InterRent REIT

Management's Discussion & Analysis

For the Three Months Ended March 31, 2025

May 15, 2025

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MANAGEMENT'S DISCUSSION & ANALYSIS
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FORWARD-LOOKING STATEMENTS

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis (“MD&A”) of InterRent Real Estate Investment Trust (“InterRent REIT”, the “REIT” or the “Trust”) contains “forward-looking statements” within the meaning of applicable securities legislation. This document should be read in conjunction with material contained in the Trust’s audited consolidated financial statements for the year ended December 31, 2024, along with InterRent REIT’s other publicly filed documents. Forward-looking statements appear in this MD&A under the heading “Outlook” and generally include, but are not limited to, statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results circumstances, performance or expectations, including but not limited to financial performance and equity or debt offerings, new markets for growth, financial position, comparable multi-residential REITs and proposed acquisitions. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “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 statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of InterRent REIT to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the market for InterRent REIT’s securities, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will be identified and/or completed by InterRent REIT, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding InterRent REIT securities, lack of availability of growth opportunities, diversification, potential unitholder liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, the market price of InterRent REIT’s trust units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in the section entitled “Risks and Uncertainties” and in other sections of this Management’s Discussion and Analysis.

In addition, certain material assumptions are applied by the Trust in making forward looking statements including, without limitation, factors and assumptions regarding:

- Overall national economic activity
- Overall population growth
- Regional economic and demographic factors, such as employment rates and immigration trends
- Inflationary/deflationary factors
- Long-, medium-, and short-term interest rates
- Availability of financing
- Housing starts
- Housing affordability
- Provincial government housing policies
- Canadian Mortgage and Housing Corporation (CMHC) policies

Although the forward-looking information contained herein is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. InterRent REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, however there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. InterRent REIT does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Certain statements included herein may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.

INTERRENT REAL ESTATE INVESTMENT TRUST

InterRent Real Estate Investment Trust (“InterRent REIT”, the “REIT” or the “Trust”) is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated October 10, 2006, as most recently amended on May 21, 2019, under the laws of the Province of Ontario. InterRent REIT was created to invest in income producing multi-family residential properties within Canada initially through the acquisition of InterRent International Properties Inc. (the “Corporation”) and of the Silverstone Group by the way of a plan of arrangement (the “Arrangement”) under the Business Corporations Act (Ontario), which was completed on December 7, 2006.

InterRent REIT’s principal objectives are to provide its unitholders (“Unitholders”) with stable and growing monthly cash distributions, partially on a Canadian income tax-deferred basis, and to increase the value of its trust units (the “Units”) through the effective management of its residential multi-family revenue producing properties, the acquisition of additional, accretive properties, and delivering new supply through intensification and development.

DECLARATION OF TRUST

The investment policies of the Trust are outlined in the Trust’s Amended and Restated Declaration of Trust (the “DOT”) dated as of May 21, 2019, and a copy of this document is available on SEDAR (www.sedarplus.ca).

At March 31, 2025 the Trust was in material compliance with all investment guidelines and operating policies stipulated in the DOT.

ACCOUNTING POLICIES

InterRent REIT’s accounting policies are described in note 3 of the audited consolidated financial statements for the year ended December 31, 2024 and note 2 of the condensed consolidated interim financial statements for March 31, 2025.

In applying these policies, in certain cases it is necessary to use estimates, which management determines using information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness and any change to these estimates is applied prospectively in compliance with IFRS. Significant estimates are made with respect to the fair values of investment properties and the fair values of financial instruments.

NON-GAAP MEASURES

Proportionate results represent financial information adjusted to reflect the Trust’s equity accounted joint ventures on a proportionately consolidated basis at the Trust’s ownership percentage of the related investment. Under IFRS (GAAP), the Trust’s equity accounted joint ventures are presented on one line in the consolidated balance sheets and the consolidated statement of income (loss) in aggregate. In this MD&A the consolidated balance sheets and consolidated statement of income (loss) are presented as if the joint ventures were proportionately consolidated. The presentation of financial information at the Trust’s proportionate interest provide a more detailed view of performance and reflect how Management operates the business. Reconciliations of the proportionate balance sheet and proportionate statement of income (loss) to those prepared on a GAAP basis are found in the non-IFRS reconciliations and performance measures section of this MD&A.

Gross Rental Revenue, Net Operating Income, Same Property results, Funds from Operations, Adjusted Funds from Operations, Adjusted Cash Flows from Operations and EBITDA (or, in each case, substantially similar terms) are measures sometimes used by Canadian real estate investment trusts as indicators of financial performance, however they do not have standardized meanings prescribed by IFRS (GAAP). These measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly termed measures reported by other such issuers.

Gross Rental Revenue is the total potential revenue from suite rentals before considering vacancy and rebates and excludes other revenue from ancillary sources.

Net Operating Income ("NOI") is a key measure of operating performance used in the real estate industry and includes all rental revenues generated at the property level, less related direct costs such as utilities, realty taxes, insurance and on-site maintenance wages and salaries. As one of the factors that may be considered relevant by readers, management believes that NOI is a useful supplemental measure that may assist prospective investors in assessing the Trust.

Same property results are revenues, expenses and NOI from properties owned by the Trust throughout the comparative periods, which removes the impact of situations that result in the comparative period to be less meaningful. Some examples include: acquisitions, dispositions, redevelopments or properties going through a lease-up period.

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO") are financial measures commonly used by many Canadian real estate investment trusts which should not be considered as an alternative to net income, cash flow from operations, or any other operating or liquidity measure prescribed under GAAP. The Trust presents FFO and AFFO in accordance with the REALpac White Paper on Funds from Operations and Adjusted Funds from Operations for IFRS dated January 2022. Management considers FFO and AFFO a useful measure of recurring economic earnings.

Adjusted Cash Flows from Operations ("ACFO") is an additional financial measure of economic cash flow based on the operating cash flows of a business adjusted for specific items. The Trust presents ACFO in accordance with the REALpac White Paper dated February 2019. Management considers ACFO a useful measure of sustainable cash flow.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is calculated as earnings before interest, taxes, depreciation, amortization, and other adjustments including gain/loss on sale and fair value adjustments.

Readers are cautioned that Gross Rental Revenue, NOI, Same property, FFO, AFFO, ACFO and EBITDA are not alternatives to measures under GAAP and should not, on their own, be construed as indicators of the Trust's performance or cash flows, measures of liquidity or as measures of actual return on Units of the Trust. These non-GAAP measures, as presented, should only be used in conjunction with the consolidated financial statements of the Trust.

As a result of the redeemable feature of the Trust Units, the Trust's Units are defined as a financial liability and not considered an equity instrument. Therefore, no denominator exists to calculate per unit calculations. Consequently, all per unit calculations are considered non-GAAP measures. Management feels that certain per unit calculations are an important method of measuring results from period to period and as such has determined basic and diluted weighted average number of units. Per unit calculations as computed by the Trust may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to other such issuers.

OVERVIEW

BUSINESS OVERVIEW AND STRATEGY

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, development, and ownership of multi-residential properties. The REIT generates revenues, cash flows and earnings from rental operations and continually assesses its assets for accretive capital recycling purposes. InterRent REIT's largest and most consistent source of income is its rental operations, which involves leasing individual suites to residents for lease terms generally ranging from month-to-month to twelve-months.

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 net asset value per Unit and funds from operations 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.

In the first three months of 2025, the Trust sold one property comprising 28 suites in Ottawa, Ontario for a sale price of $9.5 million, or $339,300 per suite. The property was sold for $0.4 million above its carrying value and the Trust received net proceeds of $9.1 million after closing costs but before the repayment of a $2.9 million mortgage on the disposed property.

As at March 31, 2025, the Trust has 100% ownership interest in 11,341 suites, a 50% financial interest in 1,462 suites, and a 10% financial interest in 605 suites, representing 13,408 total suites, of which 13,056 are included in same property suites. On a proportionate basis, this amounts to 12,133 total suites and 11,905 on a same property basis (or 98.1% of the portfolio).

Historically, the Trust has reported results separately for repositioned and non-repositioned property suites. The Trust's repositioning program typically spans 3 to 4 years after the acquisition of a property, and therefore repositioned suites are defined as those owned by the Trust prior to January 1, 2022. As of March 31, 2025, 96% of the Trust's aggregate portfolio is considered repositioned. As a result of the majority of the portfolio meeting the definition of repositioned, repositioned results will no longer be presented as the Trust does not believe that, going forward, such measures will provide investors with useful information to understand or evaluate the Trust's operations. If market conditions change and such disclosure becomes relevant, the Trust may reintroduce it in the future.

The Government of Canada updated its immigration targets in 2024 which, if realized, are expected to lead to a population decline in 2025 and 2026 before returning to growth in 2027. While these targets are aimed to reduce the housing supply gap by approximately 670,000 units, the long-term accumulative housing shortage persists, with the Parliamentary Budget Officer estimating a shortfall of 658,000 units in 2030 in its November 2024 report.

Additionally, changes to U.S. trade policies could have broad implications for the Canadian economy, including employment rates, investment and construction activities and Bank of Canada's interest rate trajectory. The Trust continues to monitor the operating environment, exercising operational discipline and prudent capital allocation, and remains focused on offering high-quality rentals to its residents.

OPERATIONS UPDATE

- Total portfolio occupancy of 96.8% for March 2025 was down 20 basis points from 97.0% in December 2024 and consistent with March 2024.
- Delivered average monthly rent ("AMR") growth of 6.2% for the total portfolio and 5.0% for the same property portfolio for March 2025, as compared to March 2024.

- The Trust signed 475 new leases during the quarter for an average gain-on-lease of 8.5%. As average monthly rents continue to increase, the Trust expects that the average length of its tenancies will also continue to increase.
- The Trust continues to invest in its portfolio as a driver of future organic growth, spending $18.3 million during the quarter on a proportionate basis, of which $3.5 million was spent on properties under development and $14.8 million on the operating portfolio ($1,220 per suite). This investment in the portfolio and the programming offered at the properties allows the Trust to capture above average market rents within its various communities, which is of the utmost importance especially in an environment of declining turnover.

OUTLOOK

a) Management remains committed to growing the REIT in a strategic and structured manner, although timing is being impacted by the current economic environment, future growth is still anticipated to come from:
    i. continuously looking for new ways and opportunities to drive existing revenues, create new revenue streams and reduce operating costs within our portfolio;
    ii. re-deploying capital from areas where management believes that properties have reached their economic peak or that the area will not allow the REIT to reach the desired level of scale;
    iii. continuing to source properties in our core markets that allow us to build scale within these areas and apply our experience and expertise in a manner that continues to provide long term accretion for our Unitholders;
    iv. participating in joint ventures where the REIT can add value through its experience and expertise in owning and operating multi-family rentals; and
    v. developing purpose-built rental on existing sites that have the ability to add more density.

b) The REIT has elected to pause on developments with the exception of 360 Laurier. While a nominal amount of capital will be deployed to ensure these paused projects retain optionality, the bulk of ongoing near-term development spend will be directed towards 360 Laurier and ongoing carrying costs for the remaining properties. The Trust will continue to monitor capital allocation priorities and market conditions.

c) Liquidity Update:
    - With a debt-to-GBV ratio of 40.9%, the REIT has significant liquidity available through both CMHC insured and conventional mortgage financing to fund future capital programs, development opportunities and acquisitions.
    - The Trust's current credit facilities total $225.0 million of available credit. As of March 31, 2025, $50.0 million was drawn on these facilities, with the balance staying the same as of May 9, 2025.
    - Throughout the quarter, the Trust kept its variable rate exposure, including credit facilities, to 4%.
    - As of the date of this report, the Trust had approximately $136.1 million in unencumbered properties that do not have mortgages nor provide security for any credit facilities.
    - The Trust continues to pursue opportunities to unlock equity by topping up maturing CMHC insured mortgages and converting conventional debt to CMHC insured mortgages at favourable rates, with the potential to add up to $110.0 million of additional debt on remaining 2025 maturities.

Q1 PERFORMANCE HIGHLIGHTS

The following table presents a summary of InterRent's proportionate operating performance for the three months ended March 31, 2025 compared to the same period in 2024:

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended March 31, 2025**	**3 Months Ended March 31, 2024**	**Change**
Total suites	**12,133[1]**	12,544[1]	**-3.3%**
Average rent per suite (March)	**$ 1,723**	$ 1,622	**+6.2%**
Occupancy rate (March)	**96.8%**	96.8%	**no change**
Proportionate operating revenues	**$ 63,130**	$ 62,104	**+1.7%**
Proportionate net operating income (NOI)	**$ 40,465**	$ 40,396	**+0.2%**
NOI %	**64.1%**	65.0%	**-90 bps**
Same Property average rent per suite (March)	**$ 1,722**	$ 1,640	**+5.0%**
Same Property occupancy rate (March)	**96.9%**	96.8%	**+10 bps**
Same Property proportionate operating revenues	**$ 61,886**	$ 59,093	**+4.7%**
Same Property proportionate NOI	**$ 39,695**	$ 38,501	**+3.1%**
Same Property proportionate NOI %	**64.1%**	65.2%	**-110 bps**
Net Income	**$ 9,814**	$ 26,699	**-63.2%**
Funds from Operations (FFO)	**$ 21,819**	$ 21,128	**+3.3%**
FFO per weighted average unit - diluted	**$ 0.150**	$ 0.144	**+4.2%**
Adjusted Funds from Operations (AFFO)	**$ 18,512**	$ 18,534	**-0.1%**
AFFO per weighted average unit - diluted	**$ 0.127**	$ 0.126	**+0.8%**
Distributions per unit	**$ 0.0992**	$ 0.0945	**+5.0%**
Weighted average units outstanding – diluted	**145,575,696**	147,192,388	**-1.1%**
Adjusted Cash Flow from Operations (ACFO)	**$ 19,346**	$ 15,202	**+27.3%**
Debt-to-GBV	**40.9%**	37.5%	**+340 bps**
Interest coverage (rolling 12 months)	**2.59x**	2.35x	**+0.24x**
Debt service coverage (rolling 12 months)	**1.69x**	1.58x	**+0.11x**

(1) Represents 11,341 (2024 - 11,876) suites fully owned by the REIT, 1,462 (2024 - 1,214) suites owned 50% by the REIT, and 605 (2024 - 605) suites owned 10% by the REIT.

- Overall Portfolio:

  a) The comparability of total portfolio results are materially impacted by the disposition of 10 properties during 2024, and the one property disposed in Q1 2025. 224 suites were disposed in Q1 2024, and 524 suites were disposed during Q2 2024, and therefore have no contribution to Q1 2025 results. One property was also disposed during Q1 2025 and therefore does not have a full contribution to Q1 2025 results. Same property results, discussed below, present results on a consistent basis period over period.

  b) Proportionate operating revenues for the quarter increased by $1.0 million to $63.1 million, an increase of 1.7% over Q1 2024.

  c) Average monthly rent per suite increased to $1,723 (March 2025) from $1,622 (March 2024), an increase of 6.2%, and from $1,702 (December 2024) an increase of 1.2%.

  d) Occupancy for March 2025 was 96.8%, no change when compared to March 2024.

  e) Proportionate NOI for the quarter was $40.5 million, an increase of $0.1 million, or 0.2%, over Q1 2024. NOI margin for the quarter was 64.1%, a decrease of 90 basis points from Q1 2024. Utility costs are the main driver of the margin erosion, with a 13.2% increase in utilities driven by an 18% increase in heating degree days.

- Same Property Portfolio:
    a) Proportionate operating revenues for the quarter increased by $2.8 million to $61.9 million, an increase of 4.7% from Q1 2024.
    b) Average monthly rent per suite for the same property portfolio increased to $1,722 (March 2025) from $1,640 (March 2024), an increase of 5.0%, and from $1,701 (December 2024) an increase of 1.2%.
    c) Occupancy for March 2025 was 96.9%, an increase of 10 basis points when compared to March 2024.
    d) Same property proportionate NOI for the quarter was $39.7 million, an increase of $1.2 million, or 3.1% over Q1 2024. Same property NOI margin for the quarter was 64.1%, a decrease of -110 basis points from Q1 2024. Utility costs are the main driver of the margin erosion, with a 16.6% increase in utilities driven by an 18% increase in heating degree days.
- Net income for the quarter was $9.8 million, a decrease of $16.9 million compared to Q1 2024. This decrease was due primarily to unrealized gains on the fair value adjustment of investment properties, which was a $6.3 million loss in 2025 and a $8.4 million gain in 2024, and a higher loss on the revaluation of unit-based liabilities.
- FFO for the quarter was $21.8 million, an increase of $0.7 million, or 3.3%, over Q1 2024 and on a per unit basis increased by 4.2% over Q1 2024.
- AFFO for the quarter was $18.5 million, consistent with Q1 2024 and on a per unit basis increased by 0.8% over Q1 2024.
- ACFO increased by $4.1 million, or 27.3%, to $19.3 million compared to Q1 2024.
- Debt-to-GBV at quarter end was 40.9%, an increase of 340 basis points compared to March 2024. This increase was a direct result of the fair value adjustments made to investment properties during 2024 and Q1 2025.

PORTFOLIO SUMMARY

The Trust started the year with 12,160 suites. During the three months ended March 31, 2025, the Trust:

- added one suite to an existing property in the Other Ontario region; and
- disposed of one property comprising 28 suites in the National Capital region.

At March 31, 2025, the Trust owned 12,133 suites. Management continuously reviews the markets that the REIT operates in to maintain a suitable portfolio mix. Management believes there are significant organic growth opportunities within the portfolio through continued robust rent growth, further operational streamlining, and reductions in operating costs. At March 31, 2025, 98.1% of the portfolio was included in same property suites. The REIT continues to evaluate opportunities within our target markets, as well as other gateway cities in Canada. Given current market conditions, the REIT will remain judicious with its investment strategy in order to continue to grow in a fiscally prudent manner. The following chart shows suite mix by region. InterRent's focus on recycling capital and growing its core markets of the Greater Toronto & Hamilton Area ("GTHA"), National Capital Region ("NCR"), Greater Montréal Area ("GMA"), and Greater Vancouver Area ("GVA") has resulted in approximately 83% of its suites being located in these core markets.

SUITES BY REGION AT MARCH 31, 2025

Region	Total Portfolio			Same Property		
	Suites – 100% basis	Suites – proportionate	% of Portfolio	Suites – 100% basis	Suites – proportionate	% of Portfolio
Greater Toronto & Hamilton Area	4,751	4,160	34.3%	4,751	4,160	34.9%
National Capital Region	2,511	2,511	20.7%	2,511	2,511	21.1%
Other Ontario	2,008	2,008	16.5%	2,008	2,008	16.9%
Greater Montreal Area	3,272	3,021	24.9%	2,920	2,793	23.5%
Greater Vancouver Area	866	433	3.6%	866	433	3.6%
Total	13,408	12,133	100.0%	13,056	11,905	100.0%

DISPOSITIONS

During Q1 2025, the REIT advanced its capital recycling program, completing the disposition of one property, consisting of 28 suites in Ottawa, Ontario for a sale price of $9.5 million, or approximately $339,300 per suite, against a carrying value of $9.1 million. The property was sold for $0.4 million above its fair market value, however selling costs of $0.4 million (which includes commissions, legal fees, mortgage discharge penalties, and the write-off of deferred financing fees related to the discharged mortgage) were incurred as part of the transaction, resulting in a minimal gain on disposition.

PROPERTIES UNDER DEVELOPMENT

Development activity is another way in which the REIT generates long-term value through FFO and NAV accretion. Development opportunities are regularly reviewed by Management and are selectively undertaken based on a rigorous analysis of projected returns relative to the REIT's cost of capital, market dynamics, and broader capital allocation decision making.

Project	City	Suite Count	Commercial Sq. Ft.	Ownership Interest	Target Completion Date
360 Laurier	Ottawa	139	1,736	25.0%	Q3 2025
Richmond & Churchill	Ottawa	177	11,591	100.0%	TBD
Burlington GO Lands	Burlington	1,526 (Phases 1-2) 989 (Phases 3-4)	20,081 (Phases 1-2) 19,779 (Phases 3-4)	25.0%	TBD
900 Albert Street	Ottawa	1,241	597,368	50.0%	TBD

360 LAURIER

360 Laurier Ave W is an office conversion project located in downtown Ottawa, with 139 residential suites and 1,736 sq ft of retail space across 11 storeys. The majority of the work at the site has been tendered and awarded with construction on site is well underway. Financing was secured through the CMHC's Apartment Construction Loan Program (ACLP) during the quarter. The program offers below market fixed-rate financing for a ten-year term, helping to derisk the project from construction through stabilization. In exchange, the partnership has committed to delivering 38 suites in accordance with the program's affordability guidelines, along with meeting specified accessibility, energy efficiency, and green house gas reductions targets. The project is now fully capitalized, with excess equity being repatriated to the joint-venture partners upon closing of the financing. The Trust has elected to pause active development at its remaining three projects.

ANALYSIS OF PROPORTIONATE OPERATING RESULTS

The following operating results are presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods indicated. For a reconciliation to the Trust's operating results as reported under GAAP, see the "Non-IFRS Reconciliations and Performance Measures" section of this MD&A.

In $ 000's	3 Months Ended March 31, 2025		3 Months Ended March 31, 2024	
Gross rental revenue	$ 62,689		$ 61,265	
Less: vacancy & rebates	(3,080)		(2,685)	
Other revenue	3,521		3,524	
Operating revenues	$ 63,130		$ 62,104	
Expenses				
Property operating costs	9,588	15.2%	9,374	15.1%
Property taxes	6,759	10.7%	6,754	10.9%
Utilities	6,318	10.0%	5,580	9.0%
Operating expenses	$ 22,665	35.9%	$ 21,708	35.0%
Net operating income	$ 40,465		$ 40,396	
Net operating margin	64.1%		65.0%	

REVENUE

Management expects to continue to grow rent organically, as well as continuing to drive other ancillary revenue streams such as parking, commercial, laundry, cable and telecom revenue share agreements, and locker rentals.

Despite the impact of the dispositions, gross rental revenue on a total portfolio basis for the three months ended March 31, 2025 increased 2.3% to $62.7 million compared to $61.3 million for the three months ended March 31, 2024. Operating revenue for the quarter was up $1.0 million to $63.1 million, or 1.7% compared to Q1 2024.

The Trust owned, on a weighted average basis, 12,136 suites for the three months ended March 31, 2025 as compared to 12,652 for the three months ended March 31, 2024, a decrease of 516 suites over the period. On a per weighted average suite basis, operating revenue for the three months ended March 31, 2025 was an average of $1,734 per month ($1,636 in 2024) a 6.0% year-over-year increase.

Average monthly rent for March 2025 of $1,723 per suite has increased compared to $1,622 for March 2024, (6.2% increase), and $1,702 for December 2024 (1.2% increase). On a same property basis, the average rent increased by $82 per suite (or up 5.0%) over March 2024 and by $21 per suite (or up 1.2%) over December 2024.

GAIN-ON-LEASE

Organic growth for the REIT occurs in large part from the movement of rental rates from older in-place rents to current market rates when new residents take occupancy. The REIT executed 475 new leases during Q1 and realized positive gain-on-lease in all its markets. Expiring rents in Q1 2025 were 13.8% higher than expiring rents in Q1 2024. New rents achieved in Q1 2025 were 8.5% higher than the expiring rents for the quarter, resulting in an annualized incremental revenue gain of approximately $0.8 million during the first quarter.

The quality of the REIT's operating platform and portfolio, as well as the location of its communities, allows the REIT to achieve higher than average market rents and turnover, thereby driving continued strong rental growth.

Seasonal variation in turnover is expected, with the first quarter being quite low, and the third quarter of the year generally the strongest quarter for move-ins. The following table presents the number of new leases signed, as well as the outgoing and newly signed rents on these suites and a calculation of the annualized gain-on-lease.

Quarter	New Leases[1]	Outgoing AMR[1]	New AMR[1]	Realized Gain-On-Lease[1]	Annualized Gain-On-Lease[2]
Q1 2025	475	$ 1,959	$ 2,124	8.5%	$ 796
Q4 2024	635	1,947	2,091	7.4%	1,955
Q3 2024	1,279	1,857	2,068	11.4%	2,988
Q2 2024	640	1,821	2,115	16.1%	1,955
Total/Average	**3,029**	**$ 1,887**	**$ 2,095**	**11.0%**	**$ 7,694**

[1] Includes 100% of new leases from joint ventures
[2] Calculated on a proportionate basis

On a same property basis, the REIT signed 456 new leases during the quarter, or 3.8% of the same property portfolio, as compared to 411 for Q1 2024, or 3.4% of the same property portfolio, an increase of 45 leases.

Average market rental gap on the total portfolio has decreased to 23% while suite turnover, excluding disposed properties, for the trailing 12 months held steady at 24.1%. InterRent is closely monitoring market conditions in each region and remains flexible in its strategy, including adjusting target occupancy levels as needed to optimize portfolio performance.

▼ AVERAGE RENT BY REGION[1]

Region	Total Portfolio			Same Property		
	March 2025	March 2024	Change	March 2025	March 2024	Change
Greater Toronto & Hamilton Area	$1,807	$1,728	+4.6%	$1,807	$1,728	+4.6%
National Capital Region[1]	$1,833	$1,664	+10.2%	$1,833	$1,747	+4.9%
Other Ontario	$1,662	$1,591	+4.5%	$1,662	$1,591	+4.5%
Greater Montreal Area	$1,509	$1,397	+8.0%	$1,488	$1,401	+6.2%
Greater Vancouver Area	$2,067	$1,948	+6.1%	$2,067	$1,948	+6.1%
Total	**$1,723**	**$1,622**	**+6.2%**	**$1,722**	**$1,640**	**+5.0%**

[1] Excludes extended stay suites.

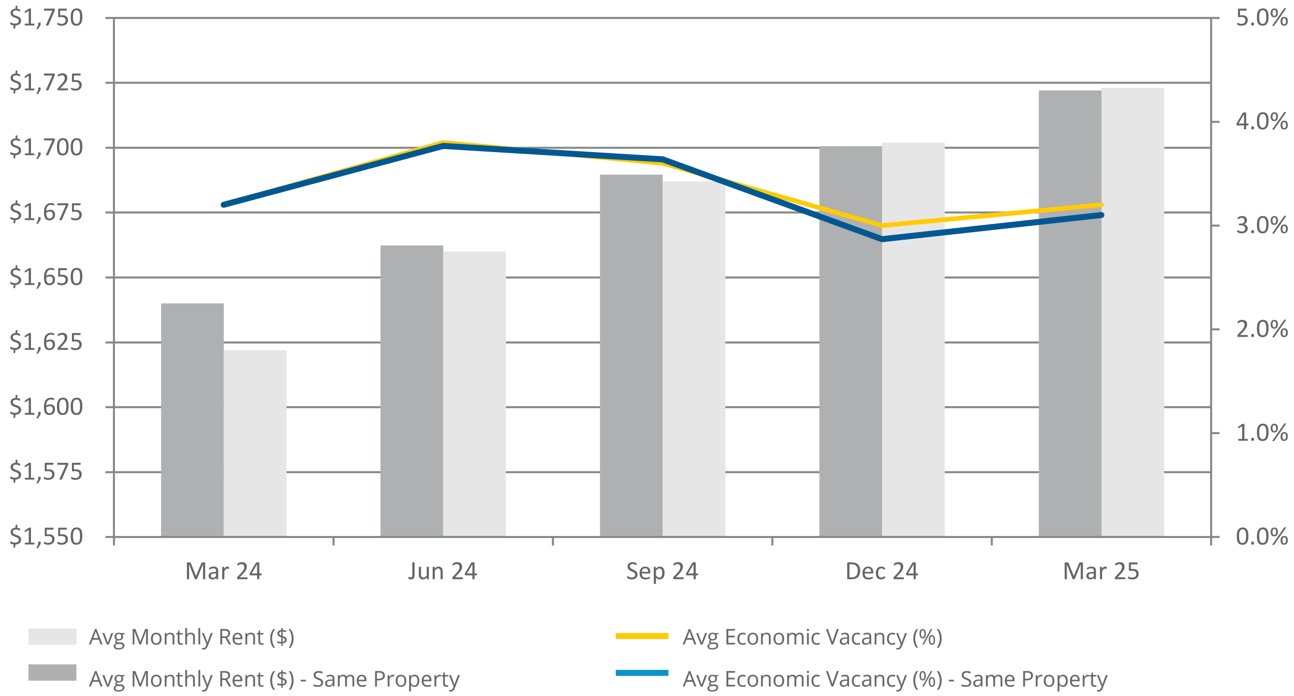
PORTFOLIO OCCUPANCY

As part of the ongoing effort to balance organic revenue growth and occupancy levels, the vacancy rate on an annual basis is expected to be in the 3%-4% range. Going forward, management believes that minor variations in economic vacancy will continue to occur from one quarter to another given the seasonal nature of rental activity. The rental growth objectives are being achieved as a direct result of:

1. ensuring that properties are safe, secure and well maintained;
2. ensuring suites are properly repaired and maintained before being rented to new residents;
3. tailoring marketing to the specific features, location and demographics of each individual community; and,
4. ensuring that operations are running as efficiently and cost effectively as possible to ensure the well-being of residents and resident enjoyment of their homes.

This is part of the Trust's strategy to maximize rental revenues, lower operating costs and create safe, quality communities for its residents, extending the useful life of its buildings, and thereby creating value for all stakeholders. Management intends to continue to pursue this strategy both within the existing portfolio and as it looks to add new properties within targeted regions.

The following chart represents both the average monthly rents and the economic vacancy for the entire portfolio for the months listed. Economic occupancy is calculated by taking financial vacancy loss and dividing it by gross rental revenue.



	March 2024	June 2024	September 2024	December 2024	March 2025
Average monthly rents same property	$1,640	$1,662	$1,690	$1,701	$1,722
Average monthly rents all properties	$1,622	$1,660	$1,687	$1,702	$1,723

The overall economic vacancy for March 2025 across the entire portfolio was 3.2%, an increase of 20 basis points from 3.0% in December and consistent with March 2024. This 20 basis points increase in vacancy from the prior quarter is consistent with historical trends in vacancy changes from Q4 to Q1.

The economic vacancy for March 2025 on a same property portfolio basis was 3.1%, an increase of 20 basis points as compared to the 2.9% vacancy in December 2024, and a decrease of 10 basis points from 3.2% in March 2024.

▼ VACANCY BY REGION

Region	Total Portfolio			Same Property		
	March 2025	March 2024	Change	March 2025	March 2024	Change
Greater Toronto & Hamilton Area	3.3%	3.3%	no change	3.3%	3.3%	no change
National Capital Region	3.1%	3.1%	no change	3.1%	2.9%	+20 bps
Other Ontario	3.3%	4.2%	-90 bps	3.3%	4.2%	-90 bps
Greater Montreal Area	2.7%	2.3%	+40 bps	2.4%	2.3%	+10 bps
Greater Vancouver Area	5.0%	3.9%	+110 bps	5.0%	3.9%	+110 bps
Total	**3.2%**	**3.2%**	**no change**	**3.1%**	**3.2%**	**-10 bps**

OTHER REVENUE

Other revenue for the three months ended March 31, 2025 was consistent at $3.5 million compared to March 31, 2024, despite the dispositions in the portfolio. Increased revenues from commercial space as well as ancillary sources such as parking, laundry, locker rentals, and cable and telecom continues to be a focus as a source of organic revenue growth.

PROPERTY OPERATING COSTS

Property operating costs for the investment properties include repairs and maintenance, insurance, caretaking, wages and benefits, property management salaries and benefits, uncollectible accounts, marketing, advertising, and leasing costs.

Property operating costs for the three months ended March 31, 2025 amounted to $9.6 million or 15.2% of revenue compared to $9.4 million or 15.1% of revenue for the three months ended March 31, 2024. As a percentage of revenue, operating costs increased by 10 basis points as compared to Q1 2024.

On a per weighted average suite basis, property operating costs for the three months ended March 31, 2025 were $790, a 6.6% increase over $741 for the three months ended March 31, 2024.

PROPERTY TAXES

Property taxes for the three months ended March 31, 2025 amounted to $6.8 million or 10.7% of revenue compared to $6.8 million or 10.9% of revenue for March 31, 2024. Overall property taxes have remained consistent however they have decreased slightly as a percentage of operating revenues. The increase is from the Q4 acquisition of 170 René Levesque E Boulevard and annual rate increases compared to Q1 2024 offset by the dispositions.

On a per weighted average suite basis, property taxes for the three months ended March 31, 2025 were $557, a 4.3% increase over $534 for the three months ended March 31, 2024.

The Trust is constantly reviewing property tax assessments for its properties and this active approach shall continue to help drive down costs. Where appropriate, the Trust will appeal individual property assessments.

UTILITY COSTS

Utility costs for the three months ended March 31, 2025 amounted to $6.3 million or 10.0% of revenue, an increase of $0.7 million over the $5.6 million or 9.0% of revenue for the three months ended March 31, 2024. On a per weighted average suite basis, utility costs have increased 18.1% compared to Q1 2024, to $521 per suite. Higher natural gas expenses are the main driver of the per suite increases with a 13% increase in usage, driven by an 18% increase in heating degree days, and a 10% increase in rate. Electricity usage is also up 9%, offset by a 1% decrease in average rates, and water usage is up 4%, with a 6% increase in rates.

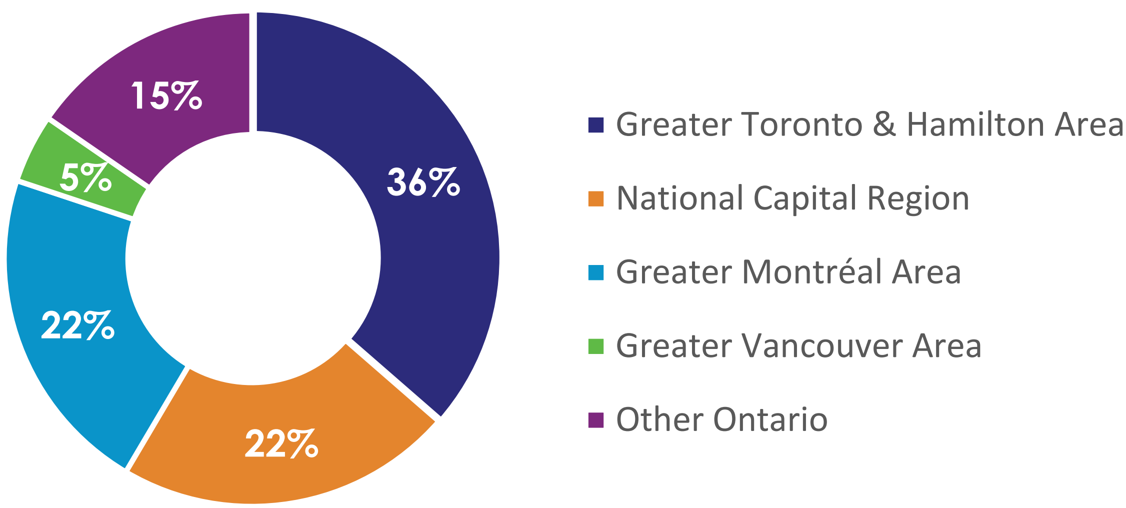
This $0.7 million increase in utilities costs is due to both an increase in usage as well as average rates, offset by the net dispositions. Increased consumption accounted for a $0.5 million increase, driven by the 18% increase in heating degree days. Increases in average rates resulted in another $0.4 million of the increase, with $0.2 million from regular rate increases and $0.2 million from the increase in the Carbon Tax on natural gas. These increases were offset by a $0.2 million decrease from the net reduction in weighted average suites. On March 15, 2025, the federal government removed the Carbon Tax, effective April 1, 2025. Without the Carbon Tax, utilities expenses for the three months ended March 31, 2025 would been $0.7 million lower (March 31, 2024 - $0.5 million). If utilities expenses per weighted average suite had been flat year-over-year, net operating margin for Q1 2025 would have been up 150 basis points to 65.6%, compared to actual margin of 64.1%.

The Trust continues to manage its electricity costs through its hydro sub-metering initiative, which reduced electricity costs by 21.5%, or $0.6 million for the quarter (2024 - $0.5 million), representing a contribution of 0.9% to NOI margin (2024 - 0.8%). At March 31, 2025, the REIT has approximately 83% of its portfolio that has the capability to sub-meter hydro in order to recover the cost. Of these, approximately 85% were on hydro extra leases whereby the resident either pays the local utility provider directly or the REIT recovers the cost from the resident. This represents approximately 71% of the total portfolio. Having residents responsible for utility costs encourages more conscientious behaviour and lowers consumption.

PROPORTIONATE NET OPERATING INCOME (NOI)

Proportionate NOI for the three months ended March 31, 2025 amounted to $40.5 million or 64.1% of operating revenues compared to $40.4 million or 65.0% of operating revenue for the three months ended March 31, 2024. The $0.1 million increase was driven primarily by top line rent growth and the Q4 acquisition of 170 René Levesque E Boulevard offset by the disposition of properties no longer contributing to Q1 2025 NOI.

▼ NOI BY REGION – 3 MONTHS ENDED MARCH 31, 2025



SAME PROPERTY PROPORTIONATE PORTFOLIO PERFORMANCE

Same property results for the three months March 31, 2025 are defined as all properties owned and operated by the Trust throughout the comparative periods being reported, and therefore do not take into account the impact on performance of acquisitions, dispositions or properties going through a lease-up during the period from January 1, 2024 to March 31, 2025. As at March 31, 2025, the Trust has 11,905 suites in the same property portfolio. The same property portfolio represents 98.1% of the overall portfolio.

The following same property operating results are presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods ended:

In $ 000's	3 Months Ended March 31, 2025		3 Months Ended March 31, 2024	
Gross rental revenue	**$ 61,390**		$ 58,310	
Less: vacancy & rebates	**(2,971)**		(2,560)	
Other revenue	**3,467**		3,343	
Operating revenues	**$ 61,886**		$ 59,093	
Expenses				
Property operating costs	**9,397**	**15.2%**	8,836	15.0%
Property taxes	**6,627**	**10.7%**	6,469	10.9%
Utilities	**6,167**	**10.0%**	5,287	8.9%
Operating expenses	**$ 22,191**	**35.9%**	$ 20,592	34.8%
Net operating income	**$ 39,695**		$ 38,501	
Net operating margin	**64.1%**		65.2%	

For the three months ended March 31, 2025, operating revenues were $61.9 million, up 4.7% from $59.1 million compared to the three months ended March 31, 2024. Property operating costs were 15.2% of revenues, up 20 basis points, from 15.0%. Property taxes were 10.7% down 20 basis points, and utilities are up 110 basis points. This resulted in an overall increase in operating expenses, as a percentage of operating revenues, of 110 basis points as compared to the same period last year.

This $0.9 million increase in utilities costs is due to both an increase in usage as well as average rates. Usage explains $0.5 million of the variance and is being driven by the higher number of heating degree days (up 18% over Q1 2024). Increases in average rates explain the remaining $0.4 million variance, with $0.2 million from regular rate increases and $0.2 million from the increase in the Carbon Tax on natural gas. On March 15, 2025, the federal government removed the Carbon Tax, effective April 1, 2025. Without the Carbon Tax, utilities expenses for the three months ended March 31, 2025 would been $0.7 million lower (March 31, 2024 - $0.5 million). If utilities expenses had been flat year-over-year, net operating margin for Q1 2025 would have been up 150 basis points to 65.6%, compared to actual margin of 64.1%.

The net impact of a 4.7% increase in operating revenue and a 1.1% increase in operating expenses was same property proportionate NOI of $39.7 million, an increase of $1.2 million, or 3.1%, as compared to the same period last year. NOI margin for Q1 2025 was 64.1% as compared to 65.2% for Q1 2024, a 110 basis point decrease. Management continues to focus on top line revenue growth through selective acquisitions, suite additions, organic revenue growth and ancillary revenue as well as operating cost reductions (such as efficiencies of scale, investment in energy saving initiatives, and investments in infrastructure and technology).

The average monthly rent for March 2025 for same property increased to $1,722 per suite from $1,640 (March 2024), an increase of 5.0%. Economic vacancy for March 2025 for same property was 3.1%, compared to 3.2% for March 2024, and 2.9% for December 2024.

	March 2024	June 2024	September 2024	December 2024	March 2025
Average monthly rent same property	$1,640	$1,662	$1,690	$1,701	$1,722
Average monthly vacancy same property	3.2%	3.8%	3.6%	2.9%	3.1%

PROPORTIONATE FINANCING AND ADMINISTRATIVE COSTS

Financing and administrative costs below are presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods indicated. For a reconciliation to the Trust's financing and administrative costs as reported under GAAP, see the "Non-IFRS Reconciliations and Performance Measures" section of this MD&A.

In $ 000's	3 Months Ended March 31, 2025	3 Months Ended March 31, 2024
Net operating income	**$ 40,465**	$ 40,396
Expenses		
Financing costs	**14,636**	15,208
Administrative costs	**3,985**	4,090
Income before other income and expenses	**$ 21,844**	$ 21,098

FINANCING COSTS

Total proportionate financing costs amounted to $14.6 million or 23.2% of operating revenue for the three months ended March 31, 2025 compared to $15.2 million or 24.5% of operating revenue for the three months ended March 31, 2024.

	3 Months Ended March 31, 2025			3 Months Ended March 31, 2024		
	GAAP Basis	Proportionate Basis		GAAP Basis	Proportionate Basis	
In $ 000's	Amount	Amount	% of Revenue	Amount	Amount	% of Revenue
Cash based:						
Mortgage interest	**$ 14,109**	**$ 14,559**	**23.1%**	$ 14,897	$ 15,196	24.5%
Credit facilities	**997**	**997**	**1.6%**	583	583	0.9%
Interest capitalized	**(1,056)**	**(1,451)**	**(2.3%)**	(809)	(1,016)	(1.6%)
Interest income	**(106)**	**(106)**	**(0.2%)**	(180)	(180)	(0.3%)
Non-Cash based:						
Amortization of deferred finance cost and premiums on assumed debt	**599**	**637**	**1.0%**	625	625	1.0%
Total	**$ 14,543**	**$ 14,636**	**23.2%**	$ 15,116	$ 15,208	24.5%

In Q1 2025, the Bank of Canada continued its monetary easing, reducing the overnight rate by 25 basis points in both of its January and March meetings, bringing down the rate to 2.75% by the end of the quarter. Similarly, CMHC insured mortgage rates also declined over the course of the quarter, with five-year rates ending at approximately 3.35-3.45%, a decrease of about 30bps, and ten-year rates ending at approximately 3.90-4.00%, a decrease of approximately 20bps. The REIT continues to actively manage its mortgage ladder, closely monitor debt markets, and use early rate locks or hedges to strategically mitigate interest rate risk where appropriate.

Mortgage interest represents a significant expense for the REIT. On a proportionate basis, mortgage interest costs for the quarter decreased by $0.6 million compared to the same period in 2024. This decrease was primarily driven by mortgage discharges associated with dispositions in 2024 and early in 2025, along with several successful upfinancings and refinancings of CMHC insured mortgages over that period. Excluding mortgages associated with assets held for sale, the weighted average interest of the outstanding mortgages declined to 3.31%, down from 3.37% as at December 31, 2024.

For the quarter ending March 31, 2025, the REIT carried higher balances on its credit facilities compared to the previous year, primarily due to timing differences between capital recycling activities and the activities associated with the NCIB. The REIT however did benefit from lower interest rates driven by the Bank of Canada's rate cuts. As a result, credit facility interest expense rose by $0.4 million for the quarter compared to last year. As at March 31, 2025, the REIT's total variable rate exposure remained unchanged at 4%, consistent with the level reported as at December 31, 2024.

On a proportionate basis, the REIT capitalized $0.4 million more interest to its development projects for the current quarter. The REIT capitalizes the amount of interest that could have been avoided during the development period if expenditures for the assets had not been made. In assessing avoidable interest, the REIT first applies interest from any liabilities secured by the properties under development whose funds are used specifically for that property. To the extent that expenditures exceed those liabilities, the REIT then uses the prevailing rate on its drawn credit facilities. To the extent the expenditures exceed the drawn amounts on its credit facilities, the REIT then uses the prevailing CMHC insured mortgage rate to calculate the remaining interest.

Interest income decreased by $0.1 million for the three months ended March 31, 2025, compared to the same period in the prior year. This decline reflects the deployment of proceeds from the capital recycling program completed throughout 2024 and 2025.

ADMINISTRATIVE COSTS

Administrative costs include such items as: director pay; salaries and incentive payments; employee benefits; investor relations; sustainability initiatives; transfer agent listing and filing fees; legal, tax, audit, other professional fees; and amortization on corporate assets.

Administrative costs for the three months ended March 31, 2025 amounted to $4.0 million, or 6.3% of proportionate operating revenue, compared to $4.1 million for the same period in 2024, being 6.6% of proportionate operating revenue.

The Trust incurs property management costs representing salaries, employee benefits, travel, and other expenses incurred in order to earn fees for the property and project management services for 2,067 residential suites within its joint operations and joint ventures. Property management fees are presented in other income and fees and were consistent year-over-year.

PROPORTIONATE OTHER INCOME AND EXPENSES

The following table of other income and expenses is presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods indicated. For a reconciliation to the Trust's other income and expenses as reported under GAAP, see the "Non-IFRS Reconciliations and Performance Measures" section of this MD&A.

In $ 000's	3 Months Ended March 31, 2025	3 Months Ended March 31, 2024
Income before other income and expenses	**$ 21,844**	$ 21,098
Other income and expenses		
Fair value adjustments of investment properties	**(6,334)**	8,352
Other income and fees	**564**	528
Gain/(loss) on sale of investment properties	**24**	(950)
Unrealized gain/(loss) on financial liabilities	**(5,729)**	(1,632)
Distributions expense on units classified as financial liabilities	**(555)**	(697)
Net income (loss)	**$ 9,814**	$ 26,699

OTHER INCOME AND FEES

The Trust has contractual arrangements and receives compensation to perform the property and project management services for 2,067 residential suites within its joint operations and joint ventures.

SALE OF ASSETS

During the quarter, the Trust completed the sale of one property in Ottawa, Ontario, consisting of 28 suites, for a sale price of $9.5 million, or approximately $339,300 per suite, against a carrying value of $9.1 million. The property were sold for $0.4 million above its fair market value, however selling costs of $0.4 million (which includes commission, legal expense, the unamortized portion of the CMHC insurance premium and mortgage discharge penalties) were incurred as part of the transactions, resulting in a minimal gain on disposition.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The fair value of the portfolio at March 31, 2025 and 2024 was determined internally by the Trust. In order to substantiate management's valuation, the Trust engaged a leading independent national real estate appraisal firm to provide appraisals for substantially all of the portfolio at December 31, 2024. The Trust engaged the firm once again to review and advise of any significant changes in any of the key input assumptions in the model (such as capitalization rate, turnover rate and market rental rate estimates) as at March 31, 2025. For the three months ended March 31, 2025, a proportionate fair value loss of $6.3 million was recorded as a result of changes in the fair value of investment properties. The weighted average capitalization rate used across the portfolio at March 31, 2025 was 4.49%, unchanged from December 31, 2024, and up 32 basis points from the 4.17% for Q1 2024.

UNREALIZED FAIR VALUE GAIN/LOSS ON FINANCIAL LIABILITIES

The Trust used a price of $11.28 (December 31, 2024 - $10.15) based on the closing price of the TSX listed InterRent REIT Trust Units to determine the fair value of the deferred unit compensation liability.

The total fair value of the deferred units recorded on the consolidated balance sheet at March 31, 2025 was $51.5 million and a corresponding fair value loss of $5.1 million was recorded on the consolidated statement of income for the three months ended March 31, 2025.

The total fair value of the performance and restricted units recorded on the consolidated balance sheet at March 31, 2025 was $3.7 million with a $0.5 million fair value loss recorded on the consolidated statement of income for the three months ended March 31, 2025.

The Trust determined the fair value of the option plan (unit-based compensation liability) at March 31, 2025 was $0.2 million with a minimal fair value loss recorded on the consolidated statement of income for the three months ended March 31, 2025.

The total fair value of the Class B LP Unit Liability recorded on the consolidated balance sheet at March 31, 2025 was nil as all remaining units were exchanged during the previous year.

The Trust uses rate swaps and forward rate locks in order to reduce its exposure to movements in interest rates. As a result of the market interest rates at the end of the quarter and settlements during the quarter, the REIT recognized an unrealized loss of $0.1 million on interest rate swaps for the three months ended March 31, 2025.

In $ 000's	3 Months Ended March 31, 2025	3 Months Ended March 31, 2024
Fair value gain/(loss) on financial liabilities:		
Deferred unit compensation plan	**$ (5,078)**	$ (1,221)
Performance and restricted unit compensation plan	**(503)**	(168)
Option plan	**(48)**	28
Class B LP unit liability	**-**	(713)
Rate swaps	**(100)**	19
Forward rate locks	**-**	423
Fair value gain/(loss) on financial liabilities	**$ (5,729)**	$ (1,632)

DISTRIBUTION EXPENSE

The distribution expense is comprised of distributions to holders of the Class B LP units and distributions earned on the deferred, performance, and restricted unit plans, as all are classified as a liability.

INVESTMENT PROPERTIES

The following chart shows the changes in investment properties from December 31, 2024 to March 31, 2025:

	March 31, 2025	
In $ 000's	GAAP Basis	Proportionate Basis
Balance, December 31, 2024	$ 4,078,627	$ 4,163,551
Dispositions	(9,122)	(9,122)
Changes in assets held for sale	(26,275)	(26,275)
Property capital investments	15,991	18,312
Fair value losses	(6,502)	(6,334)
Total investment properties	$ 4,052,719	$ 4,140,132

The Trust continues to invest in its portfolio as a driver of future organic growth, spending $18.3 million during the three months ended March 31, 2025 on a proportionate basis, of which $3.5 million was spent on properties under development and $14.8 million on the operating portfolio ($1,220 per suite). This investment in the portfolio and the programming offered at the properties allows the Trust to capture above average market rents within its various communities, which is of the utmost importance especially in an environment of declining turnover.

UNITHOLDERS' EQUITY

The following chart shows the changes in reported Unitholders' equity from December 31, 2024 to March 31, 2025.

Summary of Unitholders' Capital Contributions	Trust Units	Amount (in $ 000's)
December 31, 2024	147,503,404	$1,121,494
Units purchased under NCIB and cancelled[1]	(4,840,495)	(50,422)
Units issued under the deferred unit plan	3,292	33
Units issued under performance and restricted unit plan	6,442	64
March 31, 2025	**142,672,643**	**$1,071,169**

[1] Includes $989 for the 2% tax on Trust Unit repurchases, which became effective on January 1, 2024

As at March 31, 2025 there were 142,672,643 Trust Units issued and outstanding. During the three months ended March 31, 2025 the Trust cancelled 90,000 units purchased for $0.9 million at the end of 2024, purchased and cancelled 4,750,495 units for $48.5 million and purchased 90,157 units for $1.0 million that were cancelled following the end of the quarter (March 31, 2024 - nil). Average price per Unit for purchases during the quarter was $10.23. In April 2025, the Trust has purchased and cancelled 1,880,384 units for $20.1 million, or an average price of $10.67 through an Automatic Unit Repurchase Plan. Repurchases continued in May and through the date of this report. The per unit amounts above exclude the 2% tax on Trust Unit repurchases which became effective January 1, 2024.

DISTRIBUTIONS

The distributions per Unit were $0.0992 and $0.0945 for the three months ended March 31, 2025 and 2024, respectively. The Trust is currently making monthly distributions of $0.0331 per Unit, which equates to $0.397 per Unit on an annualized basis. For the three months ended March 31, 2025, the Trust's FFO and AFFO were $0.150 and $0.127 per unit (diluted) respectively, compared to $0.144 and $0.126 for the three months ended March 31, 2024.

Distributions to Unitholders are as follows:

In $ 000's	3 Months Ended March 31, 2025	3 Months Ended March 31, 2024
Distributions declared to Unitholders	**$ 14,299**	$ 13,709
Distributions reinvested through DRIP[1]	-	(4,817)
Distributions declared to Unitholders, net of DRIP	**$ 14,299**	$ 8,892
DRIP participation rate	**n/a**[1]	35.1%

[1] On December 16, 2024 the Trust announced a suspension of the Dividend Reinvestment Plan until further notice.

InterRent's Declaration of Trust provides the Trustees with the discretion to determine the payout of distributions that would be in the best interest of the Trust. In establishing the level of distributions to Unitholders, consideration is given to future cash requirements of the Trust as well as forward-looking cash flow information.

WEIGHTED AVERAGE NUMBER OF UNITS

The following table sets forth the weighted average number of Units outstanding:

	3 Months Ended March 31, 2025	3 Months Ended March 31, 2024
Trust units	**145,558,094**	144,994,033
LP Class B units	**-**	2,160,766
Weighted average units outstanding - Basic	**145,558,094**	147,154,799
Unexercised dilutive options [1]	**17,602**	37,589
Weighted average units outstanding - Diluted	**145,575,696**	147,192,388

[1] Calculated using the treasury method.

NON-IFRS RECONCILIATIONS AND PERFORMANCE MEASURES

Management believes that Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO) are key measures for real estate investment trusts, however they do not have standardized meanings prescribed by IFRS (GAAP). These measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly termed measures reported by other such issuers.

As both measures exclude the fair value adjustments on investment properties and gains and losses from property dispositions, it provides an operating performance measure that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with GAAP. As these measures are based on historical performance, they lag current operation and are negatively impacted, most notably on a per unit basis, during periods of significant growth.

FFO Reconciliation In $000's, except per Unit amounts and Units outstanding	3 Months Ended March 31, 2025	3 Months Ended March 31, 2024
Net income (loss)	**$ 9,814**	$ 26,699
Add (deduct):		
Fair value adjustments on investment property	**6,502**	(8,236)
Loss on sale of investment properties	**(24)**	950
Adjustment for equity accounted joint ventures	**(202)**	(116)
Unrealized (gain) loss on financial instruments	**5,729**	1,632
Interest expense on puttable units classified as liabilities	**-**	199
Funds from Operations (FFO)	**$ 21,819**	$ 21,128
FFO per weighted average unit - basic	**$ 0.150**	$ 0.144
FFO per weighted average unit - diluted	**$ 0.150**	$ 0.144

AFFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended March 31, 2025**	**3 Months Ended March 31, 2024**
Funds from Operations	**$ 21,819**	$ 21,128
Add (deduct):		
Actual maintenance capital investment	**(3,307)[(1)]**	(2,594)[(1)]
Adjusted Funds from Operations (AFFO)	**$ 18,512**	$ 18,534
AFFO per weighted average unit - basic	**$ 0.127**	$ 0.126
AFFO per weighted average unit - diluted	**$ 0.127**	$ 0.126

(1) Maintenance capital investment total is for the 11,635 (2024 - 10,168) repositioned suites

The following table shows the proportionate NOI and FFO contributions from properties disposed during 2024 and 2025, as well as properties held for sale for the periods ended:

Disposed Properties In $000's	**3 Months Ended March 31, 2025**	**3 Months Ended March 31, 2024**
Proportionate NOI	**$ 339**	$ 1,908
FFO	**$ 164**	$ 1,455

Adjusted Cash Flow from Operations (ACFO) was introduced in February 2017, and updated February 2019, in REALpac's "White Paper on Adjusted Cashflow from Operations (ACFO) for IFRS" as a sustainable, economic cash flow metric. Management believes ACFO can be a useful measure to evaluate the Trust's ability to fund distributions to unitholders. ACFO should not be construed as an alternative to cash flows provided by or used in operating activities determined in accordance with IFRS. ACFO is calculated in accordance with the REALpac definition but may differ from other REIT's methods and accordingly, may not be comparable to ACFO reported by other issuers.

ACFO Reconciliation In $000's, except per Unit amounts and Units outstanding	**3 Months Ended March 31, 2025**	**3 Months Ended March 31, 2024**
Cash generated from operating activities	**$ 23,329**	$ 18,493
Add (deduct):		
Changes in non-cash working capital not indicative of sustainable cash flows	**-**	-
Amortization of finance costs	**(599)**	(625)
Principal portion of lease payments	**(77)**	(72)
Actual maintenance capital investment	**(3,307)**	(2,594)
ACFO	**$ 19,346**	$ 15,202
Distributions declared [(1)]	**$ 14,299**	$ 13,908
Excess of ACFO over distributions declared	**$ 5,047**	$ 1,294
ACFO payout ratio	**73.9%**	91.5%

(1) Includes distributions on LP Class B units

For the three months ended March 31, 2025, ACFO exceeded distributions declared by $5.0 million. Amounts retained in excess of the declared distributions are used to fund acquisitions and capital expenditure requirements.

CASH FROM OPERATING ACTIVITIES AND CASH DISTRIBUTIONS

The following table outlines the differences between cash flows from operating activities and net income and cash distributions in accordance with National Policy 41-201, "Income Trusts and Other Indirect Offerings":

In $ 000's	3 Months Ended March 31, 2025	3 Months Ended March 31, 2024
Net income (loss)	**$ 9,814**	$ 26,699
Cash flows from operating activities	**23,329**	18,493
Distributions paid [1]	**14,141**	9,079
Distributions declared [1]	**14,299**	13,908
Excess (deficit) of net income/loss compared to distributions paid	**(4,327)**	17,620
Excess (deficit) of net income/loss compared to distributions declared	**(4,485)**	12,791
Excess (deficit) of cash flows from operations over distributions paid	**9,188**	9,414
Excess (deficit) of cash flows from operations over distributions declared	**9,030**	4,585

[1] Includes distributions on LP Class B units

For the three months ended March 31, 2025, cash flows from operating activities exceeded distributions paid by $9.2 million. Net income (loss) is not used as a proxy for distributions as it includes fair value changes on investment properties and fair value change on financial instruments, which are not reflective of the Trust's ability to make distributions. Amounts retained in excess of the declared distributions are used to fund acquisitions and capital expenditure requirements.

RECONCILIATION OF Q1 PROPORTIONATE INCOME STATEMENT

The following table reconciles the Trust's consolidated statement of income (loss) on a GAAP basis to a proportionate basis for the periods ended:

In $ 000's	3 Months Ended March 31, 2025			3 Months Ended March 31, 2024		
	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis
Operating revenues						
Revenue from Investment properties	$ 62,750	$ 380	$ 63,130	$ 61,754	$ 350	$ 62,104
Operating expenses						
Property operating costs	9,524	64	9,588	9,318	56	9,374
Property taxes	6,715	44	6,759	6,713	41	6,754
Utilities	6,283	35	6,318	5,546	34	5,580
Total operating expenses	22,522	143	22,665	21,577	131	21,708
Net operating income	40,228	237	40,465	40,177	219	40,396
Financing costs	14,543	93	14,636	15,116	92	15,208
Administrative costs	3,983	2	3,985	4,088	2	4,090
Income before other income and expenses	21,702	142	21,844	20,973	125	21,098
Other income and expenses						
Fair value adjustments on investment properties	(6,502)	168	(6,334)	8,236	116	8,352
Other income and fees	564	-	564	528	-	528
Income from investment in joint ventures	310	(310)	-	241	(241)	-
Gain/(loss) on sale of investment properties	24	-	24	(950)	-	(950)
Other fair value gains/losses	(5,729)	-	(5,729)	(1,632)	-	(1,632)
Interest on units classified as financial liabilities	(555)	-	(555)	(697)	-	(697)
Net income (loss) for the period	$ 9,814	$ -	$ 9,814	$ 26,699	$ -	$ 26,699

RECONCILIATION OF PROPORTIONATE BALANCE SHEET

The following table reconciles the Trust's consolidated balance sheet on a GAAP basis to a proportionate basis as at:

In $ 000's	March 31, 2025 GAAP Basis	March 31, 2025 Adjustments for Proportionate Interest	March 31, 2025 Proportionate Share Basis	December 31, 2024 GAAP Basis	December 31, 2024 Adjustments for Proportionate Interest	December 31, 2024 Proportionate Share Basis
Assets						
Investment properties	**$ 4,052,719**	**$ 87,413**	**$ 4,140,132[1]**	$ 4,078,627	$ 84,924	$ 4,163,551[1]
Investment in joint ventures	**51,967**	**(51,967)**	**-**	53,194	(53,194)	-
Prepaids and deposits	**42,687**	**69**	**42,756**	35,972	145	36,117
Assets held for sale	**26,344**	**-**	**26,344**	-	-	-
Receivables and other assets	**22,198**	**226**	**22,424**	22,996	198	23,194
Cash	**7,616**	**2,471**	**10,087**	4,524	1,630	6,154
Total Assets	**$ 4,203,531**	**$ 38,212**	**$ 4,241,743**	$ 4,195,313	$ 33,703	$ 4,229,016
Liabilities						
Mortgages payable	**$ 1,668,998**	**$ 37,226**	**$ 1,706,224**	$ 1,646,942	$ 32,720	$ 1,679,662
Credit facilities	**50,020**	**-**	**50,020**	42,000	-	42,000
Unit-based compensation liabilities	**55,414**	**-**	**55,414**	47,976	-	47,976
Lease liabilities	**1,293**	**-**	**1,293**	1,372	-	1,372
Tenant rental deposits	**22,564**	**156**	**22,720**	21,728	130	21,858
Liabilities associated with assets held for sale	**13,914**	**-**	**13,914**	-	-	-
Accounts payable and accrued liabilities	**51,501**	**830**	**52,331**	40,658	853	41,511
Total liabilities	**1,863,704**	**38,212**	**1,901,916**	1,800,676	33,703	1,834,379
Unitholders' equity						
Unit capital	**1,071,169**	**-**	**1,071,169**	1,121,494	-	1,121,494
Retained earnings	**1,268,658**	**-**	**1,268,658**	1,273,143	-	1,273,143
Total unitholders' equity	**2,339,827**	**-**	**2,339,827**	2,394,637	-	2,394,637
Total liabilities and unitholders' equity	**$ 4,203,531**	**$ 38,212**	**$ 4,241,743**	$ 4,195,313	$ 33,703	$ 4,229,016

[1] Proportionate investment properties consist of $4,025,664 of income producing properties (December 2024 - $4,052,608) and $114,468 of properties under development (December 2024 - $110,914).

LIQUIDITY AND CAPITAL RESOURCES

InterRent REIT's overall debt level was at 40.9% of Gross Book Value ("GBV") at March 31, 2025. GBV is a non-GAAP term that is defined in the DOT and includes all operations. The following chart sets out the Trust's computed Debt-to-GBV:

In $ 000's	March 31, 2025	December 31, 2024
Total assets per balance sheet	$ 4,203,531	$ 4,195,313
Mortgages payable	1,668,998	1,646,942
Credit facilities	50,020	42,000
Total debt	$ 1,719,018	$ 1,688,942
Debt-to-GBV	40.9%	40.3%

With a DOT limit of 75% of Debt-to-Gross Book Value, InterRent REIT has the ability to further leverage the existing portfolio to assist with future investments in new assets. The Trust is conscious of the current credit environment and how this affects the ability of the Trust to grow. Management continues to evaluate potential new acquisition opportunities as well as potential dispositions in order to continue to grow the Trust in a fiscally prudent manner.

INTEREST AND DEBT SERVICE COVERAGE

The following schedule summarizes the interest and debt service coverage ratios for InterRent for the comparable rolling 12-month periods ending March 31, 2025 (GAAP basis):

In $000's	12 Months Ended March 31, 2025		12 Months Ended March 31, 2024	
NOI	$	164,987	$	159,493
Add: Management fees [1]		1,916		1,888
Add: Amortization		823		806
Less: Administrative costs		(17,365)		(17,209)
EBITDA	$	150,361	$	144,978
Interest expense [2]	$	57,973	$	61,634
Interest coverage ratio		**2.59x**		2.35x
Contractual principal repayments	$	30,871	$	30,019
Total debt service payments	$	88,844	$	91,653
Debt service coverage ratio		**1.69x**		1.58x

[1] Compensation for property and project management services.
[2] Interest expense includes interest on mortgages and credit facilities, including interest capitalized to properties under development and interest income, and excludes interest (distributions) on units classified as financial liabilities.

MORTGAGE AND DEBT SCHEDULE

The following schedule summarizes the aggregate future minimum principal payments and debt maturities for the mortgages of InterRent REIT, excluding mortgages on assets held for sale:

Year Maturing	Mortgage Balances At March 31, 2025 (in $ 000's)		Weighted Average by Maturity	Weighted Average Interest Rate
2025	$	220,108	12.8%	3.16%
2026	$	175,004	10.2%	3.24%
2027	$	216,905	12.7%	3.75%
2028	$	246,140	14.4%	3.13%
2029	$	152,159	8.9%	4.29%
Thereafter	$	703,371	41.0%	3.12%
Total	$	1,713,687	100.0%	3.31%

At March 31, 2025, the average term to maturity of the mortgage debt was approximately 4.6 years and the weighted average cost of mortgage debt was 3.31%. At March 31, 2025, approximately 91% of InterRent REIT's mortgage debt was backed by CMHC insurance.

As at March 31, 2025, the Trust had the following credit facilities:

- A $5.0 million demand credit facility with a Canadian chartered bank secured by a general security agreement. Interest is charged at prime plus a pre-defined spread. As at March 31, 2025, the Trust had no amounts drawn on this facility.
- A $105.0 million term credit facility, maturing in 2027, with a Canadian chartered bank secured by a general security agreement, first mortgage on one of the Trust's properties and second collateral mortgages on nine of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2025, the Trust had no amounts drawn on this facility.

- A $100.0 million term credit facility, maturing in 2026, with a Canadian chartered bank secured by a general security agreement, first mortgages on two of the Trust's properties and second collateral mortgages on two of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at March 31, 2025, the Trust had $44.0 million drawn on this facility.
- A $15.0 million term credit facility, maturing in 2025, with a Canadian chartered bank secured by a general security agreement, a first mortgage on one of the Trust's properties and second collateral mortgages on one of the Trust's properties. Interest is charged at prime plus a pre-defined spread. As at March 31, 2025, the Trust had $6.0 million drawn on this facility.

ACCOUNTING

RISKS AND UNCERTAINTIES

A comprehensive description of the risks and uncertainties can be found in InterRent REIT's December 31, 2024 MD&A and other securities filings at www.sedarplus.com.

FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Overview

The Trust is exposed to credit risk, liquidity risk and market risk. The Trust's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholders value. Risk management strategies, as discussed below, are designed and implemented to ensure the Trust's risks and the related exposures are consistent with its business objectives and risk tolerance.

b) Credit Risk

The Trust's credit risk is attributable to its rents and other receivables and loan receivable long-term incentive plan.

Credit risk arises from the possibility that: (i) residents may experience financial difficulty and be unable to fulfil their lease commitments; and (ii) a party defaults on the repayment of their debt causing a financial loss to the Trust.

The Trust has established various internal controls designed to mitigate credit risk such as credit checks and, where permitted, adequate security to assist in potential recoveries. While the Trust's credit controls and processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Trust's current credit loss experience will improve. The Trust monitors its collection process on a regular basis and all receivables from past residents and resident receivables over 30 days are provided for in allowances for doubtful accounts. The Trust believes that the concentration of credit risk of accounts receivable is limited due to its broad resident base, dispersed across varying geographic locations.

Credit risk relating to other receivables and loan receivable long-term incentive plan is mitigated through recourse against such parties and/or the underlying security. These receivables are considered to have low credit risk.

The amounts disclosed as rents and other receivables and loan receivable long-term incentive plan in the consolidated balance sheet are net of allowances for doubtful accounts. At March 31, 2025, the Trust had past due rents and other receivables of $10.5 million net of an allowance for doubtful accounts of $3.2 million which adequately reflects the Trust's credit risk.

c) Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 25(c) in the March 31, 2025 consolidated financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

As at March 31, 2025, the Trust had credit facilities as described in note 11 in the March 31, 2025 condensed consolidated financial statements.

Note 10 in the March 31, 2025 condensed consolidated financial statements reflects the contractual maturities for mortgages payable of the Trust at March 31, 2025. The Trust continues to refinance the outstanding debts as they mature. Given the Trust's available credit and its available liquid resources from both financial assets and on-going operations, management assesses the Trust's liquidity risk to be low.

d) Fair Value

Financial instruments are defined as a contractual right to receive or deliver cash or another financial asset. The fair values of the Trust’s financial instruments, except for mortgages payable, approximate their recorded values due to their short-term nature and or the credit terms of those instruments.

The fair value of the mortgages payable has been determined by discounting the cash flows using current market rates of similar instruments. These estimates are subjective in nature and therefore cannot be determined with precision. The fair value of mortgages payable and credit facilities is approximately $1,761 million as at March 31, 2025 excluding any deferred financing costs.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

e) Market Risk

Market risk includes the risk that changes in interest rates will affect the Trust's cash flows or the fair value of its financial instruments.

At March 31, 2025, 2% (December 31, 2024 - 2%) of the Trust's mortgage debt was at variable interest rates. The Trust's credit facilities bear interest at variable rates. If there was a 100 basis point change in the interest rate, cash flows would have changed by approximately $0.2 million for the three months ended March 31, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2025 the Trust did not have any off-balance sheet arrangements in place.

RELATED PARTY TRANSACTIONS

The Audit Committee and Nominations and Governance Committee have reviewed and recommended approval to the Board, and the Board has subsequently approved, the entering into of a services agreement with CLV Group Developments to carry out certain entitlement, development, and construction services on behalf of the REIT in relation to the REITs developments. CLV Group Developments is a private company controlled by an officer and Trustee of the REIT with a long track record of developing and constructing multifamily properties in Ontario. In order to mitigate the potential conflict of interest, both firms retained separate and independent legal representation for this matter. In addition, an independent external consultant reviewed the services to be supplied and provided a report in regards to the typical range of fees that would be charged for such services. The fees included in the agreement are either at or below the bottom end of the range provided by the consultant. During the three months ended March 31, 2025, the Trust incurred $0.1 million (2024 - $0.2 million) in entitlement, development, and construction management services related to the agreement which have been capitalized to the investment properties.

OUTSTANDING SECURITIES DATA

As of May 15, 2025, the Trust had issued and outstanding: (i) 139,804,959 units; (ii) options exercisable to acquire 55,000 units of the Trust; and (iii) deferred units that are redeemable for 4,956,023 units of the Trust. Additionally, the Trust has 434,745 Restricted Units and 352,596 Performance Units outstanding under the Trust's Performance and Restricted Unit Plan.

SUBSEQUENT EVENTS

Subsequent to the end of the quarter, the Trust has sold one property (104 suites) in Montréal, Quebec which closed in April of 2025 that was included in assets held for sale for a sale price of $26.5 million or $255,100 per suite. The Trust has also sold two properties (118 suites) in Hamilton, Ontario which closed in April 2025 for a sale price of $29.4 million or $249,400 per suite.

Subsequent to the quarter, an additional 2,777,526 units were purchased and cancelled for $30.1 million.

COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation. An adjustment to assets held within our joint ventures from other assets to investment properties was made to the non-GAAP proportionate balance sheet. The calculation of EBITDA in the interest and debt service coverage section has been adjusted to include the compensation the REIT receives to perform the property and project management services for 2,067 residential suites within its joint operations and joint ventures, as well as to add back the depreciation and amortization within administrative costs.

ADDITIONAL INFORMATION

Additional information concerning InterRent REIT, including InterRent REIT's annual information form, is available on SEDAR at www.sedarplus.com.