INTERRENT REIT
EMAIL: info@interrentreit.com

News Release

InterRent REIT Results for the First Quarter of 2014

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

Ottawa, Ontario (May 12, 2014) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the first quarter ended March 31, 2014.

Highlights

- Gross rental revenue for the first quarter of 2014 increased by $3.0 million, or 23.3%, over Q1 2013 while operating revenue increased by $2.8 million, or 21.3% compared to Q1 2013.
- Gross rental revenue from stabilized operations for the first quarter of 2014 increased by $0.4 million, or 3.9%, over Q1 2013 while operating revenue increased by $0.3 million, or 2.3%.
- The average monthly rent across the portfolio for March 2014 increased to $938 per suite from $888 for March 2013, an increase of 5.6%.
- The average monthly rent across the stabilized portfolio for March 2014 increased to $899 per suite from $868 for March 2013, an increase of 3.6%.
- Overall Economic Vacancy for March 2014 was 3.6%, unchanged from December 2013.
- NOI increased by $1.0 million, or 13.1%, for the first quarter of 2014 compared to Q1 2013. NOI for the quarter was $8.4 million, or 53.1% of operating revenues.
- Stabilized NOI was $6.0 million for the quarter, or 53.5% of operating revenues, down slightly compared to Q1 2013.
- FFO for the quarter increased by $0.1 million, or 2.0%, to $3.8 million compared to $3.7 million for Q1 2013.
- AFFO remained unchanged at $3.2 million for the quarters ended March 31, 2014 and 2013.
- One acquisition was closed in the quarter, adding 54 suites within one of the core markets that have been targeted for growth.

Financial Highlights

Selected Consolidated Information *In $000's, except per Unit amounts and other non-financial data*	***3 Months Ended March 31, 2014***	***3 Months Ended March 31, 2013***
Total suites	***6,103***	*5,020*
Occupancy rate (March)	***96.4%***	*98.0%*
Average rent per suite (March)	***$938***	*$888*
Operating revenues	***$15,832***	*$13,054*
Net operating income (NOI)	***8,400***	*7,430*
NOI %	***53.1%***	*56.9%*
NOI per weighted average unit - basic	***$0.15***	*$0.16*
NOI per weighted average unit - diluted	***$0.15***	*$0.16*
Funds from operations (FFO)	***$3,820***	*$3,745*
FFO per weighted average unit - basic	***$0.07***	*$0.08*
FFO per weighted average unit - diluted	***$0.07***	*$0.08*
Adjusted funds from operations (AFFO)	***$3,185***	*$3,180*
AFFO per weighted average unit - basic	***$0.06***	*$0.07*
AFFO per weighted average unit - diluted	***$0.06***	*$0.07*
Distributable income (DI)	***$4,420***	*$4,003*
DI per weighted average unit - basic	***$0.08***	*$0.09*
DI per weighted average unit - diluted	***$0.08***	*$0.09*
Cash distributions per unit	***$0.0501***	*$0.04*
AFFO payout ratio	***90%***	*58%*
Stabilized average rent per suite	***$899***	*$868*
Stabilized NOI %	***53.5%***	*56.1%*
Interest coverage (rolling 12 months)	***2.62x***	*2.66x*
Debt service coverage (rolling 12 months)	***1.55x***	*1.72x*
Debt to GBV	***48.7%***	*39.6%*

Results for the Quarter

Gross rental revenue for the quarter was $15.9 million, an increase of $3.0 million, or 23.3%, compared to Q1 2013. Operating revenue for the quarter was up $2.8 million to $15.8 million, or 21.3% compared to the Q1 2013. The average monthly rent across the entire portfolio for March 2014 increased to $938 per suite from $888 (March 2013), an increase of 5.6%. On a stabilized portfolio basis (stabilized properties are those owned by the REIT continuously for 24 months), the average monthly rent per suite increased from $868 to $899 over the same period, an increase of 3.6%. On a non-stabilized portfolio basis the average monthly rent per suite increased from $1,009 to $1,049 over the same period, 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.

Management believes in trying to optimize the balance of supply and demand by pushing rents and monitoring vacancy within acceptable levels in order to strike the right balance and maximize revenue. The March 2014 vacancy rate across the entire portfolio was 3.6% which is made up of 3.8% in the stabilized portfolio (4,180 suites) and 3.0% in the non-stabilized portfolio (1,462 suites not including 461 un-rentable suites).
"In 2013 we saw vacancy in some rental markets trend upwards. The winter months are always more challenging when it comes to lowering vacancy rates or driving rental growth and both the duration and level

of cold we experienced this winter made it even more challenging. We expect to see improvements in these markets in 2014 as we continue to monitor and adjust rents and try to balance between vacancy and rental growth in order to drive value for our Unitholders," said Mike McGahan, CEO.

Property operating costs for the quarter amounted to $2.8 million, or 17.8% of revenue, compared to $2.2 million, or 16.6% of revenue, for the 2013 comparable quarter. As a percentage of revenue, operating costs increased by 1.2% primarily as a result of the increased costs of snow removal and associated repairs and maintenance required due to the abnormally cold winter combined with the abundance of snow that was experienced.

Property taxes for the three months ended March 31, 2014 amounted to $2.2 million or 13.7% of revenue compared to $1.7 million or 13.3% of revenue for the three months ended March 31, 2013. The overall increase in taxes is mainly attributable to the increase in suites from the first quarter of 2013 to 2014 along with a budgeted increase expected as a result of the increase in assessed property values.

Utility costs for the three months ended March 31, 2014 amounted to $2.5 million or 15.5% of revenue compared to $1.7 million or 13.2% of revenue for the three months ended March 31, 2013. As a percentage of operating revenues and on a per suite basis, utility costs increased over the same quarter last year due to the abnormally cold winter in the Trust's operating regions. Across the entire portfolio, our hydro sub-metering initiative reduced our utility costs by 7.4%, or $0.2 million for the quarter.

NOI for the three months ended March 31, 2014 amounted to $8.4 million or 53.1% of operating revenue compared to $7.4 million or 56.9% of operating revenue for the three months ended March 31, 2013. The $1.0 million increase in the quarter is as a result of growing the portfolio and increasing net revenue. "We continue to strive to improve the NOI both in our stabilized properties as well as within our acquisitions. Our ability to find ways to drive NOI growth in order to create value is one of the key factors we evaluate when looking at an acquisition," said Mike McGahan, CEO.

Given the amount of capital required to acquire and reposition properties, being able to access mortgage debt and the interest rate thereon is crucial for the long term success of the REIT. At the end of the quarter, the weighted average interest rate was 3.30% and the average life to maturity was approximately 4.5 years. The REIT regularly reviews mortgages and maturities in order to capitalize on the availability of long term funds at the historically low rates that we continue to experience.

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 strategy is to expand its portfolio primarily within markets that have exhibited stable market vacancies, sufficient suites available to attain the critical mass necessary to implement an efficient portfolio management structure and, offer opportunities for accretive acquisitions.

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, DI and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated May 12, 2014, which should be read in conjunction with this press release. Since NOI, FFO, AFFO, DI 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
web site: www.interrentreit.com

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