

BOARDWALK REAL ESTATE INVESTMENT TRUST

Q1 2007 Conference Call

May 11, 2007 – 11:00 EST

416-644-3418 (within Toronto) or toll-free 1-800-814-4861 (outside Toronto).



Q1 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. 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

- Q1 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



Management Changes

Effective May 10th, 2007:

- Paul Hill has stepped down as Chairman of the Board, and has left the Board.
- Sam Kalias has assumed the Chairman of the Board position, and will retain his CEO position.
- James Dewald, an independent trustee, has been appointed "lead" Trustee.
- Art Havener, formerly a real estate analyst at A.G. Edwards, joins the Board as an independent Trustee.
- Roberto Geremia (formerly CFO) has assumed the role of President.
- William Wong (formerly VP & Controller) has assumed the role of CFO.



Proposed Legislative Changes

On April 24th, 2007, the Alberta Provincial Government announced:

- Legislated Rent Control will **not** be instituted in Alberta.
- \$120 million injection of Provincial monies towards affordable housing initiatives, including Public-Private Partnerships with existing landlords.
- Rental increases are allowable only once per year, from the former twice per year. No limits to rental increases were legislated.
- An increase in the notice period to one year from six months on Condominium Conversions as well as a freeze on the respective rents in these projects during the notice period.



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 758 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.



Overview – Q1 Highlights

in \$millions, except per unit amounts

	3 Months ended Mar 2007	3 Months ended Mar 2006	% Change
Rental Revenue	\$87.6	\$76.2	15.0%
NOI	\$51.0	\$42.7	19.4%
FFO	\$22.8	\$17.2	32.6%
Per Unit	\$0.40	\$0.32	25.0%
DI	\$23.6	\$17.7	33.4%
Per Unit	\$0.42	\$0.33	27.3%

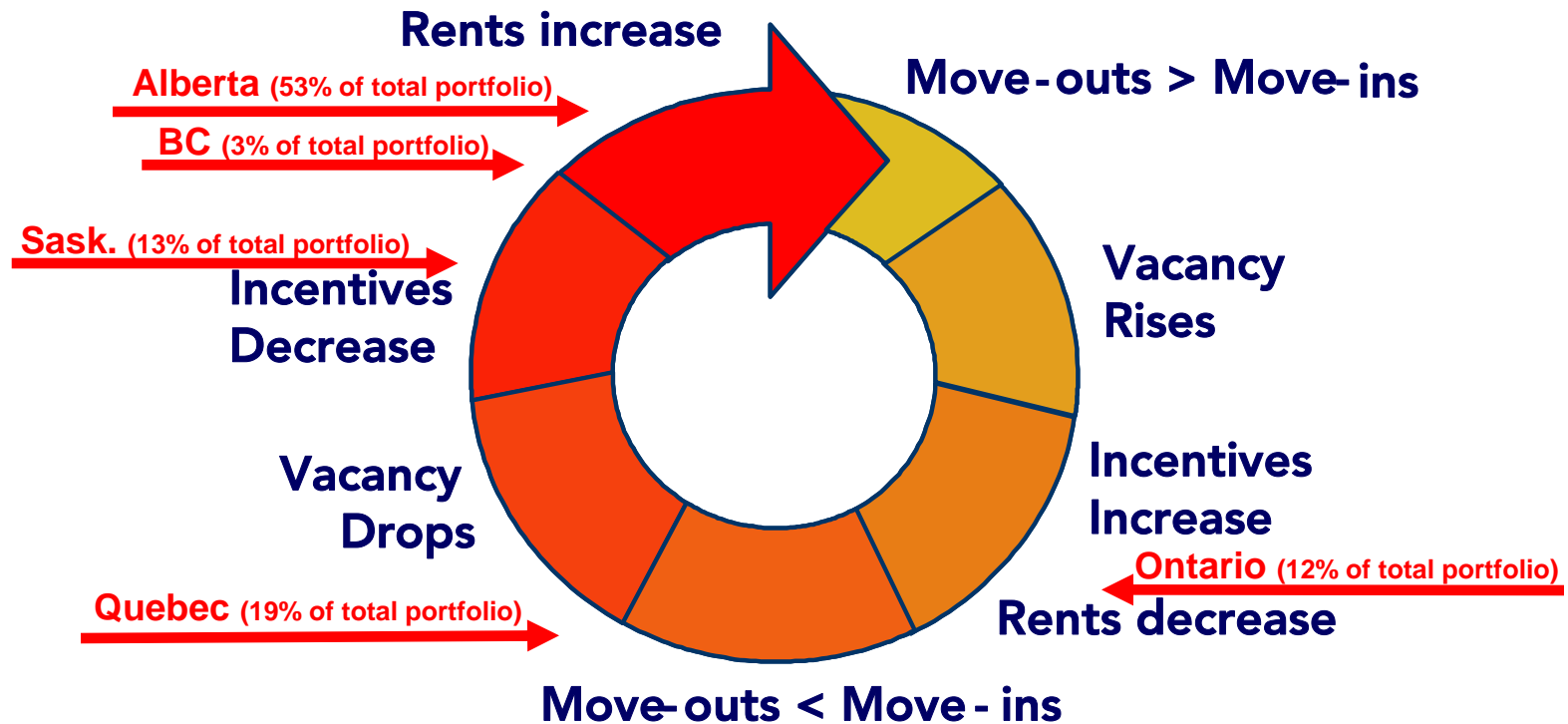


Q1 - Portfolio Highlights

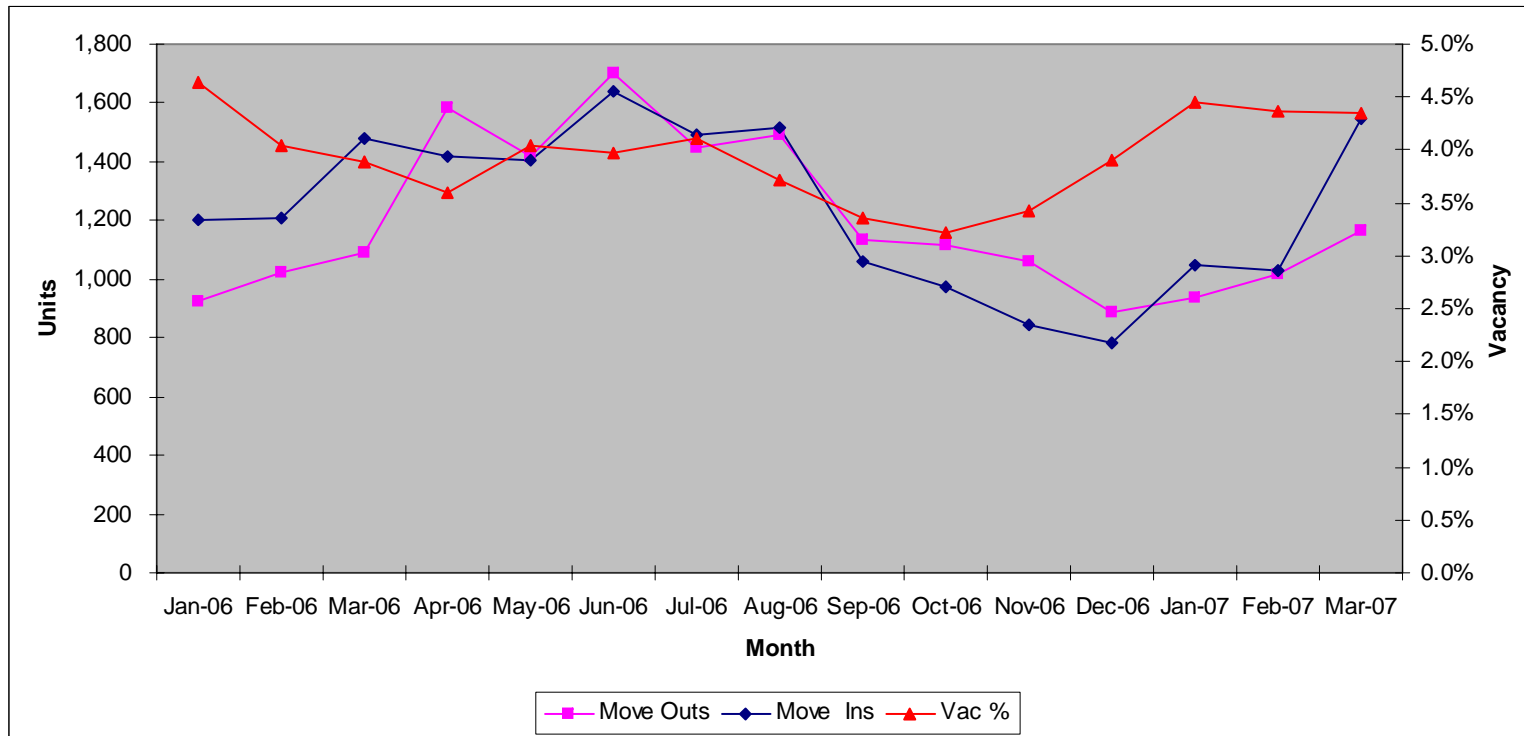
	Q1 2007	Q1 2006	Change
Portfolio Vacancy	4.39%	4.17%	22 bps
Average Rent Realized	\$842	\$767	\$75
Same Property			
Revenues	10.6%		
Operating Costs	5.7%		
NOI	14.2%		



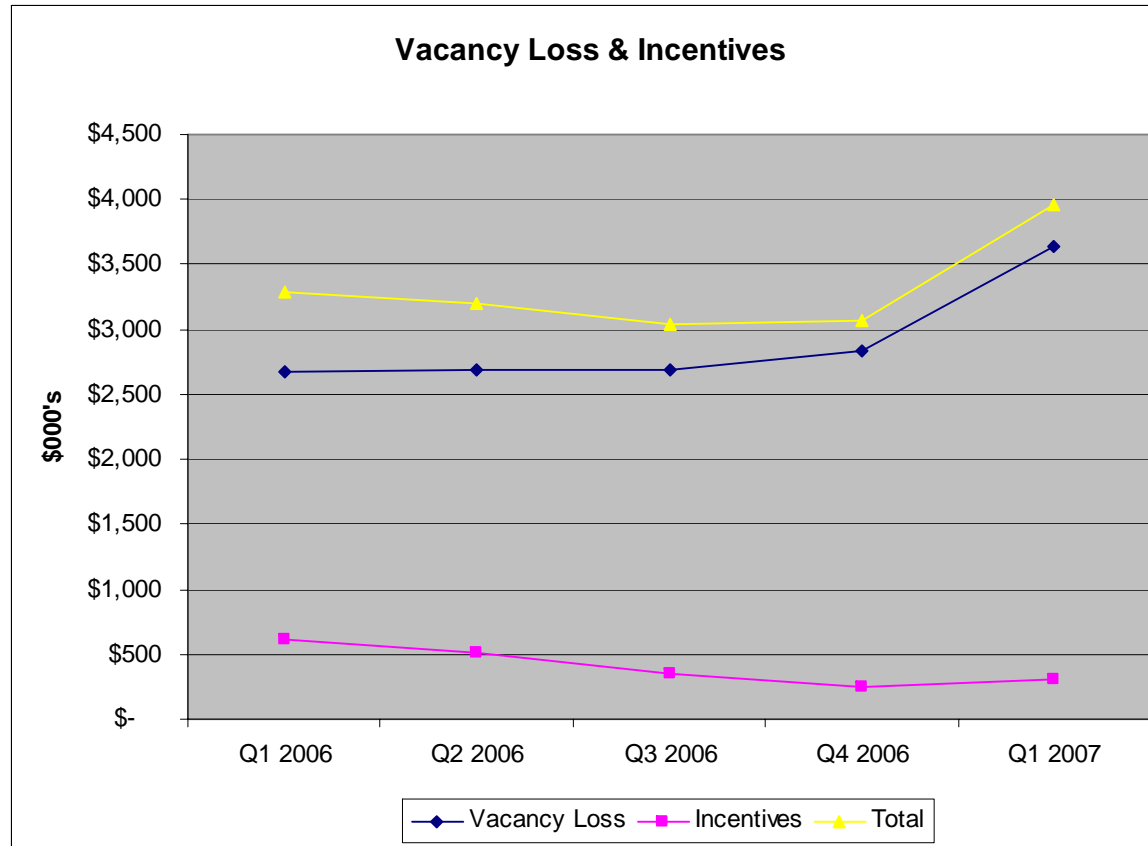
Rental Revenue Cycle



Move-outs, Move-ins and Vacancy



Vacancy Loss and Incentives



Rental Revenue Summary

Q1 2007 Stabilized Revenue Analysis

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

Number of Stabilized Units	22,574	2,488	5,622	2,330	33,014
% of Stabilized Units	68%	8%	17%	7%	100%

Approximately 76% of the portfolio is in the Hot or Really Hot Category



Internal Growth Potential

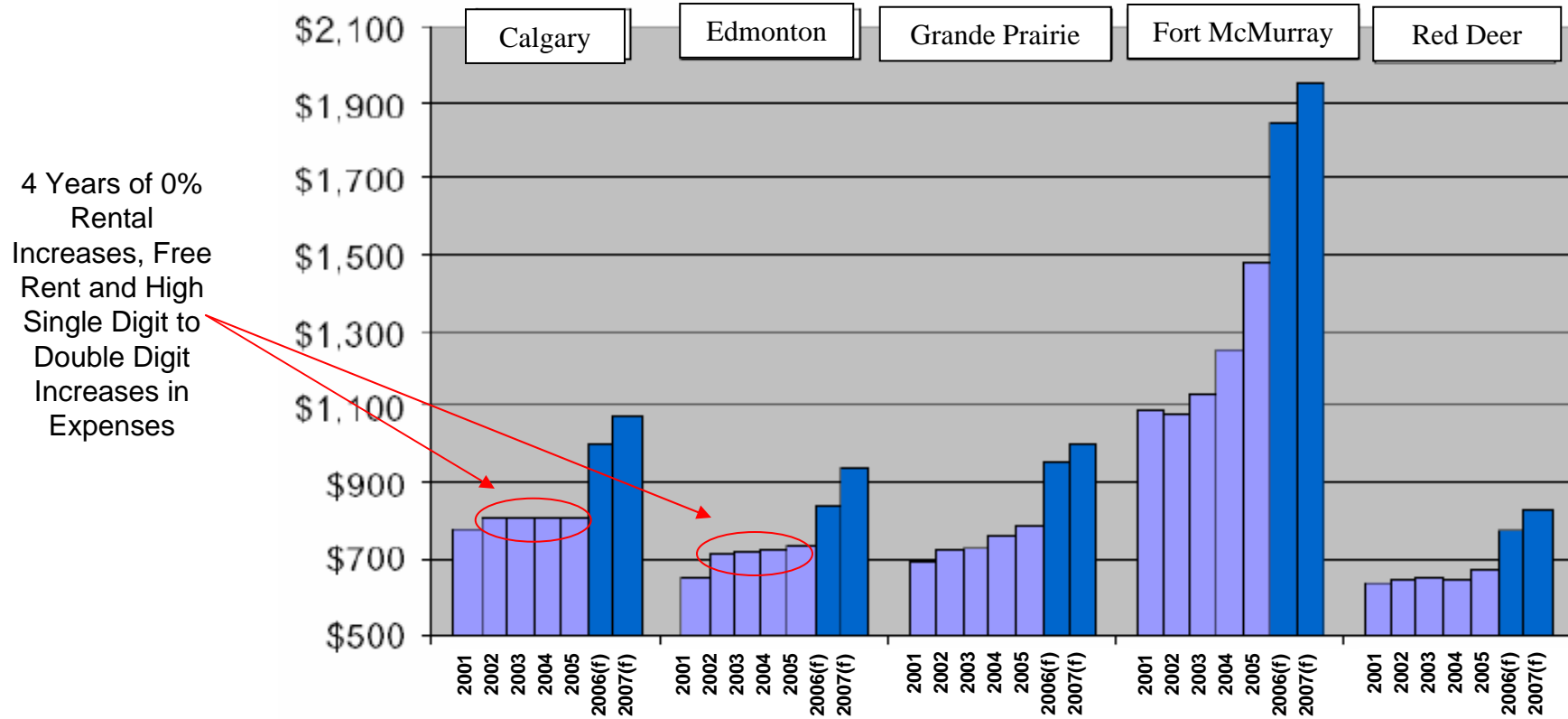
Sensitivity Analysis

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



Average Rental Rate Increases

CMHC statistics based on 2 bedroom apartments



Summarized from CMHC data



New Construction Feasibility

At what rental rate is new rental construction feasible?

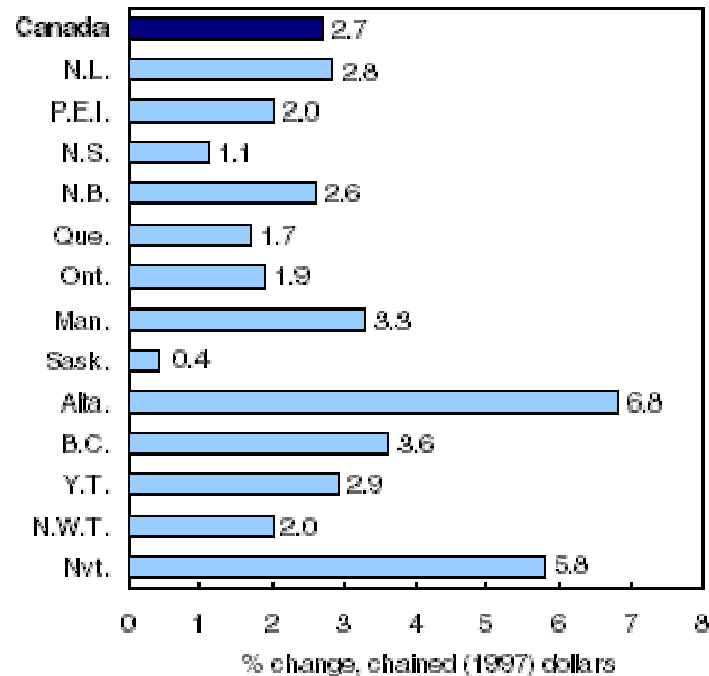
New wood frame unit cost / square foot (including land, hard and soft costs)		\$250
Average square feet per unit	x	1000
Total cost of unit		\$250,000
Developer's profit = assume 6.5% cap rate	x	0.065
Required NOI	=	\$16,250
Annual Rental operating and vacancy costs	+	3,000
Total revenue		\$19,250
Months per year	/	12
Required Monthly Rental Rate		\$1,604



Provincial Economic Growth Forecast

Alberta will lead real GDP growth for fourth consecutive year

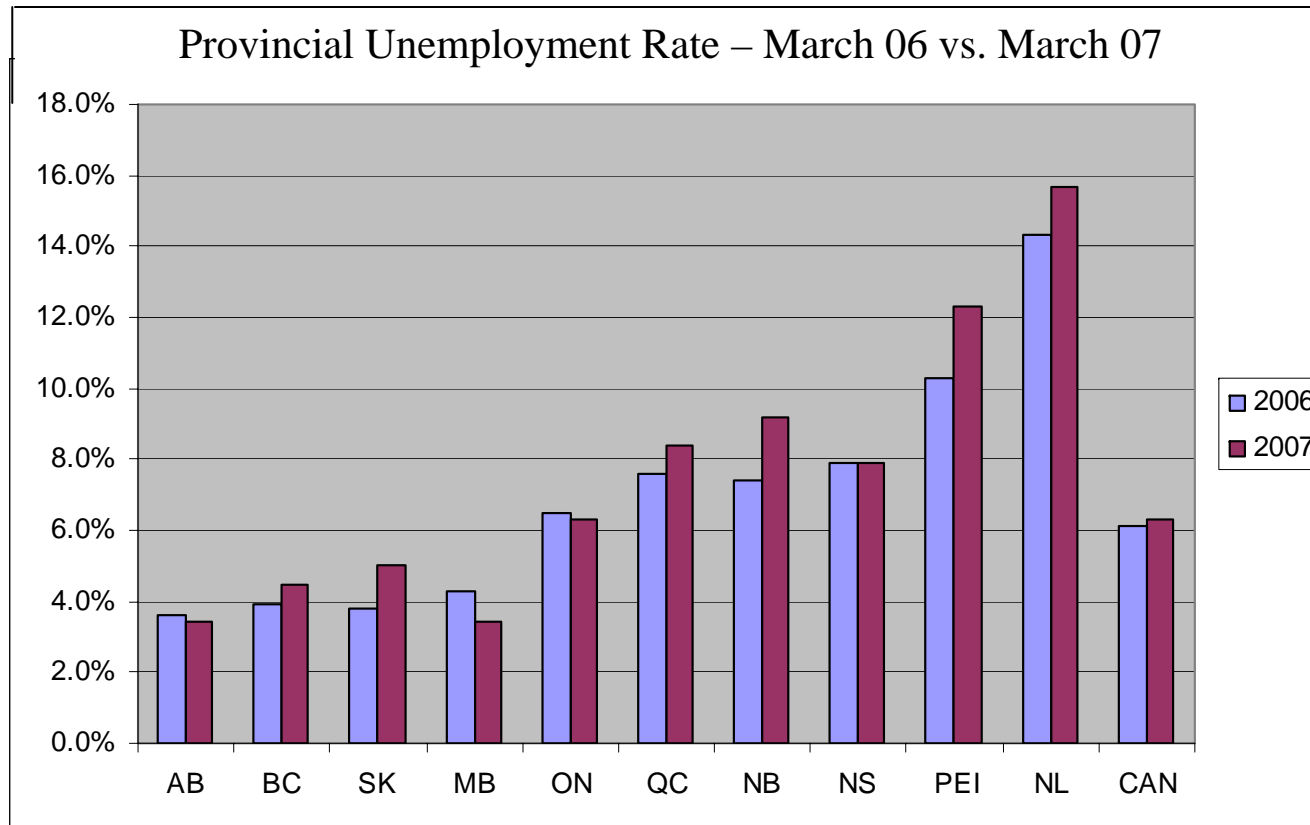
Real gross domestic product, 2006



Source: Statistics Canada, CMHC forecasts



Provincial Unemployment Rate



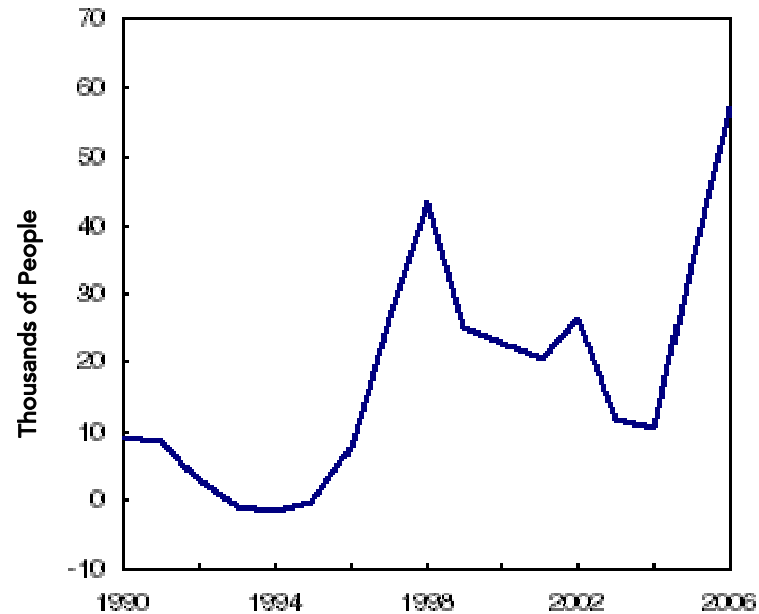
Source: Statistics Canada, Labour Force Survey



Alberta Net Migration

Alberta Net Migration:

Record inter-provincial migration to Alberta



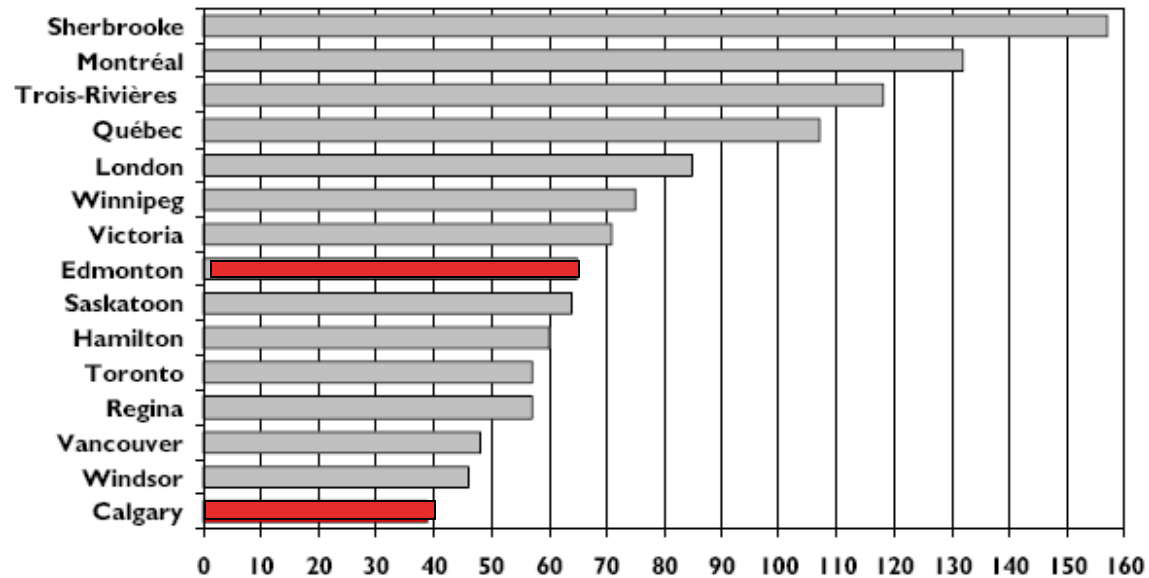
Source: CMHC



Rental Universe Per Capita

Among CMAs, Calgary has the smallest rental universe per

Ci Rental universe per 1,000 population

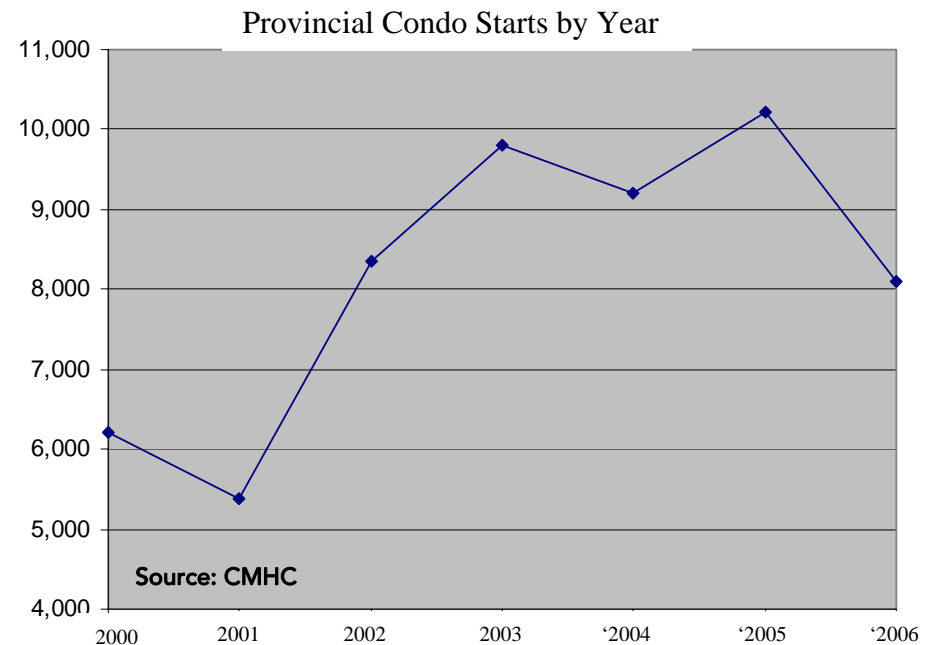
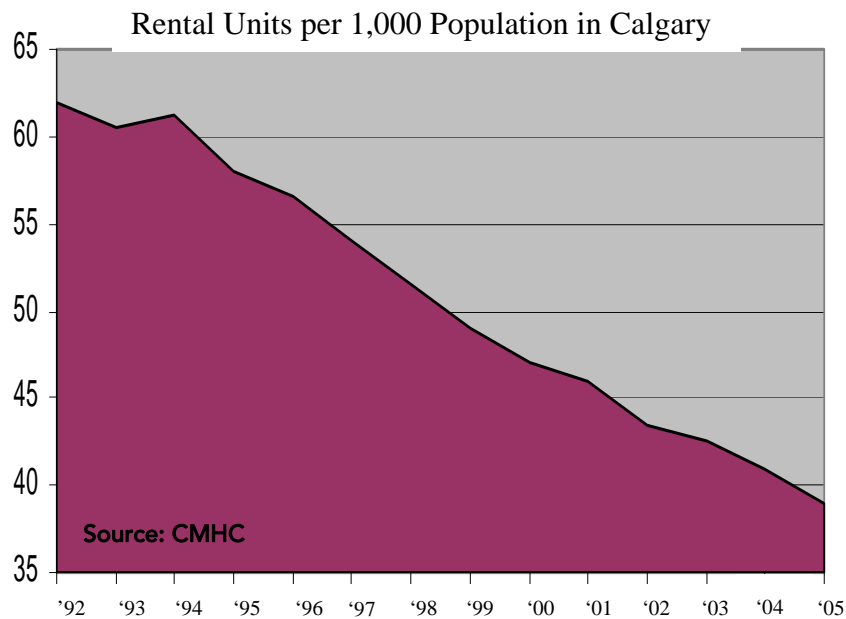


Source: CMHC



Calgary Rental Market Universe Per Capita...

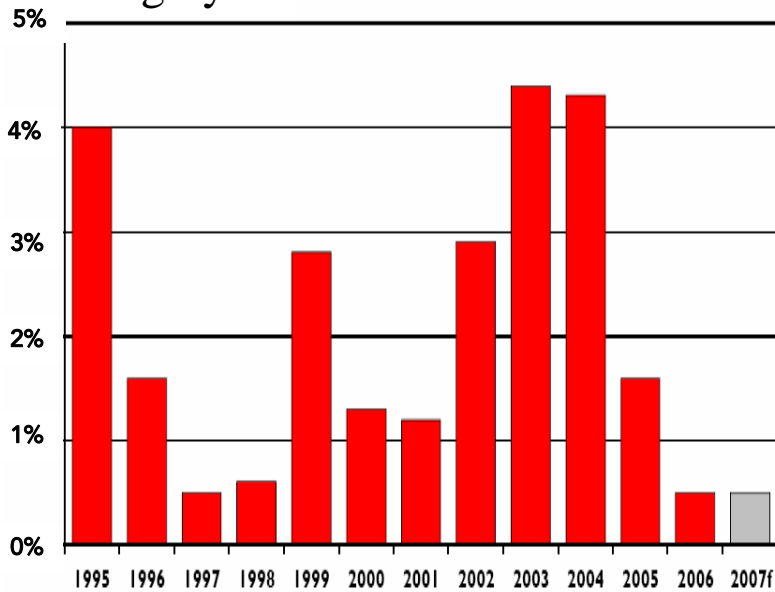
Calgary Rental Market Universe / capita has been on a downward trend since the early 1990s. However, increasing condominium construction across the Province is increasing the rental market universe in each city, as approximately 20% of new condominium units are bought by investors and subsequently rented.



Alberta Rental Market Vacancy

Average Apartment Vacancy in Alberta - Private Structures of 3+ Units

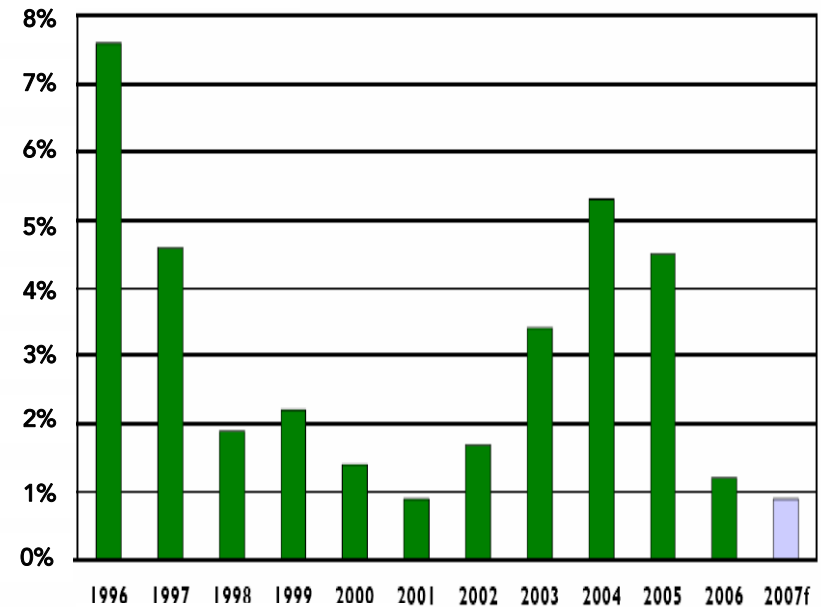
Calgary



Source / Forecast: CMHC

** Calgary represents approximately 14% of Boardwalk's total portfolio*

Edmonton



Source / Forecast: CMHC

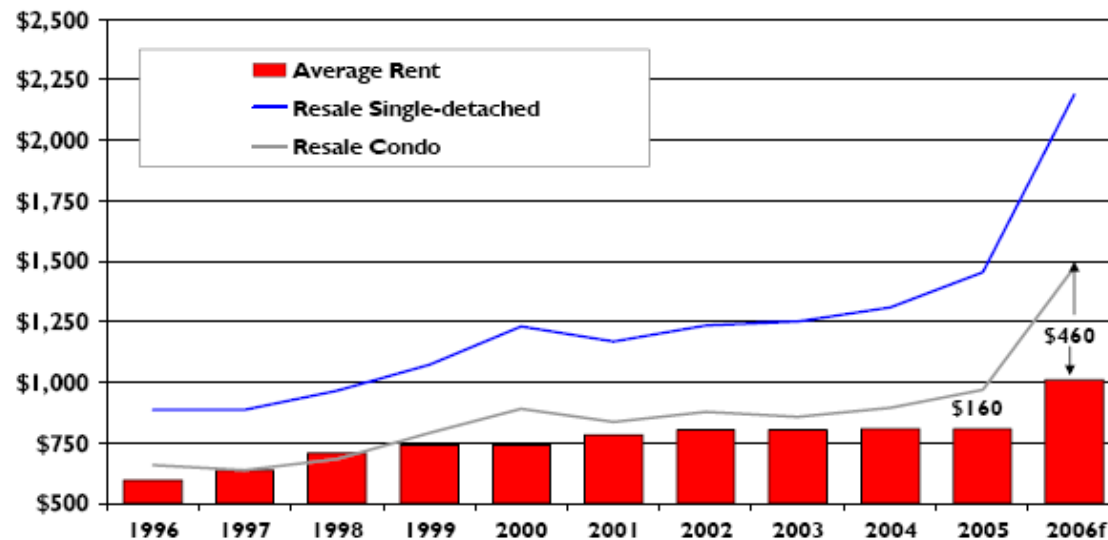
** Edmonton represents approximately 32% of Boardwalk's total portfolio*



Calgary Cost of Owning vs. Renting

Gap between owning a condo and renting an apartment widened to \$460 / month in 2006.

Monthly carrying cost*, rent



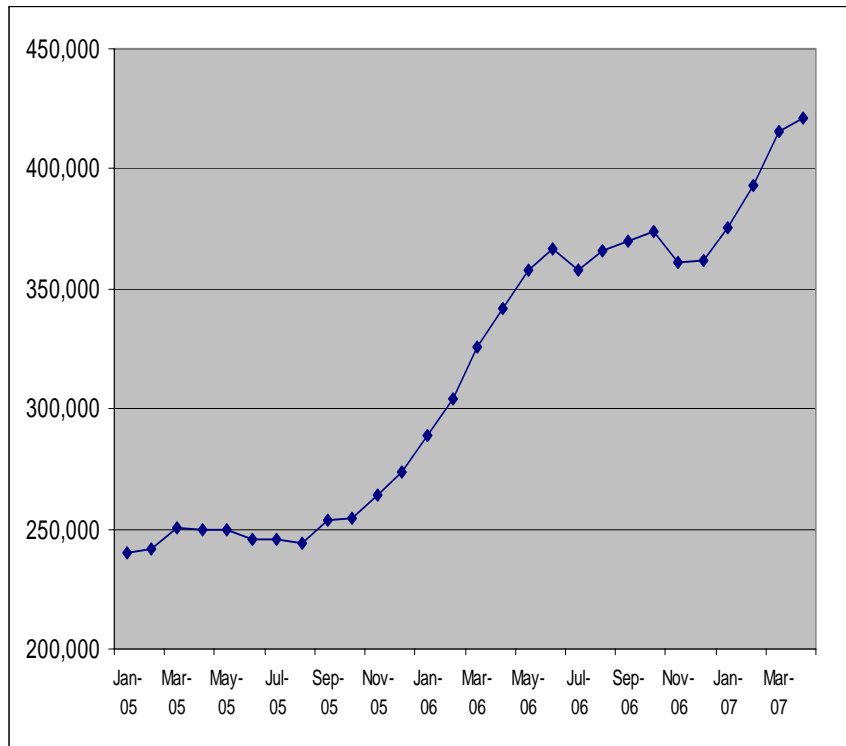
* Assumption: 10% down payment, average 5-year fixed discounted mortgage rates.

Source: CMHC, CREB, CMHC Calculation



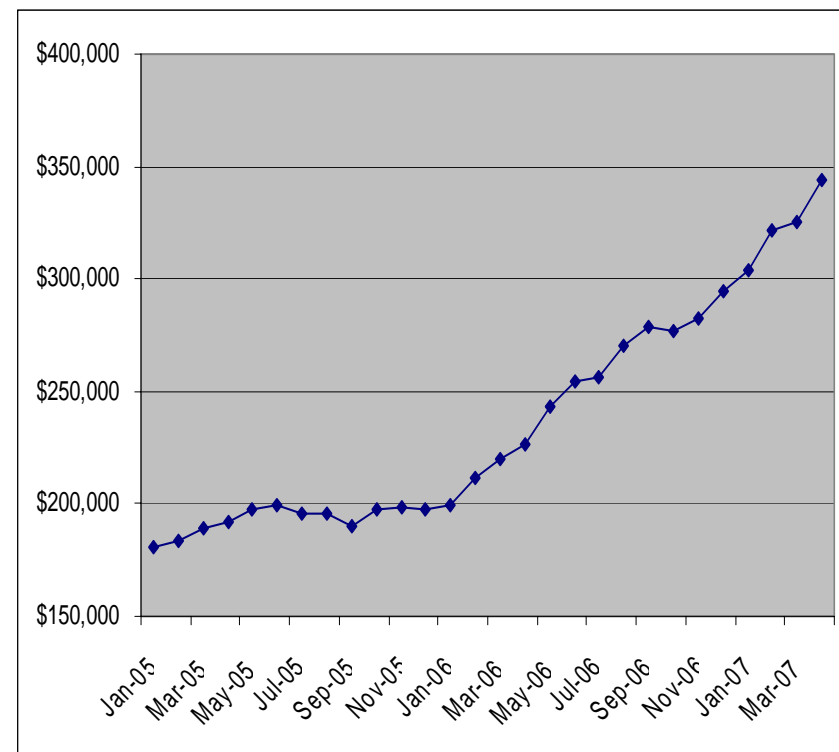
Affordability for Homeownership Declining in Alberta

Calgary Average Residential Combined Sale Price



Source: Calgary Real Estate Board

Edmonton Average Residential Combined Sale Price



Source: Edmonton Real Estate Board



Declining Cap Rates on Unit Prices

Sensitivity Analysis

Cap Rate	Unit Price
5.75%	\$ 39.61
5.50%	\$ 42.79
5.25%	\$ 46.27
5.00%	\$ 50.10

← Current implied market capitalization rate = 5.34% based on 2007 guidance



Acquisition/Disposition Activity 2007

Closed Acquisitions

Building Name	City	# of Units	Type	Price	Year 1 Cap Rate	Year 2 Cap Rate	\$/unit	\$/sq ft	Closing
Ridgemont Apartments	Coquitlam	41	Walk Up	\$ 3,700,000	5.03%	5.66%	\$ 90,244	\$142	January 25, 2007
St. Charles Place & Parkview I	Edmonton	51	Walk Up	\$ 4,150,000	4.52%	5.52%	\$ 81,373	\$104	January 26, 2007
West Edmonton Village	Edmonton	1,176	High-Rise, Mid-Rise, Townhomes	\$ 143,500,000	5.47%	6.61%	\$ 122,024	\$126	February 28, 2007
Prarie Sunrise Portfolio	Grand Prarie	275	High-Rise & Walk Up	\$ 40,000,000	4.74%	6.30%	\$ 145,455	\$175	March 14, 2007
Total		1,543		\$ 191,350,000	5.29%	6.50%	\$ 124,012	\$133	

Unconditional Acquisitions

Building Name	City	# of Units	Type	Price	Year 1 Cap Rate	Year 2 Cap Rate	\$/unit	\$/sq ft	Closing
Springwood	Edmonton (Spruce Grove)	160	Low-Rise	\$ 16,000,000	5.63%	6.44%	\$ 100,000	\$130	May 28, 2007
Total		160		\$ 16,000,000	5.63%	6.44%	\$ 100,000	\$130	

TOTAL ACQUISITIONS		1,703		\$ 207,350,000	5.33%	6.50%	\$ 121,756	\$133	
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Dispositions

Building Name	City	# of Units	Type	Price	Year 1 Cap Rate	\$/unit	\$/sq ft	Closing
St. Charles Place & Parkview I	Edmonton	51	Walk Up	\$ 5,900,000	3.20%	\$ 115,686	\$148	April 30, 2007
Total		51		\$ 5,900,000	3.20%	\$ 115,686	\$148	

* Cap Rates based on internal estimates



Acquisition Highlight

Prairie Sunrise Tower Portfolio

#100, 9649 94th Ave

Grande Prairie, Alberta

Units: 275

Av. Sq. Ft: 831

Date acquired: Mar 14, 2007

Purchase Price \$40.0 MM

Year 1 Cap Rate: 4.74%

Year 2 Cap Rate: 6.30%

Price per Unit: \$145,455

\$175 per Square Foot



Acquisition Highlight

Springwood Place Apartments

Status: Conditions Waived

Closing: May 28, 2007

779-799 Calahoo Road

Edmonton (Spruce Grove), Alberta

Units: 160

Av. Sq. Ft: 769

Purchase Price: \$16.0 MM

Year 1 Cap Rate: 5.63%

Year 2 Cap Rate: 6.44%

Per rental unit: \$100,000

Per sq. ft.: \$130



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	4.00 - 5.00%
Edmonton	4.00 - 5.00%
South West Ontario	6.00 - 6.75%
Montreal	5.50 - 6.50%
Quebec City	5.75 - 6.75 %



Q1 - Funds From Operations

(in 000's, except per unit amounts)

FFO Reconciliation In \$000's, except per unit amounts	3 Months Mar-07	3 Months Mar-06	% Change
Net earnings from continuing operations	\$3,683	(\$373)	
Adjustments			
Earnings (loss) from discontinued operations	(\$52)	\$7,670	
Deduct gain on dispositions	\$0	(\$7,527)	
Recovery of write-down on technology business unit / other	\$0	\$0	
Future income taxes (recovery)	(\$232)	(\$102)	
Future income taxes (recovery) on discontinued operations	\$0	\$0	
Amortization of capital assets	\$19,359	\$17,534	
Funds from operations	<u>\$22,758</u>	<u>\$17,202</u>	32.3%
Funds from operations - per unit	<u>\$0.40</u>	<u>\$0.32</u>	25.0%



Q1 - Distributable Income

(in 000's, except per unit amounts)

Distributable Income Reconciliation In \$000's, except per unit amounts

	3 Months Mar-07	3 Months Mar-06	% Change
Total Operating Cash Flows	\$22,602	\$16,354	
Net change in operating working capital	\$155	\$848	
Add deferred financing costs amortization	\$1,279	\$776	
Deduct deferred financing costs amortization after May 3, 2004	(\$326)	(\$265)	
Add (deduct) net discounts (premiums) adjustment after May 3, 2004	(\$89)	(\$11)	
Distributable income	<u>\$23,621</u>	<u>\$17,702</u>	33.4%
Distributable income - per unit	<u>\$0.42</u>	<u>\$0.33</u>	27.3%



Q1 - Overall Performance

	3 Months Mar 31, 2007
FFO RECONCILIATION	
FFO Opening - March 31, 2006	\$ 0.32
NOI from Stabilized	\$ 0.11
NOI from Unstabilized	\$ 0.04
Financing costs	\$ (0.02)
Write-off of Deferred Financing Costs	\$ (0.01)
Administration and other	\$ (0.02)
Dilution	\$ (0.02)
FFO Closing - March 31, 2007	<u>\$ 0.40</u>



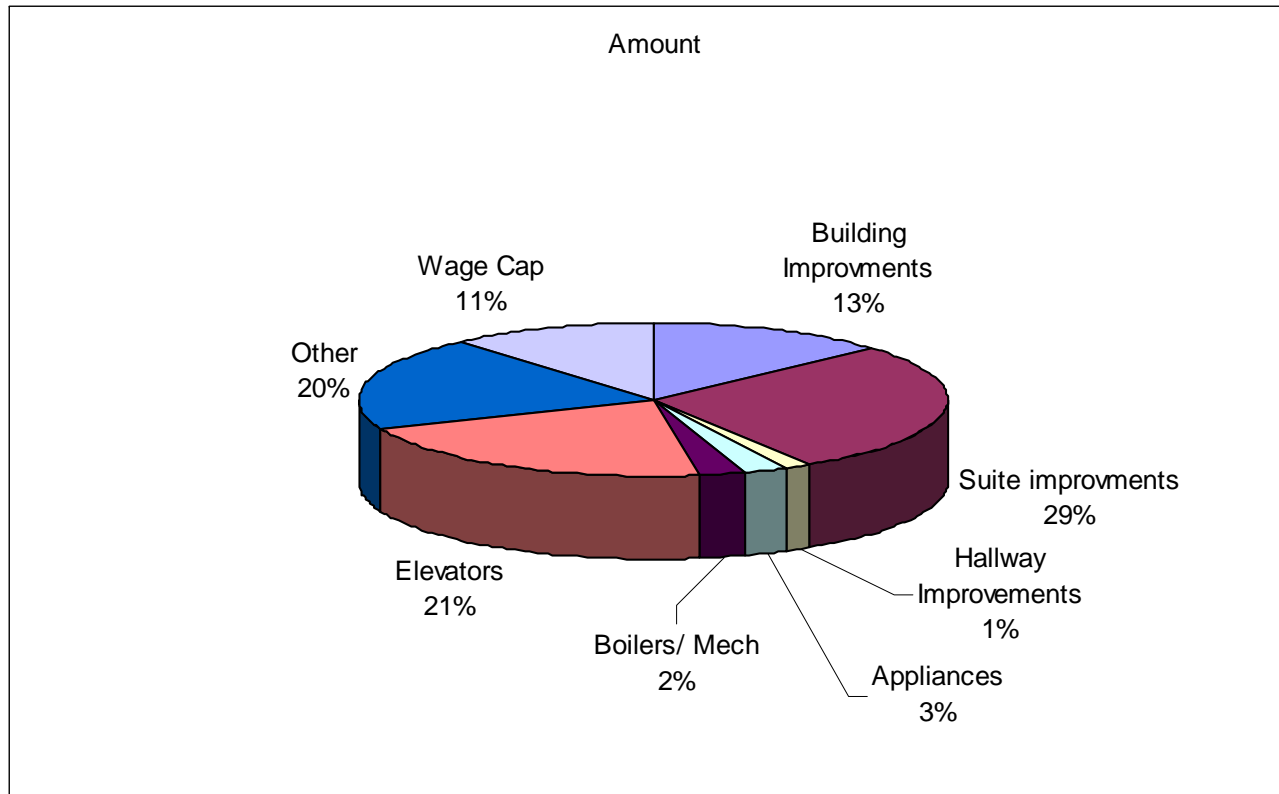
Q1 - Overall Performance

<i>In 000's, except per unit amounts</i>		3 Months Mar-07	3 Months Mar-06	Change
Rental revenue		\$87,570	\$76,249	14.8%
Expenses				
	Operating expenses	\$15,541	\$13,845	12.2%
	Utilities	\$13,646	\$12,792	6.7%
	Utility rebate	(\$925)	(\$1,382)	-33.1%
	Property taxes	\$8,284	\$8,316	-0.4%
		<u>\$36,547</u>	<u>\$33,571</u>	8.9%
	Net operating income	\$51,024	\$42,678	19.6%
	Average rent per unit per month	\$850	\$765	
	Operating costs per unit per month	\$355	\$337	
	Operating margins	58%	56%	



Capital Investment

For the 3 months ended March 31, 2007



Total Capital Invested in Q1 2007: \$14.4 Million



Capital Investment

For the 3 months ended March 2007

in 000's of \$ except for per suite amounts	3 Months Mar-07	Per Suite	3 Months Mar-06	Per Suite
Repairs and Maintenance - expense	\$4,575	\$533	\$3,994	\$481
On-Site Maintenance Personnel - expense	\$4,131	\$481	\$3,880	\$467
	<u>\$8,706</u>	<u>\$1,014</u>	<u>\$7,874</u>	<u>\$948</u>
Invested Capital - cost	\$14,370	\$1,673	\$6,979	\$840
	<u>\$23,076</u>	<u>\$2,687</u>	<u>\$14,853</u>	<u>\$1,788</u>



Loss To Lease Statistics

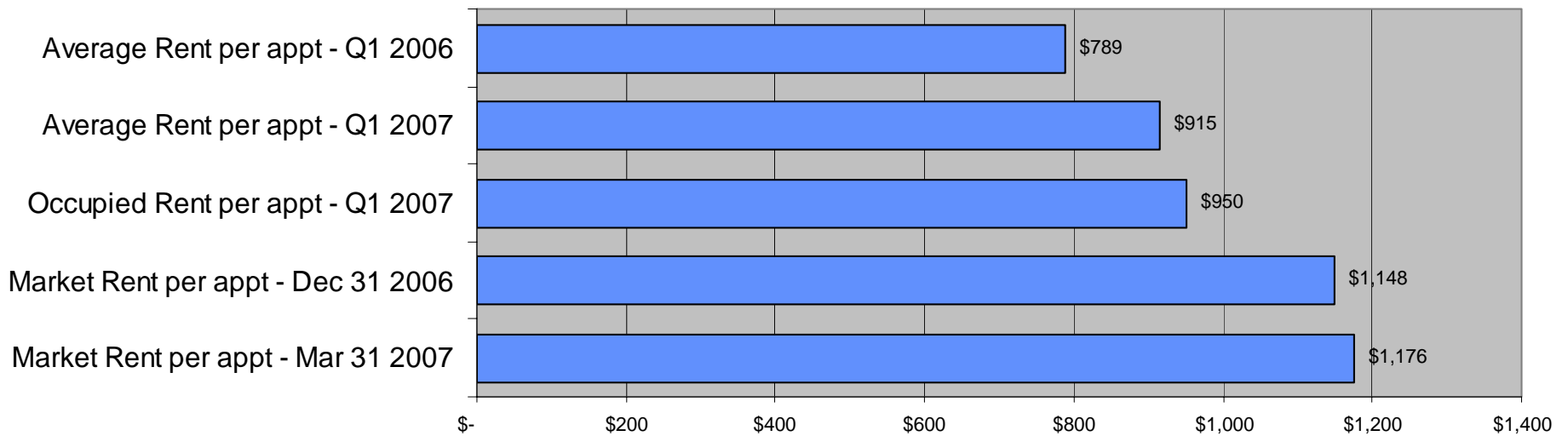
March 2007

	Mar 2007 Occupied Rent	Mar 2007 Market Rent	Mark to Market Per Month	Annualized Mark to Market (\$000's)	Weighted Average Units	% of Portfolio
Calgary	\$1,064	\$1,319	\$255	\$13,932	4,763	14%
Edmonton	\$909	\$1,108	\$200	\$27,511	11,876	34%
Other Alberta	\$1,047	\$1,248	\$200	\$4,021	1,761	5%
Alberta Portfolio	\$962	\$1,176	\$235	\$45,464	18,400	52%
Saskatchewan	\$678	\$719	\$41	\$2,165	4,660	13%
Ontario	\$780	\$788	\$8	\$355	4,265	12%
Quebec	\$904	\$937	\$32	\$2,338	6,754	19%
British Columbia	\$920	\$934	\$14	\$162	1,087	2%
Total Portfolio	\$890	\$1,015	\$125	\$50,484	35,166	100%



Alberta Monthly Rental Revenue Statistics

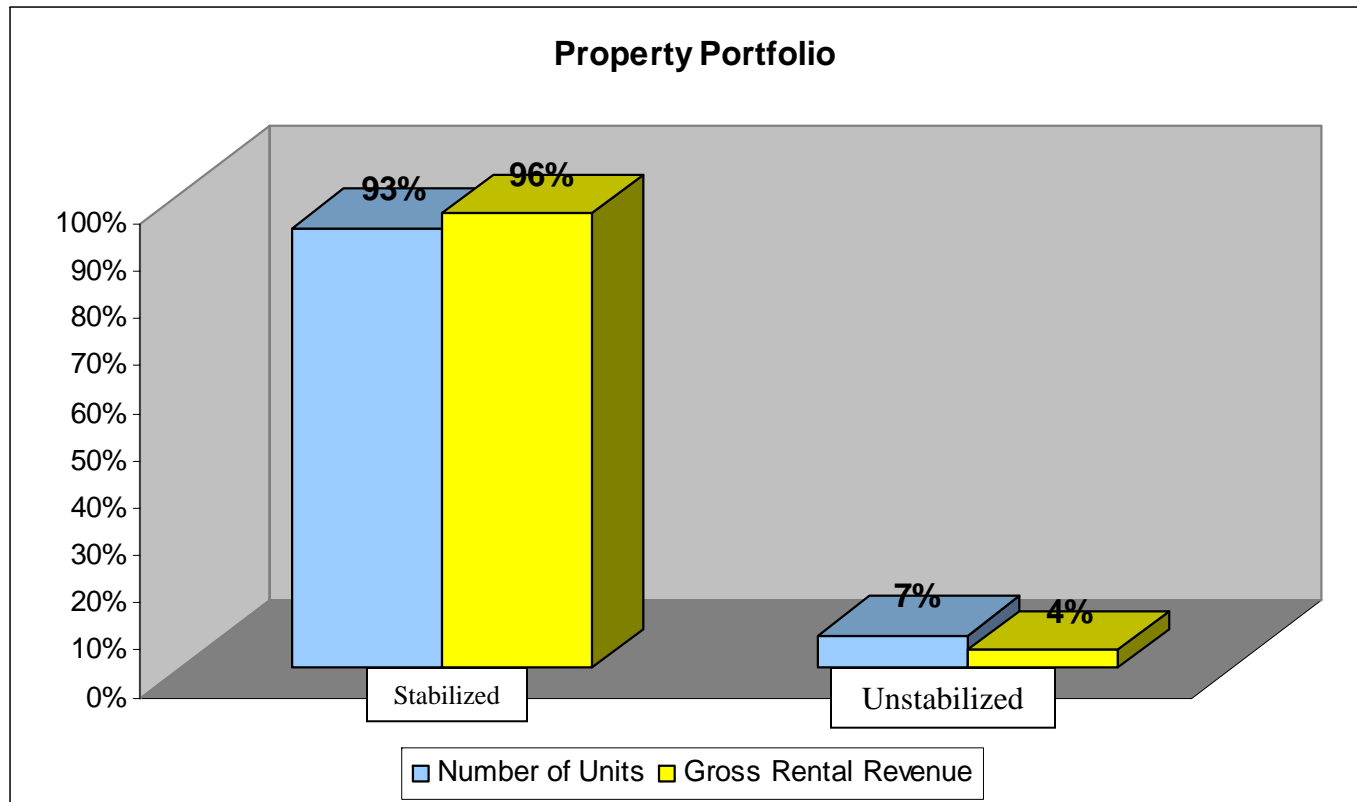
Three Months Ended March 2007



Under existing occupancy, "Loss-to-lease" = approx. \$45.5 million.



Q1 - Stabilized Analysis



Stabilized Analysis

Three months ended March 2007

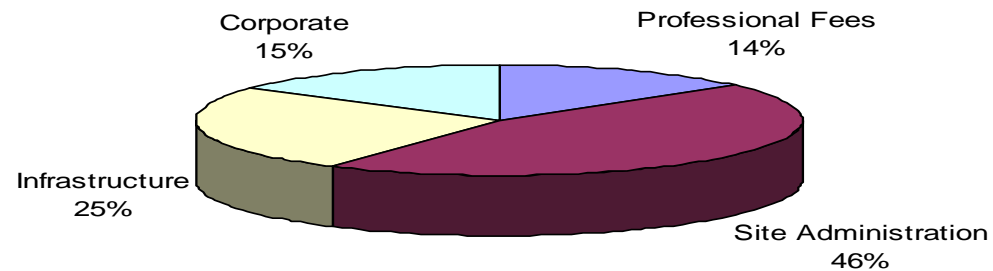
Mar 31 2007 - 3 M	# of Units	Revenue Growth	Operating Expense Growth	Net Operating Income Growth	% of Stabilized NOI
Calgary	4,973	21.3%	11.9%	25.6%	22%
Edmonton	10,369	15.8%	8.3%	20.5%	34%
Other Alberta	1,680	18.1%	9.1%	22.9%	7%
British Columbia	633	6.3%	2.7%	8.1%	2%
Saskatchewan	4,660	6.0%	7.5%	4.6%	9%
Quebec	6,434	2.0%	0.5%	3.4%	17%
Ontario	4,265	0.0%	2.4%	-3.0%	8%
	33,014	10.6%	5.7%	14.2%	100%



Administration Review

For the 3 months ended March 2007

Administration Overview



Total Administration \$9.7 Million

Infrastructure G & A: \$2.5 Million or 3% of Rental Revenue



Mortgage & Debt Maturities

Year	Principal Outstanding as at Mar. 31, 2007	Weighted Average Interest Rate	% of Total
2007	340,272,423	5.34%	19.92%
2008	229,650,925	5.99%	13.44%
2009	266,725,143	5.39%	15.61%
2010	284,836,177	4.76%	16.67%
2011	118,508,864	5.77%	6.94%
2012	322,486,440	4.90%	18.88%
2013	63,430,963	5.07%	3.71%
2014	4,331,942	5.91%	0.25%
2015	30,426,670	4.68%	1.78%
2016	25,667,569	5.35%	1.50%
2018	6,955,618	6.18%	0.41%
2019	11,382,282	5.99%	0.67%
2020	3,674,272	7.24%	0.22%
Total Principal Outstanding	1,708,349,288	5.28%	100.00%

Estimated current renewal rates: 5 years – 4.57%, 10 Years – 4.61
 The average maturity of the portfolio is 3 years.



Mortgage Highlights – Q1 2007

(in millions except interest coverage)

Mortgage Principal Outstanding	\$1,588
Debtenture	\$120
Total	\$1,708

% NHA Insured secured mortgages 91%

Existing Bond Spreads 30 to 50 basis points

Interest Coverage – Continuing Operations

March 31, 2007	2.11
March 31, 2006	1.89



Debt to Gross Book Value

(In \$000's)	Mar-07	Dec-06
Total reported assets	\$ 2,060,852	\$ 1,870,460
Reported amortization	\$ 456,067	\$ 438,269
	<u>\$ 2,516,919</u>	<u>\$ 2,308,729</u>
Conversion adjustment (May 2004)	\$ 231,460	\$ 231,460
	<u>\$ 2,748,379</u>	<u>\$ 2,540,189</u>
Mortgages payable	\$ 1,544,391	\$ 1,380,578
Debentures	\$ 118,524	\$ 118,448
Bank Indebtedness	\$ 42,334	\$ 4,042
Market adjustment on mortgages (May 2004)	\$ 18,225	\$ 20,779
	<u>\$ 1,723,474</u>	<u>\$ 1,523,847</u>
Debt to GBV	63%	60%

Current Debt to Total Market Capitalization – 39.9%



Boardwalk REIT 2007 Guidance

	Original 2007 Objectives	Revised 2007 Objectives
FFO Rental Operations	\$1.85 to 2.00	\$1.90 to \$2.02
Distributable Income	\$1.87 to 2.02	\$1.92 to \$2.04
New Unit Acquisitions	1,000 to 2,000	1,000 to 2,000
Stabilized Buildings NOI growth	8.00%	8.50%



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