



## NEWS RELEASE FOR IMMEDIATE DISTRIBUTION

### **Boardwalk REIT Announces First Quarter Financial Results**

- Q1, 2017 FFO per unit of \$0.51
- Investing and positioning for market recovery
  - Suite renovation and upgrade packages remain key to Resident value and reduction of incentives and vacancy
  - Demand for renovation and upgrade packages has increased occupancy
  - Investing in additional resources to deliver superior service coupled with newly renovated and upgraded homes
- Turning the corner on a sequential basis
  - Highest recorded January to April rentals in 2017, an increase of 5.3% from 2016
  - Occupancy increased to 95.1%, and has increased sequentially each month since end of 2016
  - Sequential revenue decreased by 1.0%
- Short-term liquidity of \$460 million
- Solid Development Pipeline
  - Partnership with RioCan REIT to co-develop a 12-storey mixed-use tower in Calgary
  - Lease Up of newly developed Pines Edge 1 ahead of schedule with over 98% occupancy
  - Pines Edge 2 currently under construction with completion anticipated in Q3, 2017
  - Internal development opportunity of over 4,600 apartment units totaling 4.7 million buildable square feet on existing lands
  - Acquisition of 747 newly constructed apartment units in 2016 nearing stabilization
- Net Asset Value, including cash of \$62.54 per Trust Unit
- Reiterates 2017 financial guidance, and declares monthly cash distributions of \$0.1875 per trust unit (\$2.25 per trust unit on an annualized basis) for the months of May, June and July of 2017.

### **CALGARY, AB – May 11, 2017 - Boardwalk Real Estate Investment Trust ("BEL.UN" - TSX)**

Boardwalk Real Estate Investment Trust ("Boardwalk", the "REIT" or the "Trust") today announced its financial results for the first quarter of 2017.

The Trust is positioning itself to create value through the re-balancing of the housing market by utilizing this exceptional opportunity to accomplish its long term strategic goal of high-grading its portfolio by making a significant investment in suite renovations and upgrades, developing new assets, and acquiring newly built assets. As the rental market moves towards equilibrium, Boardwalk's investment in suite renovations are positioning the Trust to begin reducing incentives and while also increasing occupancy. These newly renovated suites, combined with Boardwalk's investment to enhance quality and service, will allow the Trust to gain market share, regardless of market conditions. To date, the Trust has seen a positive impact as a result of its suite renovation program and enhanced level of service, with decreased moveouts and a significant increase in rentals in the first four months of 2017. The demand for Boardwalk's partial and fully renovated turnkey suites has been strong, and is further improving the quality of Boardwalk's brand.

Funds From Operations ("FFO") for the first quarter of 2017 were \$25.7 million, or \$0.51 per Trust Unit on a diluted basis, compared to FFO of \$39.1 million or \$0.77 per Trust Unit for the same period last year, a decrease of 34.4% and 33.8% respectively. Adjusted Funds from Operations ("AFFO") per Trust Unit decreased 38.2% to \$0.42 for the current quarter, from \$0.68 per Trust Unit during the same period in 2016.

Stabilized same property revenue decreased 8.7%, while operating costs increased 12.1%, resulting in a Net Operating Income ("NOI") decrease for the three months ended March 31, 2017 of 22.3%.



Rental revenues decreased through 2016 as the onset of new purpose built rental supply in the Trust's Alberta markets provided renters with additional choices, which resulted in increased vacancies and lower rental rates. In 2017, the Trust's proactive repositioning and customer service initiatives has accelerated the rebalancing of its own portfolio to be in an advantageous position heading into the summer rental season. Operating costs increased due in part to the Trust's investment in additional on-site wages and salaries as part of its renovation, upgrading and customer service initiative.

Over the long term, Alberta rents have increased by three to four percent per annum, and historically revert back to the mean as housing supply and demand re-balances. Building permits and starts continue to trend downwards, and is a positive leading indicator for the re-balancing of supply and demand of the rental market. The construction of additional purpose-built rental housing in Alberta has significantly slowed with limited new construction expected in 2017 and 2018.

Signs of macro economic recovery are beginning to show in Alberta. The recent pipeline approvals add to optimism in Alberta and, as a result, the labour market has seen a similar stabilization. Job layoffs in the province have slowed, with many companies planning to add staff in 2017. International migration into Alberta continues to remain positive, and is a significant source of housing supply absorption. The Bank of Canada currently forecasts GDP growth of 2.2% in Alberta for 2017, and accelerating above the national average in 2018 as compared to negative GDP in each of the last two years.

### **Positioning for the market recovery**

The Trust carried elevated vacancy into the beginning of 2017 as a result of the competitive rental environment in 2016, and continues to offer short-term incentives to optimize Net Operating Income. Incentives and vacancy loss for the 12 months of 2016 totalled \$43.5 million, and represents a significant opportunity for the Trust to recapture higher revenues through the reduction of incentives and improvement in occupancy levels.

By investing in its suite renovation program, Boardwalk will have newly renovated homes available for Residents. Boardwalk's Suite Renovation Package offers various levels of suite renovations to new and existing Resident Members. These renovations may include new flooring, baseboards, kitchen cabinets, countertops, appliances, tiling, lighting, and fixtures in exchange for lower incentives for our new and existing Residents. These efforts will further add to Boardwalk's mission of providing the best value in housing and support sustainable and growing Unitholder value creation.

To date, the Trust has seen success as a result of its suite renovation program. Newly renovated units are renting on completion, and at rental rates that are significantly higher than the Trust's un-renovated suites. In the first four months of 2017, occupancy has increased approximately 1.3% from the end of 2016. By decreasing vacancy and the availability of units, the Trust is well-positioned to reduce incentives moving forward.

In the first quarter of 2017, Boardwalk recorded a significant decrease in turnovers versus the previous year, as a result of the increased level of service and quality coupled with Boardwalk's proactive approach to lease renewals. To assist in expediting the Trust's suite renovation program, the Trust has invested in additional on-site associates to further the suite renovation program as well as further increase Boardwalk's service level. The quality of Boardwalk's communities continues to drive long-term revenue growth and stability. The Trust invested \$31.0 million during the three months of 2017 to maintain and further enhance the curb appeal and quality of the Trust's assets.



Boardwalk’s vertically integrated structure allows many repair and maintenance functions, including landscaping, painting, and among others, suite renovations, to be internalized. A continued focus on completing more of these functions in-house has resulted in improved quality, productivity, effective use of resources, and overall execution of the Trust’s capital improvement program. Despite the additional cost, the Trust believes that the internalization of these functions is the most effective model in providing the best quality service and product leading to better value for our Resident Members and long-term growth for Unitholders.

The Trust’s focus for the first half of 2017 is to continue to position itself for a market recovery by offering incentives to maximize occupancy. Boardwalk will continue to provide its Resident Members with high quality housing, which includes value added renovation packages on new lease terms.

Since 2000, Boardwalk has invested over \$1 billion in its own portfolio in the form of capital improvements and, by focusing on suite renovations, will provide Resident Members with additional value and a superior product.

### **Turning the corner**

The improved macro economic environment, coupled with a significant decrease in additional supply of purpose built rental housing in Alberta has resulted in a re-balancing of the rental market. The Trust’s investment in high-grading its portfolio through its suite renovation program, as well as its investment in further enhancing its service levels has allowed the Trust to accelerate its own recovery as rental supply and demand moves towards equilibrium.

Occupancy levels in the Trust’s stabilized portfolio increased in the first quarter of 2017, and continues to trend positively as first quarter rentals in Boardwalk’s portfolio reached record levels in 2017. As a result, occupancy increased from 93.8% at the end of 2016 to 95.1% in April of 2017.

	% Occupancy					Move Outs					Rentals					
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013	
January	93.8%	97.5%	97.6%	98.2%	98.3%	762	888	785	765	759	1,063	963	966	942	896	
February	94.3%	97.4%	97.9%	98.6%	98.5%	863	982	831	761	838	1,162	1,007	845	864	981	
March	94.7%	97.0%	97.8%	98.6%	98.5%	937	1,120	896	811	839	1,117	1,170	1,090	1,015	1,018	
April	95.1%	96.8%	97.7%	98.7%	98.7%	1,062	1,209	1,119	1,042	1,076	1,014	998	1,083	1,081	1,175	
May		96.3%	97.3%	98.5%	98.5%		1,243	1,149	1,061	1,073		1,491	1,112	1,123	1,177	
June		96.8%	97.2%	98.4%	98.6%		1,758	1,450	1,324	1,342		826	1,131	1,065	1,139	
July		94.7%	96.5%	98.0%	98.2%		1,366	1,263	1,147	1,119		1,205	1,265	1,148	1,105	
August		94.2%	96.6%	98.1%	98.4%		1,299	1,293	1,260	1,136		1,391	1,312	1,147	1,057	
September		94.9%	96.8%	97.8%	98.5%		1,190	1,170	1,031	1,018		1,029	1,208	1,014	937	
October		94.6%	97.2%	98.2%	98.4%		1,099	1,128	1,013	981		887	1,100	911	919	
November		94.3%	97.4%	98.0%	98.4%		1,016	1,031	937	842		818	1,016	775	751	
December		93.8%	97.5%	97.7%	98.4%			814	832	796	752		787	763	726	721
<b>Total</b>	<b>94.5%</b>	<b>95.7%</b>	<b>97.3%</b>	<b>98.2%</b>	<b>98.5%</b>	<b>3,624</b>	<b>13,984</b>	<b>12,947</b>	<b>11,948</b>	<b>11,775</b>	<b>4,356</b>	<b>12,572</b>	<b>12,891</b>	<b>11,811</b>	<b>11,876</b>	

On a sequential basis, revenues decreased 1.0% versus Q4 of 2016, as compared to sequential decreases of 2.2% to 2.9% in the previous three periods. Fort McMurray continues to gain on a sequential basis, and is a positive leading indicator for the province of Alberta.



		Q1 2017 vs Q4 2016	Q4 2016 vs Q3 2016	Q3 2016 vs Q2 2016	Q2 2016 vs Q1 2016
<b>Stabilized Revenue Growth</b>	<b># of Units</b>				
Edmonton	12,397	-1.7%	-3.8%	-2.9%	-4.1%
Calgary	5,419	-1.6%	-4.1%	-5.0%	-4.0%
Red Deer	939	-1.7%	-6.5%	-7.7%	-3.9%
Grande Prairie	645	-0.4%	-10.2%	-8.6%	-6.4%
Fort McMurray	352	1.3%	-0.8%	17.5%	-14.6%
Quebec	6,000	0.5%	-0.9%	2.0%	0.8%
Saskatchewan	4,610	-1.1%	1.9%	-2.4%	-1.8%
Ontario	2,585	1.2%	0.9%	0.5%	0.5%
	32,947	-1.0%	-2.9%	-2.2%	-2.9%

### Continued financial strength and liquidity to capitalize on opportunities

Since the previous economic downturn, the Trust had taken measures to further strengthen its balance sheet to maintain financial strength and flexibility. This action, coupled with historically low interest rates, has positioned Boardwalk with the flexibility to act on opportunities to deploy capital in support of Unitholder value creation. Examples of these opportunities include value added capital expenditures such as the new suite-renovation program, acquisitions, development of new assets, joint ventures, and a continued investment in the Trust's own portfolio through value-added capital expenditures.

At the end of March 31, 2017, the Trust had approximately \$460 million in liquidity that it could deploy towards new investment opportunities.

Q1 2017

<b>In \$000's</b>	
Cash Position - Mar 2017	\$ 106,000
Subsequent Committed Financing	\$ 154,000
Line of Credit	\$ 200,000
<b>Total Available Liquidity</b>	<b>\$ 460,000</b>
Liquidity as a % of Current Total Debt	18%
Current Debt (net of cash) as a % of reported asset value	44%

Interest rates remain low and have benefitted the Trust's mortgage program as the Trust has continued to renew existing CMHC insured mortgages at interest rates well below the maturing rates. As of March 31, 2017, the Trust's total mortgage principal outstanding totaled \$2.57 billion at a weighted average interest rate of 2.76%, compared to \$2.52 billion at a weighted average interest rate of 2.78% reported for December 31, 2016.

Over 99% of the Trust's mortgages are CMHC insured, providing the benefit of lower interest rates and limiting the renewal risk of these mortgage loans for the entire amortization period, which can be up to 40 years. The Trust's total debt had an average term to maturity of approximately 4.6 years, with a remaining amortization of 30 years. The Trust's debt (net of cash) to reported asset value ratio was approximately 44% as of March 31, 2017.

The Trust continues to successfully manage its 2017 mortgage program. To date, the Trust has renewed approximately \$62.8 million, or 22% of its 2017 mortgage maturities. The new rate on these renewed mortgages



is 2.05% and represent an annualized interest expense reduction of approximately \$0.5 million. In addition, the Trust has raised \$81.7 million in upfinancing to assist in the execution of the Trust's strategic initiatives, and has committed to an additional \$154.0 million in additional financing.

The Trust continues to undertake a balanced strategy to its mortgage program. Current 5 and 10-year CMHC Mortgage Rates are estimated to be 2.10% and 2.70%, respectively. The Trust's interest coverage ratio, excluding gain or loss on sale of assets, for the most recent completed four quarters ended March 31, 2017, was 2.95 times, from 3.61 times for the same period a year ago.

Boardwalk's financial strength, conservative balance sheet and historically low interest rates has positioned Boardwalk to actively explore options to deploy capital in support of unitholder value creation, including value added capital expenditures, Boardwalk's suite renovation program, acquisitions, joint ventures, and the development of new assets to maximize Unitholder value.

### **Solid development pipeline**

Demand for Multi-Family Investment Properties in Canada continues to be strong. As a result, capitalization rates continue to remain low and high prices for Multi-Family assets continue to be the trend. Recent transactions on existing assets have shown that the appetite for Multi-Family Investment Properties continues to be high, and transaction capitalization rates continue to decrease. Private and institutional buyers are taking a longer term approach to evaluations, using higher stabilized rents, normalized vacancy and lower cap rates, reflecting record low Government of Canada 10 year treasury yields and the continued difficulty in finding apartment rental assets. There continues to be a significant disconnect between the implied value of Boardwalk's apartment assets as represented by the implied value of Boardwalk REIT Trust Units and the evaluation of comparable apartments in Western Canada that have recently sold.

In addition to Boardwalk's suite renovation program, the addition of newly constructed rental communities is consistent with the high-grading of Boardwalk's portfolio. In 2016, the Trust acquired newly built assets at a cost similar to the Trust's cost of developing its own projects provides a unique opportunity for the Trust to continue to decrease the average age and increase the quality of its portfolio, while taking advantage of Boardwalk's operational and leasing expertise to maximize the returns on these assets both in the short and long term. Leasing of these new acquisitions remain on schedule and are nearing stabilization which will add to the Trust's overall performance. Phase 1 of the Trust's Pines Edge development on existing excess land the Trust owns in Regina was substantially completed at the end of January 2016. The site consists of a 79-unit, four storey wood frame elevated building with one level of underground parking. The total cost was \$13.4 million, below the original budget of \$14.1 million with an estimated stabilized cap rate range of 6.50% to 7.00% excluding land. Lease up of the project began on February 1, 2016 and, to date, over 98% of the units have been leased without the use of incentives as demand has exceeded expectations.

The Trust has commenced construction of Phase 2 of Pines Edge, and has taken further steps to prepare Phase 3. Both phases are four storey wood frame buildings with a single level of underground parking totaling 150 apartment units. Construction of Phase 2, a 79-unit replica of phase 1 with the addition of 9' ceilings, has commenced and is scheduled to be completed in July of 2017. The total cost is estimated to be \$13.2 million, with an estimated stabilized cap rate range of 6.25% and 6.75%. The finalization of construction drawings and tendering of Phase 3 is underway and, subject to economic and market conditions, construction of Phase 3 could begin in Q3 of 2017.

Boardwalk's internal development opportunities include additional projects on existing excess density that the Trust holds in its portfolio. These developments are in various stages of planning and approval, and provide a



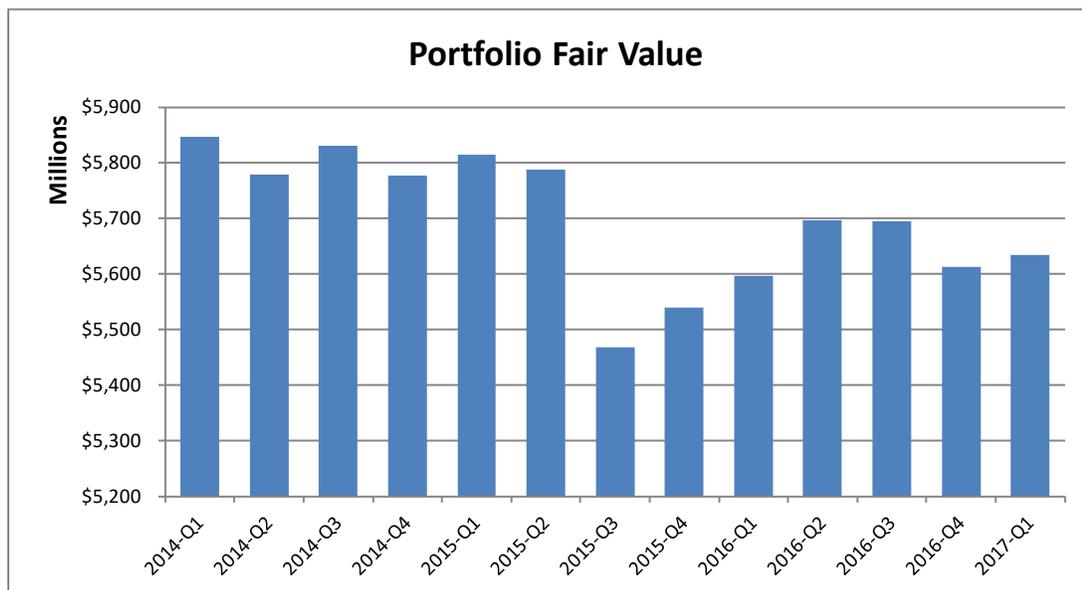
significant pipeline of over 4,600 apartment units totaling 4.7 million buildable square feet of potential new assets that could be added to the Trust’s portfolio.

Boardwalk was pleased to announce the formation of a joint venture with RioCan REIT in November of 2016, to build a mixed use retail and residential tower at RioCan’s Brentwood Village Shopping Centre. The project will include a twelve storey tower with approximately 120,000 square feet of premium residential rental housing and 10,000 square feet of retail space. The tower will be located at a desirable location adjacent to the Calgary Light Rail Transit Line, in close proximity to the University of Calgary, Foothills Hospital, and McMahon Stadium. Both partners are currently working together to finalize the submission of plans for a development permit. Subject to the receipt of both the development permit and the subdivision of the lands, closing is expected to occur on May 30, 2017, with construction beginning as early as Q3 of 2017.

**Net Asset Value**

Same property fair value for the Trust’s portfolio increased slightly relative to the previous quarter, primarily a result of increased market rents relating to the Trust’s suite renovation program, and the continued stabilization of the Trust’s acquisitions in 2016. The Trust continues to utilize the higher vacancy assumptions adopted in the third quarter of 2016. As a result fair value increased approximately \$21.0 million versus the previous quarter.

Since the decline in oil prices and the corresponding economic downturn in Alberta that began in the second half of 2014, the Trust has adjusted its Fair Value accordingly with a significant decrease recorded in the third quarter of 2015 as market rents were adjusted. These decreases overall were moderated by increases seen in the Trust’s Eastern Canadian Communities which have seen balanced to strong rental markets as evidenced by increasing rental rates and decreasing capitalization rates. Below is a summary of the impact to fair value since 2014.





Net Asset Value for the Trust's portfolio decreased relative to the end of 2016, mainly as a result of additional debt capital undertaken by the Trust. The additional debt capital, once deployed, is expected to add accretively to the Trust's estimate of Net Asset Value. Below is a summary of the Trust's total per unit Net Asset Value with further discussion located in the 2017 First Quarter MD&A.

Highlights of the Trust's Fair Value of Investment Properties		
	Mar 31, 2017	Dec 31, 2016
IFRS Asset Value Per Diluted Unit (Trust & LP B)	\$ 111.00	\$ 110.62
Debt Outstanding per Diluted Unit	\$ (50.54)	\$ (49.68)
Net Asset Value (NAV) Per Diluted Unit (Trust & LP B)	\$ 60.46	\$ 60.94
Cash Per Diluted Unit (Trust & LP B)	\$ 2.08	\$ 1.95
<b>Total Per Diluted Unit (Trust &amp; LP B)</b>	<b>\$ 62.54</b>	<b>\$ 62.89</b>

*Same-Property Weighted Average Capitalization Rate: 5.37% at March 31, 2017 and 5.38% at December 31, 2016*

### **2017 Financial guidance**

As is customary, the Trust reviews its base level assumptions and strategy on a quarterly basis to determine if any material change is warranted in the reported guidance. Based on this review, the Trust is reiterating its previously revised objectives for 2017 as follows:

Description	2017 Revised Objectives	2017 Objectives
Acquisition of Investment Properties	No new apartment acquisitions	No new apartment acquisitions
Disposition of Investment Properties	No dispositions	No dispositions
Development	Phase 2 of Pines Edge, Regina, Saskatchewan - 79 Units	Phase 2 of Pines Edge, Regina, Saskatchewan - 79 Units
	Continue with Phase 3 of Pines Edge, Regina, Saskatchewan - 71 Units	Continue with Phase 3 of Pines Edge, Regina, Saskatchewan - 71 Units
	Commencement of Brentwood Village joint venture with RioCan, Calgary, Alberta ~ 164 units	Commencement of Brentwood Village joint venture with RioCan, Calgary, Alberta ~ 164 units
Stabilized Building NOI Growth	-15% to -9%	-8% to -3%
FFO Per Unit	\$2.30 to \$2.65	\$2.70 to \$2.90
AFFO Per Unit	\$1.96 to \$2.31	\$2.36 to \$2.56

The reader is cautioned that this information is forward-looking and actual results may vary materially from those reported. One of the key estimates is the performance of the Trust's stabilized properties. Any significant change



in assumptions deriving ‘Stabilized Building NOI performance’ would have a material effect on the final reported amount. The Trust reviews these key assumptions quarterly and based on this review may change its outlook.

In addition to the above financial guidance for 2017, the Trust has revised its 2017 capital budget for the 2017 fiscal year.

Capital Budget (\$000's)	Q1 2017 Revised Budget	2017 Budget	Per Suite	Three Months Ended, March 31, 2017 Actual	Per Suite
Maintenance Capital	\$17,731	\$17,731	\$525	\$4,433	\$131
Value Added Capital (including Property, Plant & Equipment)	105,003	80,003	3,109	28,493	844
<b>Total Operational Capital</b>	<b>\$122,734</b>	<b>\$97,734</b>	<b>\$3,634</b>	<b>\$32,926</b>	<b>\$975</b>
Total Operational Capital	\$122,734	\$97,734		\$32,926	
Repositioning Capital	20,000	20,000		2,051	
Development	24,071	24,071		4,566	
<b>Total Capital Investment</b>	<b>\$166,805</b>	<b>\$141,805</b>		<b>\$39,543</b>	

The Trust has increased its budget for Value Added Capital in 2017, mainly as a result of the success of its suite renovation program. In total, we expect to invest \$122.7 million (or \$3,634 per apartment unit) on operational capital in 2017. The Trust has maintained its Maintenance Capital estimate for 2017 at \$525 per apartment unit per year.

Value Added Capital is subject to continuous review and will only be invested if the Trust can earn a significant return on this investment.

Included in the 2017 Budget is \$20.0 million for the Trust’s repositioning program. This Fund is targeted for specific properties and will focus on significant upgrades to existing suites, common areas, as well as internal amenities. This reserve is subject to continuous review and internally set rates of return and is consistent with the Trust’s Long Term Strategy of upgrading its existing property portfolio.

Additional information relating to the Trust’s computation of Maintenance Capital can be found in its First Quarter Management Discussion and Analysis.

### **Q1 Regular monthly distributions**

Boardwalk’s Board of Trustees reviews the Trust’s monthly regular distributions on a quarterly basis, and has confirmed the next three months regular distribution as follows:

Month	Per Unit	Annualized	Record Date	Distribution Date
May-17	\$ 0.1875	\$ 2.25	31-May-17	15-Jun-17
Jun-17	\$ 0.1875	\$ 2.25	30-Jun-17	17-Jul-17
Jul-17	\$ 0.1875	\$ 2.25	31-Jul-17	15-Aug-17

Boardwalk has distributed over \$1 billion in cash distributions since 2004.

The Board of Trustees will continue to review the distributions made on the Trust Units on a quarterly basis.



### **Supplementary information**

Boardwalk produces the Quarterly Supplemental Information that provides detailed information regarding the Trust's activities during the quarter. The First Quarter 2017 Supplemental Information is available on Boardwalk's investor website at [www.boardwalkreit.com](http://www.boardwalkreit.com).

### **Teleconference on First Quarter 2017 Financial Results**

Boardwalk invites you to participate in the teleconference that will be held to discuss these results tomorrow morning (May 12, 2017) at 11:00 am Eastern Time. Senior management will speak to the period's results and provide an update. Presentation materials will be made available on Boardwalk's investor website at [www.boardwalkreit.com](http://www.boardwalkreit.com) prior to the call.

**Teleconference:** The telephone numbers for the conference are 647-427-7450 (local/international callers) or toll-free 1-888-231-8191 (within North America).

Note: Please provide the operator with the below Conference Call ID or Topic when dialing in to the call.

Conference ID: 95423327

Topic: Boardwalk REIT 2017 First Quarter Results

**Webcast:** Investors will be able to listen to the call and view Boardwalk's slide presentation over the Internet by visiting <http://www.boardwalkreit.com> prior to the start of the call. An information page will be provided for any software needed and system requirements. The webcast and slide presentation will also be available at:

<http://event.on24.com/r.htm?e=1396378&s=1&k=5FE07DF99D81F885D67251BD54DEEE88>

Replay: An audio recording of the teleconference will be available on the Trust's website: [www.boardwalkreit.com](http://www.boardwalkreit.com)



## First Quarter 2017 Financial Highlights

<i>\$ millions, except per unit amounts</i>			
<b>Highlights of the Trust's First Quarter 2017 Financial Results</b>			
	<b>3 Months Mar 31, 2017</b>	<b>3 Months Mar 31, 2016</b>	<b>% Change</b>
Same Store Total Rental Revenue	\$ 103.4	\$ 113.3	-8.7%
Total Rental Revenue	\$ 105.5	\$ 113.4	-6.9%
Same Store Net Operating Income (NOI)	\$ 53.3	\$ 68.6	-22.3%
Net Operating Income (NOI)	\$ 52.7	\$ 67.1	-21.5%
Profit for the period	\$ 17.2	\$ 56.2	-69.4%
Funds From Operations (FFO)	\$ 25.7	\$ 39.1	-34.4%
Adjusted Funds From Operations (AFFO)	\$ 21.2	\$ 34.8	-39.0%
FFO Per Unit	\$ 0.51	\$ 0.77	-33.8%
AFFO Per Unit	\$ 0.42	\$ 0.68	-38.2%
Regular Distributions Declared (Trust Units & LP B Units)	\$ 28.5	\$ 27.8	2.6%
Regular Distributions Declared Per Unit (Trust Units & LP B Units)	\$ 0.563	\$ 0.545	3.2%
Regular Payout as a % FFO <sup>(1)</sup>	111.2%	71.1%	
Interest Coverage Ratio (Rolling 4 quarters)	2.95	3.61	
Operating Margin	49.9%	59.2%	

(1 – Distributions as a percentage of FFO, as of March 31, 2017, on a rolling four quarter basis was 87.1%)

<b>Portfolio Highlights for the First Quarter of 2017</b>			
	<b>Mar-17</b>	<b>Dec-16</b>	<b>Mar-16</b>
Average Occupancy (Period Average) (Same Store)	94.27%	94.24%	97.28%
Average Monthly Rent (Period Ended)	\$ 1,033	\$ 1,019	\$ 1,124
Average Market Rent (Period Ended)	\$ 1,107	\$ 1,103	\$ 1,163
Average Occupied Rent (Period Ended)	\$ 1,090	\$ 1,086	\$ 1,160
Loss -to-Lease (Period Ended) (\$ millions)	\$ 6.1	\$ 6.0	\$ 1.0
Loss -to-Lease Per Trust Unit (Period Ended)	\$ 0.12	\$ 0.12	\$ 0.02
			<b>% Change Year-Over-Year - 3 Months Mar-17</b>
<b>Same Property Results</b>			
Rental Revenue			-8.7%
Operating Costs			12.1%
Net Operating Income (NOI)			-22.3%

Same property Results Exclude 79-unit Pines Edge 1 completed January 2016, 162-unit Vita Estates acquired June 2016, 238-unit Auburn Landing acquired June 2016, 165-unit Axxess acquired August 2016 and 182-unit The Edge acquired in August 2016.

All rental rates noted are net of incentives.

FFO and AFFO are widely accepted supplemental measures of the performance of a Canadian Real Estate entity; however, they are not measures defined by International Financial Reporting Standards ("IFRS"). The



reconciliation of FFO and other financial performance measures can be found in the Management Discussion and Analysis (“MD&A”) for the first quarter ended March 31, 2017, under the section titled, “Performance Measures”.

### **Trust unit buyback**

The significant dislocation between the Trust’s Unit Price and its Net Asset Value represents unique opportunity for the Trust to execute on its Trust Unit buyback program. On June 29, 2016, Boardwalk REIT announced that it had received approval from the Toronto Stock Exchange (“TSX”) to implement a Normal Course Issuer Bid (“NCIB”) to purchase up to a maximum of 3,700,292 trust units representing approximately 10% of the publicly listed float. The NCIB commenced on July 3, 2016 and will terminate on July 2, 2017, or such earlier date as the Trust may complete repurchases under the bid.

Boardwalk believes that the current and recent market prices of its Trust Units do not reflect their underlying value or the REIT’s prospects for value creation over the longer term. Boardwalk’s management has opportunistically utilized this program as it feels that, at certain market prices, an investment in Boardwalk’s own high quality portfolio will deliver solid returns for unitholders and, when balanced with other capital allocation opportunities, represents an effective use of its capital.

NCIB Period	Trust Units Purchased for Cancellation	Weighted Average Cost Per Trust Unit	Total Investment (000’s)
2016	666,000	\$ 49.02	\$ 32,600
2015	740,800	\$ 50.10	\$ 37,100
2014	472,100	\$ 67.01	\$ 31,600
2007 - 2012	4,542,747	\$ 37.53	\$ 170,600
<b>Grand Total</b>	<b>6,421,647</b>	<b>\$ 42.34</b>	<b>\$ 271,900</b>

### **Corporate Profile**

Boardwalk REIT strives to be Canada’s friendliest landlord and currently owns and operates more than 200 communities with over 33,000 residential units totaling over 28 million net rentable square feet. Boardwalk’s principal objectives are to provide its Residents with the best quality communities and superior customer service, while providing Unitholders with sustainable monthly cash distributions, and increase the value of its trust units through selective acquisitions, dispositions, development, and effective management of its residential multi-family communities. Boardwalk REIT is vertically integrated and is Canada’s leading owner/operator of multi-family communities with 1,700 Associates bringing Residents home to properties located in Alberta, Saskatchewan, Ontario, and Quebec.

Boardwalk REIT’s Trust units are listed on the Toronto Stock Exchange, trading under the symbol BEI.UN. Additional information about Boardwalk REIT can be found on the Trust’s website at [www.BoardwalkREIT.com](http://www.BoardwalkREIT.com).



## **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS**

*Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Implicit in this information, particularly in respect of Boardwalk's objectives for 2017 and future periods, Boardwalk's strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations are estimates and assumptions subject to risks and uncertainties, including those described in the Management's Discussion & Analysis of Boardwalk REIT's 2016 Annual Report under the heading "Risks and Risk Management", which could cause Boardwalk's actual results to differ materially from the forward-looking information contained in this news release. Specifically Boardwalk has assumed that the general economy remains stable, interest rates are relatively stable, acquisition capitalization rates are stable, competition for acquisition of residential apartments remains intense, and equity and debt markets continue to provide access to capital. These assumptions, although considered reasonable by the Trust at the time of preparation, may prove to be incorrect. For more exhaustive information on these risks and uncertainties you should refer to Boardwalk's most recently filed annual information form, which is available at [www.sedar.com](http://www.sedar.com). Forward-looking information contained in this news release is based on Boardwalk's current estimates, expectations and projections, which Boardwalk believes are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Trust may elect to, Boardwalk is under no obligation and does not undertake to update this information at any particular time.*