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News Release

InterRent REIT Results for the Third Quarter of 2013

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Ottawa, Ontario (November 12, 2013) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the third quarter ended September 30, 2013.

Highlights

- Operating revenue for the quarter increased by $3.6 million, or 28.9%, to $16.0 million compared to Q3 2012.
- The average monthly rent across the portfolio for September 2013 increased to $922 per suite from $880 for September 2012, an increase of 4.7%. For stabilized properties, the average monthly rents increased from $880 to $907, or 3.1%, for September 2013 compared to September 2012.
- Overall Economic Vacancy increased from 1.4% in September 2012 to 3.6% in September 2013. Economic Vacancy was 2.8% in the stabilized portfolio and 4.7% in the non-stabilized portfolio.
- Net Operating Income (NOI) increased by $2.1 million, or 27.1%, for the quarter compared to Q3 2012. NOI for the quarter was $9.8 million, or 61.2% of operating revenues, compared to $7.7 million, or 62.0% of operating revenue, for Q3 2012.
- Net Operating Income (NOI) from stabilized properties increased by $0.1 million, or 2.3%, for the quarter compared to Q3 2012. NOI from stabilized operations for the quarter was $6.0 million, or 62.3% of operating revenues, compared to $5.8 million, or 62.1% of operating revenue, for Q3 2012.
- Funds From Operations (FFO) for the quarter increased by $1.4 million, or 34.6%, to $5.5 million (or $0.10 per unit) compared to $4.1 million (or $0.09 per unit) for Q3 2012.
- Adjusted Funds From Operations (AFFO) for the quarter increased by $1.3 million, or 35.4%, to $4.8 million (or $0.08 per unit) compared to $3.5 million (or $0.08 per unit) for Q3 2012.
- Distributable Income (DI) for the quarter increased by $1.1 million, or 34.3%, to $4.3 million (or $0.08 per unit) compared to $3.2 million (or $0.07 per unit) for Q3 2012.
- For the year to date, InterRent has closed on the acquisition of 1,341 suites within three core markets that have been targeted for growth, and added 8 suites to existing properties, an increase in suite count of 28.7%.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	***3 Months Ended September 30, 2013***	***3 Months Ended September 30, 2012***
Total suites	***6,044***	*4,695*
Occupancy rate (June)	***96.4%***	*98.6%*
Average rent per suite (June)	***$922***	*$880*
Operating revenues	***$16,044***	*$12,448*
Net operating income (NOI)	***9,817***	*7,722*
NOI %	***61.2%***	*62.0%*
NOI per weighted average unit - basic	***$0.17***	*$0.17*
NOI per weighted average unit - diluted	***$0.17***	*$0.17*
Funds from operations (FFO)	***$5,506***	*$4,092*
FFO per weighted average unit - basic	***$0.10***	*$0.09*
FFO per weighted average unit - diluted	***$0.10***	*$0.09*
Adjusted funds from operations (AFFO)	***$4,826***	*$3,564*
AFFO per weighted average unit - basic	***$0.08***	*$0.08*
AFFO per weighted average unit - diluted	***$0.08***	*$0.08*
Distributable income (DI)	***$4,332***	*$3,225*
DI per weighted average unit - basic	***$0.08***	*$0.07*
DI per weighted average unit - diluted	***$0.08***	*$0.07*
Cash distributions per unit	***$0.0501***	*$0.0366*
AFFO payout ratio	***60%***	*45%*
Stabilized average rent per suite	***$907***	*$880*
Stabilized NOI %	***62.3%***	*62.1%*
Interest coverage (rolling 12 months)	***2.74x***	*2.38x*
Debt service coverage (rolling 12 months)	***1.69x***	*1.59x*
Debt to GBV	***46.8%***	*47.8%*

Results for the Quarter

Operating revenue for the quarter increased by $3.6 million, an increase of 28.9%, to $16.0 million compared to the same quarter last year. The REIT had 6,044 suites at the end of the current quarter compared to 4,695 at the end of Q3 2012, a net increase of 1,349 suites, or 28.7%. The average monthly rent across the entire portfolio for September 2013 increased to $922 per suite from $880 (September 2012), an increase of 4.7%. On a stabilized portfolio basis (stabilized properties are those owned by the REIT continuously for 24 months), the average monthly rent per suite increased from $880 to $907 over the same period, an increase of 3.1%. On a non-stabilized portfolio basis the average monthly rent per suite increased from $880 to $944 over the same period, an increase of 7.3%. Management expects to continue to grow revenues organically through moving to market rent on suite turnovers, guideline increases, continued roll-out of AGIs as well as continuing to drive other ancillary revenue streams.

Management believes in trying to optimize the balance of supply and demand by pushing rents and monitoring vacancy within acceptable levels in order to strike the right balance and maximize revenue. The September 2013 vacancy rate across the entire portfolio was 3.6% which is made up of 2.8% in the stabilized portfolio (3,527 suites) and 4.7% in the non-stabilized portfolio (2,263 suites not including the 254 un-rentable suites at the redevelopment property in Ottawa). “We continuously monitor and adjust rents to try and balance between vacancy and rental growth in order to drive value for our unitholders,” said Mike McGahan, CEO.

Property operating costs for the quarter were $2.8 million compared to $2.1 million for the third quarter of 2012. Despite the net addition of 1,349 suites, operating costs increased by only $0.8 million. As a percentage of revenue, operating costs increased by 1.0% as compared to Q3 2012 due to increased landscaping, leasing and advertising costs as well as bad debt expense related to the newly acquired properties. On a stabilized property basis, property operating costs were in-line with the same period in 2012.

Utility costs for the quarter amounted to $1.3 million or 7.9% of operating revenue compared to $1.1 million or 8.4% for Q3 2012. As a percentage of operating revenues and on a per suite basis, utility costs have continued to decrease over the comparable quarter as a result of energy savings initiatives, the expiry of retail natural gas contracts, and from our hydro sub-metering initiative. Our hydro sub-metering initiative reduced our utility costs by 10.7% for the quarter. Management expects this initiative to continue to contribute to stabilized and non-stabilized NOI growth over the next 2-3 years.

NOI for the portfolio increased 27.1% to $9.8 million for the quarter, or 61.2% of operating revenue, compared to $7.7 million, or 62.0% of operating revenue, for Q3 2012. Stabilized property NOI for the quarter was up $0.1 million, or 2.3% over the same period last year as rental growth and utility savings were more than able to offset the increase in property taxes. “We continue to strive to improve the NOI quarter over comparative quarter both in our stabilized properties as well as within our acquisitions. The ability to drive NOI in order to create value is one of the key factors we evaluate when looking at an acquisition,” said Mike McGahan, CEO.

Given the significant amount of capital required to acquire and maintain properties, being able to access mortgage debt and the interest rate thereon is crucial for the long term success of the REIT. Over the last year, the REIT has lowered the weighted average interest rate by 28 basis points from 3.66% at Q3 2012 to 3.38% at Q3 2013 and extended the average life to maturity from 3.9 years to 4.1 years. The REIT will continue to review the mortgages and maturities in order to capitalize on the availability of long term funds at the historically low rates that are currently available.

In keeping with management’s strategy of maximizing returns for unitholders and focusing on clusters of buildings within geographical proximity to each other (in order to build operational efficiencies and attract focused, professional staff) properties are reviewed on a regular basis to determine if they should be kept or disposed. “The 1,341 suites that we have acquired so far this year are all within three core markets that we have targeted for growth. We believe that these are all strong rental markets; provide opportunities to build on existing scale; and in the case of the Montreal acquisitions, provide a new platform for future growth. We expect repositioning efforts at our properties acquired over the last two years along with the redevelopment of our Bell Street property will be strong contributors to our bottom line going forward,” said Mike McGahan, CEO.

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 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 NOI, FFO, AFFO, and DI. These non-GAAP measures are further defined and discussed in the MD&A released on November 12, 2013, which should be read in conjunction with this press release. Since NOI, FFO, AFFO and DI 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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