

# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q3 2011 Conference Call

*November 11, 2011 – 9:00 EST*



Toll-free 1-888-231-8191 (within North America) or 647-427-7450 (International)



# Q3 2011 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.*

*Additional information on the material risks that could cause our actual results to differ materially from the conclusions, forecast or projections in these statements and the material factors, estimates or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information can be found in our annual information form and annual report that are available on our website and at [www.sedar.com](http://www.sedar.com).*

*Except as required by applicable law, Boardwalk undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

# Topics for Discussion

- Q3 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 – Q3 Highlights

*in \$millions, except per unit amounts*

	3 Months Sep 2011	3 Months Sep 2010	% Change		9 Months Sep 2011	9 Months Sep 2010	% Change
Total Rental Revenue	\$ 106.0	\$ 104.3	1.6%		\$ 315.7	\$ 315.3	0.1%
NOI	\$ 67.5	\$ 67.3	0.3%		\$ 195.5	\$ 199.0	-1.8%
FFO	\$ 34.8	\$ 33.9	2.6%		\$ 97.6	\$ 97.3	0.3%
Per Unit	\$ 0.67	\$ 0.65	3.1%		\$ 1.87	\$ 1.85	1.1%

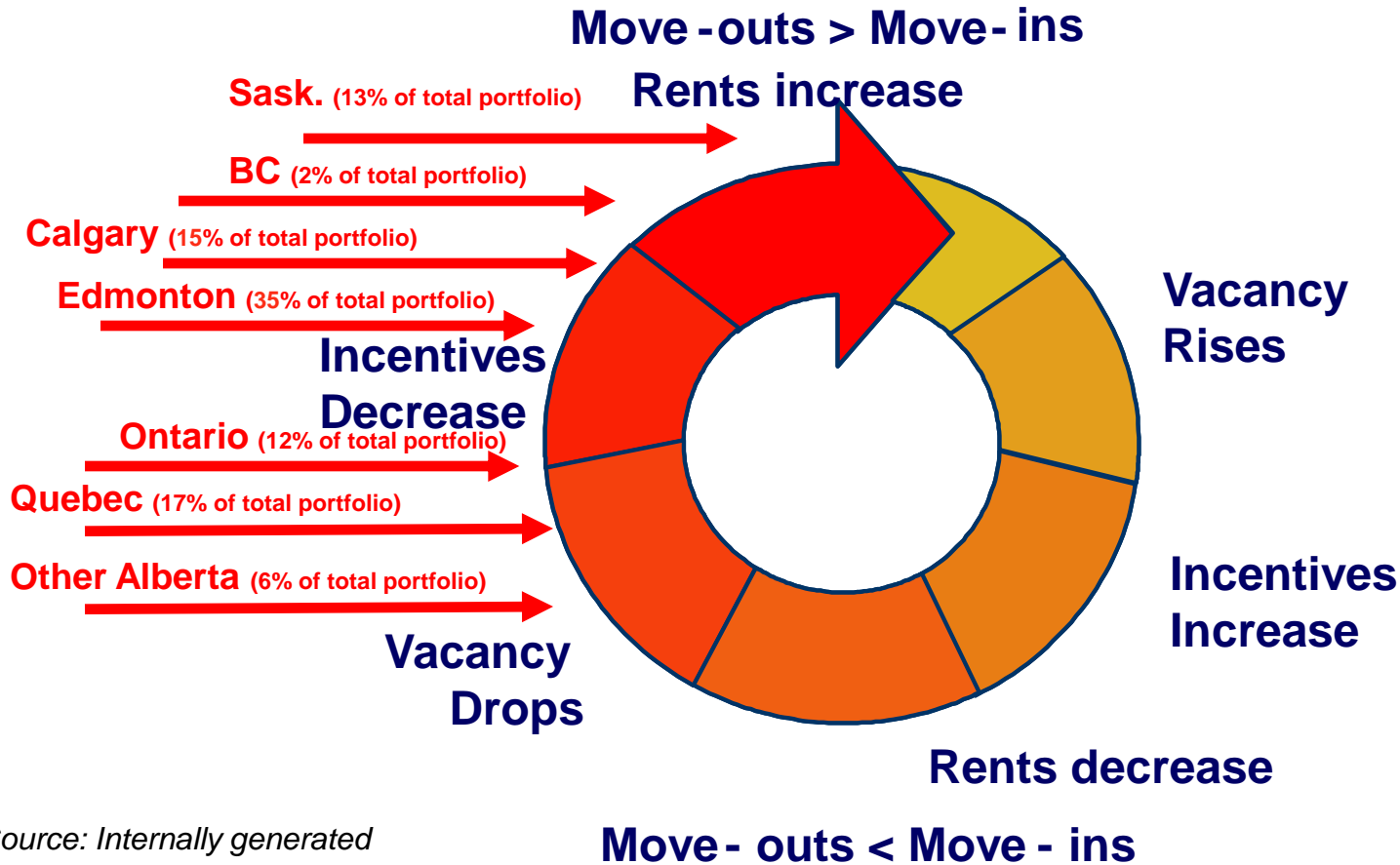
*Source: Internally generated*

# Q3 - Portfolio Highlights

	Q3 2011	Q3 2010	Change
Portfolio Occupancy - Period Average	97.52%	97.01%	51 bps
Average Stabilized Rent Realized - Q3	\$1,002	\$977	\$ 25
Same Property Q3 2011	3M	9M	
Revenues	2.7%	1.9%	
Operating Costs	6.0%	5.2%	
NOI	1.0%	0.0%	

Source: Internally generated

# Rental Revenue Cycle

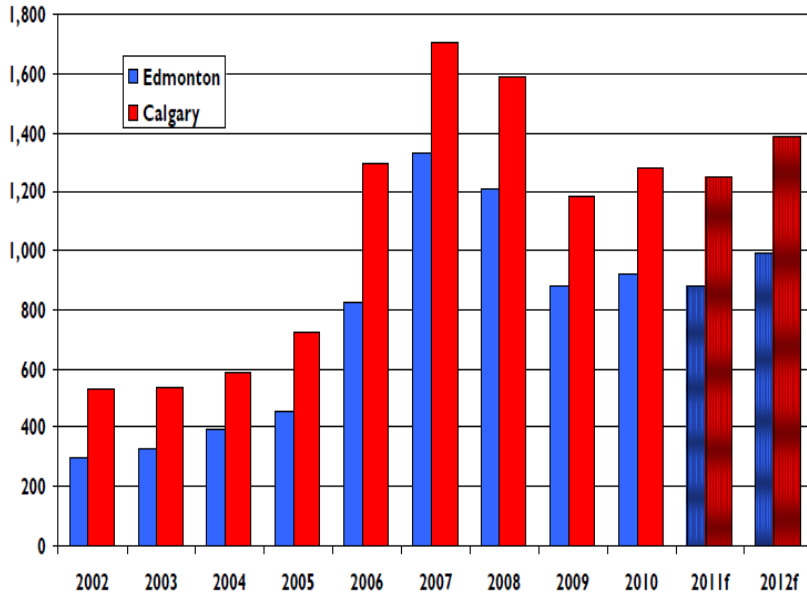


Source: Internally generated

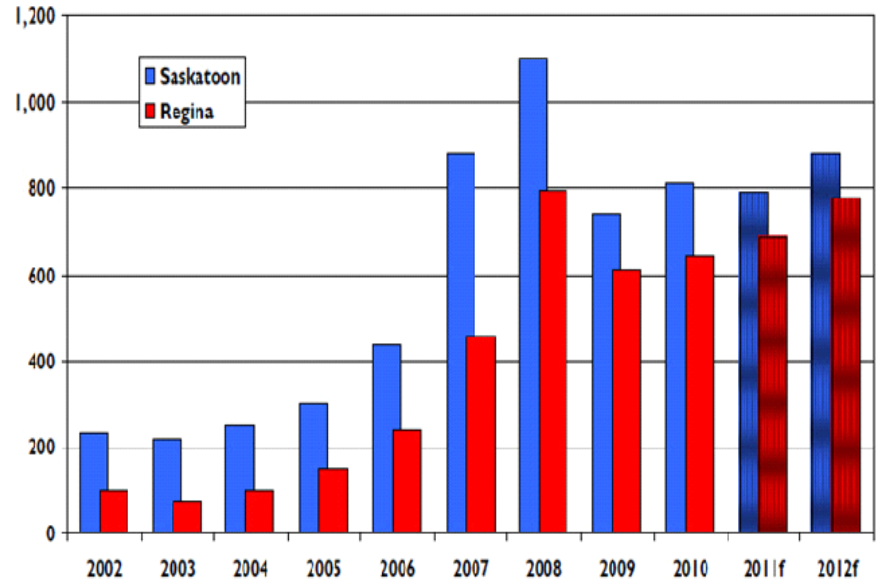
Updated Q3, 2011

# Differential between Ownership Costs and Monthly Rent

monthly carrying costs minus average two bedroom rent (\$)



monthly carrying costs minus average two bedroom rent (\$)



\* assumption: 5% down payment, average 5-year fixed mortgage rates

Source: CMHC

CANADA MORTGAGE AND HOUSING CORPORATION

\* assumption: 5% down payment, average 5-year fixed mortgage rates, 25 year amortization

Source: CMHC

CANADA MORTGAGE AND HOUSING CORPORATION

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

Updated Q3 2011

# 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 on 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. Boardwalk's customer friendly self rent control and the elimination of rental increases for customers that can prove financial hardship continue to build good will and stronger community.

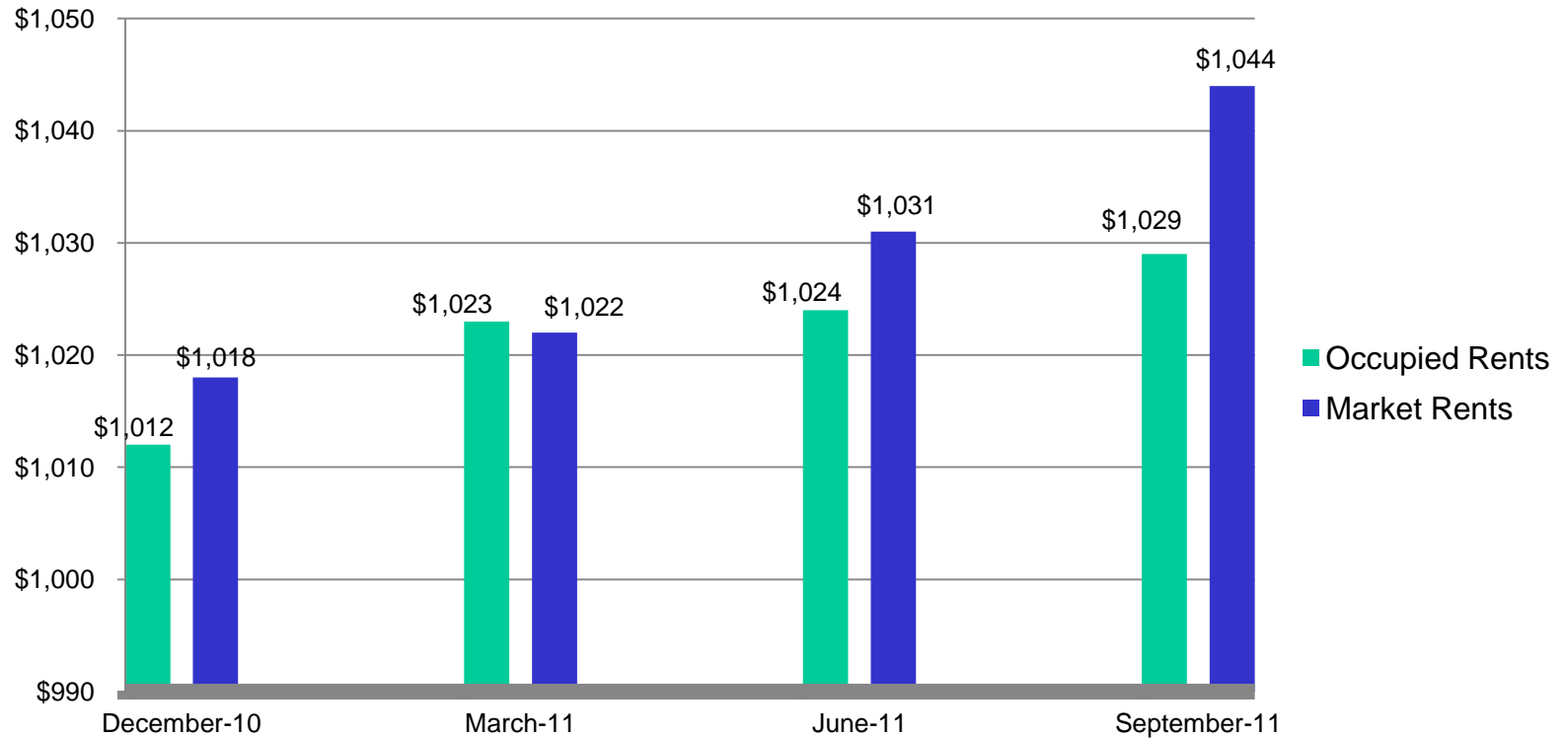
# Loss to Lease Statistics

## Mark to Market

	Sep 2011 Occupied Rent	Sep 2011 Market Rent	Mark to Market Per Month	Annualized Mark to Market Adjusted for Vacancies (\$000's)	Weighted Average Units	% of Portfolio
Calgary	\$ 1,143	\$ 1,207	\$ 64	\$ 3,930	5,310	15%
Edmonton	\$ 1,077	\$ 1,077	\$ 0	\$ 50	12,497	35%
Other Alberta	\$ 1,052	\$ 1,049	\$ (3)	\$ (62)	1,936	6%
Alberta Portfolio	\$ 1,092	\$ 1,109	\$ 17	\$ 3,917	19,743	56%
Saskatchewan	\$ 1,048	\$ 1,063	\$ 15	\$ 811	4,636	13%
Ontario	\$ 788	\$ 806	\$ 18	\$ 903	4,265	12%
Quebec	\$ 978	\$ 985	\$ 7	\$ 465	6,000	17%
British Columbia	\$ 1,000	\$ 1,052	\$ 52	\$ 395	633	2%
<b>Total Portfolio</b>	<b>\$ 1,029</b>	<b>\$ 1,044</b>	<b>\$ 15</b>	<b>\$ 6,492</b>	<b>35,277</b>	<b>100%</b>

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

# Q3 2011 Rent Statistics



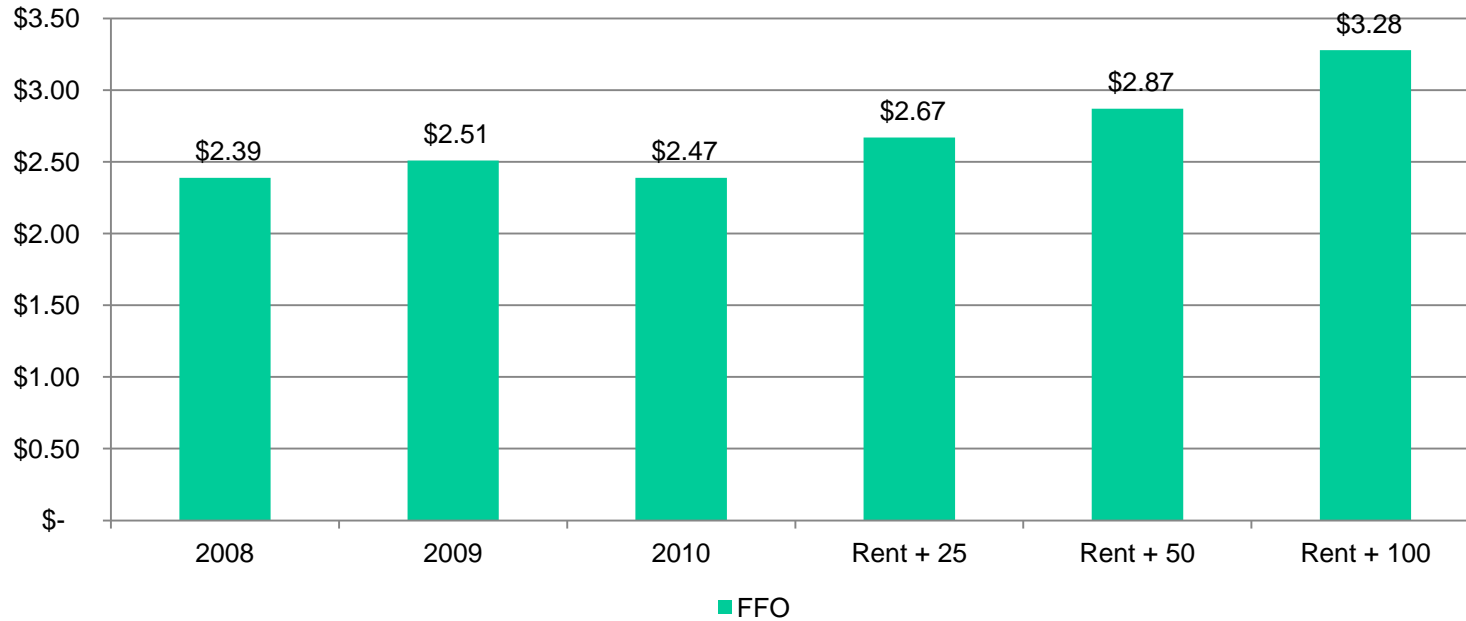
Updated Q3, 2011

Source: Internally generated

# Internal Opportunity

FFO Sustainability & Core Rental Growth

## FFO

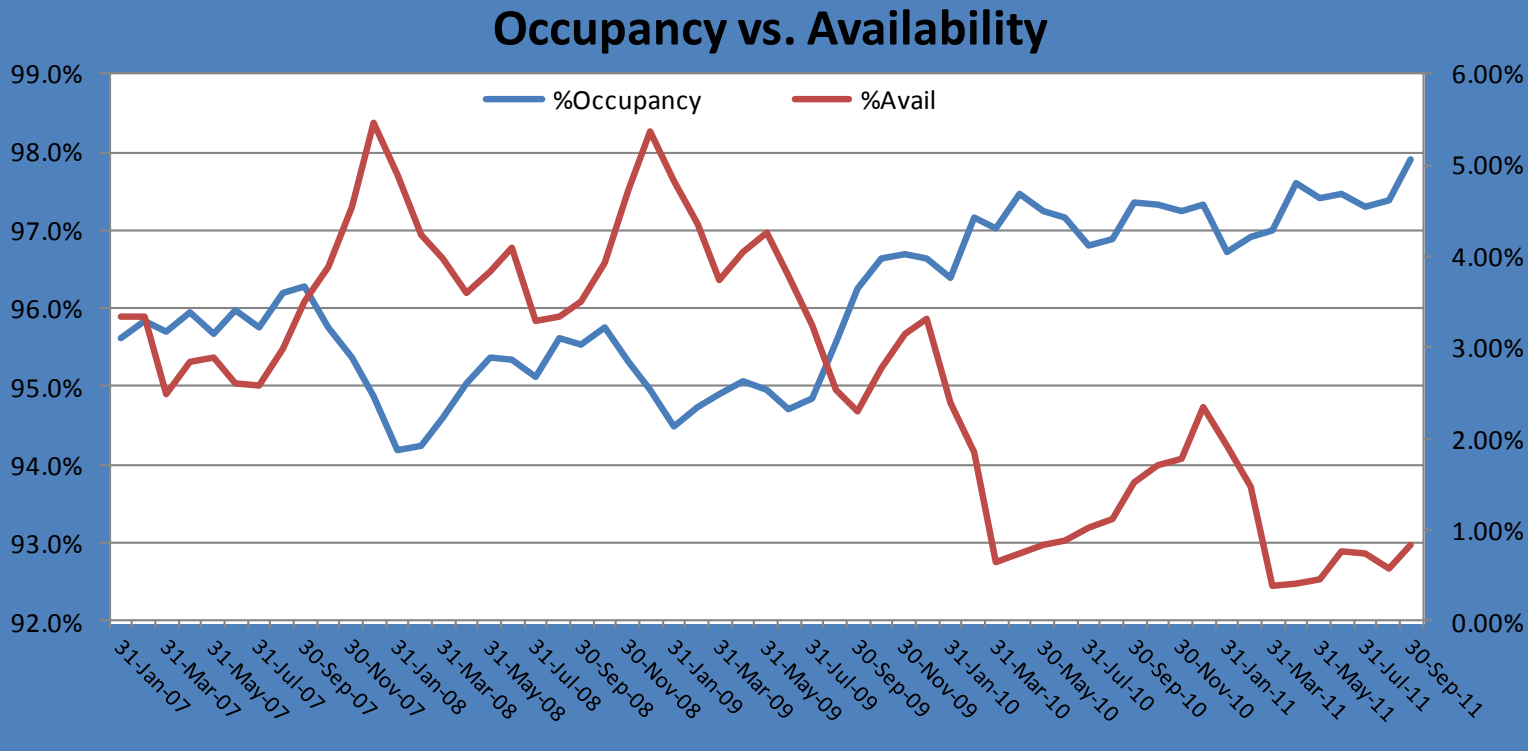


Source – Internally generated, amount generated are based on existing occupancy levels and assume no impact of any changes in operating costs

Updated: Third Quarter 2011

# Boardwalk

## Occupancy vs. Availability



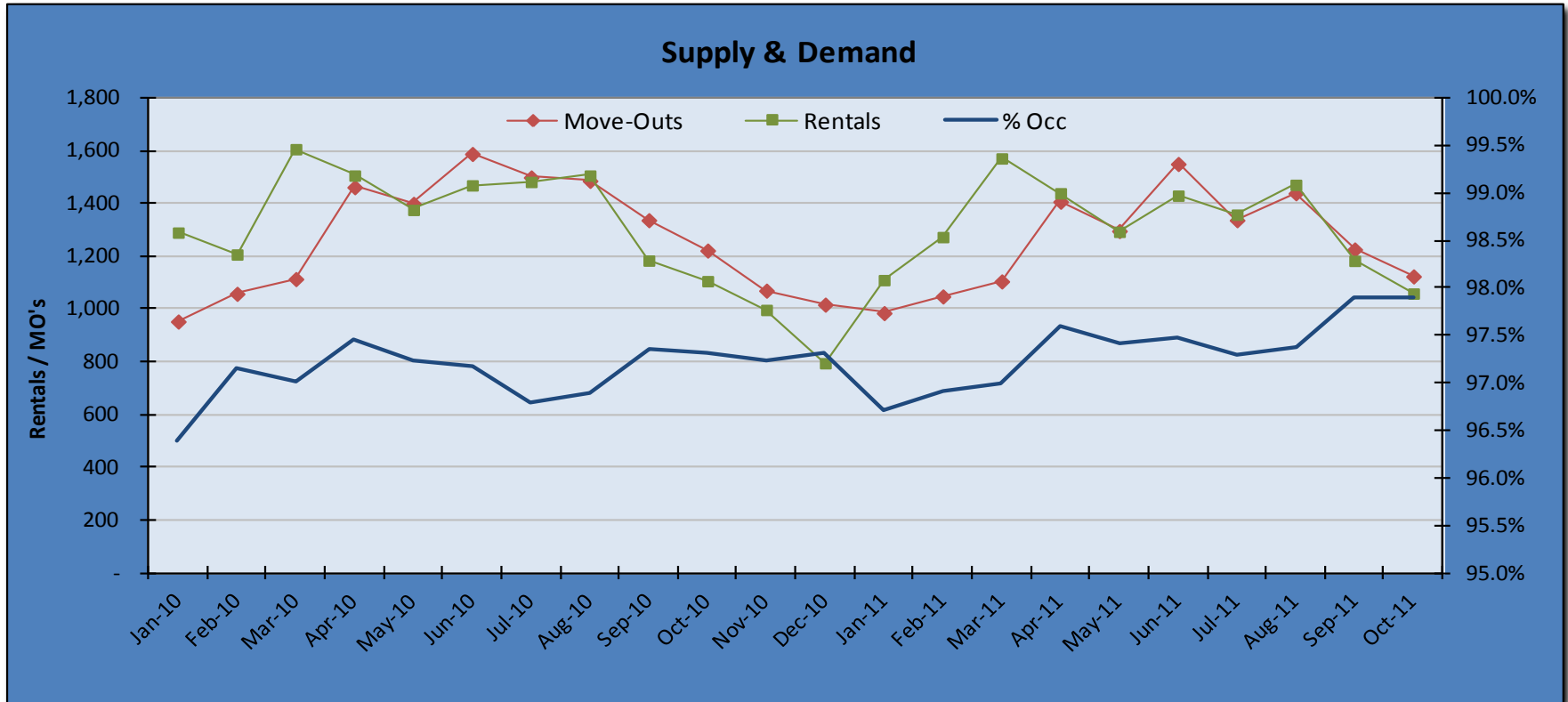
High occupancy reflects that Boardwalk's market rents are at the bottom

Low Availability

Source: Internally generated

Updated Q3, 2011

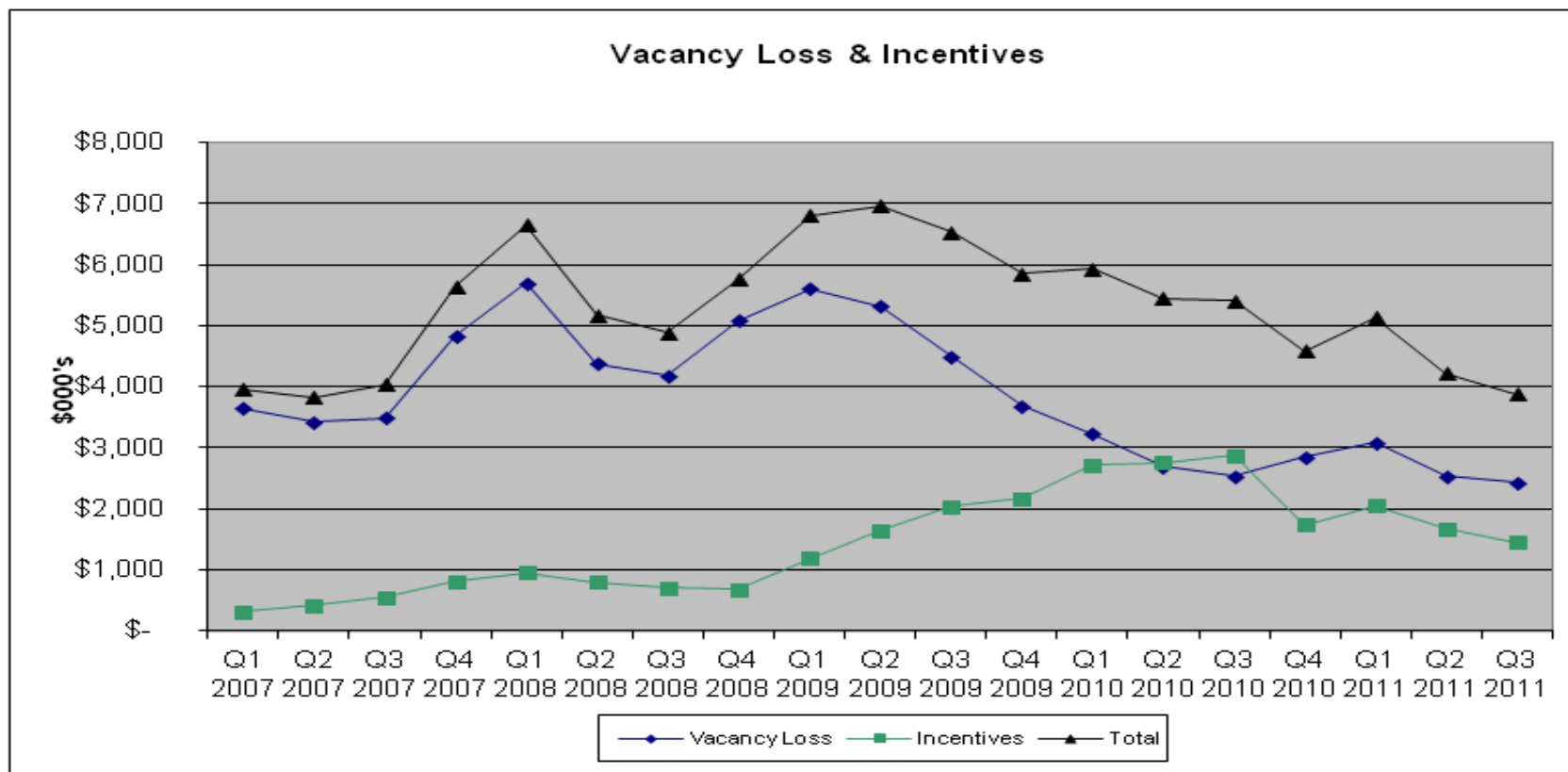
# Move-outs, Move-ins and Occupancy



Source: Internally generated

Updated Q3, 2011

# Vacancy Loss and Incentives



Source: Internally generated

Updated Q3, 2011

# Operations Update

## Reasons for Move Out

Reason	2009				2009 Total	2010				2010 Total	2011			2011 Total
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	
Moving out of town	367	746	632	396	<b>2,141</b>	387	680	646	420	<b>2,133</b>	358	617	564	<b>1,539</b>
Transfer	527	698	634	530	<b>2,389</b>	530	570	607	527	<b>2,234</b>	469	565	499	<b>1,533</b>
Purchased Home	379	673	681	494	<b>2,227</b>	418	657	600	485	<b>2,160</b>	411	550	577	<b>1,538</b>
Personal reasons	329	558	521	439	<b>1,847</b>	425	557	581	382	<b>1,945</b>	349	532	520	<b>1,401</b>
Rent too expensive	330	384	333	211	<b>1,258</b>	225	285	319	222	<b>1,051</b>	249	281	244	<b>774</b>
Work related	293	303	259	229	<b>1,084</b>	190	234	263	208	<b>895</b>	194	289	225	<b>708</b>
Larger accommodation	183	267	227	159	<b>836</b>	119	248	283	156	<b>806</b>	194	278	250	<b>722</b>
Unknown	241	249	230	189	<b>909</b>	186	247	296	196	<b>925</b>	179	239	223	<b>641</b>
Moving in with others	145	187	162	130	<b>624</b>	136	171	228	159	<b>694</b>	123	153	154	<b>430</b>
Skip / Eviction	612	601	571	561	<b>2,345</b>	539	521	547	453	<b>2,060</b>	487	508	562	<b>1,557</b>
<b>Total</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>	<b>3,013</b>	<b>4,012</b>	<b>3,818</b>	<b>10,843</b>

Reason	2009	2010	2011	% Chg.
Purchased home	681	600	577	-3.8%
Moving out of town	632	646	564	-12.7%
Skip / Eviction	571	547	562	2.7%
Personal reasons	521	581	520	-10.5%
Transfer	634	607	499	-17.8%
Larger accommodation	227	283	250	-11.7%
Rent too expensive	333	319	244	-23.5%
Work related	259	263	225	-14.4%
Unknown	230	296	223	-24.7%
Moving in with others	162	228	154	-32.5%
<b>Total</b>	<b>4,250</b>	<b>4,370</b>	<b>3,818</b>	<b>-12.6%</b>

- Total turnover was down 12.6% compared to the third quarter in 2010
- Purchased a home was the largest reason for move-out, but was down 3.8% compared to last year.
- Transfers within the Boardwalk portfolio continues to be one of the top reasons for moving and indicates that we are successful in efforts to retain our customers
- Rent too expensive was down 23.5% from last year and highlights the value Boardwalk presents to Customers

# Alberta Forecast

## Alberta Forecast Summary

	2006	2007	2008	2009	2010	2011f	2012f
<b>Economy</b>							
GDP Growth	6.2%	2.5%	0.0%	-5.0%	2.8%	3.3%	3.6%
Employment Growth	4.8%	4.7%	2.8%	-1.3%	0.4%	2.8%	2.4%
Net Migration	70,990	47,939	65,936	37,755	29,200	29,000	32,000
Retail Trade (\$ millions)	\$55,942	\$61,160	\$61,069	\$55,956	\$59,718	na	na
<b>New Home Market</b>							
Single-detached Starts	31,835	28,105	14,716	14,344	17,851	16,000	18,300
Multi-family Starts	17,127	20,231	14,448	5,954	9,237	8,500	10,000
Total Starts	48,962	48,336	29,164	20,298	27,088	24,500	28,300
<b>Resale Market*</b>							
Total MLS Sales	74,350	71,430	56,399	57,786	49,723	51,300	53,100
Average Price	\$285,383	\$356,235	\$352,857	\$341,201	\$352,301	\$354,800	\$363,000

Source: CMHC Forecast, Statistics Canada \* Total Residential

Updated October 2011

# Saskatchewan Forecast

## Saskatchewan Forecast Summary

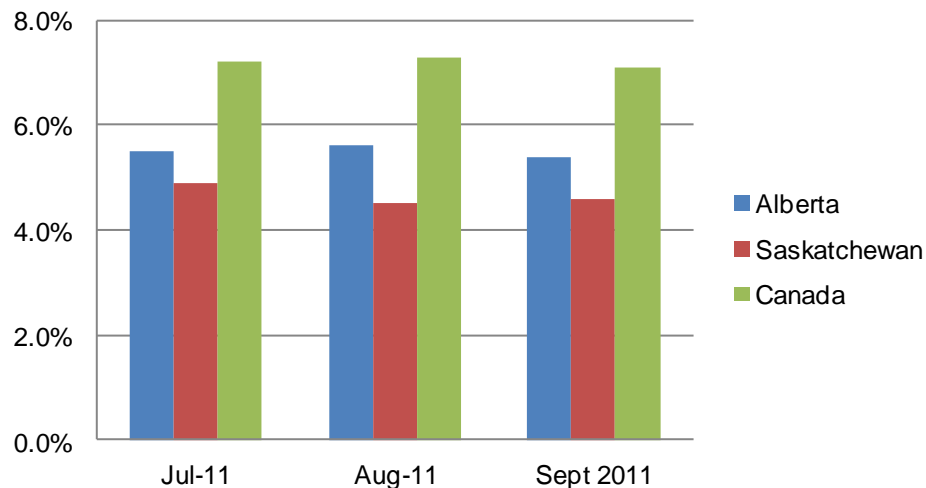
	2006	2007	2008	2009	2010	2011f	2012f
<b>Economy</b>							
GDP Growth	-1.0%	3.6%	4.2%	-6.1%	2.8%	3.7%	3.5%
Employment Growth	1.7%	2.1%	2.2%	1.5%	1.1%	1.3%	2.0%
Net Migration	-1,562	9,287	10,480	11,251	12,000	9,300	9,700
Retail Trade (\$ millions)	\$11,495	\$12,984	\$14,360	\$14,036	\$14,993	na	na
<b>New Home Market</b>							
Single-detached Starts	2,689	4,017	4,518	2,829	3,830	3,950	3,900
Multi-family Starts	1,026	1,990	2,310	1,037	2,077	2,150	1,800
Total Starts	3,715	6,007	6,828	3,866	5,907	6,100	5,700
<b>Resale Market*</b>							
Total MLS Sales	9,140	12,054	10,194	10,856	10,872	51,300	53,100
Average Price	\$132,078	\$174,405	\$224,592	\$233,695	\$242,258	\$254,500	\$259,000

Source: CMHC Forecast, Statistics Canada \* Total Residential

Updated October 2011

# Alberta and Saskatchewan Unemployment

Unemployment - Q3 2011



Unemployment - September 2011

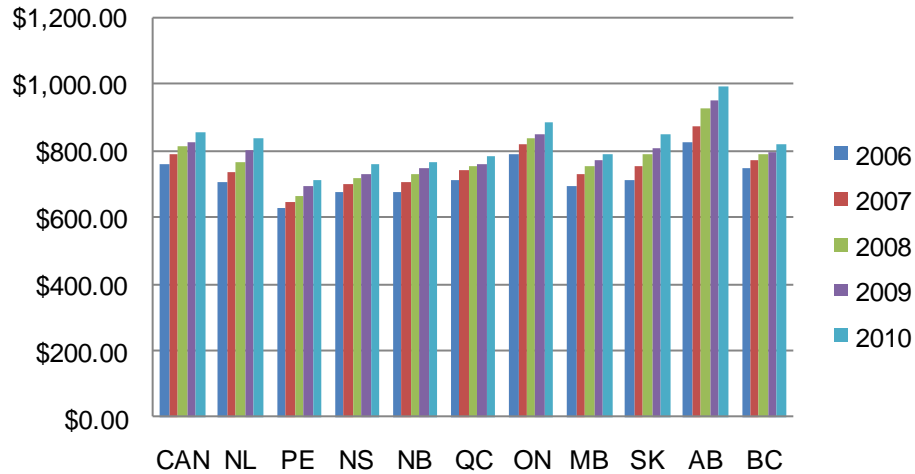


Source: Statistics Canada

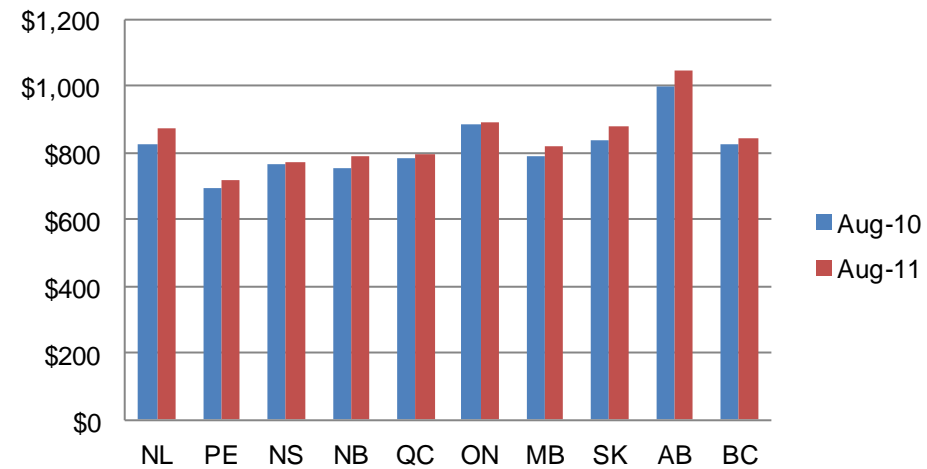
Updated: October 2011

# Average Weekly Earnings

**Average Weekly Earnings by Year**



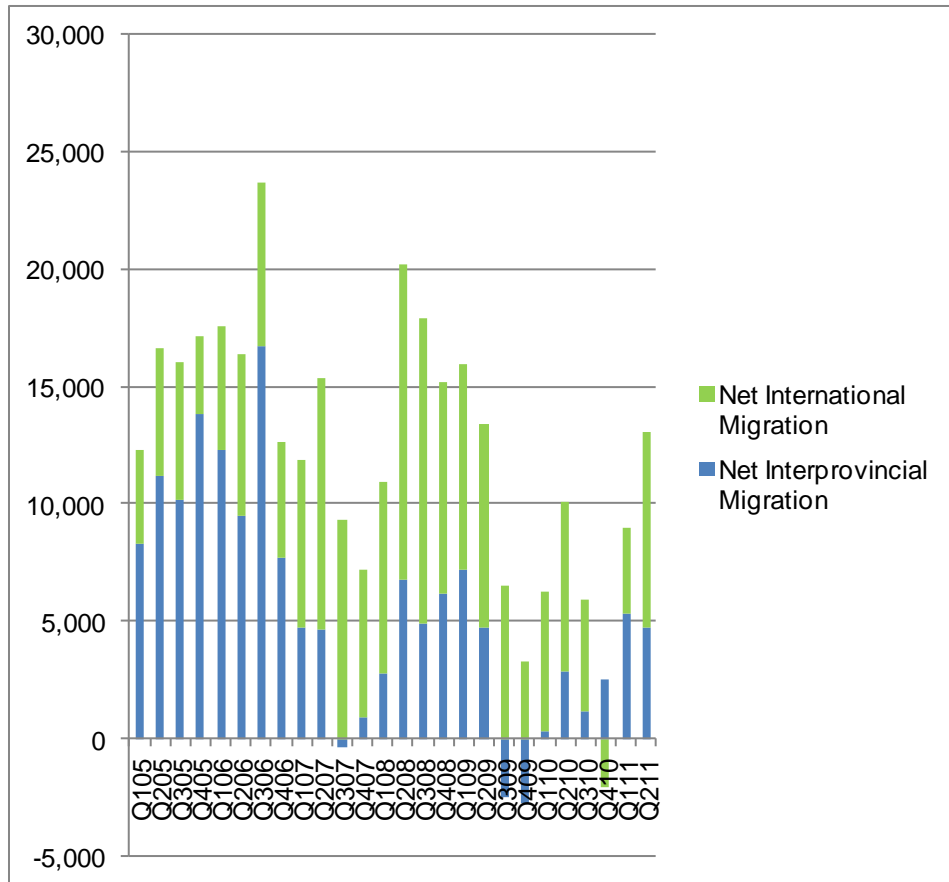
**Average Weekly Earnings - August 2011**



Source: Statistics Canada

Updated October 2011

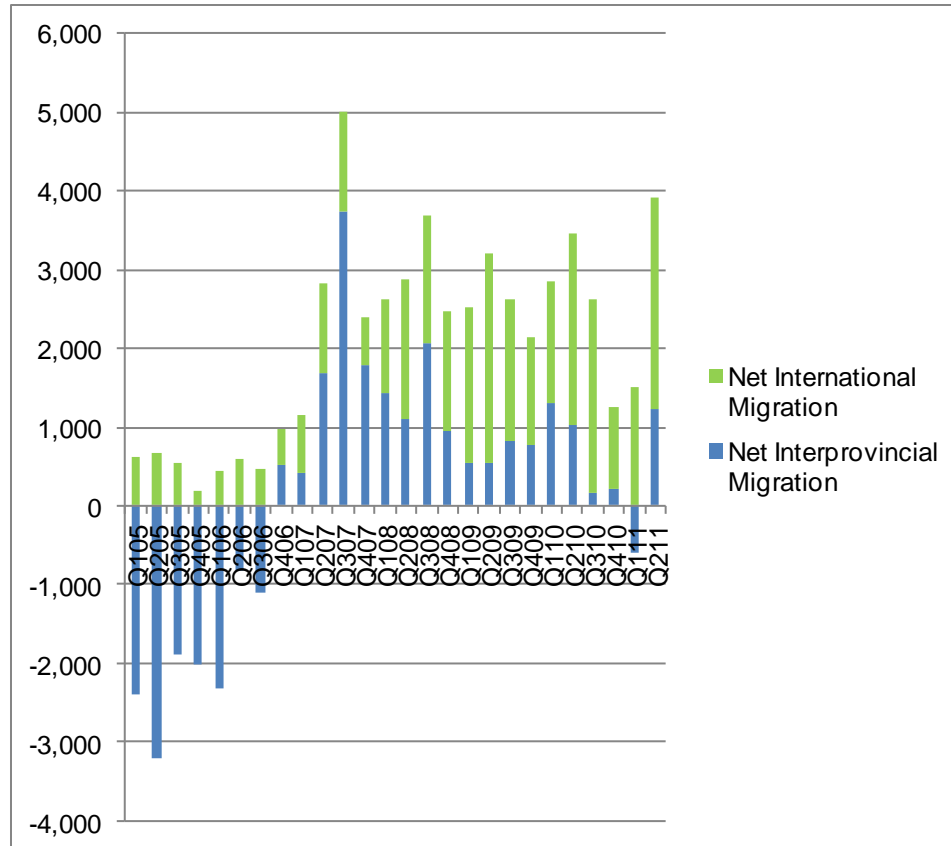
# Alberta International and Interprovincial Migration



Updated September 2011

Source: Statistics Canada

# Saskatchewan International and Interprovincial Migration



Updated September 2011

Source: Statistics Canada

# Inventory of Major Alberta Projects

Continued Long Term Capital being invested in Alberta

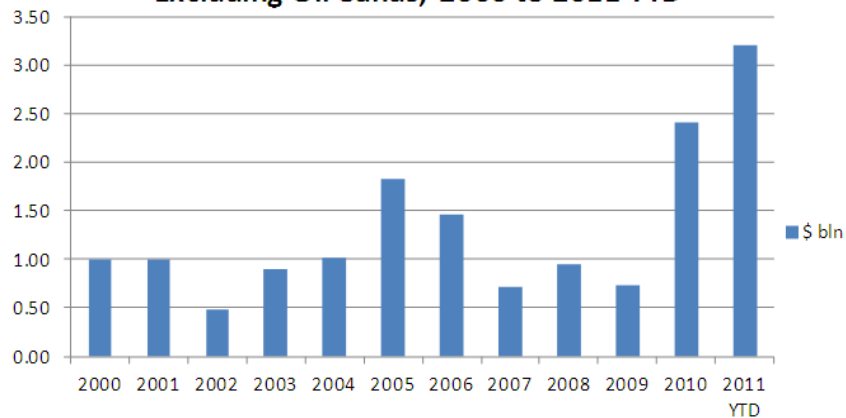
Sector	Aug. 2011 Value of Projects (\$Millions)	Mar. 2011 Value of Projects (\$Millions)	Feb. 2011 Value of Projects (\$Millions)	Jan. 2011 Value of Projects (\$Millions)	Dec. 2010 Value of Projects (\$Millions)
Agriculture & Related	\$316.9	\$262.7	\$262.7	\$249.7	\$215.2
Biofuels, Chemicals & Petrochemicals	\$1,555.1	\$1,567.1	\$1,567.1	\$1,567.1	\$1,555.5
Commercial/Retail	\$8,210.4	\$8,507.8	\$8,485.5	\$8,444.5	\$8,871.9
Commercial/Retail & Residential	\$1,559.8	\$2,663.8	\$2,663.8	\$2,363.8	\$2,373.8
Infrastructure, Institutional & Other Industrial	\$28,772.4	\$27,334.3	\$27,065.0	\$26,656.3	\$27,183.2
Manufacturing, Mining, Forestry & Related	\$1,357.0	\$5,917.7	\$5,917.7	\$5,917.7	\$5,854.8
Oil & Gas	\$1,768.5	\$1,440.0	\$1,440.0	\$1,440.0	\$1,520.0
Oil Sands	\$111,148.6	\$106,495.6	\$101,642.6	\$100,722.6	\$100,732.6
Pipelines	\$7,553.9	\$7,526.7	\$7,481.7	\$7,381.7	\$7,464.5
Power	\$13,769.2	\$14,213.7	\$13,772.7	\$13,247.5	\$16,955.5
Residential	\$4,800.2	\$4,850.7	\$4,846.7	\$4,793.8	\$5,046.7
Telecommunications & Tourism/Recreation	\$5,099.0	\$4,476.3	\$4,468.5	\$4,461.8	\$4,731.2
<b>Total</b>	<b>\$ 185,911.0</b>	<b>\$ 185,256.4</b>	<b>\$179,614.0</b>	<b>\$177,246.5</b>	<b>\$182,504.9</b>

Source: Government of Alberta

Updated September 2011

# Alberta Annual Land Sales

**Annual Alberta Land Sales**  
Excluding Oil Sands; 2000 to 2011 YTD



## Land Sale Revenue

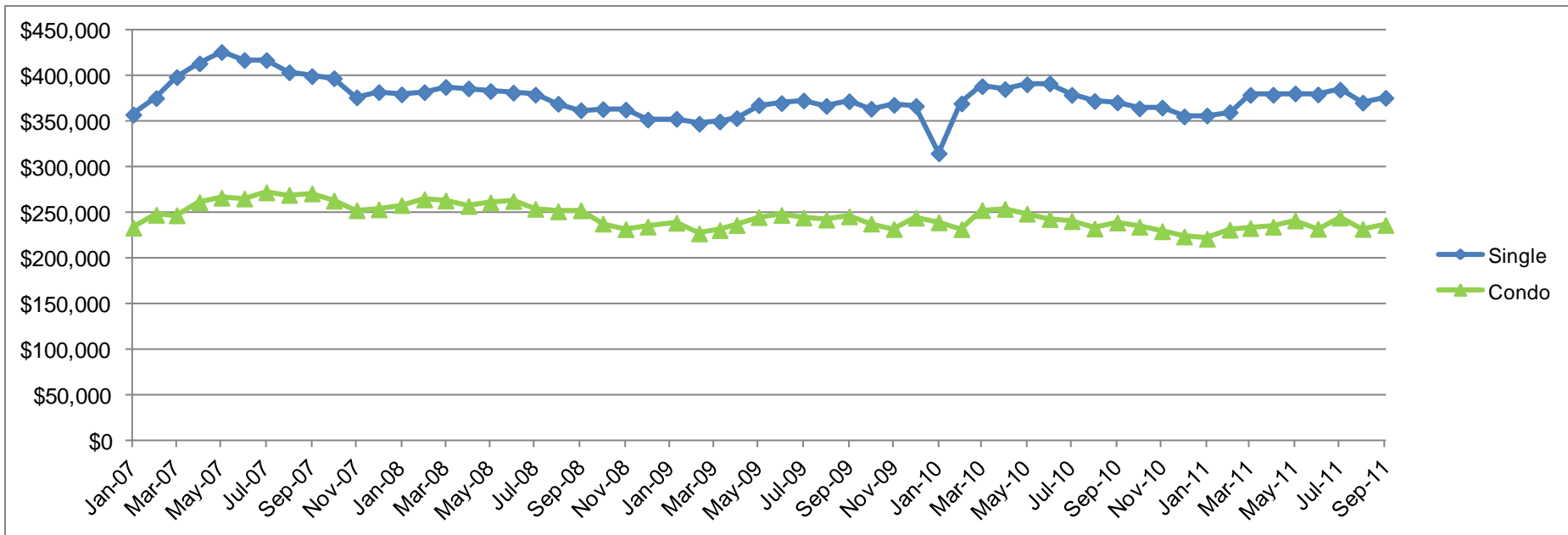
	2011 (20 of 24 sales)	2010 (calendar year 24 sales)
Average price/hectare P&NG	\$932.59/ha	\$619.68/ha
Average price/hectare oil sands	\$104.61/ha	\$205.40/ha
<b>Total revenue</b>	<b>\$3,235,382,735.61</b>	<b>\$2.41 billion</b>

October 24, 2011

Through October, Alberta Crown Land Sales have surpassed the 2010 record with 4 additional sales remaining in 2011.

Source: Alberta Energy, November 2011

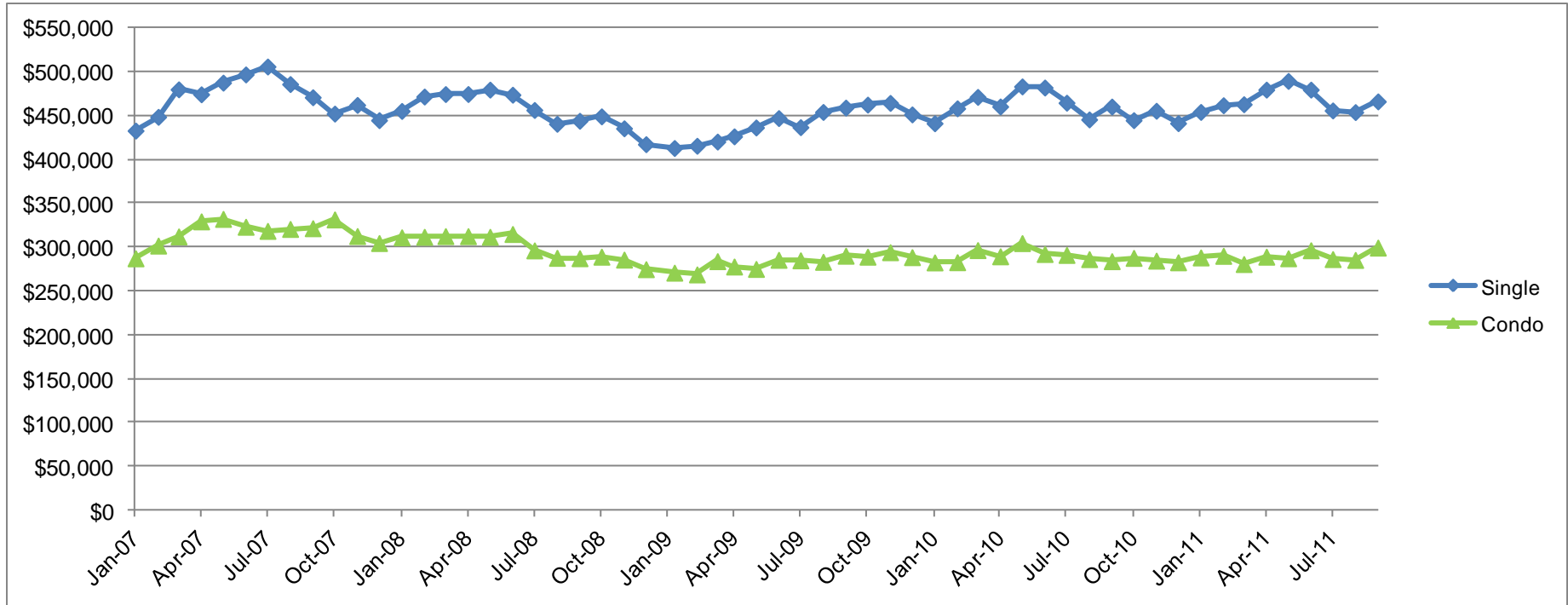
# Edmonton Home Prices



Updated September 2011

Source: Edmonton Real Estate Board

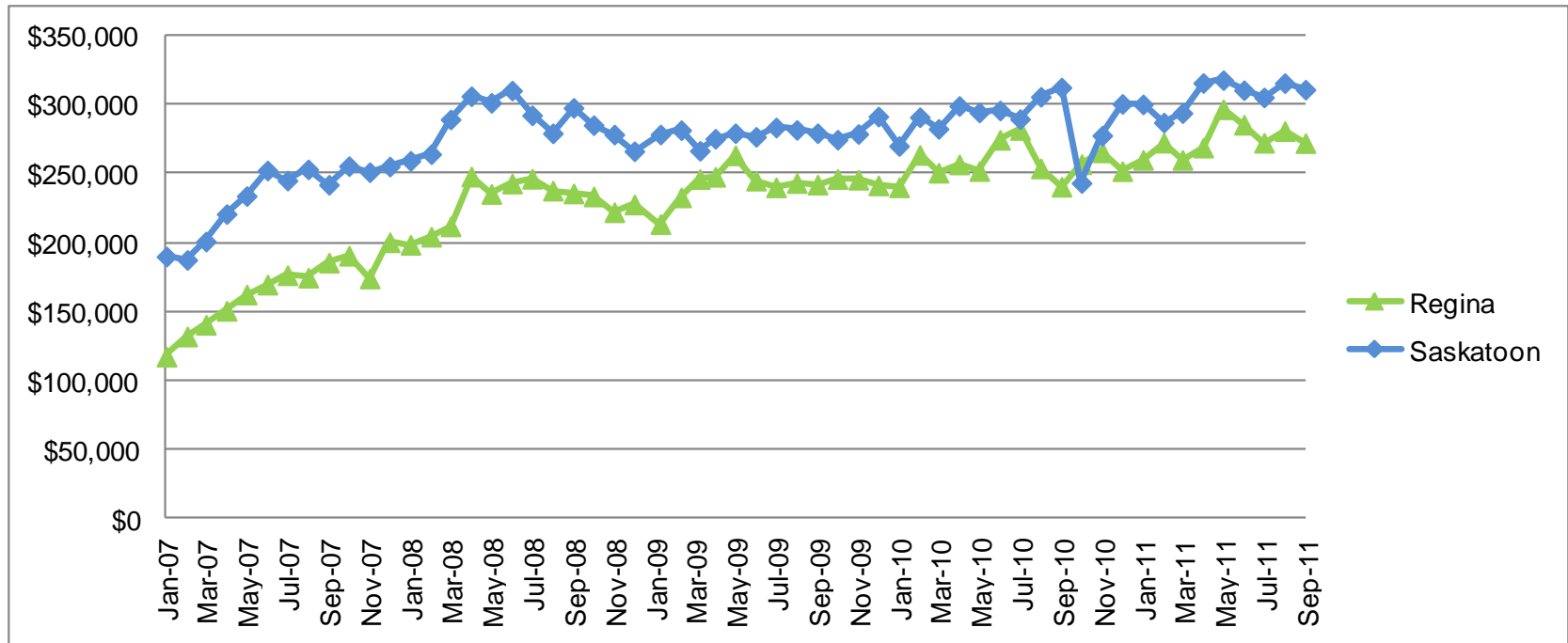
# Calgary Home Prices



Source: Calgary Real Estate Board and Century 21 CREB archive

Updated September 2011

# Saskatoon and Regina Home Prices



Updated September 2011

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

# IFRS Implied Net Asset Value

	IFRS Reported Value	FFO Guidance Range			\$ 2.45	\$ 2.53	
		Cap Rate	Implied Trust Unit value	Cash per Trust Unit	Total	Low end Guidance - No Cash	High end Guidance - no cash
Revenue	\$ 435,644,887	5.00%	\$ 60.60	\$ 4.25	\$ 64.86	24.7	24.0
		5.25%	\$ 55.55	\$ 4.25	\$ 59.80	22.7	22.0
		5.50%	\$ 50.95	\$ 4.25	\$ 55.20	20.8	20.1
Operating Expenses	\$ 158,237,250	5.75%	\$ 46.75	\$ 4.25	\$ 51.00	19.1	18.5
		6.00%	\$ 42.90	\$ 4.25	\$ 47.16	17.5	17.0
Net Operating Income	\$ 277,407,636	6.25%	\$ 39.36	\$ 4.25	\$ 43.62	16.1	15.6
		6.50%	\$ 36.10	\$ 4.25	\$ 40.35	14.7	14.3
Reported Value	\$4,653,336,293	7.00%	\$ 30.26	\$ 4.25	\$ 34.51	12.4	12.0
		7.50%	\$ 25.21	\$ 4.25	\$ 29.46	10.3	10.0
Implied cap Rate	5.96%	8.00%	\$ 20.78	\$ 4.25	\$ 25.03	8.5	8.2
		8.50%	\$ 16.88	\$ 4.25	\$ 21.13	6.9	6.7
		9.00%	\$ 13.41	\$ 4.25	\$ 17.66	5.5	5.3
Mortgages & Debentures	\$ 2,381,938,000						
		Current Pr	\$ 43.96	\$ 4.25	\$ 48.21	17.9	17.4
Cash	\$ 222,085,000	Implied ca	5.93%		5.66%		
		Trust Unit o	52,244,164				

As of September 30, 2011

**NAV range reflects implied capitalization rates only on anticipated net operating income. Both revenues and expenses are based on assumptions used to determine the Fair Value of Boardwalk Investment assets consistent with that reported on its balance sheet on Sept 30, 2011. 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

# Current Cap Rates

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

Victoria		4.75 - 5.75%
Vancouver		4.00 - 5.00%
Vancouver Suburbs		4.50 - 5.50%
Calgary	↓	5.00 - 6.00%
Edmonton	↓	5.25 - 6.25%
Saskatoon		5.50 - 6.50%
South West Ontario		5.75 - 6.75%
Montreal	↓	5.00 - 6.00%
Quebec City		5.75 - 6.75%

*Source: Internally generated*

As at Sept 30, 2011

## Development Opportunities

- Continue to explore the viability of developing two new projects on excess lands in Calgary
- We are in discussions with the City regarding a 109 unit four storey, elevatored, wood frame building at our Spruce Ridge site
- The second site, Sarcee Trail Place, is at the early design phase
- We are looking at the possibility of developing on excess land on two sites in Regina

Updated Q3, 2011

# Funds From Operations

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

FFO Reconciliation In \$000's, except per unit amounts	3 Months Sep-11	3 Months Sep-10	% Change	9 Months Sep-11	9 Months Sep-10	% Change
Profit	\$ 169,087	\$ 164,066		\$ 1,088,192	\$ 231,538	
Adjustments						
Add loss on sale of assets	\$ -	\$ 489		\$ -	\$ 1,581	
Add (deduct) fair value losses (gains)	\$ (137,505)	\$ (179,118)		\$ (258,653)	\$ (199,659)	
Deferred income taxes (recovery)	\$ 309	\$ 43,414		\$ (740,436)	\$ 53,220	
Add amortization of property, plant and equipment	\$ 901	\$ 826		\$ 2,493	\$ 2,372	
Add back distributions paid to LP 'B' Unitholders	\$ 2,014	\$ 4,251		\$ 6,041	\$ 8,279	
Funds from operations	<u>\$ 34,806</u>	<u>\$ 33,928</u>	2.6%	<u>\$ 97,637</u>	<u>\$ 97,331</u>	0.3%
Funds from operations - per unit	<u>\$ 0.67</u>	<u>\$ 0.65</u>	3.1%	<u>\$ 1.87</u>	<u>\$ 1.85</u>	1.1%

Source: Internally generated

# Q3 Overall Performance

## FFO PER UNIT RECONCILIATION

	<b>3 Months</b>	<b>9 Months</b>
FFO Sept - 2010	\$ 0.65	\$ 1.85
NOI from Stabilized	\$ 0.01	\$ -
Financing costs	\$ 0.03	\$ 0.09
Administration and other	\$ (0.01)	\$ (0.01)
FFO Loss from Sold Properties	\$ (0.01)	\$ (0.06)
<b>FFO Sept, 2011</b>	<b>\$ 0.67</b>	<b>\$ 1.87</b>

Source: Internally generated

# Q3 Overall Performance

<i>In 000's, except per unit amounts</i>	3 Months Sep-11	3 Months Sep-10	Change	9 Months Sep-11	9 Months Sep-10	Change
Total rental revenue (including ancillary rental income)	\$105,994	\$104,292	1.6%	\$315,654	\$315,301	0.1%
Expenses						
Operating expenses	\$21,961	\$18,915	16.1%	\$63,103	\$57,364	10.0%
Utilities	\$8,157	\$8,274	-1.4%	\$29,964	\$31,408	-4.6%
Property taxes	\$8,361	\$9,764	-14.4%	\$27,112	\$27,506	-1.4%
	<u>\$38,479</u>	<u>\$36,953</u>	4.1%	<u>\$120,179</u>	<u>\$116,278</u>	3.4%
Net operating income	<u>\$67,515</u>	<u>\$67,339</u>	0.3%	<u>\$195,475</u>	<u>\$199,023</u>	-1.8%
Average rental revenue per unit per month	\$1,002	\$973	2.9%	\$994	\$975	2.0%
Operating costs per unit per month	\$364	\$345	5.4%	\$379	\$360	5.3%
Operating margins	64%	65%		62%	63%	

Source: Internally generated

# Capital Investment

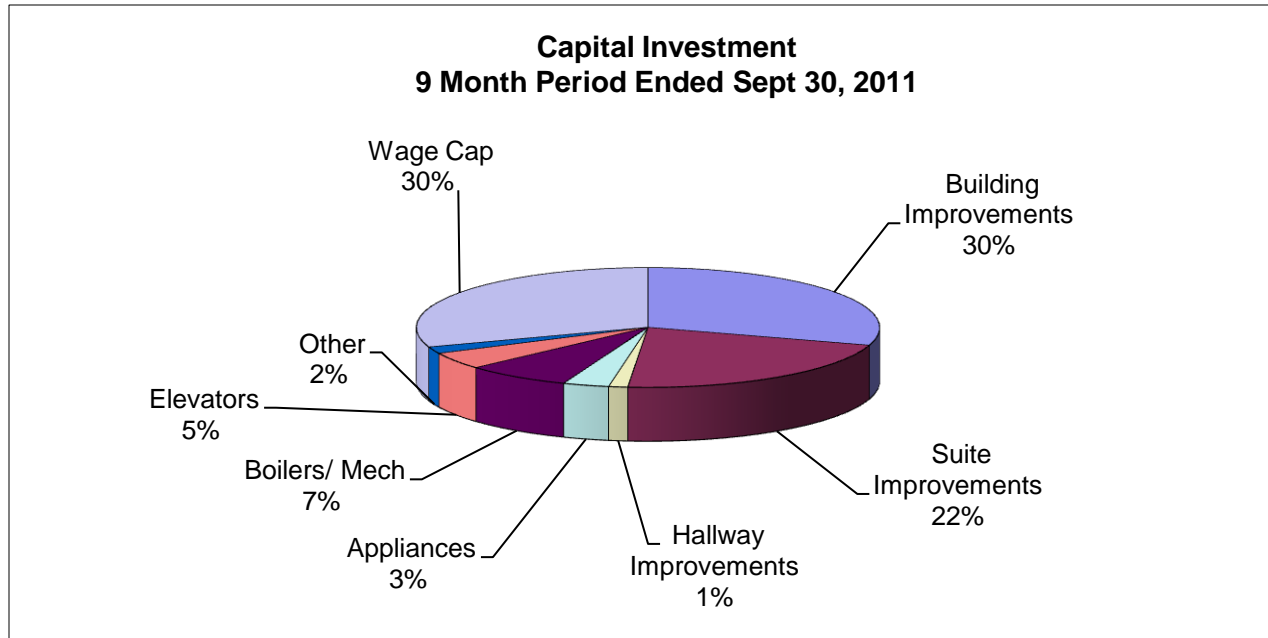
For the Three and Nine Months Ended Sept 30, 2011

\$ in 000's, except for per suite amounts	3 Months	Per Suite	9 Months	Per Suite
	30-Sep-11		30-Sep-11	
Repairs and Maintenance - expense	\$ 5,024	\$ 142	\$ 16,002	\$ 454
On-Site Maintenance Personnel - expense	\$ 7,990	\$ 226	\$ 20,750	\$ 588
	<u>\$ 13,014</u>	<u>\$ 368</u>	<u>\$ 36,752</u>	<u>\$ 1,042</u>
Invested Capital - cost	\$ 16,108	\$ 457	\$ 45,126	\$ 1,280
	<u>\$ 29,122</u>	<u>\$ 825</u>	<u>\$ 81,878</u>	<u>\$ 2,322</u>
Estimated Maintenance Capex	\$ 3,969	\$ 113	\$ 11,906	\$ 338
Stabilizing & Value Enhancing Capex	\$ 12,139	\$ 344	\$ 33,220	\$ 942
	<u>\$ 16,108</u>	<u>\$ 457</u>	<u>\$ 45,126</u>	<u>\$ 1,280</u>

Source: Internally generated

# Capital Investment

For the nine months ended Sept 30, 2011



**Total Capital Invested in Q3 of 2011 - \$17.2 Million (Q3 2010 - \$19.7 Million)**

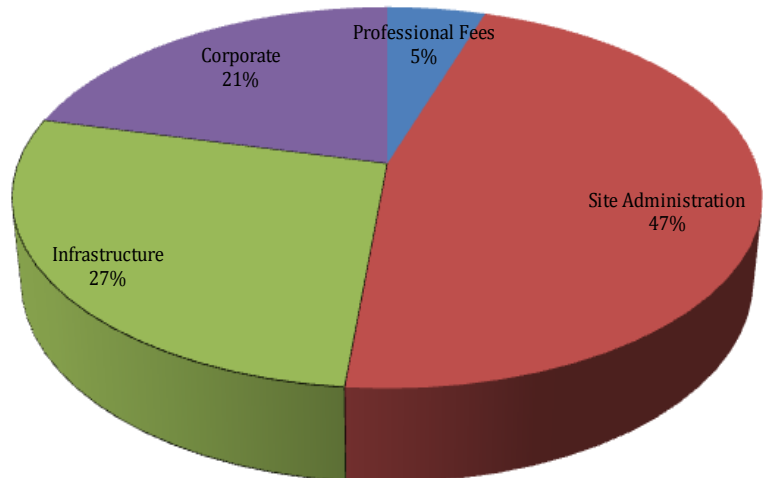
**Total Capital Invested in first nine months of 2011 - \$48.4 Million (9M 2010 - \$49.2 Million)**

*Source: Internally generated*

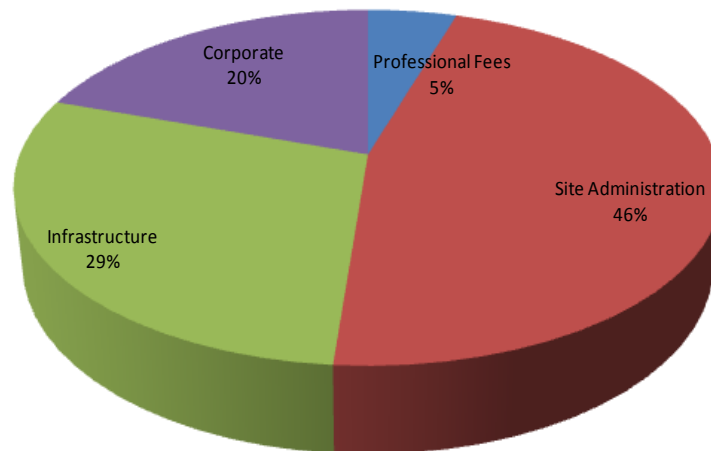
# Administration Review

For the three and nine months ended Sept 30, 2011

**Q3 2011 - 3 Months Administration Overview**



**Q3 2011 - 9 Months Administration Overview**



**Total Admin Costs (Operating & Corporate) for Q3 2011 - \$12.9 Million (Q3 2010 - \$11.7 Million)**

**Total Admin Costs (Operating & Corporate) for 9M 2011 - \$36.5 Million (9M 2010: \$34.7 Million)**

*Source: Internally generated*

# Stabilized Analysis

For the three and nine months ended Sept 30, 2011

<b>Sep 30 2011 - 3 M</b>	<b># of Units</b>	<b>% Revenue Growth</b>	<b>% Operating Expense Growth</b>	<b>% Net Operating Income Growth</b>	<b>% of NOI</b>
Calgary	5,234	6.10%	8.67%	5.04%	18.0%
Edmonton	12,337	1.57%	6.19%	-0.79%	36.3%
Other Alberta	2,172	6.70%	13.39%	3.12%	6.0%
British Columbia	633	4.00%	54.88%	-9.94%	2.0%
Ontario	4,265	1.63%	-3.12%	6.65%	7.2%
Quebec	6,000	1.57%	-4.18%	5.06%	16.2%
Saskatchewan	4,636	1.85%	21.97%	-5.33%	14.2%
	35,277	2.69%	6.00%	0.98%	100.0%

<b>Sep 30 2011 - 9 M</b>	<b># of Units</b>	<b>% Revenue Growth</b>	<b>% Operating Expense Growth</b>	<b>% Net Operating Income Growth</b>	<b>% of NOI</b>
Calgary	5,234	3.28%	7.32%	1.53%	18.0%
Edmonton	12,337	0.37%	5.45%	-2.39%	36.3%
Other Alberta	2,172	4.86%	12.28%	0.90%	6.1%
British Columbia	633	1.93%	20.69%	-4.98%	2.1%
Ontario	4,265	1.68%	0.35%	3.06%	7.3%
Quebec	6,000	2.44%	-1.76%	5.40%	15.7%
Saskatchewan	4,636	2.29%	13.48%	-2.19%	14.5%
	35,277	1.86%	5.15%	0.03%	100.0%

Source: Internally generated

# Sequential Stabilized Revenue Analysis

## Sequential Revenue Analysis

<b>Stabilized Revenue Growth</b>	<b># of Units</b>	<b>Q3 2011 vs Q2 2011</b>	<b>Q2 2011 vs Q1 2011</b>	<b>Q1 2011 vs Q4 2010</b>	<b>Q4 2010 vs. Q3 2010</b>
Calgary	5,234	1.1%	2.5%	1.1%	1.4%
Edmonton	12,337	0.9%	0.9%	-0.7%	0.3%
Other Alberta	2,172	0.2%	2.2%	0.3%	3.1%
British Columbia	633	1.1%	1.7%	0.4%	0.0%
Ontario	4,265	-0.7%	0.8%	0.1%	1.9%
Quebec	6,000	0.6%	-0.2%	0.2%	1.2%
Saskatchewan	4,636	0.6%	0.7%	-0.4%	1.5%
	35,277	0.6%	1.0%	-0.1%	1.1%

Source: Internally generated

# Boardwalk

## Finance – Liquidity Analysis

### 2011 - Q3, in \$000's

Cash Position - Sept 30, 2011	\$	222,000
Line of Credit*	\$	196,000
Total Available Liquidity	\$	418,000
Liquidity as a % of Total Debt		18%
Debt ( net of Cash) as a % of reported Asset Fair Value		46%

\*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 & Liquidity Review

## Mortgage & Debt Maturity Schedule – 2011

<b>Year of Term Maturity</b>	<b>Principal Outstanding as at Sept 30, 2011</b>	<b>Weighted Average Interest Rate By Maturity</b>	<b>% of Total</b>
2011	45,474,951	5.42%	1.91%
2012	572,543,443	4.85%	24.03%
2013	287,474,108	4.51%	12.07%
2014	427,582,749	3.51%	17.95%
2015	453,019,401	3.72%	19.02%
2016	230,266,494	4.05%	9.67%
2017	136,891,709	3.63%	5.75%
2018	70,624,891	3.90%	2.96%
2019	76,403,663	5.09%	3.21%
2020	55,671,314	4.48%	2.34%
2021	25,985,654	4.17%	1.09%
<b>Total Principal Outstanding</b>	<b>2,381,938,377</b>	<b>4.18%</b>	<b>100.00%</b>

Unamortized deferred costs

(90,187,663)

Per Financial Statements

**2,291,750,714**

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 2.30%*

*Current 10 year Interest rates are 3.20%*

Source: Internally generated

Q3 2011

# Liquidity Analysis – Property Valuation

Estimated Loan amounts have DSCR and LTV constraints of 1.3 DCR and/or 70% LTV

In 000's

Year	Units	Est. Value - Sept 11	Projected Maximum Loan Amount	Period End Balance	Projected Net Benefit	Loan to Underwriting Value
2011	1142	\$ 138,230	\$ 96,760	\$ 45,480	\$ 50,900	33%
2012	6464	\$ 918,470	\$ 641,930	\$ 460,140	\$ 187,950	50%
2013	4371	\$ 489,050	\$ 342,330	\$ 287,470	\$ 77,290	59%
2014	5903	\$ 762,200	\$ 533,540	\$ 427,580	\$ 114,330	56%
2015	5799	\$ 762,290	\$ 532,450	\$ 453,020	\$ 108,380	59%
2016	3667	\$ 452,160	\$ 316,510	\$ 229,880	\$ 97,430	51%
2017	1607	\$ 215,370	\$ 150,760	\$ 136,890	\$ 18,890	64%
2018	1086	\$ 176,100	\$ 123,270	\$ 70,620	\$ 52,820	40%
2019	1114	\$ 148,070	\$ 103,650	\$ 76,400	\$ 27,810	52%
2020	722	\$ 83,710	\$ 58,600	\$ 55,670	\$ 4,760	67%
2021	695	\$ 97,040	\$ 67,930	\$ 25,990	\$ 41,940	27%
Un-Levered	2707	\$ 259,020	\$ 181,310	\$ -	\$ 181,310	0%
<b>Grand Total</b>	<b>35277</b>	<b>\$ 4,501,700</b>	<b>\$ 3,149,030</b>	<b>\$ 2,269,530</b>	<b>\$ 963,810</b>	<b>50%</b>
Unsecured Debenture				\$ 112,410		
Cash Sept 30, 2011				\$ 222,000		
<b>Grand Total Net of Cash</b>				<b>\$ 2,159,940</b>		<b>48%</b>

**99% of Boardwalk's Secured Mortgages are NHA-insured and assumes an average Capitalization Rate of 6.27%.**

**Model utilizes a conservative 70% LTV on potential maximum NHA Insured Loans.**

As at Sept 30, 2011

Source – Internally generated

# Debt Summary

September 30, 2011

Type of Debt	Apartment Units	Amount - in \$ Millions
Secured	32,570	\$ 2,270
Un-levered	2,707 *	\$ -
Unsecured	-	\$ 112
<b>Total</b>	<b>35,277</b>	<b>\$ 2,382</b>

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

**\*855 of these apartment units (approx \$103.3 million of estimated value) are pledged against the Trust's undrawn credit facility.**

*Source: Internally generated*

# Mortgage & Debt Highlights

(\$ in millions)

## As at Sept 30, 2011

		\$ million
Mortgage Principal Outstanding	\$	2,270
Debenture - matures January 2012	\$	112
Total	\$	2,382
%		
% of NHA Insured Secured Mortgages		99%
Existing Bond Spreads		75-90 Basis Points
		Over 5 and 10 Year GoC Bonds
Interest Coverage (Ex. Gains)		
	9 Months 2011	2.41
	9 Months 2010	2.32

Source: Internally generated

As at Sept 30, 2011

# Mortgage Highlights – 2011 Mortgage Program

Maturity Date	Units	Maturing Mortgage Total	Weighted Average Maturing Interest	Weighted Average New Interest	Average Term
February 1, 2011	158	\$ 6,260,000	6.40%	3.31%	5
April 1, 2011	362	\$ 20,680,000	2.13%	2.63%	3
May 1, 2011	560	\$ 24,810,000	5.48%	3.93%	8
June 1, 2011	917	\$ 64,750,000	3.98%	3.62%	6
July 1, 2011	459	\$ 13,350,000	5.08%	2.94%	5
August 1, 2011	231	\$ 11,410,000	5.51%	3.08%	7
September 1, 2011	496	\$ 36,970,000	4.79%	3.73%	6
<b>9M 2011 Total</b>	<b>3183</b>	<b>\$ 178,230,000</b>	<b>4.41%</b>	<b>3.48%</b>	<b>6</b>

To date, the Trust has renewed approximately \$178 Million of mortgage maturities for an average interest rate savings of 93 Bps while extending the average term by 6 years.

Source: Internally generated  
As at Sept 30, 2011

# Mortgage Highlights – 2011 Mortgage Program

Maturity Date	Units	Maturing Mortgage Total	Weighted Average Maturing Rate	Weighted Average New Rate	Average Term
<b><i>Forward Locked Mortgages</i></b>					
October 1, 2011	121	\$ 5,160,000	4.19%	3.24%	9
November 1, 2011	204	\$ 10,390,000	4.78%	3.87%	7
December 1, 2011	482	\$ 18,310,000	5.29%	3.54%	6
<b>Total Fwd Locked</b>	<b>807</b>	<b>\$ 33,860,000</b>	<b>4.97%</b>	<b>3.60%</b>	<b>7</b>
<b><i>Mortgages Remaining</i></b>					
December 1, 2011	335	\$ 11,610,000	6.22%	TBD	TBD
<b>Grand Total</b>	<b>1142</b>	<b>\$ 45,470,000</b>	<b>5.29%</b>	<b>TBD</b>	<b>TBD</b>

In addition, the Trust has forward locked \$33.9 Million of mortgage's coming due to the end of the year. The new average interest rate has improved by 137 bps.

The remaining \$11.6 Million maturing in 2011 (Total of \$45.5 Million in Q4) is currently being finalized.

# 2012 Mortgage Program

Maturity Date	Units	Est. Value - Sept 11	Max Loan Amt 70% LTV or 1.3	Period End Balance - Sept 11	Projected Net Benefit	Average In Place Interest Rate	New Interest Rate	Term	Yr 1 Interest Savings
1/1/2012	180	\$ 18,020,000	\$ 12,620,000	\$ 7,170,000	\$ 5,450,000	1.85%			
2/1/2012	810	\$ 138,770,000	\$ 97,140,000	\$ 53,600,000	\$ 43,540,000	4.45%			
3/1/2012	407	\$ 64,660,000	\$ 45,260,000	\$ 30,160,000	\$ 15,110,000	4.51%			
5/1/2012	158	\$ 15,270,000	\$ 10,690,000	\$ 3,810,000	\$ 6,880,000	4.37%			
5/8/2012	192	\$ 27,130,000	\$ 18,990,000	\$ 4,930,000	\$ 14,060,000	6.25%			
6/1/2012	322	\$ 33,090,000	\$ 23,160,000	\$ 19,770,000	\$ 3,390,000	4.54%			
6/5/2012	195	\$ 19,460,000	\$ 13,620,000	\$ 10,940,000	\$ 2,680,000	4.60%			
7/1/2012	690	\$ 102,300,000	\$ 71,610,000	\$ 57,950,000	\$ 15,610,000	4.43%			
8/1/2012	104	\$ 12,750,000	\$ 8,920,000	\$ 4,280,000	\$ 4,640,000	4.14%			
9/1/2012	348	\$ 43,900,000	\$ 30,730,000	\$ 16,290,000	\$ 14,440,000	5.19%			
9/18/2012	145	\$ 25,060,000	\$ 17,540,000	\$ 10,240,000	\$ 7,300,000	3.99%			
10/1/2012	416	\$ 56,120,000	\$ 38,710,000	\$ 33,370,000	\$ 5,350,000	4.74%			
11/1/2012	906	\$ 129,670,000	\$ 90,340,000	\$ 73,250,000	\$ 21,300,000	5.19%			
11/2/2012	1176	\$ 162,600,000	\$ 113,820,000	\$ 110,720,000	\$ 3,090,000	4.87%	3.90%	\$ 10	\$ 1,070,000
12/1/2012	349	\$ 59,860,000	\$ 41,900,000	\$ 20,410,000	\$ 21,500,000	4.38%			
12/2/2012	66	\$ 9,810,000	\$ 6,860,000	\$ 3,240,000	\$ 3,620,000	4.38%			
<b>2012 Total</b>	<b>6464</b>	<b>\$ 918,470,000</b>	<b>\$ 641,910,000</b>	<b>\$ 460,130,000</b>	<b>\$ 187,960,000</b>	<b>4.83%</b>			

% of 2012 Mortgage Maturities Forward Locked: 24%

- The Trust has forward locked 24% of total 2012 mortgage maturities to date.
- Management has taken steps to act on additional forward lock commitments should interest rates increase.
- A projected \$187 Million in Top-Up Mortgage Financing is achievable from 2012 mortgage maturities

Source : Internally Generated

As at Sept 30, 2011

# Mortgage & Debt Highlights

## Unsecured Debenture

Existing Unsecured Debenture Balance @ maturity	\$112.4 Million
•Interest Rate	5.61%
•Maturity	January 2012

With the nearing maturity of the debenture, the Trust has begun the funding of previously booked top-up financing in preparation for repayment in January of 2012.

The Trust estimates an annual net savings of \$2.0 Million annually.

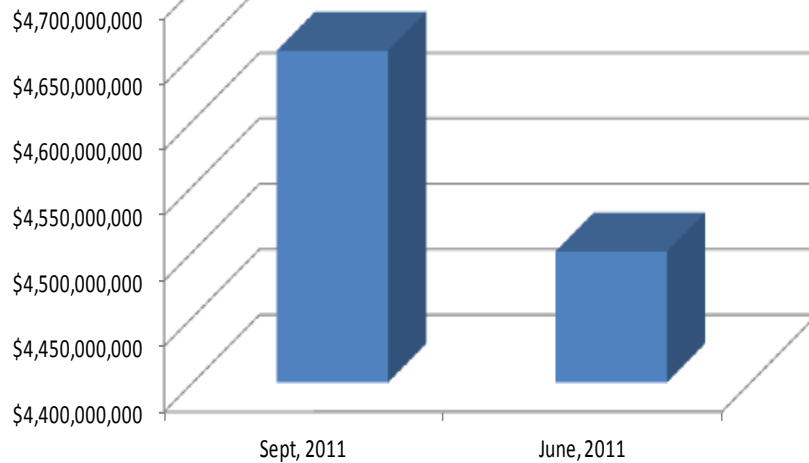
Funding Period	Units	Net Proceeds	Weighted Average Interest Rate	Weighted Average Term
Q3	961	\$ 52,960,000	4.23%	7
Q4	860	\$ 47,930,000	3.74%	7
<b>Total</b>	<b>1821</b>	<b>\$ 100,890,000</b>	<b>3.99%</b>	<b>7</b>
Cash Addition		\$ 11,515,000		
<b>Total Repayment - January, 2012</b>		<b>\$ 112,405,000</b>		
<b>Estimated Annual Savings (2012 Fwd)</b>		<b>\$ 2,000,000</b>		

Source: Internally generated

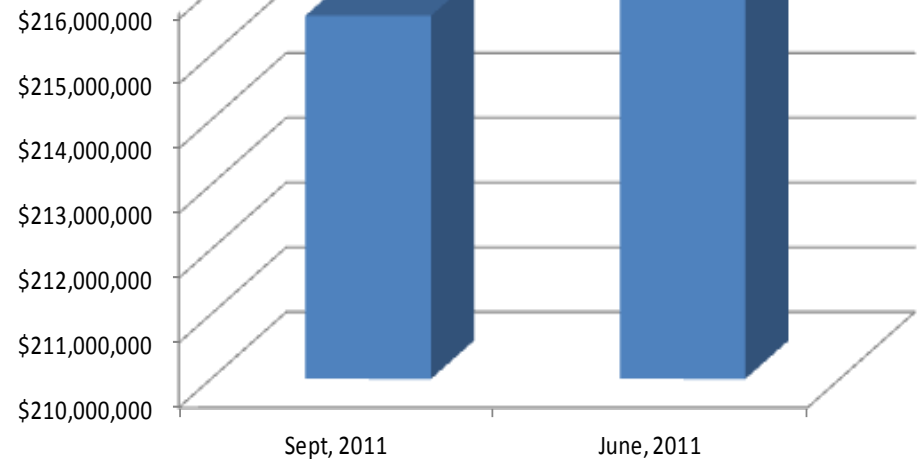
As at Sept 30, 2011

## Q3 2011 IFRS Balance Sheet Review

**Fair Value of Investment Assets**



**B-Units Valuation**



*Source: Internally generated*

# Fair Value of Investment Properties

	2011-Q3		2011-Q2		2009-Q4	
	Min Cap Rate	Max Cap Rate	Min Cap Rate	Max Cap Rate	Min Cap Rate	Max Cap Rate
Vancouver CMA	5.00%	6.50%	5.00%	6.50%	5.25%	7.25%
Victoria	5.00%	5.00%	5.00%	5.00%	5.50%	5.50%
Calgary	5.25%	6.00%	5.50%	6.25%	6.00%	6.75%
Edmonton	5.50%	6.00%	5.75%	6.25%	6.25%	8.50%
Other Alberta	6.25%	8.00%	6.50%	8.25%	7.00%	8.50%
Regina	6.50%	6.75%	6.75%	7.00%	6.75%	7.00%
Saskatoon	6.50%	6.75%	6.75%	7.00%	6.75%	7.00%
Kitchener	6.00%	6.00%	6.25%	6.25%	6.75%	6.75%
London	6.00%	6.25%	6.25%	6.50%	6.75%	7.00%
Windsor	6.75%	7.25%	7.00%	7.50%	7.25%	7.75%
Montreal CMA	5.75%	6.75%	6.00%	7.00%	6.25%	7.50%
Québec City	5.75%	6.25%	6.00%	6.50%	6.25%	7.50%
<b>Grand Total</b>	<b>5.00%</b>	<b>8.00%</b>	<b>5.00%</b>	<b>8.25%</b>	<b>5.25%</b>	<b>8.50%</b>
Land Lease	5.50%	11.50%	5.75%	11.50%	6.18%	11.66%
W.A. Cap Rate - Free Hold	5.95%		6.20%		6.63%	
W.A. Cap Rate - Land Leases	6.08%		6.52%		6.74%	
<b>W.A. Cap Rate - All</b>	<b>5.96%</b>		<b>6.23%</b>		<b>6.64%</b>	
<b>Value of Investment Properties (\$000's)</b>	<b>\$4,653</b>		<b>\$4,500</b>		<b>\$4,021</b>	
% Increase from 2009-Q4	15.72%		11.90%		n/a	

Source: Internally generated

As at Sept 30, 2011

# Fair Value of Investment Properties

As at September 30, 2011

in (000's)

**-0.25%**

**5.71%**

Net Operating Income				
-3%	-1%	As Forecasted	1%	3%
\$ 58,034	\$ 153,193	\$ 203,773	\$ 252,352	\$ 349,511

**Cap Rate As Reported**

**5.96%**

\$ (139,625)	\$ (46,542)	\$ 4,654,164	\$ 46,542	\$ 139,625
--------------	-------------	--------------	-----------	------------

**0.25%**

**6.21%**

\$ (321,370)	\$ (232,034)	\$ (187,366)	\$ (142,698)	\$ (53,362)
--------------	--------------	--------------	--------------	-------------

Source: Internally generated

As at Sept 30, 2011

# Boardwalk REIT 2011 Guidance

Description	2011 Original Guidance	2011 - Q3 Revised Guidance
Acquisitions	No new apartment acquisitions or dispositions	<b>No new apartment acquisitions or dispositions</b>
Stabilized Building NOI Growth	-3% - 1%	<b>-1% - 1%</b>
FFO Per Trust Unit	\$2.35 - \$2.55	<b>\$2.45 - \$2.53</b>
AFFO per Trust Unit - based on \$450/yr/apt	\$2.05 to \$2.25	<b>\$2.15 - \$2.23</b>

- Adjustment made for Boardwalk LP B Units treated as Debt & Distributions as Interest Charges under IFRS, but treated as Equity & Distributions in the 2011 Guidance

# Boardwalk REIT 2012 Financial Guidance

Description	2012 Financial Guidance
Acquisitions	No new apartment acquisitions or dispositions
Stabilized Building NOI Growth	1% - 4%
FFO Per Trust Unit	\$2.65 - \$2.85
AFFO per Trust Unit - based on \$450/yr/apt	\$2.35 - \$2.55

# Boardwalk REIT Distributions

<b>Month</b>	<b>Per Unit</b>	<b>Record Date</b>	<b>Payable Date</b>
November 2011	\$0.15	Nov 30, 2011	Dec 15, 2011
December 2011	\$0.15	December 30, 2011	Jan 16, 2012
January 2012	\$0.15	Jan 31, 2012	Feb 15, 2012

# Boardwalk REIT

## *Do we qualify as a REIT?*

- At January 1, 2011, the Trust does qualify as a REIT.
- 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?
- Draft legislation still has not been substantially enacted but once enacted will provided clarity on this issue.
  - With the election of a majority Conservative Government, we are expecting the legislation to be introduced soon.
  - On July 20, 2011, the Finance Department announced proposed changes to the SIFT regulations including the treatment of stapled securities and other minor technical updates. These changes are not expected to impact the Trust.

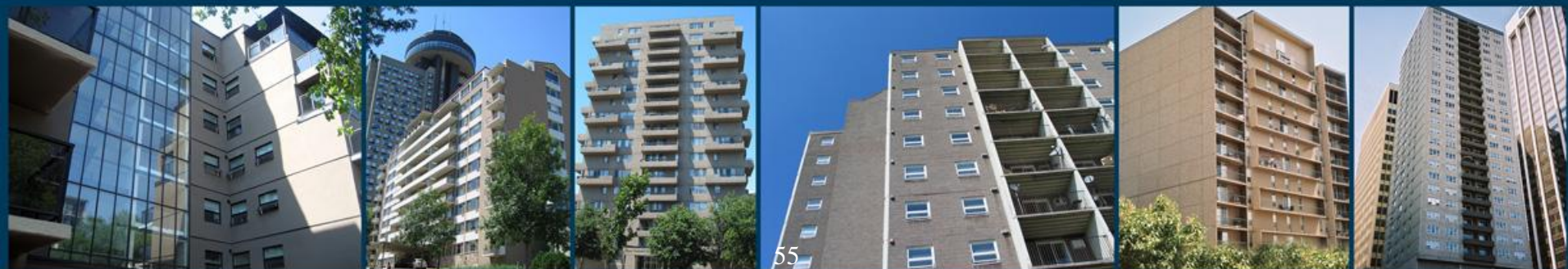
# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q3 2011 Conference Call

*November 11, 2011 – 9:00 EST*



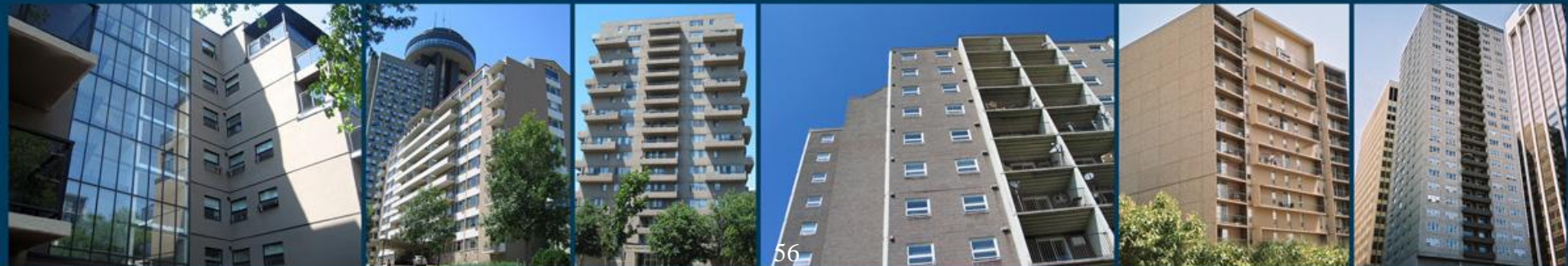
Toll-free 1-888-231-8191 (within North America) or 647-427-7450 (International)



55

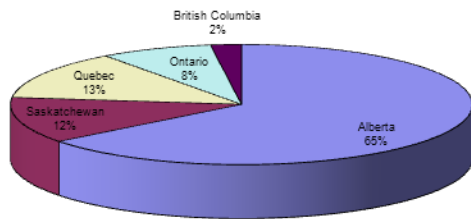
# BOARDWALK REAL ESTATE INVESTMENT TRUST

## APPENDIX

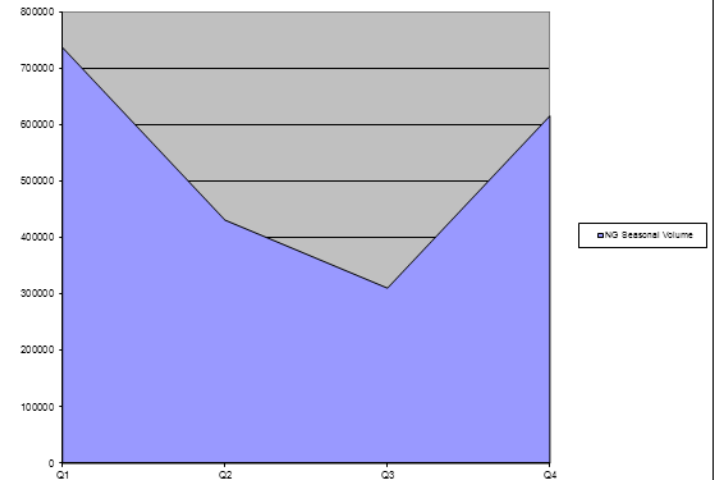


# Natural Gas Review

Average Natural Gas Consumption



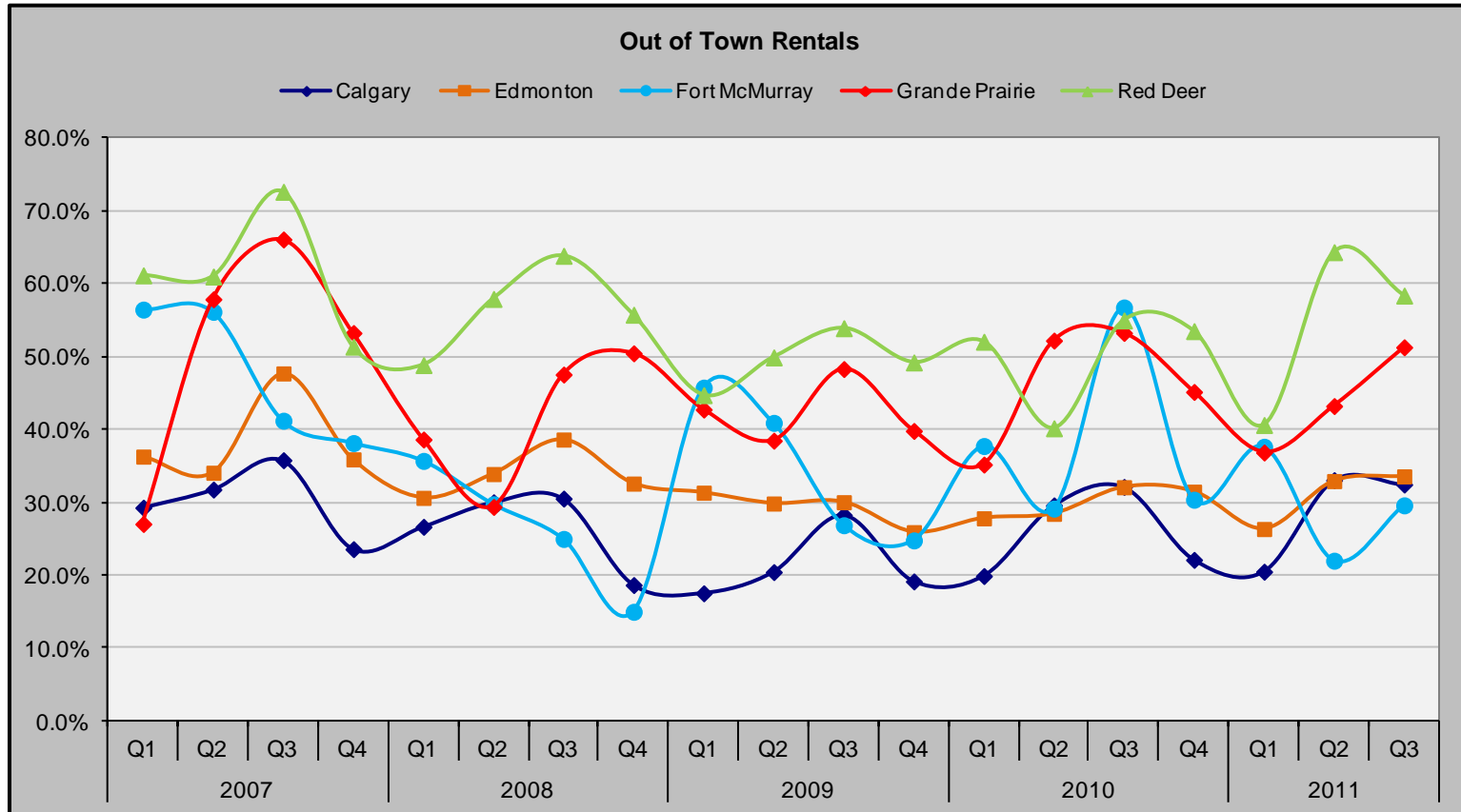
NG Seasonal Volume



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)

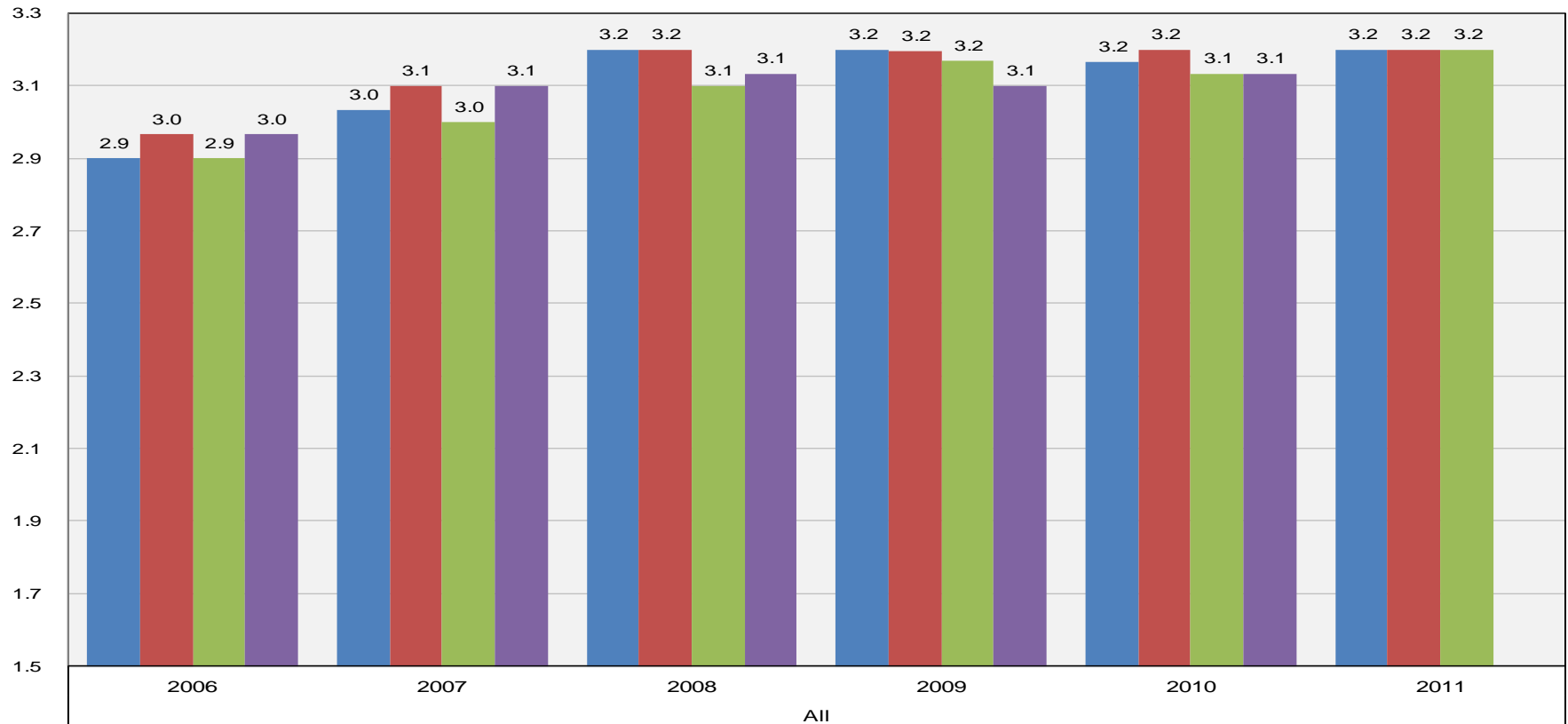
Source: Internally generated

# Out of Town Rentals



Source: Internally generated

# Average Tenancy in Years

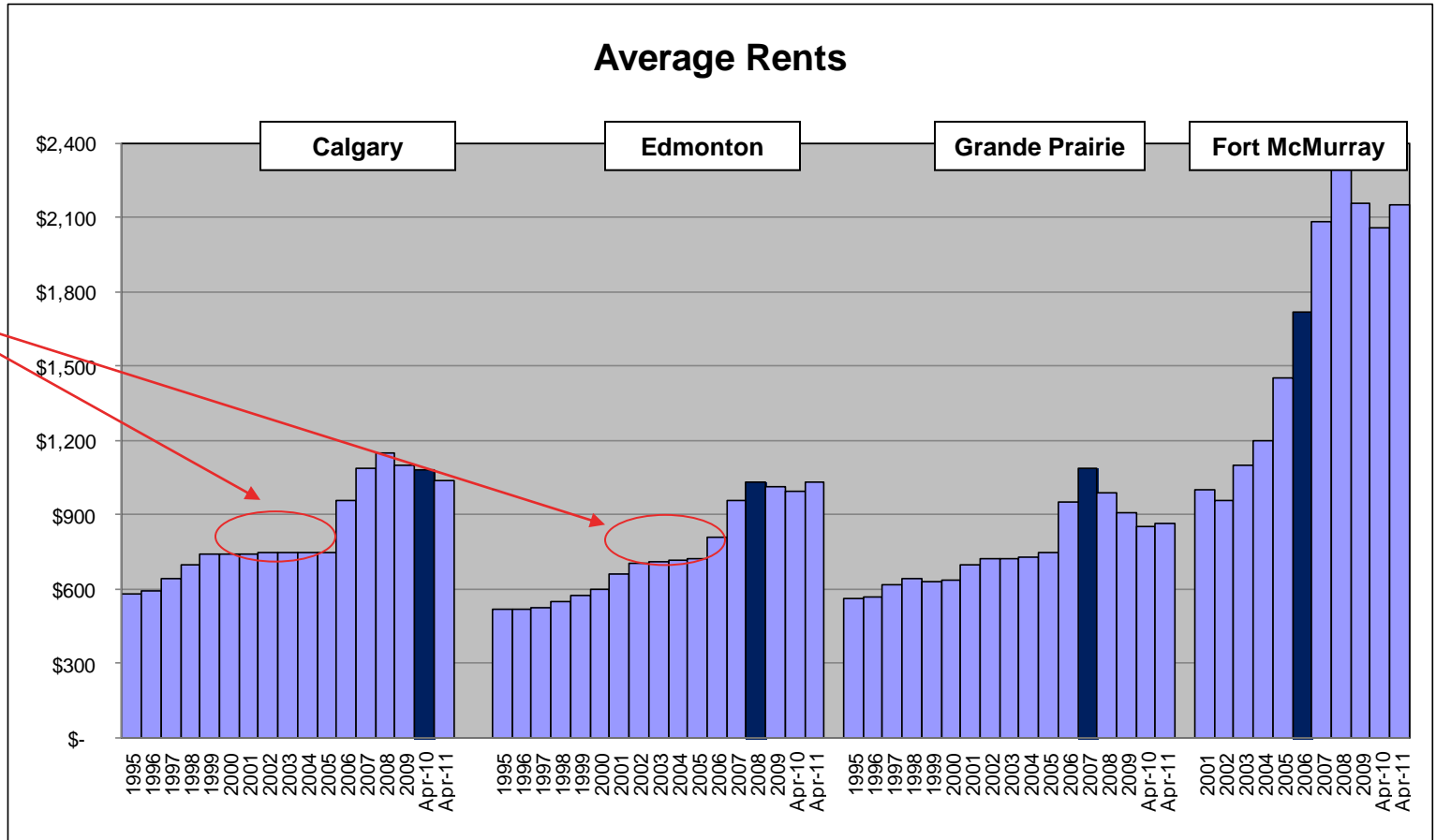


Source: Internally generated

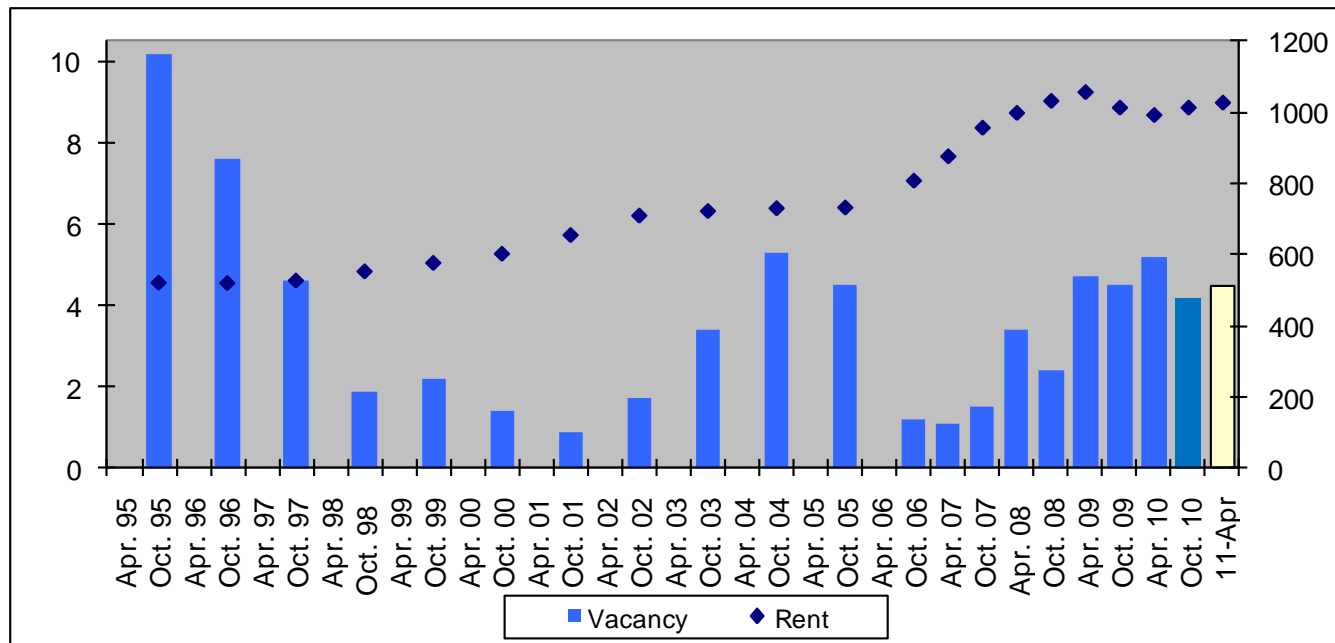
# Average Rental Rate Increases

## 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

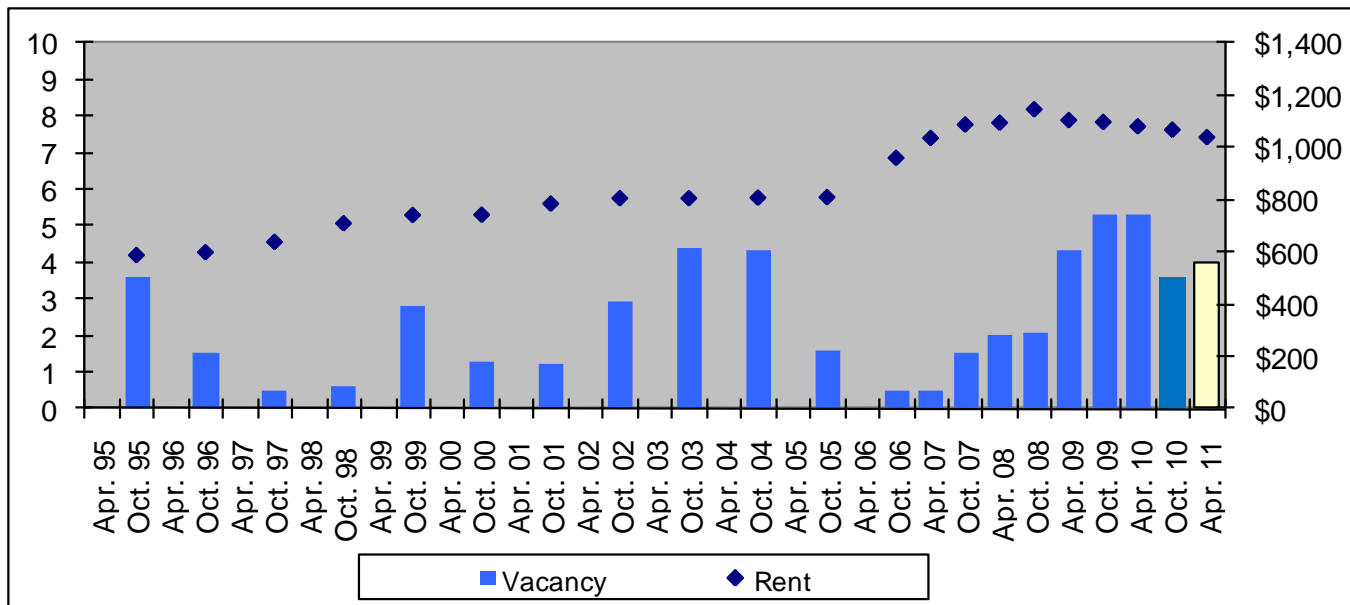


# Edmonton Average Vacancy and Average Rent



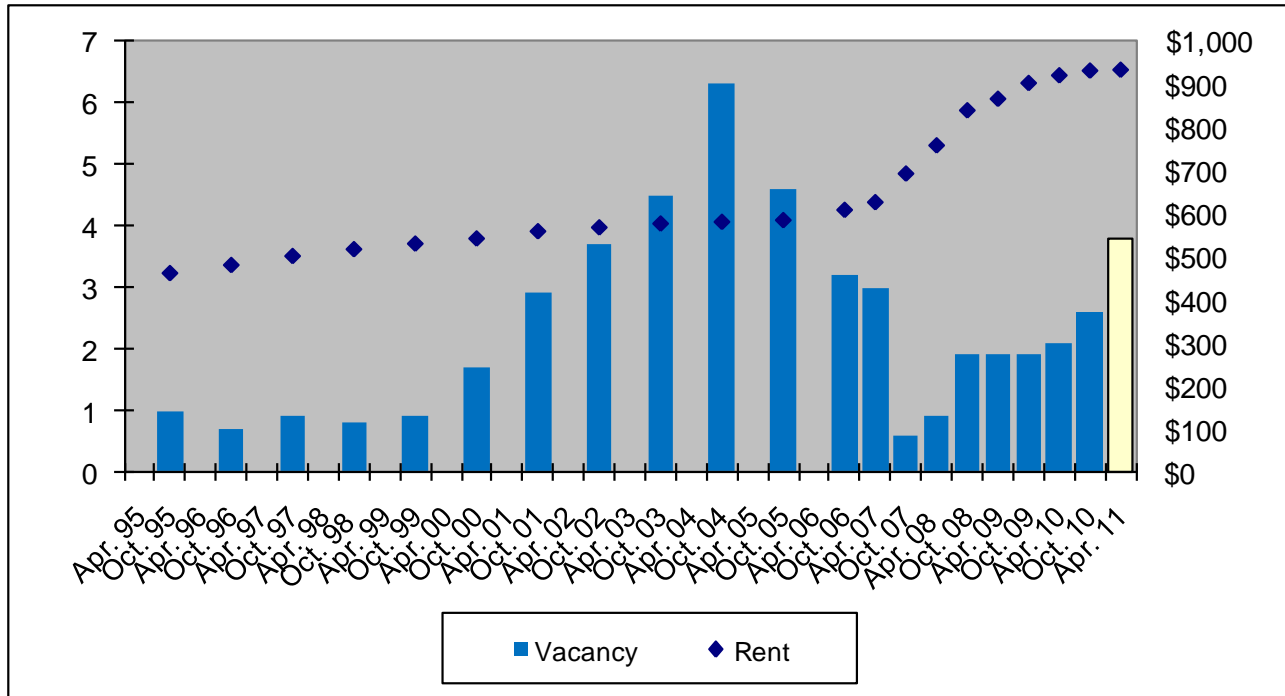
Source: CMHC, two-bedroom units (centres 10,000 population and higher)

# Calgary Average Vacancy and Average Rent



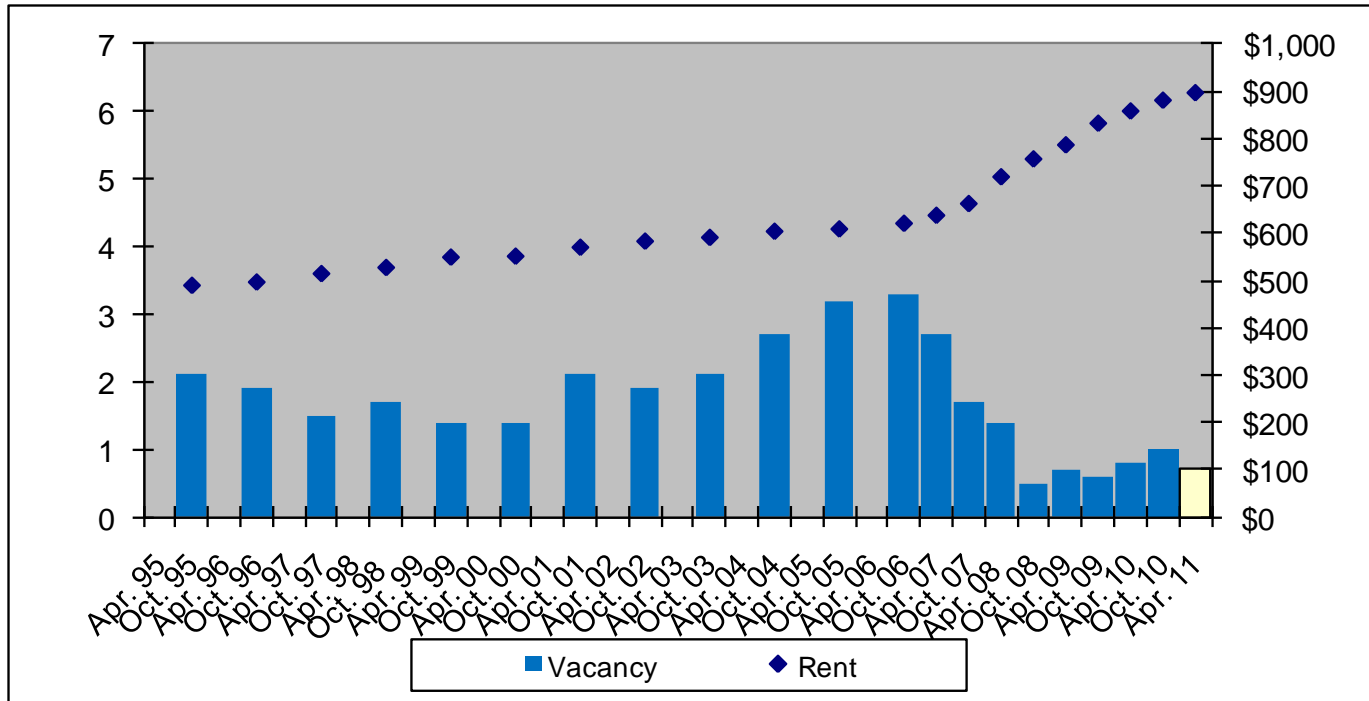
Source: CMHC, two-bedroom units (centres 10,000 population and higher)

# Saskatoon Average Rent and Average Vacancy



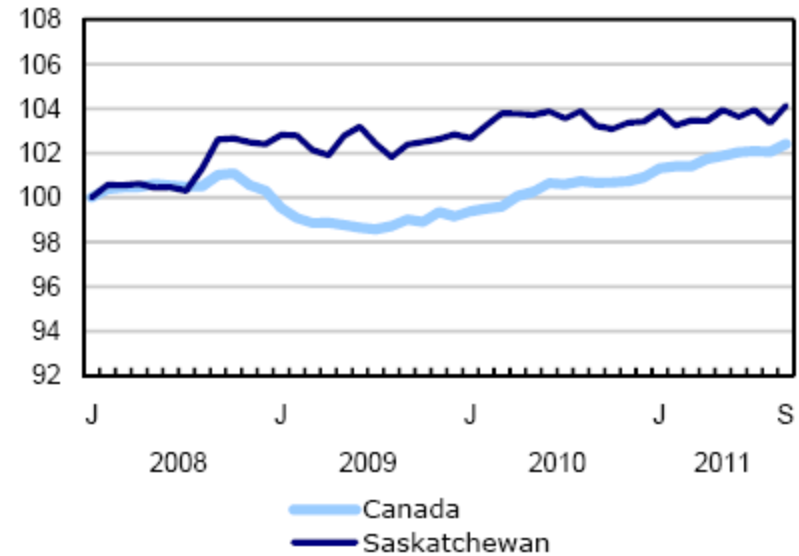
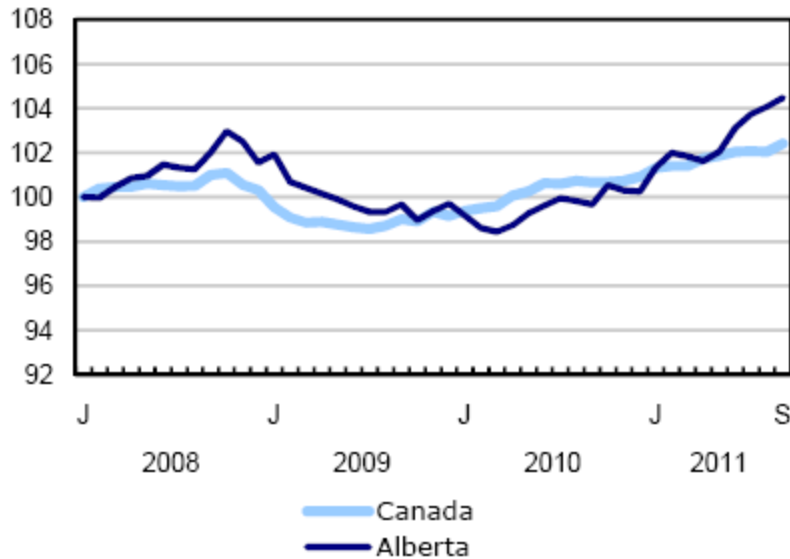
Source: CMHC, two-bedroom units (centres 10,000 population and higher)

# Regina Average Rent and Average Vacancy



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

# Employment - AB and Sask.

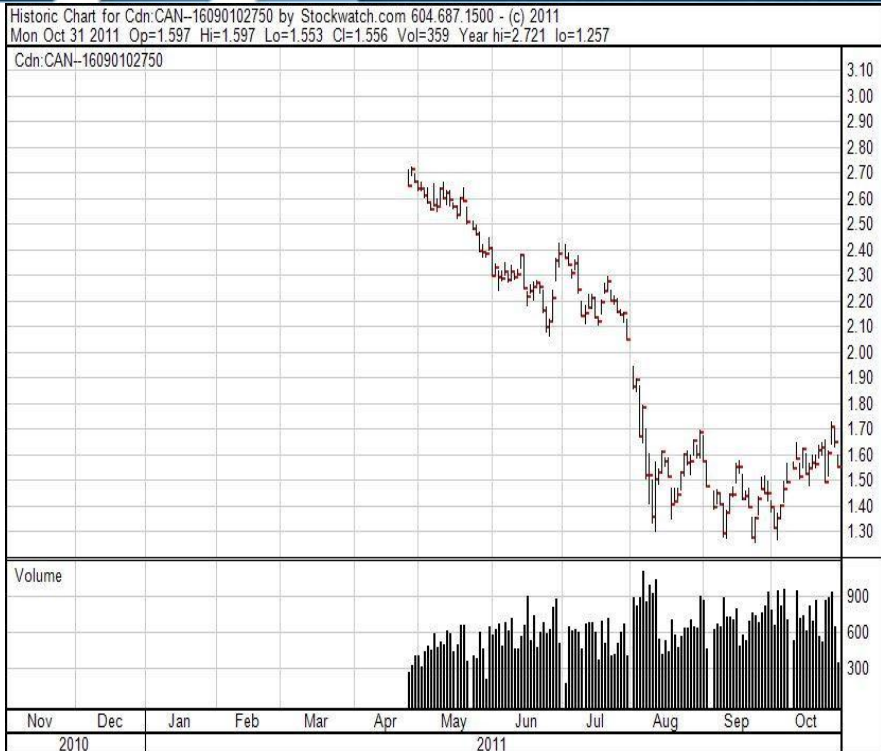


Index of employment by province, seasonally adjusted, January 2008=100

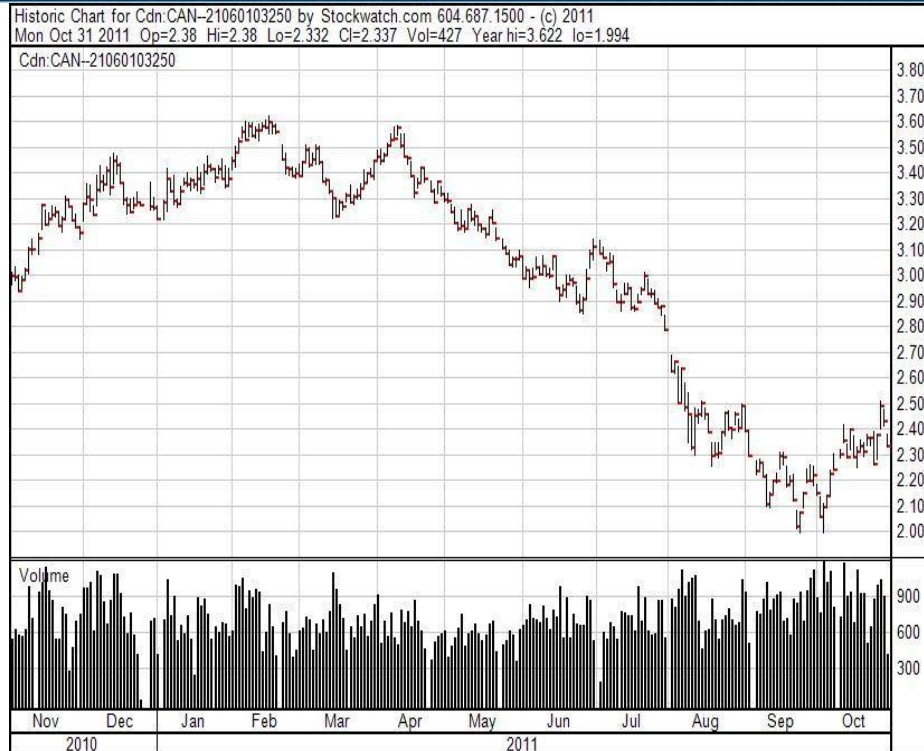
Source: Statistics Canada

# Finance

## Canadian Bonds



5 Year GoC Benchmark Bond Yield



10 Year GoC Benchmark Bond Yield

Source – Stockwatch.com; November 1, 2011

# BOARDWALK REAL ESTATE INVESTMENT TRUST



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

