



NEWS RELEASE FOR IMMEDIATE DISTRIBUTION

## **BOARDWALK REIT REPORTS SECOND QUARTER FUNDS FROM OPERATION PER UNIT GROWTH OF 13.3% AND INCREASES 2019 FINANCIAL GUIDANCE**

### **SUMMARY HIGHLIGHTS FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2019**

- **SOLID PERFORMANCE**
  - FOR THE 3 MONTH PERIOD ENDED JUNE 30, 2019
    - FFO of \$0.68 per trust unit, an increase of 13.3% and fifth consecutive quarter of FFO growth
    - 3.8% same-property revenue growth
    - 5.0% same-property net operating income growth
  - FOR THE 6 MONTH PERIOD ENDED JUNE 30, 2019
    - FFO of \$1.24 per trust unit, an increase of 14.8%
    - 3.7% same-property revenue growth
    - 5.2% same-property net operating income growth
- **INCREASES 2019 FINANCIAL GUIDANCE**
  - Revised FFO range of \$2.45 to \$2.52 per Trust Unit
- **DELIVERING OPERATIONAL RESULTS**
  - Sixth consecutive quarterly sequential revenue growth
  - Maintained 96.6% occupancy in the second quarter of 2019
  - Primary focus remains on the execution of multi-year organic growth opportunity
- **LAYERING ON LONG-TERM STRATEGY**
  - Announces sale of Chancellor Gate, a 138-unit non-core asset in Saskatoon for \$20.7 million or \$150,000 per door, a premium to IFRS fair value
  - Proceeds from sale recycled towards a new landmark development in Mississauga, Ontario in partnership with RioCan REIT
  - The sale of non-core assets at a premium to the Trust's IFRS value and recycling towards higher-quality assets and/or geographic diversification are consistent with the Trust's long-term strategy and provide excellent sources of equity capital for the Trust to high-grade its portfolio
- **STRONG FINANCIAL POSITION**
  - Approximately \$234 million of liquidity
  - Forward locked and/or renewed the interest rate on \$442.7 million or 84% of 2019 mortgage maturities
  - Net Asset Value of \$63.30 per trust unit, equating to approximately \$181,000 per door
- **DISTRIBUTION OF \$1.00 PER TRUST UNIT ON AN ANNUALIZED BASIS CONFIRMED FOR THE MONTHS OF AUGUST, SEPTEMBER AND OCTOBER 2019**

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

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

"We are pleased to report and deliver on a solid second quarter and first half of 2019 with growth in Funds From Operation ("FFO") per unit of 13.3% and 14.8% respectively. This performance is a result of our team's commitment to the best product quality, service and experience, and has allowed the Trust to maintain high occupancy while decreasing incentives and for the first half of the year has resulted in a 4.6% increase in total revenue. Boardwalk's Resident-Friendly approach to sustainable incentive reductions and rental rate adjustments has resulted in a continued positive trend and, for six consecutive quarters, has delivered a sequential and compounding improvement in revenue. We believe this approach will best allow the Trust to deliver multi-year organic revenue growth from the recovery of our 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 through the seasonally more active summer turnover season continues to trend toward a level of balance with vacancy in our core Alberta markets continuing to further improve. A positive indicator, and an example we have seen through this summer turnover season, is an increase in the number of back-to-back suite turnovers, where suites that are being vacated on the last day of the month have been re-leased for the first day of the following month. This increased demand, coupled with moderating supply in the rental market, has positioned the Trust to execute on our organic revenue growth strategy where we remain in the early stages of recovery."

Mr. Kolas concluded: "By focusing on maintaining high occupancy, reducing incentives, managing controllable operating expenses and enhancing the value of our portfolio, the Trust has been able to optimize and drive higher Net Operating Income and Funds from Operations. As incentives are decreasing on lease renewals, and limited incentives are required to lease and fill vacant units, our Resident-Friendly approach of targeting half-month to one-month reductions in incentives has positioned the Trust well in retaining its Residents while our investment in team culture of caring, peak performers has benefited the Trust with improved operating expenses."

**INCREASES 2019 FINANCIAL GUIDANCE**

The Trust's performance in the first half 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 the Boardwalk 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 the bottom end of its FFO per unit guidance from \$2.35 per Trust Unit to \$2.45 per Trust Unit. Additionally, the Trust is increasing the top end of its FFO per unit guidance from \$2.50 per Trust Unit to \$2.52 per Trust Unit as follows:

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

Capital Budget (\$'000's)	2019 6 Month		2019 Budget -		2019 Budget -	
	Actual	Per Suite	Low End	Per Suite	High End	Per Suite
Maintenance Capital	\$ 11,986	359	\$ 23,960	717	\$ 23,960	717
Value-added Capital (including suite upgrades and property, plant & equipment)	43,156	1,291	71,572	2,142	98,645	2,952
<b>Total Operational Capital</b>	<b>\$ 55,142</b>	<b>1,650</b>	<b>\$ 95,532</b>	<b>2,859</b>	<b>\$ 122,605</b>	<b>3,669</b>
Development	18,130		55,000		55,000	
Acquisitions	36,842					
<b>Total Capital Investment</b>	<b>\$ 110,114</b>		<b>\$ 150,532</b>		<b>\$ 177,605</b>	

The Trust has also increased its development budget from \$44 million to \$55 million to reflect the addition of its 50% interest in a new development in Mississauga, ON which closed subsequent to the end of the second quarter.

The reader is cautioned that this information is forward-looking and actual results may vary materially from those reported. The Trust reviews these key assumptions quarterly and, based on this review, may change its outlook.

### **LAYERING ON LONG-TERM STRATEGY**

Boardwalk is pleased to announce two transactions. The Trust has agreed to the sale of Chancellor Gate, a 138-unit non-core low-rise asset in Saskatoon for an unconditional sale price of \$20.7 million, equating to \$150,000 per door and a premium to the IFRS value the Trust had recorded for the asset. Closing is expected in mid-September of 2019. The sale of non-core assets at a premium to the Trust's IFRS values and recycling towards higher quality assets with superior returns provide excellent sources of equity capital for the Trust to high-grade and geographically diversify its portfolio.

Additionally, Boardwalk is excited to announce the continuation of our strategic partnership with RioCan to extend its partnership to maximize the potential of a well-located, transit oriented community in Mississauga, Ontario to develop a 25 and 16-storey mixed-use development with an estimated 470 residential units connected by a retail podium. RioCan and Boardwalk are currently finalizing development plans and, subject to zoning approval and confirmation of total buildable area, the total purchase price for the Trust's 50% interest is estimated to be \$14.9

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million, or \$80 per square foot buildable. Zoning is anticipated in early 2020 and aligns with the completion of BRIO in Calgary, RioCan and Boardwalk's first joint-venture development.

This development will be Boardwalk's second in the Greater Toronto Area (GTA), and is an exciting opportunity for Boardwalk to recycle capital. With the Trust's minimum distribution/maximum re-investment policy, our growing free cash flow may then be re-invested in the Trust's long-term growth strategy of improving our existing communities, while high-grading and geographically diversifying our portfolio into other high-growth rental markets.

### **EXCEPTIONAL VALUE**

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

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

Boardwalk's fair value of its assets are estimated to be approximately \$181,000 per door.

Boardwalk's aforementioned sale of a non-core asset in Saskatoon is valued at \$150,000 per door.

At a unit price of \$42/Trust Unit, Boardwalk's implied value is approximately \$149,000 per door.

Boardwalk's FFO per unit growth this quarter of 13.3% marks the fifth consecutive quarter of FFO growth, sixth quarter of sequential revenue 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 and, in turn, will lead to distribution, long-term geographic diversification, high-grading our existing portfolio and enhancing unit price growth.



## SECOND QUARTER & FIRST SIX-MONTH HIGHLIGHTS

<i>\$ millions, except per unit amounts</i>						
<b>Highlights of the Trust's Second Quarter 2019 Financial Results</b>						
	<b>3 Months Jun 30, 2019</b>	<b>3 Months Jun 30, 2018</b>	<b>% Change</b>	<b>6 Months Jun 30, 2019</b>	<b>6 Months Jun 30, 2018</b>	<b>% Change</b>
<b>Operational Highlights</b>						
Total Rental Revenue	\$ 113.4	\$ 108.4	4.6%	\$ 225.3	\$ 215.4	4.6%
Same Property Total Rental Revenue	\$ 111.7	\$ 107.6	3.8%	\$ 221.9	\$ 213.9	3.7%
Net Operating Income (NOI), as reported	\$ 66.2	\$ 59.4	11.5%	\$ 126.1	\$ 112.1	12.5%
Comparative NOI *	\$ 65.1	\$ 60.7	7.2%	\$ 123.5	\$ 114.8	7.6%
Same Property NOI **	\$ 65.6	\$ 62.5	5.0%	\$ 124.6	\$ 118.4	5.2%
Operating Margin (as reported)	58.4%	54.8%		56.0%	52.1%	
Comparative Operating Margin *	57.4%	56.0%		54.8%	53.3%	
Same Property Operating Margin **	58.8%	58.1%		56.2%	55.4%	
<b>Financial Highlights</b>						
Funds From Operations (FFO)	\$ 34.8	\$ 30.6	13.5%	\$ 63.0	\$ 55.0	14.7%
Adjusted Funds From Operations (AFFO)	\$ 28.8	\$ 24.9	15.7%	\$ 51.1	\$ 43.4	17.6%
Profit for the Period	\$ 71.6	\$ 56.8	26.1%	\$ 63.9	\$ 126.0	-49.3%
FFO per Unit	\$ 0.68	\$ 0.60	13.3%	\$ 1.24	\$ 1.08	14.8%
AFFO per Unit	\$ 0.57	\$ 0.49	16.3%	\$ 1.00	\$ 0.85	17.6%
<b>Net Asset Value</b>						
IFRS Asset Value per Diluted Unit (Trust & LP B), period end				\$ 120.73	\$ 114.90	
Debt Outstanding per Diluted Unit, period end				\$ (57.81)	\$ (54.28)	
Net Asset Value (NAV) per Diluted Trust Unit (Trust & LP B), period end				\$ 62.92	\$ 60.62	
Cash per Diluted Unit (Trust & LP B), period end				\$ 0.38	\$ 1.60	
Total per Diluted Unit (Trust & LP B), period end				\$ 63.30	\$ 62.22	
<b>Liquidity, Debt and Distributions</b>						
Cash Position, period end				\$ 19,000		
Subsequent Committed Financing				\$ 15,000		
Line of Credit				\$ 200,000		
Total Available Liquidity				\$ 234,000		
Liquidity as a % of Period Total Debt				8%		
Debt (net of cash) as a % of Reported Asset Value				48%		
Principal Outstanding, period end	\$ 2,833,004	\$ 2,759,043		\$ 2,833,004	\$ 2,759,043	
Interest Coverage Ratio (Rolling 4 quarters)	2.70	2.64		2.70	2.64	
Regular Distributions Declared (Trust Units & LP B Units)	\$ 12.7	\$ 12.7	0.1%	\$ 25.5	\$ 25.4	0.1%
Regular Distributions Declared Per Unit (Trust Units & LP B Units)	\$ 0.250	\$ 0.250	0.0%	\$ 0.500	\$ 0.500	0.0%
Regular Payout as a % FFO	36.6%	41.5%		40.4%	46.3%	
Stabilized Apartment Units				32,907	32,761	
Un-Stabilized Units				494	426	
Total Apartment Units				33,401	33,187	

\*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

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

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measures can be found in the Management Discussion and Analysis (“MD&A”) for the three and six months ended June 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.

## PORTFOLIO HIGHLIGHTS

Portfolio Highlights for the Second Quarter of 2019			
	Jun-19	Dec-18	Jun-18
Average Occupancy (Period Average)	96.57%	95.77%	96.44%
Average Monthly Rent (Period Ended)	\$ 1,120	\$ 1,094	\$ 1,076
Average Market Rent (Period Ended)	\$ 1,315	\$ 1,281	\$ 1,263
Average Market Rent (Period Ended), including incentives	\$ 1,210	\$ 1,171	\$ 1,145
Average Occupied Rent (Period Ended)	\$ 1,157	\$ 1,138	\$ 1,109
Loss -to-Lease (Period Ended) (\$ millions )	\$ 60.3	\$ 54.0	\$ 58.8
Loss -to-Lease (Period Ended) (\$ millions ), including	\$ 20.2	\$ 12.3	\$ 13.9
Loss -to-Lease Per Trust Unit (Period Ended)	\$ 1.19	\$ 1.06	\$ 1.16
Loss -to-Lease Per Trust Unit (Period Ended), including	\$ 0.40	\$ 0.24	\$ 0.27

## QUARTERLY SEQUENTIAL REVENUE GROWTH

### Sequential Revenue Analysis

Stabilized Revenue Growth	# of Units	Q2 2019 vs Q1	Q1 2019 vs Q4	Q4 2018 vs Q3	Q3 2018 vs Q2
		2019	2018	2018	2018
Edmonton	12,906	1.8%	0.2%	1.1%	0.2%
Calgary	5,657	1.4%	2.2%	0.7%	1.4%
Red Deer	939	2.2%	5.5%	2.8%	0.5%
Grande Prairie	645	2.3%	2.2%	3.5%	3.7%
Fort McMurray	352	0.7%	-0.7%	-2.0%	-3.4%
Quebec	6,000	0.2%	1.2%	1.4%	0.5%
Saskatchewan	3,823	0.9%	0.1%	0.8%	-1.4%
Ontario	2,585	1.9%	1.2%	1.1%	0.4%
	32,907	1.3%	1.0%	1.1%	0.3%



## **Q2 REGULAR MONTHLY DISTRIBUTION**

Month	Per Unit	Annualized	Record Date	Distribution Date
Aug-19	\$0.0834	\$ 1.00	30-Aug-19	16-Sep-19
Sep-19	\$0.0834	\$ 1.00	30-Sep-19	15-Oct-19
Oct-19	\$0.0834	\$ 1.00	31-Oct-19	15-Nov-19

## **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 FIRST QUARTER 2019 FINANCIAL RESULTS**

Boardwalk invites you to participate in the teleconference that will be held to discuss these results tomorrow morning (August 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: 28863450  
Topic: Boardwalk REIT Second 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:  
<https://event.on24.com/wcc/r/2041758/2894928304C72B495F88C82A05BD83F4>

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

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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 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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