INTERRENT REIT

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News Release

InterRent REIT Results for the Third Quarter of 2014 and a 10% Increase in the Monthly Distribution

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Ottawa, Ontario (November 10, 2014) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the third quarter ended September 30, 2014. 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 10% increase to the monthly per unit distributions. The increase will be effective for the November distribution that is to be paid in December 2013.

Highlights

- Monthly distribution has been increased by 10% effective with the November distribution that is to be paid in December 2014. On an annual basis, this represents a distribution of $0.22 per unit.
- Average monthly rent per suite for the stabilized portfolio increased to $944 (September 2014) from $913 (September 2013), an increase of 3.4%.
- Gross rental revenue for the third quarter of 2014 increased by $0.7 million, or 4.6%, over Q3 2013 while operating revenue increased by $0.5 million, or 3.0% compared to Q3 2013.
- Gross rental revenue from stabilized operations for the third quarter of 2014 increased by $0.5 million, or 3.8%, over Q3 2013 while operating revenue increased by $0.3 million, or 2.0%.
- Economic vacancy decreased to 3.4% for September 2014 from 5.8% for June 2014, and was slightly lower than the 3.6% recorded in September 2013. The transition to a new rental operations methodology as well as continued repositioning efforts at the non-stabilized properties has resulted in an improvement of 2.4% in vacancy between June and September 2014.
- NOI increased to $10.2 million for the quarter, or 61.5% of operating revenues, compared to $9.8 million, or 61.2%, for Q3 2013.
- The weighted average interest rate on mortgage debt at the end of the quarter was 3.25% with an average life to maturity of 4.1 years.
- Funds from operations (FFO) for the quarter decreased by $0.2 million to $5.3 million (or $0.09 per unit) compared to $5.5 million (or $0.10 per unit) for Q3 2013.
- Adjusted funds from operations (AFFO) for the quarter decreased by $0.2 million. AFFO was $0.08 per unit for the quarter which was the same as Q3 2013.
- The Trust acquired one property, comprising 334 suites, on July 28, 2014 for $25.0 million.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended September 30, 2014**	**3 Months Ended September 30, 2013**
Total suites	***6,464***	6,044
Occupancy rate (September)	***96.6%***	96.4%
Average rent per suite (September)	***$948***	$922
Operating revenues	***$16,518***	$16,044
Net operating income (NOI)	***10,163***	9,817
NOI %	***61.5%***	61.2%
NOI per weighted average unit - basic	***$0.18***	$0.17
NOI per weighted average unit - diluted	***$0.18***	$0.17
Funds from operations (FFO)	***$5,283***	$5,506
FFO per weighted average unit - basic	***$0.09***	$0.10
FFO per weighted average unit - diluted	***$0.09***	$0.10
Adjusted funds from operations (AFFO)	***$4,608***	$4,826
AFFO per weighted average unit - basic	***$0.08***	$0.08
AFFO per weighted average unit - diluted	***$0.08***	$0.08
Cash distributions per unit	***$0.0501***	$0.0501
AFFO payout ratio	***63%***	60%
Stabilized average rent per suite	***$944***	$913
Stabilized NOI %	***61.8%***	62.6%
Interest coverage (rolling 12 months)	***2.43x***	2.74x
Debt service coverage (rolling 12 months)	***1.41x***	1.69x
Debt to GBV	***50.3%***	46.8%

Results for the Quarter

Gross rental revenue for the quarter was $16.8 million, an increase of $0.7 million, or 4.6%, compared to Q3 2013. Operating revenue for the quarter was up $0.5 million to $16.5 million, or 3.0% compared to Q3 2013. The average monthly rent across the entire portfolio for September 2014 increased to $948 per suite from $922 (September 2013), an increase of 2.8%.

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 $913 to $944 over the same period, an increase of 3.4%. 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.

The September 2014 vacancy rate across the entire portfolio was 3.4%. "We are beginning to see the positive effects of our new rental operations model, which we believe better aligns rental operations to longer term value creation," said Mike McGahan, CEO.

Property operating costs for the three months ended September 30, 2014 amounted to $2.9 million or 17.8% of operating revenue compared to $2.8 million or 17.6% of revenue for the three months ended September 30, 2013. As a percentage of operating revenue, operating costs increased by 0.2% as compared to Q3 2013 however as a percentage of gross rental revenue, operating costs were down slightly from 17.6% to 17.5% for the same period.

Property taxes for the three months ended September 30, 2014 amounted to $2.2 million or 13.5% of operating revenue compared to $2.1 million or 13.3% of operating revenue for the three months ended September 30, 2013. Similar to operating costs, as a percentage of gross rental revenue, property taxes were down slightly from 13.4% to 13.3%.

Utility costs for the three months ended September 30, 2014 amounted to $1.2 million or 7.2% of operating revenue compared to $1.3 million or 7.9% of revenue for the three months ended September 30, 2013. As a percentage of operating revenues and on a per suite basis, utility costs decreased over the same quarter last year.

NOI for the three months ended September 30, 2014 amounted to $10.2 million or 61.5% of operating revenue compared to $9.8 million or 61.2% of operating revenue for the three months ended September 30, 2013. The increase in the quarter is as a result of growing the portfolio and increasing net revenue while controlling property operating costs and decreasing utilities as a percentage of revenue. In addition, the redevelopment properties in Ottawa and Hamilton had a positive contribution of $0.3 million to NOI in the third quarter of 2013 and no NOI contribution in the third quarter of 2014.

The Board of Trustees is pleased to announce that they have approved the extension of the property management agreement for five years. As a result, the property management agreement will now be in place until September 30, 2019.

At the end of the quarter, the weighted average interest rate was 3.25% and the average life to maturity was approximately 4.1 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 November 10, 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.

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