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News Release

InterRent REIT Results for the Fourth Quarter and 2012 Results

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Ottawa, Ontario (February 19, 2013) – 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, 2012.

Highlights

- Operating revenue increased 2.1% from Q3 2012 and 28.3% over Q4 2011. Operating revenue for the year increased by $9.1 million, or 23.5%, over 2011.

- The average monthly rent for the entire portfolio for December 2012 increased to $888 per suite from $843 in December 2011, an increase of 5.3%.

- Occupancy for December 2012 was 97.8% compared to 96.6% for December 2011.

- Net Operating Income (NOI) increased by $2.1 million, or 38.2%, for the quarter compared to Q4 2011. NOI for the quarter was $7.5 million, or 58.8% of operating revenues. NOI increased by $7.4 million, or 36.3%, for the year compared to 2011. NOI for the year was $27.9 million, or 58.8% of operating revenues.

- Funds From Operations (FFO) for the quarter increased by $2.5 million, or 190%, to $3.8 million (or $0.09 per unit) compared to $1.3 million (or $0.04 per unit) for Q4 2011. For the year, FFO increased by $9.2 million, or 214%, to $13.5 million (or $0.31 per unit) compared to $4.3 million (or $0.13 per unit) for 2011.

- Adjusted Funds From Operations (AFFO) for the quarter increased by $1.9 million, or 142%, to $3.3 million (or $0.07 per unit) compared to $1.4 million (or $0.04 per unit) for Q4 2011. For the year, AFFO increased by $7.4 million, or 171%, to $11.7 million (or $0.27 per unit) compared to $4.3 million (or $0.13 per unit) for 2011.

- Distributable Income (DI) for the quarter increased by $2.5 million, or 443%, to $3.1 million (or $0.07 per unit) compared to $0.6 million (or $0.02 per unit) for Q4 2011. For the year, DI increased by $7.7 million, or 185%, to $11.9 million (of $0.27 per unit) compared to $4.2 million (or $0.13 per unit) for 2011.

- The weighted average interest rate for the REIT's mortgages was down 68 basis points to 3.60% at the end of the quarter as compared to 4.28% at the end of Q4 2011.

- Fair Market Value of investment properties has increased to $551.0 million at the end of Q4 from $528.6 million at the end of Q3 2012. The increase comes as a result of continued NOI improvements within the portfolio as well as a slight decrease in the overall weighted average capitalization rate from 5.65% at Q3 2012 to 5.55% at the end of Q4.

Financial Highlights

Selected Consolidated Information *In $000's, except per Unit amounts and other non-financial data*	*3 Months Ended December 31, 2012*	*3 Months Ended December 31, 2011*	*Year Ended December 31, 2012*	*Year Ended December 31, 2011*
Total suites	***4,695***	*3,820*	***4,695***	*3,820*
Occupancy rate (December)	***97.8%***	*96.6%*	***97.8%***	*96.6%*
Average rent per suite (December)	***$888***	*$843*	***$888***	*$843*
Operating revenues	***$12,708***	*$9,902*	***$47,530***	*$38,471*
Operating NOI	***7,474***	*5,410*	***27,946***	*20,506*
NOI %	***58.8%***	*54.6%*	***58.8%***	*53.3%*
NOI per unit - basic	***$0.17***	*$0.16*	***$0.63***	*$0.62*
NOI per unit - diluted	***$0.17***	*$0.16*	***$0.63***	*$0.62*
Funds from operations	***$3,839***	*$1,324*	***$13,489***	*$4,300*
Funds from operations per unit - basic	***$0.09***	*$0.04*	***$0.31***	*$0.13*
Funds from operations per unit - diluted	***$0.09***	*$0.04*	***$0.30***	*$0.13*
Adjusted funds from operations	***$3,311***	*$1,368*	***$11,748***	*$4,343*
Adjusted funds from operations per unit - basic	***$0.07***	*$0.04*	***$0.27***	*$0.13*
Adjusted funds from operations per unit - diluted	***$0.07***	*$0.04*	***$0.26***	*$0.13*
Distributable income	***$3,107***	*$572*	***$11,858***	*$4,165*
Distributable income per unit - basic	***$0.07***	*$0.02*	***$0.27***	*$0.13*
Distributable income per unit - diluted	***$0.07***	*$0.02*	***$0.27***	*$0.13*
Cash distributions per unit	***$0.04***	*$0.03*	***$0.14***	*$0.12*
AFFO payout ratio	***54%***	*75%*	***51%***	*91%*
Stabilized average rent per suite (December)	***$887***	*$851*	***$887***	*$851*
Stabilized NOI %	***59.0%***	*55.9%*	***58.9%***	*54.5%*
Debt to GBV	***46.8%***	*48.5%*	***46.8%***	*48.5%*

Results for the Quarter and the Year

Operating revenue for the quarter increased $2.8 million, an increase of 28.3%, to $12.7 million compared to the same quarter last year. The REIT had 4,695 suites at the end of 2012 compared to 3,820 at the end of 2011, a net increase of 875 suites, or 22.9%. The average monthly rent across the entire portfolio for December 2012 increased to $888 per suite from $843 (December 2011), an increase of 5.3%. 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 $851 to $887 over the same period, an increase of 4.2%. The average monthly rents in the non-stabilized portfolio surpassed those of the stabilized portfolio for December, which is an indication of the quality and potential that exists within the acquisitions made over the last 2 years that is now being realized through management's repositioning strategies. 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 vacancy rate of 2.2% across the entire portfolio is within the range that management believes is in order to maximize revenues.

The decrease in operating expenses as a percentage of operating revenues from 45.4% in Q4 2011 to 41.2% in Q4 2012 was driven by operating efficiencies (as the number of suites have increased); by reduced operating costs (as a result of the previous capital expenditures); and, improvement to the overall quality of portfolio (as a result of the acquisitions, dispositions and capital expenditures). For the year, operating expenses were down to 41.2% from 46.7% for 2011. Property operating costs as a percentage of operating revenue were 16.6% for the quarter compared to 18.7% for Q4 2011. For the year, property operating costs were down to 16.7% for the year compared to 18.6% for 2011. "2012 was another year of great effort put forward by our team as they have continued to find savings and eliminate inefficiencies in the existing portfolio while growing our suite count by 23%. We continue to 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 $1.5 million or 11.6% of operating revenue compared to $1.3 million or 13.0% for Q4 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 5.2% for the quarter. Management expects this initiative to contribute to same store NOI growth over the next 2-3 years.

NOI for the quarter and the year saw continued improvement over prior year. NOI for the portfolio was $7.5 million for the quarter, or 58.8% of operating revenue, compared to $5.4 million, or 54.6% of operating revenue, for Q4 2011. Overall NOI was up 38.2% for the quarter compared to Q4 2011. For the year, NOI grew to $27.9 million from $20.5 million, an increase of $7.4 million, or 36.3%. Stabilized property NOI for the fourth quarter was up $0.5 million, or 10.5% over the same period last year. For the year, stabilized property NOI was up $2.6 million, or 14.0%, as compared to 2011. The continued improvement in NOI along with the compression in the capitalization rates (which occurs 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 $11.3 million. Overall for the year, the REIT has recognized a fair market value gain of $72.0 million on the portfolio. "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 in order to create value is one of the key factors we evaluate when looking at an acquisition." 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 REIT. Over the last year, the REIT has managed to lower the weighted average interest rate by 68 basis points from 4.28% at Q4 2011 to 3.60% at Q4 2012 and extended the average life to maturity from 2.5 years to 4.7 years. The REIT 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. Over the course of the year, four properties were purchased (1,000 suites) and four properties were sold (139 suites). "We have closed on one purchase of 174 suites in Montreal on January 28, 2013 and Management is continuing to evaluate numerous potential opportunities to add more scale within regions that we have targeted for incremental growth." 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 February 19, 2013, 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 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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