Section 1: 8-K (INLAND RESIDENTIAL PROPERTIES TRUST, INC. - 8K - 2/5/18)

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

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 5, 2018 (February 2, 2018)**

INLAND RESIDENTIAL PROPERTIES TRUST, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland	**000-55765**	**80-0966998**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2901 Butterfield Road
Oak Brook, Illinois 60523
(Address of Principal Executive Offices)

(630) 218-8000
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [X]

Item 7.01 Regulation FD Disclosure.

Correspondence with Financial Advisors and Broker Dealers

Filed as Exhibit 99.1 to this Current Report, and incorporated by reference in this Item 7.01, is the text of a correspondence, including frequently asked questions, from Inland Residential Properties Trust, Inc. (the “Company”) to financial advisors and broker dealers who participated in the Company’s public offering, notifying them that the board of directors of the Company (the “Board”), including all the independent members of the Board, unanimously approved: (i) the estimated per share net asset value of each class of common stock, (ii) the purchase prices of shares purchased under the Company’s fourth amended and restated distribution reinvestment plan (the “DRP”) beginning with the February distribution payment to stockholders to be paid in March 2018, and (iii) the prices of shares repurchased under the Company’s amended and restated share repurchase program (as amended, the “SRP”) beginning with the February 28, 2018 repurchase date.

Filed as Exhibit 99.2 to this Current Report, and incorporated by reference in this Item 7.01, is a copy of a press release issued by the Company on February 5, 2018 announcing the estimated per share net asset value of each class of its common stock.

Pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”), the information contained in this Item 7.01, including Exhibits 99.1 and 99.2 and the information set forth therein, is deemed to have been furnished and shall not be deemed to be “filed” under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such act, nor shall any of such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

By furnishing the information contained in this Item 7.01 disclosure, including Exhibits 99.1 and 99.2, the Company makes no admission as to the materiality of such information.

Item 8.01 Other Events.

Determination of Estimated Per Share NAV

Background and Conclusion

The Company announces that its Board has determined an estimated per share net asset value (the “Estimated Per Share NAV”) of each class of its common stock and is providing such information to its stockholders and to members of the Financial Industry Regulatory Authority (“FINRA”) and their associated persons who participated in the Company’s public offering in order to assist them in meeting their customer account statement reporting obligations under the National Association of Securities Dealers Conduct Rule 2340.

To assist the Board in establishing the Estimated Per Share NAV for each class of common stock, the Company engaged Duff & Phelps, LLC, an independent third-party real estate valuation firm (“Duff & Phelps”). Duff & Phelps provided a range of Estimated Per Share NAVs for each class based upon (i) appraisals of the Company’s three real estate properties owned as of December 31, 2017 (the “Appraised Properties”) performed by Duff & Phelps, (ii) valuations performed by Inland Residential Business Manager & Advisor, Inc., the Company’s business manager and advisor (the “Business Manager”), with respect to the Company’s cash, other assets, mortgage debt and other liabilities, and (iii) allocations of income, expenses, unrealized/realized gains (losses) on properties and the fair market value of debt among share classes, along with adjustments for issuances of common stock, repurchases, distribution and stockholder servicing fees and distributions, calculated by the Business Manager. The scope of work conducted by Duff & Phelps was in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice. Based, in part, on the appraisals prepared by Duff & Phelps personnel who are members of the Appraisal Institute and have the Member of Appraisal Institute (“MAI”) professional designation, Duff & Phelps developed a valuation analysis of the Company’s assets and liabilities and provided that analysis to the Board in a report dated February 2, 2018 (the "Valuation Report") that contained, among other information, a range of per share net asset values for each class of the Company's common stock as of December 31, 2017 (the "Valuation Date"). There have been no changes between December 31, 2017 and the date of the Valuation Report that the Business Manager believes would materially impact the overall Estimated Per Share NAVs.

The Board reviewed the Valuation Report, met with representatives from Duff & Phelps in person and considered the material assumptions and valuation methodologies applied and described therein. Taking into consideration the reasonableness of the valuation methodologies, assumptions, and the conclusions contained in the Valuation Report, the Board determined the Company's total estimated net asset value to be approximately $50.2 million. The Valuation Report contained a range of (i) $20.66 to $25.95 for the Estimated Per Share NAV of the Company's Class A Shares, (ii) $22.28 to $26.62 for the Estimated Per Share NAV of the Company's Class T Shares and (iii) $22.79 to $24.41 for the Estimated Per Share NAV of the Company's Class T-3 Shares. On February 2, 2018, the Board unanimously adopted $23.15 as the Estimated Per Share NAV of the Company's Class A Shares, $24.32 as the Estimated Per Share NAV of the Company's Class T Shares and $23.55 as the Estimated Per Share NAV of the Company's Class T-3 Shares. The Estimated Per Share NAV of each class is the mid-point of the range of values provided by Duff & Phelps. Previously, the amount reported on customer account statements was $22.50 per Class A Share, $22.51 per Class T Share and $22.51 per Class T-3 Share using the net investment methodology.

The Board's determination of the Estimated Per Share NAVs was undertaken in accordance with the Company's valuation policy and the recommendations and methodologies of the Investment Program Association, a trade association for non-listed direct investment vehicles ("IPA"), as set forth in IPA Practice Guideline 2013-01 "Valuations of Publicly Registered Non-Listed REITs" (the "IPA Practice Guideline").

The Estimated Per Share NAVs represent a snapshot in time, will likely change, and do not necessarily represent the amount a stockholder would receive now or in the future for his or her shares of the Company's common stock. Stockholders should not rely on the Estimated Per Share NAVs in making a decision to buy or sell shares of our common stock. The Estimated Per Share NAVs are based on a number of assumptions, estimates and data that are inherently imprecise and susceptible to uncertainty and changes in circumstances, including changes to the value of individual assets as well as changes and developments in the real estate and capital markets, changes in interest rates, and changes in the composition of the Company's portfolio. Please see "Valuation Methodologies," and "Additional Information Regarding the Valuation, Limitations of the Estimated Per Share NAVs and Duff & Phelps" in this Current Report, below.

The Board, including all of the Board's independent members, is ultimately and solely responsible for the determination of the Estimated Per Share NAV of each class. The Company currently expects to publish an updated Estimated Per Share NAV for each class on at least an annual basis.

Valuation Methodologies

As of the Valuation Date, the Company's real estate portfolio was comprised of three multi-family communities totaling 623 units. The properties consist of 677,142 square feet of residential and 10,609 square feet of retail gross leasable area. The weighted average period of time that the Company has owned the properties is 1.3 years as of the Valuation Date.

To estimate our per share values, Duff & Phelps utilized the "net asset value" or "NAV" method, also known as the appraised value methodology, which is based on the fair value of real estate, real estate related investments and all other assets, less the fair value of total liabilities. The fair value estimate of our real estate assets is equal to the sum of their individual real estate values. Generally, Duff & Phelps estimated the value of the Company's real estate assets using several methodologies, including a discounted cash flow, or "DCF," of projected net operating income plus reversion, less capital expenditures, for each property, for the ten-year period ending December 31, 2027, and applied a terminal capitalization rate and discount rate which it believed was consistent with the inherent level of risk associated with the asset. The other methodologies considered consisted of the "direct capitalization" and "sales comparison" approaches. Duff & Phelps used the DCF approach consistent with the IPA Practice Guideline. The estimated value of the Company's real estate assets reflects an overall increase of 6.2% compared to the Company's original cost of the real estate assets plus any capital expenditures invested by the Company. The estimated value of the Company's real estate assets reflects a weighted average annualized increase of 8.85% compared to the original cost of the real estate assets. For all other assets, such as other current assets, fair value was determined separately based on book value. The Business Manager determined the fair value of debt by calculating the present value of contractual cash flows discounted at current market interest rates. The fair market value of the Company's debt was reviewed by Duff & Phelps for reasonableness and utilized in the Valuation Report. The estimated value of the incentive participation payable to the Business Manager's affiliate is based on 15% of the amount by which the value of the Company's shares, plus distributions paid, exceeds a return of stockholders' capital plus a 6% cumulative, pre-tax, non-compounded return to the stockholders. At the midpoint estimated per share NAVs, Duff & Phelps determined that no incentive participation would be payable under a hypothetical liquidation. Duff & Phelps determined NAV in a manner consistent with the definition of fair value under U.S. generally accepted accounting principles set forth in FASB's Topic ASC 820, *Fair Value Measurements and Disclosures*.

Each class of common stock then was allocated its proportionate share of our income and expenses, including, but not limited to, our portfolio income and interest expense, for each quarter based on the number of shares outstanding for that class as of the prior quarter. In addition, each class of common stock was allocated its proportionate share of unrealized/realized gains (losses) on our assets and the fair market value of our debt based on the weighted average number of shares outstanding for each class from inception through the Valuation Date. Following such allocations, the net asset value of each class was adjusted for additional issuances of common stock, repurchases, and the distribution and stockholder servicing fees that were not otherwise accounted for in the distributions paid to stockholders. The declaration of distributions also reduces the net asset value of each class of our common stock in an amount equal to the accrued liability to pay any applicable distribution to our stockholders of record of such class.

Based on the allocations and adjustments described above, each share class was allocated the major components of our estimated net asset value at the Valuation Date in the amounts set forth below. The Estimated Per Share NAV for each class was calculated by dividing the class's estimated net asset value at the Valuation Date by the number of shares outstanding for that class as of the Valuation Date.

	Class A Shares	**Class T Shares**	**Class T-3 Shares**	**Total**
Real Estate Assets	$ 78,078,014	$ 21,185,986	$ 13,130,729	$ 112,394,729
Cash and Other Assets, Net of Other Liabilities	1,015,957	1,073,068	995,027	3,084,052
Debt	(44,852,589)	(12,375,808)	(8,053,214)	(65,281,611)
NAV	$ 34,241,383	$ 9,883,246	$ 6,072,542	$ 50,197,170
Number of Shares Outstanding	1,479,155	406,366	257,845	
Estimated Per Share NAV (mid-point)	$ 23.15	$ 24.32	$ 23.55	

The terminal capitalization rate and discount rate have a significant impact on the estimated value under the net asset value method. Duff & Phelps used terminal capitalization rates of 5.25% to 6.25% and discount rates of 6.50 to 7.50%. The estimated value assumes a weighted average terminal capitalization rate equal to 5.73% and a weighted average discount rate equal to 6.98%. Duff & Phelps then applied a terminal capitalization rate and discount rate sensitivity analysis on the midpoint terminal capitalization rate and discount rate of each real estate asset. A valuation range was calculated by varying the terminal capitalization rate and discount rate by 0.25% in either direction, which Duff & Phelps believes produces a reasonable range that market participants would consider in valuing the real estate assets. Terminal capitalization rates and discount rates were sourced from the MAI appraisals by Duff & Phelps and varied by location, asset quality and supply and demand metrics.

The following chart presents the impact of changes to our share prices based on variations in the terminal capitalization rates and discount rates within the range of values determined by Duff & Phelps.

	Range of Values		
	Low	**Midpoint**	**High**
Class A Share Price	$ 20.66	$ 23.15	$ 25.95
Class T Share Price	$ 22.28	$ 24.32	$ 26.62
Class T-3 Share Price	$ 22.79	$ 23.55	$ 24.41

If the midpoint terminal capitalization rate on each real estate asset was adjusted by 5% in accordance with the IPA Practice Guideline, assuming all other factors remain unchanged, the range of values would be $21.46 to $24.95 per Class A Share, $22.93 to $25.79 per Class T Share and $23.03 to $24.10 per Class T-3 Share. If the midpoint discount rate on each real estate asset was adjusted by 5% in accordance with the IPA Practice Guideline, assuming all other factors remain unchanged, the range of values would be $21.62 to $24.74 per Class A Share, $23.06 to $25.62 per Class T Share and $23.08 to $24.04 per Class T-3 Share.

New Purchase Prices under the Fourth Amended and Restated Distribution Reinvestment Plan

Pursuant to the DRP, the price per share for each class of common stock purchased under the DRP is equal to the applicable estimated value of a share, as determined by the Board and reported by the Company from time to time, until the shares become listed for trading, if a listing occurs, assuming that the DRP has not been terminated or suspended in connection with such listing. Accordingly, under the DRP, until we announce new Estimated Per Share NAVs, distributions may be reinvested in shares of our common stock at a price equal to $23.15 per Class A Share, $24.32 per Class T Share and $23.55 per Class T-3 Share, beginning with the February distribution payment to stockholders to be paid in March 2018.

New Purchase Prices under the Amended and Restated Share Repurchase Program

The Company repurchases shares on the last business day of each month, subject to the terms and limitations contained in the SRP. Pursuant to the SRP, the repurchase price for repurchases sought upon a stockholder’s death or qualifying disability (“exceptional repurchases”) is equal to the Estimated Per Share NAV of the applicable class, and the repurchase price for all other repurchases (“ordinary repurchases”) is equal to 96% of the Estimated Per Share NAV of the applicable class. Accordingly, under the SRP, until we announce new Estimated Per Share NAVs, the repurchase prices for exceptional repurchases are $23.15 per Class A Share, $24.32 per Class T Share and $23.55 per Class T-3 Share, and the repurchase prices for ordinary repurchases are $22.22 per Class A Share, $23.35 per Class T Share and $22.61 per Class T-3 Share, beginning with the February 28, 2018 repurchase date.

Additional Information Regarding the Valuation, Limitations of the Estimated Per Share NAVs and Duff & Phelps

Throughout the valuation process, the Board, the Business Manager and senior members of management reviewed, confirmed and approved the processes and methodologies used by Duff & Phelps and their consistency with real estate industry standards and best practices.

The Valuation Report was based upon market, economic, financial and other information, circumstances and conditions existing prior to the Valuation Date and any material change in such information, circumstances or conditions may have a material effect on the Estimated Per Share NAVs. Duff & Phelps' valuation materials were addressed solely to the Company to assist the Board in establishing the Estimated Per Share NAVs. Duff & Phelps' valuation materials were not addressed to the public and should not be relied upon by any other person to establish estimated values of the Company's common stock. The Valuation Report does not constitute a recommendation by Duff & Phelps to purchase or sell any shares of the Company's common stock and should not be represented as such.

Although Duff & Phelps reviewed the information provided by the Company and the Business Manager for reasonableness, and utilized some of the information in its valuation analyses, Duff & Phelps and its affiliates are not responsible for the accuracy of the information provided to it by the Company and the Business Manager. Neither Duff & Phelps nor any of its affiliates is responsible for the Board's determination of the Estimated Per Share NAVs or the Board's determination of the repurchase prices for shares under the Company's SRP.

With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with Duff & Phelps, Duff & Phelps assumed that such forecasts and other information and data were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments (including subjective judgments) of management of the Company, and relied upon the Company to advise Duff & Phelps promptly if any information previously provided became inaccurate or was required to be updated during its review. Duff & Phelps assumes no obligation to update or otherwise revise these materials. In connection with its work in preparing valuation materials, Duff & Phelps did not, and it was not requested to, solicit third party indications of interest for the Company.

In performing its analyses, Duff & Phelps made numerous assumptions as of various points in time with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are necessarily subject to change and beyond the control of Duff & Phelps and the Company. The analyses performed by Duff & Phelps are not necessarily indicative of actual values, trading values or actual future results of the Company's common stock that might be achieved, all of which may be significantly more or less favorable than suggested by such analyses. The analyses do not purport to reflect the prices at which the properties may actually be sold, and such estimates are inherently subject to uncertainty. The actual value of each class of the Company's common stock may vary significantly depending on numerous factors that generally impact the price of securities, the financial condition of the Company and the state of the real estate industry more generally. Accordingly, with respect to each Estimated Per Share NAV, neither the Company nor Duff & Phelps can give any assurance that:

- a stockholder would be able to resell his, her or its shares at the applicable Estimated Per Share NAV;
- a stockholder would ultimately realize distributions per share equal to the applicable Estimated Per Share NAV upon liquidation of the Company's assets and settlement of the Company's liabilities or a sale of the Company;
- the Company's shares would trade at a price equal to or greater than the applicable Estimated Per Share NAV if the Company listed them on a national securities exchange;
- a third party would acquire the Company at a value equal to or greater than the applicable Estimated Per Share NAV; or

- the methodology used to estimate the Estimated Per Share NAVs would be acceptable to FINRA or under the Employee Retirement Income Security Act of 1974, as amended, for compliance with its reporting requirements.

In addition, the Estimated Per Share NAVs do not reflect "enterprise value" which may include an adjustment for:

- any intangible value associated with a going concern; or

- the possibility that our shares could trade at a premium or a discount to net asset value if we listed our shares on a national securities exchange.

Duff & Phelps is a leading global valuation advisor with expertise in complex valuation. For the preparation of the Valuation Report, the Company paid Duff & Phelps a customary fee for services of this nature, no part of which was contingent relating to the provision of services or specific findings. Further, the Company and certain affiliates of the Business Manager have engaged Duff & Phelps and its affiliates primarily for various real estate-related services, and the Company and the Business Manager anticipate that Duff & Phelps and its affiliates will continue to provide similar real estate-related services in the future. In addition, the Company currently intends to use Duff & Phelps to assist the Board in future determinations of the Company's Estimated Per Share NAVs. The Company is not affiliated with Duff & Phelps or any of its affiliates. While the Company and affiliates or related parties of the Business Manager have engaged and may engage Duff & Phelps or its affiliates in the future for valuations and commercial real estate-related services of various kinds, the Company believes that there are no material conflicts of interest with respect to the Company's engagement of Duff & Phelps.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Correspondence to Financial Advisors and Broker-Dealers
99.2	Press release dated February 5, 2018

Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking statements," which are not historical facts, within the meaning of the Private Securities Litigation Reform Act of 1995. The statements may be identified by terminology such as "may," "can," "would," "will," "expect," "intend," "estimate," "anticipate," "plan," "seek," "appear," or "believe." Such statements reflect the current view of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions related to certain factors including, without limitation, the uncertainties related to general economic conditions, unforeseen events affecting the real estate industry or particular markets, and other factors detailed under Risk Factors in our most recent Form 10-K as of December 31, 2016 filed on March 17, 2017 and subsequent Form 10-Qs on file with the SEC. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. You should exercise caution when considering forward-looking statements and not place undue reliance on them. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein. Except as required by federal securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Current Report on Form 8-K.

SIGNATURES

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

		INLAND RESIDENTIAL PROPERTIES TRUST, INC.	
Date:	February 5, 2018	By:	/s/ David Z. Lichterman
		Name:	David Z. Lichterman
		Title	Vice President, Treasurer and Chief Accounting Officer

EXHIBIT INDEX

Exhibit No.	Description
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Section 2: EX-99.1 (CORRESPONDENCE TO FINANCIAL ADVISORS AND BROKER-DEALERS)

Exhibit 99.1

Subject: Inland Residential Announces Estimated Per Share Values

Inland Residential Properties Trust, Inc. (Inland Residential or the Company) filed a Form 8-K to announce that its board of directors determined an estimated per share net asset value (NAV) of each class of its common stock as of December 31, 2017, which also sets new purchase prices for shares under its Distribution Reinvestment Plan (DRP) and Share Repurchase Program (SRP).

- The estimated per share NAV of the Company's Class A Shares is $23.15, Class T Shares is $24.32 and Class T-3 Shares is $23.55[1]. The estimated per share NAVs represent an increase of 2.9%, 8.0% and 4.6%, respectively, over the previous Net Investment Value shown on investor account statements.
- The estimated per share NAVs determined by the Company's board of directors are the midpoint of the range of values provided by Duff & Phelps in its valuation report.
- This valuation is a snapshot in time and is not indicative of the amount Inland Residential or its stockholders may receive if Inland Residential were to list its shares or liquidate its assets, now or in the future.

Helpful Links:

- Form 8-K
- Frequently Asked Questions (FAQs) regarding the estimated per share values
- Company's press release announcing its estimated per share values

Questions?

For additional information, please read the Company's Form 8-K filed February 5, 2018, contact your Inland sales representative or call Inland Investor Services at 800.826.8228.

[1]This valuation represents the estimated per share NAVs as a snapshot in time and they will fluctuate over Inland Residential's life cycle. The estimated per share NAV does not represent the amount a stockholder would receive now or in the future for his or her shares of the Company's common stock. The estimated per share NAVs are based on a number of assumptions, estimates and data that are inherently imprecise and susceptible to uncertainty and changes in circumstances, including changes to the value of individual assets as well as changes and developments in the real estate and capital markets, changes in interest rates, and changes in the composition of the Company's portfolio. Throughout the valuation process, the board of directors, the Company's business manager and senior members of management reviewed, confirmed and approved the processes and methodologies used by Duff & Phelps and their consistency with real estate industry standards and best practices.

View Prospectus and Other SEC Filings

For Institutional Use Only. Not for distribution to the public. This is neither an offer to sell nor a solicitation of an offer to buy any security, which can be made only by a prospectus that has been filed or registered with the appropriate state and federal regulatory agencies and sold only by broker dealers and registered investment advisors authorized to do so. Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the securities of Inland Residential. Any representation to the contrary is unlawful.

The Inland name and logo are registered trademarks being used under license. This material has been distributed by Inland Securities Corporation, member FINRA/SIPC, dealer manager for Inland Residential.

Important Information Regarding Inland Residential's Per Share Estimated Values

Inland Residential Properties Trust, Inc. (Inland Residential) is pleased to provide important information about its recent valuation which affects investor account statements. Below are some frequently asked questions.

Q: What are the per share estimated values for Inland Residential's three share classes?
A: Inland Residential's per share estimated values are as follows.

Class A Shares	Class T Shares	Class T-3 Shares
$23.15	$24.32	$23.55

Q: Why are the values different for each share class?
A: Because the share classes were established on different dates, each class of common stock was allocated its proportionate share of (1) income and expenses for each quarter based on the number of shares outstanding for that class as of the prior quarter, and (2) unrealized/realized gains/losses on assets and fair market value of debt based on the weighted average number of shares outstanding for each share class from inception through the valuation date.

Q: How do the per share estimated values compare to the values previously shown on account statements?
A: The estimated per share NAVs represent an increase of 2.9% for Class A Shares, 8.0% for Class T Shares and 4.6% for Class T-3 Shares over the previous net investment value shown on investor account statements.

Q: How did Inland Residential estimate its per share value?
A: We used the appraised value methodology to determine an estimated per share value. The appraised value methodology, also known as the net asset value or NAV method, is based on the fair value of real estate, real estate related investments and other assets, less the fair value of total liabilities. We engaged a third party consultant to provide a range of estimated per share net asset values for each class of Inland Residential's common stock.

Based on information provided by our consultant and taking into consideration the reasonableness of the valuation methodology, our Company's Board of Directors determined the estimated net asset value to be approximately $50.2 million. The estimated value of the Company's real estate assets reflects an overall increase of 6.2% compared to the Company's original cost of the real estate assets plus any capital expenditures, and a weighted average annualized increase of 8.85% compared to the original cost of the real estate assets.

Q: What third-party valuation consultant did Inland Residential retain to determine an estimation of the net asset value? Why were they selected?
A: Inland Residential selected Duff & Phelps, LLC, an independent third-party real estate valuation firm, to perform the property appraisals and provide a range of estimated per share values for each class, from which the Company's Board of Directors determined the estimated per share value for each class. Duff & Phelps is an independent advisor headquartered in New York, New York serving thousands of clients each year, including S&P 500 and Fortune 100 companies. Duff & Phelps was chosen based on a number of factors including its expertise in the area of valuation and its breadth and depth of experience in real estate services.

Q: Will there be any change to the investment objectives?
A: No, the valuation does not affect the investment strategy or objectives of the portfolio. Inland Residential currently manages a portfolio of geographically diverse multifamily properties. Once we have acquired an asset, we seek to grow net operating income (NOI) through active asset management techniques mastered by our real estate experts.

Q: Will this impact the Distribution Reinvestment Plan (DRP) or current Share Repurchase Program (SRP)?
A: Only the price will change. Beginning with the February distribution to stockholders to be paid in March, any reinvestment under the DRP will be executed at a price equal to the per share estimated value for the applicable class. These prices will remain until a new estimated value is announced.

Subject to the terms of the SRP, below is a chart outlining the prices shares will be repurchased at for each category of the SRP beginning with the February 28, 2018 repurchase date.

	% of Share Price	Class A Repurchase Price	Class T Repurchase Price	Class T-3 Repurchase Price
Ordinary	96%	$22.22	$23.35	$22.61
Exceptional	100%	$23.15	$24.32	$23.55

Q: Will the new estimated per share values affect monthly distributions?
A: Our Company's Board of Directors declared cash distributions payable to stockholders of record each day beginning on the close of business March 1, 2018 through the close of business March 31, 2018 in a daily amount equal to $0.003424658 per Class A Share, $0.002758488 per Class T Share and $0.003323017 per Class T-3 Share. The amount of distributions is established at the time and to the extent declared by the Board and is dependent upon several factors. Distributions are not guaranteed.

Q: How often will a per share estimated value be announced?
A: A per share estimated value must be determined at least annually.

Q: Where can I find out more about the Inland Residential valuation?
A: Contact Inland Investor Services at 800-826-8228 or visit our website at www.inland-investments.com for more detailed information.

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Section 3: EX-99.2 (PRESS RELEASE DATED FEBRUARY 5, 2018)

Exhibit 99.2

Inland Residential Properties Trust, Inc.

NEWS RELEASE

2901 Butterfield Road Oak Brook, Ill. 60523
www.inland-investments.com

FOR IMMEDIATE RELEASE

DATE: February 5, 2018
CONTACT: Nicole Spreck, Inland Communications
(630) 586-4896 nicole.spreck@inlandgroup.com

Inland Residential Properties Trust, Inc. Declares NAV per Share

Oak Brook, Ill. – Inland Residential Properties Trust, Inc. ("Inland Residential" or the "Company"), a non-listed real estate investment trust sponsored by Inland Real Estate Investment Corporation ("Inland Investments"), announced today that its board of directors approved an estimated per share net asset value ("NAV") of $23.15 for the Company's Class A Shares, $24.32 for Class T Shares and $23.55 for Class T-3 Shares, as of December 31, 2017. The estimated per share NAVs represent an increase over the Net Investment Value shown on investor account statements of 2.9 percent, 8 percent and

4.6 percent, respectively. This is the first time the Company has determined an estimated per share NAV.

Inland Residential engaged Duff & Phelps, LLC, a leading global valuation advisor with expertise in complex valuation, to provide the valuation analysis of the Company.

“Multifamily real estate has been a core competency of The Inland Real Estate Group of Companies, Inc. for a half-century,” said Mitchell Sabshon, chief executive officer and president of Inland Real Estate Investment Corporation. “Inland Residential’s portfolio of high quality residential properties in attractive locations underscores our Company’s deep knowledge, innovation and property management expertise in the multifamily sector. I am pleased that we are continuing to add value to this cornerstone real estate sector as evident in Inland Residential’s valuation.”

As previously announced in an industry-leading policy change, Inland Residential does not, and Inland Investments’ future non-listed real estate investment trusts (“REITs”) will not, charge any real estate-related transaction fees, providing a lower fee, institutional-type structure to investors.

“As the first company in the industry to eliminate all real estate-related transaction fees, we believe this fee structure will have a positive impact on entity-level performance and emphasizes Inland Investments’ commitment to standing shoulder-to-shoulder with our investors,” said Sabshon. “Eliminating transaction-based fees has created a business model that allows us to better align our interests with those of our REIT investors.”

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NEWS RELEASE

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About Inland Residential Properties Trust, Inc.

Inland Residential Properties Trust, Inc. was formed to acquire, directly or indirectly, a geographically diverse portfolio primarily of Class A and Class B multifamily properties located in the top 100 metropolitan statistical areas throughout the United States. Inland Residential Properties Trust, Inc. is sponsored by Inland Real Estate Investment Corporation.

This is neither an offer to sell nor the solicitation of an offer to buy any security, which can be made only by the prospectus that has been filed or registered with appropriate state and federal regulatory agencies. No regulatory agency has approved or disapproved of the securities of Inland Residential. Any representation to the contrary is unlawful.

This press release contains "forward-looking statements" made under the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The statements may be identified by terminology such as "may", "can", "would", "will", "expect", "intend", "estimate", "anticipate", "plan", "seek", "appear", or "believe". Such statements reflect the current view of Inland Residential with respect to future events and are subject to certain risks, uncertainties and assumptions related to certain factors including, without limitation, the uncertainties related to the acquisition of any property, general economic conditions, unforeseen events affecting the real estate industry or particular markets, and other factors detailed under Risk Factors in our most recent Form 10-K and subsequent Form 10-Qs on file with the Securities and Exchange Commission.

Although Inland Residential believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. You should exercise caution when considering forward-looking statements and not place undue reliance on them. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein. Except as required by federal securities laws, Inland Residential undertakes no obligation to publicly update or revise any written or oral forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this press release. All subsequent written and oral forward-looking statements attributable to Inland Residential or persons acting on its behalf are expressly qualified in their entirety by the applicable cautionary statements.

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