FOR IMMEDIATE RELEASE **MAY 10, 2018**

ARTIS REAL ESTATE INVESTMENT TRUST RELEASES FIRST QUARTER RESULTS

Today Artis Real Estate Investment Trust ("Artis" or the "REIT") issued its financial results and achievements for the three months ended March 31, 2018. All amounts are in thousands of Canadian dollars unless otherwise noted. Information in this press release should be read in conjunction with the REIT's consolidated financial statements and MD&A for the period ended March 31, 2018.

"Artis continues to diversify its portfolio and improve its balance sheet by selling properties at prices that equate to a NAV significantly higher than our current unit price," said Armin Martens, President and Chief Executive Officer of the REIT. "Artis' management continues to manage its portfolio in a patient and disciplined manner, so as to maximize unitholder value."

FIRST QUARTER HIGHLIGHTS

- Raised $125.0 million of equity pursuant to the offering of 5,000,000 Series I preferred units at a price of $25.00 per unit, yielding 6.00% per annum.

- Issued Series B floating rate senior unsecured debentures for gross proceeds of $200.0 million, bearing interest at the three month CDOR plus 107 basis points.

- Completed the redemption of the outstanding Series C preferred units for US$75.0 million.

- Disposed of one office property in the Greater Phoenix Area, Arizona and one industrial property in Winnipeg, Manitoba for sale prices of US$19.1 million and $1.9 million, respectively. The net IFRS gain on these properties in mixed dollars was $0.9 million.

- Acquired the remaining 50% of two office properties in the Greater Denver Area, Colorado, for their IFRS value at December 31, 2017 of US$70.0 million, which was settled by the assumption of the existing mortgage financing and the issuance of 3,185,152 units through a private placement at $14.85 per unit.

- Acquired 52.5 acres of land for the multi-phase development of approximately one million square feet of industrial real estate in Houston (Bayport), Texas, for US$8.8 million. Phase I is expected to total 520,000 square feet and is 100% leased for a 12.5-year term. Construction of Phase I will commence in Q2-18.

- Stabilized Same Property NOI in Canadian dollars increased 1.0% for the quarter ended March 31, 2018. Same Property NOI for the total portfolio in Canadian dollars, including the Calgary office segment and properties planned for disposition and re-purposing, decreased 1.6% for the quarter ended March 31, 2018.

- Weighted-average rental rate on renewals that commenced during the quarter ended March 31, 2018, increased 2.7%, excluding the Calgary office segment, and increased 1.1% including the Calgary office segment.

- Reported a Proportionate Share normalized EBITDA interest coverage ratio of 3.26 for the quarter ended March 31, 2018, compared to 3.20 for the quarter ended March 31, 2017.

- Decreased Proportionate Share total debt to GBV to 48.9% at March 31, 2018, compared to 49.3% at December 31, 2017, and reported Proportionate Share total debt to normalized EBITDA of 8.5 at March 31, 2018, compared to 8.4 at December 31, 2017.

- Increased NAV per unit to $15.03 at March 31, 2018, from $14.86 at December 31, 2017.

- Reported normalized FFO per unit of $0.33 for the quarter ended March 31, 2018, compared to $0.36 for the quarter ended March 31, 2017. The change was primarily due to the disposition of properties and an increase in preferred distributions related to the Series I preferring unit offering, partially offset by the repayment of debt to improve Artis' overall liquidity.

- Decreased the Proportionate Share unhedged variable rate mortgage debt to total debt to 16.4% at March 31, 2018, compared to 17.1% at December 31, 2017.

SELECTED FINANCIAL INFORMATION

	Three months ended March 31,		
$000's, except per unit amounts	**2018**	**2017**	**% Change**
Revenue	$ 125,769	$ 133,557	(5.8)%
Property NOI	74,965	80,278	(6.6)%
Net income	50,722	77,016	(34.1)%
Distributions per common unit	0.27	0.27	— %
FFO	$ 42,347	$ 54,853	(22.8)%
FFO per unit	0.28	0.36	(22.2)%
Normalized FFO (1)	50,764	54,853	(7.5)%
Normalized FFO per unit (1)	0.33	0.36	(8.3)%
Normalized FFO payout ratio (1)	81.8%	75.0%	6.8 %
AFFO	$ 29,580	$ 40,750	(27.4)%
AFFO per unit	0.19	0.27	(29.6)%
Normalized AFFO (1)	37,997	40,750	(6.8)%
Normalized AFFO per unit (1)	0.25	0.27	(7.4)%
Normalized AFFO payout ratio (1)	108.0%	100.0%	8.0 %

(1) Calculated after excluding a non-recurring pension liability adjustment and non-recurring property management termination fees.

LIQUIDITY AND LEVERAGE

$000's, except per unit amounts	**March 31, 2018**	**December 31, 2017**
Fair value of investment properties	$ 5,145,988	$ 4,910,251
Cash	41,145	35,832
Available on revolving term credit facilities	245,200	61,617
Proportionate Share fair value of unencumbered properties	1,729,678	1,687,754
NAV per unit	15.03	14.86
Proportionate Share secured mortgage and loans to GBV	31.7 %	31.9 %
Proportionate Share total long-term debt and credit facilities to GBV	48.9 %	49.3 %
Proportionate Share total long-term debt and credit facilities to normalized EBITDA	8.5	8.4
Unencumbered assets to unsecured debt	1.8	1.8
Proportionate Share normalized EBITDA interest coverage ratio	3.26	3.23
Weighted-average effective interest rate on Proportionate Share mortgages and other loans	4.03 %	3.96 %
Weighted-average term to maturity on Proportionate Share mortgages and other loans (in years)	3.5	3.6
Unhedged Proportionate Share variable rate mortgage debt as a percentage of total debt	16.4 %	17.1 %

PORTFOLIO ACTIVITY

On March 7, 2018, the REIT acquired the remaining 50% interest in each of 1700 Broadway and Hudson's Bay Centre, office properties located in the Greater Denver Area, Colorado. The aggregate purchase price was US$70.0 million (Artis' IFRS value at December 31, 2017) and was satisfied through the assumption of the existing mortgages and the issuance of the REIT's common units.

On March 26, 2018, the REIT also acquired two parcels of industrial development land in Houston (Bayport), Texas, for US$8.8 million.

During Q1-18, Artis completed the disposition of the following properties:

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Sale price
Humana Building	1	Greater Phoenix Area, AZ	January 23, 2018	Office	106,418	$ US19,067
1810 Dublin Avenue	1	Winnipeg, MB	March 22, 2018	Industrial	21,840	1,850

During Q1-18, Artis repaid US$8.6 million of mortgage debt related to the disposition of the Humana Building.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2018, Artis had $41.1 million of cash on hand and $245.2 million available on its revolving term credit facilities. Liquidity and capital resources will be impacted by financing activity, portfolio acquisition and disposition activities and debt repayments occurring subsequent to March 31, 2018.

NEW DEVELOPMENT ACTIVITY

Artis has numerous development projects in process. The table below lists the ongoing projects and completion progress. Additional information pertaining to each project can be found in the Q1-18 Management's Discussion and Analysis.

Property	Location	Asset class	Approximate GLA (Artis' share)	% Completed
Millwright Building	Minneapolis, MN	Office	139,200	100.0%
Park 8Ninety Phase I	Houston, TX	Industrial	418,000	100.0%
169 Inverness Drive West Phase I	Greater Denver Area, CO	Office	118,000	100.0%
Park Lucero Phase IV	Greater Phoenix Area, AZ	Industrial	95,000	16.0%
300 Main	Winnipeg, MB	Residential/ Commercial	580,000	—%
330 Main	Winnipeg, MB	Retail	27,000	—%

NEW DEVELOPMENT INITIATIVES

Artis has an extensive development pipeline, which consists of projects that are in the early planning stages to be developed over the next several years and projects that are being considered for future development. These development projects are designed to create value for unitholders while improving the overall quality of Artis' portfolio. Artis' pipeline consists of 13 development projects, including both commercial and multi-family assets, totalling up to approximately 6 million square feet of gross leasable area.

Projects that are in the early planning stages include a retail development opportunity in Winnipeg, Manitoba, two mixed-use commercial/apartment densification projects in the Greater Toronto Area, Ontario, a mixed-use commercial/apartment project in Calgary, Alberta, as well as several new industrial developments in the United States.

Additional information pertaining to these projects and Artis' future development initiatives can be found in the Q1-18 Management's Discussion and Analysis.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at March 31, 2018, was 90.6% (93.1% including commitments on vacant space) compared to 91.1% at March 31, 2017, excluding properties held for redevelopment and new development projects.

	Q1-18	Q4-17	Q3-17	Q2-17	Q1-17
Property NOI	$ 74,965	$ 74,942	$ 77,304	$ 78,700	$ 80,278
Property NOI change (1)	— %	(3.1)%	(1.8)%	(2.0)%	(3.4)%
Same Property NOI change (2)	(1.6)%	(0.3)%	0.5 %	0.4 %	(1.6)%
Weighted-average rental rate increase on renewals reported in the period	1.1 %	1.6 %	0.6 %	0.8 %	6.6 %

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

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

Artis' portfolio has a stable lease expiry profile with 44.0% of gross leasable area expiring in 2022 or later and 32.2% of the 2018 expiries already renewed or committed to new leases at March 31, 2018. Weighted-average in-place rents for the entire portfolio are $13.49 per square foot and are estimated to be 0.6% below market rents. Information about Artis' lease expiry profile is as follows:

	2018	2019	2020	2021	2022 & later
Expiring square footage	9.3 %	12.1 %	11.8 %	12.8 %	44.0%
Committed percentage	32.2 %	5.2 %	3.9 %	2.3 %	1.9%
In-place rents	$ 13.79	$ 14.19	$ 14.01	$ 12.95	$ 13.25
Comparison of in-place to market rents	(6.0)%	(2.5)%	0.2 %	(0.2)%	3.3%
Comparison of in-place to market rents excluding Calgary office segment	*1.3 %*	*2.2 %*	*(0.1)%*	*0.3 %*	*1.5%*

Artis' Calgary office segment represents 9.7% of Q1-18 Proportionate Share Property NOI and 8.2% of the overall portfolio by GLA. In 2018, Calgary office expiries represent 0.8% of Artis' total GLA. Of this expiring square footage, 12.4% has been renewed or committed to new leases. In 2019, Calgary office expiries represent 0.6% of Artis' total GLA.

	2018	2019	2020	2021	2022 & later
Calgary office expiring square footage as a % of total GLA	0.8%	0.6%	0.2%	1.5%	2.7%

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, May 11, 2018, 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-calls/. 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, May 11, 2018, a replay of the conference call will be available by dialing 1.416.764.8677 or 1.888.390.0541 and entering passcode 934179#. The replay will be available until Monday, June 11, 2018. 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 March 31, 2018, Artis' commercial property comprises approximately 25.1 million square feet of leasable area.

During the three months ended March 31, 2018, Property Net Operating Income ("Property NOI") by asset class, was approximately 53.4% office, 20.7% retail and 25.9% industrial. Property NOI by geographical region, was approximately 4.1% in British Columbia, 23.1% in Alberta, 6.3% in Saskatchewan, 13.5% in Manitoba, 11.9% in Ontario, 8.4% in Arizona, 18.2% in Minnesota, 8.9% in Wisconsin and 5.6% in U.S. - Other.

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 non-GAAP 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.

Proportionate Share

The REIT has properties held in its investments in joint ventures, which are accounted for using the equity method in its consolidated financial statements in accordance with IFRS. Amounts presented on a Proportionate Share basis include Artis' interest in properties held in its joint ventures based on its percentage of ownership in these properties in addition to the amounts per its consolidated financial statements. Management is of the view that presentation on a Proportionate Share basis is representative of how Artis manages its properties as well as certain operating and financial metrics. Unless otherwise noted, comparative period amounts have been updated to reflect the current period's presentation.

Property Net Operating Income

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 including Property NOI for investment properties that were owned for a full quarterly reporting period in both the current and comparative year, and excludes properties held for (re)development. Adjustments are made to this 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 due to changes in occupancy, rental rates and the recovery of property operating expenses and realty taxes.

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 February 2017. Management considers FFO to be a valuable recurring earnings measure for evaluating the REIT's operating performance as it adjusts net income for gains or losses that are not recurring in nature such as fair value gains or losses on investment properties.

Adjusted Funds from Operations ("AFFO")

Artis calculates AFFO substantially in accordance with the guidelines set out by REALpac, as issued in February 2017. Management considers AFFO to be a valuable recurring earnings measure for evaluating the REIT's operating performance.

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

Artis calculates EBITDA as net income, adjusted for interest expense, transaction costs, income taxes and 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.

Net Asset Value ("NAV") per Unit

Artis calculates NAV per unit as its unitholders' equity, adjusted for the outstanding face value in Canadian dollars of its preferred units, divided by its total number of dilutive units outstanding. Management considers this metric to be a valuable measure of the REIT's residual equity available to its common unitholders.

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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