonfarm, not seasonally adjusted payroll employment figures) (12/31/00-12/31/01) multiplied by the expected % of new household formations resulting from new jobs (66.7%) and the % of multifamily

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households in each market (based on 1990 U.S. Census figures).

(10) Expected Excess Demand = Estimated 2001 New Multifamily Household Demand - Estimated 2001 Net New Multifamily Supply.

(11) Expected Excess Revenue Growth = Expected Excess Demand divided by 2001 Multifamily Housing Stock.

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Regulation

Many laws and governmental regulations are applicable to the Properties and changes in the laws and regulations, or their interpretation by agencies and the courts, occur frequently. Under the Americans with Disabilities Act of 1990 (the "ADA"), all places of public accommodation are required to meet certain federal requirements related to access and use by disabled persons. In addition, the Fair Housing Amendments Act of 1988 (the "FHAA") requires apartment communities first occupied after March 13, 1990 to be accessible to the handicapped. Non-compliance with the ADA or the FHAA could result in the imposition of fines or an award of damages to private litigants. Management believes that the Properties are substantially in compliance with present ADA and FHAA requirements.

Under various laws and regulations relating to the protection of the environment, an owner of real estate may be held liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in its property. These laws often impose liability without regard to whether the owner was responsible for, or even knew of, the presence of such substances. The presence of such substances may adversely affect the owner's ability to rent or sell the property or use the property as collateral. Independent environmental consultants have conducted "Phase I" environmental audits (which involve visual inspection but not soil or groundwater analysis) on substantially all of the Owned Properties. Phase I audit reports did not reveal any environmental liability that would have a material adverse effect on the Company. In addition, the Company is not aware of any environmental liability that management believes would have a material adverse effect on the Company. There is no assurance that Phase I reports would reveal all environmental liabilities or that environmental conditions not known to the Company may exist now or in the future which would result in liability to the Company for remediation or fines, either under existing laws and regulations or future changes to such requirements.

Under the Federal Fair Housing Act and state fair housing laws, discrimination on the basis of certain protected classes is prohibited. Violation of these laws can result in significant damage awards to victims. The Company has a strong policy against any kind of discriminatory behavior and trains its employees to avoid discrimination or the appearance of discrimination. There is no assurance, however, that an employee will not violate the Company's policy against discrimination and thus violate fair housing laws. This could subject the Company to legal actions and the possible imposition of damage awards.

Item 2. Properties

As of December 31, 2001, the Owned Properties consisted of 143

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multifamily residential properties containing 39,007 apartment units. At the time of the IPO (August 4, 1994), Home Properties owned 11 communities containing 3,065 units and simultaneously with the closing of the IPO acquired an additional four communities containing 926 units. From the time just prior to the IPO to December 31, 2001, the Company experienced a compounded annualized growth rate of 41% in the number of apartment units it owned. In 2001, Home Properties acquired 2,820 apartment units in 10 communities for a total purchase price of approximately \$212 million. Also in 2001, the Company sold 14 communities with a total of 2,855 units for total consideration of \$122 million.

The Owned Properties are generally located in established markets in suburban neighborhoods and are well maintained and well leased. Average economic occupancy at the Owned Properties held throughout 2000 and 2001 was 93.7% for 2001. The Owned Properties are typically two and three story garden style apartment buildings in landscaped settings and a majority are of brick or other masonry construction. The Company believes that its strategic focus on appealing to middle income and senior residents and the quality of the services it provides to such residents results in low turnover. Average turnover at the Owned Properties was approximately 45% for 2001, which is significantly below the national average of 65% for garden apartments.

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Resident leases are generally for one year terms. Security deposits equal to one month's rent are generally required.

Certain of the Owned Properties secure mortgage loans. See Schedule III contained herein (F-34 to F-38).

The table on the following pages illustrates certain of the important characteristics of the Owned Properties as of December 31, 2001.

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Communities Wholly Owned and Managed by Home Properties

Regional Area		# Of Apts	Age In Years	Year Acq	Average Apt Size (Sq Ft)	(2) 2001 % Mature Resident
	Core Communities (1)					
CT - Hamden	Apple Hill Apartments	498	30	1998	789	22%
DE	HP of Newark	432	34	1999	856	8%
IL - Chicago	Colonies Apartments	672	28	1998	656	12%
IL - Chicago	Colony Apartments	783	29	1999	704	5%
IN - South Bend	Candlewood Apartments	310	17	1998	1,000	53%
IN - South Bend	Maple Lane	396	19	1999	950	77%
MD - Baltimore	Bonnie Ridge	966	36	1999	1,023	50%
MD - Baltimore	Canterbury Apartments	618	24	1999	933	12%
MD - Baltimore	Carriage House Apartments	50	36	1998	786	19%

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MD - Baltimore	Country Village Apartments	344	31	1998	868	20%
MD - Baltimore	Falcon Crest	396	33	1999	993	13%
MD - Baltimore	Gateway Village	132	13	1999	965	4%
MD - Baltimore	Morningside Heights Apartments	1,050	37	1998	870	8%
MD - Baltimore	Owings Run	504	6	1999	1,142	5%
MD - Baltimore	Rolling Park Apartments	144	29	1998	1,125	10%
MD - Baltimore	Selford Townhomes	102	15	1999	1,115	4%
MD - Baltimore	Shakespeare Park	82	19	1999	833	82%
MD - Baltimore	Timbercroft Townhomes	284	30	1999	990	15%
MD - Baltimore	Village Square	370	34	1999	1,045	10%
ME - Portland	Mill Co. Gardens	96	51	1998	550	20%
ME - Portland	Redbank Village	500	58	1998	836	25%
MI - Detroit	Canterbury Square	336	30	1997	789	8%
MI - Detroit	Carriage Hill Apartments	168	36	1998	783	65%
MI - Detroit	Carriage Park Apartments	256	35	1998	777	40%
MI - Detroit	Charter Square	494	31	1997	914	55%
MI - Detroit	Cherry Hill Club Apartments	164	30	1998	878	6%
MI - Detroit	Cherry Hill Village Apartments	224	36	1998	742	35%
MI - Detroit	Fordham Green	146	26	1997	869	10%
MI - Detroit	Golfview Manor	44	43	1997	662	34%
MI - Detroit	Greentrees Apartments	288	31	1997	863	6%
MI - Detroit	Kingsley Apartments	328	32	1997	792	15%
MI - Detroit	Lakes Apartments	434	15	1999	948	2%
MI - Detroit	Oak Park Manor	298	47	1997	887	10%
MI - Detroit	Parkview Gardens	483	48	1997	731	25%
MI - Detroit	Scotsdale Apartments	376	27	1997	790	47%
MI - Detroit	Southpointe Square	224	31	1997	776	16%
MI - Detroit	Springwells Park	303	61	1999	1,014	16%
MI - Detroit	Stephenson House	128	35	1997	668	12%
MI - Detroit	Woodland Gardens	337	36	1997	719	4%
NJ - Northern	East Hill Gardens	33	44	1998	695	36%
NJ - Northern	Lakeview Apartments	106	33	1998	492	21%
NJ - Northern	Oak Manor Apartments	77	46	1998	775	20%
NJ - Northern	Pleasant View Gardens Apartments	1,142	34	1998	745	5%
NJ - Northern	Pleasure Bay Apartments	270	31	1998	667	15%

Regional Area		2000 Average % Occupancy	2001 Avg Mo Rent Rate per Apt	2000 Avg Mo Rent Rate per Apt
CT - Hamden	Core Communities (1)			
DE	Apple Hill Apartments	95%	\$899	\$804
IL - Chicago	HP of Newark	89%	\$674	\$592
IL - Chicago	Colonies Apartments	91%	640	602
IN - South Bend	Colony Apartments	98%	832	782
IN - South Bend	Candlewood Apartments	91%	681	660
MD - Baltimore	Maple Lane	90%	652	629
MD - Baltimore	Bonnie Ridge	88%	883	863
MD - Baltimore	Canterbury Apartments	97%	679	628
MD - Baltimore	Carriage House Apartments	96%	583	537
MD - Baltimore	Country Village Apartments	95%	712	645
MD - Baltimore	Falcon Crest	89%	737	674
MD - Baltimore	Gateway Village	98%	887	804
MD - Baltimore	Morningside Heights Apartments	93%	669	617
MD - Baltimore	Owings Run	93%	924	860
MD - Baltimore	Rolling Park Apartments	96%	714	654
MD - Baltimore	Selford Townhomes	96%	922	814
MD - Baltimore	Shakespeare Park	199%	610	616
MD - Baltimore	Timbercroft Townhomes	00%	650	623
ME - Portland	Village Square	97%	778	704

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ME - Portland	Mill Co. Gardens	97%	597	546
MI - Detroit	Redbank Village	94%	655	604
MI - Detroit	Canterbury Square	98%	746	702
MI - Detroit	Carriage Hill Apartments	98%	761	720
MI - Detroit	Carriage Park Apartments	96%	707	671
MI - Detroit	Charter Square	97%	825	773
MI - Detroit	Cherry Hill Club Apartments	96%	619	587
MI - Detroit	Cherry Hill Village Apartments	96%	694	656
MI - Detroit	Fordham Green	93%	833	783
MI - Detroit	Golfview Manor	94%	532	499
MI - Detroit	Greentrees Apartments	92%	644	606
MI - Detroit	Kingsley Apartments	94%	681	647
MI - Detroit	Lakes Apartments	96%	912	859
MI - Detroit	Oak Park Manor	98%	727	680
MI - Detroit	Parkview Gardens	95%	592	563
MI - Detroit	Scotsdale Apartments	97%	672	635
MI - Detroit	Southpointe Square	96%	627	594
MI - Detroit	Springwells Park	95%	957	917
MI - Detroit	Stephenson House	93%	662	634
MI - Detroit	Woodland Gardens	96%	735	689
NJ - Northern	East Hill Gardens	99%	1059	910
NJ - Northern	Lakeview Apartments	98%	916	844
NJ - Northern	Oak Manor Apartments	99%	1,332	1,185
NJ - Northern	Pleasant View Gardens Apartments	95%	884	799
NJ - Northern	Pleasure Bay Apartments	97%	735	672

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Regional Area	# Of Apts	Age In Years	Year Acq	(2)	2001 % Mature Residents	(3)	
				Average Apt Size (Sq Ft)		2001 % Residen Turnover	
NJ - Northern	Royal Gardens	550	34	1997	800	10%	25%
NJ - Northern	Wayne Village	275	37	1998	725	49%	24%
NJ - Northern	Windsor Realty	67	49	1998	675	15%	39%
NY - Alb/Hudson Valley	Carriage Hill	140	29	1996	845	30%	66%
NY - Alb/Hudson Valley	Cornwall Park	75	35	1996	1,320	13%	64%
NY - Alb/Hudson Valley	Lakeshore Villas	152	27	1996	956	2%	57%
NY - Alb/Hudson Valley	Patricia Apartments	100	28	1998	770	18%	31%
NY - Alb/Hudson Valley	Sunset Gardens	217	31	1996	662	11%	61%
NY - Buffalo	Emerson Square	96	32	1997	650	29%	33%
NY - Buffalo	Idylwood	720	32	1995	700	10%	66%
NY - Buffalo	Paradise Lane at Raintree	324	30	1997	676	10%	50%
NY - Buffalo	Raintree Island	504	30	1985	704	23%	44%
NY - Long Island	Coventry Village	94	27	1998	718	20%	32%
NY - Long Island	Lake Grove	368	32	1997	879	21%	40%
NY - Long Island	Mid-Island Estates	232	37	1997	690	15%	27%
NY - Rochester	1600 East Avenue	164	43	1997	800	46%	47%
NY - Rochester	1600 Elmwood	210	42	1983	891	16%	58%
NY - Rochester	Brook Hill	192	30	1994	999	8%	48%
NY - Rochester	Finger Lakes Manor	153	31	1983	924	34%	65%
NY - Rochester	Newcastle Apartments	197	27	1982	873	23%	51%
NY - Rochester	Northgate, Manor	224	39	1994	800	13%	31%
NY - Rochester	Perinton Manor	224	32	1982	928	34%	46%
NY - Rochester	Pines of Perinton	508	25	1998	818	25%	31%

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NY - Rochester	Riverton Knolls	240	28	1983	911	3%	42%
NY - Rochester	Spanish Gardens	220	28	1994	1,030	30%	31%
NY - Rochester	The Meadows	113	31	1984	890	48%	43%
NY - Rochester	Woodgate Place	120	29	1997	1,100	6%	55%
NY - Syracuse	Candlewood Gardens	126	31	1996	855	20%	40%
NY - Syracuse	Conifer Village	199	23	1994	499	95%	12%
NY - Syracuse	Fairview Heights	210	38	1965	798	5%	37%
NY - Syracuse	Harborside Manor	281	29	1995	823	8%	49%
NY - Syracuse	Pearl Street	60	31	1995	855	2%	60%
NY - Syracuse	Village Green	448	16	1994	908	29%	34%
NY - Syracuse	Westminster Place	240	30	1996	913	30%	59%
OH - Columbus	Weston Gardens	242	29	1998	804	5%	80%
PA - Philadelphia	Arbor Crossing	134	33	1999	667	25%	35%
PA - Philadelphia	Beechwood Gardens	160	35	1998	775	12%	33%
PA - Philadelphia	Cedar Glen Apartments	110	35	1998	726	15%	53%
PA - Philadelphia	Chesterfield Apartments	247	29	1997	812	10%	55%
PA - Philadelphia	Curren Terrace	318	31	1997	782	10%	50%
PA - Philadelphia	Executive House	100	37	1997	696	50%	49%
PA - Philadelphia	Glen Brook	173	39	1999	689	20%	29%
PA - Philadelphia	Glen Manor	174	26	1997	667	25%	51%
PA - Philadelphia	Hill Brook Place	274	34	1999	709	10%	46%
PA - Philadelphia	Lansdowne Group- Karen Court (5)	49	39	1997	844		
PA - Philadelphia	Lansdowne Group- Landon Court (5)	44	32	1997	873		

Regional Area		2001 Avg Mo. Rent Rate per Apt	2000 Avg Mo Rent Rate per Apt	12/31/01 Total Cost (000)
NJ - Northern	Royal Gardens	902	847	\$27,933
NJ - Northern	Wayne Village	940	861	\$17,727
NJ - Northern	Windsor Realty	884	805	\$ 4,466
NY - Alb/Hudson Valley	Carriage Hill	939	837	\$ 6,343
NY - Alb/Hudson Valley	Cornwall Park	1,388	1,194	\$ 6,562
NY - Alb/Hudson Valley	Lakeshore Villas	814	708	\$ 6,977
NY - Alb/Hudson Valley	Patricia Apartments	1025	916	\$ 5,971
NY - Alb/Hudson Valley	Sunset Gardens	707	646	\$ 7,602
NY - Buffalo	Emerson Square	593	566	\$ 3,349
NY - Buffalo	Idylwood	619	594	\$23,847
NY - Buffalo	Paradise Lane at Raintree	629	603	\$11,473
NY - Buffalo	Raintree Island	649	625	\$17,814
NY - Long Island	Coventry Village	1092	994	\$ 4,823
NY - Long Island	Lake Grove	1120	992	\$27,379
NY - Long Island	Mid-Island Estates	956	888	\$13,004
NY - Rochester	1600 East Avenue	1,334	1,320	\$14,000
NY - Rochester	1600 Elmwood	856	823	\$12,336
NY - Rochester	Brook Hill	860	843	\$11,564
NY - Rochester	Finger Lakes Manor	773	745	\$ 8,561
NY - Rochester	Newcastle Apartments	743	719	\$11,160
NY - Rochester	Northgate, Manor	675	650	\$10,653
NY - Rochester	Perinton Manor	791	764	\$12,061
NY - Rochester	Pines of Perinton	522	522	\$ 9,882
NY - Rochester	Riverton Knolls	848	820	\$14,049
NY - Rochester	Spanish Gardens	665	641	\$12,489
NY - Rochester	The Meadows	667	641	\$ 5,527
NY - Rochester	Woodgate Place	757	727	\$ 5,705
NY - Syracuse	Candlewood Gardens	540	518	\$ 3,714

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NY - Syracuse	Conifer Village	566	566	\$ 9,361
NY - Syracuse	Fairview Heights	813	780	\$10,905
NY - Syracuse	Harborside Manor	620	595	\$ 9,484
NY - Syracuse	Pearl Street	534	511	\$ 1,736
NY - Syracuse	Village Green	654	630	\$18,363
NY - Syracuse	Westminster Place	611	576	\$ 8,501
OH - Columbus	Weston Gardens	546	513	\$ 8,568
PA - Philadelphia	Arbor Crossing	701	659	\$ 6,134
PA - Philadelphia	Beechwood Gardens	683	625	\$ 5,220
PA - Philadelphia	Cedar Glen Apartments	521	462	\$ 3,739
PA - Philadelphia	Chesterfield Apartments	765	714	\$12,643
PA - Philadelphia	Curren Terrace	800	756	\$17,057
PA - Philadelphia	Executive House	832	798	\$ 6,249
PA - Philadelphia	Glen Brook	676	634	\$ 7,125
PA - Philadelphia	Glen Manor	671	616	\$ 6,642
PA - Philadelphia	Hill Brook Place	699	652	\$12,802
PA - Philadelphia	Lansdowne Group- Karen Court (5)			
PA - Philadelphia	Lansdowne Group- Landon Court (5)			

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Communities Wholly Owned
and Managed by Home Properties

Regional Area		# Of Apts	Age In Years	Year Acq	Average Apt Size % (Sq Ft)
PA - Philadelphia	Lansdowne Group-Marshall House (5)	63	73	1997	653
PA - Philadelphia	Lansdowne Group-Patricia Court (5)	66	34	1997	838
PA - Philadelphia	New Orleans Park	308	31	1997	693
PA - Philadelphia	Racquet Club East Apartments	467	31	1998	850
PA - Philadelphia	Racquet Club South	103	33	1999	821
PA - Philadelphia	Ridgeway Court	66	29	1999	800
PA - Philadelphia	Ridley Brook	244	40	1999	731
PA - Philadelphia	Sherry Lake Apartments	298	37	1998	811
PA - Philadelphia	Springwood Apartments	77	28	1997	755
PA - Philadelphia	Valley Park South	384	29	1996	987
PA - Philadelphia	Valley View Apartments	176	29	1997	769
PA - Philadelphia	Village Square	128	29	1997	795
PA - Western	Cloverleaf Village	148	44	1997	716
VA - Central	Carriage Hill	664	35	1999	949
VA - Suburban DC	Braddock Lee Apartments	254	47	1998	758
VA - Suburban DC	Manor, The	198	28	1999	844
VA - Suburban DC	Park Shirlington Apartments	294	47	1998	758
VA - Suburban DC	Pavilion Apartments	432	34	1999	951
VA - Suburban DC	Seminary Hill	296	42	1999	884
VA - Suburban DC	Seminary Towers	548	38	1999	875
VA - Suburban DC	Tamarron Apartments	132	15	1999	1,097
	Core Communities Total/Weighted Avg	30,802	33		837

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Regional Area		2000 Average % Occupancy	2001 Avg Mo Rent Rate per Apt	2000 Avg Mo Rent Rate per Apt
PA - Philadelphia	Lansdowne Group-Marshall House (5)	95%	695	652
PA - Philadelphia	Lansdowne Group-Patricia Court (5)			
PA - Philadelphia	New Orleans Park	95%	704	657
PA - Philadelphia	Racquet Club East Apartments	96%	846	802
PA - Philadelphia	Racquet Club South	93%	728	668
PA - Philadelphia	Ridgeway Court	93%	683	645
PA - Philadelphia	Ridley Brook	98%	715	669
PA - Philadelphia	Sherry Lake Apartments	96%	954	888
PA - Philadelphia	Springwood Apartments	92%	663	629
PA - Philadelphia	Valley Park South	96%	859	792
PA - Philadelphia	Valley View Apartments	93%	724	688
PA - Philadelphia	Village Square	95%	797	733
PA - Western	Cloverleaf Village	89%	595	572
VA - Central	Carriage Hill	95%	763	763
VA - Suburban DC	Braddock Lee Apartments	94%	950	839
VA - Suburban DC	Manor, The	93%	860	754
VA - Suburban DC	Park Shirlington Apartments	96%	979	872
VA - Suburban DC	Pavilion Apartments	95%	1,224	1,115
VA - Suburban DC	Seminary Hill	94%	999	886
VA - Suburban DC	Seminary Towers	94%	1015	896
VA - Suburban DC	Tamarron Apartments	99%	933	875
	Core Communities Total/Weighted Avg	94%	\$ 776	\$ 724

- (1) "Core Communities" represents the 30,802 apartment units owned consistently throughout 2000 and 2001.
- (2) "Mature Residents" is the percentage of residents aged 55 years or older as of December 31, 2001.
- (3) "Resident Turnover" reflects, on an annual basis, the number of moveouts; divided by the total number of apartment units.
- (4) "Average % Occupancy" is the average economic occupancy for the 12 months ended December 31, 2000 and 2001. For communities acquired during 2000 and 2001, this is the average occupancy from the date of acquisition.
- (5) The Lansdowne Group consolidated figures are reflected in the Marshall House line.

Communities Wholly Owned
and Managed by Home Properties

Regional Area	# of Apts	Age in Years	Year Acq	Average Apt Size (Sq Ft)	(2) 2001 % Mature Residents	(3) 2001 % Resident Turnover	(4) 2001 Average % Occupancy
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		2000 Acquisition Communities						
IL - Chicago	Blackhawk	371	41	2000	860	9%	46%	97%
IL - Chicago	Cypress Place	192	32	2000	855	12%	37%	96%
MD - Baltimore	Old Friends	51	114	2000	834	2%	55%	94%
MI - Detroit	Bayberry	120	35	2000	950	10%	53%	94%
MI - Detroit	Deerfield Woods	144	26	2000	800	31%	40%	96%
MI - Detroit	Hampton Court	182	30	2000	972	5%	73%	89%
MI - Detroit	Macomb Manor	217	33	2000	867	20%	35%	97%
NY - Long Island	Bayview/Colonial	160	35	2000	882	45%	37%	93%
NY - Long Island	Eastwinds	96	36	2000	888	45%	48%	88%
NY - Long Island	Maple Tree	84	51	2000	937	45%	33%	91%
NY - Long Island	Ryder Apartments	24	41	2000	817	45%	29%	95%
NY - Long Island	Southbay Manor	61	42	2000	849	45%	66%	77%
NY - Long Island	Terry Apartments	65	26	2000	722	60%	25%	95%
PA - Philadelphia	Home Properties of Bryn Mawr	316	51	2000	900	25%	55%	91%
PA - Philadelphia	Home Properties of Castle Club	158	35	2000	974	10%	34%	98%
PA - Philadelphia	Home Properties of Devon	628	39	2000	1299	1%	45%	92%
PA - Philadelphia	Home Properties of Golf Club	399	33	2000	821	10%	55%	91%
PA - Philadelphia	William Henry	363	31	2000	900	20%	38%	88%
PA - Philadelphia	Home Properties of Trexler Park	249	28	2000	1000	15%	66%	91%
VA - Suburban DC	East Meadow	150	31	2000	1035	20%	59%	96%
VA - Suburban DC	Elmwood Terrace	504	29	2000	1038	18%	45%	91%
VA - Suburban DC	Orleans Village	851	34	2000	1040	8%	39%	96%
2000 Total/Weighted Average		5,385	39		978	16%	46%	93%

- (1) "Core Communities" represents the 30,802 apartment units owned consistently throughout 2000 and 2001.
- (2) "Mature Residents" is the percentage of residents aged 55 years or older as of December 31, 2001.
- (3) "Resident Turnover" reflects, on an annual basis, the number of moveouts; divided by the total number of apartment units.
- (4) "Average % Occupancy" is the average economic occupancy for the 12 months ended December 31, 2000 and 2001. For communities acquired during 2000 and 2001, this is the average occupancy from the date of acquisition.
- (5) The Lansdowne Group consolidated figures are reflected in the Marshall House line.

Communities Wholly Owned and Managed by Home Properties

# of	Age in	Year	Average Apt Size	(2) 2001 % Mature	(3) 2001 % Resident	(4) 2001 Average %
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Regional Area		Apts	Years	Acq	(Sq Ft)	Residents	Turnover	Occupancy
-----		-----	-----	-----	-----	-----	-----	-----
	2001 Acquisition Communities							
IL - Chicago	Courtyards	224	30	2001	673	5%	51%	95%
MD - Baltimore	Fenland Field	234	31	2001	934	10%	48%	95%
MD - Baltimore	Mill Town Village Apartments	384	28	2001	812	7%	46%	86%
MD - Baltimore	The Manor	435	32	2001	1017	10%	44%	97%
MD - Baltimore	Woodholme Manor	176	32	2001	825	10%	36%	95%
NY - Long Island	Devonshire Hills	297	33	2001	803	45%	22%	94%
NY - Long Island	Southern Meadows	452	30	2001	810	45%	50%	97%
VA - Suburban DC	Virginia Village	344	34	2001	1028	6%	64%	89%
VA - Suburban DC	Wellington Lakes	160	30	2001	675	7%	83%	95%
VA - Suburban DC	Wellington Woods	114	29	2001	688	4%	47%	98%
	2001 Total/Weighted Average	2,820	31		884	18%	48%	94%
	Owned Portfolio Total/Weighted Avg	39,007	25		860	20%	45%	94%

- (1) "Core Communities" represents the 30,802 apartment units owned consistently throughout 2000 and 2001.
- (2) "Mature Residents" is the percentage of residents aged 55 years or older as of December 31, 2001.
- (3) "Resident Turnover" reflects, on an annual basis, the number of moveouts; divided by the total number of apartment units.
- (4) "Average % Occupancy" is the average economic occupancy for the 12 months ended December 31, 2000 and 2001. For communities acquired during 2000 and 2001, this is the average occupancy from the date of acquisition.
- (5) The Lansdowne Group consolidated figures are reflected in the Marshall House line.

Property Development

Management believes that new construction of market rate multifamily apartments is not economically feasible in most of its markets. Therefore, Home Properties' prior development and redevelopment activities were limited to government-assisted multifamily housing. In 1996, the Operating Partnership acquired substantially all of the assets of C.O.F., Inc. (formerly Conifer Realty, Inc.) and Conifer Development, Inc. (collectively, "Conifer"), a developer and manager of government-assisted multifamily housing.

Effective December 31, 2000, the Company sold its affordable housing development operations to Conifer, LLC. Conifer, LLC is led by Richard J. Crossed, a former Executive Vice President and former director of the Company. The Company retained property management operations for 8,325 apartment units in 136 existing affordable communities.

The Company has retained the ability to develop new communities, both affordable and market rate, but does not plan to focus on this activity. Rather, it plans to engage in development activity only on a very selective basis.

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Property Management

As of December 31, 2001, the Managed Properties consist of: (i) 8,035 apartment units where Home Properties is the general partner of the entity that owns the property; (ii) 2,703 apartment units managed for others; (iii) commercial properties managed for an affiliate which contain approximately 2.2 million square feet of gross leasable area; (iv) a master planned community managed for an affiliate known as Gananda; (v) a 140-lot Planned Unit Development managed for an affiliate known as College Greene; (vi) a 202-lot Planned Unit Development managed for an affiliate known as Riverton; and (vii) 153 acres of vacant land in Old Brookside, the development of which, if it occurs, will be managed by HP Management. Management fees are based on a percentage of rental revenues or costs and, in certain cases, revenues from sales. The Company may pursue the management of additional properties not owned by the Company, but will only do so when such additional properties can be effectively and efficiently managed in conjunction with other properties owned or managed by Home Properties.

The table on the following pages details managed communities broken down by market area.

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Managed Communities by Market Area

Communities Managed as General Partner

Community Name -----	City ----	# of Apts. ----
UPSTATE NEW YORK		
Buffalo, NY Area		
Linda Lane Apartments	Cheektowaga	156
Rochester, NY Area		
Abraham Lincoln	Rochester	69
Ambassador Apartments	Rochester	54
Chevy Place	Rochester	77
College Greene Senior Apartments	N. Chili	110
East Court Apartments	Rochester	85
Ellis Hollow	Ithaca	100
Evergreen Hills	Macedon	232
Fort Hill	Canandaigua	57
Geneva Garden Apartments	Geneva	53
Highland Park	Dundee	91
Huntington Park Apartments	Rochester	75
Jefferson Park	Fairport	69
Lima Manor Apartments	Lima	32
Linderman Creek	Ithaca	56
Monica Place	Rochester	21
Nichols Schoolhouse Apartments	Nichols	13
Sandy Creek	Albion	24
Springside Meadows Apartments	West Henrietta	54
St. Bernard's Park	Rochester	59

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St. Bernard's Park II	Rochester	88
St. Michael's Senior Housing	Rochester	28
Totiakton Manor	Honeoye Falls	56
Village Square	Painted Post	75
Walnut Hill	Dundee	59
Washington Park	Castile	24
YWCA	Rochester	86
Syracuse, NY Area		
Candlelight Lane Apartments	Liverpool	244
Canton Manor Apartments	Canton	30
Champion Apartments	West Carthage	32
Champion Apartments II	West Carthage	32
Church Street Apartments	Port Byron	39
Circle Drive Apartments I	Sidney	32
Circle Drive Apartments II	Sidney	24
Hunters Run	Dexter	40
LaFarge Senior Housing	Lafargeville	24
Ledges	Evans Mills	100
Lenox Landing	Syracuse	32
Macartovin	Utica	66
Mayrose Apartments	Oneonta	32
Meadowview I	Central Square	60
Meadowview II	Central Square	46
Meadowview III	Central Square	24
Northcliffe Apartments	Cortland	58
Norwich Senior Housing	Norwich	32
Oak Square Apartments	Oneonta	30
Penet Square Apartments	Lafargeville	24
Pontiac Terrace Apartments	Oswego	70
Read Memorial Senior Apartments	Hancock	28
Schoolhouse Apartments	Waterville	56
Schoolhouse Gardens	Groton	28
Sherburne Senior Housing	Sherburne	29
Wedgewood Apartments	Kirkville	70
Wedgewood II Senior Apartments	Kirkville	24
Windsor Place Apartments	N. Syracuse	180
Albany/Hudson Valley NY Area		
Adam Lawrence Apts	Corinth	40
Albert Carriere Apartments	Rouses Point	56
Apple Meadow Village	Hudson	48
Apple Meadow Village II	Hudson	10
Black Brook Senior Housing	Au Sable Forks	24
Bonnie View Terrace Apts	Wilmington	24
Albany/Hudson Valley NY Area (Continued)		
Cynthia Meadows	Greenwich	36
Communities Managed as General Partner		
Community Name	City	# of
-----	----	-----
		Apts.

Greencourt Apartments	Mt. Vernon	76
Hillside Terrace	Poughkeepsie	64
Lakeside Manor Apartments	Schroon Lake	24
Louis Apartments	Coxsackie	24
Maple Ridge Senior Housing	Malone	40
Peppertree Apartments	Coxsackie	24
Peppertree Park	Coxsackie	24
Riverwood Apartments I	Stillwater	24

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Riverwood Apartments II	Stillwater	24
Roderick Rock Senior Housing	Rouses Point	24
South 15th Apartments	Mt. Vernon	66
Terrace View Apartments	Yonkers	48
Trinity Senior Apartments	Yonkers	45
Webster Manor Apts	Malone	32
Other New York State Areas		
Managed Out of the Erie, PA Office		
Arcade Manor	Arcade	24
Belmont Village Court	Belmont	24
Blairview Apartments	Blairsville	42
Bolivar Manor	Bolivar	24
Canisteeo Manor	Canisteeo	24
Carrollton Heights	Limestone	18
Cattaraugus Manor	Cattaraugus	24
Little Valley Estates	Little Valley	24
Maple Apartments	Alfred	24
Maple Leaf Apartments	Franklinville	24
Portville Manor	Portville	24
Portville Square	Portville	24
Yorkshire Corners	Delevan	24
WESTERN PENNSYLVANIA		
Erie, PA Area		
Arlington Manor	Greenville	48
Brandy Spring Apartments	Mercer	40
Bridgeview Apartments	Emlenton	36
Connellsville Heights	Connellsville	36
Creekside Apartments	Leechburg	30
Derry Round House	Derry	26
Freedom Apartments	Ford City	28
Green Meadow Apartments (Knolls)	Pittsburgh	1,072
Greenwood Apartments	Mt. Pleasant	36
Harrison City Commons	Harrison City	38
Independence Apartments	Mt. Pleasant	28
Lake City Apartments	Lake City	44
Lake Street Apartments	Girard	32
Liberty Apartments	Brookville	28
Lincoln Woods Apartments	Warren	44
Little Creek (Isabella Estates)	Saxonburg	26
Mercer Manor	Mercer	26
Millwood Arms	Ford City	28
Oswayo Apartments	Shinglehouse	18
Parkview Apartments	Brookway	24
Rivercourt Apartments	Tionesta	18
Scottdale Plaza Apartments	Scottdale	22
Seneca Woods Apartments	Seneca	40
Sheffield Country Manor	Sheffield	24
Silver Maples Apartments	Ulysses	24
Summit Manor	Cresson	24
Taylor Terrace	W. Pittsburgh	30
Tionesta Manor	Tionesta	36
Tower View Apartments	Tower City	25
Townview Apartments	St. Mary's	36
Tremont Station	Tremont	24
Washington Street Apartments	Conneautville	30
Woodside Apartments	Grove City	32
Wright Village	Sandy Lake	24
INDIANA		
Dunedin Apartments	South Bend	168

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Communities Managed as General Partner		
Community Name -----	City ----	# of Apts. -----
NORTHERN/CENTRAL OHIO		
Briggs/Wedgewood Apartments	Columbus	868
Sunset West Apartments	Conneaut	40
Villas of Geneva	Geneva	40
NEW JERSEY		
Leland Gardens	Plainfield	256
Millstream Apartments	Washington Township	96
Total Communities Managed as General Partner		8,035

Communities Fee Managed		
Community Name -----	City ----	# of Apts. -----
UPSTATE NEW YORK		
Rochester, NY Area		
Bernard Housing	Dansville	32
Fight Village	Rochester	246
Glen Valley Apartments	Watkins Glen	32
Hudson Housing	Rochester	55
Albany, NY Area		
Council Meadows	Burnt Hills	25
Green Meadow Apts	Chester	36
WESTERN PENNSYLVANIA		
Erie, PA Area		
Rose Square	Connellsville	11
BALTIMORE, MD		
2400 Pennsylvania Avenue	Washington	103
Allenbee Garden Apartments	Forestville	36
Annapolis Roads Apartments	Annapolis	282
Chesapeake Bay Apartments	Annapolis	108
Dunfield Townhomes	Baltimore	312
Fox Hall	Baltimore	720
Green Ridge House	Greenbelt	101
Hyattsville House	Hyattsville	65
Silver Hill Gardens	Suitland	324
Towne Crest Apartments	Gaithersburg	107
DETROIT, MI		
Woodward Heights Apartments	Royal Oak	108
Total Communities Fee Managed		2,703

Supplemental Property Information

At December 31, 2001, none of the Properties have an individual net book value equal to or greater than ten percent of the total assets of the Company or would have accounted for ten percent or more of the Company's aggregate gross revenues for 2001.

Item 3. Legal Proceedings

The Company is a party to certain legal proceedings. All such proceedings, taken together, are not expected to have a material adverse effect on the Company's liquidity, financial position or results of operations. The Company is also subject to a variety of legal actions for personal injury or property damage arising in the ordinary course of its business, most of which are covered by liability insurance. While the resolution of these matters cannot be predicted with certainty, management believes that the final outcome of such legal proceedings and claims will not have a material adverse effect on the Company's liquidity, financial position or results of operations.

Item 4. Submission of Matters to Vote of Security Holders

None.

Item 4A. Executive Officers and Key Employees

The following table sets forth, as of February 25, 2002, the eight executive officers and certain of the key employees of the Company, together with their respective ages, positions and offices.

Name -----	Age ---	Position -----
Norman P. Leenhouts	66	Chairman, Co-Chief Executive Officer and Director of Home Properties, Chairman and Director of HP Management and Director of HP Resident Services
Nelson B. Leenhouts	66	President, Co-Chief Executive Officer and Director of Home Properties, President, Chief Executive Officer of HP Management and Director and President of HP Resident Services
Edward J. Pettinella	50	Executive Vice President and Director of Home Properties
David P. Gardner	46	Senior Vice President and Chief Financial Officer of Home Properties, HP Resident Services and HP Management
Ann M. McCormick	45	Senior Vice President, General Counsel and Secretary of Home Properties and HP Management and General Counsel

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		Secretary of HP Resident Services
Scott A. Doyle	40	Senior Vice President, Residential Property Management of Home Properties
Johanna A. Falk	37	Senior Vice President, Information Systems of Home Properties
John E. Smith	51	Senior Vice President, Acquisitions of Home Properties

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Name -----	Age ---	Position -----
Robert J. Luken	37	Vice President, Treasurer and Controller of Home Properties and HP Resident Services and HP Management
William E. Beach	55	Vice President, Commercial Property Management of Home Properties and HP Management
William L. Brown	58	Vice President, Residential Property Management of Home Properties
Lavonne R. Childs	39	Vice President, Web Assisted HP Resident Services of Home Properties
Charis W. Copin	52	Vice President, Investor Relations
Douglas Erdman	43	Vice President, Residential Property Management of Home Properties
Rhonda Finehout	51	Vice President, Residential Property Management of Home Properties and HP Resident Services
Timothy A. Florczak	46	Vice President, Education
Mildred R. Hemstetter	66	Vice President, Residential Property Management
Marianne Holman	48	Vice President, Residential Property Management
Gerald B. Korn	55	Vice President, Mortgage Finance of Home Properties
Laurie Leenhouts	45	Vice President, Residential Property Design of Home Properties and HP Management
Paul O'Leary	50	Vice President, Acquisitions and Due Diligence of Home Properties
Bernard J. Quinn	45	Vice President, Residential Property Management of Home Properties
James E. Quinn, Jr.	46	Vice President, Residential Property Management of Home Properties
Alan Regan	38	Vice President, Affordable Housing
Janine M. Schue	39	Vice President, Human Resources
Richard J. Struzzi	48	Vice President, Development of Home Properties and HP Management
Kathleen Suher	34	Vice President, Assistant Counsel
Robert C. Tait	44	Vice President, Commercial Property Management of Home Properties

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and HP Management

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Name	Age	Position
----	---	-----
Marilyn Thomas	51	Vice President, Residential Property Management of Home Properties and HP Resident Services
Linda Vicari	39	Vice President, Residential Property Management

Information regarding Nelson and Norman Leenhouts and Edward Pettinella is set forth below under "Board of Directors" in Item 10.

David P. Gardner has served as Senior Vice President of the Company since 2000, and Vice President and Chief Financial Officer of HP Management and HP Resident Services since their inception. Mr. Gardner joined Home Leasing Corporation in 1984 as Vice President and Controller. In 1989, he was named Treasurer of Home Leasing and Chief Financial Officer in December, 1993. From 1977 until joining Home Leasing, Mr. Gardner was an accountant at Cortland L. Brovitz & Co. Mr. Gardner is a graduate of the Rochester Institute of Technology and is a Certified Public Accountant.

Ann M. McCormick has served as Senior Vice President since 2000, and Vice President and General Counsel and Secretary of the Company and HP Management since their inception. She has also served as Secretary and General Counsel of HP Resident Services since 1998 and as a Vice President since December, 2000. Mrs. McCormick joined Home Leasing in 1987 and was named Vice President, Secretary and General Counsel in 1991. Prior to joining Home Leasing, she was an associate with the law firm of Nixon Peabody LLP. Mrs. McCormick is a graduate of Colgate University and holds a Juris Doctor from Cornell University.

Scott A. Doyle has served as Senior Vice President since 2000, and Vice President of the Company since 1997. He has also served as a Vice President of HP Resident Services since December, 2000. He joined Home Properties in 1996 as a Regional Property Manager. Mr. Doyle has been in property management for 17 years. Prior to joining Home Properties he worked with CMH Properties, Inc., Rivercrest Realty Associates and Arcadia Management Company. Mr. Doyle is a graduate of S.U.N.Y. at Plattsburgh, New York.

Johanna A. Falk has served as a Senior Vice President since 2000, and Vice President of the Company since 1997. She has also served as a Vice President of HP Resident Services since December, 2000. She joined the Company in 1995 as an investor relations specialist and is currently responsible for the Information Systems Department. Prior to joining the Company, Mrs. Falk was employed as a marketing manager at Bausch & Lomb Incorporated and Champion Products, Inc. and as a financial analyst at Kidder Peabody. She is a graduate of Cornell University and holds a Masters Degree in Business Administration from the Wharton School of The University of Pennsylvania.

John E. Smith joined Home Properties as Vice President of Acquisitions in 1997 and was elected a Senior Vice President in 2001. Prior to joining the Company, Mr. Smith was general manager for Direct Response Marketing, Inc. and Executive Vice President for The Equity Network,

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Inc. Mr. Smith was Director of Investment Properties at Hunt Commercial Real Estate for 20 years. He has been a Certified Commercial Investment Member (CCIM) since 1982, a New York State Certified Instructor and has taught commercial real estate courses in four states.

Robert J. Luken has served as Treasurer of the Company since 2000, and Controller since 1996 and as a Vice President since 1997. He has also served as a Vice President and Controller of HP Resident Services and HP Management since 1998. Prior to joining the Company, he was the Controller of Bell Corp. of Rochester and an Audit Supervisor for PricewaterhouseCoopers LLP. Mr. Luken is a graduate of St. John Fisher College and is a Certified Public Accountant.

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Mr. Luken serves on the Finance Committee of the Ronald McDonald House Charities in Rochester, New York.

William E. Beach has served as Vice President of the Company and HP Management since their inception. He joined Home Leasing in 1972 as a Vice President. Mr. Beach is a graduate of Syracuse University and is a Certified Property Manager (CPM) as designated by the Institute of Real Estate Management.

William L. Brown has served as a Vice President of the Company since 2000. He joined the Company in 1998 when the Company acquired the multi-family assets owned by the Siegel Organization in Baltimore, Maryland. Mr. Brown had served as an Executive Vice President of the Siegel Organization since 1970. He is a graduate of the University of Baltimore.

Lavonne R. Childs has served as Vice President of the Company since 1997 and as Vice President, Web Assisted HP Resident Services since August, 2000. She has also served as a Vice President of HP Resident Services since December, 2000. She joined Home Properties in December of 1996 as a Regional Property Manager. Mrs. Childs has been in property management for 15 years. Prior to joining Home Properties, she worked with Walden Residential, United Dominion Realty Trust and Winthrop Management.

Charis W. Copin has served as Vice President of the Company since 2001. She joined Home Properties in 2001 as Director of Investor Relations. Prior to joining the Company, she was Director of Investor Relations at PSC Inc. since 1996. She had previously held various senior management positions in Marketing, Corporate and Investor Relations, and Strategic Planning at RCSB Financial, Inc., the holding company for Rochester Community Savings Bank. Ms. Copin holds an MBA from the Rochester Institute of Technology and a BA from St. Lawrence University.

Douglas F. Erdman has served as Vice President of the Company since 1999. He has also served as a Vice President of HP Resident Services since December, 2000. Prior to joining Home Properties, he was President of Community Realty Company, Inc., a Washington D.C. based real estate firm providing commercial and multi-family property management, commercial leasing, brokerage, general contracting, and real estate development services. Mr. Erdman is a graduate of Towson University, is a Certified Property Manager (CPM) and holds real estate brokers licenses in Maryland, Virginia and Washington D. C. Mr. Erdman serves on the Multi-housing Council of the Urban Land Institute

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and on the Board of Directors of JFGH, an organization of group homes for disabled adults.

Rhonda K. Finehout has served as a Vice President of the Company and HP Resident Services since 1998. She joined the Company in 1996 as a Regional Property Manager with responsibilities in market rate, rural development, low income housing tax credit and fee managed properties. Ms. Finehout is a graduate of the State University of New York at Oswego.

Timothy A. Florczak has served as a Vice President of the Company since its inception. He joined Home Leasing in 1985 as a Vice President. Prior to joining Home Leasing, Mr. Florczak was Vice President of Accounting of Marc Equity Corporation. Mr. Florczak is a graduate of the State University of New York at Buffalo.

Mildred R. Hemstetter has served as a Vice President of the Company since 2001. Prior to joining Home Properties in 1999, she had served as Vice President of Property Management for The Macks-Fidler Organization in Baltimore, Maryland for 40 years. Ms. Hemstetter is the Regional Leader for the Mid-Atlantic, Baltimore Region. She also serves on the Maryland Multi-Housing Association Executive Board, is a Senior Registered Apartment Manager, and a HUD Certified Assisted Housing Manager.

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Marianne C. Holman has served as a Vice President of the Company since 2001. She joined the Company in 1999 and served as a Property Manager for the Detroit Region until January, 2001, when she was promoted to Regional Leader. Ms. Holman has been in property management for 18 years. Prior to joining the Company, she worked with Equity Residential Properties. Ms. Holman is a licensed Michigan real estate broker, a Certified Property Manager (CPM) candidate as designated by the Institute of Real Estate Management, and serves on the board of the Property Management Council of Michigan.

Gerald B. Korn has served as a Vice President and been employed at the Company since 1998. From 1984 until 1998, he was employed by Rochester Community Savings Bank in various capacities, including as a Senior Vice President in charge of the bank's national commercial real estate portfolio. Prior to 1984, Mr. Korn was employed for 11 years as a FDIC Bank Examiner. Mr. Korn is a graduate of the Rochester Institute of Technology.

Laurie A. Leenhouts has served as a Vice President of the Company since its inception and has been a Vice President of HP Management since 1998. She joined Home Leasing in 1987 and has served as a Vice President since 1992. Ms. Leenhouts is a graduate of the University of Rochester. She is the daughter of Norman Leenhouts.

Paul O'Leary has served as a Vice President of the Company since its inception. He joined Home Leasing in 1974 and has served as Vice President of Home Leasing since 1978. Mr. O'Leary is a graduate of Syracuse University and is a Certified Property Manager (CPM) as designated by the Institute of Real Estate Management.

Bernard J. Quinn has served as Vice President of the Company since 2000. He joined the Company in 1997 and served as a Property Manager in the Philadelphia region until 2000 when he was appointed Regional

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Leader of the New Jersey region. Prior to joining the Company, Mr. Quinn was employed by Mill Creek Realty in Philadelphia. Mr. Quinn has a Pennsylvania real estate license and is a graduate of Villanova University. He serves on the Board of Directors of the New Jersey Apartment Association.

James E. Quinn, Jr. has served as Vice President of the Company since 1998. He has also served as Vice President of HP Resident Services since 2000. He joined the Company in 1997 as the regional leader for the Philadelphia region. Prior to joining the Company, Mr. Quinn was Vice President of Mill Creek Realty Group. Mr. Quinn is a licensed Pennsylvania real estate broker and is a graduate of Drexel University. He serves on the Board of Directors as Treasurer of the Apartment Association of Greater Philadelphia.

Alan Regan has served as Vice President of the Company since 2001. He joined the Company in 2000 as Director of Affordable Housing. Prior to joining Home Properties, Mr. Regan was the Chief Operating Officer with Landsman Development Corporation. Mr. Regan is a graduate of Fredonia State College.

Janine M. Schue has served as a Vice President of the Company since February, 2002, after joining the Company in October of 2001. Prior to joining the Company, she was employed by NetSetGo as Vice President of Human Resources and prior to that by Wegmans Food Markets, Inc. as Director of Human Resources. Ms. Schue is a graduate of the State University of New York at Albany and holds a Masters of Education.

Richard J. Struzzi has served as a Vice President of the Company and HP Management since their inception. He has also served as a Vice President of HP Resident Services since December, 2000. He joined Home Leasing in 1983 as a Vice President. Mr. Struzzi is a graduate of the State University of New York at Potsdam and holds a Masters Degree in Public School Administration from St. Lawrence University. He is the son-in-law of Nelson Leenhouts.

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Kathleen K. Suher joined the Company as in-house counsel in 1998 and was named Vice President in 2001. Prior to joining Home Properties, she was an associate with the law firm of Nixon Peabody LLP, specializing in real estate. Mrs. Suher is a graduate of the University of Rochester and holds a Juris Doctor from Syracuse University College of Law.

Robert C. Tait has served as a Vice President of the Company and HP Management since their inception. He joined Home Leasing in 1989 and served as a Vice President of Home Leasing since 1992. Prior to joining Home Leasing, he was a manufacturing/industrial engineer with Moscom Corp. Mr. Tait is a graduate of Princeton University, holds a Masters Degree in Business Administration from Boston University and holds the Real Property Administrator Degree from the Building Owners and Managers International Institute. Married to Director Amy L. Tait, he is the son-in-law of Norman Leenhouts.

Marilyn Thomas has served as a Vice President of the Company and HP Resident Services since 1999. She joined the Company in 1998. Prior to joining Home Properties, Mrs. Thomas was a Vice President at Patterson-Erie Corporation for 15 years, working in the affordable housing, market rate apartment and development areas. Mrs. Thomas is a licensed Pennsylvania real estate broker and has been a Certified

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Property Manager since 1988.

Linda Vicari has served as Vice President of the Company since February, 2002. She joined the Company in November of 2000 as a Regional Leader for the Pittsburgh/Ohio Region. Ms. Vicari holds a Bachelors degree in Business Management and Economics from the State University of New York at Fredonia. She is a Certified Property Manager (CPM) and is the Charity Liaison of the Executive Council for the Pittsburgh Chapter of the Institute of Real Estate Management. Ms. Vicari has worked in the residential property management industry for 20 years, serving areas spanning ten states.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

The Common Stock has been traded on the New York Stock Exchange ("NYSE") under the symbol "HME" since July 28, 1994. The following table sets forth for the previous two years the quarterly high and low sales prices per share reported on the NYSE, as well as all distributions paid.

	High	Low	Distribution
	----	---	-----
2000			

First Quarter	\$29.00	\$25.75	\$.53
Second Quarter	\$30.00	\$26.50	\$.53
Third Quarter	\$31.56	\$28.19	\$.53
Fourth Quarter	\$28.94	\$25.56	\$.57
2001			

First Quarter	\$28.63	\$25.89	\$.57
Second Quarter	\$30.21	\$27.50	\$.57
Third Quarter	\$32.26	\$29.00	\$.57
Fourth Quarter	\$33.42	\$29.63	\$.60

As of February 22, 2002, the Company had approximately 5,800 shareholders of record, 24,968,808 common shares (plus 15,981,163 UPREIT Units convertible into 15,981,163 common shares and Preferred Stock convertible into 4,605,943 common shares) were outstanding, and the closing price was \$32.70. It is the Company's policy to pay dividends. The Company has historically paid dividends on a quarterly basis in the months of February, May, August and November. The Credit Agreement relating to the Company's \$100 million line of credit provides that the Company may not pay any distribution if a distribution, when added to other distributions paid during the three immediately preceding fiscal quarters, exceeds the greater of: (i) 90% of funds from operations and 110% of cash available for distribution; and (ii) the amounts required to maintain the Company's status as a REIT.

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Item 6. Selected Financial Data

The following table sets forth selected financial and operating data on a historical basis for the Company and should be read in conjunction with the financial statements appearing elsewhere in this Form 10-K (amounts in

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thousands, except per share data).

	2001 -----	2000 -----	1999 -----
Revenues:			
Rental Income	\$ 348,914	\$ 298,860	\$ 217,591
Other Income	18,609	20,188	16,872
	-----	-----	-----
TOTAL REVENUES	367,523	319,048	234,463
	-----	-----	-----
Expenses:			
Operating and maintenance	145,558	128,034	95,200
General & administrative	18,614	13,235	10,696
Interest	66,446	56,792	39,558
Depreciation & amortization	64,890	52,430	37,350
Loss on available-for-sale securities	--	--	2,123
Non-recurring acquisition expense	--	--	6,225
	-----	-----	-----
TOTAL EXPENSES	295,508	250,491	191,152
	-----	-----	-----
Income before gain (loss) on disposition of property and business, minority interest and extraordinary item	72,015	68,557	43,311
Gain (loss) on disposition of property and business	26,241	(1,386)	457
	-----	-----	-----
Income before minority interest and extraordinary item	98,256	67,171	43,768
Minority interest	33,682	25,715	17,390
	-----	-----	-----
Income before extraordinary item	64,574	41,456	26,378
Extraordinary item, prepayment penalties, net of allocation to minority interest	(68)	--	(96)
	-----	-----	-----
Net income before preferred dividends	64,506	41,456	26,282
Preferred dividends	(17,681)	(12,178)	(1,153)
	-----	-----	-----
Net income available to common shareholders	\$ 46,825	\$ 29,278	\$ 25,129
	=====	=====	=====
Net income before extraordinary item per common share:			
Basic	\$ 2.12	\$ 1.42	\$ 1.35
	=====	=====	=====
Diluted	\$ 2.11	\$ 1.41	\$ 1.34
	=====	=====	=====
Net income per common share:			
Basic	\$ 2.12	\$ 1.42	\$ 1.34
	=====	=====	=====

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Diluted	\$ 2.11	\$ 1.41	\$ 1.34
	=====	=====	=====
Cash dividends declared per common share	\$ 2.31	\$ 2.16	\$ 1.97
	=====	=====	=====
 Balance Sheet Data:			
Real estate, before accumulated depreciation	\$ 2,135,078	\$ 1,895,269	\$ 1,480,753
Total assets	2,063,789	1,871,888	1,503,617
Total debt	992,858	832,783	669,701
Series B convertible cumulative preferred stock	48,733	48,733	48,733
Stockholders' equity	620,596	569,528	448,390
 Other Data:			
Funds from Operations (1)	\$ 136,604	\$ 120,854	\$ 80,784
Cash available for distribution	(\$ 120,994)	\$ 107,300	\$ 78,707
Net cash provided by operating activities	\$ 148,389	\$ 127,197	\$ 90,526
Net cash used in investing activities	(\$ 139,106)	(\$ 178,445)	(\$ 190,892)
Net cash (used in) provided by financing activities	(\$ 9,013)	\$ 56,955	\$ 71,662
Weighted average number of shares outstanding:			
Basic	22,101,027	20,639,241	18,697,731
Diluted	22,227,521	20,755,721	18,800,907
 Total communities owned at end of period	 143	 147	 126
 Total apartment units owned at end of period	 39,007	 39,041	 33,807

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- (1) Management considers funds from operations ("FFO") to be an appropriate measure of performance of an equity REIT. FFO is generally defined as net income (loss) before gains (losses) from the sale of property and business and extraordinary items, before minority interest in the Operating Partnership, plus real estate depreciation. Management believes that in order to facilitate a clear understanding of the combined historical operating results of the Company, FFO should be considered in conjunction with net income as presented in the consolidated financial statements included elsewhere herein. FFO does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indication of the Company's performance or to cash flow as a measure of liquidity.

The calculation of FFO for the previous five years is presented as follows:

2001	2000
----	----

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Net income available to common shareholders	\$ 46,825	\$ 29,278
Preferred dividends	17,681	12,178
Minority interest	33,682	25,715
Extraordinary item	68	--
Depreciation from real property/(1)/	64,589	52,297
(Gain) loss from sale of property and business	(26,241)	1,386
	-----	-----
FFO	\$136,604	\$120,854
	=====	=====
Weighted average common shares/units outstanding:		
Basic	37,980.0	35,998.3
	=====	=====
Diluted	45,063.6	41,128.4
	=====	=====

/(1)/ Includes amounts passed through from unconsolidated investments.

All REITs may not be using the same definition for FFO. Accordingly, the above presentation may not be comparable to others similarly titled measures of FFO of other REITs.

Quarterly information on Funds from Operations for the two most recent years is as follows:

	2001 ----	1st ---	2nd ---	3rd ---
Funds from Operations		\$ 26,953	\$ 34,698	\$ 37,818
Weighted Average Shares/Units:				
Basic		37,581.0	37,461.8	38,010.4
Diluted		39,311.4	44,661.2	45,281.1
	2000 ----	1st ---	2nd ---	3rd ---
Funds from Operations		\$ 25,407	\$ 29,788	\$ 33,106
Weighted Average Shares/Units:				
Basic		34,123.2	35,846.3	36,820.1
Diluted		37,586.7	40,249.9	43,162.4

- (2) Cash Available for Distribution is defined as Funds from Operations less an annual reserve for anticipated recurring, non-revenue generating capitalized costs of \$400 (\$375 for 1998-2000, \$350 for 1996-1997, and \$300 for 1995) per apartment unit. It is the Company's policy to fund its investing activities and financing activities with the proceeds of its line of credit, new debt, by the issuance of additional Units in the Operating Partnership, or proceeds from property dispositions.

Item 7. Management's Discussion and Analysis of Financial Condition and Results

 of Operations

Overview

The following discussion should be read in conjunction with consolidated financial statements, the notes thereto, and the selected financial data appearing elsewhere in this report. Historical results and percentage relationships set forth in the consolidated financial statements, including trends which might appear, should not be taken as indicative of future operations. The Company considers portions of the information to be "forward-looking statements" within the meaning of Section 27A of the Securities Exchange Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to the Company's expectations for future periods. Forward-looking statements include, without limitation, statements related to acquisitions (including any related pro forma financial information) future capital expenditures, financing sources and availability and the effects of environmental and other regulations. Although the Company believes that the expectations reflected in those forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that may cause actual results to differ include general economic and local real estate conditions, the weather and other conditions that might affect operating expenses, the timely completion of repositioning activities within anticipated budgets, the actual pace of future acquisitions, and continued access to capital to fund growth. For this purpose, any statements contained herein that are not statements of historical fact should be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes", "anticipates", "plans", "expects", "seeks", "estimates", and similar expressions are intended to identify forward-looking statements. Readers should exercise caution in interpreting and relying on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and could materially affect the Company's actual results, performance or achievements.

The Company is engaged primarily in the ownership, management, acquisition, rehabilitation and development of residential apartment communities in the Northeastern, Mid-Atlantic and Midwestern United States. As of December 31, 2001, the Company operated 293 apartment communities with 49,745 apartments. Of this total, the Company owned 143 communities, consisting of 39,007 apartments, managed as general partner 132 partnerships that owned 8,035 apartments and fee managed 2,703 apartments for affiliates and third parties. The Company also fee manages 2.2 million square feet of office and retail properties.

Results of Operations

Comparison of year ended December 31, 2001 to year ended December 31, 2000.

The Company owned 111 communities with 30,802 apartment units throughout 2000 and 2001 where comparable operating results are available for the years presented (the "2001 Core Properties"). For the year ending December 31, 2001, the 2001 Core Properties showed an increase in rental revenues of 6.2% and a net operating income increase of 7.7% over the 2000 year-end period. Property level operating

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expenses increased 4.3%. Average economic occupancy for the 2001 Core Properties decreased from 94.4% to 93.7%, with average monthly rental rates increasing 7.1% to \$776.

A summary of the 2001 Core Property net operating income is as follows:

	2001 ----	2000 ----
Rent	\$ 268,620,000	\$ 252,863,000
Property Other Income	10,461,000	9,741,000
	-----	-----
Total Income	279,081,000	262,604,000
Operating and Maintenance	(112,969,000)	(108,334,000)
	-----	-----
Net Operating Income	\$ 166,112,000	\$ 154,270,000
	=====	=====

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During 2001, the Company acquired a total of 2,820 apartment units in 10 newly-acquired communities (the "2001 Acquisition Communities"). In addition, the Company experienced a full year results for the 5,384 apartment units in 22 apartment communities (the "2000 Acquisition Communities") acquired during 2000. The inclusion of these acquired communities generally accounted for the significant changes in operating results for the year ended December 31, 2001.

During 2001, the Company also disposed of 14 properties with a total of 2,855 units, which had partial results for 2001 (the "2001 Disposed Communities").

For the year ended December 31, 2001, operating income (income before gain on disposition of property and business, minority interest and extraordinary item) increased by \$3,458,000 when compared to the year ended December 31, 2000. The increase was primarily attributable to the following factors: an increase in rental income of \$50,054,000 and a decrease in all other income of \$1,579,000. These changes were partially offset by an increase in operating and maintenance expense of \$17,524,000, an increase in general and administrative expense of \$5,379,000, an increase in interest expense of \$9,654,000, and an increase in depreciation and amortization of \$12,460,000.

Of the \$50,054,000 increase in rental income, \$28,989,000 is attributable to the 2000 Acquisition Communities and \$14,032,000 is attributable to the 2001 Acquisition Communities, offset in part by a \$8,724,000 reduction attributable to the 2001 Disposed Communities. The balance of \$15,757,000 relates to a 6.2% increase from the 2001 Core Properties due primarily to an increase of 7.1% in weighted average rental rates, offset by a decrease in average economic occupancy from 94.4% to 93.7%.

In addition to normal rent increases, the Company was successful in achieving above-normal increases at specific properties where rents were below the level of the average rent charged by our direct

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competition. An additional component of the 7.1% increase in weighted average rent results from the significant upgrading and repositioning efforts discussed under the Capital Improvements section of this report. The Company seeks a minimum 15% internal rate of return for these revenue enhancing upgrades.

The decrease in average economic occupancy can be attributed to the decline in general economic conditions during 2001. Same-store occupancies have averaged approximately 95% for a number of years. During the second quarter of 2001, the Detroit regional market experienced softness that was related to a slowdown and announced lay-offs in the auto industry. A reduction in job growth leads to fewer household formations, which creates a reduction in demand for rental housing. During the third and fourth quarters of 2001, it became obvious that the recession was affecting all of our regions, as well as our competitors. Occupancy levels dipped to a low of 91.6% for the month of December.

In January, 2002, one of management's performance measures seemed to suggest that the Company may have reached the bottom of the decline in occupancy. Traffic at the communities had increased, and it was the first month since the end of the second quarter of 2001 that occupancy levels did not continue to decrease.

In this recessionary economic environment, it is very difficult to project rental rate and occupancy results. The Company has provided guidance for 2002, which, at the mid-point of the range, anticipates same store revenue growth of 6%, including above-average rental increases from the continued efforts to upgrade the properties. Occupancy levels are expected to remain low during the first quarter of 2002, averaging 91.8%. Improvement in occupancy is expected each successive quarter in 2002, producing an expected average for the year of 93.2%.

Property other income, which consists primarily of income from operation of laundry facilities, late charges, administrative fees, garage and carport rentals, net profits from corporate apartments, cable revenue, pet charges, and miscellaneous charges to residents, increased in 2001 by

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\$1,930,000. Of this increase, \$980,000 is attributable to the 2000 Acquisition Communities, \$483,000 is attributable to the 2001 Acquisition Communities and \$720,000 represents a 7.4% increase from the 2001 Core Properties, offset in part by a \$271,000 reduction attributable to the 2001 Disposed Communities.

Interest and dividend income decreased in 2001 by \$4,732,000, due primarily to the Company contributing loans due from affiliates to HPRS, in March, 2001, described in the next paragraph. Subsequent to the transfer, the interest income is reported in Other income.

Other income, which reflects the net contribution from management and development activities after allocating certain overhead and interest expense, increased by \$1,223,000 due primarily to interest income on loans from affiliated partnerships. The general and administrative overhead represents an allocation of direct and indirect costs incurred by the Company estimated by management to be associated with these

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activities. In March, 2001, HPRS was recapitalized with a contribution of \$23.7 million of loans to affiliated partnerships by the Company. This effectively shifted a significant amount of interest income to the Other income category, where the Company records its share of interest income through its equity earnings of affiliates.

Of the \$17,524,000 increase in operating and maintenance expenses, \$13,256,000 is attributable to the 2000 Acquisition Communities, \$4,418,000 is attributable to the 2001 Acquisition Communities and a reduction of \$4,785,000 is attributable to the 2001 Disposed Communities. The balance for the 2001 Core Properties, a \$4,635,000 increase in operating expenses or 4.3%, is primarily a result of increases in gas utilities, office and telephone expense, and real estate taxes, offset in part by decreases in repairs and maintenance, incentive compensation, and property insurance.

Natural gas costs for the Core Properties were up 43% for the twelve months, due to extraordinary increases in natural gas prices as well as lower temperatures in 2001 compared to above-average temperatures in 2000. Looking back the last ten years, the price of natural gas has been relatively stable. Historically, at the beginning of each heating season, rates experienced some pressures but start to stabilize at lower levels in January. The 2000/2001 heating season did not follow this same pattern. Spot prices per decatherm spiked over \$10 in December, 2000 and January, 2001. This unusual pattern made it more difficult to execute economically feasible fixed price contracts. During the first quarter of 2001, the Company experienced extremely high costs for natural gas, producing a same-store increase in operating and maintenance costs of 15.1%.

Management believed it was in the Company's best interest to take advantage of lower natural gas prices and to negotiate fixed price contracts starting in the Spring of 2001. As of December 31, 2001, the Company had fixed-price contracts covering 90% of its natural gas exposure for properties owned by the Company at December 31, 2001. For the 2002 heating season, the average price per decatherm is approximately \$4.50. Current twelve month strip pricing is about \$3.00 per decatherm. If rates do not increase, the Company stands to benefit from lower pricing, as existing contracts mature and are extended or renewed. The Company has fixed-price contracts covering 50% of its natural gas exposure for the 2003 heating season. Risk is further diversified by staggering contract term expirations.

In October, 2001, the Company resolved a legal claim with an insurance provider and received a total settlement of \$4.9 million. This refund was allocated to insurance expense in relation to the Company's estimate of loss spread over the corresponding policy term. The policy term covered November 1, 2000 to October 31, 2001 and November 1, 2001 to October 31, 2002. The amount of the settlement relating to the period from November 1, 2000 to December 31, 2001 was estimated to be \$2.2 million, and that amount reduced insurance expense in the fourth quarter of 2001. The remaining settlement of \$2.7 million relates to the remaining policy period from January 1, 2001, through October 31, 2002, and will be amortized on a straight-line basis over that period.

The Company has provided guidance for 2002 which anticipates same store expense growth at the mid-point of the range of 6.5%. Natural gas costs are assumed to improve 3%, personnel expense is projected to increase

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9%, real estate taxes are expected to increase 6%, and insurance costs should almost double. Health care increases account for a large part of the personnel cost increase.

Certain quarterly variations are expected for 2002. The first quarter expense growth is expected to increase only 2.2% compared to the first quarter of 2001. This is due to an expected favorable variance in natural gas heating costs. The fourth quarter of 2002 is expected to increase over 12% compared to the same period in 2001. This is due to an expected significant negative variance for insurance expense. As previously discussed, the fourth quarter of 2001 reflected a large insurance settlement effectively recognizing the benefit for the previous fourteen months in the fourth quarter, which will produce a significant variance for comparison purposes.

The operating expense ratio (the ratio of operating and maintenance expense compared to rental and property other income) for the 2001 Core Properties was 40.5% and 41.3% for 2001 and 2000, respectively. This 0.8% reduction is a result of the 6.3% increase in total rental and property other income achieved through ongoing efforts to upgrade and reposition properties for maximum potential. In general, the Company's operating expense ratio is higher than that experienced in other parts of the country due to relatively high real estate taxes in its markets and the Company's practice, typical in its markets, of including heating expenses in base rent.

General and administrative expenses increased in 2001 by \$5,379,000, or 41% from \$13,235,000 in 2000 to \$18,614,000 in 2001. As the Company expands geographically, the increases reflect increased efforts in serving residents and employees through new and expanded initiatives, including a help desk, call center, and an education department. In addition, the increase can be attributed to overhead costs, which had, historically, been allocated to the Company's affordable housing development business, which was sold in 2000 and the net results of which were reported in other income. The percentage of general and administrative expenses compared to total revenue was 5.1% for 2001 compared to 4.1% for 2000.

Interest expense increased in 2001 by \$9,654,000 as a result of the acquisition of the 2001 Acquisition Communities and a full year of interest expense for the 2000 Acquisition Communities. The 2000 Acquisition Communities, costing in excess of \$322,000,000, were financed with \$163,000,000 of assumed debt in addition to the use of UPREIT Units. The 2001 Acquisition Communities, costing in excess of \$212,000,000, were financed with \$68,000,000 of assumed debt, in addition to the use of UPREIT Units. During 2001, the Company refinanced \$52,000,000 in existing mortgage debt resulting in new borrowings in excess of \$131,000,000. In addition, amortization from deferred charges relating to the financing of properties totaling \$632,000 and \$566,000 was included in interest expense for 2001 and 2000, respectively.

Depreciation and amortization expense increased \$12,460,000 due to the depreciation on the 2001 Acquisition Communities, the 2000 Acquisition Communities, the additions to the Core Properties, net of the 2001 Disposition Communities.

During 2001, the Company reported a gain on disposition of property and business of \$26,241,000. This includes the disposition of 14 apartment communities with 2,855 units in six separate transactions for a total sales price of \$122,000,000.

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Minority interest increased \$7,967,000 due to the increase in income allocated to the OP Unitholders, which is attributable to the 2001 Acquisition Communities, the 2000 Acquisition Communities, net of the 2001 Disposition Communities, and the gain on disposition of property and business.

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Net income increased \$23,050,000 or 56% primarily attributed to the results of the 2001 Acquisition Communities, the 2001 Acquisition Communities, net of the 2001 Disposition Communities, as previously discussed and the gain on disposition of property and business.

Comparison of year ended December 31, 2000 to year ended December 31, 1999.

The Company owned 95 communities with 23,530 apartment units throughout 1999 and 2000 where comparable operating results were available for the years presented (the "2000 Core Properties"). For the year ending December 31, 2000, the 2000 Core Properties showed an increase in rental revenues of 5.8% and a net operating income increase of 7.6% over the 1999 year-end period. Property level operating expenses increased 5.3%. Average economic occupancy for the 2000 Core Properties increased from 94.6% to 94.7%, with average monthly rental rates increasing 5.7% to \$701.

A summary of the 2000 Core Property net operating income is as follows:

	2000 ----	1999 ----
Rent	\$ 187,491,000	\$ 177,286,000
Property Other Income	7,412,000	5,606,000
	-----	-----
Total Income	194,903,000	182,892,000
Operating and Maintenance	(83,756,000)	(79,570,000)
	-----	-----
Net Operating Income	\$ 111,147,000 =====	\$ 103,322,000 =====

During 2000, the Company acquired the "2000 Acquisition Communities" and also experienced a full year of results for the 10,127 apartment units in 30 apartment communities (the "1999 Acquisition Communities") acquired during 1999. The inclusion of these acquired communities generally accounted for the significant changes in operating results for the year ended December 31, 2000.

The Company also disposed of one property during 2000, a 150-unit community located in Pittsburgh, Pennsylvania, which had partial results for 2000 (the "2000 Disposed Community").

For the year ended December 31, 2000, operating income (income before loss on disposition of property and business, minority interest and extraordinary item) increased by \$25,246,000 when compared to the year ended December 31, 1999. The increase was primarily attributable to the

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following factors: an increase in rental income of \$81,269,000 and an increase in all other income of \$3,316,000. These changes were partially offset by an increase in operating and maintenance expense of \$32,834,000, an increase in general and administrative expense of \$2,539,000, an increase in interest expense of \$17,234,000, an increase in depreciation and amortization of \$15,080,000 and loss on available-for-sale securities and non-recurring acquisition expense totaling \$8,348,000 affecting only 1999.

Of the \$81,269,000 increase in rental income, \$47,376,000 is attributable to the 1999 Acquisition Communities and \$24,204,000 is attributable to the 2000 Acquisition Communities, offset in part by a \$516,000 reduction attributable to the 2000 Disposed Community. The balance of \$10,205,000 is a 5.8% increase from the 2000 Core Properties due primarily to an increase of 5.7% in weighted average rental rates, plus an increase in average economic occupancy from 94.6% to 94.7%.

Property other income, which consists primarily of income from operation of laundry facilities, administrative fees, garage and carport rentals, net profits from corporate apartments and miscellaneous charges to residents, increased in 2000 by \$4,511,000. Of this increase, \$1,847,000 is attributable to the 1999 Acquisition Communities, \$884,000 is attributable to the 2000 Acquisition Communities and \$1,806,000 represents a 32.2% increase from the 2000 Core Properties, offset in part by a \$26,000 reduction attributable to the 2000 Disposed Community.

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The increase for the 2000 Core Properties included a one-time benefit from a favorable insurance settlement of \$239,000. Without the affect of the settlement, property other income would have increased 28%.

Interest and dividend income increased in 2000 by \$654,000, primarily attributable to an increase in loans to one of the Company's Management Companies used to acquire land held in inventory for future development, as well as increased levels of cash reserves invested. Dividend income of \$714,000 in 1999 from investments in marketable securities did not continue in 2000.

Other income reflects the net contribution from management and development activities after allocating certain overhead and interest expense. The net contribution decreased by \$1,849,000, or 64% from 1999 to 2000. The decrease is due primarily to a decrease in gross development fee revenues of \$1,462,000. Effective December 31, 2000, the Company sold its affordable housing development business to the key personnel who ran the division for approximately \$6,700,000.

Of the \$32,834,000 increase in operating and maintenance expenses, \$20,354,000 is attributable to the 1999 Acquisition Communities, \$8,604,000 is attributable to the 2000 Acquisition Communities and a reduction of \$310,000 is attributable to the 2000 Disposed Community. The balance for the 2000 Core Properties, a \$4,186,000 increase in operating expenses or 5.3%, is primarily a result of increases in gas utilities, personnel expenses, property insurance and real estate taxes.

Increases in utility expenses were a large contributor to operating and maintenance expense increases for the year and, as previously discussed, continued to unfavorably affect results in 2001. Natural gas

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prices were very volatile in 2000. As previously discussed, over the last ten years, the price of natural gas has been relatively stable and, at the beginning of each heating season, rates experienced some pressures but started to stabilize at lower levels around January. The 1999/2000 heating season did not follow this same pattern. This unusual pattern made it more difficult to execute economically feasible fixed price contracts.

The months of December, 2000 and January, 2001 yielded prices for natural gas topping out at over \$10 per decatherm. For deliveries in March, 2001 the price was reduced to approximately \$5.00 per decatherm. As a result, the Company negotiated fixed price contracts starting in the Spring of 2001 for close to 90% of its exposure for the 2001/2002 heating season.

Management believed at that time that these higher expenses would eventually be absorbed by our residents. As discussed in the Comparison of year ended December 31, 2001 to year ended December 31, 2000, rent increases were passed on to residents as leases (which typically have a one year term) were renewed.

The operating expense ratio (the ratio of operating and maintenance expense compared to rental and property other income) for the 2000 Core Properties was 43.0% and 43.5% for 2000 and 1999, respectively. This 0.5% reduction is a result of the 6.6% increase in total rental and property other income achieved through ongoing efforts to upgrade and reposition properties for maximum potential. In general, the Company's operating expense ratio is higher than that experienced in other parts of the country due to relatively high real estate taxes in its markets and the Company's practice, typical in its markets, of including heating expenses in base rent.

General and administrative expenses increased in 2000 by \$2,539,000, or 24% from \$10,696,000 in 1999 to \$13,235,000 in 2000. As the Company expands geographically, travel and lodging expenses have increased, along with expenses associated with new and expanding regional offices. In addition, personnel costs have increased to handle the growing owned portfolio, which increased in size by 15% as of December 31, 2000 compared to December 31, 1999. The percentage of G&A compared to total revenue was 4.1% for 2000 compared to 4.6% for 1999.

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Interest expense increased in 2000 by \$17,234,000 as a result of the acquisition of the 2000 Acquisition Communities and a full year of interest expense for the 1999 Acquisition Communities. The 1999 Acquisition Communities, costing in excess of \$480,000,000, were financed with \$203,000,000 of assumed debt in addition to the use of UPREIT Units. The 2000 Acquisition Communities, costing in excess of \$322,000,000, were financed with \$163,000,000 of assumed debt, in addition to the use of UPREIT Units. In addition, amortization from deferred charges relating to the financing of properties totaling \$566,000 and \$516,000 was included in interest expense for 2000 and 1999, respectively.

Depreciation and amortization expense increased \$15,080,000 due to the depreciation on the 2000 Acquisition Communities, the 1999 Acquisition Communities, and the additions to the 2000 Core Properties.

During 2000, the Company reported a loss on disposition of property of

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\$1,386,000. This included \$417,000 from the sale of Payne Hill in Pittsburgh, \$924,000 from the sale of the affordable housing development business and \$45,000 from the sale of a general partnership interest.

Minority interest increased \$8,325,000 due to the increase in income allocated to the OP Unitholders, which is attributable to the 2000 Acquisition Communities, the 1999 Acquisition Communities, and the loss on disposition of property and business.

Net income increased \$15,174,000 or 58% primarily attributed to the results of the 2000 Acquisition Communities, the 1999 Acquisition Communities, as previously discussed, net of the loss on disposition of property and business.

Liquidity and Capital Resources

The Company's principal liquidity demands are expected to be distributions to the common and preferred stockholders and Operating Partnership Unitholders, capital improvements and repairs and maintenance for the properties, acquisition of additional properties, stock repurchases and debt repayments. The Company may also engage in transactions whereby it acquires equity ownership in other public or private companies that own and manage portfolios of apartment communities. Management anticipates the acquisition of properties in the range of \$200 to \$300 million in 2002.

The Company intends to meet its short-term liquidity requirements through net cash flows provided by operating activities and the line of credit, as described below. The Company considers its ability to generate cash to be adequate to meet all operating requirements and make distributions to its stockholders in accordance with the provisions of the Internal Revenue Code, as amended, applicable to REITs.

To the extent that the Company does not satisfy its long-term liquidity requirements through net cash flows provided by operating activities and the line of credit described below, it intends to satisfy such requirements through the issuance of UPREIT Units, proceeds from the Dividend Reinvestment Plan ("DRIP"), proceeds from the sale of properties, property debt financing, or issuing additional common shares, shares of the Company's preferred stock, or other securities. As of December 31, 2001, the Company owned 27 properties, with 4,948 apartment units, which were unencumbered by debt.

In addition, an increase in a source of liquidity will be from the sale of properties. Since its IPO through 2000, the Company had sold only a few small properties. During 2001, the Company sold 14 communities for a total sales price of \$122 million. The Company was able to sell these properties at an average capitalization rate of 9.2% and reinvest in the acquisition of properties with more growth potential at an expected first year cap rate of 9.3%. Management believes that the Company will strategically dispose of assets aggregating between \$50 and \$100 million in 2002.

In May, 1998, the Company's Form S-3 Registration Statement was declared effective relating to the issuance of up to \$400 million of

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common stock, preferred stock or other securities. The available balance on the shelf registration statement at December 31, 2001 was \$227,390,000.

In December, 1999, the Class A limited partnership interests held by the State of Michigan Retirement Systems (originally issued in December, 1996 for \$35 million) were converted to Series A Convertible Cumulative Preferred shares ("Series A Preferred Shares") which retained the same material rights and preferences that were associated with the limited partnership interests. On November 28, 2001, the Series A Preferred Shares were converted to common shares. The conversion had no effect on reported results of operations.

In September, 1999, the Company completed the sale of \$50 million of Series B Preferred Stock in a private transaction with GE Capital. The Series B Preferred stock carries an annual dividend rate equal to the greater of 8.36% or the actual dividend paid on the Company's common shares into which the preferred shares can be converted. The stock has a liquidation preference of \$25.00 per share, a conversion price of \$29.77 per share, and a five-year, non-call provision. On February 14, 2002, 1,000,000 shares of the Series B Preferred stock were converted to 839,771 common shares. The conversion will have no effect on the reported results of operations.

In May and June, 2000, the Company completed the sale of \$60 million of Series C Preferred Stock in a private transaction with affiliates of Prudential Real Estate Investors ("Prudential"), Teachers Insurance and Annuity Association of America ("Teachers"), affiliates of AEW Capital Management and Pacific Life Insurance Company. The Series C Preferred Stock carries an annual dividend rate equal to the greater of 8.75% or the actual dividend paid on the Company's common shares into which the preferred shares can be converted. The stock has a conversion price of \$30.25 per share and a five-year, non-call provision. As part of the Series C Preferred Stock transaction, the Company also issued 240,000 warrants to purchase common shares at a price of \$30.25 per share, expiring in five years.

In June, 2000, the Company completed the sale of \$25 million of Series D Preferred Stock in a private transaction with The Equitable Life Assurance Society of the United States. The Series D Preferred Stock carries an annual dividend rate equal to the greater of 8.775% or the actual dividend paid on the Company's common shares into which the preferred shares can be converted. The stock has a conversion price of \$30 per share and a five-year, non-call provision.

In December, 2000, the Company completed the sale of \$30 million of Series E Preferred Stock in a private transaction, again with affiliates of Prudential and Teachers. The Series E Preferred Stock carries an annual dividend rate equal to the greater of 8.55% or the actual dividend paid on the Company's common shares into which the preferred shares can be converted. The stock has a conversion price of \$31.60 per share and a five-year, non-call provision. In addition, as part of the Series E Preferred Stock transaction, the Company issued warrants to purchase 285,000 common shares at a price of \$31.60 per share, expiring in five years.

In 2000, the Company obtained an investment grade rating from Fitch, Inc. The Company was assigned an initial corporate credit rating of "BBB" (Triple-B), with a rating of "BBB-" (Triple-B Minus) for Series C through E convertible Preferred Stock.

The issuance of UPREIT Units for property acquisitions continues to be

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a significant source of capital for the Company. During 2001, 520 apartment units in two separate transactions were acquired for a total cost of \$33,000,000, using UPREIT Units valued at approximately \$19,000,000 with the balance paid in cash or assumed debt. During 2000, 3,583 apartment units in eight separate transactions were acquired for a total cost of \$203,000,000, using UPREIT Units valued at approximately \$59,000,000 with the balance paid in cash or assumed debt.

In 1997, the Company's Board of Directors approved a stock repurchase program under which the Company may repurchase up to one million shares of its outstanding common stock and

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UPREIT Units. The Board's action did not establish a target price or a specific timetable for repurchase. At December 31, 1999, there was approval remaining to purchase 795,100 shares. In 2000, the Board of Directors approved a 1,000,000-share increase in the stock repurchase program. During 2000, the Company repurchased 468,600 shares at a cost of \$12,664,000. In 2001, the Board of Directors approved a 1,000,000-share increase in the stock repurchase program. During 2001, the Company repurchased 754,000 shares and 436,700 UPREIT Units at a cost of \$20,600,000 and \$11,900,000, respectively. Approval to repurchase 1,135,800 shares of common stock and UPREIT Units remains at December 31, 2001.

In November, 1995, the Company established a Dividend Reinvestment Plan. The Plan provides the stockholders of the Company an opportunity to automatically invest their cash dividends at a discount of 3% from the market price. In addition, eligible participants may make monthly payments or other voluntary cash investments in shares of common stock, typically purchased at discounts, which have varied between 2% and 3%. During 2000, \$57,000,000 of common stock was issued under this plan, with an additional \$32,000,000 of common stock issued in 2001.

The DRIP was amended, effective April 10, 2001, in order to reduce management's perceived dilution from issuing new shares at or below the underlying net asset value. The discount on reinvested dividends and optional cash purchases was reduced from 3% to 2%. The maximum monthly investment (without receiving approval from the Company) was reduced from \$5,000 to \$1,000. As expected, these changes significantly reduced participation in the Plan. Management will continue to monitor the relationship between the Company's stock price and estimated net asset value. During times when this difference is small, management has the flexibility to issue waivers to DRIP participants to provide for investments in excess of the \$1,000 maximum monthly investment. In connection with the announcement of the February, 2002 dividend, the Company announced such waivers will be considered beginning with the March 2002 optional cash purchase, since management believes the stock is trading at or above its estimate of net asset value.

As of December 31, 2001, the Company had an unsecured line of credit from M&T Bank with a borrowing capacity of \$100,000,000 and \$32,500,000 outstanding. Borrowings under the facility bear interest at 1.25% over the one-month LIBOR rate. The line of credit expires on September 1, 2002. The Company is evaluating alternatives to replace or extend the line of credit after September 1, 2002.

As of December 31, 2001, the weighted average rate of interest on the

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Company's mortgage debt was 7.2% and the weighted average maturity of such indebtedness was approximately ten years. Mortgage debt of \$960 million was outstanding with 99% at fixed rates of interest with staggered maturities. This limits the exposure to changes in interest rates, minimizing the effect of interest rate fluctuations on the Company's results of operations and cash flows.

The Company's net cash provided by operating activities increased from \$127,217,000 for the year ended December 31, 2000 to \$148,389,000 for the year ended December 31, 2001. The increase was principally due to the acquisition of the 2000 and 2001 Acquisition Communities, net of 2001 Disposition Communities.

Net cash used in investing activities decreased from \$178,465,000 in 2000 to \$139,106,000 in 2001. The level of properties purchased decreased in 2001 to \$212 million from \$328 million, the amount of mortgages assumed and UPREIT units issued decreased by \$135 million, additions to properties increase \$38 million, while proceeds from the sale of properties increased \$103 million, such that the net cash used in investing activities decreased, accounting for most of the year over year decrease.

The Company's net cash provided by (used in) financing activities decreased from providing \$56,955,000 in 2000 to using \$9,013,000 in 2001. The major source of financing in 2001 was \$8,423,000 of proceeds from sales of common stock, net of the purchase of treasury stock and

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UPREIT Units and \$92,268,000 in net debt proceeds, used to fund property acquisitions and improvements. In 2000, proceeds from the sale of preferred stock and common stock totaling \$168,462,000 were used to fund property acquisitions and additions. Due to the lower number of acquisitions in 2001, such funding was not needed in 2001.

On February 4, 2002, the Board of Directors approved a dividend of \$.60 per share for the period from October 1, 2001 to December 31, 2001. This is the equivalent of an annual distribution of \$2.40 per share. The dividend is payable February 26, 2002 to shareholders of record on February 15, 2002.

Off-Balance Sheet Investments

The Company has investments in and advances to approximately 132 limited partnerships where the Company acts as the managing general partner. The Company accounts for these investments on the equity method of accounting, recording its share of the net income or loss based upon the terms of the partnership agreement. To the extent that it is determined that the limited partners cannot absorb their share of the losses, if any, the general partner will record the limited partners share of such losses.

The Company has guaranteed the low income housing tax credits to the limited partners for a period of five years in 42 partnerships totaling approximately \$48,500,000. Such guarantee requires the Company to operate the properties in compliance with Internal Revenue Code Section 42 for 15 years. In addition, acting as the general partner in certain partnerships, the Company is obligated to advance funds to meet partnership operating deficits. However, such funding requirements cease after a five year period. Should operating deficits continue to occur, the Company would determine on an individual partnership basis if it is in the best interest

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of the Company to continue to fund these deficits.

These partnerships are funded with non-recourse financing. The Company's proportionate share of non-recourse financing was \$6,800,000 at December 31, 2001. The Company has guaranteed a total of \$606,000 of debt associated with two of these partnerships. In addition, the Company, including the Management Companies, has provided loans and advances to certain of the partnerships aggregating \$25,245,000 at December 31, 2001. The Company assesses the financial status and cash flow of each of the partnerships at each balance sheet date in order to assess recoverability of its investment in and advances to these affiliates.

The Company believes the properties operations conform to the applicable requirements as set forth above and do not anticipate any payment on the guarantees described above.

Summarized balance sheet information relating to these partnerships is as follows (amounts are in thousands):

	2001 ----	2000 ----
Balance Sheets:		
Real estate, net	\$280,864	\$293,616
Other assets	36,579	34,023
	-----	-----
Total assets	\$317,443	\$327,639
	=====	=====
Mortgage notes payable	\$253,798	\$257,834
Advances from affiliates	25,245	21,957
Other liabilities	18,140	18,558
Partners' equity	20,260	29,290
	-----	-----
Total liabilities and partners' equity	\$317,443	\$327,639
	=====	=====

Acquisitions and Dispositions

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In 2001, the Company acquired a total of 10 communities with a total of 2,820 units for total consideration of \$212,000,000, or an average of approximately \$75,200 per unit. For the same time period, the Company sold 14 properties with a total of 2,855 units for total consideration of \$122,400,000, or an average of \$42,900 per unit. The weighted average expected first year cap rate of the 2001 Acquisition Communities was 9.3% and of the 2001 Disposed Communities was 9.2%. The weighted average unleveraged internal rate of return (IRR) during the Company's ownership for the properties sold was 15.8%.

Although the Company has acquired properties every year since its initial public offering in 1994, 2001 was the first year of its asset disposition program. The Company's management was very pleased with the success of its strategy to recycle assets by disposing of properties that have reached their potential or are less efficient to operate due to size or remote location, while acquiring properties in targeted geographic regions with higher future growth characteristics. The Company indicated that the timing of sales and acquisitions worked well to avoid dilution and a negative spread in initial cap rates.

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In January, 2002, the Company sold six communities with a total of 339 units in Eastern Pennsylvania and Baltimore, Maryland for total consideration of \$13,600,000, or an average of \$41,100 per unit. The expected weighted average first year cap rate on these sales is 10.5% (before a reserve for capital expenditures). A gain on sale of approximately \$500,000 is expected to be reported in the first quarter of 2002 from these sales.

Contractual Obligations and other Commitments

The primary obligations of the Company relate to its borrowings under the line of credit and mortgage notes payable. The \$32,500,000 outstanding under the line of credit matures in September, 2002. The \$960,000,000 in mortgage notes payable have varying maturities ranging from 1 to 11 years. The principal payments on the mortgage notes payable for the years subsequent to December 31, 2001 are as follows: \$53,378,000 - 2002, \$26,359,000 - 2003, \$36,675,000 - 2004, \$41,870,000 - 2005, \$68,485,000 - 2006 and \$733,591,000 - thereafter. The Company has a non-cancelable operating ground lease for one of its properties. The lease expires May 1, 2020, with options to extend the term of the lease for two successive terms of twenty-five years each. The lease provides for contingent rental payments based on certain variable factors. At December 31, 2001, future minimum rental payments required under the lease are \$70 per year until the lease expires.

As discussed in the section entitled "Off-Balance Sheet Investments," the Company has the following guarantees or commitments relating to its equity method partnership investments: a) guarantee for a total of \$606,000 of debt associated with two of partnerships, b) guarantee of the low income housing tax credits to the limited partners for a period of five years in 42 partnerships totaling approximately \$48,500,000, and c) the Company is obligated to advance funds to meet partnership operating deficits for a five year period for certain partnerships. The Company believes the properties operations conform to the applicable requirements as set forth above and do not anticipate any payment on the guarantees described above.

Capital Improvements

Total capital improvement expenditures increased from \$92,603,000 in 2000 to \$130,468,000 in 2001. Of the \$130,468,000 in total 2001 expenditures, \$37,140,000 is attributable to the 2000 Acquisition Communities, \$3,111,000 is attributable to the 2001 Acquisition Communities, and \$2,969,000 is attributable to the 2001 Disposition Communities. Of the remaining \$87,248,000, \$85,001,000 relates to the 2001 Core Properties and \$2,247,000 relates to corporate office expenditures.

Costs related to the acquisition, development, construction and improvement of properties are capitalized. Recurring, capital replacements typically include carpeting and tile, appliances, HVAC equipment, new roofs, site improvements and various exterior building improvements. Non-

recurring upgrades include, among other items, community centers, new appliances, new windows, kitchens and bathrooms. Interest costs are capitalized until construction is substantially complete. Ordinary repairs and maintenance that do not extend the life of the asset are expensed as incurred. The Company's financial statements are impacted by its

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capitalization policies. Other companies may have different policies.

Funding for the above described capital replacements are provided by cash flows from operating activities. The Company estimates that during 2001, approximately \$400 per unit was spent on capital replacements to maintain the condition of its properties.

The schedule below summarizes the breakdown of capital improvements:

	Recurring Capital Replacements -----	Non-recurring Revenue Enhancing Upgrades -----	Combine Impro -----
2001 Core Properties	\$12,321,000	\$ 72,680,000	\$ 85
2000 Acquisition Communities	2,154,000	34,986,000	37
2001 Acquisition Communities	515,000	2,596,000	3
2001 Disposition Communities	566,000	2,403,000	2
Corporate office expenditures*	N/A	N/A	2
	-----	-----	-----
	\$15,556,000	\$112,665,000	\$130
	=====	=====	=====

*No distinction is made between recurring or non-recurring expenditures for the corporate office.

The \$112,665,000 incurred to fund non-recurring, revenue enhancing upgrades included, among other items, the following: construction of seven new community centers; nearly 21,000 new windows; and the modernization of approximately 4,300 kitchens and 5,100 bathrooms. Management believes that these upgrades contributed significantly towards achieving 7.7% average growth in net operating income at the 2001 Core Properties. For the combined 2001 and 2000 Acquisition Communities, substantial rehabilitations were incurred as part of management's acquisition and repositioning strategies. The pace of capital replacements was accelerated to improve the overall competitive condition of the properties as quickly as possible. Funding for these capital improvements was provided by the line of credit and equity proceeds.

During 2002, management expects that the communities' revenue growth will benefit further from improvements completed in 2001 and plans to continue to fund similar non-recurring, revenue enhancing upgrades. Management anticipates expenditures of \$96 million in 2002, in addition to normal capital replacements. The Company selected J.D. Edwards as a platform for the new back office accounting system. The capital outlay during 2002 is estimated to be \$1.5 million. The system will be fully implemented around mid-year and should streamline the reporting process as well as provide improved management information.

Environmental Issues

Phase I environmental audits have been completed on substantially all of the Owned Properties. There are no recorded amounts resulting from environmental liabilities as there are no known contingencies with respect thereto. Furthermore, no condition is known to exist that would give rise to a material liability for site restoration or other costs that may be incurred with respect to the sale or disposal of a property.

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New Accounting Pronouncements

On June 29, 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 (SFAS 141), Business Combinations, and No. 142 (SFAS 142), Goodwill and Other Intangible Assets. The provisions of SFAS 141 require the use of purchase accounting for all business combinations and the separate allocation of purchase price to intangible assets if specific criteria are met. The provisions of SFAS 142 state that

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goodwill and intangible assets with indefinite useful lives should not be amortized but rather tested at least annually for impairment. Intangible assets that have finite useful lives should continue to be amortized over their estimated useful lives. SFAS 142 also provides specific guidance for testing goodwill and intangible assets for impairment. The Company does not anticipate that these standards will have a material impact on the Company's financial position, results of operations, or cash flows. The provisions of SFAS No. 141 apply to all business combinations initiated after June 30, 2001. The Company will adopt FAS 142 effective January 1, 2002.

In October 2001, the FASB issued Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This standard harmonizes the accounting for impaired assets and resolves some of the implementation issues as originally described in SFAS 121. It retains the fundamental provisions of Statement 121 for (a) recognition and measurement of the impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. It also retains the basic provisions for presenting discontinued operations in the income statement but broadens the scope to include a component of an entity rather than a segment of a business. The Company will adopt this standard effective January 1, 2002. The Company does not expect this pronouncement to have a material impact on the Company's financial position, results of operations, or cash flows.

Economic Conditions

Substantially all of the leases at the communities are for a term of one year or less, which enables the Company to seek increased rents upon renewal of existing leases or commencement of new leases. These short-term leases minimize the potential adverse effect of inflation on rental income, although residents may leave without penalty at the end of their lease terms and may do so if rents are increased significantly.

Historically, real estate has been subject to a wide range of cyclical economic conditions, which affect various real estate sectors and geographic regions with differing intensities and at different times. In 2001, many regions of the United States have experienced varying degrees of economic recession; and the tragic events of September 11, 2001 accelerated certain recessionary trends, such as the cost of obtaining sufficient property and liability insurance coverage, short term interest rates, and a temporary reduction in occupancy. The Company believes, however, that these tragic events did not have a material effect on the Company's portfolio, given our property type and the geographic regions in which we are located. We will continue to review our business strategy and do not anticipate any

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changes in strategy or material effects in financial performance.

Contingency

The Company has recently undergone a state tax audit. The state has assessed taxes of \$469,000 for the 1998 and 1999 tax years under audit. If the state's position is applied to all tax years through December 31, 2001, the assessment would be \$1.8 million. The Company believes the assessment and the state's underlying position is not supportable by the law nor consistent with previously provided interpretative guidance from the office of the State Secretary of Revenue. The Company has been advised that it has meritorious positions for its previous tax filings. As a result, no amounts were accrued by the Company as of December 31, 2001.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company's primary market risk exposure is interest rate risk. At December 31, 2001 and 2000, approximately 96% and 99%, respectively, of the Company's debt bore interest at fixed rates with a weighted average maturity of approximately 10 and 11 years, respectively, and a weighted average interest rate of approximately 7.27% and 7.41%, respectively, including the \$35 million of debt swapped to a fixed rate. The remainder of the Company's debt bears interest at variable rates with a weighted average maturity of approximately 1 year and 6 years, respectively,

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and a weighted average interest rate of 3.27% and 6.54%, respectively, at December 31, 2001 and 2000. The Company does not intend to utilize permanent variable rate debt to acquire properties in the future. On occasion, the Company may assume variable rate debt or use its line of credit in connection with a property acquisition with the intention to swap to or refinance with fixed rate debt. The Company believes, however, that in no event would increases in interest expense as a result of inflation significantly impact the Company's distributable cash flow.

At December 31, 2001 and 2000, the interest rate risk on \$35 million of such variable rate debt has been mitigated through the use of interest rate swap agreements (the "Swaps") with major financial institutions. The Company is exposed to credit risk in the event of non-performance by the counter-parties to the Swaps. The Company believes it mitigates its credit risk by entering into these Swaps with major financial institutions. The Swaps effectively convert an aggregate of \$35 million in variable rate mortgages to fixed rates of 5.91%, 7.66%, 8.40% and 8.22%.

At December 31, 2001 and 2000, the fair value of the Company's fixed rate debt, including the \$35 million which was swapped to a fixed rate, amounted to a liability of \$958 million and \$859 million compared to its carrying amount of \$960 million and \$833 million, respectively. The Company estimates that a 100 basis point decrease in market interest rates at December 31, 2001 would have changed the fair value of the Company's fixed rate debt to a liability of \$1,016 million.

The Company intends to continuously monitor and actively manage interest costs on its variable rate debt portfolio and may enter into swap positions based upon market fluctuations. In addition, the Company believes that it has the ability to obtain funds through additional equity offerings or the issuance of UPREIT Units. Accordingly, the cost of obtaining such interest rate protection agreements in relation to the Company's access to capital

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markets will continue to be evaluated. The Company has not, and does not plan to, enter into any derivative financial instruments for trading or speculative purposes. As of December 31, 2001, the Company had no other material exposure to market risk.

Item 8. Financial Statements and Supplemental Data

The financial statements and supplementary data are listed under Item 14(a) and filed as part of this report on the pages indicated.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

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PART III

Item 10. Directors and Executive Officers of the Registrant

Directors

The Board of Directors (the "Board") currently consists of twelve members. The terms for all of the directors of Home Properties expire at the 2002 Shareholders' Meeting.

The information sets forth, as of February 25, 2002, for each director of the Company such director's name, experience during the last five years, other directorships held, age and the year such director was first elected as director of the Company.

Name of Director -----	Age ---	Year First Elected Director -----
Burton S. August, Sr.	86	1994
William Balderston, III	74	1994
Alan L. Gosule	61	1996
Leonard F. Helbig, III	56	1994
Roger W. Kober	68	1994
Nelson B. Leenhouts	66	1993
Norman Leenhouts	66	1993
Edward J. Pettinella	50	2001
Albert H. Small	76	1999
Clifford W. Smith, Jr.	55	1994
Paul L. Smith	66	1994
Amy L. Tait	43	1993

Burton S. August, Sr. has been a director of the Company since August, 1994. Mr. August is currently a director of Monro Muffler Brake, Inc., a publicly traded company where Mr. August served as Vice President from 1969 until he retired in 1980. Mr. August is Honorary Chairman of the Board of Trustees of Rochester Institute of Technology, on the Board of Directors of Park Ridge Health Systems and Hillside Children's Center Foundation, on the cabinet of the Al Sigl Center, on the Finance Committee of the United Way of Greater Rochester, and is a Trustee of the Otetiana Council Boy Scouts of America.

William Balderston, III has been a director of the Company since August, 1994. From 1991 to the end of 1992, he was an Executive Vice

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President of The Chase Manhattan Bank, N.A. From 1986 to 1991, he was President and Chief Executive Officer of Chase Lincoln First Bank, N.A., which was merged into The Chase Manhattan Bank, N.A. He is a Senior Trustee of the University of Rochester and a member of the Board of Governors of the University of Rochester Medical Center. Mr. Balderston is also a Trustee of the Genesee Country Village Museum, as well as a member of the Board of the Genesee Valley Conservancy. Mr. Balderston is a graduate of Dartmouth College.

Alan L. Gosule, has been a director of the Company since December, 1996. Mr. Gosule has been a partner in the law firm of Clifford Chance Rogers & Wells LLP, New York, New York, since August, 1991 and prior to that time was a partner in the law firm of Gaston & Snow. He serves as Chairman of the Clifford Chance Rogers & Wells LLP Tax Department and Real Estate Securities practice group. Mr. Gosule is a graduate of Boston University and its Law School and received an LL.M. from Georgetown University. Mr. Gosule also serves on the Boards of Directors of the Simpson Housing Limited Partnership, F.L. Putnam Investment Management Company, Colonnade Partners, and America First Mortgage Investments, Inc. Clifford Chance Rogers & Wells LLP acted as counsel to PricewaterhouseCoopers LLP in its capacity as advisor to the State Treasurer of the State of Michigan in connection with its investment of retirement funds in

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Home Properties of New York, L.P. (the "Operating Partnership"). Mr. Gosule was the nominee of the State Treasurer under the terms of the investment agreements relating to that transaction. Those retirement funds divested their interest in Home Properties in 2001 and no longer have the right to nominate a board member. Mr. Gosule is expected to continue to serve as a nominee of the Board of Directors.

Leonard F. Helbig, III has been a director of the Company since August, 1994. Since 1999 Mr. Helbig has served as President, Financial Services for Cushman & Wakefield. Prior to that, Mr. Helbig was the Executive Managing Director of the Asset Services and Financial Services Groups since 1984. He joined Cushman & Wakefield in 1980 and is also a member of that firm's Board of Directors and Executive Committee. Mr. Helbig is a member of the Urban Land Institute, the Pension Real Estate Association and the International Council of Shopping Centers. Mr. Helbig is a graduate of LaSalle University and holds the MAI designation of the American Institute of Real Estate Appraisers.

Roger W. Kober has been a director of the Company since August, 1994. Mr. Kober is currently a director of RGS Energy Corporation and its wholly owned subsidiary, Rochester Gas and Electric Corporation. He was employed by Rochester Gas and Electric Corporation from 1965 until his retirement on January 1, 1998. From March, 1996 until January 1, 1998 Mr. Kober served as Chairman and Chief Executive Officer of Rochester Gas and Electric Corporation. He is also a member of the Board of Trustees of Rochester Institute of Technology. Mr. Kober is a graduate of Clarkson College and holds a Masters Degree in Engineering from Rochester Institute of Technology.

Nelson B. Leenhouts has served as President, Co-Chief Executive Officer and a director of the Company since its inception in 1993. He has also served as President and Chief Executive Officer and a director of HP Management since its formation. He has been a director of HP Resident Services since its formation, President since 2000 and a Vice President

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since 1998. Nelson Leenhouts was the founder, and a co-owner, together with Norman Leenhouts, of Home Leasing, and served as President of Home Leasing from 1967. He is a director of Hauser Corporation and a member of the Board of Directors of the National Multi Housing Council. Nelson Leenhouts is a graduate of the University of Rochester. He is the twin brother of Norman Leenhouts.

Norman P. Leenhouts has served as Chairman of the Board of Directors, Co-Chief Executive Officer and a director of the Company since its inception in 1993. He has also served as Chairman of the Board of HP Management since its formation. He has been a director of HP Resident Services since its formation and Chairman since 2000. Norman Leenhouts is a co-owner, together with Nelson Leenhouts, of Home Leasing and served as Chairman of Home Leasing from 1971. He is a director of Hauser Corporation and Rochester Downtown Development Corporation and is a member of the Board of Trustees of the University of Rochester and Roberts Wesleyan College. He is a graduate of the University of Rochester and is a certified public accountant. He is the twin brother of Nelson Leenhouts.

Edward J. Pettinella has served as a Director and Executive Vice President of the Company since February, 2001. From 1997 until February, 2001, Mr. Pettinella served as President, Charter One Bank (NY Division) and Executive Vice President of Charter One Financial, Inc. From 1980 through 1997, Mr. Pettinella served in several managerial capacities for Rochester Community Savings Bank, Rochester, NY, including the positions of Chief Operating Officer and Chief Financial Officer. Mr. Pettinella serves on the Board of Directors of the United Way of Greater Rochester, State University at Geneseo, Geneseo Foundation, Syracuse University School of Business, Rochester Chamber of Commerce, Rochester Economic Development Corporation, and the Memorial Art Gallery. Mr. Pettinella is a graduate of the State University at Geneseo and holds an MBA from Syracuse University.

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Albert H. Small has been a director of the Company since July, 1999. Mr. Small, who has been active in the construction industry for 50 years, is President of Southern Engineering Corporation. Mr. Small is a member of the Urban Land Institute, National Association of Home Builders and currently serves on the Board of Directors of the National Symphony Orchestra, National Advisory Board Music Associates of Aspen, Department of State Diplomatic Rooms Endowment Fund, James Madison Council of the Library of Congress, Tudor Place Foundation, The Life Guard of Mount Vernon, Historical Society of Washington, DC and the National Archives Foundation. Mr. Small is a graduate of the University of Virginia. In connection with the acquisition of a portfolio of properties located in the suburban markets surrounding Washington, D.C., Mr. Small and others received approximately 4,086,000 of operating partnership units in Home Properties of New York, L.P. Mr. Small is the nominee of the former owners of that portfolio under the terms of the acquisition documents.

Clifford W. Smith, Jr. has been a director of the Company since August, 1994. Mr. Smith is the Epstein Professor of Finance of the William E. Simon Graduate School of Business Administration of the University of Rochester, where he has been on the faculty since 1974. He has written numerous books and articles on a variety of financial, capital markets and risk management topics and has held editorial positions for a variety of journals. Mr. Smith is a graduate of Emory

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University and has a PhD from the University of North Carolina at Chapel Hill.

Paul L. Smith has been a director of the Company since August, 1994. Mr. Smith was a director, Senior Vice President and the Chief Financial Officer of the Eastman Kodak Company from 1983 until he retired in 1993. He is currently a director of Performance Technologies, Inc. and Constellation Brands, Inc. He is also a member of the Board of Trustees of the George Eastman House and Ohio Wesleyan University. Mr. Smith is a graduate of Ohio Wesleyan University and holds an MBA Degree in finance from Northwestern University.

Amy L. Tait has served as a director of the Company since its inception in 1993. Effective February 15, 2001, Mrs. Tait resigned her full-time position as Executive Vice President of the Company and as a director of HP Management. She is currently the principal of Tait Realty Advisors, LLC, and continued as a consultant in the Company pursuant to a consulting agreement that terminated on February 15, 2002. Mrs. Tait joined Home Leasing in 1983 and held several positions with the Company, including Senior and Executive Vice President and Chief Operating Officer. She currently serves on the M & T Bank Advisory Board and the boards of the United Way of Rochester, Princeton Club of Rochester, the Al Sigl Center, and The Commission Project. Mrs. Tait is a graduate of Princeton University and holds an MBA from the William E. Simon Graduate School of Business Administration of the University of Rochester. She is the daughter of Norman Leenhouts.

See Item 4A in Part I hereof for information regarding executive officers of the Company.

Compliance with Section 16(a) of the Securities Act of 1934.

Section 16(a) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") requires the Company's executive officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange. Officers, directors and greater than 10% shareholders are required to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company and written representations that no other reports were required during the fiscal year ended December 31, 2001, all Section 16(a) filing requirements applicable to its executive officers, directors and greater than 10% beneficial owners were satisfied.

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Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference to the Company's proxy statement to be issued in connection with the Annual Meeting of the Stockholders of the Company to be held on May 7, 2002 under "Executive Compensation", which proxy statement will be filed within 120 days after the end of the Company's fiscal year.

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Item 12. Securities Ownership of Certain Beneficial Owners and Management

The information required by this Item is incorporated herein by reference to the Company's proxy statement to be issued in connection with the Annual Meeting of Stockholders of the Company to be held on May 7, 2002 under "Security Ownership of Certain Beneficial Owners and Management", which proxy statement will be filed within 120 days after the end of the Company's fiscal year.

Item 13. Certain Relationships and Related Transactions.

The information required by this Item is incorporated herein by reference to the Company's proxy statement to be issued in connection with the Annual Meeting of Stockholders of the Company to be held on May 7, 2002 under "Certain Relationships and Transactions", which proxy statement will be filed within 120 days after the end of the Company's fiscal year.

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PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1 and 2. Financial Statements and Schedule

The financial statements and schedule listed below are filed as part of this annual report on the pages indicated.

HOME PROPERTIES OF NEW YORK, INC.

Consolidated Financial Statements

	Page

Report of Independent Accountants	F-2
Consolidated Balance Sheets as of December 31, 2001 and 2000	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2001, 2000 and 1999	F-4
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2001, 2000 and 1999	F-5
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2001, 2000 and 1999	F-6
Consolidated Statements of Cash Flows for the Years Ended December 31, 2001, 2000 and 1999	F-7

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Notes to Consolidated Financial Statements

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Schedule III:

Real Estate and Accumulated Depreciation

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(a) 3. Exhibits

Exhibit

Number Exhibit

- 2.1 Agreement among Home Properties of New York, Inc. and Philip J. Solondz, Daniel Solondz and Julia Weinstein, relating to Royal Gardens I, together with Amendment No. 1
- 2.2 Agreement among Home Properties of New York, Inc and Philip Solondz and Daniel Solondz, relating to Royal Gardens II, together with Amendment No. 1
- 2.3 Purchase and Sale Agreement dated July 25, 1997 by and between Home Properties of New York, L.P. and Louis S. and Molly S. Wolk Foundation
- 2.4 Purchase and Sale Agreement dated April 30, 1997 between Home Properties of New York L.P. and Briggs Wedgewood Associates, L.P.
- 2.5 Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and Chesfield Partnership
- 2.6 Agreement and Plan of Merger dated July 31, 1997 between Home Properties of New York, L.P. and Valspring Partnership
- 2.7 Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and Exmark Partnership
- 2.8 Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and New Orleans East Limited Partnership
- 2.9 Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. Glenvkw Partnership
- 2.10 Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and PK Partnership
- 2.11 First Amendment to Agreement and Plan of Merger, dated September 1, 1997 between Home Properties of New York, L.P. and PK Partnership and its partners
- 2.12 First Amendment to Agreement and Plan of Merger, dated September 1, 1997 between Home Properties of New York, L.P. and NOP Corp. and Norpark Partnership
- 2.13 Contribution Agreement dated July 31, 1997 between Home Properties of New York, L.P. and Lamar Partnership
- 2.14 Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and Curren Partnership

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- 2.15 Contribution Agreement, dated October __, 1997 between Home Properties of New York between Home Properties of New York, L.P. and Berger/Lewiston Associates Limited Partnership; Stephenson-Madison Heights Company Limited Partnership; Kingsley-Moravian Company Limited Partnership; Woodland Garden Apartments Limited Partnership; B&L Realty Investments Limited Partnership; Southpointe Square Apartments Limited Partnership; Greentrees Apartments Limited Partnership; Big Beaver-Rochester Properties Limited Partnership; Century Realty Investment Company Limited Partnership
- 2.16 Agreement among Home Properties of New York, L.P. and Erie Partners, L.L.C. relating to Woodgate Place Apartments, together with Amendment No. 1
- 2.17 Agreement among Home Properties of New York, L.P. and Mid-Island Limited Partnership relating to Mid-Island Estates, together with Amendment No. 1
- 2.18 Purchase and Sale Agreement among Home Properties of New York, L.P. and Anthony M. Palumbo and Daniel Palumbo
- 2.19 Purchase and Sale Agreements dated June 17, 1997 among Home Properties of New York, L.P. and various individuals relating to Hill Court Apartments and Hudson Arms Apartments together with a letter Amendment dated September 24, 1997
- 2.20 Contract of Sale, dated October 20, 1997 between Home Properties of New York, L.P. and Hudson Palisades Associates relating to Cloverleaf Apartments
- 2.21 Contribution Agreement, dated November 17, 1997 among Home Properties of New York, L.P. and various trusts relating to Scotsdale Apartments
- 2.22 Contribution Agreement, dated November 7, 1997 among Home Properties of New York, L.P. and Donald H. Schefmeyer and Stephen W. Hall relating to Candlewood Apartments, together with Amendment No. One dated December 3, 1997
- 2.23 Purchase and Sale Agreement dated November 26, 1997 among Home Properties of New York, L.P. and Cedar Glen Associates
- 2.24 Contribution Agreement dated March 2, 1998 among Home Properties of New York, L.P., Braddock Lee Limited Partnership and Tower Construction Group, LLC
- 2.25 Contribution Agreement dated March 2, 1998 among Home Properties of New York, L.P., Park Shirlington Limited Partnership and Tower Construction Group, LLC
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- 2.26 Contract of Sale between Lake Grove Associates Corp. and Home Properties of New York L.P., dated December 17, 1996, relating to the Lake Grove Apartments
- 2.27 Form of Contribution Agreement among Home Properties of New York, L.P. and Strawberry Hill Apartment Company LLLP, Country Village Limited Partnership, Morningside Six, LLLP, Morningside North Limited Partnership and Morningside Heights Apartment Company Limited Partnership with schedule setting forth material details in which

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documents differ from form

- 2.28 Form of Purchase and Sale Agreement relating to the Kaplan Portfolio with schedule setting forth material details in which documents differ from form
- 2.29 Form of Contribution Agreement dated June 7, 1999, relating to the CRC Portfolio with schedule setting forth material details in which documents differ from form
- 2.30 Form of Contribution Agreement relating to the Mid-Atlantic Portfolio with schedule setting forth material details in which documents differ from form
- 2.31 Contribution Agreement among Home Properties of New York, L.P., Leonard Klorfine, Ridley Brook Associates and the Greenacres Associates
- 2.32 Purchase and Sale Agreement among Home Properties of New York, L.P. and Chicago Colony Apartments Associates
- 2.33 Contribution Agreement among Home Properties of New York, L.P., Gateside-Bryn Mawr Company, L.P., Willgold Company, Gateside-Trexler Company, Gateside-Five Points Company, Stafford Arms, Gateside-Queensgate Company, Gateside Malvern Company, King Road Associates and Cottonwood Associates
- 2.34 Form of Contribution Agreement between Old Friends Limited Partnership and Home Properties of New York, L.P. and Home Properties of New York, Inc., along with Amendments Number 1 and 2 thereto
- 2.35 Form of Contribution Agreement between Deerfield Woods Venture Limited Partnership and Home Properties of New York, L.P.
- 2.36 Form of Contribution Agreement between Macomb Apartments Limited Partnership and Home Properties of New York, L.P.
- 2.37 Form of Contribution Agreement between Home Properties of New York, L.P. and Elmwood Venture Limited Partnership
- 2.38 Form of Sale Purchase and Escrow Agreement between Bank of America as Trustee and Home Properties of New York, L.P.
- 2.39 Form of Contribution Agreement between Home Properties of New York, L.P., Home Properties of New York, Inc. and S&S Realty, a New York General Partnership (South Bay)
- 2.40 Form of Contribution Agreement between Hampton Glen Apartments Limited Partnership and Home Properties of New York, L.P.
- 2.41 Form of Contribution Agreement between Home Properties of New York, L.P. and Axtell Road Limited Partnership
- 2.42 Form of Contribution Agreement between Elk Grove Terrace II and III, L.P., Elk Grove Terrace, L.P. and Home Properties of New York, L.P.
- 3.1 Articles of Amendment and Restatement of Articles of Incorporation of Home Properties of New York, Inc.
- 3.2 Articles of Amendment of the Articles of Incorporation of Home Properties of New York, Inc.
- 3.3 Articles of Amendment of the Articles of Incorporation of Home

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Properties of New York, Inc.

- 3.4 Amended and Restated Articles Supplementary of Series A Senior Convertible Preferred Stock of Home Properties of New York, Inc.
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- 3.5 Series B Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.
- 3.6 Series C Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.
- 3.7 Series D Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.
- 3.8 Series E Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.
- 3.9 Amended and Restated By-Laws of Home Properties of New York, Inc. (Revised 12/30/96)
- 4.1 Form of certificate representing Shares of Common Stock
- 4.2 Agreement of Home Properties of New York, Inc. to file instruments defining the rights of holders of long-term debt of it or its subsidiaries with the Commission upon request
- 4.3 Credit Agreement between Manufacturers Traders Trust Company, Home Properties of New York, L.P. and Home Properties of New York, Inc.
- 4.4 Amendment Agreement between Manufacturers and Traders Trust Company, Home Properties of New York, L.P. and Home Properties of New York, Inc. amending the Credit Agreement
- 4.5 Mortgage Spreader, Consolidation and Modification Agreement between Manufacturers and Traders Trust Company and Home Properties of New York, L.P., together with form of Mortgage, Assignment of Leases and Rents and Security Agreement incorporated therein by reference
- 4.6 Mortgage Note made by Home Properties of New York, L.P. payable to Manufacturers and Traders Trust Company in the principal amount of \$12,298,000
- 4.7 Spreader, Consolidation, Modification and Extension Agreement between Home Properties of New York, L.P. and John Hancock Mutual Life Insurance Company, dated as of October 26, 1995, relating to indebtedness in the principal amount of \$20,500,000
- 4.8 Amended and Restated Stock Benefit Plan of Home Properties of New York, Inc.
- 4.9 Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan
- 4.10 Amendment No. One to Amended and Restated Dividend Reinvestment, Stock

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- Purchase, Resident Stock Purchase and Employee Stock Purchase Plan
- 4.11 Amendment No. Two to Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan
 - 4.12 Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan
 - 4.13 Amendment No. Three to Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan
 - 4.14 Directors' Stock Grant Plan
 - 4.15 Director, Officer and Employee Stock Purchase and Loan Plan
 - 4.16 Home Properties of New York, Inc., Home Properties of New York, L.P. Executive Retention Plan
 - 4.17 Home Properties of New York, Inc. Deferred Bonus Plan
 - 4.18 Fourth Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan
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- 4.19 Directors Deferred Compensation Plan
 - 4.20 Agency Fee and Warrant Agreement
 - 4.21 Form of Warrant
 - 4.22 Agency Fee and Warrant Agreement, Amendment No.1
 - 4.23 Home Properties of New York, Inc. Amendment Number One to the Amended and Restated Stock Benefit Plan
 - 4.24 Fifth Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan
 - 4.25 Sixth Amended and Restated Dividend Reinvestment and Direct Stock Purchase Plan
 - 4.26 Home Properties of New York, Inc. Amendment Number Two to the Amended and Restated Stock Benefit Plan
 - 4.27 Amendment No. One to Home Properties of New York, Inc. Deferred Bonus Plan
- 10.1 Second Amended and Restated Agreement of Limited Partnership of Home Properties of New York, L.P.
 - 10.2 Amendments No. One through Eight to the Second Amended and Restated Agreement of Limited Partnership of Home Properties of New York, L.P.
 - 10.3 Articles of Incorporation of Home Properties Management, Inc.
 - 10.4 By-Laws of Home Properties Management, Inc.
 - 10.5 Articles of Incorporation of Conifer Realty Corporation

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- 10.6 Articles of Amendment to the Articles of Incorporation of Conifer Realty Corporation Changing the name to Home Properties Resident Services, Inc.
 - 10.7 By-Laws of Conifer Realty Corporation
 - 10.8 Home Properties Trust Declaration of Trust, dated September 19, 1997
 - 10.9 Employment Agreement between Home Properties of New York, L.P. and Norman P. Leenhouts
 - 10.10 Amendments No. One, Two and Three to the Employment Agreement between Home Properties of New York, L.P. and Norman P. Leenhouts
 - 10.11 Employment Agreement between Home Properties of New York, L.P. and Nelson B. Leenhouts
 - 10.12 Amendments No. One, Two and Three to the Employment Agreement between Home Properties of New York, L.P. and Nelson B. Leenhouts
 - 10.13 Indemnification Agreement between Home Properties of New York, Inc. and certain officers and directors
 - 10.14 Indemnification Agreement between Home Properties of New York, Inc. and Richard J. Crossed
 - 10.15 Indemnification Agreement between Home Properties of New York, Inc. and Alan L. Gosule
 - 10.16 Registration Rights Agreement among Home Properties of New York, Inc., Home Leasing Corporation, Leenhouts Ventures, Norman P. Leenhouts, Nelson B. Leenhouts, Amy L. Tait, David P. Gardner, Ann M. McCormick, William Beach, Paul O'Leary, Richard J. Struzzi, Robert C. Tait, Timothy A. Florczak and Laurie Tones
 - 10.17 Agreement of Operating Sublease, dated October 1, 1986, among KAM, Inc., Morris Massry and Raintree Island Associates, as amended by Letter Agreement Supplementing Operating Sublease dated October 1, 1986
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- 10.18 Form of Term Promissory Note payable to Home Properties of New York, by officers and directors in association with the Executive and Director Stock Purchase and Loan Program
 - 10.19 Form of Pledge Security Agreement executed by officers and directors in connection with Executive and Director Stock Purchase and Loan Program
 - 10.20 Schedule of Participants, loan amounts and shares issued in connection with the Executive and Director Stock Purchase and Loan Program
 - 10.21 Subordination Agreement between Home Properties of New York, Inc. and The Chase Manhattan Bank relating to the Executive and Director Stock Purchase and Loan Program
 - 10.22 Partnership Interest Purchase Agreement, dated as of December 23, 1996 among Home Properties of New York, Inc., Home Properties of New York, L.P. and State of Michigan Retirement Systems

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- 10.23 Registration Rights Agreement, dated as of December 23, 1996 between Home Properties of New York, Inc. and State of Michigan Retirement Systems
- 10.24 Lock-Up Agreement, dated December 23, 1996 between Home Properties of New York, Inc. and State of Michigan Retirement Systems
- 10.25 Agreement dated as of April 13, 1998 between Home Properties of New York, Inc. and the Treasurer of the State of Michigan
- 10.26 Amendment No. Nine to the Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership
- 10.27 Master Credit Facility Agreement by and among Home Properties of New York, Inc., Home Properties of New York, L.P., Home Properties WMF I LLC and Home Properties of New York, L.P. and P-K Partnership doing business as Patricia Court and Karen Court and WMF Washington Mortgage Corp., dated as of August 28, 1998
- 10.28 First Amendment to Master Credit Facility Agreement, dated as of December 11, 1998 among Home Properties of New York, Inc., Home Properties of New York, L.P., Home Properties WMF I LLC and Home Properties of New York, L.P. and P-K Partnership doing business as Patricia Court and Karen Court and WMF Washington Mortgage Corp. and Fannie Mae
- 10.29 Second Amendment to Master Credit Facility Agreement, dated as of August 30, 1999 among Home Properties of New York, Inc., Home Properties of New York, L.P., Home Properties WMF I LLC and Home Properties of New York, L.P. and P-K Partnership doing business as Patricia Court and Karen Court and WMF Washington Mortgage Corp. and Fannie Mae
- 10.30 Amendments Nos. Ten through Seventeen to the Second Amended and Restated Limited Partnership Agreement
- 10.31 Amendments Nos. Eighteen through Twenty- Five to the Second Amended and Restated Limited Partnership Agreement
- 10.32 Credit Agreement, dated 8/23/99 between Home Properties of New York, L.P., the Lenders, Party hereto and Manufacturers and Traders Trust Company as Administrative Agent
- 10.33 Amendment No. Twenty-Seven to the Second Amended and Restated Limited Partnership Agreement
- 10.34 Amendments Nos. Twenty-Six and Twenty-Eight through Thirty to the Second Amended and Restated Limited Partnership Agreement
- 10.35 Registration Rights Agreement between Home Properties of New York, Inc. and GE Capital Equity Investment, Inc., dated 9/29/99
- 10.36 Amendment to Partnership Interest Purchase Agreement and Exchange Agreement
- 10.37 2000 Stock Benefit Plan
- 10.38 Purchase Agreement between Home Properties of New York, Inc., The

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Prudential Insurance Company of America and Teachers Insurance And Annuity Association of America

- 10.39 Purchase Agreement between Home Properties of New York, Inc. and The Equitable Life Assurance Society of the United States
- 10.40 Purchase Agreement between Home Properties of New York, Inc. and the Pacific Life Insurance Company and AEW Capital Management
- 10.41 Home Properties of New York, L.P. Amendment Number One to Executive Retention Plan
- 10.42 Amendments No. Thirty-One and Thirty-Two to the Second Amended and Restated Limited Partnership Agreement
- 10.43 Form of Purchase and Sale Agreement between Blackhawk Apartments Limited Partnership and Home Properties of New York, L.P.
- 10.44 Form of Purchase and Sale Agreement between Home Properties of New York, L.P. and Caesar Figoni
- 10.45 Form of Real Estate Purchase Agreement between Smith Property Holdings Orleans, LLC and Home Properties of New York, L.P.
- 10.46 Purchase Agreement between Home Properties of New York, Inc., The Prudential Insurance Company of America and Teachers Insurance and Annuity Association of America
- 10.47 Employment Agreement between Home Properties of New York, L.P., Home Properties of New York Inc. and Edward J. Pettinella, and Amendment No. One, thereto
- 10.48 Consulting Agreement between Home Properties of New York, L.P. and Amy L. Tait
- 10.49 Amendment No. Thirty Three to the Second Amended and Restated Limited Partnership Agreement
- 10.50 Amendment No. Thirty Five to the Second Amended and Restated Limited Partnership Agreement
- 10.51 Amendment No. Forty Two to the Second Amended and Restated Limited Partnership Agreement
- 10.52 Amendments Nos. Thirty Four, Thirty Six through Forty One, Forty Three and Forty Four to the Second Amended and Restated Limited Partnership Agreement
- 10.53 Purchase and Sale Agreement among Home Properties of New York, L.P., Conifer Realty Corporation and Conifer Realty LLC, and Amendments Nos. One and Two thereto.
- 10.54 Purchase and Sale Agreement by and between Sandalwood Co-Op, Inc. and Home Properties of New York, L.P., dated April 12, 2001
- 10.55 Contribution Agreement by and among Home Properties of New York, L.P. and Lincolnia Limited Partnership, dated April 30, 2001
- 10.56 Purchase and Sale Agreement between Windsor at Hauppauge Limited Partnership and Home Properties of New York, L.P., dated as of May, 2001

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- 10.57 Amendment Nos. Forty-Five through Fifty-One to the Second Amendment and Restated Limited Partnership Agreement
- 10.58 Home Properties of New York, Inc. Amendment No. One to 2000 Stock Benefit Plan
- 10.59 Home Properties of New York, Inc. Amendment No. Two to 2000 Stock Benefit Plan
- 11 Computation of Per Share Earnings Schedule
- 21 List of Subsidiaries of Home Properties of New York, Inc.
- 23 Consent of PricewaterhouseCoopers LLP

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- 99 Additional Exhibits - Debt Summary Schedule

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SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOME PROPERTIES OF NEW YORK, INC.

/s/ Norman P. Leenhouts

Norman P. Leenhouts
Director, Chairman of the Board of Directors and
Co-Chief Executive Officer
(Co-Principal Executive Officer)

Date: February 27, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed by the following persons on behalf of Home Properties of New York, Inc. and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Norman P. Leenhouts ----- Norman P. Leenhouts	Director, Chairman of the Board of Directors and Co-Chief Executive Officer (Co-Principal Executive Officer)	February 27,
/s/ Nelson B. Leenhouts -----	Director, President and Co-Chief Executive Officer	February 27,

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Nelson B. Leenhouts	(Co-Principal Executive Officer)	
/s/ Edward J. Pettinella ----- Edward J. Pettinella	Director, Executive Vice President	February 27,
/s/ David P. Gardner ----- David P. Gardner	Senior Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	February 27,
/s/ Robert J. Luken ----- Robert J. Luken	Vice President, Treasurer and Controller	February 27,
/s/ Burton S. August, Sr. ----- Burton S. August, Sr.	Director	February 27,
/s/ William Balderston, III ----- William Balderston, III	Director	February 27,
/s/ Alan L. Gosule ----- Alan L. Gosule	Director	February 27,
/s/ Leonard F. Helbig, III ----- Leonard F. Helbig, III	Director	February 27,

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Leonard F. Helbig, III		
/s/ Roger W. Kober ----- Roger W. Kober	Director	February 27, 2002
/s/ Albert H. Small ----- Albert H. Small	Director	February 27, 2002
/s/ Clifford W. Smith, Jr. ----- Clifford W. Smith, Jr.	Director	February 27, 2002
/s/ Paul L. Smith ----- Paul L. Smith	Director	February 27, 2002
/s/ Amy L. Tait ----- Amy L. Tait	Director	February 27, 2002

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Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2001, 2000 and 1999	F-5
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All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

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Report of Independent Accountants

To the Board of Directors and Shareholders of
Home Properties of New York, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a)(1) and (2) on page 46 present fairly, in all material respects, the financial position of Home Properties of New York, Inc. and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a)(1) and (2) on page 46 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and the financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which

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require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Cleveland, Ohio
January 30, 2002

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HOME PROPERTIES OF NEW YORK, INC.

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2001 and 2000 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	2001

ASSETS	
Real estate:	
Land	\$ 287,473
Buildings, improvements and equipment	1,847,605

	2,135,078
Less: accumulated depreciation	(201,564)

Real estate, net	1,933,514
Cash and cash equivalents	10,719
Cash in escrows	39,230
Accounts receivable	8,423
Prepaid expenses	17,640
Investment in and advances to affiliates	42,870
Deferred charges, net	5,279
Other assets, net	6,114

Total assets	\$2,063,789
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Mortgage notes payable	\$ 960,358
Line of credit	32,500
Accounts payable	21,838
Accrued interest payable	5,782
Accrued expenses and other liabilities	13,180
Security deposits	18,948

Total liabilities	1,052,606

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Commitments and contingencies		341,854
Minority interest		-----
8.36% Series B convertible cumulative preferred stock, liquidation preference of \$25.00 per share; 2,000,000 shares issued and outstanding, net of issuance costs		48,733

Stockholders' equity:		
Preferred stock, \$.01 par value; 10,000,000 shares authorized; 1,150,000 and 2,816,667 shares issued and outstanding at December 31, 2001 and 2000, respectively		114,000
Common stock, \$.01 par value; 80,000,000 shares authorized; 24,010,855 and 21,565,681 shares issued and outstanding at December 31, 2001 and 2000, respectively		240
Excess stock, \$.01 par value; 10,000,000 shares authorized; no shares issued		-
Additional paid-in capital		572,273
Distributions in excess of accumulated earnings	(57,768)
Accumulated other comprehensive loss	(532)
Officer and director notes for stock purchases	(7,617)

Total stockholders' equity		620,596

Total liabilities and stockholders' equity		\$2,063,789
		=====

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

HOME PROPERTIES OF NEW YORK, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

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FOR THE YEARS ENDED DECEMBER 31, 2001, 2000, AND 1999
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	2001	2000
	----	----
Revenues:		
Rental income	\$ 348,914	\$ 298,860
Property other income	13,319	11,389
Interest and dividend income	3,014	7,746
Other income	2,276	1,053
	-----	-----
Total Revenues	367,523	319,048
	-----	-----
Expenses:		
Operating and maintenance	145,558	128,034
General and administrative	18,614	13,235
Interest	66,446	56,792
Depreciation and amortization	64,890	52,430
Loss on available-for-sale securities	-	-
Non-recurring acquisition expense	-	-

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Total Expenses	295,508	250,491
Income before gain (loss) on disposition of property and business, minority interest and extraordinary item	72,015	68,557
Gain (loss) on disposition of property and business	26,241	(1,386)
Income before minority interest and extraordinary item	98,256	67,171
Minority interest	33,682	25,715
Income before extraordinary item	64,574	41,456
Extraordinary item, prepayment penalties, net of \$48 in 2001 and \$78 in 1999 allocated to minority interest	(68)	-
Net income	64,506	41,456
Preferred dividends	(17,681)	(12,178)
Net income available to common shareholders	\$ 46,825	\$ 29,278
Basic earnings per share data:		
Income before extraordinary item	\$ 2.12	\$ 1.42
Extraordinary item	-	-
Net income available to common shareholders	\$ 2.12	\$ 1.42
Diluted earnings per share data:		
Income before extraordinary item	\$ 2.11	\$ 1.41
Extraordinary item	-	-
Net income available to common shareholders	\$ 2.11	\$ 1.41
Weighted average number of shares outstanding:		
Basic	22,101,027	20,639,241
Diluted	22,227,521	20,755,721

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

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HOME PROPERTIES OF NEW YORK, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

Preferred Stock at	Common Stock	Additional	Distributions in Excess of
-----------------------	--------------	------------	-------------------------------

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	Liquidation Preference	Share	Amount	Paid-In Capital	Accumulated Earnings
Balance, January 1, 1999	\$ -	17,635,000	\$177	\$401,814	(\$26,622)
Issuance of common stock, net		2,025,288	20	50,290	
Conversion of partnership interest for 1,666,667 shares of Series A Preferred stock	35,000			448	
Payments on notes for stock purchase					
Interest receivable on notes for stock purchase					
Net income					26,282
Change in unrealized loss on available-for-sale securities					
Conversion of UPREIT Units for stock		63,476	1	1,322	
Purchase and retirement of treasury stock		(125,300)	(2)	(4,835)	
Adjustment of minority interest				12,306	
Preferred dividends					(1,057)
Dividends paid (\$1.97 per share)					(36,897)
Balance, December 31, 1999	35,000	19,598,464	196	461,345	(38,294)
Issuance of common stock, net		2,108,275	21	55,914	
Issuance of preferred stock, net	114,000			(1,706)	
Payments on notes for stock purchase					
Interest receivable on notes for stock purchase					
Net income					41,456
Conversion of UPREIT Units for stock		327,542	3	7,385	
Purchase and retirement of treasury stock		(468,600)	(4)	(12,660)	
Adjustment of minority interest				(26,825)	
Preferred dividends					(12,179)
Dividends paid (\$2.16 per share)					(44,500)
Balance, December 31, 2000	149,000	21,565,681	216	483,453	(53,517)
Issuance of common stock, net		1,448,815	14	38,920	
Conversion of preferred stock for common stock	(35,000)	1,666,667	17	34,983	
Payments on notes for stock purchase					
Interest receivable on notes for stock purchase					
Net income					64,506
Change in fair value of hedge instruments, net of minority interest					
Conversion of UPREIT Units for stock		83,692	1	1,909	
Purchase and retirement of treasury stock		(754,000)	(8)	(20,613)	
Adjustment of minority interest				33,621	
Preferred dividends					(17,681)
Dividends paid (\$2.31 per share)					(51,076)
Balance, December 31, 2001	\$ 114,000	24,010,855	\$240	\$572,273	(\$57,768)

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

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HOME PROPERTIES OF NEW YORK, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
(IN THOUSANDS)

	2001 ----	2000 ----
Net income	\$64,506	\$41,456
Other comprehensive income (loss):		
Cumulative effect of accounting change (Note 11)	(339)	-
Change in fair value of hedged instruments	(193)	-
Change in unrealized loss on available-for-sale securities	-	-
Other comprehensive income (loss), net of minority interest	(532)	-
Net comprehensive income	\$63,974 =====	\$41,456 =====

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

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HOME PROPERTIES OF NEW YORK, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
(IN THOUSANDS)

	2001 ----	2000 ----
Cash flows from operating activities:		
Net income	\$ 64,506	\$ 41,456
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in (income) loss of affiliates	(123)	1,000
Income allocated to minority interest	33,682	25,000
Extraordinary item allocated to minority interest	(48)	-

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Depreciation and amortization	65,521	52,
Loss on available-for-sale securities	-	
(Gain) loss on disposition of property and business	(26,241)	1,
Changes in assets and liabilities:		
Other assets	1,564	(8,
Accounts payable and accrued liabilities	9,528	12,
	-----	-----
Total adjustments	83,883	85,
	-----	-----
Net cash provided by operating activities	148,389	127,
	-----	-----
Cash flows used in investing activities:		
Purchase of properties and other assets, net of mortgage notes assumed and UPREIT Units issued	(126,385)	(106,
Additions to properties	(130,468)	(92,
Advances to affiliates	(15,257)	(33,
Payments on advances to affiliates	17,558	42,
Proceeds from sale of properties and business, net	115,446	11,
Sale of available-for-sale securities	-	
	-----	-----
Net cash used in investing activities	(139,106)	(178,
	-----	-----
Cash flows from financing activities:		
Proceeds from sale of preferred stock, net	-	112,
Proceeds from sale of common stock, net	40,943	56,
Purchase of treasury stock	(20,621)	(12,
Purchase of UPREIT Units	(11,899)	
Proceeds from mortgage notes payable	132,397	84,
Payments of mortgage notes payable	(72,629)	(33,
Proceeds from line of credit	171,500	97,
Payments on line of credit	(139,000)	(147,
Payments of deferred loan costs	(2,086)	(1,
Additions to cash escrows, net	(2,554)	(8,
Dividends and distributions paid	(105,064)	(88,
	-----	-----
Net cash (used in) provided by financing activities	(9,013)	56,
	-----	-----
Net increase (decrease) in cash and cash equivalents	270	5,
Cash and cash equivalents:		
Beginning of year	10,449	4,
	-----	-----
End of year	\$ 10,719	\$ 10,
	=====	=====

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

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

1 ORGANIZATION AND BASIS OF PRESENTATION

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Organization

Home Properties of New York, Inc. (the "Company") was formed in November 1993, as a Maryland corporation and is engaged primarily in the ownership, management, acquisition, rehabilitation and development of residential apartment communities in the Northeastern, Mid-Atlantic and Midwestern United States. The Company conducts its business through Home Properties of New York, L.P. (the "Operating Partnership"), a New York limited partnership. As of December 31, 2001, the Company operated 293 apartment communities with 49,745 apartments. Of this total, the Company owned 143 communities, consisting of 39,007 apartments, managed as general partner 132 partnerships that owned 8,035 apartments and fee managed 2,703 apartments for affiliates and third parties. The Company also fee managed 2.2 million square feet of office and retail properties.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its 60.0% (57.6% at December 31, 2000) partnership interest in the Operating Partnership. Such interest has been calculated as the percentage of outstanding common shares divided by the total outstanding common shares and Operating Partnership Units ("UPREIT Units") outstanding. The remaining 40.0% (42.4% at December 31, 2000) is reflected as Minority Interest in these consolidated financial statements. For financing purposes, the Company has formed a limited liability company (the "LLC") and a partnership (the "Financing Partnership") which beneficially own certain apartment communities encumbered by mortgage indebtedness. The LLC is wholly owned by the Operating Partnership. The Financing Partnership is owned 99.9% by the Operating Partnership and .1% by Home Properties Trust, a wholly owned qualified REIT subsidiary ("QRS") of the Company.

Investments in entities where the Company has the ability to exercise significant influence over but does not have financial and operating control are accounted for using the equity method. All significant intercompany balances and transactions have been eliminated in these consolidated financial statements.

The Company accounts for its investment as managing general partner ("GP") in unconsolidated limited partnerships ("LP") using the equity method of accounting. As managing GP of the LP, the Company has the ability to exercise significant influence over operating and financial policies. This influence is evident in the terms of the respective partnership agreements, participation in policy-making processes, and the employment of its management personnel. However, the Company does not have a controlling interest in the respective LPs. The limited partners have significant rights, such as the right to replace the general partner (for cause) and the right to approve the sale or refinancing of the assets of the respective partnership in accordance with the partnership agreement.

The Company records its allocable share of the respective partnership's income or loss based on the terms of the agreement. To the extent it is determined that the LPs cannot absorb their share of the losses, if any, the GP will record the LPs share of such losses.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Real Estate

Real estate is recorded at cost. Costs related to the acquisition, development, construction and improvement of properties are capitalized. Recurring capital replacements typically include carpeting and tile, appliances, HVAC equipment, new roofs, site improvements and various exterior building improvements. Non-recurring upgrades include, among other items, community centers, new appliances, new windows, kitchens and bathrooms. Interest costs are capitalized until construction is substantially complete. There was \$520, \$260, and \$263 of interest capitalized in 2001, 2000 and 1999, respectively. When retired or otherwise disposed of, the related asset cost and accumulated depreciation are cleared from the respective accounts and the net difference, less any amount realized from disposition, is reflected in income. Ordinary repairs and maintenance that do not extend the life of the asset are expensed as incurred.

Management reviews its long-lived assets used in operations for impairment when there is an event or change in circumstances that indicates an impairment in value. An asset is considered impaired when the undiscounted future cash flows are not sufficient to recover the asset's carrying value. If such impairment is present, an impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. No such losses have been recognized to date. The Company records impairment losses and reduces the carrying amounts of assets held for sale when the carrying amounts exceed the estimated selling proceeds less the costs to sell.

Depreciation

Properties are depreciated using a straight-line method over the estimated useful lives of the assets as follows: buildings, improvements and equipment - 5-40 years; and tenant improvements - life of related lease. Depreciation expense charged to operations was \$64,684, \$52,221, and \$37,176 for the years ended December 31, 2001, 2000 and 1999, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include all cash and highly liquid investments purchased with original maturities of three months or less. The Company estimates that the fair value of cash equivalents approximates the carrying value due to the relatively short maturity of these instruments.

Cash in Escrows

Cash in escrows consists of cash restricted under the terms of various loan agreements to be used for the payment of property taxes and insurance as well as required replacement reserves and tenant security deposits for residential properties.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Charges

Costs relating to the financing of properties are deferred and amortized over the life of the related financing agreement. The straight-line method, which approximates the effective interest method, is used to amortize all financing costs; such amortization is reflected as interest expense in the consolidated statement of operations. The range of the terms of the agreements are from 1-23 years. Accumulated amortization was \$1,548 and \$1,270, as of December 31, 2001 and 2000, respectively.

Intangible Assets

Intangible assets of \$4,942 and \$7,501 at December 31, 2001 and 2000, respectively, included in Other Assets, consist primarily of property management contracts obtained through the acquisition of real estate management businesses, which are amortized on the straight-line basis over their estimated useful lives of 40 years. The carrying value of intangible assets is periodically reviewed by the Company and impairments are recognized when the expected future operating cash flows derived from such intangible assets is less than their carrying value. Accumulated amortization was \$888 and \$684 as of December 31, 2001 and 2000, respectively.

Revenue Recognition

The Operating Partnership leases its residential properties under leases with terms generally one year or less. Rental income is recognized when earned. Property other income, which consists primarily of income from operation of laundry facilities, administrative fees, garage and carport rentals and miscellaneous charges to residents, is recognized when earned.

Property management fees are recognized when earned based on a contractual percentage of net monthly cash collected on rental income.

Prior to 2001, the Operating Partnership earned development and other fee income from properties in the development phase. This fee income is recognized on the percentage of completion method.

Gains on Real Estate Sales

Gains from sales of operating properties are recognized using the full accrual method in accordance with the provisions of Statement of Financial Accounting Standards No. 66, Accounting for Real Estate Sales, provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the properties sold are met.

Advertising

Advertising expenses are charged to operations during the year in which they were incurred. Advertising expenses incurred and charged to operations were approximately \$5,486, \$5,366, and \$3,966 for the years

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ended December 31, 2001, 2000 and 1999, respectively.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Insurance Settlement

In October, 2001, the Company resolved a legal claim with an insurance provider and received a total settlement of \$4.9 million. This refund was allocated to insurance expense in relation to the Company's estimate of loss spread over the corresponding policy term. The policy term covered November 1, 2000 to October 31, 2001 and November 1, 2001 to October 31, 2002. The amount of the settlement relating to the period from November 1, 2000 to December 31, 2001 was estimated to be \$2.2 million, and that amount reduced insurance expense in the fourth quarter of 2001. The remaining settlement of \$2.7 million relates to the remaining policy period from January 1, 2001, through October 31, 2002, and will be amortized on a straight-line basis over that period.

Federal Income Taxes

The Company has elected to be taxed as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 1994. As a result, the Company generally will not be subject to Federal or State income taxation at the corporate level to the extent it distributes annually at least 90% (95% in years prior to 2001) of its REIT taxable income to its shareholders and satisfies certain other requirements. For the years ended December 31, 2001, 2000 and 1999, the Company distributed 100% of its taxable income; accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements. Stockholders are taxed on dividends and must report such dividends as either ordinary income, capital gains, or as return of capital.

The tax basis of assets is less than the amounts reported in the accompanying consolidated financial statements by approximately \$202 million and \$188 million at December 31, 2001 and 2000, respectively.

The following table reconciles net income to taxable income for the years ended December 31, 2001, 2000 and 1999:

	2001 ----	2000 ----
Net income	\$ 64,506	\$41,45
Less: Net income of Taxable REIT Subsidiaries included above	(62)	1,79
	-----	-----
Net income from REIT operations	64,444	43,24
Add: Book depreciation and amortization	64,888	52,43

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Less: Tax depreciation and amortization	(66,915)	(57,12)
Book/tax difference on gains/losses from capital transactions	(7,514)	
Other book/tax differences, net	(2,303)	(1,87)
	-----	-----
Taxable income before adjustments	52,600	36,67
Less: Capital gains	(26,241)	1,38
	-----	-----
Adjusted taxable income subject to 90% (95% in 2000 and 1999) dividend requirement	\$ 26,359	\$38,06
	=====	=====

The Company made actual distributions in excess of 100% of the taxable income before capital gains. All adjustments to net income from REIT operations are net of amounts attributable to minority interest and taxable REIT subsidiaries.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings Per Share

Basic Earnings Per Share ("EPS") is computed as net income available to common shareholders divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock-based compensation including stock options and the conversion of any cumulative convertible preferred stock. The exchange of an Operating Partnership Unit for common stock will have no effect on diluted EPS as unitholders and stockholders effectively share equally in the net income of the Operating Partnership.

Income before extraordinary item, extraordinary item and net income available to common shareholders are the same for both the basic and diluted calculation. The reconciliation of the basic and diluted earnings per share for the years ended December 31, 2001, 2000 and 1999, is as follows:

	2001 ----	2000 ----
Net Income	\$ 64,506	\$ 41,456
Less: Preferred dividends	(17,681)	(12,178)
	-----	-----
Net income available to common shareholders	\$ 46,825	\$ 29,278
	=====	=====
Basic weighted average number of shares outstanding	22,101,027	20,639,241
Effect of dilutive stock options	126,494	116,480

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Diluted weighted average number of shares outstanding	----- 22,227,521 =====	----- 20,755,721 =====
Basic earnings per share	\$ 2.12 =====	\$ 1.42 =====
Diluted earnings per share	\$ 2.11 =====	\$ 1.41 =====

Unexercised stock options to purchase 1,732,656, 1,270,300, and 713,600 (including warrants of 525,000 issued with the Series C and E Preferred Stock issuance for 2001 and 2000) shares of the Company's common stock were not included in the computations of diluted EPS because the options' exercise prices were greater than the average market price of the Company's stock during the years ended December 31, 2001, 2000 and 1999, respectively. For the year ended December 31, 2001, the 4,816,667 shares of the Series A (prior to the November 27, 2001 conversion), B, C, D and E Convertible Cumulative Preferred Stock (7,112,381 common stock equivalents) on an as-converted basis has an antidilutive effect and is not included in the computation of diluted EPS.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification

Certain reclassifications have been made to the 2000 and 1999 consolidated financial statements to conform to the 2001 presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

On June 29, 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 (SFAS 141), Business Combinations, and No. 142 (SFAS 142), Goodwill and Other Intangible Assets. The provisions of SFAS 141 require the use of purchase accounting for all business combinations and the separate allocation of purchase price to intangible assets if specific criteria are met. The provisions of SFAS 142 provide that goodwill and intangible assets with indefinite useful lives should not be amortized but rather tested at least annually for impairment. Intangible assets that have finite useful lives should continue to be amortized over their estimated useful lives. SFAS 142 also provides specific guidance

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for testing goodwill and intangible assets for impairment. The Company does not anticipate that these standards will have a material impact on the Company's financial position, results of operations, or cash flows. The provisions of SFAS No. 141 apply to all business combinations initiated after June 30, 2001. The Company will adopt FAS 142 effective January 1, 2002.

In October 2001, the FASB issued Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This standard harmonizes the accounting for impaired assets and resolves some of the implementation issues of SFAS 121. It retains the fundamental provisions of Statement 121 for (a) recognition and measurement of the impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. It also retains the basic provisions for presenting discontinued operations in the income statement but broadens the scope to include a component of an entity rather than a segment of a business. The Company will adopt this standard effective January 1, 2002. The Company does not expect this pronouncement to have a material impact on the Company's financial position, results of operations, or cash flows.

HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

3 INVESTMENT IN AND ADVANCES TO AFFILIATES

The Company has investments in and advances to approximately 132 limited partnerships where the Company acts as the managing general partner. In addition, there are investments in other affiliated entities (see Note 4). The following is summarized financial information for the

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investment in and advances to affiliates carried under the equity method of accounting, excluding the Management Companies discussed in Note 4, as of December 31, 2001 and 2000 and for each of the three years ended December 31, 2001.

	2001	

Balance Sheets:		
Real estate, net	\$280,864	\$2
Other assets	36,579	--

Total assets	\$317,443	\$3
	=====	==
Mortgage notes payable	\$253,798	\$2
Advances from affiliates	25,245	
Other liabilities	18,140	
Partners' equity	20,260	
	-----	--

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Total liabilities and partners' equity	\$317,443	\$3
	=====	=====

The Company's proportionate share of mortgage notes payable was \$6,800 at December 31, 2001. The mortgage notes payable are all non-recourse to the affiliated partnership and the Company.

	2001	

Operations:		
Gross revenues	\$ 46,972	\$
Operating expenses	(29,704)	(
Mortgage interest expense	(11,529)	(
Depreciation and amortization	(13,606)	(

Net loss	(\$ 7,867)	(\$
	=====	=====
Company's share (included in property other income)	\$ 62	\$
	=====	=====

Reconciliation of interests in the underlying net assets to the Company's carrying value of investments in and advances to affiliates:

	2001	

Partners' equity, as above	\$20,260	
Equity of other partners	15,821	

Company's share of investments in limited partnerships	4,439	
Advances to limited partnerships, as above	-	

Company's investment in and advances to limited partnerships	4,439	
Company's investment in Management Companies (see Note 4)	22,477	
Company's advances to Management Companies	15,954	

Carrying value of investments in and advances to affiliates	\$42,870	
	=====	

HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

4 MANAGEMENT COMPANIES

Certain property management, leasing and development activities are performed by Home Properties Management, Inc. and Home Properties Resident Services, Inc. (formerly Conifer Realty Corp.) (together the "Management Companies"). Both are Maryland corporations and, effective January 1, 2001, elected to convert to taxable REIT subsidiaries under the Tax Relief Extension Act of 1999. The Operating Partnership owns non-voting common stock in the Management Companies which entitles it to receive 95% and 99% of the economic interest

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in Home Properties Management, Inc. and Home Properties Resident Services, respectively. Effective March 1, 2001, the Company recapitalized Home Properties Resident Services, Inc. by contributing to capital \$23.7 million of loans due from affiliated partnerships. Simultaneous with the recapitalization, the Company increased its effective economic interest from 95% to 99% diluting the economic interest held by certain of the Company's officers and inside directors. The Company's share of income from the Management Companies, included in Other Income in the consolidated statement of operations, for the twelve months ended December 31, 2001, 2000 and 1999, is summarized as follows:

	2001 ----	2000 ----	
Management fees	\$ 3,397	\$ 3,716	\$
Development and construction management fees	-	3,991	
Interest income	1,627	-	
General and administrative	(3,244)	(7,364)	
Interest expense	(1,390)	(1,937)	
Other expenses	(330)	(292)	
	-----	-----	
Net income (loss)	\$ 60	(\$ 1,886)	\$
	=====	=====	
Company's share	\$ 61	(\$ 1,791)	\$
	=====	=====	
Total assets	\$38,602	\$21,965	\$
	=====	=====	
Total liabilities	\$16,296	\$23,526	\$
	=====	=====	

The general and administrative expenses reflected above represent an allocation of direct and indirect costs incurred by the Company estimated by management to be associated with the operations of the Management Companies.

Included in assets of the Management Companies are notes and other receivables due from affiliated partnerships (Note 3) of approximately \$25,000 and \$0 at December 31, 2001 and 2000, respectively. The interest rates of the notes receivable include both fixed and variable rate terms. The variable rate loans are at one percent over the Prime rate of interest. The fixed rate agreements range from 8.47% to 8.75% per annum. The maturity dates for these notes receivable range from 2002 to 2032.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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5 MORTGAGE NOTES PAYABLE

The Company's mortgage notes payable are summarized as follows:

	2001

Fixed rate mortgage notes payable	\$954,203
Variable rate mortgage notes payable	6,155

Total mortgage notes payable	\$960,358
	=====

Mortgage notes payable are collateralized by certain apartment communities and mature at various dates from August, 2002, through June, 2036. The weighted average interest rate of the Company's variable rate notes and credit facility was 3.27% and 6.54% at December 31, 2001

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and 2000, respectively. The weighted average interest rate of the Company's fixed rate notes was 7.27% and 7.41% at December 31, 2001 and 2000, respectively.

Principal payments on the mortgage notes payable for years subsequent to December 31, 2001 are as follows:

2002		\$ 53,378
2003		26,359
2004		36,675
2005		41,870
2006		68,485
Thereafter		733,591

		\$960,358
		=====

The Company determines the fair value of the mortgage notes payable based on the discounted future cash flows at a discount rate that approximates the Company's current effective borrowing rate for comparable loans. Based on this analysis, the Company has determined that the fair value of the mortgage notes payable approximates \$958,452 and \$858,743, at December 31, 2001 and 2000, respectively.

The Company has incurred prepayment penalties on debt restructurings which are accounted for as extraordinary items in the statement of operations. Prepayment penalties were approximately \$116, \$0, and \$174 for the years ended December 31, 2001, 2000 and 1999, respectively. The 2001 repayments on eight debt instruments totaled \$51,969 and were refinanced by eleven new borrowings in excess of \$131,370. The 2000 repayments on two debt instruments totaled \$25,067 and were refinanced by two new borrowings in excess of \$39,000.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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6 LINE OF CREDIT

As of December 31, 2001, the Company had an unsecured line of credit from M & T Bank of \$100 million with \$32.5 million outstanding. Borrowings under the line of credit bear interest at 1.25% over the one-month LIBOR rate. Accordingly, increases in interest rates will increase the Company's interest expense and as a result will effect the Company's results of operations and financial condition. The line of credit expires on September 1, 2002. The Company is evaluating alternatives to replace or extend the line of credit after September 1, 2002. The LIBOR interest rate was 1.93% at December 31, 2001.

7 MINORITY INTEREST

Minority interest in the Company relates to the interest in the Operating Partnership not owned by Home Properties of New York, Inc. Holders of UPREIT Units may redeem a Unit for one share of the Company's common stock or cash equal to the fair market value at the time of the redemption, at the option of the Company.

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The changes in minority interest for the three years ended December 31 are as follows:

	2001 ----	2000 ----
Balance, beginning of year	\$371,544	\$299,880
Issuance of UPREIT Units associated with property acquisitions	19,133	58,616
Adjustment between minority interest and stockholders' equity	(33,621)	26,825
Exchange of UPREIT Units for Common Shares	(1,910)	(7,387)
Repurchase of UPREIT Units	(10,233)	-
Exchange of partnership interests for Series A Preferred Stock	-	-
Net income	33,634	25,714
Accumulated other comprehensive loss	(388)	-
Distributions	(36,305)	(32,104)
	-----	-----
Balance, end of year	\$341,854 =====	\$371,544 =====

8 PREFERRED STOCK AND STOCKHOLDERS' EQUITY

Common Stock

In 1997, the Company's Board of Directors approved a stock repurchase program under which the Company may repurchase up to one million shares of its outstanding common stock and UPREIT Units. The Board's action

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did not establish a target price or a specific timetable for repurchase. At December 31, 1999, there was approval remaining to purchase 795,100 shares. In 2000, the Board of Directors approved a 1,000,000-share increase in the stock repurchase program. During 2000, the Company repurchased 468,600 shares at a cost of \$12,664,000. In 2001, the Board of Directors approved a 1,000,000-share increase in the stock repurchase program. During 2001, the Company repurchased 754,000 shares and 436,700 UPREIT Units at a cost of \$20,600,000 and \$11,900,000, respectively. Approval to repurchase 1,135,800 shares of common stock and UPREIT Units remains at December 31, 2001.

HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8 PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

Preferred Stock

On December 22, 1999, the holder of the Class A limited partnership interests converted its ownership to 9% Series A convertible cumulative preferred stock ("Series A Preferred Shares"), liquidation preference of \$21.00 per Common Share, total shares outstanding of 1,666,667. The conversion to preferred stock occurred at the Company's request and permits the Operating Partnership to continue to use favorable tax depreciation methods. The Series A Preferred Shares were convertible at any time by the holder on a one-for-one basis into Common Shares. On November 28, 2001, the Series A Preferred Shares were converted to common shares. The conversion had no effect on reported results of operations.

On September 30, 1999, the Company privately placed 2,000,000 of its 8.36% Series B convertible cumulative preferred stock ("Series B Preferred Shares"), \$25 liquidation preference per share. This offering generated net proceeds of approximately \$48.7 million after offering costs of \$1.3 million. The net proceeds were used to pay down Company borrowings. The Series B Preferred Shares are convertible at any time by the holder into Common Shares at a conversion price of \$29.77 per Common Share, equivalent to a conversion ratio of .8398 Common Shares for

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each Series B Preferred Share (equivalent to 1,679,543 Common Shares assuming 100% converted). The Series B Preferred Shares are non-callable for five years. Each Series B Preferred Share will receive the greater of a quarterly distribution of \$0.5225 per share or the dividend paid on a share of common stock on an as converted basis. The Company has determined that the Series B Preferred Shares contain certain contingent provisions that could cause such shares to be redeemable at the option of the holder and has presented this class of preferred stock outside of stockholders' equity.

In May and June of 2000, the Company privately placed 600,000 of its 8.75% Series C convertible cumulative preferred stock ("Series C Preferred Shares"), \$100 liquidation preference per share. This offering generated net proceeds of approximately \$60 million. The net proceeds were used to fund acquisitions and property upgrades. The Series C Preferred shares are convertible at any time by the holder

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into Common Shares at a conversion price of \$30.25 per Common Share, equivalent to a conversion ratio of 3.3058 Common Shares for each Series C Preferred share (equivalent to 1,983,471 Common shares assuming 100% converted). The Series C Preferred shares are non-callable for five years. Each Series C Preferred share will receive the greater of a quarterly distribution of \$2.1875 per share or the dividend paid on a share of common stock on an as-converted basis. The Company also issued 240,000 additional warrants to purchase common shares at a price of \$30.25 per share, expiring in 2005.

In June, 2000, the Company privately placed 250,000 of its 8.78% Series D convertible cumulative preferred stock ("Series D Preferred Shares"), \$100 liquidation preference per share. This offering generated net proceeds of approximately \$25 million. The net proceeds were used to fund Company acquisitions and property upgrades. The Series D Preferred Shares are convertible at any time by the holder into Common Shares at a conversion price of \$30.00 per Common Share, equivalent to a conversion ratio of 3.333 Common Shares for each Series D Preferred share (equivalent to 833,333 Common Shares assuming 100% converted). The Series D Preferred shares are non-callable for five years. Each Series D Preferred share will receive the greater of a quarterly distribution of \$2.195 per share or the dividend paid on a share of common stock on an as-converted basis.

HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8 PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

Preferred Stock (Continued)

In December, 2000, the Company privately placed 300,000 of its 8.55% Series E convertible cumulative preferred stock ("Series E Preferred Shares"), \$100 liquidation preference per share. This offering generated net proceeds of approximately \$30 million. The net proceeds were used to pay down Company borrowings. The Series E Preferred Shares are convertible at any time by the holder into Common Shares at a conversion price of \$31.60 per Common Share, equivalent to a conversion ratio of 3.1646 Common Shares for each Series E Preferred Share (equivalent to 949,367 Common Shares assuming 100% converted). The Series E Preferred Shares are non-callable for five years. Each Series E Preferred Share will receive the greater of a quarterly distribution of \$2.1375 per share or the dividend paid on a share of common stock on an as-converted basis. In addition, the Company issued warrants to purchase 285,000 common shares at a price of \$31.60 per share, expiring in 2005.

Dividend Reinvestment Plan

The Company has a Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan (the "DRIP"). The DRIP provides the stockholders, employees and residents of the Company an opportunity to automatically invest their cash dividends at a

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discount of 3% from the market price. In addition, eligible participants may make monthly or other voluntary cash investments, also

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typically at a discount, which has varied between 2% and 3% from the market price, in shares of common stock. In response to a perceived dilution from issuing new shares at or below the underlying net asset value, effective April 10, 2001, the DRIP was amended to reduce the share purchase discount from the current market price from 3% to 2%. The maximum amount that can be invested without the Company's prior permission was also reduced from \$5,000 to \$1,000. A total of \$32 million, \$57 million, and \$49 million was raised through this program during 2001, 2000 and 1999, respectively.

Officer and Director Notes for Stock Purchases

On August 12, 1996, eighteen officers and the six independent directors purchased an aggregate of 208,543 shares of Common Stock through the DRIP at the price of \$19.79. The purchases were financed 50% from a bank loan and 50% by a recourse loan from the Company. The Company loans bear interest at 7% per annum and mature in August, 2016. The Company loans are subordinate to the above-referenced bank loans, and are collateralized by pledges of the 208,543 Common Shares. The loans are paid from the regular quarterly dividends paid on the shares of common stock pledged, after the corresponding bank loans are paid in full.

On November 10, 1997, twenty-one officers and five of the independent directors purchased an aggregate of 169,682 shares of common stock through the DRIP at the price of \$26.66. The purchases were financed 50% from a bank loan and 50% by a recourse loan from the Company. The Company loans bear interest at 6.7% per annum and mature in November, 2017. The Company loans are subordinate to the above-referenced bank loans, and are collateralized by pledges of the 169,682 common shares. The loans are expected to be repaid from the regular quarterly dividends paid on the shares of common stock pledged, after the corresponding bank loans are paid in full.

HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8 PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

Stock Purchase and Loan Plan

In May, 1998, the Company adopted the Director, Officer and Employee Stock Purchase and Loan Plan (the "Stock Purchase Plan"). The program provides for the sale and issuance, from time to time as determined by the Board of Directors, of up to 500,000 shares of the Company's Common Stock to the directors, officers and key employees of the Company for consideration of not less than 97% of the market price of the Common Stock. The Stock Purchase Plan also allows the Company to loan, on a recourse basis, the participants up to 100% of the purchase price (50% for non-employee directors).

On August 12, 1998, thirty officers/key employees and the six independent directors purchased an aggregate of 238,239 shares of common stock through the Stock Purchase Plan at the price of \$24.11. The purchases for the officers/key employees were financed 100% by a recourse loan from the Company (50% for non-employee directors). The loans bear interest at 7.13% per annum and mature on the earlier of the maturity of the 1996 and 1997 phases of the loan program or August, 2018. The loans are collateralized by pledges of the common stock and are expected to be repaid from the regular quarterly dividends paid on

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the shares.

On February 1, 2001, one officer purchased an aggregate of 75,000 shares of common stock through the Stock Purchase Plan at the price of \$26.20. The purchases were financed by a recourse loan from the Company. The loan is collateralized by pledges of the common stock,

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bears interest at 8% per annum and matures on February 15, 2021. The loan was repaid in full on January 25, 2002.

Dividends

Stockholders are taxed on dividends and must report such dividends as either ordinary income, capital gains, or as return of capital. The Company has declared a \$2.31 distribution per common share during its most recent fiscal year (Cusip 437306103). Pursuant to Internal Revenue Code Section 857 (b) (3) (C), for the year ended December 31, 2001, the Company designates the following cash distributions to holders of common shares as capital gain dividends, in the amounts set forth in the table following on the next page:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8 PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

Dividends (Continued)

Declaration Dates	Record Dates	Payable Dates	Distri- butions Per Share	Ordinary Taxable Dividend	Distribution Ty	
					Return of Capital	20% Long- Capi Gai
2/7/2001	2/19/2001	2/27/2001	\$0.57	78.5%	6.8%	
5/1/2001	5/14/2001	5/24/2001	\$0.57	78.5%	6.8%	
7/31/2001	8/16/2001	8/28/2001	\$0.57	78.5%	6.8%	
10/30/2001	11/15/2001	11/27/2001	\$0.60	78.5%	6.8%	
			-----	-----	-----	
		TOTALS	\$2.31	78.5%	6.8%	
			=====	=====	=====	

The appropriate amount of each common share for 1999 and 2000 is as follows:

Ordinary Income	Return of Capital
-----	-----

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1999	85.6%	14.4%
2000	91.0%	9.0%

Total Shares/Units Outstanding

At December 31, 2001, 24,010,855 common shares, 5,445,714 convertible preferred shares (assuming a conversion of the Preferred Shares) and 16,002,076 UPREIT Units were outstanding for a total of 45,458,645 common share equivalents.

9 STOCK BENEFIT PLAN

The Company has adopted the 1994 Stock Benefit Plan, as amended (the "Plan"). Plan participants include officers, non-employee directors, and key employees of the Company. The Company has reserved 1,596,000 shares for issuance to officers and employees and 154,000 shares for issuance to non-employee directors. Options granted to officers and employees of the Company vest 20% for each year of service until 100% vested on the fifth anniversary. Certain officers' options (264,000) and directors' options (149,100) vest immediately upon grant. The exercise price per share for stock options may not be less than 100% of the fair market value of a share of common stock on the date the stock option is granted (110% of the fair market value in

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the case of incentive stock options granted to employees who hold more than 10% of the voting power of the Company's common stock). Options granted to directors and employees who hold more than 10% of the voting power of the Company expire after five years from the date of grant. All other options expire after ten years from the date of grant. The Plan also allows for the grant of stock appreciation rights and restricted stock awards. At December 31, 2001, 335,397 and 346 common shares were available for future grant of options or awards under the Plan for officers and employees and non-employee directors, respectively.

HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

9 STOCK BENEFIT PLAN (Continued)

On February 1, 2000, the Company adopted the 2000 Stock Benefit Plan (the "2000 Plan"). Plan participants have been expanded to include directors, officers, regional managers and on-site property managers. It is expected that all future awards of stock options and restricted stock will be granted under the 2000 Plan. The 2000 Plan limits the number of shares issuable under the plan to 2.2 million, of which 200,000 are to be available for issuance to the non-employee directors. At December 31, 2001, 703,484 and 99,240 common shares were available for future grant of options or awards under the 2000 plan for officers and employees and non-employee directors, respectively.

Details of stock option activity during 2001, 2000 and 1999 are as follows:

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	Number of Options -----	Weighted Average Exercise Price Per Option -----
Options outstanding at January 1, 1999 (395,441 shares exercisable)	800,863	\$21.94
Granted, 1999	610,400	\$27.06
Exercised, 1999	(96,643)	\$19.06
Cancelled, 1999	(49,187)	\$25.41

Options outstanding at December 31, 1999 (448,820 shares exercisable)	1,265,433	\$24.50
Granted, 2000	752,720	\$31.27
Exercised, 2000	(150,008)	\$19.38
Cancelled, 2000	(71,480)	\$28.32

Options outstanding at December 31, 2000 (519,434 shares exercisable)	1,796,665	\$26.34
Granted, 2001	857,430	\$29.60
Exercised, 2001	(187,698)	\$22.59
Cancelled, 2001	(361,295)	\$28.78

Options outstanding at December 31, 2001 (764,819 shares exercisable)	2,105,102 =====	\$28.69

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

9 STOCK BENEFIT PLAN (Continued)

The following table summarizes information about options outstanding at December 31, 2001:

Year Granted -----	Number Outstanding -----	Weighted Average Remaining Contractual Life ----	Weighted Average Fair Value of Options -----	Weighted Average Exercise Price -----	Number Exercisable -----
1994	75,015	3	N/A	\$19.000	75,015
1996	27,309	4	\$1.02	19.959	27,309
1997	89,002	5	\$1.56	25.687	74,137
1998	115,760	6	\$1.37	25.785	71,820
1999	398,260	7	\$1.57	26.947	169,840
2000	567,046	8	\$1.88	30.969	161,998

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2001	832,710	9	\$1.64	27.566	165,000
	-----	-		-----	-----
Totals	2,105,102	7		\$26.662	745,119
	=====	=		=====	=====

The Company has adopted the disclosure only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, the Company does not recognize compensation cost for stock options when the option exercise price equals or exceeds the market value on the date of grant. The compensation cost that would have been recorded had the Company adopted the accounting provisions of SFAS 123, relative to the above-mentioned awards was \$834, \$489 and \$217 for 2001, 2000 and 1999, respectively. The Company's proforma net income before preferred dividends and proforma basic earnings per common share would have been \$63,672, \$40,956, and \$26,063 and \$2.08, \$1.39, and \$1.33, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used for grants in 2001, 2000 and 1999: dividend yield of 9.40%; expected volatility of 19.03%; forfeiture rate of 5%; and expected lives of 7.5 years for options with a lifetime of ten years, and five years for options with a lifetime of five years. The interest rate used in the option-pricing model is based on a risk free interest rate ranging from 5.43% to 6.87%.

In 2001, the Company granted 20,600 shares of restricted stock. The restricted stock was granted to key employees of the Company and vests 100% on the fifth anniversary of the date of grant. The restricted shares were granted at price ranges of \$27.01 to \$30.15 per share. Total compensation cost recorded for the year ended December 31, 2001 for the restricted share grants was \$95,600.

10 SEGMENT REPORTING

The Company is engaged in the ownership and management of market rate apartment communities. Each apartment community is considered a separate operating segment. Each segment on a stand alone basis is less than 10% of the revenues, profit or loss, and assets of the combined reported operating segments. The operating segments are aggregated and segregated as Core and Non-core properties.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

10 SEGMENT REPORTING (Continued)

Non-segment revenue to reconcile total revenue consists of unconsolidated management and development fees and interest income. Non-segment assets to reconcile to total assets include cash and cash equivalents, cash in escrows, accounts receivable, prepaid expenses, investments in and advances to affiliates, deferred charges and other assets.

Core properties consist of all apartment communities which have been owned more than one full calendar year. Therefore, the Core Properties represent communities owned as of January 1, 2000. Non-core properties

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consist of apartment communities acquired during 2000 and 2001, such that full year comparable operating results are not available.

The accounting policies of the segments are the same as those described in Notes 1 and 2.

The Company assesses and measures segment operating results based on a performance measure referred to as Funds from Operations ("FFO"). FFO is generally defined as net income (loss), before gains (losses) from the sale of property and business, extraordinary items, plus real estate depreciation including adjustments for unconsolidated partnerships and joint ventures. For the year ended December 31, 1999, the Company's previously reported FFO excluded a non-recurring loss on available-for-sale securities of \$2,123 and a non-recurring acquisition expense of \$6,225. FFO is not a measure of operating results or cash flows from operating activities as measured by generally accepted accounting principles and it is not indicative of cash available to fund cash needs and should not be considered an alternative to cash flows as a measure of liquidity. Other companies may calculate similarly titled performance measures in a different manner.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

10 SEGMENT REPORTING (Continued)

The revenues, profit (loss), and assets for each of the reportable segments are summarized as follows for the years ended December 31, 2001, 2000 and 1999.

	2001 ----	2000 ----
Revenues -----		
Apartments owned		
Core properties	\$ 279,081	\$ 262,604
Non-core properties	83,152	47,645
Reconciling items	5,290	8,799
	-----	-----
Total Revenue	\$ 367,523	\$ 319,048
	=====	=====
Profit (loss) -----		
Funds from operations:		
Apartments owned		
Core properties	\$ 166,112	\$ 154,270
Non-core properties	50,563	27,945
Reconciling items	5,290	8,799
	-----	-----
Segment contribution to FFO	221,965	191,014

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General & administrative expenses	(18,614)	(13,235)
Interest expense	(66,446)	(56,792)
Depreciation of unconsolidated affiliates	338	383
Non-real estate depreciation/amort.	(639)	(516)
	-----	-----
Funds from Operations	136,604	120,854
Depreciation - apartments owned	(64,251)	(51,914)
Depreciation of unconsolidated affiliates	(338)	(383)
Non-recurring acquisition expense	-	-
Loss on available-for-sale securities	-	-
Gain (loss) on disposition of properties and business	26,241	(1,386)
Minority interest in earnings	(33,682)	(25,715)
Extraordinary items, net of minority interest	(68)	-
	-----	-----
Net Income	\$64,506	\$ 41,456
	=====	=====
Assets		

Apartments owned		
Core properties	\$1,351,724	\$1,316,695
Non-core properties	581,790	425,250
Reconciling items	130,275	129,943
	-----	-----
Total Assets	\$2,063,789	\$1,871,888
	=====	=====
Real Estate Capital Expenditures		

New property acquisitions	\$ 213,325	\$ 328,021
Additions to properties		
Core properties	85,001	54,041
Non-core properties	45,467	38,562
Increase in real estate associated with the purchase of UPREIT Units	1,666	-
	-----	-----
Total Real Estate Capital Expenditures	\$ 345,459	\$ 420,624
	=====	=====

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

11 DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into interest rate swaps to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The Company does not utilize these arrangements for trading or speculative purposes. The principal risk to the Company through its interest rate hedging strategy is the potential inability of the financial institutions from which the interest rate protection was purchased to cover all of their obligations. To mitigate this exposure, the Company purchases its interest rate swaps from either the institution that holds the debt or from institutions with a minimum A- credit rating.

All derivatives, which have historically been limited to interest rates

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swaps designated as cash flow hedges, are recognized on the balance sheet at their fair value. On the date that the Company enters into an interest rate swap, it designates the derivative as a hedge of the variability of cash flows that are to be received or paid in connection with a recognized liability. To the extent effective, subsequent changes in the fair value of a derivative designated as a cash flow hedge are recorded in other comprehensive income, until earnings are affected by the variability of cash flows of the hedged transaction. Any hedge ineffectiveness will be reported in interest expense in the consolidated statement of operations.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. The Company formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in the cash flows of the hedged items and whether those derivatives may be expected to remain highly effective in future periods. Should it be determined that a derivative is not (or has ceased to be) highly effective as a hedge, the Company will discontinue hedge accounting prospectively.

The Company has four interest rate swaps that effectively convert variable rate debt to fixed rate debt. The notional amount amortizes in conjunction with the principal payments of the hedged items. The terms as follows:

Original Notional Amount	Fixed Interest Rate	Variable Interest Rate	Maturity D
-----	-----	-----	-----
\$17,600,000	5.91%	LIBOR + 1.60%	June 24, 2
\$12,000,000	7.66%	LIBOR + 1.25%	August 1,
\$3,000,000	8.22%	LIBOR + 1.40%	June 25, 2
\$4,625,000	8.40%	LIBOR + 1.40%	June 25, 2

On January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133 (SFAS 133), Accounting for Derivative Instruments and Hedging Activities. At that time, the Company designated all of its interest rate swaps as cash flow hedges in accordance with the requirements of SFAS 133. The aggregate fair value of the derivatives on January 1, 2001 was \$583, prior to the allocation of minority interest, and was recorded as a liability on the consolidated balance sheet with an offset to other comprehensive income representing the cumulative effect of the transition adjustment pursuant to the provisions of Accounting Principles Board Opinion No. 20, Accounting Changes.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

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11 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

As of December 31, 2001, the aggregate fair value of the Company's interest rate swaps was \$920, prior to the allocation of minority interest, and is included in accrued expenses and other liabilities in the consolidated balance sheets. For the twelve months ending December 31, 2001, as the critical terms of the interest rate swaps and the hedged items are the same, no ineffectiveness was recorded in the consolidated statements of operations. All components of the interest rate swaps were included in the assessment of hedge effectiveness. The Company expects that within the next twelve months it will reclassify as a charge to earnings \$838, prior to the allocation of minority interest, of the amount recorded in accumulated other comprehensive loss. The fair value of the interest rate swaps is based upon the estimate of amounts the Company would receive or pay to terminate the contract at the reporting date and is estimated using interest rate market pricing models.

12 TRANSACTIONS WITH AFFILIATES

The Company and the Management Companies recognized management and development fee revenue, interest income and other miscellaneous income from affiliated entities of \$8,174, \$15,088, and \$15,199 for the years ended December 31, 2001, 2000 and 1999, respectively. The Company had accounts receivable outstanding due from affiliated entities of \$2,629 and \$3,279 at December 31, 2001 and 2000, respectively.

A director and former officer of the Company provided consulting services to the Company during 2001 for fees approximating \$271.

In 1997, certain officers and inside directors of the Company entered into a lease termination agreement with the Company. The agreement provided for a contingent termination fee based on the performance of the underlying property. In 2001, amounts of \$350 became payable to the Company under the terms of the agreement. This amount was classified in Other Property Income in the Consolidated Statement of Operations.

The Company leases its corporate office space from an affiliate. The lease requires an annual base rent of \$663 through December, 2002, \$802 for the year ended 2003, and \$872 for the year ended 2004. The lease also requires the Company to pay a pro rata portion of property improvements, real estate taxes and common area maintenance. Rental expense was \$956, \$712, and \$698 for the years ended December 31, 2001, 2000 and 1999, respectively.

From time to time, the Company advances funds as needed to the Management Companies which totaled \$15,954 and \$19,534 at December 31, 2001 and 2000, respectively, and bear interest at 1% over prime.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

13 COMMITMENTS AND CONTINGENCIES

Ground Lease

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The Company has a non-cancelable operating ground lease for one of its properties. The lease expires May 1, 2020, with options to extend the term of the lease for two successive terms of twenty-five years each. The lease provides for contingent rental payments based on certain variable factors. The lease also requires the lessee to pay real estate taxes, insurance and certain other operating expenses applicable to the leased property. Ground lease expense was \$211, \$201, and \$194 including contingent rents of \$141, \$131, and \$124 for the years ended December 31, 2001, 2000 and 1999, respectively. At December 31, 2001, future minimum rental payments required under the lease are \$70 per year until the lease expires.

401(K) Savings Plan

The Company sponsors a contributory savings plan. Under the plan, the Company will match 75% of the first 4% of participant contributions. The matching expense under this plan was \$893, \$512, and \$398 for the years ended December 31, 2001, 2000 and 1999, respectively.

Incentive Compensation Plan

The Incentive Compensation Plan provides that eligible officers and key employees may earn a cash bonus based on increases in FFO per share/unit (computed based on the diluted shares/units outstanding). No cash bonuses are payable under the Incentive Compensation Plan unless the increase in FFO per share, after giving effect to the bonuses, was equal to or greater than 5%. The Board of Directors used its discretionary authority to approve a bonus for 2001 even though FFO growth per share was less than 5%. The bonus expense charged to operations (including that portion allocated to the Management Companies) was \$725, \$103, and \$2,190 for the years ended December 31, 2001, 2000 and 1999, respectively.

Contingencies

The Company is party to certain legal proceedings. All such proceedings, taken together, are not expected to have a material adverse effect on the Company. The Company is also subject to a variety of legal actions for personal injury or property damage arising in the ordinary course of its business, most of which are covered by liability insurance. While the resolution of these matters cannot be predicted with certainty, management believes that the final outcome of such legal proceedings and claims will not have a material adverse effect on the Company's liquidity, financial position or results of operations.

The Company has recently undergone a state tax audit. The state has assessed taxes of \$469 for the 1998 and 1999 tax years under audit. If the state's position is applied to all tax years through December 31, 2001, the assessment would be \$1,800. The Company believes the assessment and the state's underlying position is not supportable by the law nor consistent with previously provided interpretative guidance from the office of the State Secretary of Revenue. The Company has been advised that it has meritorious positions for its previous tax filings. As a result, no amounts were accrued by the Company as of December 31, 2001.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

13 COMMITMENTS AND CONTINGENCIES (Continued)

Contingencies

In connection with various UPREIT transactions, the Company has agreed to maintain certain levels of nonrecourse debt associated with the contributed properties acquired. In addition, the Company is restricted in its ability to sell certain contributed properties (59% of the owned portfolio) for a period of time except through a tax deferred Internal Revenue Code Section 1031 like-kind exchange.

Debt Covenants

The line of credit loan agreement contain restrictions which, among other things, require maintenance of certain financial ratios and limit the payment of dividends.

Guarantees

The Company has guaranteed a total of \$606 of debt associated with two entities where the Company is the general partner. All other mortgage notes payable of affiliates are non-recourse debt to the limited partnerships and the Company. In addition, the Company has guaranteed the Low Income Housing Tax Credits to limited partners in 42 partnerships totaling approximately \$48,500. As of December 31, 2001, there were no known conditions that would make such payments necessary. In addition, the Company, acting as general partner in certain partnerships, is obligated to advance funds to meet partnership operating deficits.

Executive Retention Plan

Effective February 2, 1999, the Executive Retention Plan provides for severance benefits and other compensation to be received by certain employees in the event of a change in control of the Company and a subsequent termination of their employment without cause or voluntarily with good cause.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

14 PROPERTY ACQUISITIONS

For the years ended December 31, 2001, 2000 and 1999, the Company has acquired the communities listed below:

Community	Market Area	Date Acquired	Year Constructed	Number of Units	Cost of Acquis.
-----------	-------------	---------------	------------------	-----------------	-----------------

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The Manor	Northern VA	02/19/99	1973	198	\$ 7,119
Ridgeway Court	Philadelphia	02/26/99	1972	66	\$ 2,156
Springwells Park	Detroit	04/08/99	1940-66	303	\$ 18,355
Sherwood Gardens	Philadelphia	05/27/99	1968	103	\$ 4,198
7 Property Portfolio	Various	07/01/99	1959-82	3,722	\$176,607
Maple Lane	South Bend	07/09/99	1982-89	396	\$ 17,542
12 Property Portfolio	Mid-Atlantic	07/15/99	1964-96	3,297	\$154,168
4 Property Portfolio	Philadelphia	07/28/99	1962-68	825	\$ 32,534
The Colony	Chicago	09/01/99	1972-78	783	\$ 41,887
The Lakes	Detroit	11/05/99	1986	434	\$ 25,907
Old Friends	Baltimore	02/01/00	1887	51	\$ 2,138
6 Property Portfolio	Philadelphia	03/15/00	1940-75	2,113	\$141,195
2 Property Portfolio	Detroit	03/22/00	1969-74	360	\$ 14,394
Elmwood Terrace	Baltimore	06/30/00	1972	504	\$ 20,605
East Meadow	Northern VA	08/01/00	1971	150	\$ 13,053
Southbay Manor	Long Island	09/11/00	1959	61	\$ 3,054
Hampton Court	Detroit	09/29/00	1972	182	\$ 5,889
Bayberry	Detroit	09/29/00	1967	120	\$ 5,840
Blackhawk	Chicago	10/20/00	1971	371	\$ 17,542
5 Property Portfolio	Long Island	11/01/00	1955-75	429	\$ 26,968
Orleans Village	Northern VA	11/16/00	1967	851	\$ 67,404
Cypress Place	Chicago	12/27/00	1969	192	\$ 10,075
Woodholme Manor	Baltimore	03/30/01	1969	176	\$ 5,805
Virginia Village	Northern VA	05/31/01	1967	344	\$ 27,044
Mill Towne Village	Baltimore	05/31/01	1973	384	\$ 17,558
Southern Meadows	Long Island	06/29/01	1971	452	\$ 40,866
Devonshire Hills	Long Island	07/16/01	1968	297	\$ 47,049
Fenland Field	Baltimore	08/01/01	1970	234	\$ 14,540
Courtyard Village	Chicago	08/29/01	1971	224	\$ 12,887
Manor	Baltimore	08/31/01	1969	435	\$ 36,384
2 Property Portfolio	Northern VA	10/24/01	1971-72	274	\$ 11,076

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

15 PROFORMA CONDENSED FINANCIAL INFORMATION

The Company acquired ten apartment communities ("2001 Acquired Communities") with 2,820 units in nine unrelated transactions during the twelve-month period ended December 31, 2001. The total purchase price (including closing costs) of \$212 million equates to approximately \$76,000 per unit. Consideration for the communities included \$68 million of assumed debt, \$19 million of UPREIT Units, and \$126 million of cash.

In addition, the Company disposed of fourteen apartment communities ("2001 Disposed Properties") with 2,855 units in six unrelated transactions during the twelve-month period ended December 31, 2001. The total selling price (including closing costs) of \$122 million resulted in \$26 million of gain on sale of real estate.

The following unaudited proforma information was prepared as if (i) the 2001 transactions related to the acquisition of the "2001 Acquired Communities" had occurred on January 1, 2000, (ii) the 2000 transactions related to the acquisitions of 22 apartment communities in twelve separate transactions had occurred on January 1, 1999, (iii) the 1999 transactions

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related to the acquisition of 30 apartment communities in ten transactions had occurred on January 1, 1999, (iv) the disposition of the "2001 Disposed Properties" had occurred on January 1, 2000, and (v) the \$115 million Series B, C, D and E Preferred stock offerings had occurred on January 1, 1999. The proforma financial information is presented for informational purposes only and may not be indicative of what actual results of operations would have been had if the transactions been consummated as indicated, nor does it purport to represent the results of operations for future periods. Adjustments to the proforma condensed combined statement of operations for the twelve months ended December 31, 2001 and 2000, consist principally of providing for the net operating activity and recording interest, depreciation and amortization from January 1, 1999 to the acquisition date.

	For the years ended December 31, (unaudited)		
	2001 ----	2000 ----	1999 ----
Total revenues	\$ 370,900	\$ 351,868	\$ 28
Income before extraordinary item	63,247	62,290	3
Net income available to common shareholders	45,566	44,301	3
Per common share data:			
Income before extraordinary item:			
Basic	\$ 2.06	\$ 2.15	\$
Diluted	\$ 2.05	\$ 2.13	\$
Net income:			
Basic	\$ 2.06	\$ 2.15	\$
Diluted	\$ 2.05	\$ 2.13	\$
Weighted average numbers of shares outstanding:			
Basic	22,101,027	20,639,241	18,69
Diluted	22,227,521	20,755,721	18,80

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

16 SUPPLEMENTAL CASH FLOW DISCLOSURES

Supplemental cash flow information including non cash financing and investing activities for the years ended December 31, 2001, 2000 and 1999 are as follows:

	2001 ----	2000 ----
Cash paid for interest	\$ 65,268	\$ 54,82
Mortgage loans assumed associated with property acquisitions	67,807	162,96

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Issuance of UPREIT Units associated with property and other acquisitions	19,133	58,61
Notes issued in exchange for officer and director stock purchases	1,965	
Exchange of UPREIT Units for common/preferred shares	1,910	7,38
Fair value of hedge instruments	920	
Transfer of notes receivable due from affiliates in exchange for additional equity in affiliates	23,699	

17 GAIN (LOSS) ON DISPOSITION OF PROPERTY AND BUSINESS

During 2001, the Company disposed of fourteen apartment communities with 2,855 units in six unrelated transactions and two general partnership interests. The total sales price of \$122 million equates to \$43,000 per unit. The total gain on sale of these transactions amounted to approximately \$26 million.

During 2000, the Company disposed of one apartment community with 150 units and one general partnership interest, in two separate transactions for a total loss on disposition of \$462. In addition, effective December 31, 2000, the Company sold its affordable housing development business to the management of that business. The selling price was approximately \$6.7 million and a loss on sale of \$924 was recorded.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

18 QUARTERLY FINANCIAL STATEMENT INFORMATION (UNAUDITED)

Quarterly financial information for the years ended December 31, 2001 and 2000 are as follows:

		2001 ----	
	First -----	Second -----	Thir -----
Revenues	\$88,215	\$90,152	\$94,
Income before minority interest and extraordinary item	11,964	32,233	30,
Minority interest	3,132	11,615	10,
Extraordinary item, net of minority interest	N/A	N/A	
Net income available to common shareholders	4,335	16,121	14,
Basic earnings per common share:			
Income before extraordinary item	.20	.74	
Extraordinary item	N/A	N/A	
Net income	.20	.74	
Diluted earnings per common share:			
Income before extraordinary item	.20	.71	
Extraordinary item	N/A	N/A	

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Net income	.20	.71	
			2000

	First	Second	Third
	-----	-----	-----
Revenues	\$72,364	\$78,164	\$82,
Income before minority interest and extraordinary item	13,642	16,494	20,
Minority interest	5,160	6,401	7,
Extraordinary item, net of minority interest	N/A	N/A	
Net income available to common shareholders	6,554	7,559	8,
Basic earnings per common share:			
Income before extraordinary item	.33	.37	
Extraordinary item	N/A	N/A	
Net income	.33	.37	
Diluted earnings per common share:			
Income before extraordinary item	.33	.37	
Extraordinary item	N/A	N/A	
Net income	.33	.37	

Full year per share data does not equal the sum of the quarterly data due to the impact of the convertible preferred securities on the quarterly results and not the year to date amounts.

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HOME PROPERTIES OF NEW YORK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

19 SUBSEQUENT EVENTS

On January 24, 2002, the Company sold six apartment communities with 339 units in two unrelated transactions. The total sales price of \$13.6 million equates to \$41,000 per unit. Total gain on sale of this transaction is expected to be approximately \$0.5 million and will be recorded in the first quarter of 2002.

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HOME PROPERTIES OF NEW YORK, INC.

SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001
(IN THOUSANDS)

Initial Cost	Costs	Total Cost
Buildings,	Capitalized	Buildings,

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Community	Encumbrances	Land	Improvements & Equipment	Adjustments (a)	Subsequent to Acquisition	Improvements & Equipment	Total (b)	De
Apple Hill		\$3,486	\$20,347		\$5,208	\$3,486	\$25,555	\$29,041
Arbor Crossing	\$2,608	1,072	4,329		733	1,072	5,062	6,134
Bayberry Place	2,454	1,440	4,400		444	1,440	4,844	6,284
Bayview/Colonial	5,977	1,600	8,471		1,399	1,600	9,869	11,469
Beechwood		560	3,442		1,218	560	4,660	5,220
Blackhawk	10,604	2,968	14,578		1,975	2,968	16,553	19,521
Bonnie Ridge	18,401	4,830	42,769		10,071	4,830	52,841	57,671
Braddock Lee	9,549	3,810	8,842		3,344	3,810	12,186	15,996
Brook Hill	4,581	330	7,920		3,314	330	11,234	11,564
Candlewood		387	2,592		734	387	3,327	3,714
Candlewood, IN	7,495	1,550	11,956		1,485	1,550	13,441	14,991
Canterbury -MD	14,601	4,944	21,384		769	4,944	22,154	27,098
Canterbury Square	6,372	2,352	10,791		2,281	2,352	13,072	15,424
Carriage Hill		570	3,827		1,946	570	5,773	6,343
Carriage Hill - MI	3,676	840	5,974		1,041	840	7,016	7,856
Carriage Hill - VA	19,896	3,984	33,138		1,487	3,984	34,625	38,609
Carriage House		250	860		305	250	1,165	1,415
Carriage Park	5,300	1,280	8,184		2,334	1,280	10,518	11,798
Castle Club	3,632	948	8,909		1,083	948	9,992	10,940
Cedar Glen		715	2,018		1,006	715	3,024	3,739
Charter Square	10,763	3,952	18,247		4,378	3,952	22,625	26,577
Cherry Hill Club	2,818	492	4,096		1,912	492	6,009	6,501
Cherry Hill Village	4,367	1,120	6,835		1,506	1,120	8,341	9,461
Chesterfield	6,708	1,482	8,206		2,955	1,482	11,161	12,643
Cloverleaf		370	2,668		1,978	370	4,645	5,015
Colonies	22,388	1,680	21,350		7,453	1,680	28,803	30,483
Colony Apartments	15,502	7,830	34,121		4,713	7,830	38,834	46,664
Conifer Village	2,270	358	8,555		448	358	9,003	9,361
Cornwall Pk.		439	2,947		3,176	439	6,123	6,562
Country Village	6,461	2,236	11,149		3,128	2,236	14,277	16,513
Courtyards Village	5,328	3,360	9,823		68	3,360	9,891	13,251
Coventry Village		784	2,328		1,711	784	4,039	4,823
Curren Ter.	9,119	1,908	10,957		4,193	1,908	15,149	17,057
Cypress Place	6,507	2,304	7,841		981	2,304	8,822	11,126
Deerfield Woods	3,348	864	4,877		655	864	5,532	6,396
Devonshire Hills	25,080	14,850	32,934		128	14,850	33,061	47,911
East Hill		231	1,560		542	231	2,103	2,334
East Meadow	7,140	2,250	10,803		208	2,250	11,011	13,261

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HOME PROPERTIES OF NEW YORK, INC.

SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001
(IN THOUSANDS)

Community	Encumbrances	Land	Initial Cost Buildings, Improvements & Equipment	Adjustments (a)	Costs Capitalized Subsequent to Acquisition	Land	Total Cost Buildings Improvements & Equipment
East Winds		960		5,079		960	6,049

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Elmwood Terrace	4,560	6,048	14,564		1,251	6,048	15,815
Emerson Sq.		384	2,019		945	384	2,964
Executive	2,806	600	3,420		2,230	600	5,646
Fairview		580	5,305	2,828	2,192	580	10,322
Falcon Crest	13,102	2,772	11,116		3,113	2,772	14,222
Fenland Field		3,510	11,046		227	3,510	11,273
Finger Lakes	3,415	200	4,536	1,882	1,943	200	8,361
Fordham Green	2,949	802	5,280		1,494	802	6,776
Gateway Village	7,331	1,320	6,621		226	1,320	6,847
Glen Brook	3,008	1,414	4,815		897	1,414	5,712
Glen Manor	3,521	1,044	4,517		1,081	1,044	5,598
Golfview Manor	316	110	542		149	110	691
Greentrees	4,732	1,152	8,608		1,977	1,152	10,582
Hampton Court	3,524	1,252	4,615		1,388	1,252	6,000
Harborside		250	6,113		3,121	250	9,234
Hill Brook Place	5,462	2,192	9,118		1,493	2,192	10,611
HP of Bryn Mawr	12,927	3,160	17,907		6,009	3,160	23,916
HP of Devon	28,892	6,280	35,545		8,219	6,280	43,764
HP of Golf Club	16,690	3,990	21,236		6,231	3,990	27,467
HP of Newark	9,624	2,592	12,713		8,909	2,592	21,621
HP of Trexler Park	10,140	2,490	13,802		2,235	2,490	16,037
Idylwood	9,012	700	16,927		6,220	700	23,149
Kingsley	6,454	1,640	11,671		2,486	1,640	14,157
Lake Grove	27,675	7,360	11,952		8,067	7,360	20,019
Lakeshore		573	3,849		2,555	573	6,402
Lakeview	3,954	636	4,552		1,475	636	6,027
Lansdowne		1,332	6,947		1,513	1,332	8,462
Macomb Manor	3,948	1,296	7,357		737	1,296	8,090
Manor Apts.	5,600	1,386	5,738		1,698	1,386	7,432
Maple Lane	11,976	2,547	14,975		1,900	2,547	16,872
Maple Tree		840	4,445		589	840	5,034
Meadows	3,504	208	2,776	1,216	1,327	208	5,311
Mid-Island	6,675	4,159	6,567		2,278	4,159	8,844
Mill Company	1,911	384	1,671		576	384	2,240
Mill Towne Village	8,530	3,840	13,741		611	3,840	14,352
Morningside	19,360	6,147	28,699		11,874	6,147	40,571
New Orleans	7,311	1,848	8,886		4,731	1,848	13,615
Newcastle	6,000	197	4,007	3,684	3,272	197	10,960

Community	Total Cost, Net of Accumulated Depreciation	Year of Acquisition
-----	-----	-----
East Winds	6,808	2000
Elmwood Terrace	21,186	2000
Emerson Sq.	2,816	1997
Executive	5,465	1997
Fairview	6,411	1985
Falcon Crest	15,761	1999
Fenland Field	14,642	2001
Finger Lakes	5,489	1983
Fordham Green	6,723	1997
Gateway Village	7,705	1999
Glen Brook	6,719	1999
Glen Manor	5,982	1997
Golfview Manor	690	1997
Greentrees	10,390	1997
Hampton Court	6,914	2000
Harborside	7,260	1995

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Hill Brook Place	12,101	1999
HP of Bryn Mawr	25,876	2000
HP of Devon	47,836	2000
HP of Golf Club	30,166	2000
HP of Newark	22,860	1999
HP of Trexler Park	17,747	2000
Idylwood	18,594	1995
Kingsley	13,825	1997
Lake Grove	24,441	1997
Lakeshore	5,938	1996
Lakeview	5,918	1998
Lansdowne	8,577	1997
Macomb Manor	9,013	2000
Manor Apts.	8,017	1999
Maple Lane	18,260	1999
Maple Tree	5,711	2000
Meadows	3,397	1984
Mid-Island	11,558	1997
Mill Company	2,344	1998
Mill Towne Village	17,909	2001
Morningside	41,905	1998
New Orleans	13,727	1997
Newcastle	6,562	1982

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HOME PROPERTIES OF NEW YORK, INC.

SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001
(IN THOUSANDS)

Community	Encum- brances	Land	Initial Cost Buildings, Improvements & Equipment	Adjust- ments (a)	Costs Capitalized Subsequent to Acquisition	Land	Total Cost Buildings, Improvement & Equipmen
-----	-----	----	-----	-----	-----	----	-----
Northgate		289	6,987		3,377	289	10,364
Oak Manor	4,878	616	4,111		1,236	616	5,348
Oak Park Manor	5,032	1,192	9,188		1,747	1,192	10,935
Old Friends	2,335	255	1,889		176	255	2,065
Orleans Village	43,745	8,510	58,912		5,208	8,510	64,119
Owings Run	32,060	5,537	32,622		399	5,537	33,021
Paradise		972	7,134		3,368	972	10,501
Park Shirlington	12,023	4,410	10,180		3,738	4,410	13,918
Parkview Garden	8,000	1,207	7,201		1,710	1,207	8,911
Patricia		600	4,196		1,175	600	5,371
Pavilion	12,324	5,184	25,314		10,996	5,184	36,310
Pearl Street		49	1,189		498	49	1,687
Perinton		224	6,120	3,629	2,088	224	11,837
Pines of Perinton	8,235	1,524	7,139		1,220	1,524	8,358
Pleasant View	43,534	5,710	47,816		9,690	5,710	57,506
Pleasure Bay	5,985	1,620	6,234		2,533	1,620	8,767
Racquet Club	22,739	1,868	23,107		3,048	1,868	26,155
Racquet Club South	2,995	309	3,891		1,107	309	4,997
Raintree	7,175	-	6,654	3,217	7,943	-	17,814

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Redbank Village	11,615	2,000	14,030		3,305	2,000	17,335
Ridgeway Ct.	1,029	330	1,826		274	330	2,100
Ridley Brook	4,671	1,952	7,719		1,383	1,952	9,102
Riverton	5,980	240	6,640	2,523	4,646	240	13,809
Rolling Park	5,303	720	5,033		863	720	5,896
Royal Garden	10,766	5,500	14,067		8,365	5,500	22,433
Ryder Terrace		240	1,270		122	240	1,392
1600 East		1,000	8,527		4,474	1,000	13,000
1600 Elmwood	5,030	299	5,698	3,339	3,000	299	12,037
Scotsdale	9,916	1,692	11,920		1,514	1,692	13,433
Selford Townhomes	3,960	1,224	4,200		903	1,224	5,104
Seminary Hill	9,900	2,960	10,194		2,001	2,960	12,195
Seminary Towers	22,105	5,480	19,348		6,372	5,480	25,720
Shakespeare Park	2,549	492	3,433		163	492	3,596
Sherry Lake	6,062	2,396	15,616		2,557	2,396	18,174
South Bay		1,098	1,958		1,931	1,098	3,889
Southern Meadows	20,478	9,040	31,874		141	9,040	32,016
Southpointe Sq.	2,669	896	4,610		1,111	896	5,721
Spanish Gard.	5,600	398	9,263		2,828	398	12,091
Springwells Park	11,095	1,515	16,840		2,462	1,515	19,302

Community -----	Accumulated Depreciation -----	Total Cost, Net of Accumulated Depreciation -----	Year of Acquisition -----
Northgate	2,600	8,053	1994
Oak Manor	687	5,277	1998
Oak Park Manor	1,562	10,565	1997
Old Friends	109	2,211	2000
Orleans Village	2,020	70,610	2000
Owings Run	2,168	36,390	1999
Paradise	1,847	9,626	1997
Park Shirlington	1,914	16,414	1998
Parkview Garden	1,382	8,736	1997
Patricia	614	5,357	1998
Pavilion	2,173	39,321	1999
Pearl Street	353	1,383	1995
Perinton	5,028	7,033	1982
Pines of Perinton	967	8,915	1998
Pleasant View	7,062	56,154	1998
Pleasure Bay	895	9,493	1998
Racquet Club	2,744	25,279	1998
Racquet Club South	498	4,809	1999
Raintree	6,101	11,712	1985
Redbank Village	2,056	17,279	1998
Ridgeway Ct.	212	2,218	1999
Ridley Brook	644	10,411	1999
Riverton	5,703	8,346	1983
Rolling Park	592	6,023	1998
Royal Garden	3,403	24,530	1997
Ryder Terrace	42	1,590	2000
1600 East	1,819	12,181	1997
1600 Elmwood	5,550	6,786	1983
Scotsdale	1,735	13,390	1997
Selford Townhomes	358	5,970	1999
Seminary Hill	814	14,341	1999
Seminary Towers	1,724	29,476	1999
Shakespeare Park	242	3,846	1999
Sherry Lake	1,900	18,670	1998

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South Bay	135	4,852	2000
Southern Meadows	472	40,584	2001
Southpointe Sq.	867	5,750	1997
Spanish Gard.	2,827	9,662	1994
Springwells Park	1,432	19,385	1999

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HOME PROPERTIES OF NEW YORK, INC.

SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001
(IN THOUSANDS)

Community	Encum- brances	Land	Initial Cost Buildings, & Equipment	Adjust- ments(a)	Costs Capitalized Subsequent to Acquisition	Land	Tot Bu Impr & E
Springwood	1,578	462	1,770		921	462	
Stephenson House	1,477	640	2,407		646	640	
Sunset Gard		696	4,663		2,243	696	
Tamarron	5,200	1,320	8,474		347	1,320	
Terry Apartments	1,909	650	3,439		178	650	
The Lakes		2,821	23,086		1,736	2,821	
The Manor (MD)		8,700	27,699		195	8,700	
Timbercroft	7,559	1,704	6,826		403	1,704	
Valley Park	13,508	2,459	16,753		2,922	2,459	
Valley View	4,143	1,056	4,960		2,690	1,056	
Village Green	8,654	1,103	13,283		3,977	1,103	
Village Square-MD	7,306	2,590	13,306		1,329	2,590	
Village Square-PA	3,535	768	3,582		2,312	768	
Virginia Village	9,551	5,160	21,903		1,282	5,160	
Wayne Village	10,938	1,925	12,895		2,907	1,925	
Wellington Lakes	7,914	1,600	4,868		23	1,600	
Wellington Woods		1,140	3,468		30	1,140	
Westminster		861	5,763		1,878	861	
Weston		847	4,736		2,985	847	
William Henry	13,981	4,666	2,214		24,349	4,666	
Windsor Rlty	2,146	402	3,300		764	402	
Woodgate	3,327	480	3,797		1,428	480	
Woodholme Manor	3,929	1,232	4,599		336	1,232	
Woodland Garden	6,061	2,022	10,480		2,758	2,022	
Other Assets					6,944		
	\$960,358	\$ 287,473	\$1,459,526	\$ 22,318	\$365,761	\$ 287,543	\$1,459,526

Community	Total Cost, Net of Accumulated Depreciation	Year of Acquisition
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Springwood	2,740	1997
Stephenson House	3,234	1997
Sunset Gard	6,424	1996
Tamarron	9,557	1999
Terry Apartments	4,017	2000
The Lakes	26,156	1999
The Manor (MD)	36,201	2001
Timbercroft	8,419	1999
Valley Park	19,176	1996
Valley View	7,683	1997
Village Green	14,528	1994-1996
Village Square-MD	16,186	1999
Village Square-PA	5,856	1997
Virginia Village	27,834	2001
Wayne Village	15,752	1998
Wellington Lakes	6,491	2001
Wellington Woods	4,638	2001
Westminster	7,075	1996
Weston	7,576	1998
William Henry	29,995	2000
Windsor Rlty	3,970	1998
Woodgate	4,915	1997
Woodholme Manor	6,036	2001
Woodland Garden	13,422	1997
Other Assets	5,907	

\$ 1,933,514

=====

- (a) Represents the excess of fair value over the historical cost of partnership interests as a result of the application of purchase accounting for the acquisition of non-controlled interests.
- (b) The aggregate cost for Federal Income Tax purposes was approximately \$1,732,000.

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SCHEDULE III

HOME PROPERTIES OF NEW YORK, INC.

REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2001
(IN THOUSANDS)

Depreciation and amortization of the Company's investments in buildings and improvements reflected in the consolidated statements of operations are calculated over the estimated useful lives of the assets as follows:

Buildings and improvements	5-40 years
Tenant improvements	Life of related lease

The changes in total real estate assets for the three years ended December 31, 2001, are as follows:

2001

2000

1999

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	-----	-----	-----
Balance, beginning of year	\$ 1,895,269	\$ 1,480,753	\$ 940,788
New property acquisition	213,325	328,021	480,473
Additions	130,468	92,603	61,034
Increase in real estate associated with the purchase of UPREIT Units	1,666	--	--
Disposals and retirements	(105,650)	(6,108)	(1,542)
	-----	-----	-----
Balance, end of year	\$ 2,135,078 =====	\$ 1,895,269 =====	\$ 1,480,753 =====

The changes in accumulated depreciation for the three years ended December 31, 1999, are as follows:

	2001 -----	2000 -----	1999 -----
Balance, beginning of year	\$ 153,324	\$ 101,904	\$ 65,627
Depreciation for the year	64,684	52,221	37,177
Disposals and retirements	(16,444)	(801)	(900)
	-----	-----	-----
Balance, end of year	\$ 201,564 =====	\$ 153,324 =====	\$ 101,904 =====

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HOME PROPERTIES OF NEW YORK, INC.
FORM 10-K
For Fiscal Year Ended December 31, 2001
Exhibit Index

Exhibit Number	Exhibit	Location
2.1	Agreement among Home Properties of New York, Inc. and Philip J. Solondz, Daniel Solondz and Julia Weinstein Relating to Royal Gardens I, together with Amendment No. 1	Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. dated 6/6/97 (the "6/6/97 8-K")
2.2	Agreement among Home Properties of New York, Inc and Philip Solondz and Daniel Solondz relating to Royal Gardens II, together with Amendment No. 1	Incorporated by reference to the 6/6/97 8-K
2.3	Purchase and Sale Agreement dated July 25, 1997 by and between Home Properties of New York, L.P. and Louis S. and Molly S. Wolk Foundation	Incorporated by reference to the Form 8-K filed Home Properties of New York, Inc. dated 9/26/97 (the "9/26/97 8-K")
2.4	Purchase and Sale Agreement dated April 30, 1997 between Home Properties of New York L.P. and Briggs Wedgewood Associates, L.P.	Incorporated by reference to the 9/26/97 8-K

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- | | | |
|------|--|--|
| 2.5 | Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and Chesfield Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.6 | Agreement and Plan of Merger dated July 31, 1997 between Home Properties of New York, L.P. and Valspring Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.7 | Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and Exmark Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.8 | Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and New Orleans East Limited Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.9 | Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. Glenvwk Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.10 | Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and PK Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.11 | First Amendment to Agreement and Plan of Merger, dated September 1, 1997 between Home Properties of New York, L.P. and PK Partnership and its partners | Incorporated by reference to the 9/26/97 8-K |
| 2.12 | First Amendment to Agreement and Plan of Merger, dated September 1, 1997 between Home Properties of New York, L.P. and NOP Corp. and Norpark Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.13 | Contribution Agreement dated July 31, 1997 between Home Properties of New York, L.P. and Lamar Partnership | Incorporated by reference to the 9/26/97 8-K |
| 2.14 | Agreement and Plan of Merger, dated July 31, 1997 between Home Properties of New York, L.P. and Curren Partnership | Incorporated by reference to the Form 8-K filed by Home New York, Inc., dated 10/3/97. dated 10/3/97 |
| 2.15 | Contribution Agreement, dated October __, 1997 between Home Properties of New York between Home Properties of New York, L.P. and Berger/Lewiston Associates Limited Partnership; Stephenson-Madison Heights Company Limited Partnership; Kingsley-Moravian Company Limited Partnership; Woodland Garden Apartments Limited Partnership; B&L Realty Investments Limited Partnership; Southpointe Square Apartments Limited Partnership; Greentrees Apartments Limited Partnership; Big Beaver-Rochester Properties Limited Partnership; Century Realty Investment Company Limited | Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. dated 10/7/97 |

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Partnership

- 2.16 Agreement among Home Properties of New York, L.P. and Erie Partners, L.L.C. Relating to Woodgate Place Apartments, together with Amendment No. 1 Incorporated by reference to the Form 8-K filed by Home Properties of dated 10/31/97 (the "10/31/97 8-K")
- 2.17 Agreement among Home Properties of New York, L.P. and Mid-Island Limited Partnership relating to Mid-Island Estates, together with Amendment No. 1 Incorporated by reference to the 10/31/97 8-K
- 2.18 Purchase and Sale Agreement among Home Properties of New York, L.P. and Anthony M. Palumbo and Daniel Palumbo Incorporated by reference to the 10/31/97 8-K
- 2.19 Purchase and Sale Agreements dated June 17, 1997 among Home Properties of New York, L.P. and various individuals relating to Hill Court Apartments and Hudson Arms Apartments together with a letter Amendment dated September 24, 1997 Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. dated 2/20/98 (the "2/20/98 8-K")
- 2.20 Contract of Sale, dated October 20, 1997 between Home Properties of New York, L.P. and Hudson Palisades Associates relating to Cloverleaf Apartments Incorporated by reference to the 2/20/98 8-K
- 2.21 Contribution Agreement, dated November 17, 1997 among Home Properties of New York, L.P. and various trusts relating to Scotsdale Apartments Incorporated by reference to the 2/20/98 8-K
- 2.22 Contribution Agreement, dated November 7, 1997 among Home Properties of New York, L.P. and Donald H. Schefmeyer and Stephen W. Hall relating to Candlewood Apartments, together with Amendment No. One dated December 3, 1997 Incorporated by reference to the 2/20/98 8-K
- 2.23 Purchase and Sale Agreement dated November 26, 1997 among Home Properties of New York, L.P. and Cedar Glen Associates Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 3/24/98 (the "3/24/98 8-K")
- 2.24 Contribution Agreement dated March 2, 1998 among Home Properties of New York, L.P., Braddock Lee Limited Partnership and Tower Construction Group, LLC Incorporated by reference to the 3/24/98 8-K
- 2.25 Contribution Agreement dated March 2, 1998 among Home Properties of New York, L.P., Park Shirlington Limited Partnership and Tower Construction Group, LLC Incorporated by reference to the 3/24/98 8-K
- 2.26 Contract of Sale between Lake Grove Incorporated by reference to

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- Associates Corp. and Home Properties of New York L.P., dated December 17, 1996, relating to the Lake Grove Apartments
- the Form 10-K filed by Home Properties of New York, Inc. for the year ended 12/31/96 (the "12/31/96 10K")
- 2.27 Form of Contribution Agreement among Home Properties of New York, L.P. and Strawberry Hill Apartment Company LLLP, Country Village Limited Partnership, Morningside Six, LLLP, Morningside North Limited Partnership and Morningside Heights Apartment Company Limited Partnership with schedule setting forth material details in which documents differ from form
- Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 5/22/98 (the "5/22/98 8-K")
- 2.28 Form of Purchase and Sale Agreement relating to the Kaplan Portfolio with schedule setting forth material details in which documents differ from form
- Incorporated by reference to the 5/22/98 8-K
- 2.29 Form of Contribution Agreement dated June 7, 1999, relating to the CRC Portfolio with schedule setting forth material details in which documents differ from form
- Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 7/2/99 (the "7/2/99 8-K")
- 2.30 Form of Contribution Agreement relating to the Mid-Atlantic Portfolio with schedule setting forth material details in which documents differ from form
- Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 7/30/99
- 2.31 Contribution Agreement among Home Properties of New York, L.P., Leonard Klorfine, Ridley Brook Associates and the Greenacres Associates
- Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 10/5/99 (the "10/5/99 8-K")
- 2.32 Purchase and Sale Agreement among Home Properties of New York, L.P. and Chicago
- Incorporated by reference to the 10/5/99 8-K
- Colony Apartments Associates
- 2.33 Contribution Agreement among Home Properties of New York, L.P., Gateside-Bryn Mawr Company, L.P., Willgold Company, Gateside-Trexler Company, Gateside-Five Points Company, Stafford Arms, Gateside-Queensgate Company, Gateside Malvern Company, King Road Associates and Cottonwood Associates
- Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 4/5/00
- 2.34 Form of Contribution Agreement between Old Friends Limited Partnership and Home Properties of New York, L.P. and Home Properties of New York, Inc., along with Amendments Number 1 and 2 thereto
- Incorporated by reference to the Form 8-K/A filed by Home Properties of New York, Inc. on 12/5/00 (the "12/5/00 8-K/A")
- 2.35 Form of Contribution Agreement between Deerfield Woods Venture Limited
- Incorporated by reference to the 12/5/00 8-K/A

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Partnership and Home Properties of
New York, L.P.

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| 2.36 | Form of Contribution Agreement between Macomb Apartments Limited Partnership and Home Properties of New York, L.P. | Incorporated by reference to the 12/5/00 8-K/A |
| 2.37 | Form of Contribution Agreement between Home Properties of New York, L.P. and Elmwood Venture Limited Partnership | Incorporated by reference to the 12/5/00 8-K/A |
| 2.38 | Form of Sale Purchase and Escrow Agreement between Bank of America as Trustee and Home Properties of New York, L.P. | Incorporated by reference to the 12/5/00 8-K/A |
| 2.39 | Form of Contribution Agreement between Home Properties of New York, L.P., Home Properties of New York, Inc. and S&S Realty, a New York General Partnership (South Bay) | Incorporated by reference to the 12/5/00 8-K/A |
| 2.40 | Form of Contribution Agreement between Hampton Glen Apartments Limited Partnership and Home Properties of New York, L.P. | Incorporated by reference to the 12/5/00 8-K/A |
| 2.41 | Form of Contribution Agreement between Home Properties of New York, L.P. and Axtell Road Limited Partnership | Incorporated by reference to the 12/5/00 8-K/A |
| 2.42 | Form of Contribution Agreement between Elk Grove Terrace II and III, L.P., Elk Grove Terrace, L.P. and Home Properties of New York, L.P. | Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 1/10/01 |
| 3.1 | Articles of Amendment and Restatement of Articles of Incorporation of Home Properties of New York, Inc. | Incorporated by reference to Home Properties of New York, Registration Statement on Form S-11, File No. 33-78862 (the "S-11 Registration Statement") |
| 3.2 | Articles of Amendment of the Articles of Incorporation of Home Properties of New York, Inc. | Incorporated by reference to the Home Properties of New York, Inc. Registration Statement on Form S-3 File No. 333-52601 filed May 14, 1998 (the "5/14/98 S-3") |
| 3.3 | Articles of Amendment of the Articles of Incorporation of Home Properties of New York, Inc. | Incorporated by reference to 7/2/99 8-K |
| 3.4 | Amended and Restated Articles Supplementary of Series A Senior Convertible Preferred Stock of Home Properties of New York, Inc. | Incorporated by reference to the Home Properties of New York, Inc. Registration Statement on Form S-3, |

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	File No. 333-93761, filed 12/29/99 (the "12/29/99 S-3")
3.5 Series B Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.	Incorporated by reference to the Home Properties of New York, Inc. Registration Statement on Form S-3, File No. 333-92023, filed 12/3/99
3.6 Series C Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.	Incorporated by reference to the Form 8-K filed by Home filed by Home Properties of New York, Inc. on 5/22/00 (the "5/22/00 8-K")
3.7 Series D Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.	Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 6/12/00 (the "6/12/00 8-K")
3.8 Series E Convertible Cumulative Preferred Stock Articles Supplementary to the Amended and Restated Articles of Incorporation of Home Properties of New York, Inc.	Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 12/22/00 (the "12/22/00 8-K")
3.9 Amended and Restated By-Laws of Home Properties of New York, Inc. (Revised 12/30/96)	Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. dated December 23, 1996 (the "12/23/96 8- K")
4.1 Form of certificate representing Shares of Common Stock	Incorporated by reference to the Form 10- K filed by Home Properties of New York, Inc. for the period ended 12/31/94 (the "12/31/94 10-K")
4.2 Agreement of Home Properties of New York, Inc. to file instruments defining the rights of holders of long-term debt of it or its subsidiaries with the Commission upon request	Incorporated by reference to the 12/31/94 10-K
4.3 Credit Agreement between Manufacturers Traders Trust Company, Home Properties of New York, L.P. and Home Properties of New York, Inc.	Incorporated by reference to the Form 10-Q filed by Home Properties of New York, Inc. for the quarterly period ended 6/30/94 (the "6/30/94 10-Q")
4.4 Amendment Agreement between Manufacturers and Traders Trust Company, Home Properties of New York, L.P. and Home Properties of New York, Inc. amending the Credit Agreement	Incorporated by reference to the 12/31/94 10-K

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| 4.5 | Mortgage Spreader, Consolidation and Modification Agreement between Manufacturers and Traders Trust Company and Home Properties of New York, L.P., together with form of Mortgage, Assignment of Leases and Rents and Security Agreement incorporated therein by reference | Incorporated by reference to the 6/30/94 10-Q |
| 4.6 | Mortgage Note made by Home Properties of New York, L.P. payable to Manufacturers and Traders Trust Company in the principal amount of \$12,298,000 | Incorporated by reference to the 6/30/94 10-Q |
| 4.7 | Spreader, Consolidation, Modification and Extension Agreement between Home Properties of New York, L.P. and John Hancock Mutual Life Insurance Company, dated as of October 26, 1995, relating to indebtedness in the principal amount of \$20,500,000 | Incorporated by reference to the Form 10-K filed by Home Properties New York, Inc. for the period ended 12/31/95 (the "12/31/95 10-K") |
| 4.8 | Amended and Restated Stock Benefit Plan of Home Properties of New York, Inc. | Incorporated by reference to the 6/6/97 8-K |
| 4.9 | Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan | Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc., dated 12/23/97 |
| 4.10 | Amendment No. One to Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan | Incorporated by reference to the Home Properties of New York, Inc. Registration Statement on Form S-3, File No. 333-49781, filed on 4/9/98 (the "4/9/98 S-3") |
| 4.11 | Amendment No. Two to Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan | Incorporated by reference to the Home Properties of New York Inc. Registration Statement on Form S-3, File No. 333-58799, filed on 7/9/98 (the "7/9/98 S-3") |
| 4.12 | Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan | Incorporated by reference to Home Properties of New York, Inc. Form 10-Q for the Quarter ended 6/30/98 (the "6/30/98 10-Q") |
| 4.13 | Amendment No. Three to Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan | Incorporated by reference to the Home Properties of New York, Inc. Registration Statement on Form S-3, Registration No. 333-67733, filed on 11/23/98 (the "11/23/98 S-3") |

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4.14	Directors' Stock Grant Plan	Incorporated by reference to the 5/22/98 8-K
4.15	Director, Officer and Employee Stock Purchase and Loan Plan	Incorporated by reference to 5/22/98 8-K
4.16	Home Properties of New York, Inc., Home Properties of New York, L.P. Executive Retention Plan	Incorporated by reference to the 7/2/99 8-K
4.17	Home Properties of New York, Inc. Deferred Bonus Plan	Incorporated by reference to the 7/2/99 8-K
4.18	Fourth Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan	Incorporated by reference to the Registration Statement on Form S-3, File No. 333-94815 filed on 1/18/2000
4.19	Directors Deferred Compensation Plan	Incorporated by reference to the Home Properties of New York, Inc. Form 10-K for the period ended 12/31/99 (the "12/31/99 10-K")
4.20	Agency Fee and Warrant Agreement	Incorporated by reference to the Form 8-K/A filed by Home Properties of New York, Inc. on 6/9/00 (the "6/9/00 8-K/A")
4.21	Form of Warrant	Incorporated by reference to the 6/9/00 8-K/A
4.22	Agency Fee and Warrant Agreement, Amendment No.1	Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc. on 6/30/00 (the "6/30/00 8-K")
4.23	Home Properties of New York, Inc. Amendment Number One to the Amended and Restated Stock Benefit Plan	Incorporated by reference to the Form 10-Q of Home Properties of New York, Inc. for the quarter ended 3/31/00 (the "3/31/00 10-Q")
4.24	Fifth Amended and Restated Dividend Reinvestment, Stock Purchase, Resident Stock Purchase and Employee Stock Purchase Plan	Incorporated by reference to the Registration Statement on Form S-3, file No. 333-54160, filed 1/23/01
4.25	Sixth Amended and Restated Dividend Reinvestment and Direct Stock Purchase Plan	Incorporated by reference to the Form 10-K filed by Home Properties of New York, Inc., for the annual

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		period ended 12/31/00 (the "12/31/00 10-K")
4.26	Home Properties of New York, Inc. Amendment Number Two to the Amended and Restated Stock Benefit Plan	Filed herewith
4.27	Amendment No. One to Home Properties of New York, Inc. Deferred Bonus Plan	Filed herewith
10.1	Second Amended and Restated Agreement Limited Partnership of Home Properties of New York, L.P.	Incorporated by reference to the 9/26/97 8-K
10.2	Amendments No. One through Eight to the Second Amended and Restated Agreement of Limited Partnership of Home Properties of New York, L.P.	Incorporated by reference to Form 10-K of Home Properties of New York, Inc. for the period ended 12/31/97 (the "12/31/97 10-K")
10.3	Articles of Incorporation of Home Properties Management, Inc.	Incorporated by reference to the S-11 Registration Statement
10.4	By-Laws of Home Properties Management, Inc.	Incorporated by reference to S-11 Registration Statement
10.5	Articles of Incorporation of Conifer Realty Corporation	Incorporated by reference to 12/31/95 10-K
10.6	Articles of Amendment to the Articles of Incorporation of Conifer Realty Corporation Changing the name to Home Properties Resident Services, Inc.	Incorporated by reference to the 12/31/00 10-K
10.7	By-Laws of Conifer Realty Corporation	Incorporated by reference to the 12/31/95 10-K
10.8	Home Properties Trust Declaration of Trust, dated September 19, 1997	Incorporated by reference to the 9/26/97 8-K
10.9	Employment Agreement between Home Properties of New York, L.P. and Norman P. Leenhouts	Incorporated by reference to the 6/30/94 10-Q
10.10	Amendments No. One, Two and Three to the Employment Agreement between Home Properties of New York, L.P. and Norman P. Leenhouts	Incorporated by reference to the Form 10-K filed by Home Properties of New York, Inc. for the year ended 12/31/98 (the "12/ 31/98 10-K")

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| 10.11 | Employment Agreement between Home Properties of New York, L.P. and Nelson B. Leenhouts | Incorporated by reference to the 6/30/94 10-Q |
| 10.12 | Amendments No. One, Two and Three to the Employment Agreement between Home Properties of New York, L.P. and Nelson B. Leenhouts | Incorporated by reference to the 12/31/98 10-K |
| 10.13 | Indemnification Agreement between Home Properties of New York, Inc. and certain officers and directors | Incorporated by reference to the 6/30/94 10-Q |
| 10.14 | Indemnification Agreement between Home Properties of New York, Inc. and Richard J. Crossed | Incorporated by reference to the 12/31/95 10-K |
| 10.15 | Indemnification Agreement between Home Properties of New York, Inc. and Alan L. Gosule | Incorporated by reference to the 12/31/96 10-K |
| 10.16 | Registration Rights Agreement among Home Properties of New York, Inc., Home Leasing Corporation, Leenhouts Ventures, Norman P. Leenhouts, Nelson B. Leenhouts, Amy L. Tait, David P. Gardner, Ann M. McCormick, William Beach, Paul O'Leary, Richard J. Struzzi, Robert C. Tait, Timothy A. Florczak and Laurie Tones | Incorporated by reference to the 6/30/94 10-Q |
| 10.17 | Agreement of Operating Sublease, dated October 1, 1986, among KAM, Inc., Morris Massry and Raintree Island Associates, as amended by Letter Agreement Supplementing Operating Sublease dated October 1, 1986 | Incorporated by reference to the S-11 Registration Statement |
| 10.18 | Form of Term Promissory Note payable to Home Properties of New York, by officers and directors in association with the Executive and Director Stock Purchase and Loan Program | Incorporated by reference to the 12/31/96 10-K |
| 10.19 | Form of Pledge Security Agreement executed by officers and directors in connection with Executive and Director Stock Purchase and Loan Program | Incorporated by reference to the 12/31/96 10-K |
| 10.20 | Schedule of Participants, loan amounts and shares issued in connection with the Executive and Director Stock Purchase and Loan Program | Incorporated by reference to the 12/31/96 10-K |
| 10.21 | Subordination Agreement between Home Properties of New York, Inc. and The Chase Manhattan Bank relating to the Executive and Director Stock Purchase and Loan Program | Incorporated by reference to the 12/31/96 10-K |
| 10.22 | Partnership Interest Purchase Agreement, | Incorporated by reference to |

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- dated as of December 23, 1996 among Home Properties of New York, Inc., Home Properties of New York, L.P. and State of Michigan Retirement Systems the 12/23/96 8-K
- 10.23 Registration Rights Agreement, dated as of December 23, 1996 between Home Properties of New York, Inc. and State of Michigan Retirement Systems Incorporated by reference to the 12/23/96 8-K
- 10.24 Lock-Up Agreement, dated December 23, 1996 between Home Properties of New York, Inc. and State of Michigan Retirement Systems Incorporated by reference to the 12/23/96 8-K
- 10.25 Agreement dated as of April 13, 1998 between Home Properties of New York, Inc. and the Treasurer of the State of Michigan Incorporated by reference to the Home Properties of New York, Inc. Form 8-K filed 4/15/98 (the "4/15/98 8-K")
- 10.26 Amendment No. Nine to the Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership Incorporated by reference to 5/14/98 S-3
- 10.27 Master Credit Facility Agreement by and among Home Properties of New York, Inc., Home Properties of New York, L.P., Home Properties WMF I LLC and Home Properties of New York, L.P. and P-K Partnership doing business as Patricia Court and Karen Court and WMF Washington Mortgage Corp., dated as of August 28, 1998 Incorporated by reference to the Home Properties of New York, Inc. Form 10-Q for the quarter ended 9/30/98 (the "9/30/98 Form 10-Q")
- 10.28 First Amendment to Master Credit Facility Agreement, dated as of December 11, 1998 among Home Properties of New York, Inc., Home Properties of New York, L.P., Home Properties WMF I LLC and Home Properties of New York, L.P. and P-K Partnership doing business as Patricia Court and Karen Court and WMF Washington Mortgage Corp. and Fannie Mae Incorporated by reference to the 12/31/98 10-K
- 10.29 Second Amendment to Master Credit Facility Agreement, dated as of August 30, 1999 among Home Properties of New York, Inc., Home Properties of New York, L.P., Home Properties WMF I LLC and Home Properties of New York, L.P. and P-K Partnership doing business as Patricia Court and Karen Court and WMF Washington Mortgage Corp. and Fannie Mae Incorporated by reference to the 12/31/99 10-K
- 10.30 Amendments Nos. Ten through Seventeen to the Second Amended and Restated Limited Partnership Agreement Incorporated by reference to the 12/31/98 10-K
- 10.31 Amendments Nos. Eighteen through Twenty-Five to the Second Amended and Restated Incorporated by reference to the Home Properties of New

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<p>Limited Partnership Agreement</p>	<p>York, Inc. Form 10-Q for the quarter ended 9/30/99 (the "9/30/99 10-Q")</p>
<p>10.32 Credit Agreement, dated 8/23/99 between Home Properties of New York, L.P., the Lenders, Party hereto and Manufacturers and Traders Trust Company as Administrative Agent</p>	<p>Incorporated by reference to the 9/30/99 10-Q</p>
<p>10.33 Amendment No. Twenty-Seven to the Second Amended and Restated Limited Partnership Agreement</p>	<p>Incorporated by reference to the 12/29/99 S-3</p>
<p>10.34 Amendments Nos. Twenty-Six and Twenty-Eight through Thirty to the Second Amended and Restated Limited Partnership Agreement</p>	<p>Incorporated by reference to the 12/31/99 10-K</p>
<p>10.35 Registration Rights Agreement between Home Properties of New York, Inc. and GE Capital Equity Investment, Inc., dated 9/29/99</p>	<p>Incorporated by reference to the 12/31/99 10-K</p>
<p>10.36 Amendment to Partnership Interest Purchase Agreement and Exchange Agreement</p>	<p>Incorporated by reference to the 12/29/99 S-3</p>
<p>10.37 2000 Stock Benefit Plan</p>	<p>Incorporated by reference to the 12/31/99 10-K</p>
<p>10.38 Purchase Agreement between Home Properties of New York, Inc., The Prudential Insurance Company of America and Teachers Insurance And Annuity Association of America</p>	<p>Incorporated by reference to 5/22/00 8-K</p>
<p>10.39 Purchase Agreement between Home Properties of New York, Inc. and The Equitable Life Assurance Society of the United States</p>	<p>Incorporated by reference to the 6/12/00 8-K</p>
<p>10.40 Purchase Agreement between Home Properties of New York, Inc. and the Pacific Life Insurance Company and AEW Capital Management</p>	<p>Incorporated by reference to the 6/3/00 8-K</p>
<p>10.41 Home Properties of New York, L.P. Amendment Number One to Executive Retention Plan</p>	<p>Incorporated by reference to the 3/31/00 10-Q</p>
<p>10.42 Amendments No. Thirty-One and Thirty-Two to the Second Amended and Restated Limited Partnership Agreement</p>	<p>Incorporated by reference to the 3/31/00 10-Q</p>
<p>10.43 Form of Purchase and Sale Agreement between Blackhawk Apartments Limited Partnership and Home Properties of New York, L.P.</p>	<p>Incorporated by reference to the 12/5/00 8-K/A</p>
<p>10.44 Form of Purchase and Sale Agreement between Home Properties of New York, L.P. and Caesar Figoni</p>	<p>Incorporated by reference to the 12/5/00 8-K/A</p>
<p>10.45 Form of Real Estate Purchase Agreement between Smith Property Holdings Orleans,</p>	<p>Incorporated by reference to the 12/5/00 8-K/A</p>

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LLC and Home Properties of New York, L.P.

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| 10.46 | Purchase Agreement between Home Properties of New York, Inc., The Prudential Insurance Company of America and Teachers Insurance and Annuity Association of America | Incorporated by reference to the 12/22/00 8-K |
| 10.47 | Employment Agreement between Home Properties of New York, L.P., Home Properties of New York Inc. and Edward J. Pettinella, and Amendment No. One, thereto | Incorporated by reference to the 12/31/00 10-K |
| 10.48 | Consulting Agreement between Home Properties of New York, L.P. and Amy L. Tait | Incorporated by reference to the 12/31/00 10-K |
| 10.49 | Amendment No. Thirty Three to the Second Amended and Restated Limited Partnership Agreement | Incorporated by reference to the 12/31/00 10-K |
| 10.50 | Amendment No. Thirty Five to the Second Amended and Restated Limited Partnership Agreement | Incorporated by reference to the 12/31/00 10-K |
| 10.51 | Amendment No. Forty Two to the Second Amended and Restated Limited Partnership Agreement | Incorporated by reference to the 12/31/00 10-K |
| 10.52 | Amendments Nos. Thirty Four, Thirty Six through Forty One, Forty Three and Forty Four to the Second Amended and Restated Limited Partnership Agreement | Incorporated by reference to the 12/31/00 10-K |
| 10.53 | Purchase and Sale Agreement among Home Properties of New York, L.P., Conifer Realty Corporation and Conifer Realty LLC, and Amendments Nos. One and Two thereto. | Incorporated by reference to the 12/31/00 10-K |
| 10.54 | Purchase and Sale Agreement by and between Sandalwood Co-Op, Inc. and Home Properties of New York, L.P., dated April 12, 2001 | Incorporated by reference to the Form 8-K filed by Home Properties of New York, Inc., dated August 3, 2001 (the "8/3/01 8-K") |
| 10.55 | Contribution Agreement by and among Home Properties of New York, L.P. and Lincolnia Limited Partnership, dated April 30, 2001 | Incorporated by reference to the 8/3/01 8-K |
| 10.56 | Purchase and Sale Agreement between Windsor at Hauppauge Limited Partnership and Home Properties of New York, L.P., dated as of May, 2001 | Incorporated by reference to the 8/3/01 8-K |
| 10.57 | Amendment Nos. Forty-Five through Fifty-One to the Second Amendment and Restated Limited Partnership Agreement | Filed herewith |
| 10.58 | Home Properties of New York, Inc. Amendment | Filed herewith |

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No. One to 2000 Stock Benefit Plan

10.59	Home Properties of New York, Inc. Amendment No. Two to 2000 Stock Benefit Plan	Filed herewith
11	Computation of Per Share Earnings Schedule	Filed herewith
21	List of Subsidiaries of Home Properties of New York, Inc.	Filed herewith
23	Consent of PricewaterhouseCoopers LLP	Filed herewith
99	Additional Exhibits - Debt Summary Schedule	Filed herewith