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News Release

InterRent REIT Results for the Second Quarter of 2017

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Ottawa, Ontario (July 26, 2017) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the second quarter ended June 30, 2017.

Highlights

- Gross rental revenue for the quarter increased by $1.2 million, or 4.7%, over Q2 2016.
- Gross rental revenue for the quarter from the stabilized portfolio increased by $0.7 million, or 4.0%, over Q2 2016.
- Average monthly rent per suite for the entire portfolio increased to $1,079 (June 2017) from $1,020 (June 2016), an increase of 5.8%. The stabilized portfolio increased to $1,085 (June 2017) from $1,043 (June 2016), an increase of 4.0%.
- Occupancy for the overall portfolio was 95.7%, an increase of 170 basis points (June 2017 compared to June 2016). Occupancy from stabilized operations was 96.6%, an increase of 30 basis points (June 2017 compared to June 2016).
- Net Operating Income (NOI) for the quarter was $16.0 million, an increase of $1.3 million, or 8.6%, over Q2 2016. NOI margin for the quarter was 60.6%, up 100 basis points over Q2 2016.
- Stabilized NOI for the quarter was $11.7 million, an increase of $0.8 million, or 6.9%, over Q2 2016. Stabilized NOI margin for the quarter was 63.2%, up 90 basis points over Q2 2016.
- FFO increased by $1.1 million, or 15.5%, for the quarter. As a result of the equity raise in Q1 2017, FFO per unit comparatively decreased slightly by 0.1%, from $0.101 per unit to $0.100 per unit.
- AFFO increased by $1.1 million, or 18.2%, for the quarter. As a result of the equity raise in Q1 2017, AFFO per unit comparatively only increased by 2.1% from $0.087 per unit to $0.089 per unit.
- Debt to GBV at quarter end was 49.5%, a decrease of 680 basis points from December 2016.
- Lease-up of the 381 unfurnished suites at LIV is now at 88% occupancy with average rent exceeding $1,550.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended June 30, 2017**	**3 Months Ended June 30, 2016**	**Change**
Total suites	**8,282**	8,578	**-3.5%**
Average rent per suite (June)	**$1,079**	$1,020	**+5.8%**
Occupancy rate (June)	**95.7%**	94.0%	**+170bps**
Operating revenues	**$26,361**	$24,682	**+6.8%**
Net operating income (NOI)	**$15,978**	$14,706	**+8.6%**
NOI %	**60.6%**	59.6%	**+100bps**
Stabilized average rent per suite (June)	**$1,085**	$1,043	**+4.0%**
Stabilized occupancy rate (June)	**96.6%**	96.3%	**+30bps**
Stabilized NOI	**$11,724**	$10,972	**+6.9%**
Stabilized NOI %	**63.2%**	62.3%	**+90bps**
Funds from Operations (FFO)	**$8,344**	$7,226	**+15.5%**
FFO per weighted average unit - basic	**$0.100**	$0.101	**-0.1%**
FFO per weighted average unit - diluted	**$0.100**	$0.100	-
Adjusted Funds from Operations (AFFO)	**$7,380**	$6,243	**+18.2%**
AFFO per weighted average unit - basic	**$0.089**	$0.087	**+2.3%**
AFFO per weighted average unit - diluted	**$0.088**	$0.087	**+1.1%**
Cash distributions per unit	**$0.0608**	$0.0578	**+5.2%**
AFFO payout ratio	**68%**	66%	**-200bps**
Debt to GBV	**49.5%**	56.3%	**-680bps**
Interest coverage (rolling 12 months)	**2.61x**	2.57x	**+0.04x**
Debt service coverage (rolling 12 months)	**1.64x**	1.53x	**+0.11x**

Gross rental revenue for the quarter was $26.4 million, an increase of $1.2 million, or 4.7%, compared to Q2 2016. Operating revenue for the quarter was up $1.7 million to $26.4 million, or 6.8% compared to Q2 2016. The average monthly rent across the portfolio for June 2017 increased to $1,079 per suite from $1,020 (June 2016), an increase of 5.8%. The June 2017 vacancy rate across the entire portfolio was 4.3%, a decrease from 6.0% recorded in June 2016. The 4.3% was comprised of 3.4% for stabilized properties and 6.6% for un-stabilized. "We continue to try and improve the customer experience at all our properties and work through our repositioning program for our recently acquired properties. These efforts allow us to drive top line revenue growth, reduce operating costs and create a portfolio that is best in class and can withstand the test of time," 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 $1,043 (June 2016) to $1,085 (June 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 $16.0 million, or 60.6% of operating revenue, compared to $14.7 million, or 59.6% of operating revenue, for the three months ended June 30, 2016. NOI from the stabilized portfolio increased to $11.7 million for Q2 2017, an increase of $0.8 million, or 6.9%, over Q2 2016. Stabilized NOI margin for the quarter was 63.2%.

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 July 26, 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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