



FOR IMMEDIATE RELEASE

NOVEMBER 4, 2019

**ARTIS REAL ESTATE INVESTMENT TRUST RELEASES
THIRD QUARTER RESULTS AND PROVIDES UPDATE ON NEW INITIATIVES**

Today Artis Real Estate Investment Trust ("Artis" or the "REIT") issued its financial results and achievements for the three and nine months ended September 30, 2019, and provided an update on its new initiatives announced on November 1, 2018, (the "New Initiatives"). The third 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 September 30, 2019. All amounts are in thousands of Canadian dollars unless otherwise noted.

THIRD QUARTER HIGHLIGHTS

- Increased FFO per unit by 3.0% to \$0.34 for the quarter ended September 30, 2019, compared to \$0.33 for the quarter ended September 30, 2018. Increased AFFO per unit by 4.2% to \$0.25 for the quarter ended September 30, 2019, compared to \$0.24 for the quarter ended September 30, 2018.
- Stabilized Same Property NOI (which excludes properties planned for disposition and the Calgary office segment) in Canadian dollars increased 3.8% for the quarter ended September 30, 2019. Same Property NOI for the total portfolio increased 2.0% in Canadian dollars, or increased 1.3% in functional currency for the quarter ended September 30, 2019. Same Property NOI for the total portfolio increased 3.9% in Canadian dollars for the nine month period ended September 30, 2019.
- Weighted-average rental rate on renewals that commenced during the quarter ended September 30, 2019, increased 8.7%.
- Increased NAV per unit to \$15.72 at September 30, 2019, compared to \$15.55 at December 31, 2018.
- Increased unencumbered assets, inclusive of properties held in joint venture arrangements, to \$1.9 billion at September 30, 2019, compared to \$1.8 billion at December 31, 2018.
- Increased portfolio occupancy to 93.3% (94.9% including commitments) at September 30, 2019, compared to 92.7% at June 30, 2019.
- Reduced the Calgary office segment to 6.4% of total Proportionate Share Property NOI for the quarter ended September 30, 2019, compared to 7.7% for the quarter ended September 30, 2018.
- Reported Proportionate Share total long-term debt and credit facilities to GBV of 52.6% at September 30, 2019, compared to 50.6% at December 31, 2018, and reported Proportionate Share total long-term debt and credit facilities to normalized EBITDA of 9.3 at September 30, 2019, compared to 9.0 at December 31, 2018.
- Reported a Proportionate Share normalized EBITDA interest coverage ratio of 2.85 for the quarter ended September 30, 2019, compared to 3.14 for the quarter ended September 30, 2018.
- Disposed of one office property in the Greater Phoenix Area, Arizona and one office property in Toronto, Ontario for sale prices of US\$92.3 million and \$124.0 million, respectively, for a total of \$245.8 million in Canadian dollars.
- Acquired a surface parking lot ancillary to an existing office property located in Winnipeg, Manitoba, for a purchase price of \$3.8 million.
- Completed the development of Park 8Ninety II (held under a joint venture arrangement), a 572,000 square foot industrial property in the Greater Houston Area, Texas.
- Completed the redemption of the outstanding Series G preferred units for \$78.5 million.
- Utilized the normal course issuer bid ("NCIB") to purchase 3,058,540 common units and 84,000 preferred units at weighted-average prices of \$12.34 and \$21.17, respectively, for the quarter ended September 30, 2019.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three months ended September 30,		
	2019	2018	% Change
Revenue	\$ 127,005	\$ 128,097	(0.9)%
Property NOI	75,724	76,211	(0.6)%
Net income	44,632	25,719	73.5 %
Total comprehensive income	62,238	2,017	2,985.7 %
Distributions per common unit	0.14	0.27	(48.1)%
FFO ⁽¹⁾	\$ 48,603	\$ 50,461	(3.7)%
FFO per unit ⁽¹⁾	0.34	0.33	3.0 %
Normalized FFO ⁽¹⁾	48,603	50,461	(3.7)%
Normalized FFO per unit ⁽¹⁾	0.34	0.33	3.0 %
Normalized FFO payout ratio ⁽¹⁾	41.2 %	81.8 %	(40.6)%
AFFO ⁽¹⁾	\$ 35,769	\$ 37,583	(4.8)%
AFFO per unit ⁽¹⁾	0.25	0.24	4.2 %
Normalized AFFO ⁽¹⁾	35,769	37,583	(4.8)%
Normalized AFFO per unit ⁽¹⁾	0.25	0.24	4.2 %
Normalized AFFO payout ratio ⁽¹⁾	56.0 %	112.5 %	(56.5)%

<i>\$000's, except per unit amounts</i>	Nine months ended September 30,		
	2019	2018	% Change
Revenue	\$ 394,480	\$ 380,006	3.8 %
Property NOI	234,735	227,064	3.4 %
Net income	89,860	151,416	(40.7)%
Total comprehensive income	46,972	190,484	(75.3)%
Distributions per common unit	0.41	0.81	(49.4)%
FFO ⁽¹⁾	\$ 150,796	\$ 141,615	6.5 %
FFO per unit ⁽¹⁾	1.04	0.92	13.0 %
Normalized FFO ⁽¹⁾⁽²⁾	150,796	150,032	0.5 %
Normalized FFO per unit ⁽¹⁾⁽²⁾	1.04	0.98	6.1 %
Normalized FFO payout ratio ⁽¹⁾⁽²⁾	39.4 %	82.7 %	(43.3)%
AFFO ⁽¹⁾	\$ 112,746	\$ 103,467	9.0 %
AFFO per unit ⁽¹⁾	0.78	0.67	16.4 %
Normalized AFFO ⁽¹⁾⁽²⁾	112,746	111,884	0.8 %
Normalized AFFO per unit ⁽¹⁾⁽²⁾	0.78	0.73	6.8 %
Normalized AFFO payout ratio ⁽¹⁾⁽²⁾	52.6 %	111.0 %	(58.4)%

(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

<i>\$000's, except per unit amounts</i>	September 30 2019	December 31, 2018
Fair value of investment properties	\$ 5,032,096	\$ 5,381,894
Cash	59,531	66,143
Available on revolving term credit facilities	96,622	225,293
Proportionate Share fair value of unencumbered assets	1,919,866	1,847,443
NAV per unit	15.72	15.55
Proportionate Share secured mortgage and loans to GBV	28.3 %	30.6 %
Proportionate Share total long-term debt and credit facilities to GBV	52.6 %	50.6 %
Proportionate Share total long-term debt and credit facilities to normalized EBITDA	9.3	9.0
Proportionate Share unencumbered assets to unsecured debt	1.4	1.6
Proportionate Share normalized EBITDA interest coverage ratio	2.85	3.04
Weighted-average effective interest rate on Proportionate Share mortgages and other loans	4.09 %	4.30 %
Weighted-average term to maturity on Proportionate Share mortgages and other loans (in years)	2.3	3.3
Unhedged Proportionate Share variable rate mortgage debt as a percentage of total debt	18.2 %	18.1 %

PORTFOLIO ACTIVITY

Acquisitions

On August 8, 2019, the REIT purchased a surface parking lot ancillary to an existing office property located in Winnipeg, Manitoba for \$3.8 million.

As of September 30, 2019, the REIT had an unconditional purchase agreement for an office development project located in the Twin Cities Area, Minnesota. The REIT completed the purchase in October 2019 for a purchase price of US\$42.0 million.

Dispositions

During Q3-19, Artis sold the following properties:

Property	Property Count	Location	Disposition date	Asset Class	Owned share of GLA (000's of S.F.)	Sale Price
GSA Professional Office Building	1	Greater Phoenix Area, AZ	July 26, 2019	Office	210	\$ US92,250
415 Yonge Street	1	Greater Toronto Area, ON	September 27, 2019	Office	192	124,000

During Q3-19, Artis repaid mortgage debt related to the disposition of the above properties in the aggregate amount of \$94.4 million.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2019, Artis had \$59.5 million of cash on hand and \$96.6 million available on its revolving term credit facilities. Liquidity and capital resources will be impacted by financing activities, portfolio acquisition and disposition activities, debt repayments and unit purchases under the NCIB occurring subsequent to September 30, 2019.

NEW DEVELOPMENT ACTIVITY

Artis has numerous development projects in process. The table below lists the ongoing projects and completion progress, inclusive of properties held under joint venture arrangements. Additional information pertaining to each project can be found in the Q3-19 MD&A.

Property	Location	Asset class	Owned share of GLA (000's of S.F.)	% Completed	% Committed ⁽¹⁾
Tower Business Center	Greater Denver Area, CO	Industrial	336	95.0 %	69.0 %
330 Main	Winnipeg, MB	Retail	27	75.0 %	90.0 %
300 Main	Winnipeg, MB	Residential / Multi-Family	580	35.0 %	0.0 %

(1) Percentage committed is based on occupancy at September 30, 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 Q3-19 MD&A.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at September 30, 2019, was 93.3% (94.9% including commitments on vacant space) compared to 91.2% at September 30, 2018, excluding properties held for redevelopment and new development projects.

	Q3-19	Q2-19	Q1-19	Q4-18	Q3-18
Property NOI	\$ 75,724	\$ 80,533	\$ 78,478	\$ 77,259	\$ 76,211
Property NOI change ⁽¹⁾	(6.0)%	2.6 %	1.6 %	1.4 %	0.4 %
Same Property NOI change	2.0 %	4.6 %	5.1 %	2.7 %	3.9 %
Stabilized Same Property NOI change	3.8 %	6.3 %	5.7 %	4.4 %	5.1 %

(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 51.8% of gross leasable area expiring in 2023 or later and 38.7% of the remaining 2019 expiries renewed or committed to new leases at September 30, 2019. Weighted-average in-place rents for the entire portfolio are \$12.72 per square foot and are estimated to be 1.9% below market rents. Information about Artis' lease expiry profile is as follows:

	2019	2020	2021	2022	2023 & later
Expiring square footage	6.0 %	10.9 %	14.0 %	10.3 %	51.8 %
Committed percentage	38.7 %	27.5 %	5.7 %	3.5 %	7.9 %
In-place rents	\$ 11.73	\$ 13.91	\$ 12.92	\$ 11.02	\$ 12.87
Comparison of market to in-place rents	3.2 %	4.8 %	(1.8)%	3.4 %	1.7 %
Comparison of market to in-place rents excluding Calgary office segment	7.8 %	4.9 %	1.5 %	3.3 %	0.1 %

UPDATE ON NEW INITIATIVES

In November 2018, we 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 NCIB, 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.

NCIB Activity and Preferred Unit Redemption

During the third quarter of 2019, the REIT purchased 3,058,540 common units for a weighted-average price of \$12.34 and 84,000 preferred units for a weighted-average price of \$21.17 under our NCIB program. At September 30, 2019, Artis had acquired the maximum number of common units permitted under the NCIB. From November 1, 2018, when Artis announced its intention to purchase units under our NCIB until September 30, 2019, the REIT purchased 15,959,760 common units for a weighted-average price of \$10.84 and 273,500 preferred units for a weighted-average price of \$21.01. The total aggregate market price of common units and preferred units purchased under the NCIB from November 1, 2018, to September 30, 2019, was \$173.0 million and \$5.7 million, respectively.

On July 31, 2019, Artis completed the redemption of its outstanding Series G preferred units for \$78.5 million.

Property Dispositions

In November 2018, Artis announced its intention to sell between \$800.0 million to \$1.0 billion of non-core assets over the following three years. In accordance with these initiatives, at September 30, 2019, Artis has sold or entered into unconditional sale agreements for the following properties:

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA (000's of S.F.)	Annualized Property NOI ⁽¹⁾	Capitalization rate	Sale price	Fair value ⁽²⁾
Centrepoint ⁽³⁾	1	Winnipeg, MB	October 31, 2018	Office	52	\$ 1,479	6.00 %	\$ 27,250	\$ 26,106
169 Inverness Drive West I & II	1	Greater Denver Area, CO	April 9, 2019	Office	119	(146)	N/A	36,113	46,590
Reenders Square	1	Winnipeg, MB	May 21, 2019	Retail	66	1,258	6.00 %	20,550	18,315
Britannia Building	1	Calgary, AB	May 22, 2019	Office	134	(269)	N/A	10,650	10,101
Nanaimo Portfolio	4	Nanaimo, BC	June 17, 2019	Office / Retail	112	2,079	4.60 %	37,038	36,621
1700 Broadway ⁽⁴⁾	1	Denver, CO	June 27, 2019	Office	394	8,867	N/A	104,325	111,196
GSA Professional Office Building	1	Greater Phoenix Area, AZ	July 26, 2019	Office	210	7,008	5.81 %	121,825	117,958
415 Yonge Street	1	Toronto, ON	September 27, 2019	Office	192	4,600	3.71 %	124,000	94,801
Estevan Portfolio (unconditional)	2	Estevan, SK	October 30, 2019	Retail	167	1,153	9.52 %	13,000	12,867
495 Richmond Road (unconditional)	1	Ottawa, ON	November 2019	Office	106	2,509	6.28 %	39,000	37,143
	14				1,552	\$ 28,538		\$533,751	\$511,698

(1) Based on the annualized Property NOI reported for the quarter prior to disposition, except for properties where the sale has not yet closed. Property NOI for 415 Yonge Street is forward-looking and includes future lease commitments.

(2) Based on the fair value reported at the quarter prior to disposition, except for properties where the sale has not yet closed.

(3) The REIT disposed of its 50% interest in Centrepoint, a property held under a joint venture arrangement.

(4) Property NOI for 1700 Broadway does not account for a large tenant that will be vacating in Q4-19. This tenant accounts for \$7,578 of Property NOI (based on the annualized Property NOI reported for the quarter prior to disposition).

At September 30, 2019, the REIT had 17 properties and two parcels of development land classified as held for sale, including eight office properties and nine retail properties for a total fair value of \$326.9 million.

Subsequent to September 30, 2019, the REIT sold the Estevan Portfolio, comprising two retail properties located in Estevan, Saskatchewan, for a sale price of \$13.0 million, which represents a capitalization rate of 9.52%.

Also subsequent to September 30, 2019 the REIT entered into an unconditional agreement to sell Centre 15 Building, an office property located in Calgary, Alberta, for \$14.0 million, which represents a capitalization rate of 7.50%. This sale is expected to close in January 2020. Additionally, the REIT entered into an unconditional agreement to sell the Minnesota Retail Portfolio, comprised of six retail properties and one parcel of development land located in the Twin Cities Area, Minnesota for approximately \$46.4 million, representing a capitalization rate of 10.75%. This disposition is expected to close in December 2019.

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

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Monday, November 4, 2019, at 4:00 p.m. CT (5:00 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 Monday, November 4, 2019, a replay of the conference call will be available by dialing 1.416.764.8677 or 1.888.390.0541 and entering passcode 298571#. The replay will be available until Wednesday, December 4, 2019. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

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 September 30, 2019, Artis' commercial property comprises approximately 25.0 million square feet of leasable area.

During the three months ended September 30, 2019, Proportionate Share Property NOI by asset class, was approximately 49.0% office, 20.2% retail and 30.8% industrial. Proportionate Share Property NOI by geographical region, was approximately 2.6% in British Columbia, 19.9% in Alberta, 6.8% in Saskatchewan, 13.2% in Manitoba, 12.3% in Ontario, 9.5% in Arizona, 20.4% in Minnesota, 9.2% in Wisconsin and 6.1% 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.

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.

Interest Coverage Ratio

Artis calculates the interest coverage ratio by dividing the total of Property NOI and interest income, less corporate expenses by interest expense over the same period. Management considers this ratio to be a valuable measure of Artis' ability to service the interest requirements on its outstanding debt.

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.

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 substantially 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 substantially 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 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 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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