INTERRENT REIT

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News Release

InterRent REIT Results for the Second Quarter of 2011

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Ottawa, Ontario (August 5, 2011) – InterRent Real Estate Investment Trust (TSX-IIP.UN/TSX-IIP.DB) ("**InterRent**") today reported financial results for the second quarter ended June 30, 2011. With the repositioning of InterRent's existing portfolio well in hand and demonstrating strong and sustainable results, the REIT is preparing to apply its disciplined approach to growing the portfolio.

Highlights

- Operating revenue for the quarter increased $0.9 million to $9.4 million, an increase of 11.3% over Q2 2010. Average monthly rent per suite increased to $812 (June 2011) from $789 (June 2010), an increase of 2.9%.

- Economic vacancy decreased to 4.9% (June 2011) from 13.3% (June 2010).

- Net Operating Income (NOI) increased 36% to $5.2 million for the quarter compared to $3.8 million for Q2 2010.

- As a result of the capital investments of over $20 million in 2010, the REIT began a process of preparing applications for above guideline increases (AGIs) to rental rates. As of June 30, 2011, applications have been submitted to the Landlord and Tenant Board, representing approximately 67% of the portfolio.

- Funds From Operation (FFO) for the quarter increased to $0.75 million (or $0.02 per unit) compared to negative $0.22 million (or negative $0.01 per unit) for Q2 2010.

- Distributable Income (DI) for the quarter was $1.3 million (or $0.04 per unit) an increase of $1.6 million (or $0.05 per unit) over Q2 2010.

- As part of the continuing strategy of re-aligning the assets of the portfolio, 3 non-core properties were sold in the quarter (totaling 32 suites) and 1 property that was under contract at quarter end (120 suites) closed on August 4, 2011.

- The REIT secured a commitment from a financial institution to provide an Operating Line of $10 million which will be used to provide financing as part of our growth / acquisition strategy.

Financial Highlights

Selected Financial Information *In $000's, except per Unit amounts and Units outstanding*	***3 Months Ended June 30, 2011***	***3 Months Ended June 30, 2010***
Operating revenues	***$9,434***	*$8,479*
Operating NOI	***5,207***	*3,826*
NOI %	***55.2%***	*45.1%*
NOI per unit	***$0.16***	*$0.13*
Funds from operations	***$749***	*$(216)*
Funds from operations per unit	***$0.02***	*$(0.01)*
Adjusted funds from operations	***$1,775***	*$43*
Adjusted funds from operations per unit	***$0.05***	*$0.00*
Distributable income	***$1,279***	*$(369)*
Distributable income per unit	***$0.04***	*$(0.01)*
Weighted average units outstanding	***32,400,891***	*28,486,967*

Results for the Quarter

Operating revenue for the quarter was up $0.9 million to $9.4 million, or 11.3% compared to Q2 2010. The average monthly rent for June 2011 increased to $812 per suite from $789 (June 2010), an increase of 2.9%. Management expects to continue to grow rent organically through the roll-out of above guideline increases as well as continuing to drive other ancillary revenue streams such as parking. The current round of applications for above guideline increases (AGIs) was completed in June with applications being submitted for suites within properties totalling 67% of the portfolio. The increases being applied for (without including the guideline increase) range from 1.8% to 9% and management expects that the AGIs alone will add over $400,000 in annualized gross rent once the process is complete.

Management believes that occupancy is now, for the most part, stabilized and that the repositioning strategy is allowing InterRent to achieve market rents at the properties as suites turnover. The economic vacancy increased slightly from March to June 2011. The 0.4% increase was anticipated as we continued with the second round of tenant reviews in an ongoing effort to improve the profile of the properties, push rents to market, introduce tenant charges for electricity for new leases and began notifying tenants of AGIs. The increase in gross revenue from these actions will flow through to the bottom line as occupancy levels improve.

Operating expenses decreased by $0.3 million for the quarter compared to 2010. The decrease in operating expenses was driven mainly by reductions in staffing as operations were ramping up in 2010 given the deferred maintenance in the property and the REIT's repositioning strategy. Management believes that the staffing levels are adequate to address not only the current requirements but also the integration of planned strategic acquisitions.

NOI for Q2 of 2011 saw significant improvement over Q2 2010 increasing by $1.4 million, or 36.1%. NOI for the portfolio was 55.2% for the quarter and NOI excluding the assets held for sale was 55.9%. "We believe the improvements in NOI quarter over comparative quarter will continue. We will continue to grow our NOI organically by eliminating all unnecessary costs and increasing our bottom line through AGIs, bringing units to market rent on turnover and driving ancillary revenues. Our valued team members are extremely focused on growing our bottom line and on providing a superior level of customer service that sets us apart." said CEO Mike McGahan.

FFO was $0.75 million, an increase of almost $1 million from the negative $0.2 million of Q2 2010. FFO per REIT unit was $0.02 for the quarter compared to a negative $0.01 for Q2 2010.

AFFO, which is calculated by adjusting FFO for standardized maintenance capital expenditure as well as non-cash items affecting earnings (such as straight-line rent, accretion of discount in convertible debenture, amortization of deferred finance fee and unit based compensation expense), was $1.8 million for the quarter compared to $0.05 million for Q2 2010. The increase of $1.8 million improves our AFFO from $0.00 per unit in Q2 2010 to $0.05 per unit for Q2 2011.

DI was $1.3 million for Q2 2011 compared to a negative $0.4 million for Q2 2010. The DI of $1.3 million equates to $0.04 per unit.

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 of. Three properties (totaling 32 suites) were sold in the quarter and thirteen others (totaling 407 suites) were listed for sale. On August 4, 2011, the REIT closed on one property that it had under contract at the end of the quarter. The purchase will add 120 suites to the portfolio, at a per door price of $48,750. "This acquisition adds more scale within a region that we had targeted for incremental growth as we have the capacity to manage more suites within the existing infrastructure. We believe it will be a strong property once repositioned." 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 IFRS, InterRent also discloses and discusses certain non-GAAP financial measures, including NOI, FFO, AFFO, DI and weighted average units. These non-GAAP measures are further defined and discussed in the MD&A released on August 5, 2011, which should be read in conjunction with this press release. Since NOI, FFO, AFFO and weighted average units are not determined by IFRS, 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-IFRS 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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