

# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q4 2010 Conference Call

*February 18, 2011 – 11:00 EST*

647-427-7450 (Toronto & Int'l) or toll-free 1-888-231-8191 (within North America).



# Q4 2010 Conference Call

*This conference call presentation contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made in this conference call presentation, and other statements concerning Boardwalk's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. All forward-looking statements in this conference call presentation are qualified by these cautionary statements. Certain material factors, estimates or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in these statements and actual results could differ materially from such conclusions, forecasts or projections.*

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# Topics for Discussion

- Q4 Results
  - Overview and Highlights
  - Multi-family Market Fundamentals
- Financial and Operations Review
  - Acquisition and Disposition Update
  - Portfolio Highlights
  - Operations Review and Performance
  - Financial Overview and Summary
  - Outlook and Guidance Update
- Q&A



# Overview – Q4 Highlights

in \$millions, except per unit amounts

	3 Months ended Dec 2010	3 Months ended Dec 2009	% Change	12 Months ended Dec 2010	12 Months ended Dec 2009	% Change
Rental Revenue	\$105.1	\$104.3	0.7%	\$416.1	\$416.8	-0.2%
Rental Revenue (excl. interest earned)	\$104.4	\$104.1	0.3%	\$414.4	\$415.5	-0.3%
NOI	\$66.3	\$64.4	2.8%	\$263.2	\$265.9	-1.0%
FFO	\$32.7	\$30.8	6.2%	\$129.9	\$133.1	-2.4%
Per Unit	\$0.62	\$0.58	6.9%	\$2.47	\$2.51	-1.6%
DI	\$33.0	\$31.1	6.2%	\$131.0	\$135.3	-3.2%
Per Unit	\$0.63	\$0.59	6.8%	\$2.49	\$2.55	-2.4%

Source: Internally generated



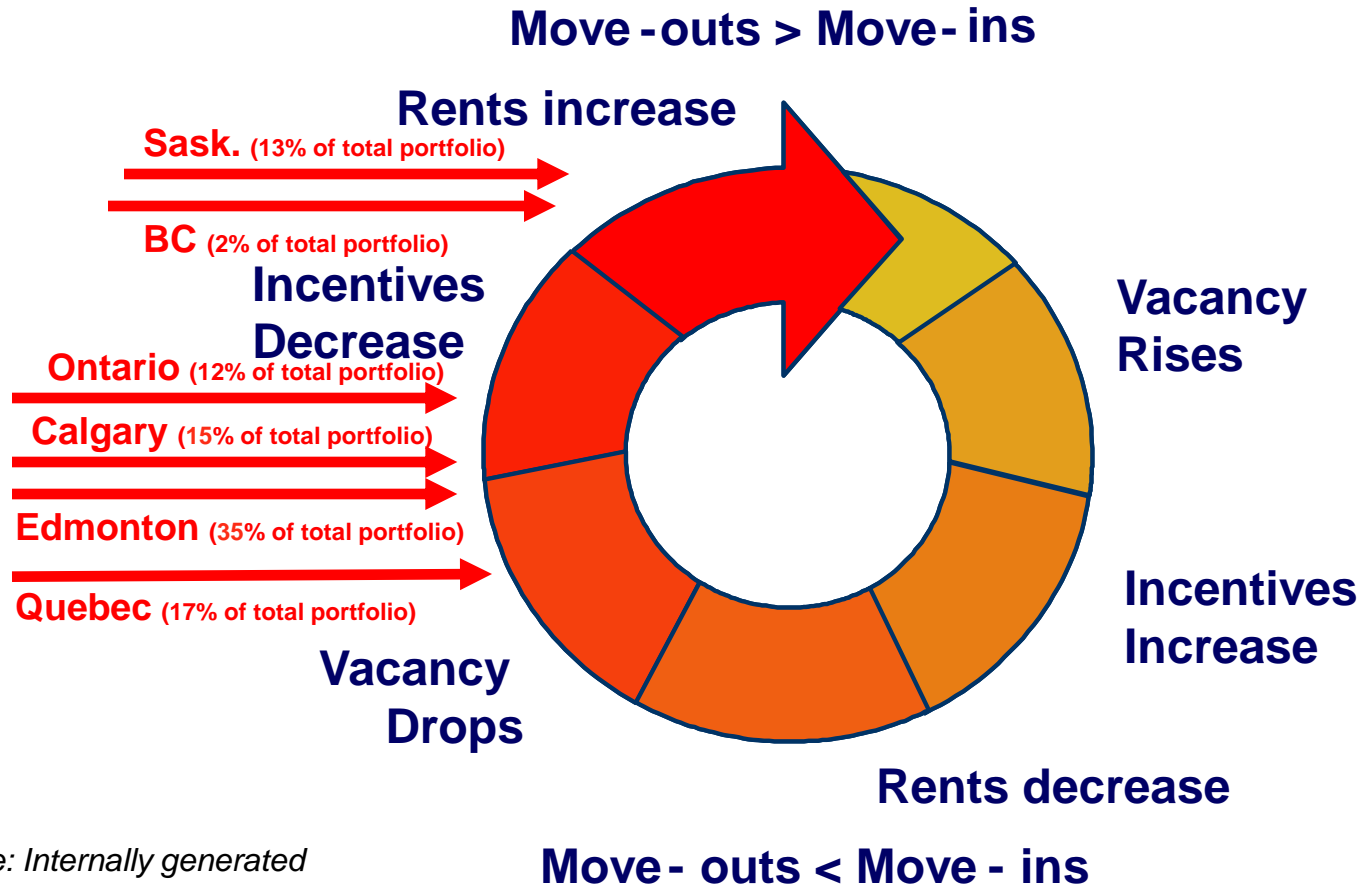
# Q4 - Portfolio Highlights

	Q4 2010	Q4 2009	Change
Portfolio Occupancy - Period Average	97.29%	96.65%	64 Bps
Average Stabilized Rent Realized	\$983	\$981	\$ 2
Same Property	Q4 2010	12 M 2010	
Revenues	0.3%	-0.3%	
Operating Costs	-2.7%	1.2%	
NOI	2.1%	-1.2%	

Source: Internally generated



# Rental Revenue Cycle



Updated Q4, 2010

Source: Internally generated



# Revenue Maximization Strategy

Customer service and retention remain a primary focus in maximizing revenue.

When the market is strong, our self-imposed rent increase maximums enhance Customer loyalty. When the market is weak, we offer proactive early lease renewals with competitive suite selective incentives to attract and retain Customers.

## **Three Variables in our Revenue Maximization Strategy:**

1) Market rent (price); 2) Occupancy; and 3) Selective Incentives.

**Supply and Demand is in balance at 97% occupancy.**



# Revenue Maximization Strategy

Two basic approaches:

- 1) In a strong market, focus is maximizing market rent on turnover suites, minimal to no incentives, and lower occupancy to help confirm market rents are being achieved. Higher rental rates help offset lower occupancy, generating maximum revenue.
- 2) In a weaker market, focus is on decreasing rental rates and offering incentives to increase occupancy. Higher occupancy helps offset lower rents and higher incentives (90% of a lower rental price is better than 0% of a higher rental price), generating maximum revenue.

In both strong and weak markets, constant focus on customer loyalty provides most stable revenues.



# Loss to Lease Statistics

December 2010

	Dec 2010 Occupied Rent	Dec 2010 Market Rent	Mark to Market Per Month	Annualized Mark to Market Adjusted for Vacancies (\$000's)	Weighted Average Units	% of Portfolio
Calgary	\$ 1,107	\$ 1,157	\$ 49	\$ 3,049	5,310	15%
Edmonton	\$ 1,057	\$ 1,044	\$ (13)	\$ (1,897)	12,498	35%
Other Alberta	\$ 1,025	\$ 1,022	\$ (4)	\$ (85)	1,936	6%
<b>Alberta Portfolio</b>	<b>\$ 1,067</b>	<b>\$ 1,072</b>	<b>\$ 5</b>	<b>\$ 1,068</b>	<b>19,744</b>	<b>56%</b>
Saskatchewan	\$ 1,039	\$ 1,034	\$ (6)	\$ (305)	4,636	13%
Ontario	\$ 783	\$ 795	\$ 11	\$ 574	4,265	12%
Quebec	\$ 979	\$ 987	\$ 8	\$ 564	5,999	17%
British Columbia	\$ 962	\$ 1,027	\$ 65	\$ 482	633	2%
<b>Total Portfolio</b>	<b>\$ 1,012</b>	<b>\$ 1,018</b>	<b>\$ 6</b>	<b>\$ 2,382</b>	<b>35,277</b>	<b>100%</b>

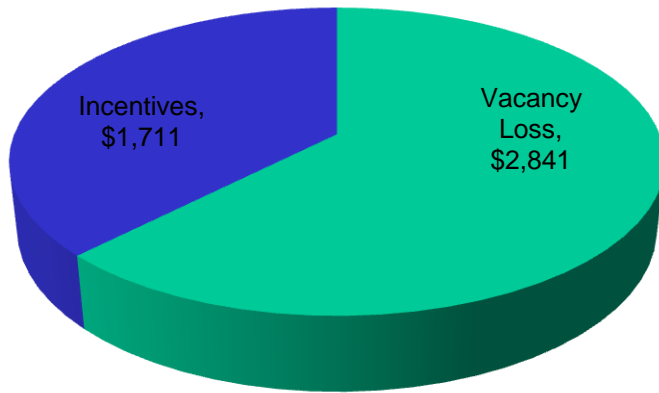
Source: Internally generated. Market and occupied rents represent the averages for the reported month.



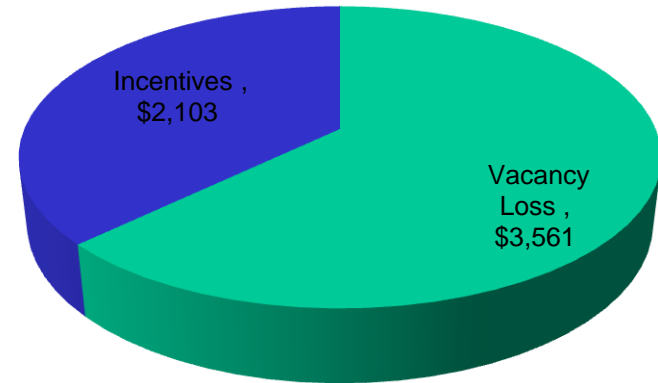
# Same Property Revenue Opportunities

For the Three months ended December 31, 2010 (in \$000's)

**Q4 2010 - Total Mk Rent  
\$105.6M**



**Q4 2009- Total Mk Rent  
\$106.3M**

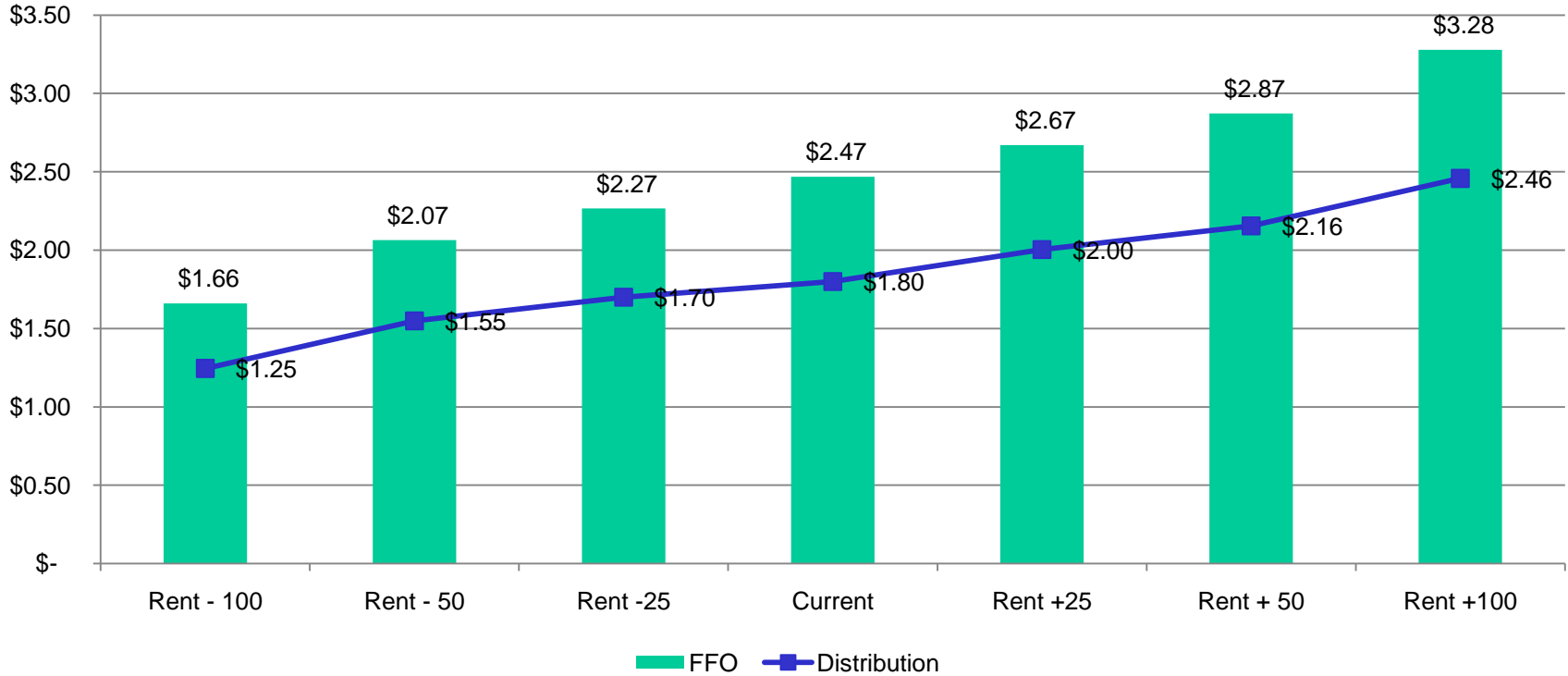


Source: Internally generated



# Internal Opportunity

FFO Sustainability & Core Rental Growth



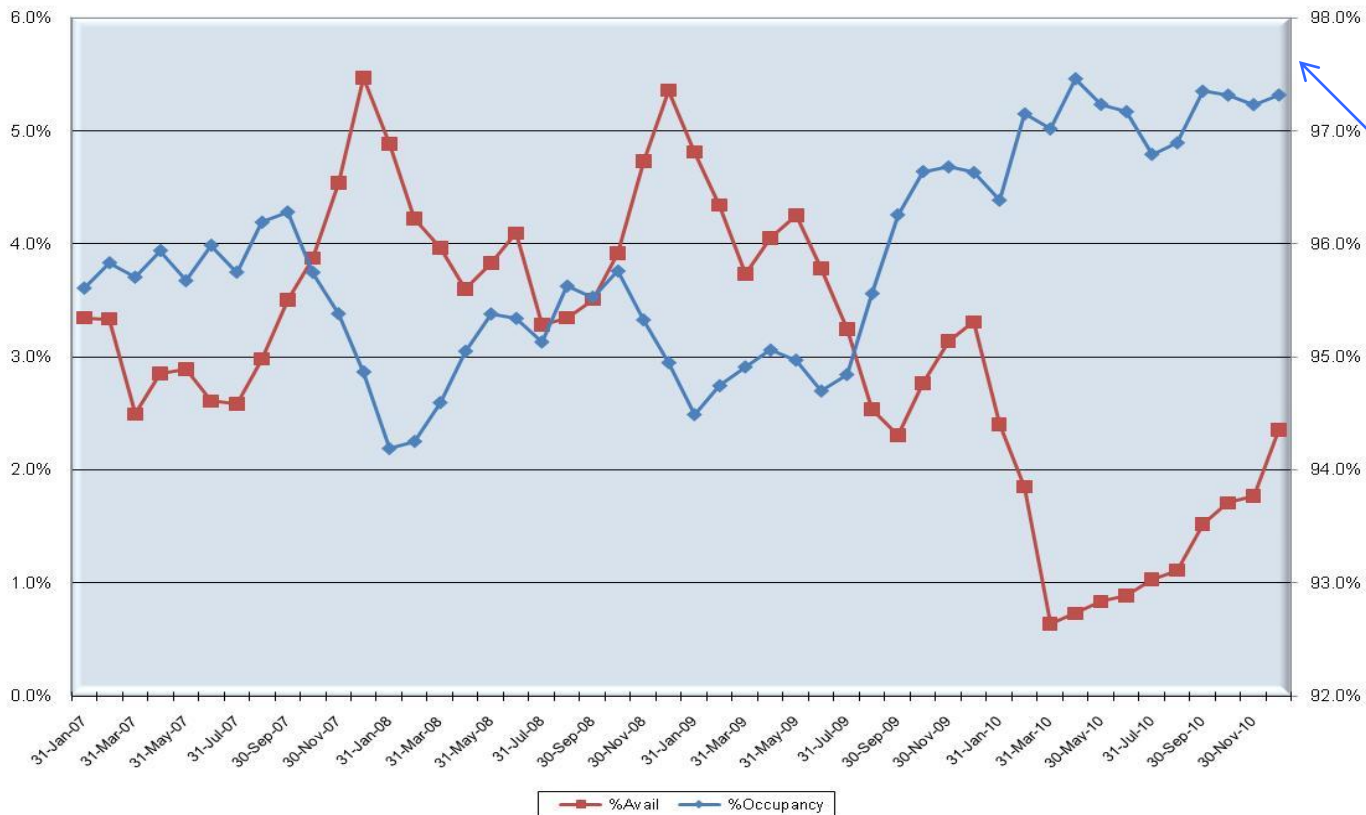
Source – Internally generated, amount generated are based on existing occupancy levels and assume no impact of any changes in operating costs.. Rent + numbers assume distribution at 75%

Updated: Fourth Quarter 2010



# Boardwalk

## Occupancy vs. Availability



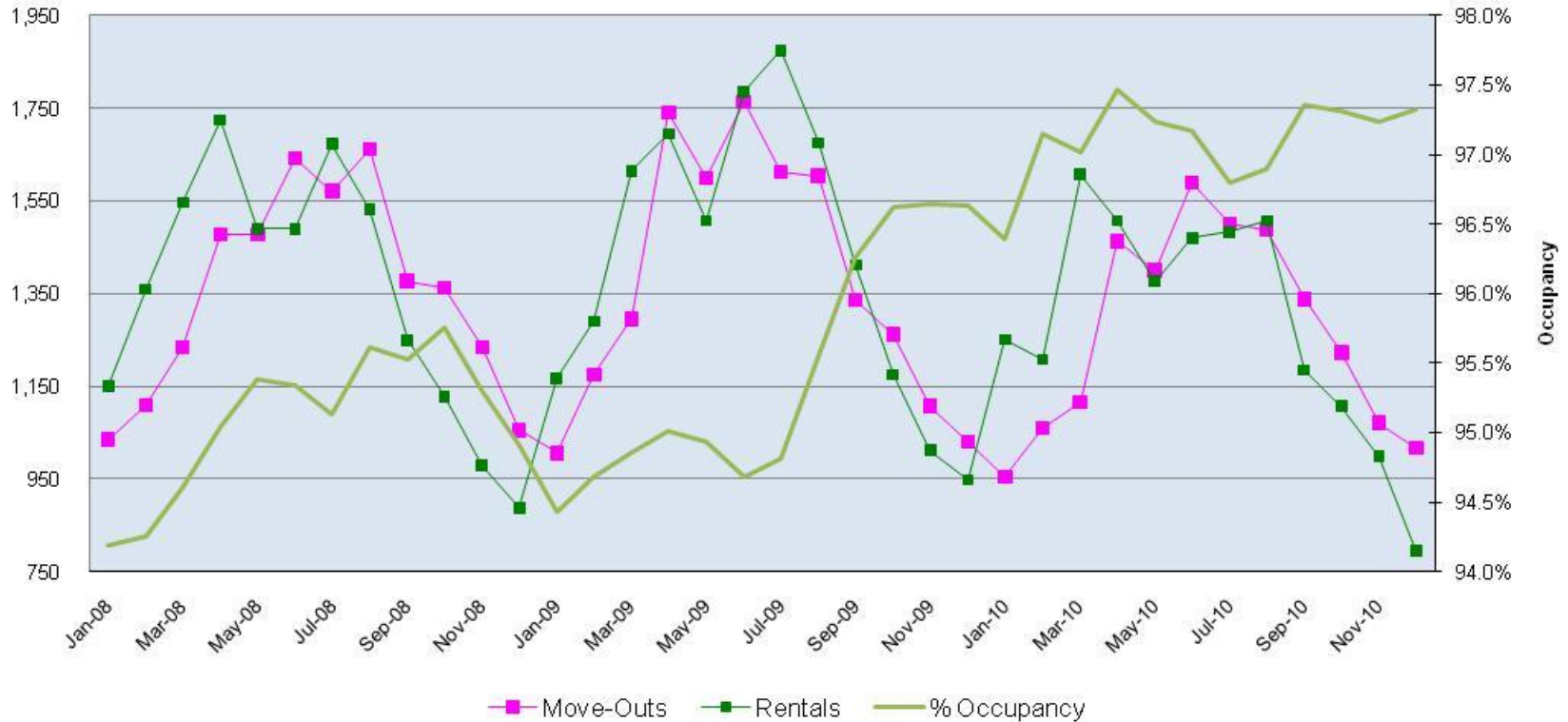
High occupancy reflects that Boardwalk's market rents are at the bottom

Source: Internally generated

Updated Q4, 2010



# Move-outs, Move-ins and Occupancy

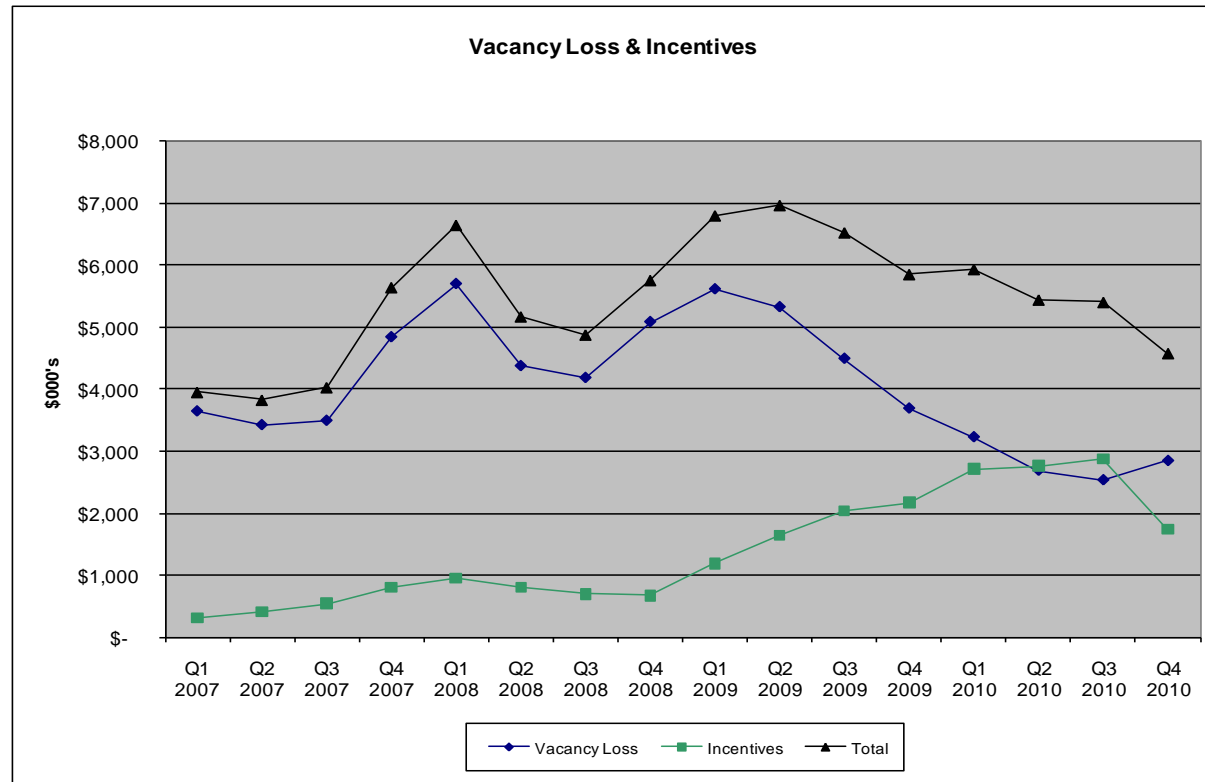


Updated Q4, 2010

Source: Internally generated



# Vacancy Loss and Incentives



Source: Internally generated

Updated Q4, 2010



# Operations Update

## Reasons for Move Out

Reason	2008				2008 Total	2009				2009 Total	2010				2010 Total
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Moving out of town	389	657	689	477	<b>2,212</b>	367	746	632	396	<b>2,141</b>	387	680	646	420	<b>2,133</b>
Purchased Home	453	723	655	482	<b>2,313</b>	379	673	681	494	<b>2,227</b>	418	657	600	485	<b>2,160</b>
Transfer	434	550	523	477	<b>1,984</b>	527	698	634	530	<b>2,389</b>	530	570	607	527	<b>2,234</b>
Personal reasons	346	496	490	391	<b>1,723</b>	329	558	521	439	<b>1,847</b>	425	557	581	382	<b>1,945</b>
Skip / Eviction	496	567	592	476	<b>2,131</b>	612	601	571	561	<b>2,345</b>	539	521	547	453	<b>2,060</b>
Rent too expensive	384	435	384	337	<b>1,540</b>	330	384	333	211	<b>1,258</b>	225	285	319	222	<b>1,051</b>
Larger accommodation	147	214	200	169	<b>730</b>	183	267	227	159	<b>836</b>	119	248	283	156	<b>806</b>
Unknown	227	523	389	233	<b>1,372</b>	241	249	230	189	<b>909</b>	186	247	296	196	<b>925</b>
Work related	152	208	212	228	<b>800</b>	293	303	259	229	<b>1,084</b>	190	234	263	208	<b>895</b>
Moving in with others	129	191	149	142	<b>611</b>	145	187	162	130	<b>624</b>	136	171	228	159	<b>694</b>
<b>Total</b>	<b>3,157</b>	<b>4,564</b>	<b>4,283</b>	<b>3,412</b>	<b>15,416</b>	<b>3,406</b>	<b>4,666</b>	<b>4,250</b>	<b>3,338</b>	<b>15,660</b>	<b>3,155</b>	<b>4,170</b>	<b>4,370</b>	<b>3,208</b>	<b>14,903</b>

Reason	2008	2009	2010	% Chg.
Transfer	477	530	527	-0.6%
Purchased home	482	494	485	-1.8%
Skip / Eviction	476	561	453	-19.3%
Moving out of town	477	396	420	6.1%
Personal reasons	391	439	382	-13.0%
Rent too expensive	337	211	222	5.2%
Work related	228	229	208	-9.2%
Unknown	233	189	196	3.7%
Larger accommodation	169	159	156	-1.9%
Moving in with others	142	130	159	22.3%
<b>Total</b>	<b>3,412</b>	<b>3,338</b>	<b>3,208</b>	<b>-3.9%</b>

- Turnover was 4% down compared to the fourth quarter in 2009
- Transfers within the Boardwalk portfolio is the largest reason for moving which indicates that we are retaining our customers
- Skip/eviction was down over 19%
- Moving out of town and moving in with others were up 6% and 22%, respectively



# Alberta Forecast

## Alberta Forecast Summary

	2006	2007	2008	2009	2010f	2011f
<b>Economy</b>						
GDP Growth	6.2%	2.5%	0.0%	-5.0%	2.8%	3.3%
Employment Growth	4.8%	4.7%	2.8%	-1.3%	0.5%	1.9%
Net Migration	70,990	47,939	65,936	37,755	34,500	37,100
Retail Trade (\$ millions)	\$55,942	\$61,160	\$61,069	\$55,956	na	na
<b>New Home Market</b>						
Single-detached Starts	31,835	28,105	14,716	14,344	19,150	19,700
Multi-family Starts	17,127	20,231	14,448	5,954	8,750	8,300
Total Starts	48,962	48,336	29,164	20,298	27,900	28,000
<b>Resale Market*</b>						
Total MLS Sales	74,350	71,430	56,399	57,786	47,900	48,800
Average Price	\$285,383	\$356,235	\$352,857	\$341,201	\$350,150	\$352,600

Updated Q4, 2010

Source: CMHC Forecast, Statistics Canada \* Total Residential



# Saskatchewan Forecast

## Saskatchewan Forecast Summary

	2006	2007	2008	2009	2010f	2011f
<b>Economy</b>						
GDP Growth	-1.0%	3.6%	4.2%	-6.1%	3.0%	3.2%
Employment Growth	1.7%	2.1%	2.2%	1.5%	1.3%	1.9%
Net Migration	-1,562	9,287	10,480	11,251	12,000	12,300
Retail Trade (\$ millions)	\$11,495	\$12,984	\$14,360	\$14,036	na	na
<b>New Home Market</b>						
Single-detached Starts	2,689	4,017	4,518	2,829	3,850	3,600
Multi-family Starts	1,026	1,990	2,310	1,037	1,325	1,300
Total Starts	3,715	6,007	6,828	3,866	5,175	4,900
<b>Resale Market*</b>						
Total MLS Sales	9,140	12,054	10,194	10,856	10,500	10,800
Average Price	\$132,078	\$174,405	\$224,592	\$233,695	\$239,900	\$246,200

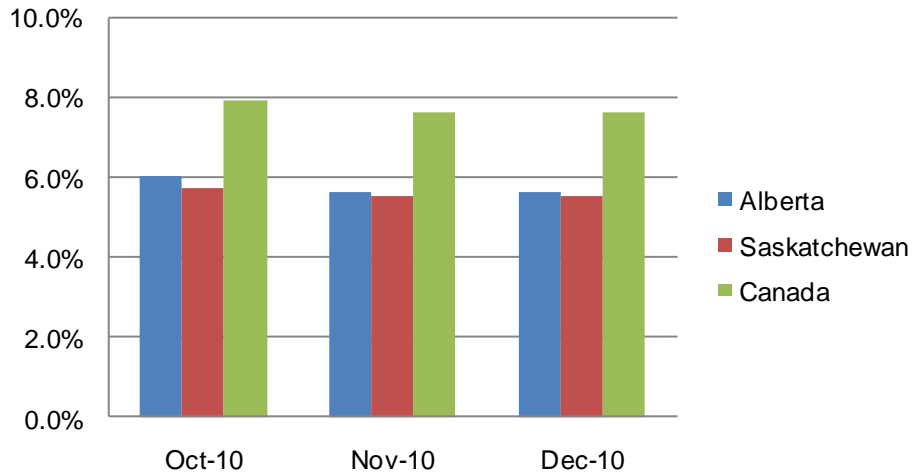
Source: CMHC Forecast, Statistics Canada \* Total Residential

Updated Q4, 2010



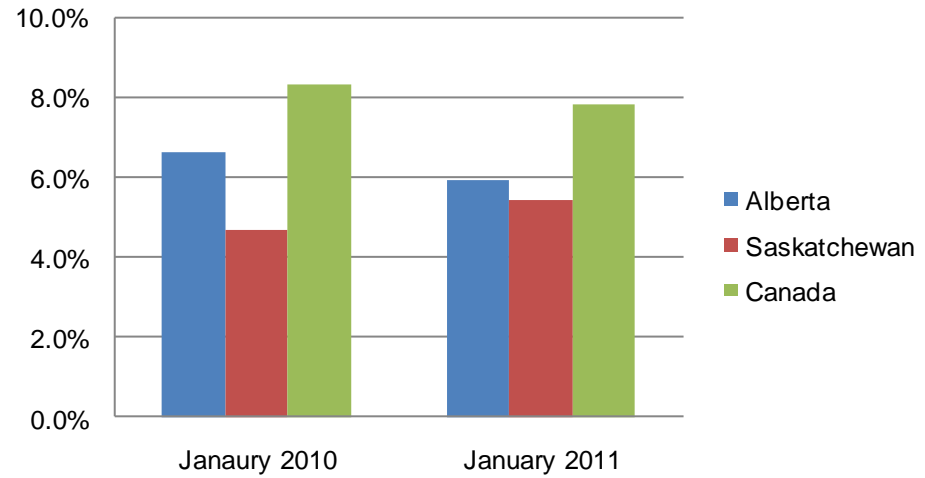
# Alberta and Saskatchewan Unemployment

**Unemployment- Q4 2010**



Source: Statistics Canada

**Unemployment- January 2011**

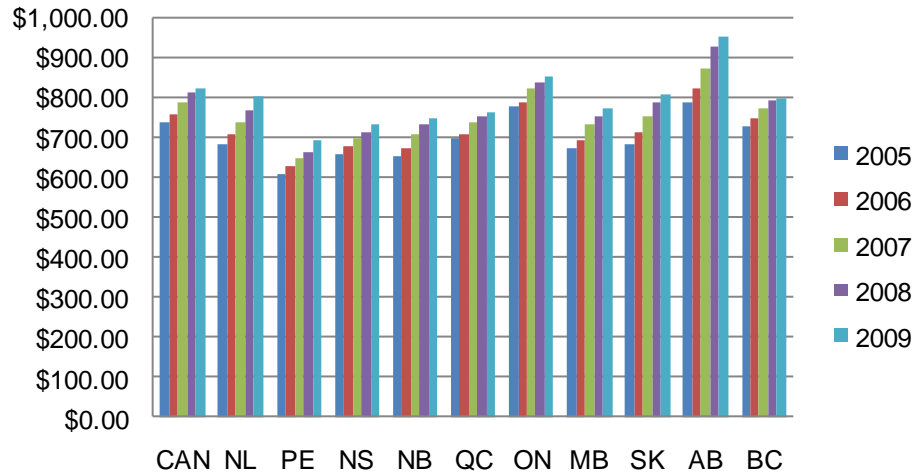


Source: Statistics Canada

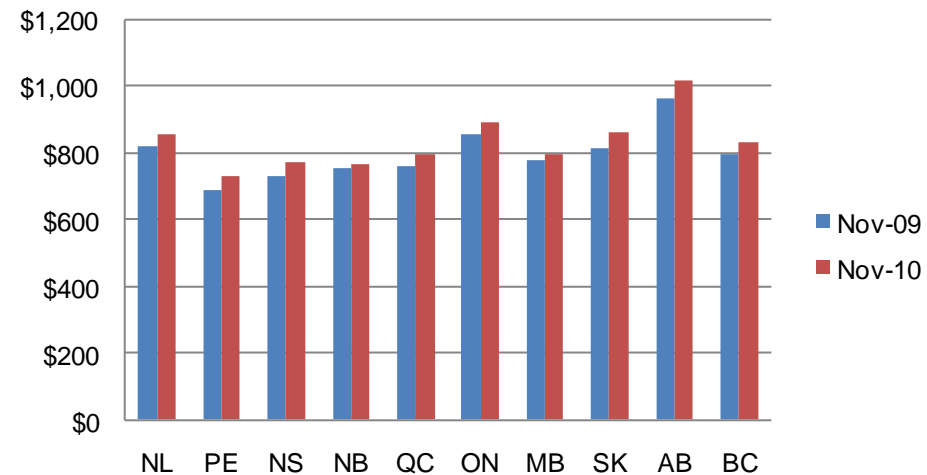


# Average Weekly Earnings

**Average Weekly Earnings by Year**



**Average Weekly Earnings - November 2010**



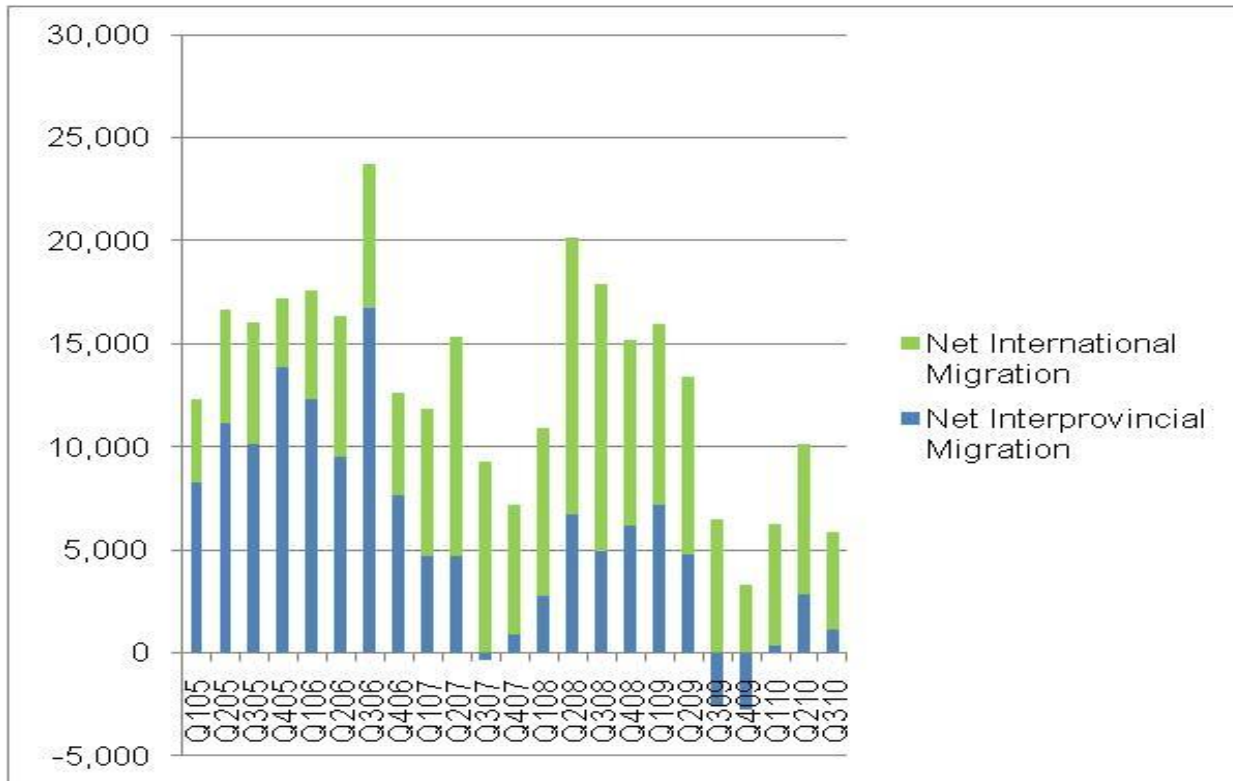
Source: Statistics Canada

Source: Statistics Canada

Updated Q4, 2010



# Alberta International and Interprovincial Migration

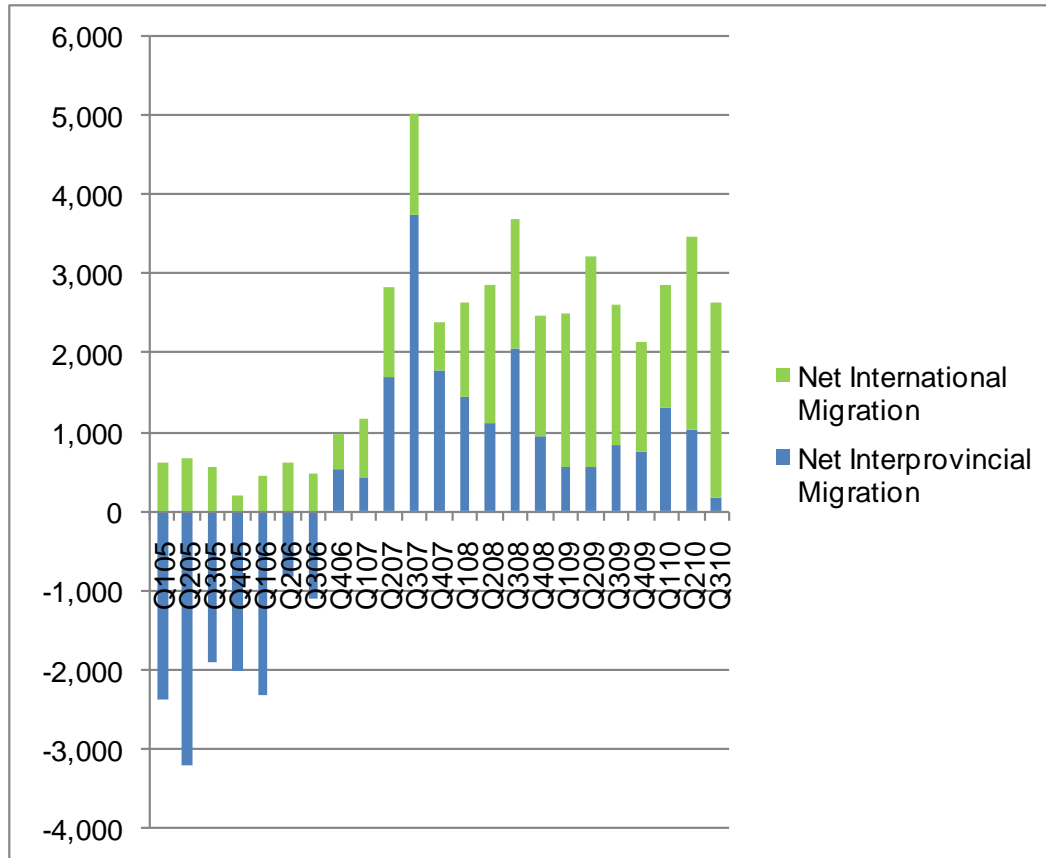


Updated Q4, 2010

Source: Statistics Canada



# Saskatchewan International and Interprovincial Migration



Updated Q4, 2010

Source: Statistics Canada



# Inventory of Major Alberta Projects

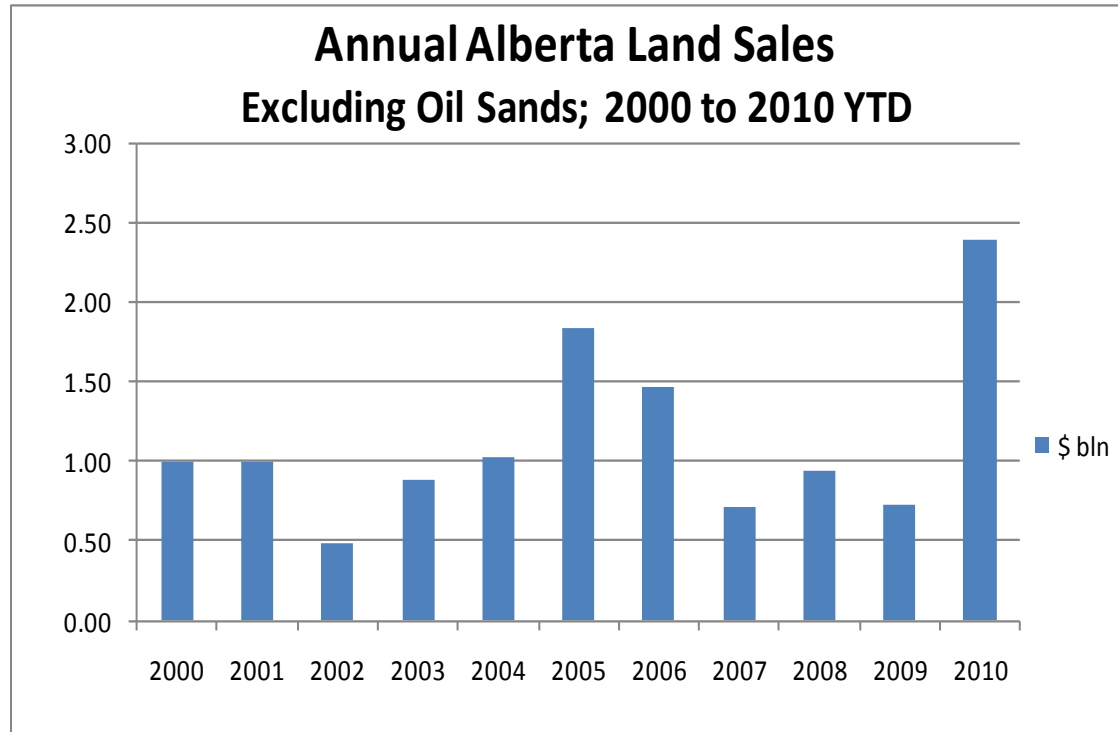
## Continued Long Term Capital being invested in Alberta

Sector	Dec. 2010 Value of Projects (\$Millions)	Nov. 2010 Value of Projects (\$Millions)	Sep. 2010 Value of Projects (\$Millions)	Aug. 2010 Value of Projects (\$Millions)	Jun. 2010 Value of Projects (\$Millions)
Agriculture & Related	\$215.2	\$185.2	\$207.2	\$207.2	\$199.2
Biofuels, Chemicals & Petrochemicals	\$1,555.5	\$1,728.0	\$1,728.0	\$1,688.0	\$1,888.0
Commercial/Retail	\$8,871.9	\$8,880.2	\$9,142.8	\$9,124.7	\$9,559.0
Commercial/Retail & Residential	\$2,373.8	\$2,373.8	\$3,593.8	\$3,815.8	\$3,873.5
Infrastructure, Institutional & Other Industrial	\$27,183.2	\$26,719.8	\$27,266.7	\$26,593.1	\$28,145.7
Manufacturing, Mining, Forestry & Related	\$5,854.8	\$5,839.8	\$5,758.5	\$5,758.5	\$5,667.7
Oil & Gas	\$1,520.0	\$1,255.0	\$1,573.0	\$1,573.0	\$1,620.5
Oil Sands	\$100,732.6	\$111,954.6	\$146,624.6	\$143,864.6	\$143,904.6
Pipelines	\$7,464.5	\$7,224.5	\$7,085.3	\$6,444.3	\$7,072.3
Power	\$16,955.5	\$16,955.5	\$18,711.5	\$18,773.5	\$19,482.5
Residential	\$5,046.7	\$5,489.7	\$5,307.6	\$5,879.5	\$5,901.4
Telecommunications & Tourism/Recreation	\$4,731.2	\$4,582.0	\$4,897.4	\$5,055.5	\$5,120.2
<b>Total</b>	<b>\$182,504.9</b>	<b>\$193,188.1</b>	<b>\$231,896.4</b>	<b>\$228,777.7</b>	<b>\$232,434.6</b>

Source: Government of Alberta



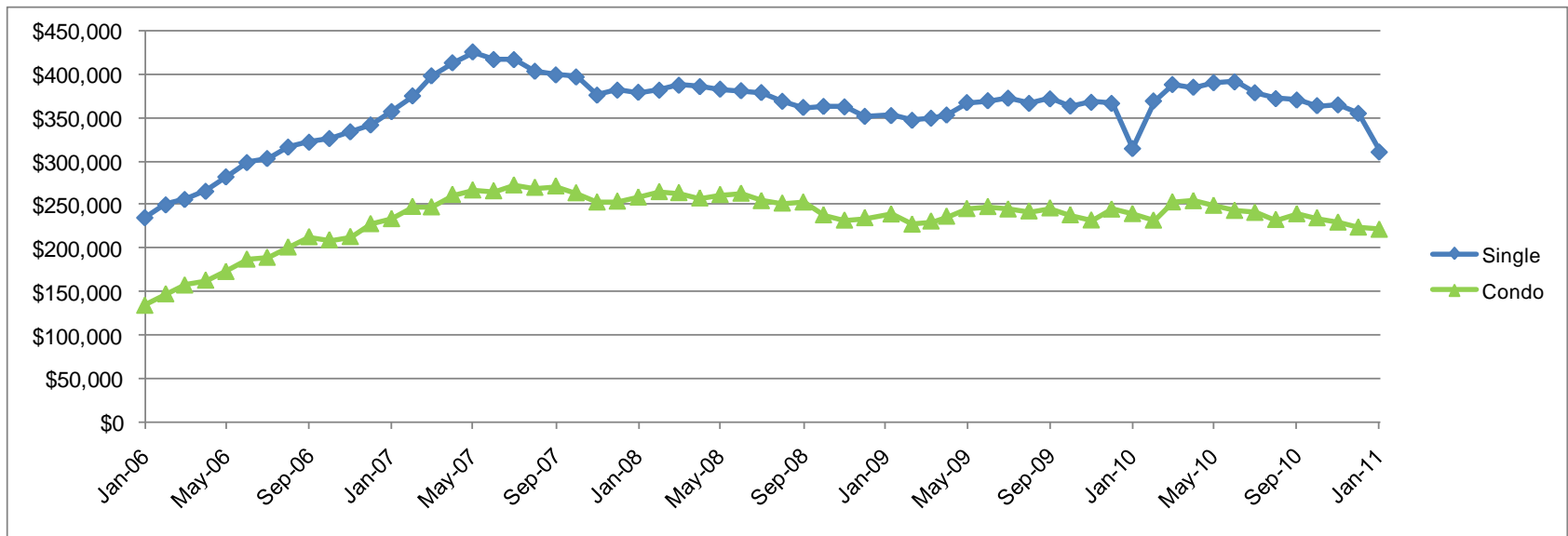
# Annual Land Sales



Source: Alberta Government



# Edmonton Home Prices

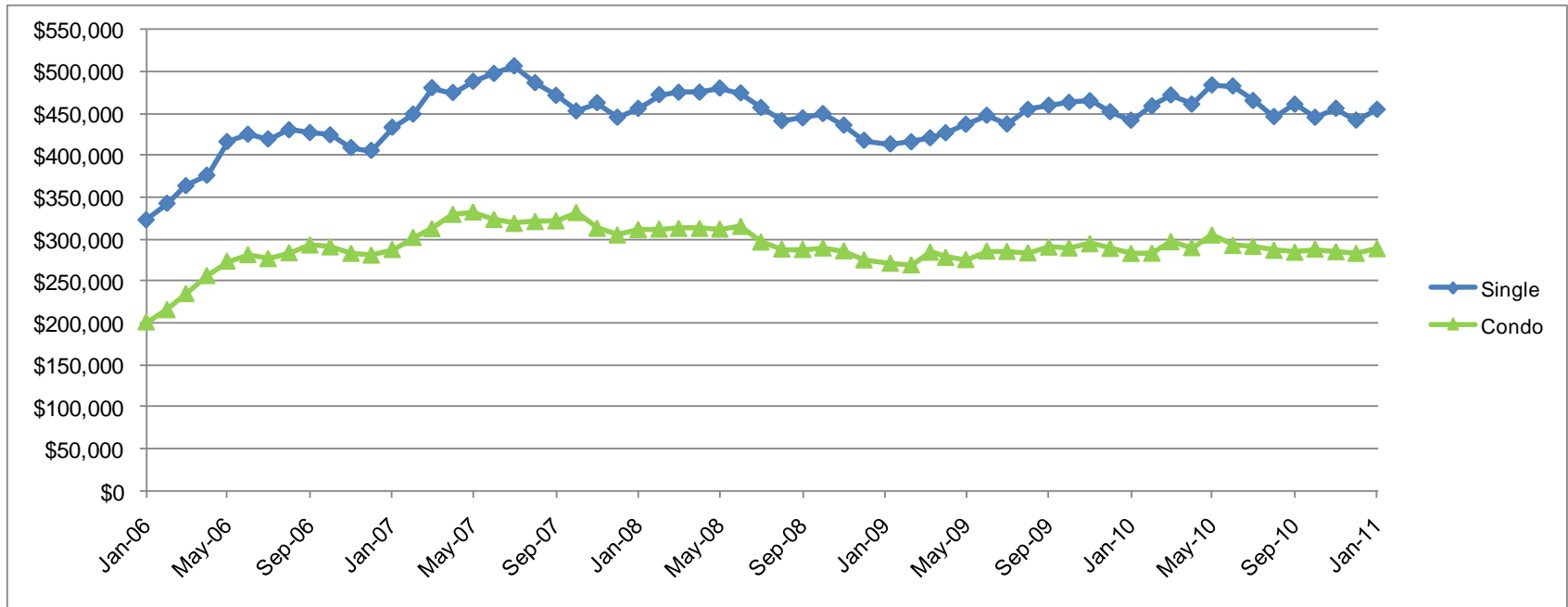


Updated Q4, 2010

Source: *Edmonton Real Estate Board*



# Calgary Home Prices

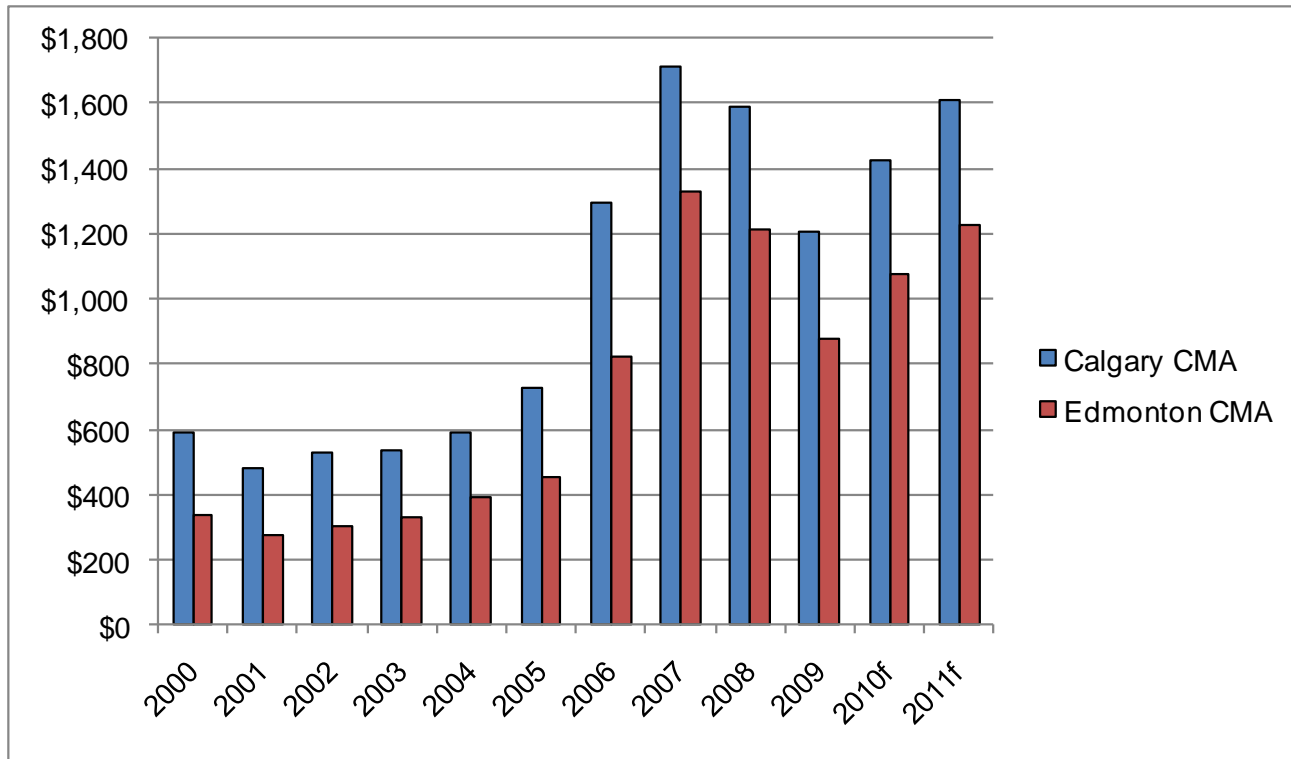


Source: Calgary Real Estate Board and Century 21 CREB archive

Updated Q4, 2010



# Differential between Ownership Costs and Monthly Rent

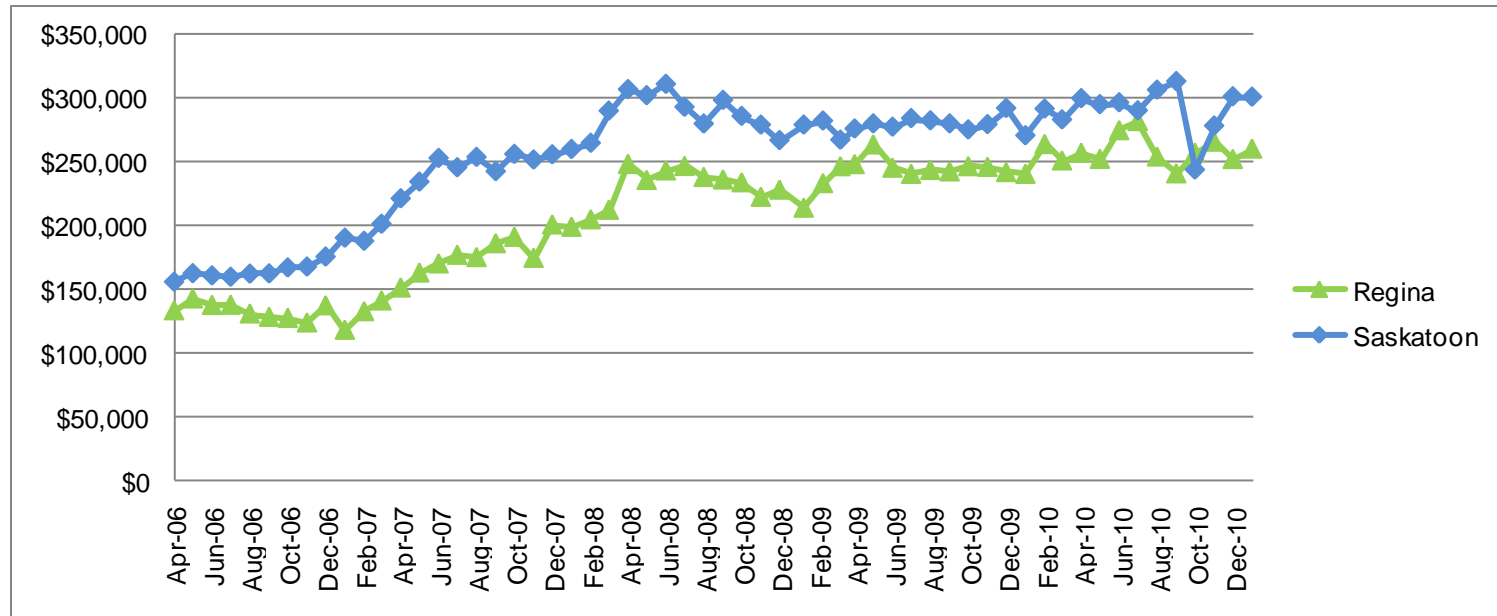


Source: CMHC, monthly carrying cost minus average two-bedroom rent (\$)

Updated Q4, 2010



# Saskatoon and Regina Home Prices



Updated Q4, 2010

Source: Saskatoon Real Estate Board, CMHC, Association of Regina Realtors



# Implied Net Asset Value

2011 Budget		Cap Rate	Implied Trust Unit value	Cash per Trust Unit	Total	Low end Guidance - No Cash	High end Guidance - no cash
Revenue	\$ 425,915,945	5.00%	\$ 56.03	\$ 4.36	\$ 60.38	23.8	22.0
		5.25%	\$ 51.22	\$ 4.36	\$ 55.57	21.8	20.1
		5.50%	\$ 46.84	\$ 4.36	\$ 51.20	19.9	18.4
Operating Expenses	\$ 161,361,893	5.75%	\$ 42.85	\$ 4.36	\$ 47.20	18.2	16.8
		6.00%	\$ 39.19	\$ 4.36	\$ 43.54	16.7	15.4
Net Operating Income	<u>\$ 264,554,052</u>	6.25%	\$ 35.82	\$ 4.36	\$ 40.17	15.2	14.0
		6.50%	\$ 32.71	\$ 4.36	\$ 37.07	13.9	12.8
Mortgage outstanding	<u>\$ 2,357,163,827</u>	8.00%	\$ 18.14	\$ 4.36	\$ 22.49	7.7	7.1
		8.50%	\$ 14.42	\$ 4.36	\$ 18.78	6.1	5.7
		9.00%	\$ 11.12	\$ 4.36	\$ 15.48	4.7	4.4
Cash on Hand	<u>\$ 228,086,000</u>	Current Price	\$ 37.64	\$ 4.36	\$ 42.00	16.0	14.8
		Implied cap rate	6.11%		5.81%		
		Trust Unit outstanding - Dec 2010			52,366,133.00		

**NAV range reflects implied capitalization rates only on anticipated cash flows for 2010 . It does not incorporate any subjective value that may relate to other assets, including: intangibles and excess land, any potential value which may be associated with other higher related use of these assets such as Condominium Conversion or the lesser value that may be associated with assets currently on land leases. It also does not include any corporate administration.**

Source: Internally generated



# Dispositions

Fiscal Year 2010

## Dispositions

Building Name	City	# Units	Type	Price	\$/unit	\$/sq ft	Sale Cap Rate	Cap Rate with Required Cap Ex *	Debt Assumed	Debt Repaid	Date Closed
Habitat du Lac Leamy	Gatineau	321	High Rise	19,350,000	60,280	95	7.29%	6.89%	-	12,554,619	March 16, 2010
Heritage Gardens	Calgary	95	Mid Rise	13,585,000	143,000	211	6.20%	6.20%	3,951,101 **	-	April 23, 2010
Les Jardins Bourassa	Montreal	178	Mid Rise	8,925,000	50,140	104	6.86%	6.36%	-	5,689,650	April 30, 2010
Cascade Lodge	Regina	12	Walk Up	1,075,000	89,583	140	6.02%	6.02%	-	-	July 7, 2010
Glen Garry	Regina	12	Walk Up	985,000	82,083	156	6.18%	6.18%	-	-	July 7, 2010
Willow Glen Apartments	Edmonton	88	Walk Up	9,750,000	110,795	136	6.20%	6.20%	-	3,844,761	August 6, 2010
600 Cote Vertu	St. Laurent	88	Mid Rise	7,925,000	90,057	117	6.59%	5.81%	-	-	October 27, 2010
Braemar Court	Coquitlam	105	Walk Up	16,150,000	153,810	152	4.99%	4.99%	-	-	December 2, 2010
Parkwest Apartments	Victoria	96	Low Rise	13,400,000	139,583	188	5.38%	5.38%	-	-	December 13, 2010
California Gardens	Burnaby	79	Walk Up	12,250,000	155,063	108	4.78%	4.78%	-	7,439,074	December 15, 2010
Ridgemont Apartments	Coquitlam	41	Low Rise	4,500,000	109,756	141	4.24%	4.24%	-	-	December 16, 2010
TOTAL		1,115		107,895,000	96,767	130	5.95%	5.80%	3,951,101	29,528,104	

\* Habitat required \$1,100,000 in capital expenditures; Bourassa required \$700,000 in capital expenditures; 600 Cote Vertu required \$1,055,000 in capital expenditures

\*\* 6.38% maturing June 1, 2011

Source: Internally generated



# Current Cap Rates

*Cap rates for various Canadian markets, representing well located, better quality buildings with no deferred capx.*

Victoria		5.00 - 6.00%
Vancouver		4.25 - 5.25%
Vancouver Suburbs	↓	4.75 - 5.75%
Calgary		5.50 - 6.50%
Edmonton		5.75 - 6.75%
Saskatoon		5.50 - 6.50%
South West Ontario		5.75 - 6.75%
Montreal		5.75 - 6.75%
Quebec City		6.00 - 7.00%

*Source: Internally generated*



# Funds From Operations

(in \$000's, except per unit amounts)

<b>FFO Reconciliation</b>	<b>12 Months</b>	<b>12 Months</b>	
<b>In \$000's, except per unit amounts</b>	<b>Dec-10</b>	<b>Dec-09</b>	<b>% Change</b>
Net earnings from continuing operations	\$ 36,246	\$ 48,138	
Adjustments			
Earnings from discontinued operations	\$ 35,483	\$ 13,929	
Deduct gain on dispositions	\$ (34,226)	\$ (11,614)	
Other income	\$ -	\$ (408)	
Future income taxes (recovery)	\$ 4,241	\$ (5,646)	
Amortization of assets (capital and intangibles)	\$ 88,185	\$ 88,695	
Funds from operations	<u>\$ 129,929</u>	<u>\$ 133,094</u>	-2.4%
Funds from operations - per unit	<u>\$ 2.47</u>	<u>\$ 2.51</u>	-1.6%

Source: Internally generated



# Q4 Overall Performance

## FFO PER UNIT RECONCILIATION

	<b>12 Months</b>
FFO December 31, 2009	\$ 2.51
NOI from Stabilized	\$ (0.06)
Interest Income	\$ 0.01
Unit Buyback	\$ 0.02
Financing Costs	\$ 0.05
Deferred Financing Costs	\$ (0.02)
Administration and Other	\$ 0.02
FFO Loss from Sold Properties	\$ (0.06)
FFO December 31, 2010	<u><u>\$ 2.47</u></u>

Source: Internally generated



# Q4 Overall Performance

<i>In 000's, except per unit amounts</i>	12 Months Dec-10	12 Months Dec-09	% Var
Rental revenue (excl. interest income)	\$ 414,358	\$ 415,538	-0.3%
Interest income	\$ 1,752	\$ 1,277	
	<u>\$ 416,110</u>	<u>\$ 416,815</u>	-0.2%
<b>Expenses</b>			
Operating expenses	\$ 75,378	\$ 73,229	
Utilities	\$ 41,489	\$ 42,596	
Utility rebate	\$ -	\$ (374)	
Property taxes	\$ 36,078	\$ 35,438	
	<u>\$ 152,945</u>	<u>\$ 150,889</u>	1.4%
Net operating income (excl. interest income)	\$ 261,413	\$ 264,649	-1.2%
Rental revenue per unit per month	\$ 983	\$ 985	
Operating costs per unit per month	\$ 361	\$ 356	

Source: Internally generated



# Capital Investment

For the Three and Twelve Months ended December 31, 2010

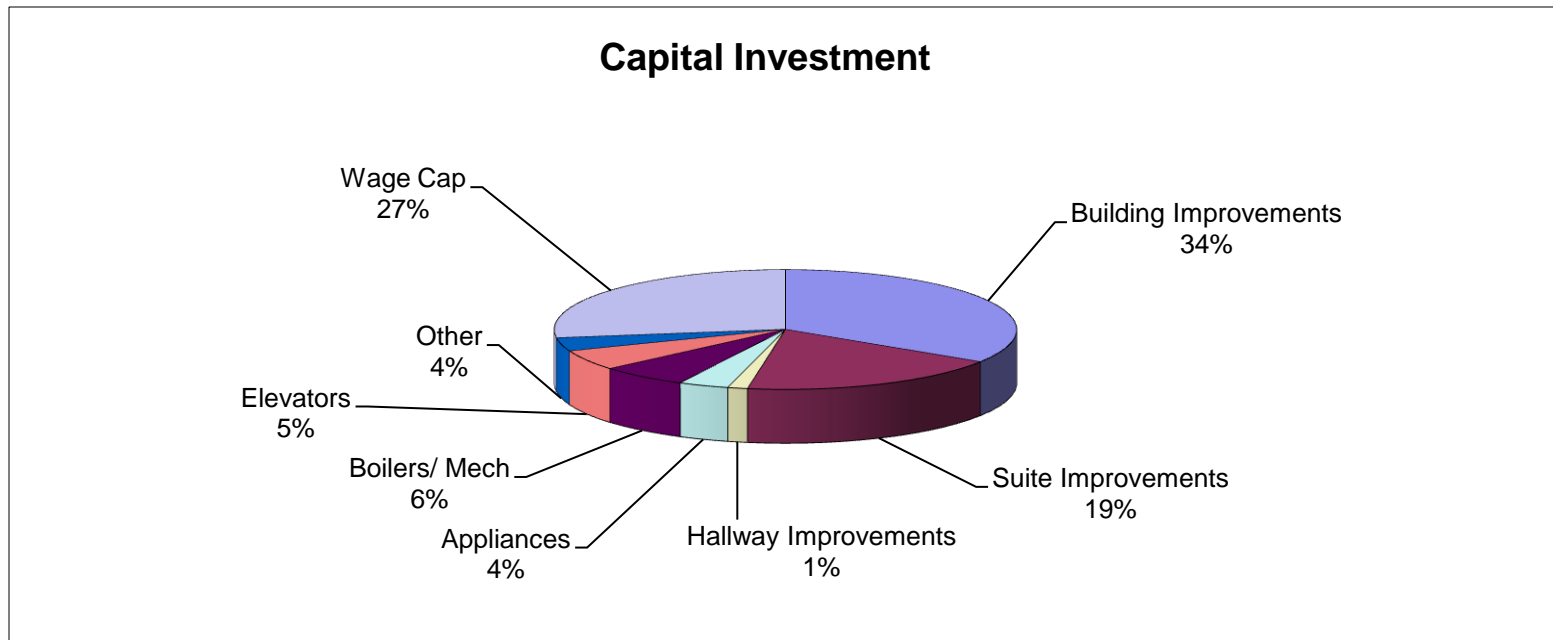
\$ in 000's, except for per suite amounts	3 Months		12 Months	
	31-Dec-10	Per Suite	31-Dec-10	Per Suite
Repairs and Maintenance - expense	\$ 5,760	\$ 162	\$ 21,543	\$ 601
On-Site Maintenance Personnel - expense	\$ 5,289	\$ 149	\$ 21,815	\$ 609
	<u>\$ 11,049</u>	<u>\$ 311</u>	<u>\$ 43,358</u>	<u>\$ 1,210</u>
Invested Capital - cost	\$ 23,477	\$ 662	\$ 71,619	\$ 1,999
	<u>\$ 34,526</u>	<u>\$ 973</u>	<u>\$ 114,977</u>	<u>\$ 3,209</u>
Estimated Maintenance Capex	\$ 3,993	\$ 113	\$ 16,119	\$ 450
Stabilizing & Value Enhancing Capital	\$ 19,484	\$ 549	\$ 55,500	\$ 1,549
	<u>\$ 23,477</u>	<u>\$ 662</u>	<u>\$ 71,619</u>	<u>\$ 1,999</u>

Source: Internally generated



# Capital Investment

For the Twelve months ended December 31, 2010



**Total Capital Invested in the twelve months of 2010: \$71.6 Million (Twelve months of 2009: \$70.4 Million)**

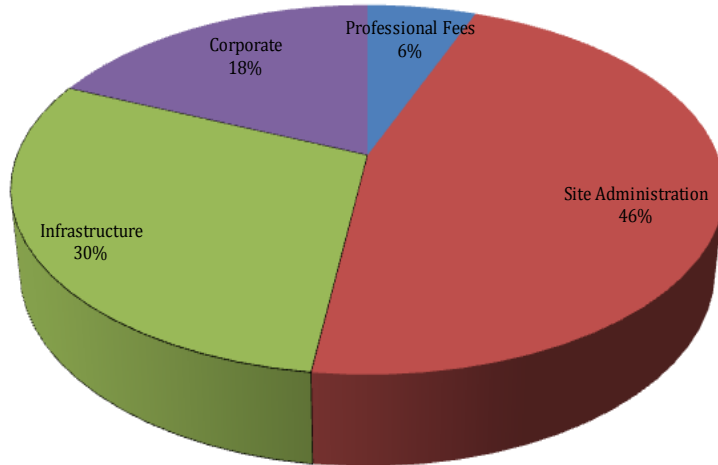
*Source: Internally generated*



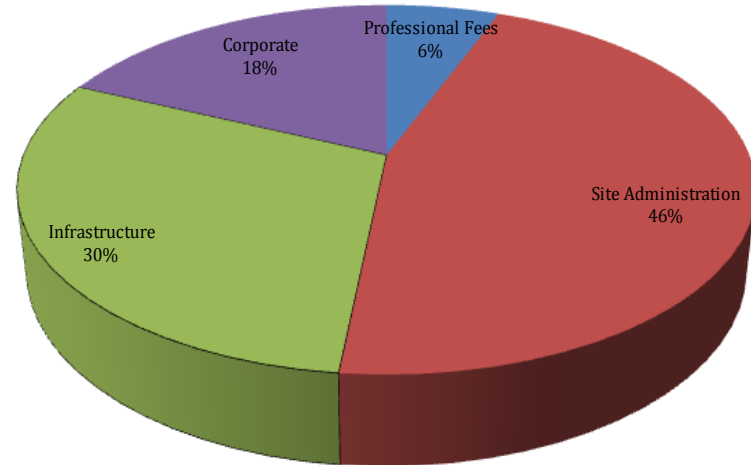
# Administration Review

For the Twelve months ended December 31, 2010

**Q4 2010 - 3 Months Administration Overview**



**2010 - 12 Months Administration Overview**



**Total Administration (Operating + Corporate) Costs for Q4 2010: \$12.5 Million (Q4 2009: \$11.9 Million)**

**Total Administration (Operating + Corporate) Costs for 12 M 2010: \$47.4 Million (12 M 2009: \$47.3 Million)**

*Source: Internally generated*



# HST

<b>ONTARIO: Expense</b>				
13% HST (5% federal, 8% provincial)				
	<b>2009 Actual</b>	<b>HST Impact</b>	<b>Annualized Total Expense</b>	<b>% Increase</b>
Rental Revenue	37,950,000			
<b>EXPENSES</b>				
Operating Expense	6,548,000	166,130	6,714,130	3%
Utilities	6,604,000	503,162	7,107,162	8%
Property Taxes	5,536,000	-	5,536,000	
Subtotal	18,688,000	669,292	19,357,292	4%
G&A Expense	98,094	7,474	105,567	8%
<b>TOTAL EXPENSE</b>	<b>18,786,094</b>	<b>676,766</b>	<b>19,462,859</b>	<b>4%</b>

<b>BRITISH COLUMBIA: Expense</b>				
12% HST (5% federal, 7% provincial)				
	<b>2009 Actual</b>	<b>HST Impact</b>	<b>Annualized Total Expense</b>	<b>% Increase</b>
Rental Revenue	11,262,000			
<b>EXPENSES</b>				
Operating Expense	1,429,000	46,248	1,475,248	3%
Utilities	1,240,000	79,670	1,319,670	6%
Property Taxes	648,000	-	648,000	
Subtotal	3,317,000	125,917	3,442,917	4%
G&A Expense	4,227	282	4,509	7%
<b>TOTAL EXPENSE</b>	<b>3,321,227</b>	<b>126,199</b>	<b>3,447,426</b>	<b>4%</b>

\* Estimated Annualized HST Impact (based on 2009 results): Ontario - \$677K; B.C. - \$126K



# Stabilized Analysis

For the Three and Twelve months ended December 31, 2010

Dec 31 2010 - 3 M	# of Units	% Revenue Growth	% Operating Expense Growth	% Net Operating Income Growth	% of NOI
Calgary	5,234	-4.01%	-6.38%	-2.87%	17.5%
Edmonton	12,337	-1.17%	-7.89%	3.12%	36.8%
Other Alberta	2,172	0.28%	-4.56%	3.09%	6.2%
British Columbia	633	-0.05%	-21.11%	10.97%	2.2%
Ontario	4,265	1.50%	16.24%	-9.98%	7.4%
Quebec	6,000	3.80%	0.46%	6.52%	14.8%
Saskatchewan	4,636	4.96%	0.65%	6.88%	15.1%
	35,277	0.29%	-2.66%	2.10%	100.0%

Dec 31 2010 - 12 M	# of Units	% Revenue Growth	% Operating Expense Growth	% Net Operating Income Growth	% of NOI
Calgary	5,234	-5.53%	0.57%	-8.10%	17.6%
Edmonton	12,337	-1.60%	1.96%	-3.50%	37.0%
Other Alberta	2,172	-4.40%	-4.29%	-4.45%	6.2%
British Columbia	633	2.05%	-2.45%	3.81%	2.2%
Ontario	4,265	1.72%	3.79%	-0.36%	7.2%
Quebec	6,000	3.14%	3.14%	3.14%	15.0%
Saskatchewan	4,636	6.59%	-2.82%	11.06%	14.8%
	35,277	-0.30%	1.23%	-1.16%	100.0%

Source: Internally generated



# Stabilized Analysis

For the Three months ended December 31, 2010

## Q4 2010

- Alberta continued to show improvement in year over year revenues
- BC saw large reductions in Utility & Property Tax costs
- Ontario reported costs increased due to a Property tax refund received in Q4 2009 not available for 2010.



# Sequential Stabilized Rental Analysis

Stabilized Revenue Growth	# of Units	Q4 2010 vs. Q3 2010	Q3 2010 vs. Q2 2010	Q2 2010 vs. Q1 2010	Q1 2010 vs. Q4 2009
Calgary	5,234	1.4%	-1.1%	-1.3%	-3.1%
Edmonton	12,337	0.3%	-0.6%	0.3%	-1.1%
Other Alberta	2,172	3.1%	-2.5%	2.0%	-1.9%
British Columbia	633	0.0%	-0.2%	-1.3%	1.4%
Ontario	4,265	1.9%	-0.2%	-0.2%	0.0%
Quebec	6,000	1.2%	1.4%	0.7%	0.4%
Saskatchewan	4,636	1.5%	0.8%	1.4%	1.1%
	35,277	1.1%	-0.2%	0.3%	-0.8%

Source: Internally generated



# Boardwalk

## Finance – Liquidity Analysis

### As at December 31, 2010

Cash Position - December 31, 2010	\$	228,100,000.00
Line of Credit*	\$	197,100,000.00
Total Available Liquidity	\$	<u>425,200,000.00</u>
Liquidity as a % of Total Debt		<u>18%</u>

\*The Trust's undrawn credit facility has a credit limit of \$200mm. The balance stated reflects the available balance net of outstanding Letters of Credit

Source: Internally generated



# Mortgage Highlights

## Fiscal 2010

Period	Units	Maturing Mortgage Amount	Weighted Maturing Avg	New Mortgage Amount	Weighted Avg New Interest Rate	Net Proceeds	Avg term
Q1 - 2010	1017	\$ 60,708,220	4.58%	\$ 60,708,220	3.32%	\$ -	4.48
Q2 - 2010	3131	\$ 150,423,400	4.35%	\$ 218,507,670	3.73%	\$ 68,084,280	6.04
Q3 - 2010	1641	\$ 91,534,000	4.74%	\$ 108,480,850	2.99%	\$ 16,946,850	5.63
Q4 - 2010	1841	\$ 115,774,150	4.53%	\$ 115,774,150	3.11%	\$ -	6.03
<b>Totals</b>	<b>7630</b>	<b>\$ 418,439,770</b>	<b>4.52%</b>	<b>\$ 503,470,890</b>	<b>3.38%</b>	<b>\$ 85,031,130</b>	<b>5.76</b>

In Q4 of 2010, the Trust has successfully renewed \$115mm of mortgages at an average interest rate reduction of 142 bps. For the 12 month period ended December 31, 2010; The Trust has financed over 7600 units while reducing the average rate on these mortgages by 114 bps while also extending their terms to well over 5 years.

Source: Internally generated



# Mortgage & Liquidity Review

## Mortgage & Debt Maturity Schedule – 2011

Year of Term Maturity	Principal Outstanding as at Dec 31, 2010	Weighted Average Interest Rate By Maturity	% of Total
2011	\$ 257,110,363	4.56%	11%
2012	\$ 570,908,589	4.89%	24%
2013	\$ 291,347,366	4.51%	12%
2014	\$ 433,039,477	3.51%	18%
2015	\$ 432,952,185	3.73%	18%
2016	\$ 130,931,235	4.59%	6%
2017	\$ 108,508,612	3.69%	5%
2018	\$ 9,799,141	5.11%	1%
2019	\$ 77,332,338	5.09%	3%
2020	\$ 40,186,570	4.44%	2%
2021	\$ 5,047,951	4.06%	0%
<b>Total Principal Outstanding</b>	<b>\$ 2,357,163,827</b>	<b>4.27%</b>	<b>100%</b>

Includes \$112.4mm Debenture maturing in 2012.

*Average Term to Maturity is 3 Years*

*Average amortization period is 32 years*

*Current 5 Year Interest Rates are 3.40%*

*Current 10 year Interest rates are 4.25%*

As at Feb 17, 2011

Source: Internally generated



# Liquidity Analysis – Property Valuation

## Valuation Model, with Dec 2010 Revenue and Standardized Costs.

Estimated Loan amounts have constraints of: 1.3 DCR and/or 75% LTV.

\*in 000's

Fiscal Year	Units	Est. Value - Dec 2010*	Max Loan Amt 75% LTV or 1.3*	Period End Balance*	Additional Est. Leverage Available*	LTV, Dec 2010
2011	4,699	\$ 569,227	\$ 426,569	\$ 257,110	\$ 181,288	45%
2012	6,284	\$ 827,239	\$ 615,417	\$ 458,504	\$ 168,319	55%
2013	4,371	\$ 463,800	\$ 347,448	\$ 291,347	\$ 78,744	63%
2014	5,903	\$ 696,255	\$ 522,107	\$ 433,039	\$ 100,037	62%
2015	5,731	\$ 694,669	\$ 517,843	\$ 432,952	\$ 115,277	62%
2016	1,836	\$ 213,301	\$ 159,766	\$ 130,931	\$ 33,845	61%
2017	1,465	\$ 178,807	\$ 133,887	\$ 108,509	\$ 26,604	61%
2018	301	\$ 39,524	\$ 29,643	\$ 9,799	\$ 19,844	25%
2019	1,114	\$ 134,922	\$ 101,145	\$ 77,332	\$ 25,308	57%
2020	722	\$ 78,554	\$ 58,916	\$ 40,187	\$ 19,457	51%
2021	144	\$ 16,673	\$ 12,504	\$ 5,048	\$ 7,456	30%
Unlevered	2,707	\$ 240,196	\$ 179,928	\$ -	\$ 179,928	0%
<b>Total</b>	<b>35,277</b>	<b>\$ 4,153,169</b>	<b>\$ 3,105,174</b>	<b>\$ 2,244,759</b>	<b>\$ 956,104</b>	<b>54%</b>
Unsecured Debenture				\$ 112,405		
Cash Dec 31, 2010				\$ (228,100)		
<b>Grand Total Net of Cash</b>				<b>\$ 2,129,064</b>		<b>51%</b>

99% of Boardwalk's Secured Mortgages are NHA-insured and assumes an average Capitalization Rate of 6.6%.

Source – Internally generated

As at Dec 31, 2010



# Mortgage & Debt Maturities

December 31, 2010

Type of Debt	Apartment Units	Amount - in \$000
Secured	32,570	\$ 2,244,759
Un-levered	2,707 *	\$ -
Unsecured	-	\$ 112,405
<b>Total</b>	<b>35,277</b>	<b>\$ 2,357,164</b>

**99% of Boardwalk's Secured Mortgages are NHA insured.**

**\*855 of these apartment units (approx \$95.6 million of estimated value) are pledged against the Trust's undrawn credit facility.**

*Source: Internally generated*



# Mortgage & Debt Highlights

(\$ in millions)

**As at December 31, 2010**

		\$ million
Mortgage Principal Outstanding	\$	2,245
Debenture - matures January 2012	\$	112
Total	\$	2,357
%		
% of NHA Insured Secured Mortgages		99%
Existing Bond Spreads		70-80 Basis Points
		Over 5 Year GoC Bonds
Interest Coverage (Ex. Gains)		
	Fiscal 2010	2.32
	Fiscal 2009	2.28

Source: Internally generated

As at Dec 31, 2010



# Mortgage & Debt Highlights

## Unsecured Debenture

Existing Unsecured Debenture Balance @ maturity

\$112.4 Million

- Interest Rate

5.61%

- Maturity

January 2012

To be replaced at maturity by;

- 17 Newly Secured NHA Mortgages

\$107 Million

- Average maturity term

6.5 years

- Cash

\$ 5.4 Million

- Forward Locked in Interest rate

3.99%\*

- Estimated annual saving (2012 Fwd)

\$1.82 million

*\* We are in the final process of forward locking in one more mortgage. Interest rate should be below average reported above*

*Source: Internally generated*

As at Dec 31, 2010



# Boardwalk REIT 2011 Guidance

Description	2011 Guidance
Acquisitions	No new apartment acquisitions
Stabilized Building NOI growth	-3% to 1%
FFO per Trust Unit	\$2.35 to \$2.55

- No Longer Forecasting DI
- Adjustment made for Bwalk LP B Units Treated as Debt & Distributions as Interest Charges



# Boardwalk REIT Distributions

<b>Month</b>	<b>Per Unit</b>	<b>Record Date</b>	<b>Payable Date</b>
Feb 2011	\$0.15	Feb 28, 2011	Mar 15, 2011
Mar 2011	\$0.15	Mar 31, 2011	Apr 15, 2011
Apr 2011	\$0.15	Apr 29, 2011	May 16, 2011



# Boardwalk REIT

## *Do we qualify as a REIT?*

- At point of generation, income generated from operations and the sale of real properties (Apartments) does qualify as eligible income as part of the 95% income threshold.
- The question that remains is: does income generated from the sale of real properties, once it flows through Boardwalk's Trust on Trust Structure, lose its character?
- December 16, 2010 draft legislation provided us clarity on this issue; however, we are awaiting for this to clear Parliament
- It is the intent of Boardwalk REIT to qualify for the 'REIT Exemption' for Canadian income tax purposes, beginning January 1, 2011



# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q4 2010 Conference Call

*February 18, 2011 – 11:00 EST*

647-427-7450 (Toronto & Int'l) or toll-free 1-888-231-8191 (within North America).



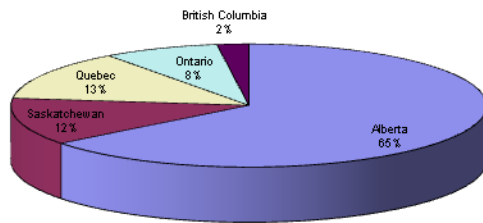
# BOARDWALK REAL ESTATE INVESTMENT TRUST

## APPENDIX

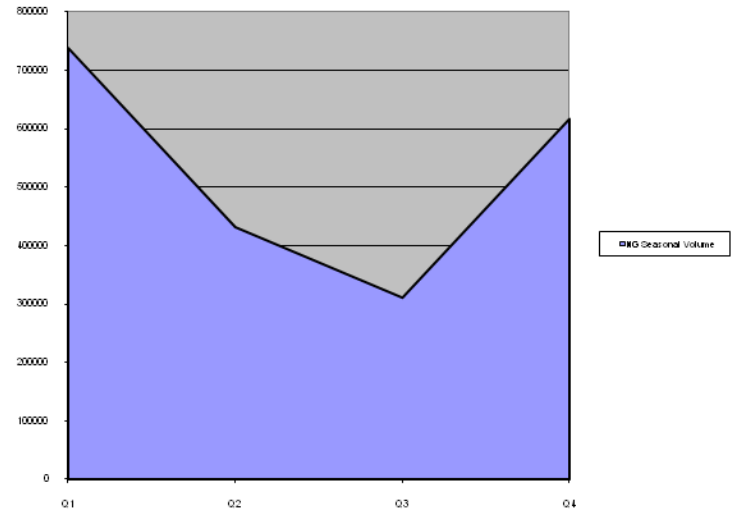


# Natural Gas Review

Average Natural Gas Consumption



NG Seasonal Volume



Boardwalk Consumes approximately 2.1 million GJ of natural gas Annually. A \$1.00 annualized change in the price of NG would result in either an increase or decrease to FFO in the amount of \$2.2 million (including tax)

Source: Internally generated



# Q4 - Distributable Income

(in 000's, except per unit amounts)

Distributable Income Reconciliation In \$000's, except per unit amounts	12 Months Dec-10	12 Months Dec-09	% Change
Total Operating Cash Flows	\$ 139,301	\$ 141,859	
Net change in operating working capital (add back)	\$ (2,383)	\$ (2,605)	
Deduct deferred financing costs amortization after May 3, 2004	\$ (5,814)	\$ (3,837)	
Add (deduct) net discounts (premiums) adjustment after May 3, 2004	\$ (104)	\$ (109)	
Distributable income	\$ 131,000	\$ 135,308	-3.2%
Distributable income - per unit	\$ 2.49	\$ 2.55	-2.4%

Source: Internally generated



# Loss To Lease Statistics Mark to Market

	<b>Total</b>	<b>Per Trust Unit</b>
Sep 2010 - Entire Property Portfolio	\$ 3,548,000	\$ 0.07
In-Place Rent Adjustment	\$ 2,766,000	\$ 0.06
Vacancy Adjustment	\$ 31,000	\$ 0.00
Market Rent Adjustment	\$ (3,963,000)	\$ (0.08)
Dec 2010 - Entire Property Portfolio	<u>\$ 2,382,000</u>	<u>\$ 0.05</u>
Total Estimated Vacancy Loss	\$ 759,016	
Current reported Vacancy	2.68%	
Target Vacancy	2.50%	
<b>Estimated Annual Occupancy Pick-up</b>	<u>\$ 50,000</u>	<u>\$ 0.00</u>

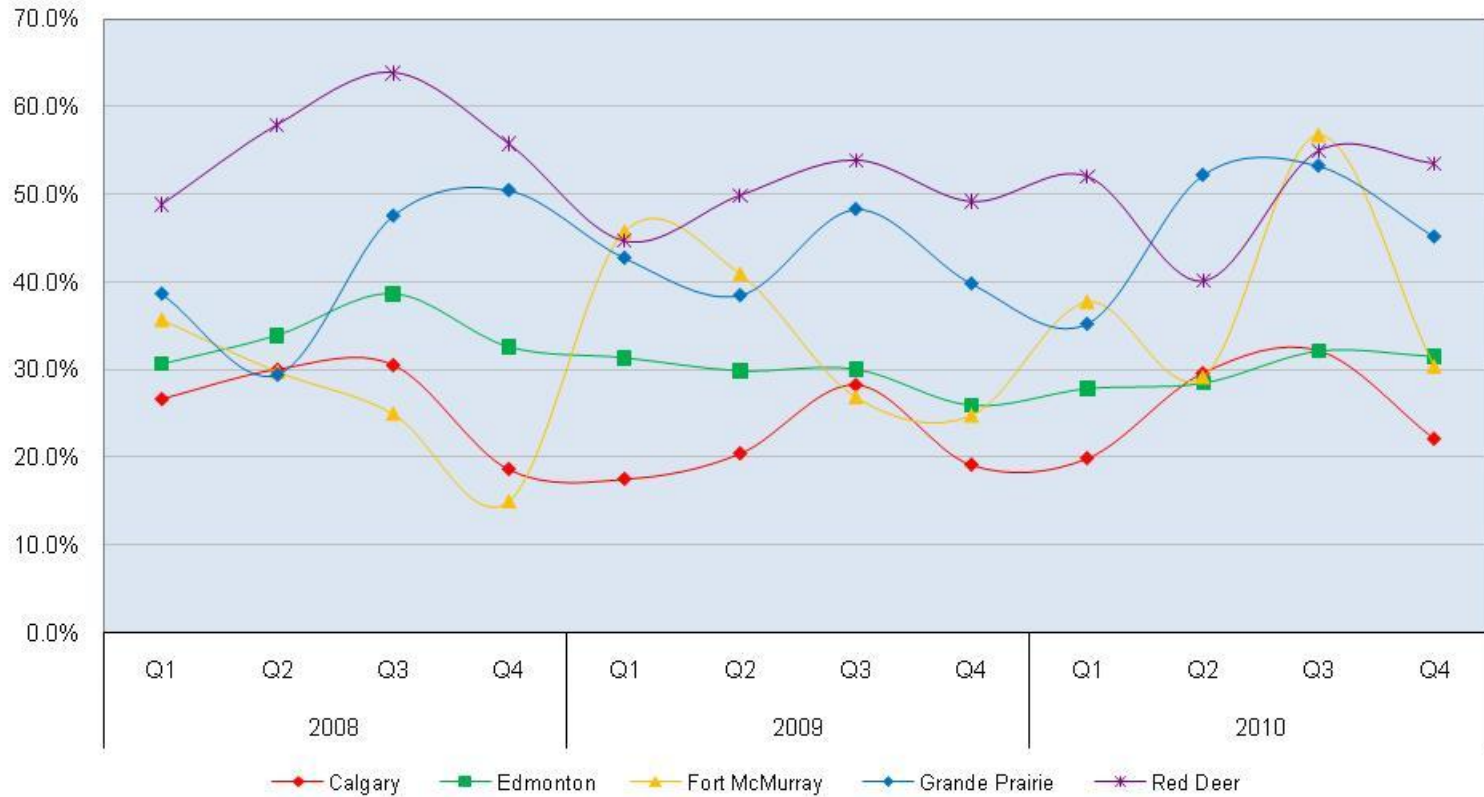
Our focus on increasing occupancy has resulted in us decreasing rents below the theoretical market level to continue rental absorption but on an annualized basis we should be better off

Updated Q4, 2010



Source: Internally generated

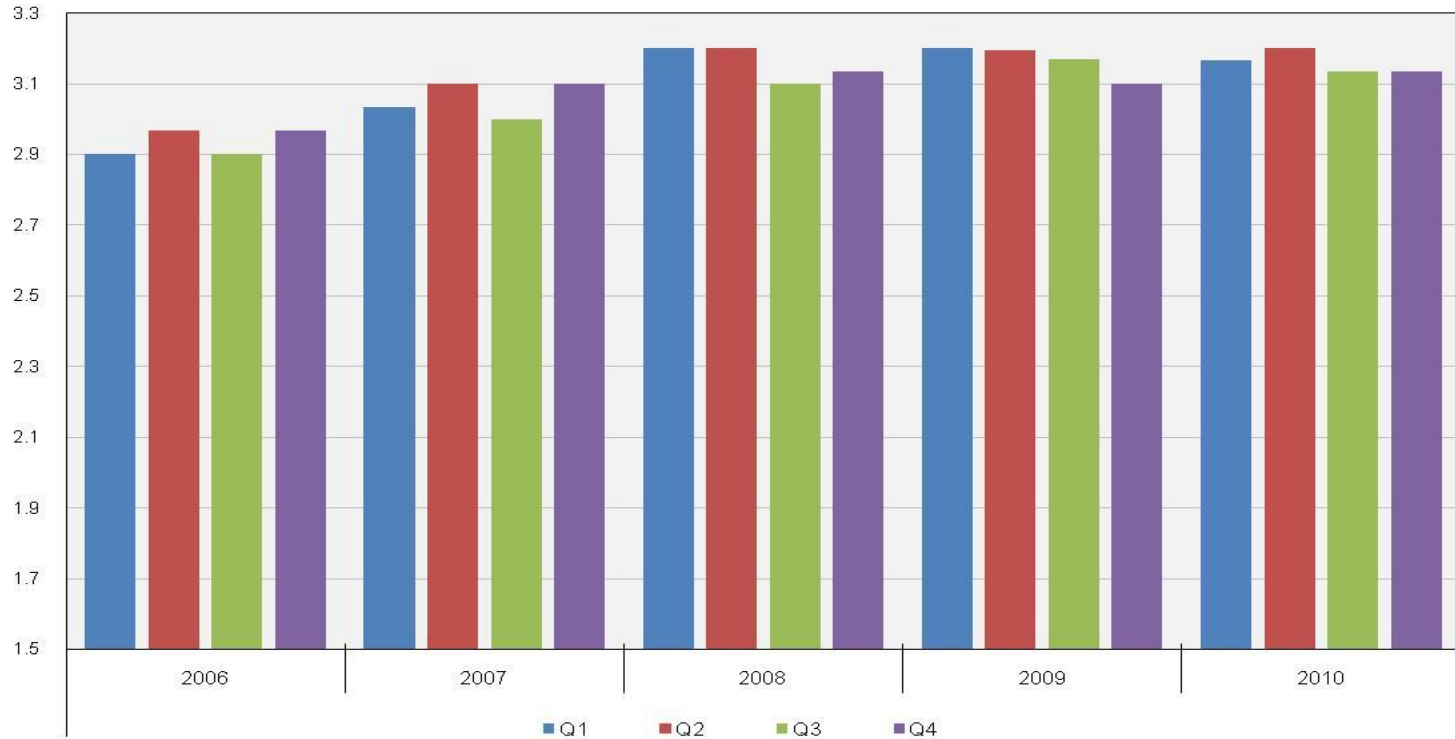
# Out of Town Rentals



Source: Internally generated



# Average Tenancy in Years



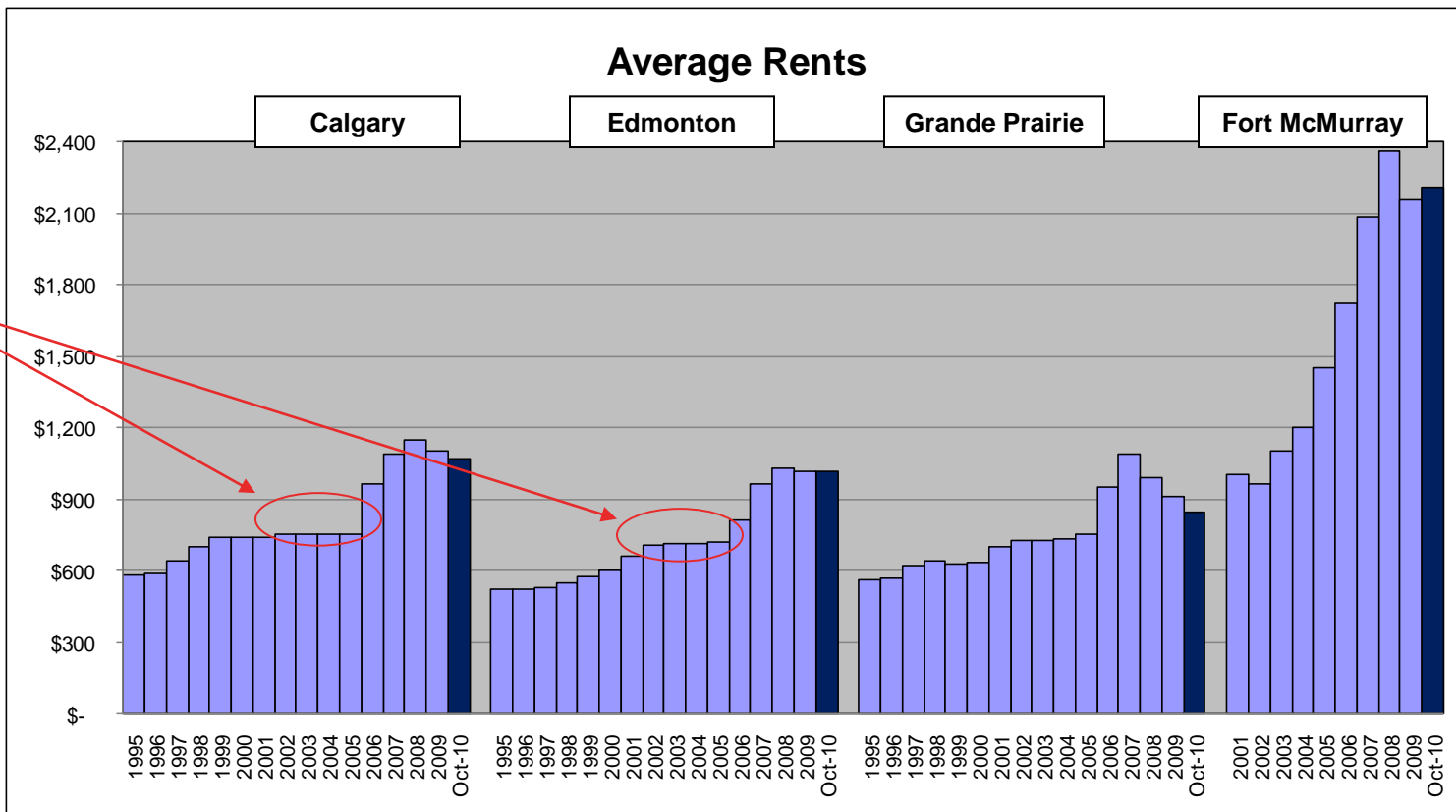
Source: Internally generated



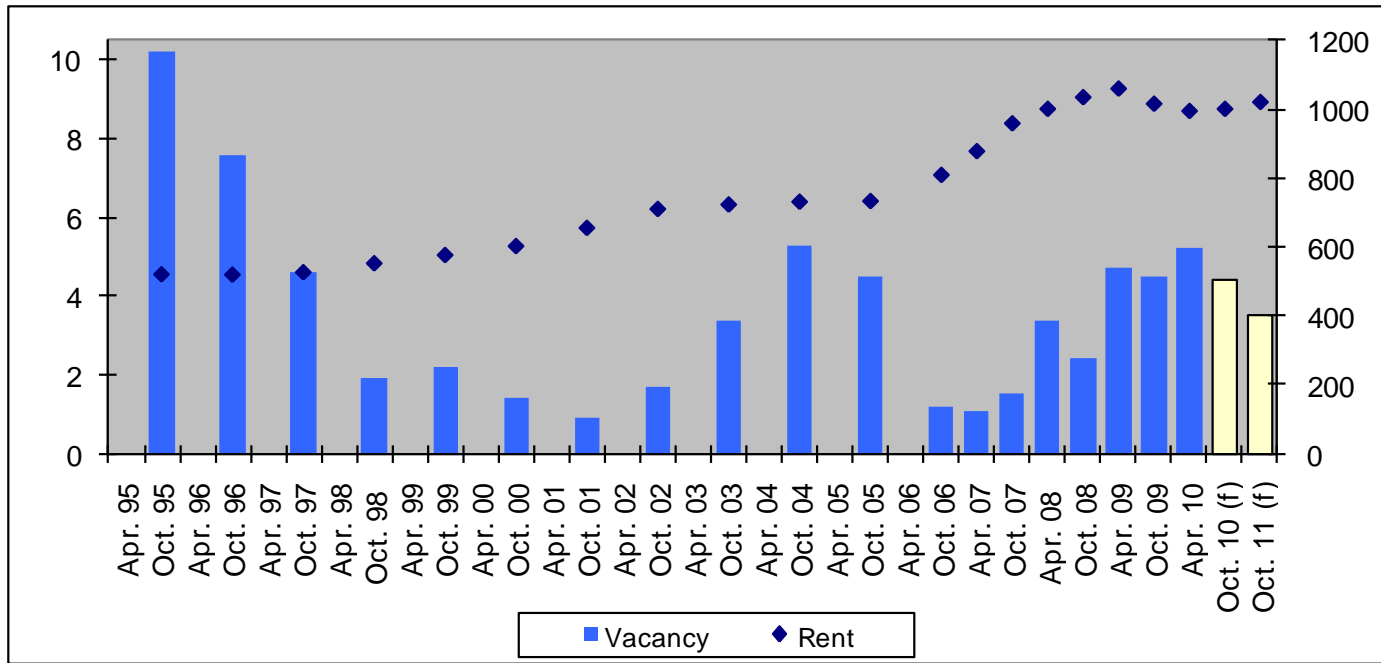
# Average Rental Rate Increases

CMHC statistics based on 2 bedroom apartments

4 Years of 0% Rental Increases, Free Rent and High Single Digit to Double Digit Increases in Expenses



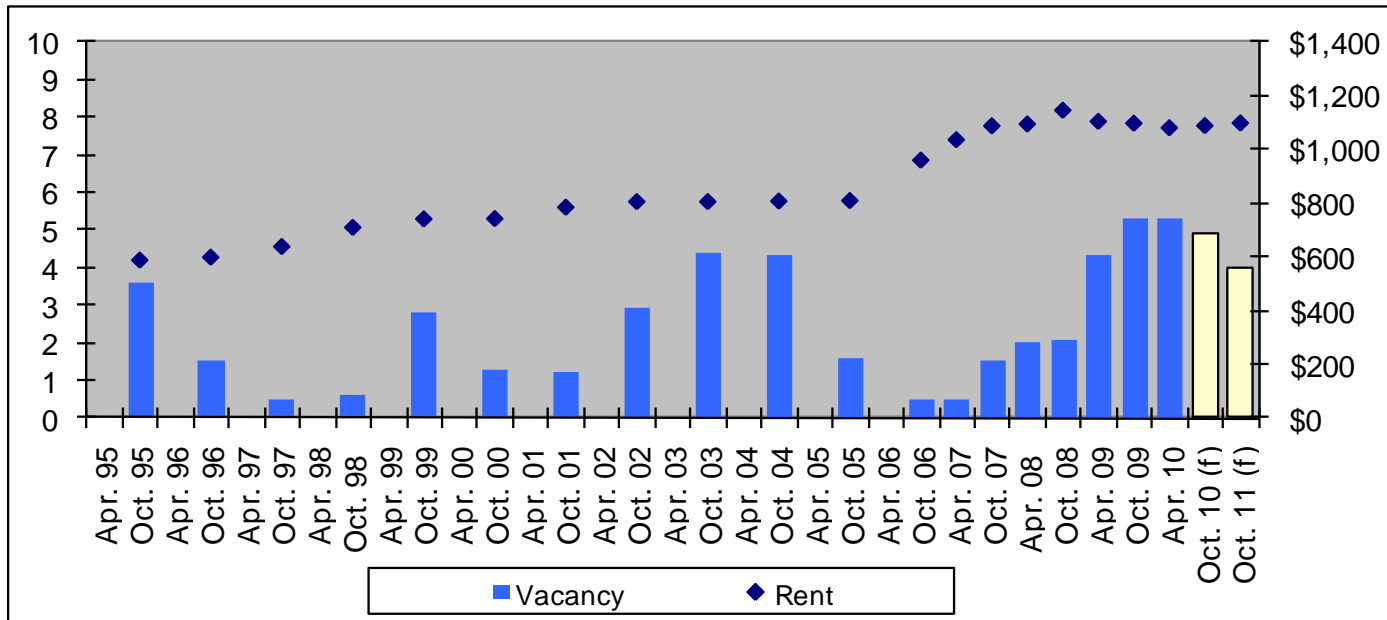
# Edmonton Average Vacancy and Average Rent



Source: CMHC, two-bedroom units (centres 10,000 population and higher)



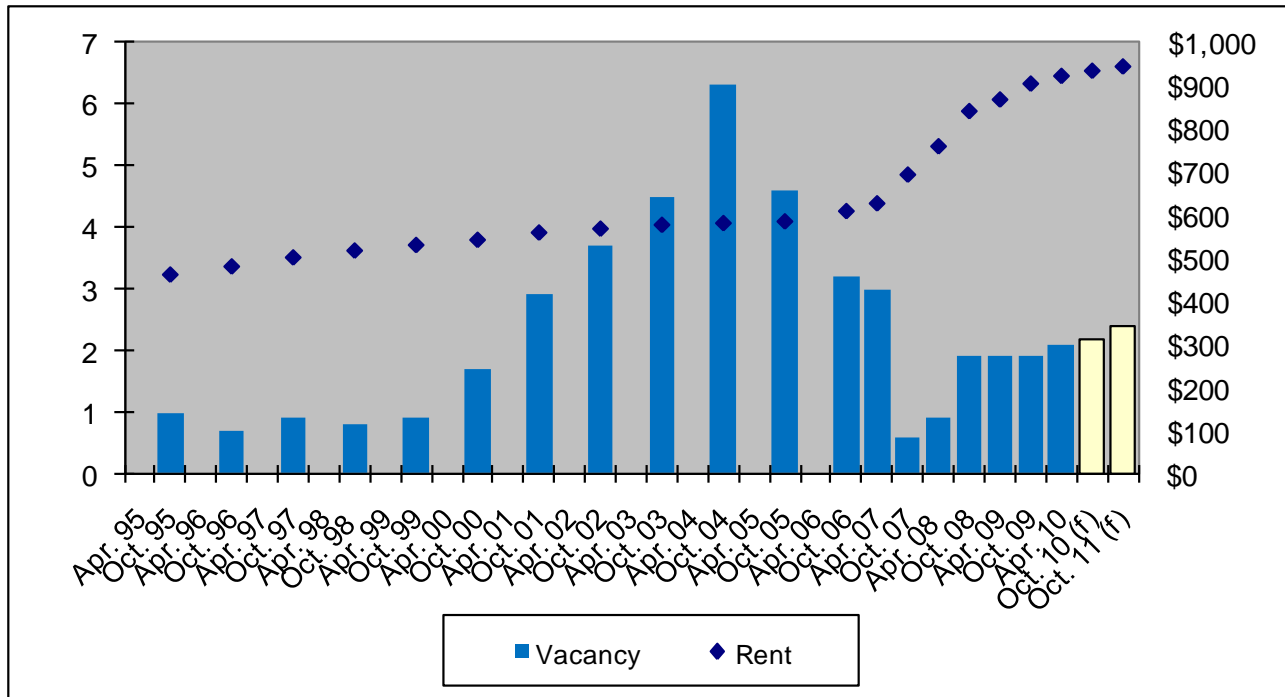
# Calgary Average Vacancy and Average Rent



Source: CMHC, two-bedroom units (centres 10,000 population and higher)



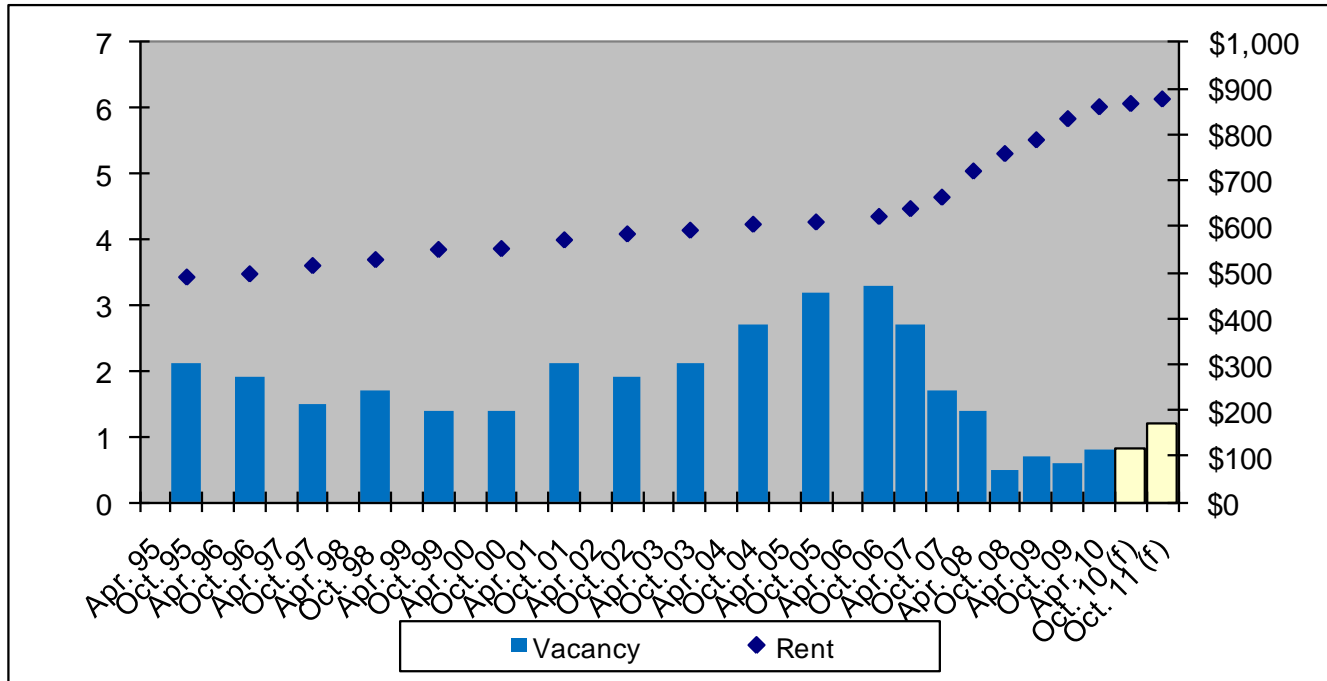
# Saskatoon Average Rent and Average Vacancy



Source: CMHC, two-bedroom units (centres 10,000 population and higher)



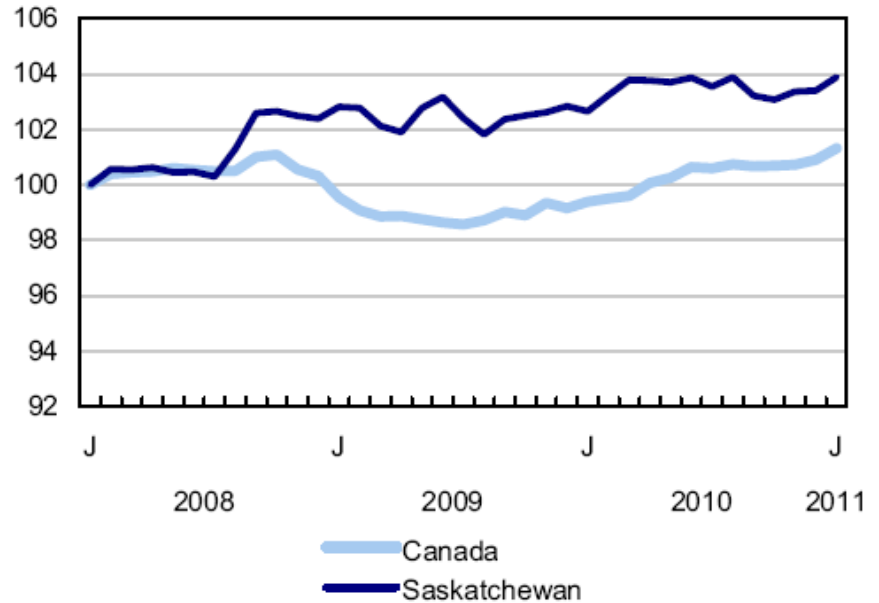
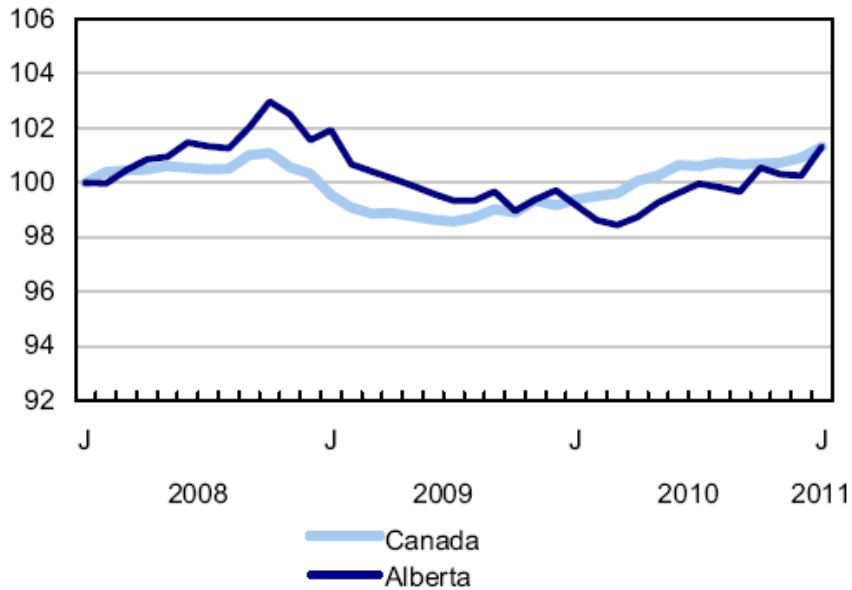
# Regina Average Rent and Average Vacancy



Source: CMHC, two-bedroom units (centres 10,000 population and higher)



# Employment - AB and Sask.



Index of employment by province, seasonally adjusted, January 2007=100

Source: Statistics Canada

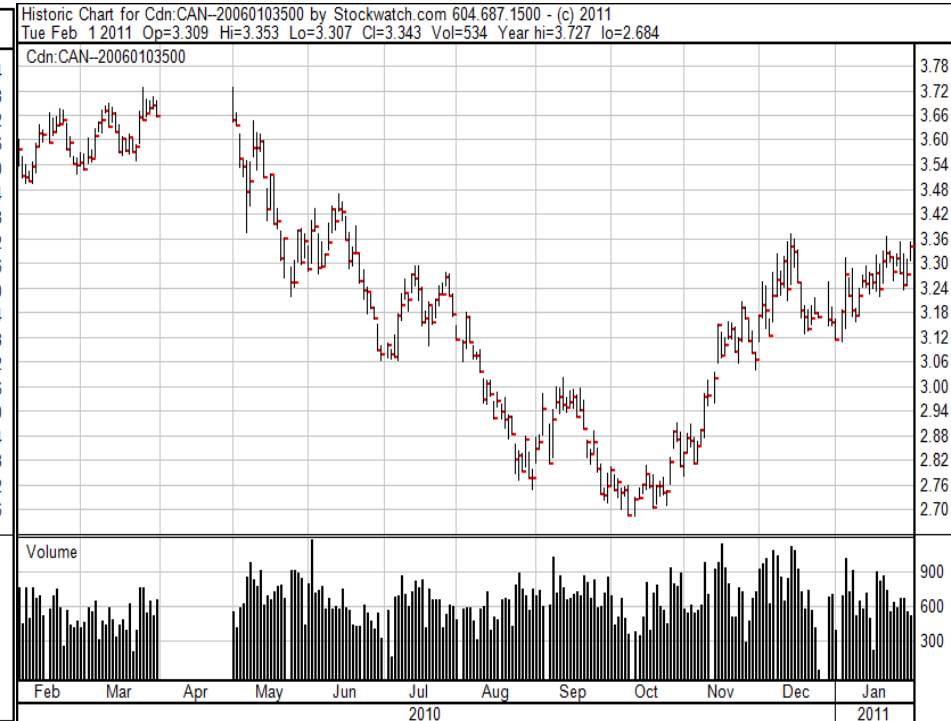


# Finance

## Canadian Bonds



5 Year GoC Benchmark Bond Yield



10 Year GoC Benchmark Bond Yield

Source – Stockwatch.com; Feb 1, 2011



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[www.BoardwalkREIT.com](http://www.BoardwalkREIT.com)

