



We are pleased to share some Alberta market information which was presented by Canada Mortgage and Housing Corporation (CMHC) on November 17, 2005, during their yearly Housing Outlook Conference. We have summarized some of the information below on our major Alberta markets. Attached you will find CMHC's presentations on the cities of Edmonton and Calgary, our 2 largest markets representing over 46% of our portfolio. We have also included a recent Edmonton Journal article which you might find interesting.

CMHC has recently announced a free subscription service (in pdf format) for all subscribers to receive various housing, statistical and rental market reports automatically via email. To view, download or subscribe to free reports, visit www.cmhc-schl.gc.ca/mktinfo/store.

Alberta Market

Investment in Alberta's oilsands (exceeding \$70 billion in the Wood Buffalo-Athabasca region, and over \$10 billion each in the Calgary and Edmonton regions) will continue to have positive spin-off effects throughout the province. The province's unemployment rate is at its lowest point since the early 1970's as sustained economic growth since the late 1990's has led to solid job growth. Alberta will continue to attract workers from all parts of the country and internationally (40,000 persons from migration in 2006). Approximately one-third of these migrants will go to Calgary, 20% expected to go to Edmonton and the remainder to other AB markets. Gains from net migration will grow Alberta's population by 1.4% during the 2005 to 2006 period, compared to the Canadian average of about 1%.

Rental Market Vacancy

In Calgary (representing over 15% of Boardwalk's rental units), CMHC expects apartment vacancies to drop to 3.2% in 2005 and 3.0% in 2006, compared to 4.3% in 2004. Part of the drop in vacancy can be attributed to the high number of condo conversions in a market that already has the smallest rental pool per capital across the country. A return to strong levels of migration will help the absorption of vacant units. As mentioned in our Q3 conference call, Calgary's net migration is up 5 fold at 13,677 people from 2004. The supply of first-time home buyers will continue to erode as rising prices and modestly higher mortgage rates will push some renters out of the homeownership market.

In Edmonton (representing over 31% of Boardwalks units), CMHC expects vacancies to be 4.8% in 2005 and 4.5% in 2006, down from 5.3% in 2004. A slowdown in home-buying, increased migration and reduced rental unit construction will cause this improvement in vacancy rates. Further improvements in net migration (31% increase at 9,000 people over 2004) will help the decline in vacancies. Rents are also expected to increase in 2006 by 1% after being unchanged for about a year due to higher vacancies.

New Supply

Total housing starts for Calgary are expected to decline 4% to 13,500 units in 2005. A concern over the increased supply in the multi-family market has helped cut production. Calgary however will still be the strongest new housing market in Canada. By 2006, CMHC expects average single-family home prices to increase 8.6% to \$342,000.

New housing activity in Edmonton is expected to continue at its record level of over 13,000 for 2005, with the multi-family segment declining by 10% by 2006. Some concern of excess condo inventories will help curb further increases in construction. By 2006, average single-family home prices are expected to grow almost 10% to \$295,000.

The red-hot economy will insulate local builders from a national slowdown in housing starts. Higher wages will continue to attract migrants to full-time positions; this will in turn help sustain the level of housing activity in the province. Higher wages combined with positive demographic trends will also help rental landlords who have one year

lease terms and can adjust rents quickly.

Summary

Overall, multi-family market fundamentals continue to improve into 2006. Alberta's vibrant job market will continue to attract workers from other parts of the country and from international destinations to the tune of 40,000 people by 2006.

Various favourable economic factors will keep demand for all housing types, including rental, at very strong levels. However, overall new housing activity is expected to decline by 4% as inflationary forces continue to price new homeowners out of the market.

As a reminder, Boardwalk's rental lease terms are one year. Alberta's hot economy has placed inflationary pressures on wages, utility costs, property taxes and repairs and maintenance expenses. As the demand for our rental product in Alberta continues to increase, over time we are confident we can offset these increases with a recovery in rental rates along with decreased use of incentives.

The following slides help sum up the some of the drivers of the multi-family markets in Calgary and Edmonton, respectively.

ALBERTA AT HOME				
	2003	2004	2005f	2006f
Economy				
5-Year Mortgage Rate	6.39%	6.23%	6.06%	6.38%
Employment Growth	10,880	14,770	10,000	12,500
Net Migration	8,965	2,253	13,677	15,000
New Home Market				
Single-Family Starts	8,526	8,233	8,500	8,500
Multi-Family Starts	5,116	5,775	5,000	5,250
Single Average Price	\$267,104	\$285,250	\$315,000	\$342,000
Resale Market *				
Total Sales*	24,359	26,463	30,750	30,200
Average Price**	\$211,155	\$222,801	\$248,800	\$269,800
Rental Market				
Apt. Vacancy Rate (%)	4.4	4.3	3.2	3.0

*Source: Calgary Real Estate Board, ** Total Residential Forecast: CMHC

ALBERTA AT HOME				
	2003	2004	2005F	2006F
FORECAST SUMMARY				
Economy				
Employment Growth	16,600	16,400	3,000	10,000
Net Migration	5,715	6,895	9,000	10,500
New Home Market				
Single-Family Starts	6,391	6,614	7,350	6,900
Multi-family Starts	5,989	4,874	6,000	5,400
Single Ave. Price	\$223,507	\$242,175	\$268,500	\$295,000
Resale Market*				
Total Sales**	16,277	17,652	18,300	17,750
Single-family Sales	11,097	12,028	12,300	11,900
S.F. Average Price	\$185,569	\$201,622	\$220,000	\$232,500
Rental Market				
Apt. Vacancy Rate (%)	3.4%	5.3%	4.8%	4.5%
Apt. Rent Change (%)	2.2%	1.2%	0.0%	1.0%

*Source: EREB, ** Total Residential Forecast: CMHC