INTERRENT
REIT

NEWS RELEASE

INTERRENT REIT ACHIEVES SAME PROPERTY NOI GROWTH OF 12.4% LEADING TO 11TH CONSECUTIVE YEAR OF DISTRIBUTION INCREASES

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Ottawa, Ontario (November 10, 2022) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the third quarter ended September 30, 2022.

InterRent REIT executes on operating platform to achieve 12.4% same property NOI growth in Q3 2022

- Same property occupancy of 95.9% in September 2022, an increase of 100bps compared to September 2021, paired with a reduction in rebates led to a 35% decrease of vacancy and rebates year-over-year helping to drive operating revenues up $4.2 million (or 9.5%) over Q3 2021.
- Same property NOI of $31.8 million, 12.4% growth over Q3 2022, resulting in an NOI margin of 66.4%, up 170bps over Q3 2021.
- Refinancing activity in the quarter reduces variable interest rate exposure to 6% from 14% at Q2 2022 and increases share of CMHC-insured mortgages to 74%.
- FFO of $20.3 million ($0.140 per Unit – diluted) in Q3 2022; growth of 5.3% overall and 3.7% on a per Unit basis compared to Q3 2021.
- The REIT shows positive momentum on ESG commitments with 10% increase in 2022 GRESB score compared to 2021.
- Board of Trustees has approved a 5.3% increase to the distribution, from $0.3420 per unit to $0.3600 per unit, marking the 11th consecutive year that the REIT has grown its distribution by 5% or more.

Occupancy gains result in strong operating revenue growth to help offset higher expense base

As of September 30, 2022, InterRent had 100% ownership in 12,573 suites, up 5.7% from 11,897 as of Q3 2021. Including properties that the REIT owns in its joint operations, InterRent owned or managed 13,180 suites as of September 30, 2022. At 95.6%, the September 2022 occupancy rate in InterRent's portfolio improved 120bps over September 2021 (94.4%) and 50bps over June 2022 (95.1%).

Within the same property portfolio, September 2022 occupancy increased 30bps relative from June 2022 (95.6%), largely driven by a 390bps improvement in the National Capital Region. The Greater Montréal Area continued to show relative softness throughout Q3 but is showing strong demand post-quarter, which should support an improved figure in Q4.

Total portfolio operating revenues in Q3 2022 were up +17.0% over Q3 2021 following a strong year of external growth in 2021. Narrowing to the same property portfolio, operating revenues grew 9.5% in Q3 2022 to $47.8 million, driven by improvements to occupancy (+100bps) and average rent per suite (+6.1%). Though the current inflationary environment is impacting every aspect of the company, year to date 2022 the REIT has been able to reduce operating expenses by 80bps versus 2021 as a percentage of operating revenues for both overall and same property portfolios. Off the back of strong operating revenue growth, total and same property portfolios both saw substantial NOI margin growth of 200bps and 170bps, respectively, relative to Q3 2021 and year-over-year NOI growth of 20.7%, and 12.4%, respectively, in the quarter.

Financing costs in Q3 2022 came in at $12.5 million, reflecting both a higher mortgage base and a higher rate environment relative to Q3 2021 ($7.8 million). During the quarter, the Trust, renewed five mortgages totaling $141.5 million, closed on four up-financings totaling gross proceeds of $35.5 million (maturing loans totaled $8.2 million), assumed one $0.6 million mortgage as part of an acquisition of an additional economic stake in an existing property, and repaid a $5.7 million mortgage. As a result, the REIT maintained its average term to maturity compared to June 30, 2022, of approximately 4.8 years, increased the share of mortgage debt backed by CMHC insurance to 74% at the end of Q3 2022, and decreased its variable rate exposure from 14% at the end of Q2 2022 to 6% at the end of Q3 2022. These financing activities saw the weighted average cost of mortgage debt increase to 3.08%, 9 basis points higher than our July 31 ending balance presented during our 2nd quarter investor call presentation. Subsequent to the quarter, the REIT has continued to work through its remaining 2022 mortgage maturities with only $64.8 million of 2022 maturities remaining, of which $30.0 million is already committed for CMHC funding later in November for which the REIT has already entered forward rate locks.

Net income for Q3 2022 was $32.7 million, a decrease of $71.8 million compared to Q3 2021. This difference was due primarily to a modest fair value gain on investment properties of $5.7 million in Q3 2022 versus $85.5 million in Q3 2021. The Q3 2022 fair value gain is fully attributable to NOI improvements which acted as a counterbalance to the 14bps increase in the capitalization rate versus Q2 2022. Also contributing to the net income change was other fair value gains of $6.9 million in Q3 2022 versus a small gain in Q3 2021. This was driven by the revaluation of rate swaps and forward rate locks against a rising rate environment and the revaluation of Class B and unit-based compensation liabilities due to movement in the REIT’s unit price.

At $20.3 million ($0.140 per Unit – diluted), FFO increased by 5.3% compared to Q3 2021 ($19.3 million or $0.135 per Unit - diluted), resulting in 3.7% growth on a per Unit basis. AFFO grew from $17.3 million ($0.120 per Unit – diluted) in Q3 2021 to $17.8 million ($0.123 per Unit – diluted) in Q3 2022, representing 3.3% and 2.5% growth on an absolute and per Unit basis, respectively.

GRESB score improvement demonstrates ongoing commitment to sustainability

The REIT participated in the GRSEB Real Estate Assessment and is pleased to report a 10% increase in its 2022 GRESB score compared to 2021. The REIT maintained its “Green Star” rating, signalling continued strong ESG performance across the company. Gains were seen across the REIT, and management has already identified target improvement areas to keep the positive momentum going for the 2023 submission. Management encourages all stakeholders to join the sustainability conversation.

11 consecutive years of distribution increases of 5% or more

With the REIT’s portfolio continuing to demonstrate strong, sustainable results, the Board of Trustees has approved a 5.3% increase in the monthly distribution. This is the 11th consecutive year that the REIT has grown its distribution by 5% or more. The increase is effective for the November 2022 distribution to be paid in December 2022 and increases the annualized distribution to $0.3600 per unit from $0.3420 per unit.

Commenting on the results published today, Brad Cutsey, President & CEO of InterRent, said: *"I am very proud of our Team and the effort that has been put forth by everyone all year to get us to the point. We know we still have more to do and we can always improve, however I believe these results are a big step forward on the occupancy front, they demonstrate our commitment to controlling costs, and highlight the continued strong demand for safe and secure housing. Although we continue to navigate short-term challenges of inflation and interest rate volatility, we remain steadfast in our mission to create communities where people are proud to call home."*

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended September 30, 2022**	**3 Months Ended September 30, 2021**	**Change**
Total suites	**12,573**(1)	11,897(1)	**+5.7%**
Average rent per suite (September)	**$1,462**	$1,367	**+6.9%**
Occupancy rate (September)	**95.6%**	94.4%	**+120 bps**
Operating revenues	**$54,851**	$46,866	**+17.0%**
Net operating income (NOI)	**$36,499**	$30,250	**+20.7%**
NOI %	**66.5%**	64.5%	**+200 bps**
Same Property average rent per suite (September)	**$1,443**	$1,360	**+6.1%**
Same Property occupancy rate (September)	**95.9%**	94.9%	**+100 bps**
Same Property operating revenues	**$47,837**	$43,670	**+9.5%**
Same Property NOI	**$31,752**	$28,258	**+12.4%**
Same Property NOI %	**66.4%**	64.7%	**+170 bps**
Net Income	**$32,670**	$104,512	**-68.7%**
Funds from Operations (FFO)	**$20,309**	$19,285	**+5.3%**
FFO per weighted average unit - diluted	**$0.140**	$0.135	**+3.7%**
Adjusted Funds from Operations (AFFO)	**$17,806**	$17,238	**+3.3%**
AFFO per weighted average unit - diluted	**$0.123**	$0.120	**+2.5%**
Distributions per unit	**$0.0855**	$0.0814	**+5.0%**
Adjusted Cash Flow from Operations (ACFO)	**$23,756**	$18,778	**+26.5%**
Debt-to-GBV	**37.4%**	34.4%	**+300 bps**
Interest coverage (rolling 12 months)	**2.96x**	3.45x	**-0.49x**
Debt service coverage (rolling 12 months)	**1.75x**	1.85x	**-0.10x**

(1) Represents 11,965 (2021 – 11,520) suites fully owned by the REIT and 1,214 (2021 – 753) 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 Thursday, November 10, 2022 at 10:00 AM EST. The webcast will be accessible at: https://www.interrentreit.com/2022-q3-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.

For further information, please contact:

Investor Relations
investorinfo@interrentreit.com
www.interrentreit.com