INTERRENT
REIT

NEWS RELEASE

INTERRENT REIT REPORTS Q1 2023 SAME PROPERTY NOI GROWTH OF 11.4%, THIRD CONSECUTIVE QUARTER WITH DOUBLE DIGIT GROWTH

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Ottawa, Ontario (May 9, 2023) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the first quarter ended March 31, 2023.

AMR growth and occupancy gains drive robust NOI margin expansion of 90bps over Q1 2022

- Same property occupancy for March 2023 was 96.9%, an increase of 140 basis points when compared to March 2022, inline with December 2022, helped drive same property NOI for the quarter to $35.8 million, an increase of $3.7 million, or 11.4%, over Q1 2022.
- Total occupancy for March 2023 was 96.8%, an increase of 130 basis points when compared to March 2022, which helped push proportionate NOI for the quarter to $36.3 million, an increase of $4.2 million, or 12.9%, over Q1 2022.
- Total portfolio and same property NOI margin of 62.9% for the quarter is a 90bps expansion over Q1 2022.
- Strong demand continued through the quarter, resulting in Average Monthly Rent (AMR) growth in March 2023 of 7.1% for the total portfolio and 6.7% for the same property portfolio, as compared to March 2022.
- Funds from Operations (FFO) of $18.9 million ($0.130 per Unit – diluted) in Q1 2023 is down 0.8% overall and 2.3% on a per Unit basis compared to Q1 2022 as a result of interest rate increases through 2022 and into the first quarter of 2023.
- Reported on 2022 sustainability objectives and goals with the concurrent release of the 3rd annual InterRent sustainability report, sharing the progress made as the REIT continues to execute on its sustainability strategy.

Strong revenue and NOI growth helps offset new norm of higher financing costs

As of March 31, 2023, InterRent had proportionate ownership in 12,689 suites, up 2.0% from 12,445 as of March 2022. Including properties that the REIT owns in its joint ventures, InterRent owned or managed 13,840 suites at March 31, 2023. At 96.8%, the March 2023 occupancy rate in InterRent's portfolio improved 130bps over March 2022 and is flat from December 2022. Within the same property portfolio, March 2023 occupancy was 96.9%, an increase of 140bps from March 2022 and a 10bps decrease from December 2022. AMR growth across the total portfolio was 7.1% for March 2023 as compared to March 2022, while same property AMR increased by an impressive 6.7% for the same period.

With record setting immigration in 2022 and continuing ambitious federal targets for 2023, strong leasing demand continues to drive AMR growth and strong occupancy numbers, resulting in total portfolio operating revenue growth of 11.3% over Q1 2022. Within the same property portfolio, these same factors have grown operating revenues by 9.8% compared to Q1 2022. NOI margin for the overall and same property portfolios were 62.9% for the quarter, a 90-basis points expansion over the same period last year.

In the quarter, the REIT increased its share of CMHC insured mortgages to 83%, from 82% at December 2022 and 71% at March 2022, providing added protection against any liquidity risks in the market. The average term to maturity for the mortgages sits at 5.1 years, a marginal decrease from 5.2 years at December 2022 and up from 4.5 years at March 2022. Despite a large rate swap maturing during the quarter, the REIT's variable rate exposure ended the quarter at 4%, a decrease from the 16% exposure at the end of Q1 2022. Financing activities during the quarter and changes to variable rates have resulted in the weighted average cost of mortgage debt increasing to 3.38% (+16bps from December 2022). Financing costs in Q1 2023 were consistent with Q4 2022 and came in at $13.9 million relative to $9.7 million in Q1 2022. The REIT has the majority of its remaining 2023 maturing mortgages at various stages of the review/approval process with CMHC. With the changes CMHC's recently announced to their insurance programs (including MLI Select), the proactive management of renewals and up-financings will minimize the impact of the change in premiums for 2023.

Net income for the quarter was $82.8 million, a decrease of $11.9 million compared to Q1 2022. This difference was due primarily to a $16.0 million difference in the unrealized gain/(loss) on the revaluation of financial liabilities (moving from a $10.0 million gain to a $6.0 million loss) and a $4.2 million increase in financing costs, offset by the increase in NOI and a $4.3 million increase in fair value gain on investment properties.

As a result of seasonality, FFO and AFFO typically decrease from Q4 to Q1 but both are up from $0.129 and $0.110 per Unit (diluted) recorded for Q4 2022. FFO on a per Unit (diluted) basis for the three months ended March 31, 2023 shrunk by 2.3% to $0.130 per Unit (diluted) compared to Q1 2022. Similarly, AFFO for the three months ended March 31, 2023 decreased by 5.8% to $0.113 per Unit (diluted) compared to 2022.

The Slayte

The Slayte development in Ottawa, the REIT's first office conversion project, is nearing completion with occupancy quickly approaching the 50% mark despite lease-up having mainly occurred during the weaker winter rental months. There continues to be strong momentum post quarter and demand is anticipated to continue and strengthen during the summer months. Takeout financing is underway with CMHC under its MLI Select program, where the community achieved the highest level in the program by scoring on all three criteria: energy efficiency, accessibility, and affordability.

2022 sustainability report highlights the REIT's significant progress

InterRent is concurrently publishing its 2022 sustainability report alongside its Q1 2023 results. The intent with this report is to provide a status update on the social and environment goals initially established in its inaugural 2020 report and subsequent updates in its 2021 report. The report is available for download in the sustainability section of InterRent's website (https://www.interrentreit.com/sustainability).

Commenting on the results published today, Brad Cutsey, President & CEO of InterRent, said: *"InterRent has maintained its impressive streak of double-digit same-property NOI growth during the quarter, with our core markets stronger than ever. The Slayte is off to a promising start, already reaching 50% occupancy and with the strong summer leasing months yet to come.*

Despite facing headwinds from higher financing costs, we have taken incremental steps to improve the resiliency of our debt portfolio. We are pleased to see further signs of market improvement with the Bank of Canada pausing rate hikes, and a modest pick-up in transaction activity.

We are also delighted to have published our third annual sustainability report, which highlights the significant progress we've made toward our goals. We will continue to enhance and execute on our sustainability strategy that will not only benefit our communities and the environment, but also drive returns for our stakeholders."

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended** **March 31, 2023**	**3 Months Ended** **March 31, 2022**	**Change**
Total suites	**12,689**[(1)]	12,445[(1)]	**+2.0%**
Average rent per suite (March)	**$ 1,504**	$ 1,404	**+7.1%**
Occupancy rate (March)	**96.8%**	95.5%	**+130 bps**
Proportionate operating revenues	**$ 57,740**	$ 51,877	**+11.3%**
Proportionate net operating income (NOI)	**$ 36,321**	$ 32,169	**+12.9%**
NOI %	**62.9%**	62.0%	**+90 bps**
Same Property average rent per suite (March)	**$ 1,498**	$ 1,404	**+6.7%**
Same Property occupancy rate (March)	**96.9%**	95.5%	**+140 bps**
Same Property proportionate operating revenues	**$ 56,915**	$ 51,814	**+9.8%**
Same Property proportionate NOI	**$ 35,781**	$ 32,129	**+11.4%**
Same Property NOI %	**62.9%**	62.0%	**+90 bps**
Net Income	**$ 82,761**	$ 94,632	**-12.5%**
Funds from Operations (FFO)	**$ 18,910**	$ 19,067	**-0.8%**
FFO per weighted average unit - diluted	**$ 0.130**	$ 0.133	**-2.3%**
Adjusted Funds from Operations (AFFO)	**$ 16,430**	$ 17,267	**-4.8%**
AFFO per weighted average unit - diluted	**$ 0.113**	$ 0.120	**-5.8%**
Distributions per unit	**$ 0.0900**	$ 0.0855	**+5.3%**
Adjusted Cash Flow from Operations (ACFO)	**$ 8,194**	$ 13,170	**-37.8%**
Debt-to-GBV	**38.0%**	36.4%	**+160 bps**
Interest coverage (rolling 12 months)	**2.52x**	3.31x	**-0.79x**
Debt service coverage (rolling 12 months)	**1.59x**	1.84x	**-0.25x**

(1) Represents 12,021 (2022 - 11,965) suites fully owned by the REIT, 1,214 (2022 - 960) suites owned 50% by the REIT, and 605 (2022 - nil) suites owned 10% by the REIT.

Conference Call

Management will host a webcast and conference call to discuss these results and current business initiatives on Tuesday, May 9, 2023 at 10:00 AM EST. The webcast will be accessible at: https://www.interrentreit.com/2023-q1-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 416-764-8687 (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 Proportionate Results, 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 May 9, 2023, which should be read in conjunction with this press release. Since Proportionate Results, 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