



FOR IMMEDIATE RELEASE

MARCH 8, 2018

ARTIS REAL ESTATE INVESTMENT TRUST ANNOUNCES ACQUISITION OF REMAINING 50% INTEREST IN TWO DENVER OFFICE PROPERTIES

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) announced today that it has acquired the remaining 50% interest in 1700 Broadway and Hudson’s Bay Centre, two Class A office buildings located in Denver, Colorado.

1700 Broadway

1700 Broadway is a 22-storey Class A mid-rise office building located at a five-point intersection in the Uptown section of Denver’s central business district. The property totals 394,174 square feet of leasable area and is 85.5% occupied.

Artis acquired a 50% joint venture interest in 1700 Broadway on May 22, 2013. The remaining 50% joint venture interest was acquired for US\$51.0 million, which is in line with Artis’ most recently reported IFRS value. The transaction closed on March 7, 2018.

Upon closing, Artis assumed the seller’s portion of the existing mortgage, resulting in a total mortgage on the property of US\$43.9 million, bearing interest at a rate of 3.11%. The remaining US\$29.0 million of net equity required, less typical closing adjustments, was satisfied with the issuance of 2,436,731 trust units of Artis at C\$14.85 per unit. The number of units issued was determined based on the exchange rate established by the Bank of Canada at the close of business on the date before the day of closing of the acquisition.

Hudson’s Bay Centre

Hudson’s Bay Centre is a 20-storey Class A mid-rise office building located in the Midtown area of Denver’s central business district, on 16th Street Mall, a pedestrian-only corridor. The property, situated on one of the busiest pedestrian blocks in downtown Denver, provides convenient access to the light rail transit system as well as the 16th Street Mall shuttle. Hudson’s Bay Centre totals 179,938 square feet of leasable area and is 81.2% occupied.

Artis acquired a 50% joint venture interest in Hudson’s Bay Centre on April 15, 2014. The remaining 50% joint venture interest was acquired for US\$19.0 million, which is in line with Artis’ most recently reported IFRS value. The transaction closed on March 7, 2018.

Upon closing, Artis assumed the seller’s portion of the existing mortgage, resulting in a total mortgage on the property of US\$19.7 million, bearing interest at a rate of 3.76%. The remaining US\$9.2 million of net equity required, less typical closing adjustments, was satisfied with the issuance of 748,241 trust units of Artis at C\$14.85 per unit. The number of units issued was determined based on the exchange rate established by the Bank of Canada at the close of business on the date before the day of closing of the acquisition.

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 December 31, 2017, Artis' commercial property comprises approximately 24.8 million square feet of leasable area.

During the three months ended December 31, 2017, Property Net Operating Income ("Property NOI") by asset class, including Artis' proportionate share of properties held in joint venture arrangements, was approximately 53.6% office, 21.2% retail and 25.2% industrial. Property NOI by geographical region, including Artis' proportionate share of properties held in joint venture arrangements, was approximately 4.4% in British Columbia, 23.1% in Alberta, 6.7% in Saskatchewan, 14.3% in Manitoba, 12.2% in Ontario, 8.0% in Arizona, 17.6% in Minnesota, 9.1% in Wisconsin and 4.6% in U.S. – Other.

Property NOI is a non-GAAP measure. 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.

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 1.204.947.1250

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

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