EMAIL: info@interrentreit.com

News Release

InterRent REIT Results for the First Quarter of 2012

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

Ottawa, Ontario (May 7, 2012) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the first quarter ended March 31, 2012. With the repositioning of InterRent's existing portfolio well in hand and demonstrating strong and sustainable results, the REIT is now applying its disciplined approach to growing the portfolio.

Highlights

- Operating revenue for the quarter was up $1.4 million to $10.8 million, or 14.7%, compared to Q1 2011.
- The average monthly rent for March 2012 increased to $850 per suite from $819 (March 2011), an increase of 3.8%, for the stabilized properties.
- Occupancy increased to 97.3% (March 2012) from 95.5% (March 2011).
- Net Operating Income (NOI) increased 31.8% to $5.7 million, or 52.9% of operating revenues, for the quarter compared to $4.3 million, or 46.0% of operating revenues, for Q1 2011.
- Stabilized NOI increased 19.3% to $4.8 million, or 53.5% of operating revenues, for the quarter compared to $4.0 million, or 47.0% of operating revenues, for Q1 2011.
- Funds From Operation (FFO) for the quarter increased by $1.4 million, or 239%, to $2.0 million ($0.05 per unit) compared to $0.6 million ($0.02 per unit) for Q1 2011.
- Adjusted funds from operations (AFFO) for the quarter increased by $1.3 million, or 224%, to $1.8 million ($0.04 per unit) compared to $0.6 million ($0.02 per unit) for Q1 2011.
- Distributable Income (DI) for the quarter was $2.2 million ($0.05 per unit) an increase of $1.2 million, or 118%, over Q1 2011.
- Two properties (720 suites) were added to the portfolio in the quarter and two properties (52 suites) were sold resulting in a net addition of 668 suites through acquisitions. One further acquisition has been announced that will add 184 suites in Mississauga that is scheduled to close in June 2012.

Financial Highlights

Selected Consolidated Information *In $000's, except per Unit amounts and other non-financial data*	***3 Months Ended March 31, 2012***	***3 Months Ended March 31, 2011***
Total suites	***4,489***	*3,914*
Occupancy rate (March)	***97.3%***	*95.5%*
Average rent per suite (March)	***$832***	*$810*
Operating revenues	***$10,806***	*$9,421*
Operating NOI	***5,713***	*4,335*
NOI %	***52.9%***	*46.0%*
NOI per unit - basic	***$0.13***	*$0.13*
NOI per unit - diluted	***$0.13***	*$0.13*
Funds from operations	***$2,010***	*$593*
Funds from operations per unit - basic	***$0.05***	*$0.02*
Funds from operations per unit - diluted	***$0.05***	*$0.02*
Adjusted funds from operations	***$1,848***	*$571*
Adjusted funds from operations per unit - basic	***$0.04***	*$0.02*
Adjusted funds from operations per unit - diluted	***$0.04***	*$0.02*
Distributable income	***$2,224***	*$1,021*
Distributable income per unit - basic	***$0.05***	*$0.03*
Distributable income per unit - diluted	***$0.05***	*$0.03*
Cash distributions per unit	***$0.03***	*$0.03*
AFFO payout ratio	***75%***	*170%*
Stabilized average rent per suite	***$850***	*$819*
Stabilized NOI %	***53.5%***	*47.0%*
Debt to GBV	***50.3%***	*58.1%*

Results for the Quarter

Operating revenue for the quarter was up $1.4 million to $10.8 million, or 14.7% compared to the same quarter last year. The Trust had 4,489 suites at the end of the quarter as compared to 3,984 at the end of Q1, 2011. The average monthly rent across the entire portfolio for March 2012 increased to $832 per suite from $810 (March 2011), an increase of 2.7%. On a stabilized portfolio basis (stabilized properties are those owned by the Trust continuously for 24 months), the average monthly rent per suite increased from $819 to $850 over the same period, and increase of 3.8%. Management expects to continue to grow rent organically through moving to market rent on suite turnovers, continued roll-out of AGIs as well as continuing to drive other ancillary revenue streams such as parking and locker rentals. The AGIs applied for (without including the guideline increase) range from 2% to 9% and management expects that the AGIs alone will add approximately $0.6 million in annualized gross rent once the process is complete (approximately $20,000, or $240,000 on an annual basis, has been rolled out to date). Management decided to forego some rental growth in the quarter by pushing the AGI rollout to Q2 through Q4 as rental activity is stronger during these quarters.

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 vacancy rate of 2.7% across the entire portfolio is within the range that management believes is healthy in order to maximize revenues.

Property operating costs as a percentage of operating revenue were 16.7% for the quarter compared to 19.1% for Q1 2011. The decrease in operating expenses was driven mainly by reductions in repairs and maintenance and leasing costs. The reductions in repairs and maintenance are as a direct result of the capital expenditures undertaken throughout 2010 and 2011 as well as a result of achieving better economies of scale as the portfolio grows. “The key to what we have achieved to date and to our future success is our people. We believe that that our current staffing levels are adequate to address not only the current requirements but also position us well for the integration of planned strategic acquisitions.” said Mike McGahan, CEO.

Utility costs for the quarter amounted to $1.7 million or 15.8% of operating revenue compared to $1.9 million or 19.8% for Q1 2011. The decrease of $0.2 million, or 8.6%, over the same quarter last year is partially as a result of a mild Q1 in 2012 and partially as a result of the energy savings initiatives rolled out in 2011. On a stabilized basis, the quarter over comparable quarter decrease was $0.3 million, or 19.1%.

NOI for the quarter saw continued improvement over comparable quarter from prior year. NOI for the portfolio was $5.7 million, or 52.9% of operating revenue, compared to $4.3 million, or 46.0% of operating revenue, for Q1 2011. NOI from stabilized properties was 53.5% for the quarter, compared to 47.0% for Q1 2011. “We believe the improvements in NOI quarter over comparative quarter will continue as we are able to achieve better economies of scale and our valued team members continue their efforts to eliminate all unnecessary costs and drive our rents to market.” said CEO Mike McGahan.

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. Two properties were purchased (720 suites), two properties were sold (52 suites) and one property (184 suites) has been committed to be purchased in the first quarter of 2012. “These acquisitions add more scale within regions that we have targeted for incremental growth as we have the capacity to manage more suites within the existing infrastructure.” said Mike McGahan.

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, and DI. These non-GAAP measures are further defined and discussed in the MD&A released on May 7, 2012, which should be read in conjunction with this press release. Since NOI, FFO, AFFO and DI 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