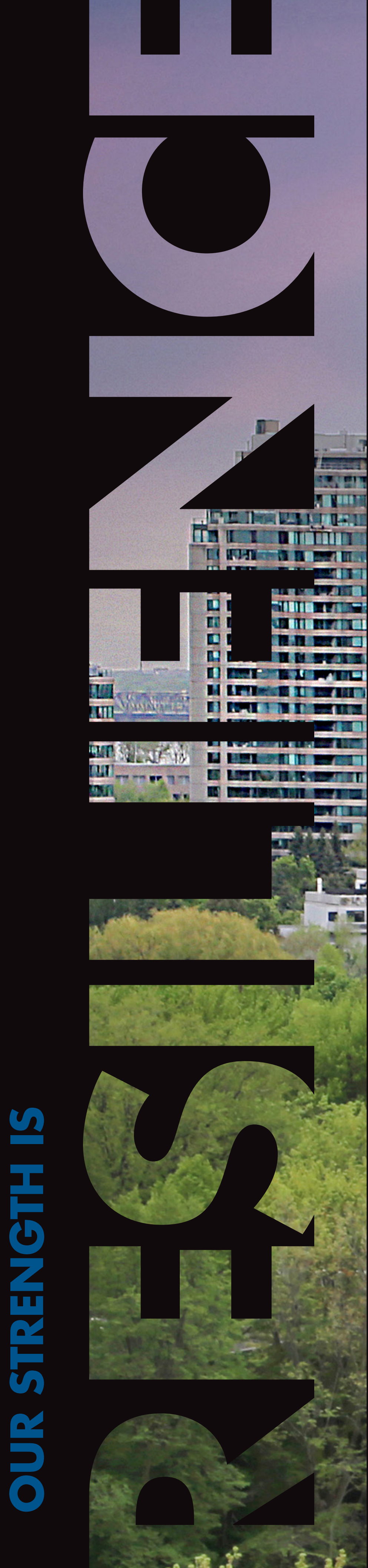


LETTER TO UNITHOLDERS

We are pleased to report on another solid quarter with growth in FFO per Trust Unit of 6.8% compared to the same period a year ago. Boardwalk's continued strong financial performance is the result of improvement in apartment fundamentals in our core markets, and our entire team's contribution and commitment in serving our Resident Members with the best quality communities across Canada. In turn, our Residents have rewarded us with strong performance in occupancy, retention, and positive leasing spreads.

Housing fundamentals in our core markets continue to improve with employment growth and the resumption of international immigration which have both increased housing demand. Our unregulated and high affordability Western Canadian markets have seen increased optimism with the strong economic backdrop of higher commodity prices, and increased investment in clean energy such as carbon capture and hydrogen, as well as continued growth in the technology industry. Our stable Eastern Canadian markets continue to benefit from suite turnovers allowing for a mark-to-market in rental rates. Our portfolio of assets is well positioned to continue on our track record of the highest FFO per unit growth amongst our peers.

The Trust has increased the estimated value of its assets to account for improved apartment fundamentals. Recent private market transactions continue to reflect lower cap rates and increased apartment valuations. Continued low interest rates, the resiliency of the multi-family asset class, and revenue growth on the foundation of high affordability have increased apartment valuations in Western Canada. In addition, our recent acquisitions in our target markets of Victoria, and Kitchener-Waterloo have performed above our expectations, further validating our recent investments in those markets.

Boardwalk is focused on opportunistically sourcing acquisition and development opportunities in our core and target markets while also recycling capital through the sale of non-core assets at prices at or above our IFRS fair value. As a component of the Trust's capital allocation strategy, the Trust intends to apply to the TSX for approval of a normal course issuer bid to re-deploy equity proceeds from non-core asset sales toward an investment in Boardwalk's own high-quality portfolio on an accretive basis. We look forward to sharing further updates.

boardwalk

Lifestyle | communities | living

Q3 REPORT

Third Quarter & First Nine-months Financial Highlights

Highlights of the Trust's Third Quarter 2021 Financial Results *($ millions, except per Unit amounts)*	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Operational Highlights						
Total Rental Revenue	**$ 118.4**	$ 116.2	1.9%	**$ 351.8**	$ 349.0	0.8%
Same Property Total Rental Revenue *	**$ 115.3**	$ 115.2	0.1%	**$ 343.3**	$ 345.2	(0.5%)
Net Operating Income (NOI)	**$ 71.8**	$ 68.2	5.2%	**$ 205.3**	$ 203.4	0.9%
Same Property NOI *	**$ 71.1**	$ 69.1	3.0%	**$ 204.6**	$ 206.3	(0.8%)
Operating Margin	**60.6%**	58.7%		**58.4%**	58.3%	
Same Property Operating Margin *	**61.7%**	60.0%		**59.6%**	59.8%	
Financial Highlights						
Funds From Operations (FFO) **	**$ 40.5**	$ 37.8	7.2%	**$ 111.9**	$ 105.5	6.1%
Adjusted Funds From Operations (AFFO) **	**$ 32.2**	$ 29.1	10.5%	**$ 86.7**	$ 79.5	9.1%
Profit (Loss) for the Period ***	**$ 235.5**	$ (31.4)	849.1%	**$ 315.1**	$ (8.8)	3,663.2%
FFO per Unit	**$ 0.79**	$ 0.74	6.8%	**$ 2.19**	$ 2.07	5.8%
AFFO per Unit	**$ 0.63**	$ 0.57	10.5%	**$ 1.70**	$ 1.56	9.0%
Net Asset Value						
IFRS Asset Value per Diluted Unit (Trust & LP Class B Units), period end				**$ 125.57**	$ 120.01	
Debt Outstanding per Diluted Unit, period end				**$ (62.12)**	$ (60.79)	
Net Asset Value (NAV) per Diluted Unit (Trust & LP Class B Units), period end				**$ 63.45**	$ 59.22	
Cash per Diluted Unit (Trust & LP Class B Units), period end				**$ 0.84**	$ 1.63	
Total per Diluted Unit (Trust & LP Class B Units), period end				**$ 64.29**	$ 60.85	
Liquidity, Debt and Distributions						
Cash Position, period end				**$ 43,000**		
Subsequent Committed/Funded Financing				**$ 34,700**		
Line of Credit				**$ 199,800**		
Total Available Liquidity				**$ 277,500**		
Liquidity as a % of Period Total Debt				**9%**		
Debt (net of cash) as a % of Reported Asset Value				**49%**		
Principal Outstanding, period end	**$ 3,073,311**	$ 3,002,166		**$ 3,073,311**	$ 3,002,166	
Interest Coverage Ratio (Rolling 4 quarters)	**2.90**	2.78		**2.90**	2.78	
Regular Distributions Declared (Trust Units & LP Class B Units)	**$ 12.8**	$ 12.8	0.1%	**$ 38.3**	$ 38.3	0.1%
Regular Distributions Declared Per Unit (Trust Units & LP Class B Units)	**$ 0.250**	$ 0.250	0.0%	**$ 0.750**	$ 0.751	0.0%
Regular Payout as a % FFO	**31.5%**	33.8%		**34.2%**	36.3%	
Stabilized Apartment Units				**32,885**	32,682	
Un-Stabilized Units				**558**	786	
Total Apartment Units				**33,443**	33,468	

* Same Property figures exclude un-stabilized properties and assets sold within the reporting period.

** Funds from Operations and Adjusted Funds from Operations are both non-GAAP financial measures with detailed reconciliations provided in the Trust's Management Discussion & Analysis (MD&A).

*** Profit (loss) for the period as defined by IFRS includes the changes in assets and/or liabilities carried at fair value three and nine months ended September 30, 2021.

The Trust's IFRS asset value of its investment properties increased from the prior year and from the prior quarter primarily as a result of cap rate compression in select markets supported by recent transactions, as well as market rent improvements and adjustments to vacancy assumptions to reflect stronger market conditions. The Trust's current net asset value of its investment properties equates to approximately $185,000 per apartment door.

Resilient Operational Results

Portfolio Highlights for the Third Quarter of 2021		**Sept. 2021**		Dec. 2020		Sept. 2020
Average Occupancy (Quarter Average) *		**96.07%**		95.71%		96.61%
Average Monthly Rent (Period Ended)	**$**	**1,150**	$	1,132	$	1,138
Average Market Rent (Period Ended)	**$**	**1,339**	$	1,330	$	1,332
Average Occupied Rent (Period Ended)	**$**	**1,195**	$	1,189	$	1,183
Loss-to-Lease (Period Ended) ($ millions)	**$**	**54.9**	$	53.5	$	56.4
Loss-to-Lease Per Trust Unit (Period Ended)	**$**	**1.08**	$	1.05	$	1.11

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

Monthly Stabilized Portfolio Occupancy, as of the first day of each month *	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21	Jul. 21	Aug. 21	Sep. 21	Oct. 21	Nov. 21
Stabilized Portfolio Occupancy	94.8%	94.7%	95.0%	95.7%	96.0%	96.0%	95.9%	96.1%	96.2%	96.1%	95.7%

* Occupancy on the first day of each month subject to adjustment for late moveout notices.

Monthly sequential occupancy has increased within Boardwalk's stabilized portfolio increasing by 90 basis points since January. Average occupied rent increased when compared to the same period a year ago as the Trust focuses on reducing incentives on lease renewals, and on new leases as target occupancy is reached in each market. This has resulted in continued overall growth in quarterly sequential revenue.

Sequential Revenue

Stabilized Revenue Growth	# of Units	Q3 2021 vs Q2 2021	Q2 2021 vs Q1 2021	Q1 2021 vs Q4 2020	Q4 2020 vs Q3 2020
Edmonton	12,882	0.7%	1.2%	(1.8%)	(2.2%)
Calgary	5,798	1.4%	1.5%	(1.6%)	(0.4%)
Red Deer	939	1.4%	0.9%	(0.7%)	(2.1%)
Grande Prairie	645	(2.9%)	(0.6%)	0.1%	(1.9%)
Fort McMurray	352	(2.2%)	0.9%	(0.7%)	0.6%
Quebec	6,000	0.5%	(1.2%)	0.5%	0.9%
Saskatchewan	3,684	0.9%	1.6%	0.3%	1.1%
Ontario	2,585	0.8%	1.2%	1.1%	2.2%
	32,885	0.8%	0.8%	(0.8%)	(0.6%)

For the third quarter, same-property revenue growth in Ontario and Saskatchewan resulted in same-property NOI growth of 5.7% and 9.3%, respectively. In Quebec, same-property NOI growth was relatively flat, however, when excluding the seniors' community *L'Astre*, which is currently being repositioned to a conventional multi-family asset, same-property NOI growth was 1.0%. Together, these regions represent approximately 40% of NOI.

In Alberta, same-property NOI growth was 2.7% for the third quarter, compared to the same period in 2020, as cost savings from lower non-controllable expenses resulted in a decrease in operating expenses. Quarterly sequential revenue growth continued in Q3, largely a result of increasing occupancy and sustainable incentive reductions on lease renewals. This leading indicator, when combined with anticipated savings in operating expenses for the remainder of the year, is expected to result in continued positive same-property NOI performance for the fourth quarter of 2021.

Same Property Performance

Sep. 30 2021 – 3 M	# of Units	% Revenue Growth	% Operating Expense Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(2.2%)	(6.8%)	1.4%	36.3%
Calgary	5,798	0.9%	(7.5%)	5.8%	21.3%
Red Deer	939	(0.5%)	(6.8%)	5.2%	2.3%
Grande Prairie	645	(5.1%)	(6.2%)	(4.2%)	1.5%
Fort McMurray	352	(1.5%)	6.9%	(6.5%)	1.0%
Alberta	20,616	(1.3%)	(7.2%)	2.7%	62.3%
Quebec	6,000	0.7%	2.8%	(0.3%)	19.4%
Saskatchewan	3,684	4.0%	(3.4%)	9.3%	11.2%
Ontario	2,585	5.3%	4.8%	5.7%	7.0%
	32,885	0.1%	(4.2%)	3.0%	100.0%

Sep. 30 2021 – 9 M	# of Units	% Revenue Growth	% Operating Expense Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(3.4%)	(0.4%)	(5.8%)	35.3%
Calgary	5,798	(0.7%)	0.1%	(1.1%)	21.3%
Red Deer	939	(2.1%)	(2.6%)	(1.6%)	2.2%
Grande Prairie	645	(3.7%)	(4.9%)	(2.7%)	1.5%
Fort McMurray	352	(1.7%)	2.4%	(4.8%)	1.0%
Alberta	20,616	(2.5%)	(0.4%)	(4.0%)	61.3%
Quebec	6,000	1.6%	0.1%	2.3%	20.0%
Saskatchewan	3,684	3.8%	(1.1%)	7.5%	11.2%
Ontario	2,585	5.7%	3.8%	7.0%	7.5%
	32,885	(0.5%)	(0.1%)	(0.8%)	100.0%

Strong Liquidity Position With Access To Record Low Interest Rates

The Trust utilized the low interest rate environment in 2021 to renew and refinance its mortgage maturities at interest rates well below the maturing rates.

At the beginning of 2021, the Trust had over $380 million of mortgage maturities with an average in-place interest rate of 2.40%. Current market five- and ten-year CMHC financing rates are estimated to be 2.20% and 2.70%, respectively, providing a positive interest cost savings opportunity. To date, the Trust has forward locked or renewed the interest rate on $340.5 million of its maturing mortgages in 2021 at an average interest rate of 1.73%.

Accretive Capital Recycling

The Trust has entered into an agreement to divest of its 50% interest in the Sandalwood project in Mississauga, Ontario. The Purchaser has removed conditions and the transaction is expected to close on November 26, 2021. 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 Trust continues to be active in sourcing opportunistic accretive acquisitions in its core and target markets. The Trust currently believes that its own high-quality portfolio represents an excellent opportunity to recycle sale proceeds as an accretive use of capital derived from non-core asset dispositions. The purchase and cancellation of its trust units offers an accretive use of its capital and enhances the value of trust units held by remaining unitholders. As a result, Boardwalk intends to apply to the TSX to commence a Normal Course Issuer Bid to purchase and cancel trust units, subject to the approval and applicable rules of the TSX.

On September 15, 2021, the Trust closed on the previously announced sale of a 70-unit, non-core asset in Edmonton, AB. *Oak Tower* is a 11-storey building located in the Oliver community. The sale price of $11.8 million, or $168,500 per door, and equating to a cap rate of 3.75% based on most recent full year NOI, was above the Trust's IFRS fair value of the asset.

Increased 2021 Financial Guidance

In Q2 2021, Boardwalk re-instated its outlook and financial guidance for the remainder of fiscal year 2021. The Trust is revising its forecast upward to reflect better than anticipated performance and is increasing its forecast ranges for same-property NOI growth, FFO per Unit and AFFO per Unit estimates as follows:

	Revised Financial Guidance	Original Financial Guidance
H2 2021 Same-Property NOI Growth	+2.0% to +4.5%	0.0% to +4.0%
FY 2021 Same-Property NOI Growth	-0.5% to +1.0%	-2.0% to +1.0%
2021 FFO Per Unit	$2.89 to $2.95	$2.80 to $2.92
2021 AFFO Per Unit	$2.24 to $2.30	$2.15 to $2.27

FFO and AFFO include $0.02 of retirement costs incurred.
AFFO calculated based on maintenance capital estimate of $999 per door.

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 charges 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 same-property assets. Any significant change in assumptions deriving "Same-Property NOI Growth" would have a material effect on the final reported amount. The Trust reviews these key assumptions regularly and based on this review, may change its outlook on a going-forward basis.

Q3 Regular Monthly Distribution Announcement

The Trust has confirmed its regular monthly distribution for the months of November 2021, December 2021, and January 2022 as follows:

Month	Per Unit	Annualized	Record Date	Distribution Date
Nov. 21	$ 0.0834	$ 1.00	Nov. 30, 2021	Dec. 15, 2021
Dec. 21	$ 0.0834	$ 1.00	Dec. 31, 2021	Jan. 17, 2022
Jan. 22	$ 0.0834	$ 1.00	Jan. 31, 2022	Feb. 15, 2022

In line with Boardwalk's distribution policy of maximum re-investment, the Trust's payout ratio remains conservative at 31.5% of Q3 2021 FFO; and 34.2% of FFO for the first nine months of 2021.

Boardwalk's regular monthly distribution provides a stable and attractive yield for the Trust's Unitholders.

Exceptional Value

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

Recent private market sales transactions of apartment buildings in our core markets have occurred at prices inline with or above Boardwalk's fair value of its assets of approximately $185,000 per door. This valuation represents approximately a 4.5% cap rate on Boardwalk's most recent 12 months of investment property NOI.

At the current unit price of $53/Trust Unit, Boardwalk's implied value is approximately $168,000 per door and represents an attractive 4.9% capitalization rate on trailing NOI. In addition, Boardwalk's current monthly distributions on its Trust Units of $1.00 per year represents a sustainable monthly cash distribution providing stable income to our Unitholders.

In Conclusion

Boardwalk and our team are committed to delivering the best product quality, service and experience in a safe manner, gaining market share, and providing strong value and affordability to our Resident Members. Our results through the COVID-19 pandemic have positioned us at the right place and at the right time to continue delivering on our track record of growth as economic restrictions related to the pandemic ease.

Thank you to our Unitholders, our operational partners, the financial community, and CMHC for their continued support of the Trust.

Thank you to our Resident Members for calling Boardwalk home.

And lastly, thank you to the Boardwalk Team of Heroes who everyday are providing safe and affordable homes to our Residents in all of our Communities across Canada.

Sincerely,

Sam Kolias
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended, September 30, 2021 and 2020

General and Forward-looking Statements

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 provided 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 November 11, 2021 unless otherwise stated, and should be read in conjunction with Boardwalk's condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020, which have been prepared in accordance with IFRS, as well as Boardwalk's audited annual consolidated financial statements for the years ended December 31, 2020 and 2019, which have also been prepared in accordance with IFRS, together with the MD&A related thereto, 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 condensed consolidated interim financial statements, audited annual consolidated financial statements, and MD&A related thereto, including trends, which might appear, should not be taken 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 of 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 all its taxable income continues to be distributed to its Unitholders (as defined below). Further discussion of this is contained in this MD&A.

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 statements include, but are not limited to, statements made concerning Boardwalk's objectives, including, but not limited to, the REIT's 2021 financial outlook and market guidance, increasing its occupancy rates, joint venture developments and future acquisition and development opportunities, including its plans for the newly purchased lands 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 impact of the novel strain coronavirus (COVID-19) pandemic, as well as statements with respect to management'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's current beliefs and are based on information currently available to management at the time such statements are made. Management'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, 2020 dated February 25, 2021 (the "AIF") 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 and continuing into 2021, 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 enacted 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, caused material disruption to businesses globally resulting in an economic slowdown and unprecedented unemployment levels. As of November 11, 2021, 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 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 "FOFI" for purposes of applicable securities laws, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. 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 believe 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" or "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 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 September 30, 2021, Boardwalk REIT owned and operated in excess of 200 properties, comprised of over 33,000 residential units, and totaling over 28 million net rentable square feet. At the end of the third quarter of 2021, Boardwalk REIT's property portfolio was concentrated in the provinces of Alberta, British Columbia, Saskatchewan, Ontario, and Quebec.

At September 30, 2021, the fair value of Boardwalk's investment property assets was approximately $6.4 billion, which generated a profit of $38.2 million and $105.3 million for the three and nine months ended September 30, 2021 (before fair value gains (losses), loss on sale of assets, and income taxes), respectively. For the three and nine months ended September 30, 2021, the Trust earned $40.5 million and $111.9 million, respectively, of Funds From Operations ("FFO"), or $0.79 and $2.19 per Unit on a diluted basis. Adjusted Funds From Operations ("AFFO") for the three and nine months ended September 30, 2021 were $32.2 million and $86.7 million, respectively, or $0.63 and $1.70 per Unit on a diluted basis. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures - Non-GAAP Financial Measures" in this MD&A for definitions of FFO and AFFO.

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 2020 Annual Report, the Trust has completed its ESG Report, which is now 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 condensed consolidated interim financial statements for the three and nine months ended September 30, 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 – 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 the condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020, Boardwalk REIT's 2020 Annual Report, the audited annual consolidated financial statements for the years ended December 31, 2020 and 2019, 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 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, 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 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 also promotes individuals to get fully immunized in order to engage in these normal everyday activities that people enjoy. Although these programs have only recently been implemented, and only in certain regions, early results appear favourable with the number of COVID-19 cases declining as well as an uptake in more individuals getting immunized.

RENTAL COLLECTIONS

The majority of Resident Members have continued to maintain timely payments throughout this COVID-19 pandemic. During Q3 2021, the Trust experienced increased rent collections from its Resident Members consistent with its historical collection rate of over 98%.

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 March, 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 number of the population being vaccinated, the government has given more flexibility to those who have been fully vaccinated, which has lessened restrictions and leads to a more positive outlook for future economic growth. However, a number of uncertainties still exist. A resurgence of COVID-19 cases could cause the economy to close down again, the implications to the economy of implementing a vaccine passport is unknown, and it is still unclear how quickly unemployment rates may improve in these conditions. The extent of the impact from government programs that were provided is also unknown. As a result, the impact on the Trust's cash flows from operating activities is still uncertain. In addition, 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 how it will impact 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 IT 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 "Risk and Risk Management" in this MD&A and "Challenges and Risks" in the AIF.

Outlook

In its October 2021 Monetary Policy Report, the Bank of Canada has once again provided a positive outlook and sees strong growth in the Canadian economy as it continues to re-open. However, the increased demand is being met with bottlenecks in both supply chain and employment. Continued higher inflation rates are being seen as a chain reaction to these supply chain disruptions and increased energy prices in the market. The Bank expects the inflation to continue in the short term, but will likely come down to the Bank's targeted 2% by the end of 2022. Though the Bank believes the risk of this inflation to be roughly balanced, the upside risks are of greater concern to the Bank as it is out of their inflation-control range. Fluctuations in the economy during these uncertain times may impact the actual timing of our recovery and the Bank has modified its expectations to show a slower pick up. The forecast for growth has been adjusted to show approximately 5% for 2021, slowing to about 4.25% in 2022, and 3.75% in 2023.

Boardwalk continues to move forward with several development opportunities, including the joint ventures, 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.

To date, the Trust has renewed approximately $340.5 million of 2021 mortgage maturities, with an average term of five years at a weighted average interest rate of 1.73%, which was a decrease from the average maturing rate on these completed mortgages. In addition, the Trust has secured approximately $152.6 million of additional mortgage funds.

For the nine months ended September 30, 2021, principal repayments totaled $53.9 million (nine months ended September 30, 2020 – $50.2 million). As of November 2021, CMHC-insured five and ten-year mortgage rates were estimated to be 2.20% and 2.70%, respectively. For the remainder of 2021, the Trust has a total of $163.6 million of mortgages maturing. 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 shareholder 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, positions the Trust for optimized cash flow growth. 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 by implementing a normal course issuer bid.

Boardwalk's investment approach provides significant growth and enhanced performance in the Trust's key metrics of funds from operation and net asset value, each measured on a per trust 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*

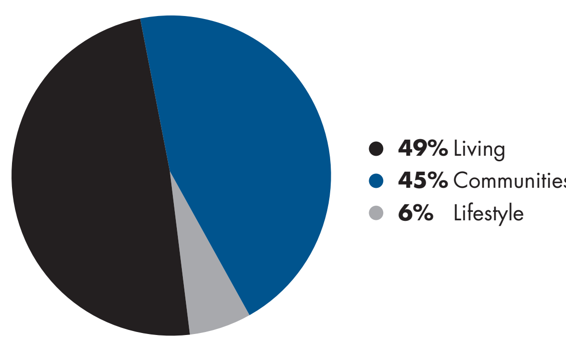
*Boardwalk Living features classic suites for our Resident Me*mbers who appreciate flexibility, reliability, and value that comes with a quality home.

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

Boardwalk has invested value added capital of $64.7 million for the nine months ended September 30, 2021 ($53.8 million for the nine months ended September 30, 2020), and $83.7 million in 2020 ($87.2 million in 2019, $87.6 million in 2018), focusing capital allocation on upgrading common areas, building improvements, energy efficiency projects, and suite renovations. 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 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 units 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 is included 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 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 renovation program, brand diversification initiative, acquisitions and new construction of multi-family communities in supply-constrained markets.

COMPLIANCE WITH DOT

At September 30, 2021, the Trust was in material compliance with all investment guidelines and operating policies as stipulated in the DOT. More details are included later in this MD&A with respect to certain detailed calculations.

For the trailing twelve-month period ended September 30, 2021, Boardwalk REIT's overall interest coverage ratio of adjusted EBITDA (i.e. Earnings Before Interest, Taxes, Depreciation and Amortization) to interest expense, excluding distributions on LP Class B Units (as defined herein) and fair value adjustments, was 2.90 (December 31, 2020 – 2.79).

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 condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020, unless otherwise specified.

NON-GAAP FINANCIAL MEASURES

Boardwalk REIT prepares its 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 measurements called NOI, FFO and AFFO to supplement operating income and profits (or earnings) as measures of operating performance, as well as a cash flow metric called Adjusted Cash Flows From Operations ("ACFO"). These measurements are considered to be meaningful and useful measures of real estate operating performance, however, are not measures defined by IFRS. As they do not have standardized meanings prescribed by IFRS, they therefore may not be comparable to similar measurements presented by other entities and should not be construed as an alternative to IFRS defined measures.

The discussion below outlines the non-GAAP financial measures used by the Trust:

Net Operating Income

NOI is defined as rental revenue less rental expenses. As it relates to the Trust, NOI can be found as a subtotal on the Trust's Condensed Consolidated Interim Statements of Comprehensive Income (Loss). However, it is typically considered a non-GAAP measure and, therefore, is included here as it is widely used as an operating performance indicator in the real estate industry.

Funds From Operation

The IFRS measurement most comparable to FFO is profit (loss). We define FFO as 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 tax, and certain other non-cash adjustments, if any, but after deducting the principal portion of lease liabilities and adding the principal portion of lease receivables. The reconciliation from profit (loss) under IFRS to FFO can be found under the section titled "Performance Review – FFO and AFFO Reconciliations". Boardwalk REIT considers FFO to be an appropriate measurement of the performance of a publicly listed multi-family residential entity. In order to facilitate a clear understanding of the combined historical operating results of Boardwalk REIT, management feels FFO should be considered in conjunction with profit (loss) as presented in the condensed consolidated interim financial statements.

Adjusted Funds From Operation

Similar to FFO, the IFRS measurement most comparable to AFFO is profit (loss). 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 also adds or maintains the value of the related assets. A more detailed discussion of this topic will be provided in the "Review of Cash Flows – Investing Activities – Maintenance of Productive Capacity" section later in this MD&A. The reconciliation of AFFO can be found under the section titled "Performance Review – FFO and AFFO Reconciliations".

Adjusted Cash Flows From Operations

The IFRS measurement most comparable to ACFO is Cash Flows 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 flows from operations as determined under IFRS. A reconciliation of ACFO to cash flows from operating activities as shown in the Trust's Condensed Consolidated Interim Statements of Cash Flows is also provided in the section titled, "Review of Cash Flows – Operating Activities – Cash Flows from Operations", along with added commentary on the sustainability of Boardwalk REIT's Trust Unit distributions.

Boardwalk REIT's presentation of NOI, 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 flows from operations 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 NOI, FFO, AFFO, and ACFO may differ from that of other real estate companies and trusts.

Distributions as a Percentage of FFO, AFFO, and ACFO

Distributions as a percentage of FFO, AFFO and ACFO are supplementary non-GAAP measures of a REIT's ability to pay distributions. These ratios are computed by dividing Unitholder distributions paid (including distributions on the LP Class B Units) by FFO, AFFO, and ACFO, respectively. The Trust's method of calculating these ratios may differ from other real estate entities, and accordingly, may not be comparable to other issuers.

Operating Margins

Operating margins are a supplementary non-GAAP measure of the Trust's operating performance. This ratio is calculated by dividing NOI by rental revenue allowing management to assess the percentage of rental revenue which generated profit.

Stabilized Revenue Growth, Stabilized Operating Expense Growth and Stabilized NOI Growth

Stabilized revenue growth, stabilized operating expense growth and stabilized NOI growth are supplementary non-GAAP financial measures used by the Trust to assess period over period performance of those properties which Boardwalk has owned and operated for over 24 months. These ratios are calculated by determining the percentage change in stabilized revenue, stabilized operating expenses and stabilized NOI from one period to the next. Stabilized property performance is a meaningful measure of operating performance as it allows management to assess rent growth and expense changes of its portfolio on a stabilized property basis.

Estimated Loss-to-Lease

Estimated loss-to-lease is a non-GAAP measure used to represent the difference between estimated market rents and actual occupied rents, adjusting for current occupancy levels at a certain point in time. Reported market rents can be very seasonal, and, as such, will vary from quarter to quarter, however, this calculation allows management to assess the difference between expected versus actual rents and the impact of that variance. The significance of this change could materially affect Boardwalk REIT's "estimated loss-to-lease" amount. Additional relevance 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.

Enterprise Value

Enterprise Value is a non-GAAP measure calculated as the sum of the Trust's total debt and Trust Unit market capitalization. This non-GAAP measure is used by management and the industry as a measure of total value of the REIT based on debt and market price of equity instead of IFRS total assets.

Net Asset Value per Unit

With real estate entities, net asset value ("NAV") is the total value of the entity's investment properties and cash minus the total value of the entity's debt. To obtain the per trust unit value it is divided by the diluted weighted average number of trust units outstanding. The calculated NAV is an estimation of the entity's value on a per unit basis.

Performance Review

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 apartment units 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 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.

Boardwalk REIT does not include any gains or losses reported on the sale of its properties in its calculation of FFO. The Trust feels 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.

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 units in supply-constrained markets.

For the three and nine months ended September 30, 2021 and 2020, the Trust declared regular distributions of $12.8 million and $38.3 million (inclusive of distributions paid to holders of the LP Class B Units), respectively for both years. For the three and nine months ended September 30, 2021, the distributions represented approximately 31.5% and 34.2% of FFO, respectively, and 33.8% and 36.3% for the same periods in the prior year. 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 operating 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. 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.

FFO RECONCILIATION FROM 2020 TO 2021

The following table shows a reconciliation of changes in FFO from September 30, 2020 to September 30, 2021. It should be noted that FFO, as disclosed in the table below, reflects FFO derived from the Trust's condensed consolidated interim financial statements prepared in accordance with IFRS. As previously noted, we define the calculation of FFO as net income before fair value adjustments, distributions on the LP Class B Units, gains (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 Reconciliation		**3 Months**		**9 Months**
FFO Opening – Sep. 30, 2020	$	0.74	$	2.07
NOI from Stabilized Properties		0.04		(0.03)
NOI from Unstabilized Properties		0.03		0.08
FFO Loss from Sold Properties		(0.01)		(0.01)
Administration, financing and other		(0.01)		0.03
	$	0.05	$	0.07
	$	0.79	$	2.14
Other Adjustments				
Retirement costs	$	-	$	0.05
FFO Closing – Sep. 30, 2021	**$**	**0.79**	**$**	**2.19**

During the three and nine months ended September 30, 2021, nil and $0.05 per fully diluted Trust Unit, respectively, was recognized as savings for executive retirements. During the three and nine months ended September 30, 2021, the Trust incurred nil and $0.02 per fully diluted Trust Unit, respectively, for retirement costs, mainly in the form of deferred unit-based compensation and severance payments, compared to nil and $0.07 per fully diluted Trust Unit for the three and nine months ended September 30, 2020, respectively.

FFO AND AFFO RECONCILIATIONS

In the following table, Boardwalk REIT provides a reconciliation of FFO (a non-GAAP measure) to profit (loss) for the period, its closely related financial statement measurement for the three and nine months ended September 30, 2021 and 2020. Adjustments are explained in the notes on the following page, as appropriate.

FFO Reconciliation *(In $000's, except per Unit amounts)*	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Profit (loss) for the period	**$ 235,539**	$ (31,444)		**$ 315,127**	$ (8,844)	
Adjustments						
Adjustment to right-of-use asset related to lease receivable	**-**	-		**-**	159	
Loss on sale of assets	**734**	-		**837**	604	
Fair value (gains) losses (1)	**(198,026)**	66,890		**(210,596)**	107,023	
Add back distributions to LP Class B Units recorded as financing charges (2)	**1,120**	1,120		**3,360**	3,359	
Deferred income tax recovery	**(51)**	(99)		**(78)**	(330)	
Depreciation expense on Property Plant & Equipment	**1,999**	2,077		**5,620**	5,936	
Principal portion of lease obligations	**(959)**	(912)		**(2,863)**	(2,733)	
Principal portion of lease receivable	**166**	153		**485**	294	
FFO	**$ 40,522**	$ 37,785	7.2%	**$ 111,892**	$ 105,468	6.1%
FFO – per Unit	**$ 0.79**	$ 0.74	6.8%	**$ 2.19**	$ 2.07	5.8%

(1) Under IFRS, the Trust has a number of Statements of Financial Position items, which are measured using a fair value model with fluctuations related to these fair value amounts from period to period flowing through the Statements of Comprehensive Income (Loss). These fair value adjustments are considered "non-cash items" and are added back in the calculation of FFO.

(2) 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 charges" under IFRS. Management believes these distribution payments do not truly represent "financing charges", 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.

Overall, Boardwalk REIT earned FFO of $40.5 million for the third quarter of 2021 compared to $37.8 million for the same period in 2020. FFO, on a per Unit diluted basis, for the quarter ended September 30, 2021, increased approximately 6.8% compared to the same quarter in the prior year from $0.74 to $0.79. The increase is mainly attributable to higher rental revenues as well as savings in building repairs and maintenance, bad debts, utilities, property taxes, and financing costs.

For the nine months ended September 30, 2021, the Trust earned FFO of $111.9 million compared to $105.5 million for the same period in 2020. FFO, on a per Unit fully diluted basis for the nine months ended September 30, 2021, increased 5.8% compared to the same period in the prior year from $2.07 to $2.19. These increases were due to higher rental revenues and savings in building repairs and maintenance, advertising, bad debts, and financing costs, offset by increases in wages and salaries, insurance, utilities, and property taxes.

The increase in revenues for the three and nine months ended September 30, 2021 is mainly due to the increase in the in-place occupied rents and the decrease in the incentives from the same periods in the prior year, and new acquisitions completed in 2021 and near the end of the third quarter in 2020. The current low interest rate environment has continued to bring cost savings in financing costs, which has contributed to the increase in FFO for the three and nine month periods, as noted above.

The following table provides a reconciliation of FFO to AFFO:

(000's)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020
FFO	**$ 40,522**	$ 37,785	**$ 111,892**	$ 105,468
Maintenance Capital Expenditures (1)	**8,364**	8,674	**25,196**	26,018
AFFO	**$ 32,158**	$ 29,111	**$ 86,696**	$ 79,450
FFO per Unit (Trust and LP Class B Units)	**$ 0.79**	$ 0.74	**$ 2.19**	$ 2.07
AFFO per Unit (Trust and LP Class B Units)	**$ 0.63**	$ 0.57	**$ 1.70**	$ 1.56
Unitholder Distributions-Regular (Trust Units and LP Class B Units)	**$ 12,773**	$ 12,766	**$ 38,307**	$ 38,283
Distribution as a % of FFO	**31.5%**	33.8%	**34.2%**	36.3%
Distribution as a % of AFFO	**39.7%**	43.9%	**44.2%**	48.2%

(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".

Review of 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 $000's, except number of suites)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Rental revenue	**$ 118,446**	$ 116,207	1.9%	**$ 351,803**	$ 349,029	0.8%
Expenses						
Operating expenses	**24,209**	23,541	2.8%	**72,365**	72,018	0.5%
Utilities	**10,405**	10,814	(3.8%)	**36,511**	36,118	1.1%
Property taxes	**12,063**	13,660	(11.7%)	**37,625**	37,522	0.3%
	$ 46,677	$ 48,015	(2.8%)	**$ 146,501**	$ 145,658	0.6%
Net operating income	**$ 71,769**	$ 68,192	5.2%	**$ 205,302**	$ 203,371	0.9%
Operating margins	**60.6%**	58.7%		**58.4%**	58.3%	
Number of suites at September 30	**33,443**	33,468		**33,443**	33,468	

(In $000's, except number of suites)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Gross rental revenue, before vacancy losses and incentives	**$ 132,615**	$ 130,740	1.4%	**$ 396,994**	$ 392,443	1.2%
Vacancy loss	**(4,651)**	(4,595)	1.2%	**(16,480)**	(14,434)	14.2%
Incentives	**(9,518)**	(9,938)	(4.2%)	**(28,711)**	(28,980)	(0.9%)
Total rental revenue	**$ 118,446**	$ 116,207	1.9%	**$ 351,803**	$ 349,029	0.8%

Boardwalk REIT's rental operations for the three and nine months ended September 30, 2021, reported higher results compared to the same periods in the prior year, with rental revenue increasing 1.9% and 0.8%, respectively, driven by higher occupied rent and new acquisitions completed in 2021 and near the end of the third quarter in 2020. Overall, rental revenue increased slightly compared to the same periods in the prior year, as shown in the second table above. Lower incentives were recognized for both the three and nine months ended September 30, 2021, as compared to the prior year as the economy gains momentum in its recovery. The increase in vacancy loss shown for the periods is mainly due to increasingly competitive market conditions, particularly from new supply in the Edmonton, Alberta market. However, the quarter did see some pick up in occupancy in the Calgary, Alberta and Saskatchewan markets, which helped reduce some of the vacancy loss when compared to the same period in the prior year. The Trust will continue to monitor the market closely during these unpredictable times to determine the best balance of incentives and market rents in order to maintain occupancy and adhere to government regulations. The strategic placements of rent and incentives has aided in the realization of increased occupancy as well as increased in-place occupied rents in Edmonton in the third quarter of 2021 over the second quarter of 2021.

Total rental expenses decreased 2.8% and increased 0.6%, respectively, for the three and nine months ended September 30, 2021, compared to the same periods in 2020. The decrease for the third quarter was due to the decrease in property taxes and utilities, partially offset by a slight increase in operating expenses compared to the same period in the prior year. The slight increase year-to-date was due to higher utilities while operating expenses and property taxes were relatively flat compared to the same period in the prior year.

For the three months ended September 30, 2021, the increase in the operating expenses of 2.8% was mainly due to higher wages and salaries, partially offset by lower repairs and maintenance, advertising, and bad debts. In addition, the operating expenses were lower due to the receipt of a one-time insurance premium rebate attributable to a prior year totaling $0.3 million. For the nine months ended September 30, 2021, overall operating expenses were flat compared to the same period in the prior year.

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 service 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 will adjust the amount allocated to more accurately reflect how many internal resources were directed towards specific capital improvements.

Utility costs decreased 3.8% for the third quarter in 2021, compared to the same period in 2020, mainly due to lower natural gas consumption, carbon levies, and electricity costs. The increase for the nine months ended September 30, 2021, is mainly due to increases in natural gas and carbon levies, partially offset by lower electricity costs. Fixed price physical commodity contracts have helped to partially hedge the Trust's exposure to fluctuating natural gas prices, however, fluctuations in consumption due to weather will always occur. Further details regarding the hedges on natural gas, as well as electricity prices in Alberta, can be found in NOTE 16 to the condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020.

The reported decrease in property taxes for the three months ended September 30, 2021, of 11.7% as compared to the same period in the prior year, is mainly attributed to lower Alberta property tax assessments impacted by the COVID-19 pandemic. Overall, for the nine months ended September 30, 2021, property taxes were relatively flat compared to the same period in the prior year. The Trust is constantly reviewing property tax assessments and related charges and, where it feels 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, the operating margin increased from 58.3% in the same period of 2020 to 58.4% for the nine months ended September 30, 2021.

Boardwalk REIT closely monitors and individually manages the performance of each of its rental properties. The following is a summary of our operations on a province-by-province basis.

Segmented Operational Reviews

ALBERTA RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Rental revenue	**$ 74,358**	$ 74,838	(0.6%)	**$ 220,837**	$ 226,291	(2.4%)
Expenses						
Operating expenses	**15,104**	15,077	0.2%	**45,734**	46,647	(2.0%)
Utilities	**6,481**	6,833	(5.2%)	**22,987**	22,732	1.1%
Property taxes	**7,850**	9,491	(17.3%)	**25,171**	25,022	0.6%
	$ 29,435	$ 31,401	(6.3%)	**$ 93,892**	$ 94,401	(0.5%)
Net operating income	**$ 44,923**	$ 43,437	3.4%	**$ 126,945**	$ 131,890	(3.7%)
Operating margin	**60.4%**	58.0%		**57.5%**	58.3%	
Number of suites at September 30	**20,778**	20,845		**20,778**	20,845	

Alberta is Boardwalk's largest operating segment, representing 62.6% and 61.8% of total reported net operating income for the three and nine months ended September 30, 2021, respectively. In addition, Alberta represents 62.1% of total apartment units. Boardwalk REIT's Alberta operations for the three and nine months ended September 30, 2021, reported a 0.6% and 2.4% decrease, respectively, in rental revenue, when compared to the same periods in 2020. For the three months ended September 30, 2021, rental revenue was relatively flat compared to the same period in the prior year. For the nine months ended September 30, 2021, the reported rental revenue decrease is the combined effect of higher vacancy compared to the same period in the prior year, lower fees from administering internet services provided by a third party (offset by a decrease in advertising costs described below), and the sale of Elbow Towers in Q2 2020, partially offset by contributions from Mountainview Estates located in Banff, a new property acquired in Q2 2021. Overall, for the three months ended September 30, 2021, total rental expenses decreased compared to the same period in the prior year from lower utilities and lower property taxes. For the nine months ended September 30, 2021, overall operating expenses were relatively flat compared to the same period in the prior year.

Operating expenses were fairly flat for the quarter and decreased by 2.0% for the nine months ended September 30, 2021, when compared to the same periods in the prior year. The decrease 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, 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. 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 third quarter of 2021 decreased 5.2% compared to the same period in 2020, due to lower natural gas consumption, carbon levies, and water and sewer. Reported utilities for the nine months ended September 30, 2021 increased 1.1% compared to the same period in the prior year from significant increases in carbon levies. 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 16 to the condensed consolidated interim financial statements.

Property taxes for the three months ended September 30, 2021, decreased 17.3% compared to the same period in 2020, due to lower property tax assessments impacted by the COVID-19 pandemic. For the nine months ended September 30, 2021, property taxes were relatively flat compared to the same period in the prior year but are expected to decrease for the remainder of the year based on lower monthly tax instalment payments that have been adjusted effective July 1, 2021, to reflect the lower property tax assessments for 2021.

As a result of the above factors, net operating income for Alberta decreased $4.9 million, or 3.7% for the nine months ended September 30, 2021, compared to the same period in 2020. Alberta's operating margin for the nine months ended September 30, 2021, was 57.5% compared to 58.3% for the same period in 2020.

BRITISH COLUMBIA RENTAL OPERATIONS

One rental building consisting of 114 units 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 "Review of Cash Flows – Investing Activities – Investment Properties – New Property Acquisitions and Dispositions" section of this MD&A. In addition, please refer to NOTE 22 of the condensed consolidated interim financial statements for further details regarding rental operations for British Columbia.

SASKATCHEWAN RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Rental revenue	**$ 13,125**	$ 12,826	2.3%	**$ 38,921**	$ 38,109	2.1%
Expenses						
Operating expenses	**2,298**	2,338	(1.7%)	**7,048**	7,130	(1.2%)
Utilities	**1,799**	1,842	(2.3%)	**5,631**	5,769	(2.4%)
Property taxes	**1,024**	1,233	(17.0%)	**3,274**	3,593	(8.9%)
	$ 5,121	$ 5,413	(5.4%)	**$ 15,953**	$ 16,492	(3.3%)
Net operating income	**$ 8,004**	$ 7,413	8.0%	**$ 22,968**	$ 21,617	6.2%
Operating margin	**61.0%**	57.8%		**59.0%**	56.7%	
Number of suites at September 30	**3,684**	3,756		**3,684**	3,756	

For the three and nine months ended September 30, 2021, Saskatchewan rental revenue increased by 2.3% and 2.1%, 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. Overall, rental expenses decreased by 5.4% and 3.3%, respectively, for the three and nine months ended September 30, 2021, compared to the same periods in the prior year.

Operating expenses for the three and nine months ended September 30, 2021, decreased by 1.7% and 1.2%, respectively, as compared to the same period in the prior year due to lower repairs and maintenance and the disposition of Boardwalk Manor in the fourth quarter of 2020, partially offset by higher advertising costs and insurance.

Utilities for the third quarter of 2021 decreased 2.3% compared to the same period of 2020, mainly due to the sale of Boardwalk Manor as well as lower natural gas and electricity costs, partially offset by higher water and sewer costs. For the nine months ended September 30, 2021, utilities decreased 2.4% compared to the same period in the prior year mainly due to lower natural gas and electricity costs, and the disposition of Boardwalk Manor, partially offset by higher carbon levies. 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 16 to the condensed consolidated interim financial statements for the current period.

Property taxes decreased by 17.0% and 8.9% for the three and nine months ended September 30, 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 margins for the three and nine months ended September 30, 2021, increased to 61.0% and 59.0%, respectively, compared to 57.8% and 56.7% for the same periods in the prior year.

ONTARIO RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Rental revenue	**$ 9,655**	$ 8,138	18.6%	**$ 28,683**	$ 23,856	20.2%
Expenses						
Operating expenses	**1,767**	1,342	31.7%	**4,799**	3,984	20.5%
Utilities	**1,088**	1,127	(3.5%)	**3,177**	3,020	5.2%
Property taxes	**1,010**	852	18.5%	**2,996**	2,519	18.9%
	$ 3,865	$ 3,321	16.4%	**$ 10,972**	$ 9,523	15.2%
Net operating income	**$ 5,790**	$ 4,817	20.2%	**$ 17,711**	$ 14,333	23.6%
Operating margin	**60.0%**	59.2%		**61.7%**	60.1%	
Number of suites at September 30	**2,867**	2,867		**2,867**	2,867	

ONTARIO RENTAL OPERATIONS, EXCLUDING NEW ACQUISITIONS

(In $000's, except number of suites)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Rental revenue	**$ 8,445**	$ 8,138	3.8%	**$ 25,097**	$ 23,856	5.2%
Expenses						
Operating expenses	**1,573**	1,342	17.2%	**4,337**	3,984	8.9%
Utilities	**1,005**	1,127	(10.8%)	**2,960**	3,020	(2.0%)
Property taxes	**864**	852	1.4%	**2,553**	2,519	1.3%
	$ 3,442	$ 3,321	3.6%	**$ 9,850**	$ 9,523	3.4%
Net operating income	**$ 5,003**	$ 4,817	3.9%	**$ 15,247**	$ 14,333	6.4%
Operating margin	**59.2%**	59.2%		**60.8%**	60.1%	
Number of suites at September 30	**2,585**	2,585		**2,585**	2,585	

Boardwalk REIT's Ontario operations reported higher rental revenue and operating expenses for the three and nine months ended September 30, 2021, as compared to the same periods in the prior year, mainly attributable to the new acquisitions that occurred near the end of Q3 2020. Excluding the new acquisitions, for the three and nine months ended September 30, 2021, rental revenue increased by 3.8% and 5.2%, respectively, due to higher occupied rents and rental expenses increased 3.6% and increased 3.4%, respectively, compared to the same periods in the prior year.

Excluding the new acquisitions, operating expenses for the three and nine months ended September 30, 2021, increased by 17.2% and 8.9%, 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 for the three and nine months ended September 30, 2021, decreased compared to the same periods in the prior year mainly due to lower electricity rates and consumption and water and sewer costs, partially offset by higher natural gas 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 16 to the condensed consolidated interim financial statements.

Property taxes, when excluding the new acquisitions, increased for the three and nine months ended September 30, 2021, as compared to the prior year, due to higher property tax assessments.

Excluding the new acquisitions, reported operating margins for the three and nine months ended September 30, 2021 were 59.2% and 60.8%, respectively, as compared to 59.2% and 60.1% for the same periods in the prior year.

QUEBEC RENTAL OPERATIONS

(In $000's, except number of suites)	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Rental revenue	**$ 20,453**	$ 20,320	0.7%	**$ 61,418**	$ 60,480	1.6%
Expenses						
Operating expenses	**3,640**	3,501	4.0%	**10,181**	9,915	2.7%
Utilities	**939**	939	-	**4,431**	4,331	2.3%
Property taxes	**2,088**	2,047	2.0%	**5,943**	6,282	(5.4%)
	$ 6,667	$ 6,487	2.8%	**$ 20,555**	$ 20,528	0.1%
Net operating income	**$ 13,786**	$ 13,833	(0.3%)	**$ 40,863**	$ 39,952	2.3%
Operating margin	**67.4%**	68.1%		**66.5%**	66.1%	
Number of suites at September 30	**6,000**	6,000		**6,000**	6,000	

Boardwalk REIT's Quebec operations reported a rental revenue increase of 0.7% and 1.6% for the three and nine months ended September 30, 2021, 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 September 30, 2021, increased by 2.8% compared to the same period in 2020 due to higher operating expenses and property taxes. Overall, for the nine months ended September 30, 2021, total rental expenses were flat compared to the same period in the prior year; higher operating expenses and utilities were largely offset by lower property taxes.

For the three months ended September 30, 2021, operating expenses increased by 4.0% when compared to the same period in 2020 mainly due to higher building maintenance, bad debts, and insurance, offset by lower advertising costs. For the nine months ended September 30, 2021, operating expenses increased by 2.7% when compared to the same period in the prior year due to higher building maintenance, bad debts, and insurance, offset by lower wages and salaries due to staffing optimizations in the first half of the year.

Utilities for the third quarter of 2021 were flat compared to the same period in 2020. The reported increase of 2.3% in utilities for the nine months ended September 30, 2021, compared to the same period in the prior year, was due to a large electricity refund received in the first quarter of 2020 due to the adoption of Bill 34 in Quebec, offset by slight decreases in both electricity and natural gas costs in the current year. 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, thus resulting in the higher utilities in the current nine-month period. 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 contracts are reported in NOTE 16 of the Trust's condensed consolidated interim financial statements for the current period.

Property taxes decreased 5.4% for the nine months ended September 30, 2021, compared to the same period in 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.

For the three months ended September 30, 2021, the reported operating margins decreased from 68.1% to 67.4% from the same period in the prior year. Reported operating margins for the nine months ended September 30, 2021, increased from 66.1% in the 2020 comparative period to 66.5%.

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 on the following page) represent those occupied units generating revenue for the period noted. The Trust closely monitors 'apartment availability', which represents unoccupied units 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):

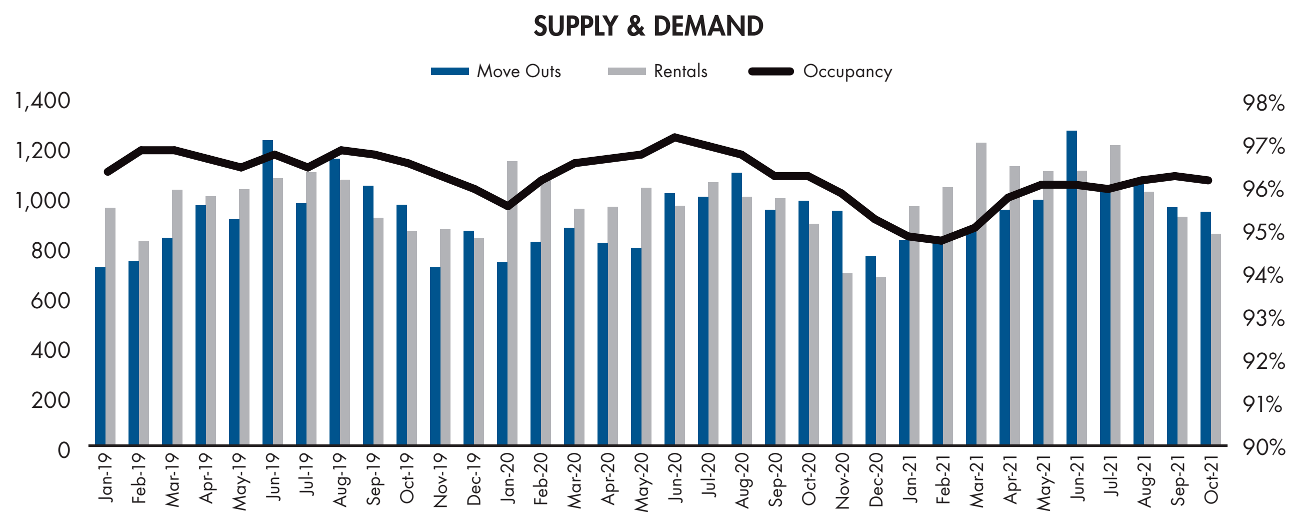
City	**Q3 2021**	Q3 2020
Calgary	**97.62%**	97.13%
Edmonton	**94.87%**	95.46%
Fort McMurray	**94.40%**	95.16%
Grande Prairie	**94.08%**	94.99%
Kitchener	**98.48%**	99.29%
London	**98.05%**	98.25%
Montreal	**97.10%**	98.42%
Quebec City	**88.73%**	96.27%
Red Deer	**97.47%**	96.01%
Regina	**96.15%**	95.71%
Saskatoon	**97.37%**	97.18%
Verdun	**98.56%**	99.27%
Portfolio	**96.07%**	96.62%

In the third quarter of 2021, the Trust reported a year-over-year decrease of 55 basis points in its overall same-property occupancy rate, a decline from 96.62% to 96.07%. Ontario continued to maintain its higher occupancy levels into the third quarter of 2021. The declines noted in the first half of 2021 for the Trust's Western Canadian portfolio continued mainly in Grande Prairie and Fort McMurray. In southern Alberta, occupancy levels have increased in Red Deer by 146 basis points and Calgary increased by 49 basis points from the same period in the prior year. Occupancy in Calgary of 97.62% does not include BRIO, which was brought on-line in February 2020. Saskatoon and Regina also noted continued increases in occupancy of 19 basis points to 97.37% and 44 basis points to 96.15%, respectively, contributed in part to the successful advertising campaign. As a strategy, the Trust is constantly adjusting market rents and incentives based on property-specific demand and supply.

The decrease in Edmonton's occupancy year-over-year noted above is attributed to the increasingly competitive market conditions, given the new supply of multi-family units entering the market, as well as continued challenging economic conditions. However, the Edmonton market is showing improvements as occupancy increased by 97 basis points from the second quarter of 2021. In Quebec City, occupancy decreased from 96.27% in 2020 to 88.73% in 2021. This decrease from 2020 is mainly attributed to the seniors' community building within Quebec City that is being repositioned to a conventional multi-family asset. Excluding the seniors' community asset, the occupancy for the third quarter for Quebec City would be 95.99%.

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



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 net operating income; 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 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 September 30, 2021, or a total of 32,885 units. The tables below provide a regional breakdown on these properties for the three and nine months ended September 30, 2021, compared to the same periods in 2020.

Sep. 30 2021 – 3 M	# of Units	% Revenue Growth	% Operating Expense Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(2.2%)	(6.8%)	1.4%	36.3%
Calgary	5,798	0.9%	(7.5%)	5.8%	21.3%
Red Deer	939	(0.5%)	(6.8%)	5.2%	2.3%
Grande Prairie	645	(5.1%)	(6.2%)	(4.2%)	1.5%
Fort McMurray	352	(1.5%)	6.9%	(6.5%)	1.0%
Alberta	20,616	(1.3%)	(7.2%)	2.7%	62.3%
Quebec	6,000	0.7%	2.8%	(0.3%)	19.4%
Saskatchewan	3,684	4.0%	(3.4%)	9.3%	11.2%
Ontario	2,585	5.3%	4.8%	5.7%	7.0%
	32,885	0.1%	(4.2%)	3.0%	100.0%

Sep. 30 2021 – 9 M	# of Units	% Revenue Growth	% Operating Expense Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(3.4%)	(0.4%)	(5.8%)	35.3%
Calgary	5,798	(0.7%)	0.1%	(1.1%)	21.3%
Red Deer	939	(2.1%)	(2.6%)	(1.6%)	2.2%
Grande Prairie	645	(3.7%)	(4.9%)	(2.7%)	1.5%
Fort McMurray	352	(1.7%)	2.4%	(4.8%)	1.0%
Alberta	20,616	(2.5%)	(0.4%)	(4.0%)	61.3%
Quebec	6,000	1.6%	0.1%	2.3%	20.0%
Saskatchewan	3,684	3.8%	(1.1%)	7.5%	11.2%
Ontario	2,585	5.7%	3.8%	7.0%	7.5%
	32,885	(0.5%)	(0.1%)	(0.8%)	100.0%

Stabilized revenue increased by 0.1% and decreased by 0.5% for the three and nine months ended September 30, 2021, respectively, compared to the same periods in the prior year. Operating expenses reported for the three and nine months ended September 30, 2021 decreased by 4.2% and 0.1%, respectively, from the same periods in 2020, resulting in a NOI increase of 3.0% and decrease of 0.8%, respectively. The slight increase in the reported stabilized revenue for the third quarter of 2021 is mainly attributable to the increase in the Saskatchewan and Ontario markets, driven by higher in-place occupied rents and lower vacancy in those markets. In addition, Saskatchewan realized lower incentives as a result of the higher demand. The decrease in reported stabilized revenue for the nine months ended September 30, 2021, was attributable to Alberta due to lower in-place occupied rents and higher vacancy and incentives in certain regions. Operating expenses decreased primarily due to lower building maintenance, advertising, and bad debts.

Stabilized Revenue Growth	# of Units	Q3 2021 vs Q2 2021	Q3 2021 vs Q1 2021	Q3 2021 vs Q4 2020	Q3 2021 vs Q3 2020
Edmonton	12,882	0.7%	1.9%	0.0%	(2.2%)
Calgary	5,798	1.4%	2.9%	1.3%	0.9%
Red Deer	939	1.4%	2.3%	1.6%	(0.5%)
Grande Prairie	645	(2.9%)	(3.4%)	(3.3%)	(5.1%)
Fort McMurray	352	(2.2%)	(1.3%)	(2.0%)	(1.5%)
Quebec	6,000	0.5%	(0.7%)	(0.3%)	0.7%
Saskatchewan	3,684	0.9%	2.6%	2.9%	4.0%
Ontario	2,585	0.8%	2.0%	3.1%	5.3%
	32,885	0.8%	1.6%	0.7%	0.1%

On a sequential basis, stabilized revenues reported in the third quarter of 2021 increased by 0.8% over Q2 2021, increased by 1.6% compared to Q1 2021, increased by 0.7% compared to Q4 2020, and increased by 0.1% compared to Q3 2020. The Alberta markets saw increases to the sequential revenue growth in most markets, as can be seen in the table above. Grande Prairie and Fort McMurray are lower as a result of higher vacancy and slightly lower in-place occupied rents. These markets have been slower to recover due to the higher impact from the decrease in the oil and gas market as well as restrictions still in place due to the pandemic. As rental restrictions have since been lifted, the Trust's focus is on regaining occupancy paired with sustainable rental rate increases with a focus on retention. These efforts, along with the lifting of restrictions, are evidenced through the positive growth seen in the majority of the Alberta markets in the table above, as well as in the other regions. The Trust continues to closely monitor this latest trend and is well positioned to strive towards balancing rents 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 September 2021, and adjusted for current occupancy levels, totaled approximately $18.7 million on an annualized basis, representing $0.37 per Unit (Trust Units & 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, measured at a point in time, is a non-GAAP measure. Please refer to the section titled "Presentation of Financial Information and Non-GAAP Measures – Non-GAAP Financial Measures" in this MD&A for further details.

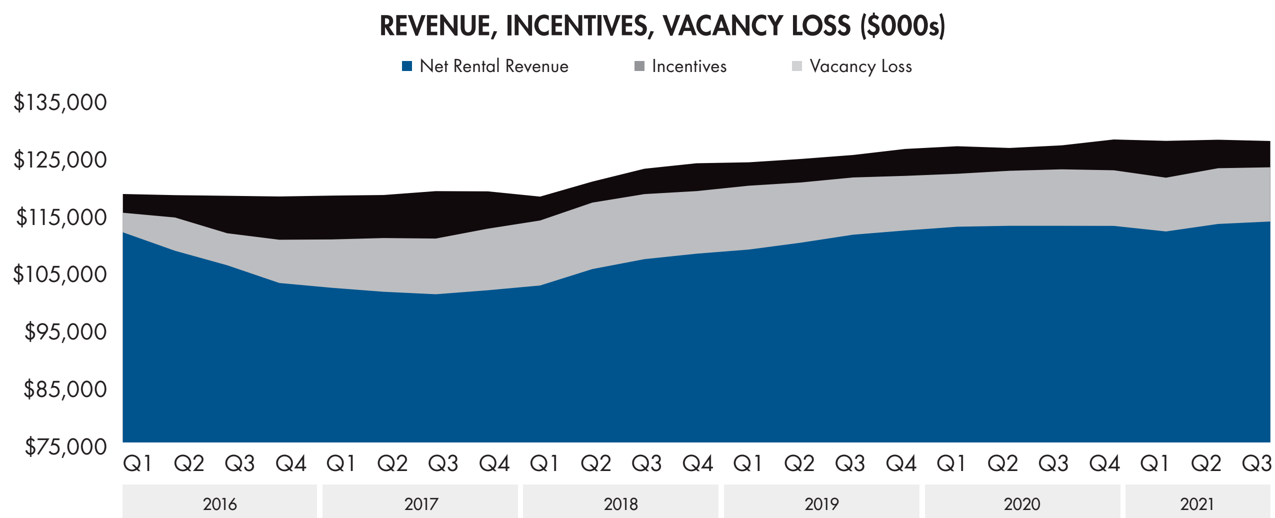
Same-property	Sep. 2021 Market Rent (1)	Sep. 2021 Occupied Rent (1)	Mark to Market Per Month	Annualized Mark to Market Adjusted for Current Occupancy Levels ($000's)	Sep. 2021 Market Rent, Including Incentives (1)	Sep. 2021 Occupied Rent (1)	Mark to Market Per Month	Annualized Mark to Market Adjusted for Current Occupancy Levels ($000's)	Weighted Average Apartment Units	% of Portfolio
Edmonton	$ 1,303	$ 1,178	$ 125	$ 18,350	$ 1,177	$ 1,178	$ (1)	$ (679)	12,882	39%
Calgary	1,472	1,328	144	9,790	1,345	1,328	17	1,155	5,798	18%
Red Deer	1,165	1,038	127	1,394	1,025	1,038	(13)	(160)	939	3%
Grande Prairie	1,110	1,026	84	611	1,019	1,026	(7)	(78)	645	2%
Fort McMurray	1,483	1,200	283	1,128	1,228	1,200	28	107	352	1%
Alberta Portfolio	$ 1,341	$ 1,210	$ 131	$ 31,273	$ 1,213	$ 1,210	$ 3	$ 345	20,616	63%
Quebec	$ 1,288	$ 1,170	$ 118	$ 8,148	$ 1,286	$ 1,170	$ 116	$ 8,217	6,000	18%
Saskatchewan (2)	1,332	1,217	115	4,948	1,207	1,217	(10)	(513)	3,684	11%
Ontario	1,447	1,104	343	10,519	1,446	1,104	342	10,602	2,585	8%
Total Portfolio	$ 1,339	$ 1,195	$ 144	$ 54,888	$ 1,244	$ 1,195	$ 49	$ 18,651	32,885	100%

(1) Ancillary rental revenue is included in the calculation of market and occupied rent.
(2) Saskatchewan market rent includes an increase for cable and internet service.

The increase in the loss-to-lease for our portfolio, from $17.2 million at June 2021 to $18.7 million at September 2021, was due primarily to higher market rents in Calgary, using a weighted average mark-to-market of $49 per suite per month. Excluded from the loss-to-lease calculation of $18.7 million is approximately $95 per suite per month of incentives, resulting in additional revenue of over $35 million per annum.

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 on the following page 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.



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

Interest expense on the Trust's secured mortgages and lease obligations for the nine months ended September 30, 2021, slightly decreased from the same period in the prior year, from $68.7 million to $67.4 million. At September 30, 2021, the reported weighted average interest rate of 2.47% 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.

Management cannot over-stress the importance of this government-backed mortgage insurance program administered by CMHC, which 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 September 30, 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 also had an impact on the amount of financing costs reported on the Trust's Condensed Consolidated Interim Statements of Comprehensive Income (Loss). As a result of the Trust's 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 believes these distribution payments do not truly represent "financing charges" 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 three and nine months ended September 30, 2021, which have been recorded as financing charges, was $1.1 million and $3.4 million, respectively ($1.1 million and $3.4 million for the three and nine months ended September 30, 2020). Based on this rationale, these amounts have been added back in the calculation of FFO.

The reader should also note that, under IFRS, financing charges are recorded net of interest income the Trust has earned for the period. The total amount of interest income earned for the three and nine months ended September 30, 2021 was $0.1 million and $0.2 million, respectively, compared to $0.3 million and $0.6 million for the same periods in 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 5 of the condensed consolidated interim financial statements for the three and nine months ended September 30, 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 three and nine months ended September 30, 2021 was $1.9 million and $5.2 million, respectively, compared to $1.5 million and $4.6 million recorded for the same periods in 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. For the remainder of fiscal 2021, the Trust anticipates having approximately $163.6 million of secured mortgages maturing with a weighted average rate of 2.13%. 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 2.20% (as of November 2021).

To date, the Trust has renewed, or forward locked the interest rate on $340.5 million of its total 2021 mortgage maturities at an average interest rate of 1.73%, 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 three and nine months ended September 30, 2021, which relates to corporate administration from continuing operations (excluding deferred unit-based compensation), was $8.7 million and $25.2 million, respectively, compared to $7.4 million and $27.4 million for the same periods in the prior year, an increase of approximately 17.6% and a decrease of 8.0%, respectively, for the applicable periods. The increase for the quarter was due to an increase in administrative wages as a result of increased bonus accruals which are directly linked to the performance of the Trust. The decrease year-to-date was due to savings in administrative wages and retirement costs that were incurred in the prior year.

For the current and prior comparative periods, Boardwalk REIT allocated certain administration costs between corporate and rental operating expenses. The administration costs allocated to rental operating expenses consist primarily of specific amounts associated with operation-specific staff and related support initiatives. Total administration costs, combining rental operating, corporate, and deferred unit-based compensation, were $14.9 million and $43.9 million for the three and nine months ended September 30, 2021, compared to $12.7 million and $45.6 million for the same periods in the prior year. The decrease in total administration costs of approximately $1.7 million, or approximately 3.7%, for the nine months ended September 30, 2021 was due primarily to a decrease in deferred compensation and wages and salaries relating to lower executive wages and lower retirement costs in the current year as compared to the same period in the prior year, offset by the increase in the bonus accruals noted above.

Depreciation

Depreciation recorded on the Condensed Consolidated Interim Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2021 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 three and nine months ended September 30, 2021 was $2.0 million and $5.6 million, respectively, compared to $2.1 million and $5.9 million recorded for the same periods 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 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 September 30, 2021, the Trust used a price of $47.29 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 these units recorded on the Condensed Consolidated Interim Statements of Financial Position at September 30, 2021, was $211.6 million, and a corresponding fair value loss of $60.6 million (nine months ended September 30, 2020– fair value gain of $82.7 million) was recorded on the Condensed Consolidated Interim Statements of Comprehensive Income (Loss) for the nine months ended September 30, 2021.

The deferred unit-based compensation plan had a fair value of $5.4 million, and a corresponding fair value loss of $1.4 million (nine months ended September 30, 2020 – fair value gain of $2.6 million) was recorded on the Condensed Consolidated Interim Statements of Comprehensive Income (Loss) for the nine months ended September 30, 2021.

Review of Cash Flows

OPERATING ACTIVITIES

Cash Flows from Operations

For the three months ended September 30, 2021, cash flows from operating activities decreased by 8.6% from $45.5 million to $41.6 million, as compared to the three months ended September 30, 2020. Cash flows from operating activities increased by 13.5% from $104.4 million for the nine months ended September 30, 2020 to $118.5 million for the nine months ended September 30, 2021. A reconciliation of ACFO to cash flows from operating activities as shown in the Condensed Consolidated Interim Statements of Cash Flows prepared in accordance with IFRS is highlighted below.

ACFO Reconciliation *(In $000's, except per Unit amounts)*	**3 Months Sep. 30, 2021**	3 Months Sep. 30, 2020	% Change	**9 Months Sep. 30, 2021**	9 Months Sep. 30, 2020	% Change
Cash flows from operating activities	**$ 41,640**	$ 45,450		**$ 118,502**	$ 104,351	
Adjustments						
Operating working capital	**654**	(6,243)		**(986)**	7,403	
Deferred unit-based compensation	**(329)**	(274)		**(1,834)**	(2,748)	
Government grant earned	**95**	95		**284**	284	
Add back distributions to LP Class B Units recorded as financing charges (1)	**1,120**	1,120		**3,360**	3,359	
Interest paid	**20,662**	21,465		**62,330**	63,916	
Financing costs	**(22,527)**	(23,069)		**(67,386)**	(68,658)	
Principal portion of lease liabilities	**(959)**	(912)		**(2,863)**	(2,733)	
Principal portion of lease receivable	**166**	153		**485**	294	
	40,522	37,785		**111,892**	105,468	
Maintenance capital expenditures (2)	**(8,364)**	(8,674)		**(25,196)**	(26,018)	
Adjusted Cash Flows From Operations (ACFO)	**32,158**	29,111	10.5%	**86,696**	79,450	9.1%
ACFO – per Unit	**$ 0.63**	$ 0.57	10.5%	**$ 1.70**	$ 1.56	9.0%

(1) Under IFRS, the LP Class B Units are considered financial instruments in accordance with IFRS 9. As a result of this classification, their corresponding distribution amounts are considered "financing charges" under IFRS. Management believes these distribution payments do not truly represent "financing charges", 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 ACFO, consistent with the treatment of distributions paid to all other Unitholders.

(2) 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.

The reader is cautioned that Boardwalk REIT's calculation of ACFO may be different from other real estate corporations or REITs and, as such, a straight comparison may not be warranted. For the three and nine months ended September 30, 2021, Boardwalk REIT reported total ACFO of $32.2 million and $86.7 million, respectively, or $0.63 and $1.70 per fully diluted Trust Unit. For the quarter, the ACFO increased 10.5% to $32.2 million, or $0.63 per fully diluted Trust Unit, when compared to same period in the prior year. This also represented an increase of approximately 9.1%, compared to $79.5 million, or $1.56 per fully diluted Trust Unit, reported for the same nine months in 2020. The increase for the nine months ended September 30, 2021, is due to the Trust benefiting from its focus on decreasing controllable costs such as advertising, bad debts and administration.

For the current quarter, the Trust is paying out an estimated 31.5% of reported FFO and 39.7% of ACFO, compared to 33.8% and 43.9%, respectively, for the same period in the previous prior year. For the nine months ended September 30, 2021, the Trust is paying out an estimated 34.2% of FFO and 44.2% of ACFO, compared to 36.3% and 48.2%, respectively, for the same period in 2020. ACFO, in the longer term, is indicative of the Trust's ability to pay distributions to its Unitholders. As regular distributions are funded by the Trust's liquidity, cash flows from operations, 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

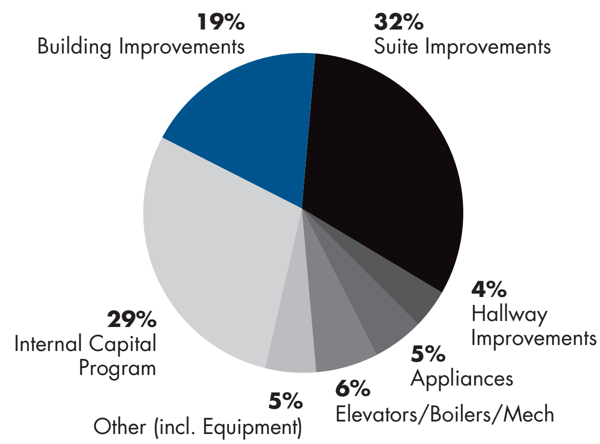
Capital Improvements

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.

For the nine months ended September 30, 2021, Boardwalk REIT invested approximately $89.9 million (comprised of $86.3 million on its investment properties and $3.6 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 $79.8 million ($76.5 million on its investment properties and $3.3 million property, plant and equipment) invested for the nine months ended September 30, 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 capital improvements is approximately $26.4 million of on-site wages and salaries that have been incurred towards these projects for the nine months ended September 30, 2021, compared to $25.3 million for the same period in 2020.

2021 9M 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 operating cash flows. 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 earning 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 net operating income through revenue growth and/or decreased operating expenses. Management 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 apartment unit 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, the Trust believes this methodology provides a more reliable estimation of both its value-add investments and maintenance CAPEX figures.

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

Category	2021 Budgeted Capital Expenditures ($000's)	2020 Capital Expenditures ($000's)	2019 Capital Expenditures ($000's)	2018 Capital Expenditures ($000's)
Building Exterior, Grounds & Parking	$ 35,380	$ 20,990	$ 23,943	$ 25,390
Hallways & Lobbies	9,730	6,816	6,964	3,213
Elevators	3,700	2,653	1,951	1,262
Mechanical & Electrical	5,040	5,134	6,564	5,331
Other – Information Technology	6,040	4,422	6,483	6,509
Site Equipment & Vehicles	1,520	1,412	1,553	2,103
Total Common Area	$ 61,410	$ 41,427	$ 47,458	$ 43,808
Paint & General	$ 10,156	$ 10,446	$ 13,037	$ 16,159
Flooring	11,627	11,959	12,394	15,917
Cabinets & Counters	7,144	7,348	8,850	9,886
Appliances	5,369	5,523	5,596	6,305
Suite Mechanical	1,690	1,738	1,718	2,909
Furniture, Fixtures & Equipment	944	971	784	961
Total Suites	$ 36,930	$ 37,985	$ 42,379	$ 52,137
Internal Capital Program	$ 34,560	$ 33,658	$ 32,476	$ 28,841
Subtotal	$ 132,900	$ 113,070	$ 122,313	$ 124,786
Corporate Capital Expenditures	-	546	961	1,136
Total Capital Expenditures	$ 132,900	$ 113,616	$ 123,274	$ 125,922
Cash Flow from Investing Activities				
Improvements to Investment Properties	$ 125,340	$ 108,653	$ 117,644	$ 117,914
Additions to Property, Plant & Equipment	7,560	4,963	5,630	8,008
Total Capital Expenditures	$ 132,900	$ 113,616	$ 123,274	$ 125,922
Apartment Units	33,396	33,396	33,263	33,424
Value-add Capital Investment				
Building Improvements	$ 31,439	$ 19,474	$ 24,308	$ 25,091
Common Area Renovations	9,730	6,816	6,964	3,213
Suite Upgrades	28,330	29,104	29,304	35,962
Internal Capital	27,968	27,195	24,976	21,739
Other – Information Technology	1,510	1,106	1,621	1,627
	$ 98,977	$ 83,695	$ 87,173	$ 87,633
Maintenance CAPEX	33,923	29,921	36,101	38,289
Total Capital Expenditures	$ 132,900	$ 113,616	$ 123,274	$ 125,922
Maintenance CAPEX per Apartment Unit	$ 1,016	$ 896	$ 1,085	$ 1,146
Three-year Rolling Average Reserve				
2019			$ 1,085	
2020			$ 896	
2021			$ 1,016	
2021 Maintenance CAPEX Per Apartment Unit			**$ 999**	
Three-Year Rolling Average Reserve				
2018				$ 1,146
2019				$ 1,085
2020				$ 896
2020 Maintenance CAPEX Per Apartment Unit				**$ 1,042**

Using the three-year rolling average reserve, for 2021, Boardwalk's estimate of Maintenance CAPEX is $33.4 million, or $999 per apartment unit, 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 apartment unit, for the year.

Based on the above, the following table provides management's estimate of these expenditure categories for the three and nine months ended September 30, 2021 and 2020.

(In $000's, except for per suite amounts)	**3 Months Sep. 30, 2021**	**Per Suite**	3 Months Sep. 30, 2020	Per Suite	**9 Months Sep. 30, 2021**	**Per Suite**	9 Months Sep. 30, 2020	Per Suite
Maintenance Capital Expenditures	**$ 8,364**	**$ 250**	$ 8,674	$ 261	**$ 25,196**	**$ 752**	$ 26,018	$ 781
Value-add Capital	**26,744**	**798**	23,510	706	**64,664**	**1,932**	53,776	1,616
	$ 35,108	**$ 1,048**	$ 32,184	$ 967	**$ 89,860**	**$ 2,684**	$ 79,794	$ 2,397

Management has estimated that for the third quarter of fiscals 2021 and 2020, the amount allocated to maintenance capital was approximately $8.4 million, or $250 per apartment unit, and $8.7 million, or $261 per apartment unit, respectively, with investment in value-add expenditures to its investment properties totaling $26.7 million and $23.5 million, respectively, or $798 and $706 per apartment unit.

For the nine months ended September 30, 2021 and 2020, the amount allocated to maintenance capital was approximately $25.2 million, or $752 per apartment unit, and $26.0 million, or $781 per apartment unit, respectively, with investment in value-add expenditures to its investment properties totaling $64.7 million and $53.8 million, respectively, or $1,932 and $1,616 per apartment unit, 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. External appraisals were obtained as follows:

Date	Number of Properties	Aggregate Value	Percentage of Portfolio as of that Date
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's 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	Sep. 30, 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%**	**$ 67,369**	5.00%	$ 65,745
Edmonton	**5.29%**	**114,255**	5.29%	114,552
Other Alberta	**6.46%**	**17,926**	6.47%	17,981
Cambridge	**4.00%**	**1,233**	-	-
Kitchener	**4.00%**	**4,605**	4.50%	3,088
London	**4.01%**	**18,922**	4.51%	18,385
Waterloo	**4.00%**	**741**	-	-
Montreal	**4.85%**	**6,504**	5.04%	6,093
Quebec City	**5.00%**	**11,786**	5.44%	11,390
Regina	**5.68%**	**17,883**	5.93%	17,471
Saskatoon	**5.69%**	**16,654**	5.94%	15,687
	5.08%	**$ 277,878**	5.28%	$ 270,392
Land Lease	**4.91%**	**$ 34,086**	5.18%	$ 32,258

Overall portfolio weighted average stabilized capitalization rate ("Cap Rate") was 5.06% as at September 30, 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 could 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 September 30, 2021 and December 31, 2020:

As at September 30, 2021		**Stabilized Net Operating Income**				
		-3%	**-1%**	**As Forecasted**	**+1%**	**+3%**
Cap Rate		**$ 302,605**	**$ 308,844**	**$ 311,964**	**$ 315,084**	**$ 321,323**
-0.25%	4.81%	**$ 126,014**	**$ 255,772**	**$ 320,651**	**$ 385,530**	**$ 515,288**
Cap Rate As Reported	5.06%	**(185,018)**	**(61,673)**	**6,167,259**	**61,673**	**185,018**
+0.25%	5.31%	**(466,753)**	**(349,217)**	**(290,449)**	**(231,681)**	**(114,144)**

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 $694.9 million as at September 30, 2021 (December 31, 2020 – $622.2 million), are situated on land held under ground (or land) leases.

Investment properties with a fair value of $788.1 million as at September 30, 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 September 30, 2021 (December 31, 2020 – $5.7 billion), are pledged as security against the Trust's mortgages payable.

For the nine months ended September 30, 2021, the Trust capitalized $86.3 million in building improvements (and $9.9 million in development expenditures) and recorded a fair value gain of $272.7 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 building improvements (and $32.9 million in development expenditures) 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 units, 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 November 2021, the project was 98% 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 cost 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 nine months ended September 30, 2021, the Trust contributed $6.1 million of capital to the limited partnership. For the year ended December 31, 2020, the Trust contributed $9.2 million of capital to the limited partnership. 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 for 60% of the budgeted costs to construct. As at September 30, 2021, $21.7 million has been drawn on this loan, of which Boardwalk's portion is $10.9 million.

Subsequent to the end of Q3 2021, the Trust has entered into an agreement to divest of its 50% interest in the Sandalwood project in Mississauga, Ontario, for a purchase price of $18.2 million. The Purchaser has removed conditions and the transaction is expected to close on November 26, 2021. 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 units 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 units. 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 units.

For the nine months ended September 30, 2021, the Trust expended $9.9 million on total development costs compared to $8.0 million for the same period in the prior year. Interest costs of $1.5 million were capitalized for the nine months ended September 30, 2021 (nine months ended September 30, 2020 – $1.0 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 units 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 units 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 units 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 units and had a purchase price $16.8 million (including transaction costs).

On September 15, 2021, the Trust sold a non-core asset, Oak Tower (comprised of 70 units), 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 units), 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 units), 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 units), 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. 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 three and nine months ended September 30, 2021, the Trust paid regular distributions of $12.8 million and $38.3 million, respectively, to its Unitholders and the holders of LP Class B Units, compared to $12.8 million and $38.3 million for the same periods in 2020. Regular distributions declared for the nine months ended September 30, 2021 represented an FFO payout ratio of 34.2%, compared to 36.3% for same period in the prior year. Regular distributions (Trust Units and LP Class B Units) declared in the first nine months of 2021 represented approximately 32.3% of cash flows from operating activities compared to 36.7% for the same period in 2020.

Financing of Revenue Producing Properties

During the nine months ended September 30, 2021, the financing and refinancing of existing properties totaled approximately $112.6 million ($211.5 million for same period in the prior year). 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 2.47% at September 30, 2021.

Due to the nature of multi-family residential real estate, the amount paid for apartment units 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 mortgages 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 cash flow metric as defined above. 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 liquidity to include cash and cash equivalents on hand and any unused committed revolving credit facility, plus any committed secured upfinancings. The Trust's cash position was $43.0 million at September 30, 2021, compared to $53.0 million reported on December 31, 2020. As at September 30, 2021, the Trust also had $199.7 million of unused credit facility (December 31, 2020 – $199.7 million) and committed secured upfinancings of $34.7 million (December 31, 2020 – $16.5 million), bringing total liquidity to $277.5 million (December 31, 2020 – $269.2 million).

The Trust's liquidity position as at September 30, 2021 remains stable as the following table highlights:

($000)		
Cash position, September 30, 2021	$	43,035
Subsequent Committed/Funded Financing		34,700
Committed Revolving Credit Facility Available		199,750
Total Available Liquidity	$	277,485

In addition to this, the Trust currently has 947 rental apartment units of unencumbered assets. It is estimated that, under current CMHC underwriting criteria, the Trust could obtain an additional $94.5 million of new proceeds from the financing of its current unencumbered assets.

The reader should also be aware that of the $163.6 million of secured mortgages coming due in 2021 (as shown in the table on the next page), all have NHA insurance, and represent in aggregate approximately 51% of current estimated "underwriting" values on those individual secured assets. Interest rates on five and ten-year NHA-insured mortgages as of November 2021 were 2.20% and 2.70%, 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 ladders its mortgage maturities and proactively forward lock the interest rate on future maturities.

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.

Total mortgages payable (net of unamortized transaction costs) as at September 30, 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 decreased from the prior year. The weighted average interest rate as at September 30, 2021, was 2.47% compared as at 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 Sep. 30, 2021	Weighted Average Interest Rate By Maturity	% of Total
2021	$ 163,638	2.13	5.3%
2022	448,347	2.67	14.6%
2023	373,906	2.81	12.2%
2024	331,779	2.50	10.8%
2025	551,300	2.15	17.9%
2026	382,276	1.92	12.4%
2027	376,023	3.03	12.2%
2028	130,483	2.98	4.2%
2029	198,897	2.45	6.5%
2030	116,662	1.99	3.9%
Total Principal Outstanding	3,073,311	2.47	100.0%
Unamortized Deferred Financing Costs	(108,516)		
Unamortized Market Debt Adjustment	342		
Per Financial Statements	$ 2,965,137		

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 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%.

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 September 30, 2021, and December 31, 2020, based on the most recently completed four fiscal quarters.

As at	**Sep. 30, 2021**	Dec. 31, 2020
Net operating income	**$ 271,075**	$ 269,144
Administration expenses (including deferred unit-based compensation)	**(36,165)**	(39,324)
Consolidated EBITDA [(1)] (12 months ended)	**234,910**	229,820
Consolidated interest expense (12 months ended)	**80,898**	82,345
Interest service coverage ratio	**2.90**	2.79
Minimum threshold	**1.50**	1.50

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

For the trailing twelve months ended September 30, 2021, Boardwalk REIT's overall interest coverage ratio of consolidated EBITDA to interest expense, excluding distributions on LP Class B Units and fair value adjustments, was 2.90, 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 the LP Class B Units are considered financing charges and is the result of the reclassification of these Units as financial liabilities. The calculation of the interest coverage ratio above does not include these distribution payments in the calculation of interest expense.

UNITHOLDERS' EQUITY

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

Summary of Unitholders' Capital Contributions	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
September 30, 2021	46,575,512

Boardwalk REIT has one class of publicly traded voting securities, being the Trust Units. As at September 30, 2021, there were 46,575,512 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 51,050,512. The LP Class B Units are classified as "FVTPL" financial liabilities under IFRS and are recorded at their fair value as liabilities on the Condensed Consolidated Interim Statements of Financial Position.

During 2020 and 2021, the Trust did not purchase and cancel any Units.

EQUITY

Boardwalk has an equity market capitalization of approximately $2.4 billion based on the Trust Unit closing price of $47.29 on the TSX on September 30, 2021.

ENTERPRISE VALUE

With a total enterprise value of approximately $5.5 billion (consisting of total debt of $3.1 billion and market capitalization of $2.4 billion) as at September 30, 2021, Boardwalk's total debt is approximately 56% of total enterprise value.

NET ASSET VALUE PER TRUST UNIT

The Trust's NAV per fully diluted Trust Unit is calculated below:

	Sep. 30, 2021	Dec. 31, 2020
IFRS Asset Value Per Diluted Unit (Trust & LP B)	**$ 125.57**	$ 117.28
Debt Outstanding per Diluted Unit	**(62.12)**	(60.83)
Net Asset Value (NAV) Per Diluted Unit (Trust & LP B)	**$ 63.45**	$ 56.45
Cash Per Diluted Unit (Trust & LP B)	**0.84**	1.04
Total Per Diluted Unit (Trust & LP B)	**$ 64.29**	$ 57.49

Overall NAV per Trust Unit has increased 11.83% to $64.29 as at September 30, 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.

Risk and Risk Management

Boardwalk REIT, like most other real estate entities, is exposed to a variety of risk areas which are summarized in its Management Discussion and Analysis for the year ended December 31, 2020 and the AIF. 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 practicing social distancing. 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 nine months ended September 30, 2021, distributions currently represent 34.2% of FFO or 44.2% of AFFO, 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 flows from operating activities. Since the onset of the 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.

Critical Accounting Policies

The condensed consolidated interim financial statements should be read in conjunction with the Trust's most recently issued Annual Report, which includes the significant accounting policies adopted by the Trust. The condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2020.

The preparation of the Trust's September 30, 2021 condensed consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, Profit (loss), and related disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are deemed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are consistent with those disclosed in the Trust's December 31, 2020 annual consolidated financial statements.

In addition, beginning in 2020, the COVID-19 pandemic has had a substantial impact on the Canadian economy. With the emergence of a fourth wave of the COVID-19 pandemic during the third quarter of 2021, and the emergence of various COVID-19 variant strains, governments had re-imposed further containment measures to varying degrees in many regions within Canada and globally. 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 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 landlords' 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 residents' ability to pay rent, with the long-term impact being unknown. Given the uncertainty of the longer-term impact of the COVID-19 pandemic and how it will impact valuation assumptions, measurement uncertainty exists with respect to the Trust's investment properties.

Disclosure Controls and Procedures & Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Trust is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgment in evaluating controls and procedures.

There were no changes made in our internal controls over financial reporting during the quarter ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

2021 Financial Outlook and Market Guidance

As noted, the Trust had previously suspended its financial guidance due to the uncertainty surrounding the financial impact of the COVID-19 pandemic. Current multi-family apartment fundamentals have improved, increasing visibility on the Trust's performance outlook. The Trust is updating its outlook and financial guidance for the remainder of fiscal year 2021. The Trust's same-property NOI growth, FFO per Unit, and AFFO per Unit objectives are as follows:

Description	2021 Revised Objectives – Q3 2021	Original 2021 Objectives	2020 Actuals
Same-Property NOI Growth	-0.5% to 1%	-2% to 1%	3.7%
FFO Per Unit	$2.89 to $2.95	$2.80 to $2.92	$2.74
AFFO Per Unit	$2.24 to $2.30, utilizing a maintenance CAPEX of $999/suite/year	$2.15 to $2.27, utilizing a maintenance CAPEX of $999/suite/year	$2.06, utilizing a maintenance CAPEX of $1,042/suite/year

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 charges 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 same-property assets. Any significant change in assumptions deriving "Same-Property NOI Growth" would have a material effect on the final reported amount. The Trust reviews these key assumptions regularly and based on this review, may change its outlook on a going-forward basis.

The Board of Trustees approved the 2021 Capital Budget as follows:

Capital Budget ($000's)	2021 Budget	Per Suite	**9 Months Ended Sep. 30, 2021**	**Per Suite**
Maintenance Capital	33,923	999	**25,196**	**752**
Value-add Capital	98,977	2,981	**64,664**	**1,932**
Total Operational Capital	$ 132,900	$ 3,980	**$ 89,860**	**$ 2,684**
Development/Development JV	40,100		**16,053**	
Total Capital Investment	$ 173,000		**$ 105,913**	

In total the Trust expects to invest $132.9 million (or $3,980 per apartment unit) on operational capital in 2021. For the nine months ended September 30, 2021, the Trust invested $89.9 million on operational capital and $16.1 million on development costs (including payments to the Trust's equity accounted investment). In Q2 2021, the Board of Trustees approved a contingency to the capital budget for an additional $10.0 million to the existing budget of $132.9 million. This contingency relates specifically to the opportunistic repositioning of an asset in Quebec City, which the Trust is converting from a senior's residence to a multi-family apartment, as well as increased suite capital expenditures incurred in the first half of 2021 due to increased availability. As at Q3 2021, the Trust anticipates to remain within its original 2021 capital budget.

Select Condensed Consolidated Interim Financial Information

The condensed consolidated interim statements of comprehensive income (loss) set forth in the following table has been derived from the unaudited condensed consolidated interim financial statements of the Trust for various quarterly interim periods.

Quarterly Comparative *(Cdn$ Thousands, except per Unit amount)*	Three Months Ended **Sep. 30, 2021**	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Rental revenue	**$118,446**	$ 117,596	$ 115,761	$ 116,543	$ 116,207	$ 116,818	$ 116,004	$ 115,378
Profit (loss)	**235,539**	50,611	28,977	(118,435)	(31,444)	(35,269)	57,869	(108,636)
Funds from operations	**40,522**	38,160	33,210	34,268	37,785	36,201	31,482	32,156
Profit (loss) per unit								
– basic	**$ 5.06**	$ 1.09	$ 0.62	$ (4.05)	$ (0.68)	$ (0.76)	$ 1.25	$ (2.34)
– diluted	**$ 5.06**	$ 1.09	$ 0.62	$ (4.05)	$ (0.79)	$ (0.76)	$ 1.25	$ (2.34)
Funds from operations per unit								
– basic	**$ 0.87**	$ 0.82	$ 0.71	$ 0.74	$ 0.81	$ 0.78	$ 0.68	$ 0.69
– diluted	**$ 0.79**	$ 0.75	$ 0.65	$ 0.67	$ 0.74	$ 0.71	$ 0.62	$ 0.63

Additional Information

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

Respectfully,

[signed]

Sam Kolias
CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE OFFICER

[signed]

Lisa Smandych
CHIEF FINANCIAL OFFICER

November 11, 2021

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited, CDN $ THOUSANDS)

As at	Note	Sep. 30, 2021	Dec. 31, 2020
ASSETS			
Non-current assets			
Investment properties	3	**$ 6,369,124**	$ 5,948,955
Property, plant and equipment		**30,137**	32,189
Equity accounted investments	4	**41,118**	34,967
Investment in private technology venture fund		**2,019**	2,019
Lease receivable		**446**	964
Mortgage receivable		**-**	2,790
Deferred tax assets		**908**	825
		6,443,752	6,022,709
Current assets			
Inventories		**8,670**	6,441
Prepaid assets		**6,302**	6,184
Lease receivable		**686**	652
Trade and other receivables		**7,082**	11,174
Segregated tenants' security deposits		**7,982**	7,624
Cash and cash equivalents	5	**43,035**	52,960
		73,757	85,035
Total Assets		**$ 6,517,509**	$ 6,107,744
LIABILITIES			
Non-current liabilities			
Mortgages payable	6	**$ 2,456,577**	$ 2,452,681
LP Class B Units	7	**211,623**	150,987
Lease liabilities	8	**77,055**	80,030
Deferred unit-based compensation	10	**3,674**	2,242
Deferred tax liabilities		**7**	2
Deferred government grant		**4,223**	4,506
		2,753,159	2,690,448
Current liabilities			
Mortgages payable	6	**508,560**	444,109
Lease liabilities	8	**3,953**	3,842
Construction loan payable	9	**21,187**	21,187
Deferred unit-based compensation	10	**1,739**	973
Deferred government grant		**378**	378
Refundable tenants' security deposits		**11,203**	10,797
Trade and other payables		**59,638**	59,561
		606,658	540,847
Total Liabilities		**3,359,817**	3,231,295
Equity			
Unitholders' equity	11	**3,157,692**	2,876,449
Total Equity		**3,157,692**	2,876,449
Total Liabilities and Equity		**$ 6,517,509**	$ 6,107,744

See accompanying notes to these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited, CDN $ THOUSANDS)

	Note	**3 Months Ended Sep. 30, 2021**	3 Months Ended Sep. 30, 2020	**9 Months Ended Sep. 30, 2021**	9 Months Ended Sep. 30, 2020
Rental revenue	12	**$ 118,446**	$ 116,207	**$ 351,803**	$ 349,029
Rental expenses					
Operating expenses		**24,209**	23,541	**72,365**	72,018
Utilities		**10,405**	10,814	**36,511**	36,118
Property taxes		**12,063**	13,660	**37,625**	37,522
Net operating income		**71,769**	68,192	**205,302**	203,371
Financing costs	13	**22,527**	23,069	**67,386**	68,658
Administration		**8,718**	7,425	**25,172**	27,417
Deferred unit-based compensation	10	**329**	274	**1,834**	2,748
Depreciation		**1,999**	2,077	**5,620**	5,936
Profit before the undernoted		**38,196**	35,347	**105,290**	98,612
Loss on sale of assets	14	**(734)**	-	**(837)**	(604)
Adjustment to right-of-use asset related to lease receivable		**-**	-	**-**	(159)
Fair value gains (losses)	15	**198,026**	(66,890)	**210,596**	(107,023)
Profit (loss) before income tax		**235,488**	(31,543)	**315,049**	(9,174)
Income tax recovery		**51**	99	**78**	330
Profit (loss) for the period		**235,539**	(31,444)	**315,127**	(8,844)
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income (loss)		**$ 235,539**	$ (31,444)	**$ 315,127**	$ (8,844)

See accompanying notes to these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY

(unaudited, 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 for the period	-	(8,844)	-	(8,844)	(8,844)
Total comprehensive loss for the period	-	(8,844)	-	(8,844)	(8,844)
Distributions declared to Unitholders	-	-	(34,924)	(34,924)	(34,924)
Balance, September 30, 2020	$ 202,512	$ 4,343,915	$(1,469,896)	$ 2,874,019	$ 3,076,531
Balance, December 31, 2020	$ 202,512	$ 4,155,480	$(1,481,543)	$ 2,673,937	$ 2,876,449
Units issued	1,064	-	-	-	1,064
Profit for the period	-	315,127	-	315,127	315,127
Total comprehensive income for the period	-	315,127	-	315,127	315,127
Distributions declared to Unitholders	-	-	(34,948)	(34,948)	(34,948)
Balance, September 30, 2021	**$ 203,576**	**$ 4,470,607**	**$(1,516,491)**	**$ 2,954,116**	**$ 3,157,692**

See accompanying notes to these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(unaudited, CDN $ THOUSANDS)

	Note	**3 Months Ended Sep. 30, 2021**	3 Months Ended Sep. 30, 2020	**9 Months Ended Sep. 30, 2021**	9 Months Ended Sep. 30, 2020
Operating activities					
Profit (loss) for the period		**$ 235,539**	$ (31,444)	**$ 315,127**	$ (8,844)
Loss on sale of assets	14	**734**	-	**837**	604
Adjustment to right-of-use asset related to lease receivable		**-**	-	**-**	159
Financing costs	13	**22,527**	23,069	**67,386**	68,658
Interest paid		**(20,662)**	(21,465)	**(62,330)**	(63,916)
Deferred unit-based compensation	10	**329**	274	**1,834**	2,748
Fair value (gains) losses	15	**(198,026)**	66,890	**(210,596)**	107,023
Income tax recovery		**(51)**	(99)	**(78)**	(330)
Income tax paid		**-**	-	**-**	-
Government grant amortization		**(95)**	(95)	**(284)**	(284)
Depreciation		**1,999**	2,077	**5,620**	5,936
		42,294	39,207	**117,516**	111,754
Net change in operating working capital	21	**(654)**	6,243	**986**	(7,403)
		41,640	45,450	**118,502**	104,351
Investing activities					
Purchase of investment properties	3	**-**	(65,329)	**(40,316)**	(65,329)
Improvements to investment properties	3	**(34,029)**	(31,368)	**(86,252)**	(76,476)
Development of investment properties	3	**(755)**	(3,629)	**(9,902)**	(7,987)
Additions to property, plant and equipment		**(1,079)**	(816)	**(3,608)**	(3,318)
Net cash proceeds from sale of investment properties		**4,948**	-	**14,095**	2,396
Capital contribution in equity accounted investments	4	**-**	(2,899)	**(6,151)**	(7,671)
Capital contribution in private technology venture fund		**-**	(157)	**-**	(602)
Principal repayments on lease receivable		**166**	154	**485**	294
Repayment of mortgage receivable		**-**	-	**2,746**	-
Net change in investing working capital	21	**1,619**	3,602	**881**	(1,106)
		(29,130)	(100,442)	**(128,022)**	(159,799)
Financing activities					
Distributions paid	21	**(11,653)**	(11,646)	**(34,946)**	(34,917)
Proceeds from mortgage financings		**25,761**	112,053	**112,561**	211,451
Mortgage payments upon refinancing		**-**	(15,910)	**(15,338)**	(15,910)
Scheduled mortgage principal repayments		**(18,380)**	(17,022)	**(53,885)**	(50,211)
Proceeds from construction loan financing	9	**-**	215	**-**	6,467
Deferred financing costs incurred		**(2,330)**	(5,728)	**(5,976)**	(11,102)
Principal repayments on lease liabilities	8	**(959)**	(912)	**(2,863)**	(2,733)
Net change in financing working capital	21	**31**	395	**42**	304
		(7,530)	61,445	**(405)**	103,349
Net increase (decrease) in cash		**4,980**	6,453	**(9,925)**	47,901
Cash and cash equivalents, beginning of period		**38,055**	76,614	**52,960**	35,166
Cash and cash equivalents, end of period	5	**$ 43,035**	$ 83,067	**$ 43,035**	$ 83,067

See accompanying notes to these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended, September 30, 2021 and 2020

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

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 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 condensed consolidated interim financial statements have been prepared in accordance with International Financial Standards ("IAS") 34 – Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Trust's annual December 31, 2020 consolidated financial statements.

(B) BASIS OF PRESENTATION

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2020.

The Trust's condensed consolidated interim 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 of the Trust's annual December 31, 2020 consolidated financial statements. Historical cost is generally based on the fair value of the consideration given in exchange for assets. These condensed consolidated interim 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.

The operating results for the three and nine months ended September 30, 2021 and 2020 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2021 due to seasonal variations in property and utility expenses as well as other factors. Historically, Boardwalk REIT has experienced higher utility expenses in the first and fourth quarters because of the winter months, resulting in variations in quarterly results.

(C) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Trust's September 30, 2021 condensed consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, profit (loss), and related disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are deemed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are consistent with those disclosed in the Trust's December 31, 2020 annual consolidated financial statements.

The COVID-19 coronavirus 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 improving long-term visibility. The full long-term impact of the 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.

Note 3: Investment Properties

As at	**9 Months Ended Sep. 30, 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)	**86,252**	108,653
Development of investment properties (1)	**9,902**	32,906
Dispositions	**(21,005)**	(38,504)
Fair value gains (losses), unrealized	**272,704**	(382,971)
Balance, end of period	**$ 6,369,124**	$ 5,948,955

As at	**Sep. 30, 2021**	Dec. 31, 2020
Fair value of investment properties, before buildings valued at Level 2 inputs, right-of-use assets, and developments	**$ 6,167,259**	$ 5,746,471
Buildings valued at Level 2 inputs	**72,316**	81,389
Fair value, right-of-use assets (IFRS 16 – Leases)	**76,477**	77,635
Revenue producing properties	**6,316,052**	5,905,495
Properties under development (2)	**53,072**	43,460
Total	**$ 6,369,124**	$ 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 acquired 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	9 Months Ended Sep. 30, 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

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:

	9 Months Ended September 30, 2021						
	Balance, Beginning of Year	Building Acquisitions	Building Improvements (incl. Internal Capital Program)	Development of Investment Properties	Dispositions	Fair Value Gains (Losses)	Balance, End of Period
Recurring measurements Investment properties							
Calgary	$1,316,253	$ -	$ 13,650	$ 8	$ -	$ 91,195	$1,421,106
Edmonton	2,165,320	-	34,411	-	(21,005)	(18,123)	2,160,603
Other Alberta	278,647	24,113	5,338	-	-	(5,712)	302,386
Victoria	27,883	48,203	16	2,533	-	(17)	78,618
Brampton	1,916	-	-	858	-	-	2,774
Cambridge	29,550	-	266	-	-	1,007	30,823
Kitchener	103,260	-	1,301	-	-	10,562	115,123
London	407,868	-	5,465	-	-	58,835	472,168
Mississauga	11,993	-	-	6,499	-	(290)	18,202
Waterloo	17,194	-	77	-	-	1,265	18,536
Montreal	120,882	-	2,371	-	-	10,783	134,036
Quebec City	209,380	-	5,653	-	-	20,690	235,723
Regina	294,908	-	5,610	4	-	14,540	315,062
Saskatoon	264,053	-	4,391	-	-	24,143	292,587
Land leases	699,848	-	7,703	-	-	63,826	771,377
Total	$5,948,955	$ 72,316	$ 86,252	$ 9,902	$ (21,005)	$ 272,704	$6,369,124

	Year Ended December 31, 2020						
	Balance, Beginning of Year	Building Acquisitions	Building Improvements (incl. Internal Capital Program)	Development of Investment Properties	Dispositions	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 condensed consolidated interim 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 September 30, 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 September 30, 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 2 inputs for the previous two 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 September 30, 2021, totaled $87.1 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 for the nine months ended September 30, 2021 and year ended 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
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 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	**Sep. 30, 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%**	**$**	**67,369**	5.00%	$	65,745
Edmonton	**5.29%**		**114,255**	5.29%		114,552
Other Alberta	**6.46%**		**17,926**	6.47%		17,981
Cambridge	**4.00%**		**1,233**	-		-
Kitchener	**4.00%**		**4,605**	4.50%		3,088
London	**4.01%**		**18,922**	4.51%		18,385
Waterloo	**4.00%**		**741**	-		-
Montreal	**4.85%**		**6,504**	5.04%		6,093
Quebec City	**5.00%**		**11,786**	5.44%		11,390
Regina	**5.68%**		**17,883**	5.93%		17,471
Saskatoon	**5.69%**		**16,654**	5.94%		15,687
	5.08%	**$**	**277,878**	5.28%	$	270,392
Land Lease	**4.91%**	**$**	**34,086**	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 September 30, 2021 and December 31, 2020 was 5.06% 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 September 30, 2021		**Stabilized Net Operating Income**				
		-3%	**-1%**	**As Forecasted**	**+1%**	**+3%**
Cap Rate		**$ 302,605**	**$ 308,844**	**$ 311,964**	**$ 315,084**	**$ 321,323**
-0.25%	4.81%	**$ 126,014**	**$ 255,772**	**$ 320,651**	**$ 385,530**	**$ 515,288**
Cap Rate As Reported	5.06%	**(185,018)**	**(61,673)**	**6,167,259**	**61,673**	**185,018**
+0.25%	5.31%	**(466,753)**	**(349,217)**	**(290,449)**	**(231,681)**	**(114,144)**

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)

Note 4: Equity Accounted Investments

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, 2020, the Trust contributed $9.2 million, resulting in a total investment of $35.0 million as at December 31, 2020. For the nine months ended September 30, 2021, the Trust contributed $6.2 million, bringing the total investment to $41.1 million. As at September 30, 2021 and December 31, 2020, the partnership had the following assets and liabilities:

As at	**Sep. 30, 2021**	Dec. 31, 2020
Non-current assets	**$ 111,254**	$ 73,147
Current assets [(1)]	**1,590**	1,011
Non-current liabilities	**21,731**	-
Current liabilities	**8,878**	4,226

(1) Included in current assets, as at September 30, 2021, is cash of $(0.5) 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 September 30, 2021, $21.7 million has been drawn on this loan, of which Boardwalk's portion is $10.9 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 19(d). As at September 30, 2021, the Trust was in compliance with these covenants.

Note 5: Cash and Cash Equivalents

Cash and cash equivalents include cash of $43.0 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 6: Mortgages Payable

As at	Sep. 30, 2021		Dec. 31, 2020	
	Weighted Average Interest	**Debt Balance**	Weighted Average Interest	Debt Balance
Mortgages payable				
Fixed rate	**2.47%**	**$ 2,965,137**	2.58%	$ 2,896,790
Total		**$ 2,965,137**		$ 2,896,790
Current		**$ 508,560**		$ 444,109
Non-current		**2,456,577**		2,452,681
		$ 2,965,137		$ 2,896,790

Estimated future principal payments required to meet mortgage obligations as at September 30, 2021 are as follows:

	Secured By Investment Properties
12 months ending September 30, 2022	$ 508,560
12 months ending September 30, 2023	501,172
12 months ending September 30, 2024	361,125
12 months ending September 30, 2025	376,748
12 months ending September 30, 2026	551,523
Subsequent	774,183
	3,073,311
Unamortized deferred financing costs	(108,516)
Unamortized market debt adjustments	342
	$ 2,965,137

Note 7: LP Class B Units

The Class B Limited Partnership Units ("LP Class B Units"), representing an aggregate fair value of $211.6 million at September 30, 2021 (December 31, 2020 – $151.0 million), are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Boardwalk 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 Boardwalk Trust Units. Additional details on the LP Class B Units are described in NOTE 11.

As at September 30, 2021 and December 31, 2020, there were 4,475,000 LP Class B Units issued and outstanding.

Note 8: Lease Liabilities

As lessee, the Trust leases several assets including land, warehouse space, office space, and IT equipment. The Trust's liabilities are secured by the lessor's title to the leased assets for such leases.

As at	Sep. 30, 2021		Dec. 31, 2020	
	Weighted Average Interest	**Lease Balance**	Weighted Average Interest	Lease Balance
Lease liabilities				
Fixed rate	**3.25%**	**$ 81,008**	3.26%	$ 83,872
Total		**$ 81,008**		$ 83,872
Current		**$ 3,953**		$ 3,842
Non-current		**77,055**		80,030
		$ 81,008		$ 83,872

Estimated future principal payments required to meet lease liabilities as at September 30, 2021 are as follows:

		Amount
12 months ending September 30, 2022	$	3,953
12 months ending September 30, 2023		3,015
12 months ending September 30, 2024		2,226
12 months ending September 30, 2025		1,936
12 months ending September 30, 2026		1,780
Subsequent		68,098
	$	81,008

Note 9: 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 19(d). The applicable covenants are those discussed in NOTE 19(d)(i) and NOTE 19(d)(iii). As at September 30, 2021, the Trust was in compliance with these covenants.

Note 10: Deferred Unit-based Compensation

Deferred unit-based compensation is comprised of the following:

As at		**Sep. 30, 2021**		Dec. 31, 2020
Current	**$**	**1,739**	$	973
Non-current		**3,674**		2,242
	$	**5,413**	$	3,215

The total of $5.4 million represents the fair value of the underlying deferred units at September 30, 2021 (December 31, 2020 – $3.2 million).

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	56,902	30,897
Additional deferred units earned on units	3,732	4,848
Deferred units forfeited	(3,280)	-
Deferred units converted to Trust Units or cash	(26,583)	(26,583)
Balance, September 30, 2021	**207,402**	**22,996**

For the three and nine months ended September 30, 2021, total costs of $0.3 million and $1.8 million, respectively (three and nine months ended September 30, 2020 - $0.3 million and $2.7 million, respectively) were recorded in expenses related to executive bonuses, leader bonuses, and trustee fees under the deferred unit plan.

Note 11: Unitholders' Equity

Under the reorganization of the Corporation to a real estate investment trust, the former shareholders of the Corporation received Boardwalk 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 Special Voting Units, which are not entitled to monthly distributions, are used to provide voting rights to holders of LP Class B Units or other securities that are, directly or indirectly, exchangeable for Trust Units. The LP Class B Units are classified as a financial liability in accordance with IFRS 9 – Financial Instruments ("IFRS 9") and are discussed in NOTE 7.

The Trust has the following capital securities outstanding:

As at	**Sep. 30, 2021**	Dec. 31, 2020
Trust Units outstanding, beginning of year	**46,548,948**	46,461,293
Units issued for vested deferred units	**26,564**	87,655
Trust Units outstanding, end of period	**46,575,512**	46,548,948

Monthly distributions and special distributions are determined at the discretion of the Board of Trustees. 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 Trust Units with a record date of October 29, 2021 (to be paid on November 15, 2021) totaled $3.9 million ($0.0834 per unit) and have not been included as a liability in the condensed consolidated interim statements of financial position as at September 30, 2021.

EARNINGS (LOSS) PER UNIT

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	**9 Months Ended Sep. 30, 2021**	9 Months Ended Sep. 30, 2020
Numerator				
Profit (loss) – basic	**$ 235,539**	$ (31,444)	**$ 315,127**	$ (8,844)
Distribution declared on LP Class B Units	**-**	1,120	**-**	3,359
Gain on fair value adjustments on LP Class B Units	**-**	(10,114)	**-**	(82,698)
Gain on fair value adjustment to unexercised deferred units	**-**	(22)	**-**	(180)
Profit (loss) – diluted	**$ 235,539**	$ (40,460)	**$ 315,127**	$ (88,363)
Denominator				
Weighted average units outstanding – basic	**46,575,431**	46,547,239	**46,558,778**	46,522,644
Conversion of LP Class B Units	**-**	4,475,000	**-**	4,475,000
Unexercised deferred units	**-**	9,758	**-**	4,107
Weighted average units outstanding - diluted	**46,575,431**	51,031,997	**46,558,778**	51,001,751
Earnings (loss) per unit				
– basic	**$ 5.06**	$ (0.68)	**$ 6.77**	$ (0.19)
– diluted	**$ 5.06**	$ (0.79)	**$ 6.77**	$ (1.73)

All dilutive elements were included in the calculation of diluted per unit amounts. For the three and nine months ended September 30, 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 three and nine months ended September 30, 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 12: Rental Revenue

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	9 Months Ended Sep. 30, 2021	9 Months Ended Sep. 30, 2020
Lease revenue	**$ 112,538**	$ 110,132	**$ 334,113**	$ 330,442
Parking revenue	**1,967**	1,729	**5,857**	5,263
Recoveries (cable, retirement) and revenue from telephone and cable providers	**2,084**	1,770	**6,306**	5,128
Revenue from coin laundry machines	**967**	986	**2,975**	3,178
Other (fees)	**890**	1,590	**2,552**	5,018
Total	**$ 118,446**	$ 116,207	**$ 351,803**	$ 349,029

Note 13: 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 $22.5 million and $67.4 million for the three and nine months ended September 30, 2021, respectively (three and nine months ended September 30, 2020 – $23.1 million and $68.7 million, respectively) and can be summarized as follows:

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	9 Months Ended Sep. 30, 2021	9 Months Ended Sep. 30, 2020
Interest on secured debt (mortgages payable)	**$ 18,942**	$ 19,723	**$ 56,976**	$ 58,494
Interest capitalized to properties under development	**(692)**	(326)	**(1,465)**	(1,049)
LP Class B Unit distribution	**1,120**	1,120	**3,360**	3,359
Other interest charges	**643**	557	**1,557**	1,350
Interest on lease obligations	**668**	699	**2,007**	2,516
Interest income	**(78)**	(250)	**(231)**	(604)
Amortization of deferred financing costs	**1,924**	1,546	**5,182**	4,592
Total	**$ 22,527**	$ 23,069	**$ 67,386**	$ 68,658

For the three and nine months ended September 30, 2021, interest was capitalized to properties under development at a weighted average effective interest rate of 1.55% and 1.54%, respectively (three and nine months ended September 30, 2020 – 1.87% and 2.53%, respectively).

Note 14: Loss on Sale of Assets and Net Cash Proceeds

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. The loss on sale of assets and net cash proceeds is outlined on the following page.

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	9 Months Ended Sep. 30, 2021	9 Months Ended Sep. 30, 2020
Sales price	$ 11,795	$ -	$ 21,045	$ 3,000
Costs of disposition	(734)	-	(837)	(604)
Net proceeds	11,061	-	20,208	2,396
Net book value				
Investment property	11,770	-	21,005	2,986
Right-of-use-asset (IFRS 16 – Leases)	-	-	-	28,092
Property, plant and equipment	25	-	40	14
Lease liability	-	-	-	(28,092)
	11,795	-	21,045	3,000
Loss on sale of assets	(734)	-	(837)	(604)
Sales price	$ 11,795	$ -	$ 21,045	$ 3,000
Mortgage discharged on sale	(6,113)	-	(6,113)	-
Costs of disposition	(734)	-	(837)	(604)
Net cash proceeds	$ 4,948	$ -	$ 14,095	$ 2,396

Note 15: Fair Value Gains (Losses)

The components of fair value gains (losses) were as follows:

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	9 Months Ended Sep. 30, 2021	9 Months Ended Sep. 30, 2020
Investment properties (NOTE 3)	$ 227,658	$ (77,285)	$ 272,704	$ (192,451)
Financial asset designated as FVTPL				
Mortgage receivable	-	11	(44)	87
Financial liabilities designated as FVTPL				
Deferred unit-based compensation	(948)	270	(1,428)	2,643
LP Class B Units	(28,684)	10,114	(60,636)	82,698
Total fair value gains (losses)	$ 198,026	$ (66,890)	$ 210,596	$ (107,023)

Note 16: Guarantees, Contingencies, Commitments, and Other

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	49%	October 1, 2017 to September 30, 2022	$0.05/Kilowatt-hour ("kWh")
Alberta	40%	October 1, 2015 to September 30, 2020	$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 September 30, 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, including agreements related to sold properties where mortgages that were assumed by the purchaser have 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 September 30, 2021 is approximately $53.2 million (September 30, 2020 – $54.8 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 September 30, 2021 and 2020, no amounts have been recorded in the condensed consolidated interim financial statements with respect to the above noted indirect guarantees.

Note 17: Capital Management and Liquidity

Boardwalk REIT's DOT, as amended, provides for a minimum interest service 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 charges.

The following table highlights Boardwalk REIT's interest service coverage ratio in accordance with the DOT:

As at	**Sep. 30, 2021**	Dec. 31, 2020
Net operating income	**$ 271,075**	$ 269,144
Administration expenses (including deferred unit-based compensation)	**(36,165)**	(39,324)
Consolidated EBITDA (1) (12 months ended)	**234,910**	229,820
Consolidated interest expense (12 months ended)	**80,898**	82,345
Interest service coverage ratio	**2.90**	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 September 30, 2021, the Trust's weighted average cost of capital was calculated to be 3.44%.

The following schedule details the components of the Trust's capital and the related costs thereof:

As at	Sep. 30, 2021			Dec. 31, 2020		
	Cost of Capital (1)		**Underlying Value (2)**	Cost of Capital (1)		Underlying Value (2)
Liabilities						
Mortgages payable	**2.47%**	**$**	**3,017,565**	2.58%	$	3,029,152
LP Class B Units	**4.65%**		**211,623**	6.97%		150,987
Deferred unit-based compensation	**4.65%**		**5,413**	6.97%		3,215
Unitholders' equity						
Boardwalk Trust Units	**4.65%**		**2,202,556**	6.97%		1,570,562
Total	**3.44%**	**$**	**5,437,157**	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's 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 September 30, 2021 (December 31, 2020 – approximately 99%) is insured under the National Housing Act ("NHA") and administered by Canada Mortgage and Housing Corporation ("CMHC"). 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 47% (December 31, 2020 – approximately 49%) of the fair value of the Trust's investment properties. 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 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 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 condensed consolidated interim statements of comprehensive income (loss).

As outlined in NOTE 19(d), Boardwalk REIT's committed revolving credit facility agreements contain financial covenants.

Available liquidity as at September 30, 2021 included cash and cash equivalents on hand of $43.0 million (December 31, 2020 – $53.0 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 September 30, 2021 and December 31, 2020, the Trust was in compliance with all covenants in both its DOT and all existing debt facilities.

Note 18: 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 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 September 30, 2021 and December 31, 2020 are as follows:

As at	**Sep. 30, 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	**2,965,137**	**3,017,565**	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	**211,623**	**211,623**	150,987	150,987
Deferred unit-based compensation	**5,413**	**5,413**	3,215	3,215

The fair value of the Trust's mortgages payable was higher than the recorded value by approximately $52.4 million at September 30, 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 September 30, 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 September 30, 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 19.

(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 condensed consolidated interim statements of financial position is as follows:

As at	**Sep. 30, 2021**			Dec. 31, 2020		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investment properties	**$ -**	**$ 72,316**	**$6,296,808**	$ -	$ 81,389	$ 5,867,566
Mortgage receivable	**-**	**-**	**-**	-	-	2,790
Investment in private technology venture fund	**-**	**-**	**2,019**	-	-	2,019
Liabilities						
LP Class B Units	**211,623**	**-**	**-**	150,987	-	-
Deferred unit-based compensation	**5,413**	**-**	**-**	3,215	-	-

The three levels of the fair value hierarchy are described in NOTE 3.

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 September 30, 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 measurement. These five investment properties were valued using Level 2 inputs for the previous two 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 September 30, 2021, totaled $87.1 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 19: Risk Management

A) INTEREST RATE RISK

As at September 30, 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 three and nine months ended September 30, 2021, all else being equal, the increase or decrease in net earnings for each 1% change in market interest rates would be $0.2 million and $0.6 million, respectively (three and nine months ended September 30, 2020 – $0.2 million and $0.7 million, respectively).

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 September 30, 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.

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 condensed consolidated interim statements of comprehensive income (loss) as part of operating expenses. As outlined in NOTE 2(c) with respect to the COVID-19 pandemic, the Trust evaluated whether an allowance for estimated credit losses was needed for the nine months ended September 30, 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 three and nine months ended September 30, 2021, bad debt expense totaled $1.4 million and $3.7 million, respectively (three and nine months ended September 30, 2020 – $1.5 million and $4.6 million, respectively).

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. 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
2021	2.13%	$ 163,638	$ 18,289	$ 978	$ -	$ 11,203	$ 4,257	$ 55,381	$ 253,746
2022	2.67%	448,347	66,019	3,881	21,187	-	-	-	539,434
2023	2.81%	373,906	53,372	2,734	-	-	-	-	430,012
2024	2.50%	331,779	41,951	2,112	-	-	-	-	375,842
2025	2.15%	551,300	33,832	1,860	-	-	-	-	586,992
Subsequent	2.48%	1,204,341	54,880	69,443	-	-	-	-	1,328,664
	2.47%	3,073,311	268,343	81,008	21,187	11,203	4,257	55,381	3,514,690
Unamortized deferred financing costs		(108,516)	-	-	-	-	-	-	(108,516)
Unamortized market debt adjustments		342	-	-	-	-	-	-	342
		$2,965,137	$268,343	$ 81,008	$ 21,187	$ 11,203	$ 4,257	$ 55,381	$3,406,516

(1) Based on current in-place interest rates for the remaining term to maturity.
(2) Distribution payable includes distributions owed on the Boardwalk Trust Units and the LP Class B Units.

D) DEBT COVENANTS

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 September 30, 2021 of approximately $788.1 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 September 30, 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 September 30, 2021, this ratio was 1.49 (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 June 30, 2021, this ratio was 1.30 (December 31, 2020 – 1.41).
- **iii)** Total indebtedness of the Trust will not exceed 75% of the Gross Book Value ("GBV") of all assets for the two most recent quarters as defined in the credit agreement. As at September 30, 2021, this ratio was 47.4% (December 31, 2020 – 47.8%).

As at September 30, 2021 and December 31, 2020, the Trust was in compliance with all financial covenants.

E) UTILITY RISK

As outlined in NOTE 16, the Trust has commitments to certain utility contracts to reduce the risk of exposure to adverse changes in commodity prices.

Note 20: 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, which are related parties of the Trust, have been eliminated on consolidation and are not disclosed in this note disclosure.

The remuneration of the Trust's Trustees was as follows:

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	**9 Months Ended Sep. 30, 2021**	9 Months Ended Sep. 30, 2020
Deferred unit-based compensation redeemed for Trust Units	**$ -**	$ -	**$ -**	$ 19
	$ -	$ -	**$ -**	$ 19

The individuals considered key personnel of the Trust as at September 30, 2021 have not changed since December 31, 2020, with the exception of the retirement of Lisa Russell, Senior VP, Corporate Development. The remuneration of the Trust's key management personnel was as follows:

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	**9 Months Ended Sep. 30, 2021**	9 Months Ended Sep. 30, 2020
Short-term benefits	**$ 218**	$ 223	**$ 911**	$ 1,149
Post-employment benefits	**13**	13	**39**	38
Other long-term benefits	**1**	1	**3**	3
Deferred unit-based compensation redeemed for Trust Units	**77**	-	**1,065**	2,135
	$ 309	$ 237	**$ 2,018**	$ 3,325

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 – Financial Instruments: Presentation, 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 condensed consolidated interim financial statements. Additionally, as the LP Class B Units are liabilities, all distributions paid (both regular and special) are recorded as a financing charge under IFRS. For the three and nine months ended September 30, 2021, distributions on the LP Class B Units totaled $1.1 million and $3.4 million, respectively (three and nine months ended September 30, 2020 – $1.1 million and $3.4 million, respectively). Distributions on the LP Class B Units are made on terms equal to distributions made on Boardwalk Trust Units.

As at September 30, 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 three and nine months ended September 30, 2021, payments to this provider totaled $139,000 and $254,000, respectively (three and nine months ended September 30, 2020 – $56,000 and $154,000, respectively). As at September 30, 2021, there was no balance owed to this related party.

Note 21: Other Information

(A) SUPPLEMENTAL CASH FLOW INFORMATION

	3 Months Ended Sep. 30, 2021	3 Months Ended Sep. 30, 2020	9 Months Ended Sep. 30, 2021	9 Months Ended Sep. 30, 2020
Net change in operating working capital				
Net change in inventories	**$ (1,509)**	$ 879	**$ (2,229)**	$ 1,644
Net change in prepaid assets	**(2,352)**	273	**(118)**	225
Net change in trade and other receivables	**1,768**	3,411	**4,092**	(5,565)
Net change in segregated and refundable tenants' security deposits	**54**	373	**48**	317
Net change in trade and other payables	**1,385**	1,307	**(807)**	(4,024)
	$ (654)	$ 6,243	**$ 986**	$ (7,403)
Net change in investing working capital				
Net change in trade and other payables	**$ 1,619**	$ 3,602	**$ 881**	$ (1,106)
Net change in financing working capital				
Net change in trade and other payables	**$ 31**	$ 395	**$ 42**	$ 304
Distributions paid				
Distributions declared	**$ (11,653)**	$ (11,646)	**$ (34,948)**	$ (34,924)
Distributions declared in prior period paid in current period	**(3,884)**	(3,882)	**(3,882)**	(3,875)
Distributions declared in current period paid in next period	**3,884**	3,882	**3,884**	3,882
Distributions paid	**$ (11,653)**	$ (11,646)	**$ (34,946)**	$ (34,917)

(B) Included in administration costs was $0.7 million and $2.2 million, respectively, relating to Registered Retirement Savings Plan ("RRSP") matching for the three and nine months ended September 30, 2021 (three and nine months ended September 30, 2020 – $0.7 million and $2.2 million, respectively).

Note 22: 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. Either 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, and certain comparative data for divested assets.

Details of segmented information are as follows:

As at	September 30, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Assets	**$ 3,936,550**	**$ 48,256**	**$ 608,926**	**$ 637,355**	**$ 1,103,805**	**$ 182,617**	**$ 6,517,509**
Liabilities	**1,985,896**	**31,909**	**297,726**	**210,194**	**572,178**	**261,914**	**3,359,817**

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

	3 Months Ended September 30, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Rental revenue (a)	**$ 74,358**	**$ 659**	**$ 13,125**	**$ 9,655**	**$ 20,453**	**$ 196**	**$ 118,446**
Rental expenses							
Operating expenses	**15,104**	**103**	**2,298**	**1,767**	**3,640**	**1,297**	**24,209**
Utilities	**6,481**	**19**	**1,799**	**1,088**	**939**	**79**	**10,405**
Property taxes	**7,850**	**40**	**1,024**	**1,010**	**2,088**	**51**	**12,063**
Net operating income (loss)	**44,923**	**497**	**8,004**	**5,790**	**13,786**	**(1,231)**	**71,769**
Financing costs (b)	**13,537**	**172**	**2,047**	**1,380**	**4,380**	**1,011**	**22,527**
Administration	**796**	**1**	**144**	**3**	**106**	**7,668**	**8,718**
Deferred unit-based compensation	**-**	**-**	**-**	**-**	**-**	**329**	**329**
Depreciation and amortization (c)	**209**	**-**	**45**	**12**	**39**	**1,694**	**1,999**
Profit (loss) before the undernoted	**30,381**	**324**	**5,768**	**4,395**	**9,261**	**(11,933)**	**38,196**
Loss on sale of assets	**(734)**	**-**	**-**	**-**	**-**	**-**	**(734)**
Fair value gains (losses)	**97,534**	**(11)**	**26,731**	**40,455**	**63,239**	**(29,922)**	**198,026**
Profit (loss) before income tax	**127,181**	**313**	**32,499**	**44,850**	**72,500**	**(41,855)**	**235,488**
Income tax recovery (d)	**-**	**-**	**-**	**-**	**-**	**51**	**51**
Profit (loss) for the period	**$ 127,181**	**$ 313**	**$ 32,499**	**$ 44,850**	**$ 72,500**	**$ (41,804)**	**$ 235,539**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income (loss)	**$ 127,181**	**$ 313**	**$ 32,499**	**$ 44,850**	**$ 72,500**	**$ (41,804)**	**$ 235,539**
Additions to non-current assets (e)	**$ 19,247**	**$ 12**	**$ 4,321**	**$ 3,424**	**$ 6,358**	**$ 2,501**	**$ 35,863**

	3 Months Ended September 30, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Rental revenue (a)	$ 74,838	$ -	$ 12,826	$ 8,138	$ 20,320	$ 85	$ 116,207
Rental expenses							
Operating expenses	15,077	-	2,338	1,342	3,501	1,283	23,541
Utilities	6,833	-	1,842	1,127	939	73	10,814
Property taxes	9,491	-	1,233	852	2,047	37	13,660
Net operating income (loss)	43,437	-	7,413	4,817	13,833	(1,308)	68,192
Financing costs (b)	13,940	-	2,336	1,259	4,440	1,094	23,069
Administration	759	-	155	(2)	47	6,466	7,425
Deferred unit-based compensation	-	-	-	-	-	274	274
Depreciation and amortization (c)	216	-	48	12	37	1,764	2,077
Profit (loss) before the undernoted	28,522	-	4,874	3,548	9,309	(10,906)	35,347
Fair value gains (losses)	(73,463)	-	(3,691)	(4,056)	3,926	10,394	(66,890)
Profit (loss) before income tax	(44,941)	-	1,183	(508)	13,235	(512)	(31,543)
Income tax recovery (d)	-	-	-	-	-	99	99
Profit (loss) for the period	$ (44,941)	$ -	$ 1,183	$ (508)	$ 13,235	$ (413)	$ (31,444)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income (loss)	$ (44,941)	$ -	$ 1,183	$ (508)	$ 13,235	$ (413)	$ (31,444)
Additions to non-current assets (e)	$ 22,408	$ -	$ 3,105	$ 83,171	$ 4,017	$ 4,501	$ 117,202

	9 Months Ended September 30, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Rental revenue (a)	**$ 220,837**	**$ 1,188**	**$ 38,921**	**$ 28,683**	**$ 61,418**	**$ 756**	**$ 351,803**
Rental expenses							
Operating expenses	**45,734**	**133**	**7,048**	**4,799**	**10,181**	**4,470**	**72,365**
Utilities	**22,987**	**30**	**5,631**	**3,177**	**4,431**	**255**	**36,511**
Property taxes	**25,171**	**72**	**3,274**	**2,996**	**5,943**	**169**	**37,625**
Net operating income (loss)	**126,945**	**953**	**22,968**	**17,711**	**40,863**	**(4,138)**	**205,302**
Financing costs (b)	**40,191**	**303**	**6,240**	**4,077**	**13,220**	**3,355**	**67,386**
Administration	**2,440**	**2**	**457**	**17**	**349**	**21,907**	**25,172**
Deferred unit-based compensation	**-**	**-**	**-**	**-**	**-**	**1,834**	**1,834**
Depreciation (c)	**613**	**-**	**132**	**34**	**105**	**4,736**	**5,620**
Profit (loss) before the undernoted	**83,701**	**648**	**16,139**	**13,583**	**27,189**	**(35,970)**	**105,290**
Loss on sale of assets	**(837)**	**-**	**-**	**-**	**-**	**-**	**(837)**
Fair value gains (losses)	**68,647**	**(16)**	**38,682**	**71,668**	**94,012**	**(62,397)**	**210,596**
Profit (loss) before income tax	**151,511**	**632**	**54,821**	**85,251**	**121,201**	**(98,367)**	**315,049**
Income tax recovery (d)	**-**	**-**	**-**	**-**	**-**	**78**	**78**
Profit (loss) for the period	**$ 151,511**	**$ 632**	**$ 54,821**	**$ 85,251**	**$ 121,201**	**$ (98,289)**	**$ 315,127**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income (loss)	**$ 151,511**	**$ 632**	**$ 54,821**	**$ 85,251**	**$ 121,201**	**$ (98,289)**	**$ 315,127**
Additions to non-current assets (e)	**$ 78,266**	**$ 48,225**	**$ 10,077**	**$ 7,137**	**$ 13,688**	**$ 14,685**	**$ 172,078**

	9 Months Ended September 30, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Rental revenue (a)	$ 226,291	$ -	$ 38,109	$ 23,856	$ 60,480	$ 293	$ 349,029
Rental expenses							
Operating expenses	46,647	-	7,130	3,984	9,915	4,342	72,018
Utilities	22,732	-	5,769	3,020	4,331	266	36,118
Property taxes	25,022	-	3,593	2,519	6,282	106	37,522
Net operating income (loss)	131,890	-	21,617	14,333	39,952	(4,421)	203,371
Financing costs (b)	41,888	-	6,976	3,524	13,142	3,128	68,658
Administration	2,081	-	513	14	261	24,548	27,417
Deferred unit-based compensation	-	-	-	-	-	2,748	2,748
Depreciation (c)	631	-	142	35	110	5,018	5,936
Profit (loss) before the undernoted	87,290	-	13,986	10,760	26,439	(39,863)	98,612
Loss on sale of assets	(604)	-	-	-	-	-	(604)
Adjustment to right-of-use asset related to lease receivable	-	-	-	-	-	(159)	(159)
Fair value gains (losses)	(175,502)	-	(17,280)	(1,796)	2,126	85,429	(107,023)
Profit (loss) before income tax	(88,816)	-	(3,294)	8,964	28,565	45,407	(9,174)
Income tax recovery (d)	-	-	-	-	-	330	330
Profit (loss) for the period	$ (88,816)	$ -	$ (3,294)	$ 8,964	$ 28,565	$ 45,737	$ (8,844)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income (loss)	$ (88,816)	$ -	$ (3,294)	$ 8,964	$ 28,565	$ 45,737	$ (8,844)
Additions to non-current assets (e)	$ 54,830	$ -	$ 8,115	$ 86,121	$ 8,713	$ 11,391	$ 169,170

(A) RENTAL REVENUE

Rental revenue was as follows:

	3 Months Ended September 30, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Lease revenue	**$ 70,606**	**$ 636**	**$ 12,248**	**$ 9,447**	**$ 19,436**	**$ 165**	**$ 112,538**
Parking revenue	**1,211**	**26**	**139**	**71**	**520**	**-**	**1,967**
Recoveries (cable, retirement) and revenue from telephone and cable providers	**1,267**	**-**	**543**	**33**	**210**	**31**	**2,084**
Revenue from coin laundry machines	**627**	**-**	**66**	**121**	**153**	**-**	**967**
Other (fees)	**647**	**(3)**	**129**	**(17)**	**134**	**-**	**890**
Total	**$ 74,358**	**$ 659**	**$ 13,125**	**$ 9,655**	**$ 20,453**	**$ 196**	**$ 118,446**

	3 Months Ended September 30, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Lease revenue	$ 70,861	$ -	$ 11,950	$ 7,982	$ 19,286	$ 53	$ 110,132
Parking revenue	1,072	-	126	30	501	-	1,729
Recoveries (cable, retirement) and revenue from telephone and cable providers	860	-	550	32	296	32	1,770
Revenue from coin laundry machines	655	-	68	117	146	-	986
Other (fees)	1,390	-	132	(23)	91	-	1,590
Total	$ 74,838	$ -	$ 12,826	$ 8,138	$ 20,320	$ 85	$ 116,207

	9 Months Ended September 30, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Lease revenue	**$ 209,595**	**$ 1,149**	**$ 36,311**	**$ 28,084**	**$ 58,308**	**$ 666**	**$ 334,113**
Parking revenue	**3,576**	**42**	**418**	**203**	**1,616**	**2**	**5,857**
Recoveries (cable, retirement) and revenue from telephone and cable providers	**3,774**	**-**	**1,643**	**85**	**716**	**88**	**6,306**
Revenue from coin laundry machines	**1,926**	**-**	**202**	**377**	**470**	**-**	**2,975**
Other (fees)	**1,966**	**(3)**	**347**	**(66)**	**308**	**-**	**2,552**
Total	**$ 220,837**	**$ 1,188**	**$ 38,921**	**$ 28,683**	**$ 61,418**	**$ 756**	**$ 351,803**

	9 Months Ended September 30, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Lease revenue	$ 213,872	$ -	$ 35,551	$ 23,383	$ 57,439	$ 197	$ 330,442
Parking revenue	3,255	-	382	85	1,541	-	5,263
Recoveries (cable, retirement) and revenue from telephone and cable providers	2,502	-	1,649	70	811	96	5,128
Revenue from coin laundry machines	2,111	-	208	385	474	-	3,178
Other (fees)	4,551	-	319	(67)	215	-	5,018
Total	$ 226,291	$ -	$ 38,109	$ 23,856	$ 60,480	$ 293	$ 349,029

(B) FINANCING COSTS

Financing costs were as follows:

	3 Months Ended September 30, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Interest on secured debt (mortgages payable)	**$ 12,167**	**$ 157**	**$ 1,876**	**$ 1,254**	**$ 3,488**	**$ -**	**$ 18,942**
Interest capitalized to properties under development	**-**	**-**	**-**	**-**	**-**	**(692)**	**(692)**
LP Class B Unit distribution	**-**	**-**	**-**	**-**	**-**	**1,120**	**1,120**
Other interest charges	**55**	**(1)**	**(12)**	**(5)**	**(4)**	**610**	**643**
Interest on lease obligations	**-**	**-**	**-**	**-**	**616**	**52**	**668**
Interest income	**-**	**-**	**-**	**-**	**-**	**(78)**	**(78)**
Amortization of deferred financing costs	**1,315**	**16**	**183**	**131**	**280**	**(1)**	**1,924**
Total	**$ 13,537**	**$ 172**	**$ 2,047**	**$ 1,380**	**$ 4,380**	**$ 1,011**	**$ 22,527**

	3 Months Ended September 30, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Interest on secured debt (mortgages payable)	$ 12,851	$ -	$ 2,162	$ 1,144	$ 3,566	$ -	$ 19,723
Interest capitalized to properties under development	-	-	-	-	-	(326)	(326)
LP Class B Unit distribution	-	-	-	-	-	1,120	1,120
Other interest charges	72	-	(7)	12	1	479	557
Interest on lease obligations	-	-	-	-	628	71	699
Interest income	-	-	-	-	-	(250)	(250)
Amortization of deferred financing costs	1,017	-	181	103	245	-	1,546
Total	$ 13,940	$ -	$ 2,336	$ 1,259	$ 4,440	$ 1,094	$ 23,069

	9 Months Ended September 30, 2021						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Interest on secured debt (mortgages payable)	**$ 36,672**	**$ 283**	**$ 5,727**	**$ 3,739**	**$ 10,555**	**$ -**	**$ 56,976**
Interest capitalized to properties under development	**-**	**-**	**-**	**-**	**-**	**(1,465)**	**(1,465)**
LP Class B Unit distribution	**-**	**-**	**-**	**-**	**-**	**3,360**	**3,360**
Other interest charges	**123**	**(1)**	**(32)**	**(42)**	**(13)**	**1,522**	**1,557**
Interest on lease obligations	**-**	**-**	**-**	**-**	**1,838**	**169**	**2,007**
Interest income	**-**	**-**	**-**	**-**	**-**	**(231)**	**(231)**
Amortization of deferred financing costs	**3,396**	**21**	**545**	**380**	**840**	**-**	**5,182**
Total	**$ 40,191**	**$ 303**	**$ 6,240**	**$ 4,077**	**$ 13,220**	**$ 3,355**	**$ 67,386**

	9 Months Ended September 30, 2020						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Interest on secured debt (mortgages payable)	$ 38,384	$ -	$ 6,396	$ 3,201	$ 10,513	$ -	$ 58,494
Interest capitalized to properties under development	(148)	-	-	-	-	(901)	(1,049)
LP Class B Unit distribution	-	-	-	-	-	3,359	3,359
Other interest charges	232	-	(5)	40	10	1,073	1,350
Interest on lease obligations	435	-	-	-	1,880	201	2,516
Interest income	-	-	-	-	-	(604)	(604)
Amortization of deferred financing costs	2,985	-	585	283	739	-	4,592
Total	$ 41,888	$ -	$ 6,976	$ 3,524	$ 13,142	$ 3,128	$ 68,658

(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 period to acquire non-current assets (other than financial instruments and deferred tax assets), measured on an accrual basis.

Note 23: Subsequent Events

Subsequent to September 30, 2021, the Trust agreed to the sale of 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, for proceeds of $18.2 million. The sale is expected to close on November 26, 2021.

Note 24: Approval of Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements were approved by the Board of Trustees and authorized on November 10, 2021.

CORPORATE INFORMATION

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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

CORPORATE PROFILE

Boardwalk REIT 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 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.

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