

# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Investor Presentation

December, 2006



# Forward Looking Information

*This presentation contains forward-looking statements relating to our operations and the environment in which we operate which are based on our expectations, estimates, forecast and projections, which we believe are reasonable as of the current date. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. For more exhaustive information on these risks and uncertainties, one should refer to our most recently filed annual information form, available at [www.sedar.com](http://www.sedar.com). Actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made and should not be relied upon as of any other date. While we may elect to, we undertake no obligation to publicly update any such statement to reflect new information or the occurrence of future events or circumstances at any particular time.*



# Topics for Discussion

- Trust Overview
- Boardwalk REIT Highlights
- Portfolio Statistics
- Multi-family Market Overview
- Financial Review
- Summary
- Q & A



# Focused Vision and Mission

## *Our Vision:*

*Boardwalk is committed to being Canada's leading multi-family Trust and to expanding our operations into a truly national platform.*

## *Our Mission:*

*To Serve and Provide our Residents with Quality Rental Communities.*



# Trust Overview

- Started in 1984 as a private company
- Became a public company in 1994
- Converted into a REIT in May of 2004
- Canada's largest multi-family owner/operator
- Over 34,000 rental units
  - (Rental universe of over 1.5MM units in major Canadian CMA's)
- Listed on TSX (BEI.UN)
- Inclusion in the S&P/TSX Composite and Income Trust Indices
- Trust Limited Liability issue resolved
- Total market capitalization: C\$3.5 Billion



# Trust Overview

- **Experienced Professional Management Team**
  - significant ownership stake in the Trust
  - absence of conflicts of interest
  - proven track record of growth and adding value
- **Quality Portfolio**
  - high concentration in dynamic markets
  - over \$350M spent over past 5 years on capital upgrades and improvements prior to converting to a REIT
- **Strong Financial Position**



# Attractive Distribution

- Annualized distributions of \$1.48 per REIT unit, payable monthly
  - Equivalent distribution of approx. \$5.00 pre-split since becoming public in 1994 with \$0.25 IPO price
- Payout ratio in the range of 80% of Distributable Income
- Approximation for 2005: 70% return of capital, 30% considered income
- Current equity yield of approx. 4.12%
- Initiation of a DRIP – 3% bonus
- Effective pre-tax total yield of 6 - 8%
- Conservative capital structure, with leverage of approximately 61% of the REIT's Gross Book Value<sup>1</sup>
- Debt to Total Enterprise Value is 45%

<sup>1</sup> Boardwalk REIT will be required to record the value of the Contributed Assets at their historical carrying values, instead of their exchange values. As a result, Gross Book Value ("GBV") includes a one time addition equal to the difference between the Entity Value and the net book value as of the Effective Date. Entity Value is determined by multiplying the total fully diluted number of REIT Units (including REIT Units issuable on the exchange of LP Class B Units) by the 10 day weighted average trading price of the REIT Units on the TSX for the 10 trading days immediately following the Effective Date. GBV is a non-GAAP term that is defined in the Trust's Declaration of Trust.



# Sustainable Distribution

- Future Payout Policy

- Low average occupied rent base of \$842 (Q3 2006 avg. occupied rent across portfolio)
- Target 80%
- Future cash flow increase shared between Unitholders & capital expenditures
  - \$350M+ spent on portfolio over 5 years prior to REIT conversion
  - \$29.6M spent on capital expenditures during the first nine months of 2006
  - Further upside in rental revenues from recovering concession and vacancy loss – approx. \$3.3M or \$0.06 per unit annualized
  - Potential upside from mortgage debt mark-to-market – approx. \$14.5M at September 30, 2006 or approx \$0.26 per unit annualized.



# What's New

## 2006 Activity – Equity Offering and Acquisitions

### Equity Offering

	Trust Units Issued	Offering Proceeds	Price / Unit
6-Mar	2,915,000	\$66,462,000	\$22.80

### Acquisitions

Building Name	City	# of Units	Type	Price	Year 1 Cap Rate	\$/unit	\$/sq ft	Closing
Blouin Portfolio	Montreal	322	High Rise	\$ 24,000,000	7.10%	\$ 74,534	\$ 87	March 13, 2006
Jones Portfolio	Vancouver	238	Walk Up	\$ 17,550,000	6.39%	\$ 73,739	\$ 72	March 30, 2006
Sturgeon Point	Edmonton	280	Walk Up	\$ 18,500,000	7.00%	\$ 66,071	\$ 65	May 25, 2006
Park West	Victoria	96	Low Rise	\$ 9,400,000	5.83%	\$ 97,917	\$ 131	November 9, 2006
Total		936		\$ 69,450,000	6.72%	\$ 74,199	\$ 79	



# Acquisition Highlight

## Park West

55 Bay Street, Victoria, BC

Units: 96

Av. Sq. Ft: 745

Date acquired: Nov. 9, 2006



Purchase Price: \$9.4MM

Going in Cap Rate: 5.83%

Per rental unit: \$97,900

Per sq. ft.: \$131

# Portfolio Expansion – Recent Acquisition Highlights

## **Sturgeon Point Villas**

500 Rivercrest Crescent, St. Albert (Edmonton)

Acquisition Date: May 31, 2006

Acquisition Price: \$18.5 million

Residential Units: 280

Going in Cap Rate: 7.0%

Price / Rental Unit: \$66,071

Price / Sq. Ft.: \$65 (Avg 1018 Sq. Ft. / Unit)



# Portfolio Expansion – Recent Acquisition Highlights

## Jones Portfolio

### *Willow Glenn:*

13619 Bentley Road, 11022 – 136 Street &  
10965 – 136 Street, Surrey, BC

### *Braemar Court:*

600 Smith Avenue, Coquitlam, BC

Acquisition Date: March 30, 2006

Acquisition Price: \$17.5 million

Residential Units: 238

Going in Cap Rate: 6.39%

Price / Rental Unit: \$73,739

Price / Sq. Ft.: \$72 (Avg 1022 Sq. Ft. / Unit)



# Portfolio Expansion – Recent Acquisition Highlights

## Complexe Deguire

50 & 55 Quintin & 101 Deguire,  
St. Laurent (Montreal), Quebec

Acquisition Date: March 15, 2006

Acquisition Price: \$24 million

Residential Units: 322

Going in Cap Rate: 7.10%

Price / Rental Unit: \$74,534

Price / Sq. Ft.: \$87 (Avg 858 Sq. Ft. / Unit)



# What's New

## 2006 Dispositions

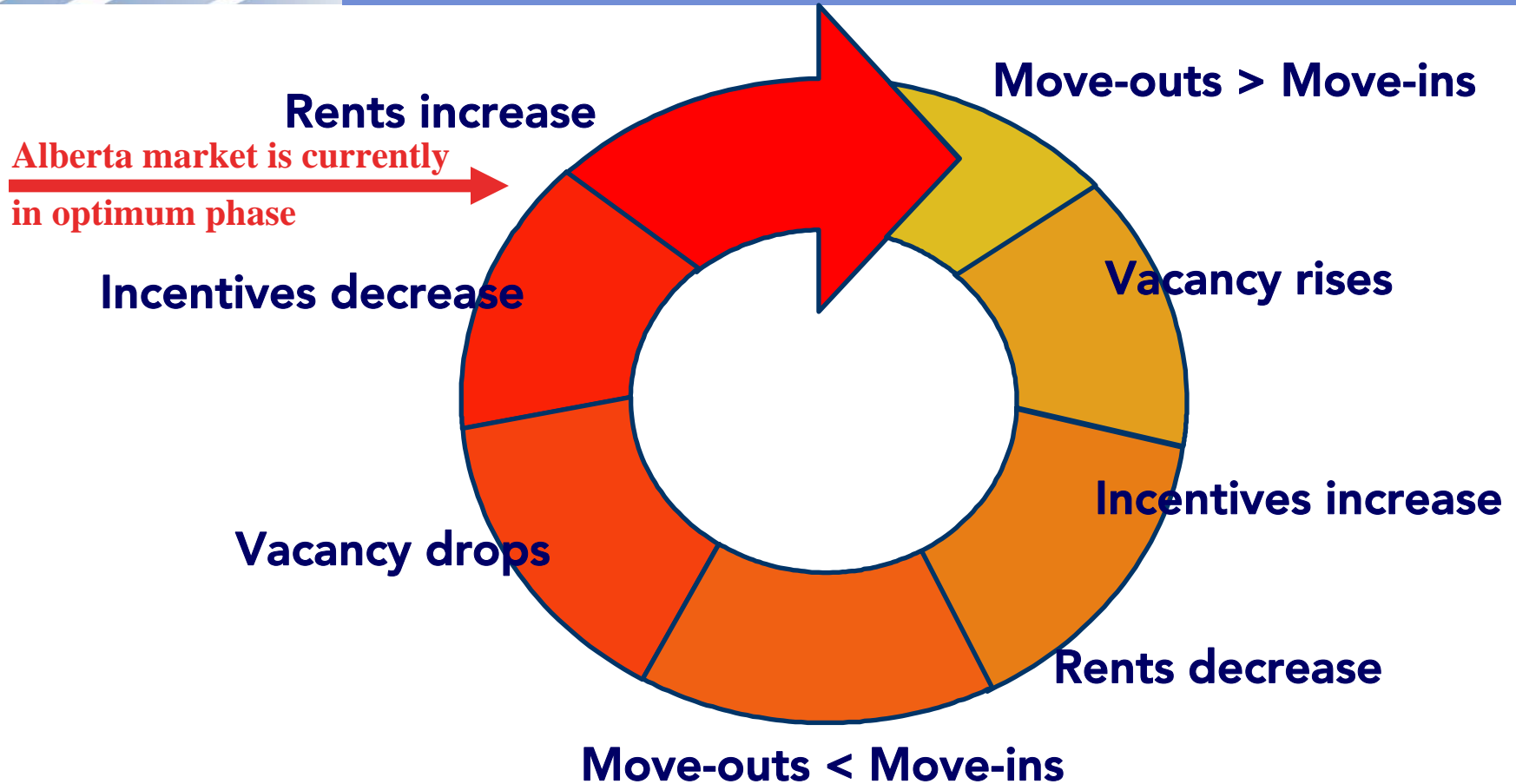
### Dispositions

Building Name	City	# of Units	Type	Price	Cap Rate	\$/unit	\$/sq ft	Closing
Leighton House	Calgary	40	Mid Rise	\$ 4,000,000	5.40%	\$ 100,000	\$ 146	February 18, 2006
Glamis Green	Calgary	156	Walk Up	\$ 16,700,000	5.50%	\$ 107,000	\$ 96	March 1, 2006
<b>Total</b>		<b>196</b>		<b>\$ 20,700,000</b>	<b>5.48%</b>	<b>\$ 105,612</b>	<b>\$ 103</b>	

Glamis takes into account commission, payout penalty and deferred CapX



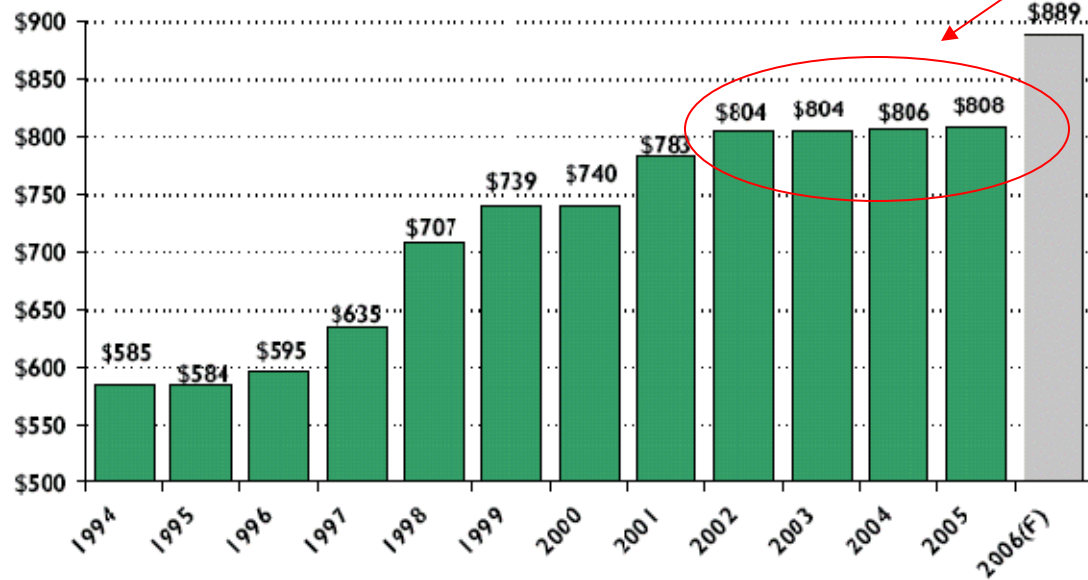
# Rental Revenue Cycle



# Calgary Average Rents

**Calgary – Average Rent for Two Bedroom Unit  
Moves up due to lower vacancies and higher operating costs**

Average apartment rent



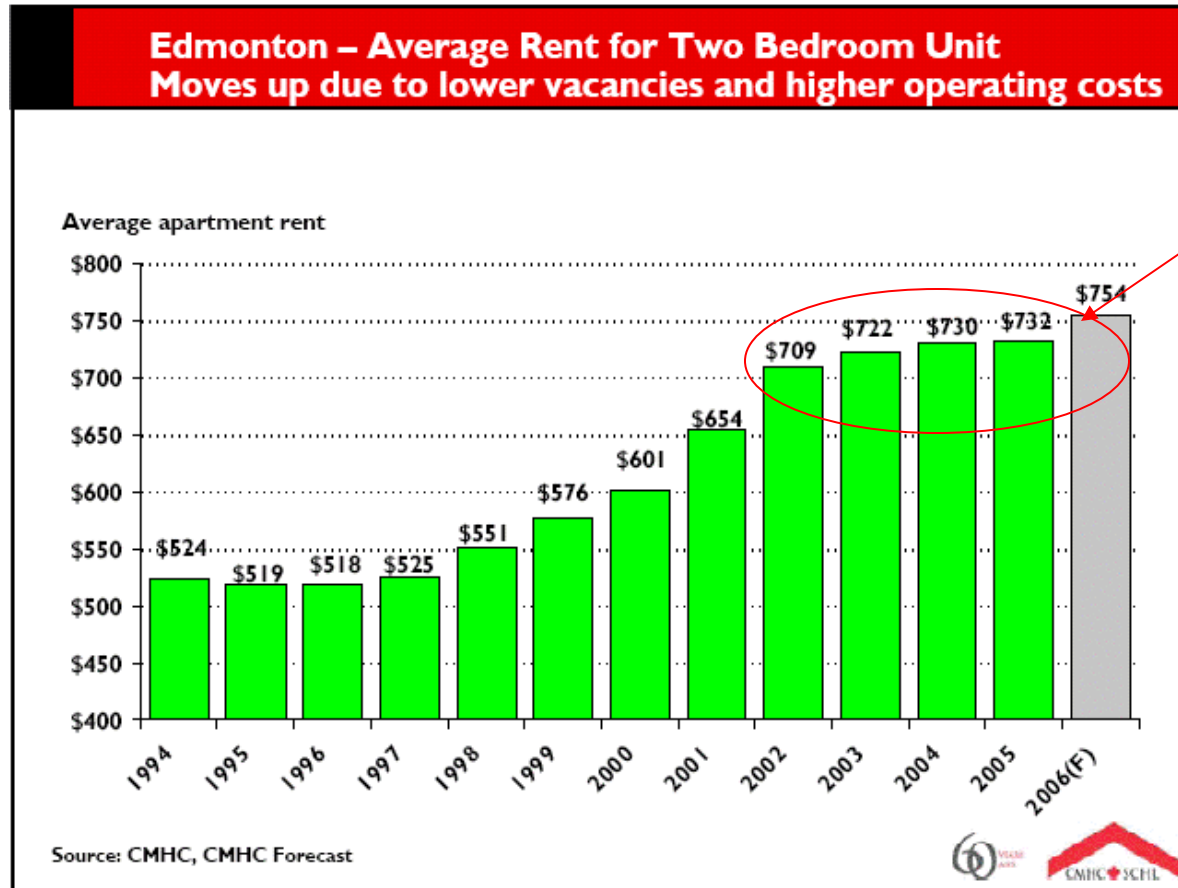
Source: CMHC, CMHC Forecast



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



# Edmonton Average Rents

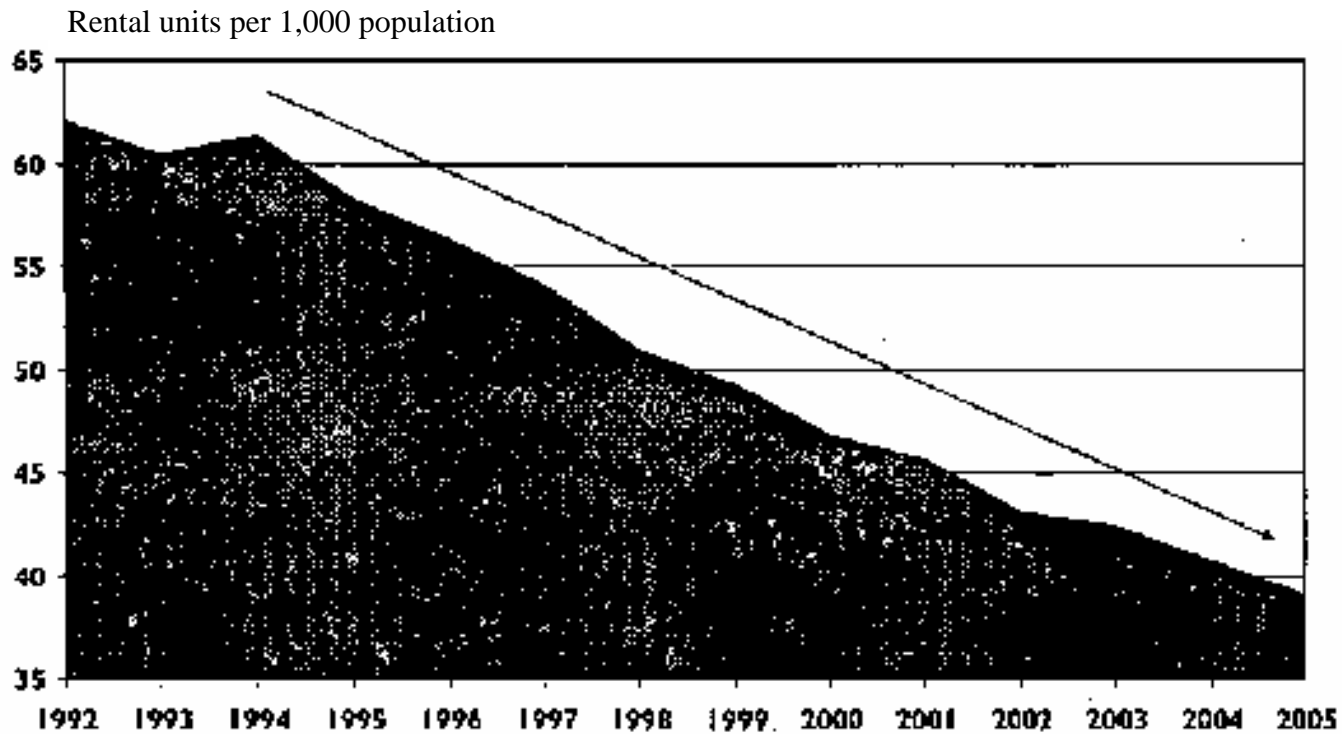


Remember:  
4 Years of 0% Rental Increases, Free Rent and High Single Digit to Double Digit Increases in Expenses



# Calgary Rental Market Universe Per Capita

Has been on a downward trend since the early 1990s

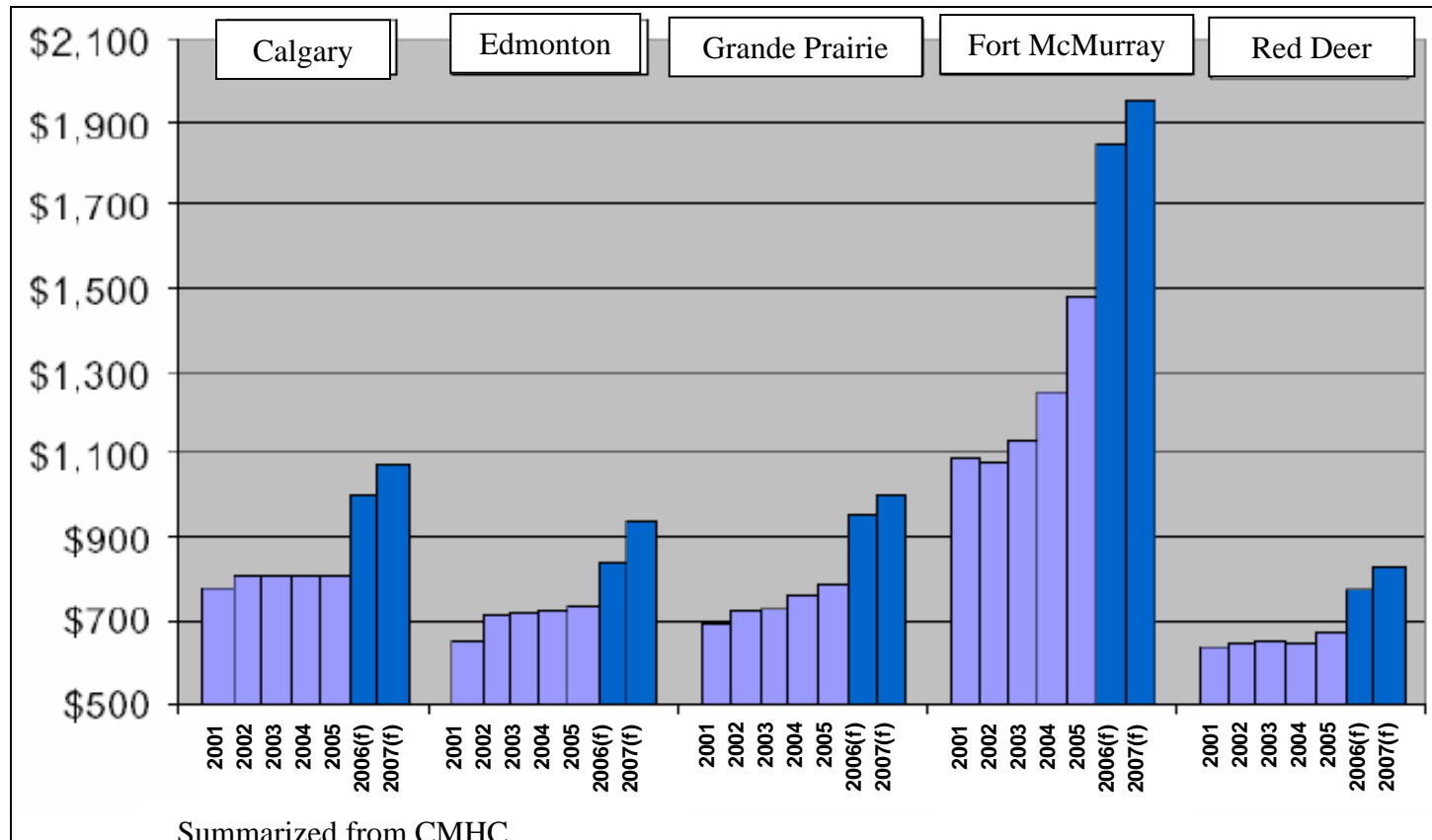


Source: CMHC, Statistics Canada



# Average Rental Rate Increases

CMHC statistics based on 2 bedroom apartments



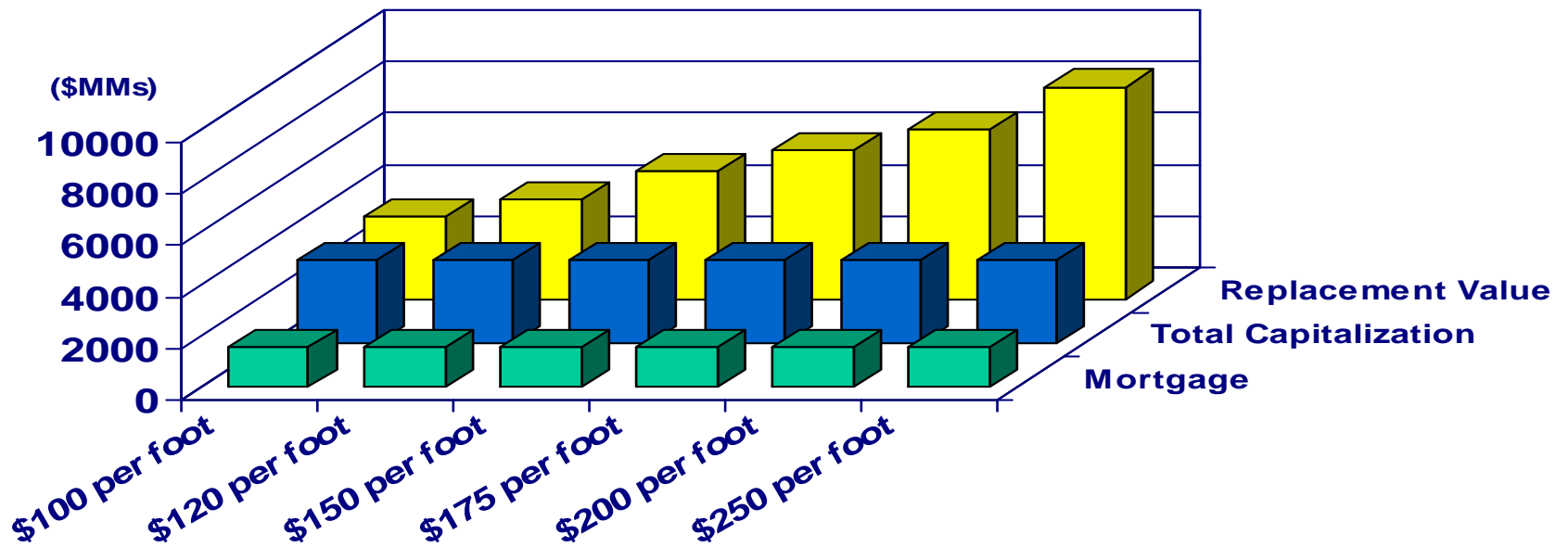
# Social Responsibility

Boardwalk is an advocate of social responsibility. To address the need for affordable housing:

- We partner with Government
  - We provide units for the Government rental supplement program.
  - In late October, we committed 200 units to the City of Edmonton's Fixed Rental Rate Subsidy Program at 'below-market' rents.
- We program internally
  - In house subsidy program since '99 eliminates rent increases for any resident who can prove financial hardship.
  - Self imposed maximum \$75 rent increase every six months on month to month leases.
- We partner with Social Agencies



# Mortgage Debt / Total Capitalization / Replacement Value



- Mortgages represent low percentage of replacement cost.
- Current Debt to Total Enterprise Value is 45%.



# Declining Cap Rates on Unit Prices

## Sensitivity Analysis

Cap rate	Unit Price
6.50%	\$ 30.49
6.25%	\$ 32.79
6.00%	\$ 35.29
5.75%	\$ 38.00
5.50%	\$ 40.96
5.25%	\$ 44.20

Current implied market capitalization rate = 5.62% based on 2007 guidance



# Boardwalk REIT Overview

- **Business Strategy**

- The strategy of Boardwalk REIT is to be the best team with a focus on acquiring, financing, developing, owning and managing quality multi-family rental properties and to provide Unitholders with a stable and growing cash flow distribution
- Boardwalk REIT can best achieve its goal by strategically:
  - maximizing customer satisfaction by providing an above-average level of service and product with our exceptional team
  - acquiring selected multi-family residential properties throughout Canada
  - selling properties classified as held for resale and reinvesting the sale proceeds back into new and existing properties
  - enhancing property values through pro-active management and capital improvements
  - managing capital prudently while maintaining a conservative financial structure
  - pursuing opportunities to form selective partnerships or joint ventures



# Boardwalk REIT Overview

- **Business Strategy (cont'd)**
  - Boardwalk REIT will seek to capitalize on economies of scale derived from its substantial presence in Western Canada, as well as growing presence in Eastern Canada
  - Boardwalk REIT will focus on markets that are typified by strong economic outlook and relatively low vacancy rates
  - Due to Boardwalk's size and relationship with various commercial lenders and Canada Mortgage and Housing Corporation, financing for acquisitions can often be negotiated on favourable terms
    - 99% of Boardwalk REIT's debt is NHA insured, thus virtually eliminating the risk of non-renewal



# Boardwalk Retirement Community – Value Added Opportunity

- Example of Boardwalk investing in value added opportunities.
- 121 suites located in the South tower of Brentview Towers in NW Calgary, AB.
- Construction Cost = \$2.7M.
- NOI increase \$700k/year stabilized
- Grand Opening June 17, 2006.



# Boardwalk Retirement Community – Value Added Opportunity

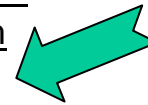
- The BRC offers assisted living to Seniors, including dining room service, recreation planning, linen service, in suite light housekeeping.
- 42 suites currently rented.
- Average monthly rental goal = seven suites.



# Current Development Stats

Project	# Units	Sold	Price	Date	
Vantage Pointe	352	95%	\$300	Q2 06	<a href="http://www.vantagepoinecalgary.com">www.vantagepoinecalgary.com</a>
Stella	181	100%	\$350	Q2 06	<a href="http://www.stellasliving.com">www.stellasliving.com</a>
Sasso	200	100%	\$375	Q2 06	<a href="http://www.sassolife.com">www.sassolife.com</a>
Arriva I	176	93%	\$450	Q1 07	<a href="http://arrivacondos.com">arrivacondos.com</a>
Five West	155	55%	\$400	Q3 07	<a href="http://www.lacaille.ca">www.lacaille.ca</a>
Castello	106	50%	\$300	Q1 08	<a href="http://www.castello.ca">www.castello.ca</a>
Renoir	126	100%	\$375	Q1 08	<a href="http://www.renoirsuites.com">www.renoirsuites.com</a>
Vetro	302	91%	\$425	Q1 08	<a href="http://www.vetrolife.com">www.vetrolife.com</a>
UnionSquare	163	75%	\$450	Q1 08	<a href="http://www.unioncondos.com">www.unioncondos.com</a>
SkyTower	220	100%	\$275	Q1 08	<a href="http://www.skytowerliving.com">www.skytowerliving.com</a>
Colours	209	50%	\$400	Q2 08	<a href="http://www.battistella.ca">www.battistella.ca</a>
Midtown	589	80%	\$300	Q2 08	<a href="http://www.gatewaymidtown.com">www.gatewaymidtown.com</a>
Montana	190	50%	\$450	Q1 09	<a href="http://www.themontana.ca">www.themontana.ca</a>
Arriva II	200	35%	\$450	Q1 09	<a href="http://arrivacondos.com">arrivacondos.com</a>

Large delivery gap in 2007



**TOTAL**                      **3169**                      **79%**                      **\$367**



# Conversion Opportunity – Century Tower

## OPTION 2 Condo Conversion

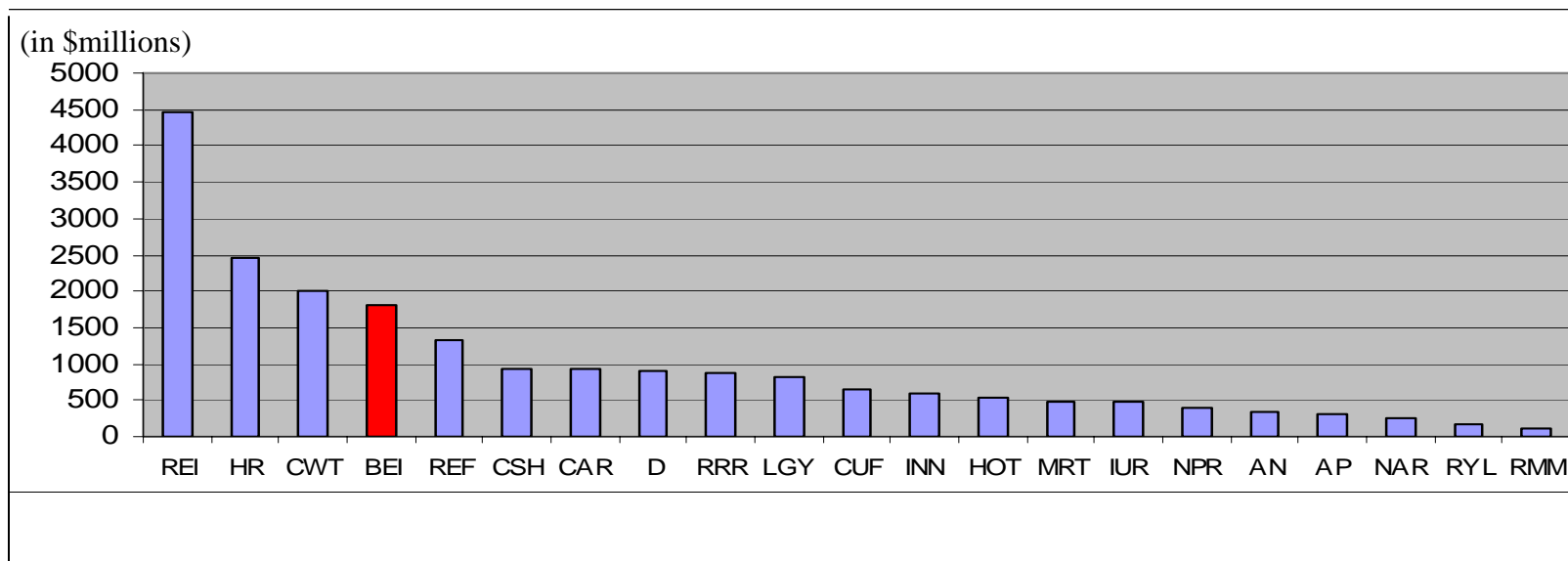
Number of Units	90
Average Size (SqFt)	823
Total Size (SqFt)	74070
Selling Price (\$/SqFt)	\$ 300
Gross Proceeds	\$ 22,221,000
Vend in Price (\$/unit)	\$ 74
Gross Vend Price	\$ 6,600,000
Upgrade Costs	\$ 7,500,000
Net Gain	\$ 8,121,000
Mrkt Value Appreciation	10%
Net Gain with Appreciation	\$ 10,343,100
Gain Per Unit	\$ 0.20



# Canadian REIT Market Context

- Boardwalk REIT is the fifth largest REIT in Canada
  - Boardwalk REIT has an equity market capitalization of \$1.8 billion, the largest Residential REIT in Canada.

Market Cap Summary



Market Capitalization as at May 11, 2006



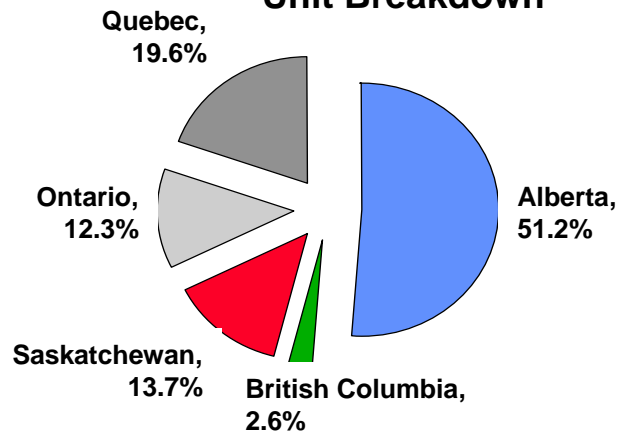
# Portfolio Statistics

- Boardwalk REIT's portfolio consists of over \$1.9 billion invested in over 260 properties
- Properties have approx. 28 million square feet of rentable area
- Portfolio avg. unit size of 840 sq. ft - 2 bedroom
- Overall avg. market rent \$985/month (Q3 2006)
- 93% of the Trust's portfolio is stabilized – owned for a period of more than 24 months
- Portfolio located in 18 market areas in 5 provinces

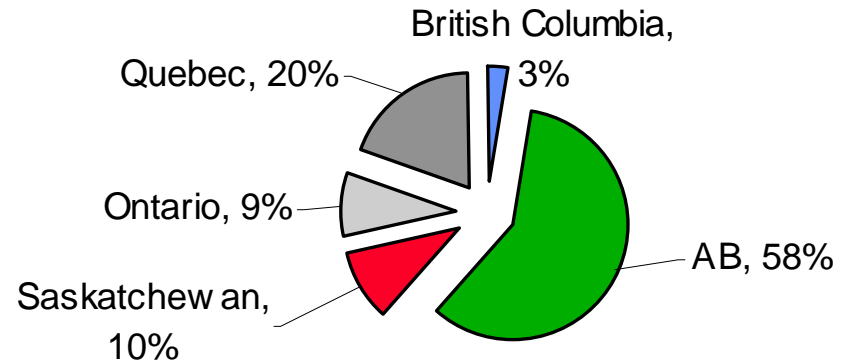


# Portfolio Summary By Province

**Unit Breakdown**



**Net Operating Income – Sept. 30, 2006**

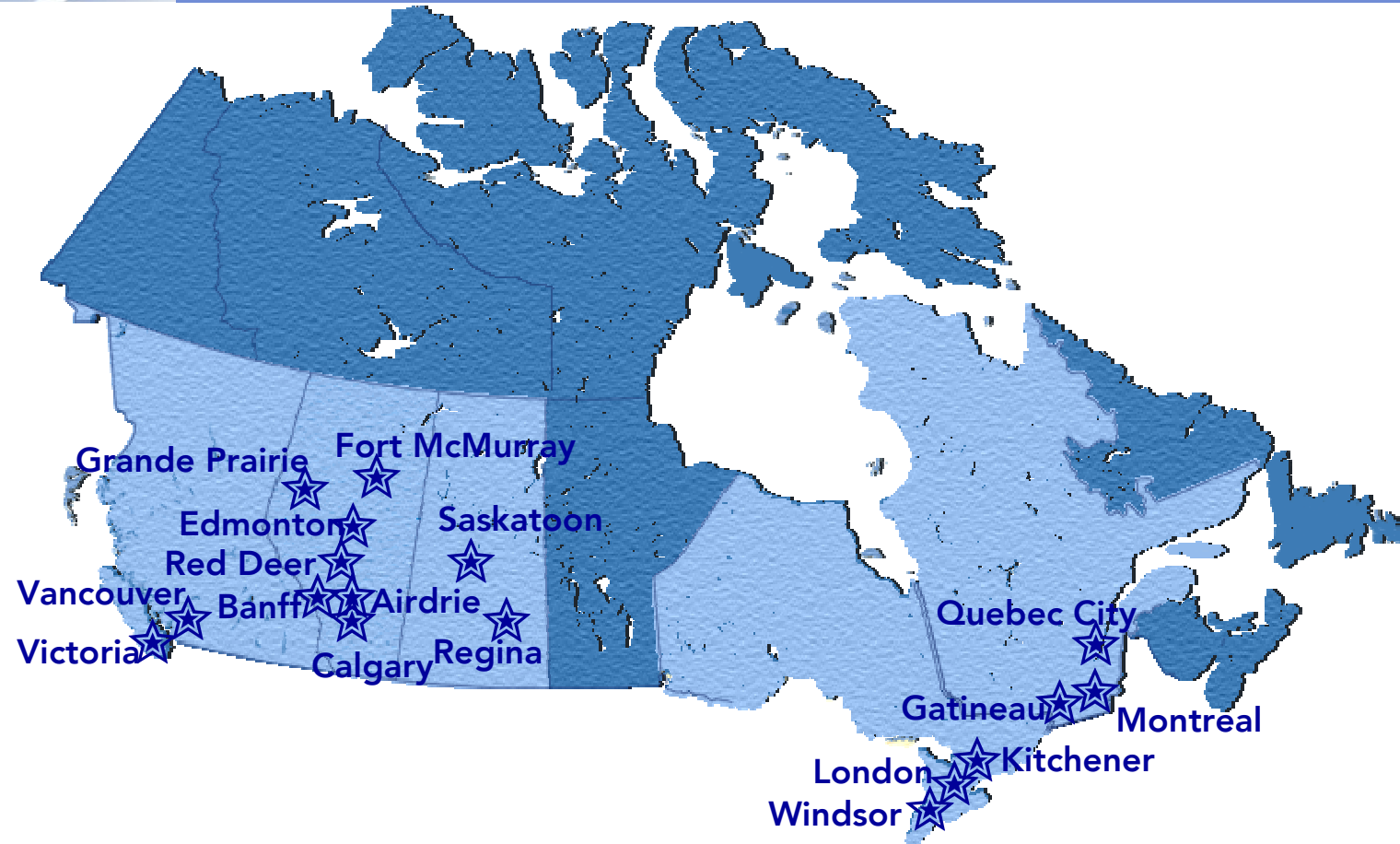


Province	Number of Units	% of Units	Net Rentable Square Footage	% of Square Footage	Average Unit Size
Alberta	17,392	51%	14,682,795	51%	344
British Columbia	967*	3%	700,211	2%	304
Saskatchewan	4,660	14%	3,855,658	14%	327
Ontario	4,360	13%	3,410,651	12%	782
Quebec	6,661	20%	5,865,580	21%	381
<b>Total</b>	<b>34,040*</b>	<b>100%</b>	<b>28,514,895</b>	<b>100%</b>	<b>340</b>

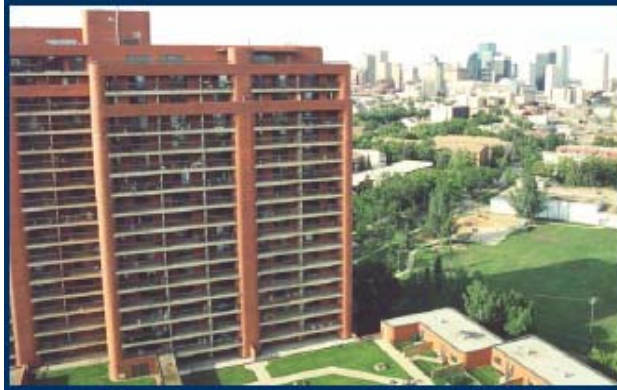
\* 96 apartment units included in this unit count were acquired subsequent to September 30, 2006.



# Portfolio – Geographic Diversity



# Quality Portfolio



Boardwalk Centre, Edmonton



Nuns' Island, Montreal



Brentview Towers, Calgary

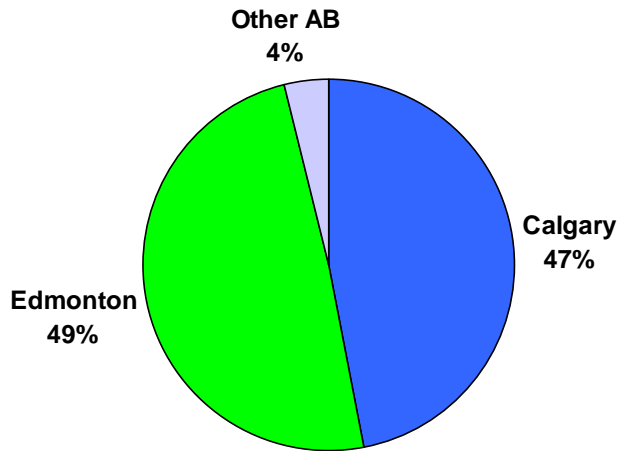


Westheights Place, Kitchener



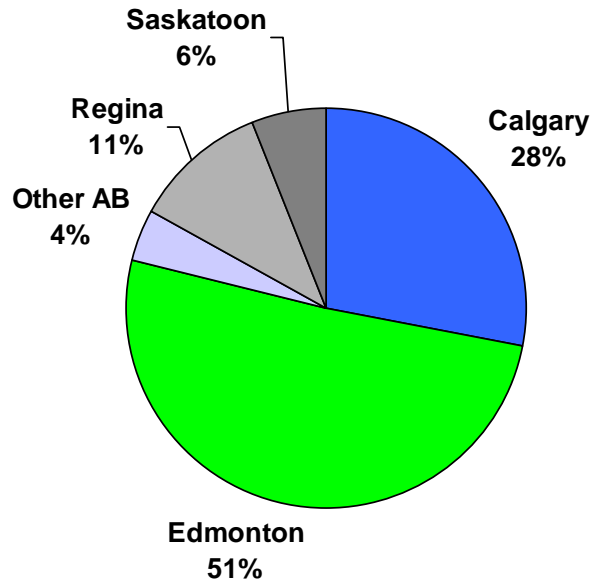
# Portfolio Growth & Diversification

1995



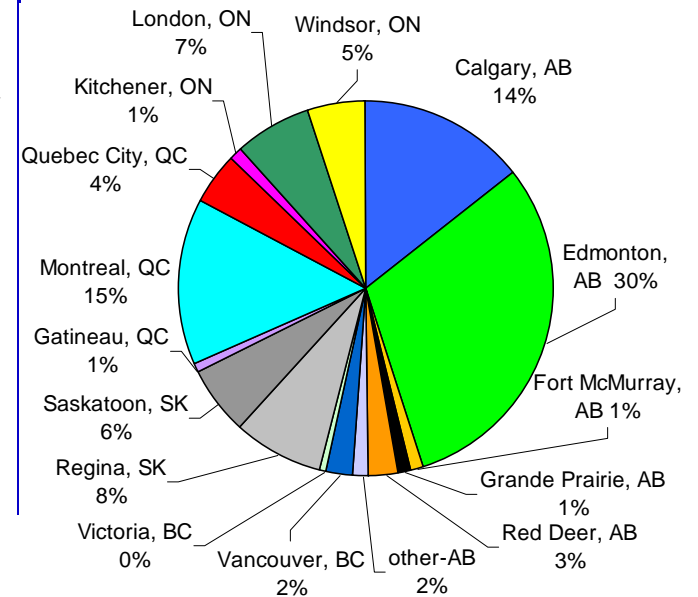
2,700 Units

1998

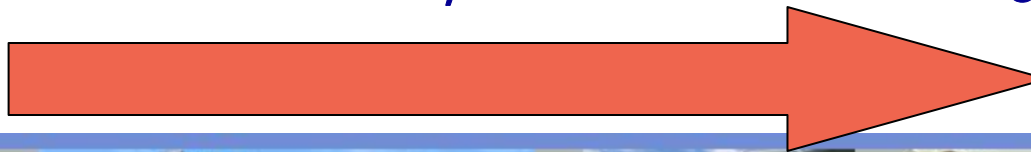


19,500 Units

Q3 2006



34,040 Units



# Multi-Family Sector – Overview

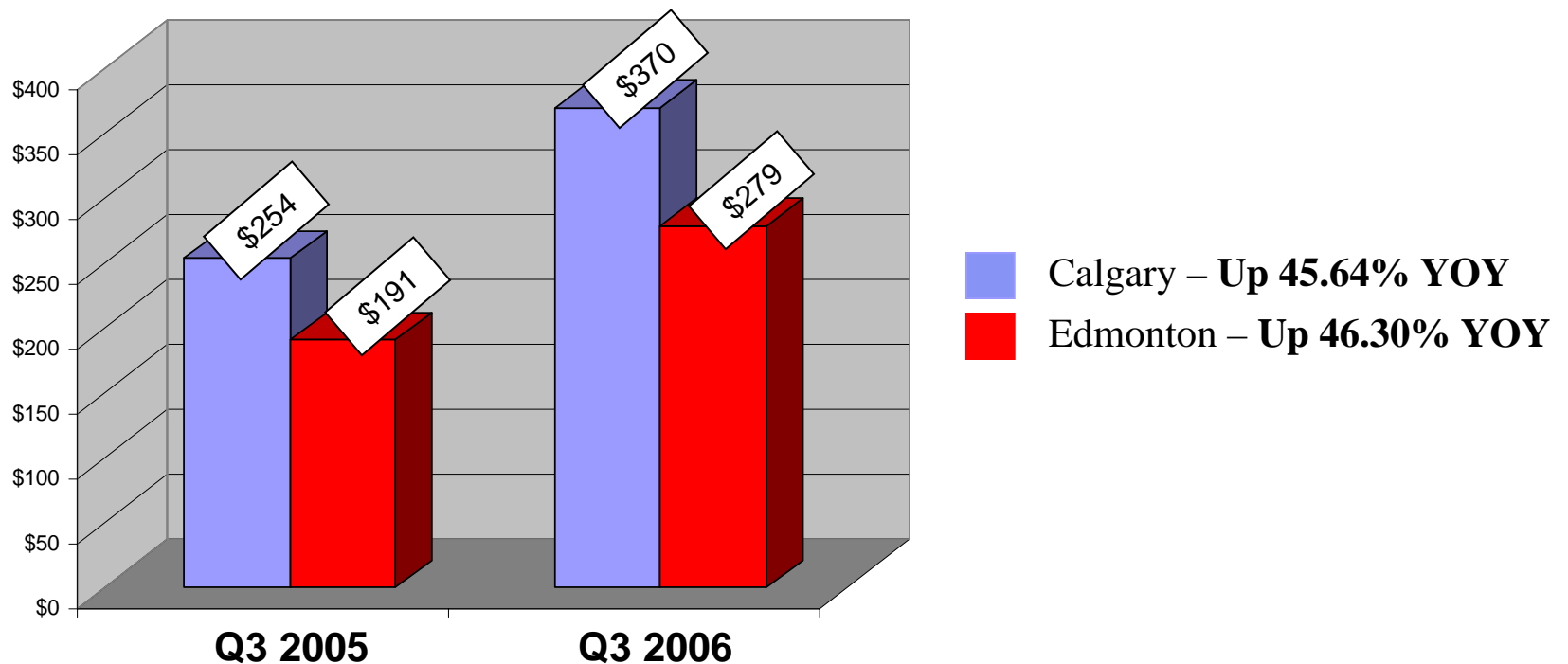
Underlying fundamentals for sector remain healthy:

- Positive demographic trends expected to continue throughout decade – will have positive impact on demand for multi-family rental properties
- New supply of rental product has been minimal for over 15 years and remains limited across the country
- Vacancy rates continue low in most markets across the country
- CMHC forecasting vacancy rates will continue to be stable, with a projection of 2.9% for 2006 versus 2.7% in 2005.
- Housing market continues to experience high inflationary pressure



# Affordability for Homeownership Declining in Alberta

**Average Combined Residential  
Resale Price – Q3 YOY (in 000's)**

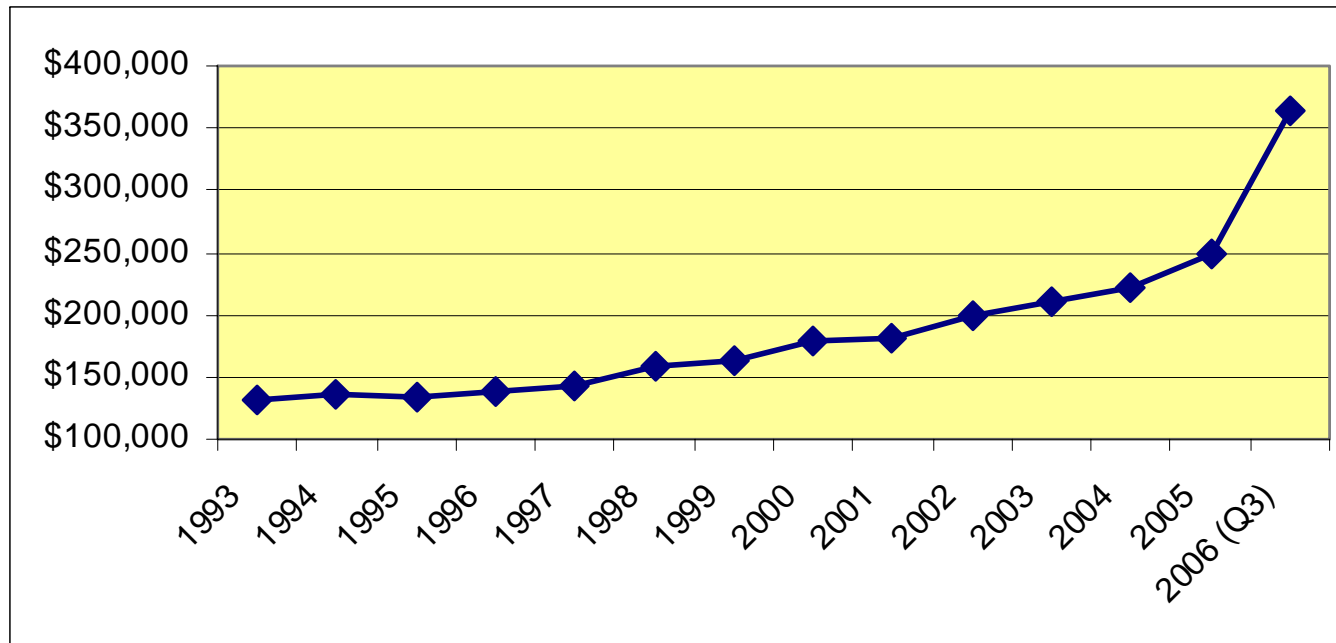


Source: Calgary Real Estate Board, Edmonton Real Estate Board



# Affordability for Homeownership Declining in Alberta

Calgary – Average Home Price YOY Change

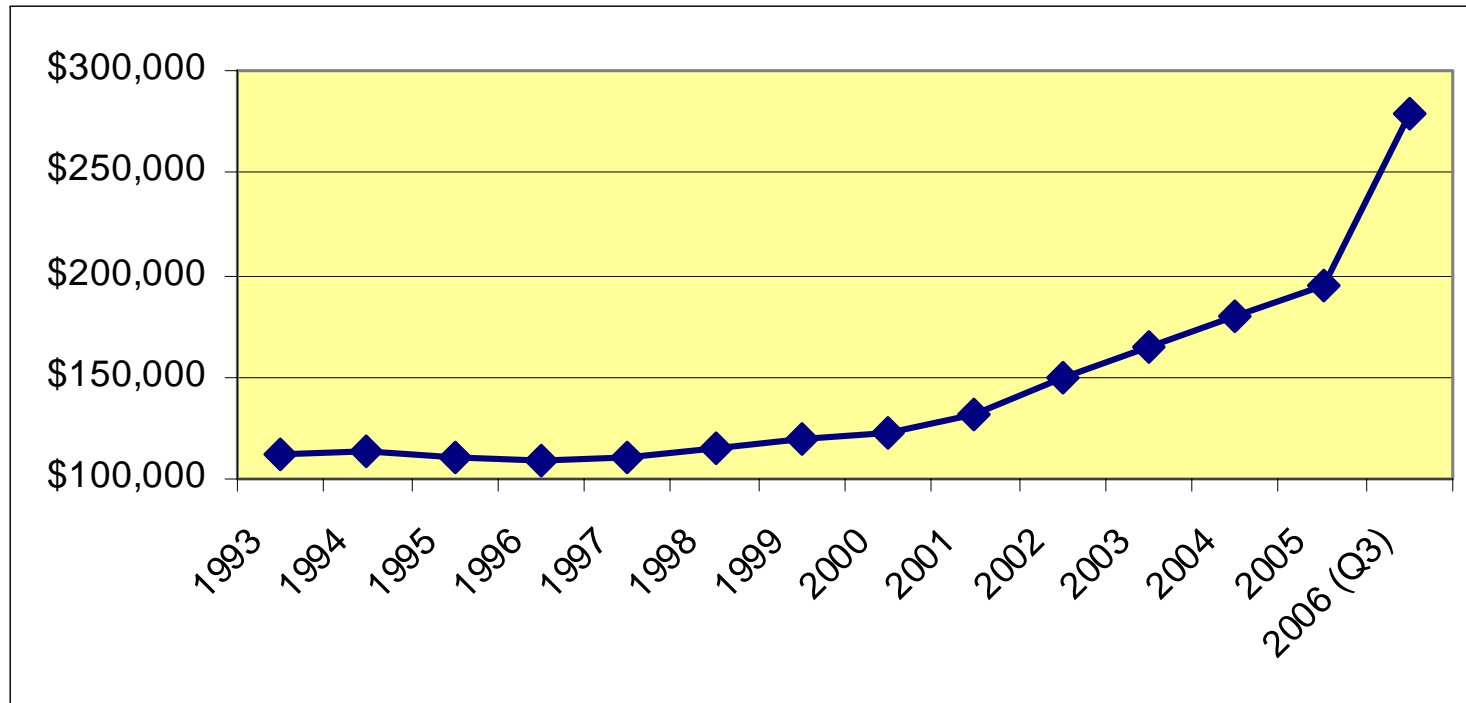


Source: Calgary Real Estate Board



# Affordability for Homeownership Declining in Alberta

Edmonton – Average Home Price YOY Change

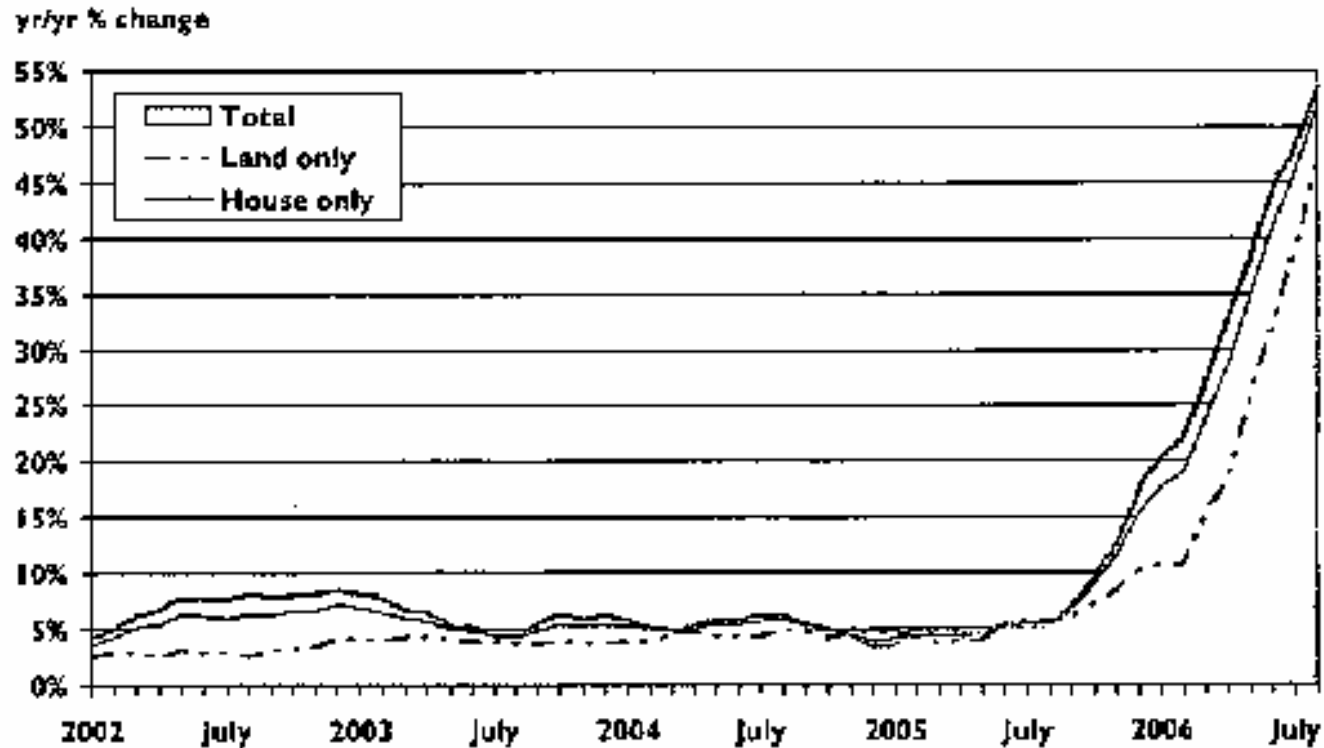


Source: Edmonton Real Estate Board



# Alberta New House Price Index

Leads the country in growth with recent 54% yr/yr gain



Source: Statistics Canada and CMHC



# Provincial Economic Forecasts

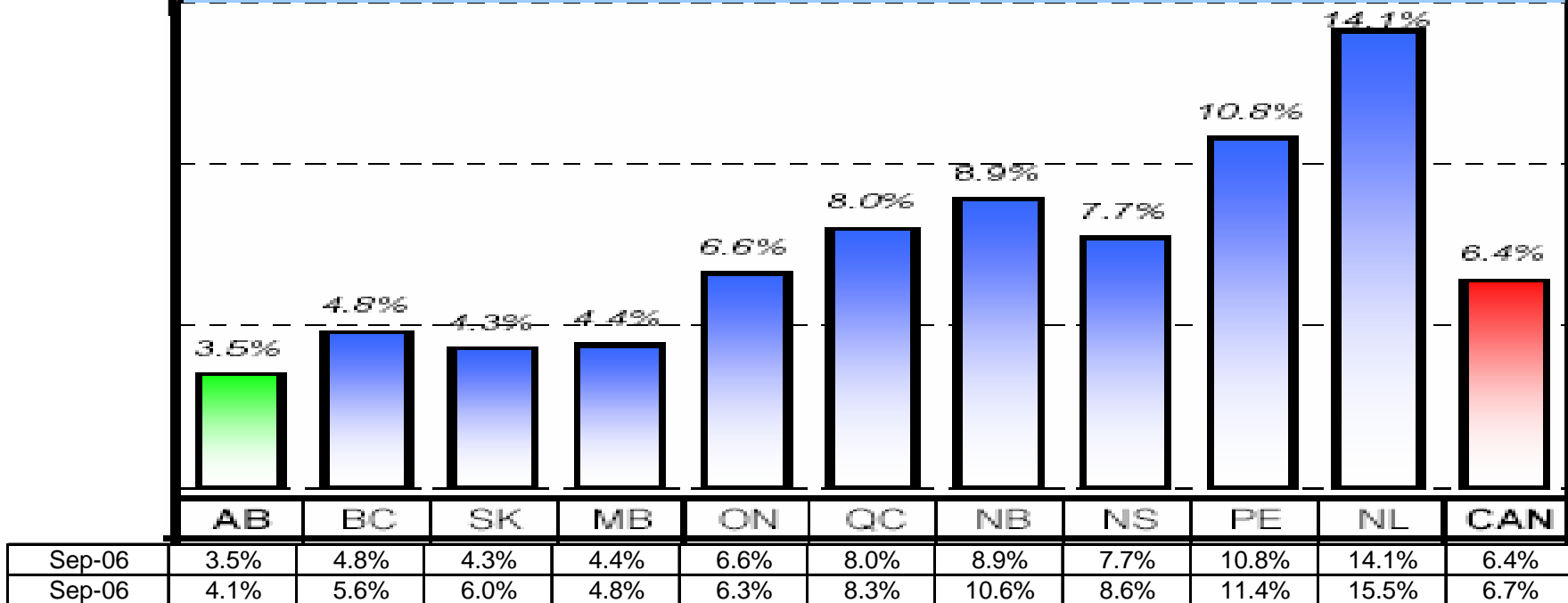
	Real GDP			Employment			Unemployment		
	(YOY change, %)			(YOY change, %)			(annual average, %)		
	05(A)	06(F)	07(F)	05(A)	06(F)	07(F)	05(A)	06(F)	07(F)
British Columbia	3.5	4.5	3.6	3.3	2.9	2.0	5.9	4.7	4.6
Alberta	4.5	7.5	5.5	1.5	4.3	2.7	3.9	3.6	3.6
Saskatchewan	3.2	3.3	3.4	0.8	1.4	1.2	5.1	5.0	4.9
Manitoba	2.7	3.1	2.5	0.6	1.2	0.9	4.8	4.4	4.6
Ontario	2.8	1.4	1.8	1.3	1.4	0.8	6.6	6.3	6.7
Quebec	2.2	2.0	1.8	1.0	1.3	0.7	8.3	8.2	8.5
New Brunswick	0.5	2.5	2.2	0.1	1.3	0.8	9.7	9.0	9.3
Nova Scotia	1.1	2.3	2.3	0.2	-0.3	0.9	8.4	8.3	8.6
Prince Edward Island	2.0	2.0	1.9	1.9	0.7	0.6	10.8	10.9	11.3
Newfoundland & Labrador	0.4	3.9	4.3	-0.1	0.5	1.1	15.2	15.1	15.0
<b>Canada</b>	<b>2.9</b>	<b>2.8</b>	<b>2.5</b>	<b>1.4</b>	<b>1.8</b>	<b>1.1</b>	<b>6.8</b>	<b>6.4</b>	<b>6.6</b>

Source: CIBC World Markets Inc.



# Unemployment Rate

## Unemployment Rate, Canada & Provinces Seasonally Adjusted

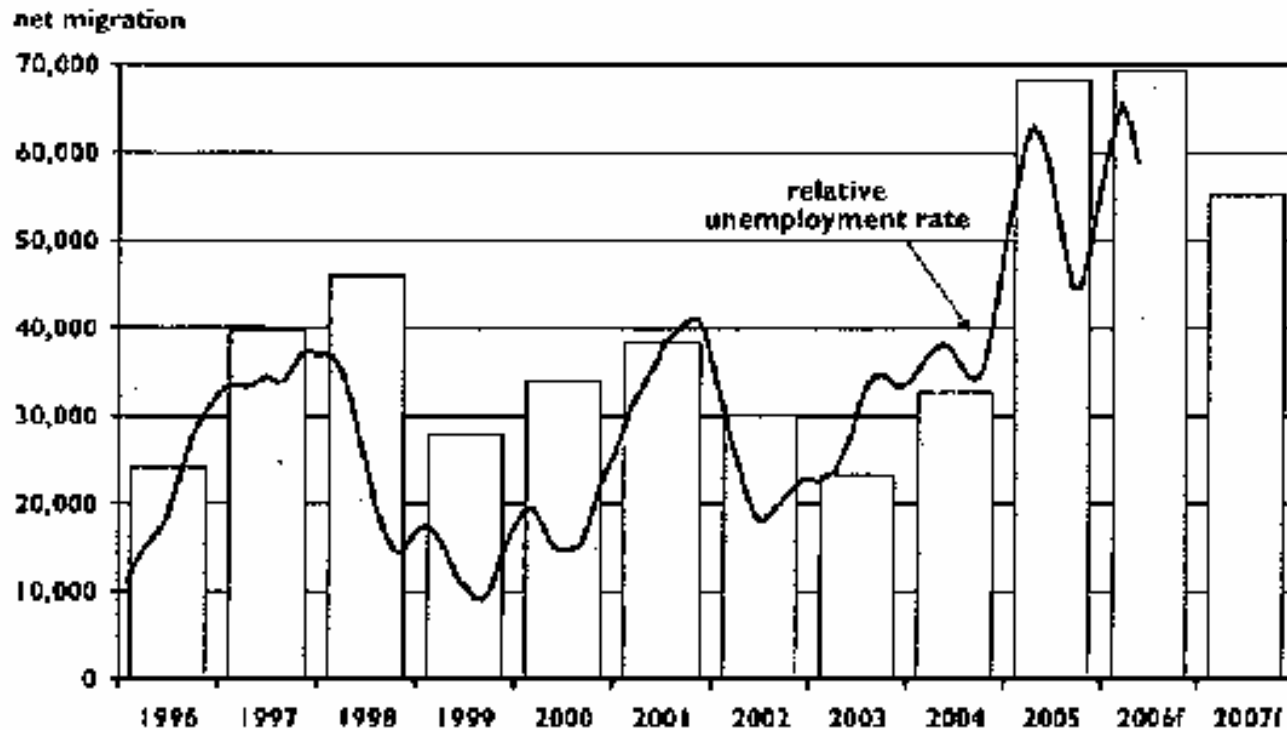


Source: Statistics Canada, Labour Force Survey



# Alberta Total Net Migration

Relative unemployment rate points to high migration in 2006



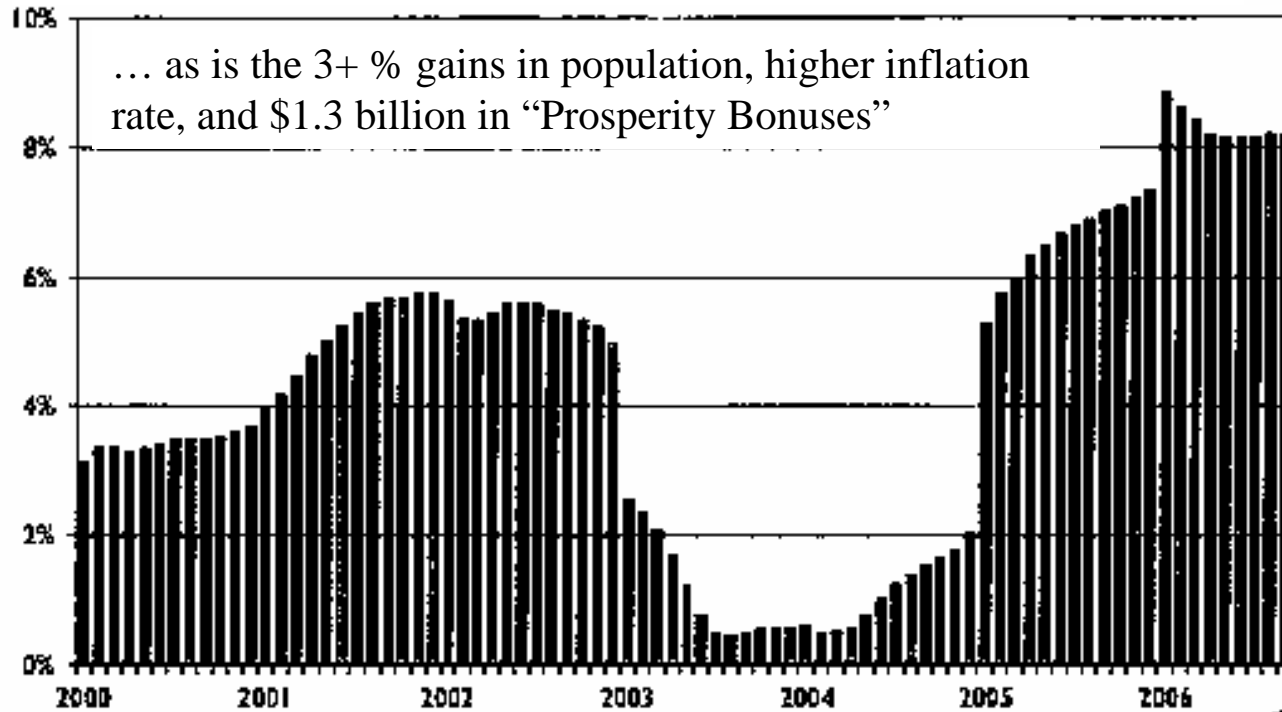
Source: Statistics Canada and CMHC Forecast



# Alberta Average Weekly Earnings Gains

Record earnings growth fuelling gain in consumption...

Alberta YTD yr/yr % change in AWE



Source: Statistics Canada



# Alberta's Powerful Draw

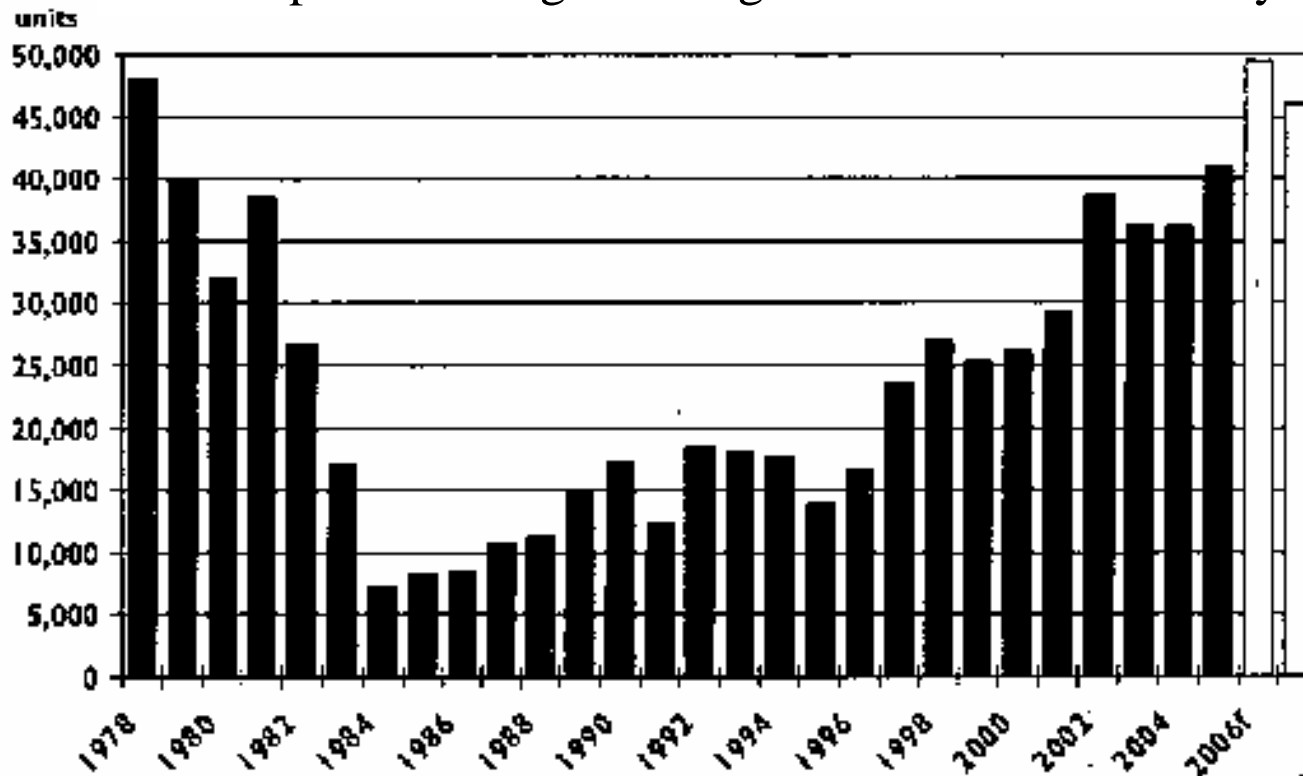
<b>Q4 2005 Provincial Population Change</b>	
British Columbia	0.19%
<b>Alberta</b>	<b>0.76%</b>
Saskatchewan	-0.21%
Manitoba	0.02%
Ontario	0.08%
Quebec	0.09%
Newfoundland / Labrador	-0.23%
Nova Scotia	-0.12%
New Brunswick	-0.08%
Prince Edward Island	-0.09%
Yukon	-0.27%
Northwest Territories / Nunavut	-0.45%

Currently, Calgary's population is growing by 95 people per day.



# Alberta Total Housing Starts

Will surpass the long-standing record from 1978 this year



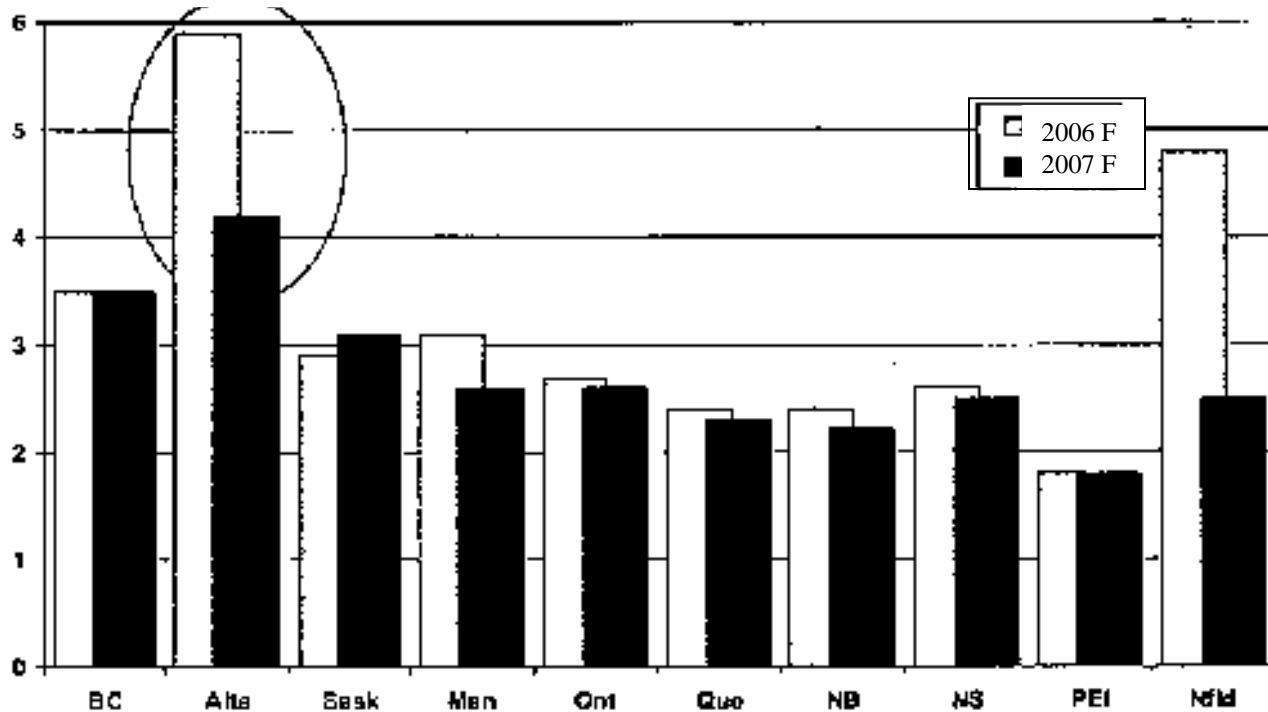
Source: CMHC, CMHC forecasts



# Provincial Economic Growth Forecast

Alberta will lead real GDP growth for fourth consecutive year

Per cent change, real Gross Domestic Product



Source: Statistics Canada, CMHC forecasts



# Multi-Family Sector

## Condo Ownership Costs vs. Renting (2004)

	Apartment Vacancy Rate	Average Rent (\$) for a Two-Bedroom Apartment*	Monthly Mortgage Payment (\$) ** PIT	Difference (\$)	Difference (%)
Calgary	4.3	806	1206	400	49.6
Edmonton	5.3	730	984	254	34.7
Halifax	2.9	747	1507	760	101.8
Hamilton	3.4	789	881	92	11.7
Kitchener	3.5	765	812	47	6.2
Montreal	1.5	594	1080	486	81.9
Ottawa	3.9	940	1958	1018	108.2
Regina	2.7	602	908	306	50.9
Saskatoon	6.3	580	923	343	59.1
Toronto	4.3	1052	1385	333	31.7
Vancouver	1.3	984	2004	1020	103.7
Victoria	0.6	799	1728	929	116.3
Windsor	8.8	776	838	62	7.9
Winnipeg	1.1	664	1244	580	87.3

\* Privately initiated two-bedroom apartments October 2004.

\*\* Based on the average price of new condominium apartments absorbed from January to December 2004

Down payment of five per cent, five year mortgage rate of 5.05 per cent and amortization of 25 years and taxes at one percent of value. Does not include other costs such as maintenance, cap ex, insurance, utilities or management/condo fees. Management estimates that an additional \$300/month on average be added to PIT which represents costs not reflected in the current numbers.



# Internal Growth Potential

## Sensitivity Analysis

Monthly increase in gross rents	\$25	\$50	\$75	\$100	\$125	\$150
Monthly impact on FFO (\$MM)	\$ 0.8	\$ 1.7	\$ 2.5	\$ 3.4	\$ 4.2	\$ 5.1
Annual Impact on FFO(\$MM)	\$ 10.2	\$ 20.4	\$ 30.5	\$ 40.7	\$ 50.9	\$ 61.1
Per Unit	\$ 0.18	\$ 0.37	\$ 0.55	\$ 0.73	\$ 0.92	\$ 1.10



# Loss To Lease Statistics

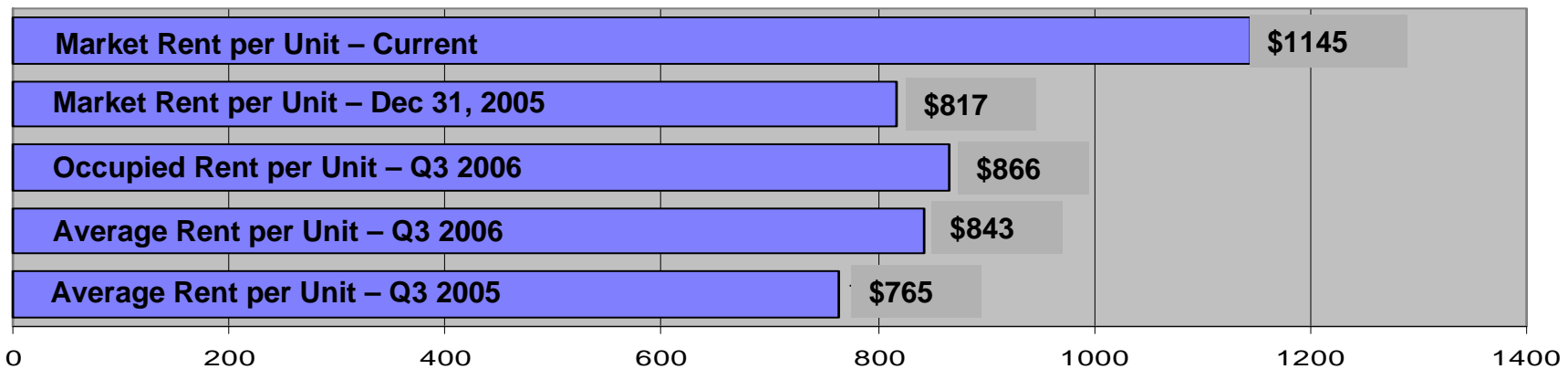
## Sept 2006

	Sept 2006 Occupied Rent	Sept 2006 Market Rent	Mark to Market Per Month	Annualized Mark to Market (\$000's)	Units	% of Portfolio
Calgary	\$ 984	\$ 1,325	\$ 342	\$ 20,514	5,139	15%
Edmonton	\$ 822	\$ 1,049	\$ 227	\$ 28,388	10,649	31%
Other Alberta	\$ 954	\$ 1,199	\$ 245	\$ 4,658	1,604	5%
Alberta Portfolio	\$ 882	\$ 1,145	\$ 262	\$ 53,560	17,392	51%
Saskatchewan	\$ 663	\$ 678	\$ 15	\$ 781	4,660	14%
Ontario	\$ 785	\$ 779	\$ (6)	\$ (242)	4,265	13%
Quebec	\$ 891	\$ 929	\$ 38	\$ 2,370	6,756	20%
British Columbia	\$ 886	\$ 898	\$ 11	\$ 110	871	2%
Total Portfolio	\$ 842	\$ 985	\$ 144	\$ 56,579	33,944	100%



# Alberta Monthly Rental Revenue Statistics

Three Months Ended September 2006



Under existing occupancy, "Loss-to-lease" = approx. \$54 million or \$0.95 per Trust unit.



# Rental Revenue Summary

## Q3 2006 Stabilized Revenue Analysis

Really Hot > 5%	Hot - 2% to 5%	Warm - 0% to 2%	Cold < 0%
Fort McMurray	Gatineau	Quebec City	Montreal
Grande Prairie		Windsor	
Red Deer		London	
Edmonton		Kitchener	
Calgary		Regina	
Saskatoon			

<b>Number of Stabilized Units</b>	18,654	321	8,081	4,345
<b>% of Stabilized Units</b>	59%	1%	26%	14%

*Approximately 60% of the portfolio is in the Hot or Really Hot Category*



# Stabilized Analysis

Three months ended September 2006

City	Revenue	Operating Costs	NOI	% of NOI
Calgary	14.3%	2.6%	19.0%	20%
Edmonton	7.4%	-0.6%	11.4%	34%
Other Alberta	14.3%	-0.1%	21.1%	6%
Saskatchewan	3.0%	9.8%	-1.0%	11%
Ontario	1.7%	10.4%	-6.1%	9%
Quebec	0.2%	9.4%	-4.5%	20%
	6.1%	5.2%	6.6%	100%

Increase mainly in utilities

Increase mainly in utilities due to a \$200,000 sale of surplus gas during Q3 2005. Excluding this Op costs up 5.4%

Increased turnovers and higher operating expenses, particularly R & M



# Stabilized Analysis

Nine months ended September 2006

City	Revenue	Operating Costs	NOI	% of NOI
Calgary	9.0%	-3.3%	15.2%	19%
Edmonton	5.2%	-1.5%	9.2%	34%
Other Alberta	10.7%	-4.6%	19.3%	6%
Saskatchewan	2.3%	4.6%	0.5%	11%
Ontario	1.6%	3.2%	-0.2%	10%
Quebec	0.1%	11.7%	-7.6%	20%
	4.2%	2.5%	5.3%	100%

Increased turnovers and higher operating expenses, particularly R & M

Excluding Alta provincial rebate: 4.7%



# Mortgage & Debt Maturities

Year	Mortgage and Debt Balances as at September 30, 2006	Weighted Average by Maturity
2006	90,037,132	5.01%
2007	253,336,035	5.19%
2008	231,564,470	6.00%
2009	214,907,408	5.64%
2010	252,461,332	4.81%
2011	128,268,605	5.71%
2012	219,103,329	5.10%
2013	56,251,471	5.14%
2014	4,404,232	5.91%
2015	30,570,690	4.68%
2016	21,280,222	5.55%
Subsequent	22,371,074	6.26%
<b>Grand Total</b>	<b>1,524,556,000</b>	<b>5.35%</b>

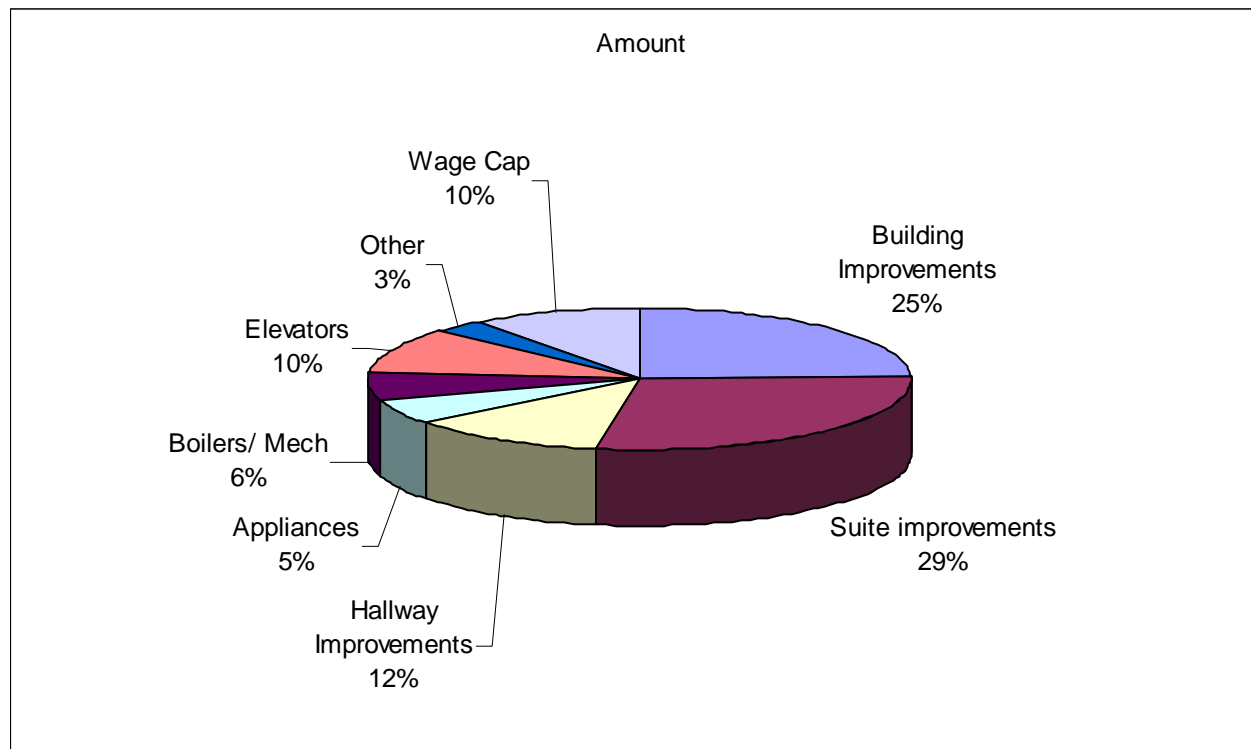
Estimated current renewal rates: 5 years – 4.40%, 10 Years – .4.50

The average maturity of the portfolio is 3.3 years



# Capital Investment

For the 9 months ended September 2006



Total Capital Invested: \$29.6 Million



# Capital Investment

For the 9 months ended September 2006

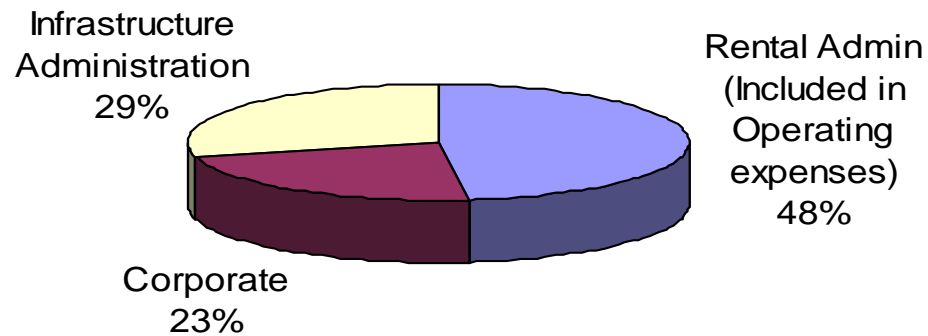
## Capital Investment (in 000's except per suite amounts)

	Sep-06	Per Suite	Dec-05	Per Suite
Repairs and Maintenance - expense	\$12,914	\$384	\$13,812	\$416
On-Site Maintenance Personnel - expense	\$11,529	\$343	\$14,932	\$449
	<u>\$24,443</u>	<u>\$727</u>	<u>\$28,744</u>	<u>\$865</u>
Invested Capital - cost	\$29,623	\$880	\$29,676	\$893
	<u>\$54,066</u>	<u>\$2,142</u>	<u>\$58,420</u>	<u>\$1,758</u>
Infrastructure Administration	\$ 6,419	\$191		
	<u>\$60,485</u>	<u>\$2,333</u>		
<b>Estimated Maintenance Capital Expenditures</b>	<b>\$10,098</b>	<b>\$300</b>	<b>\$13,400</b>	<b>\$400</b>



# Administration review

For the 9 months ended September 2006



Total Administration \$21.5 Million

**Corporate G & A: \$4.9 Million or 2% of Rental Revenue**



# Outlook / Summary

- Well positioned for continued internal growth
  - high portfolio concentration in growth markets
  - Alberta continues to lead country in economic growth
- Increasing portfolio diversification and scope
  - provides lower volatility
  - enhances access to expansion opportunities
- Strong balance sheet and cash flows to capitalize on acquisition opportunities
- Consistent, sustainable and superior long-term growth in FFO per share and value for unitholders



# Why Invest in Boardwalk REIT

- Proven and performance-driven management team with existing internal management systems
  - Management continues to own in excess of 25% of the Trust
- Strongest financial position in Trust's history
  - Strong Liquidity
  - 99% of outstanding debt is NHA insured
    - Very competitive interest rate pricing
    - Virtually eliminates renewal risk
- High-quality, well-maintained portfolio concentrated in some of the best apartment markets in the country
- Strong local market positions in the markets in which we operate



# Boardwalk REIT 2006 Guidance

	<b>Original 2006 Objectives</b>	<b>Revised Q2 06 - 2006 Objectives</b>	<b>Revised Q2 06 - 2006 Objectives</b>	<b>Revised Q3 06 - 2006 Objectives</b>
<b>FFO Rental Operations</b>	\$1.37 to \$1.46	\$1.39 to \$1.48	\$1.42 to \$1.52	\$1.55 to \$1.62
<b>Distributable Income</b>	\$1.41 to \$1.51	\$1.43 to \$1.53	\$1.48 to \$1.55	\$1.57 to \$1.64
<b>New Unit Acquisitions</b>	1,000 to 2,000	1,000 to 2,000	1,000 to 2,000	1,000
<b>Stabilized Buildings NOI Growth</b>	0.00%	2.00%	3.00%	5.00%



# Boardwalk REIT 2007 Guidance

FFO - Rental Operations		\$1.85 to \$2.00	
Distributable Income		\$1.87 to \$2.02	
Apartment Unit Acquisitions		1,000 to 2,000	
Alberta Gas Rebate		\$0.03	
Distribution	Annual -	\$1.48	Monthly \$0.123
	Current -	\$1.26	
	Increase -	17%	



# Questions and Answers

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Certain statements in this presentation may be considered forward-looking statements within the meaning of existing securities laws. Although Boardwalk believes that the expectations set forth in such statements are based on reasonable assumptions, Boardwalk's future operations and its actual performance may differ materially from those in any forward – looking statements. Additional information that could cause actual results to differ materially from these statements are detailed in the earnings press release and in other publicly filed documents, including Boardwalk's annual report, Annual Information Form and quarterly reports.





# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Appendix



# Quarterly Incentives and Vacancy Loss (in 000's except per unit)

	<b>Vacancy Loss</b>	<b>Incentives</b>	<b>Total</b>	<b>Per Unit</b>
Q2 2005	\$3,164	\$1,471	\$4,634	\$0.09
Q3 2005	\$2,721	\$1,171	\$3,892	\$0.07
Q4 2005	\$2,396	\$915	\$3,311	\$0.06
Q1 2006	\$2,668	\$613	\$3,282	\$0.06
Q2 2006	\$2,685	\$512	\$3,197	\$0.06
Q3 2006	\$2,683	\$358	\$3,041	\$0.06

Further upside from concession and vacancy loss recovery of approx. \$3.5M or \$.06 per unit annualized (assuming a base level of 3% occupancy and no further incentives)



# Government of Canada's Income Trust Announcement (Oct 31, 2006)

**Boardwalk believes that it meets the criteria required to be exempt from the Income Trust taxation, as outlined by the Government of Canada.**

- At no time in the year hold any non-portfolio property other than real properties situated in Canada;
- Have as not less than 95% of its income for the year income from properties
- Have as not less than 75% of its income for the year income that is directly or indirectly attributable to rents from, mortgages on, or gains from the disposition of, real properties situated in Canada; and
- Hold throughout the year real properties situated in Canada, cash, and debt or other obligations of Governments in Canada (including Crown corporations, etc.) with a total fair market value that is not less than 75% of its equity value.



# Acquisition/Disposition Activity 2005

## Acquisitions

Building Name	Date Acquired	City	Units	Purchase Price	Price/ Unit	Going in Cap Rate	Avg. Sq. Ft.	Price/ Sq.Ft.
<b>Q1 2005</b>								
Varsity Place Apartments	2/1/2005	Calgary, AB	70	\$ 5,250,000	\$75,000	6.86%	673	\$ 111.4
Portfolio purchase:								
Sarcee Trail Place	2/1/2005	Calgary, AB	376					
Horizon Towers	2/1/2005	Burnaby/Vancouver, BC	206					
Surrey Village	2/1/2005	Surrey/Vancouver, BC	266					
			848	\$ 83,052,000	\$97,939	6.39%	710	\$ 137.9
Christie Point Apartments	2/16/2005	Victoria, BC	161	\$ 16,750,000	\$104,037	6.39%	965	\$ 107.8
Neveu Portfolio:								
Place Chamonix	3/10/2005	Charlesbourg/Quebec City, QC	200					
Place Sully	3/10/2005	Charlesbourg/Quebec City, QC	46					
			246	\$ 10,175,000	\$41,362	9.38%	961	\$ 43.0
<b>Total</b>			1325	\$ 115,227,000	\$86,964	6.68%	786	\$ 110.7

\*\* purchase price includes 40,137 sq ft. from Surrey Village commercial space.

After deducting value of commercial space, this equates to \$93,270 per residential rental unit and 131.3 per sq/ft.

## Dispositions

Building Name	Date Sold	City	Units	Total Proceeds	Price/ Unit	Cap Rate	Avg. Sq. Ft.	Price/ Sq. Ft.
Village Acres	6/30/2005	Edmonton	186	\$ 9,533,000	\$ 51,253	5.78%	841	\$ 60.9
Centre 15	12/20/2005	Calgary	78,000 sq ft	\$ 10,500,000		8.45%		\$ 134.6



# Portfolio Expansion – Alberta and British Columbia Portfolio

## AB and B.C. Portfolio

Units: 848

Date Acquired:

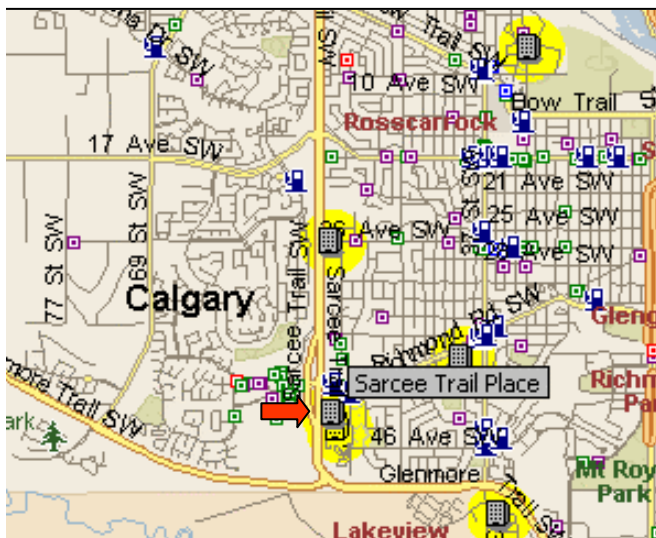
Feb. 1, 2005

Purchase Price:  
\$83.1MM

Going in Cap  
Rate: 6.39%

Per rental unit:  
\$93,300

Per sq. ft.: \$131.3  
(ava. 710 sq. ft.)



# Portfolio Expansion – Recent Acquisition Highlights

## Christie Point

2861 – 3037 Craigowan Road,  
Victoria, BC

Units: 161

Date acquired: Feb. 16, 2005

Purchase Price: \$16.8MM

Going in Cap

Rate: 6.39%

Per rental unit:

\$104,000

Per sq. ft.: \$107.8 (avg. 965 sq. ft.)



# REIT Benchmarking

## North American Residential REITs

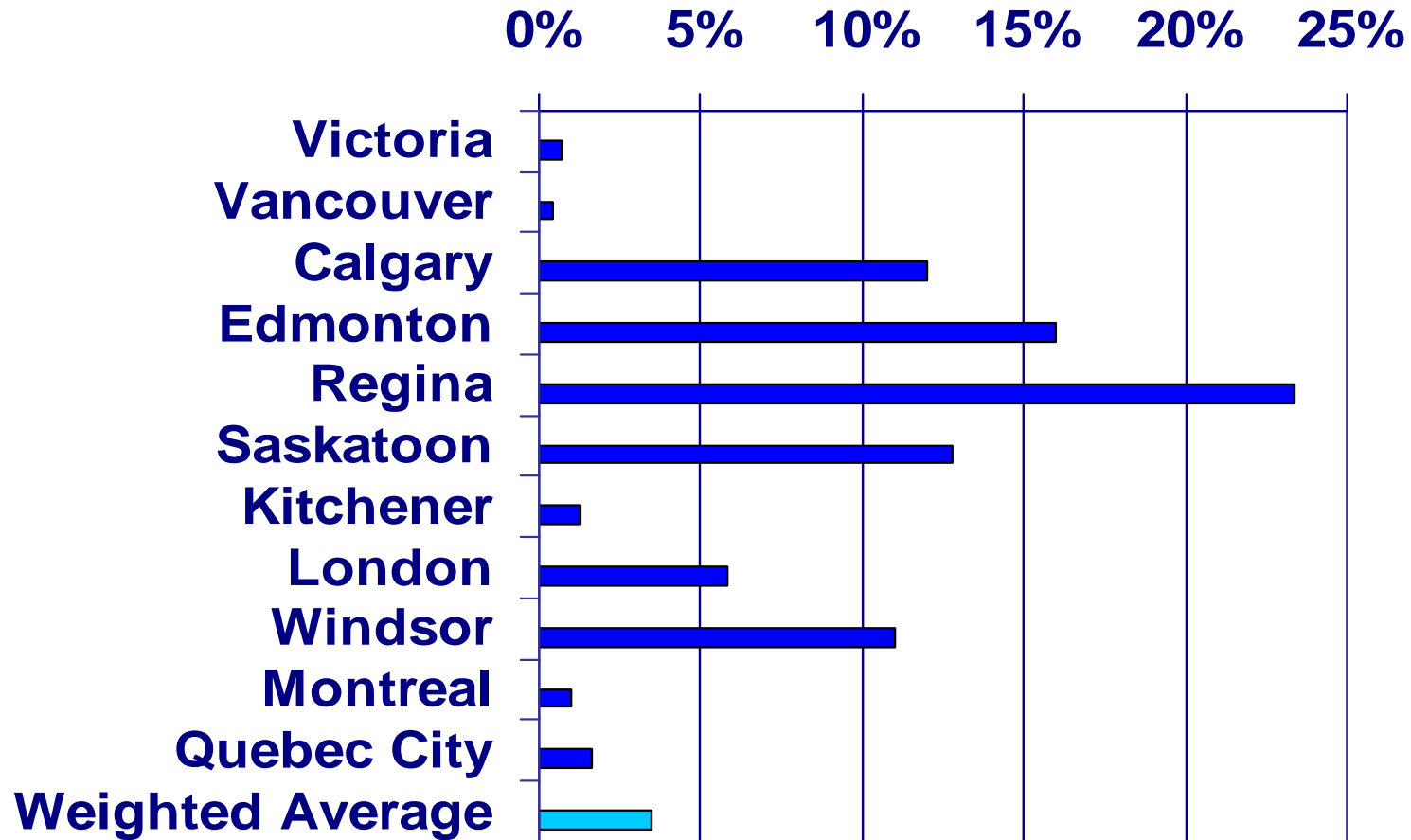
Ticker	Company	Price	Market Cap (\$ MM)	Div Yield	P/ FFO Multiple			P/AFFO Multiple			2006E Payout Ratios	
					2005E	2006E	2007E	2005E	2006E	2007E	FFO	AFFO
BEI.un	Boardwalk REIT	\$22.50	\$1,198	5.6%	16.0x	15.4x	14.5x	18.1x	17.6x	16.4x	86%	98%
AIV	Apartment Invest. & Mgmt Co.	\$43.30	\$4,145	5.5%	17.5x	14.0x	13.0x	21.0x	18.8x	18.5x	77%	104%
ASN	Archstone-Smith Trust	\$46.68	\$9,915	3.7%	22.2x	19.9x	18.0x	23.1x	21.3x	19.8x	74%	79%
AEC	Associated Estates Realty Corp.	\$10.65	\$191	6.4%	13.5x	10.3x	NA	16.9x	88%	NA	66%	101%
AVB	AvalonBay Communities Inc.	\$102.11	\$7,522	3.1%	27.1x	23.1x	21.4x	27.2x	25.0x	22.7x	71%	76%
BRE	BRE Properties, Inc.	\$53.32	\$2,736	3.8%	24.8x	22.7x	21.0x	28.4x	26.0x	24.6x	87%	100%
CAR.un	CAP REIT	\$16.32	\$913	6.6%	13.8x	13.7x	13.3x	16.5x	16.0x	15.5x	91%	106%
CPT	Camden Property Trust	\$65.90	\$3,436	3.9%	19.0x	17.6x	16.4x	23.3x	22.0x	20.4x	68%	85%
EQR	Equity Residential	\$45.00	\$13,029	3.9%	17.9x	17.7x	16.4x	23.0x	22.1x	22.1x	70%	87%
ESS	Essex Property Trust, Inc.	\$99.95	\$2,285	3.2%	22.3x	20.2x	18.8x	23.7x	22.7x	21.9x	66%	74%
HME	Home Properties, Inc.	\$49.10	\$1,562	5.2%	17.3x	16.5x	15.8x	20.9x	20.0x	19.1x	86%	104%
MAA	Mid-America Apart.Comm., Inc.	\$53.78	\$1,186	4.4%	16.8x	15.2x	NA	20.5x	18.7x	NA	67%	83%
NPR.un	Northern Property REIT	\$19.50	\$313	6.7%	12.7x	12.3x	11.9x	14.0x	13.4x	13.0x	83%	91%
PPS	Post Properties, Inc.	\$44.10	\$1,824	4.1%	22.6x	21.0x	21.8x	26.6x	24.4x	NA	86%	99%
TCT	Town and Country Trust	\$40.63	\$717	4.2%	23.0x	21.3x	19.6x	30.3x	27.6x	NA	90%	117%
UDR	United Dominion Realty Trust	\$26.20	\$3,511	4.6%	16.3x	14.8x	13.9x	19.1x	17.9x	17.5x	68%	82%
<b>Apartment Sector Average (16 Companies)</b>			<b>\$3,405</b>	<b>4.7%</b>	<b>18.9x</b>	<b>17.2x</b>	<b>16.8x</b>	<b>22.0x</b>	<b>19.7x</b>	<b>19.3x</b>	<b>77%</b>	<b>93%</b>

Source: All estimates: SNL Financial LLC (except BEI.un, CAR.un and NPR.un which are RBC CM's estimates). All amounts in \$US, except Boardwalk, CAP REIT and Northern Property REIT



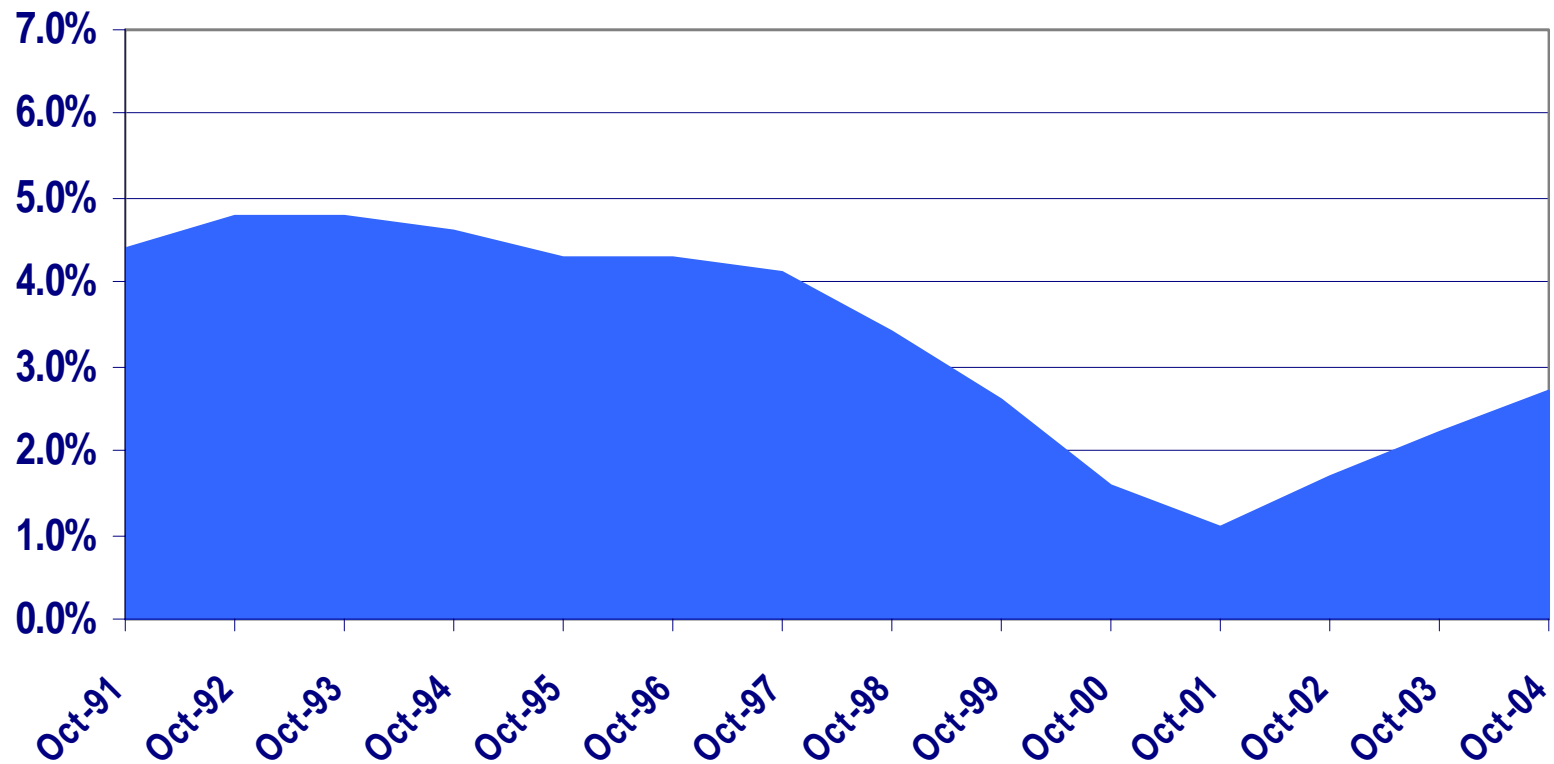
# Boardwalk's Market Share

## Major Markets



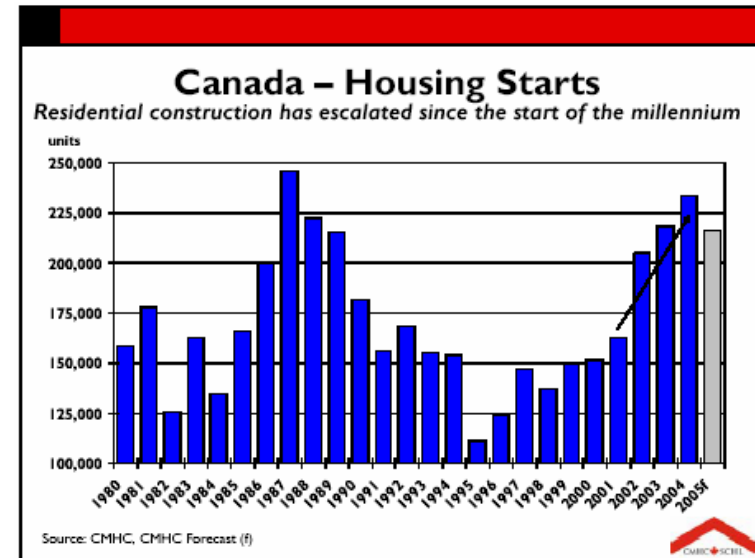
# Multi-Family Sector - Overview

## Apartment Vacancy Rate - Canada



# Multi-Family Supply and Demand

CMA	Multiple Starts (units)				% change		
	2003	2004	2005	2006	2004	2005	2006
Victoria	1,039	1,325	1,380	1,150	27.5%	10.2%	-10.6%
Vancouver	10,244	13,816	14,600	13,800	34.9%	5.7%	-4.1%
Edmonton	5,989	4,874	4,200	4,000	-18.6%	-13.8%	-4.8%
Calgary	5,116	5,775	5,000	4,650	12.9%	-10.0%	-3.8%
Saskatoon	999	825	850	600	-17.4%	3.0%	-29.4%
Regina	368	637	650	600	73.1%	2.0%	-7.7%
Windsor	605	748	655	745	23.6%	-30.5%	-6.7%
London	1,134	742	1,351	620	-34.6%	67.1%	-41.1%
Kitchener	1,292	1,538	1,420	1,350	19.0%	23.5%	-1.6%
Ottawa	3,326	3,998	3,400	3,300	20.2%	-31.2%	-9.1%
Gatineau	1,294	1,666	1,050	900	28.7%	-40.0%	10.0%
Montreal	13,961	18,095	15,500	13,600	29.6%	-14.3%	-18.1%
Quebec	2,925	3,482	2,700	2,200	19.0%	-9.5%	-23.8%
All CMA's	81,568	88,649	82,491	75,830	8.7%	-6.9%	-8.1%

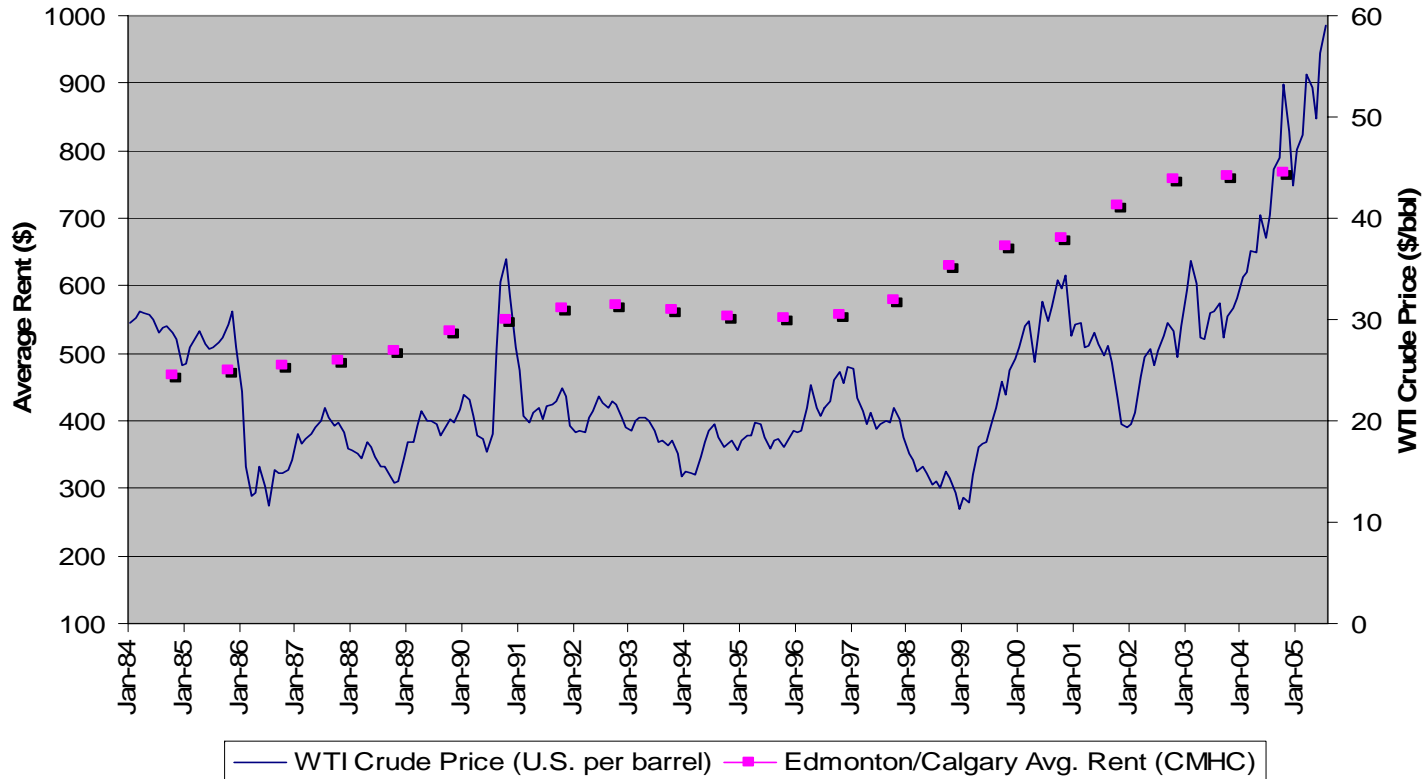


Sources: CMHC, Canadian Real Estate Association,  
Local R/E boards, Statistics Canada, CMHC Forecast 2005-2006



# Rents vs. Oil Prices

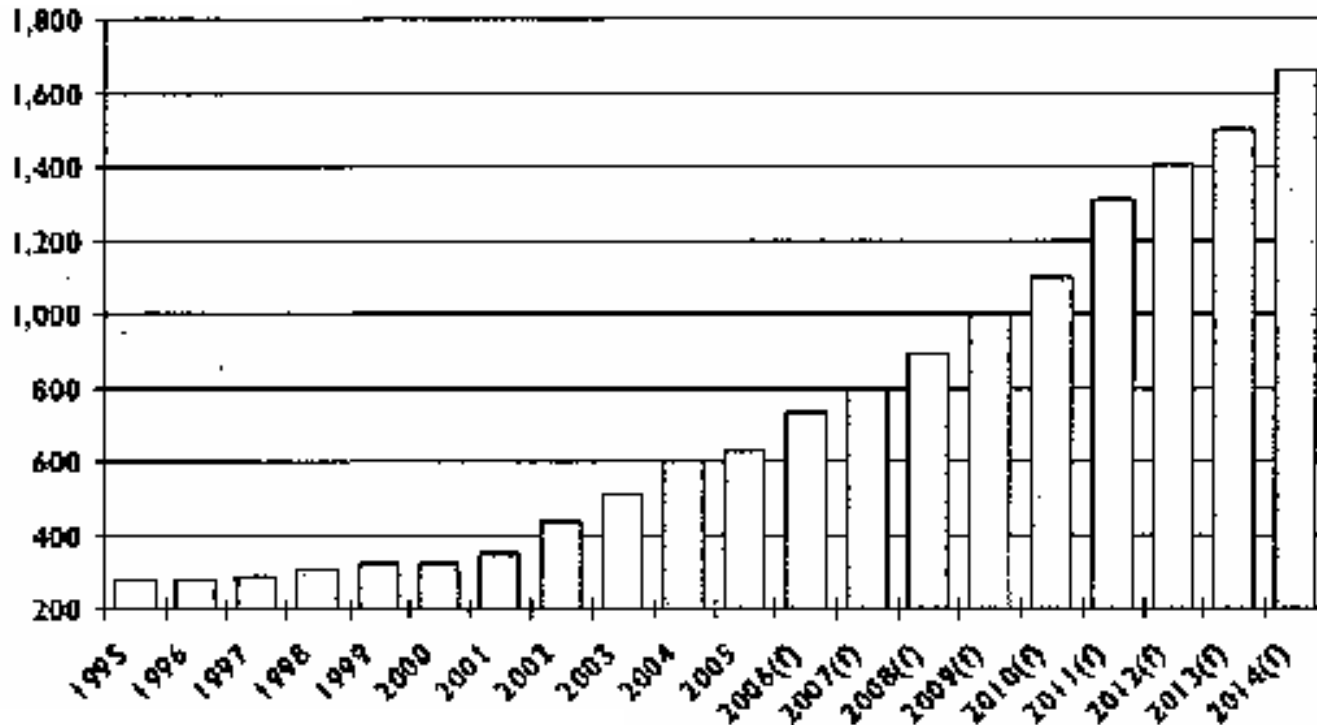
WTI Crude Price and Edmonton/Calgary Avg. Rents



# Alberta Synthetic Crude Oil Production

High level of investment is required to boost production levels

(000's) Barrels per day



Source: AEUB, CMHC Calculation

