

INVESTORS REAL ESTATE TRUST

Form 424B5

June 01, 2009

Information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No.: 333-153715

SUBJECT TO COMPLETION, DATED June 1, 2009

PROSPECTUS Supplement
(To Prospectus dated October 10, 2008)

3,000,000 Common Shares of Beneficial Interest

We are a self-advised equity real estate investment trust that owns and operates commercial office, medical, industrial and retail properties and multi-family residential properties located primarily in the upper Midwest.

We are offering 3,000,000 common shares of beneficial interest, no par value. Our common shares are traded on the NASDAQ Global Select Market under the symbol "IRET." On May 29, 2009, the last reported sale price of our common shares, as reported on the NASDAQ Global Select Market, was \$8.87 per share.

Investing in our common shares involves risks. See "Risk Factors" beginning on page S-14 of this prospectus supplement, page 8 of the accompanying prospectus, page 10 of our Annual Report on Form 10-K for the fiscal year ended April 30, 2008 and page 33 of our Quarterly Report on Form 10-Q for the three months ended January 31, 2009.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

The underwriters have a 30-day option to purchase up to an additional 450,000 common shares from us on the same terms set forth above, to cover over-allotments, if any.

In part so that we can continue to qualify as a real estate investment trust for federal income tax purposes, our declaration of trust generally does not permit anyone to own more than 9.8% of our outstanding common shares. See "Description of Common Shares" in the accompanying prospectus.

Delivery of the shares will be made on or about , 2009.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Robert W. Baird & Co.
D.A. Davidson & Co.

J.J.B. Hilliard, W.L. Lyons, LLC

_____, 2009

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Special Note Regarding Forward-Looking Statements

Certain statements included in this prospectus supplement, the accompanying prospectus and the documents incorporated into this prospectus supplement and the accompanying prospectus by reference are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements include statements about our intention to invest in properties that we believe will increase in income and value; our belief that the real estate markets in which we invest will continue to perform well; our belief that we have the liquidity and capital resources necessary to meet our known obligations and to make additional real estate acquisitions and capital improvements when appropriate to enhance long-term growth; and other statements preceded by, followed by or otherwise including words such as “believe,” “expect,” “intend,” “project,” “anticipate,” “potential,” “may,” “designed,” “estimate,” “should,” “continue” and other similar expressions. These statements indicate that we have used assumptions that are subject to a number of risks and uncertainties that could cause our actual results or performance to differ materially from those projected.

Although we believe that the expectations reflected in forward-looking statements are based on reasonable assumptions, you should not place undue reliance on our forward-looking statements because the matters they describe are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond our control. Important factors that could cause our actual results to differ materially from the expectations reflected in our forward-looking statements are discussed in “Risk Factors” on page S-14 of this prospectus supplement and page 8 of the accompanying prospectus and include:

- the economic health of the markets in which we own and operate multi-family and commercial properties, in particular, the states of Minnesota and North Dakota, or other markets in which we may invest in the future;
 - the economic health of our commercial tenants;
- market rental conditions, including occupancy levels and rental rates, for multi-family residential and commercial properties;
- our ability to identify and secure additional multi-family residential and commercial properties that meet our criteria for investment;
- the level and volatility of prevailing market interest rates and the pricing of our shares of beneficial interest;
 - financing risks, such as our inability to obtain debt or equity financing on favorable terms, or at all;
 - our ability to timely complete and lease-up properties under construction;
- compliance with applicable laws, including those concerning the environment and access by persons with disabilities;
 - the availability and cost of casualty insurance for losses; and
- other factors discussed under the heading “Risk Factors” in this prospectus supplement and the accompanying prospectus, in our Annual Report on Form 10-K for the fiscal year ended April 30, 2008, in our Quarterly Report on Form 10-Q for the three months ended January 31, 2009 and other documents filed with the Securities and Exchange Commission, or SEC, and incorporated by reference into this prospectus supplement.

In light of these uncertainties, the events anticipated by our forward-looking statements might not occur and we caution you not to place undue reliance on any of our forward-looking statements. We undertake no obligation to update or revise our forward-looking statements, whether as a result of new information, future events or otherwise, and those statements speak only as of the date made. The foregoing review of factors that could cause our actual results to differ materially from those contemplated in any forward-looking statements should not be construed as exhaustive.

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Documents Incorporated By Reference

The SEC allows us to incorporate by reference our publicly-filed reports into this prospectus supplement, which means that information included in those reports is considered part of this prospectus. Information that we file with the SEC after the date of this prospectus will automatically update and supersede the information contained in this prospectus supplement and in prior reports. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until all of the securities offered pursuant to this prospectus supplement have been sold. Unless expressly incorporated into this prospectus supplement, a report, or part of a report, furnished, but not filed, on Form 8-K under the Exchange Act shall not be incorporated by reference into this prospectus supplement. The following documents filed with the SEC are incorporated by reference in this prospectus supplement:

- Annual Report on Form 10-K for the year ended April 30, 2008 filed on July 14, 2008;
- Quarterly Report on Form 10-Q for the quarter ended July 31, 2008 filed on September 9, 2008;
- Quarterly Report on Form 10-Q for the quarter ended October 31, 2008 filed on December 10, 2008;
- Quarterly Report on Form 10-Q for the quarter ended January 31, 2009 filed on March 12, 2009;
 - Current Report on Form 8-K/A filed on May 20, 2008;
 - Current Report on Form 8-K filed on January 16, 2009;
 - Current Report on Form 8-K filed on March 27, 2009;
 - Current Report on Form 8-K filed on April 7, 2009;
- The description of our common shares of beneficial interest contained in our Registration Statement on Form 10 (File No. 0-14851), dated July 29, 1986, as amended by the Amended Registration Statement on Form 10, dated December 17, 1986, and the Second Amended Registration Statement on Form 10, dated March 12, 1987; and
- The description of our Series A Cumulative Redeemable Preferred Shares of Beneficial Interest contained in our registration statement on Form 8-A, dated April 21, 2004 and filed April 22, 2004.

You may request a copy of these documents, and any exhibits we have specifically incorporated by reference as an exhibit in this prospectus supplement, at no cost by writing to us at the following address or calling us at the telephone number listed below:

Investors Real Estate Trust
3015 16th Street SW, Suite 100
Minot, ND 58702-1988
Attn: Shareholder Relations
Telephone: (701) 837-4738
Facsimile: (701) 838-7785

You should rely only on the information provided or incorporated by reference in this prospectus supplement. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. You should not assume that the information in this prospectus supplement is accurate as of any date other than the date on the front cover of the document.

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About this Prospectus Supplement
And the Accompanying Prospectus

We are providing information to you about this offering of our common shares in two parts. The first part is this prospectus supplement, which provides the specific details regarding this offering and the terms of the common shares. The second part is the accompanying base prospectus, which provides general information. Generally, when we refer to this “prospectus,” we are referring to both documents combined. This prospectus supplement adds, updates and changes information contained in the accompanying prospectus and the information incorporated by reference. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement shall control.

You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate as of any date other than the date on the front of the documents. Our business, financial condition, results of operations and prospects may have changed since then. Updated information may have been subsequently provided as explained under “Where You Can Find More Information” in this prospectus supplement and the accompanying prospectus.

It is important for you to read and consider all of the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in making your decision to invest in our common shares. You should also read and consider the information in the incorporated documents we have referred you to in “Where You Can Find More Information” in this prospectus supplement and the accompanying prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

As used in this prospectus supplement and the accompanying prospectus, references to “we,” “our,” “us,” the “Company,” “IRET” and similar references are to Investors Real Estate Trust and its consolidated subsidiaries, unless otherwise expressly stated or the context otherwise requires. References to “shares” and to “common shares” or “Shares” are to our common shares of beneficial interest, no par value. References to “Series A preferred shares” are to our 8.25% Series A Cumulative Redeemable Preferred Shares of Beneficial Interest, no par value. References to “shares of beneficial interest” are to all of our shares of beneficial interest including, without limitation, our common shares, our Series A preferred shares and any other shares of beneficial interest that we may issue in the future.

Prospectus Supplement Summary

This section summarizes information contained elsewhere in this prospectus supplement and the accompanying prospectus and does not contain all the information you should consider before investing in our common shares. You should read this summary together with the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus, or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the sections of this prospectus supplement and the accompanying prospectus entitled "Risk Factors," before making a decision to invest in our common shares. Unless otherwise stated or the context otherwise requires, the information contained in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional Shares to cover over-allotments.

Our Company

We are a self-advised real estate investment trust, or REIT, that owns and operates commercial office, medical, industrial and retail properties and multi-family residential properties located primarily in the upper Midwest. The charts below show, as of January 31, 2009, the geographic distribution of our properties and their classification by type, in both cases measured on the basis of our investment in our properties (original investment plus improvements, if any).

Geographic Distribution of Properties
Property Investments

(percentage by state, by investment amount,
net of accumulated depreciation)

Classification of Properties by Type
Real Estate Portfolio Mix

(percentage by segment, by investment
amount, net of accumulated depreciation)

As of January 31, 2009, our real estate portfolio consisted of:

- 78 multi-family residential properties, containing 9,645 apartment units and having a total real estate investment amount net of accumulated depreciation of \$426.8 million; and
 - 166 commercial properties, containing approximately 11.7 million square feet of leasable space, as follows:
 - o 66 office properties containing approximately 5.0 million square feet of leasable space and having a total real estate investment amount net of accumulated depreciation of \$500.7 million;
 - o 49 medical properties (including senior housing/assisted living facilities) containing approximately 2.3 million square feet of leasable space and having a total real estate investment amount net of accumulated depreciation of \$345.8 million;
 - o 18 industrial properties containing approximately 2.9 million square feet of leasable space and having a total real estate investment amount net of accumulated depreciation of \$94.3 million; and
 - o 33 retail properties containing approximately 1.5 million square feet of leasable space and having a total real estate investment amount net of accumulated depreciation of \$100.6 million.

Our commercial properties are typically leased to tenants under long-term lease arrangements, with no single tenant accounting for more than approximately 10.6% of our total annualized commercial rental revenues as of January 31, 2009. At January 31, 2009, the economic occupancy rates for our stabilized properties were as follows:

Property Type	Economic Occupancy
Multi-family Residential	94.5%
Commercial Office	88.6%
Commercial Medical	95.5%
Commercial Industrial	98.9%
Commercial Retail	87.4%

Economic occupancy represents actual rental revenues recognized for the period indicated as a percentage of scheduled rental revenues for the period. Percentage rents, tenant concessions, straightline adjustments and expense reimbursements are not considered in computing either actual revenues or scheduled revenues.

Our principal executive office is located at 3015 16th Street SW, Suite 100, Minot, North Dakota, 58702-1988, and our telephone number is (701) 837-4738.

Investment Strategy

We seek to employ a disciplined investment strategy focused on growing assets in our target geographical markets, achieving diversification by property type, adhering to targeted returns in acquiring properties, and regularly increasing funds from operations. We believe this investment strategy has enabled us to achieve our goal of regularly increasing distributions on our common shares. We have increased our distributions per common share every year since our inception 38 years ago and every quarter since 1988.

We attempt to concentrate our multi-family residential properties in communities with populations of approximately 50,000 to 500,000, and we attempt to concentrate our commercial properties in metropolitan areas with populations of approximately 100,000 to 3.0 million. We focus most of our investment activity in markets in the upper Midwest, due to our greater familiarity with these markets, our existing market presence and our belief that these markets attract less competition from other leading REITs and institutional investors.

We continually receive, evaluate and identify opportunities for the acquisition and development of commercial and multi-family residential properties, particularly in the states in which we currently own properties. These investment and development opportunities are sourced through various channels, including real estate brokers, property owners, property management firms and our own business development efforts. In evaluating commercial properties for acquisition, we consider such factors as market size, economic and market rental conditions, property type, property quality, existing occupancy and lease rates, tenant makeup and quality, lease rollover risk and current and prospective cash flow levels. In evaluating multi-family residential properties for acquisition, we consider such factors as market size and growth characteristics, demographics, apartment rental conditions and trends, market rent and occupancy levels, property quality, operating expense and maintenance considerations, property occupancy rates and current and prospective cash flow levels. Upon identifying properties that meet our investment criteria, we conduct financial analyses, perform property inspections, identify lending sources and terms and submit or negotiate acquisition proposals on terms that we expect will allow us, under reasonable assumptions, to meet our targeted investment returns. In evaluating multi-family residential and commercial development opportunities, we consider factors that include property site location, access, soil conditions and other physical characteristics of the site, market size and growth characteristics, demographics, existing property development adjacent or near the site, prospective tenants and

cash flow levels.

Typically, we seek to acquire well-maintained properties with strong tenant bases and lease or rental revenues and terms that immediately support our return on investment objectives. Due to varying market conditions over time, this investment focus can lead to a greater concentration of acquisition activity in certain property types during particular market cycles. For instance, during the 12 months ended January 31, 2009, approximately 83.7% of our property acquisitions, based on investment amount, were commercial medical properties, due to the greater availability of these properties on terms that met our return on investment objectives. As market conditions evolve, however, this trend may be reversed and we may again purchase a greater percentage of multi-family residential properties, or other commercial properties. We typically seek to develop commercial properties when we have identified or secured an anchor tenant for the property. We typically seek to develop multi-family residential properties when we have identified a community with attractive economic and market rental conditions.

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We generally use available cash or short-term floating rate debt to acquire real estate. We then replace the cash or short-term floating rate debt with fixed-rate secured debt. We generally finance development projects with available cash or short-term floating rate debt and re-finance with fixed-rate secured debt. In appropriate circumstances, we also may acquire one or more properties in exchange for our common shares or for limited partnership units, or LP units, of our operating partnership, IRET Properties, which typically are redeemable for our common shares on a one-to-one basis or, at our option, cash, after the expiration of a minimum one-year holding period.

Operations

We conduct our operations from offices in Minot, North Dakota and Minneapolis, Minnesota. We also have property management offices in St. Louis, Missouri, Omaha, Nebraska and Kansas City, Kansas. In Minot, our 46-person staff is engaged in activities that include management and planning, financial analysis and accounting, marketing, property sourcing and evaluation, legal and compliance, information management and investor relations. In Minneapolis, our 18-person staff is primarily engaged in sourcing, evaluating and managing commercial properties in the Minneapolis/St. Paul metropolitan area.

The day-to-day management of our commercial properties is carried out by our own employees and by third-party property management companies. In markets where the amount of rentable square footage we own does not justify self-management, when properties acquired have effective pre-existing property management in place, or when for other reasons particular properties are in our judgment not attractive candidates for self-management, we may utilize third-party professional management companies for day-to-day management. As of January 31, 2009, we have under internal management 96 commercial properties. The remaining 70 properties are managed by third parties. The management and leasing of most of our multi-family residential properties is handled by locally-based, third-party management companies.

We believe that our administrative, property management and corporate overhead expenses as a percentage of our revenues are among the lowest of all publicly-traded REITs. We believe that this serves the interests of the holders of our common shares by moderating the impact of cyclical downturns and enhancing funds available for distribution.

Properties

The tables set forth below present summary financial information regarding our commercial and multi-family residential properties.

Commercial and Multi-Family Residential Properties by State

The following table presents, as of January 31, 2009, an analysis by state of each of the five categories of properties owned by us — multi-family residential and commercial office, medical, industrial and retail:

Total Real Estate by Investment Amount

	As of January 31, 2009 (in thousands)					Total	Total %
	Multi-Family Residential	Commercial Office	Commercial Medical	Commercial Industrial	Commercial Retail		
Minnesota	\$ 145,266	\$ 362,339	\$ 291,857	\$ 72,156	\$ 73,815	\$ 945,433	55.0%
North Dakota	144,535	23,347	31,582	7,141	28,361	234,966	13.7%
Nebraska	36,191	79,859	24,820	0	3,699	144,569	8.4%
Colorado	43,512	22,542	0	0	0	66,054	3.8%
Kansas	43,380	14,859	0	0	0	58,239	3.4%
Montana	41,125	0	4,319	0	5,271	50,715	3.0%
South Dakota	34,292	7,088	7,448	0	0	48,828	2.8%
Texas	39,784	0	0	0	0	39,784	2.3%
All Other States	11,196	59,593	25,266	27,287	7,760	131,102	7.6%
Total	\$ 539,281	\$ 569,627	\$ 385,292	\$ 106,584	\$ 118,906	\$ 1,719,690	100.0%

Comparison of Results from Commercial and Residential Properties

The following table presents an analysis of the relative investment in (corresponding to “Property owned” on the balance sheet, i.e., cost), and the financial contribution of (i.e., the net operating income produced by), our commercial and multi-family residential properties over the past three fiscal years.

	Fiscal Years Ended April 30 (in thousands)					
	2008		2007		2006	
		%		%		%
Real Estate Investments – (cost)						
Multi-Family Residential	\$ 510,697	31.0%	\$ 489,644	32.9%	\$ 452,251	35.6%
Commercial Office	556,712	33.8%	536,431	36.0%	383,280	30.2%
Commercial Medical	359,986	21.8%	274,779	18.4%	263,300	20.7%
Commercial Industrial	104,060	6.3%	75,257	5.1%	59,583	4.7%
Commercial Retail	116,804	7.1%	113,176	7.6%	111,009	8.8%
Total	\$ 1,648,259	100.0%	\$ 1,489,287	100.0%	\$ 1,269,423	100.0%
Net Operating Income(1)						
Multi-Family Residential	\$ 38,190	28.6%	\$ 35,518	29.4%	\$ 31,967	30.9%
Commercial Office	47,836	35.8%	43,128	35.6%	33,882	32.8%
Commercial Medical	28,656	21.4%	26,108	21.5%	23,356	22.6%
Commercial Industrial	9,162	6.8%	6,838	5.6%	5,120	5.0%
Commercial Retail	9,921	7.4%	9,614	7.9%	9,033	8.7%
Total	\$ 133,765	100.0%	\$ 121,206	100.0%	\$ 103,358	100.0%

1) We define net operating income as total revenues less property operating expenses and real estate taxes. We believe that net operating income is an important supplemental measure of operating performance for a REIT’s operating real estate, because it provides a measure of core operations that is unaffected by depreciation, amortization, financing and general and administrative expense. Net operating income does not represent cash generated by operating activities in accordance with accounting principles generally accepted in the United States, or GAAP, and should not be considered as an alternative to net income, net income available to common

shareholders or cash flow from operating activities as a measure of financial performance. A reconciliation of net operating income to income before minority interest and discontinued operations and gain on sale of other investments is as follows:

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(in thousands)

Year Ended April 30, 2008	Multi-Family Commercial					Total
	Residential	-Office	Commercial-Medical	Commercial-Industrial	Commercial-Retail	
Real estate revenue	\$ 72,827	\$ 84,042	\$ 38,412	\$ 11,691	\$ 14,198	\$ 221,170
Real estate expenses	34,637	36,206	9,756	2,529	4,277	87,405
Net operating income	\$ 38,190	\$ 47,836	\$ 28,656	\$ 9,162	\$ 9,921	\$ 133,765
Interest						(63,439)
Depreciation/amortization						(51,518)
Administrative, advisory and trustee fees						(5,203)
Operating expenses						(1,344)
Non-operating income						2,760
Income before minority interest and discontinued operations and gain on sale of other investments						\$ 15,021

(in thousands)

Year Ended April 30, 2007	Multi-Family Commercial				Commercial	Total
	Residential	-Office	Commercial-Medical	Commercial-Industrial		
Real estate revenue	\$ 66,972	\$ 73,603	\$ 34,783	\$ 8,091	\$ 14,089	\$ 197,538
Real estate expenses	31,454	30,475	8,675	1,253	4,475	76,332
Net operating income	\$ 35,518	\$ 43,128	\$ 26,108	\$ 6,838	\$ 9,614	\$ 121,206
Interest						(58,424)
Depreciation/amortization						(45,501)
Administrative, advisory and trustee fees						(4,451)
Operating expenses						(1,240)
Non-operating income						2,665
Income before minority interest and discontinued operations and gain on sale of other investments						\$ 14,255

(in thousands)

Year Ended April 30, 2006	Multi-Family Commercial					Total
	Residential	-Office	Commercial-Medical	Commercial-Industrial	Commercial-Retail	
Real estate revenue	\$ 61,669	\$ 57,483	\$ 31,670	\$ 6,372	\$ 12,977	\$ 170,171
Real estate expenses	29,702	23,601	8,314	1,252	3,944	66,813
Net operating income	\$ 31,967	\$ 33,882	\$ 23,356	\$ 5,120	\$ 9,033	\$ 103,358
Interest						(50,677)
Depreciation/amortization						(37,639)
Administrative, advisory and trustee fees						(3,894)
Operating expenses						(1,269)
Non-operating income						1,240
Income before minority interest and discontinued operations and gain on sale of other investments						\$ 11,119

Recent Developments

Acquisition and Disposition Activities

During the fiscal year ended April 30, 2009, we acquired or placed in-service properties with development and acquisition costs totaling approximately \$32.0 million. In the fourth fiscal quarter we completed construction of a mixed-use project in Minot, North Dakota, consisting of 71 apartments, of which 58 were leased as of April 30, 2009, and approximately 50,360 rentable square feet of office and retail space. We occupy approximately 21,764 square feet of this office and retail space, having moved our Minot headquarters to this location. We had no material dispositions in fiscal year 2009.

We are actively reviewing non-core properties for potential selective sale based on our assessment of pricing and capital requirements. No assurance can be given that any of the properties currently under contract, being marketed or considered for sale will actually be sold, or will be sold on the terms currently contemplated.

We currently have no material pending acquisitions. In the fourth quarter of fiscal year 2009, we signed a purchase agreement to acquire a portfolio of office and retail properties located in the Minneapolis-St. Paul metropolitan area for a total of \$29.7 million. We subsequently terminated this purchase agreement, but we are continuing to discuss this possible transaction with the sellers of the portfolio.

Financing Update

During fiscal year 2009, we financed or refinanced ten properties, placing new debt or refinancing existing debt totaling \$68.8 million with five different lenders and generating cash-out proceeds totaling \$36.8 million before closing costs. These loans have maturities ranging from three to ten years with fixed interest rates ranging from 5.50% to 6.50%. In addition, we entered into a \$5.0 million line of credit maturing in November 2009 with Dacotah Bank in Minot, North Dakota. This line of credit is fully-drawn, and of the \$5.0 million, we include \$3.5 million in mortgages payable on our balance sheet, as secured by first mortgages on six small apartment properties owned by us, with the remaining \$1.5 million included in revolving lines of credit. We expect to renew this line of credit prior to its expiration.

During the fourth quarter of fiscal year 2009, we (or, in one case, our joint venture partner) obtained approximately \$48.5 million in secured debt commitments. These commitments were sourced from three different lenders and will be secured by eight individual properties. These loans are expected to have maturities ranging from seven to ten years with interest rates ranging from 6.41% to 7.30%, and we expect to receive cash-out proceeds from these refinancings totaling approximately \$4.3 million. We expect to close these financings during the first and second quarters of fiscal year 2010.

As of April 30, 2009, we had \$32.0 million available under our three unsecured revolving credit facilities with Bremer Bank, First Western Bank and Trust and First International Bank and Trust. These lines of credit expire in September 2009, December 2011, and December 2009, respectively; we expect to renew each of these lines of credit prior to its expiration. As of March 31, 2009, we had on hand consolidated cash and cash equivalents totaling \$35.2 million.

During the fourth quarter of fiscal year 2009, we sold 632,712 newly-issued common shares under a continuous equity offering program with Robert W. Baird & Co. Incorporated as sales agent, for total proceeds to us (after sales commissions but before expenses) of approximately \$6.0 million.

Distributions

We paid a distribution of \$0.1700 per common share and limited partnership unit of IRET Properties in the fourth quarter of fiscal year 2009, on April 1, 2009, and we declared a distribution of \$0.1705 per share and limited partnership unit to be paid in the first quarter of fiscal year 2010, on or about July 1, 2009. We currently expect to pay the final calendar-year 2009 (i.e., October 1, 2009) distribution payment fully in cash.

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The Offering

Shares Offered	3,000,000 Shares(1)
Shares Outstanding After this Offering	63,421,023 Shares (1)(2)
Restriction on Ownership and Transfer	Our Shares are subject to certain restrictions on ownership and transfer designed to preserve our qualification as a REIT for federal income tax purposes. See “Description of Common Shares” in the accompanying prospectus.
Use of Proceeds	We estimate that the net proceeds we will receive from this offering will be approximately \$25,179,500, or approximately \$28,971,425 if the underwriters exercise their over-allotment option in full. We intend to contribute the net proceeds to our operating partnership, IRET Properties, to use for general business purposes, including the acquisition, development, renovation, expansion or improvement of income-producing real estate properties and debt repayment.
NASDAQ trading symbol	IRET

(1) Excludes 450,000 common shares that we may issue upon exercise of the underwriters’ over-allotment option.

(2) Based on 60,421,023 common shares outstanding as of April 30, 2009; excludes 20,838,197 common shares issuable upon redemption of outstanding limited partnership units of our operating partnership.

Summary Consolidated Financial and Other Data

The following table sets forth summary consolidated financial data, which should be read in conjunction with, and is qualified by reference to, the consolidated financial statements and related notes and Management’s Discussion and Analysis of Financial Condition and Results of Operations in the documents filed with the SEC that are incorporated by reference into this prospectus supplement. Our summary consolidated financial data as of and for each of the fiscal years in the three-year period ended April 30, 2008 is derived from our consolidated financial statements, which have been audited by Deloitte & Touche LLP. Our summary consolidated financial data as of January 31, 2009, and for the nine-month periods ended January 31, 2009 and 2008, has been derived from our unaudited financial statements. Our unaudited financial statements have been prepared on the same basis as our audited financial statements and include all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of our financial position and our results of operations for these periods. Operating results for the nine months ended January 31, 2009 are not necessarily indicative of the results that may be expected for the full year.

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	Nine Months Ended		Fiscal Year Ended April 30		
	January 31		2008	2007	2006
	2009	2008	2008	2007	2006
(in thousands, except per share data)					
Operating Data:					
Revenue	\$ 179,353	\$ 162,208	\$ 221,170	\$ 197,538	\$ 170,171
Operating expenses:					
Interest	51,307	46,969	63,439	58,424	50,677
Depreciation/Amortization	40,821	36,505	50,042	44,419	36,894
Utilities and maintenance	35,258	30,636	42,375	36,848	32,613
Property management	13,754	11,298	15,273	13,826	11,786
Taxes	22,406	19,635	27,133	23,281	19,757
Other operating expenses	8,756	7,828	10,647	9,150	8,565
Total operating expenses	\$ 172,302	\$ 152,871	\$ 208,909	\$ 185,948	\$ 160,292
Non-operating income	688	2,089	2,760	2,665	1,240
Income before gain/loss on properties and minority interest	\$ 7,739	\$ 11,426	\$ 15,021	\$ 14,255	\$ 11,119
(Loss) gain on sale of other investments	54	4	42	(38)	23
Minority interest portion of joint ventures	97	25	136	26	(484)
Minority interest portion of operating partnership income	(1,631)	(2,691)	(3,524)	(3,217)	(1,892)
Income from continuing operations	\$ 6,259	\$ 8,764	\$ 11,675	\$ 11,026	\$ 8,766
Discontinued operations, net	0	36	413	3,084	2,801
Net income	\$ 6,259	\$ 8,800	\$ 12,088	\$ 14,110	\$ 11,567
Dividends to preferred shareholders	(1,779)	(1,779)	(2,372)	(2,372)	(2,372)
Net income available to common shareholders	4,480	7,021	9,716	11,738	9,195