Certain statements in this report may constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

management's discussion and analysis

The following should also be read in conjunction with the Management's Discussion and Analysis included in the Company's December 31, 2001, financial statements and the notes thereto.

REVIEW OF OPERATIONS

The first quarter of fiscal 2002 reported continued strong rental results. The Company reported FFO of $0.29, down from the $0.37 reported for the three months ended March 31, 2001. The decrease is the result of there being no comparative disposition of property in the first quarter of 2002. Eliminating the reported sale we note that overall FFO on a pure rental basis increased 31% to $0.29 from the $0.22 reported in the prior period. The increase in rental FFO is largely attributable to both increasing rental revenues and the gas rebate received from ATCO Gas relating to the sale of its Viking-Kinsella producing assets in Northern Alberta.

Boardwalk continues to have a diversified portfolio located in 13 different cities, and as such does not rely heavily on one specific municipal location. The majority of Boardwalk's units are located in Alberta, a province whose economy continues to lead the nation in most economic categories.

Rental operations

(CDN$ THOUSANDS, EXCEPT PER UNIT AMOUNTS)

	3 months ended March 31, 2002	3 months ended March 31, 2001	Change
	(UNAUDITED)	(UNAUDITED)	
Rental revenue	**$ 54,762**	$ 49,970	10%
Expenses			
Operating expenses	**$ 5,869**	$ 5,967	(2%)
Utilities	**10,296**	10,092	2%
Utilities rebate	**(3,236)**	(3,265)	(1%)
Property taxes	**5,206**	4,810	(8%)
	$ 18,135	$ 17,604	(3%)
Average rent per month	**$ 696**	$ 650	7%
Occupied rental levels	**$ 731**		
Estimated market rent levels	**$ 751**		
Estimated loss-to-lease (annualized)	**$ 5,673**		

Rental revenues

Included in rental revenues are amounts pertaining to revenue generated directly from the leasing of residential locations as well as revenue generated from interest on invested cash. The amount reported as interest income represents less than 1% of total rental revenue and as such, has not been reported separately. All amounts reported on a per unit basis exclude interest income.

Overall, Boardwalk's rental revenues have increased by 10% for the three months ended March 31, 2002, versus the comparative periods. The increase is mainly the result of internal growth augmented with continued external growth through acquisitions.

Boardwalk's estimated reported loss-to-lease, representing the difference between the estimated market rents and those occupied rents at March 31, 2002, totalled $5.7 million on an annualized basis. Over the past few quarters the Corporation has been closing the gap between its existing rental and those reported market rents. The reader is cautioned that market rents can be very seasonal and as such will vary by quarter. The significance of this change could materially impact the amount above reported as "estimated loss-to-lease". The significance of this estimate is that it can be an indicator of future rental performance assuming consistent economic conditions.

Portfolio occupancy performance

In the first quarter of fiscal 2002, the Company vacancy rate declined slightly to 4.79% as compared to 4.85% for the three months ended March 31, 2001. Although on a city-by-city basis the vacancy rates are fairly consistent there was a noted decrease in the

London vacancy rate mainly the result of the continued stabilization of this portfolio. The increase in the vacancy rate in Other Alberta is the result of increased turnover in these projects.

	Vacancy rates					
	Q1 2002	**Q1 2001**	**Q2 2001**	**Q3 2001**	**Q4 2001**	**Total**
Calgary	**6.20%**	5.23%	4.58%	3.65%	3.36%	**4.37%**
Edmonton	**3.47%**	3.94%	5.20%	5.00%	4.02%	**4.44%**
Kitchener	**2.84%**	2.74%	2.63%	2.63%	2.13%	**2.56%**
London	**4.79%**	9.33%	7.85%	4.87%	4.20%	**6.88%**
Other Alberta	**7.74%**	3.54%	5.59%	4.75%	5.71%	**4.79%**
Regina	**5.50%**	6.09%	9.26%	4.56%	3.10%	**6.00%**
Saskatoon	**5.14%**	5.02%	11.48%	5.40%	3.67%	**6.36%**
Windsor	**5.05%**	4.02%	5.01%	4.36%	4.17%	**4.43%**
Grand total	**4.79%**	4.85%	6.17%	4.63%	3.89%	**4.93%**

Expenses

Operating expenses are made up of costs directly associated with the operations of the rental portfolio. Overall, operating expenses have increased by 3% as compared to those reported in the comparative period. The increase was mainly the result of increased property taxes and utilities somewhat offset by a decrease in repairs and maintenance.

Viking-Kinsella rebate

As of March 2, 2002, ATCO Gas, the transporters of all natural gas in Alberta, distributed a non-recurring rebate to its Northern Alberta customers. The Alberta Energy and Utility Board instructed ATCO to rebate a portion of the sale proceeds of the Viking-Kinsella producing assets to ATCO North customers in the form of a one time rebate. The rebate was distributed to all ATCO North customers, based on historical usage, at a rate of $3.325/GJ. The comparative period reported rebate relates to Alberta provincial gas and electrical rebates that expired on April 30, 2001, and December 31, 2001, respectively.

Same-property results

Boardwalk continued to show solid improvement in its stabilized properties (defined as properties owned for more than 24 months). A total of 24,216 units were classified as stabilized at March 31, 2002, representing 93% of Boardwalk's total portfolio. The following compares the "same-property" results for the three months ended March 31, 2002, to the comparable period in the 2001 fiscal period.

		Rental expenses				
3 MONTHS ENDED MARCH 31, 2002	**Rental revenues**	**Utilities**	**Other**	**Total**	**NOI**	**% of stabilized NOI**
Edmonton	10.2%	27.6%	(6.2%)	5.2%	12.20%	45%
Calgary	8.2%	128.2%	0.6%	44.7%	(2.30%)	25%
Other Alberta	(1.1%)	54.4%	(7.6%)	7.7%	(3.80%)	7%
Ontario	7.6%	(24.2%)	5.4%	(9.1%)	29.10%	11%
Saskatchewan	4.8%	(1.0%)	2.1%	0.9%	7.80%	12%
Total stabilized	7.8%	20.7%	(1.2%)	7.3%	8.04%	100%

Boardwalk's stabilized portfolio continues to report strong results, with "same property" revenue growth of 7% and 8% NOI growth. Edmonton's stabilized portfolio continued to demonstrate strength, the result of a maturing portfolio and strong market fundamentals, while the significant increase in Calgary's rental expenses were the result of the high contracted gas prices reported during this period. This above-market natural gas contract expired on April 30, 2002. Unlike Boardwalk's stabilized Edmonton portfolio, Calgary did not receive a portion of the refund from the sale of the Viking-Kinsella producing assets.

Administration

Boardwalk's administrative expenses increased by approximately $500,000 or 13%. The increase was the combined result of an increasing real estate portfolio wage inflation and the initiation of the executive compensation plan which, effective January 1, 2002, consisted of a cash component. As well, Boardwalk is currently experiencing an increase in administrative wages. These factors are expected to result in some upward pressure on administrative expenses in the upcoming quarters.

Financing costs

Overall, financing costs have increased 4% to $17.3 million from $16.7 million for the comparable three-month period ended March 31, 2001. The increase is the result of an increased level of leverage for the Company as a whole, offset somewhat by lower market interest rates.

Amortization

Overall, amortization reported for the three-month period has decreased slightly from the comparative period. The decrease is mainly the result of an adjustment to the estimates of the existing non building assets. The change in estimate was treated prospectively.

Financial position and liquidity

Total assets at March 31, 2001, were $1.52 billion as compared to $1.49 billion at December 31, 2001. During the current quarter the Corporation increased its cash reserves by an additional $30 million through the combined effects of operational cash flow, increasing the leverage on maturing mortgages and the release of specific mortgage holdbacks. These cash reserves were being accumulated to assist in the closing of the announced property acquisitions which closed at the end of April 2002. More detail on this will be provided on this transaction in the Subsequent Events section of the MD&A.

Acquisition and disposition activity

During the first quarter of fiscal 2002, the Corporation acquired for cash one 60-unit complex for a purchase price of $2.8 million, or $47,000 per unit. There were no dispositions of properties during the current period.

Liquidity and capital resources

The Company's financial position continues to be strong. With the overall mortgage level reported at 82% of depreciated book value and with the portfolio more than 95% CMHC insured, we have the ability to obtain additional capital through leverage. The Company also has cash and available credit facilities in excess of $65 million as at March 31, 2002, with additional mortgage capital released subsequent to the end of the quarter to increase the overall liquidity to approximately $75 million. The weighted average interest rate on the Company's mortgages was 6.04% as at March 31, 2002. For the current period Boardwalk's interest coverage ratio was 1.86 times. This compares to the coverage ratio of 1.71, excluding gains on property sales for the three months ended March 31, 2001. The increase is the combined result of overall increased internal performance and a lower overall weighted average interest rate.

Mortgage schedule

(CDN$ THOUSANDS)

Maturity year	Balance March 31, 2002	Interest rate	% of total
2002	$ 102,434	5.15%	9.02%
2003	133,968	5.88%	11.80%
2004	98,967	5.86%	8.71%
2005	68,722	6.36%	6.05%
2006	81,036	5.97%	7.14%
2007	69,134	5.96%	6.06%
2008	236,252	6.16%	20.77%
2009	163,320	6.09%	14.33%
2010	62,736	6.89%	5.53%
2011	76,049	6.23%	6.70%
2012	11,393	6.34%	1.00%
Subsequent	33,374	6.44%	2.89%
Grand total	$ 1,137,385	6.04%	100.00%

Normal course issuer bid

Under the Company's normal course issuer bid, Boardwalk bought back a total of 91,800 common shares in the first quarter of 2002 at an average price of $11.85. The issuer bid expired in March 2002, and it is the intention of management to renew this bid if it feels that the Corporation's stock is trading significantly below its net asset value.

Commitments

Boardwalk has taken a proactive approach to the management of its utility price risk. The Company has entered into several financial and physical settlement (five in total) fixed-price supply contracts for natural gas. These contracts fix the price of natural gas for 75% of the Company's forecasted requirements in Alberta. Three financial settlement contracts were entered into for October, November and December of 2002, respectively, for 75% of the Company's forecasted requirements in Alberta. The remaining two contracts are for physical settlement, and each represents 37.5% of the Company's forecasted Alberta requirements. The first of these contracts runs from January 1, 2003, to September 30, 2003, and the second contract runs from January 1, 2003, to September 30, 2004. In aggregate these contracts provide the commodity at $5.43/GJ. The remaining 25% supply will float at spot prices.

The Corporation has an existing supply arrangement with a natural gas retailer to supply the Corporation with 80% of its natural gas requirements in Alberta for the 12-month period ending April 30, 2002. The agreement provides that the gas utility company supplies the commodity at $7.90 per gigajoule.

The Corporation has long-term supply arrangements with two utility companies to supply the Corporation with its electrical power needs for Alberta for the next one to three years at a blended rate of approximately $0.07/kwh. These agreements provide that the Corporation purchase its power for all properties under contract for the upcoming years based on an approximation of the current year's demand levels.

SUBSEQUENT EVENTS

Property acquisitions

Subsequent to March 31, 2002, the Corporation has acquired 3,100 units in the city of Montreal for a purchase price of $180.2 million. The acquisition was financed through cash of $70.2 million and the assumption of $110 million of existing first and second mortgage financing with a weighted average interest rate of 9.32%.

Property dispositions

Subsequent to March 31, 2002, the Corporation sold a total of 121 units to unrelated parties for an aggregate purchase price of $7.9 million. These transactions will result in a $1.0 million pre-tax gain.

Financial outlook

The first quarter of fiscal 2002 has started out on a very positive note. With the receipt of the Viking gas refund the Corporation was able to offset the above average gas costs it was incurring on its previous gas contract. Rental operations continue to improve as rents continue to increase. The subsequent acquisition of the Montreal portfolio is an accretive acquisition and will have a positive impact on the operating results of 2002.

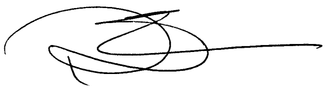
Market guidance

With the positive events that have occurred in and subsequent to the first quarter we are revising our market guidance upward. Management anticipates FFO, excluding gains, for fiscal 2002 in the range of $1.20 to $1.23 per share. In addition we anticipate an additional $0.02 FFO per share on the sale of properties increasing the total FFO range to $1.22 to $1.25 per share.

Forward-looking statements

This discussion contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements are statements that involve risks and uncertainties, including, but not limited to, changes in the demand for apartment and town home rentals, the effects of economic conditions, the impact of competition and competitive pricing, the effects of the Company's accounting policies and other matters detailed in the Company's filings with Canadian and United States securities regulators available on SEDAR in Canada and by request through the Securities and Exchange Commission in the United States, including matters set forth in the Company's Annual Report to Shareholders under the heading ``Management's Discussion and Analysis''. Because of these risks and uncertainties, the results, expectations, achievements or performance described in this release may be different from those currently anticipated by the Company.

Respectfully,



Roberto A. Geremia
Senior Vice President, Finance, and Chief Financial Officer