

INDEPENDENCE REALTY TRUST, INC
Form 10-Q
May 08, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-36041

INDEPENDENCE REALTY TRUST, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

26-4567130
(I.R.S. Employer
Identification No.)

Cira Centre

2929 Arch St., 17th Floor

Philadelphia, PA
(Address of Principal Executive Offices)

19104
(Zip Code)

(215) 243-9000

(Registrant's Telephone Number, Including Area Code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 7, 2015 there were 31,894,751 shares of the registrant's common stock issued and outstanding.

INDEPENDENCE REALTY TRUST, INC.

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PART I FINANCIAL INFORMATION**Item 1. Financial Statements****Independence Realty Trust, Inc. and Subsidiaries****Consolidated Balance Sheets**

(Unaudited and dollars in thousands, except share and per share data)

| | As of March 31, 2015 | As of December 31, 2014 |
|--|----------------------------|-------------------------------|
| ASSETS: | | |
| Investments in real estate: | | |
| Investments in real estate at cost | \$ 689,867 | \$ 689,112 |
| Accumulated depreciation | (27,261) | (23,376) |
| Investments in real estate, net | 662,606 | 665,736 |
| Cash and cash equivalents | 19,084 | 14,763 |
| Restricted cash | 6,228 | 5,206 |
| Accounts receivable and other assets | 1,818 | 2,270 |
| Intangible assets, net of accumulated amortization of \$4,177 and \$4,346 respectively | 1,342 | 3,251 |
| Deferred costs, net of accumulated amortization of \$665 and \$505, respectively | 2,954 | 2,924 |
| Total Assets | \$ 694,032 | \$ 694,150 |
| LIABILITIES AND EQUITY: | | |
| Indebtedness | \$ 422,613 | \$ 418,901 |
| Accounts payable and accrued expenses | 10,691 | 8,353 |
| Accrued interest payable | 31 | 49 |
| Dividends payable | 1,982 | 1,982 |
| Other liabilities | 1,860 | 1,831 |
| Total Liabilities | 437,177 | 431,116 |
| Equity: | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.01 par value; 50,000,000 shares authorized, 0 and 0 shares issued and outstanding, respectively | | |
| Common stock, \$0.01 par value; 300,000,000 shares authorized, 31,894,751 and 31,800,076 shares issued and outstanding, including 124,000 and 36,000 unvested restricted common share awards, respectively | 318 | 318 |
| Additional paid-in capital | 267,695 | 267,683 |
| Retained earnings (accumulated deficit) | (22,680) | (16,728) |

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| | | |
|------------------------------|------------|------------|
| Total stockholders equity | 245,333 | 251,273 |
| Noncontrolling interests | 11,522 | 11,761 |
| Total Equity | 256,855 | 263,034 |
| Total Liabilities and Equity | \$ 694,032 | \$ 694,150 |

The accompanying notes are an integral part of these consolidated financial statements.

Independence Realty Trust, Inc. and Subsidiaries

Consolidated Statements of Operations

(Unaudited and dollars in thousands, except share and per share data)

| | For the Three-Month Periods Ended March 31 | |
|---|---|-----------------|
| | 2015 | 2014 |
| REVENUE: | | |
| Rental income | \$ 19,443 | \$ 7,353 |
| Tenant reimbursement income | 950 | 366 |
| Other income | 1,307 | 416 |
| Total revenue | 21,700 | 8,135 |
| EXPENSES: | | |
| Property operating expenses | 10,138 | 3,988 |
| General and administrative expenses | 499 | 168 |
| Asset management fees | 1,212 | 146 |
| Acquisition expenses | 33 | 362 |
| Depreciation and amortization expense | 6,038 | 2,123 |
| Total expenses | 17,920 | 6,787 |
| Operating income | 3,780 | 1,348 |
| Interest expense | (4,022) | (1,299) |
| Interest income | 1 | 4 |
| Gain (loss) on assets | | 2,882 |
| Net income (loss): | (241) | 2,935 |
| Income allocated to preferred shares | | |
| (Income) loss allocated to noncontrolling interest | 8 | |
| Net income (loss) allocable to common shares | \$ (233) | \$ 2,935 |
| Earnings (loss) per share: | | |
| Basic | \$ (0.01) | \$ 0.19 |
| Diluted | \$ (0.01) | \$ 0.19 |
| Weighted-average shares: | | |
| Basic | 31,768,468 | 15,198,096 |
| Diluted | 31,768,468 | 15,213,951 |

The accompanying notes are an integral part of these consolidated financial statements.

Independence Realty Trust, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

(Unaudited and dollars in thousands, except share information)

| | Common Shares | Par Value Common Shares | Additional Paid In Capital | Retained Earnings (Deficit) | Total Stockholder Equity | Noncontrolling Interests | Total Equity |
|--|------------------|----------------------------------|----------------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------|
| Balance, January 1, 2015 | 31,800,076 | \$ 318 | \$ 267,683 | \$ (16,728) | \$ 251,273 | \$ 11,761 | \$ 263,034 |
| Net income (loss) | | | | (233) | (233) | (8) | (241) |
| Common dividends declared | | | | (5,719) | (5,719) | | (5,719) |
| Stock compensation expense | | | 70 | | 70 | | 70 |
| Common shares issued, net | 94,675 | | (58) | | (58) | | (58) |
| Distributions to noncontrolling interests | | | | | | (231) | (231) |
| Balance, March 31, 2015 | 31,894,751 | \$ 318 | \$ 267,695 | \$ (22,680) | \$ 245,333 | \$ 11,522 | \$ 256,855 |

The accompanying notes are an integral part of these consolidated financial statements.

Independence Realty Trust, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(Unaudited and dollars in thousands)

| | For the Three-Month Periods Ended March 31 | |
|---|---|------------------|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ (241) | \$ 2,935 |
| Adjustments to reconcile net income (loss) to cash flow from operating activities: | | |
| Depreciation and amortization | 6,038 | 2,123 |
| Amortization of deferred financing costs and premium on indebtedness, net | (159) | (23) |
| Share based compensation | 70 | 31 |
| (Gain) loss on assets | | (2,882) |
| Changes in assets and liabilities: | | |
| Accounts receivable and other assets | 452 | (862) |
| Accounts payable and accrued expenses | 2,338 | 1,352 |
| Accrued interest payable | (18) | (31) |
| Other liabilities | 23 | 9 |
| Cash flow from operating activities | 8,503 | 2,652 |
| Cash flows from investing activities: | | |
| Acquisition of real estate properties | | (58,186) |
| Capital expenditures | (993) | (381) |
| (Increase) decrease in restricted cash | (1,022) | (1,683) |
| Cash flow from investing activities | (2,015) | (60,250) |
| Cash flows from financing activities: | | |
| Debt borrowings | 22,900 | 18,767 |
| Debt repayments | (18,882) | (213) |
| Proceeds from issuance of common stock | (58) | 62,984 |
| (Payments) reimbursements for deferred financing costs | (177) | |
| Distributions on common stock | (5,719) | (2,639) |
| Distributions to noncontrolling interests | (231) | |
| Cash flow from financing activities | (2,167) | 78,899 |
| Net change in cash and cash equivalents | 4,321 | 21,301 |
| Cash and cash equivalents, beginning of period | 14,763 | 3,334 |
| Cash and cash equivalents, end of the period | \$ 19,084 | \$ 24,635 |
| Supplemental cash flow information: | | |
| Cash paid for interest | \$ 4,199 | \$ 1,354 |
| Mortgage debt assumed | \$ | \$ 66,963 |

The accompanying notes are an integral part of these consolidated financial statements.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

NOTE 1: Organization

Independence Realty Trust, Inc. was formed on March 26, 2009 as a Maryland corporation that has elected to be taxed as a real estate investment trust, or REIT, commencing with the taxable year ended December 31, 2011. We are externally managed by a subsidiary of RAIT Financial Trust, or RAIT, a publicly traded Maryland REIT whose common shares are listed on the New York Stock Exchange under the symbol RAS. As used herein, the terms we, our, and us refer to Independence Realty Trust, Inc. and, as required by context, Independence Realty Operating Partnership, LP, which we refer to as our operating partnership, and their subsidiaries. We own apartment properties in geographic submarkets that we believe support strong occupancy and have the potential for growth in rental rates. We seek to provide stockholders with attractive risk-adjusted returns, with an emphasis on distributions and capital appreciation. We own substantially all of our assets and conduct our operations through our operating partnership, of which we are the sole general partner.

NOTE 2: Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared by management in accordance with U.S. generally accepted accounting principles, or GAAP. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although we believe that the included disclosures are adequate to make the information presented not misleading. The unaudited interim consolidated financial statements should be read in conjunction with our audited financial statements as of and for the year ended December 31, 2014 included in our Annual Report on Form 10-K. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our consolidated financial position and consolidated results of operations and cash flows are included. The results of operations for the interim periods presented are not necessarily indicative of the results for the full year.

b. Principles of Consolidation

The consolidated financial statements reflect our accounts and the accounts of our operating partnership and other wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

c. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

d. Investments in Real Estate

Allocation of Purchase Price of Acquired Assets

We account for acquisitions of properties that meet the definition of a business pursuant to FASB ASC Topic 805, Business Combinations. The fair value of the real estate acquired is allocated to the acquired tangible assets, consisting of land, building and improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases for acquired in-place leases and the value of tenant relationships, based in each case on their fair values. Purchase accounting is applied to assets and liabilities associated with the real estate acquired. Transaction costs and fees incurred related to acquisitions are expensed as incurred. Transaction costs and fees incurred related to the financing of an acquisition are capitalized and amortized over the life of the loan.

Upon the acquisition of properties, we estimate the fair value of acquired tangible assets (consisting of land, building and improvements) and identified intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships), and assumed debt at the date of acquisition, based on the evaluation of information and estimates available at that date. Based on these estimates, we allocate the initial purchase price to the applicable assets and liabilities. As final information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments will be made to the purchase price allocation, in no case later than twelve months of the acquisition date. During the three month period ended March 31, 2015, we did not make any adjustments to purchase price allocations.

In determining the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the differences between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining term of the lease. The capitalized above-market lease values and the capitalized below-market lease values are amortized as an adjustment to rental income over the lease term. We did not acquire any above-market or below-market in-place leases during the three-month period ending March 31, 2015.

The aggregate value of in-place leases is determined by evaluating various factors, including an estimate of carrying costs during the expected lease-up periods, current market conditions and similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses, and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates costs to execute similar leases including leasing commissions, legal and other related costs. The value assigned to this intangible asset is amortized over the assumed lease up period, typically six months. For the three-months ended March 31, 2015 and 2014 we recorded \$1,909 and \$729 of amortization expense for intangible assets, respectively. As of March 31, 2015, we expect to record additional amortization expense on current in-place lease intangible assets of \$1,342 for the remainder of 2015.

Impairment of Long-Lived Assets

Management evaluates the recoverability of its investment in real estate assets, including related identifiable intangible assets, in accordance with FASB ASC Topic 360, Property, Plant and Equipment . This statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that recoverability of the assets is not assured.

Management reviews its long-lived assets on an ongoing basis and evaluates the recoverability of the carrying value when there is an indicator of impairment. An impairment charge is recorded when it is determined that the carrying value of the asset exceeds the fair value. The estimated cash flows used for the impairment analysis and the determination of estimated fair value are based on our plans for the respective assets and our views of market and economic conditions. The estimates consider matters such as current and historical rental rates, occupancies for the respective and/or comparable properties, and recent sales data for comparable properties. Changes in estimated future cash flows due to changes in our plans or views of market and economic conditions could result in recognition of impairment losses, which, under the applicable accounting guidance, could be substantial.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

Depreciation and Amortization Expense

Depreciation expense for real estate assets is computed using a straight-line method based on a life of 40 years for buildings and improvements and five to ten years for equipment and fixtures. Expenditures for tenant improvements are capitalized and amortized over the initial term of each lease. For the three-months ended March 31, 2015 and 2014 we recorded \$4,129 and \$2,123 of depreciation expense, respectively.

e. Fair Value of Financial Instruments

In accordance with FASB ASC Topic 820, Fair Value Measurements and Disclosures, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation techniques involve management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity for disclosure purposes. Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their value. Hierarchical levels, as defined in FASB ASC Topic 820, Fair Value Measurements and Disclosures and directly related to the amount of subjectivity associated with the inputs to fair valuations of these assets and liabilities, are as follows:

Level 1: Valuations are based on unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at level 1 fair value generally are equity securities listed in active markets. As such, valuations of these investments do not entail a significant degree of judgment.

Level 2: Valuations are based on quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset.

The availability of observable inputs can vary depending on the financial asset or liability and is affected by a wide variety of factors, including, for example, the type of investment, whether the investment is new, whether the investment is traded on an active exchange or in the secondary market, and the current market condition. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by us in determining fair value is greatest for instruments categorized in level 3.

Fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, our own assumptions are set to reflect those that management believes market participants would use in pricing the asset or liability at the measurement date. We use prices and inputs that management believes are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be transferred from Level 1 to Level 2 or Level 2 to Level 3.

Fair value for certain of our Level 3 financial instruments is derived using internal valuation models. These internal valuation models include discounted cash flow analyses developed by management using current interest rates, estimates of the term of the particular instrument, specific issuer information and other market data for securities without an active market. In accordance with FASB ASC Topic 820, Fair Value Measurements and Disclosures, the impact of our own credit spreads is also considered when measuring the fair value of financial assets or liabilities, including derivative contracts. Where appropriate, valuation adjustments are made to account for various factors, including bid-ask spreads, credit quality and market liquidity. These adjustments are applied on a consistent basis and are based on observable inputs where available. Management's estimate of fair value requires significant management judgment and is subject to a high degree of variability based upon market conditions, the availability of specific issuer information and management's assumptions.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

FASB ASC Topic 825, *Financial Instruments* requires disclosure of the fair value of financial instruments for which it is practicable to estimate that value. The fair value of mortgage indebtedness is based on a discounted cash flow valuation technique, which classifies this as a Level 3 liability within the fair value hierarchy. The carrying value and fair value of mortgage indebtedness as of March 31, 2015 was \$422,613 and \$439,571, respectively. The carrying value and fair value of mortgage indebtedness as of December 31, 2014 was \$400,509 and \$411,311, respectively. The fair value of our secured credit facility, cash and cash equivalents and restricted cash approximates cost due to the nature of these instruments.

f. Recent Accounting Pronouncements

On January 1, 2015, we adopted the accounting standard classified under FASB ASC Topic 205, *Presentation of Financial Statements*. This accounting standard amends existing guidance to change reporting requirements for discontinued operations by requiring the disposal of an entity to be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity's operations and financial results. This standard is effective for interim and annual reporting periods beginning on or after December 15, 2014. The adoption of this standard did not have a material effect on our consolidated financial statements.

In May 2014, the FASB issued an accounting standard classified under FASB ASC Topic 606, *Revenue from Contracts with Customers*. This accounting standard generally replaces existing guidance by requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This standard is currently effective for annual reporting periods beginning after December 15, 2016. Management is currently evaluating the impact that this standard may have on our consolidated financial statements.

In February 2015, the FASB issued an accounting standard classified under FASB ASC Topic 810, *Consolidation*. This accounting standard amends the consolidation analysis required under GAAP and requires management to reevaluate all previous consolidation conclusions. This standard considers limited partnerships as VIEs, unless the limited partners have either substantive kick-out or participating rights. The presumption that a general partner should consolidate a limited partnership has also been eliminated. The standard amends the effect that fees paid to a decision maker or service provider have on the consolidation analysis, as well as amends how variable interests held by a reporting entity's related parties affect the consolidation conclusion. This standard also clarifies how to determine whether equity holders as a group have power over an entity. This standard is effective for interim and annual reporting periods beginning on or after December 15, 2015, with an early adoption permitted. Management is currently evaluating the impact that this standard may have on our consolidated financial statements.

In April 2015, the FASB issued an accounting standard classified under FASB ASC Topic 835, *Interest*. This accounting standard amends existing guidance to change reporting requirements for debt issuance costs by requiring debt issuance costs to be presented on the balance sheet as a direct deduction from the debt liability. This standard is effective for interim and annual reporting periods beginning on or after December 15, 2015, with an early adoption permitted. Retrospective application to prior periods is required. Management is currently evaluating the impact that this standard may have on our consolidated financial statements.

NOTE 3: Investments in Real Estate

As of March 31, 2015, our investments in real estate consisted of 30 apartment properties with 8,819 units. The table below summarizes our investments in real estate:

| | As of March 31, 2015 | As of December 31, 2014 | Depreciable Lives (In years) |
|--------------------------------------|---------------------------------|------------------------------------|---|
| Land | \$ 112,600 | \$ 112,600 | |
| Building | 570,475 | 570,475 | 40 |
| Furniture, fixtures and equipment | 6,792 | 6,037 | 5-10 |
| Total investment in real estate | 689,867 | 689,112 | |
| Accumulated depreciation | (27,261) | (23,376) | |
| Investments in real estate, net | \$ 662,606 | \$ 665,736 | |

On May 1, 2015, we acquired a 236-unit apartment residential community located in Indianapolis, Indiana. We acquired the property for an aggregate purchase price of \$25,250 exclusive of closing costs.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

NOTE 4: Mortgage Indebtedness

The following table contains summary information concerning the indebtedness that encumbered our properties as of March 31, 2015:

| | Outstanding Principal | Outstanding Accrued | Effective Interest Rate | Maturity Date |
|-------------------------------------|-----------------------|---------------------|-------------------------|------------------|
| Belle Creek Apartments | \$ 10,575 | \$ 10,575 | 2.4%(1) | April 28, 2021 |
| Berkshire Square Apartments | 8,612 | 8,612 | 4.4%(3) | January 1, 2021 |
| Centrepont Apartments | 17,520 | 17,520 | 3.7%(2) | January 1, 2019 |
| Copper Mill Apartments | 7,174 | 7,174 | 5.7% | May 1, 2021 |
| Crestmont Apartments | 6,589 | 6,589 | 5.7% | May 1, 2021 |
| Cumberland Glen Apartments | 6,735 | 6,735 | 5.7% | May 1, 2021 |
| Heritage Trace Apartments | 5,369 | 5,369 | 5.7% | May 1, 2021 |
| Runaway Bay Apartments | 9,983 | 9,983 | 3.6% | November 1, 2022 |
| Tresa at Arrowhead | 27,500 | 27,500 | 2.4%(1) | April 28, 2021 |
| Reserve at Eagle Ridge | 18,850 | 18,850 | 4.7% | March 1, 2024 |
| OKC Portfolio | 44,672 | 45,897 | 2.8%(5) | April 1, 2016 |
| Kings Landing | 21,200 | 21,200 | 4.0%(6) | June 1, 2022 |
| Crossings | 15,313 | 15,313 | 3.9% | June 1, 2024 |
| Carrington Park | 14,235 | 14,235 | 4.0% | August 1, 2024 |
| Arbors at the Reservoir | 13,150 | 13,150 | 4.0% | August 1, 2024 |
| Walnut Hill | 18,650 | 18,650 | 3.4% | October 1, 2021 |
| Lenoxplace | 15,991 | 15,991 | 3.7% | November 1, 2021 |
| Bennington Pond | 11,375 | 11,375 | 3.7% | December 1, 2024 |
| Stonebridge Crossing | 19,370 | 19,370 | 3.4% | January 1, 2022 |
| Prospect Park | 9,230 | 9,230 | 3.6% | January 1, 2025 |
| Brookside | 13,455 | 13,455 | 3.6% | January 1, 2025 |
| Jamestown | 22,880 | 22,880 | 3.6% | January 1, 2025 |
| Meadows | 24,245 | 24,245 | 3.6% | January 1, 2025 |
| Oxmoor | 35,815 | 35,815 | 3.6% | January 1, 2025 |
| Iron Rock Ranch | 22,900 | 22,900 | 3.4% | February 1, 2025 |
| Total indebtedness/Weighted-Average | \$ 421,388 | \$ 422,613 | 3.6% | |

(1) Floating rate at 225 basis points over 30-day LIBOR. As of March 31, 2015, 30-day LIBOR was 0.18%. Interest only payments are due monthly. These mortgages are held by RAIT.

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- (2) Fixed rate. Interest only payments are due monthly. Beginning February 1, 2015, principal and interest payments are required based on a 30-year amortization schedule.
- (3) Fixed rate. Interest only payments are due monthly. Beginning February 1, 2016, principal and interest payments are required based on a 30-year amortization schedule.
- (4) Floating rate at 250 basis points over 30-day LIBOR. As of March 31, 2015 30-day LIBOR was 0.18%. Interest only payments are due monthly. As of March 31, 2015 we were in compliance with all financial covenants contained in the credit facility.
- (5) Contractual interest rate is 5.6%. The debt was assumed and recorded at a premium that will be amortized to interest expense over the remaining term. Principal and interest payments are required based on a 30-year amortization schedule.
- (6) Fixed rate. Interest only payments are due monthly. Beginning June 1, 2017, principal and interest payments are required based on a 30-year amortization schedule.

As of March 31, 2015 we were in compliance with all financial covenants contained in our indebtedness.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

The following table contains summary information concerning the indebtedness that encumbered our properties as of December 31, 2014 (dollars in thousands):

| | Outstanding Principal | Carrying Amount | Effective Interest Rate | Maturity Date |
|--|------------------------------|------------------------|--------------------------------|-------------------------|
| Belle Creek Apartments | \$ 10,575 | \$ 10,575 | 2.4%(1) | April 28, 2021 |
| Berkshire Square Apartments | 8,612 | 8,612 | 4.4%(3) | January 1, 2021 |
| Centrepont Apartments | 17,600 | 17,600 | 3.7%(2) | January 1, 2019 |
| Copper Mill Apartments | 7,200 | 7,200 | 5.7% | May 1, 2021 |
| Crestmont Apartments | 6,612 | 6,612 | 5.7% | May 1, 2021 |
| Cumberland Glen Apartments | 6,759 | 6,759 | 5.7% | May 1, 2021 |
| Heritage Trace Apartments | 5,388 | 5,388 | 5.7% | May 1, 2021 |
| Runaway Bay Apartments | 10,033 | 10,033 | 3.6% | November 1, 2022 |
| Tresa at Arrowhead | 27,500 | 27,500 | 2.4%(1) | April 28, 2021 |
| Reserve at Eagle Ridge | 18,850 | 18,850 | 4.7% | March 1, 2024 |
| OKC Portfolio | 44,939 | 46,471 | 2.8%(5) | April 1, 2016 |
| Kings Landing | 21,200 | 21,200 | 4.0%(6) | June 1, 2022 |
| Crossings | 15,313 | 15,313 | 3.9% | June 1, 2024 |
| Carrington Park | 14,235 | 14,235 | 4.0% | August 1, 2024 |
| Arbors at the Reservoir | 13,150 | 13,150 | 4.0% | August 1, 2024 |
| Walnut Hill | 18,650 | 18,650 | 3.4% | October 1, 2021 |
| Lenoxplace | 15,991 | 15,991 | 3.7% | November 1, 2021 |
| Bennington Pond | 11,375 | 11,375 | 3.7% | December 1, 2024 |
| Stonebridge Crossing | 19,370 | 19,370 | 3.4% | January 1, 2022 |
| Prospect Park | 9,230 | 9,230 | 3.6% | January 1, 2025 |
| Brookside | 13,455 | 13,455 | 3.6% | January 1, 2025 |
| Jamestown | 22,880 | 22,880 | 3.6% | January 1, 2025 |
| Meadows | 24,245 | 24,245 | 3.6% | January 1, 2025 |
| Oxmoor | 35,815 | 35,815 | 3.6% | January 1, 2025 |
| Total mortgage debt/Weighted- Average | \$ 398,977 | \$ 400,509 | 3.6% | |
| Secured Credit Facility | 18,392 | 18,392 | 2.7%(4) | October 25, 2016 |
| Total indebtedness /Weighted-Average | \$ 417,369 | \$ 418,901 | 3.6% | |

(1) Floating rate at 225 basis points over 30-day LIBOR. As of December 31, 2014, 30-day LIBOR was 0.17%. Interest only payments are due monthly. These mortgages are held by RAIT.

- (2) Fixed rate. Interest only payments are due monthly. Beginning February 1, 2015, principal and interest payments are required based on a 30-year amortization schedule.
- (3) Fixed rate. Interest only payments are due monthly. Beginning February 1, 2016, principal and interest payments are required based on a 30-year amortization schedule.
- (4) Floating rate at 250 basis points over 30-day LIBOR. As of December 31, 2014, 30-day LIBOR was 0.17%. Interest only payments are due monthly.
- (5) Contractual interest rate is 5.6%. The debt was assumed and recorded at a premium that will be amortized to interest expense over the remaining term. Principal and interest payments are required based on a 30-year amortization schedule.
- (6) Fixed rate. Interest only payments are due monthly. Beginning June 1, 2017, principal and interest payments are required based on a 30-year amortization schedule.

As of December 31, 2014 we were in compliance with all financial covenants contained in our indebtedness.

Independence Realty Trust, Inc. and Subsidiaries
Notes to Consolidated Financial Statements**As of March 31, 2015****(Unaudited and dollars in thousands, except share and per share data)**

The weighted average effective interest rate of our mortgage indebtedness was 3.6% as of March 31, 2015. As of March 31, 2015, RAIT held \$38,075 of our mortgage debt while \$383,313 was held by third parties. As of December 31, 2014, RAIT held \$38,075 of our mortgage debt while \$360,902 was held by third parties. During each of the three-month periods ended March 31, 2015 and 2014, we paid approximately \$238, of interest to RAIT.

Mortgage Indebtedness

On January 27, 2015 we entered into a loan agreement for a \$22,900 loan secured by a first mortgage on our Iron Rock Ranch property. The loan bears interest at a rate of 3.4% per annum, provides for monthly payments of interest only until the maturity date of February 1, 2025.

On April 13, 2015 we entered into a loan agreement for a \$20,527 loan secured by a first mortgage on our Stonebridge at the Ranch property. The loan bears interest at a rate of 3.2% per annum, provides for monthly payments of interest only until the maturity date of May 1, 2025.

NOTE 5: Shareholder Equity and Non-Controlling Interests*Stockholder Equity**Common Shares*

On January 19, 2015, our board of directors declared the following dividends:

| Month | Record Date | Payment Date | Dividend Declared Per Share |
|---------------|--------------------|---------------------|------------------------------------|
| January 2015 | January 30, 2015 | February 17, 2015 | \$ 0.06 |
| February 2015 | February 27, 2015 | March 16, 2015 | \$ 0.06 |
| March 2015 | March 31, 2015 | April 15, 2015 | \$ 0.06 |

On April 13, 2015, our board of directors declared the following dividends:

| Month | Record Date | Payment Date | Dividend Declared Per Share |
|--------------|--------------------|---------------------|------------------------------------|
| April 2015 | April 30, 2015 | May 15, 2015 | \$ 0.06 |
| May 2015 | May 29, 2015 | June 15, 2015 | \$ 0.06 |

June 2015

June 30, 2015

July 15, 2015

\$ 0.06

NOTE 6: Equity Compensation Plans*Long Term Incentive Plan*

On April 5, 2011, our board of directors approved and adopted the Long Term Incentive Plan, or the incentive plan, and the Independent Directors Compensation Plan, or the director plan. Our incentive plan provides for the grants of awards to our directors, officers and full-time employees (in the event we ever have employees), full-time employees of our advisor and its affiliates, full-time employees of entities that provide services to our advisor, directors of our advisor or of entities that provide services to it, certain of our consultants and certain consultants to our advisor and its affiliates or to entities that provide services to our advisor. The incentive plan authorizes the grant of restricted or unrestricted shares of our common stock, non-qualified and incentive stock options, restricted stock units, stock appreciation rights, dividend equivalents and other stock- or cash-based awards. On July 29, 2013, our board of directors and stockholders approved the amendment and restatement of our incentive plan to reduce the number of shares of common stock issuable thereunder to 800,000 shares.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

Under the director plan, which operates as a sub-plan of our incentive plan, each of our independent directors will receive 3,000 shares of common stock annually. In addition, our independent directors may elect to receive their annual cash fee in the form of our common shares or a combination of common shares and cash.

On February 18, 2015, the compensation committee of IRT awarded 100,000 shares of IRT restricted common stock, valued at \$935 using IRT's closing stock price of \$9.35, to persons affiliated with our advisor, including our executive officers. These awards generally vest over three-year periods.

Distribution Reinvestment Program

We had adopted a distribution reinvestment program, or the DRP, through which our stockholders could elect to reinvest an amount equal to the distributions declared on their shares of common stock in additional shares in lieu of receiving cash distributions. The common stock available under the DRP was reallocated to the August 2013 underwritten offering when the amended registration statement was filed and the DRP was subsequently terminated. No selling commissions or dealer manager fees were paid on shares sold under the DRP.

NOTE 7: Related Party Transactions and Arrangements

Fees and Expenses Paid to Our Advisor

Effective as of May 7, 2013, we entered into the Second Amended and Restated Advisory Agreement, or the amended and restated advisory agreement. The amended and restated advisory agreement was adopted primarily to adjust the advisor's compensation and modify its duties to us.

Pursuant to the terms of the amended advisory agreement, our advisor is compensated as follows:

Quarterly base management fee of 0.1875% of average gross real estate assets as of the last day of such quarter. Average gross real estate assets means the average of the aggregate book value of our real estate assets before reserves for depreciation or other similar noncash reserves and excluding the book values attributable to the eight properties that were acquired prior to August 16, 2013. We compute average gross real estate assets by taking the average of these book values at the end of each month during the quarter for which we are calculating the fee. The fee is payable quarterly in an amount equal to 0.1875% of average gross real estate assets as of the last day of such quarter. For the three-month periods ended March 31, 2015 and 2014 our advisor earned \$1,001 and \$146 of asset management fees, respectively.

We pay our advisor an incentive fee based on our pre-incentive fee core funds from operations, or Core FFO, a non-GAAP measure, as defined in the advisory agreement. The incentive fee is computed at the end of

each fiscal quarter as follows:

no incentive fee in any fiscal quarter in which our pre-incentive fee Core FFO does not exceed the hurdle rate of 1.75% (7% annualized) of the cumulative gross amount of equity capital we have obtained; and

20% of the amount of our pre-incentive fee Core FFO that exceeds 1.75% (7% annualized) of the cumulative gross proceeds from the issuance of equity securities we have obtained.

For the three-month periods ended March 31, 2015 and 2014 our advisor earned \$211, and \$0 of incentive fees, respectively. These fees are included within asset management fees in our consolidated statements of operations.

As of March 31, 2015 and December 31, 2014 we had liabilities payable to our advisor for asset management fees and incentive fees of \$1,856 and \$644, respectively, which is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of March 31, 2015

(Unaudited and dollars in thousands, except share and per share data)

Property Management Fees Paid to Our Property Manager

We have entered into property management agreements with RAIT Residential, or our property manager, which is majority owned by RAIT, with respect to each of our properties. Pursuant to the property management agreements, we pay our property manager property management and leasing fees on a monthly basis of an amount up to 4.0% of the gross revenues from the property for each month. Additionally, we may pay our property manager a separate fee for the one-time initial rent-up or leasing-up of newly constructed properties in an amount not to exceed the fee customarily charged in arms length transactions by others rendering similar services in the same geographic area for similar properties as determined by a survey of brokers and agents in such area. Each management agreement has an initial one year term, subject to automatic one-year renewals unless either party gives prior notice of its desire to terminate the management agreement. For the three-month periods ended March 31, 2015 and 2014 our property manager earned \$755 and \$321, respectively, of property management and leasing fees. As of March 31, 2015 and December 31, 2014, we had liabilities payable to our property manager for property management and leasing fees of \$263 and \$205, respectively, which is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

NOTE 8: Earnings (Loss) Per Share

The following table presents a reconciliation of basic and diluted earnings (loss) per share for the three month periods ended March 31, 2015 and 2014:

| | For the Three-Month Periods Ended March 31 | |
|--|---|-------------|
| | 2015 | 2014 |
| Net Income (loss) | \$ (241) | \$ 2,935 |
| (Income) loss allocated to non-controlling interests | 8 | |
| Net Income (loss) allocable to common shares | (233) | 2,935 |
| Weighted-average shares outstanding Basic | 31,768,468 | 15,198,096 |
| Dilutive securities under the treasury stock method | | 15,855 |
| Weighted-average shares outstanding Diluted | 31,768,468 | 15,213,951 |
| Earnings (loss) per share Basic | \$ (0.01) | \$ 0.19 |
| Earnings (loss) per share Diluted | \$ (0.01) | \$ 0.19 |

For the three-month period ended March 31, 2015, limited partnership units, SARS and unvested shares of 1,421,950, were excluded from the earnings (loss) per share computation because their effect would have been anti-dilutive. Earnings per share is computed in accordance with FASB ASC Topic 260, Earnings per Share, by dividing the Net Income (loss) allocable to common shares by the weighted average number of common shares outstanding during the respective periods.

NOTE 9: Commitments and Contingencies

Litigation

From time to time, we are party to various lawsuits, claims for negligence and other legal proceedings that arise in the ordinary course of our business. We are not currently a party, as plaintiff or defendant, to any legal proceedings which, individually or in the aggregate, would be expected to have a material effect on our business, financial condition, results of operations, or financial statements, taken as a whole, if determined adversely to us.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The Securities and Exchange Commission, or SEC, encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This report contains or incorporates by reference such forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act.

Words such as anticipates, estimates, expects, projects, intends, plans, believes and words and terms of similar substance used in connection with any discussion of future operating or financial performance identify forward-looking statements. As used herein, the terms we, our and us refer to Independence Realty Trust, Inc. and, as required by context, Independence Realty Operating Partnership, LP, which we refer to as our operating partnership, and their subsidiaries.

We claim the protection of the safe harbor for forward-looking statements provided in the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this report and they may also be incorporated by reference in this report to other documents filed with the SEC, and include, but are not limited to, statements about future financial and operating results and performance, statements about our plans, objectives, expectations and intentions with respect to future operations, products and services, and other statements that are not historical facts. These forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

The risk factors discussed and identified in Item 1A of our Annual Report on Form 10-K filed with the SEC on March 16, 2015, and in other of our public filings with the SEC, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this filing or to reflect the occurrence of unanticipated events.

Overview

We are a Maryland corporation that owns apartment properties in geographic submarkets that we believe support strong occupancy and have the potential for growth in rental rates. We seek to provide stockholders with attractive risk-adjusted returns, with an emphasis on distributions and capital appreciation. We are externally advised by a wholly-owned subsidiary of RAIT Financial Trust, or RAIT (NYSE: RAS), a multi-strategy commercial real estate company organized as an internally managed REIT with approximately \$4.6 billion of assets under management as of March 31, 2015. RAIT invests in commercial mortgages and commercial real estate. RAIT owned 22.9% of our outstanding common shares as of March 31, 2015. We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, or the Code, commencing with our taxable year ended December 31, 2011.

We seek to acquire and operate apartment properties that:

have stable occupancy;

are located in submarkets that we do not expect will experience substantial new apartment construction in the foreseeable future;

in appropriate circumstances, present opportunities for repositioning or updating through capital expenditures; and

present opportunities to apply tailored marketing and management strategies to attract and retain residents and enable rent increases.

In the quarter ending March 31, 2015, we focused on absorbing the growth we experienced during 2014 and did not acquire any new properties. During this quarter, revenue was up \$13.6 million as compared to last year. This increase was primarily from the \$13.4 million of revenue associated with properties that we acquired during 2014. On a same-store basis, rental revenue was up this quarter as compared to first quarter last year, as rental rates increased 4% on average across the same-store portfolio. Our net operating income margin for the portfolio was 53% this quarter, compared to 51% during the first quarter of last year, as we continue to scale our platform and improve operating efficiencies. From a same-store perspective, net operating income increased 5% year-to-year. As of March 31, 2015, our weighted average effective interest cost was 3.6% and our consolidated leverage was 59.5% at March 31, 2015. We ended this quarter with \$690 million of gross investments in real estate, representing 8,819 units and \$423 million of debt.

Key Statistics

(Unaudited and dollars in thousands, except per share and per unit information)

| | As of or For the Three-Month Periods Ended | | | | |
|---|---|------------------------------|-------------------------------|--------------------------|---------------------------|
| | March 31, 2015 | December 31, 2014 | September 30, 2014 | June 30, 2014 | March 31, 2014 |
| Financial Statistics: | | | | | |
| Total revenue | \$ 21,700 | \$ 16,362 | \$ 13,057 | \$ 11,649 | \$ 8,135 |
| Earnings (loss) per share-diluted | \$ (0.01) | \$ 0.01 | \$ (0.00) | \$ (0.01) | \$ 0.19 |
| Funds from Operations (FFO) per share | \$ 0.18 | \$ 0.14 | \$ 0.14 | \$ 0.18 | \$ 0.33 |
| Core funds from operations (CFFO) per share | \$ 0.19 | \$ 0.17 | \$ 0.17 | \$ 0.19 | \$ 0.17 |
| Dividends declared per common share | \$ 0.18 | \$ 0.18 | \$ 0.18 | \$ 0.18 | \$ 0.18 |
| Total Shares Outstanding | 31,894,751 | 31,800,076 | 25,801,540 | 17,751,540 | 17,742,540 |
| Apartment Property Portfolio: | | | | | |
| Reported investments in real estate at cost | \$ 689,867 | \$ 689,112 | \$ 444,050 | \$ 362,323 | \$ 320,437 |
| Net operating income | \$ 11,562 | \$ 8,660 | \$ 6,905 | \$ 6,064 | \$ 4,147 |
| Number of properties owned | 30 | 30 | 22 | 19 | 17 |
| Multifamily units owned | 8,819 | 8,819 | 6,470 | 5,342 | 4,970 |
| Portfolio weighted average occupancy | 94.0% | 92.7% | 92.6% | 93.1% | 93.9% |
| Weighted average monthly effective rent per unit ⁽¹⁾ | \$ 827 | \$ 788 | \$ 791 | \$ 764 | \$ 730 |

(1) Weighted average monthly effective rent per occupied unit represents the average monthly rent collected for all occupied units after giving effect to tenant concessions. We do not report average effective rent per unit in the month of acquisition as it is not representative of a full month of operations. Same Store weighted average effective rent per unit was \$792, \$790, \$778, \$766, and \$762 for the periods presented above, respectively. Same Store is defined as properties in the portfolio as of January 1, 2014 through March 31, 2015.

As of March 31, 2015, we own 30 apartment properties containing an aggregate of 8,819 apartment units. We refer to these apartment properties as our existing portfolio. As of March 31, 2015, our existing portfolio had an average occupancy of 94% and an average monthly effective rent per occupied apartment unit of \$827.

Our Properties

The following table presents an overview of our portfolio as of March 31, 2015.

| Property Name | Location | Acquisition Date | Year Built or Renovated ⁽¹⁾ | Units ⁽²⁾ | Physical Occupancy ⁽³⁾ | Average Monthly Effective Rent per Occupied Unit ⁽⁴⁾ |
|--------------------------|-------------------------|------------------|--|----------------------|-----------------------------------|---|
| Belle Creek | Henderson, Colorado | 4/29/2011 | 2011 | 162 ⁽⁵⁾ | 96.3% ⁽⁵⁾ | \$ 1,068 ⁽⁵⁾ |
| Copper Mill | Austin, Texas | 4/29/2011 | 2010 | 320 | 97.5% | 838 |
| Crestmont | Marietta, Georgia | 4/29/2011 | 2010 | 228 | 93.0% | 775 |
| Cumberland Glen | Smyrna, Georgia | 4/29/2011 | 2010 | 222 | 96.0% | 741 |
| Heritage Trace | Newport News, Virginia | 4/29/2011 | 2010 | 200 | 88.5% | 698 |
| Tresa at Arrowhead | Phoenix, Arizona | 4/29/2011 | 2006 | 360 | 96.1% | 865 |
| Centrepoint | Tucson, Arizona | 12/16/2011 | 2006 | 320 | 95.3% | 845 |
| Runaway Bay | Indianapolis, Indiana | 10/11/2012 | 2002 | 192 | 95.3% | 923 |
| Berkshire Square | Indianapolis, Indiana | 9/19/2013 | 2012 | 354 | 91.0% | 589 |
| The Crossings | Jackson, Mississippi | 11/22/2013 | 2012 | 432 | 93.1% | 740 |
| Reserve at Eagle Ridge | Waukegan, Illinois | 1/31/2014 | 2008 | 370 | 94.6% | 935 |
| Windrush | Edmond, Oklahoma | 2/28/2014 | 2011 | 160 | 98.1% | 778 |
| Heritage Park | Oklahoma City, Oklahoma | 2/28/2014 | 2011 | 453 | 89.0% | 642 |
| Raindance | Oklahoma City, Oklahoma | 2/28/2014 | 2011 | 504 | 92.5% | 544 |
| Augusta | Oklahoma City, Oklahoma | 2/28/2014 | 2011 | 197 | 96.5% | 724 |
| Invitational | Oklahoma City, Oklahoma | 2/28/2014 | 2011 | 344 | 89.8% | 677 |
| King s Landing | Creve Coeur, Missouri | 3/31/2014 | 2005 | 152 | 96.1% | 1,576 |
| Carrington Park | Little Rock, Arkansas | 5/07/2014 | 1999 | 202 | 95.1% | 1,011 |
| Arbors at the Reservoir | Ridgeland, Mississippi | 6/04/2014 | 2000 | 170 | 96.5% | 1,082 |
| Walnut Hill | Cordova, Tennessee | 8/28/2014 | 2001 | 360 | 91.4% | 876 |
| Lenoxplace | Raleigh, North Carolina | 9/05/2014 | 2012 | 268 | 96.3% | 822 |
| Stonebridge | Cordova, Tennessee | 9/15/2014 | 1994 | 500 | 91.2% | 751 |
| Bennington Pond | Groveport, Ohio | 11/24/2014 | 2000 | 240 | 97.5% | 781 |
| Prospect Park | Louisville, Kentucky | 12/8/2014 | 1990 | 138 | 89.1% | 876 |
| Brookside | Louisville, Kentucky | 12/8/2014 | 1987 | 224 | 95.5% | 764 |
| Jamestown | Louisville, Kentucky | 12/8/2014 | 1970 | 355 | 93.2% | 1,004 |
| Meadows | Louisville, Kentucky | 12/8/2014 | 1988 | 400 | 98.5% | 763 |
| Oxmoor | Louisville, Kentucky | 12/8/2014 | 1999-2000 | 432 | 94.4% | 945 |
| Stonebridge at the Ranch | Little Rock, Arkansas | 12/16/2014 | 2005 | 260 | 95.4% | 906 |
| Iron Rock Ranch | Austin, Texas | 12/30/2014 | 2001-2002 | 300 | 95.7% | 1,161 |
| | | | | 8,819 | 94.0% | \$ 827 |

**Total/Weighted
Average**

- (1) All dates are for the year in which a significant renovation program was completed, except for Runaway Bay, Arbors at the Reservoir, King's Landing, Walnut Hill and Stonebridge which is the year construction was completed.
- (2) Units represents the total number of apartment units available for rent at March 31, 2015.
- (3) Physical occupancy for each of our properties is calculated as (i) total units rented as of March 31, 2015 divided by (ii) total units available as of March 31, 2015, expressed as a percentage.
- (4) Average monthly effective rent per occupied unit represents the average monthly rent for all occupied units for the three-month period ended March 31, 2015.
- (5) Includes 6,256 square feet of retail space in six units, of which 1,010 square feet of space is occupied by RAIT Residential for use as the leasing office. The remaining 5,246 square feet of space is 86% occupied by four tenants with an average monthly base rent of \$1,623, or \$16 per square foot per year. These four tenants are principally engaged in the following businesses: grocery, retail and various retail services.

On May 1, 2015, we acquired a 236 unit apartment property located in Indianapolis, Indiana for a purchase price of \$25.3 million, exclusive of closing costs. The property was constructed in 2004. As of April 30, 2015, the occupancy of the property was 90.68%.

Non-GAAP Financial Measures

Funds from Operations and Core Funds from Operations

We believe that FFO and Core FFO, each of which is a non-GAAP financial measure, are additional appropriate measures of the operating performance of a REIT and us in particular. We compute FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT, as net income or loss allocated to common shares (computed in accordance with GAAP), excluding real estate-related depreciation and amortization expense, gains or losses on sales of real estate and the cumulative effect of changes in accounting principles.

Core FFO is a computation made by analysts and investors to measure a real estate company's operating performance by removing the effect of items that do not reflect ongoing property operations, including acquisition expenses, expensed costs related to the issuance of shares of our common stock and equity-based compensation expenses, from the determination of FFO. We incur acquisition expenses in connection with acquisitions of real estate properties and expense those costs when incurred in accordance with U.S. GAAP. As these expenses are one-time and reflective of investing activities rather than operating performance, we add back these costs to FFO in determining Core FFO.

Our calculation of Core FFO differs from the methodology used for calculating Core FFO by some other REITs and, accordingly, our Core FFO may not be comparable to Core FFO reported by other REITs. Our management utilizes FFO and Core FFO as measures of our operating performance, and believes they are also useful to investors, because they facilitate an understanding of our operating performance after adjustment for certain non-cash items, such as depreciation and amortization expenses, and with respect to Core FFO, acquisition expenses and pursuit costs that are required by GAAP to be expensed but may not necessarily be indicative of current operating performance and that may not accurately compare our operating performance between periods. Furthermore, although FFO, Core FFO and other supplemental performance measures are defined in various ways throughout the REIT industry, we also believe that FFO and Core FFO may provide us and our investors with an additional useful measure to compare our financial performance to certain other REITs. We also use Core FFO for purposes of determining the quarterly incentive fee, if any, payable to our advisor.

Neither FFO nor Core FFO is equivalent to net income or cash generated from operating activities determined in accordance with GAAP. Furthermore, FFO and Core FFO do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments or uncertainties. Neither FFO nor Core FFO should be considered as an alternative to net income as an indicator of our operating performance or as an alternative to cash flow from operating activities as a measure of our liquidity.

Set forth below is a reconciliation of net income (loss) to FFO and Core FFO for the three and nine-months ended March 31, 2015 and 2014 (in thousands, except share and per share information):

| | For the Three-Month Period Ended March 31, 2015 | | For the Three-Month Period Ended March 31, 2014 | |
|---|---|-----------|---|-----------|
| | Amount | Per Share | Amount | Per Share |
| | Funds From Operations: | | | |
| Net income (loss) | \$ (241) | \$ (0.01) | \$ 2,935 | \$ 0.19 |
| Adjustments: | | | | |
| Real estate depreciation and amortization | 6,038 | 0.19 | 2,123 | 0.14 |

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| | | | | |
|--|------------|------------|------------|------------|
| Funds From Operations | \$ 5,797 | \$ 0.18 | \$ 5,058 | \$ 0.33 |
| Weighted-average shares diluted ^(a) | 31,768,468 | 31,768,468 | 15,213,951 | 15,213,951 |
| Core Funds From Operations: | | | | |
| Funds From Operations | \$ 5,797 | \$ 0.18 | \$ 5,058 | \$ 0.33 |
| Adjustments: | | | | |
| Equity based compensation | 70 | 0.01 | 31 | 0.00 |
| Acquisition fees and expenses | 33 | 0.00 | 362 | 0.03 |
| (Gain) loss on assets | | | (2,882) | (0.19) |
| Core Funds From Operations | \$ 5,900 | \$ 0.19 | \$ 2,569 | \$ 0.17 |
| Weighted-average shares diluted ^(a) | 31,768,468 | 31,768,468 | 15,213,951 | 15,213,951 |

- (a) For the three-month period ended March 31, 2015, the weighted average shares-diluted excludes 1,421,950 of limited partnership units, SARs and unvested shares as their effect was determined to be anti-dilutive in accordance with FASB ASC Topic 260, Earnings per Share .

Results of Operations

Three-Month Period Ended March 31, 2015 Compared to the Three-Month Period Ended March 31, 2014

Revenue

Rental income. Rental revenue increased \$12.0 million to \$19.4 million for the three-month period ended March 31, 2015 from \$7.4 million for the three-month period ended March 31, 2014. The increase is due to the rental income from the acquisition of 20 properties during the year ended December 31, 2014.

Tenant reimbursement income. Tenant reimbursement income increased \$0.6 million to \$1.0 million for the three-month period ended March 31, 2015 from \$0.4 million for the three-month period ended March 31, 2014. The increase is due to the acquisition of 20 properties during the year ended December 31, 2014.

Other income. Other income increased \$0.9 million to \$1.3 million for the three-month period ended March 31, 2015 from \$0.4 million for the three-month period ended March 31, 2014. The increase is primarily due to \$0.8 million of other income from the acquisition of 20 properties during the year ended December 31, 2014.

Expenses

Property operating expenses. Property operating expenses increased \$6.1 million to \$10.1 million for the three-month period ended March 31, 2015 from \$4.0 million for the three-month period ended March 31, 2014. The increase is due to \$6.5 million of property operating expenses from the acquisition of 20 properties during the year ended December 31, 2014 along with a reduction of \$0.4 million of property operating expenses in our same store portfolio.

General and administrative expense. General and administrative expense increased \$0.3 million to \$0.5 million for the three-month period ended March, 31 2015 from \$0.2 million for the three-month period ended March 31, 2014. The increase is primarily due to stock based compensation expense for the three-month period ended March 31, 2015.

Asset management fees. Asset management fees increased \$1.1 million to \$1.2 million for the three-month period ended March 31, 2015 from \$0.1 for the three-month period ended March 31, 2014. The increase is primarily due to the acquisition of 20 properties during the year ended December 31, 2014.

Acquisition expenses. Acquisition expenses decreased \$0.3 million for the three-month period ended March 31, 2015 from \$0.3 million for the three-month period ended March 31, 2014. There were no acquisitions in the three-month period ended March 31, 2015 as compared to seven properties acquired during the three-month period ended March 31, 2014.

Depreciation and amortization expense. Depreciation and amortization expense increased \$3.9 million to \$6.0 million for the three-month period ended March 31, 2015 from \$2.1 million for the three-month period ended March 31, 2014. The increase is due to the acquisition of 20 properties during the year ended December 31, 2014.

Interest expense. Interest expense increased \$2.7 million to \$4.0 million for the three-month period ended March 31, 2015 from \$1.3 million for the three-month period ended March 31, 2014. The increase is due to the \$321.3 million of first mortgages related to the acquisition of 20 properties during the year ended December 31, 2014.

Liquidity and Capital Resources

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments, pay distributions and other general business needs.

We believe our available cash balances, and other financing arrangements and cash flows from operations will be sufficient to fund our liquidity requirements with respect to our existing portfolio for the next 12 months. We expect that our existing cash, which was obtained principally in our most recent underwritten offering, together with borrowings we may obtain and the future acquisitions we expect to make as a result of the completion of our most recent underwritten offering will have a significant impact on our future results of operations. In general, we expect that our income and expenses related to our portfolio will increase in future periods as a result of anticipated future acquisitions of real estate. Should our liquidity needs exceed our available sources of liquidity, we believe that we could engage in offerings of our securities or sell assets to raise additional cash. We may not be able to obtain additional financing when we desire to do so or on terms and conditions acceptable to us. If we fail to obtain additional financing, our ability to maintain or grow our business will be constrained.

Our primary cash requirements are to:

make investments and fund the associated costs;

repay our indebtedness;

pay our operating expenses, including fees paid to our advisor and our property manager; and

distribute a minimum of 90% of our REIT taxable income (determined without regard to the deduction for dividends paid and excluding net capital gain) and to make investments in a manner that enables us to maintain our qualification as a REIT.

We intend to meet these liquidity requirements primarily through:

the use of our cash and cash equivalent balance of \$19.1 million as of March 31, 2015;

cash generated from operating activities;

our secured credit facility and existing and future financing secured directly or indirectly by the apartment properties in our portfolio;

proceeds from the sale of our common stock; and

if required, proceeds from future borrowings and offerings.

We will seek to enhance our growth through the use of prudent amounts of leverage. In general, we intend to limit our aggregate leverage to 65% of the combined initial purchase price of all of our real estate properties. However, we are not subject to any limitations on the amount of leverage we may use, and, accordingly, the amount of leverage we use may be significantly less or greater than we currently anticipate. By operating on a leveraged basis, we expect to have more funds available for property acquisitions and other purposes, which we believe will allow us to acquire more properties than would otherwise be possible, resulting in a larger and more diversified portfolio. We may employ greater leverage in order to more quickly build a diversified portfolio of assets.

Cash Flows

As of March 31, 2015 and 2014, we maintained cash and cash equivalents of approximately \$19.1 million and \$24.6 million, respectively. Our cash and cash equivalents were generated from the following activities (dollars in thousands):

| | For the Three-Month Periods Ended March 31 | |
|--|---|-------------|
| | 2015 | 2014 |
| Cash flow from operating activities | \$ 8,503 | \$ 2,652 |
| Cash flow from investing activities | (2,015) | (60,250) |
| Cash flow from financing activities | (2,167) | 78,899 |
| Net change in cash and cash equivalents | 4,321 | 21,301 |
| Cash and cash equivalents at beginning of period | 14,763 | 3,334 |
| Cash and cash equivalents at end of period | \$ 19,084 | \$ 24,635 |

Our cash inflow from operating activities during the three-month period ended March 31, 2015 is primarily due to the operations of the 20 additional properties acquired during the year ended December 31, 2014.

Our cash outflow from investing activities during three-month period ended March 31, 2015 is primarily due to capital expenditures for our existing portfolio.

The cash outflow from our financing activities during the three-month period ended March 31, 2015 is primarily due to debt repayments and distributions on common stock. These cash outflows were partially offset by proceeds from debt borrowings.

Off-Balance Sheet Arrangements

None.

Critical Accounting Estimates and Policies

Our Annual Report on Form 10-K for the year ended December 31, 2014 contains a discussion of our critical accounting policies. Management discusses our critical accounting policies and management's judgments and estimates with our Audit Committee.

Recent Accounting Pronouncements

On January 1, 2015, we adopted the accounting standard classified under FASB ASC Topic 205, Presentation of Financial Statements . This accounting standard amends existing guidance to change reporting requirements for discontinued operations by requiring the disposal of an entity to be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity's operations and financial results. This standard is effective for interim and annual reporting periods beginning on or after December 15, 2014. The adoption of this standard did not have a material effect on our consolidated financial statements.

In May 2014, the FASB issued an accounting standard classified under FASB ASC Topic 606, Revenue from Contracts with Customers . This accounting standard generally replaces existing guidance by requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This standard is currently effective for annual reporting periods beginning after December 15, 2016. Management is currently evaluating the impact that this standard may have on our consolidated financial statements.

In February 2015, the FASB issued an accounting standard classified under FASB ASC Topic 810, Consolidation . This accounting standard amends the consolidation analysis required under GAAP and requires management to reevaluate all previous consolidation conclusions. This standard considers limited partnerships as VIEs, unless the limited partners have either substantive kick-out or participating rights. The presumption that a general partner should consolidate a limited partnership has also been eliminated. The standard amends the effect that fees paid to a decision maker or service provider have on the consolidation analysis, as well as amends how variable interests held by a reporting entity's related parties affect the consolidation conclusion. This standard also clarifies how to determine whether equity holders as a group have power over an entity. This standard is effective for interim and annual reporting periods beginning on or after December 15, 2015, with an early adoption permitted. Management is currently evaluating the impact that this standard may have on our consolidated financial statements.

In April 2015, the FASB issued an accounting standard classified under FASB ASC Topic 835, Interest . This accounting standard amends existing guidance to change reporting requirements for debt issuance costs by requiring debt issuance costs to be presented on the balance sheet as a direct deduction from the debt liability. This standard is effective for interim and annual reporting periods beginning on or after December 15, 2015, with an early adoption permitted. Retrospective application to prior periods is required. Management is currently evaluating the impact that this standard may have on our consolidated financial statements.

Item 3. Qualitative and Quantitative Disclosure About Market Risk.

There have been no material changes in quantitative and qualitative market risks during the three months ended March 31, 2015 from the disclosures included in our Annual Report on Form 10-K for the year ended December 31, 2014. Reference is made to Item 7A included in our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision of our chief executive officer and chief financial officer and with the participation of our disclosure committee, we have carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon a previously identified material weakness in our internal control over financial reporting as of December 31, 2014, related to the lack of sufficient qualified resources to ensure appropriate design and operating effectiveness of our reconciliation and management review controls and controls over accounting estimates, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were not effective at March 31, 2015.

Management is in the process of developing and implementing new controls to remediate the material weakness described above. Management is enhancing its reconciliation controls, management review controls, and controls over accounting estimates by (i) supplementing its resources, (ii) upgrading its outsourced internal audit function, (iii) designing and documenting additional management review controls, and (iv) providing additional training to effectively perform reconciliation controls, management review controls and controls over accounting estimates.

As we add resources, we also plan to make organizational changes and further develop skills in our employees in order to strengthen and improve our internal control over financial reporting.

Management believes that these measures will remediate the previously identified material weakness. We currently are targeting to complete the implementation of the control enhancements during 2015. We will test the ongoing effectiveness of the new controls subsequent to implementation, and will consider the material weakness remediated after the applicable remedial controls operate effectively for a sufficient period of time.

Changes in Internal Control Over Financial Reporting

Except as otherwise stated above, there were no changes in our internal control over financial reporting or in other factors during the quarter ended March 31, 2015, that have materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are party to various lawsuits, claims for negligence and other legal proceedings that arise in the ordinary course of our business. We are not currently a party, as plaintiff or defendant, to any legal proceedings which, individually or in the aggregate, would be expected to have a material effect on our business, financial condition, results of operations, or financial statements, taken as a whole, if determined adversely to us.

Item 1A. Risk Factors.

There have not been any material changes from the risk factors previously disclosed in Item 1A Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) We have previously disclosed four UPREIT transactions completed in May 2014, August 2014, November 2014 and December 2014 wherein our operating partnership, Independence Realty Operating Partnership, LP, or IROP, issued, in the aggregate, 1,282,450 common units, or units, to unaffiliated entities or persons in order to acquire properties. As previously disclosed, these units are subject to exchange agreements containing the terms and conditions under which the units could be exchanged for cash in an amount equal to the value of an equivalent number of shares of our common stock as of the date the IROP receives contributor's notice of its desire to exchange or, at IROP's option, for the equivalent number of shares of our common stock. As previously disclosed, we expect these units to become exchangeable during 2015 and the first exchanges of units occurred May 1, 2015. As of May 1, 2015, IROP exchanged 26,467 units for the equivalent number of shares of our common stock and an additional 26,466 units will be exchanged 90 days thereafter. After giving effect to the May 1, 2015 exchanges, 1,255,983 of the units issued in UPREIT transactions remain outstanding. The issuance of the shares of our common stock in these exchanges was exempt from registration pursuant to Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D and all of the persons receiving such shares were accredited investors.

(c) We withheld the following common shares to satisfy tax withholding obligations during the quarter ending March, 31, 2015 arising from the vesting of restricted share awards made pursuant to the IRT Long Term Incentive Plan. These common shares may be deemed to be issuer purchases of common shares that are required to be disclosed pursuant to the item.

Issuer Purchases of Equity Securities

| Period | Total Number of Shares Purchased | Price Paid per Share | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under | |
|--------------------------|----------------------------------|----------------------|--|-----------------------|
| | | | Total Number of Shares Publicly Announced Plans or Programs | the Plans or Programs |
| 01/01/2015 to 01/31/2015 | 5,483(1) | \$ 9.52(1) | 5,483 | |
| 02/01/2015 to 02/28/2015 | | | | |
| 03/01/2015 to 03/31/2015 | | | | |
| Total | 5,483(1) | \$ 9.52(1) | 5,483 | |

(1) The price reported is the price paid per share using our closing stock price on the New York Stock Exchange on the vesting date of the relevant award.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits listed on the Exhibit Index (following the signatures section of this Quarterly Report on Form 10-Q) are included herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Independence Realty Trust, Inc.

Date: May 8, 2015

By: /s/ SCOTT F. SCHAEFFER
Scott F. Schaeffer
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Date: May 8, 2015

By: /s/ JAMES J. SEBRA
James J. Sebra
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal
Accounting Officer)

EXHIBIT INDEX

| Exhibit | Description |
|----------------|---|
| 3.1 | Articles of Restatement of Independence Realty Trust, Inc. (the Company), dated as of August 20, 2013, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 20, 2013. |
| 3.2 | Second Amended and Restated Bylaws of the Company, incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (the 2013 Q1 10-Q). |
| 4.1.1 | Fourth Amended and Restated Agreement of Limited Partnership of Independence Realty Operating Partnership, LP, dated as of May 7, 2013 (the IROP LP Agreement), incorporated by reference to Exhibit 4.1 to the 2013 Q1 10-Q. |
| 4.1.2 | Form of Exchange Rights Agreement for Partnership Units, incorporated by reference to Exhibit C of Exhibit 4.1.1 hereto. |
| 4.1.3 | First Amendment, dated as of August 20, 2013, to Fourth Amended and Restated Agreement of Limited Partnership of Independence Realty Operating Partnership, LP, dated as of May 7, 2013, incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 20, 2013. |
| 4.1.4 | Admission Agreement and Amendment dated as of May 7, 2014 to Fourth Amendment and Restated Agreement of Limited Partnership of Independence Realty Operating Partnership, LP dated as of May 7, 2013, a corrected copy was incorporated by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (the 2014 Q1 10-Q), replacing the copy filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 7, 2014 (the 5/7/14 Form 8-K). |
| 4.1.5 | Admission Agreement and Amendment dated as of August 28, 2014 to Fourth Amendment and Restated Agreement of Limited Partnership of Independence Realty Operating Partnership, LP dated as of May 7, 2013, incorporated by reference to Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 (the 2014 Q3 10-Q). |
| 4.1.6 | Exchange Rights Agreement dated as of August 28, 2014 among the Company, Independence Realty Operating Partnership, LP and the limited partners named therein, incorporated by reference to Exhibit 4.6 to the 2014 Q3 10-Q. |
| 4.1.7 | Admission Agreement and Amendment dated as of November 24, 2014 to Fourth Amendment and Restated Agreement of Limited Partnership of Independence Realty Operating Partnership, LP , incorporated by reference to Exhibit 4.1.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (the 2014 10-K). |
| 4.1.8 | Admission Agreement and Amendment dated as of December 30, 2014 to Fourth Amendment and Restated Agreement of Limited Partnership of Independence Realty Operating Partnership, LP dated as of December 30, 2014, incorporated by reference to Exhibit 4.1.8 to the 2014 10-K. |
| 4.1.9 | Exchange Rights Agreement dated as of December 30, 2014 among the Company, Independence Realty Operating Partnership, LP and the limited partners named therein, incorporated by reference to Exhibit 4.1.9 to the 2014 10-K. |
| 4.1.10 | Amendment dated as of January 1, 2015 to the IROP LP Agreement, incorporated by reference to Exhibit 4.1.10 to the 2014 10-K. |
| 4.2 | Registration Rights Agreement by and among the Company, Independence Realty Operating |

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Partnership, LP, RAIT Financial Trust and the RAIT Parties (as defined therein), dated as of July 26, 2013, incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 1, 2013.

- 12.1 Statements regarding computation of ratios as of March 31, 2015, filed herewith.
- 31.1 Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 31.2 Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 101 XBRL (eXtensible Business Reporting Language). The following materials, formatted in XBRL: (i) Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014, (ii) Consolidated Statements of Operations for the three-month periods ended March 31, 2015 and March 31, 2014, (iii) Consolidated Statements of Cash Flows for the three-month periods ended March 31, 2015 and March 31, 2014, (iv) Consolidated Statements of Changes in Equity for the three-month period ended March 31, 2015 and (v) notes to the consolidated financial statements as of March 31, 2015, filed herewith.