



**2017 Annual
Investor Presentation**
Artis Real Estate Investment Trust

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 December 31, 2017.

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 May 8, 2017, August 3, 2017, and November 6, 2017, our 2017 annual earnings press release dated March 1, 2018, and our audited annual consolidated financial statements for the years ended December 31, 2017, 2016 and 2015 which are available on SEDAR at www.sedar.com or on our company website at www.artisreit.com.

Strategy and Business Model



01

Geographic Diversification

- Canada and the United States

02

Product Diversification

- Office
- Retail
- Industrial

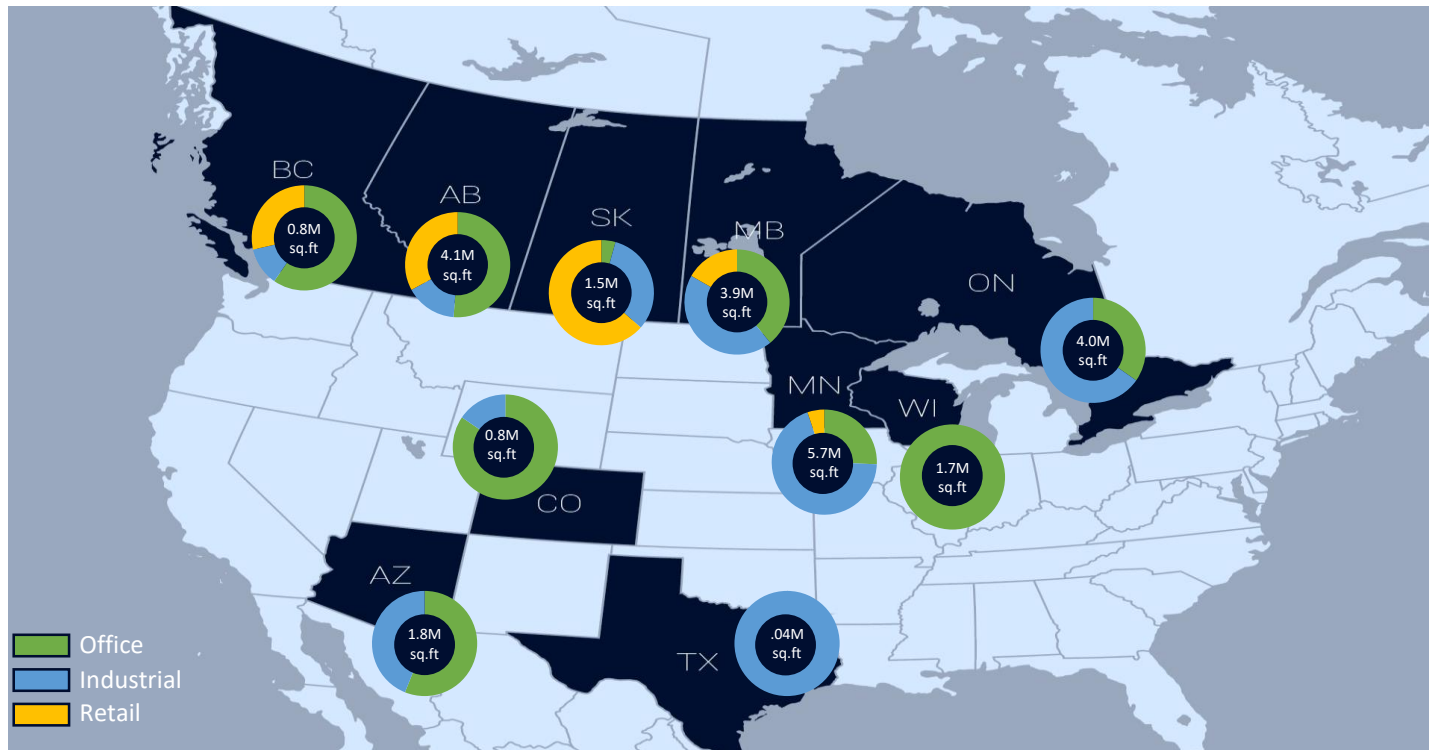
03

Internal Growth

- Results driven active asset management
- Increasing same property net operating income
- Accretive recycling of capital
- Accretive refinancing of existing debt
- \$200 million development pipeline at positive spreads to market

Portfolio Overview

Diversified Commercial Properties



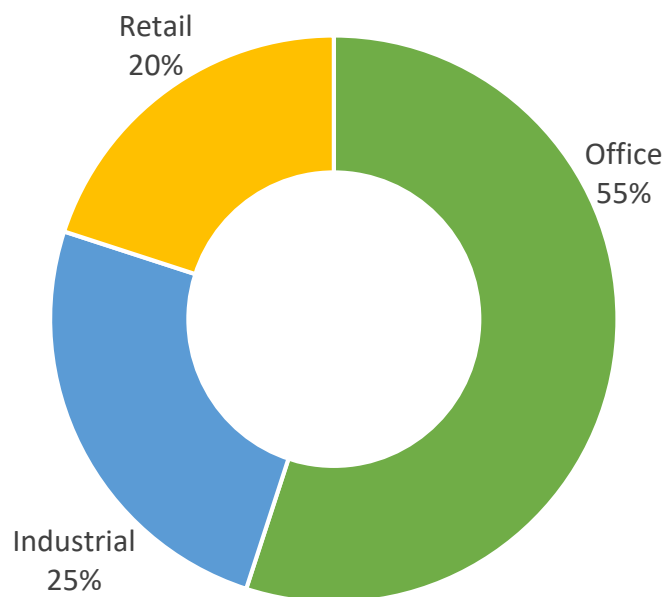
2 countries – **3** asset classes – **10** major markets
235 properties – **25** million square feet – **\$5.4B** GBV – **93%** occupancy

Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements.
Occupancy percentage includes commitments on vacant space and excludes properties held for redevelopment and certain completed new developments.

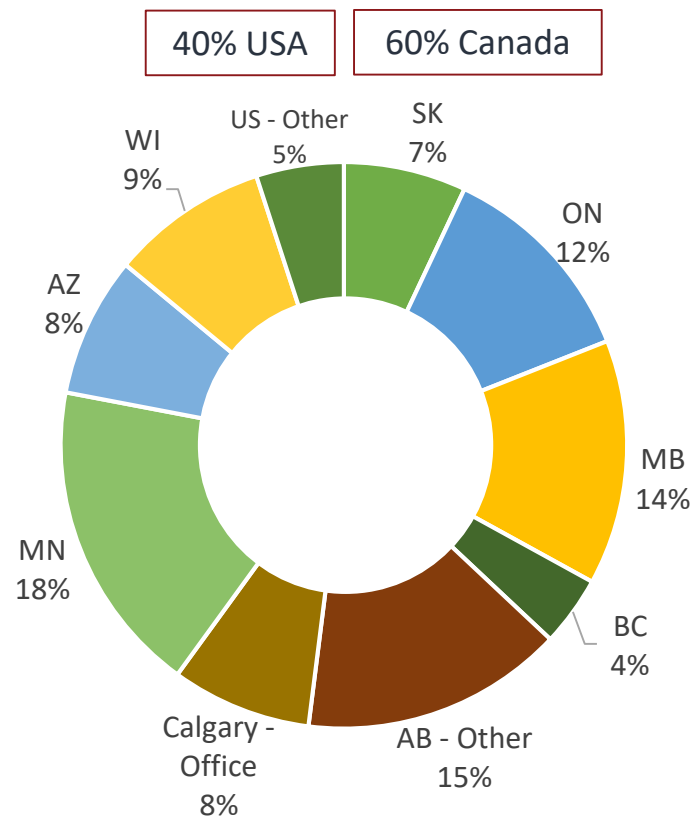
Portfolio Diversification



NOI by Asset Class

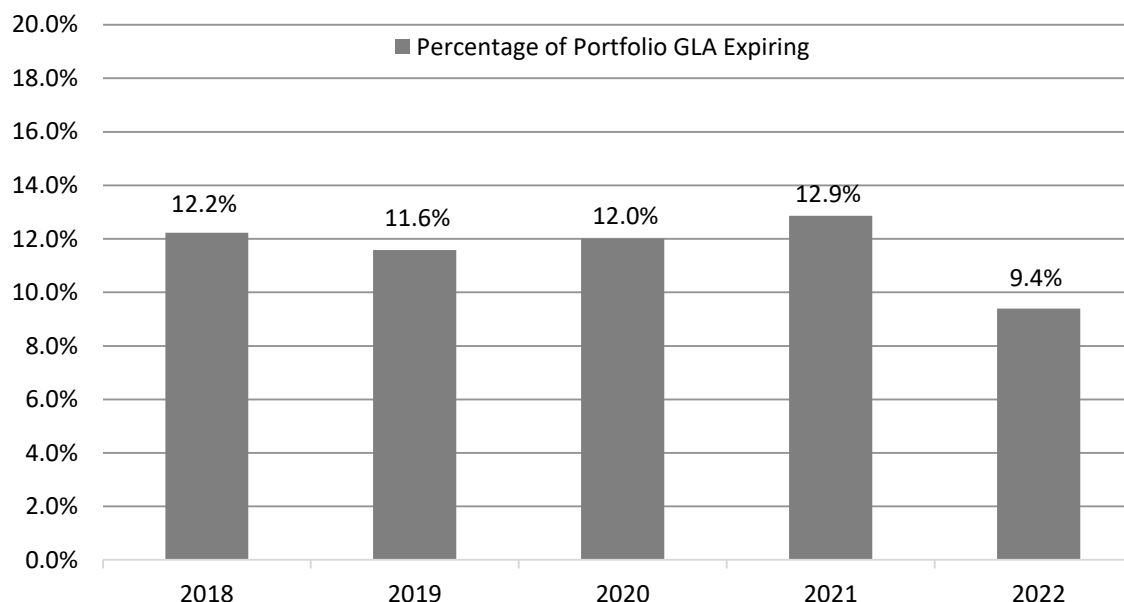


NOI by Geographical Region



Property NOI for three months ended December 31, 2017, inclusive of Artis' proportionate share of joint venture arrangements

Lease Expiration Schedule



Weighted-average rental increase on renewals YTD:

4.9% excluding Artis' Calgary office properties (2.3% including Calgary office properties)

2018 Renewal Program:

33% of remaining 2018 expiries have been renewed or committed to new leases

The chart above reflects the percentage of Artis' total GLA expiring (excluding properties held for redevelopment and certain completed new developments) at December 31, 2017.

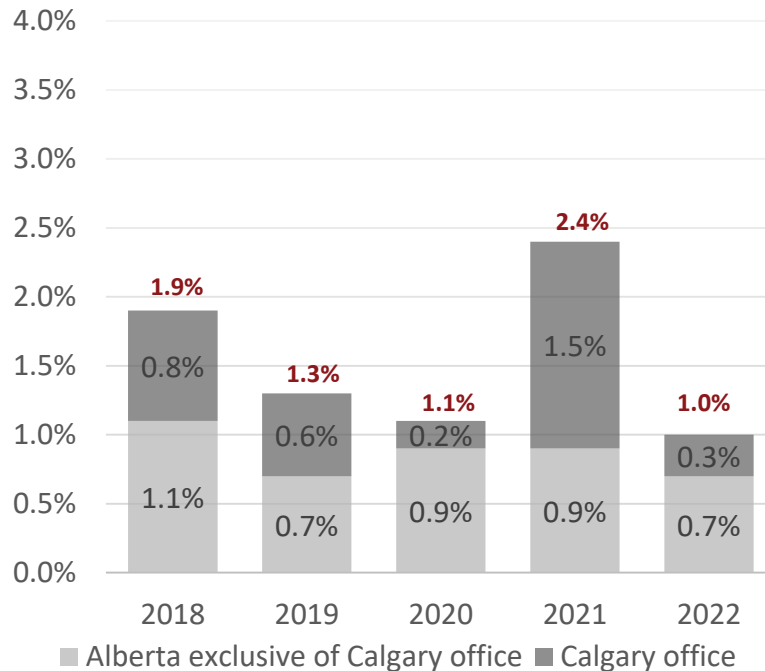
Artis' Investment in Alberta

8% Office
15% Industrial & Retail



Alberta Expiry Schedule

% of Total GLA expiring per year



Alberta Outlook Improving

- Alberta to lead Canada in GDP growth during 2018
- Two Canadian pipelines approved
- Keystone XL pipeline approved
- OPEC deal sustained
- Capital spending significantly increasing in Alberta
- Job growth increasing
- Artis' Alberta retail and industrial properties achieving positive same property NOI growth

The chart above reflects the percentage of Artis' Alberta and Calgary office GLA expiring (excluding properties held for redevelopment and certain completed new developments) at December 31, 2017.

Leverage Profile

DBRS: BBB- Credit Rating



Healthy Balance Sheet and Liquidity

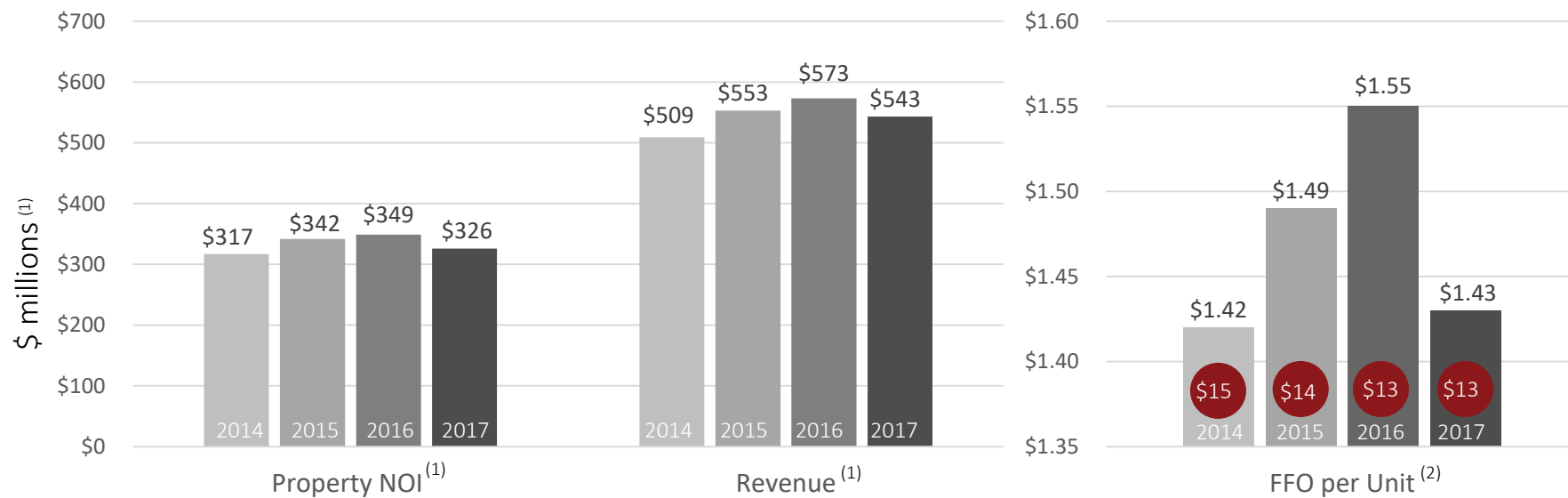
Fiscal quarter ending:	December 31, 2016	September 30, 2017	December 31, 2017	DBRS Recommended Threshold
Debt: GBV	51.0%	49.6%	49.3%	≤ 53.0%
Secured mortgages and loans: GBV	40.6%	33.3%	31.9%	N/A
Unencumbered assets	\$1.0 billion	\$1.6 billion	\$1.7 billion	N/A
EBITDA interest coverage	3.17	3.23	3.23	≥ 2.25
Net Debt: EBITDA ⁽¹⁾	8.20	8.05	8.30	≤ 9.25

Cash and cash equivalents at December 31, 2017: **\$42.8 million**

Availability on unsecured credit facilities: **\$61.6 million**

(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

Select Financial Information



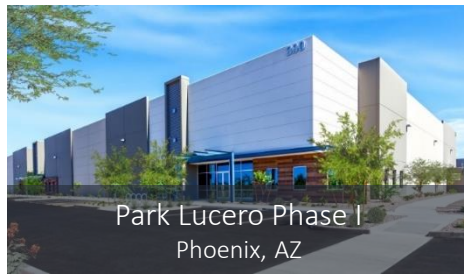
(1) Inclusive of Artis' proportionate share of its joint venture arrangements. Excluding lease termination and non-recurring other income.

(2) The 2016 comparative information has been revised to reflect the impact of the new FFO guidelines as issued by REALpac in February 2017. 2015 and earlier years have not been restated.

New Development Activity



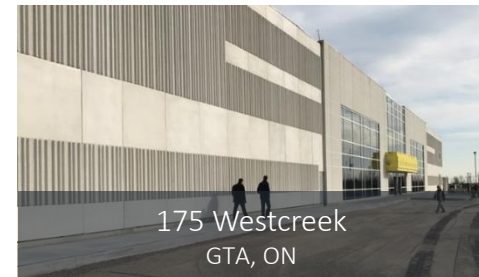
Targeted weighted-average unlevered yield of 7.20%



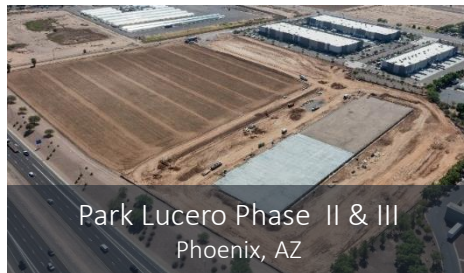
Completed in 2016



Completed in Q1-17



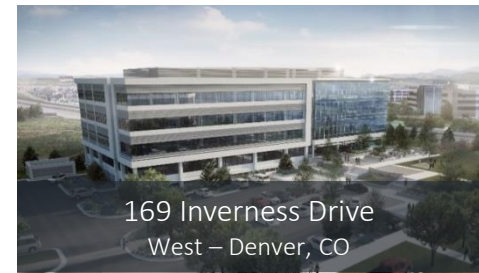
Completed in Q1-17



Completed in Q1-17 & Q2-17



Completed in Q2-17



Estimated completion: Q1-18

Active Development Pipeline



Project Name	Asset Class	Location	Approx. GLA (Artis' share)	Estimated Total Cost (000's)	% Leased	Current/ Projected Yield	Estimated Completion
Recently Completed Developments and Developments in Process							
Millwright Building	Office	Minneapolis, MN	139,600 sq. ft.	US\$36,156	35%	7.0%	completed
Park Lucero Phase II	Industrial	Phoenix, AZ	118,800 sq. ft.	US\$11,193	100%	7.1%	completed
175 Westcreek Boulevard	Industrial	GTA, ON	130,000 sq. ft.	\$11,286	100%	7.5%	completed
Park Lucero Phase III	Industrial	Phoenix, AZ	146,800 sq. ft.	US\$13,534	100%	7.0%	completed
Park 8Ninety Phase I	Industrial	Houston, TX	439,700 sq. ft.	US\$39,483	59%	6.8%	completed
169 Inverness Drive West	Office	Denver, CO	120,000 sq. ft.	US\$37,228	-	7.3%	Q1-18
TOTAL			1,094,900 sq. ft.	\$148,880			
Development Projects in Early Planning Stages							
Linden Ridge Shopping Centre II	Retail	Winnipeg, MB	Long-term land lease to LOWE'S		100%	7%	2018
300 Main	Apartment	Winnipeg, MB	612,200 sq. ft. – 395 units + 60,000 sq. ft. commercial		-	6.1%	2019
415 Yonge Street	Apartment	Toronto, ON	400,000 sq.ft. 400 units		-	6.5%	2020+
Concorde Corporate Centre	Apartment	GTA, ON	500,000 sq.ft. 500 units		-	6.5%	2020+
TOTAL			1,512,200 sq.ft.				

Future Development Pipeline



Project Name	Asset Class	Location	Estimated GLA (Artis' share)
Linden Ridge Shopping Centre III	Retail	Winnipeg, MB	30,000 sq. ft.
Stampede Station Apartments	Apartments	Calgary, AB	315,000 sq. ft.
Park Lucero Phase IV	Industrial	Phoenix, AZ	95,000 sq. ft.
Park 8Ninety future phases	Industrial	Houston, TX	1,358,000 sq. ft.
Corridor Park	Office	Houston, TX	1,458,000 sq. ft.
801 Carlson Parkway	Office	Minneapolis, MN	335,000 sq. ft.
Inverness Drive Phase II	Office	Denver, CO	120,000 sq. ft.
Inverness Drive Phase III	Retail	Denver, CO	20,000 sq. ft.
Aspen Land (Artis has an option to purchase this land)	Office	Madison, WI	130,000 sq. ft.
Greenway Land	Office	Madison, WI	120,000 sq. ft.
Heartland Trail Land	Office	Madison, WI	165,000 sq. ft.
Total			4,146,000 sq. ft.

Targeted weighted-average unlevered yield of 7.30 %

Value Creation from Developments



- 5 Million square feet
- Multi-Family and Industrial

(in millions of dollars, except Projected Value Creation/Cost and Projected Value Creation/Unit)	2017	2018	2019 ⁽¹⁾	2020+	Total
Artis' Share of Total Budgeted Costs of Projects Delivered	\$100.5	\$50.3	\$178.1	\$1,559.0	\$1,887.9
Estimated Artis' Share of Combined NOI upon Stabilization	\$7.0	\$3.7	\$11.2	\$113.9	\$135.8
Estimated Value upon Completion (5.75% capitalization rate for commercial properties, 4.00% for apartments)	\$121.8	\$64.1	\$334.7	\$1,933.3	\$2,453.9
Artis' Share of Total Development Budget	\$100.5	\$50.3	\$178.1	\$1,559.0	\$1,887.9
Projected Value Creation	\$21.3	\$13.9	\$156.6	\$374.2	\$566.0
Projected Value Creation/Cost	21%	28%	88%	24%	30%
Projected Value Creation/Unit	\$0.14	\$0.09	\$1.04	\$2.49	\$3.77

⁽¹⁾ Value creation includes entitlements achieved at 415 Yonge and Concorde Place

Upcoming Development Projects



300 Main Street, Winnipeg, MB



415 Yonge Street, Toronto, ON



Market and Analyst Information



Information as of December 2017:

Unit price: \$14.20
Distribution per unit: \$1.08
Yield: 7.6%
Market cap: \$2.2B

Analyst Consensus Information ⁽¹⁾

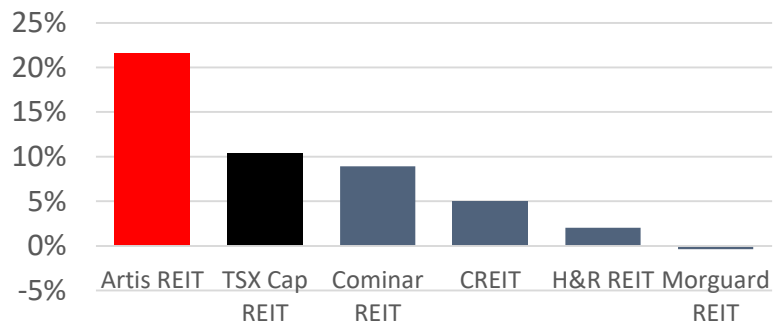
Target price: \$14.10
Net Asset Value: \$14.20
Implied cap rate: 6.7%

	2017			2018	
Actual	AFFO	FFO	Consensus	AFFO	FFO
Per Unit	\$1.04	\$1.43		\$1.07	\$1.41
Pay-Out Ratio	103.8%	75.5%		100.6%	76.4%
Unit Price Multiple	12.8x	9.8x		12.8x	9.7x
Yield	7.8%	10.2%		7.6%	10.1%

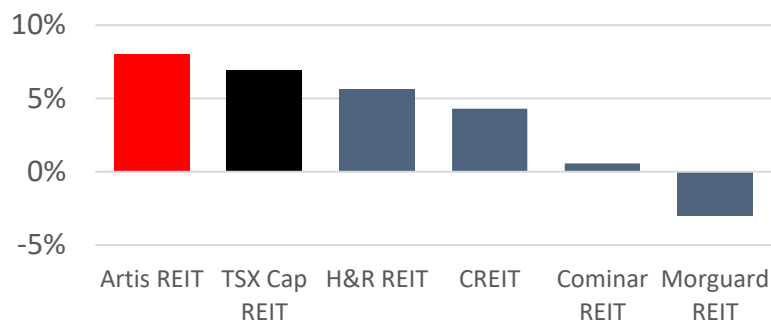
⁽¹⁾ Consensus analyst projections from most recent research reports (Q4-17). Artis does not endorse analyst projections. The above information represents the views of the particular analyst and not necessarily those of Artis. An investor should review the entire report of the analyst prior to making any investment decisions.

Artis Peer Comparisons at December 29, 2017

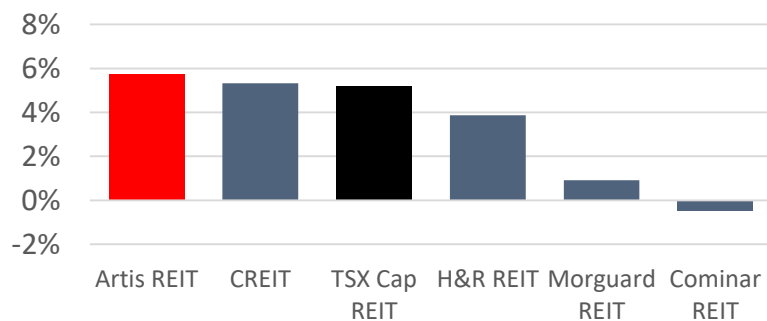
Annualized Total Unit Return
Comparison 1 Year



Annualized Total Unit Return
Comparison 3 Year



Annualized Total Unit Return
Comparison 5 Year



Guideposts for 2018 and Beyond



- Accretive recycling of capital (\$300-\$400 million annual target) into:
 - New acquisitions
 - New development projects
- Improve calibre and diversification of portfolio
- Accretive refinancing of Debt & Preferred Equity Units
- Balance sheet considerations
 - Maintain Debt/EBITDA below 8.5x
 - Maintain EBITDA interest coverage ratio above 3.0x
 - Maintain or improve current DBRS BBB- rating
- Reduce Alberta weighting to under 20% of Property NOI, and Calgary office to under 6%, in a disciplined manner to maximize Unit value

Why Invest in Artis?



1

Highest
Yielding
Investment
Grade REIT

- 7.6% distribution yield
- Investment-grade rating – BBB (low)
- 270 bps distribution yield spread and 165 bps AFFO yield spread to average investment-grade peers
- 6.8% implied cap rate
- Strong balance sheet
- Stable, predictable cash flows

2

Diversified
Platform by
Geography &
Asset Class

- Highly diversified platform
 - 2 countries, 3 asset classes
- 235 properties
- \$5.4 billion GBV
- \$2.2 billion market cap

3

Unlocking
Value
Through
Development

- ~\$570 million projected value creation (~\$3.80 per unit)
- Industrial, Office and Apartment developments
- 7.3% targeted unlevered yield

4

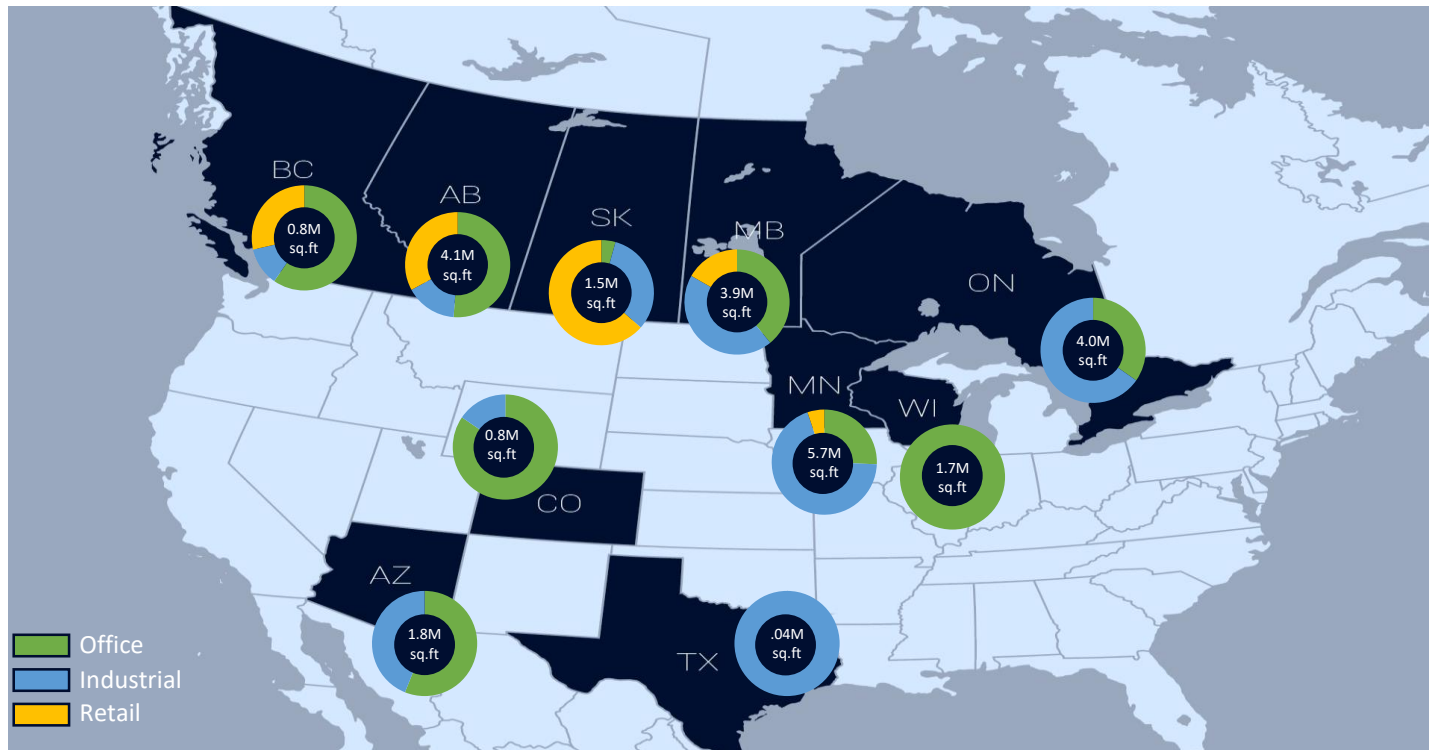
Additional
Growth
Levers

- Accretive recycling of capital
 - ~\$350 million recycling target
- 20 Alberta properties sold at a premium to IFRS value and recycled at 150 bps spread in 2016 & 2017
- Accretive refinancing of existing debt
- Significant upside upon a recovery in Alberta
 - Alberta expected to have highest GDP growth in Canada in 2017 and 2018



Portfolio Overview

Diversified Commercial Properties



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