INTERRENT
REIT

NEWS RELEASE

INTERRENT REIT SEES STRONG MOMENTUM BUILDING AT END OF Q2 AND INTO Q3 AS DEMAND RETURNS TO MORE NORMALIZED LEVELS

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Ottawa, Ontario (August 9, 2022) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the second quarter ended June 30, 2022.

InterRent REIT achieves 8.9% growth in same property NOI in Q2 2022

- Same property occupancy of 95.6% in June 2022, an increase of 340bps compared to June 2021.
- Same property operating expenses continue to track in line with expectations, resulting in same property NOI of $29.8 million for the quarter and growth of 8.9% compared to Q2 2021.
- Administrative costs of $4.3 million in Q2 2022 capture increased bench strength relative to prior year, as well as advances toward sustainability commitments.
- Refinancing activity in the quarter lengthens average term to maturity to 4.8 years and increases share of CMHC-insured mortgages to 73%.
- FFO of $18.9 million ($0.131 per Unit – diluted) in Q2 2022; growth of 6.3% overall and 5.6% on a per Unit basis compared to Q2 2021.
- Enhancing environmental profile with new build acquisition in Brossard in Q2 2022.

Solid net operating income serves to offset higher expense base in the second quarter

As of June 30, 2022, InterRent had 100% ownership in 12,573 suites, up 6.1% from 11,850 as of Q2 2021. Including properties that the REIT owns in its joint operations, InterRent owned or managed 13,180 suites as of June 30, 2022. At 95.1%, the June 2022 occupancy rate in InterRent's portfolio improved 360bps over June 2021 (91.5%) and is in line with seasonal expectations against March 2022 backdrop (95.5%). The REIT's same property portfolio likewise saw year-over-year occupancy gains in Q2 2022, posting an improvement of 340bps over June 2021 to reach 95.6%.

Within the same property portfolio, June 2022 occupancy slipped 80bps relative to March 2022 (96.4%), largely driven by a dip in the National Capital Region. Encouragingly, this region is seeing strong demand post-quarter, which should support an improved figure in Q3.

Total portfolio operating revenues in Q2 2022 were up +17.5% over Q2 2021 following a strong year of external growth in 2021. Narrowing to the same property portfolio, operating revenues grew 9.5% in Q2 2022 to $46.7 million, driven by improvements in average rent per suite (+6.2%). Though the current inflationary environment is impacting operating expenses for the REIT's portfolio, property operating costs and utility consumption for Q2 2022 are tracking in line with internal budget expectations. Total and same property portfolios both saw mild NOI margin contraction of 30bps relative to Q2 2021, with top line strength generating year-over-year NOI growth of 16.9%, and 8.9%, respectively, in the quarter.

Administrative costs of $4.3 million in Q2 2022 are higher compared to both Q2 2021 ($3.2 million) and Q1 2022 ($3.5 million) and are more representative of the REIT's expected run-rate following the strategic build out of its team in

2021 and ongoing sustainability efforts. Of note, approximately 7% of the Q2 2022 figure relates to ESG actions, including the impact of InterRent's initiative to support refugees from Ukraine and Afghanistan, foundational work for the REIT's climate commitments, and various biodiversity initiatives across the portfolio.

Financing costs in Q2 2022 came in at $10.4 million, reflecting the higher rate environment relative to Q2 2021 ($7.5 million). During the quarter, the Trust closed on three new mortgages totaling an additional $71.0 million, renewed three mortgages totaling $54.6 million, and closed on six up-financings totaling $161.6 million (maturing loans totaled $50.5 million). As a result, the average term to maturity of the REIT's mortgage debt was approximately 4.8 years at June 30, 2022, compared to 4.5 years at March 31, 2022, and the share of mortgage debt backed by CMHC insurance increased from 71% at the end of Q1 2022 to 73% at the end of Q2 2022. Given the higher rate environment in Q2 2022, this refinancing activity saw the weighted average cost of mortgage debt increase to 2.8%, 29bps higher relative to March 31, 2022. Subsequent to the quarter, the REIT has continued to work through its remaining 2022 mortgage maturities with only $92 million of 2022 maturities remaining to be renewed or up-financed as of July 31, 2022. As of July 31st, the variable rate debt exposure has been reduced to 7.2%, the weighted average interest rate has increased to 2.99% and the average life to maturity has been extended to over 5 years.

Net income for Q2 2022 was $77.6 million, an increase of $16.5 million compared to Q2 2021. This difference was due primarily to the fair value gain on financial liabilities which was $31.2 million in Q2 2022, versus a loss of $16.0 million in Q2 2021 due to movements in the REIT's unit price. Also contributing was a fair value gain on investment properties of $27.8 million and an increase in net operating income of $4.9 million offset by a $2.9 million increase in financing costs, as well as a $1.0 million increase in administrative costs.

At $18.9 million ($0.131 per Unit – diluted), FFO increased by 6.3% compared to Q2 2021 ($17.8 million or $0.124 per Unit - diluted), resulting in 5.6% growth on a per Unit basis. AFFO grew from $15.7 million ($0.110 per Unit – diluted) in Q2 2021 to $16.3 million ($0.113 per Unit – diluted) in Q2 2022, representing 3.8% and 2.7% growth on an absolute and per Unit basis, respectively.

Enhancing environmental profile with new build acquisition in Q2 2022

On June 30, 2022, InterRent closed on the acquisition of a recently constructed luxury 254-suite apartment community in Brossard on the south shore of Montreal for $109.3 million[(1)]. With stand-out sustainability features, the community boasts 25% better GHG emissions and energy performance than building code requirements and led to CMHC-insured financing that qualified under the MLI Select program using energy efficiency and GHG emission criteria.

Date	Property	City	Region	Ownership Interest	Suites	Price ($m)
Jan 24, 2022	2183 W 44th Ave	Vancouver	GVA	50%	36	16.5
Feb 28, 2022	1918 Haro St	Vancouver	GVA	50%	21	9.1
Jun 30, 2022	8405 Place St-Charles	Brossard	GMA	50%	254	109.3
Total YTD Acquisitions					**311**	**134.9**[(2)]

Commenting on the results published today, Brad Cutsey, President & CEO of InterRent, said: *"Our financial results for the second quarter of 2022 demonstrate the resilience of our business model despite ongoing macro headwinds. Although we are navigating short-term challenges of inflation and interest rate volatility, one constant remains – at InterRent, we remain steadfast in our mission to create communities where people are proud to call home. We see encouraging demand trends going into Q3 and look forward to sharing our progress in the coming months."*

[(1)] At 100% share; $54.6 million based on InterRent's ownership interest.
[(2)] At 100% share; $67.4 million based on InterRent's ownership interest.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended June 30, 2022**	**3 Months Ended June 30, 2021**	**Change**
Total suites	**12,573**[(1)]	11,850[(1)]	**+6.1%**
Average rent per suite (June)	**$1,433**	$1,339	**+7.1%**
Occupancy rate (June)	**95.1%**	91.5%	**+360 bps**
Operating revenues	**$52,831**	$44,966	**+17.5%**
Net operating income (NOI)	**$33,635**	$28,765	**+16.9%**
NOI %	**63.7%**	64.0%	**-30 bps**
Same Property average rent per suite (June)	**$1,416**	$1,334	**+6.2%**
Same Property occupancy rate (June)	**95.6%**	92.2%	**+340 bps**
Same Property operating revenues	**$46,698**	$42,660	**+9.5%**
Same Property NOI	**$29,772**	$27,333	**+8.9%**
Same Property NOI %	**63.8%**	64.1%	**-30 bps**
Net Income	**$77,607**	$61,066	**+27.1%**
Funds from Operations (FFO)	**$18,880**	$17,766	**+6.3%**
FFO per weighted average unit - diluted	**$0.131**	$0.124	**+5.6%**
Adjusted Funds from Operations (AFFO)	**$16,262**	$15,672	**+3.8%**
AFFO per weighted average unit - diluted	**$0.113**	$0.110	**+2.7%**
Distributions per unit	**$0.0855**	$0.0814	**+5.0%**
Adjusted Cash Flow from Operations (ACFO)	**$16,648**	$17,738	**-6.1%**
Debt-to-GBV	**37.3%**	34.4%	**+290 bps**
Interest coverage (rolling 12 months)	**3.19x**	3.53x	**-0.34x**
Debt service coverage (rolling 12 months)	**1.82x**	1.90x	**-0.08x**

(1) Represents 11,965 (2021 – 11,520) suites fully owned by the REIT and 1,214 (2021 – 659) suites owned 50% by the REIT.

Conference Call

Management will host a webcast and conference call to discuss these results and current business initiatives on Tuesday, August 9, 2022 at 10:00 AM EST. The webcast will be accessible at: https://www.interrentreit.com/2022-q2-results. A replay will be available for 7 days after the webcast at the same link. The telephone numbers for the conference call are 1-888-886-7786 (toll free) and 416-764-8658 (international). No access code required.

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 objectives are to use the proven industry experience of the Trustees, Management and Operational Team to: (i) grow both funds from operations per Unit and net asset value per Unit through investments in a diversified portfolio of multi-residential properties; (ii) provide Unitholders with sustainable and growing cash distributions, payable monthly; and (iii) maintain a conservative payout ratio and balance sheet.

***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 Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated August 9, 2022, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA 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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