NEWS RELEASE

INTERRENT REIT PICKS UP GROWTH MOMENTUM WITH STRONG Q4 RESULTS

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Ottawa, Ontario (February 29, 2024) – 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, 2023.

Fourth Quarter Highlights:

- Total and same-property portfolio occupancy rate of 97.0% for December 2023, an improvement of 180 bps from September 2023, and 20 bps compared to December 2022.
- Average Monthly Rent ("AMR") growth of 7.9% for the total portfolio and 7.5% for the same property portfolio for December 2023, as compared to December 2022.
- For the three months ended December 31, 2023, same property proportionate Net Operating Income ("NOI") of $39.7 million, an increase of $3.8 million, or 10.5% year-over-year ("YoY"). Total portfolio proportionate NOI of $40.6 million, an increase of $4.0 million for the three months ended December 31, 2023, or 11.1% YoY.
- Same property NOI margin increased by 140 bps from December 2022 to reach 65.6% for the three months ended December 31, 2023.
- Funds from Operations ("FFO") of $20.8 million for the three months ended December 31, 2023, an increase of 11.2% compared to the same period last year. FFO per unit (diluted) of $0.142, an increase of 10.1% YoY.
- Adjusted Funds from Operations ("AFFO") of $18.1 million, reflecting an improvement of 13.1%. AFFO per unit (diluted) of $0.124, up 12.7% YoY.
- Lease-up at the REIT's first office conversion community, The Slayte, exceeded 90% by the end of February 2024.
- Announced refreshed brand identity with new logo, brand message, and new website: irent.com.
- Sold five properties in Côte-Saint-Luc, Quebec totalling 224 suites for $46.0 million, or approximately $205,000 per suite, above their IFRS values. The transaction generated net cash proceeds of approximately $22 million. Proceeds have been used to reduce variable rate debt exposure which is immediately accretive to the REIT.
- Subsequent to the quarter, successfully financed $183.5 million of maturing mortgages at an average rate of 4.25% (maturing mortgages of $144.9 million at an average rate of 6.06%).

2023 Fiscal Year Highlights:

- Same property proportionate NOI reached $153.4 million for the 12 months ended December 31, 2023, an increase of $16.2 million, or 11.8% from 2022.
- For year ended December 31, 2023, total portfolio proportionate NOI of $156.3 million, an increase of $17.8 million, or 12.9% YoY.
- Total portfolio and same property NOI margin of 65.6% for the year, an improvement of 160 bps and 170 bps respectively.
- FFO of $80.6 million for the 12 months ended December 31, 2023 ($0.551 per Unit – diluted) is up 4.8%, or 3.6% on a per-unit basis compared to 2022.
- AFFO of $70.4 million for the 12 months ended December 31, 2023 ($0.482 per Unit – diluted) reflects a YoY increase of 4.5%, or 3.4% on a per-unit basis.
- The REIT ended the year in a strong financial position, with $252.2 million of available liquidity, and Debt-to-Gross Book Value ("GBV") of 38.1%, a 20 bps improvement compared to December 2022 of 38.3%.
- Achieved building certification for 10,174 suites through the Certified Rental Building Program (CRBP), representing 73.2% of total suites as of December 2023.

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

"2023 has been a year of building strength for InterRent. We witnessed four consecutive quarters of double-digit NOI growth and consistent NOI margin expansion. We ended the year with occupancy reaching the optimal level at 97%, and annual FFO hitting $80.6 million, our highest yet. Progressing with our disposition program, we are further enhancing our financial flexibility and are strategically positioned to pursue external growth opportunities that complement our robust organic growth. The brand refresh that we announced in the fourth quarter was well-received, setting the stage for the next chapter of our journey from a position of strength. I want to thank our dedicated team, and all stakeholders for supporting us throughout this transformative year. I look forward to the year ahead and am excited about what we can achieve together."

interRent™

Financial Highlights:

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	3 Months Ended December 31, 2023	3 Months Ended December 31, 2022	Change	12 Months Ended December 31, 2023	12 Months Ended December 31, 2022	Change
Total suites				12,756[1]	12,610[1]	+1.2%
Average rent per suite (December)				$ 1,596	$ 1,479	+7.9%
Occupancy rate (December)				97.0%	96.8%	+20 bps
Proportionate operating revenues	$ 61,881	$ 56,866	+8.8%	$ 238,180	$ 216,454	+10.0%
Proportionate net operating income (NOI)	$ 40,580	$ 36,539	+11.1%	$ 156,260	$ 138,463	+12.9%
NOI %	65.6%	64.3%	+130 bps	65.6%	64.0%	+160 bps
Same Property average rent per suite (December)				$ 1,585	$ 1,474	+7.5%
Same Property occupancy rate (December)				97.0%	96.8%	+20 bps
Same Property proportionate operating revenues	$ 60,608	$ 56,037	+8.2%	$ 233,809	$ 214,576	+9.0%
Same Property proportionate NOI	$ 39,748	$ 35,962	+10.5%	$ 153,399	$ 137,183	+11.8%
Same Property NOI %	65.6%	64.2%	+140 bps	65.6%	63.9%	+170 bps
Net Income (Loss)	$ 27,253	$ (100,950)	-127.0%	$ 92,240	$ 103,959	-11.3%
Funds from Operations (FFO)	$ 20,773	$ 18,677	+11.2%	$ 80,602	$ 76,933	+4.8%
FFO per weighted average unit- diluted	$ 0.142	$ 0.129	+10.1%	$ 0.551	$ 0.532	+3.6%
Adjusted Funds from Operations (AFFO)	$ 18,132	$ 16,031	+13.1%	$ 70,396	$ 67,366	+4.5%
AFFO per weighted average unit-diluted	$ 0.124	$ 0.110	+12.7%	$ 0.482	$ 0.466	+3.4%
Distributions per unit	$ 0.0930	$ 0.0885	+5.1%	$ 0.3630	$ 0.3450	+5.2%
Adjusted Cash Flow from Operations (ACFO)	$ 30,617	$ 24,872	+23.1%	$ 76,853	$ 78,446	-2.0%
Debt-to-GBV				38.1%	38.3%	-20 bps
Interest coverage (rolling 12 months)				2.29x	2.70x	-0.41x
Debt service coverage (rolling 12 months)				1.54x	1.65x	-0.11x

(1) Represents 12,088 (2022 - 12,003) 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.

Robust top-line growth with occupancy at optimal level

Including properties that the REIT owns in its joint ventures, InterRent owned or managed 13,907 suites at December 31, 2023. On a proportionate basis, InterRent had ownership in 12,756 suites, up 1.2% from 12,610 as of December 2022.

AMR growth across the total portfolio gained further momentum to reach 7.9% as compared to December 2022, while same property AMR increased by 7.5% for the same period. Rent growth is robust across all regional markets, with the most significant increases in GTHA and Other Ontario, each exceeding 8% in total and same property AMR growth.

December 2023 occupancy rate in the REIT's same property and total portfolio both increased 20 bps over December 2022 to 97.0%, in line with the REIT's strategic target for optimal occupancy levels. Compared to September 2023, occupancy increased in all regional markets except the Great Vancouver Area, which represented 4% of Q4 NOI. The change is primarily attributable to planned maintenance and upgrades in recently vacated suites with occupancy trending higher post the quarter.

The strong AMR growth and leasing demand have resulted in an increase to total portfolio proportionate revenue of 10.0% year over year and 9.0% for the proportionate same property portfolio during the year. On an annual basis, NOI margin for the same property and total portfolio improved by 170 bps and 160 bps respectively to reach 65.6%. Proportionate Net Operating Income for fiscal year 2023 reached $156.3 million for the total portfolio and $153.4 million for the same property portfolio, an increase of 11.8% year over year.

Strong operating results drive bottom-line expansion

InterRent achieved FFO per Unit of $0.142 for the quarter and $0.551 for the fiscal year, an increase of 10.1% and 3.6% respectively. AFFO per Unit reached $0.124 for Q4 and $0.482 for 2023, reflecting an increase of 12.7% and 3.4% respectively.

Net income for the fourth quarter was $27.3 million, compared to a net loss of $101.0 million in Q4 2022. This improvement is primarily attributable to a modest fair value gain on investment properties, driven by stabilized cap rates, compared to a $107.7 million fair value losses in the same period in 2022.

Fortified financial position with increased financial flexibility

Financing costs in Q4 amounted to $15.6 million, or 25.1% of operating revenue, compared to $13.9 million, or 24.5% of operating revenue for the same quarter in 2022. This increase was driven by rising interest rates and higher amount of outstanding mortgage debt, both from growth in the portfolio as well as new mortgages and successful up-financings. On an annual and proportionate basis, financing costs amounted to $59.0 million or 24.9% of operating income in 2023, compared to $46.4 million, or 21.5% of operating income for 2022.

Weighted average cost of mortgage debt increased marginally from September 2023 to 3.50%, and variable rate exposure ended the quarter at 5%, in line with the prior quarter and an increase from the same period last year at 3%. Including credit facilities, the REIT's variable rate exposure as of Q4 was 7%.

Debt-to-GBV ratio decreased 20 bps year over year and 50 bps quarter over quarter and ended the year at 38.1%. With Debt-to-GBV remaining at a healthy level and $252.2 million of available liquidity, the REIT remains in a solid financial position to execute on its growth strategies.

Following the end of FY 2023, the REIT successfully completed financing activities totalling $183.5 million on $144.9 million of maturing debt. Net proceeds from mortgage financing and dispositions further reduced the REIT's variable rate exposure, including credit facilities, to less than 1%. Following these transactions, the REIT has a weighted average interest rate of mortgage debt of 3.37%.

Strategic dispositions of five non-core assets

During Q4 2023, InterRent committed to the sale of five non-core properties, totalling 224 suites in Côte-Saint-Luc of the Greater Montreal Area, Quebec. The sale closed in February 2024. Total sale price of $46.0 million, or approximately $205,000 per suite, is above the REIT's IFRS values for the assets. Proceeds of the sale, net of mortgages ($22.8 million at 4.52%), commissions and closing costs, is approximately $22 million and have been used to reduce the REIT's exposure to variable rate debt. The impact from the sale on the REIT's Debt-to-GBV ratio is a reduction of approximately 10 basis points. The transaction is immediately accretive to the REIT.

Making meaningful progress with Building Certification Program

InterRent continued to expand its building certification program during the quarter. Following the successful pilot program, where six communities were certified with the Certified Rental Building Program ("CRBP"), the REIT is thrilled to announce the certification of an additional 140 communities in Ontario and 21 in Vancouver.

The building certification achievement represents a major milestone for InterRent, with certification now attained for 100% of its Vancouver portfolio and 99% of its Ontario portfolio. This achievement underscores the REIT's dedication to sustainable practices across its communities, where 73.2% of total suites are now certified.

As of the end of December 31, 2023, the REIT has completed all requirements to further certify substantially all the rest of its portfolio with certification confirmation expected in the next few months.

Explore InterRent's 2023 interactive Annual Report

InterRent released its interactive 2023 Annual Report and encourages investors to explore it to gain a deeper understanding of the REIT's operations and financial performance, and commitment to sustainable growth. The interactive annual report can be accessed from the REIT's investor relations website.

Conference Call & Webcast

Management will host a webcast and conference call to discuss these results and current business initiatives on Thursday, February 29, 2023 at 10:00 am EST. The webcast will be accessible at: https://www.irent.com/2023-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 1-800-717-1738 (toll free) and (+1) 289-514-5100 (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) to grow both funds from operations per Unit and net asset value per Unit through investments in a diversified portfolio of multi-residential properties; (ii) to provide Unitholders with sustainable and growing cash distributions, payable monthly; and (iii) to 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 February 29, 2024, 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.

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The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.