INTERRENT REIT

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News Release

InterRent REIT Announces Fourth Quarter Results and Appointment of New Trustee

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Ottawa, Ontario (February 25, 2019) – 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, 2018 as well as appointment of new Trustee.

InterRent is pleased to announce the appointment of John Jussup to fill the vacancy that resulted from the resignation of Victor Stone from the Board. "John's background and experience with Cognos and Bank of Canada as well as his previous board experience and knowledge of public markets and real estate make him an excellent addition to the Board of Trustees. On behalf of the Board, I would like to thank Mr. Stone for all his wonderful service and welcome Mr. Jussup to the Board," said Paul Amirault, Chair of the Board of Trustees.

Mr. Stone served as a Trustee since the formation of the REIT in 2007 and has been a staunch supporter of the REIT since inception. Mr. Stone's resignation is for personal health reasons. "Vic has been a tremendous resource for the REIT over the past 12 years as the REIT navigated through some difficult times. He has been not only a great mentor but also became a true friend," said Mike McGahan, CEO.

Highlights

- Operating revenues for the three months ended December 31, 2018, increased by 14.6%, or $4.4 million, to $34.1 million. Operating revenues for the year increased by 16.8%, or $18.3 million, to $127.3 million.
- Operating revenues for the three months ended December 31, 2018 from the same property portfolio increased by 8.1%, or $2.1 million, to $27.9 million. Operating revenues from the same property portfolio for the year increased by 7.8%, or $7.7 million, to $106.4 million.
- Average monthly rent per suite for the portfolio increased to $1,190 (December 2018) from $1,110 (December 2017), an increase of 7.2%. Average monthly rent from the same property portfolio increased by 8.0% to $1,191 per suite (December 2018) from $1,103 per suite (December 2017).
- Occupancy for the overall portfolio was 96.6%, down 130 basis points (December 2018 compared to December 2017). Occupancy for the same property portfolio was 96.6% in December 2018 (no change relative to December 2017).
- Net Operating Income (NOI) for the three months ended December 31, 2018 increased by $3.9 million, or 21.6%, to $22.3 million. NOI margin for the three months ended December 31, 2018 was 65.5%, up 370 basis points over the same period in 2017. NOI for the year increased by $16.0 million, or 24.3%, to $82.2 million. NOI margin for the year was 64.6%, up 390 basis points year-over-year.
- Same property NOI for the three months ended December 31, 2018 increased by $2.6 million, or 16.2%, to $18.5 million. Same property NOI margin for the quarter was 66.3%, up 460 basis points over the same period in 2017. Same property NOI for the year-ended 2018 increased by $8.8 million, or 14.6%, to $69.6 million. Same property NOI margin for the full year was up 380 basis points year-over-year to 65.4%.

- Funds From Operations (FFO) per fully diluted unit was $0.114 for the quarter (no change relative to Q4 2017) and $0.447 for the year, an increase of 5.4% over 2017.
- Adjusted Funds From Operations (AFFO) per fully diluted unit was $0.101 for the quarter (no change relative to Q4 2017) and $0.391 for the year, an increase of 4.5% over 2017.
- Debt-to-GBV ratio decreased significantly by 890 basis points from 47.8% (December 2017) to 38.9% (December 2018). This was due to a combination of: two equity financings in March 2018 and August 2018, resulting in net proceeds of $203.5 million; and, value created as a result of our repositioning program.
- The weighted average interest rate on mortgage debt increased by 23 basis points from 2.81%, at December 31, 2017, to 3.04%, at December 31, 2018. Over the same period, the weighted average life to maturity has increased from 4.9 years to 6.0 years and mortgage debt backed by CMHC insurance has increased from 67% to 80%. Exposure to variable interest rate debt has decreased from 28% (December 2017) to approximately 13% (December 2018).
- 2018 was another active year for the REIT, with a total of 638 rental suites and two parcels of land in our core market acquired for $178.2 million. Subsequent to year-end the REIT has acquired a portfolio of 253 suites in Montreal for $59.0 million and disposed of the Sault Ste. Marie portfolio of 349 suites for $35.3 million.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	3 Months Ended December 31, 2018	3 Months Ended December 31, 2017	Change	12 Months Ended December 31, 2018	12 Months Ended December 31, 2017	Change
Total suites	-	-	-	**9,299**	8,660	**+7.4%**
Average rent per suite (December)	-	-	-	**$1,190**	$1,110	**+7.2%**
Occupancy rate (December)	-	-	-	**96.6%**	97.9%	**-130bps**
Operating revenues	**$34,062**	$29,710	**+14.6%**	**$127,286**	$109,004	**+16.8%**
Net operating income (NOI)	**22,312**	18,356	**+21.6%**	**82,218**	66,166	**+24.3%**
NOI %	**65.5%**	61.8%	**+370bps**	**64.6%**	60.7%	**+390bps**
Same Property average rent per suite (December)	-	-	-	**$1,191**	$1,103	**+8.0%**
Same Property occupancy rate (December)	-	-	-	**98.0%**	98.0%	-
Same Property NOI	**18,474**	15,905	**+16.2%**	**69,621**	60,771	**+14.6%**
Same Property NOI %	**66.3%**	61.7%	**+460bps**	**65.4%**	61.6%	**+380bps**
Net Income	**$42,188**	$42,345	**-0.4%**	**$168,297**	$200,980	**-16.3%**
Funds from Operations (FFO)	**$12,474**	$9,645	**+29.3%**	**$44,910**	$34,662	**+29.6%**
FFO per weighted average unit - diluted	**$0.114**	$0.114	-	**$0.447**	$0.424	**+5.4%**
Adjusted Funds from Operations (AFFO)	**$11,066**	$8,502	**+30.2%**	**$39,294**	$30,570	**+28.5%**
AFFO per weighted average unit - diluted	**$0.101**	$0.101	-	**$0.391**	$0.374	**+4.5%**
Distributions per unit	**$0.07083**	$0.06525	**+8.6%**	**$0.27333**	$0.24750	**+10.4%**
Adjusted Cash Flow from Operations (ACFO)	**$15,357**	$12,080	**+27.1%**	**$46,944**	$38,162	**+23.0%**
Debt to GBV	-	-	-	**38.9%**	47.8%	**-890bps**
Interest coverage (rolling 12 months)	-	-	-	**2.93x**	2.76x	**+0.17x**
Debt service coverage (rolling 12 months)	-	-	-	**1.81x**	1.78x	**+0.03x**

Gross rental revenue for the year ended December 31, 2018 increased 16.2% to $126.0 million compared to $108.5 million for the prior year. Operating revenue for the year was up $18.3 million to $127.3 million, or 16.8% compared to the prior year. NOI for the twelve months ended December 31, 2017 amounted to $82.2 million or 64.6% of operating revenue compared to $66.2 million or 60.7% of operating revenue for 2017.

InterRent's focus on recycling capital and growing its core markets of GTA (including Hamilton), Ottawa/NCR and Montreal has resulted in approximately 81% of InterRent's suites now being located in these core markets.

For the same property portfolio, operating revenues for the year ended December 31, 2018 increased 7.8% to $106.4 million compared to $98.7 million for the prior year. Same property NOI for the twelve months ended December 31, 2018 amounted to $69.6 million or 65.4% of same property operating revenues compared to $60.8 million or 61.6% of same property operating revenues for 2017. These increases were largely the result of continued strong revenue growth combined with reductions in operating costs and utility costs as a percentage of operating revenue.

"We are pleased with the progress made in 2018 as we continue to assemble a best in class portfolio of properties and operating platform supported by a team that is eager to learn, grow and improve every day in order to better serve our customers," said Mike McGahan, Chief Executive Officer of the REIT.

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 primary objectives are: (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, FFO, AFFO, ACFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated February 25, 2019, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Same 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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