



Artis Real Estate Investment Trust

Investor Presentation
Q2 – 2016

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, 2016.

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, 2016 and 2015, our 2015 annual earnings press release dated February 29, 2016, and our audited annual consolidated financial statements for the years ended December 31, 2015, and 2014 which are available on SEDAR at www.sedar.com or on our company website at www.artisreit.com.

OUR STRATEGY AND BUSINESS MODEL

1. GEOGRAPHIC DIVERSIFICATION

- Canada and select U.S. markets

2. PRODUCT DIVERSIFICATION

Commercial real estate only

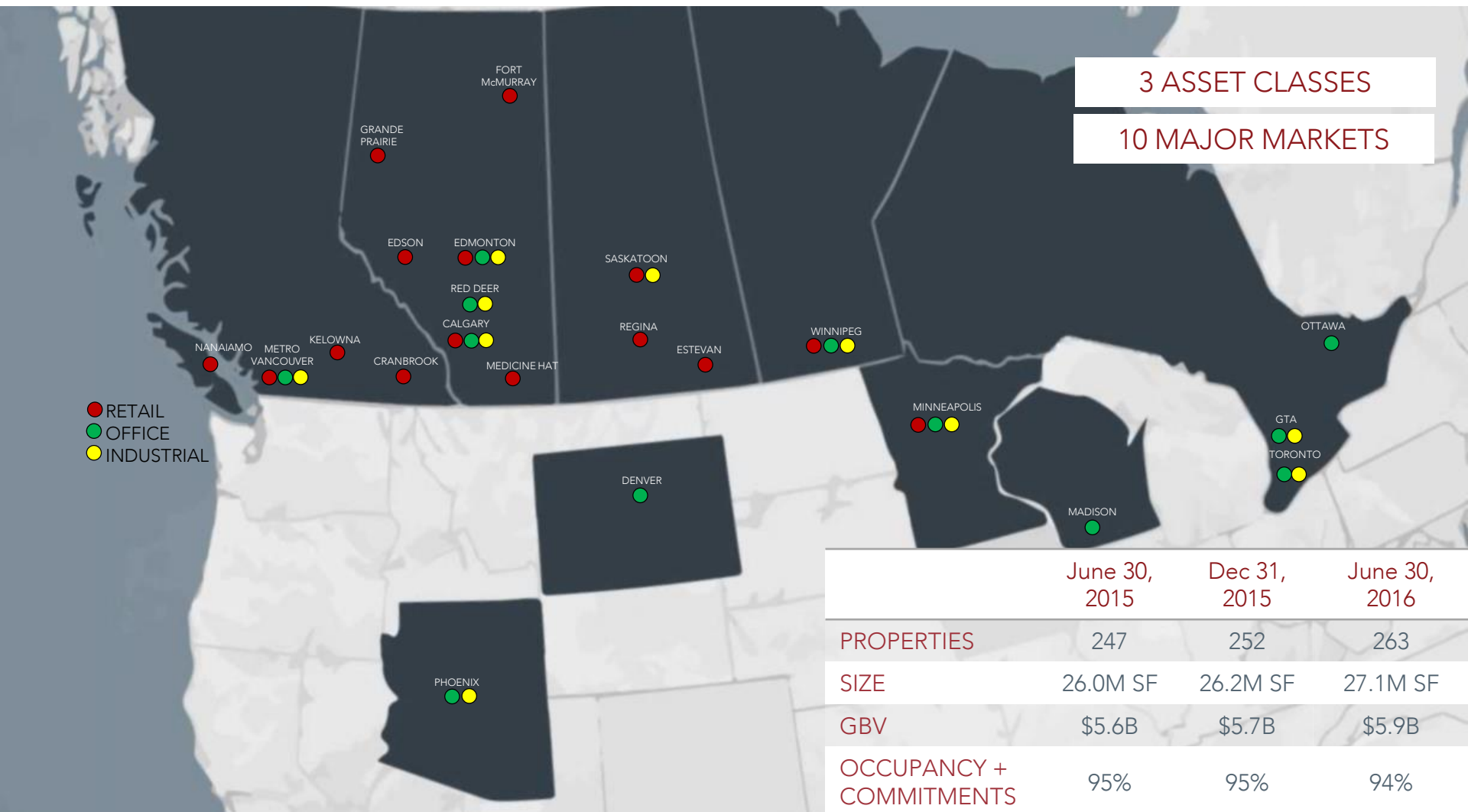
- Office
- Retail
- Industrial

3. INTERNAL GROWTH

- Results driven active asset management and new developments
- Increasing same property NOI growth
- Accretive recycling of capital
- Accretive refinancing of existing debt



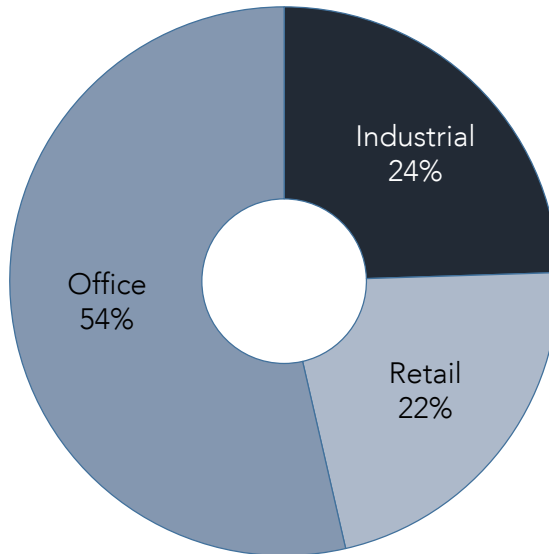
PORTFOLIO OVERVIEW



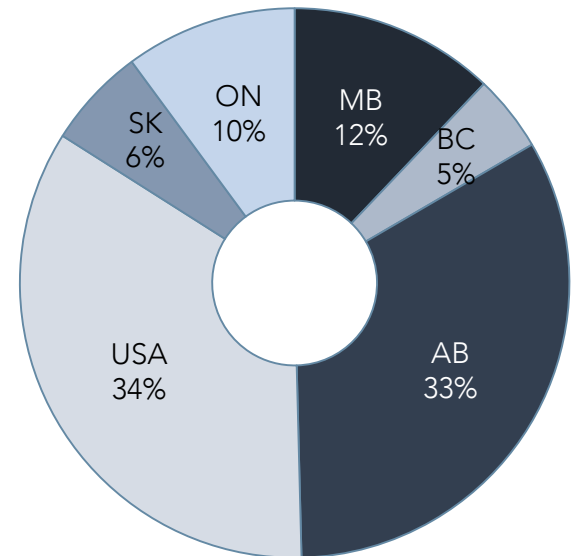
Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements. Occupancy plus commitments excludes properties held for redevelopment

PORTFOLIO DIVERSIFICATION

NOI By Asset Class:



NOI By Geographical Region:



8333 Greenway, Madison WI



TENANT DIVERSIFICATION

Top Ten Tenants

MTS **GRAHAM**



Stantec



WorleyParsons

TransAlta

TELVENT

bellatrix
EXPLORATION LTD

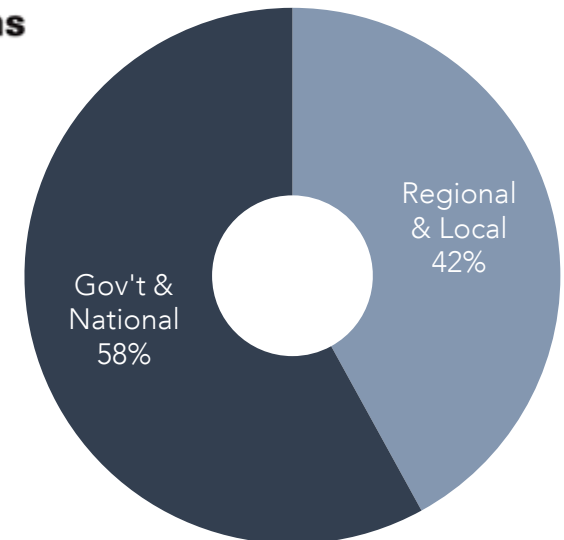


Canada Trust

SHOPPERS
DRUG MART



58% of Artis' tenants
are government
or national



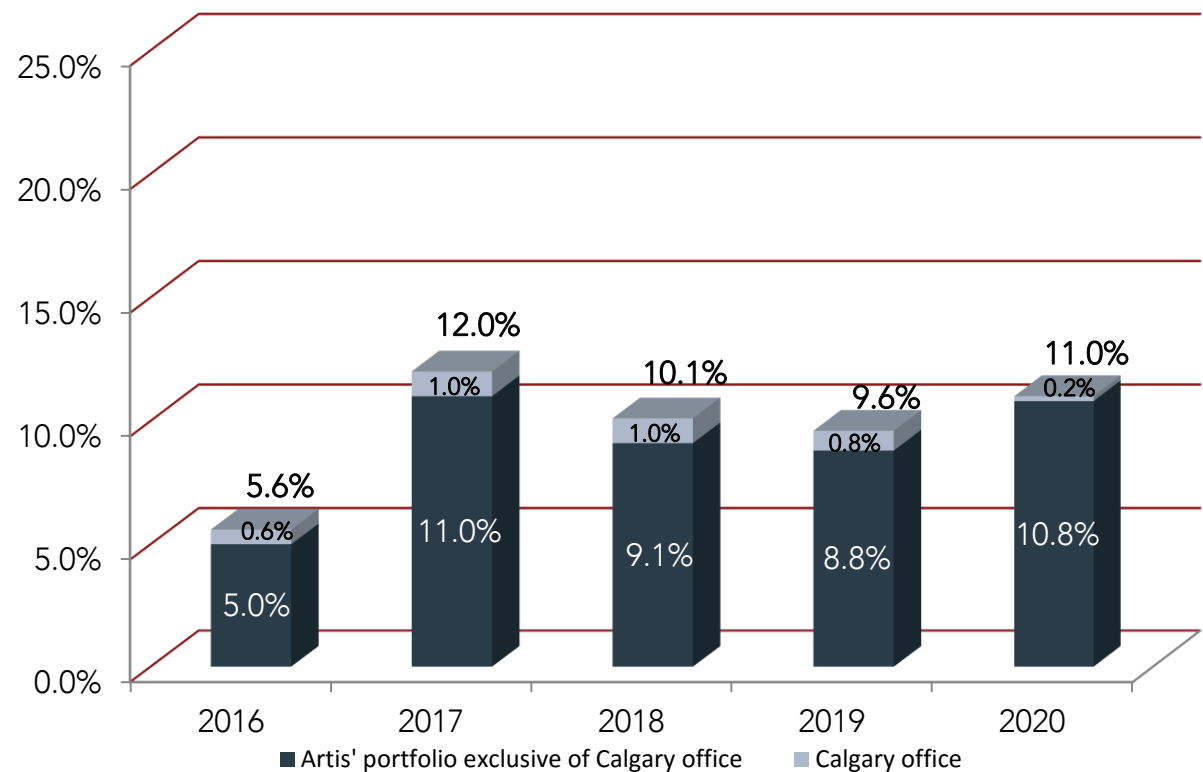
Artis' top 10 and
top 20 tenants account
for 11.6% and 19.3% of gross
revenue, respectively



Hudson's Bay Centre, Denver CO

LEASE EXPIRATION SCHEDULE

- 47.9% of 2016 expiries have been renewed or committed to new tenants
- Weighted-average rental increase on renewals in YTD-2016 was 4.4%
- YTD-2016 Same Property NOI growth was 0.2% over the same period in 2015



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 June 30, 2016

SCHEDULE OF MORTGAGE MATURITIES

At June 30, 2016 ⁽¹⁾:

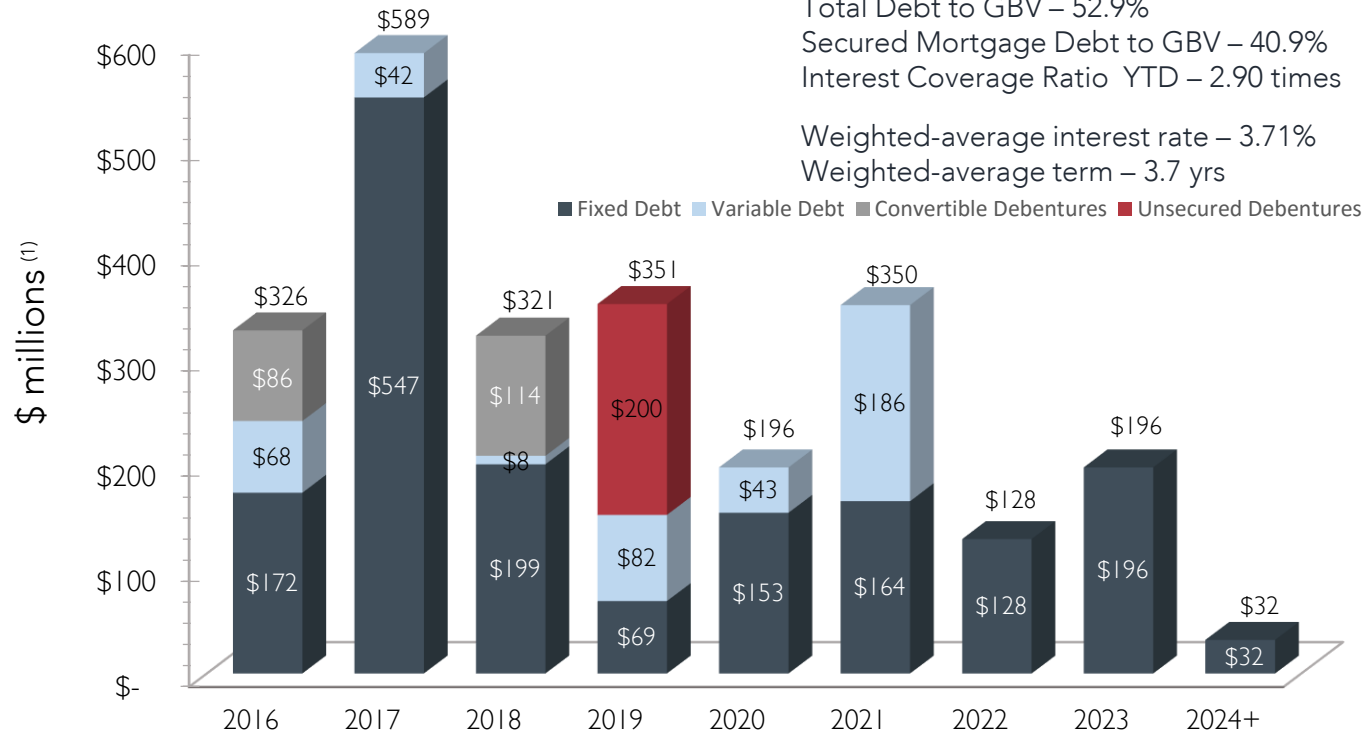
Total Debt to GBV – 52.9%

Secured Mortgage Debt to GBV – 40.9%

Interest Coverage Ratio YTD – 2.90 times

Weighted-average interest rate – 3.71%

Weighted-average term – 3.7 yrs



Debtures	6.00%		5.75%	3.75%					
Variable Debt	2.89%	3.26%	2.97%	2.50%	2.54%	2.61%			
Fixed Debt	4.09%	4.14%	3.45%	4.54%	3.63%	3.55%	3.83%	4.21%	3.64%
Weighted-Average Interest Rates									

⁽¹⁾ As at June 30, 2016 and inclusive of mortgages on joint venture arrangements. Variable debt that is covered by interest rate swaps is included in fixed debt.

LEVERAGE PROFILE

Healthy Balance Sheet and Liquidity

Fiscal quarter ending:	June 30, 2015	December 31, 2015	June 30, 2016
Debt: GBV	49.0%	52.4%	52.9%
Secured mortgages and loans: GBV	39.9%	41.2%	40.9%
Unencumbered assets	\$985 million	\$1,060 million	\$1,035 million
EBITDA interest coverage	3.10	2.98	3.04
Net Debt: EBITDA ⁽¹⁾	7.79	8.49	8.57

Cash and cash equivalents at June 30, 2016: \$155 million

Availability on unsecured credit facilities: \$200 million



Centrepoint, Winnipeg MB



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

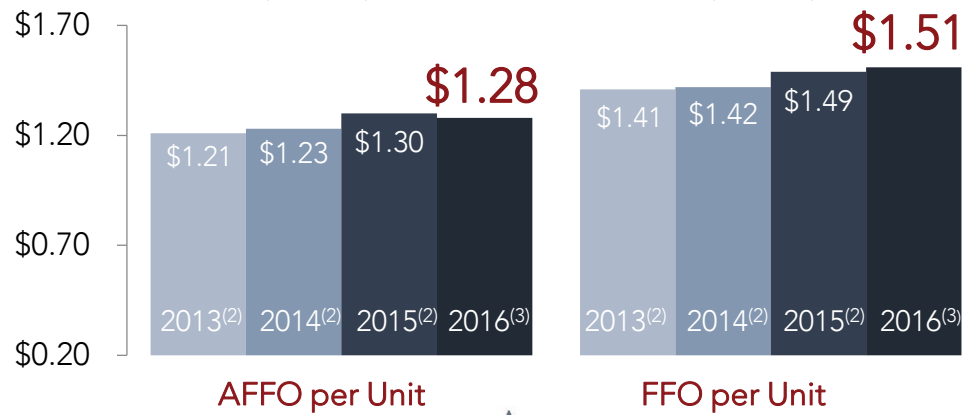
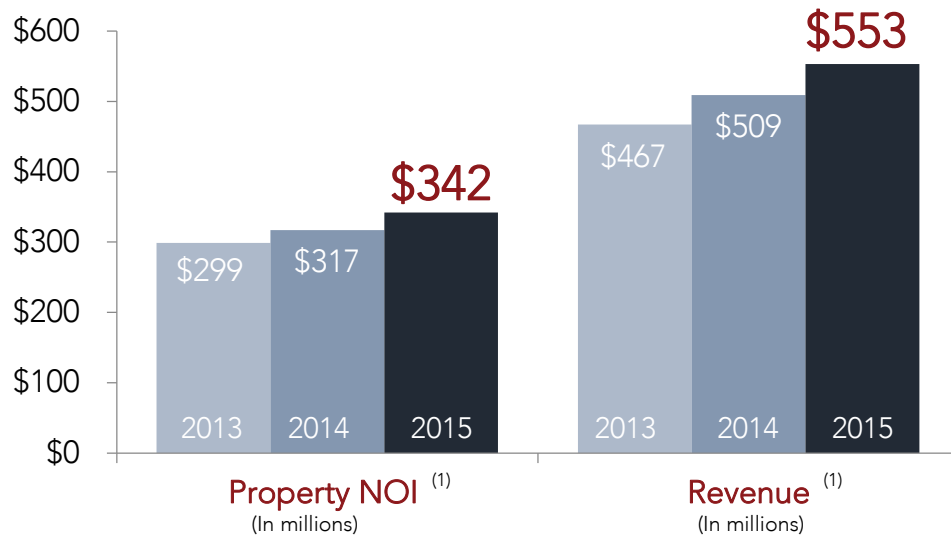
Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements



800 5th Ave, Calgary AB

ARTIS REAL ESTATE INVESTMENT TRUST

SELECT FINANCIAL INFORMATION



(1) Inclusive of Artis' proportionate share of its joint venture arrangements

(2) Excluding lease termination and non-recurring other income

(3) 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



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 2016:

Unit price: \$13.25

Distribution per unit: \$1.08

Yield: 8.2%

Market cap: \$2.0B

Analyst Consensus Information ⁽¹⁾

	Consensus	2016		2017	
		AFFO	FFO	AFFO	FFO
Target price: \$14.25					
Net Asset Value: \$14.81	Per Unit	\$1.28	\$1.51	\$1.30	\$1.53
Implied cap rate: 7.0%	Pay-Out Ratio	84.4%	71.8%	83.1%	70.5%
	Unit Price Multiple	10.4x	8.8x	10.2x	8.7x
	Yield	9.7%	11.4%	9.8%	11.5%



(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.



360 Main Street, Winnipeg MB

DRIVERS OF GROWTH

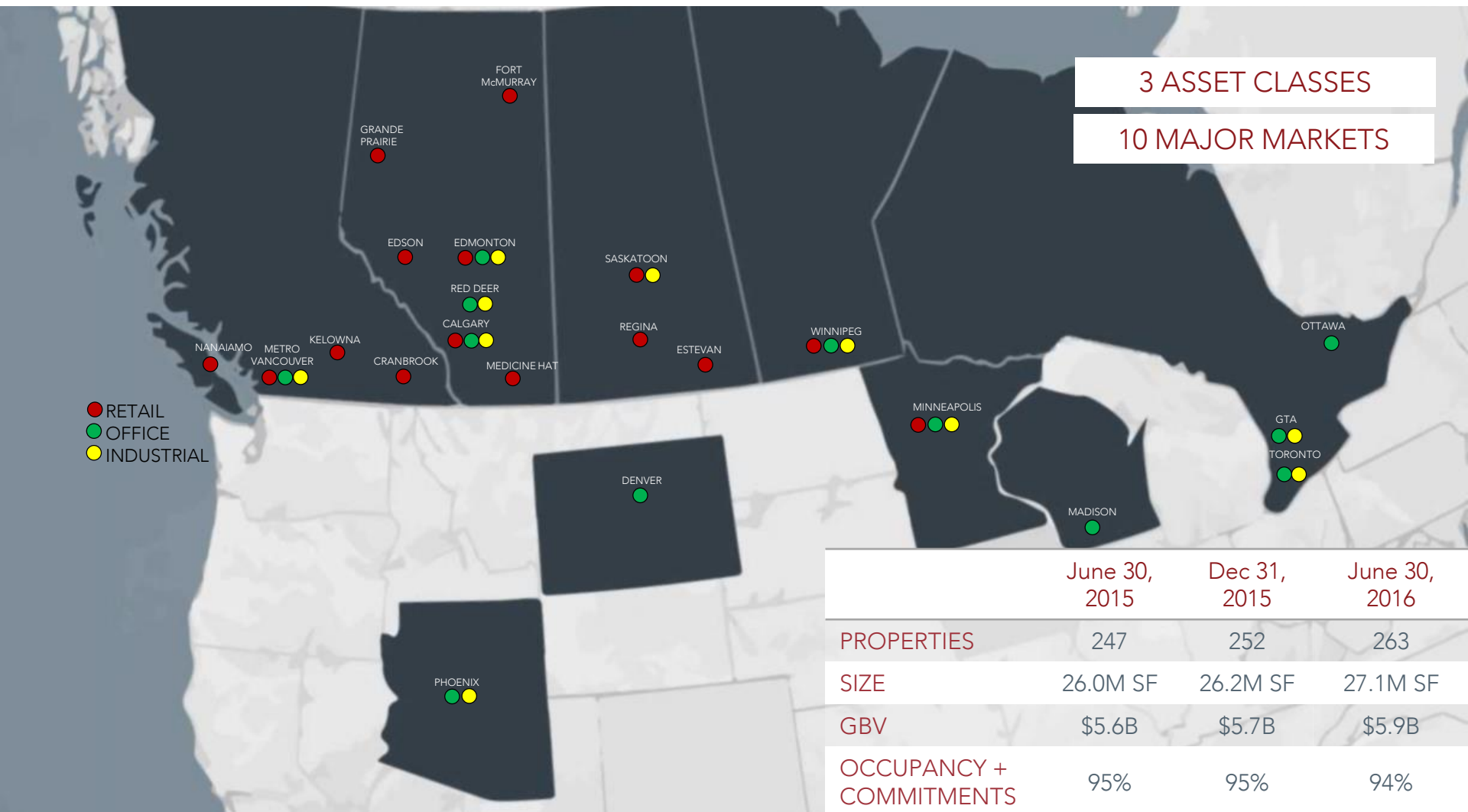
Artis' portfolio is well diversified in strong markets with healthy economic growth and real estate fundamentals. Artis' key drivers of growth include maintaining high occupancy levels, realizing the gap between in-place and market rents, achieving healthy same property NOI growth (SPNOIG) and accretive recycling of capital.

Growth Strategy for 2016

- **Maintain high occupancy levels and bring in-place rents up to market rent levels**
 - Artis has a long-standing track record of maintaining occupancy levels in the range of 94 to 96%
 - Achieving the ~3% expected rent growth in the US will provide a strong base of NOI improvement
 - Long standing track record of being in the top percentile for Canadian REITs for SPNOIG
- **Accretive recycling of capital**
 - Disposition of \$400-600 million of non-core properties at cap rates below implied unit cap rate
 - Recycling funds into newer, higher yielding acquisitions or developments
- **Accretive renewal of mortgage and debenture debt at lower rates**
 - \$442 million of debt coming available in 2016 with a good opportunity to realize cost savings by achieving lower rates

	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16
Weighted Average Rental Increase on Renewals	12.0%	3.0%	-0.1%	5.9%	1.6%
Same Property NOI Growth	3.5%	5.5%	4.0%	0.7%	-0.3%

PORTFOLIO OVERVIEW



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