1ST QUARTER 2018

Supplemental Operating & Financial Data

IRET Announces Fiscal First Quarter 2018 Results

MINOT, N.D., September 11, 2017 – IRET (NYSE:IRET) announced today its fiscal first quarter 2018 financial and operating results. Net income and Funds from Operations ("FFO") per share for the three months ended July 31, 2017, 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.

	Three Months Ended July 31,	
Per Share	**2017**	**2016**
Net Income	$ (0.11)	$ (0.20)
FFO	$ 0.10	$ 0.12
Core FFO	$ 0.10	$ 0.11

Multifamily Same-Store Results	**Quarterly Comparison 1Q18 vs. 1Q17**	**Sequential Comparison 1Q18 vs. 4Q17**
Revenues	3.9 %	2.3 %
Expenses	13.9 %	6.1 %
Net Operating Income ("NOI")	(3.4)%	(0.8)%

Multifamily Same-Store Results	**1Q18**	**1Q17**	**4Q17**
Physical Occupancy	94.4 %	92.5 %	93.8 %
Weighted Average Occupancy	92.9 %	91.7 %	91.6 %

"I'm very pleased with what we achieved this quarter," said Mark O. Decker, Jr., IRET's President and CEO. "Our team remains focused on providing outstanding service to our residents and executing on our stated business plan while completing our senior management transition. We are committed to our ongoing transformation and dedicated to building a high-quality multifamily portfolio, supported by a strong and efficient operating platform that delivers consistent growth to our investors."

First Quarter Fiscal Year 2018 Highlights

- Achieved multifamily same-store revenue and occupancy growth over both year-over-year and sequential time periods through a combination of initiatives, including implementation of a revenue management system across the portfolio, expansion of utility billings to residents, and completion of revenue-generating capital expenditures.

- Experienced elevated multifamily same-store expense increase year-over-year. The primary drivers of this increase were capital expenditure policy changes and increased turnover costs related to a reduction in revenue generating capital spend. Additionally, we experienced higher labor costs and increased real estate taxes, primarily attributable to stabilizing developments and higher North Dakota levy rates.

- Closed the previously announced acquisition of Oxbo Apartments and, subsequent to quarter end, executed a purchase agreement and concluded due diligence on Park Place Apartments, which we believe has opportunity for revenue-generating capital upgrades. Both properties advanced our portfolio transition and added to our holdings in the Minneapolis-St. Paul MSA, which continues to exhibit economic strength and attract capital from national and international investors.

- Established a new senior management team to complete and enhance the portfolio transition and continue the operational improvements.

Acquisitions
We added one new property to our portfolio during the quarter:

			(in millions)	
Property Name	**Location**	**Total Units**	**Total Cost**	**% Leased as of 8/31/17**
Oxbo	St. Paul, MN	191	$ 61.5	53.9 %

Subsequent to quarter end, we signed an agreement to acquire Park Place Apartments, a 500-unit multifamily property in Plymouth, MN, for $92.3 million. Our due diligence investigation is complete, and we expect to close the acquisition of this property before the end of September 2017.

Dispositions
During the quarter, we sold a retail property in Minot, ND, for $3.4 million.

Subsequent to quarter end, we sold a parcel of unimproved land in Bismarck, ND, for $3.2 million, an industrial property in Eagan, MN, for $9.0 million, 13 multifamily properties in Minot, ND, for $12.3 million, and a healthcare property in Eagan, MN, for $2.1 million,

Other Investments
In July 2017, we originated a $16.2 million loan on a multifamily development located in New Hope, MN, a suburb of Minneapolis. The investment will be funded through the third quarter of fiscal year 2018. As of July 31, 2017, we had funded $3.0 million. The investment has an initial return of 6.0% and matures in 2023. Additionally, the investment provides IRET an option to purchase the development before the loan matures.

Balance Sheet
At the end of the first quarter we had $117.9 million of total liquidity on our balance sheet, including $94.1 million available on our corporate revolver. Net debt to annualized Adjusted EBITDA totaled 8.2x, and total debt to total market capitalization was 46.8%.

During the quarter, the Company repurchased and retired approximately 682,000 common shares for an aggregate cost of $3.9 million. In addition, we redeemed approximately 960,000 Units for an aggregate cost of $5.7 million.

Quarterly Distributions
On September 6, 2017, IRET's Board of Trustees declared a regular quarterly distribution of $0.07 per share/unit payable on October 2, 2017, to common shareholders and unitholders of record on September 15, 2017. This distribution will be the 186th 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 4.5% based on IRET's closing share price as of September 8, 2017.

The Board of Trustees also declared a distribution of $0.496875 per share on the 7.95% Series B Cumulative Redeemable Preferred Shares (NYSE: IRET PRB) payable on October 2, 2017, to holders of record on September 15, 2017. Series B preferred share distributions are cumulative and payable quarterly in arrears at an annual rate of $1.9875 per share.

Earnings Call

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

Live Conference Call		**Conference Call Replay**	
Tuesday, September 12, 2017, at 10:00 AM ET		Replay available until September 26, 2017	
USA Toll Free Number	1-877-509-9785	USA Toll Free Number	1-877-344-7529
International Toll Free Number	1-412-902-4132	International Toll Free Number	1-412-317-0088
Canada Toll Free Number	1-855-669-9657	Canada Toll Free Number	1-855-669-9658
		Conference Number	10111813

Supplemental Information

Supplemental Operating and Financial Data for the Quarter Ended July 31, 2017, ("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 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, consisting of: (1) 88 multifamily properties consisting of 13,076 units, and (2) 42 commercial properties, including 29 healthcare properties, containing a total of approximately 2.6 million square feet of leasable space. IRET's common shares and Series B preferred shares are publicly traded on the New York Stock Exchange (NYSE symbols: IRET and IRETPRB, respectively).

Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements in certain circumstances. Certain information included in this Quarterly Report contains or may contain information that is forward-looking, within the meaning of the federal securities laws, including, without limitation, statements regarding: our ability to maintain current or meet projected occupancy, rental rate and property operating results; the effect of acquisitions, dispositions, redevelopments and developments; our ability to meet budgeted costs and timelines, and achieve budgeted rental rates related to our redevelopment and development investments; expectations regarding sales of our properties and the use of proceeds thereof; and our ability to comply with debt covenants, including financial coverage ratios.

Actual results may differ materially from those described in these forward-looking statements and, in addition, will be affected by a variety of risks and factors, some of which are beyond our control, including, without limitation:

- Real estate and operating risks, including fluctuations in real estate values and the general economic climate in the markets in which we operate and competition for residents and commercial tenants in such markets; national and local economic conditions, including the pace of job growth and the level of unemployment; the amount, location and quality of competitive new housing supply; the timing of acquisitions, dispositions, redevelopments and developments; and changes in operating costs, including energy costs;

- Financing risks, including the availability and cost of capital markets financing and the risk that our cash flows from operations may be insufficient to meet required payments of principal and interest and the risk that our earnings may not be sufficient to maintain compliance with debt covenants;

- Our geographic concentration in Minnesota and North Dakota;

- Insurance risks, including the cost of insurance and natural disasters and severe weather; and

- Legal and regulatory risks, including costs associated with prosecuting or defending claims and any adverse outcomes; the terms of governmental regulations that affect us and interpretations of those regulations; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of apartment communities presently or previously owned by us.

In addition, our current and continuing qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code and depends on our ability to meet the various requirements imposed by the Internal Revenue Code, through actual operating results, distribution levels and diversity of stock ownership. Readers should review the risks and uncertainties detailed from time to time in our filings with 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 fiscal year ended April 30, 2017.

IRET

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

Three Months Ended July 31,	*(in thousands, except per share amounts)* 2017			2016		
	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 loss attributable to IRET	$ (11,264)		$	$(21,643)		$
Less dividends to preferred shareholders	(2,286)			(2,879)		
Net loss available to common shareholders	(13,550)	120,421	(0.11)	(24,522)	121,117	(0.20)
Adjustments:						
Noncontrolling interest – Operating Partnership	(1,644)	15,128		(3,296)	16,285	
Depreciation and amortization	28,119			13,437		
Impairment of real estate investments	256			39,189		
Gains on depreciable property sales attributable to IRET	(124)			(8,958)		
FFO applicable to Common Shares and Units[1]	**$ 13,057**	**135,549**	**$ 0.10**	**$ 15,850**	**137,402**	**$ 0.12**
Adjustments to Core FFO:						
Straight-line rents	(66)			(697)		
Non-real estate depreciation	77			88		
Loss on extinguishment of debt	199			—		
Transition and severance costs	464			—		
Core FFO applicable to common shares and Units[1]	**$ 13,731**	**135,549**	**$ 0.10**	**$ 15,241**	**137,402**	**$ 0.12**

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

(2) Net income attributable to Investors Real Estate Trust is calculated on a per Common Share basis. FFO is calculated on a per Common Share and Unit basis.

IRET
RECONCILATION OF NET OPERATING INCOME TO THE
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	(in thousands)				
Three Months Ended July 31, 2017	**Multifamily**	**Healthcare**	**All Other**	**Amounts Not Allocated To Segments[(1)]**	**Total**
Real estate revenue	$ 38,430	11,378	2,927	$ —	$ 52,735
Real estate expenses	17,465	4,285	793	1,707	24,250
Net operating income (loss)	$ 20,965	$ 7,093	$ 2,134	$ (1,707)	28,485
Depreciation and amortization					(28,927)
Impairment of real estate investments					(256)
General and administrative expenses					(4,002)
Interest expense					(9,295)
Loss on debt extinguishment					(199)
Interest and other income					231
Loss before gain on sale of real estate and other investments					(13,963)
Gain on sale of real estate and other investments					124
Loss from continuing operations					(13,839)
Income from discontinued operations					560
Net loss					$ (13,279)

	(in thousands)				
Three Months Ended July 31, 2016	**Multifamily**	**Healthcare**	**All Other**	**Amounts Not Allocated To Segments[(1)]**	**Total**
Real estate revenue	$ 35,042	$ 11,541	$ 3,028	$ —	$ 49,611
Real estate expenses	14,879	4,192	725	1,838	21,634
Net operating income (loss)	$ 20,163	$ 7,349	$ 2,303	$ (1,838)	27,977
Depreciation and amortization					(14,267)
Impairment of real estate investments					(54,153)
General and administrative expenses					(3,501)
Interest expense					(10,364)
Interest and other income					188
Loss before gain on sale of real estate and other investments					(54,120)
Gain on sale of real estate and other investments					8,958
Loss from continuing operations					(45,162)
Income from discontinued operations					4,568
Net loss					$ (40,594)

(1) Consists of offsite costs associated with property management and casualty-related amounts.

Supplemental Financial and Operating Data
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July 31, 2017

Company Background
First Quarter Fiscal 2018

We are a real estate investment trust (REIT) focused on the acquisition, development, redevelopment and management of multifamily communities located primarily in select growth markets throughout the Midwest. Our portfolio consists of multifamily and healthcare segments.

As of July 31, 2017, we held for investment a portfolio of 130 properties consisting of 88 multifamily properties, 29 healthcare properties, and 13 other commercial properties. As of July 31, 2017, our common shares and Series B preferred shares were publicly traded on the New York Stock Exchange (NYSE symbols: IRET and IRETPRB, respectively).

Company Snapshot
(as of July 31, 2017)

Company Headquarters	Minot, North Dakota
Fiscal Year-End	April 30
Reportable Segments	Multifamily and Healthcare
Total Properties Held for Investment	130
Total Units Held for Investment (multifamily properties)	13,076
Total Square Feet Held for Investment (healthcare and other commercial properties)	2.6 million
Common Shares Outstanding (thousands)	120,587[1]
Limited Partnership Units Outstanding (thousands)	14,657
Common Share Distribution - Quarter/Annualized	$0.07/$0.28
Annualized Dividend Yield	4.5%
Total Capitalization (see p. S-12 for detail)	$1.8 billion

(1) Common Shares and Limited Partnership Units outstanding as of September 5, 2017 were 120,586,875 and 14,633,687, respectively.

Investor Information

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, General Counsel and Secretary
Andrew Martin	Executive Vice President – Property Operations
Nancy B. Andersen	Senior Vice President and Principal Accounting Officer
Matthew M. Volpano	Senior Vice President – Capital Markets

Corporate Headquarters:
1400 31st Avenue SW, Suite 60
Post Office Box 1988
Minot, North Dakota 58702-1988

Investor Relations Contact:
Matthew Volpano
701-837-7104
IR@iret.com

Trading Symbol for Common Shares: IRET
Stock Exchange Listing: NYSE

Common Share Data (NYSE: IRET)

	1st Quarter Fiscal Year 2018	4th Quarter Fiscal Year 2017	3rd Quarter Fiscal Year 2017	2nd Quarter Fiscal Year 2017	1st Quarter Fiscal Year 2017	4th Quarter Fiscal Year 2016
High Closing Price	$ 6.72	$ 6.61	$ 7.20	$ 6.67	$ 6.63	$ 7.48
Low Closing Price	$ 5.64	$ 5.67	$ 5.81	$ 5.67	$ 6.01	$ 5.97
Average Closing Price	$ 6.07	$ 6.09	$ 6.65	$ 6.21	$ 6.35	$ 6.71
Closing Price at end of quarter	$ 6.22	$ 5.91	$ 6.44	$ 6.07	$ 6.62	$ 6.02
Common Share Distributions—annualized	$ 0.28	$ 0.28	$ 0.28	$ 0.52	$ 0.52	$ 0.52
Closing Dividend Yield - annualized	4.5 %	4.7 %	4.3 %	8.6 %	7.9 %	8.6 %
Closing common shares outstanding (thousands)	120,587	121,199	121,889	121,701	121,528	121,091
Closing limited partnership units outstanding (thousands)	14,657	15,617	16,034	16,229	16,285	16,285
Closing market value of outstanding common shares, plus imputed closing market value of outstanding limited partnership units (thousands)	$ 841,218	$ 808,583	$ 888,224	$ 837,235	$ 912,322	$ 827,004

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. These forward-looking statements, which may be identified by the use of words such as "expects," "plans," "estimates," "anticipates," "projects," "intends," "believes," "outlook" and similar expressions that do not relate to historical matters, specifically including our future plan and anticipated operating results, are based on our expectations, forecasts and assumptions at the time of this earnings release. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in such forward-looking statements.

Such risks, uncertainties and other factors that might cause such differences include, but are not limited to: intentions and expectations regarding future distributions on common shares and units; changes in operating costs; fluctuations in interest rates; adverse capital and credit market conditions that might affect our access to various sources of capital and cost of capital; our ability to manage our current debt levels and repay or refinance its indebtedness upon maturity or other payment dates; our ability to maintain financial covenant compliance under its debt agreements; adequate insurance coverage; the effect of government regulation; delays or inability to obtain necessary governmental permits and authorizations; changes in general and local economic and real estate market conditions; changes in demand for our properties that may result in lower than expected occupancy and/or rental rates; ability to acquire quality properties in targeted markets; ability to successfully dispose of certain assets; competition for tenants from similar competing properties; ability to attract and retain skilled personnel; cyber-intrusion; abandonment of development or redevelopment opportunities for which we have already incurred costs; delays in completing development, redevelopment and/or lease up of properties and increased costs; ability to maintain effective internal controls over financial reporting and disclosure controls and procedures; 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, 2017 and subsequent quarterly reports on Form 10-Q. 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)

	7/31/2017	4/30/2017	1/31/2017	10/31/2016	7/31/2016
ASSETS					
Real estate investments					
Property owned	$ 1,744,252	$ 1,677,481	$ 1,685,823	$ 1,665,354	$ 1,667,442
Less accumulated depreciation	(368,769)	(340,417)	(334,875)	(321,790)	(319,087)
	1,375,483	1,337,064	1,350,948	1,343,564	1,348,355
Development in progress	—	—	11,531	20,921	27,454
Unimproved land	15,195	18,455	19,076	19,069	18,933
Total real estate investments	1,390,678	1,355,519	1,381,555	1,383,554	1,394,742
Assets held for sale and assets of discontinued operations	37,552	37,708	140,226	191,233	215,817
Cash and cash equivalents	23,801	28,819	56,999	68,729	54,438
Receivable arising from straight-lining of rents, net of allowance	7,992	7,822	7,839	7,660	7,683
Accounts receivable, net of allowance	2,184	2,600	3,878	9,815	3,018
Real estate deposits	—	23,659	—	1,370	—
Prepaid and other assets	2,125	3,131	4,060	3,496	2,265
Notes receivable	3,000	—	—	—	—
Intangible assets, net of accumulated amortization	1,249	658	731	842	1,172
Tax, insurance, and other escrow	4,285	5,050	5,724	4,786	4,752
Property and equipment, net of accumulated depreciation	836	901	915	928	977
Goodwill	1,572	1,572	1,645	1,645	1,680
Deferred charges and leasing costs, net of accumulated amortization	7,076	7,075	5,517	5,261	4,999
TOTAL ASSETS	$ 1,482,350	$ 1,474,514	$ 1,609,089	$ 1,679,319	$ 1,691,543
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, AND EQUITY					
LIABILITIES					
Liabilities held for sale and liabilities of discontinued operations	$ 29,683	$ 30,062	$ 54,291	$ 69,326	$ 76,195
Accounts payable and accrued expenses	36,859	40,350	41,351	40,382	41,797
Revolving line of credit	125,900	57,050	157,000	47,500	17,500
Mortgages payable, net of loan costs	660,753	661,960	688,424	779,568	812,082
Construction debt and other	20,205	41,817	39,524	82,742	78,481
TOTAL LIABILITIES	873,400	831,239	980,590	1,019,518	1,026,055
REDEEMABLE NONCONTROLLING INTERESTS – CONSOLIDATED REAL ESTATE ENTITIES	7,010	7,181	7,300	8,585	7,468
EQUITY					
IRET shareholders' equity					
Series A Preferred Shares of Beneficial Interest	—	—	—	27,317	27,317
Series B Preferred Shares of Beneficial Interest	111,357	111,357	111,357	111,357	111,357
Common Shares of Beneficial Interest	912,625	916,121	921,735	920,759	922,698
Accumulated distributions in excess of net income	(488,535)	(466,541)	(486,015)	(489,356)	(482,264)
Total IRET shareholders' equity	535,447	560,937	547,077	570,077	579,108
Noncontrolling interests – Operating Partnership	64,789	73,233	72,007	71,994	73,071
Noncontrolling interests – consolidated real estate entities	1,704	1,924	2,115	9,145	5,841
Total equity	601,940	636,094	621,199	651,216	658,020
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, AND EQUITY	$ 1,482,350	$ 1,474,514	$ 1,609,089	$ 1,679,319	$ 1,691,543

IRET

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*

(in thousands, except per share data)

	Three Months Ended				
OPERATING RESULTS	**7/31/2017**	**4/30/2017**	**1/31/2017**	**10/31/2016**	**7/31/2016**
Real estate revenue	$ 52,735	$ 54,344	$ 51,174	$ 50,609	$ 49,611
Real estate expenses	24,250	22,355	22,793	21,573	21,634
Net operating income	28,485	31,989	28,381	29,036	27,977
Depreciation/amortization	(28,927)	(13,736)	(13,475)	(13,531)	(14,267)
Impairment of real estate investments	(256)	(2,875)	—	—	(54,153)
General and administrative expenses	(4,002)	(4,728)	(4,172)	(3,522)	(3,501)
Development pursuit and other write-offs	—	(3,224)	—	—	—
Interest expense	(9,295)	(9,457)	(10,680)	(10,626)	(10,364)
Loss on extinguishment of debt	(199)	(1,192)	(1,907)	—	—
Interest and other income	231	465	430	93	188
(Loss) income before income (loss) on sale of real estate and other investments and income (loss) from discontinued operations	(13,963)	(2,758)	(1,423)	1,450	(54,120)
Income (loss) on sale of real estate and other investments	124	7,409	2,437	(103)	8,958
(Loss) income from continuing operations	(13,839)	4,651	1,014	1,347	(45,162)
Income from discontinued operations	560	28,989	24,175	10,943	4,568
Net (loss) income	$ (13,279)	$ 33,640	$ 25,189	$ 12,290	$ (40,594)
Net loss (income) attributable to noncontrolling interest – Operating Partnership	1,644	(3,656)	(2,525)	(1,174)	3,296
Net loss attributable to noncontrolling interests – consolidated real estate entities	371	296	446	484	15,655
Net (loss) income attributable to IRET	(11,264)	30,280	23,110	11,600	(21,643)
Dividends to preferred shareholders	(2,286)	(2,286)	(2,503)	(2,878)	(2,879)
Redemption of Preferred Shares	—	—	(1,435)	—	—
NET (LOSS) INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ (13,550)	$ 27,994	$ 19,172	$ 8,722	$ (24,522)
Per Share Data					
(Loss) earnings per common share from continuing operations – IRET – basic & diluted	$ (0.11)	$ 0.02	$ (0.02)	$ (0.01)	$ (0.23)
Earnings per common share from discontinued operations – IRET – basic & diluted	—	0.21	0.18	0.08	0.03
Net (loss) income per common share – basic & diluted	$ (0.11)	$ 0.23	$ 0.16	$ 0.07	$ (0.20)
Percentage of Revenues					
Real estate expenses	46.0 %	41.1 %	44.5 %	42.6 %	43.6 %
Depreciation/amortization	54.9 %	25.3 %	26.3 %	26.7 %	28.8 %
General and administrative expenses	7.6 %	8.7 %	8.1 %	7.0 %	7.0 %
Interest	17.6 %	17.4 %	20.9 %	21.0 %	20.9 %
Income from discontinued operations	1.1 %	53.3 %	47.2 %	21.6 %	9.2 %
Net (loss) income	(25.2)%	61.9 %	49.2 %	24.3 %	(81.8)%
Ratios					
Adjusted EBITDA(1)/Interest expense	2.45 x	2.45 x	2.47 x	2.54 x	2.52 x
Adjusted EBITDA(1)/Interest expense plus preferred distributions	2.00 x	2.00 x	2.04 x	2.05 x	2.03 x

(1) See Definitions on page S-21. Adjusted EBITDA is a non-GAAP measure; see page S-7 for a reconciliation of Adjusted EBITDA to net income.

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

	Three Months Ended				
	7/31/2017	**4/30/2017**	**1/31/2017**	**10/31/2016**	**7/31/2016**
Funds From Operations[1]					
Net (loss) income attributable to IRET	$ (11,264)	$ 30,280	$ 23,110	$ 11,600	$ (21,643)
Less dividends to preferred shareholders	(2,286)	(2,286)	(2,503)	(2,878)	(2,879)
Less redemption of preferred shares	—	—	(1,435)	—	—
Net (loss) income available to common shareholders	(13,550)	27,994	19,172	8,722	(24,522)
Adjustments:					
Noncontrolling interests – Operating Partnership	(1,644)	3,656	2,525	1,174	(3,296)
Depreciation and amortization of real property	28,119	13,222	12,933	12,971	13,437
Impairment of real estate investments attributable to IRET	256	2,875	—	—	39,189
Gain on depreciable property sales	(124)	(37,517)	(21,972)	(6,400)	(8,958)
FFO applicable to common shares and Units	**$ 13,057**	**$ 10,230**	**$ 12,658**	**$ 16,467**	**$ 15,850**
FFO per share and unit - basic and diluted	**$ 0.10**	**$ 0.07**	**$ 0.09**	**$ 0.12**	**$ 0.12**
Adjustments to Core FFO:					
Lease termination fees	—	(3,244)	(7)	—	—
Straight-line rents	(66)	(174)	(292)	162	(697)
Non-real estate depreciation	77	78	69	69	88
Loss on extinguishment of debt	199	2,910	1,907	72	—
Redemption of Preferred Shares	—	—	1,435	—	—
Transition and severance costs	464	1,191	—	—	—
Development pursuit and other write-offs	—	3,224	—	—	—
Core FFO applicable to common shares and Units	**$ 13,731**	**$ 14,215**	**$ 15,770**	**$ 16,770**	**$ 15,241**
Core FFO per share and unit - basic and diluted	**$ 0.10**	**$ 0.10**	**$ 0.11**	**$ 0.12**	**$ 0.11**
Weighted average shares and units	135,549	136,952	137,375	137,418	137,402

(1) See Definitions on page S-21.

IRET

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

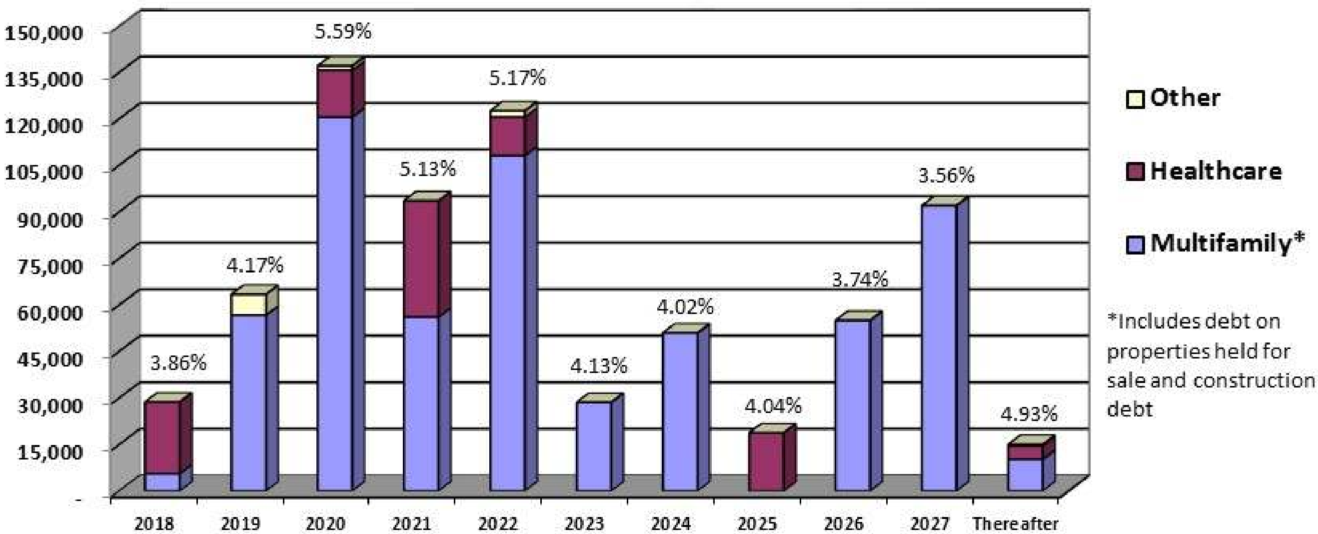
	Three Months Ended				
	7/31/2017	**4/30/2017**	**1/31/2017**	**10/31/2016**	**7/31/2016**
Adjusted EBITDA[(1)]					
Net (loss) income attributable to IRET	$ (11,264)	$ 30,280	$ 23,110	$ 11,600	$ (21,643)
Adjustments:					
Noncontrolling interests – Operating Partnership	(1,644)	3,656	2,525	1,174	(3,296)
Income before noncontrolling interests – Operating Partnership	(12,908)	33,936	25,635	12,774	(24,939)
Add:					
Interest expense	9,703	10,303	11,880	12,021	11,738
Loss on extinguishment of debt	199	2,910	1,907	72	—
Depreciation/amortization related to real estate investments	28,215	13,280	12,983	13,014	13,497
Amortization related to real estate revenues[(2)]	—	20	21	27	27
Impairment of real estate investments attributable to IRET	256	2,875	—	—	39,190
Less:					
Interest income	(564)	(557)	(816)	(600)	(572)
Gain on sale of real estate and other investments	(124)	(37,517)	(21,972)	(6,400)	(8,958)
Adjusted EBITDA	24,777	25,250	29,638	30,908	29,983

(1) See Definitions on page S-21.
(2) Included in real estate revenue in the Statement of Operations.

IRET
DEBT ANALYSIS
(in thousands)

Debt Maturity Schedule
Annual Expirations

Total Maturing Debt



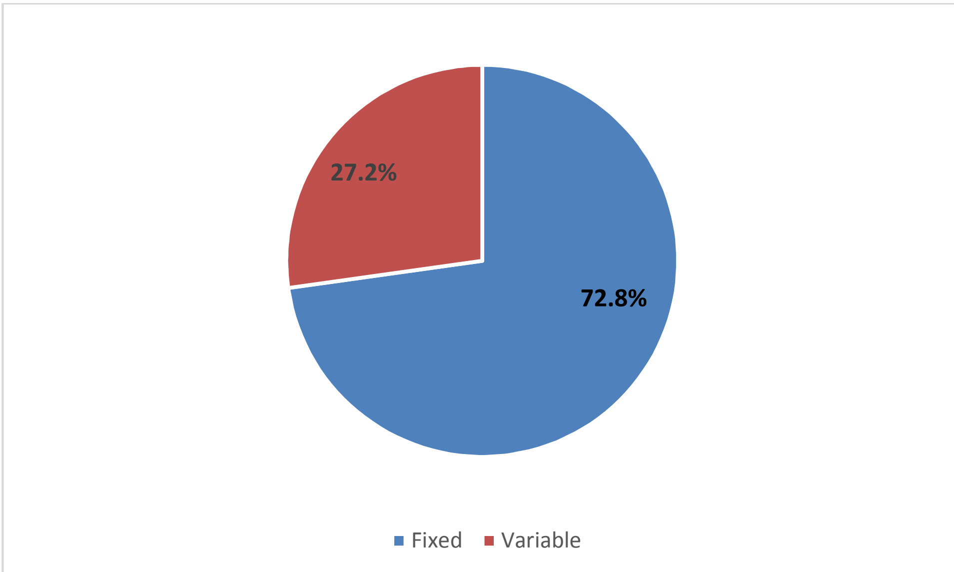
Fiscal Year	Fixed Debt	Variable Debt	Total Debt	Weighted Average[2]	% of Total Debt
	Future Maturities of Debt[1]				
2018	$ 5,574	$ 23,099	$ 28,673	3.86 %	3.5 %
2019	20,094	43,343	63,437	4.17 %	7.7 %
2020	104,779	32,265	137,044	5.59 %	16.5 %
2021	93,553	—	93,553	5.13 %	11.2 %
2022	120,858	1,681	122,539	5.17 %	14.7 %
2023	28,556	—	28,556	4.13 %	3.4 %
2024	50,937	—	50,937	4.02 %	6.1 %
2025	18,738	—	18,738	4.04 %	2.2 %
2026	54,973	—	54,973	3.74 %	6.6 %
2027	92,000	—	92,000	3.56 %	11.1 %
Thereafter	14,966	—	14,966	4.93 %	1.8 %
Total maturing debt	$ 605,028	$ 100,388	$ 705,416	4.62 %	84.8 %
Unsecured line of credit	—	125,900	125,900	2.98 %	15.2 %
Total debt	605,028	226,288	831,316	4.37 %	100.0 %

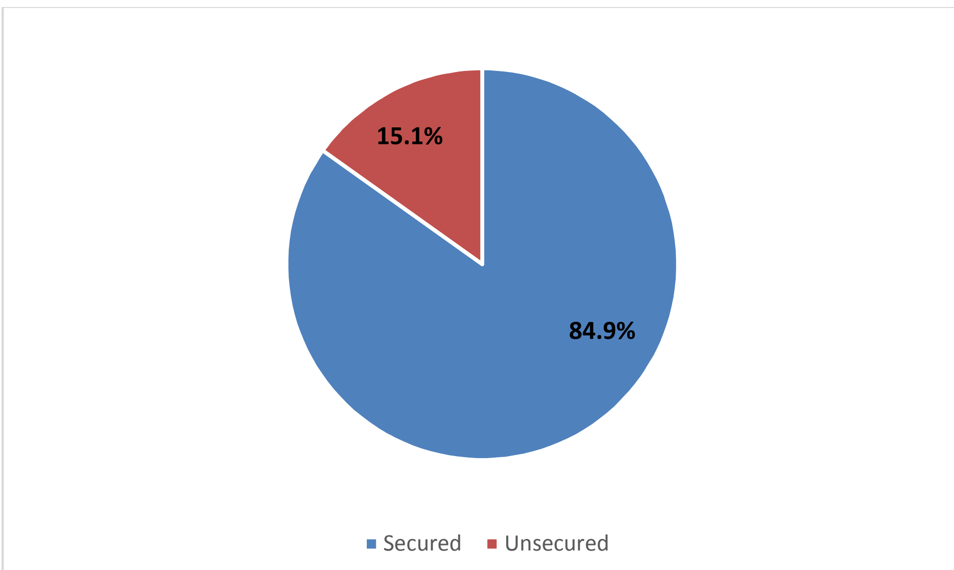
(1) Includes mortgages on properties held for sale, construction debt, and line of credit.
(2) Weighted average interest rate of debt that matures in fiscal year.

IRET
DEBT ANALYSIS
(in thousands)

	7/31/2017	4/30/2017	1/31/2017	10/31/2016	7/31/2016
Debt Balances Outstanding(1)					
Fixed rate	$ 605,028	$ 629,535	$ 658,224	$ 617,694	$ 635,251
Variable rate	100,388	99,445	81,314	226,891	249,169
Line of credit	125,900	57,050	157,000	47,500	17,500
Debt total	$ 831,316	$ 786,030	$ 896,538	$ 892,085	$ 901,920
Weighted Average Interest Rates Secured	4.62 %	4.63 %	4.71 %	4.52 %	4.54 %
Line of Credit Rate	2.98 %	2.74 %	2.55 %	4.75 %	4.75 %

(1) Includes mortgages on properties held for sale.





IRET
DEBT DETAIL AS OF JULY 31, 2017
(in thousands)

Property	Maturity Date	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Thereafter	Total[1]
Multifamily							
Evergreen II – Isanti, MN	11/1/2017	1,960	—	—	—	—	1,960
Ponds – Sartell, MN	11/1/2017	3,614	—	—	—	—	3,614
Monticello Crossings - Monticello, MN	5/4/2018	—	20,043	—	—	—	20,043
Homestead Gardens II - Rapid City, SD	6/1/2018	—	3,008	—	—	—	3,008
Cardinal Point - Grand Forks, ND	8/1/2018	—	23,300	—	—	—	23,300
Plaza - Minot, ND	8/1/2018	—	5,031	—	—	—	5,031
Greenfield - Omaha, NE	2/1/2019	—	3,437	—	—	—	3,437
Brooklyn Heights - Minot, ND[2]	4/1/2019	—	557	—	—	—	557
Colton Heights - Minot, ND[2]	4/1/2019	—	313	—	—	—	313
Pines - Minot, ND[2]	4/1/2019	—	89	—	—	—	89
Summit Park - Minot, ND[2]	4/1/2019	—	773	—	—	—	773
Terrace Heights - Minot, ND[2]	4/1/2019	—	129	—	—	—	129
Monticello Village - Monticello, MN	5/28/2019	—	—	2,843	—	—	2,843
Rimrock West - Billings, MT	9/1/2019	—	—	3,143	—	—	3,143
Rocky Meadows - Billings, MT	9/1/2019	—	—	4,873	—	—	4,873
Cimarron Hills - Omaha, NE	10/1/2019	—	—	4,539	—	—	4,539
Cottonwood - Bismarck, ND	10/1/2019	—	—	15,046	—	—	15,046
Forest Park - Grand Forks, ND	10/1/2019	—	—	7,236	—	—	7,236
Renaissance Heights I - Williston, ND	10/1/2019	—	—	23,267	—	—	23,267
Williston Garden - Williston, ND	10/30/2019	—	—	7,274	—	—	7,274
Williston Garden - Williston, ND	10/30/2019	—	—	203	—	—	203
Evergreen - Isanti, MN	11/1/2019	—	—	1,904	—	—	1,904
Pinehurst - Billings, MT	11/1/2019	—	—	110	—	—	110
Northridge - Bismarck, ND	12/1/2019	—	—	5,952	—	—	5,952
Castlerock - Billings, MT	1/1/2020	—	—	6,316	—	—	6,316
Thomasbrook - Lincoln, NE	1/1/2020	—	—	5,659	—	—	5,659
Westwood Park - Bismarck, ND	1/1/2020	—	—	1,870	—	—	1,870
Kirkwood Manor - Bismarck, ND	2/1/2020	—	—	3,130	—	—	3,130
Brookfield Village - Topeka, KS	3/1/2020	—	—	4,999	—	—	4,999
Crown Colony - Topeka, KS	4/1/2020	—	—	7,739	—	—	7,739
Mariposa - Topeka, KS	4/1/2020	—	—	2,801	—	—	2,801
Sherwood - Topeka, KS	4/1/2020	—	—	11,625	—	—	11,625
Deer Ridge	5/1/2020	—	—	—	11,419	—	11,419
Valley Park - Grand Forks, ND	6/1/2020	—	—	—	3,664	—	3,664
Country Meadows II - Billings, MT	10/1/2020	—	—	—	3,338	—	3,338
Olympic Village - Billings, MT	11/1/2020	—	—	—	10,102	—	10,102
Villa West Apartments - Topeka, KS	12/1/2020	—	—	—	11,678	—	11,678
Park Meadows - Waite Park, MN	1/1/2021	—	—	—	8,157	—	8,157
Sunset Trail - Rochester, MN	2/1/2021	—	—	—	7,695	—	7,695
Summary of Debt due after Fiscal 2021		—	—	—	—	344,785	344,785
Sub-Total Multifamily		$ 5,574	$ 56,680	$ 120,529	$ 56,053	$ 344,785	$ 583,621
Healthcare							
Edgewood Vista – Hermantown I, MN[2]	8/28/2017	15,869	—	—	—	—	15,869
High Pointe Health Campus – Lake Elmo, MN	4/1/2018	7,230	—	—	—	—	7,230
Denfeld Clinic - Duluth, MN	8/1/2019	—	—	1,147	—	—	1,147
Gateway Clinic - Sandstone, MN	8/1/2019	—	—	664	—	—	664
Mariner Clinic - Superior, WI	8/1/2019	—	—	1,452	—	—	1,452
Pavilion I - Duluth, MN	8/1/2019	—	—	3,826	—	—	3,826
Pavilion II - Duluth, MN	8/1/2019	—	—	7,041	—	—	7,041

IRET
DEBT DETAIL AS OF JULY 31, 2017
(in thousands)

Property	Maturity Date	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Thereafter	Total[1]
Wells Clinic - Hibbing, MN	8/1/2019	—	—	1,013	—	—	1,013
Edina 6525 France SMC II - Edina, MN	12/1/2020	—	—	—	9,340	—	9,340
Edina 6545 France - 2nd Mtg/Parking Ramp - Edina, MN	12/1/2020	—	—	—	880	—	880
Edina 6545 France SMC I - Edina, MN	12/1/2020	—	—	—	27,280	—	27,280
Summary of Debt due after Fiscal 2021		—	—	—	—	35,574	35,574
Sub-Total Healthcare		$ 23,099	$ —	$ 15,143	$ 37,500	$ 35,574	$ 111,316
Other							
Plaza 16 – Minot, ND	8/1/2018	—	6,676	—	—	—	6,676
Lexington Commerce Center - Eagan, MN	2/1/2020	—	—	1,372	—	—	1,372
Summary of Debt due after Fiscal 2021		—	—	—	—	2,350	2,350
Sub-Total All Other		$ —	$ 6,676	$ 1,372	$ —	$ 2,350	$ 10,398
Total maturing debt		$ 28,673	$ 63,356	$ 137,044	$ 93,553	$ 382,709	$ 705,335
Unsecured line of credit	1/31/2021	—	—	—	125,900	—	125,900
Total debt		$ 28,673	$ 63,356	$ 137,044	$ 219,453	$ 382,709	$ 831,235

(1) Totals are principal balances of mortgages, construction debt and line of credit as of July 31, 2017.
(2) Property is classified as held for sale at July 31, 2017.

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

	Three Months Ended				
	7/31/2017	4/30/2017	1/31/2017	10/31/2016	7/31/2016
Equity Capitalization					
Common shares outstanding	120,587	121,199	121,889	121,701	121,528
Operating partnership (OP) units outstanding	14,657	15,617	16,034	16,229	16,285
Total common shares and OP units outstanding	135,244	136,816	137,923	137,930	137,813
Market price per common share (closing price at end of period)	$ 6.22	$ 5.91	$ 6.44	$ 6.07	$ 6.62
Equity capitalization-common shares and OP units	$ 841,218	$ 808,583	$ 888,224	$ 837,235	$ 912,322
Recorded book value of preferred shares	$ 111,357	$ 111,357	$ 111,357	$ 138,674	$ 138,674
Total equity capitalization	$ 952,575	$ 919,940	$ 999,581	$ 975,909	$ 1,050,996
Debt Capitalization					
Total debt	$ 839,134	$ 793,827	$ 943,751	$ 982,486	$ 988,031
Total capitalization	$ 1,791,709	$ 1,713,767	$ 1,943,332	$ 1,958,395	$ 2,039,027
Total debt to total capitalization	0.47:1	0.46:1	0.49:1	0.50:1	0.48:1

	Three Months Ended				
	7/31/2017	4/30/2017	1/31/2017	10/31/2016	7/31/2016
Earnings to fixed charges(1)	(2)	1.48 x	1.12 x	1.14 x	(5)
Earnings to combined fixed charges and preferred distributions(1)	(2)	1.21	(3)	(4)	(5)
Debt service coverage ratio(1)	1.75 x	1.69 x	1.67 x	1.66 x	1.62 x
Distribution Data					
Common shares and units outstanding at record date	135,830	137,723	137,944	137,934	137,376
Total common distribution paid	$ 9,509	$ 9,641	$ 17,929	$ 17,931	$ 17,859
Common distribution per share and unit	$ 0.07	$ 0.07	$ 0.07	$ 0.13	$ 0.13
Payout ratio (FFO per share and unit basis)(1)	70.0 %	100.0 %	77.8 %	108.3 %	108.3 %

(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 $13.4 million and $15.7 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 1.10x and 0.90x, respectively, for the three months ended July 31, 2017.

(3) Earnings were inadequate to cover combined fixed charges and preferred distributions by $1.1 million. The ratio of earnings to combined fixed charges and preferred distributions was .92x for the three months ended January 31, 2017.

(4) Earnings were inadequate to cover combined fixed charges and preferred distributions by $1.1 million. The ratio of earnings to combined fixed charges and preferred distributions was .92x for the three months ended October 31, 2016.

(5) Earnings were inadequate to cover (a) fixed charges and (b) combined fixed charges and preferred distributions by $29.6 million and $32.5 million, respectively. Excluding non-cash asset impairment charges of $54.2 million in the three months ended July 31, 2016, the ratio of earnings to fixed charges and of earnings to combined fixed charges and preferred distributions would have been 3.06x and 2.47x, respectively, for the three months ended July 31, 2016.

IRET
NET OPERATING INCOME DETAIL
(in thousands)

	Three Months Ended July 31, 2017				
	Reporting Segments				
	Multifamily	Healthcare	All Other	Corporate and Other	Total
Real estate rental revenue					
Same-store	$ 31,938	$ 10,808	$ 2,280	$ —	$ 45,026
Non-same-store	6,492	570	647	—	7,709
Total	38,430	11,378	2,927	—	52,735
Real estate expenses(1)					
Same-store	14,728	4,080	585	1,520	20,913
Non-same-store	2,737	205	208	187	3,337
Total	17,465	4,285	793	1,707	24,250
Net operating income (NOI)					
Same-store	17,210	6,728	1,695	(1,520)	24,113
Non-same-store	3,755	365	439	(187)	4,372
Net operating income (loss)	$ 20,965	$ 7,093	$ 2,134	$ (1,707)	$ 28,485
Reconciliation of NOI to net income (loss) available to common shareholders					
Depreciation/amortization	$ (22,317)	$ (3,630)	$ (2,903)	$ (77)	$ (28,927)
Impairment of real estate investments	—	—	—	(256)	(256)
General and administrative expenses	—	—	—	(4,002)	(4,002)
Interest expense	(6,880)	(1,164)	(247)	(1,004)	(9,295)
Loss on debt extinguishment	(199)	—	—	—	(199)
Interest and other income	—	—	—	231	231
(Loss) income before gain on sale of real estate and other investments and income from discontinued operations	(8,431)	2,299	(1,016)	(6,815)	(13,963)
Gain on sale of real estate and other investments	—	—	108	16	124
(Loss) income from continuing operations	(8,431)	2,299	(908)	(6,799)	(13,839)
Income from discontinued operations	—	560	—	—	560
Net (loss) income	(8,431)	2,859	(908)	(6,799)	(13,279)
Net loss attributable to noncontrolling interests – Operating Partnership	—	—	—	1,644	1,644
Net loss attributable to noncontrolling interests – consolidated real estate entities	—	—	—	371	371
Net (loss) income attributable to IRET	(8,431)	2,859	(908)	(4,784)	(11,264)
Dividends to preferred shareholders	—	—	—	(2,286)	(2,286)
NET (LOSS) INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ (8,431)	$ 2,859	$ (908)	$ (7,070)	$ (13,550)

(1) Offsite costs associated with property management and casualty-related amounts are included in the Corporate and Other column.

IRET
NET OPERATING INCOME DETAIL
(in thousands)

	Three Months Ended July 31, 2016				
	Reporting Segments				
	Multifamily	Healthcare	All Other	Corporate and Other	Total
Real estate rental revenue					
Same-store	$ 30,752	$ 10,605	$ 2,259	$ —	$ 43,616
Non-same-store	4,290	936	769	—	5,995
Total	35,042	11,541	3,028	—	49,611
Real estate expenses[1]					
Same-store	12,930	3,886	583	1,727	19,126
Non-same-store	1,949	306	142	111	2,508
Total	14,879	4,192	725	1,838	21,634
Net operating income (NOI)					
Same-store	17,822	6,719	1,676	(1,727)	24,490
Non-same-store	2,341	630	627	(111)	3,487
Net operating income (loss)	$ 20,163	$ 7,349	$ 2,303	$ (1,838)	$ 27,977
Reconciliation of NOI to net income (loss) available to common shareholders					
Depreciation/amortization	$ (10,445)	$ (2,828)	$ (922)	$ (72)	$ (14,267)
Impairment of real estate investments	(51,401)	—	—	(2,752)	(54,153)
General and administrative expenses	—	—	—	(3,501)	(3,501)
Interest expense	(7,642)	(2,019)	(376)	(327)	(10,364)
Interest and other income	—	—	—	188	188
(Loss) income (loss) before gain (loss) on sale of real estate and other investments and income from discontinued operations	(49,325)	2,502	1,005	(8,302)	(54,120)
Gain (loss) gain on sale of real estate and other investments	—	—	8,982	(24)	8,958
(Loss) income from continuing operations	(49,325)	2,502	9,987	(8,326)	(45,162)
Income from discontinued operations	—	4,255	313	—	4,568
Net (loss) income	(49,325)	6,757	10,300	(8,326)	(40,594)
Net loss attributable to noncontrolling interests – Operating Partnership	—	—	—	3,296	3,296
Net loss attributable to noncontrolling interests – consolidated real estate entities	—	—	—	15,655	15,655
Net (loss) income attributable to IRET	(49,325)	6,757	10,300	10,625	(21,643)
Dividends to preferred shareholders	—	—	—	(2,879)	(2,879)
NET (LOSS) INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ (49,325)	$ 6,757	$ 10,300	$ 7,746	$ (24,522)

(1) Offsite costs associated with property management and casualty-related amounts are included in the Corporate and Other column.

IRET

SAME-STORE MULTIFAMILY COMPARISON

Regions	Rentable Units	Physical Occupancy 7/31/2017	FY18Q1 Weighted Average Occupancy(1)	FY18Q1 % of Actual NOI	FY18Q1 Average Revenue Per Unit(2)	1st Quarter Increase (Decrease) From Prior Year's 1st Quarter Revenues	Expenses(3)	Net Operating Income	Average Rental Rate	Weighted Average Occupancy
Rochester, MN	**1,775**	92.4 %	**90.4 %**	21.2 %	**$ 1,279**	3.9 %	**23.9 %**	(6.5)%	**1.5 %**	2.4 %
Omaha, NE	**1,370**	96.6 %	**95.3 %**	11.2 %	**$ 918**	4.3 %	**5.3 %**	3.4 %	**5.1 %**	(0.9)%
Grand Forks, ND	**1,303**	94.5 %	**93.7 %**	10.4 %	**$ 918**	0.3 %	**10.9 %**	(7.5)%	**(0.9)%**	1.2 %
St. Cloud, MN	**1,187**	94.7 %	**92.9 %**	9.0 %	**$ 976**	10.6 %	**14.3 %**	6.7 %	**10.4 %**	0.1 %
Bismarck, ND	**977**	93.8 %	**92.8 %**	8.9 %	**$ 1,024**	6.0 %	**23.3 %**	(4.9)%	**0.3 %**	5.6 %
Topeka, KS	**1,042**	97.8 %	**95.2 %**	7.9 %	**$ 823**	6.5 %	**11.3 %**	3.0 %	**5.4 %**	1.2 %
Minneapolis, MN	**688**	96.5 %	**95.5 %**	7.9 %	**$ 1,171**	10.5 %	**0.9 %**	18.4 %	**8.1 %**	2.4 %
Billings, MT	**770**	88.6 %	**87.4 %**	6.7 %	**$ 1,017**	4.6 %	**9.9 %**	0.7 %	**8.6 %**	(4.1)%
Sioux Falls, SD	**969**	95.3 %	**94.2 %**	6.5 %	**$ 871**	1.7 %	**11.9 %**	(7.6)%	**4.3 %**	(2.5)%
Minot, ND	**640**	93.8 %	**95.1 %**	5.2 %	**$ 1,024**	(3.5)%	**26.6 %**	(23.3)%	**(5.0)%**	1.5 %
Rapid City, SD	**474**	94.7 %	**94.1 %**	4.2 %	**$ 961**	2.7 %	**4.6 %**	1.2 %	**6.1 %**	(3.4)%
Williston, ND	**189**	95.2 %	**86.2 %**	0.9 %	**$ 945**	(22.2)%	**26.0 %**	(54.7)%	**(32.4)%**	10.1 %
Same-Store Totals	**11,384**	94.4 %	**92.9 %**	100.0 %	**$ 1,007**	3.9 %	**13.9 %**	(3.4)%	**2.7 %**	1.2 %

Regions	Rentable Units	Physical Occupancy 7/31/2017	FY18Q1 Weighted Average Occupancy(1)	FY18Q1 % of Actual NOI	FY18Q1 Average Revenue Per Unit(2)	1st Quarter Increase (Decrease) From 4th Quarter Revenues	Expenses(3)	Net Operating Income	Average Rental Rate	Weighted Average Occupancy
Rochester, MN	**1,775**	92.4 %	**90.4 %**	21.2 %	**$ 1,279**	2.7 %	**(0.8)%**	5.2 %	**0.9 %**	1.8 %
Omaha, NE	**1,370**	96.6 %	**95.3 %**	11.2 %	**$ 918**	2.3 %	**7.1 %**	(1.5)%	**2.0 %**	0.3 %
Grand Forks, ND	**1,303**	94.5 %	**93.7 %**	10.4 %	**$ 918**	2.4 %	**1.9 %**	2.8 %	**(0.9)%**	3.2 %
St. Cloud, MN	**1,187**	94.7 %	**92.9 %**	9.0 %	**$ 976**	4.9 %	**13.2 %**	(2.8)%	**2.4 %**	2.5 %
Bismarck, ND	**977**	93.8 %	**92.8 %**	8.9 %	**$ 1,024**	2.5 %	**9.1 %**	(2.3)%	**0.1 %**	2.4 %
Topeka, KS	**1,042**	97.8 %	**95.2 %**	7.9 %	**$ 823**	2.2 %	**20.0 %**	(8.6)%	**1.4 %**	0.8 %
Minneapolis, MN	**688**	96.5 %	**95.5 %**	7.9 %	**$ 1,171**	2.2 %	**2.8 %**	1.7 %	**2.2 %**	(0.1)%
Billings, MT	**770**	88.6 %	**87.4 %**	6.7 %	**$ 1,017**	0.6 %	**4.7 %**	(2.4)%	**3.2 %**	(2.6)%
Sioux Falls, SD	**969**	95.3 %	**94.2 %**	6.5 %	**$ 871**	2.0 %	**10.9 %**	(6.4)%	**1.8 %**	0.2 %
Minot, ND	**640**	93.8 %	**95.1 %**	5.2 %	**$ 1,024**	(0.7)%	**3.5 %**	(4.8)%	**(2.7)%**	2.0 %
Rapid City, SD	**474**	94.7 %	**94.1 %**	4.2 %	**$ 961**	1.8 %	**13.5 %**	(5.7)%	**2.3 %**	(0.5)%
Williston, ND	**189**	95.2 %	**86.2 %**	0.9 %	**$ 945**	1.2 %	**(12.6)%**	43.4 %	**(2.9)%**	4.1 %
Same-Store Totals	**11,384**	94.4 %	**92.9 %**	100.0 %	**$ 1,007**	2.3 %	**6.1 %**	(0.8)%	**1.0 %**	1.3 %

(1) Weighted average occupancy is defined as scheduled rent less vacancy losses divided by scheduled rent for the period.

(2) Average revenue is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

(3) Same-Store results by region do not include offsite costs associated with property management or casualty-related amounts, which increased by $80,000 and decreased $191,000, respectively, for FY18 Q1 as compared to FY17 Q1, and increased by $141,000 and $502,000, respectively, for FY18 Q1 as compared to FY17 Q4.

IRET
MULTIFAMILY SUMMARY[1]

	Three Months Ended				
	07/31/17	04/30/17	01/31/17	10/31/16	07/31/16
Number of Units					
Same-Store	11,384	10,512	10,513	10,513	10,840
Non-Same-Store	2,019	2,693	2,652	2,589	2,196
All Properties	13,403	13,205	13,165	13,102	13,036
Average Investment Per Unit					
Same-Store	$ 87,876	$ 78,996	$ 78,499	$ 77,814	$ 77,371
Non-Same-Store	166,261	164,715	165,367	164,515	196,164
All Properties	$ 99,684	$ 96,485	$ 95,998	$ 94,946	$ 97,382
Average Scheduled Rent[2] per Unit					
Same-Store	$ 954	$ 906	$ 902	$ 902	$ 888
Non-Same-Store	1,182	1,267	1,289	1,336	1,458
All Properties	$ 988	$ 980	$ 980	$ 988	$ 984
Average Revenue per Unit[3]					
Same-Store	$ 1,007	$ 955	$ 941	$ 950	$ 928
Non-Same-Store	1,230	1,334	1,325	1,376	1,462
All Properties	$ 1,041	$ 1,032	$ 1,019	$ 1,035	$ 1,020
Occupancy					
Same-Store	94.5 %	94.2 %	92.7 %	92.9 %	93.0 %
Non-Same-Store	89.3 %	88.8 %	86.9 %	84.4 %	77.5 %
All Properties	93.7 %	93.1 %	91.5 %	91.2 %	90.4 %
Operating Expenses as a % of Scheduled Rent					
Same-Store	49.7 %	46.6 %	47.7 %	44.9 %	47.0 %
Non-Same-Store	40.8 %	42.1 %	39.2 %	36.4 %	31.2 %
All Properties	48.1 %	45.4 %	45.5 %	42.7 %	43.0 %
Capital Expenditures					
Total Capital Expenditures[2] per Unit - Same-Store	$ 240	$ 281	$ 295	$ 296	$ 305
Value-Add Expenditures per Unit[4]	$ —	$ 8,213	$ 10,224	$ 13,998	$ 8,102

(1) Previously reported amounts are not revised for discontinued operations or changes in the composition of the same-store properties pool.
(2) See definition of scheduled rent on page S-21. Average scheduled rent is scheduled rent divided by the total number of units.
(3) Total revenues divided by the weighted average occupied units for the period.
(4) Cost per unit represents the average amount spent on completed and in-progress units during the period and also includes common area redevelopment costs at properties in the value add program.

Healthcare Leasing Activity

The total leasing activity for our same-store healthcare properties, expressed in square feet of leases signed during the period, and the resulting occupancy levels, are as follows:

Three Months Ended July 31, 2017 and 2016

	Square Feet of New Leases(1)		Square Feet of Leases Renewed(1)		Total Square Feet of Leases Executed(1)		Occupancy	
	2017	2016	2017	2016	2017	2016	2017	2016
Healthcare	—	12,140	39,905	20,084	39,905	32,224	92.5 %	92.6 %

(1) The leasing activity presented is based on leases signed or executed for our same-store rental properties during the period and is not intended to coincide with the commencement of rental revenue in accordance with US GAAP. Prior periods reflect amounts previously reported and exclude retroactive adjustments for properties reclassified to discontinued operations or non-same-store in the current period.

Healthcare New Leases

The following table sets forth the average effective rents and the estimated costs of tenant improvements and leasing commissions, on a per square foot basis, that we are obligated to fulfill under the new leases signed for our same-store healthcare properties:

Three Months Ended July 31, 2017 and 2016

	Square Feet of New Leases(1		Average Term in Years		Average Effective Rent(2)		Estimated Tenant Improvement Cost per Square Foot(1)		Leasing Commissions per Square Foot(1)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Healthcare	—	12,140	n/a	15.0	n/a	$ 20.30	n/a	$ 55.15	n/a	$ 8.75

(1) The leasing activity presented is based on leases signed or executed for our same-store rental properties during the period and is not intended to coincide with the commencement of rental revenue in accordance with US GAAP. Prior periods reflect amounts previously reported and exclude retroactive adjustments for properties reclassified to discontinued operations or non-same-store in the current period. Tenant improvements and leasing commissions presented are based on square feet leased during the period.

(2) Effective rents represent average annual base rental payments, on a straight-line basis for the term of each lease, excluding operating expense reimbursements. The underlying leases contain various expense structures including gross, modified gross, net and triple net.

Healthcare Lease Renewals

The following table summarizes our lease renewal activity within our same-store healthcare segment (square feet data in thousands):

Three Months Ended July 31, 2017 and 2016

	Square Feet of Leases Renewed[(1)]		Percent of Expiring Leases Renewed[(2)]		Average Term in Years		Weighted Average Growth (Decline) in Effective Rents[(3)]		Estimated Tenant Improvement Cost per Square Foot[(1)]		Leasing Commissions per Square Foot[(1)]	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Healthcare	39,905	20,084	72.2 %	100.0 %	6.8	3.3	3.3 %	4.7 %	$ 15.50	$ 4.11	$ 5.49	$ 2.51

(1) The leasing activity presented is based on leases signed or executed for our same-store rental properties during the period and is not intended to coincide with the commencement of rental revenue in accordance with US GAAP. Prior periods reflect amounts previously reported and exclude retroactive adjustments for properties reclassified to discontinued operations or non-same-store in the current period. Tenant improvements and leasing commissions are based on square feet leased during the period.
(2) Renewal percentage of expiring leases is based on square footage of renewed leases and not the number of leases renewed. The category of renewed leases does not include leases that have become month-to-month leases, as the month-to-month leases are considered lease amendments.
(3) Represents the percentage change in effective rent between the original leases and the renewal leases. Effective rents represent average annual base rental payments, on a straight-line basis for the term of each lease, excluding operating expense reimbursements. The underlying leases contain various expense structures including gross, modified gross, net and triple net.

Healthcare Lease Expirations

Our ability to maintain and improve occupancy rates, and base rents, primarily depends upon our continuing ability to re-lease expiring space. The following table reflects the in-service portfolio lease expiration schedule of our healthcare properties, including square footage and annualized base rent for expiring leases, as of July 31, 2017.

Fiscal Year of Lease Expiration	# of Leases	Square Footage of Expiring Leases[(2)]	Percentage of Total Healthcare Leased Square Footage	Annualized Base Rent of Expiring Leases at Expiration[(3)]	Average Rental Rate	Percentage of Total Healthcare Annualized Base Rent
2018[(1)]	20	82,528	6.7 %	$ 1,494,595	$ 16.09	5.6 %
2019	18	72,644	5.9 %	1,599,443	22.02	6.0 %
2020	16	93,521	7.6 %	1,936,684	20.71	7.2 %
2021	20	95,575	7.8 %	2,070,790	21.67	7.7 %
2022	17	76,774	6.2 %	1,414,135	18.42	5.3 %
2023	15	73,750	6.0 %	1,454,647	19.72	5.4 %
2024	29	179,460	14.6 %	4,194,579	23.37	15.6 %
2025	6	77,579	6.3 %	1,707,029	22.00	6.4 %
2026	9	103,178	8.4 %	1,802,959	17.47	6.7 %
2027	12	157,842	12.9 %	3,511,179	22.24	13.1 %
Thereafter	14	216,299	17.6 %	5,670,644	26.22	21.0 %
Totals	176	1,229,150	100.0 %	$ 26,856,684	$ 21.85	100.0 %

(1) Includes month-to-month leases. As of July 31, 2017, month-to-month leases accounted for 19,293 square feet.
(2) Assuming that none of the tenants exercise renewal or termination options, and including leases renewed prior to expiration. Also excludes 1,361 square feet of space occupied by us.
(3) Annualized base rent is monthly scheduled rent as of July 2017, multiplied by 12.

IRET
10 LARGEST COMMERCIAL TENANTS – BASED ON ANNUALIZED BASE RENT(1)
as of July 31, 2017

Tenant	Number of Properties	Average Remaining Lease Term in Months	% of Total Commercial Minimum Rents	Aggregate Rentable Square Feet	% of Aggregate Occupied Square Feet
Fairview Health Services	8	47	11.7 %	239,203	8.8 %
St. Luke's Hospital of Duluth, Inc.	5	103	8.5 %	186,331	6.8 %
Affiliates of Edgewood Vista	2	53	8.3 %	279,834	10.2 %
PrairieCare Medical LLC	2	117	7.4 %	104,714	3.8 %
Quality Manufacturing Corp	1	66	3.2 %	427,798	15.6 %
Children's Hospitals & Clinics	3	52	2.7 %	54,378	2.0 %
Allina Health	4	45	2.6 %	53,132	1.9 %
Noran Neurological Clinic	1	73	2.3 %	38,506	1.4 %
Amerada Hess	1	108	2.2 %	50,610	1.8 %
Obstetrics and Gynecology Asscociates, P.A.	3	154	2.0 %	39,363	1.4 %
Total/Weighted Average	30	68	50.9 %	1,473,869	53.7 %

(1) Annualized base rent is calculated as monthly base rent (cash basis) per the lease, as of the reporting period, multiplied by 12.

IRET
FISCAL 2018 ACQUISITIONS SUMMARY
as of July 31, 2017
(dollars in thousands)

Acquisitions

Property	Location	Segment	Acquisition Date	Square Feet/Units	Occupancy At Acquisition	Occupancy At 7/31/17	Acquisition Cost
Oxbo(1)	St. Paul, MN	Multifamily	May 26, 2017	191	29.3 %	42.9 %	$ 61,500

(1) Property includes 11,477 sq ft of retail space.

Definitions
July 31, 2017

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 as outlined in the table below. 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) - The National Association of Real Estate Investment Trusts, Inc. (NAREIT) defines FFO as "net income (computed in accordance with generally accepted accounting principles, excluding gains (or losses) from sales of property, plus real estate depreciation and amortization, and adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis." In addition, in October 2011 NAREIT clarified its computation of FFO to exclude impairment charges for all periods presented. FFO is a non-GAAP measure. We consider FFO, which is a standard supplemental measure for equity real estate investment trusts, helpful to investors because it facilitates an understanding of the operating performance of properties without giving effect to impairment write-downs and to real estate depreciation and amortization, which assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead historically rise or fall with market conditions, we believe that FFO provides investors and management with a more accurate indication of our financial and operating results.

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 total real estate revenues less real estate expenses (which consist of utilities, maintenance, real estate taxes, insurance and property management expenses). 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 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 - The 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 - The 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, and properties sold or classified as held for sale), and, in the case of development or re-development properties, which have achieved a target level of occupancy of 90% for multifamily properties and 85% for office, healthcare, industrial and retail properties.

US GAAP – Accounting principles generally accepted in the United States of America.