INTERRENT REIT

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News Release

InterRent REIT Results for the Third Quarter of 2012

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Ottawa, Ontario (October 30, 2012) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the third quarter ended September 30, 2012.

Highlights

- Operating revenue for the quarter increased $2.7 million to $12.4 million, an increase of 28.2% over Q3 2011.
- The average monthly rent for the entire portfolio for September 2012 increased to $880 per suite from $850 in June 2012 and $829 in September 2011. This represents an increase of 3.5% from June 2012 and 6.2% from September 2011.
- The average monthly rent for stabilized properties for September 2012 increased to $880 per suite from $865 in June 2012 and $847 in September 2011. This represents an increase of 1.7% from June 2012 and 3.9% from September 2011.
- Occupancy increased to 98.6% (September 2012) from 96.6% (September 2011).
- Net Operating Income (NOI) increased 39.0% to $7.7 million for the quarter, or 62.0% of operating revenues, compared to $5.6 million, or 57.2%, for Q3 2011.
- Funds From Operations (FFO) for the quarter increased by $2.5 million, or 150%, to $4.1 million (or $0.09 per unit) compared to $1.6 million (or $0.05 per unit) for Q3 2011.
- Adjusted Funds From Operations (AFFO) for the quarter increased by $1.9 million, or 116%, to $3.6 million (or $0.08 per unit) compared to $1.7 million (or $0.05 per unit) for Q3 2011.
- Distributable Income (DI) for the quarter increased by $2.3 million, or 179%, to $3.6 million (or $0.08 per unit) compared to $1.3 million (or $0.04 per unit) for Q3 2011.
- The weighted average interest rate for the Trust's mortgages was 3.66% at the end of the quarter, down from 3.94% at the end of Q2 2012 and 4.67% at the end of Q3 2011.
- Fair Market Value of investment properties has increased to $528.6 million at the end of the quarter from $469.1 million at the end of Q2 2012. The increase comes as a result of significant NOI improvements within the portfolio, a decrease in the overall capitalization rate from 5.93% at Q2 2012 to 5.65% at the end of Q3 as well as a 96 suite purchase in the GTA.

Financial Highlights

Selected Consolidated Information *In $000's, except per Unit amounts and other non-financial data*	*3 Months Ended September 30, 2012*	*3 Months Ended September 30, 2011*
Total suites	***4,695***	*3,985*
Occupancy rate (September)	***98.6%***	*96.6%*
Average rent per suite (September)	***$880***	*$829*
Operating revenues	***$12,448***	*$9,714*
Operating NOI	***7,722***	*5,554*
NOI %	***62.0%***	*57.2%*
NOI per unit - basic	***$0.17***	*$0.17*
NOI per unit - diluted	***$0.17***	*$0.17*
Funds from operations	***$4,092***	*$1,634*
Funds from operations per unit - basic	***$0.09***	*$0.05*
Funds from operations per unit - diluted	***$0.09***	*$0.05*
Adjusted funds from operations	***$3,564***	*$1,653*
Adjusted funds from operations per unit - basic	***$0.08***	*$0.05*
Adjusted funds from operations per unit - diluted	***$0.08***	*$0.05*
Distributable income	***$3,619***	*$1,296*
Distributable income per unit - basic	***$0.08***	*$0.04*
Distributable income per unit - diluted	***$0.08***	*$0.04*
Cash distributions per unit	***$0.037***	*$0.030*
AFFO payout ratio	***45%***	*59%*
Stabilized average rent per suite	***$880***	*$847*
Stabilized NOI %	***61.9%***	*58.6%*
Debt to GBV	***47.8%***	*57.4%*

Results for the Quarter

Operating revenue for the quarter increased $2.7 million, an increase of 28.2%, to $12.4 million compared to the same quarter last year. The Trust had 4,695 suites at the end of the quarter as compared to 3,985 at the end of Q3, 2011, an increase of 17.8%. The average monthly rent across the entire portfolio for September 2012 increased to $880 per suite from $829 (September 2011), an increase of 6.2%. 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 $847 to $880 over the same period, an increase of 3.9%. 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 such as parking, locker rentals and cable and telecom.

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 September vacancy rate of 1.4% across the entire portfolio is at the low end of the range that management believes is healthy in order to maximize revenues.

The decrease in operating expenses as a percentage of operating revenues from 42.8% in Q3 2011 to 38.0% in Q3 2012 was driven by operating efficiencies, as the number of suites have increased, and by reduced operating costs, as a result of the previous capital expenditures. Property operating costs as a percentage of operating revenue were 16.6% for the quarter compared to 18.3% for Q3 2011. "Our team has worked tremendously hard and continues to focus on finding savings and eliminating inefficiencies anywhere we can. We believe 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 $1.1 million or 8.4% of operating revenue compared to $1.0 million or 9.7% for Q3 2011. Utilities as a percentage of operating revenues and on a per suite basis have decreased over the same quarter last year partially as a result of the energy savings initiatives as well as from our hydro sub-metering initiative. Our hydro sub-metering initiative reduced our utility costs by 6.3% for the quarter. Management expects this initiative to contribute significantly to same store NOI growth over the next 2-3 years.

NOI for the quarter saw continued improvement over comparable quarter from prior year. NOI for the portfolio was $7.7 million, or 62.0% of operating revenue, compared to $5.6 million, or 57.2% of operating revenue, for Q3 2011. Overall NOI was up 39.0% for the quarter compared to Q3 2011 while stabilized property NOI was up 12.7% over the same period. The continued improvement in the NOI along with the compression in the capitalization rates, both as a result of the change in market rates and improvements at a property level, have resulted in a fair market value gain in the quarter of $42.6 million. "We continue to strive to improve the NOI quarter over comparative quarter both in our stabilized properties as well as within our acquisitions. The ability to drive NOI is one of the key factors we evaluate when looking at an acquisition. Our valued team members continue their efforts to eliminate all unnecessary costs and push our rents to market," said CEO Mike McGahan.

Given the significant amount of capital required to acquire and maintain properties, being able to access mortgage debt and the interest rate thereon is crucial for the long term success of the Trust. Over the last year, the Trust has managed to lower the weighted average interest rate by 101 basis points from 4.67% to 3.66% and extend the average life to maturity from 2.8 years to 3.9 years. The Trust will continue to review the 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. One property was purchased (96 suites) and one property was sold (63 suites) in the quarter. "Management is working on numerous potential opportunities to add more scale within regions that we have targeted for incremental growth as well as those that have been targeted for entry," 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 October 30, 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.

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