INTERRENT REIT

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News Release

InterRent REIT Results for the Third Quarter of 2016 and a 5% Increase in the Monthly Distribution

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Ottawa, Ontario (November 7, 2016) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the third quarter ended September 30, 2016. With InterRent's portfolio demonstrating strong sustainable results and with the REIT applying its disciplined approach to growing the portfolio, the Board of Trustees has approved a 5.2% increase to the monthly per unit distributions. The increase will be effective for the November distribution that is to be paid in December 2016.

Highlights

- Monthly distribution has been increased by 5.2% effective with the November distribution that is to be paid in December 2016. On an annual basis, this represents a distribution of $0.243 per unit.
- Gross rental revenue for the quarter increased by $2.9 million, or 13.4%, over Q3 2015.
- Gross rental revenue from the stabilized portfolio was $15.2 million for the quarter, an increase of 3.8%, over Q3 2015.
- Average monthly rent per suite for the entire portfolio increased to $1,057 (September 2016), or 5.1%, from $1,006 (September 2015). The stabilized portfolio increased to $1,062 (September 2016) from $1,024 (September 2015), an increase of 3.7%.
- As a result of an increase in acquisitions and continued repositioning of properties acquired between late 2014 and 2016 to date, portfolio wide occupancy was 94.2%, down 0.3% (September 2016 compared to September 2015). Occupancy for September 2016 from stabilized operations was 96.9%, up from 95.4% in September 2015.
- Net Operating Income (NOI) for the quarter increased by $1.4 million over Q3 2015, or 10.5%, to $14.7 million. NOI margin for Q3 2016 was 60.9%, down 70 basis points over Q3 2015.
- Stabilized NOI for the quarter increased by $0.4 million, or 4.8%, to $9.7 million. Stabilized NOI margin for Q3 2016 was 63.6%, the same as Q3 2015.
- Funds from operations (FFO) for the quarter increased by 2.9% in total and were up 2.0% on a per unit basis compared to Q3 2016
- Adjusted funds from operations (AFFO) for the quarter increased by 2.4% in total and were flat on a per unit basis compared to Q3 2015.
- The previously announced disposition of 2 properties (104 suites) in Brantford, 5 properties (346 suites) in Sarnia and 1 property (69 suites) in Niagara Falls all closed in July 2016. As part of the REIT's capital recycling program and focus on core markets, there has been a total of 876 suites disposed of in 2016. The annualized impact on FFO of the 2016 dispositions is $0.028 per Unit.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	3 Months Ended September 30, 2016	3 Months Ended September 30, 2015	Change
Total suites	**8,059**	7,665	**+5.1%**
Average rent per suite (September)	**$1,057**	$1,006	**+5.1%**
Occupancy rate (September)	**94.2%**	94.5%	**-0.3%**
Operating revenues	**$24,099**	$21,570	**+11.7%**
Net operating income (NOI)	**$14,677**	$13,278	**+10.5%**
NOI %	**60.9%**	61.6%	**-1.1%**
Stabilized average rent per suite (September)	**$1,062**	$1,024	**+3.7%**
Stabilized occupancy rate (September)	**96.9%**	95.4%	**+1.6%**
Stabilized NOI	**$9,725**	$9,280	**+4.8%**
Stabilized NOI %	**63.6%**	63.6%	**n/c**
Funds from Operations (FFO)	**$7,393**	$7,183	**+2.9%**
FFO per weighted average unit - basic	**$0.103**	$0.101	**+2.0%**
FFO per weighted average unit - diluted	**$0.102**	$0.101	**+1.0%**
Adjusted Funds from Operations (AFFO)	**$6,509**	$6,355	**+2.4%**
AFFO per weighted average unit - basic	**$0.090**	$0.090	**n/c**
AFFO per weighted average unit - diluted	**$0.090**	$0.089	**+1.1%**
Cash distributions per unit	**$0.0578**	$0.0549	**+5.3%**
AFFO payout ratio	**64%**	61%	**+4.9%**
Debt to GBV	**54.9%**	51.1%	**+7.4%**
Interest coverage (rolling 12 months)	**2.52x**	2.55x	**-1.2%**
Debt service coverage (rolling 12 months)	**1.54x**	1.46x	**+5.5%**

Gross rental revenue for the quarter was $24.7 million, an increase of $2.9 million, or 13.4%, compared to Q3 2015. Operating revenue for the quarter was up $2.5 million to $24.1 million, or 11.7% compared to Q3 2015. The average monthly rent across the portfolio for September 2016 increased to $1,057 per suite from $1,006 (September 2015), an increase of 5.1%. The September 2016 vacancy rate across the entire portfolio was 5.8%, an increase from 5.5% recorded in September of 2015. The 5.8% was comprised of 3.1% for stabilized properties and 10.0% for un-stabilized. "We continue to work through our repositioning program for our recently acquired properties and believe that the short term vacancy impact is well worth the resulting upside as we drive down long term operating costs and capture full market rents," 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 $1,024 (September 2015) to $1,062 (September 2016), an increase of 3.7%. 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 $14.7 million, or 60.9% of operating revenue, compared to $13.3 million, or 61.6% of operating revenue, for the three months ended September 30, 2015. NOI from the stabilized portfolio increased to $9.7 million for Q3 2016, an increase of $0.4 million, or 4.8%, over Q3 2015. Stabilized NOI margin for the quarter was 63.6%.

InterRent is continuing to execute on its capital recycling program by actively pursuing an asset allocation strategy of monetizing value created by the REIT in smaller non-core markets and recycling capital into core growth markets. Year to date, InterRent has purchased two properties (totaling 545 suites) and sold nineteen properties (totaling 876 suites). "We continue to execute on our strategy of recycling capital from our non-core properties into new repositioning opportunities within our core markets. Recycling from secondary markets to core markets does result in a reduction in cash flow in the short term; however, we believe that focusing on opportunities in our core markets will result in a higher quality portfolio with stronger long term yield," said Mike McGahan, CEO.

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 November 7, 2016, 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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