

INDEPENDENCE REALTY TRUST, INC
Form S-11/A
May 10, 2011
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As filed with the Securities and Exchange Commission on May 10, 2011

Registration No. 333-173391

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

Amendment No. 1

to

Form S-11

FOR REGISTRATION

UNDER

THE SECURITIES ACT OF 1933

OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

Independence Realty Trust, Inc.

(Exact name of registrant as specified in its governing instruments)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jack E. Salmon

President and Chief Financial Officer

Cira Centre

2929 Arch Street

Philadelphia, PA 19104

(215) 243-9000

(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

Jason W. Goode

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1201 West Peachtree Street

Atlanta, Georgia 30309

(404) 881-7000

Approximate date of commencement of proposed sale to the public: as soon as practicable after the registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box:

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If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. "

If delivery of this prospectus is expected to be made pursuant to Rule 434, check the following box. "

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. (Check one):

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

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(2)
Primary Offering, Common Stock, \$0.01 par value per share	100,000,000 shares	\$10.00	\$1,000,000,000	\$0
Distribution Reinvestment Program, Common Stock, \$0.01 par value per share	10,000,000 shares	\$9.50	\$95,000,000	\$0

- (1) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457.
- (2) As discussed below, pursuant to Rule 415(a)(6) under the Securities Act, this Registration Statement includes \$1,095,000,000 of unsold securities that have been previously registered, with respect to which the registrant paid filing fees of \$61,380. No additional filing fees are due.

Pursuant to Rule 415(a)(6) under the Securities Act of 1933, the securities registered pursuant to this Registration Statement include unsold securities previously registered for sale pursuant to the registrant's registration statement on Form S-11 (File No. 333-160093) initially filed by the registrant on June 19, 2009 (the "Prior Registration Statement"). The Prior Registration Statement registered shares of the registrant's common stock with a maximum aggregate offering price of \$1,095,000,000 for sale pursuant to the registrant's primary offering and distribution reinvestment program. Pursuant to the Prior Registration Statement, the registrant reserved the right to reallocate the shares it was offering between its primary offering and the distribution reinvestment program. All of the aggregate securities registered on the Prior Registration Statement remain unsold. The unsold amounts of primary offering shares and distribution reinvestment program shares (and associated filing fees paid) are being carried forward to this Registration Statement. Pursuant to Rule 415(a)(6), the offering of unsold securities under the Prior Registration Statement will be deemed terminated as of the date of effectiveness of this Registration Statement.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell the securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION; PRELIMINARY PROSPECTUS DATED MAY 10, 2011

INDEPENDENCE REALTY TRUST, INC.

\$1,095,000,000 Maximum Offering

\$2,500,000 Minimum Offering

Independence Realty Trust, Inc. is a Maryland corporation incorporated on March 26, 2009 that intends to qualify and elect to be taxed as a real estate investment trust, or REIT, beginning with the taxable year ending December 31, 2011. We are sponsored by RAIT Financial Trust, a publicly traded REIT. Our sponsor contributed six multifamily properties to us. We are offering up to 100,000,000 shares of common stock to investors who meet our suitability standards and up to 10,000,000 shares of common stock to participants in our distribution reinvestment program. We reserve the right to reallocate the shares of common stock we are offering between the primary offering and our distribution reinvestment program. We intend to use substantially all of the net proceeds from this offering to acquire a diverse portfolio of multifamily properties located in the United States. The dealer manager of the offering is Independence Realty Securities, LLC, a member firm of the Financial Industry Regulatory Authority, or FINRA. Our dealer manager is not required to sell a specific number or dollar amount of shares but will use its best efforts to sell 100,000,000 of our shares and may engage third party soliciting dealers in connection with this offering.

Investing in us involves a high degree of risk. See Risk Factors beginning on page 26 for a discussion of the risks which should be considered in connection with your investment in our common stock. Some of these risks include:

We are a blind pool offering because we have not identified any properties to acquire with the offering proceeds and we have no operating history or established financing sources. As a result, other than the six properties we acquired from our sponsor, you will not have the opportunity to evaluate our investments before we make them, thus making your investment more speculative;

We acquired properties from our sponsor and our sponsor may provide financing for the acquisition of the future properties we acquire. As a result, there may be conflicts of interest between our interests and those of our sponsor, as well as risks relating to financing arrangements between us and our sponsor;

Because a public market for our shares of common stock does not exist and may never exist, our shares are illiquid;

There are substantial conflicts between the interests of our investors, our interests and the interests of our advisor, sponsor and our respective affiliates regarding affiliate compensation, investment opportunities and management resources;

Our charter permits us to maintain a level of leverage as high as 300% of our net assets (equivalent to 75% of the cost of our net assets) as of the date of any borrowing;

As long as we maintain our status as a REIT for U.S. federal income tax purposes, five or fewer individuals are generally prohibited from beneficially owning more than 50% of our outstanding shares during the last half of each taxable year, making it more difficult to sell your shares to large investors;

Our investment objectives and strategies may be changed without stockholder consent;

We are obligated to pay substantial fees to our advisor and its affiliates, including fees payable upon the sale of properties, and our incentive fee structure may result in our advisor recommending riskier or more speculative investments;

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Our organizational documents permit us to pay distributions from any source, including offering proceeds. Subject to certain limited exceptions, there is no limit to the amount of distributions that we may pay from offering proceeds. Until the proceeds from this offering are fully invested and from time to time during our operational stage, we may use proceeds from this offering and financings to fund distributions in anticipation of cash flow to be received in later periods. Such distributions could reduce the cash available to us and could constitute a return of capital to stockholders;

The agreements between us and our advisor or its affiliates, and the fees paid to them pursuant to such agreements in connection with this offering and in connection with the management of our investments, were not reached through arm's length negotiations and may not reflect the terms that would be available from a third party;

If we fail to qualify or continue to qualify as a REIT and no relief provisions apply, our cash available for distribution to our stockholders could materially decrease; and

Continued adverse economic conditions markets could impair our tenants' ability to make rental payments and reduce the demand for rental space.

This offering will end no later than [], 2013 unless we elect to extend it to a date no later than [], 2014 in states that permit us to make this one-year extension. We will deposit subscription payments in an escrow account held by the escrow agent, UMB Bank, N.A., in trust for the subscriber's benefit, pending release to us. A minimum of \$2,500,000 in shares of common stock must be sold within one year following this offering (unless the offering is extended) or we will terminate this offering and promptly return your subscription payments with your pro rata share of the interest earned on such funds in accordance with the provisions of the escrow agreement. Subscription payments held in escrow will be placed in short term, low risk, highly liquid, interest bearing investments. If a refund is made because we do not achieve the minimum offering, our sponsor will pay any escrow fees and no amounts will be deducted from the escrow funds.

PENNSYLVANIA INVESTORS: The minimum closing amount is \$2,500,000. Because the minimum closing amount is less than \$50,000,000, you are cautioned to carefully evaluate our ability to fully accomplish our stated objectives and inquire as to the current dollar volume of our subscriptions. We will not release any subscription proceeds from Pennsylvania investors from escrow until we have an aggregate of \$50,000,000 in subscriptions.

TENNESSEE INVESTORS: The minimum closing amount for Tennessee investors is \$25,000,000 in aggregate gross offering proceeds. We will not release any subscription proceeds from Tennessee investors until we have received an aggregate of \$25,000,000 in subscriptions.

These are speculative securities and this investment involves a high degree of risk. You should purchase these securities only if you can afford a complete loss of your investment. The use of forecasts in this offering is prohibited. Any representation to the contrary and any predictions, written or oral, as to the amount or certainty of any present or future cash benefit or tax consequence which may flow from an investment in us is not permitted.

	Price to Public	Selling Commissions	Dealer Manager Fee	Proceeds to Us Before Expenses ⁽¹⁾⁽²⁾
Primary Offering Per Share	\$ 10.00	\$.70	\$.30	\$ 9.00
Total Minimum	\$ 2,500,000.00	\$ 175,000.00	\$ 75,000.00	\$ 2,250,000.00
Total Maximum	\$ 1,000,000,000.00	\$ 70,000,000.00	\$ 30,000,000.00	\$ 900,000,000.00
Distribution Reinvestment Program Offering Per Share ⁽¹⁾	\$ 9.50	\$	\$	\$ 9.50
Total Maximum	\$ 95,000,000.00	\$	\$	\$ 95,000,000.00

(1) We reserve the right to reallocate shares of common stock being offered between the primary offering and our distribution reinvestment program.

(2) Proceeds are calculated before reimbursing our advisor for organization and offering expenses.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if this prospectus is truthful or complete or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense.

Prospectus dated [], 2011

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INVESTOR SUITABILITY STANDARDS

An investment in our common stock is suitable only for persons who have adequate financial means and desire a relatively long-term investment. We have established suitability standards for investors who purchase our common stock. These suitability standards are intended to help ensure, given the high degree of risk inherent in, the long-term nature of an investment in, and the relative illiquidity of, our shares, that shares of our common stock are an appropriate investment for those of you who become investors. In addition, residents of some states must meet higher suitability standards under state law. These standards require you to meet the applicable criteria below. In determining your net worth, do not include your home, home furnishings or your automobiles.

Notwithstanding these investor suitability standards, potential investors should note that investing in shares of our common stock involves a high degree of risk and should consider all of the information contained in this prospectus, including the Risk Factors section contained herein, in determining whether an investment in our common stock is appropriate.

The minimum purchase is 200 shares (\$2,000), except in certain states. The minimum purchase for New York residents is 250 shares (\$2,500), except for IRAs which must purchase a minimum of 100 shares (\$1,000). The minimum purchase for Tennessee residents is 250 shares (\$2,500). Following an initial subscription for at least the required minimum investment, any investor may make additional purchases in increments of at least 100 shares (\$1,000), except for purchases made by residents of states with a different requirement, whose additional investments must meet their state's minimum investment amount, and purchases of shares pursuant to our distribution reinvestment program, which may be in lesser amounts.

General Standards for all Investors. Investors must have either (a) a net worth of at least \$250,000 or (b) an annual gross income of at least \$70,000 and a minimum net worth of at least \$70,000.

California. Investors must have either (a) a net worth of at least \$250,000 or (b) an annual gross income of at least \$70,000 and a net worth of at least \$100,000.

Kentucky and Ohio. Investors must have either (a) a net worth of at least \$250,000 or (b) an annual gross income of at least \$70,000 and a minimum net worth of at least \$70,000, with the amount invested in this offering not to exceed 10% of the Kentucky or Ohio investor's liquid net worth.

Iowa. Investors must have either (a) a net worth of at least \$350,000 or (b) an annual gross income of at least \$70,000 and a minimum net worth of at least \$100,000. In addition, shares will only be sold to Iowa residents that represent that they have a combined liquid net worth of at least 10 times the amount of their investment in this real estate investment program and other similar programs.

Maine, Michigan, North Dakota, Oregon, Pennsylvania, Vermont and Washington. Investors must have either (a) a net worth of at least \$250,000 or (b) an annual gross income of at least \$70,000 and a minimum net worth of at least \$70,000. The investor's maximum investment in us and our affiliates cannot exceed 10% of the Maine, Michigan, North Dakota, Oregon, Pennsylvania, Vermont or Washington investor's net worth.

Kansas, Massachusetts, Missouri and California. In addition to the general suitability standards described above, it is recommended that investors should invest no more than 10% of their liquid net worth in our shares and securities of other REITs. Liquid net worth is defined as that portion of net worth (total assets minus total liabilities) that is comprised of cash, cash equivalents and readily marketable securities.

Alabama. In addition to the general suitability standards above, shares will only be sold to Alabama residents that represent that they have a liquid net worth of at least 10 times the amount of their investment in this real estate investment program and other similar programs.

Nebraska. Investors must have either (a) a minimum net worth of \$100,000 and an annual income of \$70,000 or (b) a minimum net worth of \$350,000. In addition, the total investment in us should not exceed 10% of the investor's net worth.

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Tennessee. In addition to the general suitability standards described above, shares will only be sold to Tennessee residents that represent that their maximum investment in us and our affiliates does not exceed 10% of their liquid net worth. We will only sell shares of our common stock to residents of Tennessee investors who initially purchase a minimum of 250 shares for a total purchase price of \$2,500.

Because the minimum offering of our common stock is less than \$50,000,000, Pennsylvania investors are cautioned to carefully evaluate our ability to fully accomplish our stated objectives and to inquire as to the current dollar volume of our subscription proceeds. Further, the minimum aggregate closing amount for Pennsylvania investors is \$50,000,000.

The foregoing suitability standards must be met by the investor who purchases the shares. In the case of sales to fiduciary accounts, these minimum standards must be met by the beneficiary, the fiduciary account or by the donor or grantor who directly or indirectly supplies the funds to purchase the common stock if the donor or the grantor is the fiduciary. Investors with investment discretion over assets of an employee benefit plan covered by ERISA should carefully review the information in the "ERISA Considerations" section of this prospectus.

In the case of gifts to minors, the suitability standards must be met by the custodian of the account or by the donor.

In order to ensure adherence to the minimum income and net worth standards established for us, requisite criteria must be met, as set forth in the subscription agreement in the form attached hereto as Appendix C. In addition, our sponsor, our dealer manager and the soliciting dealers, as our agents, must make every reasonable effort to determine that the purchase of our shares is a suitable and appropriate investment for an investor. In making this determination, the soliciting dealers will rely on relevant information provided by the investor in the investor's subscription agreement, including information regarding the investor's age, investment objectives, investment experience, income, net worth, financial situation, other investments, and any other pertinent information, including whether (i) the participant is or will be in a financial position appropriate to enable him to realize the benefits described in the prospectus, (ii) the participant has a fair market net worth sufficient to sustain the risks inherent in the investment program and (iii) the investment program is otherwise suitable for the participant. Executed subscription agreements will be maintained in our records for 6 years.

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RESTRICTIONS IMPOSED BY THE USA PATRIOT ACT AND RELATED ACTS

In accordance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (the USA PATRIOT Act), the shares of common stock offered hereby may not be offered, sold, transferred or delivered, directly or indirectly, to any Prohibited Shareholder, which means anyone who is:

a designated national, specially designated national, specially designated terrorist, specially designated global terrorist, foreign terrorist organization, or blocked person within the definitions set forth in the Foreign Assets Control Regulations of the U.S. Treasury Department;

acting on behalf of, or an entity owned or controlled by, any government against whom the U.S. maintains economic sanctions or embargoes under the Regulations of the U.S. Treasury Department;

within the scope of Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001;

subject to additional restrictions imposed by the following statutes or regulations, and executive orders issued thereunder: the Trading with the Enemy Act, the Iraq Sanctions Act, the National Emergencies Act, the Antiterrorism and Effective Death Penalty Act of 1996, the International Emergency Economic Powers Act, the United Nations Participation Act, the International Security and Development Cooperation Act, the Nuclear Proliferation Prevention Act of 1994, the Foreign Narcotics Kingpin Designation Act, the Iran and Libya Sanctions Act of 1996, the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act and the Foreign Operations, Export Financing and Related Programs Appropriation Act or any other law of similar import as to any non-U.S. country, as each such act or law has been or may be amended, adjusted, modified or reviewed from time to time; or

designated or blocked, associated or involved in terrorism, or subject to restrictions under laws, regulations, or executive orders as may apply in the future similar to those set forth above.

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QUESTIONS AND ANSWERS ABOUT THIS OFFERING

Below are some of the more frequently asked questions and answers relating to an offering of this type. Please see the remainder of this prospectus for more detailed information about this offering.

Q: What is a REIT?

A: REIT stands for an entity electing to be treated as a real estate investment trust for U.S. federal income tax purposes. In general, a REIT is a company that:

 pools the capital of many investors to acquire or provide financing for real estate properties;

 allows individual investors to invest in a diversified real estate portfolio managed by a professional management team;

 is required to pay distributions to investors of at least 90% of its taxable income (excluding net capital gain) each year; and

 avoids the U.S. federal double income taxation treatment of income that results from investments in a corporation because a REIT is generally not subject to U.S. federal corporate income tax and excise tax on its net income, so long as it complies with certain tax requirements.

Q: What is an UPREIT?

A: UPREIT stands for Umbrella Partnership Real Estate Investment Trust. An UPREIT is a REIT that holds substantially all of its properties through a partnership in which the REIT (directly or indirectly) holds an interest as a general partner and/or a limited partner, approximately equal to the value of capital raised by the REIT through sales of its capital stock. Using an UPREIT structure may give us an advantage in acquiring properties from persons who may not otherwise sell their properties because of certain unfavorable U.S. federal income tax consequences. Generally, a sale of property directly to a REIT is a taxable sale to the selling property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may in some cases transfer the property to the UPREIT in exchange for limited partnership units in the partnership and defer taxation of gain until the seller later exchanges his limited partnership units on a one-for-one basis for REIT shares or for cash pursuant to the terms of the limited partnership agreement.

Q: What is the experience of your management?

A: Our advisor, Independence Realty Advisors, LLC, is responsible for managing our day-to-day affairs and for identifying and making acquisitions and investments on our behalf. Our advisor's current team of senior management averages approximately 25 years of industry experience among them. Our advisor will select investments for us based on specific investment objectives and criteria and subject to the direction, oversight and approval of our board of directors.

Q: What is your investment strategy?

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- A: Our investment strategy is to acquire a diverse portfolio of multifamily properties located in the United States. We plan to diversify our portfolio by size, property location and risk with the goal of attaining a portfolio of multifamily properties with strong and stable cash flows that will generate attractive distributions for our investors. We expect that we will target primarily core and stabilized multifamily properties that are well leased and produce predictable income. We will also consider the acquisition of properties that require limited capital expenditures, have existing cash flow and offer opportunities for enhanced returns, with a primary focus on multifamily properties and a lesser focus on other asset classes.

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Q: What properties do you currently own?

A: We own six multifamily properties located in five states contributed to us by our sponsor that meet the characteristics of the properties we seek to acquire. These properties were valued at \$103,790,000 for the purposes of the contribution, contain a total of 1,491 rental units and were 91.3% occupied as of December 31, 2010. Our board of directors, including a majority of our independent directors, approved the contribution of these properties from our sponsor and the issuance of limited partner interests in our operating partnership as being fair and reasonable to us and at a price no greater than the costs of these properties to our sponsor. The purchase price for these properties did not exceed their appraised value as performed by nationally recognized appraisal firms that are independent of us and our sponsor and were selected by our independent directors.

Q: If I buy shares of your common stock, will I receive distributions, and if so, how often?

A: To maintain our qualification as a REIT, we are required to make annual aggregate distributions to our stockholders of at least 90% of our taxable income (excluding net capital gain). We are taxed on any undistributed income, including on any net capital gain. Subject to the approval of our board of directors and applicable law, we intend to make distributions to our stockholders on a monthly basis after we achieve the minimum offering, and we intend to make distributions sufficient to meet the annual distribution requirements in order to maintain our qualification as a REIT and to avoid U.S. federal income and excise taxes on our earnings; however, it may not always be possible to do so. We intend to commence distributions in the first month after we achieve the minimum offering. We generally do not intend to fund such distributions from offering proceeds; however, if we have not generated sufficient cash flow from our operations or other sources, such as borrowings, advances from our advisor, our advisor's deferral, suspension and/or waiver of its fees and expense reimbursements, we may use the net proceeds from this offering to fund distributions. Our board of directors may change this policy, in its sole discretion, at any time. We have not established any limit on the amount of proceeds from this offering that may be used to fund distributions, except that, in accordance with our organizational documents and Maryland law, we may not make distributions that would (1) cause us to be unable to pay our debts as they become due in the usual course of business; (2) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences, if any; or (3) jeopardize our ability to qualify as a REIT. Distributions made from offering proceeds are a return of capital to stockholders upon which we will have used to pay offering and organization expenses in connection with this offering.

Q: Can I reinvest my distributions in additional shares of common stock?

A: Yes, you may elect to participate in our distribution reinvestment program by checking the appropriate box on the subscription agreement, or by filling out an enrollment form which we will provide you at your request. The purchase price for shares purchased pursuant to the distribution reinvestment program will be \$9.50 per share until not more than 18 months following the completion of our offering stage and 95% of our net asset value thereafter. We will consider our offering stage complete when we are no longer publicly offering equity securities in a continuous offering, whether through our initial public offering or any future offerings.

Q: Will the distributions I receive be taxable as ordinary income?

A: Distributions that you receive (not designated as capital gain dividends), including distributions reinvested pursuant to our distribution reinvestment program, will be taxed as ordinary income to the extent that they are paid from our earnings and profits (as determined for U.S. federal income tax purposes). However, distributions that we designate as capital gain dividends will generally be taxable as long-term capital gain to the extent they do not exceed our actual net capital gain for the taxable year. Some portion of your distributions may not be subject to tax in the year in which they are received because depreciation expense reduces the amount of taxable income but does not reduce cash available for distribution. The portion of your distribution which is not designated as a capital gain dividend and is in excess of our current and accumulated earnings and profits is considered a return of capital for tax purposes and will reduce the tax basis of your investment, deferring such portion of your tax until your investment is sold or our company is liquidated, at which time you will be taxed at capital gains rates. Please note that each investor's tax considerations are different, therefore, we suggest that you consult with your tax advisor prior to making an investment in our shares.

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Q. Will I receive a stock certificate?

- A. No. You will not receive a stock certificate unless expressly authorized by our board of directors. We anticipate that all shares of our common stock will be issued in book-entry form only. The use of book-entry registration protects against loss, theft or destruction of stock certificates and reduces the offering costs.

Q. What happens if we do not raise the minimum \$2,500,000 in this offering?

- A. We will not sell any shares of our common stock unless we sell a minimum of \$2,500,000 in shares to the public by [], 2012 (one year from the date of the effective date of this prospectus), unless the offering is extended in the states that permit such extension. Pending satisfaction of the minimum offering requirement, all subscription payments will be placed in escrow in trust for the subscribers' benefit pending release to us. If we do not sell the minimum number of shares to the public by [], 2012 (one year from the effective date of this prospectus, unless extended), we will terminate this offering and return all subscribers' funds held in escrow, plus interest. If we are successful in raising the minimum offering, the proceeds held in escrow, plus interest, will be released to us.

Q. How do I subscribe for shares of common stock?

- A. Investors who meet the minimum income and net worth standards established for us may purchase shares of our common stock. See Investor Suitability Standards of this prospectus. Investors that would like to purchase shares of our common stock should:

Read the entire final prospectus and any appendices and supplements accompanying the final prospectus;

Complete and sign the subscription agreement, a copy of which is included in this prospectus as Appendix C.

Deliver a check for the full purchase price of the shares of our common stock being subscribed for along with the completed subscription agreement to the registered broker-dealer or investment advisor. Initially, your check should be made payable to UMB Bank, N.A., as escrow agent for Independence Realty Trust. After we meet the minimum offering requirements, your check should be made payable to Independence Realty Trust, except that Tennessee and Pennsylvania investors should continue to make checks payable to UMB Bank, N.A., as escrow agent for Independence Realty Trust until we have received and accepted subscriptions for \$25 million and \$50 million, respectively, in the aggregate.

The subscription agreement requires you to make the following factual representations:

Your tax identification number set forth in the subscription agreement is accurate and you are not subject to backup withholding;

You received a copy of our final prospectus not less than five business days prior to signing the subscription agreement;

You meet the minimum income, net worth and any other applicable suitability standards established for you;

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You are purchasing our common stock for your own account; and

You acknowledge that our shares are not liquid.

Each of the above representations is included in the subscription agreement in order to help us satisfy our responsibility, which our dealer manager will undertake as our agent, to make every reasonable effort to determine that the purchase of our common stock is a suitable and appropriate investment for you and that appropriate income tax reporting information is obtained. We will not sell any common stock to you unless you are able to make the above factual representations by executing the subscription agreement. You must separately sign or initial each representation made in the subscription agreement and, except in the case of fiduciary accounts, you may not grant any person a power of attorney to make such representations on your behalf.

By executing the subscription agreement, you will not be waiving any rights under federal or state law.

Q: How will the payment of fees and expenses affect my invested capital?

A: We will pay selling commissions and dealer manager fees in connection with this offering. In addition, we will reimburse our advisor for our organization and offering expenses not to exceed, together with the dealer manager fees and selling commissions, 15% of the gross proceeds of our offering. We estimate such expenses will be approximately 1.0% of the gross offering proceeds raised if we achieve the maximum offering. We will not pay any acquisition fees in connection with our purchase of properties. The payment of fees and expenses will reduce the funds available to us for investment in properties.

Q: How does a best efforts offering work?

A: When securities are offered to the public on a best efforts basis, the broker-dealers participating in the offering are only required to use their best efforts to sell the securities and have no firm commitment or obligation to purchase any of the offered securities. Therefore, no specified dollar amount is guaranteed to be raised.

Q: Who can buy shares of your common stock?

A: Generally, you can buy shares of our common stock pursuant to this prospectus provided that you have either (i) a net worth of at least \$250,000 or (ii) an annual gross income of at least \$70,000 and a net worth of at least \$70,000. For this purpose, net worth does not include your home, home furnishings or personal automobiles. Please note that some states impose higher minimum levels than the limits above and/or additional restrictions on your investment. See the more detailed descriptions of investor requirements in the Investor Suitability Standards section of this prospectus.

Q: Is there any minimum investment required?

A: Generally, the required minimum investment is \$2,000, except for purchases by our existing stockholders, including purchases made pursuant to our distribution reinvestment program. Please note that certain states have imposed higher minimum investment amounts.

Q: If I buy shares of common stock in this offering, how can I subsequently sell them?

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- A: At the time you purchase shares of our common stock, they will not be listed for trading on any national securities exchange or national market system. Moreover, there will not be a public market for the shares when you purchase them and a public market may never develop. As a result, it may be difficult to find a buyer for your shares. You may, however, sell your shares to any buyer unless such sale would violate federal or state securities laws or cause any person or entity to directly or indirectly own more than 9.8% in value or in number, whichever is more restrictive, of outstanding shares of our common stock, unless otherwise excepted by our board of directors or charter.

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If you meet the limited qualifications to participate in our share repurchase program, you may be able to sell your shares to us. We may repurchase shares from stockholders through the program, from time to time, at prices ranging from the 92.5% of the then-current share value to 100% of the then-current share value (or the average purchase price per share paid by such stockholder if that is a lesser amount), depending on how long the stockholder has owned shares. Our board of directors, in its sole discretion, may change these repurchase prices. Stockholders who have held their shares for at least one year may request that we repurchase any number of shares by submitting a repurchase request, the form of which is available on our website to our repurchase agent. However, if a stockholder dies prior to or after owning the shares for one year, the one-year holding period will not be applicable, and any shares held for less than one year by the deceased will be repurchased at a price equal to the lesser of 100% of the then-current share value or the purchase price paid per share paid by such stockholder. We will effect all repurchases on the last business day of the calendar month or any other business day that may be established by our board of directors. Please see the section of our prospectus titled "Share Repurchase Program" for more information.

In the case of any repurchases other than upon the death of a stockholder, we are authorized to use only the proceeds from our distribution reinvestment program during that month and we will limit the number of shares repurchased during any calendar year to 5.0% of the number of shares of common stock outstanding on December 31st of the previous calendar year. In the case of repurchases made upon the death of a stockholder, we are authorized to use any funds to complete the repurchase, and neither the limit regarding funds available from the distribution reinvestment program nor the 5.0% limit will apply. The share repurchase program will immediately terminate if our shares are listed on any national securities exchange. In addition, our board of directors, in its sole discretion, may at any time amend, suspend (in whole or in part), or terminate our share repurchase program, without prior notice to stockholders. Further, our board reserves the right in its sole discretion to reject any requests for repurchases. Our board of directors may reject requests at any point prior to the date of repurchase.

Q: Do you intend to list your common stock? If not, is there any other planned liquidity event?

A: We presently intend to consider alternatives for providing liquidity to our stockholders beginning five to seven years from the completion of our offering stage. We will consider our offering stage complete when we are no longer publicly offering equity securities in a public offering, whether through this offering or follow-on offerings. For this purpose, we do not consider a public offering of equity securities to include offerings on behalf of selling stockholders or offerings related to a distribution reinvestment plan, employee benefit plan or the redemption of interests in our operating partnership. While we expect to seek a liquidity transaction in this time frame, there can be no assurance that a suitable transaction will be available or that market conditions for a transaction will be favorable during that time frame. Our board of directors has the discretion to consider a liquidity transaction, such as listing our common stock on a national securities exchange, at any time if it determines such event to be in our best interests. If we do not begin the process of listing our shares of common stock on a national securities exchange by the end of the mentioned period, or have not otherwise completed a liquidity transaction by such date, our charter requires that our board of directors determine, at least annually, whether a liquidity transaction is in our best interest.

Q: Will I receive notification as to how my investment is doing?

A: You will receive periodic reports on the performance of your investment with us, including:

an annual report that updates and details your investment;

an annual report, including audited financial statements, as filed with the Securities and Exchange Commission;

an annual IRS Form 1099-DIV; and

supplements to the prospectus, as may be required by the federal securities laws.

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Q: When will I receive my tax information?

A: We intend to mail your IRS Form 1099-DIV tax information by January 31st of each year.

Q: Who can I contact to answer questions I may have?

A: If you have any questions regarding the offering or if you would like additional copies of this prospectus, please contact your registered representative or:

Independence Realty Trust, Inc.

Cira Centre

2929 Arch Street

17th Floor

Philadelphia, Pennsylvania 19104

Tel: (215) 243-9000

Attention: Investor Relations

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PROSPECTUS SUMMARY

This summary highlights some of the material information contained elsewhere in this prospectus. Because it is only a summary, it may not contain all of the information that is important to you. To understand this offering fully, you should read the entire prospectus and its appendices carefully, including the Risk Factors section and the financial statements, before you decide to invest in our common stock. Except where the context suggests otherwise, the terms company, we, us and our refer to Independence Realty Trust, Inc., a Maryland corporation. We refer to: Independence Realty Advisors, LLC, a Delaware limited liability company, as our advisor; Independence Realty Operating Partnership, LP, a Delaware limited partnership, as our operating partnership; Independence Realty Securities, LLC, a Delaware limited liability company, as our dealer manager; Jupiter Communities, LLC, a Delaware limited liability company, as Jupiter or our property manager; and RAIT Financial Trust, a Maryland REIT, as our sponsor. We, our advisor and our operating partnership were acquired by our sponsor on January 20, 2011 from Empire American Holdings, LLC, or Empire, and our dealer manager was acquired by our sponsor on March 2, 2011 from Empire, and as a result we have no further affiliation with Empire.

Independence Realty Trust, Inc.

We are a Maryland corporation and we intend to qualify and elect to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, or the Code, beginning with the taxable year ending December 31, 2011. We intend to use substantially all of the net proceeds from this offering to acquire a diversified portfolio of multifamily properties with strong and stable cash flows that will generate attractive distributions for our investors, with a primary focus on core and stabilized multifamily properties that are well leased and produce predictable income. We intend to implement a strategy at our multifamily properties that we believe will increase rents, tenant retention and property values.

Our principal executive offices are located at Cira Centre, 2929 Arch Street, 17th Floor, Philadelphia, Pennsylvania 19104, our telephone number is (215) 243-9000, and our website address is www.irtreit.com. The contents of that website are not incorporated by reference or otherwise made part of this prospectus.

Our Sponsor

Since 1997, RAIT Financial Trust (NYSE: RAS), our sponsor, has provided debt financing for multifamily owners and operators. Our sponsor employs over 400 real estate professionals and staff. Beginning in 2008, it implemented an investment strategy to own multifamily properties by taking ownership of these assets directly, oftentimes subject to the existing financing provided by our sponsor. Multifamily assets are the collateral for 35% of our sponsor's \$1.2 billion commercial loan portfolio as of December 31, 2010, making it the largest asset class in the loan portfolio. In anticipation of investing directly in multifamily assets, our sponsor acquired majority ownership of Jupiter Communities, LLC, our property manager, in May 2009. The expertise and national reach of our property manager's business enabled our sponsor to acquire properties that were operating below acceptable occupancy and net operating income levels with the intent to restore these properties to investment grade performance levels.

Executing on its acquisition strategy, our sponsor increased its multifamily portfolio from nine investments to 33 during the two years ended December 31, 2010. Our sponsor now owns \$602 million of multifamily properties with 8,311 units in 13 states. The occupancy has increased from 77.7% at December 31, 2009 to 85.5% at December 31, 2010 with \$728 of average effective rent per unit per month.

Our sponsor, through several wholly owned subsidiaries, owns approximately \$40 million of limited partner interests in our operating partnership as a result of its contribution of six properties and cash to us on April 29, 2011. See Initial Portfolio for more information about the contribution.

Certain officers and directors of our sponsor and its affiliates also have senior management positions with us. The positions and biographical information for these directors and officers can be found below in Management Our Directors and Officers.

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Terms of the Offering

We are offering a minimum of \$2,500,000, and a maximum of \$1,000,000,000, in shares of our common stock in this offering. These shares are being offered on a best efforts basis through our dealer manager at \$10.00 per share, subject to volume discounts and other discounts in some cases as described in the Plan of Distribution section of this prospectus. An offering on a best efforts basis is one in which the securities dealers participating in the offering are under no obligation to purchase any of the securities being offered, and therefore, no specified number of securities are guaranteed to be sold and no specified amount of money is guaranteed to be raised from the offering. In addition, we are offering up to 10,000,000 shares of our common stock at \$9.50 per share to stockholders who elect to participate in our distribution reinvestment program. We reserve the right to reallocate the shares of common stock registered in this offering between the primary offering and the distribution reinvestment program.

If we do not sell the minimum of \$2,500,000 in shares before [], 2012, this offering will be terminated and our escrow agent will promptly send you a full refund of your investment (with interest) and without deduction for escrow expenses. However, our board of directors may extend the offering in the states that permit us to make such an extension.

Summary Risk Factors

An investment in shares of our common stock involves a number of risks which are described in detail in the Risk Factors section. If we are unable to effectively manage the impact of these risks, we may not meet our investment objectives, and therefore, you may lose some or all of your investment. Some of the more significant risks relating to this offering and an investment in our shares include:

Since this is a blind pool offering and we have no operating history or established financing sources, other than the six properties we acquired from our sponsor, you will not have the opportunity to evaluate our investments before we make them, thus making your investment more speculative;

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We acquired six properties from our sponsor and our sponsor may provide financing for properties we may acquire. As a result, there may be conflicts of interest between our interests and those of our sponsor, as well as risks relating to financing arrangements between us and our sponsor;

No public market currently exists, or may ever exist, for shares of our common stock and our shares are, and may continue to be, illiquid;

There are significant risks associated with maintaining as high level of leverage as permitted under our charter (which permits leverage of up to 75% of the cost of all of our net assets);

Our investment objectives and strategies may be changed without stockholder consent;

We are obligated to pay substantial fees to our advisor and its affiliates, including fees payable upon the sale of properties and our incentive advisor fee structure may result in our advisor recommending riskier or more speculative investments;

There are numerous conflicts of interest between the interests of investors and our interests or the interests of our advisor, our sponsor, and their respective affiliates;

If we are unable to make distributions with our cash flows from our operations, we may pay distributions from any other source, including, without limitation, the sale of assets, borrowings or offering proceeds. Subject to certain limited exceptions, there is no limits to the amount of distributions that we may pay from these sources. Distributions not paid from cash flows from operations could reduce the cash available to us, could constitute a return of capital to stockholders and could cause subsequent investors to experience immediate dilution;

Continued adverse economic conditions could impair our tenants ability to make rental payments and reduce the demand for rental space;

As long as we maintain our status as a REIT for U.S. federal income tax purposes, five or fewer individuals are generally prohibited from beneficially owning more than 50% of our outstanding shares during the last half of each taxable year, making it more difficult to sell your shares to large investors;

If only the minimum number of shares is sold in this offering, our ability to diversify our investments will be limited;

If we fail to qualify or continue to qualify a REIT and no relief provisions apply, our cash available for distribution to our stockholders could materially decrease; and

Our share repurchase program is subject to numerous restrictions, may be cancelled at any time and should not be relied upon as a means of liquidity.

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Conflicts of Interest

Conflicts of interest may exist between us and some of our affiliates, including our sponsor and our advisor. Some of these potential conflicts include:

Our acquisition of properties from our sponsor and our sponsor's ability to provide financing to us for acquisitions of properties;

Competition for the time and services of personnel that work for us and our affiliates;

Substantial compensation payable by us to our advisor, property manager, dealer manager and affiliates for their various services, which may not be on market terms and is payable, in some cases, whether or not our stockholders receive distributions;

The possibility that we may acquire or consolidate with our advisor;

The possibility that we may do business with entities that have pre-existing relationships with our affiliates which may result in a conflict between our business and the ongoing business relationships our affiliates have with each other;

The possibility that our advisor, its officers and their respective affiliates will face conflicts of interest relating to the purchase and leasing of properties, and that such conflicts may not be resolved in our favor, thus potentially limiting our investment opportunities, impairing our ability to make distributions and reducing the value of your investment in us;

The possibility that our advisor and its affiliates may make recommendations to us that we buy, hold or sell property or other investments in order to increase their own compensation;

The possibility that when we acquire properties from our sponsor, the price may be higher than we would pay if the transaction were the result of arm's length negotiations with a third party, but we will only do so if our directors, including a majority of our independent directors, approves the investment and only if there is substantial justification for such excess price and such excess is reasonable; and

The possibility that our advisor and its affiliates, including our officers (some of whom are also our directors), will face conflicts of interest caused by their ownership of our advisor and their roles with other programs, resulting in actions that are not in the long-term best interests of our stockholders.

Conflicts of interest may also arise in connection with the potential sale or refinancing of our properties or the enforcement of agreements. See the "Conflicts of Interest" section for more details on these and other conflicts of interest.

Investment Objectives

Our primary investment objectives are to:

pay attractive and consistent cash distributions;

preserve invested capital; and

provide a diversified direct investment in multifamily properties.

Investment Strategy

Using substantially all of the net proceeds from this offering, we intend to achieve our investment objectives by acquiring a diverse portfolio of multifamily properties located in the United States. We plan to diversify our portfolio by size, property location and risk. We will target primarily core and stabilized multifamily properties that are well leased and produce predictable income. To a lesser extent we will seek to acquire properties that require limited capital expenditures, have existing cash flow and offer opportunities for enhanced returns, with a primary focus on multifamily properties and a lesser focus on other asset classes. We believe the probability of meeting our investment objectives will be maximized through the careful selection and underwriting of assets. When considering an investment opportunity, we will generally evaluate the following: the performance and risk characteristics of that investment; how that investment will fit within our target portfolio objectives; and the expected returns of that investment relative to the risk characteristics of that investment and to other investment alternatives.

We intend to allocate approximately 70% of our portfolio to investments in well-located, quality multifamily properties with strong and stable cash flows, typically located in supply constrained sub-markets with relatively high expectations of rent growth. As appropriate, we intend to implement strategies at these properties that we anticipate will create sustainable long-term increases in property value and generate attractive returns for our investors by, among other benefits, generating higher rental revenue and reducing resident turnover. We intend to allocate approximately 30% of our portfolio to investments in properties that require limited capital expenditures, have existing cash flow and offer opportunities for enhanced returns, with a primary focus on multifamily properties and a lesser focus on other asset classes. The above summarizes our targeted portfolio; however, we may make adjustments at any time based on, among other things, prevailing real estate market conditions and the availability of attractive investment opportunities.

Our ability to diversify our portfolio will depend on, among other things, prevailing real estate market conditions, prevailing credit market conditions, our ability to raise funds in this offering and the availability of attractive investment opportunities. Although our focus is on multifamily properties, our charter does not restrict us from acquiring other types of properties and we will not forego an attractive investment because it does not fit within our targeted asset class or portfolio composition. We are making this offering on a best efforts basis, and the offering is conditioned on the sale of at least \$2,500,000 in shares of common stock. Because this offering will be made on a best efforts basis, our potential profitability and our ability to diversify our investments will be limited by the amount of funds we raise. If we are unable to raise additional funds, we may not be able to execute our diversification strategy, which may adversely affect your investment. Further, we do not anticipate diversifying our investments in properties by industry, that is, we plan to invest primarily in the multifamily industry. Therefore, a downturn in such industry will likely have a more pronounced effect on the amount of cash available to us for distribution or on the value of our assets than if we had diversified our investments by industry.

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Initial Portfolio

On April 29, 2011, six wholly owned subsidiaries of our sponsor contributed to us six multifamily properties located in five states that meet the characteristics of the properties we seek to acquire, in exchange for our assumption of the indebtedness associated with those properties and limited partner interests in our operating partnership. Our board of directors, including a majority of our independent directors, approved the contribution of these properties as being fair and reasonable to us and at a price no greater than the costs of these properties to our sponsor. The aggregate purchase price for the properties was \$103.8 million, of which we assumed \$64.6 million in mortgage debt and our operating partnership issued \$39.2 million in limited partner interests. The six properties were appraised by nationally recognized appraisal firms that are independent of us and our sponsor and were selected by our independent directors, and the purchase price of each property did not exceed its appraised value at the time of the contribution.

We completed the contribution agreement for the following reasons:

as a result of the contribution, our sponsor has invested approximately \$40 million in our operating partnership, which aligns our sponsor's interest with those of our stockholders;

our property manager has successfully leased these properties at an occupancy rate of greater than 90% as of December 31, 2010;

the portfolio is generating approximately \$12.7 million in annual revenue, which will help us pay distributions to our stockholders; and

the initial portfolio is entirely consistent with our investment strategy.

Belle Creek. The Belle Creek property is located in the Northglenn/Thornton submarket of the Denver, Colorado metropolitan statistical area. Belle Creek was constructed in 2002 as a garden style apartment community with eight three-story buildings on 31.9 acres of land. Belle Creek contains 161 units, including 6,256 square feet of retail space.

Copper Mill. The Copper Mill property is located in the Far North Central submarket of the Austin, Texas metropolitan statistical area. Copper Mill was constructed in 1984 and contains 320 units on 13.6 acres of land. Copper Mill underwent a capital improvement program from 2007 to 2010. Copper Mill is a garden style apartment community with 23 two-story buildings. Property amenities include gated entry, a clubhouse, two swimming pools and 326 open lot parking spaces.

Crestmont. The Crestmont property is located in the Marietta submarket of the Atlanta, Georgia metropolitan statistical area. Crestmont was constructed in 1987 and contains 228 units on 19.4 acres of land. Crestmont underwent a capital improvement program from 2007 to 2010. Crestmont is a garden style apartment community with 15 two- and three-story buildings. Property amenities include a leasing office, a swimming pool, two lighted tennis courts, a playground, a laundry room, a car wash and vacuum area and a maintenance shop.

Cumberland Glen. The Cumberland Glen property is located in the Smyrna submarket of the Atlanta, Georgia metropolitan statistical area. Cumberland Glen was constructed in 1986 and contains 222 units on 13.97 acres of land. Cumberland Glen underwent a capital improvement program from 2007 to 2010. Cumberland Glen is a garden style apartment community with 11 three-story buildings. Property amenities include laundry facility, swimming pool, tennis courts, fitness center, privacy gates, car wash facility, Jacuzzi, as well as 442 surface parking spaces.

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Heritage Trace. The Heritage Trace property is located in the Newport News submarket of the Norfolk, Virginia metropolitan statistical area. Heritage Trace was constructed in 1973 and contains 200 units on 19.7 acres of land. Heritage Trace underwent a capital improvement program from 2007 to 2010. Heritage Trace is a garden style apartment community with 13 two-story buildings. Property amenities include a leasing office, a swimming pool, a playground, laundry facilities and 400 surface parking spaces.

Tresa at Arrowhead. The Tresa at Arrowhead property is located in the Peoria/Sun City submarket of the Phoenix, Arizona metropolitan statistical area. Tresa was constructed in 1998 and contains 360 units on 20 acres of land. Tresa is a garden style apartment community with 37 one- and two-story buildings. Project amenities include three pools and spas, a clubhouse/leasing center with a movie theatre and kitchen area, a full fitness center with a tanning bed and sauna, a business center, gated access, and open green areas.

The six properties contributed by our sponsor are subject to encumbrances based on the \$64.6 million of mortgage indebtedness we will assume in connection with their contribution. The weighted average interest rate of this mortgage indebtedness is 4.0%. Each of these mortgages is a non-recourse obligation subject to customary exceptions and are interest-only. None of these mortgages are cross-defaulted or cross-collateralized to any other indebtedness. The loans associated with the mortgages may be prepaid but in some cases are subject to prepayment penalties. Our advisor is currently seeking to refinance four of the six properties with third party financing.

Financing Strategy

We intend to utilize leverage in making our investments. The number of different investments we will acquire will be affected by numerous factors, including the amount of funds available to us. By operating on a leveraged basis, we will have more funds available for our investments. This will allow us to make more investments that would otherwise be possible, resulting in a larger and more diversified portfolio. See the Risk Factors section of this prospectus for more information about the risks related to operating on a leveraged basis.

As set forth in our investment guidelines, we intend to limit our aggregate leverage to 65% of the combined initial purchase price of all of our real estate properties after we have acquired a substantial portfolio of diversified investments. During the period when we are beginning our operations, we may employ greater leverage in order to more quickly build a diversified portfolio of assets.

Our secured and unsecured aggregate borrowings will be reasonable in relation to our net assets and will be reviewed by our board of directors at least quarterly. In determining whether our borrowings are reasonable in relation to our net assets, we expect that our board of directors will consider many factors, including without limitation, the lending standards of government-sponsored enterprises, such as Fannie Mae and Freddie Mac, for loans in connection with the financing of multifamily properties, the leverage ratios of publicly traded and non-traded REITs with similar investment strategies, whether we have positive leverage (in that, the board will compare the capitalization rates of our properties to the interest rates on the indebtedness of such properties) and general market conditions. Pursuant to our charter, the maximum amount of these borrowings in relation to net assets will not exceed 300% of net assets (equivalent to 75% of the cost of our net assets) in the absence of a satisfactory showing that a higher level of borrowing is appropriate, approval by a majority of independent directors and disclosure to our stockholders. Net assets means our total assets, other than intangibles, at cost before deducting depreciation, reserves for bad debts or other non-cash reserves less our total liabilities, calculated at least quarterly on a basis consistently applied. Any excess in borrowing over this 300% level must be approved by a majority of independent directors and disclosed to our stockholders in our next quarterly report, along with justification for such excess.

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Subject to these limitations set forth in our charter, there is no limitation on the amount that we may borrow for any single investment.

Our Dealer Manager

Independence Realty Securities, LLC, a Delaware limited liability company and one of our affiliates, will serve as our dealer manager for this offering. Our dealer manager is located at 25 Philips Parkway, Montvale, NJ 07645 and its telephone number is (201) 326-6982.

Our Advisor

Our advisor is Independence Realty Advisors, LLC, a Delaware limited liability company formed on March 26, 2009, which is responsible for managing our day-to-day business operations and acquiring investments on our behalf. Under the terms of the advisory agreement, our advisor undertakes to use its best efforts to present to us investment opportunities consistent with our investment policies and objectives as adopted by our board of directors. Our advisor is located at Cira Centre, 2929 Arch Street, 17th Floor, Philadelphia, Pennsylvania 19104 and its telephone number is (215) 243-9000.

Our Management

We are managed by our board of directors, the members of which are accountable to us and our stockholders as fiduciaries. Our board of directors, including a majority of independent directors, must approve each investment proposed by our advisor. Notwithstanding the foregoing, our advisor may purchase on our account, without the prior approval of the board of directors, properties whose purchase price is less than \$15,000,000, so long as the investment in the property would not, if consummated, violate our investment guidelines or any restrictions on indebtedness and the consideration to be paid for such properties does not exceed the fair market value of such properties, as determined by a qualified independent real estate appraiser selected by our advisor. We have five board members, three of whom are independent. Our independent directors have responsibility for reviewing, among other things, our advisor's performance.

Our Operating Partnership

We are a holding company and expect to own substantially all of our properties through our operating partnership, Independence Realty Operating Partnership, LP, a Delaware limited partnership. We are the general partner of our operating partnership and have full, exclusive and complete responsibility and discretion in the management and control of the partnership. Our structure is generally referred to as an UPREIT structure. This structure in some cases may enable us to acquire assets from other partnerships and individual owners in a manner that will defer the recognition of gain to the transferors, assuming certain conditions are met. As consideration for the contribution of the properties from our sponsor, our operating partnership issued limited partner interests to our sponsor. See Initial Portfolio.

Our Property Manager

Jupiter Communities, LLC, our property manager, is a Delaware limited liability company formed on April 9, 2009 as an indirect subsidiary of Jupiter Realty Company, a Chicago-based residential and commercial real estate firm established in 1985. Our sponsor owns 75% of our property manager. Our property manager is a full-service multifamily property management company that employs over 300 staff and professionals and manages over 11,000 multifamily units for our sponsor and third parties, including other public companies, who have recognized the expertise provided by our property manager in the markets in which they operate. Our property manager will provide services to us in connection with the rental, leasing, operation and management of our properties. Kellie A. DeVilbiss, the president of our property manager, is a member of the board of managers for our advisor. In this capacity, our advisor will have insights to multiple market trends and competitive opportunities to acquire and enhance the assets we intend to acquire. Our property manager is located at 401 North Michigan Avenue, Suite 1300, Chicago, Illinois. Its telephone number is (312) 924-1601.

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RAIT NTR Holdings, LLC

RAIT NTR Holdings, LLC, a Delaware limited liability company formed on June 3, 2009, holds special limited partnership units, or special units, of our operating partnership described in Compensation below. RAIT NTR Holdings, LLC is indirectly wholly-owned by our sponsor.

Through the sponsor's ownership and control of RAIT NTR Holdings, LLC, the sponsor may be entitled to a subordinated participation right based on the redemption of the special units in connection with our liquidation, or listing on a national stock exchange or the termination of our advisory agreement. These payments to RAIT NTR Holdings, LLC are related to our successful performance and are paid indirectly to the sponsor through this entity for tax reasons that are advantageous to the sponsor and that have no impact on us.

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Organizational Structure

The following chart shows our organizational structure assuming we raise the minimum offering and, alternatively, the maximum offering:

- (1) RAIT Financial Trust directly owns 100% of RAIT General, Inc., which is the general partner of RAIT Partnership, LP, which directly owns 100% of RAIT TRS, LLC. RAIT TRS, LLC directly owns 100% of Independence Realty Advisors, LLC and Independence Realty Securities, LLC.
- (2) RAIT Financial Trust directly owns 100% of RAIT General, Inc., which is the general partner of RAIT Partnership, LP, which directly owns 100% of RAIT NTR Holdings, LLC.
- (3) RAIT Financial Trust indirectly owns 100% of Crestmont Apartments Georgia, LLC, Cumberland Glen Apartments Georgia, LLC, Belle Creek Apartments Georgia, LLC, Creeks At Copper Hills Apartments Texas, LLC, Heritage Trace Apartments Virginia, LLC and Tresa At Arrowhead Arizona, LLC, each of which is a Delaware limited liability company and all of which are contributing properties to our operating partnership in exchange for limited partner units pursuant to the terms of the contribution agreement.
- (4) RAIT Financial Trust directly owns 100% of RAIT General, Inc., which is the general partner of RAIT Partnership, LP, which directly owns 100% of RAIT Jupiter Holdings, LLC, which directly owns 75% of Jupiter Communities, LLC.
- (5) Assumes we will receive general partner units when we contribute the proceeds of this offering to the operating partnership.

Table of Contents**Estimated Use of Proceeds**

The amounts listed in the table below represent our current estimates concerning the use of the offering proceeds. Since these are estimates, they may not accurately reflect the actual receipt or application of the offering proceeds. The first scenario assumes we sell the minimum number of 250,000 shares of common stock in this offering and the second scenario assumes that we sell the maximum number of 100,000,000 shares in this offering, with both scenarios contemplating a price of \$10.00 per share. Our advisor or its affiliates may advance, and we will reimburse for, organizational and offering costs incurred on our behalf, but only to the extent that the reimbursement of the selling commissions, dealer manager fee and organization and offering costs would not cause such organization and offering expenses to exceed 15% of the gross proceeds of our offering. We estimate that at least 88.5% of the money raised in this offering will be used to acquire a diverse portfolio of properties located in the United States. As described above, we acquired six properties from our sponsor in exchange for our assumption of the mortgage indebtedness associated with those properties and the issuance of limited partner interests in our operating partnership to our sponsor. The table below does not give effect to special sales or volume discounts which could reduce selling commissions or any sales pursuant to our distribution reinvestment program and many of the figures represent management's best estimate because they cannot be precisely calculated at this time.

	Minimum Dollar Amount	Percent	Maximum Dollar Amount	Percent
Gross offering proceeds	\$ 2,500,000	100.0%	\$ 1,000,000,000	100.0%
Less offering expenses				
Selling commissions and dealer manager fee ⁽²⁾	250,000	10.0	100,000,000	10.0
Organizational and offering expenses ⁽³⁾	25,000	1.0	10,000,000	1.0
Net proceeds	2,225,000	89.0	890,000,000	89.0
Acquisition costs:				
Acquisition fees ⁽⁴⁾				
Acquisition expenses ⁽⁴⁾	11,125	0.5	4,925,000	0.5
Initial working capital reserves ⁽⁵⁾				
Total proceeds available for investment ⁽¹⁾	\$ 2,213,875	88.5%	\$ 885,075,000	88.5%

- (1) We have not established any limit on the amount of proceeds from this offering that may be used to fund distributions, except that, in accordance with our organizational documents and Maryland law, we may not make distributions that would (1) cause us to be unable to pay our debts as they become due in the usual course of business; (2) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences, if any; or (3) jeopardize our ability to qualify as a REIT. Our ability to pay regular distributions and the size of these distributions will depend upon a variety of factors. If we pay such distributions from offering proceeds, then we will have less offering proceeds available for investment. We intend to commence distributions in the first month after we achieve the minimum offering. We generally do not intend to fund such distributions from offering proceeds; however, if we have not generated sufficient cash flow from our operations and other sources, such as from borrowings, advances from our advisor, our advisor's deferral, suspension and/or waiver of its fees and expense reimbursements, to fund distributions, we may use the offering proceeds. Moreover, our board of directors may change this policy, in its sole discretion, at any time.
- (2) Includes selling commissions equal to 7% of aggregate gross offering proceeds and a dealer manager fee equal to 3% of aggregate gross offering proceeds, both of which are payable to the dealer manager, our affiliate. See Plan of Distribution Volume Discounts for a description of volume discounts. Our dealer manager, in its sole discretion, intends to reallow selling commissions of up to 7% of aggregate gross offering proceeds to unaffiliated broker-dealers participating in this offering attributable to the amount of shares sold by them. In addition, our dealer manager may reallow a portion of its dealer manager fee to participating dealers in the aggregate amount of up to 1.5% of gross offering proceeds to be paid to such participating dealers as marketing fees, based upon such factors as the volume of sales of such participating dealers, the level of marketing support provided by such participating dealers and the assistance of such participating dealers in marketing the offering, or to reimburse representatives of such participating dealers for the costs and expenses of attending our educational conferences and seminars. The amount of selling commissions may often be reduced under certain circumstances for volume discounts.

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- (3) Organization and offering expenses, other than selling commissions and the dealer manager fee consist of reimbursement of actual legal, accounting, printing and other accountable offering expenses, including amounts to reimburse our advisor for marketing, salaries and direct expenses of its employees, and employees of its affiliates while engaged in registering and marketing the shares, including, without limitation, reimbursement of *bona fide* due diligence expenses of broker-dealers included in a detailed and itemized invoice, reimbursement of our advisor for costs in connection with preparing supplemental sales materials, and other marketing, coordination, administrative oversight and organization costs. Our advisor and its affiliates are responsible for the payment of organization and offering expenses, other than selling commissions and the dealer manager fee, to the extent they exceed 1.0% of gross offering proceeds, without recourse against or reimbursement by us; provided, however, that in no event will we pay or reimburse organization and offering expenses (including selling commissions and dealer manager fees) in excess of 15% of the gross offering proceeds. We currently estimate that \$7,261,880 of organization and offering expenses (excluding dealer manager fees and selling commissions) will be incurred if the maximum offering of 100,000,000 shares is sold.
- (4) We will not pay any acquisition fees in connection with our acquisition of properties. Acquisition expenses are estimated by us, for illustrative purposes, based on the prior experience of our sponsor in acquiring the types of assets that we intend to acquire. The actual amount of acquisition expenses cannot be determined at the present time and will depend on numerous factors including the type of asset acquired, the aggregate purchase price paid to acquire the asset, the aggregate amount borrowed, if any, to acquire the asset, the number of assets acquired, and the type of consideration, cash or common stock, used to pay the expenses. Acquisition expenses include legal fees and expenses, travel and communications expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, title insurance premiums and other closing costs and miscellaneous expenses relating to the selection and acquisition of assets, whether or not acquired. For purposes of this table, we have assumed expenses of approximately 0.5% of the contract purchase price; however, expenses on a particular acquisition may be higher. Acquisition fees and expenses for any particular asset will not exceed, in the aggregate, 6% of the contract purchase price of the asset. We will reimburse our advisor for acquisition expenses up to a maximum amount, which collectively with all acquisitions fees and expenses will not exceed, in the aggregate, 6% of the contract price of the asset. For purposes of this prospectus, contract purchase price means the amount actually paid or allocated in respect of the purchase, development, construction or improvement of a property, exclusive of acquisition fees and acquisition expenses, but in each case including any indebtedness assumed or incurred in respect of such investment.
- (5) Although we do not anticipate establishing a general working capital reserve out of the proceeds from this offering, we may establish working capital reserves with respect to particular investments.

REIT Status

If we qualify as a REIT, we generally will not be subject to U.S. federal income or excise tax on income that we distribute to our stockholders. Under the Code, a REIT is subject to numerous organizational and operational requirements, including a requirement that it annually distribute at least 90% of its REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gain) to its stockholders. If we fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, regardless of our distributions to stockholders, and we may be precluded from qualifying for treatment as a REIT for the four-year period following our failure to qualify. Even if we qualify for treatment as a REIT, we may still be subject to state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed income.

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We will pay our advisor and its affiliates fees and reimburse certain expenses for services rendered to us. The most significant items of compensation and reimbursement are outlined in the table below. For a more complete explanation of the fees and expenses, as well as restrictions on compensation, see the Compensation Table and Management sections.

Type of Compensation	Determination of Amount	Estimated Amount for
		Maximum Offering (100,000,000 Shares)
<i>Offering Stage</i>		
Selling Commissions	Payable to our dealer manager up to 7% of gross offering proceeds before reallowance of commissions earned by participating broker-dealers. Our dealer manager intends to reallow all or a portion of the commissions earned for those transactions that involve participating broker dealers.	\$70,000,000
Dealer Manager Fee	Payable to our dealer manager up to 3% of gross offering proceeds before reallowance to participating broker-dealers. Our dealer manager, in its sole discretion, may reallow a portion of its dealer manager fee of up to 1.5% of the gross offering proceeds to be paid to such participating broker-dealers.	\$30,000,000
Organization and Offering Expenses	We will pay our advisor up to 1.0% of the gross offering proceeds for organizational and offering expenses (other than dealer manager fees and selling commissions). We currently estimate that \$7,261,880 of organizational and offering expenses will be incurred if the maximum offering is achieved. Our advisor and its affiliates are responsible for the payment of organization and offering expenses, other than selling commissions and the dealer manager fee, to the extent they exceed 1.0% of gross offering proceeds, without recourse against or reimbursement by us; provided, however, that in no event will we pay or reimburse organization and offering expenses (including dealer manager fees and selling commissions) in excess of 15% of the gross offering proceeds.	\$7,261,880
<i>Operational Stage</i>		
Acquisition Fees	None.	Not applicable.

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Type of Compensation	Determination of Amount	Estimated Amount for
Acquisition Expenses	Expenses reimbursed to our advisor incurred in connection with the purchase of an asset. We have assumed that acquisition expenses will equal approximately 0.5% of the contract purchase price. The acquisition fees and expenses for any particular asset, including amounts payable to affiliates, will not exceed, in the aggregate, 6% of the contract purchase price (including any mortgage assumed) of the asset. Our advisor will be paid acquisition expenses and we will reimburse our advisor for acquisition expenses only to the extent that acquisition fees and acquisition expenses collectively do not exceed 6% of the contract price of our assets.	Maximum Offering (100,000,000 Shares) \$4,925,000 (or \$14,071,429 assuming that we incur our expected leverage set forth in our investment guidelines or \$19,700,000 assuming the maximum amount of leverage permitted by our charter.)
Asset Management Fees	Payable to our advisor in the amount of 0.75% of average invested assets. Average invested assets means the average of the aggregate book value of our assets invested in interests in, and loans secured by, real estate before reserves for depreciation or bad debt or other similar non-cash reserves. We will compute the average invested 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 will be payable quarterly in an amount equal to 0.1875% of average invested assets as of the last day of such quarter. We will also reimburse our advisor for expenses that it pays on our behalf.	Not determinable at this time because the fee is based on a fixed percentage of aggregate asset value; there is no maximum dollar amount of this fee.
Property Management and Leasing Fees	Payable to our property manager on a monthly basis in the amount of up to 4% of the gross revenues. 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 arm's 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.	Not determinable at this time because the fee is based on a fixed percentage of gross revenue and/or market rates; there is no maximum dollar amount of this fee.

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Type of Compensation	Determination of Amount	Estimated Amount for
		Maximum Offering (100,000,000 Shares)
Operating Expenses	<p>We will reimburse our advisor for all expenses paid or incurred by our advisor in connection with the services provided to us, subject to the limitation that we will not reimburse our advisor for any amount by which our operating expenses (including the asset management fee and the financing coordination fee) at the end of the four preceding fiscal quarters (commencing on the fourth fiscal quarter after we make our first investment) exceeds the greater of: (A) 2% of our average invested assets, or (B) 25% of our net income determined without reduction for any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of our assets for that period.</p> <p>Notwithstanding the above, we may reimburse our advisor for expenses in excess of this limitation if a majority of the independent directors determines that such excess expenses are justified based on unusual and non-recurring factors. We will not reimburse our advisor or its affiliates for personnel employment costs incurred by our advisor or its affiliates in performing services under the advisory agreement to the extent that such employees perform services for which the advisor receives a separate fee.</p>	Not determinable at this time.
Financing Coordination Fee	<p>If our advisor provides services in connection with the financing of any debt that we obtain, we will pay the advisor a financing coordination fee equal to 1% of the amount available and/or outstanding under such financing, subject to certain limitations. We will not pay a financing coordination fee in connection with debt provided by our sponsor. The services our advisor may perform include, without limitation, searching for lenders in connection with a proposed refinancing and negotiating the terms of any proposed refinancing with such lenders. Our advisor may reallocate some or all of this fee to reimburse third parties that it retains to procure any such refinancing.</p>	Not determinable at this time because the fee is based on a fixed percentage of any debt financing; there is no maximum dollar amount of this fee.

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Type of Compensation	Determination of Amount <i>Liquidation Distributions</i>	Estimated Amount for Maximum Offering (100,000,000 Shares)
Disposition Fee	We may pay our advisor a commission upon the sale of one or more of our properties in an amount equal to the lesser of (a) one-half of the commission that would be reasonable, customary and competitive in light of the size, type and location of the asset or (b) 1% of the sale price of the asset. Payment of such fee may be made only if the advisor provides a substantial amount of services in connection with the sale of the asset. In addition, the amount paid when added to all other commissions paid to unaffiliated parties in connection with such sale shall not exceed the lesser of the commission that would be reasonable, customary and competitive in light of the size, type and location of the asset or an amount equal to 6% of the sale price of such asset.	Not determinable at this time because actual amounts are dependent upon the sale price of specific properties and commissions that would be reasonable, customary and competitive at the time of sale.
Subordinated Participation in Net Sale Proceeds	After investors have received a return of their capital contributions invested and a 7% annual cumulative, non-compounded return, then RAIT NTR Holdings, LLC as holder of the special units is entitled to receive 10% of the remaining net sale proceeds. We cannot assure you that we will provide this 7% return, which we have disclosed solely as a measure for our advisor's and its affiliates incentive compensation.	Not determinable at this time because actual amounts are dependent upon the sale proceeds of specific properties.
Subordinated Participation Upon a Listing	Upon listing our common stock on a national securities exchange, RAIT NTR Holdings, LLC as holder of the special units is entitled to an amount based on the redemption of the special units equal to 10% of the amount, if any, by which (a) the market value of our outstanding stock plus distributions paid by us prior to listing, exceeds (b) the aggregate remaining capital contributed by investors plus an amount equal to a 7% annual cumulative, non-compounded return to investors on their aggregate capital contributed. We have no intent to list our shares at this time. We cannot assure you that we will provide this 7% return, which we have disclosed solely as a measure for our advisor's and its affiliates incentive compensation.	Not determinable at this time because actual amounts are dependent upon the future value of our stock and distributions that may be paid by us.

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Type of Compensation	Determination of Amount	Estimated Amount for
Subordinated Participation Upon a Termination of Advisory Agreement	Upon termination of the advisory agreement, RAIT NTR Holdings, LLC as holder of the special units will be entitled to a subordinated participation payable in the form of an interest bearing promissory note. The subordinated participation, if any, will be equal to 10% of the amount, if any, by which (1) the appraised value of our assets on the termination date, less any indebtedness secured by such assets, plus total distributions paid through the termination date, less any amounts distributable as of the termination date to limited partners who received units in the operating partnership in connection with the acquisition of any assets upon the liquidation or sale of such assets (assuming the liquidation or sale of such assets on the termination date) exceeds (2) the sum of the total amount of capital raised from stockholders (less amounts paid to repurchase shares of our common stock pursuant to our share repurchase plan) and the total amount of cash that, if distributed to them as of the termination date, would have provided them a 7% annual cumulative, pre-tax, non-compounded return on the gross proceeds from the sale of shares of our common stock through the termination date. The subordinated participation will be payable solely from the net proceeds from the sale of properties.	Maximum Offering (100,000,000 Shares) Not determinable at this time because actual amounts are dependent upon the future appraised value of our properties.

Distributions

United States federal income tax law requires that a REIT generally distribute annually at least 90% of its REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gain). In order to qualify for REIT status, we may be required to make distributions in excess of cash available. We intend to make distributions sufficient to meet the annual distribution requirements and to avoid U.S. federal income and excise taxes on our earnings; however, it may not always be possible to do so. For a discussion of the tax treatment of distributions to you, see Certain Material U.S. Federal Income Tax Considerations.

Distributions will be at the discretion of the board of directors. We cannot assure that regular distributions will continue to be made nor that we will maintain any particular level of distributions that we may establish. We intend to commence distributions on a monthly basis after we achieve the minimum offering. We do not intend to fund such distributions from offering proceeds, however, if we have not generated sufficient cash flow from our operations and other sources, such as from borrowings, advances from our advisor, our advisor's deferral, suspension and/or waiver of its fees and expense reimbursements, to fund distributions, we may use the offering proceeds. Moreover, our board of directors may change this policy, in its sole discretion, at any time. Our ability to pay regular distributions and the size of these distributions will depend upon a variety of factors. For example, our borrowing policy permits us to incur short-term indebtedness, having a maturity of 2 years or less, to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT.

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We will be an accrual basis taxpayer, and as such, our REIT taxable income could be higher than the cash available to us. We may therefore borrow to make distributions, which could reduce the cash available to us, in order to distribute 90% of our REIT taxable income as a condition to our election to be taxed as a REIT. To the extent that distributions to stockholders are not designated as capital gain dividends and exceed our earnings and profits (as determined for U.S. federal income tax purposes), such excess amounts would generally constitute a return of capital for U.S. federal income tax purposes, although such distributions might not reduce stockholders' aggregate invested capital. Because our earnings and profits are reduced for depreciation and other non-cash items, a portion of each distribution may constitute a tax-deferred return of capital for U.S. federal income tax purposes.

The amount of distributions will depend upon a variety of factors, including without limitation:

our cash available for distribution;

our overall financial condition;

our capital requirements;

the annual distribution requirements applicable to REITs under U.S. federal income tax laws; and

such other considerations as our board of directors may deem relevant.

We may pay distributions from sources other than from our cash flow from operations. We have not established any limit on the amount of proceeds from this offering that may be used to fund distributions, except that, in accordance with our organizational documents and Maryland law, we may not make distributions that would (1) cause us to be unable to pay our debts as they become due in the usual course of business; (2) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences, if any; or (3) jeopardize our ability to qualify as a REIT. Our inability to acquire properties may result in a lower return on your investment than you expect. We generally do not intend to fund such distributions from offering proceeds, however, if we have not generated sufficient cash flow from our operations and other sources, such as from borrowings, sale of additional securities, advances from our advisor, our advisor's deferral, suspension and/or waiver of its fees and expense reimbursements, to fund distributions, we may use the offering proceeds. Moreover, our board of directors may change this policy, in its sole discretion, at any time. If we fund distributions from the proceeds of this offering, we will have less funds available for acquiring properties. Our inability to acquire properties may