InterRent Real Estate Investment Trust

Management's Discussion and Analysis

For Three Months Ended March 31, 2008

May 9, 2008

FORWARD-LOOKING STATEMENTS

Caution Regarding Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") of InterRent Real Estate Investment Trust ("InterRent REIT" or the "Trust") contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian 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, 2007 along with InterRent REIT's other publicly filed documents. Forward-looking statements include, but are not limited to, statements with respect 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.

Although InterRent REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, 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.

NON-GAAP MEASURES

Distributable Income, Funds from Operations and Net Operating Income (or, in each case, substantially similar terms) are measures sometimes used by Canadian real estate investment trusts as indicators of financial performance and do not have standardized meanings prescribed by Canadian generally accepted accounting principles ("GAAP").

Distributable Income ("DI") reflects the ability of the Trust to earn income and to make distributions of cash to Unitholders and therefore is considered a measure of cash available for distribution. DI 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 distributable income reported by other such issuers. Generally, DI differs from net income, a GAAP measure, in that to determine DI for any period, net income is adjusted for depreciation and amortization and other non-cash operating expenses and non-recurring items. For a complete description of the Trust's definition of Distributable Income, see "*Glossary — Distributable Income" in the Annual Information Form, dated March 25, 2008 ("AIF") filed by the Trust*.

Funds from Operations ("FFO") is a measure of the operating performance of the Trust based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is not a measure defined by GAAP. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries. Management considers FFO to be an important measure of the Trust's operating performance and is an indicative measure of the Trust's cash generating activities. For a complete description of the Trust's definition of Funds from Operations, see "*Glossary — Funds from Operations" in the AIF.*

Net Operating Income ("NOI") is not a measure defined by GAAP. NOI is a key measure of operating performance 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. It may not, however, be comparable to similar measures by other real estate investment trusts or companies. 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 in the Trust. For a complete description of the Trust's definition of Net Operating Income, see "*Glossary — Net Operating Income" in the AIF.*

Readers are cautioned that DI, FFO and NOI 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. See "*Risks and Uncertainties.*"

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 June 29, 2007 and a copy of this document is available on SEDAR (www.sedar.com). Some of the main investment guidelines and operating policies set out in the DOT are as follows:

Investment Guidelines

Pursuant to the DOT, the assets of the Trust may be invested only, and the Trust shall not permit the assets of any subsidiary to be invested otherwise than, in accordance with the following investment guidelines:

- Focus its activities on acquiring, maintaining, improving and managing multi-unit residential revenue producing properties.

- No single asset shall be acquired if the cost of such acquisition (net of the amount of debt secured by the asset) will exceed 15% of the Trust's "Gross Book Value" (as such term is defined in the DOT).

- Investments in joint ventures are permitted as long as the Trust's interest is not less than 25%.

Operating Policies

- Overall maximum debt capacity not to exceed 70% of Gross Book Value.

- For individual properties, the maximum debt capacity not to exceed 75% of Gross Book Value, on or after the date which is 12 months from the acquisition date.

- No guaranteeing of third party debt outside its existing structure and potential joint venture partner structures.

- Third party surveys of structural and environmental conditions are required prior to the acquisition of a revenue producing property.

At March 31, 2008 the Trust was in material compliance with all investment guidelines and operating policies stipulated in the DOT.

Business Overview

InterRent REIT is an unincorporated, open-ended real estate investment trust created pursuant to the DOT. 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 and the acquisition of additional, accretive properties.

Strategy of InterRent REIT

InterRent REIT's strategy is to expand its portfolio primarily within Secondary Markets that have growing and stable economies, stable market vacancies and offer opportunities for accretive acquisitions.

The Trust believes that Ontario multi-residential real estate is a favourable asset class to operate within because it offers stability of cash flow and an opportunity for expansion.

InterRent REIT is focused on medium-sized, multi-residential properties in Ontario's mid-sized population markets, targeting working and middle class, long term renters. Within this market, there are a total of more than 686,000 suites. These properties are held within a fragmented and aging ownership profile and offer significant opportunities to complete strategic acquisitions.

2008 Q1 HIGHLIGHTS

Equity and Debt Financing:

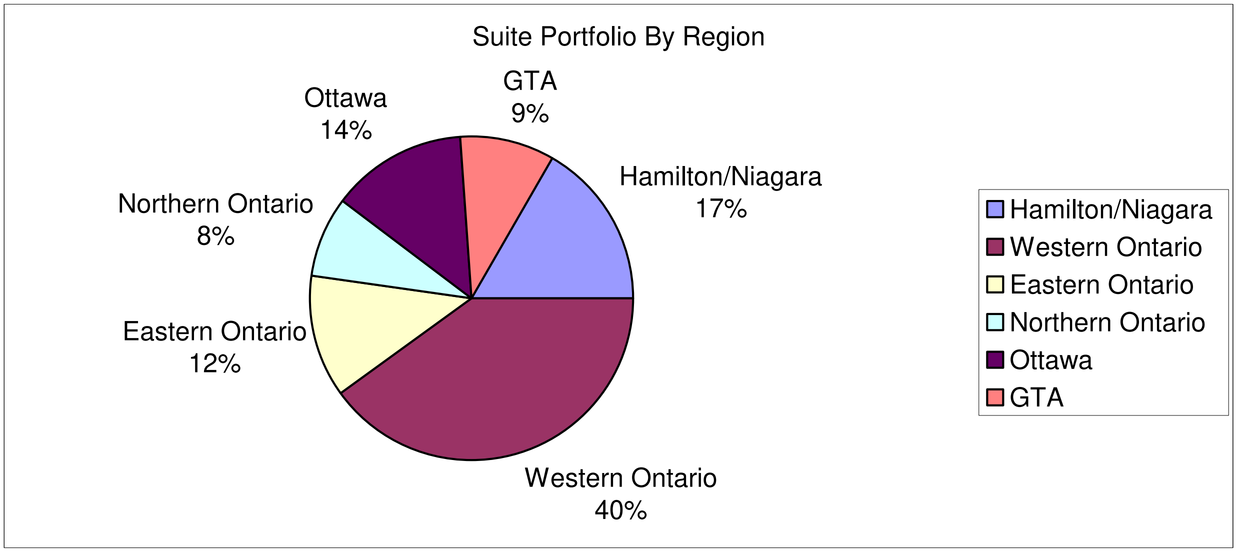
On January 15, 2008, InterRent REIT closed a non-brokered private placement of 809,000 Units at a price of $4.40 per Unit to an existing institutional investor for gross proceeds of $3,559,600.

At the same time, InterRent REIT closed an offering on a bought-deal basis, of $25,000,000 of convertible unsecured subordinated debentures, with a coupon rate of 7% per annum. The debentures may be convertible at the holder's option into Units of InterRent REIT prior to maturity at a conversion price of $4.60 per Unit. The debentures will mature on January 31, 2013.

PORTFOLIO SUMMARY

The majority of the Trust's properties are located in Ontario's secondary population centres, with only 9.5% of its 4,007 suites situated in the Greater Toronto Area (GTA). Management believes that secondary population centres tend to be more stable, providing higher capitalization rates and less exposure to the condominium boom than the GTA.

As at March 31, 2008, InterRent REIT owned and operated properties comprising of 4,007 suites. Currently, InterRent REIT's entire portfolio is situated in the province of Ontario.



Initially, the majority of properties acquired by a predecessor company of the Trust fell into the "C" category. The acquisitions made in 2007, however, brought into the portfolio a number of "A"and"B" type properties.

The following chart outlines the number and percentage of suites in the various categories.

	March 31, 2008		
Class of Property	Average Monthly Rent	# of suites	%
A	$912	462	12%
B	$814	1,183	29%
C	$668	2,362	59%
Total	$740	4,007	100.0%

PERFORMANCE REVIEW

InterRent REIT generates revenues, cash flows and earnings from two separate sources: rental operations and from the sale of revenue producing properties.

InterRent REIT's largest and most consistent source of income is its rental operations, which involves leasing individual suites to tenants for lease terms ranging from month-to-month to twelve-month leases.

InterRent REIT also generates income from the sale of revenue-producing properties and the proceeds are then reinvested to acquire new properties.

PERFORMANCE MEASURES

DI is computed as outlined in the DOT, which also permits the Trust to pay out DI to Unitholders in the form of monthly distributions, as determined from time to time by the Trust's board of trustees.

The tables below provide a reconciliation of FFO and DI, both non-GAAP measures, to their closely related GAAP measures.

FFO Reconciliation In $000's, except per Unit amounts	3 Months Ended March 31, 2008	3 Months Ended March 31, 2007
Net loss from continuing operations	$ (2,601)	$ (962)
Add (deduct) items not affecting cash:		
Amortization of capital assets and intangibles	$ 2,251	$ 985
Accretion of discount on convertible debenture	$490	$30
Amortization of deferred finance costs	$97	
Amortization of fair value of assumed debt	$57	$3
Amortization of tenant inducements	$68	
Unit based compensation	$25	-
Funds from operations	$ 387	$ 56
Funds from operations – per Unit	$ 0.022	$ 0.005
Weighted average Units outstanding	17,936,816	10,971,672

Distributable Income Reconciliation In $000's, except per unit amounts	3 Months Ended March 31, 2008	3 Months Ended March 31, 2007
Net loss from continuing operations	$ (2,601)	$ (962)
Add (deduct) items not affecting cash:		
Amortization of capital assets and intangibles	$ 2,251	$985
Accretion of discount on convertible debenture	$490	$30
Amortization of deferred finance costs	$97	
Amortization of fair value of assumed debt	$57	$3
Amortization of tenant inducements	$68	
Unit based compensation	$25	-

Less:		
Amortization of deferred finance charges post December 6, 2006	$ 82	-
Amortization of tenant inducements	$68	-
Maintenance capital expenditures	$ 210	$114
Distributable income	$ 27	$ (58)
Distributable income -- per Unit	$ 0.002	$ (0.005)
Weighted average Units outstanding	17,936,816	10,971,672

ACCOUNTING POLICIES

InterRent REIT's accounting policies are described in Note 3 of the consolidated financial statements for the year ended December 31, 2007. These statements were prepared in accordance with the recommendations of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). 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 Canadian generally accepted accounting principles.

REVIEW OF RENTAL OPERATIONS

In $ 000's	3 Months Ended March 31, 2008	3 Months Ended March 31, 2007
Operating revenues	$ 8,423	$ 4,264
Expenses		
Operating expenses	$1,552	$ 776
Utilities	$ 1,953	$ 1,073
Property taxes	$ 1,368	$ 765
Total expenses	$ 4,873	$ 2,614
Net operating income	$ 3,550	$ 1,650
Operating margins	42.1 %	38.7%
Average rental revenue per suite per month	$724	$745

The year over year decline in average rental revenues is due to the acquisition of properties during 2007 in western and northern Ontario, where rents are lower than in other regions of the portfolio. However, at a number of properties in northern Ontario, tenants are responsible for their own electricity, thereby reducing base rental rates.

Operating Revenues

Operating revenues include rental revenue, net of vacancies and rental rebates, laundry and parking revenues. Operating revenues for the three months ended March 31, 2008 were

$8,423,000 an increase of 97.5% over operating revenues of $4,265,000 in the first quarter of 2007.This significant increase was due primarily to the acquisition of income-producing properties made during 2007.

Annualized revenue of the properties, before vacancies, owned by the Trust at March 31, 2008, net of properties included in discontinued operations, is approximately $35.0 million. The Trust is sensitive to vacancy rates and a 1% change in vacancy rates would impact the Trust's annualized rental revenue by approximately $350,000.

Same Building Revenue and NOI

Net same property revenues owned by InterRent REIT as at March 31, 2008, increased by 4.3% over March 31, 2007. The Net Operating Income increased year-over-year by 25.1.0%.

	March 31, 2008	March 31, 2007	% Change
Net Revenue	$3,791,599	$3,635,040	4.3%
NOI	$1,399,428	$1,118,675	25.1%

Vacancy

The Trust defines vacancy as a suite that is available for rent, but not rented. Suites that are undergoing renovations or turnover improvements are considered vacant but not available for rent, and as such, are not included in vacancy statistics. There were 87 suites under renovation or improvements at March 31, 2008.

INTERRENT REIT'S PORTFOLIO VACANCY

Region	March 31, 2008	March 31, 2007
Hamilton/Niagara	3.6%	5.5%
Western Ontario	2.1%	9.5%
Eastern Ontario	2.3%	4.3%
Northern Ontario	0.0%	n/a
Ottawa	0.7%	1.0%
GTA	4.0%	3.7%
Total	2.65%	5.8%

Overall, the vacancy rates decreased across the portfolio. Factors impacting declining vacancy statistics in the western Ontario portfolio include the continuing positive effects of the internalization of property management. The eastern Ontario portfolio also exhibited lower vacancy rates as a result of the progress achieved in the stabilization of properties in Prescott, Belleville and Kingston.

Operating Costs

Operating costs for the income-producing properties include uncollectible accounts, collection and eviction costs, insurance, caretaking and superintendents' wages and benefits, repairs and maintenance and leasing costs. Operating costs amounted to $1,552,000 for the three months ended March 31, 2008 or 18.4% of revenue, compared to $776,000 or 18.2% of revenue for the three month period ended March 31, 2007.

Utility Costs

Utility costs amounted to $1,953,000, or 23% of revenue for the three month period ended March 31, 2008, compared to $1,073,000 or 25% of revenue for the three month period ended March 31, 2007. Warmer temperatures in Q1 2008 compared to Q1 2007 resulted in a slight decrease in utility costs, as a percentage of revenue.

Property Taxes

Property taxes amounted to $1,368,000, or 16.2% of revenue for the three month period ended March 31, 2008, compared to $765,000 or 18% of revenue for the three month period ended March 31, 2007. The Trust has several property tax assessments currently under appeal and if the results of these appeals are positive, the Trust will benefit in future fiscal periods through reduced property taxes. The decline in property taxes was due to lower property tax rates at the properties in northern Ontario.

Net Operating Income (NOI)

NOI amounted to $3,550,000 or 42.1% of revenue for the three month period ended March 31, 2008 compared to $1,650,000 or 38.7% of revenue for the three month period ended March 31, 2007.

General and Administrative Costs ("G&A")

G&A costs amounted to $729,000 or 8.7% of revenue for the three month period ended March 31, 2008 compared to $515,000 or 12.1% of revenue for the three month period ended March 31, 2007. The significant decrease in G&A as a percentage of revenue was a result of the addition of income producing properties over the past twelve months.

G&A costs include such items as management and administrative wages and benefits, investor relations, transfer agent listing and filing fees and legal and audit fees.

Management expects G&A costs to decline as a percentage of revenue in the future. G&A is targeted to be less than 7% of revenues.

Financing Costs

Financing costs amounted to $3,172,000 or 37.6% of revenue for the three month period ended March 31, 2008 compared to $1,107,000 or 25.4% of revenue for the three month period ended March 31, 2007. The increase in financing costs was primarily due to interest costs on the $25 million convertible debenture and the associated charge for the accretive portion of debenture interest.

	March 31, 2008	
	Amount	% of Revenue
Mortgage interest	$2,142,363	25.4%
Debenture interest	$464,105	5.5%
Accretive portion of debenture interest	$490,224	5.8%
Amortization of debt funding expense	$98,632	1.2%
Amortization of FV of debt	$56,852	0.7%
Credit facilities	$24,914	0.3%
Interest income	$(105,461)	(1.3%)
Total	$3,171,629	37.6%

At March 31, 2008, the average term to maturity of the mortgage debt was approximately 5.0 years and the weighted average cost of fixed mortgage debt was 5.13 %.

InterRent REIT is eligible to obtain government-backed insurance through the National Housing Act, which is administered by CMHC. Insuring through CMHC enables the Trust to secure lower interest rate mortgages. At March 31, 2008, approximately 90% of InterRent REIT's mortgage debt was backed by this insurance.

Subordinated Convertible Debentures

As at March 31, 2008, InterRent REIT had two issues of convertible subordinated debentures outstanding.

The Trust assumed a $5,517,000 subordinated convertible debenture on the acquisition of the Corporation which bears interest at 7.25% and is due on September 23, 2010. The debentures are convertible into Trust Units at $5.50 per Trust Unit at the option of the holder after September 23, 2007.

The Trust issued a $25,000,000 subordinated convertible debenture on January 15, 2008 which bears interest at 7% and is due on January 31, 2013. The debenture is convertible into Trust Units at $4.60 per Trust Unit at the option of the holder prior to maturity.

The Trust accounted for the convertible debenture issued during the quarter as a financial instrument in accordance with section 3861 of the CICA handbook, Financial Instrument - Presentation and Disclosure. CICA 3861 requires financial instruments that consist of both elements of debt and equity be accounted for in accordance with the substance of the contractual arrangement on initial recognition. Therefore, as a result of the conversion feature of the debenture, the debt assumed in connection with the Trust's convertible instrument has been segregated between debt and equity based on the fair value of the debt component. The difference between the estimated fair value of the debt at issuance and the face amount of $6,564,511 is reflected as "Equity portion of convertible debt" in unitholders' equity and as a discount in that amount to the liability portion of the debenture. This discount is being amortized to earnings as financing costs over the term of the debenture. In addition, the Trust incurred costs of $1,351,392 in connection with issuing the convertible debt. Of these costs, $995,525 has been allocated to the liability component and $355,877 has been allocated to the equity component. The discount on the debt results in an effective interest rate on the liability of 16.5%.

Amortization of Deferred Financing Costs

Amortization of deferred financing costs amounted to $98,632 for the three month period ended March 31, 2008 compared to $32,600 for the three month period ended March 31, 2007. These costs included such items as CMHC insurance fees, loan guarantee, application and legal fees. These fees are amortized over the amortization period of the mortgage.

Amortization

Amortization of capital assets from continuing operations amounted to $$2,251,000 for the three month period ended March 31, 2008 compared to $985,000 for the three month period ended March 31, 2007.

Included in this amount is amortization of intangibles totalling $902,000

MARK-TO-MARKET

InterRent REIT’s estimated loss-to-lease, which is the difference between estimated market rents and actual occupied rents for the three months ended March 31, 2008 amounted to $1,005,188 on an annualized basis and represented $0.056 per outstanding Unit March 31, 2008.

Region	Average Rent	Average Market Rent	Monthly Mark-to-Market	Annualized Mark-to-Market	Number of Suites	% of Portfolio
Hamilton/Niagara	$771	$807	$35	$281,820	671	17%
Western Ontario	$691	$699	$8	$153,984	1,604	40%
Eastern Ontario	$681	$694	$13	$75,348	483	12%
Northern Ontario	$648	$665	$17	$65,280	320	8%
Ottawa	$836	$895	$59	$393,648	556	14%
GTA	$906	$914	$8	$ 35,808	373	9%
Total	$739	$761		$1,005,188	4,007	100%

STABILIZED PROPERTY RESULTS

InterRent REIT defines a stabilized property as a property that the Trust, or any predecessor company, has owned for a period of at least two years or that has been professionally managed prior to its acquisition by the Trust. The definition is not meant to indicate market maturity. InterRent REIT's overall percentage of stabilized properties was 70% of the Trust's total portfolio as at March 31, 2008, or a total of 2,813 suites.

	March 31, 2008		March 31, 2007	
Region	Revenue	NOI%	Revenue	NOI %
Hamilton/Niagara	$1,135,842	38%	$245,318	35%
Western Ontario	$1,784,584	41%	$1,043,469	39%
Eastern Ontario	$741,981	39%	$543,809	37%
Northern Ontario	$633,003	42%	-	-
Ottawa	$1,388,769	55%	$576,007	58%
GTA	$798,243	48%	$402,622	48%
Total	$6,482,422	44%	$2,811,226	43%

REAL ESTATE ASSETS

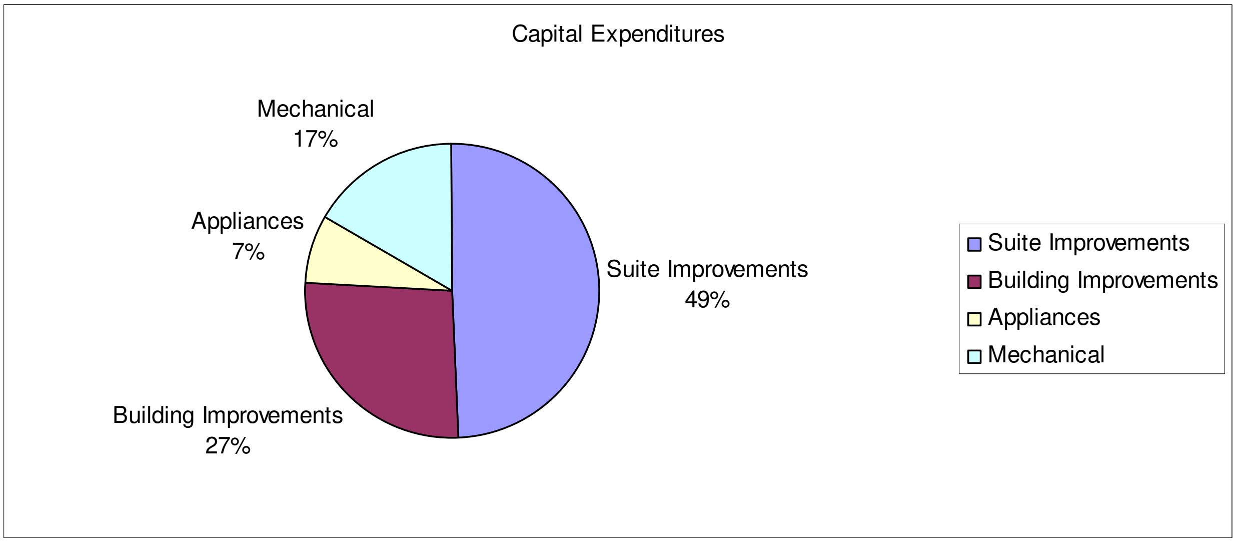
Acquisitions

There were no new additions to income-producing properties for the three months ended March 31, 2008.

In 000's, except per unit amounts	3 Months Ended March 31, 2008	3 Months Ended March 31, 2007
New debt	-	$22,764
Debt assumed	-	$
Value of InterRent REIT Units issued	-	$750
Cash paid	-	$47,933
Total purchase price / book value	-	$71,447
Allocation of book value to revenue-producing properties	-	$69,279
Allocation of book value to intangibles and other assets	-	$2,168
Total	-	$71,447
Multi-residential suites acquired	-	811

CAPITAL IMPROVEMENTS

For the three months ended March 31, 2008, InterRent REIT invested approximately $721,210 in its properties, including properties held for resale, an increase of 76% from the $410,000 invested in the same period in 2007. InterRent REIT budgets approximately 4.5% of revenues annually for capital outlays and $325 per suite for maintenance capital expenditures. The breakdown of these expenditures is itemized in the following graph:



UNITHOLDERS' EQUITY

The following chart shows the changes in reported Unitholders' equity from December 31, 2006 to March 31, 2008.

Summary of Unitholders' Capital Contributions	Units	Amount
December 31, 2006	6,060,863	$29,839,133
Units issued, net of issue costs	10,576,000	$53,045,816
Units issued on acquisition of properties	595,788	$3,073,875
Units issued on exercise of options	12,500	$78,985
Units issued under the Distribution Reinvestment Plan	29,694	$118,891
Units purchased and cancelled	(31,287)	$(159,662)
Allocated to warrants issued	-	$(174,337)
December 31, 2007	17,243,558	$85,822,701
Units issued	809,000	$3,559,600
Units issued under Distribution Reinvestment Plan	17,446	$58,948
Issue Costs		$(335,423)
March 31, 2008	18,070,004	$89,105,826

As at March 31, 2008 there were 17,374,029 Units issued and outstanding. In addition, there were 695,975 Class "B" special voting units of InterRent REIT Limited Partnership ("LP B Units"). Each LP B Unit is exchangeable for Units on a one-for-one basis at the option of the holder. Each LP B Unit entitles the holder, through the special voting unit attached to it, to one vote at any meeting of unitholders. Accordingly, including the LP B Units, the total issued and outstanding number of InterRent REIT voting securities were 18,070,004 as at March 31, 2008.

LIQUIDITY AND CAPITAL RESOURCES

InterRent REIT's overall debt level was at 66.7% of Gross Book Value ("GBV") at March 31, 2008. GBV is a non-GAAP term that is defined in the DOT. It is determined by taking total reported assets of the Trust and adding back accumulated amortization on the income-producing properties. The following chart sets out the Trust's computed debt to GBV:

In 000's, except per unit amounts	March 31, 2008	March 31, 2007
Total assets per Balance Sheet	$276,283	$187,779,
Reported accumulated amortization	4,760	1,239
Total assets	$281,043	$189,018
Mortgages payable, including vendor take-back loans	$146,321	$98,633
Debentures	23,115	5,094
Lines of credit	18,053	7
Total debt	$187,489	$103,734
Debt to GBV	66.7%	54.9%

With a DOT limit of 70% of Debt-to-Gross Book Value, InterRent REIT has the ability to further leverage its existing portfolio to assist with future investment in new assets.

As at March 31, 2008, InterRent REIT had a $3,279,000 operating facility with a financial institution bearing interest at 1.5% above the prime bank lending rate. This line of credit is secured by collateral second mortgages on twelve of the Trust's properties. As at March 31, 2008 this facility was not utilized.

In addition, InterRent REIT has a $1,200,000 demand operating loan bearing interest at prime with a Canadian chartered bank, secured by a general security agreement and a collateral mortgage in the amount of $1,200,000, constituting a second fixed charge on five of the Trust's properties. As at March 31, 2008 this facility was not utilized.

InterRent REIT also has a $50 million acquisition facility available. Under the terms of this facility, the Trust may borrow up to 100% of the acquisition cost of a property, subject to the lender being secured by a first mortgage. The interest rate charged on the acquisition facility varies from 0.10% to 1.50% above the chartered bank prime rate, subject to the loan-to-value ("LTV") for the specific acquisition. The acquisition facility must be replaced with permanent financing within one year of receiving funds. As at March 31, 2008, the Trust had utilized $18,053,349 of this facility.

MORTGAGE AND DEBT SCHEDULE

The following schedule summarizes the debt maturities for the mortgages, vendor take-back loans and the convertible debentures of InterRent REIT.

Year Maturing	Mortgage and Debt Balances	Weighted Average by Maturity	Weighted Average Interest Rate
2009	$19,203,343	10.9 %	5.47%
2010	$23,020,665	13.0 %	5.32%
2011	$13,844,351	7.8 %	5.79%
2012	$10,524,661	6.0 %	5.60%
2013	$57,470,478	32.5.%	5.79%
Thereafter	$52,536,031	29.8 %	5.01%
Total	$176,599,529	100%	5.45%

Summary of Quarterly Results

In $ 000's, except per Unit amounts	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Rental revenue	$8,423	$8,391	$7,778	$6,558	$4,265	$950
NOI	$3,550	$4,028	$4,138	$3,594	$1,618	$391
NOI %	42.1%	48.0%	53.2%	54.8%	37.9%	41%
Net loss	$(2,601)	$(2,215)	$(1,046)	$(271)	$(936)	$(316)
Net loss per Unit	$(0.14)	$(0.13)	$(0.065)	$(0.017)	$(0.085)	$(0.053)
FFO	$387	$(24)	$925	$1,278	$56	$83
Per Unit	$0.022	$(0.001)	$0.057	$0.081	$0.005	$(0.014)
DI	$27	$(74)	$925	$1,111	$(58)	$(83)
Per Unit	$0.002	$0.004	$0.057	$0.07	$(0.005)	$(0.014)
Weighted average Units	17,936,816	17,106,748	16,163,452	15,776,094	10,971,672	6,060,863

Subsequent Events

On May 1, 2008, The Trust closed on the purchase of a 31 suite apartment property located in Ottawa. The aggregate purchase price, including closing costs, amounted to approximately $3 million. The property was acquired through a combination of cash, the issuance of 25,000 units from treasury at $5.00 per unit, a vendor take-back mortgage and an assumed first mortgage.

On May 8, 2008, the Trust filed with the Toronto Stock Exchange (the "TSX") a notice of its intention to make a normal course issuer bid for its trust units through the facilities of the TSX.

Risks and Uncertainties

A comprehensive description of the risks and uncertainties can be found in InterRent REIT's December 31, 2007 MD&A and other securities filings at www.sedar.com.

Disclosure Controls and Procedures and Internal Controls

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

The preparation of this information is supported by a set of disclosure controls and procedures implemented by management. In the three months ended March 31, 2008, these controls and procedures were reviewed and the effectiveness of their design and operation was evaluated. This evaluation confirmed the effectiveness of the design and operation of disclosure controls and procedures as at March 31, 2008. The evaluation was performed in accordance with the requirements of Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators.

As at March 31, 2008, the Chief Executive Officer and the Chief Financial Officer evaluated the design of the Trust's internal control over financial reporting. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design of internal control over financial reporting was effective as at March 31, 2008 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

2008 OUTLOOK

InterRent REIT operates within the multi-residential real estate industry, a sector historically characterized by many analysts as the safest asset class of investment real estate. Although borrowing cost spreads as a premium to the Bank of Canada 5 and 10-year bond rates have risen significantly, the current net borrowing costs for InterRent REIT have remained stable, mainly due to the availability of CMHC insured mortgages. The availability of debt capital will have limited impact on InterRent REIT's short-term financing needs for its existing portfolio since most of its mortgages are locked in for longer periods. Only 11% of InterRent REIT's debt comes up for renewal over the next twelve months, with 68% not due for renewal until 2012 and after.

The REIT's short term outlook is currently affected by the uncertainty in global capital markets and the downward pressure on unit/share prices of real estate trusts and corporations in general, but especially those defined as "small or micro caps". As most of these factors are beyond management's control and influence, InterRent REIT's management will focus its efforts and resources on implementing operating efficiencies, reducing costs, increasing internal growth and conserving capital.

In light of the above, and in line with this strategy, the trustees and management of InterRent REIT have authorized a reduction in distributions to unit holders to $0.26 per trust unit annually, or $0.0217 per trust unit on a monthly basis, commencing with the June 15, 2008 distributions. This reduction in distributions, will, in management's view, more closely reflect achievable distributable income in the long term, and preserve cash to fund future growth and operations.

ADDITIONAL INFORMATION

Additional information concerning InterRent REIT is available on SEDAR at www.sedar.com.