



Artis Real Estate Investment Trust Investor Presentation Q2-2018



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 June 30, 2018.

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.

Information in this presentation should be read in conjunction with Artis’ applicable consolidated financial statements and management’s discussion and analysis. 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 August 3, 2017, November 6, 2017, May 10, 2018 and August 2, 2018, our 2017 annual earnings press release dated March 1, 2018, and our audited annual consolidated financial statements for the years ended December 31, 2017 and 2016 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

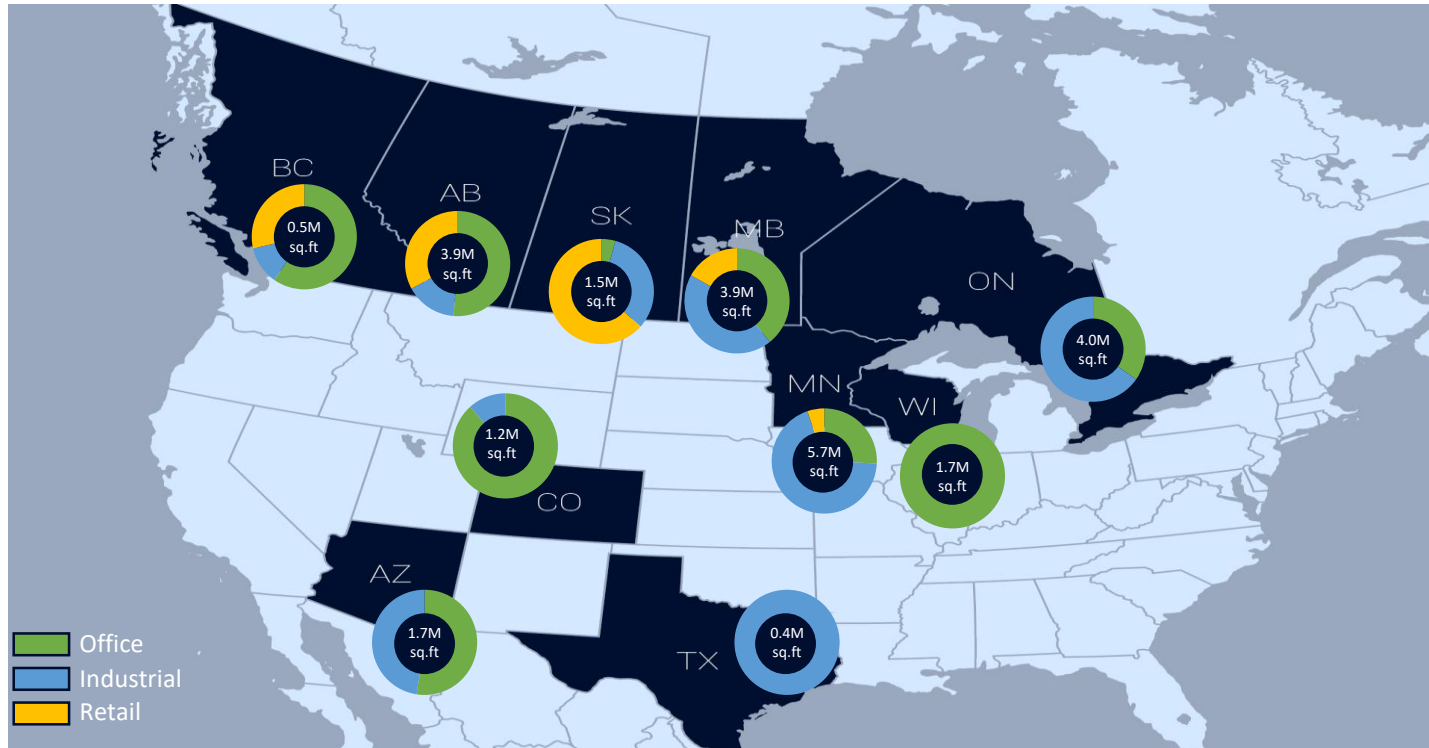
03

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



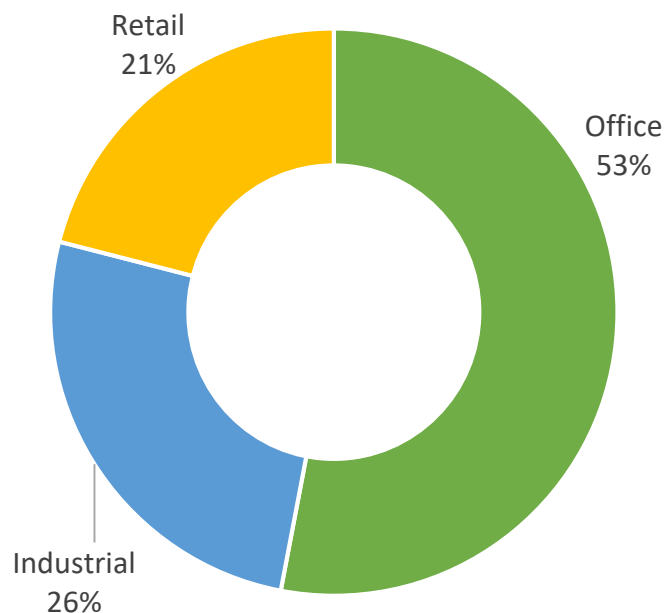
2 countries – 3 asset classes – 10 major markets
233 properties – 24.5 million square feet – \$5.7B GBV – 94% occupancy
Excellent Management Platform

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.

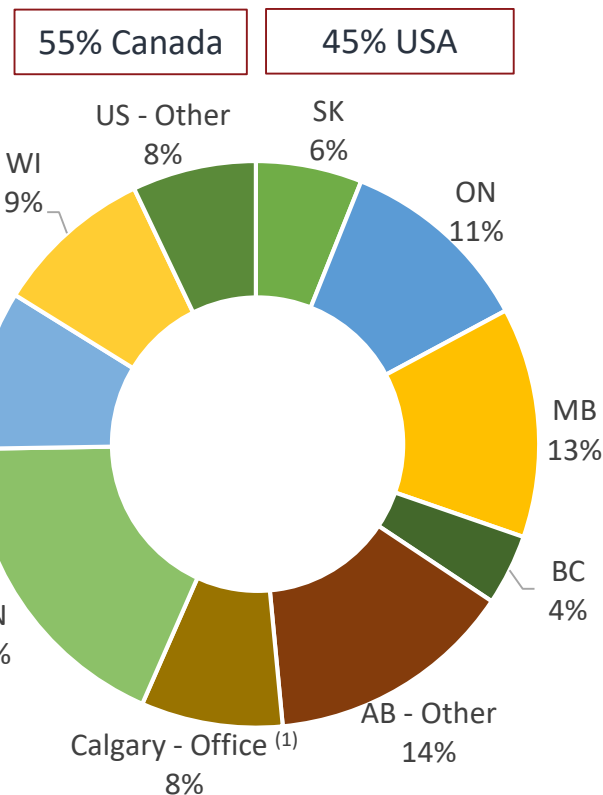
Portfolio Diversification



NOI by Asset Class



NOI by Geographical Region



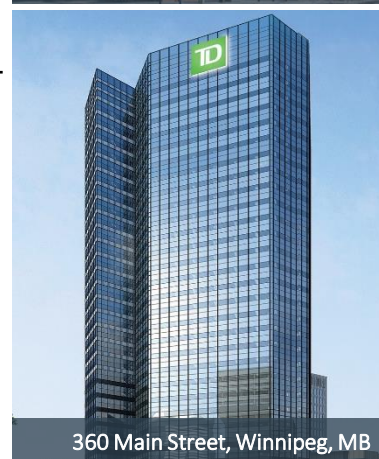
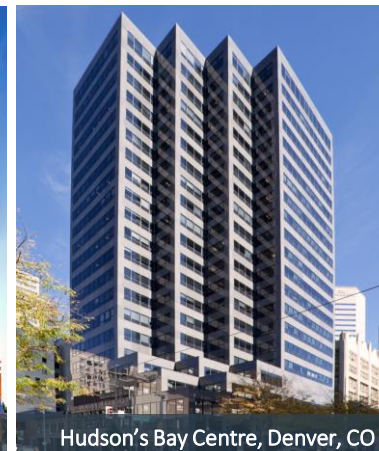
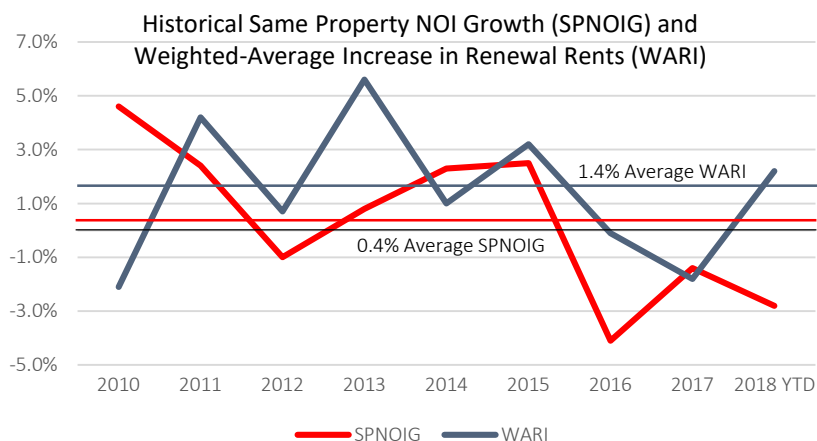
Property NOI for three months ended June 30, 2018, inclusive of Artis' proportionate share of joint venture arrangements

⁽¹⁾ Calgary office Property NOI was impacted by lease termination income received from a tenant in Q2-18. Calgary office Property NOI adjusted to exclude lease termination income is 7.3% for Q2-18

Office Asset Class



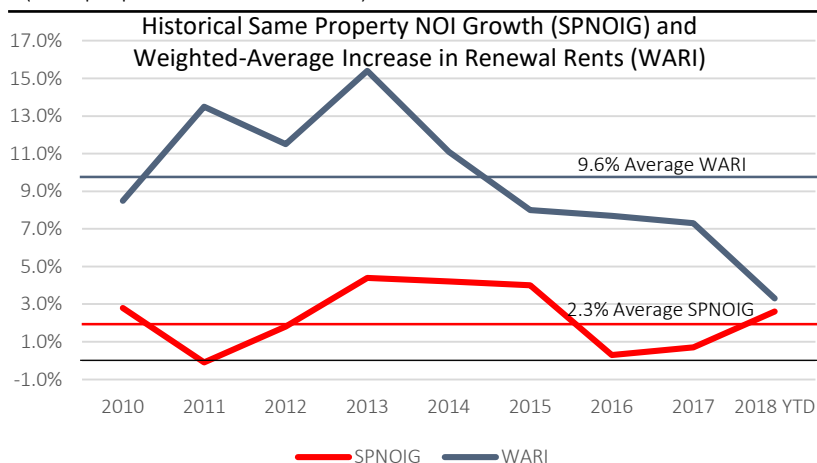
Number of Properties	70
GLA	10.3 million sq. ft.
Occupancy	89%
Diversification	Nine major markets in Canada and the US
IFRS GBV / IFRS Weighted-Average Cap Rate	\$3.0 billion / 6.6%
Same Property NOI Growth YTD	-2.8%
Weighted-Average Renewal Rent Increase YTD	+2.2%
Property NOI 2017 Annualized (on a proportionate share basis)	\$168.8 million



Retail Asset Class



Number of Properties	54
GLA	3.4 million sq. ft.
Occupancy	94%
Diversification	Five major markets in Canada and the US
IFRS GBV / IFRS Weighted-Average Cap Rate	\$1.1 billion / 6.4%
Same Property NOI Growth YTD	+2.6%
Weighted-Average Renewal Rent Increase YTD	+3.3%
Property NOI 2017 Annualized (on a proportionate share basis)	\$66.0 million



Aulds Corner, Nanaimo, BC



Reenders Square, Winnipeg, MB



Shoppers Landmark Centre, Regina, SK

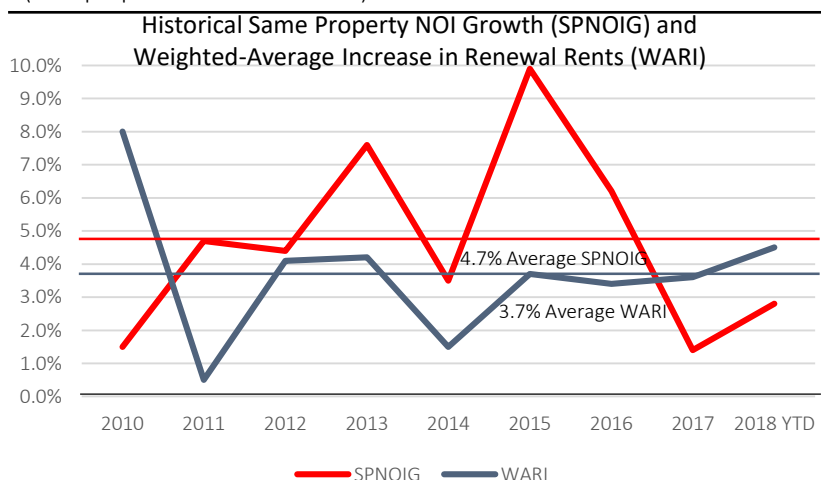


Crowfoot Village, Calgary, AB

Industrial Asset Class



Number of Properties	109
GLA	10.8 million sq. ft.
Occupancy	97%
Diversification	Nine major markets in Canada and the US
IFRS GBV / IFRS Weighted-Average Cap Rate	\$1.4 billion / 6.2%
Same Property NOI Growth YTD	+2.8%
Weighted-Average Renewal Rent Increase YTD	+4.5%
Property NOI 2017 Annualized (on a proportionate share basis)	\$76.3 million



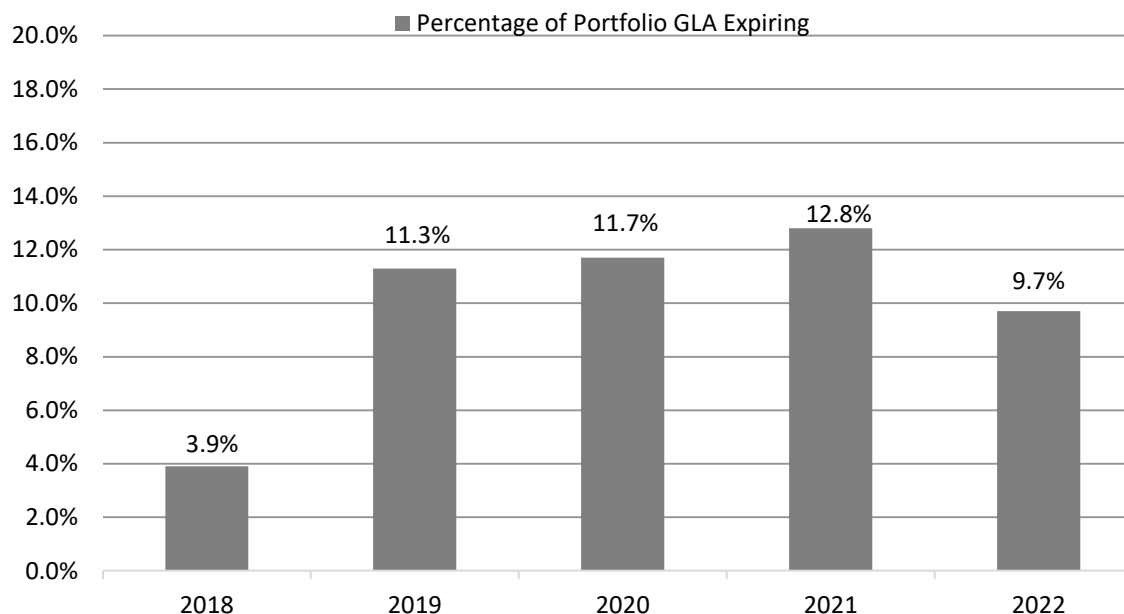
The Sum of All Parts



	Share of Property NOI	Number of Properties	GLA	Occupancy	Same Property NOI Growth YTD	Weighted- Average Increase in Renewal Rents YTD	IFRS Weighted- Average Cap Rate	IFRS GBV
Office	53%	70	10.3 million sq. ft.	89%	-2.8%	2.2%	6.6%	\$3.0B
Retail	21%	54	3.4 million sq. ft.	94%	2.6%	3.3%	6.4%	\$1.1B
Industrial	26%	109	10.8 million sq. ft.	97%	2.8%	4.5%	6.2%	\$1.4B
Other								\$0.2B
TOTAL	100%	233	24.5 million sq. ft.	94%	-0.4%	2.9%	6.4%	\$5.7B

NAV: \$15.30 per unit

Lease Expiration Schedule



Weighted-average rental increase on renewals YTD:

3.2% excluding Artis' Calgary office properties (2.9% including Calgary office properties)

Same Property NOI Growth YTD:

Stabilized Same Property NOI in Canadian dollars increased 1.2% (or decreased 1.0% including the Calgary office segment and properties planned for disposition and re-purposing).

2018 Renewal Program:

43% of remaining 2018 expiries have been renewed or committed to new leases

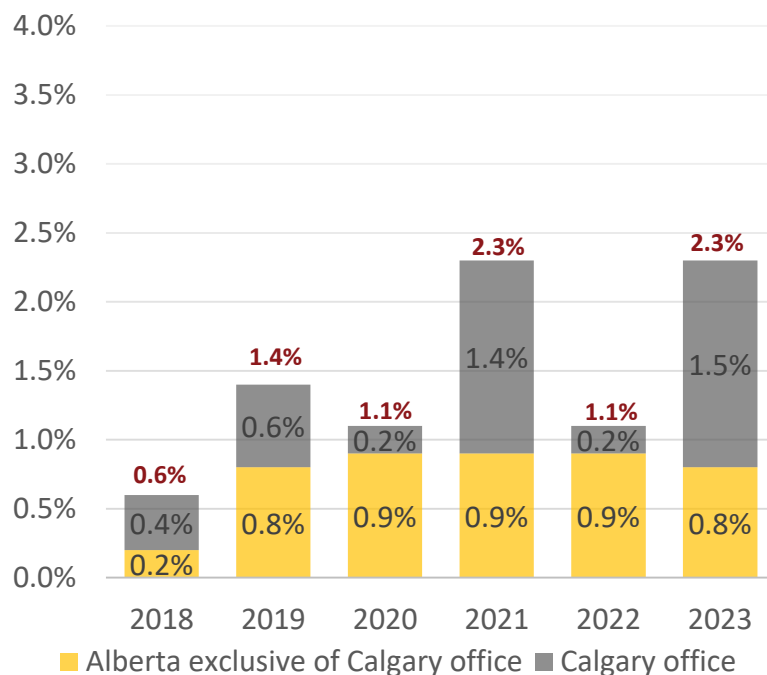
The chart above reflects the percentage of Artis' total GLA expiring (excluding properties held for redevelopment, certain completed new developments and new developments in process) exclusive of GLA that has been renewed or committed to new leases at June 30, 2018.

Artis' Investment in Alberta

8% Office
14% Industrial & Retail

Alberta Expiry Schedule

% of Total GLA expiring per year



The chart above reflects the percentage of Artis' Alberta and Calgary office GLA expiring (excluding properties held for redevelopment, certain completed new developments and new developments in process) exclusive of GLA that has been renewed or committed to new leases at June 30, 2018.



Alberta Outlook Improving

- Alberta to lead Canada in GDP growth during 2018
- Enbridge Line 3 underway (completion 2019)
- Trans-Mountain pipeline approved (completion 2020)
- Keystone XL pipeline approved (completion 2021)
- OPEC deal sustained
- Capital spending significantly increasing in Alberta
- Job growth increasing
- Artis' Alberta retail and industrial properties achieving positive same property NOI growth

Leverage Profile

DBRS: BBB- Credit Rating



Healthy Balance Sheet and Liquidity

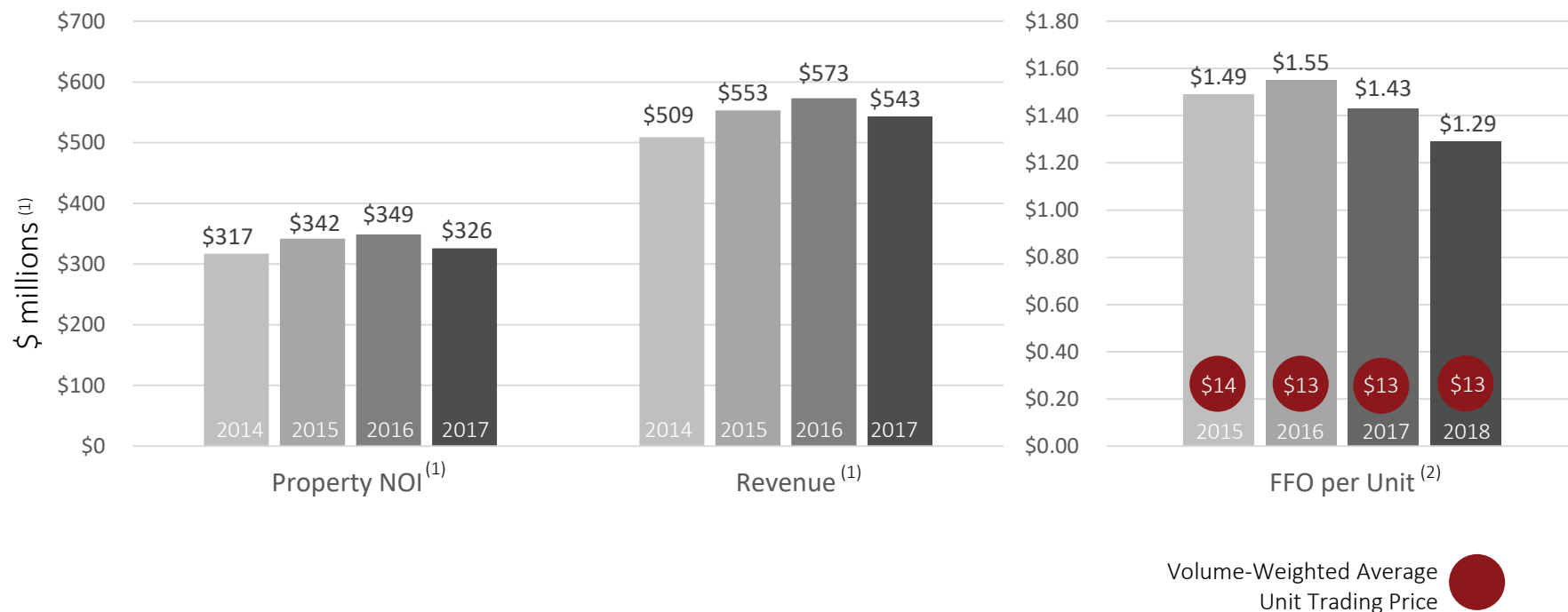
Fiscal quarter ending:	June 30, 2017	December 31, 2017	June 30, 2018	DBRS Recommended Threshold
Debt: GBV	50.4%	49.3%	49.0%	≤ 53.0%
Secured mortgages and loans: GBV	38.9%	31.9%	31.7%	N/A
Unencumbered assets	\$1.1 billion	\$1.7 billion	\$1.6 billion	N/A
Normalized EBITDA interest coverage	3.30	3.23	3.02	≥ 2.25
Normalized Net Debt: EBITDA ⁽¹⁾	8.33	8.30	8.25	≤ 9.25

Cash and cash equivalents at June 30, 2018: **\$168.1 million**

Availability on unsecured credit facilities: **\$220.8 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. 2018 FFO represents consensus analyst projections from most recent research reports (Q2-18). 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

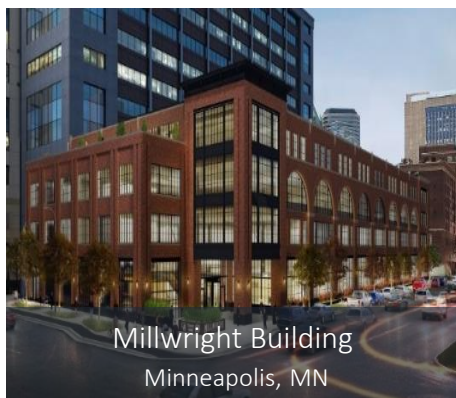


Property	Location	Asset Class	Completion Year	GLA (Artis' share)	Unlevered Yield	Occupancy at June 30, 2018
North City Centre	Edmonton, AB	Office (densification)	2011	19,000 sq. ft.	7.0%	93.7%
Maple Grove Industrial Center	Twin Cities Area, MN	Industrial (densification)	2012	81,000 sq. ft.	8.0%	100%
6470 Metral Drive	Nanaimo, BC	Retail	2013	3,000 sq. ft.	8.0%	100%
Midtown Business Center	Twin Cities Area, MN	Industrial	2014	185,000 sq. ft.	7.0%	100%
Linden Ridge Shopping Centre	Winnipeg, MB	Retail (densification)	2014	87,000 sq. ft.	8.0%	100%
2190 McGillivray Boulevard	Winnipeg, MB	Retail (densification)	2011/2015	24,000 sq. ft.	8.0%	100%
Centrepont	Winnipeg, MB	Office	2015	52,000 sq. ft.	6.0%	100%
Park Lucero Phase I	Greater Phoenix Area, AZ	Industrial	2015	209,000 sq. ft.	7.0%	100%
Park Lucero Phase II	Greater Phoenix Area, AZ	Industrial	2017	119,000 sq. ft.	7.9%	100%
Park Lucero Phase III	Greater Phoenix Area, AZ	Industrial	2017	147,000 sq. ft.	6.7%	100%
175 Westcreek Boulevard	Greater Toronto Area, ON	Industrial	2017	130,000 sq. ft.	7.5%	100%
TOTAL				1,056,000 sq. ft.		

New Development Activity ~ \$300 Million



Targeted weighted-average unlevered yield of 7.00% vs. Exit Cap Rate of 5.75%



Completed in Q1-17



Completed in Q2-17



Completed in Q1-18



In Progress



In Progress



In Progress

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	139,000 sq. ft.	US\$34,167	60%	7.0%	Completed
Park 8Ninety Phase I	Industrial	Houston, TX	418,000 sq. ft.	US\$37,603	94%	6.8%	Completed
169 Inverness Drive West	Office	Denver, CO	118,000 sq. ft.	US\$37,228	-	7.3%	Completed
Park Lucero Phase IV	Industrial	Phoenix, AZ	95,000 sq. ft.	US\$8,105	-	7.1%	53% Complete
Cedar Port Phase I	Industrial	Baytown, TX	519,000 sq. ft.	US\$35,034	100%	7.8%	Q3-19
Tower Business Center	Industrial	Aurora, CO	336,000 sq. ft.	US\$26,104	-	6.8%	Q2-19
Park 8Ninety Phase II	Industrial	Houston, TX	543,000 sq. ft.	US\$49,224	-	6.5%	2019
Park 8Ninety Build-to-Suit	Industrial	Houston, TX	36,000 sq. ft.	US\$71,529	100%	7.1%	2020
300 Main	Multi-Family/ Commercial	Winnipeg, MB	580,000 sq. ft. 395 units	\$183,000	-	5.5%	2020
TOTAL			2,784,000 sq. ft.	\$481,994⁽¹⁾			

⁽¹⁾ Estimated total cost of recently completed developments and developments in process is in mixed dollars.

Future Development Pipeline



Project Name	Asset Class	Location	Estimated GLA (Artis' share)	Estimated Completion
415 Yonge Street (Rezoning)	Multi-Family	Toronto, ON	300,000 sq. ft. 375 units	2020
Concorde Corporate Centre (Rezoning)	Multi-Family	GTA, ON	489,000 sq. ft. 579 units	2021+
Stampede Station Apartments (Rezoning)	Multi-Family	Calgary, AB	315,000 sq. ft.	Q4-18
Inverness Drive Phase II	Office	Denver, CO	120,000 sq. ft.	2021+
TransAlta Place (Rezoning)	Multi-Family	Calgary, AB	500-600,000 sq. ft. 600-700 Units	2020
801 Carlson Parkway	Office	Minneapolis, MN	335,000 sq. ft.	2021+
Cedar Port Phase II	Industrial	Baytown, TX	520,000 sq. ft.	2021+
Total			2,109,000 sq. ft.	

Targeted weighted-average unlevered yield of 7.20 %

Value Creation from Developments



(in millions of dollars, except Net Operating Income/Unit, Projected Value Creation/Cost and Projected Value Creation/Unit) ⁽³⁾	2019	2020 ⁽¹⁾	Total
Artis' Share of Total Budgeted Costs of Projects Delivered	\$184.9	\$258.1	\$443.0
Estimated Artis' Share of Combined NOI upon Stabilization	\$12.8	\$15.3	\$28.1
Net Operating Income/Unit	\$0.08	\$0.10	\$0.18
Estimated Value upon Completion (5.75% capitalization rate for commercial properties, 4.00% for apartments)	\$260.0	\$405.0	\$665.0
Artis' Share of Total Development Budget	\$184.9	\$258.1	\$443.0
Projected Value Creation	\$75.0	\$147.0	\$222.0
Projected Value Creation/Cost	40%	57%	50%
Projected Value Creation/Unit	\$0.48	\$0.95	\$1.43 ⁽²⁾

⁽¹⁾ Value creation includes entitlements achieved at 415 Yonge and Concorde Place, ⁽²⁾ ~\$1.10 is from Rezoning at Concorde, 415 Yonge, Poco Place, and TransAlta

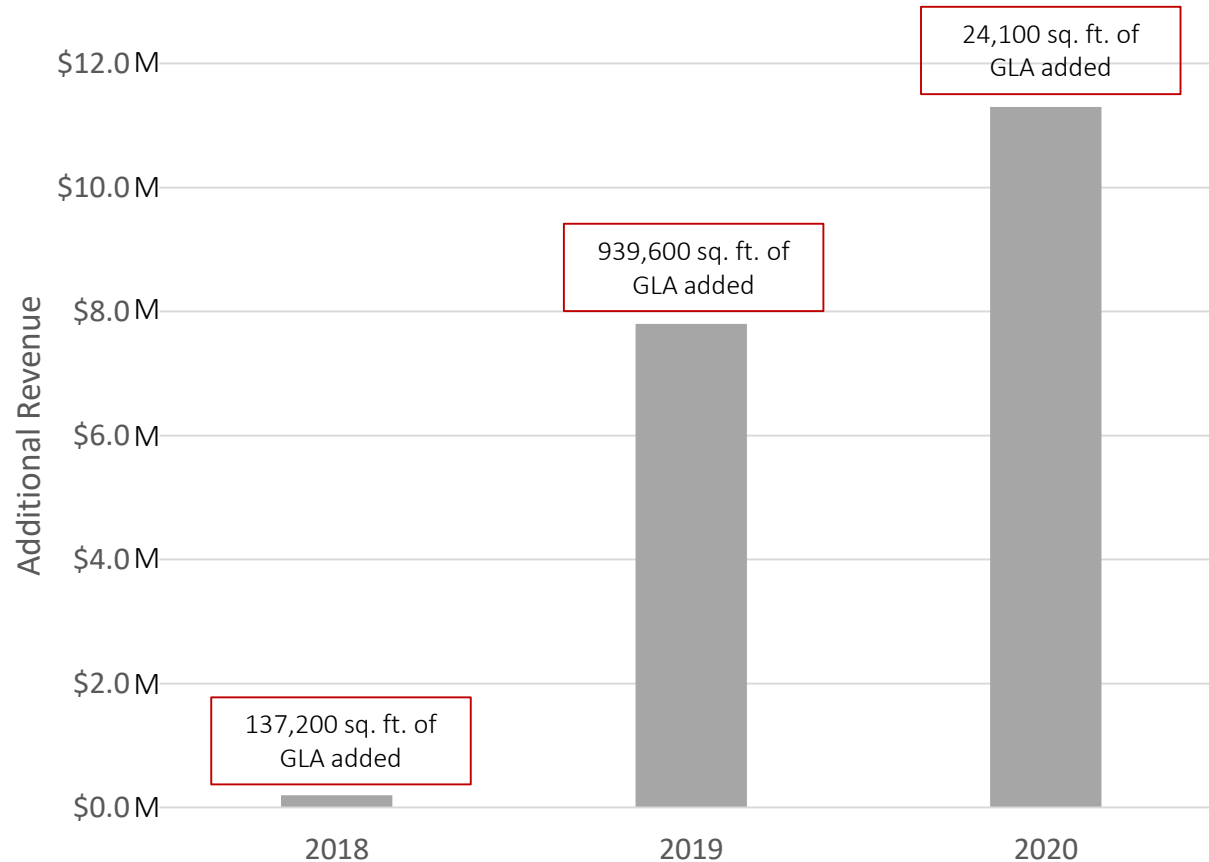
⁽³⁾ Estimated total cost of recently completed developments and developments in process is in mixed dollars

Projected Future Rental Income

Total Revenue Impact \$19.3 million



Projected future net rental income from executed leases, that have yet to commence, at Artis' development projects. GLA amounts represent Artis' proportionate share of leasable area.



Upcoming Development Projects – Multi-Family



300 Main Street, Winnipeg, MB
395 apartment units



Stampede Station II, Calgary, AB
300 apartment units

Upcoming Development Projects – Multi-Family

1-12 Concorde Gate, Toronto, ON
500 apartment units

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415 Yonge Street, Toronto, ON
400 apartment units

Upcoming Development Projects – Multi-Family



Poco Place, Port Coquitlam, BC
600-900 apartment units, two to three towers



TransAlta Place, Calgary, AB
600 apartment units

Market and Analyst Information



Information as of August 2018:

Unit price: \$12.50
 Distribution per unit: \$1.08
 Cash Yield: 8.6%
 Market cap: \$2.0B
 Implied cap rate: 6.8%

Analyst Consensus Information per Unit⁽¹⁾

Target price: \$13.78
 Net Asset Value: \$14.07
 Artis IFRS NAV: \$15.39

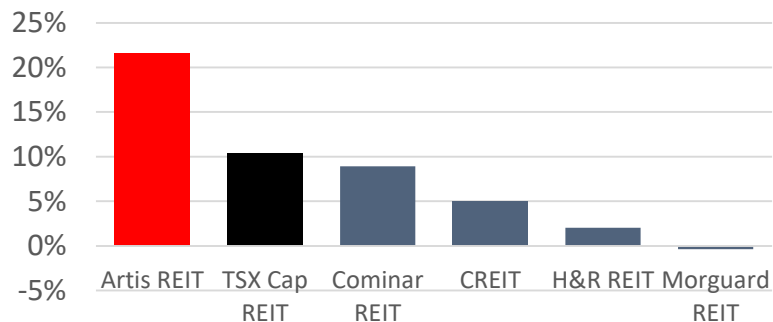
	2017			2018	
Actual	AFFO	FFO	Consensus	AFFO	FFO
Per Unit	\$1.04	\$1.43		\$0.98	\$1.29
Pay-Out Ratio	103.8%	75.5%		110.2%	84.0%
Unit Price Multiple	12.8x	9.8x		13.2x	10.0x
Yield	7.8%	10.2%		7.2%	9.4%

⁽¹⁾ Consensus analyst projections from most recent research reports (Q2-18). 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.

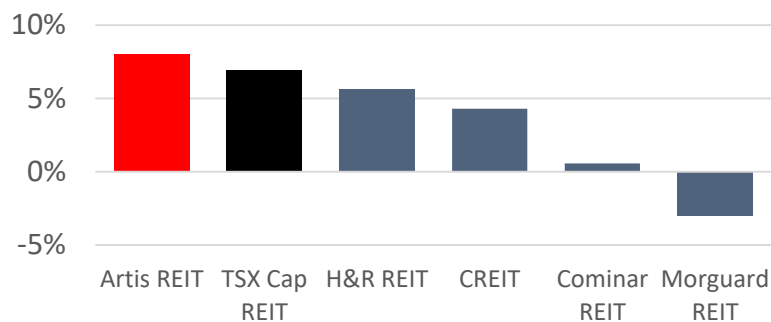
Artis Peer Comparisons at December 31, 2017



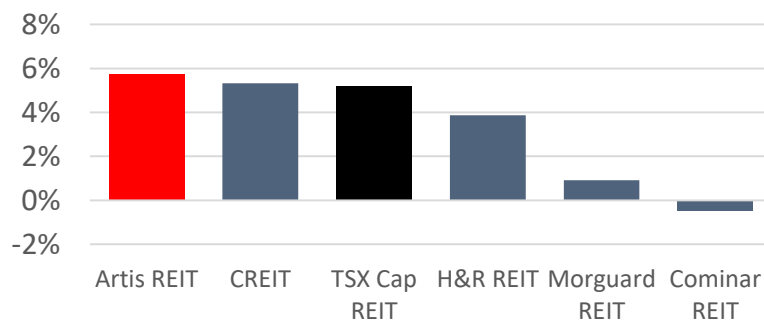
Annualized Total Unit Return
Comparison 1 Year



Annualized Total Unit Return
Comparison 3 Year



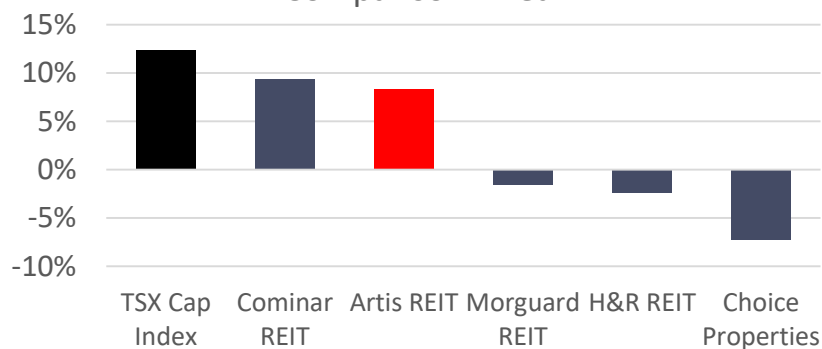
Annualized Total Unit Return
Comparison 5 Year



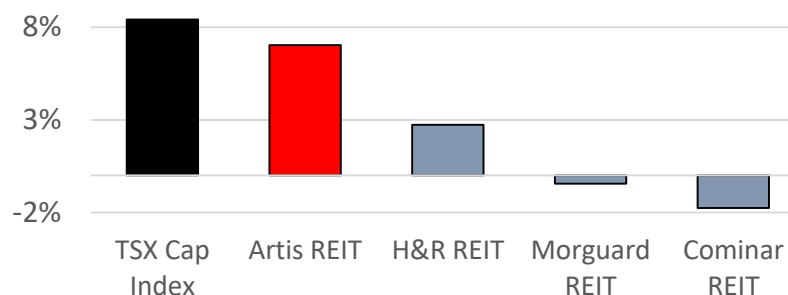
Artis Peer Comparisons at June 30, 2018



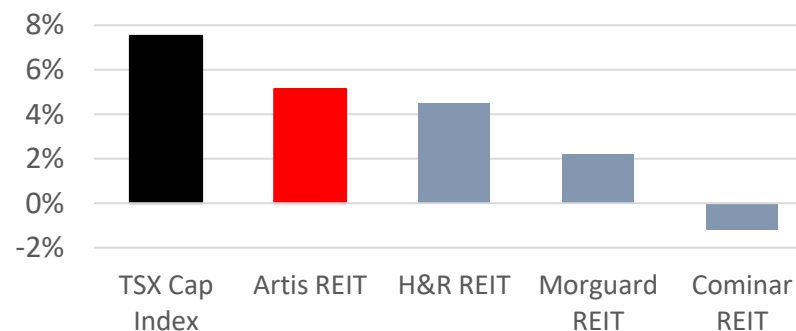
Annualized Total Unit Return
Comparison 1 Year



Annualized Total Unit Return
Comparison 3 Year



Annualized Total Unit Return
Comparison 5 Year



Note: Choice Properties became a diversified REIT in 2018

Corporate Sustainability



25% office properties are BOMA BEST certified



24% office properties are Energy Star certified



22% office properties are LEED certified

Please view our full Sustainability Report at www.artisreit.com

We are committed to improving the energy efficiency of our properties and reducing our environmental footprint.



Why Invest in Artis?



1

Highest
Yielding
Investment
Grade REIT

- 8.5% distribution yield
- Investment-grade rating – BBB (low)
- 270 bps distribution yield spread and 165 bps AFFO yield spread to average investment-grade peers
- 6.7% implied cap rate
- Strong balance sheet

2

Diversified
Platform by
Geography &
Asset Class

- Highly diversified platform
 - 2 countries, 3 asset classes
- 233 properties
- \$5.7 billion GBV
- \$2.0 billion market cap

3

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

4

Unlocking
Value
Through
Development

- ~\$570 million projected value creation (~\$3.80 per unit)
- Industrial, Office and Apartment developments
- 7.6% targeted unlevered yield



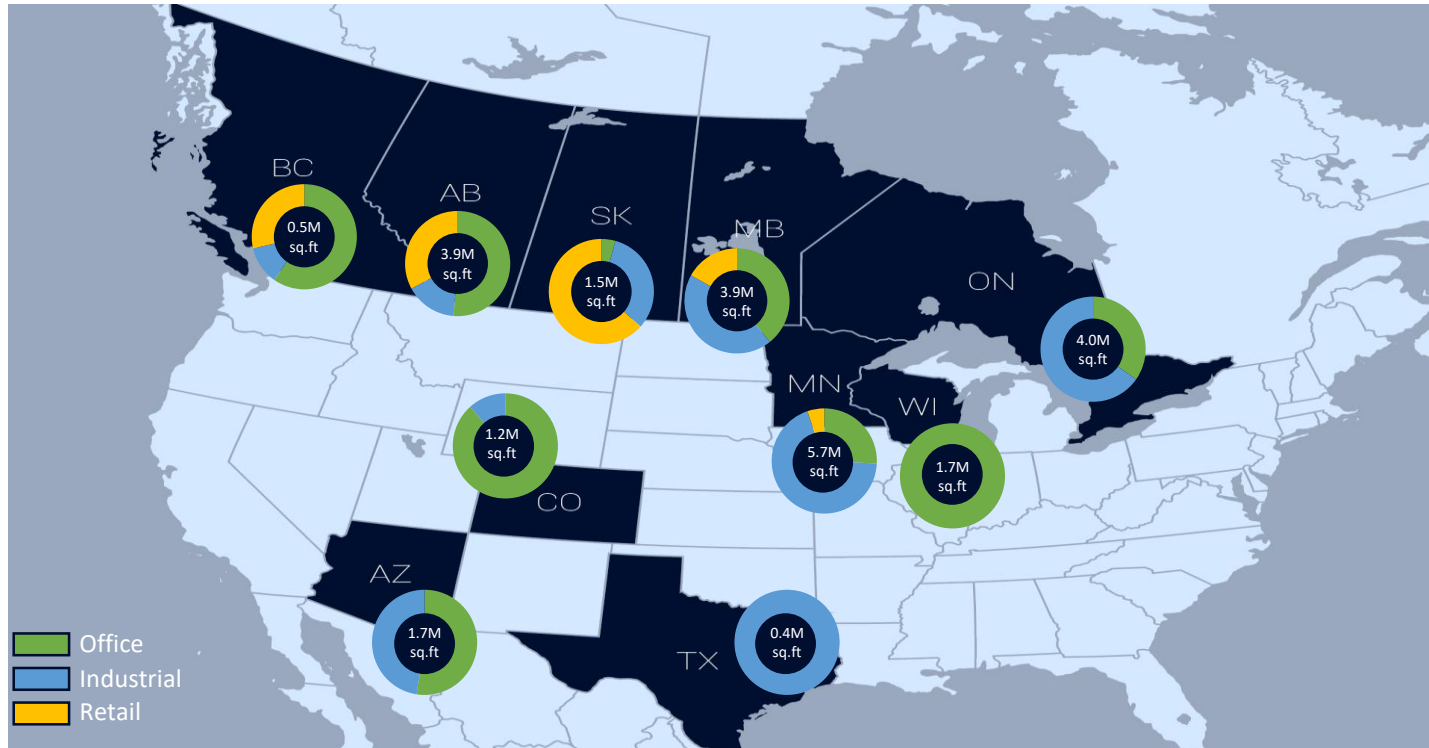
Guideposts for 2018 and Beyond



- Accretive recycling of capital (\$200-\$300 million annual target) into:
 - New acquisitions
 - New development projects
- Improve calibre and diversification of portfolio
- Balance sheet considerations
 - 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

Portfolio Overview

Diversified Commercial Properties



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