INTERRENT
REIT

EMAIL: info@interrentreit.com

News Release

InterRent REIT Results for the Fourth Quarter and 2011 Results

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

Ottawa, Ontario (February 29, 2012) – 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, 2011. With the repositioning of InterRent's existing portfolio well in hand and demonstrating strong and sustainable results, the REIT has begun to apply its disciplined approach to growing the portfolio.

Highlights

- Operating revenue for the year was up $3.1 million to $38.5 million, or 8.8%, compared to prior year. The average monthly rent for December 2011 increased to $843 per suite from $805 (December 2010), an increase of 4.7%.

- Economic vacancy and rent rebates for 2011 decreased by 45.7%, or $1.8 million, compared with 2010. The occupancy rate for December 2011 was 96.6%.

- Net operating income (NOI) for 2011 increased by $4.6 million, or 28.9% over 2010. For the year, NOI was $20.5 million, or 53.3% of operating revenue, compared to $15.9 million, or 45% of operating revenue for 2010.

- As a result of the capital investments of $20.6 million in 2010 and $15.9 million in 2011, the REIT has submitted applications for above guideline increases (AGIs) to the Landlord and Tenant Board for approximately 65% of the current portfolio. This represents a potential increase to revenue of approximately $0.6 million per year when approved and fully deployed over the next three years. Of the AGIs submitted, 45% have been approved.

- Funds from operations (FFO) for the quarter increased to $1.3 million (or $0.04 per unit) compared to $0.6 million (or $0.02 per unit) for Q4 2010. For the year, FFO increased to $4.3 million (or $0.13 per unit) compared to $0.2 million (or $0.01 per unit) for 2010.

- Adjusted funds from operations (AFFO) for the quarter increased to $2 million (or $0.06 per unit) compared to $0.8 million (or $0.03 per unit) for Q4 2010. For the year, AFFO increased to $7.0 million (or $0.21 per unit) compared to $1.1 million (or $0.04 per unit) for 2010.

- Distributable income (DI) for the quarter increased to $0.6 million (or $0.02 per unit) compared to negative $0.7 million (or negative $0.02 per unit) for Q4 2010. For the year, DI increased to $4.2 million (or $0.13 per unit) compared to negative $1.8 million (or negative $0.06 per unit) for 2010.

- As part of the repositioning and focusing strategy of the REIT, 19 properties (representing 431 suites) were sold and 3 were acquired (representing 242 suites) during the course of the year.

- Two further acquisitions have been previously announced that will add an additional 720 suites in key growth markets. One closed in January, 2012 and the other is scheduled to close in March, 2012.

Financial Highlights

In $ OOO's, except per unit amounts	***3 Months Ended December 31, 2011***	***3 Months Ended December 31, 2010***	***12 Months Ended December 31, 2011***	***12 Months Ended December 31, 2010***
Gross rental revenue	***$9,948***	*$9,643*	***$39,018***	*$38,215*
Less: vacancy & rebates	***(456)***	*(546)*	***(2,136)***	*(3,936)*
Other revenue	***410***	*337*	***1,589***	*1,073*
Operating revenues	***$9,902***	*$9,434*	***$38,471***	*$35,352*
Expenses				
Property operating costs	***1,852***	*1,774*	***7,166***	*8,042*
Property taxes	***1,357***	*1,397*	***5,638***	*5,692*
Utilities	***1,283***	*1,571*	***5,161***	*5,705*
Operating expenses	***$4,492***	*$4,742*	***$17,965***	*$19,439*
Net operating income	***$5,410***	*$4,692*	***$20,506***	*$15,913*
Operating margins	***54.6%***	*49.7%*	***53.3%***	*45.0%*
FFO	***$1,324***	*$631*	***$4,300***	*$232*
FFO per unit	***$0.04***	*$0.02*	***$0.13***	*$0.01*
AFFO	***$2,030***	*$839*	***$7,048***	*$1,135*
AFFO per unit	***$0.06***	*$0.03*	***$0.21***	*$0.04*
DI	***$572***	*$(681)*	***$4,164***	*$(1,847)*
DI per unit	***$0.02***	*$(0.02)*	***$0.13***	*$(0.06)*
Weighted average units outstanding	***34,000,871***	*32,193,796*	***32,828,867***	*30,172,250*

Results for the Year

2011 was a key year for the REIT as we focused on:

1. Completing the repositioning of the portfolio that we began in 2010;
2. Cementing the corporate culture of continuous improved throughout all levels of the organization;
3. Continuing to improve operational performance at the properties;
4. Completing the majority of our planned property disposals in order to better align our assets and resources;
5. Developing and launching our property acquisition strategy; and,
6. Re-capitalizing our balance sheet with the raising of $32 million in equity and the subsequent early repayment of our $25 million debenture.

"2011 was an exciting year as much of the groundwork from 2010 began to bear fruit and our exceptional team was able to demonstrate that the REIT's portfolio is now not only capable of being profitable, but is a solid base upon which to grow." said Mike McGahan, Chief Executive Officer.

Operating revenue for the year was up $3.1 million to $38.5 million, or 8.8% compared to the prior year. The Trust had 3,820 suites at the end of 2011 as compared to 3,998 at the end of 2010 (on a weighted average basis, the trust had 53 fewer suites in 2011 compared to 2010). The average monthly rent for December 2011 increased to $843 per suite from $805 (December 2010), an increase of 4.8%. Management expects to continue to grow rent organically through moving to market rent on suite turnovers, continued roll-out of AGIs as well as continuing to drive other ancillary revenue streams such as parking and locker rentals. The AGIs applied for (without including the guideline increase) range from 2% to 9% and management expects that the AGIs alone will add approximately $0.6 million in annualized gross rent once the process is complete (approximately 36% of the monthly increases were in place by December 31, 2011, 46% will be rolled out in 2012, 14% in 2013 and 4% in 2014). Of the AGIs submitted to the Landlord and Tenant Board, 45% have been approved. The AGIs rolled out to tenants to date amount to an increase in monthly rental revenue of approximately $19,000 ($228,000 annualized).

Management believes that occupancy is now stable and that the repositioning strategy that has been implemented is now allowing the REIT to achieve market rents at the properties as suites turnover. The 3.4% economic vacancy rate for December 2011 includes the assets held for sale. These assets represent 0.9% of the 3.4% December economic vacancy. Management believes in trying to strike the right balance of supply and demand by pushing rents and monitoring vacancy within acceptable levels in order to strike the right balance and maximize revenue.

Property operating costs decreased by $0.8 million for the year compared to 2010. The decrease in operating expenses was driven mainly by reductions in repairs and maintenance and leasing costs. The reductions in repairs and maintenance are as a direct result of the capital expenditures undertaken throughout 2010 and 2011. “The key to what we have achieved to date and to our future success is our people. We believe that that our current staffing levels are adequate to address not only the current requirements but also position us well for the integration of planned strategic acquisitions.” said Mike McGahan, CEO.

Utility costs for the twelve months ended December 31, 2011 amounted to $5.2 million or 13.4% of revenue compared to $5.7 million or 16.1% of revenue for the twelve months ended December 31, 2010. The decrease of 9.5% year over year is partially as a result of a mild Q4 in 2011 and partially as a result of the energy savings initiatives rolled out in 2010 and 2011. 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.

NOI for the year saw significant improvement over 2010 increasing by $4.6 million, or 28.9% to $20.5 million from $15.9 million. NOI margin for the portfolio was 53.3% for the year compared to 45% for 2010. NOI from stabilized properties and excluding the properties held for sale was 54.8% for the year. “We believe the improvements in NOI quarter over comparative quarter will continue. Our valued team members have made a tremendous impact to date and will continue to strive to eliminate all unnecessary costs and to drive our rents to market through turn-over and AGIs.” said CEO Mike McGahan.

In keeping with management’s strategy of maximizing returns for unitholders and focusing on clusters of buildings within geographical proximity to each other in order to build operational efficiencies and attract focused, professional staff, properties are reviewed on a regular basis to determine if they should be kept or disposed of. Nineteen properties (totaling 431 suites) were sold in the quarter and five others (totaling 196 suites) were listed for sale. The REIT purchased 3 properties in 2011 (242 suites), and has announced two acquisitions for 2012 that combined will add another 720 suites to the portfolio. “These acquisitions add more scale within regions that we had targeted for incremental growth as we have the capacity to manage more suites within the existing infrastructure.” said Mike McGahan.

About InterRent

InterRent REIT is a growth-oriented real estate investment trust engaged in increasing Unitholder value and creating a growing and sustainable distribution through the acquisition and ownership of multi-residential properties.

InterRent's strategy is to expand its portfolio primarily within markets that have exhibited stable market vacancies, sufficient suites available to attain the critical mass necessary to implement an efficient portfolio management structure and, offer opportunities for accretive acquisitions.

InterRent's primary objective is to use the proven industry experience of the Trustees, Management and Operational Team to: (i) provide Unitholders with stable and growing cash distributions from investments in a diversified portfolio of multi-residential properties; (ii) enhance the value of the assets and maximize long-term Unit value through the active management of such assets; and (iii) expand the asset base and increase Distributable Income through accretive acquisitions.

*Non-GAAP Measures

InterRent prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with IFRS (GAAP). In this and other earnings releases, as a complement to results provided in accordance with 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 February 29, 2012, which should be read in conjunction with this press release. Since NOI, FFO, AFFO, DI 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.

For further information about InterRent please contact:

Mike McGahan
Chief Executive Officer
Tel: (613) 569-5699 Ext 244
Fax: (613) 569-5698
e-mail: mmcgahan@interrentreit.com
web site: www.interrentreit.com

Curt Millar, CA
Chief Financial Officer
Tel: (613) 569-5699 Ext 233
Fax: (613) 569-5698
e-mail: cmillar@interrentreit.com