



Artis Real Estate
Investment
Trust

Investor Presentation
Q1 – 2016

PROPERTIES OF
SUCCESS



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 March 31st, 2016.

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 March 31st, 2016 and 2015, our 2015 annual earnings press release dated February 29th, 2016, and our audited annual consolidated financial statements for the years ended December 31st, 2015, and 2014 which are available on SEDAR at www.sedar.com or on our company website at www.artisreit.com.



415 Yonge Street, Toronto ON



OUR STRATEGY AND BUSINESS MODEL

1. GEOGRAPHIC DIVERSIFICATION

- Canada and select U.S. markets

2. PRODUCT DIVERSIFICATION

Commercial real estate only

- Office
- Retail
- Industrial

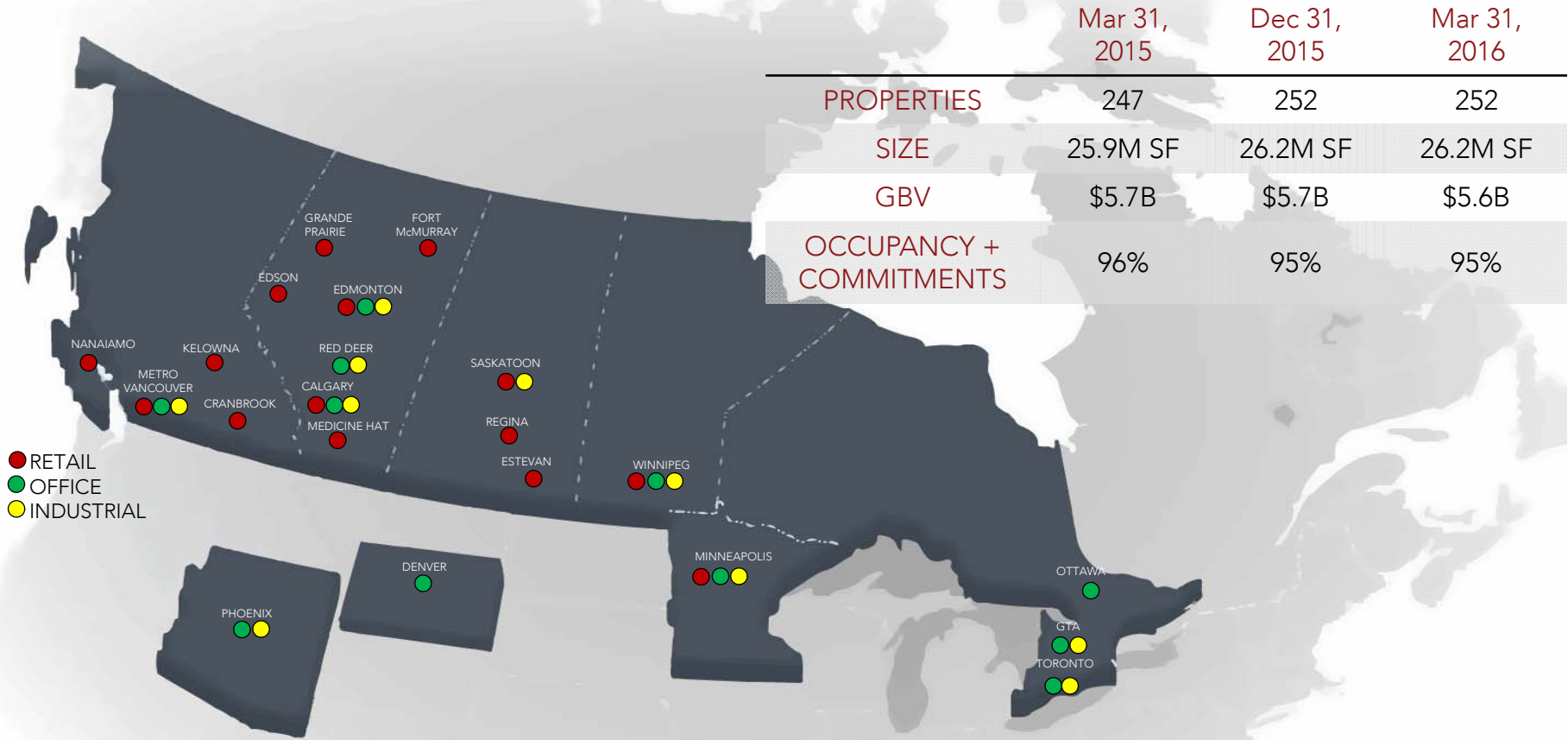
3. INTERNAL GROWTH

- Results driven active asset management and new developments
- Increasing same property NOI growth
- Accretive recycling of capital
- Accretive refinancing of existing debt



Stampede Station, Calgary AB

PORTFOLIO OVERVIEW



	Mar 31, 2015	Dec 31, 2015	Mar 31, 2016
PROPERTIES	247	252	252
SIZE	25.9M SF	26.2M SF	26.2M SF
GBV	\$5.7B	\$5.7B	\$5.6B
OCCUPANCY + COMMITMENTS	96%	95%	95%

● RETAIL
● OFFICE
● INDUSTRIAL

• 10 MAJOR MARKETS

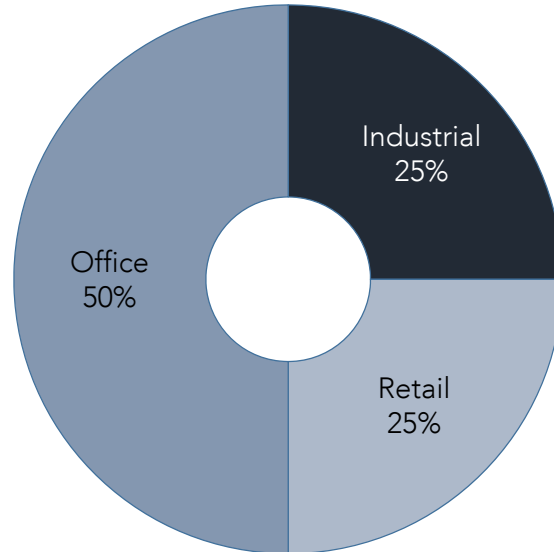
• 3 ASSET CLASSES

Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements.
Occupancy plus commitments excludes properties held for redevelopment

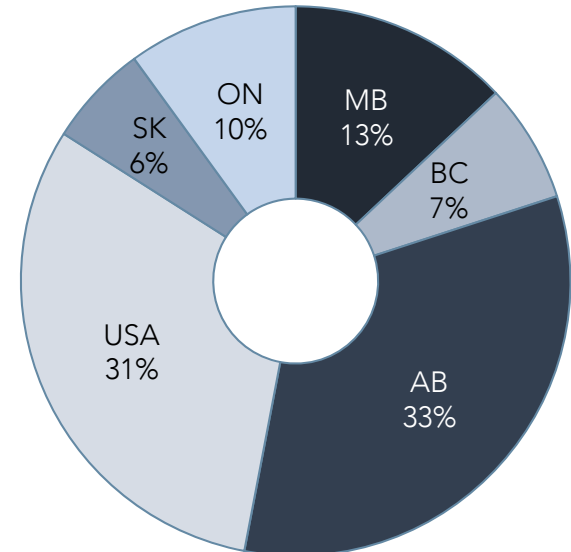


PORTFOLIO DIVERSIFICATION

NOI By Asset Class:



NOI By Geographical Region:



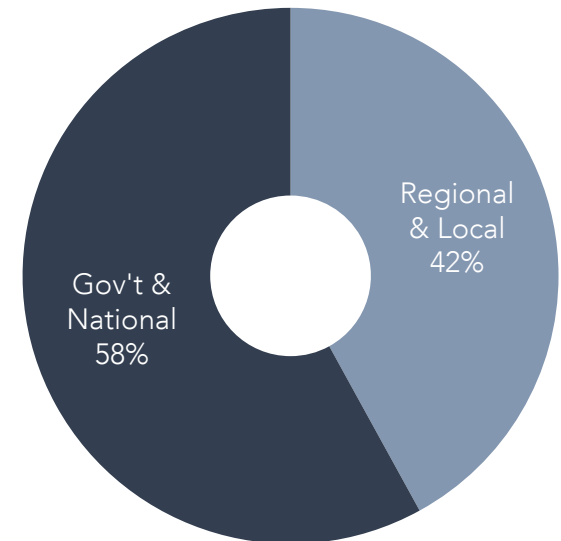
TENANT DIVERSIFICATION

Top Ten Tenants



Artis' top 10 and top 20 tenants account for 11.9% and 19.3% of gross revenue, respectively

58% of Artis' tenants are government or national



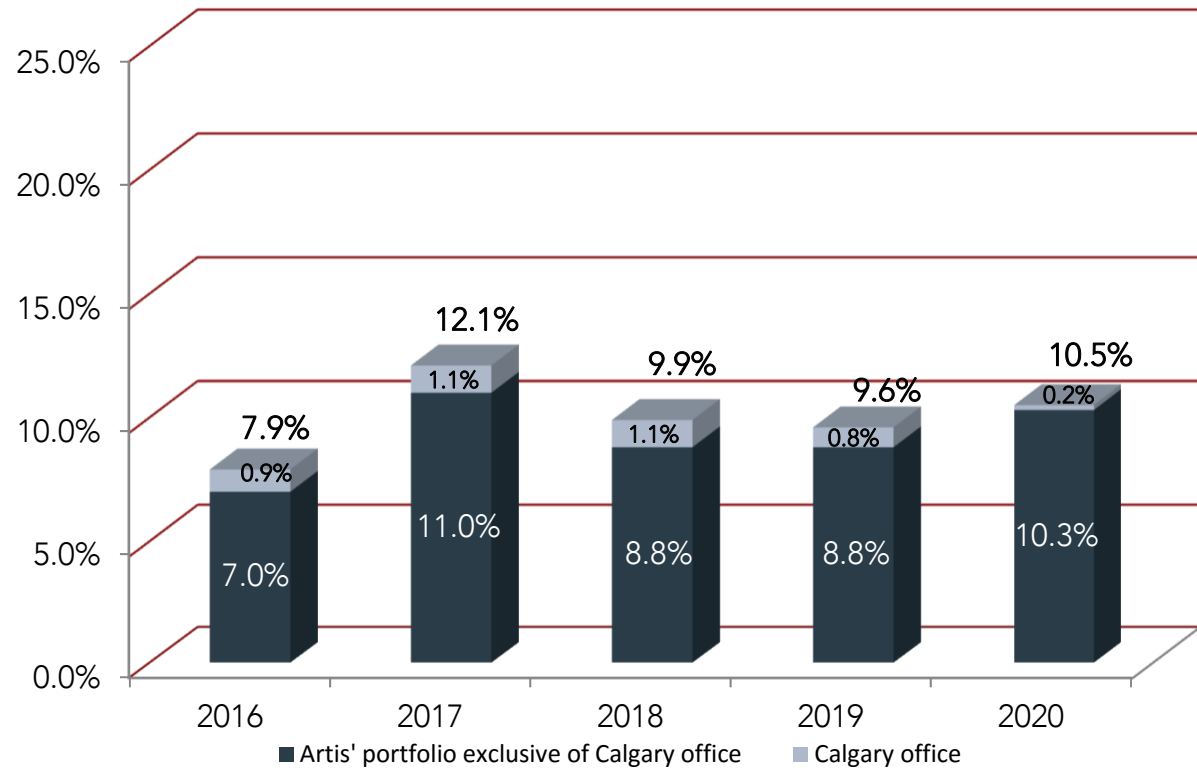
601 Tower at Carlson, Minneapolis MN



All information above is at March 31, 2016, based on gross revenue in Canadian and US dollars, and excludes properties held for redevelopment

LEASE EXPIRATION SCHEDULE

- 41.6% of 2016 expiries have been renewed or committed to new tenants
- Weighted-average rental increase on renewals in Q1-2016 was 5.9%
- Q1-2016 Same Property NOI growth was 0.7% over Q1-2015



The chart above reflects the percentage of Artis' total GLA expiring in the year indicated, exclusive of GLA that has been renewed or committed to new tenants at March 31, 2016

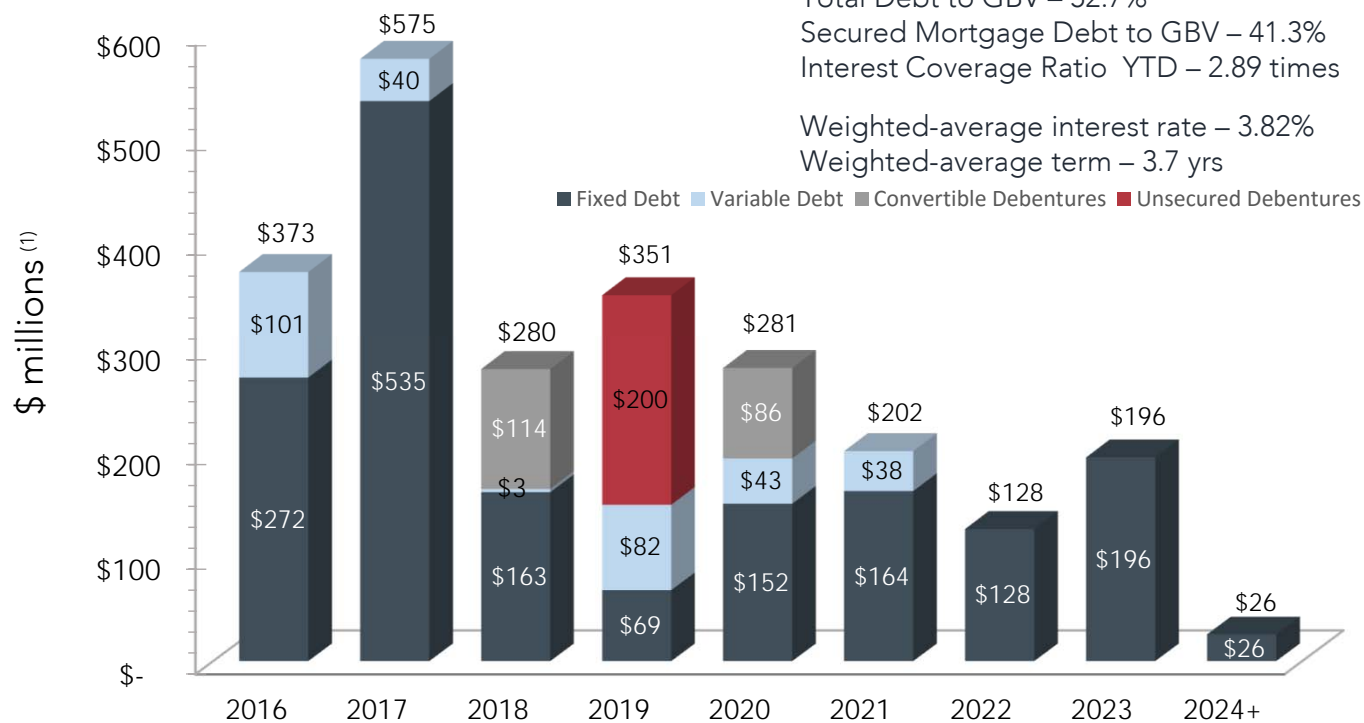


Hudson's Bay Centre, Denver CO

SCHEDULE OF MORTGAGE MATURITIES

At March 31, 2016 ⁽¹⁾:
 Total Debt to GBV – 52.7%
 Secured Mortgage Debt to GBV – 41.3%
 Interest Coverage Ratio YTD – 2.89 times

Weighted-average interest rate – 3.82%
 Weighted-average term – 3.7 yrs



	2016	2017	2018	2019	2020	2021	2022	2023	2024+
Debt	\$373	\$575	\$280	\$351	\$281	\$202	\$128	\$196	\$26
Debt	3.06%	3.03%	2.94%	2.47%	2.51%	2.19%	3.83%	4.21%	3.58%
Debt	4.07%	4.23%	3.64%	4.54%	3.63%	3.55%	3.83%	4.21%	3.58%
Weighted-Average Interest Rates									

1700 Broadway, Denver CO

⁽¹⁾ As at March 31, 2016 and inclusive of mortgages on joint venture arrangements. Variable debt that is covered by interest rate swaps is included in fixed debt.



LEVERAGE PROFILE

Healthy Balance Sheet and Liquidity

Fiscal quarter ending:	March 31, 2015	December 31, 2015	March 31, 2016
Debt: GBV	49.9%	52.4%	52.7%
Secured mortgages and loans: GBV	41.4%	41.2%	41.3%
Unencumbered assets	\$752 million	\$1,060 million	\$968 million
EBITDA interest coverage	3.00	2.98	3.00
Net Debt: EBITDA ⁽¹⁾	8.16	8.49	8.38

Cash and cash equivalents at March 31, 2016: \$93 million

Availability on unsecured credit facilities: \$261 million



Centrepoint, Winnipeg MB



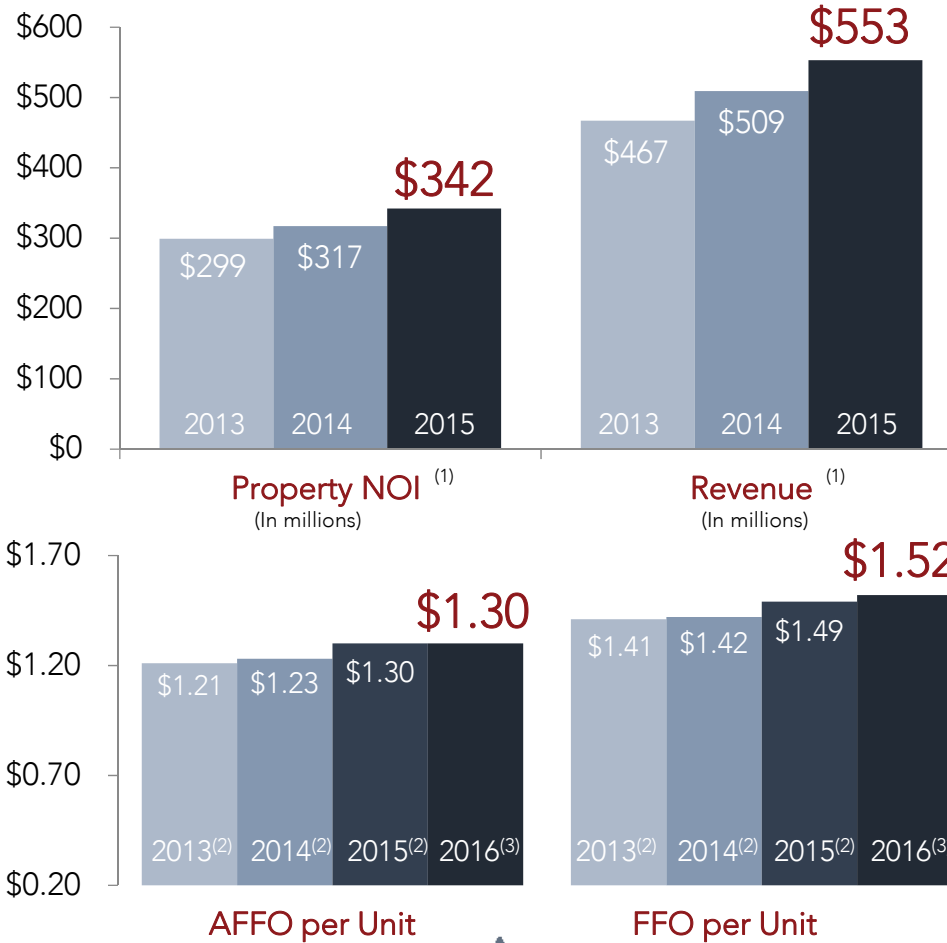
(1) Debt at most recent quarter divided by income on an annualized basis
 Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements



800 5th Ave, Calgary AB

ARTIS REAL ESTATE INVESTMENT TRUST

SELECT FINANCIAL INFORMATION



(1) Inclusive of Artis' proportionate share of its joint venture arrangements

(2) Excluding lease termination and non-recurring other income

(3) 2016 numbers are consensus analyst projections from

most recent research reports. 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



CURRENT AND FUTURE DEVELOPMENT PROJECTS



801 Carlson, Minneapolis, MN



Park 8Ninety, Houston, TX



Park Lucero, Phoenix, AZ

MARKET AND ANALYST INFORMATION

Information as of April 2016:

Unit price: \$13.50

Distribution per unit: \$1.08

Yield: 8.0%

Market cap: \$1.9B

Net Asset Value: \$15.34

Analyst Consensus Information ⁽¹⁾

Consensus	2016		2017	
	AFFO	FFO	AFFO	FFO
Per Unit	\$1.30	\$1.52	\$1.31	\$1.53
Pay-Out Ratio	82.9%	71.1%	82.4%	70.6%
Unit Price Multiple	9.9x	8.5x	9.9x	8.4x
Yield	9.6%	11.3%	9.7%	11.3%

Target price: \$14.33

Implied cap rate: 7.1%



(1) Consensus analyst projections from most recent research reports excluding Desjardins. 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.



Max At Kierland, Scottsdale AZ

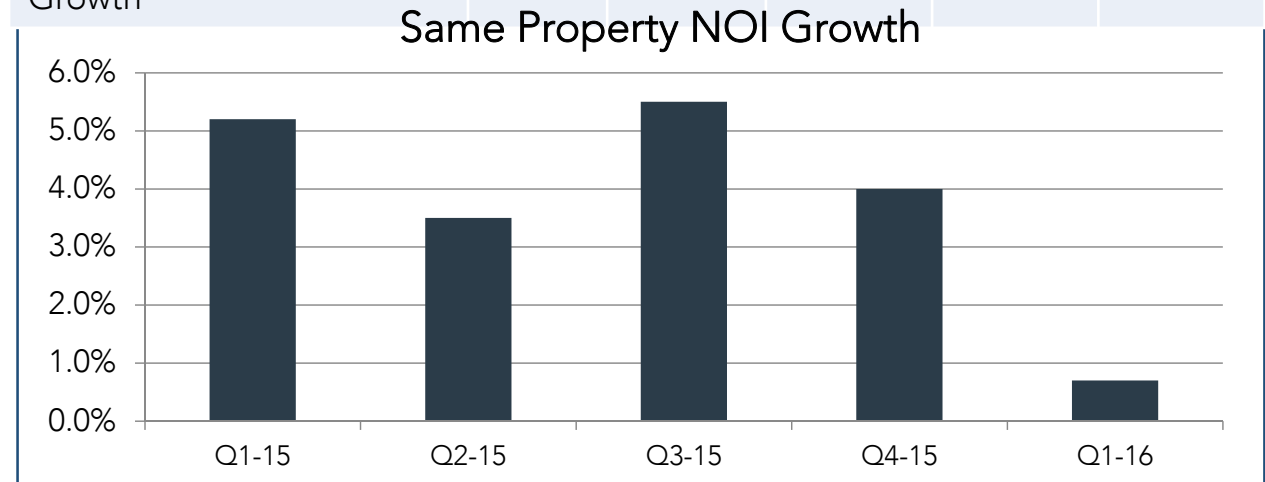


360 Main Street, Winnipeg MB

DRIVERS OF GROWTH

- Well diversified in strong markets with healthy economic growth and real estate fundamentals
- Realizing the gap between in-place and market rents
- Exceptional track record of strong same property NOI growth
- Excellent track record of accretive recycling of capital

	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16
Weighted Average Rental Increase on Renewals	6.0%	12.0%	3.0%	-0.1%	5.9%
Same Property NOI Growth	5.2%	3.5%	5.5%	4.0%	0.7%



DRIVERS OF GROWTH FOR 2016

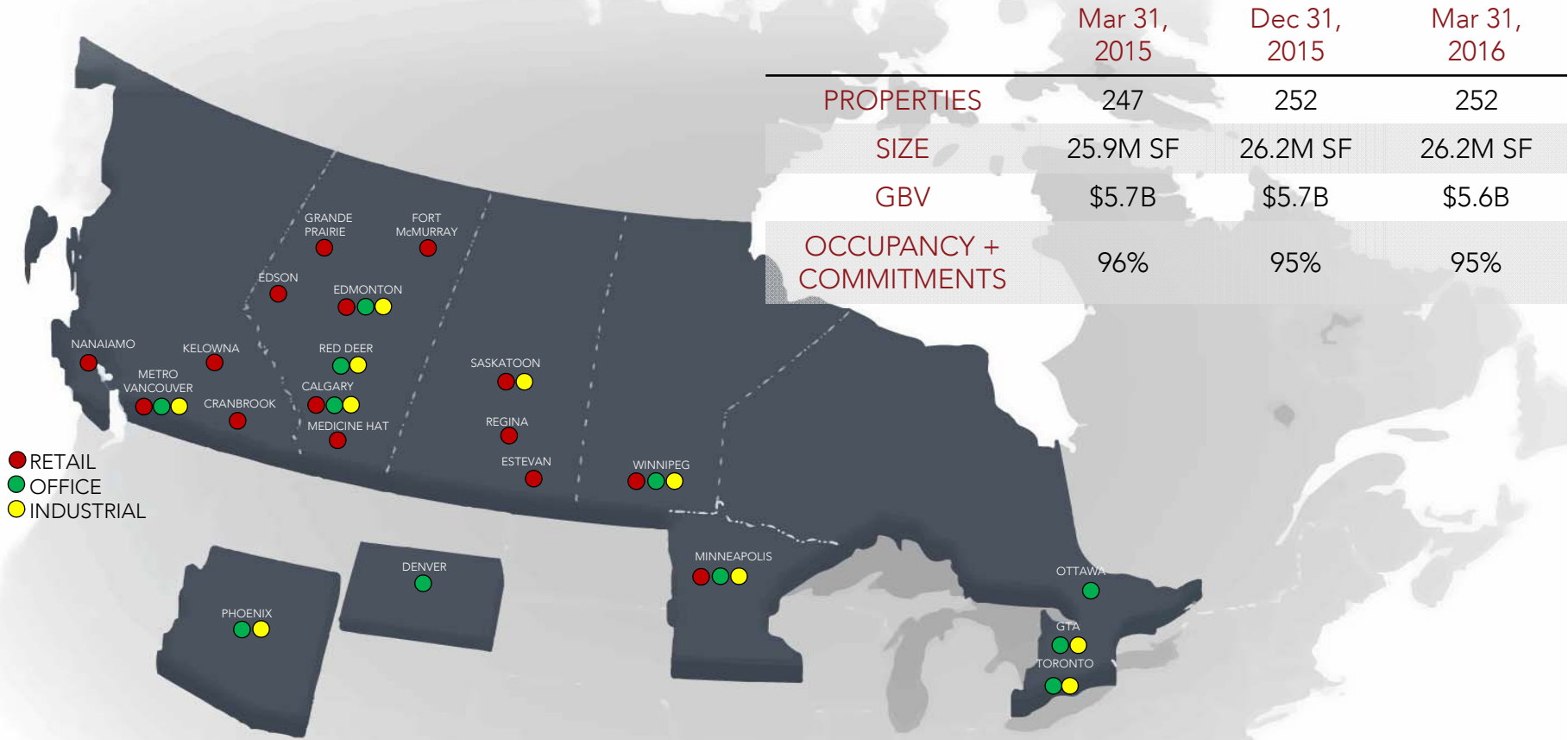
- **Keeping our buildings full and bringing rents up to market**
 - We have a long-standing track record of maintaining occupancy levels in the range of 94 to 96%
 - Achieving the ~3% expected rent growth in the US will provide a strong base of NOI improvement
 - Long standing track record of being in the top percentile for Canadian REITs for SPNOIG
- **Accretive recycling of capital**
 - Disposition of \$200-300 million of non-core properties at cap rates below our implied unit cap rate
 - Recycling funds into newer, higher yielding acquisitions or developments
- **Accretive renewal of mortgage and debenture debt at lower rates**
 - \$442 million of debt coming available in 2016 with a good opportunity to realize cost savings by achieving lower rates



Union Hills Office Plaza, Phoenix AZ



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