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News Release

InterRent REIT Reports Results for the Third Quarter of 2019 and a 6.9% Increase in the Monthly Distribution

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Ottawa, Ontario (November 4, 2019) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the third quarter ended September 30, 2019. With InterRent's portfolio continuing to demonstrate strong sustainable results, the Board of Trustees has approved a 6.9% increase to the distribution. This is the eighth consecutive year that the REIT has grown its distribution by 5% or more. The increase will be effective for the November 2019 distribution that is to be paid in December 2019.

Highlights

- Monthly distribution has been increased by 6.9% effective with the November distribution that is to be paid in December 2019. The annualized distribution increases to $0.31 per unit from $0.29 per unit.
- Operating revenues for the quarter increased by $5.5 million, or 17.0%, over Q3 2018. Operating revenues for the same property portfolio increased by $2.6 million, or 8.7%, over Q3 2018.
- Average monthly rent per suite for the entire portfolio increased to $1,248 (September 2019) from $1,176 (September 2018), an increase of 6.1%. The same property portfolio increased to $1,284 (September 2019) from $1,198 (September 2018), an increase of 7.2%.
- Occupancy for the overall portfolio was 95.5%, an increase of 30 basis points (September 2019 compared to September 2018). Occupancy for the same property portfolio was 97.0%, an increase of 80 basis points (September 2019 compared to September 2018).
- Net Operating Income (NOI) for the quarter was $25.8 million, an increase of $4.2 million, or 19.6%, over Q3 2018. NOI margin for the quarter was 68.5%, up 140 basis points over Q3 2018.
- Same property NOI for the quarter was $22.3 million, an increase of $2.2 million, or 11.0%, over Q3 2018. Same property NOI margin for the quarter was 68.7%, up 150 basis points over Q3 2018.
- Repositioned properties had an average monthly rent per suite of $1,316 and occupancy of 97.7% for September 2019 and an NOI margin for the quarter of 69.8%.
- Fair value gain on investment properties in the quarter of $75.0 million was driven primarily by property level operating improvements.
- Net income for the quarter was $69.5 million, a decrease of $11.9 million compared to Q3 2018. This difference was due primarily to the Unit price appreciation in the quarter that resulted in higher non-cash fair value losses on unit-based liabilities and Class B unit liability.
- Funds from Operations (FFO) increased by $3.7 million, or 30.3%, for the quarter. Fully diluted FFO per unit increased by 10.3% from $0.117 per unit to $0.129 per unit.
- Adjusted Funds from Operations (AFFO) increased by $3.8 million, or 35.5%, for the quarter. Fully diluted AFFO per unit increased by 14.7% from $0.102 per unit to $0.117 per unit.
- Adjusted Cash Flow from Operations (ACFO) increased by $3.7 million, or 27.0%, to $17.3 million for the quarter.
- Debt to GBV at quarter end was 35.0%, a decrease of 390 basis points from December 2018.
- Purchased three buildings with a total of 662 suites in Montreal for $154.7 million.
- Subsequent to the quarter end, the REIT purchased three buildings with a total of 104 suites in Montreal for $22.6 million.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended September 30, 2019**	**3 Months Ended September 30, 2018**	**Change**
Total suites	**10,060**	9,235	**+8.9%**
Average rent per suite (September)	**$1,248**	$1,176	**+6.1%**
Occupancy rate (September)	**95.5%**	95.8%	**-30bps**
Operating revenues	**$37,630**	$32,149	**+17.0%**
Net operating income (NOI)	**$25,785**	$21,562	**+19.6%**
NOI %	**68.5%**	67.1%	**+140bps**
Same property average rent per suite (September)	**$1,284**	$1,198	**+7.2%**
Same property occupancy rate (September)	**97.0%**	95.9%	**+110bps**
Same property NOI	**$22,320**	$20,109	**+11.0%**
Same property NOI %	**68.7%**	67.2%	**+150bps**
Net Income	**$69,489**	$81,435	**-14.7%**
Funds from Operations (FFO)	**$15,955**	$12,246	**+30.3%**
FFO per weighted average unit - diluted	**$0.129**	$0.117	**+10.3%**
Adjusted Funds from Operations (AFFO)	**$14,534**	$10,724	**+35.5%**
AFFO per weighted average unit - diluted	**$0.117**	$0.102	**+14.7%**
Distributions per unit	**$0.0725**	$0.0675	**+7.4%**
Adjusted Cash Flow from Operations (ACFO)	**$17,254**	$13,588	**+27.0%**
Debt to GBV	**35.0%**	39.1%	**-410bps**
Interest coverage (rolling 12 months)	**3.07x**	2.85x	**+0.22x**
Debt service coverage (rolling 12 months)	**1.84x**	1.80x	**+0.04x**

Gross rental revenue for the quarter was $37.3 million, an increase of $5.1 million, or 15.8%, compared to Q3 2018. Operating revenue for the quarter was up $5.5 million to $37.6 million, or 17.0% compared to Q3 2018. The average monthly rent across the portfolio for September 2019 increased to $1,248 per suite from $1,176 (September 2018), an increase of 6.1% and from $1,190 (December 2018), an increase of 4.9%. The September 2019 vacancy rate across the entire portfolio was 4.5%, an increase from 4.2% recorded in September 2018. "Strong demand has continued to drive rental growth across the portfolio while increasing occupancy in our same store and repositioned properties," said Mike McGahan, CEO.

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 $1,198 (September 2018) to $1,284 (September 2019), an increase of 7.2%. 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 quarter was $25.8 million, or 68.7% of operating revenue, compared to $21.6 million, or 67.1% of operating revenue, for the three months ended September 30, 2018. NOI from the same property portfolio increased to $22.3 million for Q3 2019, an increase of $2.2 million, or 11.0%, over Q3 2018. Same property NOI margin for the quarter was 68.7%.

Net income for the quarter was $69.5 million, compared to $81.4 million for Q3 2018. The decrease of $11.9 million was partly attributed to higher non-cash fair value losses on unit-based liabilities and Class B unit liability compared to Q3 2018.

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 November 4, 2019, 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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