



Investor Presentation

Shareholder Reception | Minot, ND

May 24, 2017

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EVOLUTION AND TRANSFORMATION

Over the last five years, Company leadership worked deliberately to improve the visibility and appeal of IRET and the quality of its business

- NASDAQ listing in 1997; transferred to NYSE in 2012
- First secured credit facility in 2010; expanded in 2013 and 2014
- First unsecured credit facility in 2017
- Dividend cuts in 2011 and 2016
- Office, industrial, retail, and senior housing sales from 2013-2017
- Initiated leadership changes to add specialization and industry expertise from 2011-2017



A MULTIFAMILY FOCUS

A narrower focus on multifamily properties requires greater specialization from IRET leadership

Recent additions to IRET's board and management have:

- National perspective
- Institutional understanding
- Industry experience
- Market relationships
- Product expertise
- Operational proficiency

...and bring deep knowledge of multifamily:

- Corporate strategy
- Capital markets
- Portfolio planning
- Financial reporting
- Technology implementation
- Revenue maximization

LEADERSHIP GOALS

IRET leadership team is fully committed to growing and transforming the Company to be a recognized best-in-class apartment owner and operator.



We expect to improve IRET's portfolio by enhancing its operations, adding quality assets, and strengthening its financial position.



Our shared goals are to increase the Company's focus, quality, flexibility, and efficiency to improve cash flow and increase shareholder returns.

LEADERSHIP GOALS

Increase Focus

- Deepen market expertise and increase deal flow
- Strengthen competitive position

Increase Quality

- Enhance rent growth, stability, and durability
- Improve tenant satisfaction and retention
- Demonstrate disciplined capital allocation

Increase Flexibility

- Reduce capital costs and organizational risks
- Respond faster to market changes and seize opportunities

Increase Efficiency

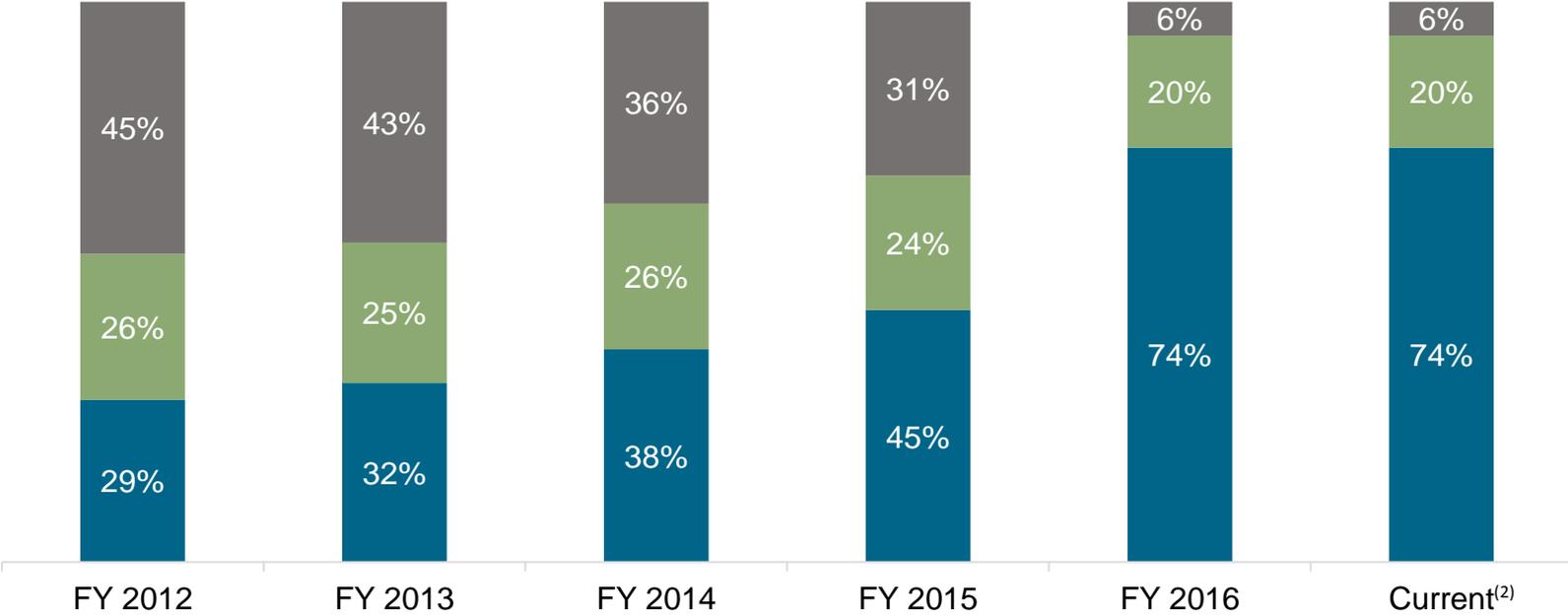
- Boost cash flow and investment returns
- Implement latest technology and operational best practices

PORTFOLIO TRANSFORMATION

Multifamily properties comprise 74% of IRET’s portfolio, up from 29% five years ago



Property Cost by Segment⁽¹⁾



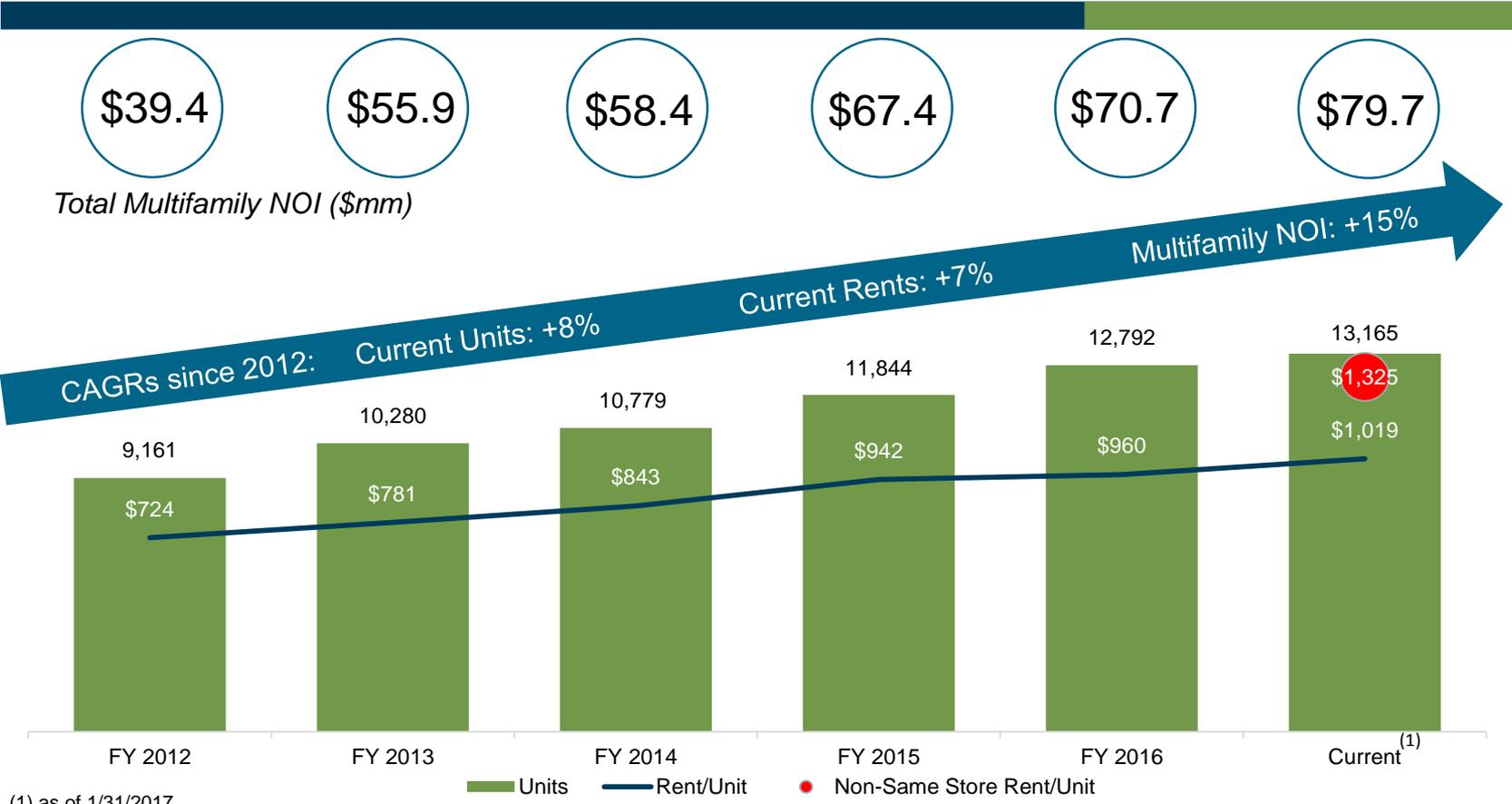
(1) Properties held for investment
 (2) As of 1/31/2017

■ Multifamily ■ Healthcare ■ Other



PORTFOLIO GROWTH

Growth metrics for the multifamily portfolio are robust



(1) as of 1/31/2017



MARKET STRATEGY

Looking forward IRET will focus attention on finding investment opportunities...

In top 25 MSAs proximate to its current geographies

- Abundant inventory
- Ample transaction volume
- Available market data

With supportive economic and demographic characteristics

- Diverse economic drivers
- Sufficient population, household, and job growth
- Strong GDP and income growth

And attractive apartment market fundamentals

- Robust rent levels and expected growth
- Steady occupancy and absorption
- Balanced supply and demand

BALANCE SHEET STRATEGY

- High Leverage (>60%)
- 10-year fixed rate property level debt



- Low Leverage (<40%)
- 10-year fixed rate unsecured bonds

GOALS



Secured line of credit



Decrease leverage



Unsecured line of credit



Improve fixed charge ratio



Increase unencumbered NOI



Improve asset quality



Obtain investment rating



Investor Presentation

www.iretApartments.com