NEWS RELEASE

INTERRENT REIT REPORTS 15% SAME PROPERTY NOI GROWTH AND ACCELERATED NOI MARGIN EXPANSION IN Q2 2023

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Ottawa, Ontario (August 2, 2023) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the second quarter ended June 30, 2023.

Operational and Financial Highlights:

- Same Property and Total Portfolio occupancy for June 2023 were 95.4%, an increase of 30 basis points compared to the same period last year.
- Average Monthly Rent ("AMR") of $1,531 for the Total Portfolio and $1,523 for the same property portfolio, an increase of 6.8% and 6.5% year-over-year ("YoY") respectively.
- Same Property Net Operating Income ("NOI") for Q2 was $38.3 million, an increase of $5.0 million or 15.0% YoY.
- Total Portfolio NOI was $39.1 million, an increase of $5.6 million, or 16.8% YoY.
- NOI margin for the Same Property Portfolio and Total Portfolio were 66.3%, reflecting increases of 300 bps YoY.
- Funds from Operations ("FFO") of $19.6 million, a 3.7% increase from Q2 2022. FFO per unit (diluted) of $0.134, an increase of 2.3% YoY.
- Adjusted Funds from Operations ("AFFO") of $16.9 million, an increase of 3.8% YoY, and AFFO per unit (diluted) of $0.116, an increase of 2.7% YoY.
- Strong financial position with $282 million of available liquidity with Debt-to-Gross Book Value ("GBV") of 37.7%.
- Committed to sell a 54-suite property in Ottawa, Ontario for a sale price of $11.5 million, exceeding IFRS value.
- Purchased 26,300 units under the Normal Course Issuer Bid ("NCIB"), and subsequent to the quarter, purchased 130,900 units under an Automatic Unit Purchase Plan ("AUPP"), representing a total of 157,200 units at a weighted average per-unit price of $12.71.

Brad Cutsey, President and CEO of InterRent REIT, commented on the results:

"We're pleased to report on another solid quarter marked by back-to-back double-digit NOI growth and sustained expansion of NOI margins. AMR growth remained steady across our core markets, benefitting from the robust industry fundamentals that are showing no signs of slowing down. Our capital recycling program is now in motion, as we are committed to sell a non-strategic property at a price higher than its IFRS value. We continue to explore capital recycling opportunities and have identified various assets that could potentially provide net proceeds of over $75 million. While the completion of such transactions is subject to various factors and cannot be assured, we are confident that our well-defined disposition strategy will strengthen our balance sheet, help fund further growth opportunities, and allow us to continue to be active in our NCIB."

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data		**3 Months Ended June 30, 2023**		**3 Months Ended June 30, 2022**	**Change**
Total suites		**12,709**[(1)]		12,573[(1)]	**+1.1%**
Average rent per suite (June)	**$**	**1,531**	$	1,433	**+6.8%**
Occupancy rate (June)		**95.4%**		95.1%	**+30 bps**
Proportionate operating revenues	**$**	**58,963**	$	52,845	**+11.6%**
Proportionate net operating income (NOI)	**$**	**39,068**	$	33,446	**+16.8%**
NOI %		**66.3%**		63.3%	**+300 bps**
Same Property average rent per suite (June)	**$**	**1,523**	$	1,430	**+6.5%**
Same Property occupancy rate (June)		**95.4%**		95.1%	**+30 bps**
Same Property proportionate operating revenues	**$**	**57,787**	$	52,662	**+9.7%**
Same Property proportionate NOI	**$**	**38,334**	$	33,322	**+15.0%**
Same Property NOI %		**66.3%**		63.3%	**+300 bps**
Net Income	**$**	**36,786**	$	77,607	**-52.6%**
Funds from Operations (FFO)	**$**	**19,584**	$	18,880	**+3.7%**
FFO per weighted average unit - diluted	**$**	**0.134**	$	0.131	**+2.3%**
Adjusted Funds from Operations (AFFO)	**$**	**16,877**	$	16,262	**+3.8%**
AFFO per weighted average unit - diluted	**$**	**0.116**	$	0.113	**+2.7%**
Distributions per unit	**$**	**0.0900**	$	0.0855	**+5.3%**
Adjusted Cash Flow from Operations (ACFO)	**$**	**20,627**	$	16,648	**+23.9%**
Proportionate Debt-to-GBV		**37.7%**		37.3%	**+40 bps**
Interest coverage (rolling 12 months)		**2.37x**		3.19x	**-0.82x**
Debt service coverage (rolling 12 months)		**1.54x**		1.82x	**-0.28x**

(1) Represents 12,041 (2022 - 11,965) suites fully owned by the REIT, 1,214 (2022 - 1,214) suites owned 50% by the REIT, and 605 (2022 - nil) suites owned 10% by the REIT.

Disciplined portfolio growth underpinned by industry fundamentals

As of June 30, 2023, InterRent had proportionate ownership in 12,709 suites, up 1.1% from 12,573 as of June 2022. Including properties that the REIT owns in its joint ventures, InterRent owned or managed 13,860 suites at June 30, 2023. At 95.4%, the June 2023 occupancy rate in InterRent's same property and total portfolios improved 30 bps over June 2022. Total portfolio occupancy is 140 bps lower than March 2023, and same property occupancy is 150 bps lower, this is due to seasonal fluctuations and is in line with the long-term average for June. AMR growth across the total portfolio was 6.8% for June 2023 as compared to June 2022, while same property AMR increased by an impressive 6.5% 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 11.6% over Q2 2022. Within the same property portfolio, these same factors have grown operating revenues by 9.7% compared to Q2 2022. NOI margin expansion for the overall portfolio and same property portfolio both accelerated to 300 basis points, reaching 66.3% during the quarter.

Strong debt profile, focused on optimizing mortgages

Financing costs in Q2 2023 came in at $15.0 million, compared to $10.4 million in Q2 last year, reflecting the impact from the Bank of Canada's interest rate increases between March of 2022 and June of 2023.

Weighted average cost of mortgage debt increased marginally from March 2023 to 3.43%, and variable rate exposure ended the quarter at 5%, a marginal increase from 4% at the prior quarter but decreased substantially from the same period last year at 14%. The REIT has continued to actively manage its mortgage ladder, with its share of CMHC insured mortgages at 83%, consistent with March 2023.

Debt-to-GBV was at 37.7%, an increase of 40 basis points year over year and a decrease of 30 basis points when compared to March. With a conservative debt-to-GBV and $282 million of available liquidity, the REIT has significant financial flexibility for future capital programs, development opportunities and acquisitions.

Net income affected by fair value adjustments

Net income for the quarter was $36.8 million, a decrease of $40.8 million compared to Q2 2022. This decrease was primarily due to a $20.4 million difference in fair value adjustments of investment properties (moving from a $27.8 million gain to a $7.4 million gain). These fair value adjustments reflect an expansion of capitalization rates during the year. The REIT's weighted average capitalization rate used across the portfolio at the end of Q2 2023 was 4.07%, an expansion of 3 basis points from Q1 2023, driven by greater cap rate increase in the suburban Other Ontario region.

The decrease in net income during Q2 2023 is also attributable to a $21.1 million drop in unrealized gain on financial liabilities (a $10.1 million gain compared to a $31.2 million gain during the same period last year).

FFO increased 3.7% from last year to $19.6 million and on a per unit basis increased 2.3% to $0.134. AFFO during the quarter increased 3.8% to $16.9 million, and on a per unit basis increased 2.7% on a per unit basis to $0.116.

Momentum at the Slayte remains strong

The Slayte development in Ottawa, the REIT's first office conversion project, has reached the final stages of its interior construction. Located near LRT lines and steps to the Parliament, the building has captured considerable attention. The lease rate has surpassed 60% and the REIT is optimistic that the leasing momentum will continue throughout the rest of the leasing season.

Conference Call

Management will host a webcast and conference call to discuss these results and current business initiatives on Wednesday, August 2, 2023 at 10:00 AM EST. The webcast will be accessible at: https://www.interrentreit.com/2023-q2-results. A replay will be available for 7 days after the webcast at the same link. The telephone numbers for the conference call are 1-888-396-8049 (toll free) and 416-764-8646 (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 August 2, 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.

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