



Artis Real Estate Investment Trust

Investor Presentation
Q3 – 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 September 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 September 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 U.S.A.

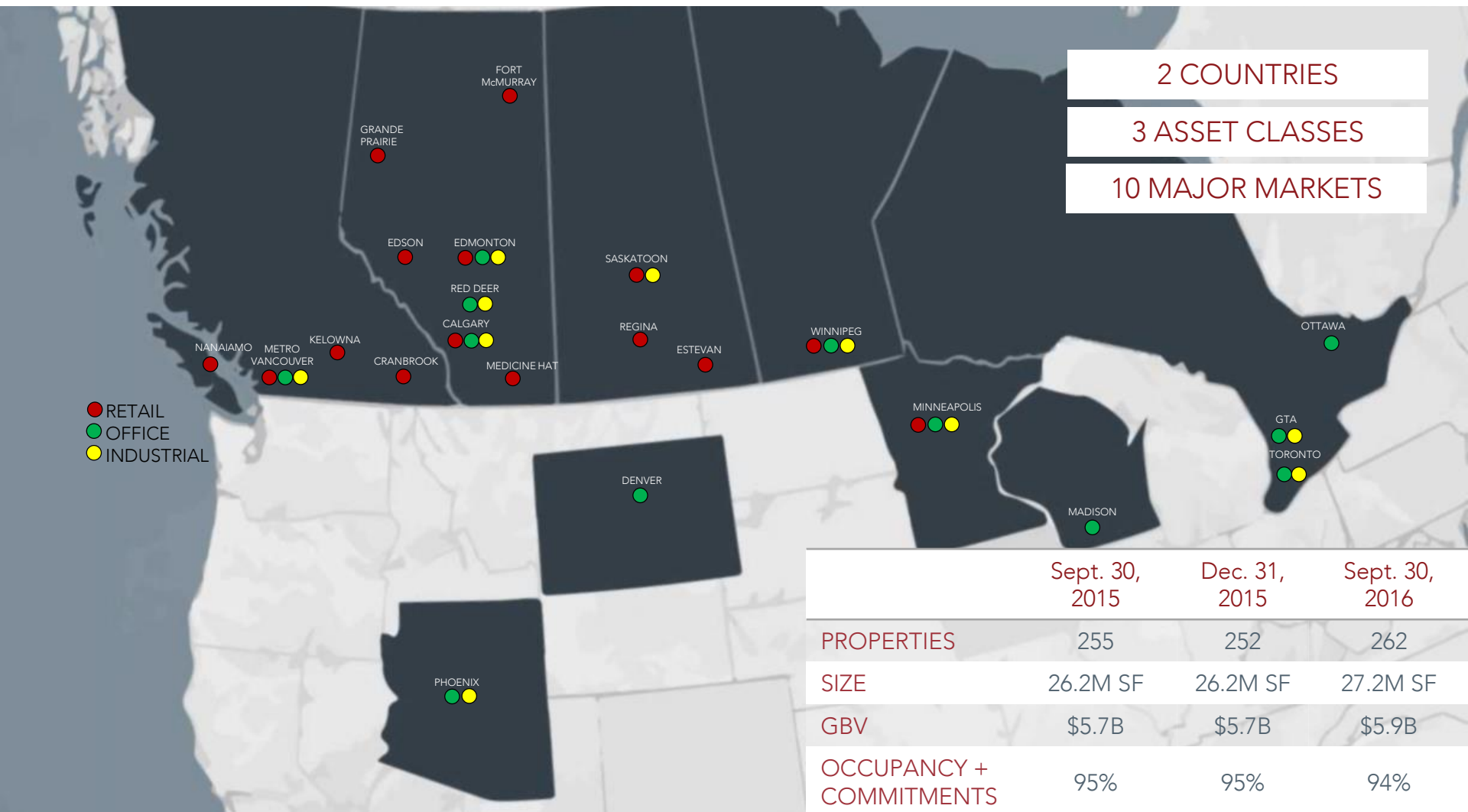
2. PRODUCT DIVERSIFICATION

- Office
- Retail
- Industrial

3. INTERNAL GROWTH

- Results driven active asset management
- Increasing same property NOI
- Accretive recycling of capital
- Accretive refinancing of existing debt
- Greenfield developments at positive spreads to market

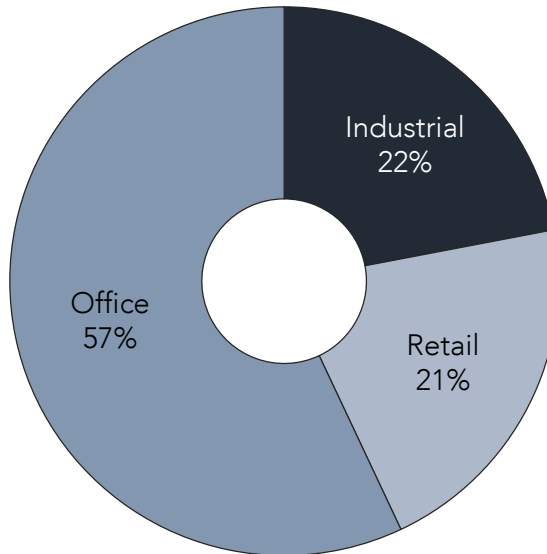
PORTFOLIO OVERVIEW



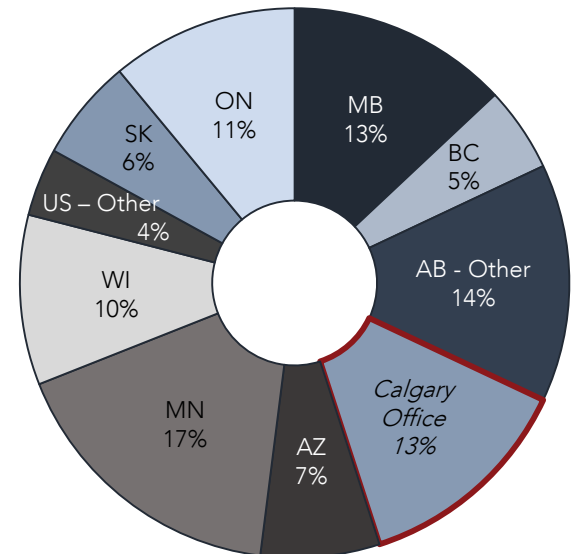
Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements. Occupancy plus commitments excludes properties held for redevelopment

PORTFOLIO DIVERSIFICATION

NOI By Asset Class:



NOI By Geographical Region:



8333 Greenway, Madison WI



TENANT DIVERSIFICATION

Top Ten Tenants



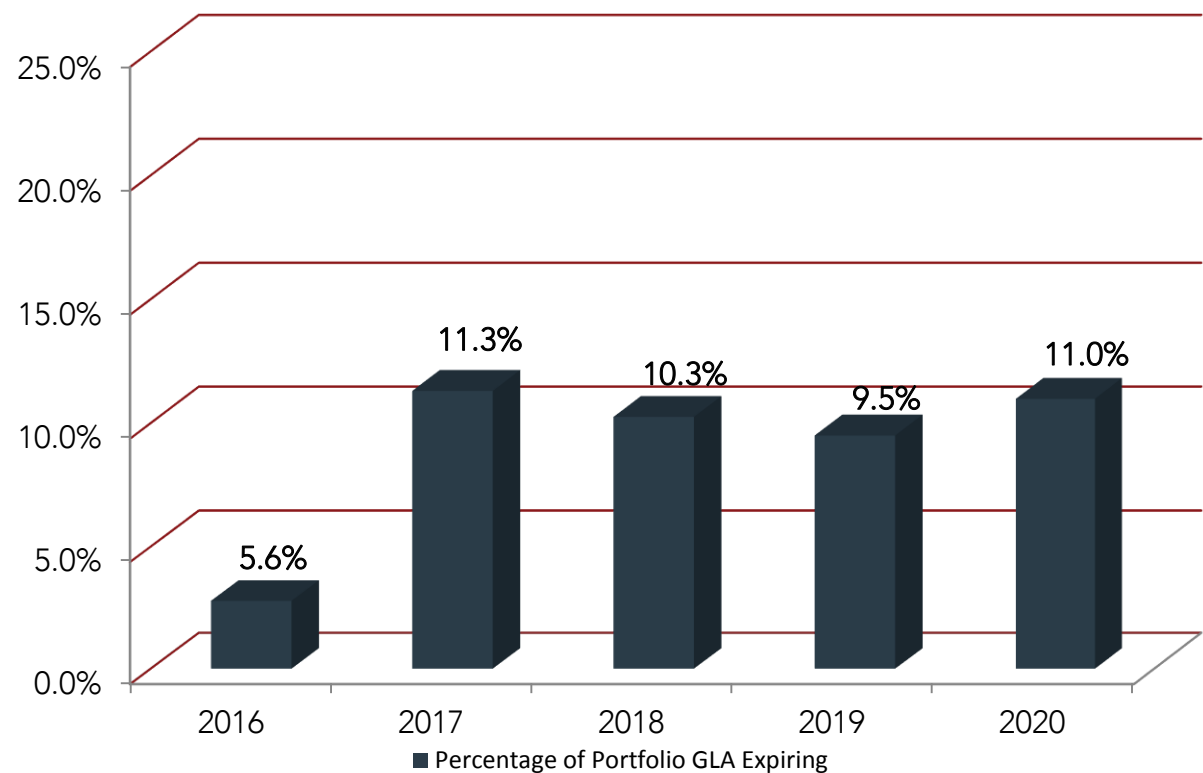
Artis' top 10 and top 20 tenants account for 11.4% and 19.3% of gross revenue, respectively



Hudson's Bay Centre, Denver CO

LEASE EXPIRATION SCHEDULE

- Weighted-average rental increase on renewals YTD was 3.4%
- Same Property NOI decreased 0.6% YTD 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 September 30, 2016

SCHEDULE OF MORTGAGE MATURITIES

At Sept 30, 2016 ⁽¹⁾:

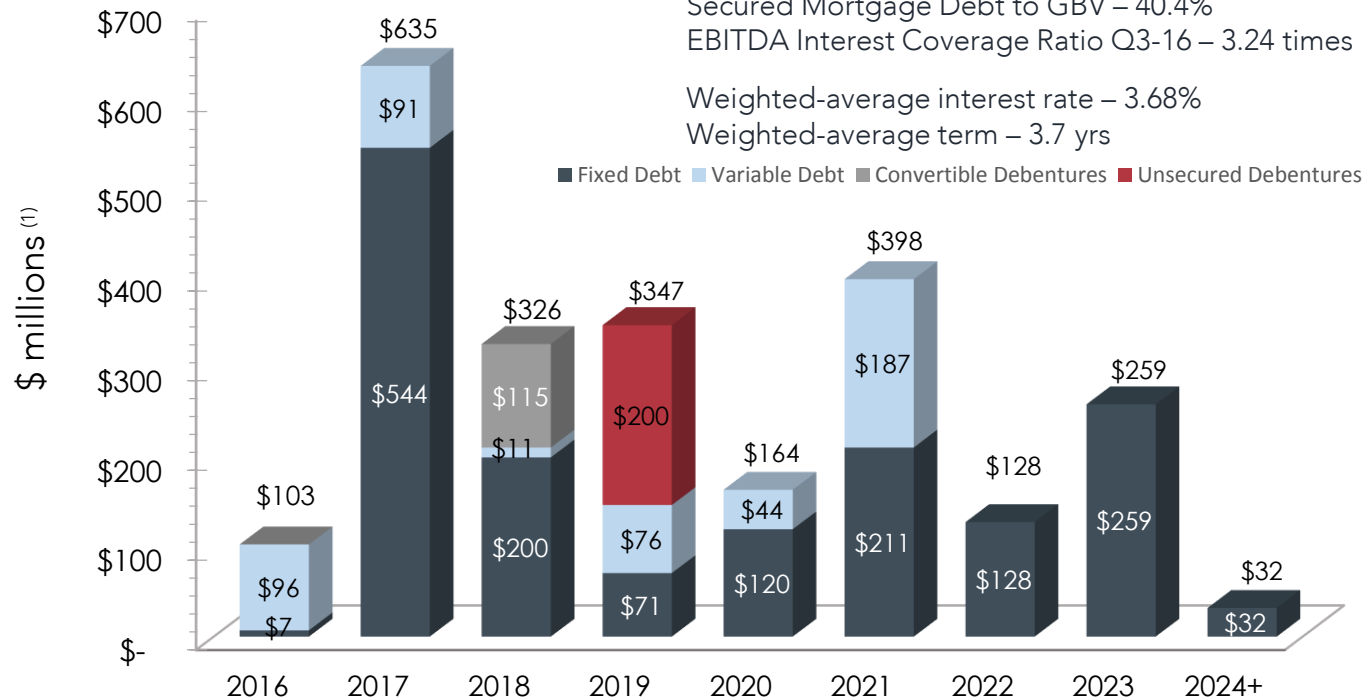
Total Debt to GBV – 52.1%

Secured Mortgage Debt to GBV – 40.4%

EBITDA Interest Coverage Ratio Q3-16 – 3.24 times

Weighted-average interest rate – 3.68%

Weighted-average term – 3.7 yrs

[illegible]

(1) As at Sept 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:	September 30, 2015	December 31, 2015	September 30, 2016	DBRS Recommended Threshold
Debt: GBV	50.2%	52.4%	52.1%	≤ 53.0%
Secured mortgages and loans: GBV	40.2%	41.2%	40.4%	N/A
Unencumbered assets	\$1,004 million	\$1,060 million	\$1,110 million	N/A
EBITDA interest coverage	3.09	2.98	3.24	≥ 2.25
Net Debt: EBITDA ⁽¹⁾	8.19	8.49	8.18	≤ 9.25

Cash and cash equivalents at September 30, 2016: \$58.4 million

Availability on unsecured credit facilities: \$129.4 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

CAPITAL STRUCTURE

Gross Book Value = \$5.9B⁽¹⁾

Secured Mortgages and Loans⁽¹⁾

Mortgages payable = \$2,379.1M

Unsecured Credit Facilities⁽¹⁾

Amount drawn on credit facilities = \$370.6M

out of a total \$500.0M credit facilities

Convertible Debentures⁽¹⁾

Series G⁽²⁾ - due June 2018 = \$115.4M (US\$88.0M)

- 5.75% coupon (conversion = US\$18.96)

Senior Unsecured Debentures⁽¹⁾

Series A⁽³⁾ - due March 2019 = \$200.0M

- 3.753% coupon

Equity Capitalization⁽¹⁾

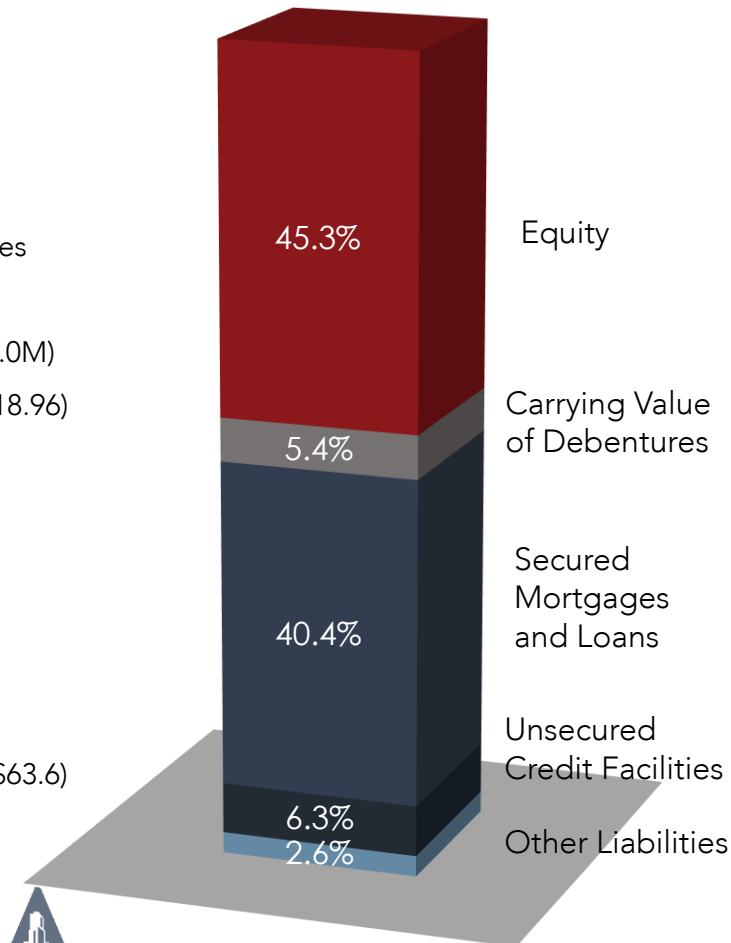
Trust Units – 149,561,645 = \$1,856.1 M

Series A preferred units - 3,450,000 = \$66.0M

Series C preferred units - 3,000,000 = \$83.4M (US\$63.6)

Series E preferred units - 4,000,000 = \$64.8M

Series G preferred units - 3,200,000 = \$53.7M



(1) At September 30, 2016, inclusive of Artis' proportionate share of joint ventures

(2) Redeemable for cash or units

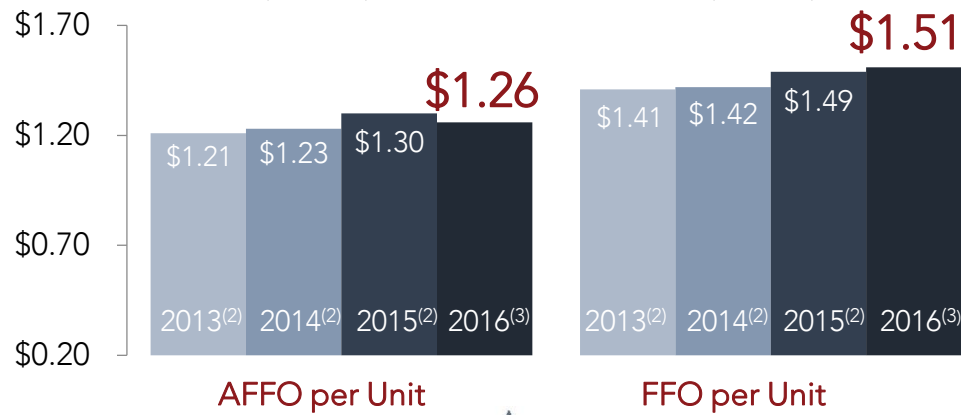
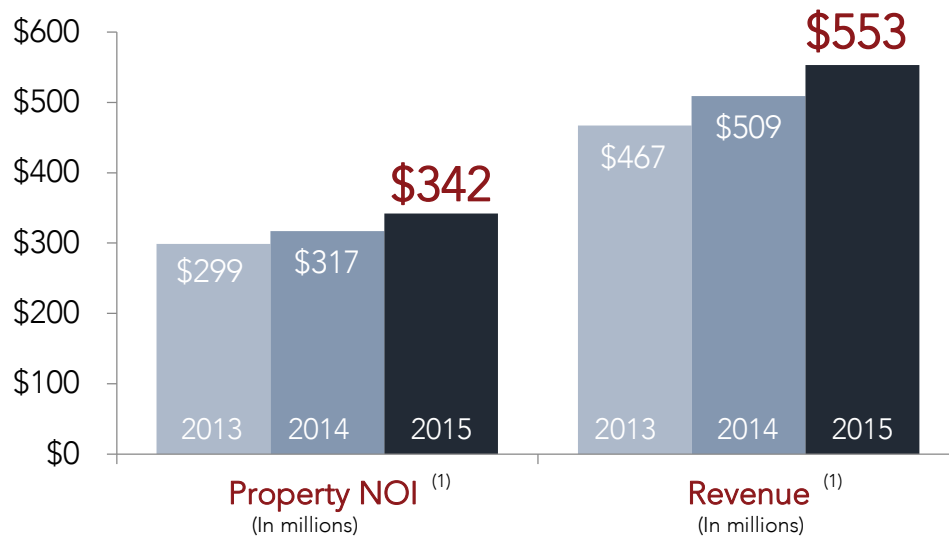
(3) Redeemable for cash only



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



Midtown Business Center, Minneapolis, MN
Achieved unlevered yield of 7.6%



Fourrell Business Park, Edmonton, AB
Achieved unlevered yield of 7.3%



Linden Ridge Shopping Centre, Winnipeg, MB
Achieved unlevered yield of 8.0%

\$200 MILLION DEVELOPMENT PROJECTS UNDER CONSTRUCTION

Target unlevered yield of 7.25%

Park Lucero Phase I – Phoenix, AZ



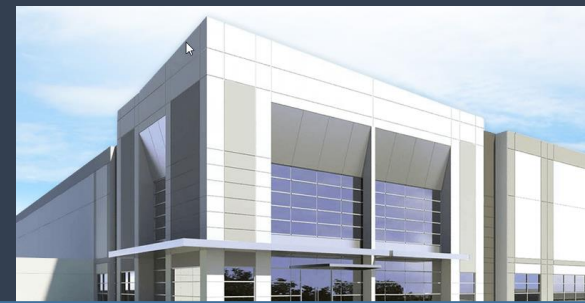
Completed in 2016

Park Lucero Phase II – Phoenix, AZ



Estimated completion: Q1-17

Park 8Ninety Phase I – Houston, TX



Estimated completion: Q4-16

Millwright Building – Minneapolis, MN



Estimated completion: Q4-16

169 Inverness Drive West – Denver, CO



Estimated completion: Q4-17

175 Westcreek – GTA, ON



Estimated completion: Q4-16

FUTURE DEVELOPMENT PROJECTS



801 Carlson, Minneapolis, MN
300,000 square foot Class AA office building



300 MAIN, Winnipeg, MB
400 suite, 40-storey apartment building

Alberta Office Assets



13% of total property NOI
21 assets
2.7 million square feet

Alberta Retail Assets



5% of total property NOI
26 assets
1.6 million square feet

Alberta Industrial Assets

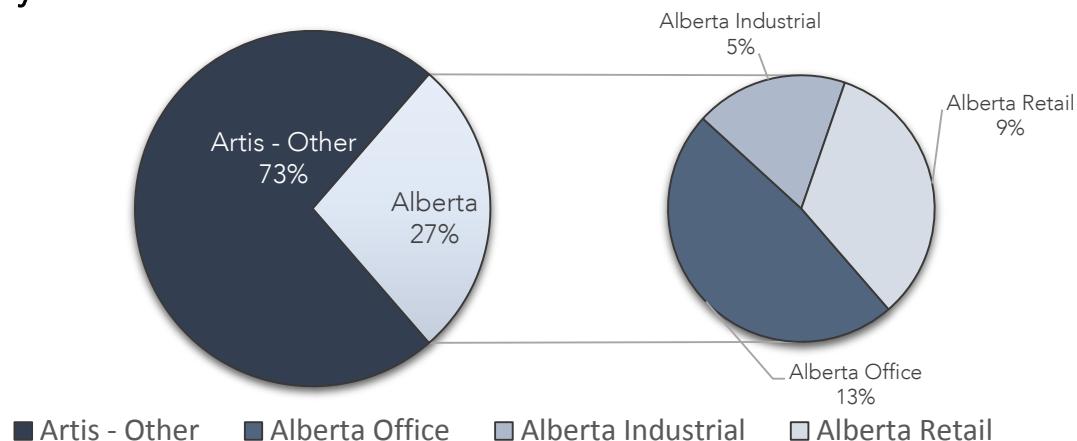


9% of total property NOI
13 assets
906 thousand square feet

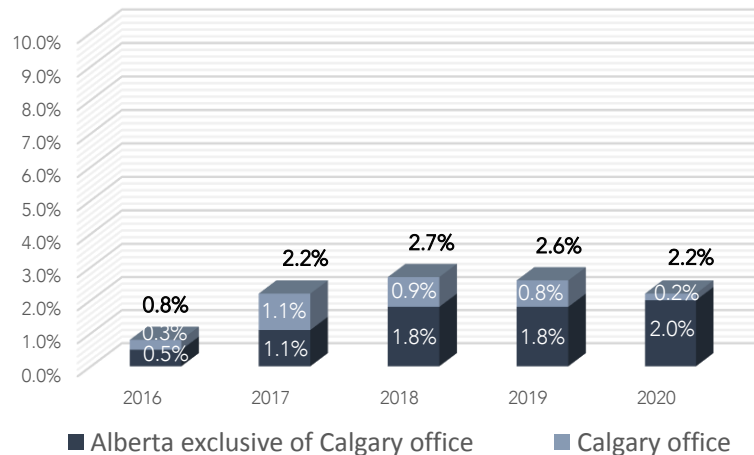
ARTIS REAL ESTATE INVESTMENT TRUST

ARTIS' INVESTMENT IN ALBERTA

Property NOI Q3-16



Alberta Expiry Schedule % of Total GLA expiring per year



Alberta Outlook Improving

- Two Canadian pipelines approved
- Potential upcoming approval of Keystone XL pipeline
- OPEC deal confirmed
- Capital spending significantly increasing in Alberta in 2017

Pro forma Property NOI for three months ended September 30, 2016, inclusive of Artis' proportionate share of joint venture arrangements, exclusive of lease termination income, and adjusted for acquisitions and dispositions announced or completed at December 15, 2016. Asset count and GLA also adjusted for acquisitions and dispositions announced or completed at December 15, 2016

ALBERTA DISPOSITIONS YEAR-TO-DATE

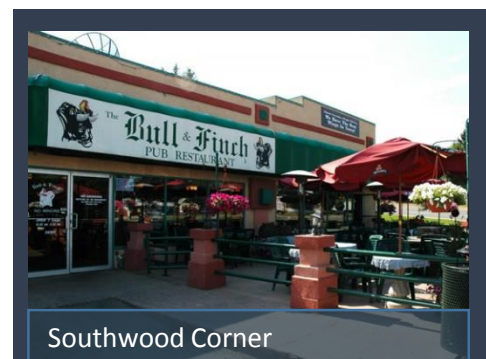
Year-to-date Summary of Alberta Properties Sold:

Number of Properties: 13

Gross Leasable Area: 1.5 million square feet

Aggregate Sale Price: \$274 million

Total IFRS value: \$266 million



MARKET AND ANALYST INFORMATION

Information as of November 2016:

Unit price: \$12.00 (16% discount to NAV)

Distribution per unit: \$1.08

Yield: 9.0%

Market cap: \$1.8B

Analyst Consensus Information ⁽¹⁾

	Consensus	2016		2017	
		AFFO	FFO	AFFO	FFO
Target price: \$13.05					
Net Asset Value: \$14.27	Per Unit	\$1.26	\$1.51	\$1.23	\$1.49
Implied cap rate: 7.3%	Pay-Out Ratio	85.9%	71.7%	87.5%	72.3%
	Unit Price Multiple	9.6x	8.0x	9.8x	8.0x
	Yield	10.5%	12.6%	10.3%	12.4%

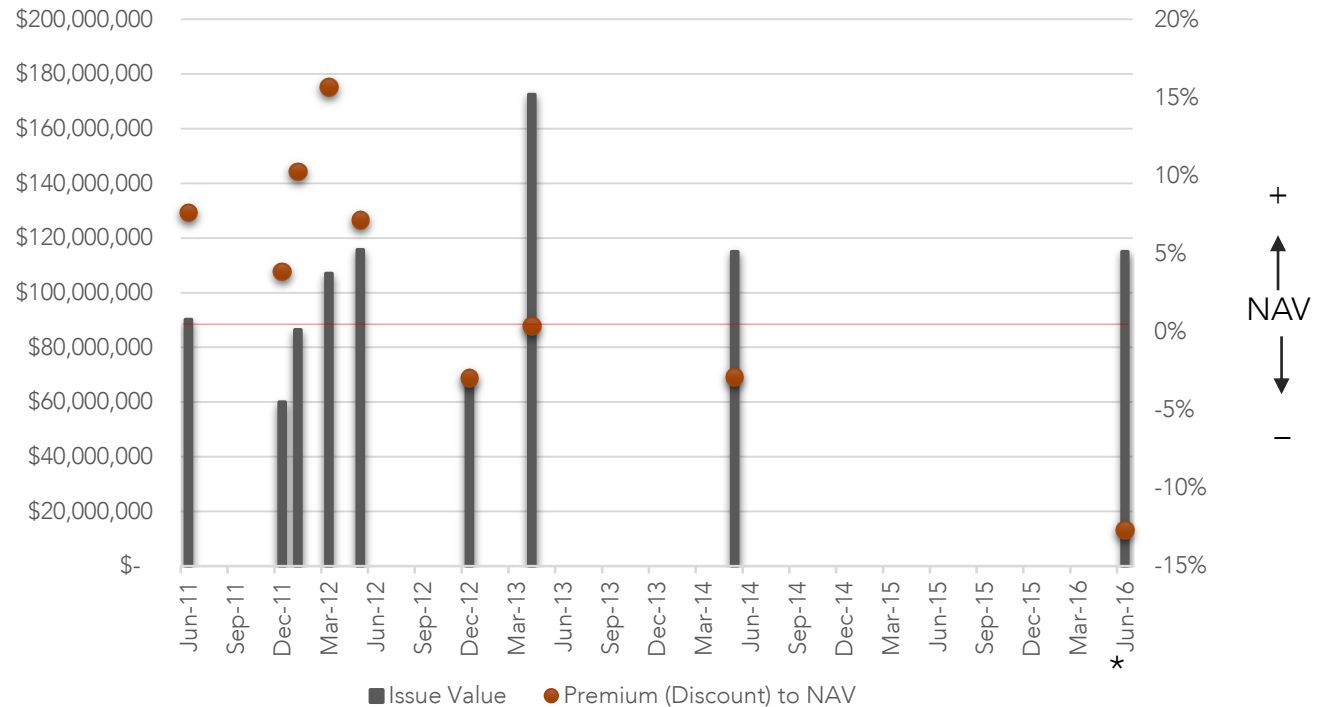


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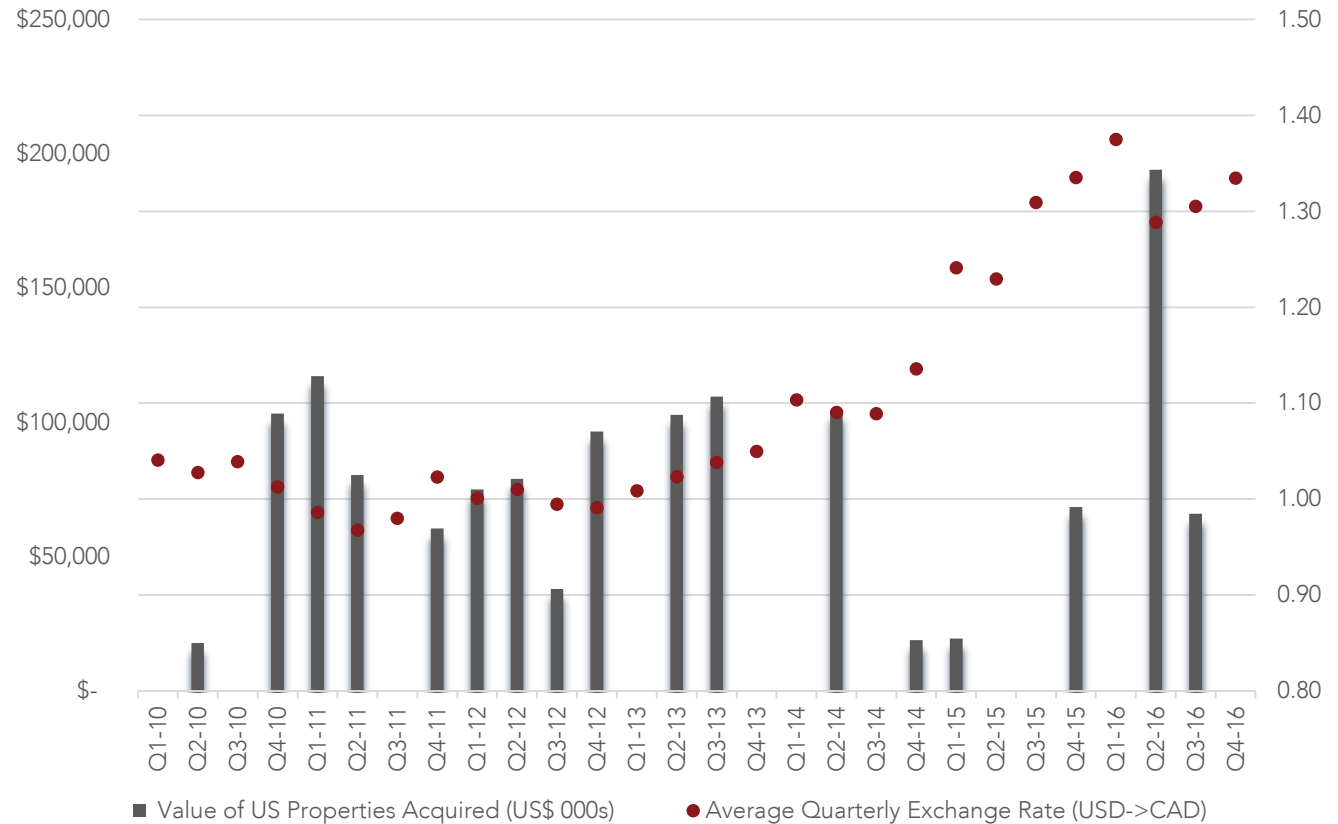


Canadian Pacific Plaza, Minneapolis MN

EQUITY OFFERING HISTORY



US ACQUISITIONS & EXCHANGE RATES



DRIVERS OF GROWTH

Artis' portfolio is well diversified in strong markets with healthy economic growth and real estate fundamentals.

- **Maintain high occupancy levels and bring in-place rents up to market rent levels**
- **Accretive recycling of capital**
 - Target disposition of \$200-400 million of non-core properties in 2017 at cap rates below implied unit price cap rate
 - Recycling funds into newer, higher yielding acquisitions
 - New greenfield development projects at positive spreads to market
 - Focus on NAV growth and improved asset quality
- **Accretive renewal of mortgage and debenture debt at lower rates**
 - \$635 million of debt coming available in 2017 with a good opportunity to realize cost savings by achieving lower rates

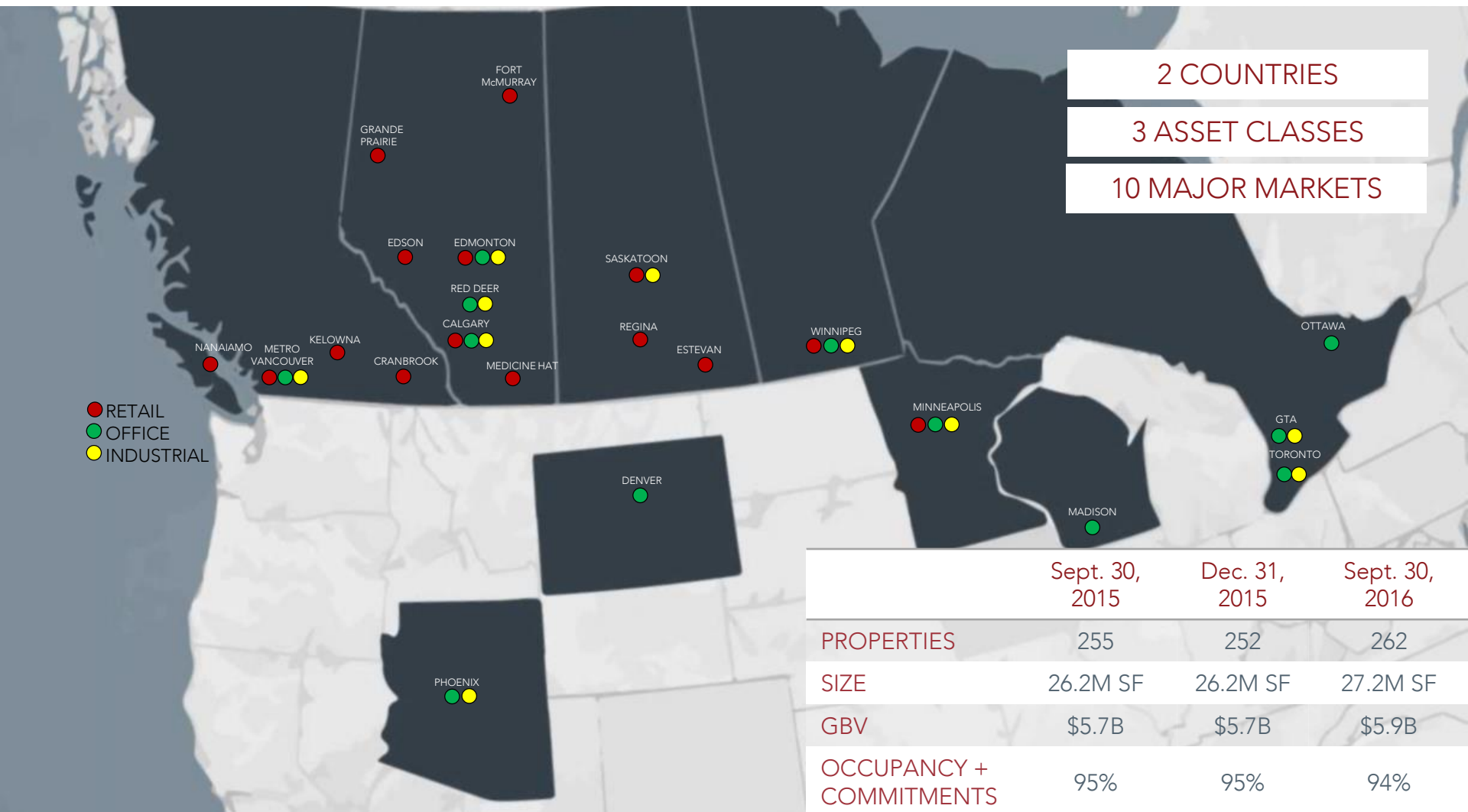
	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16
Weighted Average Rental Increase on Renewals	3.0%	-0.1%	5.9%	1.6%	2.3%
Same Property NOI Growth	5.5%	4.0%	0.7%	-0.3%	-2.2%

GUIDEPOSTS FOR 2017 AND BEYOND

- Accretive recycling of capital
- Narrow the gap between unit price and NAV
- No equity raise below NAV
- Balance sheet considerations
 - Simplify/streamline balance sheet
 - Maintain Debt/EBITDA below 9.0x
 - Maintain EBITDA interest coverage ratio above 2.5x
 - Repay the Series G convertible debenture (5.75%) with cheaper debt
- FFO payout ratio of 75% or better
- AFFO payout ratio of 100% or better
- Reduce Alberta weighting to approximately 20% of Property NOI
- Consider suspending the DRIP
- Strategic alternatives being considered

} Consistent with DBRS' recommended thresholds

PORTFOLIO OVERVIEW



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