

NEWS RELEASE

INTERRENT REIT GROWTH STORY INTACT - REPORTS STRONG INCREASE IN FFO FOR Q1 2021

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Ottawa, Ontario (May 11, 2021) – InterRent Real Estate Investment Trust (TSX-IIP.UN) (“**InterRent**” or the “**REIT**”) today reported financial results for the first quarter ended March 31, 2021.

InterRent REIT reports strong increase in FFO for Q1 2021; announces year to date acquisitions of 1,125 suites for \$444.2 million⁽¹⁾ and enters Vancouver market

- FFO increases to \$16.2 million in Q1 2021 after \$14.5 million in Q1 2020; growth of 11.8% year-over-year
- Average monthly rent per suite at \$1,325 as of March 2021; growth of 4.3% over March 2020 (\$1,270)
- March 2021 occupancy stable at 91.3%; no change compared to December 2020 and down 400bps compared to March 2020
- Same property NOI was \$24.2 million for the quarter, a decrease of 1.8% compared to Q1 2020
- InterRent continues to support tenants experiencing financial hardship as a result of the pandemic; has entered into rent deferral agreements with approximately 0.5% of residential residents
- Strong acquisition performance in the course of the financial year to date; committed or completed contracts to acquire or manage more than 1,125 rental suites, with entrance in greater Vancouver market at scale.

Higher suite count and growth in average rent lead to strong increase in funds from operations (FFO)

As of March 31, 2021, InterRent owned 11,468 suites, up 12.1% from 10,226 as of March 31, 2020. Operating revenues stood at \$43.1 million in Q1 2021, growing at a slightly lower rate of 9.4% from \$39.4 million in Q1 2020 as external growth and improvements in average rent per suite (+4.3%) could not fully offset pandemic-related occupancy pressure in select properties.

The REIT continues to demonstrate the resiliency of its portfolio with Q1 2021 rent collection coming in at 99%. As of March 31, 2021, the REIT was supporting approximately 0.5% of residential tenants through rent deferral agreements and continues to work with any resident facing financial difficulty as a result of the pandemic.

At 91.3% in March 2021, the occupancy rate in InterRent’s portfolio has stabilized relative to December 2020 (91.3%), although down 400bps from March 2020 (95.3%). Occupancy in several properties in the REIT’s portfolio with a typically high student base have been negatively impacted by immigration restrictions curtailing international students coupled with universities moving to online learning. Against this backdrop, the REIT is reporting a decrease in same property NOI of 1.8% for Q1 2021 relative to Q1 2020, despite growing same property average rent per suite by 4.6% over the same period. Management continues to view this occupancy pressure as temporary in nature and is

⁽¹⁾ At 100% share; \$228.5 million based on InterRent’s ownership interest.

optimistic for improvements in the back half of 2021 as Canada's vaccination roll-out reaches critical mass and schools reopen for in-person learning.

Despite a larger portfolio, the REIT held its cost base in the quarter at Q1 2020 levels, demonstrating the scale effects of its growth strategy. Q1 2021 financing costs at \$7.0 million are marginally higher than the \$6.9 million reported in Q1 2020 and reflect a decrease in the REIT's weighted average cost of mortgage debt to 2.47% from 3.00% in Q1 2020, with administrative costs flat across both periods at \$3.0 million. 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 and to the Unit price appreciation in the quarter that resulted in non-cash fair value losses on unit-based liabilities and Class B unit liability.

The combined above effects led to a strong FFO result in the quarter. At \$16.2 million (\$0.114 per Unit – diluted), FFO increased by 11.8% compared to Q1 2020 (\$14.5 million or \$0.115 per Unit - diluted). AFFO likewise grew from \$12.6 million (\$0.100 per Unit – diluted) in Q1 2020 to \$14.5 million (\$0.102 per Unit – diluted) in Q1 2021, representing 15.6% and 2.0% growth on an absolute and per Unit basis, respectively.

Acquisitions of 1,125 owned or managed suites signed or closed in the 2021 financial year to date and entered Vancouver market with scale

From January to May 2021, a total of 1,125 owned or managed rental suites at a total purchase price of \$444.2 million⁽²⁾ were signed in several transactions. In the quarter, the REIT purchased a property comprised of 114 suites in St. Catharines, Ontario for \$22.0 million and entered the Metro Vancouver market with a 50% ownership stake in 15 properties (614 suites), together with Crestpoint Real Estate Investments Ltd. (Crestpoint), for a combined purchase price of \$292.5 million (InterRent 50% stake \$146.3 million).

Subsequent to the quarter end, on April 13, 2021, the REIT, together with Crestpoint, increased its footprint in Vancouver by another 45 suites for a combined purchase price of \$18.9 million (InterRent 50% stake \$9.5 million) and, on April 29, 2021, the REIT purchased a property in St. Catharines, Ontario (157 suites) for \$31.4 million. The REIT is further committed to purchase two properties in Oakville, Ontario (100 suites) on May 13, 2021 for a purchase price of \$46.7 million and a 95-suite property in Mississauga, Ontario for \$32.7 million that is expected to close in May 2021. Both Oakville sites and the Mississauga property are in close proximity to GO stations and are collectively expected to create operating synergies within InterRent's overall portfolio.

These acquisitions are all in line with InterRent's focus on growing its core markets of Greater Toronto & Hamilton Area, National Capital Region, Greater Montréal Area, and Greater Vancouver Area, and result in 84.4% of the REIT's suites being located in these core markets as of March 31, 2021. These acquisitions will feed into InterRent's repositioning program, which typically spans 3 to 4 years following acquisition, offering future value creation potential. At March 31, 2021, InterRent's overall debt level was at 32.7% of Gross Book Value, leaving significant headroom to pursue accretive external growth opportunities that may arise.

Commenting on the figures for the first quarter of 2021 published today, Mike McGahan, CEO of InterRent, said: *"We have started off 2021 with occupancy stabilizing which sets the stage well for the second half of 2021. We do believe our strategy to hold our rents will prove to be beneficial for our stakeholders. We are particularly pleased that we have been successful on the acquisition side, reinforcing our Greater Toronto & Hamilton core market and entering the Greater Vancouver market at scale, thus securing profitable growth for our Unitholders for the future."*

⁽²⁾ At 100% share; \$228.5 million based on InterRent's ownership interest.

Financial Highlights

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

Conference Call

Management will host a webcast and conference call to discuss these results and current business initiatives on Tuesday, May 11, 2021 at 10:00 AM eastern time. The webcast will be accessible at: <https://www.interrentreit.com/2021-q1-results>. A replay will be available for 7 days after the webcast at the same link. The telephone numbers for the conference call are 844-539-0205 (toll free) 236-714-3164 (international). No access code required.

About InterRent

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.

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.

***Non-GAAP Measures**

InterRent prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with IFRS (GAAP). In this and other earnings releases, as a complement to results provided in accordance with GAAP, InterRent also discloses and discusses certain non-GAAP financial measures, including Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated May 11, 2021, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA are not determined by GAAP, they may not be comparable to similar measures reported by other issuers. InterRent has presented such non-GAAP measures as Management believes these measures are relevant measures of the ability of InterRent to earn and distribute cash returns to Unitholders and to evaluate InterRent's performance. These non-GAAP measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with GAAP as an indicator of InterRent's performance.

Cautionary Statements

The comments and highlights herein should be read in conjunction with the most recently filed annual information form as well as our consolidated financial statements and management's discussion and analysis for the same period. InterRent's publicly filed information is located at www.sedar.com.

This news release contains "forward-looking statements" within the meaning applicable to Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "anticipated", "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 state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". InterRent is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. A full description of these risk factors can be found in InterRent's most recently publicly filed information located at www.sedar.com. InterRent cannot assure investors that actual results will be consistent with these forward looking statements and InterRent assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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