

# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q3 2008 Conference Call

*November 14, 2008 – 11:00 EST*

416-644-3417 (within Toronto) or toll-free 800-732-9307 (outside Toronto).



# Q3 2008 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

- 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 Sept 2008</b>	<b>% Change</b>	<b>9 Months ended Sept 2008</b>	<b>% Change</b>
Rental Revenue	\$108.2	13.0%	\$315.9	14.4%
NOI	\$72.1	12.4%	\$199.3	14.6%
FFO	\$36.8	8.2%	\$97.4	12.6%
Per Unit	\$0.68	11.5%	\$1.78	14.8%
DI	\$37.2	8.4%	\$98.7	12.3%
Per Unit	\$0.69	13.1%	\$1.80	14.6%

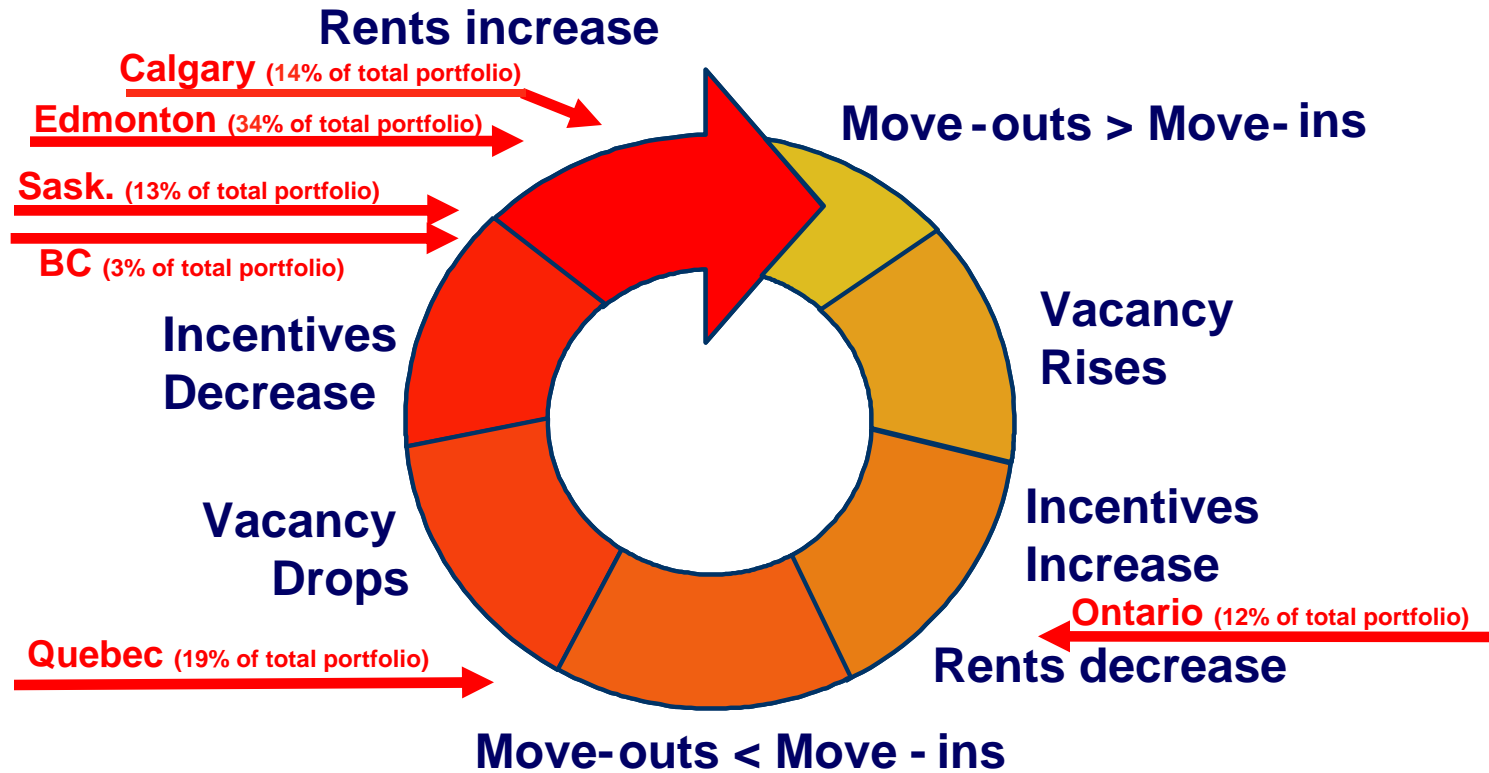


# Q3 - Portfolio Highlights

	Q3 2008	Q3 2007	Change
Portfolio Vacancy	4.58%	3.93%	65 bps
Average Rent Realized	\$977	\$879	\$98
Same Property			
Revenues	9.7%		
Operating Costs	9.1%		
NOI	9.9%		



# Rental Revenue Cycle



# Internal Growth Potential Sensitivity Analysis

Monthly occupied rental increase	\$ 25.00	\$ 50.00	\$ 75.00	\$ 100.00	\$ 150.00
Monthly impact	\$ 900,000	\$ 1,800,000	\$ 2,600,000	\$ 3,500,000	\$ 5,300,000
Annual Impact	\$ 10,800,000	\$ 21,600,000	\$ 31,200,000	\$ 42,000,000	\$ 63,600,000
Per Trust Unit	\$ 0.20	\$ 0.40	\$ 0.58	\$ 0.78	\$ 1.18

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



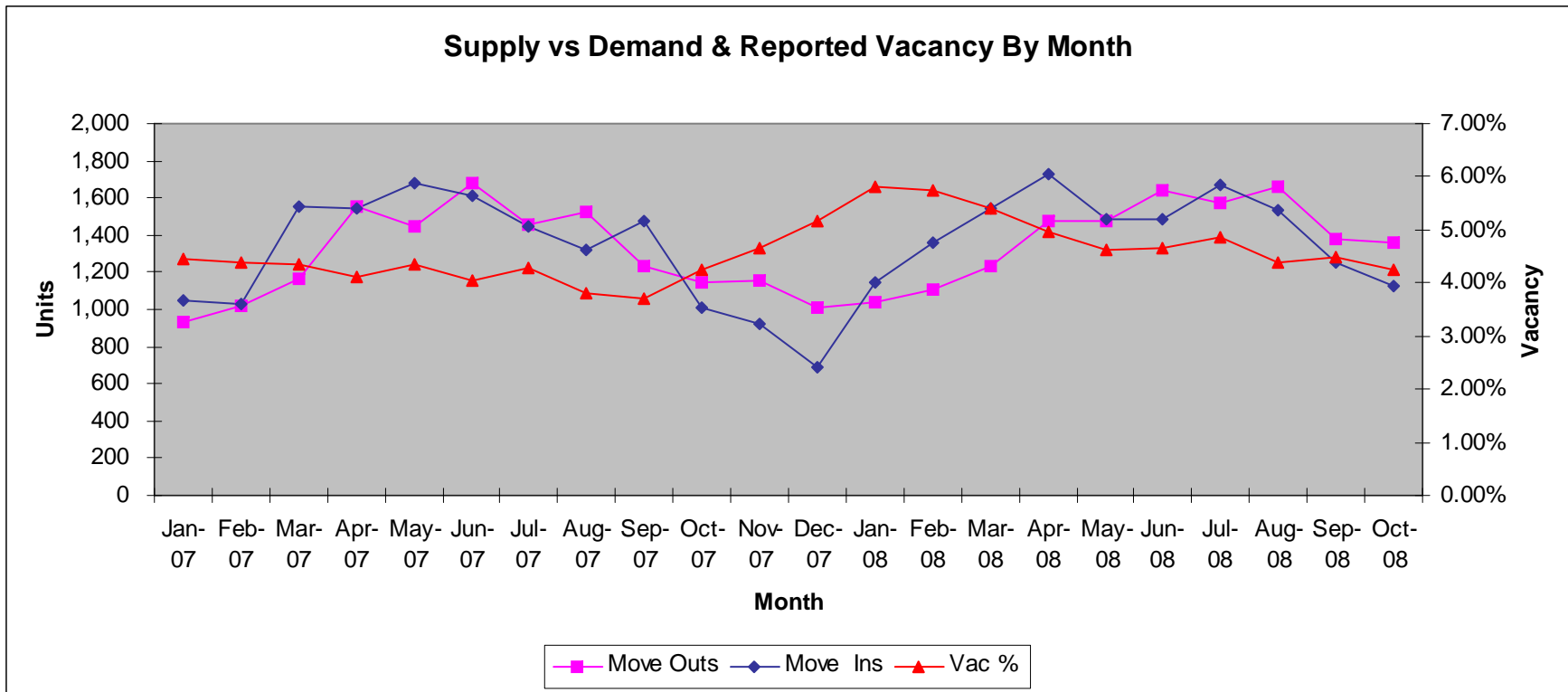
# Social Responsibility

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 1000 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.



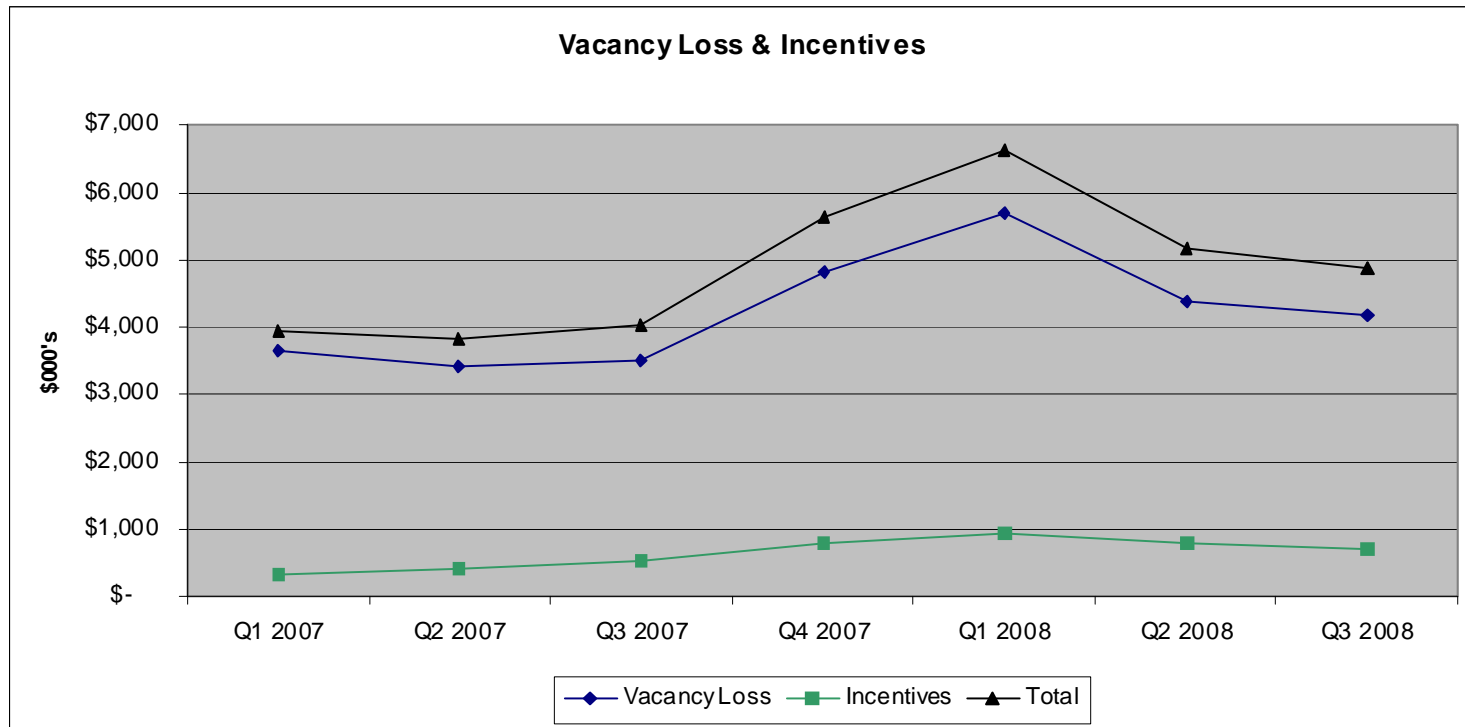
# Move-outs, Move-ins and Vacancy



Source – Internally generated



# Vacancy Loss and Incentives

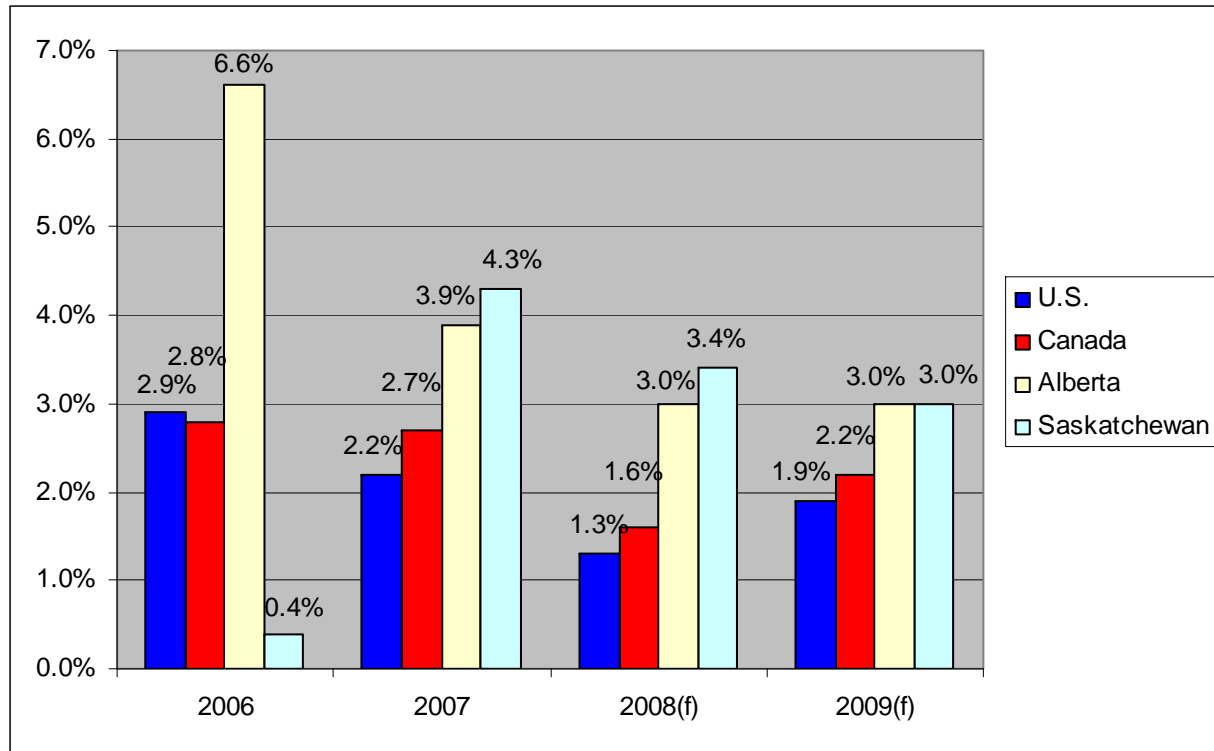


Source – Internally generated



# GDP Growth

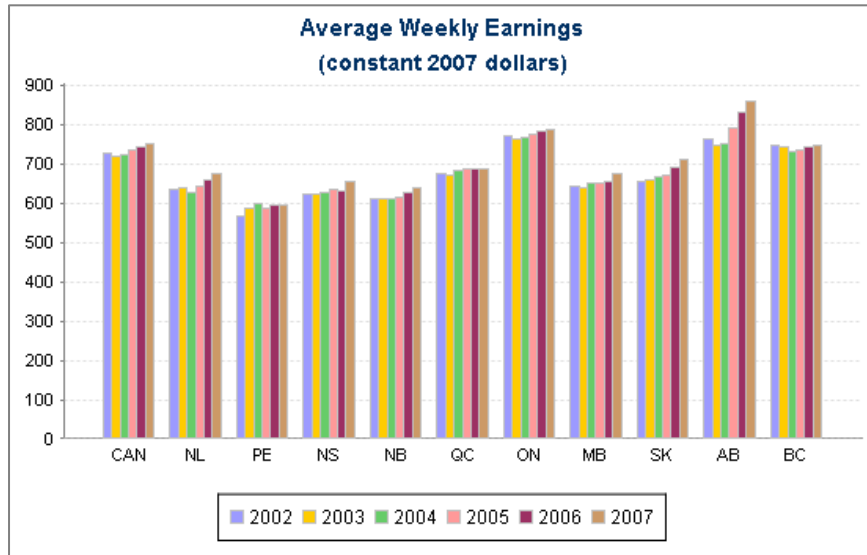
Alberta vs. Saskatchewan, Canada and U.S.



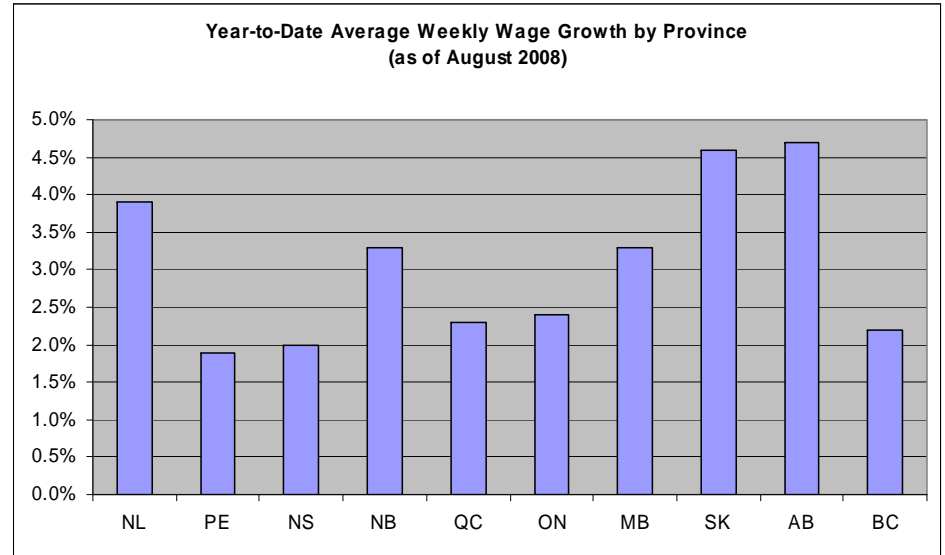
Source: Government of Alberta, CMHC forecast



# Average Weekly Earnings



Note: Earnings are in constant 2007 dollars.  
 Source: Human Resources and Social Development Canada (calculations based on Statistics Canada)

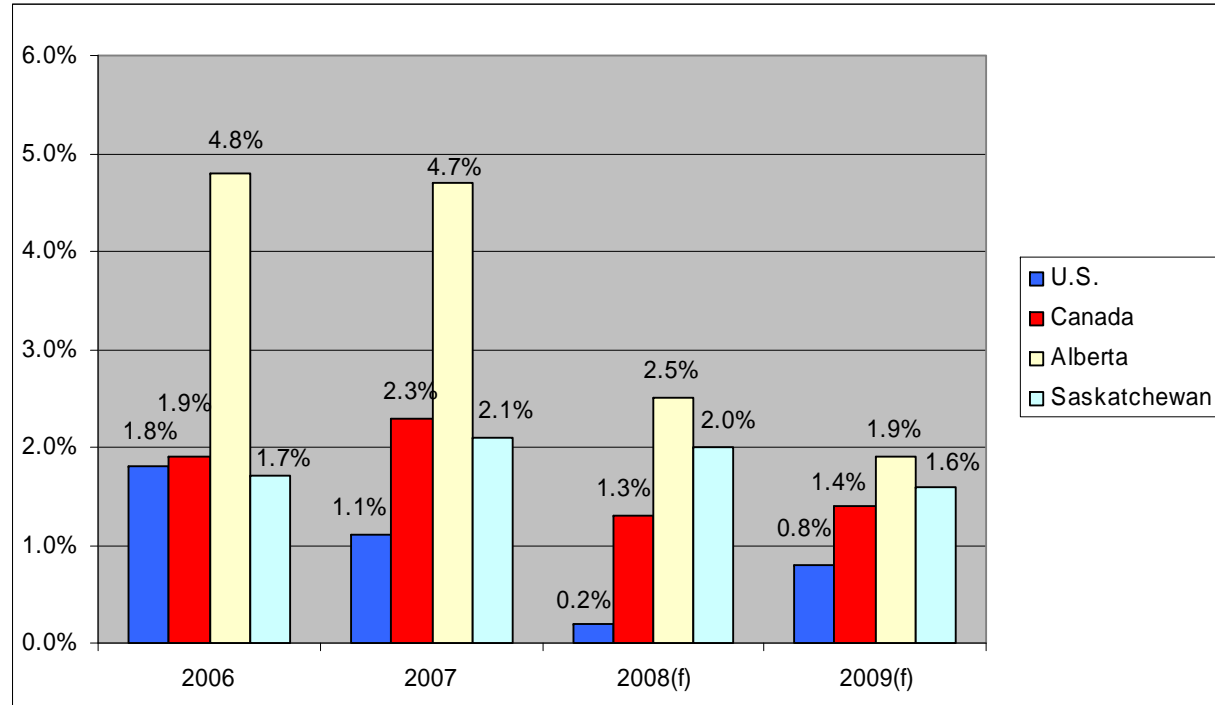


Source: Statistics Canada



# Employment Growth

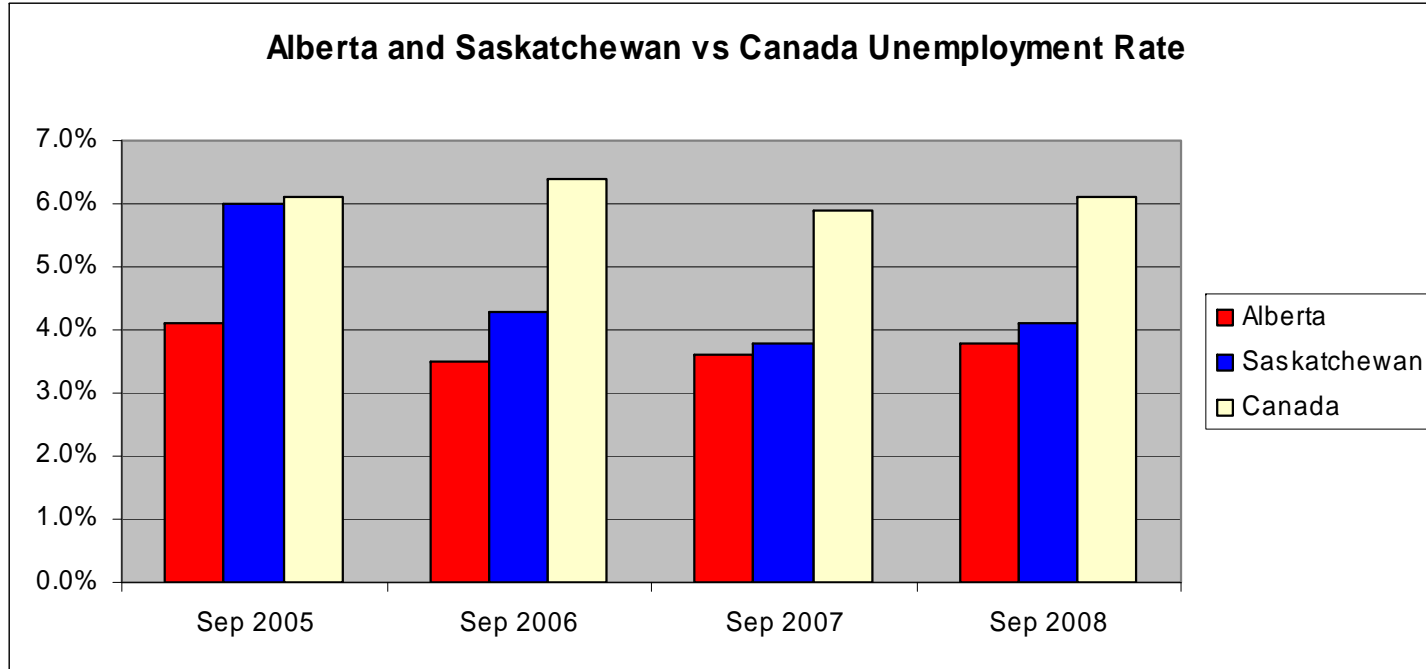
Alberta vs. Saskatchewan, Canada and U.S.



Source: Government of Alberta, CMHC forecast



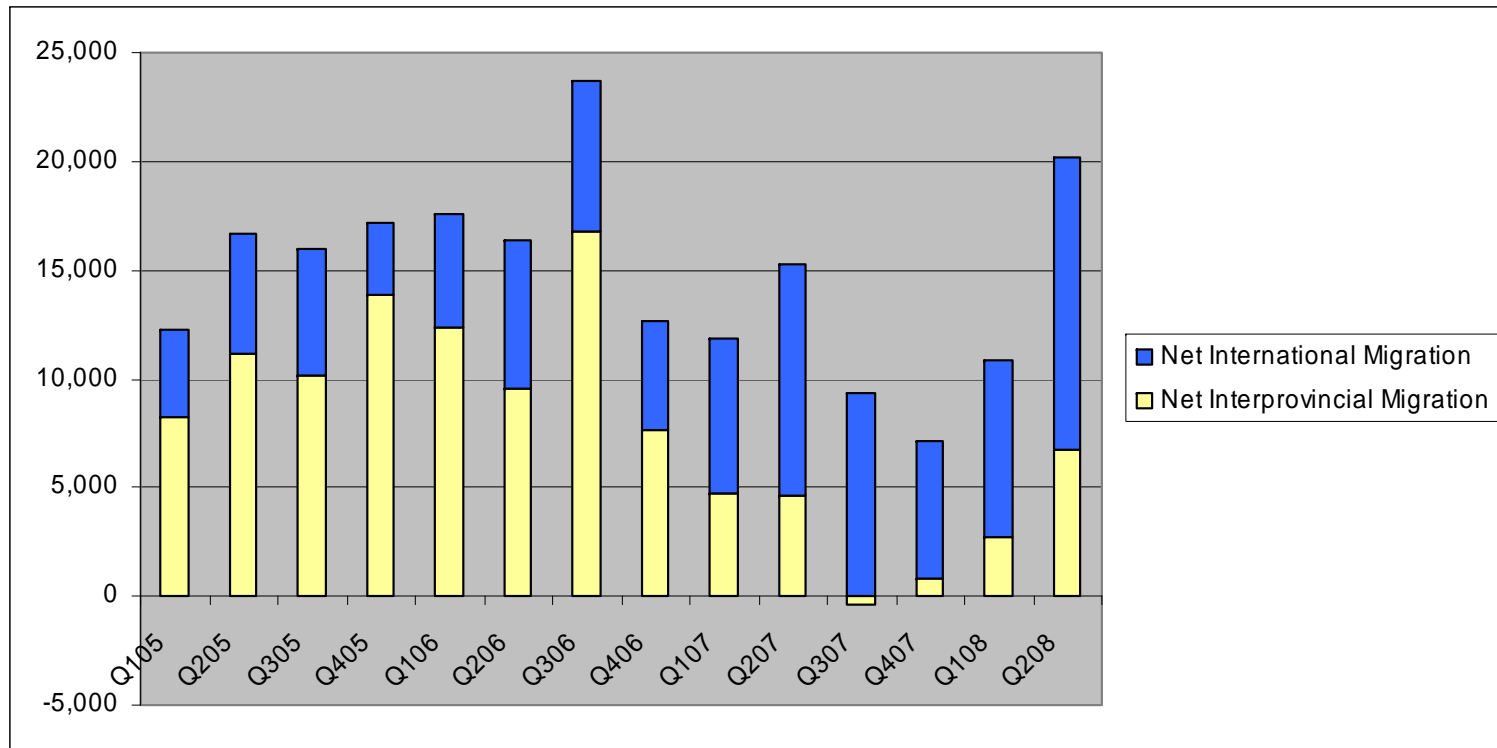
# Alberta and Saskatchewan Unemployment Rate



Source: Statistics Canada



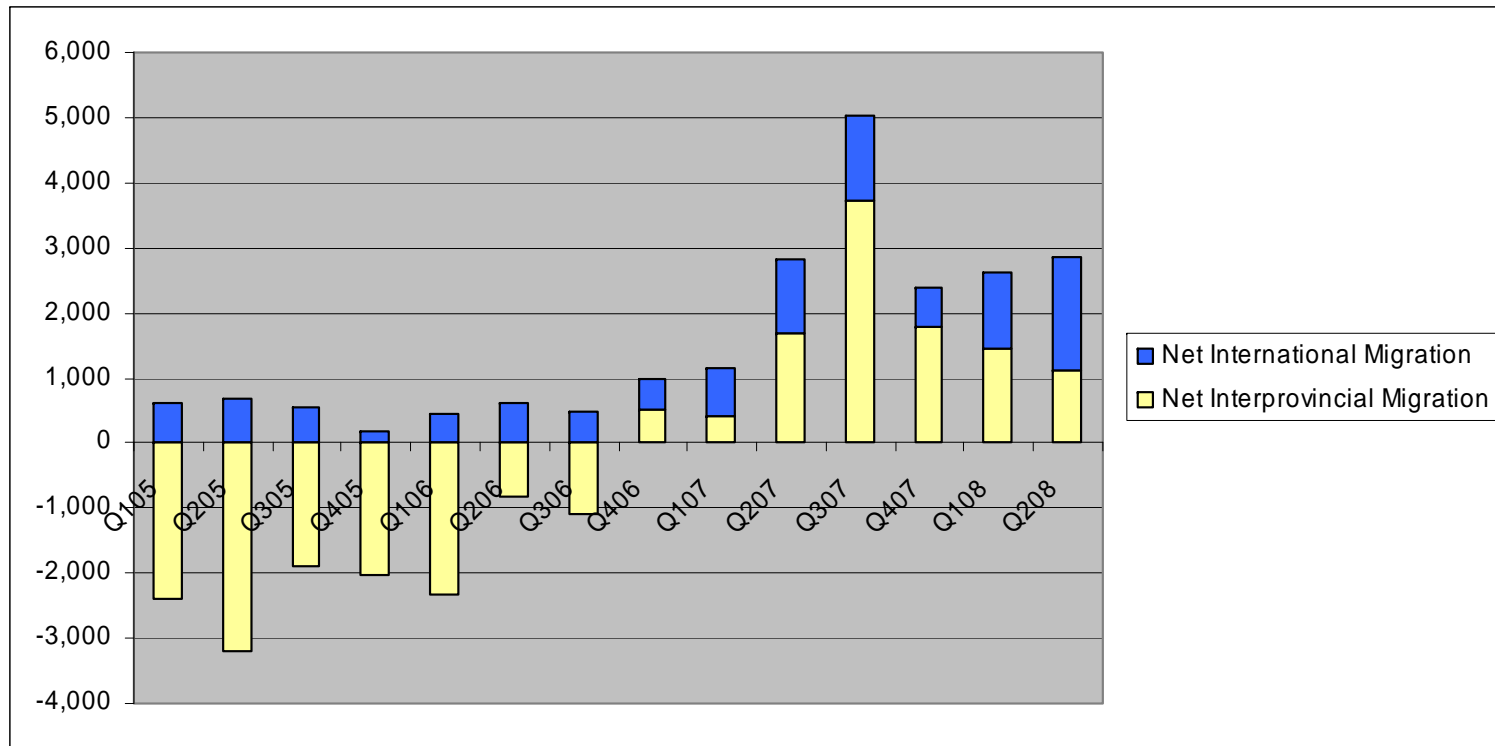
# Alberta International and Interprovincial Migration



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. 2008 Value of Project (\$millions)	Jun. 2008 Value of Project (\$millions)	Mar. 2008 Value of Project (\$millions)	Dec. 2007 Value of Project (\$millions)
Agriculture & Related	\$77.4	\$64.4	\$83.0	\$89.0
Biofuels, Chemicals & Petrochemicals	\$2,429.0	\$2,846.0	\$2,766.0	\$2,714.5
Commercial/Retail	\$11,467.0	\$11,118.2	\$8,625.4	\$8,597.9
Commercial/Retail and Residential	\$5,533.5	\$4,500.8	\$4,485.8	\$3,663.5
Infrastructure, Institutional & Other Industrial	\$37,468.2	\$35,424.0	\$30,504.8	\$29,992.9
Manufacturing, Mining, Forestry & Related	\$2,889.9	\$3,024.9	\$3,029.4	\$2,451.4
<b>Oil &amp; Gas</b>	\$3,783.0	\$3,983.0	\$4,140.0	\$4,195.4
<b>Oil Sands</b>	\$180,351.0	\$170,059.0	\$162,609.0	\$155,596.0
Pipelines	\$12,186.9	\$12,190.0	\$11,943.8	\$11,713.1
Power	\$12,297.0	\$11,837.0	\$10,971.0	\$10,245.0
Residential	\$7,128.4	\$7,284.7	\$6,439.3	\$6,179.4
Tourism/Recreation	\$10,915.9	\$10,875.1	\$9,319.5	\$9,337.7
<b>Total</b>	<b>\$286,527.2</b>	<b>\$273,207.1</b>	<b>\$254,917.0</b>	<b>\$244,775.4</b>

Source: Government of Alberta



# Alberta Forecast

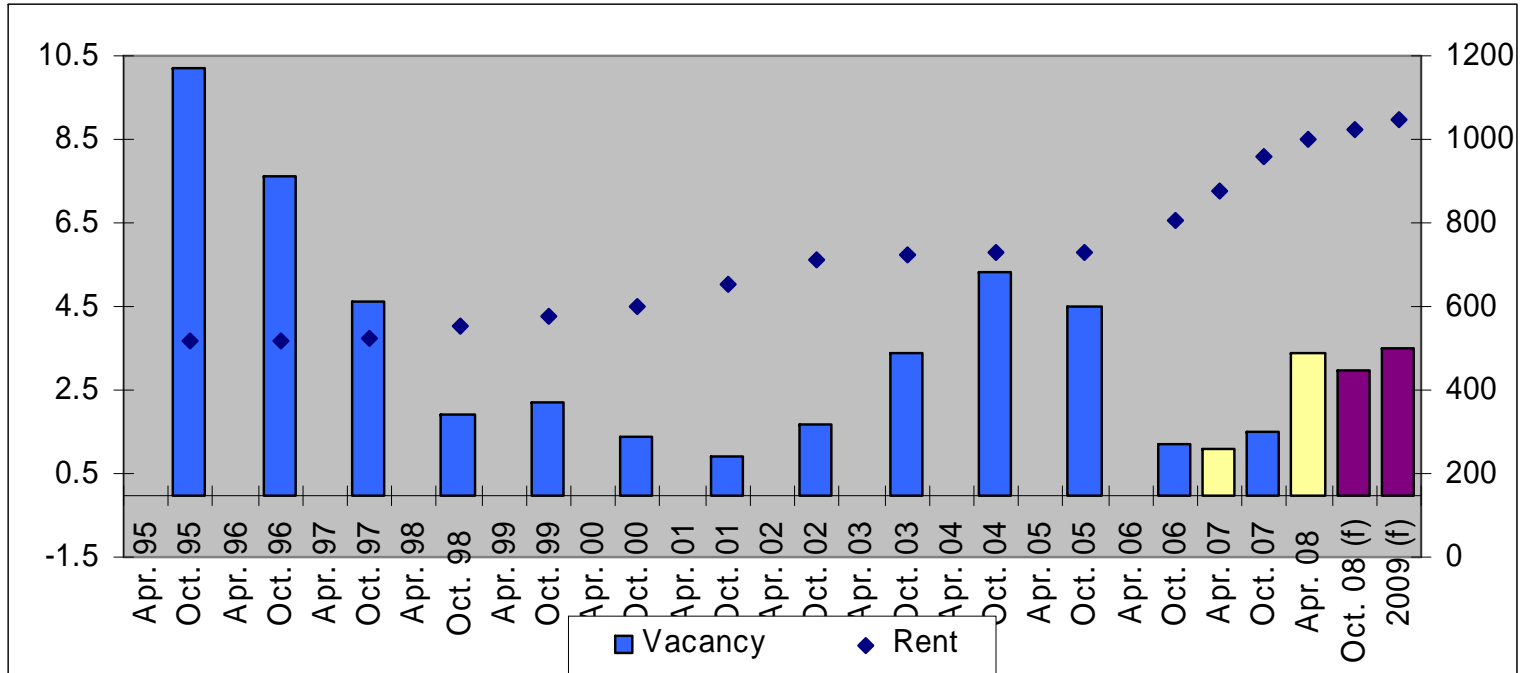
## Alberta Forecast Summary

	2005	2006	2007 (f)	2008 (f)	2009 (f)
<b>Economy</b>					
Real GDP Growth	4.60%	6.80%	4.30%	3.20%	3.00%
Employment Growth	1.50%	4.80%	4.70%	2.00%	1.70%
Net Migration	63,239	81,480	47,000	42,000	38,500
<b>New Home Market</b>					
Single-Detached Starts	26,684	31,835	28,105	28,250	22,750
Multi-family Starts	14,163	17,127	20,231	16,250	15,000
<b>Resale Market</b>					
Total MLS Sales	65,866	74,350	72,000	67,500	66,000
Average Price	\$218,266	\$285,383	\$355,000	\$369,000	\$389,000

Source: CMHC Forecast



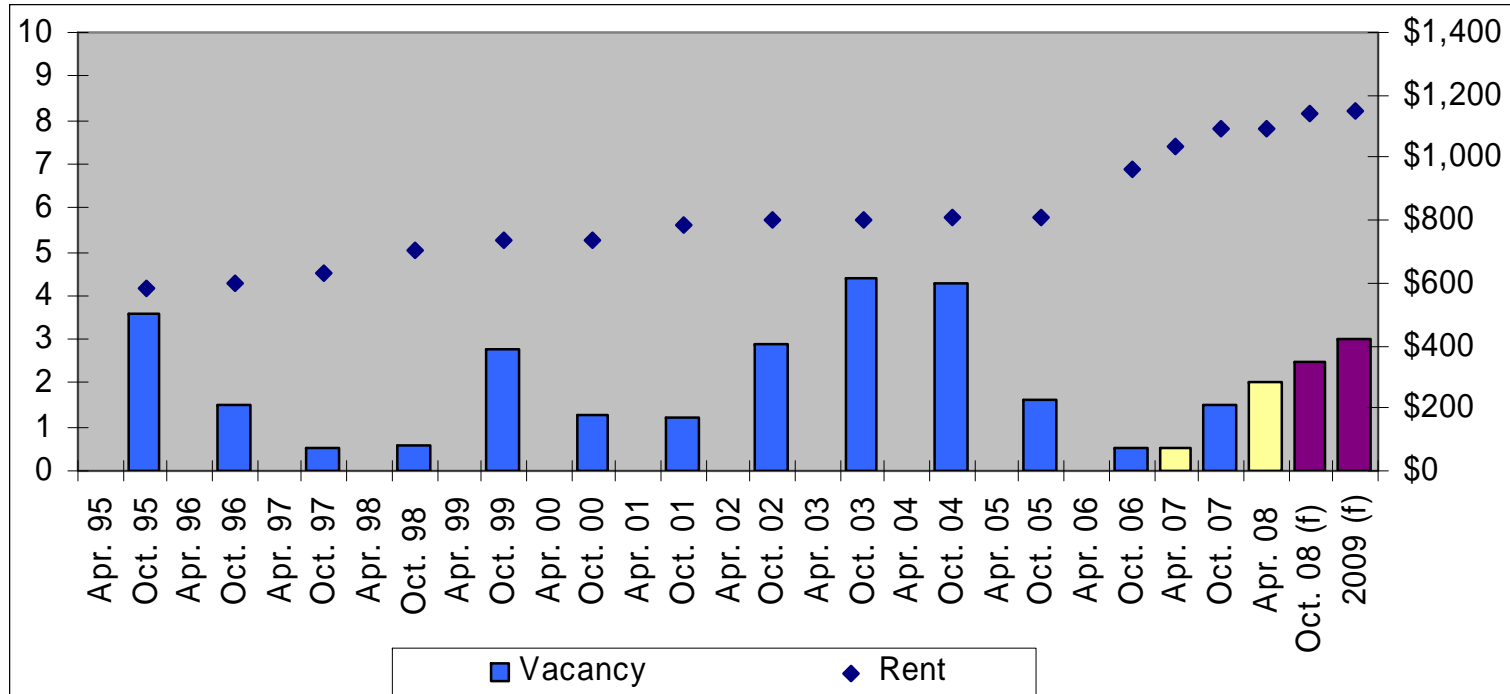
# Edmonton Average Vacancy and Average Rent



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



# Calgary Average Vacancy and Average Rent

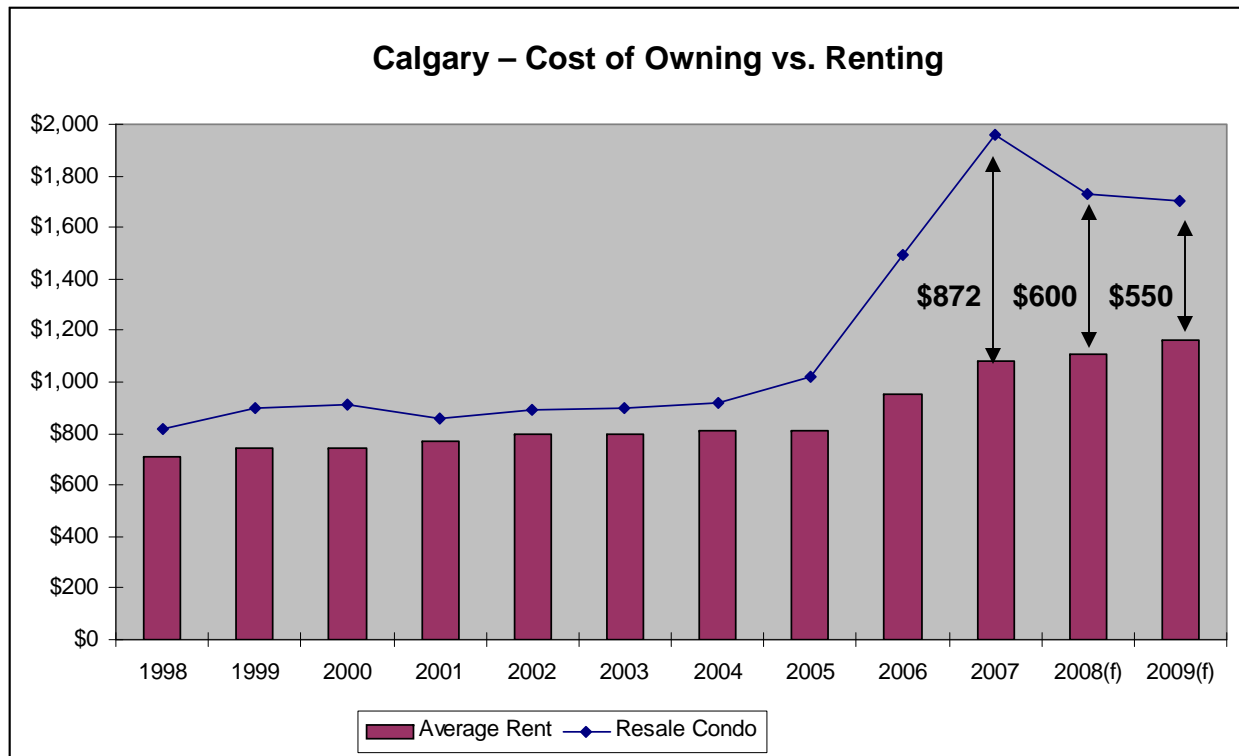


Source: CMHC, two-bedroom units (centres 10,000 population and higher)



# Calgary Cost of Owning vs. Renting

The gap between owning a condo and renting an apartment is narrowing due to increasing rents and lower condo prices.

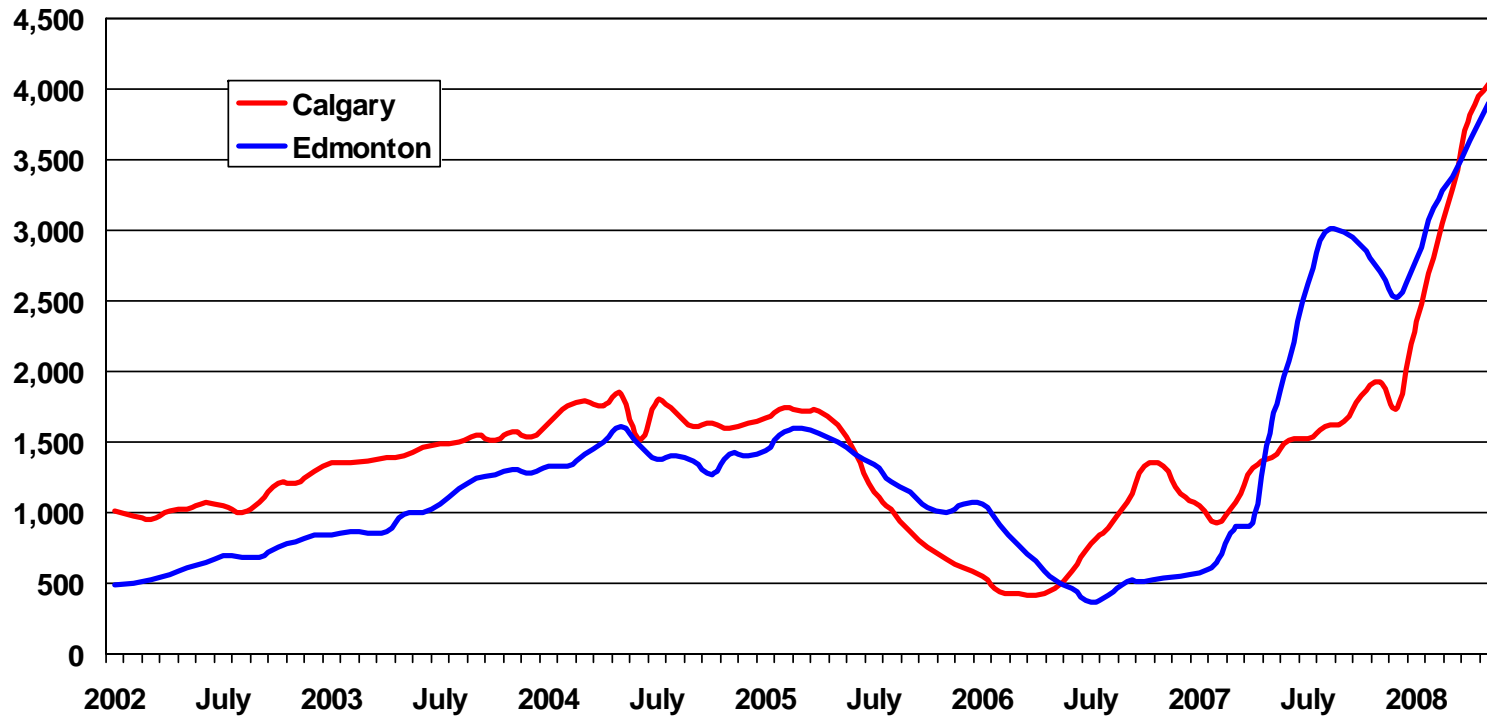


Assumption: 10% down payment, average 5-year fixed discounted mortgage rates.

Source: CREB, Bank of Canada, CMHC, CMHC forecast (f)



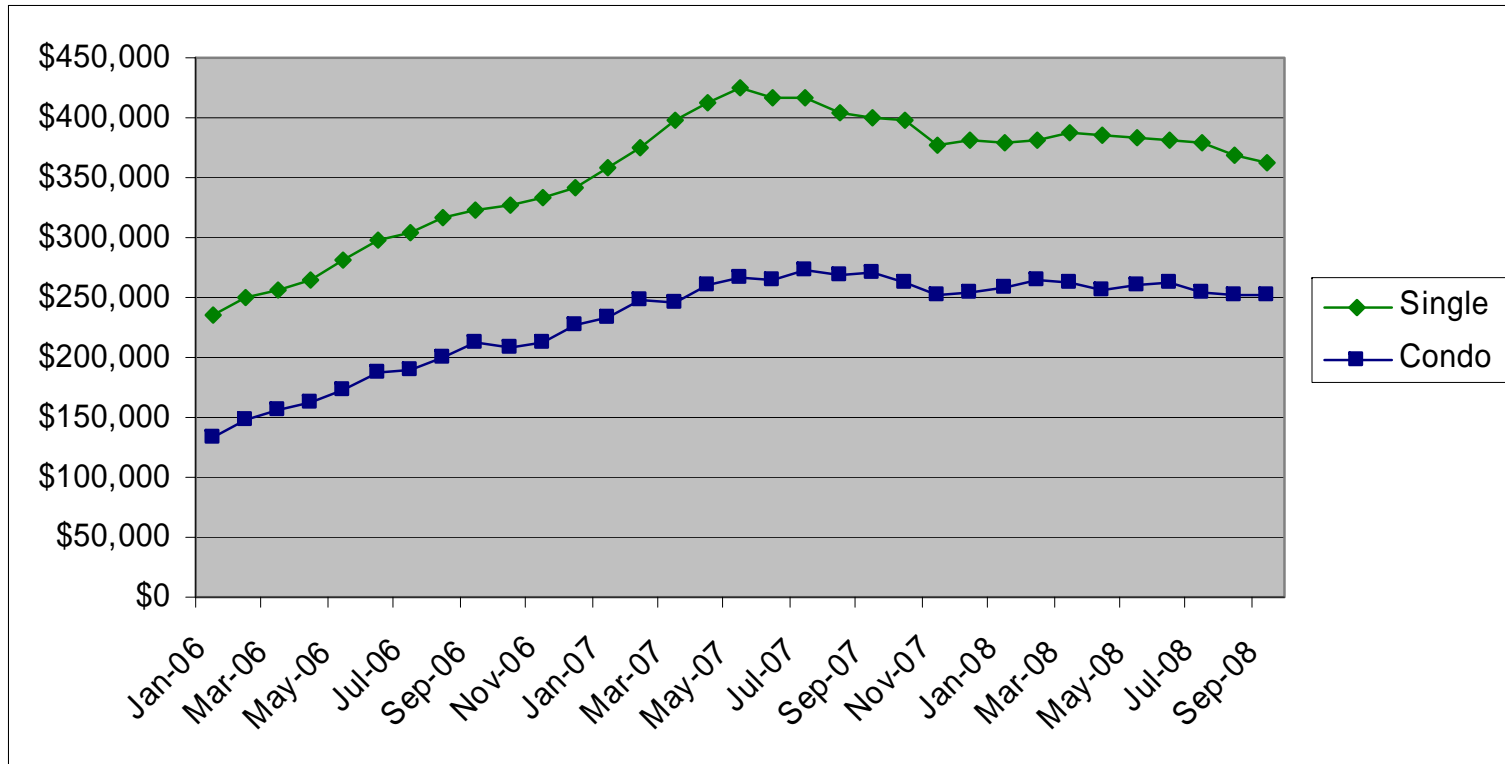
# Resale Condominium listings



Source: CMHC



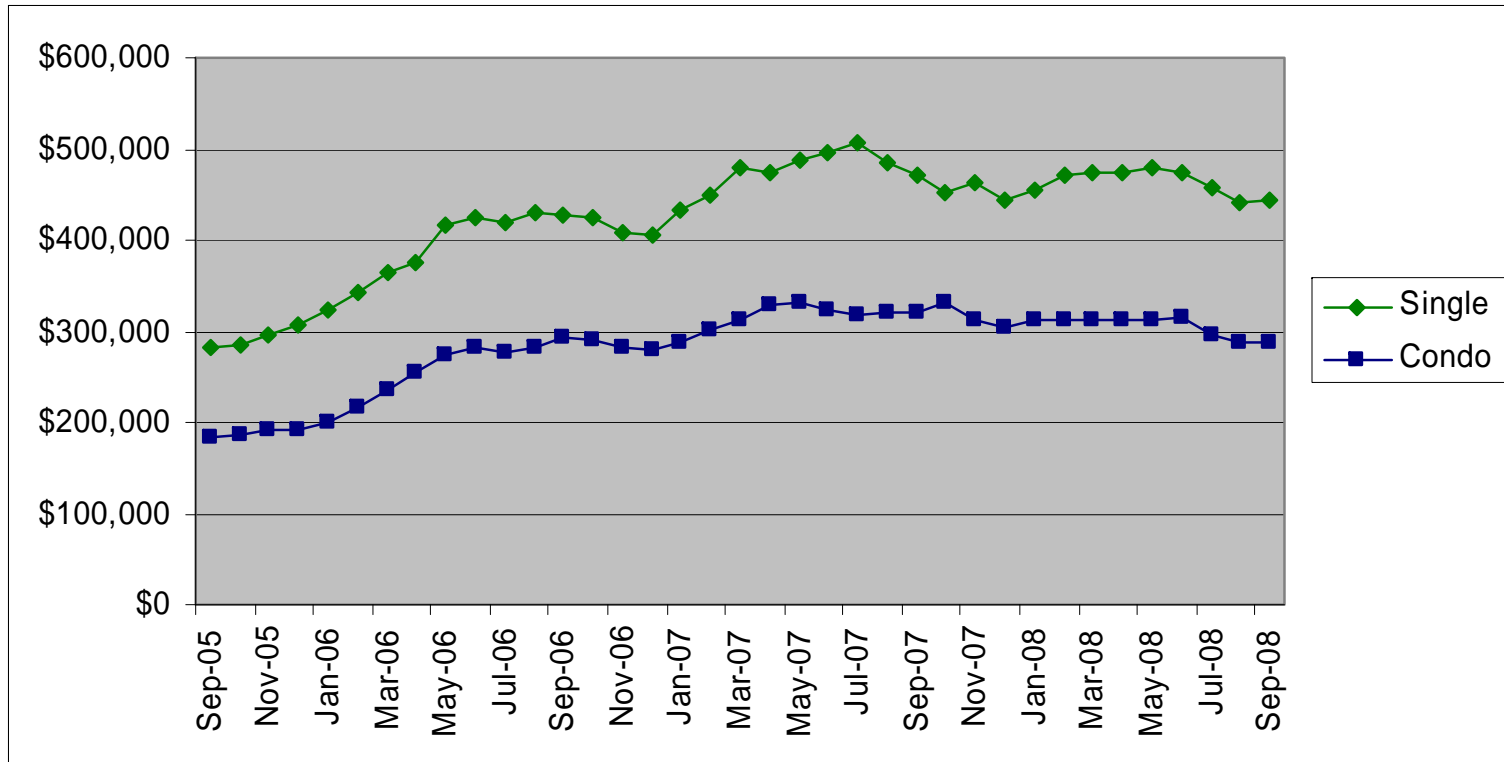
# Edmonton Single Family Home and Condo Prices



Source: Edmonton Real Estate Board



# Calgary Single Family Home and Condo Prices

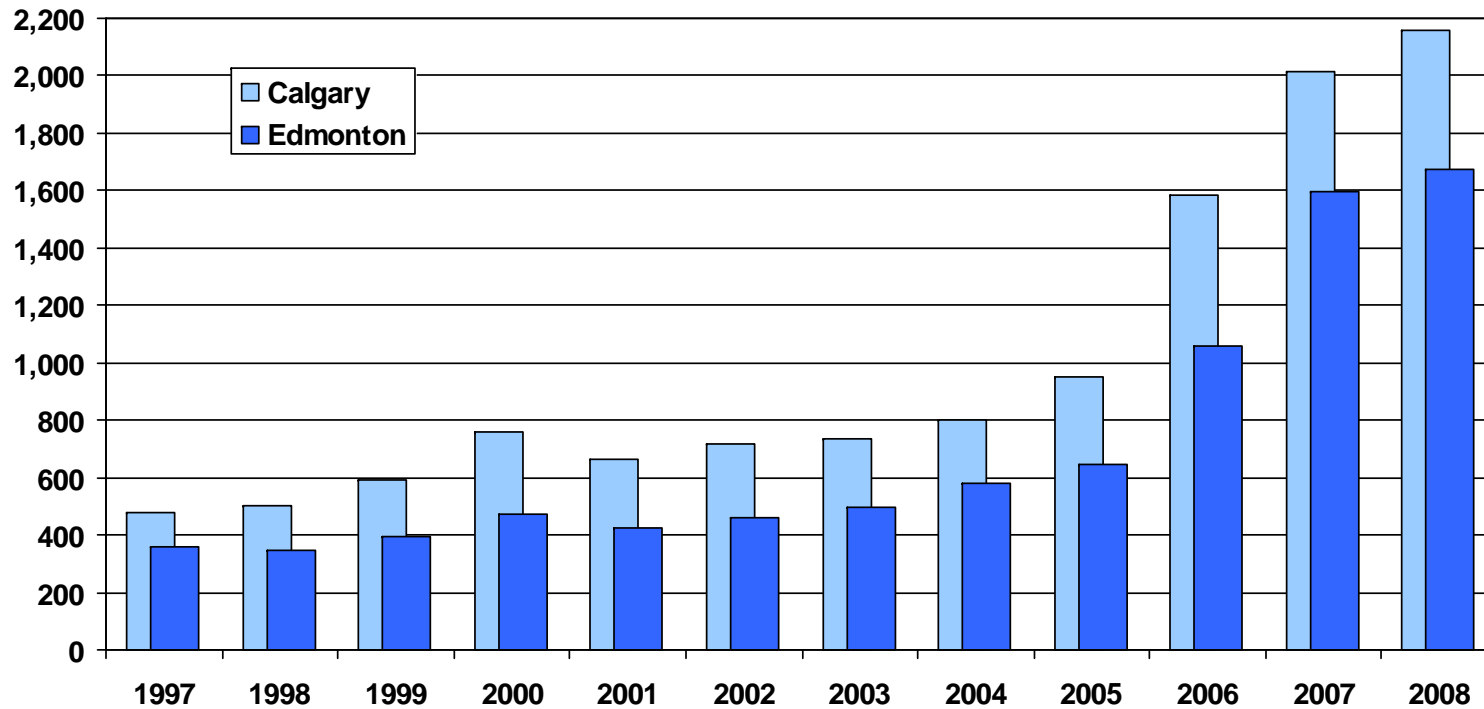


Source: Calgary Real Estate Board and Century 21 CREB archive



# Alberta Mortgage Payments vs. Monthly Rent

monthly carrying costs minus average two bedroom rent (\$)

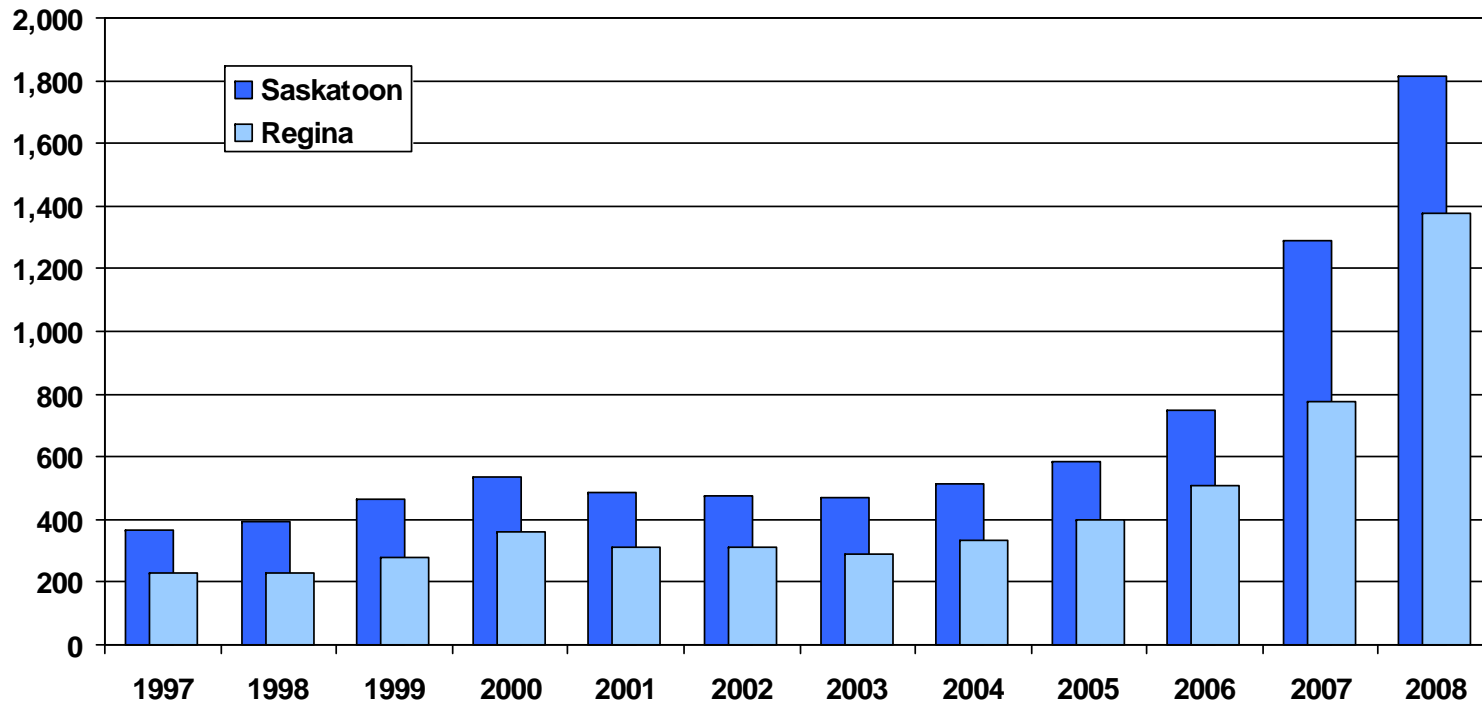


Source: CMHC



# Saskatchewan Mortgage Payments vs. Monthly Rent

monthly carrying costs minus average two bedroom rent (\$)



Source: CMHC



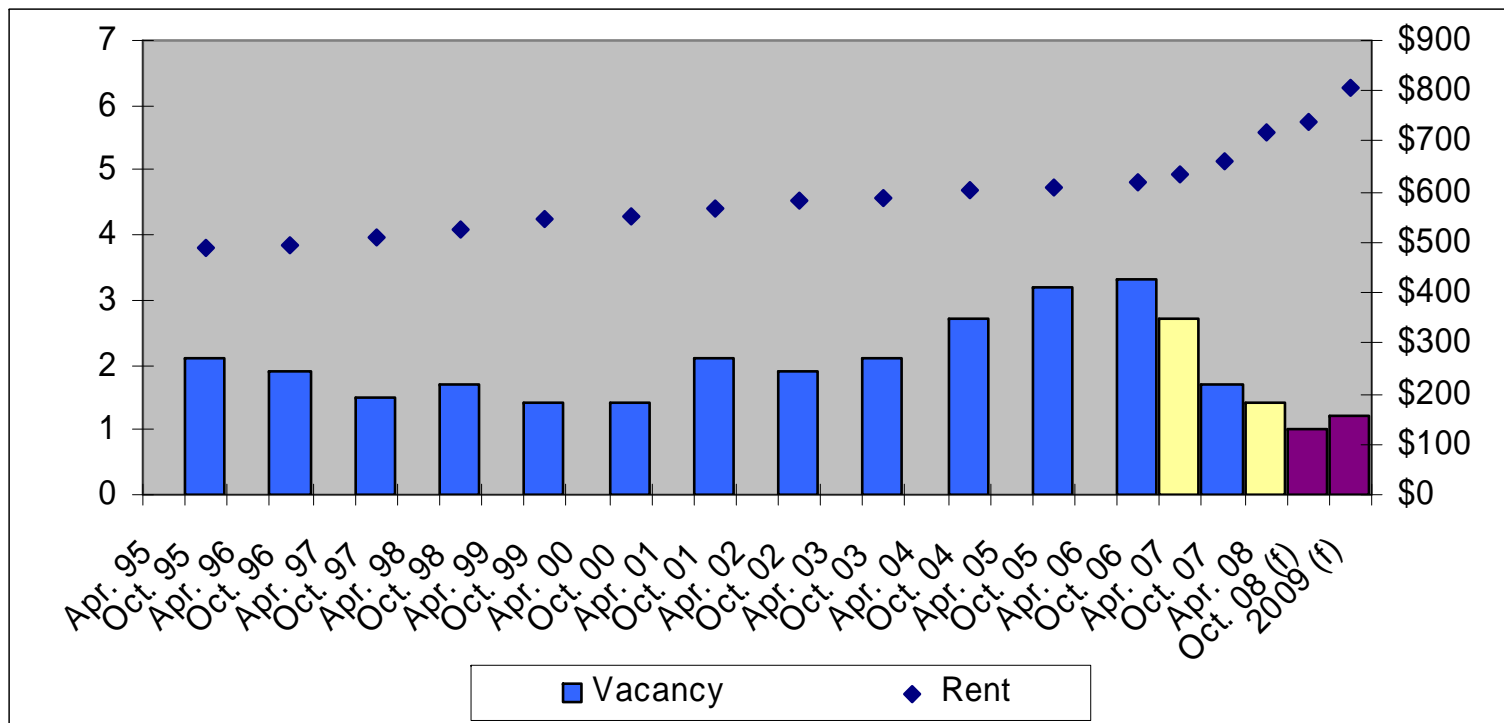
# Saskatoon Average Rent and Average Vacancy



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



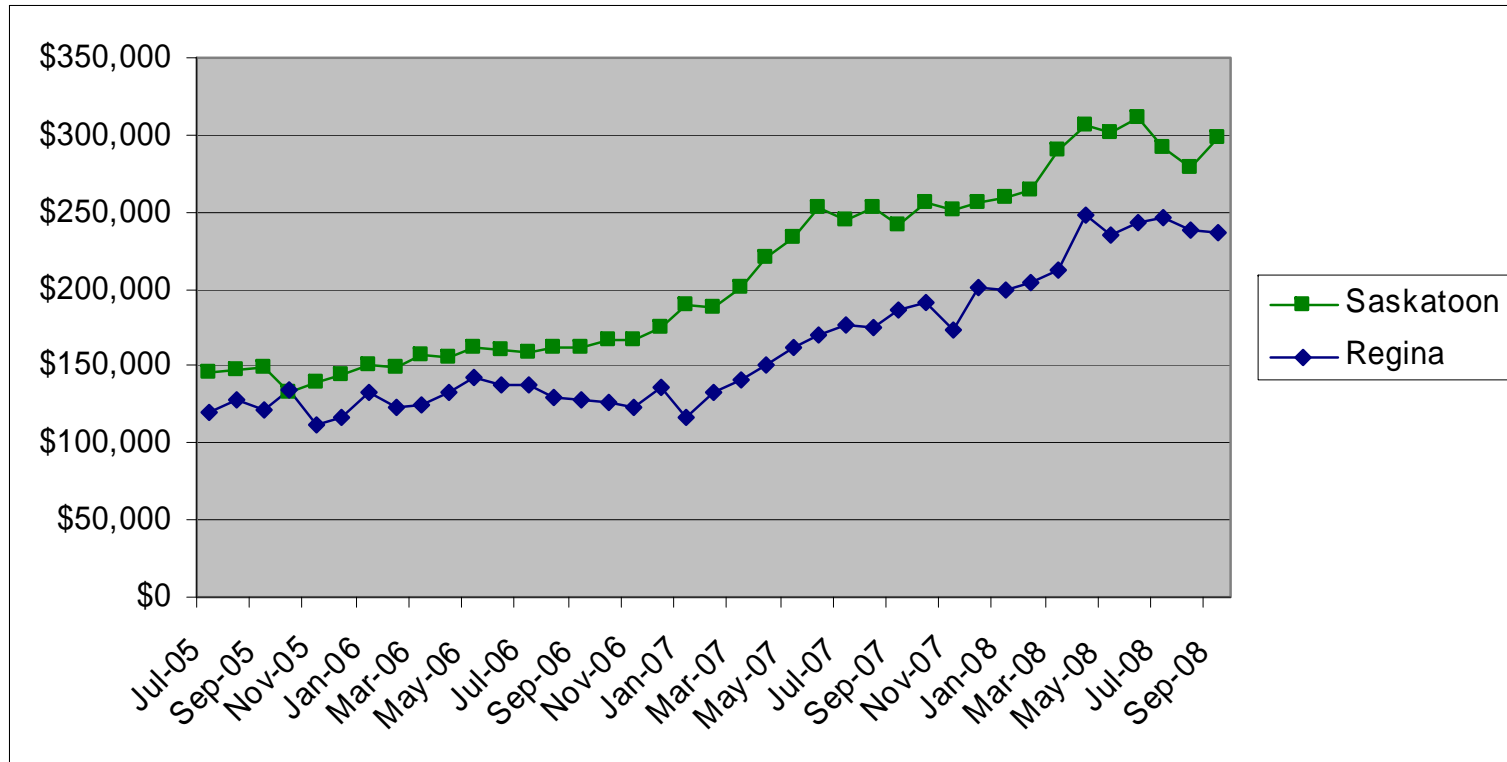
# Regina Average Rent and Average Vacancy



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



# Saskatoon and Regina Home Prices



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



# Estimated Net Asset Value Trust Unit Range Analysis

	2009 Budget - Mid Point	Cap Rate	Implied Trust Unit value
Revenue	\$ 446,839,000	6.00%	\$ 48.39
		6.25%	\$ 44.95
		6.50%	\$ 41.77
Operating Expenses	\$ 167,966,000	6.75%	\$ 38.82
		7.00%	\$ 36.09
Net Operating Income	<u>\$ 278,873,000</u>	7.25%	\$ 33.54
		7.50%	\$ 31.16
Debt outstanding September 30 2008	\$ 2,076,243,000	8.00%	\$ 26.86
Less cash on Hand	\$ 39,152,000	8.50%	\$ 23.05
	<u>\$ 2,037,091,000</u>	9.00%	\$ 19.68
		Current Price	\$ 21.80
		Implied cap rate	8.68%
Trust Units Outstanding - September 30, 2008	<u>53,815,422.00</u>		
		NCIBs For 9 M 2008	1,969,200
		Average Purchase price	\$ 38.76
		Total invested	\$ 76,325,000

**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 assets including intangibles and excess land or any potential value which may be associated with other higher related uses of these assets such as Condominium Conversion.**



# Acquisition Activity 2008

## Closed - 2008

Building Name	City	# of Units	Type	Price	Year 1 Cap Rate	Year 2 Cap Rate	\$/unit	\$/sq ft	Date Closed
Varsity Square Apartments	Calgary	297	High Rise	\$ 48,750,000	5.86%	6.12%	\$ 164,141	\$ 207	June 12, 2008
Total Acquisitions		297		\$ 48,750,000	5.86%	6.12%	\$ 164,141	\$ 207	



# Current Cap Rates

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

Victoria	4.25 - 5.25%
Vancouver	3.75 - 4.75%
Vancouver Suburbs	4.75 - 5.75%
Calgary	4.75 - 6.00%
Edmonton	5.00 - 6.00%
Saskatoon	5.00 - 6.00%
South West Ontario	6.25 - 7.00%
Montreal	5.75 - 6.75%
Quebec City	6.00 - 7.00 %

Source – internally generated



# Q3 - Funds From Operations

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

## FFO Reconciliation

In \$000's, except per unit amounts	3 months Sep-08	3 months Sep-07	% Change	9 months Sep-08	9 months Sep-07	% Change
Net earnings (loss) from continuing operations	\$ 16,833	\$ 10,158		\$ 30,573	\$ (88,482)	
Adjustments						
Earnings from discontinued operations	\$ 621	\$ 2,900		\$ 4,243	\$ 7,670	
Deduct gain on dispositions	\$ (621)	\$ (2,900)		\$ (4,243)	\$ (7,710)	
Future income taxes (recovery)	\$ (2,563)	\$ 2,055		\$ 707	\$ 113,453	
Amortization of assets (capital and intangibles)	\$ 22,579	\$ 21,838		\$ 66,155	\$ 61,637	
Funds from operations	<u>\$ 36,849</u>	<u>\$ 34,051</u>	<u>8.2%</u>	<u>\$ 97,435</u>	<u>\$ 86,568</u>	<u>12.6%</u>
Funds from operations - per unit	<u>\$ 0.68</u>	<u>\$ 0.61</u>	<u>11.5%</u>	<u>\$ 1.78</u>	<u>\$ 1.55</u>	<u>14.8%</u>

Source – Internally generated



# Q3 - Overall Performance

<b>FFO RECONCILIATION</b>	<b>3 Months 30-Sep-08</b>	<b>9 Months 30-Sep-08</b>
FFO Opening	\$ 0.61	\$ 1.55
NOI from Stabilized	\$ 0.11	\$ 0.28
NOI from Unstabilized	\$ 0.03	\$ 0.18
Financing costs	\$ (0.07)	\$ (0.22)
Administration and other	\$ (0.03)	\$ (0.04)
Unit buyback	\$ 0.03	\$ 0.03
FFO Closing	<u>\$ 0.68</u>	<u>\$ 1.78</u>

Source – Internally generated



# Q3 - Overall Performance

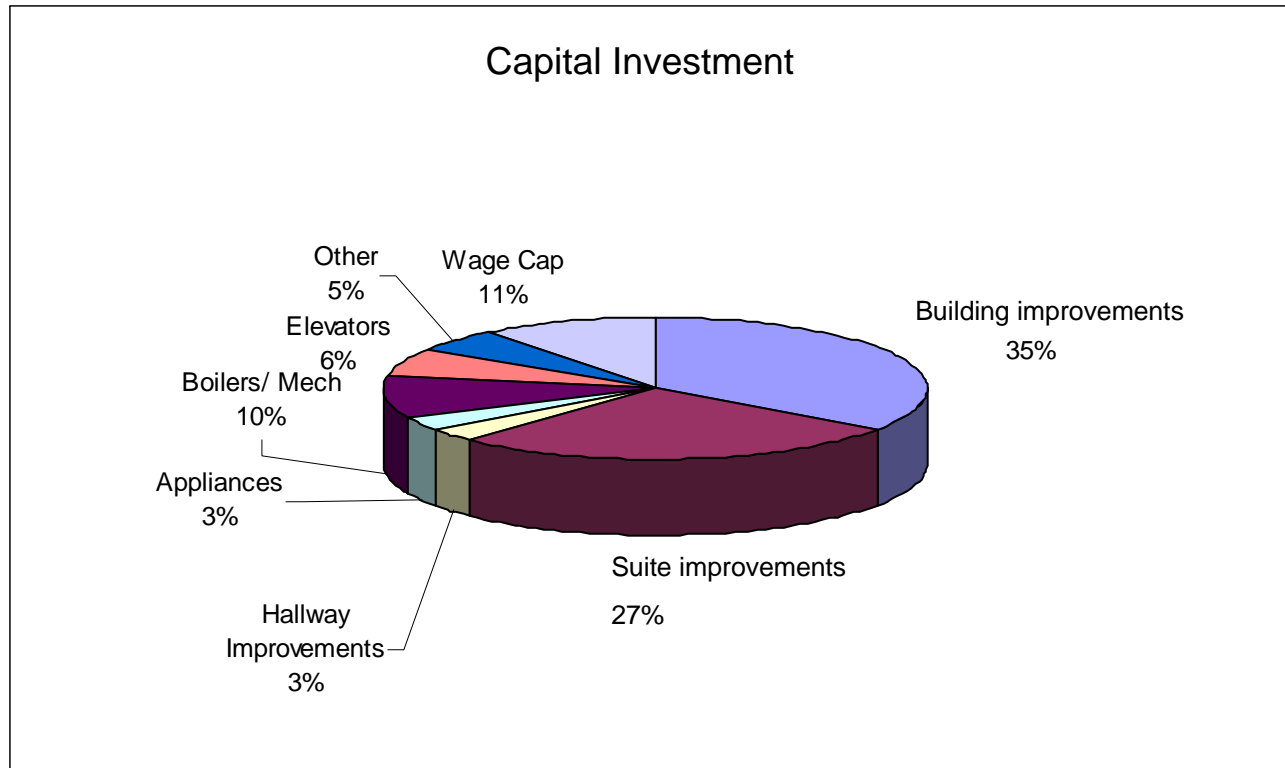
<i>In 000's, except per apartment unit amounts</i>	3 Months Sep-08	3 Months Sep-07	Change	9 Months Sep-08	9 Months Sep-07	Change
Rental revenue	\$108,186	\$95,702	13.0%	\$315,855	\$275,983	14.4%
Expenses						
Operating expenses	\$18,292	\$14,768	23.9%	\$55,428	\$46,513	19.2%
Utilities	\$9,104	\$8,472	7.5%	\$37,647	\$31,629	19.0%
Utility rebate	-	-	-	(\$1,258)	(\$933)	34.8%
Property taxes	\$8,694	\$8,317	4.5%	\$24,703	\$24,888	-0.7%
	<u>\$36,090</u>	<u>\$31,557</u>	<u>14.4%</u>	<u>\$116,520</u>	<u>\$102,097</u>	<u>14.1%</u>
Net operating income	\$72,096	\$64,145	12.4%	\$199,335	\$173,886	14.6%
Average rental revenue per unit per month	\$977	\$879	11.1%	\$954	\$861	10.8%
Operating costs per unit per month	\$327	\$287	13.9%	\$353	\$319	10.7%
Operating margins	67%	67%	-	63%	63%	-

Source – Internally generated



# Capital Investment

For the nine months ended September 30, 2008

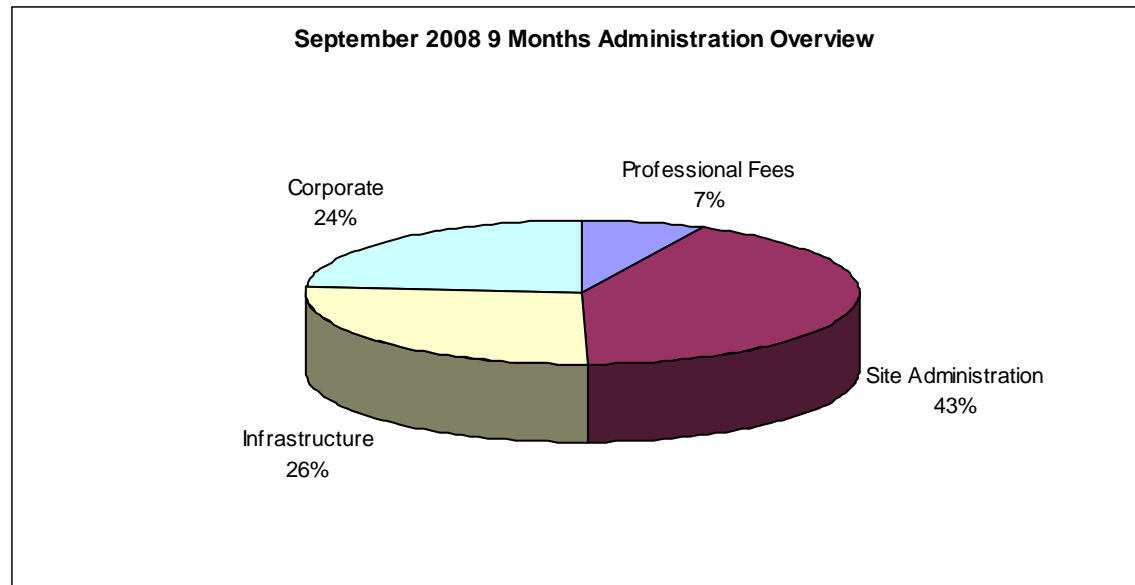


**Total Capital Invested in the first nine months of 2008: \$59.7 Million**



# Administration Review

For the nine months ended September 30, 2008



Total Administration for the first nine months of 2008: \$31.8 Million

Total Administration for Q3 2008: \$11.3 Million

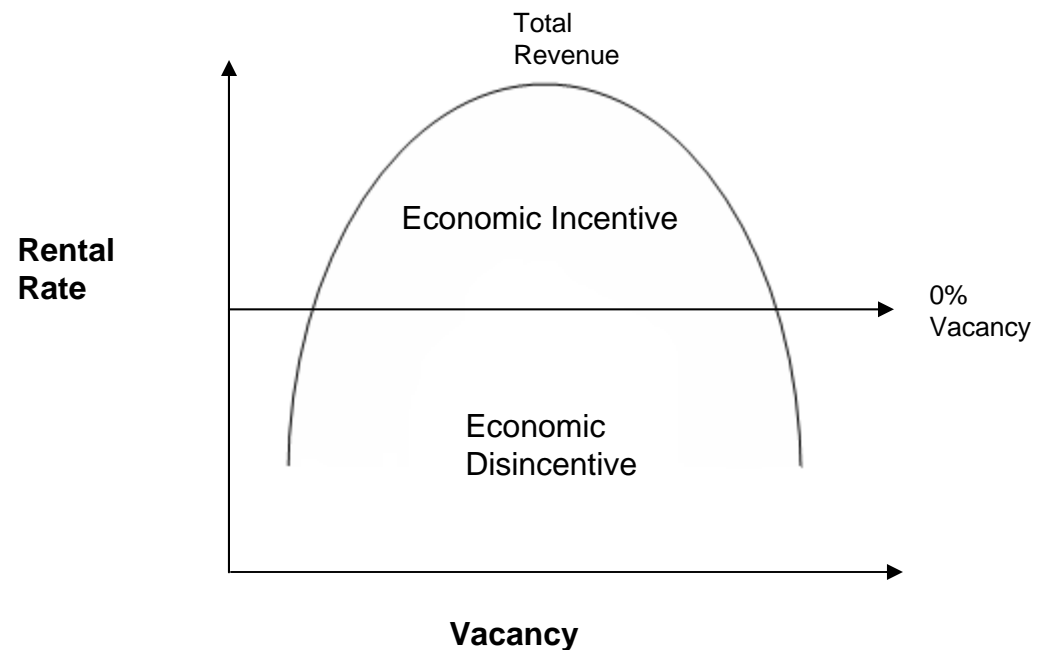


# Revenue Maximization

**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 September 2008

	Sept 2008 Occupied Rent	Sept 2008 Market Rent	Mark to Market Per Month	Annualized Mark to Market Adjusted for Vacancies (\$000's)	Weighted Average Units	% of Portfolio
Calgary	\$ 1,211	\$ 1,301	\$ 90	\$ 5,681	5,466	15%
Edmonton	\$ 1,120	\$ 1,136	\$ 16	\$ 2,244	12,583	34%
Other Alberta	\$ 1,121	\$ 1,174	\$ 53	\$ 1,131	1,967	5%
Alberta Portfolio	\$ 1,145	\$ 1,185	\$ 40	\$ 9,056	20,016	54%
Saskatchewan	\$ 908	\$ 1,065	\$ 157	\$ 8,404	4,660	13%
Ontario	\$ 799	\$ 788	\$ (10)	\$ (498)	4,265	12%
Quebec	\$ 918	\$ 921	\$ 3	\$ 184	6,749	18%
British Columbia	\$ 919	\$ 1,004	\$ 85	\$ 1,060	1,087	3%
Total Portfolio	\$ 1,027	\$ 1,070	\$ 43	\$ 18,206	36,777	100%

Source – Internally generated. Market and occupied rent represents the average for the reported month.



# Alberta Loss To Lease Analysis September 2008

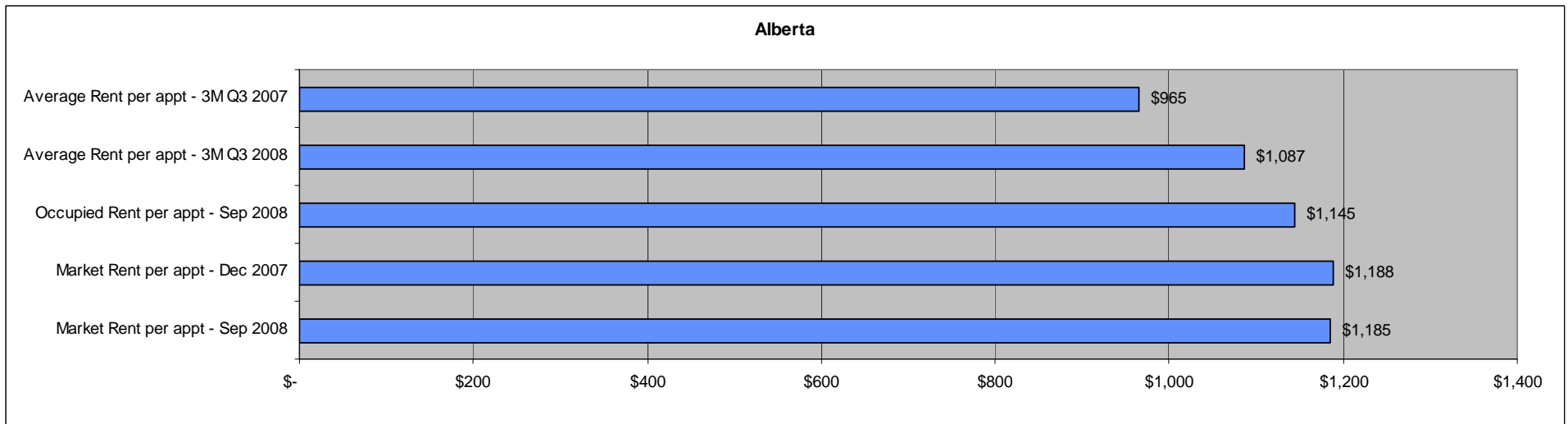
	<b>Total</b>	<b>Per Trust Unit</b>
June 2008 - Alberta	\$ 14,003,000	\$ 0.26
Increase to In-Place Rents	\$ (5,154,000)	\$ (0.10)
Vacancy Adjustment	\$ 377,000	\$ 0.01
Market Rent Adjustment	\$ (170,000)	\$ (0.00)
September 2008 - Alberta	\$ 9,056,000	\$ 0.17

*Source – Internally generated*



# Alberta Monthly Rental Revenue Statistics

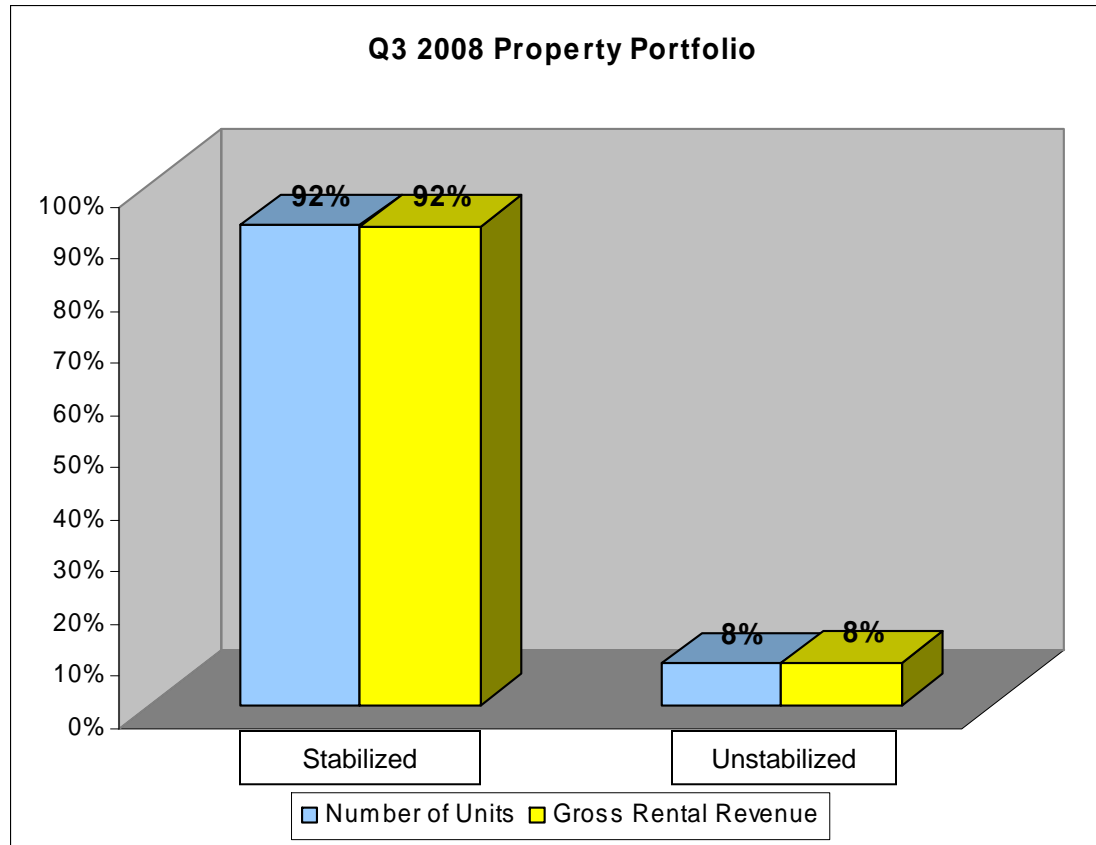
Three Months Ended September 2008



**Under existing occupancy “Loss-to-Lease” = approx. \$18.2 million and  
“Loss-to-Lease” for Alberta = approx. \$9.1 million**



# Q3 - Stabilized Analysis



# Stabilized Analysis

Three and Nine months ended September 30, 2008

Sep 30 2008 - 3 M	# of Units	% Revenue Growth	% Operating Expense	% Net Operating	% of NOI
Calgary	4,973	8.3%	27.3%	2.9%	19.2%
Edmonton	10,649	13.9%	11.7%	14.9%	35.4%
Other Alberta	1,680	5.6%	8.3%	4.4%	5.4%
British Columbia	871	5.8%	17.4%	1.2%	2.6%
Ontario	4,265	1.4%	3.6%	-0.6%	7.1%
Quebec	6,756	3.3%	-2.0%	6.0%	18.3%
Saskatchewan	4,660	21.0%	8.1%	28.8%	12.0%
	33,854	9.7%	9.1%	9.9%	100.0%

Sep 30 2008 - 9 M	# of Units	% Revenue Growth	% Operating Expense	% Net Operating	% of NOI
Calgary	4,973	8.4%	20.0%	4.4%	19.9%
Edmonton	10,649	14.8%	15.9%	14.2%	35.6%
Other Alberta	1,680	5.8%	18.4%	0.3%	5.7%
British Columbia	871	5.9%	7.4%	5.1%	2.6%
Ontario	4,265	1.0%	2.2%	-0.1%	7.4%
Quebec	6,756	3.1%	0.4%	4.9%	17.6%
Saskatchewan	4,660	19.3%	12.4%	24.2%	11.2%
	33,854	9.6%	10.4%	9.2%	100.0%

Source – Internally generated



# Sequential Stabilized Rental Analysis

## September 2008

<b>Stabilized Revenue Growth</b>	<b># of Units</b>	<b>Q3 2008 vs. Q2 2008</b>	<b>Q2 2008 vs. Q1 2008</b>	<b>Q1 2008 vs. Q4 2007</b>	<b>Q4 2007 vs. Q3 2007</b>
Calgary	4,973	1.3%	3.0%	3.3%	0.4%
Edmonton	10,649	3.5%	2.6%	5.3%	1.8%
Other Alberta	1,680	0.3%	0.1%	3.2%	1.9%
British Columbia	871	1.2%	1.9%	4.1%	-1.9%
Ontario	4,265	-1.2%	0.9%	-0.4%	2.1%
Quebec	6,756	2.2%	1.1%	0.0%	0.2%
Saskatchewan	4,660	5.7%	6.6%	2.7%	4.6%
	33,854	2.4%	2.5%	2.9%	1.5%

Source – Internally generated



# Liquidity

<b>Cash Position September 30, 2008</b>	<b>\$ 39,152,000</b>
<b>Potential Additional Financing in 2008</b>	<b>\$109,524,000</b>
<b>Line of Credit</b>	<b>\$200,000,000</b>
<b>Total Available Liquidity</b>	<b>\$348,676,000</b>

*Source – Internally generated*



# 2008 Mortgage & Debt Maturities

<u>Q3 - 2008</u>	<u>9 Month Period Ended Sept 30, 2008</u>
Total Mortgages	29
Total Maturing Amounts	\$168,964,807.80
New Financings	\$400,165,418.70
New Benefit	\$231,200,610.90
Old Interest Rate	6.02%
New Interest Rate	4.47%

<u>Maturing Mortgages, 2008</u>	<u>3 Month period Beginning Oct 1, 2008</u>
Total Mortgages Maturing	22
Total Maturing Amounts	\$94,136,411.55
Mortgages Committed as of Nov 12/08	9
Total New Financing as of Nov 12/08	\$118,789,559.00
Projected Add'l New Financing Available	\$84,871,403.78
Projected Total Net Benefit	\$109,524,551.23

We continue to secure financing at Interest Rates well below the maturing rate.



# Mortgage & Debt Maturities

Year	Principal Outstanding as at Sep 30, 2008	Weighted Average Interest Rate By Maturity	% of Total
2008	95,843,251	4.73%	4.47%
2009	273,246,219	5.34%	12.74%
2010	321,119,429	4.77%	14.98%
2011	124,600,308	5.67%	5.81%
2012	816,856,459	4.78%	38.10%
2013	265,584,678	4.56%	12.39%
2014	16,041,360	4.81%	0.75%
2015	184,846,129	4.52%	8.62%
2016	25,129,346	5.34%	1.17%
2018	6,574,017	6.18%	0.31%
2019	10,778,619	5.99%	0.50%
2020	3,511,395	7.24%	0.16%
<b>Total Principal Outstanding</b>	<b>2,144,131,211</b>	<b>4.91%</b>	<b>100.00%</b>

**Estimated current renewal rates: 3 Years: 4.4% 5 Years: 4.75%**

Source – Internally generated

The average maturity of the portfolio is 3 years.



# Mortgage & Debt Maturities

## Debt Summary Schedule

Type of Debt	Apartment Units	Amount
Secured	34,496	2,024,131,211
Un-Levered	2,289	-
Unsecured	-	120,000,000
<b>Total</b>	<b>36,785</b>	<b>2,144,131,211</b>

\* 98% of these mortgages carry the Government of Canada guarantee (NHA Insurance)

Source – Internally generated

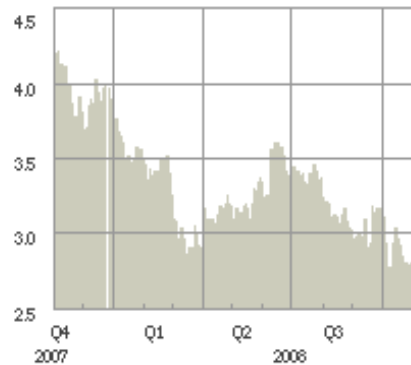


# Finance

## Canadian Bonds

### Govt. of Canada benchmark **bond** yields: 5 year

Previous data [▶](#)



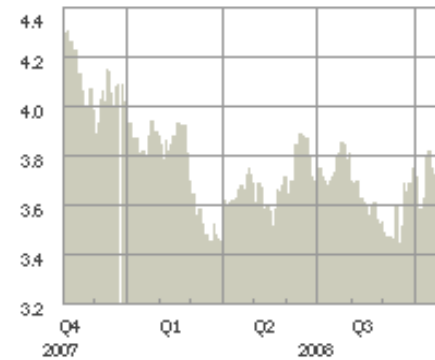
27 Oct 2008:	<b>2.76</b>
28 Oct 2008:	<b>2.79</b>
29 Oct 2008:	<b>2.80</b>
30 Oct 2008:	<b>2.78</b>
31 Oct 2008:	<b>2.80</b>

GRAPH PERIOD:

1 Nov 2007 - 31 Oct 2008

### Govt. of Canada benchmark **bond** yields: 10 year

Previous data [▶](#)



27 Oct 2008:	<b>3.61</b>
28 Oct 2008:	<b>3.69</b>
29 Oct 2008:	<b>3.74</b>
30 Oct 2008:	<b>3.71</b>
31 Oct 2008:	<b>3.76</b>

GRAPH PERIOD:

1 Nov 2007 - 31 Oct 2008

Source – Bank of Canada

*Canadian Bonds remain near historical lows.*



# Mortgage Highlights – Q3 2008

(in millions except interest coverage)

Mortgage Principal Outstanding	\$2,024
Debtenture	\$120
Total	\$2,144

% of NHA Insured secured mortgages **98%**

Existing Bond Spreads **130 - 180 Basis Points**  
Over 3 – 5 year yields

## Interest Coverage – Continuing Operations

Sept 30, 2008 – 9M	2.27
Sept 30, 2007 – 9M	2.32



# Boardwalk REIT 2008 Guidance

Description	Original Guidance	Q2 Revised Guidance	Q3 Revised Guidance
Acquisitions	\$130 million to \$260 million (1,000 to 2000 apartment units)	\$75 million (500 units)	\$50 million – No additional acquisitions during 2008
Stabilized Building NOI growth	8% to 14%	8% to 10%	8% to 10%
FFO per Trust Unit	\$2.35 to \$2.50	\$2.35 to \$2.45	\$2.37 to \$2.43
DI per Trust Unit	\$2.37 to \$2.52	\$2.37 to \$2.47	\$2.39 to \$2.45

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



# Boardwalk REIT 2009 Guidance

Description	2009
Acquisitions	No new Apartment acquisitions
Stabilized Building NOI growth	4% to 6%
FFO per Trust Unit	\$2.45 to \$2.55
DI per Trust Unit	\$2.47 to \$2.57

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



# BOARDWALK REAL ESTATE INVESTMENT TRUST

## Q3 2008 Conference Call

*November 14, 2008 – 11:00 EST*

416-644-3417 (within Toronto) or toll-free 800-732-9307 (outside Toronto).

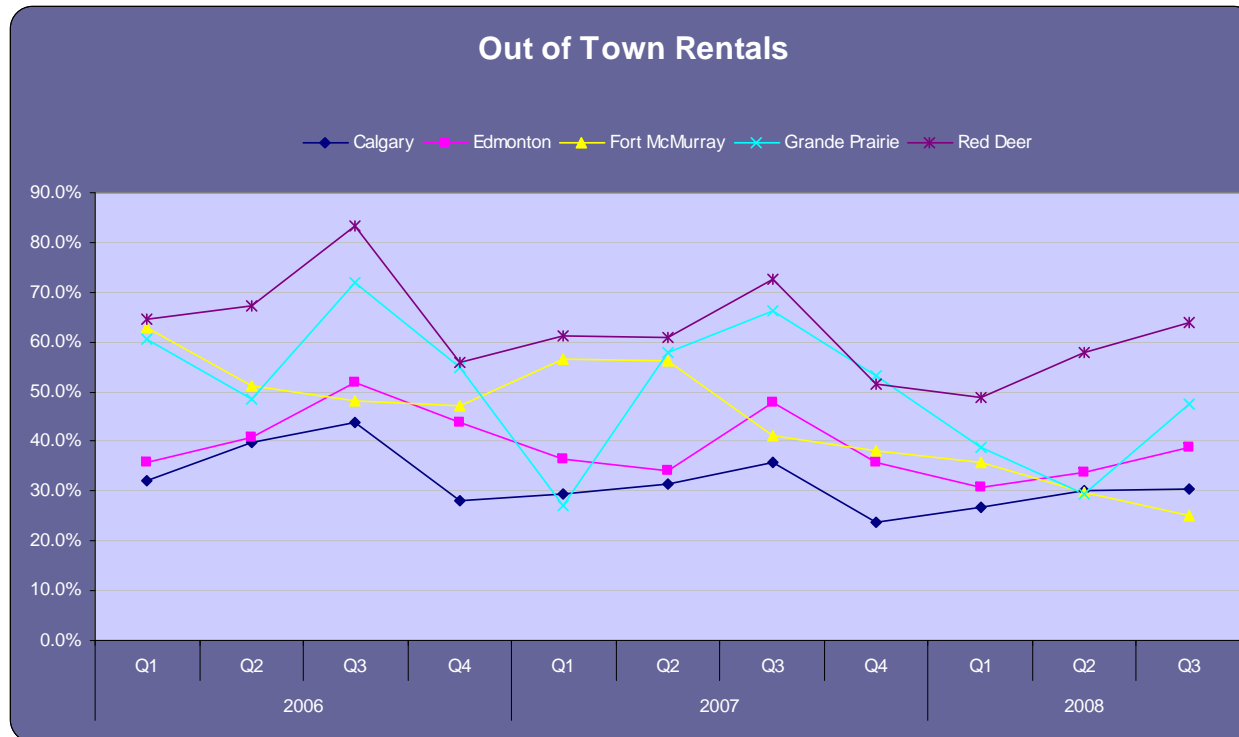


# BOARDWALK REAL ESTATE INVESTMENT TRUST

## APPENDIX

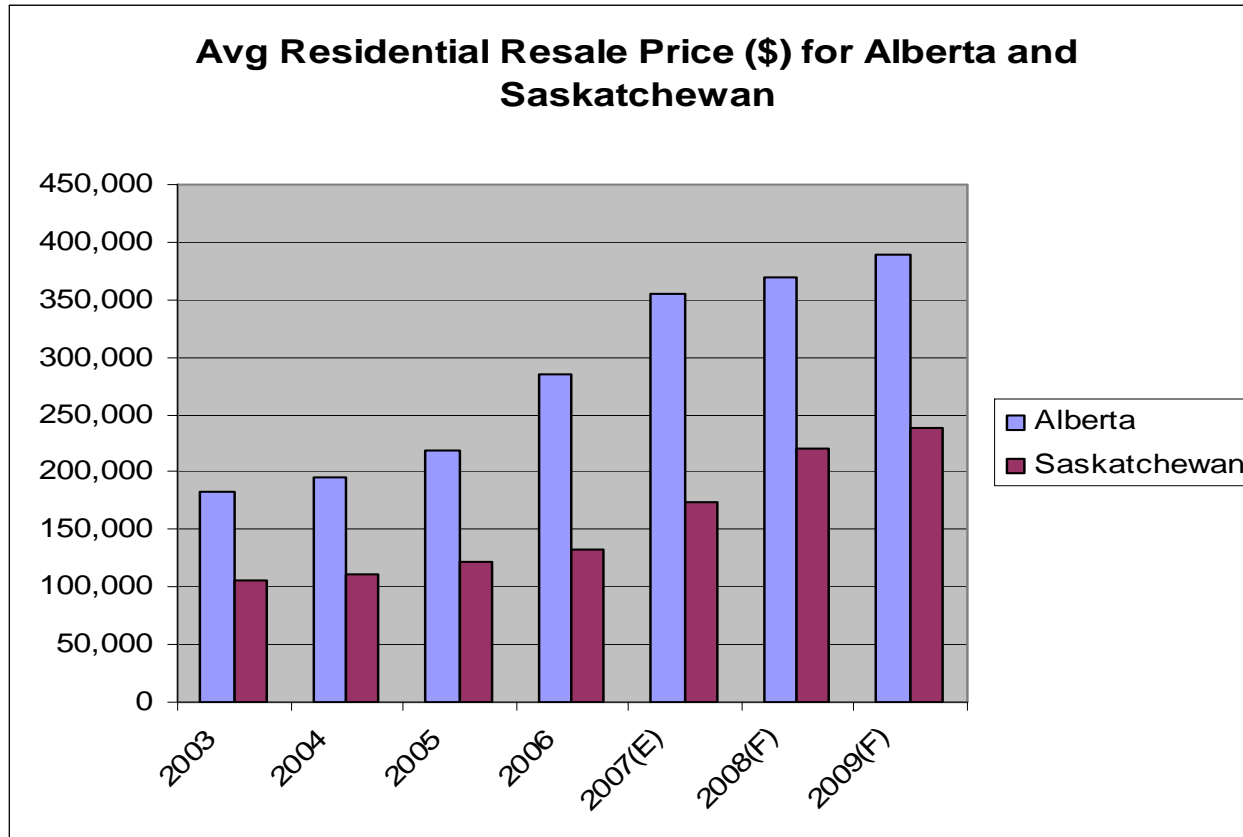


# Out of Town Rentals



# Average Residential Sales Price

## Alberta and Saskatchewan



Source: CMHC Forecast



# Alberta's Major Construction Projects

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



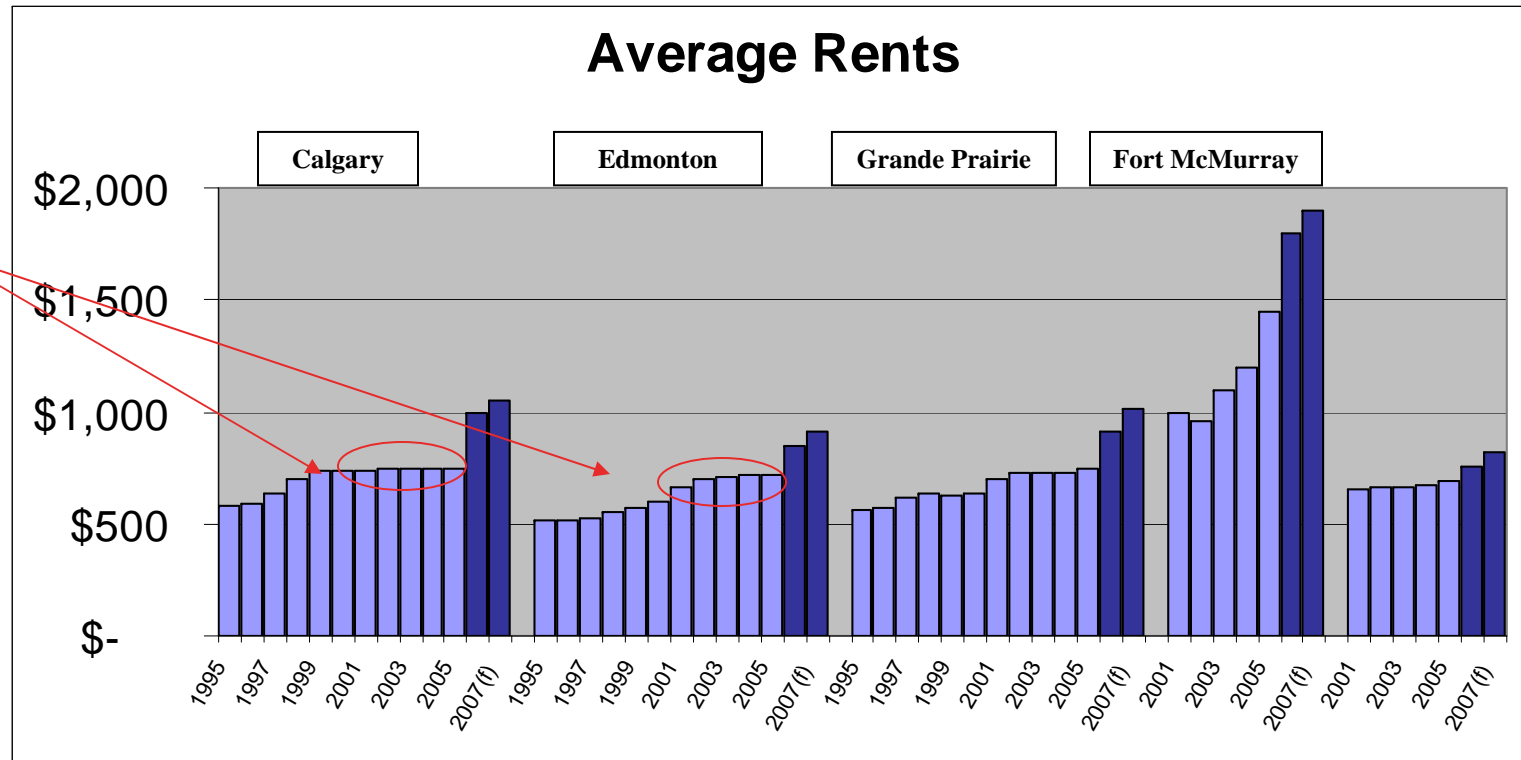
Source: CMHC, Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years)



# 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



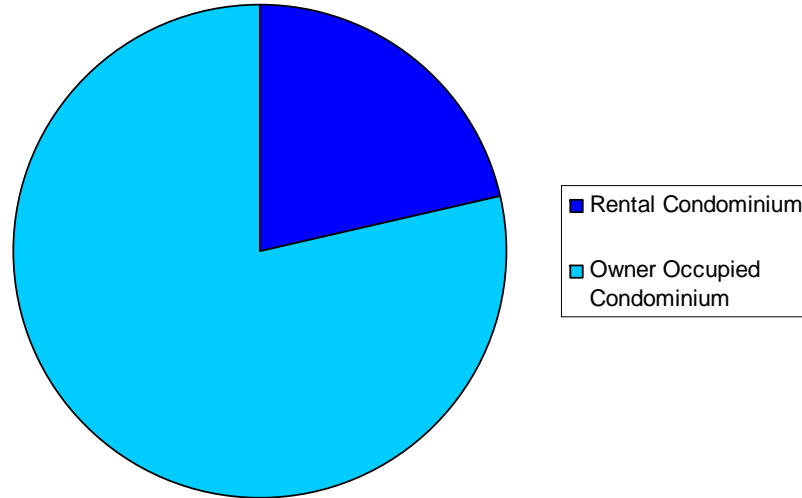
Summarized from CMHC data



# Calgary Rental Condo Universe

## Calgary CMA – Rental Condo Universe

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



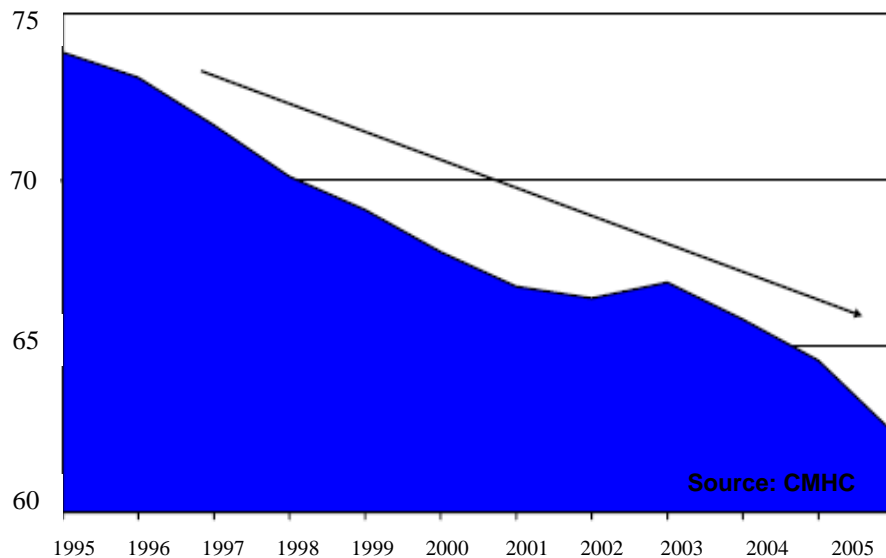
Source: CMHC



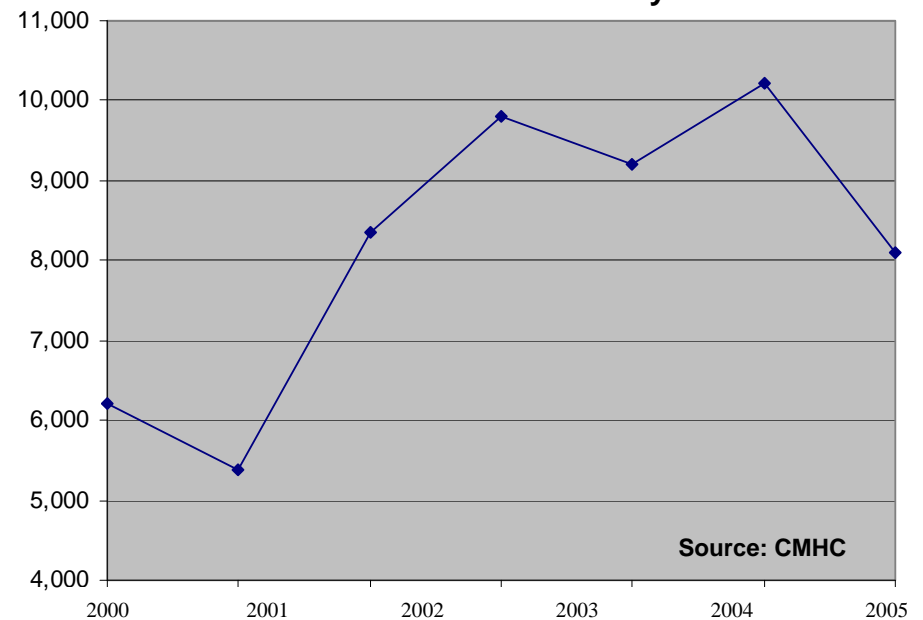
# Edmonton Rental Market Universe Per Capita...

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**



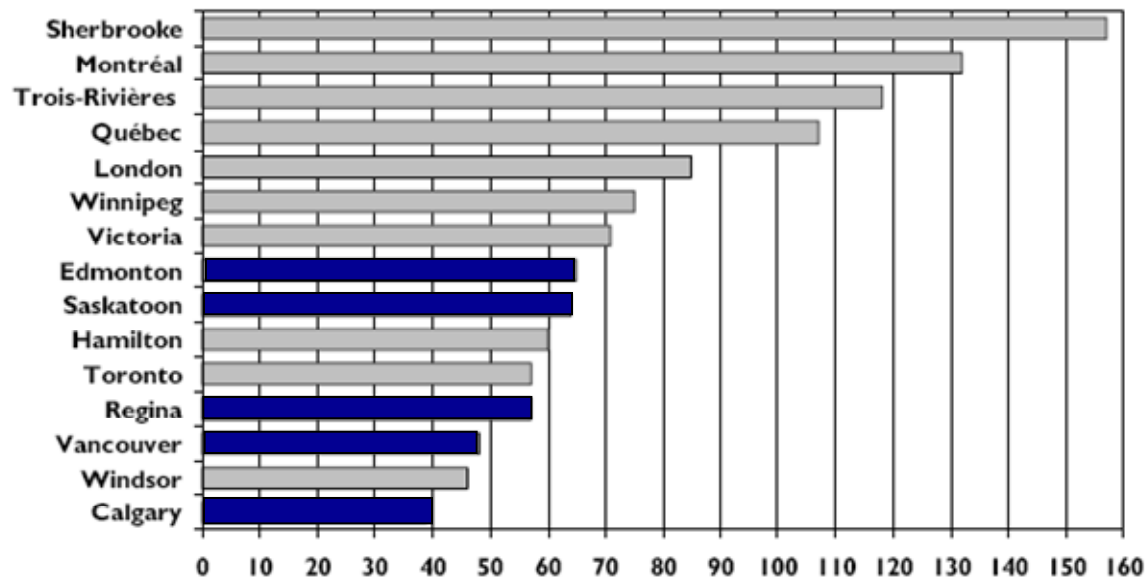
**Provincial Condo Starts by Year**



# 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



# Q3 - Distributable Income

(in 000's, except per unit amounts)

## Distributable Income Reconciliation

In \$000's, except per unit amounts	3 Months Sep-08	3 Months Sep-07	% Change	9 Months Sep-08	9 Months Sep-07	% Change
Total operating cash flows	\$ 42,805	\$ 30,830		\$ 99,763	\$ 94,127	
Net change in operating working capital	\$ (4,687)	\$ 4,302		\$ 1,523	\$ (4,098)	
Deduct deferred financing costs amortization post May 2, 2004	\$ (844)	\$ (642)		\$ (2,282)	\$ (1,591)	
Mark-to-market debt adjustment post May 2004	\$ (109)	\$ (208)		\$ (325)	\$ (551)	
Distributable income	<u>\$ 37,165</u>	<u>\$ 34,282</u>	8.4%	<u>\$ 98,679</u>	<u>\$ 87,887</u>	12.3%
Distributable income - per unit	<u>\$ 0.69</u>	<u>\$ 0.61</u>	13.1%	<u>\$ 1.80</u>	<u>\$ 1.57</u>	14.6%





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