

## **NEWS RELEASE FOR IMMEDIATE DISTRIBUTION**

### **BOARDWALK ANNOUNCES RECORD FULL YEAR 2004 FINANCIAL RESULTS; 9% INCREASE IN 2004 FFO FROM CONTINUING OPERATIONS**

### **ANNOUNCES REVISION IN REPORTED Q2 AND Q3 2004; CONFIRMS 2005 GUIDANCE FOR FUNDS FROM OPERATIONS AND DISTRIBUTABLE INCOME**

**Calgary, Alberta – February 17, 2005** - Boardwalk Real Estate Investment Trust (“BEI.UN” - TSX)

Boardwalk Real Estate Investment Trust (“Boardwalk REIT” or the “Trust”) today announced record financial results for fiscal 2004 and solid results for the fourth quarter of 2004. These results reflect the activities of Boardwalk Equities Inc. (“BEI”) and Boardwalk REIT for the period January 1, 2004 to December 31, 2004. The financial results have been reported as a “Continuity of Interest” with specific financial results for the predecessor corporation of Boardwalk REIT, BEI, and the newly established Trust detailed in the notes to the financial statements which are included later in this press release.

For the fourth quarter ended December 31, 2004, the Trust reported Funds From Operations (“FFO”) from continuing operations of \$17.7 million and FFO from continuing operations per unit of \$0.33 on a diluted basis, compared to FFO from continuing operations of \$18.3 million and FFO from continuing operations per unit of \$0.36 for the same period last year. Distributable income (“DI”) from continuing operations for the quarter was \$18.7 million and DI from continuing operations per unit was \$0.35 on a diluted basis, compared to \$19.0 million and \$0.37 per unit for the same period last year.

*Funds from operations (“FFO”) is a generally accepted measure of operating performance of real estate investment trusts and companies, however is a non-GAAP measurement. The Trust calculates FFO by taking net earnings after discontinued operations and adding non-cash items including future income taxes and amortization. The determination of this amount may differ from that of other real estate investment trusts and companies. Distributable income (“DI”) is calculated based on the definition as set out in the Trust’s declaration of trust and is computed by taking FFO from continuing operations and adding back amortization on any deferred financing charges incurred prior to May 3, 2004 as well as adjusting for any discounts or premiums relating to the amortization of mark-to-market debt adjustment incurred subsequent to the real estate investment trust conversion date of May 3, 2004.*

Highlights of the Trust’s fourth quarter 2004 financial results include:

- Rental revenues of \$71.8 million, an increase of 2.7% compared to \$69.9 million for the three-month period ended December 31, 2003.
- Net operating income of \$43.5 million, representing a 3.1% decrease from \$44.9 million in the same period last year.
- FFO from continuing operations of \$17.7 million, a decrease of 3.3% compared to \$18.3 million for the three-month period ended December 31, 2003.
- FFO from continuing operations per unit was \$0.33 on a diluted basis, down 8.3% compared to \$0.36 for the three-month period ended December 31, 2003.
- DI from continued operations was \$0.35 per unit, down 5.4% compared to \$0.37 for the three months ended December 31, 2003.



Highlights of the Trust's financial results for fiscal 2004 include:

- Rental revenues of \$282.5 million, an increase of 4.2% compared to \$271.0 million for the twelve-month period ended December 31, 2003.
- Net operating income of \$180.0 million, representing a 2.2% increase from \$176.2 million in the same period last year.
- FFO from continuing operations of \$75.5 million, an increase of 8.6% compared to \$69.5 million for the twelve-month period ended December 31, 2003.
- FFO per unit from continuing operations was \$1.43 on a diluted basis, up 4.4% compared to \$1.37 for the twelve-month period ended December 31, 2003.
- DI from continued operations was \$1.49 per unit, an increase of 2.8% compared to \$1.45 for the twelve months ended December 31, 2003.

Commenting on the Trust's fiscal 2004 results, Sam Kolia, President and C.E.O., said "We are pleased to report yet another record-breaking year for Boardwalk. Throughout 2004, we continued to achieve record financial results due to our geographically diverse apartment assets, and despite weakened yet slowly improving multi-family market fundamentals in some of our major markets, in particular Edmonton and Calgary. As discussed in prior conference calls, Edmonton, our largest market, continued to feel the impact of increased property taxes in 2004 and during the fourth quarter. We are in the process of appealing these increases, and, although not factored into our 2005 guidance, we remain hopeful that we can recover some of these costs in due time."

"Over the past year we've witnessed continued low interest rates which helped spur record amounts of new residential construction. As a result, our residents continued to purchase new homes or condominiums. Today, we are starting to see a decrease in our residents moving out to buy new homes. This is consistent with the slowdown of overall housing activity across the country due to significant increases in new and existing home prices along with proportionate measurable interest rate increases. Housing analysts believe, with which we concur, that much of the pent up demand for homeownership has been satisfied in our major markets. Rising interest rates, as well as the increasing costs of building materials and labour, will further erode affordability for homeownership, resulting in a more stable rental market outlook in 2005 and 2006."

### **Operational Highlights**

The average vacancy rate across the Trust's portfolio for the fourth quarter of 2004 was 4.22%, down from 5.48% in the third quarter of 2004, and up from 3.67% in the fourth quarter of 2003.

The average monthly rent realized in fiscal 2004 was \$741 per unit, an increase of \$7, or 1.0%, from \$734 per unit for the twelve-months ended December 31, 2003. Management estimates that market rents for its properties at the end of December, 2004 averaged \$797 per unit per month, which compares to an average in-place monthly rent per occupied unit of \$775 for the twelve-months ended December 31, 2004. This translates into an estimated "loss-to-lease" of approximately \$8 million, maintaining existing occupancy rates.

### **Same-Property Results**

Boardwalk continued to show solid performance in its stabilized properties (defined as properties owned for over 24 months). The "same-property" results for the Trust's stabilized portfolio for the twelve-month period ended



December 31, 2004 had rental growth of 1.0% and NOI growth of 0.1% compared to the same period last year. A total of 29,609 units, representing approximately 92% of Boardwalk's total portfolio, were classified as stabilized as at December 31, 2004.

**Same-Property Results - Stabilized Portfolio**

**Twelve Months Ended December 31, 2004 vs. Twelve Months Ended December 31, 2003**

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	Rental Revenues	Total Expenses	NOI	% of NOI
Calgary	-0.4%	-0.6%	-0.4%	20%
Edmonton	-0.5%	8.7%	-5.2%	34%
Other Alberta	4.6%	-10.6%	12.0%	6%
Saskatchewan	0.7%	-2.3%	2.6%	12%
Ontario	3.9%	1.3%	6.2%	12%
Quebec	2.7%	2.6%	2.7%	16%
<b>Total</b>	<b>1.0%</b>	<b>2.6%</b>	<b>0.1%</b>	<b>100%</b>

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**Acquisition/Disposition Activity**

During the fourth quarter of 2004, Boardwalk REIT closed on a 112-unit property located in Montreal (Longueuil), Quebec:

- **Les Jardins Viva** - consists of fourteen 3-storey walk-up style buildings, with 2 one-bedroom , 23 two-bedroom and 83 three-bedroom units. The property was purchased at an acquisition price of \$4.8 million, using cash on hand, which equates to approximately \$42,900 per unit and approximately \$52.7 per rentable square foot. The going-in cap rate on the acquisition was 9.21% and the acquisition closed on December 14, 2004.

In 2004, Boardwalk acquired a total of 917 new residential units for approximately \$58.7 million, increasing its portfolio to over 32,000 residential units at year-end. This represents a 2.9% increase in the Trust's portfolio from the end of 2003. There were no property dispositions for the Trust in 2004.

**Subsequent Events**

Subsequent to December 31, 2004, the Trust has purchased an additional 1,079 rental units, for a total purchase price of \$105.1 million, in a series of new acquisitions, all of which are expected to close by the end of the first quarter 2005.

- **Alberta and British Columbia portfolio** - This 848 unit portfolio has an acquisition price of approximately \$83.1 million, which equates to approximately \$97,900 per unit and approximately \$137.9 per rentable square foot. The acquisition price, per door and per rentable square foot, includes commercial space within the Surrey property described below consisting of 40,137 square feet of rentable area at a price of approximately \$98.62 per square foot. This transaction closed on February 1, 2005 and the acquisition had a going in cap rate of 6.39%. Further information on this transaction, including how the purchase of this portfolio was funded, is detailed in Boardwalk REIT's January 10, 2005 press release. The properties in the portfolio are:



- **Sarcee Trail Place – Calgary, AB** – a property consisting of two high-rise buildings and one mid-rise building with a total of 376 units. There are 188 one-bedroom and 188 two-bedroom unit types within the property.
- **Horizon Towers – Vancouver (Burnaby), BC** - Horizon Towers has two 13-storey high-rise buildings with a total of 206 units. There are 153 one-bedroom and 53 two-bedroom unit types within the property.
- **Surrey Village – Vancouver (Surrey), BC** - Surrey Village consists of one 18-storey high-rise building with a total of 266 apartment units. There are 60 bachelor, 163 one-bedroom and 43 two-bedroom unit types within the property. The property also includes a 3-storey stand-alone commercial property with 40,137 sq. feet of rentable area.
- **Varsity Place Apartments – Calgary, AB** - Varsity Place is a 3-storey walk-up wood frame property consisting of 30 one-bedrooms and 40 two-bedrooms for a total of 70 apartment units. The property had a purchase price of \$5.3 million, which equates to approximately \$75,000 per unit and approximately \$111.4 per rentable square foot. The purchase was funded using cash on hand. The going-in cap rate on the acquisition was approximately 6.86%, and the transaction closed on February 1, 2005.
- **Christie Point Apartments - Victoria, B.C.** - The Christie Point property consists of nine 2-storey townhouse and apartment style complexes with either two or three-bedroom types, for a total of 161 rental units. The property had a purchase price of \$16.8 million, which equates to approximately \$104,000 per unit and approximately \$107.8 per rentable square foot. The purchase was funded using cash on hand. The going-in cap rate on the acquisition is approximately 6.39%, and the transaction closed on February 16, 2005. Christie Point is located on an ocean front peninsula providing an extraordinary setting for apartment and townhouse living.

In addition, the Trust has entered into a conditional contract to acquire a 246-unit townhouse project in Quebec City, which, subject to successful completion of due diligence, is expected to close in March.

Commenting on the Trust's inaugural British Columbia property acquisitions, Bill Chidley, Senior VP Corporate Development, said "We are very pleased to have been able to enter the Vancouver and Victoria markets on an immediately accretive basis and look forward to expanding our presence in the British Columbia market over time. Vancouver, with a rental vacancy rate of 1.3%, declining from 2.0% a year ago, is the third largest and one of the strongest rental markets in Canada. Victoria, with a vacancy rate of 0.6%, declining from 1.1% a year earlier, has the highest occupancy rate in the country. Rents in place are substantially below market rents providing an opportunity for significant positive rental adjustments. In addition, all of these properties were acquired free and clear of existing debt, allowing the Trust to take advantage of the current low interest rate environment."

### **Continued Financial Strength**

The Trust maintained its solid financial position in the fourth quarter of 2004. Boardwalk's total mortgage debt was \$1.41 billion as at December 31, 2004, up from \$1.39 billion at December 31, 2003, reflecting the additional debt on acquisitions completed during the year. As at December 31, 2004, the Trust's debt had an average maturity of 3.6 years with a weighted average interest rate of 5.49%, and the Trust's debt-to-total-market-capitalization ratio was 59.1%.



The Trust's interest coverage ratio, excluding gains, for the twelve-month period ended December 31, 2004 increased to 2.05 times compared to 2.00 times in the same period last year.

During 2004, Boardwalk successfully completed approximately \$121 million in mortgage refinancings and renewals.

### **Outlook and 2005 Earnings Guidance**

Commenting on the outlook for the Trust, Rob Geremia, Senior Vice President, Finance and CFO, said "We are reaffirming our fiscal 2005 guidance for FFO and distributable income of between \$1.42 to \$1.49 and \$1.46 to \$1.53, respectively. These forecasts are based on the assumptions of approximately 0.0% to 1.0% stabilized NOI growth and new property acquisitions of between 1,000 to 2,000 new residential units for the year."

### **February 2005 Monthly Distribution**

The Trust has declared its February 2005 distribution in the amount of 10.5 cents per unit (\$1.26 annualized). The February distribution will be payable on March 15, 2005 to unitholders of record on February 28, 2005.

To encourage participation and reward unitholders, investors registered in the Distribution Reinvestment Plan ("DRIP") will continue to receive a "bonus" distribution of additional Trust Units representing 3% of the amount of their cash distributions reinvested pursuant to the Plan. A full copy of the DRIP can be found on Trust's website at [www.boardwalkREIT.com](http://www.boardwalkREIT.com).

### **Revision of Q2 and Q3 2004 Reported Real Estate Amortization**

The Trust today announced a revision to the reported financial results for the second and third quarter of fiscal 2004. In the course of preparing the audited financial statements for the fiscal year ended December 31, 2004, management of Boardwalk REIT has identified three specific issues that affect the previously reported second and third quarters of fiscal 2004. Reporting procedures are being revised to address these issues. The first relates to a miscalculation in the depreciation of Boardwalk REIT's real estate assets for the reported periods. Although Boardwalk REIT's policy is to depreciate wood frame buildings on a forty-year straight line basis and concrete high-rise buildings on a fifty-year straight line basis, inadvertently, all buildings, concrete and wood frame, were depreciated during the above noted two fiscal quarters on the shorter forty-year basis. The effect of this miscalculation has been to overstate depreciation in the second and third quarters of 2004, and, as a direct result, to understate various resulting income statement line items, most significantly net earnings during the same reporting periods.

The second issue relates to items that were incorrectly recorded as prepaid assets in the same periods, but should have been more appropriately reported as operating expenses. Such amounts were inadvertently deferred as assets on the balance sheet to be expensed in following periods, when the amounts should have been expensed in the periods reported.

Both of these items occurred in May, 2004, when records were transferred from BEI to Boardwalk REIT in connection with the former's conversion into a real estate investment trust (a "REIT"). During this period of time, a significant volume of bookkeeping entries and adjustments were necessary to implement the corporate and tax structure arising from the conversion of BEI to a REIT.



The third and final item relates to revenue from a specific property that was incorrectly understated in the third quarter of fiscal 2004. Revenue that was earned and which should have been recorded in the third quarter was deferred for recognition in the fourth quarter of last year.

These matters arose solely from bookkeeping errors, and the correction is not the result of differences of opinion between Boardwalk REIT and its auditors, nor is it the result of the mis-application of accounting policies or GAAP.

The following chart details the financial effects on Q2 & Q3 of Fiscal 2004;

<i>In 000's, except per share amounts</i>	<u>Q3</u>	<u>Q2</u>
Revenue	\$431	-
Operating expenses	-	\$2,191
Amortization	\$(825)	\$(1,640)
Adjustment to Net Earnings	\$1,256	\$(550)
Adjustment to Assets	\$1,256	\$(550)
Adjustment to Equity	\$1,256	\$(550)
Adjusted Net Earnings per unit	\$0.08	\$0.05
Net Earnings per unit – Originally reported	\$0.06	\$0.06
Adjusted FFO – per unit	\$0.43	\$0.35
FFO per unit – originally reported	\$0.42	\$0.39
Adjusted DI per unit	\$0.44	\$0.37
DI per unit – originally reported	\$0.43	\$0.41

### Supplementary Information

Boardwalk produces Quarterly Supplemental Information that provides detailed information regarding the Trust's activities during the quarter. The Fourth Quarter 2003 Supplemental Information is available on the INVESTOR section of our website ([www.bwalk.com](http://www.bwalk.com)).

### Teleconference on Fourth Quarter and Year End Financial Results

We invite you to participate in the teleconference that will be held to discuss these results this same morning at 11:00 am EST. Senior management will speak to the fourth quarter financial results and provide a corporate update. Presentation materials will be made available on the **INVESTOR** section of our website ([www.bwalk.com](http://www.bwalk.com)) prior to the call.

Participation & Registration: Please RSVP to Investor Relations at 403-531-9255 or by email to [investor@bwalk.com](mailto:investor@bwalk.com).

Teleconference: The telephone numbers for the conference are: 416-640-4127 (within Toronto) or toll-free 1-800-814-3911 (outside Toronto).



Webcast: Investors will be able to listen to the call and view our slide presentation over the Internet by visiting <http://www.boardwalkreit.com/> 15 min. prior to the start of the call. An information page will be provided for any software needed and system requirements. The live audiocast will also be available at <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1006500>.

Replay: An audio recording of the teleconference will be available from 1:00pm ET on February 17, 2005 until 11:59pm ET on February 24, 2005. You can access it by dialing 416-640-1917 and using the passcode 21111150 followed by the pound sign. An audio archive will also be available on our website (<http://www.boardwalkreit.com/>) approximately two hours after the conference call.

### **Corporate Profile**

Boardwalk REIT is an open-ended real estate investment trust formed to acquire all of the assets and undertakings of Boardwalk Equities Inc. Boardwalk REIT's principal objectives are to provide its unitholders with monthly cash distributions, partially on a Canadian income tax-deferred basis, and to increase the value of its units through the effective management of its residential multi-family revenue producing properties and the acquisition of additional properties. Boardwalk REIT currently owns and operates in excess of 260 properties with over 33,000 units totalling approximately 28 million net rentable square feet, and is Canada's largest owner/operator of multi-family rental communities. Boardwalk REIT's portfolio is concentrated in the provinces of Alberta, British Columbia, Saskatchewan, Ontario and Quebec.

### **Forward Looking Information**

*This press release may contain forward looking statements. These statements relate, but are not limited to, Boardwalk REIT's expectations, intentions, plans and beliefs. These forward looking statements can generally be identified by the use of words "anticipated", "expected" or the negative thereof or other comparable terminology. You should be aware that these statements are subject to known and unknown risks, uncertainties and other factors, including the risks discussed under the heading "Risk Factors" in the Management Information Circular of Boardwalk Equities Inc. available on [www.sedar.com](http://www.sedar.com). Actual events or results may differ materially from those suggested by any forward-looking statements. You should not place undue reliance on any forward-looking statements contained in this press release.*

*By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management of Boardwalk REIT believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurances that future results, levels of activity, performance or achievements will occur as anticipated. None of Boardwalk REIT nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligations to update or revise any forward-looking statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law.*

### **For further information please contact:**

#### **Boardwalk REIT**

Sam Kolias, President and CEO, (403) 531-9255;

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Paul Moon, Director of Corporate Communications, (403) 531-9255.



**CONSOLIDATED BALANCE SHEETS**  
(CDN\$ THOUSANDS)

As at	December 31, 2004	December 31, 2003
<b>Assets</b>		
Revenue producing properties	\$1,733,026	\$1,713,171
Properties held for resale	7,906	7,493
Deferred financing costs	39,056	38,044
Other assets	14,125	14,652
Future income taxes	547	-
Mortgages and accounts receivable	8,019	13,126
Segregated tenants' security deposits	6,460	6,771
Cash and cash equivalents	-	10,123
	<b>\$1,809,139</b>	<b>\$1,803,380</b>
<b>Liabilities</b>		
Mortgages payable	\$1,414,122	\$1,387,067
Accounts payable and accrued liabilities	27,151	19,801
Refundable tenants' security deposits and other	9,543	9,730
Capital lease obligations	84	3,515
Future income taxes	-	74,765
Bank Indebtedness	2,723	-
	<b>\$1,453,623</b>	<b>\$1,494,878</b>
<b>Unitholders' Equity</b>		
Unitholders' capital	293,503	275,509
Accumulated earnings	62,013	32,993
	<b>\$355,516</b>	<b>\$308,502</b>
	<b>\$1,809,139</b>	<b>\$1,803,380</b>



## CONSOLIDATED STATEMENTS OF EARNINGS

INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2004 COMBINES INFORMATION FROM BOARDWALK REAL ESTATE INVESTMENT TRUST AND ITS PREDECESSOR

(CDN\$ THOUSANDS, EXCEPT PER UNIT AMOUNTS)

	3 months ended December 31, 2004	3 months ended December 31, 2003	Year ended December 31, 2004	Year ended December 31, 2003
<b>Revenue</b>				
Rental income	\$71,845	\$69,893	\$282,510	\$270,992
<b>Expenses</b>				
Revenue producing properties:				
Operating expenses	10,143	8,816	35,364	33,819
Utilities	10,425	9,591	38,493	34,736
Utility rebate	(492)	-	(1,304)	-
Property taxes	8,231	6,626	29,930	26,217
Administration	5,636	5,755	23,460	23,290
Financing costs	19,072	19,264	76,289	76,630
Deferred financing costs amortization	930	662	3,138	3,227
Amortization of capital assets	18,710	13,176	72,439	50,766
	72,655	63,890	277,809	248,685
<b>Earnings (loss) from continuing operations before income taxes</b>	(810)	6,003	4,701	22,307
Large corporations taxes	165	878	1,620	3,546
Future income taxes (recovery)	(85)	6,592	(1,698)	11,761
<b>Earnings (loss) from continuing operations</b>	(890)	(1,467)	4,779	7,000
Earnings from discontinued operations, net of tax	-	-	-	751
<b>Net earnings (loss)</b>	\$(890)	\$(1,467)	\$4,779	\$7,751
<b>Basic earnings (loss) per unit</b>				
- from continuing operations	\$(0.02)	\$(0.03)	\$0.09	\$0.14
- from discontinued operations	-	-	-	0.01
<b>Basic earnings (loss) per unit</b>	\$(0.02)	\$(0.03)	\$0.09	\$0.15
<b>Diluted earnings (loss) per unit</b>				
- from continuing operations	\$(0.02)	\$(0.03)	\$0.09	\$0.14
- from discontinued operations	-	-	-	0.01
<b>Diluted earnings (loss) per unit</b>	\$(0.02)	\$(0.03)	\$0.09	\$0.15



## CONSOLIDATED STATEMENTS OF ACCUMULATED EARNINGS

(CDN\$ THOUSANDS)

	3 months ended December 31, 2004	3 months ended December 31, 2003	Year ended December 31, 2004	Year ended December 31, 2003
Accumulated earnings, beginning of period	\$79,521	\$38,260	\$32,993	\$35,229
Net earnings (loss)	(890)	(1,467)	4,779	7,751
Distributions on units	(16,618)	(3,800)	(47,915)	(9,595)
Premium on unit repurchases (stock repurchases before May 3, 2004)	-	-	(1,397)	(392)
Elimination of future income taxes on conversion to trust	-	-	73,553	-
Accumulated earnings, end of period	<u>\$62,013</u>	<u>\$32,993</u>	<u>\$62,013</u>	<u>\$32,993</u>



## CONSOLIDATED STATEMENTS OF CASH FLOWS

INFORMATION FOR THE YEAR DECEMBER 31, 2004 COMBINES INFORMATION FROM BOARDWALK REAL ESTATE INVESTMENT TRUST AND ITS PREDECESSOR

(CDN\$ THOUSANDS)

	3 months ended December 31, 2004	3 months ended December 31, 2003	Year ended December 31, 2004	Year ended December 31, 2003
<b>Operating activities</b>				
Net earnings (loss)	\$(890)	\$(1,467)	\$4,779	\$7,751
Earnings from discontinued operations, net of tax	-	-	-	(751)
Future income taxes (recovery)	(85)	6,592	(1,698)	11,761
Amortization of capital assets	18,710	13,176	72,439	50,766
<b>Funds from continuing operations</b>	<b>17,735</b>	<b>18,031</b>	<b>75,520</b>	<b>69,527</b>
Funds from discontinued operations	-	-	-	33
Net change in operating working capital	1,729	(1,405)	6,115	(489)
Net change in properties held for resale	(106)	(107)	(413)	1,442
<b>Total operating cash flows</b>	<b>19,358</b>	<b>16,789</b>	<b>81,222</b>	<b>70,513</b>
<b>Financing activities</b>				
Issue of trust units (net of issue costs)	165	4,615	28,934	9,229
Restructuring costs	(654)	-	(10,174)	-
Unit repurchase program (stock repurchase program before May 3, 2004)	-	-	(766)	(628)
Distributions paid	(16,505)	(3,800)	(42,333)	(9,595)
Financing of revenue producing properties	42,901	27,390	138,241	177,208
Repayment of debt on revenue producing properties	(38,877)	(22,928)	(131,523)	(138,292)
Capital lease obligations	(61)	(280)	(3,431)	(1,083)
Deferred financing costs incurred (net of amortization)	(348)	(597)	(1,488)	(3,342)
	(13,379)	4,400	(22,540)	33,497
<b>Investing activities</b>				
Purchases of revenue producing properties	(17,949)	-	(40,212)	(68,831)
Project improvements to revenue producing properties	(7,617)	(10,321)	(30,492)	(49,047)
Net cash proceeds from sale of properties	-	-	-	1,223
Technology for real estate operations	(284)	(777)	(824)	(863)
	(25,850)	(11,098)	(71,528)	(117,518)
<b>Net increase (decrease) in cash and cash equivalents balance</b>	<b>(19,871)</b>	<b>10,091</b>	<b>(12,846)</b>	<b>(13,508)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>17,148</b>	<b>32</b>	<b>10,123</b>	<b>23,631</b>
<b>Cash and cash equivalents (bank indebtedness), end of period</b>	<b>(2,723)</b>	<b>\$10,123</b>	<b>(2,723)</b>	<b>\$10,123</b>
<b>Supplementary cash flow information:</b>				
Taxes paid (received)	\$(92)	\$833	\$1,150	\$3,399
Interest paid	\$19,075	\$19,452	\$76,300	\$76,468