NEWS RELEASE

INTERRENT REIT DELIVERS DOUBLE-DIGIT NOI AND FFO GROWTH IN Q1 2024

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Ottawa, Ontario (May 9, 2024) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the first quarter ended March 31, 2024.

Q1 2024 Highlights:

- Total portfolio occupancy rate of 96.8%, consistent with March 2023 and a normal seasonal decrease of 20 basis points from December 2023.
- Same-property portfolio occupancy rate of 96.8% in March, an increase of 10 basis points from March 2023, and a decrease of 20 basis points when compared to December 2023.
- Average Monthly Rent ("AMR") growth of 7.8% for the total portfolio and 7.1% for the same property portfolio for March 2024, as compared to March 2023.
- Executed 461 new leases, achieving an average gain-on-lease of 20.3% compared to expiring rents.
- For the three months ended March 31, 2024, same property proportionate Net Operating Income ("NOI") of $38.7 million, an increase of $4.0 million, or 11.7% year-over-year ("YoY").
- Total portfolio proportionate NOI of $40.4 million, an increase of $4.1 million for the three months ended March 31, 2023, or 11.2% YoY.
- Same property NOI margin increased by 230 bps from March 2023 to reach 65.2% for the three months ended March 31, 2024. Total portfolio NOI margin of 65.0%, an increase of 210 bps YoY.
- Funds from Operations ("FFO") of $21.1 million for the three months ended March 31, 2024, an increase of 11.7% compared to the same period last year. FFO per unit (diluted) of $0.144, an increase of 10.8% YoY.
- Adjusted Funds from Operations ("AFFO") of $18.5 million, reflecting an improvement of 12.8%. AFFO per unit (diluted) of $0.126, up 10.8% YoY.
- Committed to sell non-core properties totalling 497 suites in the National Capital Region for $92.0 million, or approximately $185,000 per suite, above their IFRS values. Proceeds, net of the mortgages associated with the properties and disposition costs, of approximately $66.5 million will be used to fund operating and investment priorities, consistent with the REIT's capital allocation strategy. The transaction is anticipated to close in Q2 2024.

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

"We delivered another quarter of significant growth in Revenue, Net Operating Income, and Funds from Operations per Unit. We anticipate that sustained strength in rental market fundamentals across all our markets will continue to underpin organic growth and performance in the years to come. We are also pleased to have further advanced our strategic disposition program and achieved premium pricing above IFRS fair values. So far in 2024, net proceeds from our two strategic dispositions have provided us with sufficient capital to fund our capital allocation priorities. With variable debt exposure already reduced to below 1%, we are now well positioned to pursue internal and external growth opportunities as well as NCIB. We will prudently execute our capital allocation strategy to drive long-term value for stakeholders."

Financial Highlights:

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended March 31, 2024**	**3 Months Ended March 31, 2023**	**Change**
Total suites	**12,544[1]**	12,689[1]	**-1.1%**
Average rent per suite (March)	**$ 1,622**	$ 1,504	**+7.8%**
Occupancy rate (March)	**96.8%**	96.8%	**no change**
Proportionate operating revenues	**$ 62,104**	$ 57,740	**+7.6%**
Proportionate net operating income (NOI)	**$ 40,396**	$ 36,321	**+11.2%**
NOI %	**65.0%**	62.9%	**+210 bps**
Same Property average rent per suite (March)	**$ 1,635**	$ 1,526	**+7.1%**
Same Property occupancy rate (March)	**96.8%**	96.7%	**+10 bps**
Same Property proportionate operating revenues	**$ 59,409**	$ 55,125	**+7.8%**
Same Property proportionate NOI	**$ 38,717**	$ 34,669	**+11.7%**
Same Property NOI %	**65.2%**	62.9%	**+230 bps**
Net Income (Loss)	**$ 26,699**	$ 82,761	**-67.7%**
Funds from Operations (FFO)	**$ 21,128**	$ 18,910	**+11.7%**
FFO per weighted average unit - diluted	**$ 0.144**	$ 0.130	**+10.8%**
Adjusted Funds from Operations (AFFO)	**$ 18,534**	$ 16,430	**+12.8%**
AFFO per weighted average unit - diluted	**$ 0.126**	$ 0.113	**+11.5%**
Distributions per unit	**$ 0.0945**	$ 0.0900	**+5.0%**
Adjusted Cash Flow from Operations (ACFO)	**$ 15,202**	$ 8,194	**+85.5%**
Debt-to-GBV	**37.5%**	38.0%	**-50 bps**
Interest coverage (rolling 12 months)	**2.31x**	2.52x	**-0.21x**
Debt service coverage (rolling 12 months)	**1.55x**	1.59x	**-0.04x**

(1) Represents 11,876 (2023 - 12,021) suites fully owned by the REIT, 1,214 (2023 - 1,214) suites owned 50% by the REIT, and 605 (2023 - 605) suites owned 10% by the REIT.

Fundamentals Underpin Sustained Top-Line Growth

Including properties that the REIT owns in its joint ventures, InterRent owned or managed 13,695 suites at March 31, 2024. On a proportionate basis, InterRent had ownership in 12,544 suites, a decrease of 1.1% from 12,689 as of March 2023.

Momentum in AMR growth continued during the quarter, reaching 7.8% in March 2024 when compared to the same period last year. Same property AMR year-over-year growth reached 7.1%. AMR growth is made up of rent growth on lease renewals and on suite turns from new residents moving in during the quarter. The REIT realized significant gain-on-lease of 20.3% in Q1, supported by strong rental market conditions. Turnover rates remained consistent with last year, with TTM turnover remains at 24.8%. The REIT estimates the average market rental gap on the total portfolio continues to be approximately 30%.

Rent growth is robust across all regional markets, with the most significant increases in GVA and Other Ontario, each exceeding 8% in total and same property AMR growth.

Occupancy rates in March 2024 remained steady at 96.8%, in line with the REIT's strategic target for optimal occupancy levels. Compared to March last year, occupancy was unchanged in the total portfolio and showed a 10 bps increase in the Same Property Portfolio. Occupancy rates remained stable in regional markets, with improvements in the Greater Montreal Area and Greater Toronto & Hamilton Area and decreases in the National Capital Region, Greater Vancouver Area, and Other Ontario. These fluctuations are within expected variations, as the REIT continues to balance short-term occupancy with long-term rental revenue growth.

Driven by AMR growth and leasing demand, the REIT achieved strong gross rental revenue of $61.3 million, an increase of 7.9% compared to the same period last year. NOI margin for the same property and total portfolio improved by 210 bps and 230 bps respectively to reach 65.0% and 65.2%. Proportionate Net Operating Income for the total portfolio was $40.4 million, a 11.2% increase and same-property NOI increased 11.7% to reach $38.7 million.

Delivered Double-Digit FFO and AFFO Growth

InterRent achieved a 11.7% increase in Funds from Operations and a 10.8% increase in FFO per unit. AFFO growth was 12.8% and 11.5% on a per unit basis. This growth in FFO and AFFO was attributable to increased NOI and was partially offset by higher interest expenses. Financing costs in Q1 amounted to $15.1 million on a proportionate basis, or 24.5% of operating revenue, compared to $13.9 million, or 24.0% of operating revenue for the same period last year. This increase was driven by the impact of rising interest rates on the 2023 mortgage refinancings as well as variable rate debt exposure. The refinancings in Q1 as well as the reduction in variable rate exposure resulted in Q1 financing costs being lower that Q4 of 2023.

Net income for the quarter was $26.7 million, a decrease of $56.1 million compared to Q1 2023, primarily driven by unrealized gains on the fair value adjustments of investment properties and is partially offset by the increase in NOI and a lower unrealized loss on the revaluation of unit-based liabilities.

Disciplined Capital Allocation Strengthens Balance Sheet

During the quarter, InterRent successfully executed refinancing activities that reduced the weighted average cost of mortgage debt to 3.37% from 3.50% and increased overall term to maturity to 5.1 years from 4.7 years at the end of 2023. As of March 31, 90% of the REIT's mortgage debt is backed by CMHC, up from 83% as of December 31, 2023. The mortgage refinancing and dispositions allowed the REIT to further reduce its variable-rate debt from approximately 5% of its mortgage debt (7% when including line of credit) at the beginning of the quarter to less than 1% at quarter end. InterRent decreased its debt as a percentage of total assets by 60 basis points to 37.5% from 38.1% at December 31, 2023. With Debt-to-GBV remaining at a healthy level, the REIT remains in a solid financial position to execute on its growth strategies.

Strategic Dispositions of Non-Core Assets in NCR

During Q1 2024, InterRent committed to the sale of non-core properties, totalling 497 suites in the National Capital Region for $92.0 million, or approximately $185,000 per suite, above their IFRS values. Proceeds net of the mortgages associated with the properties and disposition costs amount to approximately $66.5 million. This transaction is expected to close in Q2 2024. Net proceeds of the sale will be used to fund operating priorities and accretive growth opportunities, consistent with the REIT's capital allocation strategy.

The combined net proceeds from this disposition, along with the one in the Greater Montreal Area, which closed in February, amount to approximately $88.5 million. This exceeds the REIT's anticipated near-term proceeds from dispositions, originally projected at $75 million and mentioned in August 2023.

Sustainability Progress

InterRent remains committed to advancing sustainability initiatives to enhance efficiency, reduce carbon footprints, and build resilience against climate change impacts. During the quarter, the REIT invested approximately $460,000 in energy projects such as high-efficiency boilers, LED lights, lighting controls, variable frequency drivers, and building automation systems, paving the way for continued improvements in natural gas and electricity usage.

InterRent provided energy training sessions to operations, construction, and asset management teams across three regional markets to enhance awareness and empower its team members to actively contribute to energy conservation efforts.

The REIT is set to release its sustainability report in the upcoming weeks to provide stakeholders with updates on the REIT's sustainability initiatives, progress made, and future sustainability goals.

Conference Call & Webcast

Management will host a webcast and conference call to discuss these results and current business initiatives on Thursday, May 9, 2024, at 10:00 am EST. The webcast will be accessible at: https://www.irent.com/2024-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 1-800-717-1738 (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 May 9, 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.sedarplus.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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