

Artis Real Estate Investment Trust

Investor Presentation Q3 - 13



FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “expects”, “anticipates”, “intends”, “estimates”, “projects”, and similar expressions are intended to identify forward-looking statements. All forward-looking statements in this presentation are made as of November 7, 2013.

Although the forward-looking statements contained or incorporated by reference herein are based upon what management believes to be reasonable assumptions, Artis cannot assure investors that actual results will be consistent with these forward-looking statements. Artis is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Artis assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this presentation are qualified by this cautionary statement.

Additional information about Artis, including risks and uncertainties that could actual results to differ from those implied or inferred from any forward-looking statements in this presentation, are contained in our various securities filings, including our current Annual Information Form, as well as our quarterly earnings press release dated November 7, 2013, our interim financial statements and Management’s Discussion and Analysis for our periods ending March 31, 2013, June 30, 2013, September 30, 2013 and our 2012 Annual Report, all of which are available on SEDAR at www.sedar.com or on our company web site at www.artisreit.com.





Max at Kierland – Phoenix, AZ

Humana Building – Phoenix, AZ



Stampede Station – Calgary, AB



PROPERTIES OF SUCCESS



1. GEOGRAPHIC FOCUS

Canadian and select U.S. markets, with a major concentration in western Canada

2. PRODUCT FOCUS

Commercial real estate only

- Industrial
- Office
- Retail

3. EXTERNAL GROWTH

Select accretive acquisitions in our target markets

4. INTERNAL GROWTH

Results driven active asset management

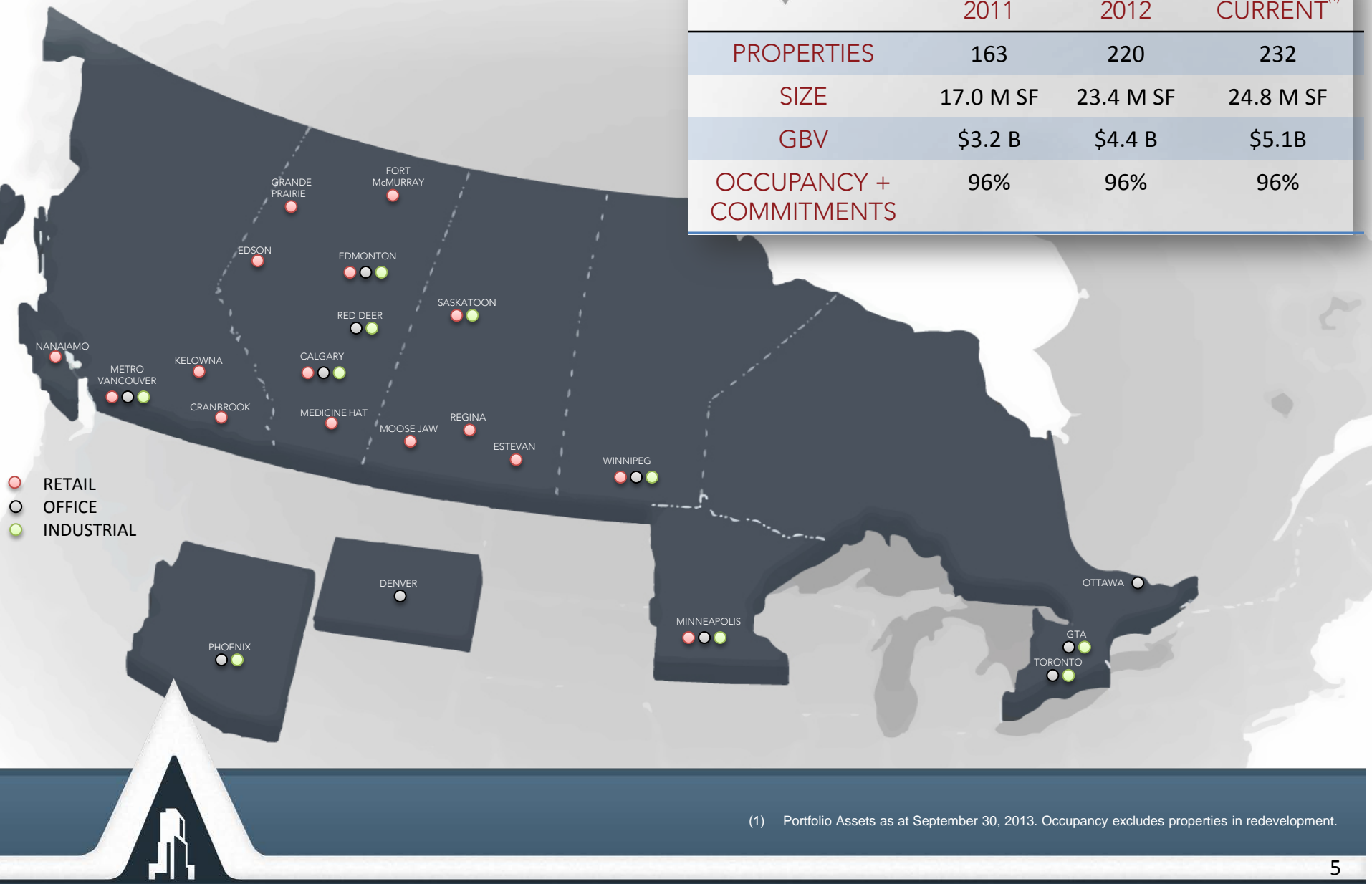
- Positive leasing activity
- Intensification & value-added projects
- New developments



Trimac House – Calgary, AB



PORTFOLIO OVERVIEW

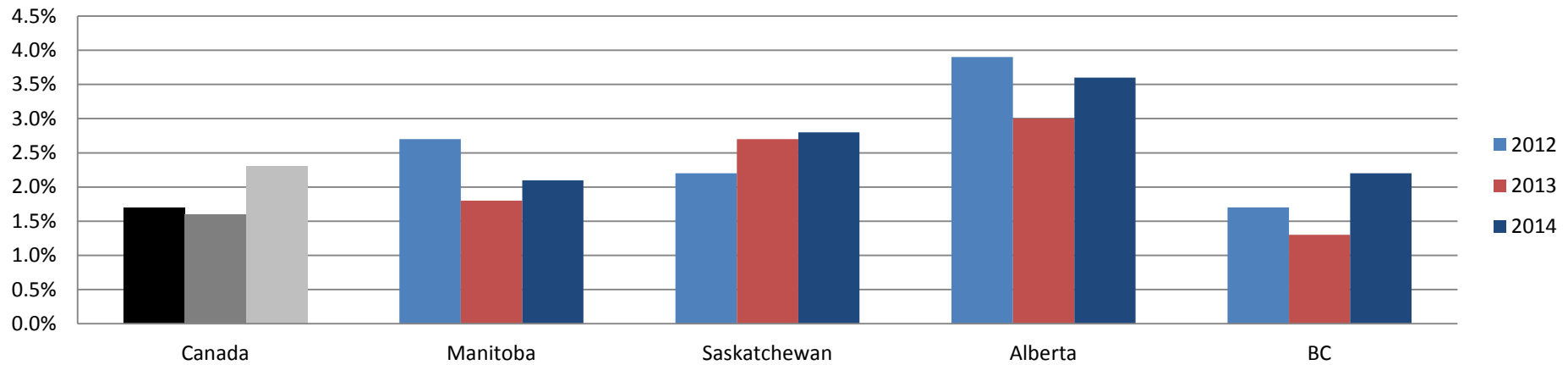


	2011	2012	CURRENT ⁽¹⁾
PROPERTIES	163	220	232
SIZE	17.0 M SF	23.4 M SF	24.8 M SF
GBV	\$3.2 B	\$4.4 B	\$5.1B
OCCUPANCY + COMMITMENTS	96%	96%	96%

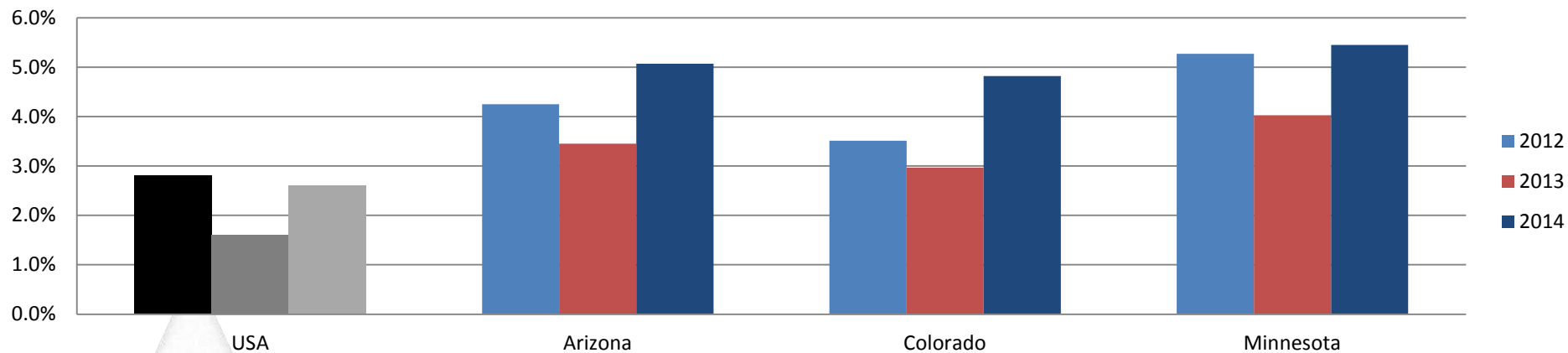
(1) Portfolio Assets as at September 30, 2013. Occupancy excludes properties in redevelopment.

Location Matters - Economic Fundamentals drive Real Estate Fundamentals

Canada⁽¹⁾



USA⁽²⁾

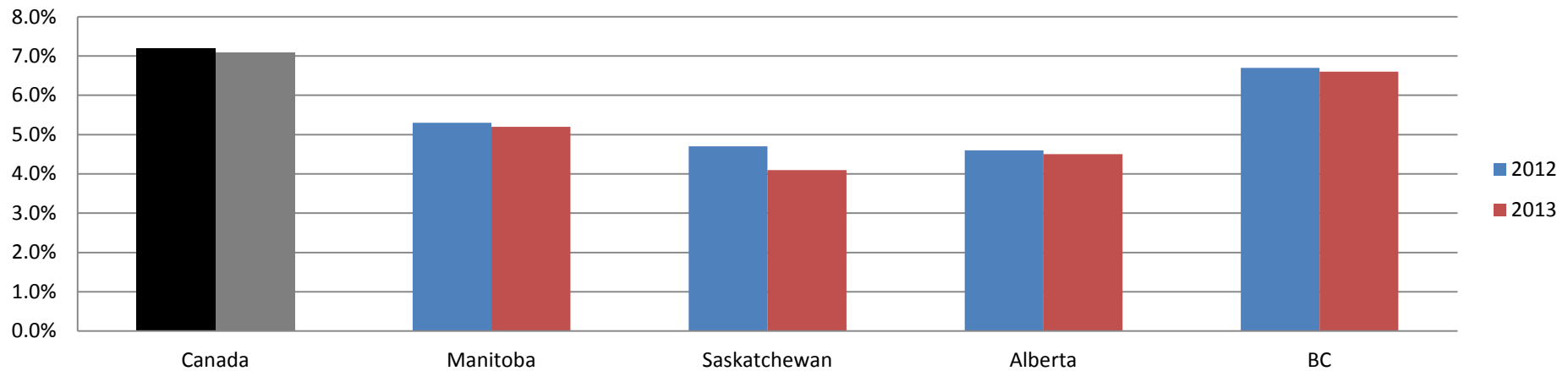


(1) Source: Scotiabank Global Forecast dated October 1, 2013

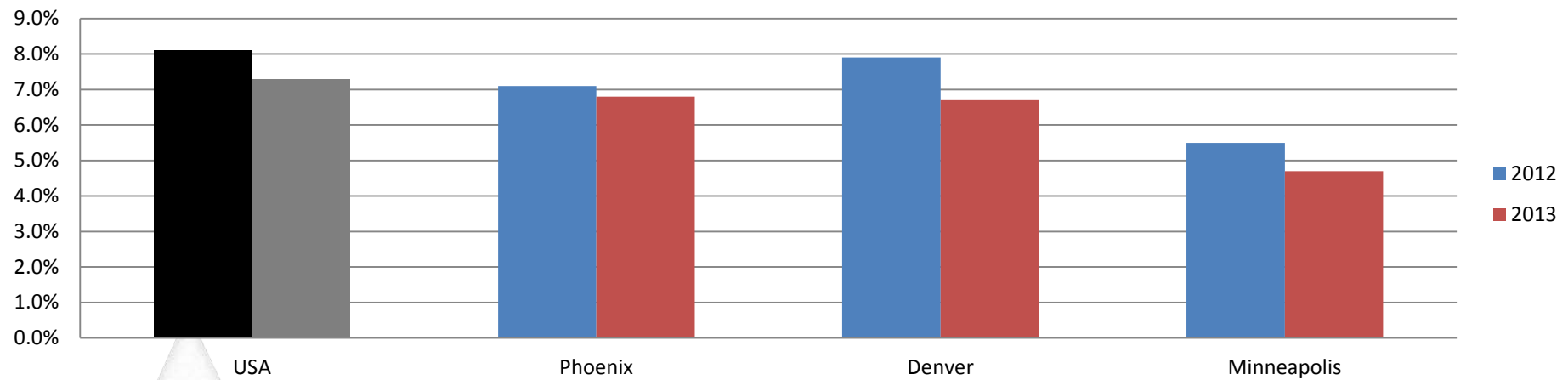
(2) Source: State of New Jersey Department of Labor and Workforce Development



Canada⁽¹⁾



USA⁽²⁾

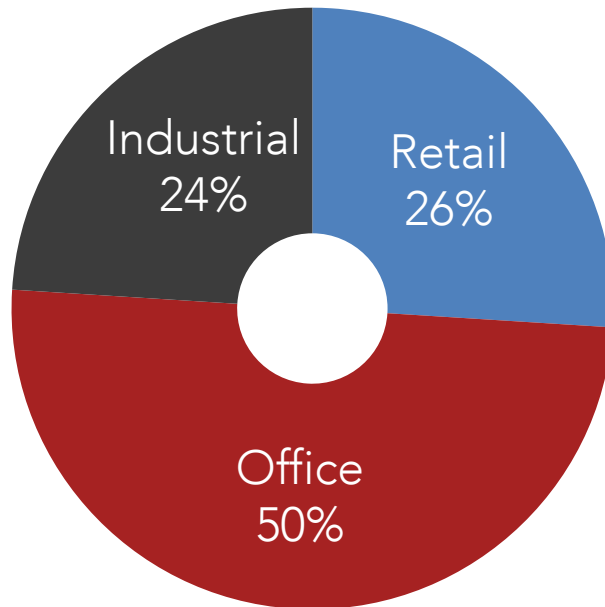


(1) Source: Scotiabank Global Forecast dated October 1, 2013

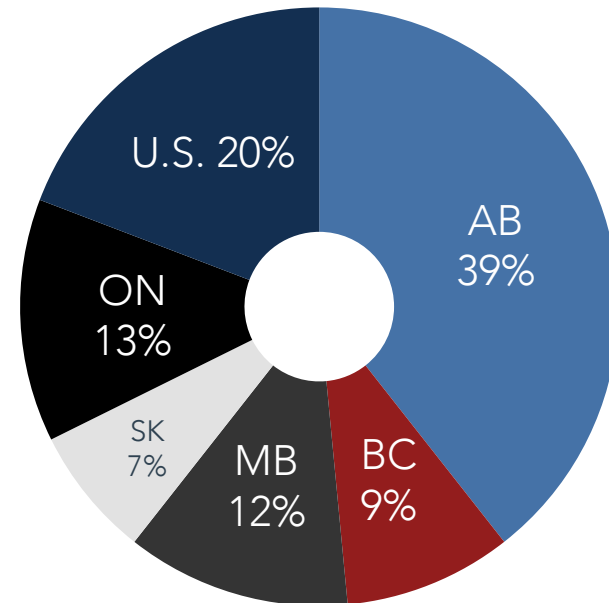
(2) Source: United States Department of Labor – Bureau of Labor Statistics, for the months of August 2012 and August 2013



ASSET CLASS DIVERSIFICATION



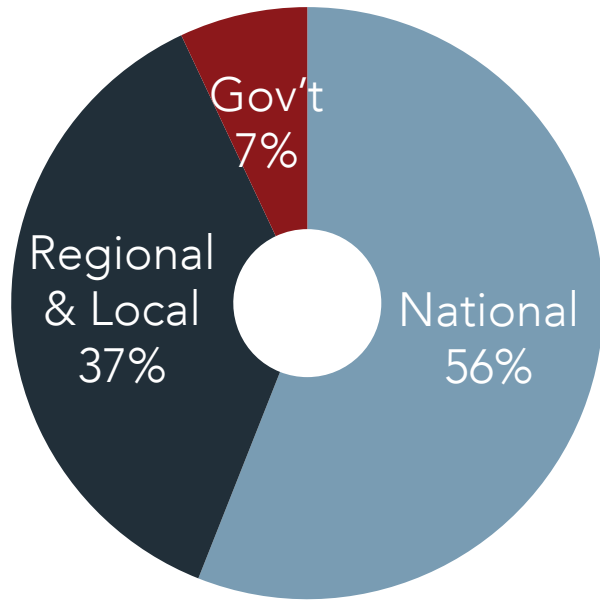
GEOGRAPHICAL DIVERSIFICATION



⁽¹⁾ Year-to-date at September 30, 2013.



OVER 60% OF ARTIS' TENANTS ARE GOVERNMENT OR NATIONAL



MTS

amec

TransAlta

CBRE

Stantec

TELVENT

THE HOME DEPOT

DIRECTV

IHS

SHOPPERS DRUG MART

ARTIS' TOP 20 TENANTS ACCOUNT FOR 18.8% OF GROSS REVENUE AND HAVE A 7.6 YEAR WEIGHTED-AVERAGE LEASE TERM

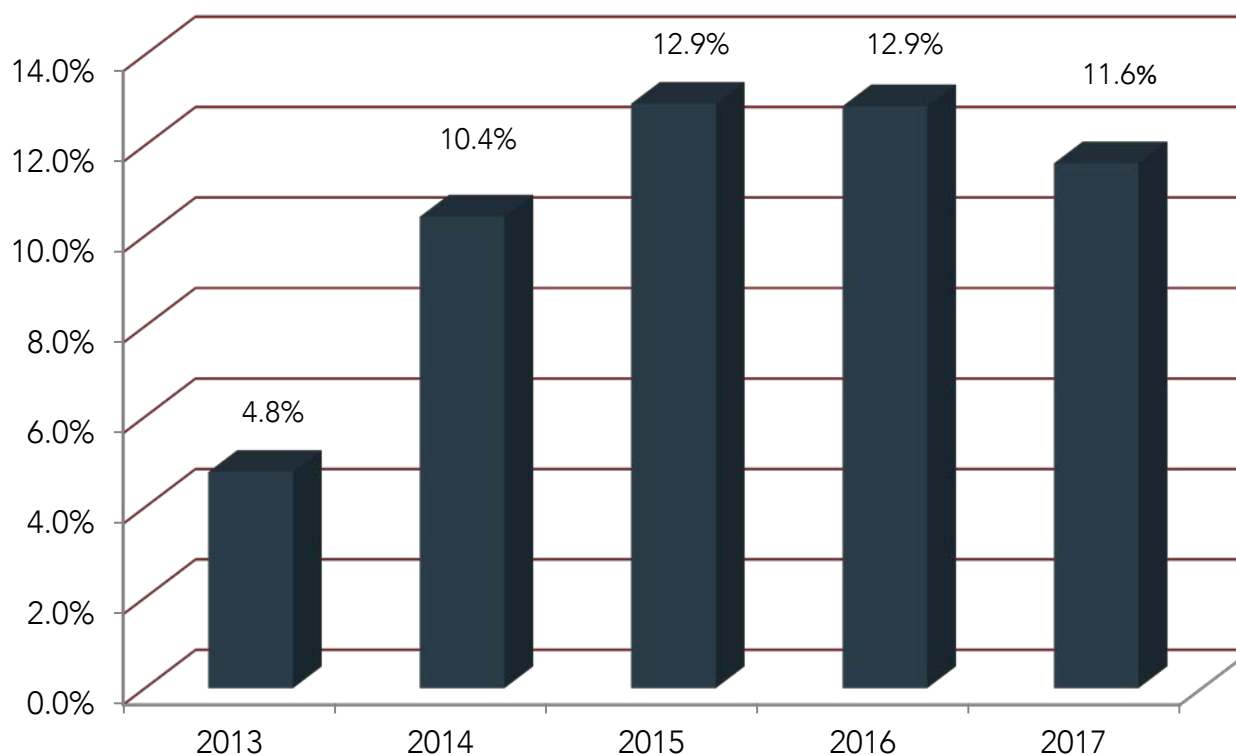


⁽¹⁾ Portfolio Assets as at September 30, 2013



LEASE EXPIRATION SCHEDULE⁽¹⁾

- 2013 leasing program is essentially complete and 50% of 2014 expiries have been dealt with
- Weighted-average rental increase on renewals in Q3-13 was 5.2%, while YTD at September 30, 2013 was 7.1%
- Q3-13 Same Property NOI growth was 3.8% over Q3-12, while YTD at September 30, 2013 was 3.1%



⁽¹⁾ Portfolio Assets as at September 30, 2013



SCHEDULE OF MORTGAGE MATURITIES

At September 30, 2013

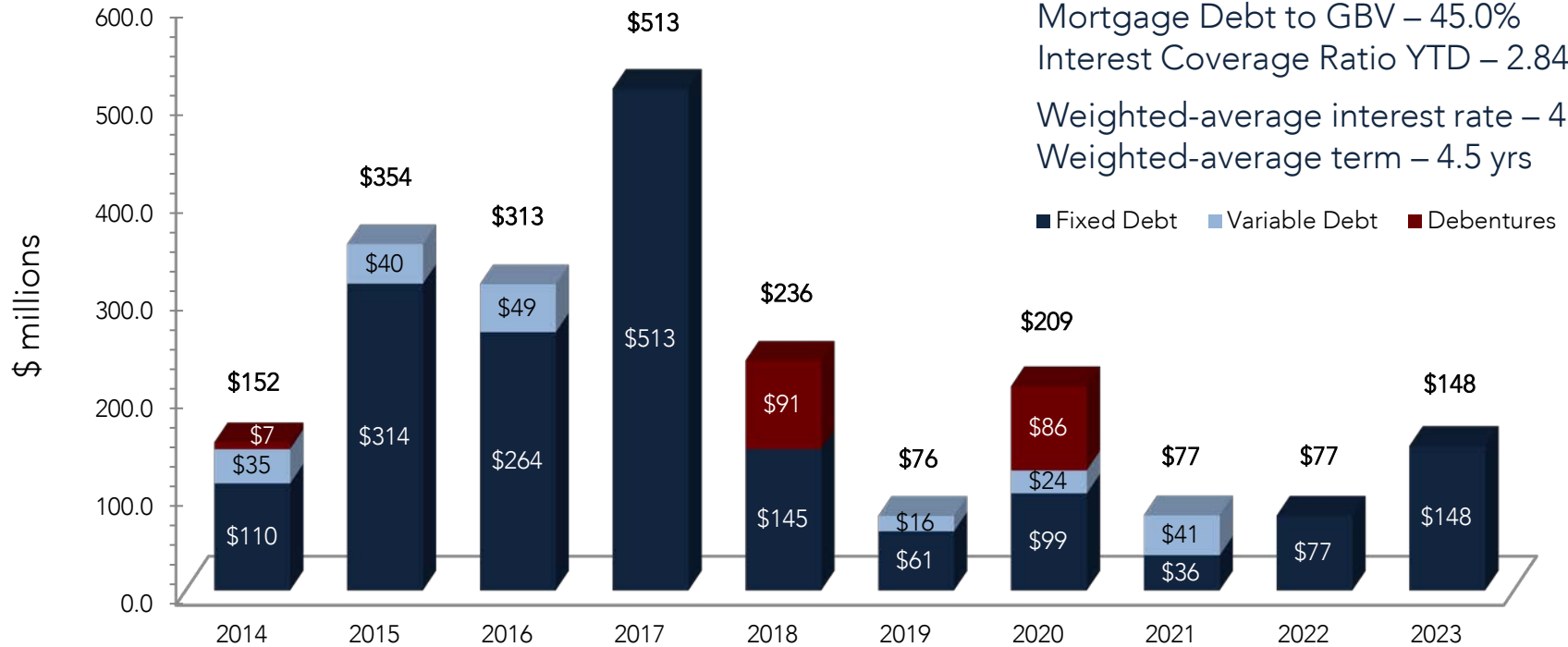
Total Debt to GBV – 48.7%

Mortgage Debt to GBV – 45.0%

Interest Coverage Ratio YTD – 2.84 times

Weighted-average interest rate – 4.11%

Weighted-average term – 4.5 yrs



■ Fixed Debt ■ Variable Debt ■ Debentures

Debt Maturity										
Debt Maturity	5.00%				5.75%		6.00%			
Variable Debt	2.45%	2.70%	3.49%			2.45%	1.95%	1.95%		
Fixed Debt	4.60%	4.51%	4.26%	4.26%	3.70%	4.69%	3.90%	4.44%	4.13%	3.93%

Weighted-Average Interest Rates

The chart above is as at September 30, 2013, adjusted for refinancing activities underway at November 14, 2013.
Variable debt that is covered by interest rate swaps is included in fixed debt.

Leverage Profile for the fiscal quarter ending:

	Sept 30 2012	Dec 31 2012	Mar 31 2013	June 30 2013	Sept 30 2013
Debt: GBV	52.4%	51.5%	50.2 %	49.2 %	48.7 %
Debt excl. convert. debentures: GBV	48.0%	47.3%	46.1%	45.4%	45.0%
Net debt: EV	49.8%	52.3%	49.8%	52.2%	52.4%
Unencumbered assets (in 000's)	\$99,243	\$138,778	\$174,427	\$265,338	\$226,878
EBITDA interest coverage	2.54	2.64	2.89	2.84	2.98
Net Debt: EBITDA ⁽¹⁾	8.32	8.50	7.81	8.31	7.60

Liquidity at September 30, 2013:

Cash and cash equivalents (in 000's)	\$86,654
Availability on credit facility	\$80,000

(1) Debt at most recent quarter divided by income on an annualized basis



DBRS highlighted Artis' strengths as being a reasonably scaled REIT with a mid-size portfolio that continues to improve in quality with new property additions; as well as having a well-diversified portfolio by asset type and geography; a diverse tenant roster including a number of government and other investment-grade tenants; and an improving financial profile and credit metrics

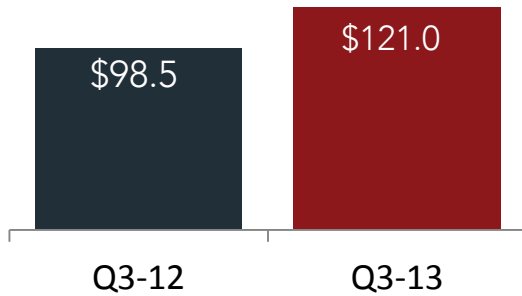
Artis is one of only 15 out of the 60 REIT/REOCs that has an investment-grade rating.



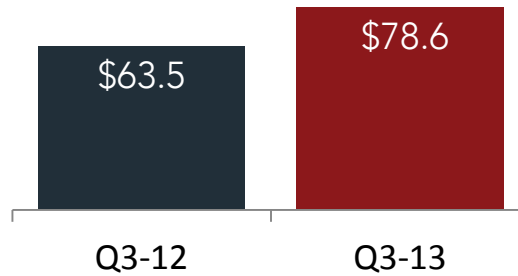
SELECTED FINANCIAL INFORMATION



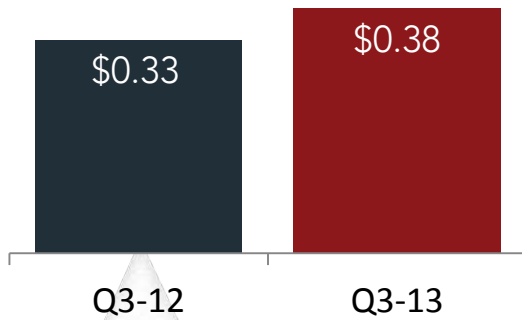
Revenues (\$millions)



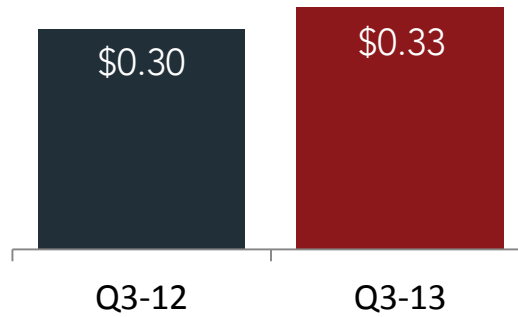
Property NOI (\$millions)



FFO/Unit



AFFO/Unit



AFFO PAY-OUT
RATIO 95% → 84%
year-over-year



INTERNAL GROWTH STRATEGY



\$200 M
DEVELOPMENT
PIPELINE



EXTERNAL GROWTH STRATEGY



(1) At September 30, 2013





**1110 Pettigrew Avenue
Regina, SK**

118,800 SF industrial property
Purchase price: \$12.2M
Cap rate: 6.8%
Acquired Jan 15, 2013



**220 Portage Avenue
Winnipeg, MB**

170,158 SF office property
Purchase price: \$41.0M
Cap rate: 6.6%
Acquired Apr 30, 2013



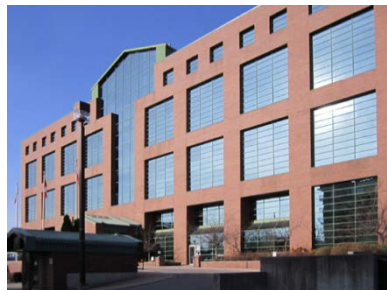
**Century Crossing III
Spruce Grove, AB**

90,429 SF retail property
Purchase price: \$26.4M
Cap rate: 6.1%
Acquired Feb 11, 2013



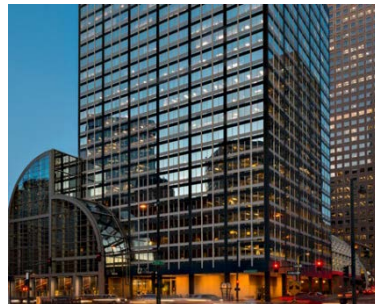
**Quarry Park Portfolio
Calgary, AB**

282,327 SF office property
Purchase price: \$154.8M
Cap rate: 5.9%
Acquired May 15, 2013



**495 Richmond Road
Ottawa, ON**

106,193 SF office property
Purchase price: \$38.1M
Cap rate: 6.6%
Acquired Mar 15, 2013



**1700 Broadway
Denver, CO**

394,151 SF office property
Purchase price: US\$49.0M (50%)
Cap rate: 7.25%
Acquired May 22, 2013
Artis acquired a 50% interest in this property





ASM America Headquarters Building Phoenix, AZ

130,282 SF office property
Purchase price: US\$19.8M
Cap rate: 7.3%
Acquired Jun 4, 2013



PTI Building Edmonton, AB

71,654 SF industrial property
Purchase price: \$21.0M
Cap rate: 7.0%
Acquired Jun 28, 2013



Cara Foods Building Vaughan, ON

100,398 SF office property
Purchase price: \$21.0M (50%)
Cap rate: 6.0%
Acquired Jun 5, 2013
Artis acquired the remaining 50% interest in this property



DirecTV Building Denver, CO

256,767 SF office property
Purchase price: US\$71.0M
Cap rate: 6.0%
Acquired Jul 31, 2013



Oakdale Village Minneapolis, MN

164,860 SF retail property
Purchase price: US\$34.0M
Cap rate: 7.75%
Acquired Jun 10, 2013



North Scottsdale Corporate Centre II Phoenix, AZ

152,629 SF office property
Purchase price: US\$38.6M
Cap rate: 6.5%
Acquired Sept 10, 2013



DISCIPLINED U.S. PORTFOLIO STRATEGY

“ A Window of Opportunity ... Closing Soon?... Maybe Not”

Total weighting of U.S. properties in Artis' portfolio will be limited to no more than 30% of NOI. This limit was recently increased from 20% of NOI for the following reasons:

- Outlook for U.S. economy, real estate fundamentals, and U.S. dollar is strong
- Unlevered yield will be accretive, and higher than for a comparable property in Canada
- Price per square foot will be lower
- Low interest, conventional mortgage financing will be available
- Quality local third party property management will be available
- Property will be “new generation”, reducing the average age of Artis' overall portfolio
- The tenant credit and lease expiry profile for the property will be more conservative than that of a comparable property in Canada, thus improving the credit profile of Artis' overall portfolio

Minnesota: 30 Industrial, 6 Retail, 4 Office

Arizona: 5 Office, 2 Industrial

Colorado: 2 Office



Two MarketPointe – MSP



Max at Kierland - PHX



ARTIS REIT PROGRESS HIGHLIGHTS

	December 31, 2010	December 31, 2011	December 31, 2012	September 30, 2013
Properties	133	163	220	232
GLA (SQFT)	12.6 M	17.0 M	23.4 M	24.8 M
GBV	\$2.2B	\$3.2B	\$4.4B	\$5.1B
FFOPU	\$1.20	\$1.21	\$1.30	Consensus \$1.45
Closing Unit Price	\$13.21	\$13.99	\$15.64	\$14.21
Market Cap	\$1.0B	\$1.2B	\$1.8B	\$1.8B
Enterprise Value	\$2.3B	\$3.0B	\$4.2B	\$4.6B

*Greater Diversification * TSX Index Inclusion * DBRS Institutional Quality Rating
 *Internalization of Property / Asset Management *Preferred Unit Offering



ARTIS REIT PROGRESS HIGHLIGHTS⁽¹⁾



NOVEMBER 2013

Unit Price \$14.00

Consensus NAV \$16.70

Consensus Target Price \$16.90

Implied Cap Rate 6.8%

Distribution Per Unit \$1.08

Distribution Yield 7.7%

Market Cap \$1.8B

Enterprise Value \$4.6B

Consensus	2013		2014		
	FFO	AFFO	FFO	AFFO	
Per Unit	\$1.45	\$1.23	\$1.47	\$1.25	
Pay-Out Ratio	74.7%	88.0%	73.3%	86.4%	
Yield Per Unit	10.4%	8.8%	10.5%	8.9%	
Unit Price Multiple	9.7x	11.4x	9.5x	11.2x	
			Q1-13	Q2-13	Q3-13
Weighted Average Rental Increase on Renewals			6.9%	10.0%	5.2%
Same Property NOI Growth			2.4%	3.1%	3.8%

(1) Consensus analyst projections from most recent research reports. Artis does not endorse analyst projections. The above information represents the views of the particular analyst and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions



GOALS FOR 2013 & BEYOND

- Continue to maintain redundant liquidity of \$80-\$120M
- Maintain 85-90% AFFO per unit pay-out ratio
- Maintain Debt/GBV to 45-50%
- Maintain current geographic focus – 60% to 70% Western Canada, 10% to 15% G.T.A. and 20% to 30% U.S.A.
- Expand development pipeline
- Internal growth is job #1



DirecTV Building – Denver



Two MarketPointe – Minneapolis



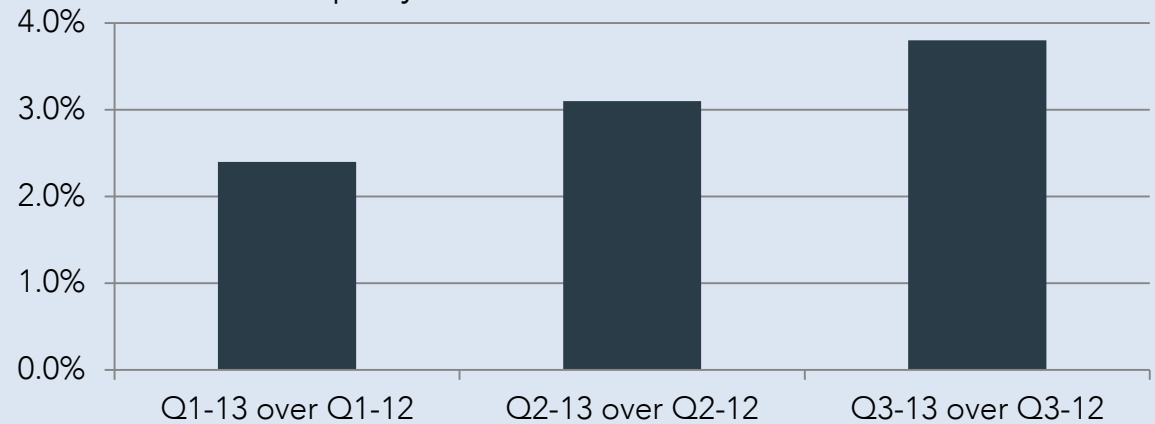
Max at Kierland - Phoenix



- Strong Markets with Healthy Economic Growth and Real Estate Fundamentals
- Solid gap between In-Place and Market Rents
- Track Record of Strong SPNOI Growth
- Development Pipeline Intensification/Densification
- Strategic Acquisitions



Same Property NOI Growth Quarter-over-Quarter





DIVERSIFICATION VALUE CREATION GROWTH

PROPERTIES OF SUCCESS