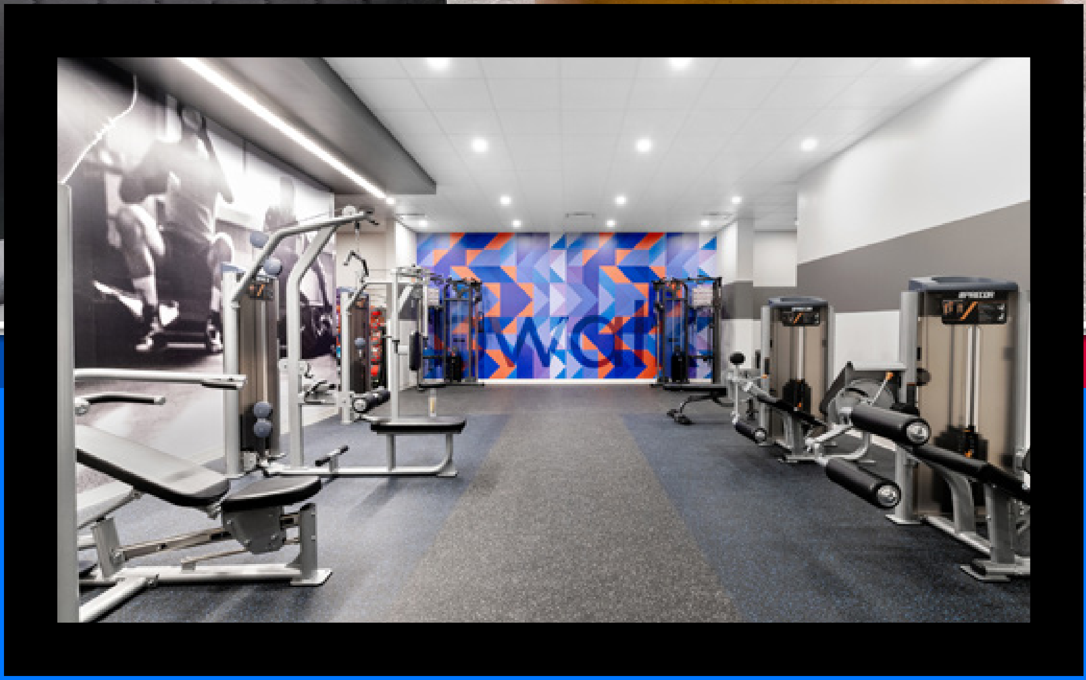
INSPIRING COMMUNITY, BUILDING A FUTURE OF BELONGING.

boardwalk

Lifestyle | communities | living

BOARDWALK REIT | ANNUAL AND ESG REPORT | 2021

West Edmonton Village
Edmonton, AB



West Edmonton Village
Edmonton, AB

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INSPIRING COMMUNITY, BUILDING A FUTURE OF BELONGING

Boardwalk strives to be Canada's friendliest and preeminent multi-family community provider, building long-lasting relationships with more than 60,000 Resident Members across Canada, spanning five provinces. Our diverse product offering across our three brands provides affordable and high-quality housing options to current and prospective Resident Members across their rental housing life cycle.

CORPORATE PROFILE

Boardwalk REIT strives to be Canada's friendliest community provider and is a leading owner/operator of multi-family rental communities. Providing homes in more than 200 communities, with over 33,000 residential units totaling over 28 million net rentable square feet, Boardwalk has a proven long-term track record of building better communities, where *love always lives*™. Our three tiered and distinct brands: Boardwalk Living, Boardwalk Communities, and Boardwalk Lifestyle, cater to a large diverse demographic and has evolved to capture the life cycle of all Resident Members. Boardwalk's disciplined approach to capital allocation, acquisition, development, purposeful re-positioning, and management of apartment communities allows the Trust to provide its brand of community across Canada creating exceptional Resident Member experiences. Differentiated by its peak performance culture, Boardwalk is committed to delivering exceptional service, product quality and experience to our Resident Members who reward us with high retention and market leading operating results, which in turn, lead to higher free cash flow and investment returns, stable monthly distributions, and value creation for all our stakeholders.

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.

Greentree Village
Edmonton, AB

2021 HIGHLIGHTS

$446.3M
PROFIT (LOSS)

$2.94
FFO PER UNIT (1)

7.3%
GROWTH IN FFO PER UNIT (1)

$3.3B
UNITHOLDERS' EQUITY

$66.87
NET ASSET VALUE PER UNIT (1)

$306M
TOTAL AVAILABLE LIQUIDITY AT THE END OF 2021

$72.3M
PROPERTY ACQUISITIONS

$127M
INVESTMENT IN CAPITAL ASSETS

>25%
MANAGEMENT OWNERSHIP

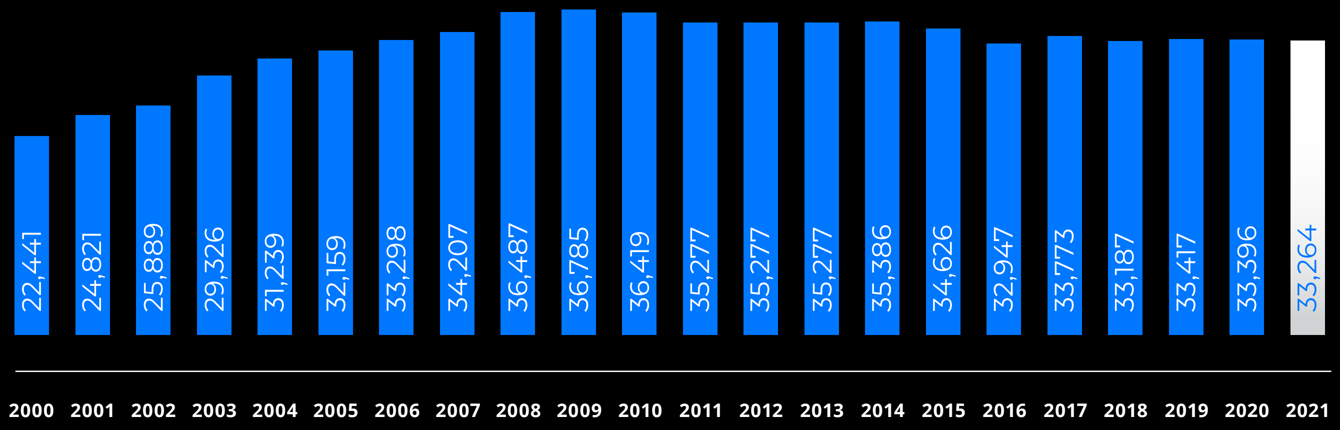
(1) A non-GAAP measure. Please refer to the Trust's Management Discussion & Analysis for the years ended December 31, 2021 and 2020 for definitions, reconciliations and the basis of presentation of Boardwalk REIT's non-GAAP measures.

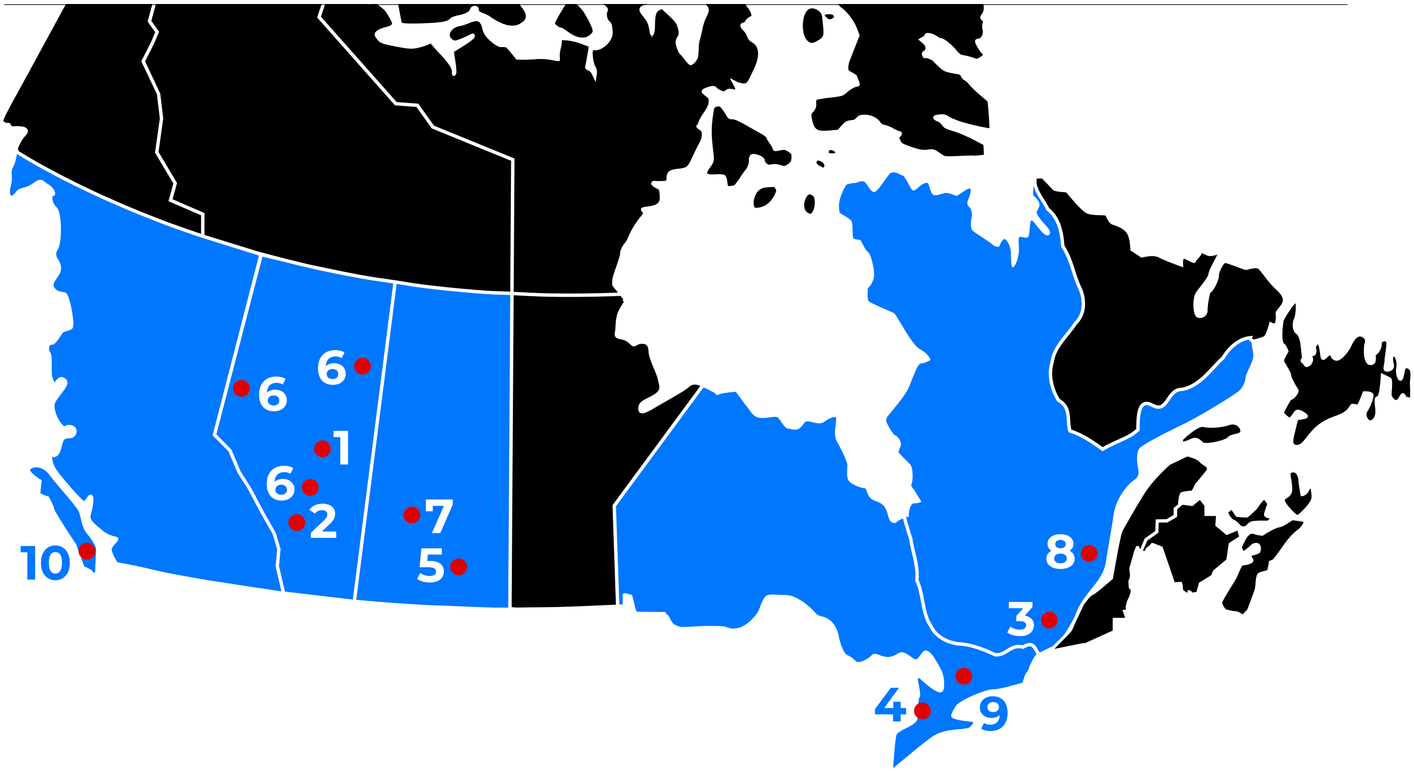
THE BOARDWALK PORTFOLIO

Comprised of over 33,000 apartment units across Canada, with three distinct brands, Boardwalk aims to serve all rental demographics where *love always lives*™. Boardwalk is committed to owning and operating a diverse portfolio to continue to provide affordable housing to all its Resident Members across Canada.

Boardwalk Centre
Edmonton, AB

RESIDENTIAL UNITS





City/Market		Units	Percentage of Portfolio
1	**Edmonton/St. Albert/Spruce Grove**	12,882	38%
2	**Calgary/Airdrie/Banff**	5,960	18%
3	**Montreal**	4,681	14%
4	**London**	2,256	7%
5	**Regina**	1,974	6%
6	**Red Deer/Fort McMurray/Grande Prairie**	1,936	6%
7	**Saskatoon**	1,531	5%
8	**Quebec City**	1,319	4%
9	**Kitchener/Waterloo/Cambridge**	611	2%
10	**Victoria**	114	-
Total		**33,264**	
Under development			
GTA		365	
Victoria		Approximately 500 units in planning stage	

LETTER TO UNITHOLDERS

Dear Unitholders,

On a solid foundation of some of the most affordable rents in Canada, our commitment of delivering the best product quality, service and experience to our Resident Members was rewarded in 2021 with strong operating results. Our key performance metric, Funds from Operations (“FFO”) per Unit result of $2.94 was 7.3% higher than the year before, and compounds on our current track record of FFO growth through difficult economic conditions.

SAM KOLIAS

Chairman and Chief Executive Officer

“Boardwalk is well-positioned in our core markets with some of the most affordable rents in Canada, and continuing to lead in providing the best value in housing to our Resident Members.”

Our Boardwalk team continued to focus on optimizing revenue through the varying pandemic environment in 2021 and delivering our essential service of affordable housing to Canadians. Most of the Trust's portfolio saw balanced market conditions, which allowed for inflationary adjustments to rental rates in the second half of 2021 in those markets. Our team's focus on finding innovative and efficient ways to deliver our product quality, service and experience to our Resident Members offset some of the non-controllable expense increases resulting in positive same property Net Operating Income ("NOI") performance with improved operating margins.

In the Right Places at the Right Time

Housing fundamentals in our core markets continue to improve from the pandemic pause with higher population growth and moderated housing supply. With the improved macro backdrop of a more diversified economy, stronger commodity prices, and high affordability of our unregulated Western Canadian portfolio, we believe Boardwalk's portfolio is well positioned to continue on our track record of delivering strong growth in both FFO per unit, and NAV per unit.

Revenue Optimization

The majority of our markets are positioned with high occupancy and have begun to see a reduction of previously provided rental incentives. These reductions in incentives allow for a significant revenue opportunity for the Trust. Boardwalk is positioned to increase revenues in lower occupancy areas by maintaining and further gaining occupancy and in higher occupancy areas through positive adjustments in rental rates and reduction in incentives to improve operating margins on the foundation of high affordability within our portfolio.

Our Resident Members

One of our largest stakeholders, our Resident Members, have continued to recognize and reward Boardwalk with high retention rates, long average tenant stays, and consistent positive feedback on our community and customer experience initiatives that differentiate our homes and communities from others. Our Net Promoter Score ("NPS") in 2021 of 76 continues to grow higher relative to our own past records and is considered a world-class customer satisfaction score.

Southpointe Plaza
Regina, SK

Investing in our Portfolio

In addition to ensuring the longevity of our portfolio, our value-enhancing capital improvement strategy remains disciplined and focused on investments that provide targeted stabilized returns on our investments. The development of our value-add program has significantly improved our in-house, supply chain management and renovations processes and allowed us to pivot and respond quickly to the ever-changing demands of the rental market. The majority of our value-enhancing capital improvement investments are focused on affordability, great value for our Resident Members, which yield strong returns. These renovations include partial suite renovations as opposed to full suite renovations, which yield more affordable units, as well as refreshed common area repositions in our community and living brands to attract customers and increase our market share.

Boardwalk's three distinct brands and price points within its portfolio provide a diverse product offering to our Resident Members and caters to a broader housing demographic. This has resulted in increased demand stability within Boardwalk's portfolio.

Solid Financial Foundation

Boardwalk's growing FFO combined with a maximum cash retention and recycling strategy provides significant cashflow for re-investment. This approach has allowed the Trust to re-invest cashflow into its own portfolio, and position the Trust for further growth.

The continued low interest rate environment has presented a tailwind for the Trust's FFO. Over 98% of Boardwalk mortgages carry insurance from Canada Mortgage and Housing Corporation, providing access to low-cost financing and limiting future renewal risk. This low-cost financing provides Boardwalk the opportunity to reduce our interest expense, providing increased cashflow to further re-invest into housing through improvements, acquisition, and development. The Trust's leverage metrics continue to improve and present an opportunity for the Trust to take advantage of the current low interest rate environment to accelerate future growth.

Opportunistic Investments

In 2021, we continued to accretively grow our portfolio with the acquisition of two large communities in Banff, AB, and in Victoria, BC. These new additions to our portfolio provide additional scale in these markets, while also providing additional cashflow to the portfolio. In addition, the Trust continues to be active in developing new residential communities in supply constrained markets. Boardwalk's development in Brampton, ON continues on budget and on-time with delivery of our first tower slated for the second half of 2022. Our two development sites in Victoria are nearing appropriate entitlements, and we are looking forward to creating amazing communities in these markets.

Boardwalk's non-core asset recycling continued in 2021 with the sale of four non-core assets. These sales provided the Trust with attractive capital for recycling with some proceeds invested in Boardwalk's own portfolio via our normal course issuer bid. In 2021, Boardwalk repurchased and cancelled 438,000 Trust Units at an average price of $54.84. The sale of non-core assets at or at a premium to their implied value, and the recycle of proceeds to Boardwalk's own Trust Units at a discount represents an attractive and accretive use of proceeds from non-core asset sales.

2022 Outlook

We are well positioned to continue our organic growth strategy by further gaining market share, continuing our success on sustainable incentive reductions in our Alberta and Saskatchewan portfolios, while also focused on optimizing rental rates on turnover in our Ontario and Quebec portfolios.

Affordability and value remains essential in all housing markets, and Boardwalk is well-positioned in our core markets with some of the most affordable rents in Canada. We are continuing to lead in providing the best value in housing to our Resident Members.

The Trust will maintain a strong financial foundation, while taking advantage of our flexible balance sheet for opportunistic investments. To ensure our ability to take advantage of opportunities that arise, adequate liquidity will continue to be maintained. We are committed to growth in our key performance metrics of FFO per unit

Our Goals	2021 Results
Organic Growth	Total rental revenue growth of 1.1% Achieved stabilized property NOI growth of 0.1% Achieved NOI margin improvement of 50 basis points
Accretive Capital Recycling	Sold 327 non-core units in Edmonton and Saskatoon Acquired 114 units in Victoria, BC and 81 units in Banff, AB Repurchased and cancelled 438,400 Trust Units at an average purchase cost of $54.85 per Trust Unit through normal course issuer bid
Increasing Asset Value	Net Asset Value per Unit (1) growth of 16% Repositioned/renovated 15 properties and renovated over 1,790 apartment suites Cumulatively renovated 45% of common areas & 29% of suites
Solid Financial Foundation	98% of mortgages are CMHC insured Interest coverage at 2.97
CREATING STAKEHOLDER VALUE	Profit (loss) of $446,267 FFO (1) of $150,207; AFFO (1) of $117,920 FFO per Unit (1) of $2.94 (2021 Guidance range of $2.89 – $2.95) AFFO per Unit (1) of $2.31 (2021 Guidance range of $2.24 – $2.30) 2021 Total Return of 63%

(1) A non-GAAP measure. Please refer to the Trust's Management Discussion & Analysis for the years ended December 31, 2021 and 2020 for definitions, reconciliations and the basis of presentation of Boardwalk REIT's non-GAAP measures.

and NAV per unit, and as such will continue to focus in on optimizing our largest opportunity of strong organic growth, combined with accretive acquisitions in the markets we have identified that provide both cashflow and capital appreciation. The trading of non-core assets provides access to low cost equity capital toward unique arbitrage opportunities such as our own Trust Units which are currently trading below valuations seen in the private market.

Boardwalk's Trust Units are currently trading at an equivalent value of $170,000 per apartment door, and approximately at a 4.9% cap rate on our most recent fiscal year NOI. This compares to our estimated NAV of approximately $190,000 per apartment door which represents a 5.2% cap rate using stabilized NOI, or a 4.5% cap rate on our 2021 NOI. Replacement costs continue to trend higher with inflating input costs and are significantly higher than our current valuation.

Thank you to you, our Unitholders for your support, as we continue to focus on continuing our track record of strong and sustainable financial performance.

Thank you to CMHC and our financial partners for your support in the delivery of the best product quality, service and experience to our Resident Members.

Thank you to our Boardwalk Team of Heroes who work persistently and tirelessly to ensure we are providing our essential service of housing.

And lastly, thank you to our Resident Members for calling Boardwalk Home.

With love always,

SAM KOLIAS

OUR COVID RESPONSE

Our top priority remains the health and safety of both our Resident Members and our Team in delivering our essential service of housing to our Residents across the country. We remain ever grateful for our front line and essential service providers, including our Boardwalk Team of Heroes who work tirelessly to provide safe and affordable housing in all our markets.

Doing Our Part

- All team members equipped with PPE
- Launch of online, self-service application (Yuhu)
  - Online rental payments
  - Online maintenance requests
  - Online chat for Resident Members
  - Virtual showings
  - Digital lease signing
- Increased cleaning and sanitization of common areas
- Launched a dedicated Resident Member COVID information website: www.bwalk.info
- Reiterated Boardwalk's flexible payment options
- Financial support for Residents in need
- Community engagement between Residents and local businesses
- Regular communication and updates between Residents and Associates

Executive Team

PORTFOLIO PROFILES

Multi-Family Property Portfolio

Edmonton, Spruce Grove & St. Alberta, AB					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
West Edmonton Village	Living	HR, WU & TH	1,176	1,138,368	968
Whitehall Square	Living	HR & WU	598	545,934	913
Boardwalk Centre	Living	Highrise	597	471,871	790
Fairmont Village	Living	Walk-Up	424	362,184	854
Meadowview Manor	Living	Walk-Up	348	284,490	818
Sturgeon Point Villas	Living	Walk-Up	280	284,953	1,018
Boardwalk Villages	Living	Townhouse	255	258,150	1,012
Riverview Plaza	Living	Walk-Up	252	203,740	808
Morningside Estates	Living	Walk-Up	223	167,064	749
Sir William Place	Living	HR & WU	220	126,940	577
Pembroke Estates	Living	Walk-Up	198	198,360	1,002
Greentree Village	Living	Walk-Up	192	156,000	813
Maple Gardens	Living	Walk-Up	181	163,840	905
Northridge Estates	Living	Walk-Up	180	103,270	574
Briarwynd Court	Living	TH & WU	172	144,896	842
Westbrook Estates	Living	Walk-Up	172	148,616	864
Galbraith House	Living	Highrise	163	110,400	677

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

West Edmonton Village
Edmonton, AB

Edmonton, Spruce Grove & St. Alberta, AB (continued)					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
Springwood Place Apartments	Living	Lowrise	160	122,640	767
Lord Byron Towers	Living	Highrise	158	133,994	848
Corian Apartments	Living	Garden	153	167,400	1,094
Primrose Lane Apartments	Living	Walk-Up	153	151,310	989
Habitat Village	Living	Townhouse	151	129,256	856
Meadowside Estates	Living	Walk-Up	148	104,036	703
Lord Byron Townhouses	Living	Townhouse	147	172,369	1,173
Cedarville Apartments	Living	Walk-Up	144	122,120	848
Leewood Village	Living	Walk-Up	142	129,375	911
Pinetree Village	Living	Walk-Up	142	106,740	752
Imperial Tower	Living	Highrise	138	112,050	812
The Westmount	Living	Highrise	133	124,825	939
Tamarack East & West	Living	Garden	132	212,486	1,610
Brookside Terrace	Living	TH & WU	131	196,779	1,502
Redwood Court	Living	Lowrise	116	107,680	928
Terrace Garden Estates	Living	Walk-Up	114	101,980	895
Castleridge Estates	Living	Townhouse	108	124,524	1,153
Kew Place	Living	Walk-Up	108	105,776	979
Cambrian Place	Living	Walk-Up	105	105,008	1,000
Monterey Pointe	Living	Walk-Up	104	83,548	803
Parkview Estates	Living	Townhouse	104	88,432	850
Victorian Arms	Living	Walk-Up	96	91,524	953
The Palisades	Living	Highrise	94	77,200	821
Westridge Estates B	Living	Lowrise	91	56,950	626
Westridge Estates C	Living	Lowrise	90	56,950	633
Castle Court	Living	Walk-Up	89	93,950	1,056
West Edmonton Court	Living	Walk-Up	82	73,209	893
Sandstone Pointe	Living	Walk-Up	81	83,800	1,035
Aspen Court	Living	Walk-Up	80	68,680	859
Lorelei House	Living	Walk-Up	78	65,870	844
Royal Heights	Living	Highrise	74	41,550	561
Point West Townhouses	Living	Townhouse	69	72,810	1,055
Village Plaza	Living	Townhouse	68	65,280	960
Breton Manor	Living	Walk-Up	66	57,760	875
Camelot	Living	Walk-Up	64	54,625	854
Carmen	Living	Walk-Up	64	54,625	854
Westridge Manor	Living	Garden	64	69,038	1,079
Fontana Place	Living	Lowrise	62	40,820	658
Suncourt Place	Living	Walk-Up	62	55,144	889
Warwick Apartments	Living	Walk-Up	60	49,092	818
Westborough Court	Living	Walk-Up	60	50,250	838

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

Edmonton, Spruce Grove & St. Alberta, AB (continued)					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
Garden Oaks	Living	Garden	56	47,250	844
Marlborough Manor	Living	Walk-Up	56	49,582	885
Westmoreland Apartments	Living	Lowrise	56	45,865	819
Valley Ridge Tower	Living	Highrise	49	30,546	623
Granville Square	Living	Townhouse	48	53,376	1,112
Westwinds of Summerlea	Living	Garden	48	53,872	1,122
Christopher Arms	Living	Lowrise	45	29,900	664
Summerlea Place	Living	Garden	39	43,297	1,110
Viking Arms	Community	Highrise	240	257,410	1,073
Ermineskin Place	Community	Highrise	226	181,788	804
Southgate Tower	Community	Highrise	170	153,385	902
Wimbledon	Community	Highrise	165	117,216	710
Capital View Tower	Community	Highrise	115	71,281	620
Tower On The Hill	Community	Highrise	100	85,008	850
Fort Garry House	Community	Highrise	93	70,950	763
Maureen Manor	Community	Highrise	91	64,918	713
Prominence Place	Community	Highrise	91	73,310	806
Solano House	Community	Highrise	91	79,325	872
Terrace Tower	Community	Highrise	84	66,000	786
Tower Hill	Community	Highrise	82	46,360	565
Riverview Manor	Community	Highrise	81	62,092	767
Deville Apartments	Community	Highrise	66	47,700	723
Lansdowne Park	Community	Midrise	62	48,473	782
The Edge	Lifestyle	Lowrise	182	163,103	896
Park Place Tower	Lifestyle	Highrise	179	162,049	905
Axxess	Lifestyle	Lowrise	165	149,565	906
Vita Estates	Lifestyle	Lowrise	162	135,454	836
Insignia Tower	Lifestyle	Highrise	124	112,864	910
Totals:			**12,882**	**11,352,470**	**881**

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

Below: West Edmonton Village
Edmonton, AB

Calgary, Airdrie & Banff, AB					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
Russet Court	Living	Garden	206	213,264	1,035
Radisson Village I	Living	TH & WU	124	108,269	873
Radisson Village II	Living	TH & WU	124	108,015	871
Radisson Village III	Living	Townhouse	118	124,379	1,054
Vista Gardens	Living	Townhouse	100	121,040	1,210
Travois Apartments	Living	Walk-Up	89	61,350	689
Hillside Estates	Living	Walk-Up	76	58,900	775
Pineridge Apartments	Living	Lowrise	76	52,275	688
Flintridge Place	Living	Midrise	68	55,023	809
Willow Park Gardens	Living	Walk-Up	66	44,563	675
McKinnon Manor Apartments	Living	Walk-Up	60	43,740	729
McKinnon Court Apartments	Living	Walk-Up	48	36,540	761
Patrician Village	Community	Walk-Up	392	295,600	754
Richmond Towers	Community	HR & MR	376	301,720	802
Spruce Ridge Estates	Community	Walk-Up	284	196,464	692
Oak Hill Estates	Community	Townhouse	240	236,040	984
Boardwalk Heights	Community	Highrise	202	160,894	797
O'Neil Tower	Community	Highrise	187	131,281	702
Westwinds Village	Community	Walk-Up	180	137,815	766
Tower Lane Terrace Apartments	Community	Walk-Up	163	130,920	803
Ridgeview Gardens	Community	Townhouse	160	151,080	944
Northwest Pointe	Community	Walk-Up	150	102,750	685
Skygate Tower	Community	Highrise	142	113,350	798
Boardwalk Retirement Community	Community	Highrise	124	82,130	662
Lakeview Apartments	Community	Walk-Up	120	107,680	897
Brentview Tower	Community	Highrise	115	69,310	603
Broadway Centre	Community	Highrise	115	80,424	699
Dorsett Square	Community	Highrise	109	98,948	908
Spruce Ridge Gardens	Community	Walk-Up	109	86,351	792
Lakeside Estates	Community	Walk-Up	89	77,732	873
Glamorgan Manor	Community	Walk-Up	86	63,510	738
Royal Park Plaza	Community	Highrise	86	66,137	769
Mountainview Estates	Community	TH & WU	81	75,624	934
Elk Valley Estates*	Community	Walk-Up	76	53,340	702
Prominence Place Apartments	Community	Walk-Up	75	55,920	746
Randal House	Community	Highrise	70	56,600	809
Varsity Place Apartments	Community	Walk-up	70	47,090	673
Beddington Court	Community	Walk-Up	66	50,919	772
Village Vale	Community	Townhouse	54	66,366	1,229

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

Calgary, Airdrie & Banff, AB (continued)					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
Varsity Square Apartments	Lifestyle	MR & LR	297	241,128	812
Auburn Landing	Lifestyle	Lowrise	238	209,976	882
Chateau Apartments	Lifestyle	Highrise	145	110,545	762
Centre Pointe West	Lifestyle	Midrise	123	110,611	899
BRIO	Lifestyle	Highrise	81	71,500	883
Totals:			**5,960**	**4,867,113**	**817**

Montreal, QC					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
Le Bienville	Living	Walk-up	168	115,600	688
Jardins Viva	Living	Walk-up	112	91,000	813
Nuns' Island Portfolio	Community	HR, WU & TH	3,100	3,106,110	1,002
Domaine d'Iberville Apartments	Community	Highrise	720	560,880	779
Complexe Deguire	Community	Highrise	322	276,324	858
Le Quatre Cent	Community	Highrise	259	153,500	593
Totals:			**4,681**	**4,303,414**	**919**

London, ON					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
Noel Meadows	Living	Walk-Up	105	72,600	691
Heritage Square	Community	MR & WU	359	270,828	754
Forest City Estates	Community	Highrise	272	221,000	813
Maple Ridge On The Parc	Community	Highrise	257	247,166	962
Landmark Towers	Community	Highrise	213	173,400	814
Topping Lane Terrace	Community	Midrise	189	177,880	941
Westmount Ridge	Community	Midrise	179	131,700	736
Meadowcrest Apartments	Community	Walk-Up	162	110,835	684
Castlegrove Estates	Community	Lowrise	144	126,420	878
The Bristol	Community	Highrise	138	109,059	790
Sandford Apartments	Community	Walk-Up	96	77,594	808
Villages of Hyde Park	Community	Townhouse	60	57,850	964
Abbey Estates	Community	Townhouse	53	59,794	1,128
Ridgewood Estates	Community	Townhouse	29	31,020	1,070
Totals:			**2,256**	**1,867,146**	**828**

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

Regina, SK					
Property*	**Brand**	**Building Type****	**# of Units**	**Net Rentable Sq. Ft.**	**Average Unit Size (Sq. Ft.)**
Wascana Park Estates	Living	Townhouse	316	303,360	960
Qu'appelle Village III	Living	Walk-Up	180	144,160	801
Centennial South	Living	Garden	170	129,080	759
Qu'appelle Village I & II	Living	TH & WU	154	133,200	865
Eastside Estates	Living	Townhouse	150	167,550	1,117
Evergreen Estates	Living	Walk-Up	150	125,660	838
Pines of Normanview	Living	Garden	133	115,973	872
Lockwood Arms Apartments	Living	Walk-Up	96	69,000	719
Grace Manors	Living	Townhouse	72	69,120	960
Greenbriar Apartments	Living	Walk-Up	72	57,600	800
Centennial West	Living	Garden	60	46,032	767
The Meadows	Living	Townhouse	52	57,824	1,112
Southpointe Plaza	Community	Midrise	140	117,560	840
Pines Edge	Community	Garden	79	67,298	852
Pines Edge II	Lifestyle	Garden	79	67,298	852
Pines Edge III	Lifestyle	Garden	71	62,818	885
Totals:			**1,974**	**1,733,533**	**878**

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

Kings Tower
Kitchener, ON

Red Deer, Fort McMurray & Grande Prairie, AB

Property*	Brand	Building Type**	# of Units	Net Rentable Sq. Ft.	Average Unit Size (Sq. Ft.)
Boardwalk Park Estates I	Living	TH & WU	369	306,850	832
Prairie Sunrise	Living	HR & WU	244	201,992	828
Canyon Pointe Apartments	Living	Walk-Up	163	114,039	700
Riverbend Village Apartments	Living	Walk-Up	150	114,750	765
Taylor Heights Apartments	Living	Walk-Up	140	103,512	739
Chanteclair Apartments	Living	Walk-Up	79	68,138	863
Inglewood Terrace Apartments	Living	Lowrise	68	42,407	624
McMurray Manor	Living	Lowrise	44	30,350	690
The Granada	Living	Walk-Up	44	35,775	813
The Valencia	Living	Walk-Up	40	33,850	846
Mallard Arms	Living	Walk-Up	36	30,497	847
Boardwalk Park Estates II	Living	Townhouse	32	30,210	944
Edelweiss Terrace	Living	Walk-Up	32	27,226	851
Hillside Manor	Living	Walk-Up	30	21,248	708
Birchwood Manor	Living	Walk-Up	24	18,120	755
Heatherton Apartments	Living	Walk-Up	23	16,750	728
Cloverhill Terrace	Community	Midrise	120	102,225	852
Westridge Estates	Community	Townhouse	112	113,664	1,015
Parke Avenue Square	Community	Walk-up	88	87,268	992
Watson Tower	Community	Midrise	50	43,988	880
Saratoga Tower	Community	Midrise	48	53,762	1,120
Totals:			**1,936**	**1,596,621**	**825**

Saskatoon, SK

Property*	Brand	Building Type**	# of Units	Net Rentable Sq. Ft.	Average Unit Size (Sq. Ft.)
Palace Gates	Living	Walk-Up	206	142,525	692
Meadow Park Estates	Living	Townhouse	200	192,000	960
Stonebridge Apartments	Living	Walk-Up	162	131,864	814
St. Charles Place	Living	Walk-Up	156	123,000	788
Heritage Townhomes	Living	Townhouse	104	99,840	960
Stonebridge Townhomes	Living	Townhouse	100	135,486	1,355
Lawson Village	Living	Walk-Up	96	75,441	786
Wildwood Ways B	Living	Walk-Up	54	43,961	814
Regal Towers	Community	Highrise	161	122,384	760
Carlton Tower	Community	Highrise	158	155,138	982
Penthouse Apartments	Community	Lowrise	82	61,550	751
Dorchester Tower	Community	Highrise	52	48,608	935
Totals:			**1,531**	**1,331,797**	**870**

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

Quebec City, QC

Property*	Brand	Building Type**	# of Units	Net Rentable Sq. Ft.	Average Unit Size (Sq. Ft.)
Place Chamonix	Living	Townhouse	246	236,630	962
Les Jardins de Merici	Community	Highrise	346	300,000	867
Les Appartements Du Verdier	Community	Walk-Up	195	152,645	783
L'Astre	Community	Midrise	183	134,480	735
Place Samuel de Champlain	Community	Highrise	130	104,153	801
Place du Parc	Community	Midrise	111	81,746	736
Place Charlesbourg	Community	Midrise	108	82,624	765
Totals:			**1,319**	**1,092,278**	**828**

Victoria, BC

Property*	Brand	Building Type**	# of Units	Net Rentable Sq. Ft.	Average Unit Size (Sq. Ft.)
Aurora	Lifestyle	Walk-Up	114	95,756	840
Totals:			**114**	**95,756**	**840**

KWC (Kitchener, Waterloo, Cambridge), ON

Property*	Brand	Building Type**	# of Units	Net Rentable Sq. Ft.	Average Unit Size (Sq. Ft.)
Kings Tower	Community	Highrise	226	171,100	757
Westheights Place	Community	Midrise	103	91,920	892
Elmridge Heights	Community	Walk-Up	70	71,420	1,020
Courtland Place	Community	Walk-Up	60	61,152	1,019
Mayfieldview Court	Community	Walk-Up	60	61,440	1,024
Cambridge Court	Community	Townhouse	56	66,550	1,188
Wesley Park	Community	Walk-Up	36	41,960	1,166
Totals:			**611**	**565,542**	**926**

Total Portfolio – As at Dec. 31, 2021:	33,264	28,805,670	866

* Ordered by brand, followed by descending number of units.
** HR – Highrise; MR – Midrise; TH – Townhouse; WU – Walk-Up

Below: Beddington Court, Calgary, AB

BUILDING A SUSTAINABLE FUTURE FOR OUR COMMUNITIES

boardwalk

Lifestyle | communities | living

BOARDWALK REIT | ESG REPORT | 2021

ENVIRONMENT, SOCIAL AND GOVERANCE ("ESG") AT BOARDWALK

Boardwalk is focused on creating value by committing to ESG practices that reduce our environmental impact, have a positive impact on the communities in which we own and operate, as well as for our team of Associates, and our Resident Members who choose to call Boardwalk 'home'.

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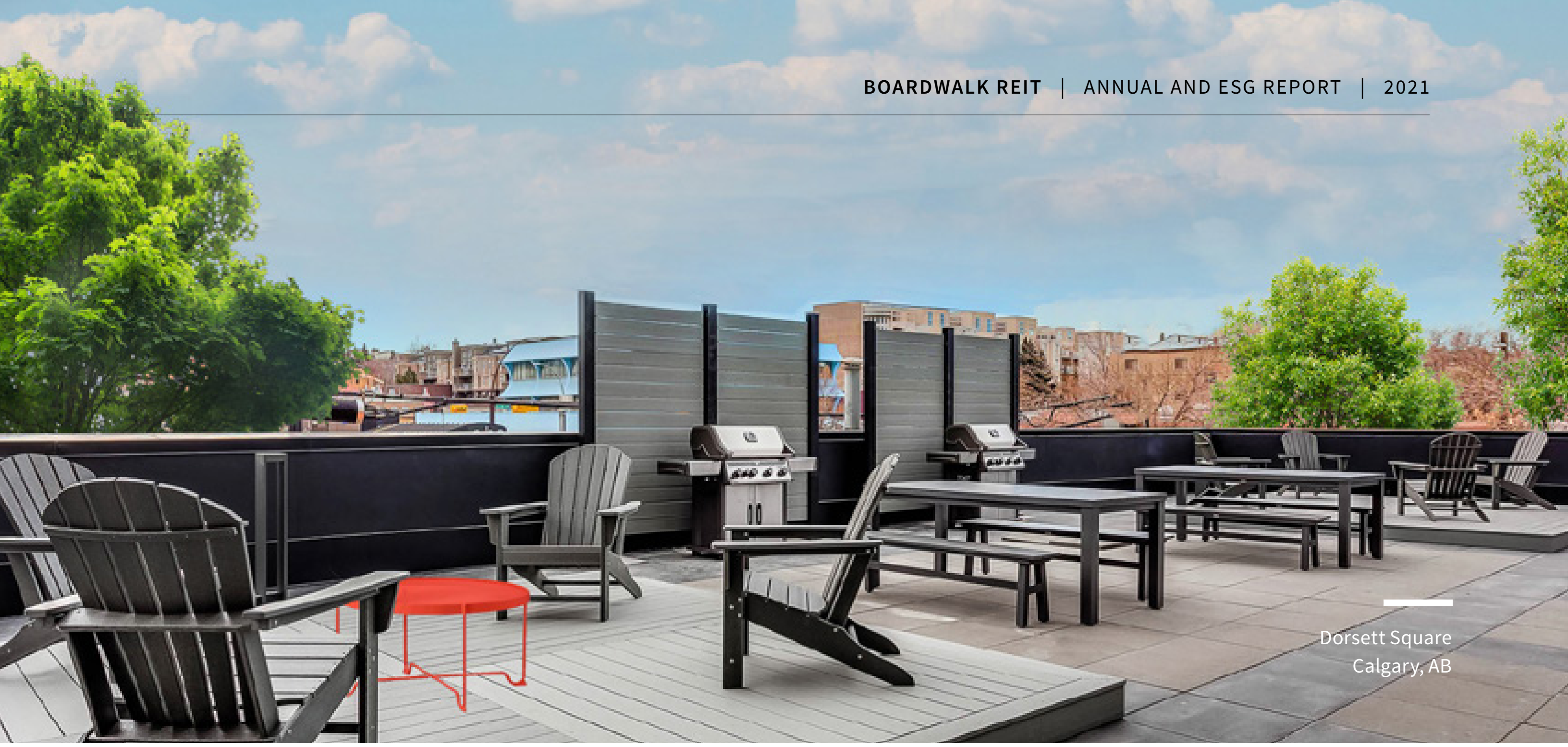


Dorsett Square
Calgary, AB

ESG HIGHLIGHTS

Environment

3.2%

DECREASE IN GREENHOUSE GAS SCOPE 1 AND 2 EMISSIONS FROM 2019 BASELINE

0.15

THE TRUST'S GREENHOUSE GAS EMISSIONS INTENSITY PER SQUARE FOOT WHICH IS A 4.1% DECREASE FROM 2019 BASELINE

1.5%

DECREASE IN WATER USAGE FROM 2019 BASELINE

Social

76

WORLD-CLASS NET PROMOTER SCORE BASED ON RESIDENT MEMBER SURVEYS

4th

YEAR BEING RECOGNIZED AS ONE OF ALBERTA'S TOP 75 EMPLOYERS

~7

YEARS AVERAGE LENGTH OF SERVICE FOR BOARDWALK ASSOCIATES

Governance

69

2021 GRESB SCORE, A 47% IMPROVEMENT FROM 2020 GRESB SCORE OF 47

#5 out of 23

GLOBE AND MAIL BOARD GAMES, REAL ESTATE ISSUERS

#56 out of 220

GLOBE AND MAIL BOARD GAMES, ALL ISSUERS

BOARDWALK AT A GLANCE

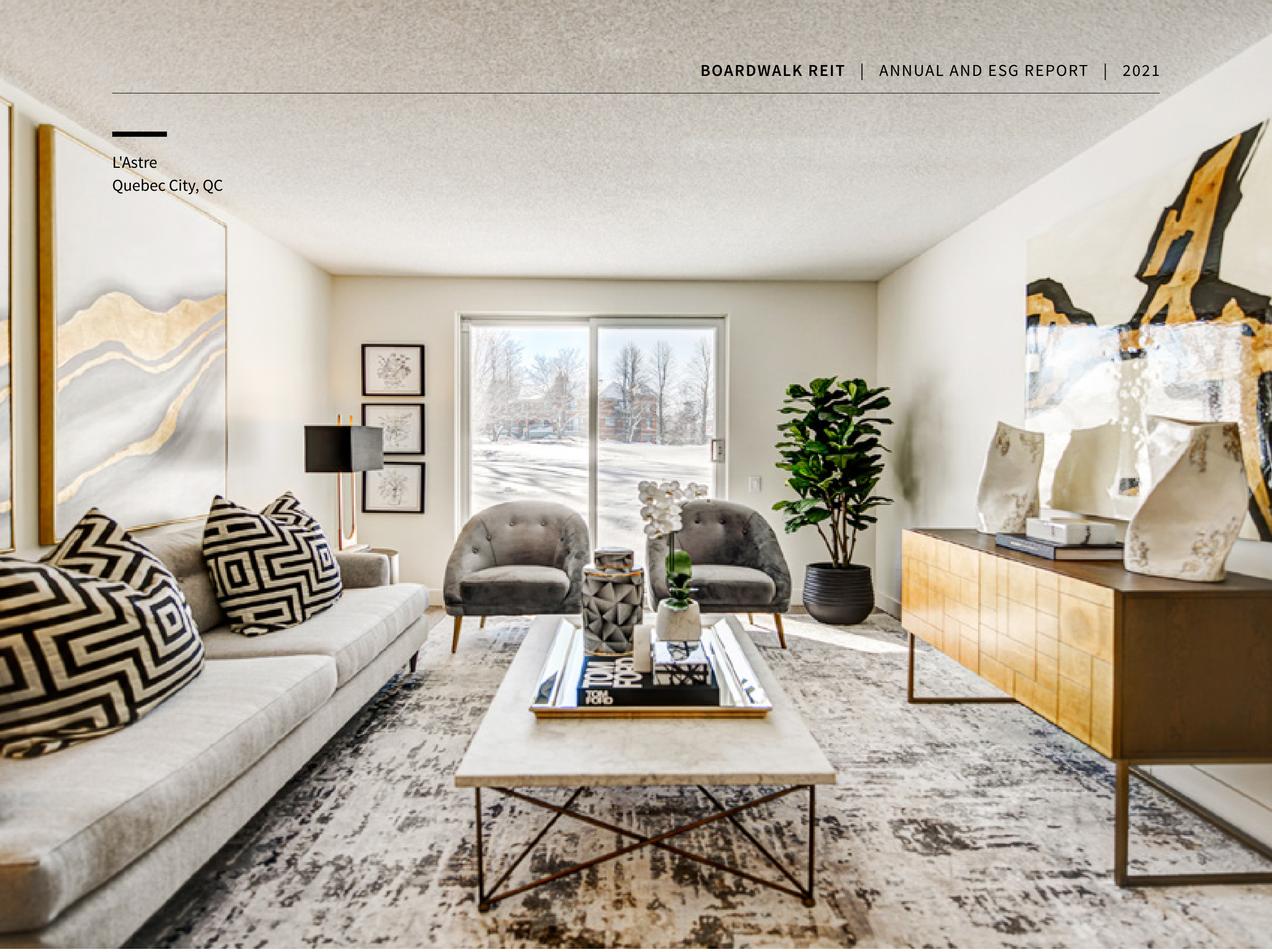
Boardwalk Real Estate Investment Trust (REIT), based in Calgary, Alberta, strives to be Canada's friendliest landlord and is a leading owner/operator of multi-family rental communities. Providing homes in more than 200 communities, with over 33,000 residential units totaling over 28 million net rentable square feet, Boardwalk has a proven long-term track record of building better communities, where *love always lives*™.

Our three tiered and distinct brands: Boardwalk Living, Boardwalk Communities and Boardwalk Lifestyle, cater to a large and diverse demographic and has evolved to capture the lifecycle of all Resident Members. Boardwalk's disciplined approach to capital allocation, acquisition, development, purposeful re-positioning and management of apartment communities allows the Trust to provide its brand of community across Canada creating exceptional Resident Member experience. Differentiated by its peak performance culture, Boardwalk is committed to delivering exceptional service, product quality and experience to our Resident Members who reward us with high retention and market leading operating results; which in turn, lead to higher free cashflow and investment returns, stable monthly distributions and value creation for all its stakeholders.

OUR PURPOSE, MISSION, VISION, VALUES & VIRTUES

Our mission to provide the best quality communities for our Resident Members. It is our privilege to take care of people in one of the most important facets of their lives – their home. Our top priority is the health and safety of our communities and fostering a real sense of belonging for our Resident Members. We live by our Golden Foundation in all that we do: treat others as you would like to be treated, be good, love community, have fun, and love always.

We recognize that all of these components form a virtuous circle. By creating an amazing organizational culture, our team of Associates are motivated and inspired, drive customer service satisfaction, which results in extraordinary brand loyalty and drives sustainability and value for all stakeholders.



L'Astre
Quebec City, QC

OUR CULTURE

For over 30 years, Boardwalk has been driven by community, forging relationships and creating memories. We believe our communities are more than just a place to live: every Boardwalk building is a place where our Resident Members feel a sense of family and community, a place they can call home.

Our focus on people, genuine relationships, and shared values have created a truly unique and defining culture that differentiates a Boardwalk community. We put our heart and soul into everything we do, and we take pride in knowing that our communities are a place where Residents celebrate life's precious moments.

Today, we continue to draw inspiration from our early days, taking pride in who we are, what we do, and are rooted in the same values that have helped us successfully navigate through decades of growth and change. From our humble beginnings to expanding across the country, our pursuit of creating community in our communities remains. Though always looking ahead to the future, we cannot help, but remember where we came from.

2021 QUICK FACTS

1,560
NUMBER OF ACTIVE ASSOCIATES

33,264
APARTMENT SUITES

>25%
MANAGEMENT OWNERSHIP

$3.3B
UNITHOLDERS' EQUITY

$66.87
NET ASSET VALUE PER UNIT (1)

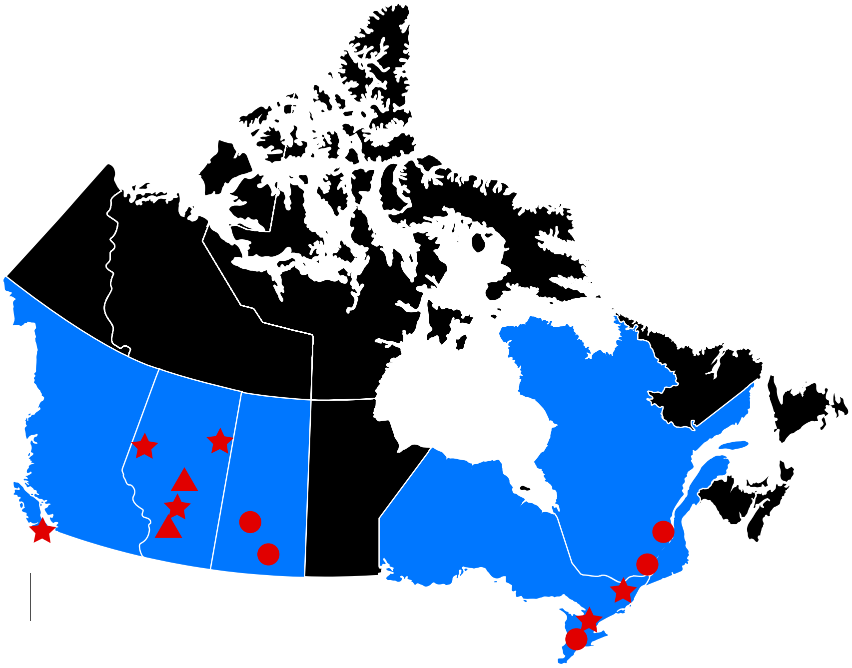
0.1%
SAME-PROPERTY NOI GROWTH

$446M
PROFIT (LOSS)

$2.94
FUNDS FROM OPERATIONS PER UNIT (1)

7.3%
GROWTH IN FFO PER UNIT

(1) A non-GAAP measure. Please refer to the Trust Management Discussion & Analysis for the years ended December 31, 2021 and 2020 for definitions, reconciliations and the basis of presentation of Boardwalk REIT's non-GAAP measures.



Less than 1,000 Apartment Suites

Grande Prairie
Red Deer
Fort McMurray
Kitchener
Greater Toronto Area (under development)
Victoria

1,000 to 5,000 Apartment Suites

Saskatoon
Regina
London
Montreal
Quebec City

Greater than 5,000 Apartment Suites

Calgary
Edmonton

LETTER FROM THE CEO

We are pleased to present Boardwalk REIT's third annual Environmental, Social and Governance ("ESG") report which will provide an overview of our many environmental, social and governance accomplishments and initiatives from 2021.

Our actions and initiatives are predicated on a foundation of always aiming to do what is right. Our approach and strategy remain consistent as we aim to build the best culture and brand. Boardwalk strives to attract and retain caring, peak performers while ensuring all our Resident Members who live in our communities are proud to call Boardwalk their home. Our impact with ESG involvement includes the ability to reduce our greenhouse gas ("GHG") emissions, to empower our Associates, to foster satisfied Resident Members, and to create value for all our stakeholders through disciplined governance.

We continue to prioritize environmental initiatives which result in decreases in our GHG emissions and corresponding operating costs. We are pleased to announce a long-term GHG reduction target of 15% to be achieved by 2030 (using 2019 as the base year) as well as a 15% reduction in water usage. We have identified our GHG emissions reduction pathways to work towards achieving these reductions while continuing to engage with our Resident Members.

We see an opportunity to continue to work with our Associates, to attract, retain, promote and encourage employment satisfaction. In 2021 we implemented an employee Net Promoter Score to allow us to assess and improve upon employee satisfaction. We will continue to be an equal opportunity employer who does not discriminate, but who recognizes Associates for hard work and strong engagement. Our Boardwalk Team recognizes the importance of the role that our Associates play in contributing toward our ESG goals and objectives.

We will continue to not only serve the communities in which we are located but also the broader cities in which we operate. We strive to provide affordable housing to all while maintaining our superior standards in customer service, product quality, and experience.

Our Board of Trustees will continue to provide the highest level of governance and oversight including ongoing involvement with our ESG strategy. We strive to be a leader across all elements of ESG.

We see the future as an opportunity and commend our Associates and partners for the incredible work of 2021. Focusing on ESG initiatives benefits our environment, our Associates, our Resident Members and our stakeholders, while attracting and retaining Associates and encouraging Resident Members to want to live with us. We will continue to operate and grow under our Golden Foundation: "Treat others as we would like to be treated, be good, love community, and have fun."

With love always,

SAM KOLIAS

Chairman and Chief Executive Officer

ESG AT BOARDWALK

We have always recognized the importance of leading practices regarding Boardwalk's ESG accountability. We are committed to continuing the development of our ESG strategy, which will include further integration of current activities, opportunities and partnerships that provide value to our customers, Unitholders and communities as we transition to a more sustainable future.

Tower on the Hill
Edmonton, AB

"Boardwalk continues to focus on ESG practices and initiatives that positively impact our Communities, Associates and Resident Members who call Boardwalk home. By implementing best in class ESG practices, the Trust will benefit from reduced greenhouse gas emissions, engaged Associates, satisfied Resident Members, and disciplined governance.

LISA SMANDYCH

Chief Financial Officer

This report reveals many of the ways we lived up to our purpose in 2021 and highlights our ongoing commitment to lead with integrity, providing affordable housing, and strengthening the communities we operate in and create the most value for those we serve.

Our Environment, Social and Governance Strategy and Approach

Boardwalk includes sustainability as part of its strategy development and includes sustainability goals that provide accountability towards its targets. As we look back on 2021, Boardwalk continued to enhance its ESG strategy and risk management assessment, while analyzing key metrics and setting targets.

This ESG report, for the fiscal year 2021, has been prepared in accordance with the Global Reporting Initiatives Standards ("GRI"): Core option and using the Sustainability Accounting Standards Board (SASB) Real Estate Sustainability Accounting Standard. Additionally, the Trust referred to the disclosure elements used by the Global Real Estate Sustainability Benchmark ("GRESB") as well as the Task Force on Climate-related Financial Disclosures ("TCFD"). In 2021, the Trust completed its second GRESB assessment, recognizing an increased score of 47% from 47 in 2020 to 69 in 2021. Areas of strength highlighted in our 2021 GRESB assessment included policies, reporting, risk management and stakeholder engagement, while areas for improvement focus on environmental management systems and targets. This feedback is valuable as we act on the recommendations provided by our assessments and honour our commitment along with our industry peers.

Role of the Board with ESG

The Trust has formed the appropriate operational committees to support all its ESG initiatives, risks and opportunities. With having done so, the Board will become more involved in identifying and managing economic, environmental and social impacts while also evaluating the effectiveness of the Trust's risk management processes. The Board will be involved in reviewing ESG topics, assessing and approving ESG materiality. The Board will also consider and approve ESG metrics and targets. The governance of ESG is included in the mandate of the Compensation, Governance, Nominations and Sustainability Committee, while the adherence to metrics and targets is the responsibility of the Audit and Risk Management Committee.

West Edmonton Village
Edmonton, AB

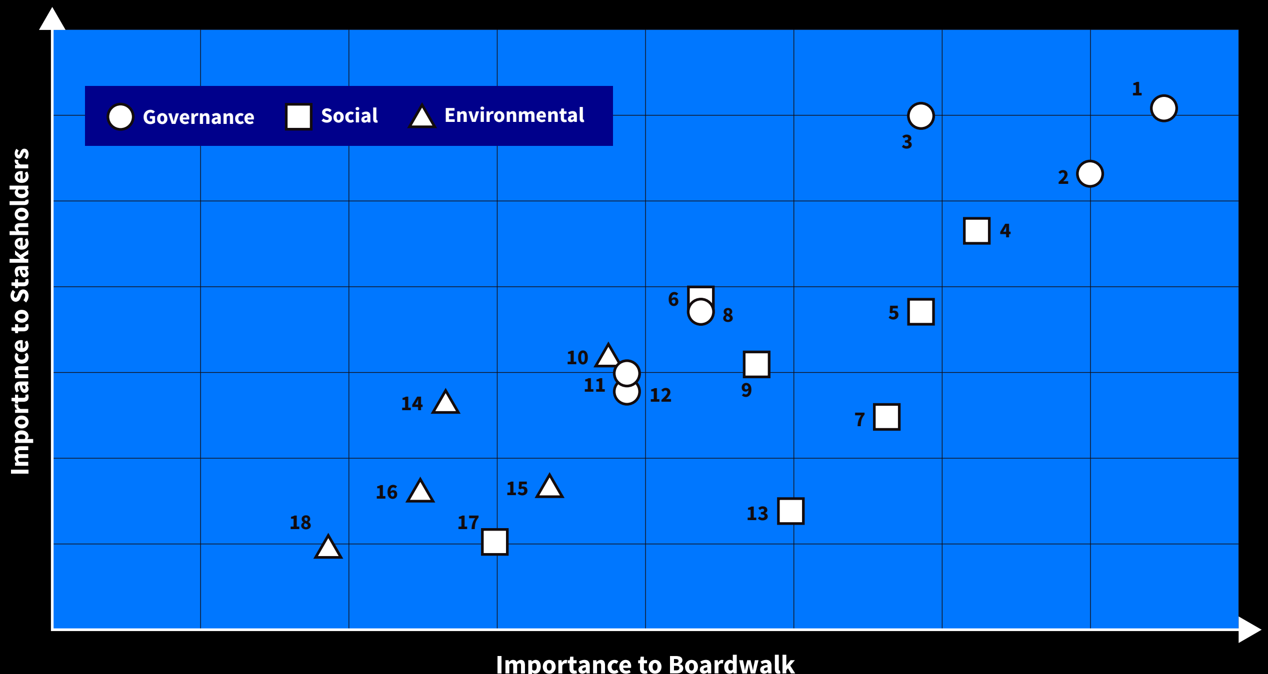
STAKEHOLDER ENGAGEMENT

Boardwalk recognizes the importance of identifying and including, all its stakeholders when devising its strategy for ESG along with assessing materiality. Below is a list of the Trust's stakeholders along with the current means by which it engages its stakeholders. Going forward, the Trust will continue to ensure all stakeholders are identified and engage with all pertinent stakeholders.

Stakeholders				
Investors	**Resident Members**	**Environment/ Industry**	**Community**	**Associates**
Annual General Meeting	Resident Member portal	Participation on various REALPac Committees	Municipality meetings	Continuous feedback loop
Quarterly conference calls, including Question & Answer period	Social Media	Attendance at speaking engagements at industry functions	Social media	Peak performance culture
Press releases	Community events	Municipality offered benchmarking programs	Corporate website	Benchmarking to beat personal bests
Corporate website	Newsletters	Environmental assessments	Volunteer work	Annual TEAM meetings
One-on-one meetings	Resident Member surveys		Sponsorship events	Annual performance review
Building tours with investors			Government Committees	Unanimous surveys
				Social events
				Boardwalk Connect

MATERIALITY MATRIX: WHAT MATTERS MOST

Our materiality matrix is the result of an extensive stakeholder engagement process. It draws on input from our executive and management teams, institutional Investors, lenders, analysts, and Resident Members. Conducted in 2020, the consultation process achieved three important goals: 1. It allowed us to understand our stakeholders' business and sustainability priorities. 2. It identified the reporting topics that matter most to our stakeholders. 3. It uncovered important areas where Boardwalk can collaborate with our stakeholders to improve sustainability results. During the consultations, we learned that our stakeholders appreciate the opportunity to contribute their opinions and insights. We also learned that our stakeholders are placing increasing importance on five topics: business ethics and integrity, regulatory compliance, data security and privacy, health wellness and safety, diversity equality and inclusion. The Trust will update its materiality assessment in 2022.



1 Business ethics and integrity
2 Regulatory compliance
3 Data security and privacy
4 Health, wellness and safety
5 Diversity, equality and inclusion
6 Affordability
7 Associate engagement, training and development
8 Board governance and composition
9 Resident Member engagement and satisfaction
10 Energy and water management
11 Insurance and risk management
12 Financial performance
13 Compensation and benefits
14 Waste management
15 Sustainable development and building design
16 Climate change-related risks and opportunities
17 Community engagement and partnerships
18 Greenhouse gas emissions (GHG)

2021 COMMITMENTS AND PERFORMANCE

	2021 Commitments	Results/Initiatives
Environment	Set long-term energy performance targets	The Trust is pleased to announce its reduction in both energy and water consumption targets, whereby the Trust aims to reduce both its energy and water consumption by 15% by 2030 (using 2019 as its baseline).
	Complete Greenhouse Gas ("GHG") intensity analysis	In 2021, a GHG intensity analysis was completed, which identified those properties which have higher GHG emissions on a per square foot basis. In addition, all properties are benchmarked for GHG emissions.
	Provide Resident Member education on water conservation and waste behaviors	Various Resident Member engagement initiatives were completed across the portfolio throughout the calendar year. Examples include, but are not limited to: (1) a Resident Member Sustainability Contest, where Resident Members provided suggestions on sustainability improvements and the winning ideas will be implemented; (2) updated signage explaining the difference between waste, recycling and composting; and (3) a cold water washing campaign which included explaining the environmental benefits of cold water washing.
	Conduct waste audits at select sites	During 2021, waste audits were completed at select sites to help Boardwalk better understand its waste composition. In addition, the Trust entered into partnership with CheckSammy, a sustainability company which provides collection bins for all household recyclable and reusable goods.

L'Astre
Quebec City, QC

	2021 Commitments	Results/Initiatives
Social	Introduce an eNPS to our Associates	We introduced our Employee Net Promoter Score ("eNPS") in 2021, and earned a preliminary score of 61 for fiscal 2021. The goal of having an eNPS is to both engage with our Associates while also gaining a better understanding of Associate sentiment.
	Broaden the reach of our Wellness Committee	We introduced the Bwell Certification Program which was the culmination of Boardwalk's long-standing commitment to health and well-being of our Communities, Resident Members and Associates. In addition, Boardwalk completed a wellness survey which was offered to all Associates and aimed to better understand our Associates needs and wants. This survey resulted in the expansion of our internal wellness website with content focused on findings from the wellness survey.
	Better understand our ethnic diversity while continuing to focus on inclusion	During 2021 the Trust established a Diversity, Equity and Inclusion ("DEI") Committee and through the committee conducted a preliminary survey to better understand our Associates. Results of this survey can be found on page 67 of this report.
	Work with suppliers to implement a Supplier Code of Conduct	During 2021, we developed a Supplier Code of Conduct which we are beginning to work through with select suppliers to determine if modifications are required. We will continue to work through this initiative in fiscal 2022.
Governance	Increase ESG disclosure on our website	The Trust continues to update the website on a timely basis.
	Complete second annual GRESB assessment	The Trust is pleased to announce that it completed its second GRESB assessment with an improved score of 47% from 47 in 2020 to 69 in 2021.
	Evaluate the GRI framework, SASB framework and TCFD requirements	When preparing this report, the GRI framework, SASB framework and TCFD requirements were considered. Please refer to the ESG Disclosure Indexes beginning on page 85.
	Further involve the Board of Trustees in ESG approach, risk evaluation and processes	The Board continued to be involved with ESG, including discussions around the Trust's ESG approach and risk evaluation. More recently, the Board approved the Trust's long-term energy and water reduction targets.

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

> From the United Nations "The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership.

They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests." Boardwalk has assessed these goals and believes some of its activities are aligned with the SDGs as summarized on the following page. As we look at future periods, Boardwalk intends to formally align with the United Nations' SDGs.

SUSTAINABLE DEVELOPMENT GOALS

Broadway Centre
Calgary, AB

5 GENDER EQUALITY

- Diversity, equity and inclusion program
- Target 50/50 male to female ratios
- Diversity target on the Board of Trustees of 65/35 male to female

6 CLEAN WATER AND SANITATION

- Water conservation measures
- Water use reduction targets
- Engagement with Associates and Resident Members

7 AFFORDABLE AND CLEAN ENERGY

- Energy reduction targets
- Energy usage tracking
- Identified pathways for GHG reductions
- Engagement with Associates and Resident Members

8 DECENT WORK AND ECONOMIC GROWTH

- Equal opportunities for career growth and advancement
- Diversity, equity and inclusion program
- Health, safety and well-being programs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Consistently seeking new, innovative technologies to do things differently and more effectively and efficiently
- Annual dedicated capital budget, including sustainability initiatives
- Sustainability focus on new developments

11 SUSTAINABLE CITIES AND COMMUNITIES

- Leading class net promoter score for Resident Member satisfaction
- Introduction of Bwell Certification program to promote well-being
- Focus on affordable housing
- Focus on reducing greenhouse gas emissions

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Long-term reduction targets for both energy consumption and water usage
- Tracking of energy consumption, water usage and waste
- Resident Member and Associate engagement programs
- Engaging with suppliers to understand commitment to sustainability

13 CLIMATE ACTION

- Asset profiling to understand climate related risks and opportunities
- Focused capital deployment geared towards energy efficiency
- Long-term energy consumption reduction targets

ENVIRONMENT

> The World Commission on Environment and Development defines Sustainable Development as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Our Approach to the Environment

Boardwalk strives to provide its Resident Members with a place to call home, while aiming to minimize our environmental impact for future generations to come. Boardwalk is committed to responsible energy, gas and water management, as part of an overall environmental sustainability strategy, while maintaining operational goals and providing exceptional working and living environments for our Associates and Resident Members. In doing so, Boardwalk aims to decrease operating costs while increasing overall resident satisfaction and Unitholder value. Through efficient management of energy utilization, Boardwalk aims to minimize energy, gas, water use and costs, and the environmental impact of harmful emissions. Boardwalk is fully committed to achieving best practice benchmark standards in energy efficiency compared to our peers.

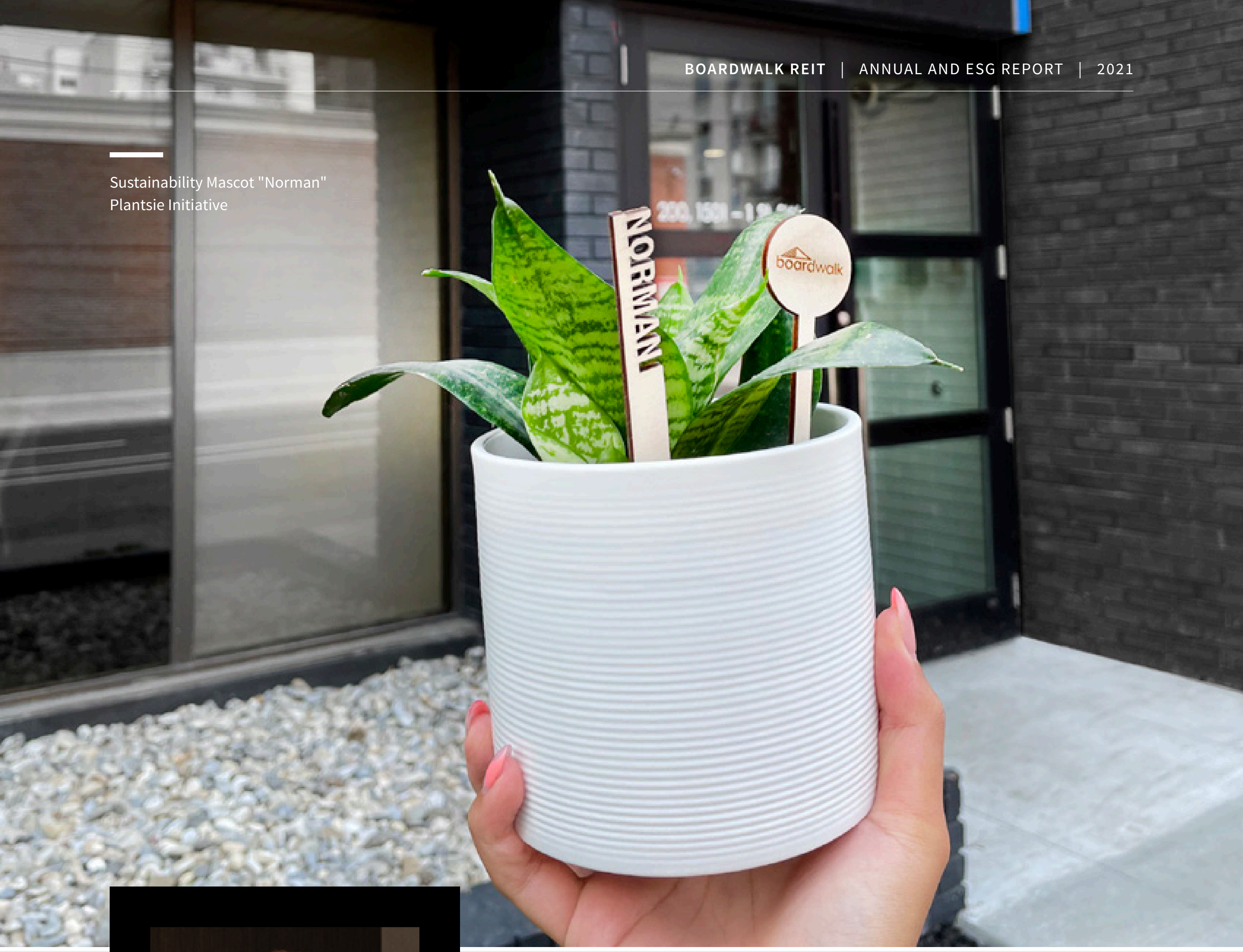
Boardwalk established a “Green Initiative Committee” which works to consider environmentally friendly practices as well as products and services for reducing carbon emissions, optimizing existing technologies and creating a better future. The Committee is comprised of Associates from different departments across the country, including mid to senior operations leaders, all working together to consider Boardwalk’s environmental impact first. This Committee manages a dedicated capital budget specific to emissions reducing capital initiatives, above and beyond standard environmental initiatives already being completed by the Trust. It evaluates allocating this budget by considering both emissions savings and the return on investment. Boardwalk’s environmental policy involves benchmarking buildings within our portfolio to determine emission intensities and evaluating capital spend at those sites with the highest intensity in a goal to reduce our carbon emissions. In addition, the Trust participates in REALPAC’s ESG Committee to gather valuable expertise from others in its industry. REALPAC is the national industry association dedicated to advancing the long-term vitality of Canada’s real property sector.

Climate Change-related Risks and Opportunities

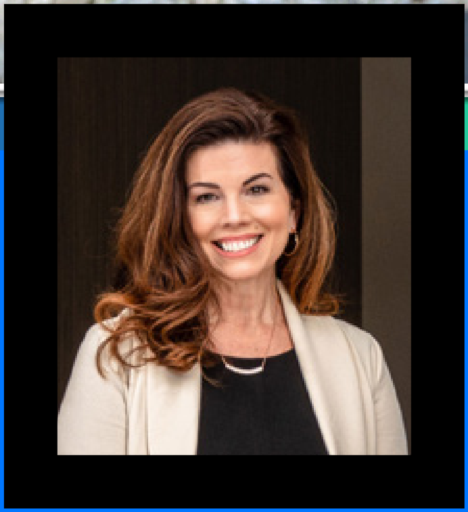
The Trust considers the recommendations outlined by the Task Force on Climate-Related Financial Disclosures (“TCFD”) to evaluate its climate change-related opportunities and risks. Through 2021, the Trust formalized its policies surrounding the core elements of recommended climate-related financial disclosures being Governance, Strategy, Risk Management, and Metrics and Targets, and will be continuing this process in 2022. Additionally, the Trust will continue to monitor the trends and best practices surrounding climate change and climate change disclosures. Boardwalk is committed to better understanding its climate change-related risks and opportunities.

RISKS

The TCFD divided climate-related risks into two major categories (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change. As it relates to the Trust, Boardwalk believes its transitional risks include being slower in adopting policies, allocating capital and adopting new technologies to lower its carbon emissions. Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. In the past, the Trust has experienced the impact of these acute events such as the fires in Fort McMurray and the floods in Calgary. The Trust recognizes that it is



Sustainability Mascot "Norman"
Plantsie Initiative



SHEILA ODIE

Director, Operational
Accounting & Sustainability

"Boardwalk has amplified our commitment to long-term sustainability with further steps taken to improve our environmental performance by reducing our energy and water usage and working to minimize our waste generation. Boardwalk was pleased to see our efforts recognized by the Calgary Residential Rental Association (CRRA) with the 2021 Environmental Excellence Award."

exposed to both acute and chronic risks and will address its response to these risks in the opportunities section below and in its long-term strategy moving forward.

OPPORTUNITIES

The Trust continuously attempts to mitigate and adapt to the climate change-related risks identified above, which produces opportunities such as resource efficiencies and cost savings. Currently with all replacement, renovation or development, the Trust utilizes products with lower emissions, including, but not limited to, LED fixtures and lightbulbs, low flow toilets/showerheads/faucets, energy star appliances, higher efficiency boilers, variable frequency drive pumps and improved windowpanes. By upgrading these products, the Trust is reducing its carbon emissions, decreasing its operating costs and increasing its Resident Members satisfaction.

As it relates to acute and physical risks, the Trust has undertaken the appropriate steps to attempt to mitigate this risk. To begin with, every site has an evacuation plan to ensure the safety of our Residents and Associates in the event of an emergency. In order to avoid a significant financial loss, the Trust carries adequate insurance. Working with our insurance providers, the Trust has identified that within its portfolio one project (its Nuns' Island Portfolio in Montreal, QC) is located on a 100-year flood path. As it relates to Nuns' Island, given its location on the St. Laurent river, physical barriers are more difficult, therefore the Trust ensured the portfolio has adequate emergency generators installed.

Greenhouse Gas ("GHG") Emissions, Energy, Water and Waste Management

Starting in 2021, we completed our GHG inventory of our entire portfolio, and we have established 2019 as our baseline year for Scope 1 and Scope 2 emissions reduction efforts. The Trust has now developed an ambitious plan to reduce our GHG emissions and our water consumption for the entire portfolio with a long-term reduction target of 15% to achieve by 2030.

This year, as part of our commitment to improve our measurement and tracking of our environmental impacts, we began disclosing our Scope 3 emissions, specifically emissions from employee commuting, waste disposal, business travel and product transport.

The GHG Protocol defines direct and indirect emissions as follows:

- Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity; and,
- Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity.

The GHG Protocol further categorizes these direct and indirect emissions into three broad scopes:

- Scope 1: All direct GHG emissions;
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam; and,
- Scope 3: Other indirect emissions, such as the extraction and production of purchased material and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities not covered in Scope 2, outsourced activities, waste disposal, etc.

On the following page is our 2021 Environmental Score Card detailing our annual energy and water consumption waste disposal and GHG emissions with comparison to our baseline of 2019, where applicable.

The Trust saw an overall decrease in both energy and water consumption in 2021 compared to 2019. The increase in our overall utilities in 2021 when compared to 2020, can primarily be attributed to the continuation of Covid 19 related work from home and other health restrictions that impacted the entire year. As well, our new utilities tracking system now captures and reports suite level consumption the Trust processes.

2021 ENVIRONMENTAL SCORECARD

Indicator	2021	% Change from Baseline	2020	% Change from Baseline	2019 (Baseline)
Energy					
Natural Gas consumption (GJ)	2,248,751	(3.32)%	2,127,801	(8.52)%	2,326,067
Electricity (MWh)	104,801	(5.21)%	108,707	(1.68)%	110,560
Emissions					
Scope 1 emissions (tCO_2e)	112,972		107,030		117,243
Scope 2 emissions (tCO_2e)	38,247		41,727		38,950
Total GHG emissions	151,219	(3.18)%	148,757	(4.76)%	156,193
GHG emissions intensity ($kgCO_2e$/sq ft)	4.45	(4.09)%	4.42	(4.74)%	4.64
Water					
Water consumption (M^3)	4,576,938	(1.52)%	4,629,650	(0.38)%	4,647,471
Water use intensity (M^3/sq ft)	0.15		0.17		0.17
Waste Generation		% Change from 2020			
Waste to landfill (tonnes)	194,008	(8.15)%	211,213		not available
Waste diverted (tonnes)	70,959	(6.71)%	76,064		not available
Total waste generated (tonnes)	264,967	(7.77)%	287,277		not available
Percentage waste diversion	27%		26%		

ENERGY MANAGEMENT

Boardwalk is committed to using energy in an efficient, cost effective and environmentally responsible manner. This year, the Trust has implemented many new sustainability initiatives, including greatly expanding our energy use benchmarking, investing in, and deploying new energy efficiency technologies, and increasing our education and engagement of associates and Resident Members on energy conservation best practices.

WATER MANAGEMENT

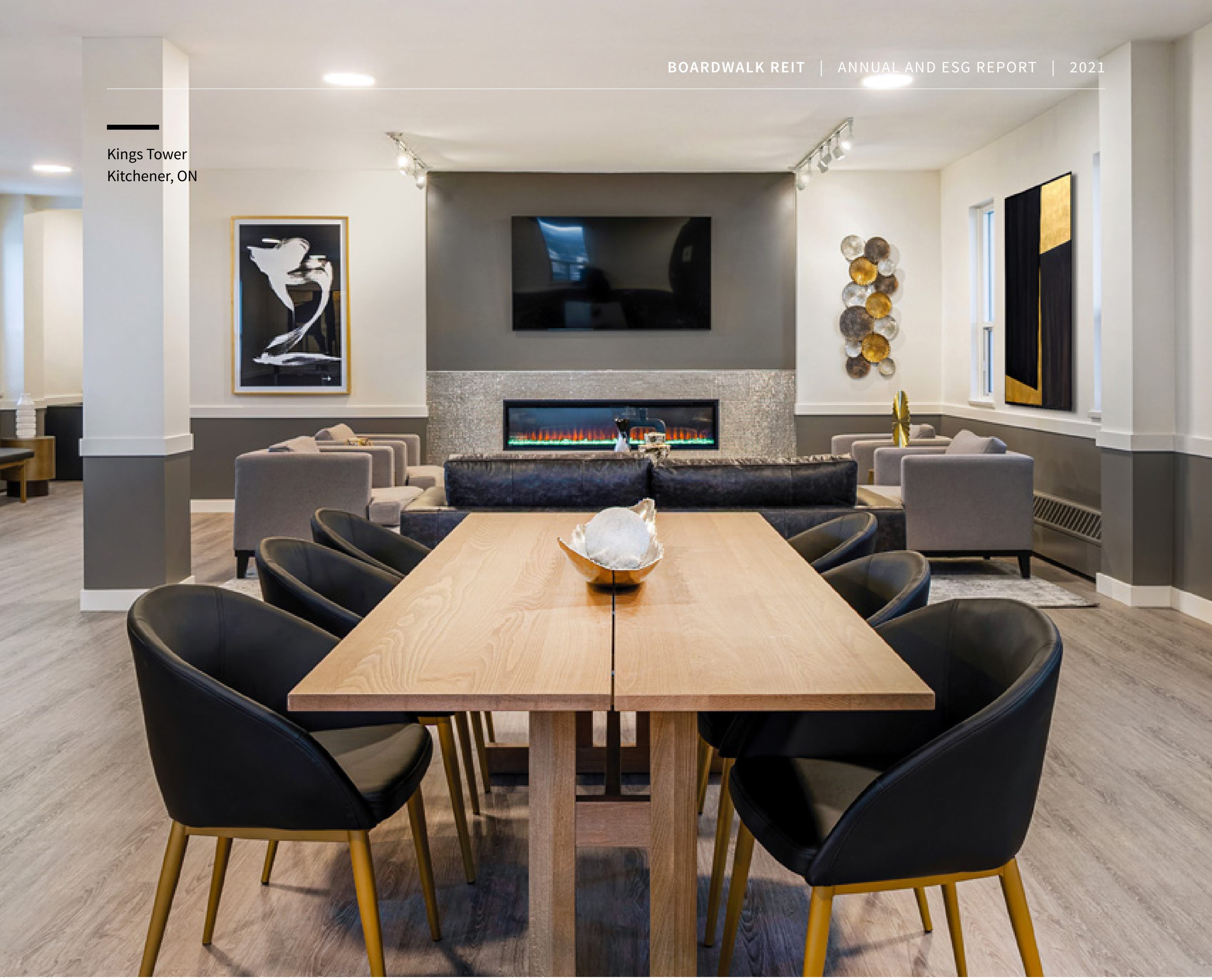
As a provider of multi-family homes, our properties use in excess of 4.6 cubic meters of water per year. The Trust is committed to continue our effort on reducing water consumption across our portfolio. In 2021, the Trust developed a turf management program that focuses on best practices to reduce landscape irrigation with drought resistant grasses and plants. We have converted traditionally higher maintenance landscaped areas to natural green spaces at select sites in Alberta and Quebec. We continue to only install certified Water sense faucets and low flow toilets and we are piloting a toilet leak detection sensor system to further our water conservation efforts.

WASTE MANAGEMENT

In 2021, we expended effort to gather all available data to determine our total waste disposal, including landfill, composting, and recycling as part of our Scope 3 emissions. Working with its Resident Members and Associates, the Trust works to minimize the amount of waste it sends to local landfills. Boardwalk piloted a new partnership with CheckSammy, a sustainability company that provides collection bins for all household recyclable and reusable goods. Since being launched in September 2021 at ten sites across our portfolio, we have diverted over 12,000 pounds of goods from the regular waste stream, and we plan to expand this program in 2022. We also continued our partnership with Diabetes Canada with a total of 265,281 pounds of collected donations into charitable funds for Diabetes Canada in 2021. Since partnering with Diabetes Canada, Boardwalk has become one of Canada's top diversion partner under its Declutter program (https://declutter.diabetes.ca/).

In 2022, Boardwalk will continue to focus on measures to decrease waste, including expanding compost recycling in our Saskatchewan and Edmonton regions, making mixed recycling easier and more accessible, and developing other partnerships such as the one with CheckSammy and Diabetes Canada to determine if other products can be donated to charities.

Galbraith House
Edmonton, AB



Kings Tower
Kitchener, ON

Prominence Place Apartments
Calgary, AB

GHG Emissions Reduction Pathways

Boardwalk has developed several reduction strategies to address emissions from Scope 1, 2 and 3 which are itemized in the following table as current, planned, and future considerations as integral of our roadmap to moving toward our reduction targets.

Initiative	GHG Reduction Potential	Timing	Indicators
Structural Measures			
Comprehensive Preventive Maintenance program for all mechanical systems	Scope 1 emissions	Ongoing	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Assessment of weather-stripping and window sealing	Scope 1 emissions	Ongoing	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Installation of Building Automation system for heating/cooling systems	Scope 1 and Scope 2 emissions	2022	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
High efficiency boiler, hot water tank and pump upgrades	Scope 1 emissions	Ongoing as opportunity/ funding arises	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Window and Building Envelope upgrades	Scope 1 emissions	Ongoing as opportunity/ funding arises	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
New Energy Performance Monitoring Program	Supportive of all GHG emissions sources	2021 and ongoing	a) Operations leaders have access to building performance; b) EUIs can be accurately calculated and tracked
Develop a Fleet Management Program	Scope 1 emissions	2022	Reduction of Scope 1 emissions through lower fuel consumption and idling time
LED Lighting Retrofits	Scope 2 emissions	Ongoing	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Installation of lighting controls (motion and occupancy sensors)	Scope 2 emissions	Ongoing	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
All installed appliances are high efficiency, EnergyStar certified	Scope 2 emissions	Ongoing	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Installation of low flow faucets and showerheads	Water use	Ongoing	Reduction of: a) building water use intensity; b) building water cost intensity ($/sq ft)

Initiative	GHG Reduction Potential	Timing	Indicators
Structural Measures (continued)			
Installation of leak-detection technologies	Water use	2022	Reduction of: a) building water use intensity; b) building water cost intensity ($/sq ft)
Development of bio-diverse natural green spaces	Supportive of Scope 1 (mobile gas) and water use	2021	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Pursue Green Building Certifications	Supportive of all GHG emissions sources	2022	1. Certification earned; 2. Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Behavior Measures (Resident Members & Associates)			
Resident cold water washing informational campaign	Scope 1 emissions	2021	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Use of smart home automation provider to remotely adjust insuite temperature and lighting	Scope 1 and Scope 2 emissions	2021	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Signage for lights-off reminders as well as standby settings on electronics	Scope 2 emissions	Ongoing	Reduction of: a) building Energy Intensity (GJ/sq ft); b) building energy cost intensity ($/sq ft)
Future Considerations			
Investigate Renewable Energy sources	Scope 2 emissions	2022 for study	a) renewable energy identified; b) Kwh[ac] produced; c) reduction of building energy intensity (GJ/sq ft)
Building Energy Management Training	Supportive of all GHG emissions sources	2022 for study	a) training needs are identified; b) training occurs

Dorsett Square
Calgary, AB

Investing in Energy Efficiency and Long-Term Sustainability

In 2021, the Trust continued to invest in capital expenditures that will improve the energy efficiency and climate change resilience of our buildings across our portfolio. The following summary highlights our investments made in 2021:

GHG Reduction Potential	Initiative	Number of Projects	Total Capital Investment
Scope 1	Window and Building Envelope upgrades	13	10,600,000
Scope 2	LED Lighting upgrades and replacements	24	305,000
Scope 1, 2, 3	Interior renovations with insulation, plumbing, and electrical upgrades	9	1,260,000

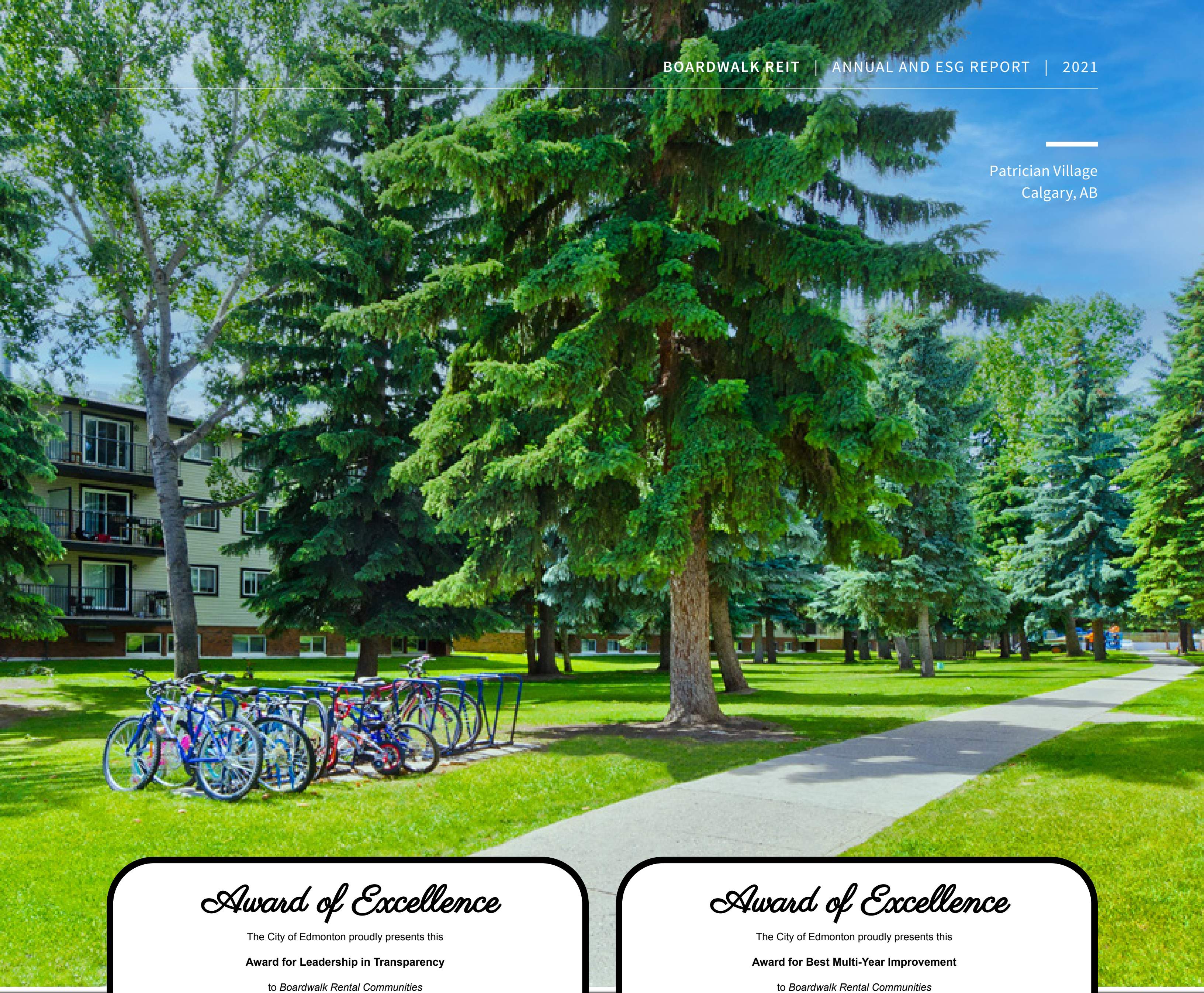
Building Energy Benchmarking Programs

In 2021, Boardwalk committed to benchmarking 100% of our assets in Energy Star's Portfolio Manager platform. To date, we have approximately 85% of our buildings' energy and water consumption data entered in the platform. Energy Star's benchmarking and scoring system helps building owners and operators measure and track building energy performance to improve efficiency, contribute to energy savings and affordability, and reduce greenhouse gas emissions to help limit global climate change. The benefits of participating in these types of programs include:

- Provides reliable, standardized and up to date information on building energy consumption, energy costs and greenhouse gas emissions;
- Establishes baseline reference points for performance and promotes continuous optimization of building systems;
- Provides a platform for comparing our building performance against others;
- Prioritize poorly performing buildings for energy efficiency measure implementation; and,
- Enables measurement and verification of energy efficiency project results.

In 2021, the Trust participated in the second year of the City of Calgary's Commercial and Institutional Building Energy Benchmarking Program. The Trust expanded its participation for year 2 of the program from 10 properties (a total of 1,738 rental units, or approximately 31% of our Calgary portfolio), to 37 qualifying properties, which represents 5,006 units and approximately 84% of our Calgary portfolio. Boardwalk is the largest multi-family participant in the City's program.

In 2021, the Trust continued in its participation in the City of Edmonton Energy Benchmarking Program for the fourth year with a significant increase from 25 properties in 2020 (totaling 2,352 rental units, or approximately 19% of our Edmonton portfolio) to a total of 70 properties in 2021, which represents 10,769 units and approximately 90% of our Edmonton portfolio. The Trust discloses the highest number of buildings in the multi-unit residential building category. Similar to the City of Calgary program, our participation in this program is a foundation element of our organization's energy management strategy as we believe you cannot manage what you do not measure, and therefore receiving important data and comparable information influences decision making. We are awaiting the benchmarking results from the City for our most recent submission. In recognition of our year three results, Boardwalk earned three awards in May 2021 for best multi-year improvement, Redwood Court, and Imperial Tower was awarded the Best Year Over Year improvement for its decline in its EUI score. Lastly, Boardwalk was awarded runner-up Leadership in Transparency Award for its ongoing participation in this program.



Patrician Village
Calgary, AB

Award of Excellence

The City of Edmonton proudly presents this

Award for Leadership in Transparency

to *Boardwalk Rental Communities*

for *25 buildings*

Thank you for your leadership in Edmonton's Building Energy Benchmarking Program and your commitment to high performing, energy efficient buildings.

Mark Brostrom, Director, City Environmental Strategies
City of Edmonton
May 20, 2021

CHANGE BUILDINGS FOR CLIMATE

Award of Excellence

The City of Edmonton proudly presents this

Award for Best Multi-Year Improvement

to *Boardwalk Rental Communities*

for *Redwood Court*

Thank you for your leadership in Edmonton's Building Energy Benchmarking Program and your commitment to high performing, energy efficient buildings.

Mark Brostrom, Director, City Environmental Strategies
City of Edmonton
May 20, 2021

CHANGE BUILDINGS FOR CLIMATE

Award of Excellence

The City of Edmonton proudly presents this

Award for Best Year-over-Year Improvement

to *Boardwalk Rental Communities*

for *Imperial Tower*

Thank you for your leadership in Edmonton's Building Energy Benchmarking Program and your commitment to high performing, energy efficient buildings.

Mark Brostrom, Director, City Environmental Strategies
City of Edmonton
May 20, 2021

CHANGE BUILDINGS FOR CLIMATE

L'Astre Library
Quebec City, QC

The City of Edmonton's Corporate Climate Leaders Program

Beginning in 2020, the Trust enrolled in the above program with approximately one quarter of its Edmonton portfolio. As members of the program, participating organizations have made specific commitments to pursue climate action. The purpose of this programs is:

- To encourage, support and power Edmonton companies to reduce their GHG emissions and increase their climate resilience;
- To promote collaboration of Edmonton companies in sharing best practices (re: climate action) and advancing low carbon business opportunities;
- To fast-track the transition to a green economy by building industry capacity; and,
- To showcase the climate actions of member corporations as a way of inspiring action on the part of all Edmontonians.

As members, Boardwalk had made three commitments:

1. To establish and maintain a corporate GHG inventory in accordance with the World Resource Institute Greenhouse Gas Protocol, ISO 14064-1, or other internationally recognized standard, with the expectation that this GHG inventory will be updated annually.
2. To develop plans and targets for reducing GHG emissions (such targets will be absolute GHG reduction targets for the years 2025 and 2035).
3. To share these commitments publicly.

The Trust developed and submitted our first GHG emissions reduction targets plan in June 2021 for 2025. We have committed to an absolute reduction target of 15% by 2025 from our baseline year of 2019 and will submit our longer-term 2035 and 2050 reduction targets shortly.

	tCO_2e
Base Year	2019
Base Year Emissions (Absolute)	21,481.47
2019 Emissions (Absolute)	
Scope 1	13,687.37
Scope 2	5,308.99
Scope 3	2,485.11
2025 Target	**15% reduction**

Also in 2021, we updated our GHG Inventory report with 2020 consumption data. We are pleased to share that our total GHG emissions for the ten properties in the program decreased by 14% from our base year 2019 and decreased by 15% from 2017.

TOTAL GHG EMISSIONS BY YEAR

	2017	2018	2019 (BY)	2020	Change from BY	Change from 2017
Total Emissions (tCO_2e)	42,160	41,671	41,560	35,664	-14%	-15%

	2018	2019	2020
Scope 1 – Direct Emissions	**13,550**	**13,654**	**13,316**
Fuel – Natural Gas	13,384	13,502	13,171
Mobile – Gasoline	35	36	31
Mobile – Diesel	131	116	115
Scope 2 – Indirect Emissions	**5,436**	**5,275**	**4,818**
Electricity	5,439	5,275	4,818
Scope 3 – Other Indirect Emissions	**22,685**	**22,632**	**17,530**
Water	617	576	594
Waste – Mixed Trash – Landfilled	20,430	20,430	16,014
Waste – Mixed Recyclables – Recycled	-	-	786
Waste – Mixed Paper – Recycled	1,479	1,479	-
Product Transport	0.12	0.12	0.46
Employee Commuting	159	147	135
Total Emissions	41,671	41,560	35,664

Global ESG Benchmarking – GRESB and CDP

Established in 2009, Global Real Estate Sustainability Benchmark (GRESB) has become the leading ESG benchmark for real estate and infrastructure investments globally. It covers US$5.7 trillion of assets under management and provides reporting solutions for investors, asset managers and the wider industry.

We completed our second submission in 2021 (for 2020 performance) and we were encouraged to earn a 22 point increase from our inaugural score in 2020 (for 2019 performance).

CDP is a not-for-profit charity that administers a global disclosure system for investors, companies, and governments to manage their environmental impacts. CDP receives environmental disclosures from various entities from over 90 countries annually. The Trust submitted its 2021 environmental performance data and received an overall C rating, a substantial improvement from prior year submissions. Starting in 2021, we measured and disclosed our Scope 3 emissions, and the Trust is committed to continue to refine and improve our data collection to accurately disclose emissions within this category. Below represents our 2020 Scope 3 emissions:

L'Astre
Quebec City, QC

Scope 3 CDP Category	2020 Emissions (MT CO_2e)	Source
Upstream transportation and distribution	1,317	World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.
Waste generated in operations	78,758	EPA Waste Reduction Model (WARM) tool v15 (2020).
Employee commuting	1,225	World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.
Business travel	31	World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.
Downstream leased assets	164	Environment and Climate Change Canada. National Inventory Report 1990–2019: Greenhouse Gas Sources and Sinks in Canada Parts 1 & 2.
	81,496	

L'Astre
Quebec City, QC

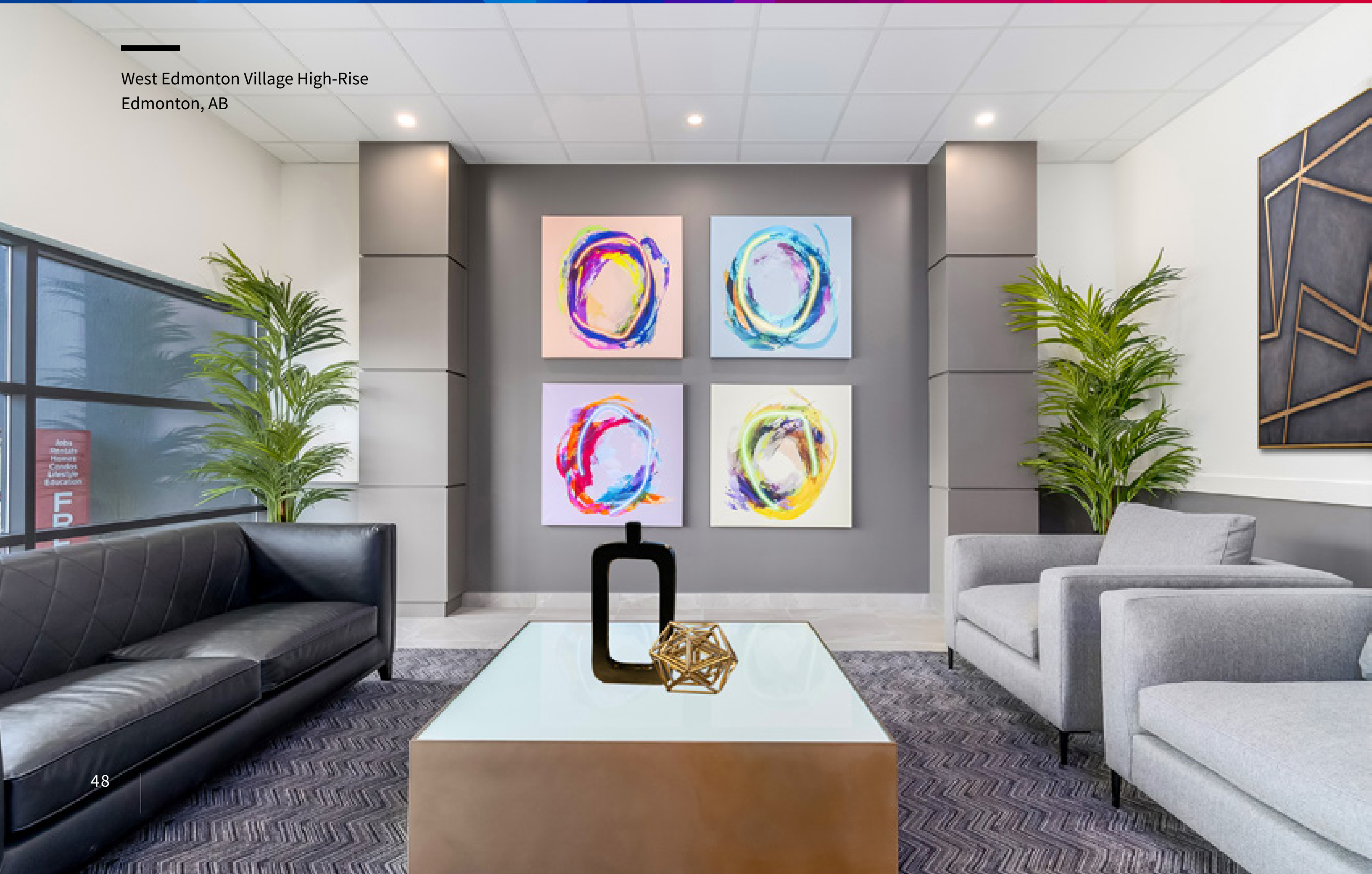
SHOWCASE PROPERTY

West Edmonton Village

West Edmonton Village is a 1,175 unit community located in the Collingwood area of West Edmonton with 1, 2 and 3 bedroom units and townhouses that totals over 1.4 million square feet. In 2021, the Trust completed several capital investment projects to improve the energy efficiency and overall sustainability of the buildings.

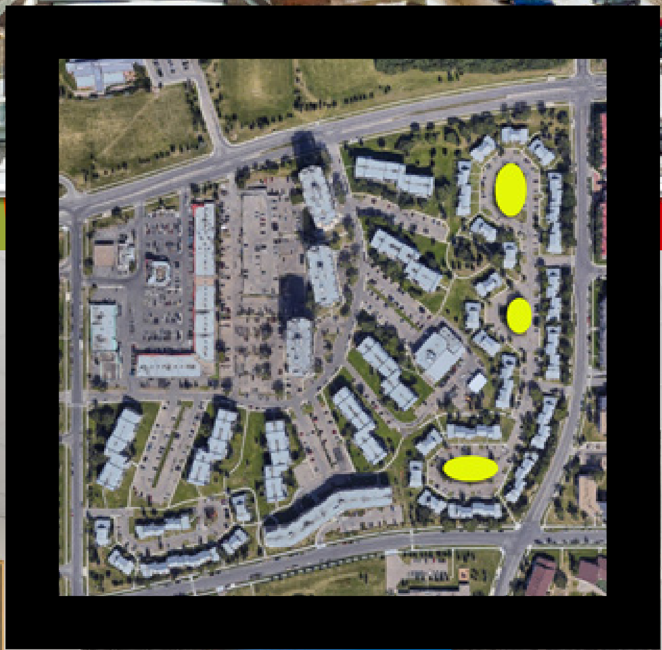
The work completed includes:

- A full replacement of all common area lighting to high efficiency LED fixtures and the installation of 112 motion sensors in all laundry rooms, garbage chutes and garbage rooms to reduce electricity consumption.
- Renovations of our lobbies and hallways included the installation of high efficiency windows and doors, insulation upgrades, and water efficient plumbing upgrades.
- Attic insulation upgrades to all low-rise buildings to reduce natural gas consumption.
- Initiated a landscape naturalization project to increase biodiversity and reduce water and fuel consumption from traditional irrigation and mowing. A custom native grass mix and wildflowers were planted surrounding the existing trees.



West Edmonton Village High-Rise
Edmonton, AB

West Edmonton Village Exterior
Edmonton, AB



Right: West Edmonton Village
Naturalization Sites

West Edmonton Village Reception
Edmonton, AB

SUSTAINABLE DEVELOPMENT AND BUILDING DESIGN

45 Railroad

Development of 45 Railroad continues and builds upon Boardwalk's approach of focusing on the highest impact systems which effect carbon efficiency. Boardwalk's long-term ownership view allows us to invest in infrastructure and systems that yield the lowest lifecycle cost by benefiting from products designed for long duration that perform well far into the future.

- Building envelope – high performance window wall assemblies with high effective R values, with attention to installation details which provide for long-term base building performance.
- Mechanical – highly efficient hybrid heat-pump system provides tempered heat and cooling from efficient common building equipment. Scavenging of excess heat or cool is redirected into other area of the building to balance heat/cool requirements. Cold only domestic water distribution reduces distribution inefficiencies and provides point-of-use control.
- Electrical – individually metered units allow Resident Members to manage energy consumption, which includes individual excess heating and cooling from the heat-pump system, along with in-suite electricity consumption. Electric vehicle charging stations included to provide for low carbon transportation.
- Water – leak detection in suite allows water usage and damage to be minimized by signaling Resident Members as well as building operators. Usage is individually metered to allow Resident Members to manage consumption.

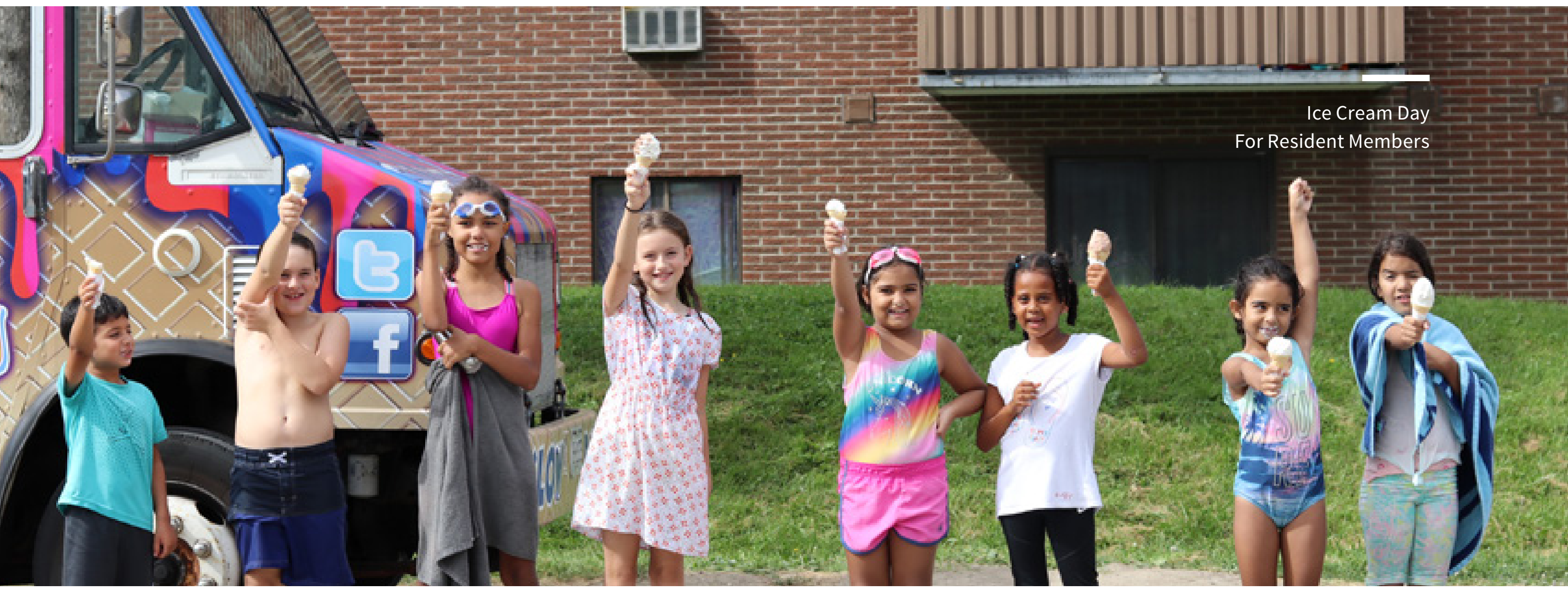
45 Railroad
Brampton, ON

45 Railroad
Brampton, ON

45 Railroad
Brampton, ON

SOCIAL – OUR RESIDENT MEMBERS

Our social purpose is simple: to strengthen community, give back, build trust and love always. Covid-19 has changed the way we live, work and play. 2021 confirmed above all else, that we are stronger together.



Ice Cream Day
For Resident Members

West Edmonton
Village Associates

Building Community – Stronger Together

Overcoming the unprecedented restrictions posed by lockdowns and social distancing rules, online connection has continued to take up new meaning. It has played an indispensable role in overcoming isolation and loneliness.

This was a year of deep listening and responding to the needs, concerns and challenges of our Associates and Resident Members.

With a community mindset, our learnings pushed us to new heights and allowed us to innovate and bring people together through meaningful, community-driven programming, partnerships and experiences.

Bwell Certification Program

This was a defining year for us.

Our new, industry leading *Bwell Certification Program* was the culmination of our long-standing commitment to the health and well-being of our communities, Resident Members and Associates. This certification prioritized the design, development and integration of innovative programs and strategies compliant with the safety, inclusivity, diversity and sustainability of all Resident Members and Associates.

BWell Certification
Program National

Russet Court Movie Day
Calgary, AB

UNIQUE PROGRAMS & PARTNERSHIPS

Phase one of the roll-out, celebrated unique initiatives such as: the Boardwalk Food Pantry, a response to the food scarcity gap within Canada, The Rise Scholarship Fund for Resident Members which empowers people through further access to higher education, a Boardwalk Community Watch to increase the safety and security of our communities, an impactful urban beekeeping initiative with Alveole, several game-changing partnerships with Dress for Success, My Best Friend's Closet and The Calgary Immigrant Women's Association, to further empower women through attire and professional training resources, and several upcoming transformational urban farming projects with MicroHabitat.

Boardwalk Urban Beehive
Alveole Partnership
Park Place Tower, Edmonton AB

Boardwalk Food Pantries Drive
National Initiative

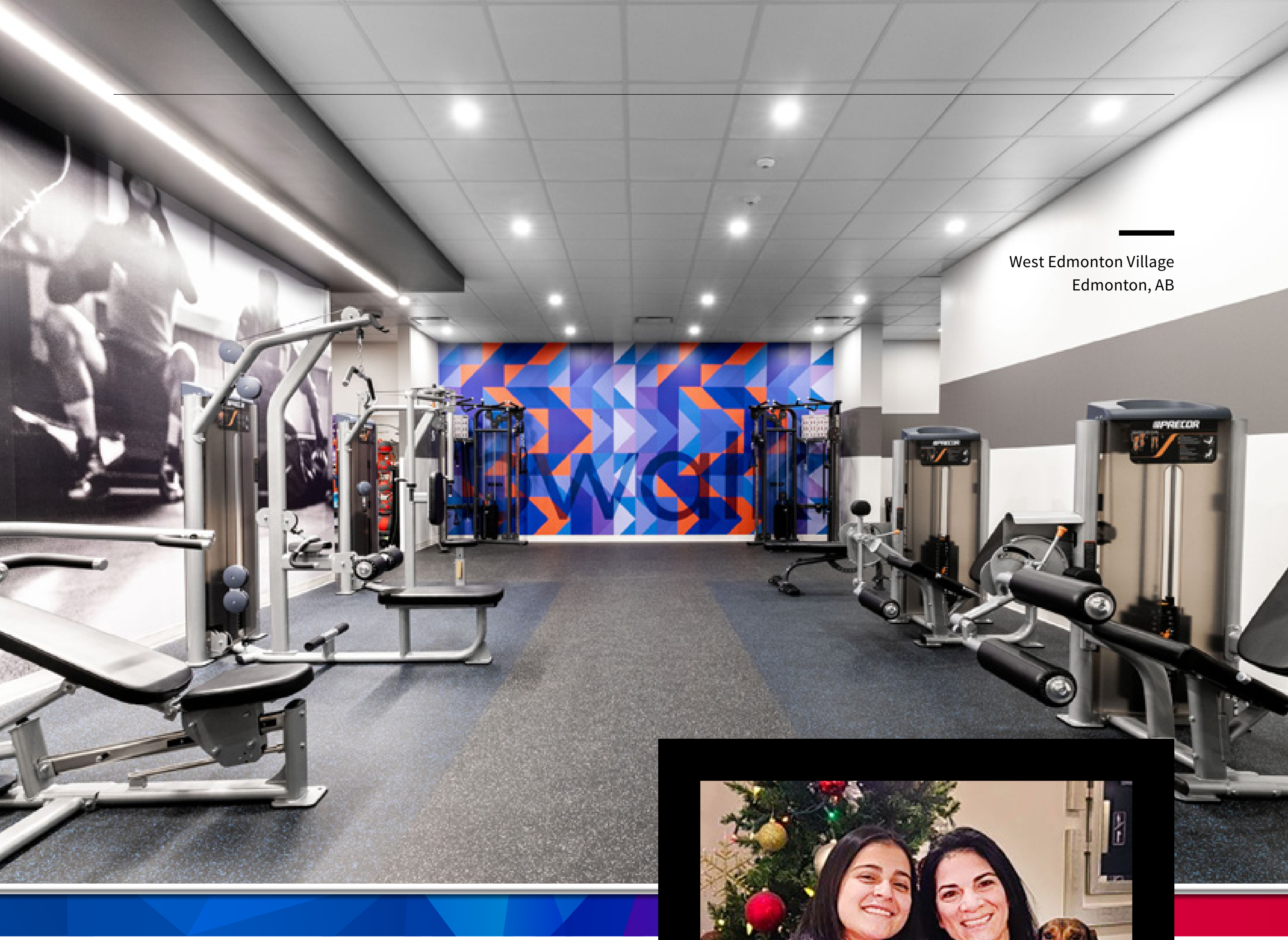
Boardwalk communities participating in these initiatives received a Bwell crest, which was prominently displayed within their communities. Seeking to certify all our communities, we will continue to align and tailor National programs against our four impact pillars which will be rooted in strengthening communities, promoting sustainability awareness, nurturing well-being and fostering a deeper sense of belonging for all Resident Members and Associates.

Impact Pillars

1. Building Community Health & Well-Being
2. Supporting Diversity, Equity & Inclusion
3. Promoting Occupant Safety
4. Strengthening Our Communities Through Sustainable Initiatives

Boardwalk Food Pantries Support National Initiative

National Resident Member Scholarship Initiative



West Edmonton Village
Edmonton, AB

Feed the Need

Boardwalk's annual Feed the Need campaign is just one of the many opportunities for our Resident Members and Associates to give back throughout the year. We held our second annual Feed the Need campaign in September 2021. Our Resident Members generously donated over $3,000 and Boardwalk proudly matched their donation for a total of $6,000 raised for Food Banks across Canada.

Sharing the Warmth Campaign
Edmonton & Calgary, AB

Sharing the Warmth

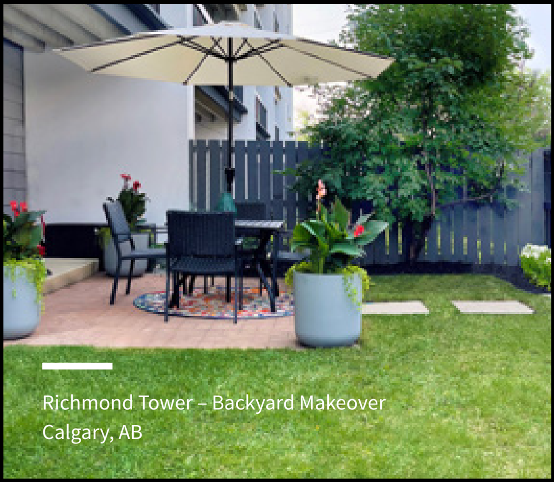
Our Sharing the Warmth campaign also returned for the second year, providing our Resident Members with the opportunity to donate $20 to purchase a winter care package for another family in the Boardwalk Community. Together, our Boardwalk Family raised over $5,000, providing essential winter clothing and goods to 240 families in need.

INITIATIVES TO GIVE BACK

Some of the unique initiatives we hosted throughout the year included our Spring Cleaning campaign where Resident Members were encouraged to donate clothing to Diabetes Canada; our Letters to Veterans campaign where Resident Members submitted letters of thanks to the Veterans in our Boardwalk Community; our Back to School contest where Boardwalk donated $10 to Feeding Canadian Kids for every Resident submission received; and more.

It does not stop here – Boardwalk also continues to run contests, giveaways and community engagement initiatives such as:

- Pet of the Month Contest
- All For You Campaign
- Boardwalk Be Thankful Contest
- Balcony Makeover Contest
- Give Love Contest
- Earth Day Challenge
- Holiday-themed Contests and Giveaways



Richmond Tower – Backyard Makeover
Calgary, AB

Pet of the Month Recognition
National

Regal Towers – Green Initiative
Saskatoon, SK

Kids Club
Calgary, Edmonton,
Saskatoon & Regina

Kids Club
Monthly Activity Delivery

Kids Club
Calgary Zoo, AB

Our Boardwalk Kids Club

The COVID-19 pandemic changed many things, from our daily routines to new public health measures that limited in-person gatherings.

The Boardwalk Kids Club was developed in response to the pandemic. Since its inception in late 2020, Boardwalk has been ensuring that the children in our communities, and their families, still have the opportunity to make meaningful connections and memories in a safe and welcoming environment, all while having fun.

For just $25, Kids Club Members receive an array of at-home activities, exclusive events, giveaways and contests, and more. Today, the Boardwalk Kids Club serves approximately 200 children in Edmonton, Calgary, Regina and Saskatoon.

Kids Club
Varsity Place Apartments
Calgary, AB

Affordable & Subsidized Housing Advocacy

At Boardwalk, we are passionate about people, community, and about bringing everyone home to where *love always lives*™.

Proudly committed to social responsibility, we continue to provide a significant number of units in support of affordable housing. Boardwalk honors an "Internal Subsidy Program" whereby Resident Members who are experiencing financial hardship are offered various methods of rent assistance, including subsidy, and reducing or withholding rental increases. This program is internally mandated and self-regulated. Additionally, we collaborate with many agencies across Canada, helping to ensure affordable housing is accessible to many in need.

The following are examples of agencies with which we work: Calgary Housing, Calgary Alpha House, Homeless Housing Society of Calgary, Accessible Housing Society, Capital Region Housing, Housing First, Bent Arrow, Bissell Centre, Boyle Street, Diverse City Housing, George Spady, Homeward Trust, Hope Mission, YWCA, Wood Buffalo Housing, Red Deer Housing, Pathways to Housing, Grande Spirit Foundation, London Housing, Edmonton Mennonite Centre for Newcomers and Edmonton Catholic Social Services.

At Boardwalk, we strive for zero evictions as we navigate the individual and unique experiences of each Resident Member. When evictions stem from an inability to pay rent, we work closely and directly with our Residents to build modified payment schedules. Where a Resident is still unable to pay according to the revised terms, we acknowledge the fairness of the payment plan and our genuine efforts toward resolution. In such instances, eviction is most often mutually agreed upon.

“Giving back to our communities is fundamental to our culture"

Creating Social Value

Giving back to our communities is fundamental to our culture and is part of our DNA. Each engagement opportunity encourages our Resident Members and Associates to give back to their communities, both local and extended, in meaningful ways, totaling some 60 community sponsorships and initiatives each year. In addition, every Boardwalk Associate receives four volunteer hours per year. Many of our partnering agencies are listed below:

Social Services: Alberta Adolescent Recovery Centre, Food Banks, Coldest Night of The Year, Calgary Youth Centre Food Program, Mustard Seed, St Mary’s Feed the Hungry, Calgary Women’s Emergency Shelter, Hope Mission Meals, Salvation Army, Canadian Red Cross, Humane Society, , United Way, Les Amis de Samuel

Health: Diabetes Canada, Walk for Wellsprings, Fresh Start Recovery U, One2Many, Canadian Cancer Society, Canadian Mental Health Association, Heart & Stroke Foundation

Education The Princess Shop Scholarship, Adopt-A School, Kids on Track, Legacy One

Arts: Ice on Whyte, Sand on Whyte

Calgary Women's Emergency Shelter Blanket Drive

Top and bottom: National Spring Cleaning Initiative

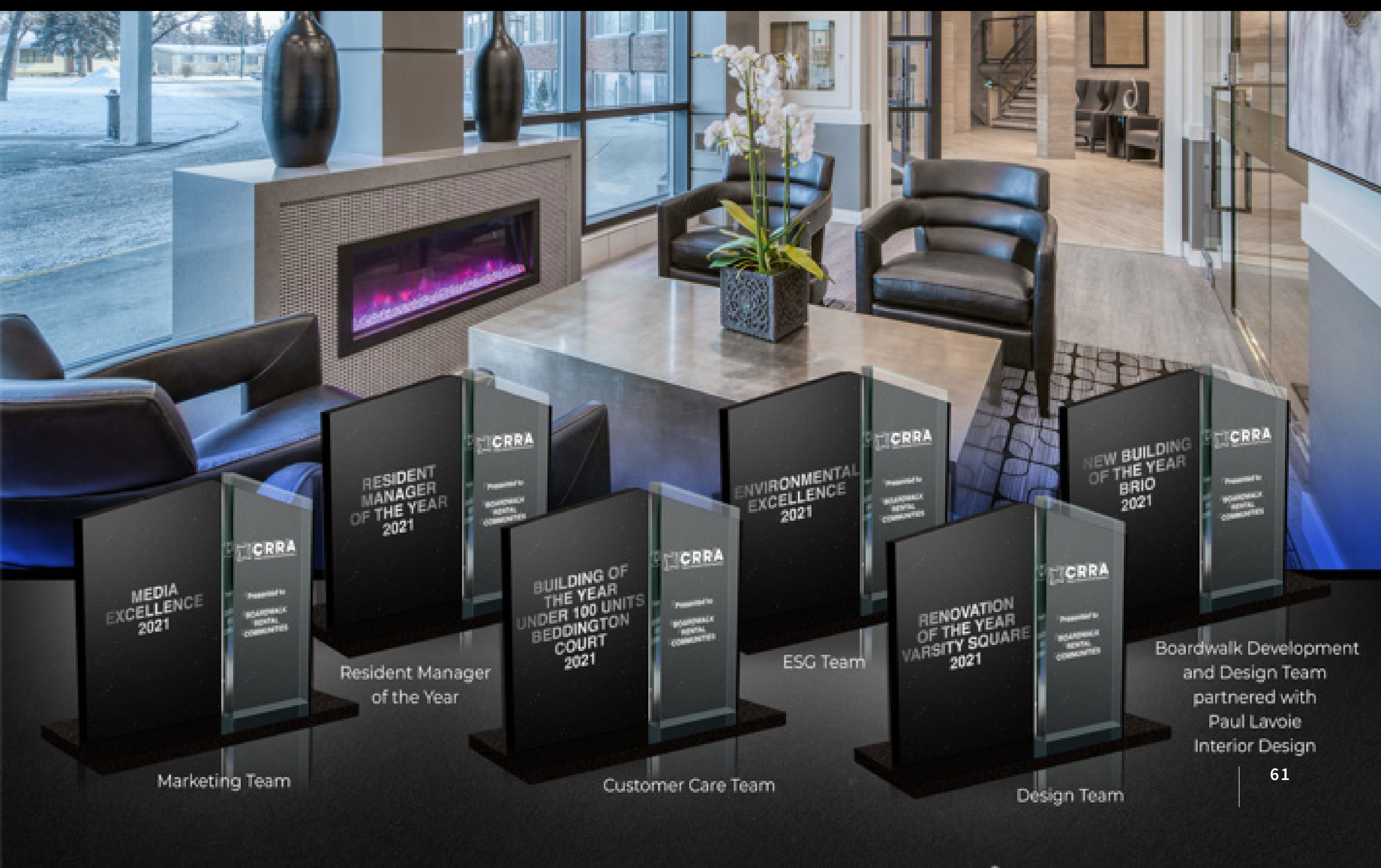
Exceptional Customer Service

As a people-centered company, Boardwalk is committed to providing exceptional customer service throughout the entire Resident Member journey. Whether it is helping a new Resident Member get settled into their home or a quick response to a maintenance request, all our actions are rooted in a commitment to creating a memorable living experience. Our Team of exceptional Associates are dedicated to listening and to our Resident Members' feedback and resolving concerns immediately as they arise.

As part of this, Boardwalk strives to respond to all online and offline comments and reviews. We consistently strive to improve and encourage continuous Resident Member feedback across our communities, including corporate social media platforms, such as Facebook, Instagram, and YouTube. We also offer a 24/7 call center where Resident Members enjoy the convenience of around-the-clock support. We have enhanced how our Resident Members manage their account through our partnership with Yuhu. The website allows our Resident Members to conveniently gain access to information about their rental account, pay their rent, make maintenance requests, enter contests, and RSVP to Boardwalk community events and initiatives.

Varsity Square
CRRA Renovation of the Year

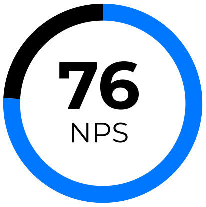
BRINGING HOME THE **HARDWARE**



Greentree Village
Edmonton, AB

Customer Satisfaction & Loyalty

Boardwalk uses Net Promoter Score (NPS) to measure our Resident Members' satisfaction with the customer service we provide. Net Promoter Score is an index ranging from 0 to 10 and measures the willingness of Resident Members to recommend a company's products or services to others. Resident Members are asked to complete a survey at key customer experience touchpoints: move-in experience, in suite maintenance experience, move out experience, and at any time along the customer journey. These surveys use a 10-point scale and focus on one central question: The likelihood of recommending the company or brand to a friend, family member or colleague. There are three possible classifications of response: 1) Detractors (rating of 0-6), 2) Passives (rating of 7 or 8), and 3) Promoters (rating of 9 or 10). An overall NPS score is derived by creating a total percent for Promotors by dividing the total number of promotor surveys by the total number of surveys submitted (including passives). Next, a total percent of Detractors is calculated similarly by dividing the total number of detractor surveys by the total number of surveys submitted (again, including passives in this calculation). Finally, a Net Promotor Score is derived by taking the % Promotors and subtracting by the % Detractors. A NPS of 50 plus is considered excellent whereas a score above 70 is considered world class. For 2021, Boardwalk is so proud of our entire Team who together earned a NPS of 76. We are extremely proud to have achieved a NPS score in line with other high performing, world-class companies such as Apple, Microsoft and Google.



Separate from NPS, Boardwalk continuously requests feedback from future, current and past Resident Members to identify areas for improvement. These surveys seek to better understand Resident Member needs, and identify what makes each of our communities most desirable. These surveys are taken when new Resident Members join our communities, throughout the lease term, and following a Resident Member's move out. The feedback is used to identify opportunities for improvement and directs potential amenity updates and additions.

West Edmonton Village
Edmonton, AB

Newcomer Initiatives
National

Newcomer Initiatives

To promote greater access for persons who are new to Canada, Boardwalk worked with community partners dedicated to removing barriers and providing access to services, programming and housing. We are proud to make a positive impact with the following partners: Calgary Catholic Services, Immigrant Calgary Services, The Edmonton Mennonite Centre for Newcomers and Open Door Society Regina.

Recognizing that many newcomers to Canada face various barriers when entering the Canadian workforce, Boardwalk partnered with Making Changes and My Best Friend's Closet, a charitable organization that provides professional clothing, business training and workshops to immigrant women.

SOCIAL – OUR PEOPLE

Our story starts with our people. We are committed to advancing a collaborative, inclusive and diverse culture that creates unique career opportunities for our Associates. Our culture is rooted in our Golden Foundation – treat others how we would like to be treated, to be good, love community, have fun and love always.

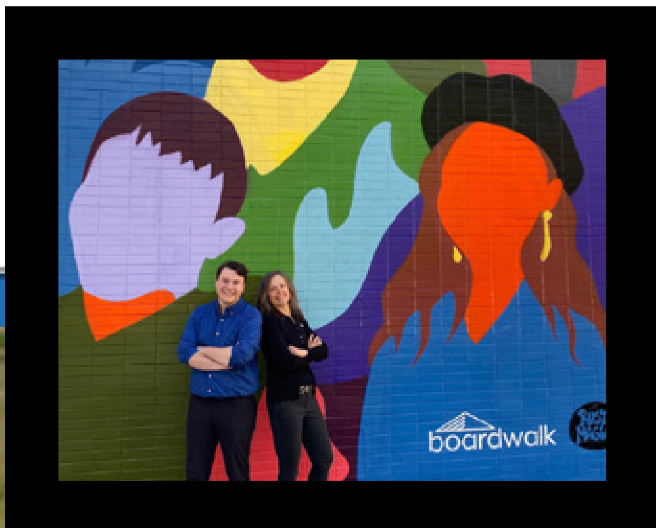
Building and Attracting Talent

We invest in attracting and retaining talent. We believe in creating a welcoming culture of care and inclusivity which empowers everyone regardless of gender, race, age, abilities or background. We value and embrace uniqueness and individuality and are committed to the growth and development of our people.

Russet Court
Calgary, AB

Alberta's Top Employer

We are committed to being a Top Employer and will continue to work hard to create an environment that people want to work in. It is validating to know that we are offering them an award-winning workplace in return for their great work. Being named one of the province's Top Employers for the fourth consecutive year validates our continued commitment to investing, nurturing and developing our extraordinary people.



West Edmonton Village Mural
Edmonton, AB

People of Boardwalk Campaign
Saskatoon, SK

L'Astre
Quebec City, QC

LEARNING AND GROWTH

At Boardwalk, we are committed to individual development planning, in a very personalized way, that enables Associates to continually grow and dive into meaningful work that makes an impact on our brand, the world, and their career. We continue to do our part to open up new opportunities and create new educational pathways in order for our Associate to achieve their peak potential and to gain fluency in other lines of the business.

TRAINING AND DEVELOPMENT

- 221 unique courses/programs completed by our teams last year
- 84 of those courses were developed and delivered in-house
- 998 Associates from different departments participated in training, completing 8,432 courses in total
- $125,000 was spent on external training

Diversity, Equity & Inclusion

Our values guide our actions and have helped us become the diverse company we are today. With operations across the country, it is our priority to be a true reflection of the communities we serve. Our differences make us stronger and our commitment to acting with integrity and treating everyone with respect is core to our culture.

We have instituted Boardwalk's first-ever enterprise-wide Diversity, Equity & Inclusion (DEI) Council. Made up of diverse thinkers from across Canada, the Council is tasked with advancing Boardlwalk's vision for building and sustaining a diverse and inclusive workforce in service of our Resident Members, communities and other stakeholders. The Council's mission is to cover representation gaps and strengthen equity, diversity and inclusion so that all team members feel equally supported, inspired and heard.

DEI

Diversity, Equity & Inclusion Council

Looking ahead, you can expect to see more detailed diversity data being gathered about our workforce, communities, and vendors to help us make the most impactful and informed efforts as an inclusive organization. We will also continue to audit our talent processes and policies to eliminate any risk of systemic exclusion and ensure our talent pool is made up of the most competent and diverse people at all levels of our organization.

Saskatoon Open Door Society
Annual Diversity Awards

SURVEY RESULTS

"I believe diversity & inclusion are priorities of Boardwalk." **88%** YES

"I believe Boardwalk has programs in place to ensure fairness in performance and compensation decisions." **55%** YES

"I believe Boardwalk has programs in place to promote diverse leaders." **56%** YES

"I identify as a visible minority." **46%** YES **54%** NO

BOARDWALK ASSOCIATES BY THE NUMBERS

ASSOCIATES BY GENDER

Total	37% FEMALE	63% MALE
Executive	33% FEMALE	67% MALE
Leader	43% FEMALE	57% MALE

ASSOCIATES LENGTH OF SERVICE

- **20.5%** Less than one year
- **16.0%** 1 to 3 years
- **15.7%** 3 to 5 years
- **17.8%** 5 to 10 years
- **30.1%** Greater than 10 years

ASSOCIATES AGE

- **8.9%** Less than 30 years old
- **23.6%** 30 to 40 years old
- **31.5%** 40 to 50 years old
- **24.2%** 50 to 60 years old
- **11.8%** Greater than 60 years old

Solano House
Edmonton, AB

Women in Leadership

Gender parity in the workforce is crucial. Today, 33% of Boardwalk's executive officer positions are occupied by women and the Board benefits from the contribution and leadership of two talented female Board Members.

While we are proud to have been recognized for our diversity and inclusion efforts in Women Lead Here (2021), we know the work is not done. We will continue to take pride increasing women's representation across the pipeline in order to create a more gender-balanced world.

Chairman's Scholarship

Knowledge is power. Boardwalk's Chairman's Scholarship Program is designed to assist children of Boardwalk Associates to pursue post-secondary education. In order to qualify, candidates must demonstrate exceptional achievement in the following areas: scholastics, extra-curriculars and community engagement. Scholarships are awarded annually to selected students entering or attending University or College. In 2021, 23 students received scholarship funding.

Below: Chairman's Scholarship Winners

Below: Women Lead Here

Associate Engagement

Engagement and productivity always go hand in hand. Associates who truly enjoy their work are more likely to be engaged, motivated and happy and continue to put effort into their work. Therefore, we focus on creating a dynamic and inspired environment that offers our Associates a collaborative place to grow and thrive.

Listening to our Associates helps us identify ways in which improve everyone's experience at Boardwalk. Conducting frequent real-time targeted surveys allows us to assess and validate the needs of our Associates. Our Associate Engagement and Satisfaction Survey allows Associates an opportunity to candidly share their confidential feedback about working at Boardwalk, what is going well, and areas of improvement.

In 2021, we introduced our ENPS survey to better understand and measure our Associates' experience. We received incredible feedback and a strong score of 61 within our first year!

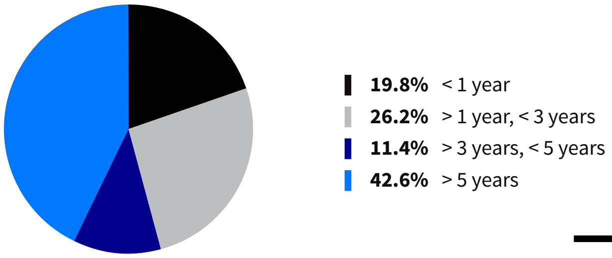
Workplace Health & Safety

Nothing is more important to us than the safety and well-being of our Associates. At Boardwalk we believe all injuries are preventable. Our goal of zero injuries is based on the idea that safety in the workplace is the joint responsibility of every Associate.

In order to create a safe work environment, we provide regular training/ education to our Associates and reinforces health and safety procedures (including WHMIS refreshers) through ongoing online training.

All new Associates are required to complete a mandatory health and safety training during orientation. Regular safety updates and communications are also shared with Associates on a weekly basis. Our on-site Associate also conduct monthly inspections for health and safety as well as annual emergency evacuation drills.

ZERO INJURY DAYS



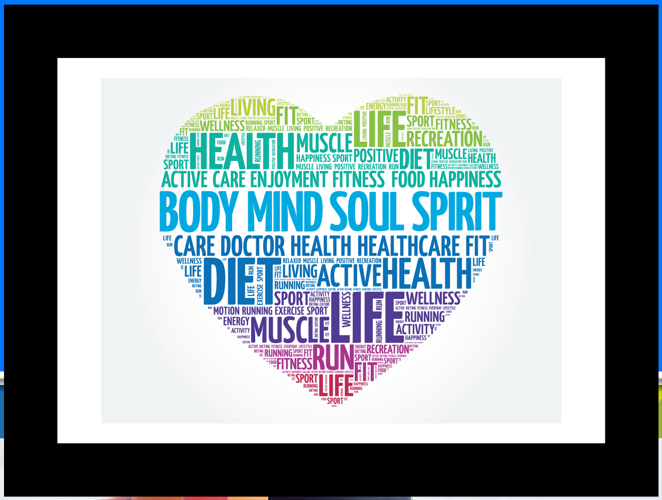
Below: Greentree Village, Edmonton, AB

BUILDING A CULTURE OF WELL-BEING

The emphasis we place on our overall health and well-being is of paramount importance. In addition to offering a comprehensive medical, vision and dental package to full-time Associates, we offer fitness reimbursements up to a maximum of $500 each year. Eligible expenses include memberships, equipment, fitness classes, education, mindfulness apps and more.

751

ASSOCIATES TOOK ADVANTAGE OF THE FITNESS REIMBURSEMENT IN 2021



Created in 2020, Boardwalk's Health Committee's mandate continues to:

1. Increase and promote awareness around mental health and physical well-being.
2. Empower and inspire Associates to take responsibility for their overall well-being.
3. Create a sense of community and mindfulness through shared health and wellness resources.

Our goal is to inspire and engage people to make small, achievable changes in their daily routines. Our Wellness Site on Sharepoint Connect, serves as a great resource for Associates to access tips and tricks, lifestyle hacks, financial literacy tools and a whole lot more.

Boardwalk Associate Olympics

SUPPLY CHAIN RESPONSIBILITY

At Boardwalk, responsible Supply Chain Management is an integral component of our overall ESG program.

We focus on both people and planet, first by partnering with the most reputable product and service providers in market to ensure adherence to all applicable legislation, health and safety policies such as Worker's Compensation and insurance coverage, business ethics and integrity standards, privacy and information security, human rights concerns and fair and inclusive employment and labor standards practices.

Additionally, we engage in ethical sourcing practices, surveying our major Tier 1 (direct) suppliers to ensure they in turn require ethical sourcing and manufacturing guidelines be in place for their downstream suppliers and manufacturers, cultivating integrated supply chains all focused on lowering environmental impacts.

We investigate and pursue greener product options wherever possible, and continuously work to lower our carbon footprint through both process improvements such as paperless purchase orders, payment through electronic funds transfer, and transportation reduction by utilization of local suppliers and combined last mile distribution from our regional warehouses.

Supply Chain Responsibility

BUSINESS TRANSFORMATION TECH

Digital Snow Logs

In 2021, we identified and implemented within our Alberta portfolio a mobile based approach to capture snow clearance logs, replacing the existing paper-based process. With the success of this implementation, continued rollout will occur across the portfolio, with a completion date pegged in Q2 of 2022.

Yuhu

Our Resident Members have access to a wide variety of technologies that save them time when interacting with our site associates granting an opportunity to improve our margin and our Residents' experience. Within 2021, over 75% of our Resident Members interactions for rent payments, communication, maintenance requests, and leasing occurred online further promoting sustainability by reducing our use of paper and printing resources.

SmartHome

We continue to make investments in innovation and technologies that improve our Resident Members quality of life, reduce our risk and increase operational efficiency. In 2021, we completed our installation of SmartHome technology packages in 238 homes at our Auburn Landing Community in Calgary.

The improvements deliver increased control to our residents through smart locks and smart thermostats, through residents' smart mobile devices, removing the need for physical keys, configuring temporary access codes and transparency to every event leading to the opening and closure of that lock. The thermostats provide remote ability to manage heating and cooling needs, facilitating the ability to lower utility usage and diminish their environmental impact. Integrated flood sensors, assist in identifying leaks and floods early on, so our teams can react to reduce water loss. We look forward to continued rollout of this technology in select Communities in 2022.

eWaste

Our long-time partnership with ERA (Electronic Recycling Association), a non-profit working tirelessly to reduce unnecessary electronic waste making its way to the landfill, by purposeful recycling or repurposing electronic equipment to individuals in need.

Fleet Management

A successful pilot was completed in 2021 analyzing the state of our fleet of vehicles, and the solutions we may implement to increase awareness of fuel consumption and emissions, using those insights to drive measured changes on our associate behavior, like idle time, to lower the environmental impact.

GOVERNANCE

Boardwalk's Corporate Governance Policy sets out the rules, practices and processes that direct and control the Trust.

Overview

Boardwalk prides itself on being honest, accountable and transparent to all Stakeholders, which is evidenced in Boardwalk's corporate reporting, as excellence in corporate governance has been a foundation over the past 37 years. Boardwalk was proud to be recognized by The Journal of the Institute of Corporate Directors for effective communication regarding its application of International Financial Reporting Standards ("IFRS"), and as the winner of the Chartered Professional Accountants of Canada Award of Excellence in Corporate Reporting over multiple years for the Real Estate sector.

The Trust strives to provide information to Stakeholders in a timely manner, following which, open dialogue with Stakeholders is encouraged to ensure transparency. The Board of Trustees follows a mandate, as described in their Statement of Corporate Governance Practices, which explicitly defines the expectations and limits of both the Board and of Management. This comprehensive statement of governance principles gives both authority and autonomy to the Board through the articulation of key issues, including specific functions, integrity and independence, Trustee selection, and composition of the Board and committees.

As a publicly traded Trust is listed on the Toronto Stock Exchange ("TSX"), Boardwalk either meets or exceeds the guidelines set out by the TSX and Canadian Securities Administrators regarding effective corporate governance. Governance of the Trust is based on the mandate of its Board of Trustees, its Code of Business Conduct and its guiding "Mission, Vision and Values", which all Associates, Management and Trustees are expected to uphold.

Boardwalk REIT has been recognized by the Globe and Mail's annual "Board Games" as one of Canada's corporate boards which provide governance well beyond the minimum mandatory requirements imposed by regulators, which ranked the Trust in the top quartile amongst its peers in both the Real Estate sector and amongst all companies in Canada in 2021.

Boardwalk is built on four pillars which we call our Golden Foundation:

Golden Rule:	"Treat others as you would like to be treated."
Golden Goal:	"Be Good"
Golden Vision:	"Love Community"
Golden Mission:	"Have Fun"

Business Ethics and Integrity

As we continue to grow, we strive to attract others who share our vision and values. We are committed to providing a loving environment and, in doing so, continue building our rich family culture that is every bit as caring, passionate and vibrant as the communities we create.

With our guiding mission "To serve and provide our Resident Members with quality rental communities", Boardwalk persists in exploring excellence and diversity in community, while focusing on the benefits created for its Associates, Resident Members, Communities and Unitholders. Regardless of economic conditions, Boardwalk is committed to abiding by its Golden Foundation. Our friendly, community-living and member-experience driven approach reflects that Boardwalk remains focused on maximizing value for all its stakeholders.

CODE OF CONDUCT

Boardwalk's Code of Business Conduct outlines standards and expectations that guide and assist us in making the right choice. It defines individual and corporate responsibilities, and it is provided to all Boardwalk Associates, contractors, agents, officers and Board of Trustees of Boardwalk REIT. Each individual is responsible for understanding the Code of Conduct and is accountable for their business conduct. Although the Code outlines many legal and ethical business situations, there will be circumstances in which someone would question legal or ethical compliance. The Code must be used together with common sense and good judgement.

WHISTLEBLOWER POLICY

The Board of Trustees have ensured that an effective anonymous "whistle blowing" procedure exists to:

1) Protect the integrity, reputation and business interests of Boardwalk, as well as its relationships with its Associates, Unitholders, consultants, contractors, professionals, suppliers, Resident Members and its greater communities;
2) Permit and encourage stakeholders to confidentially and anonymously express concerns regarding accounting or financial matters to an appropriately independent individual for safe reporting of any accounting and other financial irregularities and monitor compliance; and,
3) Set out procedures for stakeholders of Boardwalk and its subsidiaries to file reports on a confidential and anonymous basis regarding any concerns about accounting, internal accounting controls or financial irregularities and to report potential violations of law or suspected wrongdoing.

As part of its reporting, Boardwalk proudly advises that there were no critical concerns sent to Whistleblower in 2021.

Below: Beddington Court
Calgary, AB

Governance Structure

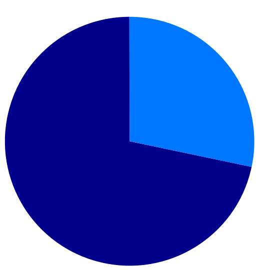
The Board of Trustees (the "Board "or the "Trustees") is fixed at seven members and is comprised of five independent members and two non-independent members. The Board is comprised of 29% female representatives and 71% male representatives. During 2020, the Board of Trustees added a diversity policy to its Corporate Governance Manual which is summarized below.

DIVERSITY POLICY

Boardwalk recognizes the benefits of having a diverse Board. Nomination and appointment of candidates which provide for multiple perspectives, skills, expertise, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions, all contribute to Boardwalk's continued success. At Boardwalk, these differences will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender and ethnicity and aboriginal status. In particular, the Board should include women and visible minority directors.

This Diversity Policy is intended to set out the framework for Boardwalk's approach to Board diversity and also outline the key criteria for the composition of the Board that promotes the Trust's commitment and aspirational targets to diversity and inclusion.

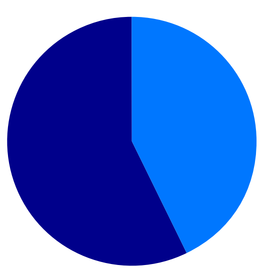
TRUSTEE COMPOSITION



- **28.6%** Female
- **71.4%** Male

TARGET TRUSTEE COMPOSITION

(based on 7 person board)



- **43.0%** Female
- **57.0%** Male

NOMINATING/SELECTING BOARD MEMBERS AND COMMITTEE MEMBERS

Under the Trust's mandate, as set out in the Declaration of Trust, a Trustee majority must be independent of Management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with a Trustee's ability to act with a view to the best interests of the Trust and its Unitholders. Currently, five of the seven Board members are independent.

The Board has appointed the Compensation, Governance, Nominations and Sustainability Committee ("CGNS Committee"), which is responsible for (i) reviewing the size and composition of the Board, (ii) recommending candidates for election to the Board, (iii) reviewing credentials of nominees for re-election, and (iv) recommending candidates for filing vacancies on the Board. The CGNS Committee maintains an active list of potential qualified nominees to the Board. The CGNS Committee aims to ensure an appropriate mix of individuals with real estate, accounting, financial, legal, capital markets, real estate investment trust, ESG and general business experience.

ROLE OF BOARD IN SETTING PURPOSE, VALUES AND STRATEGY

Financial sustainability is attained through the guidance of Boardwalk's Board of Trustees, Management team and stakeholders. Through valued input and guidance from its Trustees and conservative fiscal management, Boardwalk continues to maintain a strong balance sheet and provides consistent, ongoing value to Unitholders, opportunities to enhance its net asset value, and to continue the Trust's mandate of "building better communities" which in turn provides happy, safe, and sustainable communities for Boardwalk's Resident Members and Associates in which to live and work.

In addition to assuming responsibility for the stewardship of the Trust, the Board of Trustees is specifically charged with:

- Reviewing, discussing and approving the Trust's Strategic Plan which addresses, among other things, opportunities and risks of the business.
- Identifying principal risks (including those risks concerning credit, market, liquidity and operations), in addition to reviewing risk management policies and processes of the Trust's business and ensuring implementation of appropriate systems to manage those risks.
- Reviewing the performance of the CEO and other senior executives of the Trust.
- Creating and maintaining the communication policy of the Trust, including approving the contents of major disclosure documents of the Trust.
- Reviewing policies and programs related to the image of the Trust and ensuring appropriate processes are in place for communicating with all stakeholders.
- Reviewing how the Trust communicates and interacts with analysts and the public to avoid selective disclosure.
- Managing the integrity of internal controls and management information systems.

STRUCTURE OF THE BOARD

The Board is comprised of three committees: (1) Audit and Risk Management; (2) Compensation, Governance, Nominations and Sustainability; and (3) Corporate Development. Authority is delegated from the Board of Trustees to the Chief Executive Officer through to Executive Management.

Beddington Court
Calgary, AB

COLLECTIVE KNOWLEDGE OF THE BOARD

	Name	Andrea Goertz	Gary Goodman	Art Havener	Sam Kolias	Samantha Kolias-Gunn	Scott Morrison	Brian Robinson
Boardwalk Representation	Title		Chair, ARM	Lead	Chairman/ CEO			Chair, CGNS
	Committee	ARM/CGNS	ARM	CGNS		CDC	ARM/CGNS	CGNS/CDC
	Trustee Since	2019	2009	2007	Founder	2013	2018	2017
	Insider/Independent	Indep.	Indep.	Indep.	Insider	Insider	Indep.	Indep.
Demographics	Gender	F	M	M	M	F	M	M
	Geographic Location	British Columbia	Ontario	U.S.A.	Alberta	Alberta	Ontario	Alberta
	Age	54	79	55	60	34	51	65
Business Background and Experience	Company Title	CC&SO	CEO/CFO	Pres./VP	CEO	CFO	CEO	CFO
	Other Public Board	N	Y	Y	N	N	N	Y
	Other Board	Y	Y	Y	N	N	Y	Y
	ESG	Y	Y	Y	Y	Y	Y	Y
	HR	Y	Y	Y	Y	Y	Y	Y
	Real Estate	Y	Y	Y	Y	Y	Y	N
	Real Estate Type	Other	MF, Other	MF, Other	MF	MF	MF, Other	N/A
	Finance/Investment Analysis	Y	Y	Y	Y	Y	Y	Y
	CA	N	Y	N	N	Y	N	Y
	Legal	N	N	N	N	N	N	N
	Strategy	Y	Y	Y	Y	Y	Y	Y
	Board/Marketing	Y	Y	N	Y	Y	Y	Y
	REIT	N	Y	Y	Y	Y	Y	N
Other	Professional/Academic Designations	MBA, DEP	CA, DEP	DEP, MBA	B.Sc. (Civil Eng.), CPM	CA, DEP	CFA	CA

CA – Chartered Professional Accountant
MBA – Master of Business Administration
CFA – Certified Financial Analyst
MF – Multi-family
DEP – Director Education Program

EVALUATING BOARD PERFORMANCE

Each of the Board, its Committees and individual Trustees are evaluated on their effectiveness on an annual basis. Each Trustee is provided with a survey to be completed and returned to the Chair of the CGNS Committee. The survey covers the effectiveness and contribution of:

- the Board as a whole;
- each of the Committees; and
- individual Trustees.

In particular, the survey ensures the following important outcomes:

- provides for quantitative ratings in key areas; and
- seeks subjective comment in relevant areas, including areas for improvement and important issues relevant to the Board and/or its Committees.

In addition to the survey, the Chairman of the CGNS Committee meets with each Trustee on a one-on-one basis to assess the effectiveness and contribution of each individual Trustee. Both the survey and the Trustee interviews allow Trustees to comment on areas for improvement to ensure the continued effectiveness of the Board and its Committees.

Matters raised through the Board, Committee and individual Trustee evaluations are summarized and presented to both the CGNS Committee and the full Board.

Conflict of Interest

The Declaration of Trust contains "conflict of interest" provisions that serve to protect Unitholders without creating undue limitations on Boardwalk, which:

(a) requires each Trustee to disclose any interest in a material contract or transaction or proposed material contract or transaction with Boardwalk or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Boardwalk; and,

(b) enquires into and determines the appropriate resolution of any conflict of interest in respect of audit or financial matters.

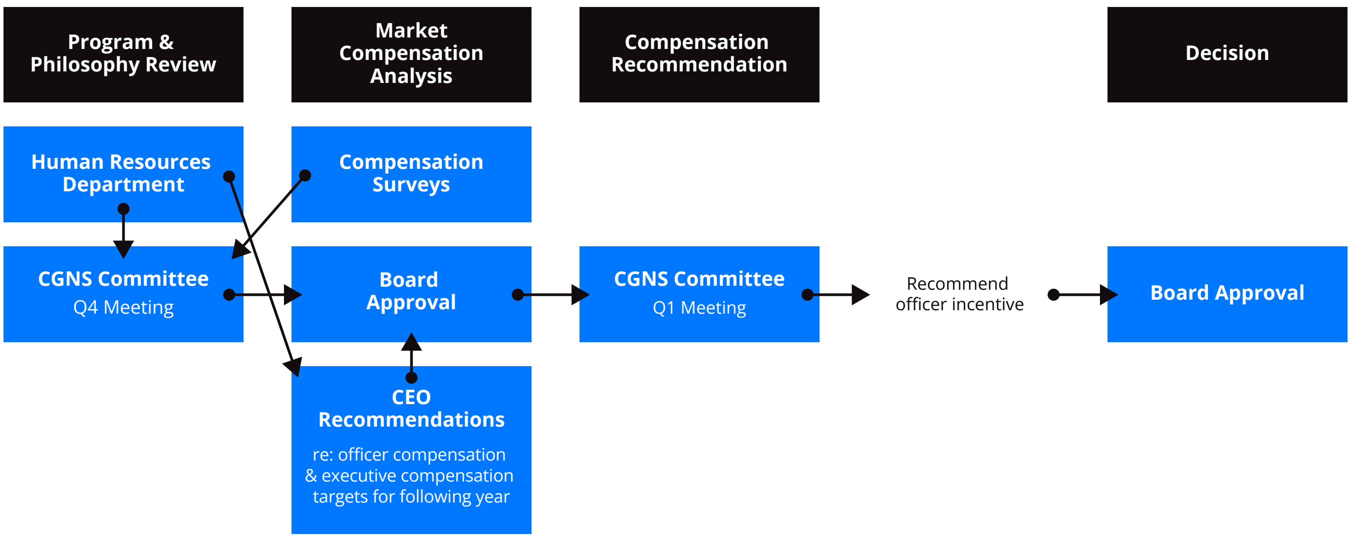
Below: Primrose Lane
Edmonton, AB

Remuneration

The Board, through its CGNS Committee, reviews the adequacy and form of compensation of Trustees and executive officers annually. The CGNS Committee considers the time commitment, risks and responsibilities of Trustees and executive officers, and takes into account the types of compensation and the amounts paid to directors, trustees and executive officers of comparable publicly traded Canadian companies and income trusts. Of the three (3) members of the CGNS Committee, all are independent Trustees.

Boardwalk compensates Associates on the basis of performance, experience and work-related criteria. The Trust is dedicated to equitable and competitive compensation for all Associates in order to compete effectively in the labour market.

All compensation changes are initiated by the Trust's management, with the process being as follows:



Enterprise Security and Privacy

Boardwalk has implemented a wide-ranging security program that provides real-time monitoring of cyber threats, next-generation firewalls, and increased awareness training for our Associates.

In 2021, Boardwalk blocked on average 30,000 probes, scans and attacks daily and rejected over 8,000 emails daily due to malware and spam. Annually all associates must complete a Cyber Security awareness training course coupled with a proficiency test. Regular phishing tests for Associates ensure we continue to reinforce and increase awareness of the various tactics used by threat actors.

We obtained an overall A rating on our Security Scorecard, targeting areas of improvement identified. This score is computed using industry leading security software to scan, gather and report on holistic security measures.

Boardwalk continued its Protection of Personal Information Program initiated in 2020, to assess the sufficiency of applications, process and controls as it related to PII, or Personal Identifiable Information. Under the helm of our Chief Privacy Officer, the intent is to ensure solid governance, policies and training to prevent data breaches, loss or theft of resident or associate information and reduce risks or business interruption. Remaining compliant and aligned to Canadian privacy legislation is imperative for Boardwalk.

LOOKING AHEAD

Looking into 2022, Boardwalk is committed to maintaining and improving its focus on ESG. Specifically, we aim to achieve the following:

Environment

- Boardwalk committed to benchmarking 100% of its assets in Energy Star's Portfolio Manager platform. To date, we have approximately 85% of our buildings energy and water consumption data entered in the platform and as such will strive to reach 100% in 2022.
- Boardwalk will evaluate green leases and determine how leases can be modified to consider green initiatives.
- Boardwalk will strive to better understand its waste mix and how to decrease its overall waste disposal through partnerships and education.
- Boardwalk will continue focused capital deployment towards energy efficiency projects, including increasing its dedicated budget for green initiatives.
- Boardwalk will evaluate building certification programs on its development projects.

Social

- Boardwalk will broaden the reach of its Diversity, Equity and Inclusion committee striving for increased understanding of our Associates.
- Boardwalk will explore certification programs available for health, well-being and safety to determine if it is eligible for any other certification programs.
- Boardwalk will continue to understand the wants and needs of its Resident Members to provide targeted and focused programming to its Communities.

Governance

- Continue to improve upon GRESB assessment score from the 69 obtained in 2021.
- Begin the process to formally align with the United Nations' Sustainable Development Goals.
- Continue to involve the Board of Trustees on risk assessments, strategies, metrics and targets.

Southpointe Plaza
Regina, SK

BOARDWALK REIT'S ESG DATA AND PERFORMANCE

Asset Information (as at December 31)	2021	2020	Reference
Number of apartment units	33,264	33,396	IF-RE-000.A
Total square feet	37,712,375	37,852,393	IF-RE-000.B
Leaseable square feet	28,805,670	28,879,182	IF-RE-000.B
Average occupancy rate	95.67%	96.29%	IF-RE-000.D

Organization	2021	2020	Reference
Total number of Associates	1,560	1,582	GRI 102-7
Rental revenue (in CDN $ thousands)	470,531	465,572	GRI 102-7
Total Assets (in CDN $ thousands)	6,660,653	6,107,744	GRI 102-7
Total Liabilities (in CDN $ thousands)	3,407,475	3,231,295	GRI 102-7

Environmental Metrics	2021	2020	Reference
Energy			
Energy consumption data coverage as a percentage of total floor area	97.08%	95.16%	IF-RE-130a.1
Energy consumption from non-renewable sources:			
Electricity consumption (MWh)	104,801	108,707	GRI 302-1 and IF-RE-130a.2
Natural Gas consumption (GJ)	2,248,751	2,127,801	GRI 302-1 and IF-RE-130a.2
Energy consumption from renewable sources	-	-	GRI 302-1 and IF-RE-130a.2
Total energy consumed (GJ)	2,626,033	2,519,146	GRI 302-1 and IF-RE-130a.2
Energy intensity (GJ divided by square feet)	0.07	0.07	GRI 302-3
Percentage grid electricity	100%	100%	IF-RE-130a.2
Percentage renewable	-	-	IF-RE-130a.2
Like-for-like percentage change in energy consumption	4.24%	(7.52)%	IF-RE-130a.3
Percentage of portfolio that:			
(1) has an energy rating	46.75%	N/A	IF-RE-130a.4
(2) is certified to ENERGY STAR	0%	0%	IF-RE-130a.4
Percentage of tenants that are separately metered or submetered for grid electricity consumption	89.08%	85.31%	IF-RE-410a.2
Greenhouse Gas Emissions			
Gross direct (Scope 1) GHG emissions (tCO_2e)	112,972	107,030	GRI 305-1
Gross indirect energy (Scope 2) GHG emissions (tCO_2e)	38,247	41,727	GRI 305-2
GHG intensity ratio (scope 1 and scope 2) ($kgCO_2e$/square feet)	4.45	4.42	GRI 305-4

Environmental Metrics (continued)	2021	2020	Reference
Water			
Water withdrawal data coverage as a percentage of total floor area	78.41%	74.11%	IF-RE-140a.1
Water withdrawal data coverage as a percentage of floor area in High or Extremely High Baseline Water Stress	100%	100%	IF-RE-140a.1
Total water withdrawn (m^3)	4,576,938	4,629,650	GRI 303-5 and IF-RE-140a.2
Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress	0%	0%	IF-RE-140a.2
Like-for-like percentage change in water withdrawn for portfolio area with data coverage	(1.14)%	(0.38)%	IF-RE-140a.3
Percentage of tenants that are separately metered or submetered for water withdrawals	16.95%	16.95%	IF-RE-410a.2
Waste			
Total weight of waste generated in metric tons	264,967	287,277	GRI 306-3
Total weight of waste diverted from disposal in metric tons	70,959	76,064	GRI 306-4
Total weight of waste directed to disposal in metric tons	194,008	211,213	GRI 306-5

Social Metrics	2021		2020		Reference
Gender					
Board of Directors					GRI 102-8 & GRI 405-1
Female	2	28.6%	2	28.6%	
Male	5	71.4%	5	71.4%	
Senior Management					
Female	3	33.3%	4	40.0%	
Male	6	66.7%	6	60.0%	
All Associates					
Female	573	36.7%	637	37.9%	
Male	987	63.3%	1,043	62.1%	
Permanent Associates					
Female	551	35.3%	596	35.5%	
Male	919	58.9%	945	56.3%	
Temporary Associates					
Female	22	1.4%	41	2.4%	
Male	68	4.4%	98	5.8%	
Full-time Associates					
Female	566	36.3%	621	37.0%	
Male	980	62.8%	1,038	61.8%	
Part-time Associates					
Female	7	0.4%	16	1.0%	
Male	7	0.4%	5	0.3%	
Total Number of Associates	1,560		1,680		

Social Metrics (continued)	2021		2020		Reference
Regions					
Full-time Associates					GRI 102-8
British Columbia	2	0.1%	-	0.0%	
Northern Alberta	669	42.9%	715	42.6%	
Southern Alberta	471	30.2%	495	29.5%	
Saskatchewan	181	11.6%	193	11.5%	
Ontario	81	5.2%	88	5.2%	
Quebec	142	9.1%	168	10.0%	
Part-time Associates					
British Columbia	-	0.0%	-	0.0%	
Northern Alberta	1	0.1%	1	0.1%	
Southern Alberta	6	0.4%	4	0.2%	
Saskatchewan	-	0.0%	1	0.1%	
Ontario	-	0.0%	-	0.0%	
Quebec	7	0.4%	15	0.9%	
Percentage of Associates covered by collective bargaining agreement		4.4%		4.9%	GRI 102-41
New Hires					
New hires by age group					GRI 401-1
Under 30 years old	66	20.6%	74	29.8%	
30-50 years old	189	59.1%	121	48.8%	
Over 50 years old	65	20.3%	53	21.4%	
New hires by gender					
Female	117	36.6%	92	37.1%	
Male	203	63.4%	156	62.9%	
Employee Turnover					
Employee turnover by age group					GRI 401-1
Under 30 years old	80	19.5%	86	25.8%	
30-50 years old	234	57.1%	166	49.8%	
Over 50 years old	96	23.4%	81	24.3%	
Employee turnover by gender					
Female	136	33.2%	123	36.9%	
Male	274	66.8%	210	63.1%	
Diversity					
Self-identified minority*		46%		N/A	GRI 405-1
Age Representation					
Senior Management					GRI 405-1
Under 30 years old	-	0.0%	-	0.0%	
30-50 years old	5	55.6%	5	50.0%	
Over 50 years old	4	44.4%	5	50.0%	
All Employees					
Under 30 years old	139	8.9%	170	10.1%	
30-50 years old	859	55.1%	929	55.3%	
Over 50 years old	562	36.0%	581	34.6%	

* Data ascertained through completion of voluntary survey and may not reflect full organization.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI 102: General Disclosures		
Disclosure Number	**Disclosure Title (Description)**	**Explanation/Reference**
Organizational Profile		
102-1	Name of the organization	Boardwalk Real Estate Investment Trust (Boardwalk REIT)
102-2	Activities, brands, products and services	Boardwalk REIT is a leading owner/operator of multi-family rental communities, providing homes in more than 200 communities with over 33,000 residential units. Boardwalk has a proven long-term track record of building better communities, where love always lives. Our three tiered and distinct brands: Boardwalk Living, Boardwalk Communities, and Boardwalk Lifestyle cater to a large diverse demographic and has evolved to capture the life cycle of all Resident Members.
102-3	Location of headquarters	Suite 200-1501 1 St. SW, Calgary, Alberta T2R 0W1
102-4	Location of operations	Canada
102-5	Ownership and legal form	Boardwalk REIT, widely held publicly traded trust on the Toronto Stock Exchange (TSX: BEI.un)
102-6	Markets served	Multifamily housing owner and operator in the Canadian provinces of British Columbia, Alberta, Saskatchewan, Ontario and Quebec
102-7	Scale of the organization	Page 82 of this report
102-8	Information on employees and other workers	Page 83 of this report
102-9	Supply Chain	Page 72 of this report
102-10	Significant changes to the organization and its supply chain	No significant changes to the organization and its supply chain in 2021
102-11	Precautionary Principle or approach	Boardwalk REIT does not currently use the Precautionary Principle, however does consider environmental degradation.
102-12	External initiatives	In addition to considering global frameworks, Boardwalk REIT has many partnerships (see pages 54, 59).
102-13	Membership of associations	Boardwalk REIT is a member of many associations, including, but not limited to, NAREIT, REALPAC, CRRA, etc.
Strategy		
102-14	Statement from senior decision-maker	Letter from the CEO, Page 25
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	Boardwalk REIT's code of business conduct highlights the Trust's responsibility to our Associates, our Customers, our Unitholders, our Communities as well as summarizing our communications and investigations. This Code of Conduct and other relevant corporate governance documents can be found at the following website: https://www.bwalk.com/en-ca/investors/corporate-governance.
Governance		
102-18	Governance structure	Please refer to Boardwalk REIT's Management Information Circular.

GRI 102: General Disclosures (continued)		
Disclosure Number	**Disclosure Title (Description)**	**Explanation/Reference**
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 28
102-41	Collective bargaining agreements	ESG Data and Performance, page 84
102-42	Identifying and selecting stakeholders	Page 28
102-43	Approach to stakeholder engagement	Page 28
102-44	Key topics and concerns raised	Page 29
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Page 14 of Boardwalk REIT's Annual Information Form dated February 24, 2022
102-46	Defining report content and topic boundaries	Materiality Assessment, page 29
102-47	List of material topics	Material topics include energy, water and effluents, emissions, waste, employment, occupational health and safety, training and education, and diversity and equal opportunity.
102-48	Restatements of information	In previous reports, energy data was presented on a fiscal year beginning October 1 to September 30. In this report it is based on calendar year.
102-49	Changes in reporting	No significant changes
102-50	Reporting period	January 1, 2021 to December 31, 2021
102-51	Date of most recent report	Previous ESG report was published on April 1, 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	For questions contact investor@bwalk.com
102-54	Claims of reporting in accordance with the GRI Standards	Core
102-55	GRI content index	Pages 85-88 of this report
102-56	External assurance	This report has not been externally assured

GRI 300 – 400 – Topic Specific Disclosures		
Disclosure Number	**Disclosure Title (Description)**	**Explanation/Reference**
Energy		
103-1	Explanation of material topic and its boundary	Environment and Energy Management, pages 34 through 51
103-2	The management approach and its component	Environment and Energy Management, pages 34 through 51
103-3	Evaluation of the management approach	Environment and Energy Management, pages 34 through 51
302-1	Energy Consumption within the organization	ESG Data and Performance, page 82
302-3	Energy Intensity	ESG Data and Performance, page 82
302-4	Reduction of energy consumption	The Trust intends to use fiscal 2019 as its baseline for reduction comparison. Percentage change to 2019 included on page 37.

GRI 300 – 400 – Topic Specific Disclosures (continued)		
Disclosure Number	**Disclosure Title (Description)**	**Explanation/Reference**
Water and Effluents		
103-1	Explanation of material topic and its boundary	Water Management, page 38 of this report
103-2	The management approach and its component	Water Management, page 38 of this report
103-3	Evaluation of the management approach	Water Management, page 38 of this report
303-5	Water Consumption	ESG Data and Performance, page 82
Emissions		
103-1	Explanation of material topic and its boundary	Greenhouse Gas ("GHG") Emissions, Energy, Water and Waste Management, page 36 of this report
103-2	The management approach and its component	Greenhouse Gas ("GHG") Emissions, Energy, Water and Waste Management, page 36 of this report
103-3	Evaluation of the management approach	Greenhouse Gas ("GHG") Emissions, Energy, Water and Waste Management, page 36 of this report
305-1	Direct (Scope 1) GHG Emissions	ESG Data and Performance, page 82
305-2	Energy indirect (Scope 2) GHG Emissions	ESG Data and Performance, page 82
305-4	GHG emissions intensity	ESG Data and Performance, page 82
305-5	Reduction of GHG emissions	The Trust intends to use fiscal 2019 as its baseline for reduction comparison. Percentage change to 2019 included on page 37.
Waste		
103-1	Explanation of material topic and its boundary	Waste Management, page 38 of this report
103-2	The management approach and its component	Waste Management, page 38 of this report
103-3	Evaluation of the management approach	Waste Management, page 38 of this report
306-3	Waste generated	ESG Data and Performance, page 82
306-4	Waste diverted from disposal	ESG Data and Performance, page 82
306-5	Waste directed to disposal	ESG Data and Performance, page 82
Employment		
103-1	Explanation of material topic and its boundary	Social – Our People, pages 64 through 71 of this report
103-2	The management approach and its component	Social – Our People, pages 64 through 71 of this report
103-3	Evaluation of the management approach	Social – Our People, pages 64 through 71 of this report
401-1	New employee hires and employee turnover	ESG Data and Performance, page 84

GRI 300 – 400 – Topic Specific Disclosures (continued)		
Disclosure Number	**Disclosure Title (Description)**	**Explanation/Reference**
Occupational Health and Safety		
103-1	Explanation of material topic and its boundary	Workplace Health & Safety, page 70 of this report
103-2	The management approach and its component	Workplace Health & Safety, page 70 of this report
103-3	Evaluation of the management approach	Workplace Health & Safety, page 70 of this report
403-1	Occupational health and safety management system	Boardwalk has a comprehensive health and safety program to ensure Boardwalk is compliant with all applicable health and safety legislation. We are committed to providing a safe environment that addresses all physical and psychological hazards as well as the social well-being for all Associates, Resident Members, Contractors, Visitors and other persons.
403-2	Hazard identification, risk assessment, and incident investigation	It is the goal of Boardwalk to eliminate hazards at the work site. This can be achieved by Hazard Assessment using the Site-Specific Hazard Assessment, and by Hazard Reporting using the Hazard Detection form.
403-3	Occupational health services	Boardwalk maintains confidentiality of workers' personal health related information through its Human Capital Management software. All of the files are maintained electronically and only viewable by Health & Safety and Human Resources Team.
403-4	Worker participation, consultation, and communication on occupational health and safety	Boardwalk believes that our single most important resource is our Associates and it is our goal to minimize our Associates exposure to the risks and hazards associated with our operation. Boardwalk is required to protect the health and safety of all parties at their work sites. All Associates have health and safety rights and obligations. To protect Associates from illnesses, injuries and diseases, Associates are afforded three fundamental rights. Those rights are right to know, right to participate and right to refuse work. In addition, in every region Boardwalk has a joint health and safety committee.
403-5	Working training on occupational health and safety	Boardwalk provides in-house training such as Mentoring, orientation and online training. Formal 3rd party training such as workshops, seminars, and in class courses regarding Health & Safety such as First Aid, Confined Spaces, Fall Protection, Certified Asbestos Worker are available to all Associates.
403-6	Promotion of worker health	Associates have access to flexible extended health and dental benefits, accidental death & dismemberment, long term disability, life insurance and critical illness insurance. Boardwalk offers an employee and family assistance program which provides counseling for a number of personal difficulties.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Boardwalk performs Preventative Maintenance procedures such as Daily / Weekly / Monthly / Quarterly / Annually Inspection Logs to ensure all the equipment as well as our buildings are operating smoothly prior to them breaking down.
403-8	Workers covered by an occupational health and safety management system	All employees, as well as contractors, suppliers, service providers, and visitors to the work sites are covered by Boardwalk's health and safety management system and must comply with all legislation.
403-9	Work-related injuries	As of 2021, Boardwalk has zero fatalities and 98 reportable injuries.

GRI 300 – 400 – Topic Specific Disclosures (continued)		
Disclosure Number	**Disclosure Title (Description)**	**Explanation/Reference**
Training and Education		
103-1	Explanation of material topic and its boundary	Learning and Growth, page 66 of this report
103-2	The management approach and its component	Learning and Growth, page 66 of this report
103-3	Evaluation of the management approach	Learning and Growth, page 66 of this report
404-1	Average hours of training per year per employee	Currently the Trust does not track hours spent on training, however uses costs as its key training metric. Employee training and education is important to Boardwalk as highlighted on page 66 of this report and will continue to be so. Examples of current training include each new site hire being given 2 weeks (approximately 80 hours) of mentor led training, Associates being offered a 15 hour first aid course, a home study course, etc. Moving forward the Trust will track hours of training completed by employee.
Diversity and Equal Opportunity		
103-1	Explanation of material topic and its boundary	Diversity, Equity & Inclusion, page 67 of this report
103-2	The management approach and its component	Diversity, Equity & Inclusion, page 67 of this report
103-3	Evaluation of the management approach	Diversity, Equity & Inclusion, page 67 of this report
405-1	Diversity of governance bodies and employees	ESG Data and Performance, page 83

SASB INDEX

Code	Description	Explanation/Reference
Energy Management		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	ESG Data and Performance, page 82
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	ESG Data and Performance, page 82
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	ESG Data and Performance, page 82
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating, and (2) is certified to ENERGY STAR, by property subsector	ESG Data and Performance, page 82
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Energy management, page 38 of this report, GHG Emissions Reduction Pathways, page 40 of this report, Showcase Property, page 48 of this report
Water Management		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	ESG Data and Performance, page 83
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage, and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	ESG Data and Performance, page 83
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	ESG Data and Performance, page 83
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water management, page 38 of this report, GHG Emissions Reduction Pathways, page 40 of this report, Showcase Property, page 48 of this report

Code	Description	Explanation/Reference
Management of Tenant Sustainability Impacts		
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Currently Boardwalk does not have any leases incorporating a cost recovery clause for resource efficiency-related capital improvements.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	ESG Data and Performance, page 82 and 83
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	GHG Emissions Reduction Pathways, page 40 of this report
Climate Change Adaption		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Boardwalk completed an actuarial study to better understand its property exposure. This report revealed that Boardwalk's assets are located in areas where the flood zone is 100 years or higher. Please see page 38 of this report.
IF-RE-450a.2	Description of climate change exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risk	Pages 34-36 of this report
Activity Metrics		
IF-RE-000.A	Number of assets, by property sector	ESG Data and Performance, page 82, all residential properties
IF-RE-000.B	Leaseable floor area	ESG Data and Performance, page 82, in square feet
IF-RE-000.C	Percentage of indirectly managed assets	"Disclosure is based on Boardwalk's 100% interest. One project, is 50% owned with a joint venture partner."
IF-RE-000.D	Average occupancy rate	ESG Data and Performance, page 82

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES INDEX

Recommendations and Supporting Recommended Disclosures	Reference
Governance	
Describe the board's oversight of climate-related risks and opportunities	Page 27, Role of the Board with ESG, and page 34, Climate Change-related Risks and Opportunities. In addition, the Board oversees the Trust's policies, standards, procedures and strategies related to climate change-related issues, environmental protection, health and safety, sustainability, and related governance matters to ensure due assessment, consideration and management of risks, opportunities, and potential performance improvement related thereto.
Describe management's role in assessing and managing climate-related risks and opportunities	Page 34, Climate Change-related Risk and Opportunities. In addition, as highlighted on page 36 (under GHG Emissions, Energy, Water and Waste Management), management has completed its GHG inventory of the entire portfolio to better understand its Scope 1 and Scope 2 emissions. With this knowledge, the Trust can focuses its efforts on projects with an increased risk while also seeking opportunities to continue to improve.
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Page 34, Climate Change-related Risk and Opportunities. More specifically, climate-related risks identified by Boardwalk include current and emerging regulation, technology, legal, market, reputation as well as the acute physical risk and chronic physical risk.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Page 34, Climate Change-related Risk and Opportunities. Boardwalk believes focusing on sustainability contributes to community and environmental wellbeing as such is a key consideration with each decision made. Capital deployment is influenced by potential energy savings and the ability to decrease our GHG emissions.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Page 34, Climate Change-related Risk and Opportunities. To date the Trust has not completed different climate-related scenarios, however has completed an actuarial study to better understand its property exposure.

Recommendations and Supporting Recommended Disclosures (continued)	Reference
Risk	
Describe the organization's processes for identifying and assessing climate-related risks	Page 34, Climate Change-related Risk and Opportunities. Risks are mostly identified through continued engagement with all stakeholders, and taking time to understand our assets and regulations. More specifically, climate-related risks identified by Boardwalk include current and emerging regulation, technology, legal, market, reputation as well as the acute physical risk and chronic physical risk.
Describe the organization's processes for managing climate-related risks	Page 34, Climate Change-related Risk and Opportunities. Once identified, the Trust evaluates each risk individually on how to best managing taking into consideration all consequences, such as financial, environmental, operations, etc.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Page 34, Climate Change-related Risk and Opportunities. Risk assessments are completed on an annual basis and included amongst the risk assessment are climate change-related risks.
Metrics and Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	ESG Data and Performance, page 82 2021 Environmental Scorecard, page 37
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	ESG Data and Performance, page 82
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Boardwalk's GHG emissions reduction target and water consumption reduction target are introduced on page 25 of this report. Page 37 summarizes the 2021 Environmental Scorecard.

FINANCIAL REVIEW CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended, December 31, 2021 and 2020

General and Forward-looking Statements Advisory

GENERAL

The terms "Boardwalk", "Boardwalk REIT", the "REIT", the "Trust", "we", "us", and "our" in the following Management's Discussion and Analysis ("MD&A") refer to Boardwalk Real Estate Investment Trust. Financial data, including related historical comparatives, provided in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). This MD&A is current as of February 24, 2022, unless otherwise stated, and should be read in conjunction with Boardwalk's audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, which have been prepared in accordance with IFRS, copies of which have been filed electronically with securities regulators in Canada through the System for Electronic Document Analysis and Retrieval ("SEDAR") and may be accessed through the SEDAR website at www.sedar.com. Historical results and percentage relationships contained in the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 and this MD&A, including trends, should not be read as indicative of future operations.

The Income Tax Act (Canada) (the "Tax Act") contains legislation affecting the tax treatment of publicly traded trusts (the "SIFT Legislation"). The SIFT Legislation generally will not impose tax on a trust which qualifies under such legislation as a real estate investment trust (the "REIT Exemption") provided all the trust's taxable income each year is paid, or made payable to, its Unitholders. Boardwalk qualified for the REIT Exemption and will continue to qualify for the REIT Exemption provided that all its taxable income continues to be distributed to its Unitholders (as defined below). Further discussion of this is contained in this MD&A.

Certain information contained in this MD&A concerning the economy generally and relating to the industry in which the Trust operates has been obtained from publicly and/or industry available information from third party sources, including both the Bank of Canada's January 2022 Monetary Policy Report and the Royal Bank of Canada's December 2021 Provincial Report, which are believed to be generally reliable. The Trust has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, the Trust has not determined if there has been any omission by any such third party to disclose any facts, information, or events which may have occurred prior to or subsequent to the date as of which any such information contained in such publicly available information has been furnished or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

Unless otherwise indicated, all amounts are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS ADVISORY

Certain information included in this MD&A contains forward-looking statements and information (collectively "forward-looking statements") within the meaning of applicable securities laws. These forward-looking statements include, but are not limited to, statements made concerning Boardwalk's objectives, including, but not limited to, the REIT's 2022 financial outlook and market guidance, increasing its occupancy rates, joint venture developments, and future acquisition and development opportunities, including its plans for its land in Victoria, British Columbia and its long-term strategic plan of opportunistic acquisitions and investments, its strategies to achieve those objectives, expected increases in property taxes, utilities, and insurance costs, the ongoing impact of the novel strain coronavirus (COVID-19) pandemic, as well as statements with respect to management of the Trust's beliefs, plans, estimates, assumptions, intentions, and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management of the Trust's current beliefs and are based on information currently available to management of the Trust at the time such statements are made. Management of the Trust's estimates, beliefs, and assumptions are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events and as such, are subject to change. All forward-looking statements in this MD&A are qualified by these cautionary statements.

Forward-looking statements are not guarantees of future events or performance and, by their nature, are based on Boardwalk's current estimates and assumptions, which are subject to risks and uncertainties, including those described in Boardwalk REIT's Annual Information Form for the year ended December 31, 2021 ("AIF") dated February 24, 2022 under the heading "Challenges and Risks", which could cause actual events or results to differ materially from the forward-looking statements contained in this MD&A. Those risks and uncertainties include, but are not limited to, those related to liquidity in the global marketplace associated with current economic conditions, tenant rental rate concessions, occupancy levels, access to debt and *equity capital, changes to Canada Mortgage and Housing Corporation ("CMHC") rules regarding mortgage insurance, interest rates, joint ventures/ partnerships, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, construction, environmental matters, uninsured perils, legal matters, reliance on key personnel, Unitholder liability, income taxes, and changes to income tax rules that impair the ability of Boardwalk to qualify for the REIT Exemption. Of particular note, during 2020, 2021 and continuing into 2022, the world and Canada have been impacted by, and continue to be impacted by, the COVID-19 pandemic. In an attempt to slow down the spread of this virus, the various levels of government in Canada and throughout the world have enacted various forms of emergency measures. These measures, which include the implementation of travel bans, self-imposed and government-imposed quarantine periods and social distancing measures, including curfews and stay-at-home orders, have caused and continue to cause material disruption to businesses globally resulting in an economic slowdown and unprecedented unemployment levels. As of February 24, 2022, the full impact of the COVID-19 pandemic on the results of the Trust remains uncertain. This is not an exhaustive list of the factors that may affect Boardwalk's forward-looking statements. Other risks and uncertainties not presently known to Boardwalk could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements may include, but are not limited to, the impact of economic conditions in Canada and globally including as a result of the COVID-19 pandemic, the ability of the Trust to re-open and continue to leave open its communal spaces as the COVID-19 pandemic continues to impact the jurisdictions in which the Trust operates, the REIT's future growth potential, prospects and opportunities, the rental environment compared to several years ago, relatively stable interest costs, access to equity and debt capital markets to fund (at acceptable costs), the future growth program to enable the Trust to refinance debts as they mature, the availability of purchase opportunities for growth in Canada, the impact of accounting principles under IFRS, general industry conditions and trends, changes in laws and regulations including, without limitation, changes in tax laws, mortgage rules and other temporary legislative changes in light of the COVID-19 pandemic, increased competition, the availability of qualified personnel, fluctuations in foreign exchange or interest rates, and stock market volatility. Although the forward-looking statements contained in this MD&A are based upon what management of the Trust believes are reasonable assumptions, there can be no assurance actual results will be consistent with these forward-looking statements and no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur at all, or if any of them do so, what benefits that Boardwalk will derive from them. As such, undue reliance should not be placed on forward-looking statements. Certain statements included in this MD&A may be considered "financial outlook" or "future oriented financial information (FOFI)" for purposes of applicable securities laws, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth above. The actual results of operations of the Trust and the resulting financial results will likely vary from the amounts set forth in this MD&A and such variation may be material. Boardwalk REIT and its management believes that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgements. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. FOFI contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Trust's anticipated future business operations. Readers are cautioned that the FOFI contained in this MD&A should not be used for purposes other than for which it is disclosed herein.*

Except as required by applicable law, Boardwalk undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

EXECUTIVE SUMMARY

Business Overview

Boardwalk REIT is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated January 9, 2004, and as amended and restated on various dates between May 3, 2004, and May 15, 2018 (the "Declaration of Trust" or "DOT"), under the laws of the Province of Alberta. Boardwalk REIT was created to invest in revenue producing multi-family residential properties, or interests, initially through the acquisition of assets and operations of Boardwalk Equities Inc. (the "Corporation").

Boardwalk REIT Trust Units ("Trust Units") trade on the Toronto Stock Exchange ("TSX") under the trading symbol 'BEI.UN'. Boardwalk REIT's principal objectives are to provide Resident Members with superior quality rental communities and the best tenant/customer service, provide its holders ("Unitholders") of Trust Units with stable monthly cash distributions, and to increase the value of the Trust Units through the effective management of its residential multi-family revenue producing properties, renovations and upgrades to its current portfolio, and the acquisition and/or development of additional, accretive properties or interests therein. As at December 31, 2021, Boardwalk REIT owned and operated in excess of 200 properties, comprised of over 33,000 residential suites, and totaling over 28 million net rentable square feet. At the end of 2021, Boardwalk REIT's property portfolio was concentrated in the provinces of Alberta, British Columbia, Saskatchewan, Ontario, and Quebec.

Environmental, Social and Governance Overview

The Trust is, and continues to be, committed to environmental, social and governance ("ESG") objectives and initiatives, including working towards reducing greenhouse gas emissions as well as electricity and natural gas consumption, water conservation, waste minimization, and a continued focus on governance and oversight. As part of its 2021 Annual Report, the Trust will include its ESG Report, which will be available under the Trust's profile at www.sedar.com or on the Trust's website at www.bwalk.com/en-ca/investors/esg.

MD&A Overview

This MD&A focuses on key areas from the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, and pertains to major known risks and uncertainties relating to the real estate industry, in general, and the Trust's business, in particular. This discussion should not be considered all-inclusive as it excludes changes that may occur in general economic, political, and environmental conditions, including the COVID-19 pandemic discussed below. Additionally, other elements may or may not occur, which could affect the organization in the future. Please refer to the section titled "General and Forward-looking Statements Advisory – Forward-Looking Statements Advisory" in this MD&A. To ensure that the reader is obtaining the best overall perspective, this discussion should be read in conjunction with material contained in other parts of Boardwalk REIT's 2021 Annual Report, the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, and the AIF, each of which are available under the REIT's profile on www.sedar.com, along with all other publicly posted information on the Corporation and Boardwalk REIT. It is not our intent to reproduce information that is in these other reported documents, but rather to highlight some of the key points and refer you to these documents for more detailed information.

COVID-19 Pandemic

Since its emergence in late 2019 and the declaration by the World Health Organization on March 11, 2020 as a global pandemic, the COVID-19 pandemic has had, and continues to have, a substantial impact on the Canadian and global economy. The various levels of government in Canada and throughout the world enacted various emergency measures including travel bans, self-imposed and government-imposed quarantine periods, social-distancing measures, and restrictions on businesses, gatherings and events, which have severely impacted individuals and businesses around the world. With the emergence of a third wave of the COVID-19 pandemic during the first quarter of 2021, and the emergence of various COVID-19 variant strains throughout 2021, the provincial governments had re-imposed restrictions on gatherings and social distancing measures in an attempt to curb the rising number of COVID-19 cases. Around the world, governments had once again implemented self-isolation measures, closed down non-essential businesses, and continued to enforce travel bans. During the second quarter of 2021, the available supply of vaccines increased considerably and countries around the world, including Canada, began to increase efforts to immunize as many people as possible in an attempt to safely limit the spread of COVID-19. In Canada, the immunization campaign has been positive with Canada quickly becoming one of the world leaders to secure a steady supply of vaccines and fully immunizing a large proportion of the population, including the majority of the population with at least one vaccine dose. These efforts resulted in a steady decrease in the number of COVID-19 cases prompting the various levels of government to gradually ease restrictions on travel, large gatherings and social distancing measures, and the re-opening of non-essential business to stimulate the economy. The end of the third wave came with the end of the second quarter of 2021, and coupled with the roll-out of the vaccines to many of the larger urban areas, various governments around the world began to lift some of the more rigorous restrictions to help re-open and stimulate the economy both locally and internationally; however, a fourth wave of the COVID-19 pandemic emerged during the third quarter of 2021 resulting in governments once again enacting various emergency measures in an effort to contain the number of cases that have significantly increased since easing restrictions during the summer months. The majority of new cases were attributable to individuals who have not yet been fully vaccinated. As a result, some provincial governments implemented proof of immunization programs to limit only fully vaccinated individuals the right to access higher-risk activities such as attending large group events or dining in public restaurants. This strategy was also intended to promote individuals to get fully immunized in order to engage in these normal everyday activities that people enjoy. The economy as a whole has rebounded from the lows experienced during the initial shutdowns in the first half of 2020, but some of this progress toward a return to normal has been offset by the recent emergence of the Omicron variant of COVID-19 with governments responding to the resulting resurgence in COVID-19 cases with renewed restrictions and partial economic lockdowns. Certain provincial governments have commenced phased reopening in February 2022; however, there remains the potential for the emergence of further COVID-19 variants and for subsequent waves of new infections that further delay a return to normalcy.

RENTAL COLLECTIONS

The majority of Resident Members have continued to maintain timely payments throughout this COVID-19 pandemic. During Q4 2021, the Trust experienced rent collections from its Resident Members consistent with its historical collection rate.

Boardwalk continues to offer payment flexibility on a case-by-case basis with Resident Members experiencing financial hardship and is committed to working on a mutually beneficial resolution. The Canadian government provided support by increasing the flexibility of Employment Insurance benefits as well as extended the Canada Emergency Wage Subsidy through a proposed targeted support program for eligible hard-hit employers until May, 2022. This program has enabled those employers who experienced a considerable decline in revenue to continue paying wages to their employees, and in turn, this also supported our Resident Members. Additionally, the Canada Recovery Hiring Program, which provides eligible employers with a subsidy when hiring new employees in efforts to help lower current unemployment rates, was extended to May, 2022.

FUTURE IMPACTS AND POTENTIAL RISKS

With the increasing percentage of the population being vaccinated, provincial governments have lessened restrictions for those who are fully vaccinated, which has led to a more positive outlook for future economic growth. However, even with these lessened restrictions, a number of uncertainties still exist as the resurgence of COVID-19 cases and/or the emergence of new variants could cause businesses to close down again and other restrictions to be re-imposed. It remains unclear how quickly unemployment rates may improve with the anticipated phased reopening plans and the extent of the impact of the government programs implemented during the course of the COVID-19 pandemic on businesses and individuals is also unknown. As a result, the impact of the COVID-19 pandemic on the Trust's cash flows from operating activities remains uncertain. The Trust's investment properties are measured at fair value based on assumptions influenced by market conditions. Given the uncertainty of the longer-term impact of the COVID-19 pandemic and its impact on the Trust's valuation assumptions, measurement uncertainty exists with respect to the Trust's investment properties.

As a result of global economic uncertainty and the government measures put in place to slow the spread of COVID-19, there may be temporary or long-term stoppage of development projects, temporary or long-term labour shortages or disruptions, temporary or long-term impacts on domestic and global supply chains, increased risks to information technology systems and networks, and risks related to the Trust's ability to access capital on acceptable terms or at all. Uncertain economic conditions resulting from the COVID-19 pandemic may, in the short or long-term, materially adversely impact operations and the financial performance of the Trust.

Please refer to the section titled "Risks and Risk Management" in this MD&A and "Challenges and Risks" in the AIF.

Outlook

In its January 2022 Monetary Policy Report, the Bank of Canada noted an improvement of the economy in the last half of 2021, as well as some growth in the labour markets and an increase in wages. However, with the emergence of the Omicron variant of COVID-19 in late 2021, the COVID-19 pandemic has once again put pressure on the economy and caused certain governments to temporarily reinstate restrictions on businesses, gatherings, and events. The Bank of Canada believes that the latest variant will have a less severe impact on the economy than the first waves of COVID-19 and anticipates that the economy should pick-up again over the next several months with increased consumer spending and business investments expected. The previous bottlenecks in supply are still an issue causing prices for many goods to go up and continued higher inflation rates are expected to continue for the short term, but are expected to subside during the course of the year. Current high inflation rates are expected to decrease to 3% by the end of 2022 and gradually hit close to the targeted 2% through 2023 and 2024. Though the Bank of Canada continues to believe the upside and downside risks to this inflation projection are roughly balanced, the upside risks, such as more persistent supply bottleneck and cost pressures and stronger household spending, are of greater concern as it is out of their inflation-control range. Until inflation moves significantly lower, the Bank of Canada notes that there is an elevated risk that Canadians will start to believe that inflation will stay high over the long term and higher inflation expectations could in turn lead to more pervasive labour costs and inflationary pressures and could become embedded in ongoing inflation.

In the Royal Bank of Canada's ("RBC") December 2021 Provincial Report, provincial economic outlooks were generally positive with most provinces showing strong economic momentum to reverse the contractions experienced in 2020. RBC expects Saskatchewan, Alberta, and Ontario to see the highest growth in 2022 due to expected increases in the energy sector and an increase in the supply chain. The RBC report also projects all provinces to see increases in consumer growth, with the resumption of immigration leading to higher population, especially in Atlantic Canada and British Columbia, which is expected to further increase consumer spending.

RBC expects that this new immigration will also help to alleviate some of the previous stresses from employers where there are labour shortages, most severely in British Columbia and Quebec. Though there has been an increase to date, RBC expects continued labour challenges throughout 2022 resulting in potentially widespread wage increases, further increasing input costs to businesses in addition to existing supply chain issues. Higher inflation for 2022 has also been projected by RBC across all provinces and the housing market is expected to slow with rising interest rates bringing down affordability. In addition, the Omicron variant of COVID-19 presents new challenges and may negatively impact the outlooks provided by RBC.

According to RBC's report, British Columbia is rebounding despite being hit by the massive flooding in November 2021, which posed further challenges to their economy. The recovery from the flood has been fairly quick, with repair work adding to the province's economic growth. Currently, British Columbia's largest challenge is labour shortage, as it has the highest job vacancy among all provinces. However, the noted increases in immigration across the border and from other provinces, notably from Alberta and Ontario, may provide some relief. RBC expects that non-residential investment will continue to be the main contributing factor to British Columbia's economic growth with work on major capital projects including the Trans Mountain pipeline, Site C hydroelectric project, LNG Canada liquid natural gas terminal, and the Coastal Gaslink pipeline, continuing to be major economic catalysts in several regions of British Columbia.

The rebound in the global oil and gas market has caused a significant boost to Alberta's economy, but RBC noted that it still has a way to go before reaching pre-pandemic levels. RBC has projected economic growth of 4.7% for 2022 for Alberta, with the oil and gas industry's current upcycle continuing and capital expenditures in the energy sector trending higher than in recent years, as well as investment in Alberta's renewable energy sector expected to grow rapidly. RBC also sees substantial scope for the agriculture sector to improve and expects that Alberta will see improved labour market conditions, rising consumer confidence, high household savings and stronger immigration to boost consumer spending and residential investment. According to RBC's report, Alberta is one of only two provinces for which housing is projected to pick up in 2022, with Ontario being the other.

RBC projects that Saskatchewan will lead the way with economic growth projected at 5.6% for 2022 as long as the provincial government is able to minimize COVID-19 pandemic restrictions and crop conditions improve as the province experienced severe droughts in 2021. If conditions are positive, there is potential for a significant increase in exports in fertilizers, pulse, and potash. Investments in potash due to the higher demand and tight supply are expected to contribute materially to Saskatchewan's economy for years to come. In addition, the improvements in the oil and gas markets will also contribute to the boost.

The RBC report provides that signs of recovery are noted in Ontario with the reopening of the economy, shown by increased attendance in entertainment venues and restaurants due to high vaccination rates and Ontario's strong spending power. These signs of recovery will have been negatively affected by the return to various restrictions on businesses, gatherings, and events in early 2022, which occurred after the release of the RBC report. Current supply chain issues have hindered Ontario's recovery, but with these challenges potentially easing and higher consumer spending, RBC projects economic growth of 4.4%. Housing continues to be a major economic boost for Ontario's economy with home resales and housing construction starting the trend in 2021. These trends are expected to continue in 2022 with focus in both the urban areas and smaller communities where the influx of big-city migrants will sustain demand. RBC expects that non-residential investment will continue to be a part of Ontario's growth and the resumption of the motor vehicle plant at the GM Oshawa plant will bring a positive increase to the manufacturing sector that was otherwise hindered by the supply chain challenges. In addition, Ontario's tech sector has hired nearly 100,000 new workers, and further expansion is expected in the coming year.

RBC noted that the Quebec economy had a significant rebound in 2021 when COVID-19 pandemic restrictions were eased and growth at 5.9% in 2021. However, with labour shortages and other capacity limitations, the growth is projected to slow down significantly to 3.5% for 2022. With 280,000 jobs vacant, labour market conditions are expected to continue with an aging workforce opting to retire adding pressure to these significantly low employment rates. As interest rates increase, RBC expects that housing affordability will become too much of a burden for a rising number of home buyers in the province. Consumer spending is likely to drop vastly compared to 2021 as a result of these economic strains. RBC projects 55,000 housing starts in 2022, a significant drop from the 34 year high of 71,500 units in 2021.

Boardwalk continues to move forward with several development opportunities, including a joint venture, and acquisitions and dispositions referred to in the "Review of Cash Flows – Investing Activities – Investment Properties" section in this MD&A. It is our intention to continue to investigate further development opportunities; however, each future opportunity will require a separate analysis and, depending on the analysis and economic conditions, Boardwalk REIT will determine if additional development projects are warranted. Historically, one of the biggest risks to real estate evaluations is the building of oversupply in a particular market, which results in significant corrections of property values market-wide. Currently, in the Trust's core markets, total housing supply under construction remains low relative to historical levels.

During 2021, the Trust renewed approximately $354.8 million of 2021 mortgage maturities, with an average term of five years at a weighted average interest rate of 1.75%, which was a decrease from the average maturing rate on these completed mortgages. In addition, the Trust secured approximately $152.6 million of additional mortgage funds. For the year ended December 31, 2021, principal repayment totaled $72.5 million (year ended December 31, 2020 – $69.7 million). As of February 2022, CMHC-insured five and 10-year mortgage rates were estimated to be 2.50% and 2.80%, respectively. In 2022, the Trust has a total of $445.2 million of mortgages maturing. To date, the Trust has renewed or forward locked the interest rate on $41.6 million, or 9% of these mortgage maturities at an average interest rate of 2.44%, while extending the term of these mortgages by an average of five years.

The Trust takes a balanced approach with its mortgage program with a priority to: first, stagger its maturities to limit future interest rate risk, second, capitalize on the current low rate environment by renewing maturities at low interest rates, and third, ensure sufficient liquidity for the Trust's strategic initiatives. Please refer to the section titled "Financing Costs" in this MD&A.

BOARDWALK'S STRATEGIC PLAN

Boardwalk provides inclusive communities to work and live through its strategy of operational excellence, innovation, and opportunistic growth focused capital allocation, to create leading earnings performance resulting in strong total Unitholder return.

Underpinned by its dynamic culture and performance focused team, Boardwalk strives to create the best multi-family communities across diverse, affordable, unregulated, and supply-constrained housing markets. This is our mission: to build better communities, where love always lives.

Current housing fundamentals in Boardwalk's core markets have improved which, paired together with the Trust's proven platform, management of the Trust believes positions the Trust for optimized cash flow growth. Management of the Trust believes that Boardwalk's distribution policy of maximum cash flow reinvestment coupled with its strong balance sheet provides the ability for the Trust to allocate capital towards opportunistic acquisitions, development of communities in under-supplied markets, yield enhancing value-add capital, and when appropriate, investment in our own existing portfolio through the purchase and cancellation of Trust Units through the normal course issuer bid implemented in 2021.

Boardwalk's investment approach provides significant growth and enhanced performance in the Trust's key metrics of Funds From Operations ("FFO") and Net Asset Value ("NAV"), each measured on a fully diluted per Unit basis.

BRAND DIVERSIFICATION

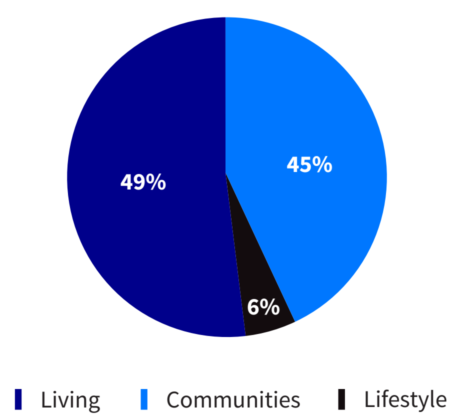
It is the goal of the Trust to not only diversify geographically, but also to diversify through its brand.

The spectrum of rental housing in Canada has expanded over the last few years, with rental demand seen across the price spectrum from affordability to affordable high-end luxury. As a result, the ability to offer a more diverse product offering will allow Boardwalk to attract a larger demographic to the Boardwalk brand. Currently, Boardwalk offers three brands as highlighted below:

Boardwalk Living – *Affordable Value*
Boardwalk Living features classic suites for our Resident Members who appreciate flexibility, reliability, and value that comes with a quality home.

Boardwalk Communities – *Enhanced Value*
Boardwalk Communities feature modernized suites and choice amenities for those who value flexibility with all the comforts that come with the perfect place to call home.

Boardwalk Lifestyle – *Affordable Luxury*
Boardwalk Lifestyle features luxury living with modern amenities, designer suites, and a contemporary style for those who value life experiences and prefer the freedom to enjoy them.



BOARDWALK'S BRANDING INITIATIVE AND SUITE RENOVATION PROGRAM

In 2021, Boardwalk invested $127.0 million in capital assets (for the year ended December 31, 2021, $113.6 million), including $96.6 million in value-add capital ($83.7 million in 2020, $87.2 million in 2019), focusing on upgrading common areas, building improvements, energy efficiency projects, and suite renovations. Please refer to the section titled "Review of Cash Flows – Investing Activities – Maintenance of Productive Capacity" in this MD&A for further discussion on value-add capital. Each of the three brands have different renovation specifications depending on needs and anticipated returns. Reported market rents are adjusted upward based on an expected rate of return on the strategic investment. Management of the Trust believes these renovations and upgrades will continue to achieve future upward excess market rent adjustments, increased occupancy, as well as cost savings on turnovers. Historic investment in our assets and brands has resulted in a diversified product mix to match varying demand while allowing us to gain market share with increasing choice for existing and new Resident Members.

Boardwalk's most affordable brand, 'Boardwalk Living', receives suite enhancements on an as needed basis, with the focus being on providing affordable suites to this demographic segment. 'Boardwalk Communities', the Trust's core brand, conveys enhanced value and receives major suite upgrades based on need as well as upgrades to existing common areas. 'Boardwalk Lifestyle', which exemplifies upgraded, luxury suites, receives the highest level of overall renovations, including significant upgrades to suites and common areas. Additional amenities such as upgraded fitness facilities, wi-fi bars and concierge services may be added when appropriate. In determining a brand that a particular rental community will represent, the Trust looks at a number of criteria, including the building's location, proximity to existing amenities, suite size, and suite layout. Once renovations are completed, Boardwalk adjusts the rents on these individual suites with the goal of achieving an 8% return on investment. Boardwalk is achieving its targeted rate of return on an overall basis.

Management of the Trust believes these investments will enhance long-term value, however, recognizes the short-term effects of this program, with higher vacancies and incentives. Rebranding and repositioning communities will take time and, as such, construction causes disruption to existing Resident Members and, depending on the level of investment, may result in higher turnover. Boardwalk continues to reduce the vacancy loss associated with suites being renovated by reducing the time to completion while still lowering the cost of the renovations.

Declaration of Trust

The investment guidelines and operating policies of the Trust are outlined in the DOT, a copy of which is available on request to all Unitholders and is also available under the REIT's profile on www.sedar.com. A more detailed summary of the DOT can also be located in the AIF. Some of the main financial guidelines and operating policies set out in the DOT are as follows:

INVESTMENT GUIDELINES

1. Acquire, hold, develop, maintain, improve, lease, and manage multi-family residential properties and ancillary real estate ventures; and
2. No investment will be made that would disqualify Boardwalk REIT as a "mutual fund trust" or a "registered investment" as defined in the Tax Act.

OPERATING POLICIES

1. Interest Coverage Ratio of at least 1.5 to 1;
2. No guaranteeing of third-party debt unless related to direct or indirect ownership or acquisition of real property, including potential joint venture partner structures;
3. Third-party surveys of structural and environmental conditions are required prior to the acquisition of a multi-family asset; and
4. Commitment to expending at least 8.5% of its gross consolidated annual rental revenues generated from properties that have been insured by CMHC on on-site maintenance compensation to Associates, repairs and maintenance, as well as capital upgrades.

DISTRIBUTION POLICY

Boardwalk REIT may distribute to holders of Trust Units and LP Class B Units on or about each distribution date such percentage of FFO for the calendar month then ended as the Board of Trustees determines in its discretion. Distributions will not be less than Boardwalk REIT's taxable income, unless the Board of Trustees, in its absolute discretion, determines another amount. The Board of Trustees reviews the distributions on a quarterly basis and takes into consideration distribution sustainability and whether there are more attractive alternatives to the Trust's current capital allocation strategy, such as its value-add capital renovation program, brand diversification initiative, acquisitions, and new construction of multi-family communities in supply-constrained markets.

COMPLIANCE WITH DOT

As at December 31, 2021, the Trust was in material compliance with all investment guidelines and operating policies as stipulated in the DOT. More details will be provided later in this MD&A with respect to certain detailed calculations.

As at December 31, 2021, Boardwalk REIT's interest coverage ratio of consolidated EBITDA (i.e. Earnings Before Interest, Taxes, Depreciation and Amortization) to consolidated interest expense was 2.97 (December 31, 2020 – 2.79). Further details of the Trust's interest coverage ratio can be found in NOTE 27 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 which is available under the Trust's profile at www.sedar.com.

Values, Vision and Objectives

Boardwalk REIT is a fully integrated, customer-oriented, multi-family residential real estate owner and property management organization. The Trust was built by focusing on its Values, Vision, and Golden Foundation.

A COMMITMENT TO VALUE

Boardwalk REIT's Vision and business strategy are targeted on effectively meeting the needs of our customers, or Resident Members (as defined herein). It is our belief that this focus will result in long-term value creation for all our stakeholders. Our key stakeholders include our Associates, major financial and mortgage partners, including CMHC, strategic operational partners and Unitholders.

OUR VISION

Boardwalk REIT's Vision is to continue to be Canada's leading provider of multi-family residential housing. Management of Boardwalk expects to accomplish this through the continued careful cultivation of internal growth, selective development on excess land density it owns, and a targeted and disciplined acquisition and disposition program.

GOLDEN FOUNDATION

Boardwalk REIT and its Associates operate under a 'Golden Foundation', which is built on the following objectives:

The Golden Rule: "Treat others as you would like to be treated"

The Golden Goal: "Be Good"

The Golden Vision: "Love Community"

The Golden Mission: "Have Fun"

Our Associates are expected to adhere to the following guiding principles:

WE WILL:

- Work together in a team environment of mutual respect, trust, and honesty between all Associates and Resident Members;
- Serve our Resident Members' need for an affordable, quality, well-kept home;
- Maintain building exteriors and landscaping, thereby increasing "curb appeal", have well-kept common areas, and ensure our homes are clean and well maintained;

- Maintain a balance between the needs of our Resident Members, Associates, Unitholders, communities and families;
- Nurture and promote a learning environment where our Associates' skills and capabilities grow with the needs of both the Trust and our Resident Members, and accept that these needs will be consistently evolving and improving the definition of rental communities; and
- Provide access to and utilize the latest tools and technology to increase the operating efficiency of the Trust as a whole.

WE VALUE:

- *Integrity*
  We will be honest, accountable, transparent, respectful, and trusting in our dealings with others, appreciating their views and differences.
- *Teamwork*
  We will effectively work as a team, appreciating and benefiting from each other's unique talents and skills in an open environment while recognizing that the team's successes are our successes.
- *Resident Member Service*
  We will promptly respond to Resident Member concerns and needs with thoughtfulness, compassion and innovation. We will strive to develop proactive solutions through a support network and a positive service attitude.
- *Social Responsibility*
  We will contribute to our communities and encourage our Associates to contribute in ways that reflect our Golden Foundation. We will all practice the Golden Rule of 'treating others in a way we would wish to be treated', and balance our needs with those of others; we will all also model our Golden Goal which is to 'be good', our Golden Mission which shows us how to 'have fun', and our Golden Vision which asks each of us to 'love community'.
- *Our Associates*
  We will provide a safe and respectful work environment that attracts, supports, develops, and recognizes high-performing and innovative team members.

Management of Boardwalk believes that by adhering to the above Vision and Values, and implementing strategies consistent with these principles, Boardwalk REIT will produce higher sustainable operating cash flows and a continued appreciation of its property values. The result will be enhanced value for all our stakeholders.

Achieving this goal requires the full integration of our core strategies of focused investing, superior property management, and the implementation and effective use of new technologies. Boardwalk REIT can best achieve this goal by strategically:

- Maximizing Resident Member satisfaction by providing above-average service and accommodation;
- Acquiring select multi-family residential properties in strategic locations, providing NAV growth and diversification;
- High grading the Trust's portfolio through selling properties ("Non-Core") with lower future growth prospects and reinvesting these funds back into other accretive opportunities;
- Purchasing Trust Units on the open market;
- Enhancing property values, operating returns and cash flows through pro-active management, property stabilization, and capital improvements;
- Reviewing and considering the development of new selective multi-family projects, if the risk adjusted return warrants such projects;
- Managing capital prudently while maintaining a conservative financial structure;
- Pursuing long-term, organic growth by maintaining high occupancy and through brand diversification;
- Pursuing opportunities to form selective partnerships, joint ventures, or an exchange of assets; and
- Reinvesting the released equity from asset sales back into the Trust's portfolio to create additional value-add opportunities.

To support our overall operating strategy, it is necessary to:

- Ensure ample capital is available at all times for acquisitions and value-add enhancements;
- Appropriately allocate available capital to existing project enhancement and on-going new acquisitions;
- Utilize appropriate levels of debt leverage;
- Determine and utilize sources with the lowest cost of capital;
- Maintain a solid balance sheet;
- Actively manage our exposure to interest rate and debt renewal risks; and
- Optimize the use of National Housing Act ("NHA") insurance, which is administered by CMHC, to access more cost-effective debt capital.

Presentation of Financial Information and Non-GAAP Measures

PRESENTATION OF FINANCIAL INFORMATION

Financial results, including related historical comparatives, contained in this MD&A are based on the Trust's audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, unless otherwise specified.

NON-GAAP FINANCIAL MEASURES

Boardwalk REIT prepares its consolidated financial statements in accordance with IFRS and with the recommendations of REALPAC, Canada's senior national industry association for owners and managers of investment real estate. REALPAC has adopted non-GAAP financial measures called FFO and Adjusted Funds From Operations ("AFFO") to supplement operating income and profits as measures of operating performance, as well as a cash flow metric called Adjusted Cashflow From Operations ("ACFO"). These non-GAAP financial measures are considered to be meaningful and useful measures of real estate operating performance, however, are not measures defined by IFRS. The discussion below outlines these measurements and the other non-GAAP financial measures used by the Trust. Non-GAAP financial measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other entities. Non-GAAP financial measures should not be construed as alternatives to IFRS defined measures.

Funds From Operations

The IFRS measurement most comparable to FFO is profit (loss). Boardwalk REIT considers FFO to be an appropriate measurement of the performance of a publicly listed multi-family residential entity as it is the most widely used and reported measure of real estate investment trust performance. Profit (loss) includes items such as fair value changes of investment property that are subject to market conditions and capitalization rate fluctuations which are not representative of recurring operating performance. We define FFO as adjustments to profit (loss) for fair value gains or losses, distributions on the LP Class B Units, gains or losses on the sale of the Trust's investment properties, depreciation, deferred income tax, and certain other non-cash adjustments, if any, but after deducting the principal repayment on lease liabilities and adding the principal repayment on lease receivable. Boardwalk REIT does not include any gains or losses reported on the sale of its properties in its calculation of FFO. Management of the Trust believes that such income is volatile and unpredictable and would significantly dilute the relevance of FFO as a measure of performance. Excluding gains or losses in the calculation of FFO is consistent with the REALPAC definition of FFO. Under IFRS, the LP Class B Units are considered financial instruments in accordance with IFRS 9 – Financial Instruments ("IFRS 9"). As a result of this classification, their corresponding distribution amounts are considered "financing costs" under IFRS. Management of the Trust believes these distribution payments do not truly represent "financing costs", as these amounts are only payable if the Trust declares distributions, and only for the amount of any distributions declared, both of which are at the discretion of the Board of Trustees as outlined in the DOT. Therefore, these distributions are excluded from the calculation of FFO, consistent with the treatment of distributions paid to all other Unitholders. The reconciliation from profit (loss) under IFRS to FFO can be found under the section titled "Performance Review of 2021 – FFO and AFFO Reconciliations" in this MD&A. The Trust uses FFO to assess operating performance and its distribution paying capacity, determine the level of Associate incentive-based compensation, and decisions related to investment in capital assets. To facilitate a clear understanding of the combined historical operating results of Boardwalk REIT, management of the Trust believes FFO should be considered in conjunction with profit (loss) as presented in the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

Adjusted Funds From Operations

Similar to FFO, the IFRS measurement most comparable to AFFO is profit (loss). Boardwalk REIT considers AFFO to be an appropriate measurement of a publicly listed multi-family residential entity as it measures the economic performance after deducting for maintenance capital expenditures to the existing portfolio of investment properties. AFFO is determined by taking the amounts reported as FFO and deducting what is commonly referred to as "Maintenance Capital Expenditures". Maintenance Capital Expenditures are referred to as expenditures that, by standard accounting definition, are accounted for as capital in that the expenditure itself has a useful life in excess of the current financial year and maintains the value of the related assets. The reconciliation of AFFO can be found under the section titled "Performance Review of 2021 – FFO and AFFO Reconciliations" in this MD&A. The Trust uses AFFO to assess operating performance and its distribution paying capacity, and decisions related to investment in capital assets. A more detailed discussion is provided under the section titled "Review of Cash Flows – Investing Activities – Maintenance of Productive Capacity" in this MD&A.

Adjusted Cashflow From Operations

The IFRS measurement most comparable to ACFO is cash flow from operating activities. ACFO is a non-GAAP financial measure of sustainable economic cash flow available for distributions. ACFO should not be construed as an alternative to cash flow from operating activities as determined under IFRS. A reconciliation of ACFO to cash flow from operating activities as shown in the Trust's Consolidated Statements of Cash Flows is also provided under the section titled "Review of Cash Flows – Operating Activities" in this MD&A, along with added commentary on the sustainability of Trust Unit distributions. The Trust uses ACFO to assess its distribution paying capacity.

Boardwalk REIT's presentation of FFO, AFFO, and ACFO are materially consistent with the definitions provided by REALPAC. These measurements, however, are not necessarily indicative of cash that is available to fund cash needs and should not be considered alternatives to cash flow as a measure of liquidity. FFO, AFFO, and ACFO do not represent earnings or cash flow from operating activities as defined by IFRS. FFO and AFFO should not be construed as an alternative to profit (loss) determined in accordance with IFRS as indicators of Boardwalk REIT's performance. In addition, Boardwalk REIT's calculation methodology for FFO, AFFO, and ACFO may differ from that of other real estate companies and trusts.

Adjusted Real Estate Assets

The IFRS measurement most comparable to Adjusted Real Estate Assets is investment properties. Adjusted Real Estate Assets is comprised of investment properties, equity accounted investment, and cash and cash equivalents. Adjusted Real Estate Assets is useful in summarizing the real estate assets owned by the Trust and it is used in the calculation of NAV (as defined below), which management of the Trust believes is a useful measure in estimating the entity's value. The reconciliation from Investment Properties under IFRS to Adjusted Real Estate Assets can be found under the section titled "Capital Structure and Liquidity – Net Asset Value per Unit" in this MD&A.

Adjusted Real Estate Debt

The IFRS measurement most comparable to Adjusted Real Estate Debt is total mortgage principal outstanding. Adjusted Real Estate Debt is comprised of total mortgage principal outstanding, total lease liabilities attributable to land leases, and construction loan payable. It is useful in summarizing the Trust's debt which is attributable to its real estate assets and is used in the calculation of NAV (as defined below), which management of the Trust believes is a useful measure in estimating the entity's value. The reconciliation from Mortgages Payable under IFRS to Adjusted Real Estate Debt can be found under the section titled "Capital Structure and Liquidity - Net Asset Value per Unit" in this MD&A.

Net Asset Value

The IFRS measurement most comparable to NAV is Unitholders' equity. With real estate entities, NAV is the total value of the entity's investment properties and cash minus the total value of the entity's debt. The Trust determines NAV by taking Adjusted Real Estate Assets and subtracting Adjusted Real Estate Debt, which management of the Trust believes is a useful measure in estimating the entity's value. The reconciliation from Unitholders' Equity under IFRS to Net Asset Value can be found under the section titled "Capital Structure and Liquidity – Net Asset Value per Unit" in this MD&A.

NON-GAAP RATIOS

The discussion below outlines the non-GAAP ratios used by the Trust. Each non-GAAP ratio has a non-GAAP financial measure as one or more of its components, and, as a result, do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar financial measurements presented by other entities. Non-GAAP financial measures should not be construed as alternatives to IFRS defined measures.

FFO per Unit, AFFO per Unit, ACFO per Unit, and NAV per Unit

FFO per Unit includes the non-GAAP financial measure FFO as a component in the calculation. The Trust uses FFO per Unit to assess operating performance on a per Unit basis, as well as determining the level of Associate incentive-based compensation.

AFFO per Unit includes the non-GAAP financial measure AFFO as a component in the calculation. The Trust uses AFFO per Unit to assess operating performance on a per Unit basis and its distribution paying capacity.

ACFO per Unit includes the non-GAAP financial measure ACFO as a component in the calculation. The Trust uses ACFO per Unit to assess its distribution paying capacity.

NAV per Unit includes the non-GAAP financial measure NAV in its composition. Management of the Trust believes it is a useful measure in estimating the entity's value on a per Unit basis, which an investor can compare to the entity's Trust Unit price which is publicly traded to help with investment decisions.

FFO per Unit, AFFO per Unit, ACFO per Unit, and NAV per Unit are calculated by taking the non-GAAP ratio's corresponding non-GAAP financial measure and dividing by the weighted average Trust Units outstanding on a fully diluted basis, which assumes conversion of the LP Class B Units and deferred units determined in the calculation of diluted per Unit amounts in accordance with IFRS.

FFO per Unit Future Financial Guidance

FFO per Unit Future Financial Guidance is calculated as FFO Future Financial Guidance divided by the Trust Units and LP Class B Units outstanding as at the end of the fiscal year. Boardwalk REIT considers FFO per Unit Future Financial Guidance to be an appropriate measurement of the estimated future financial performance based on information currently available to management of the Trust at the date of this MD&A.

AFFO per Unit Future Financial Guidance

AFFO per Unit Future Financial Guidance is calculated as AFFO Future Financial Guidance divided by the Trust Units and LP Class B Units outstanding as at the end of the fiscal year. Boardwalk REIT considers AFFO per Unit Future Financial Guidance to be an appropriate measurement of the estimated future profitability based on information currently available to management of the Trust at the date of this MD&A.

FFO Payout Ratio, AFFO Payout Ratio, and ACFO Payout Ratio

FFO Payout Ratio, AFFO Payout Ratio, and ACFO Payout Ratio represent the REIT's ability to pay distributions. These non-GAAP ratios are computed by dividing regular distributions paid on the Trust Units and LP Class B Units by the non-GAAP financial measure of FFO, AFFO, and ACFO, respectively. Management of the Trust use these non-GAAP ratios to assess its distribution paying capacity.

Investment Philosophy

Throughout Boardwalk REIT's history, the Trust is always looking for opportunities to create value for its Unitholders. This is achieved by investing managerial resources and capital in activities that increase FFO per Unit, AFFO per Unit, and ACFO per Unit, on a sustaining basis and NAV per Unit. The Trust has adopted a long-term strategic plan, which includes expanding its investments outside of Alberta and Saskatchewan and into high-growth markets, to allow the Trust to geographically diversify its brand of housing into new, undersupplied markets. Boardwalk includes the development of new apartments on existing land as well as the potential acquisition of new land for future development projects as initiatives to create additional value. Built into this strategic plan is Boardwalk's brand diversification initiative, which includes common area upgrades, building improvements, and suite renovations, to create the best long-term value for Unitholders.

The Trust sells non-core properties in its portfolio and re-deploying the released capital to acquiring or developing additional properties, distributing its taxable income (and any capital gain) to Unitholders, reinvesting in its existing properties to achieve superior returns, developing new multi-family properties, and/or purchasing Trust Units for cancellation. Management of the Trust continues to review all available options that it believes will provide the optimal return to Unitholders.

COST OF CAPITAL

The Trust's cost of capital is generally defined as its weighted average cost of raising incremental capital. Investment opportunities are evaluated by, amongst other considerations, comparing their internal rates of return against the Trust's cost of capital. As with most real estate entities, the cost of capital calculation is the combination of leverage target, the marginal cost of debt, and the marginal cost of equity. As discussed later, the Trust currently has access to a lower cost of debt through its access to the NHA insured market. However, even this market has different levels of risk that are mainly priced through the term selected on the related mortgage. That is, the longer the mortgage finance term, the longer the borrower is removing the interest rate risk from the investment. As of February 2022, estimated CMHC-insured five and ten-year mortgage rates were estimated to be 2.50% and 2.80%, respectively. The other major component in the cost of capital relates to the marginal cost of equity required for the investment. The determination of this cost has a number of different models and definitions. However, for simplicity purposes, Boardwalk determines its current cost of equity as the amount of AFFO reported compared to its current market capitalization. For 2021, the Trust reported AFFO per Unit of $2.31 (year ended December 31, 2020 – $2.06 per Unit). When compared to the Trust Unit's market price of $54.83 as at December 31, 2021, this equates to approximately 4.21% as its cost of equity. In addition, for the year ended December 31, 2021 the Trust reported profit of $446.3 million (year ended December 31, 2020 – loss of $197.3 million). AFFO per Unit is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" in this MD&A for more information on AFFO per Unit. Further details of the Trust's cost of capital can be found in NOTE 27 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 which are available under the Trust's profile at www.sedar.com.

Performance Review of 2021

Boardwalk REIT generates revenues, cash flows, and earnings from two separate sources: rental operations and the sale of "non-core" real estate properties.

Boardwalk REIT's most consistent and largest source of income comes from its rental operations. Income from this source is derived from leasing individual suites to customers (referred to as "Resident Members") who have varying lease terms ranging from month-to-month to twelve-month leases.

Periodically, Boardwalk REIT has generated additional income from the sale of selective non-core real estate properties. The sale of these properties is part of Boardwalk REIT's overall capital strategy whereby the equity generated through the sale is then utilized by Boardwalk REIT for the acquisition and/or development of new rental properties, to assist in its property value-add capital enhancement program, or for the acquisition of Trust Units in the public market. The Trust, however, will only proceed with the sale of non-core real estate properties if market conditions justify the dispositions and Boardwalk has an alternative use for the net proceeds generated.

In 2021, Boardwalk continued to offer short-term incentives to its new and existing Resident Members to increase and maintain overall occupancy. Maintaining higher occupancy levels by offering select incentives and focusing on customer retention through excellence in customer service remains Boardwalk's key performance strategy. With the COVID-19 pandemic, provincial governments had applied rental rate freezes and evictions for non-payment of rent were temporarily disallowed. During Q3 2020 these restrictions were lifted, however for 2021 many provincial governments have applied a zero percent rent increase on renewal. The Trust worked, and is continuing to work, with each Resident Member, on an as needed and case-by-case basis, as it relates to the payment of monthly rent. The federal government has provided financial supports helping decrease the financial burden for our Resident Members as it relates to the payment of rent.

PERFORMANCE MEASURES

It continues to be the intention of the Trust to pay out, at a minimum, all taxable income to Unitholders in the form of monthly distributions, unless the Board of Trustees, in its absolute discretion, determines a different amount. For 2021, the Board of Trustees decided to maintain a distribution of $0.0834 per Trust Unit on a monthly basis (or $1.00 on an annualized basis) and continue redeploying its capital towards long-term value creation, including its suite renovation program, brand diversification initiative, acquisition, and development of new multi-family suites in supply-constrained markets.

The Trust declared regular distributions of $51.0 million for the year ended December 31, 2021. On a quarterly basis, the Board of Trustees reviews the current level of distributions and determines if any adjustments to the distributed amount is warranted. On an overall basis, the Trust aims to maintain a consistent and sustainable payout ratio while optimizing its capital allocation strategy, and reviews this with its Board of Trustees.

For the three months ended December 31, 2021, the Trust declared regular distributions of $12.7 million and recorded profit of $131.1 million (three months ended December 31, 2020 – declared regular distributions of $12.8 million and recorded a loss of $188.4 million). FFO Payout Ratio for the three months ended December 31, 2021 was 33.2% (three months ended December 31, 2020 – 37.3%). FFO Payout Ratio is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" in this MD&A for more information on FFO Payout Ratio. The reader should note the overall operating performance of the first and fourth quarters tends to generate the highest payout ratio, mainly due to the high seasonality in total rental expenses. In particular, these quarters tend to be the highest demand periods for natural gas, a major operational cost for the Trust. The reader should not, therefore, simply annualize the reported results of a particular quarter.

FFO PER UNIT RECONCILIATIONS FROM 2020 TO 2021

The following tables show reconciliations of changes in FFO per Unit from December 31, 2020 to December 31, 2021. As previously noted, we define the calculation of FFO as net income before fair value adjustments, distributions on the LP Class B Units, gains or losses on the sale of the Trust's investment properties, depreciation, deferred income taxes, and certain other non-cash items. A more detailed disclosure of the calculation of FFO is included later in this MD&A.

FFO per Unit Reconciliation		**3 Months**		**12 Months**
FFO per Unit [1] – Dec. 31, 2020	$	0.67	$	2.74
NOI from Stabilized Properties [2]		0.04		0.01
NOI from Unstabilized Properties [2]		0.02		0.10
NOI attributable to Sold Properties		-		(0.01)
Administration		0.01		0.02
Financing costs		0.02		0.04
Principal repayment on lease liabilities		(0.01)		(0.01)
	$	0.08	$	0.15
	$	0.75	$	2.89
Other Adjustments				
Retirement costs	$	-	$	0.05
FFO per Unit – Dec. 31, 2021	**$**	**0.75**	**$**	**2.94**

(1) This is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" in this MD&A for more information on FFO per Unit.
(2) The definition of Stabilized and Unstabilized Properties can be found in the section titled "Consolidated Operations and Earnings Review – Stabilized Property Results" in this MD&A.

During the three and twelve months ended December 31, 2021, $nil and $0.05 per Unit, respectively, was recognized as savings for executive retirements.

FFO AND AFFO RECONCILIATIONS

In the following table, Boardwalk REIT provides a reconciliation of FFO to profit (loss), its closely related financial statement measurement, for the three and twelve months ended December 31, 2021 and 2020. Adjustments are explained in the notes below, as appropriate.

FFO Reconciliation *(In $000's, except per Unit amounts)*	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Profit (loss)	**$ 131,140**	$ (188,435)		**$ 446,267**	$ (197,279)	
Adjustments						
Adjustment to right-of-use asset related to lease receivable	**-**	-		**-**	159	
Loss on sale of assets	**1,116**	532		**1,953**	1,136	
Fair value (gains) losses	**(96,406)**	219,111		**(307,002)**	326,134	
LP Class B Unit distributions	**1,119**	1,120		**4,479**	4,479	
Income tax (recovery) expense	**(32)**	258		**(110)**	(72)	
Depreciation	**2,189**	2,259		**7,809**	8,195	
Principal repayments on lease liabilities	**(977)**	(732)		**(3,841)**	(3,465)	
Principal repayments on lease receivable	**167**	155		**652**	449	
FFO (1)	**$ 38,316**	$ 34,268	11.8%	**$ 150,207**	$ 139,736	7.5%
FFO per Unit	**$ 0.75**	$ 0.67	11.9%	**$ 2.94**	$ 2.74	7.3%

(1) This is a non-GAAP financial measure. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures - Non-GAAP Financial Measures" in this MD&A for more information on FFO.

Overall, Boardwalk REIT earned FFO of $38.3 million for the fourth quarter of 2021 compared to $34.3 million for the same period in 2020. FFO, on a per Unit basis, for the quarter ended December 31, 2021, increased approximately 11.9% compared to the same quarter in the prior year from $0.67 to $0.75. Additionally, the Trust earned FFO of $150.2 million for fiscal 2021 compared to $139.7 million for fiscal 2020. After adjusting for retirement costs, FFO totaled $151.3 million representing an increase of 4.9% from the year ended December 31, 2020. FFO per Unit for the year ended December 31, 2021, increased approximately 7.3% compared to the prior year from $2.74 to $2.94. The increase was primarily driven by higher rental revenues combined with lower advertising costs, bad debts, property taxes, financing costs, and administration due to savings on executive retirements, offset by increases in non-controllable insurance and utilities.

Profit for the fourth quarter of 2021 was $131.1 million in 2021 compared to a loss of $188.4 million in 2020. Profit for the twelve months ended December 31, 2021 was $446.3, compared to a loss of $197.3 million in the prior year. The increase in profit is attributable to the same factors as the increase in FFO as well as an increase in fair value gains on investment properties. The increase in fair values is due to the increase in market rents and lower capitalization rates due to the continued improvement and strengthening of the multi-family asset class as supported by recent transactions seen with our market segments. The weighted average capitalization rates for the Trust were 4.94% and 5.27% as at December 31, 2021 and 2020, respectively. For more information on the Trust's capitalization rates, please refer to the section titled "Review of Cash Flows – Investing Activities – Investment Properties" in this MD&A.

The following table provides a reconciliation of FFO to AFFO:

(000's)	3 Months Dec. 31, 2021	3 Months Dec. 31, 2020	12 Months Dec. 31, 2021	12 Months Dec. 31, 2020
FFO	$ 38,316	$ 34,268	$ 150,207	$ 139,736
Maintenance Capital Expenditures [1]	7,091	8,781	32,287	34,799
AFFO [2]	$ 31,225	$ 25,487	$ 117,920	$ 104,937
FFO per Unit	$ 0.75	$ 0.67	$ 2.94	$ 2.74
AFFO per Unit	$ 0.61	$ 0.50	$ 2.31	$ 2.06
Regular Distributions	$ 12,724	$ 12,766	$ 51,032	$ 51,049
FFO Payout Ratio	33.2%	37.3%	34.0%	36.5%
AFFO Payout Ratio [3]	40.8%	50.1%	43.3%	48.6%
Profit (loss)	$ 131,140	$ (188,435)	$ 446,267	$ (197,279)

(1) Details of the calculation of Maintenance Capital Expenditures can be found in the section titled "Review of Cash Flows – Investing Activities – Value-add Capital and Maintenance Capital Expenditures" in this MD&A.
(2) This is a non-GAAP financial measure. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Financial Measures" in this MD&A for more information on AFFO.
(3) This is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" in this MD&A for more information on AFFO Payout Ratio.

Financial Performance Summary

At a Glance

(In $000's, except per Unit amounts)	2021	2020	% Change
Total assets	$ 6,660,653	$ 6,107,744	9.1%
Rental revenue	$ 470,531	$ 465,572	1.1%
Profit (loss)	$ 446,267	$ (197,279)	326.2%
FFO	$ 150,207	$ 139,736	7.5%
FFO per Unit	$ 2.94	$ 2.74	7.3%

Total assets increased from the amounts reported in the prior year, mainly as a result of fair value gains on the Trust's investment properties in 2021. Rental revenue increased by 1.1%, due to higher in-place occupied rents in Ontario, Saskatchewan, and Quebec, and lower incentives in Saskatchewan, as well as new acquisitions completed near the end of the third quarter in 2020, partially offset by Alberta, particularly in our Edmonton segment due to increasingly competitive market conditions, given new supply of multi-family suites entering the market, as well as continued challenging economic conditions. The increase in profit compared to the prior year was due primarily to a significant fair value gain of $403.9 million recognized on its investment properties in 2021 compared to a $383.0 million loss in 2020. The change in fair value of the Trust's investment properties was largely driven by an increase in market rents and lower capitalization rates, as previously mentioned.

CONSOLIDATED OPERATIONS AND EARNINGS REVIEW

Overall Review

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Rental Operations

Boardwalk REIT's NOI strategy includes a rental revenue strategy that focuses on enhancing overall rental revenues through the balance between market rents, rental incentives, turnovers, and occupancy gains. The application of this rental revenue strategy is ongoing, on a market-by-market basis, again with the focus on obtaining the optimal balance of these variables given existing market conditions.

(In $000's, except number of suites)	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Rental revenue	**$ 118,728**	$ 116,543	1.9%	**$ 470,531**	$ 465,572	1.1%
Expenses						
Operating expenses	**24,480**	24,320	0.7%	**96,845**	96,338	0.5%
Utilities	**13,240**	12,820	3.3%	**49,751**	48,938	1.7%
Property taxes	**11,970**	13,630	(12.2)%	**49,595**	51,152	(3.0)%
Total rental expenses	**$ 49,690**	$ 50,770	(2.1)%	**$ 196,191**	$ 196,428	(0.1)%
Net operating income	**$ 69,038**	$ 65,773	5.0%	**$ 274,340**	$ 269,144	1.9%
Operating margins [1]	**58.1%**	56.4%		**58.3%**	57.8%	
Number of suites at December 31	**33,264**	33,396		**33,264**	33,396	

(1) Operating margin is calculated by dividing NOI by rental revenue allowing management to assess the percentage of rental revenue which generated profit.

(In $000's, except number of suites)	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Gross rental revenue [1]	**$ 132,759**	$ 132,070	0.5%	**$ 529,753**	$ 524,513	1.0%
Vacancy loss [2]	**(5,004)**	(5,740)	(12.8)%	**(21,484)**	(20,174)	6.5%
Incentives [3]	**(9,027)**	(9,787)	(7.8)%	**(37,738)**	(38,767)	(2.7)%
Rental revenue	**$ 118,728**	$ 116,543	1.9%	**$ 470,531**	$ 465,572	1.1%

(1) Gross rental revenue is a component of rental revenue as calculated in accordance with IFRS and represents rental revenue before adjustments for vacancy loss and incentives.

(2) Vacancy loss is a component of rental revenue as calculated in accordance with IFRS and represents the estimated loss of gross rental revenue from unoccupied suites during the period.

(3) Incentives is a component of rental revenue as calculated in accordance with IFRS and represents any suite specific rental discount offered or initial direct costs incurred in negotiating and arranging an operating lease amortized over the term of the operating lease.

Overall, Boardwalk REIT's rental operations for the three months and year ended December 31, 2021 reported higher results compared to the same periods in the prior year, with rental revenue increasing 1.9% and 1.1%, respectively. For the three months ended December 31, 2021, the increase in rental revenue was driven mainly by lower vacancy loss and incentives offered. For the year ended December 31, 2021, the increase in rental revenue was due to a combination of higher rental revenues and lower incentives offered, partially offset by higher vacancy loss. As outlined in the second table above, the Trust continued to offer selective incentives in certain communities to maintain occupancy levels while aiming to limit incentives on lease renewals. The Trust was able to reduce incentives by 2.7% year-over-year. However, increasingly competitive market conditions, particularly from new supply in the Edmonton, Alberta market, has contributed to an increase in vacancy losses of 6.5% for the year ended December 31, 2021. The Trust will continue to offer selective incentives in certain communities to maintain occupancy levels, but the overall goal is to continue to decrease incentives.

Overall, total rental expenses for the twelve months ended December 31, 2021, was consistent with 2020. The Trust realized cost savings from lower advertising costs, property taxes, and bad debts. Bad debts were lower due to improvements in the economy since the beginning of the COVID-19 pandemic. These positive factors were offset by increases in non-controllable insurance and utilities costs.

The Trust continues to track, in detail, the actual work performed by our onsite Associates to assist in the operating effectiveness of its overall operations. This program results in overall lower costs while allowing the Trust greater control over the timing of its capital improvement projects, compared to contracting these same projects out to third parties. This availability of staff has been a benefit to the Trust during this time of quarantine and social distancing where contractors may not be so readily available. The Trust has been able to utilize our Associates to maintain quality customer services as well as to continue normal operations for both our repairs and maintenance as well as capital improvement projects. As with other estimates used by the Trust, key assumptions used in estimating the amount of salaries and wages to be capitalized are reviewed on a regular basis and, based on this review, management of the Trust will adjust the amount allocated to more accurately reflect how many internal resources were directed towards specific capital improvements.

For the three months and year ended December 31, 2021, operating expenses were relatively flat compared to the same periods in the prior year.

Utility costs increased by 3.3% and 1.7% for the three and twelve months ended December 31, 2021, respectively, compared to the same periods in 2020. The increase for the three and twelve months ended December 31, 2021 is mainly due to higher gas consumption and resulting carbon levies, offset by a slight decrease in electricity consumption. Fixed price physical commodity contracts have helped to partially or fully hedge the Trust's exposure to fluctuating natural gas prices. Further details regarding the hedges on natural gas, as well as electricity prices in Alberta, can be found in NOTE 26 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

The reported decrease in property taxes for the year ended December 31, 2021 compared to the prior year is mainly attributed to lower Alberta property tax assessments impacted by the COVID-19 pandemic as well as lower assessments noted in Saskatchewan. The Trust is constantly reviewing property tax assessments and related charges and, where management of the Trust believes appropriate, will appeal all, or a portion, of the related assessment. It is not uncommon for the Trust to receive property tax refunds and adjustments; however, due to the uncertainty of the amount and timing of the refunds and adjustments, these amounts are only reported when they are received.

Overall, operating margins increased for the three months ended December 31, 2021, compared to the same period in 2020, from 56.4% to 58.1%. Similarly, operating margin increased from 57.8% in fiscal 2020 to 58.3% for the twelve months ended December 31, 2021.

Boardwalk REIT closely monitors and individually manages the performance of each of its rental properties. For the reader's convenience, we have provided the following summary of our operations on a province-by-province basis.

Segmented Operational Reviews

ALBERTA RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Rental revenue	**$ 74,077**	$ 73,740	0.5%	**$ 294,914**	$ 300,031	(1.7)%
Expenses						
Operating expenses	**15,265**	15,454	(1.2)%	**60,999**	62,101	(1.8)%
Utilities	**8,540**	8,093	5.5%	**31,527**	30,825	2.3%
Property taxes	**7,750**	9,393	(17.5)%	**32,921**	34,415	(4.3)%
Total rental expenses	**$ 31,555**	$ 32,940	(4.2)%	**$ 125,447**	$ 127,341	(1.5)%
Net operating income	**$ 42,522**	$ 40,800	4.2%	**$ 169,467**	$ 172,690	(1.9)%
Operating margin	**57.4%**	55.3%		**57.5%**	57.6%	
Number of suites at December 31	**20,778**	20,845		**20,778**	20,845	

Alberta is Boardwalk's largest operating segment, representing 61.6% of total reported net operating income for the year ended December 31, 2021. In addition, Alberta represents 62.5% of total suites. Boardwalk REIT's Alberta operations for three months ended December 31, 2021, reported rental revenue consistent with the same period in the prior year. For the year ended December 31, 2021, rental revenue decreased by 1.7% compared to fiscal 2020 mainly due to higher vacancy and lower fees from administering internet services provided by a third party (offset by a decrease in advertising costs described below). For the three and twelve months ended December 31, 2021, total rental expenses have decreased by 4.2% and 1.5%, respectively, compared to the same periods in the prior year mainly due to decreases in operating expenses and property taxes.

Operating expenses decreased by 1.2% for the fourth quarter and decreased by 1.8% for the year ended December 31, 2021, when compared to the same periods in the prior year. The decrease for the quarter from the same period in the prior year is due to lower advertising costs and bad debts, offset by an increase in insurance costs. The decrease year to date is due to decreased building maintenance costs, bad debts, and advertising costs as a result of favourable restructuring of our promotional campaigns year-to-date, partially offset by an increase in wages and salaries. Building repairs and maintenance costs remain lower than the prior year as a continued result of increased suite renovations being performed due to the higher vacancy in the first half of 2021 as well as a slow down in suite turnovers at the end of the year. Partially offsetting the decrease in operating expenses were higher insurance costs attributable to the increased premiums received upon renewal in July 2020 and 2021.

Utilities for the fourth quarter of 2021 and for the year ended December 31, 2021, increased by 5.5% and 2.3% compared to the same periods in the prior year due to significant increases in natural gas consumption and increased carbon levies, partially offset by decreases in electricity costs. The increase in natural gas consumption is a result of the colder weather experienced this past year. Currently, the Trust has three outstanding natural gas contracts to hedge the price of its natural gas usage. The Trust also has two outstanding electricity contracts with two utility companies to supply the Trust with its electrical power needs. More details can be found in NOTE 26 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

Property taxes for the three and twelve months ended December 31, 2021 decreased 17.5% and 4.3%, respectively, compared to the same periods in the prior year as a result of lower property tax assessments impacted by the COVID-19 pandemic.

NOI for Alberta decreased $3.2 million, or 1.9% for the twelve months ended December 31, 2021, compared to the same period in 2020. Alberta's operating margin for the year ended December 31, 2021 was 57.5% compared to 57.6% for the same period in the prior year.

BRITISH COLUMBIA RENTAL OPERATIONS

One rental building consisting of 114 suites was acquired in Victoria, British Columbia on April 19, 2021, leading to the re-addition of this segment into Boardwalk's portfolio. Further details on this acquisition can be found in the section titled "Review of Cash Flows – Investing Activities – New Property Acquisitions and Dispositions" in this MD&A. In addition, please refer to NOTE 33 of the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 for further details regarding rental operations for British Columbia.

SASKATCHEWAN RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Rental revenue	**$ 13,204**	$ 12,847	2.8%	**$ 52,125**	$ 50,956	2.3%
Expenses						
Operating expenses	**2,196**	2,451	(10.4)%	**9,244**	9,581	(3.5)%
Utilities	**1,817**	1,953	(7.0)%	**7,448**	7,722	(3.5)%
Property taxes	**1,010**	1,237	(18.4)%	**4,284**	4,830	(11.3)%
Total rental expenses	**$ 5,023**	$ 5,641	(11.0)%	**$ 20,976**	$ 22,133	(5.2)%
Net operating income	**$ 8,181**	$ 7,206	13.5%	**$ 31,149**	$ 28,823	8.1%
Operating margin	**62.0%**	56.1%		**59.8%**	56.6%	
Number of suites at December 31	**3,505**	3,684		**3,505**	3,684	

For the three months and year ended December 31, 2021, Saskatchewan rental revenue increased by 2.8% and 2.3%, respectively, compared to the same periods in the prior year. The revenue increase is mainly due to higher occupied rents, lower incentives, and lower vacancy. The increase in rents and lower vacancy can be partially attributed to the increased advertising efforts made in 2021. Total rental expenses decreased by 11.0% and 5.2%, respectively, for the three and twelve months ended December 31, 2021, compared to the same periods in the prior year, due to lower operating expenses, utilities, and property taxes.

Operating expenses for the three months and year ended December 31, 2021 decreased 10.4% and 3.5%, respectively, compared to the same periods in the prior year mainly due to lower building repairs and maintenance, debts, and the disposition of Boardwalk Manor in the fourth quarter of 2020, partially offset by slightly higher insurance.

Utilities for the three months and year ended December 31, 2021 decreased 7.0% and 3.5%, respectively, compared to the same periods in the prior year mainly due to the sale of Boardwalk Manor as well as lower water and sewer and natural gas costs. The Trust has two outstanding contracts to hedge its natural gas price for its Saskatchewan natural gas usage. Details of the hedging contracts can be found in NOTE 26 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

Property taxes decreased by 18.4% and 11.3% for the three months and year ended December 31, 2021, respectively, compared to the same periods in the prior year mainly due to lower property tax assessments and the disposition of Boardwalk Manor.

Reported operating margin for the year ended December 31, 2021 was 59.8% compared to 56.6% for the same period in 2020.

ONTARIO RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Rental revenue	**$ 9,790**	$ 9,344	4.8%	**$ 38,473**	$ 33,200	15.9%
Expenses						
Operating expenses	**1,810**	1,467	23.4%	**6,609**	5,451	21.2%
Utilities	**868**	1,011	(14.1)%	**4,045**	4,031	0.3%
Property taxes	**1,005**	972	3.4%	**4,001**	3,491	14.6%
Total rental expenses	**$ 3,683**	$ 3,450	6.8%	**$ 14,655**	$ 12,973	13.0%
Net operating income	**$ 6,107**	$ 5,894	3.6%	**$ 23,818**	$ 20,227	17.8%
Operating margin	**62.4%**	63.1%		**61.9%**	60.9%	
Number of suites at December 31	**2,867**	2,867		**2,867**	2,867	

ONTARIO RENTAL OPERATIONS, EXCLUDING NEW ACQUISITIONS

(In $000's, except number of suites)	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Rental revenue	**$ 8,560**	$ 8,190	4.5%	**$ 33,657**	$ 31,925	5.4%
Expenses						
Operating expenses	**1,604**	1,315	22.0%	**5,942**	5,291	12.3%
Utilities	**807**	917	(12.0)%	**3,767**	3,923	(4.0)%
Property taxes	**859**	841	2.1%	**3,412**	3,347	1.9%
Total rental expenses	**$ 3,270**	$ 3,073	6.4%	**$ 13,121**	$ 12,561	4.5%
Net operating income	**$ 5,290**	$ 5,117	3.4%	**$ 20,536**	$ 19,364	6.1%
Operating margin	**61.8%**	62.5%		**61.0%**	60.7%	
Number of suites at December 31	**2,585**	2,585		**2,585**	2,585	

Boardwalk REIT's Ontario operations reported higher rental revenue and total rental expenses for the year ended December 31, 2021, compared to 2020, mainly attributable to new acquisitions that occurred near the end of the third quarter in 2020. For the three months ended December 31, 2021, rental revenue increased 4.8% due to higher occupied rents. Total rental expenses increased by 6.8% for the quarter due to higher operating expenses and property taxes, partially offset by lower utilities, compared to the same period in the prior year. Excluding the new acquisitions, for the three and twelve months ended December 31, 2021, rental revenue increased by 4.5% and 5.4%, respectively, due to higher occupied rents and total rental expenses increased 6.4% and 4.5%, respectively, compared to the same periods in the prior year.

Excluding the new acquisitions, operating expenses for the three and twelve months ended December 31, 2021, increased by 22.0% and 12.3%, respectively, compared to the same periods in the prior year due to higher building repairs and maintenance, wages and salaries, bad debts, and insurance.

Excluding the new acquisitions, utility costs were lower by 12.0% and by 4.0% for the three and twelve months ended December 31, 2021, respectively, compared to the same periods in the prior year. For the three months ended December 31, 2021, the decrease in utility costs was due to lower natural gas consumption and carbon levies. For the year ended December 31, 2021, the decrease in utility costs was mainly attributable to lower electricity and water and sewer costs. The Trust has one outstanding fixed price natural gas contract hedging 69% of its London natural gas usage. Details of the contract can be found in NOTE 26 to the audited annual consolidated financial statements years ended December 31, 2021 and 2020.

Property taxes, when excluding the new acquisitions, increased 2.1% and 1.9% for the three months and year ended December 31, 2021, respectively, compared to the same periods in the prior year, due to higher property tax assessments.

Excluding the new acquisitions, net operating income increased by 6.1% for the year ended December 31, 2021, compared to the prior year. Reported operating margin for the year ended December 31, 2021 was 61.0% compared to 60.7% for the prior year.

QUEBEC RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Rental revenue	**$ 20,676**	$ 20,508	0.8%	**$ 82,094**	$ 80,988	1.4%
Expenses						
Operating expenses	**3,740**	3,528	6.0%	**13,921**	13,443	3.6%
Utilities	**1,871**	1,678	11.5%	**6,302**	6,009	4.9%
Property taxes	**2,109**	1,970	7.1%	**8,052**	8,252	(2.4)%
Total rental expenses	**$ 7,720**	$ 7,176	7.6%	**$ 28,275**	$ 27,704	2.1%
Net operating income	**$ 12,956**	$ 13,332	(2.8)%	**$ 53,819**	$ 53,284	1.0%
Operating margin	**62.7%**	65.0%		**65.6%**	65.8%	
Number of suites at December 31	**6,000**	6,000		**6,000**	6,000	

Boardwalk REIT's Quebec rental revenues were relatively flat for the quarter, but reported an increase of 1.4% for the year ended December 31, 2021, respectively, compared to the same periods in the prior year, due to an increase in occupied rents, partially offset by higher vacancy loss.

Total rental expenses for the three months ended December 31, 2021, increased by 7.6% compared to the same period in 2020 due to higher operating expenses, utilities, and property taxes. Overall, for the year ended December 31, 2021, total rental expenses increased by 2.1% compared to the prior year with higher operating expenses and utilities, partially offset by lower property taxes.

For the three and twelve months ended December 31, 2021, operating expenses increased by 6.0% and 3.6%, respectively, compared to the same periods in 2020, due to higher building maintenance and insurance, partially offset by lower wages and salaries due to staffing optimizations in the year.

Utilities for the fourth quarter of 2021 increased 11.5% compared to the same period in 2020 due to higher natural gas consumption. The reported increase of 4.9% in utilities for the twelve months ended December 31, 2021, compared to the same period in 2020, was due to the combined effect of higher natural gas and electricity costs. Electricity costs for the prior year was lower than the current year as a result of a large electricity refund received in the first quarter of 2020 due to the adoption of Bill 34 in Quebec. Bill 34 allows Quebec to take control of the rates charged for electricity in the province and, as a result of these changes, rebates would also be provided back to consumers based on their consumption from January 1, 2018, to December 31, 2019, which was paid in January of 2020. This rebate was a one-time payment and therefore no such rebate was received in the current year. In addition, the Trust has one outstanding fixed price natural gas contract to hedge 74% of its Nun's Island natural gas usage. The details of the natural gas contract is reported in NOTE 26 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

Property taxes decreased 2.4% for the year ended December 31, 2021, compared to the prior year due to successful property tax appeals in the first quarter of 2021 and the Government of Quebec reducing the school tax rate with the objective to give financial flexibility to individuals and businesses in the context of the COVID-19 pandemic.

Reported operating margins for the twelve months ended December 31, 2021 decreased slightly from 65.8% to 65.6%.

Operational Sensitivities

NET OPERATING INCOME OPTIMIZATION

Boardwalk continues to focus on optimizing its NOI. This focus requires the Trust to manage not only revenues but also related operating costs and takes both into consideration when determining a service and pricing model. Lowering overall turnover while maintaining competitive lease rental rates and a focus on a high-quality level of service continue to be the model that has delivered the most stable and long-term income source to date. This strategy is region specific and these variables are in constant flux, especially during the ongoing COVID-19 pandemic.

In a more competitive market, the Trust takes a more preventive approach of increasing its offering of suite-specific rental incentives as well as, where warranted, adjusting reported market rents. The increase of these incentives, particularly in Alberta, is an attempt by the Trust to keep occupancy levels higher than the overall market. When the market returns to balance, management believes the Trust will be well-positioned to unwind these incentives and increase market rents. It has been our experience that this proactive approach has resulted in optimizing NOI.

In addition, in these competitive, un-regulated markets, the Trust approaches future upcoming maturing leases prior to lease maturity with the intent of renewing the lease prior to term maturity. In select markets, the Trust may also forward-lock future rentals while not collecting revenues for certain months in the immediate future. This means the Trust may decide to rent a suite in December with the Resident Member not moving in until the following year. Although the suite is rented, it will not generate revenue until the Resident Member actually moves in, for example, in January, which corresponds to the next fiscal period. The percentages reported as occupancy levels (see table below) represent those occupied suites generating revenue for the period noted. The Trust closely monitors 'apartment availability', which represents unoccupied suites not generating revenue for the period, after taking into account forward-committed leases. Although occupancy rates provide a good indication of current revenue, apartment availability provides the reader a more relevant indication of future potential revenue. As a result of recent acquisitions or newer developments, portfolio occupancy is on a same-property basis.

Management of the Trust believes that when the NOI optimization strategy is combined with our new strategic investment program, the outcome will be a more diverse product offering for our Resident Members and greater overall value creation for the Trust. The Trust also understands that the implementation and completion of these strategies will have some short-term consequences, as the timing of these enhancements and extensive renovations are resulting in longer periods of time that suites are not available to be rented, including short-term increases in vacancy losses. It is the Trust's belief, however, that a focus on the longer-term value creation is in the best interest of all stakeholders.

Boardwalk constantly reviews its existing programs, measuring them against resident demand, viability and expected return. Where appropriate, the Trust will make any necessary changes to optimally fine tune them.

BOARDWALK REIT'S PORTFOLIO OCCUPANCY (SAME-PROPERTY):

City	**2021**	2020	**Q4 2021**	Q4 2020
Calgary	**96.75%**	96.56%	**97.17%**	96.50%
Edmonton	**93.78%**	94.84%	**94.23%**	93.58%
Fort McMurray	**95.30%**	95.42%	**94.78%**	96.87%
Grande Prairie	**94.52%**	94.94%	**95.07%**	93.33%
Kitchener	**98.02%**	98.73%	**98.18%**	97.87%
London	**98.17%**	98.39%	**97.89%**	98.29%
Montreal	**97.40%**	98.45%	**97.25%**	97.94%
Quebec City	**91.06%**	97.01%	**88.78%**	95.81%
Red Deer	**95.81%**	95.01%	**96.33%**	94.23%
Regina	**96.26%**	95.61%	**96.35%**	95.85%
Saskatoon	**97.92%**	97.10%	**98.36%**	97.90%
Verdun	**99.19%**	99.35%	**99.19%**	99.39%
Portfolio	**95.67%**	96.29%	**95.85%**	95.71%

In fiscal 2021, the Trust reported a year-over-year decrease of 62 basis points (bps) in its overall same-property occupancy rate, a decline from 96.29% to 95.67%.

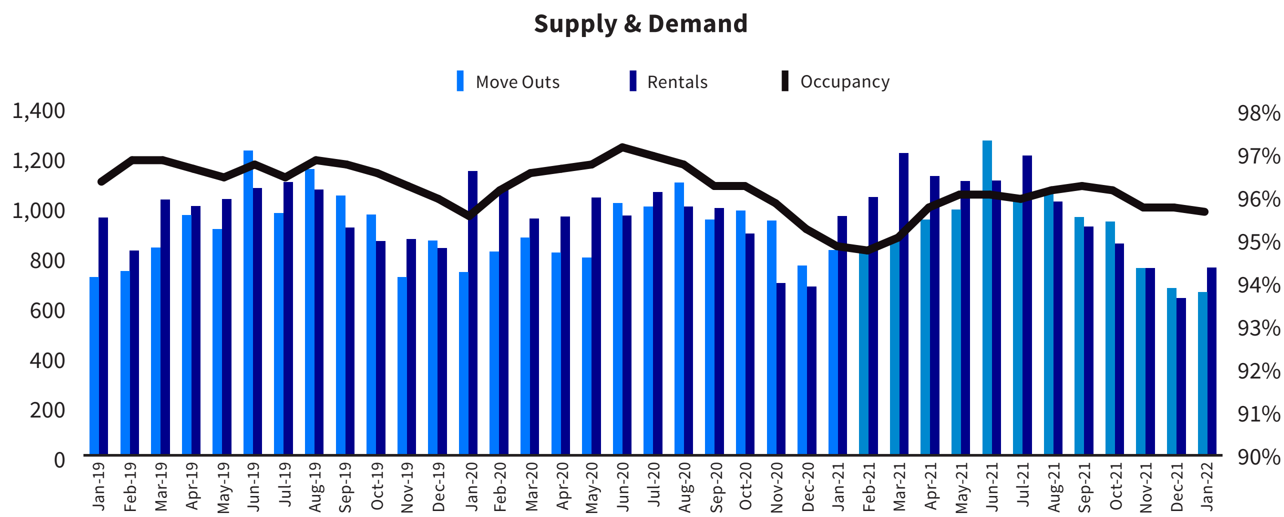
In Alberta, 2021 occupancy decreased compared to 2020, as markets in Northern Alberta experienced declines year-over-year, particularly in Edmonton where the decrease in occupancy noted above is attributable to the increasingly competitive market conditions, given the new supply of multi-family suites entering the market, as well as continued challenging economic conditions. In Fort McMurray and Grande Prairie, the Trust implemented new rental initiatives in the fourth quarter of 2021 to focus on increasing occupancy, with the Trust realizing favourable results with improvements in occupancy increasing 38 bps and 99 bps, respectively, from the third quarter of 2021. In Southern Alberta, occupancy levels have increased year-over-year in Red Deer and Calgary by 80 bps and 19 bps, respectively. Occupancy in Calgary of 96.75% does not include the BRIO property, which was brought on-line in February 2020.

In Saskatchewan, occupancy continued to grow in the Regina and Saskatoon markets compared to the prior year, in part to the successful advertising efforts made during the year. Regina occupancy levels increased to 96.26% in 2021 compared to 95.61% for 2020. Saskatoon occupancy levels increased to 97.92% in 2021 compared to 97.10% in 2020. As a strategy, the Trust is constantly adjusting market rents and incentives based on property-specific demand and supply.

Occupancy continued to remain strong in Ontario and Quebec. In Quebec City, occupancy decreased from 97.01% in 2020 to 91.06% in 2021. This decrease from 2020 is attributed to the seniors' community building within Quebec City that is being repositioned to a conventional multi-family asset. Excluding the seniors' community asset, 2021 occupancy for Quebec City would be 96.60%.

As overall markets stabilize, we expect some up and down movements in occupancy as the Trust aims to maintain occupancy at approximately 97%.

RENTALS, MOVE-OUTS AND IMPACT ON REPORTED OCCUPANCY (SAME-PROPERTY):



Demand and supply, as with any industry, is an essential performance indicator for multi-family real estate. The above chart attempts to show the total move-outs (supply) compared to total rentals (demand) and the resulting impact on reported occupancy relating to our portfolio. The cumulative impact of demand being greater than supply, or vice versa, is the primary driver in the reported occupancy rate. In recent years, Boardwalk focused on maintaining high occupancy levels while optimizing turnover costs. The reader is cautioned that adjusting market rental rates is an ongoing process for the Trust and is consistent with its overall strategy of optimizing overall NOI; consequently, it will adjust rents upward or downward when it is deemed necessary.

Occupancy Sensitivity

As with all real estate rental operators, Boardwalk REIT's financial performance is sensitive to occupancy rates. Based on the current reported market rents, a 1% annualized change in reported occupancy is estimated to impact overall rental revenue by approximately $4.7 million, or $0.09 per Trust Unit on a fully diluted basis.

Stabilized Property Results

Boardwalk defines stabilized property as one that has been owned by the Trust for a period of 24 months or more from the reporting date. Boardwalk REIT's overall percentage of stabilized properties was 98.3% of its total rental unit portfolio as at December 31, 2021, or a total of 32,706 suites. The tables below provide a regional breakdown on these properties for the fourth quarter of 2021, compared to the fourth quarter of 2020 and fiscal 2021, compared to fiscal 2020.

Dec 31 2021 – 3 M	# of Suites	% Rental Revenue Growth	% Total Rental Expenses Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(0.5)%	(3.0)%	1.8%	34.8%
Calgary	5,798	1.5%	(6.7)%	6.6%	22.0%
Red Deer	939	1.0%	(6.5)%	7.9%	2.4%
Grande Prairie	645	(2.5)%	(2.5)%	(2.6)%	1.4%
Fort McMurray	352	0.9%	7.3%	(3.5)%	1.0%
Alberta	20,616	0.2%	(4.1)%	3.5%	61.6%
Quebec	6,000	0.8%	7.6%	(2.8)%	19.0%
Saskatchewan	3,505	4.3%	(8.9)%	14.6%	11.6%
Ontario	2,585	4.5%	6.4%	3.4%	7.8%
	32,706	1.1%	(2.1)%	3.4%	100.0%

Dec 31 2021 – 12 M	# of Suites	% Rental Revenue Growth	% Total Rental Expenses Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(2.7)%	(1.0)%	(4.0)%	35.3%
Calgary	5,798	(0.1)%	(1.7)%	0.7%	21.5%
Red Deer	939	(1.3)%	(3.5)%	0.7%	2.3%
Grande Prairie	645	(3.4)%	(4.2)%	(2.7)%	1.5%
Fort McMurray	352	(1.0)%	3.6%	(4.4)%	1.0%
Alberta	20,616	(1.8)%	(1.3)%	(2.2)%	61.6%
Quebec	6,000	1.4%	2.1%	1.0%	19.8%
Saskatchewan	3,505	3.9%	(2.9)%	9.0%	11.0%
Ontario	2,585	5.4%	4.5%	6.1%	7.6%
	32,706	(0.2)%	(0.6)%	0.1%	100.0%

Stabilized rental revenue decreased by 0.2% for the year ended December 31, 2021, compared to the same period in the prior year. Total rental expenses reported for the year decreased by 0.6% from 2020, resulting in a NOI increase of 0.1% compared to the prior year. The decrease in reported stabilized rental revenue was driven by lower in-place occupied rents and higher vacancy loss in Alberta, which accounts for approximately 61.6% of the Trust's reported stabilized NOI. These were offset by the growth recognized in Saskatchewan, Ontario, and Quebec due to higher in-place occupied rents in those markets, as well as lower vacancy and incentives in Saskatchewan. Overall, stabilized total rental expenses decreased due to lower wages and salaries, bad debts and advertising.

Stabilized Rental Revenue Growth	# of Suites	Q4 2021 vs Q3 2021	Q4 2021 vs Q2 2021	Q4 2021 vs Q1 2021	Q4 2021 vs Q4 2020
Edmonton	12,882	(0.5)%	0.2%	1.4%	(0.5)%
Calgary	5,798	0.2%	1.6%	3.2%	1.5%
Red Deer	939	(0.5)%	0.8%	1.8%	1.0%
Grande Prairie	645	0.8%	(2.1)%	(2.6)%	(2.5)%
Fort McMurray	352	3.0%	0.8%	1.7%	0.9%
Quebec	6,000	1.1%	1.6%	0.3%	0.8%
Saskatchewan	3,505	1.4%	2.4%	4.0%	4.3%
Ontario	2,585	1.4%	2.2%	3.4%	4.5%
	32,706	0.3%	1.1%	1.9%	1.1%

On a sequential basis, stabilized rental revenue reported in the fourth quarter of 2021 increased by 0.3% over Q3 2021, increased by 1.1% compared to Q2 2021, increased by 1.9% compared to Q1 2021, and increased by 1.1% compared to Q4 2020. The change over each quarter is a reflection of Boardwalk's strategy, striving toward balancing the optimum level of market rents, rental incentives, and occupancy rates in order to achieve its net operating income optimization strategy. The lower growth noted in some of the Alberta markets is a result of higher vacancy and slightly lower in-place occupied rents in the previous periods as a result of a slower recovery. These were offset by positive growth in the fourth quarter in Grande Prairie and Fort McMurray due to some traction gained from a focused rental initiative to increase occupancy and occupied rent. As rental restrictions have since been lifted, the Trust's focus is on sustainable rental rate increases with a focus on retention. The Trust continues to closely monitor this latest trend and is well positioned to strive towards balancing during these challenging times.

ESTIMATED LOSS-TO-LEASE CALCULATION

Boardwalk REIT's projected loss-to-lease, representing the difference between estimated market rents and actual occupied rents in December 2021, and adjusted for current occupancy levels, totaled approximately $21.5 million on an annualized basis, representing $0.42 per Unit (Trust Units and LP Class B Units). For the most part, Boardwalk REIT's rental lease agreements last no longer than twelve months. By managing market rents and providing suite-specific incentives to our Resident Members, the Trust and all its stakeholders continue to benefit from lower turnover, reduced expenses, and high occupancy. The reader should note estimated loss-to-lease is measured at a point in time and is not intended to depict expected future financial performance. Reported market rents can be very seasonal, and, as such, will vary from quarter to quarter. The significance of this change could materially affect Boardwalk REIT's "estimated loss-to-lease" amount. The importance of this estimate, however, is that it can be an indicator of future rental performance, assuming continuing economic conditions and trends. The reader should also note that it would take significant time for these market rents to be recognized by the Trust due to internal and external limitations on its ability to charge these new market-based rents in the short term.

Same-property	Dec. 2021 Market Rent (1)	Dec. 2021 Occupied Rent (2)	Mark-to-Market Per Month (3)	Annualized Mark-to-Market Adjusted for Current Occupancy levels ($000's)	Dec. 2021 Market Rent, including incentives (4)	Dec. 2021 Occupied Rent (2)	Mark-to-Market Per Month (3)	Annualized Mark-to-Market Adjusted for Current Occupancy levels ($000's)	Weighted Average Apartment Suites	% of Portfolio
Edmonton	$ 1,305	$ 1,181	$ 124	$ 18,046	$ 1,184	$ 1,181	$ 3	$ (172)	12,882	39%
Calgary	1,490	1,338	152	10,294	1,372	1,338	34	2,261	5,798	18%
Red Deer	1,195	1,051	144	1,556	1,071	1,051	20	195	939	3%
Grande Prairie	1,111	1,008	103	766	1,008	1,008	0	(17)	645	2%
Fort McMurray	1,487	1,230	257	1,027	1,261	1,230	31	117	352	1%
Alberta Portfolio	$ 1,349	$ 1,215	$ 134	$ 31,689	$ 1,228	$ 1,215	$ 13	$ 2,384	20,616	63%
Quebec	$ 1,299	$ 1,182	$ 117	$ 8,143	$ 1,297	$ 1,182	$ 115	$ 8,123	6,000	18%
Saskatchewan (5)	1,355	1,236	119	4,874	1,239	1,236	3	66	3,505	11%
Ontario	1,470	1,116	354	10,870	1,469	1,116	353	10,920	2,585	8%
Total Portfolio	$ 1,350	$ 1,203	$ 147	$ 55,576	$ 1,260	$ 1,203	$ 57	$ 21,493	32,706	100%

(1) Market rent is a component of rental revenue as calculated in accordance with IFRS and represents stabilized properties only. It is calculated as of the first day of each month as the average rental revenue amount a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay, for a tenancy, before adjustments for other rental revenue items such as, incentives, vacancy loss, fees, specific recoveries, and revenue from commercial tenants.

(2) Occupied rent is a component of rental revenue as calculated in accordance with IFRS and represents stabilized properties only. It is calculated for occupied suites as of the first day of each month as the average rental revenue, adjusted for other rental revenue items such as fees, specific recoveries, and revenue from commercial tenants.

(3) Mark-to-market represents the difference between market rent and occupied rent, or market rent including incentives and occupied rent, where indicated.

(4) Market rent, including incentives is market rent, as described, adjusted for incentives.

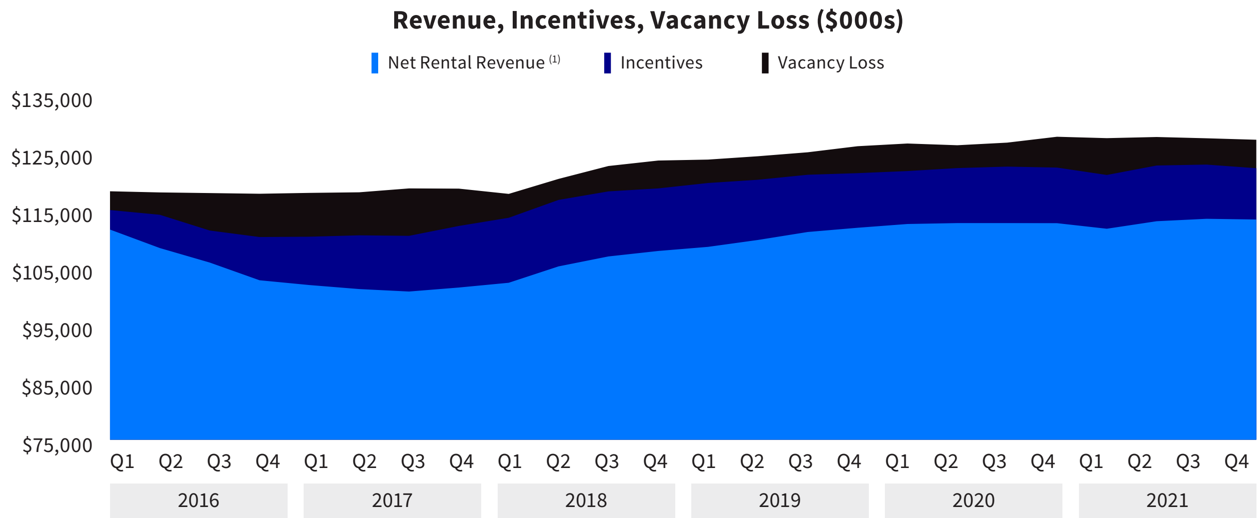
(5) Saskatchewan market rent includes an increase for cable and internet service.

The increase in the loss-to-lease for our portfolio, from $18.7 million at September 2021 to $21.5 million at December 2021, was due primarily to an increase in market rents in many of Boardwalk's Alberta rental markets for the month of December, using a weighted average mark-to-market of $57 per suite per month. Excluded from the loss-to-lease calculation of $21.5 million is approximately $90 per suite per month of incentives, representing the difference of the mark-to-market calculated excluding incentives and the mark-to-market calculated including incentives, resulting in potential additional revenue of over $35 million per annum.

In fiscal 2021, as with prior periods, Boardwalk REIT continued to focus on the optimization of all rental revenue, with attention to appropriate levels of market rents and certain occupancy level targets, as well as suite-selective incentives, when warranted.

VACANCY LOSS AND INCENTIVES

Vacancy loss and rental incentives are strong indicators of current and future revenue performance. Depending on specific market conditions, to best manage overall economic rental revenue, the correct balance between rental incentives and vacancy loss is important. On a quarterly basis, the chart below details rental incentives offered versus vacancy loss. Select incentives are continuing in the Alberta and Saskatchewan markets to maintain occupancy levels. Boardwalk REIT will continue to manage its overall revenues through three key revenue variables, notably, market rents, occupancy levels, and suite-selective incentives. The Trust continues to focus on maximizing overall revenues through the management of these key revenue variables.



(1) Net rental revenue is a component of rental revenue as calculated in accordance with IFRS and represents rental revenue after adjustments for vacancy loss and incentives.

Despite the continuation of the COVID-19 pandemic, the economy and unemployment rates are improving, and as such, Boardwalk's continued focus is on maintaining and increasing, in certain regions, occupancy by offering various suite-specific incentives in exchange for longer-term leases.

Financing Costs

Financing costs, including interest expense on the Trust's secured mortgages and lease obligations for the year ended December 31, 2021, decreased from the same period in the prior year, from $91.6 million to $89.7 million. At December 31, 2021, the reported weighted average interest rate of 2.46% was down from the weighted average interest rate of 2.58% at December 31, 2020. Boardwalk REIT has continued to take advantage of low interest rates to refinance and renew certain mortgages. The average term to maturity of the Trust's mortgage portfolio is approximately 3.8 years.

Boardwalk REIT concentrates on multi-family residential real estate. It is therefore eligible to obtain government-backed insurance through the NHA program, administered by CMHC. The benefits of purchasing this insurance are two-fold.

The first benefit of using CMHC insurance is Boardwalk REIT can obtain mortgages with lower interest rate spreads on its property financing compared to other financing alternatives in either the residential or any other real estate class, leading to lower overall cost of debt, after including the cost of the NHA insurance.

The second benefit of the CMHC insurance relates to lowering Boardwalk REIT's overall renewal risk. Once insurance is obtained on the related mortgage, the insurance is transferable and follows the mortgage for the complete amortization period, typically between 25 and 40 years, depending on the type of asset being insured. With the insurance being transferable between approved lenders, it lowers the overall risk of Boardwalk REIT not being able to refinance the asset on maturity.

The importance of this government-backed mortgage insurance program administered by CMHC has proven even more essential during the COVID-19 pandemic. Despite past volatility in the overall credit markets, the Trust has been able to maintain a number of mortgage lenders willing to assume, or underwrite, additional mortgages under this program.

At December 31, 2021, approximately 98% of Boardwalk REIT's mortgages were backed by this NHA insurance, with a weighted average amortization period of approximately 30 years.

The adoption of IFRS has also had an impact on the amount of financing costs reported on the Trust's Consolidated Statements of Comprehensive Income (Loss). As a result of the LP Class B Units being classified as financial liabilities in accordance with IFRS, the corresponding distributions paid to the Unitholders are classified as financing costs under IFRS. Management of the Trust believes these distribution payments do not truly represent "financing costs" as these amounts are only payable if the Trust declares distributions, and only for the amount of any distributions declared, both of which are at the discretion of the Board of Trustees as outlined in the DOT. The total amount of distributions paid to the holders of LP Class B Units for the year ended December 31, 2021, which have been recorded as financing costs, was $4.5 million (year ended December 31, 2020 – $4.5 million). Based on this rationale, these amounts have been added back in the calculation of FFO.

The reader should also note that, under IFRS, financing costs are recorded net of interest income the Trust has earned for the period. The total amount of interest income earned for the year ended December 31, 2021 was $0.3 million, compared to $0.8 million for the prior year. Interest income will fluctuate depending on the cash on hand in the period. Further details on the Trust's investment of cash on hand using term deposits of 90 days or less can be found in NOTE 12 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

AMORTIZATION OF DEFERRED FINANCING COSTS

The amortization of deferred financing costs relates primarily to the amortization of CMHC premiums, which are paid as part of mortgage financing. If Boardwalk REIT replaces an existing mortgage with a new mortgage, all costs associated with the original mortgage, including the unamortized balance of the CMHC premium, are required to be charged to income in the period that this occurs. As a result, and due to the variable timing and strategy of each mortgage at maturity, the amounts reported will vary. Rather than refinance the entire mortgage on term maturity to a higher amount, Boardwalk REIT continues to take advantage of supplementing, rather than extinguishing, the original mortgage to increase its leverage.

Boardwalk reviews its amortization estimates on an ongoing basis and, if warranted, will adjust these estimates on a prospective basis.

The total amortization of deferred financing costs for the year ended December 31, 2021, was $6.9 million compared to $6.2 million recorded for the prior year. Amortization of deferred financing costs is included in financing costs.

INTEREST RATE SENSITIVITY

Although Boardwalk REIT manages its financing risk in a variety of ways, it is important the reader understands how significant interest rate changes could impact the Trust as a whole. Due to the size of Boardwalk's overall mortgage portfolio, it has been prudent to spread out the maturity of these mortgages over a number of years. In fiscal 2022, the Trust anticipates having approximately $445.2 million of secured mortgages maturing with a weighted average rate of 2.67%. If we were to renew these mortgages today with a five-year term, the Trust estimates, based upon interactions with possible lenders, the new rate would be approximately 2.50% (as of February 2022).

To date, the Trust has renewed, or forward locked the interest rate on $41.6 million or 9% of its total 2022 mortgage maturities at an average interest rate of 2.44%, while extending the term of these mortgages by an average of five years.

Administration

Included in administration expenses are costs associated with Boardwalk REIT's centralized administrative functions. The amount reported for the year ended December 31, 2021, which relates to corporate administration from continuing operations, was $33.3 million compared to $36.1 million in the prior year, a decrease of approximately 7.8% for the year. The decrease was attributable to savings in administrative wages and higher executive retirement costs incurred in the prior year.

Depreciation

Depreciation recorded on the Consolidated Statements of Comprehensive Income (Loss) is made up of the depreciation of property, plant and equipment.

The Trust has elected to use the cost model under IAS 16 – Property, Plant and Equipment ("IAS 16") to value its property, plant and equipment, and, as a result of this method, depreciation expense is a charge taken against earnings to reflect the estimated depreciation that has occurred to these assets as a result of their use during the reporting period in question.

Boardwalk reviews its key depreciation estimates on an ongoing basis and, if warranted, will adjust these estimates on a prospective basis.

The total amount reported as depreciation for the year ended December 31, 2021, was $7.8 million compared to $8.2 million recorded for the same period in the prior year.

Other Income and Expenses

INCOME TAX EXPENSE

Boardwalk REIT qualifies as a "mutual fund trust" as defined in the Tax Act. The Tax Act also contains legislation affecting the tax treatment of publicly traded trusts and the criteria for qualifying for the REIT Exemption, which would exempt Boardwalk REIT from income tax under the SIFT Legislation. For 2020 and 2021 to date, the Trust qualified for the REIT Exemption.

Although Boardwalk REIT is exempted from income taxes, provided it distributes all of its taxable income to its Unitholders, this exemption does not apply to its corporate subsidiaries, which are subject to income taxes.

LP CLASS B UNITS AND THE DEFERRED UNIT COMPENSATION PLAN

The LP Class B Units are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Trust Units at any time at the option of the holder. The LP Class B Units and the deferred unit-based compensation plan are classified as financial liabilities in accordance with IFRS standards, and, as a result, are recorded at their fair value at each reporting date. As at December 31, 2021, the Trust used a price of $54.83 based on the closing price of the Trust Units on the TSX to determine the fair value of these financial liabilities at that date. The total fair value of the LP Class B Units recorded on the Consolidated Statement of Financial Position at December 31, 2021, was $245.4 million (December 31, 2020 – $151.0 million), and a corresponding fair value loss of $94.4 million (year ended December 31, 2020 – fair value gain of $54.6 million) was recorded on the Consolidated Statement of Comprehensive Income (Loss) for the year ended December 31, 2021.

The deferred unit-based compensation plan had a fair value of $7.0 million (December 31, 2020 – $3.2 million), and a corresponding fair value loss of $2.4 million (year ended December 31, 2020 – fair value gain of $2.2 million) was recorded on the Consolidated Statement of Comprehensive Income (Loss) for the year ended December 31, 2021.

FINANCIAL CONDITION

Review of Cash Flows

OPERATING ACTIVITIES

Cash flow from operating activities increased by 14.7% from $141.1 million for the year ended December 31, 2020 to $161.9 million for the year ended December 31, 2021. For the year ended December 31, 2021, Boardwalk REIT reported ACFO of $117.9 million, or $2.31 per Unit. This represented an increase of approximately 12.4%, compared to $104.9 million, or $2.06 per Unit, reported for the same twelve months in 2020. The increases for 2021 regarding the cash flow from operating activities and ACFO is primarily due to higher rental revenue resulting from higher occupied rent and lower incentives. Additionally, the Trust is benefiting from lower property tax assessments as well as recoveries from bad debts.

A reconciliation of ACFO to cash flow from operating activities as shown in the Consolidated Statements of Cash Flows prepared in accordance with IFRS is highlighted below:

ACFO Reconciliation *(In $000's, except per Unit amounts)*	**3 Months Dec. 31, 2021**	3 Months Dec. 31, 2020	% Change	**12 Months Dec. 31, 2021**	12 Months Dec. 31, 2020	% Change
Cash flow from operating activities	**$ 43,358**	$ 36,730		**$ 161,860**	$ 141,081	
Adjustments						
Net change in operating working capital	**(3,145)**	(1,160)		**(4,131)**	6,243	
Deferred unit-based compensation	**(558)**	(507)		**(2,392)**	(3,255)	
Government grant amortization	**94**	94		**378**	378	
LP Class B Unit distributions	**1,119**	1,120		**4,479**	4,479	
Interest paid	**20,621**	21,532		**82,951**	85,448	
Financing costs	**(22,363)**	(22,964)		**(89,749)**	(91,622)	
Principal repayments on lease liabilities	**(977)**	(732)		**(3,841)**	(3,465)	
Principal repayments on lease receivable	**167**	155		**652**	449	
Maintenance Capital Expenditures (1)	**(7,091)**	(8,781)		**(32,287)**	(34,799)	
ACFO (2)	**$ 31,225**	$ 25,487	22.5%	**$ 117,920**	$ 104,937	12.4%
ACFO per Unit (3)	**$ 0.61**	$ 0.50	22.0%	**$ 2.31**	$ 2.06	12.1%

(1) Details of the calculation of Maintenance Capital Expenditures can be found in the section titled, "Review of Cash Flows - Investing Activities – Value-add Capital and Maintenance Capital Expenditures" in this MD&A.
(2) This is a non-GAAP financial measure. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Financial Measures" in this MD&A for more information on ACFO.
(3) This is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" in this MD&A for more information on ACFO per Unit.

For the current quarter, FFO Payout Ratio and ACFO Payout Ratio were 33.2% and 40.8%, respectively, compared to 37.3% and 50.1%, respectively, for the same period in the prior year.

For the year ended December 31, 2021, FFO Payout Ratio and ACFO Payout Ratio were 34.0% and 43.3%, respectively, compared to 36.5% and 48.6%, respectively, in the prior year.

ACFO, in the longer term, is indicative of the Trust's ability to pay distributions to its Unitholders. ACFO Payout Ratio is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" for more information on ACFO Payout Ratio. As regular distributions are funded by the Trust's liquidity, cash flow from operating activities, and mortgage upfinancings tied to investment property capital appreciation, these distributions are reviewed on a quarterly basis by the Board of Trustees to assess whether they are sustainable. As a result of the review, the Board of Trustees has approved distributions of $1.00 per Trust Unit on an annualized basis.

INVESTING ACTIVITIES

Capital Improvements

Boardwalk has a continuous capital improvement program with respect to its investment properties and brand diversification strategy. The program is designed to extend the properties' useful lives, improve operating efficiency, enhance appeal, enhance as well as maintain earnings capacity, and meet Resident Members' expectations, as well as meet health and safety regulations.

A select few of the Trust's communities will be selected to fall under the 'Boardwalk Lifestyle' brand; although there are a number of criteria used to select these properties. In general, these communities are located in extremely attractive locations and desirable neighborhoods. Rebranding is the highest level of investment the Trust will place in this community. Investment here will be holistic in nature and include significant enhancement to the exterior. Common areas may not only be refreshed but may also be modernized to include community areas with Wi-Fi bars, barbeque areas and other in demand amenities. The suites in these buildings will be significantly modernized and may include the removal of existing walls and substantial upgrades including all new appliances, upgraded kitchens and extensive flooring, electrical and plumbing upgrades. These communities will be targeted to the more discriminating renter and commonly referred to as a 'renter by choice'.

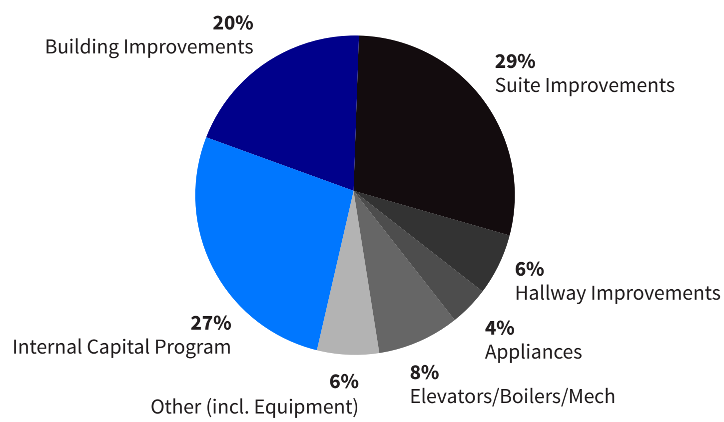
A number of the Trust's communities will be selected to be repositioned to the 'Boardwalk Communities' category. These communities will also be targeted based on location and will focus in on a modernization program. These communities tend to be located in mature areas near schools, parks, downtown core, shopping and other desirable amenities. Investment in these communities will enhance the already large suite size and will significantly upgrade most aspects of the suite, including new upgraded flooring, all new appliances with modernized kitchens, modern electrical, plumbing and hardware fixtures. Modernization of existing common areas such as hallways and lobbies will also be considered.

The majority of Boardwalk's existing portfolio falls into the 'Boardwalk Living' category. Resident Members in this area are looking for value but tend to be more price sensitive. Again, many of these Boardwalk communities are located in established communities with extensive local amenities. Although Boardwalk's investment in this area will be less significant than in its re-positioned and rebranded communities, it is value-focused and thoughtfully targeted with those items that these price sensitive renters appreciate most, such as upgraded flooring, and more modern electrical, plumbing and hardware fixtures.

In 2021, Boardwalk REIT invested approximately $127.0 million in capital assets (comprised of $121.5 million on its investment properties and $5.5 million on property, plant and equipment) back into its properties in the form of equipment and project enhancements to upgrade existing suites, common areas, and building exteriors and systems, compared to the $113.6 million ($108.7 million on its investment properties and $5.0 million on property, plant and equipment) invested in 2020.

A significant part of Boardwalk's capital improvement program relates to projects that are carried out by Boardwalk's Associates. This internal capital program was initiated in 1996 as a way to create more value for the Trust. The Trust recognizes that there are certain efficiencies and economies of scale available from having Boardwalk Associates perform certain capital projects ourselves, or "in-house". This results in the faster execution and greater control of these projects while at the same time eliminating the profit charged by third-party contractors. The Trust focuses on specific projects where there is the largest opportunity for value creation, like flooring and painting. Over the last few years, the Trust has intensified this focus of performing capital projects "in-house" rather than contracting such services, particularly during the COVID-19 pandemic. Included in investment in capital assets is approximately $34.2 million of on-site wages and salaries that have been incurred towards these projects for 2021, compared to $33.7 million for 2020.

2021 12 M Capital Investment



MAINTENANCE OF PRODUCTIVE CAPACITY

The Trust has two separate areas in which capital is invested back into its residential buildings. These are referred to as Maintenance Capital Expenditures or "Maintenance CAPEX" and value-add capital investments.

Maintenance CAPEX over the longer term is funded from cash flow from operating activities. These expenditures are deducted from FFO in order to estimate a sustainable amount, AFFO, which can be distributed to Unitholders. Maintenance CAPEX include those expenditures that, although capital in nature, are not considered betterments and relate more to maintaining the existing earnings capacity of our property portfolio, however do extend the useful life of the asset. In contrast, value-add capital investments are more discretionary in nature and focus on increasing the productivity of the property, with the goal of increasing NOI through revenue growth and/or decreased operating expenses. Management of the Trust believes that significant judgement is required to determine whether a capital expenditure is needed to maintain the earning capacity of an asset or to increase the earning capacity of an asset. Lastly, the Trust invests funds in its portfolio in the form of ongoing repairs and maintenance as well as on-site maintenance Associates. Both of these expenditures are designed to maintain the operating capacity of our assets.

VALUE-ADD CAPITAL AND MAINTENANCE CAPITAL EXPENDITURES

As discussed above, value-add capital investments include building improvements, suite upgrades, technology initiatives, and other investments which support NOI growth. Building improvements include investments which improve energy efficiency, enhance building envelopes, increase curb appeal of the property, as well as renovations of common areas and amenity spaces. Suite upgrades included in value-add capital result in revenue growth above market growth. In addition, internal capital required to complete building improvements and suite upgrades is considered value-add capital.

Alternatively, Maintenance CAPEX are expenditures which relate to sustaining and maintaining the existing asset. Boardwalk's determination of Maintenance CAPEX is based on an estimated reserve amount per suite based on a three-year average of the capital invested to maintain and sustain the existing properties. The allocations below were the result of a detailed review of the Trust's historical capital investment. As previously discussed, significant judgement was required to allocate capital between value-add and Maintenance CAPEX. Capital budget amounts for 2021, revised, if necessary, based on actual expenditures for the year, are initially used to calculate Maintenance CAPEX for the three-year rolling average. For 2020, the three-year rolling average is based on actual expenditures invested from 2018 to 2020.

Prior to 2021, the Trust computed Maintenance CAPEX based on the first-year amortization. The first-year amortization of each major capital expenditure category was taken as a reliable metric of Maintenance CAPEX since such an amount would have been expended in the first year in any event in lieu of repair and maintenance expenses. This methodology resulted in less subjectivity and was an appropriate estimation of Maintenance CAPEX.

In 2021, the Trust has undertaken a more thorough analysis of its capital program and though it involves more judgment, management of the Trust believes this methodology provides a more reliable estimation of both its value-add capital and Maintenance CAPEX figures. This analysis involved a detailed review of a large sample of the Trust's capital investments to determine whether expenditures were value-add capital or maintenance CAPEX.

The Trust's calculation of standardized Maintenance CAPEX per suite is outlined on the following page:

Category	2021 Capital Expenditures ($000's)	2020 Capital Expenditures ($000's)	2019 Capital Expenditures ($000's)	2018 Capital Expenditures ($000's)
Building Exterior, Grounds & Parking	$ 26,151	$ 20,990	$ 23,943	$ 25,390
Hallways & Lobbies	8,093	6,816	6,964	3,213
Elevators	2,826	2,653	1,951	1,262
Mechanical & Electrical	6,901	5,134	6,564	5,331
Other – Information Technology	4,428	4,422	6,483	6,509
Site Equipment & Vehicles	1,636	1,412	1,553	2,103
Total Common Area	$ 50,035	$ 41,427	$ 47,458	$ 43,808
Paint & General	$ 13,072	$ 10,446	$ 13,037	$ 16,159
Flooring	12,824	11,959	12,394	15,917
Cabinets & Counters	7,957	7,348	8,850	9,886
Appliances	5,145	5,523	5,596	6,305
Suite Mechanical	1,659	1,738	1,718	2,909
Furniture, Fixtures & Equipment	1,198	971	784	961
Total Suites	$ 41,855	$ 37,985	$ 42,379	$ 52,137
Internal Capital Program	$ 34,237	$ 33,658	$ 32,476	$ 28,841
Subtotal	$ 126,127	$ 113,070	$ 122,313	$ 124,786
Corporate Capital Expenditures	876	546	961	1,136
Investment in capital assets	$ 127,003	$ 113,616	$ 123,274	$ 125,922
Cash Flow from Investing Activities				
Improvements to Investment Properties	$ 121,492	$ 108,653	$ 117,644	$ 117,914
Additions to Property, Plant & Equipment	5,511	4,963	5,630	8,008
Investment in capital assets	$ 127,003	$ 113,616	$ 123,274	$ 125,922
Number of Suites	33,264	33,396	33,263	33,424
Value-add Capital Investment				
Building Improvements	$ 25,194	$ 19,474	$ 24,308	$ 25,091
Common Area Renovations	8,093	6,816	6,964	3,213
Suite Upgrades	33,493	29,104	29,304	35,962
Internal Capital	28,664	27,195	24,976	21,739
Other – Information Technology	1,107	1,106	1,621	1,627
	$ 96,551	$ 83,695	$ 87,173	$ 87,632
Maintenance CAPEX	30,452	29,921	36,101	38,289
Investment in capital assets	$ 127,003	$ 113,616	$ 123,274	$ 125,921
Maintenance CAPEX per Suite	$ 915	$ 896	$ 1,085	$ 1,146
Three-Year Rolling Average Reserve				
2019		$ 1,085		
2020		$ 896		
2021		$ 915		
2021 Maintenance CAPEX Per Suite		**$ 965**		
Three-Year Rolling Average Reserve				
2018				$ 1,146
2019				$ 1,085
2020				$ 896
2020 Maintenance CAPEX Per Suite				**$ 1,042**

Using the three-year rolling average reserve, for 2021, Boardwalk's estimate of Maintenance CAPEX is $32.3 million, or $965 per suite, for the year. For 2020, Boardwalk's estimate of Maintenance CAPEX, using the three-year average reserve, was $34.8 million or $1,042 per suite, for the year.

Based on the above, the following table provides management's estimate of these expenditure categories for the three and twelve months ended December 31, 2021 and 2020.

(In $000's, except for per suite amounts)	**3 Months Dec. 31, 2021**	**Per Suite**	3 Months Dec. 31, 2020	Per Suite	**12 Months Dec. 31, 2021**	**Per Suite**	12 Months Dec. 31, 2020	Per Suite
Maintenance Capital Expenditures	**$ 7,091**	**$ 212**	$ 8,781	$ 261	**$ 32,287**	**$ 965**	$ 34,799	$ 1,042
Value-add Capital	**30,052**	**901**	25,041	751	**94,716**	**2,831**	78,817	2,367
Investment in capital assets	**$ 37,143**	**$ 1,113**	$ 33,822	$ 1,012	**$ 127,003**	**$ 3,796**	$ 113,616	$ 3,409

Management of the Trust has estimated that for the fourth quarter of fiscals 2021 and 2020, the amount allocated to maintenance capital was approximately $7.1 million, or $212 per suite, and $8.8 million, or $261 per suite, respectively, with investment in value-add capital expenditures to its investment properties totaling $30.1 million and $25.0 million, respectively, or $901 and $751 per suite, respectively.

For the years ended December 31, 2021 and 2020, the amount allocated to maintenance capital was approximately $32.3 million, or $965 per suite, and $34.8 million, or $1,042 per suite, respectively, with investment in value-add capital expenditures to its investment properties totaling $94.7 million and $78.8 million, respectively, or $2,831 and $2,367 per suite, respectively.

INVESTMENT PROPERTIES

The Trust has elected to use the fair value model in accordance with IAS 40 – Investment Properties ("IAS 40") to report the value of its investment properties at each reporting date.

External valuations were obtained from third-party appraisers (the "Appraisers") based on a cross section of properties from different geographical locations and markets across the Trust's rental portfolio, as determined by management, to corroborate the Trust's internal fair value calculation for its entire investment property portfolio. Appraisals were obtained as follows:

Date	Number of Properties	Aggregate Fair Value	Percentage of Portfolio as of that Date
December 31, 2021	**4**	**$ 781,480**	**12.0%**
September 30, 2021	4	$ 155,616	2.4%
June 30, 2021	4	$ 146,358	2.4%
March 31, 2021	4	$ 223,698	3.7%
December 31, 2020	4	$ 615,599	10.3%
September 30, 2020	4	$ 158,394	2.6%
June 30, 2020	4	$ 157,212	2.6%
March 31, 2020	4	$ 130,597	2.2%

The fair value of the Trust's investment property portfolio was determined internally by the Trust using the same assumptions and valuation techniques used by the Appraisers. In addition to performing a valuation on a selection of the Trust's properties (and not performing a valuation on all of the Trust properties) to compare to the Trust's internal valuation, the Appraisers provided the Trust with a summary of the major assumptions and market data by city in order for the Trust to complete its internal valuations.

The key valuation metrics for the Trust's investment properties using the stabilized approach are set out in the following table:

As at	Dec. 31, 2021			Dec. 31, 2020		
	Capitalization Rate Weighted Average		Forecasted Total Stabilized Net Operating Income	Capitalization Rate Weighted Average		Forecasted Total Stabilized Net Operating Income
Calgary	4.74%	$	68,154	5.00%	$	65,745
Edmonton	5.04%		112,968	5.29%		114,552
Other Alberta	6.44%		18,178	6.47%		17,981
Cambridge	4.00%		1,317	-%		-
Kitchener	4.00%		4,798	4.50%		3,088
London	4.01%		19,176	4.51%		18,385
Waterloo	4.00%		755	-%		-
Montreal	4.73%		6,571	5.04%		6,093
Quebec City	5.00%		11,706	5.44%		11,390
Regina	5.68%		18,279	5.93%		17,471
Saskatoon	5.69%		15,818	5.94%		15,687
	4.97%	$	277,720	5.28%	$	270,392
Land Leases	4.66%	$	33,724	5.18%	$	32,258

Overall portfolio weighted average stabilized capitalization rate ("Cap Rate") was 4.94% as at December 31, 2021 and 5.27% as at December 31, 2020, using a forecasted stabilized NOI.

The "Overall Capitalization Rate" method requires a forecasted stabilized NOI be divided by a Cap Rate to determine a fair value. As such, fluctuations in both NOI and Cap Rates cold significantly alter the fair value. Generally, an increase in NOI will result in an increase to the fair value of an investment property. An increase in Cap Rate will result in a decrease to the fair value of an investment property. When the Cap Rate is applied to NOI to calculate fair value, there is a significant impact whereby the lower the Cap Rate, the larger the impact. The tables below summarize the sensitivity impact of changes in both Cap Rates and forecasted stabilized NOI on the Trust's fair value of its investment properties (excluding building acquisitions valued at Level 2 inputs, developments, and the right-of-use assets related to lease liabilities) as at December 31, 2021 and December 31, 2020:

As at December 31, 2021		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Cap Rate		$ 302,101	$ 308,330	$ 311,444	$ 314,558	$ 320,787
-0.25%	4.69%	$ 137,191	$ 270,104	$ 336,560	$ 403,017	$ 535,929
Cap Rate As Reported	4.94%	(189,272)	(63,091)	6,309,079	63,091	189,272
+0.25%	5.19%	(484,263)	(364,164)	(304,114)	(244,064)	(123,965)

As at December 31, 2020		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Cap Rate		$ 293,571	$ 299,624	$ 302,650	$ 305,677	$ 311,730
-0.25%	5.02%	$ 105,381	$ 226,038	$ 286,366	$ 346,695	$ 467,352
Cap Rate As Reported	5.27%	(172,394)	(57,465)	5,746,471	57,465	172,394
+0.25%	5.52%	(424,994)	(315,273)	(266,484)	(205,551)	(95,830)

Investment properties with a fair value of $724.4 million as at December 31, 2021 (December 31, 2020 – $622.2 million), are situated on land held under ground (or land) leases.

Investment properties with a fair value of $813.7 million as at December 31, 2021 (December 31, 2020 – $762.5 million), are pledged as security against the Trust's committed revolving credit facility. In addition, investment properties with a fair value of $6.1 billion as at December 31, 2021 (December 31, 2020 – $5.7 billion), are pledged as security against the Trust's mortgages payable.

For the year ended December 31, 2021, the Trust capitalized $121.5 million in improvements to investment properties (and $10.5 million in development of investment properties) and recorded a fair value gain of $403.9 million on its financial statements as a result of changes in the fair value of investment properties. For the year ended December 31, 2020, the Trust capitalized $108.7 million in improvements to investment properties (and $32.9 million in development of investment properties) and recorded a fair value loss of $383.0 million. Capitalized building improvements represent expenditures that provide future benefits to the Trust for a period greater than twelve months, some of which may not be immediately reflected in the fair value of the investment properties, under IFRS, for the current reporting period.

JOINT VENTURE AGREEMENTS

Over the last number of years, there has been a shift in the multi-family apartment environment in Canada. Over this period, Boardwalk has witnessed a significant increase in the market value of rental apartments. This increase has been mainly driven by a significant compression in market capitalization rates, which in turn has been the result of a prolonged low interest rate environment in Canada.

Boardwalk continues to move forward with its development opportunities and previously announced the completion of its first joint venture development project with RioCan Real Estate Investment Trust ("RioCan") known as BRIO, located in Calgary, Alberta. BRIO is an amenity-rich affordable luxury twelve-storey tower with approximately 130,000 square feet of residential, consisting of 162 suites, and 10,000 square feet of retail space. The development provides premium rental housing at a desirable location that is along the Calgary Light Rail Transit Line, and in close proximity to the University of Calgary, Foothills Hospital, and McMahon Stadium. The joint venture involves an equal 50% interest in which both RioCan and Boardwalk provide best-in-class retail and residential expertise, respectively, to co-develop the asset. To maximize the value of the development, RioCan manages the retail component and Boardwalk manages the residential component, each on a cost basis. The Trust and RioCan are proud of the newest addition to the Lifestyle portfolio. The project was substantially completed in February 2020 and on budget. As of February 2022, the project was 97% leased.

In 2020, Boardwalk continued with its 50:50 joint venture partnership to develop a 365-unit multi-residential, purpose-built rental complex, located near downtown Brampton, Ontario. It is estimated that total development costs for the project is approximately $200 to $215 million. The proposed project is a rental complex with approximately 10,700 square feet of retail space, above and underground parking and 380,000 square feet of residential space over two concrete high-rise towers. For the year ended December 31, 2021, the Trust invested $6.2 million in capital contributions in equity accounted investment to this limited partnership (year ended December 31, 2020 – $9.2 million). Despite necessary slowdowns resulting from the impact of the COVID-19 pandemic, tradesmen are still on site and working to progress the project, although at reduced staffing levels. Extra precautions for hygiene, cleaning, and physical distancing are in place to ensure our worksite is in full compliance with best practices and requirements. The project is substantially tracking on time and on budget. The partnership has committed to a construction facility loan for 60% of the budgeted costs to construct. As at December 31, 2021, $36.4 million has been drawn on this loan, of which Boardwalk's portion is $18.2 million.

On November 26, 2021, the Trust sold its 50% partnership interest in the Sandalwood project located in Mississauga, Ontario, for proceeds of $18.2 million. The Trust's development strategy continues to focus on creating value through the long-term ownership and operation of multi-family communities. Both Boardwalk and its partner RioCan determined that the site's highest and best use for the Sandalwood project is a condominium development. The original concept featured a joint venture mixed-use project with RioCan consisting of 470 residential suites and 12,000 square feet of retail space in which the Trust had invested $18.4 million (including transaction and carrying costs).

DEVELOPMENT

Boardwalk's development opportunities include additional projects to be built on the Trust's excess land density, as well as new land that has been acquired in Victoria, British Columbia. These developments are in various stages of market analysis, planning and approval, and will further add newly constructed assets to the Trust's portfolio.

On September 1, 2020, the Trust acquired the first parcel of a development site in Victoria, British Columbia, in the community of Esquimalt, for a purchase price of $3.1 million (including transaction costs). On November 2, 2020, the Trust acquired the second parcel of adjacent land for a purchase price of $10.1 million (including transaction costs). The purchases are part of Boardwalk's long-term strategic plan of high-grading and geographic expansion, with the land planned for the development of new rental suites. On February 1, 2021, the Trust acquired a third parcel of adjacent land for a purchase price of $2.0 million (including transaction costs).

On November 23, 2020, the Trust purchased a development site in Victoria, British Columbia, in the community of View Royal, for a purchase price of $14.5 million (including transaction costs). The Trust plans to redevelop the land which has the potential for up to 247 new rental suites.

For the year ended December 31, 2021, the Trust expended $10.5 million on development of investment properties compared to $32.9 million for the prior year. Interest costs of $1.9 million were capitalized to properties under development for the year ended December 31, 2021 (year ended December 31, 2020 – $1.4 million).

NEW PROPERTY ACQUISITIONS AND DISPOSITIONS

On April 19, 2021, the Trust acquired a property in Victoria, British Columbia. The property is comprised of 114 suites and had a purchase price of $48.2 million (including transaction costs).

On April 16, 2021, the Trust acquired a property in Banff, Alberta. The property is comprised of 81 suites and had a purchase price of $24.1 million (including transaction costs).

On September 28, 2020, the Trust acquired a portfolio of four properties in Southwestern Ontario, located in the markets of Kitchener, Waterloo, and Cambridge. The portfolio is comprised of 226 suites and had a purchase price $64.6 million (including transaction costs).

On August 27, 2020, the Trust purchased a property in Cambridge, Ontario. The property is comprised of 56 suites and had a purchase price $16.8 million (including transaction costs).

On December 15, 2021, the Trust sold a non-core asset, Reid Park Estates (comprised of 179 suites), in Saskatoon, Saskatchewan for total proceeds (excluding selling costs) of $25.0 million.

On September 15, 2021, the Trust sold a non-core asset, Oak Tower (comprised of 70 suites), in Edmonton, Alberta for total proceeds (excluding selling costs) of $11.8 million.

On June 30, 2021, the Trust sold non-core assets, Boardwalk Arms A and B (comprised in total of 78 suites), in Edmonton, Alberta for total proceeds (excluding selling costs) of $9.3 million.

On November 17, 2020, the Trust sold a non-core asset, Boardwalk Manor (comprised of 72 suites), in Regina, Saskatchewan for total proceeds (excluding selling costs) of $7.5 million.

On June 25, 2020, the Trust sold a non-core, land leased asset, Elbow Tower (comprised of 158 suites), in Calgary, Alberta for total proceeds (excluding selling costs) of $3.0 million.

FINANCING ACTIVITIES

Distributions

Boardwalk distributes payments on a monthly basis to its Unitholders and holders of LP Class B Units. These payments are referred to as regular distributions. The distinct nature and classification of these payments are unique to each trust and the components of these distributions may have differing tax treatments. For the year ended December 31, 2021, the Trust declared regular distributions of $51.0 million consistent with the $51.0 million declared in 2020. Regular distributions declared for the twelve months ended December 31, 2021 represented a FFO payout ratio of 34.0%, compared to 36.5% for the prior year. For the three months and year ended December 31, 2021, the Trust recorded profit of $131.1 million and $446.3 million, respectively (three months and year ended December 31, 2020 – loss of $188.4 million and $197.3 million, respectively).

Financing of Revenue Producing Properties

During the twelve months ended December 31, 2021, proceeds from mortgage financings totaled $210.2 million (year ended December 31, 2020 – $284.4 million). During the financing and refinancing process, Boardwalk REIT decreased the weighted average interest rate on its mortgage portfolio from 2.58% at December 31, 2020 to 2.46% at December 31, 2021.

Due to the nature of multi-family residential real estate, the amount paid for apartments may vary dramatically based on a number of parameters, including location, type of ownership (free hold versus land lease), and type of construction. As required under IFRS, on acquisition, an analysis is performed on the mortgage debt assumed, if any. The analysis focuses on the interest rates of the debt assumed. If it is determined that the in-place rates are materially below or above market rates, an adjustment is made to the book cost of the recorded asset. During the third quarter of 2020, $16.1 million of mortgage financing were assumed on acquisitions. These mortgages had in-place rates above market rates, resulting in market debt adjustments totaling $459 thousand that was made to the book cost of the corresponding assets.

Capital Structure and Liquidity

Liquidity refers to the Trust's ability to generate, and have available, sufficient cash to fund our ongoing operations and capital commitments as well as its distributions to Unitholders. Generally, distributions are funded from ACFO, a non-GAAP financial measure cash flow metric as previously defined. In addition to ACFO, the Trust relies on a combination of debt capital, and equity to fund a portion of its capital expenditures, acquisitions, development, and other uses of capital. Over the past number of years, Boardwalk has observed a significant increase in borrowing standards of many of our key lending partners as a result of heightened sensitivity to possible weaknesses in the economy. To mitigate the risk of renewal, the Trust utilizes NHA mortgage insurance, the benefits of which are discussed in detail in this MD&A. Approximately 98% of Boardwalk REIT's secured mortgages carry NHA insurance. In volatile times, including during the ongoing COVID-19 pandemic, the ability to access this product is very beneficial to the Trust as a whole.

The access to liquidity is an important element of the Trust as it allows the Trust to implement its overall strategy. With the COVID-19 pandemic, the importance of liquidity has been magnified even more due to the uncertainty of when the pandemic will abate. The low interest rate environment has allowed Boardwalk to renew its existing maturing mortgages at favourable interest rates. In addition, Boardwalk has been able to access additional capital from its properties through the continued use of the current NHA insurance program, which provides mortgage financing at attractive rates. With the COVID-19 pandemic, we have seen declining interest rates which may result in lower interest rates upon renewal as compared to the existing interest rate, however, potential interest savings may be tempered by an increase in upfinancings to ensure appropriate liquidity.

Boardwalk defines total available liquidity to include cash and cash equivalents on hand and any unused committed revolving credit facility, plus any subsequent committed/funded financing. The Trust's cash and cash equivalents was $64.3 million at December 31, 2021, compared to $53.0 million reported on December 31, 2020. As at December 31, 2021, the Trust also had $199.7 million of unused committed revolving credit facility (December 31, 2020 – $199.7 million) and subsequent committed/funded financing of $42.2 million (December 31, 2020 – $16.5 million), bringing total available liquidity to $306.3 million (December 31, 2020 – $269.2 million).

The Trust's liquidity position as at December 31, 2021 remains stable as the following table highlights:

($000)		
Cash and cash equivalents	$	64,300
Subsequent committed/funded financing		42,200
Unused committed revolving credit facility available		199,750
Total available liquidity	$	306,250

In addition to this, the Trust currently has 866 rental suites of unencumbered assets. It is estimated that, under current CMHC underwriting criteria, the Trust could obtain an additional $94.3 million of new proceeds from the financing of its current unencumbered assets.

The reader should also be aware that of the $445.2 million of secured mortgages coming due in 2022 (as shown in the table below), all have NHA insurance, and represent in aggregate approximately 43% of current estimated "underwriting" values on those individual secured assets. Interest rates on five and ten-year NHA-insured mortgages as of February 2022 were 2.50% and 2.80%, respectively. The reader, however, is cautioned these rates do fluctuate and, by the time these maturing mortgages are set for renewal, with or without additional financing, interest rates may have changed materially. Even with the NHA insurance program attached to its secured mortgages, the Trust is still susceptible to changes in market interest rates. To address a portion of this risk, the Trust has forward locked or renewed $41.6 million, or 9%, of its $445.2 million of 2022 mortgage maturities. The weighted average contracted interest rate on these renewals is 2.44%, for an average term of five years.

MORTGAGE SCHEDULE

Boardwalk REIT's long-term debt consists entirely of low-rate, fixed-term secured mortgage financing. The maturity dates on the secured mortgages have been staggered to lower the overall interest rate risk on renewal.

Mortgages payable as at December 31, 2021, were $3.0 billion, compared to $2.9 billion as at December 31, 2020.

Boardwalk REIT's overall weighted average interest rate on its long-term debt has increased from the prior year. The weighted average interest rate as at December 31, 2021, was 2.46% compared to 2.58% as at December 31, 2020. To better maintain cost effectiveness and flexibility of capital, Boardwalk REIT continuously monitors short and long-term interest rates. If the environment warrants, the Trust will convert short-term, floating rate debt, if any, to longer term, fixed rate mortgages to reduce interest rate renewal risk.

Year of Maturity	Principal Outstanding as at Dec. 31, 2021	Weighted Average Interest Rate By Maturity	% of Total
2022	$ 445,221	2.67%	14.4%
2023	371,623	2.81%	12.0%
2024	352,640	2.45%	11.4%
2025	547,996	2.15%	17.7%
2026	553,420	1.98%	17.9%
2027	374,148	3.03%	12.1%
2028	129,955	2.98%	4.2%
2029	197,871	2.45%	6.4%
2030	116,104	1.99%	3.9%
Total mortgage principal outstanding	3,088,978	2.46%	100.0%
Unamortized deferred financing costs	(110,855)		
Unamortized market debt adjustments	314		
Mortgages payable	$ 2,978,437		

CONSTRUCTION LOAN PAYABLE

During 2019, the Trust entered into a $50 million revolving construction facility loan along with one of its joint venture partners. To date, $42.4 million has been drawn on this loan, of which Boardwalk's 50% portion is $21.2 million. The facility is interest payable only and the maturity date was extended from July 31, 2021 to January 31, 2022. The facility bore interest at prime plus 0.05%, a Bankers' Acceptance interest rate of 1.97%, or a Bankers' Acceptance stamping fee of 1.05% and a standby fee of 0.21%. This loan was converted to a CMHC-insured mortgage in January of 2022.

INTEREST COVERAGE

Notwithstanding the Trust's current liquidity situation, Boardwalk's liquidity and access to capital resources is constrained by certain tests that have been adopted in both its Declaration of Trust, as well as in its credit facility. The Declaration of Trust stipulates an interest coverage ratio limit of 1.5 to 1. For the purpose of the interest coverage ratio calculation, gains or losses on the sale or disposition of investment properties are excluded from earnings. Additionally, distributions on the LP Class B Units are excluded from interest expense, despite the LP Class B Units being classified as a financial liability under IFRS.

The following table sets out the Trust's interest coverage ratio calculation as at December 31, 2021, and December 31, 2020, based on the most recently completed four fiscal quarters.

	Dec. 31, 2021	Dec. 31, 2020
Net operating income	**$ 274,340**	$ 269,144
Administration	**(33,282)**	(36,069)
Deferred unit-based compensation	**(2,392)**	(3,255)
Consolidated EBITDA (1) (12 months ended)	**238,666**	229,820
Consolidated interest expense (12 months ended)	**80,291**	82,345
Interest coverage ratio	**2.97**	2.79
Minimum threshold	**1.50**	1.50

(1) Earnings before interest, taxes, depreciation and amortization.

For the year ended December 31, 2021, Boardwalk REIT's overall interest coverage ratio of consolidated EBITDA to consolidated interest expense, excluding distributions on LP Class B Units and fair value adjustments, was 2.97, compared to 2.79 for the year ended December 31, 2020. The reader should note that under IFRS, the distributions made to the holders of LP Class B Units are considered financing costs and is the result of the reclassification of the LP Class B Units as financial liabilities. The calculation of the interest coverage ratio above does not include these distribution payments in the calculation of consolidated interest expense.

UNITHOLDERS' EQUITY

The following table discloses the changes in Trust Units issued and outstanding:

Summary of Unitholders' Capital Contributions	Trust Units
December 31, 2019	46,461,293
Units issued for vested deferred units	87,655
December 31, 2020	46,548,948
Units issued for vested deferred units	26,564
Units purchased and cancelled	(438,400)
Distribution in Units	273,474
Consolidation of Units	(273,474)
December 31, 2021	**46,137,112**

Boardwalk REIT has one class of publicly traded voting securities, being the Trust Units. As at December 31, 2021, there were 46,137,112 Trust Units issued and outstanding. In addition, there were 4,475,000 special voting units issued to holders of "Class B Units" of Boardwalk REIT Limited Partnership ("LP Class B Units"), each of which also has a special voting unit in the REIT. Each LP Class B Unit is exchangeable for a Trust Unit on a one-for-one basis at the option of the holder. Each LP Class B Unit, through the special voting unit, entitles the holder to one vote at any meeting of Unitholders. Accordingly, if all of the LP Class B Units were exchanged for Trust Units, the total issued and outstanding Trust Units would be 50,612,112. These LP Class B Units are classified as "FVTPL" financial liabilities under IFRS and are recorded at their fair value as liabilities on the Consolidated Statements of Financial Position as at December 31, 2021 and 2020.

On November 18, 2021, the Trust received regulatory approval for a Normal Course Issuer Bid (the "NCIB") to purchase and cancel up to 3,780,351 Trust Units, representing 10% of the public float at the time of the TSX approval. The NCIB commenced on November 22, 2021 and terminates on November 21, 2022. The Trust's daily purchases under the NCIB are limited to 32,046 Trust Units.

During 2021, the Trust purchased and cancelled 438,400 Trust Units at an average purchase cost of $54.85 per Trust Unit under the NCIB. During 2020, the Trust did not have a normal course issuer bid in place and did not purchase and cancel any Trust Units.

EQUITY

Boardwalk has an equity market capitalization of $2.8 billion based on the Trust Unit closing price of $54.83 on the TSX on December 31, 2021.

With an enterprise value of approximately $5.9 billion (comprised of total mortgage principal outstanding of $3.1 billion, construction loan payable of $21.2 million, and equity market capitalization of $2.8 billion) as at December 31, 2021, Boardwalk's total mortgage principal outstanding and construction loan payable is approximately 53% of enterprise value.

NET ASSET VALUE PER UNIT

The Trust's NAV per Unit is calculated below:

	Dec. 31, 2021	Dec. 31, 2020
Investment properties	$ 6,492,969	$ 5,948,955
Equity accounted investment	41,118	34,967
Cash and cash equivalents	64,300	52,960
Adjusted Real Estate Assets (1)	$ 6,598,387	$ 6,036,882
Total mortgage principal outstanding	$ (3,088,978)	$ (3,004,086)
Total lease liabilities attributable to land leases (2)	(76,092)	(77,635)
Construction loan payable	(21,187)	(21,187)
Adjusted Real Estate Debt (1)	$ (3,186,257)	$ (3,102,908)
Net Asset Value (1)	$ 3,412,130	$ 2,933,974
Net Asset Value per Unit (3)	$ 66.87	$ 57.49

(1) This is a non-GAAP financial measure. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Financial Measures" in this MD&A for more information on Adjusted Real Estate Assets, Adjusted Real Estate Debt, and Net Asset Value.
(2) Total lease liabilities attributable to land leases is a component of lease liabilities as calculated in accordance with IFRS.
(3) This is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" in this MD&A for more information on Net Asset Value per Unit.

Reconciliation of Unitholders' Equity to Net Asset Value	Dec. 31, 2021	Dec. 31, 2020
Unitholders' equity	$ 3,253,178	$ 2,876,449
Total assets	(6,660,653)	(6,107,744)
Investment properties	6,492,969	5,948,955
Equity accounted investment	41,118	34,967
Cash and cash equivalents	64,300	52,960
Total liabilities	3,407,475	3,231,295
Total mortgage principal outstanding	(3,088,978)	(3,004,086)
Total lease liabilities attributable to land leases	(76,092)	(77,635)
Construction loan payable	(21,187)	(21,187)
Net Asset Value	$ 3,412,130	$ 2,933,974

Overall NAV per Unit has increased 16.3% to $66.87 as at December 31, 2021, compared to $57.49 as at December 31, 2020, due to an increase in investment properties. NAV is a key metric used by real estate entities to measure the value of an organization.

RISKS AND RISK MANAGEMENT

Boardwalk REIT, like most other real estate rental entities, is exposed to a variety of risk areas. These areas are categorized between general and specific risks. General risks are the risks associated with general conditions in the real estate sector and consist mainly of commonly exposed risks that affect the real estate industry. Specific risks focus more on risks uniquely identified with the Trust, such as credit, market, liquidity, and operational risks. The following will address each of these risks. In addition, this section should be read in conjunction with the AIF, which is available under the Trust's profile at www.sedar.com, where additional risks and the Trust's management related thereto are also noted.

General Risks

Real Estate Industry Risk: Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. These risks include changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations (such as new or revised residential tenant legislation), the attractiveness of the properties to tenants, competition from others with available space, and the ability of the owner to provide adequate maintenance at an economic cost. Because real estate, like many other types of long-term investment, experiences significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in value of Boardwalk REIT's portfolio. Furthermore, the Trust may buy and/or sell properties at less than optimal times. As interest rates fluctuate in the lending market, in general, so do capitalization rates, which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

Currently, we operate in Canada, in the provinces of Alberta, British Columbia, Saskatchewan, Ontario, and Quebec. Neither of Alberta nor Saskatchewan is subject to rent control legislation; however, under Alberta legislation, a landlord is only entitled to increase rents once every twelve months. A more detailed discussion on rent controls will follow in a later section. Boardwalk REIT is not widely diversified either by asset class or geographic location. By focusing on the multi-residential sector and having a majority of its apartments concentrated in Western Canada, Boardwalk is exposed to adverse effects on that segment of the real estate market and/or for that geographic region and does not benefit from a diversification of its portfolio by property type and/or geographic location. The marketability and value of the Trust's portfolio as well as the REIT's revenues will depend on many factors beyond the control of Boardwalk REIT.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made regardless of whether or not a property is producing sufficient income to service these expenses. Boardwalk REIT's properties are subject to mortgages, which require significant debt service payments. If the Trust were unable or unwilling to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale. Real estate is relatively illiquid. Such illiquidity will tend to limit our ability to vary our portfolio promptly in response to changing economic or investment conditions. In addition, financial difficulties of other property owners resulting in distress sales may depress real estate values in the markets in which the Trust operates.

Multi-Family Residential Sector Risk: Income producing properties generate income through rent payments made by tenants of the properties. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to us than the existing lease. To mitigate this risk, the Trust does not have any one or small group of significant tenants. The majority of operating leases signed are for a period of twelve months or less. The Trust is dependent on leasing markets to ensure vacant residential space is leased, expiring leases are renewed and new tenants are found to fill vacancies. With the volatility in oil prices experienced in recent years, as well as the ongoing COVID-19 pandemic, the risk of a prolonged downturn in the economy has dramatically increased. A disruption in the economy could have a significant impact on how much space tenants will lease and the rental rates paid by tenants. This would affect the income produced by our properties as a result of downward pressure on rents.

Regulation and Changes in Applicable Laws: Boardwalk REIT is subject to laws and regulations governing the ownership and leasing of real property, zoning, building standards, landlord/tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, municipal or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting Boardwalk (including with retroactive effect). Any changes in the laws to which Boardwalk REIT is subject could materially affect the Trust's rights and title to its assets. It is not possible to predict whether there will be any further changes in the regulatory regimes to which Boardwalk REIT is subject or the effect of any such changes on its investments. Lower revenue growth or significant unanticipated expenditures may result from Boardwalk's need to comply with changes in applicable laws or the enactment of new laws, including: (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions; (ii) rent control or rent stabilization laws or other residential landlord/tenant laws; or (iii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the REIT's properties, including changes to building codes and fire and life-safety codes. Further, residential landlord/tenant laws in certain provinces may provide tenants with the right to bring certain claims to the applicable judicial or administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing and maintenance standards. As a result, Boardwalk may, in the future, incur capital expenditures, which may not be fully recoverable from tenants, which could further have a material adverse effect on our business, financial condition, or results of operation.

Development Risk: Development risk arises from the possibility that completed developments will not be leased on a timely basis or that costs of development will exceed original estimates, resulting in an uneconomic return from the leasing of such space. Boardwalk's construction commitments are subject to those risks usually attributable to construction projects, which include: (i) construction or other unforeseen delays including municipal approvals; (ii) cost overruns; and (iii) the failure of tenants to occupy and pay rent in accordance with existing lease agreements. Construction risks are minimized by utilizing established developers and knowledgeable third-party consultants.

Environmental Risks: As an owner and manager of real property, Boardwalk REIT is subject to various Canadian federal, provincial, and municipal laws relating to environmental matters. These laws could encumber us with liability for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, could adversely affect Boardwalk's ability to sell its real estate, or to borrow using real estate as collateral, and could potentially also result in claims or other proceedings against Boardwalk REIT. Boardwalk REIT is not aware of any material non-compliance with environmental laws at any of its properties. The Trust is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any material pending or threatened claims relating to environmental conditions at its properties. Boardwalk REIT has formal policies and procedures to review and monitor environmental exposure. The Trust has made, and will continue to make, the necessary capital expenditures for compliance with environmental laws and regulations. Environmental laws and regulations can change rapidly and may become more stringent in the future. Compliance with more stringent environmental laws and regulations could have a material adverse effect on our business, financial condition, or results of operation.

Climate-related Risks: As outlined by the Task Force on Climate-related Financial Disclosures, climate related risks can be divided into two major categories: (i) risks related to the transition to a lower-carbon economy; and (ii) risks related to the physical impacts of climate change. As it relates to the Trust and transition risks, the Trust focuses on implementing policies which promote the adaptation to climate-change and includes elements such as implementing ways to reduce greenhouse gas emissions, adopting energy efficient solutions, encouraging greater water efficiency, etc., however each of these policies have a financial impact. As it relates to physical risks resulting from climate change it can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications such as direct damage to assets or indirect impacts. The Trust is aware of these risks and working towards safeguarding its assets from these risks.

Ground Lease Risk: Four of our properties, located in Banff and Edmonton, Alberta, and two in Montreal, Quebec, are subject to long-term ground (or land) leases and similar arrangements; in each instance, the underlying land is owned by a third party and leased to the Trust. Under the terms of a typical ground lease, the lessee must pay rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements, including taxes, utilities, insurance, maintenance, repairs and replacements. Unless the lease term is extended, the land together with all improvements made will revert to the owner of the land upon the expiration of the lease term. These leases are set to expire between 2024 and 2095. Approximately 10% of the Trust's FFO derives from these properties in its portfolio that are held as long-term ground leases. The Trust will actively seek to either renew the terms of such leases or purchase the freehold interest in the lands forming the subject matter of such leases prior to the expiry of their terms. However, if the Trust cannot or chooses not to renew such leases, or buy the land of which they form the subject matter, as the case may be, the net operating income and cash flow associated with such properties would no longer contribute to Boardwalk's results of operations and could adversely impact its ability to make distributions to Unitholders. The ground lease for the largest Montreal property, known as the Nuns' Island portfolio, was also subject to a rent revision clause which commenced on December 1, 2008 (based on a valuation date of March 16, 2008). The rent increases were phased in on a property-by-property basis through to 2018 and was based on 75% of the land value in its current use. After that revision, the land rent will remain constant thereafter through to 2064. An event of default by us, under the terms of a ground lease, could also result in a loss of the property, subject to such ground lease, should the default not be rectified in a reasonable period of time. The Trust is not aware of any default under the terms of the ground leases.

Competition Risk: Each segment of the real estate business is competitive. Numerous other residential developers and apartment owners compete in seeking tenants. Although it is our strategy to own multi-family properties in premier locations in each market in which we operate, some of the apartments of our competitors may be newer, better located or better capitalized. The existence of alternative housing could have a material adverse effect on our ability to lease space in our properties and on the rents charged or concessions granted and could adversely affect Boardwalk REIT's revenues and its ability to meet its obligations, which could further have a material adverse effect on our business, financial condition, or results of operation.

General Uninsured Losses: Boardwalk REIT carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as war or environmental contamination), which are either uninsurable or not economically insurable. Boardwalk REIT currently has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, Boardwalk REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and would continue to be obligated to repay any recourse mortgage indebtedness on such properties.

Fluctuations of Cash Distributions: Although Boardwalk REIT intends to continue to make distributions on the Trust Units, the actual amount of distributions in respect of the Trust Units will depend upon numerous factors, including, but not limited to, the amount of principal repayments, tenant allowances, leasing commissions, capital expenditures and Trust Unit redemptions and other factors that may be beyond the control of Boardwalk REIT. The distribution policy of Boardwalk REIT is established by the Board of Trustees and is subject to change at the discretion of the Board of Trustees. The recourse of Unitholders who disagree with any change in policy is limited and could require such Unitholders to seek to replace the Board of Trustees. Distributions may exceed cash available to Boardwalk REIT from time to time because of items such as principal repayments, tenant allowances, leasing commissions, capital expenditures, and redemption of Trust Units, if any. Boardwalk REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. Boardwalk REIT may temporarily fund such items, if necessary, through an operating line of credit in expectation of refinancing long-term debt on its maturity.

Liquidity Risk: An investment in real estate is relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity will tend to limit Boardwalk's ability to vary its portfolio of properties promptly in response to changing economic, investment or other conditions. If Boardwalk were required to quickly liquidate its real property investments, the proceeds to the Trust might be significantly less than the aggregate carrying or net asset value of its properties or less than what would be expected to be received under normal circumstances, which could have an adverse effect on Boardwalk's financial condition and financial performance and decrease the amount of cash available for distribution. Illiquidity may result from the absence of an established market for real property investments, as well as from legal or contractual restrictions on their resale. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and, during an economic recession, Boardwalk REIT may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for Boardwalk REIT to dispose of properties at lower prices in order to generate sufficient cash for operations and making distributions. There can be no assurance that the fair market value of any properties held by the REIT will not decrease in the future.

Access to Capital Risk: The real estate industry is highly capital intensive. Boardwalk REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and certain capital expenditures from time to time. There can be no assurances that Boardwalk REIT will have access to sufficient capital or access to capital on terms favourable to the Trust for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Furthermore, in certain circumstances, Boardwalk REIT may not be able to borrow funds due to the limitations set forth in its Declaration of Trust and/or other loan agreements. Market conditions and unexpected volatility or illiquidity in financial markets may inhibit Boardwalk REIT's access to long-term financing in the capital markets. As a result, it is possible that financing, which the Trust may require in order to grow and expand its operations, upon the expiry of the term of financing, upon refinancing any particular property owned by Boardwalk REIT or otherwise, may not be available or, if it is available, may not be available on favourable terms to the Trust. Failure by Boardwalk to access required capital could have a material adverse effect on our business, financial condition, or results of operation.

Cybersecurity Risk: A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of Boardwalk REIT's information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. As Boardwalk REIT's reliance on technology has increased, so have the risks posed to its systems. Boardwalk REIT's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to Boardwalk's business relationships with its Resident Members and disclosure of confidential information regarding its Resident Members and Associates. Boardwalk REIT has implemented processes, procedures and controls to help mitigate these risks, but these measures, as well as its increased awareness of a risk of a cyber incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

WORKFORCE AVAILABILITY

Boardwalk's ability to provide services to its existing Resident Members is somewhat dependent on the availability of well-trained Associates and contractors to service our Resident Members as well as complete required maintenance and capital upgrades on our buildings. The Trust must also balance requirements to maintain adequate staffing levels while balancing the overall cost to the Trust.

Within Boardwalk, our most experienced Associates are employed full-time; this full-time force is supplemented by additional part-time Associates as well as specific contract services needed by the Trust. We are constantly reviewing existing overall market factors to ensure that our existing compensation program is in-line with existing levels of responsibility and, if warranted, we adjust the program accordingly. We also encourage Associate feedback in these areas to ensure the existing programs are meeting their personal needs.

Specific Risks

> ***Credit Risk*** *is the risk of loss due to failure of a contracted customer to fulfill the obligation of required payments.*

For us, one of the key credit risks involves the possibility that our Resident Members will be unable or unwilling to fulfill their lease term commitments. Due to the very nature of the multi-family business, credit risk is not deemed to be very high. The Trust currently has 33,264 rental suites. The result of this is that we are not unduly reliant on any one Resident Member or lease. To further mitigate this risk, Boardwalk REIT continues to diversify its portfolio to various major centers across Canada. Further, each of our rental suites has its own individual lease agreement, thus Boardwalk REIT has no material financial exposure to any particular Resident Member or group of Resident Members. The Trust continues to utilize extensive screening processes for all potential Resident Members including, but not limited to, detailed credit checks.

> ***Market Risk*** *is the risk that the Trust could be adversely affected due to market changes in product supply, interest rates and regional rent controls.*

Our principal exposures to market risk are in the areas of new multi-family housing supply, changes to rent controls, utility price increases, property tax increases, higher interest rates, and mortgage renewal risk.

> ***Supply Risk*** *is the risk that the Trust would be negatively affected by the new supply of, and demand for, multi-family residential suites in its major market areas.*

Key drivers of demand include employment levels, population growth, demographic trends and consumer confidence. Any significant amount of new construction will typically result in an imbalance in supply and cause downward price pressure on rents. No signs of significant new rental construction are currently evident in any of our existing markets. Past studies have shown that in order to economically justify new rental construction in Boardwalk REIT's major markets, an increase in existing rental rates of hundreds of dollars will be necessary. In recent years, however, there has been a change in the multi-family apartment environment in Canada. During this period, we have witnessed a significant increase in the market value of rental apartments. This increase, although somewhat helped by a steady increase in reported market rental rates, has been mainly driven by a significant compression in market capitalization rates, which in turn has been the result of a prolonged low interest rate environment here in Canada. With this increase in the market value of apartments, there has been a significant decrease in the expected returns from the acquisition of existing multi-family rental properties to a level that warrants a measured allocation of capital to the area of new apartment development, particularly on excess land Boardwalk REIT currently owns. Accordingly, the Trust has pursued new apartment development on some of its excess density.

SUPPLY RISK

The balance of housing supply relative to demand is a risk factor for operating and financial performance. The potential for reduced rental revenue exists in the event that Boardwalk REIT is not able to competitively optimize occupancy levels or rental rates in an increased competitive housing environment. Boardwalk REIT has minimized these risks by:

- Increasing Resident Members' satisfaction;
- Diversifying its portfolio across Canada, thus lowering its exposure to regional economic swings;
- Acquiring properties in desirable locations, where vacancy rates for properties are higher than city-wide averages but can be reduced by repositioning the properties through better management and selective upgrades;
- Holding a balanced portfolio which includes a variety of multi-family building types including high-rise, townhouse, garden and walkups, each with its own market niche;
- Maintaining a wide variety of suite mix, including bachelor suites, one, two, three, and four-bedroom suites;
- Building a broad and varied Resident Member base, thereby avoiding economic dependence on larger-scale tenants;
- Focusing on affordable multi-family housing, which is considered a stable commodity;
- Developing a specific rental program characterized by rental adjustments that are the result of enhanced service and superior product; and
- Developing regional management teams with significant experience in the local marketplace, and combining this experience with our existing operations and management expertise.

Interest Risk *is the combined risk that the Trust would experience a loss as a result of its exposure to a higher interest rate environment (Interest Rate Risk) and the possibility that at the term end of a mortgage the Trust would be unable to renew the maturing debt with either the existing or an additional lender (Renewal Risk).*

The Trust continues to manage this risk by maintaining a balanced maturing portfolio with no significant amount coming due in any one particular period. In addition, the majority of Boardwalk REIT's debt is insured with NHA insurance. This insurance allows us to increase the overall credit quality of the mortgage and, as such, enable the Trust to obtain preferential interest rates as well as facilitating easier renewal on its due dates.

The use of NHA insurance also assists Boardwalk REIT in managing its renewal risk. Given the increased credit quality of such debt, the probability of the Trust being unable to renew the maturing debt or transfer this debt to another accredited lending institution is significantly reduced.

To date, the Trust has had no problem obtaining mortgage renewals on term maturing loans, and additional funds, if needed, continue to be available on its investment properties. Although we have seen fluctuations in the quoted interest spread over the corresponding benchmark bonds, the all-in quoted rates, due to a general decline in interest rates, continue to be at levels well below the term maturing interest rate and, as such, are accretive to the Trust as a whole.

Currently, the Canadian government has capped the total amount of insurance that CMHC can have in force at $600 billion. This primarily affects the amount of portfolio or bulk insurance CMHC offers to banks, and, to date, has had a minimal impact on the renewal of Boardwalk's mortgages, or the cost of secured debt capital. However, there is no assurance the cap on the amount of CMHC insurance will not affect mortgages for multi-family residential properties in future periods.

If any changes are made by the Government of Canada on the NHA insurance product, such changes could have a negative impact on the Trust. However, it is management of the Trust's understanding that any change to the cap would not affect any pre-existing insurance agreements. Over 98% of Boardwalk's secured debt has this insurance on it with an average of 30 years of amortization remaining. The larger risk to the Trust may be the ability to issue new secured debt under this program at a much lower cost due to the use of this insurance, the proceeds of which the Trust uses to assist in the execution of its overall strategy.

PROPERTY REDEVELOPMENT, RE-POSITIONING AND RENOVATIONS

Property redevelopment, re-positioning and major renovation work are subject to a number of risks, including:

(a) the potential that Boardwalk REIT may fail to recover expenses already incurred if it abandons redevelopment/re-positioning/renovation opportunities after commencing to explore them;

(b) the potential that Boardwalk REIT may expend funds on and devote management time to projects, which it does not complete;

(c) construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable;

(d) the time required to complete the construction, redevelopment or renovation of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting Boardwalk REIT's cash flow and liquidity;

(e) the cost and timely completion of construction or renovations (including risks beyond Boardwalk REIT's control, such as weather, labour conditions or material shortages);

(f) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions;

(g) the failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all;

(h) delays with respect to obtaining, or the inability to obtain, necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws;

(i) occupancy rates and rents of a completed project or renovation may not be sufficient to make the project or initiative profitable;

(j) Boardwalk REIT's ability to dispose of properties redeveloped or renovated with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and

(k) the availability and pricing of financing to fund Boardwalk REIT's development or renovation activities on favourable terms or at all.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of redevelopment or renovation activities or the completion of redevelopment or renovation activities once undertaken. In addition, redevelopment and renovation projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners, and others. Any of these risks could have an adverse effect on Boardwalk REIT's financial condition, financial performance, cash flow, per unit trading price of its Trust Units, distributions to Unitholders and ability to satisfy Boardwalk REIT's principal and interest obligations. Also, it is anticipated that the Trust would be required to execute a guarantee in connection with construction financing for redevelopments, which would subject Boardwalk REIT to recourse for construction completion risks and repayment of the construction indebtedness.

JOINT VENTURES AND CO-OWNERSHIPS

Boardwalk participates in joint ventures, partnerships and similar arrangements that may involve risks and uncertainties associated with third-party involvement, including, but not limited to, Boardwalk's dependency on partners, co-tenants or co-venturers that are not under our control and that might compete with Boardwalk for opportunities, become bankrupt or otherwise fail to fund their share of required capital contributions, or suffer reputational damage that could have an adverse impact on the Trust. Additionally, our partners might at any time have economic or other business interests or goals that are different than or inconsistent with those of the Trust and may require Boardwalk to take actions that are in the interest of the partners collectively, but not in Boardwalk's sole best interests. Accordingly, Boardwalk may not be able to favourably resolve issues with respect to such decisions, or the Trust could become engaged in a dispute with any of them that might affect its ability to operate the business or assets in question.

STRUCTURAL SUBORDINATION

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of the Trust, holders of indebtedness of the Trust may become subordinate to lenders to the subsidiaries of the Trust.

Certain subsidiaries of the Trust have, and may in the future, provide a form of guarantee pursuant to which a trustee will, subject to the documentation governing the guarantee, be entitled to seek redress from such subsidiaries for the guaranteed indebtedness. These guarantees are intended to eliminate structural subordination, which arises as a consequence of the Trust's assets being held in various subsidiaries. Although all subsidiaries, which own material assets, have provided a guarantee, not all subsidiaries of the Trust have, and may in the future, provide such a guarantee. In addition, there can be no assurance such a trustee will, or will be able to, effectively enforce the guarantee.

Rent Control *Risk is the risk of the implementation or amendment of new or existing legislative rent controls in the markets Boardwalk REIT operates, which may have an adverse impact on the Trust's operations.*

Under Ontario's rent control legislation, commonly known as "rent de-control", a landlord is entitled to increase the rent for existing tenants once every twelve months by no more than the "guideline amount" established by regulation. For the calendar years 2020 and 2021, the guideline amounts have been established at 2.2% and 0.0%, respectively, and for 2022 the guideline amount has been set at 1.2%. Further details on Ontario's Annual Rental Increase Guidelines can be found at https://www.ontario.ca/page/residential-rent-increases. This adjustment is meant to take into account the income of the building, the municipal and school taxes, the insurance bills, the energy costs, maintenance, and service costs. Landlords may apply to the Ontario Rental Housing Tribunal for an increase above the guideline amounts if annual costs for heat, hydro, water, or municipal taxes have increased significantly, or if building security costs have increased. In April 2017, the Ontario Government introduced legislation that would expand rent control to all rental suites. Previously, rent control in Ontario applied only to rental suites constructed before November 1, 1991. The new legislation will not have a material impact on Boardwalk, as all of its Ontario properties were built prior to November 1, 1991. When a unit is vacated, however, the landlord is entitled to lease the unit to a new tenant at any rental amount, after which annual increases are limited to the applicable guideline amount. The landlord may also be entitled to a greater increase in rent for a unit under certain circumstances, including, for example, where extra expenses have been incurred as a result of a renovation of that unit. In November 2018, the Ontario Government removed such rent control for new residential suites that were not previously occupied before November 15, 2018.

Under Quebec's rent control legislation, a landlord is entitled to increase the rent for existing tenants once a year for the rent period starting after April 1st of the current year but before April 1st of the following year. There is no fixed rate increase specified by the regulation. Rent increases also take into account a return on capital expenditures (for 2021 this return is 2.3% compared to 3.1% for 2020, compared to 2.7% for 2019 and compared to 2.4% for 2018), if such expenditures were incurred, and an indexing of the net income of the building. Average rent increase estimates for the period starting after April 1, 2021, and before April 2, 2022, before any consideration for increases to municipal and school taxes as well as capital expenditures, are: 0.9% for electricity heated dwellings, 7.6% for gas heated dwellings, and 17.5% for oil heated dwellings, plus 1.6% to cover the cost of maintenance, service and management contracts. Tools to calculate the Quebec rent increase can be found at https://www.rdl.gouv.qc.ca/en/calculation-for-the-fixing-of-rent.

Presently, rent control legislation does not exist in, and, to the knowledge of management of the Trust, is not planned for, Alberta or Saskatchewan.

To manage this risk prior to entering a market where rent controls are in place, an extensive amount of time is spent researching the existing rules, and, where possible, the Trust will ensure it employs Associates who are experienced in working in these controlled environments. In addition, the Trust adjusts forecast assumptions on new acquisitions to ensure they are reasonable given the rent control environment.

Utility and Tax Risk *relates to the potential loss the Trust may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes.*

Over the past few years, property taxes have increased as a result of re-valuations of municipal properties and their adherent tax rates. For us, these re-valuations have resulted in significant increases in some property assessments due to enhancements, which are not represented on our balance sheet (as such representations are contrary to existing IFRS reporting standards). To address this risk, Boardwalk REIT has compiled a specialized team of property reviewers who, with the assistance of outside authorities, constantly review property tax assessments and, where warranted, appeal them.

Utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. In recent years, water and sewer costs have increased significantly as another form of “taxes” imposed by various municipalities. In addition, the recently introduced Alberta Carbon Tax will increase the costs associated with natural gas usage. Beginning in 2020, Alberta began to participate in the federal carbon levy at a price of $1.05/gigajoule. Any significant increase in these resource costs that Boardwalk REIT cannot pass on to the Resident Member may have a negative material impact on the Trust. To mitigate this risk, the Trust has begun to play a more active role in controlling the fluctuation and predictability of this risk. Through the combined use of financial instruments and resource contracts with varying maturity dates, exposure to these fluctuations has been reduced. In addition to this, the following steps have been implemented:

- Where possible, economical electrical sub-metering devices are being installed, passing on the responsibility for electricity charges to the end Resident Member; and
- In other cases, rents have been, or will be, adjusted upward to cover these increased costs.

Operational Risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process, or from external events. The impact of this loss may be financial loss, loss of reputation, or legal and regulatory proceedings.

The Trust endeavors to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are constantly reviewed and improvements are implemented, if deemed necessary.

Certain Tax Risks

MUTUAL FUND TRUST STATUS

Boardwalk qualifies as a mutual fund trust for Canadian income tax purposes. It is the current policy of Boardwalk to annually distribute all of its taxable income to Unitholders and is therefore generally not subject to tax. In order to maintain its mutual fund trust status, Boardwalk is required to comply with specific restrictions regarding its activities and the investments held by it. If Boardwalk was to cease to qualify as a mutual fund trust, the consequences could be adverse.

In accordance with the Tax Act, for fiscal 2020 and 2021, the Trust qualified as a real estate investment trust for income tax purposes and, as such, was exempted from the specified investment flow-through rules per the SIFT Legislation.

A special tax regime applies to trusts that are considered SIFT entities as well as those individuals who invest in SIFTs. Under the SIFT Legislation, a SIFT is subject to tax in a manner similar to corporations on income from business carried on in Canada and on income (other than taxable dividends) or capital gains from “non-portfolio properties” (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation.

The SIFT Legislation applies unless (among other exceptions not applicable here) the trust qualifies as a “real estate investment trust” for the year (the “REIT Exemption”). If the REIT fails to qualify for the REIT Exemption, the REIT will be subject to the tax regime introduced by the SIFT Legislation.

If Boardwalk REIT, or any other trust, does not qualify as a real estate investment trust, it will no longer be able to deduct for tax purposes its taxable distributions, and, as such, will be required to pay tax on this amount prior to distribution. Any amount distributed that is determined to be a return of capital would not be subject to this tax.

EXISTING TAX FILING POSITIONS

Although Boardwalk REIT is of the view that all expenses to be claimed by Boardwalk REIT, Top Hat Operating Trust (the "Operating Trust"), and Boardwalk REIT Limited Partnership (the "Partnership") will be reasonable and deductible, that the cost amount and capital cost allowance claims of entities indirectly owned by Boardwalk REIT will have been correctly determined, and that the allocation of the Partnership's income for purposes of the Tax Act among its partners is reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the Canada Revenue Agency ("CRA") will agree. If the CRA successfully challenges the deductibility of such expenses, the allocation of such income or the cost amount of any assets, the taxable income of Boardwalk REIT and the Unitholders may be adversely affected.

Risks Associated with a Global Health Pandemic

A global health pandemic, including the COVID-19 pandemic, represents a risk which has a significant impact on many of the Trust's previously identified risks as follows:

Identified Risk	Global Health Pandemic Impact and Risk Management Response
Multi-family Residential Sector Risk	Upon expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. To date, turnover appears to have decreased as Resident Members are renewing their leases more consistently in light of the COVID-19 pandemic. This has mitigated this risk.
Fluctuations of Cash Distributions	Distributions may exceed cash available to Boardwalk REIT from time to time. To mitigate this risk, Boardwalk has implemented a minimum distribution policy which provides increased cash flow certainty. As previously mentioned, for the year ended December 31, 2021, distributions represent a FFO Payout Ratio of 34.0% or AFFO Payout Ratio of 43.3% (year ended December 31, 2020 – FFO Payout Ratio of 36.5% or AFFO Payout Ratio of 48.6%), representing a low cash flow commitment and the ability to maintain payments should cash flow decrease.
Access to Capital Risk	The real estate industry is highly capital intensive and accessing capital may be more difficult during a global health pandemic, including the COVID-19 pandemic. To date, governments have responded quickly to ensure capital remains available. Through its partnership with CMHC, Boardwalk still remains able to access capital.
Credit Risk	The risk of loss due to failure of a Resident Member to fulfill its obligation of required payments. To date, Canada has experienced unprecedented unemployment rates which could hamper a Resident Member's ability to pay rent. Governments have implemented support programs which should mitigate this risk; however, the impact of the risk remains unknown.
Market Risk	The risk that the Trust could be adversely affected due to market changes particularly in supply, interest rates and regional rent controls. With the COVID-19 pandemic, provincial governments had, and have once again, applied rental rate freezes, which could adversely impact the Trust's cash flow from operating activities. Since the onset of the COVID-19 pandemic, we have seen a decrease in government bond yields, resulting in a corresponding decrease in mortgage interest rates. This may provide an opportunity for the Trust to obtain financing at lower interest rates when mortgages mature and need to be renewed. Lastly, as social distancing practices are maintained, the expected onset of new supply of rental housing will likely take longer as construction completion times are extended. This decreases the supply risk to the Trust.
Supply Risk	Please see market risk.
Rent Control Risk	Please see market risk.
Reputation Risk	The risk that a pandemic impacts the reputation of the Trust for actions it did, or did not, take during a health pandemic.
Joint Ventures and Co-ownerships	A global pandemic, including the COVID-19 pandemic, may adversely impact our joint venture partners financially, which could have a correspondingly negative impact on the Trust's cash flows. To mitigate this risk, the Trust is in constant communication and engagement with our partners regarding their financial stability.

Risks Associated with Disclosure Controls and Procedures & Internal Control over Financial Reporting

Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures ("DC&P") or internal control over financial reporting ("ICFR").

The design and effectiveness of our DC&P and ICFR may not prevent all errors, misstatements, or misrepresentations. While management continues to review the design and effectiveness of our DC&P and ICFR, we cannot assure you that our DC&P or ICFR will be effective in accomplishing all control objectives all of the time. Deficiencies, particularly material weaknesses, in ICFR which may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in our Trust Unit price, or otherwise materially adversely affect our business, reputation, results of operation, financial condition, or liquidity.

ACCOUNTING AND CONTROL MATTERS

Critical Accounting Policies

The Trust adopted IFRS as its basis of financial reporting, effective January 1, 2011. The significant accounting policies adopted by the Trust are included in NOTE 2 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

The preparation of the audited annual consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates under different assumptions and conditions. In determining estimates, management uses the information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness. Any change to these estimates is applied prospectively in compliance with IFRS. We believe that the application of judgments and assessments is consistently applied and produces financial information that fairly depicts the results of operations for all periods presented. Boardwalk REIT considers the following policies to be critical in determining the judgments that are involved in the preparation of the audited annual consolidated financial statements and the uncertainties that could affect the reported results.

In addition, beginning in 2020, the COVID-19 pandemic has had a substantial impact on the Canadian economy. As a result of the uncertainty associated with the unprecedented nature of the COVID-19 pandemic, certain of the Trust's significant judgements were impacted. Specifically, significant judgement was required when measuring the Trust's investment properties which are carried at fair value using assumptions based on market conditions, which currently have limited long-term visibility. The full long-term impact of the COVID-19 pandemic on the valuation of investment properties is unknown. Furthermore, judgement was required in assessing the collectability of any outstanding tenant receivable balances and the consideration of applying an allowance for estimated credit losses to these balances. In response to the spread of the virus, provincial governments have limited a landlord's ability to evict tenants for the non-payment of rent. Additionally, social (physical) distancing actions have resulted in the temporary closure of many businesses or limited openings and staffing for other businesses, which has had a significant impact on unemployment rates across Canada and may adversely impact residents' ability to pay rent, with the long-term impact unknown.

(A) INVESTMENT PROPERTIES

Investment properties consist of multi-family residential properties held to earn rental income and properties being constructed or developed for future use to earn rental income, and include interests held under long-term operating land leases. Investment properties are measured initially at cost (which is equivalent to fair value). Cost includes all amounts relating to the acquisition (excluding transaction costs related to a business combination) and improvement of the properties. All costs associated with upgrading and extending the economic life of the existing facilities, other than ordinary repairs and maintenance, are capitalized to investment property. Included in these costs are internal amounts that are directly attributable to a specific investment property, which are capitalized to the extent that they upgrade or extend the economic life of the asset.

Subsequent to initial recognition, investment properties are recorded at fair value, in accordance with IAS 40. Fair value is determined based on a combination of internal and external processes and valuation techniques. Gains or losses arising from differences between current period fair value and the sum of previously measured fair value and capitalized costs as described above are recorded in profit or loss in the period in which they arise. The fair value of an investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments that are expected to become payable). Accordingly, if the valuation obtained for an investment property is net of all payments expected to be made, it will be necessary to add back any recognized lease liability, to arrive at the carrying amount of the investment property using the fair value model.

Properties owned by the Trust where a significant portion of the property is used for administrative purposes by the Trust are considered "Property, Plant and Equipment" and, therefore, fall within the scope of IAS 16 and are recorded in accordance with that standard. Where part of a building is used for administrative purposes by the Trust, but this portion is considered insignificant, this space is included as part of Investment Property under IAS 40.

Investment properties are reclassified to "Assets Held for Sale" when the criteria set out in IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations ("IFRS 5") are met (see NOTE 2(i) to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020).

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Prior to its disposal, the carrying value of the investment property is adjusted to reflect its fair value as outlined in the purchase and sale agreement (as the purchase and sale agreement is the best evidence of fair value). This adjustment shall be recorded as a fair value gain or loss. Any remaining gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Excess land represents land owned by the Trust located contiguous to land included as investment property. The Trust has the ability to develop additional multi-family residential buildings on this land or sell it separately from the Investment Property at a later date. Excess land is held for capital appreciation and, therefore, is treated as Investment Property and recorded in accordance with IAS 40 as outlined above. When determining the fair value of a project with excess land, the capitalization rate used in determining the value is adjusted accordingly.

(B) PROPERTIES UNDER DEVELOPMENT

Properties under development include new development on excess land density or acquired land, re-development or re-positioning of buildings the Trust currently owns that require substantial renovations, and incomplete apartment suites acquired from third parties that will take 12 months or longer to complete. The cost of land, if applicable, and buildings under development or re-development (consisting of development sites, density or intensification rights and related infrastructure) are specifically identifiable costs incurred in the period before construction is complete. Capitalized costs include pre-construction costs essential to the development or re-development of the property, construction costs, borrowing costs directly attributable to the development, real estate taxes, and other costs incurred during the period of development or re-development. Additions to investment properties consist of costs of a capital nature and, in the case of properties under development and/or redevelopment, capitalized interest. Directly attributable borrowing costs are also capitalized on land or properties acquired specifically for development or redevelopment when activities necessary to prepare the asset for development or redevelopment are in progress in accordance with IAS 23 – Borrowing Costs ("IAS 23"). Where borrowings are associated with specific developments, the amount capitalized is the total cost incurred on those borrowings.

The capitalization of borrowing costs commences when the activities necessary to prepare an asset for development or redevelopment begins, and continues until the date that substantially all of the construction is complete and all necessary occupancy and related permits have been received, whether or not the space is leased. If the Trust is required, as a condition of a lease, to construct tenant improvements that enhance the value of the property, then capitalization of costs continues until such improvements are completed. Capitalization ceases if there is a prolonged period where development activity is interrupted.

Properties under active development are generally valued at market land values, if applicable, plus costs invested to date. Where significant leasing and construction is in place and the future income stream is reasonably determinable, the valuation methodology used is similar to that of revenue-producing properties, less estimates of future capital outlays, construction and development costs, to determine a net "as-is" market value. Development risks such as planning, zoning, licenses, and building permits are considered in the valuation process. Properties not under active development, such as land parcels held for future development, are valued based on comparable sales of land. Significant increases (decreases) in construction costs, cost escalation rates, and estimated time to complete construction in isolation would result in a significantly lower (higher) fair value for properties under development.

(C) PROPERTY, PLANT AND EQUIPMENT

Tangible assets that are held for use in the production or supply of goods and services, or for administrative purposes, and are expected to be used during more than one period, except when another accounting standard requires or permits a different accounting treatment, are recorded in accordance with IAS 16 using the cost model. IAS 16, therefore, excludes tangible assets that are accounted for in accordance with IAS 40 (see NOTE 2(f) to the audited annual consolidated financial statements) and IFRS 5 (see NOTE 2(i) to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020).

In accordance with IAS 16, the cost model, after initial recognition of the property, plant and equipment, requires the tangible asset to be carried at its cost less accumulated depreciation and any accumulated impairment losses (see NOTE 2(j) to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020). Depreciation is recognized in a manner that reflects the pattern in which the future economic benefits of the tangible asset are expected to be consumed and realized by the Trust. The amount of depreciation will be charged systematically to the consolidated statement of comprehensive income and is the cost less residual value of the asset over its useful economic life. IAS 16 also requires that the cost and useful economic life of each significant component of a tangible asset be determined based on the circumstances of each tangible asset. The method of depreciation, residual values, and estimates of the useful economic life of a tangible asset, or other property, plant and equipment, are reviewed at each financial year-end and any changes are accounted for as a change in accounting estimate in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8").

Property, Plant and Equipment ("PP&E") is valued using the cost model under IAS 16. PP&E is categorized into the following classes and their respective useful economic life is used to calculate the amount of depreciation or amortization for each period. Categories of PP&E with the same or similar useful lives are included in the same class.

PP&E Class	PP&E Category	Useful Life / Depreciation Rate	Depreciation method used
Administrative building	Administrative building	40 years	Straight-line
Site equipment	Site equipment and other assets	15%	Declining balance
Automobiles	Site equipment and other assets	20%	Declining balance
Warehouse assets	Site equipment and other assets	10% to 20%	Declining balance
Corporate assets	Site equipment and other assets	10% to 20%	Declining balance
Computer hardware	Corporate technology assets	35%	Declining balance
Computer software (1)	Corporate technology assets	35%	Declining balance

(1) In addition to the purchase of software from external sources, the Trust capitalizes certain programmers' salaries related to internally developed software applications used in the normal course of operations of Boardwalk REIT. The programmers' work is directly attributable to software development.

(D) ASSETS HELD FOR SALE

Non-current assets and groups of assets and liabilities, which comprise disposal groups, are categorized as assets (or disposal groups) held for sale where the asset (or disposal group) is available for sale in its present condition, and the sale is highly probable. For this purpose, a sale is highly probable: (a) if management is committed to a plan to achieve the sale, (b) there is an active program to find a buyer, (c) the non-current asset (or disposal group) is being actively marketed at a reasonable price, (d) the sale is anticipated to be completed within one year from the date of classification, and (e) it is unlikely there will be changes to the plan. Where an asset (or disposal group) is acquired with a view to resell, it is classified as a non-current asset (or disposal group) held for sale if the disposal is expected to take place within one year of the acquisition and it is highly likely that the other conditions referred to above will be met within a short period following the acquisition. Retrospective application is not required; therefore, comparative figures will not be adjusted to reflect non-current assets held for sale. The gains or losses arising on a sale of assets (or disposal groups) that does not meet the definition of discontinued operations will be recognized as part of continuing operations, while the gains or losses arising on a sale of assets (or disposal groups) that meets the definition of discontinued operations will be reported as part of discontinued operations in the consolidated statement of comprehensive income (loss).

(E) IMPAIRMENT OF ASSETS

At the end of each reporting period, assets, other than those identified in the standard as not being applicable to IAS 36 – Impairment of Assets ("IAS 36"), such as investment properties recorded at fair value, are assessed for any indication of impairment. Should the indication of impairment exist, the recoverable amount (see below) of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is defined as the higher of an asset's "fair value less cost to sell" and its "value-in-use". In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds the recoverable amount determined, an impairment loss is recognized in the consolidated statement of comprehensive (loss) income. After the recognition of an impairment loss, the depreciation charge related to that asset is also revised for the adjusted carrying amount on a systematic basis over the remaining useful life of the asset. Should this impairment loss be determined to have reversed in a future period (with the exception of goodwill), a reversal of the impairment loss is recorded in profit or loss. However, the reversal of an impairment loss will not increase the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized.

(F) INVENTORIES

Inventories consists of parts and supplies and items such as baseboards, carpet, and linoleum, which the Trust routinely uses in the maintenance and upgrading of its investment properties. These items are kept on hand so they are readily available for use. When items of inventory are used, they are expensed as part of maintenance expense or they are capitalized to investment properties, depending on the nature of the inventory used and whether or not the useful life of an asset has been extended as a result of its use.

Inventories are measured at the lower of cost and net realizable value. The costs of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and third-party transport, handling, and other costs directly attributable to the acquisition of goods and materials, less any trade discounts, rebates and other similar items, using the first-in, first-out method of cost assignment. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

(G) LEASES

The Trust as a Lessee

The Trust assesses whether a contract is, or contains, a lease at inception of the contract. The Trust recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Trust recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Trust uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measure of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made (see NOTE 2(r) to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 for definition of effective interest method).

The Trust re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured either at fair value (in the case of right-of-use assets which are considered part of investment properties) or at cost less accumulated depreciation and impairment losses (for right-of-use assets which are considered property, plant and equipment). Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Trust applied IAS 36 to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments and are included in operating expenses in the consolidated statement of comprehensive income (loss).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Trust has used this practical expedient on those contracts (warehouse space and office space) which contain both lease and non-lease components.

The Trust as a Lessor

The Trust enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Trust is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. As the Trust has retained substantially all of the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases. As operating leases, lease payments are recognized as revenue when the tenant has a right to use the leased asset. The leased asset is recognized in the consolidated statement of financial position according to the nature of the underlying asset.

(H) TAXATION

For fiscal 2021 and 2020, Boardwalk REIT qualified as a "mutual fund trust" as defined under the Tax Act and as a real estate investment trust eligible for the REIT Exemption in accordance with the rules affecting the tax treatment of publicly traded trusts. Accordingly, the Trust is not taxable on its income provided that all of its taxable income is distributed to its Unitholders. This exemption, however, does not extend to the corporate subsidiaries of Boardwalk REIT that are subject to income tax (NOTE 30 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 summarizes the Trust's subsidiaries, including its corporate subsidiaries). The Trust establishes provisions for taxes when, despite the belief that its tax positions are fully supportable, it is possible that its positions may be challenged and disallowed by the relevant tax authorities. The consolidated tax expense (recovery) and related accruals include the impact of such reasonably estimated disallowances as deemed appropriate. To the extent that the probable tax outcome of these matters changes, such changes in estimates will impact the income tax expense (recovery) in the period in which such determination is made.

Current Tax

The tax currently payable, if any, is based on taxable profit for the year for certain corporate subsidiaries of the Trust. Taxable profit differs from profit as reported in the consolidated statements of comprehensive (loss) income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Trust's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the audited annual consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses, to the extent that it is probable that deductions, tax credits, and tax losses can be utilized. The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability settled, based on tax rates and laws that have been enacted or substantively enacted at the reporting date. In addition, deferred income tax assets and liabilities are measured using the rate that is consistent with the expected manner of recovery (i.e. using the asset versus selling the asset). Where applicable, current and deferred income taxes relating to items recognized directly in equity or comprehensive income are also recognized directly in equity or comprehensive income, respectively.

(I) PROVISIONS

In accordance with IAS 37 – Provisions, contingent liabilities and contingent assets ("IAS 37"), a provision is a liability of uncertain timing or amount. Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discounted rate that reflects current market assessment of the time value of money and the risks and uncertainties specific to the obligation. Provisions are re-measured at each reporting date using the current discount rate. The increase in the provision due to the passage of time is recognized as a financing cost.

(J) UNIT-BASED PAYMENTS

Equity-settled unit-based payments to employees and Board of Trustees are measured at the fair value of the deferred unit at the grant date and expensed over the vesting period based on the Trust's estimate of the deferred units that will actually vest. At the end of each reporting period, the Trust revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss prospectively such that the cumulative expense reflects the revised estimate. In accordance with IAS 32 – Financial Instruments: Presentation ("IAS 32"), the deferred units are presented as a liability on the consolidated statement of financial position as the Trust is obliged to provide the holder with Trust Units once the deferred units vest. Under IFRS 9, the deferred units are classified as 'fair value through profit or loss' and are measured at each reporting period at fair value with changes in fair value recognized in the consolidated statement of comprehensive (loss) income. Fair value of the deferred units is calculated based on the observable market price of the Trust Units.

(K) GOVERNMENT ASSISTANCE AND GRANTS

The Trust receives government assistance in order to complement and partially assist the Trust's initiatives in providing affordable housing to low income-earning individuals. Government grants are not recognized until there is reasonable assurance that the Trust will comply with the conditions attached to them and that the grants will be received. In accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20"), grant proceeds will be recognized in profit or loss on a systematic basis over the periods in which the Trust recognizes revenue or incurs expenses.

(L) REVENUE RECOGNITION

(i) Rental Revenue

The Trust has retained substantially all of the risks and benefits of ownership of its investment properties, and, therefore, accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on lease inception date when the tenant occupies their leased space. Rental revenue is recognized systematically over the term of the lease, which is generally not more than twelve months. Any suite specific incentives offered or initial direct costs incurred in negotiating and arranging an operating lease are also amortized over the term of the operating lease. Rental revenue is recorded based on the amount received or to be received in accordance with the operating lease.

Lease revenue earned directly from leasing the asset is recognized and measured in accordance with IFRS 16. In addition to revenue generated directly from the operating lease, rental revenue includes non-lease revenue earned from the tenant, which is recognized and measured under IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). Non-lease revenue includes parking revenue, other service revenue and fees, and recovery of certain operating costs, including retirement services and cable (internet and television). These revenues are recognized when earned.

IFRS 15 requires revenue recognized from customer contracts (non-lease components) to be disclosed separately from its other sources of revenue (NOTE 22 and NOTE 33 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020).

(ii) Building Sales

The gain or loss from the sale of an investment property is recognized when title passes to the purchaser (control is transferred) upon closing at which time all or substantially all of the funds are receivable, or have been received, and the conditions of the sale have been completed.

(iii) Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is accrued on a time basis when earned, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in financing costs in the consolidated statement of comprehensive income (loss).

(iv) Ancillary Rental Income

Ancillary rental income comprises revenue from coin laundry machines located on the Trust's existing building sites, and income received from telephone and cable providers and is recorded when earned.

(v) Development Management Fees

Boardwalk has interests in investment properties through joint arrangements whereby the Trust provides development management services to the co-owners. As the services are provided over a period of time, income is recognized on a straight-line basis, unless there is evidence that some other method would better reflect the pattern of performance.

(vi) Property Management Fees

Boardwalk has an interest in an investment property through a joint arrangement whereby the Trust provides residential property management services to the co-owners for a management fee equal to 3.5% of gross revenue generated from the residential component of the investment property. The management fees are recorded as services are provided.

(M) FINANCIAL INSTRUMENTS AND DERIVATIVES

Financial instruments and derivatives are accounted for, presented, and disclosed in accordance with IFRS 7 – Financial Instruments: Disclosures, IFRS 9 and IAS 32. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

Financial assets are classified and measured on the basis of the Trust's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. As such, after initial recognition, financial assets are classified and measured based on three categories: (i) amortized cost, (ii) fair value through other comprehensive income (FVTOCI), or (iii) fair value through profit and loss (FVTPL). The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Financial assets are classified as at FVTPL when the financial asset either is held for trading or is designated as at FVTPL. Financial assets categories are defined and measured as follows:

Classification	Definition	Measurement
Amortized cost	Debt instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Measured at amortized cost using the effective interest rate method less any expected credit loss. (1) (2)
FVTOCI	Debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Stated at fair value, with gains or losses arising on measurement recognized in other comprehensive (loss) income.
FVTPL	Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments or debt instruments which do not meet the amortized cost or FVTOCI definitions.	Measured at fair value, with gains or losses recognized in profit or loss.

(1) The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(2) Financial assets, other than those at FVTPL, are required to use an expected credit loss impairment model. The expected credit loss model requires the Trust to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in the credit risk since initial recognition of the financial asset. It results in an allowance for estimated credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

Boardwalk REIT's financial assets are as follows:

Financial Asset	Classification and measurement
Investment in private technology venture fund	FVTPL
Mortgage receivable	FVTPL
Trade and other receivables	Amortized cost
Segregated tenants' security deposits	Amortized cost
Cash and cash equivalents	Amortized cost

The Trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial Liabilities and Equity

Debt and equity instruments issued are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recognized at the proceeds received, net of direct issue costs. Repurchase of Boardwalk REIT's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Trust's own equity instruments. Distributions paid on the Trust's equity instruments subsequent to, declared prior to, and with a record date at or prior to, the reporting date, are recorded as a liability.

Financial liabilities are classified and measured as either amortized cost or FVTPL. Financial liabilities categories are defined and measured as follows:

Classification	Definition	Measurement
FVTPL	Classified as FVTPL when the financial liability is either held for trading or it is designated as at FVTPL as discussed below:	
	Classified as held for trading if: it has been acquired principally for the purpose of repurchasing it in the near term; or, on initial recognition, it is part of a portfolio of identified financial instruments that the Trust manages together and has a recent actual pattern of short-term profit taking; or, it is a derivative that is not designated and effective as a hedging instrument.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
	Classified as FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group which is managed and its performance is evaluated on a fair value basis; or it forms part of a contract containing one or more embedded derivatives.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
Amortized cost	All other liabilities.	Measured at amortized cost using the effective interest method. (1)

(1) The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Boardwalk REIT's financial liabilities are as follows:

Financial Liability	Classification and Measurement
Mortgages payable	Amortized cost
LP Class B Units	FVTPL
Construction loan payable	Amortized cost
Deferred unit-based compensation	FVTPL
Refundable tenants' security deposits	Amortized cost
Trade and other payables	Amortized cost

The Trust derecognizes a financial liability when, and only when, the Trust's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivatives

The Trust may enter into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps and bond forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives embedded in host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contracts and the host contracts are not measured at FVTPL. For the years ended December 31, 2021 and 2020, the Trust had no embedded derivatives requiring separate recognition.

(N) CASH AND CASH EQUIVALENTS

Cash is comprised of bank balances, interest-earning bank accounts, and term deposits with maturities of 90 days or less.

(O) CRITICAL JUDGMENT IN APPLYING ACCOUNTING POLICIES

The following are the critical judgments, apart from those involving estimations (see NOTE 2(u) to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020), that have been made in applying the Trust's accounting policies and that have the most significant effect on the reported amounts in the audited annual consolidated financial statements:

(i) Income Taxes

The Trust applies judgment in determining the tax rates applicable to its corporate subsidiaries and identifying the temporary differences in each of such legal subsidiaries in respect of which deferred income taxes are recognized. Deferred taxes related to temporary differences arising from its corporate subsidiaries are measured based on the tax rates that are expected to apply in the year when the asset is realized or the liability is settled. Temporary differences are differences that are expected to reverse in the future and arise from differences between accounting and tax asset values.

(ii) Investment Property and Internal Capital Program

The Trust's accounting policy relating to investment property is described in NOTE 2(f) to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020. In applying this policy, judgment is applied in determining the extent and frequency of utilizing independent, third-party appraisals to measure the fair value of the Trust's investment property. Additionally, judgment is applied in determining the appropriate classes of investment properties in order to measure fair value. The Trust also undertakes internal capital improvements and upgrades. Such work is specifically identified, and the Trust applies judgment in the estimated amount of directly attributable on-site wages to be allocated to capital improvements and upgrades of its real estate assets.

(iii) Interest in Joint Operations, Associates and Joint Ventures

When determining the appropriate basis of accounting for the Trust's investees, the Trust makes judgement about the degree of influence that Boardwalk REIT exerts directly or through an arrangement over the investee's relevant activities. This may include the ability to elect investee directors, appoint management, or influence key decisions. Judgement is also required in determining whether or not an arrangement is a joint operation or joint venture.

(P) KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Below are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results could differ from estimates.

In addition, beginning in 2020, the COVID-19 pandemic has had a substantial impact on the Canadian economy. As a result of the uncertainty associated with the unprecedented nature of the COVID-19 pandemic, certain of the Trust's significant judgements were impacted. Specifically, significant judgement was required when measuring the Trust's investment properties which are carried at fair value using assumptions based on market conditions, which currently have limited long-term visibility. The full long-term impact of COVID-19 pandemic on the valuation of investment properties is unknown. Furthermore, judgement was required in assessing the collectability of any outstanding tenant receivable balances and the consideration of applying an allowance for estimated credit losses to these balances. In response to the spread of the virus, provincial governments initially limited landlord's ability to evict tenants for non-payment of rent but have since lifted this regulation. Social (physical) distancing actions resulted in the temporary closure of many businesses, which has had a significant impact on unemployment rates across Canada and may adversely impact resident's ability to pay rent, with the long-term impact being unknown.

(i) Investment Properties

The choice of valuation method for fair valuing and the critical estimates and assumptions underlying the fair value determination of investment properties are set out in NOTE 4 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020. Significant estimates used in determining the fair value of the Trust's investment properties includes capitalization rates and net operating income (which is influenced by market inflation rates, vacancy rates, and standard costs) used in the overall capitalization rate valuation method as well as discount rates and forecasted cash flows used in the discounted cash flow valuation method. A change to any one of these inputs could significantly alter the fair value of an investment property. Please refer to NOTE 4 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020 for sensitivity analysis.

(ii) Property, Plant and Equipment

The useful economic life of property, plant and equipment for the purposes of calculating depreciation and amortization, as disclosed in NOTE 5 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, and forecasts of economic factors to determine recoverable amounts for the purpose of determining any impairment of assets, are based on data and information from various sources including industry practice and entity specific history.

(iii) Internal Capital Program

The Trust's internal capital program is based on internal allocations, including parts, supplies, and on-site wages identified as part of a specific upgrade or capital improvement. Elements included under the internal capital program are capitalized to investment properties.

(iv) Utility Accrual

The amount of utility accrual for charges related to the current or prior year is based on estimates of usage and price for the time period in which invoices have not been received from the utility providers.

(v) Deferred Taxes

The amount of the temporary differences between the accounting carrying value of the Trust's assets and liabilities held in various corporate subsidiaries versus the tax bases of those assets and liabilities and the tax rates at which the differences will be realized are outlined in NOTE 19 to the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

Application of Future Accounting Policies

The following accounting standards under IFRS have been issued or revised; however, they were not yet effective for the years ended December 31, 2021 and 2020, and, as such, have not been applied to the audited annual consolidated financial statements:

New or Amended Standards	Summary of Requirements	Possible Impact on Consolidated Financial Statements
IFRS 3 – Business Combinations	The amendment updates reference to the Conceptual Framework. Specifically, the standard is updated to refer to the 2018 Conceptual Framework instead of the 1989 Framework; a new requirement is added that, for transactions and other events within the scope of IAS 37 or interpretations of the IFRS Committee ("IFRIC") 21 – Levies, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and the addition of an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendment applied prospectively and is effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.	The Trust does not expect this amendment to have any impact on its consolidated financial statements.
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investor's interests in that associate or joint venture. The effective date of the amendments has yet to be set, however, earlier application is permitted.	The Trust is assessing the potential impact but does not expect any significant impact.
IAS 1 – Presentation of Financial Statements	The amendment deals with the presentation of liabilities, not the amount or timing of recognition, or disclosure. Specifically, the amendment clarifies the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendment is effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively, with earlier application permitted.	The Trust is assessing the potential impact but does not expect any significant impact.

New or Amended Standards	Summary of Requirements	Possible Impact on Consolidated Financial Statements
IAS 16 – Property, Plant and Equipment	The amendment covers proceeds from selling items produced from property, plant and equipment before its intended use. Specifically, the amendment to the standard prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is applied retrospectively and is effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	The Trust does not expect this amendment to have any impact on its consolidated financial statements.
IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	The amendment clarifies what costs an entity considers in assessing whether a contract is onerous. Specifically, the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendment is applied prospectively to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments or after the first reporting period beginning on or after January 1, 2022.	The Trust is assessing the potential impact but does not expect any significant impact.
2018-2020 Cycle		
IFRS 9 – Financial Instruments	The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability when there is an exchange between an existing borrower and lender of debt instruments with substantially different terms or similarly when a substantial modification of the terms of an existing financial liability or a part of it occurs. Specifically, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively and is effective for annual reporting periods beginning on or after January 1, 2022.	The Trust does not expect this amendment to have any impact on its consolidated financial statements.

International Financial Reporting Standards

The Trust's audited annual consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and IFRIC.

Disclosure Controls and Procedures & Internal Control Over Financial Reporting

DC&P are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as applicable, on a timely basis so appropriate decisions can be made regarding public disclosure.

The preparation of this information is supported by a set of DC&P implemented by management. In fiscal 2021, these controls and procedures were reviewed and the effectiveness of their design and operation was evaluated. This evaluation confirmed the effectiveness of both the design and the operation of DC&P as at December 31, 2021. The evaluation was performed in accordance with the Committee of Sponsoring Organizations of the Treadway Commission control framework adopted by the Trust and the requirements of National Instrument 52-109 of the Canadian Securities Administrators titled, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

There were no changes made to our DC&P during the year ended December 31, 2021. Boardwalk REIT continues to review the design of DC&P to provide reasonable assurance that material information relating to Boardwalk REIT is properly communicated to certifying officers responsible for establishing and maintaining DC&P, as those terms are defined in NI 52-109.

As at December 31, 2021, Boardwalk REIT can confirm the effectiveness of both the design and the operation of its ICFR to provide reasonable assurance regarding the reliability of financial statements and information. Boardwalk REIT may, from time to time, make changes aimed at enhancing their effectiveness and ensuring that our systems evolve with our business. There were no changes made in our ICFR during the year ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, our ICFR.

2022 FINANCIAL OUTLOOK AND MARKET GUIDANCE

As previously noted, the Trust is providing its outlook and financial guidance for the upcoming 2022 fiscal year as part of its year end results. The Trust's 2022 objectives are as follows:

Description	2022 Objectives	2021 Actual
Stabilized Property NOI Growth	3% – 7%	0.1%
Profit (loss)	N/A	$446,267
FFO	N/A	$150,207
AFFO	N/A	$117,920
FFO Per Unit (1)	$3.03 – $3.18	$2.94
AFFO Per Unit (1)	$2.39 – $2.54 utilizing a Maintenance CAPEX of $965/suite/year	$2.31 utilizing a Maintenance CAPEX of $965/suite/year

(1) This is a non-GAAP ratio. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Ratios" in this MD&A for more information on FFO per Unit Future Financial Guidance and AFFO per Unit Future Financial Guidance.

In deriving these forecasts, the Trust has adjusted for the treatment of the LP Class B Units to be treated as equity (versus debt under IFRS) and their related treatment of the distributions paid (which are classified as financing costs under IFRS).

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 Property 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 on a going-forward basis.

In addition to the above financial guidance for 2022, the Board of Trustees approved the 2022 Capital Budget as follows:

Capital Budget *($000's)*	2022 Budget	Per Suite	2021 Actual	Per Suite
Maintenance Capital Expenditures	$ 32,100	$ 965	$ 32,287	$ 965
Value-add Capital	103,763		94,716	2,831
Investment in capital assets	$ 135,863	$ 4,084	$ 127,003	$ 3,796
Development of investment properties	$ 44,475		$ 10,511	

In total, the Trust expects to invest $135.9 million (or $4,084 per suite) in capital assets in 2022, as compared to $127.0 million (or $3,796 per suite) actually spent in 2021. The Trust has estimated its Maintenance Capital Expenditures for 2022 at $965 per suite per year, compared to $965 per suite per year in 2021, using a three-year rolling average. Additionally, for 2022, Boardwalk is estimating $44.5 million be spent on development of investment properties.

Selected Consolidated Financial Information

The following selected financial information should be read in conjunction with this MD&A and the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, and the applicable unaudited condensed consolidated interim financial statements of the Trust for the various quarterly interim periods, which are available under the Trust's profile at www.sedar.com.

The consolidated statements of comprehensive income (loss) and consolidated statements of financial position information set forth in the following tables has been derived from the audited annual consolidated financial statements referred to above and the unaudited condensed consolidated interim financial statements of the Trust for various quarterly interim periods.

Annual Comparative	Twelve Months Ended	
(Cdn$ Thousands, except per Unit amount)	**Dec. 31, 2021**	Dec. 31, 2020
Rental revenue	**$ 470,531**	$ 465,572
Profit (loss)	**446,267**	(197,279)
FFO	**150,207**	139,736
Profit (loss) per Trust Unit		
– Basic	**$ 9.59**	$ (4.24)
– Diluted	**$ 9.59**	$ (4.85)
FFO per Unit	**$ 2.94**	$ 2.74
Mortgages payable	**2,978,437**	2,896,790
Total assets	**6,660,653**	6,107,744
Number of suites	**33,264**	33,396
Rentable square feet (000's)	**28,888**	28,879

Quarterly Comparative *(Cdn$ Thousands, except per Unit amount)*	Three Months Ended **Dec. 31, 2021**	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Rental revenue	**$ 118,728**	$ 118,446	$ 117,596	$ 115,761	$ 116,543	$ 116,207	$ 116,818	$ 116,004
Profit (loss)	**131,140**	235,539	50,611	28,977	(118,435)	(31,444)	(35,269)	57,869
FFO	**38,316**	40,522	38,160	33,210	34,268	37,785	36,201	31,482
Profit (loss) per Trust Unit								
– Basic	**$ 2.82**	$ 5.06	$ 1.09	$ 0.62	$ (4.05)	$ (0.68)	$ (0.76)	$ 1.25
– Diluted	**$ 2.82**	$ 5.06	$ 1.09	$ 0.62	$ (4.05)	$ (0.79)	$ (0.76)	$ 1.25
FFO per Unit	**$ 0.75**	$ 0.79	$ 0.75	$ 0.65	$ 0.67	$ 0.74	$ 0.71	$ 0.62

ADDITIONAL INFORMATION

Additional information relating to Boardwalk Equities Inc. and Boardwalk REIT, including the AIF, is available under the Trust's profile on SEDAR at www.sedar.com.

Respectfully,

[signed]

SAM KOLIAS
Chairman of the Board
and Chief Executive Officer

[signed]

LISA SMANDYCH
Chief Financial Officer

February 24, 2022

MANAGEMENT'S REPORT

To the Unitholders of Boardwalk Real Estate Investment Trust

The accompanying consolidated financial statements and all information in the Annual Report are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with the accounting policies in the notes to the consolidated financial statements. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality, and are in accordance with International Financial Reporting Standards appropriate in the circumstances. The financial information elsewhere in the Annual Report has been reviewed to ensure consistency with that in the consolidated financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of consolidated financial statements.

The consolidated financial statements have been further examined by the Board of Trustees and by its Audit and Risk Management Committee which meets regularly with the auditors and management to review the activities of each. The Audit and Risk Management Committee, which comprises of three independent Trustees, reports to the Board of Trustees.

Deloitte LLP, an independent firm of chartered professional accountants, has been engaged to audit the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provide an independent auditors' opinion.

[signed]

SAM KOLIAS
Chief Executive Officer

[signed]

LISA SMANDYCH
Chief Financial Officer

February 24, 2022

INDEPENDENT AUDITOR'S REPORT

To the Unitholders and the Board of Trustees of Boardwalk Real Estate Investment Trust

Opinion

We have audited the consolidated financial statements of Boardwalk Real Estate Investment Trust (the "Trust"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income (loss), changes in unitholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statement for the year ended December 31, 2021. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

FAIR VALUE OF INVESTMENT PROPERTIES – REFER TO NOTES 2(F) AND 4 OF THE FINANCIAL STATEMENTS

Key Audit Matter Description

The Trust has elected the fair value model for all investment properties and accordingly measures all investment properties at fair value subsequent to initial recognition on the statement of financial position. The Trust uses a combination of internal and external processes and valuation techniques to estimate fair value based on a number of inputs.

While several inputs are required to determine the fair value of the investment properties, the assumptions with the highest degree of subjectivity and impact on fair values are the forecast of rental income and capitalization rates. Auditing these assumptions required a high degree of auditor judgment as the estimations made by management are subject to a high degree of estimation uncertainty. This resulted in an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecast of rental income and capitalization rates used to determine the fair value of the investment properties included the following, among others:

- Evaluated the reasonableness of management's forecast of rental income by comparing management's forecast with historical results, internal communications to management and the Board of Trustees, contractual information and market rents at the valuation date, where applicable.
- With the assistance of fair value specialists, evaluated the reasonableness of capitalization rates by developing a range of estimates based on recent market transactions and industry surveys and comparing them to the capitalization rates selected by management.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Coutts.

/s/ Deloitte LLP

Chartered Professional Accountants

Calgary, Alberta
February 23, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(CDN $ THOUSANDS)

As at	Note	Dec. 31, 2021	Dec. 31, 2020
ASSETS			
Non-current assets			
Investment properties	4	$ 6,492,969	$ 5,948,955
Property, plant and equipment	5	29,877	32,189
Equity accounted investment	6	41,118	34,967
Investment in private technology venture fund	7	2,019	2,019
Lease receivable	8	267	964
Mortgage receivable		-	2,790
Deferred tax assets	19	933	825
		6,567,183	6,022,709
Current assets			
Inventories		8,015	6,441
Prepaid assets	9	6,478	6,184
Lease receivable	8	697	652
Trade and other receivables	10	6,155	11,174
Segregated tenants' security deposits	11	7,825	7,624
Cash and cash equivalents	12	64,300	52,960
		93,470	85,035
Total Assets		$ 6,660,653	$ 6,107,744
LIABILITIES			
Non-current liabilities			
Mortgages payable	13	$ 2,471,014	$ 2,452,681
LP Class B Units	14	245,364	150,987
Lease liabilities	15	76,182	80,030
Deferred unit-based compensation	17	4,660	2,242
Deferred tax liabilities	19	-	2
Deferred government grant	20	4,128	4,506
		2,801,348	2,690,448
Current liabilities			
Mortgages payable	13	507,423	444,109
Lease liabilities	15	3,909	3,842
Construction loan payable	16	21,187	21,187
Deferred unit-based compensation	17	2,328	973
Deferred government grant	20	378	378
Refundable tenants' security deposits		11,129	10,797
Trade and other payables	18	59,773	59,561
		606,127	540,847
Total Liabilities		3,407,475	3,231,295
Equity			
Unitholders' equity	21	3,253,178	2,876,449
Total Equity		3,253,178	2,876,449
Total Liabilities and Equity		$ 6,660,653	$ 6,107,744

See accompanying notes to these consolidated financial statements.

On behalf of the Trust:

[signed]

SAM KOLIAS
Trustee

[signed]

GARY GOODMAN
Trustee

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(CDN $ THOUSANDS)

	Note	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Rental revenue	22	$ 470,531	$ 465,572
Rental expenses			
Operating expenses		96,845	96,338
Utilities		49,751	48,938
Property taxes		49,595	51,152
Total rental expenses		196,191	196,428
Net operating income		274,340	269,144
Financing costs	23	89,749	91,622
Administration		33,282	36,069
Deferred unit-based compensation	17	2,392	3,255
Depreciation		7,809	8,195
Profit before the undernoted		141,108	130,003
Loss on sale of assets	24	(1,953)	(1,136)
Adjustment to right-of-use asset related to lease receivable	8	-	(159)
Fair value gains (losses)	25	307,002	(326,134)
Other income	7	-	75
Profit (loss) before income tax		446,157	(197,351)
Income tax recovery	19	110	72
Profit (loss)		446,267	(197,279)
Other comprehensive income		-	-
Total comprehensive income (loss)		$ 446,267	$ (197,279)

See accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(CDN $ THOUSANDS)

	Trust Units	Cumulative Profit (Loss)	Cumulative Distributions to Unitholders	Retained Earnings	Total Unitholders' Equity
Balance, December 31, 2019	$ 200,268	$ 4,352,759	$ (1,434,972)	$ 2,917,787	$ 3,118,055
Units issued	2,244	-	-	-	2,244
Loss	-	(197,279)	-	(197,279)	(197,279)
Total comprehensive loss	-	(197,279)	-	(197,279)	(197,279)
Distributions	-	-	(46,571)	(46,571)	(46,571)
Balance, December 31, 2020	$ 202,512	$ 4,155,480	$ (1,481,543)	$ 2,673,937	$ 2,876,449
Units issued	1,064	-	-	-	1,064
Units purchased and cancelled	(3,882)	(20,167)	-	(20,167)	(24,049)
Profit	-	446,267	-	446,267	446,267
Total comprehensive income	-	446,267	-	446,267	446,267
Distributions	-	-	(46,553)	(46,553)	(46,553)
Distribution in Units	14,995		(14,995)	(14,995)	-
Balance, December 31, 2021	**$ 214,689**	**$ 4,581,580**	**$(1,543,091)**	**$ 3,038,489**	**$ 3,253,178**

See accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(CDN $ THOUSANDS)

	Note	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Operating activities			
Profit (loss)		$ 446,267	$ (197,279)
Loss on sale of assets	24	1,953	1,136
Adjustment to right-of-use asset related to lease receivable	8	-	159
Financing costs	23	89,749	91,622
Interest paid		(82,951)	(85,448)
Deferred unit-based compensation	17	2,392	3,255
Fair value (gains) losses	25	(307,002)	326,134
Income tax recovery	19	(110)	(72)
Income tax paid		-	-
Government grant amortization	20	(378)	(378)
Depreciation		7,809	8,195
		157,729	147,324
Net change in operating working capital	32	4,131	(6,243)
Cash flow from operating activities		161,860	141,081
Investing activities			
Purchase of investment properties	4	(40,316)	(65,329)
Investment in capital assets	32	(127,003)	(113,616)
Development of investment properties	4	(10,511)	(32,906)
Net cash proceeds from sale of investment properties	24	43,309	4,920
Capital contribution in equity accounted investment	6	(6,151)	(9,216)
Capital contribution in private technology venture fund	7	-	(565)
Principal repayments on lease receivable		652	449
Repayment of mortgage receivable		2,746	-
Net change in investing working capital	32	(603)	(773)
Cash flow used in investing activities		(137,877)	(217,036)
Financing activities			
Distributions paid	32	(46,587)	(46,564)
Unit repurchase program	21	(24,049)	-
Proceeds from mortgage financings		210,197	284,395
Mortgage payments upon refinancing		(65,861)	(63,056)
Scheduled mortgage principal repayments		(72,459)	(69,686)
Proceeds from construction loan financing	16	-	6,467
Deferred financing costs incurred		(10,039)	(14,793)
Principal repayments on lease liabilities		(3,841)	(3,465)
Net change in financing working capital	32	(4)	451
Cash flow (used in) from financing activities		(12,643)	93,749
Net increase in cash		11,340	17,794
Cash and cash equivalents, beginning of year		52,960	35,166
Cash and cash equivalents, end of year	12	$ 64,300	$ 52,960

See accompanying notes to these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended, December 31, 2021 and 2020

(Tabular amounts in Cdn $ thousands, except number of units and per unit amounts UNLESS OTHERWISE STATED)

Note 1: Organization of the Trust

Boardwalk Real Estate Investment Trust ("Boardwalk REIT" or the "Trust" or the "Entity") is an unincorporated, open-ended real estate investment trust created pursuant to the Declaration of Trust ("DOT"), dated January 9, 2004, and as amended and restated on various dates between May 3, 2004 and May 15, 2018, under the laws of the Province of Alberta. Boardwalk REIT was created to invest in multi-family residential investment properties or similar interests, initially through the acquisition of the assets and operations of Boardwalk Equities Inc. (the "Corporation"), which was acquired on May 3, 2004. Boardwalk REIT Trust Units (or "Trust Units") are listed on the Toronto Stock Exchange under the symbol 'BEI.UN'. The registered office of the Trust and its head office operations are located at First West Place, Suite 200, 1501 1st Street SW, Calgary, Alberta, T2R 0W1.

Note 2: Significant Accounting Policies

(A) STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

(B) BASIS OF PRESENTATION

The Trust's consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. These consolidated financial statements were prepared on a going concern basis and have been presented in Canadian dollars rounded to the nearest thousand. The accounting policies set out below have been applied consistently in all material respects. Standards and guidelines not effective for the current accounting period are described in NOTE 3.

(C) BASIS OF CONSOLIDATION

These consolidated financial statements include the accounts of the Trust and its consolidated subsidiaries (see NOTE 30), which are the entities over which Boardwalk REIT has control. Control is achieved when the entity has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Trust reassesses whether or not it controls an investee if facts, circumstances, and events indicate that there are changes to one or more of the three elements of control listed above.

In accordance with IFRS 10 – Consolidated Financial Statements ("IFRS 10"), an entity can exercise control on a basis other than ownership of voting interests. When the Trust has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Trust considers all relevant facts and circumstances in assessing whether or not the Trust's voting rights in an investee are sufficient to give it power. These facts and circumstances can include: the size of the Trust's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Trust, other vote holders or other parties; rights arising from contractual arrangements; and any other additional facts or circumstances.

Currently, the Trust has control over all of the subsidiaries reported in the consolidated financial statements (either directly or indirectly) and non-controlling interests either do not exist or are immaterial for the Trust at this time. All intra-group transactions, balances, revenues and expenses eliminate on consolidation.

(D) INTEREST IN JOINT OPERATIONS

In accordance with IFRS 11 – Joint Arrangements ("IFRS 11"), a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Trust records only its share of the assets, liabilities, and share of the revenue and expenses of the joint operation. The assets, liabilities, revenue and expenses of joint operations are included within the respective line items of the consolidated statements of financial position and consolidated statements of comprehensive income (loss).

(E) INTEREST IN ASSOCIATES AND JOINT VENTURES

In accordance with International Accounting Standard ("IAS") 28 – Investments in associates and joint ventures ("IAS 28"), an associate is defined as an entity over which the investor has significant influence, however the investor does not have control or joint control. Significant influence generally arises when an entity holds, directly or indirectly, 20% or more of the voting power of the investee. Significant influence is usually evidenced by representation on the board of directors or equivalent of the investee, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel, or provision of essential technical information.

In accordance with IFRS 11, a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition. The Trust's share of the investee's profit or loss is recognized in the Trust's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

(F) INVESTMENT PROPERTIES

Investment properties consist of multi-family residential properties held to earn rental income and properties being constructed or developed for future use to earn rental income, and include interests held under long-term operating land leases. Investment properties are measured initially at cost (which is equivalent to fair value). Cost includes all amounts relating to the acquisition (excluding transaction costs related to a business combination) and improvement of the properties. All costs associated with upgrading and extending the economic life of the existing facilities, other than ordinary repairs and maintenance, are capitalized to investment property. Included in these costs are internal amounts that are directly attributable to a specific investment property, which are capitalized to the extent that they upgrade or extend the economic life of the asset.

Subsequent to initial recognition, investment properties are recorded at fair value, in accordance with IAS 40 – Investment Property ("IAS 40"). Fair value is determined based on a combination of internal and external processes and valuation techniques. Gains or losses arising from differences between current period fair value and the sum of previously measured fair value and capitalized costs as described above are recorded in profit or loss in the period in which they arise. The fair value of an investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments that are expected to become payable). Accordingly, if the valuation obtained for an investment property is net of all payments expected to be made, it will be necessary to add back any recognized lease liability, to arrive at the carrying amount of the investment property using the fair value model.

Properties owned by the Trust where a significant portion of the property is used for administrative purposes by the Trust are considered "Property, Plant and Equipment" and, therefore, fall within the scope of IAS 16 - Property, Plant and Equipment ("IAS 16") and are recorded in accordance with that standard. Where part of a building is used for administrative purposes by the Trust, but this portion is considered insignificant, this space is included as part of Investment Property under IAS 40.

Investment properties are reclassified to "Assets Held for Sale" when the criteria set out in IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations ("IFRS 5") are met (see NOTE 2(i)).

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Prior to its disposal, the carrying value of the investment property is adjusted to reflect its fair value as outlined in the purchase and sale agreement (as the purchase and sale agreement is the best evidence of fair value). This adjustment shall be recorded as a fair value gain or loss. Any remaining gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Excess land represents land owned by the Trust located contiguous to land included as investment property. The Trust has the ability to develop additional multi-family residential buildings on this land or sell it separately from the investment property at a later date. Excess land is held for capital appreciation and, therefore, is treated as investment property and recorded in accordance with IAS 40 as outlined above. When determining the fair value of a project with excess land, the capitalization rate used in determining the value is adjusted accordingly.

(G) PROPERTIES UNDER DEVELOPMENT

Properties under development include new development on excess land density or acquired land, re-development or re-positioning of buildings the Trust currently owns that require substantial renovations, and incomplete apartment units acquired from third parties that will take 12 months or longer to complete. The cost of land, if applicable, and buildings under development or re-development (consisting of development sites, density or intensification rights and related infrastructure) are specifically identifiable costs incurred in the period before construction is complete. Capitalized costs include pre-construction costs essential to the development or re-development of the property, construction costs, borrowing costs directly attributable to the development, real estate taxes, and other costs incurred during the period of development or re-development. Additions to investment properties consist of costs of a capital nature and, in the case of properties under development and/or redevelopment, capitalized interest. Directly attributable borrowing costs are also capitalized on land or properties acquired specifically for development or redevelopment when activities necessary to prepare the asset for development or redevelopment are in progress in accordance with IAS 23 – Borrowing Costs ("IAS 23"). Where borrowings are associated with specific developments, the amount capitalized is the total cost incurred on those borrowings.

The capitalization of borrowing costs commences when the activities necessary to prepare an asset for development or redevelopment begins, and continues until the date that substantially all of the construction is complete and all necessary occupancy and related permits have been received, whether or not the space is leased. If the Trust is required, as a condition of a lease, to construct tenant improvements that enhance the value of the property, then capitalization of costs continues until such improvements are completed. Capitalization ceases if there is a prolonged period where development activity is interrupted.

Properties under active development are generally valued at market land values, if applicable, plus costs invested to date. Where significant leasing and construction is in place and the future income stream is reasonably determinable, the valuation methodology used is similar to that of revenue-producing properties, less estimates of future capital outlays, construction and development costs, to determine a net "as-is" market value. Development risks such as planning, zoning, licenses, and building permits are considered in the valuation process. Properties not under active development, such as land parcels held for future development, are valued based on comparable sales of land. Significant increases (decreases) in construction costs, cost escalation rates, and estimated time to complete construction in isolation would result in a significantly lower (higher) fair value for properties under development.

(H) PROPERTY, PLANT AND EQUIPMENT

Tangible assets that are held for use in the production or supply of goods and services, or for administrative purposes, and are expected to be used during more than one period, except when another accounting standard requires or permits a different accounting treatment, are recorded in accordance with IAS 16 using the cost model. IAS 16, therefore, excludes tangible assets that are accounted for in accordance with IAS 40 (see NOTE 2(f)) and IFRS 5 (see NOTE 2(i)).

In accordance with IAS 16, the cost model, after initial recognition of the property, plant and equipment, requires the tangible asset to be carried at its cost less accumulated depreciation and any accumulated impairment losses (see NOTE 2(j)). Depreciation is recognized in a manner that reflects the pattern in which the future economic benefits of the tangible asset are expected to be consumed and realized by the Trust. The amount of depreciation will be charged systematically to the consolidated statement of comprehensive income (loss) and is the cost less residual value of the asset over its useful economic life. IAS 16 also requires that the cost and useful economic life of each significant component of a tangible asset be determined based on the circumstances of each tangible asset. The method of depreciation, residual values, and estimates of the useful economic life of a tangible asset, or other property, plant and equipment, are reviewed at each financial year-end and any changes are accounted for as a change in accounting estimate in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8").

Property, Plant and Equipment ("PP&E") is valued using the cost model under IAS 16. PP&E is categorized into the following classes and their respective useful economic life is used to calculate the amount of depreciation or amortization for each period. Categories of PP&E with the same or similar useful lives are included in the same class.

PP&E Class	PP&E Category (NOTE 5)	Useful Life / Depreciation Rate	Depreciation Method Used
Administrative building	Administrative building	40 years	Straight-line
Site equipment	Site equipment and other assets	15%	Declining balance
Automobiles	Site equipment and other assets	20%	Declining balance
Warehouse assets	Site equipment and other assets	10% to 20%	Declining balance
Corporate assets	Site equipment and other assets	10% to 20%	Declining balance
Computer hardware	Corporate technology assets	35%	Declining balance
Computer software [(1)]	Corporate technology assets	35%	Declining balance

(1) In addition to the purchase of software from external sources, the Trust capitalizes certain programmers' salaries related to internally developed software applications used in the normal course of operations of Boardwalk REIT. The programmers' work is directly attributable to software development.

(I) ASSETS HELD FOR SALE

Non-current assets and groups of assets and liabilities, which comprise disposal groups, are categorized as assets (or disposal groups) held for sale where the asset (or disposal group) is available for sale in its present condition, and the sale is highly probable. For this purpose, a sale is highly probable: (a) if management is committed to a plan to achieve the sale, (b) there is an active program to find a buyer, (c) the non-current asset (or disposal group) is being actively marketed at a reasonable price, (d) the sale is anticipated to be completed within one year from the date of classification, and (e) it is unlikely there will be changes to the plan. Where an asset (or disposal group) is acquired with a view to resell, it is classified as a non-current asset (or disposal group) held for sale if the disposal is expected to take place within one year of the acquisition and it is highly likely that the other conditions referred to above will be met within a short period following the acquisition. Retrospective application is not required; therefore, comparative figures will not be adjusted to reflect non-current assets held for sale. The gains or losses arising on a sale of assets (or disposal groups) that does not meet the definition of discontinued operations will be recognized as part of continuing operations, while the gains or losses arising on a sale of assets (or disposal groups) that meets the definition of discontinued operations will be reported as part of discontinued operations in the consolidated statement of comprehensive income (loss).

(J) IMPAIRMENT OF ASSETS

At the end of each reporting period, assets, other than those identified in the standard as not being applicable to IAS 36 – Impairment of Assets ("IAS 36"), such as investment properties recorded at fair value, are assessed for any indication of impairment. Should the indication of impairment exist, the recoverable amount (see below) of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is defined as the higher of an asset's "fair value less cost to sell" and its "value-in-use". In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds the recoverable amount determined, an impairment loss is recognized in the consolidated statement of comprehensive income (loss). After the recognition of an impairment loss, the depreciation charge related to that asset is also revised for the adjusted carrying amount on a systematic basis over the remaining useful life of the asset. Should this impairment loss be determined to have reversed in a future period (with the exception of goodwill), a reversal of the impairment loss is recorded in profit or loss. However, the reversal of an impairment loss will not increase the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized.

(K) INVENTORIES

Inventories consists of parts and supplies and items such as baseboards, carpet, and linoleum, which the Trust routinely uses in the maintenance and upgrading of its investment properties. These items are kept on hand so they are readily available for use. When items of inventory are used, they are expensed as part of maintenance expense or they are capitalized to investment properties, depending on the nature of the inventory used and whether or not the useful life of an asset has been extended as a result of its use.

Inventories are measured at the lower of cost and net realizable value. The costs of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and third-party transport, handling, and other costs directly attributable to the acquisition of goods and materials, less any trade discounts, rebates and other similar items, using the first-in, first-out method of cost assignment. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

(L) LEASES

The Trust as a Lessee

The Trust assesses whether a contract is, or contains, a lease at inception of the contract. The Trust recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Trust recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Trust uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measure of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made (see NOTE 2(r) for definition of effective interest method).

The Trust re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured either at fair value (in the case of right-of-use assets which are considered part of investment properties) or at cost less accumulated depreciation and impairment losses (for right-of-use assets which are considered property, plant and equipment). Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Trust applied IAS 36 to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments and are included in operating expenses in the consolidated statement of comprehensive income (loss).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Trust has used this practical expedient on those contracts (warehouse space and office space) which contain both lease and non-lease components.

The Trust as a Lessor

The Trust enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Trust is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. As the Trust has retained substantially all of the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases. As operating leases, lease payments are recognized as revenue when the tenant has a right to use the leased asset. The leased asset is recognized in the consolidated statement of financial position according to the nature of the underlying asset.

(M) TAXATION

For fiscal 2021 and 2020, Boardwalk REIT qualified as a "mutual fund trust" as defined under the Income Tax Act (Canada) (the "Tax Act") and as a Real Estate Investment Trust ("REIT") eligible for the 'REIT Exemption' in accordance with the rules affecting the tax treatment of publicly traded trusts. Accordingly, the Trust is not taxable on its income provided that all of its taxable income is distributed to Unitholders. This exemption, however, does not extend to the corporate subsidiaries of Boardwalk REIT that are subject to income tax (NOTE 30 summarizes the Trust's subsidiaries, including its corporate subsidiaries). The Trust establishes provisions for taxes when, despite the belief that its tax positions are fully supportable, it is possible that its positions may be challenged and disallowed by the relevant tax authorities. The consolidated tax expense (recovery) and related accruals include the impact of such reasonably estimated disallowances as deemed appropriate. To the extent that the probable tax outcome of these matters changes, such changes in estimates will impact the income tax expense (recovery) in the period in which such determination is made.

Current Tax

The tax currently payable, if any, is based on taxable profit for the year for certain corporate subsidiaries of the Trust. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income (loss) because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Trust's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses, to the extent that it is probable that deductions, tax credits, and tax losses can be utilized. The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability settled, based on tax rates and laws that have been enacted or substantively enacted at the reporting date. In addition, deferred income tax assets and liabilities are measured using the rate that is consistent with the expected manner of recovery (i.e. using the asset versus selling the asset). Where applicable, current and deferred income taxes relating to items recognized directly in equity or comprehensive income are also recognized directly in equity or comprehensive income, respectively.

(N) PROVISIONS

In accordance with IAS 37 – Provisions, contingent liabilities and contingent assets ("IAS 37"), a provision is a liability of uncertain timing or amount. Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discounted rate that reflects current market assessment of the time value of money and the risks and uncertainties specific to the obligation. Provisions are re-measured at each reporting date using the current discount rate. The increase in the provision due to the passage of time is recognized as a financing cost.

(O) UNIT-BASED PAYMENTS

Equity-settled unit-based payments to employees and Board of Trustees are measured at the fair value of the deferred unit at the grant date and expensed over the vesting period based on the Trust's estimate of the deferred units that will actually vest. At the end of each reporting period, the Trust revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss prospectively such that the cumulative expense reflects the revised estimate. In accordance with IAS 32 – Financial Instruments: Presentation ("IAS 32"), the deferred units are presented as a liability on the consolidated statement of financial position as the Trust is obliged to provide the holder with Trust Units once the deferred units vest. Under IFRS 9 – Financial Instruments ("IFRS 9"), the deferred units are classified as 'fair value through profit or loss' and are measured at each reporting period at fair value with changes in fair value recognized in the consolidated statement of comprehensive income (loss). Fair value of the deferred units is calculated based on the observable market price of Boardwalk REIT's Trust Units.

(P) GOVERNMENT ASSISTANCE AND GRANTS

The Trust receives government assistance in order to complement and partially assist the Trust's initiatives in providing affordable housing to low income-earning individuals. Government grants are not recognized until there is reasonable assurance that the Trust will comply with the conditions attached to them and that the grants will be received. In accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20"), grant proceeds will be recognized in profit or loss on a systematic basis over the periods in which the Trust recognizes revenue or incurs expenses.

(Q) REVENUE RECOGNITION

(i) Rental Revenue

The Trust has retained substantially all of the risks and benefits of ownership of its investment properties, and, therefore, accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on lease inception date when the tenant occupies their leased space. Rental revenue is recognized systematically over the term of the lease, which is generally not more than twelve months. Any suite specific incentives offered or initial direct costs incurred in negotiating and arranging an operating lease are also amortized over the term of the operating lease. Rental revenue is recorded based on the amount received or to be received in accordance with the operating lease.

Lease revenue earned directly from leasing the asset is recognized and measured in accordance with IFRS 16. In addition to revenue generated directly from the operating lease, rental revenue includes non-lease revenue earned from the tenant, which is recognized and measured under IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). Non-lease revenue includes parking revenue, other service revenue and fees, and recovery of certain operating costs, including retirement services and cable (internet and television). These revenues are recognized when earned.

IFRS 15 requires revenue recognized from customer contracts (non-lease components) to be disclosed separately from its other sources of revenue (NOTE 22 and NOTE 33).

(ii) Building Sales

The gain or loss from the sale of an investment property is recognized when title passes to the purchaser (control is transferred) upon closing at which time all or substantially all of the funds are receivable, or have been received, and the conditions of the sale have been completed.

(iii) Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is accrued on a time basis when earned, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in financing costs in the consolidated statement of comprehensive income (loss).

(iv) Ancillary Rental Income

Ancillary rental income comprises revenue from coin laundry machines located on the Trust's existing building sites, and income received from telephone and cable providers and is recorded when earned.

(v) Development Management Fees

Boardwalk has an interest in an investment property through a joint arrangement whereby the Trust provides development management services to the co-owners. As the services are provided over a period of time, income is recognized on a straight-line basis, unless there is evidence that some other method would better reflect the pattern of performance.

(vi) Property Management Fees

Boardwalk has an interest in an investment property through a joint arrangement whereby the Trust provides residential property management services to the co-owners for a management fee equal to 3.5% of gross revenue generated from the residential component of the investment property. The management fees are recorded as services are provided.

(R) FINANCIAL INSTRUMENTS AND DERIVATIVES

Financial instruments and derivatives are accounted for, presented, and disclosed in accordance with IFRS 7 – Financial Instruments: Disclosures, IFRS 9 and IAS 32. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

Financial assets are classified and measured on the basis of the Trust's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. As such, after initial recognition, financial assets are classified and measured based on three categories: (i) amortized cost, (ii) fair value through other comprehensive income (FVTOCI), or (iii) fair value through profit and loss (FVTPL). The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Financial assets are classified as at FVTPL when the financial asset either is held for trading or is designated as at FVTPL. Financial assets categories are defined and measured as follows:

Classification	Definition	Measurement
Amortized cost	Debt instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Measured at amortized cost using the effective interest rate method less any expected credit loss. [(1) (2)]
FVTOCI	Debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Stated at fair value, with gains or losses arising on measurement recognized in other comprehensive income (loss).
FVTPL	Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments or debt instruments which do not meet the amortized cost or FVTOCI definitions.	Measured at fair value, with gains or losses recognized in profit or loss.

(1) The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(2) Financial assets, other than those at FVTPL, are required to use an expected credit loss impairment model. The expected credit loss model requires the Trust to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in the credit risk since initial recognition of the financial asset. It results in an allowance for estimated credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

Boardwalk REIT's financial assets are as follows:

Financial Asset	Classification and Measurement
Investment in private technology venture fund	FVTPL
Mortgage receivable	FVTPL
Trade and other receivables	Amortized cost
Segregated tenants' security deposits	Amortized cost
Cash and cash equivalents	Amortized cost

The Trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial Liabilities and Equity

Debt and equity instruments issued are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recognized at the proceeds received, net of direct issue costs. Repurchase of Boardwalk REIT's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Trust's own equity instruments. Distributions paid on the Trust's equity instruments subsequent to, declared prior to, and with a record date at or prior to, the reporting date, are recorded as a liability.

Financial liabilities are classified and measured as either amortized cost or FVTPL. Financial liabilities categories are defined and measured as follows:

Classification	Definition	Measurement
FVTPL	Classified as FVTPL when the financial liability is either held for trading or it is designated as at FVTPL as discussed below:	
	Classified as held for trading if: it has been acquired principally for the purpose of repurchasing it in the near term; or, on initial recognition, it is part of a portfolio of identified financial instruments that the Trust manages together and has a recent actual pattern of short-term profit taking; or, it is a derivative that is not designated and effective as a hedging instrument.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
	Classified as FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group which is managed and its performance is evaluated on a fair value basis; or it forms part of a contract containing one or more embedded derivatives.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
Amortized cost	All other liabilities.	Measured at amortized cost using the effective interest method. [(1)]

(1) The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Boardwalk REIT's financial liabilities are as follows:

Financial Liability	Classification and Measurement
Mortgages payable	Amortized cost
LP Class B Units	FVTPL
Construction loan payable	Amortized cost
Deferred unit-based compensation	FVTPL
Refundable tenants' security deposits	Amortized cost
Trade and other payables	Amortized cost

The Trust derecognizes a financial liability when, and only when, the Trust's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivatives

The Trust may enter into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps and bond forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives embedded in host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contracts and the host contracts are not measured at FVTPL. For the years ended December 31, 2021 and 2020, the Trust had no embedded derivatives requiring separate recognition.

(S) CASH AND CASH EQUIVALENTS

Cash is comprised of bank balances, interest-earning bank accounts, and term deposits with maturities of 90 days or less.

(T) CRITICAL JUDGMENT IN APPLYING ACCOUNTING POLICIES

The following are the critical judgments, apart from those involving estimations (see NOTE 2(u) below), that have been made in applying the Trust's accounting policies and that have the most significant effect on the reported amounts in the consolidated financial statements:

(i) Income Taxes

The Trust applies judgment in determining the tax rates applicable to its corporate subsidiaries and identifying the temporary differences in each of such legal subsidiaries in respect of which deferred income taxes are recognized. Deferred taxes related to temporary differences arising from its corporate subsidiaries are measured based on the tax rates that are expected to apply in the year when the asset is realized or the liability is settled. Temporary differences are differences that are expected to reverse in the future and arise from differences between accounting and tax asset values.

(ii) Investment Property and Internal Capital Program

The Trust's accounting policy relating to investment property is described in NOTE 2(f) above. In applying this policy, judgment is applied in determining the extent and frequency of utilizing independent, third-party appraisals to measure the fair value of the Trust's investment property. Additionally, judgment is applied in determining the appropriate classes of investment properties in order to measure fair value. The Trust also undertakes internal capital improvements and upgrades. Such work is specifically identified, and the Trust applies judgment in the estimated amount of directly attributable on-site wages to be allocated to capital improvements and upgrades of its real estate assets.

(iii) Interest in Joint Operations, Associates, and Joint Ventures

When determining the appropriate basis of accounting for the Trust's investees, the Trust makes judgement about the degree of influence that Boardwalk REIT exerts directly or through an arrangement over the investee's relevant activities. This may include the ability to elect investee directors, appoint management, or influence key decisions. Judgement is also required in determining whether or not an arrangement is a joint operation or joint venture.

(U) KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Below are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results could differ from estimates.

In addition, beginning in 2020, the COVID-19 pandemic has had a substantial impact on the Canadian economy. As a result of the uncertainty associated with the unprecedented nature of the COVID-19 pandemic, some of the Trust's significant judgements were impacted. Specifically, significant judgement was required when measuring the Trust's investment properties which are carried at fair value using assumptions based on market conditions, which currently have limited long-term visibility. The full long-term impact of COVID-19 pandemic on the valuation of investment properties remains unknown. Furthermore, judgement was required in assessing the collectability of any outstanding tenant receivable balances and the consideration of applying an allowance for estimated credit losses to these balances, and one was not applied. In response to the spread of the virus, provincial governments initially limited landlord's ability to evict tenants for the non-payment of rent but have since lifted this regulation. Social (physical) distancing actions resulted in the temporary closure of many businesses, which has had a significant impact on unemployment rates across Canada and may adversely impact resident's ability to pay rent, with the long-term impact being unknown.

(i) Investment Properties

The choice of valuation method for fair valuing and the critical estimates and assumptions underlying the fair value determination of investment properties are set out in NOTE 4. Significant estimates used in determining the fair value of the Trust's investment properties includes capitalization rates and net operating income (which is influenced by market inflation rates, vacancy rates, and standard costs) used in the overall capitalization rate valuation method as well as discount rates and forecasted cash flows used in the discounted cash flow valuation method. A change to any one of these inputs could significantly alter the fair value of an investment property. Please refer to NOTE 4 for sensitivity analysis.

(ii) Property, Plant And Equipment

The useful economic life of property, plant and equipment for the purposes of calculating depreciation and amortization, as disclosed in NOTE 5, and forecasts of economic factors to determine recoverable amounts for the purpose of determining any impairment of assets, are based on data and information from various sources including industry practice and entity specific history.

(iii) Internal Capital Program

The Trust's internal capital program is based on internal allocations, including parts, supplies, and on-site wages identified as part of a specific upgrade or capital improvement. Elements included under the internal capital program are capitalized to investment properties.

(iv) Utility Accrual

The amount of utility accrual for charges related to the current or prior year is based on estimates of usage and price for the time period in which invoices have not been received from the utility providers.

(v) Deferred Taxes

The amount of the temporary differences between the accounting carrying value of the Trust's assets and liabilities held in various corporate subsidiaries versus the tax bases of those assets and liabilities and the tax rates at which the differences will be realized are outlined in NOTE 19.

Note 3: Future Accounting Policies

The following accounting standards under IFRS have been issued or revised; however, they are not yet effective, and, as such, have not been applied to these consolidated financial statements:

New or Amended Standards	Summary of Requirements	Possible Impact on Consolidated Financial Statements
IFRS 3 – Business Combinations	The amendment updates reference to the Conceptual Framework. Specifically, the standard is updated to refer to the 2018 Conceptual Framework instead of the 1989 Framework; a new requirement is added that, for transactions and other events within the scope of IAS 37 or interpretations of the IFRS Committee ("IFRIC") 21 – Levies, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and the addition of an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendment applied prospectively and is effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.	The Trust does not expect this amendment to have any impact on its consolidated financial statements.
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investor's interests in that associate or joint venture. The effective date of the amendments has yet to be set, however, earlier application is permitted.	The Trust is assessing the potential impact but does not expect any significant impact.
IAS 1 – Presentation of Financial Statements	The amendment deals with the presentation of liabilities, not the amount or timing of recognition, or disclosure. Specifically, the amendment clarifies the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendment is effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively, with earlier application permitted.	The Trust is assessing the potential impact but does not expect any significant impact.

New or Amended Standards	Summary of Requirements	Possible Impact on Consolidated Financial Statements
IAS 16 – Property, Plant and Equipment	The amendment covers proceeds from selling items produced from property, plant and equipment before its intended use. Specifically, the amendment to the standard prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is applied retrospectively and is effective for annual periods beginning on or after January 1, 2022. Early application is permitted.	The Trust does not expect this amendment to have any impact on its consolidated financial statements.
IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	The amendment clarifies what costs an entity considers in assessing whether a contract is onerous. Specifically, the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendment is applied prospectively to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments or after the first reporting period beginning on or after January 1, 2022.	The Trust is assessing the potential impact but does not expect any significant impact.
2018-2020 Cycle		
IFRS 9 – Financial Instruments	The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability when there is an exchange between an existing borrower and lender of debt instruments with substantially different terms or similarly when a substantial modification of the terms of an existing financial liability or a part of it occurs. Specifically, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively and is effective for annual reporting periods beginning on or after January 1, 2022.	The Trust does not expect this amendment to have any impact on its consolidated financial statements.

Note 4: Investment Properties

As at	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Balance, beginning of year	$ 5,948,955	$ 6,147,482
Additions		
Building acquisitions	72,316	81,389
Building improvements (incl. internal capital program)	121,492	108,653
Development of investment properties (1)	10,511	32,906
Dispositions	(64,174)	(38,504)
Fair value gains (losses), unrealized	403,869	(382,971)
Balance, end of year	$ 6,492,969	$ 5,948,955

As at	Dec. 31, 2021	Dec. 31, 2020
Fair value of investment properties, before buildings valued at Level 2 inputs, right-of-use assets, and developments	$ 6,309,079	$ 5,746,471
Buildings valued at Level 2 inputs	72,316	81,389
Fair value, right-of-use assets (IFRS 16 – Leases)	76,092	77,635
Revenue producing properties	6,457,487	5,905,495
Properties under development (2)	35,482	43,460
Total	$ 6,492,969	$ 5,948,955

(1) On February 1, 2021, and on September 1, 2020, and November 2, 2020, the Trust purchased adjacent parcels of land in Victoria, British Columbia, for a purchase price of $1.9 million, $3.1 million, and $9.8 million, respectively. In addition, on November 23, 2020, the Trust purchased an additional parcel of land in Victoria, British Columbia, for a purchase price of $14.0 million. The acquisitions were funded with cash on hand and are planned for two separate development projects of new rental units.

(2) On February 21, 2020, a 162-unit development project in Calgary, Alberta (where the Trust owns 50%), with costs totaling $36.5 million was transferred from development to revenue producing properties.

On April 19, 2021, the Trust acquired a property in Victoria, British Columbia. The property is comprised of 114 units and was purchased for $48.2 million. The acquisition was funded with mortgage financing of $32.0 million and cash on hand of $16.2 million.

On April 16, 2021, the Trust acquired a property in Banff, Alberta. The property is comprised of 81 units and was purchased using cash on hand for $24.1 million.

On September 28, 2020, the Trust acquired a portfolio of four properties in Southwestern Ontario, located in the markets of Kitchener, Waterloo, and Cambridge. The portfolio is comprised of 226 units and was purchased for $64.6 million. The acquisition was funded with cash on hand and the assumption of a mortgage for $7.0 million.

On August 27, 2020, the Trust purchased a property in Cambridge, Ontario. The property is comprised of 56 units and was purchased for $16.8 million. The acquisition was funded with cash on hand and the assumption of a mortgage for $9.1 million.

Building Acquisitions	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Purchase price	$ 72,000	$ 79,200
Transaction costs	316	2,189
Total	$ 72,316	$ 81,389
Allocation of fair value to investment properties	$ 72,316	$ 81,389
Multi-family units acquired	195	282

Purchase price	$ 72,000	79,200
Transaction costs	316	2,189
Proceeds from mortgage financing	(32,000)	-
Mortgage financing assumed	-	(16,060)
Net cash paid	$ 40,316	$ 65,329

Please refer to NOTE 24 for details on the Trust's dispositions in fiscal 2021 and 2020.

Subsequent to initial recognition at cost, investment properties are recorded at fair value in accordance with IAS 40. Fair value is determined based on a combination of internal and external processes and valuation techniques. Fair value under IFRS is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment properties are valued on a highest and best use basis. For all of the Trust's investment properties, the current use is considered to be the highest and best use. For the year ended December 31, 2021, there has been no change to the valuation techniques.

In determining the appropriate classes of investment properties in order to determine the fair value measurement, the Trust has considered the nature, characteristics, and risk of its properties. The classification of investment properties is based primarily on the geographical location of the asset, with the exception of properties situated on land leases. Below is a continuity schedule based on investment property classes:

	Year Ended December 31, 2021						
	Balance, Beginning of Year	Building Acquisitions	Improvements to Investment Properties	Development of Investment Properties	Dispositions (NOTE 24)	Fair Value Gains (Losses)	Balance, End of Year
Recurring measurements Investment properties							
Calgary	$1,316,253	$ -	$ 17,486	$ 11	$ -	$ 103,939	$1,437,689
Edmonton	2,165,320	-	44,234	-	(21,005)	53,811	2,242,360
Other Alberta	278,647	24,113	7,252	-	-	(2,955)	307,057
Victoria	27,883	48,203	32	2,828	-	(32)	78,914
Brampton	1,916	-	-	1,170	-	-	3,086
Cambridge	29,550	-	285	-	-	3,083	32,918
Kitchener	103,260	-	2,961	-	-	13,729	119,950
London	407,868	-	7,951	-	-	62,710	478,529
Mississauga	11,993	-	-	6,496	(18,202)	(287)	-
Waterloo	17,194	-	160	-	-	1,516	18,870
Montreal	120,882	-	3,433	-	-	14,543	138,858
Quebec City	209,380	-	10,560	-	-	14,094	234,034
Regina	294,908	-	7,666	6	-	19,497	322,077
Saskatoon	264,053	-	6,540	-	(24,967)	32,558	278,184
Land leases	699,848	-	12,932	-	-	87,663	800,443
Total	$5,948,955	$ 72,316	$ 121,492	$ 10,511	$ (64,174)	$ 403,869	$6,492,969

	Year Ended December 31, 2020						
	Balance, Beginning of Year	Building Acquisitions	Improvements to Investment Properties	Development of Investment Properties	Dispositions (NOTE 24)	Fair Value (Losses) Gains	Balance, End of Year
Recurring measurements Investment properties							
Calgary	$ 1,413,661	$ -	$ 22,838	$ 3,718	$ -	$ (123,964)	$ 1,316,253
Edmonton	2,314,352	-	43,841	-	-	(192,873)	2,165,320
Other Alberta	297,793	-	7,066	-	-	(26,212)	278,647
Victoria	-	-	-	27,883	-	-	27,883
Brampton	978	-	-	938	-	-	1,916
Cambridge	-	29,550	69	-	-	(69)	29,550
Kitchener	68,200	34,645	1,103	-	-	(688)	103,260
London	407,318	-	5,991	-	-	(5,441)	407,868
Mississauga	11,631	-	-	362	-	-	11,993
Waterloo	-	17,194	31	-	-	(31)	17,194
Montreal	116,351	-	2,828	-	-	1,703	120,882
Quebec City	201,800	-	3,891	-	-	3,689	209,380
Regina	323,440	-	6,306	5	(7,426)	(27,417)	294,908
Saskatoon	269,356	-	7,219	-	-	(12,522)	264,053
Land leases	722,602	-	7,470	-	(31,078)	854	699,848
Total	$ 6,147,482	$ 81,389	$ 108,653	$ 32,906	$ (38,504)	$ (382,971)	$ 5,948,955

Investment properties measured at fair value in the consolidated statements of financial position are categorized by level according to the significance of the inputs used in making the measurements. The levels of inputs are defined as follows:

Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly or indirectly.

Level 3 inputs: Unobservable inputs for the asset or liability.

The Trust's policy is to recognize transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. As at December 31, 2021, all of the Trust's investment properties were Level 3 inputs, except newly acquired buildings within the last year which were Level 2 inputs. For investment properties measured at fair value as at December 31, 2021 and December 31, 2020, there were five investment properties transferred during the third quarter of 2021 from Level 2 into Level 3 fair value measurements. These five investment properties were valued using Level 3 inputs for the third quarter in 2021, as at September 30, 2021, and valued using Level 2 inputs for the second and first quarters in 2021, as at June 30, 2021, and March 31, 2021, as well as at December 31, 2020. The fair value of these five investment properties as at December 31, 2021, totaled $90.6 million and were valued using Level 3 inputs (December 31, 2020 – $81.4 million valued using Level 2 inputs). These five investment properties were previously valued at Level 2 because they were newly acquired buildings and used inputs which were directly observable for these assets, as the fair value was based on a purchase and sale agreement between two willing market participants. Other than these five investment properties, there were no other transfers into or out of Level 3 fair value measurements for investment properties held as at December 31, 2021 and December 31, 2020.

External valuations were obtained from third-party external valuation professionals (the "Appraisers") based on a cross section of properties from different geographical locations and markets across the Trust's rental portfolio as determined by the Trust's management and approved by the Trust's Board of Trustees. The Appraisers are an independent valuation firm not related to the Trust and employ valuation professionals who are members of the Appraisal Institute of Canada and the Ordre des Evaluateurs Agrees du Quebec who have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. External appraisals were obtained as follows:

Date	Number of Properties		Aggregate Fair Value	Percentage of Portfolio as of that Date
December 31, 2021	**4**	**$**	**781,480**	**12.0%**
September 30, 2021	4	$	155,616	2.4%
June 30, 2021	4	$	146,358	2.4%
March 31, 2021	4	$	223,698	3.7%
December 31, 2020	4	$	615,599	10.3%
September 30, 2020	4	$	158,394	2.6%
June 30, 2020	4	$	157,212	2.6%
March 31, 2020	4	$	130,597	2.2%

The fair value of the remainder of the Trust's investment property portfolio was determined internally by the Trust using the same assumptions and valuation techniques used by the Appraisers. In addition to performing a valuation on a selection of the Trust's properties (and not performing a valuation on all of the Trust's properties) to corroborate the Trust's internal valuation, the Appraisers provided the Trust with a summary of the major assumptions and market data by city in order for the Trust to complete its internal valuations. This summary includes the Appraisers' estimates of Capitalization Rates ("Cap Rate") for each region (city) as well as confirmation of the reasonableness of the assumptions used in determining stabilized net operating income ("NOI") used in calculating fair values.

The third-party valuation technique of the Trust's investment property portfolio primarily utilizes the "Overall Capitalization Rate" method. This method requires that a forecasted stabilized NOI for each individual property be divided by a Cap Rate to determine a property's fair value. NOI is calculated as a one-year income forecast based on rental income from current leases and key assumptions about rental income, vacancies and inflation rates, among other factors, less property operating costs. Fair value also considers any forecasted capital expenditures within the year to maintain the property in good condition. Given the short-term nature of residential leases (typically one year), revenue and costs are not discounted. A Cap Rate was also determined for each property based on market information related to the external sale of similar buildings within a similar geographic location. These factors were used to determine the fair value of investment properties at each reporting date.

Four of the Trust's properties: one in Banff, Alberta, one in Edmonton, Alberta, and two in Montreal, Quebec, are subject to long-term land leases and similar arrangements in which the underlying land is owned by a third party and leased to the Trust. Under the terms of a typical land lease, the lessee must pay rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements, including taxes, utilities, insurance, maintenance, repairs and replacements in respect of all the leased premises. Unless the lease term is extended, the land together with all improvements made will revert to the owner of the land upon the expiration of the lease term. Due to the relatively short-term remaining on one of the land leases in Montreal (with an expiry date of 2029), this property utilized the Discounted Cash Flow ("DCF") approach to derive the fair value. The DCF Method calculates the present value of the future cash flows over a specified time period to determine the fair value for each property at each reporting date. The most significant assumption using the DCF method is the discount rate applied over the term of the lease. The discount rate reflects the uncertainty regarding the renegotiation of the land lease payments and the ability to extend the land lease at the expiry date. Forecasted cash flows are reduced for contractual land lease payments during the term of the leases.

The key valuation metrics (and significant unobservable inputs in Level 3) for the Trust's investment properties are set out in the following table:

As at	Dec. 31, 2021			Dec. 31, 2020		
	Capitalization Rate Weighted Average		Forecasted Total Stabilized Net Operating Income	Capitalization Rate Weighted Average		Forecasted Total Stabilized Net Operating Income
Calgary	4.74%	$	68,154	5.00%	$	65,745
Edmonton	5.04%		112,968	5.29%		114,552
Other Alberta	6.44%		18,178	6.47%		17,981
Cambridge	4.00%		1,317	-%		-
Kitchener	4.00%		4,798	4.50%		3,088
London	4.01%		19,176	4.51%		18,385
Waterloo	4.00%		755	-%		-
Montreal	4.73%		6,571	5.04%		6,093
Quebec City	5.00%		11,706	5.44%		11,390
Regina	5.68%		18,279	5.93%		17,471
Saskatoon	5.69%		15,818	5.94%		15,687
	4.97%	$	277,720	5.28%	$	270,392
Land Leases	4.66%	$	33,724	5.18%	$	32,258

The overall weighted average stabilized Cap Rates for measuring the Trust's investment properties at fair value using a forecasted stabilized NOI as at December 31, 2021 and 2020 was 4.94% and 5.27%, respectively.

The Overall Capitalization Rate method requires inputs of both stabilized NOI and Cap Rate to determine a fair value. As such, fluctuations in both NOI and Cap Rates could significantly alter the fair value. Generally, an increase in stabilized NOI will result in an increase to the fair value of an investment property. An increase in Cap Rate will result in a decrease to the fair value of an investment property. When the Cap Rate is applied to NOI to calculate fair value, there is a significant impact as the lower the Cap Rate, the larger the impact. The following tables summarize the impact of changes in both the Cap Rates and forecasted stabilized NOI on the Trust's fair value of investment properties (excluding building acquisitions valued at Level 2 inputs, right-of-use assets, and developments):

As at December 31, 2021		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Cap Rate		$ 302,101	$ 308,330	$ 311,444	$ 314,558	$ 320,787
-0.25%	4.69%	$ 137,191	$ 270,104	$ 336,560	$ 403,017	$ 535,929
Cap Rate As Reported	4.94%	(189,272)	(63,091)	6,309,079	63,091	189,272
+0.25%	5.19%	(484,263)	(364,164)	(304,114)	(244,064)	(123,965)

As at December 31, 2020		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Cap Rate		$ 293,571	$ 299,624	$ 302,650	$ 305,677	$ 311,730
-0.25%	5.02%	$ 105,381	$ 226,038	$ 286,366	$ 346,695	$ 467,352
Cap Rate As Reported	5.27%	(172,394)	(57,465)	5,746,471	57,465	172,394
+0.25%	5.52%	(424,994)	(315,273)	(266,484)	(205,551)	(95,830)

Investment properties with a fair value of $724.4 million (December 31, 2020 – $622.2 million) are situated on land held under land leases.

Investment properties with a fair value of $813.7 million (December 31, 2020 – $762.5 million) are pledged as security against the Trust's committed revolving credit facility. Assets pledged as security for the committed revolving credit facility may also be pledged as security on a structured loan. In addition, investment properties with a fair value of $6.1 billion (December 31, 2020 – $5.7 billion) are pledged as security against the Trust's mortgages payable. As at December 31, 2021, there are no contractual obligations to purchase, construct, or develop investment properties, or for repairs, maintenance, and enhancements, except for the fixed-price contract in place for the construction of the new development project (amenities building) in Regina, Saskatchewan, and the joint venture project to develop two mixed-use towers in Brampton, Ontario (NOTE 6).

For the years ended December 31, 2021 and 2020, investment properties earned rental revenue (including ancillary rental income) of $470.5 million and $465.6 million, respectively. Total rental expenses in relation to investment properties were $196.2 million and $196.4 million for the years ended December 31, 2021 and 2020, respectively.

Note 5: Property, Plant and Equipment

The carrying amounts of PP&E were as follows:

As at	Dec. 31, 2021			Dec. 31, 2020		
	Cost	**Accumulated Depreciation**	**Carrying Amount**	Cost	Accumulated Depreciation	Carrying Amount
Administration building	**$ 6,851**	**$ (4,265)**	**$ 2,586**	$ 6,750	$ (4,045)	$ 2,705
Site equipment and other	**64,666**	**(45,222)**	**19,444**	62,702	(41,076)	21,626
Corporate technology assets	**49,105**	**(41,258)**	**7,847**	45,787	(37,929)	7,858
Total	**$ 120,622**	**$ (90,745)**	**$ 29,877**	$ 115,239	$ (83,050)	$ 32,189

The following table outlines a reconciliation of the carrying amount of PP&E as at December 31, 2021:

	Balance, Beginning of Year	Additions to PP&E	Disposals	Depreciation	Balance, End of Year
Administration building	$ 2,705	$ 102	$ -	$ (221)	$ 2,586
Site equipment and other	21,626	2,140	(72)	(4,250)	19,444
Corporate technology assets (1)	7,858	3,328	(1)	(3,338)	7,847
Total	$ 32,189	$ 5,570	$ (73)	$ (7,809)	$ 29,877

(1) Included in corporate technology assets for the year ended December 31, 2021, was $1.1 million of capitalized programmers' salaries related to the internally developed software applications used by the Trust in the normal course of its operations.

The following table outlines a reconciliation of the carrying amount of PP&E as at December 31, 2020:

	Balance, Beginning of Year	Additions to PP&E	Remove Right-of-use Asset	Disposals	Depreciation	Balance, End of Year
Administration building	$ 2,873	$ 63	$ -	$ -	$ (231)	$ 2,705
Site equipment and other	25,213	3,269	(2,260)	(46)	(4,550	21,626
Corporate technology assets (1)	8,203	3,070	-	(1)	(3,414	7,858
Total	$ 36,289	$ 6,402	$ (2,260)	$ (47)	$ (8,195)	$ 32,189

(1) Included in corporate technology assets for the year ended December 31, 2020, was $0.9 million of capitalized programmers' salaries related to the internally developed software applications used by the Trust in the normal course of its operations.

Note 6: Equity Accounted Investment

On December 19, 2018, the Trust contributed $9.9 million into a limited partnership (with a general partner operating as "Redwalk Brampton Inc.") for a 50% interest in the partnership and the partnership is a joint venture. The principal activity of the partnership is to develop and operate a mixed-use property in Brampton, Ontario.

For the year ended December 31, 2021, the Trust contributed $6.2 million (year ended December 31, 2020 – $9.2 million), resulting in a total investment of $41.1 million as at December 31, 2021. As at December 31, 2021 and 2020, the partnership had the following assets and liabilities:

As at	Dec. 31, 2021	Dec. 31, 2020
Non-current assets	$ 126,593	$ 73,147
Current assets [(1)]	1,387	1,011
Non-current liability	36,393	-
Current liabilities	9,352	4,226

(1) Included in current assets, as at December 31, 2021, is cash of $(0.3) million (December 31, 2020 – $0.3 million).

During the first quarter of 2021, the Trust, in conjunction with its joint venture partner, entered into a $122 million revolving construction facility loan with a third-party financial institution. As at December 31, 2021, $36.4 million has been drawn on this loan, of which Boardwalk's portion is $18.2 million. The facility is interest payable only and has a maturity date of January 31, 2025. The facility bears interest at prime plus 0.25%, or a Bankers' Acceptance stamping fee of 1.23% and a standby fee of 0.15%.

The revolving construction facility loan contains three financial covenants. These covenants are consistent with those found in the credit facility outlined in NOTE 29(d). As at December 31, 2021, the Trust was in compliance with these covenants.

Note 7: Investment in Private Technology Venture Fund

For the year ended December 31, 2021, the Trust contributed $nil (year ended December 31, 2020 – $0.6 million) into a private real estate technology venture fund. For the year ended December 31, 2021, there were no distributions received from this investment. For the year ended December 31, 2020, the Trust received a distribution for $0.2 million from this investment representing a return of capital of $0.1 million and an investment gain of $0.1 million recorded in the consolidated statement of comprehensive income (loss) as other income. As at December 31, 2021, total investment was $2.0 million (December 31, 2020 – $2.0 million). The Trust has committed to contribute an additional USD $0.4 million. As a financial asset, this investment is being carried at fair value through profit and loss. As at December 31, 2021 and 2020, the fair value was equivalent to the contributed capital.

Note 8: Lease Receivable

In 2020, the Trust entered into a sublease for one of the warehouse spaces it carries as a lease obligation.

	Dec. 31, 2021		Dec. 31, 2020	
	Weighted Average Interest	Lease Balance	Weighted Average Interest	Lease Balance
Lease receivable				
Fixed rate	4.13%	$ 964	4.13%	$ 1,616
Total		$ 964		$ 1,616
Current		$ 697		$ 652
Non-current		267		964
		$ 964		$ 1,616

In 2020, upon initial recognition of this lease receivable, the Trust derecognized the right-of-use asset it had recorded as a result of the lease obligation. The difference between the right-of-use asset and the lease receivable of $0.2 million is recorded in the consolidated statement of comprehensive income (loss) as an adjustment to the right-of-use asset related to the lease receivable.

Estimated future principal payments expected to be received for the lease receivable as at December 31, 2021 are as follows:

		Amount
12 months ending December 31, 2022	$	697
12 months ending December 31, 2023		267
	$	964

Note 9: Prepaid Assets

The major components of prepaid assets are as follows:

As at		**Dec. 31, 2021**		Dec. 31, 2020
Prepaid property taxes	**$**	**380**	$	363
Prepaid land leases		**2,856**		2,856
Prepaid expenses and other		**3,242**		2,965
	$	**6,478**	$	6,184

Note 10: Trade and Other Receivables

Trade and other receivables consist mainly of mortgage holdbacks, refundable mortgage fees, and amounts owed to Boardwalk REIT by tenants, insurers, and revenue-sharing business partners.

As at		**Dec. 31, 2021**		Dec. 31, 2020
Trade and other receivables	**$**	**1,863**	$	2,395
Receivable from insurers		**3,774**		8,779
Refundable mortgage fees		**518**		-
	$	**6,155**	$	11,174

Refer to NOTE 29(b) for the Trust's exposure to credit risk in relation to its trade and other receivables and how the Trust accounts for past due balances.

Note 11: Segregated Tenants' Security Deposits

Segregated tenants' security deposits are considered restricted cash as they are held in trust bank accounts and subject to the contingent rights of third parties. Restricted cash and deposits totaled $7.8 million at December 31, 2021 and $7.6 million at December 31, 2020.

Note 12: Cash and Cash Equivalents

Cash and cash equivalents include cash of $64.3 million and term deposits with maturities of 90 days or less of $nil (December 31, 2020 – cash of $38.0 million and term deposits of $15.0 million).

Note 13: Mortgages Payable

As at	Dec. 31, 2021		Dec. 31, 2020	
	Weighted Average Interest	Debt Balance	Weighted Average Interest	Debt Balance
Mortgages payable				
Fixed rate	2.46%	$ 2,978,437	2.58%	$ 2,896,790
Total		$ 2,978,437		$ 2,896,790
Current		$ 507,423		$ 444,109
Non-current		2,471,014		2,452,681
		$ 2,978,437		$ 2,896,790

Estimated future principal payments required to meet mortgage obligations as at December 31, 2021 are as follows:

	Secured By Investment Properties
12 months ending December 31, 2022	$ 507,423
12 months ending December 31, 2023	416,451
12 months ending December 31, 2024	377,919
12 months ending December 31, 2025	538,838
12 months ending December 31, 2026	515,906
Subsequent	732,441
Total mortgage principal outstanding	3,088,978
Unamortized deferred financing costs	(110,855)
Unamortized market debt adjustments	314
	$ 2,978,437

Canada Mortgage and Housing Corporation ("CMHC") provides mortgage loan insurance in connection with mortgages made to Boardwalk REIT. In an agreement dated September 13, 2002, and as amended and restated on various dates between January 19, 2005 and April 22, 2021, the Trust agreed to provide certain financial information to CMHC and be subject to certain restrictive covenants, including limitation on additional debt, payment of distributions in respect of Unitholders' capital in the event of default, and maintenance of certain financial ratios. In the event of default, the Trust's total financial liability under this Agreement is limited to a one-time penalty payment of $250,000 under a Letter of Credit issued in favor of CMHC. This agreement has been extended to April 25, 2023.

During the years ended December 31, 2021 and 2020, the Trust had a committed revolving credit facility with a major financial institution. This credit facility is secured by a first or second mortgage charge on specific real estate assets. The maximum amount available varies with the value of pledged assets to a maximum not to exceed $200 million and an available limit of $200 million as at December 31, 2021 (December 31, 2020 – $200 million). The credit facility requires monthly interest payments and is renewable annually subject to the mutual consent of the lender and the Trust. This credit facility currently has a maturity date of July 25, 2026. In the event the committed revolving credit facility is not extended, the drawn-down principal would be due on the maturity date of the credit agreement.

There was no amount outstanding at December 31, 2021 (December 31, 2020 – $nil) under this facility, except for Letters of Credit ("LCs") issued and outstanding. The LCs totaled $0.3 million as at December 31, 2021 (December 31, 2020 – $0.3 million). As such, approximately $199.7 million was unused and available from this facility on December 31, 2021 (December 31, 2020 – $199.7 million). The credit facility carries interest rates ranging from prime to prime plus 1.0% per annum and has no fixed terms of repayment. The covenants in relation to the credit facility are discussed in NOTE 29(d).

Note 14: LP Class B Units

The Class B Limited Partnership Units ("LP Class B Units"), as defined in NOTE 21, representing an aggregate fair value of $245.4 million at December 31, 2021 (December 31, 2020 – $151.0 million), are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Trust Units at any time at the option of the holder. Prior to such exchange, distributions will be made on these exchangeable units in an amount equivalent to the distributions which would have been made had the units been exchanged for Trust Units. Each LP Class B Unit is accompanied by a Special Voting Unit, which entitles the holder to receive notice of, attend, and vote at all meetings of Unitholders. There is no value assigned to the Special Voting Units. The LP Class B Units have been classified as "FVTPL" financial liabilities in accordance with IFRS 9. Gains or losses resulting from changes in the fair value at each reporting date are recorded in the consolidated statement of comprehensive income (loss) and are included in NOTE 25.

As at December 31, 2021 and December 31, 2020, there were 4,475,000 LP Class B Units issued and outstanding.

Note 15: Lease liabilities

As lessee, the Trust leases several assets which are secured by the lessor's title to the leased assets for such leases. The following represents the major type of leases the Trust maintains as lessee:

(i) Land Leases

The Trust has entered into non-cancellable land leases for land related to four of its properties, which sit on land that is not owned by the Trust. Approximate remaining terms of the Trust's land leases range from 3 to 74 years as at December 31, 2021. Two of the land leases provide for annual rent.

(ii) Warehouse and Office Space Leases

The Trust has entered into lease agreements for warehouse and some office and data centre space it utilizes but does not own. All of the leasing arrangements related to warehouse space are for one to four years.

As at	**Dec. 31, 2021**			Dec. 31, 2020		
	Weighted Average Interest		**Lease Balance**	Weighted Average Interest		Balance
Lease liabilities						
Fixed rate	**3.23%**	**$**	**80,091**	3.26%	$	83,872
Total		**$**	**80,091**		$	83,872
Current		**$**	**3,909**		$	3,842
Non-current			**76,182**			80,030
		$	**80,091**		$	83,872

Estimated future principal payments required to meet lease liabilities as at December 31, 2021 are as follows:

		Amount
12 months ending December 31, 2022	$	3,909
12 months ending December 31, 2023		2,722
12 months ending December 31, 2024		2,142
12 months ending December 31, 2025		1,875
12 months ending December 31, 2026		1,795
Subsequent		67,648
Total lease liabilities	$	80,091

The Trust had a land lease attributable to a property that was sold on June 25, 2020 (NOTE 24). Under this land lease, the Trust made variable payments not linked to an index and, as such, these variable payments were excluded from lease liabilities and included in operating expense. During 2020, up until the date the property was sold, variable lease payments related to this land lease and included under operating expenses totaled $0.3 million.

In addition, the Trust has short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Trust recognizes the lease payments as an operating expense or applied against ancillary revenue. For the year ended December 31, 2021, lease payments on short-term leases or leases of low value assets totaled $2.0 million (year ended December 31, 2020 – $2.1 million).

Note 16: Construction Loan Payable

During 2019, the Trust, in conjunction with its joint operation partner, entered into a $50 million revolving construction facility loan with a third-party financial institution. To date, $42.4 million has been drawn on this loan, of which Boardwalk's portion is $21.2 million. The facility is interest payable only and has a maturity date of January 31, 2022. The facility bears interest at prime plus 0.05%, or a Bankers' Acceptance interest rate of 1.97%, a Bankers' Acceptance stamping fee of 1.05% and a standby fee of 0.21%.

The revolving construction facility loan contains two financial covenants. These covenants are consistent with those found in the credit facility outlined in NOTE 29(d). The applicable covenants are those discussed in NOTE 29(d)(i) and NOTE 29(d)(iii). As at December 31, 2021, the Trust was in compliance with these covenants.

Note 17: Deferred Unit-based Compensation

Deferred unit-based compensation is comprised of the following:

As at	Dec. 31, 2021	Dec. 31, 2020
Current	$ 2,328	$ 973
Non-current	4,660	2,242
	$ 6,988	$ 3,215

The total of $7.0 million represents the fair value of the underlying deferred units at December 31, 2021 (December 31, 2020 – $3.2 million). These units have been classified as "FVTPL" financial liabilities in accordance with IFRS 9. Gains or losses resulting from changes in the fair value at each reporting date are recorded in the consolidated statement of comprehensive income (loss) and are included in NOTE 25.

DETAILS OF THE DEFERRED UNIT-BASED COMPENSATION PLAN

During 2006, the Trust implemented a deferred unit-based compensation plan. The plan entitles the Board of Trustees, executives and leaders, at the participant's option, to receive deferred units in consideration for trustee fees or a portion of executive cash bonuses, respectively, with the Trust matching the number of units received. The deferred units in consideration for trustee fees or a portion of executive cash bonuses vest immediately while the matching number of units received vest 50% on the third anniversary and 25% on each of the fourth and fifth anniversaries, subject to provisions for earlier vesting in certain events. The deferred units earn additional deferred units for the distributions that would otherwise have been paid on the deferred units (i.e. had they instead been issued as Trust Units on the date of grant). Once vested, participants are entitled to receive an equivalent number of Trust Units representing the vesting deferred units and the corresponding additional deferred units. Cash is granted for any fractional units. The deferred unit plan was approved by Unitholders on May 10, 2006 and was most recently amended on February 26, 2020.

As at December 31, 2021 and 2020, the deferred units outstanding, in whole or in part, were granted as follows:

Deferred Units Granted in	Number	Grant Date	Fair Value at Grant Date	Vesting Date	Deferred Units Outstanding
2015	55,236	February, June & December 2015	$ 3,094	February, June & December 2020	2,189
2016	63,697	February, June & December 2016	3,065	February, June & December 2021	5,330
2017	34,858	June & December 2017	1,614	June & December 2022	10,165
2018	41,238	June & December 2018	1,771	June & December 2023	16,131
2019	51,692	March, June & December 2019	2,188	March, June & December 2024	25,343
2020	117,618	March, June & December 2020	4,454	March, June & December 2025	86,071
2021	65,270	March, June & December 2021	2,676	March, June & December 2026	60,966
			$ 18,862		206,195
Additional deferred units earned on units					10,559
					216,754

The initial cost of the deferred unit-based transactions is determined, in accordance with IFRS 2 – Share-based Payments, as the fair value of the units on the grant date. The fair value of each unit granted is determined based on the weighted average observable closing market prices of Boardwalk REIT's Trusts Units ten trading days preceding the grant date. This initial cost of deferred units in consideration for trustee fees or a portion of executive cash bonuses is expensed immediately while the cost of the matching deferred units is generally expensed over the vesting period as follows, unless earlier vesting is triggered in certain events:

One third of the 50%, which vests in year 3, is recognized in each of years 1, 2, and 3.

One quarter of the 25%, which vests in year 4, is recognized in each of years 1, 2, 3, and 4.

One fifth of the 25%, which vests in year 5, is recognized in each of years 1, 2, 3, 4, and 5.

The status of the outstanding deferred units was as follows:

	# of Units Outstanding	# of Units Vested
Balance, December 31, 2019	143,888	7,678
Deferred units granted	117,618	88,261
Additional deferred units earned on units	4,623	5,555
Deferred units forfeited	(1,838)	-
Deferred units converted to Trust Units or cash	(87,660)	(87,660)
Balance, December 31, 2020	176,631	13,834
Deferred units granted	65,270	34,002
Additional deferred units earned on units	4,716	5,271
Deferred units forfeited	(3,280)	-
Deferred units converted to Trust Units or cash	(26,583)	(26,583)
Balance, December 31, 2021	**216,754**	**26,524**

For the year ended December 31, 2021, total costs of $2.4 million (year ended December 31, 2020 – $3.3 million) were recorded in expenses related to executive bonuses, leader bonuses, and trustee fees under the deferred unit plan.

Note 18: Trade and Other Payables

The components of the Trust's accounts payable and accrued liabilities are as follows:

As at	Dec. 31, 2021	Dec. 31, 2020
Trade payables and accrued liabilities	$ 50,079	$ 49,923
Distribution payable	4,221	4,255
Provisions	5,473	5,383
	$ 59,773	$ 59,561

As at December 31, 2021 and 2020, the Trust's most significant provision relates to vacation payable to its employees within each employee's individual employment agreement.

Note 19: Income taxes

CURRENT INCOME TAX

For the year ended December 31, 2021 and 2020, none of the Trust's corporate entities had current tax expense. As such, none of current income tax expense was recorded for the Trust's corporate entities for the year ended December 31, 2021 (year ended December 31, 2020 – $nil). All other corporate entities either have sufficient tax deductions to offset any taxable income or have operating losses from previous years to apply against any taxable income.

DEFERRED INCOME TAX

For fiscal 2021 and 2020, Boardwalk REIT is a "mutual fund trust" as defined under the Tax Act and as a REIT is eligible for the "REIT Exemption" in accordance with the rules affecting the tax treatment of publicly traded trusts. Accordingly, the Trust is not taxable on its income provided all of its taxable income is distributed to Unitholders. This exemption, however, does not extend to the corporate subsidiaries of Boardwalk REIT that are subject to income tax.

The sources of deferred tax balances and movements were as follows:

As at	Dec. 31, 2020	Recognized in Profit	Dec. 31, 2021
Deferred tax assets (liabilities) related to:			
Operating losses	$ 825	$ 108	$ 933
Differences in tax base and carrying amount, net, investment properties and PP&E for corporate entities	-	-	-
Other	(2)	2	-
Net deferred tax assets	$ 823	$ 110	$ 933
Deferred tax assets	$ 825	$ 108	$ 933
Deferred tax liabilities	(2)	2	-
Net deferred tax assets	$ 823	$ 110	$ 933

As at	Dec. 31, 2019	Recognized in Profit	Dec. 31, 2020
Deferred tax assets (liabilities) related to:			
Operating losses	$ 751	$ 74	$ 825
Differences in tax base and carrying amount, net, investment properties and PP&E for corporate entities	-	-	-
Other	-	(2)	(2)
Net deferred tax assets	$ 751	$ 72	$ 823
Deferred tax assets	$ 751	$ 74	$ 825
Deferred tax liabilities	-	(2)	(2)
Net deferred tax assets	$ 751	$ 72	$ 823

No current income taxes or deferred income taxes were recognized in equity, other than through profit or other comprehensive income, for the years ended December 31, 2021 and 2020.

As at December 31, 2021, wholly-owned Canadian corporate subsidiaries have deferred tax assets of $0.9 million (December 31, 2020 – $0.8 million) related to operating losses, which expire over the next 11 to 19 years. The Trust believes that the future income of these entities will be sufficient to utilize these deferred tax assets prior to their expiration.

The major components of income tax recovery include the following:

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Current tax expense	**$ -**	$ -
Deferred tax recovery	**(110)**	(72)
Total income tax recovery	**$ (110)**	$ (72)

The income tax recovery for the year can be reconciled to the accounting profit as follows:

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Profit (loss) before income tax	**$ 446,157**	$ (197,351)
Remove (profit) loss from non-taxable entities	**(396,156)**	247,004
Accounting profit subject to tax	**50,001**	49,653
Deduct management fee charged to corporate entities	**(50,224)**	(49,442)
Taxable (loss) profit	**(223)**	211
Weighted average substantively enacted tax rate	**26.48%**	26.51%
Calculated income tax (recovery) expense	**(59)**	56
Changes to other deferred tax liabilities	**(51)**	(128)
Total income tax recovery	**$ (110)**	$ (72)

Note 20: Deferred Government Grant

In December 2013, the Trust received a government grant from the Province of Alberta totaling $7.5 million related to a 109-unit property the Trust developed in Calgary, Alberta (the "Development"). In return for this grant, the Trust has agreed to provide 54 of the 109 units at rents to be 10% below the average market rates for Calgary ("affordable units") for a term of 20 years.

Since the $7.5 million grant did not exceed 65% of the contracted construction costs of the Development, including land value, attributable to the affordable units, no amount of the grant required immediate repayment to the government. However, a portion of the grant is repayable to the Province of Alberta, in proportion to the years remaining in the 20-year term, if the agreement to provide affordable units terminates earlier.

This grant is being recognized to rental revenue on a systematic basis over the periods in which the Trust recognizes revenue from the 54 units classified as affordable units.

Note 21: Unitholders' Equity

The Plan of Arrangement (the "Arrangement") converting the Corporation to a real estate investment trust was completed on May 3, 2004. Under the Arrangement, the former shareholders of the Corporation received Boardwalk REIT Trust Units or LP Class B Units of a controlled limited partnership of the Trust, Boardwalk REIT Limited Partnership. The interests in Boardwalk REIT are represented by two classes of units: a class described and designated as "Trust Units" and a class described and designated as "Special Voting Units". The LP Class B Units are classified as a financial liability and are discussed in NOTE 14.

(A) TRUST UNITS

Trust Units represent an undivided beneficial interest in Boardwalk REIT and in distributions made by Boardwalk REIT. The Trust Units are freely transferable, subject to applicable securities regulatory requirements. Each Trust Unit entitles the holder to one vote at all meetings of Unitholders. Except as set out under the redemption rights below, the Trust Units have no conversion, retraction, redemption or pre-emptive rights.

Trust Units are redeemable at any time, in whole or in part, on demand by the holders. Upon receipt by Boardwalk REIT of a written redemption notice and other documents that may be required, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder shall be entitled to receive a price per Trust Unit equal to the lesser of:

i) 90% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the twenty-day period ending on the trading day prior to the day on which the Trust Units were surrendered to Boardwalk REIT for redemption; and,

ii) 100% of the "closing market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading on the redemption date.

The DOT authorizes Boardwalk REIT to issue an unlimited number of Trust Units for the consideration and on terms and conditions established by the Board of Trustees without the approval of any Unitholders.

The Trust has the following capital securities outstanding:

As at	**Dec. 31, 2021**		Dec. 31, 2020	
	Units	**Amount**	Units	Amount
Trust Units outstanding, beginning of year	**46,548,948**	**$ 202,512**	46,461,293	$ 200,268
Units issued for vested deferred units	**26,564**	**1,064**	87,655	2,244
Units purchased and cancelled	**(438,400)**	**(3,882)**	-	-
Distribution in Units	**273,474**	**14,995**	-	-
Consolidation of Units	**(273,474)**	**-**	-	-
Trust Units outstanding, end of year	**46,137,112**	**$ 214,689**	46,548,948	$ 202,512

On a periodic basis, Boardwalk REIT will apply to the Toronto Stock Exchange ("TSX") for approval of Normal Course Issuer Bids (the "Bids"). Pursuant to regulations of these Bids, Boardwalk REIT will receive approval to purchase and cancel a specified number of Trust Units, representing 10% of the public float of its Trust Units at the time of the TSX approval. The Bids will terminate on the earlier of the termination date or at such time as the purchases under the Bid are completed.

On November 18, 2021, Boardwalk REIT requested and received regulatory approval for a Normal Course Issuer Bid (a "Bid), which commenced on November 22, 2021 and terminates on November 21, 2022. The Bid allows Boardwalk REIT to purchase and cancel up to 3,780,351 Trust Units.

For the year ended December 31, 2021, Boardwalk REIT purchased and cancelled the following Trust Units:

Year Ended December 31, 2021		
Number of Trust Units Purchased and Cancelled	**Purchase Cost**	**Cost per Trust Unit**
438,400	**$ 24,049**	**$ 54.85**

For the year ended December 31, 2020, Boardwalk REIT did not have a normal course issuer bid in place and did not purchase and cancel any Trust Units.

Since the Trust began utilizing normal course issuer bids in 2007, Boardwalk REIT has purchased and cancelled 6,860,047 Trust Units at a total purchase cost of $296.0 million, or an average cost of $43.14 per Trust Unit.

Distribution in Trust Units and Consolidation of Trust Units

As a result of the increase in taxable income generated primarily from sale transactions in the year ended December 31, 2021, the Board declared a special non-cash distribution on December 31, 2021, of 273,474 Trust Units at $0.325 per Trust Unit totaling $15.0 million (December 31, 2020 – $nil).

Immediately following the issuance of Trust Units, the Trust Units were consolidated such that each Unitholder held the same number of Trust Units after the consolidation as each Unitholder held prior to the special non-cash distribution. As at December 31, 2021, the special distribution declared was recorded to Trust Units in accordance with IAS 32.

(B) SPECIAL VOTING UNITS

The Declaration of Trust provides for the issuance of an unlimited number of Special Voting Units that will be used to provide voting rights to holders of LP Class B Units or other securities that are, directly or indirectly, exchangeable for Trust Units. Each Special Voting Unit entitles the holder to the number of votes at any meeting of Unitholders, which is equal to the number of Trust Units that may be obtained upon surrender of the LP Class B Units or other securities to which the Special Voting Unit relates. The Special Voting Units do not entitle or give any rights to the holders to receive distributions or any amount upon liquidation, dissolution or winding-up of Boardwalk REIT.

In summary, the Trust has the following capital securities outstanding:

	Units Outstanding Dec. 31, 2021	**Monthly Distribution**	Units Outstanding Dec. 31, 2020	Monthly Distribution
Boardwalk REIT Trust Units	**46,137,112**	**$0.0834/unit**	46,548,948	$0.0834/unit
Special Voting Units	**4,475,000**	**N/A**	4,475,000	N/A

Distributions

Monthly distributions and special distributions are determined at the discretion of the Board of Trustees, however the total income distributed will not be less than the amount necessary to ensure the Trust will not be liable to pay income taxes under the Tax Act. The taxable income allocated to the Unitholders and holders of LP Class B Units may vary in certain taxation years. Over time, such differences, in aggregate, are expected to be minimal.

For the year ended December 31, 2021, the Trust declared cash distributions of $1.00 per Unit or $46.6 million (year ended December 31, 2020 – $1.00 per Unit or $46.6 million). The Board of Trustees declares distributions to be paid on, or about, the 15th of the month following the record date. Distributions to be paid on the Boardwalk REIT Trust Units with a record date of January 31, 2022 (to be paid on February 15, 2022) totaled $3.8 million ($0.0834 per unit) and have not been included as a liability in the consolidated statement of financial position as at December 31, 2021.

(C) PROFIT (LOSS) PER TRUST UNIT

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Numerator		
Profit (loss) – basic	$ 446,267	$ (197,279)
Distribution declared on LP Class B Units	-	4,479
Gain on fair value adjustments on LP Class B Units	-	(54,550)
Gain on fair value adjustment to unexercised deferred units	-	(169)
Profit (loss) – diluted	$ 446,267	$ (247,519)
Denominator		
Weighted average Trust Units outstanding – basic	46,532,264	46,529,256
Conversion of LP Class B Units	-	4,475,000
Unexercised deferred units	-	5,414
Weighted average Trust Units outstanding – diluted	46,532,264	51,009,670
Profit (loss) per Trust Unit		
– basic	$ 9.59	$ (4.24)
– diluted	$ 9.59	$ (4.85)

All dilutive elements were included in the calculation of diluted per unit amounts. For the year ended December 31, 2021, all items were anti-dilutive as the conversion of the LP Class B Units and the exercise of deferred units would have increased earnings per unit. As such, they were excluded in the calculation of diluted earnings per unit. For the year ended December 31, 2020, both the conversion of LP Class B Units and the exercise of deferred units were dilutive and were included in the calculation of diluted loss per unit.

Note 22: Rental Revenue

As lessor, the Trust leases residential rental properties under operating leases generally with a term of not more than 12 months and in many cases tenants lease rental space on a month-to-month basis. Rental incentives may be offered as part of a rental agreement and the costs associated with these incentives are amortized over the term of the lease and netted against residential rental revenue. Rental revenue represents all revenue earned from the Trust's operating leases, as well as ancillary rental income earned from revenue share service agreements with third parties, and totaled $470.5 million for the year ended December 31, 2021 (year ended December 31, 2020 – $465.6 million).

Rental revenue is comprised of the following:

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Lease revenue	$ 446,841	440,831
Parking revenue	7,928	7,157
Recoveries (cable, retirement) and revenue from telephone and cable providers	8,341	7,097
Revenue from coin laundry machines	4,012	4,189
Other (fees)	3,409	6,298
Total	$ 470,531	$ 465,572

As at December 31, 2021, under its non-cancellable operating leases, Boardwalk REIT was entitled to the following minimum future payments:

	Within 12 months	2 to 5 years	Over 5 years
Operating leases	$ 234,925	$ 12,394	$ 278

Note 23: Financing Costs

Financing costs are comprised of interest on mortgages payable, distributions paid to the holders of LP Class B Units, other interest charges, interest on lease obligations under IFRS 16, and the amortization of deferred financing costs. Financing costs are net of interest income earned, including interest earned on the lease receivable. Financing costs total $89.7 million for the year ended December 31, 2021 (year ended December 31, 2020 – $91.6 million) and can be summarized as follows:

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Interest on secured debt (mortgages payable)	**$ 75,810**	$ 77,962
Interest capitalized to properties under development	**(1,926)**	(1,400)
LP Class B Unit distributions	**4,479**	4,479
Other interest charges	**2,146**	1,939
Interest on lease obligations	**2,665**	3,206
Interest income	**(331)**	(763)
Amortization of deferred financing costs	**6,906**	6,199
Total	**$ 89,749**	$ 91,622

For the year ended December 31, 2021, interest was capitalized to properties under development at a weighted average effective interest rate of 1.54% (year ended December 31, 2020 – 2.41%).

Note 24: Loss on Sale of Assets and Net Cash Proceeds

On December 15, 2021, the Trust sold 179 units in Saskatoon, Saskatchewan, which forms part of the Saskatchewan geographical segment, for the sale price of $25.0 million. On November 26, 2021, the Trust sold its 50% partnership interest in a joint operation to develop a mixed-use project consisting of 470 residential units and approximately 12,000 square feet of retail space located in Mississauga, Ontario, which forms part of the corporate segment, for the sale price of $18.2 million. On September 15, 2021, the Trust sold 70 units in Edmonton, Alberta. Additionally, on June 30, 2021, the Trust sold 78 units in Edmonton, Alberta. Both projects formed part of the Alberta geographical segment and were sold for a combined sales price of $21.1 million. The loss on sale of assets and net cash proceeds is outlined below.

On June 25, 2020, the Trust sold 158 units in Calgary, Alberta, which forms part of the Alberta geographical segment, for the sale price of $3.0 million. On November 17, 2020, the Trust sold 72 units in Regina, Saskatchewan, which forms part of the Saskatchewan geographical segment, for the sale price of $7.5 million. The loss on sale of assets and net cash proceeds is outlined below.

		Year Ended Dec. 31, 2021		Year Ended Dec. 31, 2020
Sales price	$	64,247	$	10,459
Costs of disposition		(1,953)		(1,136)
Net proceeds		62,294		9,323
Net book value				
Investment property		64,174		10,412
Right-of-use asset (IFRS 16 – Leases)		-		28,092
Property, plant and equipment		73		47
Lease liability		-		(28,092)
		64,247		10,459
Loss on sale of assets		(1,953)		(1,136)
Sales price	$	64,247	$	10,459
Mortgage discharged on sale		(18,985)		(4,403)
Costs of disposition		(1,953)		(1,136)
Net cash proceeds	$	43,309	$	4,920

Note 25: Fair Value Gains (Losses)

The components of fair value gains (losses) were as follows:

		Year Ended Dec. 31, 2021		Year Ended Dec. 31, 2020
Investment properties (NOTE 4)	$	403,869	$	(382,971)
Financial asset designated as FVTPL				
Mortgage receivable		(44)		82
Financial liabilities designated as FVTPL				
Deferred unit-based compensation		(2,445)		2,205
LP Class B Units		(94,378)		54,550
Total fair value gains (losses)	$	307,002	$	(326,134)

Note 26: Guarantees, Contingencies, Commitments and Other

As discussed in NOTE 15, the Trust has four properties that are situated on land leases. One of the land leases situated in Montreal, Quebec, is set to expire in 2029. The Trust is actively seeking to either renew the term of this lease or purchase the freehold interest in the land prior to the expiry of the lease term. However, if the Trust cannot or chooses not to renew the lease, or buy the land, as the case may be, the net operating income and cash flow associated with the property would no longer contribute to Boardwalk's results of operations and could impact its ability to make distributions to Unitholders.

From time to time, the Trust enters into various physical supply contracts for energy commodities to hedge its own usage, which is summarized below:

Natural Gas:

Area	Estimated Usage Coverage	Term	Cost
Alberta	25%	November 1, 2017 to October 31, 2020	$2.75/Gigajoule ("GJ")
Alberta	25%	November 1, 2018 to October 31, 2023	$2.08/GJ
Alberta	25%	November 1, 2019 to October 31, 2024	$2.21/GJ
Alberta	25%	November 1, 2020 to October 31, 2025	$2.78/GJ
Saskatchewan	40%	November 1, 2017 to October 31, 2020	$2.84/GJ
Saskatchewan	60%	November 1, 2018 to October 31, 2022	$2.56/GJ
Saskatchewan	40%	November 1, 2020 to October 31, 2025	$2.99/GJ
Verdun, Quebec	75%	November 1, 2018 to October 31, 2021	$3.40/GJ
Verdun, Quebec	74%	November 1, 2021 to October 31, 2025	$4.29/GJ
London, Ontario	75%	November 1, 2018 to October 31, 2021	$3.45/GJ
London, Ontario	69%	November 1, 2021 to October 31, 2024	$4.52/GJ

Electrical:

Area	Estimated Usage Coverage	Term	Cost
Alberta	40%	October 1, 2015 to September 30, 2020	$0.05/Kilowatt-hour (“kWh”)
Alberta	49%	October 1, 2017 to September 30, 2022	$0.05/kWh
Alberta	45%	November 1, 2020 to October 31, 2024	$0.06/kWh

Boardwalk REIT, in the normal course of operations, will become subject to a variety of legal and other claims against the Trust, most of which are minor in nature. Management and the Trust’s legal counsel evaluate all claims on their apparent merits and accrue management’s best estimate of the estimated costs to satisfy such claims. Management believes the outcome of claims of this nature at December 31, 2021 will not have a material impact on the Trust.

In the normal course of business, various agreements may be entered into that may contain features that meet the definition of a contingent liability in accordance with IFRS. With the property sale in Saskatoon, Saskatchewan on September 16, 2019, a mortgage totaling $12.5 million was assumed by the purchaser. As at December 31, 2021, this mortgage had a balance of $11.8 million. The mortgage, with a term maturity of April 1, 2023, has an indirect guarantee provided to the lender by the Trust until this mortgage is renewed or refinanced by the purchaser, whichever occurs sooner. With the sale of properties in Regina, Saskatchewan in 2017, mortgages totaling $24.4 million were assumed by the purchaser. As at December 31, 2021, these mortgages have a balance of $21.3 million. The mortgages, with a term maturity of May 1, 2022, have an indirect guarantee provided to the lender by the Trust until these mortgages are renewed or refinanced by the purchaser, whichever occurs sooner. With the British Columbia Property Portfolio sale, mortgage balances totaling approximately $62.0 million were assumed by the purchaser. One of the three mortgages, with a term maturity of October 1, 2022 and a mortgage balance of approximately $19.7 million as at December 31, 2021, assumed by the purchaser has an indirect guarantee provided to the lender by the Trust until this mortgage is renewed or refinanced by the purchaser, whichever occurs sooner. With all guarantees, in the event of default by the purchaser, the Trust would be liable for the outstanding mortgage balance. These guarantees are considered contingent liabilities as payment of the amount will only occur if the purchaser defaults. If the purchaser does not default, the balance is not payable. Boardwalk REIT’s maximum exposure at December 31, 2021 is approximately $52.8 million (December 31, 2020 – $54.4 million). In the event of default by the purchaser, Boardwalk REIT’s recourse for recovery includes the sale of the respective building assets. Boardwalk REIT expects that the proceeds from the sale of the building assets will cover, and most likely exceed, the maximum potential liability associated with the amount being guaranteed. Therefore, at December 31, 2021 and 2020, no amounts have been recorded in the consolidated financial statements with respect to the above noted indirect guarantees.

Note 27: Capital Management and Liquidity

The Trust defines capital resources as the aggregate of Unitholders' equity at market value, debt (both secured and unsecured), cash flows from operations, and amounts available under credit facilities net of cash on hand. The Trust's capital management framework is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions pursuant to Boardwalk REIT's DOT as well as existing debt covenants and continue building long-term Unitholder value while maintaining sufficient capital contingency. The main components of the Trust's capital allocation are reviewed on a regular basis by its Board of Trustees (the "Board") through its annual review of the Trust's strategic plan and budget, supplemented by periodic Board and Board Committee meetings. Capital adequacy is monitored by the Trust by assessing performance against the approved annual plan throughout the year, which is updated accordingly, and by monitoring adherence to investment and debt restrictions contained in the DOT and debt covenants. Boardwalk REIT's DOT, as amended, provides for a minimum interest coverage ratio of 1.5 to 1 calculated on the most recently completed four fiscal quarters. The DOT also defines interest expense to exclude distributions on the LP Class B Units, which under IFRS are considered financing costs.

The following table highlights Boardwalk REIT's interest coverage ratio in accordance with the DOT:

As at	**Dec. 31, 2021**	Dec. 31, 2020
Net operating income	**$ 274,340**	$ 269,144
Administration	**(33,282)**	(36,069)
Deferred unit-based compensation	**(2,392)**	(3,255)
Consolidated EBITDA (1) (12 months ended)	**238,666**	229,820
Consolidated interest expense (12 months ended)	**80,291**	82,345
Interest coverage ratio	**2.97**	2.79
Minimum threshold	**1.50**	1.50

(1) Earnings Before Interest, Taxes, Depreciation and Amortization.

The Trust employs a broad range of financing strategies to facilitate growth and manage financial risk. The Trust's objective is to reduce its weighted average cost of capital and improve Unitholder distributions through value enhancement initiatives and consistent monitoring of the balance between debt and equity financing. As at December 31, 2021, the Trust's weighted average cost of capital was calculated to be 3.30%.

The following schedule details the components of the Trust's capital and the related costs thereof:

As at	**Dec. 31, 2021**		Dec. 31, 2020	
	Cost of Capital (1)	**Underlying Value (2)**	Cost of Capital (1)	Underlying Value (2)
Liabilities				
Mortgages payable	**2.46%**	**$ 3,017,545**	2.58%	$ 3,029,152
LP Class B Units	**4.21%**	**245,364**	6.97%	150,987
Deferred unit-based compensation	**4.21%**	**6,988**	6.97%	3,215
Unitholders' equity				
Boardwalk REIT Trust Units	**4.21%**	**2,529,698**	6.97%	1,570,562
Total	**3.30%**	**$ 5,799,595**	4.17%	$ 4,753,916

(1) As a percentage of average carrying value unless otherwise noted.
(2) Underlying value of liabilities represents carrying value or the cost to retire on maturity. Underlying value of equity is based on the closing stock price of the Trust Units.

Mortgages payable – These are the mortgages outstanding on the Trust's investment properties. The debt is primarily fixed rate debt and approximately 98% of this debt at December 31, 2021 is insured under the National Housing Act ("NHA") and administered by Canada Mortgage and Housing Corporation ("CMHC") (December 31, 2020 – approximately 99%). These financings can be structured on a loan to CMHC appraised value basis of between 75-80%. The Trust currently has a level of indebtedness of approximately 46% of the fair value of the Trust's investment properties (December 31, 2020 – approximately 49%). This level of indebtedness is considered by the Trust to be within its target.

LP Class B Units – These units are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Boardwalk REIT Trust Units at any time at the option of the holder. Prior to such exchange, distributions will be made on the exchangeable units in an amount equivalent to the distributions which would have been made had the Trust Units of Boardwalk REIT been issued. Each LP Class B Unit was accompanied by a Special Voting Unit, which entitles the holder to receive notice of, attend, and vote at all meetings of Unitholders. There is no value assigned to the Special Voting Units. The LP Class B Units have been classified as FVTPL financial liabilities in accordance with IFRS 9. Gains or losses resulting from changes in the fair value at each reporting date are recorded in the consolidated statement of comprehensive income (loss).

As outlined in NOTE 29(d), Boardwalk REIT's committed revolving credit facility agreements contain financial covenants.

The Trust had $306.3 million in total available liquidity as at December 31, 2021 (December 31, 2020 – $269.2 million), consisting of cash and cash equivalents on hand of $64.3 million (December 31, 2020 – $53.0 million), subsequent committed/funded financing of $42.2 million (December 31, 2020 – $16.5 million), as well as an unused committed revolving credit facility of $199.7 million (December 31, 2020 – $199.7 million). The Trust monitors its ratios and as at December 31, 2021 and December 31, 2020, the Trust was in compliance with all covenants in both its DOT and all existing debt facilities.

Note 28: Fair Value Measurement

(A) FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for similar term and current credit spreads for debt with similar terms and risk. The fair values of the Trust's financial instruments were determined as follows:

- **i)** the carrying amounts of trade and other receivables, segregated tenants' security deposits, cash and cash equivalents, refundable tenants' security deposits, trade and other payables, and construction loan payable approximate their fair values due to their short-term nature.
- **ii)** the fair value of the Trust's investment in private technology venture fund is based on information provided from the organization managing the investments.
- **iii)** the fair values of the Trust's mortgage receivable and mortgages payable are estimates made at a specific point in time, based on relevant market information. These estimates are based on quoted market prices for the same or similar issues or on the current rates offered to the Trust for similar financial instruments subject to similar risks and maturities.
- **iv)** the fair values of the deferred unit-based compensation plan and the LP Class B Units are estimates at a specific point in time, based on the closing market price of the Trust Units listed on the Toronto Stock Exchange.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in estimates could significantly affect fair values. The significant financial instruments of Boardwalk REIT and their carrying values as at December 31, 2021 and December 31, 2020 are as follows:

As at	**Dec. 31, 2021**		Dec. 31, 2020	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets carried at FVTPL				
Mortgage receivable	**$ -**	**$ -**	$ 2,790	$ 2,790
Investment in private technology venture fund	**2,019**	**2,019**	2,019	2,019
Financial liabilities carried at amortized cost				
Mortgages payable	**2,978,437**	**3,017,545**	2,896,790	3,029,152
Construction loan payable	**21,187**	**21,187**	21,187	21,187
Financial liabilities carried at FVTPL				
LP Class B Units	**245,364**	**245,364**	150,987	150,987
Deferred unit-based compensation	**6,988**	**6,988**	3,215	3,215

The fair value of the Trust's mortgages payable was higher than the recorded value by approximately $39.1 million at December 31, 2021 (December 31, 2020 – higher by $132.4 million), due to changes in interest rates since the dates on which the individual mortgages were last contracted. The fair values of the mortgages payable have been estimated based on the current market rates for mortgages with similar terms and conditions. The fair value of the Trust's mortgages payable is an amount computed based on the interest rate environment prevailing at December 31, 2021 and December 31, 2020, respectively; the amount is subject to change and the future amounts will converge. There are no additional costs or penalties to Boardwalk REIT if the mortgages are held to maturity.

As at December 31, 2021 and December 31, 2020, the Trust had no embedded derivatives requiring separate recognition.

The nature of these financial instruments and the Trust's operations expose the Trust to certain principal financial risks. The main objective of the Trust's risk management process is to properly identify financial risks and minimize the exposure to potential losses arising from those risks. The principal financial risks to which the Trust is exposed are described in NOTE 29.

(B) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the consolidated statements of financial position is as follows:

As at	**Dec. 31, 2021**			Dec. 31, 2020		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investment properties	**$ -**	**$ 72,316**	**$ 6,420,653**	$ -	$ 81,389	$ 5,867,566
Mortgage receivable	**-**	**-**	**-**	-	-	2,790
Investment in private technology venture fund	**-**	**-**	**2,019**	-	-	2,019
Liabilities						
LP Class B Units	**245,364**	**-**	**-**	150,987	-	-
Deferred unit-based compensation	**6,988**	**-**	**-**	3,215	-	-

The three levels of the fair value hierarchy are described in NOTE 4.

Transfers between levels in the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. For assets and liabilities measured at fair value as at December 31, 2021 and December 31, 2020, there were five investment properties transferred during the third quarter of 2021 from Level 2 into Level 3 fair value measurements. These five investment properties were valued using Level 3 inputs for the third quarter in 2021, as at September 30, 2021, and valued using Level 2 inputs for the second and first quarters in 2021, as at June 30, 2021, and March 31, 2021, as well as at December 31, 2020. The fair value of these five investment properties as at December 31, 2021, totaled $90.6 million and were valued using Level 3 inputs (December 31, 2020 – $81.4 million valued using Level 2 inputs). These five investment properties were previously valued at Level 2 because they were newly acquired buildings and used inputs which were directly observable for these assets, as the fair value was based on a purchase and sale agreement between two willing market participants. Other than these five investment properties, there were no other transfers between Level 1, Level 2, and Level 3 assets and liabilities.

Note 29: Risk Management

A) INTEREST RATE RISK

The Trust is exposed to interest rate risk as a result of its mortgages payable and credit facilities; however, this risk is minimized through the Trust's current strategy of having the majority of its mortgages payable in fixed-term arrangements. As such, the Trust's cash flows are not significantly impacted by a change in market interest rates. In addition, the Trust structures its financings so as to stagger the maturities of its debt, thereby minimizing the Trust's exposure to interest rates in any one year. The majority of the Trust's mortgages are also insured by the CMHC under the National Housing Act ("NHA") mortgage program. This added level of insurance offered to lenders allows the Trust to receive advantageous interest rates while minimizing the risk of mortgage renewals or extensions, and significantly reduces the potential for a lender to call a loan prematurely. In addition, management is constantly reviewing its committed revolving credit facility (floating-rate debt) and, if market conditions warrant, the Trust has the ability to convert its existing floating-rate debt to fixed rate debt.

As at December 31, 2021, the Trust had no amount outstanding on its committed revolving credit facility and its mortgages payable are fixed-rate debt. However, the Trust had $21.2 million (December 31, 2020 – $21.2 million) extended on its construction loan payable, which is carried at variable-rate interest. As such, for the year ended December 31, 2021, all else being equal, the increase or decrease in net earnings for each 1% change in market interest rates would be $0.8 million (year ended December 31, 2020 – $0.8 million).

B) CREDIT RISK

The Trust is exposed to credit risk as a result of its lease receivable and trade and other receivables. The trade and other receivables balance is comprised of mortgage holdbacks and refundable mortgage fees, accounts receivable from significant customers and insurers, and tenant receivables. As at December 31, 2021 and December 31, 2020, no balance relating to mortgage holdbacks, refundable mortgage fees, or accounts receivable from significant customers and insurers was past due. Additionally, the lease receivable is in good standing.

In relation to mortgage holdbacks and refundable mortgage fees, the Trust's exposure to credit risk is low given the nature of these balances. These funds will be advanced when the Trust has met the conditions pursuant to the mortgage agreement (in the case of the mortgage holdback) or when financing is completed (in the case of refundable mortgage fees), both of which are expected to occur.

Similar to mortgage holdbacks and refundable mortgage fees, the Trust assesses the credit risk on accounts receivable to be low due to the assured collection of these balances. The majority of the balance relates to money owing from the Trust's revenue sharing initiatives. Given the Trust's collection history and the nature of these customers, credit risk is assessed as low. Additionally, an amount is owed by insurance companies in relation to current outstanding claims (NOTE 10). In all circumstances, the insurance deductible has been paid and amounts incurred and owing for reimbursement are due to an insurable event. Recoverability may differ from the amount owing solely due to discrepancies between the Trust and the insurance provider regarding the value of replacement costs.

With tenant receivables, credit risk arises from the possibility tenants may experience financial difficulty and be unable to fulfill their lease term commitments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. Rent payments from tenants are due on the first of the month and tenants generally pay a security deposit – both of these actions mitigate against bad debts.

As stated above, the carrying amount of tenant receivables reflects management's assessment of the credit risk associated with its tenants; however, the Trust mitigates this risk of credit loss by geographically diversifying its existing portfolio, by limiting its exposure to any one tenant and by conducting thorough credit checks with respect to all new rental-leasing arrangements. In addition, where legislation allows, the Trust obtains a security deposit from a tenant to assist in the recovery of monies owed to the Trust.

Past due receivables (receivables which are greater than 30 days) are reviewed by management on a monthly basis and tenant receivables are considered for impairment on a case-by-case basis. The Trust takes into consideration the tenant's payment history, their credit worthiness, and the current economic environment; however, tenant receivable balances exceeding 60 days are typically written off to bad debt expense as the Trust does not utilize an allowance for estimated credit losses. The amount of the loss is recognized in the consolidated statement of comprehensive income (loss) as part of operating expenses. As outlined in NOTE 2(u) with respect to the COVID-19 pandemic, the Trust evaluated whether an allowance for estimated credit losses was needed for the year ended December 31, 2021, and one was not applied. Subsequent recoveries of amounts previously written off are credited against operating expenses during the period of settlement. As tenant receivables are typically written off after 60 days, none of the balance is considered to be past due by the Trust. For the year ended December 31, 2021, bad debt expense totaled $5.2 million (year ended December 31, 2020 – $6.2 million).

The credit risk of both Boardwalk REIT and the counter party have been taken into account in determining the fair value of Boardwalk REIT's trade and other receivables.

C) LIQUIDITY RISK

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. The Trust maintains what it believes to be conservatively leveraged assets and can finance any future growth through one or a combination of internally generated cash flows, borrowing under an existing committed revolving credit facility, the issuance of debt, or the issuance of equity, according to its capital management objectives. In addition, the Trust structures its financings so as to stagger the maturities of its debt, thereby minimizing the Trust's exposure to liquidity risk in any one year. In addition, cash flow projections are completed and reviewed on a regular basis to ensure the Trust has sufficient cash flows to make its monthly distributions to Unitholders. Finally, financial assets, such as cash and trade and other receivables, will be realized within the next twelve months and can be utilized to satisfy the Trust's financial liabilities. Given the Trust's currently available liquid resources (from both financial assets and on-going operations) as compared to its contractual obligations, management assesses the Trust's liquidity risk to be low.

The following table details the Trust's remaining contractual maturity for its non-derivative and derivative (i.e. vested deferred units) financial liabilities listed by year of maturity date:

Year of Maturity	Weighted Average Interest Rate	Mortgage Principal Outstanding	Mortgage Interest (1)	Lease Liabilities Principal Outstanding	Construction Loan Payable	Tenants' Security Deposits	Distribution Payable(2)	Trades and Other Payables	Total
2022	2.67%	$ 445,221	$ 69,972	$ 3,909	$ 21,187	$ 11,129	$ 4,221	$ 55,552	$ 611,191
2023	2.81%	371,623	57,248	2,722	-	-	-	-	431,593
2024	2.45%	352,640	45,662	2,142	-	-	-	-	400,444
2025	2.15%	547,996	37,207	1,875	-	-	-	-	587,078
2026	1.98%	553,420	26,227	1,795	-	-	-	-	581,442
Subsequent	2.73%	818,078	31,627	67,648	-	-	-	-	917,353
	2.46%	3,088,978	267,943	80,091	21,187	11,129	4,221	55,552	3,529,101
Unamortized deferred financing costs		(110,855)	-	-	-	-	-	-	(110,855)
Unamortized market debt adjustments		314	-	-	-	-	-	-	314
		$ 2,978,437	$ 267,943	$ 80,091	$ 21,187	$ 11,129	$ 4,221	$ 55,552	$ 3,418,560

(1) Based on current in-place interest rates for the remaining term to maturity.
(2) Distribution payable includes distributions owed on the Boardwalk REIT Trust Units and the LP Class B Units.

D) DEBT COVENANTS

As outlined in its mortgages payable agreements, the Trust is required to make equal monthly payments of principal and interest based on the respective amortization period. Additionally, the Trust must ensure that all property taxes have been paid in full when they become due and that no arrears exist.

CMHC provides mortgage loan insurance in connection with mortgages made to Boardwalk REIT. In an agreement dated September 13, 2002, and as amended and restated on January 19, 2005 and April 25, 2006, the Trust agreed to provide certain financial information to the CMHC and be subject to certain restrictive covenants, including limitation on additional debt, payment of distributions in respect to Unitholders' capital in the event of default, and maintenance of certain financial ratios. In the event of default, the Trust's total financial liability under this agreement is limited to a one-time penalty payment of $250,000 under a Letter of Credit issued in favor of CMHC.

The Trust has a committed revolving credit facility with a major financial institution. This credit facility is secured by a pledge of a group of specific real estate assets (fair value at December 31, 2021 of approximately $813.7 million). The amount available through the committed revolving credit facility varies with the value of the pledged assets, with a maximum limit not to exceed $200.0 million and an available limit of $199.7 million as at December 31, 2021 (December 31, 2020 – $199.7 million). The revolving facility requires monthly interest payments, is for a five-year term maturing on July 25, 2026, and can be extended annually thereafter, subject to the mutual consent of the lender and the Trust. In the event the committed revolving credit facility is not extended, the drawn-down principal would be due on the maturity date of the credit agreement.

The credit facility contains three financial covenants as follows:

i) The Trust will maintain an overall Debt Service Coverage Ratio of at least 1.20, calculated on the most recent completed trailing four fiscal quarter basis. As at December 31, 2021, this ratio was 1.52 (December 31, 2020 – 1.48).

ii) The Trust will maintain a Debt Service Coverage Ratio, specific to the Security Portfolio of at least 1.15 (tested semi-annually). As at December 31, 2021, this ratio was 1.28 (December 31, 2020 – 1.41).

iii) Total indebtedness of the Trust will not exceed 75% of the Gross Book Value of all assets for the two most recent quarters as defined in the credit agreement. As at December 31, 2021, this ratio was 46.1% (December 31, 2020 – 47.8%).

As at December 31, 2021 and December 31, 2020, the Trust was in compliance with all financial covenants.

E) MARKET RISK

The Trust is exposed to market risk related to utilities as a result of fluctuations in the prices of natural gas and electricity. As outlined in NOTE 26, the Trust has commitments to certain utility contracts to reduce the risk of exposure to adverse changes in commodity prices.

Note 30: Subsidiaries

The entities included in the Trust's consolidated financial statements are as follows:

Entity	Type	Relationship
Boardwalk Real Estate Investment Trust ("BREIT")	Trust	Parent
Boardwalk Real Estate Management Ltd.	Corporation	100% owned by BREIT
Top Hat Operating Trust ("TOT")	Trust	100% owned by BREIT
BPCL Holdings Inc. ("BPCL")	Corporation	Meets the principle of control
Boardwalk REIT Limited Partnership ("BLP")	Partnership	A Units are 100% owned by TOT B Units and C Units are 100% owned by BPCL
Boardwalk REIT Properties Holdings (Alberta) Ltd.	Corporation	100% owned by BLP
Boardwalk REIT Quebec Inc.	Corporation	100% owned by BLP
Boardwalk Quebec Trust	Trust	100% owned by BLP
Boardwalk St. Laurent Limited Partnership	Partnership	99.99% owned by Boardwalk Quebec Trust 0.01% owned by 9165-5795 Quebec Inc.
9108-4749 Quebec Inc.	Corporation	100% owned by BLP
9165-5795 Quebec Inc.	Corporation	100% owned by 9108-4749 Quebec Inc.
Nun's Island Trust 1	Trust	100% owned by BLP
Nun's Island Trust 2	Trust	100% owned by BLP
Metropolitan Structures (MSI) Inc.	Corporation	100% owned by BLP
Boardwalk GP Holding Trust	Trust	100% owned by BLP

Entity	Type	Relationship
6222285 Canada Inc.	Corporation	100% owned by BLP
Boardwalk GP Operating Trust	Trust	100% owned by 6222285 Canada Inc.
Boardwalk General Partnership ("BGP")	Partnership	99.99% owned by Boardwalk GP Holding Trust 0.01% owned by Boardwalk GP Operating Trust
Boardwalk REIT Properties Holdings Ltd.	Corporation	100% owned by BGP
Helmcken Rd. Development B.C Ltd.	Corporation	100% owned by BGP
Carlisle Ave Development B.C. Ltd.	Corporation	100% owned by BGP
BRIO Holdings Ltd.	Corporation	50% Owned by BGP
Redwalk Brampton Limited Partnership	Partnership	49.99% owned by BGP 0.01% owned by Redwalk Brampton Inc.
Redwalk Brampton Inc.	Partnership	49.99% owned by BGP
Riowalk Sandalwood Inc. (1)	Corporation	50% Owned by BGP

(1) The Trust sold its 50% partnership interest on November 26, 2021 (NOTE 24).

BPCL represents the only entity which is included in the Trust's consolidated financial statements by meeting the principle of control and not based on the Trust's ownership percentage. BPCL (formerly called Boardwalk Equities Inc.) was created to accomplish a narrow and well-defined objective, which was to transfer the beneficial interest in the Corporation's assets (the "Assets") pursuant to the Master Asset Contribution Agreement. The Trust does not have any voting interest in BPCL; however, the Trust controls BPCL because the Trust has the decision-making powers to obtain the majority of the benefits of the activities of BPCL and the Trust retains the majority of the residual or ownership risks related to BPCL. Specifically, BLP controls all of the Assets previously held by BPCL and is responsible for BPCL's debt by guaranteeing the principal and interest owed to the lenders. BLP must make distributions to the LP Class C Units equivalent to the principal and interest owed on BPCL's debt. As beneficial owner of the Assets, BLP has power over BPCL as it can direct their relevant activities (i.e. impose and collect rental income, manage and pay operating costs, etc.) in order to generate cash flows and make distributions on the LP Class C Units. It has exposure, or rights, to variable returns based on its beneficial ownership of the Assets. The Trust controls BPCL, because the Trust has the decision making power to obtain the majority of the benefits from the activities of BPCL. Due to the above, BPCL is part of the Trust's consolidated group.

Note 31: Related Party Disclosures

IAS 24 – Related Party Disclosures requires entities to disclose in their financial statements information about transactions with related parties. Generally, two parties are related to each other if one party controls, or significantly influences, the other party. Balances and transactions between the Trust and its subsidiaries (as outlined in NOTE 30), which are related parties of the Trust, have been eliminated on consolidation and are not disclosed in this note disclosure.

Key management personnel of the Trust during the year ended December 31, 2021, and up to the date of this report were:

Chief Executive Officer

Chief Financial Officer

Senior VP, Corporate Development (retired June 30, 2021)

Senior VP, Quality Control

VP, Finance & Investor Relations

VP, Human Resources

VP, Operations (effective July 1, 2021)

Members of the Board of Trustees

The remuneration of the Trust's key management personnel was as follows:

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Short-term benefits	**$ 1,130**	$ 3,444
Post-employment benefits	**53**	51
Other long-term benefits	**4**	4
Deferred unit-based compensation redeemed for Trust Units	**1,065**	2,154
	$ 2,252	$ 5,653

In addition, the LP Class B Units are held by Mr. Sam Kolias (Chairman of the Board, Chief Executive Officer and Trustee) and Mr. Van Kolias (Senior Vice President, Quality Control). Under IAS 32, the LP Class B Units issued by a wholly-owned subsidiary of the Trust are considered financial liabilities and are reclassified from equity to liabilities on the consolidated financial statements. Additionally, as the LP Class B Units are liabilities, all distributions paid (both regular and special) are recorded as financing costs under IFRS. For the year ended December 31, 2021, distributions on the LP Class B Units totaled $4.5 million (year ended December 31, 2020 – $4.5 million). Distributions on the LP Class B Units are made on terms equal to distributions made on Boardwalk REIT Trust Units.

As at December 31, 2021, there was $373,000 owed to related parties (December 31, 2020 – $373,000) based on the LP Class B Units distribution outlined above.

During 2019, the Trust entered into an agreement with a related party for IT services. The largest shareholder of the company providing the IT services is an individual associated with one of the Trust's key personnel. The member of the Trust's key personnel has no ownership interest in the company providing the IT services. The agreement will provide for services over a three-year term with a total cost of $1.1 million. For the year ended December 31, 2021, payments to this provider for these services totaled $0.3 million (year ended December 31, 2020 – $0.2 million). In addition, during 2021, the Trust entered into another agreement with this related party to design, develop, and implement an IT application to enhance operations. The agreement provides for delivery of the application in 2022 with a total cost of $0.3 million. For the year ended December 31, 2021, payments to this provider related to this project totaled $0.1 million. As at December 31, 2021 and 2020, there was no balance owed to this related party.

Note 32: Other Information

(A) SUPPLEMENTAL CASH FLOW INFORMATION

	Note	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Net change in operating working capital			
Net change in inventories		$ (1,574)	$ 1,822
Net change in prepaid assets		(294)	(57)
Net change in trade and other receivables		5,019	(6,804)
Net change in segregated and refundable tenants' security deposits		131	341
Net change in trade and other payables		849	(1,545)
		$ 4,131	$ (6,243)
Net change in investing working capital			
Net change in trade and other payables		(603)	(773)
Net change in financing working capital			
Net change in trade and other payables		$ (4)	$ 451
Investment in capital assets			
Improvements to investment properties	4	$ (121,492)	$ (108,653)
Additions to property, plant and equipment	5	(5,511)	(4,963)
		$ (127,003)	$ (113,616)
Distributions paid			
Distributions declared		$ (46,553)	$ (46,571)
Distributions declared in prior period paid in current period		(3,882)	(3,875)
Distributions declared in current period paid in next period		3,848	3,882
		$ (46,587)	$ (46,564)

(B) Included in administration costs was $2.9 million relating to Registered Retirement Savings Plan ("RRSP") matching for the year ended December 31, 2021 (year ended December 31, 2020 – $2.9 million).

(C) The Trust declared regular distributions of $51.0 million for the year ended December 31, 2021, which includes $46.6 million of distributions on the Trust Units and $4.5 million of distributions on the LP Class B Units, which under IFRS are considered financing costs (year ended December 31, 2020 – $51.0 million, which includes $46.6 million of distributions on the Trust Units and $4.5 million of distributions on the LP Class B Units).

Note 33: Segmented Information

Boardwalk REIT specializes in multi-family residential housing and operates within one business segment in five provinces located wholly in Canada along with a corporate segment. Each provincial segment operates with a high degree of autonomy. Management monitors the operating results on a province-by-province basis. Segment performance is evaluated on a number of measures, including net profit. Financial information reported is on the same basis as used for internal evaluation and allocation of resources. Boardwalk REIT does not have any one major tenant or a significant group of tenants. Expiring leases are renewed or new tenants are found.

Net debt, interest income and expenses, and income taxes are managed on a group basis. Transfer prices between locations are set on an arm's-length basis in a manner similar to transactions with third parties and are eliminated upon inter-company consolidation.

Corporate represents corporate functions, technology assets, activities incidental to operations, development of investment properties, and certain comparative data for divested assets.

Details of segmented information are as follows:

As at	December 31, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Assets	**$ 4,039,986**	**$ 48,208**	**$ 601,737**	**$ 650,755**	**$ 1,132,984**	**$ 186,983**	**$ 6,660,653**
Liabilities	**2,002,225**	**31,726**	**283,711**	**224,901**	**568,184**	**296,728**	**3,407,475**

As at	December 31, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Assets	$ 3,810,497	$ -	$ 560,228	$ 558,374	$ 995,460	$ 183,185	$ 6,107,744
Liabilities	1,942,419	-	299,506	207,410	580,683	201,277	3,231,295

	Year Ended December 31, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Rental revenue (a)	**$294,914**	**$ 1,849**	**$ 52,125**	**$ 38,473**	**$ 82,094**	**$ 1,076**	**$470,531**
Rental expenses							
Operating expenses	**60,999**	**201**	**9,244**	**6,609**	**13,921**	**5,871**	**96,845**
Utilities	**31,527**	**75**	**7,448**	**4,045**	**6,302**	**354**	**49,751**
Property taxes	**32,921**	**116**	**4,284**	**4,001**	**8,052**	**221**	**49,595**
Total rental expenses	**125,447**	**392**	**20,976**	**14,655**	**28,275**	**6,446**	**196,191**
Net operating income (loss)	**169,467**	**1,457**	**31,149**	**23,818**	**53,819**	**(5,370)**	**274,340**
Financing costs (b)	**53,466**	**475**	**8,194**	**5,529**	**17,584**	**4,501**	**89,749**
Administration	**3,246**	**2**	**784**	**46**	**433**	**28,771**	**33,282**
Deferred unit-based compensation	**-**	**-**	**-**	**-**	**-**	**2,392**	**2,392**
Depreciation (c)	**834**	**1**	**179**	**46**	**141**	**6,608**	**7,809**
Profit (loss) before the undernoted	**111,921**	**979**	**21,992**	**18,197**	**35,661**	**(47,642)**	**141,108**
Loss on sale of assets	**(837)**	**-**	**(474)**	**-**	**-**	**(642)**	**(1,953)**
Fair value gains (losses)	**155,911**	**(32)**	**52,055**	**81,038**	**115,184**	**(97,154)**	**307,002**
Profit (loss) before income tax	**$266,995**	**$ 947**	**$ 73,573**	**$ 99,235**	**$150,845**	**$(145,438)**	**$446,157**
Income tax recovery (d)	**-**	**-**	**-**	**-**	**-**	**110**	**110**
Profit (loss)	**$266,995**	**$ 947**	**$ 73,573**	**$ 99,235**	**$150,845**	**$(145,328)**	**$446,267**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income (loss)	**$266,995**	**$ 947**	**$ 73,573**	**$ 99,235**	**$150,845**	**$(145,328)**	**$446,267**
Additions to non-current assets (e)	**$ 94,963**	**$ 48,241**	**$ 13,850**	**$ 11,391**	**$ 24,043**	**$ 17,402**	**$209,890**

	Year Ended December 31, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Rental revenue (a)	$ 300,031	$ -	$ 50,956	$ 33,200	$ 80,988	$ 397	$ 465,572
Rental expenses							
Operating expenses	62,101	-	9,581	5,451	13,443	5,762	96,338
Utilities	30,825	-	7,722	4,031	6,009	351	48,938
Property taxes	34,415	-	4,830	3,491	8,252	164	51,152
Total rental expenses	127,341	-	22,133	12,973	27,704	6,277	196,428
Net operating income (loss)	172,690	-	28,823	20,227	53,284	(5,880)	269,144
Financing costs (b)	55,595	-	9,222	4,889	17,602	4,314	91,622
Administration	2,952	-	671	15	388	32,043	36,069
Deferred unit-based compensation	-	-	-	-	-	3,255	3,255
Depreciation (c)	861	-	187	48	148	6,951	8,195
Profit (loss) before the undernoted	113,282	-	18,743	15,275	35,146	(52,443)	130,003
Loss on sale of assets	(604)	-	(532)	-	-	-	(1,136)
Adjustment to right-of-use asset related to lease receivable	-	-	-	-	-	(159)	(159)
Fair value (losses) gains	(349,742)	-	(39,940)	(6,229)	12,941	56,836	(326,134)
Other income	-	-	-	-	-	75	75
(Loss) profit before income tax	$ (237,064)	$ -	$ (21,729)	$ 9,046	$ 48,087	$ 4,309	$ (197,351)
Income tax recovery (d)	-	-	-	-	-	72	72
(Loss) profit	$ (237,064)	$ -	$ (21,729)	$ 9,046	$ 48,087	$ 4,381	$ (197,279)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive (loss) income	$ (237,064)	$ -	$ (21,729)	$ 9,046	$ 48,087	$ 4,381	$ (197,279)
Additions to non-current assets (e)	$ 73,996	$ -	$ 13,682	$ 72,560	$ 12,382	$ 39,231	$ 211,851

(A) RENTAL REVENUE

Rental revenue was as follows:

	Year Ended December 31, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Lease revenue	**$ 279,822**	**$ 1,788**	**$ 48,655**	**$ 37,649**	**$ 77,971**	**$ 956**	**$ 446,841**
Parking revenue	**4,839**	**68**	**566**	**279**	**2,173**	**3**	**7,928**
Recoveries (cable, retirement) and revenue from telephone and cable providers	**5,039**	**2**	**2,171**	**118**	**894**	**117**	**8,341**
Revenue from coin laundry machines	**2,593**	**-**	**271**	**511**	**637**	**-**	**4,012**
Other (fees)	**2,621**	**(9)**	**462**	**(84)**	**419**	**-**	**3,409**
Total	**$ 294,914**	**$ 1,849**	**$ 52,125**	**$ 38,473**	**$ 82,094**	**$ 1,076**	**$ 470,531**

	Year Ended December 31, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Lease revenue	$ 283,647	$ -	$ 47,526	$ 32,542	$ 76,845	$ 271	$ 440,831
Parking revenue	4,425	-	517	136	2,079	-	7,157
Recoveries (cable, retirement) and revenue from telephone and cable providers	3,577	-	2,200	95	1,099	126	7,097
Revenue from coin laundry machines	2,777	-	278	515	619	-	4,189
Other (fees)	5,605	-	435	(88)	346	-	6,298
Total	$ 300,031	$ -	$ 50,956	$ 33,200	$ 80,988	$ 397	$ 465,572

(B) FINANCING COSTS

Financing costs were as follows:

	Year Ended December 31, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Interest on secured debt (mortgages payable)	**$ 48,793**	**$ 439**	**$ 7,509**	**$ 5,038**	**$ 14,031**	**$ -**	**$ 75,810**
Interest capitalized to properties under development	**-**	**-**	**-**	**-**	**-**	**(1,926)**	**(1,926)**
LP Class B Unit distribution	**-**	**-**	**-**	**-**	**-**	**4,479**	**4,479**
Other interest charges	**168**	**(1)**	**(43)**	**(25)**	**(16)**	**2,063**	**2,146**
Interest on lease obligations	**-**	**-**	**-**	**-**	**2,451**	**214**	**2,665**
Interest income	**(2)**	**-**	**-**	**-**	**-**	**(329)**	**(331)**
Amortization of deferred financing costs	**4,507**	**37**	**728**	**516**	**1,118**	**-**	**6,906**
Total	**$ 53,466**	**$ 475**	**$ 8,194**	**$ 5,529**	**$ 17,584**	**$ 4,501**	**$ 89,749**

	Year Ended December 31, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Interest on secured debt (mortgages payable)	$ 50,972	$ -	$ 8,475	$ 4,435	$ 14,080	$ -	$ 77,962
Interest capitalized to properties under development	(149)	-	-	-	-	(1,251)	(1,400)
LP Class B Unit distribution	-	-	-	-	-	4,479	4,479
Other interest charges	311	-	(15)	53	8	1,582	1,939
Interest on lease obligations	435	-	-	-	2,505	266	3,206
Interest income	-	-	-	-	-	(763)	(763)
Amortization of deferred financing costs	4,026	-	762	401	1,009	1	6,199
Total	$ 55,595	$ -	$ 9,222	$ 4,889	$ 17,602	$ 4,314	$ 91,622

(C) DEPRECIATION

This represents depreciation on items carried at cost and primarily includes corporate assets, technology assets, site equipment and other assets. These figures exclude any impairment charges.

(D) INCOME TAX RECOVERY

This relates to any current and deferred taxes.

(E) ADDITIONS TO NON-CURRENT ASSETS (OTHER THAN FINANCIAL INSTRUMENTS AND DEFERRED TAX ASSETS)

This represents the total cost incurred during the year to acquire non-current assets (other than financial instruments and deferred tax assets), measured on an accrual basis.

Note 34: Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Board of Trustees and authorized on February 23, 2022.

FIVE YEAR SUMMARY

($000's except per Unit and per square foot)	2017 (IFRS)	2018 (IFRS)	2019 (IFRS)	2020 (IFRS)	**2021 (IFRS)**
Assets					
Total Assets	$ 5,865,075	$ 6,109,091	$ 6,276,384	$ 6,107,744	**$ 6,660,653**
Liabilities					
Total Liabilities	$ 2,887,468	$ 2,982,406	$ 3,158,329	$ 3,231,295	**$ 3,407,475**
Equity					
Unitholders' equity	2,977,607	3,126,685	3,118,055	2,876,449	**3,253,178**
Total Liabilities and Equity	$ 5,865,075	$ 6,109,091	$ 6,276,384	$ 6,107,744	**$ 6,660,653**
Trust unit outstanding (000) (including LP Class B Units)	50,813	50,867	50,936	51,024	**50,612**
Trust unit price at year-end ($)	$ 43.09	$ 37.81	$ 45.93	$ 33.74	**$ 54.83**
Market capitalization ($MM)	2,189.5	1,923.3	2,339.5	1,721.5	**2,775.1**
Number of rental suites	33,187	33,417	33,263	33,396	**33,264**
Total Assets per suite ($000)	177	183	189	183	**200**
Total Liabilities per suite ($000)	87	89	95	97	**102**
Net rentable square feet (000)	28,539	28,793	28,674	28,879	**28,888**
Total Assets per square foot ($)	206	212	219	211	**231**
Total Liabilities per square foot ($)	101	104	110	112	**118**
Average net rentable SF per suite	860	862	862	865	**868**
L/T debt weighted average interest rate	2.61%	2.65%	2.74%	2.58%	**2.46%**

FIVE YEAR SUMMARY

($000's except per Unit)	2017 (IFRS)	2018 (IFRS)	2019 (IFRS)	2020 (IFRS)	**2021 (IFRS)**
Rental revenue	$ 422,926	$ 434,616	$ 455,313	$ 465,572	**$ 470,531**
Rental expenses					
Operating expenses	113,986	113,615	101,108	96,338	**96,845**
Utilities	47,967	47,628	47,883	48,938	**49,751**
Property taxes	44,890	45,966	47,529	51,152	**49,595**
Total rental expenses	206,843	207,209	196,520	196,428	**196,191**
Net operating income	216,083	227,407	258,793	269,144	**274,340**
Operating margin	51%	52%	57%	58%	**58%**
Financing costs	85,763	80,586	88,198	91,622	**89,749**
Administration	33,402	37,093	38,645	36,069	**33,282**
Deferred unit-based compensation	-	2,095	2,268	3,255	**2,392**
Depreciation	5,586	6,754	8,809	8,195	**7,809**
Profit before the undernoted	91,332	100,879	120,873	130,003	**141,108**
Proceeds on insurance settlement	3,162	-	-	-	**-**
Loss on sale of assets	(1,678)	(27)	(714)	(1,136)	**(1,953)**
Adjustment to right-of-use asset related to lease receivable	-	-	-	(159)	**-**
Fair value (losses) gains	(35,418)	92,371	(86,132)	(326,134)	**307,002**
Other income	-	-	-	75	**-**
Profit (loss) before income tax	57,398	193,223	34,027	(197,351)	**446,157**
Income tax (expense) recovery	(140)	(23)	754	72	**110**
Profit (loss)	57,258	193,200	34,781	(197,279)	**446,267**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income (loss)	$ 57,258	$ 193,200	$ 34,781	$ (197,279)	**$ 446,267**
Profit per Trust Unit – diluted	$ 0.84	$ 3.43	$ 0.75	$ (4.85)	**$ 9.59**
Funds from operations	$ 106,987	$ 112,112	$ 130,967	$ 139,736	**$ 150,207**
Funds from operations per Unit	$ 2.11	$ 2.21	$ 2.57	$ 2.74	**$ 2.94**
Interest Coverage Ratio	2.60	2.68	2.76	2.79	**2.97**

Fiscal year ended December 31, 2018 has been restated to present deferred unit-based compensation consistent with December 31, 2019.
Years prior to December 31, 2018 did have deferred unit-based compensation but were not restated.
Years prior to December 31, 2020 have been restated to present rental revenue consolidated with ancillary rental income.

2021 QUARTERLY RESULTS

	Q1	Q2	Q3	Q4	Dec. 31, 2021
Rental revenue	$ 115,761	$ 117,596	$ 118,446	$ 118,728	**$ 470,531**
Rental expenses					
Operating expenses	24,478	23,678	24,209	24,480	**96,845**
Utilities	14,809	11,297	10,405	13,240	**49,751**
Property taxes	12,586	12,976	12,063	11,970	**49,595**
Total rental expenses	51,873	47,951	46,677	49,690	**196,191**
Net operating income	63,888	69,645	71,769	69,038	**274,340**
Financing costs	22,362	22,497	22,527	22,363	**89,749**
Administration	8,241	8,213	8,718	8,110	**33,282**
Deferred unit-based compensation	394	1,111	329	558	**2,392**
Depreciation	1,694	1,927	1,999	2,189	**7,809**
Profit before the undernoted	31,197	35,897	38,196	35,818	**141,108**
Loss on sale of assets	-	(103)	(734)	(1,116)	**(1,953)**
Fair value (losses) gains	(2,210)	14,780	198,026	96,406	**307,002**
Profit (loss) before income tax	28,987	50,574	235,488	131,108	**446,157**
Income tax (expense) recovery	(10)	37	51	32	**110**
Profit (loss)	28,977	50,611	235,539	131,140	**446,267**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income	$ 28,977	$ 50,611	$ 235,539	$ 131,140	**$ 446,267**
Profit per Trust Unit – diluted	$ 0.62	$ 1.09	$ 5.06	$ 2.82	**$ 9.59**
Funds from operations	$ 33,210	$ 38,160	$ 40,522	$ 38,316	**$ 150,207**
Funds from operations per Unit	$ 0.65	$ 0.75	$ 0.79	$ 0.75	**$ 2.94**

2020 QUARTERLY RESULTS

	Q1	Q2	Q3	Q4	Dec. 31, 2020
Rental revenue	$ 116,004	$ 116,818	$ 116,207	$ 116,543	**$ 465,572**
Rental expenses					
Operating expenses	25,513	22,964	23,541	24,320	**96,338**
Utilities	13,945	11,359	10,814	12,820	**48,938**
Property taxes	11,891	11,971	13,660	13,630	**51,152**
Total rental expenses	51,349	46,294	48,015	50,770	**196,428**
Net operating income	64,655	70,524	68,192	65,773	**269,144**
Financing costs	22,460	23,129	23,069	22,964	**91,622**
Administration	9,282	10,710	7,425	8,652	**36,069**
Deferred unit-based compensation	1,687	787	274	507	**3,255**
Depreciation	1,875	1,984	2,077	2,259	**8,195**
Profit before the undernoted	29,351	33,914	35,347	31,391	**130,003**
Loss on sale of assets	-	(604)	-	(532)	**(1,136)**
Adjustment to right-of-use asset related to lease receivable	(159)	-	-	-	**(159)**
Fair value gains (losses)	28,528	(68,661)	(66,890)	(219,111)	**(326,134)**
Other income	-	-	-	75	**75**
Profit (loss) before income tax	57,720	(35,351)	(31,543)	(188,177)	**(197,351)**
Income tax recovery (expense)	149	82	99	(258)	**72**
Profit (loss)	57,869	(35,269)	(31,444)	(188,435)	**(197,279)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income (loss)	$ 57,869	$ (35,269)	$ (31,444)	$ (188,435)	**$ (197,279)**
(Loss) profit per Trust Unit – diluted	$ (0.86)	$ (0.76)	$ (0.79)	$ (4.05)	**$ (4.85)**
Funds from operations	$ 31,482	$ 36,201	$ 37,785	$ 34,268	**$ 139,736**
Funds from operations per Unit	$ 0.62	$ 0.71	$ 0.74	$ 0.67	**$ 2.74**

MARKET AND UNITHOLDER INFORMATION

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FIRST WEST LAW LLP
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Calgary, Alberta T2R 0W1

Bankers

TD COMMERCIAL BANKING
1100, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

Auditors

DELOITTE LLP
700, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Registrar and Transfer Agent

COMPUTERSHARE TRUST COMPANY OF CANADA
Our Transfer Agent can help you with a variety of unitholder related services, including change of address, tax forms, accounts consolidation and transfer of stock.

800, 324 – 8th Avenue SW
Calgary AB T2P 2Z2
Telephone: 403-267-6800

Investor Relations

Unitholders seeking financial and operating information may contact:

ERIC BOWERS
Vice-President, Finance and Investor Relations
Telephone: 403-531-9255
Toll Free: 855-626-6739
Facsimile: 403-531-9565
Web: www.bwalk.com/investors
Email: investor@bwalk.com

Online Information

For an online version of the current and past annual reports, quarterly reports, press releases and other Trust information, please visit our investor website at www.bwalk.com/investors.

Annual General Meeting

The Annual General Meeting of the Unitholders of Boardwalk REIT will be held on May 9, 2022 at 4:00 PM mountain time.

Unitholders are encouraged to complete the Form of Proxy and participate via webcast. Webcast information available on www.bwalk.com/investors.

Exchange Listings

The Toronto Stock Exchange
Symbol: BEI.UN

Trading Profile

TSX: January 1, 2021 to December 31, 2021
High: $57.10
Low: $33.06
Year-end Closing Price: $54.83

MONTHLY DISTRIBUTIONS

Month	Per Unit	Annualized	Record Date	Distribution Date
Jan-21	$0.0834	$1.00	29-Jan-21	15-Feb-21
Feb-21	$0.0834	$1.00	26-Feb-21	15-Mar-21
Mar-21	$0.0834	$1.00	31-Mar-21	15-Apr-21
Apr-21	$0.0834	$1.00	30-Apr-21	17-May-21
May-21	$0.0834	$1.00	31-May-21	15-Jun-21
Jun-21	$0.0834	$1.00	30-Jun-21	15-Jul-21
Jul-21	$0.0834	$1.00	30-Jul-21	16-Aug-21
Aug-21	$0.0834	$1.00	31-Aug-21	15-Sep-21
Sep-21	$0.0834	$1.00	30-Sep-21	15-Oct-21
Oct-21	$0.0834	$1.00	29-Oct-21	15-Nov-21
Nov-21	$0.0834	$1.00	30-Nov-21	15-Dec-21
Dec-21	$0.0834	$1.00	31-Dec-21	17-Jan-22
Jan-22	$0.0834	$1.00	31-Jan-22	15-Feb-22
Feb-22	$0.0834	$1.00	28-Feb-22	15-Mar-22
Mar-22	$0.0900	$1.08	31-Mar-22	15-Apr-22
Apr-22	$0.0900	$1.08	29-Apr-22	16-May-22

NOTES

CORPORATE INFORMATION

Executive Office

FIRST WEST PROFESSIONAL BUILDING
200, 1501 – 1st Street SW
Calgary, Alberta T2R 0W1
Phone: 403-531-9255

Board of Trustees

Senior Management

BOYD BELISLE
Vice President,
Community & Culture

ERIC BOWERS
Vice President,
Finance & Investor Relations

LEONORA DAVIDS
Senior Vice President,
Operations

JAMES HA
President

BHAVNESH JAIRAM
CIO, Vice President,
Technology

EVA KANOVICH
Vice President,
Marketing

JEFF KLAUS
Vice President,
Asset Management & Development

SAM KOLIAS
Chief Executive Officer

VAN KOLIAS
Senior Vice President,
Quality Control

HELEN MIX
Vice President,
People

LISA SMANDYCH
Chief Financial Officer

boardwalk

Lifestyle | communities | living

Boardwalk REIT

200–1501 1 St. SW
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