



NEWS RELEASE FOR IMMEDIATE DISTRIBUTION

## **BOARDWALK REIT REPORTS CONTINUED STRONG PERFORMANCE WITH THIRD QUARTER FUNDS FROM OPERATION PER UNIT GROWTH OF 18.6% AND AN INCREASE TO 2019 FINANCIAL GUIDANCE**

### **SUMMARY HIGHLIGHTS FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019**

- **CONTINUED STRONG PERFORMANCE**
  - **FOR THE 3 MONTH PERIOD ENDED SEPTEMBER 30, 2019**
    - FFO of \$0.70 per trust unit; an increase of 18.6% and sixth consecutive quarter of FFO growth
    - 4.6% same-property revenue growth
    - 10.7% same-property net operating income growth
  - **FOR THE 9 MONTH PERIOD ENDED SEPTEMBER 30, 2019**
    - FFO of \$1.94 per trust unit, an increase of 16.2%
    - 4.0% same-property revenue growth
    - 7.1% same-property net operating income growth
- **INCREASES 2019 FINANCIAL GUIDANCE**
  - Increased FFO range of \$2.50 to \$2.55 per Trust Unit
  - Revised stabilized NOI Growth range of 6% to 8%
- **DELIVERING OPERATIONAL RESULTS**
  - Seventh consecutive quarterly sequential revenue growth
  - Increased occupancy by 6 basis points to 96.6% in the third quarter of 2019
  - Primary focus remains on the execution of sustainable multi-year organic growth opportunity
- **STRONG FINANCIAL POSITION**
  - Approximately \$270 million of liquidity
  - Forward locked and/or renewed the interest rate on \$453 million or 87% of 2019 mortgage maturities
  - Net Asset Value of \$65.15 per trust unit, equating to approximately \$185,000 per door
- **DISTRIBUTION OF \$1.00 PER TRUST UNIT ON AN ANNUALIZED BASIS CONFIRMED FOR THE MONTHS OF NOVEMBER, DECEMBER 2019 AND JANUARY 2020**

**CALGARY, AB – November 14, 2019 - Boardwalk Real Estate Investment Trust (TSX: BEI.UN)**

Boardwalk Real Estate Investment Trust ("Boardwalk", the "REIT" or the "Trust") today announced its financial results for the third quarter and first nine months of 2019.

"We are pleased to report and deliver on another solid quarter and first nine months of 2019 with growth in Funds from Operation ("FFO") per trust unit of 18.6% and 16.2%, respectively. Boardwalk's Resident -Friendly approach to sustainable incentive reductions and rental rate adjustments continues to produce a positive trend and, for seven consecutive quarters, have delivered a sequential and compounding improvement in revenue. We believe

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this approach will best allow the Trust to deliver multi-year organic revenue growth from our core Alberta portfolio.” said Sam Kolas; Chairman and Chief Executive Officer of Boardwalk REIT.

Rob Geremia; President of Boardwalk REIT added: “The rental market in Alberta is trending toward a level of balance, and through the seasonally busy summer months, our Team’s commitment to providing the best product quality, service and experience has resulted in continued strong operational performance and an increase in market share. Our sustainable net effective rental rate growth target of 4-8% on our Alberta portfolio is delivering sustainable revenue growth while our focus on controllable expense reduction is resulting in a further improvement to our operating margins, providing significant growth to Net Operating Income.”

Mr. Kolas concluded: “Our core Alberta portfolio continues to deliver solid growth with our two largest markets, Edmonton and Calgary, delivering 13.9% and 10.0% same property NOI growth in the third quarter. In Saskatchewan, the Trust is gaining market share, resulting in 8.5% same property NOI growth in the third quarter. The Trust’s Ontario and Quebec markets, which represent over 25% of the Trust’s portfolio, are continuing to deliver strong and stable results with record high occupancy and increasing market rents, contributing NOI growth of 5.3% and 5.2% respectively in the third quarter. By combining this strong operational performance with a disciplined approach to capital allocation, Boardwalk is well-positioned to continue to deliver growth, which will translate into industry-leading FFO per Unit performance.”

### **INCREASES 2019 FINANCIAL GUIDANCE**

The Trust’s performance in the first nine months of 2019 has exceeded its original expectations, with revenues forecasted to be near the top end of its original forecast and certain expense lines projected to fall below the original forecast range. Many of the controllable expense savings can be attributed to our Team’s ability to find savings and be more innovative and creative in the ways to deliver the Trust’s product, service and experience to our Residents.

As a result, the Trust is revising its forecast for stabilized building NOI growth to 6% - 8%. Additionally, the Trust is increasing the bottom end of its FFO per unit guidance to \$2.50 per Trust Unit and increasing the top end of its FFO per unit guidance to \$2.55 per Trust Unit as follows:

<b>Description</b>	<b>2019 Q3 Revised Guidance</b>	<b>2019 Q2 Revised Guidance</b>	<b>2019 Original Guidance</b>
<b>Stabilized Building NOI Growth</b>	<b>6% to 8%</b>	<b>4% to 9%</b>	<b>4% to 9%</b>
<b>FFO Per Unit</b>	<b>\$2.50 to \$2.55</b>	<b>\$2.45 to \$2.52</b>	<b>\$2.35 to \$2.50</b>
<b>AFFO Per Unit (\$717/door maintenance capital)</b>	<b>\$2.03 to \$2.08</b>	<b>\$1.98 to \$2.05</b>	<b>\$1.88 to \$2.03</b>

The reader is cautioned that this information is forward-looking and actual results may vary materially from those

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reported. The Trust reviews these key assumptions quarterly and, based on this review, may change its outlook.

### **THIRD QUARTER & NINE MONTH HIGHLIGHTS**

<i>\$ millions, except per unit amounts</i>						
<b>Highlights of the Trust's Third Quarter 2019 Financial Results</b>						
	<b>3 Months Sep 30, 2019</b>	<b>3 Months Sep 30, 2018</b>	<b>% Change</b>	<b>9 Months Sep 30, 2019</b>	<b>9 Months Sep 30, 2018</b>	<b>% Change</b>
<b>Operational Highlights</b>						
Total Rental Revenue	\$ 114.7	\$ 108.8	5.4%	\$ 339.9	\$ 324.2	4.8%
Same Property Total Rental Revenue	\$ 112.5	\$ 107.6	4.6%	\$ 333.6	\$ 320.7	4.0%
Net Operating Income (NOI), as reported	\$ 67.9	\$ 58.8	15.5%	\$ 194.0	\$ 171.0	13.5%
Comparative NOI *	\$ 67.0	\$ 60.1	11.5%	\$ 190.5	\$ 174.9	8.9%
Same Property NOI **	\$ 67.2	\$ 60.7	10.7%	\$ 191.4	\$ 178.7	7.1%
Operating Margin (as reported)	59.2%	54.1%		57.1%	52.7%	
Comparative Operating Margin *	58.4%	55.3%		56.0%	53.9%	
Same Property Operating Margin **	59.7%	56.4%		57.4%	55.7%	
<b>Financial Highlights</b>						
Funds From Operations (FFO)	\$ 35.8	\$ 29.8	20.0%	\$ 98.8	\$ 84.8	16.6%
Adjusted Funds From Operations (AFFO)	\$ 29.8	\$ 24.0	24.0%	\$ 80.8	\$ 67.4	19.9%
Profit for the Period	\$ 79.6	\$ 33.1	140.5%	\$ 143.4	\$ 159.1	-9.9%
FFO per Unit	\$ 0.70	\$ 0.59	18.6%	\$ 1.94	\$ 1.67	16.2%
AFFO per Unit	\$ 0.58	\$ 0.47	23.4%	\$ 1.59	\$ 1.33	19.5%
<b>Net Asset Value</b>						
IFRS Asset Value per Diluted Unit (Trust & LP B), period end				\$ 122.94	\$ 116.09	
Debt Outstanding per Diluted Unit, period end				\$ (57.99)	\$ (53.94)	
Net Asset Value (NAV) per Diluted Trust Unit (Trust & LP B), period end				\$ 64.95	\$ 62.15	
Cash per Diluted Unit (Trust & LP B), period end				\$ 0.20	\$ 0.90	
Total per Diluted Unit (Trust & LP B), period end				\$ 65.15	\$ 63.05	
<b>Liquidity, Debt and Distributions</b>						
Cash Position, period end				\$ 10,000		
Subsequent Committed Financing				\$ 24,000		
Subsequent VTB Mortgage Received				\$ 36,000		
Line of Credit				\$ 200,000		
<b>Total Available Liquidity</b>				<b>\$ 270,000</b>		
Liquidity as a % of Period Total Debt					9%	
Debt (net of cash) as a % of Reported Asset Value					47%	
Principal Outstanding, period end	\$ 2,834,314	\$ 2,742,534		\$ 2,834,314	\$ 2,742,534	
Interest Coverage Ratio (Rolling 4 quarters)	2.74	2.68		2.74	2.68	
Regular Distributions Declared (Trust Units & LP B Units)	\$ 12.7	\$ 12.7	0.1%	\$ 38.2	\$ 38.2	0.1%
Regular Distributions Declared Per Unit (Trust Units & LP B Units)	\$ 0.250	\$ 0.250	0.0%	\$ 0.751	\$ 0.751	0.0%
Regular Payout as a % FFO	35.6%	42.7%		38.7%	45.0%	
Stabilized Apartment Units				32,769	33,108	
Un-Stabilized Units				494	150	
<b>Total Apartment Units</b>				<b>33,263</b>	<b>33,258</b>	

\*Comparative figures adjust for lease payments relating to IFRS 16 and is applies to apples for the Trust's new Asset Management Model

\*\* Same Property figures exclude un-stabilized properties, sold assets, adjust for lease payments relating to IFRS 16 and is applies to apples for the Trust's new Asset Management Model

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NOI, 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 three and nine months ended September 30, 2019, under the section titled, “Performance Measures”. Same property results exclude 124-units in Edmonton acquired April 2019, 299-units in Calgary acquired November 2018 AND 71-units from Pines Edge 3 completed July 2018.

## **EXCEPTIONAL VALUE**

The Trust believes that its current trading price continues to represent exceptional value.

Recent sales transactions of apartment buildings in Calgary and Edmonton have averaged more than \$200,000 per door.

Boardwalk’s fair value of its assets utilizing a stabilized cap rate of 5.27% is estimated to be approximately \$185,000 per door.

At a unit price of \$44/Trust Unit, Boardwalk’s implied value is approximately \$153,000 per door.

Boardwalk’s FFO per unit growth this quarter of 18.6% marks the sixth consecutive quarter of FFO growth and continues to represent the early stages of a growth cycle for the Trust on a foundation of record affordability in rents.

The Trust remains disciplined on its near-term objectives with our focus remaining on our operational performance, which will continue to drive FFO growth. This will lead to sustainable distributions, a higher-quality property portfolio, and unit price growth.

## **PORTFOLIO HIGHLIGHTS**

<b>Portfolio Highlights for the Third Quarter of 2019</b>			
	<b>Sep-19</b>	<b>Dec-18</b>	<b>Sep-18</b>
Average Occupancy (Period Average)	96.62%	96.03%	95.87%
Average Monthly Rent (Period Ended)	\$ 1,133	\$ 1,094	\$ 1,082
Average Market Rent (Period Ended)	\$ 1,339	\$ 1,281	\$ 1,274
Average Market Rent (Period Ended), net of incentives	\$ 1,240	\$ 1,171	\$ 1,168
Average Occupied Rent (Period Ended)	\$ 1,170	\$ 1,138	\$ 1,124
Loss -to-Lease (Period Ended) (\$ millions )	\$ 64.5	\$ 54.0	\$ 57.5
Loss -to-Lease (Period Ended) (\$ millions ), net of incentives	\$ 26.5	\$ 12.3	\$ 14.8
Loss -to-Lease Per Trust Unit (Period Ended)	\$ 1.27	\$ 1.06	\$ 1.13
Loss -to-Lease Per Trust Unit (Period Ended), net of incentives	\$ 0.52	\$ 0.24	\$ 0.29

\*Average occupancy is adjusted to be on a same-property basis

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## STABILIZED OPERATING PERFORMANCE

<b>Sep 30 2019 - 3 M</b>	<b># of Units</b>	<b>% Revenue Growth</b>	<b>% Operating Expense Growth</b>	<b>% Net Operating Income Growth</b>	<b>% of NOI</b>
Edmonton	12,906	4.3%	-5.9%	13.9%	37.8%
Calgary	5,657	5.4%	-2.0%	10.0%	21.3%
Red Deer	939	11.0%	-12.1%	38.7%	2.5%
Grande Prairie	645	10.8%	-9.7%	33.3%	1.7%
Fort McMurray	352	-0.8%	4.8%	-4.5%	1.1%
Alberta	20,499	5.0%	-5.5%	16.2%	64.3%
Quebec	6,000	3.8%	1.3%	5.2%	19.0%
Saskatchewan	3,685	2.9%	-3.4%	8.5%	10.1%
Ontario	2,585	5.5%	5.7%	5.3%	6.5%
	32,769	4.6%	-3.3%	10.7%	100.0%

<b>Sep 30 2019 - 9 M</b>	<b># of Units</b>	<b>% Revenue Growth</b>	<b>% Operating Expense Growth</b>	<b>% Net Operating Income</b>	<b>% of NOI</b>
Edmonton	12,906	3.4%	-0.8%	7.4%	37.3%
Calgary	5,657	5.7%	0.3%	9.1%	21.5%
Red Deer	939	11.1%	-3.1%	26.1%	2.5%
Grande Prairie	645	12.4%	-3.8%	30.0%	1.7%
Fort McMurray	352	-3.8%	-5.5%	-2.4%	1.1%
Alberta	20,499	4.5%	-0.8%	9.0%	64.0%
Quebec	6,000	3.5%	1.2%	4.9%	19.1%
Saskatchewan	3,685	1.9%	3.4%	0.7%	10.0%
Ontario	2,585	4.6%	2.5%	6.1%	6.8%
	32,769	4.0%	0.2%	7.1%	100.0%

Stabilized as a % of Total Portfolio 98.5%

## QUARTERLY SEQUENTIAL REVENUE GROWTH

<b>Stabilized Revenue Growth</b>	<b># of Units</b>	<b>Q3 2019 vs Q2 2019</b>	<b>Q2 2019 vs Q1 2019</b>	<b>Q1 2019 vs Q4 2018</b>	<b>Q4 2018 vs Q3 2018</b>
Edmonton	12,906	1.3%	1.8%	0.2%	1.1%
Calgary	5,657	1.0%	1.4%	2.2%	0.7%
Red Deer	939	0.2%	2.2%	5.5%	2.8%
Grande Prairie	645	2.4%	2.3%	2.2%	3.5%
Fort McMurray	352	1.3%	0.7%	-0.7%	-2.0%
Quebec	6,000	1.0%	0.2%	1.2%	1.4%
Saskatchewan	3,685	1.2%	0.9%	0.1%	0.8%
Ontario	2,585	1.2%	1.9%	1.2%	1.1%
	32,769	1.1%	1.3%	1.0%	1.1%

## Q3 REGULAR MONTHLY DISTRIBUTION ANNOUNCEMENT

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Month	Per Unit	Annualized	Record Date	Distribution Date
Nov-19	\$0.0834	\$ 1.00	29-Nov-19	16-Dec-19
Dec-19	\$0.0834	\$ 1.00	31-Dec-19	15-Jan-20
Jan-20	\$0.0834	\$ 1.00	31-Jan-20	17-Feb-20

## **FINANCIAL AND SUPPLEMENTARY INFORMATION**

Boardwalk produces quarterly financial statements, management discussion and analysis, and a supplemental information package that provides detailed information regarding the Trust's activities during the quarter. Financial and supplementary information is available on Boardwalk's investor website at [www.bwalk.com/investors](http://www.bwalk.com/investors)

## **TELECONFERENCE ON THIRD QUARTER 2019 FINANCIAL RESULTS**

Boardwalk invites you to participate in the teleconference that will be held to discuss these results tomorrow morning (November 15, 2019) 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.bwalk.com/investors](http://www.bwalk.com/investors) prior to the call.

**Teleconference:** The telephone numbers for the conference are 416-764-8688 (local/international callers) or toll-free 1-888-390-0546 (within North America).

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

Conference ID: 17195214

Topic: Boardwalk REIT Third Quarter Results

**Webcast:** Investors will be able to listen to the call and view Boardwalk's slide presentation by visiting [www.bwalk.com/investors](http://www.bwalk.com/investors) 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:

[Boardwalk REIT Third Quarter Results Conference Call Link](#)

Replay: An audio recording of the teleconference will be available on the Trust's website:

[www.bwalk.com/investors](http://www.bwalk.com/investors)

## **CORPORATE PROFILE**

Boardwalk REIT strives to be Canada's friendliest communities 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

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multi-family communities 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.bwalk.com/investors](http://www.bwalk.com/investors)

#### **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 2019 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 year-end Management's Discussion & Analysis of Boardwalk REIT 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.*

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