



Q1 – 2017
Investor Presentation
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 31, 2017.

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 31, 2017 and 2016, our 2015 annual earnings press release dated March 1, 2017, and our audited annual consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 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

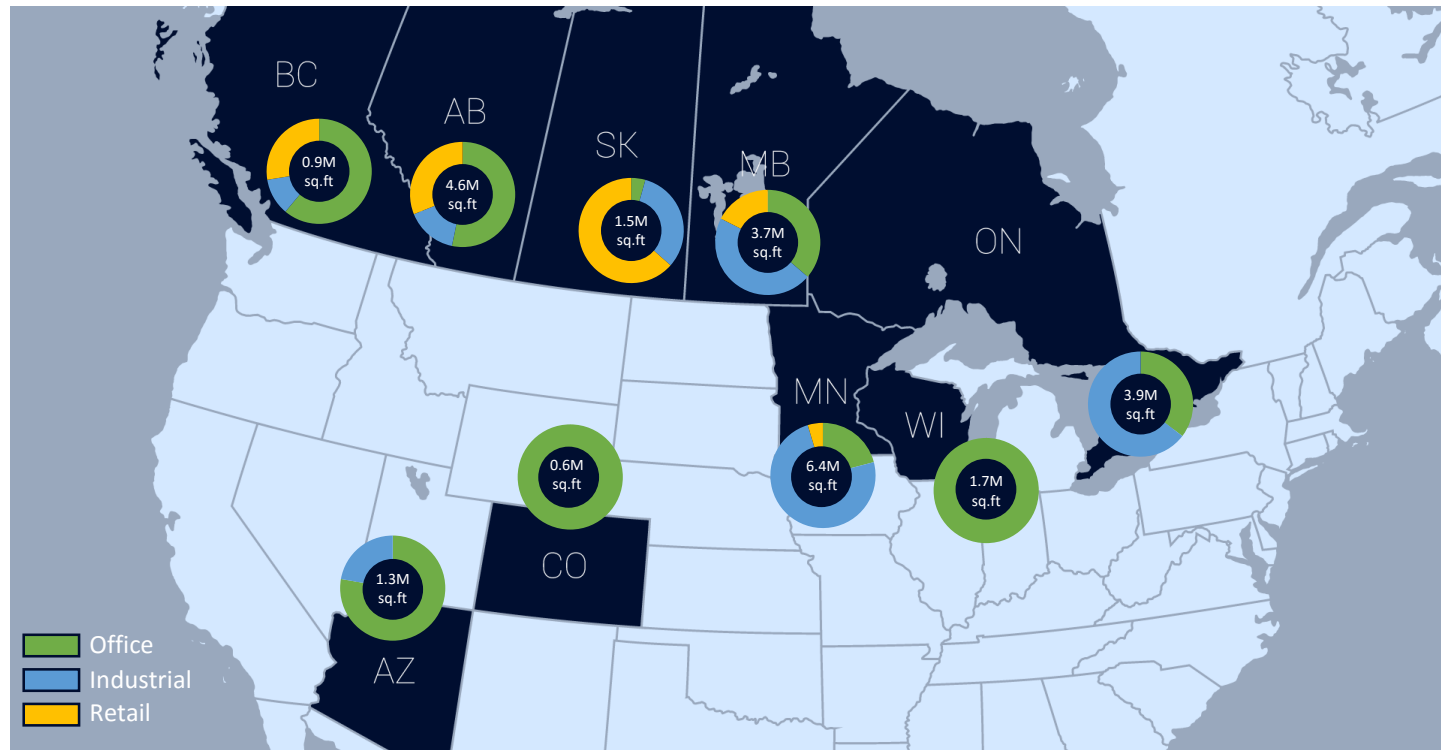
03

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

247 properties – **25.4** million square feet – **\$5.6B** GBV – **93%** occupancy

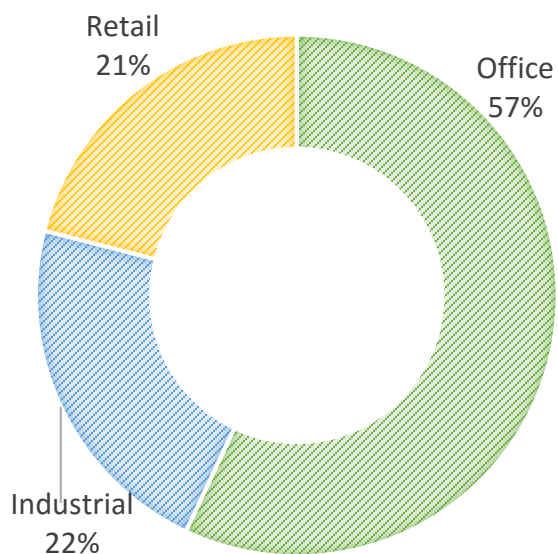
Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements.

Occupancy plus commitments excludes properties held for redevelopment, completed new developments and new developments in process

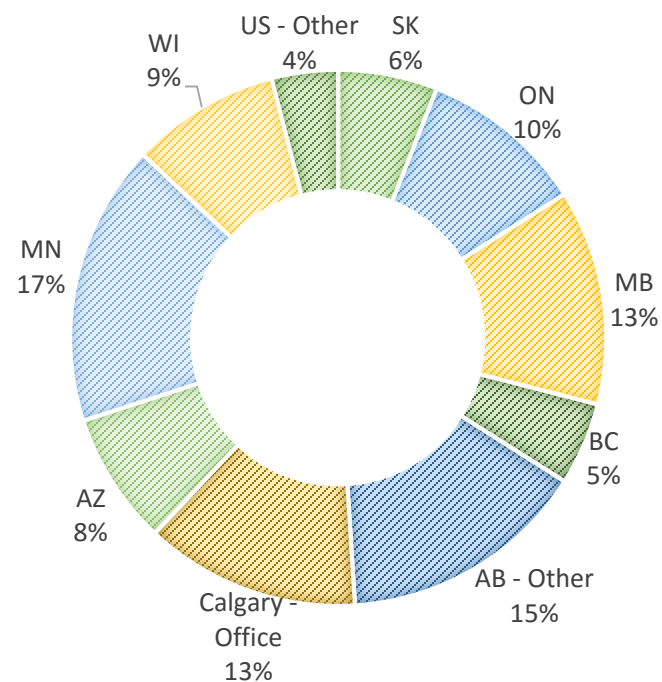
Portfolio Diversification



NOI by Asset Class

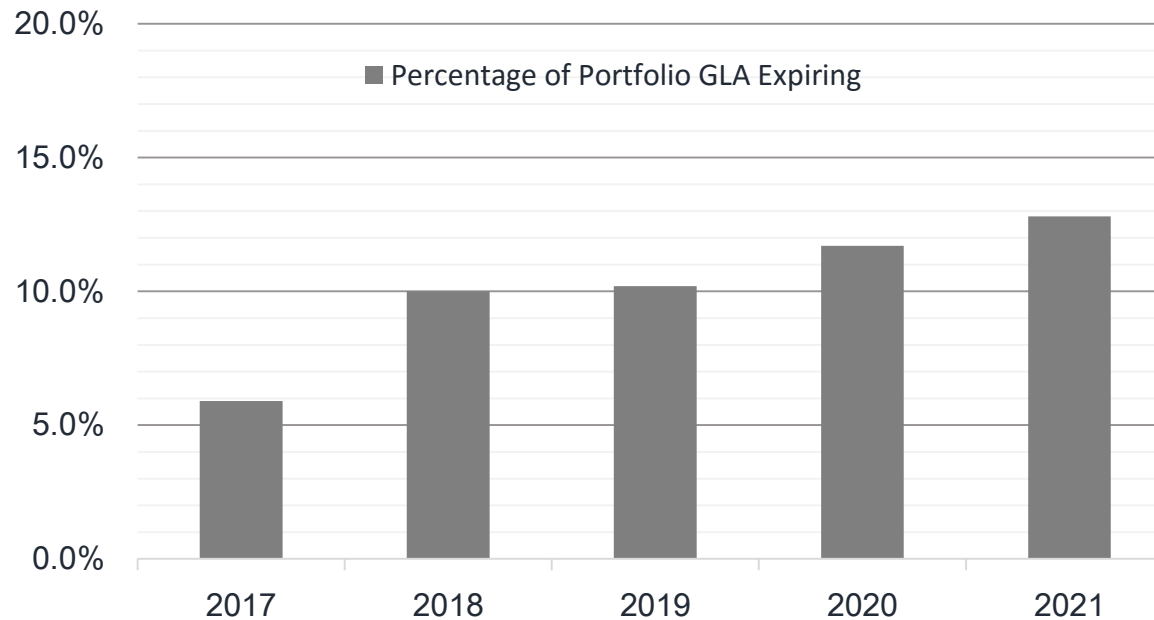


NOI by Geographical Region



Property NOI for three months ended March 31, 2017, inclusive of Artis' proportionate share of joint venture arrangements

Lease Expiration Schedule



Weighted-average rental increase on renewals YTD:

8.0% excluding Artis' Calgary office properties (6.6% including Calgary office properties)

2017 Renewal Program:

56.0% of remaining 2017 expiries have been renewed or committed to new leases

The chart above reflects the percentage of Artis' total GLA expiring (excluding completed new developments and new developments in process) exclusive of GLA that has been renewed or committed to new leases at March 31, 2017.

Schedule of Mortgage Maturities



At March 31, 2017 ⁽¹⁾:

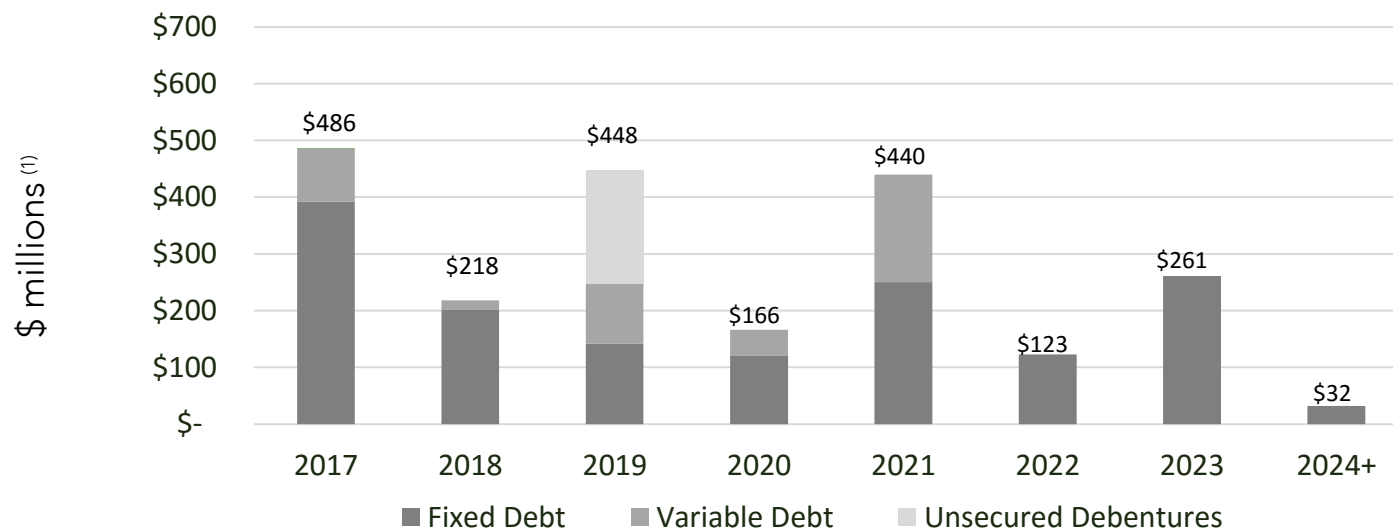
Total Debt to GBV – 50.2%

Secured Mortgage Debt to GBV – 40.2%

EBITDA Interest Coverage Ratio Q1-17 – 3.20 times

Weighted-average interest rate – 3.73%

Weighted-average term – 3.6 yrs



Debtures	3.75%						
Variable Debt	3.63%	3.88%	3.22%	3.06%	3.12%		
Fixed Debt	4.01%*	3.45%	4.05%	3.86%	3.52%	3.79%	4.00%
						3.64%	

*Potential \$0.023 increase in FFO per unit when refinanced

(1) As at March 31, 2017, 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, 2016	December 31, 2016	March 31, 2017	DBRS Recommended Threshold
Debt: GBV	52.7%	51.0%	50.2%	≤ 53.0%
Secured mortgages and loans: GBV	41.3%	40.6%	40.2%	N/A
Unencumbered assets	\$968 million	\$999 million	\$927 million	N/A
EBITDA interest coverage	3.00	3.17	3.20	≥ 2.25
Net Debt: EBITDA ⁽¹⁾	8.38	8.20	8.20	≤ 9.25

Cash and cash equivalents at March 31, 2017: **\$88.1 million**

Availability on unsecured credit facilities: **\$141.9 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

Capital Structure⁽¹⁾



Secured Mortgages and Loans

Mortgages payable = \$2,254.0M

Unsecured Credit Facilities

Amount drawn on credit facilities = \$358.1M

out of a total \$500.0M credit facilities

Senior Unsecured Debentures

Series A⁽²⁾ - due March 2019 = \$200.0M

- 3.753% coupon

Equity Capitalization

Trust Units – 150,578,389 = \$1,992.2 M

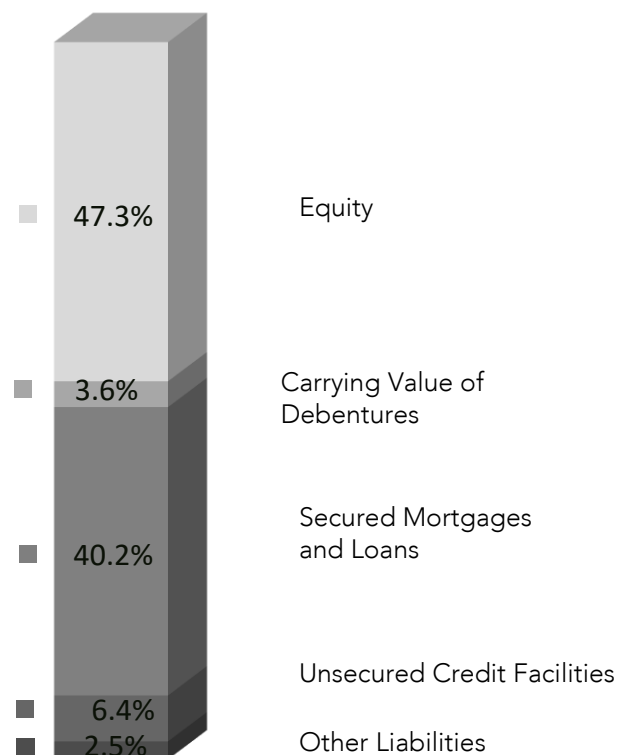
Series A preferred units - 3,450,000 = \$75.2M

Series C preferred units - 3,000,000 = \$95.8M (US\$72.0)

Series E preferred units - 4,000,000 = \$78.3M

Series G preferred units - 3,200,000 = \$62.9M

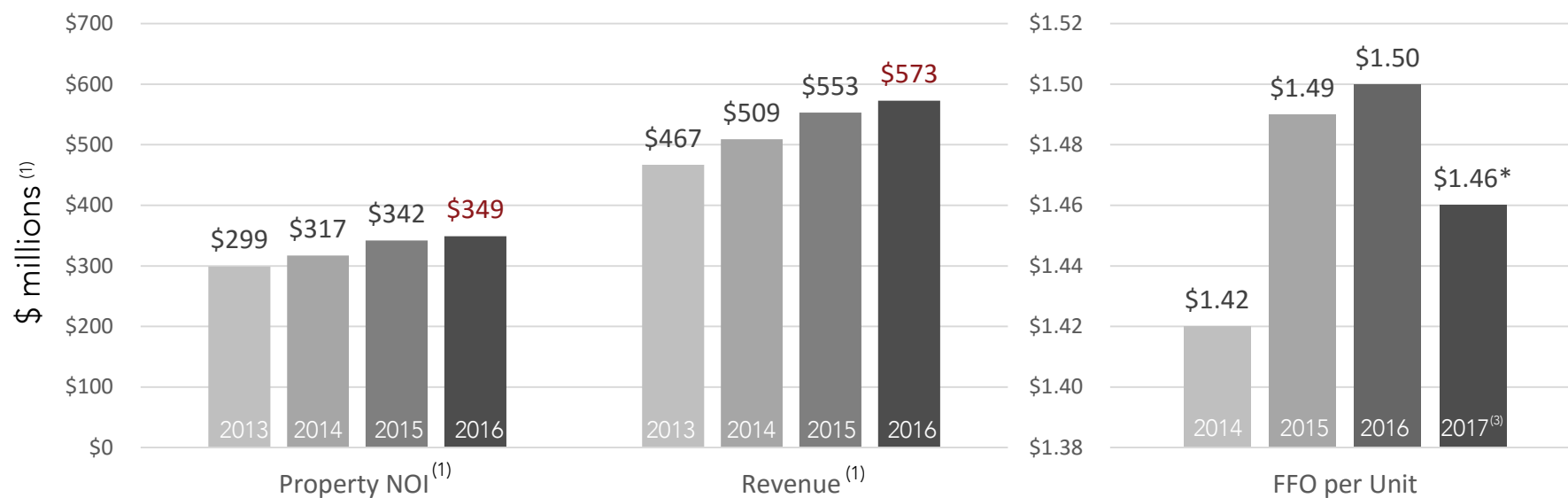
Gross Book Value = \$5.6B



(1) At March 31, 2017, inclusive of Artis' proportionate share of joint ventures

(2) Redeemable for cash

Select Financial Information



* Analyst consensus number

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

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

(3) 2017 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



Midtown Business Center, Minneapolis, MN
Unlevered yield of 7.6%



Millwright Building, Minneapolis, MN
Unlevered yield of 7.3%



Linden Ridge Shopping Centre, Winnipeg, MB
Unlevered yield of 8.0%

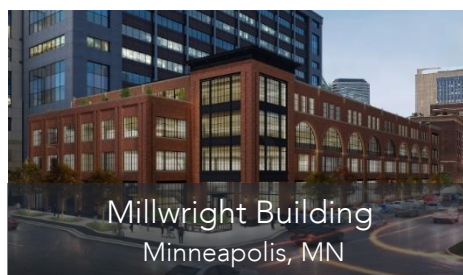
Development Projects Under Construction



Targeted weighted-average unlevered yield of 7.50%



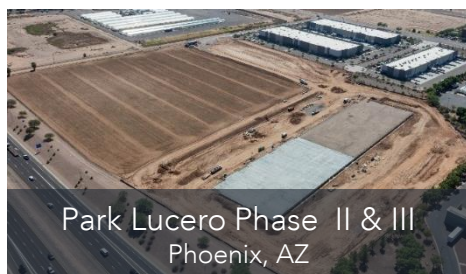
Completed in 2016



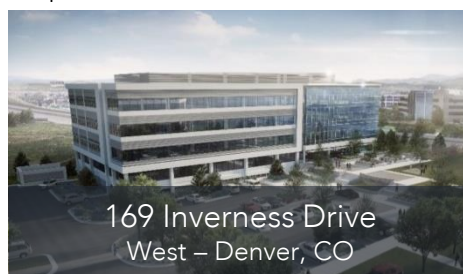
Completed: Q1-17



Completed: Q1-17



Estimated completion: Q1-17 & Q2-17



Estimated completion: Q4-17



Estimated completion: Q3-17

Active Development Pipeline



Project Name	Asset Class	Location	Approx. GLA (Artis' share)	Estimated Total Cost (000's)	% Leased	Target Yield	Estimated Completion
Recently Completed Developments and Developments in Process							
Millwright Building	Office	Minneapolis, MN	139,600 sq. ft.	US\$35,988	35%	7.3%	completed
Park Lucero Phase II	Industrial	Phoenix, AZ	118,600 sq. ft.	US\$11,193	-	7.4%	completed
175 Westcreek Boulevard	Industrial	GTA, ON	130,000 sq. ft.	\$11,286	100%	7.5%	completed
Park Lucero Phase III	Industrial	Phoenix, AZ	132,100 sq. ft.	US\$14,676	100%	6.9%	Q2-17
Park 8Ninety Phase I	Industrial	Houston, TX	415,200 sq. ft.	US\$39,483	59%	7.9%	Q3-17
169 Inverness Drive West	Office	Denver, CO	120,000 sq. ft.	US\$37,900	-	7.6%	Q4-17
TOTAL			1,055,500 sq.ft	\$150,526			
Development Projects in Early Planning Stages							
Linden Ridge Shopping Centre II	Retail	Winnipeg, MB	Land lease		100%		2018
300 Main	Apartment	Winnipeg, MB	612,200 sq. ft. 395 units		-	6.1%	2019
415 Yonge Street	Apartment	Toronto, ON	400,000 sq.ft. 400 units		-	6.5%	2020+
Concorde Corporate Centre	Apartment	GTA, ON	800,000 sq.ft. 760 units		-	6.5%	2020+
TOTAL			1,812,200 sq.ft.				

Future Development Pipeline



Project Name	Asset Class	Location	Estimated GLA (Artis' share)
Linden Ridge Shopping Centre III	Retail	Winnipeg, MB	35,000 sq. ft.
Stampede Station Apartments	Apartments	Calgary, AB	315,000 sq. ft.
Park Lucero Phase IV	Industrial	Phoenix, AZ	85,000 sq. ft.
Park 8Ninety future phases	Industrial	Houston, TX	1,358,000 sq. ft.
Corridor Park	Office	Houston, TX	1,458,000 sq. ft.
801 Carlson Parkway	Office	Minneapolis, MN	335,000 sq. ft.
Inverness Drive Phase II	Office	Denver, CO	120,000 sq. ft.
Inverness Drive Phase III	Retail	Denver, CO	20,000 sq. ft.
Aspen Land (Artis has an option to purchase this land)	Office	Madison, WI	130,000 sq. ft.
Greenway Land	Office	Madison, WI	120,000 sq. ft.
Heartland Trail Land	Office	Madison, WI	165,000 sq. ft.
Total			4,141,000 sq. ft.

Targeted weighted-average unlevered yield of 7.30 %

Projected Returns from Developments



(in millions of dollars, except Projected Value Creation/Cost and Projected Value Creation/Unit)	2017	2018	2019	2020+	Total
Artis' Share of Total Budgeted Costs of Projects Delivered	\$101.4	\$51.0	\$178.1	\$1,559.8	\$1,890.2
Estimated Artis' Share of Combined NOI upon Stabilization	\$7.6	\$3.9	\$11.2	\$114.0	\$136.7
Estimated Value upon Completion (5.75% capitalization rate for commercial properties, 4.00% for apartments)	\$132.2	\$67.4	\$334.7	\$1,936.0	\$2,470.4
Artis' Share of Total Development Budget	\$101.4	\$51.0	\$178.0	\$1,559.8	\$1,890.2
Projected Value Creation	\$30.8	\$16.5	\$156.3	\$376.2	\$580.2
Projected Value Creation/Cost	30%	32%	88%	24%	31%
Projected Value Creation/Unit	\$0.20	\$0.11	\$1.04	\$2.50	\$3.85

Upcoming Development Projects



300 Main Street, Winnipeg, MB



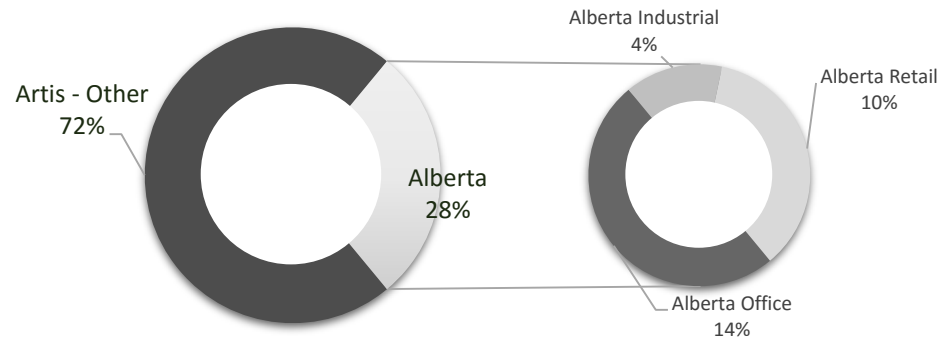
415 Yonge Street, Toronto, ON



Artis' Investment in Alberta



Q1-17 Property NOI



Alberta Office Assets

14% of total property NOI
20 assets
2.5 million square feet



Alberta Retail Assets

10% of total property NOI
25 assets
1.4 million square feet



Alberta Industrial Assets

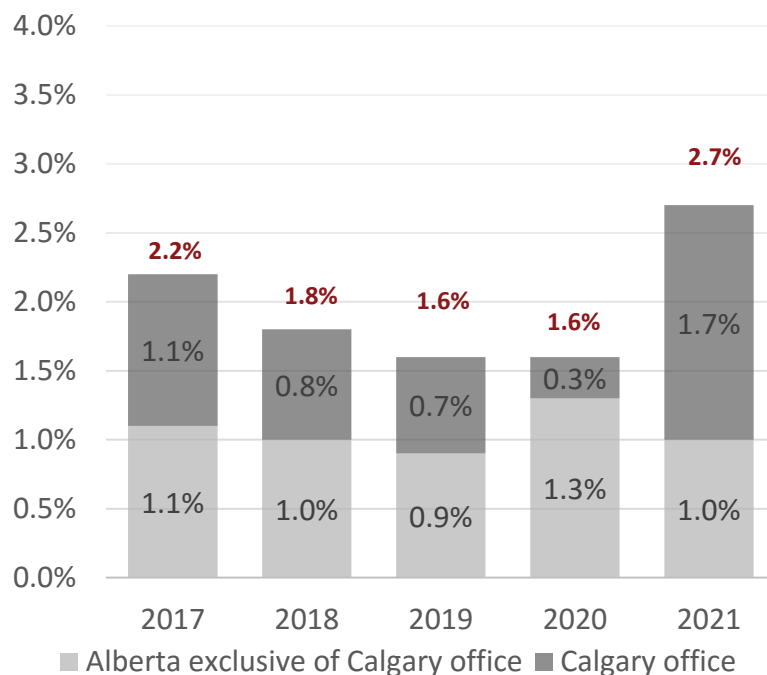
4% of total property NOI
10 assets
0.7 million square feet

Artis' Investment in Alberta



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, completed new developments and new developments in process.

Alberta Outlook Improving

- Projected to lead Canada in GDP growth during 2017 & 2018
- Two Canadian pipelines approved
- Pending approval of Keystone XL pipeline
- OPEC deal confirmed
- Capital spending significantly increasing in Alberta in 2017
- Job growth increasing in 2017
- Artis' Alberta retail and industrial properties achieving positive same property NOI growth

Alberta Dispositions in 2016

Summary of Alberta Properties Sold in 2016:

Number of Properties: 13

Gross Leasable Area: 1.5 million square feet

Aggregate Sale Price: \$274 million

Total IFRS value: \$266 million

***Total \$400 million sold and accretively recycled at 150 bps spread during 2016**



Uplands
Common



Clareview Town Centre



Mayfield Industrial
Plaza



Southwood Corner



Northwest Centre I & II



Alberta Industrial Portfolio

Market and Analyst Information



Information as of May 2017:

Unit price: \$13.50
 Distribution per unit: \$1.08
 Yield: 8.0%
 Market cap: \$2.0B

Analyst Consensus Information ⁽¹⁾

Target price: \$13.69
 Net Asset Value: \$14.19
 Implied cap rate: 6.8%

Consensus	2017		2018	
	AFFO	FFO	AFFO	FFO
Per Unit	\$1.13	\$1.46	\$1.17	\$1.50
Pay-Out Ratio	95.3%	74.0%	92.2%	72.2%
Unit Price Multiple	12.0x	9.3x	11.6x	9.0x
Yield	8.4%	10.8%	8.7%	11.1%

(1) 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.

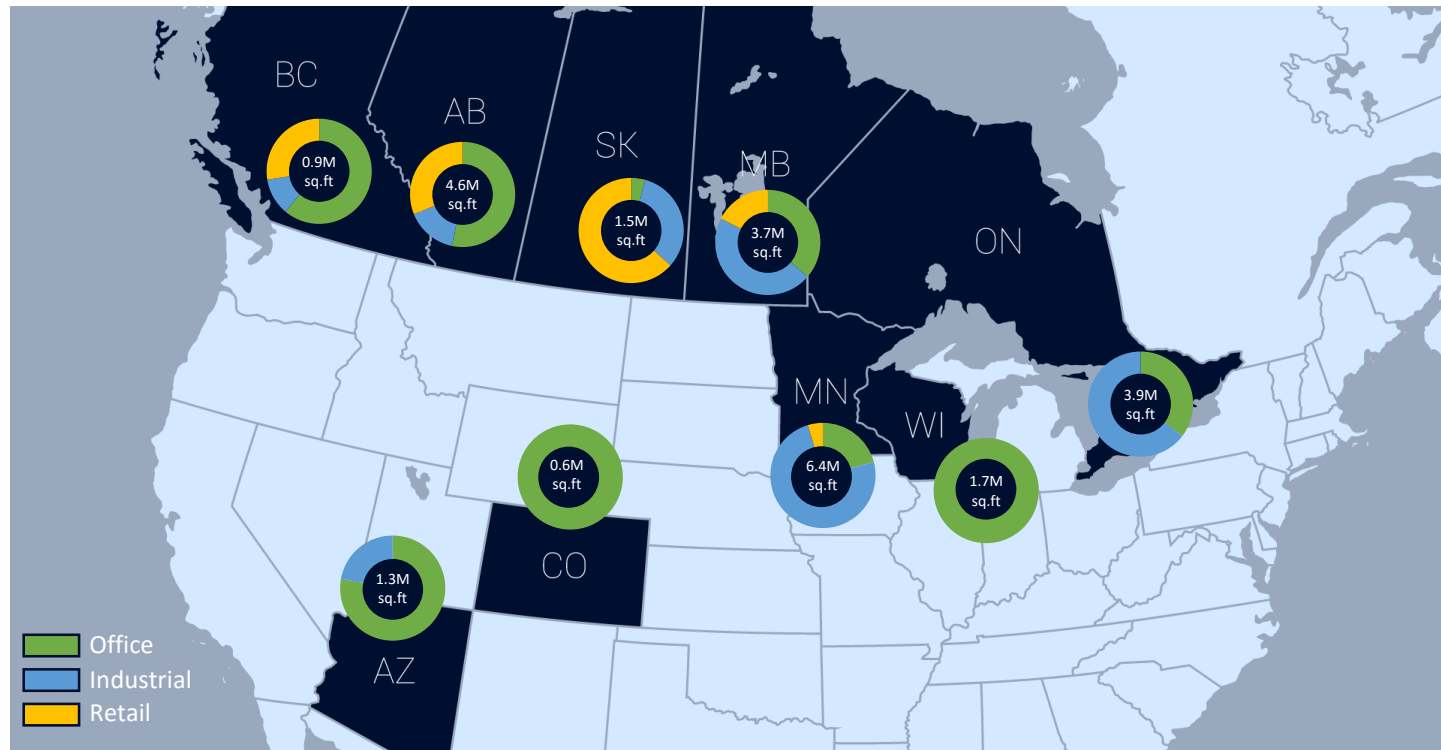
Guideposts for 2017 and Beyond



- Accretive recycling of capital (\$200-\$400 million target)
- Accretive refinancing of debt
- DRIP suspended, minimizing dilution
- Narrow the gap between Unit price and NAV
- Balance sheet considerations
 - Maintain Debt/EBITDA below 8.5x
 - Maintain EBITDA interest coverage ratio above 3.0x
 - Series G convertible debenture (5.75%) repaid with cheaper debt
- FFO payout ratio of 75% or better
- AFFO payout ratio of 100% or better
- Reduce Alberta weighting to approximately 20% of Property NOI, and Calgary office to 10%, in a disciplined manner to maximize Unit value

Portfolio Overview

Diversified Commercial Properties



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