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News Release

InterRent REIT Results for the First Quarter of 2017

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Ottawa, Ontario (May 8, 2017) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the first quarter ended March 31, 2017.

Highlights

- Gross rental revenue for the quarter increased by $1.1 million, or 4.4%, over Q1 2016.
- Gross rental revenue for the quarter from the stabilized portfolio increased by $0.7 million, or 4.0%, over Q1 2016.
- Average monthly rent per suite for the entire portfolio increased to $1,061 (March 2017) from $1,004 (March 2016), an increase of 5.7%. The stabilized portfolio increased to $1,077 (March 2017) from $1,036 (March 2016), an increase of 4.0%.
- Occupancy for the overall portfolio was 95.2%, an increase of 60 basis points (March 2017 compared to March 2016). Occupancy from stabilized operations was 97.0%, an increase of 60 basis points (March 2017 compared to March 2016).
- Net Operating Income (NOI) for the quarter was $14.3 million, an increase of $1.3 million, or 10.2% over Q1 2016. NOI margin for the quarter was 56.9%, up 260 basis points over Q1 2016.
- Stabilized NOI for the quarter was $10.4 million, an increase of $0.8 million, or 8.2%, over Q1 2016. Stabilized NOI margin for the quarter was 59.6%, up 160 basis points over Q1 2016.
- For the quarter, FFO per unit increased by 11.0%, from $0.082 per unit to $0.091 per unit.
- For the quarter, AFFO per unit increased by 9.9% from $0.071 per unit to $0.078 per unit.
- Debt to GBV at quarter end was 50.7%, a decrease of 460 basis points from December 2016.
- Closed on the purchase of a 224 suite property in Montreal at a going in capitalization rate of approximately 5.3%. This is one of the core markets that has been targeted for growth by InterRent.
- Completed a public offering of 10,425,000 trust units from treasury, at a price of $7.68 per Unit for gross proceeds of $80.1 million.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended March 31, 2017**	**3 Months Ended March 31, 2016**	**Change**
Total suites	**8,283**	8,362	**-0.9%**
Average rent per suite (March)	**$1,061**	$1,004	**+5.7%**
Occupancy rate (March)	**95.2%**	94.6%	**+60bps**
Operating revenues	**$25,133**	$23,903	**+5.1%**
Net operating income (NOI)	**$14,306**	$12,978	**+10.2%**
NOI %	**56.9%**	54.3%	**+260bps**
Stabilized average rent per suite (March)	**$1,077**	$1,036	**+4.0%**
Stabilized occupancy rate (March)	**97.0%**	96.4%	**+0.6%**
Stabilized NOI	**$10,427**	$9,640	**+8.2%**
Stabilized NOI %	**59.6%**	58.0%	**+160bps**
Funds from Operations (FFO)	**$6,782**	$5,842	**+16.1%**
FFO per weighted average unit - basic	**$0.091**	$0.082	**+11.0%**
FFO per weighted average unit - diluted	**$0.091**	$0.081	**+12.3%**
Adjusted Funds from Operations (AFFO)	**$5,811**	$5,101	**+13.9%**
AFFO per weighted average unit - basic	**$0.078**	$0.071	**+9.9%**
AFFO per weighted average unit - diluted	**$0.078**	$0.071	**+9.9%**
Cash distributions per unit	**$0.0608**	$0.0578	**+5.2%**
AFFO payout ratio	**78%**	81%	**-300bps**
Debt to GBV	**50.7%**	55.0%	**-430bps**
Interest coverage (rolling 12 months)	**2.53x**	2.61x	**-0.08x**
Debt service coverage (rolling 12 months)	**1.58x**	1.52x	**+0.06x**

Gross rental revenue for the quarter was $25.5 million, an increase of $1.1 million, or 4.4%, compared to Q1 2016. Operating revenue for the quarter was up $1.2 million to $25.1 million, or 5.1% compared to Q1 2016. The average monthly rent across the portfolio for March 2017 increased to $1,061 per suite from $1,004 (March 2016), an increase of 5.7%. The March 2017 vacancy rate across the entire portfolio was 4.8%, a decrease from 5.4% recorded in March 2016. The 4.8% was comprised of 3.0% for stabilized properties and 8.5% for un-stabilized. "We continue to work through our repositioning program for our recently acquired properties as we know from our experience that this will continue to drive strong rental growth and NOI growth," said Mike McGahan, CEO.

On a stabilized portfolio basis (stabilized properties are income properties owned by the REIT continuously for 24 months), the average monthly rent per suite increased from $1,036 (March 2016) to $1,077 (March 2017), an increase of 4.0%. 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 $14.3 million, or 56.9% of operating revenue, compared to $13.0 million, or 54.3% of operating revenue, for the three months ended March 31, 2016. NOI from the stabilized portfolio increased to $10.4 million for Q1 2017, an increase of $0.8 million, or 8.2%, over Q1 2016. Stabilized NOI margin for the quarter was 59.6%.

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 objective is to use the proven industry experience of the Trustees, Management and Operational Team to: (i) provide Unitholders with stable and growing cash distributions from investments in a diversified portfolio of multi-residential properties; (ii) enhance the value of the assets and maximize long-term Unit value through the active management of such assets; and (iii) expand the asset base and increase Distributable Income through accretive acquisitions.

*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 NOI, FFO, AFFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated May 8, 2017, which should be read in conjunction with this press release. Since NOI, FFO, AFFO 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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