IRET

INVESTORS REAL ESTATE TRUST



Investor Update May 2015

(presentation data is as of 1/31/15, unless otherwise noted)

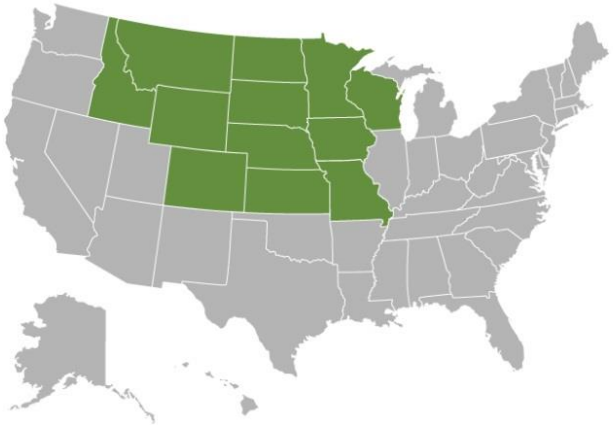
$2.1 Billion of property owned

Properties

259 properties in 12 states

11,765 apartment units

9.8 million commercial sq. ft.



430+ Employees



Multi-family | $933m



Healthcare | $520m



Industrial | $51m



Office | $478m



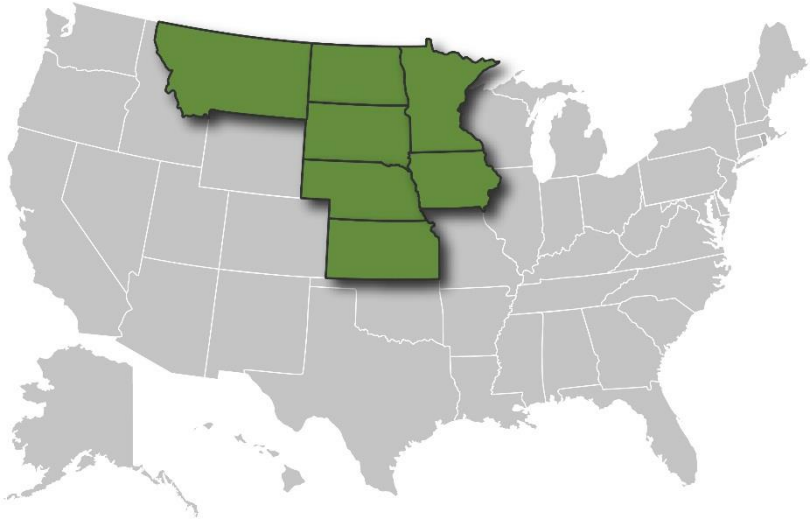
Retail | $111m

Management Objectives



- Successfully close on the sales of our Office and Retail property segments
- Redeploy sales proceeds in an appropriate combination of:
  - Deleveraging
  - Acquisition
  - Development
- Deliver current development projects in the pipeline
- Resultant goal:
  - Execute consistently higher portfolio performance
  - Drive continued earnings and cash flow growth

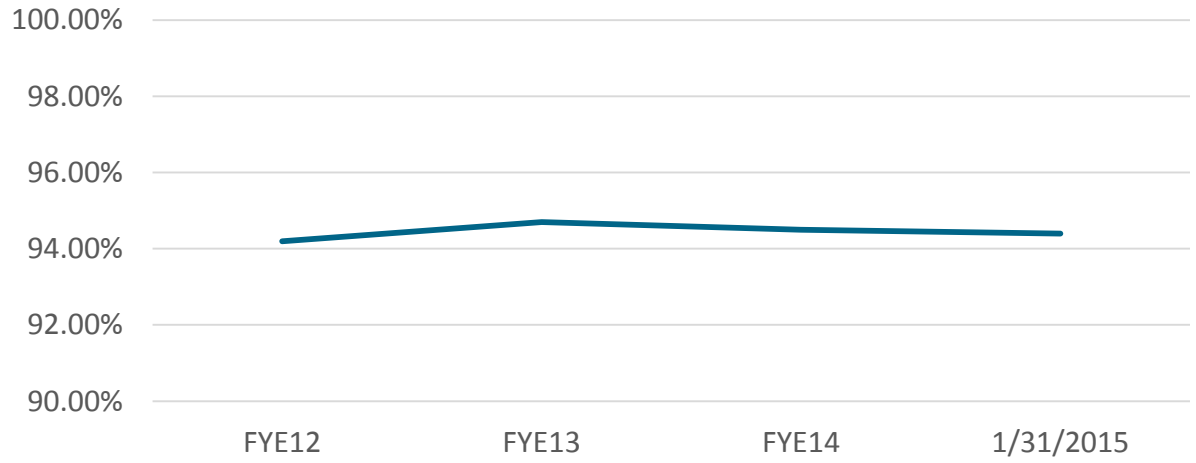
Multi-family footprint



44.6% of portfolio

99 properties | 11,765 units

Same-store occupancy



94.0%

Same-store occupancy

Same-store Multi-family occupancy has consistently remained above 93.0% over the past fourteen quarters

Montana

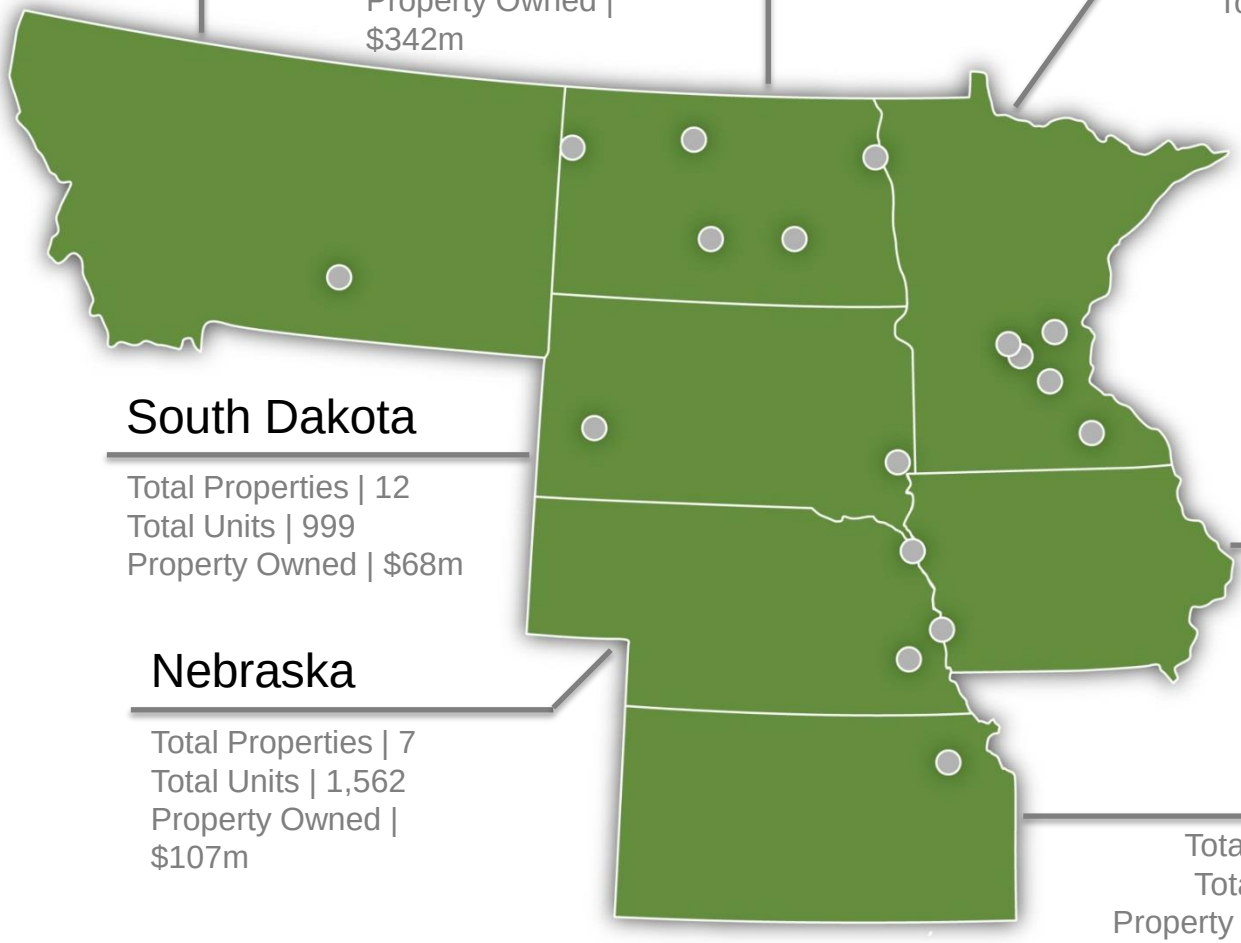
Total Properties | 6
Total Units | 770
Property Owned | $46m

North Dakota

Total Properties | 36*
Total Units | 3,580
Property Owned | $342m

Minnesota

Total Properties | 31*
Total Units | 3,560
Property Owned | $292m



South Dakota

Total Properties | 12
Total Units | 999
Property Owned | $68m

Iowa

Total Properties | 2
Total Units | 252
Property Owned | $13m

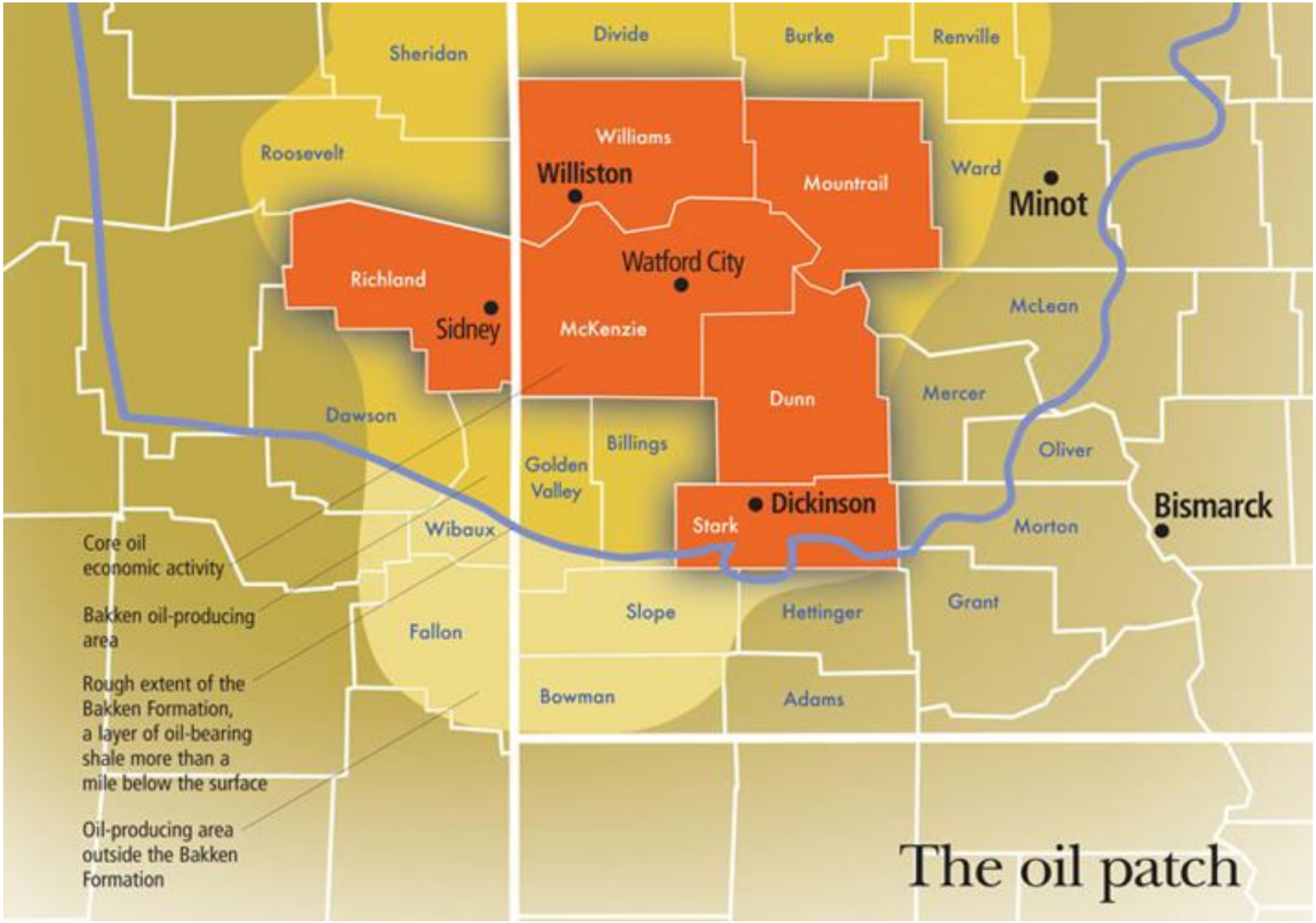
Nebraska

Total Properties | 7
Total Units | 1,562
Property Owned | $107m

Kansas

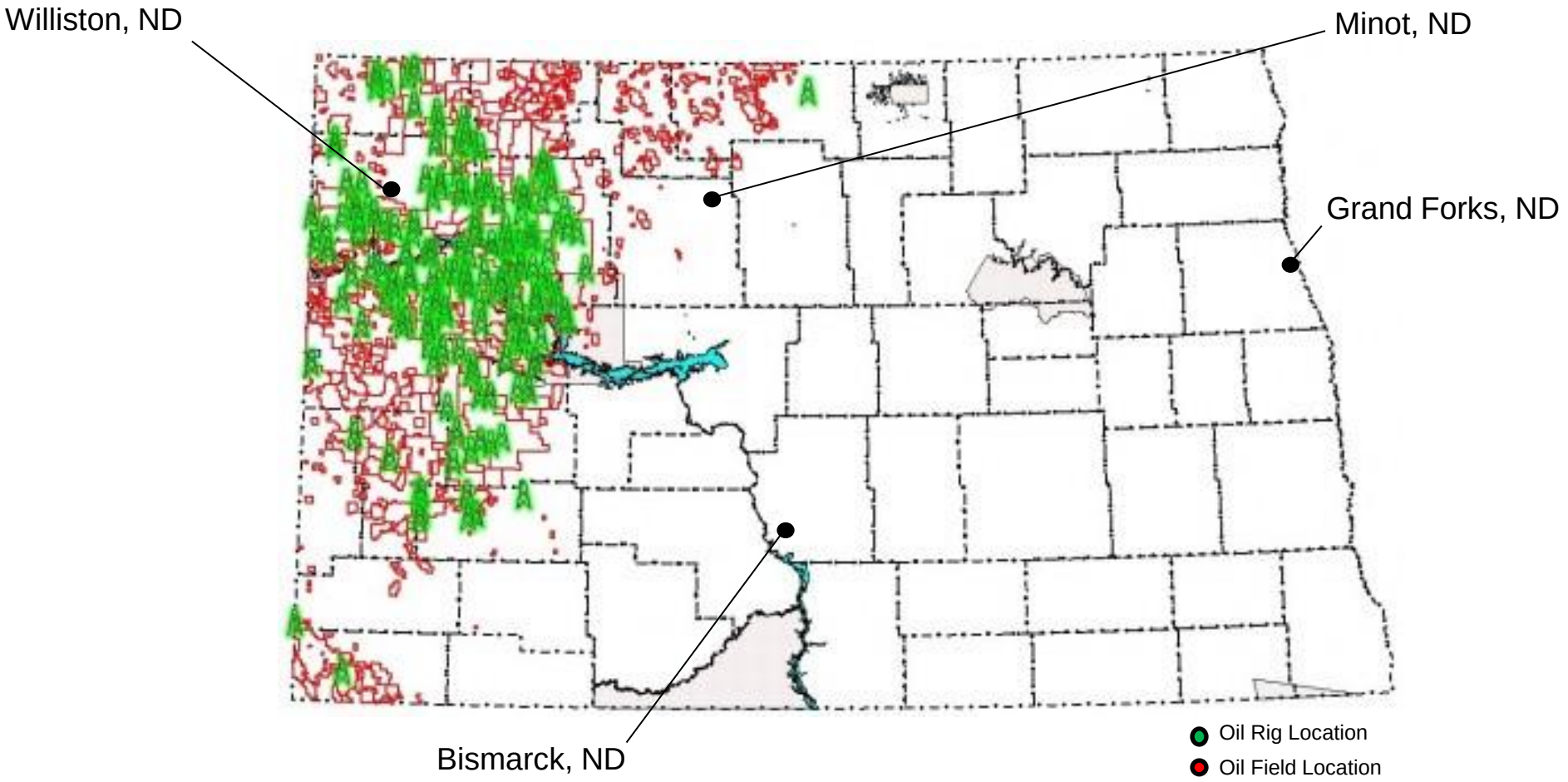
Total Properties | 5
Total Units | 1,042
Property Owned | $65m

*Includes Joint Venture properties



*Map provided by the Federal Reserve Bank of Minneapolis. www.minneapolisfed.org

Approximately 6.75% of the Company's Net Operating Income in 3Q15 was generated from Multi-family assets in Williston and Minot.



*Oil Field and Rig locations provided by the North Dakota Department of Mineral Resources GIS Map. www.dnr.nd.gov



Renaissance Heights

IRET JV Participation | 70.0%
Williston, ND | 288 Units
Opened Spring 2014



Cypress Court II

IRET JV Participation | 86.1%
St. Cloud, MN | 64 Units
Opened Winter 2014-15



Northridge

Bismarck, ND | 68 Units
Opened Spring 2014
Purchased upon completion from developer



Dakota Commons

Williston, ND | 44 Units
Opened Summer 2014



Commons at Southgate

IRET JV Participation | 52.9%
Minot, ND | 233 Units
Opened Summer 2014



Deer Ridge

Jamestown, ND | 163 Units
Opening Summer 2015



Cardinal Point

Grand Forks, ND | 251 Units
Opening Summer 2015



Legacy Heights

Bismarck, ND | 119 Units
Opening Spring 2015



Chateau II

Minot, ND | 72 Units
Opening Spring 2015



The Gardens

Grand Forks, ND | 74 Units
Opening Spring 2015
Under contract to purchase upon completion



71 France

IRET JV Participation | 52.6%
Edina, MN | 109 Units
Opening Summer 2015



Red 20

IRET JV Participation | 58.6 %
Minneapolis, MN | 130 Units
Opened Winter 2014-15



71 France | Phases II & III

IRET JV Participation | 52.6%
Edina, MN | 132 Units
P II – Opening Fall 2015
P III – Opening Summer 2016



Arcata

Golden Valley, MN | 165 Units
Opened January 2015



Arcata entryway



Red 20 interior

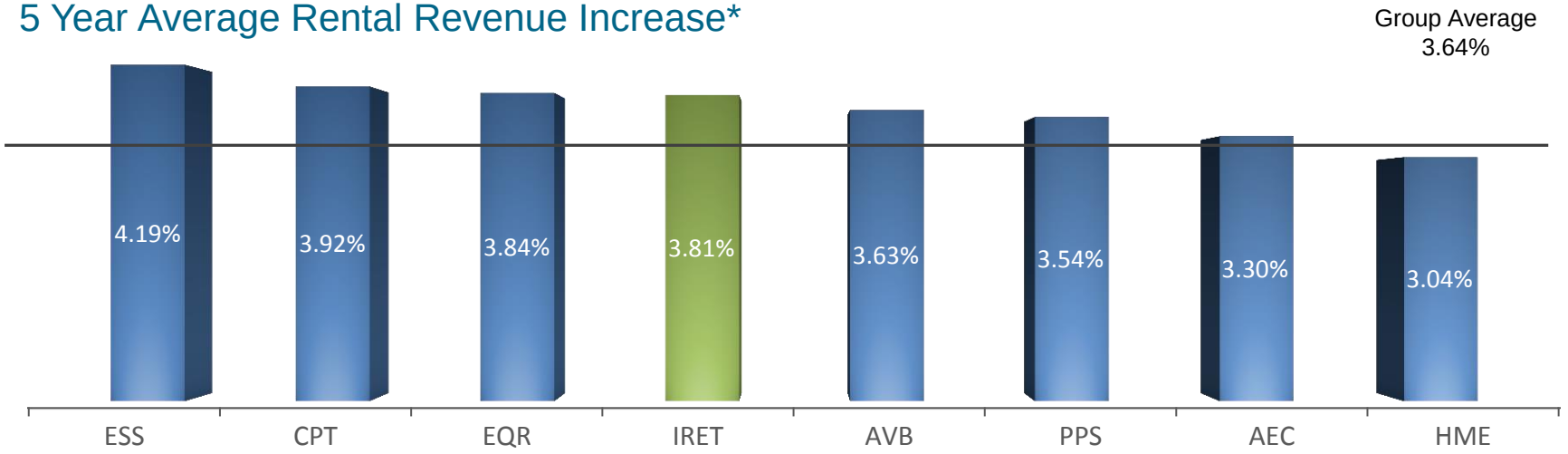


Arcata interior

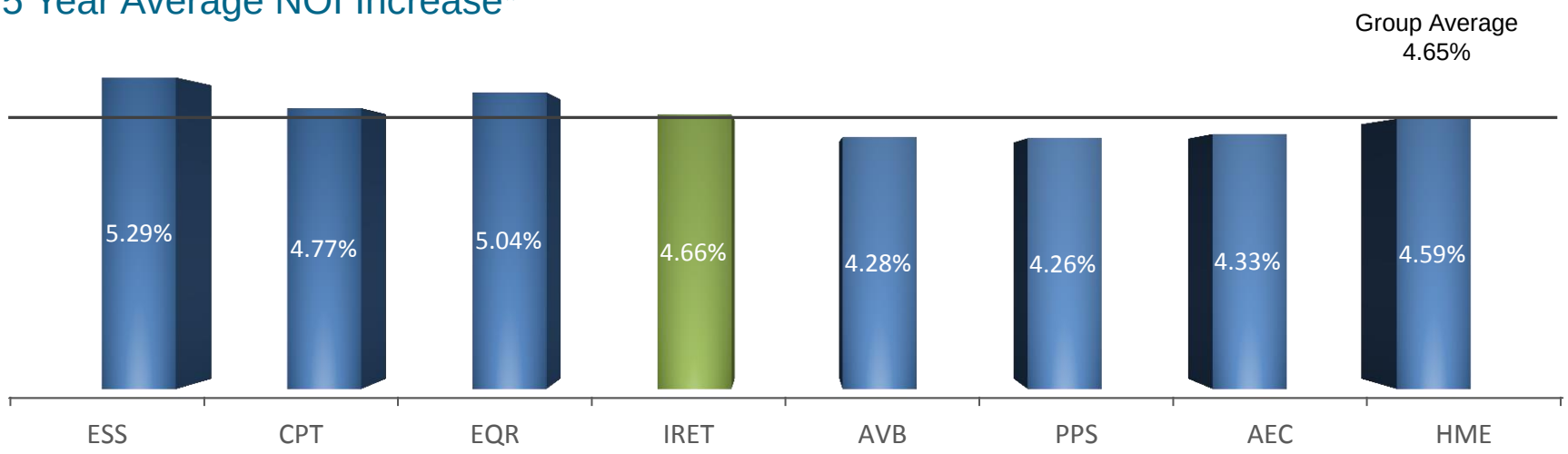
New Development

Property Name	City	State	Units	Open Status	Notes
71 France	Edina	MN	109	Summer 2015	14% pre-leased
Arcata	Golden Valley	MN	165	January 2015	40% leased
Cardinal Point	Grand Forks	ND	251	Summer 2015	18% pre-leased
Chateau II	Minot	ND	72	June 2015	14% pre-leased
Commons at Southgate	Minot	ND	233	Summer 2014	93% leased
Cypress Court	St Cloud	MN	196	Winter 2014/15	95% leased
Deer Ridge	Jamestown	ND	163	Summer 2015	Under construction
Gardens	Grand Forks	ND	74	Summer 2015	Under construction
Legacy Heights	Bismarck	ND	119	February 2015	51% leased
Red 20	Minneapolis	MN	130	Winter 2014/15	95% leased
Renaissance Heights	Williston	ND	288	Opening in phases	4 buildings of 5 complete; 59% leased
Total			1800		

5 Year Average Rental Revenue Increase*

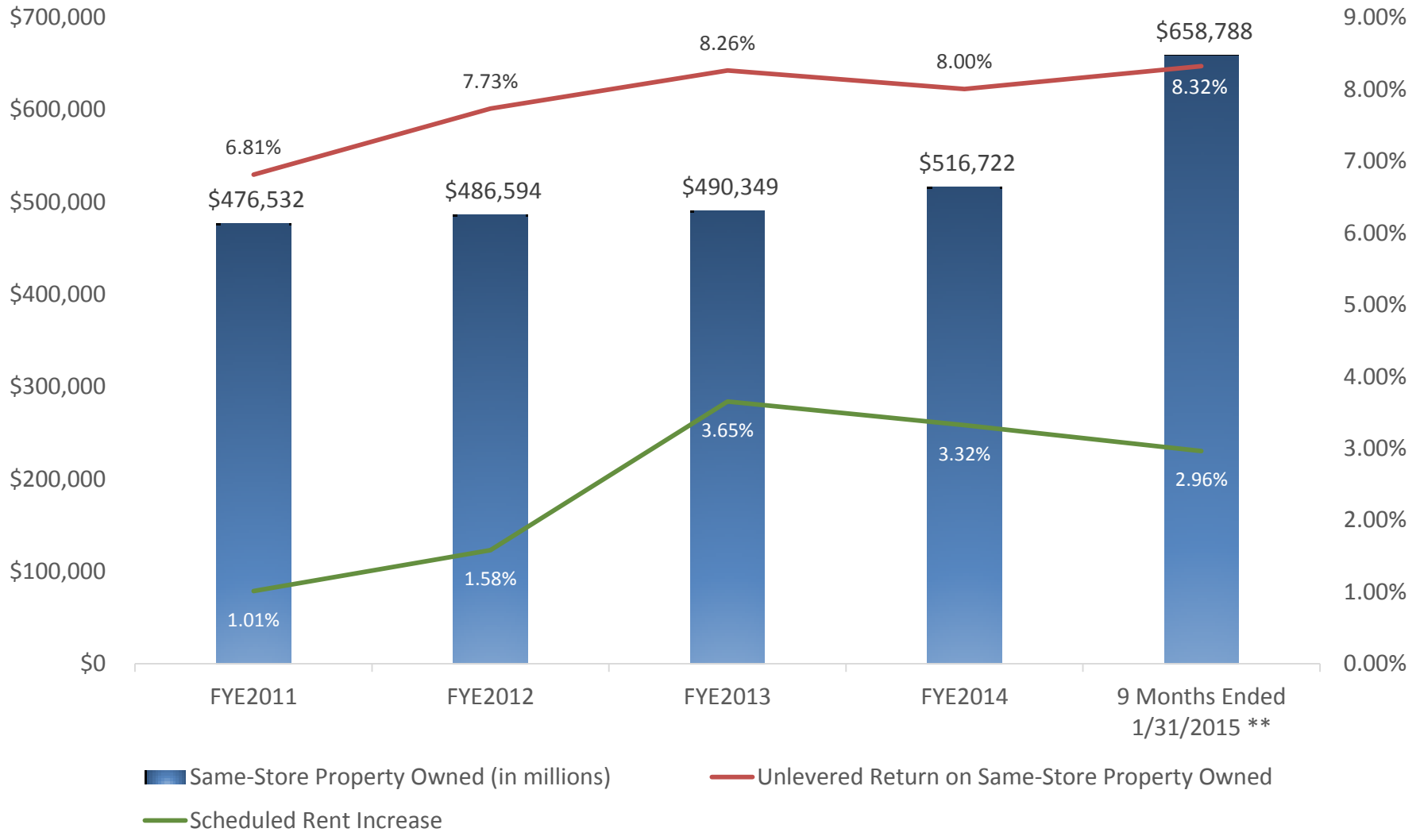


5 Year Average NOI Increase*



Source: Public Filings, SNL Financial

*5-year period represents years ended 12/31/10 through 12/31/14. IRET data is from fiscal years ended 04/30/11 through 04/30/14, and the nine month period ending 01/31/15 annualized.

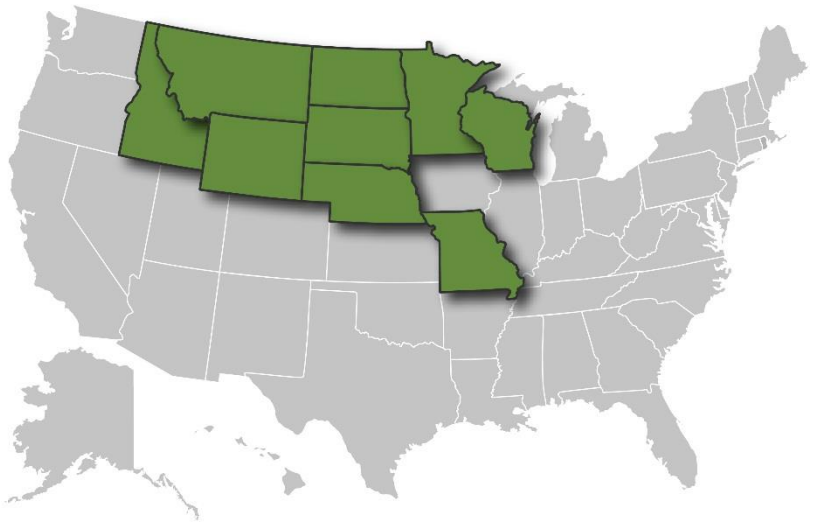


Unaudited

*Same Store property owned amounts are representative of those properties classified as Same Store in that reporting period

**Percentages are annualized

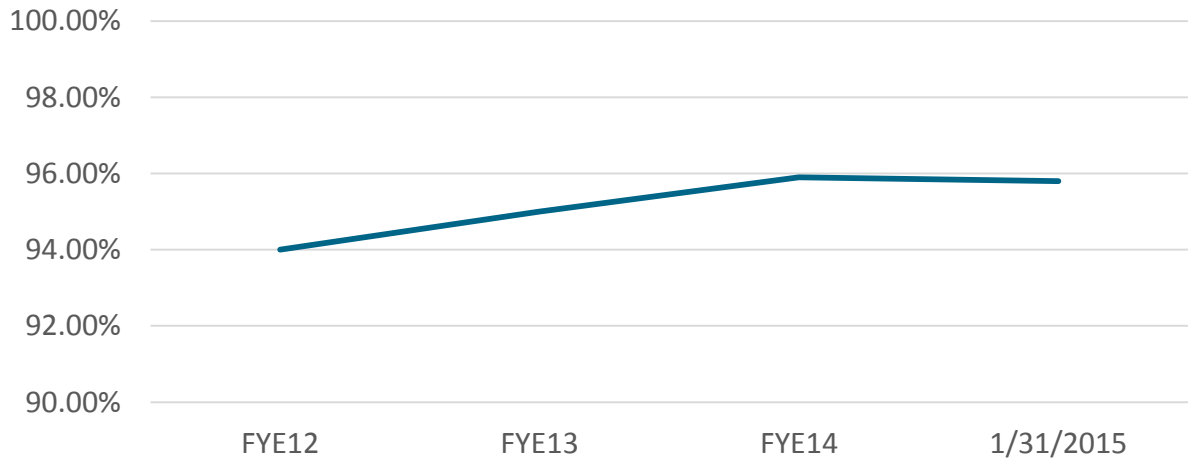
Healthcare footprint



24.8% of portfolio

67 properties | 3.0 million Sq. Ft.

Same-store occupancy



95.8%

Same-store occupancy

Same-store Healthcare occupancy has consistently remained above 94.0% over the past twelve quarters

Montana

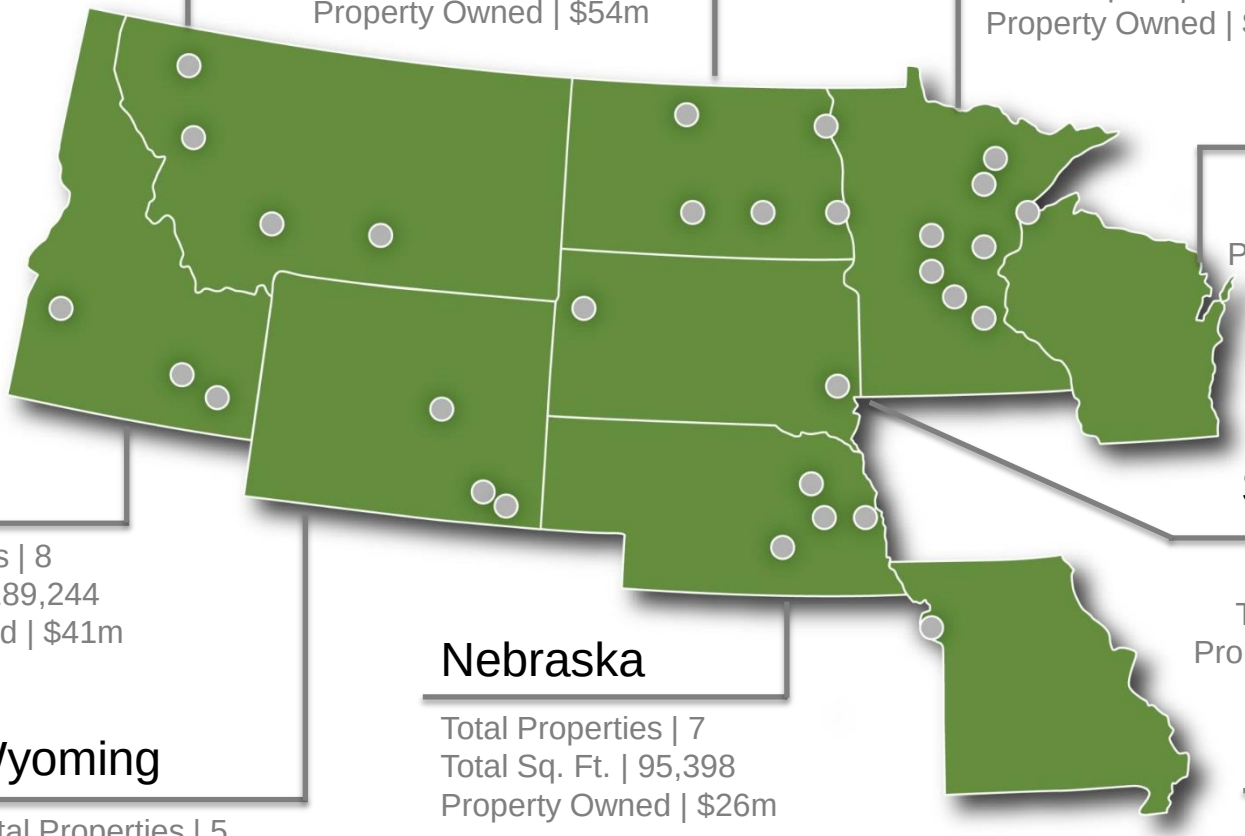
Total Properties | 6
Total Sq. Ft. | 66,782
Property Owned | $9m

North Dakota

Total Properties | 5
Total Sq. Ft. | 420,023
Property Owned | $54m

Minnesota

Total Properties | 32
Total Sq. Ft. | 1.8 million
Property Owned | $325m



Wisconsin

Total Properties | 1
Total Sq. Ft. | 28,928
Property Owned | $4m

Idaho

Total Properties | 8
Total Sq. Ft. | 189,244
Property Owned | $41m

South Dakota

Total Properties | 2
Total Sq. Ft. | 95,926
Property Owned | $10m

Nebraska

Total Properties | 7
Total Sq. Ft. | 95,398
Property Owned | $26m

Wyoming

Total Properties | 5
Total Sq. Ft. | 286,854
Property Owned | $48m

Missouri

Total Properties | 1
Total Sq. Ft. | 18,502
Property Owned | $3m



PrairieCare Medical

Brooklyn Park, MN
72,895 Sq. Ft.
Opening Fall 2015



Edina SMC III

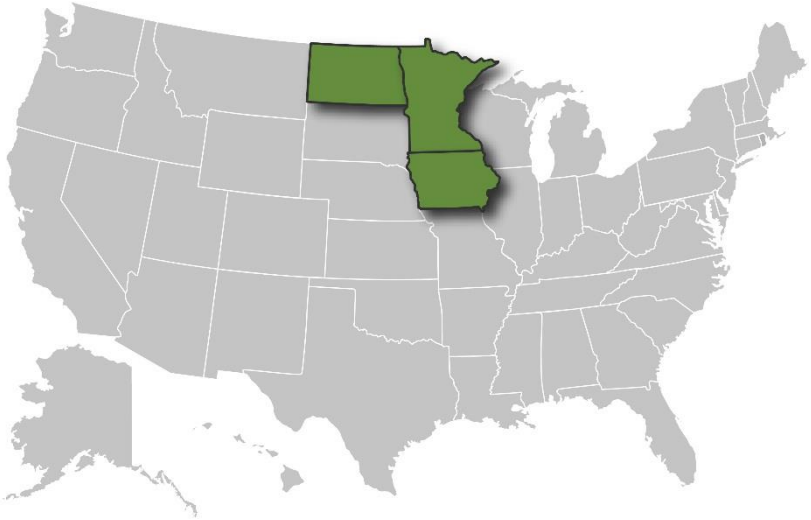
Edina, MN
57,479 Sq. Ft.
Opening Fall 2015



Spring Creek Fruitland

Fruitland, ID
39,222 Sq. Ft.
Opened Early 2014

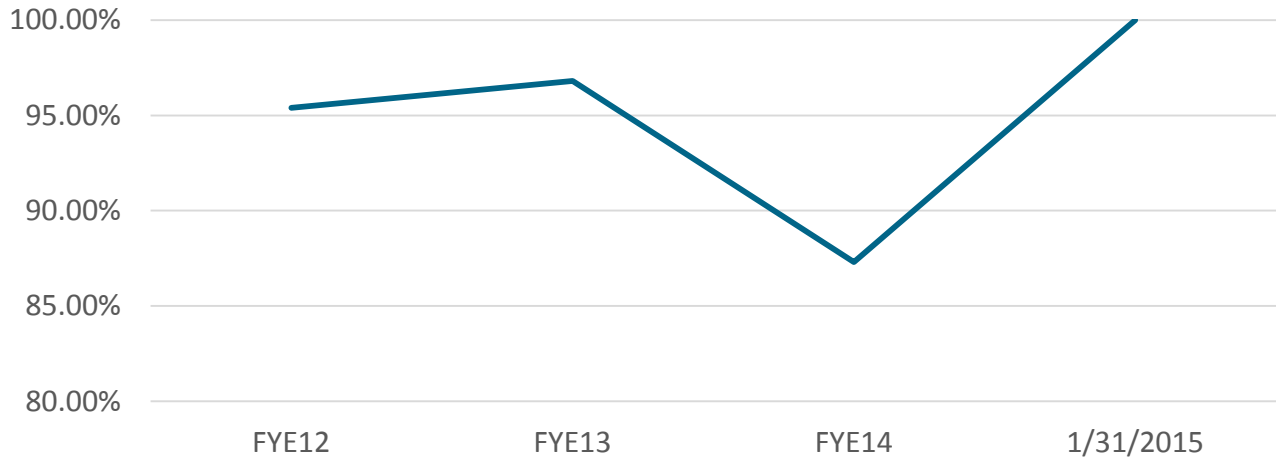
Industrial footprint



2.4% of portfolio

7 properties | 1.0 million Sq. Ft.

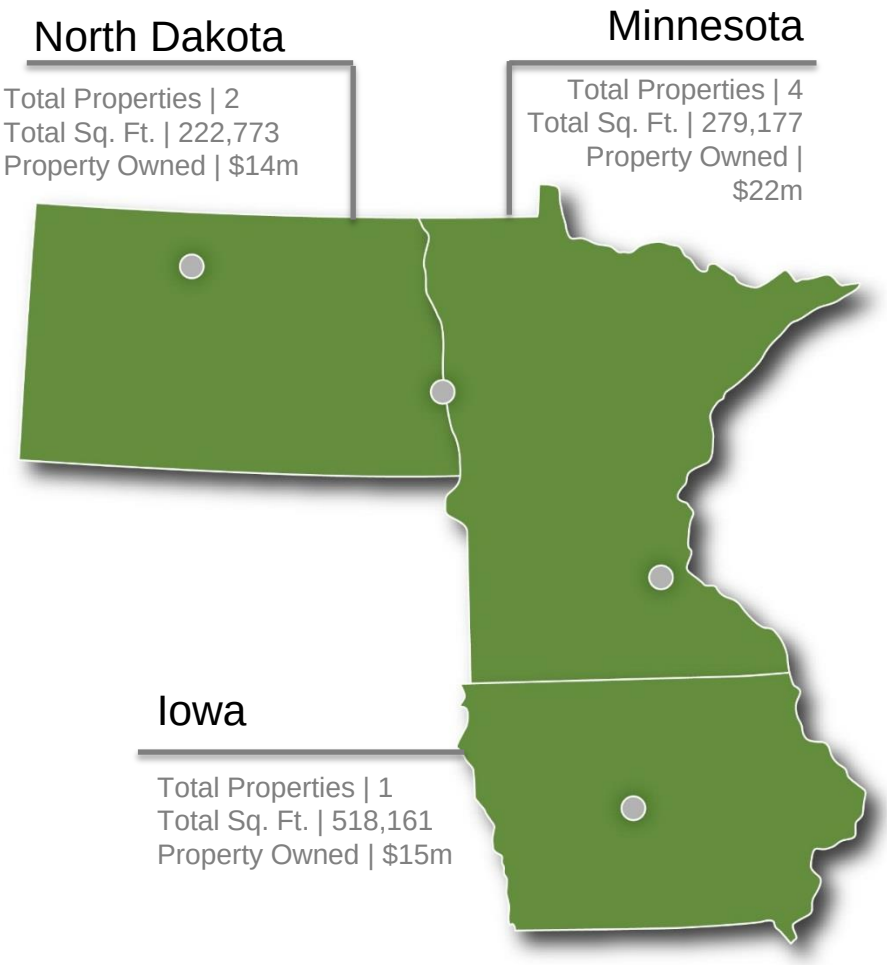
Same-store occupancy



100.0%

Same-store occupancy

Same-store Industrial occupancy has remained at 100.0% over the past three quarters



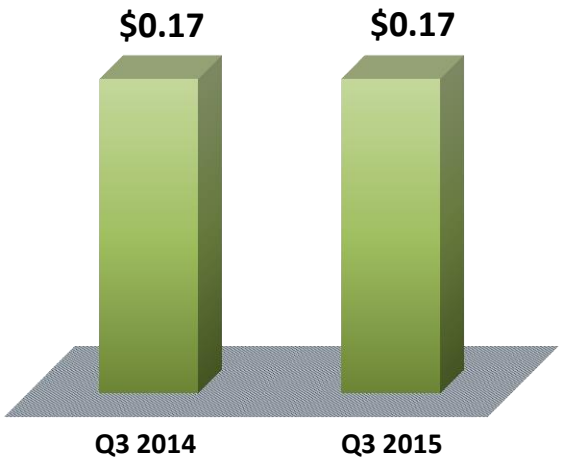
Developments in progress



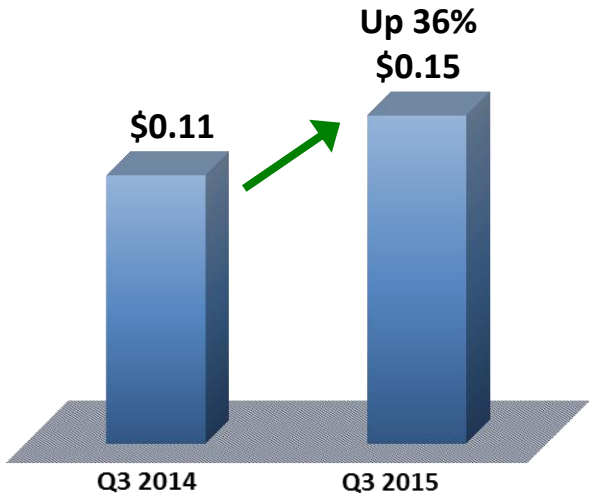
Roseville 3075*

Roseville, MN
202,807 Sq. Ft.
Opened Early 2015

3Q FFO

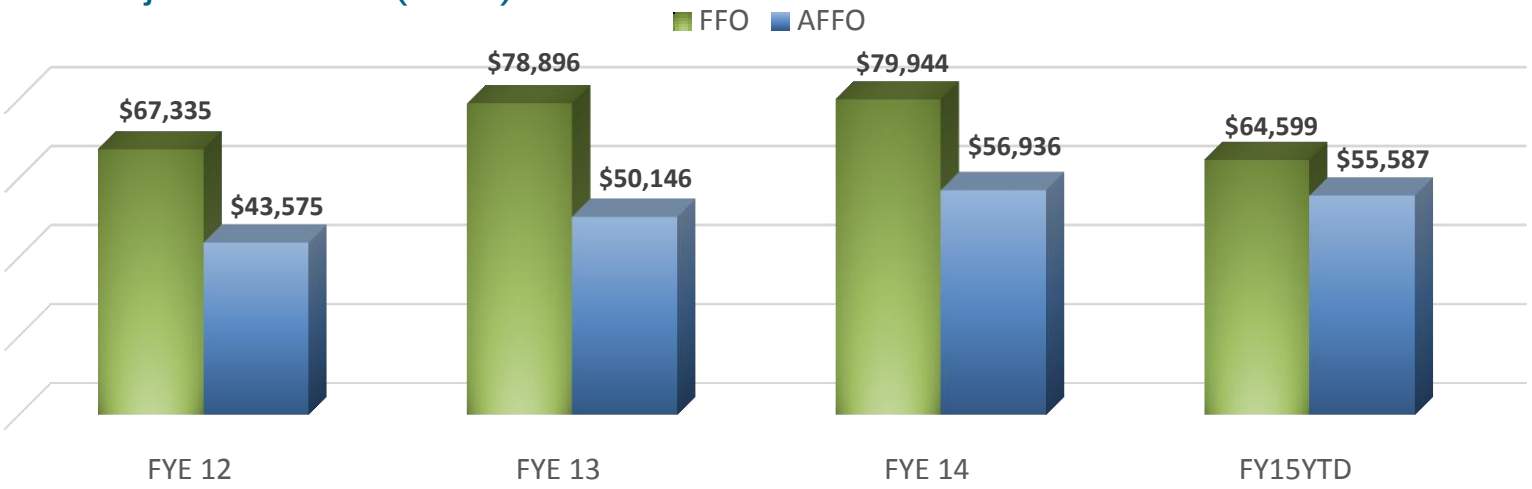


3Q AFFO

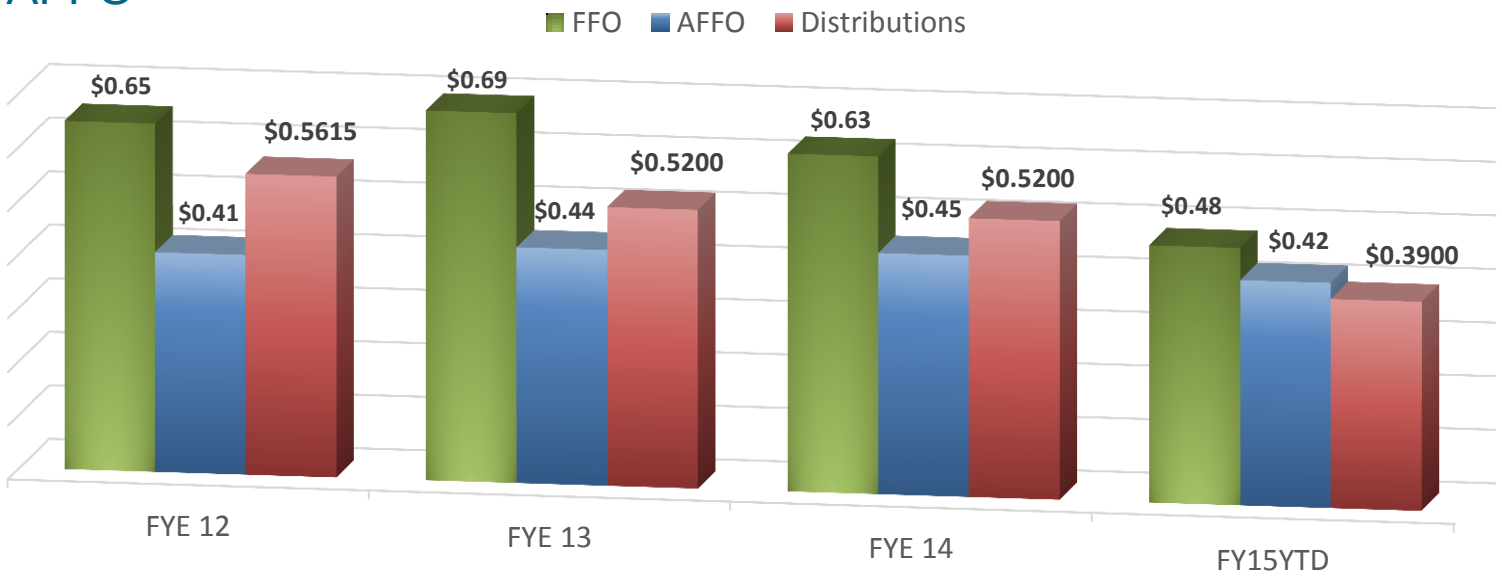


- Solid quarter with FFO of $0.17 cents per share for the third quarter ending January 31, 2015 which repeated the strong performance from the third quarter a year ago
- Reported AFFO at $0.15 per share for the third quarter ending January 31, 2015 vs $0.11 cents per share for the comparative period a year ago

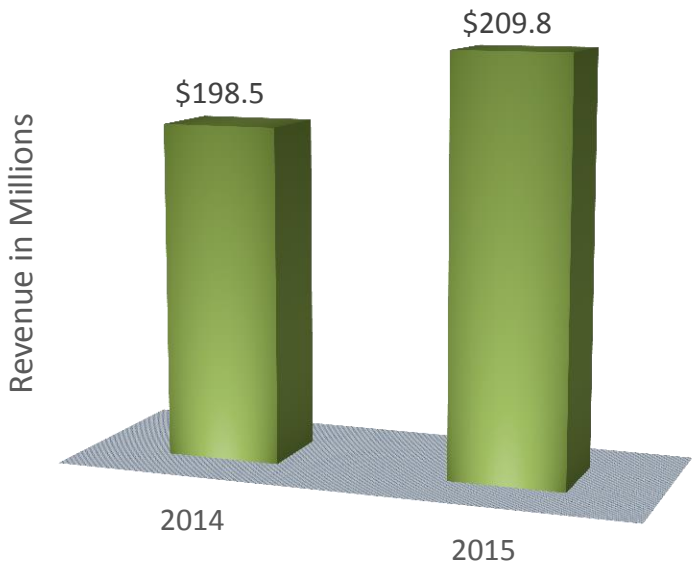
Total FFO and adjusted AFFO (000s)



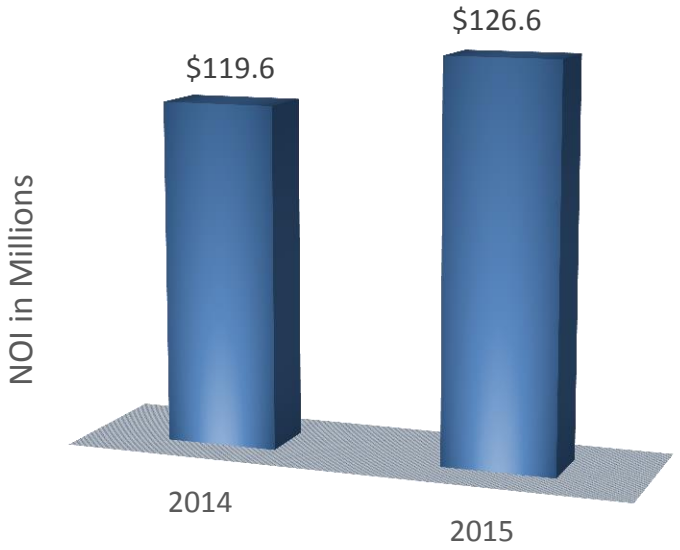
FFO and AFFO



Fiscal YTD Revenue



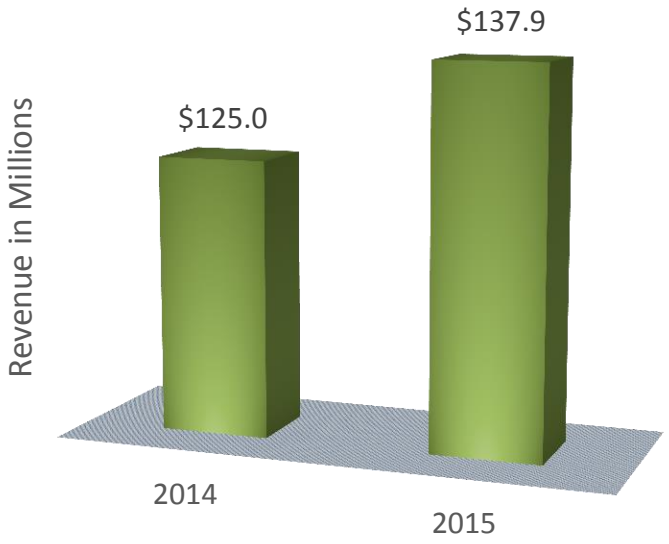
Fiscal YTD Net Operating Income



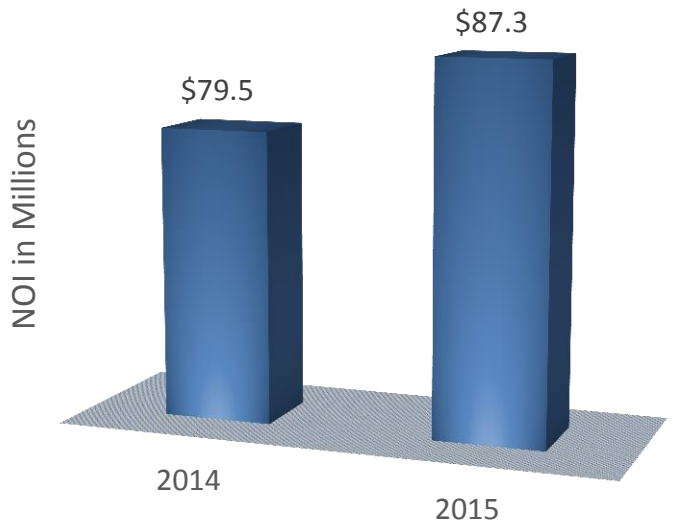
- Revenue in our reporting segments for the nine month period ending January 31, 2015 was $209.8 million, an increase of 5.7% from the prior comparative period
- Net Operating Income in our reporting segments for the nine month period ending January 31, 2015 was $126.6 million, an increase of 5.9% from the prior comparative period.

*Excludes income from gain on involuntary conversion. Data shown is nine months fiscal year to date ending January 31, 2014 and 2015.

Fiscal YTD MF and HC Revenue



Fiscal YTD MF and HC Net Operating Income



- Revenue in our multi-family and healthcare segments for the nine month period ending January 31, 2015 was $137.9 million, an increase of 10.3% from the prior comparative period

- Net Operating Income in our multi-family and healthcare segments for the nine month period ending January 31, 2015 was $87.3 million, an increase of 9.9% from the prior comparative period.

*Excludes income from gain on involuntary conversion. Data shown is nine months fiscal year to date ending January 31, 2014 and 2015.

Q & A

Stock overview slide 25

Key Metrics slide 26

Leadership slide 27

Forward-looking statement slide 28

"We continue to execute on our growth strategy for our multi-family residential and healthcare segments, and on our disposition strategy in our commercial segments. We are pleased with the continued strength of our multi-family residential portfolio, in particular the new development projects that we have coming online in that segment, which are stabilizing with returns exceeding our projections. "

-- President and CEO Timothy Mihalick

Stock information

(share data as of 4/30/15)

IRET
INVESTORS REAL ESTATE TRUST
NYSE: IRET

$7.17 stock price

138,482,000 shares and units outstanding

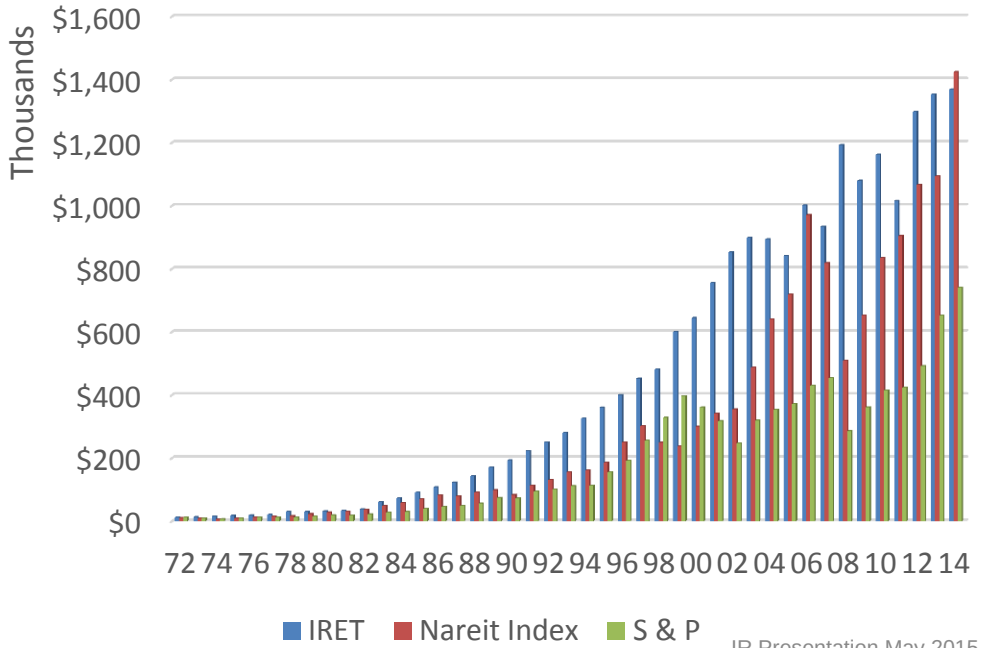
$993M market cap

7.3% dividend yield

$0.13 common share quarterly distribution

$0.52 annualized common share distribution

Shareholder returns



	1/31/2014	1/31/2015
Gross Real Estate Assets	$ 2,152,874	$ 2,234,828
Total Mortgage Debt	$ 1,031,024	$ 1,056,679
Net Debt	$ 977,530	$ 1,004,531
Market Equity Capitalization	$ 1,118,720	$ 1,126,389
Preferred	$ 143,750	$ 143,750
Total Enterprise Value	$ 2,240,000	$ 2,274,670
Adjusted EBITDA(1)	$ 155,156(2)	161,804(3)
Mortgage Interest Expense	$ 60,520(2)	58,380(3)
Net Debt / Gross Real Estate Assets	45.41%	44.95%
Net Debt / Enterprise Value	43.64%	44.16%
Net Debt / Adjusted EBITDA(1)	6.30	6.21
EBIDTA / Mortgage Interest Expense	2.56	2.77
Liquidity	$102,994	91,648
Weighted Avg. Interest Rate	5.48%	5.17%
FFO Payout Ratio	76.5%	76.5%
AFFO Payout Ratio	118.2%	86.7%

(1) EBITDA includes an add back for impairment
(2) 3QFY14 Data Annualized
(3) 3QFY15 Data Annualized



Timothy P. Mihalick
President &
Chief Executive Officer



Diane K. Bryantt
Executive Vice President
& Chief Operating Officer



Ted E. Holmes
Executive Vice President
& Chief Financial Officer



Mark W. Reiling
Executive Vice President
& Chief Investment Officer

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