

# IRET

## Annual Meeting of Shareholders

September 15, 2015

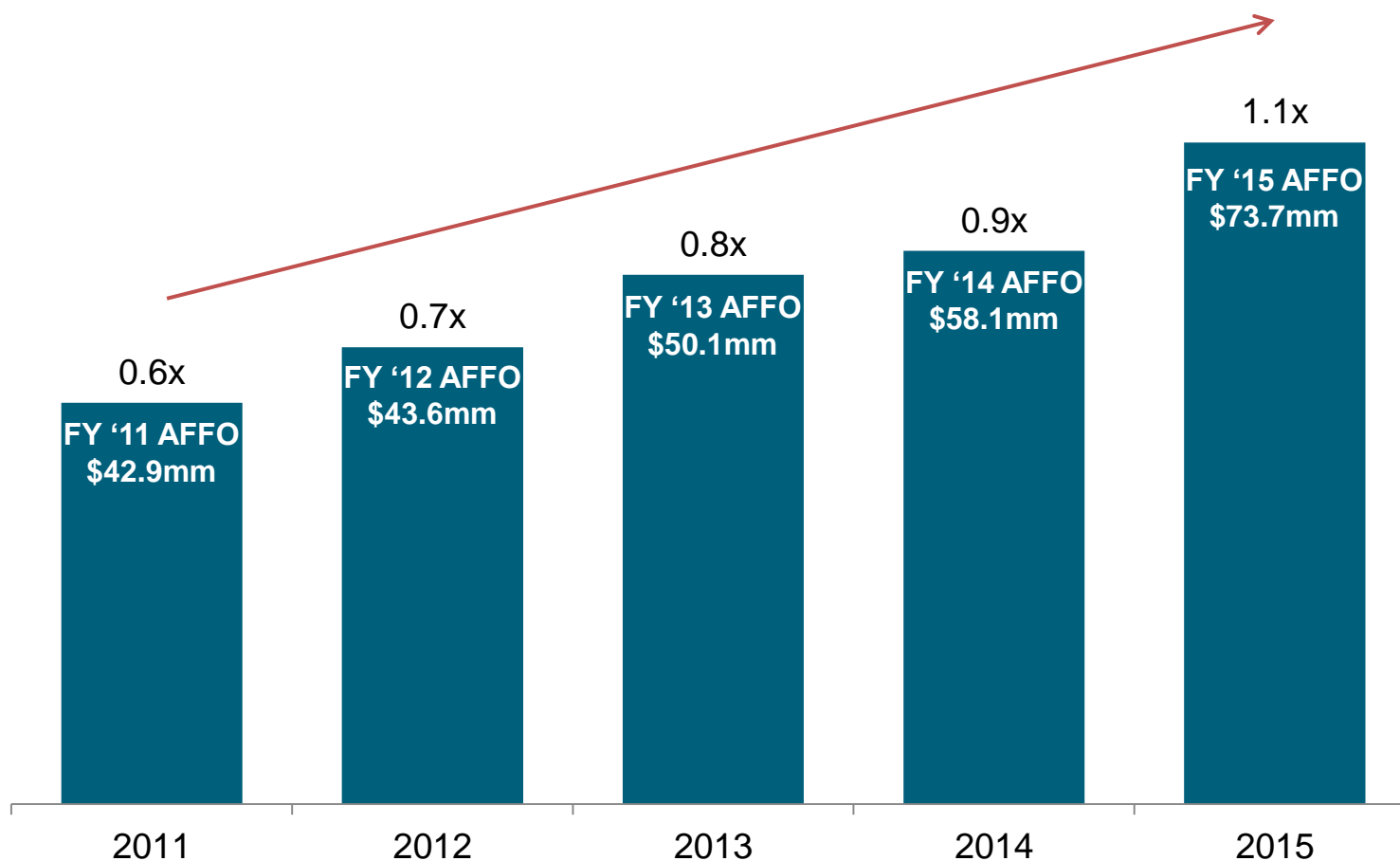
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## IRET successfully executed on its top priorities during 2015

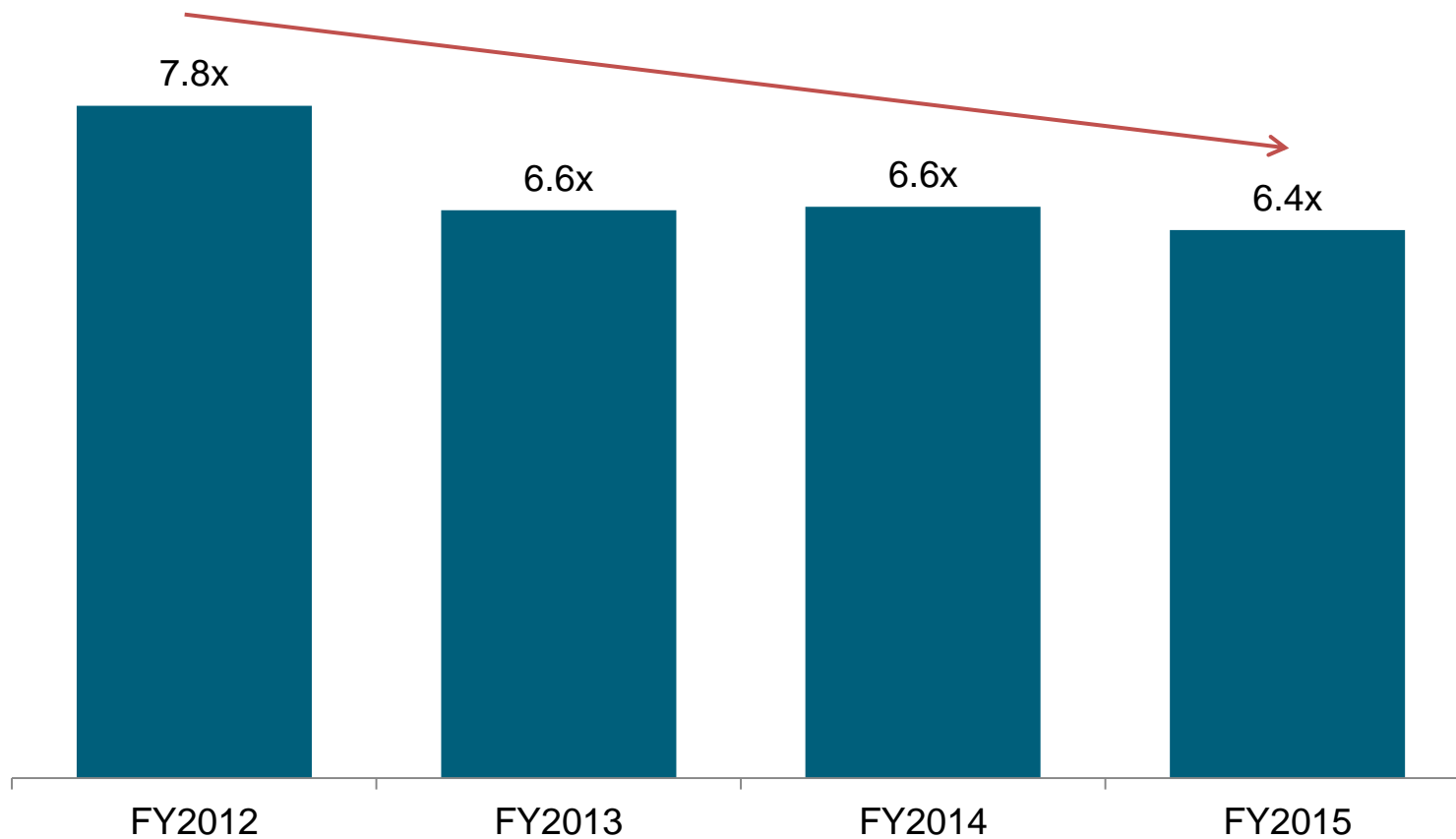
Highlights	Commentary
Covered Dividend with AFFO	<ul style="list-style-type: none"> <li>✓ Increased AFFO Coverage from 0.9x to 1.1x</li> <li>✓ AFFO increased from \$58.1mm to \$73.7mm</li> </ul>
Decreased Debt	<ul style="list-style-type: none"> <li>✓ Since 2012, annual net debt to adjusted EBITDA decreased from 7.8x to 6.4x                             <ul style="list-style-type: none"> <li>■ During 2015, quarterly net debt to adjusted EBITDA decreased from 6.9x to 6.2x</li> </ul> </li> </ul>
Exiting Non-Core Assets	<ul style="list-style-type: none"> <li>✓ Closed on sale of 12 office &amp; 4 retail properties</li> <li>✓ Announced sale of 39 office &amp; 17 retail properties</li> </ul>
Delivered on Development Projects	<ul style="list-style-type: none"> <li>✓ Placed five multi-family projects into service                             <ul style="list-style-type: none"> <li>■ Added 636 multi-family units</li> </ul> </li> </ul>
Maintained Dividend	<ul style="list-style-type: none"> <li>✓ Maintained one of the highest dividend yields</li> </ul>

✓ IRET's AFFO now covers its dividend payment



**IRET's 2015 coverage ratio is 65% higher than 2011**

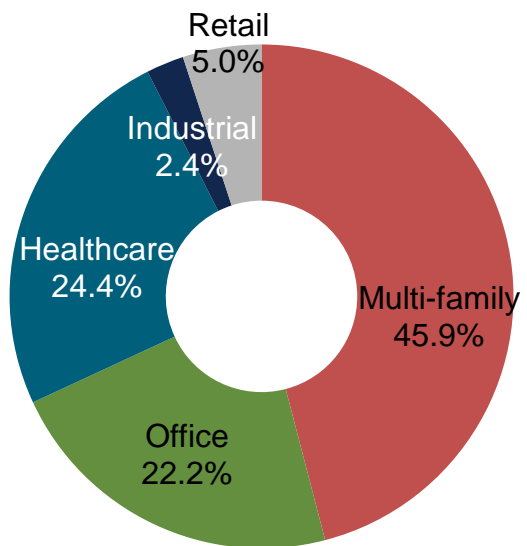
✓ IRET meaningfully decreased its net debt to adjusted EBITDA ratio in the past four years



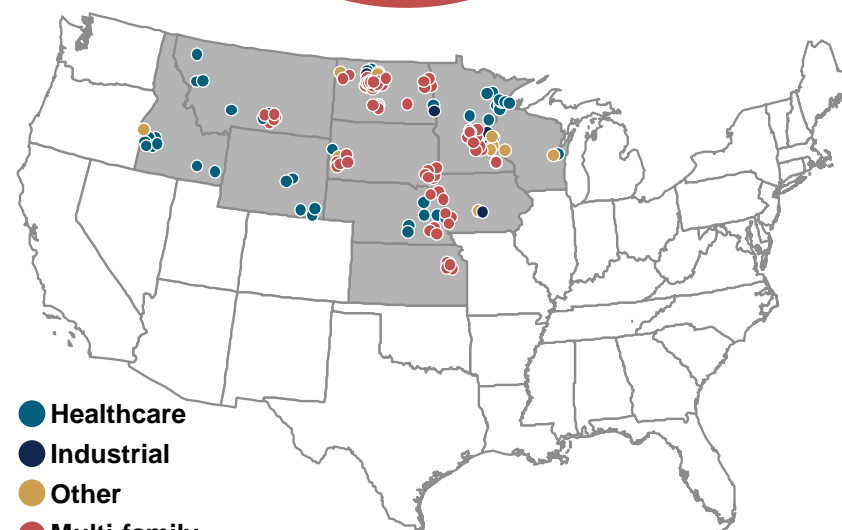
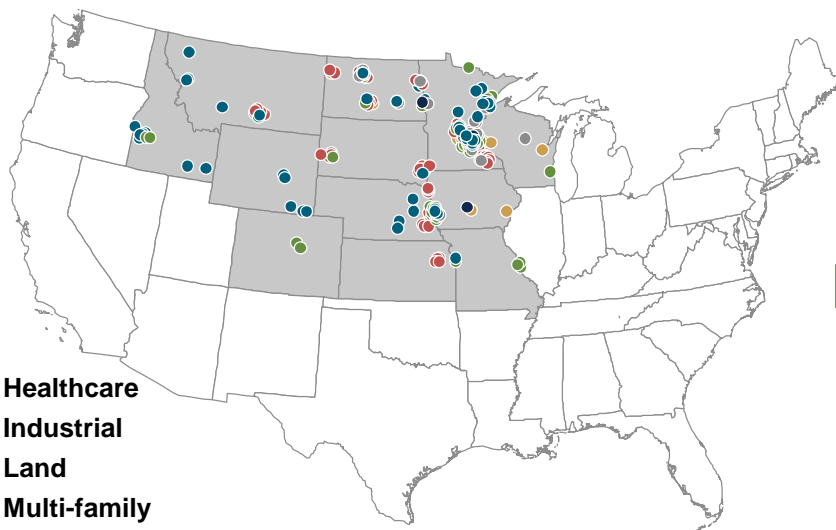
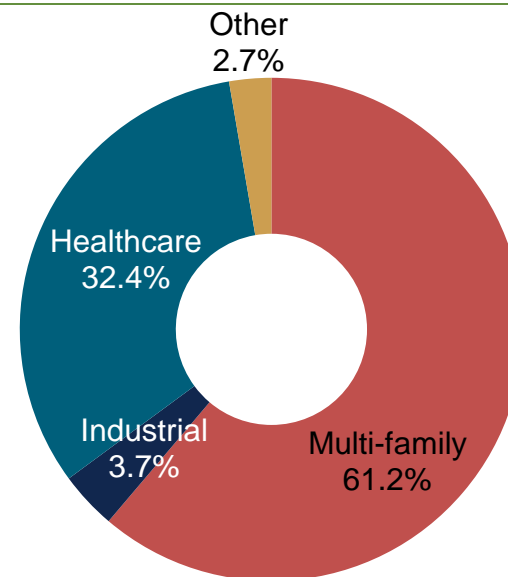
**IRET's net debt to adjusted EBITDA ratio has declined 18%**

✓ IRET is swiftly and successfully executing on its repositioning strategy

As of January 23, 2015



Pro Forma for Office and Retail Dispositions



- Healthcare
- Industrial
- Land
- Multi-family
- Office
- Retail

- Healthcare
- Industrial
- Other
- Multi-family

## ✓ IRET is delivering on its development plan

### FY 2015 Development Placed in Service

- Placed 636 multi-family units and 207,805 sq. ft. of retail and industrial into service during 2015

Name	Property Type	Location	Units	Sq. Ft.
Dakota Commons	Multi-family	Williston, ND	44	--
Red 20	Multi-family	Minneapolis, MN	130	--
Commons at Southgate	Multi-family	Minot, ND	233	--
Cypress Court II	Multi-family	St. Cloud, MN	64	--
Arcata	Multi-family	Golden Valley, MN	165	--
Roseville	Industrial	Roseville, MN	--	202,807
Minot Southgate Wells Fargo Bank	Retail	Minot, ND	--	4,998
<b>Total</b>			<b>636</b>	<b>207,805</b>

### FY 2016 Development in Progress

- Future development opportunities are focused on multi-family and medical office buildings

Name	Property Type	Location	Anticipated Total Cost (US \$mm)
71 France	Multi-family	Edina, MN	\$73.3
Cardinal Point	Multi-family	Grand Forks, ND	\$40.0
Chateau II	Multi-family	Minot, ND	\$14.7
Deer Ridge	Multi-family	Jamestown, ND	\$24.5
Edina 6565 France SMC III	Healthcare	Edina, MN	\$36.8
Minot Southgate Retail	Retail	Minot, ND	\$2.9
PrairieCare Medical	Healthcare	Brooklyn Park, MN	\$24.3
Renaissance Heights	Multi-family	Williston, ND	\$62.4
<b>Total</b>			<b>\$278.9</b>

### Select Recent Developments

*Red 20, Multi-family – Recently stabilized in Q1 2016*



*Edina 6565 France, MOB – Opened in Q2 2016*





## Commons at Southgate

Multi-family  
Minot, ND  
Rentable Units: 233  
4/30/15 Occupancy: 92.7%  
Began Lease Up: Aug. 2014

## Cypress Court II

Multi-family  
St. Cloud, MN  
Rentable Units: 64  
4/30/15 Occupancy: 96.9%  
Began Lease Up: Jan. 2015

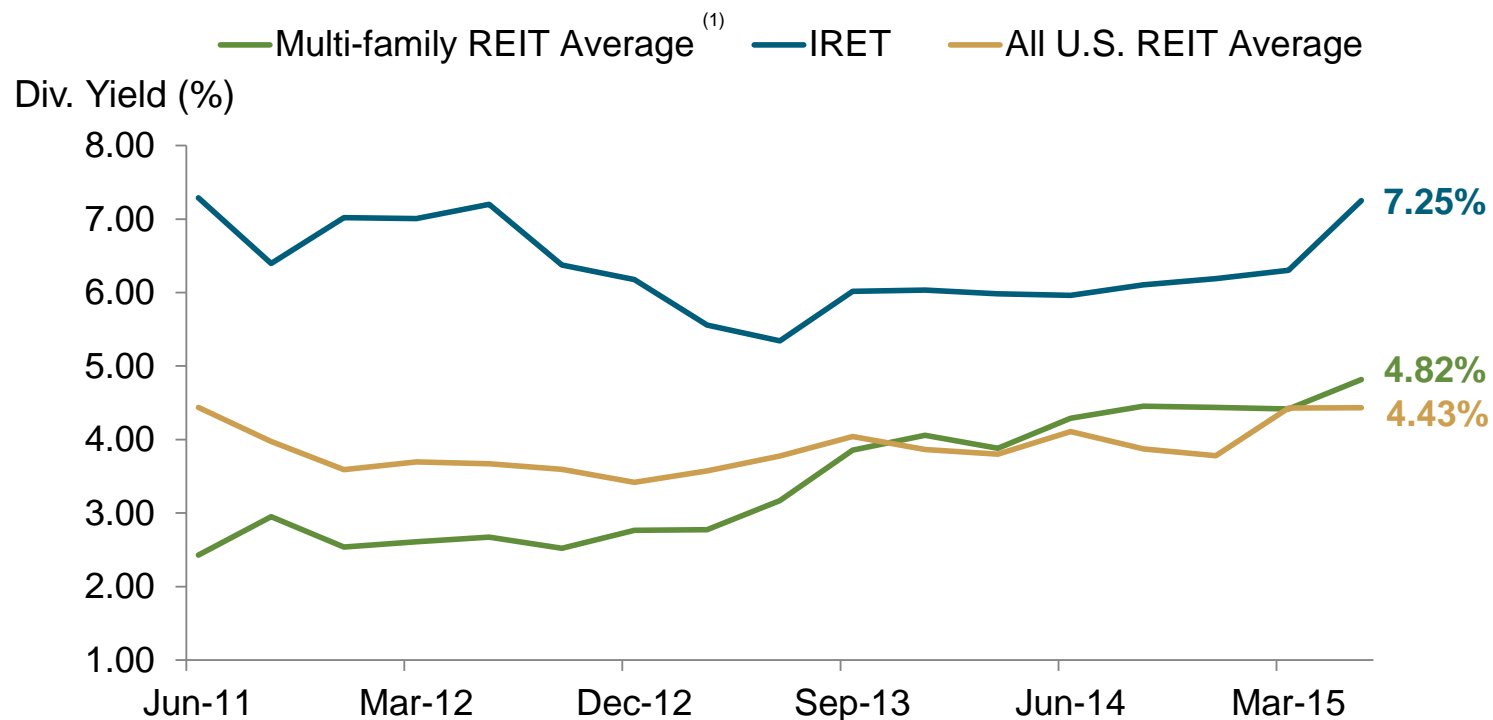


## Red 20

Multi-family  
Minneapolis, MN  
Rentable Units: 130  
4/30/15 Occupancy: 75.4%  
Began Lease Up: Oct. 2014



✓ IRET has consistently maintained a high dividend yield



**IRET's dividend yield is significantly higher than the REIT universe and total multi-family REIT average**

1. Multi-family REIT Average is comprised of AIV, AVB, BRG, CPT, EQR, ESS, HME, IRT, MAA, MORE, NXRT, PPS, APTS, TSRE, and UDR.  
Source: SNL Financial



IRET is fully committed to refocusing its portfolio and executing its strategic objectives during 2016

## Objectives

Decrease debt to below 6.0x debt to EBITDA

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Share buyback plan

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Deliver on development

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Grow through targeted acquisitions

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Execution of strategic repositioning

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Maintain dividend

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