

INDEPENDENCE REALTY TRUST, INC
Form 10-Q
November 10, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2011

OR

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

For the transition period from to

Commission file number 333-173391

INDEPENDENCE REALTY TRUST, INC.

(Exact Name of Registrant as Specified in Its Charter)

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Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

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

Cira Centre
2929 Arch St., 17th Floor

Philadelphia, PA
(Address of Principal Executive Offices)

19104
(Zip Code)

(215) 243-9000

(Registrant's Telephone Number, Including Area Code)

N/A

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

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

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

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

Large Accelerated filer Accelerated filer
Non-Accelerated filer Smaller reporting company

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

As of November 8, 2011 there were 20,000 shares of the Registrant's common stock issued and outstanding.

The registrant meets the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and is filing this Form with the reduced disclosure format.

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

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

	As of September 30, 2011	As of December 31, 2010
ASSETS:		
Investments in real estate, net of accumulated depreciation of \$7,672 and \$0, respectively	\$ 101,206	\$ 0
Cash and cash equivalents	1,210	209
Restricted cash	1,157	0
Accounts receivable and other assets	378	0
Deferred costs, net of accumulated amortization of \$6 and \$0, respectively	257	0
Total assets	\$ 104,208	\$ 209
LIABILITIES AND EQUITY:		
Mortgage indebtedness	\$ 64,575	\$ 0
Accounts payable and accrued expenses	1,468	2
Other liabilities	482	0
Total liabilities	66,525	2
Equity:		
Stockholder's equity:		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized, no shares issued and outstanding	0	0
Common stock, \$0.01 par value; 300,000,000 shares authorized, 20,000 shares issued and outstanding	0	0
Additional paid-in capital	200	200
Retained earnings (accumulated deficit)	(82)	5
Total stockholder's equity	118	205
Non-controlling interest	37,565	2
Total equity	37,683	207
Total liabilities and equity	\$ 104,208	\$ 209

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

Table of Contents**Independence Realty Trust, Inc. and Subsidiaries****Consolidated Statements of Operations**

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

	For the Three-Month Periods Ended September 30		For the Nine-Month Periods Ended September 30	
	2011	2010	2011	2010
REVENUE:				
Rental income	\$ 2,855	\$ 0	\$ 4,788	\$ 0
Tenant reimbursement and other property income	166	0	273	0
Other income	201	0	335	5
Total revenue	3,222	0	5,396	5
EXPENSES:				
Property operating expenses	1,721	0	2,825	0
General and administrative expenses	249	0	348	0
Acquisition expenses	58	0	404	0
Depreciation and amortization	630	0	1,083	0
Total expenses	2,658	0	4,660	0
Operating Income	564	0	736	5
Interest expense	(629)	0	(1,053)	0
Net income (loss) before income taxes:	(65)	0	(317)	5
Income tax provision	0	(1)	0	(1)
Net income (loss):	(65)	(1)	(317)	4
Loss allocated to non-controlling interest	17	0	233	0
Net income (loss) allocable to common shares	\$ (48)	\$ (1)	\$ (84)	\$ 4
Earnings (loss) per share:				
Basic	\$ (2.40)	\$ (0.06)	\$ (4.20)	\$ 0.20
Diluted	\$ (2.40)	\$ (0.06)	\$ (4.20)	\$ 0.09
Weighted-average shares:				
Basic	20,000	20,000	20,000	20,000
Diluted	20,000	20,000	20,000	44,729

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

Table of Contents**Independence Realty Trust, Inc. and Subsidiaries****Consolidated Statements of Cash Flows****(Unaudited and dollars in thousands)**

	For the Nine-Month Periods Ended September 30	
	2011	2010
Cash flows from operating activities:		
Net income (loss)	\$ (317)	\$ 4
Depreciation and amortization	1,083	0
Amortization of deferred financing costs	6	0
Changes in assets and liabilities:		
Accounts receivable and other assets	(378)	0
Accounts payable and accrued expenses	1,088	(1)
Other liabilities	(31)	0
Net cash from operating activities	1,451	3
Cash flows from investing activities:		
Acquisition of real estate properties	(644)	0
Capital expenditures	(556)	0
Increase in restricted cash	177	0
Net cash from investing activities	(1,023)	0
Cash flows from financing activities:		
Proceeds from issuance of non-controlling interests	1,250	0
Payments for deferred financing costs	(263)	0
Proceeds from repayment of short-term notes	0	(200)
Issuance of short-term notes	0	200
Proceeds from subscriptions	0	1,130
Subscriptions payable	0	(1,130)
Distributions on common stock	(2)	0
Distributions to non-controlling interests	(412)	0
Net cash from financing activities	573	0
Net change in cash and cash equivalents	1,001	3
Cash and cash equivalents, beginning of period	209	206
Cash and cash equivalents, end of the period	\$ 1,210	\$ 209

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

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Independence Realty Trust, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of September 30, 2011

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

NOTE 1: Organization

Independence Realty Trust, Inc. invests in a diversified portfolio of real estate assets, primarily multi-family properties located throughout the United States. References to we , us and our refer to Independence Realty Trust, Inc. and its subsidiaries, unless the context requires otherwise.

We conduct our business through our subsidiaries, primarily Independence Realty Operating Partnership, LP, or our operating partnership. We are externally managed by Independence Realty Advisors, LLC, or our advisor, a wholly-owned subsidiary of our sponsor, RAIT Financial Trust (NYSE: RAS).

We were formed on March 26, 2009 as a Maryland corporation and intend to qualify and elect to be taxed as a real estate investment trust, or REIT, beg