InterRent REIT Management's Discussion & Analysis

For the Three and Nine Months Ended September 30, 2021

November 8, 2021

Le Neuville, Montréal, QC

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”, the “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 September 30, 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 September 30, 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

In early 2020, the COVID-19 pandemic led to an unprecedented contraction in global economic activity. After a short, but partial economic recovery during the first reopening phase in the back half of 2020, the Canadian economy faced additional setbacks as case counts climbed and a second wave took hold. The Canadian economy again showed signs of positive momentum in early 2021, and many provinces eased restrictions, before a third wave led to renewed lockdown measures. At the time of writing, new COVID-19 cases in Canada have declined and 74.2% of the population is fully vaccinated against COVID-19, with that figure increasing to 84.4% for Canadians aged 12 and up.[1,2] According to Export Development Canada, the Canadian Economic Recovery Tracker (CERT) reading as of Oct 22 is now hovering around pre-pandemic levels and Canada's borders are open to fully vaccinated travellers.[3,4]

After introducing proof of vaccination requirements to enter many social settings, the three provinces in which the Trust operates are in advanced stages of reopening plans. As of October 30, 2021, the share of fully vaccinated population aged 12 and over stood at 85.6% in British Columbia, 85.3% in Quebec and 84.7% in Ontario[5]. At the time of writing, Ontario requires proof of vaccination to access certain business and settings and has released a plan to lift remaining public health and workplace safety measures by March 2022. In Quebec, a vaccination passport has been in place since September 1, 2021, to allow access to certain places or to engage in certain activities deemed non-essential or at high risk of spreading COVID-19. Likewise, in British Columbia, effective October 24, 2021, individuals aged 12 and over must show proof of full vaccination to access certain non-essential businesses, events and services. This requirement is currently set to end on January 31, 2022 but is subject to extensions.

Though the improving health situation and economic signals are encouraging, the full impact of the COVID-19 pandemic on the Trust remains unknown at this time. As such, it is not possible to reliably estimate the length and severity of COVID-19-related impacts on the Trust's financial results and operations. As always, the health and safety of residents and team members remains the Trust's top priority.

Operations Update:

- Overall portfolio occupancy has improved by 290 basis points to 94.4% since the end of June and we are continuing to see positive momentum through October and November.
- As anticipated, the leasing season extended past the summer this year, with September 2021 leads tracking 62% and 100% above 2020 and 2019 levels, respectively; well above the 11% and 22% growth in suite count over the same period.
- Residential rent collection remained above 99% for Q3 2021. At this point in the quarter, the collection rates for October and November are trending in line with that of previous months.
- The Trust continues to work closely with any resident experiencing financial difficultly resulting from the pandemic. There was no meaningful change in rent deferral arrangements again in the quarter.
- InterRent continues to employ the enhanced cleaning protocol it developed and launched last spring, CLV Clean & Secure+TM, 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 $62.4 million in the first nine months of 2021 of which $26.6 million was spent on improvements for non-repositioned properties, $5.2 million on properties under development, and $24.8 million on value-enhancing initiatives and $5.8 million on sustaining and maintaining existing spaces across the remaining portfolio.

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[1] https://ourworldindata.org/covid-vaccinations?country=CAN
[2] https://globalnews.ca/news/6649164/canada-coronavirus-cases/
[3] https://www.edc.ca/en/guide/edc-canadian-economic-recovery-tracker.html
[4] https://travel.gc.ca/travel-covid/travel-restrictions/covid-vaccinated-travellers-entering-canada#determine-fully
[5] https://globalnews.ca/news/7583050/covid-19-vaccine-tracker-coronavirus-canada/

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) grow both funds from operations per Unit and net asset value per Unit through investments in a diversified portfolio of multi-residential properties; (ii) provide Unitholders with sustainable and growing cash distributions, payable monthly; and (iii) maintain a conservative payout ratio and balance sheet.

In the first nine months of 2021, the Trust:

- purchased one property comprised of 114 suites in St Catharines for $22.0 million;
- purchased a 50% ownership stake in fifteen properties comprised of 614 suites in Vancouver for $146.3 million;
- purchased a 50% ownership stake in two properties comprised of 45 suites in Vancouver for $9.5 million;
- purchased one property comprised of 158 suites in St Catharines for $31.4 million;
- purchased two properties comprised of 100 suites in Oakville for $46.7 million;
- purchased one property comprised of 95 suites in Mississauga for $32.7 million;
- purchased one property comprised of 5 suites and a parking lot with 24 parking stalls adjacent to LIV Apartments in Ottawa for $4.0 million; and
- purchased a 50% ownership stake in one property comprised of 94 suites in Mississauga for $15.1 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 September 30, 2021, the Trust has 100% ownership interest in 11,897 suites of which: a) 10,168 are included in same property suites, or 85.5% of the overall portfolio; and, b) 8,314 are included in repositioned property suites, or 70.0% 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 effect 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:
  a) 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;
  b) continuously looking for new ways and opportunities to drive existing revenues, create new revenue streams and reduce operating costs within our portfolio;

c) 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;

d) developing purpose-built rental on existing sites that have the ability to add more density; and

e) 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 by the City. The building permit received approval from the City. As demolition enters its final stage, interior construction is underway. The REIT anticipates partial occupancy of the building to commence in the second half of 2022;
  - 900 Albert Street, Ottawa (TIP Albert joint venture and direct ownership) – development: The site plan application was approved by Ottawa City Council in July 2020 and the final site plan agreement is currently ongoing. The approved site plan application allows for 1,241 residential suites, 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 zoning bylaw amendment for the property has been successfully approved by the City of Ottawa to allow for a 9-storey mixed-use building, as well as an additional rooftop amenity level. The rezoning allows the REIT to develop 180 residential suites and 18,685 sq ft of commercial space on the site. With rezoning completed and the site plan application nearing final approval, the REIT is progressing the drawing set into design development, in preparation of future construction drawings and building permit applications; and,
  - Burlington GO Lands (Fairview joint venture) – development: The site plan application was submitted in Q1 2020 and comments were received from the City of Burlington staff and external agencies. A second site plan application was submitted in October 2020. The REIT, its partners, and consultants have received a full set of comments from the City addressing the prior submissions and they are working through the comments as required, which are being incorporated into the detailed drawings. The REIT anticipates that the final site plan application submission will be made in Q4 2021. 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 with the ability to increase the current facilities by a further $60.0 million providing a total of $232.0 million of available credit. There is approximately $60.1 million drawn on these facilities as at September 30, 2021.
    - The Trust has approximately $219.0 million in unencumbered properties that do not have mortgages nor provide security for any credit facilities.
    - With a debt-to-GBV ratio of 34.4%, the REIT has significant liquidity available through both CMHC insured and conventional mortgage financing to finance future capital programs, development opportunities and acquisitions.

Forest Ridge Apartments, Ottawa, ON

Q3 PERFORMANCE HIGHLIGHTS

The following table presents a summary of InterRent's operating performance for the three months ended September 30, 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 September 30, 2021**	**3 Months Ended September 30, 2020**	**Change**
Total suites	**11,897**	11,046	**+7.7%**
Average rent per suite (September)	**$1,367**	$1,302	**+5.0%**
Occupancy rate (September)	**94.4%**	92.1%	**+230bps**
Operating revenues	**$46,866**	$39,719	**+18.0%**
Net operating income (NOI)	**$30,250**	$26,228	**+15.3%**
NOI %	**64.5%**	66.0%	**-150bps**
Same Property average rent per suite (September)	**$1,367**	$1,310	**+4.4%**
Same Property occupancy rate (September)	**94.9%**	92.0%	**+290bps**
Same Property NOI	**$26,226**	$25,621	**+2.4%**
Same Property NOI %	**65.3%**	65.8%	**-50bps**
Net Income	**$104,512**	$32,506	**+221.5%**
Funds from Operations (FFO)	**$19,285**	$17,170	**+12.3%**
FFO per weighted average unit - diluted	**$0.135**	$0.121	**+11.6%**
Adjusted Funds from Operations (AFFO)	**$17,238**	$15,070	**+14.4%**
AFFO per weighted average unit - diluted	**$0.120**	$0.106	**+13.2%**
Distributions per unit	**$0.0814**	$0.0775	**+5.0%**
Adjusted Cash Flow from Operations (ACFO)	**$18,778**	$15,416	**+21.8%**
Debt-to-GBV	**34.4%**	30.9%	**+350bps**
Interest coverage (rolling 12 months)	**3.45x**	3.38x	**+0.07x**
Debt service coverage (rolling 12 months)	**1.85x**	1.96x	**-0.11x**

- Overall Portfolio:
  a) Operating revenue for the quarter rose by $7.1 million to $46.9 million, an increase of 18.0% over Q3 2020.
  b) Average monthly rent per suite increased to $1,367 (September 2021) from $1,302 (September 2020), an increase of 5.0%.
  c) Occupancy for September 2021 was 94.4%, an increase of 290 basis points from June 2021 and an increase of 230 basis points when compared to September 2020.
  d) NOI for the quarter was $30.3 million, an increase of $4.0 million, or 15.3%, over Q3 2020. NOI margin for the quarter was 64.5%, down 150 basis points over Q3 2020.
- Same Property Portfolio:
  a) Operating revenue for the quarter increased by $1.2 million to $40.2 million, an increase of 3.2%, over Q3 2020.
  b) Average monthly rent per suite for the same property portfolio increased to $1,367 (September 2021) from $1,310 (September 2020), an increase of 4.4%.
  c) Occupancy for September 2021 was 94.9%, an increase of 270 basis points when compared to June 2021 and a increase of 290 basis points when compared to September 2020.
  d) NOI for the quarter was $26.2 million, an increase of $0.6 million, or 2.4%, over Q3 2020. Same property NOI margin for the quarter was 65.3%, down 50 basis points over Q3 2020.
- Repositioned properties had an average monthly rent per suite of $1,403, occupancy of 95.1% for September 2021 and an NOI margin for the quarter of 65.7%.

- Net income for the quarter was $104.5 million, an increase of $72.0 million compared to Q3 2020. This difference was due primarily to the $85.5 million fair value gain on investment properties ($2.3 million in Q3 2020) and an increase in operating revenue to $46.9 million ($39.7 million in Q3 2020).
- FFO for the quarter increased by $2.1 million, or 12.3%, to $19.3 million compared to Q3 2020.
- FFO per Unit for the quarter increased by 11.6% to $0.135 per Unit compared to $0.121 per Unit for Q3 2020.
- AFFO for the quarter increased by $2.2 million, or 14.4%, to $17.2 million compared to Q3 2020.
- AFFO per Unit for the quarter increased by 14.2% to $0.120 per Unit compared to $0.106 per Unit for Q3 2020.
- ACFO for the quarter increased by 21.8% to $18.8 million compared to Q3 2020.
- Debt-to-GBV at quarter end was 34.4%, which is unchanged for the three months ended June 2021 and represents an increase of 350 basis points for the three months ended September 2020.
- The Trust completed the following investment property transactions during the three months ended September 30, 2021:

Transaction Date	Property	City	Region	Property Type	# of Suites	Transaction Price
26-Jul-21	2150 Roche Court	Mississauga	GTHA	Residential	94	$ 30,100,000
	Trust's 50% financial interest in Ontario No. 1 Apartments Partnership					$ 15,050,000
Q3 2021 Acquisitions						**$ 15,050,000**

PORTFOLIO SUMMARY

The Trust started the year with 11,047 suites and the third quarter with 11,850 suites. During the three months ended September 30, 2021, the Trust purchased a 50% ownership stake in one property with 94 suites in Mississauga Ontario. At September 30, 2021, the Trust owned 11,897 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 September 30, 2021, 85.5%of the portfolio was same property suites and 70.0% 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 Greater Vancouver Area ("GVA") has resulted in approximately 84% of InterRent's suites being located in these core markets.

▼ Suites By Region at September 30, 2021

Region	Total Portfolio		Same Property	
	Suites	% of Portfolio	Suites	% of Portfolio
Greater Toronto & Hamilton Area	3,855[(1)]	31.4%	2,885	28.4%
National Capital Region	2,970	24.2%	2,961	29.1%
Other Ontario	2,002	16.3%	1,535	15.1%
Greater Montreal Area	2,787	22.7%	2,787	27.4%
Greater Vancouver Area	659[(2)]	5.4%	0	0.0%
Total	12,273	100.0%	10,168	100.0%

(1) Represents total suites of which the REIT owns a 100% interest in 3,761 suites and a 50% interest in 94 suites.

(2) Represents total suites of which the REIT owns a 50% interest in.

ANALYSIS OF OPERATING RESULTS

In $ 000's	3 Months Ended September 30, 2021		3 Months Ended September 30, 2020		9 Months Ended September 30, 2021		9 Months Ended September 30, 2020	
Gross rental revenue	**$ 48,607**		$ 40,555		**$ 140,526**		$ 118,631	
Less: vacancy & rebates	**(4,750)**		(3,363)		**(14,472)**		(7,893)	
Other revenue	**3,009**		2,527		**8,829**		7,353	
Operating revenues	**$ 46,866**		$ 39,719		**$ 134,883**		$ 118,091	
Expenses								
Property operating costs	**8,350**	**17.8%**	6,617	16.7%	**22,633**	**16.8%**	19,818	16.8%
Property taxes	**5,511**	**11.8%**	4,832	12.2%	**16,263**	**12.1%**	14,299	12.1%
Utilities	**2,755**	**5.9%**	2,042	5.1%	**10,484**	**7.8%**	8,200	6.9%
Operating expenses	**$ 16,616**	**35.5%**	$ 13,491	34.0%	**$ 49,380**	**36.6%**	$ 42,317	35.8%
Net operating income	**$ 30,250**		$ 26,228		**$ 85,503**		$ 75,774	
Net operating margin	**64.5%**		66.0%		**63.4%**		64.2%	

8740 Cartier Street, Vancouver, BC

REVENUE

Gross rental revenue for the three months ended September 30, 2021 increased 19.9% to $48.6 million compared to $40.6 million for the three months ended September 30, 2020. Operating revenue for the quarter was up $7.1 million to $46.9 million, or 18.0% compared to Q3 2020. The Trust owned, on a weighted average basis, 11,884 suites throughout Q3 2021 as compared to 10,384 throughout Q3 2020, an increase of 1,500 suites over the period. On a weighted average suite basis, operating revenue for Q3 2021 increased by 3.1% over the same quarter of 2020.

The average monthly rent across the portfolio for September 2021 increased to $1,367 per suite from $1,302 (September 2020), an increase of 5.0% and from $1,339 (June 2021), an increase of 2.1%. On a same property basis, the average rent increased by $57 per suite to $1,367 (or up 4.4%) over September 2020 and by $28 per suite (or up 2.1%) over June 2021. 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		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
Greater Toronto & Hamilton Area	$1,445	$1,367	+5.7%	$1,458	$1,389	+5.0%
National Capital Region[1]	$1,447	$1,404	+3.1%	$1,449	$1,404	+3.2%
Other Ontario	$1,315	$1,254	+4.9%	$1,371	$1,292	+6.1%
Greater Montreal Area	$1,185	$1,142	+3.8%	$1,185	$1,142	+3.8%
Greater Vancouver Area	$1,601	-	-	-	-	-
Total	**$1,367**	**$1,302**	**+5.0%**	**$1,367**	**$1,310**	**+4.4%**

[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 $1,367. 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.

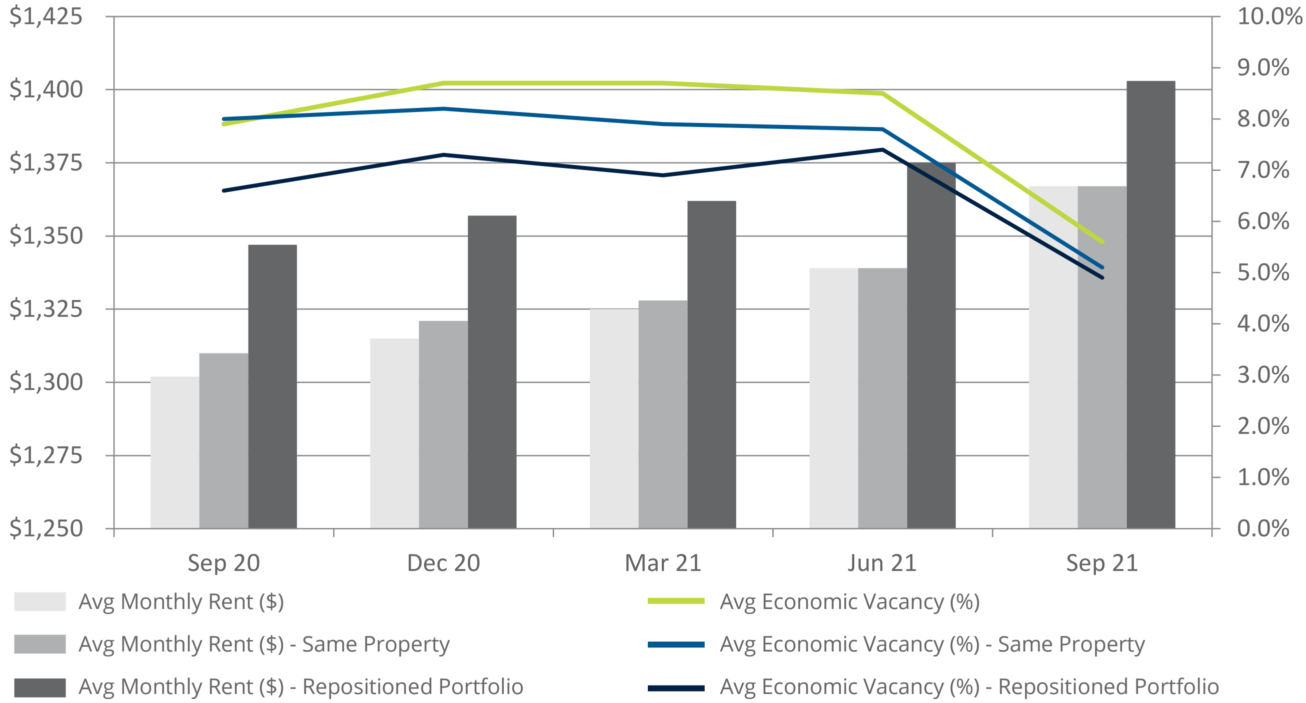
Portfolio Occupancy

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. tailoring marketing 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.



	September 2020	December 2020	March 2021	June 2021	September 2021
Average monthly rents all properties	$1,302	$1,315	$1,325	$1,339	$1,367
Average monthly rents same property	$1,310	$1,321	$1,328	$1,339	$1,367
Average monthly rents repositioned property	$1,347	$1,357	$1,362	$1,375	$1,403

The overall economic vacancy for September 2021 across the entire portfolio was 5.6%, a decrease of 290 basis points from the 8.5% recorded in June 2021 and a decrease of 230 basis points as compared to the 7.9% recorded for September 2020.

The overall economic vacancy for September 2021 for the same property portfolio was 5.1%, a decrease of 270 basis points from the 7.8% recorded in June 2021 and a decrease of 290 basis points as compared to the 8.0% recorded for September 2020.

Prior to the pandemic, Canada typically welcomed 25,000-35,000 new permanent residents per month, but these figures dropped precipitously as pandemic-related border restrictions came into effect in 2020. In January 2021, Canada got off to a strong start, welcoming nearly 25,000 permanent residents; however, numbers again dropped off as new lockdown measures came into place, hitting a low of 17,460 in May.[6] That trend reversed sharply beginning in June 2021, with levels seen over the last few months among the highest monthly totals in Canadian history: June (35,775), July (39,625), August (37,780), and September (45,000). All told, between January and September 2021, Canada has landed about 267,000 immigrants and is still holding firm on its full year target of 401,000.[6] Between 2015 and 2019 approximately 26% of new permanent resident figures related to immigrants already in the country. In 2020 that increased to 38% and in 2021, up to the end of August, that has

[6] https://open.canada.ca/data/en/dataset/f7e5498e-0ad8-4417-85c9-9b8aff9b9eda/resource/5582034d-8f89-49d5-8597-483d628078a1

increased to approximately 65%.[7] Encouragingly, Canada lifted its flight ban on India in late September, the country who has supplied the greatest amount of new permanent residents to Canada over the five years ended 2019.[8] India is also the highest source of international students in Canada, with nearly 220,000 study permit holders citing India as their country of citizenship in 2019, suggesting that a potential "return to normal" is on the near horizon for the international student demand in the Trust's rental base.[9]

▼ Vacancy By Region

Region	Total Portfolio			Same Property		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
Greater Toronto & Hamilton Area	5.9%	4.1%	+180 bps	4.9%	3.0%	+190 bps
National Capital Region	4.8%	8.5%	-370 bps	4.8%	8.5%	-370 bps
Other Ontario	3.4%	3.4%	0 bps	2.8%	3.0%	-20 bps
Greater Montreal Area	7.3%	16.9%	-960 bps	7.3%	16.9%	-960 bps
Greater Vancouver Area	7.6%	-	-	-	-	-
Total	**5.6%**	**7.9%**	**-230 bps**	**5.1%**	**8.0%**	**-290 bps**

Other Revenue

Other rental revenue for the three months ended September 30, 2021 increased 19.1% to $3.0 million compared to $2.5 million for the three months ended September 30, 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 September 30, 2021, other revenue represents 6.4% of operating revenues, which is unchanged as a percentage of operating revenues from Q3 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 September 30, 2021 amounted to $8.4 million or 17.8% of revenue compared to $6.6 million or 16.7% of revenue for the three months ended September 30, 2020. As a percentage of revenue, operating costs increased by 110 basis points as compared to 2020 due in part to increased costs associated with marketing and staffing to properly drive, capture, and convert on the increased leasing volume that was experienced throughout the quarter.

PROPERTY TAXES

Property taxes for the three months ended September 30, 2021 amounted to $5.5 million or 11.8% of revenue compared to $4.8 million or 12.2% of revenue for the three months ended September 30, 2020. Overall property taxes have decreased as a percentage of operating revenues and the nominal increase in taxes is mainly attributable to the increase in suites from Q3 2020 to 2021.

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.

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[7] https://open.canada.ca/data/en/dataset/1b026aab-edb3-4d5d-8231-270a09ed4e82
[8] https://www.immigration.ca/where-will-canadas-401000-immigrants-come-from-in-2021
[9] https://open.canada.ca/data/en/dataset/90115b00-f9b8-49e8-afa3-b4cff8facaee/resource/3897ef92-a491-4bab-b9c0-eb94c8b173ad

UTILITY COSTS

Utility costs for the three months ended September 30, 2021 amounted to $2.8 million or 5.9% of revenue compared to $2.0 million or 5.1% of revenue for the three months ended September 30, 2020. As a percentage of operating revenues, utility costs increased over the same quarter last year and increased on a per suite basis as a result of increased rates, mainly effecting both water and gas, as well as a slight increase in consumption across all three utilities.

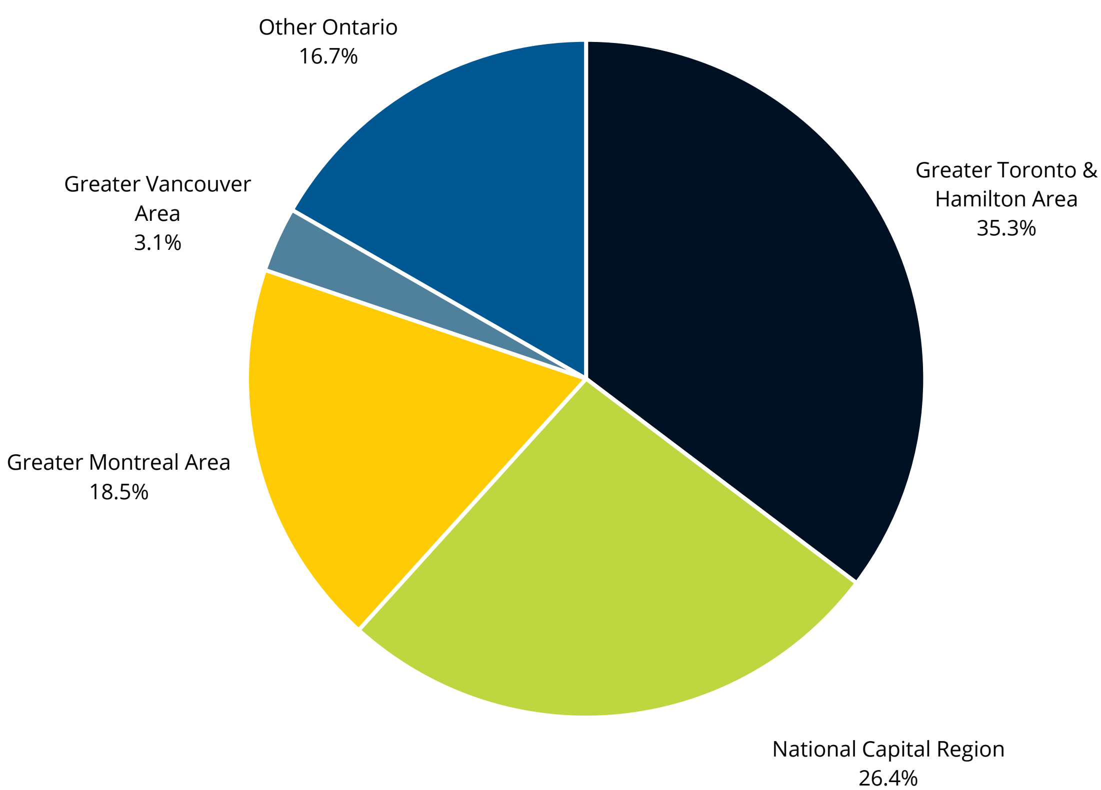
Across the entire portfolio, our hydro sub-metering initiative reduced our electricity costs by 34.9%, or $0.6 million for the quarter. At September 30, 2021, the REIT had approximately 87% of its portfolio (10,274 suites) that had the capability to submeter hydro in order to recover the cost. Of the 10,274 suites that have the infrastructure in place, 8,100 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 September 30, 2021 amounted to $30.3 million or 64.5% of operating revenue compared to $26.2 million or 66.0% of operating revenue for the three months ended September 30, 2020. The $4.1 million increase in the quarter is as a result of growing the portfolio and increasing operating revenue by 18.0%.

NOI from the same property portfolio was $26.2 million, or 65.3% 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 September 30, 2021**



SAME PROPERTY PORTFOLIO PERFORMANCE

Same property results for the three months ended September 30, 2021 are defined as all properties owned and operated 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 September 30, 2021. As at September 30, 2021, the Trust has 10,168 suites in the same property portfolio. The same property portfolio represents 85.5% of the overall portfolio.

In $ 000's	3 Months Ended September 30, 2021		3 Months Ended September 30, 2020		9 Months Ended September 30, 2021		9 Months Ended September 30, 2020	
Gross rental revenue	**$ 41,652**		$ 39,785		**$ 122,994**		$ 117,573	
Less: vacancy & rebates	**(3,955)**		(3,309)		**(12,119)**		(7,811)	
Other revenue	**2,475**		2,461		**7,337**		7,170	
Operating revenues	**$ 40,172**		$ 38,937		**$ 118,212**		$ 116,932	
Expenses								
Property operating costs	**7,055**	**17.6%**	6,520	16.7%	**19,591**	**16.6%**	19,607	16.8%
Property taxes	**4,678**	**11.6%**	4,760	12.2%	**14,063**	**11.9%**	14,178	12.1%
Utilities	**2,213**	**5.5%**	2,036	5.2%	**8,693**	**7.4%**	8,087	6.9%
Operating expenses	**$ 13,946**	**34.7%**	$ 13,316	34.2%	**$ 42,347**	**35.8%**	$ 41,872	35.8%
Net operating income	**$ 26,226**		$ 25,621		**$ 75,865**		$ 75,060	
Net operating margin	**65.3%**		65.8%		**64.2%**		64.2%	

For the three months ended September 30, 2021, operating revenues for same property increased by 3.2% compared to Q3 2020. Property operating costs increased by 90 basis points, property taxes decreased by 60 basis points, and utilities increased by 30 basis points resulting in an increase in overall operating expenses as compared to the same period last year. Overall, same property NOI has increased by $0.6 million, or 2.4%, as compared to the same period last year. NOI margin for Q3 2021 was 65.3% as compared to 65.8% for Q3 2020, a decrease of 50 basis points.

The average monthly rent for September 2021 for same property increased to $1,367 per suite from $1,310 (September 2020), an increase of 4.4%. Economic vacancy for September 2021 for same property was 5.1%, compared to 8.0% for September 2020.

	September 2020	December 2020	March 2021	June 2021	September 2021
Average monthly rents same property	$1,310	$1,321	$1,328	$1,339	$1,367
Average monthly vacancy same property	8.0%	8.2%	7.9%	7.8%	5.1%

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 September 30, 2021 are defined as all properties owned and operated by the Trust prior to January 1, 2018. As at September 30, 2021, the Trust has 8,314 repositioned property suites, which represents 70.0% of the overall portfolio.

In $ 000's	3 Months Ended September 30, 2021					
	Repositioned Property Portfolio		Non-Repositioned Property Portfolio		Total Portfolio	
Gross rental revenue	$ 34,988		$ 13,619		**$ 48,607**	
Less: vacancy & rebates	(3,139)		(1,611)		**(4,750)**	
Other revenue	1,941		1,068		**3,009**	
Operating revenues	$ 33,790		$ 13,076		**$ 46,866**	
Expenses						
Property operating costs	5,738	17.0%	2,612	20.0%	**8,350**	**17.8%**
Property taxes	3,981	11.8%	1,530	11.7%	**5,511**	**11.8%**
Utilities	1,857	5.5%	898	6.9%	**2,755**	**5.9%**
Operating expenses	$ 11,576	34.3%	$ 5,040	38.5%	**$ 16,616**	**35.5%**
Net operating income	$ 22,214		$ 8,036		**$ 30,250**	
Net operating margin	65.7%		61.5%		**64.5%**	

In $ 000's	9 Months Ended September 30, 2021					
	Repositioned Property Portfolio		Non-Repositioned Property Portfolio		Total Portfolio	
Gross rental revenue	$ 103,303		$ 37,223		**$ 140,526**	
Less: vacancy & rebates	(9,447)		(5,025)		**(14,472)**	
Other revenue	5,628		3,201		**8,829**	
Operating revenues	$ 99,484		$ 35,399		**$ 134,883**	
Expenses						
Property operating costs	15,864	15.9%	6,769	19.1%	**22,633**	**16.8%**
Property taxes	11,976	12.0%	4,287	12.1%	**16,263**	**12.0%**
Utilities	7,113	7.1%	3,371	9.5%	**10,484**	**7.8%**
Operating expenses	$ 34,953	35.1%	$ 14,427	40.8%	**$ 49,380**	**36.6%**
Net operating income	$ 64,531		$ 20,972		**$ 85,503**	
Net operating margin	64.9%		59.2%		**63.4%**	

The average monthly rent for September 2021 for the repositioned property portfolio was $1,403 per suite and the economic vacancy for September 2021 was 5.0% whereas the non-repositioned properties had an average monthly rent of $1,283 per suite and an economic vacancy of 7.1% for September 2021.

Region	**Repositioned Property Portfolio**			**Non-Repositioned Property Portfolio**		
	Suites	Sep 2021 Average Rent	Sep 2021 Vacancy	Suites	Sep 2021 Average Rent	Sep 2021 Vacancy
Greater Toronto & Hamilton Area	2,588	$1,498	5.2%	1,220	$1,333	7.7%
National Capital Region	2,883	$1,429	4.5%	87	$2,006	12.8%
Other Ontario	1,460	$1,381	2.9%	542	$1,136	5.2%
Greater Montreal Area	1,383	$1,193	7.6%	1,404	$1,177	6.9%
Greater Vancouver Area	-	-	-	330	$1,601	7.6%
Total	**8,314**	**$1,403**	**5.0%**	**3,583**	**$1,283**	**7.1%**

FINANCING AND ADMINISTRATIVE COSTS

In $ 000's	**3 Months Ended September 30, 2021**	**3 Months Ended September 30, 2020**	**9 Months Ended September 30, 2021**	**9 Months Ended September 30, 2020**
Net operating income	**$ 30,250**	$ 26,228	**$ 85,503**	$ 75,774
Expenses				
Financing costs	**7,789**	6,462	**22,277**	19,841
Administrative costs	**3,012**	2,258	**9,259**	8,035
Income before other income and expenses	**$ 19,449**	$ 17,508	**$ 53,967**	$ 47,898

FINANCING COSTS

Financing costs amounted to $7.8 million or 16.6% of operating revenue for the three months ended September 30, 2021 compared to $6.5 million or 16.3% of operating revenue for the three months ended September 30, 2020.

In $ 000's	**3 Months Ended September 30, 2021**		**3 Months Ended September 30, 2020**	
	Amount	% of Revenue	Amount	% of Revenue
Cash based:				
Mortgage interest	$ 7,443	15.9%	$ 6,095	15.4%
Credit facilities	451	1.0%	316	0.8%
Interest capitalized	(224)	(0.5%)	(194)	(0.5%)
Interest income	(89)	(0.2%)	(240)	(0.6%)
Non-Cash based:				
Amortization of deferred finance cost and premiums on assumed debt	208	0.4%	485	1.2%
Total	$ 7,789	16.6%	$ 6,462	16.3%

Financing costs amounted to $22.3 million or 16.5% of operating revenue for the nine months ended September 30, 2021 compared to $19.8 million or 16.8% of operating revenue for the nine months ended September 30, 2020.

In $ 000's	9 Months Ended September 30, 2021		9 Months Ended September 30, 2020	
	Amount	% of Revenue	Amount	% of Revenue
Cash based:				
Mortgage interest	$ 21,545	16.0%	$ 19,178	16.2%
Credit facilities	1,034	0.8%	1,110	0.9%
Interest capitalized	(644)	(0.5%)	(727)	(0.6%)
Interest income	(288)	(0.2%)	(488)	(0.4%)
Non-Cash based:				
Amortization of deferred finance cost and premiums on assumed debt	630	0.5%	768	0.7%
Total	$ 22,277	16.5%	$ 19,841	16.8%

Mortgage Interest

Mortgage interest is one of the single largest expense line items for InterRent REIT. Given the current rates in the market for CMHC insured mortgages (currently in the range of 2.2% to 2.4% for 5-year terms and 2.5% to 2.7% for 10-year terms), 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 September 30, 2021 amounted to $3.0 million, or 6.4% of operating revenue, compared to $2.3 million for the three months ended September 30, 2020, being 5.7% of operating revenue.

OTHER INCOME AND EXPENSES

In $ 000's	3 Months Ended September 30, 2021	3 Months Ended September 30, 2020	9 Months Ended September 30, 2021	9 Months Ended September 30, 2020
Income before other income and expenses	**$ 19,449**	$ 17,508	**$ 53,967**	$ 47,898
Other income and expenses				
Income from joint ventures	**10**	10	**29**	31
Other income and fees	**206**	-	**364**	-
Fair value adjustments of investment properties	**85,483**	2,304	**242,659**	19,280
Unrealized gain/(loss) on financial liabilities	**21**	13,297	**(24,783)**	27,740
Distributions expense on units classified as financial liabilities	**(657)**	(613)	**(1,949)**	(1,818)
Net income	**$104,512**	$ 32,506	**$270,287**	$ 93,131

OTHER INCOME AND FEES

The Trust has contractual arrangements with Vancouver No. 1 Apartments Partnership and Ontario No. 1 Apartments Partnership and receives fees to perform the property and project management services for the 659 and 94 residential suites within the joint operations, respectively.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The fair value of the portfolio at September 30, 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 September 30, 2021. For the three month period ended September 30, 2021, a fair value gain of $85.5 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 Q3 2021 was 3.93% as compared to 3.98% for Q2 2021 and 4.23% for Q3 2020.

UNREALIZED FAIR VALUE GAIN/LOSS ON FINANCIAL LIABILITIES

The Trust used a price of $16.73 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 condensed interim consolidated balance sheet at September 30, 2021 was $65.5 million and a corresponding fair value gain of $0.3 million was recorded on the condensed interim consolidated statement of income for the three months ended September 30, 2021.

The Trust determined the fair value of the option plan (unit-based compensation liability) at September 30, 2021 was $6.1 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 September 30, 2021.

The Trust used a price of $16.73 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 September 30, 2021 was $57.0 million and a corresponding fair value gain of $0.4 million was recorded on the condensed consolidated interim statement of income for the three months ended September 30, 2021.

In $ 000's	**3 Months Ended September 30, 2021**	**3 Months Ended September 30, 2020**	**9 Months Ended September 30, 2021**	**9 Months Ended September 30, 2020**
Fair value gain/(loss) on financial liabilities:				
Deferred unit compensation plan	**$ 256**	$ 6,251	**$ (12,589)**	$ 15,295
Option plan	**(692)**	1,145	**(1,935)**	2,076
Class B LP unit liability	**444**	5,901	**(10,368)**	10,369
Rate swap	**13**	-	**109**	-
Fair value gain/(loss) on financial liabilities	**$ 21**	$ 13,297	**$ (24,783)**	$ 27,740

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 September 30, 2021.

In $ 000's	September 30, 2021
Balance, December 31, 2020	$ 3,106,240
Acquisitions	318,066
Property capital investments	62,437
Fair value gains	242,659
Total investment properties	$ 3,729,402

During the first nine months of 2021 the Trust purchased six investment properties (totalling 472 suites) and purchased a 50% ownership stake in eighteen properties with 753 suites in Vancouver British Columbia and Mississauga Ontario for an aggregate price of $318.1 million.

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 nine month period ended September 30, 2021, the Trust invested $62.4 million in the portfolio. Of the $62.4 million invested in the first nine months of the year, $26.6 million was invested in the non-repositioned properties and $5.2 million was invested in properties under development. Of the remaining $30.6 million, $24.8 million was invested in value enhancing initiatives and $5.8 million was related to sustaining and maintaining existing spaces.

For the nine month period ended September 30, 2021, a fair value gain of $242.7 million was recorded on the condensed interim 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 September 30, 2021.

Summary of Unitholders' Capital Contributions	Trust Units	Amount (in $ 000's)
December 31, 2020	138,416,700	$1,003,526
Units issued under the deferred unit plan	148,124	2,351
Units issued under distribution reinvestment plan	827,959	12,438
Units issued from options exercised	117,145	1,589
September 30, 2021	139,509,928	$1,019,904

As at September 30, 2021 there were 139,509,928 Trust Units issued and outstanding.

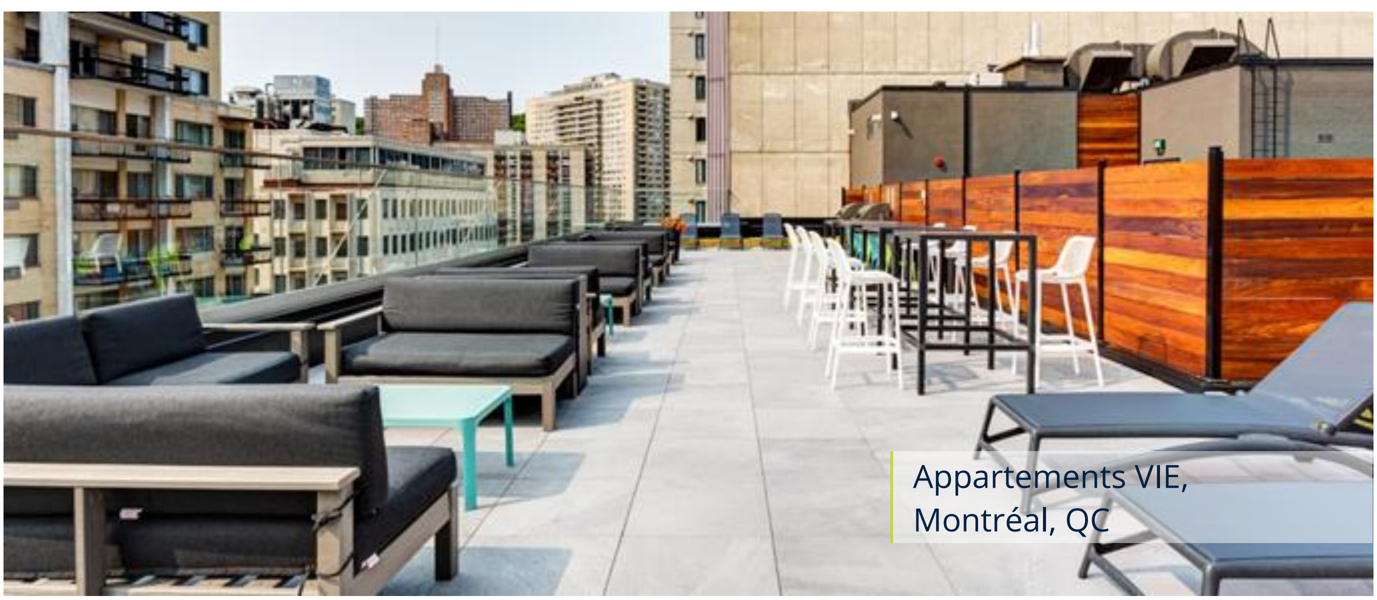
DISTRIBUTIONS

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 September 30, 2021, the Trust's FFO and AFFO was $0.135 and $0.121 per unit (basic) respectively, compared to $0.121 and $0.107 for the three months ended September 30, 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 September 30, 2021	3 Months Ended September 30, 2020	9 Months Ended September 30, 2021	9 Months Ended September 30, 2020
Distributions declared to Unitholders	**$ 11,345**	$ 10,693	**$ 33,945**	$ 29,980
Distributions reinvested through DRIP	**(4,313)**	(3,907)	**(12,438)**	(10,559)
Distributions declared to Unitholders, net of DRIP	**$ 7,032**	$ 6,786	**$ 21,507**	$ 19,421
DRIP participation rate	**38.0%**	36.5%	**36.6%**	35.2%

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.



Appartements VIE,
Montréal, QC

WEIGHTED AVERAGE NUMBER OF UNITS

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

	3 Months Ended September 30, 2021	3 Months Ended September 30, 2020	9 Months Ended September 30, 2021	9 Months Ended September 30, 2020
Trust units	**139,377,473**	137,927,415	**138,981,485**	128,734,600
LP Class B units	**3,410,766**	3,410,766	**3,410,766**	3,410,766
Weighted average units outstanding - Basic	**142,788,239**	141,338,181	**142,392,251**	132,145,366
Unexercised dilutive options [1]	**399,760**	379,332	**399,760**	379,332
Weighted average units outstanding - Diluted	**143,187,999**	141,717,513	**142,792,011**	132,524,698

[1] Calculated using the treasury method.

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 $000's, except per Unit amounts and Units outstanding	3 Months Ended Sep 30, 2021	3 Months Ended Sep 30, 2020	9 Months Ended Sep 30, 2021	9 Months Ended Sep 30, 2020
Net income	**$ 104,512**	$ 32,506	**$ 270,287**	$ 93,131
Add (deduct):				
Fair value adjustments on investment property	**(85,483)**	(2,304)	**(242,659)**	(19,280)
Unrealized (gain) loss on financial instruments	**(21)**	(13,297)	**24,783**	(27,740)
Interest expense on puttable units classified as liabilities	**277**	265	**832**	793
Funds from Operations (FFO)	**$ 19,285**	$ 17,170	**$ 53,243**	$ 46,904
FFO per weighted average unit - basic	**$0.135**	$0.121	**$0.374**	$0.355
FFO per weighted average unit - diluted	**$0.135**	$0.121	**$0.373**	$0.354

AFFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended Sep 30, 2021**	**3 Months Ended Sep 30, 2020**	**9 Months Ended Sep 30, 2021**	**9 Months Ended Sep 30, 2020**
Funds from Operations	**$ 19,285**	$ 17,170	**$ 53,243**	$ 40,982
Add (deduct):				
Actual maintenance capital investment	**(2,047)[(1)]**	(2,100)[(2)]	**(5,854)[(1)]**	(5,520)[(2)]
Adjusted Funds from Operations (AFFO)	**$ 17,238**	$ 15,070	**$ 47,389**	$ 41,384
AFFO per weighted average unit - basic	**$0.121**	$0.107	**$0.333**	$0.313
AFFO per weighted average unit - diluted	**$0.120**	$0.106	**$0.332**	$0.312

(1) Maintenance capital investment total is for the 8,314 repositioned suites for 2021

(2) Maintenance capital investment total is 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 Trust's 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 $000's, except per Unit amounts and Units outstanding	**3 Months Ended September 30, 2021**	**3 Months Ended September 30, 2020**	**9 Months Ended September 30, 2021**	**9 Months Ended September 30, 2020**
Cash generated from operating activities	**$ 8,918**	$ 18,301	**$ 53,263**	$ 49,491
Add (deduct):				
Changes in non-cash working capital not indicative of sustainable cash flows	**12,150**	(300)	**2,900**	(600)
Amortization of finance costs	**(208)**	(485)	**(630)**	(768)
Principal portion of lease payments	**(35)**	-	**(35)**	-
Actual maintenance capital investment	**(2,047)**	(2,100)	**(5,807)**	(5,520)
ACFO	**$ 18,778**	$ 15,416	**$ 49,691**	$ 42,603
Distributions declared [(1)]	**$ 11,622**	$ 10,958	**$ 34,777**	$ 30,773
Excess/(shortfall) of ACFO over distributions	**$ 7,156**	$ 4,458	**$ 14,914**	$ 11,830
ACFO payout ratio	**61.9%**	71.1%	**70.0%**	72.2%

(1) Includes distributions on LP Class B units

For the nine months ended September 30, 2021, ACFO exceeded distributions declared by $7.2 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 September 30, 2021	3 Months Ended September 30, 2020	9 Months Ended September 30, 2021	9 Months Ended September 30, 2020
Net income	**$ 104,512**	$ 32,506	**$ 270,287**	$ 93,131
Cash flows from operating activities	**8,918**	18,301	**53,263**	49,491
Distributions paid [1]	**7,301**	7,043	**22,310**	19,785
Distributions declared [1]	**11,622**	10,958	**34,777**	30,773
Excess of net income over distributions paid	**97,211**	25,463	**247,977**	73,346
Excess of net income over distributions declared	**92,890**	21,548	**235,510**	62,358
Excess of cash flows from operations over distributions paid	**1,617**	11,258	**30,953**	29,706
Excess of cash flows from operations over distributions declared	**(2,704)**	7,343	**18,486**	18,718

[1] Includes distributions on LP Class B units

For the three months ended September 30, 2021, distributions paid exceeded cash flows from operating activities by $2.7 million due to the $12.2 million cash outflow associated with the changes in working capital relating to prepaid deposits. The shortfall in cash from operations was funded by mortgage financings and up-financings tied to the appreciation on the Trust's investment properties. 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 34.4% of Gross Book Value ("GBV") at September 30, 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	September 30, 2021	December 31, 2020
Total assets per Balance Sheet	$ 3,812,215	$ 3,214,047
Mortgages payable	$ 1,252,627	$ 999,595
Credit facilities	60,135	-
Total debt	$ 1,312,762	$ 999,595
Debt-to-GBV	34.4%	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 September 30, 2021:

In $000's	12 Months Ended September 30, 2021	12 Months Ended September 30, 2020
NOI	$111,868	$101,980
Less: Administrative costs	12,823	11,425
EBITDA	$99,045	$90,555
Interest expense [1]	28,735	26,775
Interest coverage ratio	**3.45x**	**3.38x**
Contractual principal repayments	24,888	19,438
Total debt service payments	$53,623	$46,213
Debt service coverage ratio	**1.85x**	**1.96x**

[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 September 30, 2021 (in $ 000's)	Weighted Average by Maturity	Weighted Average Interest Rate
2021	$ 216,652	17.0%	1.96%
2022	$ 152,328	12.0%	2.12%
2023	$ 191,699	15.0%	2.25%
2024	$ 75,356	5.9%	3.70%
2025	$ 111,610	8.8%	2.21%
Thereafter	$ 526,597	41.3%	2.83%
Total	$ 1,274,242	100.0%	2.39%

At September 30, 2021, the average term to maturity of the mortgage debt was approximately 4.0 years and the weighted average cost of mortgage debt was 2.39%. At September 30, 2021, approximately 69% of InterRent REIT's mortgage debt was backed by CMHC insurance.

During the quarter, the Trust up-financed one mortgage for $11.1 million, added one mortgage on an unencumbered property for $20.6 million, added one mortgage on properties acquired in the quarter for $9.8 million, and paid down $6.5 million in mortgage principal. The net result at September 30, 2021 compared to December 31, 2020 was:

- A decrease in the average term to maturity of the mortgage debt to 4.0 years from 5.2 years;
- A decrease in the weighted average cost of mortgage debt to 2.39% from 2.56%; and
- A decrease in the mortgage debt backed by CMHC insurance to approximately 69% from 81%.

As at September 30, 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 September 30, 2021, the Trust had utilized $0.1 million of 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 September 30, 2021, the Trust had had utilized $54.5 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 September 30, 2021, the Trust had utilized $0.3 million of this facility.
- A $100.0 million term credit facility, maturing in 2024, 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 September 30, 2021, the Trust had utilized $5.5 million of 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.

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 September 30, 2021, the Trust had past due rents and other receivables of $4.4 million net of an allowance for doubtful accounts of $2.2 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 September 30, 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 September 30, 2021, the Trust had credit facilities as described in note 9 in the September 30, 2021 condensed consolidated interim financial statements.

Note 8 in the September 30, 2021 condensed consolidated interim financial statements reflects the contractual maturities for mortgage payable of the Trust at September 30, 2021, 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 $1,342 million as at September 30, 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 September 30, 2021, approximately 13% 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 $1.5 million for the nine months ended September 30, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 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 September 30, 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 September 30, 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 purchased two properties (combined 285 suites) in Toronto Ontario that closed on October 18, 2021 for a purchase price of approximately $125.0 million.

The Trust, together with Crestpoint Real Estate Investments Ltd. (“Crestpoint”), acquired one property (104 suites) in Vancouver British Columbia (the “Property”) for a purchase price of approximately $52.0 million on October 22, 2021. Under the arrangements, the Trust and Crestpoint will each own a 50% interest in the Property. The Trust will property manage the Property and collect industry standard fees.

The Trust is committed to purchase a property (48 suites and approximately 5,700 sq. ft. of commercial space) in Montréal Québec in November 2021 for a purchase price of $18.5 million.

The Trust is committed to purchase a property (121 suites) in Montréal Québec in December 2021 for a purchase price of $34.0 million.

The Trust, together with Crestpoint Real Estate Investments Ltd. (“Crestpoint”), is committed to purchase a property (46 suites) in Vancouver British Columbia (the “Property”) in November 2021 for a purchase price of $19.5 million. Under the arrangements, the Trust and Crestpoint will each own a 50% interest in the Property. The Trust will property manage the Property and collect industry standard fees.

As of November 8, 2021, the Board of Trustees approved a 5.1% increase to the monthly per unit distributions. The increase will be effective for the November 2021 distribution that is to be paid in December 2021.

OUTSTANDING SECURITIES DATA

As of November 8, 2021, the Trust had issued and outstanding: (i) 139,605,838 units; (ii) LP Class B Units that are exchangeable for 3,410,766 units of the Trust; (iii) options exercisable to acquire 634,152 units of the Trust; and (iv) deferred units that are redeemable for 4,520,623 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.