INTERRENT REIT

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News Release

InterRent REIT Results for the First Quarter of 2015

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Ottawa, Ontario (May 12, 2015) – InterRent Real Estate Investment Trust (TSX-IIP.UN) ("**InterRent**" or the "**REIT**") today reported financial results for the first quarter ended March 31, 2015.

Highlights

- Average monthly rent per suite for the entire portfolio increased 3.3% from $938 (March 2014) to $969 (March 2015). The stabilized portfolio increased to $957 (March 2015) from $927 (March 2014), an increase of 3.2%.
- Gross rental revenue for the quarter increased by $2.5 million, or 15.5%, over Q1 2014 while operating revenue increased by $2.4 million, or 15.3% compared to Q1 2014.
- Gross rental revenue from stabilized were $13.5 million for the quarter, an increase of $0.4 million, or 3.4%, over Q1 2014 while operating revenue were also $13.5 million, an increase of $0.5 million, or 3.5% over Q1 2014.
- Economic vacancy decreased from 3.9% in December 2014 to 3.6% in March 2015, an improvement of 30 basis points.
- NOI for the quarter increased from $8.4 million for Q1 2014 to $9.8 million for Q1 2015, an increase of $1.4 million, or 16.3%. NOI margin also increased in the quarter over quarter comparison going from 53.1% to 53.5%.
- For the stabilized portfolio, NOI for the quarter increased from $7.1 million for Q1 2014 to $7.4 million for Q1 2015, an increase of $0.3 million, or 4.2%. Stabilized NOI margin increased by 30 basis points in the quarter-over-quarter comparison, going from 54.5% to 54.8%.
- The weighted average interest rate on mortgage debt at the end of the quarter was 2.98% with an average life to maturity of 3.8 years.
- Funds from operations (FFO) for the quarter increased by $0.6 million to $4.4 million (or $0.07 per unit) compared to $3.8 million (or $0.07 per unit) for Q1 2014.
- Adjusted funds from operations (AFFO) for the quarter increased by $0.5 million to $3.7 million (or $0.06 per unit) compared to $3.2 million (or 0.06 per unit) for Q1 2014.
- The REIT acquired a property in one of its operating regions that has been targeted for growth. The Montreal acquisition is a concrete high-rise consisting of 280 suites and closed on March 11, 2015 for $33.0 million.
- The REIT completed the build out of 5 additional suites within existing properties during the quarter.

Financial Highlights

Selected Consolidated Information In $000's, except per Unit amounts and other non-financial data	**3 Months Ended March 31, 2015**	**3 Months Ended March 31, 2014**
Total suites	**6,985**	6,103
Occupancy rate (March)	**96.4%**	96.4%
Average rent per suite (March)	**$969**	$938
Operating revenues	**$18,261**	$15,832
Net operating income (NOI)	**$9,766**	$8,400
NOI %	**53.5%**	53.1%
NOI per weighted average unit - basic	**$0.15**	$0.15
NOI per weighted average unit - diluted	**$0.15**	$0.15
Funds from operations (FFO)	**$4,385**	$3,820
FFO per weighted average unit - basic	**$0.07**	$0.07
FFO per weighted average unit - diluted	**$0.07**	$0.07
Adjusted funds from operations (AFFO)	**$3,651**	$3,185
AFFO per weighted average unit - basic	**$0.06**	$0.06
AFFO per weighted average unit - diluted	**$0.06**	$0.06
Cash distributions per unit	**$0.0549**	$0.0501
AFFO payout ratio	**96%**	90%
Stabilized average rent per suite	**$957**	$927
Stabilized NOI %	**54.8%**	54.5%
Interest coverage (rolling 12 months)	**2.38x**	2.62x
Debt service coverage (rolling 12 months)	**1.37x**	1.55x
Debt to GBV	**47.3%**	48.7%

Results for the Quarter

Gross rental revenue for the quarter was $18.3 million, an increase of $2.5 million, or 15.5%, compared to Q1 2014. Operating revenue for the quarter was up $2.4 million to $18.3 million, or 15.3% compared to Q1 2014. The average monthly rent across the entire portfolio for March 2015 increased to $969 per suite from $938 (March 2014), an increase of 3.3%.

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 $927 to $957 over the same period, an increase of 3.2%. 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.

The March 2015 vacancy rate across the entire portfolio was 3.6%, a decrease from 3.9% in December, 2014. "Our new rental operations model continues to gain traction and momentum. We believe this approach better aligns rental operations to longer term value creation," said Mike McGahan, CEO.

Property operating costs for the three months ended March 31, 2015 amounted to $3.0 million or 16.3% of operating revenue compared to $2.8 million or 17.8% of revenue for the three months ended March 31, 2014. As a percentage of operating revenue, operating costs decreased by 1.5% as compared to Q1 2014, which comes as a result of small reductions in numerous line items.

Property taxes for the three months ended March 31, 2015 amounted to $2.5 million or 13.9% of operating revenue compared to $2.2 million or 13.6% of operating revenue for the three months ended March 31, 2014. The overall increase in taxes is mainly attributable to the increase in suites from the first quarter of 2014 to 2015 along with a budgeted increase expected as a result of the increase in assessed property values.

Utility costs for the three months ended March 31, 2015 amounted to $3.0 million or 16.3% of operating revenue compared to $2.5 million or 15.5% of revenue for the three months ended March 31, 2014. As a percentage of operating revenues and on a per suite basis, utility costs increased over the same quarter last year due to the cold winter in the Trust's operating regions. Across the entire portfolio, the hydro sub-metering initiative reduced the electricity costs by 11.8%, or $0.2 million for the quarter

NOI for the three months ended March 31, 2015 amounted to $9.8 million or 53.5% of operating revenue compared to $8.4 million or 53.1% of operating revenue for the three months ended March 31, 2014. The increase in the quarter is as a result of growing the portfolio and increasing net revenue while controlling property operating costs despite an increase in utility costs.

At the end of the quarter, the weighted average interest rate was 2.98% and the average life to maturity was approximately 3.8 years. The REIT regularly reviews mortgages and maturities in order to capitalize on the availability of long term funds at the historically low rates that we continue to experience.

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 EBITDA. These non-GAAP measures are further defined and discussed in the MD&A dated May 12, 2015, which should be read in conjunction with this press release. Since NOI, 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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