

# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q4 2007 Conference Call

*February 14, 2008 – 11:00 EST*

*416-644-3415 (within Toronto) or toll-free 1-800-733-7560 (outside Toronto).*



# Q4 2007 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](http://www.sedar.com). Actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made and should not be relied upon as of any other date. While we may elect to, we undertake no obligation to publicly update any such statement to reflect new information or the occurrence of future events or circumstances at any particular time.*



# Topics for Discussion

- Q4 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 – Q4 Highlights

in \$millions, except per unit amounts

	<b>3 Months ended Dec. 2007</b>	<b>% Change</b>	<b>12 Months ended Dec 2007</b>	<b>% Change</b>
Rental Revenue	\$99.0	18.4%	\$375.0	17.4%
NOI	\$61.6	22.0%	\$235.5	22.6%
FFO	\$29.9	19.6%	\$116.5	27.5%
Per Unit	\$0.54	22.7%	\$2.07	26.2%
DI	\$30.8	19.0%	\$118.7	26.8%
Per Unit	\$0.55	19.6%	\$2.11	24.9%

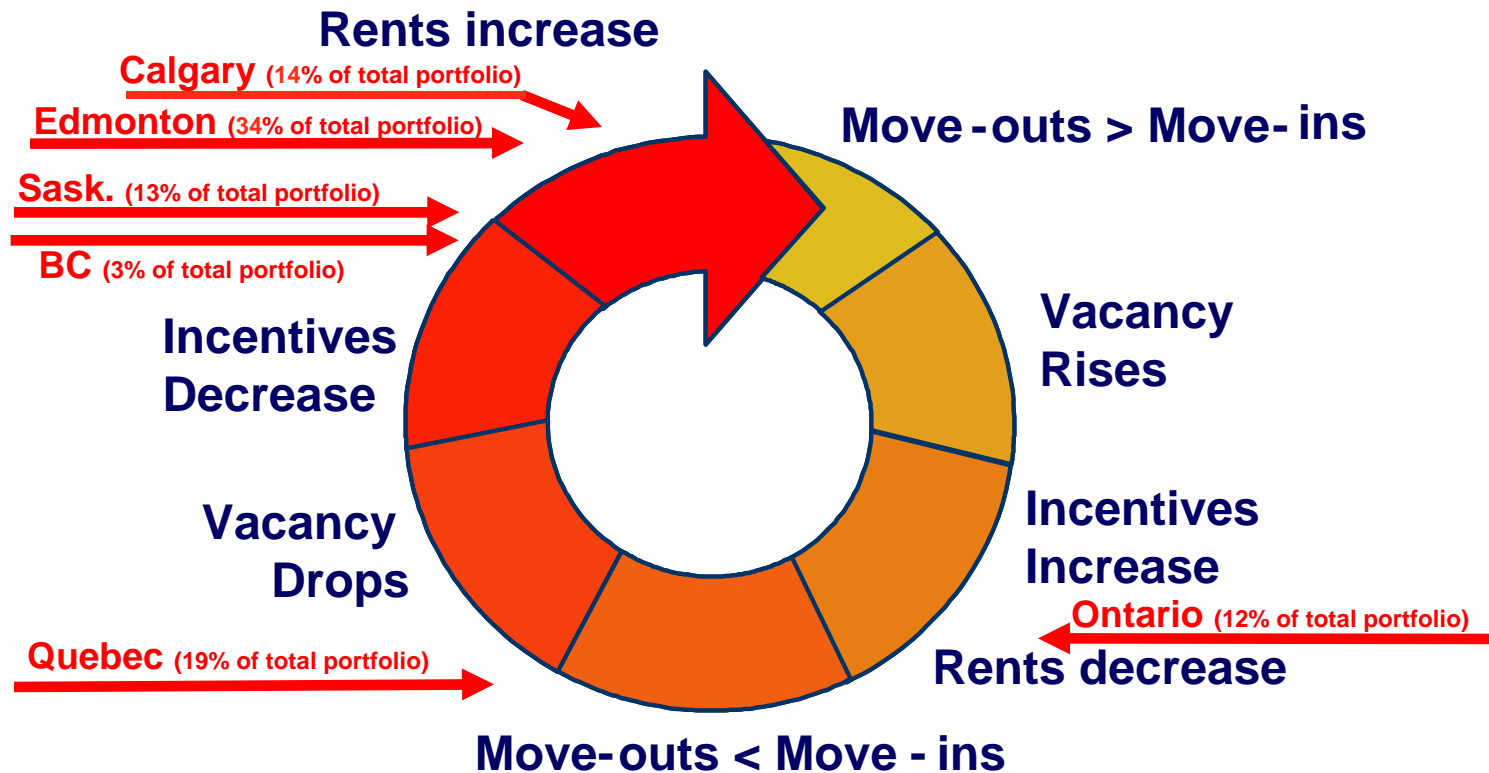


# Q4 - Portfolio Highlights

	<b>Q4 2007</b>	<b>Q4 2006</b>	<b>Change</b>	<b>Fiscal 2007</b>	<b>Fiscal 2006</b>	<b>Change</b>
Portfolio Vacancy	4.69%	3.51%	118 bps	4.29%	3.82%	47 bps
Average rent	\$903	\$820	\$83	\$875	\$792	\$83
Same Property						
Revenues	9.7%			11.0%		
Operating Costs	0.6%			2.4%		
NOI	15.4%			16.4%		



# Rental Revenue Cycle



# 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



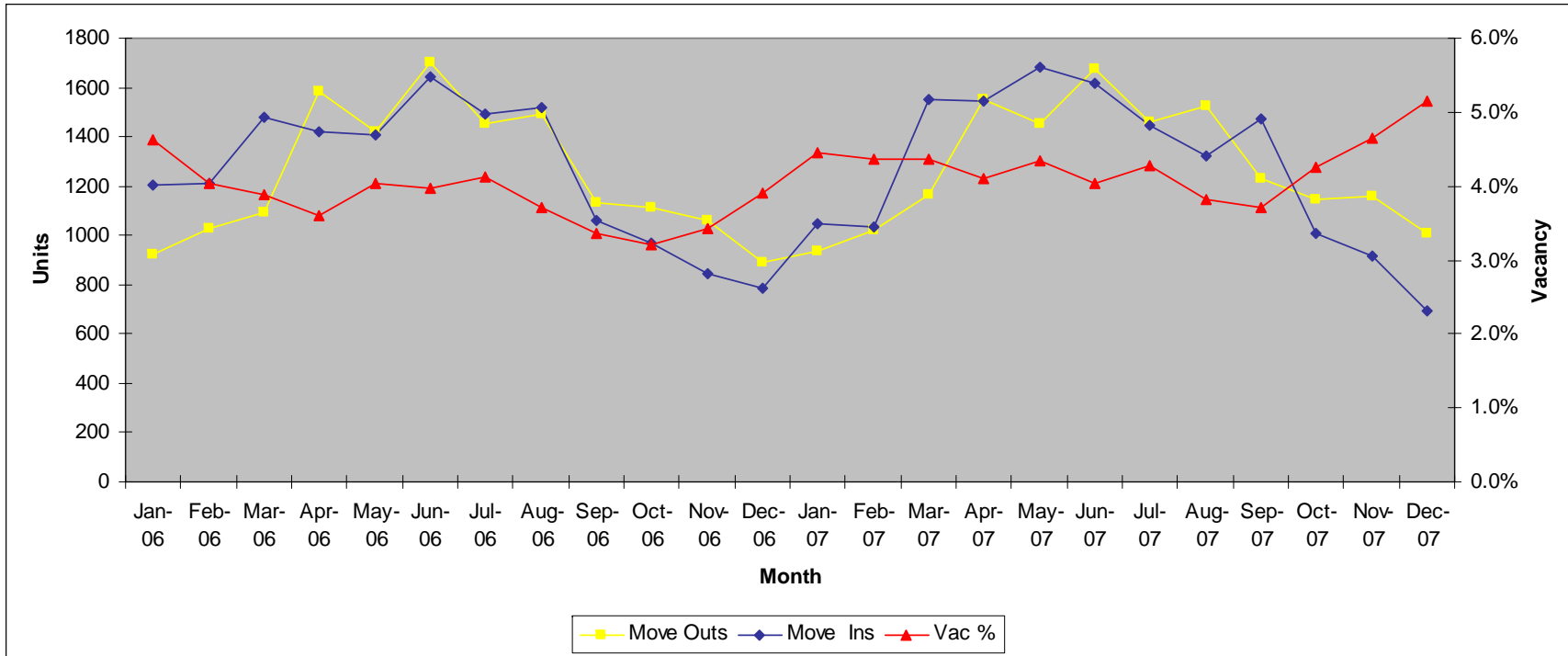
# Social Responsibility

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

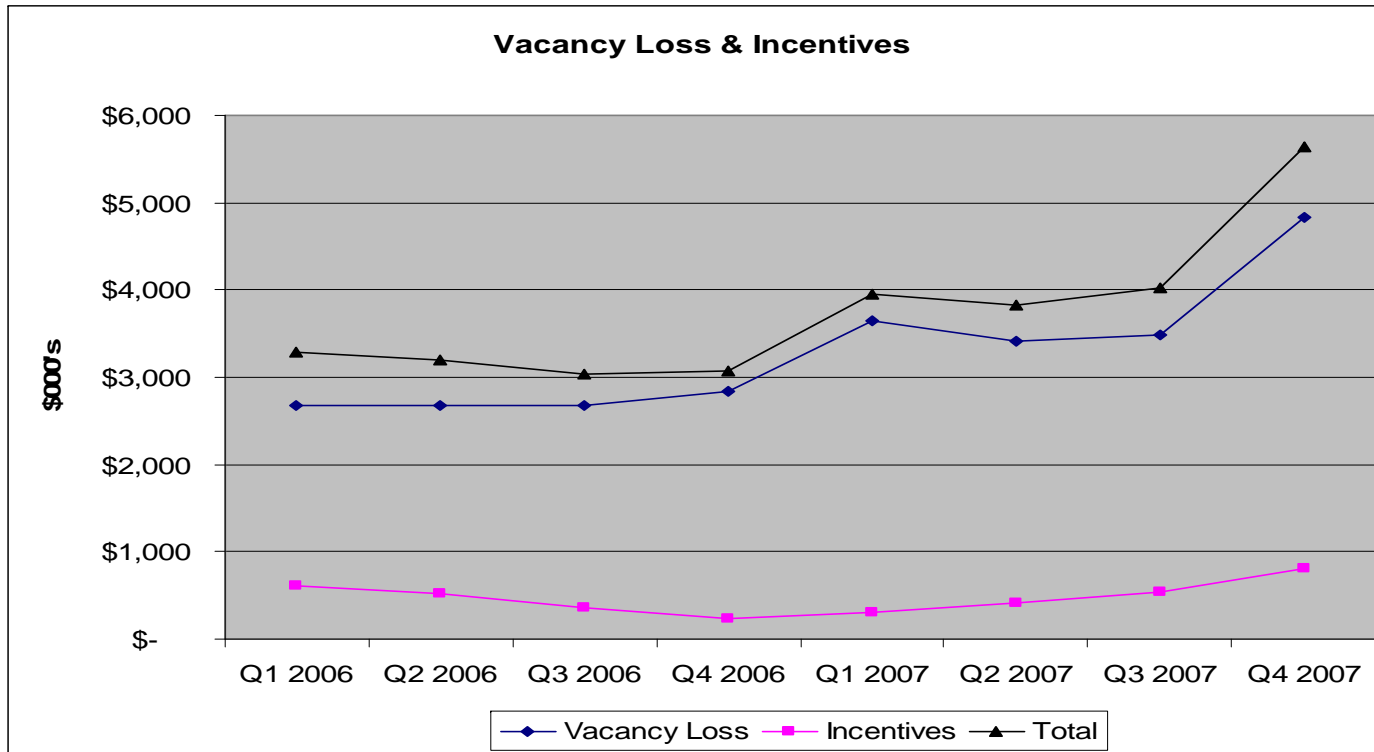
- We partner with all levels of Government, and Housing Authorities in every centre.
  - Currently over 800 units dedicated to Government subsidized housing in Alberta.
- We program internally:
  - Self-imposed “Rent Protection” - maximum \$150 / month rent increase per year for existing Customers
  - In house subsidy program eliminates rent increases for any resident who can prove financial hardship.



# Move-outs, Move-ins and Vacancy

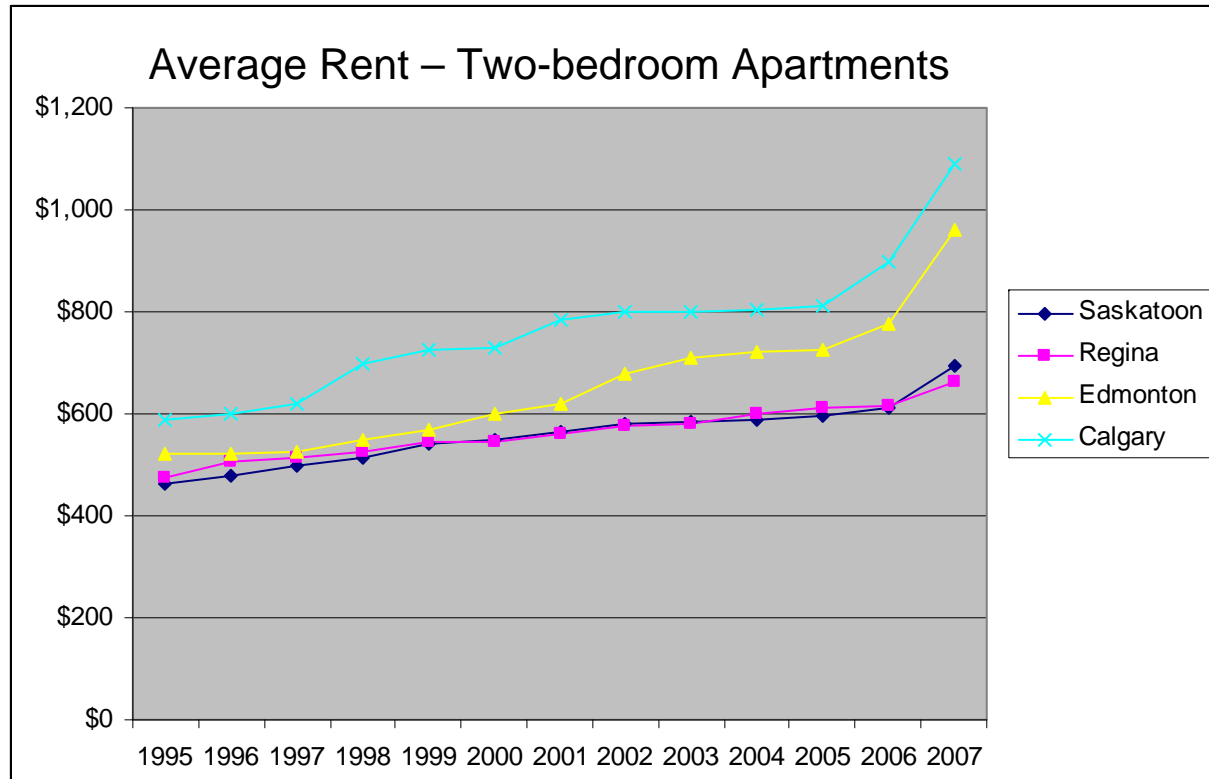


# Vacancy Loss and Incentives



# Average Rents

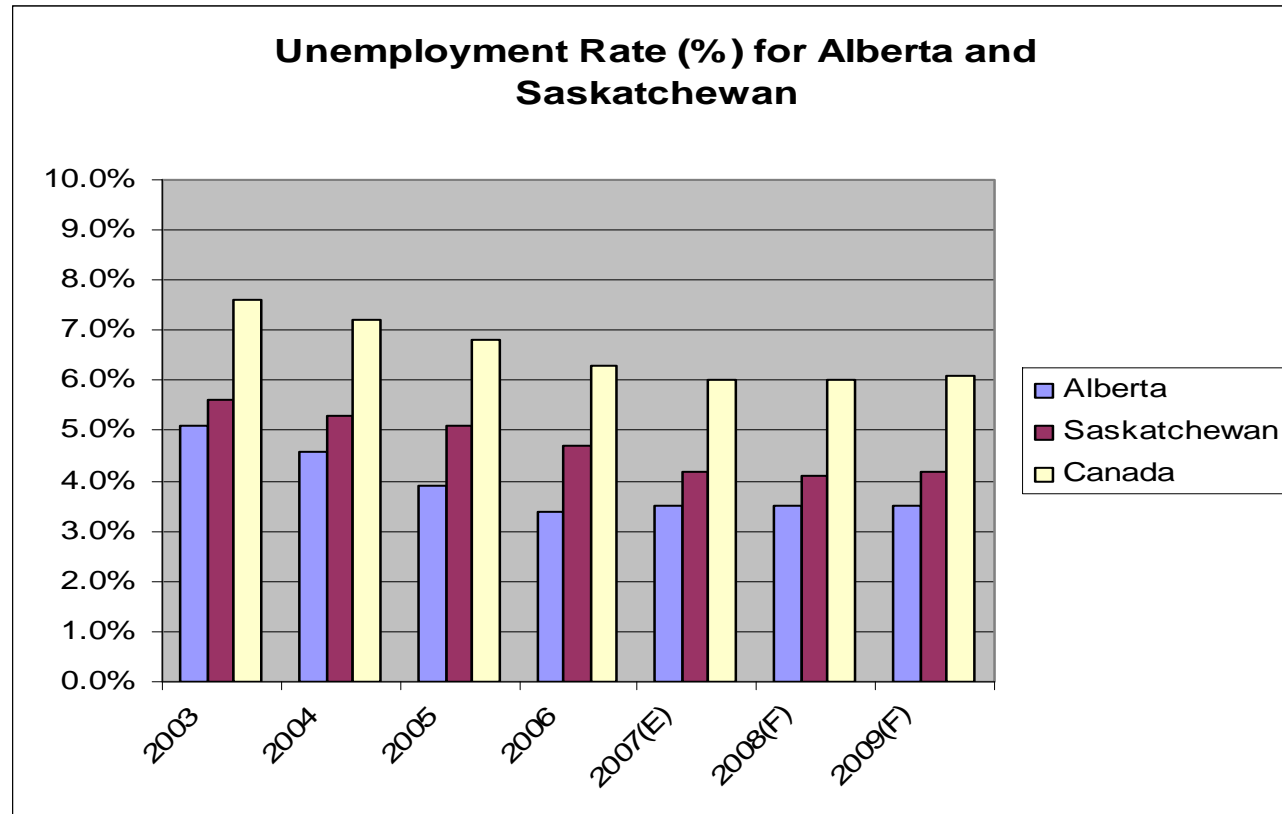
Calgary, Edmonton, Saskatoon and Regina



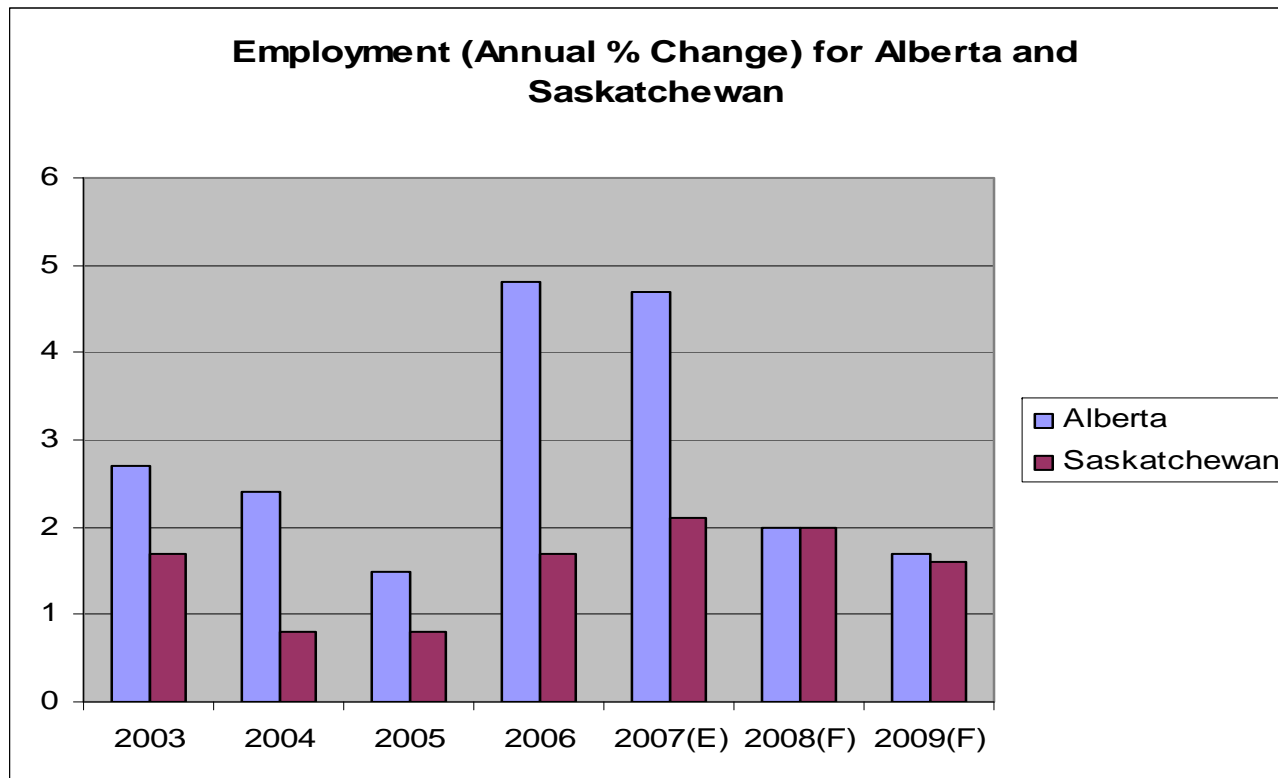
Source: CMHC



# Saskatchewan and Alberta Unemployment



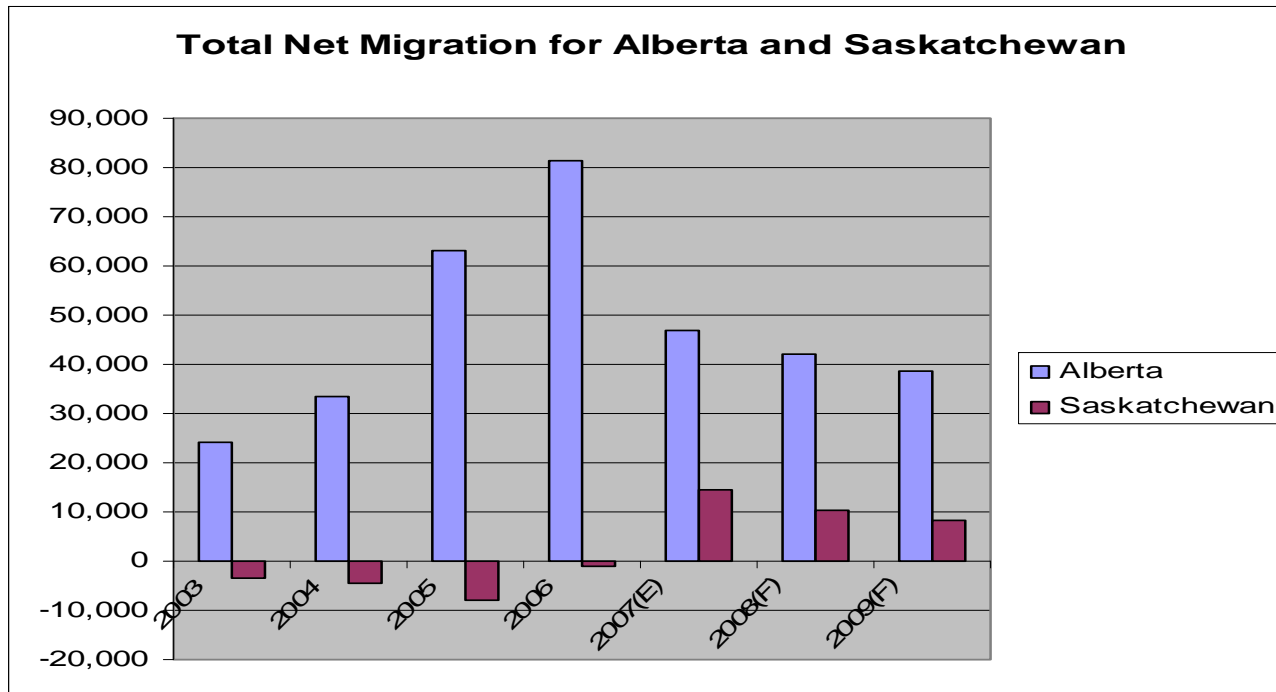
# Saskatchewan and Alberta Employment Growth



Source: CMHC



# Alberta and Saskatchewan Net Migration



Source: CMHC

- **CMHC forecasts that net-inter provincial migration to Alberta and Saskatchewan will continue to support demand for rental housing in 2008.**



# Major Alberta Projects

## Alberta's Inventory of Major Projects

*74% in oil and gas related projects, \$150 billion in oil sands*

Inventory of Major Alberta Projects (\$millions)			
Sector	Sep-06	Sep-07	% chg
Oil, Gas, Oilsands, Pipelines, Power	102,335.4	169,421.4	65.6
Infrastructure and Institutional	23,993.1	28,647.7	19.4
Commercial/Retail and Tourism/Recreation	9,058.1	16,976.7	87.4
Manufacturing, Forestry, Mining, and Industrial	7,785.8	7,560.1	-2.9
Agriculture and Related	2,355.2	2,812.1	19.4
Chemicals and Petrochemicals	334.1	1,239.5	271
Total	525.0	1,176.0	124
	146,386.7	227,833.5	55.6

Source: CMHC

## Alberta's Major Construction Projects

Inventory of Major Alberta Projects (\$millions)	
Region	August-07
Wood Buffalo / Cold Lake	72,359.3
Athabasca / Grande Prairie	4,175.4
Edmonton Region	78,253.3
Red Deer Region	1,860.4
Banff / Jasper	4,458.9
Calgary Region	26,238.4
Camrose / Drumheller	6,034.3
Lethbridge / Medicine Hat	4,228.9
Other	26,800.5
Total	224,409.4

Source: CMHC

**\*On January 30<sup>th</sup>, 2008 Suncor Energy announced a \$20.6 billion investment expansion in Alberta's Oil Sands.**



# Alberta's Major Construction Projects

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8 - Lethbridge / Medicine Hat	4,228.9
9 - Other	26,800.5
<b>Total</b>	<b>224,409.4</b>



Source: CMHC, Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years)



# Alberta Forecast

## Alberta Forecast Summary

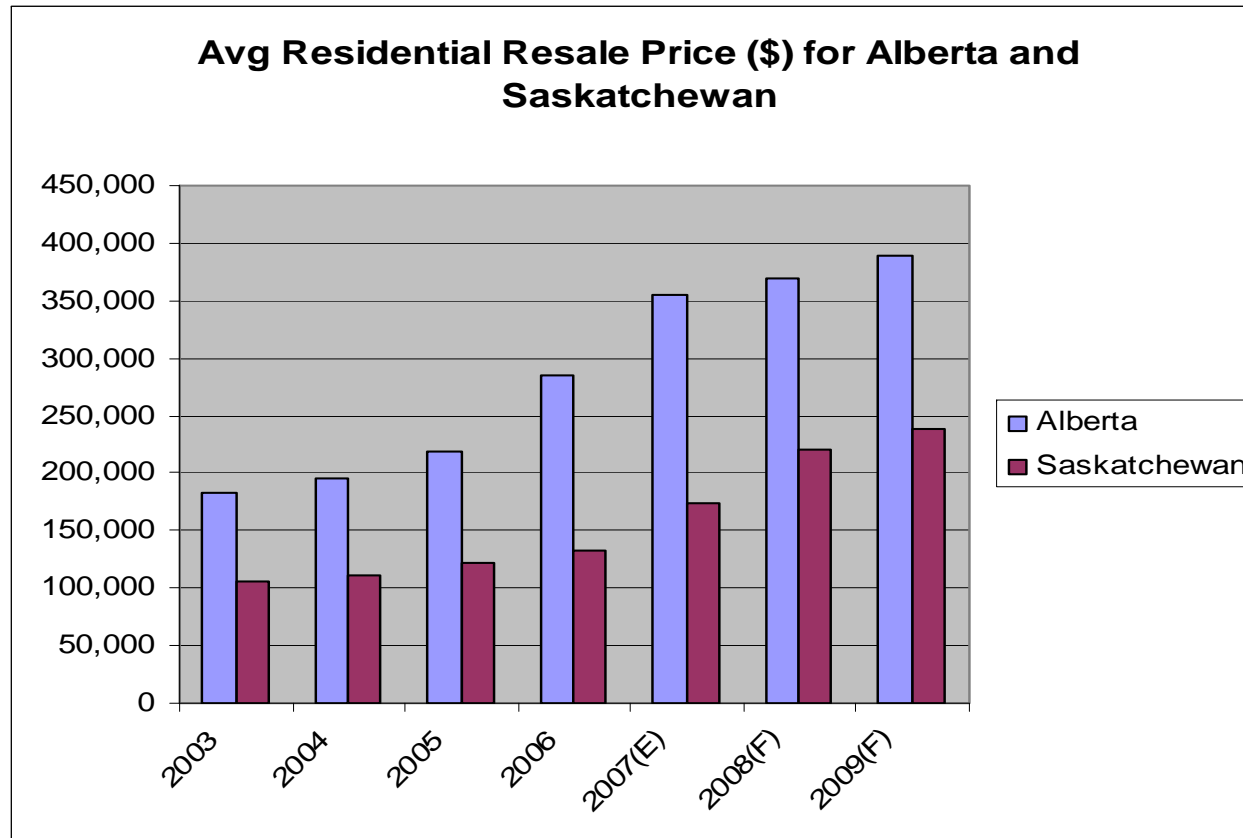
	2005	2006	2007f	2008f
<b>Economy</b>				
Real GDP Growth	4.50%	6.80%	4.50%	3.80%
Employment Growth	1.50%	4.80%	4.70%	2.10%
Net Migration	68,098	85,911	65,000	58,000
<b>New Home Market</b>				
Single-detached Starts	26,684	31,835	28,250	25,250
Multi-family Starts	14,163	17,127	19,500	17,000
<b>Resale Market</b>				
Total MLS Sales	65,866	74,350	74,000	70,000
Average Price	\$218,266.00	\$285,383.00	\$355,000.00	\$379,000.00

Source: CREA, \*\*Total Residential, CMHC Forecast



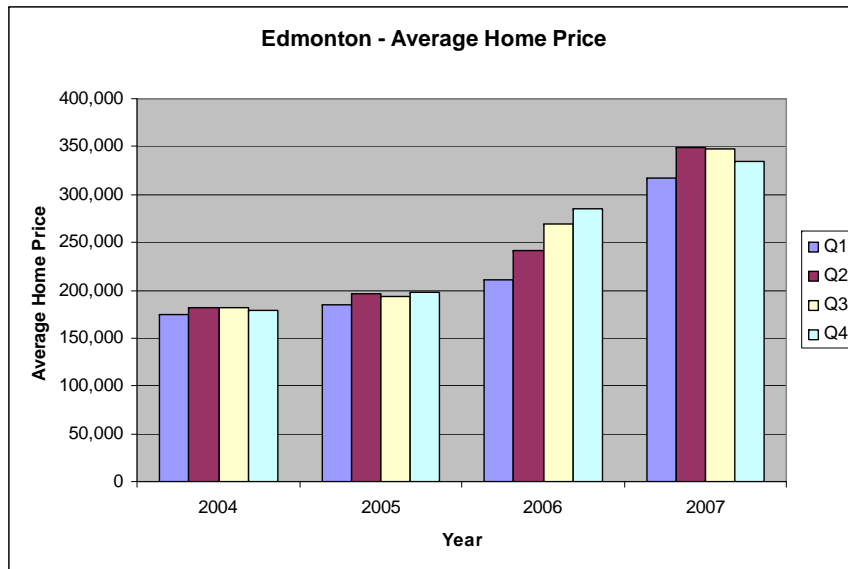
# Average Residential Sales Price

## Alberta and Saskatchewan



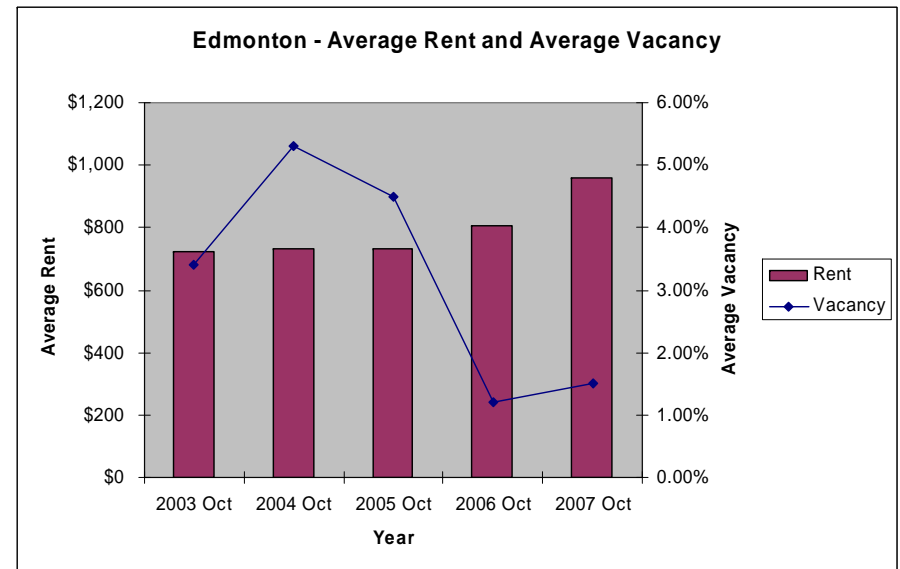
# Edmonton Home Price & Rental Rate Increases, Vacancy

**Edmonton - Average MLS Residential Home Price**



Source: CMHC, Realtors Association of Edmonton

**Edmonton- Average Rent and Average Vacancy**



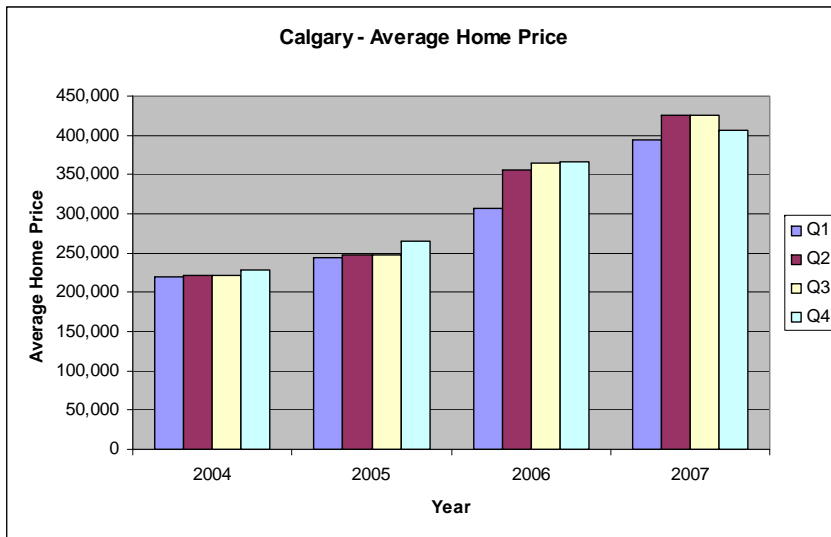
Source: CMHC

(based on 2 bedroom apartment unit)



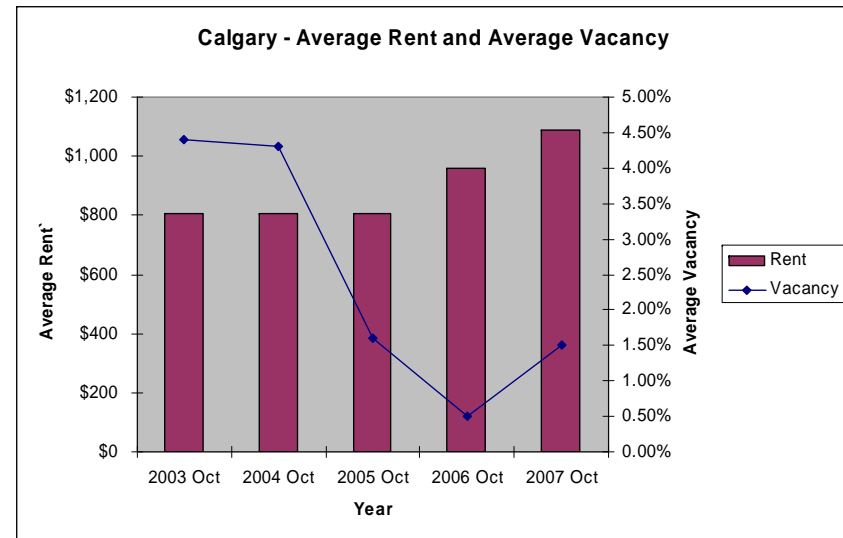
# Calgary Home Price & Rental Rate Increases, Vacancy

**Calgary - Average MLS Residential Home Price**



Source: CMHC, CREB

**Calgary - Average Rent and Average Vacancy**



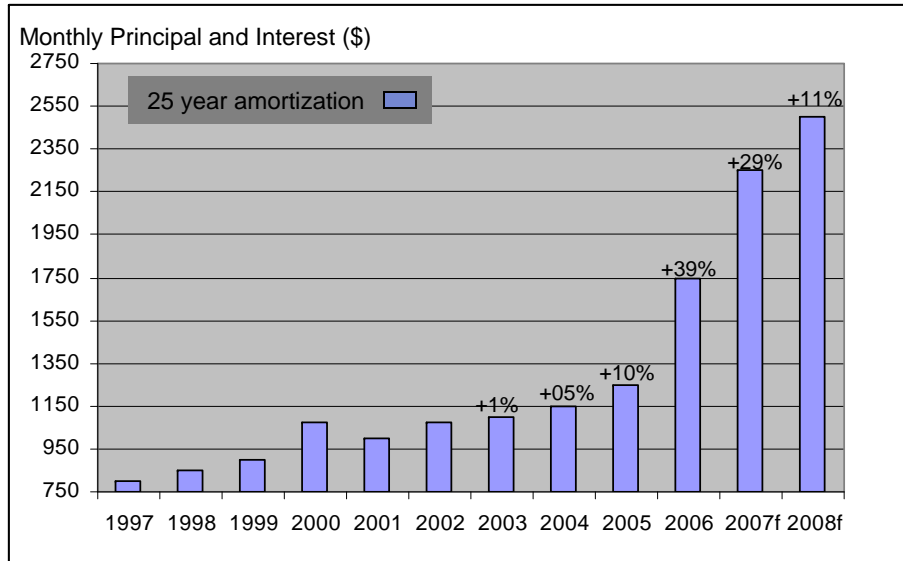
Source: CMHC

(based on 2 bedroom apartment unit)



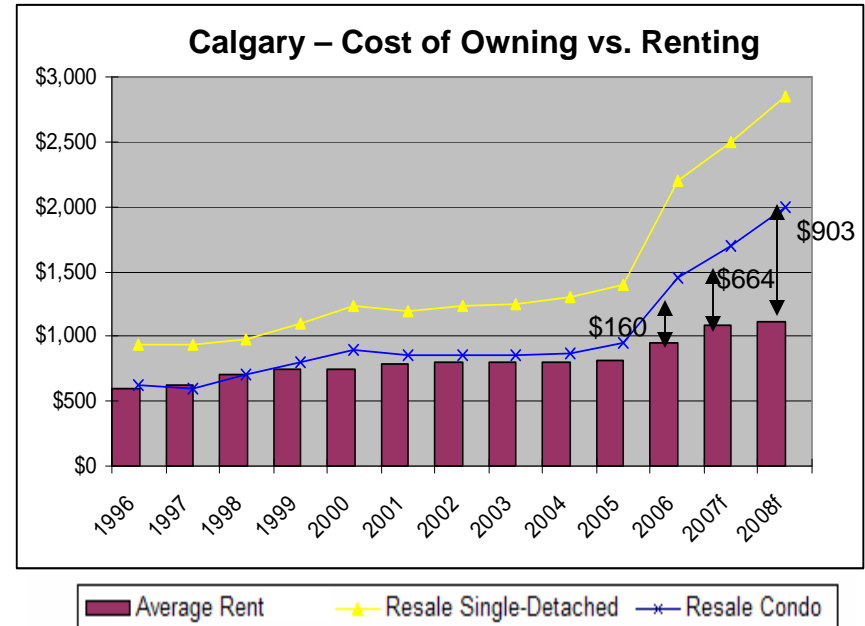
# Alberta Cost of Owning vs. Renting

Home ownership carrying costs escalated...more than double in three years.



Source: CMHC \*Assume Alberta average resale price. 10% down. 25 year amortization.

The gap between owning a condo and renting an apartment continues to widen in Calgary.

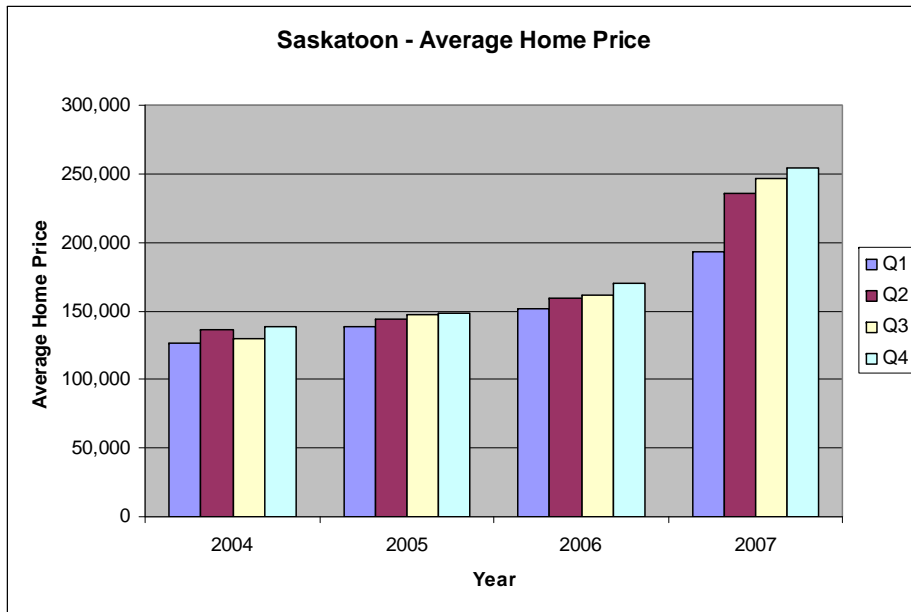


•Assumption: 10% down payment, average 5-year fixed discounted mortgage rates.  
 •Source: CMHC, CREB, CMHC Calculation



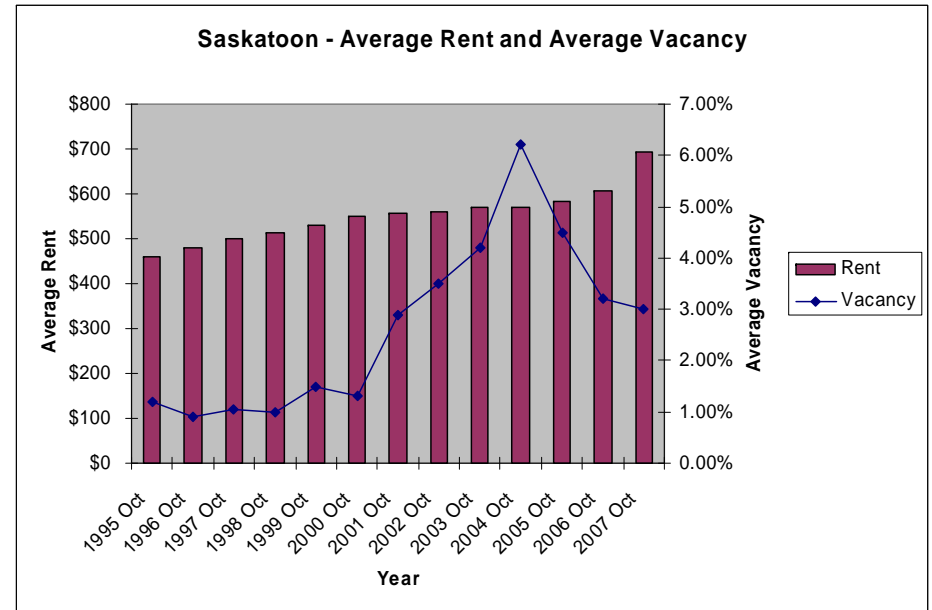
# Saskatoon Home Price & Rental Rate Increases, Vacancy

**Saskatoon - Average MLS Residential Home Price**



Source: Saskatoon Real Estate Board

**Saskatoon - Average Rent and Average Vacancy**



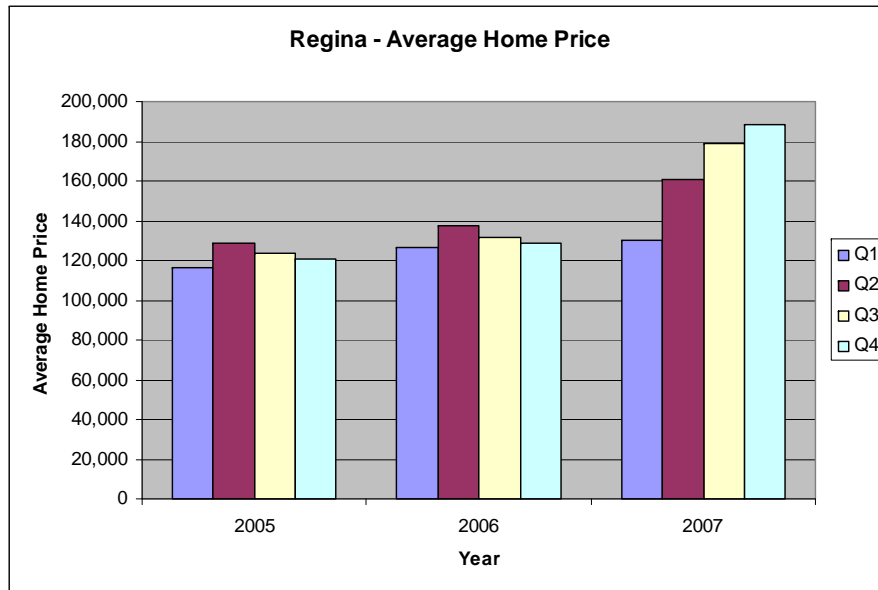
Source: CMHC

(based on 2 bedroom apartment unit)



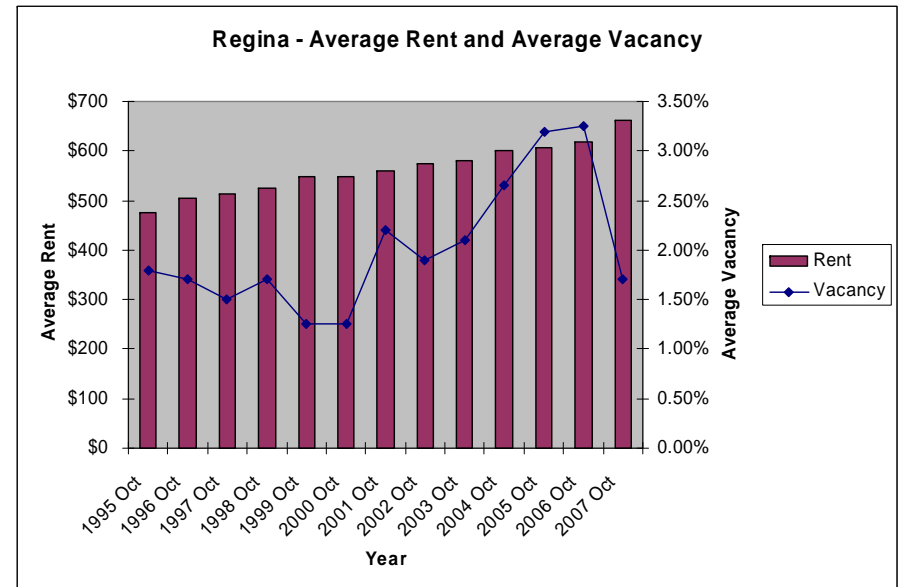
# Regina Home Price & Rental Rate Increases, Vacancy

Regina - Average MLS Residential Home Price



Source: CMHC, Regina Association of Realtors

Regina - Average Rent and Average Vacancy



Source: CMHC

(based on 2 bedroom apartment unit)



# Cap Rates on Unit Prices Sensitivity Analysis

	2008 Budget - Mid point	Cap Rate	2008 Guidance	Including mark to market
Revenue	\$415,067,000	5.00%	\$58.21	\$60.70
		5.25%	\$53.77	\$56.14
		5.50%	\$49.74	\$52.00
Operating Expenses	\$155,534,600	5.75%	\$46.06	\$48.22
		6.00%	\$42.68	\$44.76
NOI - Adjusted to Mid Point Guidance	\$259,532,400	6.25%	\$39.58	\$41.57
		6.50%	\$36.71	\$38.62
Mortgage outstanding Dec 2007	\$1,947,793,450			
		NCIB Feb 1 2008		
Units outstanding	55,708,934	Trust Units Purchased	1,013,212	
Mark to market- Alta Sask	\$37,796,000	Average Purchase Price	\$44.35	
		Total Invested	\$44,941,000	

**NAV range reflects implied capitalization rates only on anticipated cash flows for 2008 . It does not incorporate any subjective value that may relate to other additional assets such as excess land or any potential value which may be associated with other higher related uses of these assets such as Condominium Conversion.**



# Trust Unit Buyback Update

## Results to February 01, 2008

Total Purchased	1,013,212
Total paid	\$44.9 Million
Average price per Unit	\$44.35



# 2007 Acquisitions & Dispositions

As of December 31, 2007

## Acquisitions

Building Name	City	Closing Date	Type	Units	Price	Year 1 Cap Rate	\$/Unit	Avg. Sq. Ft.	\$/Sq.Ft.
Ridgement Apartments	Coquitlam, BC	January 25, 2007	Low Rise	41	\$ 3,700,000	5.03%	\$90,244	634	\$142
Oliver View/Manor (St. Charles Pl/Parkview)	Edmonton, AB	January 26, 2007	Walk Up	51	\$ 4,150,000	4.52%	\$81,373	795	\$102
West Edmonton Village	Edmonton, AB	February 28, 2007	Various Walk Up /	1,176	\$ 143,500,000	5.47%	\$122,024	968	\$126
Prairie Sunrise Tower Portfolio	Grande Prairie, AB	March 14, 2007	Hi Rise	275	\$ 40,000,000	4.74%	\$145,455	831	\$175
Springwood Place Apartments	Spruce Grove, AB	May 28, 2007	Low Rise	160	\$ 16,000,000	5.63%	\$100,000	767	\$130
Lakeview Apartments	Calgary, AB	September 20, 2007	Walkup Highrise /	120	\$ 21,850,000	4.72%	\$182,083	897	\$203
Whitehall Square	Edmonton, AB	September 24, 2007	Walkup	598	\$ 111,250,000	5.03%	\$186,037	913	\$204
<b>Total</b>				<b>2,421</b>	<b>\$ 340,450,000</b>	<b>5.22%</b>	<b>\$140,624</b>	<b>913</b>	<b>\$154</b>

## Dispositions

Building Name	City	Closing Date	Type	Units	Price	Cap Rate	\$/Unit	Avg. Sq. Ft.	\$/Sq.Ft.
Oliver View/Manor (St. Charles Pl/Parkview)	Edmonton, AB	April 30, 2007	Walk Up	51	\$ 5,900,000	3.20%	\$115,686	795	\$146
<b>Total</b>				<b>51</b>	<b>\$ 5,900,000</b>	<b>3.20%</b>	<b>\$115,686</b>	<b>795</b>	<b>\$146</b>



# Current Cap Rates

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

Victoria	4.00 - 5.00%
Vancouver	3.50 - 4.25%
Vancouver Suburbs	4.50 - 5.50%
Calgary	4.25 - 5.25%
Edmonton	4.50 - 5.50%
South West Ontario	6.00 - 6.75%
Montreal	5.50 - 6.50%
Quebec City	5.75 - 6.75 %



# Development Update

We continue to explore the possibility of new multi-residential development.

- The Edmonton study will be completed shortly
- A Fort McMurray study has been commissioned
- The Calgary study has been finalized with the following results:

Calgary	Existing Density	Additional Density Without Re-Zoning	Achievable Range of Additional Density With Re-Zoning	
			Low	High
Total	4,935	4,157	6,223	12,749
11 Best Sites	2,621	3,122	5,629	11,307
3 Identified Sites*	856	722	2,364	4,274

\* Spruce Ridge, Russet and Radisson

- Substantial demolition of existing properties would be required to maximize density



# Development Update

- Conducting further studies on the economic feasibility of multi-residential development on the following five properties:
  - Spruce Ridge Estates (Calgary)
  - Russet Court (Calgary)
  - Radisson Village (Calgary)
  - Viking Arms (Edmonton)
  - West Edmonton Village (Edmonton)
- New development, given the re-zoning and construction process is a medium term project, 2011 to 2012 for the earliest completion
- We are exploring all potential ways to surface this densification value:
  - Direct development
  - Joint Venture
  - Sale of excess density



# Condominium Update

## 'Centro 733' Condominium Conversion Project

Total Projected Gross Revenue: \$30 Million – 90 Units

Gross Revenue To Date: \$23.57 Million – 71 Units

Total Projected Cost: \$14 Million

Projected Project Completion Date: *End of June 2008*

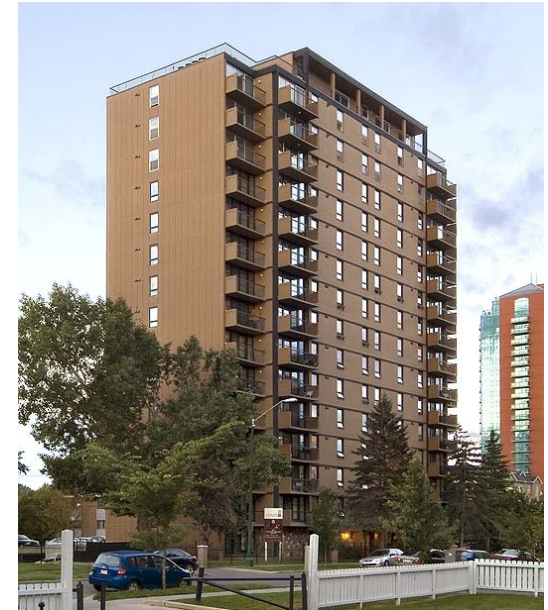
Rental Value 2006: \$170,000/door

Projected Net Sale Price at Commencement: \$192,000/door

Current Projected Net Sale Price: \$178,000/door

Current Rental Value: >\$200,000/door

Unit Buy Back Effective Price: \$121,000



Sale proceeds are in line with original budget, but construction costs will exceed original budget by \$2 million. Primarily because of rental market increases over the last 18 months, the current rental value of this building would not only likely exceed the Net Sale Price achieved, but the condo value originally expected to be created when we commenced development.



# Q4 - Funds From Operations

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

<b>BOARDWALK REAL ESTATE INVESTMENT</b>					
<b>FFO Reconciliation</b>		<b>12 Months</b>	<b>12 Months</b>		
<b>In \$000's, except per unit amounts</b>		<b>Dec-07</b>	<b>Dec-06</b>	<b>% Change</b>	
Net earnings (loss) from continuing operations		\$ (67,618)	\$ 17,760		
Adjustments					
	Earnings from discontinued operations	\$ 8,292	\$ 7,629		
	Deduct gain on dispositions	\$ (8,333)	\$ (7,527)		
	Other income	\$ (755)	\$ (750)		
	Future income taxes - corporate subsidiaries	\$ 736	\$ 613		
	Future income taxes - SIFT rules	\$ 99,861			
	Amortization of assets	\$ 84,278	\$ 73,631		
Funds from operations		<u>\$ 116,461</u>	<u>\$ 91,356</u>	27.5%	
Funds from operations - per unit		<u>\$ 2.07</u>	<u>\$ 1.64</u>	26.2%	



# Q4 - Overall Performance

<b>FFO RECONCILIATION</b>	<b>12 Months 31-Dec-07</b>
FFO Opening	\$ 1.64
NOI from Stabilized	\$ 0.56
NOI from Unstabilized	\$ 0.20
Financing costs	\$ (0.23)
W/O of Deferred Financing Costs	\$ (0.01)
Administration and other	\$ (0.07)
Dilution	\$ (0.03)
Unit buyback	\$ 0.01
FFO Closing	<u>\$ 2.07</u>



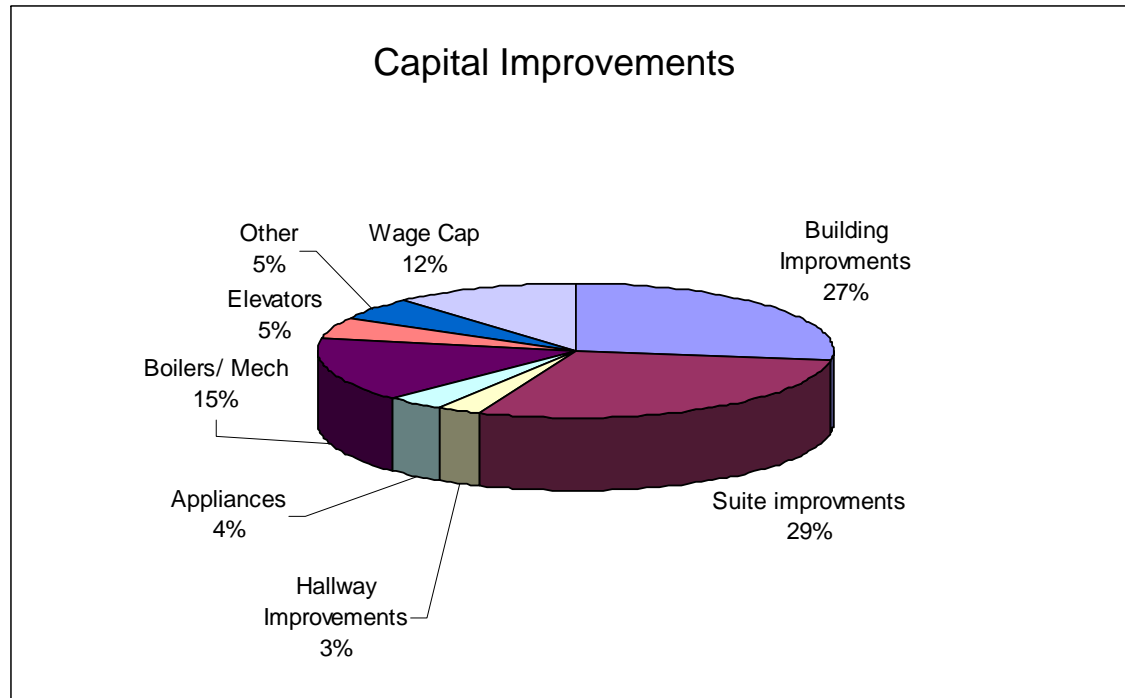
# Q4 - Overall Performance

<i>In \$000's, except number of suites</i>	<b>12 Months Dec-07</b>	<b>12 Months Dec-06</b>	<b>Change</b>
Rental revenue	\$375,012	\$319,440	17.4%
Expenses			
Operating expenses	\$64,934	\$56,797	14.3%
Utilities	\$43,504	\$40,443	7.6%
Utility rebate	(\$1,228)	(\$2,032)	-39.6%
Property taxes	\$32,300	\$32,143	0.5%
	<u>\$139,510</u>	<u>\$127,351</u>	9.5%
Net operating income	\$235,502	\$192,089	22.6%
Operating margins	63%	60%	
Number of suites on December 31	36,487	34,207	



# Capital Investment

For the 12 months ended December 31, 2007



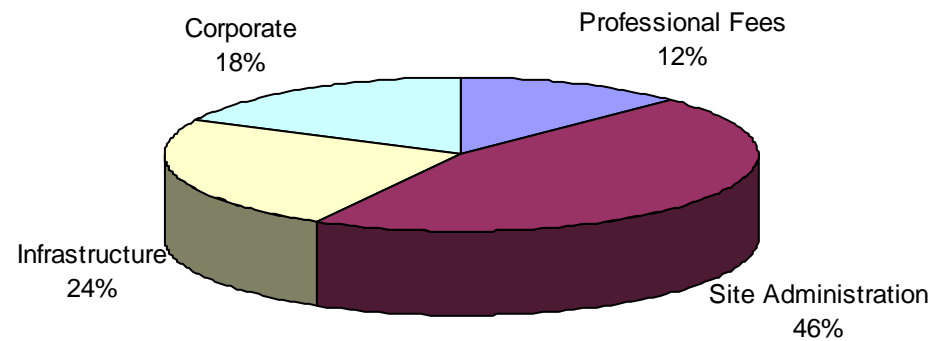
**Total Capital Invested in 2007: \$71.5 Million**



# Administration Review

For the twelve ended December 2007

## Q4 2007 12 Months Administration Overview



Total Administration \$37.9 Million

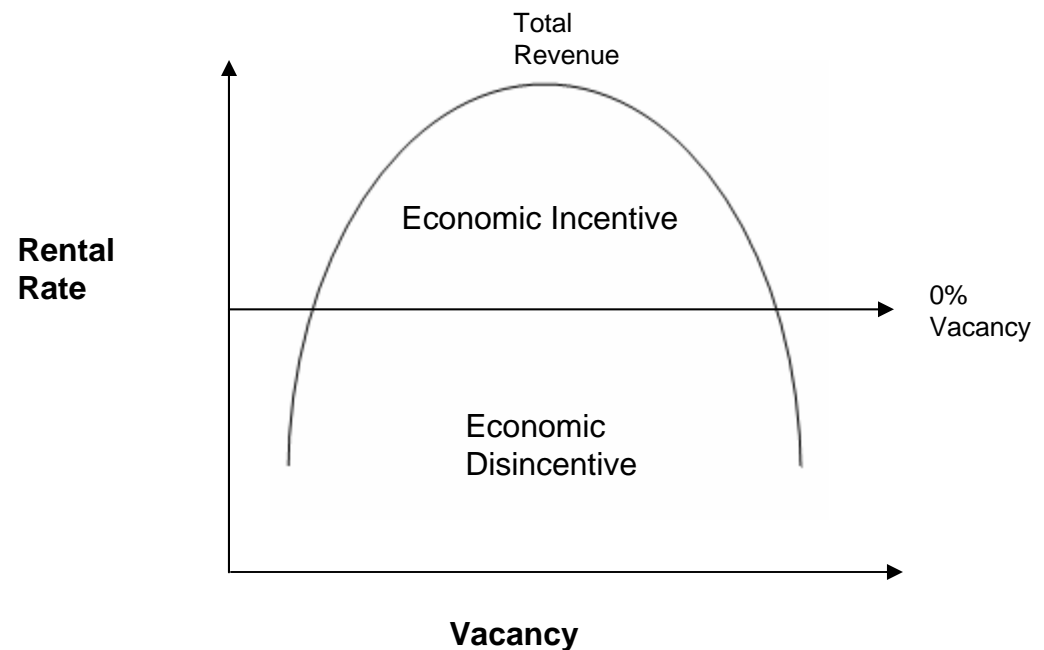


# Revenue Maximization

**Revenue** = Supply + Demand + Price

**Low Price** = Higher Demand = Low Physical Vacancy but higher Economic Vacancy

**High Price** = Lower Demand = Higher Physical Vacancy but lower Economic Vacancy



*\*Our Strategy attempts to optimize physical and economic vacancy on a seasonally adjusted basis.*



# Loss To Lease Statistics December 2007

	Dec 2007 Occupied Rent	Dec 2007 Market Rent	Mark to Market Per Month	Annualized Mark to Market Adjusted for Vacancies (\$000's)	Weighted Average Units	% of Portfolio
Calgary	\$1,166	\$1,260	\$94	\$5,528	5,259	14%
Edmonton	\$1,008	\$1,162	\$154	\$21,939	12,583	34%
Other Alberta	\$1,078	\$1,158	\$80	\$1,750	1,967	5%
Alberta Portfolio	\$1,057	\$1,188	\$131	\$29,217	19,809	53%
Saskatchewan	\$782	\$939	\$158	\$8,579	4,660	13%
Ontario	\$805	\$791	-\$15	-\$717	4,265	12%
Quebec	\$906	\$921	\$15	\$1,205	6,752	18%
British Columbia	\$864	\$953	\$90	\$1,127	1,087	4%
Total Portfolio	\$959	\$1,054	\$95	\$39,411	36,573	100%

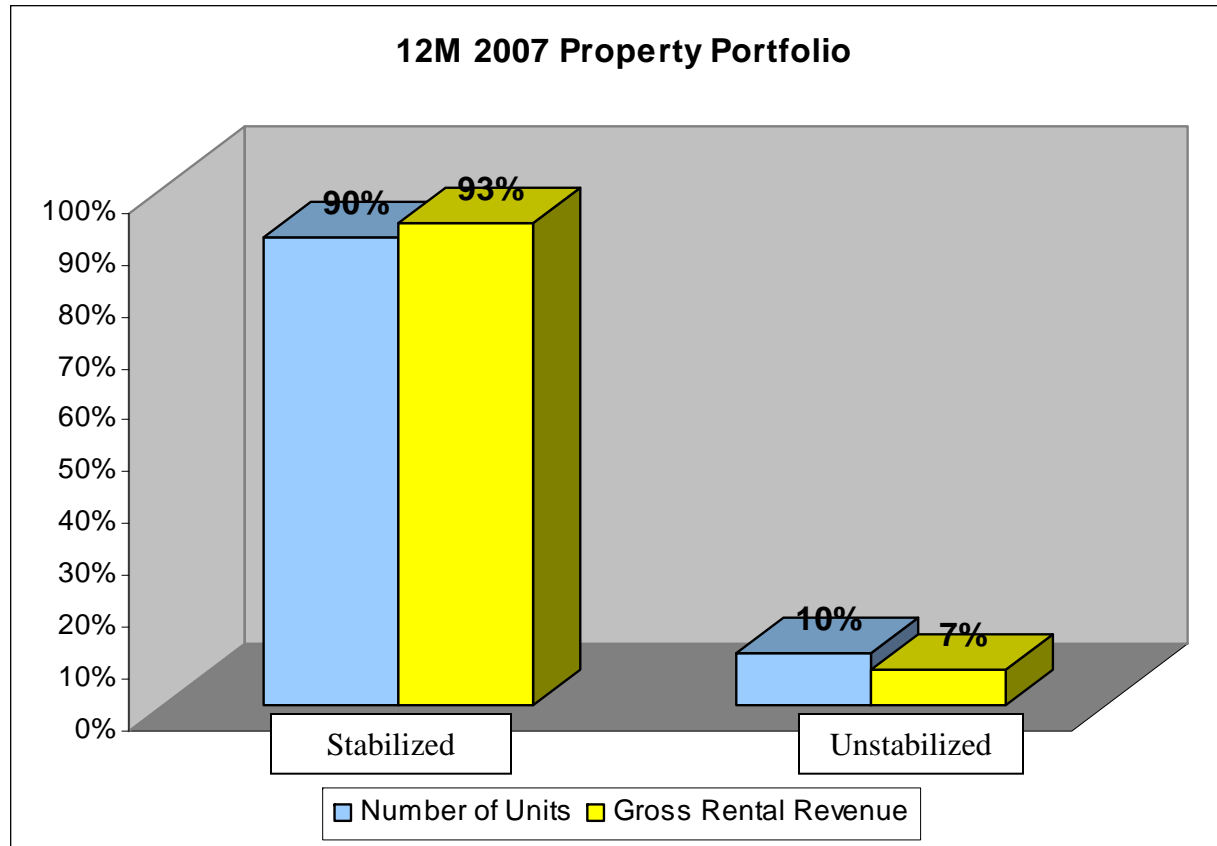


# Loss To Lease Analysis December 2007

	<b>Total</b>	<b>Per Trust Unit</b>
Sept 2007 - Alberta	\$ 66,382,000	\$ 1.19
Realized In Place Rent Adjustment	\$ (13,913,000)	\$ (0.25)
Additional Portfolio Vacancy	\$ (769,000)	\$ (0.01)
Market Rent Adjustment	\$ (22,483,000)	\$ (0.40)
	\$ 29,217,000	\$ 0.52



# Q4 - Stabilized Analysis



# Stabilized Analysis

Three months ended December 31, 2007

Dec 31 2007 - 3 M	# of Units	Revenue Growth	Operating Expense Growth	Net Operating Income Growth	% of Stabilized NOI
Calgary	4,973	10.1%	5.0%	12.1%	21%
Edmonton	10,369	16.2%	4.5%	23.1%	34%
Other Alberta	1,680	7.6%	16.6%	3.8%	6%
British Columbia	633	3.6%	-16.1%	17.9%	2%
Ontario	4,265	0.3%	-13.0%	13.7%	9%
Quebec	6,434	3.6%	-4.1%	9.5%	17%
Saskatchewan	4,660	13.8%	8.5%	17.8%	11%
	<b>33,014</b>	<b>9.7%</b>	<b>0.6%</b>	<b>15.4%</b>	<b>100%</b>



# Stabilized Analysis

Twelve months ended December 31, 2007

<b>Dec 31 2007 - 12 M</b>	<b># of Units</b>	<b>Revenue Growth</b>	<b>Operating Expense Growth</b>	<b>Net Operating Income Growth</b>	<b>% of Stabilized NOI</b>
Calgary	4,973	17.6%	4.2%	23.2%	21%
Edmonton	10,369	17.4%	8.9%	22.1%	34%
Other Alberta	1,680	12.6%	13.3%	12.3%	6%
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Saskatchewan	4,660	9.8%	2.5%	15.6%	10%
	<b>33,014</b>	<b>11.0%</b>	<b>2.4%</b>	<b>16.4%</b>	<b>100%</b>



# Sequential Stabilized Rental Analysis

December 2007

<b>Stabilized Revenue Growth Q4 2007 vs.</b>	<b># of Units</b>	<b>Q3 2007</b>	<b>Q2 2007</b>	<b>Q1 2007</b>
Calgary	4,973	0.4%	1.3%	5.6%
Edmonton	10,369	1.8%	5.7%	10.4%
Other Alberta	1,680	1.9%	2.7%	2.3%
British Columbia	633	-1.9%	0.7%	2.4%
Ontario	4,265	2.1%	0.6%	1.0%
Quebec	6,434	0.2%	2.4%	3.0%
Saskatchewan	4,660	4.6%	10.4%	12.9%
	33,014	1.5%	3.9%	6.7%



# Mortgage & Debt Maturities

Year	Principal Outstanding as at Dec. 31, 2007	Weighted Average Interest Rate By Maturity	% of Total
2008	273,001,988	5.89%	14.02%
2009	270,902,212	5.37%	13.91%
2010	302,094,369	4.77%	15.51%
2011	126,663,398	5.68%	6.50%
2012	823,252,488	4.78%	42.27%
2013	70,610,368	4.99%	3.63%
2014	4,219,269	5.91%	0.22%
2015	30,184,012	4.68%	1.55%
2016	25,413,151	5.34%	1.30%
2018	6,769,059	6.18%	0.35%
2019	11,086,748	5.99%	0.57%
2020	3,596,390	7.24%	0.18%
<b>Total Principal Outstanding</b>	<b>1,947,793,450</b>	<b>5.11%</b>	<b>100.00%</b>

**Estimated current renewal rates: 5 years – 4.49%, 10 Years – 4.90%**  
 The average maturity of the portfolio is 3 years.

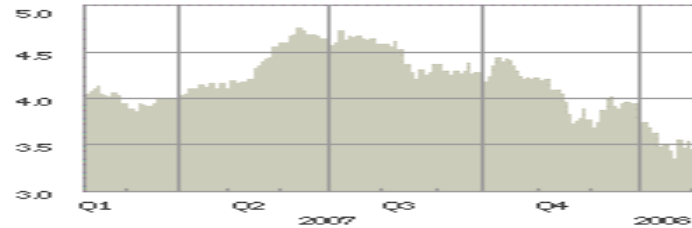


# Finance

## Canadian Bonds

### Govt. of Canada marketable bonds, avg. yield: 3-5 year

Previous data [▶](#)

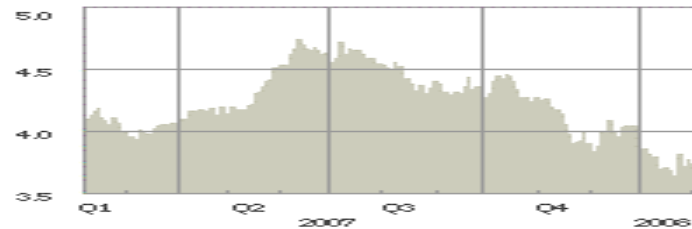


30 Jan 2008:	3.45
31 Jan 2008:	3.45
1 Feb 2008:	3.39
4 Feb 2008:	3.41
5 Feb 2008:	3.29

GRAPH PERIOD:  
5 Feb 2007 - 5 Feb 2008

### Govt. of Canada marketable bonds, avg. yield: 5-10 year

Previous data [▶](#)



30 Jan 2008:	3.74
31 Jan 2008:	3.74
1 Feb 2008:	3.67
4 Feb 2008:	3.69
5 Feb 2008:	3.59

GRAPH PERIOD:  
5 Feb 2007 - 5 Feb 2008

Source – Bank of Canada

*Canadian Bonds have fallen*



# 2007 Mortgage & Debt Maturities

	Completed - 2007	Completed/Committed - 2008 (As of Feb 14, 2008)
<b>Total Mortgages</b>	34	12
<b>Total Maturing Amounts</b>	\$394,240,101.13	\$68,877,136.48
<b>New Financings</b>	\$730,637,339.15	\$171,871,647.41
<b>Net Benefit</b>	<u><u>\$336,397,238.02</u></u>	<u><u>\$102,994,510.93</u></u>
<b>Old interest rate</b>	5.13%	5.73%
<b>New rate</b>	4.66%	4.54%

**We have executed a Forward Bond Transaction allowing us to effectively hedge the bond yield on 19 maturing mortgages in 2008.**

Notional Amount: \$101,559,000.00

Maturing Weighted Interest Rate: 6.15%

Weighted Average of Hedged Bond Yields: 3.63%

Average Term: 7 Years

**Hedged yields do not include bond spreads.**



# Mortgage Highlights – Q4 2007

(in millions except interest coverage)

Mortgage Principal Outstanding	\$1,827
Debenture	\$120
Total	\$1,947

% NHA Insured secured mortgages **99%**

Existing Bond Spreads **70 to 95 basis points**

## Interest Coverage – Continuing Operations

2007	2.30
2006	2.17



# Debt to Gross Book Value

*(in \$000's)*

Total assets	\$ 2,195,888,000
Amortization	\$ 513,514,000
Exchange value bump	\$ 231,460,000
	<u>\$ 2,940,785,000</u>
Mortgages payable	\$ 1,770,015,000
Unsecured debentures	\$ 118,768,000
	\$ 10,560,007
Adjustment to debt	<u>\$ 1,899,343,007</u>

**Debt-to-GBV**

**65%**

***Current Debt to Total Enterprise Value = 43.2%***



# Boardwalk REIT 2008 Guidance

## 2008 Objectives

FFO Rental Operations	\$2.35 to \$2.50
Distributable Income	\$2.37 to \$2.52
New Unit Acquisitions	1,000 to 2,000
Stabilized Buildings NOI growth	8.0% to 14.0%

*The reader is cautioned that this information is forward-looking information and actual results may vary materially from those reported.*



# Boardwalk REIT 2008 Guidance

Capital Budget in 000's of \$ except for per suite amounts	12 Months		12 Months	
	2008 Budget	Per Suite	2007 Actual	Per Suite
Total Approved	\$ 73,914	\$ 2,025	\$ 69,500	\$ 2,032
MTSE Capital	\$ 16,430	\$ 450	\$ 15,194	\$ 425
Stabilizing & Value Enhancing Capital	\$ 57,484	\$ 1,575	\$ 56,334	\$ 1,576
	\$ 73,914	\$ 2,025	\$ 71,528	\$ 2,001



# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q4 2007 Conference Call

*February 14, 2008 – 11:00 EST*

*416-644-3415 (within Toronto) or toll-free 1-800-733-7560 (outside Toronto).*



# BOARDWALK REAL ESTATE INVESTMENT TRUST

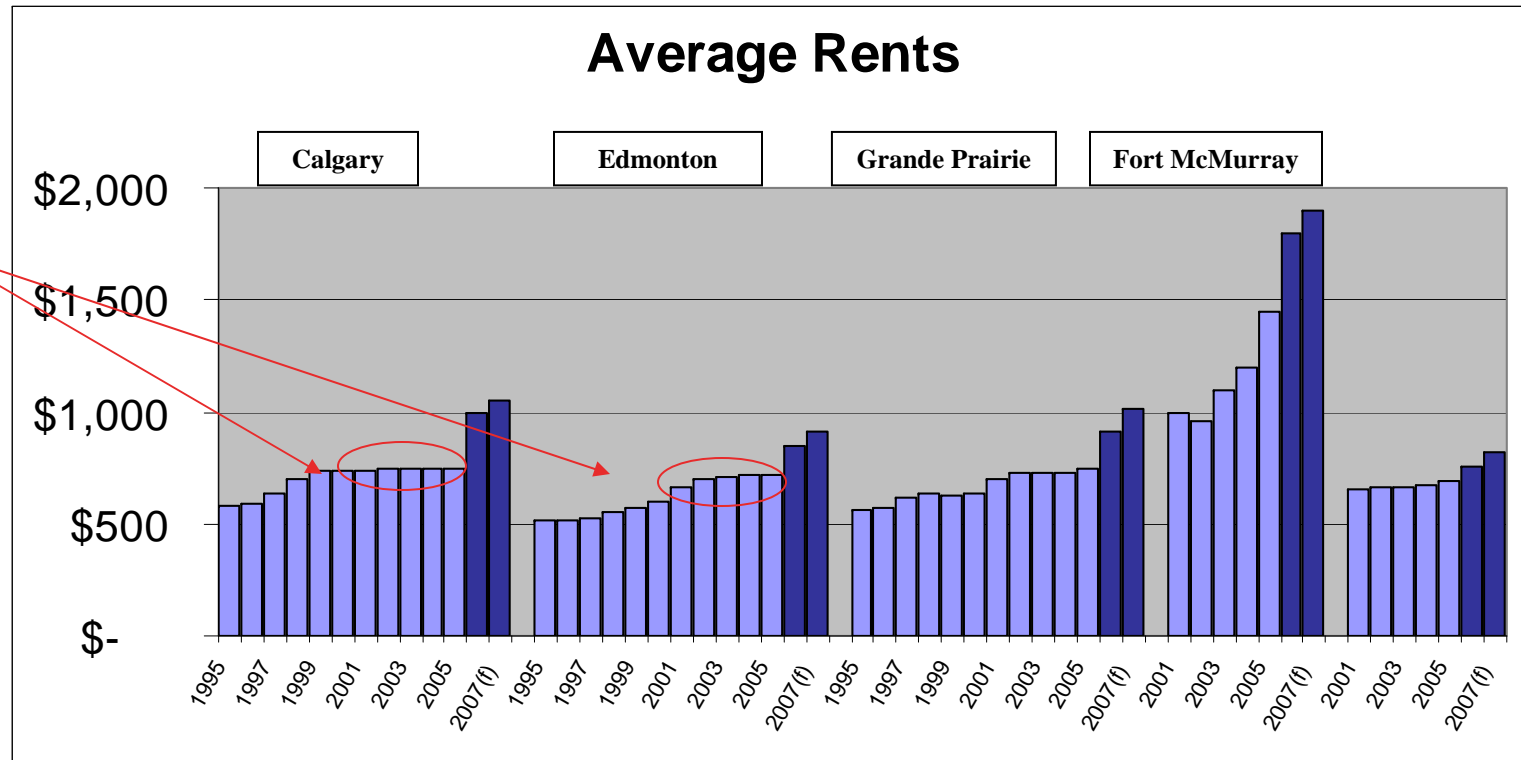
## APPENDIX



# 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

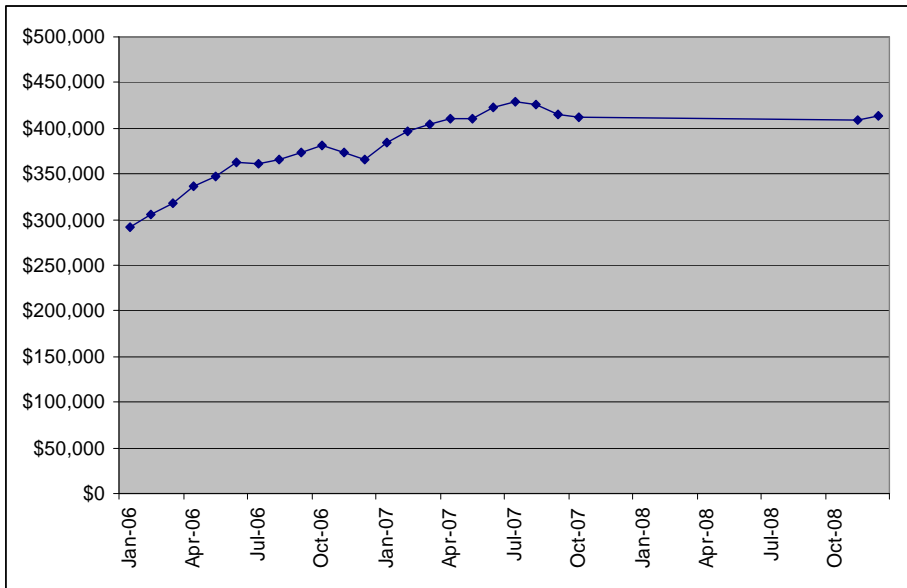


Summarized from CMHC data

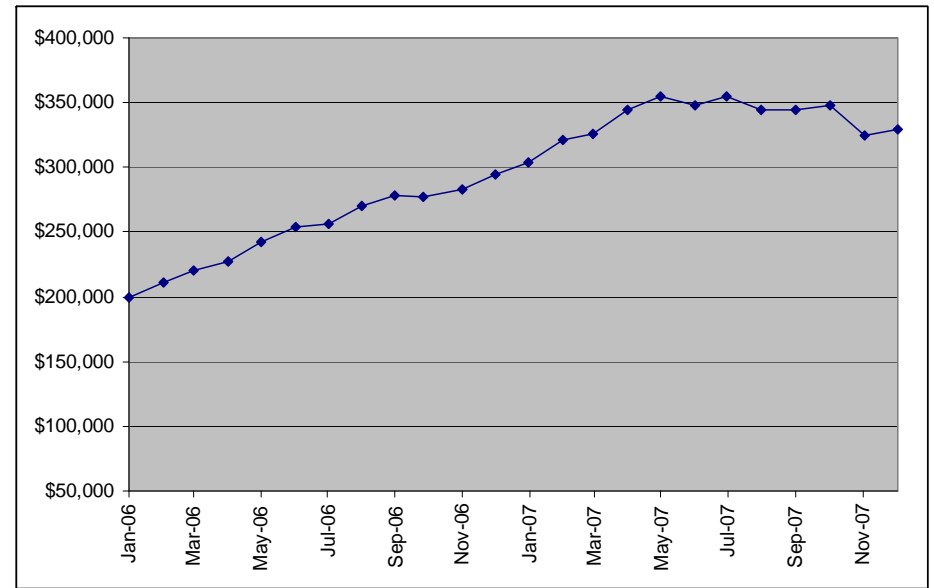


# Affordability for Homeownership Declining in Alberta

Calgary Total MLS Average Sale Price



Edmonton Total MLS Average Sale Price

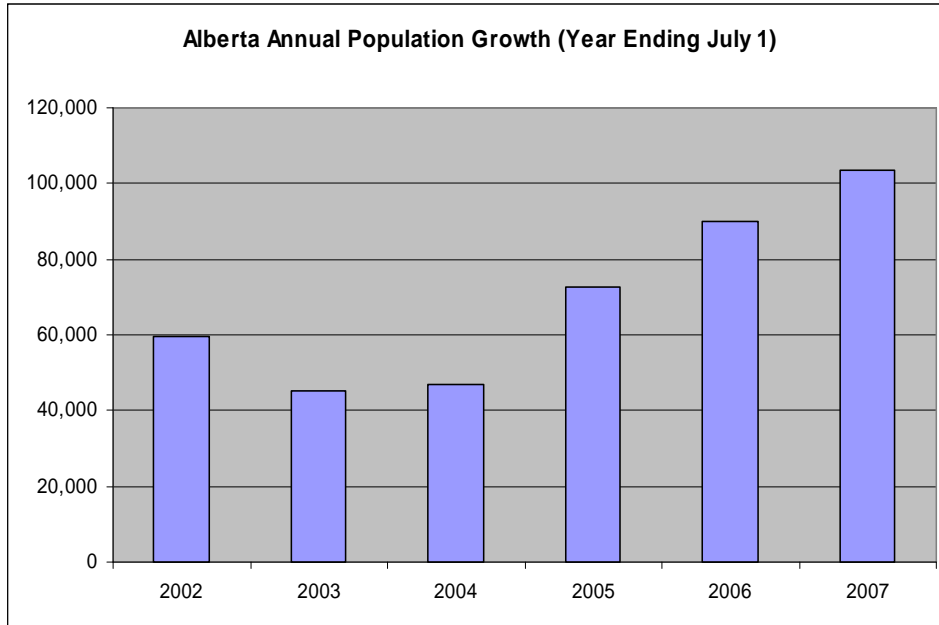


Source: CMHC

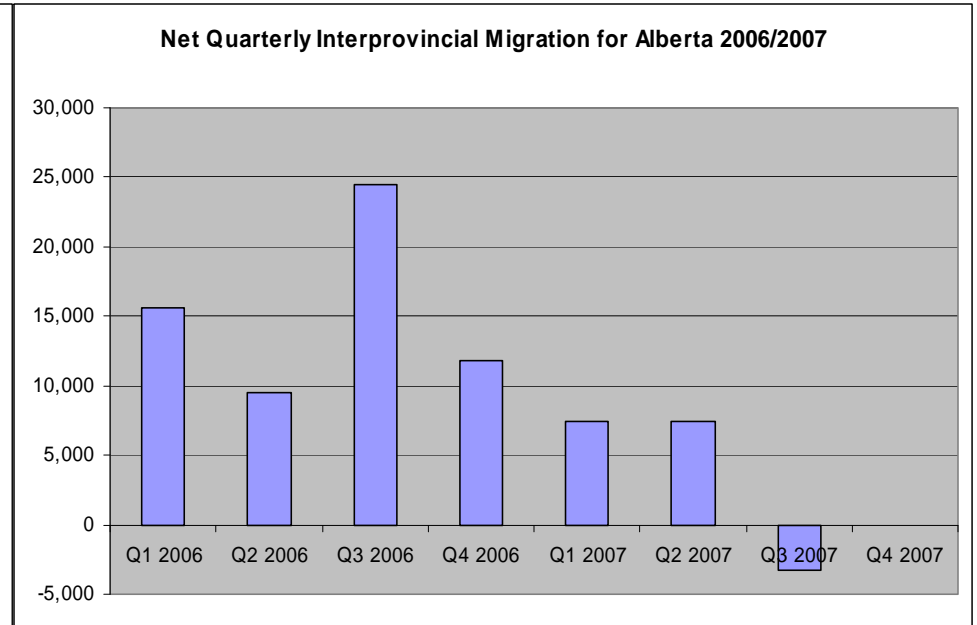
Source: Edmonton Real Estate Board



# Alberta Annual Population Growth and Net Quarterly Interprovincial Migration



Source: Statistics Canada



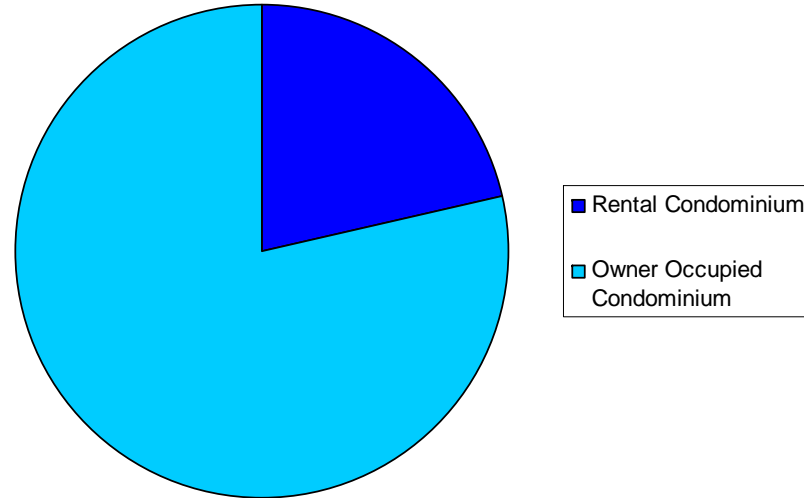
Source: Statistics Canada



# Calgary Rental Condo Universe

## Calgary CMA – Rental Condo Universe

*October 2007 survey found 21.4% of condominium units rented.*



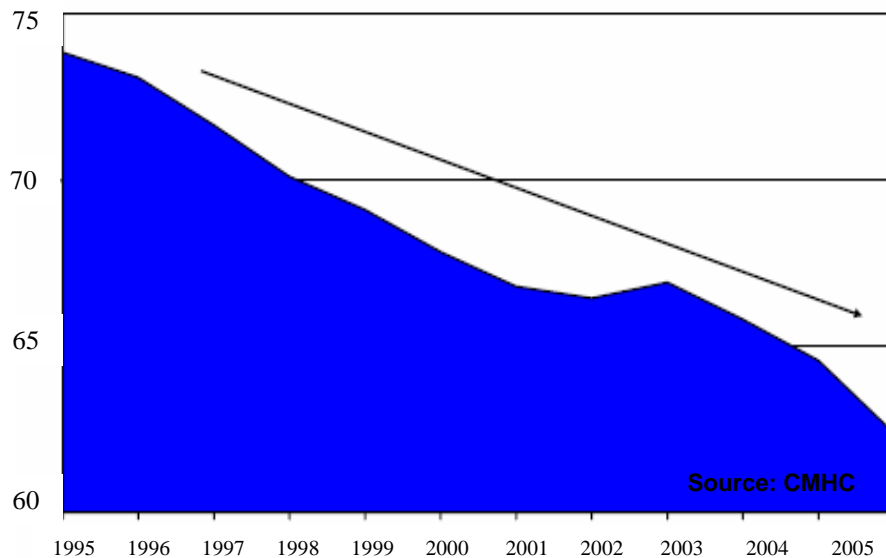
Source: CMHC



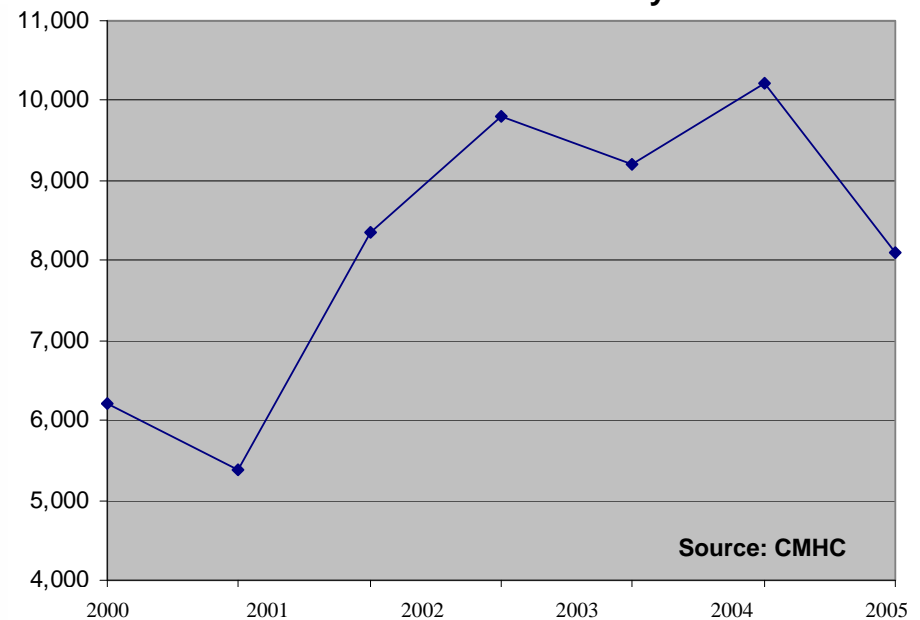
# Edmonton Rental Market Universe Per Capita...

The Edmonton Rental Market Universe / capita has been on a downward trend since the early 1990s. However, increasing condominium construction across the Province is increasing the rental market universe in each city, as approximately 20% of new condominium units are bought by investors and subsequently rented.

**Rental Units per 1,000 Population in Edmonton**



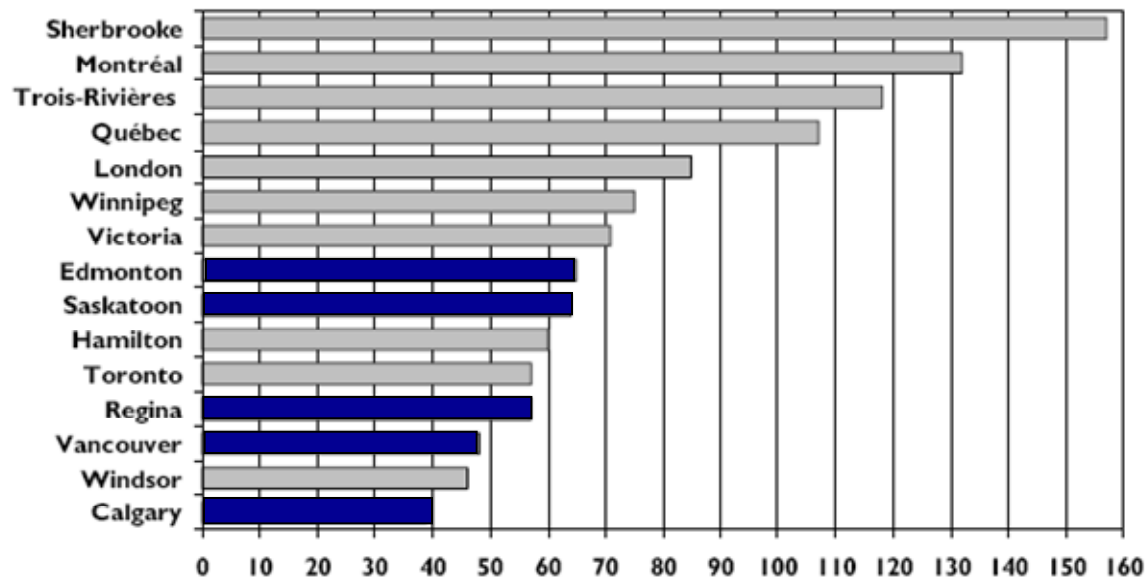
**Provincial Condo Starts by Year**



# Rental Universe Per Capita

Our hottest markets (indicated in blue) have some of the smallest rental universes per capita.

Rental universe per 1,000 population

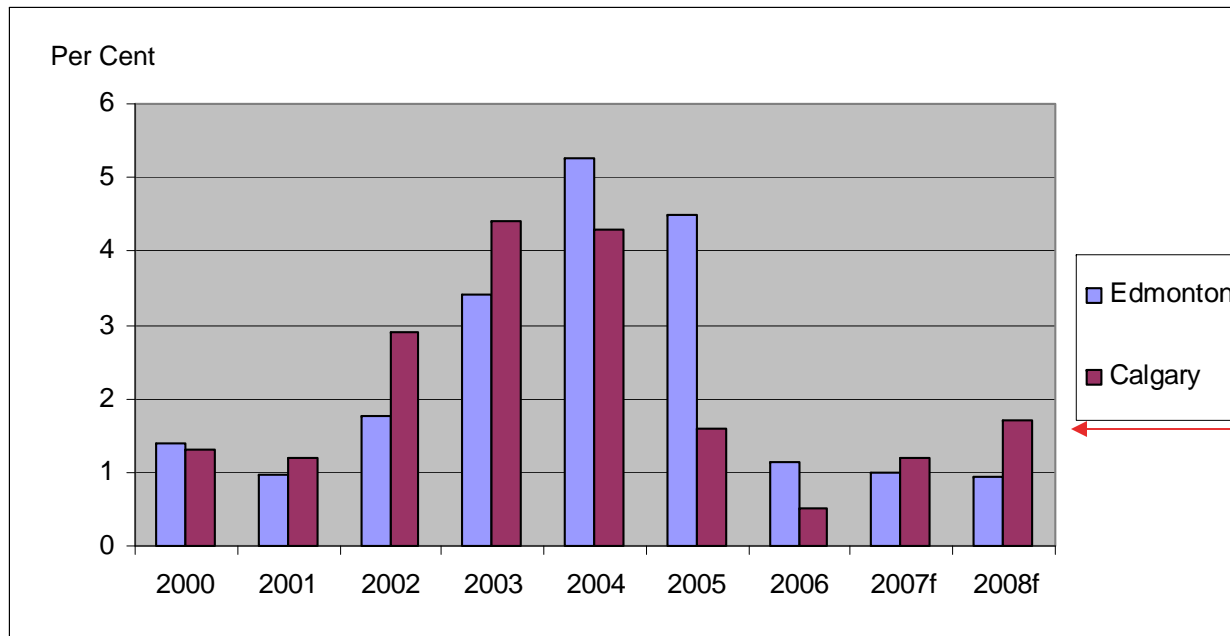


Source: CMHC



# Edmonton and Calgary Rental Market Vacancy Rate

## Edmonton and Calgary Apartment Vacancy Rate - Private Structures of 3+ Units



*Vacancy is forecasted to remain below 2% in Calgary and Edmonton.*

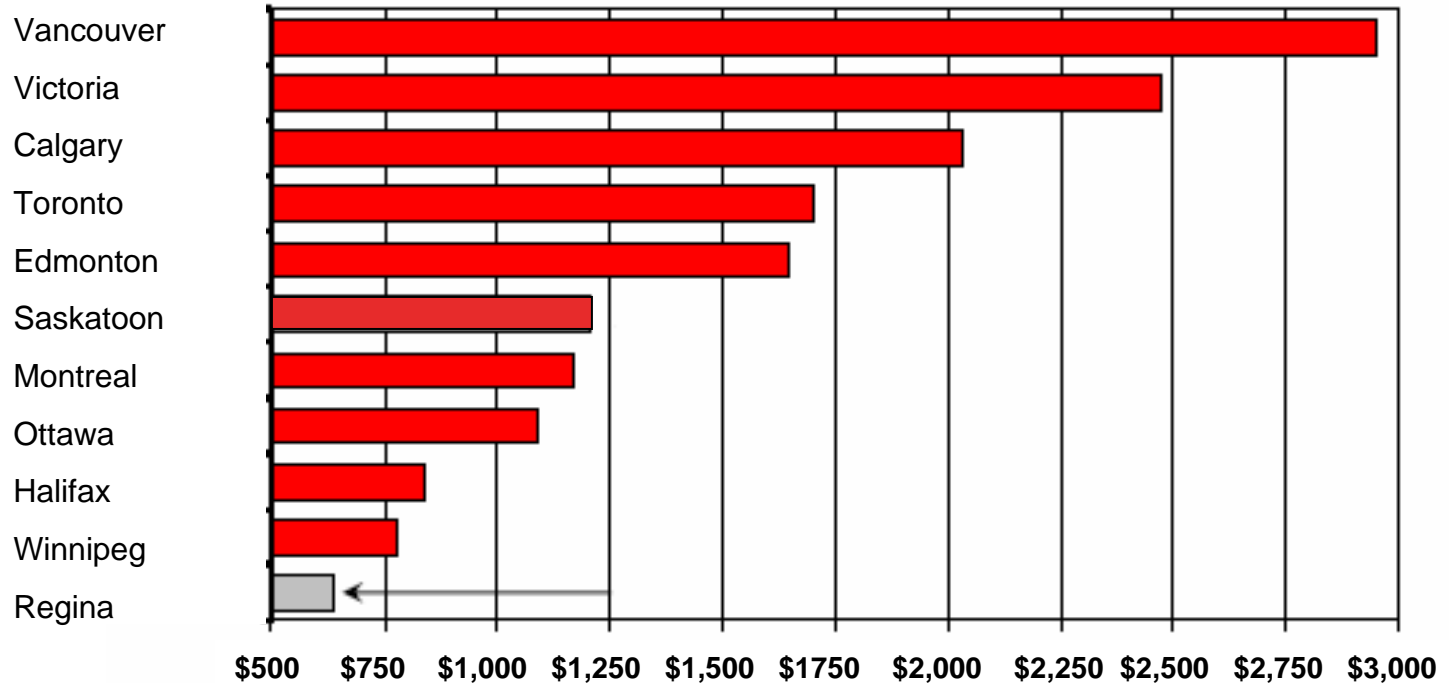
Source / Forecast: CMHC



# Mortgage Payments vs. Monthly Rent

*Monthly carrying costs minus average two bedroom rent (\$), April 2007*

**\*Regina has the lowest ownership premium of all major centres**



# Q4 - Distributable Income

(in 000's, except per unit amounts)

<b>Distributable Income Reconciliation</b>	<b>3 Months</b>	<b>3 Months</b>			<b>12 Months</b>	<b>12 Months</b>	
<b>In \$000's, except per unit amounts</b>	<b>Dec-07</b>	<b>Dec-06</b>	<b>% Change</b>		<b>Dec-07</b>	<b>Dec-06</b>	<b>% Change</b>
Total Operating Cash Flows	\$ 33,577	\$ 30,017			\$ 127,703	\$ 99,007	
Net change in operating working capital	\$ (2,323)	\$ (3,846)			\$ (6,419)	\$ (4,458)	
Deduct deferred financing costs amortization after May 3, 2004	\$ (564)	\$ (362)			\$ (2,155)	\$ (1,007)	
Add (deduct) net discounts (premiums) adjustment after May 3, 2004	\$ 134	\$ 101			\$ (417)	\$ 67	
Distributable income	<u>\$ 30,824</u>	<u>\$ 25,910</u>	19.0%		<u>\$ 118,712</u>	<u>\$ 93,609</u>	26.8%
Distributable income - per unit	<u>\$ 0.55</u>	<u>\$ 0.46</u>	19.6%		<u>\$ 2.11</u>	<u>\$ 1.69</u>	24.9%



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