FOR IMMEDIATE RELEASE MAY 9, 2019

ARTIS REAL ESTATE INVESTMENT TRUST RELEASES FIRST QUARTER RESULTS, PROVIDES UPDATE ON NEW INITIATIVES AND ANNOUNCES FORMATION OF SPECIAL COMMITTEE

Today Artis Real Estate Investment Trust (“Artis” or the "REIT") issued its financial results and achievements for the three months ended March 31, 2019, provided an update on its new initiatives announced on November 1, 2018, (the "New Initiatives") and announced the formation of a Special Committee (the "Special Committee"). The first quarter results in this press release should be read in conjunction with the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the period ended March 31, 2019. All amounts are in thousands of Canadian dollars unless otherwise noted.

FIRST QUARTER HIGHLIGHTS

- Utilized the normal course issuer bid ("NCIB") to purchase 5,605,812 common units and 95,900 preferred units at weighted-average prices of $10.57 and $20.90, respectively, for the quarter ended March 31, 2019.

- At March 31, 2019, Artis had one office property in Calgary, Alberta and two office properties in the Greater Denver Area, Colorado, under unconditional sale agreements. The aggregate sale prices of these dispositions are $10.7 million and US$105.0 million.

- Increased normalized FFO per unit to $0.34 for the quarter ended March 31, 2019, compared to $0.33 for the quarter ended March 31, 2018. Reported normalized AFFO per unit of $0.25 for the quarter ended March 31, 2019, unchanged from the quarter ended March 31, 2018.

- Stabilized Same Property NOI (which excludes properties planned for disposition and the Calgary office segment) in Canadian dollars increased 5.7% for the quarter ended March 31, 2019. Same Property NOI for the total portfolio increased 5.1% in Canadian dollars or increased 2.9% in functional currency for the quarter ended March 31, 2019.

- Reported NAV per unit of $15.55 at March 31, 2019, unchanged from December 31, 2018.

- Increased unencumbered assets, inclusive of properties held in joint venture arrangements, to $1.9 billion, compared to $1.8 billion at December 31, 2018.

- Reported portfolio occupancy of 92.0% (94.1% including commitments) at March 31, 2019, compared to 92.1% at December 31, 2018.

- Reduced the Calgary office segment to 6.1% of total Proportionate Share Property NOI for the quarter ended March 31, 2019, compared to 9.7% (7.8% excluding lease termination income) for the quarter ended March 31, 2018.

- Reported a Proportionate Share normalized EBITDA interest coverage ratio of 2.96 for the quarter ended March 31, 2019, compared to 3.26 for the quarter ended March 31, 2018.

- Reported Proportionate Share total long-term debt and credit facilities to GBV of 51.7% at March 31, 2019, compared to 50.6% at December 31, 2018, and reported Proportionate Share total debt and credit facilities to normalized EBITDA of 9.2 at March 31, 2019, compared to 9.0 at December 31, 2018.

- Capital expenditures for investment properties under development were $49.6 million for the quarter ended March 31, 2019, compared to $5.8 million for the quarter ended March 31, 2018. The expenditures during the quarter ended March 31, 2019 primarily related to Park 8Ninety II, 300 Main and 330 Main, Cedar Port I and Tower Business Center.

- Issued two-year Series C fixed rate senior unsecured debentures for gross proceeds of $250.0 million, bearing interest at 3.674%.

- Repaid the outstanding Series A senior unsecured debentures upon maturity in the amount of $200.0 million.

SELECTED FINANCIAL INFORMATION

$000's, except per unit amounts	Three months ended March 31, 2019	2018	% Change
Revenue	$ 133,547	$ 125,769	6.2 %
Property NOI	78,478	74,965	4.7 %
Net income	25,356	50,722	(50.0)%
Total comprehensive (loss) income	(4,508)	85,232	(105.3)%
Distributions per common unit	0.14	0.27	(48.1)%
FFO (1)	$ 50,284	$ 42,347	18.7 %
FFO per unit (1)	0.34	0.28	21.4 %
Normalized FFO (1) (2)	50,284	50,764	(0.9)%
Normalized FFO per unit (1) (2)	0.34	0.33	3.0 %
Normalized FFO payout ratio (1) (2)	41.2%	81.8%	(40.6)%
AFFO (1)	$ 37,607	$ 29,580	27.1 %
AFFO per unit (1)	0.25	0.19	31.6 %
Normalized AFFO (1) (2)	37,607	37,997	(1.0)%
Normalized AFFO per unit (1) (2)	0.25	0.25	0.0 %
Normalized AFFO payout ratio (1) (2)	56.0%	108.0%	(52.0)%

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures.

(2) Calculated after excluding a non-recurring pension liability adjustment and non-recurring property management termination fees in Q1-18.

LIQUIDITY AND LEVERAGE

$000's, except per unit amounts	March 31, 2019	December 31, 2018
Fair value of investment properties	$ 5,357,001	$ 5,381,894
Cash	51,168	66,143
Available on revolving term credit facilities	190,825	225,293
Proportionate Share fair value of unencumbered assets	1,910,221	1,847,443
NAV per unit	15.55	15.55
Proportionate Share secured mortgage and loans to GBV	30.2 %	30.6 %
Proportionate Share total long-term debt and credit facilities to GBV	51.7 %	50.6 %
Proportionate Share total long-term debt and credit facilities to normalized EBITDA	9.2	9.0
Proportionate Share unencumbered assets to unsecured debt	1.5	1.6
Proportionate Share normalized EBITDA interest coverage ratio	2.96	3.04
Weighted-average effective interest rate on Proportionate Share mortgages and other loans	4.30 %	4.30 %
Weighted-average term to maturity on Proportionate Share mortgages and other loans (in years)	3.1	3.3
Unhedged Proportionate Share variable rate mortgage debt as a percentage of total debt	18.0 %	18.1 %

DISPOSITION ACTIVITY

At March 31, 2019, the following properties were under unconditional sale agreements:

Property	Location	Asset Class	Owned share of GLA (000's of S.F.)	Sale Price
Britannia Building	Calgary, AB	Office	134	$ 10,650
169 Inverness Drive West I & II	Greater Denver Area, CO	Office	119	US 27,000
1700 Broadway	Greater Denver Area, CO	Office	394	US 78,000

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2019, Artis had $51.2 million of cash on hand and $190.8 million available on its revolving term credit facilities. Liquidity and capital resources will be impacted by financing activity, portfolio acquisition and disposition activities, debt repayments and unit purchases under the NCIB occurring subsequent to March 31, 2019.

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 Q1-19 MD&A.

Property	Location	Asset class	Owned share of GLA (000's of S.F.)	% Completed	% Leased [1]
Park Lucero IV	Greater Phoenix Area, AZ	Industrial	96	100.0%	100.0%
Tower Business Center	Greater Denver Area, CO	Industrial	336	85.0%	0.0%
Cedar Port I	Greater Houston Area, TX	Industrial	519	85.0%	100.0%
Park 8Ninety III	Greater Houston Area, TX	Industrial	33	80.0%	100.0%
Park 8Ninety II	Greater Houston Area, TX	Industrial	543	65.0%	40.0%
330 Main	Winnipeg, MB	Retail	27	35.0%	90.0%
300 Main	Winnipeg, MB	Residential/Commercial	580	11.1%	0.0%

(1) Percentage leased is based on occupancy at March 31, 2019, plus commitments on vacant space.

FUTURE DEVELOPMENT PROGRAM

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 four development projects totalling up to approximately 1.5 million square feet of gross leasable area.

Additional information pertaining to these projects and Artis' future development initiatives can be found in the Q1-19 MD&A.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at March 31, 2019, was 92.0% (94.1% including commitments on vacant space) compared to 90.6% at March 31, 2018, excluding properties held for redevelopment and new development projects.

	Q1-19	Q4-18	Q3-18	Q2-18	Q1-18
Property NOI	$ 78,478	$ 77,259	$ 76,211	$ 75,888	$ 74,965
Property NOI change [1]	1.6%	1.4%	0.4%	1.2 %	0.0 %
Same Property NOI change	5.1%	2.7%	3.9%	(0.4)%	(1.6)%
Stabilized Same Property NOI change	5.7%	4.4%	5.1%	1.3 %	1.0 %

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

Artis' portfolio has a stable lease expiry profile with 45.5% of gross leasable area expiring in 2023 or later and 20.1% of the 2019 expiries renewed or committed to new leases at March 31, 2019. Weighted-average in-place rents for the entire portfolio are $13.63 per square foot and are estimated to be 1.0% below market rents. Information about Artis' lease expiry profile is as follows:

	2019	2020	2021	2022	2023 & later
Expiring square footage	11.2 %	11.3%	13.9 %	9.9%	45.5%
Committed percentage	20.1 %	12.2%	2.1 %	3.1%	1.7%
In-place rents	$ 14.19	$ 14.18	$ 13.13	$ 11.46	$ 13.99
Comparison of in-place to market rents	(3.4)%	3.3%	(0.4)%	0.8%	1.8%
Comparison of in-place to market rents excluding Calgary office segment	*1.1 %*	*3.7%*	*0.7 %*	*0.4%*	*0.9%*

UPDATE ON NEW INITIATIVES

In November 2018, Artis announced several new initiatives that are focused on improving our growth profile, strengthening our balance sheet and ensuring the REIT is best positioned for long-term and sustainable AFFO and NAV per unit growth. These initiatives included revising the REIT's distribution, immediately and continually purchasing units under the normal course issuer bid, optimizing our portfolio by narrowing our focus to key assets in fewer markets, and pursuing high-yield, accretive development projects in our target markets that will improve the value and quality of our portfolio.

From November 1, 2018, when Artis announced its intention to purchase units through its NCIB, until May 9, 2019, the REIT has purchased the following:

- 11,646,867 common units at a weighted-average price of $10.36;
- 46,700 Series A preferred units at a weighted-average price of $21.48;
- 50,400 Series E preferred units at a weighted-average price of $20.01; and,
- 44,700 Series G preferred units at a weighted-average price of $21.22.

Artis is committed to maximizing its unit purchases under the NCIB program for the remainder of 2019 to the extent that the REIT's significant discount to NAV persists.

During the period of November 1, 2018, to May 9, 2019, Artis sold its 50% interest in Centrepoint, an office property in Winnipeg, Manitoba, and 169 Inverness Drive West I and II, an office property and excess development land in the Greater Denver Area, Colorado. The sale price of Artis' share of these assets in Canadian dollars was $63.3 million. In addition, Artis has entered into unconditional contracts to sell three properties for an aggregate sale price of $135.4 million and entered into conditional contracts to sell 10 properties and a parcel of development land for $327.9 million. Artis has also listed 16 properties for sale, along with two parcels of development land) with a total IFRS fair value at March 31, 2019, of $398.0 million.

The REIT will continue to provide updates on the New Initiatives as progress is made.

SPECIAL COMMITTEE

The REIT's Board of Trustees (the "Board") is committed to maximizing unitholder value and reiterated its confidence in and dedication to the implementation of the New Initiatives.

The Board has formed a Special Committee of Independent Trustees to review and evaluate additional strategic alternatives that may arise.

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, May 10, 2019, 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 www.artisreit.com/investor-link/conference-calls/ during or after the conference call and webcast. 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 10, 2019, a replay of the conference call will be available by dialing 1.416.764.8677 or 1.888.390.0541 and entering passcode 266431#. The replay will be available until Monday, June 10, 2019. 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, 2019, Artis' commercial property comprises approximately 25.1 million square feet of leasable area.

During the three months ended March 31, 2019, Proportionate Share Property NOI by asset class, was approximately 52.8% office, 20.4% retail and 26.8% industrial. Proportionate Share Property NOI by geographical region, was approximately 3.3% in British Columbia, 19.3% in Alberta, 6.3% in Saskatchewan, 13.2% in Manitoba, 11.6% in Ontario, 11.1% in Arizona, 19.7% in Minnesota, 8.5% in Wisconsin and 7.0% in U.S. - Other.

NOTICE WITH RESPECT TO NON-GAAP MEASURES

In addition to reported IFRS measures, the following non-GAAP measures are 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. Artis applies IFRS, which is the section of GAAP applicable to publicly accountable enterprises. 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 operations 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 meaningful for investors as it is representative of how Artis manages its properties as well as certain operating and financial metrics. Artis does not independently control its unconsolidated joint ventures, and the presentation of pro-rata assets, liabilities, revenue and expenses may not accurately depict the legal and economic implications of the REIT's interest in its joint ventures.

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

Artis calculated 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.

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 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 and properties that are unconditionally sold. 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 in accordance with the guidelines set out by the Real Property Association of Canada ("REALpac"), as issued in February 2019. 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 in accordance with the guidelines set out by REALpac, as issued in February 2019. Management considers AFFO to be a valuable recurring earnings measure for evaluating the REIT's operating performance.

FFO and AFFO Payout Ratios

Artis calculates FFO and AFFO payout ratios by dividing the distributions per common unit by diluted FFO per unit and diluted AFFO per unit, respectively, over the same period. Management uses the FFO and AFFO payout ratios to measure the REIT's ability to pay distributions.

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 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, including the implementation of Artis’ new initiatives, 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 related to risks related to the implementation of Artis' new initiatives, risks associated with real property ownership, debt financing, foreign currency, credit and tenant concentration, lease rollover, availability of cash flow, general uninsured losses, future property acquisitions and dispositions, environmental matters, tax related matters, changes in legislation and changes in the tax treatment of trusts, cyber security, new or (re) developments, unitholder liability, potential conflicts of interest, potential dilution and reliance on key personnel. 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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