EMAIL: info@interrentreit.com

News Release

InterRent REIT Results for the Fourth Quarter and 2016 Results

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Ottawa, Ontario (February 21, 2017) – 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, 2016.

Highlights

- Gross rental revenue for the year increased by 18.7%, or $15.6 million, to $96.5 million.
- Gross rental revenue for the year from stabilized operations increased by 4.3%, or $2.6 million, to $64.2 million.
- Average monthly rent per suite for the portfolio increased to $1,064 (December 2016) from $996 (December 2015), an increase of 6.8%. Average monthly rent from stabilized operations increased by 4.1% to $1,062 per suite (December 2016) from $1,020 per suite (December 2015).
- Occupancy for the overall portfolio was 94.8%, up 0.2% (December 2016 compared to December 2015). Occupancy from stabilized operations was up 1.3% from 95.4% (December 2015) to 96.7% (December 2016).
- Net Operating Income (NOI) for the year increased by $8.4 million, or 17.3%, to $56.9 million. NOI margin for 2016 was 58.3%, down 10 basis points over 2015.
- Stabilized NOI for the year increased by $2.6 million, or 7.0%, to $39.2 million. Stabilized NOI margin for 2016 was 61.0%, up 110 basis points over 2015.
- For the year, FFO per unit increased by 9.6%, from $0.353 per unit to $0.387 per unit.
- For the year, AFFO per unit increased by 10.1% from $0.306 per unit to $0.337 per unit.
- The weighted average interest rate on mortgage debt was reduced by 5 basis points from 2.74%, at December 31, 2015, to 2.69%, at December 31, 2016.
- Debt to GBV increased by 110 basis points from 54.2% (December 2015) to 55.3% (December 2016) as a result of the acquisitions in 2016 as well as the extensive capital investment in the non-stabilized properties.
- InterRent recycled capital in 2016 by selling 876 suites in non-core markets, at a sale price of $84.6 million, and acquiring 545 suites in core markets, at a purchase price of $77.3 million.
- InterRent has entered into an unconditional agreement to purchase a 224 suite property in Montreal which is scheduled to close in early March 2017 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.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended December 31, 2016**	**3 Months Ended December 31, 2015**	**Change**	**12 Months Ended December 31, 2016**	**12 Months Ended December 31, 2015**	**Change**
Total suites	**-**	-	**-**	**8,059**	8,389	**-3.9%**
Average rent per suite (December)	**-**	-	**-**	**$1,064**	$996	**+6.8%**
Occupancy rate (December)	**-**	-	**-**	**94.8%**	94.6%	**+0.2%**
Operating revenues	**$24,782**	$22,498	**+10.1%**	**$97,466**	$82,977	**+17.5%**
Net operating income (NOI)	**14,507**	13,192	**+10.0%**	**56,868**	48,490	**+17.3%**
NOI %	**58.5%**	58.6%	**-0.2%**	**58.3%**	58.4%	**-0.2%**
Stabilized average rent per suite (December)	**-**	-	**-**	**$1,062**	$1,020	**+4.1%**
Stabilized NOI	**10,075**	9,453	**+6.6%**	**39,183**	36,612	**+7.0%**
Stabilized NOI %	**60.9%**	61.1%	**-0.3%**	**61.0%**	59.9%	**+1.8%**
Funds from Operations (FFO)	**$7,335**	$6,458	**+13.6%**	**$27,796**	$24,425	**+13.8%**
FFO per weighted average unit - basic	**$0.102**	$0.091	**+12.1%**	**$0.387**	$0.353	**+9.6%**
FFO per weighted average unit - diluted	**$0.101**	$0.090	**+12.2%**	**$0.385**	$0.352	**+9.4%**
Adjusted Funds from Operations (AFFO)	**$6,443**	$5,550	**+16.1%**	**$24,170**	$21,145	**+14.3%**
AFFO per weighted average unit - basic	**$0.089**	$0.078	**+14.1%**	**$0.337**	$0.306	**+10.1%**
AFFO per weighted average unit - diluted	**$0.089**	$0.078	**+14.1%**	**$0.335**	$0.305	**+9.8%**
Cash distributions per unit	**$0.0598**	$0.0568	**+5.3%**	**$0.2330**	$0.2215	**+5.2%**
AFFO payout ratio	**66.9%**	72.8%	**-8.1%**	**69.2%**	72.4%	**-4.4%**
Debt to GBV	**-**	-	**-**	**55.3%**	54.2%	**+2.0%**
Interest coverage (rolling 12 months)	**-**	-	**-**	**2.51x**	2.62x	**-4.2%**
Debt service coverage (rolling 12 months)	**-**	-	**-**	**1.54x**	1.50x	**+2.7%**

Gross rental revenue for the year ended December 31, 2016 increased 18.7% to $99.5 million compared to $83.8 million for the prior year. Operating revenue for the year was up $14.5 million to $97.5 million, or 17.5% compared to the prior year. NOI for the twelve months ended December 31, 2016 amounted to $56.9 million or 58.3% of operating revenue compared to $48.5 million or 58.4% of operating revenue for 2015.

InterRent's focus on recycling capital and growing its core markets of GTA (including Hamilton), Ottawa/NCR and Montreal has resulted in approximately 78% of InterRent's suites now being located in these core markets as compared to 69% at the end of 2015.

For the stabilized portfolio, gross rental revenue for the year ended December 31, 2016 increased 4.3% to $64.2 million compared to $61.6 million for the prior year. NOI for the twelve months ended December 31, 2016 amounted to $39.2 million or 61.0% of operating revenue compared to $36.6 million or 59.9% of operating revenue for 2015. These increases were largely the result of continued strong revenue growth combined with reductions in operating costs, property taxes and utility costs as a percentage of operating revenue.

In keeping with management's strategy of maximizing returns for Unitholders and focusing on clusters of buildings within geographical proximity to each other (in order to build operational efficiencies and attract focused, professional staff) properties are reviewed on a regular basis to determine if they should be kept or disposed of. "Over the last 3 years, the REIT has acquired 2,892 suites predominantly in core markets and sold 893 suites in predominantly non-core markets. We expect repositioning efforts at the properties acquired over the last three years to be strong contributors to our bottom line as the investment of time, effort and capital drive strong organic growth at the properties," 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 February 21, 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.

For further information about InterRent please contact:

Mike McGahan
Chief Executive Officer
Tel: (613) 569-5699 Ext 244
Fax: (613) 569-5698
e-mail: mmcgahan@interrentreit.com

Brad Cutsey
President
Tel: (613) 569-5699 Ext 226
Fax: (613) 569-5698
e-mail: bcutsey@interrentreit.com

Curt Millar, CPA, CA
Chief Financial Officer
Tel: (613) 569-5699 Ext 233
Fax: (613) 569-5698
e-mail: cmillar@interrentreit.com

web site: www.interrentreit.com