



iret

NAREIT REITWeek® | New York, NY

June 6-8, 2017

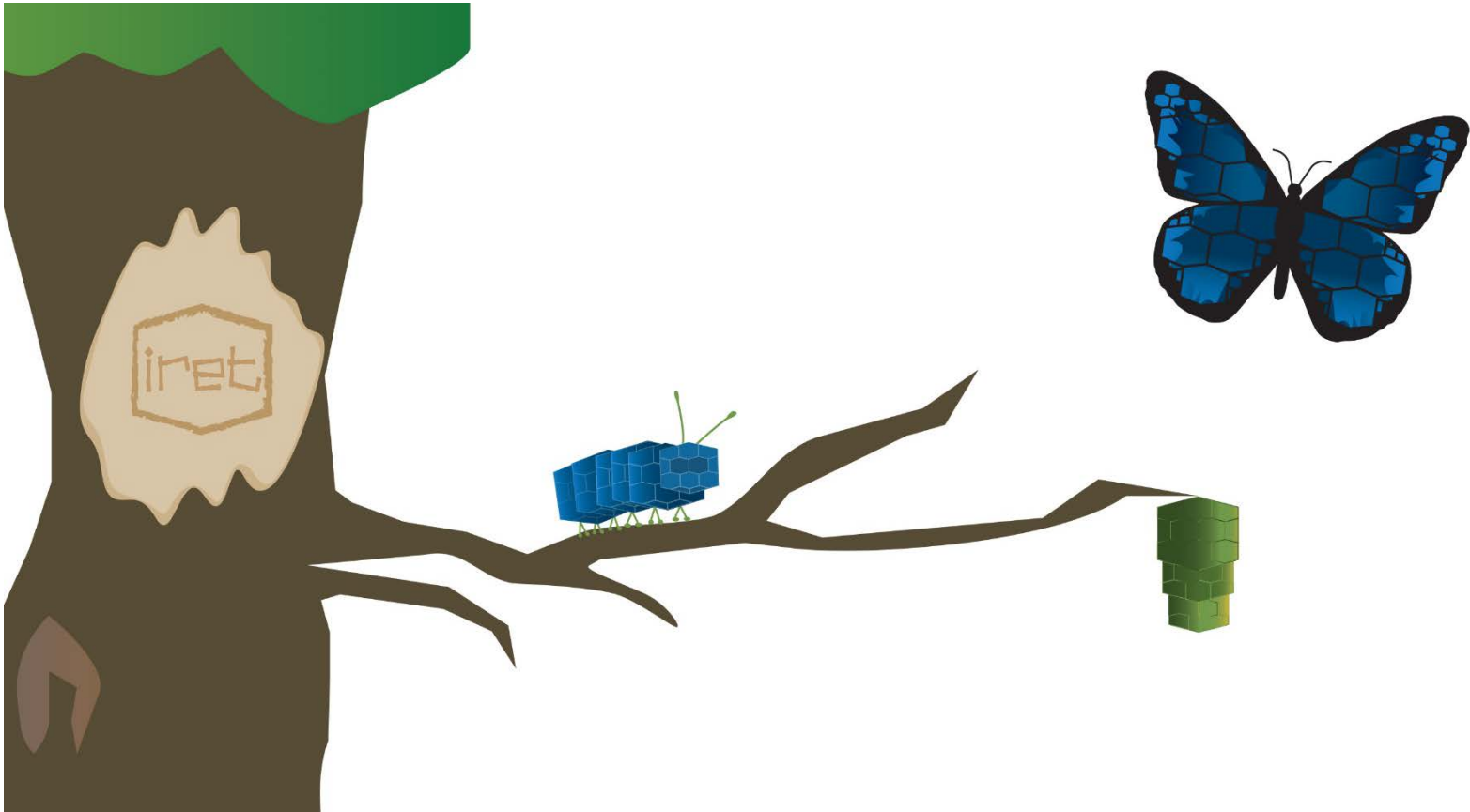
SAFE HARBOR STATEMENT AND LEGAL DISCLOSURE

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 2016 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 the 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.iretApartments.com.



STRATEGIC TRANSFORMATION TO MULTIFAMILY



ORGANIZATIONAL EVOLUTION

	Past	Now	Goals
Multifamily Portfolio	<30%	>70%	100%
Markets	Tertiary	Secondary/Tertiary	Top 25 MSAs
Avg. Units	<150	~150	>200
Avg. Rent	<\$800	>\$1,000	>\$1,200
Leverage %	>60%	<50%	<40%
Leverage Type	Secured Mortgages	Mixed	Unsecured Bonds



MANAGEMENT TEAM



Mark O. Decker, Jr.
PRESIDENT AND CHIEF EXECUTIVE OFFICER



John A. Kirchmann
EXECUTIVE VICE PRESIDENT



Andrew Martin
EXECUTIVE VICE PRESIDENT - OPERATIONS



Anne Olson
EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL



BOARD OF TRUSTEES



Jeffrey P. Caira
CHAIRMAN



John D. Stewart
VICE CHAIRMAN



Mark O. Decker Jr.
PRESIDENT AND CEO



Michael T. Dance



Linda J. Hall



Terrance P. Maxwell



Jeffrey L. Miller



John A. Schissel



A MULTIFAMILY FOCUS

A focused approach 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 allocation
- Portfolio planning
- Operational best practices
- Technology implementation
- Revenue maximization



OUR PLAN

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 technological and operational best practices
- Increase scalability of operations and G&A

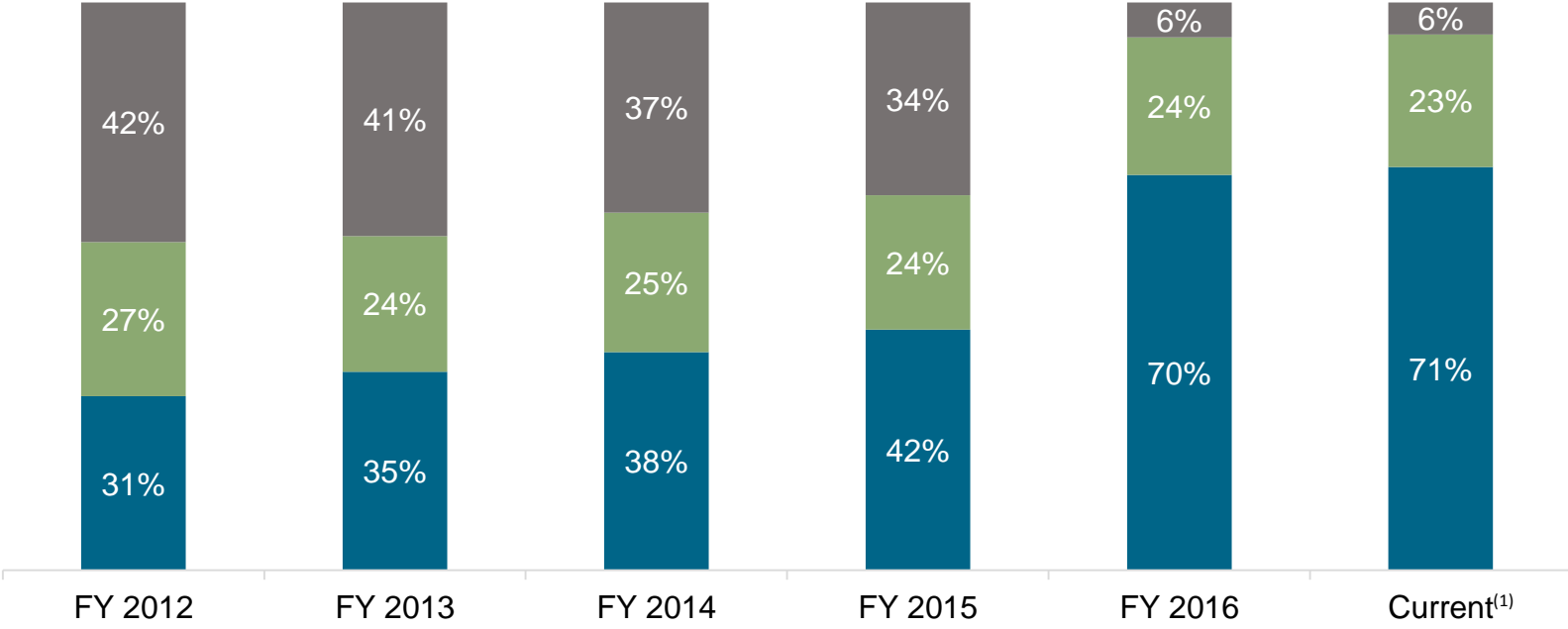


PORTFOLIO TRANSFORMATION

Multifamily properties comprise 71% of IRET's revenue, up from 31% five years ago



Property Revenue by Segment

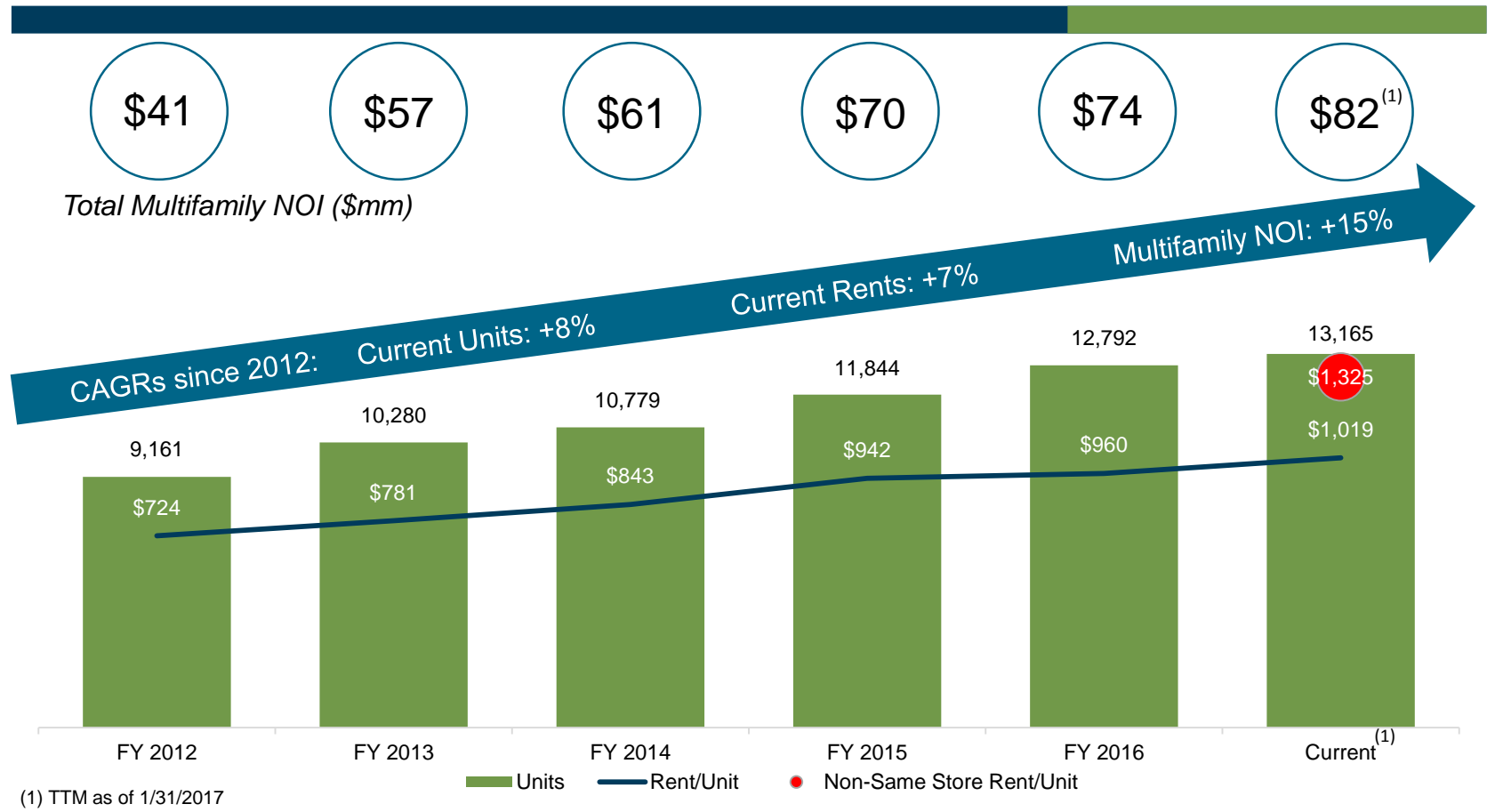


(1) As of 1/31/2017

■ Multifamily ■ Healthcare ■ Other



MULTIFAMILY GROWTH



MARKET STRATEGY

IRET will continue to focus on sourcing attractive investment opportunities

Top 25 MSAs proximate to its current geographies

- Scalable inventory
- Ample transaction volume
- Available market data

Supportive economic and demographic characteristics

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

Attractive apartment market fundamentals

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



INVESTMENT HIGHLIGHTS

Oxbō Apartments

Address:	202 7 th Street West St. Paul, MN
Purchase Price:	\$61.5M
Total Units:	191
Cost per Unit:	\$322,000
Average Rent:	\$1,813
Retail Space:	12,000 sf
Constructed:	2017
# of Floors:	6



- New construction with substantial amenities in urban infill location
- Conveniently located close to jobs, entertainment, transportation, and cultural attractions
- In line with IRET's organizational strategy – high quality, class A property in high barrier, vibrant submarket to improve growth and durability of cash flows
- Purchased off-market; tax-efficient redeployment of capital



INVESTMENT HIGHLIGHTS

Red 20

Location: Minneapolis, MN

Constructed: 2014

Units: 130

Cost: \$28.3M

Cost per Unit: \$218,000

Average Rent: \$1,715

Retail: 10,000 sf

Arcata

Location: Golden Valley, MN

Constructed: 2015

Units: 165

Cost: \$31.7M

Cost per Unit: \$192,000

Average Rent: \$1,825

71 France

Location: Edina, MN

Constructed: 2016

Units: 241

Cost: \$72.3M

Cost per Unit: \$300,000

Average Rent: \$1,968

Retail: 21,000 sf

Monticello Crossings

Location: Monticello, MN

Constructed: 2017

Units: 202

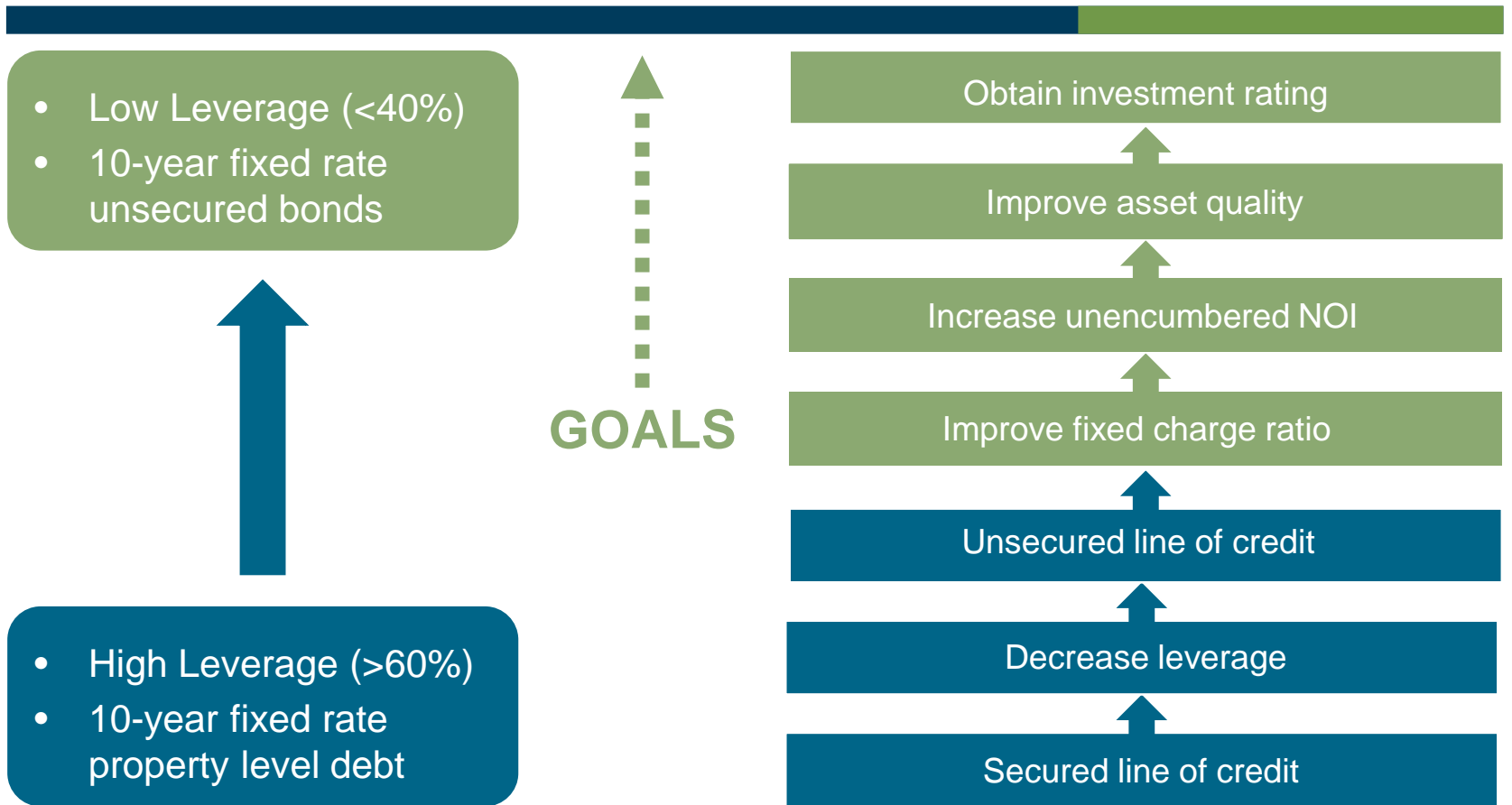
Cost: \$32.1M

Cost per Unit: \$159,000

Average Rent: \$1,487



BALANCE SHEET STRATEGY



SOME PARTS

	Scenario 1	Scenario 2
Recent MOB Market Values per Sq. Ft.	\$333	\$407
MOB Estimated Value	\$450mm	\$550mm
Implied Multifamily Value/Unit ⁽¹⁾⁽²⁾	\$86,000	\$78,000

(1) Assumes all non-multifamily assets are valued at gross book value as of 1/31/17.

(2) Enterprise value calculated using balances as of 1/31/17, including 137,923,438 shares and units at 5/31/17 closing price of \$5.85/share.



The image features a stylized graphic on the left side, consisting of a dark blue silhouette of a hand or a similar shape. Inside this silhouette is a honeycomb pattern of hexagons. The hexagons are filled with various shades of blue, from light to dark. The word "iret" is written in white, lowercase, sans-serif font on a dark blue hexagon in the center of the pattern.

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