



# Artis Real Estate Investment Trust

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Investor Presentation  
Q2 – 2015

ARTIS REAL ESTATE INVESTMENT TRUST  
PROPERTIES OF SUCCESS

## 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 June 30<sup>th</sup>, 2015.

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 cause 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, our interim filings dated June 30, 2015 and March 31, 2015, our 2014 annual earnings press release dated February 26, 2015, and our audited annual consolidated financial statements for the years ended December 31, 2014, 2013 and 2012 which are available on SEDAR at [www.sedar.com](http://www.sedar.com) or on our company web site at [www.artisreit.com](http://www.artisreit.com).

# UNIQUE FOUR PART STRATEGY

## 1. GEOGRAPHIC FOCUS

Canada and select U.S. markets

## 2. PRODUCT FOCUS

Commercial real estate only

- Industrial
- Office
- Retail

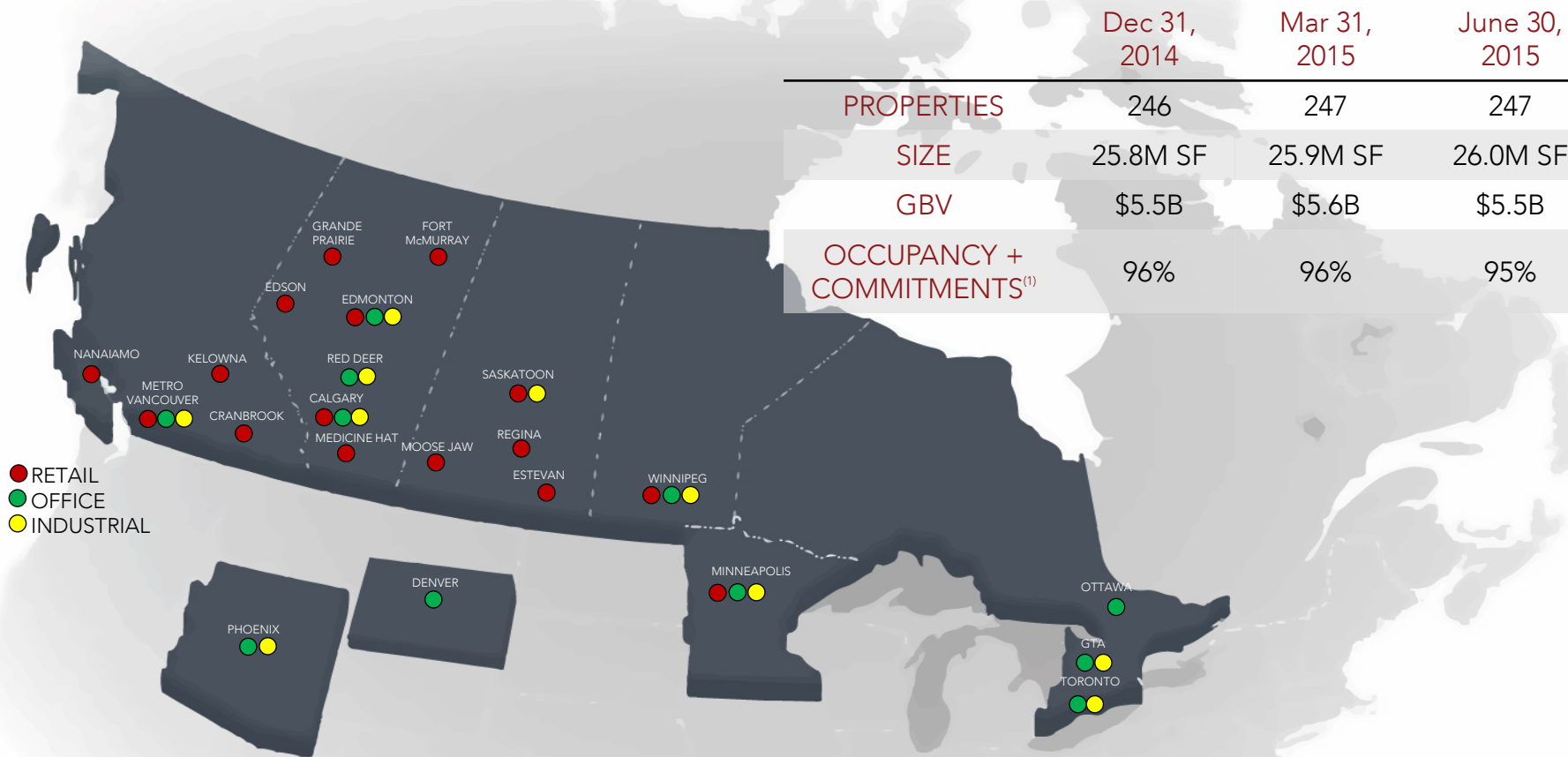
## 3. EXTERNAL GROWTH

Accretive acquisitions in our target markets

## 4. INTERNAL GROWTH

Results driven active asset management and new developments

## PORTFOLIO OVERVIEW

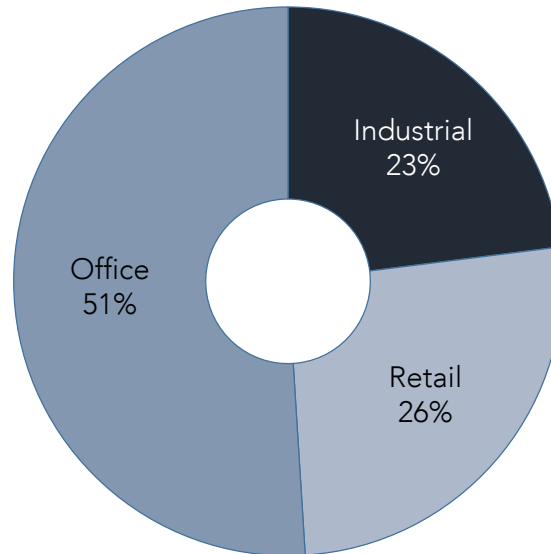


(1) Occupancy plus commitments as at June 30, 2015 excluding properties held for re-development.

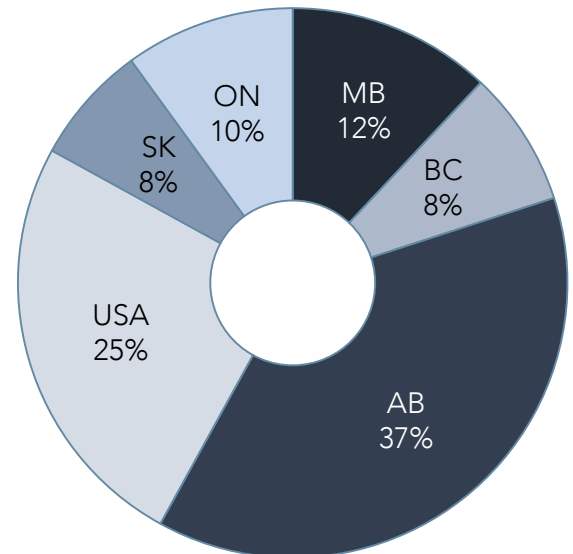


## PORTFOLIO NOI SUMMARY

By Asset Class:



By Geographical Region:



North Scottsdale Corporate Center II,  
Phoenix AZ

Year-to-date at June 30, 2015



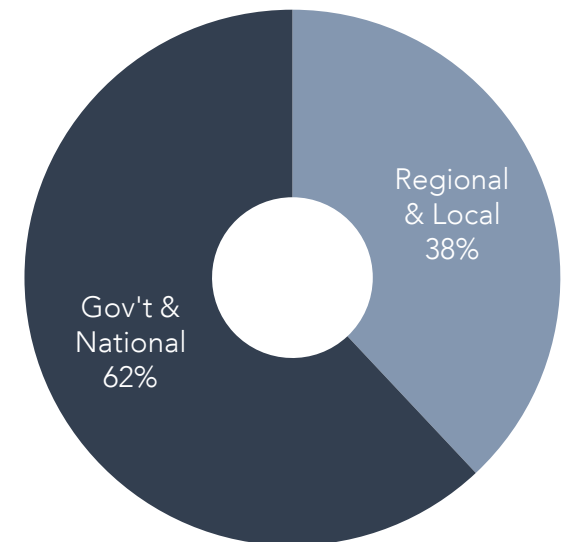
## TENANT DIVERSIFICATION

### Top Ten Tenants



Artis' Top Ten and Top Twenty Tenants account for 11.8% and 19.4% of Gross Revenue, respectively

62% of Artis' tenants are government or national

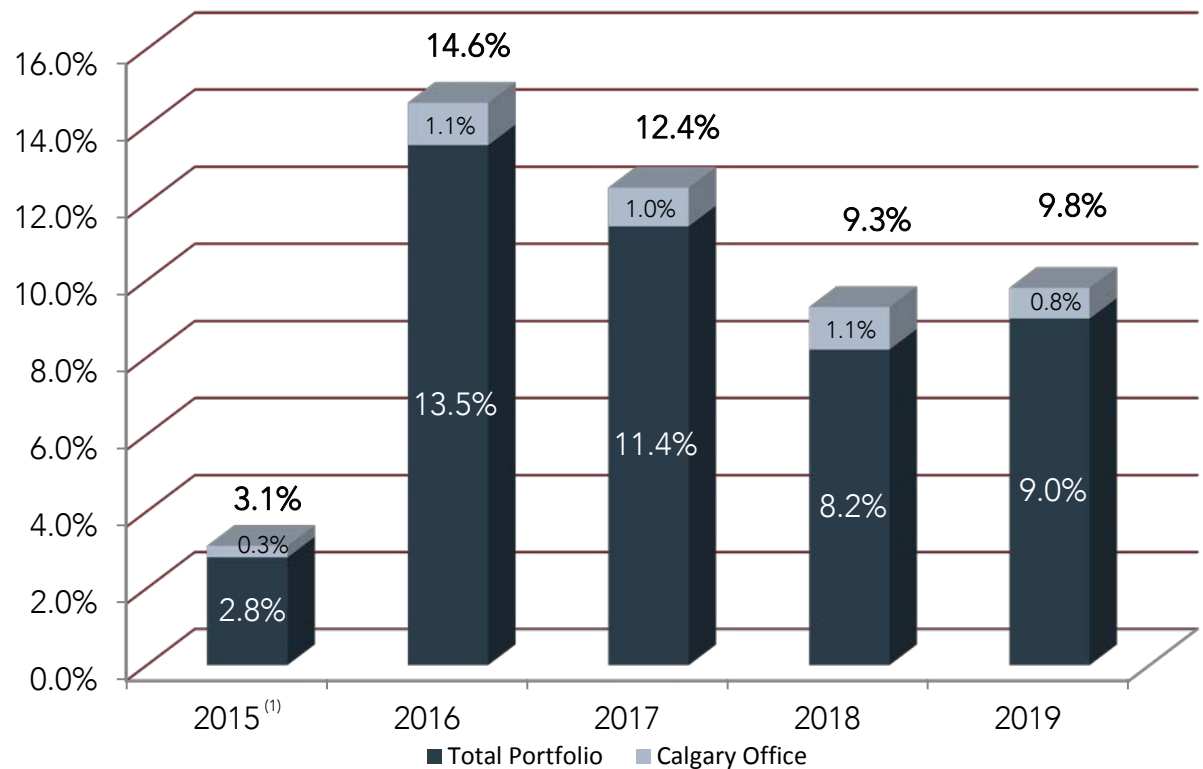




Hudson's Bay Centre, Denver CO

## LEASE EXPIRATION SCHEDULE

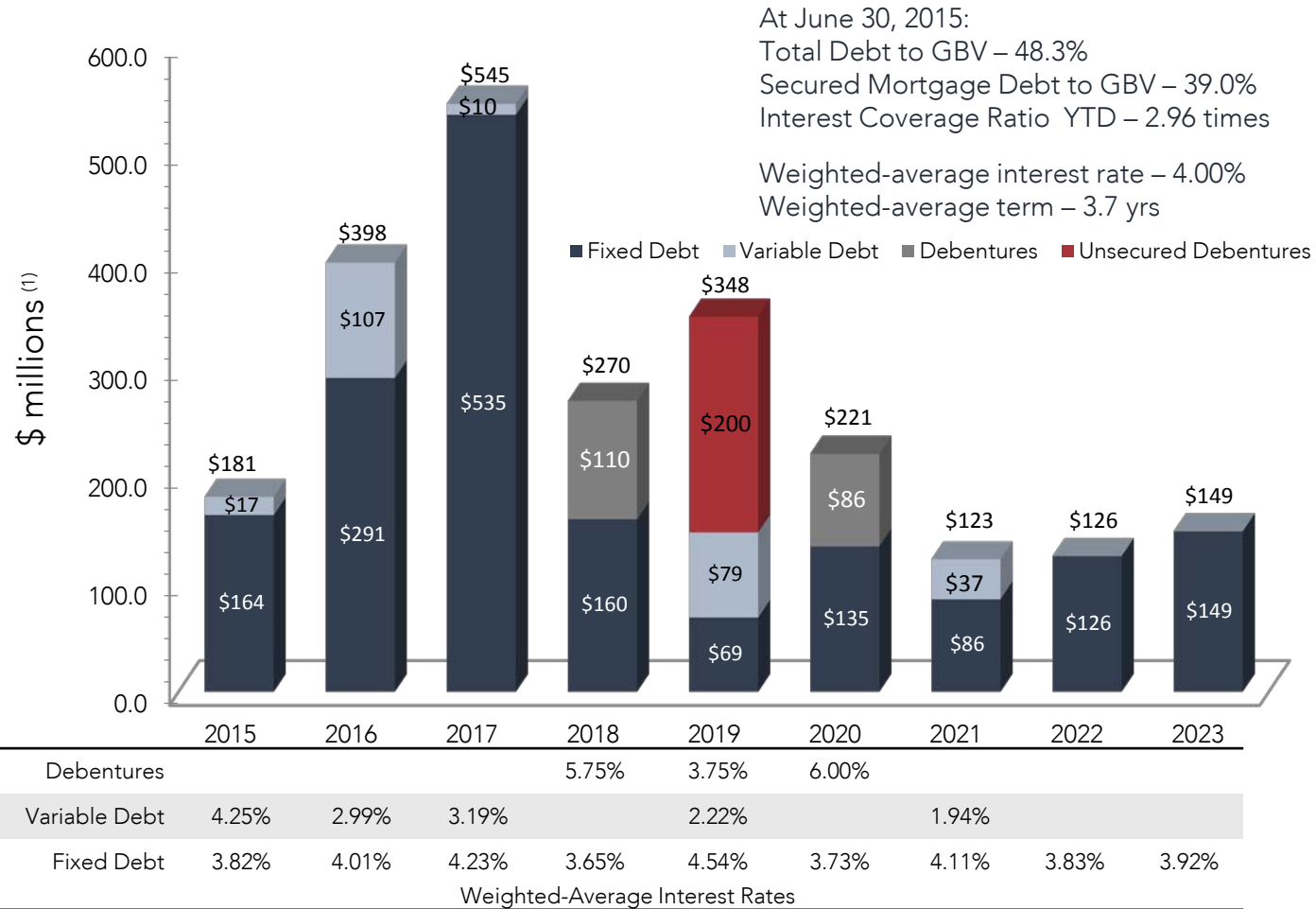
- 66% of remaining 2015 expiries have been renewed or committed to new tenants
- Weighted-average rental increase on renewals in Q2-15 was 12.0%.
- Q2-15 Same Property NOI growth was 3.5% over Q2-14



(1) Percentage of portfolio that expires in the remainder of 2015, exclusive of leases that have yet to expire but have been renewed



# SCHEDULE OF MORTGAGE MATURITIES



<sup>(1)</sup>As at June 30, 2015 and inclusive of mortgages on joint venture arrangements. Variable debt that is covered by interest rate swaps is included in fixed debt.





## LEVERAGE PROFILE

Fiscal quarter ending:	June 30, 2014	December 31, 2014	June 30, 2015
Debt: GBV	48.6%	48.4%	48.3%
Secured mortgages and loans: GBV	42.8%	41.3%	39.0%
Unencumbered assets	\$289 million	\$665 million	\$985 million
EBITDA interest coverage	2.83	2.89	3.18
Net Debt: EBITDA <sup>(1)</sup>	7.87	8.08	7.56

Cash and cash equivalents at June 30, 2015: \$63 million

Availability on unsecured credit facilities: \$82 million



Centrepoint, Winnipeg MB

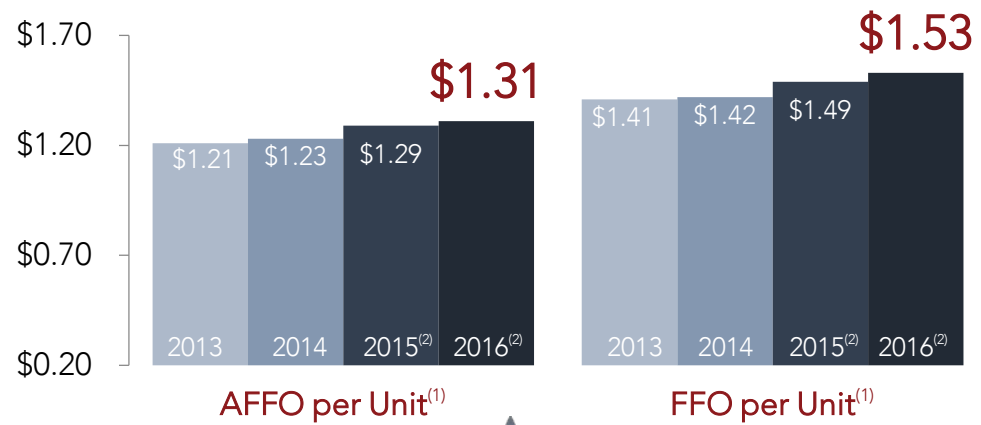
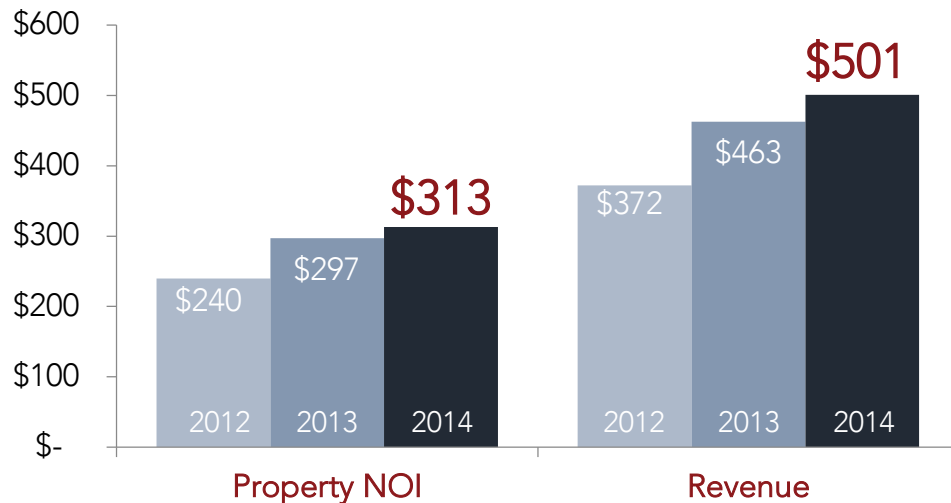


(1) Debt at most recent quarter divided by income on an annualized basis



800 5<sup>th</sup> Ave, Calgary AB

## SELECT FINANCIAL INFORMATION



(1) Excluding lease termination income

(2) 2015/2016 numbers are 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.

## RECENTLY COMPLETED DEVELOPMENT PROJECTS



Centrepoint, Winnipeg, MB  
Approximate cost: \$70.0M (Artis owns 50% interest)



Fourell Business Park, Edmonton, AB  
Approximate cost: \$14.1M (Phase I and II)



Linden Ridge Shopping Centre, Winnipeg, MB  
Approximate cost: \$23.3M



# CURRENT AND FUTURE DEVELOPMENT PROJECTS



801 Carlson, Minneapolis, MN



Park 8Ninety, Houston, TX



Park Lucero, Phoenix, AZ



## MARKET AND ANALYST INFORMATION

Information as of August 2015:

Unit price: \$13.00

Distribution per unit: \$1.08

Yield: 8.3%

Market cap: \$1.8B

### Analyst Consensus Information <sup>(1)</sup>

	Consensus	2015		2016	
		AFFO	FFO	AFFO	FFO
Target price: \$15.61	Per Unit	\$1.29	\$1.49	\$1.31	\$1.53
Net asset value: \$16.43	Pay-Out Ratio	83.9%	72.4%	82.2%	70.7%
Implied cap rate: 7.1%	Unit Price Multiple	10.1x	8.7x	9.9x	8.5x
	Yield	9.9%	11.5%	10.1%	11.8%



(1) Consensus analyst projections from the Q2-15 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.

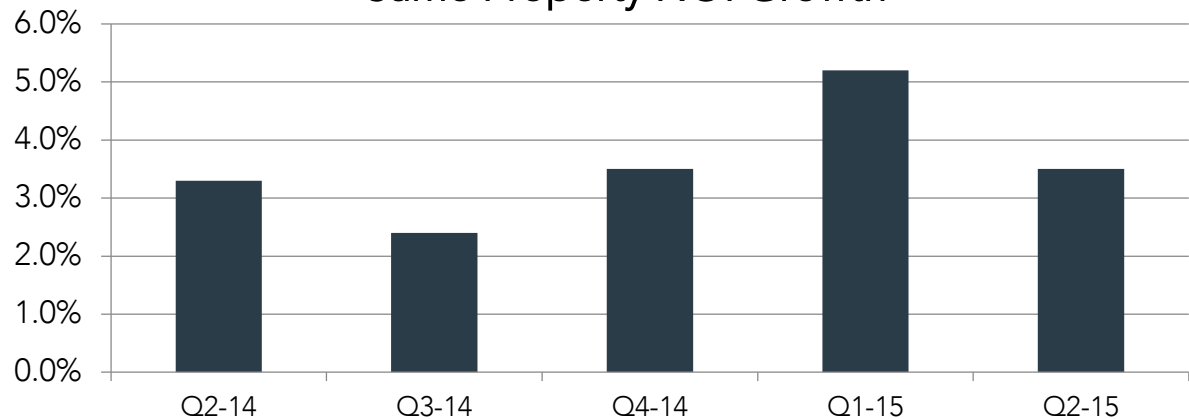


## DRIVERS OF GROWTH

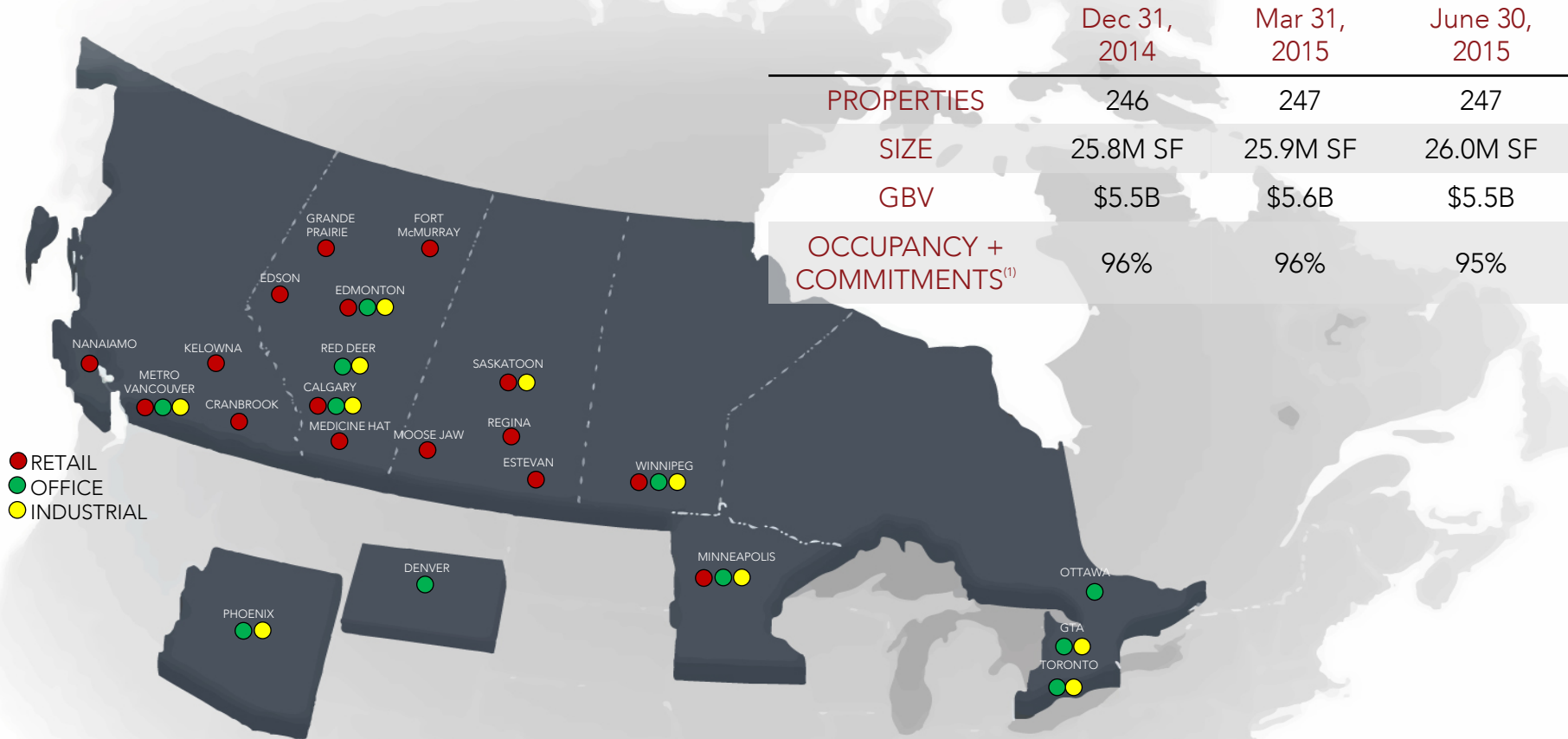
- Strong Markets with Healthy Economic Growth and Real Estate Fundamentals
- Solid gap between In-Place and Market Rents
- Track Record of Strong Same Property NOI Growth
- Development Pipeline Intensification/Densification
- Strategic Acquisitions

	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15
Weighted Average Rental Increase on Renewals	2.6%	2.7%	7.2%	6.0%	12.0%
Same Property NOI Growth	3.3%	2.4%	3.5%	5.2%	3.5%

Same Property NOI Growth



# PORTFOLIO OVERVIEW



(1) Occupancy plus commitments as at June 30, 2015 excluding properties held for re-development.



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