InterRent Real Estate Investment Trust

Management's Discussion and Analysis

For The Three and Six Months Ended June 30, 2012

August 1, 2012

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FORWARD-LOOKING STATEMENTS

Caution Regarding Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") of InterRent Real Estate Investment Trust ("InterRent REIT" or the "Trust") contains "forward-looking statements" within the meaning of applicable securities legislation. This document should be read in conjunction with material contained in the Trust's audited consolidated financial statements for the year ended December 31, 2011 along with InterRent REIT's other publicly filed documents. Forward-looking statements appear in this MD&A under the heading "Outlook" and generally include, but are not limited to, statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results circumstances, performance or expectations, including but not limited to financial performance and equity or debt offerings, new markets for growth, financial position, comparable multi-residential REITs and proposed acquisitions. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "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 statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of InterRent REIT to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the market for InterRent REIT's securities, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will be identified and/or completed by InterRent REIT, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding InterRent REIT securities, lack of availability of growth opportunities, diversification, potential unitholder liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, the market price of InterRent REIT's trust Units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in the section entitled "Risks and Uncertainties" and in other sections of this Management's Discussion and Analysis.

In addition, certain material assumptions are applied by the Trust in making forward looking statements including, without limitation, factors and assumptions regarding;

- Overall national economic activity
- Regional economic factors, such as employment rates
- Inflationary/deflationary factors
- Long, medium and short term interest rates
- Availability of financing
- Housing starts

Although the forward-looking information contained herein is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. InterRent REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, however there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. InterRent REIT does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Certain statements included herein may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.

INTERRENT REAL ESTATE INVESTMENT TRUST

InterRent Real Estate Investment Trust ("InterRent REIT" or the "Trust") is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated October 10, 2006, and as amended and restated on June 29, 2007, September 30, 2009 and December 29, 2010 (the "Declaration of Trust" or "DOT"), under the laws of the Province of Ontario. InterRent REIT was created to invest in income producing multi-family residential properties within Canada initially through the acquisition of InterRent International Properties Inc. (the "Corporation") and of the Silverstone Group by the way of a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Ontario), which was completed on December 7, 2006.

InterRent REIT's principal objectives are to provide its unitholders ("Unitholders") with stable and growing monthly cash distributions, partially on a Canadian income tax-deferred basis, and to increase the value of its trust units (the "Units") through the effective management of its residential multi-family revenue producing properties and the acquisition of additional, accretive properties.

DECLARATION OF TRUST

The investment policies of the Trust are outlined in the Trust's Amended and Restated Declaration of Trust (the "DOT") dated as of December 29, 2010 and a copy of this document is available on SEDAR (www.sedar.com). Some of the principal investment guidelines and operating policies set out in the DOT are as follows:

INVESTMENT GUIDELINES

- Focus its activities on acquiring, maintaining, improving and managing multi-unit residential revenue producing properties.
- No single asset shall be acquired if the cost of such acquisition (net of the amount of debt secured by the asset) will exceed 15% of the Trust's "Gross Book Value" (as such term is defined in the DOT).
- Investments in joint ventures are permitted as long as the Trust's interest is not less than 25%.
- No investment will be made that would result in the Trust not qualifying as a "mutual fund trust" as defined in the *Income Tax Act* (Canada).

OPERATING POLICIES

- Overall indebtedness not to exceed 75% of Gross Book Value, as defined by the DOT.
- For individual properties, the maximum debt capacity not to exceed 75% of its market value, on or after the date which is 12 months from the acquisition date.
- No guaranteeing of third party debt except for subsidiaries or wholly-owned entities of the Trust or potential joint venture partner structures.
- Third party surveys of structural and environmental conditions are required prior to the acquisition of a revenue producing property.

At June 30, 2012 the Trust was in material compliance with all investment guidelines and operating policies stipulated in the DOT.

ACCOUNTING POLICIES

InterRent REIT's accounting policies are described in Note 3 of the audited consolidated financial statements for the year ended December 31, 2011.

In applying these policies, in certain cases it is necessary to use estimates, which management determines using information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness and any change to these estimates is applied prospectively in compliance with IFRS. Significant estimates are made with respect to the fair values of investment properties and the fair values of financial instruments.

NON-GAAP MEASURES

Distributable Income, Funds from Operations, Adjusted Funds from Operations and Net Operating Income (or, in each case, substantially similar terms) are measures sometimes used by Canadian real estate investment trusts as indicators of financial performance, however they do not have standardized meanings prescribed by IFRS (GAAP). These measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly termed measures reported by other such issuers.

Distributable Income ("DI") reflects the ability of the Trust to earn income and to make distributions of cash to Unitholders and therefore is considered a measure of cash available for distribution. DI differs from net income, a GAAP measure. For a complete description of the Trust's definition of Distributable Income refer to the Declaration of Trust.

Funds from Operations ("FFO") is a financial measure which should not be considered as an alternative to net income, cash flow from operations, or any other operating or liquidity measure prescribed under IFRS. The Trust presents FFO in accordance with the Real Property Association of Canada (REALpac) White Paper on Funds from Operations.

Adjusted Funds from Operations ("AFFO") is presented in this MD&A because management considers this non-GAAP measure to be an important performance indicator in determining the sustainability of future distributions to Unitholders. AFFO begins with FFO and removes the effect of certain non-cash income and expense items and adds a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities as it does not consider changes in working capital.

Net Operating Income ("NOI") is a key measure of operating performance used in the real estate industry and includes all rental revenues generated at the property level, less related direct costs such as utilities, realty taxes, insurance and on site maintenance wages and salaries. As one of the factors that may be considered relevant by readers, management believes that NOI is a useful supplemental measure that may assist prospective investors in assessing the Trust.

Readers are cautioned that DI, FFO, AFFO and NOI are not alternatives to measures under GAAP and should not, on their own, be construed as indicators of the Trust's performance or cash flows, measures of liquidity or as measures of actual return on Units of the Trust. These non-GAAP measures, as presented, should only be used in conjunction with the condensed consolidated financial statements of the Trust.

As a result of the redeemable feature of the Trust Units, the Trust's units are defined as a financial liability and not considered an equity instrument. Therefore no denominator exists to calculate per unit calculations. Consequently, all per unit calculations are considered non-GAAP measures. Management feels that certain per unit calculations are an important method of measuring results from period to period and as such has determined basic and diluted weighted average number of units. Per unit calculations as computed by the Trust may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to other such issuers.

OVERVIEW

BUSINESS OVERVIEW AND STRATEGY

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. The REIT generates revenues, cash flows and earnings from rental operations and from the sale of revenue producing properties. InterRent REIT's largest and most consistent source of income is its rental operations, which involves leasing individual suites to tenants for lease terms generally ranging from month-to-month to twelve-months.

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.

The REIT spent 2010 and much of 2011 focused on re-positioning its portfolio of properties, hiring the right resources, training its team and ensuring the core beliefs of customer service and creation of value were firmly entrenched within the organization. With the re-positioning well in-hand, the focus for 2012 has clearly shifted to finding good quality properties where we can drive down operating costs while increasing rents through sound capital investment, good management and exceptional customer service. The Team we have assembled has a proven track record and we believe we have both the experience and ability necessary to execute on our growth strategy.

OUTLOOK

- The initial phase of the sub-metering program has been rolled out to 3 properties (399 suites) with the first billing to the tenants scheduled to happen in early August. Of the 399 suites that are sub-metered, the leases for 160 of the suites are hydro extra and as such, will be moved from a current nominal monthly hydro charge to paying for their consumption. Phase 2 will be approximately 1,900 suites and will be in place by the end of Q3, with the first round of billing to occur mid-Q4.
- Management is focused on growing InterRent REIT in a strategic and structured manner. In addition to the three acquisitions completed in the first half of 2012, the Trust has committed to purchase a high-rise apartment building with 96 suites, situated in Toronto, Ontario. This transaction is expected to close in August of 2012 and has a going in cap rate of 6.0%.
- The Trust has negotiated two new acquisition lines with two chartered banks and the facilities will be in place early in Q3.
- The remaining 2012 mortgages are all at various stages of refinancing and should be complete by the end of Q3. Management is currently working on the re-financing of approximately 25% of the mortgages that mature in 2013 and expects to be able to renew them at rates that are substantially below the current contracted rates.
- As a result of the Capital Expenditures in 2011 and 2012, management is evaluating another potential round of AGIs that could start to be applied for in Q4 of 2012 and Q1 of 2013.
- The Trust has built-out and rented 15 suites within existing properties in the fourth quarter of 2011 and the first half of 2012 and is planning on adding an additional 12 suites by the end of the year. The Trust is currently investigating further unit build-outs for the first half of 2013.

Q2 PERFORMANCE HIGHLIGHTS

The following table presents a summary of InterRent's operating performance for the three months ended June 30, 2012 compared to the same period in 2011:

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended June 30, 2012**	**3 Months Ended June 30, 2011**
Total suites	**4,652**	3,952
Occupancy rate (June)	**96.6%**	95.1%
Average rent per suite (June)	**$850**	$812
Operating revenues	**$11,568**	$9,434
Operating NOI	**7,037**	5,207
NOI %	**60.8%**	55.2%
NOI per unit - basic	**$0.16**	$0.16
NOI per unit - diluted	**$0.16**	$0.16
Funds from operations	**$3,549**	$749
Funds from operations per unit - basic	**$0.08**	$0.02
Funds from operations per unit - diluted	**$0.08**	$0.02
Adjusted funds from operations	**$3,026**	$751
Adjusted funds from operations per unit - basic	**$0.07**	$0.02
Adjusted funds from operations per unit - diluted	**$0.07**	$0.02
Distributable income	**$1,881**	$1,277
Distributable income per unit - basic	**$0.04**	$0.04
Distributable income per unit - diluted	**$0.04**	$0.04
Cash distributions per unit	**$0.03**	$0.03
AFFO payout ratio	**44%**	129%
Stabilized average rent per suite	**$861**	$824
Stabilized NOI %	**60.1%**	55.5%
Debt to GBV	**51.0%**	58.5%

- Operating revenue for the quarter increased $2.1 million to $11.6 million, an increase of 22.6% over Q2 2011. Average monthly rent per suite increased to $850 (June 2012) from $812 (June 2011), an increase of 4.7%.

- Economic vacancy decreased to 3.4% (June 2012) from 4.9% (June 2011).

- Net Operating Income (NOI) increased to $7.0 million for the quarter, or 60.8% of operating revenues, compared to $5.2 million, or 55.2%, for Q2 2011.

- Stabilized NOI increased to $5.5 million for the quarter, or 60.1% of operating revenues, compared to $4.7 million, or 55.5%, for Q2 2011.

- Funds From Operation (FFO) for the quarter increased by $2.8 million, or 374%, to $3.5 million (or $0.08 per unit) compared to $0.7 million (or $0.02 per unit) for Q2 2011.

- Adjusted Funds From Operations (AFFO) for the quarter increased by $2.3 million, or 303%, to $3.0 million (or $0.07 per unit) compared to $0.8 million (or $0.02 per unit) for Q2 2011.

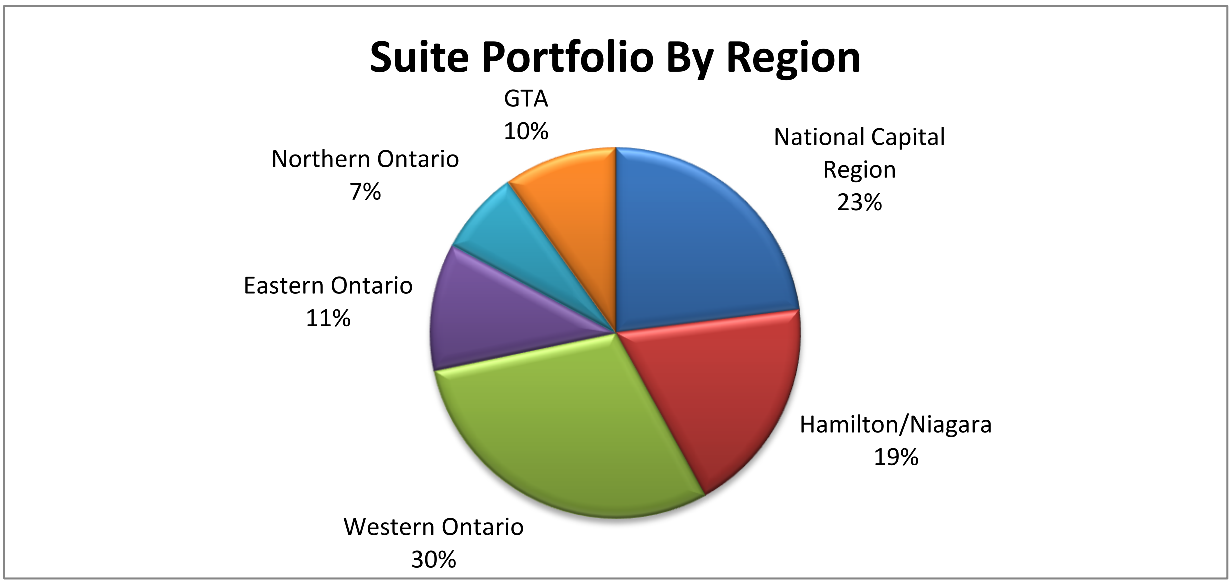
- Distributable Income (DI) for the quarter increased by $0.6 million, or 47%, to $1.9 million (or $0.04 per unit) compared to $1.3 million (or $0.04 per unit) for Q2 2011.

- The Trust completed the following investment property transactions in the second quarter of 2012:

Transaction Date		Suite Count	Region	Transaction Price	Price per Suite
June 11, 2012	acquisition	184	GTA	23,900,000	129,891
May 28, 2012	disposition	24	Eastern Ontario	1,375,000	57,292

PORTFOLIO SUMMARY

The Trust started the year with 3,820 suites. During the first half of 2012 the Trust purchased three properties totalling 904 suites, added 4 suites to existing properties and sold three properties totalling 76 suites. At June 30, 2012, the Trust had 4,652 suites including one property (63 suites) classified as an asset held for sale. Management must continuously review the markets the REIT is in to determine if the portfolio mix remains suitable. Management believes that although the bulk of the repositioning and dispositions are complete, there remains opportunities within the portfolio to reduce the operating costs further and streamline operations while growing the REIT in a fiscally prudent manner. Management has identified several cities within its geographical clusters for growth, and has been successful in adding 904 suites within these clusters during the first half of the year. We continue to actively seek purchase opportunities within the target cities in order to build our acquisition pipeline. The following graph and table shows our suite mix by region as well as our average rent by region for June 2012.



Region	Number of Suites	Average Rent
Eastern Ontario	517	$813
GTA	459	$1,026
Hamilton/Niagara	882	$913
Northern Ontario	339	$749
National Capital Region - Ottawa	581	$982
National Capital Region - Gatineau	490	$724
Western Ontario	1,384	$802
Total	4,652	$850

ANALYSIS OF OPERATING RESULTS

The current and prior period consolidated income statement, and analysis of operating results, does not separately disclose the results from assets held for sale as discontinued operations. Management's position is that the disposal of a property or the classification of a property as held for sale does not constitute a discontinued operation.

In $ OOO's	3 Months Ended June 30, 2012		3 Months Ended June 30, 2011		6 Months Ended June 30, 2012		6 Months Ended June 30, 2011	
Gross rental revenue	**$11,496**		$9,625		**$22,350**		$19,221	
Less: vacancy & rebates	**(441)**		(591)		**(891)**		(1,117)	
Other revenue	**513**		400		**915**		751	
Operating revenues	**$11,568**		$9,434		**$22,374**		$18,855	
Expenses								
Property operating costs	**1,939**	**16.8%**	1,739	18.4%	**3,748**	**16.8%**	3,539	18.8%
Property taxes	**1,481**	**12.8%**	1,424	15.1%	**3,058**	**13.7%**	2,843	15.1%
Utilities	**1,111**	**9.6%**	1,064	11.3%	**2,818**	**12.6%**	2,931	15.6%
Operating expenses	**$4,531**	**39.2%**	$4,227	44.8%	**$9,624**	**43.0%**	$9,313	49.4%
Net operating income	**$7,037**		$5,207		**$12,750**		$9,542	
Net operating margin	**60.8%**		55.2%		**57.0%**		50.6%	

REVENUE

Gross rental revenue for the three months ended June 30, 2012 increased 19.4% to $11.5 million compared to $9.6 million for the three months ended June 30, 2011. Operating revenue for the quarter was up $2.1 million to $11.6 million, or 22.6% compared to Q2 2011. The Trust had 3,952 suites at the end of Q2 2011 as compared to 4,652 at the end of Q2 2012. The average monthly rent for June 2012 increased to $850 per suite from $812 (June 2011), an increase of 4.7%.

For the stabilized portfolio, the increase in the average monthly rents from March 2012 to June 2012 is as a result of moving rents to market on turnover, guideline increases and AGIs. On a stabilized basis, average rents per suite are up $37 per suite over June 2011. The increase on a portfolio basis reflects the aforementioned as well as the changes that have occurred in the property mix. The average rents for the overall portfolio for June 2012 increased by $38 over June 2011. Management expects to continue to grow rent organically through moving to market rent on suite turnovers, continued roll-out of guideline increases and AGIs as well as continuing to drive other ancillary revenue streams such as parking and locker rentals.

The AGIs rolled out to date were expected to result in approximately $0.6 million in annualized gross rent once the process was complete. As of the end of Q2 2012, we have seen the process result in a lift in annualized rent of approximately $0.3 million with just over $0.2 million remaining to be rolled out over the next 18-24 months. The underlying suites for the remaining $0.1 million expected increase have turned over with the resulting move to market rents resulting in an annualized increase of approximately $0.5 million.

InterRent REIT has been successful in maintaining rent levels while at the same time passing on hydro sub-metering charges to new tenants. The program has been in place since the summer of 2011 for select locations and the program is now being extended to most of the remaining portfolio. This program affects those properties that are bulk metered by hydro.

	June 2012	March 2012	December 2011	September 2011	June 2011
Average monthly rents all properties	$850	$832	$843	$829	$812
Average monthly rents stabilized properties	$861	$850	$847	$841	$824

Portfolio Occupancy

Overall economic vacancy was 3.4% for June 2012 compared to 4.9% over the same period last year. The increased rents and reduction in vacancies that InterRent REIT is now achieving supports and strengthens management's philosophy that the right tenant profile and capital investment leads to a stronger and more sustainable portfolio of properties. The objectives are being achieved as a direct result of:

1. marketing geared to the right tenant profile;

2. ensuring that properties are well maintained, landscaped and decorated so as to be visually appealing ("curb appeal");

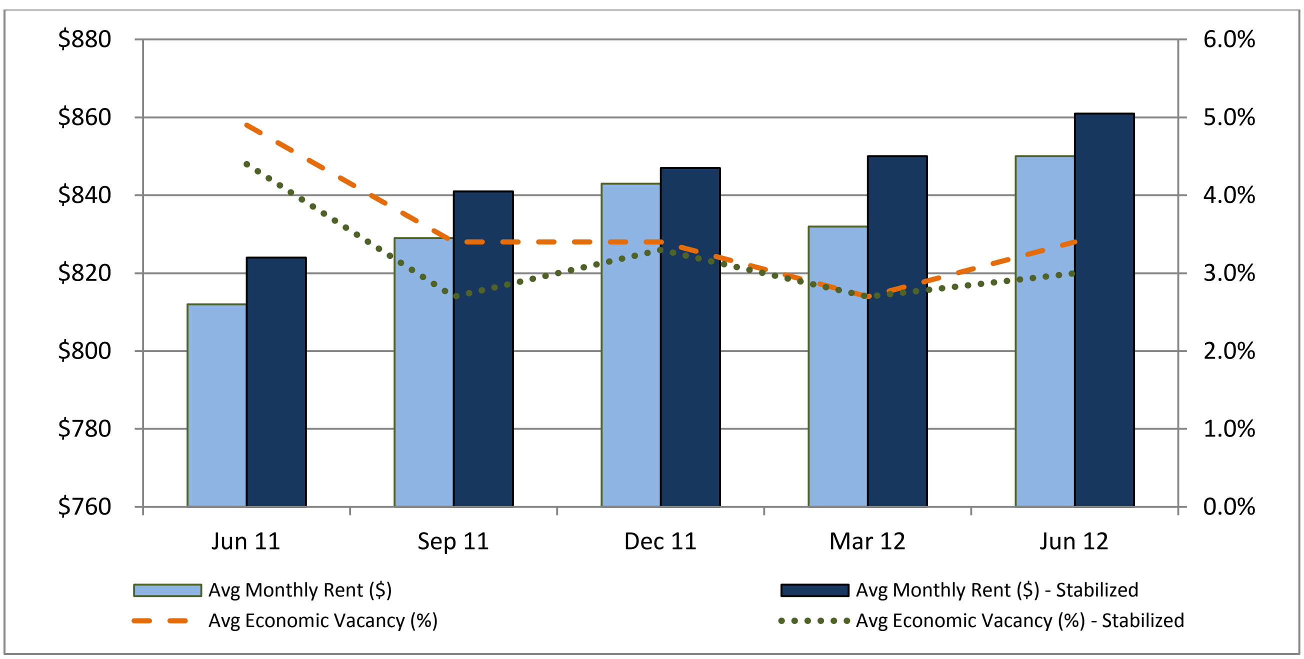
3. ensuring suites are properly repaired and maintained before being rented to new tenants;

4. more selective of the tenants it rents to (part of a more stringent screening criteria and credit review process); and,

5. ensuring that operations are running as efficiently and cost effectively as possible to ensure the well being and enjoyment of the tenants.

This is part of the Trust's repositioning strategy to maximize rental revenues, lower operating costs and create value for Unitholders. Management intends to continue to pursue this strategy and focus both within the existing portfolio and as it looks to add new properties within targeted regions.

The following chart represents the economic vacancy for the entire portfolio for the month listed. This data is calculated by taking vacancy and dividing it by gross rental revenue. All suites in the portfolio are included in the calculation whether they were available to rent immediately or not (ie: no removal of suites under renovation or undergoing major repairs and maintenance).



The overall economic vacancy for June 2012 across the entire portfolio, including the property classified as held for sale, was 3.4%, compared to 4.9% for June 2011. On a per region basis, the economic vacancy breaks down as follows: Eastern Ontario – 2.1%; GTA – 0.7%; Hamilton/Niagara – 3.5%; Northern Ontario – 0.6%; National Capital Region – 2.6%; and, Western Ontario – 5.7%. The property classified as held for sale contributed 0.5% to the June 2012 economic vacancy.

As part of the ongoing effort to drive rents throughout the portfolio, the vacancy rate is expected to continue in the range of 3% to 4%. Going forward, management believes that minor variations in economic vacancy will continue to occur from one quarter to another given the seasonal nature of rental activity.

Other Revenue

Other rental revenue for the three months ended June 30, 2012 increased 28.3% to $0.5 million compared to $0.4 million for the three months ended June 30, 2011. The increased revenues from ancillary sources such as parking, laundry and locker rentals continues to be a focus as it provides organic revenue growth.

PROPERTY OPERATING COSTS

Property operating costs for the investment properties include repairs and maintenance, insurance, caretaking, superintendents' wages and benefits, property management fees, uncollectible accounts and eviction costs, marketing, advertising and leasing costs.

Property operating costs for the three months ended June 30, 2012 amounted to $1.9 million or 16.8% of revenue compared to $1.7 million or 18.4% of revenue for the three months ended June 30, 2011. Despite the net addition of 700 suites, the REIT managed to increase operating costs by only $0.2 million and reduce the cost as a percentage of revenue by 1.6% of revenue as compared to Q2 2011.

Management believes that the current staffing levels are able to meet not only the current requirements, but most regions are able to integrate new properties into the portfolio with minimal extra cost.

PROPERTY TAXES

Property taxes for the three months ended June 30, 2012 amounted to $1.5 million or 12.8% of revenue compared to $1.4 million or 15.1% of revenue for the three months ended June 30, 2011. The increase is mainly attributable to the increase in suites from the second quarter of 2011 to 2012. Property Taxes as a percentage of revenues and on a per suite basis have reduced from Q2 2011 to Q2 2012. The Trust is constantly reviewing property tax assessments for its properties and this active approach shall continue to help drive down costs. Where appropriate, the Trust will appeal individual property assessments.

UTILITY COSTS

Utility costs for the three months ended June 30, 2012 amounted to $1.1 million or 9.6% of revenue compared to $1.1 million or 11.3% of revenue for the three months ended June 30, 2011. The net increase in suites in the quarter over prior year resulted in an increase of $0.1 million which was offset due to investments in energy saving initiatives. Approximately 30% of our gas consumption is under contract at rates ranging from $0.2960 to $0.3445 per cubic metre. These contracts are scheduled to expire throughout the second half of 2012.

A program has been in place since the summer of 2011, for select locations, to pass hydro charges onto tenants for the portion of hydro that they can control. This program has been successful and is now being extended to the remainder of the portfolio. The program affects those properties that are bulk metered by hydro.

NET OPERATING INCOME (NOI)

NOI for the three months ended June 30, 2012 amounted to $7.0 million or 60.8% of revenue compared to $5.2 million or 55.2% of revenue for the three months ended June 30, 2011. The $1.8 million increase in the quarter is as a result of growing the portfolio and increasing net revenue while decreasing property operating costs, taxes and utilities as a percentage of revenue. Management continues to focus on top line revenue growth through acquisitions, suite additions and ancillary revenue as well as operating cost reductions (efficiencies of scale, investment in energy saving initiatives, investments to reduce ongoing operating costs, etc.)

STABILIZED PORTFOLIO PERFORMANCE

Stabilized properties for the three and six months ended June 30, 2012 are defined as all properties owned by the Trust continuously for 24 months, and therefore do not take into account the impact on performance of acquisitions or dispositions completed during the period from July 1, 2010 to June 30, 2012. As at June 30, 2012, the Trust has 3,507 stabilized suites, which represents 75.4% of the overall portfolio.

In $ OOO's	3 Months Ended June 30, 2012	3 Months Ended June 30, 2011	6 Months Ended June 30, 2012	6 Months Ended June 30, 2011
Gross rental revenue	**$9,031**	$8,649	**$17,959**	$17,251
Less: vacancy & rebates	**(337)**	(470)	**(693)**	(893)
Other revenue	**398**	376	**747**	704
Operating revenues	**$9,092**	$8,555	**$18,013**	$17,062
Expenses				
Property operating costs	**1,502**	1,568	**2,996**	3,110
Property taxes	**1,246**	1,264	**2,520**	2,518
Utilities	**879**	978	**2,256**	2,683
Operating expenses	**$3,627**	$3,810	**$7,772**	$8,311
Net operating income	**$5,465**	$4,745	**$10,241**	$8,751
Operating margins	**60.1%**	55.5%	**56.9%**	51.3%

For the three months ended June 30, 2012, operating revenues for stabilized properties increased by 6.3% and operating costs decreased by 4.8% as compared to the same period last year. As a result, the stabilized NOI margin increased by 4.6% as compared to the same period last year.

For the six months ended June 30, 2012, operating revenues from stabilized properties increased by 5.6% and operating costs decreased by 6.5% as compared to the same period last year. As a result, the stabilized NOI margin increased by 5.6% as compared to the same period last year.

The average monthly rent for June 2012 for stabilized properties increased to $861 per suite from $824 (June 2011), an increase of 4.5%. Economic vacancy for June 2012 for stabilized properties was 3.0%, compared to 4.4% for June 2011.

	June 2012	March 2012	December 2011	September 2011	June 2011
Average monthly rents stabilized properties	$861	$850	$847	$841	$824

Excluding the one property (63 suites) categorized as held for sale from the stabilized results above, the NOI margin for the second quarter of 2012 would be 60.4% compared to 56.0% for 2011, an increase of 4.4% in NOI margin.

FINANCING AND ADMINISTRATIVE COSTS

In $ OOO's	3 Months Ended June 30, 2012	3 Months Ended June 30, 2011	6 Months Ended June 30, 2012	6 Months Ended June 30, 2011
Net operating income	**$7,037**	$5,207	**$12,750**	$9,542
Expenses				
Financing costs	**2,600**	3,181	**5,397**	6,215
Administrative costs	**857**	1,255	**1,738**	1,952
Income before other income and expenses	**$3,580**	$771	**$5,615**	$1,375

FINANCING COSTS

Financing costs amounted to $2.6 million or 22.5% of revenue for the three months ended June 30, 2012 compared to $3.2 million or 33.7% of revenue for the three months ended June 30, 2011.

	3 Months Ended June 30, 2012		3 Months Ended June 30, 2011	
In $ OOO's	Amount	% of Revenue	Amount	% of Revenue
Cash based:				
Mortgage interest	$2,193	19.0%	$2,003	21.2%
Debenture interest	-	0%	436	4.6%
Credit facilities	145	1.3%	46	0.5%
Interest income	(20)	(0.2%)	(9)	(0.1%)
Non Cash based:				
Accretion of discount and amortization of deferred finance cost on convertible debt	-	0%	447	4.8%
Amortization of deferred finance cost and premiums on assumed debt	282	2.4%	258	2.7%
Total	$2,600	22.5%	$3,181	33.7%

Mortgage Interest

Mortgage interest (including interest on vendor take-back loans) is one of the single largest expense line items for InterRent REIT. Given the current rates in the market for both CMHC insured and conventional mortgages, it is management's expectation that it will be able to continue to refinance existing mortgages as they come due at rates that are often significantly lower than the maturing mortgage rate. Although mortgage debt has increased on an overall basis, mainly attributable to property acquisitions and up-financing, mortgage interest on a per suite basis has decreased from $505 in Q2 2011 to $483 in Q2 2012 due to an overall decrease in the weighted average rate of mortgage debt from 4.86% in Q2 2011 to 3.94% in the current quarter.

Subordinated Convertible Debenture

As at June 30, 2012, InterRent REIT had no convertible subordinated debentures outstanding. The Trust redeemed the $25 million 7% subordinated convertible debenture, originally due on January 31, 2013, on February 1, 2012 at par.

ADMINISTRATIVE COSTS

Administrative costs include such items as salaries and incentive payments, employee benefits, investor relations, transfer agent listing and filing fees, legal, tax, audit and other professional fees and amortization on corporate furniture and equipment.

Administrative costs for the three months ended June 30, 2012 amounted to $0.9 million or 7.4% of revenue compared to $1.2 million or 13.3% of revenue for the three months ended June 30, 2011. The decrease of $0.3 million is mainly attributable to unit-based compensation expenses related to the option plan and deferred unit plan in Q2 2011.

SALE OF ASSETS, FAIR VALUE ADJUSTMENTS ON INVESTMENT PROPERTIES AND GAIN/LOSS ON FINANCIAL LIABILITIES

In $ OOO's	**3 Months Ended June 30, 2012**	**3 Months Ended June 30, 2011**	**6 Months Ended June 30, 2012**	**6 Months Ended June 30, 2011**
Income before other income and expenses	**$3,580**	$771	**$5,615**	$1,375
Gain (loss) on sale of assets	**(94)**	22	**(453)**	(199)
Fair value adjustments of investment properties	**15,560**	3,103	**18,146**	4,423
Unrealized gain/(loss) on financial liabilities	**(561)**	126	**(1,320)**	538
Distributions expense on units classified as financial liabilities	**(37)**	(22)	**(68)**	(33)
Net income	**$18,448**	$4,000	**$21,920**	$6,104

SALE OF ASSETS

In the three month period ended June 30, 2012, the Trust had a $0.1 million loss from the sale of an investment property. The Trust sold one investment property for a total selling price of $1.4 million compared to a carrying value of $1.4 million. The property was sold for $23 thousand above their carrying value (which is the fair market value) however selling costs of $0.1 million were incurred as part of the transactions, resulting in a loss on disposition of $0.1 million.

In the three month period ended June 30, 2011, the Trust sold three investment properties for a total selling price of $2.9 million which incurred a gain on disposition of $22 thousand. No other assets were sold in the three month period ended June 30, 2011.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The fair value of the portfolio at June 30, 2012 was determined internally by the Trust. In order to substantiate management's valuation, market evidence from third party appraisers is incorporated on a continual basis. For the three month period ended June 30, 2012, a fair value gain of $15.6 million was recorded on the financial statements as a result of changes in the fair value of investment properties. The increase in the fair value of the properties over the quarter has been driven by actual improvements in operating results as a result of the repositioning of the properties and the capital invested over the last two and a half years. The weighted average capitalization rate used across the portfolio at the end of Q2 2012 was 5.93% as compared to 5.97% and 5.93% for Q1 2012 and Q4 2011 respectively.

UNREALIZED FAIR VALUE GAIN ON FINANCIAL LIABILITIES

The Trust used a closing price of $4.21 based on the closing price of the TSX listed InterRent REIT Trust Units to determine the fair value of the deferred unit compensation liability. The total fair value of these Units recorded on the condensed consolidated balance sheet at June 30, 2012 was $3.0 million and a corresponding fair value loss of $0.3 million was recorded on the condensed consolidated statement of income for the three months ended June 30, 2012.

The Trust determined the fair value of the option plan (unit-based compensation liability) at June 30, 2012 at $1.2 million and a corresponding fair value loss of $0.2 million was recorded on the condensed consolidated statement of income for the three months ended June 30, 2012. The intrinsic value of the options is $1.3 million.

The Trust used a closing price of $4.21 based on the closing price of the TSX listed InterRent REIT Trust Units to determine the fair value of the LP Class B unit liability. The total fair value of these Units recorded on the condensed consolidated balance sheet at June 30, 2012 was $0.8 million and a corresponding fair value loss of $0.1 million was recorded on the condensed consolidated statement of income for the three months ended June 30, 2012.

As at June 30, 2012, the Trust had no convertible subordinated debentures outstanding and therefore no value for the conversion feature.

In $ OOO's	**3 Months Ended June 30, 2012**	**3 Months Ended June 30, 2011**	**6 Months Ended June 30, 2012**	**6 Months Ended June 30, 2011**
Fair value gain(loss) on financial liabilities:				
Deferred unit compensation plan	**$(313)**	$(207)	**$(664)**	$(278)
Option plan	**(173)**	34	**(464)**	34
LP Class B unit liability	**(75)**	-	**(192)**	-
Conversion feature of convertible debenture	**-**	299	**-**	782
Fair value gain (loss) on financial liabilities	**$(561)**	$126	**$(1,320)**	$538

DISTRIBUTION EXPENSE

The distribution expense is comprised of distributions to holders of the LP Class B units and distributions earned on the deferred unit plan, as both are classified as a liability.

PERFORMANCE MEASURES

Management believes that Funds from Operations (FFO), Adjusted Funds from Operations (AFFO) and Distributable Income (DI) are key measures for real estate investment trusts.

As all three measures exclude the fair value adjustments on investment properties and gains and losses from property dispositions, it provides an operating performance measure that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with GAAP.

FFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended June 30, 2012**	**3 Months Ended June 30, 2011**	**6 Months Ended June 30, 2012**	**6 Months Ended June 30, 2011**
Net income	**$18,448**	$4,000	**$21,920**	$6,104
Add (deduct):				
Fair value adjustments on investment property	**(15,560)**	(3,103)	**(18,146)**	(4,423)
(Gain) loss on sale of assets	**94**	(22)	**453**	199
Unrealized (gain) loss on financial instruments	**561**	(126)	**1,320**	(538)
Interest expense on redeemable units classified as liabilities	**6**	-	**11**	-
Funds from operations (FFO)	**$3,549**	$749	**$5,558**	$1,342
FFO per unit - basic	**$0.08**	$0.02	**$0.13**	$0.04
FFO per unit - diluted	**$0.08**	$0.02	**$0.13**	$0.04

AFFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended June 30, 2012**	**3 Months Ended June 30, 2011**	**6 Months Ended June 30, 2012**	**6 Months Ended June 30, 2011**
Funds from operations	**$3,549**	$749	**$5,558**	$1,342
Add (deduct):				
Maintenance capital investment	**(523)**	(445)	**(1,028)**	(893)
Accretion of discount and amortization of deferred finance cost on convertible debt	**-**	447	**343**	873
Adjusted Funds from operations (AFFO)	**$3,026**	$751	**$4,873**	$1,322
AFFO per unit - basic	**$0.07**	$0.02	**$0.11**	$0.04
AFFO per unit - diluted	**$0.07**	$0.02	**$0.11**	$0.04

DI Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended June 30, 2012**	**3 Months Ended June 30, 2011**	**6 Months Ended June 30, 2012**	**6 Months Ended June 30, 2011**
Net income	**$18,448**	$4,000	**$21,920**	$6,104
Add (deduct) items not affecting cash:				
Interest expense on redeemable units classified as liabilities	**6**	-	**11**	-
Amortization of furniture and fixtures	**5**	5	**9**	9
Accretion of discount and amortization of deferred finance cost on convertible debt	**-**	447	**343**	873
Amortization of deferred finance costs and premiums on assumed debt	**282**	259	**511**	401
Unit based compensation	**170**	641	**782**	929
(Gain) loss on sale of assets	**94**	(22)	**453**	199
Unrealized loss on financial instruments	**561**	(126)	**1,320**	(538)
Less:				
Amortization of deferred finance charges post December 6, 2006	**181**	140	**367**	293
Maintenance capital expenditures	**1,944**	684	**2,733**	965
Fair value gain on investment properties	**15,560**	3,103	**18,146**	4,423
Distributable income	**$1,881**	$1,277	**$4,103**	$2,296
Distributable income per unit - basic	**$0.04**	$0.04	**$0.09**	$0.07
Distributable income per unit - diluted	**$0.04**	$0.04	**$0.09**	$0.07

WEIGHTED AVERAGE NUMBER OF UNITS

The following table sets forth the weighted average number of Units outstanding:

	3 Months Ended June 30, 2012	**3 Months Ended June 30, 2011**	**6 Months Ended June 30, 2012**	**6 Months Ended June 30, 2011**
Trust units	**43,858,299**	32,400,891	**43,720,516**	32,349,123
LP Class B units	**186,250**	-	**186,250**	-
Weighted average units outstanding - Basic	**44,044,549**	32,400,891	**43,906,766**	32,349,123
Unexercised dilutive options [1]	**320,300**	-	**320,300**	-
Weighted average units outstanding - Diluted	**44,364,849**	32,400,891	**44,227,066**	32,349,123

[1] Calculated using the treasury method

INVESTMENT PROPERTIES

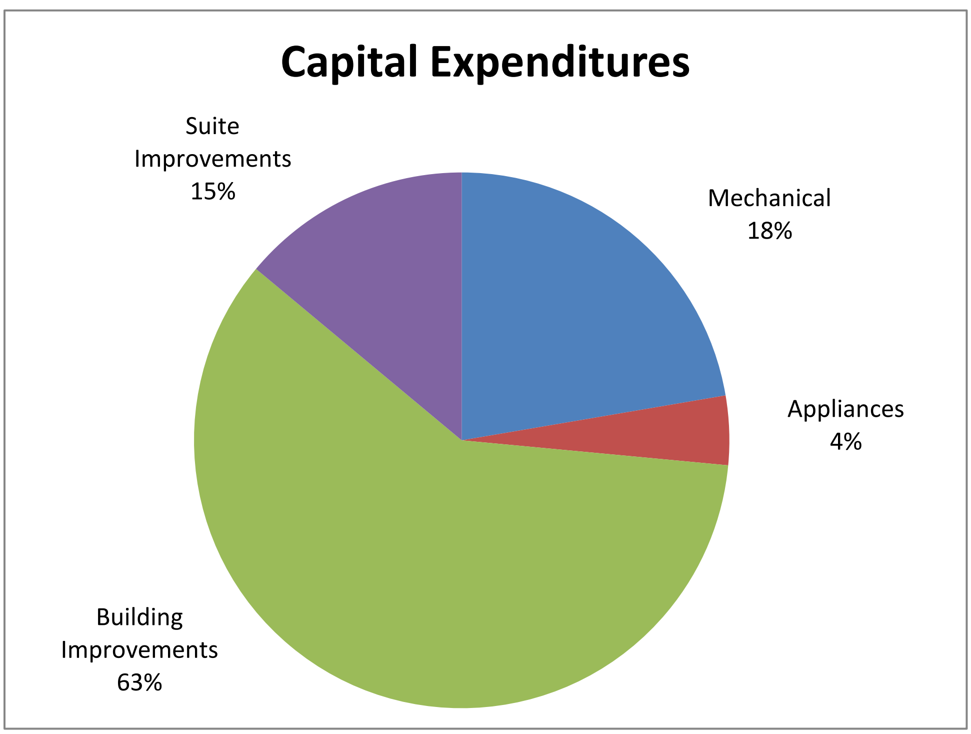
The following chart shows the changes in investment properties from December 31, 2011 to June 30, 2012.

In $ OOO's	June 30, 2012
Balance, December 31, 2011	$373,245
Acquisitions	76,086
Property capital investments	7,897
Fair value gains	18,146
Dispositions	(4,650)
Total Investment properties	$470,724
Properties held for sale	(1,626)
	$469,098

The trust acquired three properties (904 suites) for $76.1 million during the six month period ended June 30, 2012 and sold three properties (76 suites) with a carrying value of $4.65 million.

The fair value of the portfolio at June 30, 2012 was determined internally by the Trust. In order to substantiate management's valuation, market evidence from third party appraisers is incorporated on a continual basis. For the six month period ended June 30, 2012, a fair value gain of $18.1 million was recorded on the financial statements as a result of changes in the fair value of investment properties.

For the six month period ended June 30, 2012, the Trust invested $7.9 million in its investment properties, including $3.1 million spent on properties acquired in the year, compared to $4.0 million in the same period last year. The breakdown of expenditures for the year are itemized in the following graph.



UNITHOLDERS' EQUITY

The following chart shows the changes in reported Unitholders' equity from December 31, 2011 to June 30, 2012.

Summary of Unitholders' Capital Contributions	Trust Units	Amount (in $'000)
December 31, 2011	43,464,465	$79,459
Units issued under long-term incentive plan	300,000	1,205
Units issued from options exercised	9,200	31
Units issued under distribution reinvestment plan	171,310	635
June 30, 2012	43,944,975	$81,330

As at June 30, 2012 there were 43,944,975 Trust Units issued and outstanding.

DISTRIBUTIONS

The Trust is currently making monthly distributions of $0.01 per Unit. For the three months ended June 30, 2012, the Trust's Distributable Income was $0.04 per unit (basic), compared to $0.04 for the three months ended June 30, 2011, while the distributions were $0.03 per unit for both quarters.

LIQUIDITY AND CAPITAL RESOURCES

InterRent REIT's overall debt level was at 51.0% of Gross Book Value ("GBV") at June 30, 2012. GBV is a non-GAAP term that is defined in the DOT and includes all operations. The following chart sets out the Trust's computed debt to GBV:

In $ OOO's	June 30, 2012	December 31, 2011
Total assets per Balance Sheet	$476,282	$406,349
Mortgages payable and vendor take-back loans	$235,326	$172,241
Debenture	-	25,000
Lines of credit and bank indebtedness	7,744	-
Total debt	$243,070	$197,241
Debt to GBV	51.0%	48.5%

With a DOT limit of 75% of Debt-to-Gross Book Value, InterRent REIT has the ability to further leverage the existing portfolio to assist with future investment in new assets. The Trust is conscious of the current credit environment and how this affects the ability of the Trust to grow. The Trust is focusing its efforts on internal growth and producing improved operating results from the current portfolio. Properties that are not performing to the expectations of the Trust will be evaluated and may eventually be sold. Proceeds from the sale of these properties may be used for future acquisitions, capital improvements or to reduce debt.

As at June 30, 2012, InterRent REIT had a $1.2 million demand operating facility with a Canadian chartered bank bearing interest at 1% above the prime lending rate. This line of credit is secured by collateral mortgages on nine of the Trust's properties. As at June 30, 2012, the Trust had not utilized this facility.

In addition, InterRent REIT had a $10.0 million operating facility with a financial institution bearing interest at 2.0% above the prime bank lending rate. This line of credit is secured by collateral mortgages on nine of the Trust's properties. As at June 30, 2012, the Trust had utilized $7.8 million of this facility.

MORTGAGE AND DEBT SCHEDULE

The following schedule summarizes the aggregate future minimum principal payments and debt maturities for the mortgages and vendor take-back loans (excluding assets held for sale) of InterRent REIT.

Year	Mortgage and Debt Balances At June 30, 2012 (in $ 000's)	Weighted Average by Maturity	Weighted Average Interest Rate
2012	$39,083	16.5%	4.13%
2013	$80,898	34.2%	3.84%
2014	$21,858	9.2%	3.85%
2015	$7,845	3.3%	3.25%
2016	$15,790	6.7%	4.33%
Thereafter	$70,937	30.0%	3.84%
Total	$236,411	100%	3.94%

At June 30, 2012, the average term to maturity of the mortgage debt was approximately 3.0 years and the weighted average cost of mortgage debt was 3.94%. At June 30, 2012, approximately 55% of InterRent REIT's mortgage debt was backed by CMHC insurance.

ACCOUNTING

FUTURE ACCOUNTING CHANGES

IFRS 9 *Financial Instruments*

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS9 *Financial Instruments* (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Management is currently evaluating the potential impact that the adoption of IFRS 9 will have on the Trust's consolidated financial statements.

IFRS 13 *Fair Value Measurement*

On May 12, 2011, the IASB has issued IFRS 13 *Fair Value Measurement* (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in most cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Trust's consolidated financial statements.

RISKS AND UNCERTAINTIES

A comprehensive description of the risks and uncertainties can be found in InterRent REIT's December 31, 2011 MD&A and other securities filings at www.sedar.com.

Financial Risk Management and Financial Instruments

a) Overview

The Trust is exposed to credit risk, liquidity risk and market risk. The Trust's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholders value. Risk management strategies, as discussed below, are designed and implemented to ensure the Trust's risks and the related exposures are consistent with its business objectives and risk tolerance.

b) Credit Risk

Credit risk represents the financial loss that the Trust would experience if a tenant failed to meet its obligations in accordance with the terms and conditions of the lease. The Trust's credit risk is attributable to its accounts receivable, loan receivable long-term incentive plan, mortgage holdbacks and mortgages receivable.

The amounts disclosed as rents and other receivables in the consolidated balance sheet are net of allowances for doubtful accounts, estimated by the Trust's management based on prior experience and their assessment of the current economic environment. The Trust establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of rents and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and an overall loss component established based on historical trends. At June 30, 2012, the Trust had past due rents and other receivables of $0.9 million net of an allowance for doubtful accounts of $0.4 million which adequately reflects the Trust's credit risk.

The Trust believes that the concentration of credit risk of accounts receivable is limited due to its broad tenant base, dispersed across varying geographic locations.

The Trust has established various internal controls, such as credit checks and security deposits, designed to mitigate credit risk. While the Trust's credit controls and processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Trust's current credit loss experience will improve.

The amounts shown in the consolidated balance sheet as mortgage holdbacks relate primarily to amounts that will be released upon the completion of repairs to certain buildings. Mortgages receivable represent vendor take back loans on the sale of buildings and are secured by the building. Management believes there is minimal credit risk due to the nature of these amounts receivable and the underlying collateral.

c) Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 20 in the June 30, 2012 condensed consolidated financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

As at June 30, 2012, the Trust had a $1.2 million demand operating facility with a Canadian chartered bank bearing interest at 1% above the prime lending rate. This line of credit is secured by collateral mortgages on nine of the Trust's properties. As at June 30, 2012, the Trust had not utilized this facility. In addition, the Trust had a $10.0 million operating facility with a financial institution bearing interest at prime plus 2.0%. This line of credit is secured by collateral second mortgages on nine of the Trust's properties. As at June 30, 2012, the Trust had utilized $7.8 million of this facility.

Notes 8 and 9 in the June 30, 2012 condensed consolidated financial statements reflect the contractual maturities for mortgage and debenture debt of the Trust at June 30, 2012, excluding interest payments. The Trust continues to refinance the outstanding debts as they mature. Given the Trust's available credit and its available liquid resources from both financial assets and on-going operations, management assesses the Trust's liquidity risk to be low.

d) Fair Value

Financial instruments are defined as a contractual right to receive or deliver cash or another financial asset. The fair values of the Trust's financial instruments, except for mortgages and vendor take back loans, approximate their recorded values due to their short-term nature and or the credit terms of those instruments.

The fair value of the mortgages and vendor take back loans has been determined by discounting the cash flows using current market rates of similar instruments. These estimates are subjective in nature and therefore cannot be determined with precision. The fair value of mortgages payable, vendor take-back loans and credit facilities is approximately $246 million.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

e) Market Risk

Market risk includes the risk that changes in interest rates will affect the Trust's cash flows or the fair value of its financial instruments.

At June 30, 2012, approximately 11% of the Trust's mortgage debt is at variable interest rates and the Trust's credit facilities bear interest at variable rates. If there was a 100 basis point change in the interest rate, cash flows would have changed by approximately $0.2 million for the six months ended June 30, 2012.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2012 the Trust did not have any off-balance sheet arrangements in place.

RELATED PARTY TRANSACTIONS

The transactions with related parties are incurred in the normal course of business and are measured at the exchange amounts, believed to represent fair value. Related party transactions have been listed below, unless they have been disclosed elsewhere in the audited financial statements.

(i) Accounts Payable
As at June 30, 2012, $0.4 million (December 31, 2011 - $0.4 million) was included in accounts payable and accrued liabilities which are due to companies controlled by an officer of the Trust. The amounts were non-interest bearing and due on demand.

(ii) Services
During the six month period ended June 30, 2012 the Trust incurred $2.7 million (2011 - $1.5 million) in services from companies controlled by an officer of the Trust. Of the services received approximately $1.3 million (2011 - $0.4 million) has been capitalized to the investment properties and the remaining amounts are included in operating and administrative costs.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. The preparation of this information is supported by a set of disclosure controls and procedures implemented by management.

Pursuant to Canadian Securities Administrators requirements 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, InterRent REIT's Chief Executive Officer and Chief Financial Officer have satisfied themselves that as at June 30, 2012:

1. the design of disclosure controls and procedures was appropriate in order to provide reasonable assurance that material information relating to InterRent REIT is made known to us by others;

2. the design of internal controls over financial reporting was appropriate in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with GAAP; and,

3. there have been no changes in InterRent REIT's internal controls over financial reporting during the quarter that has materially affected, or is reasonably likely to materially affect, InterRent REIT's internal controls over financial reporting.

SUBSEQUENT EVENTS

The Trust completed the sale of the one property (63 suites) listed under asset held for sale on July 18, 2012.

Subsequent to June 30, 2012, the Trust entered into two new loan agreements with two Canadian chartered banks for term credit facilities in the amount of $22.5 million expiring in 2014 and 2015 at interest rates of prime plus 0.75%.

OUTSTANDING SECURITIES DATA

As of August 1, 2012, the Trust had issued and outstanding: (i) 43,967,646 units; (ii) LP B Units that are exchangeable for 186,250 units of the Trust; (iii) options exercisable to acquire 648,300 units of the Trust; and (iv) deferred units that are redeemable for 1,078,949 units of the Trust.

ADDITIONAL INFORMATION

Additional information concerning InterRent REIT, including InterRent REIT's annual information form, is available on SEDAR at www.sedar.com.