InterRent REIT Management's Discussion & Analysis

For the Three Months Ended March 31, 2020

May 5, 2020

2386-2400 New Street,
Burlington, ON

MANAGEMENT'S DISCUSSION & ANALYSIS

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FORWARD-LOOKING STATEMENTS

Caution Regarding Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") of InterRent Real Estate Investment Trust ("InterRent REIT" 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, 2019 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 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

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

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

INTERRENT REAL ESTATE INVESTMENT TRUST

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

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

DECLARATION OF TRUST

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

At March 31, 2020 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, 2019 and note 2 of the condensed consolidated financial statements for March 31, 2020.

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, 2017.

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

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

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

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

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

COVID-19 OVERVIEW, RISK AND UPDATE

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

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

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

Operations Update:

- InterRent REIT has collected approximately 98% of residential April rent payments, inline with a typical month, and is providing specific rent deferment and payment plans for those residents who have faced economic hardship due to the pandemic.
- Currently we have entered into rent deferral agreements with approximately 0.25% of our residential residents.
- Suite Occupancy of the Trust's portfolio on April 30, 2020 was 96%.
- InterRent REIT is not applying any rent increases at this time.
- InterRent REIT has enhanced cleaning protocols for all of its buildings and stepped up maintenance of ventilation systems. Building team members and cleaning contractors are making extra efforts to ensure high-touch common areas (elevator call buttons, door handles, washroom facilities, etc.) are kept clean and disinfected with industry-appropriate products.
- In recognition of their outstanding and ongoing efforts keeping our properties clean and safe through this pandemic, wages have been temporarily increased by $4 per hour for our front-line workers.
- All building common areas and amenity rooms have been temporarily closed in accordance with Public Health Authority recommendations.
- InterRent REIT has developed an online information hub (interrentreit.com/covid-19) to provide residents and stakeholders with information regarding the pandemic as well as an online Bulletin Board for residents to communicate with each other and provide assistance to their fellow residents
- The Trust has also conducted wellness phone calls to all residents to check on their safety and to identify residents in need of additional assistance.
- InterRent REIT's sales and leasing teams have implemented an end-to-end contactless rental process.
- All corporate office employees have been provided with the necessary equipment to work from home.
- Over the last three years, InterRent has invested $192 million in maintaining and improving its properties which has provided the REIT with a very defensive portfolio well-positioned to face uncertain economic times
- The REIT has also significantly reduced leverage over this period with Debt/GBV declining from 55.3% at December 31, 2016 to 33.4% at March 31, 2020.

OVERVIEW

BUSINESS OVERVIEW AND STRATEGY

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

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

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

In the first three months of 2020, the REIT:

- purchased one property comprised of 57 suites in Mississauga for $18.15 million; and
- purchased a property with 4 suites which is contiguous to our development site at Richmond/Churchill in Ottawa for $1.35 million.

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

As at March 31, 2020, the Trust has 10,226 suites of which: a) 8,951 are included in same property suites, or 87.5% of the overall portfolio; and, b) 7,712 are included in repositioned property suites, or 75.4% of the overall portfolio.

OUTLOOK

- The immediate concern of the REIT is ensuring the health and safety of both our residents and team members and making sure operational disruptions due to COVID-19 are kept to a minimal affect on the Trust. Management remains committed to growing the REIT in a strategic and structured manner and although timing may be impacted by the current pandemic, future growth is still anticipated to come from:
  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 – proposed conversion of office to 153 residential suites and approximately 21,000 square feet of commercial space: Site Plan Application has been submitted and we are continuing to work through the entitlement process.
  - 900 Albert Street, Ottawa (TIP Albert joint venture) – development: re-zoning for height and density has been completed and the partners are working through final design and Site Plan Application;
  - Richmond & Churchill, Ottawa – development: we purchased an adjacent property that enhances density and creates a more efficient development site. Currently undergoing entitlement planning and preparation of Site Plan Application to include the new parcel; and,
  - Burlington GO Lands (Fairview joint venture) –Site Plan Application (SPA) has been submitted which proposes 2,456 residential suites and approximately 40,000 square feet of commercial space, and we are continuing to work through the entitlement process with the City of Burlington.

- Liquidity Update:
  - The REIT's current credit facilities total $140.5 million as well as a further $50 million available through an accordion feature on one of its committed revolving term loan facilities. Based on the current security in place, the REIT is also in negotiations to extend one of the facilities by a further $40 million. Of the total potential $230.5 million, there is approximately $30 million drawn on these facilities.
  - To date, mortgage financings and renewals have progressed on schedule with no mortgage financing delays noted as a result of COVID-19. The REIT is currently working with several lenders on mortgages that would provide approximately $95 million in up-financing over the next 2-4 months;
  - The REIT has approximately $100 million in assets that are fully unencumbered and with a debt to GBV ratio of 33.4% has significant liquidity available through both CMHC insured and conventional mortgage financing.

Q1 PERFORMANCE HIGHLIGHTS

The following table presents a summary of InterRent's operating performance for the three months ended March 31, 2020 compared to the same period in 2019:

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended March 31, 2020**	**3 Months Ended March 31, 2019**	**Change**
Total suites	**10,226**	9,203	**+11.1%**
Average rent per suite (March)	**$1,270**	$1,204	**+5.5%**
Occupancy rate (March)	**95.3%**	95.8%	**-50bps**
Operating revenues	**$39,368**	$33,731	**+16.7%**
Net operating income (NOI)	**$24,708**	$21,160	**+16.8%**
NOI %	**62.8%**	62.7%	**+10bps**
Same Property average rent per suite (March)	**$1,296**	$1,209	**+7.2%**
Same Property occupancy rate (March)	**96.6%**	95.8%	**+80bps**
Same Property NOI	**$22,654**	$20,842	**+8.7%**
Same Property NOI %	**63.7%**	62.9%	**+80bps**
Net Income	**$37,911**	$13,630	**+178.1%**
Funds from Operations (FFO)	**$14,484**	$11,614	**+24.7%**
FFO per weighted average unit – diluted	**$0.115**	$0.105	**+9.5%**
Adjusted Funds from Operations (AFFO)	**$12,562**	$9,611	**+30.7%**
AFFO per weighted average unit – diluted	**$0.100**	$0.087	**+14.9%**
Distributions per unit	**$0.0775**	$0.0725	**+6.9%**
Adjusted Cash Flow from Operations (ACFO)	**$9,030**	$9,742	**-7.3%**
Debt to GBV	**33.4%**	39.4%	**-600bps**
Interest coverage (rolling 12 months)	**3.18x**	2.97x	**+0.21x**
Debt service coverage (rolling 12 months)	**1.90x**	1.81x	**+0.09x**

- Overall Portfolio:
  a) Operating revenue for the quarter rose by $5.6 million to $39.4 million, an increase of 16.7% over Q1 2019.
  b) Average monthly rent per suite increased to $1,270 (March 2020) from $1,204 (March 2019), an increase of 5.5%.
  c) Occupancy for March 2020 was 95.3%, a decrease of 30 basis points when compared to December 2019 and a decrease of 50 basis points when compared to March 2019.
  d) NOI for the quarter was $24.7 million, an increase of $3.5 million, or 16.8%, over Q1 2019. NOI margin for the quarter was 62.8%, up 10 basis points over Q1 2019.
- Same Property Portfolio:
  a) Operating revenue for the quarter rose by $2.5 million to $35.6 million, an increase of 7.4% over Q1 2019.
  b) Average monthly rent per suite for the same property portfolio increased to $1,296 (March 2020) from $1,209 (March 2019), an increase of 7.2%.
  c) Occupancy for March 2020 was 96.6%, a decrease of 10 basis points when compared to December 2019 and a increase of 80 basis points when compared to March 2019.
  d) NOI for the quarter was $22.7 million, an increase of $1.8 million, or 8.7%, over Q1 2019. Same property NOI margin for the quarter was 63.7%, up 80 basis points over Q1 2019.
- Repositioned properties had an average monthly rent per suite of $1,320, occupancy of 97.5% for March 2020 and an NOI margin for the quarter of 65.2%.
- Net income for the quarter was $37.9 million, an increase of $24.3 million compared to Q1 2019. This difference was due primarily to the Unit price depreciation in the quarter that resulted in higher non-cash fair value gains on unit-based liabilities and Class B unit liability.
- FFO for the quarter increased by 24.7% to $14.5 million compared to Q1 2019.
- FFO per Unit for the quarter increased by 9.5% to $0.115 per Unit compared to $0.105 per Unit for Q1 2019.

- AFFO for the quarter increased by 30.7% to $12.6 million compared to Q1 2019.
- AFFO per Unit for the quarter increased by 14.9% to $0.100 per Unit compared to $0.087 per Unit for Q1 2019.
- ACFO for the quarter decreased by 7.3% to $9.0 million compared to Q1 2019 as a result of changes in timing of working capital.
- Debt to GBV at quarter end was 33.4%, an increase of 90 basis points from December 2019 (32.5%).
- The Trust completed the following investment property acquisitions during the first quarter:

Transaction Date	Property	City	Region	Property Type	# of Suites	Transaction Price
27-Feb-20	1015 Orchard Road	Mississauga	GTA	Residential	57	$18,150,000
31-Mar-20	380 Winona Street	Ottawa	NCR	Development	4[1]	$1,350,000
Q1/20 Acquisitions					**61**	**$19,500,000**

[1] Development site (0.11 acres) includes a fourplex which will be operated during the interim period prior to construction.

VIE Apartments,
Montreal, QC

PORTFOLIO SUMMARY

The Trust started the year with 10,164 suites. During the first quarter of 2020 the Trust purchased one property with 57 suites in Mississauga as well as a property with 4 suites which is contiguous to our development site at Richmond/Churchill in Ottawa and added a suite to a property in Hamilton. At March 31, 2020, the Trust owned 10,226 suites. Management continuously reviews the markets that the REIT operates in to determine if the portfolio mix remains suitable. Management believes that there are significant opportunities within the portfolio to drive rents, reduce operating costs, and streamline operations. At March 31, 2020, 87.5% of the portfolio was same property suites and 75.4% of the portfolio was repositioned property suites. Management has identified several cities within its geographical clusters for growth, and has been successful in adding 57 suites (as well as a property with 4 suites which is contiguous to our development site at Richmond/Churchill in Ottawa) within these clusters during the period. We continue to actively seek opportunities within our target markets 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 GTA (including Hamilton), Ottawa/NCR and Montreal has resulted in approximately 85% of InterRent's suites being located in these core markets.

▼ Suites By Region at March 31, 2020

Region	Total Portfolio		Same Property	
	Suites	% of Portfolio	Suites	% of Portfolio
Eastern Ontario	204	2.0%	204	2.3%
GTA	1,340	13.1%	1,283	14.3%
Hamilton/Niagara	1,935	18.9%	1,861	20.8%
Montreal	2,785	27.2%	1,645	18.4%
Gatineau	497	4.9%	497	5.6%
Ottawa	2,468	24.1%	2,464	27.5%
Western Ontario	997	9.7%	997	11.1%
Total	**10,226**	**100.0%**	**8,951**	**100.0%**

ANALYSIS OF OPERATING RESULTS

In $ 000's	3 Months Ended March 31, 2020		3 Months Ended March 31, 2019	
Gross rental revenue	$38,803		$33,157	
Less: vacancy & rebates	(1,921)		(1,440)	
Other revenue	2,486		2,014	
Operating revenues	$39,368		$33,731	
Expenses				
Property operating costs	6,294	16.0%	4,838	14.3%
Property taxes	4,718	12.0%	4,288	12.7%
Utilities	3,648	9.2%	3,445	10.2%
Operating expenses	$14,660	37.2%	$12,571	37.3%
Net operating income	$24,708		$21,160	
Net operating margin	62.8%		62.7%	

REVENUE

Gross rental revenue for the three months ended March 31, 2020 increased 17.0% to $38.8 million compared to $33.2 million for the three months ended March 31, 2019. Operating revenue for the quarter was up $5.6 million to $39.4 million, or 16.7% compared to Q1 2019. The Trust owned, on a weighted average basis, 10,185 suites throughout Q1 2020 as compared to 9,146 throughout Q1 2019, an increase of 1,039 suites over the period. On a weighted average suite basis, operating revenue for the first quarter of 2020 grew by 4.8% over 2019.

The average monthly rent across the portfolio for March 2020 increased to $1,270 per suite from $1,204 (March 2019), an increase of 5.5% and from $1,260 (December 2019), an increase of 0.8%. On a same property basis, the average rent increased by $87 per suite to $1,296 (or up 7.2%) over March 2019 and by $10 per suite (or up 0.8%) over December 2019. The overall increase in average rent is a result of organic growth and changes in property mix (through the acquisition of properties in our targeted growth markets and dispositions in non-core markets). Management expects to continue to grow rent organically, as well as continuing to drive other ancillary revenue streams such as parking, laundry, locker rentals, and cable and telecom revenue share agreements.

▼ Average Rent By Region[1]

Region	Total Portfolio			Same Property		
	March 2020	March 2019	Change	March 2020	March 2019	Change
Eastern Ontario	$1,229	$1,130	8.8%	$1,229	$1,130	8.8%
GTA	$1,589	$1,502	5.8%	$1,605	$1,502	6.9%
Hamilton/Niagara	$1,165	$1,094	6.5%	$1,172	$1,094	7.1%
Montreal	$1,106	$1,030	7.4%	$1,120	$1,032	8.5%
Gatineau	$979	$926	5.7%	$979	$926	5.7%
Ottawa	$1,442	$1,350	6.8%	$1,442	$1,350	6.8%
Western Ontario	$1,243	$1,157	7.4%	$1,243	$1,157	7.4%
Total	**$1,270**	**$1,204**	**5.5%**	**$1,296**	**$1,209**	**7.2%**

[1] Excludes extended stay suites.

The REIT estimates that the average market rent on the total portfolio is approximately 25% higher than the average in-place rent of $1,270. However due to the current pandemic, the REIT is carefully monitoring the demand in the market and will adjust rents based on demand.

InterRent REIT has been successful in increasing rent levels while at the same time reducing hydro consumption and costs by having residents be responsible for the cost associated with their individual consumption. Currently, 83% of the portfolio has submetering capabilities in place.

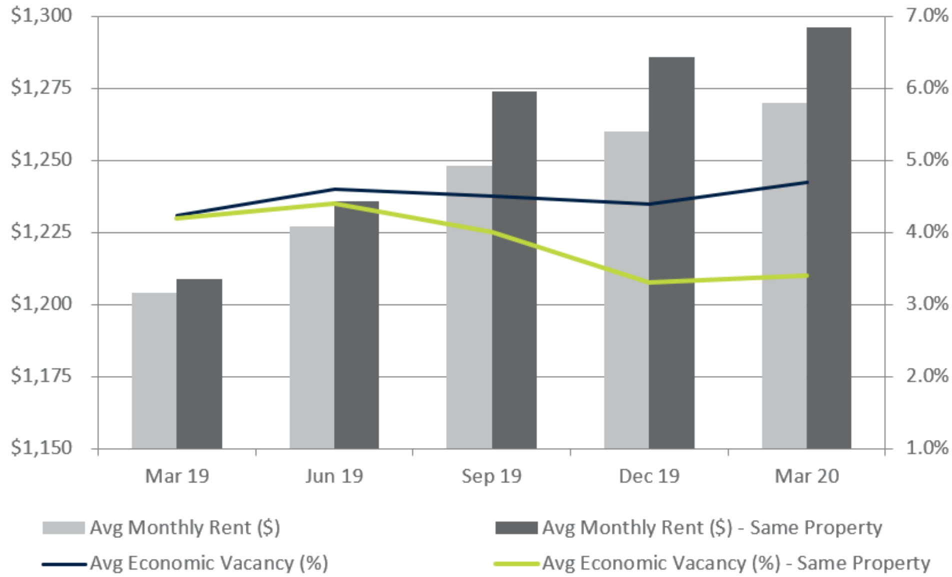
Portfolio Occupancy

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

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

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

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



	March 2019	June 2019	September 2019	December 2019	March 2020
Average monthly rents all properties	$1,204	$1,227	$1,248	$1,260	$1,270
Average monthly rents Same Property	$1,209	$1,236	$1,274	$1,286	$1,296

The overall economic vacancy for March 2020 across the entire portfolio was 4.7%, an increase of 50 basis points as compared to the 4.2% recorded for March 2019. Economic vacancy for the same property portfolio for March 2020 was 3.4%, a decrease of 80 basis points as compared to the 4.2% recorded for the month ended March 2019.

Overall vacancy is up slightly from the 4.4% recorded in December 2019 and the 3.3% on a same property basis. Given the strong demand and growth in market rents, the REIT has been actively managing asking rents to try and achieve as much of the upside as possible. The increase in Montreal vacancy was mainly attributable to the ongoing capital work and rehabilitation of non-repositioned properties within the region. Eastern Ontario is a small portfolio of 204 suites that due to timing of turnovers does occasionally have higher vacancy on a percentage basis.

▼ Vacancy By Region

Region	Total Portfolio			Same Property		
	March 2020	March 2019	Change	March 2020	March 2019	Change
Eastern Ontario	5.6%	1.3%	+430 bps	5.6%	1.3%	+430 bps
GTA	2.4%	1.1%	+130 bps	2.1%	1.1%	+100 bps
Hamilton/Niagara	3.2%	4.5%	-130 bps	3.0%	4.5%	-150 bps
Montreal	11.0%	10.4%	+60 bps	7.4%	11.0%	-360 bps
Gatineau	2.8%	4.9%	-210 bps	2.8%	4.9%	-210 bps
Ottawa	2.6%	3.4%	-80 bps	2.6%	3.4%	-80 bps
Western Ontario	2.3%	1.1%	+120 bps	2.3%	1.1%	+120 bps
Total	**4.7%**	**4.2%**	**+50 bps**	**3.4%**	**4.2%**	**-80 bps**

Other Revenue

Other rental revenue for the three months ended March 31, 2020 increased 23.4% to $2.5 million compared to $2.0 million for the three months ended March 31, 2019. The increased revenues from commercial space as well as ancillary sources such as parking, laundry, locker rentals and cable and telecom continues to be a focus as it provides organic revenue growth. For the three months ended March 31, 2020, other revenue represents 6.3% of operating revenue compared to 6.0% for Q1 2019.

PROPERTY OPERATING COSTS

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

Property operating costs for the three months ended March 31, 2020 amounted to $6.3 million or 16.0% of revenue compared to $4.8 million or 14.3% of revenue for the three months ended March 31, 2019. As a percentage of revenue, operating costs increased by 160 basis points as compared to 2019 due in part to increased cleaning and staffing costs associated with the COVID-19 pandemic (see COVID-19 Overview, Risk and Update section).

PROPERTY TAXES

Property taxes for the three months ended March 31, 2020 amounted to $4.7 million or 12.0% of revenue compared to $4.3 million or 12.7% of revenue for the three months ended March 31, 2019. The overall increase in taxes is mainly attributable to the increase in suites from the first quarter of 2019 to 2020 as well as increases in assessed property values.

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

UTILITY COSTS

Utility costs for the three months ended March 31, 2020 amounted to $3.6 million or 9.2% of revenue compared to $3.4 million or 10.2% of revenue for the three months ended March 31, 2019. As a percentage of operating revenues, utility costs decreased over the same quarter last year and decreased on a per unit basis based on a combination of lower consumption due to warmer weather in our operating regions and lower rates for gas in Quebec.

Across the entire portfolio, our hydro sub-metering initiative reduced our electricity costs by 17.4%, or $0.3 million for the quarter. At March 31, 2020, the REIT had approximately 83% of its portfolio (8,481 suites) that had the capability to submeter hydro in order to recover the cost. Of the 8,481 suites that have the infrastructure in place, 7,001 suites were on hydro extra leases whereby the REIT is recovering the cost from the tenant, 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.

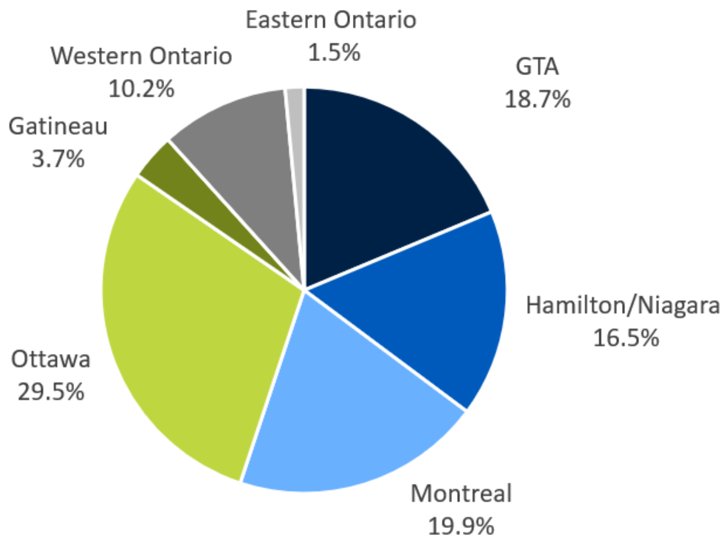
LIV Apartments,
Ottawa, ON

NET OPERATING INCOME (NOI)

NOI for the three months ended March 31, 2020 amounted to $24.7 million or 62.8% of operating revenue compared to $21.2 million or 62.7% of operating revenue for the three months ended March 31, 2019. The $3.5 million increase in the quarter is as a result of growing the portfolio and increasing operating revenue by 16.7%.

NOI from the same property portfolio was $22.7 million, or 63.7% of operating revenue. Management continues to focus on top line revenue growth through acquisitions, suite additions and ancillary revenue as well as operating cost reductions (such as efficiencies of scale, investment in energy saving initiatives, and investments to reduce ongoing operating costs).

▼ NOI by Region - 3 Months Ended March 31, 2020




2380 Baseline Road,
Ottawa, ON

SAME PROPERTY PORTFOLIO PERFORMANCE

Same property results for the three months ended March 31, 2020 are defined as all properties owned and operating by the Trust throughout the comparative periods being reported, and therefore do not take into account the impact on performance of acquisitions, dispositions or properties going through a lease-up period completed during the period from January 1, 2019 to March 31, 2020. As at March 31, 2020, the Trust has 8,951 suites in the same property portfolio. The same property portfolio represents 87.5% of the overall portfolio.

In $ 000's	3 Months Ended March 31, 2020		3 Months Ended March 31, 2020	
Gross rental revenue	**$34,811**		$32,579	
Less: vacancy & rebates	**(1,308)**		(1,409)	
Other revenue	**2,076**		1,954	
Operating revenues	**$35,579**		$33,124	
Expenses				
Property operating costs	**5,546**	**15.6%**	4,732	14.3%
Property taxes	**4,258**	**12.0%**	4,179	12.6%
Utilities	**3,121**	**8.7%**	3,371	10.2%
Operating expenses	**$12,925**	**36.3%**	$12,282	37.1%
Net operating income	**$22,654**		$20,842	
Net operating margin	**63.7%**		62.9%	

For the three months ended March 31, 2020, operating revenues for same property increased by 7.4% compared to Q1 of 2019 as all regions continued to experience strong rental demand. Operating costs and property taxes increased by 17.2% and 1.9% respectively while utilities decreased 7.4% resulting in a 5.2% increase in overall operating expenses as compared to the same period last year. As a result, same property NOI has increased by $1.8 million, or 8.7%, as compared to the same period last year. NOI margin for Q1 2020 was 63.7% as compared to 62.9% for Q1 2019, an increase of 80 basis points.

The average monthly rent for March 2020 for same property increased to $1,296 per suite from $1,209 (March 2019), an increase of 7.2%. Economic vacancy for March 2020 for same property was 3.4%, compared to 4.2% for March 2019.

	March 2019	June 2019	September 2019	December 2019	March 2020
Average monthly rents Same Property portfolio	$1,209	$1,236	$1,274	$1,286	$1,296
Average monthly vacancy Same Property portfolio	4.2%	4.4%	4.0%	3.3%	3.4%

REPOSITIONED PROPERTY PORTFOLIO PERFORMANCE

The Trust's repositioning program following the acquisition of a property typically spans 3 to 4 years, depending on how significant the capital requirements are and what the tenant turnover at the property is like. Repositioned property suites for the three months ended March 31, 2020 are defined as all properties owned and operated by the Trust prior to January 1, 2017. As at March 31, 2020, the Trust has 7,712 repositioned property suites, which represents 75.4% of the overall portfolio.

In $ 000's	3 Months Ended March 31, 2020					
	Repositioned Property Portfolio		Non-Repositioned Property Portfolio		Total Portfolio	
Gross rental revenue	$30,543		$8,260		**$38,803**	
Less: vacancy & rebates	(880)		(1,041)		**(1,921)**	
Other revenue	1,752		734		**2,486**	
Operating revenues	$31,415		$7,953		**$39,368**	
Expenses						
Property operating costs	4,414	14.1%	1,880	23.6%	**6,294**	**16.0%**
Property taxes	3,776	12.0%	942	11.8%	**4,718**	**12.0%**
Utilities	2,727	8.7%	921	11.6%	**3,648**	**9.2%**
Operating expenses	$10,917	34.8%	$3,743	47.1%	**$14,660**	**37.2%**
Net operating income	$20,498		$4,210		**$24,708**	
Net operating margin	65.2%		52.9%		**62.8%**	

The average monthly rent for March 2020 for the repositioned property portfolio was $1,320 per suite and the economic vacancy for March 2020 was 2.5% whereas the non-repositioned properties had an average monthly rent of $1,118 per suite and an economic vacancy of 12.5% for March 2020.

Region	Repositioned Property Portfolio			Non-Repositioned Property Portfolio		
	Suites	March 2020 Average Rent	March 2020 Vacancy	Suites	March 2020 Average Rent	March 2020 Vacancy
Eastern Ontario	204	$1,229	5.6%	-	-	-
GTA	1,283	$1,605	2.1%	57	$1,221	8.6%
Hamilton/Niagara	1,435	$1,224	3.4%	500	$998	2.4%
Montreal	910	$1,103	3.0%	1,875	$1,107	14.8%
Gatineau	497	$979	2.8%	-	-	-
Ottawa	2,386	$1,421	1.9%	82	$2,077	15.9%
Western Ontario	997	$1,243	2.3%	-	-	-
Total	**7,712**	**$1,320**	**2.5%**	**2,514**	**$1,118**	**12.5%**

FINANCING AND ADMINISTRATIVE COSTS

In $ 000's	3 Months Ended March 31, 2020	3 Months Ended March 31, 2019
Net operating income	**$24,708**	$21,160
Expenses		
Financing costs	**6,920**	6,272
Administrative costs	**2,987**	2,985
Income before other income expenses	**$14,801**	$11,903

FINANCING COSTS

Financing costs amounted to $6.9 million or 17.6% of revenue for the three months ended March 31, 2020 compared to $6.3 million or 18.6% of revenue for the three months ended March 31, 2019.

In $ 000's	3 Months Ended March 31, 2020		3 Months Ended March 31, 2019	
	Amount	% of Revenue	Amount	% of Revenue
Cash based:				
Mortgage interest	**$6,721**	**17.1%**	$6,233	18.5%
Credit facilities	**474**	**1.2%**	356	1.0%
Interest capitalized	**(328)**	**(0.8%)**	(418)	(1.2%)
Interest income	**(100)**	**(0.3%)**	(130)	(0.4%)
Non Cash based:				
Amortization of deferred finance cost and premiums on assumed debt	**153**	**0.4%**	231	0.7%
Total	**$6,920**	**17.6%**	$6,272	18.6%

Mortgage Interest

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

ADMINISTRATIVE COSTS

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

Administrative costs for the three months ended March 31, 2020 amounted to $3.0 million or 7.6% of revenue compared to $3.0 million or 8.8% of revenue for the three months ended March 31, 2019.

OTHER INCOME AND EXPENSES

In $ 000's	3 Months Ended March 31, 2020	3 Months Ended March 31, 2019
Income before other income and expenses	**$14,801**	$11,903
Other income and expenses		
Income from joint ventures	**11**	-
Loss on sale of investment properties	**-**	(675)
Fair value adjustments of investment properties	**982**	16,886
Unrealized gain/(loss) on financial liabilities	**22,709**	(13,948)
Distributions expense on units classified as financial liabilities	**(592)**	(536)
Net income	**$37,911**	$13,630

SALE OF ASSETS

There were no dispositions in the three months ended March 31, 2020.

During the three months ended March 31, 2019, the Trust had a $0.7 million loss from the sale of nine investment properties for a total selling price of $35.3 million compared to a carrying value of $35.0 million. The properties were sold for $0.3 million above their fair value however selling costs of $1.0 million (which includes commission, legal expense and any unamortized portion of the CMHC insurance premium) were incurred as part of the transactions, resulting in a loss on disposition of $0.7 million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The fair value of the portfolio at March 31, 2020 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, 2019. The Trust engaged the firm once again to review and advise of any significant changes in any of the key input assumptions in the model (such as capitalization rate, turnover rate and market rental rate estimates) as at March 31, 2020. For the three month period ended March 31, 2020, a fair value gain of $1.0 million was recorded on the financial statements as a result of changes in the fair value of investment properties. The weighted average capitalization rate used across the portfolio at the end of Q1 2020 was 4.24% as compared to 4.24% for Q4 2019 and 4.33% for Q1 2019.

UNREALIZED FAIR VALUE GAIN/LOSS ON FINANCIAL LIABILITIES

The Trust used a price of $13.31 based on the closing price of the TSX listed InterRent REIT Trust Units to determine the fair value of the deferred unit compensation liability. The total fair value of the deferred units recorded on the consolidated balance sheet at March 31, 2020 was $48.6 million and a corresponding fair value gain of $13.1 million was recorded on the consolidated statement of income for the three months ended March 31, 2020.

The Trust determined the fair value of the option plan (unit-based compensation liability) at March 31, 2020 at $5.0 million and a corresponding fair value gain of $1.6 million was recorded on the condensed consolidated statement of income for the three months ended March 31, 2020.

The Trust used a price of $13.31 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 balance sheet at March 31, 2020 was $45.4 million and a corresponding fair value gain of $7.9 million was recorded on the condensed consolidated statement of income for the three months ended March 31, 2020.

In $ 000's	3 Months Ended March 31, 2020	3 Months Ended March 31, 2019
Fair value gain/(loss) on financial liabilities:		
Deferred unit compensation plan	**$13,120**	$(7,610)
Option plan	**1,641**	(1,256)
LP Class B unit liability	**7,948**	(5,082)
Fair value gain/(loss) on financial liabilities	**$22,709**	$(13,948)

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, 2019 to March 31, 2020.

In $ 000's	March 31, 2020
Balance, December 31, 2019	$2,748,342
Acquisitions	19,990
Property capital investments	12,885
Fair value gains	982
Total investment properties	$2,782,199

The Trust acquired two properties (61 suites) for $20.0 million during the three month period ended March 31, 2020.

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 2020 the REIT uses a cut-off of December 31, 2016. 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, 2017, 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 7,712 suites in the REIT's portfolio that were acquired prior to January 1, 2017 and are considered repositioned properties for the purpose of calculating maintenance capital investment.

For the three month period ended March 31, 2020, the Trust invested $12.9 million in the portfolio. Of the $12.9 million invested in the first three months of the year, $4.4 million was invested in the non-repositioned properties and 0.7 million was invested in properties under development. Of the remaining $7.8 million, $5.9 million was invested in value enhancing initiatives and $1.9 million was related to sustaining and maintaining existing spaces.

For the three month period ended March 31, 2020, a fair value gain of $1.0 million was recorded on the financial statements as a result of changes in the fair value of investment properties.

UNITHOLDERS' EQUITY

The following chart shows the changes in reported Unitholders' equity from December 31, 2019 to March 31, 2020.

Summary of Unitholders' Capital Contributions	Trust Units	Amount (in $'000)
December 31, 2019	121,478,721	$766,282
Units issued under the deferred unit plan	9,250	165
Units issued under distribution reinvestment plan	226,905	3,648
Units issued from options exercised	68,395	978
March 31, 2020	121,783,271	$771,073

As at March 31, 2020 there were 121,783,271 Trust Units issued and outstanding.

DISTRIBUTIONS

The Trust is currently making monthly distributions of $0.025833 per Unit, which equates to $0.310 per Unit on an annualized basis. For the three months ended March 31, 2020, the Trust's FFO and AFFO was $0.116 and $0.100 per unit respectively, compared to $0.106 and $0.088 for the three months ended March 31, 2019, while the distributions were $0.0775 for 2020 and $0.0725 for 2019.

Distributions to Unitholders are as follows:

In $ 000's	3 Months Ended March 31, 2020	3 Months Ended March 31, 2019
Distributions declared to Unitholders	**$ 9,431**	$ 7,703
Distributions reinvested through DRIP	**(3,649)**	(2,664)
Distributions declared to Unitholders, net of DRIP	**$ 5,782**	$ 5,039
DRIP participation rate	**38.7%**	34.6%

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

WEIGHTED AVERAGE NUMBER OF UNITS

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

	3 Months Ended March 31, 2020	3 Months Ended March 31, 2019
Trust units	**121,627,635**	106,189,952
LP Class B units	**3,410,766**	3,410,766
Weighted average units outstanding - Basic	**125,038,401**	109,600,718
Unexercised dilutive options [1]	**422,159**	543,540
Weighted average units outstanding - Diluted	**125,460,560**	110,144,258

[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 March 31, 2020**	**3 Months Ended March 31, 2019**
Net income	**$37,911**	$13,630
Add (deduct):		
Fair value adjustments on investment property	**(982)**	(16,886)
Loss on sale of investment properties	**-**	675
Unrealized (gain)/loss on financial instruments	**(22,709)**	13,948
Interest expense on puttable units classified as liabilities	**264**	247
Funds from Operations (FFO)	**$14,484**	$11,614
FFO per weighted average unit - basic	**$0.116**	$0.106
FFO per weighted average unit - diluted	**$0.115**	$0.105

AFFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended March 31, 2020**	**3 Months Ended March 31, 2019**
Funds from Operations	**$14,484**	$11,614
Add (deduct):		
Actual maintenance capital investment	**(1,922)[1]**	(2,003)[2]
Adjusted Funds from Operations (AFFO)	**$12,562**	$9,611
AFFO per weighted average unit - basic	**$0.100**	$0.088
AFFO per weighted average unit - diluted	**$0.100**	$0.087

(1) Maintenance capital investment total is calculated for the 7,712 repositioned suites for 2020.
(2) Maintenance capital investment total is calculated for the weighted average of 6,609 repositioned suites for 2019.

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

ACFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended March 31, 2020**	**3 Months Ended March 31, 2019**
Cash generated from operating activities	**$11,555**	$16,476
Add (deduct):		
Changes in non-cash working capital not indicative of sustainable cash flows	**(450)**	(4,500)
Amortization of finance costs	**(153)**	(231)
Actual maintenance capital investment	**(1,922)**	(2,003)
ACFO	**9,030**	9,742
Distributions declared [1]	**9,695**	7,950
Excess/(shortfall) of ACFO over distributions declared	**(665)**	1,792
ACFO payout ratio	**107.4%**	81.6%

[1] Includes distributions on LP Class B units

For the three months ended March 31, 2020, distributions declared exceeded ACFO exceeded by $0.7 million. Any shortfall amounts over the declared distributions are temporary in nature due to changes in timing of working capital.

CASH FROM OPERATING ACTIVITIES AND CASH DISTRIBUTIONS

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

In $ 000's	**3 Months Ended March 31, 2020**	**3 Months Ended March 31, 2019**
Net income	**$37,911**	$13,630
Cash flows from operating activities	**11,555**	16,476
Distributions paid [1]	**6,038**	5,278
Distributions declared [1]	**9,695**	7,950
Excess of net income over distributions paid	**31,873**	8,352
Excess of net income over distributions declared	**28,216**	5,680
Excess of cash flows from operations over distributions paid	**5,517**	11,198
Excess of cash flows from operations over distributions declared	**1,860**	8,526

[1] Includes distributions on LP Class B units

For the three months ended March 31, 2020, cash flows from operating activities exceeded distributions paid by $5.5 million. Net income is not used as a proxy for distributions as it includes fair value changes on investment properties and fair value change on financial instruments, which are not reflective of the Trust's ability to make distributions. Amounts retained in excess of the declared distributions are used to fund acquisitions and capital expenditure requirements.

LIQUIDITY AND CAPITAL RESOURCES

InterRent REIT's overall debt level was at 33.4% of Gross Book Value ("GBV") at March 31, 2020. GBV is a non-GAAP term that is defined in the DOT and includes all operations. The following chart sets out the Trust's computed debt to GBV:

In $ 000's	March 31, 2020	December 31, 2019
Total assets per Balance Sheet	$2,839,242	$2,791,856
Mortgages payable	$910,105	$881,509
Lines of credit	37,245	26,865
Total debt	$947,350	$908,374
Debt to GBV	33.4%	32.5%

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

INTEREST AND DEBT SERVICE COVERAGE

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

In $000's	12 Months Ended March 31, 2020	12 Months Ended March 31, 2019
NOI	$99,741	$85,028
Less: Administrative costs	12,036	11,161
EBITDA	$87,705	$73,867
Interest expense [(1)]	27,590	24,847
Interest coverage ratio	**3.18x**	**2.97x**
Contractual principal repayments	18,648	15,933
Total debt service payments	$46,238	$40,780
Debt service coverage ratio	**1.90x**	**1.81x**

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

MORTGAGE AND DEBT SCHEDULE

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

Year Maturing	Mortgage Balances At March 31, 2020 (in $ 000's)	Weighted Average by Maturity	Weighted Average Interest Rate
2020	$171,135	18.5%	3.13%
2021	$106,808	11.5%	3.01%
2022	$71,184	7.7%	2.82%
2023	$81,441	8.8%	2.77%
2024	$69,914	7.6%	3.70%
Thereafter	$425,241	45.9%	2.97%
Total	$925,723	100%	3.00%

At March 31, 2020, the average term to maturity of the mortgage debt was approximately 4.8 years and the weighted average cost of mortgage debt was 3.00%. At March 31, 2020, approximately 77% of InterRent REIT's mortgage debt was backed by CMHC insurance.

During the quarter the Trust added one mortgage on a property acquired in the quarter for $13.6 million; up-financed two mortgages on renewal for $26.7 million; paid down $4.8 million in mortgage principal; and repaid one mortgage of $6.8 million. The net result at March 31, 2020 compared to December 31, 2019 was:

- A decrease in the average term to maturity of the mortgage debt to 4.8 years from 5.1 years;
- A decrease in the weighted average cost of mortgage debt to 3.00% from 3.02%; and,
- A decrease in the mortgage debt backed by CMHC insurance to approximately 77% from 79%.

As at March 31, 2020, the Trust had the following credit facilities:

- A $0.5 million demand credit facility with a Canadian chartered bank secured by a general security agreement. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2020, the Trust had no balance outstanding under this facility.
- A $55.0 million term credit facility, maturing in 2022, with a Canadian chartered bank secured by a general security agreement and second collateral mortgages on ten of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2020, the Trust had had utilized $37.3 million of this facility.
- A $25.0 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 two of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2020, the Trust had no balance outstanding under this facility.
- A $60.0 million term credit facility, maturing in 2020, 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 five of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread for prime advances and banker's acceptances. As at March 31, 2020, the Trust had no balance outstanding under this facility.

ACCOUNTING

RISKS AND UNCERTAINTIES

A comprehensive description of the risks and uncertainties can be found in InterRent REIT's December 31, 2019 MD&A and other securities filings at www.sedar.com.

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

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

Riviera Apartments, Gatineau, QC

Financial Risk Management and Financial Instruments

A. **Overview**

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

B. **Credit Risk**

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

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

The Trust has established various internal controls, such as credit checks and security deposits, designed to mitigate credit risk. 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 monthly basis and all receivables from past tenants and tenant receivables over 30 days are provided for in allowances for doubtful accounts. The Trust believes that the concentration of credit risk of accounts receivable is limited due to its broad tenant base, dispersed across varying geographic locations.

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

The amounts disclosed as rents and other receivables and loan receivable long-term incentive plan in the consolidated balance sheet are net of allowances for doubtful accounts. At March 31, 2020, the Trust had past due rents and other receivables of $2.6 million net of an allowance for doubtful accounts of $1.3 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 20 in the March 31, 2020 condensed consolidated financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

As at March 31, 2020, the Trust had credit facilities as described in note 9 in the March 31, 2020 condensed consolidated financial statements.

Note 8 in the March 31, 2020 condensed consolidated financial statements reflects the contractual maturities for mortgage payable of the Trust at March 31, 2020, 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 $968 million as at March 31, 2020 excluding any deferred financing costs.

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

E. **Market Risk**

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

At March 31, 2020, 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 $0.3 million for the three months ended March 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2020 the Trust did not have any off-balance sheet arrangements in place.

RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the three months ended March 31, 2020 and 2019.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Pursuant to Canadian Securities Administrators requirements 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, InterRent REIT's Chief Executive Officer and Chief Financial Officer have satisfied themselves that as at March 31, 2020:

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

On May 5, 2020, the Trust announced that the TSX had approved its normal course issuer bid ("Bid") for a portion of its Trust Units as appropriate opportunities arise from time to time. Under the Bid, the Trust may acquire up to a maximum of 11,481,830 of its Trust Units, or approximately 10% of its public float of 114,818,300 Trust Units as of April 30, 2020, for cancellation over the next 12 months commencing on May 11, 2020 until the earlier of May 10, 2021 or the date on which the Trust has purchased the maximum number of Trust Units permitted under the Bid. The number of Trust Units that can be purchased pursuant to the Bid is subject to a current daily maximum of 125,709 Trust Units (being 25% of the average daily trading volume), except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. Purchases will be made at market prices through the facilities of the TSX. The Trust intends to fund the purchases out of its available cash and undrawn credit facilities.

OUTSTANDING SECURITIES DATA

As of May 5, 2020, the Trust had issued and outstanding: (i) 121,829,009 units; (ii) LP Class B Units that are exchangeable for 3,410,766 units of the Trust; (iii) options exercisable to acquire 785,745 units of the Trust; and (iv) deferred units that are redeemable for 4,501,786 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.