

INDEPENDENCE REALTY TRUST, INC  
Form 10-Q  
November 09, 2012  
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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, 2012

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 333-160093

**INDEPENDENCE REALTY TRUST, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**Maryland**  
(State or Other Jurisdiction of

**26-4567130**  
(I.R.S. Employer

Incorporation or Organization)

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 7, 2012 there were 327,536 shares of the Registrant's common stock issued and outstanding.

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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, 2012	As of December 31, 2011
<b>ASSETS:</b>		
Investments in real estate, net of accumulated depreciation of \$11,486 and \$9,304, respectively	\$ 126,523	\$ 128,124
Cash and cash equivalents	3,618	1,107
Restricted cash	1,194	1,072
Accounts receivable and other assets	881	543
Deferred costs, net of accumulated amortization of \$51 and \$15, respectively	395	506
<b>Total assets</b>	<b>\$ 132,611</b>	<b>\$ 131,352</b>
<b>LIABILITIES AND EQUITY:</b>		
Mortgage indebtedness	\$ 82,175	\$ 82,175
Accounts payable and accrued expenses	1,766	1,529
Other liabilities	618	590
<b>Total liabilities</b>	<b>84,559</b>	<b>84,294</b>
<b>Equity:</b>		
<b>Stockholders' equity:</b>		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized, 125 shares issued and outstanding	0	0
Common stock, \$0.01 par value; 300,000,000 shares authorized, 325,023 and 20,000 shares issued and outstanding, respectively	3	0
Additional paid-in capital	3,312	200
Retained earnings (accumulated deficit)	(296)	(113)
<b>Total stockholders' equity</b>	<b>3,019</b>	<b>87</b>
Non-controlling interest	45,033	46,971
<b>Total equity</b>	<b>48,052</b>	<b>47,058</b>
<b>Total liabilities and equity</b>	<b>\$ 132,611</b>	<b>\$ 131,352</b>

*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	
	2012	2011	2012	2011
<b>REVENUE:</b>				
Rental income	\$ 3,609	\$ 2,855	\$ 10,827	\$ 4,788
Tenant reimbursement and other property income	202	166	596	273
Other income	230	201	694	335
<b>Total revenue</b>	<b>4,041</b>	<b>3,222</b>	<b>12,117</b>	<b>5,396</b>
<b>EXPENSES:</b>				
Property operating expenses	2,099	1,721	5,908	2,825
General and administrative expenses	255	249	860	348
Acquisition expenses	52	58	92	404
Depreciation and amortization	840	630	2,471	1,083
<b>Total expenses</b>	<b>3,246</b>	<b>2,658</b>	<b>9,331</b>	<b>4,660</b>
<b>Operating Income</b>	<b>795</b>	<b>564</b>	<b>2,786</b>	<b>736</b>
Interest expense	(809)	(629)	(2,408)	(1,053)
<b>Net income (loss)</b>	<b>(14)</b>	<b>(65)</b>	<b>378</b>	<b>(317)</b>
Income allocated to preferred shares	(4)	0	(12)	0
Income (loss) allocated to non-controlling interest	(10)	17	(434)	233
<b>Net income (loss) allocable to common shares</b>	<b>\$ (28)</b>	<b>\$ (48)</b>	<b>\$ (68)</b>	<b>\$ (84)</b>
<b>Earnings (loss) per share:</b>				
Basic	\$ (0.09)	\$ (2.40)	\$ (0.26)	\$ (4.20)
Diluted	\$ (0.09)	\$ (2.40)	\$ (0.26)	\$ (4.20)
<b>Weighted-average shares:</b>				
Basic	324,359	20,000	256,883	20,000
Diluted	324,359	20,000	256,883	20,000

*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)**

	<b>For the Nine-Month Periods Ended September 30</b>	
	<b>2012</b>	<b>2011</b>
Cash flows from operating activities:		
Net income (loss)	\$ 378	\$ (317)
Depreciation and amortization	2,471	1,083
Amortization of deferred financing costs	104	6
Changes in assets and liabilities:		
Accounts receivable and other assets	(338)	(378)
Accounts payable and accrued expenses	237	1,088
Other liabilities	(11)	(31)
<b>Net cash from operating activities</b>	<b>2,841</b>	<b>1,451</b>
Cash flows from investing activities:		
Acquisition of real estate properties	0	(644)
Capital expenditures	(870)	(556)
Increase in restricted cash	(122)	177
<b>Net cash from investing activities</b>	<b>(992)</b>	<b>(1,023)</b>
Cash flows from financing activities:		
Proceeds from issuance of preferred stock	100	0
Proceeds from issuance of common stock	3,015	0
Proceeds from issuance of non-controlling interests	0	1,250
Payments for deferred financing costs	7	(263)
Distributions on preferred stock	(8)	0
Distributions on common stock	(101)	(2)
Distributions to non-controlling interests	(2,351)	(412)
<b>Net cash from financing activities</b>	<b>662</b>	<b>573</b>
<b>Net change in cash and cash equivalents</b>	<b>2,511</b>	<b>1,001</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,107</b>	<b>209</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 3,618</b>	<b>\$ 1,210</b>

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

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**Independence Realty Trust, Inc. and Subsidiaries**

**Consolidated Statements of Comprehensive Income (Loss)**

**(Unaudited and dollars in thousands)**

	<b>For the Three-Month Periods Ended September 30</b>		<b>For the Nine-Month Periods Ended September 30</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Net income (loss)</b>	\$ (14)	\$ (65)	\$ 378	\$ (317)
Comprehensive income (loss) before allocation to non-controlling interests		(14)		