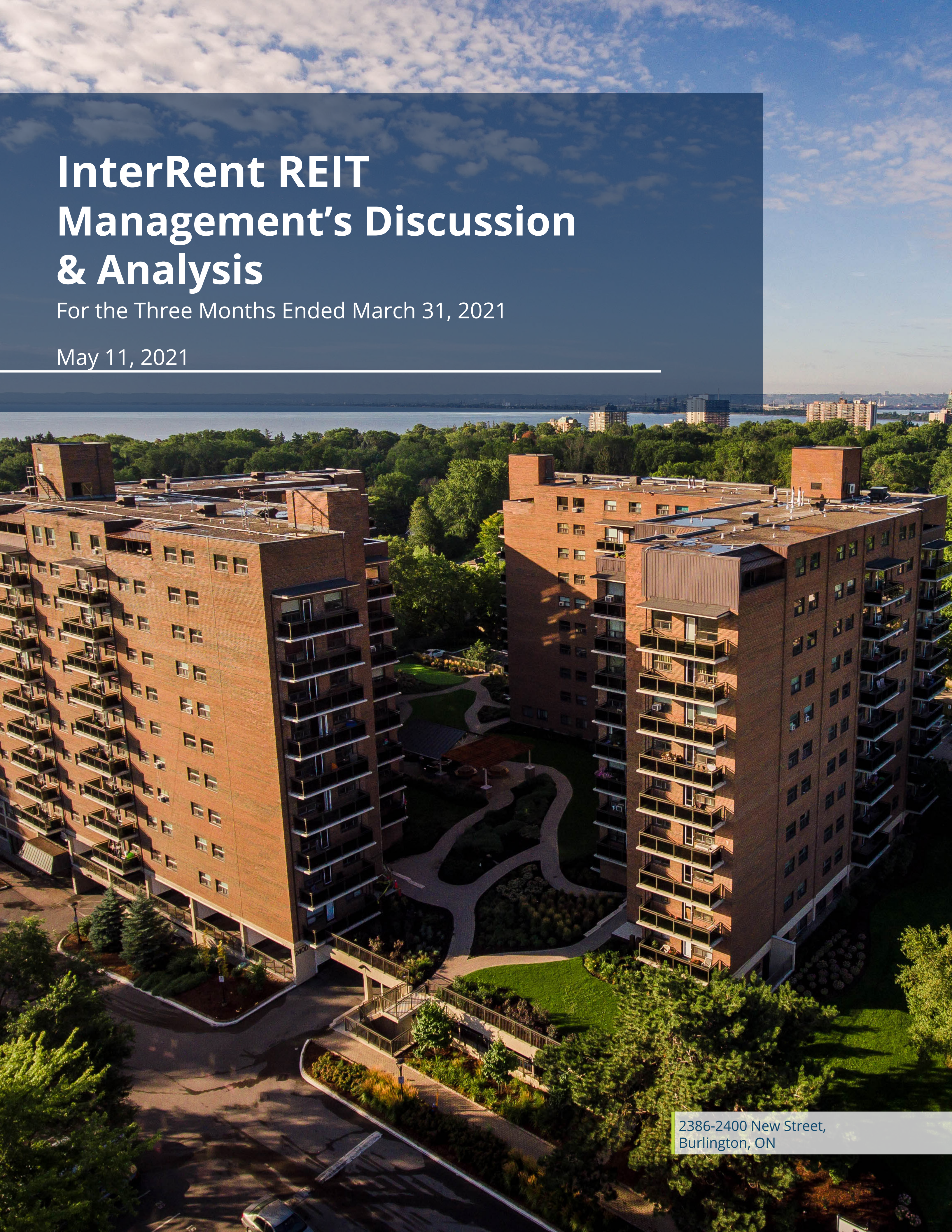
InterRent REIT Management's Discussion & Analysis

For the Three Months Ended March 31, 2021

May 11, 2021



2386-2400 New Street,
Burlington, ON

MANAGEMENT'S DISCUSSION & ANALYSIS

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FORWARD-LOOKING STATEMENTS

Caution Regarding Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") of InterRent Real Estate Investment Trust ("InterRent REIT", the "REIT" or the "Trust") contains "forward-looking statements" within the meaning of applicable securities legislation. This document should be read in conjunction with material contained in the Trust's audited consolidated financial statements for the year ended December 31, 2020 along with InterRent REIT's other publicly filed documents. Forward-looking statements appear in this MD&A under the heading "Outlook" and generally include, but are not limited to, statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results circumstances, performance or expectations, including but not limited to financial performance and equity or debt offerings, new markets for growth, financial position, comparable multi-residential REITs and proposed acquisitions. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of InterRent REIT to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the duration and impact of the COVID-19 pandemic on the business, operations and financial condition of InterRent REIT and its tenants, as well as on the economy in general, the risks related to the market for InterRent REIT's securities, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will be identified and/or completed by InterRent REIT, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding InterRent REIT securities, lack of availability of growth opportunities, diversification, potential unitholder liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, the market price of InterRent REIT's trust units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in the section entitled "Risks and Uncertainties" and in other sections of this Management's Discussion and Analysis.

In addition, certain material assumptions are applied by the Trust in making forward looking statements including, without limitation, factors and assumptions regarding;

- Overall national economic activity
- Regional economic and demographic factors, such as employment rates and immigration trends
- Inflationary/deflationary factors
- Long, medium and short term interest rates
- Availability of financing
- Housing starts
- Housing affordability
- Provincial government housing policies
- Canadian Mortgage and Housing Corporation (CMHC) policies

Although the forward-looking information contained herein is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. InterRent REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, however there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. InterRent REIT does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Certain statements included herein may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.

INTERRENT REAL ESTATE INVESTMENT TRUST

InterRent Real Estate Investment Trust ("InterRent REIT" or the "Trust") is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated October 10, 2006, and as amended and restated on June 29, 2007, September 30, 2009, December 29, 2010 and May 21, 2019, under the laws of the Province of Ontario. InterRent REIT was created to invest in income producing multi-family residential properties within Canada initially through the acquisition of InterRent International Properties Inc. (the "Corporation") and of the Silverstone Group by the way of a plan of arrangement (the "Arrangement") under the Business Corporations Act (Ontario), which was completed on December 7, 2006.

InterRent REIT's principal objectives are to provide its unitholders ("Unitholders") with stable and growing monthly cash distributions, partially on a Canadian income tax-deferred basis, and to increase the value of its trust units (the "Units") through the effective management of its residential multi-family revenue producing properties and the acquisition of additional, accretive properties.

DECLARATION OF TRUST

The investment policies of the Trust are outlined in the Trust's Amended and Restated Declaration of Trust (the "DOT") dated as of May 21, 2019 and a copy of this document is available on SEDAR (www.sedar.com).

At March 31, 2021 the Trust was in material compliance with all investment guidelines and operating policies stipulated in the DOT.

ACCOUNTING POLICIES

InterRent REIT's accounting policies are described in note 3 of the audited consolidated financial statements for the year ended December 31, 2020 and note 2 of the condensed consolidated interim financial statements for March 31, 2021.

In applying these policies, in certain cases it is necessary to use estimates, which management determines using information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness and any change to these estimates is applied prospectively in compliance with IFRS. Significant estimates are made with respect to the fair values of investment properties and the fair values of financial instruments.

NON-GAAP MEASURES

Gross Rental Revenue, Net Operating Income, Same Property results, Repositioned Property results, Funds from Operations, Adjusted Funds from Operations, Adjusted Cash Flows from Operations and EBITDA (or, in each case, substantially similar terms) are measures sometimes used by Canadian real estate investment trusts as indicators of financial performance, however they do not have standardized meanings prescribed by IFRS (GAAP). These measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly termed measures reported by other such issuers.

Gross Rental Revenue is the total potential revenue from suite rentals before considering vacancy and rebates and excludes other revenue from ancillary sources.

Net Operating Income ("NOI") is a key measure of operating performance used in the real estate industry and includes all rental revenues generated at the property level, less related direct costs such as utilities, realty taxes, insurance and on-site maintenance wages and salaries. As one of the factors that may be considered relevant by readers, management believes that NOI is a useful supplemental measure that may assist prospective investors in assessing the Trust.

Same property results are revenues, expenses and NOI from properties owned by the Trust throughout the comparative periods, which removes the impact of situations that result in the comparative period to be less meaningful. Some examples include: acquisitions, dispositions, redevelopments or properties going through a lease-up period.

Repositioned property results are revenues, expenses and NOI from properties owned by the Trust prior to January 1, 2018.

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO") are financial measures commonly used by many Canadian real estate investment trusts which should not be considered as an alternative to net income, cash flow from operations, or any other operating or liquidity measure prescribed under GAAP. The Trust presents FFO and AFFO in accordance with the REALpac White Paper on Funds from Operations and Adjusted Funds from Operations for IFRS dated February 2019. Management considers FFO and AFFO a useful measure of recurring economic earnings.

Adjusted Cash Flows from Operations ("ACFO") is an additional financial measure of economic cash flow based on the operating cash flows of a business adjusted for specific items. The Trust presents ACFO in accordance with the REALpac White Paper dated February 2019. Management considers ACFO a useful measure of sustainable cash flow.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is calculated as earnings before interest, taxes, depreciation, amortization and other adjustments including gain/loss on sale and fair value adjustments.

Readers are cautioned that Gross Rental Revenue, NOI, Same property, Repositioned property, FFO, AFFO, ACFO and EBITDA are not alternatives to measures under GAAP and should not, on their own, be construed as indicators of the Trust's performance or cash flows, measures of liquidity or as measures of actual return on Units of the Trust. These non-GAAP measures, as presented, should only be used in conjunction with the consolidated financial statements of the Trust.

As a result of the redeemable feature of the Trust Units, the Trust's Units are defined as a financial liability and not considered an equity instrument. Therefore no denominator exists to calculate per unit calculations. Consequently, all per unit calculations are considered non-GAAP measures. Management feels that certain per unit calculations are an important method of measuring results from period to period and as such has determined basic and diluted weighted average number of units. Per unit calculations as computed by the Trust may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to other such issuers.

COVID-19 OVERVIEW, RISK AND UPDATE

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus "COVID-19" a global pandemic. The outbreak has resulted in the federal and provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity and capital markets have also experienced significant volatility and weakness. The governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. Acting swiftly has often meant that the measures the various levels of government are putting in place are announced early in their development and continue to evolve and change in order to meet the desired outcome. As such, it is not entirely known the extent of all the government programs that might be put in place, how long programs will last, how these programs may change over time, or what their full impact might be. The duration and impact of the COVID-19 pandemic on the Trust is unknown at this time. As such, it is not possible to reliably estimate the length and severity of COVID-19-related impacts on the financial results and operations of the Trust.

These changes and any additional changes in operations in response to COVID-19 could materially impact the financial results of the Trust and may include residents' ability to pay rent in full or at all, temporary or long-term stoppage of development projects, temporary or long-term labour shortages or disruptions, temporary or long-term impacts on domestic and global supply chains, increased risks to IT systems and networks and the Trust's ability to access capital on acceptable terms or at all. Uncertain economic conditions resulting from the COVID-19 pandemic may, in the short or long term, materially adversely impact operations and the financial performance of the Trust.

The health and safety of residents and team members remains the Trust's top priority. InterRent REIT took quick action at the beginning of the COVID-19 crisis by introducing several new building protocols and procedures designed to ensure the wellbeing of all our communities. The Trust has also placed a high priority on maintaining strong, ongoing communication with our residents through multiple channels. The Trust recognizes that the pandemic has created significant hardship for many residents. Accordingly, the Trust is working to support residents experiencing financial difficulties through various means. The Trust has been extremely encouraged by the goodwill, positive sentiment, and community spirit that our residents have shown in the face of the pandemic and in response to the Trust's actions.

Operations Update:

- Overall portfolio occupancy has remained stable since year-end 2020 at 91.3%, despite adding Vancouver suites with vacancy of nearly 16% to our portfolio this quarter. Based on current information provided by universities in Ottawa and Montréal, we expect to see a substantial increase in on-campus learning in fall 2021, which should support improved leasing demand in our nearby properties.
- Residential rent collection remained at 99% for Q1 2021, and the collection rates for April and May are trending in line with that of previous months at this point in the quarter.
- We continue to be receptive to all resident requests for financial assistance, and the Trust has currently entered into rent deferral agreements with approximately 0.5% of our residential residents.
- The Trust's sales and leasing teams have implemented an end-to-end contactless rental process. Prospective residents now have the option of doing a virtual walkthrough of the accommodations they are interested in as well as completing applications online or in person. This virtual option appears to be getting traction with Q1 email leads and website traffic up 18% and 49%, respectively, year over year, and April 2021 figures looking even stronger at 101% and 61%, respectively, compared to April 2020.
- InterRent continues to employ the enhanced cleaning protocol it developed and launched last spring, CLV Clean & Secure+™, across all of its properties, and continues to provide regular updates and resources for residents on its dedicated COVID-19 online info hub.
- The Trust continues to invest in its portfolio as a driver of future organic growth, spending $15.6 million in the first quarter of which $6.8 million was spent on improvements for non-positioned properties and $6.2 million on value-enhancing initiatives across the remaining portfolio.

OVERVIEW

BUSINESS OVERVIEW AND STRATEGY

InterRent REIT is a growth-oriented real estate investment trust engaged in increasing Unitholder value and creating a growing and sustainable distribution through the acquisition and ownership of multi-residential properties. The REIT generates revenues, cash flows and earnings from rental operations and from the sale of revenue producing properties. InterRent REIT's largest and most consistent source of income is its rental operations, which involves leasing individual suites to tenants for lease terms generally ranging from month-to-month to twelve-months.

InterRent's strategy is to expand its portfolio primarily within markets that have exhibited stable market vacancies, sufficient suites available to attain the critical mass necessary to implement an efficient portfolio management structure and, offer opportunities for accretive acquisitions.

InterRent's primary objectives are to use the proven industry experience of the Trustees, Management and Operational Team to: (i) to grow both funds from operations per Unit and net asset value per Unit through investments in a diversified portfolio of multi-residential properties; (ii) to provide Unitholders with sustainable and growing cash distributions, payable monthly; and (iii) to maintain a conservative payout ratio and balance sheet.

In the first three months of 2021, the Trust:

- purchased one property comprised of 114 suites in St Catharines for $22.0 million; and
- purchased a 50% ownership stake in fifteen properties comprised of 614 suites in Vancouver for $146.3 million.

The team we have assembled has a proven track record and we believe we have both the experience and ability necessary to execute on our growth strategy in the years to come.

As at March 31, 2021, the Trust has 100% ownership interest in 11,468 suites of which: a) 10,167 are included in same property suites, or 88.6% of the overall portfolio; and, b) 8,314 are included in repositioned property suites, or 72.5% of the overall portfolio.

OUTLOOK

- The immediate concern of the Trust is ensuring the health and safety of both our residents and team members and making sure operational disruptions due to COVID-19 are kept to a minimal affect on the Trust. Management remains committed to growing the REIT in a strategic and structured manner and although timing may be impacted by the current pandemic, future growth is still anticipated to come from:
  - continuing to source properties in our core markets that allow us to build scale within these areas and apply our repositioning experience and expertise in a manner that continues to provide long term accretion for our Unitholders;
  - continuously looking for new ways and opportunities to drive existing revenues, create new revenue streams and reduce operating costs within our portfolio;
  - re-deploying capital from areas where management believes that properties have reached their economic peak or that the area will not allow the REIT to reach the desired level of scale;
  - developing purpose built rental on existing sites that have the ability to add more density; and,
  - participating in joint ventures for mixed-use sites where the REIT can add value through its experience and expertise in owning and operating multi-family rentals.

- The REIT is continuing to make progress on its four active developments as well as the evaluation of other intensification opportunities within the portfolio. The current active developments include:
  - 473 Albert Street, Ottawa – conversion of office tower to 158 residential suites: The site plan application for the development has been approved by the City of Ottawa and a final Site Plan Agreement is being prepared. Building permit documents were submitted to the City of Ottawa in Q1 2021 and are currently under review with an expected permit to be issued in Q2. The REIT has entered into an agreement with a construction contractor and pre-construction activities are underway, including tendering and on-site architectural demolition. The REIT expects the timing of the issuance of the final building permit to coincide with the completion of the pre-construction activities.
  - 900 Albert Street, Ottawa (TIP Albert joint venture and direct ownership) – development: Site Plan Application was approved by City Council in July 2020 and the final Site Plan Agreement is anticipated to be signed in Q2 2021. The approved Site Plan Application allows for 1,241 units, 423,764 sq ft of office space, and 87,844 sq ft of retail space. The REIT continues to work with its partners and external consultants to develop detailed design plans in order to deliver an offering that reflects not only the current needs of the market but also incorporates concepts and technologies to ensure its continued relevance as rental housing needs continue to evolve;
  - Richmond & Churchill, Ottawa – development: The REIT continues to work with the City of Ottawa to finalize the Zoning By-Law Amendment (ZBA). Once the ZBA is completed, it is forwarded to the Planning Committee for final approval, which is anticipated for the end of Q2 2021. Simultaneously, the REIT continues to progress the Site Plan Application (SPA) approval process as it works through city comments, with a subsequent submission anticipated in Q2 2021. The development currently contemplates 184 residential suites and 18,706 sq ft of commercial space; and,
  - Burlington GO Lands (Fairview joint venture) – Site Plan Application (SPA) was submitted in Q1 2020 and comments were received from City staff and external agencies. A second SPA was submitted in October 2020. The REIT continues to receive comments from the City addressing the SPA submissions and expects to finalize comments in Q2 2021. The partners continue to work on further design development based on the partial comments received to date. The current submission proposes 2,494 residential suites with 42,976 sq ft of commercial space.
- Liquidity Update:
  - The Trust's current credit facilities total $172.0 million; the ability to increase the current facilities by a further $60 million; and, an undrawn mortgage facility of $76.1 million, providing a total of $308.1 million of available credit. There is approximately $22.7 million drawn on these facilities as at March 31, 2021.
  - The Trust has approximately $365.5 million in unencumbered properties that do not have mortgages nor provide security for any credit facilities.
  - With a debt to GBV ratio of 32.7%, the REIT has significant liquidity available through both CMHC insured and conventional mortgage financing to finance future capital programs, development opportunities and acquisitions.

Q1 PERFORMANCE HIGHLIGHTS

The following table presents a summary of InterRent's operating performance for the three months ended March 31, 2021 compared to the same period in 2020:

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended March 31, 2021**	**3 Months Ended March 31, 2020**	**Change**
Total suites	11,468	10,226	+12.1%
Average rent per suite (March)	$1,325	$1,270	+4.3%
Occupancy rate (March)	91.3%	95.3%	-400bps
Operating revenues	$43,051	$39,368	+9.4%
Net operating income (NOI)	$26,488	$24,708	+7.2%
NOI %	61.5%	62.8%	-130bps
Same Property average rent per suite (March)	$1,328	$1,270	+4.6%
Same Property occupancy rate (March)	92.1%	95.3%	-320bps
Same Property NOI	$24,194	$24,643	-1.8%
Same Property NOI %	62.5%	62.8%	-30bps
Net Income	$104,709	$37,911	+176.2%
Funds from Operations (FFO)	$16,192	$14,484	+11.8%
FFO per weighted average unit – diluted	$0.114	$0.115	-0.9%
Adjusted Funds from Operations (AFFO)	$14,526	$12,562	+15.6%
AFFO per weighted average unit – diluted	$0.102	$0.100	+2.0%
Distributions per unit	$0.0814	$0.0775	+5.0%
Adjusted Cash Flow from Operations (ACFO)	$13,174	$9,030	+45.9%
Debt to GBV	32.7%	33.4%	-70bps
Interest coverage (rolling 12 months)	3.53x	3.18x	+0.35x
Debt service coverage (rolling 12 months)	1.93x	1.90x	+0.03x

- Overall Portfolio:
  a) Operating revenue for the quarter rose by $3.7 million to $43.1 million, an increase of 9.4% over Q1 2020.
  b) Average monthly rent per suite increased to $1,325 (March 2021) from $1,270 (March 2020), an increase of 4.3%.
  c) Occupancy for March 2021 was 91.3%, no change when compared to December 2020 and a decrease of 400 basis points when compared to March 2020.
  d) NOI for the quarter was $26.5 million, an increase of $1.8 million, or 7.2%, over Q1 2020. NOI margin for the quarter was 61.5%, down 123 basis points over Q1 2020.
- Same Property Portfolio:
  a) Operating revenue for the quarter decreased by $0.5 million to $38.7 million, a decrease of 1.3% over Q1 2020.
  b) Average monthly rent per suite for the same property portfolio increased to $1,328 (March 2021) from $1,270 (March 2020), an increase of 4.6%.
  c) Occupancy for March 2021 was 92.1%, a decrease of 30 basis points when compared to December 2020 and a decrease of 320 basis points when compared to March 2020.
  d) NOI for the quarter was $24.2 million, a decrease of $0.4 million, or 1.8%, over Q1 2020. Same property NOI margin for the quarter was 62.5%, down 30 basis points over Q1 2020.
- Repositioned properties had an average monthly rent per suite of $1,362, occupancy of 93.1% for March 2021 and an NOI margin for the quarter of 63.4%.
- Net income for the quarter was $104.7 million, an increase of $66.8 million compared to Q1 2020. This difference was due primarily to the $97.7 million fair value gains on investment properties offset by the non-cash fair value losses on unit-based liabilities and Class B unit liability of $8.8 million that occurred as a result of the Unit price appreciation in the quarter.

- FFO for the quarter increased by 11.8% to $16.2 million compared to Q1 2020.
- FFO per Unit for the quarter decreased by 0.9% to $0.114 per Unit compared to $0.115 per Unit for Q1 2020.
- AFFO for the quarter increased by 15.6% to $14.5 million compared to Q1 2020.
- AFFO per Unit for the quarter increased by 2.0% to $0.102 per Unit compared to $0.100 per Unit for Q1 2020.
- ACFO for the quarter increased by 45.9% to $13.2 million compared to Q1 2020 as a result of increased cash generated from operating activities offset by an increased change in timing of working capital.
- Debt to GBV at quarter end was 32.7%, an increase of 160 basis points from December 2020 (31.1%).
- The Trust completed the following investment property transactions during the first quarter:

Transaction Date	Property	City	Region	Property Type	# of Suites	Transaction Price
21-Jan-2021	378 Vine Street	St Catharines	Other Ontario	Residential	114	$22,000,000
28-Jan-2021	Vancouver No. 1 Apartments Partnership					
	1885 Barclay Street	Vancouver	GVA	Residential	41	
	1924 Barclay Street	Vancouver	GVA	Residential	42	
	1580 Haro Street	Vancouver	GVA	Residential	61	
	855 Jervis Street	Vancouver	GVA	Residential	48	
	1270 Nicola Street	Vancouver	GVA	Residential	37	
	1461 Harwood Street	Vancouver	GVA	Residential	38	
	1326 W 13th Avenue	Vancouver	GVA	Residential	30	
	1355 W 14th Avenue	Vancouver	GVA	Residential	28	
	8675 French Street	Vancouver	GVA	Residential	72	
	4640 W 10th Avenue	Vancouver	GVA	Residential	14	
	8740 Cartier Street	Vancouver	GVA	Residential	35	
	8790 Cartier Street	Vancouver	GVA	Residential	35	
	1373 W 73rd Avenue	Vancouver	GVA	Residential	36	
	2280 W 6th Avenue	Vancouver	GVA	Residential	43	
	2040 York Avenue	Vancouver	GVA	Residential	54	
	Total Vancouver No. 1 Apartments Partnership (100% interest)				614	$292,500,000
	Trust's 50% financial interest in Vancouver No. 1 Apartments Partnership					$146,250,000
Q1 2021 Acquisitions						**$168,250,000**

PORTFOLIO SUMMARY

The Trust started the year with 11,047 suites. During the first quarter of 2021 the Trust purchased one property with 114 suites in St Catharines as well as a 50% ownership stake in fifteen properties with 614 suites in Vancouver. At March 31, 2021, the Trust owned 11,468 suites. Management continuously reviews the markets that the REIT operates in to determine if the portfolio mix remains suitable. Management believes that there are significant opportunities within the portfolio to drive rents, reduce operating costs, and streamline operations. At March 31, 2021, 88.7% of the portfolio was same property suites and 72.5% of the portfolio was repositioned property suites. We are actively seeking opportunities within our target markets, as well as evaluating other gateway cities in Canada, in order to continue to build our acquisition pipeline and grow the REIT in a fiscally prudent manner. The following chart shows our suite mix by region. InterRent's focus on recycling capital and growing its core markets of the Greater Toronto & Hamilton Area ("GTHA"), National Capital Region ("NCR"), Greater Montréal Area ("GMA"), and Great Vancouver Area ("GVA") has resulted in approximately 84% of InterRent's suites being located in these core markets.

▼ Suites By Region at March 31, 2021

Region	Total Portfolio		Same Property	
	Suites	% of Portfolio	Suites	% of Portfolio
Greater Toronto & Hamilton Area	3,566	30.3%	2,885	28.4%
National Capital Region	2,965	25.2%	2,961	29.1%
Other Ontario	1,843	15.6%	1,534	15.1%
Greater Montreal Area	2,787	23.7%	2,787	27.4%
Greater Vancouver Area	614[1]	5.2%	-	-
Total	**11,775**	**100.0%**	**10,167**	**100.0%**

[1] Represents total suites of which the REIT owns a 50% interest in.

ANALYSIS OF OPERATING RESULTS

In $ 000's	3 Months Ended March 31, 2021		3 Months Ended March 31, 2020	
Gross rental revenue	**$44,962**		$38,803	
Less: vacancy & rebates	**(4,754)**		(1,921)	
Other revenue	**2,843**		2,486	
Operating revenues	**$43,051**		$39,368	
Expenses				
Property operating costs	**6,642**	**15.4%**	6,294	16.0%
Property taxes	**5,397**	**12.6%**	4,718	12.0%
Utilities	**4,524**	**10.5%**	3,648	9.2%
Operating expenses	**$16,563**	**38.5%**	$14,660	37.2%
Net operating income	**$26,488**		$24,708	
Net operating margin	**61.5%**		62.8%	

REVENUE

Gross rental revenue for the three months ended March 31, 2021 increased 15.9% to $45.0 million compared to $38.8 million for the three months ended March 31, 2020. Operating revenue for the quarter was up $3.7 million to $43.1 million, or 9.4% compared to Q1 2020. The Trust owned, on a weighted average basis, 11,354 suites throughout Q1 2021 as compared to 10,185 throughout Q1 2020, an increase of 1,169 suites over the period. On a weighted average suite basis, operating revenue for the first quarter of 2021 decreased by 1.9% over the first quarter of 2020.

The average monthly rent across the portfolio for March 2021 increased to $1,325 per suite from $1,270 (March 2020), an increase of 4.3% and from $1,315 (December 2020), an increase of 0.8%. On a same property basis, the average rent increased by $58 per suite to $1,328 (or up 4.6%) over March 2020 and by $7 per suite (or up 0.5%) over December 2020. The overall increase in average rent is a result of organic growth and changes in property mix (through the acquisition of properties in our targeted growth markets and dispositions in non-core markets). Management expects to continue to grow rent organically, as well as continuing to drive other ancillary revenue streams such as parking, laundry, locker rentals, and cable and telecom revenue share agreements.

▼ Average Rent By Region(1)

Region	Total Portfolio			Same Property		
	March 2021	March 2020	Change	March 2021	March 2020	Change
Greater Toronto & Hamilton Area	$1,396	$1,347	+3.6%	$1,413	$1,350	+4.7%
National Capital Region(1)	$1,414	$1,363	+3.7%	$1,415	$1,363	+3.8%
Other Ontario	$1,277	$1,246	+2.5%	$1,325	$1,246	+6.3%
Greater Montreal Area	$1,149	$1,105	+4.0%	$1,149	$1,105	+4.0%
Greater Vancouver Area	$1,535	-	-	-	-	-
Total	**$1,325**	**$1,270**	**4.3%**	**$1,328**	**$1,270**	**4.6%**

(1) Excludes extended stay suites.

The REIT estimates that the average market rental gap on the total portfolio under normal conditions to be in excess of 25% however in light of the current economic environment, the current mark to market rental gap is estimated to be approximately 20% higher than the average in-place rent of $1,325. The REIT is continuing to carefully monitor the demand in the market and will adjust rents based on balancing short-term occupancy against long term rental revenue growth.

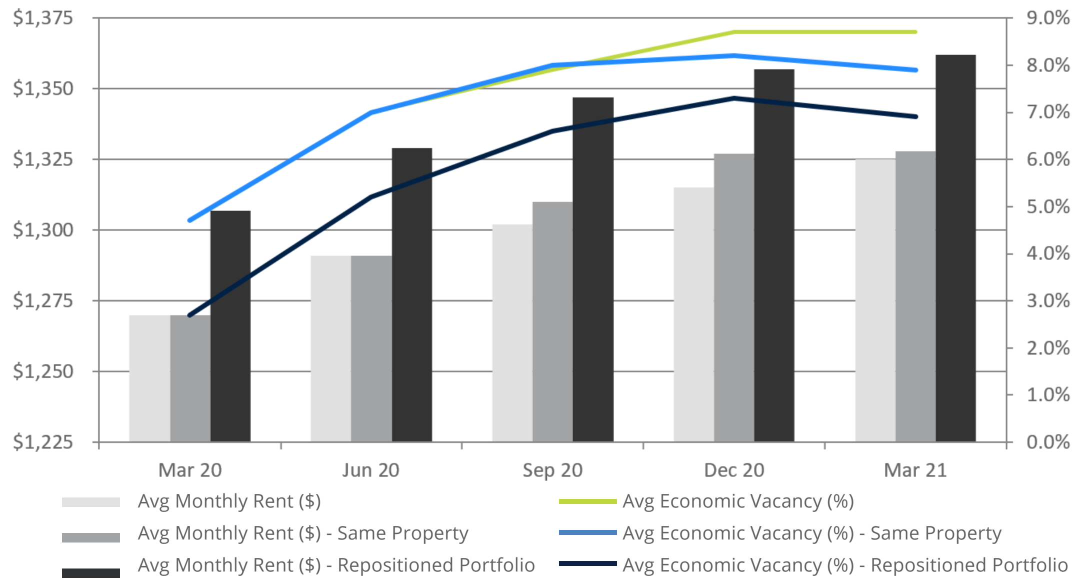
Portfolio Occupancy

As part of the ongoing effort to drive rents throughout the portfolio, the vacancy rate on an annual basis is expected to be in the 4% range once a property is repositioned. Going forward, management believes that minor variations in economic vacancy will continue to occur from one quarter to another given the seasonal nature of rental activity. The rental growth objectives are being achieved as a direct result of:

1. ensuring that properties are safe, secure and well maintained;
2. ensuring suites are properly repaired and maintained before being rented to new residents;
3. marketing that is tailored to the specific features, location and demographics of each individual property; and,
4. ensuring that operations are running as efficiently and cost effectively as possible to ensure the well-being of residents and resident enjoyment of their homes.

This is part of the Trust's repositioning strategy to maximize rental revenues, lower operating costs and create value for Unitholders. Management intends to continue to pursue this strategy both within the existing portfolio and as it looks to add new properties within targeted regions.

The following chart represents the economic vacancy for the entire portfolio for the month listed. This data is calculated by taking financial vacancy loss and dividing it by gross rental revenue.



	March 2020	June 2020	September 2020	December 2020	March 2021
Average monthly rents all properties	$1,270	$1,291	$1,302	$1,315	$1,325
Average monthly rents Same Property	$1,270	$1,291	$1,310	$1,321	$1,328
Average monthly rents Repositioned Property	$1,307	$1,329	$1,347	$1,357	$1,362

The overall economic vacancy for March 2021 across the entire portfolio was 8.7%, an increase of 400 basis points as compared to the 4.7% recorded for March 2020. Economic vacancy for the same property portfolio for March 2021 was 7.9%, an increase of 320 basis points as compared to the 4.7% recorded for the month ended March 2020.

Overall Vacancy has not changed from the 8.7% recorded in December 2020 and has increased by 30 basis points from the 7.6% recorded on the same property portfolio.

The impact in leasing activity from COVID-19 seen in 2020 as a result of the government mandated shutdowns (including immigration and international students) continued throughout the first quarter of 2021. The REIT believes that when immigration returns to more normalized levels, shutdowns cease thereby allowing businesses and consumers to resume normal activities, and post secondary institutions resume in-class learning, strong rental demand will return and will drive down vacancy and upward rental pressure will resume. The REIT continues to believe that capturing market rents is critical as the market trend to lower turnover continues and, as such, reviews every property closely to balance short term vacancy with long term value creation.

▼ Vacancy By Region

Region	Total Portfolio			Same Property		
	March 2021	March 2020	Change	March 2021	March 2020	Change
Greater Toronto & Hamilton Area	6.7%	2.8%	+390 bps	4.5%	2.7%	+180 bps
National Capital Region	10.0%	2.6%	+740 bps	10.0%	2.6%	+740 bps
Other Ontario	3.5%	2.7%	+80 bps	2.2%	2.7%	-50 bps
Greater Montreal Area	13.1%	11.0%	+210 bps	13.1%	11.0%	+210 bps
Greater Vancouver Area	15.8%	-	-	-	-	-
Total	**8.7%**	**4.7%**	**+400 bps**	**7.9%**	**4.7%**	**+320 bps**

Other Revenue

Other rental revenue for the three months ended March 31, 2021 increased 14.4% to $2.8 million compared to $2.5 million for the three months ended March 31, 2020. The increased revenues from commercial space as well as ancillary sources such as parking, laundry, locker rentals and cable and telecom continues to be a focus as it provides organic revenue growth. For the three months ended March 31, 2021, other revenue represents 6.6% of operating revenue compared to 6.3% for Q1 2020.

PROPERTY OPERATING COSTS

Property operating costs for the investment properties include repairs and maintenance, insurance, caretaking, superintendents' wages and benefits, property management salaries and benefits, uncollectible accounts and eviction costs, marketing, advertising and leasing costs.

Property operating costs for the three months ended March 31, 2021 amounted to $6.6 million or 15.4% of revenue compared to $6.3 million or 16.0% of revenue for the three months ended March 31, 2020. As a percentage of revenue, operating costs decreased by 60 basis points as compared to 2020 due in part to the normalization of cleaning and staffing costs associated with the COVID-19 pandemic (see COVID-19 Overview, Risk and Update section).

PROPERTY TAXES

Property taxes for the three months ended March 31, 2021 amounted to $5.4 million or 12.5% of revenue compared to $4.7 million or 12.0% of revenue for the three months ended March 31, 2020. The overall increase in taxes is mainly attributable to the increase in suites from the first quarter of 2020 to 2021 as well as increases in assessed property values.

The Trust is constantly reviewing property tax assessments for its properties and this active approach shall continue to help drive down costs. Where appropriate, the Trust will appeal individual property assessments.

UTILITY COSTS

Utility costs for the three months ended March 31, 2021 amounted to $4.5 million or 10.5% of revenue compared to $3.6 million or 9.2% of revenue for the three months ended March 31, 2020. As a percentage of operating revenues, utility costs increased over the same quarter last year and increased on a per unit basis based on a combination of higher consumption due to colder weather in our operating regions and general increased consumption throughout COVID.

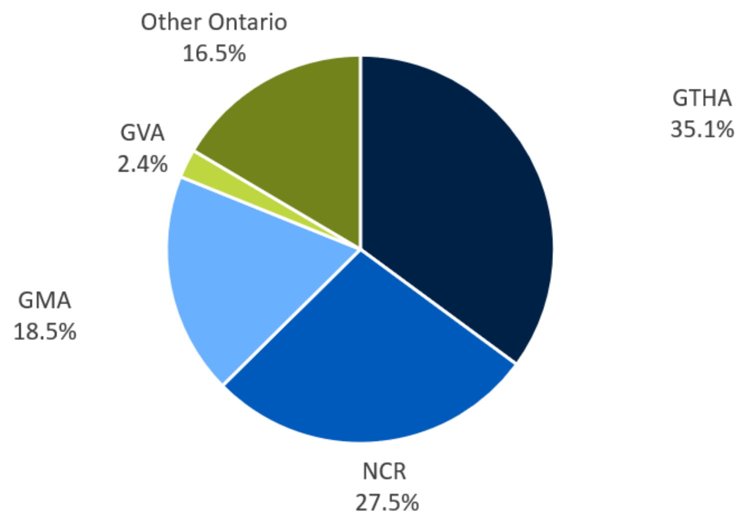
Across the entire portfolio, our hydro sub-metering initiative reduced our electricity costs by 16.5%, or $0.3 million for the quarter. At March 31, 2021, the REIT had approximately 87% of its portfolio (9,971 suites) that had the capability to submeter hydro in order to recover the cost. Of the 9,971 suites that have the infrastructure in place, 7,854 suites were on hydro extra leases whereby the REIT is recovering the cost from the resident, which represents approximately 68% of the total portfolio. The REIT plans on continuing to roll this program out to new properties as they are acquired.

NET OPERATING INCOME (NOI)

NOI for the three months ended March 31, 2021 amounted to $26.5 million or 61.5% of operating revenue compared to $24.7 million or 62.8% of operating revenue for the three months ended March 31, 2020. The $1.8 million increase in the quarter is as a result of growing the portfolio and increasing operating revenue by 9.4%.

NOI from the same property portfolio was $24.2 million, or 62.5% of operating revenue. Management continues to focus on top line revenue growth through acquisitions, suite additions and ancillary revenue as well as operating cost reductions (such as efficiencies of scale, investment in energy saving initiatives, and investments to reduce ongoing operating costs).

▼ NOI by Region - 3 Months Ended March 31, 2021



SAME PROPERTY PORTFOLIO PERFORMANCE

Same property results for the three months ended March 31, 2021 are defined as all properties owned and operating by the Trust throughout the comparative periods being reported, and therefore do not take into account the impact on performance of acquisitions, dispositions or properties going through a lease-up period completed during the period from January 1, 2020 to March 31, 2021. As at March 31, 2021, the Trust has 10,167 suites in the same property portfolio. The same property portfolio represents 88.7% of the overall portfolio.

In $ 000's	3 Months Ended March 31, 2021		3 Months Ended March 31, 2020	
Gross rental revenue	**$40,407**		$38,726	
Less: vacancy & rebates	**(4,042)**		(1,915)	
Other revenue	**2,366**		2,427	
Operating revenues	**$38,731**		$39,238	
Expenses				
Property operating costs	**5,900**	**15.2%**	6,277	16.0%
Property taxes	**4,761**	**12.3%**	4,702	12.0%
Utilities	**3,876**	**10.0%**	3,616	9.2%
Operating expenses	**$14,537**	**37.5%**	$14,595	37.2%
Net operating income	**$24,194**		$24,643	
Net operating margin	**62.5%**		62.8%	

For the three months ended March 31, 2021, operating revenues for same property decreased by 1.3% compared to Q1 of 2020 due to increased vacancy and rebates. Operating costs decreased by 6.0% while property taxes and utilities increased by 1.3% and 7.2% respectively resulting in a 0.4% decrease in overall operating expenses as compared to the same period last year. Overall, same property NOI has decreased by $0.4 million, or 1.8%, as compared to the same period last year. NOI margin for Q1 2021 was 62.5% as compared to 62.8% for Q1 2020, a decrease of 30 basis points.

The average monthly rent for March 2021 for same property increased to $1,328 per suite from $1,270 (March 2020), an increase of 4.6%. Economic vacancy for March 2021 for same property was 7.9%, compared to 4.7% for March 2020.

	March 2020	June 2020	September 2020	December 2020	March 2021
Average monthly rents Same Property portfolio	$1,270	$1,291	$1,310	$1,321	$1,328
Average monthly vacancy Same Property portfolio	4.7%	7.0%	8.0%	8.2%	7.9%

REPOSITIONED PROPERTY PORTFOLIO PERFORMANCE

The Trust's repositioning program following the acquisition of a property typically spans 3 to 4 years, depending on how significant the capital requirements are and what the tenant turnover at the property is like. Repositioned property suites for the three months ended March 31, 2021 are defined as all properties owned and operated by the Trust prior to January 1, 2018. As at March 31, 2021, the Trust has 8,314 repositioned property suites, which represents 72.5% of the overall portfolio.

In $ 000's	3 Months Ended March 31, 2021					
	Repositioned Property Portfolio		Non-Repositioned Property Portfolio		Total Portfolio	
Gross rental revenue	$33,919		$11,043		**$44,962**	
Less: vacancy & rebates	(3,074)		(1,680)		**(4,754)**	
Other revenue	1,772		1,071		**2,843**	
Operating revenues	$32,617		$10,434		**$43,051**	
Expenses						
Property operating costs	4,754	14.6%	1,888	18.1%	**6,642**	**15.4%**
Property taxes	4,042	12.4%	1,355	13.0%	**5,397**	**12.5%**
Utilities	3,132	9.6%	1,392	13.3%	**4,524**	**10.5%**
Operating expenses	$11,928	36.6%	$4,635	44.4%	**$16,563**	**38.5%**
Net operating income	$20,689		$5,799		**$26,488**	
Net operating margin	63.4%		55.6%		**61.5%**	

The average monthly rent for March 2021 for the repositioned property portfolio was $1,362 per suite and the economic vacancy for March 2021 was 6.9% whereas the non-repositioned properties had an average monthly rent of $1,227 per suite and an economic vacancy of 14.0% for March 2021.

Region	Repositioned Property Portfolio			Non-Repositioned Property Portfolio		
	Suites	March 2021 Average Rent	March 2021 Vacancy	Suites	March 2021 Average Rent	March 2021 Vacancy
Greater Toronto & Hamilton Area	2,588	$1,451	4.6%	978	$1,250	12.9%
National Capital Region	2,883	$1,392	10.0%	82	$2,168	10.2%
Other Ontario	1,460	$1,336	2.2%	383	$1,054	10.0%
Greater Montreal Area	1,383	$1,161	10.4%	1,404	$1,138	15.8%
Greater Vancouver Area	-	-	-	307	$1,535	15.8%
Total	**8,314**	**$1,362**	**6.9%**	**3,154**	**$1,227**	**14.0%**

FINANCING AND ADMINISTRATIVE COSTS

In $ 000's	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Net operating income	$26,488	$24,708
Expenses		
Financing costs	6,995	6,920
Administrative costs	3,005	2,987
Income before other income expenses	$16,488	$14,801

FINANCING COSTS

Financing costs amounted to $7.0 million or 16.2% of operating revenue for the three months ended March 31, 2021 compared to $6.9 million or 17.6% of operating revenue for the three months ended March 31, 2020.

In $ 000's	3 Months Ended March 31, 2021		3 Months Ended March 31, 2020	
	Amount	% of Revenue	Amount	% of Revenue
Cash based:				
Mortgage interest	$6,824	15.9%	$6,721	17.1%
Credit facilities	300	0.7%	474	1.2%
Interest capitalized	(207)	(0.5%)	(328)	(0.8%)
Interest income	(110)	(0.3%)	(100)	(0.3%)
Non Cash based:				
Amortization of deferred finance cost and premiums on assumed debt	188	0.4%	153	0.4%
Total	$6,995	16.2%	$6,920	17.6%

Mortgage Interest

Mortgage interest is one of the single largest expense line items for InterRent REIT. Given the current rates in the market for both CMHC insured and conventional mortgages, it is management's expectation that it will be able to continue to refinance existing mortgages as they come due at rates that are in line with the overall weighted average. Mortgage debt has increased on an overall basis, mainly attributable to up-financing for property acquisitions and repositioning.

ADMINISTRATIVE COSTS

Administrative costs include such items as: director pay; salaries and incentive payments; employee benefits; investor relations; transfer agent listing and filing fees; legal, tax, audit, other professional fees; and, amortization on corporate assets.

Administrative costs for the three months ended March 31, 2020 amounted to $3.0 million or 7.0% of revenue compared to $3.0 million or 7.6% of revenue for the three months ended March 31, 2020.

OTHER INCOME AND EXPENSES

In $ 000's	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Income before other income and expenses	**$16,488**	$14,801
Other income and expenses		
Income from joint ventures	**10**	11
Other income and fees	**62**	-
Fair value adjustments of investment properties	**97,639**	982
Unrealized gain/(loss) on financial liabilities	**(8,844)**	22,709
Distributions expense on units classified as financial liabilities	**(646)**	(592)
Net income	**$104,709**	$37,911

OTHER INCOME AND FEES

The Trust has a contractual arrangement with Vancouver No. 1 Apartments Partnership and receives fees to perform the property and project management services for the 614 residential suites within the joint operation.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The fair value of the portfolio at March 31, 2021 was determined internally by the Trust. In order to substantiate management's valuation, the Trust engaged a leading independent national real estate appraisal firm to provide appraisals for substantially all of the portfolio at December 31, 2020. The Trust engaged the firm once again to review and advise of any significant changes in any of the key input assumptions in the model (such as capitalization rate, turnover rate and market rental rate estimates) as at March 31, 2021. For the three month period ended March 31, 2021, a fair value gain of $97.6 million was recorded on the financial statements as a result of changes in the fair value of investment properties. The weighted average capitalization rate used across the portfolio at the end of Q1 2021 was 4.06% as compared to 4.16% for Q4 2020 and 4.24% for Q1 2020.

UNREALIZED FAIR VALUE GAIN/LOSS ON FINANCIAL LIABILITIES

The Trust used a price of $14.79 based on the closing price of the TSX listed InterRent REIT Trust Units to determine the fair value of the deferred unit compensation liability. The total fair value of the deferred units recorded on the consolidated balance sheet at March 31, 2021 was $60.1 million and a corresponding fair value loss of $4.4 million was recorded on the consolidated statement of income for the three months ended March 31, 2021.

The Trust determined the fair value of the option plan (unit-based compensation liability) at March 31, 2021 at $5.1 million and a corresponding fair value loss of $0.7 million was recorded on the condensed interim consolidated statement of income for the three months ended March 31, 2021.

The Trust used a price of $14.79 based on the closing price of the TSX listed InterRent REIT Trust Units to determine the fair value of the Class B LP unit liability. The total fair value of these Units recorded on the condensed consolidated interim balance sheet at March 31, 2021 was $50.4 million and a corresponding fair value loss of $3.8 million was recorded on the condensed consolidated interim statement of income for the three months ended March 31, 2021.

In $ 000's	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Fair value gain/(loss) on financial liabilities:		
Deferred unit compensation plan	**$(4,390)**	$13,120
Option plan	**(684)**	1,641
LP Class B unit liability	**(3,751)**	7,948
Rate swap	**(19)**	-
Fair value gain/(loss) on financial liabilities	**$(8,844)**	$22,709

DISTRIBUTION EXPENSE

The distribution expense is comprised of distributions to holders of the Class B LP units and distributions earned on the deferred unit plan, as both are classified as a liability.

INVESTMENT PROPERTIES

The following chart shows the changes in investment properties from December 31, 2020 to March 31, 2021.

In $ 000's	March 31, 2021
Balance, December 31, 2020	$3,106,240
Acquisitions	174,159
Property capital investments	15,617
Fair value gains	97,639
Total investment properties	$3,393,655

The Trust acquired one property comprised of 114 suites for $22.5 million and a 50% ownership stake in fifteen properties comprised of 614 suites for $151.6 million during the three month period ended March 31, 2021.

The Trust's repositioning program following the acquisition of a property typically spans 3 to 4 years, depending on how significant the capital requirements are and what the tenant turnover at the property is like. For the purpose of identifying capital expenditures related to properties being repositioned, for 2021 the REIT uses a cut-off of December 31, 2017. Any property purchased after this date is considered a repositioning property and capital expenditures are all part of the program to improve the property by lowering operating costs and/or enhancing revenue. For properties acquired prior to January 1, 2018, management reviews the capital expenditures to identify and allocate, to the best of its abilities, those that relate to enhancing the value of the property (either through lowering operating costs or increasing revenue) and those expenditures that relate to sustaining and maintaining the existing space. There are 8,314 suites in the REIT's portfolio that were acquired prior to January 1, 2018 and are considered repositioned properties for the purpose of calculating maintenance capital investment.

For the three month period ended March 31, 2021, the Trust invested $15.6 million in the portfolio. Of the $15.6 million invested in the first three months of the year, $6.8 million was invested in the non-repositioned properties and $0.9 million was invested in properties under development. Of the remaining $7.9 million, $6.2 million was invested in value enhancing initiatives and $1.7 million was related to sustaining and maintaining existing spaces.

For the three month period ended March 31, 2021, a fair value gain of $97.6 million was recorded on the financial statements as a result of changes in the fair value of investment properties.

UNITHOLDERS' EQUITY

The following chart shows the changes in reported Unitholders' equity from December 31, 2020 to March 31, 2021.

Summary of Unitholders' Capital Contributions	Trust Units	Amount (in $'000)
December 31, 2020	138,416,700	$1,003,526
Units issued under the deferred unit plan	14,290	204
Units issued under distribution reinvestment plan	296,145	3,965
Units issued from options exercised	84,400	1,093
March 31, 2021	138,811,535	$1,008,788

As at March 31, 2021 there were 138,811,535 Trust Units issued and outstanding.

DISTRIBUTIONS

The Trust is currently making monthly distributions of $0.027125 per Unit, which equates to $0.3255 per Unit on an annualized basis. For the three months ended March 31, 2021, the Trust's FFO and AFFO was $0.114 and $0.102 per unit respectively, compared to $0.116 and $0.100 for the three months ended March 31, 2020, while the distributions were $0.0814 for 2021 and $0.0775 for 2020.

Distributions to Unitholders are as follows:

In $ 000's	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Distributions declared to Unitholders	**$ 11,284**	$ 9,431
Distributions reinvested through DRIP	**(3,965)**	(3,649)
Distributions declared to Unitholders, net of DRIP	**$ 7,319**	$ 5,782
DRIP participation rate	**35.1%**	38.7%

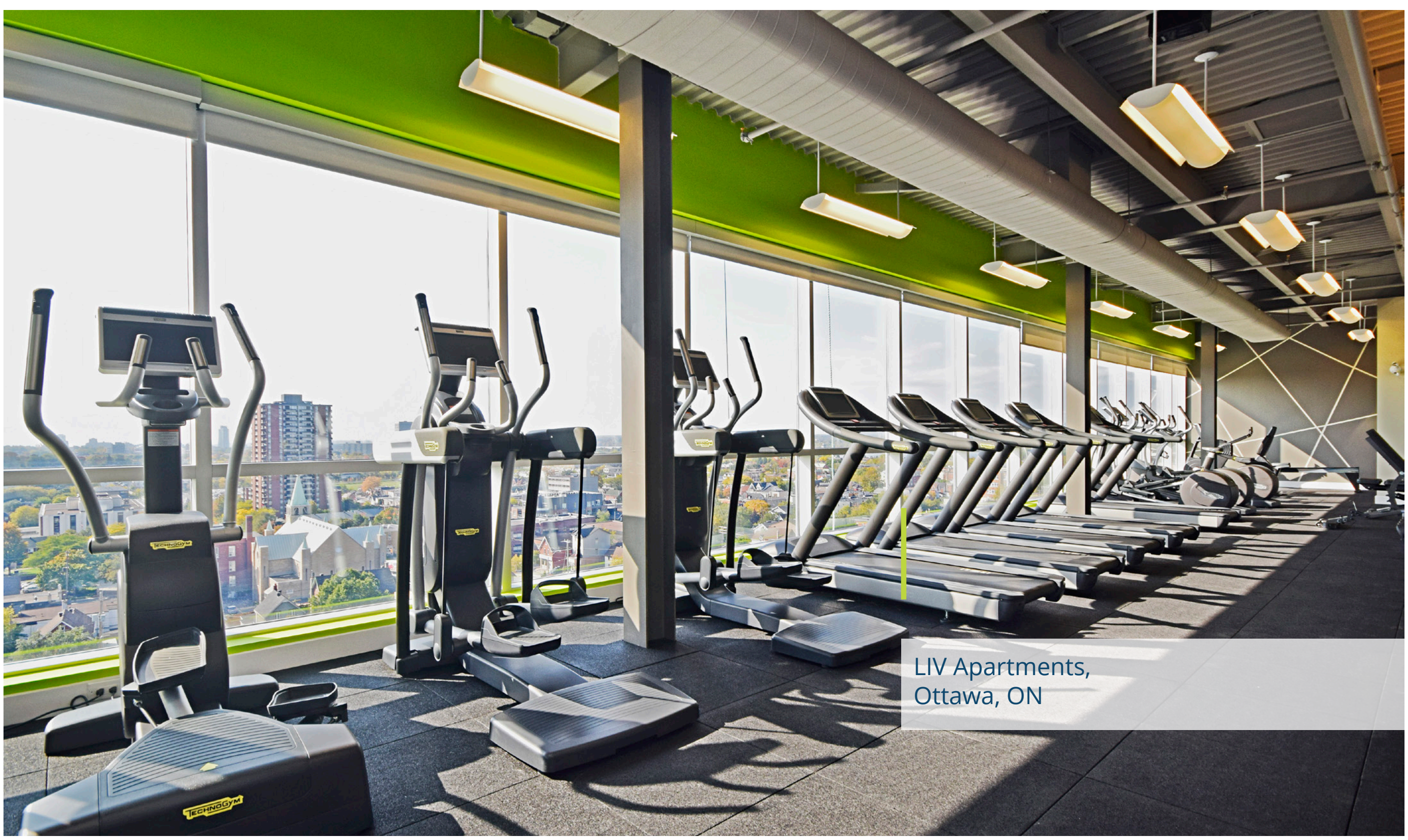
InterRent's Declaration of Trust provides the trustees with the discretion to determine the payout of distributions that would be in the best interest of the Trust. In establishing the level of distributions to Unitholders, consideration is given to future cash requirements of the Trust as well as forward-looking cash flow information.

WEIGHTED AVERAGE NUMBER OF UNITS

The following table sets forth the weighted average number of Units outstanding:

	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Trust units	**138,577,944**	121,627,635
LP Class B units	**3,410,766**	3,410,766
Weighted average units outstanding - Basic	**141,988,710**	125,038,401
Unexercised dilutive options [1]	**386,004**	422,159
Weighted average units outstanding - Diluted	**142,374,714**	125,460,560

[1]Calculated using the treasury method



LIV Apartments,
Ottawa, ON

PERFORMANCE MEASURES

Management believes that Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO) are key measures for real estate investment trusts, however they do not have standardized meanings prescribed by IFRS (GAAP). These measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly termed measures reported by other such issuers.

As both measures exclude the fair value adjustments on investment properties and gains and losses from property dispositions, it provides an operating performance measure that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with GAAP. As these measures are based on historical performance, they lag current operation and are negatively impacted, most notably on a per unit basis, during periods of significant growth. This is further amplified when the growth stems primarily from repositioning/development properties.

FFO Reconciliation In $000's, except per Unit amounts and Units outstanding	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Net income	**$104,709**	$37,911
Add (deduct):		
Fair value adjustments on investment property	**(97,639)**	(982)
Unrealized (gain)/loss on financial instruments	**8,844**	(22,709)
Interest expense on puttable units classified as liabilities	**278**	264
Funds from Operations (FFO)	**$16,192**	$14,484
FFO per weighted average unit - basic	**$0.114**	$0.116
FFO per weighted average unit - diluted	**$0.114**	$0.115

AFFO Reconciliation In $000's, except per Unit amounts and Units outstanding	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
Funds from Operations	**$16,192**	$14,484
Add (deduct):		
Actual maintenance capital investment	**(1,666)**[(1)]	(1,922)[(2)]
Adjusted Funds from Operations (AFFO)	**$14,526**	$12,562
AFFO per weighted average unit - basic	**$0.102**	$0.100
AFFO per weighted average unit - diluted	**$0.102**	$0.100

(1) Maintenance capital investment total is calculated for the 8,314 repositioned suites for 2021.
(2) Maintenance capital investment total is calculated for the weighted average of 7,712 repositioned suites for 2020.

Adjusted Cash Flow from Operations (ACFO) was introduced in February 2017, and updated February 2019, in REALpac's "White Paper on Adjusted Cashflow from Operations (ACFO) for IFRS" as a sustainable, economic cash flow metric. Management believes ACFO can be a useful measure to evaluate the Trusts ability to fund distributions to unitholders. ACFO should not be construed as an alternative to cash flows provided by or used in operating activities determined in accordance with IFRS. ACFO is calculated in accordance with the REALpac definition but may differ from other REIT's methods and accordingly, may not be comparable to ACFO reported by other issuers.

ACFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended March 31, 2021**	**3 Months Ended March 31, 2020**
Cash generated from operating activities	**$19,778**	$11,555
Add (deduct):		
Changes in non-cash working capital not indicative of sustainable cash flows	**(4,750)**	(450)
Amortization of finance costs	**(188)**	(153)
Actual maintenance capital investment	**(1,666)**	(1,922)
ACFO	**13,174**	9,030
Distributions declared [1]	**11,561**	9,695
Excess/(shortfall) of ACFO over distributions declared	**1,613**	(665)
ACFO payout ratio	**87.8%**	107.4%

[1] Includes distributions on LP Class B units

For the three months ended March 31, 2021, ACFO exceeded distributions declared by $1.6 million. Amounts retained in excess of the declared distributions are used to fund acquisitions and capital expenditure requirements.

CASH FROM OPERATING ACTIVITIES AND CASH DISTRIBUTIONS

The following table outlines the differences between cash flows from operating activities and net income and cash distributions in accordance with National Policy 41-201, "Income Trusts and Other Indirect Offerings":

In $ 000's	**3 Months Ended March 31, 2021**	**3 Months Ended March 31, 2020**
Net income	**$104,709**	$37,911
Cash flows from operating activities	**19,778**	11,555
Distributions paid [1]	**7,586**	6,038
Distributions declared [1]	**11,561**	9,695
Excess of net income over distributions paid	**97,123**	31,873
Excess of net income over distributions declared	**93,148**	28,216
Excess of cash flows from operations over distributions paid	**12,192**	5,517
Excess of cash flows from operations over distributions declared	**8,217**	1,860

[1] Includes distributions on LP Class B units

For the three months ended March 31, 2021, cash flows from operating activities exceeded distributions paid by $12.2 million. Net income is not used as a proxy for distributions as it includes fair value changes on investment properties and fair value change on financial instruments, which are not reflective of the Trust's ability to make distributions. Amounts retained in excess of the declared distributions are used to fund acquisitions and capital expenditure requirements.

LIQUIDITY AND CAPITAL RESOURCES

InterRent REIT's overall debt level was at 32.7% of Gross Book Value ("GBV") at March 31, 2021. GBV is a non-GAAP term that is defined in the DOT and includes all operations. The following chart sets out the Trust's computed debt to GBV:

In $ 000's	March 31, 2021	December 31, 2020
Total assets per Balance Sheet	$3,449,997	$3,214,047
Mortgages payable	$1,104,796	$999,595
Lines of credit	22,685	-
Total debt	$1,127,481	$999,595
Debt to GBV	32.7%	31.1%

With a DOT limit of 75% of Debt-to-Gross Book Value, InterRent REIT has the ability to further leverage the existing portfolio to assist with future investments in new assets. The Trust is conscious of the current credit environment and how this affects the ability of the Trust to grow. Management continues to evaluate on-going repositioning efforts, potential new acquisition opportunities as well as potential dispositions in order to continue to grow the Trust in a fiscally prudent manner.

INTEREST AND DEBT SERVICE COVERAGE

The following schedule summarizes the interest and debt service coverage ratios for InterRent for the comparable rolling 12 month periods ending March 31st:

In $000's	12 Months Ended March 31, 2021	12 Months Ended March 31, 2020
NOI	$103,919	$99,741
Less: Administrative costs	11,617	12,036
EBITDA	$92,302	$87,705
Interest expense (1)	26,163	27,590
Interest coverage ratio	**3.53x**	**3.18x**
Contractual principal repayments	21,772	18,648
Total debt service payments	$47,935	$46,238
Debt service coverage ratio	**1.93x**	**1.90x**

(1) Interest expense includes interest on mortgages and credit facilities, including interest capitalized to properties under development and interest income, and excludes interest (distributions) on units classified as financial liabilities.

MORTGAGE AND DEBT SCHEDULE

The following schedule summarizes the aggregate future minimum principal payments and debt maturities for the mortgages of InterRent REIT.

Year Maturing	Mortgage Balances At March 31, 2021 (in $ 000's)	Weighted Average by Maturity	Weighted Average Interest Rate
2021	$179,082	15.9%	2.12%
2022	$105,571	9.4%	2.33%
2023	$180,845	16.1%	2.26%
2024	$74,324	6.6%	3.70%
2025	$110,555	9.8%	2.21%
Thereafter	$474,675	42.2%	2.87%
Total	$1,125,052	100%	2.47%

At March 31, 2021, the average term to maturity of the mortgage debt was approximately 4.7 years and the weighted average cost of mortgage debt was 2.47%. At March 31, 2021, approximately 73% of InterRent REIT's mortgage debt was backed by CMHC insurance.

During the quarter the Trust added two mortgages on properties acquired in the quarter for $111.6 million and paid down $6.3 million in mortgage principal. The net result at March 31, 2021 compared to December 31, 2020 was:

- A decrease in the average term to maturity of the mortgage debt to 4.7 years from 5.2 years;
- A decrease in the weighted average cost of mortgage debt to 2.47% from 2.56%; and
- A decrease in the mortgage debt backed by CMHC insurance to approximately 73% from 81%.

As at March 31, 2021, the Trust had the following credit facilities:

- A $2.0 million demand credit facility with a Canadian chartered bank secured by a general security agreement. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2021, the Trust had no balance outstanding under this facility.
- A $55.0 million term credit facility, maturing in 2022, with a Canadian chartered bank secured by a general security agreement and second collateral mortgages on nine of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2021, the Trust had had utilized $15.1 million of this facility.
- A $15.0 million term credit facility, maturing in 2021, with a Canadian chartered bank secured by a general security agreement, a first mortgage on one of the Trust's properties and second collateral mortgages on one of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2021, the Trust had utilized $7.6 million of this facility.
- A $100.0 million term credit facility, maturing in 2021, with a Canadian chartered bank secured by a general security agreement, first mortgages on two of the Trust's properties and second collateral mortgages on four of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread for prime advances and banker's acceptances. As at March 31, 2021, the Trust had no balance outstanding under this facility.

ACCOUNTING

RISKS AND UNCERTAINTIES

A comprehensive description of the risks and uncertainties can be found in InterRent REIT's December 31, 2020 MD&A and other securities filings at www.sedar.com.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The duration and impact of the COVID-19 pandemic on the Trust is unknown at this time but has resulted in the federal and provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Uncertain economic conditions resulting from the COVID-19 outbreak may, in the short or long term, materially adversely impact the Trust's tenants and/or the debt and equity markets, both of which could materially adversely affect the Trust's operations and financial performance.

Refer to "COVID-19 Overview, Risk and Update" section for discussion of the impact of COVID-19 on the Trust's business and operations.

Riviera Apartments,
Gatineau, QC

Financial Risk Management and Financial Instruments

A. Overview

The Trust is exposed to credit risk, liquidity risk and market risk. The Trust's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholders value. Risk management strategies, as discussed below, are designed and implemented to ensure the Trust's risks and the related exposures are consistent with its business objectives and risk tolerance.

B. Credit Risk

The Trust's credit risk is attributable to its rents and other receivables and loan receivable long-term incentive plan.

Credit risk arises from the possibility that: (i) tenants may experience financial difficulty and be unable to fulfil their lease commitments; and (ii) a party defaults on the repayment of their debt causing a financial loss to the Trust.

The Trust has established various internal controls designed to mitigate credit risk such as credit checks and, where permitted, adequate security to assist in potential recoveries. While the Trust's credit controls and processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Trust's current credit loss experience will improve. The Trust monitors its collection process on a regular basis and all receivables from past tenants and tenant receivables over 30 days are provided for in allowances for doubtful accounts. The Trust believes that the concentration of credit risk of accounts receivable is limited due to its broad tenant base, dispersed across varying geographic locations.

Credit risk relating to other receivables and loan receivable long-term incentive plan is mitigated through recourse against such parties and/or the underlying security. These receivables are considered to have low credit risk.

The amounts disclosed as rents and other receivables and loan receivable long-term incentive plan in the consolidated balance sheet are net of allowances for doubtful accounts. At March 31, 2021, the Trust had past due rents and other receivables of $2.3 million net of an allowance for doubtful accounts of $1.8 million which adequately reflects the Trust's credit risk.

C. Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 21 in the March 31, 2021 condensed consolidated interim financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

As at March 31, 2021, the Trust had credit facilities as described in note 9 in the March 31, 2021 condensed consolidated interim financial statements.

Note 8 in the March 31, 2021 condensed consolidated interim financial statements reflects the contractual maturities for mortgage payable of the Trust at March 31, 20201, excluding interest payments. The Trust continues to refinance the outstanding debts as they mature. Given the Trust's available credit and its available liquid resources from both financial assets and on going operations, management assesses the Trust's liquidity risk to be low.

D. **Fair Value**

Financial instruments are defined as a contractual right to receive or deliver cash or another financial asset. The fair values of the Trust's financial instruments, except for mortgages payable, approximate their recorded values due to their short-term nature and or the credit terms of those instruments.

The fair value of the mortgages payable has been determined by discounting the cash flows using current market rates of similar instruments. These estimates are subjective in nature and therefore cannot be determined with precision. The fair value of mortgages payable and credit facilities is approximately $1,165 million as at March 31, 2021 excluding any deferred financing costs.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

E. **Market Risk**

Market risk includes the risk that changes in interest rates will affect the Trust's cash flows or the fair value of its financial instruments.

At March 31, 2021, approximately 4% of the Trust's mortgage debt was at variable interest rates. The Trust's credit facilities bear interest at variable rates. If there was a 100 basis point change in the interest rate, cash flows would have changed by approximately $0.1 million for the three months ended March 31, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2021 the Trust did not have any off-balance sheet arrangements in place.

RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the three months ended March 31, 2021 and 2020.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. The preparation of this information is supported by a set of disclosure controls and procedures implemented by management.

Pursuant to Canadian Securities Administrators requirements 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, InterRent REIT's Chief Executive Officer and Chief Financial Officer have satisfied themselves that as at March 31, 2021:

1. the design of disclosure controls and procedures was appropriate in order to provide reasonable assurance that material information relating to InterRent REIT is made known to us by others;
2. the design of internal controls over financial reporting was appropriate in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with GAAP; and,
3. there have been no changes in InterRent REIT's internal controls over financial reporting during the quarter that has materially affected, or is reasonably likely to materially affect, InterRent REIT's internal controls over financial reporting.

SUBSEQUENT EVENTS

The Trust, together with Crestpoint Real Estate Investments Ltd. (“Crestpoint”), acquired two properties (45 suites) in Metro Vancouver (the “Acquisition Portfolio”) for a combined purchase price of approximately $18.9 million on April 13, 2021. Under the arrangements, the Trust and Crestpoint will each own a 50% interest in the Acquisition Portfolio. The Trust will property manage the Acquisition Portfolio and collect industry standard fees. The acquisition was financed with a combination of cash and new debt.

The Trust purchased a property (157 suites) in St. Catharines Ontario that closed on April 29, 2021 for a purchase price of approximately $31.4 million.

The Trust is committed to purchase two properties (100 suites) in Oakville Ontario that is scheduled to close on May 2021 for a purchase price of approximately $46.7 million.

The Trust is committed to purchase a property (95 suites) in Mississauga Ontario in May 2021 for a purchase price of approximately $32.7 million.

On May 10, 2021, the Trust announced that the TSX had approved its normal course issuer bid (“Bid”) for a portion of its Trust Units as appropriate opportunities arise from time to time. Under the Bid, the Trust may acquire up to a maximum of 13,200,140 of its Trust Units, or approximately 10% of its public float of 132,001,401 Trust Units as of May 6, 2021, for cancellation over the next 12 months commencing on May 14, 2021 until the earlier of May 13, 2022 or the date on which the Trust has purchased the maximum number of Trust Units permitted under the Bid. The number of Trust Units that can be purchased pursuant to the Bid is subject to a current daily maximum of 88,485 Trust Units (being 25% of the average daily trading volume), except where purchases are made in accordance with “block purchases” exemptions under applicable TSX policies. Purchases will be made at market prices through the facilities of the TSX. The Trust intends to fund the purchases out of its available cash and undrawn credit facilities

OUTSTANDING SECURITIES DATA

As of May 11, 2021, the Trust had issued and outstanding: (i) 138,913,022 units; (ii) LP Class B Units that are exchangeable for 3,410,766 units of the Trust; (iii) options exercisable to acquire 667,345 units of the Trust; and (iv) deferred units that are redeemable for 4,736,500 units of the Trust.

ADDITIONAL INFORMATION

Additional information concerning InterRent REIT, including InterRent REIT’s annual information form, is available on SEDAR at www.sedar.com.

APPENDICES

AVERAGE RENT BY REGION

TOTAL PORTFOLIO

	March 2020	June 2020	September 2020	December 2020	March 2021
Greater Toronto & Hamilton Area	$1,347	$1,369	$1,367	$1,387	$1,396
National Capital Region	$1,363	$1,388	$1,404	$1,407	$1,414
Other Ontario	$1,246	$1,272	$1,254	$1,275	$1,277
Greater Montreal Area	$1,105	$1,119	$1,142	$1,150	$1,149
Greater Vancouver Area	-	-	-	-	$1,535
Total	$1,270	$1,291	$1,302	$1,315	$1,325

SAME PROPERTY PORTFOLIO

	March 2020	June 2020	September 2020	December 2020	March 2021
Greater Toronto & Hamilton Area	$1,350	$1,371	$1,389	$1,406	$1,413
National Capital Region	$1,363	$1,388	$1,404	$1,407	$1,415
Other Ontario	$1,246	$1,272	$1,292	$1,313	$1,325
Greater Montreal Area	$1,105	$1,119	$1,142	$1,150	$1,149
Greater Vancouver Area	-	-	-	-	-
Total	$1,270	$1,291	$1,310	$1,321	$1,328

VACANCY BY REGION

TOTAL PORTFOLIO

	March 2020	June 2020	September 2020	December 2020	March 2021
Greater Toronto & Hamilton Area	2.8%	3.4%	4.1%	6.6%	6.7%
National Capital Region	2.6%	6.3%	8.5%	10.1%	10.0%
Other Ontario	2.7%	3.4%	3.4%	2.8%	3.5%
Greater Montreal Area	11.0%	14.7%	16.9%	14.2%	13.1%
Greater Vancouver Area	-	-	-	-	15.8%
Total	4.7%	7.0%	7.9%	8.7%	8.7%

SAME PROPERTY PORTFOLIO

	March 2020	June 2020	September 2020	December 2020	March 2021
Greater Toronto & Hamilton Area	2.7%	3.2%	3.0%	4.3%	4.5%
National Capital Region	2.6%	6.3%	8.5%	10.1%	10.0%
Other Ontario	2.7%	3.4%	3.0%	2.5%	2.2%
Greater Montreal Area	11.0%	14.7%	16.9%	14.2%	13.1%
Greater Vancouver Area	-	-	-	-	-
Total	4.7%	7.0%	8.0%	8.2%	7.9%

PROPERTY LIST

Property	City	Total Suites	Ownership Interest	Proportionate Suites
Riviera Apartments	Gatineau	497	100%	497
Crystal Beach West	Ottawa	87	100%	87
Crystal Beach East	Ottawa	54	100%	54
Elmridge Gardens	Ottawa	118	100%	118
15 Louisa St	Ottawa	2	100%	2
57 Bayswater Ave	Ottawa	96	100%	96
180 Beausoleil Drive	Ottawa	54	100%	54
181 Lebreton St N	Ottawa	1	100%	1
197 Cumberland St	Ottawa	27	100%	27
214 Metcalfe St	Ottawa	32	100%	32
335 Metcalfe St	Ottawa	22	100%	22
218 MacLaren St	Ottawa	54	100%	54
225 MacLaren St	Ottawa	48	100%	48
231 Bell St N	Ottawa	1	100%	1
235 Charlotte St	Ottawa	28	100%	28
Artista Flats	Ottawa	42	100%	42
447 Somerset St W	Ottawa	17	100%	17
475 & 485 King Edward St	Ottawa	48	100%	48
860 Blackthorne Ave	Ottawa	86	100%	86
1276 Dorchester Ave	Ottawa	31	100%	31
LIV Apartments	Ottawa	441	100%	441
Forest Ridge	Ottawa	393	100%	393
Parkway Park	Ottawa	418	100%	418
Britannia	Ottawa	286	100%	286
380 Winona Ave	Ottawa	4	100%	4
236 Richmond Rd	Ottawa	72	100%	72
381 Churchill Ave	Ottawa	6	100%	6
National Capital Region Total		**2,965**		**2,965**
67 Church St S	Ajax	58	100%	58
700 Ross St	Burlington	47	100%	47
Maple Bay Apartments	Burlington	57	100%	57
Brantstone Gardens	Burlington	66	100%	66
Rosemount Apartments	Burlington	238	100%	238
The Lakeshore Club	Burlington	127	100%	127
1 & 3 Slessor Blvd	Grimsby	172	100%	172
4-8 Grant St	Hamilton	29	100%	29
5-7 Don St	Hamilton	23	100%	23
15 Don St	Hamilton	36	100%	36
157 Pearl St	Hamilton	63	100%	63
Halstead Gardens	Hamilton	334	100%	334
Stoney Creek Towers	Hamilton	619	100%	619
10 Ben Lomond Pl	Hamilton	62	100%	62
1170 Fennell Ave E	Hamilton	63	100%	63
3 East 37th St	Hamilton	74	100%	74
718 Lawrence Rd	Hamilton	55	100%	55
Landmark Place	Hamilton	295	100%	295
Pier Towers	Hamilton	233	100%	233
775 Concession St	Hamilton	108	100%	108
10 Reid Drive	Mississauga	54	100%	54
14 Reid Drive	Mississauga	54	100%	54
1015 Orchard Rd	Mississauga	57	100%	57
2757 Battleford Rd	Mississauga	184	100%	184
6599 Glen Erin Drive	Mississauga	232	100%	232
2304 Weston Rd	Toronto	97	100%	97
2336 Weston Rd	Toronto	69	100%	69
765 Brown's Line	Toronto	26	100%	26
155 Lake Shore Drive	Toronto	34	100%	34
Greater Toronto & Hamilton Area Total	**3,566**		**3,566**	

Property	City	Total Suites	Ownership Interest	Proportionate Suites
Avalon on the Parkway	Guelph	305	100%	305
939 Western Rd	London	114	100%	114
Gordon Avenue Apartments	London	195	100%	195
Auburn Park	London	333	100%	333
614 Lake St	St. Catharines	195	100%	195
378 Vine St	St. Catharines	114	100%	114
Park Towers	St. Catharines	74	100%	74
Maplebrook	St. Catharines	64	100%	64
15 Kappele Circle	Stratford	23	100%	23
25 Kappele Circle	Stratford	128	100%	128
51 & 59 Campbell Court	Stratford	94	100%	94
81-99 North Murray St	Trenton	84	100%	84
Hamilton Landing	Trenton	120	100%	120
Other Ontario Total		**1,843**		**1,843**
Place Kingsley	Côte Saint-Luc	328	100%	328
Parc Kildare	Côte Saint-Luc	175	100%	175
5775 Sir Walter Scott Ave	Côte Saint-Luc	48	100%	48
Maison Hamilton	Côte Saint-Luc	280	100%	280
Le Mistral	Montreal	224	100%	224
VIE Apartments	Montreal	248	100%	248
Hampstead Towers	Montreal	120	100%	120
Le Colisée	Montreal	293	100%	293
La Tour Fontaine	Montreal	251	100%	251
4875 Dufferin Ave	Montreal	118	100%	118
5160 Gatineau Ave	Montreal	54	100%	54
4454 Coolbrook Ave	Montreal	33	100%	33
5881 Monkland Ave	Montreal	17	100%	17
Pavillon Hutchison	Montreal	79	100%	79
Pavillon Milton	Montreal	138	100%	138
Le Neuville	Montreal	128	100%	128
4560 Sainte-Catherine St W	Montreal	41	100%	41
2054 Claremont Ave	Montreal	33	100%	33
5015, 5025 & 5051 Clanranald Ave	Montreal	75	100%	75
6950 Fielding Ave	Montreal	104	100%	104
Greater Montreal Area		**2,787**		**2,787**
Metro Vancouver Portfolio	Vancouver	614	50%	307
Greater Vancouver Area		**614**		**307**
Total Portfolio		**11,775**		**11,468**