

BOARDWALK REAL ESTATE INVESTMENT TRUST

Q2 2006 Conference Call

August 10, 2006 – 11:00 EST

416-644-3418 (within Toronto) or 1-800-814-4861



Q2 2006 Conference Call

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



Topics for Discussion

- Q2 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 – Q2 Highlights

in \$millions, except per unit amounts

	3 Months ended June 2006	% Change	6 Months ended June 2006	% Change
Rental Revenue	\$78.7	6.2%	\$155.2	5.6%
NOI	\$47.5	8.2%	\$90.3	7.0%
FFO	\$22.2	18.8%	\$39.4	12.1%
Per Unit	\$0.40	14.3%	\$0.72	9.1%
DI	\$22.7	16.9%	\$40.4	10.0%
Per Unit	\$0.40	8.1%	\$0.74	7.2%

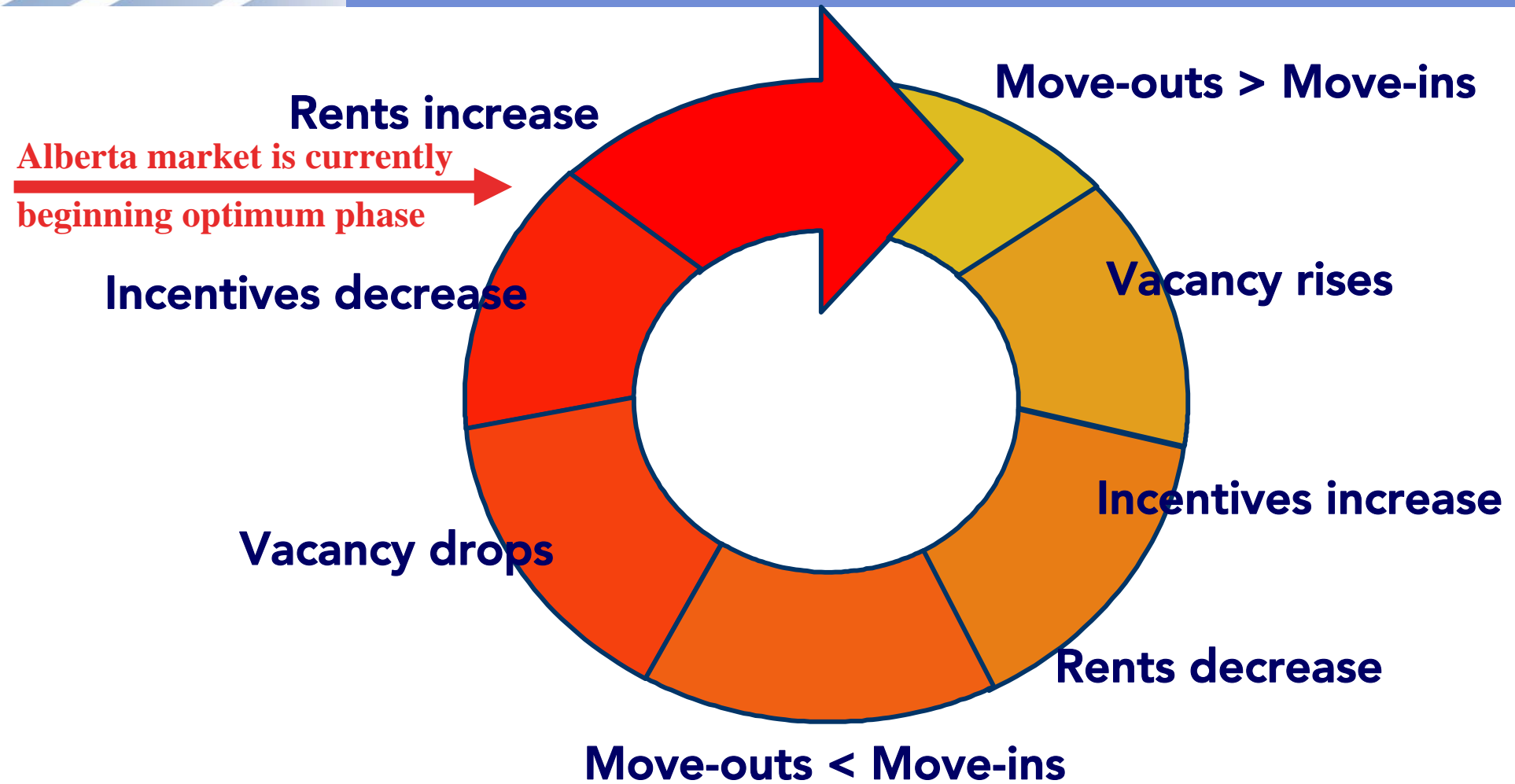


Q2 - Portfolio Highlights

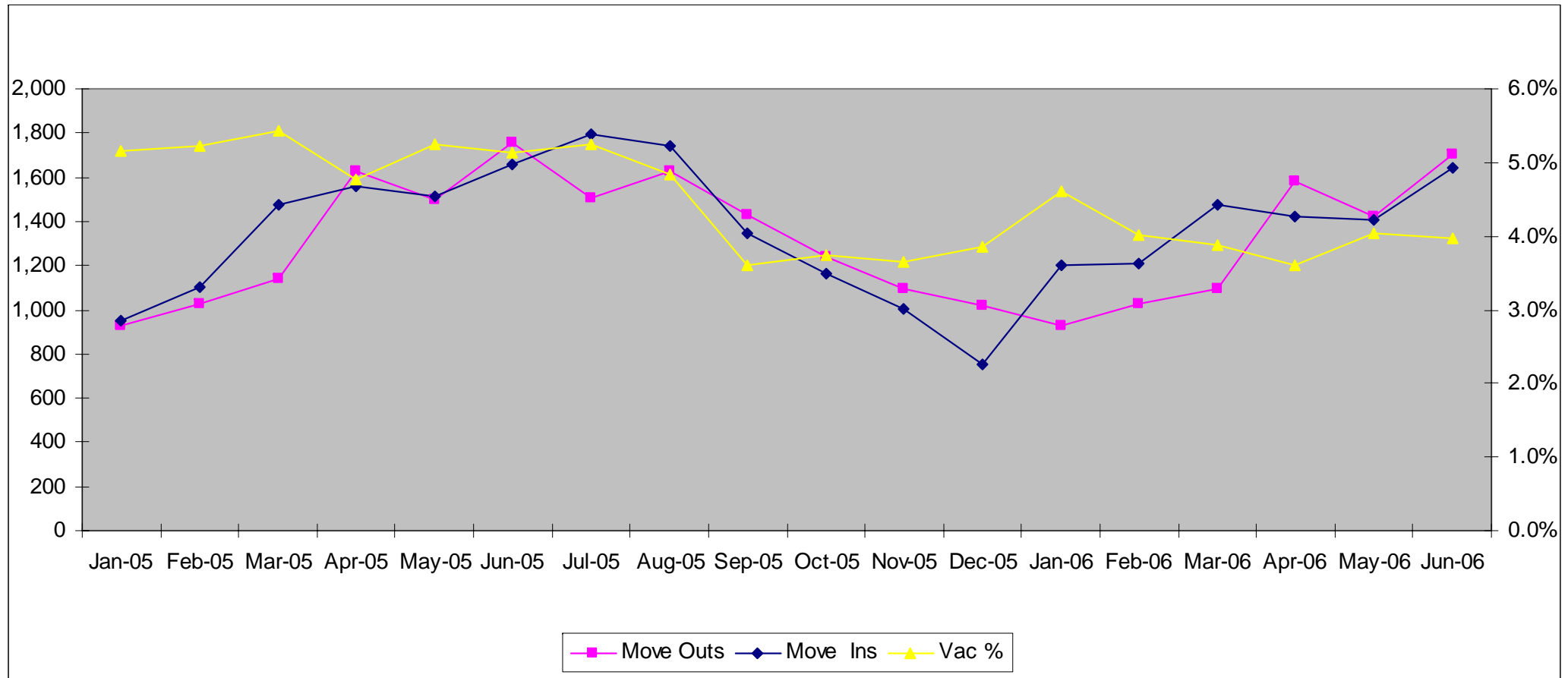
	Q2 2006	Q2 2005	Change
Portfolio Vacancy	3.87%	5.04%	-117 bps
Average rent	\$776	\$749	3.6%
Same Property			
Revenues	3.8%		
Operating Costs	2.9%		
NOI	4.3%		



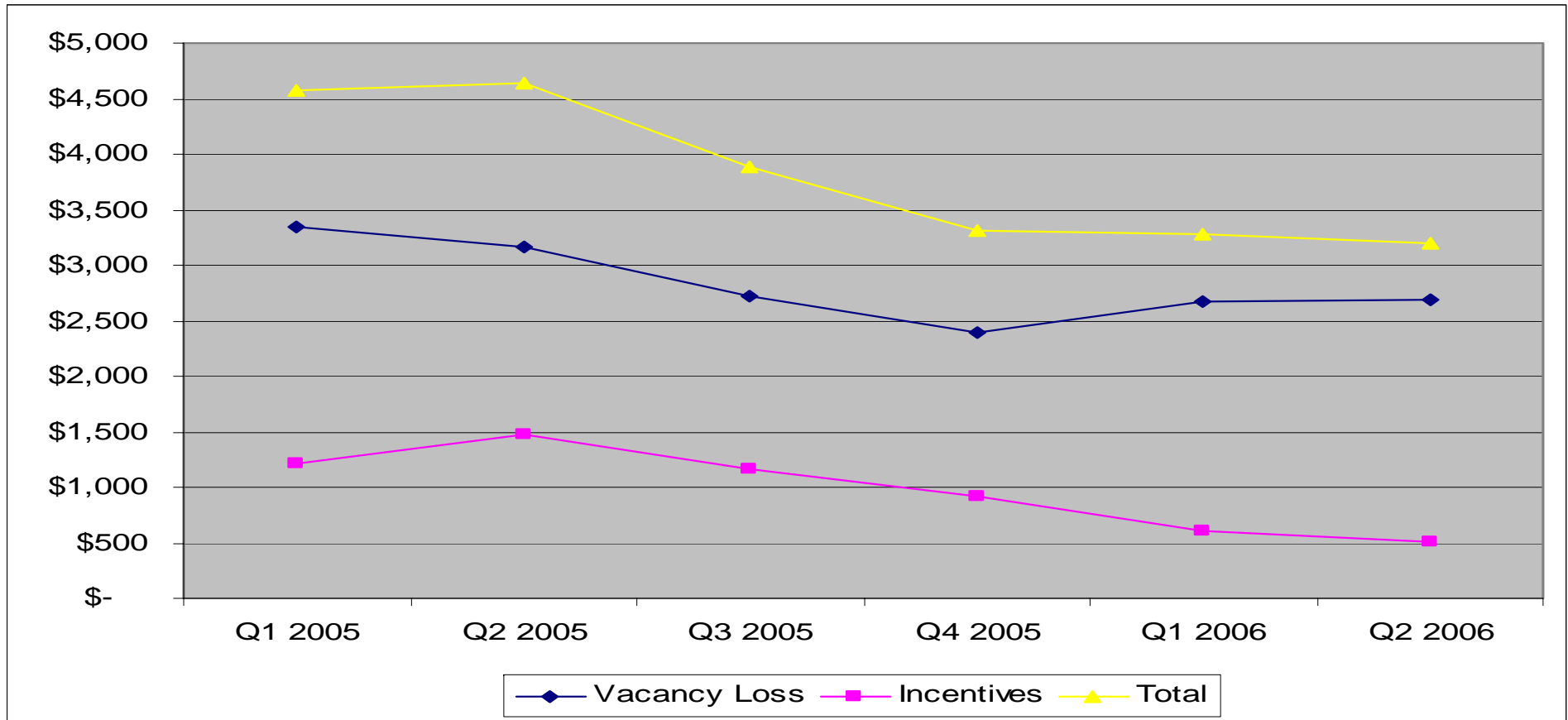
Rental Revenue Cycle



Move-outs, Rentals and Vacancy



Vacancy Loss and Incentives



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

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

Further upside from concession and vacancy loss recovery of approx. \$3.3M or \$.06 per unit annualized (assuming a base level of 3% occupancy and no further incentives)



Internal Growth Potential

Sensitivity Analysis

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



Rental Revenue Summary

Q2 2006 Stabilized Revenue Analysis

Really Hot >5%	Hot - 2% to 5%	Warm - 0% to 2%	Cold - <0%
Ft. Murray	Windsor	Kitchner	Montreal
Grande Prairie	Longueuil	London	Regina
Red Deer		Quebec City	
Calgary			
Saskatoon			
Edmonton			

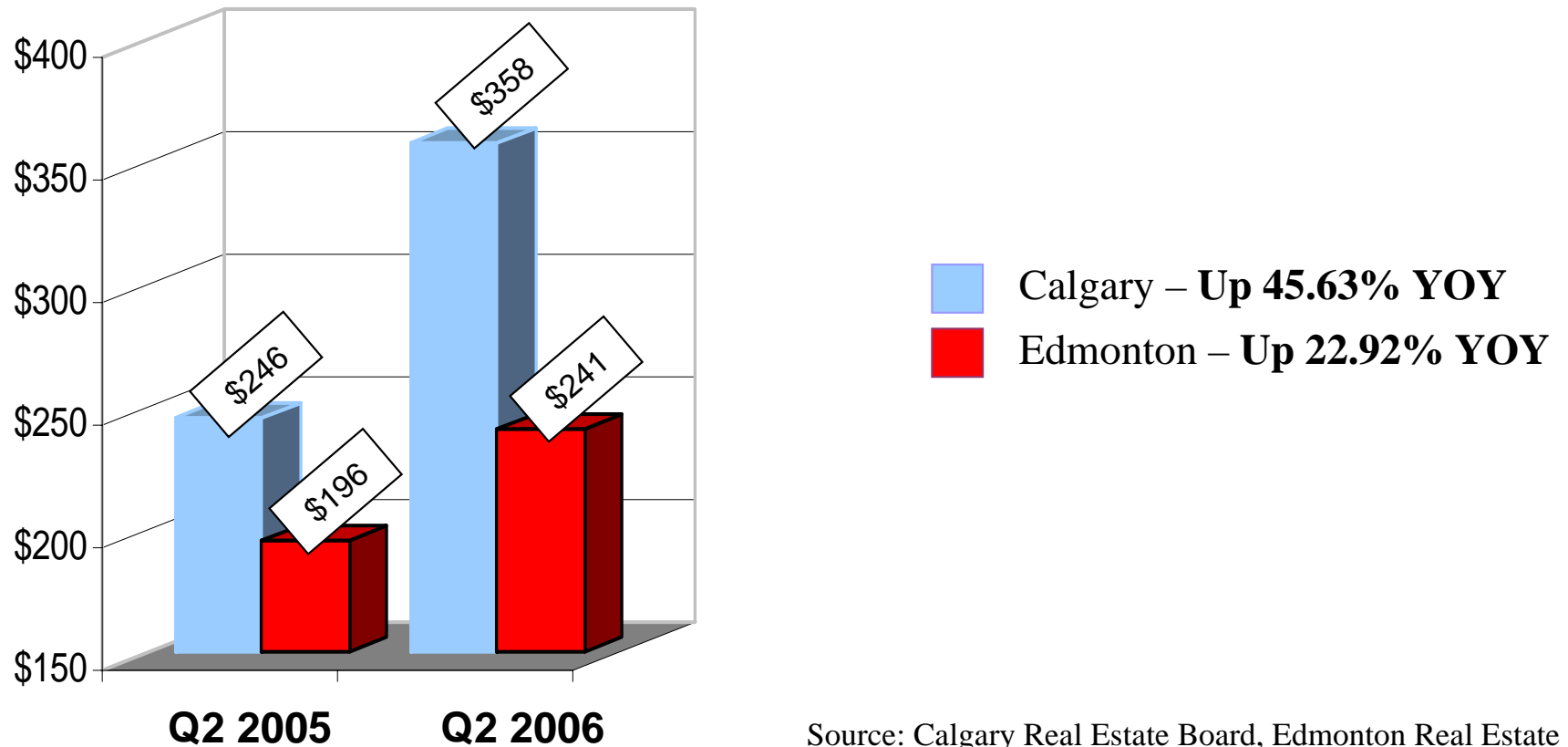
Number of Stabilized Units	18,796	2,680	3,827	6,618
% of Stabilized Units	59%	8%	12%	21%

Over 67% of the portfolio is in the Hot or Really Hot Category



Affordability for Homeownership Declining in Alberta

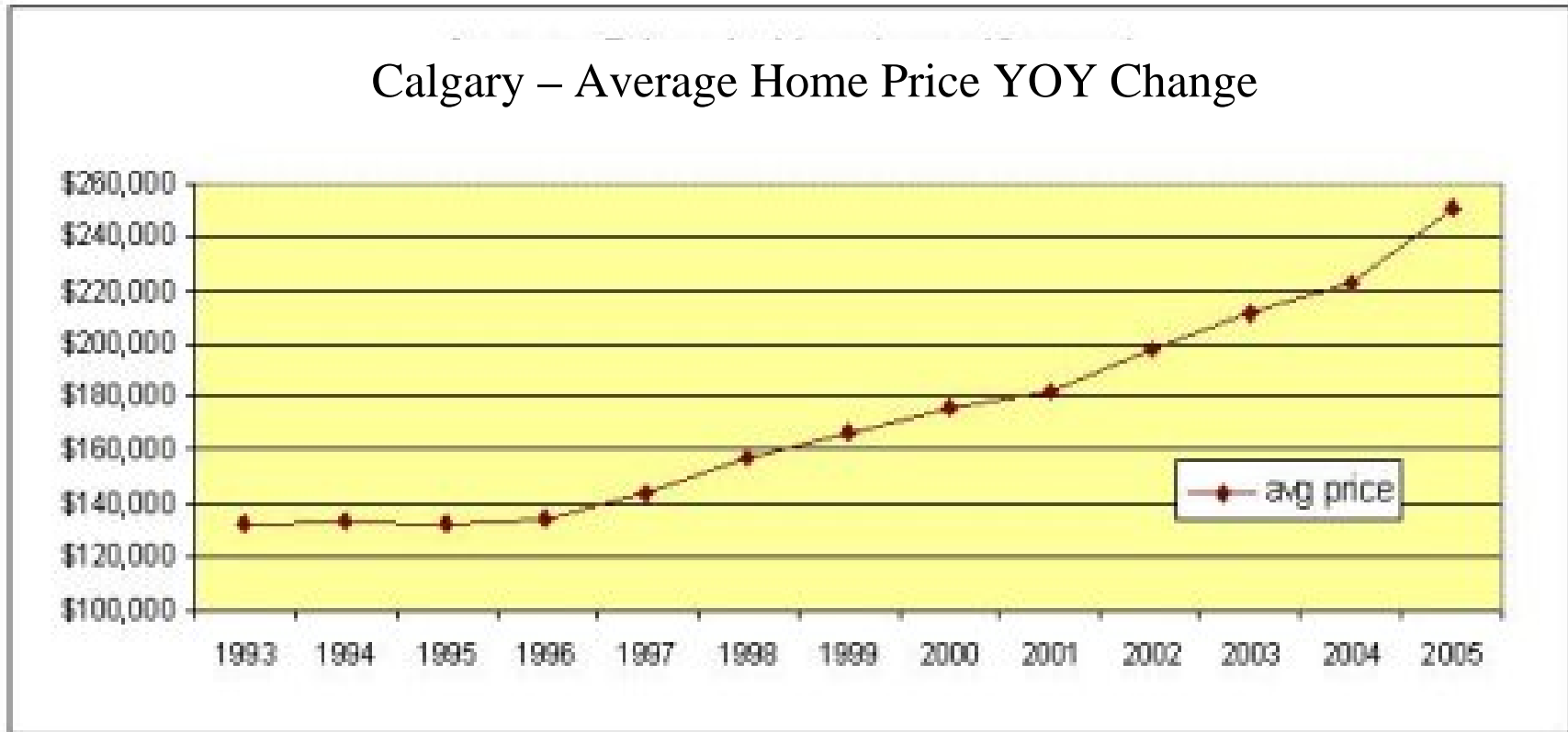
Average Combined Residential Resale Price – Q2 YOY (in 000's)



Source: Calgary Real Estate Board, Edmonton Real Estate Board



Affordability for Homeownership Declining in Alberta

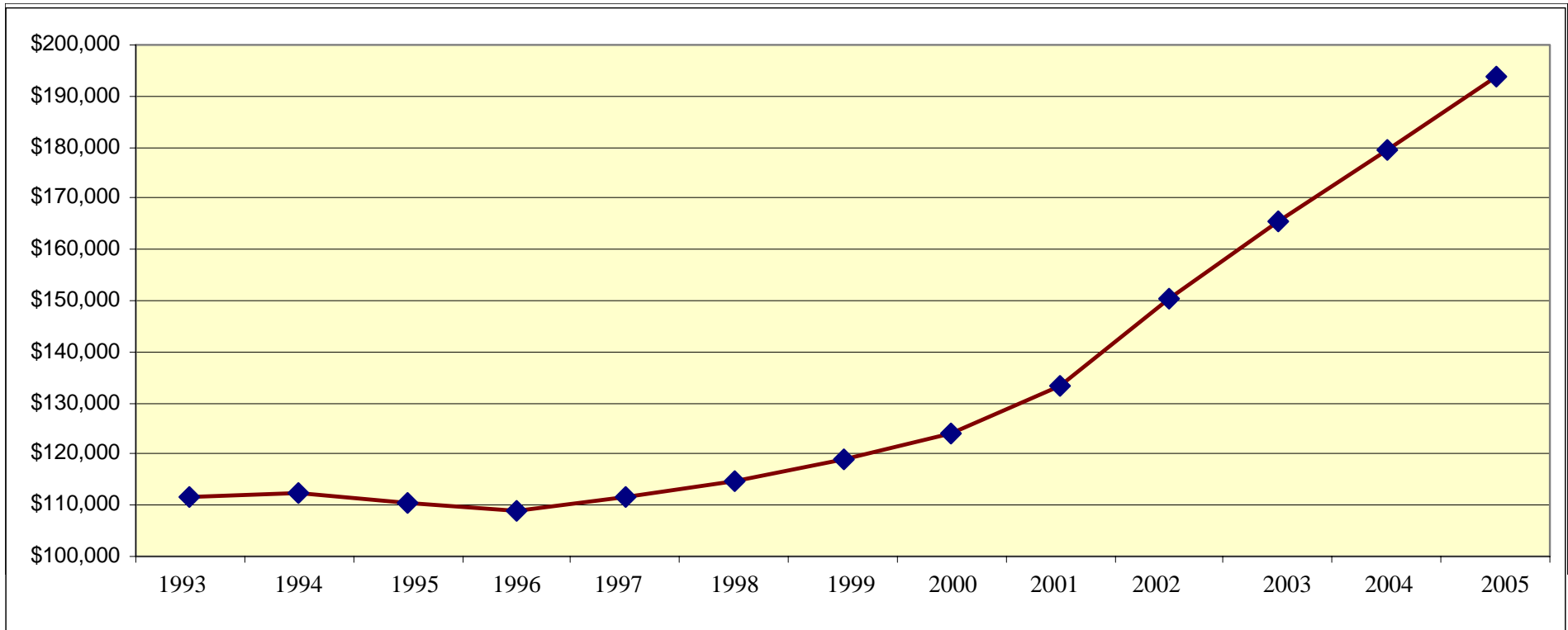


Source: Calgary Real Estate Board



Affordability for Homeownership Declining in Alberta

Edmonton – Average Home Price YOY Change



Source: Edmonton Real Estate Board



Unemployment Rate

Unemployment Rate, Alberta Regions

Unadjusted 3-Month Moving Average

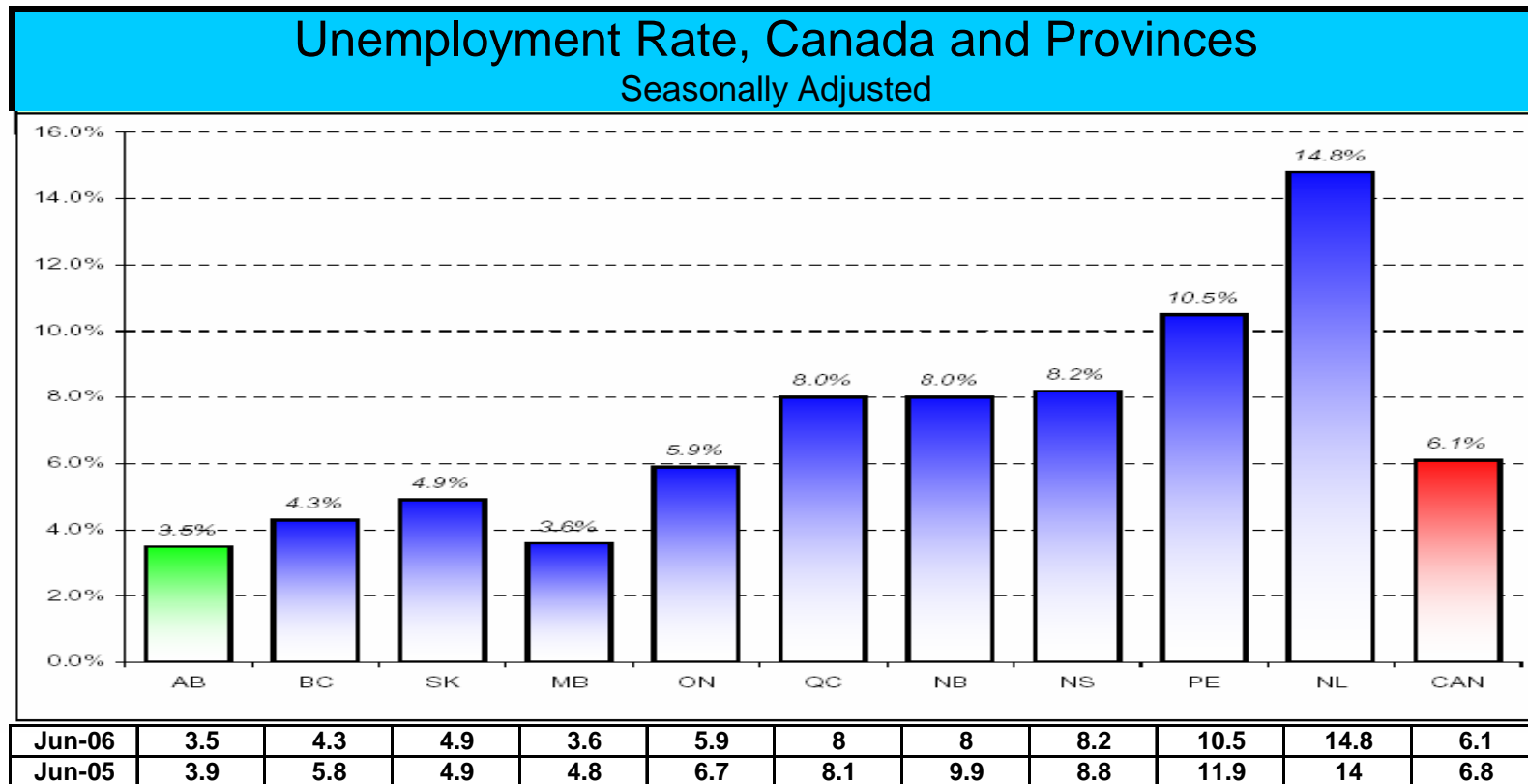
	YOY	Jun-06	Jun-05	% of Bwalk Portfolio
Wood Buffalo - Cold Lake	↑	4.10%	3.00%	1.0%
Athabasca - Grande Prairie	↓	3.40%	3.50%	1.2%
Edmonton	↓	3.70%	4.70%	31.0%
Red Deer	↑	4.30%	3.40%	2.5%
Banff - Jasper - Rocky Mountain House	n/a	n/a	n/a	0.2%
Calgary	=	3.20%	3.20%	14.7%
Camrose - Drumheller	↓	2.80%	3.60%	0.0%
Lethbridge - Medicine Hat	↓	2.90%	3.90%	0.0%

Since the start of the year, employment in Alberta has grown by 3.9% (+69,000), three times the national average.

Source: Alberta Human Resources and Employment



Unemployment Rate



Source: Statistics Canada, Labour Force Survey



Alberta's Powerful Draw

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



Declining Cap Rates on Unit Prices

Sensitivity Analysis

Cap Rate	Unit Price
7.00%	\$ 21.33
6.75%	\$ 23.13
6.50%	\$ 25.06
6.25%	\$ 27.15
6.00%	\$ 29.42
5.75%	\$ 31.88
5.50%	\$ 34.57

← Current implied market capitalization rate = 6.24% based on revised guidance

To effect the same change in unit price that a decrease of 1% in market capitalization rates would have, reported Net Operating Income would have to increase approximately 16%.



Acquisition/Disposition Activity 2006

Acquisitions

Building Name	Closing	City	# of Units	Price	\$/unit	Cap Rate	Avg sq ft	\$/sq ft
Complex Deguire	March 13, 2006	Montreal	322	\$ 24,000,000	\$ 74,534	7.10%	858	\$87
Jones Portfolio	March 30, 2006	Vancouver	238	\$ 17,550,000	\$ 73,739	6.39%	1022	\$72
Sturgeon Point	May 17, 2006	Edmonton	280	\$ 18,500,000	\$ 66,071	7.00%	1018	\$65
Total			840	\$ 60,050,000	\$ 71,488	6.86%	958	\$76

Dispositions

Building Name	Closing	City	# of Units	Price	\$/unit	Cap Rate	Avg sq ft	\$/sq ft
Leighton House	March 10, 2006	Calgary	40	\$ 4,000,000	\$ 100,000	5.40%	684	\$146
Glamis Green	March 6, 2006	Calgary	156	\$ 16,700,000	\$ 107,000	5.50%	1114	\$96
						Glamis cap rate includes required capital expenditures		
Total			196	\$ 20,700,000	\$ 105,612	5.48%	1026	\$106



Current Cap Rates

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

Victoria	4.5% - 5.5%
Vancouver	4.0% - 5.0%
Vancouver Suburbs	5.5% - 6.5%
Calgary	4.5% - 5.5%
Edmonton	5.5% - 6.25%
South West Ontario	6.5% - 7.0%
Montreal	6.0% - 6.75%
Quebec City	6.25% - 7.0%



Funds From Operations

(in 000's, except per unit amounts)

BOARDWALK REAL ESTATE INVESTMENT

Distributable Income / FFO

In \$000's, except per unit amounts	3 Months Jun-06	3 Months Jun-05	%	6 Months Jun-06	6 Months Jun-05	%
Net earnings from continuing operations	\$ 4,089	\$ 1,260		\$ 3,786	\$ (1,035)	
Adjustments						
Earnings (loss) from discontinued operations	\$ (28)	\$ 1,669		\$ 7,572	\$ 1,933	
Deduct gain on dispositions		\$ (1,507)		\$ (7,527)	\$ (1,507)	
Recovery of write-down on technology business unit	\$ -	\$ (739)		\$ -	\$ (739)	
Future income taxes (recovery)	\$ (122)	\$ (744)		\$ (224)	\$ (832)	
Future income taxes (recovery) on discontinued operations	\$ -	\$ (27)		\$ -	\$ 12	
Amortization of capital assets	\$ 18,295	\$ 18,802		\$ 35,829	\$ 37,339	
Funds from operations	<u>\$ 22,234</u>	<u>\$ 18,714</u>	18.8%	<u>\$ 39,436</u>	<u>\$ 35,171</u>	12.1%
Funds from operations - per unit	<u>\$ 0.40</u>	<u>\$ 0.35</u>	14.3%	<u>\$ 0.72</u>	<u>\$ 0.66</u>	9.1%



Distributable income

(in 000's, except per unit amounts)

BOARDWALK REAL ESTATE INVESTMENT Distributable Income Reconciliation

In \$000's, except per unit amounts	3 Months June-06	3 Months June-05		6 Months June-06	6 Months June-05	
Total Operating Cash Flows	\$ 21,377	\$ 17,214		\$ 37,731	\$ 38,320	
Net change in operating working capital	\$ 857	\$ 1,500		\$ 1,705	\$ (3,149)	
Add deferred financing costs amortization	\$ 693	\$ 935		\$ 1,469	\$ 1,865	
Deduct deferred financing costs amortization post May 2, 2004	\$ (241)	\$ (249)		\$ (506)	\$ (316)	
Mark-to-market debt adjustment post May 2004	\$ (11)	\$ 4		\$ (23)	\$ 1	
	<u>\$ 22,675</u>	<u>\$ 19,404</u>	16.9%	<u>\$ 40,376</u>	<u>\$ 36,720</u>	10.0%
Distributable income - per unit	<u>\$ 0.40</u>	<u>\$ 0.37</u>	8.1%	<u>\$ 0.74</u>	<u>\$ 0.69</u>	7.2%



Overall Performance

FFO RECONCILIATION	3 Months Jun 30, 2006	6 Months Jun 30, 2006
FFO - June 2005	\$0.35	\$0.66
NOI from Stabilized	\$0.03	\$0.08
NOI from Unstabilized	\$0.04	\$0.03
Financing costs	-\$0.01	-\$0.01
Administration and other	\$0.01	-\$0.02
Dilution	-\$0.02	-\$0.02
FFO - June 2006	<u><u>\$0.40</u></u>	<u><u>\$0.72</u></u>



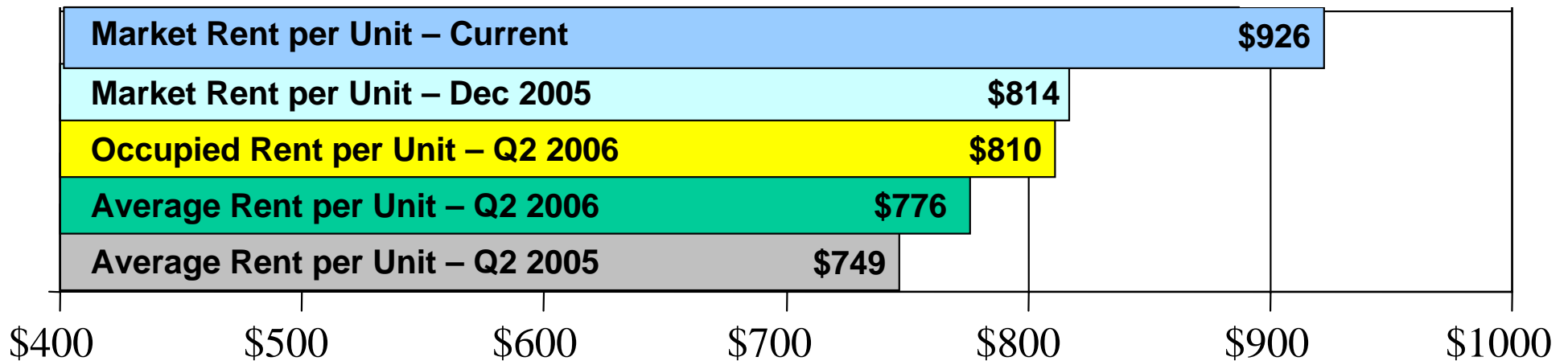
Overall Performance

<i>In 000's, except per unit amounts</i>	3 Months Jun-06	3 Months Jun-05	Change	6 Months Jun-06	6 Months Jun-05	Change
Rental revenue	\$78,738	\$74,140	6.2%	\$155,241	\$146,956	5.6%
Expenses						
Operating expenses (1)	\$14,289	\$13,268	7.7%	\$28,162	\$26,182	7.6%
Utilities	\$9,128	\$8,941	2.1%	\$21,953	\$21,047	4.3%
Utility rebate	(\$6)	\$20		(\$1,397)	(\$617)	126.4%
Property taxes	\$7,861	\$8,034	-2.2%	\$16,195	\$15,919	1.7%
	<u>\$31,272</u>	<u>\$30,263</u>	<u>3.3%</u>	<u>\$64,913</u>	<u>\$62,531</u>	<u>3.8%</u>
Net Operating Income	\$47,466	\$43,877	<u>8.2%</u>	\$90,328	\$84,425	<u>7.0%</u>
Note 1 Includes site specific rental admin expense	\$ 3,300	\$ 3,300		\$ 6,800	\$ 7,000	
% of rental revenue	4%	4%		4%	5%	



Portfolio Rental Revenue Statistics

Three Months Ended June 2006

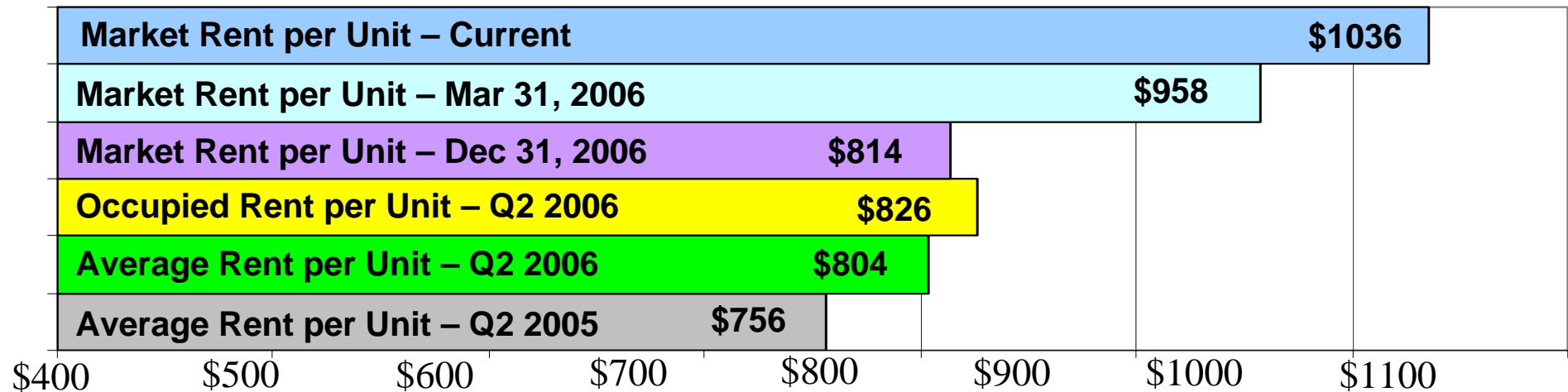


Under existing occupancy, "Loss-to-lease" = approx. \$43M or \$0.73 per Trust unit.



Alberta Monthly Rental Revenue Statistics

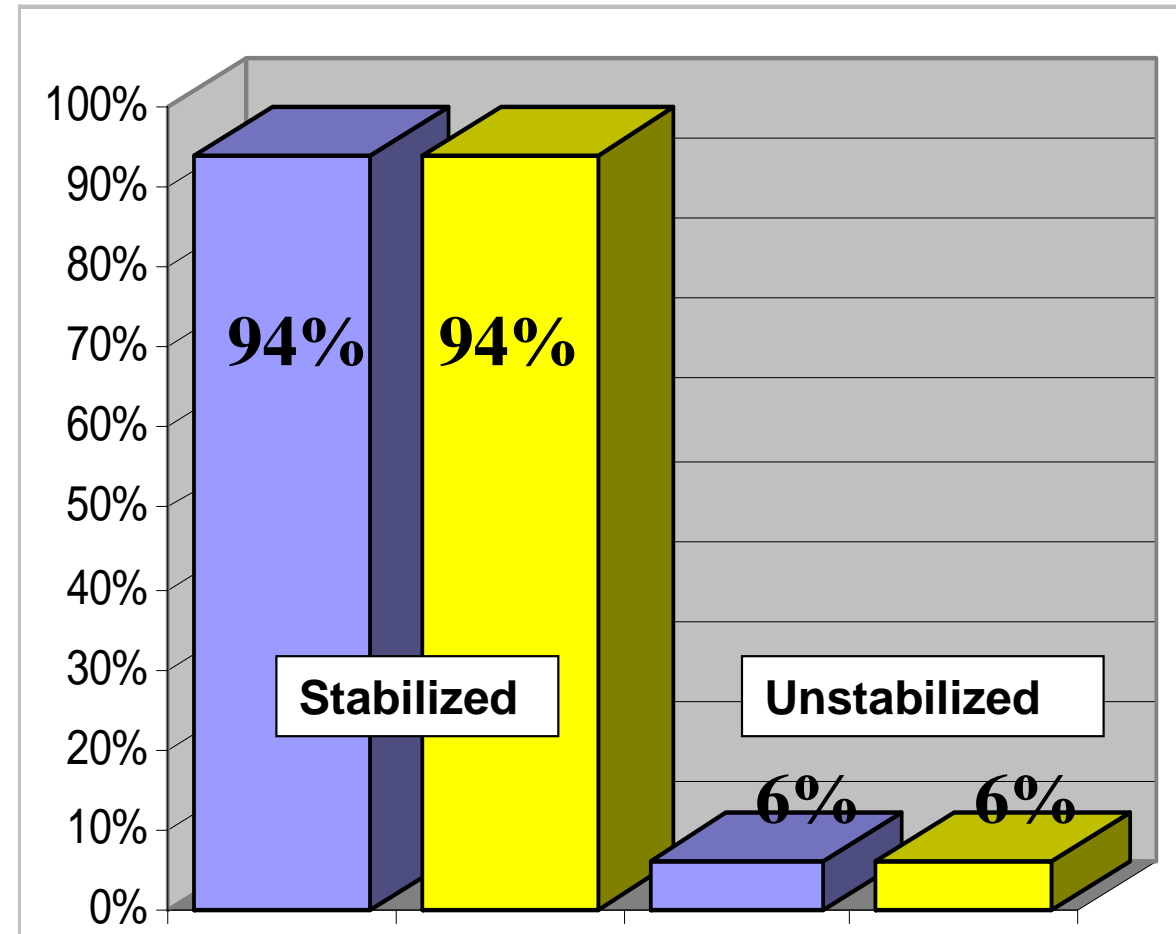
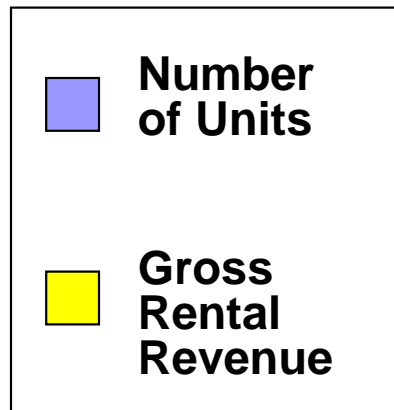
Three Months Ended June 2006



Under existing occupancy, "Loss-to-lease" = approx. \$41 million or \$0.73 per Trust unit.



Stabilized Analysis



Stabilized Analysis

Three months ended June, 2006

City	Revenue	Operating Costs	NOI	% of NOI
Calgary	7.3%	0.5%	11.0%	18%
Edmonton	5.0%	-2.2%	9.6%	34%
Other Alberta	9.2%	-4.9%	17.1%	6%
Saskatchewan	2.1%	10.7%	-4.5%	10%
Ontario	2.0%	1.5%	2.4%	11%
Quebec	-0.1%	9.9%	-6.1%	20%
	3.8%	2.9%	4.3%	100%

Increase mainly in utilities

Increased operating costs



Stabilized Analysis

Six months ended June, 2006

City	Revenue	Operating Costs	NOI	% of NOI
Calgary	6.3%	-5.3%	12.6%	19%
Edmonton	4.1%	-2.6%	8.6%	34%
Other Alberta	8.9%	-7.0%	19.0%	6%
Saskatchewan	1.9%	2.3%	1.6%	11%
Ontario	1.7%	-1.1%	5.0%	10%
Quebec	0.0%	11.0%	-7.6%	20%
	3.2%	0.7%	5.1%	100%

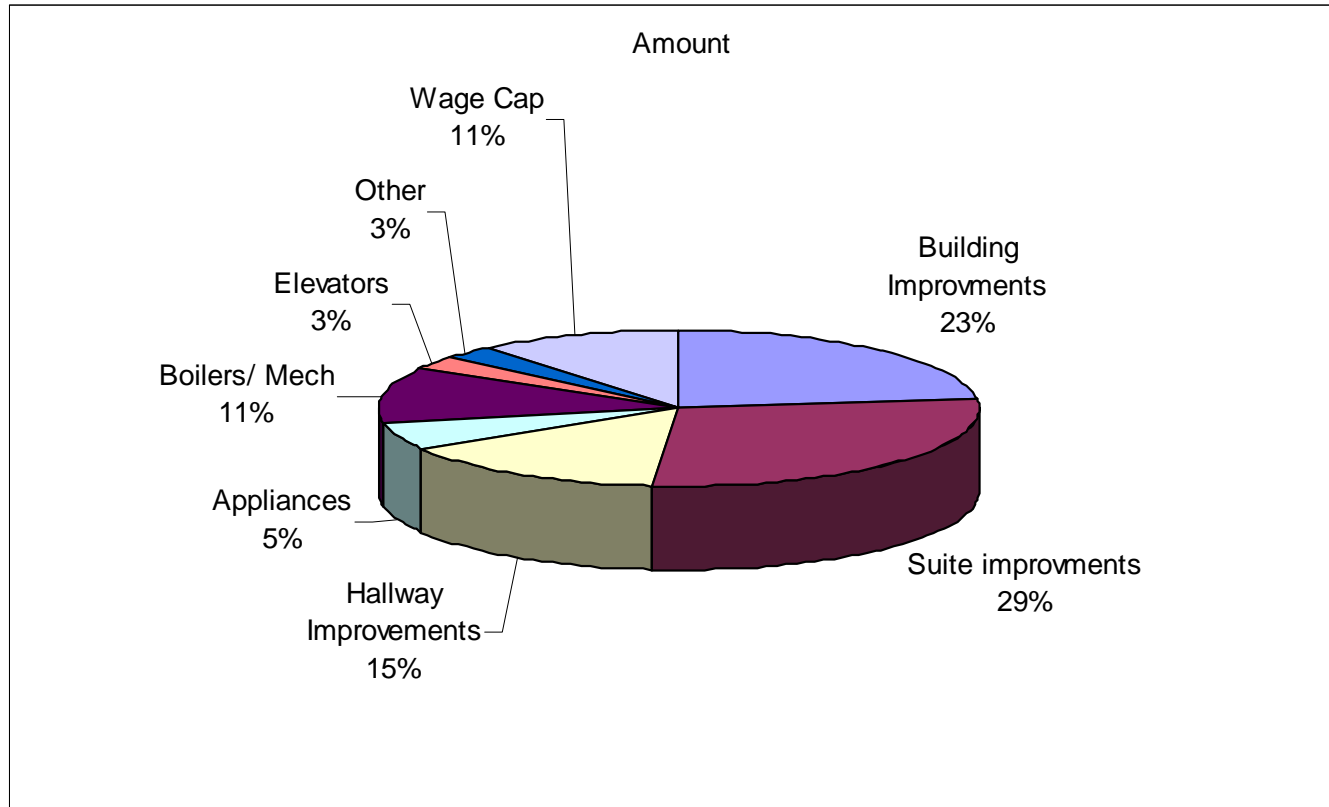
Increased turnovers and higher operating expenses, particularly R & M

Excluding Alta provincial rebate: 4.3%



Capital Investment

For the 6 months ended June 2006



Total Capital Invested: \$18.6 Million



Capital Investment

For the 6 months ended June 2006

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

	Jun-06	Per Suite	Dec-05	Per Suite
Repairs and Maintenance - expense	\$8,787	\$262	\$13,812	\$416
On-Site Maintenance Personnel - expense	<u>\$7,655</u>	<u>\$228</u>	<u>\$14,932</u>	<u>\$449</u>
	<u>\$16,442</u>	<u>\$491</u>	<u>\$28,744</u>	<u>\$865</u>
Invested Capital - cost	<u>\$18,572</u>	<u>\$546</u>	<u>\$29,676</u>	<u>\$893</u>
	<u>\$35,014</u>	<u>\$1,036</u>	<u>\$58,420</u>	<u>\$1,758</u>
Estimated Maintenance Capital Expenditures			\$13,400	\$400



Mortgage Maturities

Year	Mortgage Balance as at June 30, 2006	Weighted Average by Maturity
2006	124,367,466	4.87%
2007	248,726,249	5.21%
2008	233,380,186	6.00%
2009	203,169,631	5.72%
2010	253,496,369	4.81%
2011	114,683,718	5.84%
2012	219,495,549	5.10%
2013	55,314,059	5.14%
2014	4,439,806	5.91%
2015	30,647,912	4.68%
2016	21,367,111	5.55%
Subsequent	22,548,944	6.26%
Grand Total	1,531,637,000	5.35%

Estimated current renewal rates: 5 years – 4.62%, 10 Years – 4.73%

The average maturity of the portfolio is 3.5 years



Mortgage Highlights – Q2 '06

(in millions except interest coverage)

Mortgages Outstanding	\$1,412
Debenture	\$120
Total	\$1,532

% NHA Insured secured mortgages 99%

Existing Bond Spreads 40 to 60 basis points

Interest Coverage

2006	2.13
2005	1.92



Debt to Gross Book Value

	Jun-06	Dec-05
Total reported assets	\$ 1,911,835	\$ 1,883,386
Reported amortization	\$ 402,673	\$ 371,446
	<u>\$ 2,314,508</u>	<u>\$ 2,254,832</u>
Conversion adjustment (May 2004)	\$ 231,460	\$ 231,460
	<u>\$ 2,545,968</u>	<u>\$ 2,486,292</u>
Mortgages payable	\$ 1,411,637	\$ 1,424,962
Debentures	\$ 120,000	\$ 120,000
Market adjustment on mortgages (May 2004)	\$ 25,889	\$ 30,999
	<u>\$ 1,557,526</u>	<u>\$ 1,575,961</u>
Debt to GBV	61%	63%



Boardwalk REIT 2006 Guidance

	Original 2006 Objectives	Revised Q1 2006 2006 Objectives	Revised Q2 2006 2006 Objectives
FFO Rental Operations	\$1.37 to \$1.46	\$1.39 to \$1.48	\$1.45 to \$1.52
Distributable Income	\$1.41 to \$1.51	\$1.43 to \$1.53	\$1.48 to \$1.55
<hr/>			
New Unit Acquisitions	1,000 to 2,000	1,000 to 2,000	1,000 to 2,000
Stabilized Buildings NOI growth	0.00%	2.00%	3.00%



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