

BOARDWALK REAL ESTATE INVESTMENT TRUST

Q3 2006 Conference Call

November 13 2006 – 11:00 EST

416-644-3416 (within Toronto) or toll-free 1-800-814-4890 (outside Toronto).



Q3 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

- 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



Government of Canada's Income Trust Announcement (Oct 31, 2006)

Boardwalk believes that it meets the criteria required to be exempt from the Income Trust taxation, as outlined by the Government of Canada.

- At no time in the year hold any non-portfolio property other than real properties situated in Canada;
- Have as not less than 95% of its income for the year income from properties
- Have as not less than 75% of its income for the year income that is directly or indirectly attributable to rents from, mortgages on, or gains from the disposition of, real properties situated in Canada; and
- Hold throughout the year real properties situated in Canada, cash, and debt or other obligations of Governments in Canada (including Crown corporations, etc.) with a total fair market value that is not less than 75% of its equity value.



Overview – Q3 Highlights

in \$millions, except per unit amounts

	3 Months ended Sept 2006	% Change	9 Months ended Sept 2006	% Change
Rental Revenue	\$81.1	8.9%	\$235.8	6.7%
NOI	\$51.6	10.3%	\$141.6	8.1%
FFO	\$26.9	23.4%	\$66.3	16.4%
Per Unit	\$0.48	17.1%	\$1.20	12.1%
DI	\$27.3	22.4%	\$67.7	14.7%
Per Unit	\$0.49	16.7%	\$1.22	9.9%



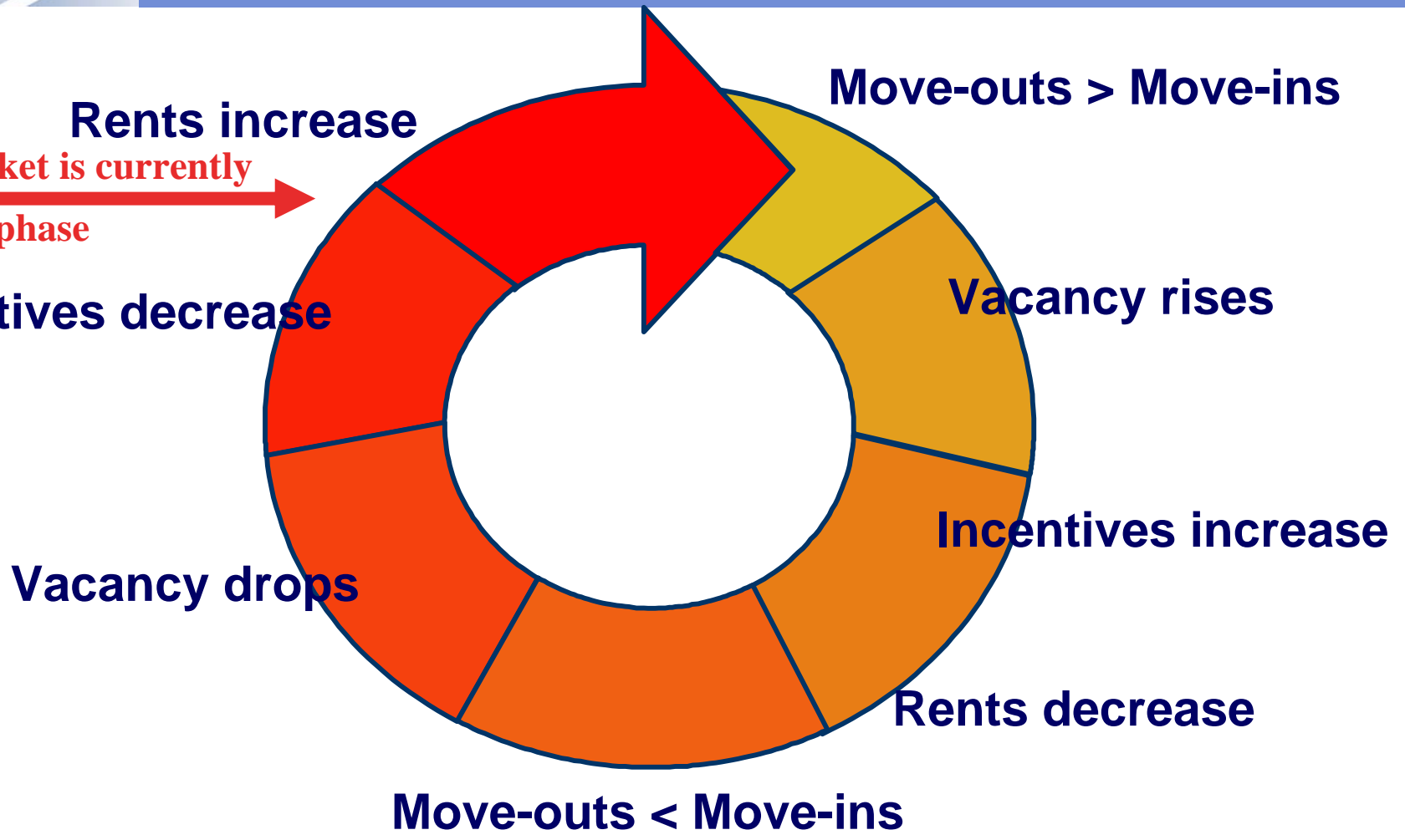
Q3 - Portfolio Highlights

	Q3 2006	Q3 2005	Change
Portfolio Vacancy	3.73%	4.57%	-84 bps
Average rent	\$797	\$751	6.1%
Same Property - 3 Months			
Revenues	6.1%		
Operating Costs	5.2%		
NOI	6.6%		

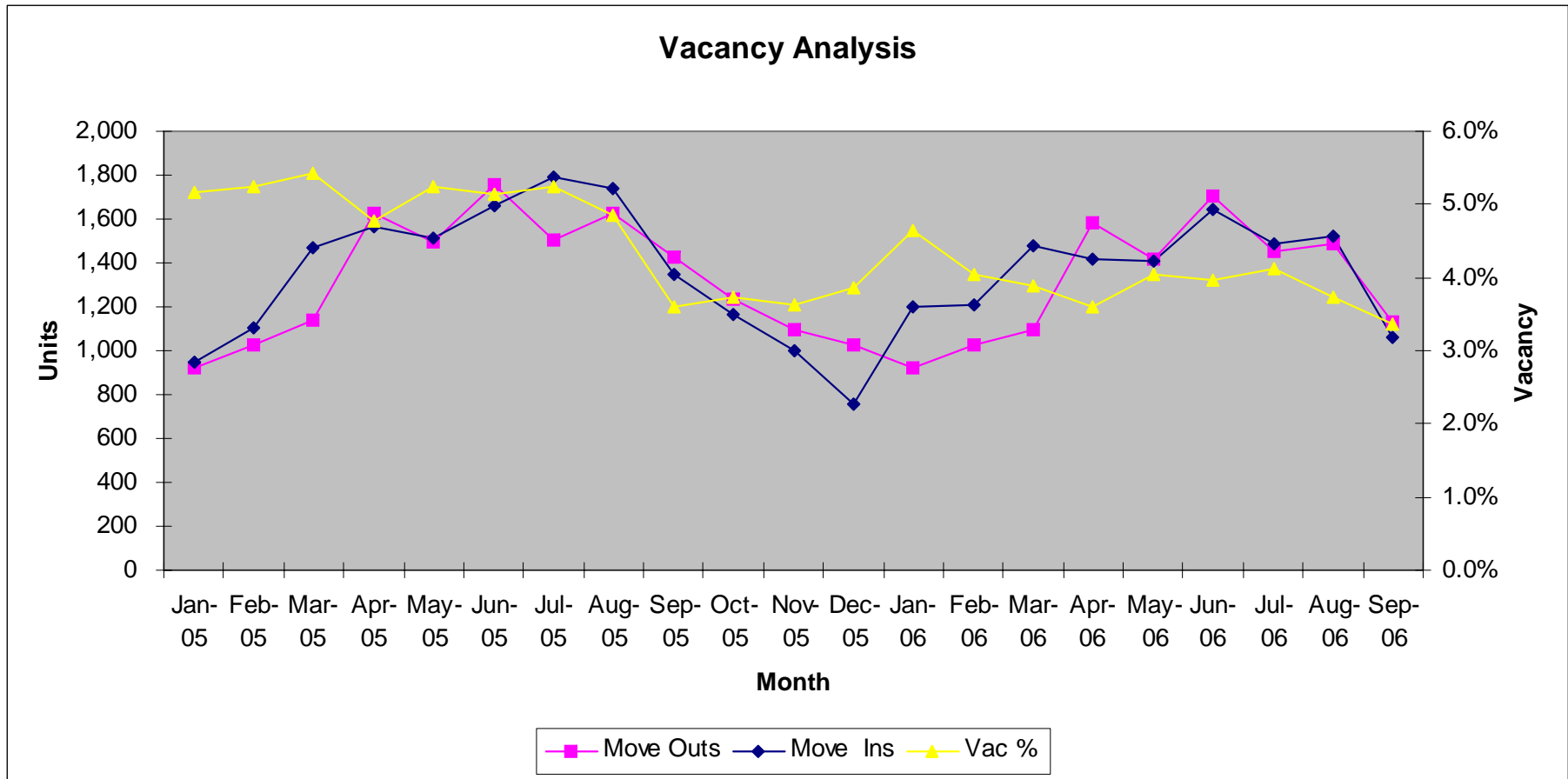


Rental Revenue Cycle

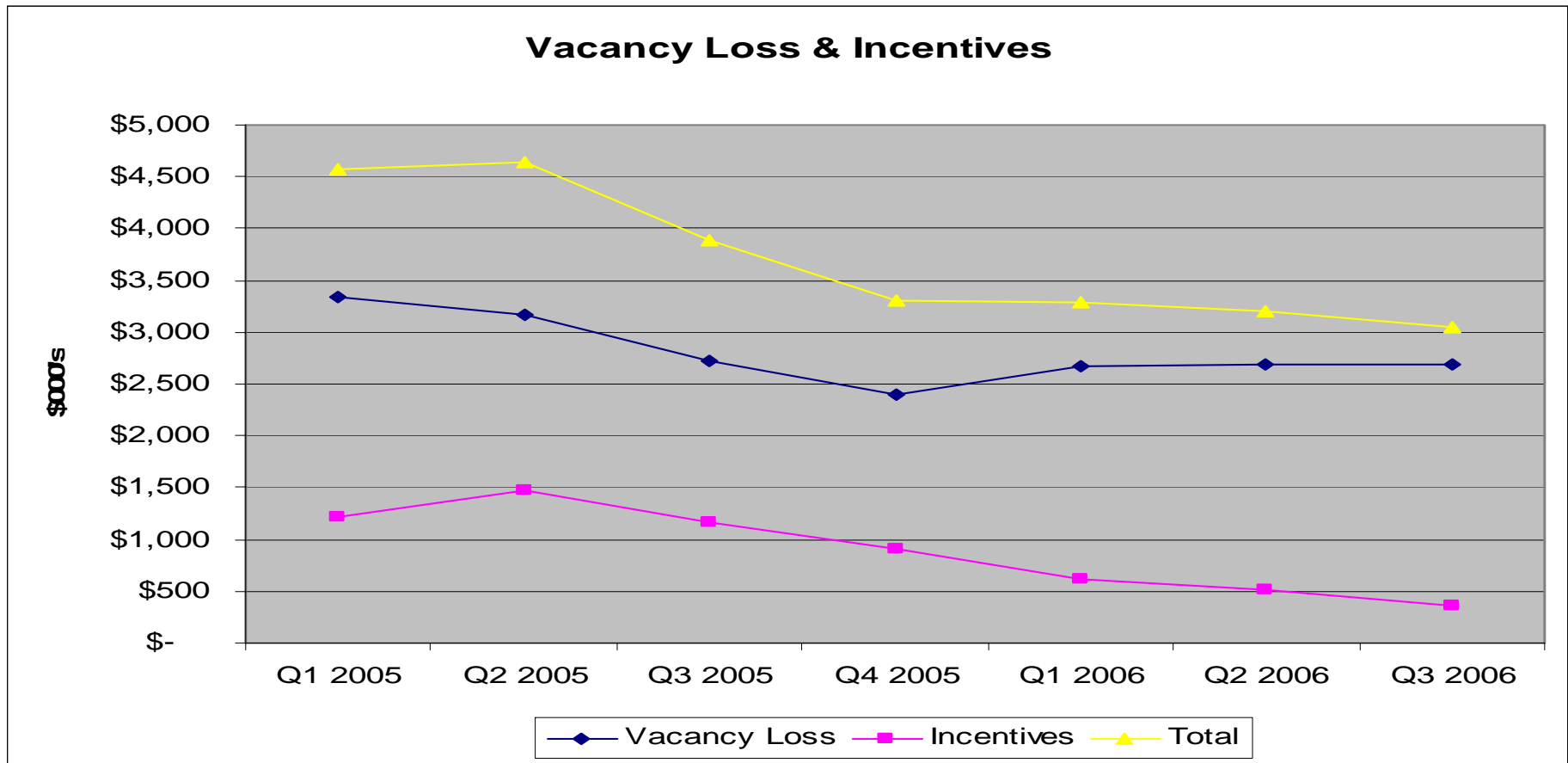
Alberta market is currently
in optimum phase



Move-outs, Rentals and Vacancy



Vacancy Loss and Incentives



Rental Revenue Summary

Q3 2006 Stabilized Revenue Analysis

Really Hot > 5%	Hot - 2% to 5%	Warm - 0% to 2%	Cold < 0%
Fort McMurray Grande Prairie Red Deer Edmonton Calgary Saskatoon	Gatineau	Quebec City Windsor London Kitchener Regina	Montreal

Number of Stabilized Units	18,654	321	8,081	4,345
% of Stabilized Units	59%	1%	26%	14%

Approximately 60% of the portfolio is in the Hot or Really Hot Category



Internal Growth Potential

Sensitivity Analysis

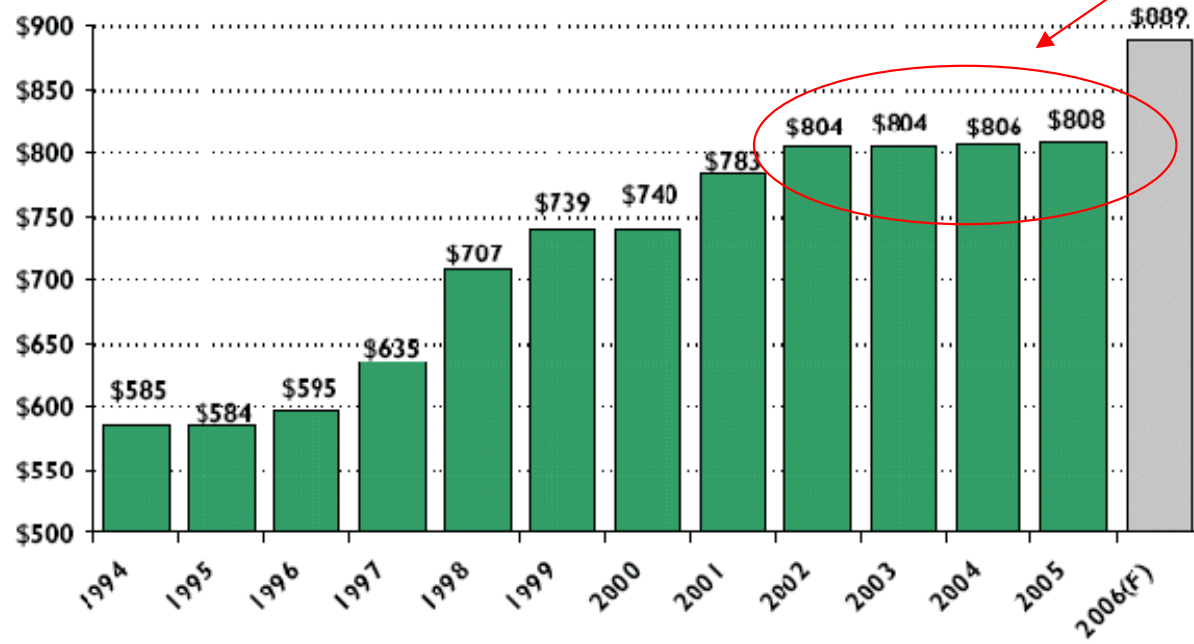
Monthly increase in gross rents	\$25	\$50	\$75	\$100	\$125	\$150
Monthly impact on FFO (\$MM)	\$ 0.8	\$ 1.7	\$ 2.5	\$ 3.4	\$ 4.2	\$ 5.1
Annual Impact on FFO (\$MM)	\$ 10.2	\$ 20.4	\$ 30.5	\$ 40.7	\$ 50.9	\$ 61.1
Per Unit	\$ 0.18	\$ 0.37	\$ 0.55	\$ 0.73	\$ 0.92	\$ 1.10



Calgary Average Rents

**Calgary – Average Rent for Two Bedroom Unit
Moves up due to lower vacancies and higher operating costs**

Average apartment rent



Source: CMHC, CMHC Forecast



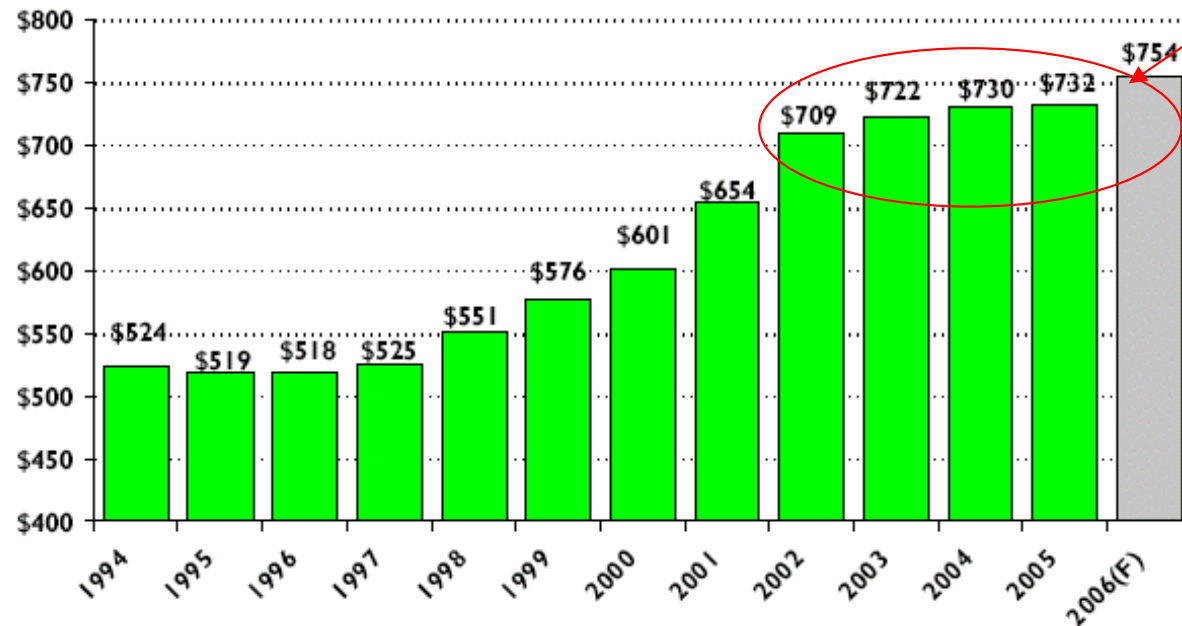
4 Years of 0% Rental Increases, Free Rent and High Single Digit to Double Digit Increases in Expenses



Edmonton Average Rents

**Edmonton – Average Rent for Two Bedroom Unit
Moves up due to lower vacancies and higher operating costs**

Average apartment rent



Source: CMHC, CMHC Forecast



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



Social Responsibility

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

- We partner with Government
 - We provide units for the Government rental supplement program.
 - In late October, we committed 200 units to the City of Edmonton's Fixed Rental Rate Subsidy Program at 'below-market' rents.

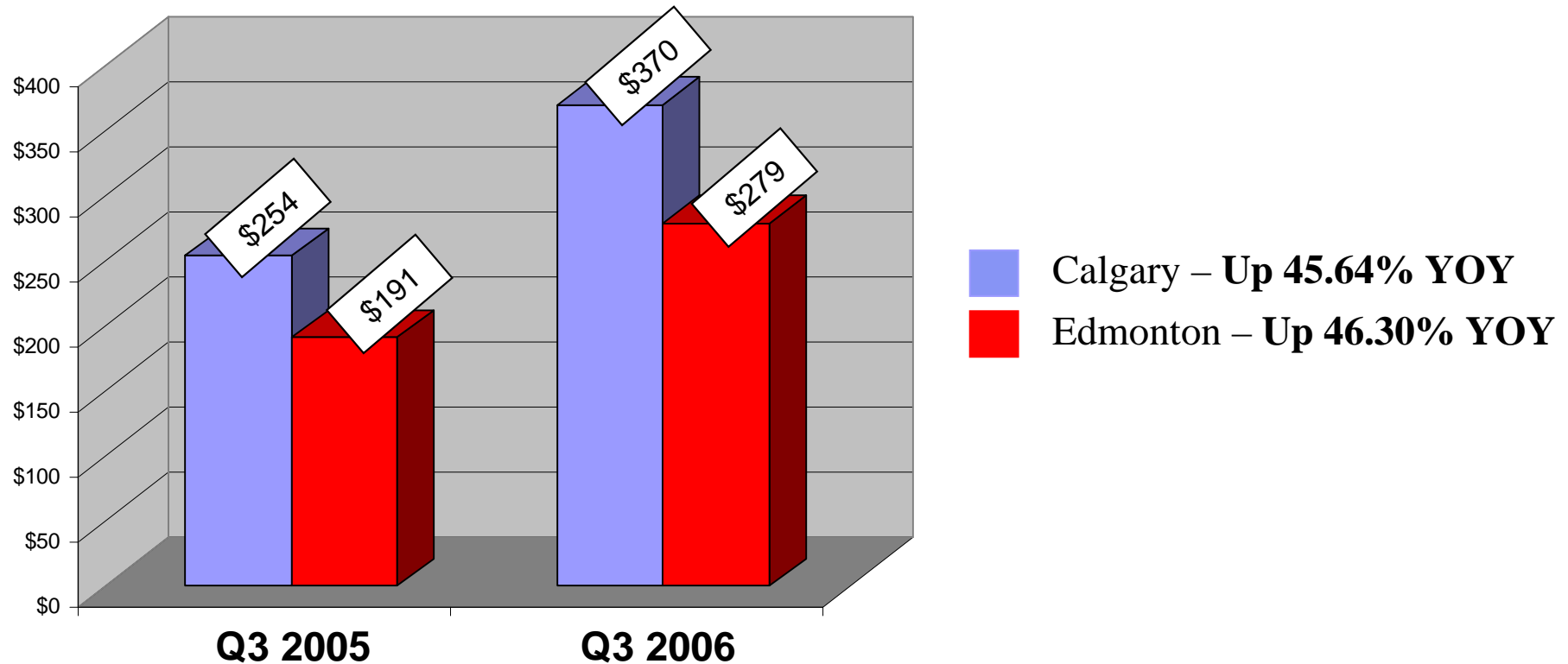
- We program internally
 - In house subsidy program since '99 eliminates rent increases for any resident who can prove financial hardship.
 - Self imposed maximum \$75 rent increase every six months on month to month leases.

- We partner with Social Agencies



Affordability for Homeownership Declining in Alberta

**Average Combined Residential
Resale Price – Q3 YOY (in 000's)**

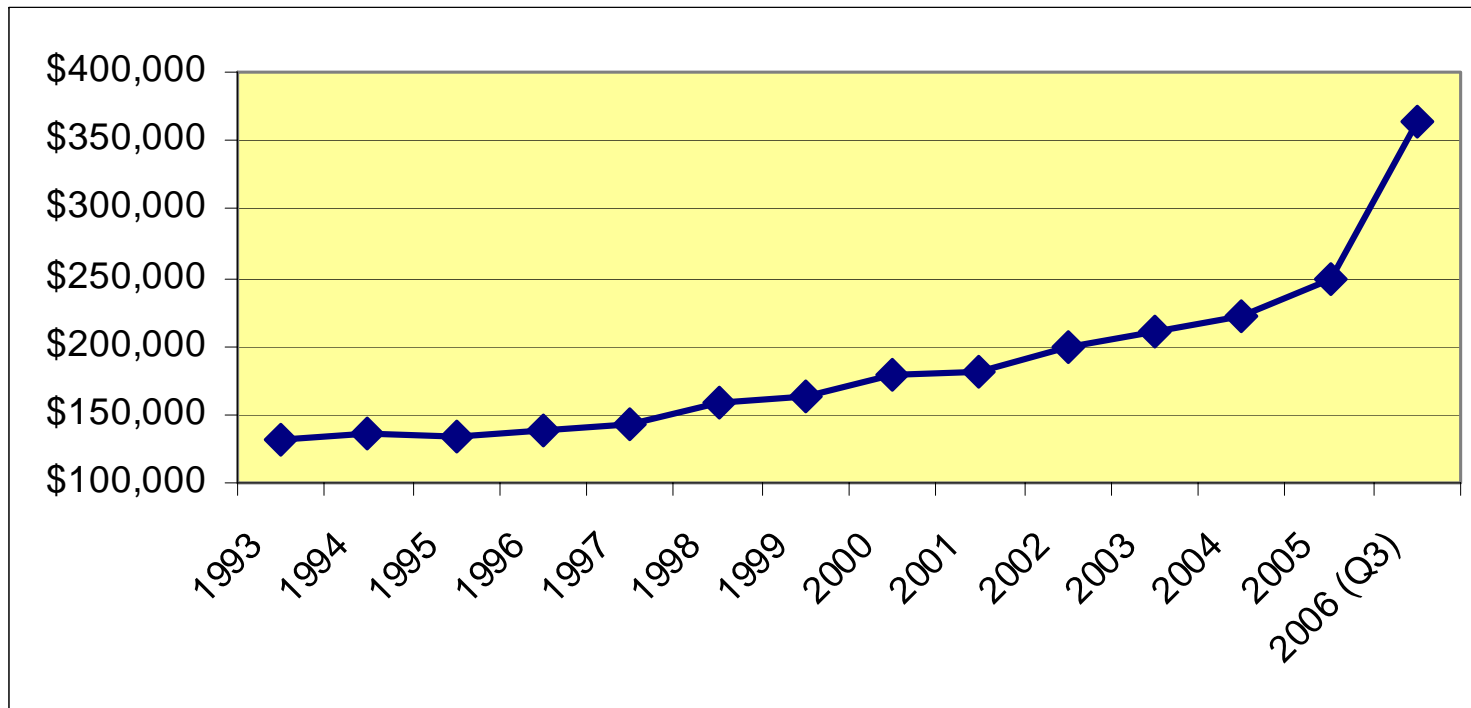


Source: Calgary Real Estate Board, Edmonton Real Estate Board



Affordability for Homeownership Declining in Alberta

Calgary – Average Home Price YOY Change

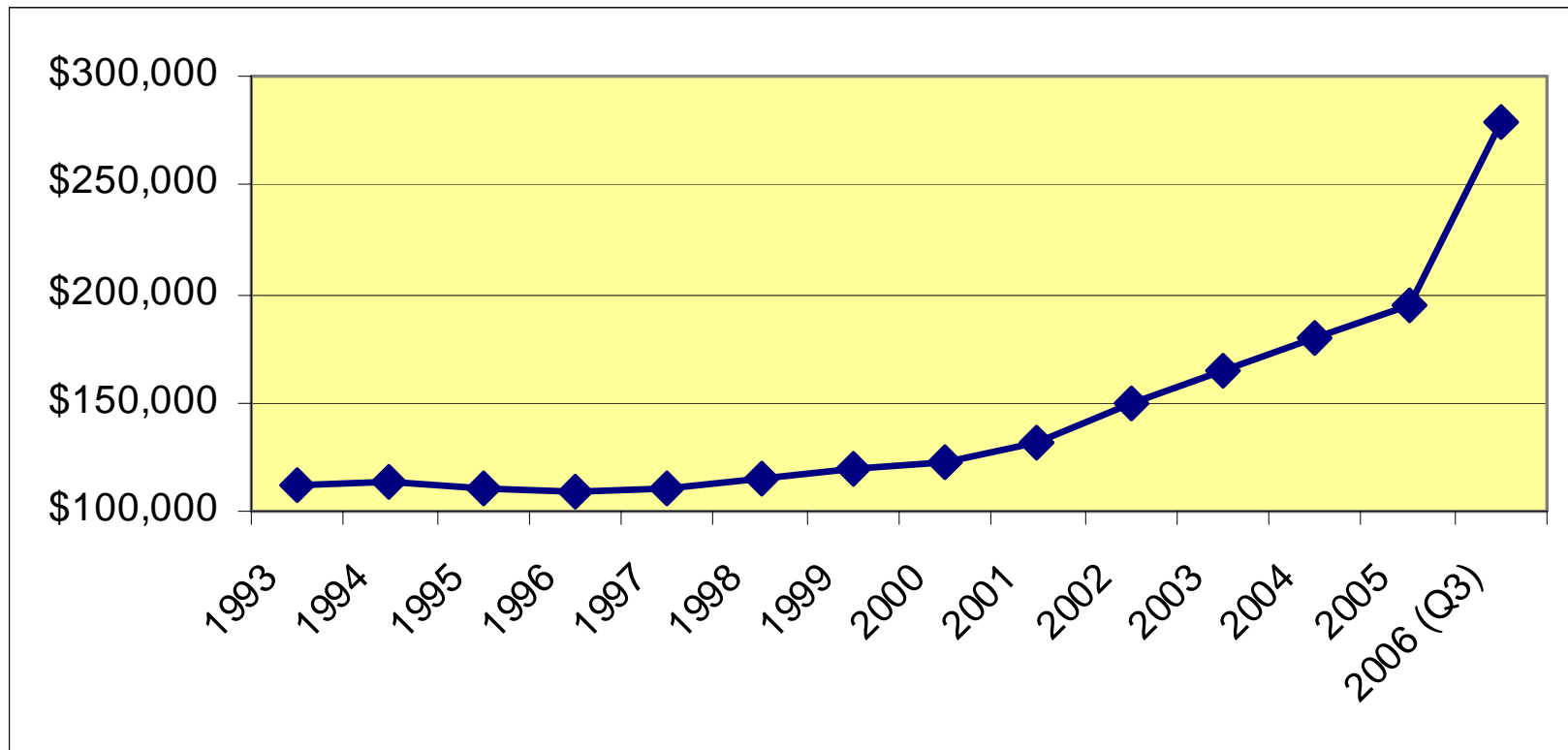


Source: Calgary Real Estate Board



Affordability for Homeownership Declining in Alberta

Edmonton – Average Home Price YOY Change



Source: Edmonton Real Estate Board



Provincial Economic Forecasts

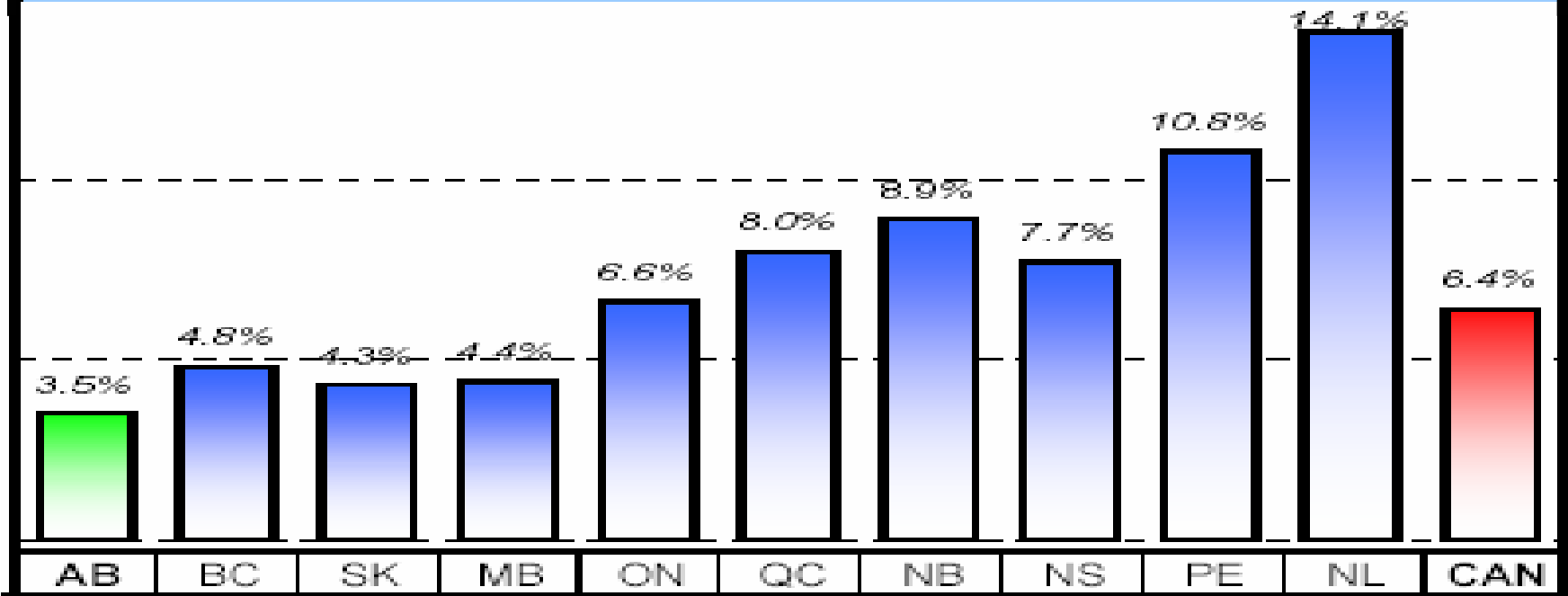
	Real GDP			Employment			Unemployment		
	(YOY change, %)			(YOY change, %)			(annual average, %)		
	05(A)	06(F)	07(F)	05(A)	06(F)	07(F)	05(A)	06(F)	07(F)
British Columbia	3.5	4.5	3.6	3.3	2.9	2.0	5.9	4.7	4.6
Alberta	4.5	7.5	5.5	1.5	4.3	2.7	3.9	3.6	3.6
Saskatchewan	3.2	3.3	3.4	0.8	1.4	1.2	5.1	5.0	4.9
Manitoba	2.7	3.1	2.5	0.6	1.2	0.9	4.8	4.4	4.6
Ontario	2.8	1.4	1.8	1.3	1.4	0.8	6.6	6.3	6.7
Quebec	2.2	2.0	1.8	1.0	1.3	0.7	8.3	8.2	8.5
New Brunswick	0.5	2.5	2.2	0.1	1.3	0.8	9.7	9.0	9.3
Nova Scotia	1.1	2.3	2.3	0.2	-0.3	0.9	8.4	8.3	8.6
Prince Edward Island	2.0	2.0	1.9	1.9	0.7	0.6	10.8	10.9	11.3
Newfoundland & Labrador	0.4	3.9	4.3	-0.1	0.5	1.1	15.2	15.1	15.0
Canada	2.9	2.8	2.5	1.4	1.8	1.1	6.8	6.4	6.6

Source: CIBC World Markets Inc.



Unemployment Rate

Unemployment Rate, Canada & Provinces Seasonally Adjusted



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%

Currently, Calgary's population is growing by 95 people per day.



Declining Cap Rates on Unit Prices

Sensitivity Analysis

Cap rate	Unit Price
6.50%	\$ 30.49
6.25%	\$ 32.79
6.00%	\$ 35.29
5.75%	\$ 38.00
5.50%	\$ 40.96
5.25%	\$ 44.20

Current implied market capitalization rate = 6.15% based on 2007 guidance



Acquisitions / Dispositions

Acquisitions

Building Name	City	# of Units	Type	Price	Year 1 Cap Rate	\$/unit	\$/sq ft	Closing
Blouin Portfolio	Montreal	322	High Rise	\$ 24,000,000	7.10%	\$ 74,534	\$ 87	March 13, 2006
Jones Portfolio	Vancouver	238	Walk Up	\$ 17,550,000	6.39%	\$ 73,739	\$ 72	March 30, 2006
Sturgeon Point	Edmonton	280	Walk Up	\$ 18,500,000	7.00%	\$ 66,071	\$ 65	May 25, 2006
Park West	Victoria	96	Low Rise	\$ 9,400,000	5.83%	\$ 97,917	\$ 131	November 9, 2006
Total		936		\$ 69,450,000	6.72%	\$ 74,199	\$ 79	

Dispositions

Building Name	City	# of Units	Type	Price	Cap Rate	\$/unit	\$/sq ft	Closing
Leighton House	Calgary	40	Mid Rise	\$ 4,000,000	5.40%	\$ 100,000	\$ 146	February 18, 2006
Glamis Green	Calgary	156	Walk Up	\$ 16,700,000	5.50%	\$ 107,000	\$ 96	March 1, 2006
Total		196		\$ 20,700,000	5.48%	\$ 105,612	\$ 103	

Glamis takes into account commission, payout penalty and deferred CapX



Acquisition Highlight

Park West

55 Bay Street, Victoria, BC

Units: 96

Av. Sq. Ft: 745

Date acquired: Nov. 9, 2006



Purchase Price: \$9.4MM

Going in Cap Rate: 5.83%

Per rental unit: \$97,900

Per sq. ft.: \$131

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	5.0% - 6.0%
Calgary	4.0% - 5.0%
Edmonton	5.0% - 6.0%
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

FFO Reconciliation

In \$00's, except per unit amounts	3 Mths Sep-06	3 Mths Sep-05	%	9 Mths Sep-06	9 Mths Sep-05	%
Net earnings from continuing operations	\$ 7,438	\$ 2,713		\$ 11,092	\$ 1,614	
Adjustments						
Earnings (loss) from discontinued operations	\$ 64	\$ 216		\$ 7,768	\$ 2,213	
Deduct gain on dispositions	\$ -	\$ -		\$ (7,536)	\$ (1,507)	
Recovery of write-down on technology business unit	\$ -	\$ -		\$ -	\$ (739)	
Future income taxes (recovery)	\$ 446	\$ 28		\$ 222	\$ (804)	
Future income taxes (recovery) on discontinued operations	\$ -	\$ (0)		\$ -	\$ 12	
Amortization of capital assets	\$ 18,934	\$ 18,826		\$ 54,763	\$ 56,165	
Funds from operations	<u>\$ 26,882</u>	<u>\$ 21,783</u>	23.4%	<u>\$ 66,309</u>	<u>\$ 56,954</u>	16.4%
Funds from operations - per unit	<u>\$ 0.48</u>	<u>\$ 0.41</u>	17.1%	<u>\$ 1.20</u>	<u>\$ 1.07</u>	12.1%



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 Sep-06	3 Months Sep-05		9 Months Sep-06	9 Months Sep-05	
Total Operating Cash Flows	\$ 29,198	\$ 18,746		\$ 66,929	\$ 56,982	
Net change in operating working capital	\$ (2,316)	\$ 3,037		\$ (612)	\$ (28)	
Add deferred financing costs amortization	\$ 768	\$ 865		\$ 2,237	\$ 2,730	
Deduct deferred financing costs amortization post May 2, 2004	\$ (317)	\$ (332)		\$ (824)	\$ (648)	
Mark-to-market debt adjustment post May 2004	\$ (11)	\$ 4		\$ (34)	\$ 5	
	<u>\$ 27,322</u>	<u>\$ 22,320</u>	22.4%	<u>\$ 67,696</u>	<u>\$ 59,041</u>	14.7%
Distributable income - per unit	<u>\$ 0.49</u>	<u>\$ 0.42</u>	16.7%	<u>\$ 1.22</u>	<u>\$ 1.11</u>	9.9%



Overall Performance

FFO RECONCILIATION	3 Months Sep 30, 2006	9 Months Sep 30, 2006
FFO - Sep 2005	\$0.41	\$1.07
NOI from Stabilized	\$0.05	\$0.12
NOI from Unstabilized	\$0.03	\$0.07
Financing costs	-\$0.01	-\$0.01
Administration and other	\$0.01	-\$0.03
Dilution	-\$0.01	-\$0.02
FFO - Sep 2006	<u><u>\$0.48</u></u>	<u><u>\$1.20</u></u>



Overall Performance

<i>In 000's, except per unit amounts</i>	3 Months Sep-06	3 Months Sep-05	Change	9 Months Sep-06	9 Months Sep-05	Change
Rental revenue	\$81,083	\$74,490	8.9%	\$235,805	\$220,968	6.7%
Expenses						
Operating expenses	\$14,003	\$12,514	11.9%	\$42,107	\$38,632	9.0%
Utilities	\$7,464	\$6,958	7.3%	\$29,346	\$27,935	5.1%
Utility rebate	(\$39)	(\$7)		(\$1,427)	(\$618)	130.9%
Property taxes	\$8,041	\$8,219	-2.2%	\$24,201	\$24,105	0.4%
	<u>\$29,469</u>	<u>\$27,684</u>	<u>6.4%</u>	<u>\$94,227</u>	<u>\$90,054</u>	<u>4.6%</u>
Net Operating Income	\$51,614	\$46,806	<u>10.3%</u>	\$141,578	\$130,914	<u>8.1%</u>
Note 1						
Includes site-specific rental admin expense	\$ 3,400	\$ 3,300		\$ 10,400	\$ 10,300	
% of rental revenue	4%	4%		4%	5%	



Loss To Lease Statistics

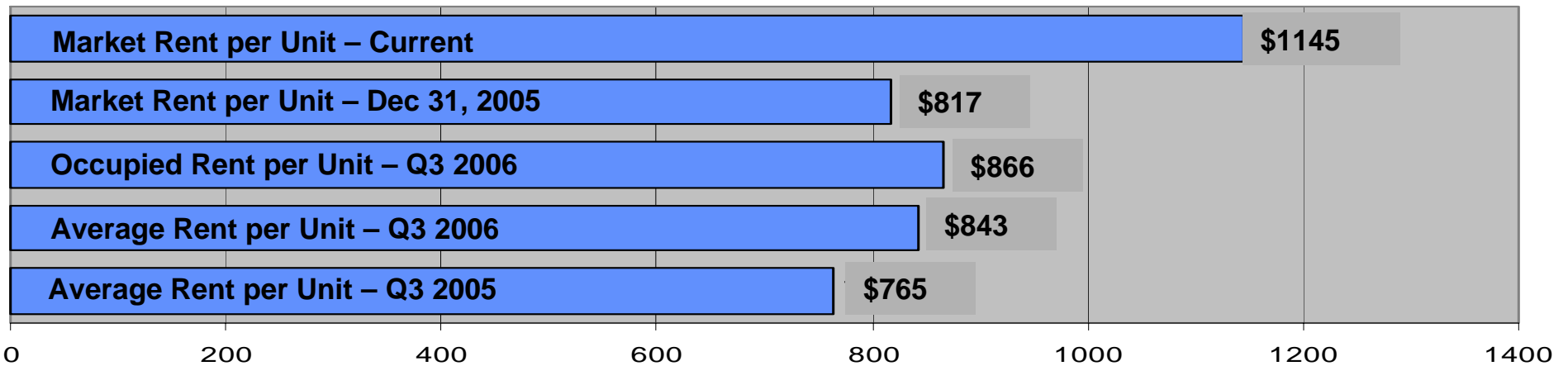
Sept 2006

	Sept 2006 Occupied Rent	Sept 2006 Market Rent	Mark to Market Per Month	Annualized Mark to Market (\$000's)	Units	% of Portfolio
Calgary	\$ 984	\$ 1,325	\$ 342	\$ 20,514	5,139	15%
Edmonton	\$ 822	\$ 1,049	\$ 227	\$ 28,388	10,649	31%
Other Alberta	\$ 954	\$ 1,199	\$ 245	\$ 4,658	1,604	5%
Alberta Portfolio	\$ 882	\$ 1,145	\$ 262	\$ 53,560	17,392	51%
Saskatchewan	\$ 663	\$ 678	\$ 15	\$ 781	4,660	14%
Ontario	\$ 785	\$ 779	\$ (6)	\$ (242)	4,265	13%
Quebec	\$ 891	\$ 929	\$ 38	\$ 2,370	6,756	20%
British Columbia	\$ 886	\$ 898	\$ 11	\$ 110	871	2%
Total Portfolio	\$ 842	\$ 985	\$ 144	\$ 56,579	33,944	100%



Alberta Monthly Rental Revenue Statistics

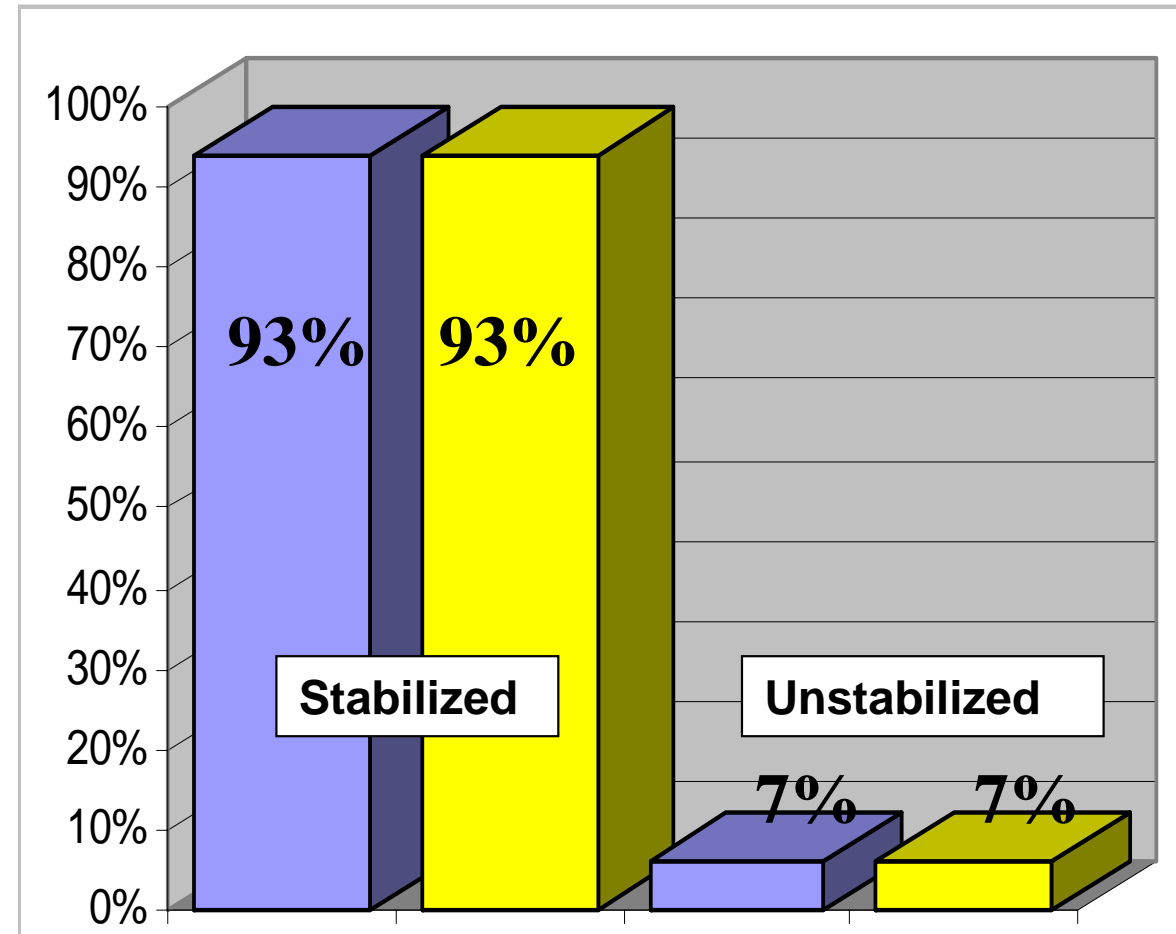
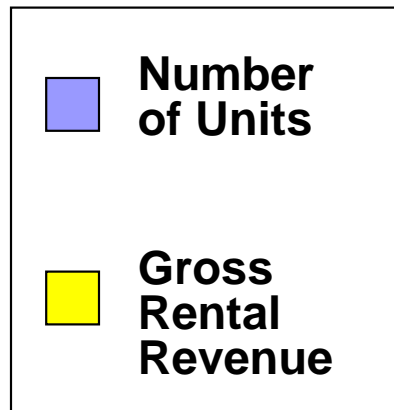
Three Months Ended September 2006



Under existing occupancy, “Loss-to-lease” = approx. \$54 million or \$0.95 per Trust unit.



Stabilized Analysis



Stabilized Analysis

Three months ended September 2006

City	Revenue	Operating Costs	NOI	% of NOI
Calgary	14.3%	2.6%	19.0%	20%
Edmonton	7.4%	-0.6%	11.4%	34%
Other Alberta	14.3%	-0.1%	21.1%	6%
Saskatchewan	3.0%	9.8%	-1.0%	11%
Ontario	1.7%	10.4%	-6.1%	9%
Quebec	0.2%	9.4%	-4.5%	20%
	6.1%	5.2%	6.6%	100%

Increase mainly in utilities

Increase mainly in utilities due to a \$200,000 sale of surplus gas during Q3 2005. Excluding this Op costs up 5.4%

Increased turnovers and higher operating expenses, particularly R & M



Stabilized Analysis

Nine months ended September 2006

City	Revenue	Operating Costs	NOI	% of NOI
Calgary	9.0%	-3.3%	15.2%	19%
Edmonton	5.2%	-1.5%	9.2%	34%
Other Alberta	10.7%	-4.6%	19.3%	6%
Saskatchewan	2.3%	4.6%	0.5%	11%
Ontario	1.6%	3.2%	-0.2%	10%
Quebec	0.1%	11.7%	-7.6%	20%
	4.2%	2.5%	5.3%	100%

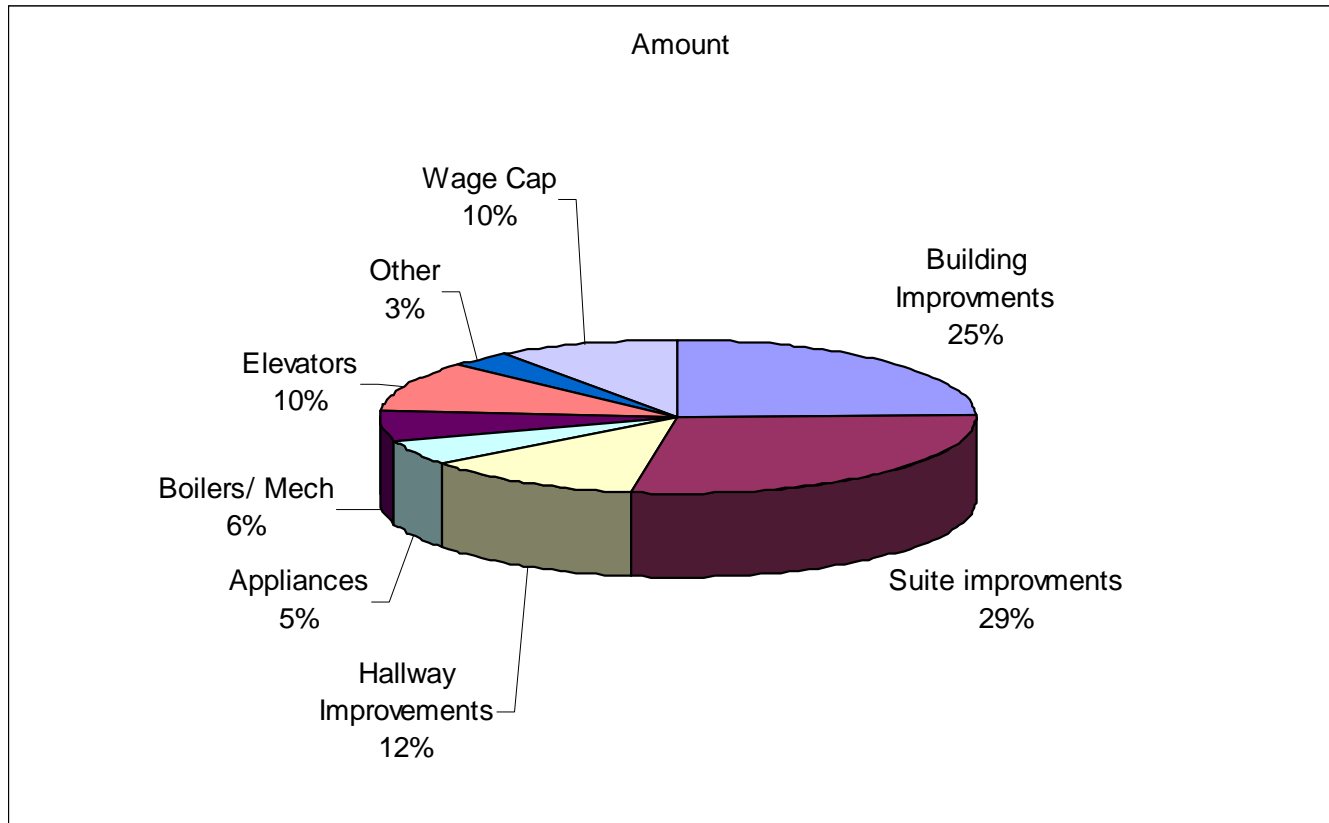
Increased turnovers and higher operating expenses, particularly R & M

Excluding Alta provincial rebate: 4.7%



Capital Investment

For the 9 months ended September 2006



Total Capital Invested: \$29.6 Million



Capital Investment

For the 9 months ended September 2006

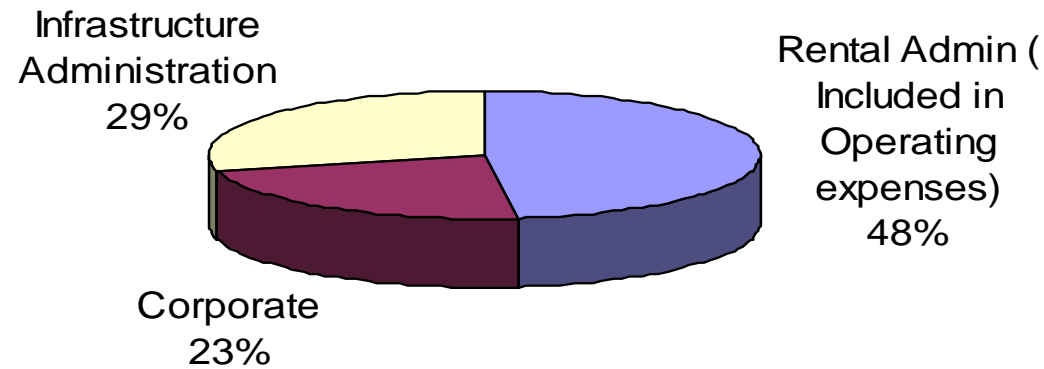
Capital Investment (in 000's except per suite amounts)

	Sep-06	Per Suite	Dec-05	Per Suite
Repairs and Maintenance - expense	\$12,914	\$384	\$13,812	\$416
On-Site Maintenance Personnel - expense	<u>\$11,529</u>	<u>\$343</u>	<u>\$14,932</u>	<u>\$449</u>
	<u>\$24,443</u>	<u>\$727</u>	<u>\$28,744</u>	<u>\$865</u>
Invested Capital - cost	<u>\$29,623</u>	<u>\$880</u>	<u>\$29,676</u>	<u>\$893</u>
	<u>\$54,066</u>	<u>\$2,142</u>	<u>\$58,420</u>	<u>\$1,758</u>
Infrastructure Administration	<u>\$ 6,419</u>	<u>\$191</u>		
	<u>\$60,485</u>	<u>\$2,333</u>		
Estimated Maintenance Capital Expenditures	\$10,098	\$300	\$13,400	\$400



Administration review

For the 9 months ended September 2006



Total Administration \$21.5 Million

Corporate G & A - \$4.9 Million - 2% of Rental Revenue



Mortgage & Debt Maturities

Year	Mortgage and Debt Balances as at September 30, 2006	Weighted Average by Maturity
2006	90,037,132	5.01%
2007	253,336,035	5.19%
2008	231,564,470	6.00%
2009	214,907,408	5.64%
2010	252,461,332	4.81%
2011	128,268,605	5.71%
2012	219,103,329	5.10%
2013	56,251,471	5.14%
2014	4,404,232	5.91%
2015	30,570,690	4.68%
2016	21,280,222	5.55%
Subsequent	22,371,074	6.26%
Grand Total	1,524,556,000	5.35%

Estimated current renewal rates: 5 years – 4.40%, 10 Years – .4.50

The average maturity of the portfolio is 3.3 years



Mortgage Highlights – Q3 '06

(in millions except interest coverage)

Mortgages Outstanding	\$1,405
Debenture	\$120
Total	\$1,525

% NHA Insured secured mortgages 99%

Existing Bond Spreads 40 to 60 basis points

Interest Coverage

2006	2.36
2005	2.10



Debt to Gross Book Value

	Sep-06	Dec-05
Total reported assets	\$ 1,899,849	\$ 1,883,386
Reported amortization	\$ 420,505	\$ 371,446
	<u>\$ 2,320,354</u>	<u>\$ 2,254,832</u>
Conversion adjustment (May 2004)	\$ 231,460	\$ 231,460
	<u>\$ 2,551,814</u>	<u>\$ 2,486,292</u>
Mortgages payable	\$ 1,404,556	\$ 1,424,962
Debentures	\$ 120,000	\$ 120,000
Market adjustment on mortgages (May 2004)	\$ 23,334	\$ 30,999
	<u>\$ 1,547,890</u>	<u>\$ 1,575,961</u>
Debt to GBV	61%	63%



Boardwalk REIT 2006 Guidance

	Original 2006 Objectives	Revised Q2 06 - 2006 Objectives	Revised Q2 06 - 2006 Objectives	Revised Q3 06 - 2006 Objectives
FFO Rental Operations	\$1.37 to \$1.46	\$1.39 to \$1.48	\$1.42 to \$1.52	\$1.55 to \$1.62
Distributable Income	\$1.41 to \$1.51	\$1.43 to \$1.53	\$1.48 to \$1.55	\$1.57 to \$1.64
New Unit Acquisitions	1,000 to 2,000	1,000 to 2,000	1,000 to 2,000	1,000
Stabilized Buildings NOI Growth	0.00%	2.00%	3.00%	5.00%



Boardwalk REIT 2007 Guidance

FFO - Rental Operations				\$1.85 to \$2.00
Distributable Income				\$1.87 to \$2.02
Apartment Unit Acquisitions				1,000 to 2,000
Alberta Gas Rebate				\$0.03
Distribution	Annual	\$	1.48	Monthly \$ 0.123
	Current	\$	1.26	
	Increase		17%	



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