
Section 1: 8-K (8-K)

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

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): **November 30, 2017**

INVESTORS REAL ESTATE TRUST
(Exact name of Registrant as specified in its charter)

North Dakota
(State or Other Jurisdiction
of Incorporation or Organization)

001-35624
(Commission File Number)

45-0311232
(I.R.S. Employer Identification No.)

1400 31st Avenue SW, Suite 60
Post Office Box 1988
Minot, ND 58702-1988
(Address of principal executive offices) (Zip code)

(701) 837-4738
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed from 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On November 30, 2017 (the “Effective Date”), Investors Real Estate Trust and its affiliates, including its operating partnership, IRET Properties, a North Dakota Limited Partnership (collectively, “IRET”), and Harrison Street Real Estate LLC, a Delaware limited liability company (the “Purchaser”), entered into a Purchase and Sale Agreement (the “Agreement”). Under the terms of the Agreement, IRET will sell 28 medical office buildings and one other commercial property, representing approximately 1.3 million square feet (each, a “Property,” and collectively, the “Properties”), to the Purchaser for the aggregate price of \$417.5 million in cash (the “Purchase Price”). Of the Purchase Price, \$4.5 million shall be deposited as earnest money within five days of the Effective Date. If the closing occurs, the earnest money shall be applied to the Purchase Price, with the balance of the Purchase Price, subject to any closing adjustments, being paid in cash or by wire transfer of immediately available funds on the date of closing.

The Purchaser can terminate the Agreement under several situations, including if:

- Purchaser determines that the reports, investigations and tests provided to or completed by Purchaser during the due diligence period are unacceptable to Purchaser in its sole discretion;
- Purchaser discovers unacceptable conditions with the title commitments or property surveys (which have not been cured or removed);
- more than 20% or more of any Property is damaged, destroyed or condemned (or subject to any eminent domain proceeding) prior to closing;
- any tenant that leases 5,000 square feet or more of gross leasable areas at any Property (a “Major Tenant”) has the right to terminate its lease or abate rent payable as a result of any damage, destruction or condemnation at such Property prior to closing;
- there is a material default, bankruptcy or insolvency of a Major Tenant after the expiration of the due diligence period (which is scheduled to expire on December 22, 2017, unless extended by mutual agreement);
- Seller shall not have delivered a written waiver of any right of first offer, right of first refusal or other option then in effect for a third party to purchase all or any portion of any Property as a result of execution of the Agreement;
- any litigation shall be pending or threatened which challenges Purchaser’s right to purchase, or Seller’s right to sell, any Property; or
- Seller shall not have delivered certain estoppel certificates to the Purchaser.

In some instances, if a condition is not satisfied with respect to an individual Property, Purchaser may elect to exclude such Property from the closing. In such event, the Purchase Price allocated to such Property shall be deducted from the Purchase Price.

The completion of the sale is subject to the satisfaction of customary due diligence and the satisfaction of certain closing conditions, including closing adjustments related to the allocation of such items as real estate taxes, leases, utilities, title fees and personal property taxes.

It is currently anticipated that the sale will close by the end of January 2018. The foregoing description of the Agreement is qualified in its entirety by reference to the Agreement, a copy of which will be attached as an exhibit to the Company’s quarterly report on Form 10-Q for the quarter ending January 31, 2018.

Item 7.01. Regulation FD Disclosure.

On November 30, 2017, IRET issued a press release announcing the Agreement, as described above, as well as the disposition of certain non-core assets, the purchase of a multifamily property in Denver and the execution of a new term loan. The press release announcing these transactions is attached hereto as Exhibit 99.1.

The information set forth in this Item 7.01, including Exhibit 99.1, is being furnished pursuant to Item 7.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, except as expressly provided by specific reference in such a filing.

Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements relate to the closing of the sale of the medical office portfolio. Forward-looking statements are based on certain assumptions and can include future expectations, future plans and strategies, financial and operating projections or other forward-looking information.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from projected results. Such risks and uncertainties those risks and uncertainties detailed

from time to time in the Company's filings with the Securities and Exchange Commission, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended April 30, 2017, and in subsequent quarterly reports on Form 10-Q. The Company assumes no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release dated November 30, 2017.

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SIGNATURE

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 hereunto duly authorized.

INVESTORS REAL ESTATE TRUST

Date: November 30, 2017

By: /s/ Mark O. Decker, Jr.
Mark O. Decker, Jr.
President & Chief Executive Officer

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1



IRET Nears Completion of its Strategic Transformation with Multiple Transactions

- Signs Agreement to Sell Medical Office Portfolio for \$417.5 million —
- Enters Denver Market with New Apartment Acquisition for \$90.6 million —
- Continues Non-Core Asset Sales and Balance Sheet Enhancements —

MINNEAPOLIS, MN, November 30, 2017 — IRET (NYSE: IRET) today announces that it is nearing the completion of its strategic transformation through a series of key transactions.

"These transactions move our transition forward toward simplicity, focus, and quality," said Mark O. Decker, Jr., President and CEO. "The first half of our fiscal year has been productive. We have grown our portfolio in the Twin Cities, entered the Denver market, increased our unsecured borrowing base and line of credit, refinanced our preferred equity at a lower rate, and continued to refine and focus our portfolio by selling nearly \$100 million of non-core assets." Mr. Decker continued, "These accomplishments are a testament to our team's strength, and I am grateful for all their hard work. Closing on the sale of our medical office properties will mark a significant milestone for IRET and is the final component necessary to transform us into a focused multifamily company."

Medical Office Portfolio Sale

IRET entered into an agreement to sell its medical office portfolio for \$417.5 million. The properties, representing approximately 1.3 million square feet, include the Company's entire healthcare portfolio, consisting of 28 healthcare properties and one other commercial property occupied by a healthcare tenant. The agreement is subject to the satisfaction of customary contingencies, and, if those contingencies are satisfied, the Company anticipates the sale to close by the end of January 2018.

Non-Core Asset Sales

Additionally, since the end of its fiscal first quarter in July, IRET sold 22 other non-core properties for an aggregate sale price of \$98.8 million, which includes the Company's final two senior housing properties, marking IRET's full exit from that segment, as well as three industrial assets and one healthcare asset located in the Twin Cities.

Inaugural Acquisition in Targeted Denver Market

In conjunction with its ongoing disposition of non-core assets and strategic goal of growing its multifamily asset base in Top-25 MSAs, IRET entered the Denver, Colorado, market by acquiring Dylan Apartments for \$90.6 million. The 274-unit apartment community, completed in 2016, is located in the fast-growing River North Art District (RiNo) and offers modern-style flats, which are designed with contemporary luxuries mixed with a tribute to the area's industrial beginnings.

Balance Sheet Enhancements

Finally, IRET recently expanded its unsecured, syndicated revolving credit facility with commitments now totaling \$300 million, an increase of \$50 million from prior commitments. In addition, the Company closed a \$70 million unsecured term loan that matures in 2023. These financing activities come on the heels of IRET's previously-announced issuance of 6.625% Series C preferred shares and redemption of 7.95% Series B preferred shares. Together, these capital market transactions increase the strength and flexibility of IRET's balance sheet and enhance its available liquidity.

About IRET

IRET focuses on the acquisition, development, redevelopment and management of multifamily communities located primarily in select growth markets. As of July 31, 2017, IRET owned interests in 130 properties that were held for investment, including 88 multifamily properties consisting of 13,076 units and 42 commercial properties, which includes 29 healthcare properties, containing a total of approximately 2.6 million square feet of leasable space. IRET's common shares and Series C preferred shares are publicly traded on the New York Stock Exchange (NYSE symbols: IRET and IRET PRC, respectively). IRET's press releases and supplemental information are available on its website at www.iretApartments.com or by calling Investor Relations at 701-837-7104.

Forward-Looking Statements

Certain statements in this press release are based on our current expectations and assumptions, and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions or other items related to the future. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and variations of those words and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from projected results. Although we believe the expectations reflected in our forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be achieved. Any statements contained herein that are not statements of historical fact should be deemed to be forward-looking statements. As a result, reliance should not be placed on these forward-looking statements as these statements are subject to known and unknown risks, uncertainties, and other factors beyond our control and could differ materially from our actual results and performance. Such risks and uncertainties those risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended April 30, 2017, and in subsequent quarterly reports on Form 10-Q. We assume no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

Contact Information

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