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Independence Realty Trust, Inc. (IRT)

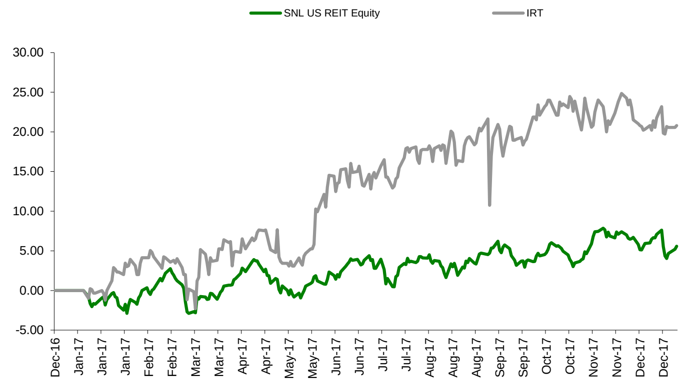
Two Liberty Place,, 50 S. 16th Street, Suite 3575
Philadelphia, PA 19102
http://www.irtliving.com
(267) 270-4800

Credit Ratings	Rating	Date	Direction	Watch
S&P	--	--	--	--
Moody's*	--	--	--	--
Fitch	--	--	--	--

*Senior Unsecured Rating

Current Market Information as of 12/27/2017		Closing Price ($):	10.14
Shares Outstanding (Shares)	83,518,602	Price Target	$ 11.00
52 week High - Low ($)	10.63 - 8.57	Price/ FFO (x)	19.5
Average Daily Volume (Shares)	454,704	Price/ LTM FFO (x)	NM
Market Value ($M)	846.9	Price/ Trailing-four-quarter EPS (x)	NM
Total Capitalization ($M)	1,609.3	Prem./Disc to NAV (%)	-9.1
Total Enterprise Value ($M)	1,599.2	TEV/ Recurring EBITDA (x)	NA
10 Year T Note (%)	2.42	Implied Return	8%

Total Return



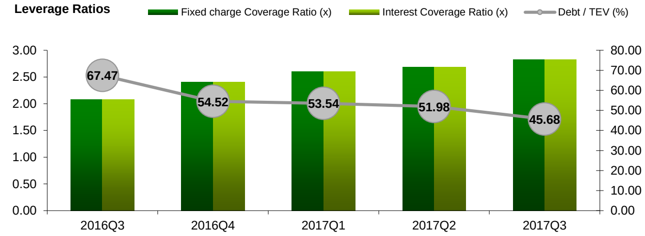
Insider Alignment as of 03/17/2017			
Title	**Name**	**Insider shares (Voting)**	**%**
Chairman & CEO	Scott F. Schaeffer	138,226	4.79
President	Farrell M. Ender	88,231	3.08
Treasurer & CFO	James J. Sebra	61,093	2.12
Total Shares Held by Insiders		**401,991**	**13.75**

Note: If multiple insiders share controlling interest in a group of shares, they may both show ownership of those shares in insider ownership data.

Institutional Ownership			
Owner	**Shares**	**%**	**As of**
BlackRock Inc.	10,982,559	13.15	09/30/2017
Vanguard Group Inc.	10,057,899	12.04	09/30/2017
AllianceBernstein LP	4,646,406	5.56	09/30/2017
Highland Capital Management LP	2,923,510	3.50	09/30/2017
State Street Global Advisors Inc.	2,581,482	3.09	09/30/2017
Total - 206 Institutions	**68,898,550**	**82.59**	

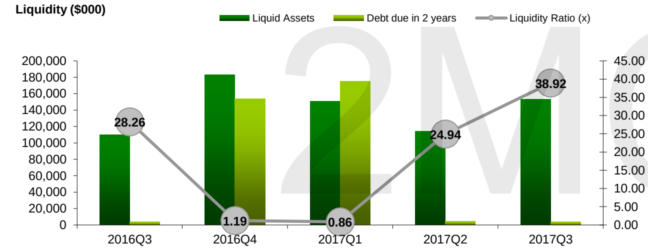
Current Dividend Information		% Change		
Dividend ($)	0.1800	0.00	Mst Rct Dividend Anncd Date	10/12/2017
Annual Dividend Rate ($)	0.7200	0.00	Mst Rct Ex-Dividend Date	12/28/2017
LTM Dividends Anncd ($)	0.7200		Most Recent Div Pay Date	01/15/2018
Current Dividend Yield (%)	7.10			
LTM Dividend Payout Ratio (%)	NM			

Leverage Ratios



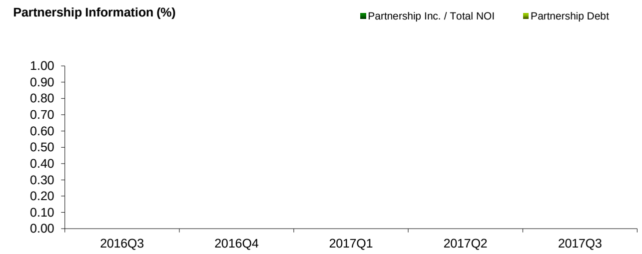
Leverage Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Capitalization ($M)					
Implied Market Cap	453.8	641.4	674.6	712.4	880.3
Total Mezzanine Level Items	0.0	0.0	0.0	0.0	0.0
Total Preferred Equity	0.0	0.0	0.0	0.0	0.0
Noncontrolling Interest	0.0	0.0	0.0	0.0	0.0
Total Debt	880.6	743.8	765.7	764.5	731.6
Pref. OP-FASB 150/Fin 46 Adj.	0.0	0.0	0.0	0.0	0.0
Total Capitalization	**1,334.4**	**1,385.2**	**1,440.3**	**1,476.9**	**1,611.9**
(-) Cash & Cash Equivalents	29.2	20.9	10.1	6.3	10.1
Total Enterprise Value	**1,305.2**	**1,364.3**	**1,430.2**	**1,470.7**	**1,601.8**
Leverage Ratios (%)					
Debt/ Total Cap	65.99	53.70	53.16	51.76	45.39
Debt / TEV	67.47	54.52	53.54	51.98	45.68
Debt and Preferred/ TEV	67.47	54.52	53.54	51.98	45.68
Total Debt/ Gross Properties	66.88	59.54	59.78	57.03	51.27
Debt/ RE Value	68.15	57.71	56.51	53.33	46.94
Fixed charge Coverage Ratio (x)	2.08	2.40	2.60	2.68	2.82
Interest Coverage Ratio (x)	2.08	2.40	2.60	2.68	2.82
Debt/ EBITDA (x)	11.59	NM	9.78	5.51	11.14
Debt/Assets	67.41	57.47	58.58	58.04	52.07
NOI/ Debt	10.11	12.07	11.96	12.30	12.94

Liquidity ($000)



Liquidity Analysis ($000)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Cash and Equivalents	29,247	20,892	10,065	6,271	10,128
Revolving Credit Facilities	125,000	172,500	172,500	250,000	250,000
Revolving Credit Facilities Drawn	44,019	10,000	32,000	142,190	107,163
Liquid Assets	110,228	183,392	150,565	114,081	152,965
Debt Due this Fiscal Year	509	2,799	2,227	1,365	685
Debt Due during Next Fiscal Year	3,392	150,831	173,231	3,209	3,245
Debt Due this Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt Due during Next Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt due in 2 years	3,901	153,630	175,458	4,574	3,930
Liquidity Ratio (x)	28.26	1.19	0.86	24.94	38.92

Partnership Information (%)



Profitability Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Implied Capitalization Rate	7.15	7.07	7.02	6.90	6.73
Rental NOI/ Avg Gross Pptys	6.77	7.00	7.24	7.18	6.84
Operating NOI/ Avg Gross Pptys	0.00	0.00	0.00	0.00	0.00
Total RE NOI/ Avg Gross Pptys	6.77	7.00	7.24	7.18	6.84
Partnership Income/ Total Revenue	NA	NA	NA	NA	NA

Partnership Information (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Partnership Inc. / Total NOI	0.00	0.00	0.00	0.00	0.00
Partnership Revenue/ Revenue	0.00	0.00	0.00	0.00	0.00
Partnership Debt	0.00	0.00	0.00	0.00	0.00
Partnership Income/ Avg Partnerships	NA	NA	NA	NA	NA

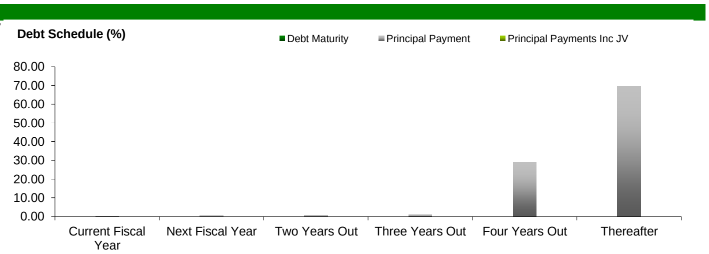
Debt Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Tax-exempt Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Secured Debt/ Debt	100.00	100.00	100.00	75.21	78.52
Short-term Debt/ Debt	NA	0.38	NA	NA	NA
Long-term Debt/ Debt	NA	99.62	NA	NA	NA
Variable-rate Debt/ Debt	15.17	0.00	2.57	5.17	0.98
Fixed-rate Debt/ Debt	84.83	100.00	97.43	94.83	99.02
Hedged Debt/ Debt	17.03	20.17	19.59	19.62	20.50
Convertible Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Credit Lines Drawn/ Available	35.22	5.80	18.55	56.88	42.87

Same Store Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Same Store NOI Change (%)	6.00	5.70	5.20	5.60	4.00
Same Store Rev % Chg (%)	4.10	3.60	4.80	4.30	3.00
Same Store Exp % Chg (%)	2.10	0.80	4.10	2.20	1.50
Same-store REVPAR ($)	NA	NA	NA	NA	NA
Same-store ADR ($)	NA	NA	NA	NA	NA
Same Store Occupancy (%)	93.20	93.20	93.90	95.00	94.70

Debt Maturity Schedules for the Period 2017Q3

	Debt Maturity		Principal Payment		Principal Payments Inc JV	
	($000)	(%)	($000)	(%)	($000)	(%)
Total Debt	731,625		731,625		731,625	
Current Fiscal Year	NA	NA	685	0.09	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Next Fiscal Year	NA	NA	3,245	0.44	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Two Years Out	NA	NA	4,660	0.64	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Three Years Out	NA	NA	7,611	1.04	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Four Years Out	NA	NA	212,287	29.02	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Thereafter	NA	NA	508,834	69.55	NA	NA
Avg Int Rate (%)	NA		NA		NA	

Debt Schedule (%)

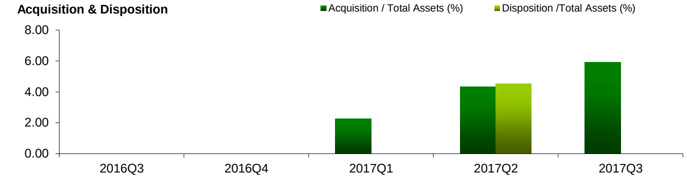


Property Analysis

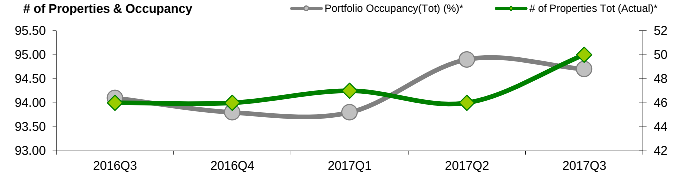
Property Financials	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
# of Properties Tot (Actual)*	46	46	47	46	50
Portfolio Occupancy(Tot) (%)*	94.1	93.8	93.8	94.9	94.7
Total Acquisitions ($000)	0	0	29,750	57,190	83,214
Total Dispositions ($000)	0	0	0	59,600	0
Development Pipeline ($000)	0	0	0	0	0
Development Cost Incurred ($000	0	0	0	0	0
Net Property Investment ($000)	1,263,901	1,197,845	1,221,785	1,273,720	1,351,973
Gross Leasable Area (sq. ft.)	NA	NA	NA	NA	NA
Acquisition / Total Assets (%)	0.00	0.00	2.28	4.34	5.92
Disposition /Total Assets (%)	0.00	0.00	0.00	4.52	0.00

* If total value is filed as NA for all periods by the company, it will give the individual portfolio level information.

Acquisition & Disposition



# of Properties & Occupancy



Top 10 Markets*				
Name	**% of NOI**	**% of Rev.**	**% Change SS**	**Occupancy %**
Louisville. KY	12.4	NA	NA	94.7
Raleigh, NC	12.3	NA	NA	95.3
Memphis, TN	10.8	NA	NA	95.0
Atlanta, GA	10.2	NA	NA	96.1
Oklahoma City, OK	6.7	NA	NA	92.8
Dallas, TX	6.3	NA	NA	95.9
Charleston, SC	5.1	NA	NA	95.8
Jackson, MS	3.9	NA	NA	94.0
Little Rock, AR	3.6	NA	NA	94.8
Orlando, FL	3.2	NA	NA	94.9

*Based on reported market exposure. SS here stands for Same Store

Top 10 Most Recent Acquisitions					
Property Name	**Portfolio Acq. Yes/No?**	**Acq. Date**	**Owned %**	**Price ($000)[1]**	**Size (Owned Sq. Ft.)[3]**
Live Oak Trace	Yes	10/25/2017	100.00	111,715	NA
Cherry Grove Commons	Yes	09/26/2017	100.00	111,715	NA
Kensington Commons	Yes	09/26/2017	100.00	111,715	NA
Riverchase Apartments	Yes	09/26/2017	100.00	111,715	NA
Schirm Farms	Yes	09/26/2017	100.00	111,715	NA
South Terrace	No	06/30/2017	100.00	42,950	NA
Haverford Place	No	05/24/2017	100.00	14,240	NA
Lakes of Northdale	No	02/27/2017	100.00	29,750	NA
Arbors River Oaks	Yes	09/17/2015	100.00	718,200	NA
Aston	Yes	09/17/2015	100.00	718,200	NA

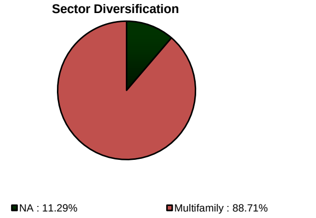
[1] If the transaction is a portfolio acquisition than the price will be a portfolio Acq. Price.

Top 10 Most Recent Dispositions					
Property Name	**Portfolio Dis. Yes/No?**	**Dis. Date**	**Owned %**	**Price ($000)[2]**	**Size (Owned Sq. Ft.)[3]**
Berkshire Square	No	06/09/2017	100.00	16,000	NA
Heritage Trace	No	06/01/2017	100.00	11,600	179,148
Copper Mill	No	05/05/2017	100.00	32,000	261,897
Tresa	No	05/05/2017	100.00	47,000	324,983
Belle Creek	No	04/07/2016	100.00	23,000	123,800
Cumberland Glen	No	02/18/2016	100.00	18,000	216,600
Centrepoint Apartments	No	12/22/2015	100.00	33,600	317,440

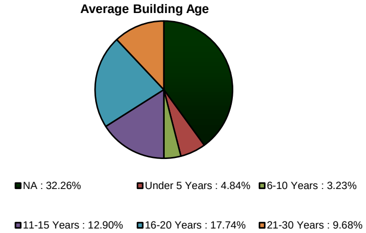
[2] If the transaction is a portfolio sales than the price will be a portfolio disposition Price.

Property Charts

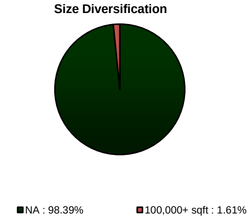
Sector Diversification



Average Building Age



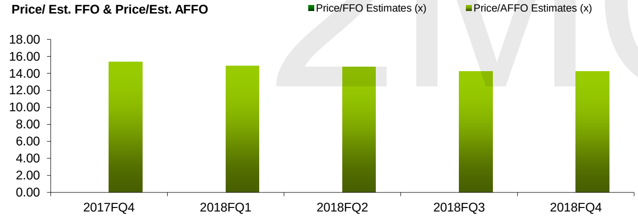
Size Diversification



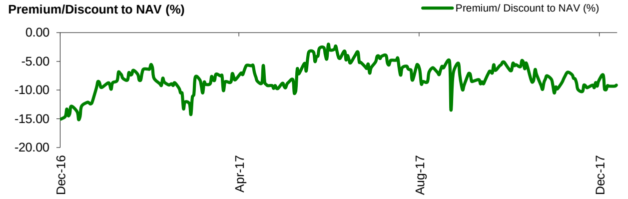
NA = Not Available

Estimates Data

Price/ Est. FFO & Price/Est. AFFO



Premium/Discount to NAV (%)



Estimates Information	2017FQ4	2018FQ1	2018FQ2	2018FQ3	2018FQ4
FFO Estimates					
FactSet Mean FFO Estimate ($)					
FactSet High FFO Estimate ($)					
FactSet Low FFO Estimate ($)					
FactSet No. of FFO Estimates (Actual)					
Closing Price ($)	10.14	10.14	10.14	10.14	10.14
Price/FFO Estimates (x)					
AFFO Estimates					
SNL Mean AFFO Estimate ($)	0.17	0.17	0.17	0.18	0.18
SNL High AFFO Estimate ($)	0.18	0.19	0.19	0.19	0.19
SNL Low AFFO Estimate ($)	0.15	0.16	0.16	0.16	0.16
SNL No. of AFFO Estimates (Actual)	6	6	6	6	6
Price/AFFO Estimates (x)	15.36	14.91	14.77	14.21	14.21
EBITDA Estimates					
FactSet Mean EBITDA Estimate ($000)					
FactSet High EBITDA Estimate ($000)					
FactSet Low EBITDA Estimate ($000)					
FactSet No. of EBITDA Estimates (Actual)					
Shares Outstanding (Shares)	83,518,602	83,518,602	83,518,602	83,518,602	83,518,602
Total Enterprise Value ($M)	1,599.2	1,599.2	1,599.2	1,599.2	1,599.2
Price/ Est. EBITDA per Share (x)					
Current TEV/ Est. EBITDA (x)					

NAV	Consensus Estimate	Median	High	Low	Std Dev
NAV per Share ($)	11.16	11.16	11.93	10.35	0.67
Price/ NAV	0.91	0.91	0.85	0.98	
Premium/Discount to NAV (%)	-9.14	-9.14	-15.00	-2.03	
Number of NAV per Share Estimates (actual)	6				

Commentary:

Independence Realty (IRT) benefits from a variety of factors that should cause it to outperform multifamily peers on a fundamental level. Specifically, its submarkets have higher job and population growth which combined with its presently lower rent as a percentage of household income could fuel rent bumps. The SALT changes to the tax bill will amplify the population growth as most of IRT's properties are in lower taxed states where I imagine a portion of those fleeing the high tax states will end up. When the superior NOI growth outlook is combined with IRT's lower FFO multiple, it could drastically outperform peers. The only reason our fair value for IRT is $11.00 instead of much higher is because management is a big risk.