INTERRENT REIT

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News Release

InterRent REIT Reports on Operations for Second Quarter 2010

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Ottawa, Ontario (August 12, 2010) – InterRent Real Estate Investment Trust (TSX-IIP.UN/TSX-IIP.DB) ("**InterRent**") today reported continued progress in the implementation of its strategic plan along with the financial results for the second quarter ended June 30, 2010.

Highlights for the Three Months Ended June 30, 2010

- Gross rental revenues for the quarter were $9.5 million, up 3.7% compared to Q2 2009 and 3.5% for the first half of the year compared to the first half of 2009.

- Net revenues for the quarter were $8.4 million, a 4.5% decrease compared to Q2 2009 and a 3.4% decrease for the first half of the year compared to the first half of 2009. This decrease is as a result of the management's decision to move to market rates and more selective criteria for new tenants.

- In keeping with management's repositioning strategy, the average monthly rent for the quarter increased to $789 per unit from $760 (Q2 2009) and from $780 (Q1 2010) an increase of 3.7% and 1.1% respectively.

- The capital investments in rental units and common areas over the last quarter are expected to positively impact the ability to achieve market rents, attract stable tenants and reduce vacancies.

- Net Operating Income (NOI) decreased by 15% to $3.9 million compared to Q2 2009 and a 16% decrease for the first half of the year compared to 2009. Compared to Q1 2010, NOI is up by 29.8% over the first quarter of 2010.

- Operating costs increased, primarily due to the strategic decision in Q4 2009 to outsource property management to a third party. This move was done in order to implement a complete restructuring of the operating model as well as property specific operating expenses and was required to achieve market rents. These costs have begun to return to stabilized levels and management expects them to decrease in Q3 and Q4.

- Funds from Operations (FFO) were $0.60 million, up from $0.56 million over the three months ended March 31, 2009 and up $0.72 million from the first quarter of 2010. FFO per REIT unit was $0.02 for the three months ended June 30, 2010 compared to $0.03 in 2009.

- Distributable Income (DI) was ($0.36) million, or ($0.01) per unit compared to ($0.06) million, or ($0.00) per REIT unit over the three months ended June 30, 2009.

Financial Highlights

In $ OOO's (Except for per Unit)	3 Months Ended June 30, 2010	3 Months Ended June 30, 2009	6 Months Ended June 30, 2010	6 Months Ended June 30, 2009
Gross Rental revenue	$9,451	$9,118	$18,823	$18,181
Less: Vacancy & rebates	$1,277	$597	$2,326	$1,155
Other revenue	$218	$271	$450	$509
Net revenue	$8,392	$8,792	$16,946	$17,535
Expenses				
Operating expenses	$1,928	$1,622	$3,947	$3,205
Property taxes	$1,472	$1,415	$2,947	$2,830
Utilities	$1,130	$1,210	$3,214	$3,362
Total expenses	$4,530	$4,247	$10,108	$9,397
Net operating income	$3,862	$4,545	$6,838	$8,138
Operating margins	46.0%	51.7%	40.4%	46.4%
Funds from Operations (FFO)	$605	$560	$496	$1,015
FFO per weighted average Unit	$0.02	$0.03	$0.02	$0.06
Distributable income (DI)	($356)	($56)	($991)	($90)
DI per weighted average Unit	($0.01)	($0.00)	($0.04)	($0.00)
Weighted average Units outstanding	28,486,967	18,286,719	28,269,933	18,282,874

Results for the Three Months Ended June 30, 2010

"The implementation of management's strategic plan is well underway. The upgrades to property common areas and first impression upgrades will significantly impact our ability to achieve market rents, attract stable tenants and reduce vacancies" said Mike McGahan, Chief Executive Officer.

InterRent continues to focus on investing in energy efficient devices including boilers as well as water and hydro saving devices. These investments help to drive down operational costs while benefiting the environment. InterRent is also upgrading common areas throughout the portfolio in order to maximize the potential to increase rents on turnover throughout the portfolio.

"All the hard work our staff in the field have been doing is beginning to bear fruit as we deliver on our plan. As of August 11, 2010, we have seen our per unit vacancy rate come down to 7.4%. Although we still have much work to do, this represents a significant increase in occupancy and indicates that we are on the right path." said Mike McGahan, Chief Executive Officer.

In keeping with the management 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. As of August 11, 2010, two locations have been listed and are conditionally sold. These locations represent a total of 26 units.

***Non-GAAP Measures**

InterRent REIT assesses and measures segmented operating results based on performance measures referred to as "Funds From Operations" ("FFO") and Distributable Income ("Dl"). Both FFO and DI are widely accepted supplemental measures on the performance of a Canadian real estate investment trust; however, they are not measures defined by Canadian generally accepted accounting principles ("GAAP"). The GAAP measurements most comparable to FFO and DI are total cash flow from operating activities and net earnings. FFO and DI, however, should not be construed as an alternative to net earnings or cash flow from operating activities determined in accordance with GAAP as indicators of InterRent REIT's performance. In addition, InterRent REIT's calculation methodology for FFO and Dl may differ from that of other real estate companies and trusts and therefore readers should not place reliance on these measures.

About InterRent

InterRent is a real estate investment trust engaged in building unitholder value through the accretive acquisition, ownership and operation of strategically located income producing multi-residential real estate, with 4,033 apartment suites under ownership.

Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable 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 publicly filed information which may be 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.

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