



## NEWS RELEASE FOR IMMEDIATE DISTRIBUTION

Boardwalk REIT Announces Solid Second Quarter Financial Results: FFO per unit up 9.3% for the three month period ended June 30, 2015. Boardwalk revises its 2015 financial guidance and confirms its regular monthly per unit distribution for the months of August, September, and October of 2015 of \$2.04 on an annualized basis.

### **CALGARY, August 13, 2015 - Boardwalk Real Estate Investment Trust ("BEI.UN" - TSX)**

Boardwalk Real Estate Investment Trust ("Boardwalk", "Boardwalk REIT" or the "Trust") today announced solid financial results for the second quarter of 2015.

Funds From Operations (FFO) for the second quarter totaled \$48.9 million, or \$0.94 per Trust Unit on a diluted basis, compared to FFO of \$45.3 million or \$0.86 per Trust Unit for the same period last year, an increase of 7.8% and 9.3% respectively.

For the six month period ended June 30, 2015, Funds from Operation totaled \$93.0 million, or \$1.79 per Trust Unit on a diluted basis, an increase of approximately 9.0% and 9.8%, respectively, versus the same period in 2014.

Adjusted Funds from Operations (AFFO) per Trust Unit increased 8.9% to \$0.86 for the current quarter versus \$0.79 for the same three-month period in 2014, and \$1.62 per Trust Unit for the six month period ended June 30, 2015, an increase of 10.2% from the period a year ago.

The increase in reported FFO was attributed to organic revenue growth driven primarily by higher market and in-place rents coupled with stable occupancy levels in Alberta and Ontario, resulting in a 2.4% increase in total rental revenue for the second quarter and a 2.7% increase for the first six months of 2015 versus the same periods in 2014. The increase was tempered by higher vacancy in the Trust's Fort McMurray and Saskatchewan markets in the first six months of 2015. Net Operating Income increased 3.1% and 4.5% for the three and six month periods ended June 30, 2015 driven by higher rental revenue and in part, lower utilities expense relative to the same period a year ago. The low interest rate environment continues to benefit the Trust as lower overall financing costs in the renewal of its existing CMHC Insured Mortgages continues to reduce the Trust's interest expense.

FFO and AFFO are widely accepted supplemental measures of the performance of a Canadian Real Estate entity; however, they are not measures defined by International Financial Reporting Standards (IFRS). The reconciliation of FFO and other financial performance measures can be found in the Management Discussion and Analysis (MD&A) for the second quarter ended June 30, 2015, under the section titled, "Performance Measures".



\$ millions, except per unit amounts

Highlights of the Trust's Second Quarter 2014 Financial Results						
	Three Months Jun 2015	Three Months Jun 2014	% Change	Six Months Jun 2015	Six Months Jun 2014	% Change
Total Rental Revenue	\$ 120.7	\$ 118.0	2.4%	\$ 240.8	\$ 234.5	2.7%
Net Operating Income (NOI)	\$ 76.8	\$ 74.5	3.1%	\$ 148.9	\$ 142.6	4.5%
Profit from Continuing Operations	\$ 34.6	\$ 85.3	-59.5%	\$ 106.0	\$ 194.7	-45.6%
Funds From Operations (FFO)	\$ 48.9	\$ 45.3	7.8%	\$ 93.0	\$ 85.3	9.0%
Adjusted Funds From Operations (AFFO)	\$ 44.5	\$ 41.2	8.2%	\$ 84.4	\$ 77.0	9.6%
FFO Per Unit	\$ 0.94	\$ 0.86	9.3%	\$ 1.79	\$ 1.63	9.8%
AFFO Per Unit	\$ 0.86	\$ 0.79	8.9%	\$ 1.62	\$ 1.47	10.2%
Distributions Declared (Trust Units & LP B Units)	\$ 26.5	\$ 26.7	-0.7%	\$ 53.1	\$ 53.2	-0.3%
Distributions Declared Per Unit (Trust Units & LP B Units) (2015 - \$2.04 Per Unit - 2014 - \$2.04 per Unit on an annualized basis)	\$ 0.510	\$ 0.510	0.0%	\$ 1.020	\$ 1.015	0.5%
Excess of AFFO over Distributions Per Unit	\$ 0.350	\$ 0.280	25.0%	\$ 0.600	\$ 0.455	31.9%
Regular Payout as a % FFO	54.3%	58.9%		57.0%	62.3%	
Regular Payout as a % AFFO	59.6%	64.9%		62.9%	69.1%	
Excess of AFFO as a % of AFFO	40.4%	35.1%		37.1%	30.9%	
Interest Coverage Ratio (Rolling 4 quarters)	3.55	3.25		3.55	3.25	
Operating Margin	63.6%	63.2%		61.8%	60.8%	

The Fair Value under IFRS for the Trust's portfolio increased relative to the end of 2014, mainly a result of increases in market rents and a decrease in cap rates in the Trust's Ontario and Quebec City markets, though tempered by a decrease to cash per Trust Unit. Below is a summary of the Trust's per unit Net Asset Value with further discussion located in the 2015 Second Quarter MD&A.

Highlights of the Trust's Fair Value of Investment Properties		
	6/30/2015	12/31/2014
IFRS Asset Value Per Diluted Unit (Trust & LP B)	\$ 111.80	\$ 111.13
Debt Outstanding per Diluted Unit	\$ (43.67)	\$ (43.15)
Net Asset Value (NAV) Per Diluted Unit (Trust & LP B)	\$ 68.13	\$ 67.98
Cash Per Diluted Unit (Trust & LP B)	\$ 1.66	\$ 2.68
<b>Total Per Diluted Unit (Trust &amp; LP B)</b>	<b>\$ 69.79</b>	<b>\$ 70.66</b>

Same-Property Weighted Average Capitalization Rate: 5.44% at Jun 30, 2015 and 5.46% at Dec 31, 2014. Computation excludes Assets Classified as Held for Sale.

For further detail, please refer to page 33 of the MD&A.

Boardwalk's strategy of managing revenue while lowering turnover and other operating costs remains key to optimizing Net Operating Income (NOI). One component of Boardwalk's NOI Strategy is its rental revenue strategy, which involves the continuous active management of three key variables: occupancy levels, market rents, and suite-specific incentives. This strategy has allowed the Trust to report an increase in both average and occupied rents versus the same period a year ago while also maintaining high occupancy levels. Average monthly rents increased to \$1,150 in June of 2015 from \$1,135 in June of 2014, and average occupied rents for the period also increased to \$1,183 versus \$1,153 for the same period last year. Average market rents have increased to \$1,193, up from \$1,183 in June of 2014, however was lower than the beginning of the year as market rents have decreased in Fort McMurray and other select areas where market vacancy levels have increased. In the second quarter of 2015, overall occupancy for Boardwalk's portfolio was 97.44%, a slight decrease compared to the previous quarter, and lower than the same period last year driven primarily by an increase in vacancy levels in the Fort McMurray and Saskatchewan regions.

On a same-property basis, the Trust's NOI increased 2.8% for the second quarter versus the same period in 2014, driven by a 2.4% increase to revenues, and a 1.6% increase in operating expenses. For the six month period ended June 30, 2015, same property revenue increased 2.8%, while operating costs increased 1.1%, resulting in a same property NOI increase of 3.8%.

In addition to the continued increase in average occupied rents the Trust has been able to achieve to date, there remains a



mark-to-market opportunity for the Trust. Continued focus on product quality and customer service remains key to Boardwalk’s NOI Optimization strategy and further sustainable improvement of financial performance.

The Trust’s self-imposed rent control and rental increase forgiveness program for financially challenged Resident Members, which eliminates or reduces rental increases where appropriate, continues to build goodwill. Historically, by providing sustainable rental increases to our Resident Members, the Trust has experienced lower turnover, reduced operating expenses and higher occupancy levels, all of which have resulted in higher revenues and a positive benefit to all of the Trust’s Stakeholders.

*For further detail, please refer to page 17 of the MD&A.*

<b>Same Property Portfolio Highlights for the Second Quarter of 2015</b>			
	<b>Jun-15</b>	<b>Dec-14</b>	<b>Jun-14</b>
Average Occupancy (Period Average) <sup>1</sup>	97.44%	98.02%	98.54%
Average Monthly Rent (Period Ended) <sup>1</sup>	\$1,150	\$1,144	\$1,135
Average Market Rent (Period Ended) <sup>1</sup>	\$1,193	\$1,202	\$1,183
Average Occupied Rent (Period Ended) <sup>1</sup>	\$1,183	\$1,170	\$1,153
Loss-to-Lease (Period Ended) (\$ millions) <sup>1</sup>	\$4.1	\$12.9	\$12.0
Loss-to-Lease Per Trust Unit (Period Ended) <sup>1</sup>	\$0.08	\$0.25	\$0.23
		<b>% Change Year-Over-Year - 3 Months Jun 2015</b>	<b>% Change Year-Over-Year - 6 Months Jun 2015</b>
<b>Same Property Results</b>			
Rental Revenue		2.4%	2.8%
Operating Costs		1.6%	1.1%
Net Operating Income (NOI)		2.8%	3.8%

<sup>1</sup> Excludes 109-unit Spruce Ridge Gardens Development completed November 2013

On a sequential basis, stabilized revenues for the second quarter of 2015 increased 0.6% when compared to the previous quarter, mainly the result of higher in place rents in the Trust’s Alberta and Saskatchewan markets, however an increase in vacancy in Fort McMurray and Grande Prairie tempered revenue versus the last quarter. The Trust’s core Alberta markets posted positive sequential revenue growth this quarter with continued sequential gains in Calgary and Edmonton. Continued high occupancy, coupled with increasing occupied rents, reflects positively on the Trust’s vertically integrated operating and NOI optimization strategies.

*For further detail, please refer to page 23 of the MD&A.*



Stabilized Revenue Growth	# of Units	Q2 2015 vs Q1 2015 vs Q4 2014 vs Q3 2014 vs Q2 2014			
		Q1 2015	Q4 2014	Q3 2014	Q2 2014
Calgary	5,310	0.9%	0.9%	1.0%	1.4%
Edmonton	12,397	0.7%	0.7%	1.4%	1.7%
Fort McMurray	352	-10.0%	-3.1%	-1.8%	-4.4%
Grande Prairie	645	-0.6%	1.4%	1.8%	1.2%
Red Deer	939	0.8%	1.5%	-0.1%	2.3%
Ontario	4,265	0.4%	0.5%	0.8%	-0.2%
Quebec	6,000	0.2%	-1.0%	0.2%	0.1%
Saskatchewan	4,610	1.5%	-1.7%	0.3%	-0.3%
	34,518	0.6%	0.1%	0.8%	0.9%

### Economic Market Fundamentals

#### Market Fundamentals

Market Fundamentals	Alberta		Saskatchewan		Ontario		Quebec	
	Jun-15	Jun-14	Jun-15	Jun-14	Jun-15	Jun-14	Jun-15	Jun-14
Unemployment Rate	5.7%	4.9%	4.7%	3.9%	6.5%	7.5%	8.0%	8.1%
	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014
Net Interprovincial Migration	6,732	9,581	-914	794	-3,443	-4,654	-2,605	-2,558
Net International Migration	991	9,745	1,414	2,880	13,339	22,332	6,315	10,102
Total Net Migration	7,723	19,326	500	3,674	9,896	17,678	3,710	7,544
	May 2014	May 2013	May 2014	May 2013	May 2014	May 2013	May 2014	May 2013
	to May 2015	to May 2014	to May 2015	to May 2014	to May 2015	to May 2014	to May 2015	to May 2014
Average Weekly Wages Growth	0.2%	3.1%	1.8%	2.9%	1.8%	2.1%	0.4%	2.4%

### Western Canada

#### Alberta:

As a result of lower oil prices, Alberta's forecasted real GDP is expected to decrease from 3.8% in 2014, to 0.5% in 2015. However, CMHC is forecasting improving oil prices in 2016 which is expected to result in an increase to GDP growth of 1.8%. The decline in oil prices has moderated Alberta's economic growth; however CMHC notes that the current economic downturn in the province is not expected to be as severe as the last recession in 2009. CMHC predicts that the decrease in capital investment in the oil and gas industry, will lead to a decrease in employment growth in Alberta from 2.4% in 2014 to 0.3% in 2015, before increasing to 1.1% in 2016.

Alberta had a net migration of 66,784 in 2014, however, the improving economic performance of other provinces coupled with a decline in temporary foreign workers has CMHC projected net migration over the forecasted period at 48,000 in 2015 and 44,500 in 2016.

#### Saskatchewan:

Despite a recent increase in uranium prices, as well as strong agricultural exports, the declining oil price environment has increased the downside risk to economic growth in Saskatchewan. This in addition to the bottoming of other key commodities pricing, such as potash, has CMHC reporting a revised real GDP forecast of 1.4% in 2015 and 1.9% in 2016. This moderating economy is expected to slow employment growth to 0.6% in 2015, before rebounding to 1.4% in 2016,



according to CMHC. However, Saskatchewan continues to have the lowest forecasted provincial unemployment rate in Canada at 4.6% in 2015 and an estimated 4.5% in 2016.

Similar to Alberta, the slowing of the economy in Saskatchewan is expected to decrease net migration. CMHC reports that the province had 11,603 migrants in 2014, and this number is expected to decrease to 10,200 in 2015 and 10,000 in 2016, with the largest gains continuing to come from international migration.

Eastern Canada

Ontario:

Ontario’s GDP growth is expected to exceed the national average at 2.3% in 2015 and 2.4% in 2016. According to CMHC, this growth can be attributed to trade and investment growth, as non-energy exports have gained momentum over the year. These exports are expected to be supported by a low Canadian dollar and improving growth in the US. Stemming from the improving economy, CMHC expects employment growth of 1.3% and 1.7% in 2015 and 2016, respectively. Despite the increase, CMHC notes that the pace of growth is lower than historical averages as a result of businesses relying on capital spending to boost efficiency and productivity.

The combination of the strengthening economy in Ontario and the weakening economy in the western provinces is expected to result in increased net migration to the province. CMHC is forecasting 89,600 and 97,200 migrants in 2015 and 2016, respectively.

Quebec:

Over the forecast period, CMHC expects the Quebec economy to be supported by consumer spending and net exports, as private investment and public expenditure will be limited by the decline of the Canadian dollar. According to CMHC, this is estimated to result in real GDP growth between 1.7% and 2.1% in 2015, and 1.8% and 2.2% in 2016. CMHC expects the growing economy to begin to have an effect on employment towards the end of 2015 and is predicting employment growth within the range of 0.6% and 1.2% in 2015, and 1.0% and 1.4% in 2016.

Similar to Ontario, the employment recovery in Quebec, accompanied by the weakening economy in western provinces, has CMHC expecting net migration increases to the province. CMHC is forecasting 41,000 to 43,000 migrants in 2015 and 44,000 to 46,000 migrants in 2016.

**MLS Housing Prices**

**MLS Housing Prices**

Alberta	Calgary CMA		Edmonton CMA	
	Jun-15	Jun-14	Jun-15	Jun-14
Average Single Family	\$564,087	\$566,233	\$444,882	\$435,534
Average Condo	\$322,251	\$351,770	\$255,662	\$254,182
Saskatchewan	Saskatoon CMA		Regina CMA	
	Jun-15	Jun-14	Jun-15	Jun-14
Average Overall	\$365,440	\$361,770	\$316,559	\$325,401
Ontario	London CMA			
	Jun-15	Jun-14		
Average Overall	\$268,564	\$263,462		
Quebec	Montreal CMA			
	Jun-15	Jun-14		
Average Overall*	\$343,390	\$333,899		

Internally generated, NA = Data not available, \* Internally calculated based on volume of sales and total sales as provided by the Greater Montreal Real Estate Board. Source: Association of Regina REALTORS®, Calgary Real Estate Board, Canada Mortgage and Housing Corporation, Canadian Real Estate Association, Edmonton Real Estate Board, Greater Montreal Real Estate Board, London and St. Thomas Association of REALTORS®, Saskatoon Region Association of REALTORS®, Windsor-Essex County Real Estate Board



**Single Family Housing Starts**

	2012	2013	2014	2015F	2016F
Alberta	17,493	18,431	19,563	17,800	17,400
Saskatchewan	5,171	4,184	3,807	3,300	3,400
Ontario	25,567	23,270	23,691	21,800	20,300
Quebec	16,059	13,144	11,227	11,400	13,300

**Multi Family Housing Starts**

	2012	2013	2014	2015F	2016F
Alberta	15,903	17,580	21,027	17,200	14,400
Saskatchewan	4,797	4,106	4,450	3,200	3,100
Ontario	51,175	37,815	35,443	39,900	40,200
Quebec	31,308	24,614	27,583	24,500	27,500

Source: CMHC - Housing Market Outlook

Western Canada

Alberta:

After increasing by 6.1% in 2014, with the combination of elevated supply levels of single-detached homes, as well as a slowdown of employment growth, CMHC expects single-detached starts to moderate to a range of 16,400 and 18,500 units in 2015, and 15,700 and 18,300 units in 2016. Similarly, a decrease in demand and an increase in competition from the resale market are expected to significantly slow down the number of multi-family starts. CMHC is forecasting that multi-family starts will decrease considerably from 21,027 in 2014 to a range of 15,500 and 18,000 units in 2015, and 12,000 and 15,000 units in 2016.

Saskatchewan:

Similar to Alberta, the slowing of employment growth and a decrease in migration will moderate housing demand in Saskatchewan over the forecast period. With an elevated inventory of single-detached homes, CMHC estimates starts to moderate to a range of 3,040 and 3,430 units in 2015, and 3,060 and 3,570 units in 2016. Similarly, multiple starts are also expected to moderate to range between 2,900 and 3,300 units in 2015, and 2,800 and 3,300 units in 2016.

Eastern Canada

Ontario:

The combination of a rising price gap between single family and condominiums and fewer sites available for new home construction are expected to limit the number of single-detached starts in Ontario. CMHC is forecasting that starts will moderate to a range of 20,100 to 22,700 units in 2015, and 18,300 to 21,300 units in 2016. Alternatively, CMHC is forecasting growth in multi-family starts, ranging from 36,700 to 41,500 units in 2015 and 36,200 to 42,200 units in 2016. CMHC notes that this is the first time in three years where multi-unit construction has grown and is a result of the continued rise in prices for single-detached homes and increased demand for rental accommodation.

Quebec:

CMHC forecasts that the demand for single-detached homes over the forecast period will be influenced by employment growth in the province and the tightening of the resale market. These factors have CMHC forecasting single-detached starts at a range of 10,500 to 11,900 units in 2015, and 12,000 to 14,000 in 2016. Alternatively, after seeing an increase in multi-family starts in 2014, starts are expected to moderate over the forecast period. CMHC is predicting multi-family start levels to range between 22,500 and 25,500 in 2015, and 24,800 and 28,900 in 2016.



### Acquisitions, Dispositions and Development

The demand for Multi-Family Investment Properties in Canada continues to be strong. As a result, capitalization rates continue to remain low and high prices for Multi-Family assets continue to be the trend. The Trust continues to bid on higher quality assets; however, no significant apartment acquisitions have been completed to date as the actual transaction prices on these assets would not prove to be in the best interest of the Trust on a risk-adjusted basis.

In the first six months of 2015, the Trust completed the purchase of an office/warehouse building in Verdun, Quebec, near the Trust's Nun's Island buildings for \$3.1 million. The Nun's Island office/warehouse purchase was completed in January of 2015. In April of 2015, the Trust purchased one unit in Edmonton, Alberta in the property known as *Morningside Estates* for \$130 thousand. The Trust now owns 223 of 224 units at this property. On June 1, 2015, the Trust sold a standalone 22 unit building in its Boardwalk Estates portfolio in Regina, Saskatchewan for \$825 thousand. Due to foundation deterioration, this building was designated as unavailable for rental in the third quarter of 2014.

Subsequent to the end of the second quarter of 2015, the Trust announced that it had entered into an unconditional agreement to sell its Windsor Portfolio to a private REIT. The details of this transaction are highlighted below:

Building Name	City	# Units	Type	Sale Price	\$/unit	\$/sq ft	Current Debt	Cap Rate	Closing Date
<b>Sold</b>									
Windsor Portfolio	Windsor, Tecumseh	1685	High Rise, Low Rise, Townhouses	\$ 136,200,000	\$ 80,800	\$ 106	\$ 20,500,000 <sup>2</sup>	5.43% <sup>1</sup>	September 10, 2015

<sup>1</sup> Based on 2014 NOI

<sup>2</sup> Properties to be delivered free and clear of mortgage encumbrances on closing. Balance is as of September, 2015

The Trust estimates that the taxable income and non-taxable portion of capital gains as a result of the Windsor portfolio disposition to be in the range of \$0.90 to \$1.00 per Trust Unit. This taxable income and non-taxable portion of capital gains may be distributed to Unitholders and, if so, must be declared before December 31<sup>st</sup> to ensure that the Trust has distributed all of its taxable income in any given year. Any special distribution as a result of the Windsor portfolio sale will be announced prior to the end of 2015.

The Trust is continuing the process of reviewing the potential sale of select non-core properties with the intent of high-grading its portfolio by re-deploying the equity from these assets towards value enhancing transactions for the Trust's Stakeholders, including acquisitions, development, capital improvements, the repurchase and cancellation of Trust Units, and return of equity to Unitholders. In June, 2015, the Trust received regulatory approval to renew its Normal Course Issuer Bid allowing the Trust to purchase and cancel up to 3,855,766 Trust Units, representing 10% of its public float at the time.

In 2014, the Trust sold its British Columbia Portfolio and an additional non-core asset in Edmonton, AB for a total sale price of \$154 million. In 2014, the Trust purchased and cancelled 472,100 Trust Units at an average price of \$67.01 per Trust Unit. Between 2007 and 2012, the Trust exercised a similar strategy of high-grading its portfolio through the sale of 1,578 Apartment Units, comprised of non-core assets, for total gross proceeds of \$171.9 million. The Trust re-deployed this equity into the purchase and cancellation of Trust Units under similar Normal Course Issuer Bids, and, re-purchased and cancelled 4,542,747 Trust Units, representing a total investment of \$170.5 million, or an average cost of \$37.53 per Trust Unit.

In October of 2014, the Trust executed a fixed price construction contract, and commenced construction of the first phase of its Pines of Normanview Development on excess land the Trust owns in Regina, Saskatchewan. The first phase consists



of a four storey, 79 unit, wood frame, elevated building with underground parking. The Trust estimates the project will be completed in Q1 2016, with a total cost of approximately \$14.1 million, or \$178,000 per door, resulting in an estimated capitalization rate of 6.0% to 6.5%, excluding land value.

The Trust continues to explore other viable development opportunities for multi-family apartment buildings on excess land the Trust currently owns in Alberta and Saskatchewan. The increased demand for multi-family investment properties, which has resulted in continued low capitalization rates, presents a unique opportunity for the Trust to explore the viability of multi-family rental property development in order to improve the Trust’s portfolio and enhance value for Unitholders.

*For further detail, please refer to page 33 of the MD&A.*

**Liquidity and Continued Financial Strength**

Including the Trust’s undrawn line of credit, the Trust currently has approximately \$368 million of available liquidity with debt (net of cash) to reported investment properties value of approximately 38%. The Trust’s interest coverage ratio, excluding gain or loss on sale of assets, for the most recent completed four quarters ended June 30, 2015, increased to 3.55 times, from 3.25 times for the same period a year ago.

The Trust continues to explore all options in deploying capital, including the Trust’s normal course issuer bid, value added capital expenditures, development of new assets on existing excess land, and other value adding transactions to maximize Unitholder Value.

2015 - Q2

<b>In \$000's</b>		
Cash Position - Jun 2015	\$	87,000
Subsequent Committed Financing	\$	85,000
Line of Credit 1	\$	196,000
<b>Total Available Liquidity</b>	<b>\$</b>	<b>368,000</b>
Liquidity as a % of Total Debt		16%
Debt (net of cash) as a % of reported asset value		38%
1 - The Trust's Undrawn Credit Facility has a Credit Limit of \$200mm. The balance reflects the available balance net of outstanding Letters of Credit		

*For further detail, please refer to pages 35 of the MD&A.*

**Investing in our Properties**

Continued internalization of more maintenance and value-added capital expenditures has further enhanced curb appeal and the quality of our property portfolio. The Trust believes the quality of Boardwalk’s communities continues to drive long-term revenue growth and stability. The Trust continues to invest in its properties and expects to invest over \$98 million during the 2015 fiscal year to further enhance the curb appeal and quality of the Trust’s assets. In addition, the Trust has budgeted approximately \$12.2 million to continue the development of its Pines of Normanview project and to explore other development opportunities on excess land the Trust currently owns. For the first six months of 2015, Boardwalk invested approximately \$44.3 million in the form of project enhancements, equipment purchases, including upgrades to existing suites, common areas, mechanical systems, building exteriors (\$36.1 million), development (\$4.9 million), and the acquisition of the Nun’s Island office and warehouse and one additional unit in *Morningside Estates* (\$3.3 million).



Boardwalk's vertically integrated structure allows many repair and maintenance functions, including landscaping, to be internalized. A continued focus on completing more of these functions in-house has resulted in improved quality, productivity, effectiveness of resources, and overall execution of the Trust's capital improvement program, leading to sustainable value for our Resident Members and long-term growth for Unitholders.

*For further detail, please refer to page 30 of the MD&A.*

### **Mortgage Financing**

Interest rates continue to remain low and have benefitted the Trust's mortgage program as the Trust has continued to renew existing CMHC Insured mortgages at interest rates well below the maturing rates. As of June 30, 2015, the Trust's total mortgage principal outstanding totaled \$2.27 billion at a weighted average interest rate of 3.16%, compared to \$2.27 billion at a weighted average interest rate of 3.45% reported for June 30, 2014.

Over 99% of the Trust's mortgages are CMHC Insured, providing the benefit of lower interest rates and limiting the renewal risk of these mortgage loans for the entire amortization period, which can be up to 40 years. The Trust's total debt had an average term to maturity of approximately 4 years, with a remaining amortization of 30 years. The Trust's debt (net of cash) to reported asset value ratio was approximately 38% as of June 30, 2015.

To date, the Trust has renewed or forward locked the interest rates on 73% of its 2015 mortgage maturities and have been renewed with a weighted average interest rate of 2.31%, while extending the average term to 8 years. These mortgage renewals represent an estimated \$5.1 million in annualized interest savings. In addition, the Trust has upfinanced, or committed to upfinance \$137.7 million in 2015.

The Trust continues to undertake a balanced strategy to its mortgage program. Current 5 and 10-year CMHC Mortgage Rates are estimated to be 1.70% and 2.40%, respectively. The Trust reviews each mortgage individually; however, the Trust presently has a bias towards renewing its maturing mortgages for longer terms (7 to 10 years).

*For further detail, please refer to page 35 of the MD&A.*

### **2015 Financial Guidance**

As is customary on a quarterly basis, the Trust reviews its key assumptions used in deriving its public financial guidance. Based on this review, and with consideration to the sale of the Trust's Windsor Portfolio scheduled to close in September of 2015 and the revision of guidance completed in the first quarter due to the lower than expected interest rate environment seen in the first half of 2015, the Trust is revising the top end of its 2015 FFO and AFFO guidance. The following table highlights the original and current financial objectives for the 2015 fiscal year.



Description	2015 Q2 - Revised Financial Guidance	2015 Q1 - Revised Financial Guidance	2015 - Original Financial Guidance
<b>Investment Properties</b>	<b>No new apartment acquisitions, dispositions, or developments</b>	No new apartment acquisitions, dispositions or developments	<i>No new apartment acquisitions, dispositions or developments</i>
<b>Stabilized Building NOI Growth</b>	<b>1% to 4%</b>	1% to 4%	1% to 4%
<b>FFO Per Trust Unit</b>	<b>\$3.48 to \$3.62</b>	\$3.48 to \$3.65	\$3.40 to \$3.60
<b>AFFO per Trust Unit - based on \$500/yr/apt</b>	<b>\$3.15 to \$3.29</b>	\$3.15 to \$3.32	\$3.07 to \$3.27

In addition to the above financial guidance for 2015, the Trust provides guidance relating to its capital expenditure program, and is confirmed as follows:

Capital Budget - in thousands \$ except per Unit amounts	2015 Budget	Per Unit	2015 - 6 Month Actual	Per Unit
Maintenance Capital - \$500/Apartment Unit/Year	\$ 17,326	\$ 500	\$ 8,656	\$ 250
Stablizing & Value Added Capital incl. Property Plant and Equipment	\$ 81,511	\$ 2,354	\$ 27,479	\$ 794
<b>Total Operational Capital</b>	<b>\$ 98,837</b>	<b>\$ 2,854</b>	<b>\$ 36,135</b>	<b>\$ 1,044</b>
Total Operational Capital	\$ 98,837	\$	\$ 36,135	
Acquisitions and Development	\$ 12,158	\$	\$ 8,194	
<b>Total Capital Investment</b>	<b>\$ 110,995</b>	<b>\$</b>	<b>\$ 44,329</b>	

Management will continue to update the Financial Guidance on a quarterly basis. The reader is cautioned this information is forward-looking and actual results may vary materially from those reported.

For further detail, please refer to page 38 of the MD&A.

### **Q2 2015 Regular Distributions**

Boardwalk's Board of Trustees has approved the Trust's next three months of regular distribution of \$0.17 per Trust Unit per month, or \$2.04 per Trust Unit on an annualized basis.

Month	Per Unit	Annualized	Record Date	Distribution Date
Aug-15	\$ 0.170	\$ 2.04	31-Aug-15	15-Sep-15
Sep-15	\$ 0.170	\$ 2.04	30-Sep-15	15-Oct-15
Oct-15	\$ 0.170	\$ 2.04	30-Oct-15	16-Nov-15

The Board of Trustees will continue to review the distributions made on the Trust Units on a quarterly basis.



### **Supplementary Information**

Boardwalk produces the Quarterly Supplemental Information that provides detailed information regarding the Trust's activities during the quarter. The Second Quarter 2015 Supplemental Information is available on Boardwalk's investor website at [www.boardwalkreit.com](http://www.boardwalkreit.com).

### **Teleconference on Second Quarter 2015 Financial Results**

Boardwalk invites you to participate in the teleconference that will be held to discuss these results tomorrow morning (August 14, 2015) at 11:00 am Eastern Time. Senior management will speak to the 2015 second quarter results and provide an update. Presentation materials will be made available on Boardwalk's investor website at [www.boardwalkreit.com](http://www.boardwalkreit.com) prior to the call.

Participation & Registration: Please RSVP to Investor Relations at 403-206-6739 or by email to [investor@bwalk.com](mailto:investor@bwalk.com).

**Teleconference:** The telephone numbers for the conference are 647-427-7450 (local/international callers) or toll-free 1-888-231-8191 (within North America).

Note: Please provide the operator with the below Conference Call ID or Topic when dialling in to the call.

Conference ID: 76129314

Topic: Boardwalk REIT 2015 Second Quarter Results

**Webcast:** Investors will be able to listen to the call and view Boardwalk's slide presentation over the Internet by visiting <http://www.boardwalkreit.com> prior to the start of the call. An information page will be provided for any software needed and system requirements. The webcast and slide presentation will also be available at:

<http://cnw.ca/n1erl>

Replay: An audio recording of the teleconference will be available on the Trust's website:

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

### **Corporate Profile**

Boardwalk REIT strives to be Canada's friendliest landlord and currently owns and operates more than 220 communities with over 34,000 residential units totaling approximately 29 million net rentable square feet. Boardwalk's principal objectives are to provide its Residents with the best quality communities and superior customer service, while providing Unitholders with sustainable monthly cash distributions, and increase the value of its trust units through selective acquisitions, dispositions, development, and effective management of its residential multi-family communities. Boardwalk REIT is vertically integrated and is Canada's leading owner/operator of multi-family communities with over 1,500 Associates bringing Residents home to properties located in Alberta, Saskatchewan, Ontario, and Quebec.

Boardwalk REIT's Trust units are listed on the Toronto Stock Exchange, trading under the symbol BEI.UN. Additional information about Boardwalk REIT can be found on the Trust's website at [www.BoardwalkREIT.com](http://www.BoardwalkREIT.com).



#### **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS**

*Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Implicit in this information, particularly in respect of Boardwalk's objectives for 2015 and future periods, Boardwalk's 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 are estimates and assumptions subject to risks and uncertainties, including those described in the Management's Discussion & Analysis of Boardwalk REIT's 2014 Annual Report under the heading "Risks and Risk Management", which could cause Boardwalk's actual results to differ materially from the forward-looking information contained in this news release. Specifically Boardwalk has assumed that the general economy remains stable, interest rates are relatively stable, acquisition capitalization rates are stable, competition for acquisition of residential apartments remains intense, and equity and debt markets continue to provide access to capital. These assumptions, although considered reasonable by the Trust at the time of preparation, may prove to be incorrect. For more exhaustive information on these risks and uncertainties you should refer to Boardwalk's most recently filed annual information form, which is available at [www.sedar.com](http://www.sedar.com). Forward-looking information contained in this news release is based on Boardwalk's current estimates, expectations and projections, which Boardwalk believes are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Trust may elect to, Boardwalk is under no obligation and does not undertake to update this information at any particular time.*