INTERRENT REIT

NEWS RELEASE

INTERRENT REIT'S OPERATIONAL SUCCESS DRIVES STRONG NOI GROWTH

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Ottawa, Ontario (March 7, 2023) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the fourth quarter and the year ended December 31, 2022.

Occupancy gains and strong AMR growth results in robust operating performance

- Total portfolio occupancy improvement of 120bps results in occupancy rate 96.8% for December 2022 as compared to 95.6% for both December 2021 and September 2022.
- Same property occupancy improvement of 110bps over September 2022 and 80bps over December 2021 results in occupancy rate of 97.0% for December 2022.
- Strong leasing activity leads to continued reduction in both vacancy and lease incentives (rebates). Vacancy and rebates for Q4 2022 improved by $1.3 million compared to Q4 2021 and improved by $4.8 million for the year compared to 2021.
- Demand driven by the return of foreign students and real net new immigration results in Average Monthly Rent (AMR) growth of 7.1% for the total portfolio and 6.0% for the same property portfolio for December 2022, as compared to December 2021.
- Same property NOI of $31.6 million for the quarter represents an increase of 8.4% compared to Q4 2021 and NOI of $122.0 million for the year ended December 2022 represents an increase of 10.4% growth over 2021.
- Refinancing activity reduced the variable interest rate exposure to below 5% as at December 31, 2022 from 20% one year ago and increased share of CMHC-insured mortgages to 82% from 63% over the same period. Refinancing activity increased the weighted average interest rate by 84bps from 2.38% (December 2021) to 3.22% (December 2022).
- FFO of $18.7 million ($0.129 per Unit – diluted) in Q4 2022 is down 4.6% overall and 5.8% on a per Unit basis compared to Q4 2021. FFO of $76.9 million ($0.532 per Unit – diluted) for the year is up 5.6% overall and 4.3% on a per Unit basis compared to 2021.

Industry leading NOI growth is offset by higher financing costs

As of December 31, 2022, InterRent had 100% ownership in 12,610 suites, up 1.5% from 12,426 as of December 2021. Including properties that the REIT owns in its joint operations, InterRent owned or managed 13,217 suites as of December 31, 2022. At 96.8%, the December 2022 occupancy rate in InterRent's portfolio improved 120bps over December 2021 and September 2022, both at 95.6%. Within the same property portfolio, December 2022 occupancy was 97.0%, an increase of 110bps and 80bps relative to September 2022 (95.9%) and December 2021 (96.2%). The Greater Montreal Area (GMA) portfolio saw significant improvement in Q4 with occupancy improving by 630bps over Q3 2022. The strong demand in both the GMA and National Capital Region (NCR) portfolios improved occupancy in both regions by 210bps by December 31, 2022 over December 31, 2021. AMR growth across the total portfolio was 7.1% for December 2022 as compared to December 2021 while same property AMR increased by an impressive 6.0% for the same period.

With occupancy returning back to pre-pandemic levels and leasing demand driving AMR growth, total portfolio operating revenues in Q4 2022 grew by 13.1% over Q4 2021 and 16.9% for the year compared to 2021. Within the same property portfolio, operating revenues grew by 8.7% in Q4 2021 and by 9.4% for the year as compared to 2021. While continued inflationary pressures were seen on operating expenses both in the quarter and for the year, the improvement in occupancy, reduction in leasing incentives and AMR growth still lead to positive NOI margin expansion. NOI margin for the overall portfolio was 64.6% for the quarter and 64.3% for the year and 64.1% and 64.3% for the same store portfolio for the same periods.

Over the course of the year, the REIT increased its average term to maturity to 5.2 years, as compared to 3.6 years, and increased the share of CMHC insured mortgages to 82% from 63% for December 2022 over December 2021. The REIT also decreased its variable rate exposure to below 5% at the end of 2022 from 20% at the end of 2021. Financing activities over the year resulted in the weighted average cost of mortgage debt increasing to 3.22%, or 84bps from , from the 2.38% in December 2021. Financing costs in Q4 2022 came in at $13.9 million relative to $8.5 million in Q4 2021, reflecting both a higher mortgage base ($1.65 billion at the end of 2022 vs $1.37 billion at the end of 2021) and a higher rate environment. For the year, financing costs increased to $46.4 million, or by $15.7 million over 2021.

Income before other income and expenses was relatively inline quarter over quarter and year over year however net income for 2022 decreased by $265.7 million to $104.0 million compared to 2021. This difference was due primarily to two factors: the fair value loss on investment properties of $8.3 million in 2022, as compared to a fair value gain of $327.2 million in 2021; and, the unrealized gain of $36.5 million on financial liabilities in 2022 versus the unrealized loss on financial liabilities of $29.2 million in 2021. The change in fair values results mostly from a capitalization rate expansion of 18bps since the beginning of 2022 while the change in unrealized gain/(loss) on financial liabilities is as a result of the revaluation of financial instruments, the Class B unit liabilities, and unit-based compensation liabilities due to movement in the REIT's unit price.

FFO for the 12 months ended December 31, 2022 grew by 4.3% to $0.532 per Unit (diluted) compared to 2021. For the Quarter, FFO decreased by 5.8% to $0.129 per Unit (diluted) compared to Q4 2021. Similarly, AFFO for the 12 months ended December 31, 2022 grew 2.4% to $0.466 per Unit (diluted) compared to 2021 while AFFO for the quarter decreased 9.8% to $0.110 per Unit (diluted) compared to Q4 2021.

On the sustainability front, the REIT continued to make progress on several initiatives including voluntarily disclosing climate-related initiatives and performance through the CDP's climate questionnaire and establishing science-based GHG emission reduction targets. We look forward to sharing our 2022 progress as well as our commitments for the future with you as part of our 2022 Sustainability Report later this spring.

Commenting on the results published today, Brad Cutsey, President & CEO of InterRent, said: *"2022 was a year of nearly unprecedented volatility. From persistent COVID concerns to one of the steepest interest rate increases on record, the year presented no shortage of challenges. However, by focusing on our strategy, we were able to adapt despite the continued changes around us. We're proud of our accomplishments in a difficult 2022 climate, and we look to the future with renewed focus on finding tangible ways to deliver value to all our stakeholders."*

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended December 31, 2022**	**3 Months Ended December 31, 2021**	**Change**	**12 Months Ended December 31, 2022**	**12 Months Ended December 31, 2021**	**Change**
Total suites[1]	**-**	-	-	**12,610**	12,426	**+1.5%**
Average rent per suite (December)	**-**	-	-	**$1,479**	$1,381	**+7.1%**
Occupancy rate (December)	**-**	-	-	**96.8%**	95.6%	**+120bps**
Operating revenues	**$56,855**	$50,265	**+13.1%**	**$216,400**	$185,148	**+16.9%**
Net operating income (NOI)	**$36,730**	$32,155	**+14.2%**	**$139,223**	$117,658	**+18.3%**
NOI %	**64.6%**	64.0%	**+60bps**	**64.3%**	63.5%	**+80bps**
Same Property average rent per suite (December)	**-**	-	-	**$1,456**	$1,374	**+6.0%**
Same Property occupancy rate (December)	**-**	-	-	**97.0%**	96.2%	**+80bps**
Same Property operating revenues	**$49,246**	$45,314	**+8.7%**	**$189,861**	$173,526	**+9.4%**
Same Property NOI	**$31,558**	$29,112	**+8.4%**	**$122,012**	$110,496	**+10.4%**
Same Property NOI %	**64.1%**	64.2%	**-10bps**	**64.3%**	63.7%	**+60bps**
Net Income	**$(100,950)**	$99,399	**-201.6%**	**$103,959**	$369,686	**-71.9%**
Funds from Operations (FFO)	**$18,677**	$19,583	**-4.6%**	**$76,933**	$72,826	**+5.6%**
FFO per weighted average unit - diluted	**$0.129**	$0.137	**-5.8%**	**$0.532**	$0.510	**+4.3%**
Adjusted Funds from Operations (AFFO)	**$16,031**	$17,489	**-8.3%**	**$67,366**	$64,925	**+3.8%**
AFFO per weighted average unit - diluted	**$0.110**	$0.122	**-9.8%**	**$0.466**	$0.455	**+2.4%**
Distributions per unit	**$0.0885**	$0.0841	**+5.2%**	**$0.3450**	$0.3283	**+5.1%**
Adjusted Cash Flow from Operations (ACFO)	**$24,872**	$28,403	**-12.4%**	**$78,446**	$78,094	**+0.5%**
Debt-to-GBV	**-**	-	-	**38.3%**	36.7%	**+160bps**
Interest coverage (rolling 12 months)	**-**	-	-	**2.70x**	3.39x	**-0.69x**
Debt service coverage (rolling 12 months)	**-**	-	-	**1.65x**	1.84x	**-0.19x**

(1) Represents 12,003 (2021 – 11,974) suites fully owned by the REIT and 1,214 (2021 – 903) 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, March 7, 2023 at 10:00 AM EST. The webcast will be accessible at: https://www.interrentreit.com/2022-q4-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 March 7, 2023, 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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