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News Release

InterRent REIT Results for the Fourth Quarter and 2020 Results

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Ottawa, Ontario (March 15, 2021) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the fourth quarter and year-ended December 31, 2020.

Highlights

- Operating revenues for the quarter ended December 31, 2020, increased by 6.8%, or $2.7 million, to $41.9 million. Operating revenues for the year increased by 10.1%, or $14.7 million, to $160.0 million.
- Operating revenues for the quarter ended December 31, 2020 from the same property portfolio decreased by 1.5%, or $0.5 million, to $34.9 million. Operating revenues from the same property portfolio for the year increased by 3.1%, or $4.2 million, to $141.0 million.
- Average monthly rent per suite for the portfolio increased to $1,315 (December 2020) from $1,260 (December 2019), an increase of 4.4%. Average monthly rent from the same property portfolio increased by 5.3% to $1,354 per suite (December 2020) from $1,286 per suite (December 2019).
- Occupancy for the overall portfolio was 91.3%, down 430 basis points (December 2020 compared to December 2019). Occupancy for the same property portfolio was 92.4%, down 430 basis points (December 2020 compared to December 2019).
- Net Operating Income (NOI) for the quarter ended December 31, 2020 increased by $0.2 million, or 0.6%, to $26.4 million. NOI margin for the quarter ended December 31, 2020 was 63.0%, a decrease of 390 basis points over the same period in 2019. NOI for the year increased by $5.9 million, or 6.2%, to $102.1 million. NOI margin for the year was 63.9%, a decrease of 230 basis points year-over-year. NOI for the year included $1.9 million of COVID-19 related operating expenses.
- Same property NOI for the quarter ended December 31, 2020 decreased by $1.5 million, or 6.3%, to $22.4 million. Same property NOI margin for the quarter was 64.1%, a decrease of 330 basis points over the same period in 2019. Same property NOI for the year ended 2020 increased by $0.6 million, or 0.7%, to $91.3 million. Same property NOI margin for the full year was down 160 basis points year-over-year to 64.7%. Same Property NOI for the year included $1.6 million of COVID-19 related operating expenses.
- Repositioned properties had an average monthly rent per suite of $1,371 and occupancy of 93.5% for December 2020 and an NOI margin of 64.7% for the quarter and 65.4% for the year.
- Net income for the year was $150.6 million, a decrease of $234.2 million compared to 2019. The decrease was driven primarily by the net decrease in fair value gain on investment properties of $283.1 million ($70.1 million in 2020 compared to $353.2 million in 2019) offset by the higher non-cash fair value gains on unit-based liabilities and Class B unit liability from the Unit price depreciation in the year.
- Funds from Operations (FFO) increased by $0.2 million, or 1.5%, for the quarter and increased $6.2 million, or 10.9% for the year.
- Fully diluted FFO per unit was $0.112 for the quarter, a decrease of 11.1% over Q4 2019, and $0.466 for the year, a decrease of 3.5% over 2019.
- Adjusted Funds from Operations (AFFO) increased by $0.3 million, or 1.8%, for the quarter and increased $5.3 million, or 10.5% for the year.

- Fully diluted AFFO per unit was $0.100 for the quarter, a decrease of 9.9% over Q4 2019, and $0.412 for the year, a decrease of 3.7% over 2019.
- Adjusted Cash Flow from Operations (ACFO) for the quarter increased by 6.0% to $20.2 million compared to Q4 2019. ACFO for the year increased by 2.8% to $62.8 million compared to 2019.
- Debt-to-GBV ratio at year end was 31.1%, a decrease of 140 basis points from December 2019.
- The weighted average interest rate on mortgage debt decreased from 3.02%, at December 31, 2019, to 2.56%, at December 31, 2020. Over the same period, the weighted average life to maturity has increased from 5.1 years to 5.2 years and mortgage debt backed by CMHC insurance has increased from 79% to 81%. Exposure to variable interest rate debt has decreased from approximately 12% (December 2019) to approximately 2% (December 2020).
- 2020 was another active year for the REIT, acquiring a total of 880 rental suites and a further 14.17% direct ownership interest in the development site at 900 Albert Street (the Trust now holds a 47.5% interest in the development property) for $232.5 million.
- Subsequent to the year end, the REIT purchased one building with 114 suites in St. Catharines for $22.0 million as well as acquired a 50% interest in 15 properties (614 suites) in Metro Vancouver for $146.25 million (half of the total acquisition price of $292.5 million). The REIT is also committed to purchase a building with 157 suites in St. Catharines, for $31.4 million, as well as two buildings with 45 suites in Vancouver, for $18.9 million, in April 2021.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended December 31, 2020**	**3 Months Ended December 31, 2019**	**Change**	**12 Months Ended December 31, 2020**	**12 Months Ended December 31, 2019**	**Change**
Total suites	-	-	-	**11,047**	10,164	**+8.7%**
Average rent per suite (December)	-	-	-	**$1,315**	$1,260	**+4.4%**
Occupancy rate (December)	-	-	-	**91.3%**	95.6%	**-430bps**
Operating revenues	**$41,864**	$39,199	**+6.8%**	**$159,955**	$145,302	**+10.1%**
Net operating income (NOI)	**26,365**	26,206	**+0.6%**	**102,139**	96,194	**+6.2%**
NOI %	**63.0%**	66.9%	**-390bps**	**63.9%**	66.2%	**-230bps**
Same Property average rent per suite	-	-	-	**$1,354**	$1,286	**+5.3%**
Same Property occupancy rate (December)	-	-	-	**92.4%**	96.7%	**-430bps**
Same Property NOI	**22,397**	23,896	**-6.3%**	**91,313**	90,664	**+0.7%**
Same Property NOI %	**64.1%**	67.4%	**-330bps**	**64.7%**	66.3%	**-160bps**
Net Income	**$57,517**	$264,975	**-78.3%%**	**$150,648**	$384,889	**-60.9%**
Funds from Operations (FFO)	**$15,964**	$15,723	**+1.5%**	**$62,868**	$56,706	**+10.9%**
FFO per weighted average unit - diluted	**$0.112**	$0.126	**-11.1%**	**$0.466**	$0.483	**-3.5%**
Adjusted Funds from Operations (AFFO)	**$14,193**	$13,938	**+1.8%**	**$55,577**	$50,303	**+10.5%**
AFFO per weighted average unit - diluted	**$0.100**	$0.111	**-9.9%**	**$0.412**	$0.428	**-3.7%**
Distributions per unit	**$0.08008**	$0.07583	**+5.6%**	**$0.31258**	$0.29334	**+6.6%**
Adjusted Cash Flow from Operations	**$20,177**	$19,036	**+6.0%**	**$62,780**	$61,064	**+2.8%**
Debt to GBV	-	-	-	**31.1%**	32.5%	**-140bps**
Interest coverage (rolling 12 months)	-	-	-	**3.45x**	3.12x	**+0.33x**
Debt service coverage (rolling 12 months)	-	-	-	**1.95x**	1.87x	**+0.08x**

Gross rental revenue for the year ended December 31, 2020 was $162.1 million, an increase of $18.9 million, or 13.2%, compared to 2019. Operating revenue for the year was up $14.7 million to $160.0 million, or 10.1% compared to prior year. The average monthly rent across the portfolio for December 2020 increased to $1,315 per suite from $1,260 (December 2019), an increase of 4.4%. The December 2020 vacancy rate across the entire portfolio was 8.7%, an increase from 4.4% recorded in December 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 $1,286 (December 2019) to $1,354 (December 2020), an increase of 5.3%. Management expects to continue to grow revenues organically through moving to market rent on suite turnovers, guideline increases, continued roll-out of AGIs, as well as continuing to drive other ancillary revenue streams.

NOI for the year ended December 31, 2020 was $102.1 million or 63.9% of operating revenue compared to $96.2 million or 66.2% of operating revenue for 2019. Costs associated with the COVID-19 pandemic represented approximately $1.9 million, or 1.2% of revenue. NOI for the quarter was $26.4 million, or 63.0% of operating revenue, compared to $26.2 million, or 66.9% of operating revenue, for the quarter ended December 31, 2019.

NOI from the same property portfolio for the year increased to $91.3 million, an increase of $0.6 million, or 0.7%, over 2019. Same property NOI margin for the year was 64.7%. Costs associated with the COVID-19 pandemic represented approximately $1.6 million. Same property NOI margin for the quarter was 64.1%. NOI from the same property portfolio decreased to $22.4 million for Q4 2020, a decrease of $1.5 million, or 6.3%, over Q4 2019. Same property NOI margin for the quarter was 64.1%.

Net income for the year was $150.6 million, a decrease of $234.2 million compared to 2019. The decrease was driven primarily by the net decrease in fair value gain on investment properties of $283.1 million ($70.1 million in 2020 compared to $353.2 million in 2019) offset by the higher non-cash fair value gains on unit-based liabilities and Class B unit liability from the Unit price depreciation in the year.

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:

- InterRent REIT has collected over 99% of October, November and December residential rents and the current trend for January and February is in line with previous months.
- Currently we have entered into rent deferral agreements with approximately 0.40% of our residential residents.

- InterRent REIT has issued rent increases however, all increases since April had been credited as a means of helping our communities through the pandemic. Credits were reduced significantly in September and have been immaterial since that time.
- InterRent REIT has enhanced cleaning for all of its buildings and as part of the commitment to these protocols has launched our CLV Clean & Secure+™ program (see https://www.interrentreit.com/clv-clean-and-secure-plus/ for more details).
- InterRent REIT has developed an online information hub 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 REIT has continued to actively engage with 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. Prospective residents now have the option of seeing living accommodations and completing applications online or in person.
- The REIT had $51.6 million in cash as of December 31, 2020.
- The REIT had no outstanding balance on any current credit facilities. The REIT has $172 million in current facilities; the ability to increase the current facilities by a further $60 million; and, an undrawn mortgage facility of $60 million, providing a total of $292 million of available credit.
- To-date, mortgage financings and renewals have progressed on schedule with no significant delays noted as a result of COVID-19. During the fourth quarter, the REIT completed three CMHC mortgage re-financings for net proceeds of $42.0 million. Proceeds are to fund the REIT's capital program, developments and future acquisitions.
- With a debt to GBV ratio of 31.1%, the REIT has significant liquidity available through both CMHC insured and conventional mortgage financing to finance future capital programs, development opportunities and acquisitions.

"I am very proud of the Team we have assembled at InterRent. The commitment, compassion and energy shown by our Team members as we all had to adapt and pivot through 2020 speaks volumes about their character and our culture. The investments made in our portfolio over many years combined with a strong balance sheet provided the REIT with the ability to maintain rent levels and absorb the increased vacancy temporarily created by the pandemic while still posting good overall results for the year and positioning the REIT favorably for when immigration and student rentals resume," said Mike McGahan, CEO

Results Conference Call

Management will host a webcast and conference call to discuss these results and current business initiatives on Monday, March 15, 2021 at 10:00 AM eastern time. The webcast will be accessible at: https://www.interrentreit.com/2020-q4-results. A replay will be available for 7 days after the webcast at the same link. The telephone numbers for the conference call are 844-539-0205 (toll free) 236-714-3164 (international). No access code required.

About InterRent

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

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

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

***Non-GAAP Measures**

InterRent prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with IFRS (GAAP). In this and other earnings releases, as a complement to results provided in accordance with GAAP, InterRent also discloses and discusses certain non-GAAP financial measures, including Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated March 15, 2021, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA are not determined by GAAP, they may not be comparable to similar measures reported by other issuers. InterRent has presented such non-GAAP measures as Management believes these measures are relevant measures of the ability of InterRent to earn and distribute cash returns to Unitholders and to evaluate InterRent's performance. These non-GAAP measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with GAAP as an indicator of InterRent's performance.

Cautionary Statements

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

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

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

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