



# Artis Real Estate Investment Trust

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Investor Presentation  
Q3 – 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 September 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 September 30, 2015, 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

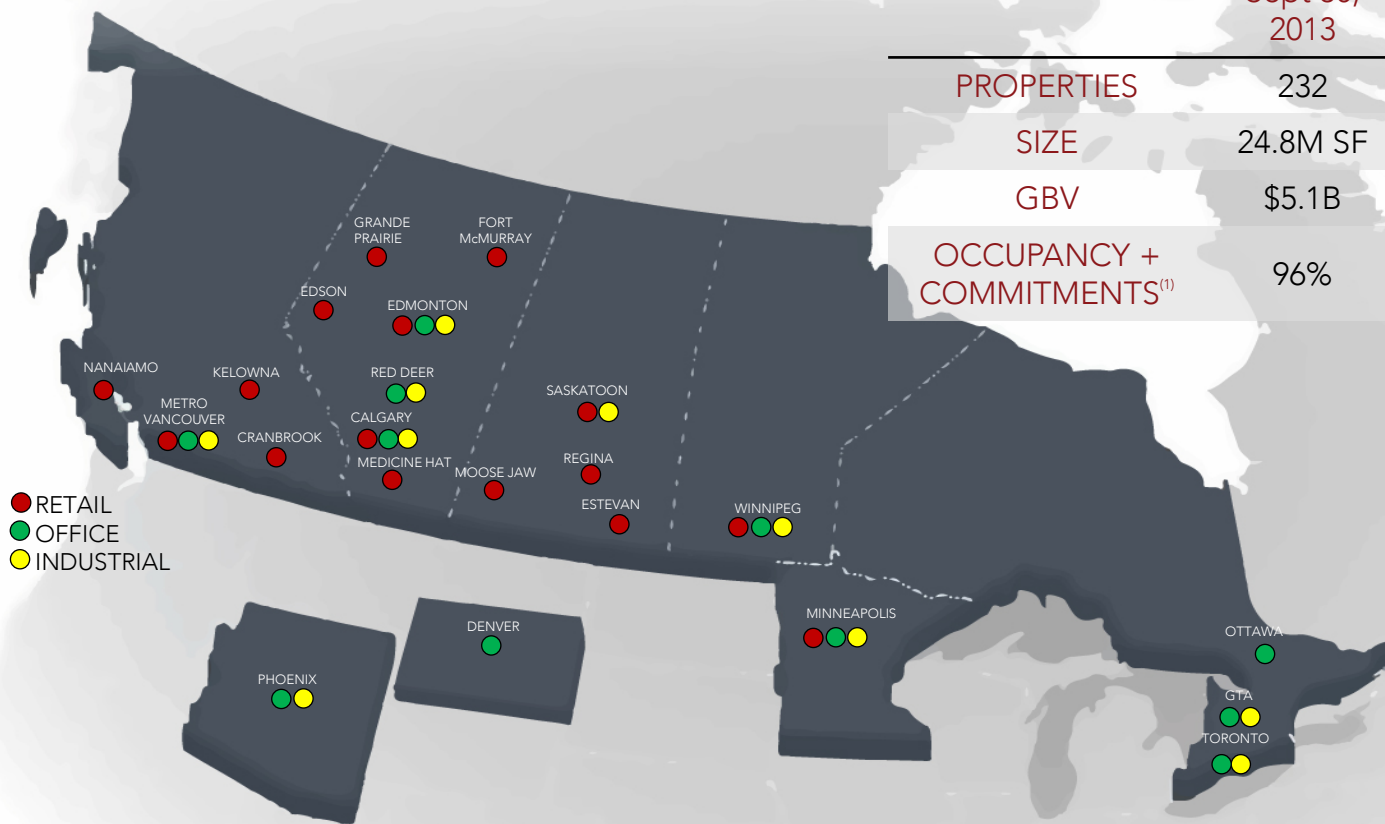
Accretive acquisitions in our target markets

## 4. INTERNAL GROWTH

Results driven active asset management and new developments

## PORTFOLIO OVERVIEW

	Sept 30, 2013	Sept 30, 2014	Sept 30, 2015
PROPERTIES	232	244	255
SIZE	24.8M SF	25.6M SF	26.2M SF
GBV	\$5.1B	\$5.4B	\$5.7B
OCCUPANCY + COMMITMENTS <sup>(1)</sup>	96%	96%	95%



(1) Occupancy plus commitments excluding properties held for re-development.

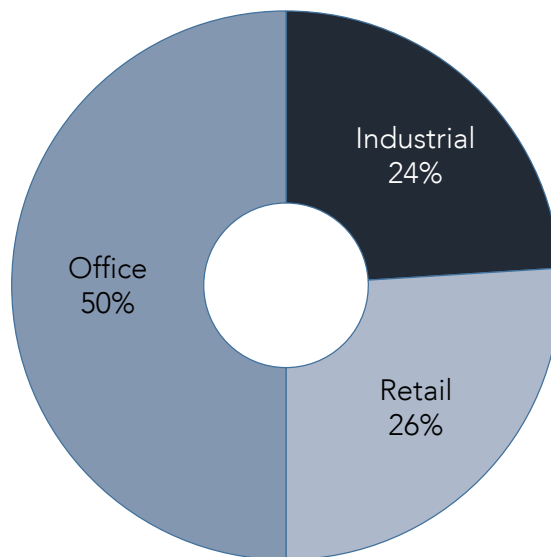




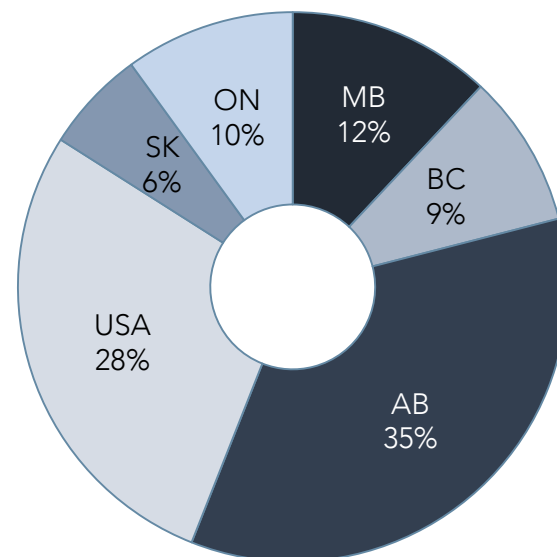
North Scottsdale Corporate Center II,  
Phoenix AZ

## PORTFOLIO NOI SUMMARY

By Asset Class:



By Geographical Region:



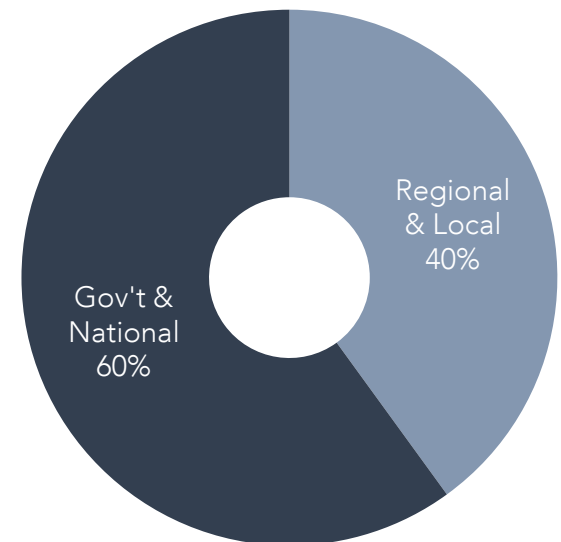
## TENANT DIVERSIFICATION

### Top Ten Tenants



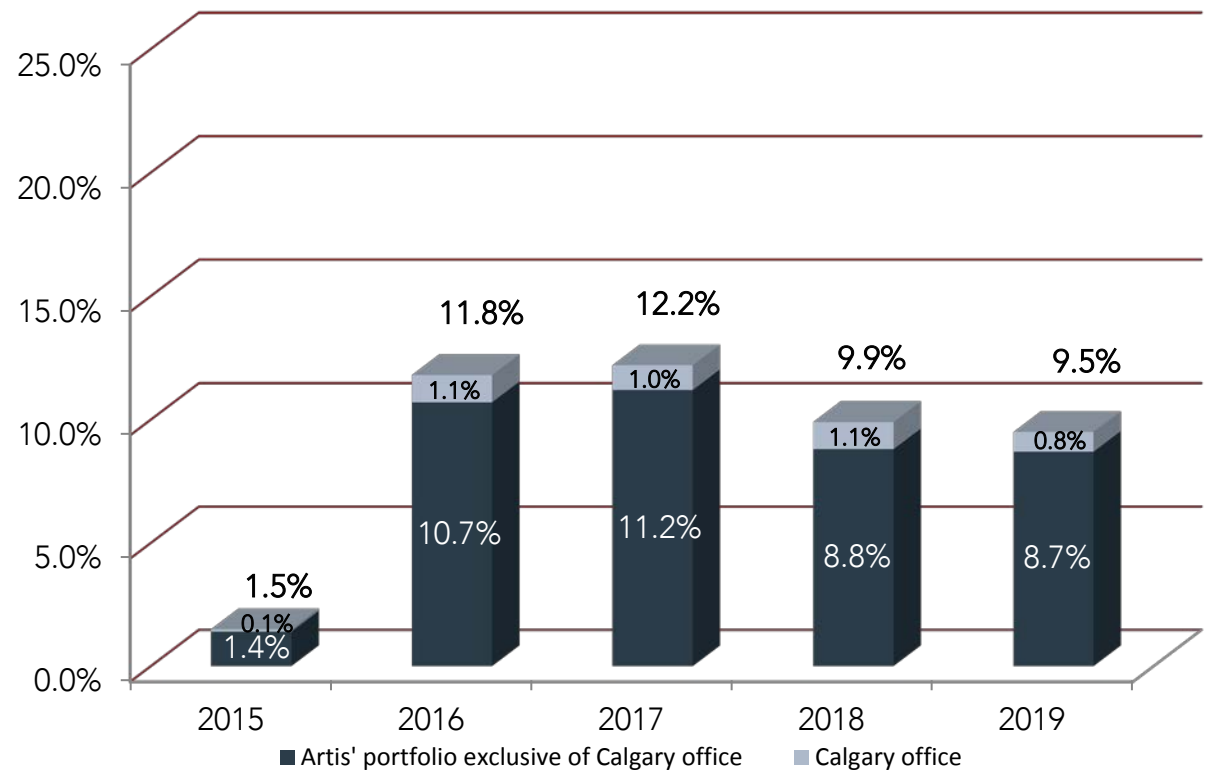
Artis' Top Ten and Top Twenty Tenants account for 11.6% and 19.2% of Gross Revenue, respectively

60% of Artis' tenants are government or national



## LEASE EXPIRATION SCHEDULE

- 71% of remaining 2015 expiries and 20% of 2016 expiries have been renewed or committed to new tenants
- Weighted-average rental increase on renewals in Q3-15 was 3.0%.
- Q3-15 Same Property NOI growth was 5.5% over Q3-14



The chart above reflects the percentage of Artis' total GLA expiring in the year indicated, exclusive of GLA that has been renewed or committed to new tenants at September 30, 2015



Hudson's Bay Centre, Denver CO



# SCHEDULE OF MORTGAGE MATURITIES

At September 30, 2015:

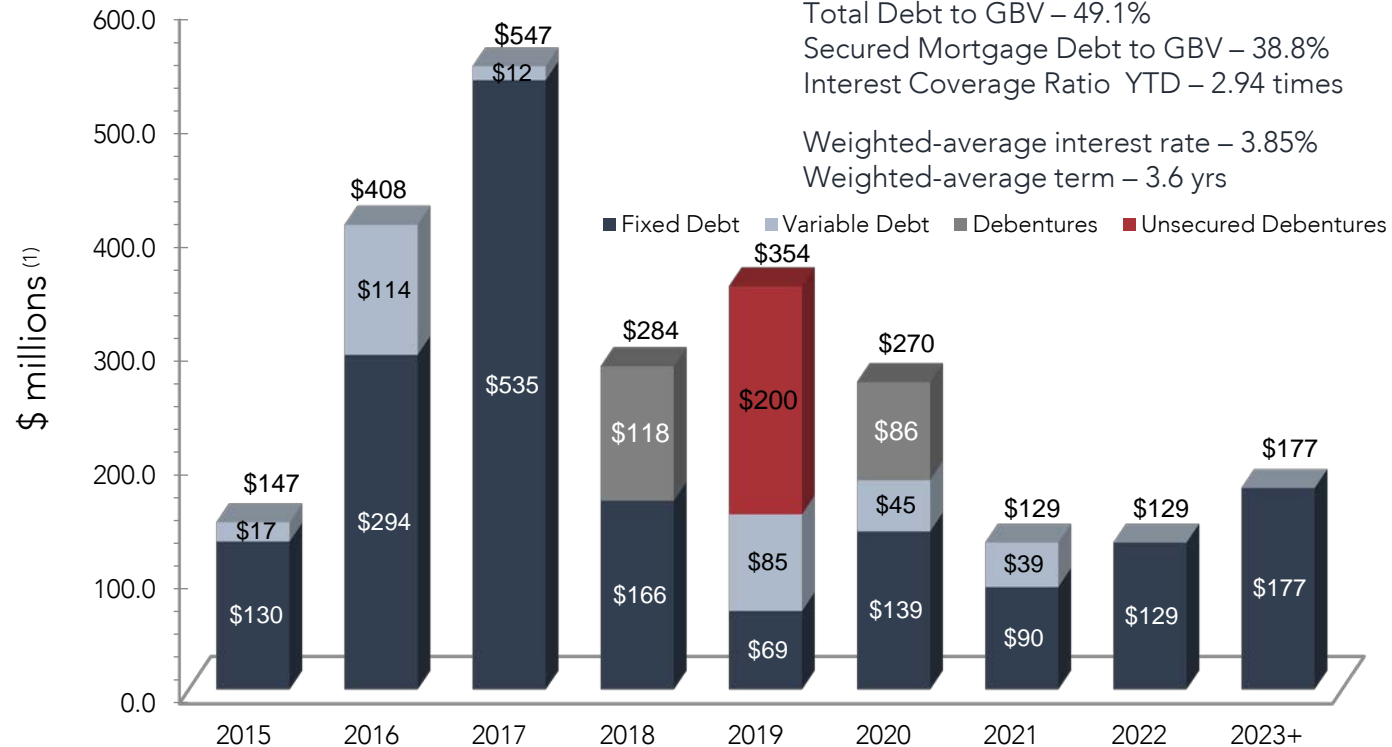
Total Debt to GBV – 49.1%

Secured Mortgage Debt to GBV – 38.8%

Interest Coverage Ratio YTD – 2.94 times

Weighted-average interest rate – 3.85%

Weighted-average term – 3.6 yrs



Debentures

5.75%

3.75%

6.00%

Variable Debt

4.25%

3.00%

3.20%

2.23%

2.27%

1.94%

Fixed Debt

4.06%

4.01%

4.23%

3.63%

4.54%

3.73%

4.10%

3.83%

3.86%

Weighted-Average Interest Rates



## LEVERAGE PROFILE

Fiscal quarter ending:	September 30, 2014	December 31, 2014	September 30, 2015
Debt: GBV	48.6%	48.4%	49.1%
Secured mortgages and loans: GBV	41.4%	41.3%	38.8%
Unencumbered assets	\$571 million	\$665 million	\$1,004 million
EBITDA interest coverage	2.94	2.89	3.09
Net Debt: EBITDA <sup>(1)</sup>	7.85	8.08	7.83

Cash and cash equivalents at September 30, 2015: \$75 million

Availability on unsecured credit facilities: \$125 million

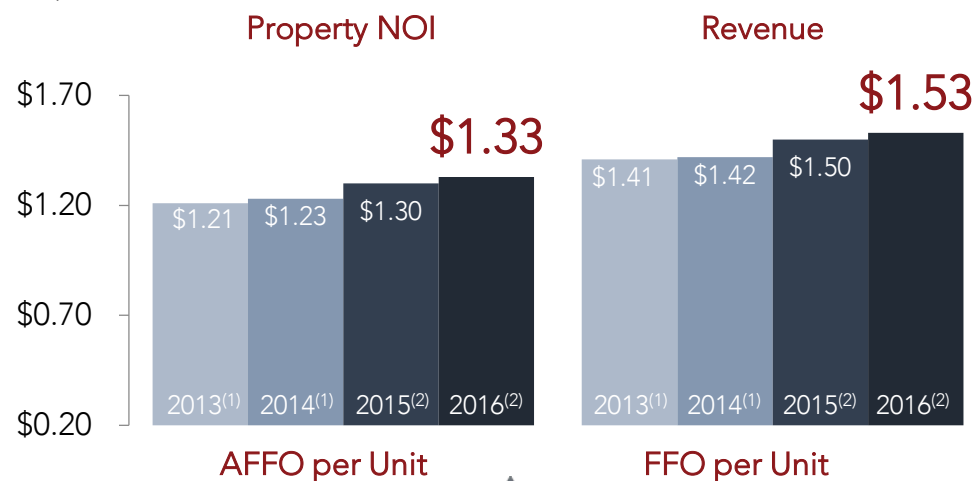
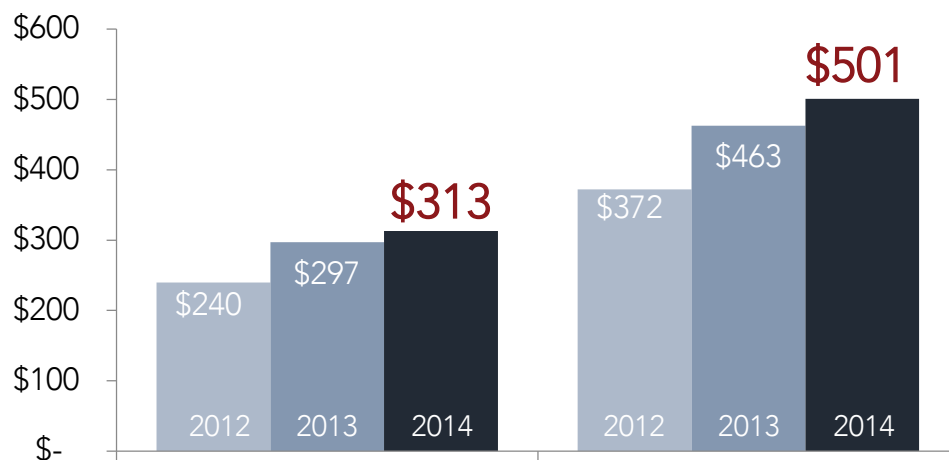


(1) Debt at most recent quarter divided by income on an annualized basis



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)



Furrell 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 November 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: \$15.63	Per Unit	\$1.30	\$1.50	\$1.33	\$1.53
Net asset value: \$16.30	Pay-Out Ratio	82.9%	71.9%	81.4%	70.5%
Implied cap rate: 7.1%	Unit Price Multiple	10.0x	8.7x	9.8x	8.5x
	Yield	10.0%	11.5%	10.2%	11.8%



(1) Consensus analyst projections from the Q3-15 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.

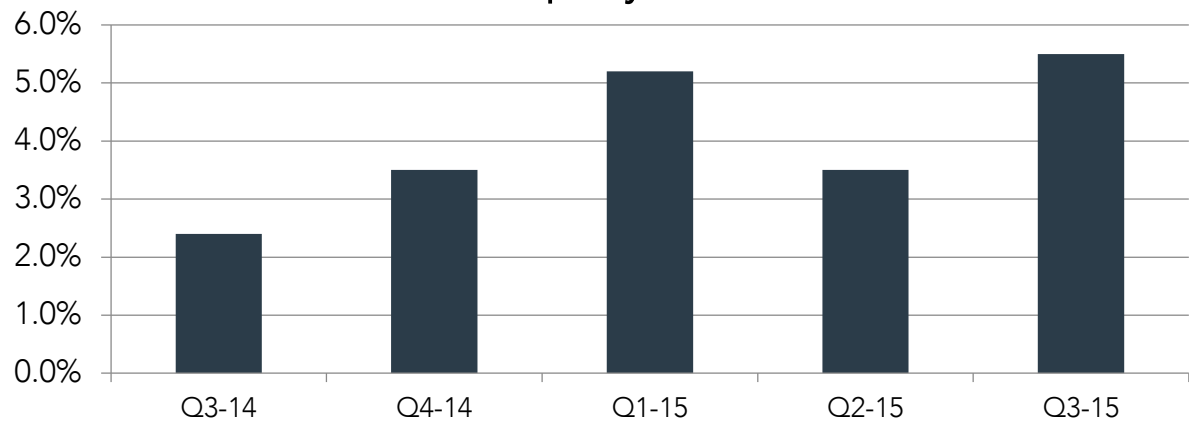


## DRIVERS OF GROWTH

- 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

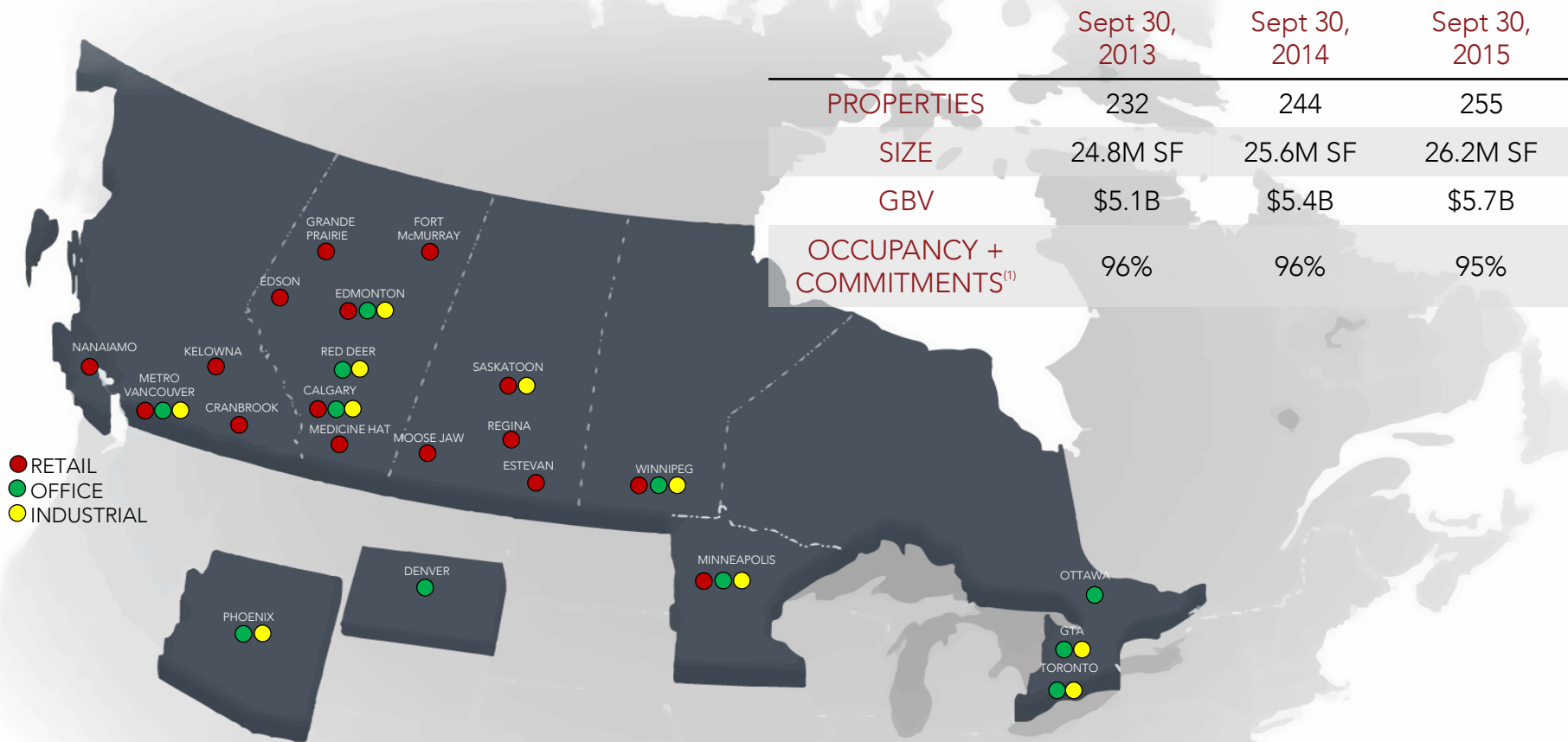
	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15
Weighted Average Rental Increase on Renewals	2.7%	7.2%	6.0%	12.0%	3.0%
Same Property NOI Growth	2.4%	3.5%	5.2%	3.5%	5.5%

Same Property NOI Growth





# PORTFOLIO OVERVIEW



(1) Occupancy plus commitments excluding properties held for re-development.



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