



INTERRENT REIT

INVESTOR PRESENTATION

February 2017



INTERRENT REIT IS A GROWTH-ORIENTED REAL ESTATE INVESTMENT TRUST ENGAGED IN INCREASING VALUE AND CREATING A GROWING AND SUSTAINABLE DISTRIBUTION THROUGH THE ACQUISITION AND OWNERSHIP OF MULTI-RESIDENTIAL PROPERTIES.





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.





ROADMAP TO THE PRESENT

2009 - 2011

- CLV arranges private placement at \$1.50/unit
- Change of executive control September 30, 2009
- CLV Group begins managing InterRent's entire portfolio
- Began rebuilding & repositioning
- Changed culture & priorities
- Restored focus on property operations
- Completed disposition of non-core properties
- Internal growth via rent increases, new suites
- Focused on growing NOI organically through top line growth and operating cost reductions

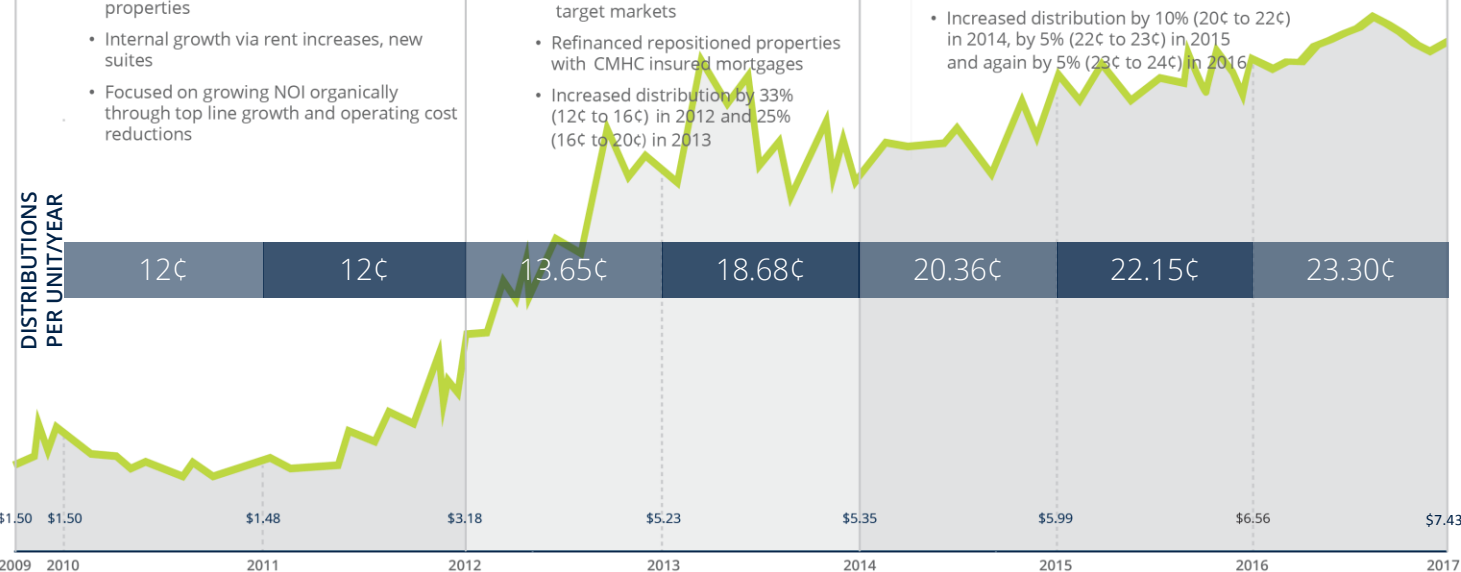
2012 - 2013

- Continued to grow NOI organically through top line growth and operating cost reductions
- Built Acquisitions Team and grew potential acquisition pipeline – focus on value-add properties
- Purchased 1,000 suites in 2012 and 1,341 suites in 2013
- Expanded into Quebec (Gatineau and Montreal)
- Focused on best in class within our target markets
- Refinanced repositioned properties with CMHC insured mortgages
- Increased distribution by 33% (12¢ to 16¢) in 2012 and 25% (16¢ to 20¢) in 2013

2014 - 2016

- Continued to focus on repositioning Acquisitions and organic growth
- Purchased 645 suites in 2014, 1,702 suites in 2015 and 545 suites in 2016
- Vacated all suites in the LIV property in order to complete redevelopment and capture upside from new market rents
- Changed model/staffing of rental operations to focus on customer service and overall performance
- Continued to refinance repositioned properties with CMHC to capitalize on low interest rates
- Increased distribution by 10% (20¢ to 22¢) in 2014, by 5% (22¢ to 23¢) in 2015 and again by 5% (23¢ to 24¢) in 2016

DISTRIBUTIONS PER UNIT/YEAR



| | |
|--------------------------|--|
| Start | September 30, 2009 |
| End | As at January 31, 2017 |
| Unit Price | \$1.50 to \$7.43 |
| Cumulative Distributions | \$1.26 |
| Simple Total Return | 479% |
| Number of Suites | 4,033 to 8,059 100% |

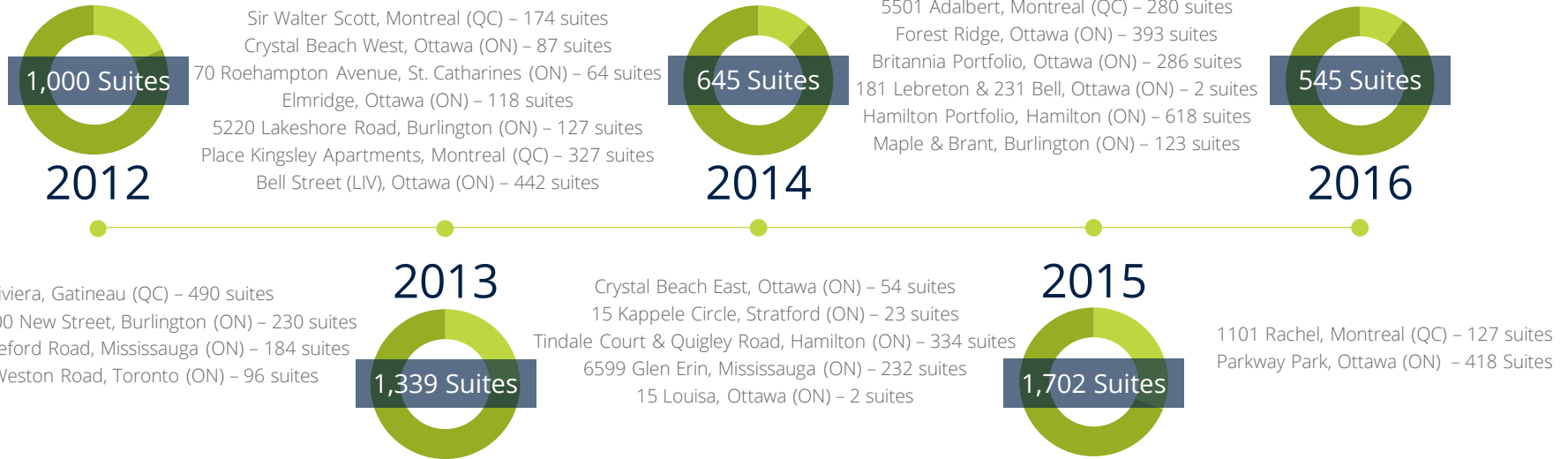
Since current management took over, **InterRent has been one of the best performing REITs in Canada with a total return of 479%.** InterRent continues to focus on organic growth of existing properties, target new properties to reposition, as well as acquisitions of properties with untapped value.



PROVEN ABILITY TO SOURCE DEALS

Proven track record of sourcing acquisitions, with over \$580 Million in acquisitions since change of control (over 5,480 units).

Continued pipeline of potential properties through solid relationships and proprietary lead generation database.



Riviera, Gatineau



5550 Trent, Montreal



Crystal Beach, Ottawa

Recycling and Allocation of Capital

- Regularly review the properties within the portfolio to determine the most efficient and effective use of capital
- Refinance at more favourable rates/terms
- Disposition of non-core assets

Cost Reduction and Containment

Implement energy-efficient utility programs to lower operating costs while utilizing government programs to leverage investment dollars.

- Replace old boilers, domestic hot water heaters, water fixtures and lighting fixtures
- Conversion of domestic hot water heaters from electric to gas
- Implement hydro submetering programs
- Focus on preventative maintenance
- Reduce customer turnover by providing better customer service

Acquisitions

- Acquire properties that have untapped value that can be realized through the REIT's repositioning strategy
- Properties that are located in our target growth areas



Our People

Hiring excellence, providing constant training and career advancement

Customer Service

Offer an unsurpassed customer experience by:

- Multi-channel communication stream
- Dedicated customer advocates
- Tracking and reporting to senior management of customer concerns and feedback
- Creating a sense of community

Driving and Enhancing Revenue Streams

Continuously search for new revenue streams as well as ways to grow existing ones.

- Increase rents on turnover through exterior, common area and in-suite improvements
- Securing additional streams of income through rooftop leases and revenue sharing agreements
- Growing the rental revenue base organically while at the same time improving its stability by removing undesirable tenants
- Increased focus on parking and ancillary revenue
- Adding suites within under-utilized space

EXTERIOR UPGRADES

- Complete, attractive first impression package
- Designer-influenced exterior finishes

Before



5220 Lakeshore | Burlington

After



COMMON AREA UPGRADES

- Added functionality
- Designer finishes
- Enhanced security



New Street | Burlington



UNIT UPGRADES

- Improving suite layout
- Upgraded bathrooms and kitchens
- Upgraded flooring



LIV | Ottawa





2011 ACQUISITIONS

| | As at Acquisition | As at 2016 Q3 |
|--|--------------------------|---|
| Acquisition Cost | \$ 12,073,572 | |
| Capital Invested | | \$ 4,193,740 |
| Acquisition Cost Plus Capital Invested | | \$ 16,267,312 |
| Net Revenue | \$ 1,581,066 | \$ 2,194,678 |
| Operating Costs | \$ 822,216 | \$ 906,693 |
| NOI | \$ 758,850 | \$ 1,287,985 ↑ 70% |
| NOI Margin | 48% | 59% |
| Cap Rate | 6.3% | 7.9% |
| Total Suites | 172 | 174 |
| Current Cap Rate | | 5.3% |
| Fair Value Today | | \$ 24,198,000 |
| Value Creation | | \$ 7,930,688 |
| Value per Suite | \$ 70,195 | \$ 139,069 ↑ 98% |



Hamilton Landing | Trenton



Hamilton Landing | Trenton



14 Reid | Mississauga



2012 ACQUISITIONS

| | As at Acquisition | As at 2016 Q3 |
|--|--------------------------|---|
| Acquisition Cost | \$ 85,276,275 | |
| Capital Invested | | \$ 41,492,381 |
| Acquisition Cost Plus Capital Invested | | \$ 126,768,656 |
| Net Revenue | \$ 10,197,104 | \$ 13,467,431 |
| Operating Costs | \$ 4,758,527 | \$ 4,590,845 |
| NOI | \$ 5,438,577 | \$ 8,876,586 ↑ 63% |
| NOI Margin | 53% | 66% |
| Cap Rate | 6.4% | 7.0% |
| Total Suites | 1,000 | 1,016 |
| Current Cap Rate | | 4.7% |
| Fair Value Today | | \$ 190,583,000 |
| Value Creation | | \$ 63,814,344 |
| Value per Suite | \$ 85,276 | \$ 187,582 ↑ 120% |



New Street | Burlington



Riviera | Gatineau



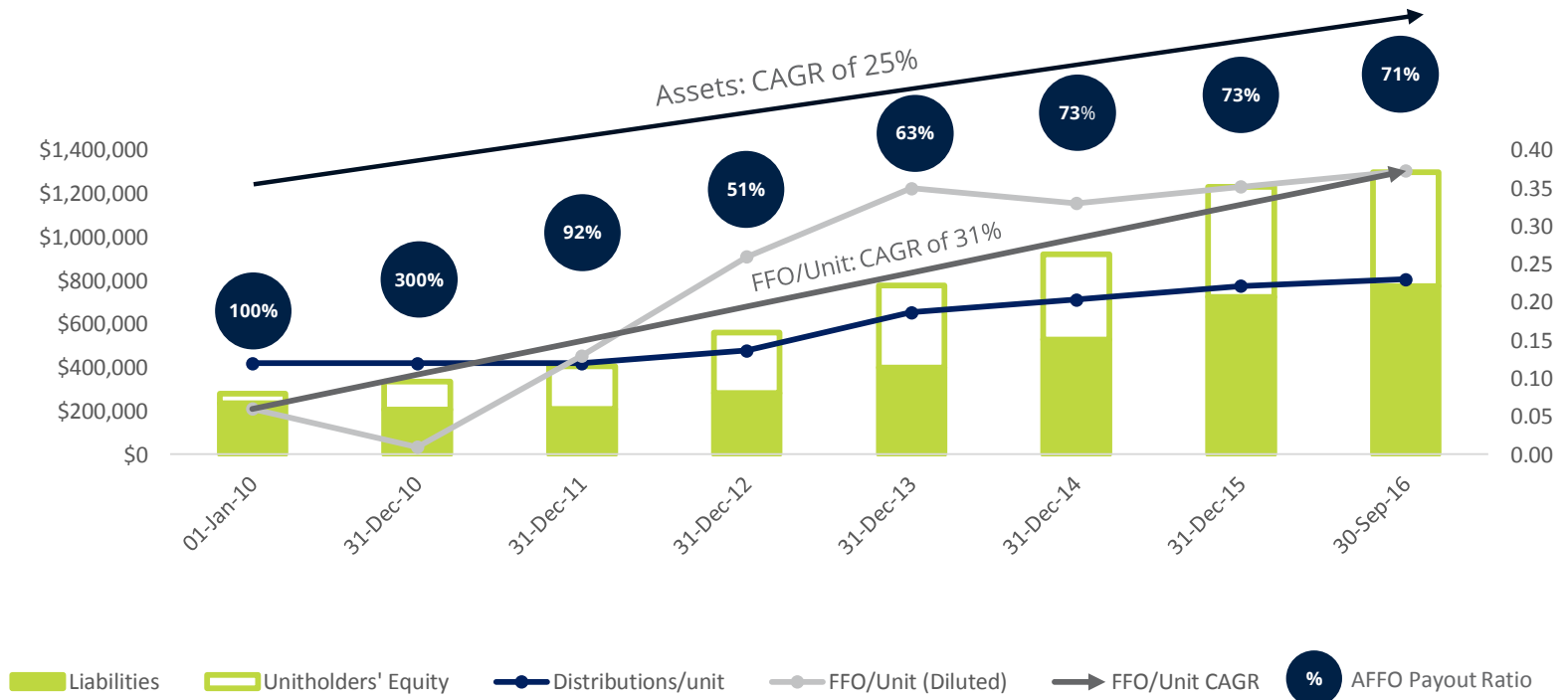
2304 Weston | Toronto



PROVEN TRACK RECORD OF SUCCESS

Effective use of capital through:
 Smart disposition of properties
 Recycle capital from dispositions fully into repositionings
 Capitalize on low interest rate environment

TOTAL ASSET GROWTH





GROWTH IN ALL THE RIGHT PLACES

| <i>In \$000s, except as noted</i> | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | TTM at 30-Sep-16 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|---------------------|
| Total Suites | 3,998 | 3,820 | 4,695 | 6,048 | 6,700 | 8,389 | 8,059 |
| Occupancy Rate | 96.3% | 96.6% | 97.8% | 96.4% | 96.1% | 94.6% | 94.2% |
| Average Rent Per Suite | \$805 | \$843 | \$887 | \$931 | \$965 | \$996 | \$1,057 |
| Operating Revenues | \$35,352 | \$38,471 | \$47,530 | \$60,506 | \$65,404 | \$82,977 | \$95,182 |
| Net Operating Income (NOI) | \$15,913 | \$20,506 | \$27,946 | \$36,041 | \$37,884 | \$48,490 | \$55,553 |
| NOI % | 45.0% | 53.3% | 58.8% | 59.6% | 57.9% | 58.4% | 58.4% |
| Funds from Operations (FFO) | \$232 | \$4,300 | \$13,489 | \$18,883 | \$18,836 | \$24,425 | \$26,919 |
| FFO Per Unit (basic) | \$0.01 | \$0.13 | \$0.31 | \$0.35 | \$0.33 | \$0.35 | \$0.38 |
| Adjusted Funds from Operations (AFFO) | \$1,135 | \$4,343 | \$11,748 | \$16,278 | \$16,189 | \$21,145 | \$23,277 |
| AFFO Per Unit (basic) | \$0.04 | \$0.13 | \$0.27 | \$0.30 | \$0.28 | \$0.31 | \$0.33 |
| Debt to GBV | 58.3% | 48.5% | 46.8% | 47.4% | 52.7% | 54.2% | 54.9% |

Elmridge | Ottawa





A PROVEN APPROACH TO MANAGING THE BALANCE SHEET

MORTGAGE SCHEDULE

| Year Maturing | Mortgage & Debt Balance (000s) 30-SEP-16 | Weighted Average by Maturity | Weighted Average Interest Rate |
|---------------|--|------------------------------|--------------------------------|
| 2016 | \$68,482 | 10.5% | 2.64% |
| 2017 | \$196,398 | 30.2% | 2.65% |
| 2018 | \$79,652 | 12.2% | 2.51% |
| 2019 | \$13,303 | 2.0% | 2.64% |
| 2020 | \$44,892 | 6.9% | 2.45% |
| Thereafter | \$248,548 | 38.2% | 2.81% |
| Total | \$651,275 | 100% | 2.69% |

INTEREST COVERAGE

2.52x

DEBT SERVICE COVERAGE

1.54x

DEBT TO GBV
30-SEP-11

55.9%

DEBT TO GBV
30-SEP-16

54.9%

Hamilton Landing | Trenton



700 Ross | Burlington



939 Western | London





EXECUTIVE TEAM

BOARD

PAUL AMIRAUTL
TRUSTEE

RONALD LESLIE
TRUSTEE

VICTOR STONE
TRUSTEE

PAUL BOUZANIS
TRUSTEE

MIKE MCGAHAN
TRUSTEE

“Good teams become great ones when the members trust each other enough to surrender the Me for the We”

- PHIL JACKSON

INTERRENT REIT

MIKE MCGAHAN
Chief Executive Officer
& Trustee

Property Management
Operations
Development
Syndications
Brokerage

BRAD CUTSEY, CFA
President

Capital Markets
Research & Financial Modeling
Investor Relations
Strategic Management

CURT MILLAR, CPA, CA
Chief Financial Officer

Corporate Finance
Accounting
Operations Management
Financial Reporting
Business Development
Process & Systems Optimization

OZ DREWNIAK
Vice President

Property Management
Marketing
Acquisitions
Management

BRIAN AWREY, CPA, CA
Vice President

Financial Reporting
Corporate Finance
Accounting

**100+ Years
Combined
Experience**

Our success is dependent on our team members. The InterRent team has a proven track record of creating value through repositioning rental properties, providing both the experience and ability necessary to continue to grow and improve the REIT while creating value for our unitholders.



APPENDIX





2386 & 2400 NEW STREET



BURLINGTON, ONTARIO

Conveniently situated in the Roseland area in Burlington, 2386 & 2400 New Street offers spacious one, two, and three bedroom suites with scenic views of Lake Ontario.

This property has received extensive capital investments over the past three years including new landscaping, new balconies, upgraded kitchens and flooring in many suites, energy efficient lighting, a new gym and a media room. There have also been 8 suites added to this property.

Since acquisition in March 2012, average rent on the suites which have turned over has increased 44% from \$1,041 to \$1,500. NOI has increased 111% from \$1,313,832 to \$2,767,219. The expected IRR based on the IFRS value at September 30, 2016 is over 40%.

2386 & 2400 New Street Overview

| | |
|--------------|-----|
| Total Suites | 238 |
|--------------|-----|

Investment Highlights

| | |
|----------------------|---------------------|
| Location | Burlington, Ontario |
| Investment Timeframe | 55 Months |
| Purchase Price | \$20.7M |
| IRR* | 40% + |
| Equity Multiple | 3.65 |

*IRR is based on the property's IFRS value for the most recent quarter.



2757 BATTLEFORD ROAD & 6599 GLEN ERIN DRIVE



MISSISSAUGA, ONTARIO

2757 Battleford and 6599 Glen Erin are two properties located on the grounds of beautiful Lake Aquitaine near Erin Mills Parkway and Battleford Road in Mississauga, Ontario. InterRent initially purchased 2757 Battleford and negotiated a first right to purchase the adjacent property, 6599 Glen Erin. This right was exercised in December 2014.

Substantial capital improvements have been made to these properties including new hard & soft landscaping, new entrance and lobby, hydro submetering, new elevators and energy efficient lighting.

Since acquisition in June 2012, average rent on the suites which have been turned over at 2757 Battleford has increased 21% from \$1,152 to \$1,388. NOI has increased 44% from \$1,462,650 to \$2,101,707. The expected IRR based on the IFRS value at September 30, 2016 is over 25%.

6599 Glen Erin is still in the process of being repositioned to the same quality as 2757 Battleford.



2757 Battleford & 6599 Glen Erin Overview

| | |
|--------------------|--|
| Combined Suites | 416 |
| Combined Land Size | 39,089 m ² or 420,750 sq ft |

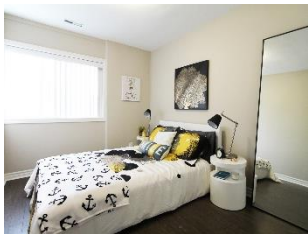
2757 Battleford Investment Highlights

| | |
|----------------------|-----------|
| Investment Timeframe | 49 Months |
| Purchase Price | \$23.9M |
| IRR* | 25% + |
| Equity Multiple | 2.78 |

*IRR is based on the property's IFRS value for the most recent quarter.



BRITANNIA PORTFOLIO



OTTAWA, ONTARIO

InterRent purchased this 286 unit portfolio in 2015. The average purchase price was \$97,028 per unit overall, which the REIT believes was well below market value.

Unit types consist of apartments, duplexes and semi-detached homes and are located along Britannia Park and the waterfront of the Ottawa River.

The average rent for the suites which have turned over since the acquisition of this portfolio in April 2015 is \$1,069. This is an increase of 31% from the average rent for this same group of suites at acquisition of \$817. Capital improvements at these properties include recladding of exteriors, new windows, new landscaping, intercom and security systems new laundry rooms, energy efficient lighting, upgraded boilers and renovated kitchens on turnover.

Within this portfolio, InterRent acquired duplex units at an average price of \$152k per unit. This leaves significant potential for upside value when compared to the average selling price of private duplexes in Britannia of \$388k.

Acquisition Highlights

| | |
|--------------------------------------|--|
| Number of Units | 286 |
| Price per Unit | \$97,028 |
| Going-In Cap Rate | 5.6% |
| Year 3 Projected cap Rate with Capex | 6.7% |
| Britannia Lot Size | 34,057 m ² or 366,586 sq ft |

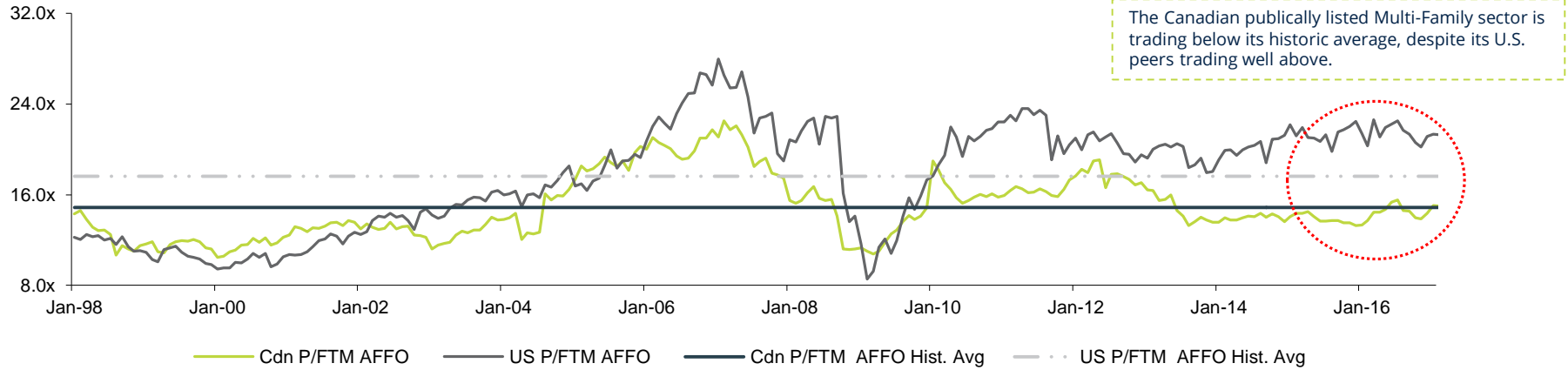
Sample Potential Upside Value: Duplexes

| | |
|-----------------------------------|----------------|
| InterRent Duplex Purchase Price | \$152k |
| Average Private Duplex Sale Price | \$388k |
| Potential Value | ~\$236k/duplex |

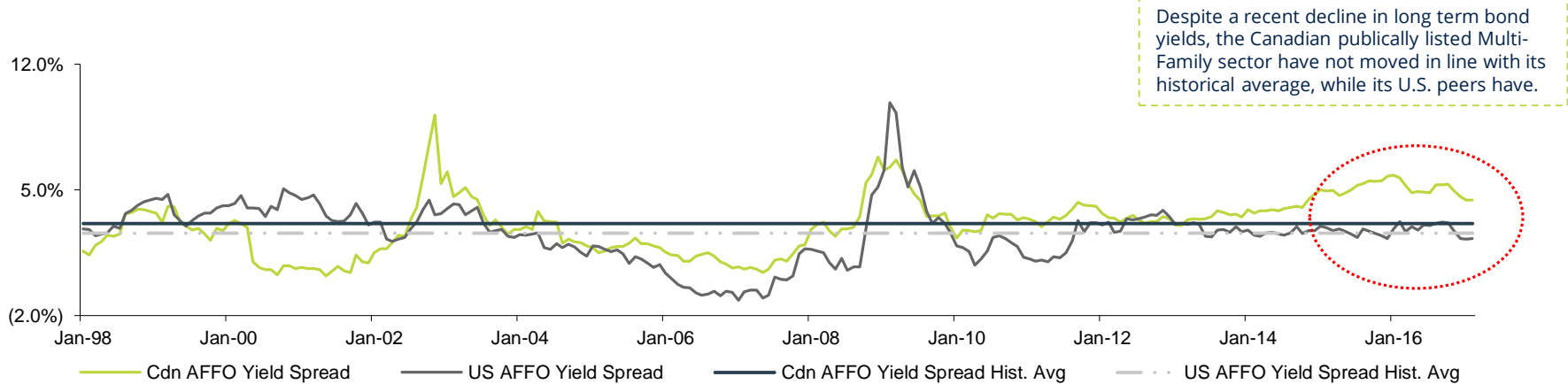


CANADIAN APARTMENT REITS: ON SALE RELATIVE TO U.S.

Historical Price / Consensus AFFO



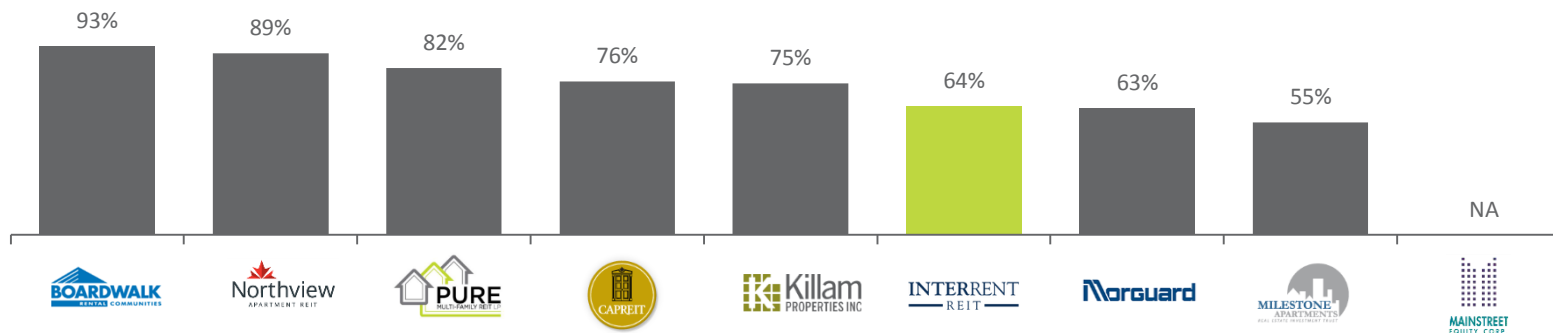
Historical AFFO Yield Spread





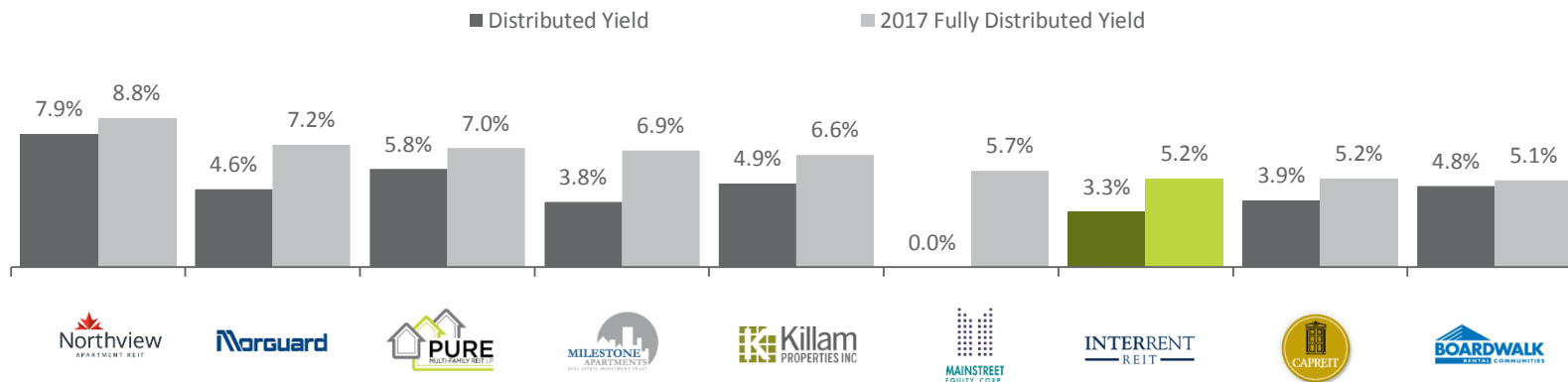
INTERRENT'S PAYOUT RATIO: REMAINS CONSERVATIVE

2017E AFFO Payout Ratio



Distribution Yields

| 2018 Fully Distributed Yield | 9.0% | 7.5% | 7.3% | 7.1% | 6.9% | 6.1% | 5.9% | 5.4% | 5.3% |
|------------------------------|------|------|------|------|------|------|------|------|------|
|------------------------------|------|------|------|------|------|------|------|------|------|

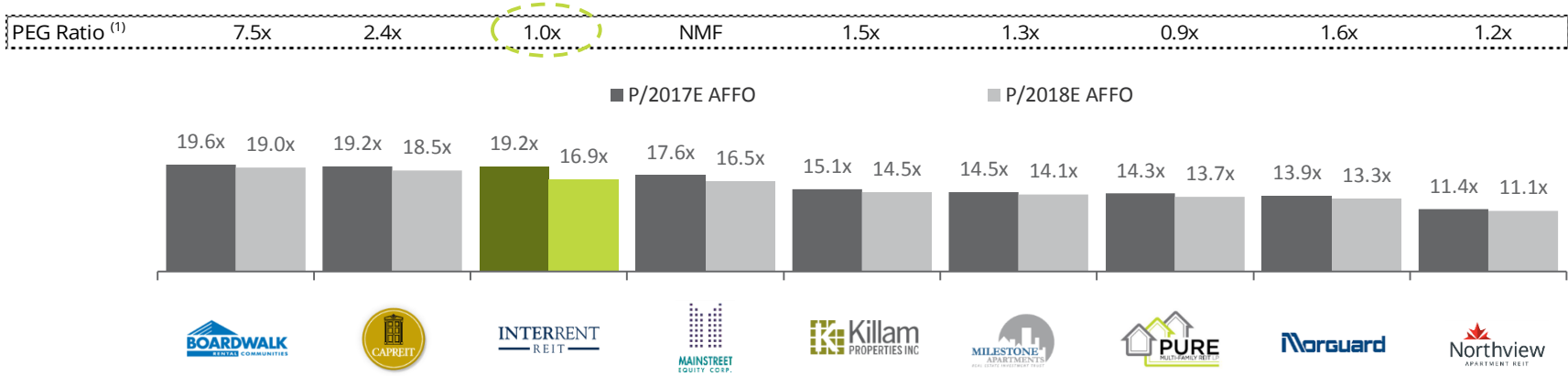


Figures based on consensus estimates as at January 31, 2017. Source: SNL.

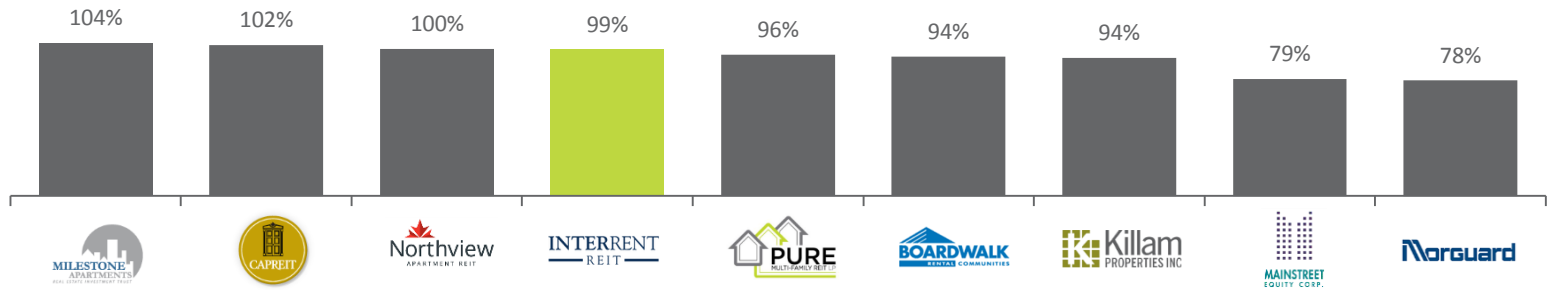


INTERRENT'S PEG RATIO: AT A DISCOUNT RELATIVE TO ITS PEERS

Price / Consensus AFFO



Price / Consensus NAV



Figures based on consensus estimates as at January 31, 2017.
Source: SNL.

(1) PEG Ratio = P/AFFO ('17E) / CAGR of AFFO ('16-'18E) + current yield



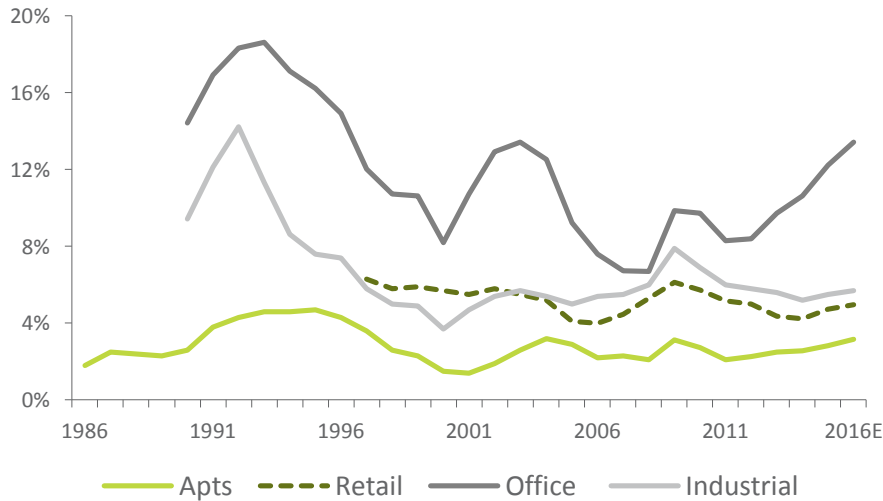
VERY DEFENSIVE ASSET CLASS

- Multi-family properties known as safest real-estate asset class
- Steady and stable rent increases enabled by short term lease durations
- Lower cost mortgage financing with CMHC insurance and mortgage renewal risk mitigated
- Acquisitions at discount to replacement cost

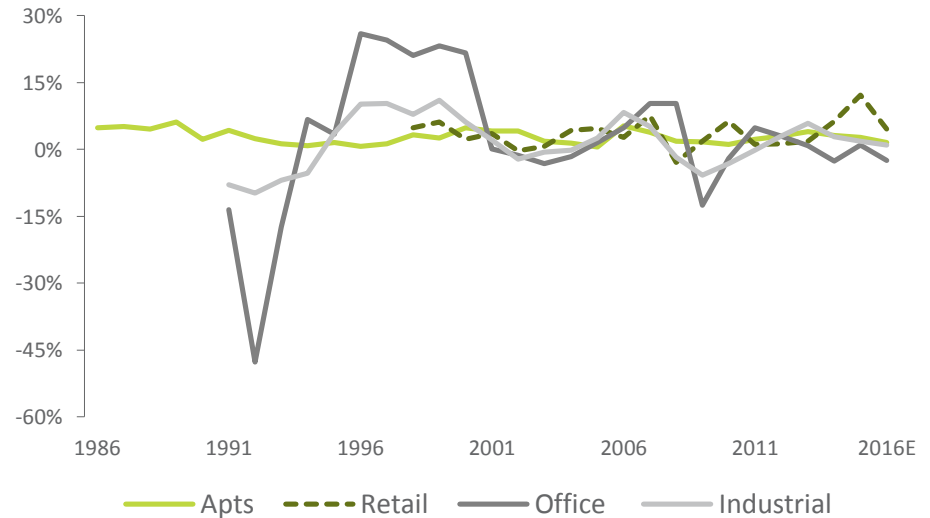
Stable Multi-Family Fundamentals

Multi-Family assets have experienced less volatile changes in vacancy and more stable Y/Y rent growth over the past 30 years relative to other real estate sectors

Historical Vacancy



Historical Y/Y Rent Growth

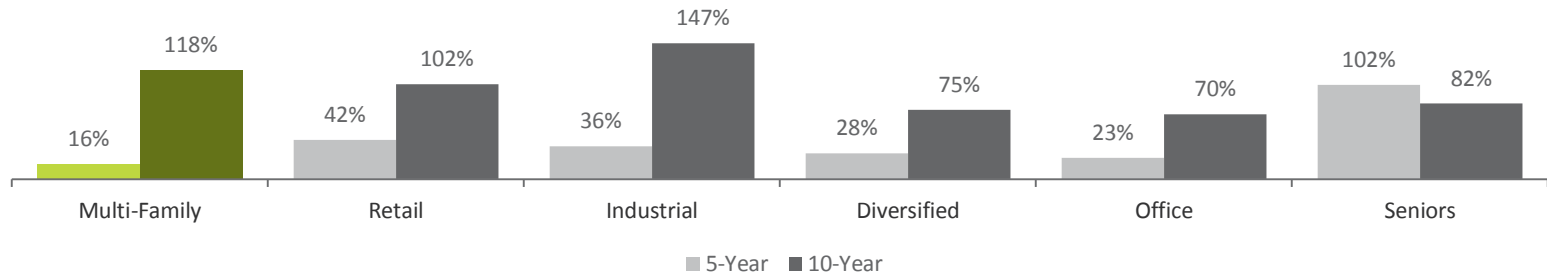




BEST RISK-ADJUSTED RETURNS

Sector Performance - Publicly Listed

Total Return (As at January 31, 2017)



Sector Performance - Private

Total Return (As at September 30, 2016)

