**NEWS RELEASE FOR IMMEDIATE DISTRIBUTION**

Boardwalk REIT Announces Solid Fourth Quarter and Fiscal 2014 Financial Results: FFO per unit up 6.3% and 5.0% for the three and twelve months ended December 31, 2014, respectively. Boardwalk reiterates its 2015 financial guidance and confirms its regular monthly per unit distribution for the months of February, March, and April 2015 of $2.04 on an annualized basis**.**

**CALGARY, February 19, 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 fourth quarter and fiscal year of 2014.

Funds From Operations (FFO) for the fourth quarter totaled $43.7 million, or $0.84 per Trust Unit on a diluted basis, compared to FFO of $41.4 million or $0.79 per Trust Unit for the same period last year, an increase of 5.5% and 6.3% respectively.

Funds from Operations for the twelve month period ended December 31, 2014 totalled $175.8 million, or $3.37 per Trust Unit on a diluted basis, compared to FFO of $168.2 million or $3.21 per Trust Unit for the same twelve month period last year, an increase of 4.5% and 5.0% respectively.

Adjusted Funds From Operation (AFFO) for the three month period ended December 31, 2014 increased 7.0% to $0.76 per unit on a diluted basis, compared to $0.71 per unit in the same period last year. For the twelve month period ended December 31, 2014, AFFO increased 5.5% to $3.05 per Trust Unit, compared to $2.89 per Trust Unit for the same period a year ago.

The increase in reported FFO was attributed to positive organic revenue growth driven by higher market and in-place rents, resulting in a 3.8% increase in total rental revenue for the fourth quarter versus the same period in 2013 and 4.3% for the twelve months of 2014; however, this was tempered by higher vacancy and suite specific incentives in some of the Trust’s markets in the fourth quarter. Higher operating expenses were due primarily to increases in property taxes and higher wages and salaries, and higher natural gas, particularly in the first quarter. 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 fourth quarter ended December 31, 2014, under the section titled, “Performance Measures”.

*$ millions, except per unit amounts*

**Highlights of the Trust's Fourth Quarter and Twelve Months 2014 Financial Results**

| | | Three Months Dec 2014 | | Three Months Dec 2013 | % Change | | Twelve Months Dec 2014 | | Twelve Months Dec 2013 | % Change |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Rental Revenue | $ | 119.9 | $ | 115.5 | 3.8% | $ | 473.2 | $ | 453.6 | 4.3% |
| Net Operating Income (NOI) | $ | 71.9 | $ | 69.2 | 3.9% | $ | 292.4 | $ | 284.2 | 2.9% |
| Profit (loss) from Continuing Operations | $ | (14.5) | $ | (29.7) | -51.0% | $ | 235.6 | $ | 325.1 | -27.5% |
| Funds From Operations (FFO) | $ | 43.7 | $ | 41.4 | 5.5% | $ | 175.8 | $ | 168.2 | 4.5% |
| Adjusted Funds From Operations (AFFO) | $ | 39.6 | $ | 37.3 | 6.3% | $ | 159.3 | $ | 151.4 | 5.2% |
| FFO Per Unit | $ | 0.84 | $ | 0.79 | 6.3% | $ | 3.37 | $ | 3.21 | 5.0% |
| AFFO Per Unit | $ | 0.76 | $ | 0.71 | 7.0% | $ | 3.05 | $ | 2.89 | 5.5% |
| Regular Distributions Declared (Trust Units & LP B Units) | $ | 26.5 | $ | 25.9 | 2.2% | $ | 106.3 | $ | 103.4 | 2.8% |
| Special Distribution Declared (Trust Units & LP B Units) | $ | 72.8 | $ | - | | $ | 72.8 | $ | - | |
| Regular Distributions Declared Per Unit (Trust Units & LP B Units) | $ | 0.510 | $ | 0.495 | 3.0% | $ | 2.035 | $ | 1.980 | 2.8% |
| (2014 - $2.04 Per Unit - 2013 - $198 per Unit on an annualized basis) | | | | | | | | | | |
| Excess of AFFO over Distributions Per Unit | $ | 0.250 | $ | 0.215 | 16.3% | $ | 1.015 | $ | 0.910 | 11.5% |
| Regular Payout as a % FFO | | 60.7% | | 62.6% | | | 60.5% | | 61.5% | |
| Regular Payout as a % AFFO | | 67.0% | | 69.6% | | | 66.7% | | 68.3% | |
| Excess of AFFO as a % of AFFO | | 33.0% | | 30.4% | | | 33.3% | | 31.7% | |
| Interest Coverage Ratio (Rolling 4 quarters) | | 3.37 | | 3.15 | | | 3.37 | | 3.15 | |
| Operating Margin | | 60.0% | | 59.9% | | | 61.8% | | 62.7% | |

The Fair Value under IFRS for the Trust's portfolio increased year over year as a result of higher market rents as Capitalization Rates remained virtually unchanged for multi-family assets. Below is a summary of the Trust's per unit Net Asset Value with further discussion located in the 2014 Fourth Quarter MD&A.

**Highlights of the Trust's Fair Value of Investment Properties**

| | | 12/31/2014 | | 12/31/2013 |
|---|---|---|---|---|
| IFRS Asset Value Per Diluted Unit (Trust & LP B) | $ | 111.13 | $ | 109.65 |
| Debt Outstanding per Diluted Unit | $ | (43.15) | $ | (44.72) |
| Net Asset Value (NAV) Per Diluted Unit (Trust & LP B) | $ | 67.98 | $ | 64.93 |
| Cash Per Diluted Unit (Trust & LP B) 1 | $ | 1.28 | $ | 2.50 |
| **Total Per Diluted Unit (Trust & LP B)** | **$** | **69.26** | **$** | **67.43** |

1 - Cash and Liquidity net of proceeds for the Special Distribution paid on January 15, 2015 to Unitholders on Record on December 31, 2014 of $72.8 million, or $1.40 per Trust Unit. Cash balance as of December 31, 2014 was $140.0 million.

*Weighted Average Capitalization Rate: 5.48% at Dec 31, 2014 and 5.49% at Dec 31, 2013, excluding sold assets.*

*For further detail, please refer to page 32 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 last quarter and the same period a year ago while also maintaining high occupancy levels. Average monthly rents increased to $1,144 in December of 2014 from $1,106 in December of 2013, and average occupied rents for the period also increased to $1,170 versus $1,123 for the same period last year. Average market rents have increased to $1,202, up from $1,159 in December of 2013. In the fourth quarter of 2014, overall occupancy for Boardwalk's portfolio was 98.02%, relatively unchanged from the previous quarter, and slightly lower than the same period last year driven primarily by an increase in vacancy levels in the Fort McMurray and Saskatchewan regions.

In addition to the continued increase in average monthly and occupied rents the Trust has been able to achieve to date, market rents continue to increase, leaving a considerable 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 19 of the MD&A.*

| Same Property Portfolio Highlights for the Fourth Quarter of 2014 | | |
|---|---|---|
| | Dec-14 | Dec-13 |
| Average Occupancy (Period Average) | 98.02% | 98.42% |
| Average Monthly Rent (Period Ended) | $1,144 | $1,106 |
| Average Market Rent (Period Ended) | $1,202 | $1,159 |
| Average Occupied Rent (Period Ended) | $1,170 | $1,123 |
| Loss-to-Lease (Period Ended) (*$ millions*) | $12.9 | $14.6 |
| Loss-to-Lease Per Trust Unit (Period Ended) | $0.25 | $0.28 |
| **Same Property Results** | **% Change Year-Over-Year - 3 Months Dec 2014** | **% Change Year-Over-Year - 12 Months Dec 2014** |
| Rental Revenue | 3.7% | 4.2% |
| Operating Costs | 5.0% | 7.1% |
| Net Operating Income (NOI) | 2.9% | 2.5% |

Same Property Results Exclude 109-unit Spruce Ridge Gardens Development completed November 2013

Sequential Revenue Analysis

| Stabilized Revenue Growth | # of Units | Q4 2014 vs Q3 2014 | Q3 2014 vs Q2 2014 | Q2 2014 vs Q1 2014 | Q1 2014 vs Q4 2013 |
|---|---|---|---|---|---|
| Calgary | 5,310 | 1.0% | 1.4% | 1.8% | 1.0% |
| Edmonton | 12,396 | 1.4% | 1.7% | 1.8% | 1.2% |
| Fort McMurray | 352 | -1.8% | -4.4% | -1.3% | -0.5% |
| Grande Prairie | 645 | 1.8% | 1.2% | 1.4% | 1.3% |
| Red Deer | 939 | -0.1% | 2.3% | 1.7% | 1.7% |
| Ontario | 4,265 | 0.8% | -0.2% | 1.1% | -0.3% |
| Quebec | 6,000 | 0.2% | 0.1% | 0.3% | -0.2% |
| Saskatchewan | 4,610 | 0.3% | -0.3% | 1.1% | 0.0% |
| | 34,517 | 0.8% | 0.9% | 1.3% | 0.6% |

On a sequential basis, stabilized revenues for the fourth quarter of 2014 increased 0.8% when compared to the previous quarter, mainly the result of higher market and in place rents. Continued high vacancy levels in Fort McMurray resulted in an additional sequential decrease in revenue versus the last quarter, however; the Trust's largest markets posted positive sequential revenue growth this quarter with the strongest sequential gains in Calgary, Edmonton, and Grande Prairie. The Trust's strategy of increasing occupancy by giving suite specific incentives has provided sequential positive revenue growth in Saskatchewan versus the decrease seen in the prior quarter. 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 25 of the MD&A.*

**Economic Market Fundamentals**

| Market Fundamentals | Alberta | | Saskatchewan | | Ontario | | Quebec | |
|---|---|---|---|---|---|---|---|---|
| | Dec-14 | Dec-13 | Dec-14 | Dec-13 | Dec-14 | Dec-13 | Dec-14 | Dec-13 |
| Unemployment Rate | 4.7% | 4.8% | 3.6% | 3.9% | 7.0% | 7.9% | 7.5% | 7.7% |
| | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 | Q3 2014 | Q3 2013 |
| Net Interprovincial Migration | 6,320 | 10,269 | -365 | 637 | -602 | -990 | -5,021 | -4,205 |
| Net International Migration | 8,851 | 12,774 | 3,063 | 3,193 | 36,775 | 38,393 | 17,259 | 14,097 |
| Total Net Migration | 15,171 | 23,043 | 2,698 | 3,830 | 36,173 | 37,403 | 12,238 | 9,892 |
| | Oct 2013 to Oct 2014 | Oct 2012 to Oct 2013 | Oct 2013 to Oct 2014 | Oct 2012 to Oct 2013 | Oct 2013 to Oct 2014 | Oct 2012 to Oct 2013 | Oct 2013 to Oct 2014 | Oct 2012 to Oct 2013 |
| Average Weekly Wages Growth | 4.4% | 3.2% | 4.5% | 2.7% | 1.9% | 1.3% | 0.8% | 2.1% |

Western Canada

Alberta:

CMHC estimates that Alberta is expected to see GDP decrease from 3.8% in 2014, to 1.9% in 2015 and 2.0% in 2016. This decrease is largely due to lower energy prices and investment in the Oil and Gas sector. While employment growth of 3% is expected for 2014, CMHC estimates that this will moderate to 1.7% and 1.6% in 2015 and 2016, respectively. According to CMHC, this decline in employment opportunities in the province will also moderate migration. CMHC is predicting 2014 to close out with net migration of 75,000 people; this compares with 56,000 in 2015 and 49,000 in 2016.

Saskatchewan:

Due to declining oil prices, Saskatchewan is expected to see moderate economic growth over the forecast period, though at a slower pace than that of the Alberta economy. CMHC estimates that this growth will remain close to the national average over the forecast period with GDP growth of 2.3% in 2015, and 2.2% in 2016. Despite this decline, Saskatchewan is still expected to have the lowest unemployment rate at 4.1% in 2015 and 4.3% in 2016, according to CMHC. This favourable unemployment rate will continue to draw migrants to the province, despite the downturn in the economy. CMHC predicts Saskatchewan will see net migration of over 10,000 people in both 2015 and 2016.

Eastern Canada

Ontario:

With a recovering U.S. economy, a lower Canadian dollar, and lower energy prices, CMHC expects that Ontario will see economic growth in 2015 and 2016 that will outpace the growth seen by the rest of Canada. As Ontario's economy improves, it will drive the unemployment rate down and create more employment opportunities in the province. Additionally, the improving economy will result in more international migration to the province and fewer migratory outflows; according to CMHC, the province can expect net migration of 93,200 in 2015 and 98,800 in 2016.

Quebec:

CMHC is expecting a gradual improvement of Quebec's economy over the forecast period with an estimated GDP growth of 1.5% for 2014, and 2.0% in 2015 and 2016. The improving economy will have a direct effect on the unemployment rate in the province, as the economy improves the unemployment is expected to lower. According to CMHC, Quebec will see an unemployment rate of 7.7% in 2014 and 7.5% in 2015 before lowering further to 7.1% in 2016. Similarly, CMHC predicts that Quebec will also see an increase in migration to the province with 34,000 migrants in 2014, 39,000 in 2015, and 43,000 in 2016.

**MLS Housing Prices**

## MLS Housing Prices

| | | | | |
|---|---|---|---|---|
| Alberta | Calgary CMA | | Edmonton CMA | |
| | Dec-14 | Dec-13 | Dec-14 | Dec-13 |
| Average Single Family | $550,115 | $527,634 | $429,470 | $423,544 |
| Average Condo | $318,539 | $296,206 | $247,099 | $234,967 |
| | | | | |
| Saskatchewan | Saskatoon CMA | | Regina CMA | |
| | Dec-14 | Dec-13 | Dec-14 | Dec-13 |
| Average Overall | $346,197 | $341,065 | $313,359 | $301,616 |
| | | | | |
| Ontario | London CMA | | Windsor CMA | |
| | Dec-14 | Dec-13 | Dec-14 | Dec-13 |
| Average Overall | $267,544 | $261,461 | $183,398 | $186,203 |
| | | | | |
| Quebec | Montreal CMA | | | |
| | Dec-14 | Dec-13 | | |
| Average Overall* | $341,732 | $333,757 | | |

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 | 18,800 | 18,500 |
| **Saskatchewan** | 5,171 | 4,184 | 3,807 | 3,600 | 3,600 |
| **Ontario** | 25,567 | 23,270 | 23,691 | 24,600 | 21,400 |
| **Quebec** | 16,059 | 13,144 | 11,227 | 12,700 | 13,700 |

**Multi Family Housing Starts**

| | 2012 | 2013 | 2014 | 2015F | 2016F |
|---|---|---|---|---|---|
| **Alberta** | 15,903 | 17,580 | 21,027 | 17,200 | 16,000 |
| **Saskatchewan** | 4,797 | 4,106 | 4,450 | 3,700 | 3,600 |
| **Ontario** | 51,175 | 37,815 | 35,443 | 38,600 | 39,100 |
| **Quebec** | 31,308 | 24,614 | 27,583 | 25,800 | 26,400 |

Source: CMHC

Western Canada

Alberta:

Single family housing starts in Alberta totaled 19,600 in 2014, however, are expected to moderate to 18,800 and 18,500 in 2015 and 2016, respectively. Along with the downturn in the Alberta economy, the reason for this moderation is a continued increase in new listings in the resale market, creating competition for builders, accompanied with moderate employment gains from migration. Multiple starts are expected to see a similar trend over the forecast period. As multiple starts in the province has risen for five consecutive years, peaking in 2014 at 21,027 starts, CMHC estimates that these starts will moderate in 2015 and 2016 to 17,200 and 16,000, respectively. CMHC notes that the reason for moderation in multiple starts is the current elevated supply of condominium units, and an increase in resale listings.

Saskatchewan:

Saskatchewan's single-detached starts moderated to 3,807 units in 2014, and despite this decline, inventory of single-detached units remains elevated. As a result, CMHC estimates that the province will see approximately 3,600 starts in both 2015 and 2016. Similarly, despite the increased demand for low priced multi-family units in the province, CMHC forecasts that multiple starts will decline from 4,450 in 2014 to 3,700 units in 2015 and 3,600 in 2016. This decline can be attributed to rising inventory, timing of completions, and competition from a strong resale market.

Eastern Canada

Ontario:

In Ontario, single-detached starts are expected to gain momentum over 2015. According to CMHC starts in 2014 totaled 23,700, and are expected to rise to 24,600 in 2015. However, single-detached starts will moderate in 2016 at 21,400 units; CMHC anticipates that the moderation in 2016 may be driven by rising mortgage carrying costs. In addition, CMHC notes that multiple starts have moderated in 2014 to 35,400, however are estimating an increase in 2015 and 2016 to 38,600 and 39,100 units, respectively. CMHC notes that this increase is largely due to the rising mortgage carrying costs as the demand will shift to less expensive row housing. However, CMHC also notes that while multiple starts will benefit from the increase in mortgage carrying costs, as may the rental sector.

Quebec:

Single-detached starts decreased to 11,300 in 2014 in Quebec due to the easing of the resale market and the trend toward apartment living. However, as the resale market begins to tighten in 2015 and 2016, demand for single-detached homes are expected to increase which will result in starts of 12,700 in 2015 and 13,700 in 2016, according to CMHC. Multiple starts in the province have increased in 2014 to 27,600 due to new developments of large apartment construction sites; however, CMHC expects that this increase will not carry through to 2015 and 2016. Due to high levels of supply of both new and resale housing, multiple starts will moderate in 2015 and 2016 to 25,800 and 26,400, respectively.

## Acquisitions, Dispositions and Development

There were no new apartment acquisitions or dispositions completed in the fourth quarter of 2014. 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 new 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.

During the second quarter of 2014, the Trust completed and closed the previously announced dispositions of its British Columbia Portfolio, as well as a non-core asset located in Edmonton. Details of the sale of these four assets are summarized below:

| Building Name | City | # Units | Type | Price | $/unit | $/sq ft | Debt Assumed | Net Proceeds [1] | Date Closed |
|---|---|---|---|---|---|---|---|---|---|
| **Sold** | | | | | | | | | |
| Westpark Ridge | Edmonton | 102 | Garden | $ 13,500,000 [2] | $ 132,353 | $ 136 | - | $ 13,500,000 | May 5, 2014 |
| BC Portfolio | Burnaby, Surrey & Victoria | 633 | High Rise, Townhouse & Walkup | $ 140,000,000 [3] | $ 221,169 | $ 274 | $ 62,134,000 | $ 76,366,000 [4] | May 29, 2014 |

[1] Excludes transaction costs
[2] We estimate the required cap ex to be between $5 million - $10 million; resulting in an adjusted cap rate based on 2013 actual NOI to be between 5.34% and 4.21%
[3] The Purchase and Sale Agreement prohibits us from disclosing the name of the purchaser and the cap rate
[4] Includes $1.5 million holdback to cover the cost of a fire hydrant waterline upgrade required by the fire department at the Victoria project

In May of 2014, the Trust also acquired 1 unit in Edmonton, Alberta in the property known as 'Morningside Estates' for a purchase price of $175 thousand. The Trust currently owns 222 of the 224 units in the property.

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 development, capital improvements, the repurchase and cancellation of Trust Units, and the return of equity to Unitholders. On June 30, 2014, the Trust received regulatory approval to renew its Normal Course Issuer Bid allowing the Trust to purchase and cancel up to 3,901,031 Trust Units, representing 10% of its public float at the time.

For the 12 month period of 2014, the Trust purchased and cancelled 472,100 Trust Units at an average purchase cost of $67.01 per Trust Unit, representing a total investment of $31.6 million. Between mid-2007 and the beginning of 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, elevatored 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 value of the land is internally estimated to be $12,000 per door.

In December of 2013, the Trust substantially completed and started leasing its first development project, Spruce Ridge Gardens, a 109-unit, wood frame, four storey, elevatored asset on existing excess land the Trust owns in Calgary, Alberta. The project was completed on time with a total cost of approximately $18.7 million, slightly below the Trust's original budget of approximately $19 million. Prior to construction, the Trust applied for a rent subsidy grant from the Province of Alberta's 'Housing Capital Initiatives' and received approximately $7.5 million to assist in the development of this property. In return, the Trust has agreed to provide 54 of the 109 units at rental rates 10% below average Calgary market rents for 20 years. To date, the Trust has leased approximately 98% of the units in the project, resulting in an estimated capitalization rate of 6.90% while also allowing the Trust to surface approximately $4.25 million ($39,000 per apartment unit) of 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 had approximately $263.2 million of available liquidity with debt (net of cash) to reported investment properties value of approximately 38%. Approximately $72.8 million of the Trust's reported $140 million of cash as of December 31, 2014 was used to fund the previously announced special distribution of $1.40 per Trust Unit for Unitholders of record on December 31, 2014, and paid on January 15, 2015. The Trust's interest coverage ratio, excluding gain or loss on sale of assets, for the most recent completed four quarters ended December 31, 2014, increased to 3.37 times compared to 3.15 times for the same period last year.

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.

2014 - Q4

| **In $000's** | | |
|---|---|---|
| Cash Position - Dec, 2014 | $ | 140,000 |
| Special Distribution - Jan 15, 2015 | $ | 72,800 |
| Net Cash Position | $ | 67,200 |
| Line of Credit 1 | $ | 196,000 |
| Total Available Liquidity | $ | 263,200 |
| Liquidity as a % of Total Debt | | 12% |
| 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 34 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. In 2014, the Trust invested $89.4 million during the 2014 fiscal year to further enhance the curb appeal and quality of the Trust's assets. Included in this amount is approximately $2.0 million invested in 2014 to continue the early stages of development of its Pines of Normanview project and to explore other development opportunities on excess land the Trust currently owns.

The Trust estimates that it will invest approximately $111 million in its portfolio in 2015, consisting of an estimated $98.8 million in the form of project enhancements, equipment purchases, including upgrades to existing suites, common areas, mechanical systems, and building exteriors and $12.2 million towards the development on excess land of its Pines of Normanview project.

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 December 31, 2014, the Trust's total mortgage principal outstanding totaled $2.24 billion at a weighted average interest rate of 3.34%, compared to $2.34 billion at a weighted average interest rate of 3.46% reported for December 31, 2013.

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 December 31, 2014.

The Trust renewed the interest rates on all of its 2014 mortgage maturities totaling approximately $427 million. The weighted average interest rate on these mortgages was reduced to 2.67%, from the maturing rate of 3.42%, while extending the average term to 6 years.

For 2015, the Trust has approximately $427 million in maturing mortgages with an average in-place interest rate of 3.66%. With the further decreasing interest rate environment seen in the early part of 2015, the Trust has forward locked or renewed approximately $137 million or 32% of its 2015 mortgage maturities at an average interest rate of 2.18%, a decrease from the weighted average maturing rate of these mortgages of 4.37%. Current 5 and 10-year CMHC Mortgage Rates are estimated to be 1.50% and 2.30%, 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 34 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, the Trust is reiterating its previously announced 2015 FFO and AFFO guidance. The following table highlights the financial guidance for 2015.

| Description | 2015 Financial Guidance | 2014 Actual |
|---|---|---|
| Investment Properties | No new apartment acquisitions, dispositions or developments | Sold one project in Edmonton, AB, and British Columbia portfolio. |
| Stabilized Building NOI Growth | 1% to 4% | 2.5% |
| FFO Per Trust Unit | $3.40 to $3.60 | $3.37 |
| AFFO per Trust Unit - based on $500/yr/apt | $3.07 to $3.27 | $3.05* |

*2014 AFFO per Unit based on $475/yr/apt

In addition to the above financial guidance for 2015, the Trust provides guidance relating to its capital expenditure program. The Trust is reiterating its 2015 capital budget as follows:

| Capital Budget - in thousands $ except per Unit amounts | | 2015 Budget | | Per Unit | | 2014 - 12 Month Actual | | Per Unit |
|---|---|---|---|---|---|---|---|---|
| Maintenance Capital - $500/Apartment Unit/Year | $ | 17,326 | $ | 500 | $ | 16,571 | $ | 475 |
| Stablizing & Value Added Capital incl. Property Plant and Equipment | $ | 81,511 | $ | 2,354 | $ | 70,849 | $ | 2,031 |
| **Total Operational Capital** | **$** | **98,837** | **$** | **2,854** | **$** | **87,420** | **$** | **2,506** |
| | | | | | | | | |
| Total Operational Capital | $ | 98,837 | | | $ | 87,420 | | |
| Development | $ | 12,158 | | | $ | 1,995 | | |
| **Total Capital Investment** | **$** | **110,995** | | | **$** | **89,415** | | |

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.*

## 2015 Regular Distributions

Boardwalk's Board of Trustees has approved the Trust's next three months of regular distributions of $0.17 per Trust Unit per month, or $2.04 per Trust Unit on an annualized basis as per the schedule below:

| Month | Per Unit | | Annualized | | Record Date | Distribution Date |
|---|---|---|---|---|---|---|
| Feb-15 | $ | 0.170 | $ | 2.04 | 27-Feb-15 | 16-Mar-15 |
| Mar-15 | $ | 0.170 | $ | 2.04 | 31-Mar-15 | 15-Apr-15 |
| Apr-15 | $ | 0.170 | $ | 2.04 | 30-Apr-15 | 15-May-15 |

The Board of Trustees will continue to review the distributions made on the Trust Units on a quarterly basis. Since the beginning of 2012, the Trust has increased regular distributions by 13% from $1.80 per Trust Unit on an annualized basis.

## Supplementary Information

Boardwalk produces the Quarterly Supplemental Information that provides detailed information regarding the Trust's activities during the quarter. The Fourth Quarter 2014 Supplemental Information is available on Boardwalk's investor website at www.boardwalkreit.com.

## Teleconference on Fourth Quarter 2014 Financial Results

Boardwalk invites you to participate in the teleconference that will be held to discuss these results tomorrow morning (February 20, 2015) at 11:00 am Eastern Time. Senior management will speak to the 2014 fourth quarter results and provide an update. Presentation materials will be made available on Boardwalk's investor website at 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.

**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: 56330065
Topic: Boardwalk REIT 2014 Fourth 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://www.newswire.ca/en/webcast/detail/1465075/1630583

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

## Corporate Profile

Boardwalk REIT strives to be Canada's friendliest landlord and currently owns and operates more than 225 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.

***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.  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.*