
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): June 27, 2018 (June 25, 2018)

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
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

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 2.02. Results of Operations and Financial Condition.

Investors Real Estate Trust (the “Company”) issued an earnings release on June 27, 2018, announcing certain financial and operational results for the three and twelve months ended April 30, 2018. A copy of the press release is attached hereto as Exhibit 99.1.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 furnished pursuant to Item 9.01, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities under that Section. Furthermore, the information in this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On June 25, 2018, Andrew Martin, the Company’s Executive Vice President, Property Operations, notified the Board of Trustees (the “Board”) that he will be resigning as an officer of the Company, effective June 25, 2018.

In connection with his departure, the Company agreed to provide Mr. Martin with a Confidential Severance Agreement and Release, dated June 25, 2018, whereby:

- He will receive a lump sum severance payment of \$318,750, equal to nine months of base salary and 75% of his target short-term incentive cash award for fiscal year 2019.
- As of his resignation date, vesting will accelerate on all 7,625 of his outstanding time-based restricted shares of common stock, which were awarded to him under the Company’s long-term incentive program. All outstanding performance shares awarded to him under the long-term incentive program will be forfeited.
- He will receive other employee benefits valued at \$20,926.

The payments and benefits are conditioned on Mr. Martin’s release and waiver of claims arising out of his employment or the separation of his employment with the Company, and Mr. Martin’s agreement to maintain the confidentiality of information about the Company that he acquired during his employment.

The foregoing description is a summary only and does not purport to be a complete description of all of the terms, provisions, covenants, and agreements contained in Mr. Martin’s Confidential Severance Agreement and Release and is subject to and qualified in its entirety by reference to the full text of the Agreement, the form of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is hereby incorporated by reference.

On June 25, 2018, the Board appointed Anne Olson, the Company’s Executive Vice President, General Counsel and Secretary, to the additional position of Chief Operating Officer, effective as of June 25, 2018.

Ms. Olson, age 41, has served as Executive Vice President, General Counsel and Secretary of the Company since April 30, 2017. From 2011 to April 30, 2017, Ms. Olson was in the private practice of law, most recently as a partner with the law firm of Dorsey & Whitney LLP, in its Real Estate Practice Group. Prior to 2011, she served as Director of Investment Operations and in-house counsel for Welsh Companies, LLC and its affiliates, a provider of commercial real estate services, providing leadership in the growth of its asset portfolio and development of a successful capital markets strategy. Ms. Olson began her legal career practicing real estate law at Dorsey & Whitney LLP. She holds a B.A in English from Drake University and earned her J.D. with highest honors from Drake University Law School.

There were no arrangements or understandings between Ms. Olson and any other person pursuant to which Ms. Olson was selected as an officer. Ms. Olson does not have any family relationships subject to disclosure under Item 401(d) of Regulation S-K or any direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

In connection with her promotion, Ms. Olson's annual base salary was increased from \$325,000 to \$360,000 effective June 25, 2018, and her target long-term incentive award for fiscal year 2019 was increased from 70% to 100% of her annual base salary.

The Company previously entered into an Indemnification Agreement with Ms. Olson in substantially the same form as previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2015, and a Change in Control Severance Agreement as previously described in, and in substantially the same form as previously filed as Exhibit 10.1 to, the Company's Current Report on Form 8-K filed with the SEC on July 7, 2015.

Item 7.01. Regulation FD Disclosure.

Certain supplemental operating and financial data regarding the Company not included in the earnings release is attached as Exhibit 99.2. The foregoing information is not deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in filings under the Securities Act of 1933.

ITEM 9.01 Financial Statements and Exhibits

Exhibits

Exhibit Number	Description
10.1	<u>Confidential Severance Agreement and Release, dated June 25, 2018, between Investors Real Estate Trust and Andrew Martin.</u>
99.1	<u>Earnings Release, dated June 27, 2018.</u>
99.2	<u>Supplemental Operating and Financial Data, dated June 27, 2018</u>

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

By /s/ Mark O. Decker, Jr.

Mark O. Decker, Jr.

President and Chief Executive Officer

Date: June 27, 2018

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Section 2: EX-10.1 (EXHIBIT 10.1)

CONFIDENTIAL SEVERANCE AGREEMENT AND RELEASE

This CONFIDENTIAL SEVERANCE AGREEMENT AND RELEASE (“Agreement”) is made and entered into by and between Andrew Martin (“Executive”) and Investors Real Estate Trust, Inc. (“Company”) on behalf of itself, its predecessors, parents, subsidiaries and affiliated entities (collectively, the “Company”).

1. Termination of Employment. Executive agrees and acknowledges that his employment with the Company terminated at the close of business on June 25, 2018 (the “Termination Date”). Executive will be paid his regular salary through the Termination Date. Except as provided in this Severance Agreement, all privileges of employment will end as of the Termination Date. **Please note that Executive may not sign this Agreement until on or after his Termination Date.**

Upon Executive’s receipt of his final paycheck, which includes payment for employment through the Termination Date, Executive will have received all wages owed to his by virtue of his employment with the Company or the termination thereof.

Executive specifically acknowledges and agrees that he is not eligible for any other payments or benefits by virtue of his employment with the Company or the termination thereof except for those expressly described in this Agreement.

2. Consideration. In consideration of Executive’s promises and obligations under this Severance Agreement—subject to the terms and conditions of this Severance Agreement, including the release of claims set forth in paragraph 3 below—the Company will provide Executive with the following compensation and benefits, provided that he does not revoke or rescind this Severance Agreement:

2.1 Severance Payment. The Company agrees to pay Executive a severance payment within twenty (20) days of Executive’s execution of this Agreement, which execution may not take place before June 25, 2018. The severance payment will be the sum of \$318,750, subject to applicable tax withholding and deductions as required by law. The severance calculation is based on .75x base salary, plus .75 target bonus $((.75 \times \$250,000) + (.75 \times \$175,000) = \$318,750)$. In addition to this payment, the Company further agrees to pay Executive an additional lump sum dollar amount equivalent to .75x the current annual premium for Executive’s current health insurance coverage.

2.2 Vesting of Time-Based Stock Grants. Executive’s 7,625 shares of time-based stock grants will fully vest on the Termination Date.

2.3 Other Benefits. The Company agrees to provide outplacement services for Executive for up to six months from the Termination Date and completion of Executive’s personal executive coaching program for the remainder of 2018.

3. Release and Waiver of Claims. Executive, on behalf of himself, Executive’s agents, representatives, attorneys, assignees, heirs, executors, and administrators, hereby covenants that

Executive will not sue and hereby releases and forever discharges the Company, and its past and present employees, agents, insurers, officials, officers, directors, divisions, parents, subsidiaries, predecessors and successors, and all affiliated entities and persons, and all of their respective past and present employees, agents, insurers, officials, officers, and directors from any and all claims and causes of action of any type arising, or which may have arisen, out of or in connection with his employment or the separation of his employment with the Company, including but not limited to claims, demands or actions arising under Federal, state or local employment discrimination laws, regulations or requirements, including but not limited to the Federal Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, et seq., the Americans with Disabilities Act, 29 U.S.C. § 2101, et seq., the Family and Medical Leave Act, 29 U.S.C. § 2611, et seq., the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 626, as amended by the Older Workers Benefit Protection Act (“ADEA”), the Executive Retirement Income Security Act, as amended, the National Labor Relations Act, the Minnesota Human Rights Act; the Women’s Economic Security Act; the Minnesota Equal Pay for Equal Work Law, Minn. Stat. §§ 181.66–181.71; Minn. § 181.81 (age discrimination); Minn. Stat. § 176.82 (retaliatory discharge); Minn. Stat. §§ 181.931, 181.932, 181.935 (whistleblower protection); Minn. Stat. §§ 181.940–181.944 (family leave); Minn. Stat. §§ 181.961–181.966 (personnel record access statutes), and any other federal, state or local statute, ordinance, regulation or order regarding employment, compensation for employment, termination of employment, or discrimination in employment, and the common law of any state.

Executive further understands that this discharge of claims extends to, but is not limited to, all claims which Executive may have as of the date of this Agreement based upon statutory or common law claims for defamation, libel, slander, assault, battery, negligent or intentional infliction of emotional distress, negligent hiring or retention, breach of contract, retaliation, state common law whistleblowing, promissory estoppel, fraud, wrongful discharge, or any other theory, whether legal or equitable, and any and all claims for wages, salary, bonuses, commissions, damages, attorneys’ fees or costs. Executive additionally represents, warrants and agrees that Executive has received full and timely payment of all wages, salary, bonuses, and other compensation, and benefits that may have been due and payable to Executive by the Company. Executive further represents, warrants and agrees that Executive has received all leave or other benefits that may have been available to Executive under the Family and Medical Leave Act of 1993 (“FMLA”) or any comparable state law and that Executive has not been denied any rights or benefits available to Executive under the FMLA or any comparable state law. Executive expressly acknowledges and agrees that the Company is entering into this Agreement in reliance upon these representations by Executive.

Executive acknowledges that this release includes all claims that Executive is legally permitted to release. As such, the Executive understands that nothing contained in this Severance Agreement, including, but not limited to, this section, will be interpreted to prevent the Executive from filing a charge with the Equal Employment Opportunity Commission (“EEOC”), or other local civil rights enforcement agency, or from participating in or cooperating with an EEOC or other such agency investigation or proceeding. However, the Executive acknowledges and agrees that he is waiving the right to monetary damages or other individual legal or equitable relief awarded as a result of any such proceeding.

Notwithstanding any provision of this Severance Agreement to the contrary, by execution of this Severance Agreement, the Executive is not releasing (i) any claims or rights he may have to the Severance Payments; (ii) any rights he may have to vested retirement benefits; or (iii) any claims that cannot be waived by law.

4. Confidential Information Acquired During Employment. Executive agrees that Executive will continue to treat, as private and privileged, any information, data, documents, reports, interpretations, financial information, operating information, marketing information, business plans, forecasts, projections, strategies, analyses, records and other information that is non-public, confidential, or proprietary in nature (whether in written, electronic, or oral form) containing or otherwise reflecting information about the Company, together with all notes, analyses, compilations, studies, forecasts, memoranda or other documents in tangible form (whether in written form, electronically stored, or otherwise) that Executive acquired while working for the Company. Executive agrees that Executive will not release any such information to any person or entity at any time and will not utilize any such confidential information for Executive's benefit or the benefit of others, including, without limitation, others in direct or indirect competition with the Company, except as may be required by law, or as agreed to in writing by the Company. Executive acknowledges that any violation of this non-disclosure provision shall entitle the Company to appropriate injunctive relief and to any damages which it may sustain due to the improper disclosure.

5. Confidentiality of Agreement. Executive represents and agrees that Executive will keep the terms and facts of this Agreement completely confidential, and that Executive will not disclose any information concerning this Agreement to anyone, except for Executive's counsel, tax accountant, spouse, or representatives of the EEOC or a comparable state or other government agency, unless otherwise ordered to do so by a court or agency of competent jurisdiction. This Agreement does not prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

6. Opportunity to Review/Consult with Attorney. Executive agrees Executive has been given twenty-one (21) days to review and consider this Agreement. During this time, Executive agrees Executive has been advised to consult with an attorney before executing this Agreement. Any discussions about or changes to the Agreement, whether material or immaterial, do not restart the running of the 21 day period.

7. Notification of Release and Right to Rescind. Executive is hereby informed of his right to revoke this release of claims, insofar as it extends to potential claims under the Age Discrimination in Employment Act, by informing the Company of his intent to do so within seven (7) calendar days following his signing of this Severance Agreement. Executive is informed of his right to rescind his release of claims, insofar as it extends to potential claims under the Minnesota Human Rights Act, by informing the Company of his intent to do so within fifteen (15) calendar days following his signing of this Severance Agreement. The 7-day revocation period and the 15-day rescission period shall run concurrently. Executive understands that any such revocation or

rescission must be made in writing and delivered by hand or by certified mail, return receipt requested, postmarked on or before the last day within the applicable revocation period to:

JoLynn Markison
Dorsey & Whitney LLP
50 South Sixth Street
Suite 1500
Minneapolis, MN 55402

Executive further understands that if Executive revokes or rescinds this Agreement, the Company will not be bound by the terms of this Agreement and, in such event, Executive will have no right to receive or right to retain the financial benefits conferred under this Agreement.

8. Minnesota Law, Forum and Merger. The terms of this Agreement shall be governed by the laws of the State of Minnesota, and shall be construed and enforced thereunder. Any dispute arising under this Agreement shall be determined exclusively by a Minnesota court of appropriate jurisdiction. This Agreement supersedes and replaces all prior oral and written agreements, understandings, and representations between Executive and the Company. Further, Executive understands and agrees that, except as provided in this Agreement, all claims which Executive has or may have against the Company and the other released parties are fully released and discharged by this Agreement. The only claim which Executive may hereafter assert against the Company or any of the other released parties is limited to an alleged breach of this Agreement.

9. Invalidity. If any one or more of the terms of this Agreement are deemed to be invalid or unenforceable by a court of law, the validity, enforceability, and legality of the remaining provisions of this Agreement will not in any way be affected or impaired thereby.

10. Remedies. Any material breach by Executive of the terms and conditions contained in this Agreement shall give the Company the right to discontinue the performance of any unperformed duties and obligations under this Agreement to the extent permitted by applicable law. If Executive breaches any term of the Agreement, any delay by the Company to enforce the Agreement shall not be deemed a waiver, acceptance, or acquiescence. No waiver shall bind the Company unless supported by consideration, executed in writing, and delivered to Executive by an authorized officer of the Company.

11. Executive Understands the Terms of this Agreement. Other than stated herein, Executive warrants that (a) no promise or inducement has been offered for this Agreement; (b) this Agreement is executed without reliance upon any statement or representation of the Company or its representatives concerning the nature and extent of any claims or liability therefor, if any; (c) Executive is legally competent to execute this Agreement and accepts full responsibility therefor; and (d) the Company has advised Executive to consult with an attorney, and Executive has had a sufficient opportunity to consult with an attorney.

PLEASE READ CAREFULLY BEFORE SIGNING. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the parties have executed this Severance Agreement by their signatures below.

ANDREW MARTIN

Dated: _____

Dated: _____

INVESTORS REAL ESTATE TRUST

By _____
Mark O. Decker, Jr., Chief Executive Officer

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Section 3: EX-99.1 (EXHIBIT 99.1)

**Exhibit 99.1
Earnings Release**



IRET Announces Financial and Operating Results for the Quarter and Fiscal Year Ended April 30, 2018

MINOT, ND, June 27, 2018 – IRET (NYSE: IRET) announced today its fiscal fourth quarter 2018 financial and operating results. Net income and Funds from Operations (“FFO”) per share for the three and twelve months ended April 30, 2018, are detailed below. Core FFO adjusts FFO for certain non-routine items, and both FFO and Core FFO are reconciled to net income in the tables accompanying this earnings release.

Per Share	Three Months Ended		Twelve Months Ended	
	April 30,		April 30,	
	2018	2017	2018	2017
Net Income (Loss)	\$ (0.19)	\$ 0.23	\$ 0.87	\$ 0.26
FFO	0.06	0.07	0.27	0.40
Core FFO	0.08	0.11	0.38	0.47

Multifamily Same-Store Results	Quarterly	Sequential	YTD
	Comparison	Comparison	Comparison
	4Q18 vs. 4Q17	4Q18 vs. 3Q18	4Q18 vs. 4Q17
Revenues	5.2%	1.3 %	4.3%

Expenses	5.8%	(0.2)%	9.5%
Net Operating Income (“NOI”)	4.7%	2.4 %	0.4%

Multifamily Same-Store Results	4Q18	3Q18	4Q17
Physical Occupancy	96.5%	95.2%	93.8%
Weighted Average Occupancy	95.1%	93.9%	91.6%

“The last twelve months were pivotal in positioning ourselves as a multifamily company,” said Mark O. Decker, Jr., IRET’s President and CEO. “The next twelve months and beyond will be as pivotal in our quest to be the premier provider of apartment homes in our markets.”

IRET also announced that it has promoted Anne Olson to Chief Operating Officer and that Andrew Martin has resigned from his position as Executive Vice President, Property Operations, of the Company effective June 25, 2018. Mr. Martin will assist with his transition through July 31, 2018. Ms. Olson has served as Executive Vice President, General Counsel and Secretary since April 30, 2017, overseeing the Asset Management and Legal Departments, and will continue in her capacity as General Counsel and Secretary. “Anne has been an integral part of our leadership team over the last 14 months, and I am confident that she can assist us in leveraging the progress we have made and continue to demonstrate our commitment to improve our residents’ experience and our company’s financial results.”

Fourth Quarter Fiscal Year 2018 Highlights

- Achieved quarterly same-store revenue growth of 5.2% over the same period in the prior year, driven by a 3.8% increase in occupancy and 1.4% growth in revenue per occupied home.
- Experienced elevated quarterly same-store expense growth of 5.8% over the same period in the prior year, driven by previously disclosed changes to capitalization policies, additional costs related to increasing occupancy, higher labor costs, and increased real estate taxes primarily attributable to higher levy rates in select markets.
- Grew quarterly same-store NOI growth by 4.7% over the same period in the prior year, driven by the aforementioned revenue growth of 5.2% offset by the 5.8% increase in expenses.
- Closed the acquisition of Westend, a 390-home apartment community in Denver, Colorado, completing our second investment in this top-25 MSA where we now have 664 apartment homes.
- Closed a \$6.0 million operating line of credit to manage cash balances more effectively and enhance treasury management activities.

Fiscal Year 2018 Highlights

- Substantially completed our transformation into a focused multifamily company by selling 50 commercial and other non-core multifamily properties for an aggregate sales price of \$515.1 million. We used a portion of the proceeds from these sales to purchase four apartment communities with 1,355 homes for \$373.1 million.
- Achieved same-store revenue growth of 4.3% over the prior fiscal year, driven by a 2.4% increase in occupancy and 1.9% increase in revenue per occupied home. Realized these increases through a combination of initiatives, including better revenue management across the portfolio and the expansion of utility billings and ancillary revenue programs.
- Experienced elevated same-store expense growth of 9.5% over the prior fiscal year, driven by previously disclosed changes to capitalization policies, additional costs related to increasing occupancy, higher labor costs, and increased real estate taxes.
- Posted same-store NOI growth of 0.4% over the prior fiscal year, driven by the aforementioned revenue growth of 4.3% but offset by the 9.5% increase in expenses.
- Issued 4,118,460 shares of 6.625% Series C preferred shares for gross proceeds of \$103.0 million and redeemed all 4,600,000 shares of 7.95% Series B preferred shares for an aggregate cost, including accrued dividends, of \$115.8 million, which will result in a reduction of \$2.3 million in annual preferred dividend payments.
- Increased the commitments to our unsecured line of credit by \$50 million to a current total of \$300 million. Closed a \$70 million unsecured term loan and executed a swap agreement to synthetically fix the interest rate for the full duration of the loan.
- Established a new senior management team to complete the portfolio transition and continue the operational improvements while achieving a \$1.6 million year-over-year reduction in general and administrative expenses.
- Strengthened our board with two new trustees who add expertise in customer-facing service operations and technology application as well as public company leadership experience in both board and management roles.

Acquisitions

We added one new community to our portfolio during the quarter:

Community Name	Location	Apartment Homes	<i>(in thousands)</i>		% Occupied as of 4/30/2018
			Total Cost		
Westend	Denver, CO	390	\$	128,700	93.8%

Dispositions

During the quarter, we sold one commercial property and adjacent parcel of unimproved land in Bismarck, ND for an aggregate sales price of \$5.5 million.

Balance Sheet

At the end of the fourth quarter, we had \$193.9 million of total liquidity on our balance sheet, including \$176.0 million available on our corporate revolver and \$6.0 million on our operating line of credit.

During the quarter, we repurchased and retired approximately 548,000 common shares and redeemed approximately 39,000 Units for an aggregate cost of approximately \$3.0 million, representing an average price of approximately \$5.09 per share.

During fiscal year 2018, we incurred a loss of \$18.1 million due to impairment of one apartment community, three other commercial properties, and four parcels of land.

Quarterly Distributions

On June 5, 2018, IRET's Board of Trustees declared a regular quarterly distribution of \$0.07 per share/unit payable on July 2, 2018, to common shareholders and unitholders of record on June 15, 2018. This distribution will be the 189th consecutive quarterly distribution paid by IRET since its inception in 1970. It represents an annualized rate of \$0.28 per share/unit with an annualized yield of 4.7% based on IRET's closing share price as of June 26, 2018.

The Board of Trustees also declared a distribution of \$0.4140625 per share on the 6.625% Series C Cumulative Redeemable Preferred Shares (NYSE: IRET PRC) payable on July 2, 2018, to holders of record on June 15, 2018. Series C preferred share distributions are cumulative and payable quarterly in arrears at an annual rate of \$1.65625 per share.

Earnings Call

Live webcast and replay: <http://ir.iretapartments.com>

Live Conference Call

Thursday, June 28, 2018, at 10:00 AM ET

USA Toll Free Number 1-877-509-9785
International Toll Free Number 1-412-902-4132
Canada Toll Free Number 1-855-669-9657

Conference Call Replay

Replay available until July 12, 2018

USA Toll Free Number 1-877-344-7529
International Toll Free Number 1-412-317-0088
Canada Toll Free Number 1-855-669-9658
Conference Number 10120792

Supplemental Information

Supplemental Operating and Financial Data for the Quarter Ended April 30, 2018 ("Supplemental Information"), is available in the Investors section on IRET's website at www.iretapartments.com or by calling Investor Relations at 701-837-7104. Non-GAAP financial measures and other capitalized terms, as used in this earnings release, are defined and reconciled in the Supplemental Information, which accompanies this earnings release.

About IRET

IRET is a real estate company focused on the ownership, management, acquisition, redevelopment, and development of apartment communities. As of April 30, 2018, IRET owned interests in 90 apartment communities consisting of 14,176 apartment homes. 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).

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. Forward-looking statements are typically identified by the use of terms such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and variations of those words and similar expressions. 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 the results of operations, financial conditions, or plans expressed or implied by the forward-looking statements. 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 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 are detailed from time to time in our filings with the SEC, 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, 2018, in subsequent quarterly reports on Form 10-Q and in other public reports. We assume no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

IRET
RECONCILIATION OF NET INCOME ATTRIBUTABLE TO
IRET TO FFO AND CORE FFO

(in thousands, except per share amounts)

Three Months Ended April 30,	2018			2017		
	Amount	Weighted Avg Shares and Units ⁽¹⁾	Per Share And Unit ⁽²⁾	Amount	Weighted Avg Shares and Units ⁽¹⁾	Per Share And Unit ⁽²⁾
Net income (loss) attributable to controlling interests	\$ (20,874)			\$ 30,280		
Less dividends to preferred shareholders	1,705			2,286		
Less redemption of preferred shares	—			—		
Net income (loss) available to common shareholders	(22,579)	119,588	\$ (0.19)	27,994	121,155	\$ 0.23
Adjustments:						
Noncontrolling interest – Operating Partnership	(2,663)	14,115		3,656	15,797	
Depreciation and amortization	20,269			13,222		
Impairment of real estate investments	15,192			2,875		
Gains on depreciable property sales attributable to controlling interests	(2,210)			(37,517)		
FFO applicable to common shares and Units⁽¹⁾	\$ 8,009	133,703	\$ 0.06	\$ 10,230	136,952	\$ 0.07
Adjustments to Core FFO:						
Lease termination fees	—			(3,244)		
Development pursuit and other write offs				3,224		
Loss on extinguishment of debt	122			2,910		
Severance related costs	301			2,612		
Land impairment	2,617			—		
Redemption of Preferred Shares	—			—		
Core FFO applicable to common shares and Units⁽¹⁾	\$ 11,049	133,703	\$ 0.08	\$ 15,732	136,952	\$ 0.11

(1) Units of the Operating Partnership are exchangeable for cash or, at our discretion, Common Shares on a one-for-one basis.

(2) Net income attributable to IRET is calculated on a per common share basis. FFO is calculated on a per common share and Unit basis.

IRET
RECONCILIATION OF NET INCOME ATTRIBUTABLE TO
IRET TO FFO AND CORE FFO

(in thousands, except per share amounts)

Twelve Months Ended April 30,	2018			2017		
	Amount	Weighted Avg Shares and Units ⁽¹⁾	Per Share And Unit ⁽²⁾	Amount	Weighted Avg Shares and Units ⁽¹⁾	Per Share And Unit ⁽²⁾
Net income attributable to controlling interests	\$ 116,788			\$ 43,347		
Less dividends to preferred shareholders	(8,569)			(10,546)		
Less redemption of preferred shares	(3,657)			(1,435)		
Net income available to common shareholders	104,562	119,977	\$ 0.87	31,366	121,169	\$ 0.26
Adjustments:						
Noncontrolling interest – Operating Partnership	12,702	14,617		4,059	16,130	
Depreciation and amortization	87,299			52,564		
Impairment of real estate investments attributable to controlling interests	15,448			42,065		
Gains on depreciable property sales attributable to controlling interests	(183,687)			(74,847)		
FFO applicable to common shares and Units⁽¹⁾	\$ 36,324	134,594	\$ 0.27	\$ 55,207	137,299	\$ 0.40
Adjustments to Core FFO:						
Lease termination fees	—			(3,251)		
Development pursuit and other write offs	—			3,224		
Loss on extinguishment of debt	7,448			4,889		
Land impairment	2,617			—		
Redemption of Preferred Shares	3,657			1,435		
Severance and transition costs	951			2,612		
Core FFO applicable to common shares and Units⁽¹⁾	\$ 50,997	134,594	\$ 0.38	\$ 64,116	137,299	\$ 0.47

(1) Units of the Operating Partnership are exchangeable for cash or, at our discretion, common shares on a one-for-one basis.

(2) Net income attributable to IRET is calculated on a per common share basis. FFO is calculated on a per common share and Unit basis.

IRET
RECONCILIATION OF NET OPERATING INCOME TO THE
CONSOLIDATED STATEMENTS OF OPERATIONS

Three Months Ended April 30, 2018	<i>(in thousands)</i>		
	Multifamily	All Other	Total
Real estate revenue	\$ 42,360	\$ 1,825	\$ 44,185
Real estate expenses	18,164	570	18,734
Net operating income	\$ 24,196	\$ 1,255	25,451
Property management			(1,411)
Casualty gain			155
Depreciation and amortization			(21,072)
Impairment of real estate investments			(17,809)
General and administrative expenses			(4,093)
Acquisition and investment related costs			(30)
Interest expense			(8,302)
Loss on debt extinguishment			(122)
Interest and other income			592
Loss before gain on sale of real estate and other investments and income from discontinued operations			(26,641)
Gain on sale of real estate and other investments			2,285
Loss from continuing operations			(24,356)
Income from discontinued operations			197
Net income (loss)			\$ (24,159)

IRET
RECONCILIATION OF NET OPERATING INCOME TO THE
CONSOLIDATED STATEMENTS OF OPERATIONS

Three Months Ended April 30, 2017	<i>(in thousands)</i>		
	Multifamily	All Other	Total
Real estate revenue	\$ 36,228	\$ 6,583	\$ 42,811
Real estate expenses	15,720	722	16,442
Net operating income	\$ 20,508	\$ 5,861	26,369
Property management			(1,239)
Casualty gain			51
Depreciation and amortization			(11,060)
Impairment of real estate investments			(2,875)
General and administrative expenses			(4,728)
Acquisition and investment related costs			(3,224)
Interest expense			(8,281)
Loss on debt extinguishment			(1,193)
Interest and other income			461
Loss before gain on sale of real estate and other investments and income from discontinued operations			(5,719)
Gain on sale of real estate and other investments			7,409
Income from continuing operations			1,690
Income from discontinued operations			31,950
Net income (loss)			\$ 33,640

Twelve Months Ended April 30, 2018	<i>(in thousands)</i>		
	Multifamily	All Other	Total
Real estate revenue	\$ 159,983	\$ 9,762	\$ 169,745
Real estate expenses	70,460	2,574	73,034
Net operating income	\$ 89,523	\$ 7,188	96,711
Property management			(5,526)
Casualty loss			(500)
Depreciation and amortization			(82,070)
Impairment of real estate investments			(18,065)
General and administrative expenses			(14,203)
Acquisition and investment related costs			(51)
Interest expense			(34,178)
Loss on debt extinguishment			(940)
Interest and other income			1,508
Loss before gain on sale of real estate and other investments and income from discontinued operations			(57,314)
Gain on sale of real estate and other investments			20,120
Loss from continuing operations			(37,194)
Income from discontinued operations			164,823
Net income (loss)			\$ 127,629

Twelve Months Ended April 30, 2017	<i>(in thousands)</i>		
	Multifamily	All Other	Total
Real estate revenue	\$ 142,214	\$ 17,890	\$ 160,104
Real estate expenses	60,895	3,431	64,326
Net operating income	\$ 81,319	\$ 14,459	95,778
Property management			(5,046)
Casualty loss			(414)
Depreciation and amortization			(44,253)
Impairment of real estate investments			(57,028)
General and administrative expenses			(15,871)
Acquisition and investment related costs			(3,276)
Interest expense			(34,314)
Loss on debt extinguishment			(1,651)
Interest and other income			1,146,000
Loss before gain on sale of real estate and other investments and income from discontinued operations			(64,929)
Gain on sale of real estate and other investments			18,701
Loss from continuing operations			(46,228)
Income from discontinued operations			76,753
Net income (loss)			\$ 30,525

Section 4: EX-99.2 (EXHIBIT 99.2)

Supplemental Financial and Operating Data
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April 30, 2018

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Company Background
Fourth Quarter Fiscal 2018

IRET is a real estate company focused on the ownership, management, acquisition, redevelopment, and development of apartment communities. As of April 30, 2018, IRET owned interests in 90 communities consisting of 14,176 apartment homes. 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).

Company Snapshot
(as of April 30, 2018)

Company Headquarters	Minot, North Dakota
Fiscal Year-End	April 30
Reportable Segment	Multifamily
Total Apartment Communities	90
Total Apartment Homes	14,176
Common Shares Outstanding (<i>thousands</i>)	119,526
Limited Partnership Units Outstanding (<i>thousands</i>)	14,099
Common Share Distribution – Quarter/Annualized	\$0.07/\$0.28
Annualized Dividend Yield	5.3%
Total Capitalization	\$1.5 billion

Common Shares and Limited Partnership Units outstanding as of June 20, 2018, were 119,406,963 and 14,098,506, respectively.

Investor Information
(as of June 27, 2018)

Board of Trustees

Jeffrey P. Caira	Trustee and Chair
Michael T. Dance	Trustee, Chair of Audit Committee
Mark O. Decker, Jr.	Trustee, President, Chief Executive Officer and Chief Investment Officer
Emily Nagle Green	Trustee
Linda J. Hall	Trustee, Chair of Compensation Committee
Terrance P. Maxwell	Trustee
Jeffrey L. Miller	Trustee, Chair of the Nominating and Governance Committee
John A. Schissel	Trustee, Chair of Capital Markets Committee
Mary J. Twinem	Trustee

Management

Mark O. Decker, Jr.	President, Chief Executive Officer, and Chief Investment Officer; Trustee
John A. Kirchmann	Executive Vice President and Chief Financial Officer
Anne Olson	Executive Vice President and Chief Operating Officer, General Counsel and Secretary
Nancy B. Andersen	Senior Vice President and Chief Accounting Officer
Grant Campbell	Senior Vice President - Investments
Sue Picotte	Senior Vice President - Asset Management & Operations Support
Shawnee Tharp	Senior Vice President - Property Operations

Executive Offices:

800 LaSalle Avenue
Suite 1600
Minneapolis, MN 55402

Investor Relations Contact:

Jon Bishop
701-837-7104
IR@iret.com

Trading Symbol for Common Shares: IRET

Trading Symbol for Series C Preferred Shares: IRET PRC

Stock Exchange Listing: NYSE

Common Share Data (NYSE: IRET)

	4th Quarter Fiscal Year 2018	3rd Quarter Fiscal Year 2018	2nd Quarter Fiscal Year 2018	1st Quarter Fiscal Year 2018	4th Quarter Fiscal Year 2017
High Closing Price	\$ 5.58	\$ 6.06	\$ 6.32	\$ 6.72	\$ 6.61
Low Closing Price	\$ 4.65	\$ 5.52	\$ 5.81	\$ 5.64	\$ 5.67
Average Closing Price	\$ 5.09	\$ 5.80	\$ 6.09	\$ 6.07	\$ 6.09
Closing Price at end of quarter	\$ 5.33	\$ 5.67	\$ 5.85	\$ 6.22	\$ 5.91
Common Share Distributions – annualized	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28
Closing Dividend Yield – annualized	5.3%	4.9%	4.8%	4.5%	4.7%
Closing common shares outstanding (<i>thousands</i>)	119,526	120,035	120,188	120,587	121,199
Closing limited partnership units outstanding (<i>thousands</i>)	14,099	14,168	14,618	14,657	15,617
Closing market value of outstanding common shares, plus imputed closing market value of outstanding limited partnership units (<i>thousands</i>)	\$ 712,221	\$ 760,931	\$ 788,615	\$ 841,218	\$ 808,583

This Supplemental Operating and Financial Data contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions or other items related to the future. Forward-looking statements are typically identified by the use of terms such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and variations of those words and similar expressions. 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 the results of operations, financial conditions, or plans expressed or implied by the forward-looking statements. 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.

Such risks, uncertainties and other factors that might cause such differences include, but are not limited to: economic conditions in the markets where we own properties or markets in which we may invest in the future; rental conditions in our markets, including occupancy levels and rental rates, our potential inability to renew tenants or obtain new tenants upon expiration of existing leases, changes in tax and housing laws, or other factors; adverse changes in real estate markets, including the extent of future demand for multifamily apartment homes in our significant markets, barriers of entry into new markets, limitations on our ability to increase rental rates, our ability to identify and consummate attractive acquisitions on favorable terms, our ability to consummate any planned dispositions in a timely manner, our ability to reinvest sales proceeds successfully, and our ability to accommodate any significant decline in the market value of real estate serving as collateral for our mortgage obligations; inability to succeed in any new markets we may enter; failure of new acquisitions to achieve anticipated results or be efficiently integrated; inability to complete lease-up of our projects on schedule and on budget; inability to sell our non-core properties on terms that are acceptable; failure to reinvest proceeds from sales of properties into tax-deferred exchanges, which could necessitate special dividend and tax protection payments; the need to fund capital expenditures out of cash flow; the need to reduce the dividends on our common shares; financing risks, including our potential inability to obtain debt or equity financing on favorable terms, or at all; level and volatility of interest or capitalization rates or capital market conditions; changes in operating costs, including real estate taxes, utilities, and insurance costs; the availability and cost of casualty insurance for losses; inability to continue to satisfy complex rules in order to maintain our status as a REIT for federal income tax purposes, inability of the Operating Partnership to satisfy the rules to maintain its status as a partnership for federal income tax purposes, and the risk of changes in laws affecting REITs; inability to attract and retain qualified personnel; cyber liability or potential liability for breaches of our privacy or information security systems; inability to comply with environmental laws and regulations; and those risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission, including our Form 10-K for the fiscal year ended April 30, 2018 subsequent quarterly reports on Form 10-Q, and other public filings. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

IRET
CONDENSED CONSOLIDATED BALANCE SHEETS *(unaudited)*
(in thousands)

	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017
ASSETS					
Real estate investments					
Property owned	\$ 1,669,764	\$ 1,568,725	\$ 1,510,890	\$ 1,424,251	\$ 1,358,529
Less accumulated depreciation	(311,324)	(304,149)	(292,976)	(280,563)	(255,599)
	1,358,440	1,264,576	1,217,914	1,143,688	1,102,930
Unimproved land	11,476	15,123	15,216	15,195	18,455
Mortgage loans receivable	10,329	10,329	10,329	—	—
Total real estate investments	1,380,245	1,290,028	1,243,459	1,158,883	1,121,385
Assets held for sale and assets of discontinued operations	—	—	239,688	280,083	283,023
Cash and cash equivalents	11,891	22,666	42,464	23,801	28,819
Restricted cash	4,225	121,337	3,782	3,713	27,981
Other assets	30,297	21,664	21,634	15,870	13,306
TOTAL ASSETS	\$ 1,426,658	\$ 1,455,695	\$ 1,551,027	\$ 1,482,350	\$ 1,474,514
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, AND EQUITY					
LIABILITIES					
Liabilities held for sale and liabilities of discontinued operations	\$ —	\$ 2,016	\$ 95,193	\$ 127,413	\$ 130,904
Accounts payable and accrued expenses	29,018	33,690	32,581	34,248	35,566
Revolving line of credit	124,000	67,000	247,500	125,900	57,050
Term loan payable, net of loan costs	69,514	69,483	—	—	—
Mortgages payable, net of loan costs	509,919	553,388	561,798	565,705	565,978
Construction debt	—	86	21,649	20,134	41,741
TOTAL LIABILITIES	732,451	725,663	958,721	873,400	831,239
REDEEMABLE NONCONTROLLING INTERESTS – CONSOLIDATED REAL ESTATE ENTITIES					
	6,708	6,644	6,812	7,010	7,181
EQUITY					
Series B Preferred Shares of Beneficial Interest	—	—	—	111,357	111,357
Series C Preferred Shares of Beneficial Interest	99,456	99,456	99,467	—	—
Common Shares of Beneficial Interest	907,843	910,173	910,683	912,625	916,121
Accumulated distributions in excess of net income	(395,669)	(364,684)	(490,612)	(488,535)	(466,541)
Accumulated other comprehensive income	1,779	359	—	—	—
Total shareholders' equity	613,409	645,304	519,538	535,447	560,937
Noncontrolling interests – Operating Partnership	73,012	76,915	64,291	64,789	73,233
Noncontrolling interests – consolidated real estate entities	1,078	1,169	1,665	1,704	1,924
Total equity	687,499	723,388	585,494	601,940	636,094
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, AND EQUITY	\$ 1,426,658	\$ 1,455,695	\$ 1,551,027	\$ 1,482,350	\$ 1,474,514

IRET
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*
(in thousands, except per share amounts)

OPERATING RESULTS	Three Months Ended					Twelve Months Ended	
	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017	4/30/2018	4/30/2017
Real estate revenue	\$ 44,185	\$ 42,716	\$ 41,866	\$ 40,978	\$ 42,811	\$ 169,745	\$ 160,104
Real estate expenses	18,734	18,055	18,718	17,527	16,442	73,034	64,326
Net operating income	25,451	24,661	23,148	23,451	26,369	96,711	95,778
Property management expenses	(1,411)	(1,387)	(1,372)	(1,356)	(1,239)	(5,526)	(5,046)
Casualty gain (loss)	155	(55)	(115)	(485)	51	(500)	(414)
Depreciation/amortization	(21,072)	(18,390)	(17,270)	(25,338)	(11,060)	(82,070)	(44,253)
Impairment of real estate investments	(17,809)	—	—	(256)	(2,875)	(18,065)	(57,028)
General and administrative expenses	(4,093)	(3,011)	(3,118)	(4,002)	(4,728)	(14,203)	(15,871)
Acquisition and investment related costs	(30)	—	—	—	(3,224)	(51)	(3,276)
Interest expense	(8,302)	(9,236)	(8,509)	(8,131)	(8,281)	(34,178)	(34,314)
Loss on extinguishment of debt	(122)	(285)	(334)	(199)	(1,193)	(940)	(1,651)
Interest and other income	592	433	255	228	461	1,508	1,146
Income (loss) before gain on sale of real estate and other investments and income from discontinued operations	(26,641)	(7,270)	(7,315)	(16,088)	(5,719)	(57,314)	(64,929)
Gain on sale of real estate and other investments	2,285	12,387	5,324	124	7,409	20,120	18,701
Income (loss) from continuing operations	(24,356)	5,117	(1,991)	(15,964)	1,690	(37,194)	(46,228)
Income from discontinued operations	197	146,811	15,130	2,685	31,950	164,823	76,753
Net income (loss)	(24,159)	151,928	13,139	(13,279)	33,640	127,629	30,525
Net (income) loss attributable to noncontrolling interest – Operating Partnership	2,663	(16,236)	(773)	1,644	(3,656)	(12,702)	(4,059)
Net (income) loss attributable to noncontrolling interests – consolidated real estate entities	622	413	455	371	296	1,861	16,881
Net income (loss) attributable to controlling interests	(20,874)	136,105	12,821	(11,264)	30,280	116,788	43,347
Dividends to preferred shareholders	(1,705)	(1,766)	(2,812)	(2,286)	(2,286)	(8,569)	(10,546)
Redemption of Preferred Shares	—	(8)	(3,649)	—	—	(3,657)	(1,435)
NET INCOME (LOSS) AVAILABLE TO COMMON SHAREHOLDERS	\$ (22,579)	\$ 134,331	\$ 6,360	\$ (13,550)	\$ 27,994	\$ 104,562	\$ 31,366
Per Share Data							
(Loss) earnings per common share from continuing operations – basic & diluted	\$ (0.19)	\$ 0.03	\$ (0.06)	\$ (0.13)	\$ —	\$ (0.36)	\$ (0.30)
Earnings per common share from discontinued operations – basic & diluted	—	1.09	0.11	0.02	0.23	1.23	0.56
Net (loss) income per common share – basic & diluted	\$ (0.19)	\$ 1.12	\$ 0.05	\$ (0.11)	\$ 0.23	\$ 0.87	\$ 0.26
Percentage of Revenues							
Real estate expenses	42.4 %	42.3%	44.7%	42.8 %	38.4%	43.0%	40.2%
Depreciation/amortization	47.7 %	43.1%	41.3%	61.8 %	25.8%	48.3%	27.6%
General and administrative expenses	9.3 %	7.0%	7.4%	9.8 %	11.0%	8.4%	9.9%
Interest	18.8 %	21.6%	20.3%	19.8 %	19.3%	20.1%	21.4%
Income from discontinued operations	0.4 %	343.7%	36.1%	6.6 %	74.6%	97.1%	47.9%
Net (loss) income	(54.7)%	355.7%	31.4%	(32.4)%	78.6%	75.2%	19.1%

IRET
RECONCILIATION OF NET INCOME ATTRIBUTABLE TO
IRET TO FFO AND CORE FFO (unaudited)
(in thousands, except per share and unit amounts)

	Three Months Ended					Twelve Months Ended	
	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017	4/30/2018	4/30/2017
Funds From Operations⁽¹⁾							
Net income (loss) attributable to controlling interests	\$ (20,874)	\$ 136,105	\$ 12,821	\$ (11,264)	\$ 30,280	\$ 116,788	\$ 43,347
Less dividends to preferred shareholders	(1,705)	(1,766)	(2,812)	(2,286)	(2,286)	(8,569)	(10,546)
Less redemption of preferred shares	—	(8)	(3,649)	—	—	(3,657)	(1,435)
Net income (loss) available to common shareholders	(22,579)	134,331	6,360	(13,550)	27,994	104,562	31,366
Adjustments:							
Noncontrolling interests – Operating Partnership	(2,663)	16,236	773	(1,644)	3,656	12,702	4,059
Depreciation and amortization of real property	20,269	19,017	19,894	28,119	13,222	87,299	52,564
Impairment of real estate investments attributable to controlling interests	15,192	—	—	256	2,875	15,448	42,065
Gain on depreciable property sales	(2,210)	(163,791)	(17,562)	(124)	(37,517)	(183,687)	(74,847)
FFO applicable to common shares and Units	\$ 8,009	\$ 5,793	\$ 9,465	\$ 13,057	\$ 10,230	\$ 36,324	\$ 55,207
FFO per share and unit – basic and diluted							
	\$ 0.06	\$ 0.04	\$ 0.07	\$ 0.10	\$ 0.07	\$ 0.27	\$ 0.40
Adjustments to Core FFO:							
Lease termination fees	—	—	—	—	(3,244)	—	(3,251)
Loss on extinguishment of debt	122	6,787	340	199	2,910	7,448	4,889
Redemption of Preferred Shares	—	8	3,649	—	—	3,657	1,435
Transition costs, including severance	301	—	186	464	2,612	951	2,612
Impairment of nondepreciable assets	2,617	—	—	—	—	2,617	—
Development pursuit and other write-offs	—	—	—	—	3,224	—	3,224
Core FFO applicable to common shares and Units	\$ 11,049	\$ 12,588	\$ 13,640	\$ 13,720	\$ 15,732	\$ 50,997	\$ 64,116
Core FFO per share and unit – basic and diluted							
	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.38	\$ 0.47
Weighted average shares and units	133,703	134,175	134,767	135,549	136,952	134,594	137,299

(1) See Definitions section.

IRET
RECONCILIATION OF NET INCOME ATTRIBUTABLE TO
IRET TO ADJUSTED EARNINGS BEFORE INTEREST,
TAXES, DEPRECIATION, AND AMORTIZATION (ADJUSTED EBITDA) (unaudited)
(in thousands)

	Three Months Ended					Twelve Months Ended	
	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017	4/30/2018	4/30/2017
Adjusted EBITDA ⁽¹⁾							
Net income (loss) attributable to controlling interests	\$ (20,874)	\$ 136,105	\$ 12,821	\$ (11,264)	\$ 30,280	\$ 116,788	\$ 43,347
Adjustments:							
Noncontrolling interests – Operating Partnership	(2,663)	16,236	773	(1,644)	3,656	12,702	4,059
Income (loss) before noncontrolling interests – Operating Partnership	(23,537)	152,341	13,594	(12,908)	33,936	129,490	47,406
Add:							
Interest expense	7,884	9,569	9,523	9,703	10,303	36,679	45,942
Loss on extinguishment of debt	122	6,787	340	199	2,910	7,448	4,889
Depreciation/amortization related to real estate investments	20,347	19,100	19,977	28,215	13,280	87,639	52,774
Amortization related to real estate revenues ⁽²⁾	—	—	—	—	20	—	95
Impairment of unimproved land	2,617	—	—	—	3,508	2,617	3,508
Impairment of real estate investments attributable to controlling interests	15,192	—	—	256	2,875	15,448	42,065
Less:							
Interest income	(569)	(408)	(316)	(564)	(557)	(1,857)	(2,545)
Gain on sale of real estate and other investments	(2,210)	(163,791)	(17,562)	(124)	(37,517)	(183,687)	(74,847)
Adjusted EBITDA	\$ 19,846	\$ 23,598	\$ 25,556	\$ 24,777	\$ 28,758	\$ 93,777	\$ 119,287
Ratios							
Adjusted EBITDA ⁽¹⁾ /Interest expense	2.39 x	2.36 x	2.57 x	2.45 x	2.45 x	2.45 x	2.52 x
Adjusted EBITDA ⁽¹⁾ /Interest expense plus preferred distributions	1.98 x	2.01 x	2.00 x	2.00 x	2.00 x	1.99 x	2.05 x

(1) See Definitions section.

(2) Included in real estate revenue in the Statement of Operations.

IRET
DEBT ANALYSIS
(in thousands)

Debt Maturity Schedule
Annual Expirations

Fiscal Year	Future Maturities of Debt ⁽¹⁾				
	Fixed Debt	Variable Debt	Total Debt	Weighted Average ⁽²⁾	% of Total Debt
2019	\$ 14,393	\$ —	\$ 14,393	5.42%	2.00%
2020	85,930	22,739	108,669	5.76%	15.40%
2021	55,173	—	55,173	5.05%	7.80%
2022	102,066	—	102,066	5.23%	14.40%
2023	28,055	—	28,055	4.13%	4.00%
Thereafter	203,784	—	203,784	3.79%	28.90%
Total secured maturing debt	489,401	22,739	512,140	4.69%	72.50%
Unsecured line of credit	—	124,000	124,000	3.63%	17.6%
Unsecured term loan ⁽³⁾	70,000	—	70,000	3.86%	9.9%
Total debt	\$ 559,401	\$ 146,739	\$ 706,140	4.42%	100.0%

(1) Includes line of credit and term loan.

(2) Weighted average interest rate of debt that matures in fiscal year.

(3) Term loan has a variable interest rate that is hedged with an interest rate swap and matures January 31, 2023.

	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017
Debt Balances Outstanding ⁽¹⁾					
Secured fixed rate	\$ 489,401	\$ 494,874	\$ 593,854	\$ 605,028	\$ 629,535
Secured variable rate	22,739	61,001	86,672	100,388	99,445
Unsecured line of credit	124,000	67,000	247,500	125,900	57,050
Unsecured term loan	70,000	70,000	—	—	—
Debt total	\$ 706,140	\$ 692,875	\$ 928,026	\$ 831,316	\$ 786,030
Weighted Average Interest Rate Secured	4.69%	4.63%	4.63%	4.62%	4.63%
Line of Credit Rate	3.63%	3.45%	3.08%	2.98%	2.74%
Term Loan Rate	3.86%	4.01%	—%	—%	—%

(1) Includes mortgages on properties held for sale.

Debt Maturity by Quarter for the Next Two Fiscal Years

Fiscal Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2019	\$ 2,957	\$ 11,436	\$ —	\$ —	\$ 14,393
2020	—	63,346	15,511	29,812	108,669
					<u>\$ 123,062</u>

IRET
CAPITAL ANALYSIS
(in thousands, except per share and unit amounts)

	Three Months Ended				
	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017
Equity Capitalization					
Common shares outstanding	119,526	120,035	120,188	120,587	121,199
Operating partnership (OP) units outstanding	14,099	14,168	14,618	14,657	15,617
Total common shares and OP units outstanding	133,625	134,203	134,806	135,244	136,816
Market price per common share (closing price at end of period)					
	\$ 5.33	\$ 5.67	\$ 5.85	\$ 6.22	\$ 5.91
Equity capitalization-common shares and OP units	712,221	760,931	788,615	841,218	808,583
Recorded book value of preferred shares	99,456	99,456	99,467	111,357	111,357
Total equity capitalization	\$ 811,677	\$ 860,387	\$ 888,082	\$ 952,575	\$ 919,940
Debt Capitalization					
Total debt	706,140	692,875	927,968	839,134	793,827
Total capitalization	\$ 1,517,817	\$ 1,553,262	\$ 1,816,050	\$ 1,791,709	\$ 1,713,767
Total debt to total capitalization	0.47:1	0.45:1	0.51:1	0.47:1	0.46:1

	Twelve Months Ended		Three Months Ended				
	4/30/2018	4/30/2017	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017
Earnings to fixed charges	(2)	(3)	(4)	1.56 x	(5)	(6)	1.20 x
Earnings to combined fixed charges and preferred distributions	(2)	(3)	(4)	1.33 x	(5)	(6)	(7)
Debt service coverage ratio	1.79 x	1.67 x	1.81 x	1.78 x	1.84 x	1.75 x	1.69 x
Distribution Data							
Common shares and units outstanding at record date	133,625	137,723	133,625	134,203	134,806	135,830	137,723
Total common distribution paid	\$ 37,785	\$ 63,360	\$ 9,395	\$ 9,420	\$ 9,462	\$ 9,509	\$ 9,641
Common distribution per share and unit ⁽⁸⁾	\$ 0.28	\$ 0.40	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Payout ratio (FFO per share and unit basis) ⁽¹⁾	101.4%	100.0%	104.9%	175.0%	100.0%	70.0%	100.0%

- (1) Payout ratio (FFO per share and unit basis) is the ratio of the current quarterly or annual distribution rate per common share and unit divided by quarterly or annual FFO per share and unit.
- (2) Earnings were inadequate to cover (a) fixed charges and (b) combined fixed charges and preferred distributions by \$35.0 million and \$43.6 million, respectively. Excluding non-cash depreciation charges related to a change in depreciable lives of \$14.4 million and non-cash asset impairment charges of \$18.1 million in the twelve months ended April 30, 2018, the ratio of earnings to fixed charges and of earnings to combined fixed charges and preferred distributions would have been .93x and .76x, respectively, for the twelve months ended April 30, 2018.
- (3) Earnings were inadequate to cover (a) fixed charges and (b) combined fixed charges and preferred distributions by \$29.5 million and \$40.1 million, respectively. Excluding non-cash asset impairment and loss on sale charges of \$57.0 million in the twelve months ended April 30, 2017, the ratio of earnings to fixed charges and of earnings to combined fixed charges and preferred distributions would have been 1.59x and 1.30x, respectively, for the twelve months ended April 30, 2017.
- (4) Earnings were inadequate to cover (a) fixed charges and (b) combined fixed charges and preferred distributions by \$23.7 million and \$25.4 million, respectively. Excluding non-cash asset impairment charges of \$17.8 million in the three months ended April 30, 2018, the ratio of earnings to fixed charges and of earnings to combined fixed charges and preferred distributions would have been .29x and .24x, respectively, for the three months ended April 30, 2018.
- (5) Earnings were inadequate to cover (a) fixed charges and (b) combined fixed charges and preferred distributions by \$1.5 million and \$4.3 million, respectively. The ratio of earnings to fixed charges and earnings to combined fixed charges and preferred distributions was .85x and .67x, respectively, for the three months ended October 31, 2017.
- (6) Earnings were inadequate to cover (a) fixed charges and (b) combined fixed charges and preferred distributions by \$15.5 million and \$17.8 million, respectively. Excluding non-cash depreciation charges related to a change in depreciable lives of \$14.4 million in the three months ended July 31, 2017, the ratio of earnings to fixed charges and of earnings to combined fixed charges and preferred distributions would have been 0.92x and 0.75x, respectively, for the three months ended July 31, 2017.
- (7) Earnings were inadequate to cover combined fixed charges and preferred distributions by \$0.3 million. The ratio of earnings to combined fixed charges and preferred distributions was .98x for the three months ended April 30, 2017.
- (8) Common distribution per share and unit for the twelve months ended April 30, 2017 includes a special distribution of \$0.06.

IRET
NET OPERATING INCOME DETAIL
(in thousands)

	Three Months Ended April 30,				Year Ended April 30,			
	2018	2017	\$ Change	% Change	2018	2017	\$ Change	% Change
<i>Multifamily</i>								
Real estate revenue								
Same-store	\$ 32,054	\$ 30,479	\$ 1,575	5.2 %	\$126,415	\$121,252	\$ 5,163	4.3 %
Non-same-store	10,306	5,749	4,557	79.3 %	33,568	20,962	12,606	60.1 %
Other properties and dispositions	1,825	6,583	(4,758)	(72.3)%	9,762	17,890	(8,128)	(45.4)%
Total	44,185	42,811	1,374	3.2 %	169,745	160,104	9,641	6.0 %
Real estate expenses								
Same-store	13,939	13,173	766	5.8 %	56,773	51,862	4,911	9.5 %
Non-same-store	4,225	2,547	1,678	65.9 %	13,687	9,033	4,654	51.5 %
Other properties and dispositions	570	722	(152)	(21.1)%	2,574	3,431	(857)	(25.0)%
Total	18,734	16,442	2,292	13.9 %	73,034	64,326	8,708	13.5 %
Net operating income								
Same-store	18,115	17,306	809	4.7 %	69,642	69,390	252	0.4 %
Non-same-store	6,081	3,202	2,879	89.9 %	19,881	11,929	7,952	66.7 %
Other properties and dispositions	1,255	5,861	(4,606)		7,188	14,459	(7,271)	(50.3)%
Total	25,451	26,369	(918)	(3.5)%	96,711	95,778	933	1.0 %
Property management	(1,411)	(1,239)			(5,526)	(5,046)		
Casualty	155	51			(500)	(414)		
Depreciation/amortization	(21,072)	(11,060)			(82,070)	(44,253)		
Impairment of real estate investments	(17,809)	(2,875)			(18,065)	(57,028)		
General and administrative expenses	(4,093)	(4,728)			(14,203)	(15,871)		
Acquisition and investment related costs	(30)	(3,224)			(51)	(3,276)		
Interest expense	(8,302)	(8,281)			(34,178)	(34,314)		
Loss on debt extinguishment	(122)	(1,193)			(940)	(1,651)		
Interest and other income	592	461			1,508	1,146		
Income (loss) before gain on sale of real estate and other investments and income from discontinued operations	(26,641)	(5,719)			(57,314)	(64,929)		
Gain on sale of real estate and other investments	2,285	7,409			20,120	18,701		
Income (loss) from continuing operations	(24,356)	1,690			(37,194)	(46,228)		
Income from discontinued operations	197	31,950			164,823	76,753		
Net income (loss)	\$(24,159)	\$ 33,640			\$127,629	\$ 30,525		

IRET
SAME-STORE FOURTH QUARTER COMPARISONS
(in thousands, except property data amounts)

Regions	Apartment Homes Included	Revenues			Expenses			NOI		
		FY18Q4	FY17Q4	% Change	FY18Q4	FY17Q4	% Change	FY18Q4	FY17Q4	% Change
Rochester, MN	1,711	\$ 6,082	\$ 5,748	5.8 %	\$ 2,311	\$ 2,386	(3.1)%	\$ 3,771	\$ 3,362	12.2 %
Omaha, NE	1,370	3,652	3,486	4.8 %	1,566	1,496	4.7 %	2,086	1,990	4.8 %
Grand Forks, ND	1,303	3,350	3,234	3.6 %	1,579	1,491	5.9 %	1,771	1,743	1.6 %
St. Cloud, MN	1,187	3,353	3,034	10.5 %	1,578	1,440	9.6 %	1,775	1,594	11.4 %
Bismarck, ND	977	2,672	2,699	(1.0)%	1,202	1,112	8.1 %	1,470	1,587	(7.4)%
Topeka, KS	1,042	2,453	2,380	3.1 %	1,016	871	16.6 %	1,437	1,509	(4.8)%
Billings, MT	770	2,011	2,003	0.4 %	576	824	(30.1)%	1,435	1,179	21.7 %
Minneapolis, MN	688	2,394	2,245	6.6 %	992	902	10.0 %	1,402	1,343	4.4 %
Sioux Falls, SD	969	2,470	2,288	8.0 %	1,098	1,085	1.2 %	1,372	1,203	14.0 %
Rapid City, SD	474	1,332	1,244	7.1 %	623	476	30.9 %	709	768	(7.7)%
Minot, ND	640	1,846	1,847	(0.1)%	1,134	894	26.8 %	712	953	(25.3)%
Williston, ND	189	439	271	62.0 %	264	196	34.7 %	175	75	133.3 %
Same-Store Total	11,320	\$ 32,054	\$ 30,479	5.2 %	\$ 13,939	\$ 13,173	5.8 %	\$ 18,115	\$ 17,306	4.7 %

Regions	FY18Q4 % of NOI	Weighted Average Occupancy ⁽¹⁾			Average Monthly Rental Rate ⁽²⁾			Weighted Average Monthly Revenue per Occupied Home ⁽³⁾		
		FY18Q4	FY17Q4	% Change	FY18Q4	FY17Q4	% Change	FY18Q4	FY17Q4	% Change
Rochester, MN	20.9%	95.1%	88.7%	7.2%	\$ 1,207	\$ 1,236	(2.3)%	\$ 1,246	\$ 1,261	(1.2)%
Omaha, NE	11.5%	95.9%	94.9%	1.1%	858	830	3.4 %	927	893	3.8 %
Grand Forks, ND	9.8%	95.1%	90.6%	5.0%	856	865	(1.0)%	901	913	(1.3)%
St. Cloud, MN	9.8%	95.4%	90.4%	5.5%	908	878	3.4 %	987	942	4.8 %
Bismarck, ND	8.1%	94.2%	90.6%	4.0%	932	963	(3.2)%	967	1,016	(4.8)%
Topeka, KS	7.9%	95.1%	94.5%	0.6%	798	780	2.3 %	825	806	2.4 %
Billings, MT	7.9%	91.6%	89.5%	2.3%	905	907	(0.2)%	951	969	(1.9)%
Minneapolis, MN	7.7%	95.8%	95.5%	0.3%	1,131	1,059	6.8 %	1,210	1,140	6.1 %
Sioux Falls, SD	7.6%	95.7%	93.9%	1.9%	820	791	3.7 %	888	838	6.0 %
Rapid City, SD	3.9%	96.6%	94.4%	2.3%	904	880	2.7 %	969	927	4.5 %
Minot, ND	3.9%	95.8%	93.1%	2.9%	981	1,033	(5.0)%	1,004	1,034	(2.9)%
Williston, ND	1.0%	97.2%	82.5%	17.8%	837	928	(9.8)%	797	581	37.2 %
Same-Store Total	100.0%	95.1%	91.6%	3.8%	\$ 942	\$ 938	0.4 %	\$ 992	\$ 979	1.4 %

- (1) Weighted average occupancy is defined as scheduled rent less vacancy losses divided by scheduled rent for the period.
(2) Average scheduled rent per apartment home is scheduled rent divided by the total number of apartment homes. See definition of scheduled rent in the Definitions section.
(3) Average revenue is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

IRET
SAME-STORE SEQUENTIAL QUARTER COMPARISONS
(in thousands, except property data amounts)

Regions	Apartment Homes Included	Revenues			Expenses			NOI		
		FY18Q4	FY18Q3	% Change	FY18Q4	FY18Q3	% Change	FY18Q4	FY18Q3	% Change
Rochester, MN	1,711	\$ 6,082	\$ 6,025	0.9 %	\$ 2,311	\$ 2,446	(5.5)%	\$ 3,771	\$ 3,579	5.4 %
Omaha, NE	1,370	3,652	3,591	1.7 %	1,566	1,551	1.0 %	2,086	2,040	2.3 %
Grand Forks, ND	1,303	3,350	3,308	1.3 %	1,579	1,645	(4.0)%	1,771	1,663	6.5 %
St. Cloud, MN	1,187	3,353	3,311	1.3 %	1,578	1,590	(0.8)%	1,775	1,721	3.1 %
Bismarck, ND	977	2,672	2,606	2.5 %	1,202	1,200	0.2 %	1,470	1,406	4.6 %
Topeka, KS	1,042	2,453	2,435	0.7 %	1,016	1,073	(5.3)%	1,437	1,362	5.5 %
Billings, MT	770	2,011	2,022	(0.5)%	576	741	(22.3)%	1,435	1,281	12.0 %
Minneapolis, MN	688	2,394	2,355	1.7 %	992	971	2.2 %	1,402	1,384	1.3 %
Sioux Falls, SD	969	2,470	2,386	3.5 %	1,098	1,143	(3.9)%	1,372	1,243	10.4 %
Rapid City, SD	474	1,332	1,289	3.3 %	623	515	21.0 %	709	774	(8.4)%
Minot, ND	640	1,846	1,837	0.5 %	1,134	875	29.6 %	712	962	(26.0)%
Williston, ND	189	439	479	(8.4)%	264	212	24.5 %	175	267	(34.5)%
Same-Store Total	11,320	\$ 32,054	\$ 31,644	1.3 %	\$ 13,939	\$ 13,962	(0.2)%	\$ 18,115	\$ 17,682	2.4 %

Regions	FY18Q4 % of NOI	Weighted Average Occupancy ⁽¹⁾			Average Monthly Rental Rate ⁽²⁾			Weighted Average Monthly Revenue per Occupied Home ⁽³⁾		
		FY18Q4	FY18Q3	% Change	FY18Q4	FY18Q3	% Change	FY18Q4	FY18Q3	% Change
Rochester, MN	20.9%	95.1%	93.9%	1.3 %	\$ 1,207	\$ 1,226	(1.5)%	\$ 1,246	\$ 1,249	(0.2)%
Omaha, NE	11.5%	95.9%	94.8%	1.2 %	858	858	— %	927	922	0.5 %
Grand Forks, ND	9.8%	95.1%	94.2%	1.0 %	856	859	(0.3)%	901	898	0.3 %
St. Cloud, MN	9.8%	95.4%	94.3%	1.2 %	908	910	(0.2)%	987	986	0.1 %
Bismarck, ND	8.1%	94.2%	91.2%	3.3 %	932	944	(1.3)%	967	975	(0.8)%
Topeka, KS	7.9%	95.1%	94.5%	0.6 %	798	798	— %	825	824	0.1 %
Billings, MT	7.9%	91.6%	90.0%	1.8 %	905	909	(0.4)%	951	972	(2.2)%
Minneapolis, MN	7.7%	95.8%	93.3%	2.7 %	1,131	1,125	0.5 %	1,210	1,222	(1.0)%
Sioux Falls, SD	7.6%	95.7%	94.7%	1.1 %	820	814	0.7 %	888	867	2.4 %
Rapid City, SD	3.9%	96.6%	96.0%	0.6 %	904	900	0.4 %	969	944	2.6 %
Minot, ND	3.9%	95.8%	96.1%	(0.3)%	981	983	(0.2)%	1,004	996	0.8 %
Williston, ND	1.0%	97.2%	95.4%	1.9 %	837	826	1.3 %	797	885	(9.9)%
Same-Store Total	100.0%	95.1%	93.9%	1.3 %	\$ 942	\$ 945	(0.3)%	\$ 992	\$ 992	— %

- (1) Weighted average occupancy is defined as scheduled rent less vacancy losses divided by scheduled rent for the period.
(2) Average scheduled rent per apartment home is scheduled rent divided by the total number of apartment homes. See definition of scheduled rent in the Definitions section.
(3) Average revenue is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

IRET
SAME-STORE YEAR-TO-DATE COMPARISONS
(in thousands, except property data amounts)

Regions	Apartment Homes Included	Revenues			Expenses			NOI		
		FY18	FY17	% Change	FY18	FY17	% Change	FY18	FY17	% Change
Rochester, MN	1,711	\$ 24,011	\$ 22,872	5.0 %	\$ 9,707	\$ 8,835	9.9%	\$ 14,304	\$ 14,037	1.9 %
Omaha, NE	1,370	14,340	13,725	4.5 %	6,449	5,915	9.0%	7,891	7,810	1.0 %
Grand Forks, ND	1,303	13,315	12,978	2.6 %	6,247	5,614	11.3%	7,068	7,364	(4.0)%
St. Cloud, MN	1,187	13,093	11,769	11.2 %	6,508	5,881	10.7%	6,585	5,888	11.8 %
Bismarck, ND	977	10,664	10,663	— %	4,838	4,377	10.5%	5,826	6,286	(7.3)%
Topeka, KS	1,042	9,722	9,242	5.2 %	4,189	3,738	12.1%	5,533	5,504	0.5 %
Billings, MT	770	8,057	7,884	2.2 %	3,116	3,083	1.1%	4,941	4,801	2.9 %
Minneapolis, MN	688	9,337	8,665	7.8 %	3,928	3,687	6.5%	5,409	4,978	8.7 %
Sioux Falls, SD	969	9,546	9,193	3.8 %	4,656	4,355	6.9%	4,890	4,838	1.1 %
Rapid City, SD	474	5,140	4,891	5.1 %	2,253	1,975	14.1%	2,887	2,916	(1.0)%
Minot, ND	640	7,343	7,545	(2.7)%	3,887	3,482	11.6%	3,456	4,063	(14.9)%
Williston, ND	189	1,847	1,825	1.2 %	995	920	8.2%	852	905	(5.9)%
Same-Store Total	11,320	\$ 126,415	\$ 121,252	4.3 %	\$ 56,773	\$ 51,862	9.5%	\$ 69,642	\$ 69,390	0.4 %

Regions	FY18 % of NOI	Weighted Average Occupancy ⁽¹⁾			Average Monthly Rental Rate ⁽²⁾			Weighted Average Monthly Revenue per Occupied Home ⁽³⁾		
		FY18	FY17	% Change	FY18	FY17	% Change	FY18	FY17	% Change
Rochester, MN	20.6%	92.8%	88.1%	5.3 %	\$ 1,231	\$ 1,223	0.7 %	\$ 1,260	\$ 1,264	(0.3)%
Omaha, NE	11.3%	95.0%	95.3%	(0.3)%	853	820	4.0 %	919	876	4.9 %
Grand Forks, ND	10.1%	94.4%	91.1%	3.6 %	860	869	(1.0)%	902	911	(1.0)%
St. Cloud, MN	9.5%	94.0%	90.7%	3.6 %	905	858	5.5 %	978	911	7.4 %
Bismarck, ND	8.4%	92.3%	89.3%	3.4 %	949	977	(2.9)%	985	1,019	(3.3)%
Topeka, KS	7.9%	94.9%	93.9%	1.1 %	795	765	3.9 %	820	787	4.2 %
Billings, MT	7.1%	89.6%	90.5%	(1.0)%	912	884	3.2 %	973	943	3.2 %
Minneapolis, MN	7.8%	94.3%	94.5%	(0.2)%	1,114	1,036	7.5 %	1,200	1,111	8.0 %
Sioux Falls, SD	7.0%	94.4%	94.8%	(0.4)%	811	780	4.0 %	869	834	4.2 %
Rapid City, SD	4.1%	94.8%	95.0%	(0.2)%	900	866	3.9 %	953	905	5.3 %
Minot, ND	5.0%	95.1%	92.9%	2.4 %	994	1,064	(6.6)%	1,006	1,057	(4.8)%
Williston, ND	1.2%	93.9%	81.1%	15.8 %	833	1,075	(22.5)%	867	992	(12.6)%
Same-Store Total	100.0%	93.7%	91.5%	2.4 %	\$ 945	\$ 933	1.3 %	\$ 993	\$ 975	1.9 %

- (1) Weighted average occupancy is defined as scheduled rent less vacancy losses divided by scheduled rent for the period.
(2) Average scheduled rent per apartment home is scheduled rent divided by the total number of apartment homes. See definition of scheduled rent in the Definitions section.
(3) Average revenue is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

IRET
PORTFOLIO SUMMARY ⁽¹⁾

	Three Months Ended				
	4/30/2018	1/31/2018	10/31/2017	7/31/2017	4/30/2017
Number of Apartment Homes					
Same-Store	11,320	11,320	11,384	11,384	10,512
Non-Same-Store	2,856	2,466	2,192	2,019	2,693
All Communities	14,176	13,786	13,576	13,403	13,205
Average Investment Per Apartment Home					
Same-Store	\$ 88,219	\$ 88,329	\$ 88,047	\$ 87,876	\$ 78,996
Non-Same-Store	212,818	202,277	185,150	166,261	164,715
All Communities	\$ 112,401	\$ 108,681	\$ 102,760	\$ 99,684	\$ 96,485
Average Scheduled Rent per Apartment Home ⁽²⁾					
Same-Store	\$ 942	\$ 945	\$ 951	\$ 943	\$ 906
Non-Same-Store	1,358	1,332	1,309	1,165	1,267
All Communities	\$ 1,023	\$ 1,014	\$ 1,006	\$ 976	\$ 980
Average Revenue per Apartment Home ⁽³⁾					
Same-Store	\$ 992	\$ 994	\$ 998	\$ 991	\$ 955
Non-Same-Store	1,349	1,397	1,266	1,222	1,334
All Communities	\$ 1,064	\$ 1,066	\$ 1,041	\$ 1,026	\$ 1,032
Occupancy					
Same-Store	96.5%	95.3%	95.2%	94.5%	94.2%
Non-Same-Store	92.1%	90.1%	92.4%	89.3%	88.8%
All Communities	95.6%	94.3%	94.8%	93.7%	93.1%
Operating Expenses as a % of Scheduled Rent					
Same-Store	46.6%	47.0%	49.5%	48.7%	46.6%
Non-Same-Store	40.1%	38.7%	42.7%	40.3%	42.1%
All Communities	44.9%	45.1%	48.1%	47.2%	45.4%
Capital Expenditures					
Total Capital Expenditures per Apartment Home – Same-Store	\$ 153	\$ 240	\$ 396	\$ 240	\$ 281

(1) Previously reported amounts are not revised for discontinued operations or changes in the composition of the same-store properties pool.

(2) Average scheduled rent per apartment home is scheduled rent divided by the total number of apartment homes. See definition of scheduled rent in the Definitions section.

(3) Average revenue per apartment home is total revenues divided by the weighted average occupied homes for the period.

IRET
SAME-STORE CAPITAL EXPENDITURES
(\$ in thousands, except per home amounts)

	Three Months Ended	
	4/30/2018	4/30/2017
Total Multifamily Same-Store Apartment Homes	11,320	11,320
Turnover	\$ 927	\$ 1,282
Furniture & Equipment	39	74
Building – Interior	120	490
Building – Exterior	546	799
Landscaping & Grounds	99	294
Capital Expenditures	\$ 1,731	\$ 2,939
CapEx per Apartment Home	153	260
Value Add	15	2,428
Unallocated Accruals ⁽¹⁾	—	21
Total Capital Spend	\$ 1,746	\$ 5,388
Total Capital Spend per Apartment Home	154	476

	Twelve Months Ended	
	4/30/2018	4/30/2017
Total Multifamily Same-Store Apartment Homes	11,320	11,320
Turnover	\$ 5,066	\$ 4,671
Furniture & Equipment	306	450
Building – Interior	957	1,084
Building – Exterior	3,319	3,980
Landscaping & Grounds	2,136	1,891
Capital Expenditures	\$ 11,784	\$ 12,076
CapEx per Apartment Home	1,041	1,067
Value Add	383	16,510
Unallocated Accruals ⁽¹⁾	(1,651)	171
Total Capital Spend	\$ 10,516	\$ 28,757
Total Capital Spend per Apartment Home	929	2,540

(1) Amounts represent the change in the balance of unallocated capital accruals. During the quarter ended January 31, 2018, we fully allocated all remaining accruals to their respective capital expenditure categories and, as of January 31, 2018, no capital expenditures remained unallocated.

IRET
FISCAL 2018 ACQUISITIONS SUMMARY
as of April 30, 2018
(\$ in thousands)

Property	Location	Segment	Acquisition Date	Apartment Homes	Occupancy At Acquisition	4/30/2018 Occupancy	Acquisition Cost
Oxbo ⁽¹⁾	St. Paul, MN	Multifamily	May 26, 2017	191	29.3%	73.3%	\$ 61,500
Park Place	Plymouth, MN	Multifamily	September 13, 2017	500	94.0%	91.4%	92,250
Dylan	Denver, CO	Multifamily	November 28, 2017	274	79.9%	83.9%	90,600
Westend	Denver, CO	Multifamily	March 28, 2018	390	93.9%	93.8%	128,700
Total				1,355			\$ 373,050

(1) Property includes 11,477 sq ft of retail space. Retail is 100% leased.

Definitions
April 30, 2018

Adjusted EBITDA is earnings before interest, taxes, depreciation, amortization, gain/loss on sale of real estate and other investments, impairment of real estate investments, gain/loss on extinguishment of debt and gain/loss from involuntary conversion. We consider Adjusted EBITDA to be an appropriate supplemental performance measure because it permits investors to view income from operations without the effect of depreciation, the cost of debt, or non-operating gains and losses. Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA as calculated by us is not comparable to Adjusted EBITDA reported by other REITs that do not define Adjusted EBITDA exactly as we do.

Core funds from operations (Core FFO) is FFO as adjusted for non-routine items or items not considered core to our business operations. By further adjusting for items that are not considered part of our core business operations, we believe Core FFO provides investors with additional information to compare our core operating and financial performance between periods. Core FFO should not be considered as an alternative to net income as an indication of financial performance, or as an alternative to cash flows from operations as a measure of liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions to shareholders. Core FFO is a non-GAAP and non-standardized measure and may be calculated differently by other REITs.

Debt to total market capitalization is total debt from the balance sheet divided by the sum of total debt from the balance sheet plus the market value of shares outstanding at the end of the period.

Debt service coverage ratio is computed by dividing Adjusted EBITDA by interest expense and principal amortization.

Funds from operations (FFO) is defined by the National Association of Real Estate Investment Trusts, Inc. (NAREIT) as net income (computed in accordance with GAAP), excluding gains (or losses) associated with the sale of previously depreciated operating properties, real estate depreciation and amortization, impairments of depreciable assets, and adjustments for unconsolidated joint ventures to reflect FFO on the same basis. We believe that FFO, which is a standard supplemental measure for equity real estate investment trusts, is helpful to investors in understanding our operating performance, primarily because its calculation excludes depreciation and amortization expense on real estate assets, thereby providing an additional perspective on our operating results. We believe that GAAP historical cost depreciation of real estate assets generally is not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies. In addition, the exclusion in NAREIT's definition of FFO of impairment write-downs and gains and losses from the sale of previously depreciated operating real estate assets helps to identify the operating results of the long-term assets that form the base of our investments, and assists management and investors in comparing those operating results between periods.

Net Debt to Annualized Adjusted EBITDA is total debt less cash and cash equivalents and real estate deposits as reported for the end of the quarter divided by Adjusted EBITDA as reported for the end of the quarter multiplied by 4.

Net Operating Income (NOI) is a non-U.S. GAAP measure which we define as total real estate revenues less property operating expenses and real estate tax expense combined (referred to as "Real estate expense"). We believe that NOI is an important supplemental measure of operating performance for a REIT's operating real estate because it provides a measure of core operations that is unaffected by depreciation, amortization, financing and general and administrative expense. NOI does not represent cash generated by operating activities in accordance with U.S. GAAP and should not be considered an alternative to net income, net income available for common shareholders, or cash flow from operating activities as a measure of financial performance.

Ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations plus fixed charges and preferred distributions, less adjustments for noncontrolling interests - consolidated real estate entities, capitalized interest and preferred distributions. Fixed charges consist of mortgage and loan interest expense, whether expensed or capitalized, the amortization of debt expense and capitalized interest.

Ratio of earnings to combined fixed charges and preferred distributions is computed by dividing earnings by combined fixed charges and preferred distributions. For this purpose, earnings consist of income from continuing operations plus fixed charges and preferred distributions, less adjustments for noncontrolling interests - consolidated real estate entities, capitalized interest and preferred distributions. Combined fixed charges and preferred distributions consist of fixed charges (mortgage and loan interest expense, whether expensed or capitalized, the amortization of debt expense and capitalized interest) and preferred distributions.

Scheduled rent revenue is the total possible revenue from all leasable units and square footage, with occupied space valued at contract rates pursuant to leases and vacant units or square footage at market rates.

Same-store properties are properties owned or in service for the entirety of the periods being compared (except for properties for which significant redevelopment or expansion occurred during either of the periods being compared, an properties sold or classified as held for sale), and, in the case of development or redevelopment properties, which have achieved a target level of occupancy of 90%.

U.S. GAAP is defined as accounting principles generally accepted in the United States of America.