



# **BOARDWALK**

Supplemental Information  
Nuns' Island Transaction  
May 9, 2002

Certain statements in this presentation may be considered forward-looking statements within the meaning of existing securities laws. Although Boardwalk believes that the expectations set forth in such statements are based on reasonable assumptions, Boardwalk's future operations and its actual performance may differ materially from those in any forward – looking statements. Additional information that could cause actual results to differ materially from these statements are detailed in the earnings press release and in other publicly filed documents, including Boardwalk's annual report, Annual Information Form and quarterly reports.

# Topics

- Transaction overview
- Financing of transaction
- Portfolio acquisition review
- Portfolio overview/statistics
- Financial impact
- Summary
- Q&A



Nun's Island, Québec ©Guy Lavigueur 2000



# Transaction Summary



- Purchase Price: \$180.2 MM (incl. property transfer charge)  
\$58,000 per unit  
\$58.60 per rentable sq. ft.
- Financing of Transaction: Assumption of approx. \$110 MM of existing mortgages  
Cash on hand and available facilities of \$70 MM
- Effective Closing Date: May 1, 2002



# Transaction Summary



- Financing Assumed:

- First Mortgages:

Amount:	\$70.4 MM
Rate:	10.25%
Term to maturity:	5.7 yrs.

- Second Mortgages:

Amount:	\$39.2 MM
Rate:	7.64%
Term to maturity:	5.7 yrs.

- Weighted average interest rate of 9.32% on \$109.6 MM of existing first and second mortgage financing.



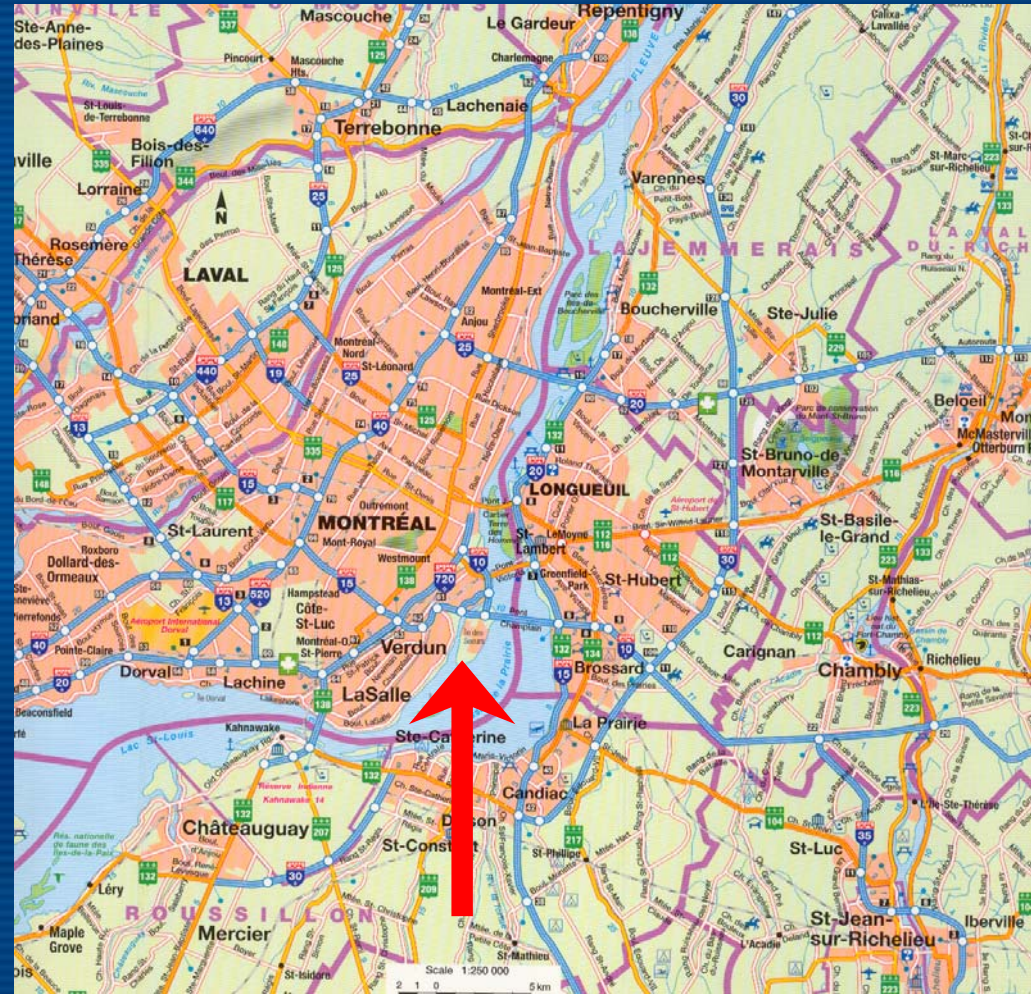
# Transaction Summary – Projected Financial Impact

- Anticipate net impact on FFO per share will be over \$0.14 per share on an annualized basis.
- Currently reviewing various financing options for the project.
- This is expected to:
  - Return significant amount of equity to the Company.
  - Enhance the return on equity invested in the project.
  - Reduce average interest rate on debt.



# Location

- Nuns' Island is located in the St. Lawrence River just south of the downtown of Montreal.
- Linked to the island of Montreal and the South Shore by the Champlain Bridge.
- Less than 10 minutes from downtown core.
- Public transportation and recreational amenities



# Portfolio Overview



# Portfolio Overview

- 3100 units
- 3,075,000 rentable square feet (avg. 992 sq. ft./unit)
- Very high quality portfolio clustered within an 80-acre land parcel
- Blend of high-rise, mid-rise and townhouse-style rental apartments appealing to different market segments



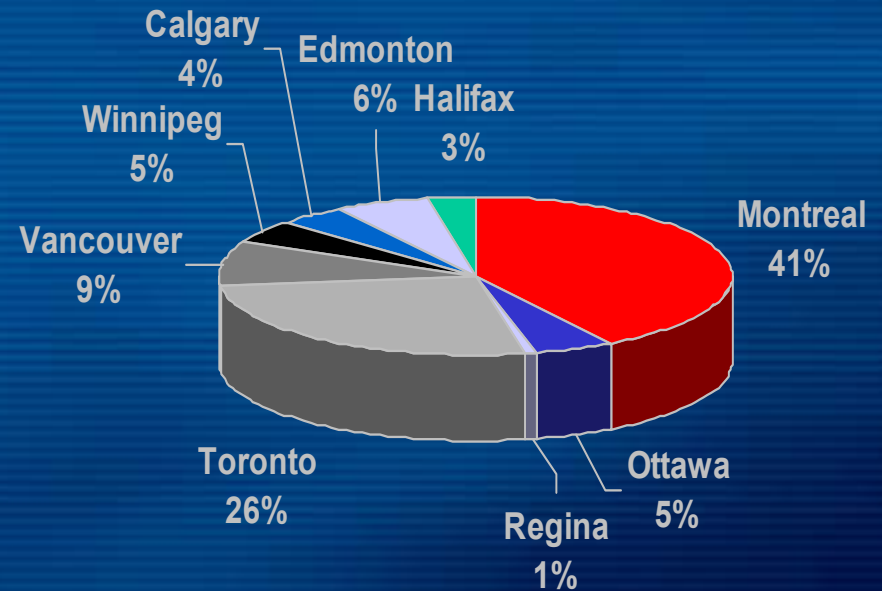
# Portfolio Overview

- Acquisition is by way of a ground lease
  - 99-year ground lease expiring November 2064.
  - Rent revision clause commencing December 1, 2008 that is phased in on a property-by-property basis by 2015.
  - Will remain constant



# Market Overview

- Montreal is the largest rental market in the country.
- According to CMHC, there are over 460,000 rental apartments in the Greater Montreal market.
- This represents:
  - over 25% of the total market in Canada,
  - and approximately 40% of the units in the major markets in Canada

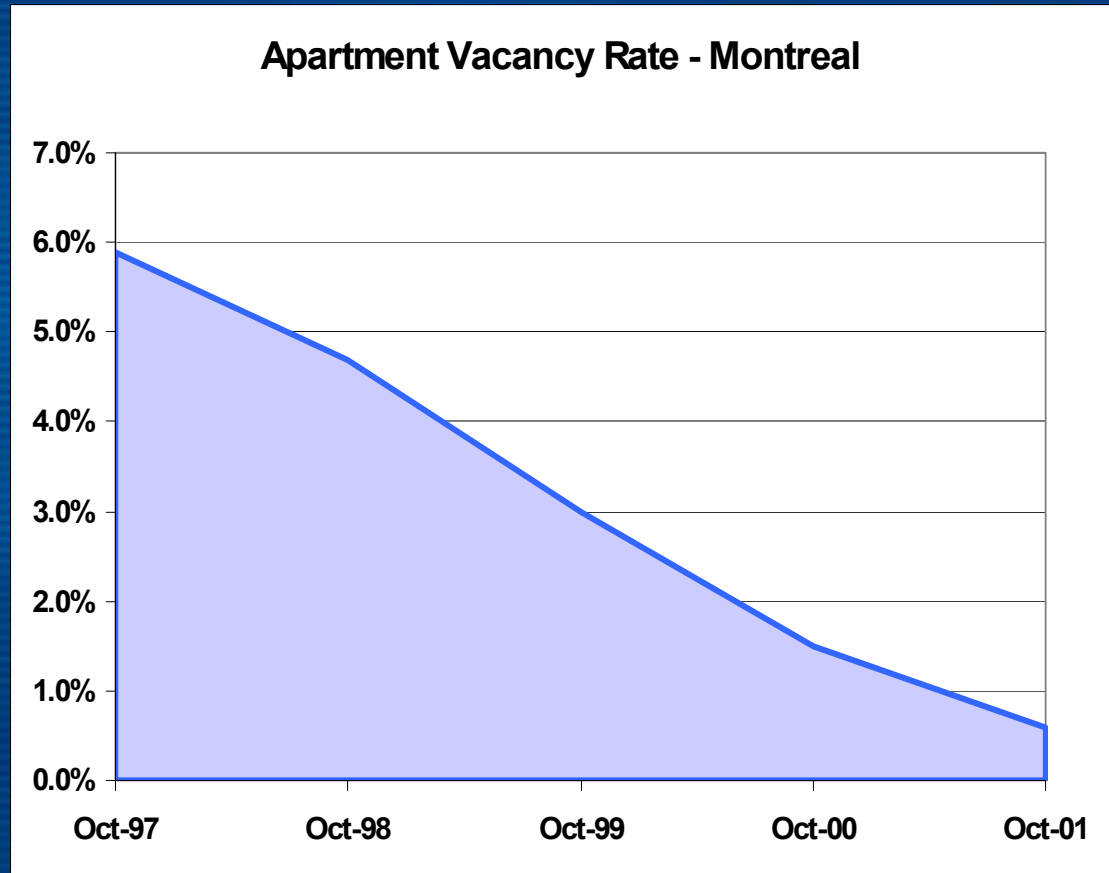


Source: Moody's, Assessment of Canadian Property Markets, May 2001



# Market Overview

- Montreal's vacancy rate has fallen significantly over the past several years.
- Vacancy rate has fallen steadily from 5.7% in October 1997 to 0.6% in October 2001.

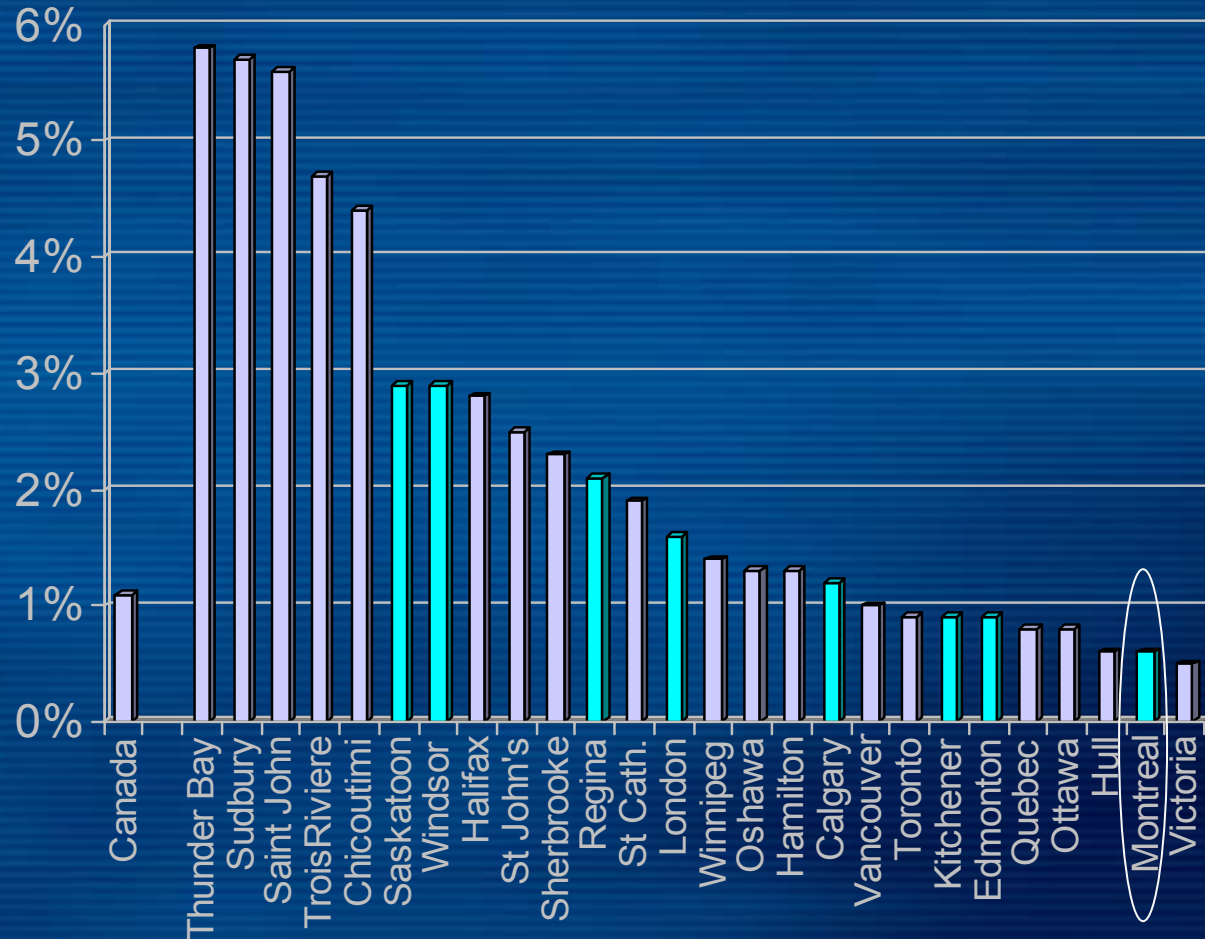


Source: CMHC



# Market Overview

- Montreal has the second lowest vacancy rate in the country, according to CMHC's October, 2001 Rental Market Report.



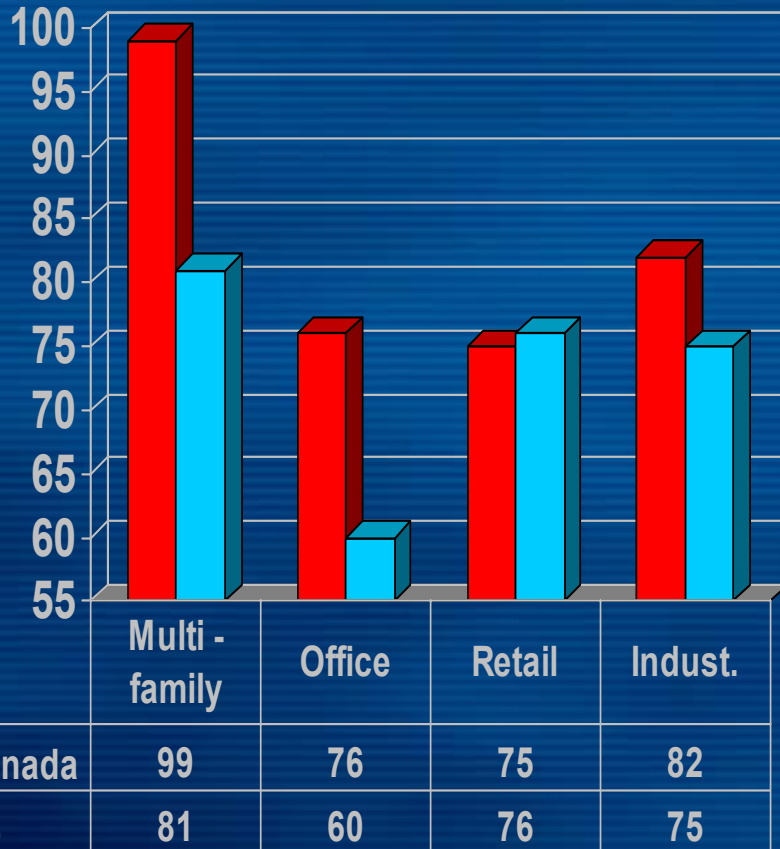
Note: Blue bars denote Boardwalk markets.

Source: CMHC

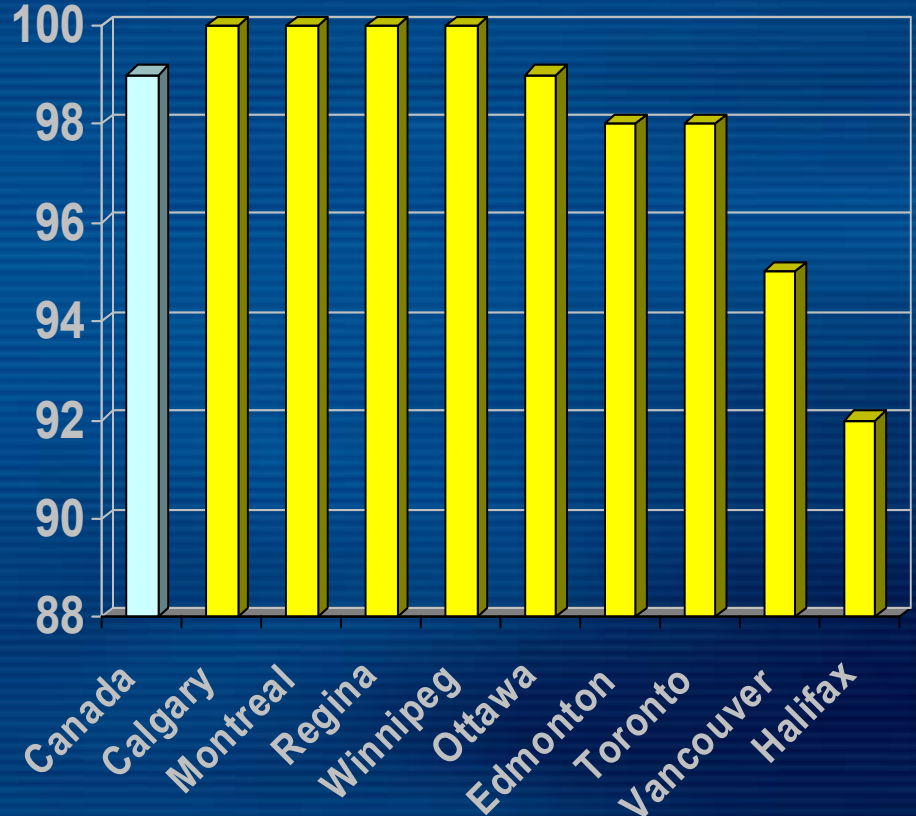


# Market Overview

## Property Type Ranking



## Canadian Market Ranking - Multifamily



Source: Moody's, Assessment of Canadian Property Markets, October 2001



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# Market Overview

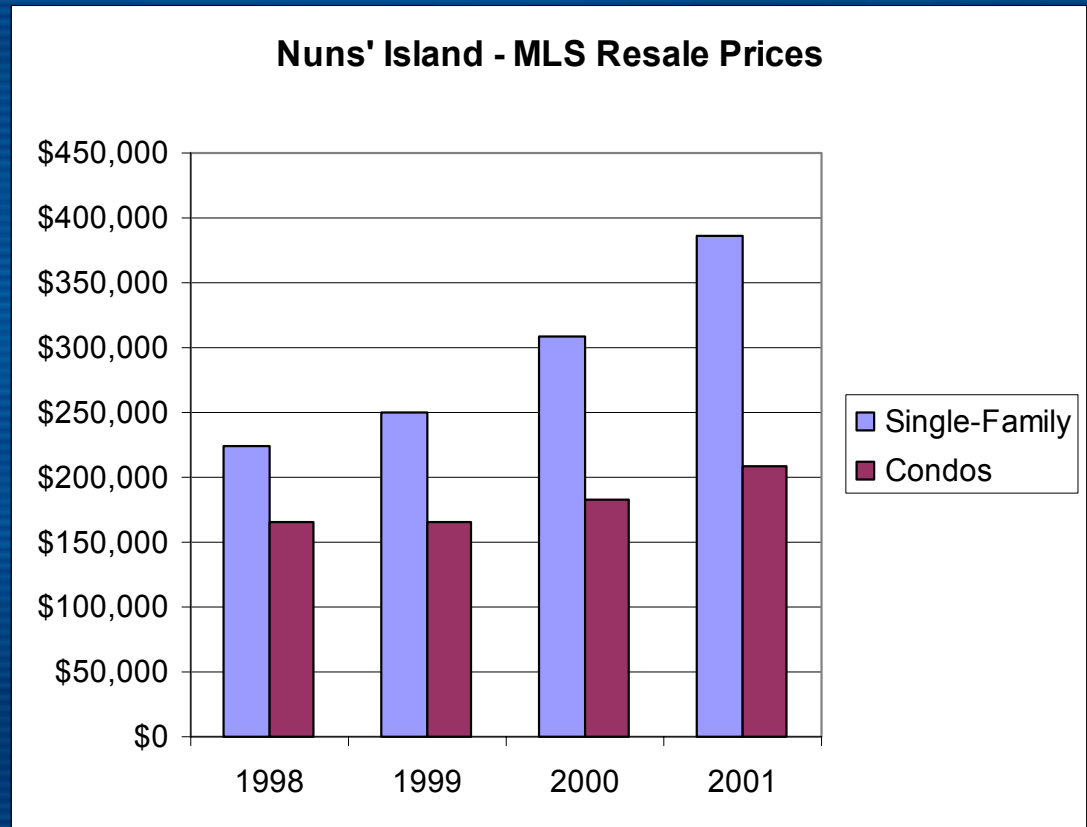
According to recent report by The Conference Board of Canada:

- Montreal is projected to have second highest real GDP growth between 2003 and 2006 among 18 major cities – averaging 4.0%.
- Montreal tied for first among major Canadian cities in ranking of most diversified economies.
- Projected job growth for Montreal of 158,000 by 2006 – a 9.2% increase.



# Nuns' Island – Residential Resale Market Statistics

- Single family home resale prices averaged over \$385,000 in 2001 – up 75% from 1998.
- Condominium resale prices averaged over \$209,000 in 2001 – up 27% from 1998.
- Average price increase in 2001 was 24.6% for single family homes and 14.1% for condominiums.



Source: Montreal Real Estate Board,



# Summary

- Nuns' Island transaction represents a significant high-quality portfolio acquisition.
- Initial entry into the Montreal market – the largest multi-family market in Canada.
- Net impact on FFO per share anticipated to be in excess of \$0.14 on an annualized basis.
- Critical mass and base of operations will allow further expansion.
- Demonstrates our ability to source and conclude significant transactions in a highly competitive environment.



Q & A

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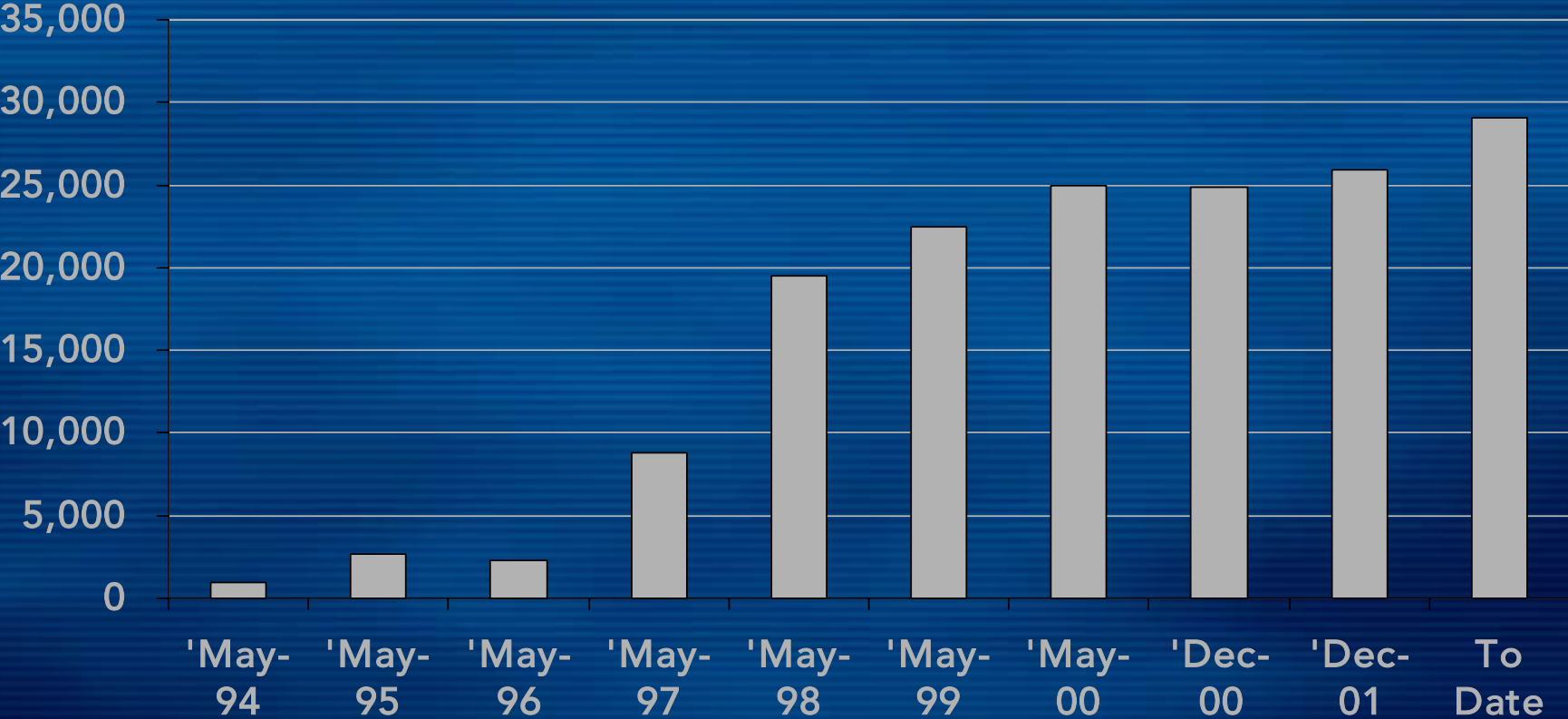


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# Portfolio Statistics – Pre and Post Acquisition

## Total Portfolio – Units



# Portfolio Statistics – Pre and Post Acquisition

## Pre-Transaction

Province	Number of Units	% of Units	Net Rentable Square Footage	% of Square Footage	Average Unit Size
Alberta	17,169	66%	14,518,080	67%	846
Saskatchewan	4,644	18%	3,829,549	18%	825
Ontario	4,136	16%	3,300,295	15%	798
Total	25,949	100%	21,647,924	100%	834

## Post-Transaction

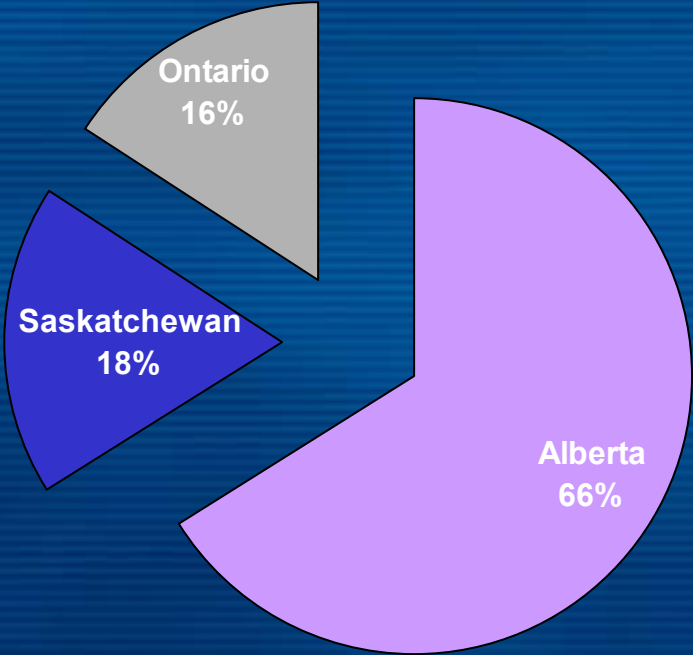
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Saskatchewan	4,644	16%	3,829,549	15%	825
Ontario	4,136	14%	3,300,295	13%	798
Quebec	3,100	11%	3,075,140	12%	992
Total	29,049	100%	24,723,064	100%	851



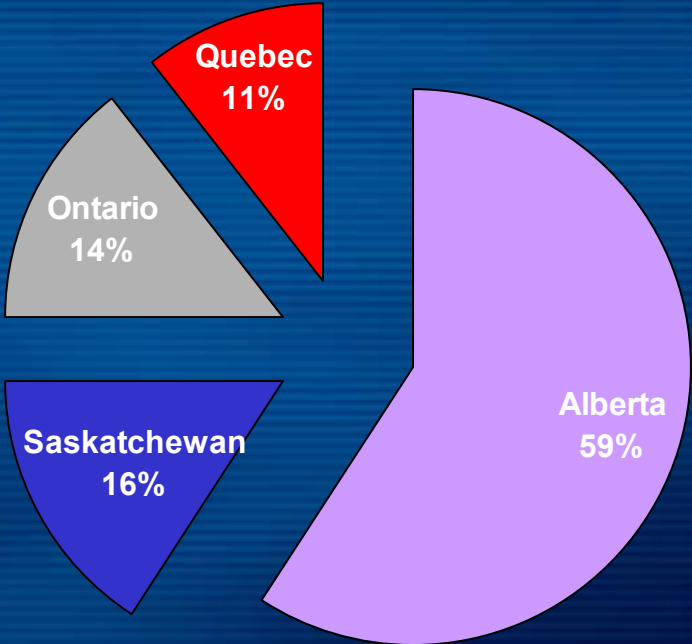
# Portfolio Summary



### Pre-Transaction



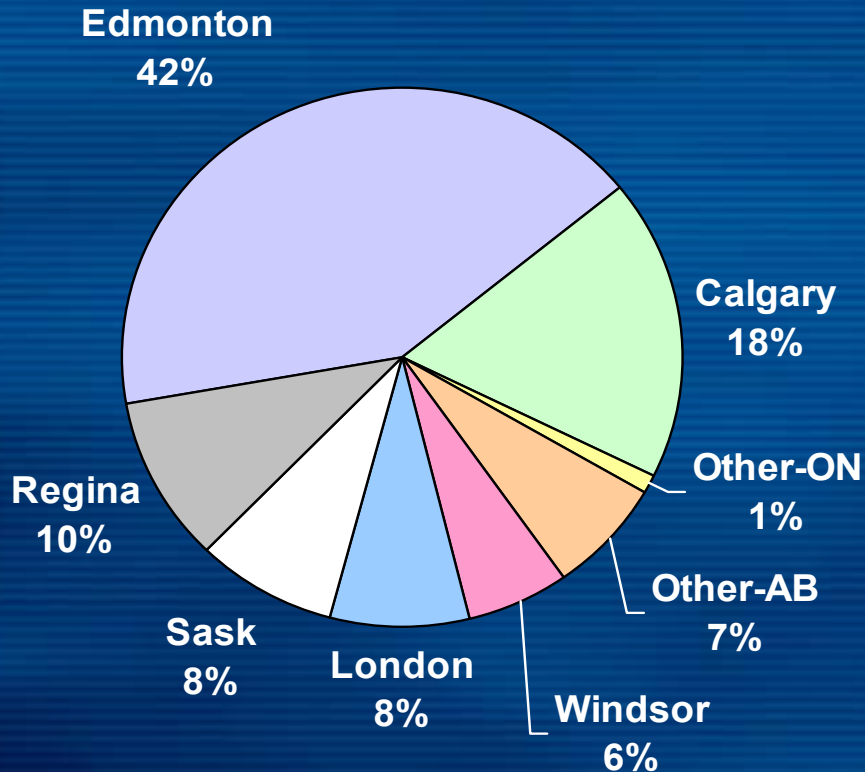
### Post-Transaction



# Portfolio Summary



## Pre-Transaction



## Post-Transaction

