
News Release**InterRent REIT Reports Results for the Third Quarter of 2017
and a 11% Increase in the Monthly Distribution**

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Ottawa, Ontario (November 14, 2017) – InterRent Real Estate Investment Trust (TSX-IIP.UN) (“**InterRent**” or the “**REIT**”) today reported financial results for the third quarter ended September 30, 2017. With InterRent’s portfolio demonstrating strong sustainable results and with the REIT applying its disciplined approach to growing the portfolio, the Board of Trustees has approved an 11.1% increase to the distribution. The annualized distribution increases to \$0.27 per unit from \$0.243 per unit. The increase will be effective for the November distribution that is to be paid in December 2017.

Highlights

- Monthly distribution has been increased by 11.1% effective with the November distribution that is to be paid in December 2017. The monthly distribution increases from \$0.02025 to \$0.02250 per unit.
- Gross rental revenue for the quarter increased by \$2.9 million, or 11.5%, over Q3 2016.
- Gross rental revenue for the quarter from the stabilized portfolio increased by \$0.9 million, or 4.6%, over Q3 2016.
- Average monthly rent per suite for the entire portfolio increased to \$1,099 (September 2017) from \$1,055 (September 2016), an increase of 4.2%. The stabilized portfolio increased to \$1,110 (September 2017) from \$1,059 (September 2016), an increase of 4.8%.
- Occupancy for the overall portfolio was 97.3%, an increase of 310 basis points (September 2017 compared to September 2016). Occupancy for the stabilized portfolio was 97.6%, an increase of 140 basis points (September 2017 compared to September 2016).
- Net Operating Income (NOI) for the quarter was \$17.5 million, an increase of \$2.8 million, or 19.4%, over Q3 2016. NOI margin for the quarter was 63.0%, up 210 basis points over Q3 2016.
- Stabilized NOI for the quarter was \$14.0 million, an increase of \$1.4 million, or 11.2%, over Q3 2016. Stabilized NOI margin for the quarter was 66.1%, up 290 basis points over Q3 2016.
- Fair value gain on investment properties in the quarter of \$101.5 million was driven by property level operating improvements as well as a reduction in the overall weighted average capitalization rate to 4.57% from 4.85% at Q2 2017.
- Net income for the quarter was \$111.1 million, an increase of \$99.2 million compared to Q3 2016. The increase was driven primarily by the fair value gain on investment properties as well as rental growth and occupancy improvements.
- FFO increased by \$2.5 million, or 33.8%, for the quarter. Fully diluted FFO per unit increased by 15.7%, from \$0.102 per unit to \$0.118 per unit.
- AFFO increased by \$2.3 million, or 34.9%, for the quarter. Fully diluted AFFO per unit increased by 16.5% from \$0.091 per unit to \$0.106 per unit.
- Debt to GBV at quarter end was 48.5%, a decrease of 680 basis points from December 2016.
- Purchased 323 suites in our key growth markets of Montreal and Hamilton for a total purchase price of \$65 million.

Financial Highlights

Selected Consolidated Information In \$000's, except per Unit amounts and other non-financial data	3 Months Ended September 30, 2017	3 Months Ended September 30, 2016	Change
Total suites	8,605	8,059	+6.8%
Average rent per suite (September)	\$1,099	\$1,055	+4.2%
Occupancy rate (September)	97.3%	94.2%	+310bps
Operating revenues	\$27,800	\$24,099	+15.4%
Net operating income (NOI)	\$17,526	\$14,677	+19.4%
NOI %	63.0%	60.9%	+210bps
Stabilized average rent per suite (September)	\$1,110	\$1,059	+4.8%
Stabilized occupancy rate (September)	97.6%	96.2%	+140bps
Stabilized NOI	\$14,040	\$12,629	+11.2%
Stabilized NOI %	66.1%	63.2%	+290bps
Net Income	\$111,112	\$11,905	833.3%
Funds from Operations (FFO)	\$9,891	\$7,393	+33.8%
FFO per weighted average unit - basic	\$0.118	\$0.103	+14.6%
FFO per weighted average unit - diluted	\$0.118	\$0.102	+15.7%
Adjusted Funds from Operations (AFFO)	\$8,878	\$6,582	+34.9%
AFFO per weighted average unit - basic	\$0.106	\$0.091	+16.5%
AFFO per weighted average unit - diluted	\$0.106	\$0.091	+16.5%
Cash distributions per unit	\$0.0608	\$0.0578	+5.2%
AFFO payout ratio	57.1%	62.7%	-560bps
Debt to GBV	48.5%	54.9%	-640bps
Interest coverage (rolling 12 months)	2.71x	2.52x	+0.19x
Debt service coverage (rolling 12 months)	1.71x	1.54x	+0.17x

Gross rental revenue for the quarter was \$27.6 million, an increase of \$2.9 million, or 11.5%, compared to Q2 2017. Operating revenue for the quarter was up \$3.7 million to \$27.8 million, or 15.4% compared to Q2 2017. The average monthly rent across the portfolio for September 2017 increased to \$1,099 per suite from \$1,055 (September 2016), an increase of 4.2%. The September 2017 vacancy rate across the entire portfolio was 2.7%, a decrease from 5.8% recorded in September 2016. The 2.7% was comprised of 2.4% for stabilized properties and 3.5% for un-stabilized. "Growing demand in our key growth markets has allowed us to continue driving rents and improve occupancy levels, resulting in significant improvements to operating performance and FFO/AFFO per Unit. These improvements combined with continued strong demand for multifamily assets have resulted in further cap rate compression in core markets across Ontario and Quebec," said Mike McGahan, CEO.

On a stabilized portfolio basis (stabilized properties are income properties owned by the REIT continuously for 24 months), the average monthly rent per suite increased from \$1,059 (September 2016) to \$1,110 (September 2017), an increase of 4.8%. 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.

NOI for the quarter was \$17.5 million, or 63.0% of operating revenue, compared to \$14.7 million, or 60.9% of operating revenue, for the three months ended September 30, 2016. NOI from the stabilized portfolio

increased to \$14.0 million for Q3 2017, an increase of \$1.4 million, or 11.2%, over Q3 2016. Stabilized NOI margin for the quarter was 66.1%.

Net Income for the quarter was \$111.1 million, compared to \$11.9 million for Q3 2016. The increase of \$99.1 million was as a result of continued operating performance improvements as well as a reduction of 28 basis points in the overall weighted average capitalization rate of the investment properties.

About InterRent

InterRent REIT is a growth-oriented real estate investment trust engaged in increasing Unitholder value and creating a growing and sustainable distribution through the acquisition and ownership of multi-residential properties.

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

***Non-GAAP Measures**

InterRent prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with IFRS (GAAP). In this and other earnings releases, as a complement to results provided in accordance with GAAP, InterRent also discloses and discusses certain non-GAAP financial measures, including Gross Rental Revenue, NOI, Stabilized properties, FFO, AFFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated November 14, 2017, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Stabilized properties, FFO, AFFO and EBITDA are not determined by GAAP, they may not be comparable to similar measures reported by other issuers. InterRent has presented such non-GAAP measures as Management believes these measures are relevant measures of the ability of InterRent to earn and distribute cash returns to Unitholders and to evaluate InterRent's performance. These non-GAAP measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with GAAP as an indicator of InterRent's performance.

Cautionary Statements

The comments and highlights herein should be read in conjunction with the most recently filed annual information form as well as our consolidated financial statements and management's discussion and analysis for the same period. InterRent's publicly filed information is located at www.sedar.com.

This news release contains "forward-looking statements" within the meaning applicable to Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "anticipated", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". InterRent is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. A full description of these risk factors can be found in InterRent's most recently publicly filed information located at www.sedar.com. InterRent cannot assure investors that actual results will be consistent with these forward looking statements and InterRent assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.

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

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