INTERRENT REIT

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News Release

InterRent REIT Results for the Fourth Quarter and 2013 Results

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Ottawa, Ontario (March 4, 2014) – 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, 2013.

Highlights

- Gross rental revenue increased by $13.3 million, or 28.3%, over 2012 while operating revenue increased by $13.0 million, or 27.3%.
- Gross rental revenue from stabilized operations increased by $1.5 million, or 4.0%, over 2012 while operating revenue increased by $1.1 million, or 2.9%.
- The average monthly rent across the portfolio for December 2013 increased to $931 per suite from $887 for December 2012, an increase of 5.0%.
- Overall Economic Vacancy remained unchanged from September 2013 to December 2013 at 3.6% which is an increase from the 2.2% recorded for December 2012.
- NOI increased by $8.1 million, or 29.0%, for the year compared to 2012. NOI for the year was $36.0 million, or 59.6% of operating revenues. NOI increased 5% year over year on a weighted average per suite basis.
- Improvement in NOI was achieved despite the effect of the redevelopment property which had 317 un-rentable suites at year end (71% of the property).
- Stabilized NOI increased by 4.7% to $23.4 million or 59.5% of operating revenues, compared to $22.3 million, or 58.5%, for 2012.
- FFO increased by $5.4 million, or 40.0%, to $18.9 million compared to $13.5 million for 2012.
- AFFO increased by $4.5 million, or 38.6%, to $16.3 million compared to $11.7 million for 2012.
- InterRent has closed on the acquisition of 1,341 suites within three core markets that have been targeted for growth, and added 12 suites to existing properties, an increase in suite count of 28.8%.
- Weighted average interest rate on mortgage debt has been reduced by 29 basis point from 3.60% to 3.31% while maintaining a weighted average life to maturity of 4.7 years.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended December 31, 2013**	**3 Months Ended December 31, 2012**	**12 Months Ended December 31, 2013**	**12 Months Ended December 31, 2012**
Total suites	**6,048**	4,695	**6,048**	4,695
Occupancy rate (December)	**96.4%**	97.8%	**96.4%**	97.8%
Average rent per suite (December)	**$931**	$887	**$931**	$887
Operating revenues	**$15,888**	$12,708	**$60,506**	$47,530
Net operating income (NOI)	**9,226**	7,474	**36,041**	27,946
NOI %	**58.1%**	58.8%	**59.6%**	58.8%
NOI per weighted average unit - basic	**$0.16**	$0.17	**$0.66**	$0.63
NOI per weighted average unit - diluted	**$0.16**	$0.17	**$0.66**	$0.63
Funds from operations (FFO)	**$4,504**	$3,839	**$18,883**	$13,489
FFO per weighted average unit - basic	**$0.08**	$0.09	**$0.35**	$0.31
FFO per weighted average unit - diluted	**$0.08**	$0.09	**$0.35**	$0.30
Adjusted funds from operations (AFFO)	**$3,824**	$3,311	**$16,278**	$11,748
AFFO per weighted average unit - basic	**$0.07**	$0.07	**$0.30**	$0.27
AFFO per weighted average unit - diluted	**$0.07**	$0.07	**$0.30**	$0.26
Distributable income (DI)	**$3,738**	$3,105	**$17,053**	$11,850
DI per weighted average unit - basic	**$0.07**	$0.07	**$0.31**	$0.27
DI per weighted average unit - diluted	**$0.07**	$0.07	**$0.31**	$0.27
Cash distributions per unit	**$0.05**	$0.04	**$0.19**	$0.14
AFFO payout ratio	**75%**	54%	**63%**	51%
Stabilized average rent per suite (December)	**$910**	$887	**$910**	$887
Stabilized NOI %	**58.7%**	58.6%	**59.5%**	58.5%
Interest coverage (rolling 12 months)	**2.71x**	2.57x	**2.71x**	2.57x
Debt service coverage (rolling 12 months)	**1.64x**	1.69x	**1.64x**	1.69x
Debt to GBV	**47.4%**	46.8%	**47.4%**	46.8%

Results for the Quarter

Operating revenue for the year was up $13.0 million to $60.5 million, or 27.3% compared to the prior year. The Trust had 6,048 suites at the end of 2013 as compared to 4,695 at the end of 2012, a net increase of 1,353 suites. The average monthly rent across the entire portfolio for December 2013 increased to $931 per suite from $887 (December 2012), an increase of 5.0%. 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 $887 to $910 over the same period, an increase of 2.6%. On a non-stabilized portfolio basis the average monthly rent per suite increased from $887 to $968 over the same period, an increase of 9.1%. 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 December 2013 vacancy rate across the entire portfolio was 3.6% which is made up of 3.4% in the stabilized portfolio (3,647 suites) and 3.8% in the non-stabilized portfolio (2,084 suites not including the 317 un-rentable suites at the redevelopment property in Ottawa). "In 2013 we saw vacancy in some rental markets trend upwards.

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 year ended December 31, 2013 amounted to $10.2 million or 16.8% of revenue compared to $7.9 million or 16.7% of revenue for the year ended December 31, 2012. As a percentage of revenue, operating costs increased by 0.1% as compared to 2012 due to increased landscaping and snow removal as well as bad debt expense related to the newly acquired properties.

Utility costs for the year ended December 31, 2013 amounted to $6.3 million or 10.4% of revenue compared to $5.3 million or 11.2% of revenue for the year ended December 31, 2012. As a percentage of operating revenues and on a per suite basis, utility costs have decreased over the year as a result of energy savings initiatives, the expiry of retail natural gas contracts, and from our hydro sub-metering initiative. Our hydro sub-metering initiative reduced our utility costs by $0.5 million, or 7.8%, for the year.

NOI for the twelve months ended December 31, 2012 amounted to $36.0 million or 59.6% of operating revenue compared to $27.9 million or 58.8% of operating revenue for the twelve months ended December 31, 2012. The $8.1 million increase in the year is as a result of growing the portfolio and increasing net revenue while decreasing taxes and utilities as a percentage of revenue. On a weighted average per suite basis (excluding the un-rentable suites at the redevelopment property), NOI increased 5.0% from $6,147 per suite in 2012 to $6,458 per suite in 2013. "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. Over the last year, the REIT has lowered the weighted average interest rate by 29 basis points from 3.60% at the end of 2012 to 3.31% at the end of 2013. The REIT regularly reviews mortgages and maturities in order to capitalize on the availability of long term funds at the historically low rates that are currently available.

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. "Over the last 2 years the REIT has acquired 2,341 suites, growing our portfolio by over 60%. We expect repositioning efforts at our properties acquired over the last two years along with the redevelopment of our Bell Street property will be strong contributors to our bottom line going forward," 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 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 March 3, 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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