FOR IMMEDIATE RELEASE **NOVEMBER 3, 2016**

ARTIS RELEASES THIRD QUARTER RESULTS:
FFO PER UNIT INCREASES 5.1%

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, 2016. All amounts are in thousands of Canadian dollars and are inclusive of Artis' ownership in investments in joint ventures on a proportionate share basis, unless otherwise noted.

“Our third quarter results are reflective of our commitment to improving our balance sheet,” said Armin Martens, President and Chief Executive Officer of Artis. “We completed the early redemption of the outstanding Series F convertible debentures, decreased our total debt to GBV to 52.1%, and improved our total debt to EBITDA ratio to 8.3. We are also pleased with the performance of our newly acquired Madison Lifestyle Office Portfolio. Since acquisition, the occupancy has improved by 6%, and the value of the portfolio has increased by US$13.6 million. In addition, our development pipeline is progressing well on all fronts.“

THIRD QUARTER HIGHLIGHTS

- Acquired the second tranche of the Madison Lifestyle Office Portfolio comprised of two office properties for a purchase price of US$66.0 million.
- Disposed of two retail properties in Alberta and one industrial property in Minnesota for aggregate sale prices of $35.2 million and US$9.3 million.
- Completed the early redemption of the outstanding Series F convertible debentures with a face value of $86,160.
- Reported Same Property NOI growth, excluding the Calgary office segment, of 0.3% (YTD - growth of 2.4%) for the three months ended September 30, 2016. Same Property NOI for the total portfolio decreased 2.2% (YTD - decreased 0.6%) for the three months ended September 30, 2016.
- Achieved a healthy EBITDA interest coverage ratio of 3.24 times for the three months ended September 30, 2016.
- Reported long-term debt and bank indebtedness to EBITDA ratio of 8.3 at September 30, 2016, compared to 8.7 at December 31, 2015.
- Decreased total long-term debt and bank indebtedness to GBV to 52.1%, compared to 52.4% at December 31, 2015.
- Decreased secured mortgages and loans to GBV to 40.4%, compared to 41.2% at December 31, 2015.
- Increased FFO per unit by $0.02 or 5.1% to $0.41 for the three months ended September 30, 2016 compared to $0.39 for the three months ended September 30, 2015. Maintained FFO per unit after adjustments of $0.38 for the three months ended September 30, 2016, compared to the three months ended September 30, 2015.

- Decreased the weighted-average effective mortgage interest rate to 3.74% at September 30, 2016, compared to 3.93% at December 31, 2015.

- Reported occupancy of 92.9% (93.7% including commitments) at September 30, 2016.

- Achieved an increase of 4.1%, excluding the Calgary office segment, in the weighted-average rental rate on renewals that commenced during the three months ended September 30, 2016. Achieved an increase of 2.3% in the weighted-average rental rate on all renewals that commenced during the three months ended September 30, 2016.

SELECTED FINANCIAL INFORMATION

$000's, except per unit amounts	Three months ended September 30, 2016	2015	% Change
Revenue	$ 148,925	$ 140,254	6.2 %
Property NOI	91,855	86,427	6.3 %
Distributions per common unit	0.27	0.27	— %
FFO	$ 61,354	$ 55,166	11.2 %
FFO per unit	0.41	0.39	5.1 %
FFO after adjustments (1)	57,463	53,360	7.7 %
FFO per unit after adjustments (1)	0.38	0.38	— %
FFO payout ratio after adjustments (1)	71.1%	71.1%	— %
AFFO	$ 48,525	$ 47,208	2.8 %
AFFO per unit	0.32	0.34	(5.9)%
AFFO after adjustments (1)	44,634	45,402	(1.7)%
AFFO per unit after adjustments (1)	0.30	0.33	(9.1)%
AFFO payout ratio after adjustments (1)	90.0%	81.8%	8.2 %

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

$000's, except per unit amounts	Nine months ended September 30, 2016	2015	% Change
Revenue	$ 426,137	$ 409,629	4.0 %
Property NOI	262,768	256,619	2.4 %
Distributions per common unit	0.81	0.81	— %
FFO	$ 169,518	$ 162,442	4.4 %
FFO per unit	1.17	1.15	1.7 %
FFO after adjustments (1)	163,669	157,298	4.1 %
FFO per unit after adjustments (1)	1.13	1.12	0.9 %
FFO payout ratio after adjustments (1)	71.7%	72.3%	(0.6)%
AFFO	$ 138,978	$ 140,779	(1.3)%
AFFO per unit	0.97	1.01	(4.0)%
AFFO after adjustments (1)	133,129	134,823	(1.3)%
AFFO per unit after adjustments (1)	0.93	0.97	(4.1)%
AFFO payout ratio after adjustments (1)	87.1%	83.5%	3.6 %

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

LIQUIDITY AND LEVERAGE

$000's	September 2016	December 2015
Fair value of investment properties	$ 5,776,280	$ 5,528,026
Cash and cash equivalents	58,384	71,444
Available on revolving term credit facilities	129,414	75,000
Fair value of unencumbered properties	1,110,218	1,059,792
Secured mortgage and loans to GBV	40.4 %	41.2 %
Total long-term debt and bank indebtedness to GBV	52.1 %	52.4 %
Total long-term debt and bank indebtedness to EBITDA	8.3	8.7
Unencumbered assets to unsecured debt	1.9 time	2.5 time
EBITDA interest coverage ratio	3.24 time	2.98 time
Weighted-average effective interest rate on mortgages and other loans	3.74 %	3.93 %
Weighted-average term to maturity on mortgages and other loans	3.7 year	3.8 year
Unhedged floating rate mortgage debt as a percentage of total debt	18.1 %	11.6 %

PORTFOLIO ACQUISITION AND DISPOSITION ACTIVITY

During Q3-16, Artis acquired the following properties:

Property	Property count	Acquisition date	Location	Asset class	Owned share of GLA	Purchase price	Capitalization rate
Madison Lifestyle Office Portfolio	2	August 1, 2016	Madison, WI	Office	381,865	US $ 66,000	7.75%

On August 1, 2016, Artis acquired the second tranche of the Madison Lifestyle Office Portfolio, which included the remaining two properties of the portfolio. The purchase price of the second tranche was US$66,000 and was financed with cash on hand and new swapped mortgage financing in the amount of US$40,000, effectively bearing interest at 3.43%.

During Q3-16, Artis disposed of the following properties:

Property	Property count	Disposition date	Location	Asset class	Owned share of GLA	Sale price	Capitalization rate
Lunar Pointe	1	August 5, 2016	Twin Cities Area, MN	Industrial	117,298	US $ 9,252	6.08%
Uplands Common	1	August 16, 2016	Lethbridge, AB	Retail	53,392	15,200	5.90%
Clareview Town Centre	1	August 17, 2016	Edmonton, AB	Retail	63,818	20,000	6.33%

During the third quarter, Artis disposed of the above properties for aggregate sale prices of $35.2 million and US$9.3 million and repaid $9,208 and US$5,507 of mortgage debt related to the above properties.

During and subsequent to the third quarter, Artis has announced numerous dispositions in addition to the three dispositions that closed during the quarter. These announced dispositions include a retail property in British Columbia, nine industrial properties in Alberta and one retail property in Alberta.

Including all announced and completed dispositions year-to-date, Artis has sold a total of 17 properties for aggregate sale prices of $324.9 million and US$16.6 million, totaling approximately 2.1 million square feet of gross leasable area. The weighted-average capitalization rate for these dispositions was 6.20% (excluding properties that were sold to an owner-occupier and were vacant at the time of disposition).

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2016, Artis had $58.4 million of cash and cash equivalents on hand and $129.4 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, 2016.

DEVELOPMENT PROJECTS

Artis has numerous development projects underway. The table below lists the ongoing projects and completion progress. Additional information pertaining to each project can be found in the Q3-16 Management's Discussion and Analysis.

Asset class	City	Province / State	Property count	Owned share of GLA	Property	% Completed
Industrial	Greater Phoenix Area	AZ	1	187,200	Park Lucero Phase I	100.0%
Industrial	Houston	TX	—	—	Park 8Ninety Phase I	70.0%
Industrial	Greater Toronto Area	ON	—	—	175 Westcreek Boulevard	80.0%
Industrial	Greater Phoenix Area	AZ	—	—	Park Lucero Phase II	40.0%
Office	Greater Denver Area	CO	—	—	169 Inverness Drive West Phase I	10.0%
Office	Minneapolis	MN	—	—	Millwright Building	45.0%

DEVELOPMENT INITIATIVES

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 an office development in the Twin Cities Area, Minnesota, a mixed-use commercial/residential densification project in Toronto, Ontario and various opportunities in Winnipeg, Manitoba including a retail development and a mixed-use commercial/residential development.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at September 30, 2016, was 92.9% (93.7% including commitments on vacant space) compared to 92.7% at December 31, 2015, and 93.1% at September 30, 2015, excluding properties held for redevelopment and new developments in process.

$000's	Q3-16	Q2-16	Q1-16	Q4-15	Q3-15
Property NOI	$ 91,855	$ 85,617	$ 85,296	$ 85,333	$ 86,427
Property NOI change (1)	7.3 %	0.4 %	— %	(1.3)%	0.9%
Same Property NOI growth (2)	(2.2)%	(0.3)%	0.7 %	4.0 %	5.5%
Weighted-average rental rate increase (decrease) on renewals reported in the period	2.3 %	1.6 %	5.9 %	(0.1)%	3.0%

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

(2) The Same Property NOI results are impacted by foreign exchange.

Artis' portfolio has a stable lease expiry profile and significant progress on lease renewals has been made, with 55.6% of the remaining 2016 expiries and 15.5% of the 2017 expiries already renewed or committed to new leases at September 30, 2016. Weighted-average in-place rents for the entire portfolio are $13.44 per square foot and are estimated to be 1.6% below market rents. Information about Artis' lease expiry profile follows:

	2016	2017	2018	2019	2020 & later
Expiring square footage	6.3 %	13.4 %	10.4 %	10.2 %	51.1%
Committed percentage	55.6 %	15.5 %	1.7 %	6.4 %	0.3%
In-place rents	$ 10.29	$ 11.67	$ 13.31	$ 14.69	$ 14.07
Comparison of in-place to market rents	(0.2)%	(4.0)%	(1.4)%	(0.6)%	4.0%

Artis’ Calgary office portfolio represents 12.1% of Property NOI and 9.3% of the overall portfolio by GLA. During the remainder of 2016, Calgary office expiries represent 0.4% of Artis' total GLA. Of this expiring square footage, 24.8% has been renewed or committed to new leases. In 2017, Calgary office expiries represent 1.1% of Artis' total GLA.

	2016	2017	2018	2019	2020 & later
Calgary office expiring square footage as a % of total GLA	0.4 %	1.1 %	0.9 %	0.8 %	4.7 %

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, November 4, 2016 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 4, 2016, a replay of the conference call will be available by dialing 1-416-764-8677 or 1-888-390-0541 and entering passcode 414423#. The replay will be available until Sunday, December 4, 2016. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

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Artis is a diversified Canadian real estate investment trust investing in office, retail and industrial properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and select markets in the United States. As of September 30, 2016, Artis' commercial property comprises approximately 27.2 million square feet of leasable area.

During the three months ended September 30, 2016, Property Net Operating Income ("Property NOI") by asset class, was approximately 51.5% office, 24.6% retail and 23.9% industrial. Property NOI by geographical region, was approximately 9.0% in British Columbia, 30.2% in Alberta, 5.7% in Saskatchewan, 12.1% in Manitoba, 10.0% in Ontario and 33.0% in the U.S.

NOTICE WITH RESPECT TO NON-GAAP MEASURES

The following measures 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"). These measures are not defined under IFRS and 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 the following measures as calculated by Artis may not be comparable to similar measures presented by other issuers.

Property Net Operating Income ("Property NOI")

Artis calculates Property NOI as revenues less property operating expenses such as utilities, repairs and maintenance and realty taxes. Property NOI does not include charges for interest or other expenses not specific to the day-to-day operation of the REIT's properties. Management considers Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties.

Same Property NOI

Artis calculates Same Property NOI by adjusting Property NOI for stabilized investment properties owned on January 1 of the previous year. Adjustments are made to this NOI measure to exclude non-cash revenue items and other non-recurring revenue amounts such as lease termination income. Management considers Same Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties.

Funds from Operations ("FFO")

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.

Adjusted Funds from Operations ("AFFO")

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. Management considers AFFO to be a valuable measure for evaluating the REIT’s operating performance in achieving its objectives.

Proportionate Share

Artis accounts for its joint ventures using the equity method in its consolidated financial statements in accordance with IFRS. Proportionate Share includes Artis' interest in joint ventures based on its percentage of ownership in addition to the amounts per its consolidated financial statements. Management considers Proportionate Share to be representative of how Artis' manages its properties, including those held under investments in joint ventures.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") Interest Coverage Ratio

Artis calculates EBITDA as Property NOI less corporate expenses and excluding all non-cash revenue and expense items. Management considers this ratio to be a valuable measure of Artis' ability to service the interest requirements on its outstanding debt.

Debt to Gross Book Value ("GBV")

Artis calculates GBV based on the total consolidated assets of the REIT, adding back the amount of accumulated depreciation of property and equipment. The REIT has adopted debt to GBV as an indebtedness ratio guideline used to measure its leverage.

Debt to EBITDA Ratio

Artis calculates debt to EBITDA based on annualizing the current quarter's EBITDA as defined above and comparing that balance to Artis' total outstanding debt. Management considers this ratio to be a valuable measure of Artis' leverage.

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, Vice-President - Investor Relations of the REIT at (204) 947-1250.

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