



First Quarter 2016 Earnings Call
September 10, 2015



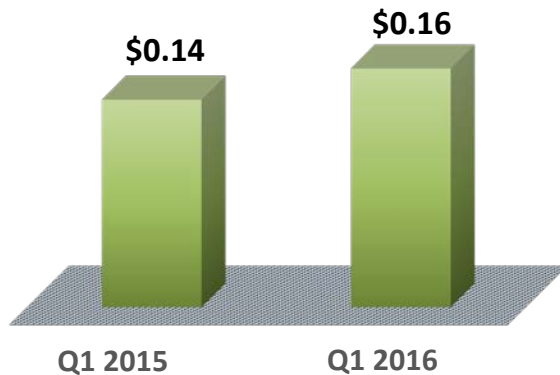
Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from expected results. Such risks, uncertainties and other factors include, but are not limited to changes in general and local economic and real estate market conditions, the timing and pricing of lease transactions, the availability and cost of capital, fluctuations in interest rates, tenants’ financial conditions, level of competition, the effect of government regulation, the impact of newly adopted accounting principles, and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2015 Form 10-K and subsequent Quarterly Reports on Form 10-Q. We assume no obligations to update or supplement forward-looking statements that become untrue because of subsequent events.

Certain of the financial measures appearing in this slide presentation may be non-GAAP financial measures. Management believes that these non-GAAP financial measures provide additional appropriate measures of our operating results. While we believe these non-GAAP financial measures are useful in evaluating our company, the information should be considered supplemental in nature and not a substitute for information prepared in accordance with GAAP. Supplemental financial disclosures for any non-GAAP financial measures in this presentation, including the most directly comparable GAAP measure and associated reconciliation, are provided in our most recent quarterly supplemental report, which is available on our website at www.iret.com.

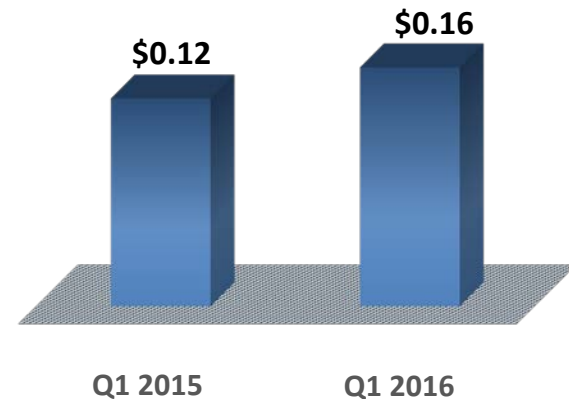
Management Objectives

- **Placed into service by end of our first fiscal quarter ~ \$106 million in new development**
- **Place into service by the end of our fiscal third quarter ~ An additional \$90 million in new development**
- **Successfully close on the sale of our Retail portfolio – Fall 2015**
- **Continue to redeploy sales proceeds in an appropriate combination of:**
 - **Acquisition** – Recently announced 276 units in Rochester, MN
 - **New Development** – Recently began construction on 202 units in Monticello, MN
 - **Share Repurchase Program** – Board authorized \$50 million
 - **Deleveraging** - \$66 million paid down on line of credit
- **Resultant goal:**
 - Execute consistently higher portfolio performance
 - Drive continued earnings and cash flow growth

1Q FFO

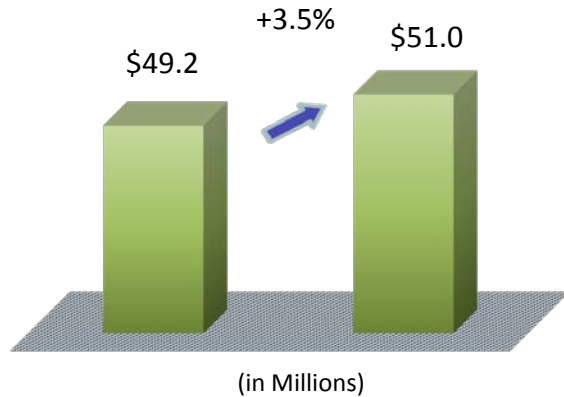


1Q AFFO

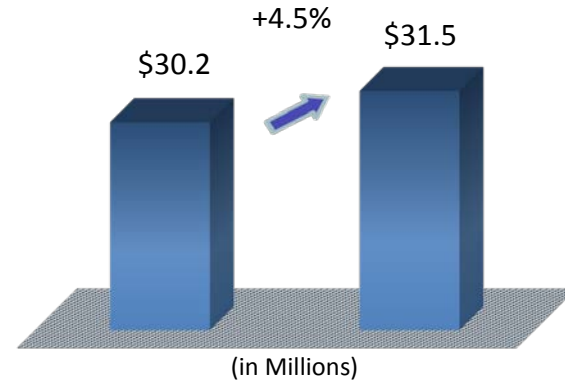


- FFO of \$0.16 cents per share for the fiscal first quarter ending July 31, 2015, vs \$0.14 cents per share for the comparative period a year ago
- Reported AFFO at \$0.16 per share for the fiscal first quarter ending July 31, 2015 vs \$0.12 cents per share for the comparative period a year ago

1Q16 Revenue



1Q16 Net Operating Income



- Total revenue for the company for the first fiscal quarter ending July 31, 2015 was \$51.0 million, an increase of 3.5% from the prior fiscal year
- Net Operating Income in our reporting segments for the fiscal year ended July 31, 2015 was \$31.5 million, an increase of 4.5% from the prior fiscal year.

IRET Properties
Fiscal Year 2016 Q1 vs. Fiscal Year 2015 Q1
Same Store Results/Statistics by Region

Regions	Apartment Units	FY16Q1 % of Actual NOI	FY16Q1 Average Rental Rate(1)	FY16Q1 Weighted Average Occupancy	1st Quarter Increase (Decrease) From Prior Year's 1st Quarter				
					Revenues	Expenses	NOI	Average Rental Rate(1)	Occupancy
Billings, MT	770	7.9%	893	93.5%	0.8%	(3.1%)	3.7%	4.0%	(3.0%)
Bismarck, ND	828	11.0%	1,041	94.0%	(0.8%)	4.5%	(3.5%)	4.5%	(5.1%)
Grand Forks, ND	1,230	12.8%	919	95.0%	(1.1%)	3.4%	(4.2%)	3.1%	(4.1%)
Jamestown, ND	81	0.8%	984	98.8%	5.8%	33.8%	(12.9%)	7.1%	(1.2%)
Omaha, NE	1,562	14.5%	858	96.2%	8.3%	2.5%	13.8%	2.6%	5.5%
Rapid City, SD	270	2.6%	816	98.1%	1.2%	(4.9%)	6.3%	0.9%	0.4%
Rochester, MN	1,104	14.0%	1,046	95.4%	6.6%	(3.7%)	14.5%	3.2%	3.3%
Sioux Falls, SD	777	6.2%	799	97.6%	3.8%	(2.7%)	11.3%	3.4%	0.4%
St. Cloud, MN	1,725	8.7%	716	90.1%	4.5%	8.1%	(0.9%)	2.7%	1.8%
Topeka, KS	1,042	7.8%	742	94.4%	2.2%	(0.2%)	4.6%	0.0%	2.2%
Same-Store Property Subtotals	9,389	86.3%	864	94.4%	3.3%	1.9%	4.6%	2.7%	0.6%
Minot, ND	734	9.7%	1,118	92.1%	(6.1%)	7.2%	(12.9%)	0.4%	(6.5%)
Williston, ND	145	4.0%	2,542	79.3%	(24.7%)	13.9%	(35.9%)	(8.3%)	(17.9%)
Same-Store Property Totals	10,268	100.0%	902	94.0%	1.2%	2.5%	0.1%	1.3%	(0.2%)

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartments units for the period.

Recent Announcements

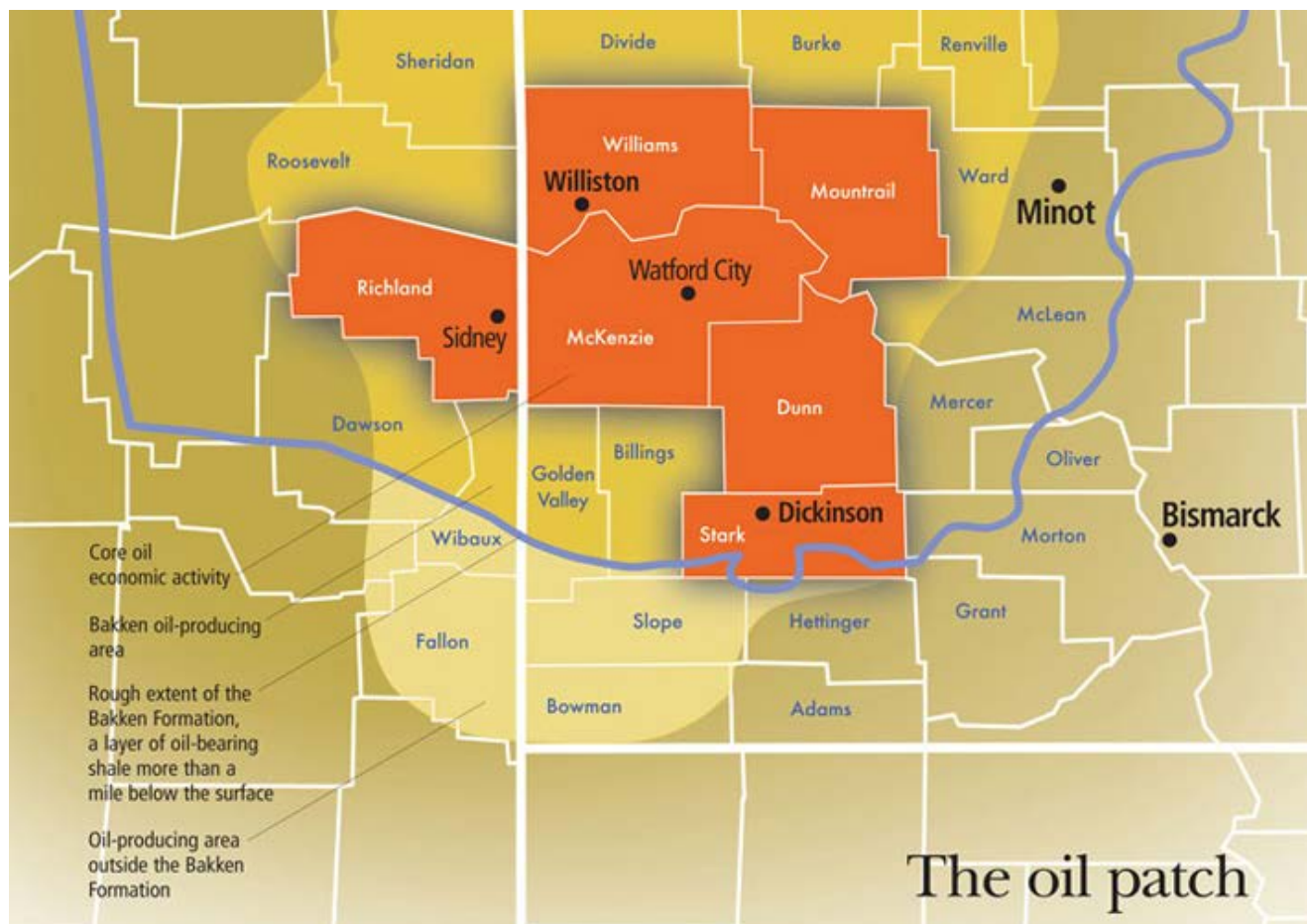
Signing of a purchase agreement for a 276-unit multifamily community in Rochester, MN for \$56 million. This Class A townhome-style property will add to the Company's growing portfolio in this robust market. Expected to close later this Fall.



Construction has commenced on our new 202-unit Class A apartment community in Monticello, MN.



Supplemental Data



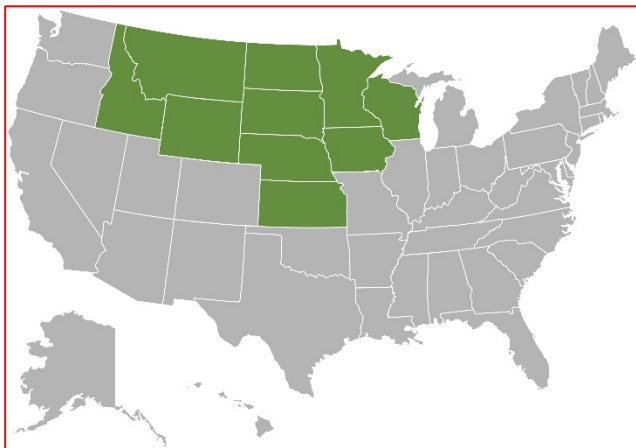
County	Breakeven \$/Barrel
Billings	\$28
Renville	\$88
Bowman	\$85
Burke	\$82
Divide	\$81
Dunn	\$24
Golden Valley	\$64
McKenzie	\$27
McLean	\$25
Mountrail	\$43
Stark	\$41
Slope	\$85
Williams	\$38

*Map provided by the Federal Reserve Bank of Minneapolis. www.minneapolisfed.org
 North Dakota Department of Mineral Resources

\$1.6 Billion of Investment Property

Properties

181 properties in 10 states
12,027 apartment units



450 Employees



Multi-family | \$990m

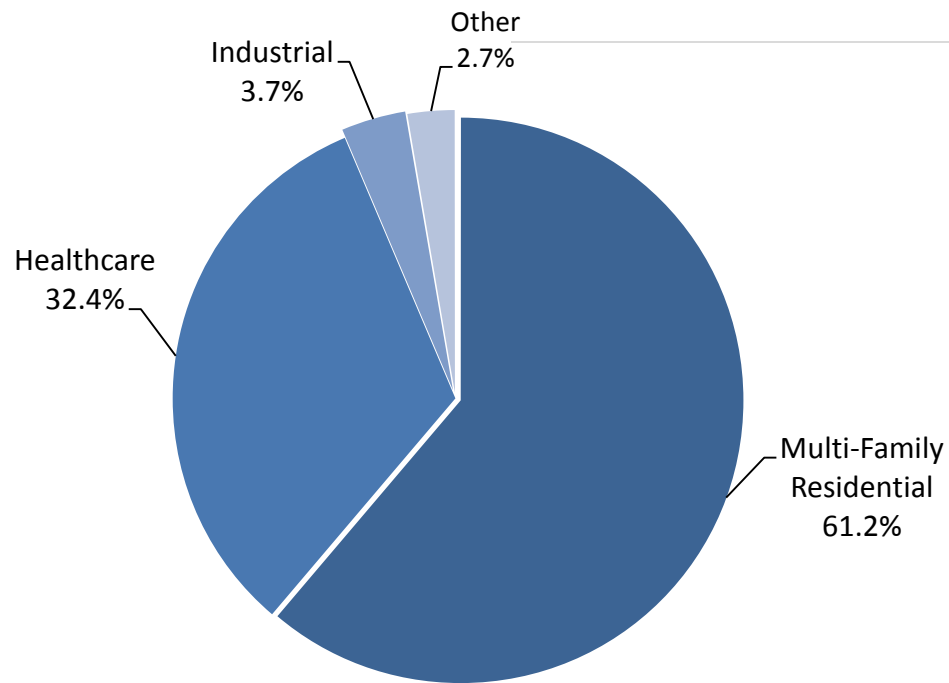


Healthcare | \$524m



Industrial | \$60m

Property Cost by Segment Held for Investment



“As we celebrate IRET’s 45th year in business, I am excited to report that we continue to transform the makeup of our real estate portfolio as previously announced. The future remains quite bright for IRET as we execute on all of the changes during this exciting time.”

-- President and CEO Timothy Mihalick

Stock information

(share data as of 7/31/15)



\$7.21 stock price
139,441,000 shares and units outstanding
\$1,005.4M market cap
\$0.13 common share quarterly distribution
\$0.52 annualized common share distribution
7.2% dividend yield

Shareholder returns

(shareholder return data as of 12/31/14)

