

# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q3 2010 Conference Call

*November 11, 2010 – 11:30 EST*

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



# Q3 2010 Conference Call

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# Topics for Discussion

- Q3 Results
  - Overview and Highlights
  - Multi-family Market Fundamentals
- Financial and Operations Review
  - Portfolio Highlights
  - Operations Review and Performance
  - Stabilized Building Analysis
  - Financial Overview and Summary
  - Outlook and Guidance Update
- Q&A



# Overview – Q3 Highlights

in \$millions, except per unit amounts

	<b>3 Months ended Sep 2010</b>	<b>3 Months ended Sep 2009</b>	<b>% Change</b>
Rental Revenue	\$104.7	\$104.7	0.0%
NOI	\$67.9	\$69.0	-1.6%
FFO	\$33.6	\$35.0	-3.9%
Per Unit	\$0.64	\$0.66	-3.0%
DI	\$33.9	\$36.3	-6.7%
Per Unit	\$0.64	\$0.69	-7.2%

Source: Internally generated



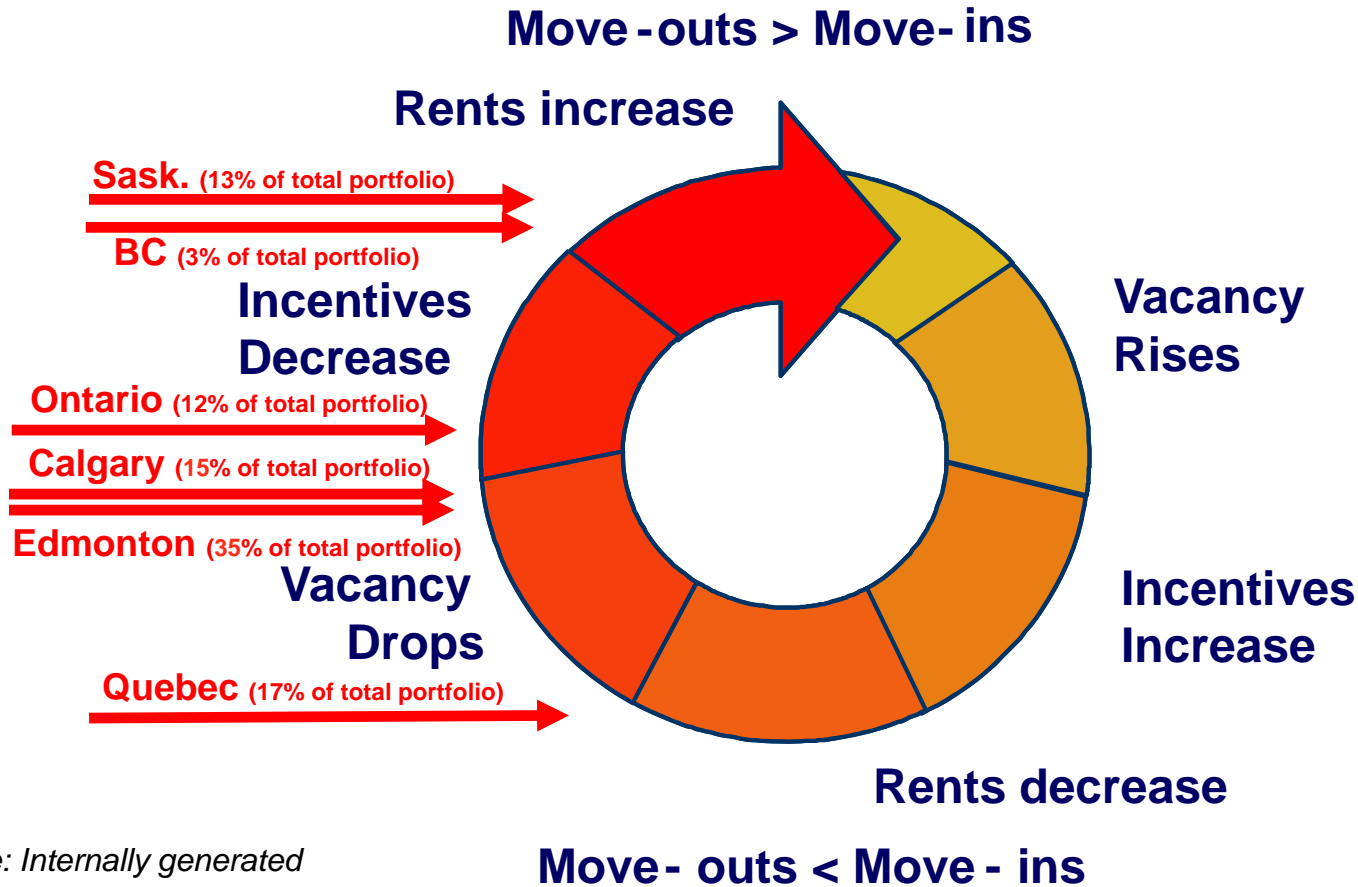
# Q3 - Portfolio Highlights

	Q3 2010	Q3 2009	Change
Portfolio Occupancy - Period Average	97.01%	95.54%	147 bps
Average Stabilized Rent Realized	\$977	\$976	\$ 1
Same Property			
Revenues	-0.3%		
Operating Costs	1.5%		
NOI	-1.1%		

Source: Internally generated



# Rental Revenue Cycle



Source: Internally generated



# Revenue Maximization Strategy

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

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

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

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

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



# Revenue Maximization Strategy

Two basic approaches:

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

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





# Loss to Lease Statistics

## September 2010

	Sep 2010 Occupied Rent	Sep 2010 Market Rent	Mark to Market Per Month	Annualized Mark to Market Adjusted for Vacancies (\$000's)	Weighted Average Units	% of Portfolio
Calgary	\$ 1,089	\$ 1,152	\$ 63	\$ 3,899	5,310	15%
Edmonton	\$ 1,063	\$ 1,050	\$ (13)	\$ (1,881)	12,497	35%
Other Alberta	\$ 1,011	\$ 1,022	\$ 11	\$ 235	1,936	5%
Alberta Portfolio	\$ 1,065	\$ 1,075	\$ 10	\$ 2,253	19,743	55%
Saskatchewan	\$ 1,032	\$ 1,028	\$ (3)	\$ (189)	4,635	13%
Ontario	\$ 784	\$ 787	\$ 3	\$ 173	4,265	12%
Quebec	\$ 964	\$ 970	\$ 6	\$ 464	6,088	17%
British Columbia	\$ 973	\$ 1,049	\$ 76	\$ 847	954	3%
Total Portfolio	\$ 1,007	\$ 1,016	\$ 9	\$ 3,548	35,685	100%

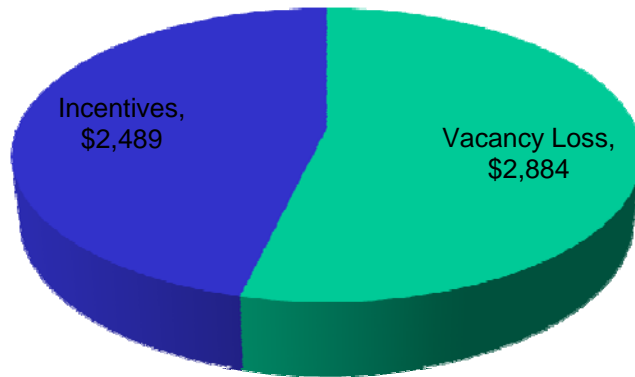
Source: Internally generated. Market and occupied rents represent the averages for the reported month.



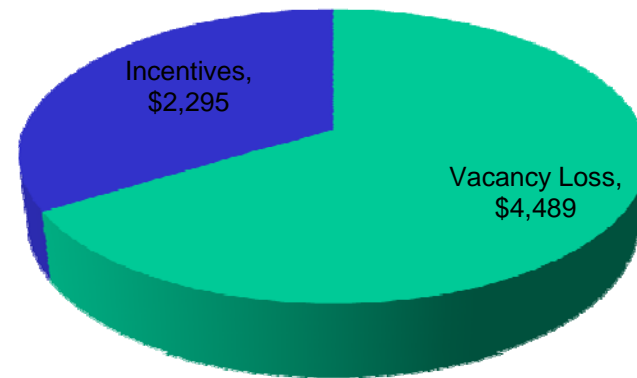
# Same Property Revenue Opportunities

For the Three months ended September 30, 2010 (in \$000's)

**Sep-10 Q3**



**Sep-09 Q3**



Source: Internally generated



# Internal Growth Potential Sensitivity Analysis

## FFO per Trust Unit

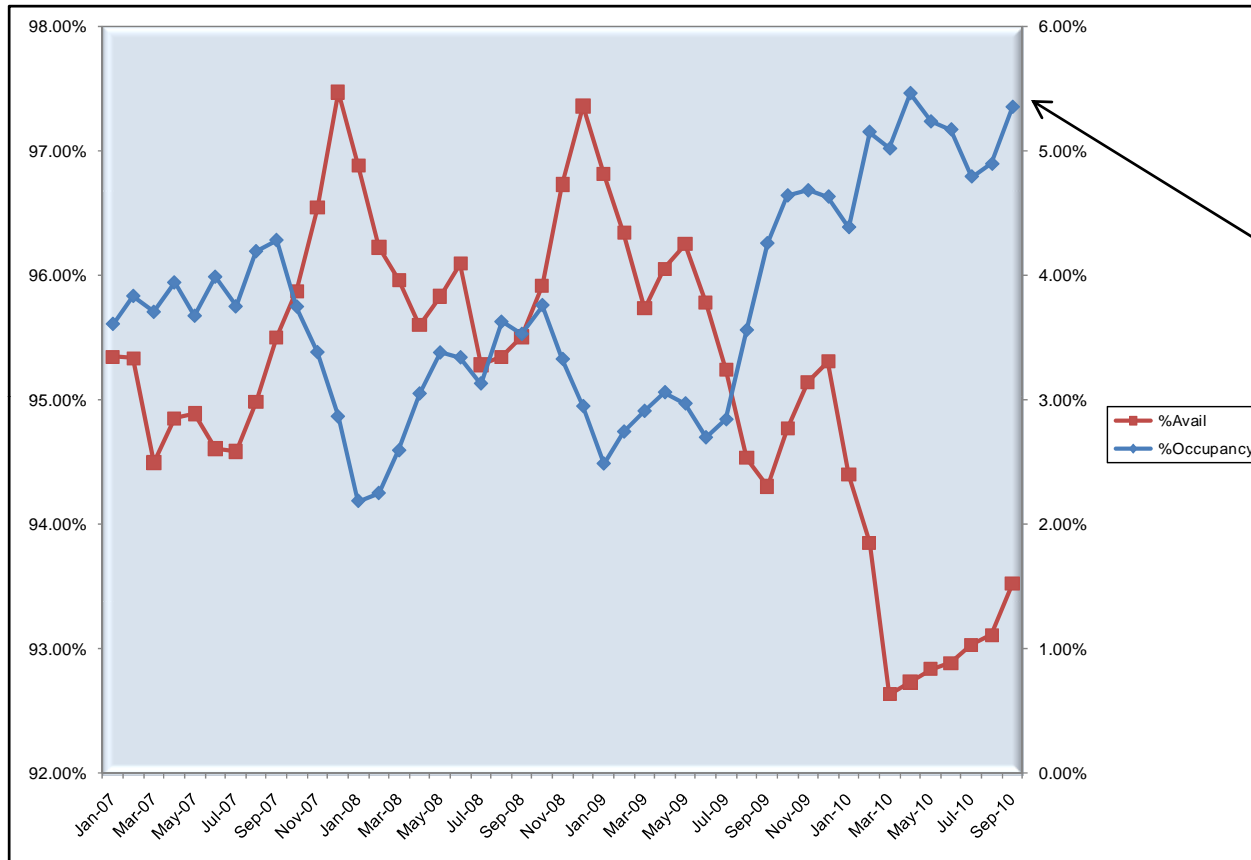


*Source – Internally generated, amount generated are based on existing occupancy levels and assume no impact of any changes in operating costs.*



# Boardwalk

## Occupancy % Vs. Availability %

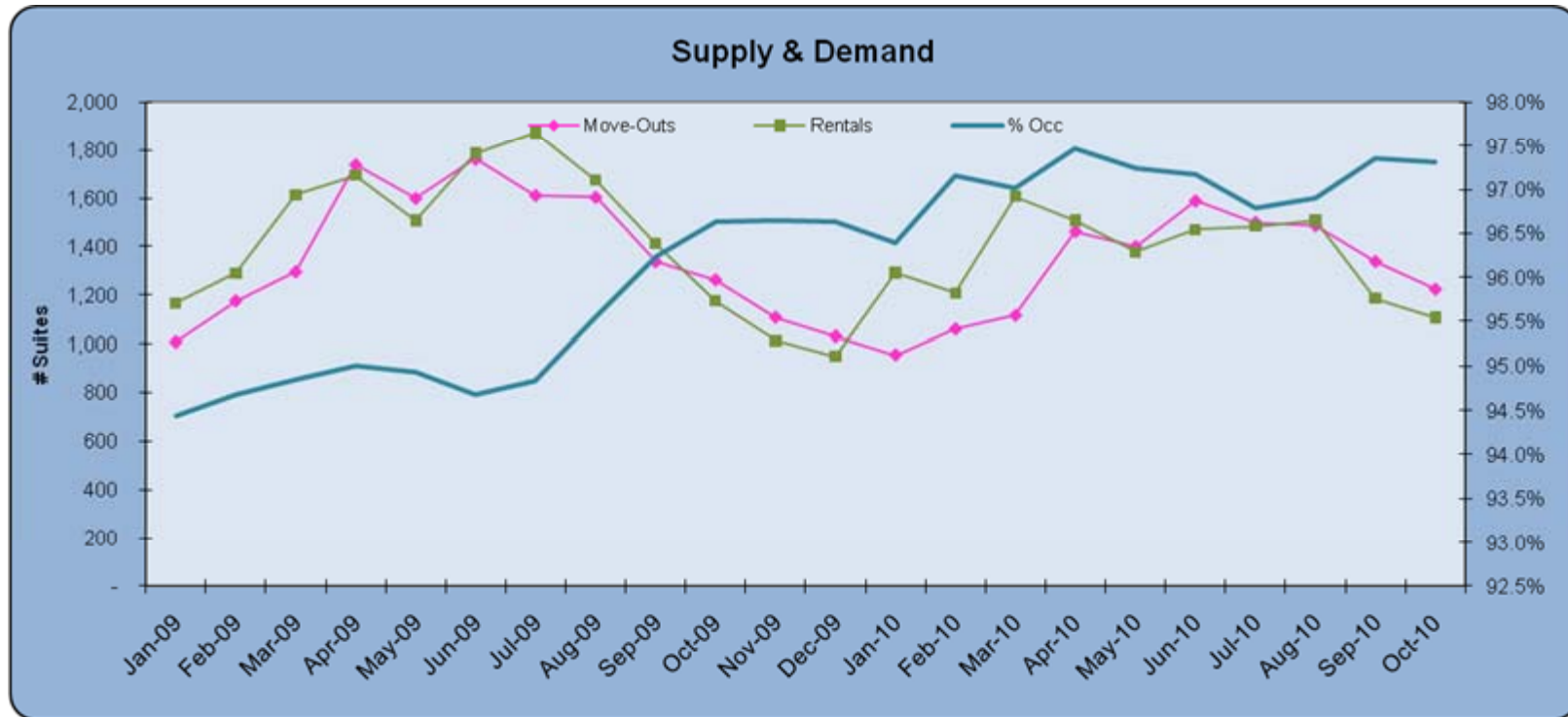


**High occupancy reflects a Boardwalk rental market bottom.**

Source: Internally generated



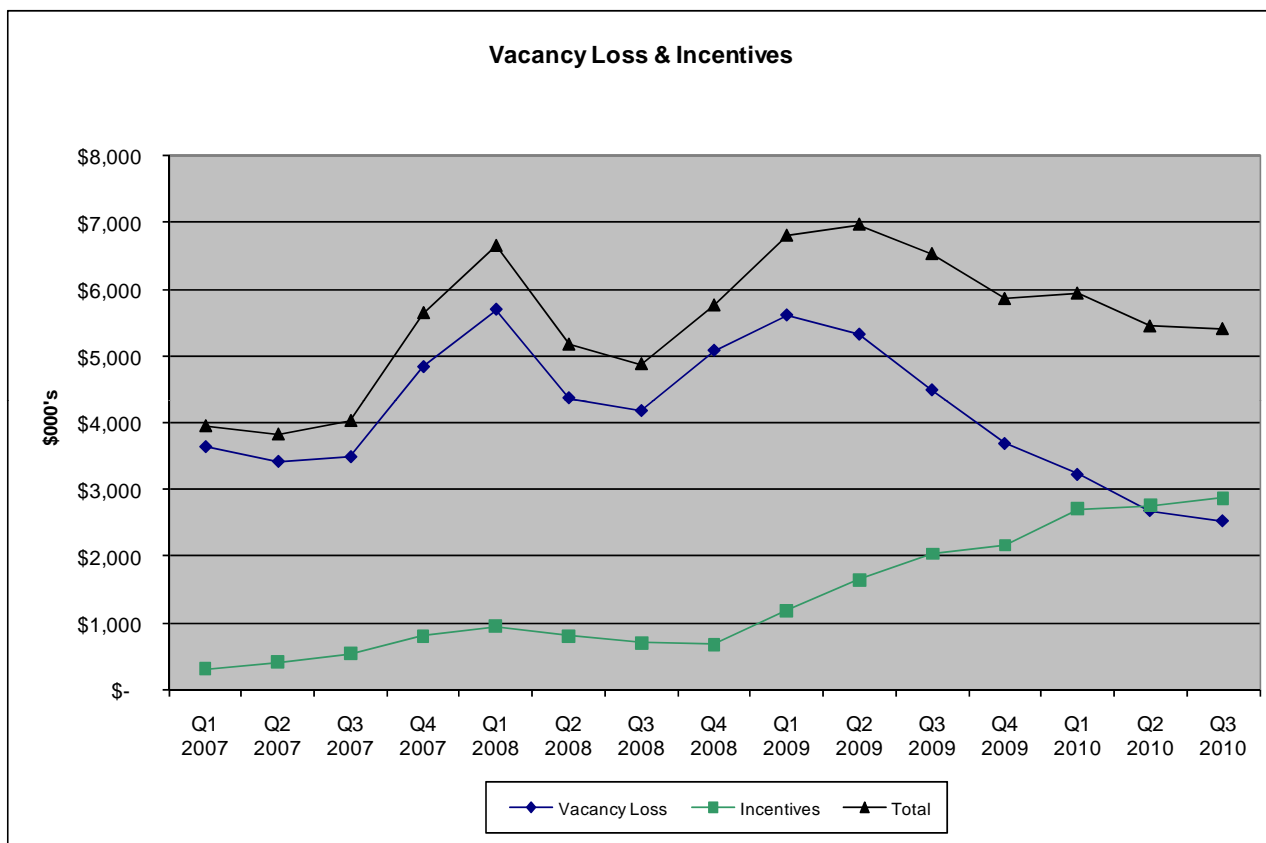
# Move-outs, Move-ins and Occupancy



Source: Internally generated



# Vacancy Loss and Incentives



Source: Internally generated



# Operations Update

## Reasons for Move Out

Reason	2008				2008 Total	2009				2009 Total	2010			2010 Total
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	
Moving out of town	395	680	706	483	<b>2,264</b>	372	762	643	401	<b>2,178</b>	393	683	654	<b>1,730</b>
Purchased Home	467	740	679	492	<b>2,378</b>	383	692	698	499	<b>2,272</b>	420	664	601	<b>1,685</b>
Transfer	456	567	538	487	<b>2,048</b>	544	712	653	542	<b>2,451</b>	537	573	613	<b>1,723</b>
Personal reasons	366	506	515	401	<b>1,788</b>	339	587	537	455	<b>1,918</b>	434	569	584	<b>1,587</b>
Skip / Eviction	530	594	615	506	<b>2,245</b>	638	619	597	573	<b>2,427</b>	545	531	548	<b>1,624</b>
Rent too expensive	392	446	394	351	<b>1,583</b>	339	396	340	213	<b>1,288</b>	229	287	319	<b>835</b>
Larger accommodation	152	225	207	175	<b>759</b>	196	276	232	171	<b>875</b>	120	253	288	<b>661</b>
Unknown	238	542	415	242	<b>1,437</b>	253	279	257	211	<b>1,000</b>	187	251	296	<b>734</b>
Work related	169	222	221	238	<b>850</b>	305	320	271	240	<b>1,136</b>	194	240	267	<b>701</b>
Moving in with others	133	195	157	147	<b>632</b>	149	191	165	132	<b>637</b>	136	173	232	<b>541</b>
<b>Total</b>	<b>3,298</b>	<b>4,717</b>	<b>4,447</b>	<b>3,522</b>	<b>15,984</b>	<b>3,518</b>	<b>4,834</b>	<b>4,393</b>	<b>3,437</b>	<b>16,182</b>	<b>3,195</b>	<b>4,224</b>	<b>4,402</b>	<b>11,821</b>

Reason	2008	2009	2010	% Chg.
Moving out of town	706	643	654	1.7%
Transfer	538	653	613	-6.1%
Purchased home	679	698	601	-13.9%
Personal reasons	515	537	584	8.8%
Skip / Eviction	615	597	548	-8.2%
Rent too expensive	394	340	319	-6.2%
Unknown	415	257	296	15.2%
Larger accommodation	207	232	288	24.1%
Work related	221	271	267	-1.5%
Moving in with others	157	165	232	40.6%
<b>Total</b>	<b>4,447</b>	<b>4,393</b>	<b>4,402</b>	<b>0.2%</b>

- Turnover was up slightly compared to the third quarter in 2009.
- Purchased home as a reason for move out decreased 14%, while rent too expensive decreased 6%, an indicator of the continued affordability of renting compared to home ownership.
- Skip/eviction was down 8%
- Larger accommodation and moving in with others were up 24% and 41%, respectively.



# Alberta Forecast

## Alberta Forecast Summary

	2006	2007	2008	2009	2010f	2011f
<b>Economy</b>						
GDP Growth	6.2%	2.5%	0.0%	-5.0%	2.9%	3.4%
Employment Growth	4.8%	4.7%	2.8%	-1.3%	0.7%	2.1%
Net Migration	70,990	47,939	65,936	37,755	40,000	43,000
Retail Trade (\$ millions)	\$55,942	\$61,160	\$61,069	\$55,956	na	na
<b>New Home Market</b>						
Single-detached Starts	31,835	28,105	14,716	14,344	20,325	21,700
Multi-family Starts	17,127	20,231	14,448	5,954	8,125	9,000
Total Starts	48,962	48,336	29,164	20,298	28,450	30,700
<b>Resale Market*</b>						
Total MLS Sales	74,350	71,430	56,399	57,786	51,400	53,200
Average Price	\$285,383	\$356,235	\$352,857	\$341,201	\$353,400	\$362,700

Source: CMHC Forecast, Statistics Canada \* Total Residential





# Saskatchewan Forecast

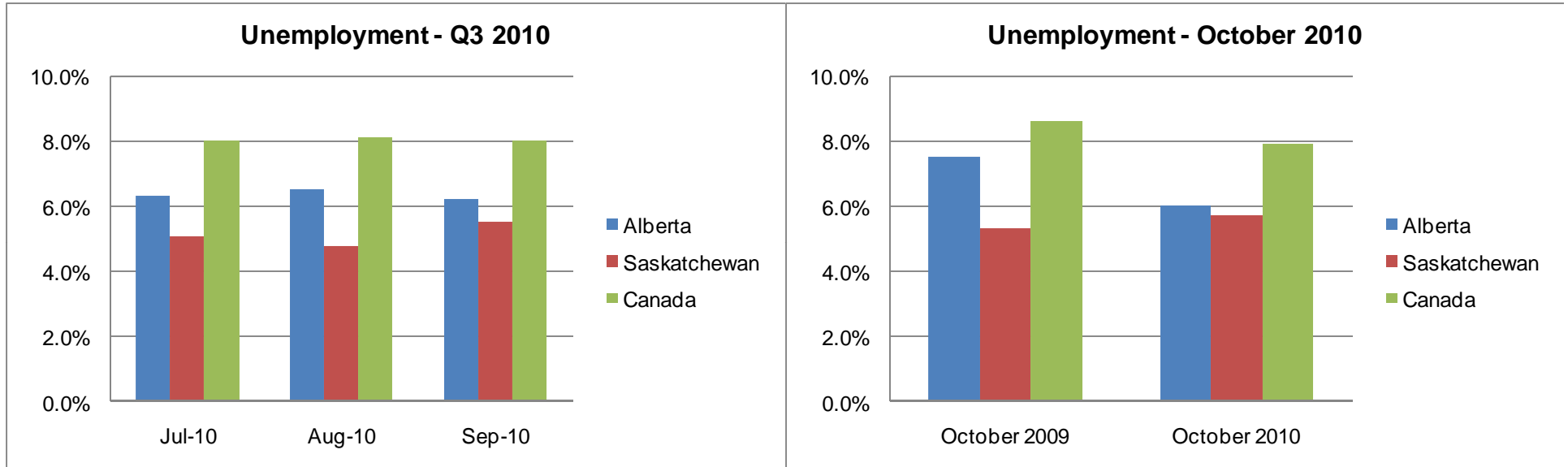
## Saskatchewan Forecast Summary

	2006	2007	2008	2009	2010f	2011f
<b>Economy</b>						
GDP Growth	-1.0%	3.6%	4.2%	-6.1%	3.1%	3.3%
Employment Growth	1.7%	2.1%	2.2%	1.5%	1.3%	1.9%
Net Migration	-1,562	9,287	10,480	11,251	11,600	12,000
Retail Trade (\$ millions)	\$11,495	\$12,984	\$14,360	\$14,036	na	na
<b>New Home Market</b>						
Single-detached Starts	2,689	4,017	4,518	2,829	3,550	3,600
Multi-family Starts	1,026	1,990	2,310	1,037	1,175	1,300
Total Starts	3,715	6,007	6,828	3,866	4,725	4,900
<b>Resale Market*</b>						
Total MLS Sales	9,140	12,054	10,194	10,856	10,500	10,800
Average Price	\$132,078	\$174,405	\$224,592	\$233,695	\$239,250	\$246,700

Source: CMHC Forecast, Statistics Canada \* Total Residential



# Alberta and Saskatchewan Unemployment



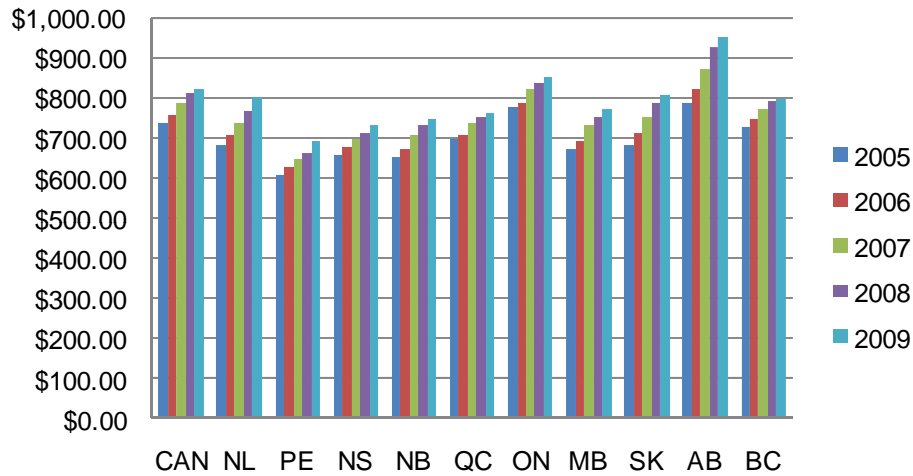
Source: Statistics Canada

Source: Statistics Canada

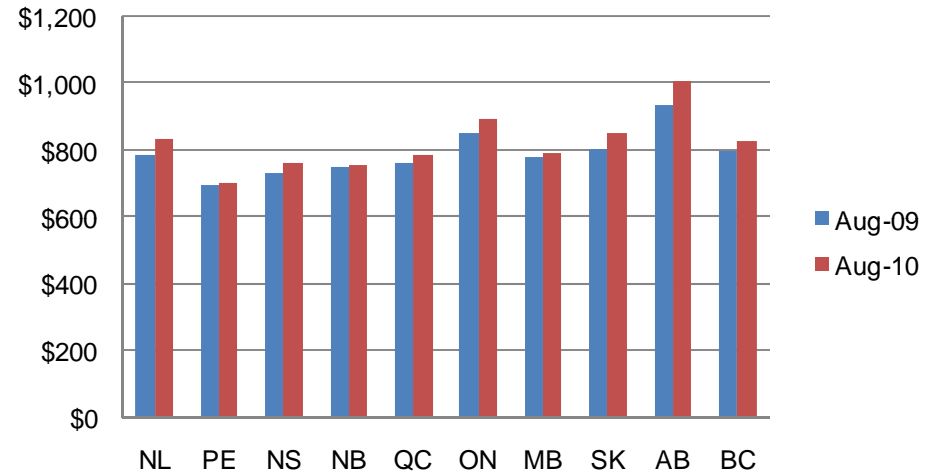


# Average Weekly Earnings

**Average Weekly Earnings by Year**



**Average Weekly Earnings - August 2010**

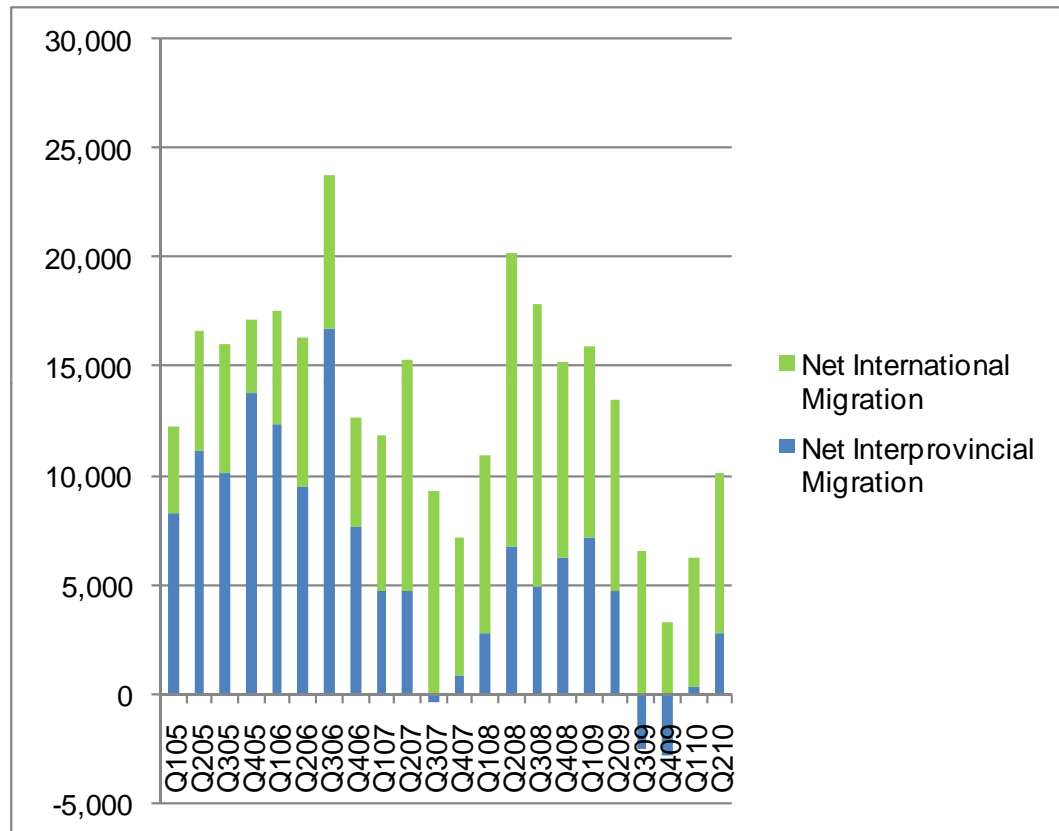


Source: Statistics Canada

Source: Statistics Canada



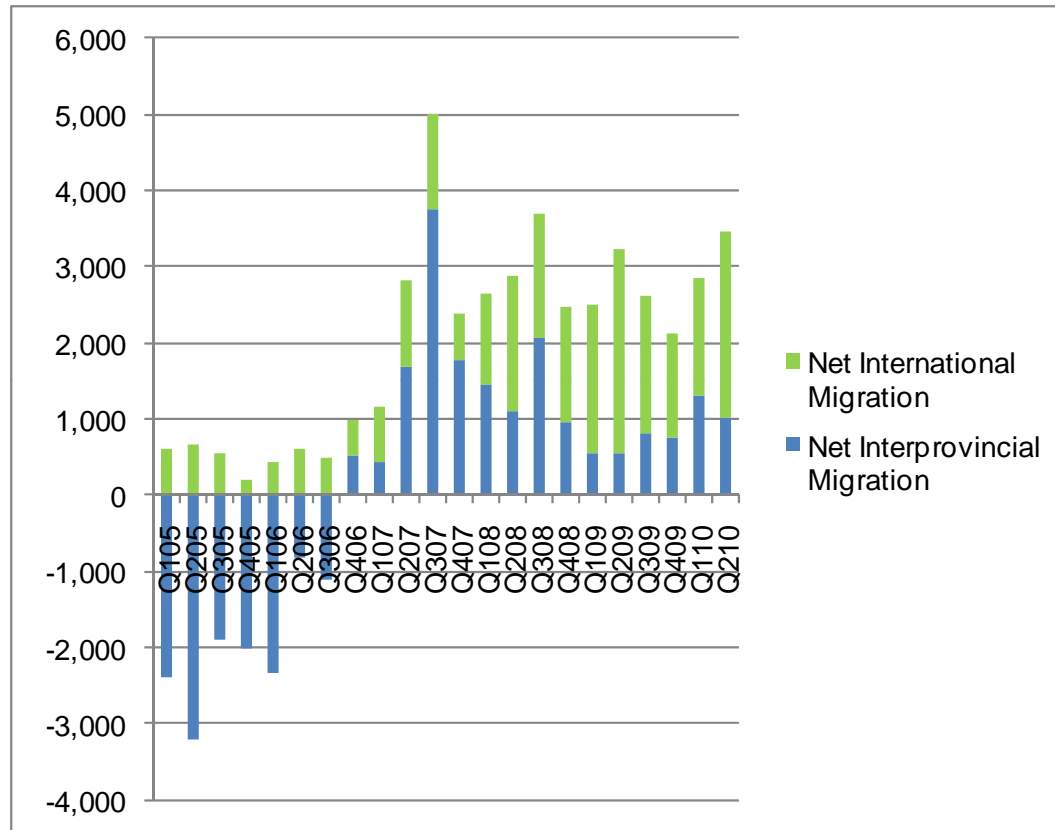
# Alberta International and Interprovincial Migration



Source: Statistics Canada



# Saskatchewan International and Interprovincial Migration



Source: Statistics Canada



# Inventory of Major Alberta Projects

## Continued Long Term Capital being invested in Alberta

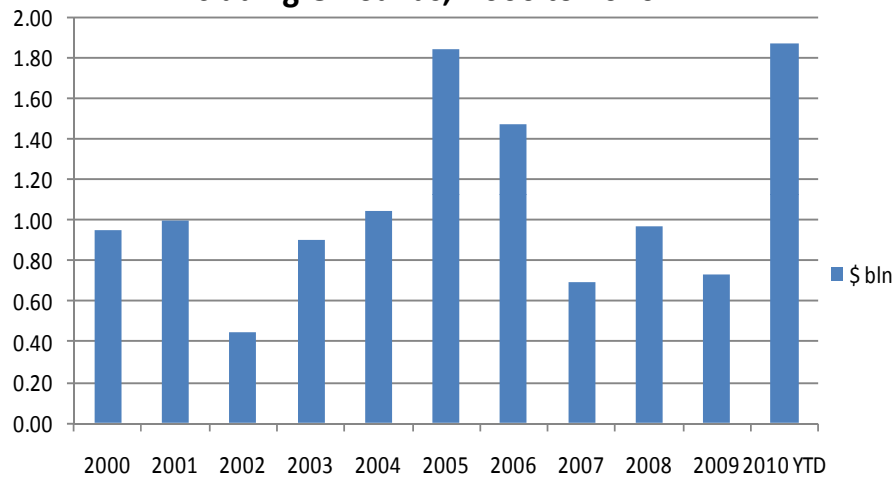
Sector	Oct. 2010 Value of Projects (\$Millions)	Jun. 2010 Value of Projects (\$Millions)	Mar. 2010 Value of Projects (\$Millions)	Dec. 2009 Value of Projects (\$Millions)	Aug. 2009 Value of Projects (\$Millions)
Agriculture & Related	\$185.2	\$199.2	\$181.7	\$187.9	\$63.9
Biofuels, Chemicals & Petrochemicals	\$1,728.0	\$1,888.0	\$1,737.0	\$1,907.0	\$1,922.0
Commercial/Retail	\$8,899.2	\$9,559.0	\$9,694.9	\$10,335.1	\$11,149.7
Commercial/Retail & Residential	\$2,393.8	\$3,873.5	\$4,318.5	\$4,353.5	\$5,315.5
Infrastructure, Institutional & Other Industrial	\$26,519.8	\$28,145.7	\$27,833.6	\$30,885.3	\$32,646.2
Manufacturing, Mining, Forestry & Related	\$5,809.5	\$5,667.7	\$5,452.7	\$5,454.7	\$5,288.7
Oil & Gas	\$1,255.0	\$1,620.5	\$1,583.5	\$2,133.5	\$1,239.5
Oil Sands	\$111,274.6	\$143,904.6	\$142,097.9	\$141,667.9	\$137,438.3
Pipelines	\$7,069.5	\$7,072.3	\$6,807.3	\$8,988.1	\$9,338.3
Power	\$16,946.5	\$19,482.5	\$19,171.5	\$19,630.3	\$19,170.0
Residential	\$5,623.1	\$5,901.4	\$6,058.8	\$6,269.7	\$6,533.3
Telecommunications & Tourism/Recreation	\$4,737.5	\$5,120.2	\$5,283.2	\$7,663.8	\$10,076.3
<b>Total</b>	<b>\$192,441.7</b>	<b>\$232,434.6</b>	<b>\$230,220.6</b>	<b>\$239,476.8</b>	<b>\$240,181.7</b>

Source: Government of Alberta



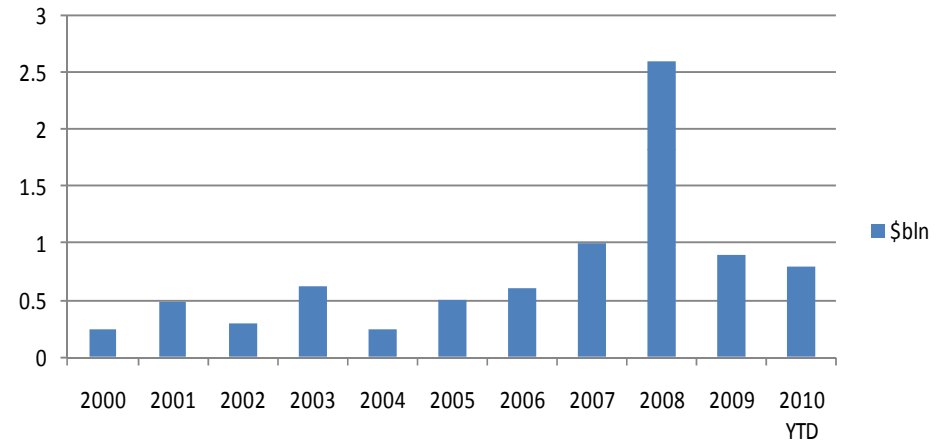
# Annual Land Sales

**Annual Alberta Land Sales  
Excluding Oil Sands; 2000 to 2010 YTD**



Source: Alberta Government, ARC Financial Research

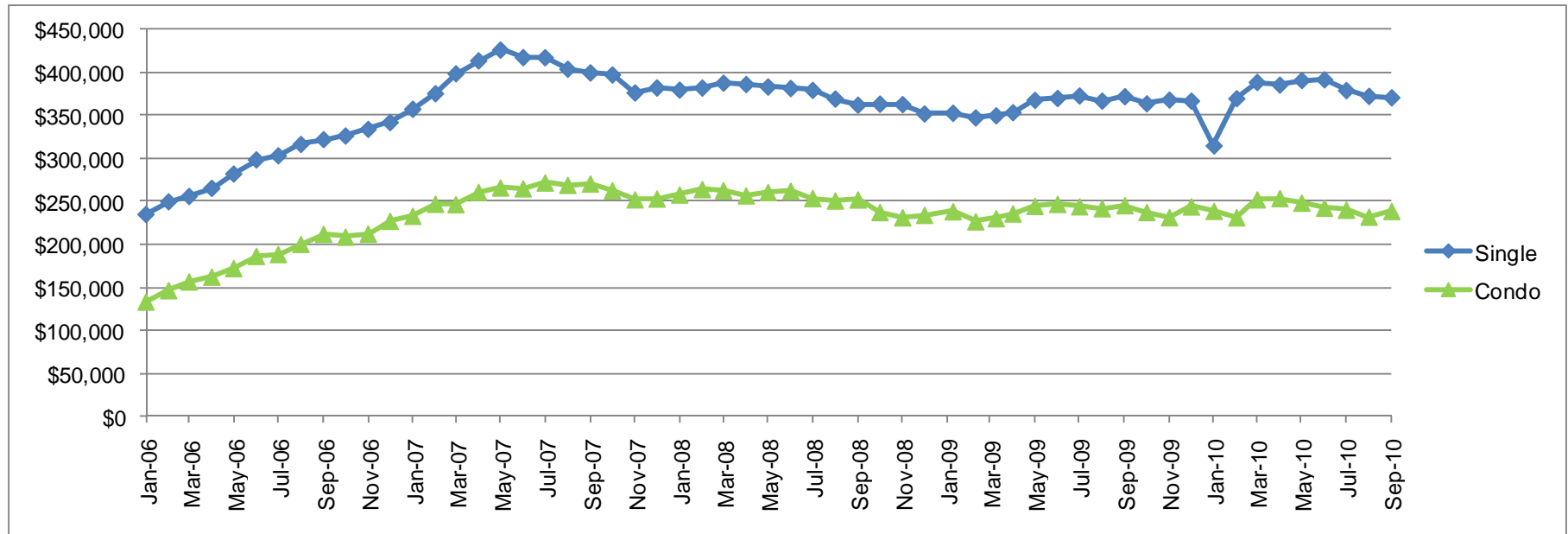
**Annual British Columbia Land Sales  
2000 to 2010 YTD**



Source: BC Government, ARC Financial Research



# Edmonton Home Prices

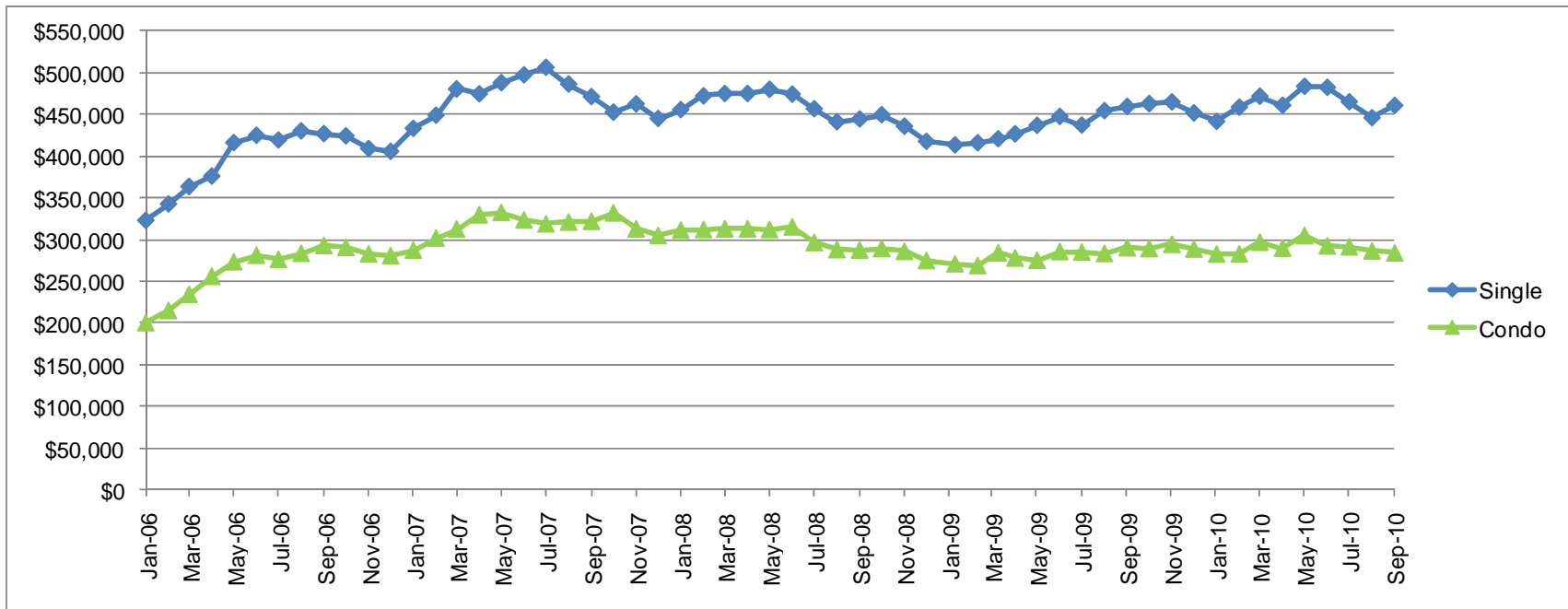


Source: Edmonton Real Estate Board





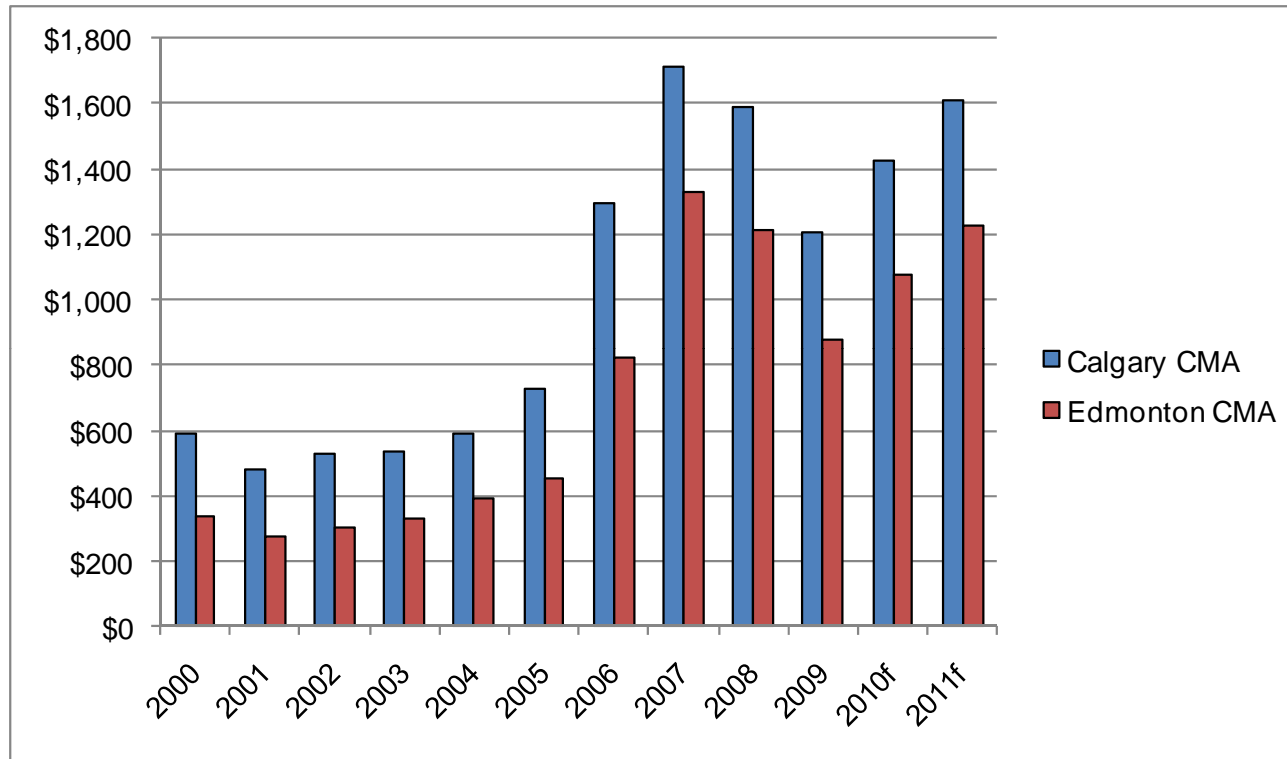
# Calgary Home Prices



Source: Calgary Real Estate Board and Century 21 CREB archive



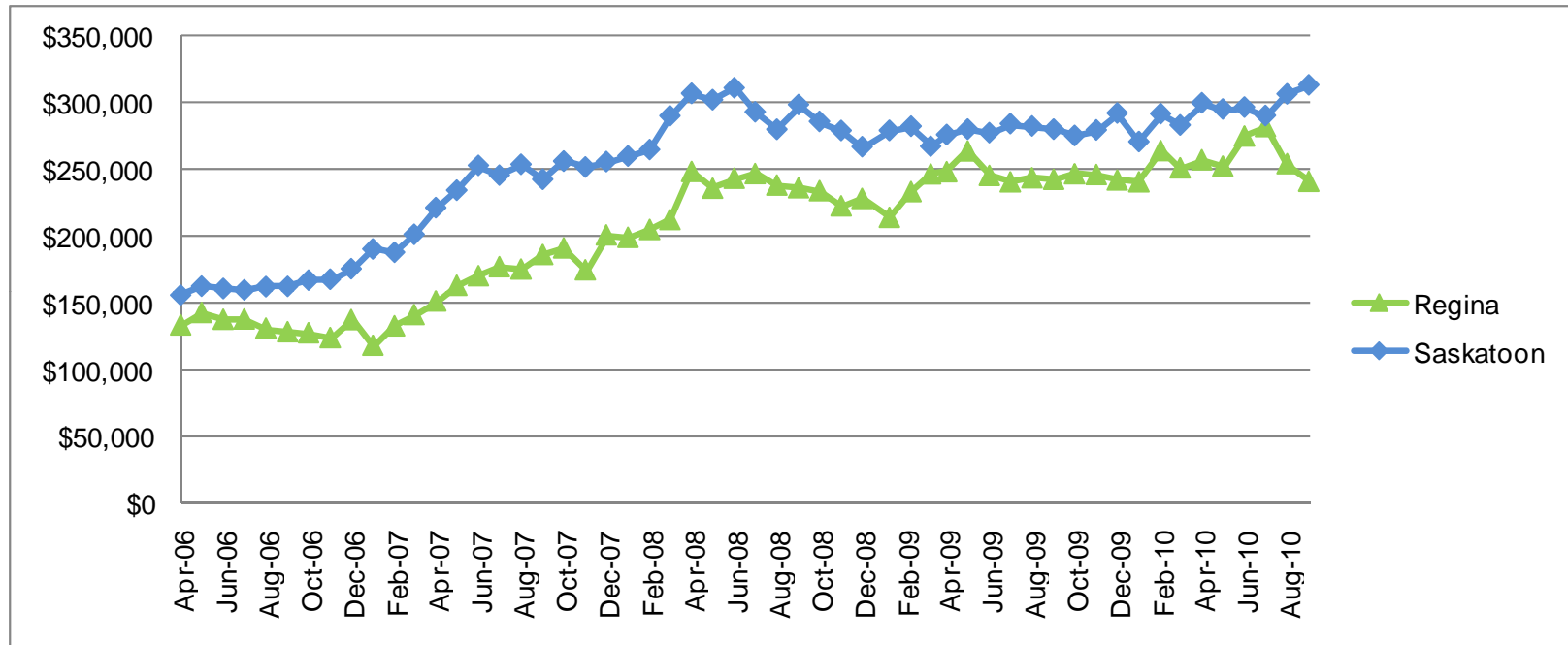
# Differential between Ownership Costs and Monthly Rent



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



# Saskatoon and Regina Home Prices



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



# Implied Net Asset Value

in 000's

	2011	Cap Rate	Implied Trust Unit value	Cash per Trust Unit	Total	Low end Guidance - No Cash	High end Guidance - no cash	
Revenue	\$ 425,916	5.00%	\$ 55.49	\$ 3.93	\$ 59.42	23.6	21.8	
		5.25%	\$ 50.70	\$ 3.93	\$ 54.63	21.6	19.9	
		5.50%	\$ 46.34	\$ 3.93	\$ 50.27	19.7	18.2	
		5.75%	\$ 42.36	\$ 3.93	\$ 46.29	18.0	16.6	
Operating Expenses	\$ 161,362	6.00%	\$ 38.71	\$ 3.93	\$ 42.64	16.5	15.2	
		6.25%	\$ 35.36	\$ 3.93	\$ 39.29	15.0	13.9	
Net Operating Income	<u>\$ 264,554</u>	6.50%	\$ 32.26	\$ 3.93	\$ 36.19	13.7	12.7	
		8.00%	\$ 17.74	\$ 3.93	\$ 21.67	7.6	7.0	
Debt principal outstanding - Sept 2010	<u>\$ 2,374,252</u>	8.50%	\$ 14.04	\$ 3.93	\$ 17.97	6.0	5.5	
		9.00%	\$ 10.75	\$ 3.93	\$ 14.68	4.6	4.2	
Cash Sept 2010	<u>\$ 206,559</u>							
		Current Price	\$ 38.07	\$ 3.93	\$ 42.00	16.2	14.9	
		Implied cap rate	6.05%		5.77%			
		Trust Unit outstanding	52,564,666					

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

Source: Internally generated



# Dispositions

## Year to date November 2010

### Dispositions

Building Name	City	# Units	Type	Price	\$/unit	\$/sq ft	Sale Cap Rate	Cap Rate with Required Cap Ex *	Debt Assumed	Debt Repaid	Date Closed
Habitat du Lac Leamy	Gatineau	321	High Rise	19,350,000	60,280	95	7.29%	6.89%	-	12,554,619	March 16, 2010
Heritage Gardens	Calgary	95	Mid Rise	13,585,000	143,000	211	6.20%	6.20%	3,951,101 **	-	April 23, 2010
Les Jardins Bourassa	Montreal	178	Mid Rise	8,925,000	50,140	104	6.86%	6.36%	-	5,689,650	April 30, 2010
Cascade Lodge	Regina	12	Walk Up	1,075,000	89,583	140	6.02%	6.02%	-	-	July 7, 2010
Glen Garry	Regina	12	Walk Up	985,000	82,083	156	6.18%	6.18%	-	-	July 7, 2010
Willow Glen Apartments	Edmonton	88	Walk Up	9,750,000	110,795	136	6.20%	6.20%	-	3,844,761	August 6, 2010
600 Cote Vertu	St. Laurent	88	Mid Rise	7,925,000	90,057	117	6.59%	5.81%	-	-	October 27, 2010
TOTAL		794		61,595,000	77,576	121	6.68%	6.39%	3,951,101	22,089,030	

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

\*\* 6.38% maturing June 1, 2011

Source: Internally generated



# Current Cap Rates

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

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

*Source: Internally generated*



# Funds From Operations

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

<b>FFO Reconciliation</b> <b>In \$000's, except per unit amounts</b>	<b>3 Months</b> <b>Sep-10</b>	<b>3 Months</b> <b>Sep-09</b>	<b>% Change</b>
Net earnings from continuing operations	\$ 8,716	\$ 13,654	
Adjustments			
Earnings from discontinued operations	\$ 5,593	\$ 830	
Deduct gain on dispositions	\$ (5,726)	\$ (193)	
Other income	\$ -	\$ -	
Future income taxes (recovery)	\$ 2,823	\$ (1,448)	
Amortization of assets (capital and intangibles)	\$ 22,202	\$ 22,117	
Funds from operations	<u>\$ 33,608</u>	<u>\$ 34,960</u>	-3.9%
Funds from operations - per unit	<u>\$ 0.64</u>	<u>\$ 0.66</u>	-3.0%

Source: Internally generated



# Q3 Overall Performance

## FFO RECONCILIATION

	<b>3 Months</b>
FFO September 2009	\$ 0.66
NOI from Stabilized	\$ (0.01)
Financing Costs	\$ 0.02
Administration and Other	\$ (0.01)
FFO Loss from Sold Properties	\$ (0.02)
FFO June 2010	<u>\$ 0.64</u>

*Source: Internally generated*





# Q3 Overall Performance

<i>In 000's, except per unit amounts</i>		<b>3 Months Sep-10</b>	<b>3 Months Sep-09</b>
Rental revenue		\$ 104,668	\$ 104,741
Expenses			
	Operating expenses	\$ 18,755	\$ 18,200
	Utilities	\$ 8,268	\$ 7,765
	Utility rebate	\$ -	\$ -
	Property taxes	\$ 9,733	\$ 9,766
		<u>\$ 36,756</u>	<u>\$ 35,731</u>
	Net operating income	\$ 67,912	\$ 69,010
	Rental revenue per unit per month	\$ 980	\$ 981
	Operating costs per unit per month	\$ 344	\$ 335
	Operating margins	64.9%	65.9%

Source: Internally generated

Note: Rental revenue includes ancillary interest income



# Capital Investment

For the Three and Nine Months ended September 30, 2010

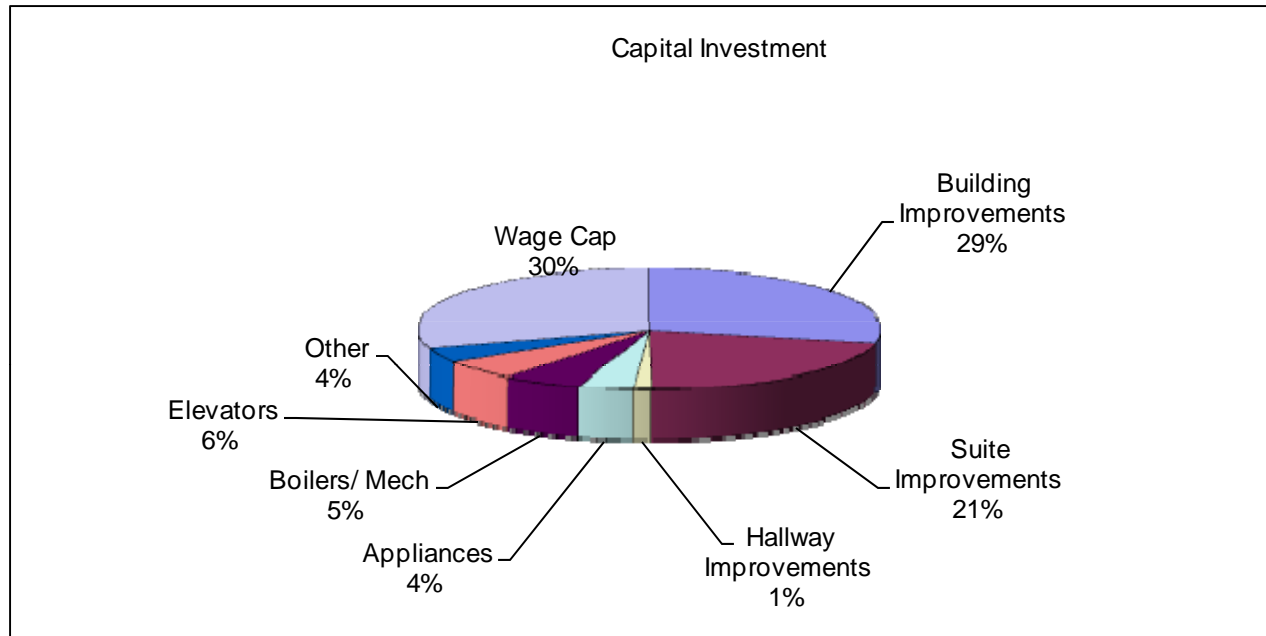
\$ in 000's, except for per suite amounts	3 Months		9 Months	
	30-Sep-10	Per Suite	30-Sep-10	Per Suite
Repairs and Maintenance - expense	\$ 4,823	\$ 135	\$ 15,783	\$ 439
On-Site Maintenance Personnel - expense	<u>\$ 5,332</u>	<u>\$ 149</u>	<u>\$ 16,526</u>	<u>\$ 460</u>
	<u>\$ 10,155</u>	<u>\$ 284</u>	<u>\$ 32,309</u>	<u>\$ 899</u>
Invested Capital - cost	<u>\$ 19,399</u>	<u>\$ 543</u>	<u>\$ 48,142</u>	<u>\$ 1,340</u>
	<u>\$ 29,554</u>	<u>\$ 827</u>	<u>\$ 80,451</u>	<u>\$ 2,239</u>
Estimated Maintenance Capex	\$ 4,018	\$ 113	\$ 12,127	\$ 338
Stabilizing & Value Enhancing Capital	<u>\$ 15,381</u>	<u>\$ 430</u>	<u>\$ 36,015</u>	<u>\$ 1,002</u>
	<u>\$ 19,399</u>	<u>\$ 543</u>	<u>\$ 48,142</u>	<u>\$ 1,340</u>

Source: Internally generated



# Capital Investment

For the Nine months ended September 30, 2010



**Total Capital Invested in the first Nine months of 2010: \$48.1 Million (Nine months of 2009: \$47.7 Million)**

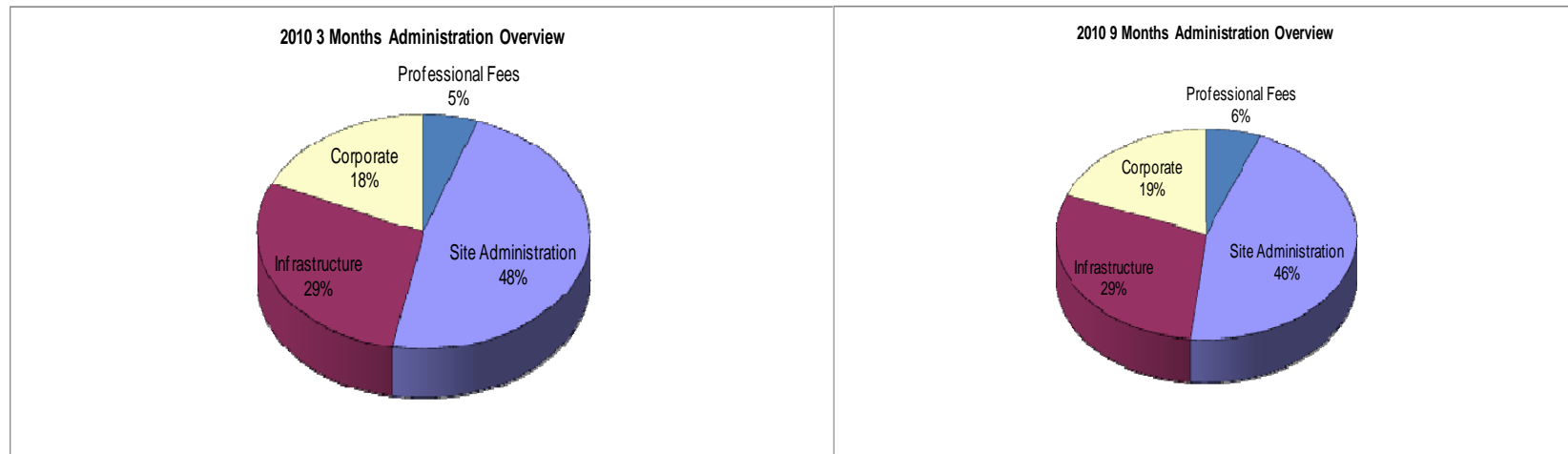
**Total Capital invested in Q3 2010: \$19.4 Million (Q3 2009: \$17.3 Million)**

*Source: Internally generated*



# Administration Review

For the Three months ended September 30, 2010



**Total Administration (Operating + Corporate) Costs for Q3 2010: \$11.9 Million (Q3 2009: \$11.6 Million)**

**Total Administration (Operating + Corporate) Costs for 9 M 2010: \$34.9 Million (9 M 2009: \$35.4 Million)**

*Source: Internally generated*



# HST

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

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

\* Estimated Annualized HST Impact: Ontario - \$677K; B.C. - \$126K



# Stabilized Analysis

For the Three and Nine months ended September 30, 2010

<b>Sep 30 2010 - 3 M</b>	<b># of Units</b>	<b>% Revenue Growth</b>	<b>% Operating Expense Growth</b>	<b>% Net Operating Income Growth</b>	<b>% of NOI</b>
Calgary	5,234	-6.1%	11.6%	-11.7%	17.2%
Edmonton	12,337	-1.4%	-2.8%	-0.6%	36.7%
Other Alberta	2,172	-4.0%	3.7%	-7.6%	5.8%
British Columbia	954	2.1%	-14.8%	9.1%	3.1%
Ontario	4,265	1.8%	3.0%	0.5%	6.8%
Quebec	6,000	3.9%	-1.7%	7.4%	15.5%
Saskatchewan	4,636	5.4%	12.0%	3.3%	14.9%
	35,598	-0.3%	1.5%	-1.1%	100.0%

<b>Sep 30 2010 - 9 M</b>	<b># of Units</b>	<b>% Revenue Growth</b>	<b>% Operating Expense Growth</b>	<b>% Net Operating Income Growth</b>	<b>% of NOI</b>
Calgary	5,234	-6.0%	3.7%	-9.6%	17.6%
Edmonton	12,337	-1.7%	6.3%	-5.5%	36.9%
Other Alberta	2,172	-5.9%	-3.5%	-7.1%	6.0%
British Columbia	954	2.7%	9.3%	0.2%	3.0%
Ontario	4,265	1.8%	0.5%	3.2%	7.0%
Quebec	6,000	2.9%	4.7%	1.7%	14.8%
Saskatchewan	4,636	7.2%	-4.6%	12.6%	14.7%
	35,598	-0.5%	3.1%	-2.3%	100.0%

Note: Total number of units excludes 600 Cote Vertu, which sold and closed on October 27, 2010.

Source: Internally generated



# Stabilized Analysis

For the Three months ended September 30, 2010

## 3 Months Ending September 30, 2010

- Calgary Revenue decline of 6.1%
  - A portion of this decline can be traced to our willingness to offer below market incentives to renewing customers for a period of time.
- Saskatchewan Operating Costs increased 12%
  - Mainly the result of comparable higher property taxes due to refunds received in 09 increased property taxes taking effect in the latter half of 2009.



# Sequential Stabilized Rental Analysis

Stabilized Revenue Growth	# of Units	Q3 2010 vs. Q2 2010	Q2 2010 vs. Q1 2010	Q1 2010 vs. Q4 2009	Q4 2009 vs. Q3 2009
Calgary	5,234	-1.1%	-1.3%	-3.1%	-0.9%
Edmonton	12,337	-0.6%	0.3%	-1.1%	0.1%
Other Alberta	2,172	-2.5%	2.0%	-1.9%	-1.7%
British Columbia	954	-0.2%	-1.3%	1.4%	2.2%
Ontario	4,265	-0.2%	-0.2%	0.0%	2.1%
Quebec	6,000	1.4%	0.7%	0.4%	1.3%
Saskatchewan	4,636	0.8%	1.4%	1.1%	2.0%
	35,598	-0.2%	0.3%	-0.8%	0.5%

Note: Total number of units excludes 600 Cote Vertu, which sold and closed on October 27, 2010.

Source: Internally generated





# Boardwalk

## Finance – Liquidity Analysis

2010 - Q3

Cash Position - Sept 30, 2010 \$ 206,600,000.00

Line of Credit \$ 198,200,000.00

Total Available Liquidity \$ 404,800,000.00

Liquidity as a % of Total Debt 17%

*Source: Internally generated*



# Mortgage Highlights

Q3 - 2010

<u>Period</u>	<u>Units</u>	<u>Maturing Mortgage Amount</u>	<u>Weighted Maturing Avg</u>	<u>New Mortgage Amount</u>	<u>Weighted Avg New Interest Rate</u>	<u>Net Proceeds</u>	<u>Avg term</u>
Q1 - 2010	1017	\$ 60,708,220	4.58%	\$ 60,708,220	3.32%	\$ -	4.48
Q2 - 2010	3131	\$ 150,423,400	4.35%	\$ 218,507,670	3.73%	\$ 68,084,280	6.04
Q3 - 2010	1641	\$ 91,534,000	4.74%	\$ 108,480,850	2.99%	\$ 16,946,850	5.63
<b>Totals</b>	<b>5789</b>	<b>\$ 302,665,620</b>	<b>4.52%</b>	<b>\$ 387,696,750</b>	<b>3.46%</b>	<b>\$ 85,031,130</b>	<b>5.68</b>

In Q3, the Trust has successfully refinanced \$108mm in Mortgage Financing for an average interest rate decrease of 175bps from the maturing rate. For the 9 months ended Sept 30, 2010; The Trust has re-financed \$387mm for an average interest rate decrease of 106bps.

\*Weighted average interest rate of mortgages only.

Source: Internally generated



# Mortgage & Liquidity Review

## Mortgage & Debt Maturity Schedule – 2010

Year of Term Maturity	Principal Outstanding as at Sep 30, 2010	Weighted Average Interest Rate By Maturity	% of Total
2010	\$ 110,110,883	4.47%	5%
2011	\$ 214,310,277	4.71%	9%
2012	\$ 580,166,583	4.89%	25%
2013	\$ 292,610,568	4.51%	12%
2014	\$ 434,849,568	3.51%	18%
2015	\$ 403,375,585	3.81%	17%
2016	\$ 125,873,158	4.66%	5%
2017	\$ 88,941,990	3.80%	4%
2018	\$ 6,008,588	6.18%	0%
2019	\$ 77,634,485	5.09%	3%
2020	\$ 40,370,606	4.44%	2%
<b>Total Principal Outstanding</b>	<b>\$ 2,374,252,291</b>	<b>4.32%</b>	<b>100%</b>

Includes \$112.4mm Debenture maturing in 2012.

*Average Term to Maturity is 3 Years*

*Average amortization period is 32 years*

*Current 5 Year Interest Rates are 2.80%*

*Current 10 year Interest rates are 3.80%*

Source: Internally generated



# Liquidity Analysis – Property Valuation

**Valuation Model, with Sept 2010 Revenue and Standardized Costs.**

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

Fiscal Year	Units	Est. Value - Sept 2010	Max Loan Amt 75% LTV or 1.3	Period End Balance	Additional Est. Leverage Available	LTV, Sept 2010
2010	1,726	\$ 224,043,183	\$ 167,846,508	\$ 110,110,883	\$ 65,954,304	49%
2011	4,161	\$ 490,978,898	\$ 368,009,340	\$ 214,310,277	\$ 159,710,874	44%
2012	6,363	\$ 839,441,966	\$ 623,816,051	\$ 467,761,583	\$ 165,216,523	56%
2013	4,371	\$ 460,441,669	\$ 344,927,887	\$ 292,610,568	\$ 73,552,004	64%
2014	5,903	\$ 769,628,614	\$ 577,143,233	\$ 434,849,568	\$ 149,994,568	57%
2015	5,357	\$ 648,712,625	\$ 483,403,149	\$ 403,375,585	\$ 109,556,535	62%
2016	1,728	\$ 195,455,566	\$ 146,391,639	\$ 125,873,158	\$ 27,749,134	64%
2017	1,007	\$ 120,225,132	\$ 90,029,822	\$ 88,941,990	\$ 2,391,264	74%
2018	197	\$ 28,663,645	\$ 21,497,733	\$ 6,008,588	\$ 15,489,145	21%
2019	1,114	\$ 131,566,275	\$ 98,628,983	\$ 77,634,485	\$ 23,926,539	59%
2020	722	\$ 78,590,986	\$ 58,943,240	\$ 40,370,606	\$ 19,147,319	51%
Un-Levered	2,949	\$ 272,452,768	\$ 201,692,426		\$ 201,692,426	0%
Total	35,598	\$ 4,260,201,325	\$ 3,182,330,010	\$ 2,374,252,291	\$ 1,014,380,636	56%
Unsecured Debenture				\$ 112,405,000		
Cash - Sept 30, 2010				\$ (206,600,000)		
Grand Total net of Cash				\$ 2,280,057,291		54%

**99% of Boardwalk's Secured Mortgages are NHA-insured and assumes an average Capitalization Rate of 6.61%.**

Source – Internally generated

*\*As at Sept 30, 2010 –  
Excludes Subsequent Transaction: 600 Cote Vertu*



# Mortgage & Debt Maturities

September 30, 2010

Type of Debt	Apartment Units		Amount
Secured	32,649	\$	2,261,847,291
Un-levered	2,949 *		
Unsecured	-	\$	112,405,000
<b>Total</b>	<b>35,598</b>	<b>\$</b>	<b>2,374,252,291</b>

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

**\*855 of these apartment units (approx \$95.8 million of estimated value) are pledged against the Trust's undrawn credit facility.**

**Note: Excludes 600 Cote Vertu, which sold and closed October 27, 2010.**

*Source: Internally generated*



# Mortgage & Debt Highlights

(\$ in millions)

## 2010 - Q3

		in \$000,000's
Mortgage Principal Outstanding	\$	2,262
Debenture	\$	112
Total	\$	2,374
% of NHA Insured Secured Mortgages		99%
Existing Bond Spreads		75-85 Basis Points Over 5 Year GoC Bonds
Interest Coverage - Continuing Operations		
	Q3 - 2010	2.35
	Q3 - 2009	2.33

Source: Internally generated

As at Sept 30, 2010



# Boardwalk REIT 2010 Guidance

Description	Original Guidance	Q2 Revised Guidance	Q3 Revised Guidance
Acquisitions	No new apartment acquisitions	No new apartment acquisitions	No new apartment acquisitions
Stabilized Building NOI growth	-2% to 0%	-3% to 0%	-3% to 0%
FFO per Trust Unit	\$2.45 to \$2.60	\$2.40 to \$2.55	\$2.40 to \$2.50
DI per Trust Unit	\$2.47 to \$2.62	\$2.42 to \$2.57	\$2.42 to \$2.52

***Adjustments to guidance relate mainly to the loss of FFO from the sale of sold properties***



# Boardwalk REIT 2011 Guidance

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

***Adjustments to guidance relate mainly to the loss of FFO from the sale of sold properties***





# Boardwalk REIT Distributions

Month	Per Unit	Record Date	Payable Date
Nov 2010	\$0.15	Nov 30, 2010	Dec 15, 2010
Dec 2010	\$0.15	Dec 31, 2010	Jan 17, 2011
Jan 2011	\$0.15	Jan 31, 2011	Feb 15, 2011



# Boardwalk REIT

## Fair value of Investment Assets

- Under IFRS, Boardwalk has chosen to adopt the fair value model at January 1, 2010
  - Used the Overall Capitalization Rate Method
  - 100% of the portfolio was appraised by an arm's-length third party
  - Total Asset expected to be written up to \$4.4 billion from \$2.4 billion
    - Investment properties increased by \$1.9 billion to \$4.1 billion
- Boardwalk has elected to use the fair value model to report the asset values of its Investment Properties



# Boardwalk REIT

## Fair value of Investment Assets

- A Summary of the cap rates used effective January 1, 2010 are as follows

### Freehold

City / Town	Range	
Calgary	6.00%	6.75%
Edmonton	6.25%	7.00%
Gatineau	6.25%	6.25%
Grande Prairie	8.00%	8.50%
Kitchener	6.75%	6.75%
London	6.75%	7.00%
Montreal	6.25%	7.50%
Other Alberta	6.25%	8.00%
Quebec	6.25%	7.50%
Regina	6.75%	7.00%
Saskatoon	6.75%	7.00%
Vancouver	5.25%	7.25%
Victoria	5.50%	5.50%
Windsor	7.25%	7.75%
	5.25%	8.50%
<b>Land Lease</b>	6.18%	11.66%



# Boardwalk REIT

## *Do we qualify as a REIT?*

- At point of generation, income generated from operations and the sale of real properties (Apartments) does qualify as eligible income as part of the 95% income threshold.
- The question that remains is: does income generated from the sale of real properties, once it flows through Boardwalk's Trust on Trust Structure, lose its character?
- We continue to seek clarification on this issue.
- It should be noted that the decision to sell real properties is at the sole discretion of the Trust; however, until we receive further clarification on this issue, we will continue to sell select non core properties until December 31 2010.



# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q3 2010 Conference Call

*November 11, 2010 – 11:30 EST*

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



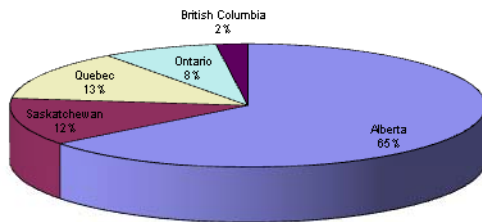
# BOARDWALK REAL ESTATE INVESTMENT TRUST

## APPENDIX

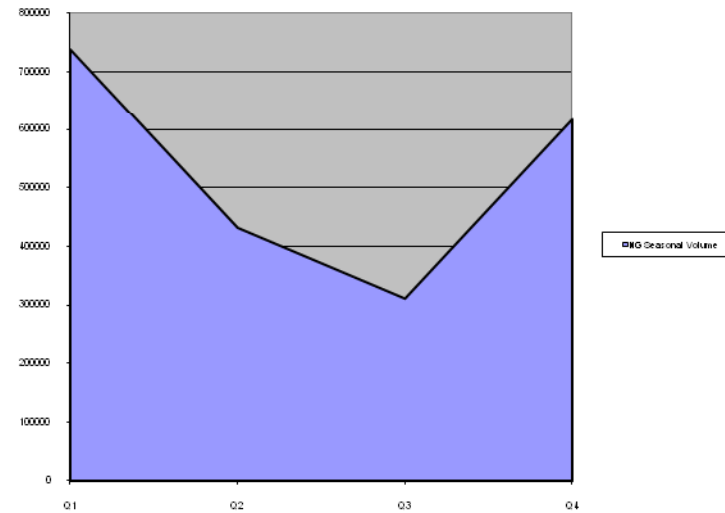


# Natural Gas Review

Average Natural Gas Consumption



NG Seasonal Volume



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

Source: Internally generated



# Q3 - Distributable Income

(in 000's, except per unit amounts)

## Distributable Income Reconciliation In \$000's, except per unit amounts

	3 Months Sep-10	3 Months Sep-09	% Change
Total Operating Cash Flows	\$ 36,524	\$ 36,805	
Net change in operating working capital	\$ (1,220)	\$ 353	
Deduct deferred financing costs amortization	\$ (1,424)	\$ (851)	
Mark-to-market debt	\$ (26)	\$ (26)	
Distributable income	<u>\$ 33,854</u>	<u>\$ 36,281</u>	-6.7%
Distributable income - per unit	<u>\$ 0.64</u>	<u>\$ 0.69</u>	-7.2%

Source: Internally generated





# Loss To Lease Statistics Mark to Market

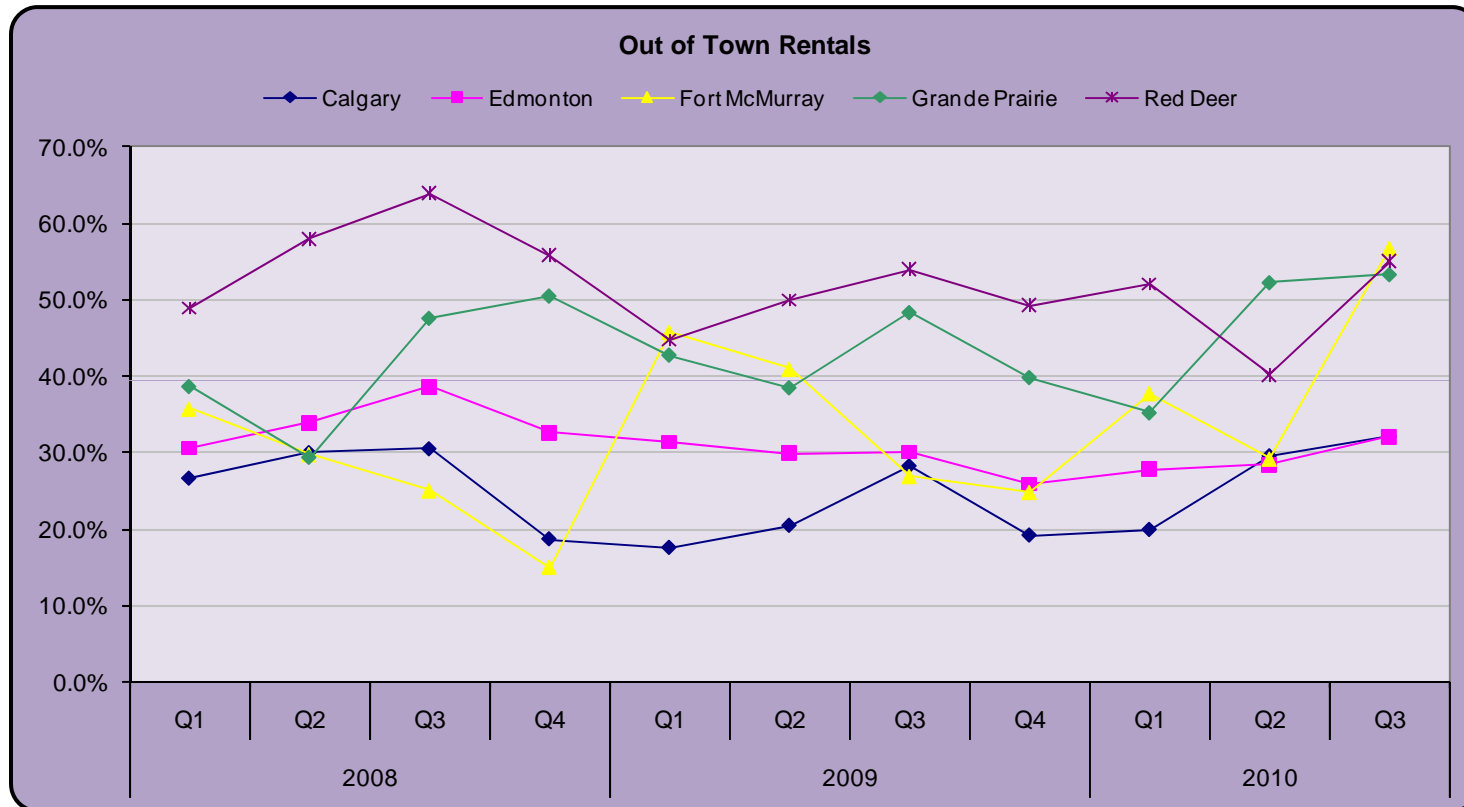
	<b>Total</b>	<b>Per Trust Unit</b>
Jun 2010 - Entire Property Portfolio	\$ 3,180,000	\$ 0.06
In-Place Rent Adjustment	\$ (912,000)	\$ (0.02)
Vacancy Adjustment	\$ (94,000)	\$ (0.00)
Market Rent Adjustment	\$ 1,374,000	\$ 0.03
Sep 2010 - Entire Property Portfolio	<u>\$ 3,548,000</u>	<u>\$ 0.07</u>
Total Estimated Vacancy Loss	\$ 620,112	
Current reported Vacancy	2.64%	
Target Vacancy	2.50%	
<b>Estimated Annual Occupancy Pick-up</b>	<u><b>\$ 33,000</b></u>	<u><b>\$ 0.00</b></u>

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



Source: Internally generated

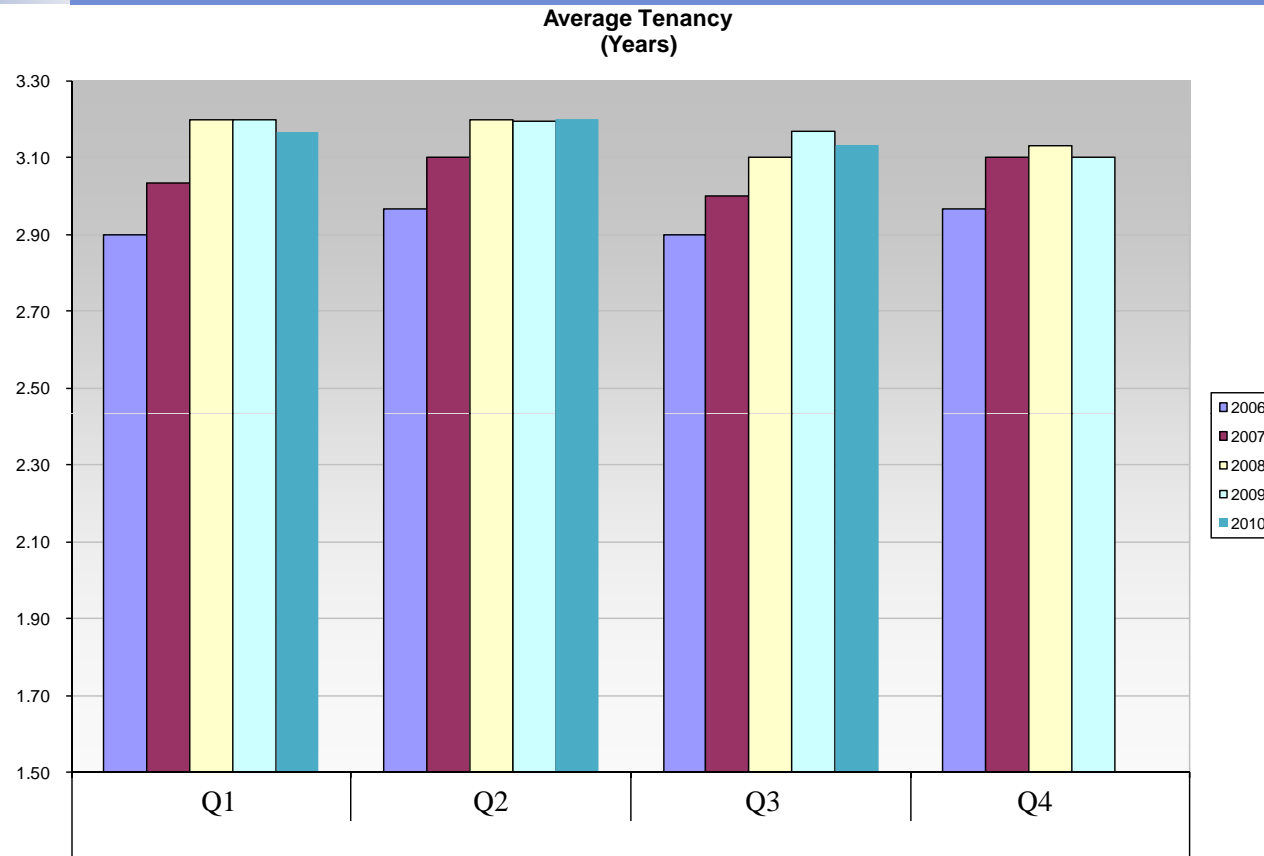
# Out of Town Rentals



Source: Internally generated



# Average Tenancy



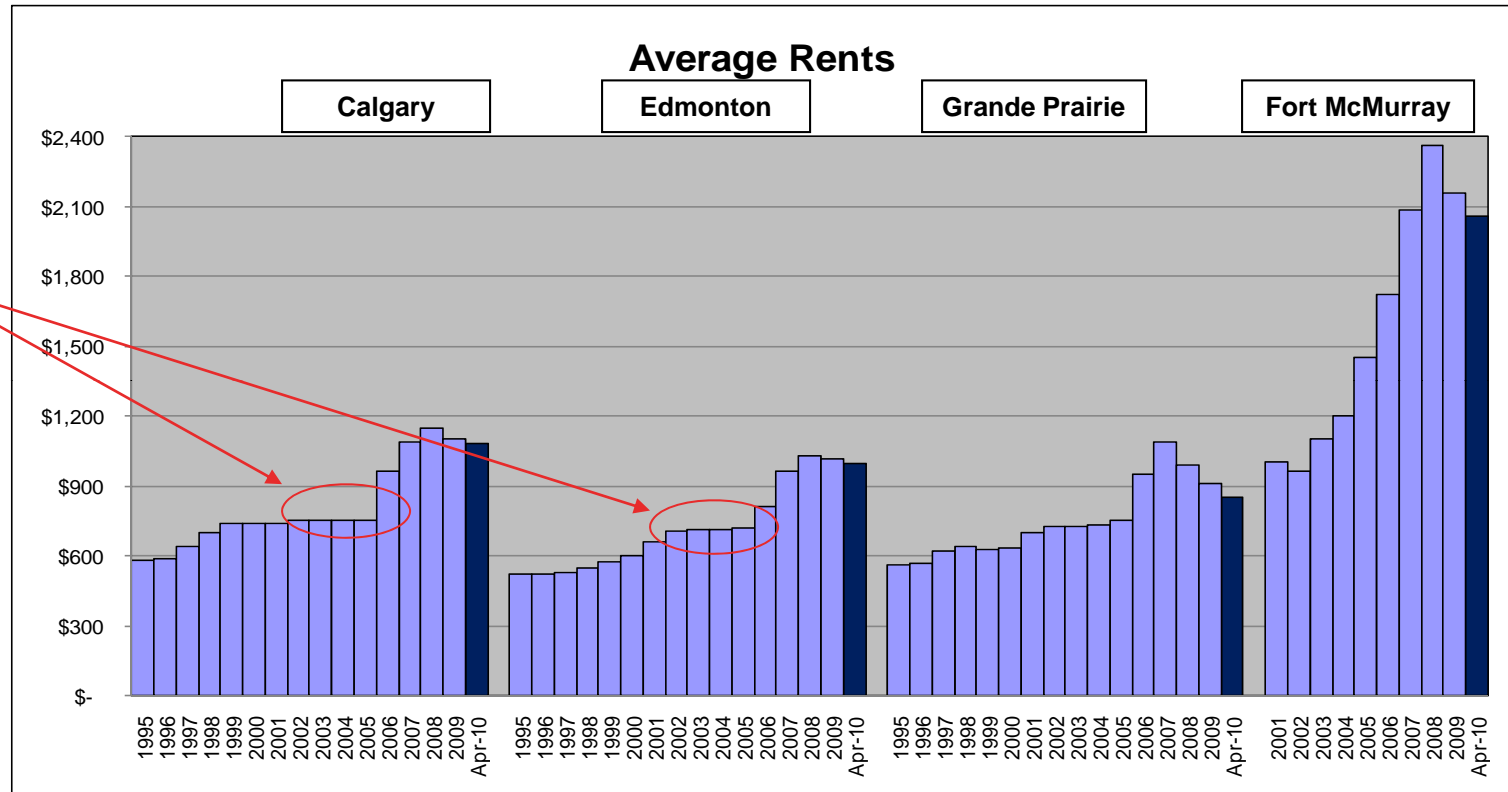
Source: Internally generated



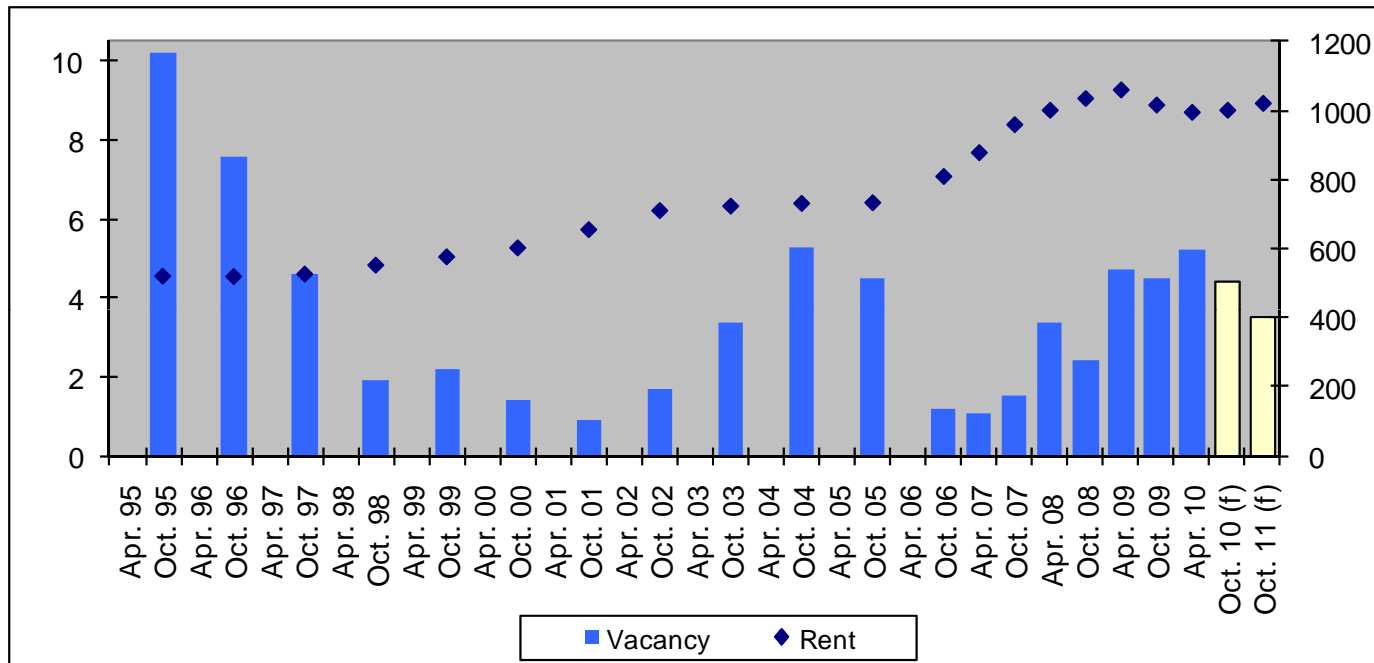
# Average Rental Rate Increases

CMHC statistics based on 2 bedroom apartments

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



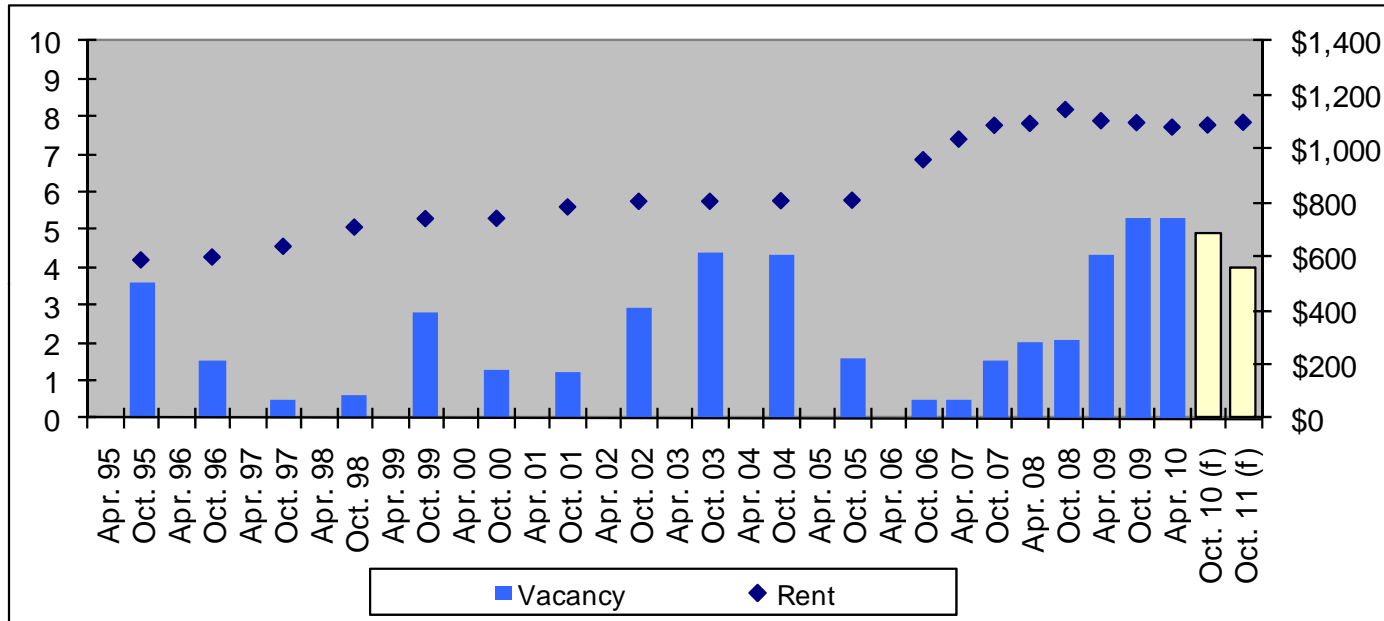
# Edmonton Average Vacancy and Average Rent



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



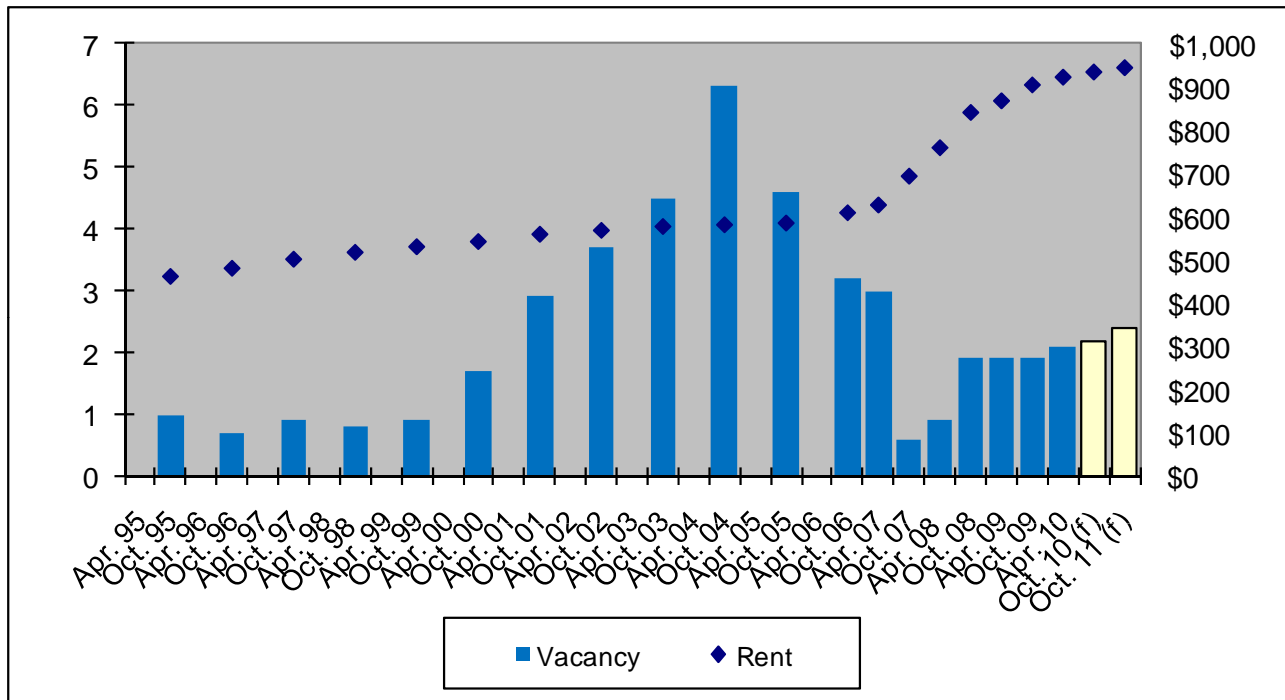
# Calgary Average Vacancy and Average Rent



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



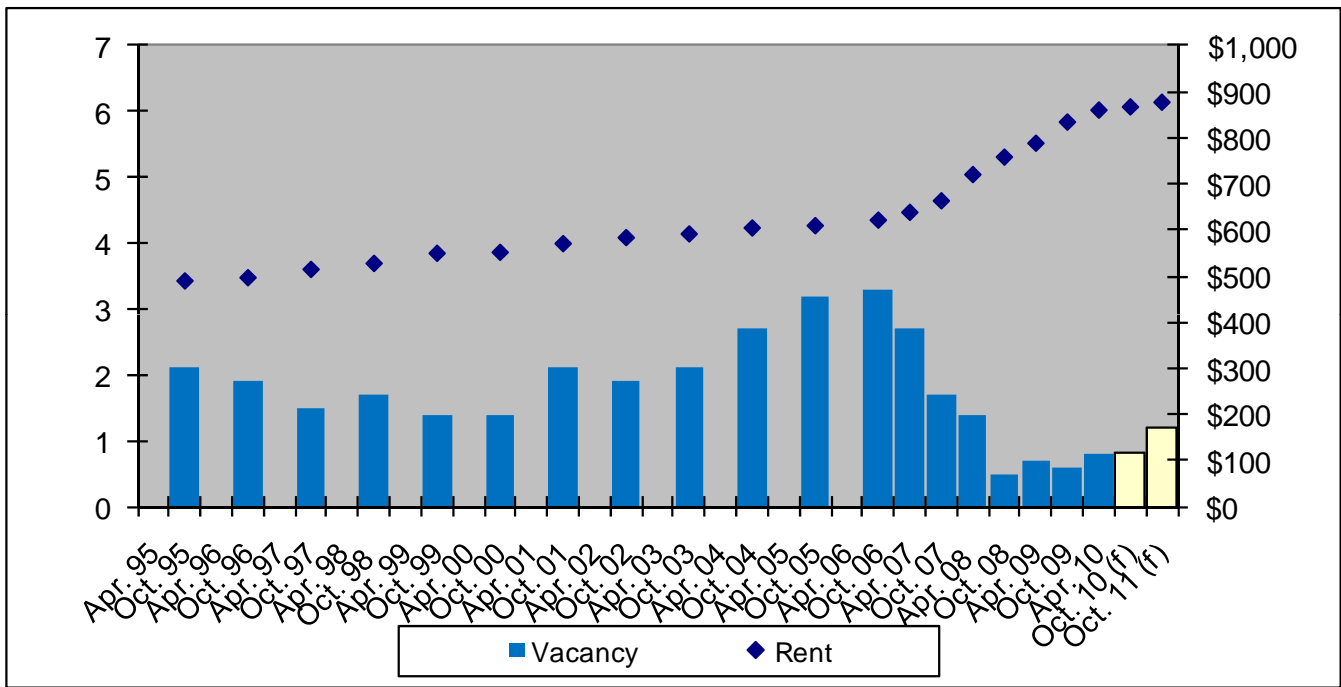
# Saskatoon Average Rent and Average Vacancy



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



# Regina Average Rent and Average Vacancy

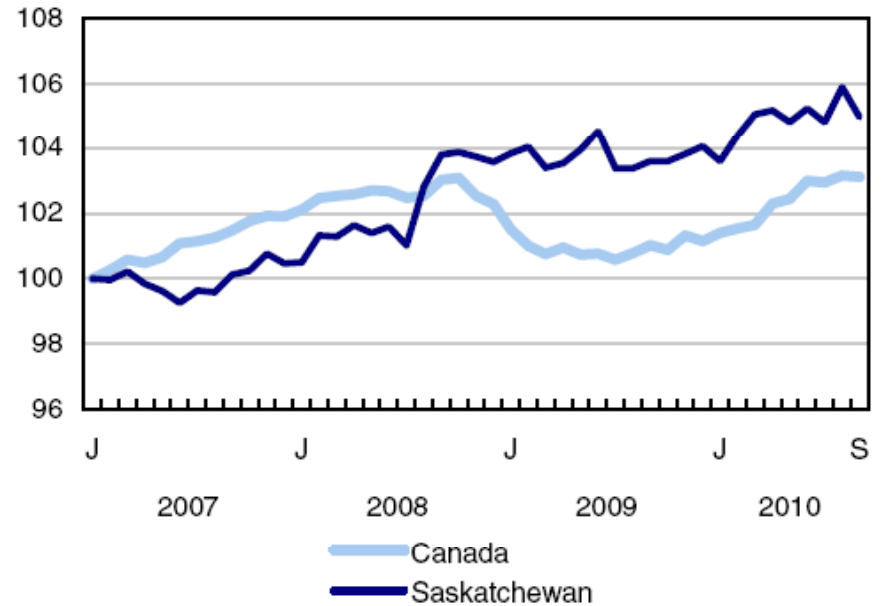
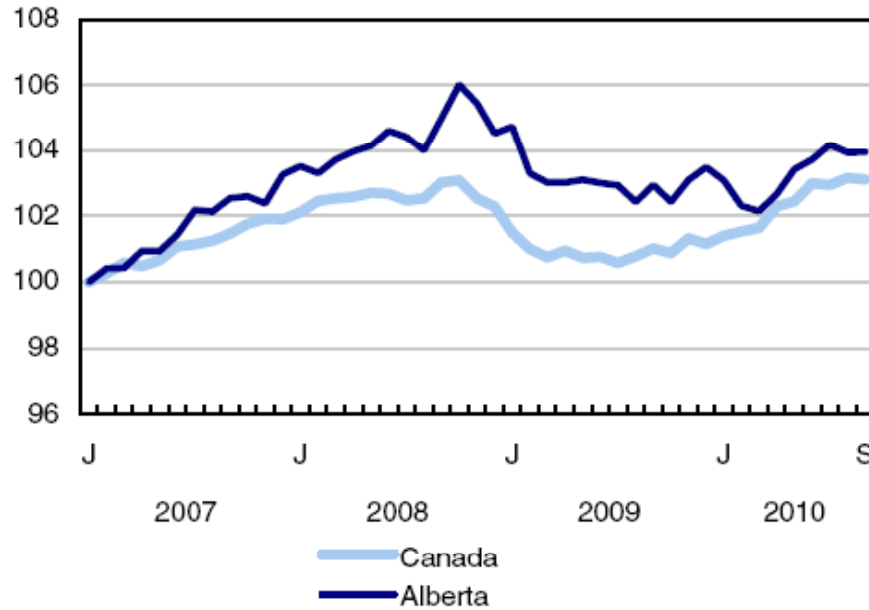


Source: CMHC, two-bedroom units (centres 10,000 population and higher)





# Employment - AB and Sask.



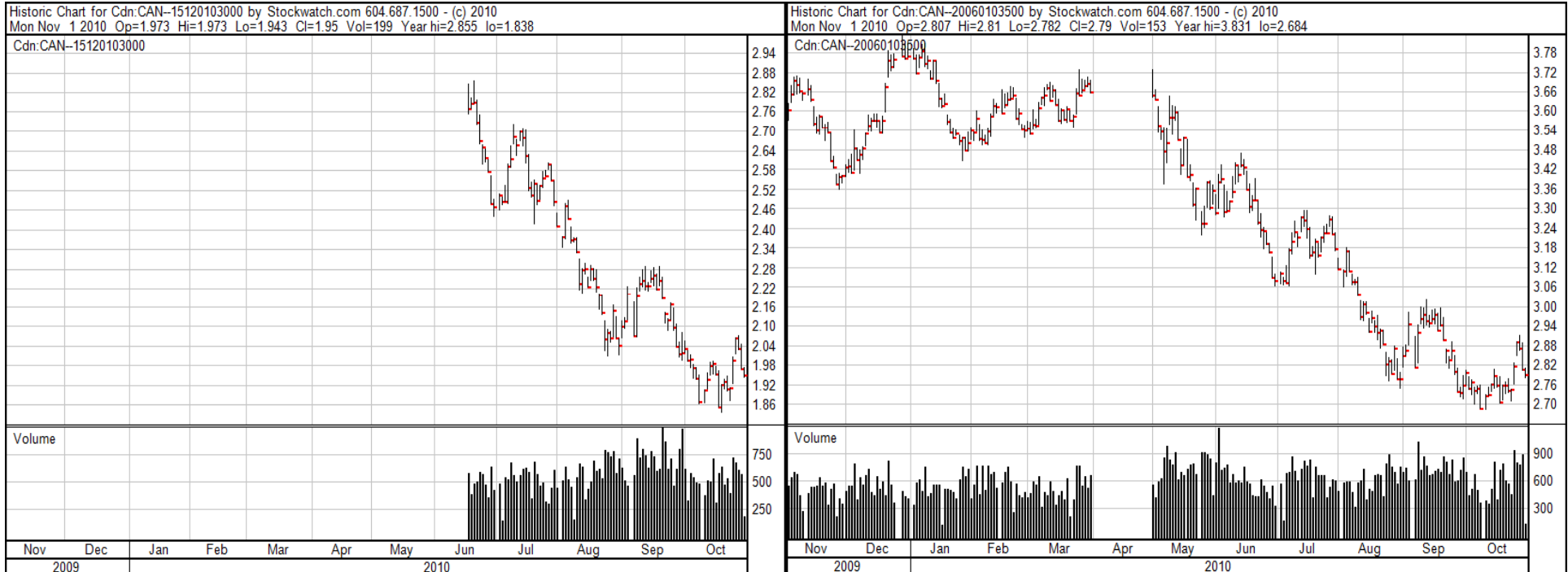
Index of employment by province, seasonally adjusted, January 2007=100

Source: Statistics Canada



# Finance

## Canadian Bonds



5 Year GoC Benchmark Bond Yield

10 Year GoC Benchmark Bond Yield

Source – [Stockwatch.com](http://Stockwatch.com)



# BOARDWALK REAL ESTATE INVESTMENT TRUST



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

