

InterRent REIT

Investor Presentation

Q4 2022 Conference Call

March 7, 2023





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Appartements VIE | Montréal



Forward Looking Statements



This presentation contains “forward-looking statements” within the meaning of 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 presentation to reflect actual events or new circumstances.

Quarterly and Year- End Results at a Glance

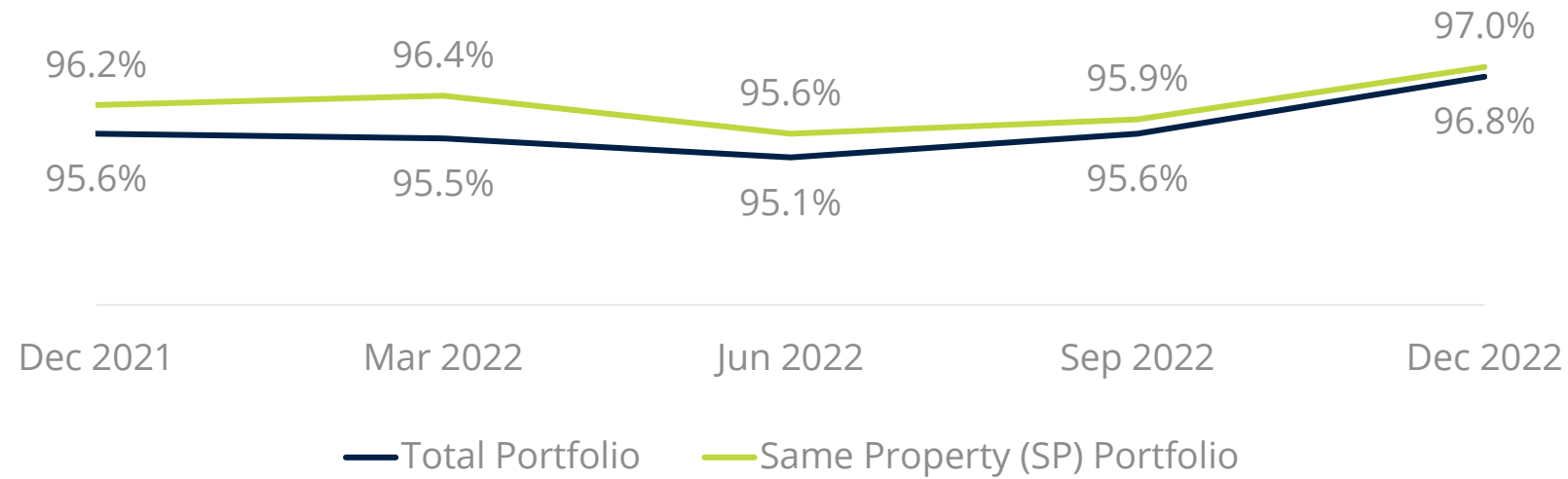




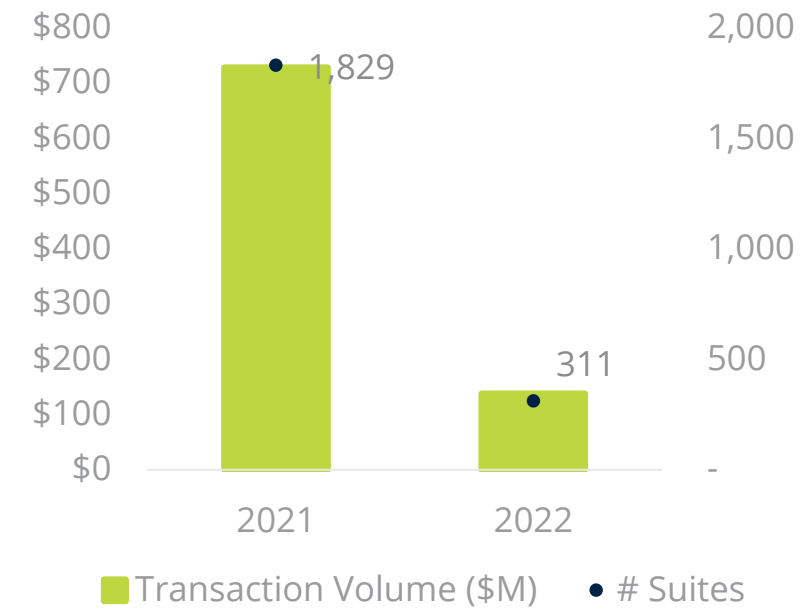
Q4 2022 and 12 Months Ended December 31, 2022

OPERATIONAL HIGHLIGHTS

OCCUPANCY



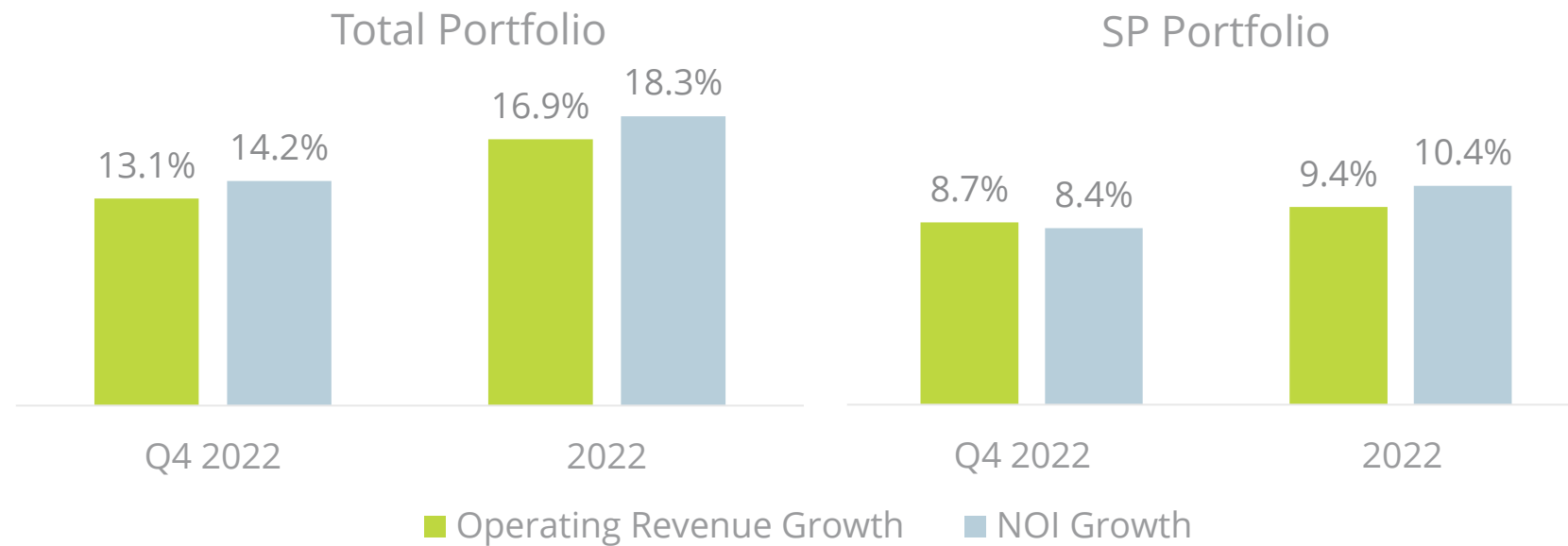
EXTERNAL GROWTH¹



FINANCIAL HEALTH

Debt/GBV	38.3%
W.A. Interest Cost	3.22%
CMHC Insured Mortgages	82%
Interest Coverage ²	2.70x
Available Liquidity Jan. 31, 2023 ³	~\$323M

OPERATING REVENUE AND NOI GROWTH (YOY)



PERFORMANCE MEASURES (NON-IFRS/GAAP)

	Q4 2022	YoY Chg.	2022	YoY Chg.
FFO (\$000)	18,677	-4.6%	76,933	+5.6%
FFO/Unit	\$0.129	-5.8%	\$0.532	+4.3%
AFFO (\$000)	16,031	-8.3%	67,366	+3.8%
AFFO/Unit	\$0.110	-9.8%	\$0.466	+2.4%

¹ At 100%; InterRent has 50% ownership interest in 903 suites acquired in FY 2021 and 50% ownership interest in all 311 suites acquired in 2022

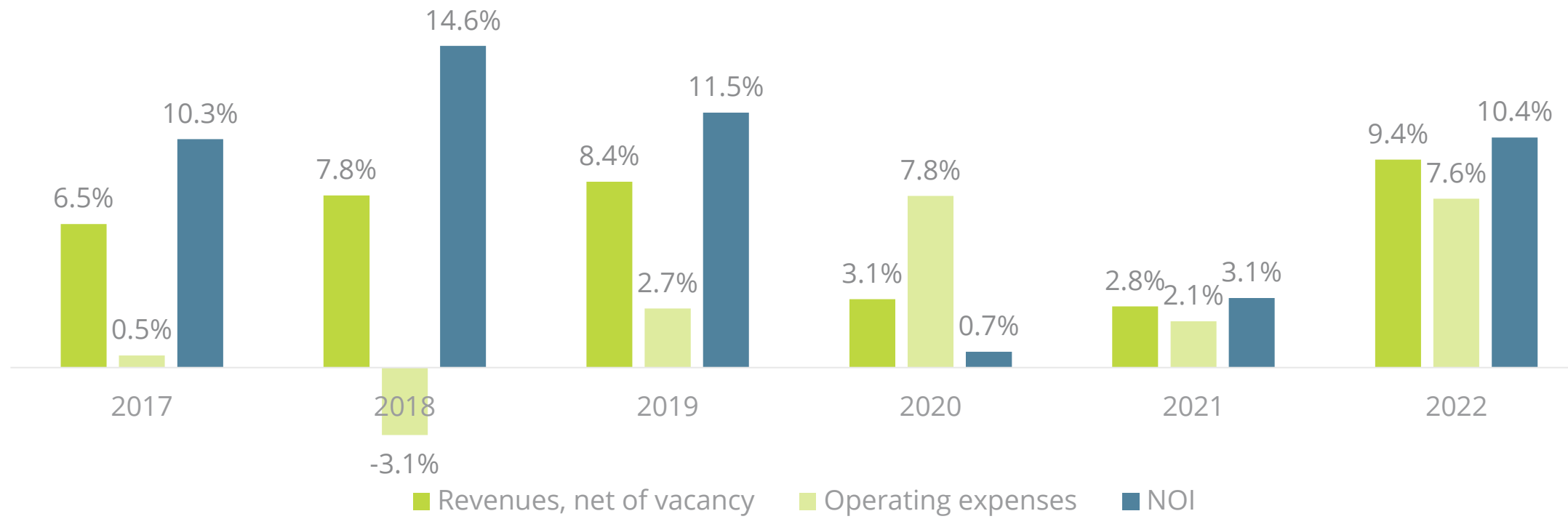
² Rolling 12 months

³ Assuming 50% leverage applied to the value of unencumbered properties as of January 31, 2023

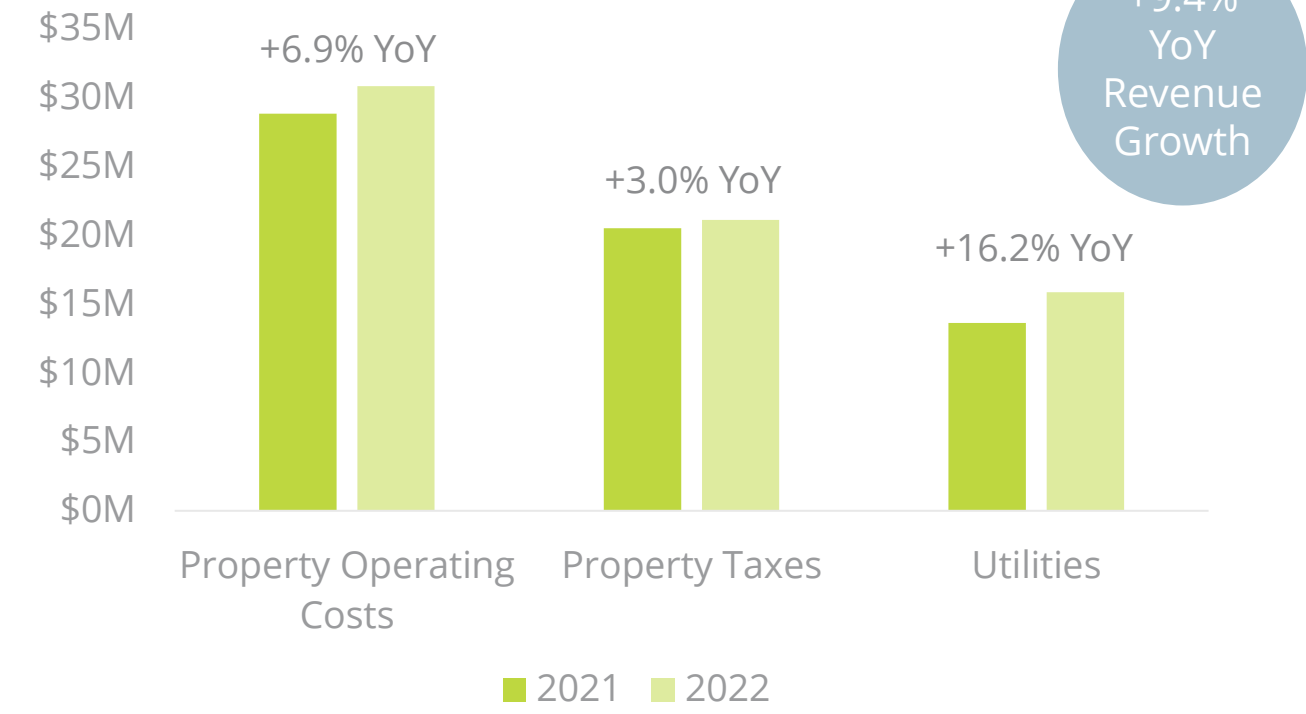


Maximizing Revenue for Increased NOI Growth

YoY Growth in Revenues, Expenses, and NOI
Same property portfolio, as reported



Expenses by Category
Same property portfolio, as reported



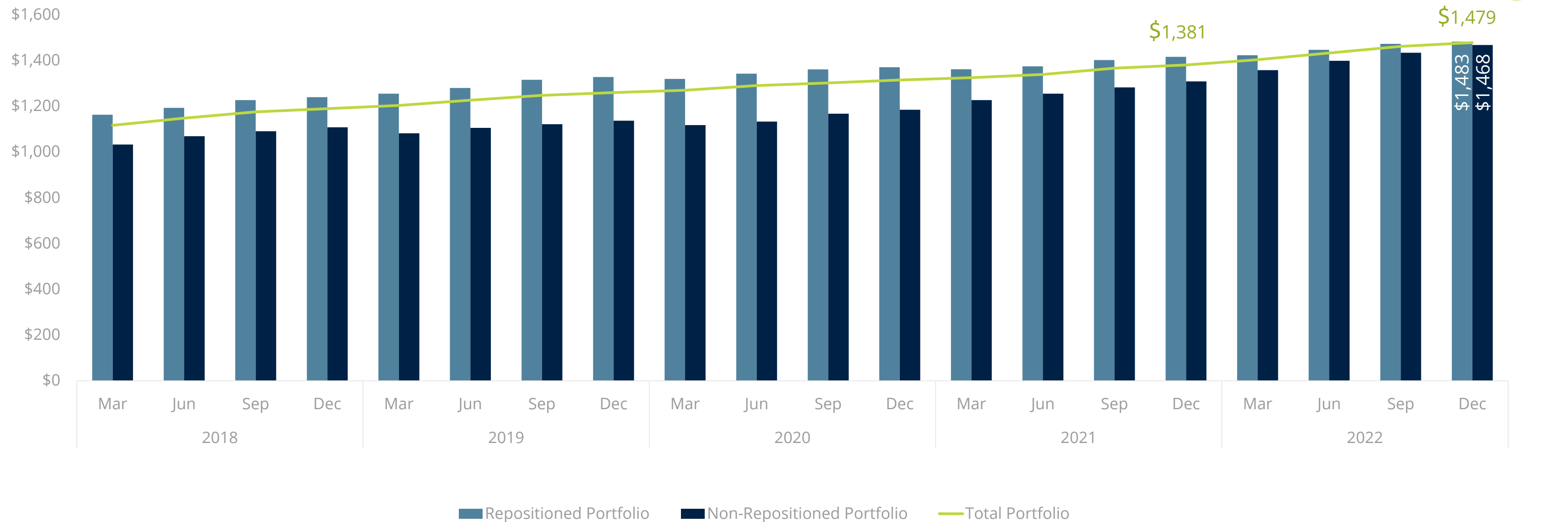
Our demonstrated track record of revenue growth may serve as a cushion against prevailing inflationary pressures





Strengthening Fundamentals

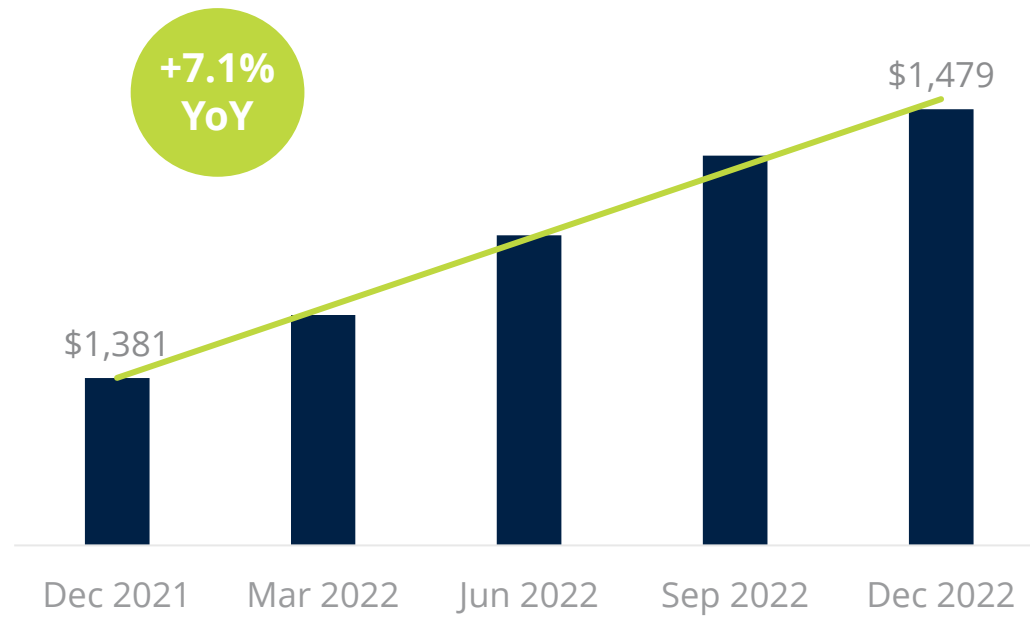
AVERAGE MONTHLY RENT



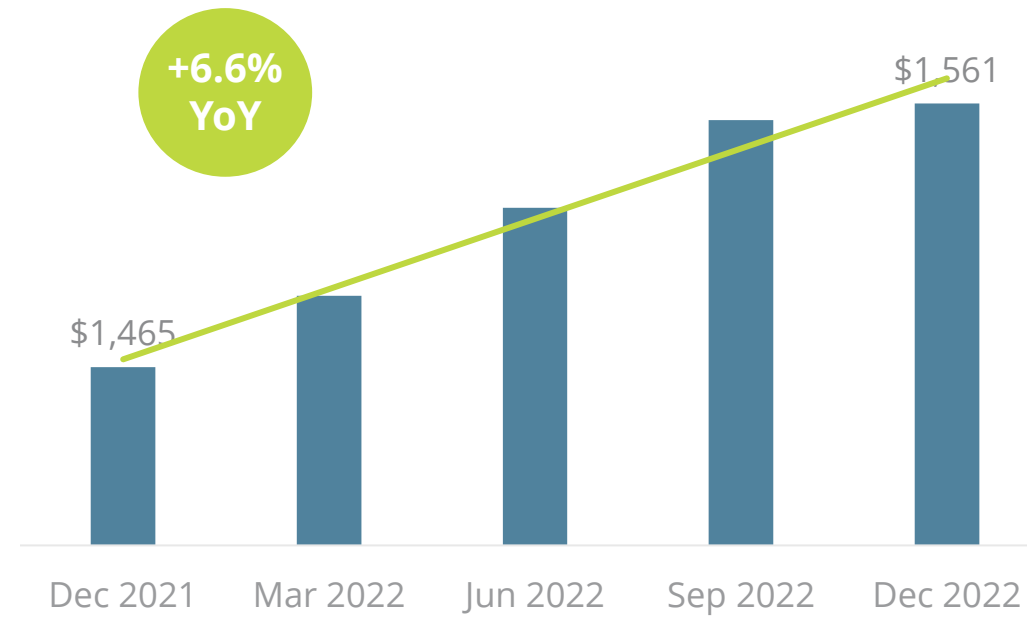


Growing Average Monthly Rent Across All Regions

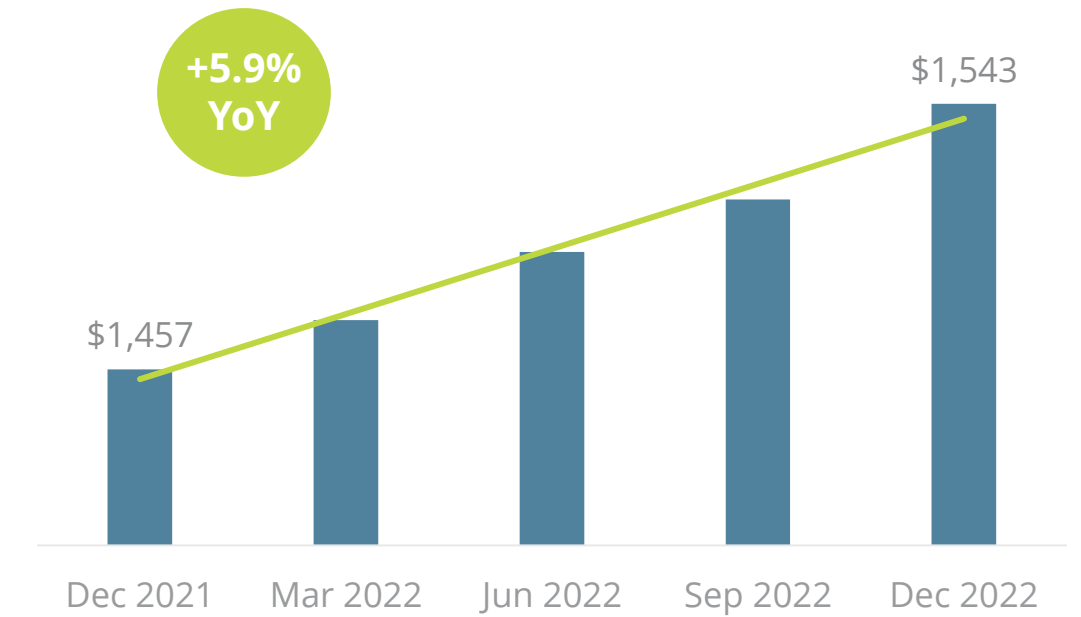
TOTAL



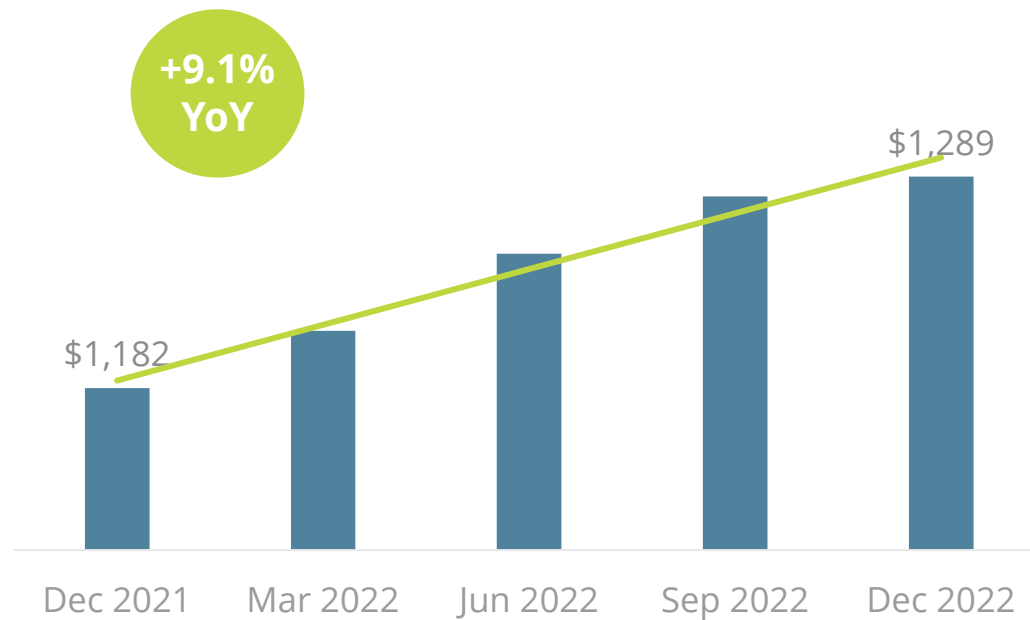
GREATER TORONTO & HAMILTON AREA



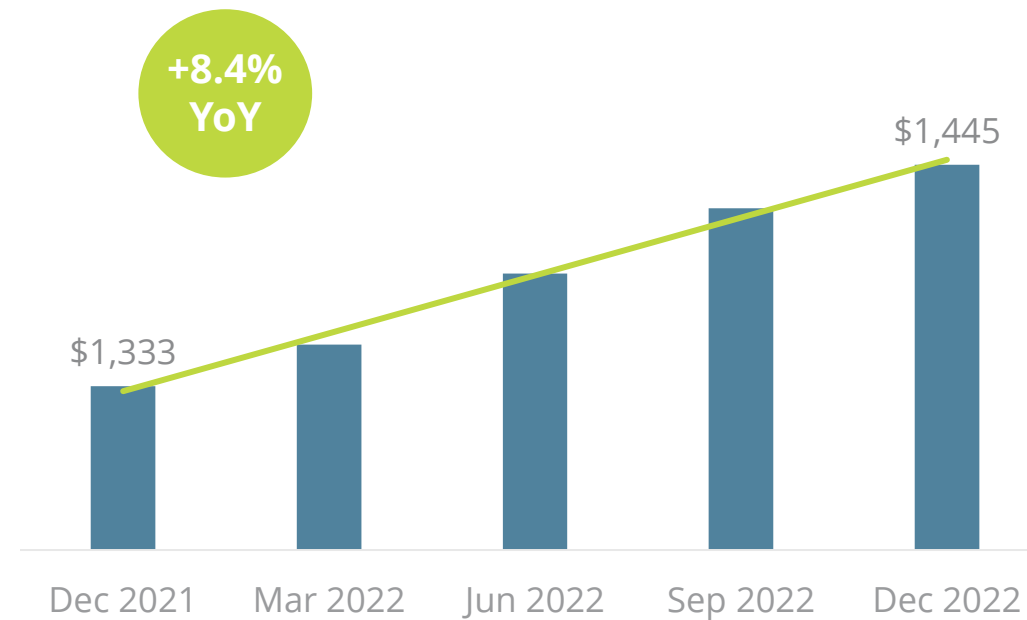
NATIONAL CAPITAL REGION



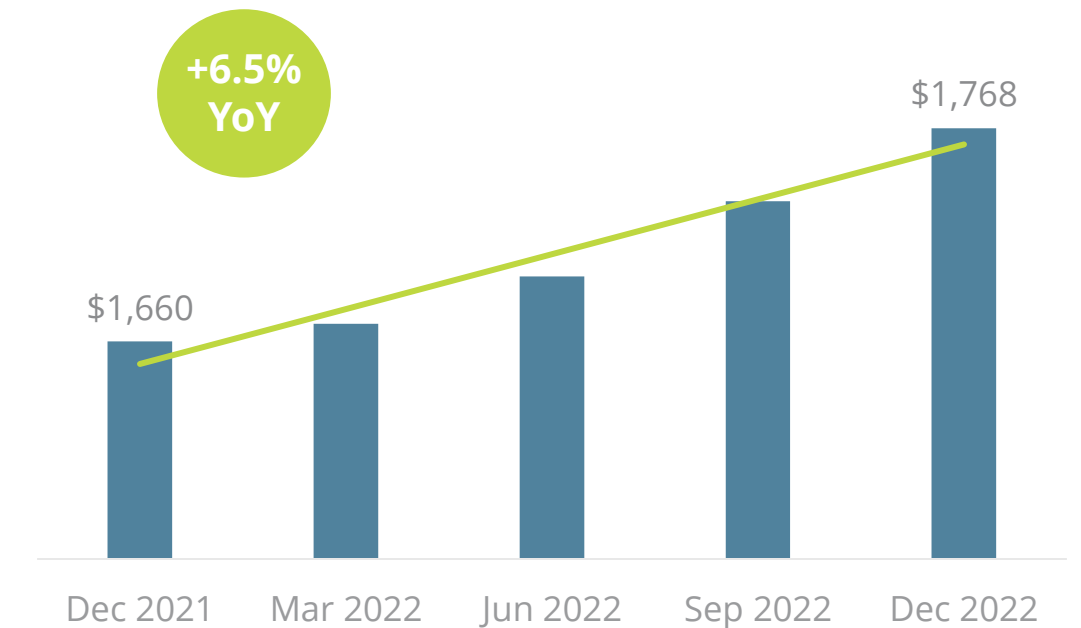
GREATER MONTREAL AREA



OTHER ONTARIO



GREATER VANCOUVER AREA

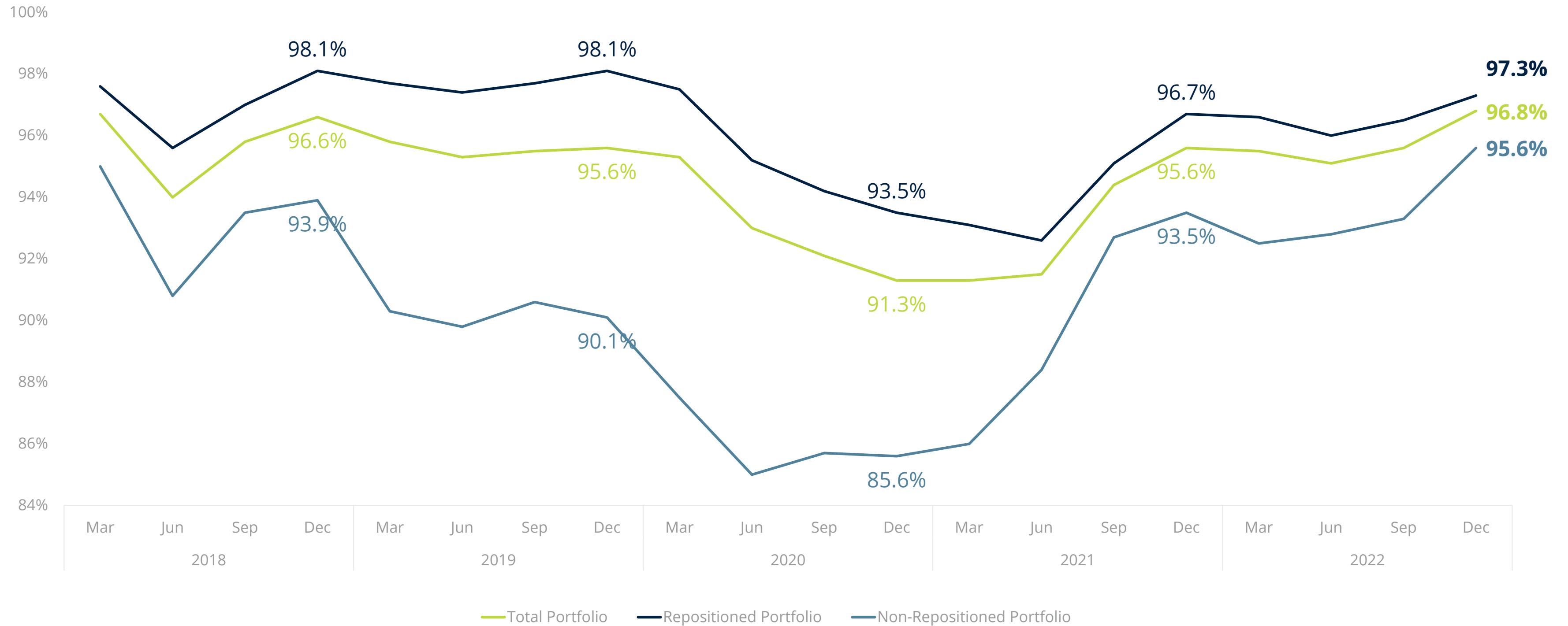


Operating Highlights





Occupancy: A Strong Finish to 2022, A Bright Future Ahead





Strategic CAPEX

WELL-MAINTAINED PORTFOLIO

	Maintenance Capex	Per Repositioned Suite
2018	\$5.6M	\$966
2019	\$6.4M	\$975
2020	\$7.3M	\$946
2021	\$7.9M	\$950
2022	\$9.6M	\$1,069

REPOSITIONING PROGRAM

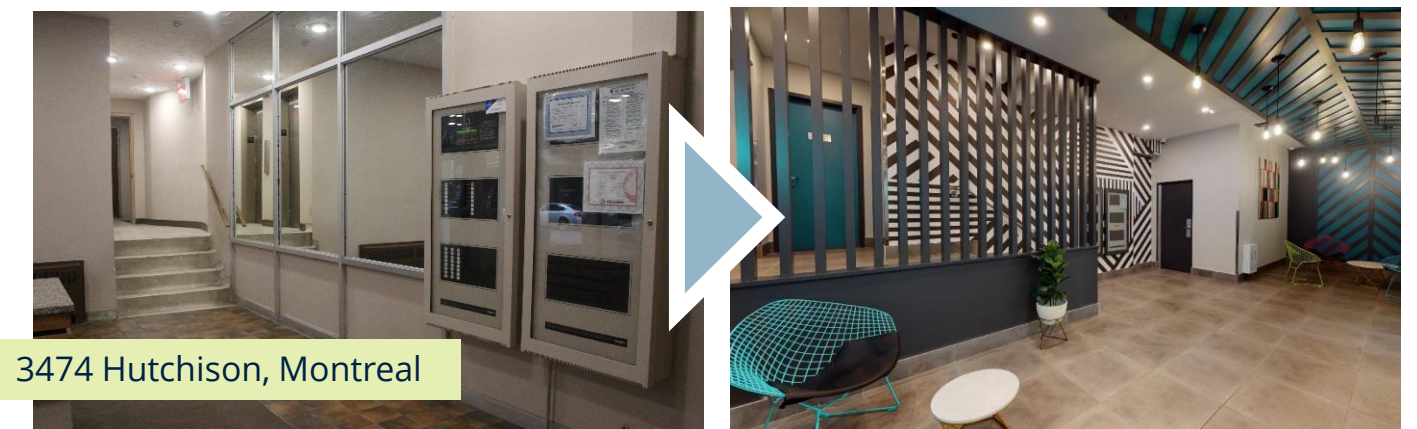
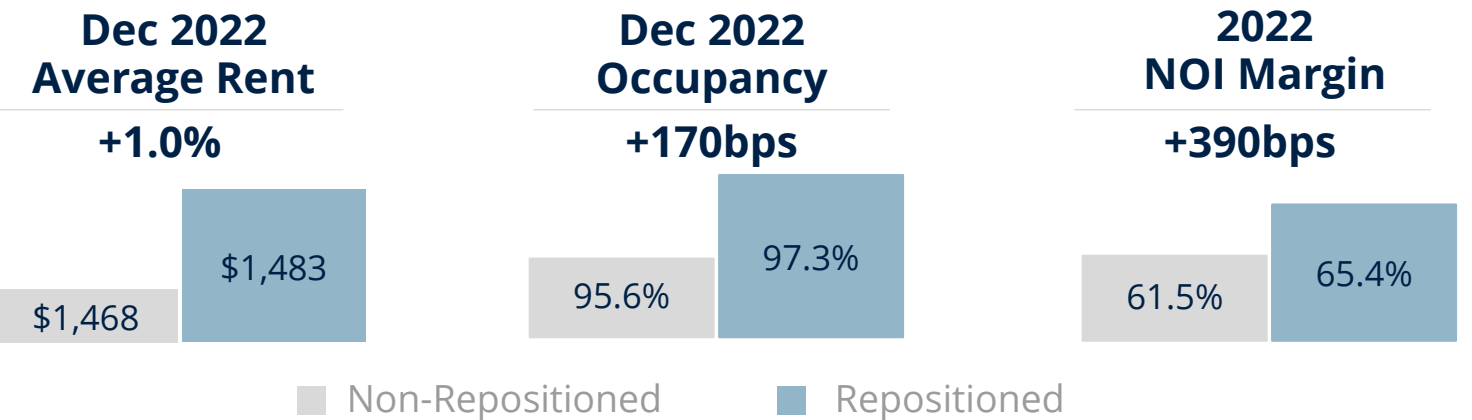
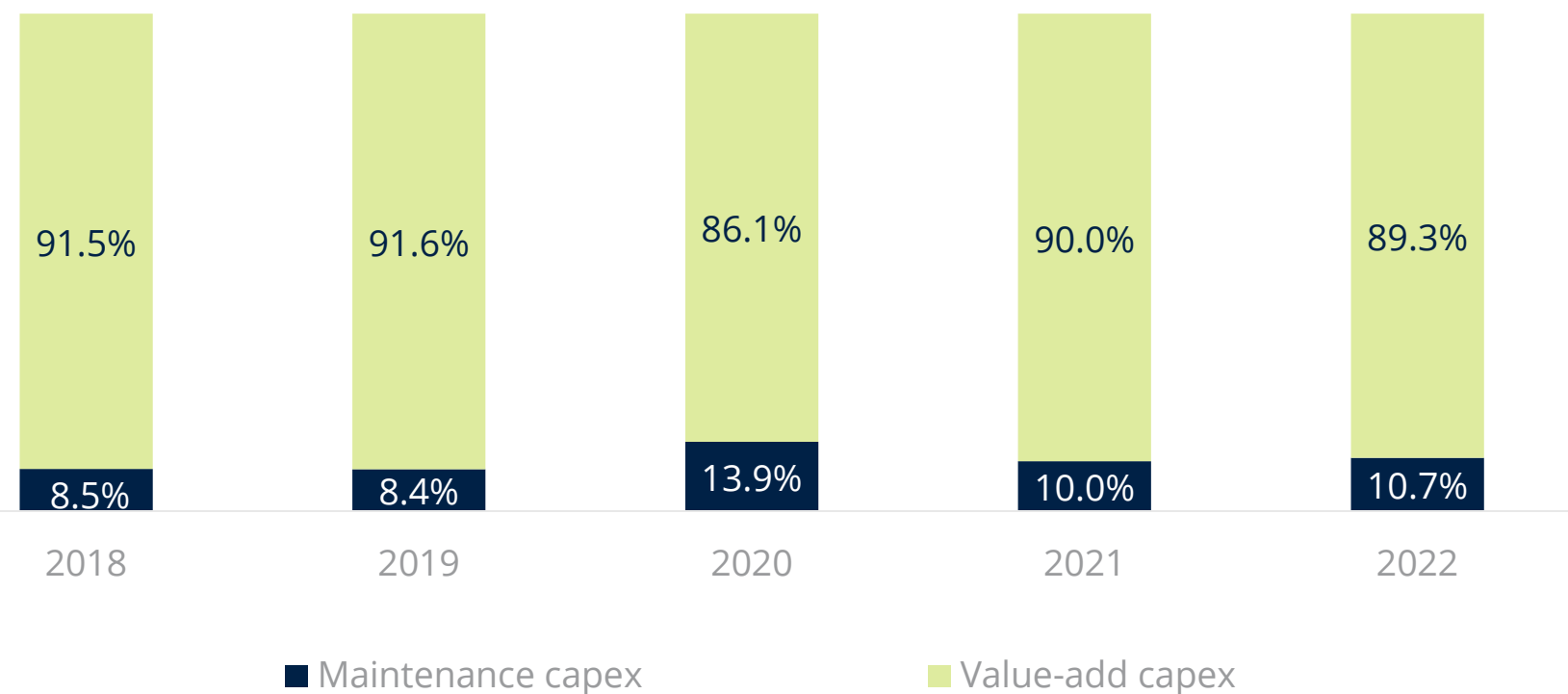
Acquired properties undergo repositioning work spanning 3-4 years to increase efficiency, enhance revenue, and create safe, quality communities for residents, while extending the useful life of buildings that would otherwise be heading for demolition.

Repositioning investment can include:

- Common area upgrades
- Exterior upgrades
- Full or partial suite renovations (\$15-\$50K/suite)

As of December 31, 2022, the REIT has 3,659 suites at various stages in its repositioning program and invested \$40.3M in the fiscal year.

WITH FOCUS ON VALUE-ADD INVESTMENTS¹



¹ Excluding capital expenditures related to properties under development

Balance Sheet





IFRS Valuation

Region	Q4 22 Cap Rate	Q3 22 Cap Rate	Q-o-Q Change
Greater Toronto & Hamilton Area	3.89%	3.81%	+9bps
National Capital Region	4.33%	4.28%	+5bps
Greater Montreal Area	3.86%	3.81%	+5bps
Greater Vancouver Area	3.26%	3.26%	-
Other Ontario	4.51%	4.38%	+13bps
Total Investment Properties	4.04%	3.97%	+7bps

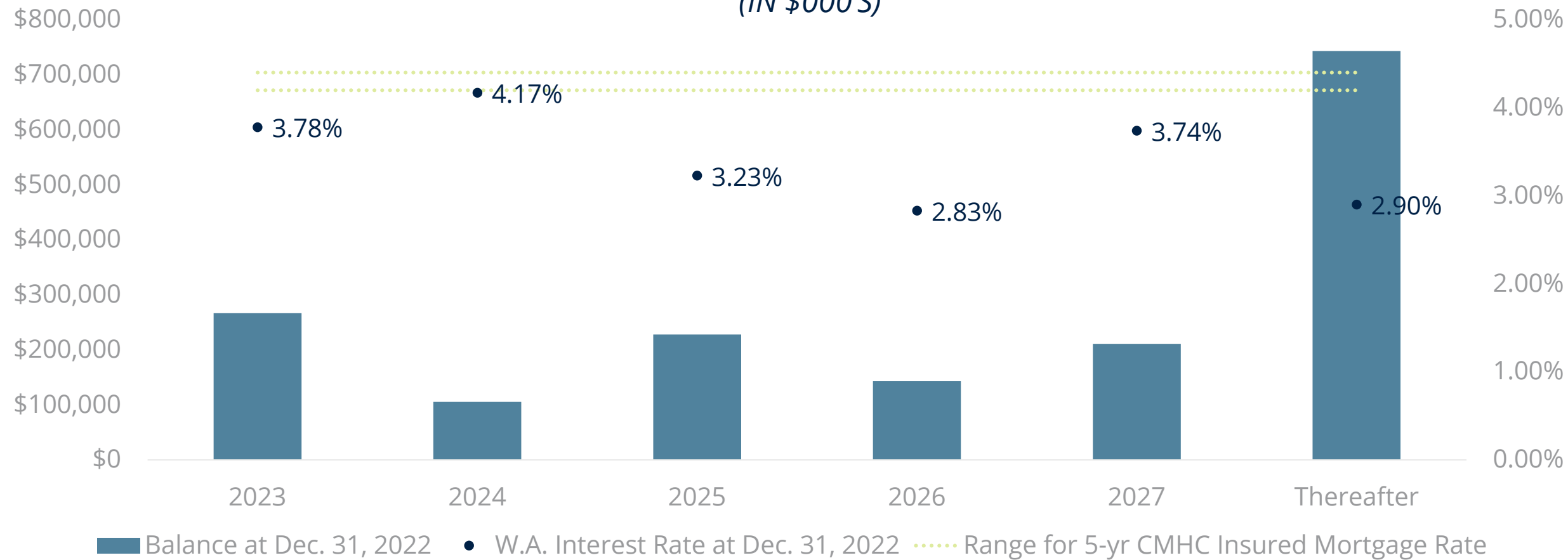
- In Q4 2022, there was a fair value loss of \$107.7 million resulting from a 7bps capitalization rate increase and adjustments to input costs and turnover rate assumptions. This resulted in an \$8.3 million fair value loss for the full year 2022 in the wake of 18bps of capitalization rate expansion.



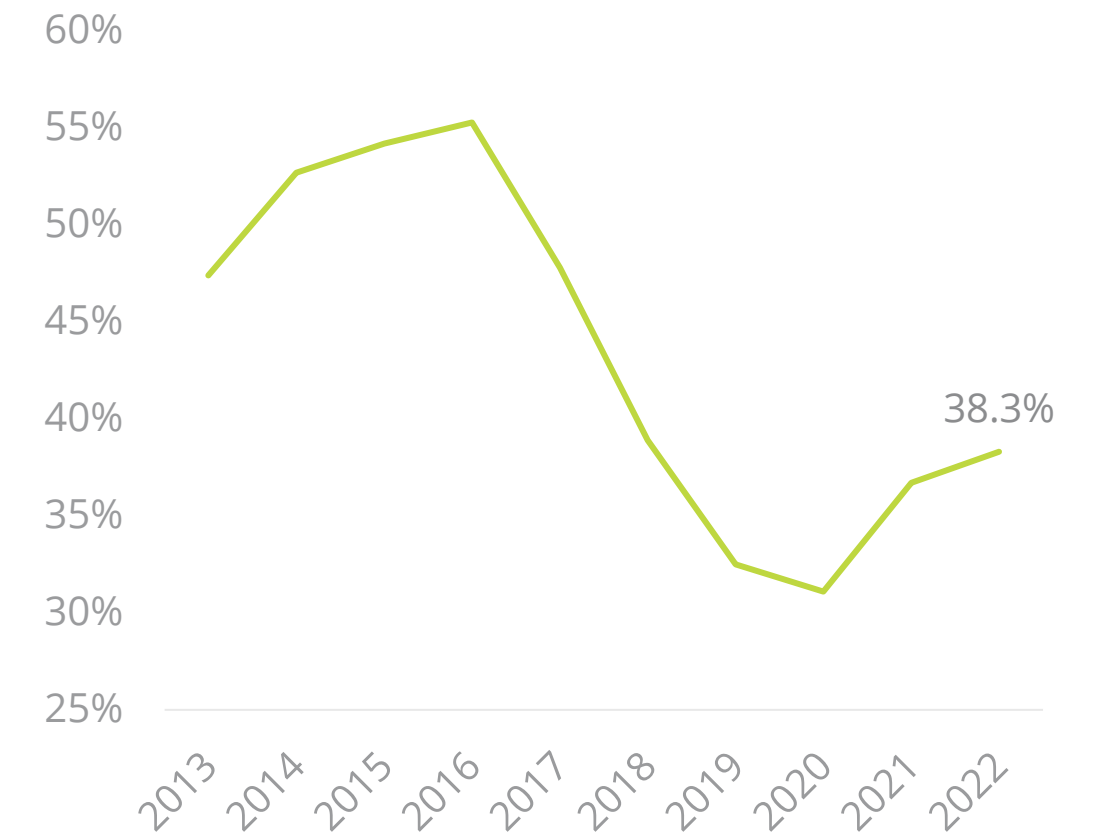
Financing Structure

MORTGAGE MATURITY SCHEDULE

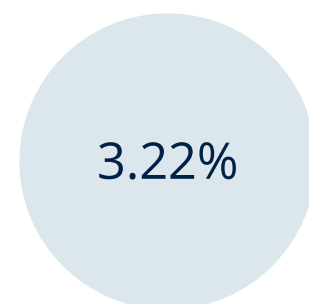
(IN \$000'S)



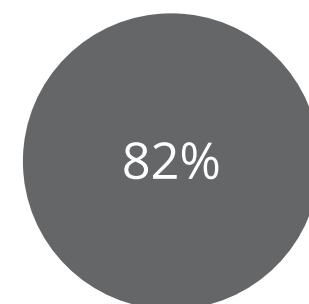
HISTORICAL DEBT-TO-GBV



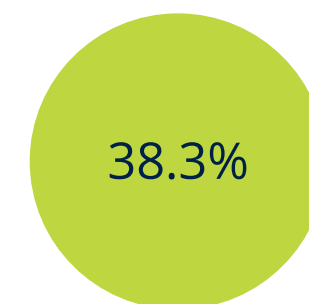
AVERAGE TERM TO MATURITY



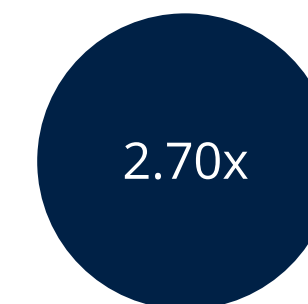
WEIGHTED AVERAGE INTEREST COST



CMHC INSURED MORTGAGES



DEBT/GBV



INTEREST COVERAGE¹

¹ Rolling 12 months

Sustainability





Building on our Foundation

OUR CLIMATE COMMITMENTS

Conduct a baseline climate change risk assessment to identify our company and portfolio physical and transition risks and opportunities

Voluntarily disclosed climate-related initiatives and performance through the CDP's climate questionnaire

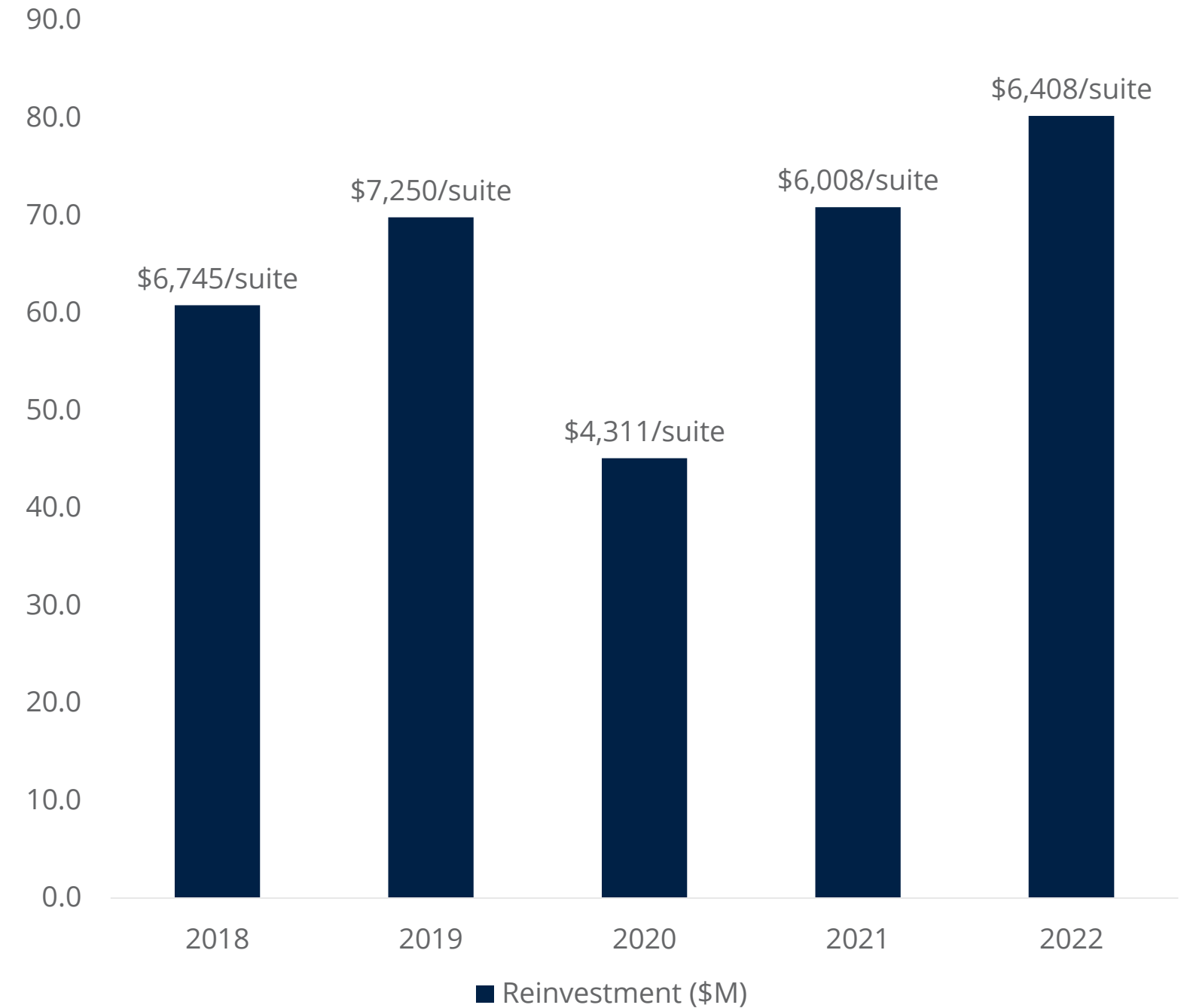
Conducted climate scenario analysis to understand potential impacts on our business strategy

Establish science-based GHG emissions reduction target(s)

Increase our Board of Trustees and Team Members' knowledge on climate-related risks and opportunities through training

Develop a systematic approach to incorporate climate change considerations into our acquisition due diligence process, capex program, and capital recycling decisions.

5-YEAR REINVESTMENT HISTORY



Capital Allocation



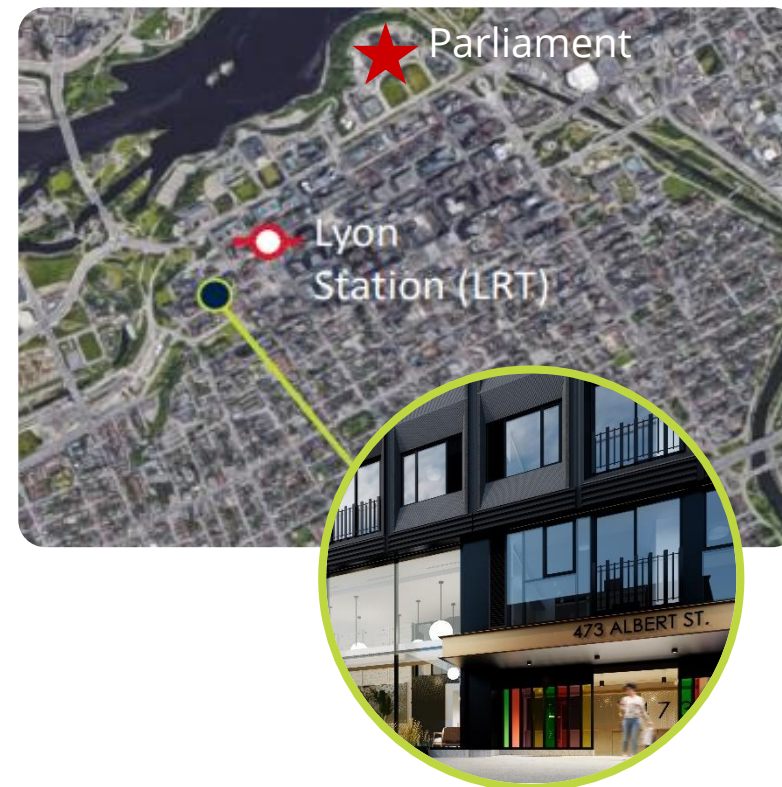


473 Albert Street

Ottawa, ON (NCR)

- Adaptive reuse project, transforming an existing office space into residential apartments providing much needed rental housing in the downtown core while sequestering the embodied carbon in the existing structure
- Core downtown location, steps from two LRT nodes, Parliament and business core
- Marketing and pre-leasing activities began in late Q2
- Our first residents began moving in during late fall of 2022 and, at December 31, 2022, the community was home to 37 residents

Suites	158
Total project cost	\$79M
Estimated cost to complete	\$9M
Expected completion	Q1 2023
Expected yield	4.3%
Expected IRR ¹	>15%



¹ Levered



Development Pipeline

Project	City	Suite Count	Commercial Sq. Ft.	Ownership	Target Completion Date	Expected Yield
Richmond & Churchill	Ottawa	185	18,650	100%	H2 2026	4.20-4.80%
Burlington GO Lands	Burlington	1,526 (Phases 1-2) 989 (Phases 3-4)	20,081 (Phases 1-2) 19,779 (Phases 3-4)	25%	2028 (Phases 1-2)	4.65-5.15% (Phases 1-2)
900 Albert Street	Ottawa	1,241	511,608	50.0%	TBD	TBD



900 Albert Street



Richmond & Churchill



Burlington GO Lands

Key Takeaways





Key Takeaways

- Strong demand fueled by:
 - return to office continuing
 - return of foreign students
 - immigration numbers in Q4 reflecting actual new people in the country (returning to historical norms)
- Continuing to manage costs in inflationary environment and remaining in-line with budget expectations
- Balancing out mortgage maturities to reduce risk from interest rate volatility
- Continuing to explore dispositions, NCIB, and select strategic acquisitions for capital allocation purposes

Parkway Park | Ottawa



Appendix





A Provider of Homes in Urban, High-Growth Markets



¹ Includes 100% of 94-suite community in Mississauga of which InterRent's ownership interest is 50%.

² Includes 100% of Vancouver portfolio of which InterRent's ownership interest is 50%.

³ Includes 100% of 254-suite community in Brossard of which InterRent's ownership interest is 50%.



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