

BMO REAL ESTATE CONFERENCE PRESENTATION

September 2019

SAFE HARBOR STATEMENT AND LEGAL DISCLOSURE

Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from expected results. These statements may be identified by our use of words such as “expects,” “plans,” “estimates,” “anticipates,” “projects,” “intends,” “believes,” and similar expressions that do not relate to historical matters. Such risks, uncertainties, and other factors include, but are not limited to, changes in general and local economic and real estate market conditions, rental conditions in our markets, fluctuations in interest rates, the effect of government regulations, the availability and cost of capital and other financing risks, risks associated with our value-add and redevelopment opportunities, the failure of our property acquisition and disposition activities to achieve expected results, competition in our markets, our ability to attract and retain skilled personnel, our ability to maintain our tax status as a real estate investment trust (REIT), and those risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission, including the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” contained in our Form 10-KT for the transition period ended December 31, 2018. We assume no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

WHY IRET?

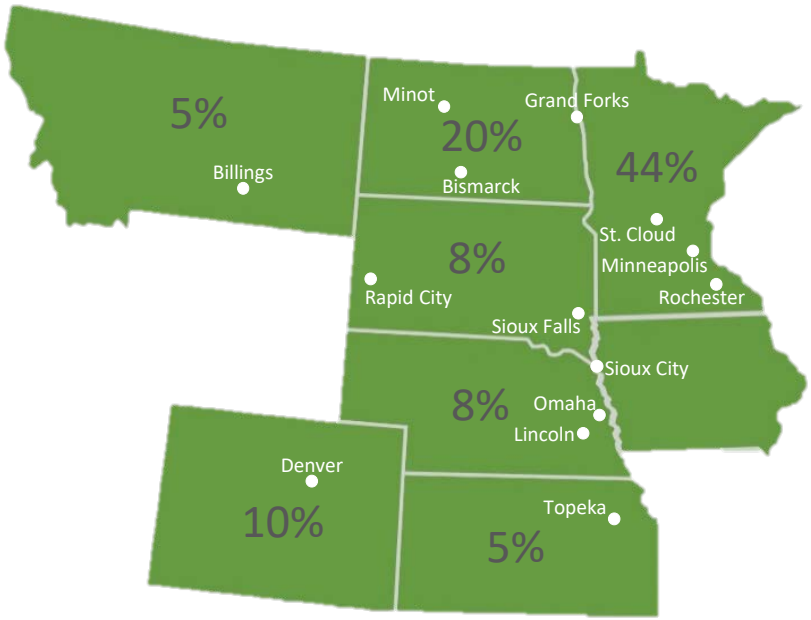
Differentiated Markets	**Increased exposure to target markets in Minneapolis and Denver through disciplined capital recycling**
Internal Growth Opportunity	**Enhanced operating platform opportunities to spur organic growth with minimal capital requirement**
Increased Flexibility	**Strong balance sheet with sufficient liquidity to capitalize on future opportunities**
Value-Add Opportunities	**Deep pipeline of value-add opportunities in our current portfolio**
Experienced Leadership	**Dynamic and experienced management team and board of trustees with an owner mentality and sound strategic plan**

COMPANY SNAPSHOT

PORTFOLIO SUMMARY

- Founded in 1970
- Apartment owner/operator with **13,975** homes in differentiated markets
- Publicly traded since 1997
- Net Asset Value (NAV) - **$78** per Share[1]

PERCENT OF PROFORMA 2019 NOI BY STATE



2019 GUIDANCE

- Midpoint of Core FFO per share growth is **7.6%**
- Midpoint of same-store NOI growth is **3.5%**

TOTAL MARKET CAPITALIZATION OF[2]

$1.75B

MANAGEMENT FOCUSED ON



(1) Average NAV per covering analyst – Baird, BMO, BTIG, Compass Point, & D.A. Davidson as of September 16, 2019

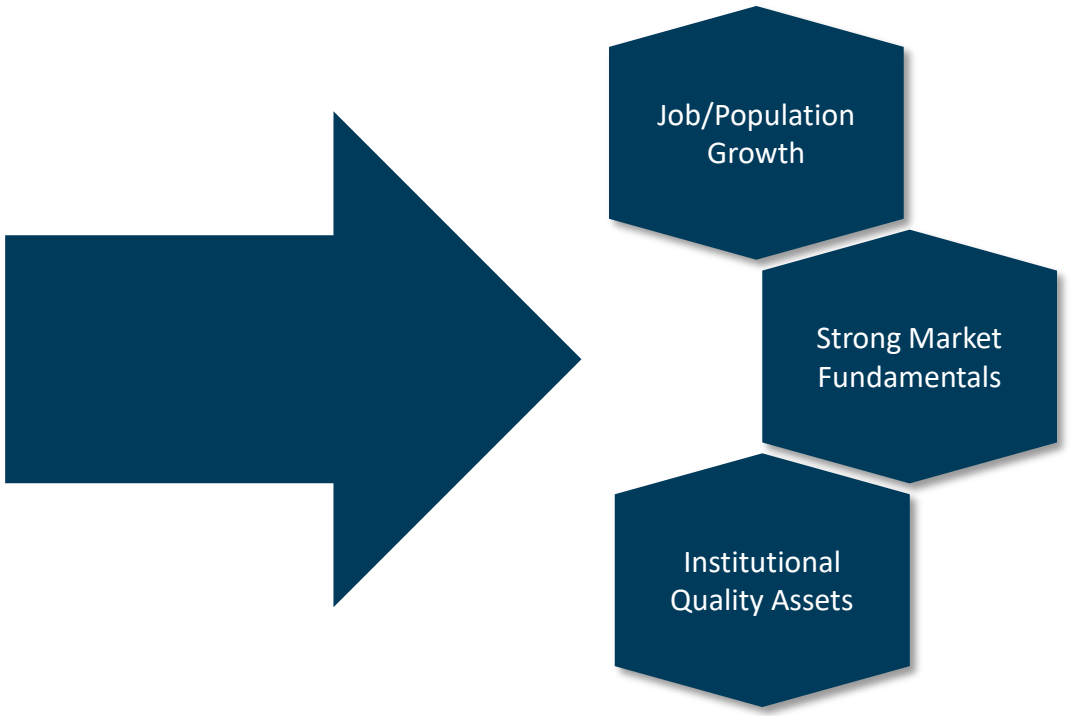
(2) See page 10 for breakdown

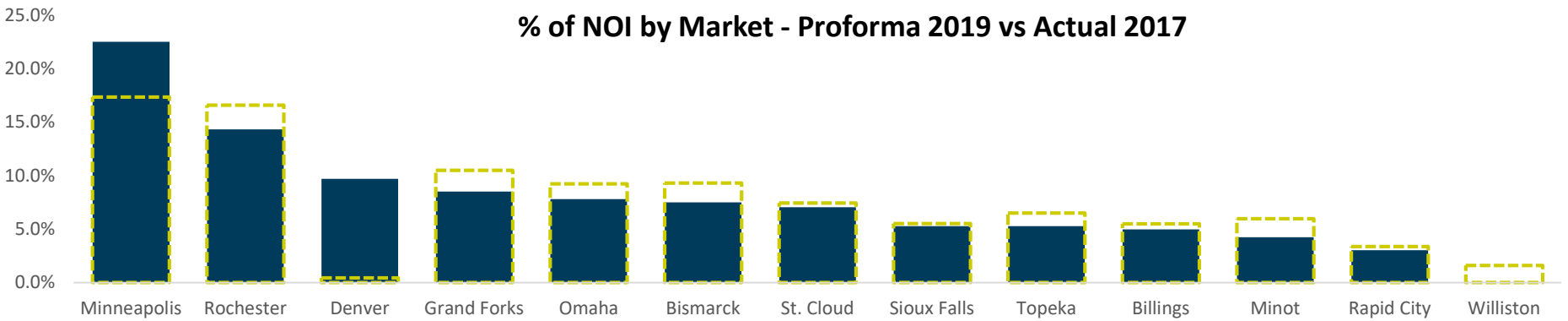
PORTFOLIO IMPROVEMENT CONTINUES

Region	% of Proforma 2019 NOI	Homes	Average Revenue[(1)]
Minneapolis, MN	22.5%	2,259	$1,569
Rochester, MN	14.4%	1,711	$1,285
Denver, CO	9.6%	664	$2,008
Grand Forks, ND	8.4%	1,555	$967
Omaha, NE	7.8%	1,370	$966
Bismarck, ND	7.5%	1,259	$1,026
St. Cloud, MN	7.2%	1,190	$1,053
Sioux Falls, SD	5.2%	969	$927
Topeka, KS	5.2%	1,042	$856
Billings, MT	5.0%	770	$986
Minot, ND	4.2%	712	$1,057
Rapid City, SD	3.0%	474	$1,015
Total / Average	**100.0%**	**13,975**	**$1,161**

(1) Weighted average monthly revenue per occupied home during 2Q19

CORE MARKET FUNDAMENTALS



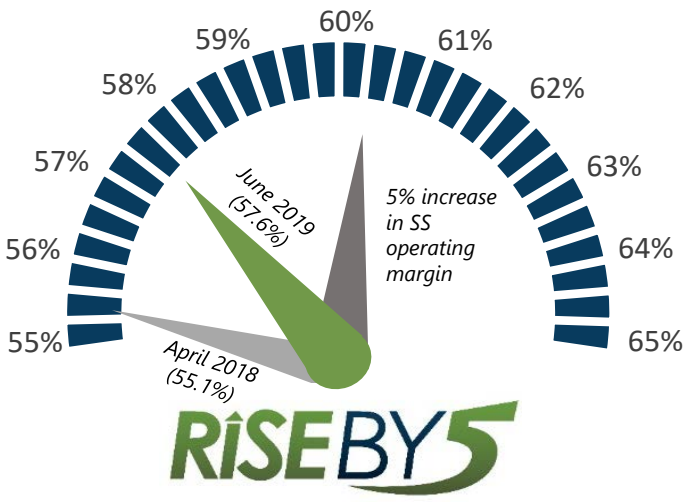


OPERATIONAL AND MARGIN-ENHANCING INITIATIVES

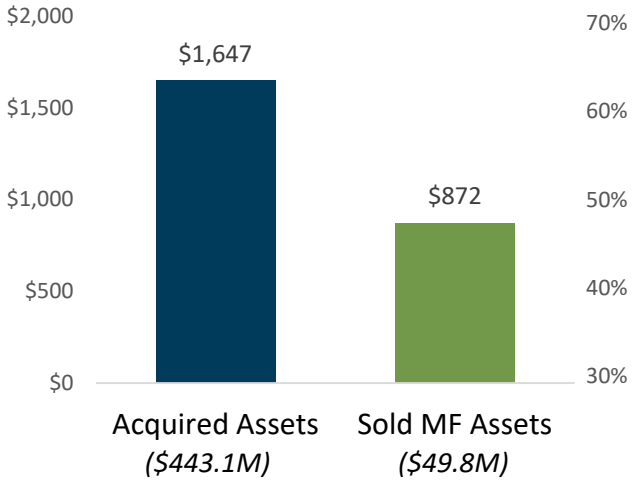
Focusing efforts to harvest organic growth from operational enhancements and margin-enhancing initiatives

RISEBY5 KEY OPPORTUNITIES

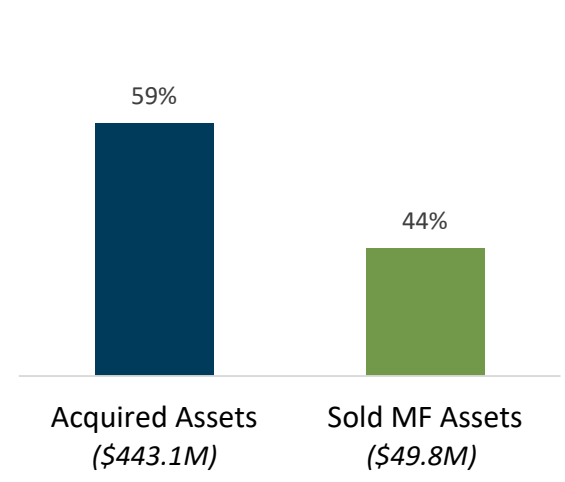
- *Revenue Optimization*
- *Lease-Roll Management*
- *Value-Add Program*
- *Technology*
- *Processes and Training*



Average Revenue Per Unit

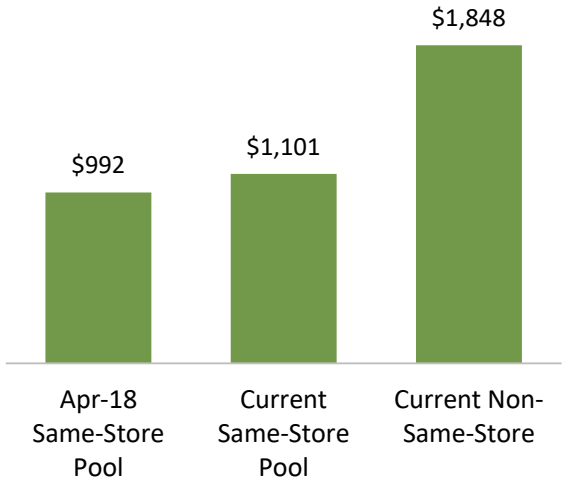


Average Cap Ex NOI Margin



Average Monthly Revenue / Home

Includes rent and other income

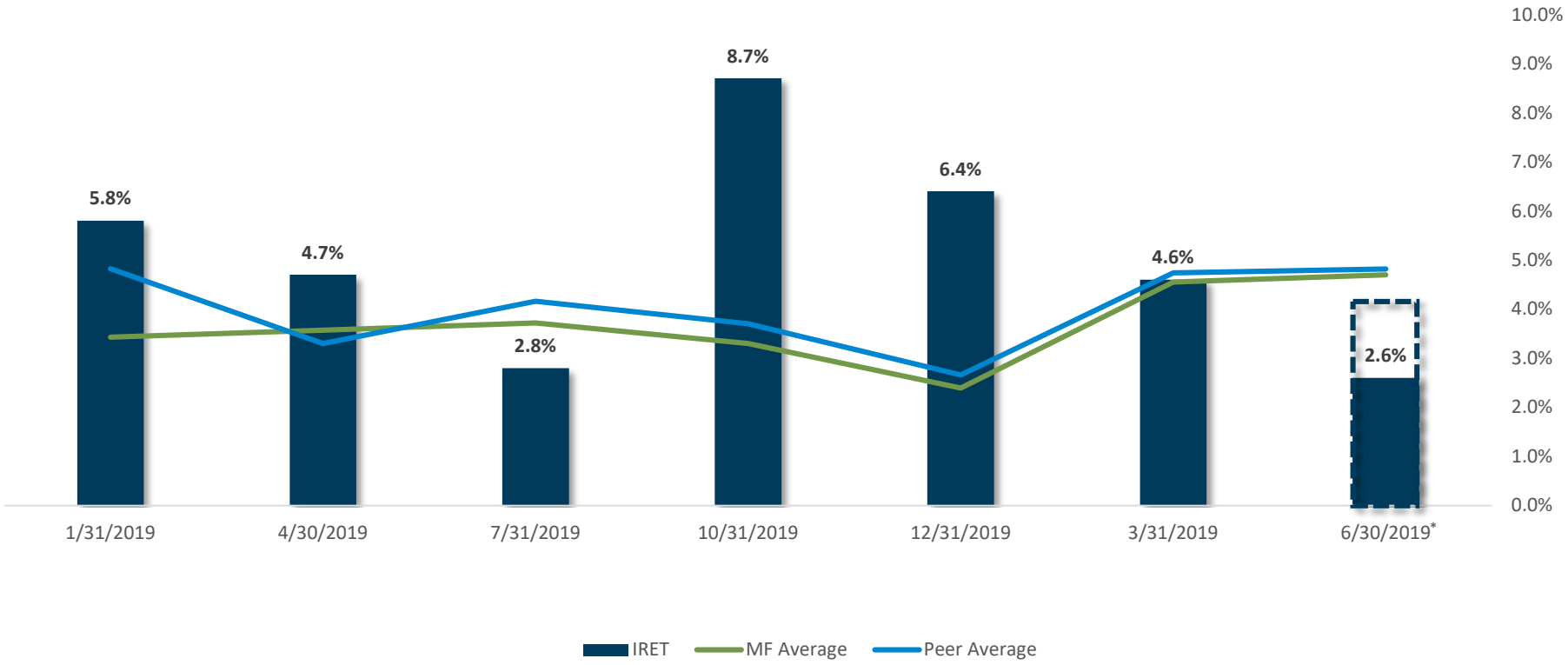


DRIVING INTERNAL GROWTH

Our plan is producing consistent growth

YoY Same-Store NOI Growth

Trailing 3-Months



**Excluding an insurance adjustment in 2Q18 NOI growth would be 4.1% for the 3-month period ending June 30, 2019*

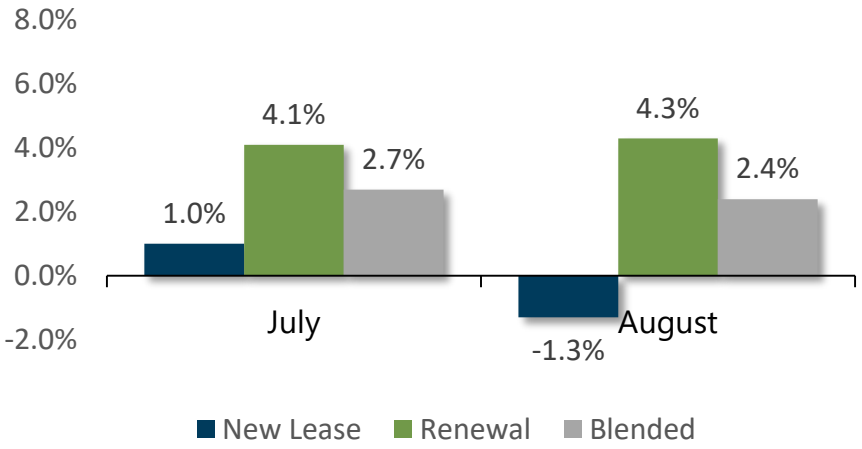
Growth rate comparisons are made based on most comparable calendar quarter to IRET's previous fiscal quarter schedule
Peer average includes AIV, CPT, IRT, NXRT, and MAA
IRET converted to a December 31 fiscal year end in December 2018

GROWING RENTAL REVENUE: CURRENT OUTLOOK

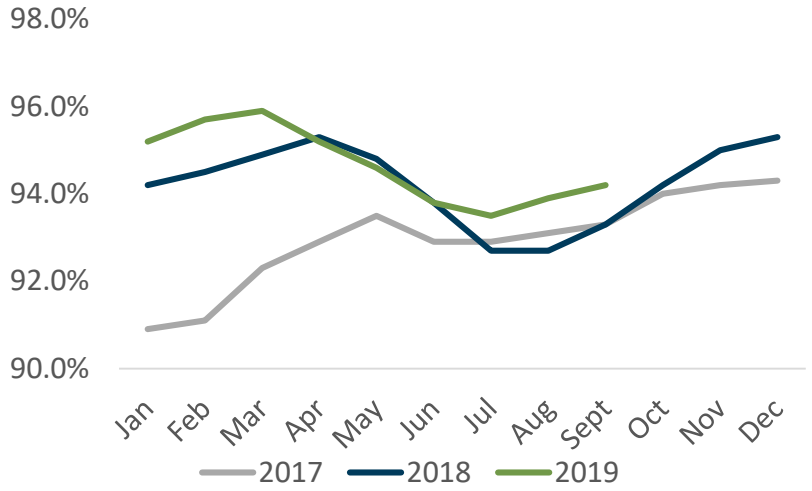
Strong same-store performance has continued into this quarter. Non same-store is stabilized and performing

Same-Store Lease Over Lease Pricing

(3,115 Leases)

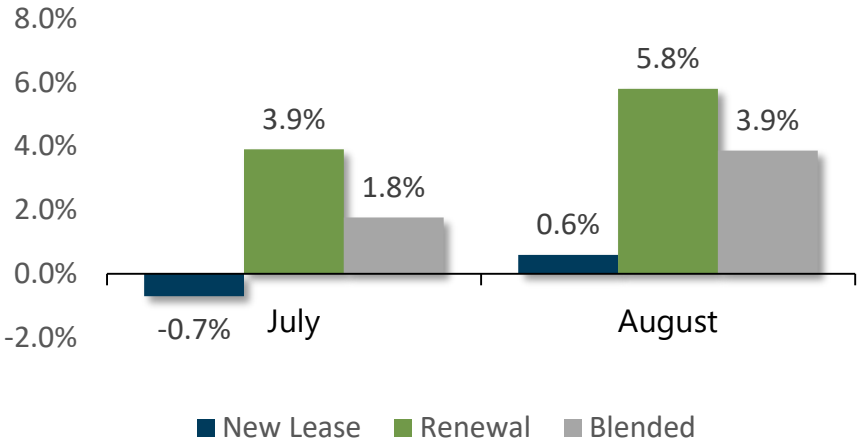


Same-Store Physical Occupancy



Non Same-Store Lease Over Lease Pricing

(215 Leases)



Our non same-store portfolio is fully stabilized (94.3%)

PEER COMPARISON

We continue to view share repurchases as an attractive use of capital

Second Quarter 2019 Same-Store[1]	iret	Peer Avg.	IRT	NXRT	AIV	CPT	MAA
No. of SS Units	**12,848**	38,269	13,697	11,471	27,640	42,618	95,920
Revenue Growth	**3.1%**	4.0%	5.4%	4.0%	3.8%	3.4%	3.2%
Expense Growth	**3.8%**	2.5%	3.1%	2.2%	1.8%	2.0%	3.6%
NOI Growth	**2.6%**	4.8%	6.9%	5.4%	4.6%	4.2%	3.0%
Occupancy	**94.3%**	95.5%	94.1%	94.6%	96.9%	96.1%	96.0%
Average Rent	**$1,028**	$1,376	$1,062	$1,009	$2,069	$1,509	$1,230
Implied Cap Rate[2]	**6.1%**	5.0%	5.7%	4.6%	5.3%	4.7%	5.0%
Implied Price / Home[3]	**$124k**	$213k	$140k	$157k	$339k	$237k	$192k

[1]*Data as originally reported on company financials*
[2]*Implied Cap Rate is calculated by dividing average analyst estimated 2019 NOI by the sum of total debt & preferred equity from latest financials and September 10, 2019 equity market cap*
[3]*Implied Price / Home is calculated by dividing current enterprise value by total number of units*

IRET trades at a discount compared to peers

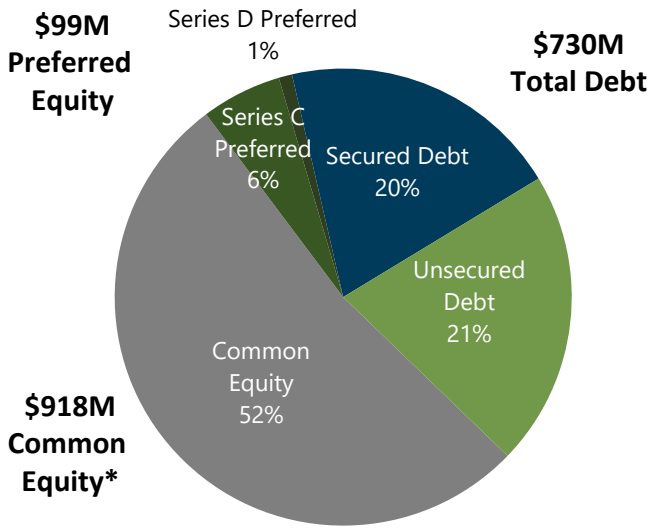
Valuation Comparison	Average Analyst Cap Rate of 6.0%	Peer Average Cap Rate of 5.0%
Enterprise Value based on midpoint of NOI guidance and given Cap Rate (1000s)	$1,807,991	$2,145,920
Total Debt & Pref as of 6/30/19	(808,502)	(808,502)
NAV	**999,488**	**1,337,417**
Shares Outstanding as of 6/30/19	12,880	12,880
Resulting NAV Per Share	**$77.60**	**$103.84**
9/10/19 Share Price Discount	***(8.2%)***	***(31.4%)***
Resulting Price / Home	**$129k**	**$154k**

CAPITAL STRUCTURE PROFORMA SEPTEMBER 30, 2019

A strong and flexible balance sheet allows us to execute our investment and operational strategies

$ in thousands, except where noted

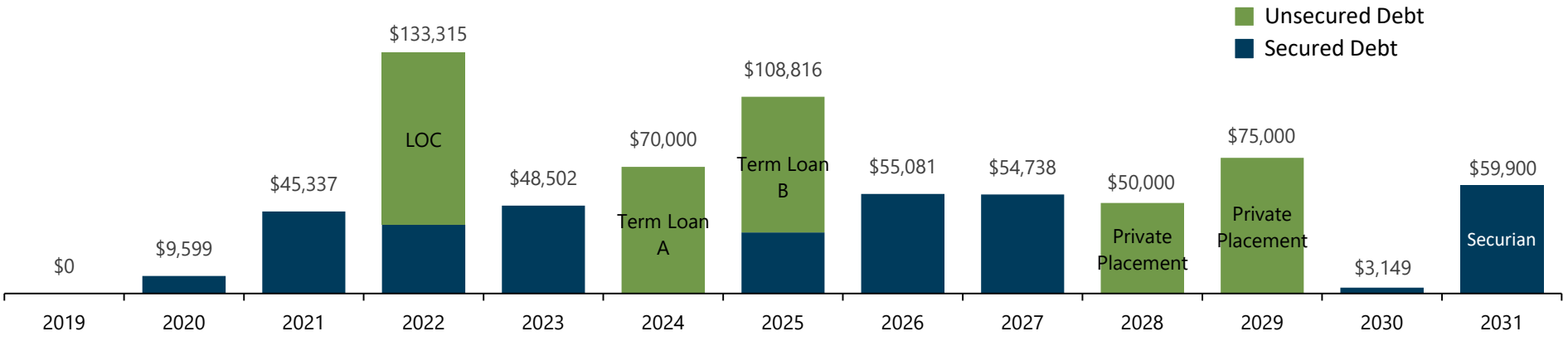
$1.75B Total Capitalization



**Share price $71.27 as of September 10, 2019*

Debt Summary	Amount	% of Total	Weighted Avg. Rate	Weighted Avg. Maturity
Total Secured Debt	**$348,167**	**49%**	**4.08%**	**5.9 Years**
Total Unsecured Debt	**$365,270**	**51%**	**3.87%**	**6.1 Years**
Unsecured LOC(1)	$95,270	13%	3.58%	2.9 Years
Unsecured Term Loans	$145,000	20%	4.14%	5.1 Years
Private Placement	$125,000	18%	3.78%	9.6 Years
Total Debt(2)	**$713,437**	**100%**	**3.97%**	**6.0 Years**
Fixed Rate	$668,167	94%	3.99%	6.2 Years
Variable Rate	$45,270	6%	3.75%	2.9 Years

(1) LOC commitments total $250M
(2) Excludes $16.6M Preferred D debt instrument
(3) Totals include planned acquisition/disposition/financing activity



% of Total Maturing												
0.00%	1.3%	6.4%	18.7%	6.8%	9.8%	15.3%	7.7%	7.7%	7.0%	10.5%	0.4%	8.4%
Weighted Average Interest Rate												
0.00%	4.85%	5.34%	3.79%	4.02%	3.70%	4.25%	3.74%	3.47%	3.69%	3.84%	5.39%	3.88%

VALUE-ADD OPPORTUNITY

Highlights

- We are moving forward to deliberately mine the opportunities in our portfolio. Currently, we have approved $33 million of value-add projects in 25% of the homes in our portfolio
- Expected investment in 2019 is $5.7 million and is expected to be neutral to FFO in 2019 due to timing
- Approximately 42% of homes have not been renovated since before 2008

Region	Duration of Projects	Estimated Cost	Estimated ROI[1]
Minneapolis, MN	1.0 – 4.0	$14,700,000	16% - 18%
Omaha, NE	1.0 – 3.0	$14,000,000	15% - 17%
Rochester, MN	1.0 – 2.0	$1,300,000	12% - 14%
St. Cloud, MN	2.5	$600,000	23% - 27%
Multi-Region Initiatives[2]	1.0	$2,800,000	22% - 26%
Total Approved Pipeline[3]		**$33,400,000**	**15% - 18%**

[1] *Estimated ROI includes any expected vacancy loss and only includes return on invested capital of project and does not include any rent increase due to normal year-over-year market rent increase*
[2] Initiatives include Laundry Coin to Card Conversion, In-Unit Laundry Conversion, and LED Retrofit

ACQUISITION CASE STUDY – SOUTHFORK

Opportunity

- SouthFork Townhomes is a 272-unit community built in 1988 & 1990 and purchased by IRET from the original developers in February 2019
- The developers would have incurred a significant tax bill in a cash sale
- IRET was able to work with the seller to reach a mutually beneficial preferred unit structured deal
- IRET is bringing our operational discipline to improve resident experience and optimize revenue

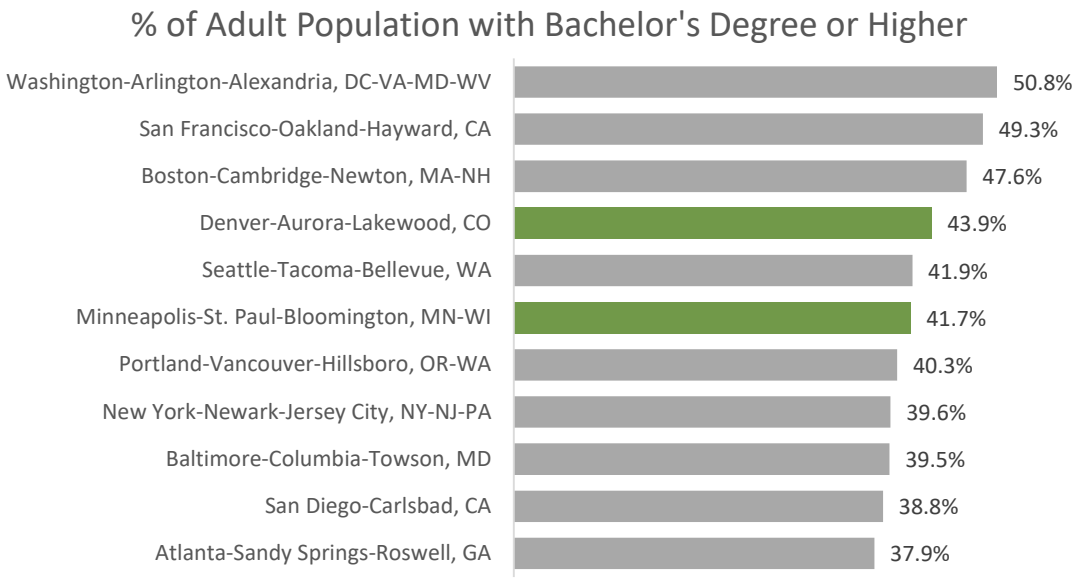


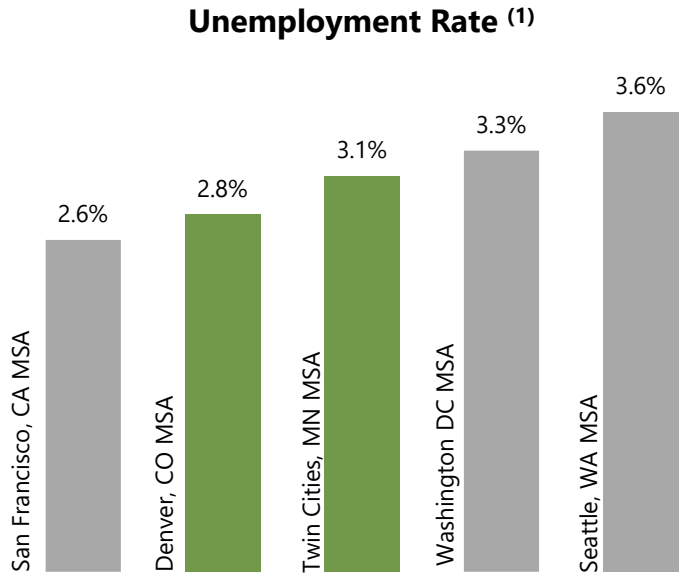
Deal Structure	
Purchase Price	$44,000,000
Cash Paid	$27,440,000
Series D Preferred Units	$16,560,000
Preferred Dividend	3.862%
Waterfall Priority	Senior to all other Operating Partnership Units and common equity Pari passu with Series C Preferred equity
Exchange Feature	Holder has the right to exchange each unit for common units or equity at $72.50
Tax Protection	7 years of 100% tax protection
Put Right	Perpetual right to put all, or any part, for the issue price in cash



MARKETS UPDATE

Minneapolis – St. Paul and Denver boast extremely tight job markets, characterized by a highly educated workforce





Both of these characteristics support strong incomes

Rank	Metropolitan Area	Median Household Income
1	San Francisco-Oakland-Hayward, CA MSA	$101,714
2	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	$99,669
3	Boston-Cambridge-Newton, MA-NH MSA	$85,691
4	Seattle-Tacoma-Bellevue, WA MSA	$82,133
5	Baltimore-Columbia-Towson, MD MSA	$77,394
6	Minneapolis-St. Paul-Bloomington, MN-WI MSA	$76,856
7	Denver-Aurora-Lakewood, CO MSA	$76,643
8	San Diego-Carlsbad, CA	$76,207
9	New York-Newark-Jersey City, NY-NJ-PA	$75,368
10	Portland-Vancouver-Hillsboro, OR-WA	$71,931

Data shown is latest available from US Census Bureau and Bureau of Labor Statistics
(1) Preliminary July 2019 Unemployment Rate

MINNEAPOLIS–ST. PAUL IS STRONG

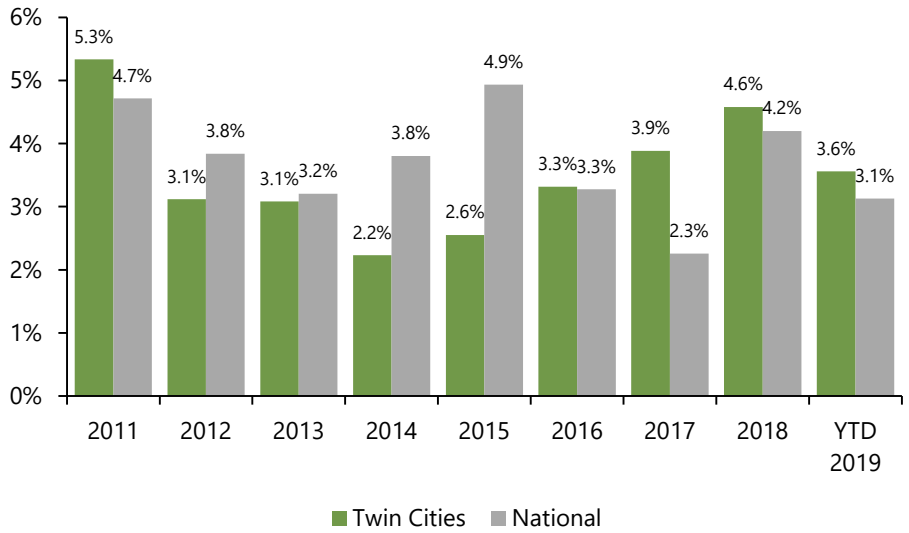
Economic Drivers

- The Minneapolis–St. Paul economy is supported by large corporations in diverse industries that generate stable job growth. Seventeen *Fortune* 500 companies and eight companies on *Forbes'* list of America's 225 largest private companies, including Cargill at #1, are headquartered in Minnesota
- Minneapolis–St. Paul's skilled labor force powers companies in a mix of industries, including agriculture, manufacturing, retail, medical devices, biosciences, healthcare, IT, and clean energy
- Axiometrics forecasts rental growth of 3.3% and vacancy of 3.9% in 2019

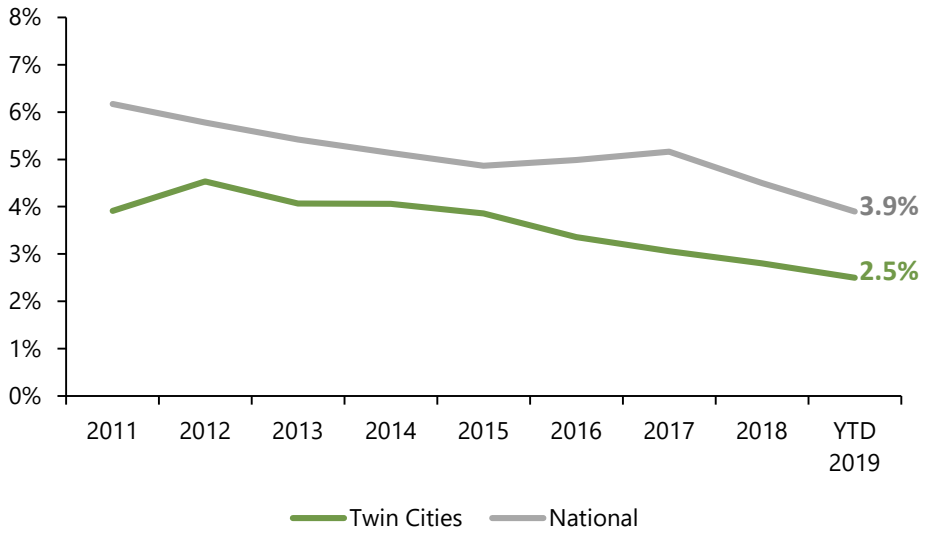
17 Fortune 500 Companies

Rank	Company	Rank	Company
6	United Health Group	212	Land O' Lakes
39	Target	215	Ecolab
74	Best Buy	249	Ameriprise Financial
95	3M	274	Xcel Energy
97	CHS	325	Mosaic
117	U.S. Bancorp	328	Hormel Foods
185	C.H. Robinson	351	Thrivent Financial
200	General Mills	476	Polaris
201	Supervalu		

Effective Apartment Rent Growth



Apartment Vacancy

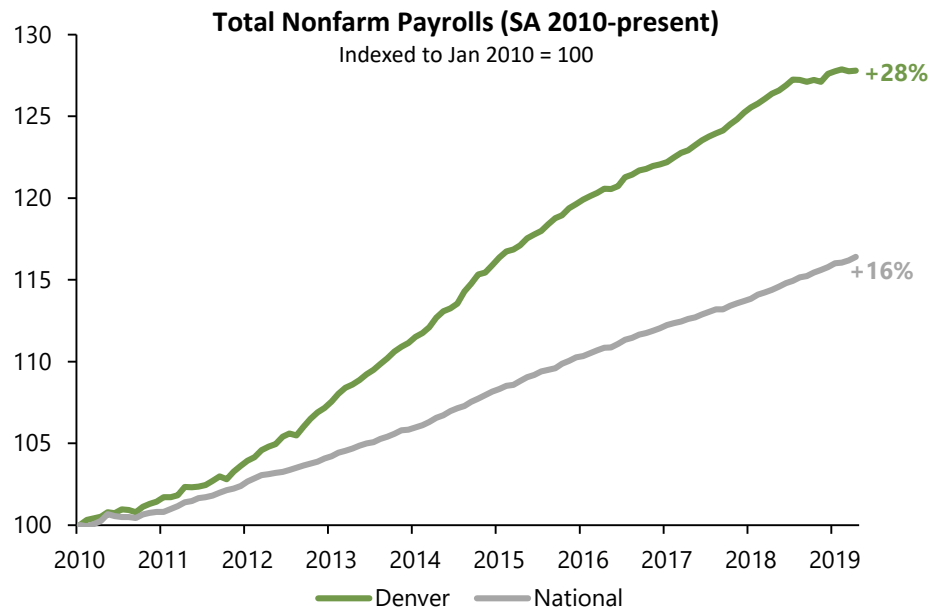


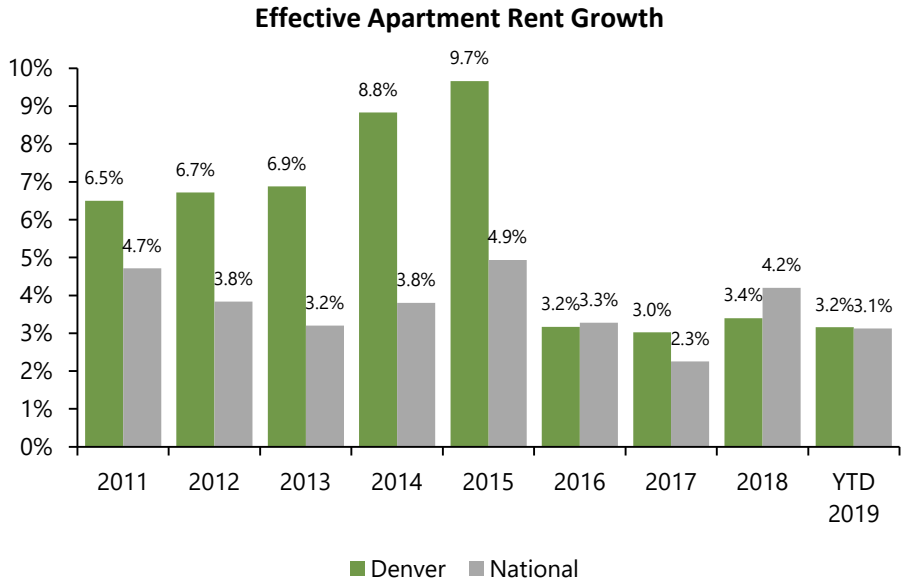
Data shown is latest available from Bureau of Labor Statistics, US Census Bureau, Fortune, and Axiometrics
Note: 2019 YTD through 8/31/19

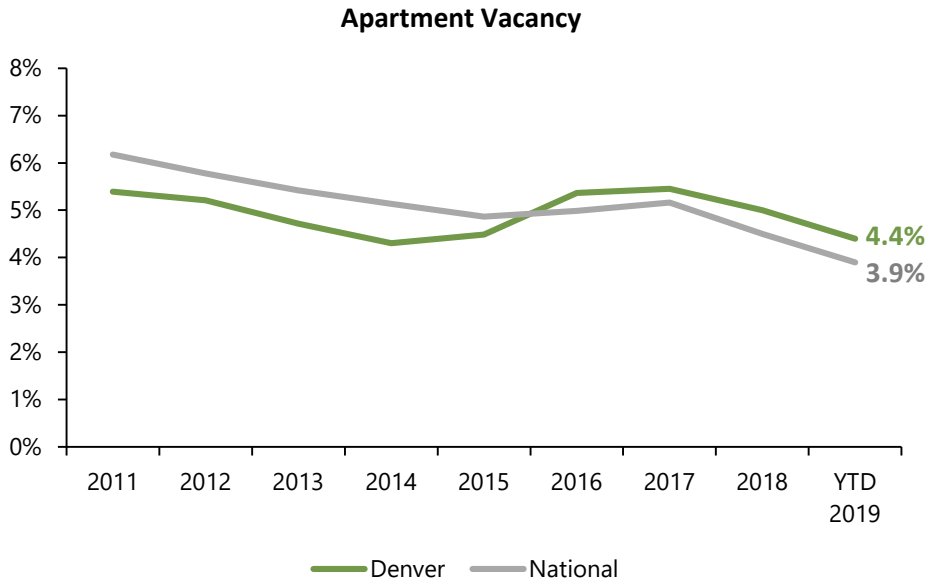
DENVER'S ECONOMY IS THRIVING

Economic Drivers

- Denver's advantageous location, livability, skilled workforce, and attractiveness for doing business have prompted job creation throughout the metro area as employers relocate and entrepreneurs create new ventures. The Denver metro area has added 325,000 jobs since the beginning of 2010
- The region's economy is deeply rooted in high-quality industries such as aerospace, technology, healthcare, energy, transportation, finance, and tourism
- Relative to incomes, single family home prices in Denver are high at $421,400 as of 2Q19, driving approximately 51% of the population to rent (national average = 36%)







Data shown is latest available from Bureau of Labor Statistics, US Census Bureau, Fortune, National Association of Realtors, and Axiometrics
Note: 2019 YTD through 8/31/19

UNDERSTANDING OUR SECONDARY MARKETS

These five markets, plus Minneapolis-St. Paul and Denver are expected to make up 77% of proforma 2019 NOI

	Rochester, MN	Omaha, NE	Grand Forks, ND	St. Cloud, MN	Bismarck, ND
Population	218,280	933,316	102,414	197,759	132,142
Median Household Income	$71,985	$65,619	$48,609	$61,943	$66,087
Unemployment Rate[(1)]	2.8%	3.2%	2.9%	3.0%	2.2%
Major Employers	Mayo Clinic IBM	State of Nebraska Union Pacific	University of ND Altru Health	CentraCare Health State of Minnesota	State of ND Sanford Health
Number of IRET Homes	1,711	1,370	1,555	1,190	1,259
Total Multifamily Supply	13,041	77,674	15,761	16,772	13,826
Same-Store Average Revenue per Unit[(2)]	$1,285	$966	$967	$1,053	$1,026
Same-Store Average Revenue per Unit / Median Household Income (Monthly)	21.4%	17.7%	23.9%	20.4%	18.6%
Same-Store Occupancy[(3)]	95.4%	93.3%	93.5%	95.4%	92.8%

Sources: US Census Bureau, Bureau of Labor Statistics, IRET, Axiometrics, Company Filings and Disclosures, and IRET Research

(1) Preliminary July 2019 Unemployment Rate

(2) 2Q19 Weighted Average Monthly Revenue per Occupied Home

(3) 2Q19 Weighted Average Occupancy

BEST IN CLASS GOVERNANCE

Executive Management Team

Mark O. Decker, Jr.
PRESIDENT AND CEO

- Former investment banker with 18 years focused on small/mid cap REITs

John A. Kirchmann
EVP AND CFO

- Former Private Consultant
- Former VP of Operations Support– Essex
- Former KPMG Professional

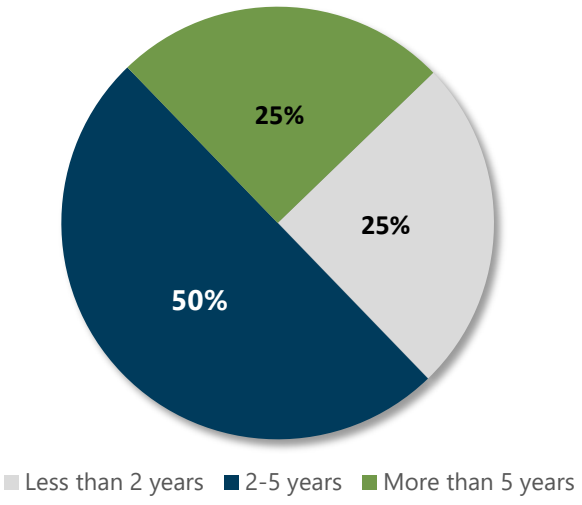
Anne M. Olson
EVP AND COO

- Former Partner – Dorsey & Whitney LLP's Real Estate Practice Group
- Former Director of Investment Operations - Welsh Companies, LLC

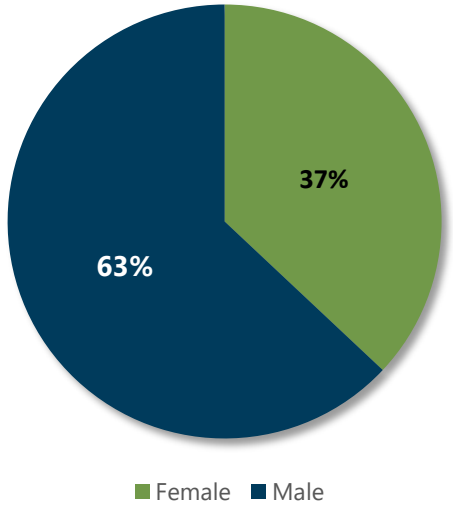
IRET rated ISS's top score of 1 - indicating highest quality corporate governance practices and lowest governance risk

Jeffrey P. Caira *Since 2015*	Michael T. Dance *Since 2016*	Mark O. Decker Jr. *Since 2017*	Emily Nagle Green *Since 2018*	Linda J. Hall *Since 2011*	John A. Schissel *Since 2016*	Mary J. Twinem *Since 2018*	Terrance P. Maxwell *Since 2013*

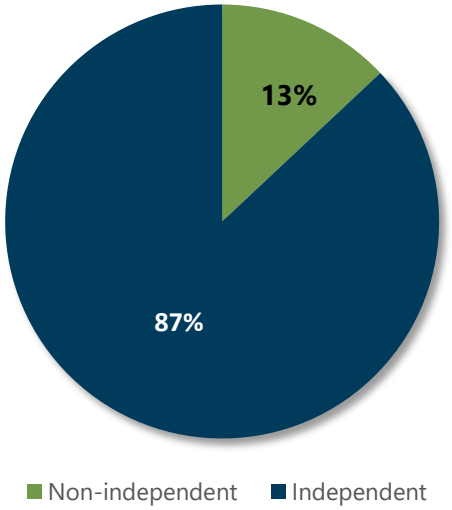
TRUSTEE TENURE



GENDER DIVERSITY

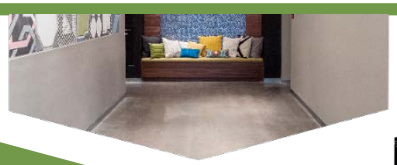


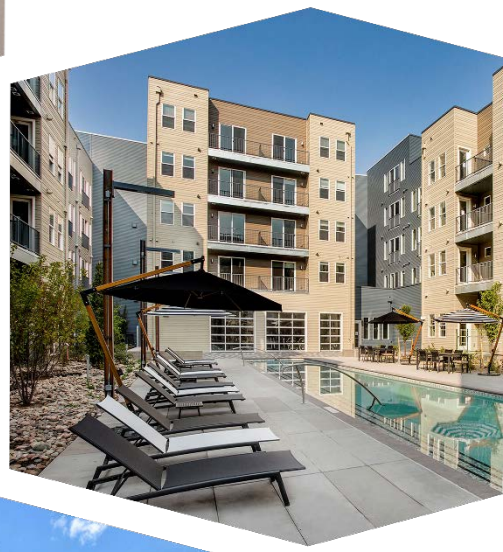
BOARD INDEPENDENCE



INVESTMENT HIGHLIGHTS

- Differentiated Market Exposure
- Internal Growth Opportunities
- Flexible Balance Sheet
- Value Add Opportunities
- Best in Class Governance







Investor Relations Contact:
Jonathan Bishop
ir@iret.com
952.401.4827