INTERRENT REIT

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News Release

InterRent REIT Reports Results for the First Quarter of 2020, Operational Update related to COVID-19 and Implementation of Normal Course Issuer Bid

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Ottawa, Ontario (May 5, 2020) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the first quarter ended March 31, 2020 and announces that it has received approval from the Toronto Stock Exchange ("TSX") for a Normal Course Issuer Bid (the "Bid") commencing on May 11, 2020 up to and including May 10, 2021.

Quarter Highlights

- Operating revenues for the quarter increased by $5.6 million, or 16.7%, over Q1 2019. Operating revenues for the same property portfolio increased by $2.5 million, or 7.4%, over Q1 2019.
- Average monthly rent per suite for the entire portfolio increased to $1,270 (March 2020) from $1,204 (March 2019), an increase of 5.5%. The same property portfolio increased to $1,296 (March 2020) from $1,209 (March 2019), an increase of 7.2%.
- Occupancy for the overall portfolio was 95.3%, a decrease of 50 basis points (March 2020 compared to March 2019). Occupancy for the same property portfolio was 96.6%, a decrease of 10 basis points (March 2020 compared to March 2019).
- Net Operating Income (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 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%.
- Fair value gain on investment properties in the quarter of $1.0 million was driven by property level operating improvements.
- 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 decrease in the quarter that resulted in higher non-cash fair value gains on unit-based liabilities and Class B unit liability.
- Funds from Operations (FFO) increased by $2.9 million, or 24.7%, for the quarter. Fully diluted FFO per unit increased by 9.5% from $0.105 per unit to $0.115 per unit.
- Adjusted Funds from Operations (AFFO) increased by $3.0 million, or 30.7%, for the quarter. Fully diluted AFFO per unit increased by 14.9% from $0.087 per unit to $0.100 per unit.
- Adjusted Cash Flow from Operations (ACFO) decreased by $0.7 million, or 7.3%, to $9.0 million for the quarter.
- Debt to GBV ratio at quarter end was 33.4%, an increase of 90 basis points from December 2019.
- Purchased one building in Mississauga (57 suites) for $18.2 million as well as a property with 4 suites that is contiguous to the Richmond/Churchill development site in Ottawa.

Financial Highlights

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**

Gross rental revenue for the quarter was $38.8 million, an increase of $5.6 million, or 17.0%, compared to Q1 2019. Operating revenue for the quarter was up $5.6 million to $39.4 million, or 16.7% compared to Q1 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%. The March 2020 vacancy rate across the entire portfolio was 4.7%, an increase from 4.2% recorded in March 2019.

On a same property portfolio basis (same properties are income properties owned by the REIT throughout the comparative periods), the average monthly rent per suite increased from $1,209 (March 2019) to $1,296 (March 2020), an increase of 7.2%. Management expects to continue to grow revenues organically, as well as continuing to drive other ancillary revenue streams.

NOI for the quarter was $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. NOI from the same property portfolio increased to $22.7 million for Q1 2020, an increase of $1.8 million, or 8.7%, over Q1 2019. Same property NOI margin for the quarter was 63.7%. Net income for the quarter was $37.9 million, compared to $13.6 million for Q1 2019. The increase of $24.3 million was partly attributed to higher non-cash fair value gains on unit-based liabilities and Class B unit liability compared to Q1 2019.

The agreement to internalize the property management function that closed on February 15, 2018 contained amongst other things, a right to use CLV Group's property management brand without cost for a period of 24 months following closing of the transaction and a restrictive covenant in favor of the REIT that locked-up the Class B LP Units, or the REIT Units into which they are exchangeable, received by the former property manager. At the request of the former property manager and in appreciation of the extension of the right to use CLV Group's property management brand for up to 5 more years, the Board has agreed to an early release of the lock-up effective May 5, 2020. CLV Group has advised InterRent that there are no plans at this time to sell any of these Units.

Operational 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.

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.

The following information provides an operating update on the REIT's portfolio and liquidity position as of May 5, 2020:

- InterRent REIT has collected approximately 98% of residential April rent payments, in-line 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 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.
- 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.

“InterRent has invested extensively in its portfolio to ensure it is best in class in its operating nodes. This has allowed the REIT to achieve industry leading rental growth while also ensuring that the portfolio has minimal deferred maintenance and thus providing the REIT with a very defensive portfolio that is well-positioned to face uncertain economic times. We are very fortunate to have such a strong team, many of which are Unitholders, who support each other and work tirelessly to provide clean and safe homes for our residents,” said Mike McGahan, CEO

Normal Course Issuer Bid

Under the terms of the Bid, InterRent may purchase up to 11,481,830 trust units (“Units”) (representing approximately 10% of the REIT’s public float of 114,818,300 Units). As at April 30, 2020, InterRent has 121,829,009 Units issued and outstanding.

For the past six months, the average daily trading volume of InterRent Units was 502,837. A maximum of 125,709 Units (being 25% of the average daily trading volume) may be purchased by InterRent on any one day under the Bid, except where purchases are made in accordance with “block purchases” exemptions under applicable TSX policies. Purchases pursuant to the Bid will be made through the facilities of the Toronto Stock Exchange and other Canadian alternative trading systems. InterRent will pay the market price at the time of acquisition for any Unit purchased through the facilities of the TSX and other Canadian alternative trading systems and all Units acquired by the REIT under this Bid will be cancelled.

InterRent is pursuing the normal course issuer bid because it believes that, from time to time, the market price of its Units may not fully reflect the underlying value of its business and its future business prospects. The REIT believes that, in such circumstances, the purchase and cancellation of such Units represent an attractive investment for InterRent and its unitholders.

About InterRent

InterRent REIT is a growth-oriented real estate investment trust engaged in increasing Unitholder value and creating a growing and sustainable distribution through the acquisition and ownership of multi-residential properties.

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

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

***Non-GAAP Measures**

InterRent prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with IFRS (GAAP). In this and other earnings releases, as a complement to results provided in accordance with GAAP, InterRent also discloses and discusses certain non-GAAP financial measures, including Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated May 5, 2020, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA are not determined by GAAP, they may not be comparable to similar measures reported by other issuers. InterRent has presented such non-GAAP measures as Management believes these measures are relevant measures of the ability of InterRent to earn and distribute cash returns to Unitholders and to evaluate InterRent's performance. These non-GAAP measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with GAAP as an indicator of InterRent's performance.

Cautionary Statements

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

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

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

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