INTERRENT REIT

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News Release

InterRent REIT Reports Results for the Second Quarter of 2018

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Ottawa, Ontario (August 14, 2018) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the second quarter ended June 30, 2018.

Highlights

- Gross rental revenue for the quarter increased by $4.5 million, or 17.1%, over Q2 2017.
- Average monthly rent per suite for the entire portfolio increased to $1,148 (June 2018) from $1,079 (June 2017), an increase of 6.4%. The same property portfolio increased to $1,143 (June 2018) from $1,069 (June 2017), an increase of 6.9%.
- Occupancy for the overall portfolio was 94.0%, a decrease of 170 basis points (June 2018 compared to June 2017). Occupancy for the same property portfolio was 95.1%, a decrease of 50 basis points (June 2018 compared to June 2017).
- Net Operating Income (NOI) for the quarter was $20.0 million, an increase of $4.0 million, or 25.1%, over Q2 2017. NOI margin for the quarter was 64.7%, up 410 basis points over Q2 2017.
- Same property NOI for the quarter was $16.9 million, an increase of $2.0 million, or 13.5%, over Q2 2017. Same property NOI margin for the quarter was 65.5%, up 390 basis points over Q2 2017.
- Fair value gain on investment properties in the quarter of $52.0 million was driven by property level operating improvements as well as a reduction in the overall weighted average capitalization rate to 4.46% from 4.50% at Q1 2018.
- Net income for the quarter was $56.6 million, compared to $39.2 million for Q2 2017. The increase of $17.4 million was driven primarily by rental growth as well as the fair value gain on investment properties.
- Funds from Operations (FFO) increased by $2.6 million, or 30.8%, for the quarter. Fully diluted FFO per unit increased by 11.0%, from $0.100 per unit to $0.111 per unit.
- Adjusted Funds from Operations (AFFO) increased by $2.0 million, or 27.5%, for the quarter. Fully diluted AFFO per unit increased by 8.0% from $0.088 per unit to $0.095 per unit.
- Adjusted Cash Flow from Operations (ACFO) increased by $0.2 million, or 1.9%, to $8.4 million for the quarter.
- Debt to GBV at quarter end was 43.5%, a decrease of 430 basis points from December 2017.
- Purchased 62 suites in one of our key growth markets of Hamilton for a purchase price of $10.5 million
- Subsequent to the quarter end, on August 9, 2018, the REIT completed a public offering of 10,798,500 trust units from treasury, at a price of $10.65 per Unit for gross proceeds of $115.0 million.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended June 30, 2018**	**3 Months Ended June 30, 2017**	**Change**
Total suites	**9,021**	8,282	**+8.9%**
Average rent per suite (March)	**$1,148**	$1,079	**+6.4%**
Occupancy rate (March)	**94.0%**	95.7%	**-170bps**
Operating revenues	**$30,914**	$26,361	**+17.3%**
Net operating income (NOI)	**$19,994**	$15,978	**+25.1%**
NOI %	**64.7%**	60.6%	**+410bps**
Same property average rent per suite (March)	**$1,143**	$1,069	**+6.9%**
Same property occupancy rate (March)	**95.1%**	95.6%	**-50bps**
Same property NOI	**$16,942**	$14,928	**+13.5%**
Same property NOI %	**65.5%**	61.6%	**+390bps**
Net Income/(loss)	**$56,612**	$39,231	**+44.3%**
Funds from Operations (FFO)	**$10,917**	$8,344	**+30.8%**
FFO per weighted average unit – diluted	**$0.111**	$0.100	**+11.0%**
Adjusted Funds from Operations (AFFO)	**$9,406**	$7,380	**+27.5%**
AFFO per weighted average unit – diluted	**$0.095**	$0.088	**+8.0%**
Distributions per unit	**$0.0675**	$0.0608	**+11.0%**
Adjusted Cash Flow from Operations (ACFO)	**$8,396**	$8,242	**+1.9%**
Debt to GBV	**43.5%**	49.5%	**-600bps**
Interest coverage (rolling 12 months)	**2.81x**	2.61x	**+0.20x**
Debt service coverage (rolling 12 months)	**1.80x**	1.64x	**+0.16x**

Gross rental revenue for the quarter was $30.9 million, an increase of $4.5 million, or 17.1%, compared to Q2 2017. Operating revenue for the quarter was up $4.6 million to $30.9 million, or 17.3% compared to Q2 2017. The average monthly rent across the portfolio for June 2018 increased to $1,148 per suite from $1,079 (June 2017), an increase of 6.4%. The June 2018 vacancy rate across the entire portfolio was 6.0%, an increase from 4.3% recorded in June 2017. "Continued strong demand in our key growth markets has led to significant rental growth, NOI improvements and FFO/AFFO per Unit growth. Strong demand also continued for multifamily assets which has resulted in further cap rate compression in core markets across Ontario and Quebec," said Mike McGahan, CEO.

Overall Vacancy is up from the 4.3% recorded in June of 2017 and from the 3.3% recorded in March of 2018. Given the strong demand and growth in market rents, the REIT has been actively managing asking rents to try and achieve as much of the upside as possible. With turnover in the coming years expected to be lower than normal, the REIT believes that we must capture maximum rent on turnover at this time.

On a same property portfolio basis (same properties are income properties owned by the REIT throughout the comparative periods), the average monthly rent per suite increased from $1,069 (June 2017) to $1,143 (June 2018), an increase of 6.9%.

NOI for the quarter was $20.0 million, or 64.7% of operating revenue, compared to $16.0 million, or 60.6% of operating revenue, for the three months ended June 30, 2017. NOI from the same property portfolio increased to $16.9 million for Q2 2018, an increase of $2.0 million, or 13.5%, over Q2 2017. Same property NOI margin for the quarter was 65.5%.

Net income for the quarter was $56.6 million, compared to $39.2 million for Q2 2017. The increase of $17.4 million was driven primarily by the fair value gain on investment properties as well as rental growth.

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 primary objective is to use the proven industry experience of the Trustees, Management and Operational Team to: (i) provide Unitholders with stable and growing cash distributions from investments in a diversified portfolio of multi-residential properties; (ii) enhance the value of the assets and maximize long-term Unit value through the active management of such assets; and (iii) expand the asset base and increase Distributable Income through accretive acquisitions.

*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, FFO, AFFO, ACFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated August 14, 2018, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Same 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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