

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K  
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 27, 2009

**NTS REALTY HOLDINGS LIMITED PARTNERSHIP**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other  
jurisdiction of  
incorporation)

**001-32389**  
(Commission file  
number)

**41-2111139**  
(IRS Employer  
Identification No.)

**10172 Linn Station Road  
Louisville, Kentucky 40223**  
(Address of principal executive offices)

**(502) 426-4800**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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#### **Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.**

On March 27, 2009, NTS Realty Holdings Limited Partnership (the “Company”) issued a press release to announce it will restate its audited financial results for the fiscal year ended December 31, 2007, to correct the accounting treatment related to the results of operations for two properties, The Overlook and Creek’s Edge, in which the Company owns undivided tenant-in-common interests. The decision to restate these audited financial results was based on an analysis performed following the Company’s receipt of a comment letter from the Securities and Exchange Commission pursuant to its review of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2007. The single issue raised by the SEC in its review addressed the accounting treatment related to these properties.

The Company’s decision was made on March 27, 2009, by the audit committee of the Company’s managing general partner, NTS Realty Capital, Inc., in consultation with members of the Company’s management and its independent accountants, Ernst & Young LLP. As a result of the restatement, the Company will correct the accounting treatment with respect to its investment in The Overlook and Creek’s Edge by using the equity method of accounting as opposed to consolidating the properties. The Company estimates this change in accounting treatment will reduce its assets by approximately \$68.0 million, reduce liabilities by approximately \$59.0 million and eliminate an approximately \$9.0 million minority interest on its balance sheet. However, the Company’s loss from continuing operations, net income, corresponding limited partner per unit amounts and partners’ equity should not be affected, and the Company’s debt-to-equity ratio is expected to improve. In light of the restatement, the previously issued financial statements for the year ended December 31, 2007, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2007, and the related report of independent registered public accounting firm, Ernst & Young LLP, should no longer be relied upon. In addition, the financial statements contained in the Company’s quarterly Form 10-Q filings for periods subsequent to the relevant property acquisitions in March 2007 can no longer be relied upon. Investors should rely on the Company’s forthcoming restated financial statements and other financial information for 2007, which the Company expects to include in its Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated in its entirety in this Item 4.02 disclosure by reference.

#### **Item 9.01. Financial Statements and Exhibits.**

- (a) Financial Statements of Businesses Acquired: N/A
- (b) Pro Forma Financial Information: N/A
- (c) Shell Company Transactions: N/A
- (d) Exhibits:
  - 99.1 Press release of NTS Realty Holdings Limited Partnership, dated March 27, 2009

## SIGNATURES

Pursuant to the requirements 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.

### NTS REALTY HOLDINGS LIMITED PARTNERSHIP

By: NTS Realty Capital, Inc.  
Its: Managing General Partner

A handwritten signature in blue ink, appearing to read "Gregory A. Wells", written in a cursive style.

By: Gregory A. Wells  
Its: Executive Vice President and CFO

Date: March 30, 2009



10172 Linn Station Road  
Louisville, Kentucky 40223  
(502) 426-4800

**Contact: Gregory A. Wells, Executive Vice President and CFO**

**Date: March 27, 2009**

**FOR IMMEDIATE RELEASE**

**NTS Realty Holdings Limited Partnership Announces its Intention to Restate its Audited Financial Results for the Fiscal Year Ended December 31, 2007**

**Louisville, KY (March 27, 2009) (NYSE Amex: NLP) (NYSE Alternext US: NLP)** - NTS Realty Holdings Limited Partnership (the "Company") announced today that it intends to restate its audited financial results for the fiscal year ended December 31, 2007, to correct accounting treatment related to the results of operations for two properties in which the Company owns undivided tenant-in-common interests. On March 27, 2009, the audit committee of the Company's managing general partner, NTS Realty Capital, Inc., in consultation with members of the Company's management and its independent accountants, Ernst & Young LLP, determined that the Company will correct the accounting treatment with respect to the Company's investment in the properties commonly known as The Overlook and Creek's Edge. The Company will employ the equity method of accounting in the restatement of its financial results.

The audit committee's decision was based on an analysis performed following the Company's receipt of a comment letter from the Securities and Exchange Commission ("SEC") pursuant to the SEC's review of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007. The single issue raised by the SEC in its review addressed the accounting treatment related to The Overlook and Creek's Edge. The Company issued several responses to the SEC's comment and, ultimately, agreed to take this action.

A spokesperson for the Company indicated that, "The Company estimates this change in accounting treatment will reduce our assets by approximately \$68.0 million, reduce liabilities by approximately \$59.0 million and eliminate an approximately \$9.0 million minority interest on our balance sheet. However, the Company's Loss from continuing operations, net income, corresponding limited partner per unit amounts and partners' equity were not affected, and our debt-to-equity ratio is expected to improve."

The Company intends to include the restatement of its 2007 audited financial statements in its Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which it expects to file in a timely fashion. The Company will also update the unaudited quarterly financial information footnote to give effect to the equity method of accounting for the two properties in which it holds an undivided tenant-in-common interest. In addition, the Company intends to file a Current Report on Form 8-K to indicate that, in light of its forthcoming restated financial statements, the Company's 2007 audited financial statements cannot be relied upon.

## **About NTS Realty Holdings Limited Partnership**

The Company directly, or as a tenant-in-common with an unaffiliated third party, currently owns twenty-two properties comprised of twelve multifamily properties, seven office buildings and business centers and three retail properties. The properties are located in and around Louisville and Lexington, Kentucky, Nashville and Cordova, Tennessee, Richmond, Virginia, Fort Lauderdale, Florida, Indianapolis, Indiana and Atlanta, Georgia. The Company's limited partnership units are listed on the NYSE Amex platform under the trading symbol of "NLP".

## **Safe Harbor Under the Private Securities Litigation Reform Act of 1995**

This press release contains forward looking statements that can be identified by the use of words like "believe," "expect," "may," "could," "intend," "project," "estimate," or "anticipate." These forward looking statements, implicitly or explicitly, include assumptions underlying the statements and other information with respect to the Company's beliefs, plans, objectives, goals, expectations, estimates, intentions, financial condition, results of operations, future performance and business, including its expectation of, and estimates with respect to, revenues, expenses, earnings, return of and on equity, return on assets, asset quality and other financial data and performance ratios. Although the Company believes that the expectations reflected in its forward looking statements are reasonable, these statements involve risks and uncertainties which are subject to change based on various important factors, some of which are beyond the Company's control. Important factors that would cause actual results to differ materially from expectations are disclosed under "Risk Factors" and elsewhere in the Company's most recent annual report on Form 10-K, which was filed on March 25, 2008, and registration statement on Form S-4, which became effective on October 27, 2004.

If one or more of the factors affecting forward looking information and statements proves incorrect, the Company's actual results of operations, financial condition or prospects could differ materially from those expressed in, or implied by, the forward looking information and statements contained in this press release.

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