

**NEWS RELEASE**

## OCCUPANCY GAINS AND RENTAL GROWTH IN Q3 2021 LEAD TO 10<sup>TH</sup> CONSECUTIVE YEAR OF DISTRIBUTION INCREASE FOR INTERRENT REIT

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**Ottawa, Ontario** (November 8, 2021) – InterRent Real Estate Investment Trust (TSX-IIP.UN) (“**InterRent**” or the “**REIT**”) today reported financial results for the third quarter ended September 30, 2021.

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### **InterRent REIT reports sequential occupancy gains across all portfolio segments in Q3 2021 and continues to grow average monthly rent per suite across all regions**

- Total portfolio occupancy for September 2021 was 94.4%, an increase of 290bps compared to June 2021
- Same property occupancy for September 2021 was 94.9%, an increase of 270bps compared to June 2021
- Same property average monthly rent per suite at \$1,367 as of September 2021; growth of 4.4% over September 2020 (\$1,310)
- Same property NOI was \$26.3 million for the quarter, an increase of 2.4% compared to Q3 2020
- Same property NOI margin in Q3 2021 was 65.3%, an improvement of 60bps relative to Q2 2021 and down 50bps compared to Q3 2020
- FFO increases to \$19.3 million (\$0.135 per Unit – diluted) in Q3 2021; growth of 12.3% overall and 11.6% on a per Unit basis compared to Q3 2020
- Strong acquisition performance post quarter with closings on 285 suites in Toronto, 48 suites in Montréal and a 50% interest in a 104-suite LEED Gold property in Vancouver
- Board of Trustees has approved a 5.1% increase to the distribution, from \$0.3255 per unit to \$0.3420 per unit, marking the 10<sup>th</sup> consecutive year that the REIT has grown its distribution by 5% or more
- ESG performance reinforced with inaugural sustainability report, 25% increase in 2021 GRESB score and “Green Star” rating

### **Occupancy improvements, scale effects, and average rent growth lead to strong increase in operating revenues**

At 94.4% in September 2021, the occupancy rate in InterRent’s portfolio has improved 290bps relative to June 2021 (91.5%) and 230bps compared to September 2020 (92.1%). The REIT’s same property portfolio saw consistent improvements, posting a quarter-over-quarter increase of 270bps and a year-over-year gain of 290bps as of September 2021. Strong leasing activity in Vancouver drove a sequential occupancy improvement of 430bps in the REIT’s non-repositioned portfolio, with vacancy in the Greater Vancouver Area shrinking by 1,590bps over the quarter.

As of September 30, 2021, InterRent has 100% ownership in 11,897 suites. Including properties that the REIT owns in partnership with Crestpoint Real Estate Investments Ltd. (Crestpoint), InterRent owned or managed 12,273 suites as of September 30, 2021, up 11.1% from 11,046 as of September 30, 2020. Operating revenues stood at \$46.9 million in Q3 2021, growing at 18.0% from \$39.7 million in Q3 2020 as occupancy gains, scale effects from acquisitions and improvements in average rent per suite (+5.0%) helped offset the burn-off of pandemic-related rebates and higher advertising expenses in select properties.

These improvements translated into a same property NOI margin of 65.3% in Q3 2021, a sequential improvement of 60bps compared to Q2 2021 and down slightly relative to Q3 2020 (-50bps). Management expects elevated promotional activity seen during the pandemic to gradually normalize in the REIT's financials over the next 12 months, and continues to view the decision to hold face rents as the right strategy for the long-term financial health of the REIT.

Net income for the quarter was \$104.5 million, an increase of \$72.0 million compared to Q3 2020. This difference was due primarily to the \$85.5 million fair value gain on investment properties and an increase in operating revenue to \$46.9 million for the quarter from \$39.7 million in Q3 2020.

The REIT posted another strong FFO result in the quarter. At \$19.3 million (\$0.135 per Unit – diluted), FFO increased by 12.3% compared to Q3 2020 (\$17.2 million or \$0.121 per Unit - diluted), resulting in 11.6% growth on a per Unit basis. AFFO likewise grew from \$15.1 million (\$0.106 per Unit – diluted) in Q3 2020 to \$17.2 million (\$0.120 per Unit – diluted) in Q3 2021, representing 14.4% and 13.2% growth on an absolute and per Unit basis, respectively.

### **Acquisitions of 1,662 owned or managed suites year to date fuel repositioning opportunity to improve Canada's multi-family housing stock**

From January to November 2021, InterRent has acquired a total of 1,662 owned or managed rental suites at a total purchase price of \$673.8 million<sup>(1)</sup>. In the third quarter, the REIT closed on a previously announced transaction in Mississauga in partnership with Crestpoint.

Subsequent to the quarter end, InterRent acquired two properties in Toronto on October 18, 2021 for a combined purchase price of \$125.0 million. Comprising a total of 285 suites, these properties are located in highly desirable, amenity-rich neighbourhoods with a weighted-average walk score of 92. On October 22, 2021, the REIT, together with Crestpoint, increased its footprint in Vancouver by 104 suites for a combined purchase price of \$52.0 million (of which InterRent's interest is 50%). This latest addition in Vancouver's vibrant Collingwood neighbourhood was completed in 2020 with a LEED Gold building certification and sits within walking distance to two SkyTrain stations. On November 8, 2021, InterRent closed on a 48-suite property (including 46 2-bedroom or larger suites) and also included ground floor commercial space, in the heart of Westmount in Montréal for \$18.5 million, complementing the REIT's existing portfolio in the neighbourhood.

Date	Property	City	Region	Ownership Interest	Suites	Price (\$m)
Jan 21, 2021	388 Vine St	St. Catharines	Other Ontario	100%	114	22.0
Jan 28, 2021	Various	Vancouver	GVA	50%	614	292.5
Apr 13, 2021	2054 Comox St/8735 Selkirk St	Vancouver	GVA	50%	45	18.9
Apr 29, 2021	165 Ontario St	St. Catharines	Other Ontario	100%	158	31.4
May 13, 2021	150 Allan St	Oakville	GTHA	100%	55	26.4
May 13, 2021	265 Reynolds St	Oakville	GTHA	100%	45	20.3
Jun 1, 2021	920 Inverhouse Dr	Mississauga	GTHA	100%	95	32.7
Jun 9, 2021	774-778 Gladstone Ave, 174 Bell St N & Land	Ottawa	NCR	100%	5	4.0
Jul 26, 2021	2150 Roche Ct	Mississauga	GTHA	50%	94	30.1
Oct 18, 2021	30 Edith Dr/919 Dufferin St	Toronto	GTHA	100%	285	125.0
Oct 22, 2021	The Link (3583 Kingsway)	Vancouver	GVA	50%	104	52.0
Nov 8, 2021	418 Claremont Ave	Montréal	GMA	100%	48	18.5
<b>Total YTD Acquisitions</b>					<b>1,662</b>	<b>673.8<sup>(1)</sup></b>

The YTD acquisition activity offers potential operating synergies with the REIT's existing portfolio and provides fodder for future value creation through InterRent's repositioning program.

<sup>(1)</sup> At 100% share; \$477.0 million based on InterRent's ownership interest.

## A decade of distribution increases underpinned by strong operating performance

With the REIT's portfolio continuing to demonstrate strong, sustainable results, the Board of Trustees has approved a 5.1% increase in the monthly distribution. This is the 10<sup>th</sup> consecutive year that the REIT has grown its distribution by 5% or more. The increase is effective for the November 2021 distribution to be paid in December 2021, and increases the annualized distribution to \$0.3420 per unit from \$0.3255 per unit.

## Inaugural sustainability report and GRESB score improvement signal ongoing commitment to sustainability

InterRent is publishing its 2020 sustainability report today alongside its Q3 2021 results. With this inaugural report, the REIT aims to share its philosophy around sustainability and its successes to date, while also communicating its future ambitions. The REIT participated in the GRESB Real Estate Assessment for the first time in 2020 and is pleased to report a 25% increase in its 2021 GRESB score on the back of continued efforts around stakeholder and resident engagement, earning a "Green Star" rating and signaling strong ESG performance across the company. The REIT has already identified target improvement areas to keep the positive momentum going for the 2022 submission and management encourages all stakeholders to join the sustainability conversation.

Commenting on the figures for the third quarter of 2021 published today, Mike McGahan, CEO of InterRent, said: *"The commentary we've shared over the last few quarters is playing out across our portfolio. We had a strong leasing season late in Q3, particularly in our newly acquired Vancouver portfolio, and we are seeing that strength continue into the early part of Q4. We continue to believe our strategy to hold rents was the right decision for our business and we feel optimistic going into 2022."*

## Financial Highlights

<b>Selected Consolidated Information</b> In \$000's, except per Unit amounts and other non-financial data	<b>3 Months Ended September 30, 2021</b>	<b>3 Months Ended September 30, 2020</b>	<b>Change</b>
Total suites	<b>11,897</b>	11,046	<b>+7.7%</b>
Average rent per suite (September)	<b>\$1,367</b>	\$1,302	<b>+5.0%</b>
Occupancy rate (September)	<b>94.4%</b>	92.1%	<b>+230bps</b>
Operating revenues	<b>\$46,866</b>	\$39,719	<b>+18.0%</b>
Net operating income (NOI)	<b>\$30,250</b>	\$26,228	<b>+15.3%</b>
NOI %	<b>64.5%</b>	66.0%	<b>-150bps</b>
Same Property average rent per suite (September)	<b>\$1,367</b>	\$1,310	<b>+4.4%</b>
Same Property occupancy rate (September)	<b>94.9%</b>	92.0%	<b>+290bps</b>
Same Property NOI	<b>\$26,266</b>	\$25,621	<b>+2.4%</b>
Same Property NOI %	<b>65.3%</b>	65.8%	<b>-50bps</b>
Net Income	<b>\$104,512</b>	\$32,506	<b>+221.5%</b>
Funds from Operations (FFO)	<b>\$19,285</b>	\$17,170	<b>+12.3%</b>
FFO per weighted average unit – diluted	<b>\$0.135</b>	\$0.121	<b>+11.6%</b>
Adjusted Funds from Operations (AFFO)	<b>\$17,238</b>	\$15,070	<b>+14.4%</b>
AFFO per weighted average unit – diluted	<b>\$0.120</b>	\$0.106	<b>+13.2%</b>
Distributions per unit	<b>\$0.0814</b>	\$0.0775	<b>+5.0%</b>
Adjusted Cash Flow from Operations (ACFO)	<b>\$18,778</b>	\$15,416	<b>+21.8%</b>
Debt to GBV	<b>34.4%</b>	30.9%	<b>+350bps</b>
Interest coverage (rolling 12 months)	<b>3.45x</b>	3.38x	<b>+0.07x</b>
Debt service coverage (rolling 12 months)	<b>1.85x</b>	1.96x	<b>-0.11x</b>

## Conference Call

Management will host a webcast and conference call to discuss these results and current business initiatives on Monday, November 8, 2021 at 10:00 AM EST. The webcast will be accessible at: <https://www.interrentreit.com/2021-q3-results>. A replay will be available for 7 days after the webcast at the same link. The telephone numbers for the conference call are 1-888-440-6928 (toll free) and 646-960-0328 (international). No access code required.

## About InterRent

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

InterRent's strategy is to expand its portfolio primarily within markets that have exhibited stable market vacancies, sufficient suites available to attain the critical mass necessary to implement an efficient portfolio management structure, and offer opportunities for accretive acquisitions.

InterRent's primary objectives are to use the proven industry experience of the Trustees, Management and Operational Team to: (i) grow both funds from operations per Unit and net asset value 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.

## \*Non-GAAP Measures

InterRent prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with IFRS (GAAP). In this and other earnings releases, as a complement to results provided in accordance with GAAP, InterRent also discloses and discusses certain non-GAAP financial measures, including Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated November 8, 2021, which should be read in conjunction with this press release. Since Gross Rental Revenue, NOI, Same Property results, Repositioned Property results, FFO, AFFO, ACFO and EBITDA are not determined by GAAP, they may not be comparable to similar measures reported by other issuers. InterRent has presented such non-GAAP measures as Management believes these measures are relevant measures of the ability of InterRent to earn and distribute cash returns to Unitholders and to evaluate InterRent's performance. These non-GAAP measures should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with GAAP as an indicator of InterRent's performance.

## Cautionary Statements

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