



FOR IMMEDIATE RELEASE

NOVEMBER 5, 2015

**ARTIS RELEASES THIRD QUARTER RESULTS:
REPORTS STRONG FFO PER UNIT GROWTH OF 11.4%
PAYOUT RATIO IMPROVES TO 71.1%**

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three and nine months ended September 30, 2015. All amounts are in thousands of Canadian dollars, unless otherwise noted.

"Our third quarter results, supported by our diversified portfolio and strong management team, continue to demonstrate the resiliency of the REIT. We generated strong Same Property NOI growth of 5.5% and FFO per unit growth of 11.4%, compared to the same period last year", said Armin Martens, CEO of Artis. "With over \$1 billion of unencumbered assets, significant cash on hand and a focus on seeking opportunities to recycle capital, we are well positioned to further diversify and improve our operating results in the years ahead."

THIRD QUARTER HIGHLIGHTS

- ◆ Entered into a joint venture arrangement for a 75% interest in the Graham Portfolio, comprising of eight industrial properties located in various cities in British Columbia, Alberta and Saskatchewan, for a purchase price of \$74.0 million, reaching a gross book value ("GBV") of \$5.7 billion at September 30, 2015.
- ◆ Reported Same Property NOI growth of 5.5% in Canadian dollars for the total portfolio compared to the same quarter of last year.
- ◆ Achieved an increase of 3.0% in the weighted-average rental rate on renewals that commenced during the three months ended September 30, 2015.
- ◆ FFO per unit increased by 11.4% to \$0.39 (FFO per unit after adjustments increased by 8.6% to \$0.38) compared to the same quarter of last year.
- ◆ AFFO per unit increased by 9.7% to \$0.34 (AFFO per unit after adjustments increased by 6.5% to \$0.33) compared to the same quarter of last year.
- ◆ Improved FFO payout ratio after adjustments for the quarter to 71.1%, compared to 77.1% for the same quarter of last year.
- ◆ Improved AFFO payout ratio after adjustments for the quarter to 81.8%, compared to 87.1% for the same quarter of last year.
- ◆ Decreased secured mortgages and loans to GBV to 38.8% from 41.3% at December 31, 2014.
- ◆ Increased unencumbered pool of assets to \$1.0 billion from \$664.8 million at December 31, 2014.
- ◆ Improved interest rate coverage ratio to 2.94 times for the three months ended September 30, 2015 and decreased the weighted-average effective mortgage interest rate to 3.98% at September 30, 2015 from 4.18% at December 31, 2014.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three months ended September 30,		% Change
	2015	2014	
Revenue	\$ 135,150	\$ 125,425	7.8 %
Property NOI	83,294	78,649	5.9 %
Distributions per common unit	0.27	0.27	-
FFO	\$ 55,166	\$ 49,189	12.2 %
Diluted FFO per unit	0.39	0.35	11.4 %
FFO after adjustments ⁽¹⁾	53,360	49,168	8.5 %
Diluted FFO per unit after adjustments ⁽¹⁾	0.38	0.35	8.6 %
FFO payout ratio after adjustments ⁽¹⁾	71.1 %	77.1 %	(6.0)%
AFFO	\$ 47,208	\$ 42,129	12.1 %
Diluted AFFO per unit	0.34	0.31	9.7 %
AFFO after adjustments ⁽¹⁾	45,402	42,108	7.8 %
Diluted AFFO per unit after adjustments ⁽¹⁾	0.33	0.31	6.5 %
AFFO payout ratio after adjustments ⁽¹⁾	81.8 %	87.1 %	(5.3)%

(1) Calculated after adjustments for lease terminations and non-recurring other income.

<i>\$000's, except per unit amounts</i>	Nine months ended September 30,		% Change
	2015	2014	
Revenue	\$ 398,745	\$ 368,974	8.1 %
Property NOI	250,203	233,053	7.4 %
Distributions per common unit	0.81	0.81	-
FFO	\$ 162,442	\$ 143,846	12.9 %
Diluted FFO per unit	1.15	1.07	7.5 %
FFO after adjustments ⁽¹⁾	157,298	143,743	9.4 %
Diluted FFO per unit after adjustments ⁽¹⁾	1.12	1.07	4.7 %
FFO payout ratio after adjustments ⁽¹⁾	72.3 %	75.7 %	(3.4)%
AFFO	\$ 140,779	\$ 122,717	14.7%
Diluted AFFO per unit	1.01	0.92	9.8 %
AFFO after adjustments ⁽¹⁾	134,823	122,614	10.0 %
Diluted AFFO per unit after adjustments ⁽¹⁾	0.97	0.92	5.4 %
AFFO payout ratio after adjustments ⁽¹⁾	83.5 %	88.0 %	(4.5)%

(1) Calculated after adjustments for lease terminations and non-recurring other income.

LIQUIDITY AND LEVERAGE

<i>\$000's</i>	September 30, 2015	December 31, 2014
Fair value of investment properties	\$ 5,384,155	\$ 5,283,171
Cash and cash equivalents	70,571	49,807
Available on revolving term credit facilities	124,927	125,000
Fair value of unencumbered properties ⁽¹⁾	1,004,413	664,792
Secured mortgage and loans to GBV ⁽²⁾	38.8 %	41.3 %
Total long-term debt and bank indebtedness to GBV ⁽²⁾	49.1 %	48.4 %
Unencumbered assets to unsecured debt	2.7 times	3.3 times
Interest coverage ratio	2.94 times	2.80 times
Weighted-average effective interest rate on mortgages and other loans	3.98 %	4.18 %
Weighted-average term to maturity on mortgages and other loans	3.6 years	3.9 years
Unhedged floating rate mortgage debt as a percentage of total debt	11.5 %	9.1 %

(1) This includes balances included in the REIT's investments in joint ventures.

(2) GBV is calculated as the consolidated net book value of the consolidated assets of the REIT, adding back the amount of accumulated depreciation of property and equipment.

PORTFOLIO ACQUISITION ACTIVITY

During Q3-15, Artis acquired the following properties:

Property	Property Count	Acquisition Date	Location	Asset Class	Owned Share of GLA
Graham Portfolio ⁽¹⁾	8	July 23, 2015	Various cities in BC, AB & SK	Industrial	243,105

(1) Artis acquired a 75% interest in this joint venture.

Artis entered into the above joint venture arrangement for a purchase price of \$74.0 million and an initial capitalization rate of 6.40%. This acquisition represents an average capitalization rate over the 19-year lease term of 7.30%.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2015, Artis had \$70.6 million of cash and cash equivalents on hand and \$124.9 million available on its revolving term credit facilities. Liquidity and capital resources will be impacted by financings, portfolio acquisition and disposition activities and debt repayments occurring subsequent to September 30, 2015.

NEW DEVELOPMENT PROJECTS

Artis' future development pipeline, which consists of projects that are in early planning stages to be developed over the next several years, includes an opportunity for a retail development in Winnipeg, Manitoba, an office development in the Twin Cities Area, Minnesota and an office development in the Greater Denver Area, Colorado. Artis also has partnership opportunities for a mixed-use office/retail complex in downtown Winnipeg, Manitoba, an office complex in Houston Texas, an industrial park in Houston, Texas and an industrial park in the Phoenix Metropolitan Area, Arizona.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at September 30, 2015 was 93.1% (94.6% including commitments on vacant space) compared to 94.6% at December 31, 2014 and 94.6% at September 30, 2014.

Artis maintained stable results in several key operating metrics during Q3-15. The Same Property NOI growth trend continued to be very healthy throughout the quarter.

\$000's	Q3-15	Q2-15	Q1-15	Q4-14	Q3-14
Property NOI	\$ 83,294	\$ 83,810	\$ 83,099	\$ 79,795	\$ 78,649
Property NOI change ⁽¹⁾	(0.6)%	0.9 %	4.1 %	1.5 %	2.1 %
Same Property NOI growth reported in the period ⁽²⁾⁽³⁾	5.5 %	3.5 %	5.2 %	3.5 %	2.4 %
Weighted-average rental rate increase on renewals reported in the period	3.0 %	12.0 %	6.0 %	7.2 %	2.7 %

(1) Property NOI has been impacted by acquisition and disposition activity, the impact of foreign exchange and lease termination income.

(2) Excluding GAAP adjustments for straight-line rent, amortization of tenant inducements and lease termination income.

(3) The same property results are positively impacted by foreign exchange.

Artis' portfolio has a stable lease expiry profile and significant progress on lease renewals has been made, with 71.3% of the remaining 2015 expiries and 20.0% of the 2016 expiries already renewed or committed to new leases at September 30, 2015. Weighted-average in-place rents for the entire portfolio are \$13.42 per square foot and are estimated to be 3.7% below market rents. Information about Artis' lease expiry profile follows:

	2015	2016	2017	2018	2019 & later
Expiring square footage	5.1 %	14.8 %	13.2 %	10.0 %	47.4 %
Committed percentage	71.3 %	20.0 %	7.3 %	1.0 %	0.3 %
In-place rents	\$ 11.66	\$ 11.39	\$ 11.26	\$ 14.22	\$ 14.67
Comparison of in-place to market rents	3.0 %	2.7 %	0.8 %	2.4 %	4.9 %

Artis' Calgary office portfolio represents 15.9% of Property NOI and 9.7% of overall portfolio by GLA. During the remainder of 2015, Calgary office expiries represent 0.5% of Artis' total GLA. Of this expiring square footage, 81.3% has been renewed or committed to new leases. In 2016, Calgary office expiries represent 1.2% of Artis' total GLA.

	2015	2016	2017	2018	2019 & later
Calgary office expiring square footage as a % of total GLA	0.5 %	1.2 %	1.0 %	1.1 %	4.5 %

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, November 6, 2015 at 12:00 p.m. CT (1:00 p.m. ET). In order to participate, please dial 1-416-764-8688 or 1-888-390-0546. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at <http://www.artisreit.com/investor-link/conference-callspresentations/>. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on Friday, November 6, 2015, a replay of the conference call will be available by dialing 1-416-764-8677 or 1-888-390-0541 and entering passcode 039668#. The replay will be available until Friday, December 4, 2015. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

Artis is a diversified Canadian real estate investment trust investing in office, industrial and retail properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in Canada and the United States, with a major focus on Western Canada. As of September 30, 2015, Artis' commercial property comprises approximately 26.2 million square feet of leasable area.

During the three months ended September 30, 2015, Property Net Operating Income ("Property NOI") by asset class, including properties held in joint venture arrangements, was approximately 25.6% retail, 50.3% office and 24.1% industrial. Property NOI by geographical region, including properties held in joint venture arrangements, was approximately 8.9% in British Columbia, 35.5% in Alberta, 5.8% in Saskatchewan, 11.6% in Manitoba, 10.2% in Ontario and 28.0% in the U.S.

Non-GAAP Performance Measures

Property NOI, Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO") are non-GAAP measures commonly used by Canadian real estate investment trusts as an indicator of financial performance. "GAAP" means the generally accepted accounting principles described by the CPA Canada Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. As a publicly accountable enterprise, Artis applies the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Artis calculates Property NOI as revenues, measured in accordance with IFRS, less property operating expenses such as taxes, utilities, repairs and maintenance. Property NOI does not include charges for interest and amortization. Management considers Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties.

Artis calculates FFO substantially in accordance with the guidelines set out by the Real Property Association of Canada ("REALpac"), as issued in April 2014. These guidelines include certain additional adjustments to FFO under IFRS from the previous definition of FFO. Management considers FFO to be a valuable measure for evaluating the REIT's operating performance in achieving its objectives.

Artis calculates AFFO based on FFO for the period, net of allowances for normalized capital expenditures and leasing costs and excluding straight-line rent adjustments and unit-based compensation expense.

Property NOI, FFO and AFFO are not measures defined under IFRS. Property NOI, FFO and AFFO are not intended to represent operating profits for the period, or from a property, nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Readers should be further cautioned that Property NOI, FFO and AFFO as calculated by Artis may not be comparable to similar measures presented by other issuers.

Cautionary Statements

This Press Release contains 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. Particularly, statements regarding the REIT's future operating results, performance and achievements are forward-looking statements. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions are intended to identify 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. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions and dispositions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and changes in the tax treatment of trusts. Artis cannot assure investors that actual results will be consistent with any forward-looking statements and 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 Press Release are qualified by this cautionary statement.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Heather Nikkel, Director - Investor Relations of the REIT at (204) 947-1250.

Suite 300 - 360 Main Street
Winnipeg, MB R3C 3Z3
T 204.947.1250 F 204.947.0453

www.artisreit.com
AX.UN on the TSX