



Management's Discussion and Analysis 2020 Annual

TSX: AX.UN AX.PR.A AX.PR.E AX.PR.I
OTCQX: ARESF

Management's Discussion and Analysis - 2020 Annual

(in thousands of Canadian dollars, unless otherwise noted)

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Artis Real Estate Investment Trust should be read in conjunction with the REIT's audited annual consolidated financial statements for the years ended December 31, 2020 and 2019, and the notes thereto. Unless otherwise noted, all amounts in this MD&A are based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Additionally, "Artis", the "REIT", "we", "us" and "our" refers to Artis Real Estate Investment Trust and its consolidated operations. This MD&A has been prepared taking into account material transactions and events up to and including March 2, 2021. Additional information about Artis, including the REIT's most recent Annual Information Form, has been filed with applicable Canadian securities regulatory authorities and is available at www.sedar.com or on our website at www.artisreit.com.

FORWARD-LOOKING DISCLAIMER

This MD&A 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 impact of the COVID-19 pandemic, 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 associated with the COVID-19 pandemic, real property ownership, geographic concentration, current economic conditions, strategic initiatives, debt financing, interest rate fluctuations, foreign currency, tenants, SIFT rules, other tax-related factors, illiquidity, competition, reliance on key personnel, future property transactions, general uninsured losses, dependence on information technology, cyber security, environmental matters and climate change, land and air rights leases, public markets, market price of common units, changes in legislation and investment eligibility, availability of cash flow, fluctuations in cash distributions, nature of units, legal rights attaching to units, preferred units, debentures, dilution, unitholder liability, failure to obtain additional financing, potential conflicts of interest, developments and trustees.

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 MD&A are qualified by this cautionary statement.

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. Income statement and balance sheet metrics, such as those identified below, are shown on both an IFRS and a Proportionate Share basis. Artis provides a reconciliation to its consolidated financial statements in the Analysis of Operating Results and Analysis of Financial Position sections of this MD&A.

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. Refer to the Revenue and Property NOI section of this MD&A for further discussion and calculation of this measure.

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 certain 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. Refer to the Same Property NOI Analysis section of this MD&A for further discussion and calculation of this measure.

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. Refer to the FFO and AFFO section of this MD&A for further discussion and a reconciliation of net income to this measure.

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 as it adjusts FFO by excluding straight-line rent adjustments, as well as costs incurred relating to leasing activities and property capital expenditures. Refer to the FFO and AFFO section of this MD&A for further discussion and a reconciliation of net income to this measure.

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. Artis calculates FFO and AFFO per unit by asset class based on the Proportionate Share Property NOI for each asset class as a percentage of Artis' total Proportionate Share Property NOI multiplied by total FFO or AFFO per unit for the period. Management uses the FFO and AFFO payout ratios to measure the REIT's ability to pay distributions.

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. Refer to the Balance Sheet Metrics section of this MD&A for a calculation of this measure.

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. Refer to the Balance Sheet Metrics section of this MD&A for a calculation of this measure.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") Interest Coverage Ratio

Prior to December 31, 2020, the REIT calculated Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") as net income, adjusted for interest expense, transaction costs, income taxes, all non-cash revenue and expense items on a Proportionate Share basis. Effective December 31, 2020, the REIT calculates Adjusted EBITDA to include the add back of non-recurring items, such as strategic initiative and proxy matter expenses as the REIT believes this is a better representation of recurring Adjusted EBITDA.

Adjusted EBITDA Interest Coverage Ratio is calculated by dividing Adjusted EBITDA by interest expense from operations (excluding amortization of financing costs, above- and below-market mortgage adjustments and accretion on debentures). Management considers this ratio to be a valuable measure of Artis' ability to service the interest requirements on its outstanding debt. Refer to the Debt Metrics section of this MD&A for a calculation of this measure.

Debt to Adjusted EBITDA Ratio

Artis calculates debt to Adjusted EBITDA based on annualizing the current quarter's Adjusted EBITDA as defined above and comparing that balance to Artis' total outstanding debt, on a Proportionate Share basis. Management considers this ratio to be a valuable measure of Artis' ability to meet financial obligations. Refer to the Debt Metrics section of this MD&A for a calculation of this measure.

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BUSINESS OVERVIEW

Artis is one of the largest diversified commercial real estate investment trusts in Canada and is an unincorporated closed-end real estate investment trust, created under, and governed by, the laws of the Province of Manitoba. The REIT was created pursuant to the Declaration of Trust dated November 8, 2004, as most recently amended and restated on April 15, 2020 (the "Declaration of Trust").

Certain of the REIT's securities are listed on the Toronto Stock Exchange ("TSX"). The REIT's common units trade under the symbol AX.UN and the REIT's preferred units trade under the symbols AX.PR.A, AX.PR.E and AX.PR.I. The REIT's common units also trade in the United States ("U.S.") on the OTCQX Best Market ("OTCQX"), under the symbol ARESF. As at March 2, 2021, there were 133,593,711 common units, 12,099,514 preferred units, 416,429 restricted units and 80,983 deferred units of Artis outstanding (refer to the Outstanding Unit Data section of this MD&A for further details).

OBJECTIVES

Artis' primary objective is to provide a tax-efficient monthly cash distribution as well as long-term appreciation in the value of Artis' units through the accumulation and effective management of a quality portfolio of commercial real estate.

Since its inception, Artis has provided a steady stream of monthly cash distributions to its unitholders. The amount distributed is set by the Board of Trustees (the "Board") in accordance with the Declaration of Trust. On November 5, 2020, the REIT announced a 3% increase to common unitholder distributions, from \$0.54 per unit annually to \$0.5562 per unit annually, effective for the December 2020 distribution payable on January 15, 2021.

Artis' management utilizes several key strategies to meet its primary objective, which are executed in consideration of current economic and market factors:

- **Strategic Asset Ownership.** Artis' portfolio of industrial, office and retail real estate is strategically and diversely located in select primary and secondary markets in Canada and the U.S. Artis' management conducts on-going analysis of the performance of its assets and the relevant economic fundamentals of its target markets, identifying opportunities to make accretive acquisitions, develop new generation real estate and dispose of assets that are not aligned with its long-term strategy.
- **Disciplined Growth.** Artis' management strives to extract maximum value from its portfolio through effective management of assets, including leasing initiatives that focus on maintaining strong occupancy levels and realizing the gain between in-place rental rates and market rental rates. Artis' management creates value through strategic asset redevelopment and property intensification initiatives, and through new development projects. New developments provide Artis an opportunity to build and own new generation real estate, and are considered in circumstances where the return on a development project is higher than that of acquiring an existing property.
- **Prudent Financial Management.** Artis has a long-term conservative approach to financial management, characterized by diligent management of its balance sheet, and prudent management of financial metrics, such as debt ratios, interest coverage ratios, payout ratios, and per unit metrics. Artis minimizes its risk related to interest rates by utilizing various sources of capital and staggering debt maturities. Ample access to cash is required to fulfill distribution obligations and for on-going operations, which includes re-investing in the portfolio, making accretive acquisitions and funding development projects.

2020 OVERVIEW

PROXY MATTER AND BOARD RECONSTITUTION

2020 was a year of significant change for Artis. On September 30, 2020, the REIT received a unitholder requisition from Sandpiper Group ("Sandpiper") requesting that a special meeting of unitholders be called for the purpose of reconstituting the Board with five new Trustees (the "Proxy Matter"). On November 30, 2020, a settlement agreement was reached with Sandpiper pursuant to which four existing trustees tendered their resignations from the Board and the Chief Executive Officer and the Chief Financial Officer announced their retirements. In connection with the settlement, Heather-Anne Irwin, Samir Manji, Mike Shaikh, Aida Tammer and Lis Wigmore were added to the Board.

Subsequently, on December 1, 2020, the Board approved the appointment of Samir Manji as Chair of the Board and announced the newly structured committees of the Board. These changes resulted in immediate improvements to the REIT's governance, including the addition of new and diverse perspectives, a reduction in Board fees, and the implementation of a comprehensive review of the Board mandate, committee charters, and governance policies. Further discussion pertaining to these governance changes can be found in the Environmental, Social and Governance Updates section of this MD&A.

The newly reconstituted Board commenced a review of the REIT (the "100-Day Review") and committed to completing the review within 100 days of the announcement of the settlement agreement. In light of these recent developments, the Board has suspended the previously announced retail spin-off. In the meantime, the Board and management continue to execute a comprehensive plan to reduce debt and optimize the portfolio.

On December 14, 2020, the Board appointed Samir Manji as Interim Chief Executive Officer and Ben Rodney as Lead Trustee of the Board, in each case, effective January 1, 2021.

FINANCIAL AND OPERATIONAL RESULTS

Despite the ongoing challenges related to the COVID-19 pandemic, we reported strong portfolio occupancy of 91.9% (including commitments) at December 31, 2020, compared to 93.4% at December 31, 2019. During the year, 1,300,461 square feet of new leases and 1,797,146 square feet of lease renewals commenced. The weighted-average increase in renewal rents compared to expiring rents on renewals that commenced in 2020 was 2.4%.

FFO per unit for the year ended December 31, 2020 was \$1.41, unchanged from the year ended December 31, 2019, while AFFO per unit for the year ended December 31, 2020 was \$1.02, compared to \$1.05 for the year ended December 31, 2019. We reported conservative FFO and AFFO payout ratios of 38.3% and 52.9%, respectively, for the year ended December 31, 2020.

FFO and AFFO in 2020 were primarily impacted by dispositions in 2019 and 2020 and the ongoing impact of the COVID-19 pandemic, partially offset by acquisitions and new developments in 2019 and 2020, a decrease in year-over-year interest expense, and a higher US dollar to Canadian dollar average exchange rate in 2020 compared to 2019. Also contributing to the per unit results is the decrease in the weighted-average number of units outstanding, primarily due to units repurchased under the normal course issuer bid ("NCIB").

BALANCE SHEET AND LIQUIDITY

At December 31, 2020, NAV per unit was \$15.03 compared to \$15.56 at December 31, 2019. Artis' debt metrics improved during 2020; we reported that both secured mortgages and loans to GBV and total long term debt to GBV decreased to 26.2% and 49.3%, respectively, at December 31, 2020, compared to 26.3% and 51.3%, respectively, at December 31, 2019. Artis' Adjusted EBITDA interest coverage ratio increased to 3.38 for the year ended December 31, 2020, compared to 2.98 for the year ended December 31, 2019.

During 2020, we repaid the Series B senior unsecured debentures with a face value of \$200,000 and issued new three-year Series D senior unsecured debentures in the amount of \$250,000. The REIT also entered into a new \$200,000 non-revolving credit facility agreement.

During the year, we purchased 3,727,716 common units for an aggregate market price of \$33,442 and 31,100 Series A, 45,802 Series E and 34,460 Series I preferred units for an aggregate market price of \$1,850. We remain committed to repurchasing units under the NCIB.

PORTFOLIO ACTIVITY

During 2020, we completed one industrial development project in the U.S. and two retail development projects in Canada. Park 8Ninety IV is a best-in-class build-to-suit industrial development located in the Greater Houston Area, Texas, which is 100% leased to a multi-national tenant. The REIT had a 95% interest in Park 8Ninety IV in the form of a joint venture arrangement and, subsequent to December 31, 2020, purchased the remaining 5% interest in the property. We also completed the development of Linden Ridge Shopping Centre II, a 17,071 square foot retail densification project located in Winnipeg, Manitoba, and 330 Main, a 28,086 square foot state-of-the-art retail property also located in Winnipeg, Manitoba. Linden Ridge Shopping Centre II is 100% leased to two national tenants while 330 Main is 94% leased to two national tenants.

In November 2018, in conjunction with a number of strategic initiatives aimed at improving Artis' growth profile and strengthening its balance sheet, we announced our intention to embark on a disposition program with a target of \$800,000 to \$1,000,000 of non-core assets sales over a three-year time frame. In September 2020, we had achieved this target with approximately \$800,000 of dispositions completed ahead of schedule and committed to sell an additional \$550,000 (together defined as the "Strategic Initiatives").

Below is a list of properties that were sold in 2020 in accordance with the Strategic Initiatives.

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Annualized Property NOI ⁽¹⁾	Capitalization rate ⁽²⁾	Sale price	Fair value ⁽³⁾
Centre 15 Building	1	Calgary, AB	January 21, 2020	Office	76,021	\$ 1,349	7.50 %	\$ 14,000	\$ 13,991
Calgary Office Portfolio ⁽⁴⁾	2	Calgary, AB	January 30, 2020	Office	497,635	6,727	8.75 %	77,814	78,872
800 5th Avenue	1	Calgary, AB	January 31, 2020	Office	258,445	2,418	8.00 %	26,000	25,854
1165 Kenaston Street	1	Ottawa, ON	March 31, 2020	Office	180,689	638	N/A	22,500	22,437
Millwright Building ⁽⁵⁾	1	Twin Cities Area, MN	August 25, 2020	Office	138,781	2,412	6.00 %	54,542	55,781
801 Carlson Land	—	Twin Cities Area, MN	November 9, 2020	Office	—	(218)	N/A	7,167	5,185
Concorde Corporate Centre	2	Toronto, ON	November 16, 2020	Office	565,190	5,176	5.00 %	114,000	112,085
Delta Shoppers Mall	1	Greater Vancouver Area, BC	November 18, 2020	Retail	74,669	1,683	5.20 %	34,280	34,068
Shoppers Landmark Centre	1	Regina, SK	November 25, 2020	Retail	49,023	834	6.20 %	16,000	15,405
Strathcona Shoppers Centre	1	Regina, SK	December 7, 2020	Retail	21,910	456	6.30 %	7,625	7,139
ASM America Headquarters Building	1	Phoenix, AZ	December 10, 2020	Office	130,282	1,983	5.60 %	35,181	28,839
1110 Pettigrew Avenue	1	Regina, SK	December 15, 2020	Industrial	118,957	730	7.10 %	15,250	14,261
	13				2,111,602	\$ 24,188		\$424,359	\$413,917

(1) Based on the annualized Property NOI reported for the quarter prior to disposition.

(2) Capitalization rates based on 12-month forward looking Property NOI, as of the date of closing.

(3) Based on the fair value reported at the quarter prior to disposition.

(4) Disposition includes a parcel of development land.

(5) The REIT held an 80% interest in the Millwright Building in the form of a joint venture arrangement.

At December 31, 2020, we had entered into an unconditional sale agreement for the Victoria Square Retail Portfolio, comprising two retail properties located in Regina, Saskatchewan, for a sale price of \$45,000, which represents a capitalization rate of 9.4%. The sale is expected to close in April 2021.

Subsequent to December 31, 2020, we sold Tower Business Center, an industrial property located in the Greater Denver Area, Colorado, for a sale price of US\$53,160 at the REIT's interest which represents a capitalization rate of 4.0%. Artis had an 80% interest in this property in the form of a joint venture arrangement. The sale closed on February 9, 2021.

IMPACT OF COVID-19

Health and Safety of Stakeholders

We continue to work diligently to maintain a safe environment for our tenants, employees, customers and visitors to our properties. Our first priority and intention is to keep our buildings safe and open unless ordered closed by government authority. To ensure this is possible, we have made appropriate contingency plans to maintain building supplies and necessary personnel for operations.

In accordance with current recommendations, we have increased common area cleaning at all properties. We have instructed our cleaning contractors to maintain a full complement of staff. The surplus manpower is being used to intensify cleaning and sanitizing in high-traffic areas. High-touch surfaces, such as doorknobs, handles, railings and elevator buttons are being regularly cleaned throughout the day. Building cleaners are monitoring soap and hand sanitizer dispensers to ensure continued availability of these products. We have had no service reductions and are currently fully staffed with building operations and cleaning personnel. If this needs to change, we will immediately notify all tenants. We have asked our non-building operations personnel to work remotely to comply with social distancing requirements.

In an effort to minimize risk related to COVID-19 throughout our buildings, we have also imposed protocols for our employees and contractors, as directed by local or federal government guidelines and recommendations, and are encouraging tenants to do the same, namely:

- Encouraging compliance with handwashing and other hygiene recommendations;
- Requiring individuals who have travelled between provinces, states or internationally to follow local government regulations regarding isolation periods;
- Directing individuals who experience any symptoms consistent with COVID-19 or have been exposed to someone with COVID-19 to refrain from visiting our buildings and to follow public health recommendations.

We will continue to closely monitor this situation and will adjust our approach as recommended by public health agencies.

Tenant Support Program and Rent Collection

As a diversified REIT, our portfolio comprises industrial, office and retail properties which, at December 31, 2020, were 89.9% leased (91.9% including commitments on vacant space) to high-quality tenants across Canada and the U.S. with a weighted-average remaining lease term of 5.3 years. We expect that the COVID-19 pandemic will continue to have the largest impact on our retail segment, which represented 19.3% of Q4-20 Proportionate Share Property NOI. At December 31, 2020, our retail portfolio was 87.9% leased (90.7% including commitments on vacant space) with a weighted-average remaining lease term of 4.6 years. Overall, we are confident that the quality of our retail properties, strong tenant base and our limited exposure to this asset class will mitigate the impact on our overall business. In addition, the Canadian office segment continues to be impacted by a decline in parking revenues as a result of work from home arrangements due to the COVID-19 pandemic.

Rent Collection

Rent collection has been a key focus for us and our stakeholders during this time. As at December 31, 2020, we have collected 98.5% of rent charges (both excluding and including deferred rent charges) for the three months ended December 31, 2020. Further detail pertaining to rent collections for the three months ended December 31, 2020, including information by asset class and geographical region, can be found on the following page.

With respect to Artis' retail portfolio, as at December 31, 2020, we have collected approximately 97.9% of rent charges, excluding deferred rent, for the three months ended December 31, 2020. We continue to work diligently with our tenants as government restrictions related to the pandemic are constantly evolving.

Rent Deferrals

Due to government-mandated capacity restrictions and temporary closures of certain non-essential businesses, a number of our tenants have had to limit operations. Although governments had eased COVID-19 restrictions and businesses had started to reopen in mid-2020, a resurgence of COVID-19 in the fall resulted in the re-imposition of many restrictions and may lead to more restrictions being implemented again in an effort to reduce the spread of COVID-19. To support tenants through this difficult time, qualifying tenants who are in need of assistance have been given the option to defer a portion of their rent, with an agreement to repay the amount deferred at a specified later date.

As at December 31, 2020, the outstanding balance of rent deferrals granted to our tenants was \$4,901 (\$4,988 on a Proportionate Share basis), compared to \$5,520 (\$5,644 on a Proportionate Share basis) at September 30, 2020. The quarter-over-quarter change is due to repayments of \$753 and foreign exchange loss of \$22, partially offset by deferral agreements executed of \$156.

Allowance for Doubtful Accounts

We anticipate that the majority of rent deferrals and rents receivable will be collected, however, there are certain tenants that may not be able to pay their outstanding rent. As at December 31, 2020, we have recorded an allowance for doubtful accounts in the amount of \$1,989 (\$1,991 on a Proportionate Share basis), compared to \$2,173 (\$2,176 on a Proportionate Share basis) at September 30, 2020.

Summary by Asset Class at December 31, 2020 ⁽¹⁾

	% of Rent Collected Excluding Deferred Rent ⁽²⁾	% Rent Collected Including Deferred Rent ⁽²⁾	Deferred Rents Receivable	Allowance for Doubtful Accounts - Deferred Rents Receivable	Rents Receivable	Allowance for Doubtful Accounts - Rents Receivable
Canada:						
Industrial	98.6 %	98.6 %	\$ 481	\$ (69)	\$ 863	\$ (212)
Office	98.9 %	98.9 %	1,302	(76)	1,140	(187)
Retail	97.9 %	97.6 %	2,887	(400)	1,590	(692)
	98.5 %	98.4 %	4,670	(545)	3,593	(1,091)
U.S.:						
Industrial	98.1 %	98.1 %	84	—	487	(12)
Office	98.9 %	98.9 %	234	—	1,632	(343)
	98.6 %	98.6 %	318	—	2,119	(355)
Total portfolio:						
Industrial	98.4 %	98.4 %	565	(69)	1,350	(224)
Office	98.9 %	98.9 %	1,536	(76)	2,772	(530)
Retail	97.9 %	97.6 %	2,887	(400)	1,590	(692)
Total	98.5 %	98.5 %	\$ 4,988	\$ (545)	\$ 5,712	\$ (1,446)

(1) Information presented on a Proportionate Share basis.

(2) Rent collection is based on rental charges in functional currencies for the three months ended December 31, 2020.

During Q4-20, deferred rents receivable on a Proportionate Share basis for the industrial, office, and retail segments decreased \$374, \$49 and \$233, respectively, due to repayments during the quarter, net of deferral agreements executed.

Summary by Geographical Region at December 31, 2020 ⁽¹⁾

	% of Rent Collected Excluding Deferred Rent ⁽²⁾	% Rent Collected Including Deferred Rent ⁽²⁾	Deferred Rents Receivable	Allowance for Doubtful Accounts - Deferred Rents Receivable	Rents Receivable	Allowance for Doubtful Accounts - Rents Receivable
Canada:						
Alberta	98.1 %	98.1 %	\$ 1,882	\$ (259)	\$ 1,450	\$ (494)
British Columbia	96.3 %	96.3 %	183	(8)	97	(2)
Manitoba	99.3 %	99.3 %	580	(73)	912	(129)
Ontario	98.0 %	98.0 %	1,071	(22)	855	(269)
Saskatchewan	98.8 %	98.0 %	954	(183)	279	(197)
	98.5 %	98.4 %	4,670	(545)	3,593	(1,091)
U.S.:						
Arizona	98.9 %	98.9 %	202	—	292	(79)
Colorado	98.6 %	98.6 %	33	—	626	(131)
Minnesota	99.7 %	99.7 %	29	—	357	(86)
New York	100.0 %	100.0 %	—	—	14	—
Texas	92.0 %	92.0 %	54	—	320	—
Wisconsin	98.2 %	98.2 %	—	—	510	(59)
	98.6 %	98.6 %	318	—	2,119	(355)
Total	98.5 %	98.5 %	\$ 4,988	\$ (545)	\$ 5,712	\$ (1,446)

(1) Information presented on a Proportionate Share basis.

(2) Rent collection is based on rental charges in functional currencies for the three months ended December 31, 2020.

Valuation of Investment Properties

During the year ended December 31, 2020, significant fair value adjustments were recorded for our retail and office assets as a result of management's assessment of the risks and impacts of the COVID-19 pandemic. These included adjustments to vacancy allowances, market rents and capitalization rates to reflect the acceleration of the challenging environment plaguing the retail sector and a decrease in demand for office space particularly within regions dependent on the energy industry.

Emergency measures enacted by governments in response to the COVID-19 pandemic, including travel restrictions, physical distancing and the temporary closure of non-essential businesses, have created significant estimation uncertainty in the determination of the fair value of investment properties as at December 31, 2020. The REIT has made assumptions with respect to the duration and severity of these emergency measures as well as the duration of the subsequent economic recovery in estimating the amount and timing of future cash flows generated from investment properties and used in the determination of fair value. As a result of this significant estimation uncertainty, there is a risk that the assumptions used to determine fair values as at December 31, 2020 may change as more information becomes available, resulting in a material adjustment to the fair value of investment properties in future reporting periods.

For further discussion on the fair value of investment properties, refer to the Fair Value (Loss) Gain on Investment Properties section of this MD&A.

Risks

Due to uncertainty with respect to the duration and severity of the COVID-19 pandemic, it is not possible to reliably estimate the future impact of the COVID-19 pandemic on financial results and operations. For more information on risks related to the COVID-19 pandemic, please refer to the Risks and Uncertainties section of this MD&A.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE UPDATES

As one of Canada's most prominent landlords, we consider it our responsibility to set a high standard of sustainable practices and to demonstrate the importance of striving for excellence and promoting best practices in the areas of environmental, social and governance ("ESG"). We are on a path of continuous improvement in all areas of ESG and are committed to ensuring that excellence in ESG practices are an integral part of our business model and as a core component of our corporate culture.

During 2020, notable initiatives and improvements in ESG include (but are not limited to):

- a 25% reduction in Board fees;
- an increase in female representation on the Board from 25% at December 31, 2019, to 57% at December 31, 2020;
- an increase in female representation in senior management positions from 33% at December 31, 2019, to 40% at December 31, 2020;
- a significant decrease in average board tenure;
- a comprehensive review of the Board Mandate, Committee Charters, and various governance policies commenced and is ongoing;
- the utilization of GOBY as a consultant and to track consumption at all properties (to the extent that it is possible to do so) for the fifth consecutive year;
- an increase in the number of Energy Star certified properties from 18 at December 31, 2019, to 20 at December 31, 2020;
- the prioritization of health and wellness initiatives for employees, including healthy lifestyle challenges and webinars related to stress and personal finance management to offer support and connectivity during a year of unprecedented change related to the COVID-19 pandemic; and
- the organization of various employee fundraising initiatives and challenges to raise funds for numerous charitable organizations.

At December 31, 2020, we had 15 properties with a Leadership in Energy and Environmental Design ("LEED") certification, 17 properties with a Building Owners and Managers Association ("BOMA") Building Environmental Standards ("BEST") certification and 20 properties with an Energy Star certification.

For additional information about Artis' comprehensive corporate sustainability program, including Artis' Environmental, Social and Governance Report, please visit www.artisreit.com.

BUSINESS ENVIRONMENT AND OUTLOOK

The last year brought unanticipated and unprecedented challenges for the real estate sector. Government-mandated capacity restrictions and temporary closures of many non-essential businesses forced a number of retailers to limit operations. Further, many office tenants have shifted to a work-from-home model wherever possible to comply with social distancing and other requirements or measures implemented due to the global pandemic. While governments had eased restrictions and businesses had started to reopen mid-year, a resurgence of COVID-19 in the fall of 2020 resulted in the re-implementation of many of the restrictions in an effort to reduce the spread of the virus. The impact on the economy was significant with some estimating that real gross domestic product ("GDP") contracted by over 5% in Canada and 3% in the United States in 2020.

With respect to the overall market for commercial real estate, the disruption caused by the pandemic meant reduced visibility and fewer transactions, creating challenges in assessing overall capitalization rates during 2020, especially during the second and third quarters. Despite all of this, industrial real estate continued to witness downward pressure on capitalization rates; however, interest in office and retail real estate was muted due to the impact of the pandemic and resulting lack of visibility for these sectors. Notwithstanding the decrease in transaction activity throughout the middle of the year, Artis sold 13 assets (nine office, three retail and one industrial property) and two parcels of development land in 2020. These assets represented 2.1 million square feet of gross leasable area and were sold for an aggregate sale price of \$424,359. The aggregate IFRS fair value reported at the quarter prior to disposition for these assets was \$413,917. As might be expected, the majority of these sales occurred prior to the implementation of the COVID-19 restrictions in March and after the vaccine announcement in November.

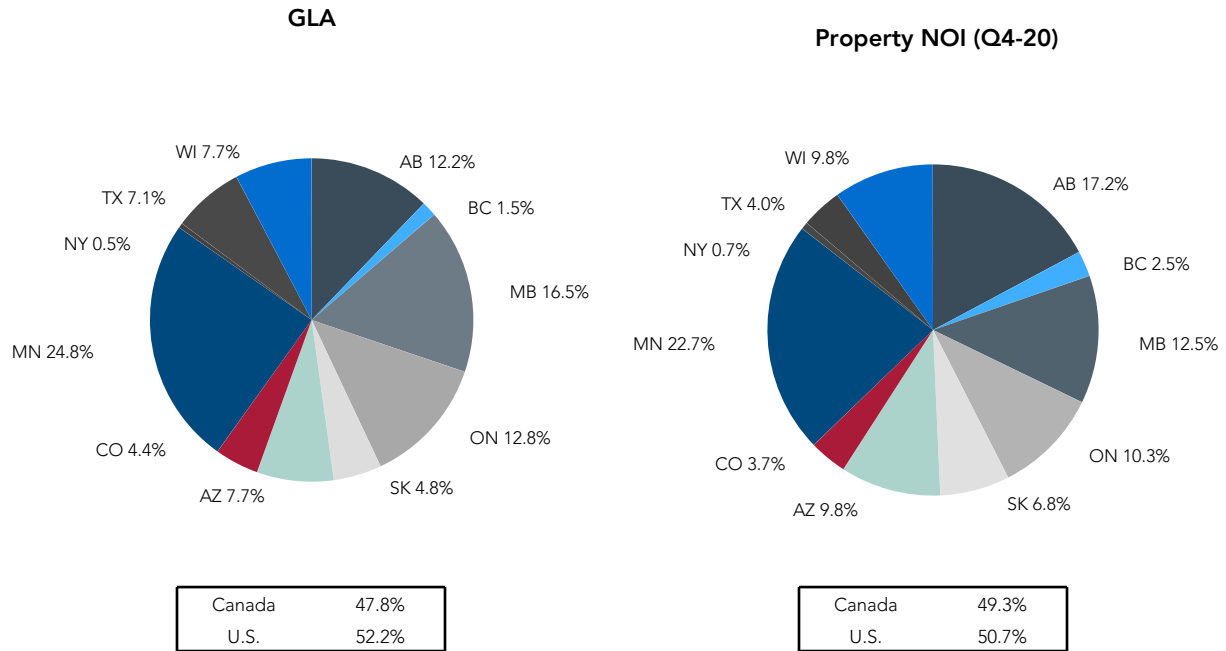
Looking forward to 2021, as the rollout of the vaccine progresses and we look forward to a post-pandemic environment, we continue to see opportunities for all three of Artis' asset classes. Clearly, the industrial asset class has proven to be defensive in this environment and we anticipate it will continue as such for the foreseeable future. We expect that needs and service-based open-air retail will continue to be a resilient asset type. With respect to the office market, we believe that employers will rethink and reassess their office needs; however, they will continue to see the benefit of face-to-face collaboration, the ability to make decisions in real time, social interaction, efficiencies that result from immediate access to supplies and company resources such as human resources and information technologies, among other things and will ultimately continue to see a need for office space. Further, we anticipate that, while some tenants may require less space due to work from home arrangements, this will be partially offset by the need for more space per employee and a shift towards private workspaces to accommodate social distancing requirements.

As we embark upon 2021 with a strong balance sheet and a portfolio that has proven to be resilient through challenging times, we are well positioned to take advantage of the opportunities that lie ahead. Artis' Board and management are committed to maximizing unitholder value. The Board looks forward to sharing the results of the 100-Day Review in the coming days.

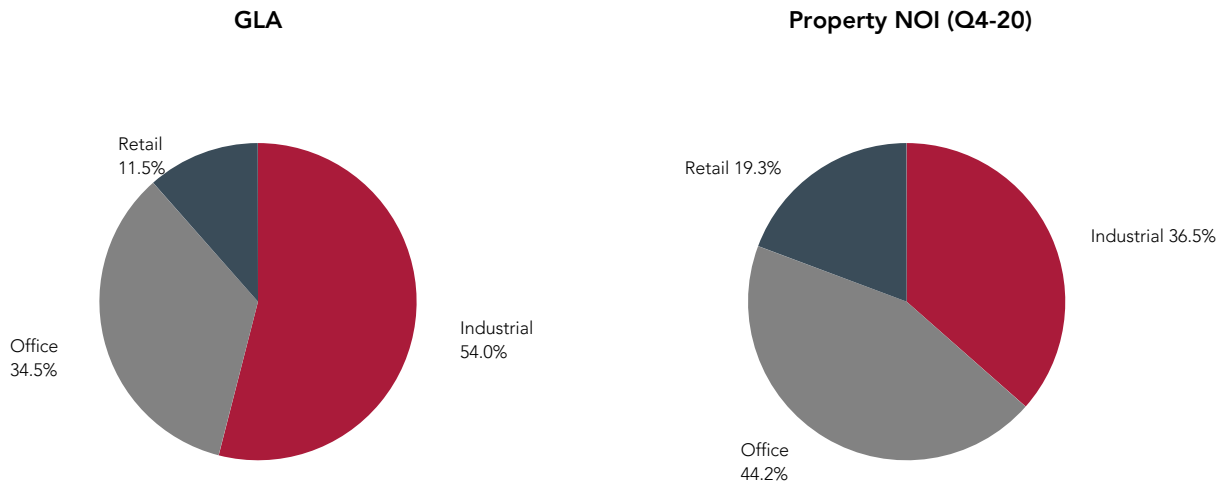
PORTFOLIO SUMMARY

At December 31, 2020, the REIT's portfolio was comprised of 209 commercial properties (inclusive of properties held in joint venture arrangements) totalling approximately 22.9 million square feet ("S.F.") of gross leasable area ("GLA").

Diversification by Geographical Region (Proportionate Share basis)



Diversification by Asset Class (Proportionate Share basis)



Portfolio by Asset Class ⁽¹⁾

Asset class	City	Province / State	Property count	Owned share of GLA (000's S.F.)	% of portfolio GLA	% Occupied	% Committed ⁽²⁾
Canadian portfolio:							
Industrial	Calgary	AB	6	362	1.6 %	100.0%	100.0 %
	Greater Edmonton Area	AB	3	156	0.7 %	100.0%	100.0 %
	Greater Toronto Area	ON	28	2,527	11.0 %	97.6%	97.8 %
	Greater Vancouver Area	BC	2	98	0.4 %	100.0%	100.0 %
	Red Deer	AB	1	126	0.6 %	63.1%	63.1 %
	Regina	SK	1	24	0.1 %	100.0%	100.0 %
	Saskatoon	SK	5	327	1.4 %	100.0%	100.0 %
	Winnipeg	MB	28	1,690	7.4 %	92.8%	93.3 %
Industrial total			74	5,310	23.2 %	95.7%	96.0 %
Office	Calgary	AB	7	756	3.2 %	64.1%	64.2 %
	Greater Edmonton Area	AB	1	29	0.1 %	100.0%	100.0 %
	Greater Toronto Area	ON	4	342	1.6 %	89.7%	89.7 %
	Greater Vancouver Area	BC	2	248	1.1 %	88.0%	92.8 %
	Saskatoon	SK	1	64	0.3 %	78.0%	78.0 %
	Winnipeg	MB	9	1,516	6.6 %	79.3%	86.5 %
Office total			24	2,955	12.9 %	77.5%	81.6 %
Retail	Calgary	AB	5	345	1.5 %	85.0%	96.3 %
	Fort McMurray	AB	8	195	0.9 %	81.0%	81.3 %
	Grande Prairie	AB	5	355	1.6 %	66.4%	66.4 %
	Greater Edmonton Area	AB	5	459	2.0 %	97.6%	98.0 %
	Regina	SK	6	470	2.0 %	90.3%	90.8 %
	Saskatoon	SK	3	219	1.0 %	98.1%	98.1 %
	Winnipeg	MB	7	578	2.5 %	91.9%	96.9 %
Retail total			39	2,621	11.5 %	87.9%	90.7 %
Total Canadian portfolio			137	10,886	47.6 %	88.9%	90.8 %
U.S. portfolio:							
Industrial	Greater Denver Area	CO	2	476	2.1 %	69.1%	94.7 %
	Greater Phoenix Area	AZ	7	921	4.1 %	98.8%	98.8 %
	Twin Cities Area	MN	26	3,952	17.3 %	95.5%	96.2 %
	Greater Houston Area	TX	5	1,630	7.1 %	89.9%	90.9 %
Industrial total			40	6,979	30.6 %	92.9%	95.2 %
Office	Greater Denver Area	CO	3	525	2.3 %	89.6%	91.0 %
	Greater Phoenix Area	AZ	4	822	3.6 %	83.7%	91.9 %
	Madison	WI	16	1,772	7.7 %	86.4%	87.2 %
	New Hartford	NY	1	123	0.5 %	100.0%	100.0 %
	Twin Cities Area	MN	7	1,714	7.5 %	90.0%	90.0 %
Office total			31	4,956	21.6 %	87.9%	89.7 %
Total U.S. portfolio			71	11,935	52.2 %	90.8%	92.9 %
Total Canadian and U.S. portfolio			208	22,821	99.8 %	89.9%	91.9 %

(1) Information is as at December 31, 2020, and excludes properties listed in the Property Held for Redevelopment table and the New Developments in Process section on the following page, and includes properties held in joint venture arrangements.

(2) Percentage committed is based on occupancy at December 31, 2020, plus commitments on vacant space.

Property Held for Redevelopment

Asset class	City	Province / State	Property count	Owned share of GLA (000's of S.F.)	% of portfolio GLA	Property	Committed % ⁽¹⁾
Industrial	Greater Toronto Area	ON	1	53	0.2%	2145-2155 Dunwin Drive	74.2 %
Total properties held for redevelopment			1	53	0.2%		74.2 %

(1) Percentage committed is based on occupancy at December 31, 2020, plus commitments on vacant space.

2145-2155 Dunwin Drive is a 52,969 square foot two-storey complex that is located just minutes from Queen Elizabeth Way and Highway 403 in the Greater Toronto Area, Ontario. Artis has undertaken a project to convert this industrial property into commercial condominium units and, at December 31, 2020, units representing 85.8% of the total square footage of the converted complex were under conditional sale agreements.

Subsequent to December 31, 2020, 2145-2155 Dunwin Drive became registered as a condominium property.

New Developments in Process

At December 31, 2020, Artis had two development projects in process: 300 Main and Park 8Ninety V.

300 Main is a 580,000 square foot commercial and residential/multi-family development project in Winnipeg, Manitoba. 300 Main is connected to 330 Main, a state-of-the-art multi-tenant retail property constructed in 2020. The properties are located at the iconic intersection of Portage and Main in downtown Winnipeg, Manitoba and will span nearly one city block when complete. The sites are located above the Shops of Winnipeg Square retail concourse and Winnipeg Square Parkade, and adjacent to 360 Main, a 30-storey Class A office tower, all of which are owned by Artis. 300 Main will be a best-in-class amenity-rich apartment building with main floor commercial space.

Refer to the Risks and Uncertainties section of this MD&A for discussion of the risks related to the 300 Main development project.

Park 8Ninety is a multi-phase industrial development project situated on a 127 acre parcel of land in the Southwest industrial submarket in the Greater Houston Area, Texas. The first four phases of Park 8Ninety are complete and total 1,144,907 square feet of leasable area. At December 31, 2020, Artis had a 95% ownership interest in Park 8Ninety II and Park 8Ninety IV in the form of joint venture arrangements. Subsequent to December 31, 2020, Artis acquired the remaining 5% interest in Park 8Ninety IV and now owns 100% of the property.

Construction of the final phase, Park 8Ninety V, began Q4-20. Park 8Ninety V is expected to comprise three buildings totalling 677,000 square feet of leasable area when complete. Artis has a 95% ownership interest in Park 8Ninety V in the form of a joint venture arrangement.

Future Development Program

Asset class	City	Province / State	Estimated owned share of GLA (000's of S.F.)	Property
Industrial	Greater Houston Area	TX	1,270	Cedar Port - Future Phases
Industrial	Greater Phoenix Area	AZ	56	Park Lucero East
Office	Madison	WI	43	1630 Aspen
Office	Madison	WI	50	Heartland Trail Land

In January 2021, Artis entered into a partnership with Nuveen Real Estate for the development of Park Lucero East, an industrial development project located in the Greater Phoenix Area, Arizona, totaling approximately 561,000 square feet. Artis will develop the project as a 10% partner. In January 2021, the Park Lucero East partnership purchased a parcel of land for US\$9,700.

Additional information about these developments will be released as progress is made and key milestones are achieved.

Rezoning and Densification Initiatives

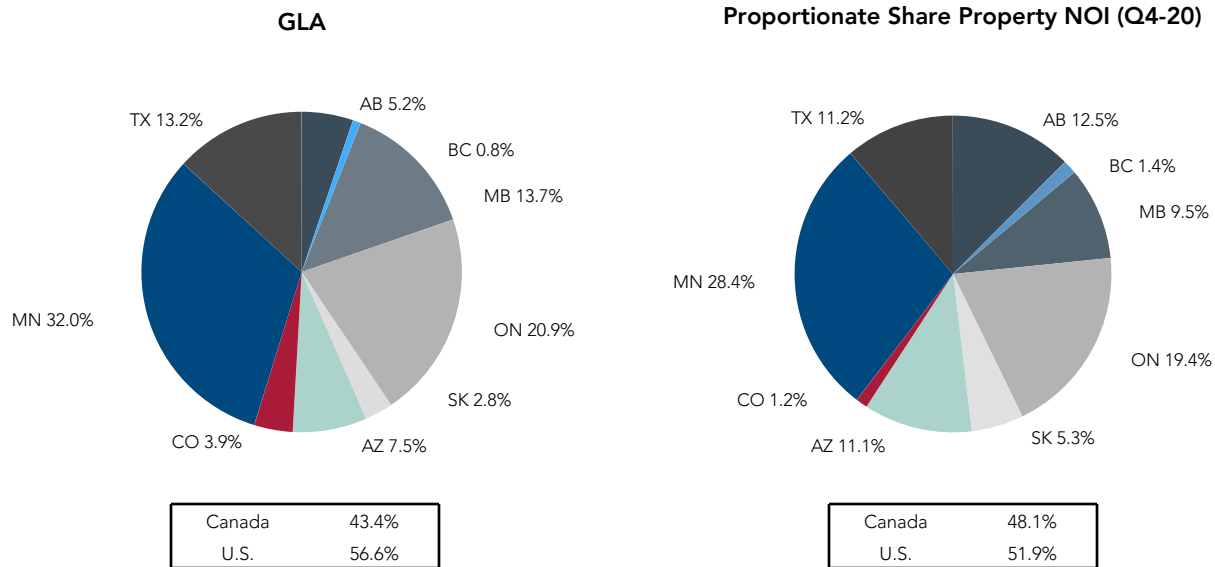
Artis is exploring opportunities for a densification project at Poco Place in Port Coquitlam, British Columbia. The site provides access to major transportation routes and frontage on four streets, including Lougheed Highway, an east-west arterial corridor. Preliminary plans to build 600 to 900 apartment units are underway. This project will be planned for sale once rezoning and densification entitlement is achieved. Additional information about this project will be released as progress is made.

PORTFOLIO SUMMARY BY ASSET CLASS

Industrial Portfolio

Artis' industrial portfolio is comprised of both single tenant and multi-tenant properties strategically located in key Canadian and U.S. markets. At December 31, 2020, the REIT's industrial portfolio was comprised of 115 properties (inclusive of properties held in joint venture arrangements) totalling approximately 12.3 million square feet of gross leasable area.

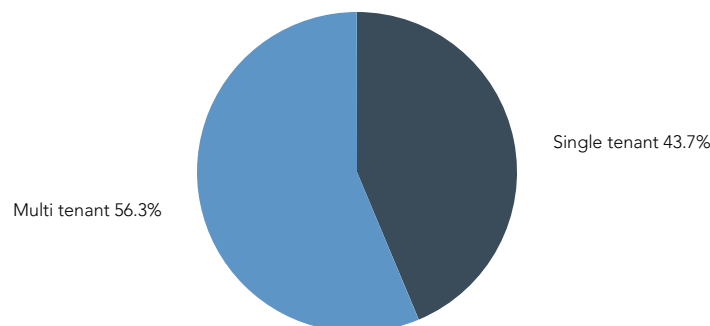
At December 31, 2020, the fair value of the properties in Artis' industrial portfolio (inclusive of properties held in joint venture arrangements) was \$1,878,274, and represented 54.0% of the REIT's GLA at December 31, 2020, and 36.5% of Q4-20 Proportionate Share Property NOI. Below is a breakdown of REIT's industrial portfolio by geographical region:



The following is a historical summary of key performance indicators related to the REIT's industrial portfolio:

	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19
Number of properties	115	116	115	115	115	113	112	110
Occupancy (including commitments)	95.5 %	95.0 %	96.5 %	95.4 %	97.2 %	99.2 %	98.5 %	98.6 %
Same Property NOI growth	0.9 %	1.9 %	4.8 %	5.5 %	7.9 %	9.5 %	8.2 %	8.8 %
Leasable area renewed (in S.F.)	37,004	151,354	480,613	161,946	299,631	87,089	198,257	201,963
Increase (decrease) in weighted-average rental rate	29.4 %	24.8 %	(7.3)%	11.3 %	12.9 %	10.0 %	2.3 %	(0.8)%

Artis' industrial properties are a mix of single tenant and multi-tenant buildings. The following is a breakdown of the REIT's industrial property type based on Q4-20 Proportionate Share Property NOI:



Artis' industrial portfolio includes 465 tenant leases with a weighted-average term to maturity of 5.3 years. Approximately 42.5% of the REIT's industrial gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Graham Group Ltd., which provides construction management, general contracting, design build and public-private partnership services to industrial, commercial and infrastructure sectors.

The following is a list of Artis' top 10 industrial tenants by gross revenue:

Top 10 Industrial Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total industrial gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total industrial GLA	Weighted-average remaining lease term
Graham Group Ltd.	Canada	6.5 %	243	2.0 %	13.6
Bell Canada	Canada	4.8 %	111	0.9 %	9.0
PBP, Inc.	U.S.	3.2 %	519	4.2 %	10.9
3M Canada Company	Canada	2.5 %	319	2.6 %	4.2
Silent Aire USA Inc.	U.S.	2.2 %	289	2.3 %	6.2
Civeo	Canada	2.1 %	72	0.6 %	7.5
Clarke Transport Inc.	Canada	1.8 %	148	1.2 %	4.3
Maple Leaf Consumer Foods Inc.	Canada	1.8 %	163	1.3 %	8.5
Distribution Alternatives, Inc.	U.S.	1.8 %	403	3.3 %	12.0
ABB Inc.	Canada	1.6 %	151	1.2 %	3.8
Total		28.3 %	2,418	19.6 %	8.7

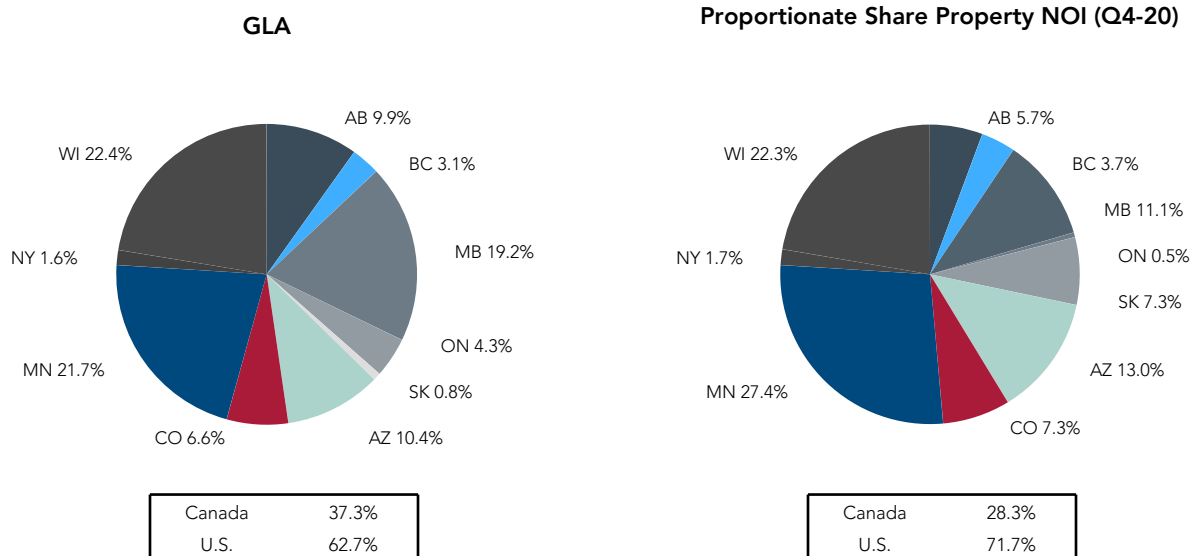
(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) Total gross revenue is in Canadian and US dollars.

Office Portfolio

Artis' office portfolio is strategically located across primary and secondary markets in both Canada and the U.S. At December 31, 2020, the REIT's office portfolio was comprised of 55 properties (inclusive of properties held in joint venture arrangements) totalling approximately 7.9 million square feet of gross leasable area.

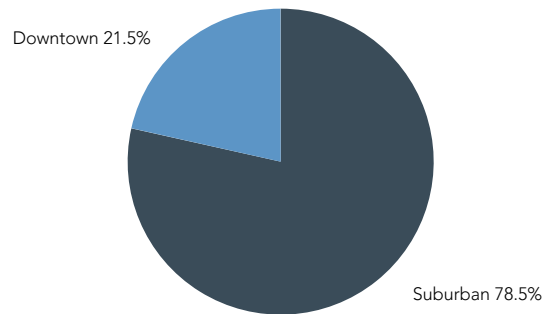
At December 31, 2020, the fair value of the properties in Artis' office portfolio was \$2,231,173 (inclusive of properties held in joint venture arrangements), representing 34.5% of the REIT's GLA at December 31, 2020, and 44.2% of Q4-20 Proportionate Share Property NOI. Below is a breakdown of REIT's office portfolio by geographical region:



The following is a historical summary of key performance indicators related to the REIT's office portfolio:

	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19
Number of properties	55	58	59	59	64	65	67	71
Occupancy (including commitments)	86.7 %	87.4 %	88.8 %	89.4 %	89.2 %	90.3 %	90.8 %	89.7 %
Same Property NOI (decline) growth	(9.4)%	(3.5)%	(1.6)%	1.1 %	2.2 %	(1.5)%	3.9 %	4.9 %
Leasable area renewed (in S.F.)	334,727	360,697	56,193	150,908	178,949	228,853	101,710	82,238
Increase (decrease) in weighted-average rental rate	(8.7)%	10.3 %	4.0 %	1.8 %	6.0 %	13.1 %	3.0 %	0.2 %

Artis' office portfolio consists of properties located in both downtown and suburban markets. The following is a breakdown of the REIT's office property type based on Q4-20 Proportionate Share Property NOI:



Artis' office portfolio includes 619 tenant leases with a weighted-average term to maturity of 5.8 years. Approximately 52.4% of the REIT's office gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Bell MTS, which is one of Canada's leading national communication companies providing voice services, internet and data services and television.

The following is a list of Artis' top 10 office tenants by gross revenue:

Top 10 Office Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total office gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total office GLA	Weighted-average remaining lease term
Bell MTS Inc.	Canada	5.3 %	314	4.0 %	4.4
Government tenants	Canada	4.0 %	261	3.3 %	9.1
AT&T	U.S.	3.8 %	257	3.2 %	4.5
WorleyParsons Canada Services Ltd.	Canada	3.6 %	164	2.1 %	0.7
Prime Therapeutics LLC	U.S.	3.4 %	386	4.9 %	13.8
TDS Telecommunications Corporation	U.S.	2.6 %	174	2.2 %	4.0
Catalent Pharma Solutions, LLC	U.S.	2.4 %	233	2.9 %	15.6
CB Richard Ellis, Inc.	U.S.	2.3 %	108	1.4 %	6.0
Fairview Health Services	U.S.	2.1 %	179	2.3 %	2.7
Choice Hotels International Services Corp.	U.S.	2.0 %	114	1.4 %	1.0
Total		31.5 %	2,190	27.7 %	7.3

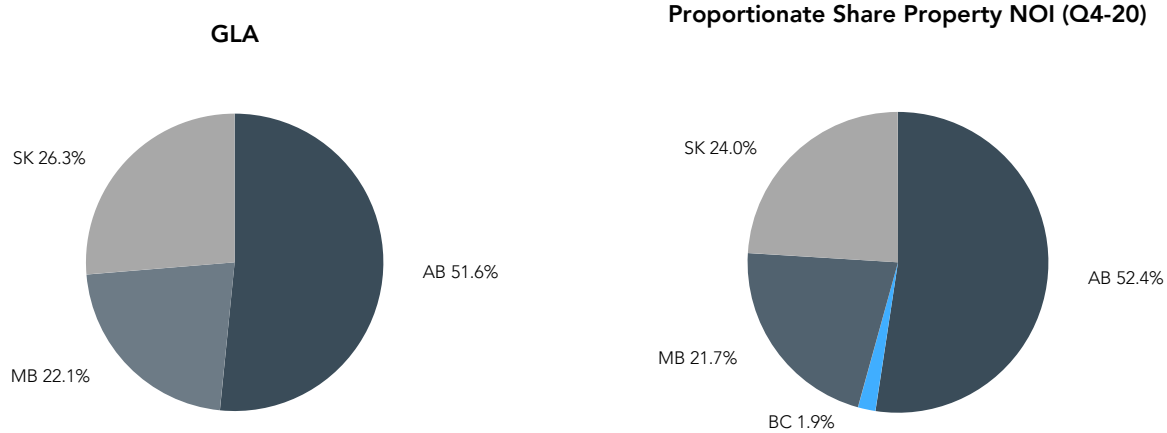
(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) Total gross revenue is in Canadian and US dollars.

Retail Portfolio

Artis' retail portfolio is primarily open-air, service-based properties located across Western Canada. At December 31, 2020, the REIT's retail portfolio was comprised of 39 properties totalling approximately 2.6 million square feet of gross leasable area.

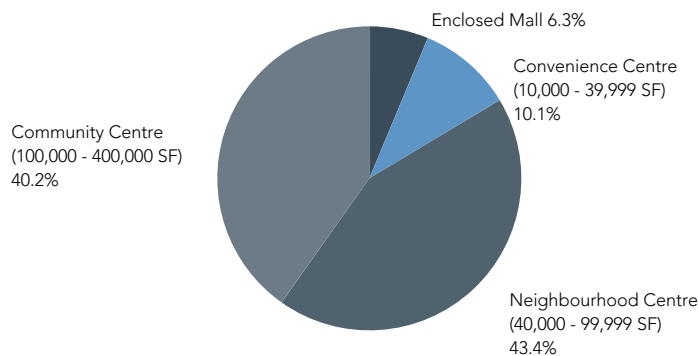
At December 31, 2020, the fair value of the properties in Artis' retail portfolio was \$749,699, and represented 11.5% of the REIT's GLA at December 31, 2020, and 19.3% of Q4-20 Proportionate Share Property NOI. Below is a breakdown of REIT's retail portfolio by geographical region:



The following is a historical summary of key performance indicators related to the REIT's retail portfolio:

	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19
Number of properties	39	42	42	41	41	50	50	54
Occupancy (including commitments)	90.7 %	89.5 %	90.0 %	90.9 %	91.4 %	93.6 %	93.7 %	93.4 %
Same Property NOI (decline) growth	(5.8)%	(0.9)%	(13.4)%	(3.2)%	(0.8)%	0.5 %	1.8 %	1.1 %
Leasable area renewed (in S.F.)	34,866	105,188	56,066	25,540	74,180	62,994	53,903	48,057
(Decrease) increase in weighted-average rental rate	(0.3)%	(13.3)%	5.3 %	8.3 %	2.8 %	(1.3)%	7.3 %	(4.7)%

Artis' retail properties are primarily open-air neighbourhood and community strip centres that provide a wide array of necessities such as food and service. The following is a breakdown of the REIT's retail property type based on Q4-20 Proportionate Share Property NOI:



Artis' retail portfolio includes 495 tenant leases with a weighted-average term to maturity of 4.6 years. Approximately 60.4% of the REIT's retail gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Shoppers Drug Mart Inc, which is one of Canada's largest national retail pharmacy chains providing health and personal care products.

The following is a list of Artis' top 10 retail tenants by gross revenue:

Top 10 Retail Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total retail gross revenue	Owned share of GLA (000's of S.F.)	% of total retail GLA	Weighted-average remaining lease term
Shoppers Drug Mart	Canada	3.9 %	81	3.1 %	5.5
Sportchek International Ltd.	Canada	3.4 %	105	4.0 %	2.2
Cineplex Entertainment LP	Canada	3.2 %	108	4.1 %	4.9
Sobeys	Canada	2.4 %	83	3.2 %	2.0
The Brick	Canada	2.1 %	62	2.4 %	4.4
Winners	Canada	2.1 %	84	3.2 %	3.4
Jysk Linen'n Furniture	Canada	2.1 %	75	2.9 %	4.5
Lucky Supermarket	Canada	1.6 %	51	1.9 %	16.9
CIBC	Canada	1.5 %	25	0.9 %	1.7
PetSmart, Inc.	Canada	1.5 %	40	1.5 %	2.8
Total		23.8 %	714	27.2 %	4.6

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

2020 ANNUAL HIGHLIGHTS

PORTFOLIO ACTIVITY

During 2020, Artis completed two new development properties, one densification project and disposed of 13 properties.

	Industrial		Office		Retail		Total	
	Property count	S.F. (000's) ⁽¹⁾	Property count	S.F. (000's) ⁽¹⁾	Property count	S.F. (000's) ⁽¹⁾	Property count	S.F. (000's) ⁽¹⁾
Portfolio properties, December 31, 2019	115	12,366	64	9,758	41	2,722	220	24,846
New developments	1	95	—	—	1	45	2	140
Dispositions	(1)	(119)	(9)	(1,847)	(3)	(146)	(13)	(2,112)
Portfolio properties, December 31, 2020	115	12,342	55	7,911	39	2,621	209	22,874

(1) Based on owned share of GLA, and includes properties held in joint venture arrangements.

Dispositions

During 2020, Artis disposed of the following properties:

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Sale price
Centre 15 Building	1	Calgary, AB	January 21, 2020	Office	76,021	\$ 14,000
Calgary Office Portfolio ⁽¹⁾	2	Calgary, AB	January 30, 2020	Office	497,635	77,814
800 5th Avenue	1	Calgary, AB	January 31, 2020	Office	258,445	26,000
1165 Kenaston Street	1	Ottawa, ON	March 31, 2020	Office	180,689	22,500
Millwright Building ⁽²⁾	1	Twin Cities Area, MN	August 25, 2020	Office	138,781	US40,960
Concorde Corporate Centre	2	Toronto, ON	November 16, 2020	Office	565,190	114,000
Delta Shoppers Mall	1	Greater Vancouver Area, BC	November 18, 2020	Retail	74,669	34,280
Shoppers Landmark Centre	1	Regina, SK	November 25, 2020	Retail	49,023	16,000
Strathcona Shoppers Centre	1	Regina, SK	December 7, 2020	Retail	21,910	7,625
ASM America Headquarters Building	1	Phoenix, AZ	December 10, 2020	Office	130,282	US27,000
1110 Pettigrew Avenue	1	Regina, SK	December 15, 2020	Industrial	118,957	15,250

(1) Disposition includes a parcel of development land.

(2) The REIT held an 80% interest in the Millwright Building in the form of a joint venture arrangement.

During 2020, Artis repaid mortgage debt related to the disposition of the above properties in the aggregate amount of \$142,240.

On November 9, 2020, the REIT disposed of 801 Carlson, a parcel of office development land in the Twin Cities Area, Minnesota for a sale price of US\$5,500.

At December 31, 2020, the REIT had entered into an unconditional sale agreement for the Victoria Square Retail Portfolio, comprised of two retail properties located in Regina, Saskatchewan, for a sale price of \$45,000, which is expected to close in April 2021.

New Developments

During 2020, Artis completed the following new developments:

Property	Property count	Location	Asset class	Owned share of GLA	% Occupied	% Committed ⁽³⁾
330 Main	1	Winnipeg, MB	Retail	28,086	84.1 %	94.2 %
Park 8Ninety IV ⁽¹⁾	1	Greater Houston Area, TX	Industrial	95,000	100.0 %	100.0 %
Linden Ridge Shopping Centre II ⁽²⁾	—	Winnipeg, MB	Retail	17,071	100.0 %	100.0 %

(1) The REIT has a 95% interest in Park 8Ninety IV in the form of a joint venture arrangement. Subsequent to December 31, 2020, the REIT purchased the remaining 5% and now owns 100% of the property.

(2) This is a densification project which added an additional 17,071 square foot building to an existing retail property.

(3) Percentage committed is based on occupancy at December 31, 2020, plus commitments on vacant space.

FINANCING AND EQUITY ACTIVITIES

Senior Unsecured Debentures

On February 7, 2020, the REIT completed the repayment of the outstanding Series B senior unsecured debentures with a face value of \$200,000.

On September 18, 2020, Artis issued three-year Series D senior unsecured debentures for gross proceeds of \$250,000. These debentures bear interest at a fixed rate of 3.824%. The Series D debentures were sold on a private placement basis in certain provinces in Canada.

Unsecured Revolving Term Credit Facilities

During 2020, Artis repaid a net balance of \$464,721 on its revolving credit facilities.

Unsecured Non-Revolving Term Credit Facility

On February 6, 2020, Artis entered into a two-year unsecured non-revolving term credit facility agreement in the amount of \$200,000, bearing interest at prime plus 0.60% or the bankers' acceptance rate plus 1.60%. The REIT drew \$200,000 on this credit facility. The proceeds were used for the repayment of the Series B senior unsecured debentures.

On May 28, 2020, the REIT entered into interest rate swap agreements for the non-revolving term credit facility noted above, in the aggregate amount of \$200,000, effectively fixing the interest rate at 2.22%.

Normal Course Issuer Bid

In 2020, Artis utilized the NCIB to purchase 3,727,716 common units for an aggregate market price of \$33,442 and 31,100 Series A, 45,802 Series E and 34,460 Series I preferred units for an aggregate market price of \$1,850.

Mortgage Debt Financing and Repayment Activity

During 2020, the REIT repaid one maturing mortgage in the amount of \$19,711 and received upward financing upon renewal of three maturing mortgages, net of financing costs, in the amount of \$56,879.

DISTRIBUTIONS

On November 5, 2020, the REIT announced a 3% increase to common unitholder distributions, from \$0.54 per unit annually to \$0.5562 per unit annually, effective for the December 2020 distribution payable on January 15, 2021.

In 2020, Artis declared distributions of \$91,074 to unitholders, which included distributions to preferred unitholders in the amount of \$17,420.

SELECTED FINANCIAL INFORMATION

000's, except per unit amounts	Year ended December 31,		Change	% Change	Year ended December 31,	
	2020	2019			2018	2018
Revenue	\$ 458,917	\$ 521,660	\$ (62,743)	(12.0)%	\$ 512,870	
Net operating income	269,275	309,856	(40,581)	(13.1)%	304,323	
Net income	21,543	122,737	(101,194)	(82.4)%	158,636	
Total comprehensive (loss) income	(6,274)	51,069	(57,343)	(112.3)%	274,388	
Basic income per common unit	0.03	0.72	(0.69)	(95.8)%	0.89	
Diluted income per common unit	0.02	0.72	(0.70)	(97.2)%	0.88	
Distributions per unit:						
Common units	\$ 0.54	\$ 0.54	\$ —	— %	\$ 0.99	
Preferred units - Series A	1.42	1.42	—	— %	1.42	
Preferred units - Series C	—	—	—	— %	0.42	
Preferred units - Series E	1.37	1.37	—	— %	1.23	
Preferred units - Series G	—	0.73	(0.73)	(100.0)%	1.25	
Preferred units - Series I	1.50	1.50	—	— %	1.38	
FFO ⁽¹⁾	\$ 192,411	\$ 202,398	\$ (9,987)	(4.9)%	\$ 200,139	
FFO per unit ⁽¹⁾	1.41	1.41	—	— %	1.30	
FFO per unit - industrial ^{(1) (2)}	0.50	0.42	0.08	19.0 %	0.34	
FFO per unit - office ^{(1) (2)}	0.65	0.71	(0.06)	(8.5)%	0.69	
FFO per unit - retail ^{(1) (2)}	0.26	0.28	(0.02)	(7.1)%	0.27	
FFO payout ratio ⁽¹⁾	38.3 %	38.3 %		— %	76.2 %	
AFFO ⁽¹⁾	\$ 139,552	\$ 150,518	\$ (10,966)	(7.3)%	\$ 149,428	
AFFO per unit ⁽¹⁾	1.02	1.05	(0.03)	(2.9)%	0.97	
AFFO payout ratio ⁽¹⁾	52.9 %	51.4 %		1.5 %	102.1 %	
Same Property NOI (decline) growth % ⁽¹⁾	(1.7)%	3.8 %		(5.5)%	1.1 %	
Adjusted EBITDA interest coverage ratio ⁽¹⁾	3.38	2.98	0.40	13.4 %	3.11	

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

(2) FFO per unit by asset class is calculated based on the Proportionate Share Property NOI for each asset class as a percentage of Artis' total Proportionate Share Property NOI multiplied by total FFO per unit for the period.

Revenue and net operating income decreased year-over-year, primarily due to the impact of dispositions as the REIT disposed of one industrial, 17 office and 15 retail properties in 2019 and 2020.

The overall decrease in revenue and net operating income is partially offset by completed new developments and acquisitions. In 2019 and 2020, Artis completed numerous development and densification projects including Park Lucero IV, Cedar Port I, Park 8Ninety III, 330 Main and Linden Ridge Shopping Centre II. In addition, Artis acquired Boulder Lakes Business Park II, a 100% leased office property in the Twin Cities Area, Minnesota.

The COVID-19 pandemic continues to impact Artis' financial results. The REIT recorded bad debt expense and rent abatements in the amount of \$4,862 in 2020, compared to \$680 in 2019, primarily due to provisions related to the collectability of rents receivable and deferred rents receivable from certain tenants adversely affected by the COVID-19 pandemic. Additionally, overall portfolio occupancy has decreased to 89.9% at December 31, 2020, compared to 91.5% at December 31, 2019.

Artis reported a decline in year-over-year Same Property NOI of 1.7%. Excluding bad debt expense and rent abatements, Same Property NOI decreased 0.4% year-over-year.

Net income and total comprehensive (loss) income were impacted by the fair value change on investment properties (loss of \$140,876 in 2020 compared to loss of \$94,727 in 2019), and by the change in income from investments in joint ventures (\$24,851 in 2020, compared to \$36,843 in 2019).

Also impacting net income and total comprehensive (loss) income was expenses related to the proxy matter (\$17,423 in 2020 compared to \$nil in 2019) and an increase in strategic initiative expenses (\$4,029 in 2020 compared to \$1,358 in 2019).

Partially offsetting the above is a decrease in interest expense (\$86,106 in 2020, compared to \$108,809 in 2019) and a decrease in corporate expenses (\$12,205 in 2020 compared to \$14,452 in 2019).

Foreign exchange also continues to positively impact Artis' financial results, due to a higher US dollar to Canadian dollar average exchange rate of 1.3412 in 2020, compared to 1.3268 in 2019.

FFO per unit for the year ended December 31, 2020 was \$1.41, unchanged from the year ended December 31, 2019, while AFFO per unit for the year ended December 31, 2020 was \$1.02, compared to \$1.05 for the year ended December 31, 2019. The REIT adjusted FFO and AFFO for proxy matter and strategic initiative expenses, as management believes this provides a better representation of recurring FFO and AFFO. FFO per unit and AFFO per unit were also impacted by the units acquired and cancelled under the NCIB.

The REIT reported conservative FFO and AFFO payout ratios of 38.3% and 52.9%, respectively, for 2020.

BALANCE SHEET METRICS

000's, except per unit amounts	December 31, 2020	December 31, 2019	% Change	December 31, 2018
NAV per unit ⁽¹⁾	\$ 15.03	\$ 15.56	(3.4)%	\$ 15.55
IFRS				
Secured mortgages and loans to GBV ⁽¹⁾	26.2 %	26.3 %	(0.1)%	29.4 %
Total long-term debt and credit facilities to GBV ⁽¹⁾	49.3 %	51.3 %	(2.0)%	49.9 %
Fair value of unencumbered assets	\$ 1,901,073	\$ 1,926,661	(1.3)%	\$ 1,805,382
Total assets	4,859,841	5,330,019	(8.8)%	5,717,177
Total non-current financial liabilities	1,648,305	2,142,090	(23.1)%	2,252,874
Proportionate Share				
Total long-term debt and credit facilities to Adjusted EBITDA ⁽¹⁾	9.4	8.7	8.0 %	9.0
Secured mortgages and loans to GBV ⁽¹⁾	27.7 %	27.9 %	(0.2)%	30.6 %
Total long-term debt and credit facilities to GBV ⁽¹⁾	50.2 %	52.3 %	(2.1)%	50.6 %
Fair value of unencumbered assets	\$ 1,941,959	\$ 1,968,369	(1.3)%	\$ 1,847,443
Total assets	4,987,006	5,460,034	(8.7)%	5,841,846
Total non-current financial liabilities	1,698,137	2,236,067	(24.1)%	2,296,891

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

Artis reported NAV per unit of \$15.03 at December 31, 2020, compared to \$15.56 at December 31, 2019. The change is primarily due to the year-to-date fair value loss on investment properties and derivative instruments and distributions to unitholders, partially offset by net operating income and the impact of units purchased under the NCIB.

Refer to the individual sections of this MD&A for additional information and discussion of the REIT's key financial metrics.

ANALYSIS OF OPERATING RESULTS

The following provides a reconciliation of the consolidated statements of operations as prepared in accordance with IFRS in the REIT's consolidated financial statements to its Proportionate Share:

	Three months ended December 31,					
	2020			2019		
	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share
Revenue	\$ 113,010	\$ 4,490	\$ 117,500	\$ 127,180	\$ 4,798	\$ 131,978
Expenses:						
Property operating	29,166	684	29,850	32,910	1,377	34,287
Realty taxes	18,877	1,460	20,337	19,149	713	19,862
Total operating expenses	48,043	2,144	50,187	52,059	2,090	54,149
Net operating income	64,967	2,346	67,313	75,121	2,708	77,829
Other income (expenses):						
Corporate expenses	(6,654)	—	(6,654)	(2,462)	—	(2,462)
Proxy matter expenses	(17,423)	—	(17,423)	—	—	—
Strategic initiative expenses	(810)	—	(810)	(937)	—	(937)
Interest expense	(20,247)	(935)	(21,182)	(26,299)	(1,106)	(27,405)
Interest income	628	12	640	1,745	2	1,747
Net income from investments in joint ventures	17,724	(17,724)	—	13,352	(13,352)	—
Fair value (loss) gain on investment properties	(8,985)	16,301	7,316	(31,863)	11,748	(20,115)
Foreign currency translation gain	3,105	—	3,105	4,804	—	4,804
Transaction costs	—	—	—	(84)	—	(84)
Fair value gain on derivative instruments	265	—	265	105	—	105
Income before income taxes	32,570	—	32,570	33,482	—	33,482
Income tax expense	(146)	—	(146)	(605)	—	(605)
Net income	32,424	—	32,424	32,877	—	32,877
Other comprehensive loss:						
Unrealized foreign currency translation loss	(58,784)	(6,119)	(64,903)	(26,084)	(2,696)	(28,780)
Unrealized foreign currency translation loss on joint ventures	(6,119)	6,119	—	(2,696)	2,696	—
	(64,903)	—	(64,903)	(28,780)	—	(28,780)
Total comprehensive (loss) income	\$ (32,479)	\$ —	\$ (32,479)	\$ 4,097	\$ —	\$ 4,097

(1) Adjustment to reflect investments in joint ventures on a Proportionate Share basis.

	Year ended December 31,					
	2020		2019			
	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share
Revenue	\$ 458,917	\$ 20,785	\$ 479,702	\$ 521,660	\$ 17,958	\$ 539,618
Expenses:						
Property operating	112,871	4,457	117,328	130,099	4,938	135,037
Realty taxes	76,771	5,190	81,961	81,705	3,513	85,218
Total operating expenses	189,642	9,647	199,289	211,804	8,451	220,255
Net operating income	269,275	11,138	280,413	309,856	9,507	319,363
Other income (expenses):						
Corporate expenses	(12,205)	—	(12,205)	(14,452)	—	(14,452)
Proxy matter expenses	(17,423)	—	(17,423)	—	—	—
Strategic initiative expenses	(4,029)	—	(4,029)	(1,358)	—	(1,358)
Interest expense	(86,106)	(4,561)	(90,667)	(108,809)	(4,372)	(113,181)
Interest income	4,797	17	4,814	3,212	7	3,219
Net income from investments in joint ventures	24,851	(24,851)	—	36,843	(36,843)	—
Fair value (loss) gain on investment properties	(140,876)	18,257	(122,619)	(94,727)	31,701	(63,026)
Foreign currency translation gain	530	—	530	10,668	—	10,668
Transaction costs	—	—	—	(301)	—	(301)
Fair value loss on derivative instruments and other transactions	(16,538)	—	(16,538)	(16,379)	—	(16,379)
Income before income taxes	22,276	—	22,276	124,553	—	124,553
Income tax expense	(733)	—	(733)	(1,816)	—	(1,816)
Net income	21,543	—	21,543	122,737	—	122,737
Other comprehensive loss:						
Unrealized foreign currency translation loss	(25,498)	(2,319)	(27,817)	(66,214)	(6,125)	(72,339)
Unrealized foreign currency translation loss on joint ventures	(2,319)	2,319	—	(6,125)	6,125	—
Unrealized gain from remeasurements of net pension obligation	—	—	—	671	—	671
	(27,817)	—	(27,817)	(71,668)	—	(71,668)
Total comprehensive (loss) income	\$ (6,274)	\$ —	\$ (6,274)	\$ 51,069	\$ —	\$ 51,069

(1) Adjustment to reflect investments in joint ventures on a Proportionate Share basis.

REVENUE AND PROPERTY NOI

	Three months ended December 31,					
	2020			2019		
	IFRS	Adjustment ⁽¹⁾	Total Proportionate Share	IFRS	Adjustment ⁽¹⁾	Total Proportionate Share
Revenue:						
Rental income	\$ 117,794	\$ 4,640	\$ 122,434	\$ 131,699	\$ 4,692	\$ 136,391
Tenant inducements amortized to revenue	(6,424)	(168)	(6,592)	(6,254)	(173)	(6,427)
Straight-line rent adjustments	1,535	18	1,553	1,579	279	1,858
Lease termination income	105	—	105	156	—	156
	113,010	4,490	117,500	127,180	4,798	131,978
Property operating and realty tax expenses	48,043	2,144	50,187	52,059	2,090	54,149
Property NOI	\$ 64,967	\$ 2,346	\$ 67,313	\$ 75,121	\$ 2,708	\$ 77,829

	Year ended December 31,					
	2020			2019		
	IFRS	Adjustment ⁽¹⁾	Total Proportionate Share	IFRS	Adjustment ⁽¹⁾	Total Proportionate Share
Revenue:						
Rental income	\$ 478,145	\$ 20,758	\$ 498,903	\$ 537,869	\$ 17,777	\$ 555,646
Tenant inducements amortized to revenue	(24,854)	(986)	(25,840)	(23,385)	(751)	(24,136)
Straight-line rent adjustments	4,923	973	5,896	6,077	932	7,009
Lease termination income	703	40	743	1,099	—	1,099
	458,917	20,785	479,702	521,660	17,958	539,618
Property operating and realty tax expenses	189,642	9,647	199,289	211,804	8,451	220,255
Property NOI	\$ 269,275	\$ 11,138	\$ 280,413	\$ 309,856	\$ 9,507	\$ 319,363

(1) Adjustment to reflect investments in joint ventures on a Proportionate Share basis.

Rental income is revenue earned from tenants primarily related to lease agreements. In 2020, rental income was impacted by rent abatements in the amount of \$2,169, compared to \$91 in 2019. Rent abatements in 2020 were primarily granted to certain tenants affected by the COVID-19 pandemic.

Tenant inducement costs are amortized over the term of the tenant's lease.

Rent steps and lease termination income (if it is likely the tenant will exercise the lease termination option) are accounted for by straight-lining the incremental increases and lease termination payments over the entire non-cancelable lease term, including the tenant fixturing period.

Lease termination income relates to payments received from tenants where the REIT and the tenant agreed to terminate a lease prior to the contractual expiry date. Lease termination income is common in the real estate industry, however, it is unpredictable and period-over-period changes are not indicative of trends.

Property operating expenses include costs related to interior and exterior maintenance, insurance, utilities and property management expenses. Also included in property operating expenses is bad debt expense of \$2,693 (Q4-20 - \$462) in 2020 compared to \$589 (Q4-19 - \$159) in 2019. The bad debt provisions are primarily related to the collectability of rents receivable and deferred rents receivable from certain tenants affected by the COVID-19 pandemic.

SAME PROPERTY NOI ANALYSIS ⁽¹⁾

Same Property NOI includes 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 those under unconditional sale agreements.

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Property NOI	\$ 67,313	\$ 77,829			\$ 280,413	\$ 319,363		
Add (deduct) Property NOI from:								
Acquisitions	(957)	(743)			(4,137)	(790)		
Dispositions and unconditional dispositions	(2,324)	(8,206)			(4,026)	(38,671)		
(Re)development properties	(279)	(353)			(4,869)	(662)		
Other ⁽²⁾	(874)	(993)			(1,237)	(2,260)		
	(4,434)	(10,295)			(14,269)	(42,383)		
Straight-line rent adjustments	(1,307)	(1,412)			(4,295)	(5,864)		
Tenant inducements amortized to revenue	6,106	5,285			24,311	19,980		
Same Property NOI	\$ 67,678	\$ 71,407	\$ (3,729)	(5.2)%	\$ 286,160	\$ 291,096	\$ (4,936)	(1.7)%

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

(2) Primarily includes lease termination income adjustments.

Lease termination income related to significant tenants has been excluded, other than the portion that covers lost revenue due to vacancy, for purposes of the Same Property NOI calculation.

Same Property NOI by Asset Class

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Canada:								
Industrial	\$ 12,069	\$ 12,266	\$ (197)	(1.6)%	\$ 49,012	\$ 47,656	\$ 1,356	2.8 %
Office	9,463	11,469	(2,006)	(17.5)%	43,980	49,654	(5,674)	(11.4)%
Retail	11,644	12,367	(723)	(5.8)%	52,526	55,803	(3,277)	(5.9)%
Total Canada	33,176	36,102	(2,926)	(8.1)%	145,518	153,113	(7,595)	(5.0)%
U.S.:								
Industrial	9,944	9,492	452	4.8 %	35,589	34,697	892	2.6 %
Office	16,533	17,253	(720)	(4.2)%	69,285	69,310	(25)	— %
Total U.S.	26,477	26,745	(268)	(1.0)%	104,874	104,007	867	0.8 %
Total in functional currency	59,653	62,847	(3,194)	(5.1)%	250,392	257,120	(6,728)	(2.6)%
Foreign exchange	8,025	8,560	(535)	(6.3)%	35,768	33,976	1,792	5.3 %
Same Property NOI	\$ 67,678	\$ 71,407	\$ (3,729)	(5.2)%	\$ 286,160	\$ 291,096	\$ (4,936)	(1.7)%

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Industrial	\$ 25,024	\$ 24,796	\$ 228	0.9 %	\$ 96,669	\$ 93,675	\$ 2,994	3.2 %
Office	31,010	34,244	(3,234)	(9.4)%	136,965	141,618	(4,653)	(3.3)%
Retail	11,644	12,367	(723)	(5.8)%	52,526	55,803	(3,277)	(5.9)%
Same Property NOI	\$ 67,678	\$ 71,407	\$ (3,729)	(5.2)%	\$ 286,160	\$ 291,096	\$ (4,936)	(1.7)%

In 2020, Same Property NOI decreased in the office and retail segments due to increased vacancy. The office segment was also impacted by lower parking revenues in Manitoba.

Same Property NOI by Geographical Region

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Alberta	\$ 12,345	\$ 12,800	\$ (455)	(3.6)%	\$ 49,308	\$ 51,925	\$ (2,617)	(5.0)%
British Columbia	1,494	1,664	(170)	(10.2)%	7,353	7,816	(463)	(5.9)%
Manitoba	9,656	11,468	(1,812)	(15.8)%	41,021	45,874	(4,853)	(10.6)%
Ontario	6,536	6,901	(365)	(5.3)%	29,655	29,179	476	1.6 %
Saskatchewan	3,145	3,269	(124)	(3.8)%	18,181	18,319	(138)	(0.8)%
Arizona	5,030	5,228	(198)	(3.8)%	21,460	21,469	(9)	— %
Colorado	2,168	2,220	(52)	(2.3)%	8,685	8,673	12	0.1 %
Minnesota	11,513	11,558	(45)	(0.4)%	45,746	46,378	(632)	(1.4)%
New York	383	322	61	18.9 %	1,425	1,084	341	31.5 %
Texas	2,064	1,728	336	19.4 %	5,048	4,341	707	16.3 %
Wisconsin	5,319	5,689	(370)	(6.5)%	22,510	22,062	448	2.0 %
Total in functional currency	59,653	62,847	(3,194)	(5.1)%	250,392	257,120	(6,728)	(2.6)%
Foreign exchange	8,025	8,560	(535)	(6.3)%	35,768	33,976	1,792	5.3 %
Same Property NOI	\$ 67,678	\$ 71,407	\$ (3,729)	(5.2)%	\$ 286,160	\$ 291,096	\$ (4,936)	(1.7)%

Same Property NOI in Manitoba decreased \$2,126 (Q4-20 - \$817) in 2020 due to a decline in parking revenues primarily as a result of the ongoing COVID-19 pandemic. Also related to the impact of the COVID-19 pandemic, and in addition to bad debt expense and rent abatements, all regions with the exception of New York and Texas, were impacted by increased vacancy.

The COVID-19 pandemic has resulted in bad debt provisions related to the collectability of rents receivable and deferred rents receivable from certain tenants and rent abatements granted for specific tenants. Same Property NOI excluding bad debt expense and rent abatements decreased 0.4% (Q4-20 - decreased 4.4%) in 2020.

Same Property Occupancy Report

Geographical Region	As at December 31,		Asset Class	As at December 31,	
	2020	2019		2020	2019
Canada:			Industrial	94.7%	95.7%
Alberta	83.8%	85.4%	Office	86.3%	90.3%
British Columbia	91.4%	92.0%	Retail	83.9%	87.1%
Manitoba	88.4%	91.8%			
Ontario	96.7%	99.9%	Total	90.5%	92.7%
Saskatchewan	95.4%	97.5%			
Total Canada	90.0%	92.7%			
U.S.:					
Arizona	91.7%	95.6%			
Colorado	85.7%	92.9%			
Minnesota	93.4%	95.7%			
New York	100.0%	100.0%			
Texas	89.3%	81.6%			
Wisconsin	84.2%	89.5%			
Total U.S.	90.9%	92.7%			
Total	90.5%	92.7%			

PROPERTY NOI BY ASSET CLASS

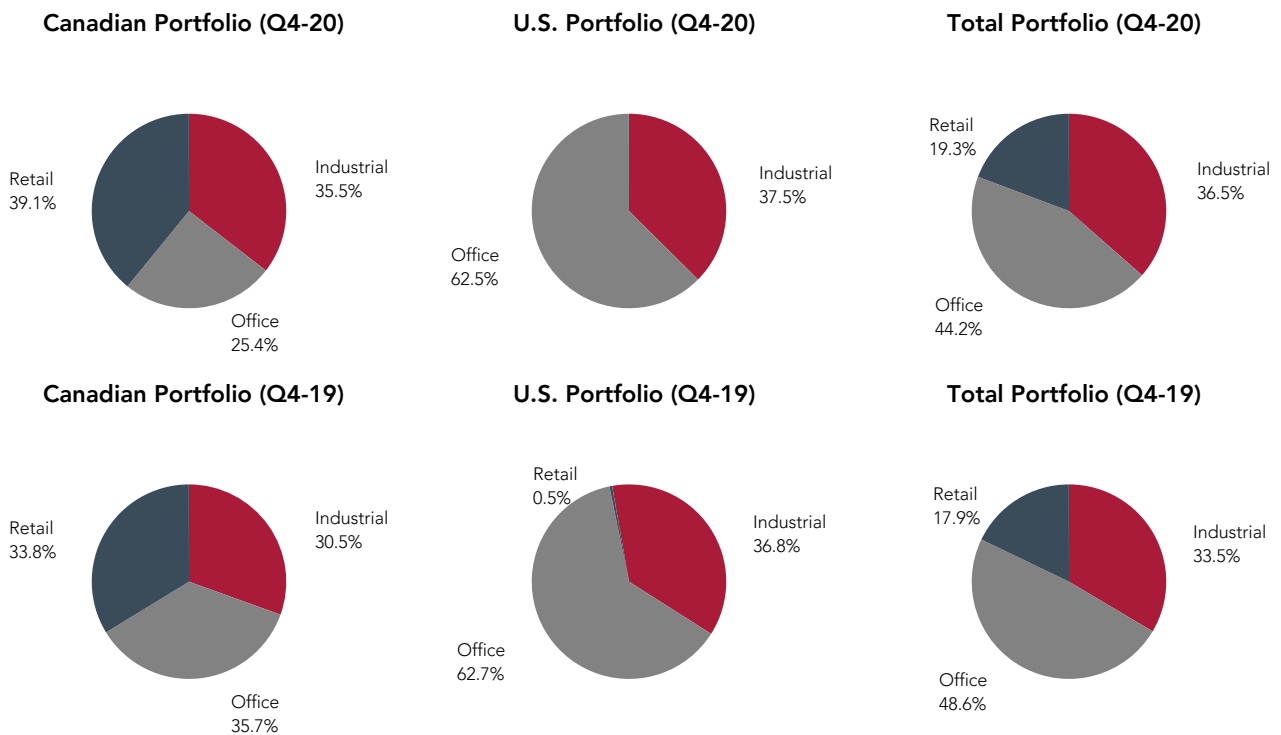
	IFRS			IFRS			Proportionate Share			Proportionate Share		
	Q4-20	Q4-19	Change	YTD-20	YTD-19	Change	Q4-20	Q4-19	Change	YTD-20	YTD-19	Change
Canada:												
Industrial	\$ 10,426	\$ 11,033	\$ (607)	\$ 42,222	\$ 42,502	\$ (280)	\$ 11,780	\$ 12,400	\$ (620)	\$ 47,641	\$ 47,943	\$ (302)
Office	8,419	14,589	(6,170)	38,681	64,198	(25,517)	8,419	14,510	(6,091)	38,681	64,098	(25,417)
Retail	12,973	13,711	(738)	52,024	57,980	(5,956)	12,973	13,711	(738)	52,024	57,980	(5,956)
	31,818	39,333	(7,515)	132,927	164,680	(31,753)	33,172	40,621	(7,449)	138,346	170,021	(31,675)
U.S.:												
Industrial	11,989	12,863	(874)	48,144	45,291	2,853	12,769	13,672	(903)	51,394	47,209	4,185
Office	21,115	22,665	(1,550)	87,898	95,313	(7,415)	21,327	23,276	(1,949)	90,367	97,561	(7,194)
Retail	—	169	(169)	—	4,261	(4,261)	—	169	(169)	—	4,261	(4,261)
	33,104	35,697	(2,593)	136,042	144,865	(8,823)	34,096	37,117	(3,021)	141,761	149,031	(7,270)
Total portfolio:												
Industrial	22,415	23,896	(1,481)	90,366	87,793	2,573	24,549	26,072	(1,523)	99,035	95,152	3,883
Office	29,534	37,254	(7,720)	126,579	159,511	(32,932)	29,746	37,786	(8,040)	129,048	161,659	(32,611)
Retail	12,973	13,880	(907)	52,024	62,241	(10,217)	12,973	13,880	(907)	52,024	62,241	(10,217)
	64,922	75,030	(10,108)	268,969	309,545	(40,576)	67,268	77,738	(10,470)	280,107	319,052	(38,945)
REIT	45	91	(46)	306	311	(5)	45	91	(46)	306	311	(5)
Property NOI	\$ 64,967	\$ 75,121	\$ (10,154)	\$269,275	\$309,856	\$ (40,581)	\$ 67,313	\$ 77,829	\$ (10,516)	\$280,413	\$319,363	\$ (38,950)

In Q4-20, all segments of the Canadian portfolio and the U.S. office segment decreased primarily due to dispositions in 2019 and 2020 completed in accordance with Artis' Strategic Initiatives. The U.S. office segment was partially offset by an acquisition in 2019.

The Canadian office segment was impacted by a decline in parking revenues as a result of the ongoing COVID-19 pandemic. Additionally, Proportionate Share Property NOI in Q4-20 was impacted by changes in bad debt provisions and rent abatements, and increased vacancy.

The U.S. portfolio was also impacted by the effect of foreign exchange.

The information below is based on Proportionate Share Property NOI:



PROPERTY NOI BY GEOGRAPHICAL REGION

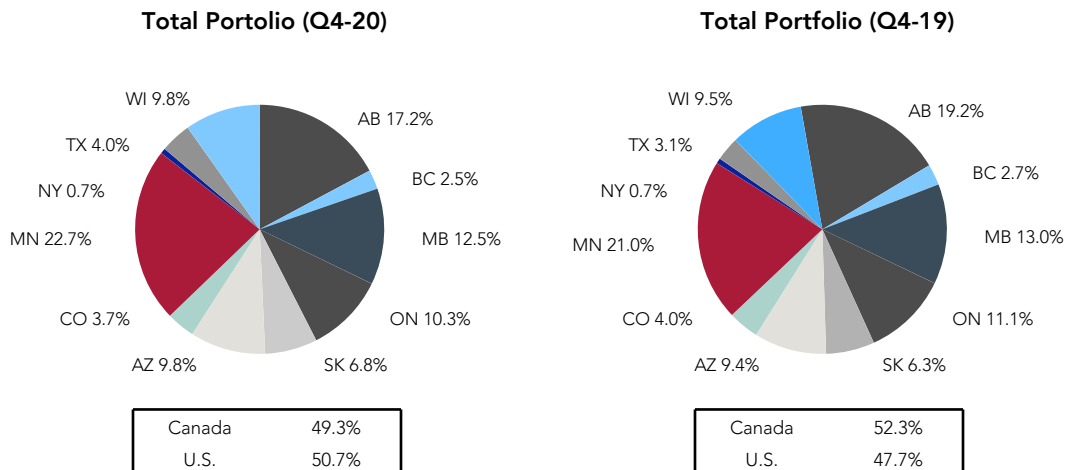
	IFRS			IFRS			Proportionate Share			Proportionate Share		
	Q4-20	Q4-19	Change	YTD-20	YTD-19	Change	Q4-20	Q4-19	Change	YTD-20	YTD-19	Change
Canada:												
Alberta	\$10,710	\$14,050	\$ (3,340)	\$ 42,556	\$ 58,220	\$(15,664)	\$11,556	\$14,898	\$ (3,342)	\$ 45,947	\$ 61,611	\$(15,664)
British Columbia	1,564	1,938	(374)	6,834	8,638	(1,804)	1,693	2,067	(374)	7,349	9,153	(1,804)
Manitoba	8,441	10,165	(1,724)	35,729	41,765	(6,036)	8,441	10,086	(1,645)	35,729	41,665	(5,936)
Ontario	6,927	8,642	(1,715)	30,331	36,984	(6,653)	6,927	8,642	(1,715)	30,331	36,984	(6,653)
Saskatchewan	4,176	4,538	(362)	17,477	19,073	(1,596)	4,555	4,928	(373)	18,990	20,608	(1,618)
	31,818	39,333	(7,515)	132,927	164,680	(31,753)	33,172	40,621	(7,449)	138,346	170,021	(31,675)
U.S.:												
Arizona	6,581	7,301	(720)	28,350	33,041	(4,691)	6,581	7,301	(720)	28,350	33,041	(4,691)
Colorado	2,094	2,272	(178)	8,863	13,096	(4,233)	2,477	3,081	(604)	11,759	14,918	(3,159)
Minnesota	15,298	16,090	(792)	60,446	63,364	(2,918)	15,273	16,371	(1,098)	61,773	64,559	(2,786)
New York	501	510	(9)	2,020	1,544	476	501	510	(9)	2,020	1,544	476
Texas	2,027	2,104	(77)	8,262	5,074	3,188	2,661	2,434	227	9,758	6,223	3,535
Wisconsin	6,603	7,420	(817)	28,101	28,746	(645)	6,603	7,420	(817)	28,101	28,746	(645)
	33,104	35,697	(2,593)	136,042	144,865	(8,823)	34,096	37,117	(3,021)	141,761	149,031	(7,270)
Total portfolio	64,922	75,030	(10,108)	268,969	309,545	(40,576)	67,268	77,738	(10,470)	280,107	319,052	(38,945)
REIT	45	91	(46)	306	311	(5)	45	91	(46)	306	311	(5)
Property NOI	\$64,967	\$75,121	\$(10,154)	\$269,275	\$309,856	\$(40,581)	\$67,313	\$77,829	\$(10,516)	\$280,413	\$319,363	\$(38,950)

In Q4-20, Proportionate Share Property NOI decreased in Alberta, British Columbia, Ontario, Saskatchewan, Arizona, and Minnesota primarily due to dispositions completed in accordance with Artis' Strategic Initiatives. The decrease in Minnesota is partially offset by an acquisition in 2019.

The COVID-19 pandemic continues to impact Artis' portfolio. Manitoba was impacted by a decline in parking revenues as a result of the ongoing COVID-19 pandemic. Additionally, Proportionate Share Property NOI in Q4-20 was impacted by changes in bad debt provisions and rent abatements. All regions except New York and Texas were impacted by increased vacancy.

The U.S. portfolio was also impacted by the effect of foreign exchange.

The information below is based on Proportionate Share Property NOI:



CORPORATE EXPENSES

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
2020	2019	2020			2019			
Accounting, legal and consulting	1,236	583	653	112.0 %	3,316	3,396	(80)	(2.4)%
Public company costs	509	254	255	100.4 %	1,367	1,545	(178)	(11.5)%
Unit-based compensation	3,623	402	3,221	801.2 %	2,855	4,264	(1,409)	(33.0)%
Salaries and benefits	416	510	(94)	(18.4)%	1,940	2,688	(748)	(27.8)%
Depreciation of property and equipment	397	301	96	31.9 %	1,422	1,130	292	25.8 %
General and administrative	473	412	61	14.8 %	1,305	1,429	(124)	(8.7)%
Total corporate expenses	\$ 6,654	\$ 2,462	\$ 4,192	170.3 %	\$ 12,205	\$ 14,452	\$ (2,247)	(15.5)%

Corporate expenses in 2020 were \$12,205 (Q4-20 - \$6,654), or 2.7% (Q4-20 - 5.9%) of total revenues compared to \$14,452 (Q4-19 - \$2,462), or 2.8% (Q4-19 - 1.9%) of total revenues in 2019.

Unit-based compensation was impacted by fluctuations in Artis' unit price during the period.

PROXY MATTER EXPENSES

On September 30, 2020, the REIT received a unitholder requisition from Sandpiper requesting the REIT call a special meeting of the REIT's unitholders for the purpose of reconstituting the Board with new Trustees. On November 30, 2020, the REIT reached an agreement with Sandpiper to withdraw its unitholder meeting request and pending litigation.

In connection with this proxy matter, the REIT incurred costs of \$17,423 (Q4-20 - \$17,423) in 2020 compared to \$nil (Q4-19 - \$nil) in 2019, including legal, advisory and executive settlement costs.

STRATEGIC INITIATIVE EXPENSES

In 2019, the Board of Trustees launched a formal strategic review process to explore value-maximizing opportunities for the REIT. During the course of the strategic review, Artis actively disposed non-core investment properties, repurchased units under its NCIB and engaged independent financial and legal advisors to review various strategic alternatives. The strategic initiative expenses in 2019 and 2020 are primarily fees paid for legal and advisory services.

In 2020, strategic initiative expenses were \$4,029 (Q4-20 - \$810) compared to \$1,358 (Q4-19 - \$937) in 2019.

INTEREST EXPENSE

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
2020	2019	2020			2019			
Mortgages and other loans ⁽¹⁾	\$ 8,916	\$ 12,207	\$ (3,291)		\$ 39,214	\$ 53,983	\$ (14,769)	
Senior unsecured debentures	4,925	4,210	715		13,311	17,202	(3,891)	
Credit facilities ⁽¹⁾	4,839	7,683	(2,844)		26,068	27,604	(1,536)	
Preferred shares ⁽¹⁾	34	34	—		135	135	—	
	18,714	24,134	(5,420)	(22.5)%	78,728	98,924	(20,196)	(20.4)%
Foreign exchange	1,533	2,165	(632)		7,378	9,885	(2,507)	
Total interest expense	\$ 20,247	\$ 26,299	\$ (6,052)	(23.0)%	\$ 86,106	\$ 108,809	\$ (22,703)	(20.9)%
Mortgages and other loans included in investments in joint ventures ⁽¹⁾	784	909	(125)		3,689	3,589	100	
Foreign exchange included in investments in joint ventures	151	197	(46)		872	783	89	
Total Proportionate Share interest expense	\$ 21,182	\$ 27,405	\$ (6,223)	(22.7)%	\$ 90,667	\$ 113,181	\$ (22,514)	(19.9)%

(1) Amounts shown are in Canadian and US dollars.

Year-to-date interest expense on mortgages and other loans primarily decreased approximately \$2,418 and US\$3,191 due to the repayment of mortgages upon disposition of investment properties, \$2,138 and US\$275 due to the repayment of maturing mortgages, \$181 and US\$4,859 due to decreased monthly payments for mortgages with variable interest rates, \$431 and US\$823 due to lower rates upon renewal of variable rate mortgages and new swap agreements, partially offset by US\$855 due to new mortgages and uplifts upon renewal of maturing mortgages. Interest expense on senior unsecured debentures has decreased primarily due to the repayment of the Series B senior unsecured debentures in Q1-20, partially offset by the issuance of the Series D senior unsecured debentures in Q3-20. Interest expense on credit facilities decreased primarily due to lower balances drawn on the revolving credit facilities during the year and a decrease to variable interest rates. Financing costs on mortgages and other loans, senior unsecured debentures and the credit facilities are netted against the related debt and amortized on an effective interest basis over the expected term of the debt.

The REIT's weighted-average effective rate at December 31, 2020, on mortgages and other loans secured by properties, inclusive of properties held in joint venture arrangements, was 3.24%, compared to 3.98% at December 31, 2019. The weighted-average nominal interest rate on mortgages and other loans secured by properties, inclusive of properties held in joint venture arrangements, at December 31, 2020, was 3.01%, compared to 3.79% at December 31, 2019.

FAIR VALUE (LOSS) GAIN ON INVESTMENT PROPERTIES

The changes in fair value on investment properties, period-over-period, are recognized as fair value gains and losses in the consolidated statement of operations. Fair values of the investment properties are determined through either the discounted cash flow method or the overall capitalization method. External valuations are performed for a selection of properties representing various geographical regions and asset classes across the REIT's portfolio. Fair value changes in individual properties result from changes in the projected income and cash flow projections of those properties, as well as from changes in capitalization rates and discount rates applied. In 2020, the Proportionate Share fair value loss on investment properties was \$122,619 (Q4-20 - gain of \$7,316), compared to a loss of \$63,026 (Q4-19 - loss of \$20,115) in 2019. The fair value loss in 2020 was primarily due to reflecting an increase in the estimated vacancy allowances and capitalization rates, and decrease in market rents, across the retail and office portfolios due to the economic impacts of the COVID-19 pandemic, partially offset by higher expected market rents in the industrial portfolio.

Fair Value (Loss) Gain on Investment Properties by Asset Class

	IFRS		Proportionate Share	
	Q4-20	YTD-20	Q4-20	YTD-20
Canada:				
Industrial	\$ 55,035	\$ 67,749	\$ 55,237	\$ 71,609
Office	(42,950)	(79,709)	(42,950)	(79,709)
Retail	(15,725)	(117,343)	(15,725)	(117,343)
	(3,640)	(129,303)	(3,438)	(125,443)
U.S.:				
Industrial	2,301	19,309	18,125	33,747
Office	(7,646)	(30,882)	(7,371)	(30,923)
	(5,345)	(11,573)	10,754	2,824
Total portfolio:				
Industrial	57,336	87,058	73,362	105,356
Office	(50,596)	(110,591)	(50,321)	(110,632)
Retail	(15,725)	(117,343)	(15,725)	(117,343)
Total portfolio	\$ (8,985)	\$ (140,876)	\$ 7,316	\$ (122,619)

FOREIGN CURRENCY TRANSLATION GAIN

Artis held certain US dollars denominated monetary assets and liabilities, including cash, deposits and a portion of its revolving term credit facilities. The foreign currency translation gain is primarily due to remeasurement of these assets and liabilities into Canadian dollars at the exchange rate in effect at the balance sheet date. The REIT recorded a foreign currency translation gain of \$530 (Q4-20 - \$3,105) in 2020, compared to \$10,668 (Q4-19 - \$4,804) in 2019.

FAIR VALUE (LOSS) GAIN ON DERIVATIVE INSTRUMENTS AND OTHER TRANSACTIONS

Artis has entered into a number of interest rate swap contracts to effectively lock the interest rate on a portion of variable rate debt. The REIT recorded an unrealized loss on the fair value adjustment of the interest rate swaps outstanding of \$18,388 (Q4-20 - gain of \$2,563) in 2020, compared to an unrealized loss of \$11,892 (Q4-19 - gain of \$3,537) in 2019. The REIT anticipates holding the mortgages, non-revolving term credit facilities and related interest rate swap contracts until maturity.

Artis also recorded an unrealized gain of \$2,257 (Q4-20 - loss of \$2,328) in 2020 on the fair value of outstanding foreign currency contracts, compared to an unrealized loss of \$5,978 (Q4-19 - loss of \$3,432) in 2019.

INCOME TAX

The REIT currently qualifies as a mutual fund trust and a real estate investment trust for Canadian income tax purposes. Under current tax legislation, income distributed annually by the REIT to unitholders is a deduction in the calculation of its taxable income. As the REIT intends to distribute all of its taxable income to its unitholders, the REIT does not record a provision for current Canadian income taxes.

The REIT's U.S. properties are owned by subsidiaries that are REITs for U.S. income tax purposes. These subsidiaries intend to distribute all of their U.S. taxable income to Canada and are entitled to deduct such distributions for U.S. income tax purposes. As a result, the REIT does not record a provision for current federal U.S. income taxes on the taxable income earned by these subsidiaries. These U.S. subsidiaries are subject to certain state taxes and a 30% to 35% withholding tax on distributions to Canada. Any withholding taxes paid are recorded with the related distributions.

The REIT is subject to federal and state taxation in the U.S. on the taxable income earned by its U.S. management subsidiary.

OTHER COMPREHENSIVE LOSS

Other comprehensive loss includes the unrealized foreign currency translation losses of \$27,817 (Q4-20 - losses of \$64,903) in 2020, compared to losses of \$72,339 (Q4-19 - losses of \$28,780) in 2019. Foreign currency translation gains and losses relate to the REIT's net investments in its U.S. subsidiaries.

FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS

Artis calculates FFO and AFFO substantially in accordance with the guidelines set out by REALpac, as issued in February 2019.

Reconciliation of Net Income to FFO and AFFO

000's, except per unit amounts	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Net income	\$ 32,424	\$ 32,877			\$ 21,543	\$ 122,737		
Add (deduct):								
Fair value (gain) loss on investment properties ⁽¹⁾	(7,316)	20,115			122,619	63,026		
Tenant inducements amortized to revenue ⁽¹⁾	6,592	6,427			25,840	24,136		
Transaction costs on acquisitions	—	84			—	301		
Proxy matter expenses	17,423	—			17,423	—		
Strategic initiative expenses	810	937			4,029	1,358		
Foreign currency translation gain	(3,105)	(4,804)			(530)	(10,668)		
Fair value (gain) loss on derivative instruments and other transactions	(265)	(105)			16,538	16,379		
Deferred income tax (recovery) expense	(18)	(19)			(43)	317		
Remeasurement component of unit-based compensation	2,774	(531)			(935)	873		
Distributions on preferred shares treated as interest expense	45	44			181	178		
Incremental leasing costs	779	961			3,166	3,697		
Preferred unit distributions	(4,347)	(4,384)			(17,420)	(19,936)		
FFO	\$ 45,796	\$ 51,602	\$ (5,806)	(11.3)%	\$ 192,411	\$ 202,398	\$ (9,987)	(4.9)%
Add (deduct):								
Amortization of recoverable capital expenditures ⁽¹⁾	\$ (3,522)	\$ (3,172)			\$ (11,263)	\$ (10,401)		
Non-recoverable property maintenance reserve ⁽¹⁾	(1,100)	(1,100)			(4,400)	(3,950)		
Leasing costs reserve ⁽¹⁾	(7,900)	(7,700)			(31,300)	(30,520)		
Straight-line rent adjustments ⁽¹⁾	(1,553)	(1,858)			(5,896)	(7,009)		
AFFO	\$ 31,721	\$ 37,772	\$ (6,051)	(16.0)%	\$ 139,552	\$ 150,518	\$ (10,966)	(7.3)%
FFO per unit:								
Basic	\$ 0.34	\$ 0.37	\$ (0.03)	(8.1)%	\$ 1.41	\$ 1.42	\$ (0.01)	(0.7)%
Diluted	0.34	0.37	(0.03)	(8.1)%	1.41	1.41	—	0.0 %
AFFO per unit:								
Basic	\$ 0.23	\$ 0.27	\$ (0.04)	(14.8)%	\$ 1.02	\$ 1.06	\$ (0.04)	(3.8)%
Diluted	0.23	0.27	(0.04)	(14.8)%	1.02	1.05	(0.03)	(2.9)%

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

The REIT adjusted FFO and AFFO for proxy matter and strategic initiative expenses for an aggregate total of \$21,452 (Q4-20 - \$18,233) in 2020 compared to \$1,358 (Q4-19 - \$937) in 2019. Although the add-back of these expenses to arrive at FFO and AFFO is not in accordance with the guidelines set out by REALpac as issued in February 2019, management believes it provides a better representation of recurring FFO and AFFO.

FFO and AFFO in 2020 were primarily impacted by dispositions completed in 2019 and 2020 and the ongoing impact of the COVID-19 pandemic, partially offset by acquisitions and new developments completed in 2019 and 2020, a decrease in year-over-year interest expense, and a higher US dollar to Canadian dollar average exchange rate in 2020 compared to 2019. Also contributing to the per unit results is the decrease in the weighted-average number of units outstanding, primarily due to units repurchased under the NCIB.

Actual capital expenditures are by nature variable and unpredictable. Recoverable capital expenditures are building improvement or property maintenance expenditures recovered from tenants over time. Management has deducted from AFFO the actual amortization of recoverable capital expenditures included in property operating expenses charged to tenants for the period. Approximately 77.1% (Q4-20 - 74.6%) is recoverable from tenants in 2020, compared to 81.2% (Q4-19 - 81.9%) in 2019. The non-recoverable property maintenance reserve reflects management's estimate of a normalized expenditure using the 2017, 2018, 2019 and 2020 actual expenditures and the 2021 annual budgeted expenditures. Refer to the capital expenditures disclosure under the Assets section of this MD&A for further discussion of actual expenditures for the period.

Actual leasing costs include tenant improvements that are not capital in nature, tenant allowances and commissions which are variable in nature. Leasing costs will fluctuate depending on the square footage of leases rolling over, in-place rates at expiry, tenant retention and local market conditions in a given year. Management calculates the leasing cost reserve to reflect the amortization of leasing costs over the related lease term.

The following reconciles the weighted-average number of basic common units to diluted common units:

(000's)	Three months ended December 31,		(000's)	Year ended December 31,	
	2020	2019		2020	2019
Basic units	135,401	137,938	Basic units	136,207	142,435
Add:			Add:		
Restricted units	356	639	Restricted units	320	535
Deferred units	93	472	Deferred units	80	281
Diluted units	135,850	139,049	Diluted units	136,607	143,251

FFO per Unit by Asset Class

The following table summarizes FFO per unit by asset class, allocated based on Proportionate Share Property NOI.

	Three months ended		Year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Canadian portfolio:				
Industrial	\$ 0.06	\$ 0.06	\$ 0.24	\$ 0.21
Office	0.04	0.07	0.19	0.28
Retail	0.07	0.06	0.26	0.26
	0.17	0.19	0.69	0.75
U.S. portfolio:				
Industrial	0.06	0.07	0.26	0.21
Office	0.11	0.11	0.46	0.43
Retail	—	—	—	0.02
	0.17	0.18	0.72	0.66
Total portfolio:				
Industrial	0.12	0.13	0.50	0.42
Office	0.15	0.18	0.65	0.71
Retail	0.07	0.06	0.26	0.28
Total portfolio	\$ 0.34	\$ 0.37	\$ 1.41	\$ 1.41

AFFO per Unit by Asset Class

The following table summarizes AFFO per unit by asset class, allocated based on Proportionate Share Property NOI.

	Three months ended		Year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Canadian portfolio:				
Industrial	\$ 0.04	\$ 0.04	\$ 0.17	\$ 0.16
Office	0.03	0.05	0.14	0.21
Retail	0.05	0.05	0.19	0.19
	0.12	0.14	0.50	0.56
U.S. portfolio:				
Industrial	0.04	0.05	0.19	0.16
Office	0.07	0.08	0.33	0.32
Retail	—	—	—	0.01
	0.11	0.13	0.52	0.49
Total portfolio:				
Industrial	0.08	0.09	0.36	0.32
Office	0.10	0.13	0.47	0.53
Retail	0.05	0.05	0.19	0.20
Total portfolio	\$ 0.23	\$ 0.27	\$ 1.02	\$ 1.05

PORTFOLIO OCCUPANCY

Occupancy levels impact the REIT's revenues and Property NOI. Occupancy and commitments at December 31, 2020, and the previous four periods, were as follows:

Occupancy Report by Asset Class ⁽¹⁾

	Q4-20 % Committed ⁽²⁾	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19
Industrial	95.5%	94.1%	93.8%	93.5%	93.7%	95.8%
Office	86.7%	84.0%	85.2%	86.8%	86.4%	86.2%
Retail	90.7%	87.9%	87.9%	89.7%	90.8%	91.1%
Total portfolio	91.9%	89.9%	90.0%	90.6%	90.7%	91.5%

Occupancy Report by Geographical Region ⁽¹⁾

	Q4-20% Committed ⁽²⁾	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19
Canada:						
Alberta	82.2 %	80.7 %	81.2 %	84.5 %	85.4 %	84.7 %
British Columbia	94.9 %	91.4 %	92.2 %	92.2 %	92.5 %	92.6 %
Manitoba	91.1 %	87.2 %	87.5 %	87.1 %	87.5 %	91.1 %
Ontario	96.8 %	96.7 %	96.0 %	95.3 %	96.4 %	93.0 %
Saskatchewan	94.4 %	94.2 %	95.6 %	96.1 %	96.3 %	96.3 %
Total Canada	90.8 %	88.9 %	89.6 %	90.1 %	90.8 %	90.4 %
U.S.:						
Arizona	95.6 %	91.7 %	93.3 %	94.9 %	95.3 %	95.9 %
Colorado	92.8 %	79.9 %	84.3 %	85.3 %	84.0 %	92.9 %
Minnesota	94.3 %	93.9 %	93.2 %	93.7 %	93.0 %	95.0 %
New York	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Texas	90.9 %	89.9 %	83.4 %	81.9 %	81.9 %	81.6 %
Wisconsin	87.2 %	86.4 %	88.2 %	89.4 %	88.7 %	90.7 %
Total U.S.	92.9 %	90.8 %	90.5 %	91.1 %	90.7 %	92.7 %
Total portfolio	91.9 %	89.9 %	90.0 %	90.6 %	90.7 %	91.5 %

(1) Based on properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) Percentage committed is based on occupancy at December 31, 2020, plus commitments on vacant space.

PORTFOLIO LEASING ACTIVITY AND LEASE EXPIRIES**Renewal Summary ⁽¹⁾**

	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19
Leasable area renewed (in S.F.)	248,641	617,239	592,872	338,394	558,544	362,669	353,870	332,258
(Decrease) increase in weighted-average rental rate	(0.5)%	6.0 %	(3.3)%	4.5 %	8.1 %	8.7 %	4.0 %	(1.9)%

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

In 2020, 1,797,146 square feet were renewed at an increase in the weighted-average rental rate of 2.4%, compared to 1,607,341 square feet renewed at an increase in the weighted-average rental rate of 5.6% in 2019.

The percentage change on renewal activity is calculated by comparing the rental rate in place at the end of the expiring term to the rental rate in place at the commencement of the new term. In many cases, leases are negotiated or renewed such that there are contractual rent escalations over the course of the new lease term. In these cases, the average rent over the new term will be higher than the rate at commencement, which is not reflected in the above table results.

Lease Expiries by Asset Class (in S.F.) ⁽¹⁾

	Current vacancy	Monthly tenants ⁽²⁾	2021	2022	2023	2024	2025 & later	Total
Industrial - uncommitted	548,855	30,877	1,057,888	1,642,940	1,017,516	1,289,930	5,592,672	11,180,678
Industrial - committed	178,527	—	815,969	80,344	33,564	—	—	1,108,404
Total industrial	727,382	30,877	1,873,857	1,723,284	1,051,080	1,289,930	5,592,672	12,289,082
Office - uncommitted	1,054,469	23,996	814,894	401,951	691,845	651,886	3,346,693	6,985,734
Office - committed	210,960	—	593,716	68,407	9,959	947	40,792	924,781
Total office	1,265,429	23,996	1,408,610	470,358	701,804	652,833	3,387,485	7,910,515
Retail - uncommitted	243,181	6,651	261,482	310,593	396,545	307,691	799,765	2,325,908
Retail - committed	73,004	—	116,441	76,217	9,113	—	20,689	295,464
Total retail	316,185	6,651	377,923	386,810	405,658	307,691	820,454	2,621,372
Total - uncommitted	1,846,505	61,524	2,134,264	2,355,484	2,105,906	2,249,507	9,739,130	20,492,320
Total - committed	462,491	—	1,526,126	224,968	52,636	947	61,481	2,328,649
Total portfolio	2,308,996	61,524	3,660,390	2,580,452	2,158,542	2,250,454	9,800,611	22,820,969

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) Includes holdovers and renewals where term has not been negotiated.

In-Place Rents

In-place rents reflect the weighted-average net annual rental rate per square foot as at December 31, 2020, for the leasable area expiring in the year indicated. In-place rents do not reflect either the average rate over the term of the lease or the rate in place in the year of expiry.

Market Rents

Market rents are estimates and are shown as a net annual rate per square foot. Artis reviews market rents across the portfolio on an on-going basis. These estimates are based on management's best estimate for each leasable space and may take into consideration the property manager's revenue budget, recent leasing activity, current prospects, future commitments or publicly available market information. Rates applied in future expiry years do not allow for the impact of inflation, nor do they attempt to factor in anticipated higher (or lower) than normal periods of demand or market rent inflation due to specific market conditions. Refer to the Risks section of this MD&A for further information.

Market Rents by Asset Class ⁽¹⁾

Canadian Portfolio:

	2021	2022	2023	2024	2025 & later	Total
Industrial:						
In-place rents	\$ 7.81	\$ 7.46	\$ 8.04	\$ 8.76	\$ 10.39	\$ 9.06
Market rents	9.15	9.00	9.13	9.22	10.96	9.97
Change	17.2 %	20.6 %	13.6 %	5.3 %	5.5 %	10.0 %
Revenue impact ⁽²⁾	\$ 973	\$ 1,540	\$ 495	\$ 246	\$ 1,333	\$ 4,587
Office:						
In-place rents	\$ 18.52	\$ 17.06	\$ 16.89	\$ 21.89	\$ 17.19	\$ 17.89
Market rents	15.38	18.08	17.15	20.92	17.45	16.94
Change	(17.0)%	6.0 %	1.5 %	(4.4)%	1.5 %	(5.3)%
Revenue impact ⁽²⁾	\$ (2,431)	\$ 65	\$ 75	\$ (134)	\$ 267	\$ (2,158)
Retail:						
In-place rents	\$ 25.47	\$ 21.49	\$ 24.69	\$ 23.81	\$ 21.71	\$ 23.10
Market rents	26.19	21.59	23.84	23.21	21.64	22.98
Change	2.8 %	0.5 %	(3.4)%	(2.5)%	(0.3)%	(0.5)%
Revenue impact ⁽²⁾	\$ 269	\$ 38	\$ (348)	\$ (186)	\$ (58)	\$ (285)
Total Canadian portfolio:						
In-place rents	\$ 15.77	\$ 11.62	\$ 16.13	\$ 15.39	\$ 14.25	\$ 14.49
Market rents	15.14	12.75	16.33	15.31	14.61	14.71
Change	(4.0)%	9.7 %	1.2 %	(0.5)%	2.5 %	1.5 %
Revenue impact ⁽²⁾	\$ (1,189)	\$ 1,643	\$ 222	\$ (74)	\$ 1,542	\$ 2,144

U.S. Portfolio:

	2021	2022	2023	2024	2025 & later	Total
Industrial:						
In-place rents	\$ 5.67	\$ 6.10	\$ 5.84	\$ 6.09	\$ 6.30	\$ 6.10
Market rents	5.57	5.73	5.71	6.28	6.26	6.03
Change	(1.8)%	(6.1)%	(2.2)%	3.1 %	(0.6)%	(1.1)%
Revenue impact ⁽²⁾	\$ (112)	\$ (265)	\$ (77)	\$ 145	\$ (123)	\$ (432)
Office:						
In-place rents	\$ 20.33	\$ 17.57	\$ 20.04	\$ 16.07	\$ 17.31	\$ 17.89
Market rents	19.78	16.78	19.77	17.66	17.66	18.09
Change	(2.7)%	(4.5)%	(1.3)%	9.9 %	2.0 %	1.1 %
Revenue impact ⁽²⁾	\$ (355)	\$ (322)	\$ (115)	\$ 816	\$ 824	\$ 848
Total U.S. portfolio:						
In-place rents	\$ 10.89	\$ 10.23	\$ 11.70	\$ 10.11	\$ 10.96	\$ 10.84
Market rents	10.63	9.71	11.51	10.86	11.09	10.88
Change	(2.4)%	(5.1)%	(1.6)%	7.4 %	1.2 %	0.4 %
Revenue impact ⁽²⁾	\$ (467)	\$ (587)	\$ (192)	\$ 961	\$ 701	\$ 416

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) This impact is based on the difference between the in-place rents and the market rents for the period in Canadian and US dollars. This excludes the impact of any straight-line rent adjustments on revenues.

Total Canadian and U.S. Portfolio ⁽¹⁾:

	2021	2022	2023	2024	2025 & later	Total
Industrial:						
In-place rents	\$ 6.50	\$ 6.89	\$ 6.80	\$ 7.18	\$ 8.03	\$ 7.40
Market rents	6.96	7.63	7.20	7.48	8.25	7.76
Change	7.1 %	10.7 %	5.9 %	4.2 %	2.7 %	4.9 %
Revenue impact ⁽²⁾	\$ 861	\$ 1,275	\$ 418	\$ 391	\$ 1,210	\$ 4,155
Office:						
In-place rents	\$ 19.34	\$ 17.50	\$ 18.77	\$ 17.31	\$ 17.28	\$ 17.89
Market rents	17.36	16.96	18.71	18.35	17.60	17.69
Change	(10.2)%	(3.1)%	(0.3)%	6.0 %	1.9 %	(1.1)%
Revenue impact ⁽²⁾	\$ (2,786)	\$ (257)	\$ (40)	\$ 682	\$ 1,091	\$ (1,310)
Retail:						
In-place rents	\$ 25.47	\$ 21.49	\$ 24.69	\$ 23.81	\$ 21.71	\$ 23.10
Market rents	26.19	21.59	23.84	23.21	21.64	22.98
Change	2.8 %	0.5 %	(3.4)%	(2.5)%	(0.3)%	(0.5)%
Revenue impact ⁽²⁾	\$ 269	\$ 38	\$ (348)	\$ (186)	\$ (58)	\$ (285)
Total Canadian and U.S. portfolio:						
In-place rents	\$ 13.40	\$ 11.01	\$ 14.05	\$ 12.39	\$ 12.37	\$ 12.56
Market rents	12.95	11.42	14.07	12.79	12.60	12.69
Change	(3.4)%	3.7 %	0.1 %	3.2 %	1.9 %	1.0 %
Revenue impact ⁽²⁾	\$ (1,656)	\$ 1,056	\$ 30	\$ 887	\$ 2,243	\$ 2,560

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) This impact is based on the difference between the in-place rents and the market rents for the period in Canadian and US dollars. This excludes the impact of any straight-line rent adjustments on revenues.

Market rents at December 31, 2020, were estimated to be 1.0% above in-place rents across the portfolio, compared to 0.9% above in-place rents at September 30, 2020 and 1.5% above in-place at December 31, 2019. Today's market rents for the 2021 and 2022 lease expiries are estimated to be 3.4% below and 3.7% above in-place rents, respectively.

Lease Expiries by Geographical Region (in S.F.) ⁽¹⁾

	Current vacancy	Monthly tenants ⁽²⁾	2021	2022	2023	2024	2025 & later	Total
AB - uncommitted	495,084	2,077	431,509	190,751	315,114	192,170	931,752	2,558,457
AB - committed	42,108	—	129,211	33,719	800	—	18,168	224,006
Total Alberta	537,192	2,077	560,720	224,470	315,914	192,170	949,920	2,782,463
BC - uncommitted	17,794	—	17,480	20,459	35,210	29,127	183,725	303,795
BC - committed	11,970	—	30,983	—	—	—	—	42,953
Total British Columbia	29,764	—	48,463	20,459	35,210	29,127	183,725	346,748
MB - uncommitted	335,379	10,195	345,549	308,505	374,575	376,908	1,374,839	3,125,950
MB - committed	147,141	—	410,962	44,940	25,455	—	29,121	657,619
Total Manitoba	482,520	10,195	756,511	353,445	400,030	376,908	1,403,960	3,783,569

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) Includes holdovers and renewals where term has not been negotiated.

Lease Expiries by Geographical Region (in S.F.) (continued) ⁽¹⁾

	Current vacancy	Monthly tenants ⁽²⁾	2021	2022	2023	2024	2025 & later	Total
ON - uncommitted	90,800	—	79,994	578,122	315,843	327,779	1,155,281	2,547,819
ON - committed	4,706	—	305,954	7,649	3,014	—	—	321,323
Total Ontario	95,506	—	385,948	585,771	318,857	327,779	1,155,281	2,869,142
SK - uncommitted	61,417	5,310	99,959	258,471	70,697	48,011	509,032	1,052,897
SK - committed	2,758	—	29,709	11,058	4,988	—	2,521	51,034
Total Saskatchewan	64,175	5,310	129,668	269,529	75,685	48,011	511,553	1,103,931
AZ - uncommitted	77,503	3,562	109,955	141,999	145,760	117,464	939,952	1,536,195
AZ - committed	66,831	—	139,872	—	—	—	—	206,703
Total Arizona	144,334	3,562	249,827	141,999	145,760	117,464	939,952	1,742,898
CO - uncommitted	72,484	5,901	39,242	63,260	58,996	26,798	532,140	798,821
CO - committed	129,131	—	73,226	—	—	—	—	202,357
Total Colorado	201,615	5,901	112,468	63,260	58,996	26,798	532,140	1,001,178
MN - uncommitted	320,351	—	900,539	577,065	600,782	656,644	2,079,657	5,135,038
MN - committed	28,077	—	350,969	120,697	18,379	947	11,671	530,740
Total Minnesota	348,428	—	1,251,508	697,762	619,161	657,591	2,091,328	5,665,778
NY - uncommitted	—	—	—	—	83,003	40,207	—	123,210
NY - committed	—	—	—	—	—	—	—	—
Total New York	—	—	—	—	83,003	40,207	—	123,210
TX - uncommitted	149,108	30,877	—	128,625	—	36,501	1,269,941	1,615,052
TX - committed	15,192	—	—	—	—	—	—	15,192
Total Texas	164,300	30,877	—	128,625	—	36,501	1,269,941	1,630,244
WI - uncommitted	226,585	3,602	110,037	88,227	105,926	397,898	762,811	1,695,086
WI - committed	14,577	—	55,240	6,905	—	—	—	76,722
Total Wisconsin	241,162	3,602	165,277	95,132	105,926	397,898	762,811	1,771,808
Total - uncommitted	1,846,505	61,524	2,134,264	2,355,484	2,105,906	2,249,507	9,739,130	20,492,320
Total - committed	462,491	—	1,526,126	224,968	52,636	947	61,481	2,328,649
Total portfolio	2,308,996	61,524	3,660,390	2,580,452	2,158,542	2,250,454	9,800,611	22,820,969

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) Includes holdovers and renewals where term has not been negotiated.

Market Rents by Geographical Region ⁽¹⁾

	2021	2022	2023	2024	2025 & later	Total
Alberta:						
In-place rents	\$ 21.88	\$ 24.89	\$ 22.56	\$ 23.16	\$ 20.14	\$ 21.65
Market rents	17.50	24.18	21.38	22.06	19.50	19.95
Change	(20.0)%	(2.9)%	(5.2)%	(4.7)%	(3.2)%	(7.9)%
Revenue impact ⁽²⁾	\$ (2,457)	\$ (161)	\$ (374)	\$ (209)	\$ (607)	\$ (3,808)
British Columbia:						
In-place rents	\$ 20.21	\$ 23.78	\$ 22.82	\$ 29.60	\$ 14.98	\$ 18.56
Market rents	23.46	25.46	29.12	30.83	14.65	19.79
Change	16.1 %	7.1 %	27.6 %	4.2 %	(2.2)%	6.6 %
Revenue impact ⁽²⁾	\$ 158	\$ 34	\$ 222	\$ 36	\$ (61)	\$ 389
Manitoba:						
In-place rents	\$ 13.88	\$ 8.75	\$ 11.62	\$ 14.90	\$ 12.72	\$ 12.68
Market rents	13.77	9.35	12.10	14.00	13.17	12.86
Change	(0.8)%	6.9 %	4.1 %	(6.0)%	3.5 %	1.4 %
Revenue impact ⁽²⁾	\$ (86)	\$ 212	\$ 193	\$ (337)	\$ 622	\$ 604
Ontario:						
In-place rents	\$ 7.49	\$ 6.88	\$ 13.30	\$ 9.24	\$ 10.24	\$ 9.38
Market rents	10.45	9.71	13.98	10.43	12.03	11.35
Change	39.5 %	41.1 %	5.1 %	12.9 %	17.5 %	21.0 %
Revenue impact ⁽²⁾	\$ 1,144	\$ 1,661	\$ 218	\$ 388	\$ 2,061	\$ 5,472
Saskatchewan:						
In-place rents	\$ 23.33	\$ 13.72	\$ 22.03	\$ 21.44	\$ 16.26	\$ 17.15
Market rents	23.73	13.34	21.54	22.45	15.34	16.65
Change	1.7 %	(2.8)%	(2.2)%	4.7 %	(5.7)%	(2.9)%
Revenue impact ⁽²⁾	\$ 52	\$ (103)	\$ (37)	\$ 48	\$ (473)	\$ (513)
Arizona:						
In-place rents	\$ 22.53	\$ 19.10	\$ 22.53	\$ 12.67	\$ 14.25	\$ 16.62
Market rents	23.37	18.49	22.05	14.59	14.92	17.19
Change	3.7 %	(3.2)%	(2.1)%	15.2 %	4.7 %	3.4 %
Revenue impact ⁽²⁾	\$ 211	\$ (86)	\$ (70)	\$ 226	\$ 627	\$ 908
Colorado:						
In-place rents	\$ 13.43	\$ 19.11	\$ 19.76	\$ 24.09	\$ 13.60	\$ 14.83
Market rents	13.20	18.23	19.48	23.21	13.69	14.73
Change	(1.7)%	(4.6)%	(1.4)%	(3.7)%	0.7 %	(0.7)%
Revenue impact ⁽²⁾	\$ (26)	\$ (56)	\$ (16)	\$ (24)	\$ 46	\$ (76)
Minnesota:						
In-place rents	\$ 7.72	\$ 7.50	\$ 7.19	\$ 6.24	\$ 11.05	\$ 8.75
Market rents	7.22	7.03	7.11	6.16	10.84	8.48
Change	(6.5)%	(6.3)%	(1.1)%	(1.3)%	(1.9)%	(3.1)%
Revenue impact ⁽²⁾	\$ (620)	\$ (329)	\$ (48)	\$ (50)	\$ (433)	\$ (1,480)
New York:						
In-place rents	\$ —	\$ —	\$ 15.28	\$ 14.79	\$ —	\$ 15.12
Market rents	—	—	15.00	15.00	—	15.00
Change	— %	— %	(1.8)%	1.4 %	— %	(0.8)%
Revenue impact ⁽²⁾	\$ —	\$ —	\$ (23)	\$ 8	\$ —	\$ (15)

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) This impact is based on the difference between the in-place rents and the market rents for the period in Canadian and US dollars. This excludes the impact of any straight-line rent adjustments on revenues.

Market Rents by Geographical Region (continued) ⁽¹⁾

	2021	2022	2023	2024	2025 & later	Total
Texas:						
In-place rents	\$ —	\$ 5.33	\$ —	\$ 9.04	\$ 5.77	\$ 5.81
Market rents	—	5.28	—	8.40	5.52	5.57
Change	— %	(0.9)%	— %	(7.1)%	(4.3)%	(4.1)%
Revenue impact ⁽²⁾	\$ —	\$ (6)	\$ —	\$ (23)	\$ (319)	\$ (348)
Wisconsin:						
In-place rents	\$ 15.62	\$ 17.75	\$ 15.88	\$ 14.44	\$ 13.48	\$ 14.39
Market rents	15.43	16.60	15.54	16.51	14.50	15.33
Change	(1.2)%	(6.5)%	(2.1)%	14.3 %	7.6 %	6.5 %
Revenue impact ⁽²⁾	\$ (32)	\$ (110)	\$ (35)	\$ 824	\$ 780	\$ 1,427
Total portfolio:						
In-place rents	\$ 13.40	\$ 11.01	\$ 14.05	\$ 12.39	\$ 12.37	\$ 12.56
Market rents	12.95	11.42	14.07	12.79	12.60	12.69
Change	(3.4)%	3.7 %	0.1 %	3.2 %	1.9 %	1.0 %
Revenue impact ⁽²⁾	\$ (1,656)	\$ 1,056	\$ 30	\$ 887	\$ 2,243	\$ 2,560

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) This impact is based on the difference between the in-place rents and the market rents for the period in Canadian and US dollars. This excludes the impact of any straight-line rent adjustments on revenues.

LARGEST SEGMENTS BY PROPERTY NOI

Artis' real estate is diversified across five Canadian provinces and six U.S. states, and across the industrial, office and retail asset classes. For the three months ended December 31, 2020, the five largest segments of the REIT's portfolio (by Proportionate Share Property NOI) were Twin Cities Area office, Twin Cities Area industrial, Madison office, Greater Toronto Area industrial and Greater Phoenix Area office.

Twin Cities Area Office Segment

The Twin Cities Area office segment represents 12.3% of the Q4-20 Proportionate Share Property NOI and 7.5% of the overall portfolio by GLA. Direct vacancy in the Twin Cities Area office market, as reported by CBRE, was 18.6% at December 31, 2020, compared to 18.5% at September 30, 2020. At December 31, 2020, the Twin Cities Area office segment of Artis' portfolio was 90.0% occupied, unchanged from September 30, 2020. In 2021, 238,690 square feet come up for renewal, which represents 1.0% of the total portfolio GLA; 31.2% was renewed or committed to new leases at December 31, 2020. Of Artis' total Twin Cities Area office GLA, 65.0% expires in 2025 or later.

Twin Cities Area Industrial Segment

The Twin Cities Area industrial segment represents 10.4% of the Q4-20 Proportionate Share Property NOI and 17.3% of the overall portfolio by GLA. Direct vacancy in the Twin Cities Area industrial market, as reported by CBRE, was 4.7% at December 31, 2020, compared to 4.6% at September 30, 2020. The average asking market lease rate was \$6.52 per square foot at December 31, 2020, compared to \$6.55 at September 30, 2020. At December 31, 2020, the Twin Cities Area industrial segment of Artis' portfolio was 95.5% occupied, increased from 94.6% at September 30, 2020. In 2021, 1,102,818 square feet come up for renewal, which represents 4.8% of the total portfolio GLA; 27.3% was renewed or committed to new leases at December 31, 2020. Of Artis' total Twin Cities Area industrial GLA, 27.6% expires in 2025 or later.

Madison Office Segment

The Madison office segment represents 9.8% of the Q4-20 Proportionate Share Property NOI and 7.7% of the overall portfolio by GLA. At December 31, 2020, the Madison office segment of Artis' portfolio was 86.4% occupied, compared to 88.2% at September 30, 2020. In 2021, 165,277 square feet come up for renewal, which represents 0.7% of the total portfolio GLA; 33.4% was renewed or committed to new leases at December 31, 2020. Of Artis' total Madison office GLA, 50.0% expires in 2025 or later.

Greater Toronto Area Industrial Segment

The Greater Toronto Area industrial segment represents 7.1% of the Q4-20 Proportionate Share Property NOI and 11.0% of the overall portfolio by GLA. Overall direct vacancy in the Greater Toronto Area industrial segment, as reported by CBRE, was 1.0% at December 31, 2020, decreased from 1.2% at September 30, 2020. At December 31, 2020, the Greater Toronto Area industrial segment of Artis' portfolio was 97.6% occupied, compared to 99.5% at September 30, 2020. In 2021, 366,946 square feet comes up for renewal, which represents 1.6% of the total portfolio GLA; 80.6% was renewed or committed to new leases at December 31, 2020. Of Artis' Greater Toronto Area industrial GLA, 41.0% expires in 2025 or later.

Greater Phoenix Area Office Segment

The Greater Phoenix Area office segment represents 5.7% of the Q4-20 Proportionate Share Property NOI and 3.6% of the overall portfolio by GLA. Overall direct vacancy in the Greater Phoenix Area office market, as reported by Colliers, was 13.0% at December 31, 2020 compared to 12.7% at September 30, 2020. At December 31, 2020, the Greater Phoenix Area office segment of Artis' portfolio was 83.7% occupied, compared to 86.9% at September 30, 2020. In 2021, 183,891 square feet come up for renewal, which represents 0.8% of the total portfolio GLA; 57.3% was renewed or committed to new leases at December 31, 2020. Of Artis' Greater Phoenix Area Office GLA, 44.4% expires in 2025 or later.

ANALYSIS OF FINANCIAL POSITION

The following provides a reconciliation of the consolidated balance sheets as prepared in accordance with IFRS in the REIT's consolidated financial statements to its Proportionate Share.

	December 31, 2020			December 31, 2019		
	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share
ASSETS						
Non-current assets:						
Investment properties	\$ 4,325,121	\$ 236,954	\$ 4,562,075	\$ 4,618,719	\$ 306,051	\$ 4,924,770
Investment properties under development	132,243	14,466	146,709	102,590	—	102,590
Investments in joint ventures	200,306	(200,306)	—	186,610	(186,610)	—
Property and equipment	7,481	—	7,481	7,786	—	7,786
Notes receivable	20,313	—	20,313	93,832	—	93,832
Deferred rents receivable	778	—	778	—	—	—
	4,686,242	51,114	4,737,356	5,009,537	119,441	5,128,978
Current assets:						
Investment properties held for sale	74,483	60,819	135,302	221,915	—	221,915
Inventory properties	15,060	—	15,060	14,632	—	14,632
Deposits on investment properties	1,203	—	1,203	—	—	—
Prepaid expenses and other assets	7,307	172	7,479	10,533	86	10,619
Notes receivable	1,371	—	1,371	3,996	—	3,996
Accounts receivable and other receivables	17,465	819	18,284	21,013	1,281	22,294
Cash held in trust	22,007	—	22,007	5,938	—	5,938
Cash	34,703	14,241	48,944	42,455	9,207	51,662
	173,599	76,051	249,650	320,482	10,574	331,056
Total assets	\$ 4,859,841	\$ 127,165	\$ 4,987,006	\$ 5,330,019	\$ 130,015	\$ 5,460,034
LIABILITIES AND UNITHOLDERS' EQUITY						
Non-current liabilities:						
Mortgages and loans payable	\$ 868,396	\$ 49,832	\$ 918,228	\$ 1,005,196	\$ 93,977	\$ 1,099,173
Senior unsecured debentures	248,999	—	248,999	249,372	—	249,372
Credit facilities	529,087	—	529,087	886,522	—	886,522
Other long-term liabilities	1,823	—	1,823	1,000	—	1,000
	1,648,305	49,832	1,698,137	2,142,090	93,977	2,236,067
Current liabilities:						
Mortgages and loans payable	405,126	60,930	466,056	396,152	27,598	423,750
Senior unsecured debentures	249,920	—	249,920	199,959	—	199,959
Security deposits and prepaid rent	30,089	2,861	32,950	32,834	3,483	36,317
Accounts payable and other liabilities	97,130	13,542	110,672	88,231	4,957	93,188
Credit facilities	95,374	—	95,374	—	—	—
	877,639	77,333	954,972	717,176	36,038	753,214
Total liabilities	2,525,944	127,165	2,653,109	2,859,266	130,015	2,989,281
Unitholders' equity	2,333,897	—	2,333,897	2,470,753	—	2,470,753
Total liabilities and unitholders' equity	\$ 4,859,841	\$ 127,165	\$ 4,987,006	\$ 5,330,019	\$ 130,015	\$ 5,460,034

(1) Adjustment to reflect investments in joint ventures on a Proportionate Share basis.

BALANCE SHEET METRICS**NAV per Unit**

000's, except unit and per unit amounts	December 31, 2020	December 31, 2019	Change
Unitholders' equity	\$ 2,333,897	\$ 2,470,753	\$ (136,856)
Less value of preferred equity ⁽¹⁾	(302,746)	(305,530)	2,784
NAV attributable to common unitholders	\$ 2,031,151	\$ 2,165,223	\$ (134,072)
Total number of dilutive units outstanding:			
Common units	134,643,175	137,956,523	(3,313,348)
Restricted units	404,937	694,034	(289,097)
Deferred units	92,908	472,451	(379,543)
	135,141,020	139,123,008	(3,981,988)
NAV per unit	\$ 15.03	\$ 15.56	\$ (0.53)

(1) The value of preferred equity is calculated using the outstanding face value of preferred units at the end of the period.

Unitholders' equity decreased primarily due to distributions made to unitholders, units purchased under the NCIB and foreign exchange losses recorded in other comprehensive loss, partially offset by net income and the issuance of common units. The total number of dilutive units outstanding has decreased primarily due to units purchased under the NCIB and the redemption of both restricted and deferred units.

Secured Mortgages and Loans to GBV and Total Long-term Debt and Credit Facilities to GBV Ratios

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
GBV	\$ 4,867,756	\$ 5,336,529	\$ 4,994,921	\$ 5,466,544
Secured mortgages and loans	1,273,522	1,401,348	1,384,284	1,522,923
Secured mortgages and loans to GBV	26.2 %	26.3 %	27.7 %	27.9 %
Preferred shares liability	\$ 610	\$ 622	\$ 610	\$ 622
Carrying value of debentures	498,919	449,331	498,919	449,331
Credit facilities	624,461	886,522	624,461	886,522
Total long-term debt and credit facilities	\$ 2,397,512	\$ 2,737,823	\$ 2,508,274	\$ 2,859,398
Total long-term debt and credit facilities to GBV	49.3 %	51.3 %	50.2 %	52.3 %

Under the terms of the REIT's Declaration of Trust, the total indebtedness of the REIT is limited to 70% of GBV.

Unencumbered Assets to Unsecured Debt Ratios

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Unencumbered assets	\$ 1,901,073	\$ 1,926,661	\$ 1,941,959	\$ 1,968,369
Senior unsecured debentures	498,919	449,331	498,919	449,331
Unsecured credit facilities	624,461	886,522	624,461	886,522
Total unsecured debt	\$ 1,123,380	\$ 1,335,853	\$ 1,123,380	\$ 1,335,853
Unencumbered assets to unsecured debt	1.69	1.44	1.73	1.47

ASSETS**Investment Properties, Investment Properties Under Development and Investment Properties Held for Sale**

The change in total investment properties is a result of the following:

	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share
Balance, December 31, 2019	\$ 4,943,224	\$ 306,051	\$ 5,249,275
Additions:			
Capital expenditures			
Investment properties	28,931	49	28,980
Investment properties under development	69,082	22,443	91,525
Capitalized interest ⁽²⁾	2,680	99	2,779
Leasing commissions	12,466	2,452	14,918
Straight-line rent adjustments	4,923	973	5,896
Tenant inducement additions, net of amortization	20,216	4,730	24,946
Contributions to investments in joint ventures ^{(3) (4)}	(14,761)	14,761	—
Dispositions	(352,348)	(53,401)	(405,749)
Foreign currency translation loss	(41,690)	(4,175)	(45,865)
Fair value (loss) gain	(140,876)	18,257	(122,619)
Balance, December 31, 2020	\$ 4,531,847	\$ 312,239	\$ 4,844,086

(1) Adjustment to reflect investments in joint ventures on a Proportionate Share basis.

(2) During 2020, interest was capitalized to investment properties under development at a weighted-average effective interest rate of 2.59%.

(3) On January 24, 2020, the REIT contributed development land to Park 8Ninety IV, a joint venture arrangement.

(4) On October 20, 2020, the REIT contributed development land to Park 8Ninety V, a joint venture arrangement.

Marwest Construction Ltd.

Marwest Construction Ltd. ("Marwest") is a significant vendor contracted for capital projects and tenant inducements. The REIT's former President and Chief Executive Officer (retired effective December 31, 2020) is the sole director (not a beneficial shareholder) of a company that has a non-controlling ownership interest in Marwest.

Costs paid and accrued to Marwest include the following:

	Year ended December 31,	
	2020	2019
Capital expenditures	\$ 63,831	\$ 65,832
Tenant inducement additions	4,118	5,775
	\$ 67,949	\$ 71,607

Capital expenditures paid and accrued to Marwest in 2020 included \$54,846 (2019 - \$53,140) related to the 300 Main and 330 Main commercial and residential/multi-family development projects located in Winnipeg, Manitoba. Included in costs paid and accrued to Marwest in 2020 were construction management fees of \$2,146 and labour costs of \$4,997 (2019 - \$2,765 and \$3,457, respectively).

Capital Expenditures by Type ⁽¹⁾

Building improvements are capital expenditures that increase the long-term value or revenue generating potential of the property. These expenditures include costs to modernize or upgrade existing properties. Property maintenance costs are capital expenditures to repair or replace components of existing properties such as roofs, HVAC units and parking lots.

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
New and (re)development expenditures	\$ 23,514	\$ 15,441	\$ 8,073		\$ 91,525	\$ 126,790	\$ (35,265)	
Building improvements expenditures:								
Recoverable from tenants	1,615	3,434	(1,819)		3,741	8,504	(4,763)	
Non-recoverable	4,765	5,396	(631)		13,524	19,329	(5,805)	
Property maintenance expenditures:								
Recoverable from tenants	1,688	6,023	(4,335)		6,760	13,550	(6,790)	
Non-recoverable	531	803	(272)		4,955	4,576	379	
Total capital expenditures	\$ 32,113	\$ 31,097	\$ 1,016	3.3 %	\$ 120,505	\$ 172,749	\$ (52,244)	(30.2)%

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

Capital Expenditures by Asset Class ⁽¹⁾

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Canada:								
Industrial	\$ 1,311	\$ 1,826	\$ (515)		\$ 4,142	\$ 5,920	\$ (1,778)	
Office	2,627	6,836	(4,209)		8,203	15,429	(7,226)	
Retail	672	5,162	(4,490)		9,973	9,952	21	
Residential	14,210	10,971	3,239		53,159	51,631	1,528	
	18,820	24,795	(5,975)		75,477	82,932	(7,455)	
U.S.:								
Industrial	5,075	2,443	2,632		25,509	66,983	(41,474)	
Office	8,218	3,830	4,388		19,519	22,805	(3,286)	
Retail	—	29	(29)		—	29	(29)	
	13,293	6,302	6,991		45,028	89,817	(44,789)	
Total portfolio:								
Industrial	6,386	4,269	2,117		29,651	72,903	(43,252)	
Office	10,845	10,666	179		27,722	38,234	(10,512)	
Retail	672	5,191	(4,519)		9,973	9,981	(8)	
Residential	14,210	10,971	3,239		53,159	51,631	1,528	
Total portfolio	\$ 32,113	\$ 31,097	\$ 1,016	3.3 %	\$ 120,505	\$ 172,749	\$ (52,244)	(30.2)%

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

In 2020, new and (re)development expenditures included \$53,159 for 300 Main, \$10,554 for Park 8Ninety IV, \$4,929 for Tower Business Center, \$4,847 for 330 Main, \$3,233 for Linden Ridge Shopping Centre II, and \$2,572 for Park 8Ninety V.

In 2019, new and (re)development expenditures included \$51,631 for 300 Main, \$25,329 for Park 8Ninety II, \$13,752 for Tower Business Center, \$13,570 for Cedar Port I and \$2,189 for 330 Main.

Leasing Costs by Type⁽¹⁾

Tenant inducements consist of costs incurred to improve the space that primarily benefit the tenant, as well as allowances paid to tenants. Leasing commissions are fees primarily paid to brokers.

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Investment property leasing costs:								
Tenant inducements	\$ 11,821	\$ 9,606	\$ 2,215		\$ 42,835	\$ 38,412	\$ 4,423	
Leasing commissions	3,536	3,949	(413)		12,069	15,415	(3,346)	
Investment property (re)development related leasing costs:								
Tenant inducements	575	2,676	(2,101)		7,951	10,747	(2,796)	
Leasing commissions	936	2,979	(2,043)		2,849	4,964	(2,115)	
Total leasing costs	\$ 16,868	\$ 19,210	\$ (2,342)	(12.2)%	\$ 65,704	\$ 69,538	\$ (3,834)	(5.5)%

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

Leasing Costs by Asset Class⁽¹⁾

	Three months ended				Year ended			
	December 31,		Change	% Change	December 31,		Change	% Change
	2020	2019			2020	2019		
Canada:								
Industrial	\$ 1,211	\$ 1,014	\$ 197		\$ 4,521	\$ 4,362	\$ 159	
Office	2,475	4,458	(1,983)		11,374	16,975	(5,601)	
Retail	1,229	632	597		4,197	4,240	(43)	
	4,915	6,104	(1,189)		20,092	25,577	(5,485)	
U.S.:								
Industrial	2,049	5,708	(3,659)		7,287	17,493	(10,206)	
Office	9,904	7,115	2,789		38,325	25,986	12,339	
Retail	—	283	(283)		—	482	(482)	
	11,953	13,106	(1,153)		45,612	43,961	1,651	
Total portfolio:								
Industrial	3,260	6,722	(3,462)		11,808	21,855	(10,047)	
Office	12,379	11,573	806		49,699	42,961	6,738	
Retail	1,229	915	314		4,197	4,722	(525)	
Total leasing costs	\$ 16,868	\$ 19,210	\$ (2,342)	(12.2)%	\$ 65,704	\$ 69,538	\$ (3,834)	(5.5)%

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

In 2020, tenant inducements related to new and (re)developments included \$4,354 for two office tenants in the Twin Cities Area, Minnesota and \$1,525 for industrial tenants in the Greater Houston Area, Texas.

Dispositions:

During 2020, Artis sold one industrial property, seven office properties, three retail properties and one parcel of development land in Canada, and two office properties (one of which held under a joint venture arrangement) and one parcel of development land in the U.S. Also during 2020, two parcels of development land were contributed to joint venture arrangements with the co-owners' share recorded as dispositions. The aggregate sale proceeds of the dispositions were \$433,477. The sale proceeds, net of costs of \$19,240, note receivables of \$13,192 and related debt of \$142,240, were \$258,805.

Foreign currency translation loss on investment properties:

In 2020, the Proportionate Share foreign currency translation loss on investment properties was \$45,865 due to the change in the period end US dollar to Canadian dollar exchange rate from 1.2988 at December 31, 2019 to 1.2732 at December 31, 2020.

Investment properties held for sale:

At December 31, 2020, the REIT had one office property and two retail properties located in Canada and one office property and one industrial property (held under a joint venture arrangement) located in the U.S., with a fair value of \$135,302, classified as held for sale. These properties were listed for sale with external brokers or under unconditional sale agreements at December 31, 2020.

Completed new development properties:

In 2020, Artis completed construction of 330 Main, Linden Ridge Shopping Centre II, and Park 8Ninety IV, as discussed in the Portfolio Summary section of this MD&A.

Fair value (loss) gain on investment properties:

During 2020, the REIT recorded a loss on the Proportionate Share fair value of investment properties of \$122,619 (Q4-20 - gain of \$7,316), compared to a loss of \$63,026 (Q4-19 - loss of \$20,115) in 2019. The fair value loss in 2020 was primarily due to reflecting an increase in the estimated vacancy allowances and capitalization rates, and decrease in market rents, across the retail and office portfolios due to the economic impacts of the COVID-19 pandemic, partially offset by higher expected market rents in the industrial portfolio.

Artis determines the fair value of investment properties based upon either the discounted cash flow method or the overall capitalization method. Capitalization rates are estimated using market surveys, available appraisals and market comparables. Under the overall capitalization method, year one income is stabilized and capitalized at a rate deemed appropriate for each investment property. Individual properties were valued using capitalization rates in the range of 3.75% to 9.25%. Additional information on the average capitalization rates and ranges used for the portfolio properties, assuming all properties were valued using an overall capitalization method, are set out in the following table.

	December 31, 2020			December 31, 2019		
	Maximum	Minimum	Weighted-average	Maximum	Minimum	Weighted-average
Industrial:						
Alberta	7.75 %	5.75 %	6.52 %	7.50 %	5.50 %	6.46 %
British Columbia	4.00 %	3.75 %	3.84 %	4.00 %	3.75 %	3.84 %
Manitoba	7.50 %	6.00 %	6.57 %	7.50 %	6.00 %	6.58 %
Ontario	5.25 %	4.25 %	4.76 %	5.25 %	3.75 %	4.61 %
Saskatchewan	7.00 %	6.50 %	6.76 %	7.50 %	6.25 %	6.82 %
Total Canadian industrial portfolio	7.75 %	3.75 %	5.50 %	7.50 %	3.75 %	5.52 %
Arizona	6.25 %	5.25 %	5.59 %	6.25 %	5.75 %	6.01 %
Colorado	5.00 %	4.00 %	4.26 %	5.00 %	4.75 %	4.83 %
Minnesota	7.75 %	5.50 %	6.55 %	7.75 %	5.50 %	6.53 %
Texas	7.00 %	5.50 %	5.66 %	7.00 %	5.50 %	5.67 %
Total U.S. industrial portfolio	7.75 %	4.00 %	5.93 %	7.75 %	4.75 %	6.09 %
Total industrial portfolio	7.75 %	3.75 %	5.68 %	7.75 %	3.75 %	5.76 %
Office:						
Alberta	9.00 %	6.50 %	7.87 %	9.00 %	6.50 %	8.38 %
British Columbia	5.50 %	5.00 %	5.12 %	5.50 %	4.75 %	4.94 %
Manitoba	7.75 %	5.00 %	6.06 %	7.75 %	5.00 %	6.12 %
Ontario	7.00 %	5.50 %	6.09 %	7.00 %	5.50 %	6.47 %
Saskatchewan	7.50 %	7.50 %	7.50 %	7.00 %	7.00 %	7.00 %
Total Canadian office portfolio	9.00 %	5.00 %	6.18 %	9.00 %	4.75 %	6.58 %
Arizona	8.00 %	6.00 %	6.68 %	8.00 %	6.00 %	6.67 %
Colorado	6.50 %	6.00 %	6.09 %	6.50 %	6.00 %	6.08 %
Minnesota	7.50 %	6.25 %	6.78 %	7.75 %	6.00 %	6.92 %
New York	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %	7.75 %
Wisconsin	7.75 %	7.00 %	7.55 %	8.00 %	7.00 %	7.57 %
Total U.S. office portfolio	8.00 %	6.00 %	6.91 %	8.00 %	6.00 %	6.96 %
Total office portfolio	9.00 %	5.00 %	6.61 %	9.00 %	4.75 %	6.77 %
Retail:						
Alberta	8.75 %	5.75 %	6.78 %	8.75 %	5.50 %	6.64 %
British Columbia	N/A	N/A	N/A	5.25 %	5.25 %	5.25 %
Manitoba	6.25 %	5.50 %	6.11 %	6.25 %	5.50 %	6.13 %
Saskatchewan	9.25 %	6.25 %	7.37 %	8.25 %	6.00 %	6.85 %
Total Canadian retail portfolio	9.25 %	5.50 %	6.73 %	8.75 %	5.25 %	6.53 %
Total retail portfolio	9.25 %	5.50 %	6.73 %	8.75 %	5.25 %	6.53 %
Total:						
Canadian portfolio	9.25 %	3.75 %	6.09 %	9.00 %	3.75 %	6.23 %
U.S. portfolio	8.00 %	4.00 %	6.52 %	8.00 %	4.75 %	6.63 %
Total portfolio	9.25 %	3.75 %	6.26 %	9.00 %	3.75 %	6.38 %

Inventory Properties

At December 31, 2020, inventory properties included one industrial property. The REIT is undergoing the conversion of this property into commercial condominium units. At December 31, 2020, commercial condominium units representing 85.8% of the total square footage of the converted complex were under conditional sale agreements. Subsequent to December 31, 2020, a condominium corporation was registered for the property and the REIT closed on the sales of a number of condominium units.

Notes Receivable

On September 27, 2019, the REIT disposed of 415 Yonge Street and received as partial consideration a note receivable in the amount of \$79,000. On September 30, 2020, this note receivable was repaid in full.

On January 30, 2020, the REIT disposed of TransAlta Place and sold the outstanding note receivable in the amount of \$8,372 as part of the disposition.

On January 31, 2020, the REIT disposed of 800 5th Avenue and received as partial consideration a note receivable in the amount of \$10,000. The REIT receives monthly interest-only payments at a rate of 5.00% per annum. The note receivable is secured by the office property and matures in January 2024.

On November 9, 2020, the REIT disposed of 801 Carlson development land and received as partial consideration a note receivable in the amount of US\$2,450. The note bears interest at a rate of 4.00% per annum and interest and principal are due on maturity in November 2024. The note receivable is secured by a portion of the development land.

The balance outstanding on all notes receivable at December 31, 2020 was \$21,684, compared to \$97,828 at December 31, 2019.

Accounts Receivable and Other Receivables

Due to government-mandated capacity limitations and temporary closures of non-essential businesses as a result of the COVID-19 pandemic, a number of tenants, primarily retail tenants, have had to limit operations. The REIT granted deferred rents for certain qualifying tenants for the months of April to December 2020 with an agreement to repay at a specified later date.

Additional information regarding rents receivable, deferred rents receivable and the allowance for doubtful accounts for the portfolio of properties is set out in the following tables.

Rents Receivable by Asset Class

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Canadian portfolio:				
Industrial	\$ 863	\$ 972	\$ 863	\$ 972
Office	1,140	3,533	1,140	3,533
Retail	1,590	743	1,590	743
	3,593	5,248	3,593	5,248
U.S. portfolio:				
Industrial	451	912	487	1,486
Office	1,616	1,948	1,632	1,959
	2,067	2,860	2,119	3,445
Total portfolio:				
Industrial	1,314	1,884	1,350	2,458
Office	2,756	5,481	2,772	5,492
Retail	1,590	743	1,590	743
Total portfolio	\$ 5,660	\$ 8,108	\$ 5,712	\$ 8,693

Deferred Rents Receivable by Asset Class

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Canadian portfolio:				
Industrial	\$ 481	\$ —	\$ 481	\$ —
Office	1,302	—	1,302	—
Retail	2,887	—	2,887	—
	4,670	—	4,670	—
U.S. portfolio:				
Industrial	30	—	84	—
Office	201	—	234	—
	231	—	318	—
Total portfolio:				
Industrial	511	—	565	—
Office	1,503	—	1,536	—
Retail	2,887	—	2,887	—
Total portfolio	\$ 4,901	\$ —	\$ 4,988	\$ —

Allowance for Doubtful Accounts by Asset Class

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Canadian portfolio:				
Industrial	\$ (281)	\$ (15)	\$ (281)	\$ (15)
Office	(263)	—	(263)	—
Retail	(1,092)	(295)	(1,092)	(295)
	(1,636)	(310)	(1,636)	(310)
U.S. portfolio:				
Industrial	(12)	—	(12)	—
Office	(341)	(96)	(343)	(96)
	(353)	(96)	(355)	(96)
Total portfolio:				
Industrial	(293)	(15)	(293)	(15)
Office	(604)	(96)	(606)	(96)
Retail	(1,092)	(295)	(1,092)	(295)
Total portfolio	\$ (1,989)	\$ (406)	\$ (1,991)	\$ (406)

Cash

At December 31, 2020, the REIT had \$34,703 of cash on hand, compared to \$42,455 at December 31, 2019. The balance is anticipated to be invested in investment properties in subsequent periods, used for working capital purposes, for debt repayment or for unit purchases under the NCIB. All of the REIT's cash is held in current accounts.

LIABILITIES

Mortgages and Loans Payable

Artis finances acquisitions and development projects in part through the arrangement or assumption of mortgage financing and consequently, certain of the REIT's investment properties are pledged as security under mortgages and other loans. The weighted-average term to maturity on all mortgages and loans payable, on a Proportionate Share basis, at December 31, 2020 was 2.3 years, compared to 2.4 years at December 31, 2019.

At December 31, 2020, Artis had mortgages and loans payable outstanding, as follows:

Canadian Portfolio:

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Fixed rate mortgages	\$ 334,626	\$ 376,010	\$ 366,242	\$ 408,718
Variable rate mortgages:				
Hedged	91,765	108,927	91,765	108,927
Unhedged	16,136	72,300	16,136	72,300
Net above- and below-market mortgage adjustments	—	(43)	—	(43)
Financing costs	(1,128)	(1,491)	(1,187)	(1,563)
	\$ 441,399	\$ 555,703	\$ 472,956	\$ 588,339

U.S. Portfolio:

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Fixed rate mortgages	\$ 70,987	\$ 73,855	\$ 81,889	\$ 85,269
Variable rate mortgages:				
Hedged	381,640	271,802	381,640	271,802
Unhedged	380,123	500,507	449,396	578,660
Net above- and below-market mortgage adjustments	2,423	3,213	2,423	3,213
Financing costs	(3,050)	(3,732)	(4,020)	(4,360)
	\$ 832,123	\$ 845,645	\$ 911,328	\$ 934,584

Total Canadian and U.S. Portfolio:

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Fixed rate mortgages	\$ 405,613	\$ 449,865	\$ 448,131	\$ 493,987
Variable rate mortgages:				
Hedged	473,405	380,729	473,405	380,729
Unhedged	396,259	572,807	465,532	650,960
Net above- and below-market mortgage adjustments	2,423	3,170	2,423	3,170
Financing costs	(4,178)	(5,223)	(5,207)	(5,923)
	\$ 1,273,522	\$ 1,401,348	\$ 1,384,284	\$ 1,522,923
% of unhedged variable rate mortgage debt of total debt, including credit facilities and debentures	16.5 %	20.9 %	18.5 %	22.7 %

Management believes that holding a percentage of variable rate debt is prudent in managing a portfolio of debt and provides the benefit of lower interest rates, while keeping the overall risk at a moderate level. All of the REIT's variable rate mortgage debt is term debt and cannot be called on demand. The REIT has the ability to refinance, or use interest rate swaps, at any given point without incurring penalties.

The change in total mortgages and loans payable is a result of the following:

	Per consolidated financial statements	Adjustment ⁽¹⁾	Total Proportionate Share
Balance, December 31, 2019	\$ 1,403,401	\$ 122,275	\$ 1,525,676
Add (deduct):			
Draws on variable rate construction loans	—	24,587	24,587
Uplift upon renewal of maturing mortgages	58,031	—	58,031
Repayment of variable rate mortgages related to sale of investment properties	(30,475)	(31,968)	(62,443)
Repayment of fixed rate mortgages related to the sale of investment properties	(68,690)	—	(68,690)
Repayment of swapped mortgage related to the sale of investment property	(11,108)	—	(11,108)
Repayment of maturing fixed rate mortgage	(19,711)	—	(19,711)
Principal repayments	(37,930)	(1,395)	(39,325)
Foreign currency translation gain	(18,241)	(1,708)	(19,949)
Balance, December 31, 2020	\$ 1,275,277	\$ 111,791	\$ 1,387,068

(1) Adjustment to reflect investments in joint ventures on a Proportionate Share basis.

During 2020, the REIT renewed three maturing fixed rate mortgages in the aggregate amount of \$50,874, renewed four maturing variable rate mortgages in the amount of \$81,761 and renewed one previously hedged mortgage at a variable rate in the amount of \$48,025.

Additionally, during 2020, Artis entered into interest rate swap agreements for eight mortgages in the aggregate amount of US\$139,299, effectively fixing the interest rate at a weighted-average rate of 2.56%.

Mortgages and Loans Payable by Asset Class

	IFRS		Proportionate Share	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Canadian portfolio:				
Industrial	\$ 60,546	\$ 83,276	\$ 92,162	\$ 115,984
Office	153,495	242,959	153,495	242,959
Retail	228,486	231,002	228,486	231,002
	442,527	557,237	474,143	589,945
U.S. portfolio:				
Industrial	253,748	233,784	323,022	285,322
Office	579,002	612,380	589,903	650,409
	832,750	846,164	912,925	935,731
Total portfolio:				
Industrial	314,294	317,060	415,184	401,306
Office	732,497	855,339	743,398	893,368
Retail	228,486	231,002	228,486	231,002
Total portfolio	\$ 1,275,277	\$ 1,403,401	\$ 1,387,068	\$ 1,525,676

Senior Unsecured Debentures

At December 31, 2020, Artis had two series of senior unsecured debentures outstanding, as follows:

	Issued	Maturity	Interest rate	December 31, 2020		December 31, 2019	
				Carrying value	Face value	Carrying value	Face value
Series B	February 7, 2018	February 7, 2020	3.354 %	—	—	199,959	200,000
Series C	February 22, 2019	February 22, 2021	3.674 %	249,920	250,000	249,372	250,000
Series D	September 18, 2020	September 18, 2023	3.824 %	248,999	250,000	—	—
				\$ 498,919	\$ 500,000	\$ 449,331	\$ 450,000

At December 31, 2020, the carrying value of the senior unsecured debentures increased \$49,588 compared to December 31, 2019. The change is primarily due to the issuance of the Series D senior unsecured debentures on September 18, 2020, partially offset by the repayment of the Series B senior unsecured debentures on February 7, 2020.

Subsequent to December 31, 2020, the REIT repaid the Series C senior unsecured debentures upon maturity and funded the repayment using funds drawn on the revolving credit facilities.

Credit Facilities

Revolving Credit Facilities

The REIT has unsecured revolving credit facilities in the aggregate amount of \$700,000. The first tranche of the revolving credit facilities in the amount of \$400,000 matures on December 14, 2021. The second tranche of the revolving credit facilities in the amount of \$300,000 matures on April 29, 2023. The REIT can draw on the revolving credit facilities in Canadian or US dollars. Amounts drawn on the revolving credit facilities in Canadian dollars bear interest at the bankers' acceptance rate plus 1.70% or at prime plus 0.70%. Amounts drawn on the revolving credit facilities in US dollars bear interest at LIBOR plus 1.70% or at the U.S. base rate plus 0.70%. At December 31, 2020, there was \$125,617 drawn on these facilities (December 31, 2019, \$588,111).

Non-Revolving Credit Facilities

On February 6, 2020, the REIT entered into a new unsecured non-revolving term credit facility agreement in the amount of \$200,000, which matures February 4, 2022. Amounts drawn on this non-revolving credit facility bear interest at 2.22%. The REIT drew the full balance on the credit facility and used the proceeds for the repayment of the Series B debentures.

Additionally, the REIT has two unsecured non-revolving credit facilities in the aggregate amount of \$300,000. The first non-revolving credit facility of \$150,000 matures on July 6, 2022 and the second non-revolving credit facility of \$150,000 matures on July 18, 2022. Amounts drawn on the non-revolving credit facilities bear interest at 3.57% and 3.50%, respectively.

At December 31, 2020, there was \$500,000 drawn on the non-revolving credit facilities (December 31, 2019, \$300,000).

Other Current Liabilities

Included in other current liabilities were accounts payable and other liabilities and security deposits and prepaid rent. Included in accounts payable and other liabilities were accrued distributions payable to unitholders of \$7,485, which were paid subsequent to the end of the year.

UNITHOLDERS' EQUITY

Unitholders' equity decreased overall by \$136,856 between December 31, 2019 and December 31, 2020. The decrease was primarily due to distributions made to unitholders of \$99,745 and common units of \$48,601 and preferred units of \$2,682 purchased through the NCIB, partially offset by the related contributed surplus of \$15,991 and other comprehensive loss of \$27,817. The overall decrease was partially offset by net income of \$21,543 and the issuance of common units for \$4,455.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations represents the primary source of funds for distributions to unitholders and principal repayments on mortgages and loans.

DISTRIBUTIONS

The Trustees determine the level of cash distributions based on the level of cash flow from operations before working capital changes, less actual and planned capital expenditures. During the period, distributions are based on estimates of full year cash flow and capital spending; thus, distributions may be adjusted as these estimates change. It is expected that normal seasonal fluctuations in working capital will be funded from cash resources.

	Three months ended December 31, 2020	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Cash flow from operations	\$ 21,465	\$ 176,333	\$ 200,120	\$ 209,601
Net income	32,424	21,543	122,737	158,636
Distributions declared	22,747	91,074	96,332	173,408
(Shortfall) excess of cash flow from operations over distributions declared	(1,282)	85,259	103,788	36,193
Excess (shortfall) of net income over distributions declared	9,677	(69,531)	26,405	(14,772)

Artis' primary objective is to provide tax-efficient monthly cash distributions. The shortfall of cash flow from operations over distributions declared for the three months ended December 31, 2020, is primarily due to the non-recurring proxy matter expenses in Q4-20. The shortfall of net income over distributions declared during 2020 was primarily due to the non-cash impact of the fair value loss on investment properties.

CAPITAL RESOURCES

At December 31, 2020, Artis had \$34,703 of cash on hand. Management anticipates that the cash on hand may be invested in the REIT's portfolio of investment properties in subsequent periods, used for working capital purposes, for debt repayment or for unit purchases under the NCIB.

The REIT has two unsecured revolving term credit facilities in the aggregate amount of \$700,000, which can be utilized for general corporate and working capital purposes, short term financing of investment property acquisitions and the issuance of letters of credit. At December 31, 2020, the REIT had \$574,383 available on its revolving term credit facilities. Under the terms of the revolving credit facilities, the REIT must maintain a minimum unencumbered property assets to consolidated unsecured indebtedness ratio of 1.4. As at December 31, 2020, this covenant limits the total borrowing capacity of the revolving credit facilities to \$388,163.

At December 31, 2020, the REIT had 100 unencumbered properties and three unencumbered parcels of development land, inclusive of properties held in joint venture arrangements, representing a Proportionate Share fair value of \$1,941,959.

Artis is not in default or arrears on any of its obligations, including distributions to unitholders, interest or principal payments on debt at December 31, 2020.

The REIT's mortgage providers have various financial covenants. The REIT monitors these covenants, which are primarily debt service coverage ratios. Mortgages and loans payable with maturities within 12 months or are payable on demand as a result of a financial covenant breach are classified as current liabilities.

The REIT's management expects to meet all of its short-term obligations and capital commitments with respect to investment properties and new developments in process through funds generated from operations, from the proceeds of mortgage financing, drawing on unsecured credit facilities, from the issuance of new debentures or units and from cash on hand.

The financial impact and duration of the COVID-19 pandemic is currently unknown. The REIT is committed to prudently manage capital resources during this unprecedented and uncertain time. Refer to Risks section of this MD&A for discussion of risks related to the COVID-19 pandemic and how they may impact capital resources.

DEBT METRICS

Adjusted EBITDA Interest Coverage Ratio ⁽¹⁾

	Three months ended		Year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Net income	\$ 32,424	\$ 32,877	\$ 21,543	\$ 122,737
Add (deduct):				
Tenant inducements amortized to revenue	6,592	6,427	25,840	24,136
Straight-line rent adjustments	(1,553)	(1,858)	(5,896)	(7,009)
Interest expense	21,182	27,405	90,667	113,181
Fair value (gain) loss on investment properties	(7,316)	20,115	122,619	63,026
Foreign currency translation gain	(3,105)	(4,804)	(530)	(10,668)
Transaction costs	—	84	—	301
Proxy matter expenses	17,423	—	17,423	—
Strategic initiative expenses	810	937	4,029	1,358
Fair value (gain) loss on derivative instruments and other transactions	(265)	(105)	16,538	16,379
Depreciation of property and equipment	397	301	1,422	1,130
Income tax expense	146	605	733	1,816
Adjusted EBITDA	66,735	81,984	294,388	326,387
Interest expense	21,182	27,405	90,667	113,181
Add (deduct):				
Amortization of financing costs	(1,080)	(1,049)	(4,225)	(4,071)
Amortization of above- and below-market mortgages, net	183	185	752	434
Accretion on liability component of debentures	—	—	—	51
Adjusted interest expense	\$ 20,285	\$ 26,541	\$ 87,194	\$ 109,595
Adjusted EBITDA interest coverage ratio	3.29	3.09	3.38	2.98

Debt to Adjusted EBITDA Ratio ⁽¹⁾

	December 31, 2020	December 31, 2019
Secured mortgages and loans	\$ 1,384,284	\$ 1,522,923
Preferred shares liability	610	622
Carrying value of debentures	498,919	449,331
Credit facilities	624,461	886,522
Total long-term debt and credit facilities	2,508,274	2,859,398
Adjusted EBITDA ⁽²⁾	266,940	327,936
Total long-term debt and credit facilities to Adjusted EBITDA	9.4	8.7

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

(2) Adjusted EBITDA, as calculated for the quarter under Adjusted EBITDA Interest Coverage Ratio, has been annualized for purposes of the Debt to Adjusted EBITDA ratio calculation.

CONTRACTUAL OBLIGATIONS ⁽¹⁾

	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and other liabilities	\$ 110,466	110,466	\$ —	\$ —	\$ —
Lease liabilities	1,419	206	369	311	533
Credit facilities	625,617	95,617	530,000	—	—
Senior unsecured debentures	500,000	250,000	250,000	—	—
Mortgages and loans payable	1,387,068	467,276	654,214	200,422	65,156
Total contractual obligations	\$ 2,624,570	\$ 923,565	\$ 1,434,583	\$ 200,733	\$ 65,689

The REIT's schedule of mortgage maturities is as follows:

Year ended December 31,	Debt maturities	% of total principal	Scheduled principal repayments on non-matured debt	Total annual principal repayments	Weighted- average nominal interest rate on balance due at maturity
2021	\$ 438,689	33.9 %	\$ 28,587	\$ 467,276	2.63 %
2022	188,924	14.6 %	22,475	211,399	3.38 %
2023	427,857	33.0 %	14,958	442,815	3.22 %
2024	82,864	6.4 %	7,778	90,642	2.30 %
2025	104,840	8.1 %	4,940	109,780	3.47 %
2026 & later	51,831	4.0 %	13,325	65,156	2.57 %
Total	\$ 1,295,005	100.0 %	\$ 92,063	\$ 1,387,068	2.98 %

(1) Information is presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

SUMMARIZED QUARTERLY INFORMATION

\$000's, except per unit amounts	Q4-20	Q3-20	Q2-20	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19
Revenue	\$113,010	\$113,328	\$114,038	\$118,541	\$127,180	\$127,005	\$133,928	\$133,547
Net operating income	64,967	68,017	67,139	69,152	75,121	75,724	80,533	78,478
Net income (loss)	32,424	45,699	54,750	(111,330)	32,877	44,632	19,872	25,356
Total comprehensive (loss) income	(32,479)	15,250	(3,242)	14,197	4,097	62,238	(10,758)	(4,508)
Basic income (loss) per common unit	0.21	0.30	0.37	(0.84)	0.21	0.28	0.10	0.13
Diluted income (loss) per common unit	0.21	0.30	0.36	(0.85)	0.20	0.28	0.10	0.13
FFO ⁽¹⁾	\$ 45,796	\$ 50,816	\$ 49,358	\$ 46,441	\$ 51,602	\$ 48,603	\$ 51,909	\$ 50,284
FFO per unit ⁽¹⁾	0.34	0.37	0.36	0.33	0.37	0.34	0.36	0.34
FFO payout ratio ⁽¹⁾	41.2 %	37.8 %	38.9 %	42.4 %	37.8 %	41.2 %	38.9 %	41.2 %
AFFO ⁽¹⁾	\$ 31,721	\$ 37,671	\$ 36,499	\$ 33,661	\$ 37,772	\$ 35,769	\$ 39,370	\$ 37,607
AFFO per unit ⁽¹⁾	0.23	0.27	0.27	0.24	0.27	0.25	0.27	0.25
AFFO payout ratio ⁽¹⁾	60.9 %	51.9 %	51.9 %	58.3 %	51.9 %	56.0 %	51.9 %	56.0 %
Same Property NOI (decline) growth ⁽¹⁾⁽²⁾	(5.2)%	(1.2)%	(2.0)%	1.5 %	3.3 %	2.0 %	4.6 %	5.1 %
Adjusted EBITDA interest coverage ratio ⁽¹⁾⁽²⁾	3.29	3.66	3.50	3.11	3.09	2.86	3.00	2.96
Leasable area renewed (in square feet) ⁽³⁾	248,641	617,239	592,872	338,394	558,544	362,669	353,870	332,258
(Decrease) increase in weighted-average rental rate ⁽³⁾	(0.5)%	6.0 %	(3.3)%	4.5 %	8.1 %	8.7 %	4.0 %	(1.9)%
	2020	2020	2020	2020	2019	2019	2019	2019
	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31
Number of properties ⁽²⁾	209	216	216	215	220	228	229	235
GLA (000's of square feet) ⁽²⁾	22,874	23,796	23,842	23,817	24,841	25,034	24,892	25,100
Occupancy ⁽³⁾	89.9 %	90.0 %	90.6 %	90.7 %	91.5 %	93.3 %	92.7 %	92.0 %
NAV per Unit ⁽¹⁾	\$ 15.03	\$ 15.35	\$ 15.40	\$ 15.52	\$ 15.56	\$ 15.72	\$ 15.37	\$ 15.55
Total long-term debt and credit facilities to Adjusted EBITDA ⁽¹⁾⁽²⁾	9.4	9.3	9.5	9.3	8.7	9.3	8.8	9.2
Secured mortgages and loans to GBV ⁽¹⁾	26.2 %	26.6 %	27.0 %	26.9 %	26.3 %	26.9 %	28.3 %	28.8 %
Total long-term debt and credit facilities to GBV ⁽¹⁾	49.3 %	51.0 %	51.3 %	51.4 %	51.3 %	51.8 %	51.2 %	50.9 %
Fair value unencumbered assets	\$1,901,073	\$1,929,858	\$1,919,171	\$1,845,983	\$1,926,661	\$1,877,339	\$1,829,594	\$1,867,277
Total assets	\$4,859,841	\$5,207,812	\$5,236,565	\$5,337,483	\$5,330,019	\$5,431,426	\$5,540,373	\$5,676,308
Total non-current financial liabilities	1,648,305	1,933,886	1,912,566	2,003,195	2,142,090	2,127,476	2,177,391	2,244,999

(1) Represents a non-GAAP measure. Refer to Notice with Respect to non-GAAP Measures section of this MD&A.

(2) Information presented on a Proportionate Share basis. Please refer to the Notice with Respect to non-GAAP Measures section of this MD&A.

(3) Based on properties included in the Portfolio Summary - Portfolio by Asset Class table.

The quarterly financial results have been impacted by acquisition, disposition and (re)development activity, the impact of foreign exchange, lease termination income, transaction costs, proxy matter expenses, strategic initiative expenses, and the fair value gains and losses on investment properties and derivative instruments and other transactions. The quarterly financial results have also been impacted by the ongoing COVID-19 pandemic.

Per unit results are also impacted by units purchased under the NCIB.

RELATED PARTY TRANSACTIONS

During 2020, the REIT paid employment benefits to employees and issued unit-based awards to trustees, officers and employees.

During 2020, the proxy matter expenses included reimbursements of advisory, legal and other out-of-pocket expenses incurred by Sandpiper Asset Management Inc. and RFA Capital Partners Inc. in the amount of \$1,383 and \$42, respectively, relating to the settlement agreement between the REIT and Sandpiper. Sandpiper Asset Management Inc. is a related party of the REIT by virtue of being a company under joint control of a Trustee and RFA Capital Partners Inc. is a related party by virtue of being a company controlled by another Trustee.

SUBSEQUENT EVENTS

As at December 31, 2020, Artis had \$34,703 of cash on hand and \$574,383 available on its revolving term credit facilities. Under the terms of the revolving credit facilities, the REIT must maintain certain financial covenants, which limit the total borrowing capacity of the revolving credit facilities to \$388,163 at December 31, 2020.

Subsequent to December 31, 2020, the following transactions took place:

- The Park Lucero East partnership purchased a parcel of development land in the Greater Phoenix Area, Arizona. The purchase price at the REIT's 10% interest was US\$970.
- The REIT acquired an additional 5% interest in Park 8Ninety IV, an industrial property located in the Greater Houston Area, Texas, for total consideration of US\$1,510. Prior to the acquisition date, the REIT owned 95% of this investment property and the property was classified as a joint venture.
- The REIT disposed of Tower Business Center, an industrial property located in the Greater Denver Area, Colorado, held in one of its joint venture arrangements. The sale price of this property at the REIT's interest was US\$53,160 and a portion of the proceeds was used to repay the outstanding mortgage financing of US\$16,713 at the REIT's interest.
- A condominium corporation was registered for the industrial property classified as inventory and the REIT closed on the sales of a number of condominium units for an aggregate sale price of \$9,425.
- The REIT entered into an unconditional sale agreement to sell a portion of a retail property located in Fort McMurray, Alberta for \$4,600 with expected closing in April 2021.
- The REIT repaid a maturing mortgage for an office property in the amount of \$12,978, repaid a maturing mortgage for a retail property in the amount of \$5,405, repaid a maturing mortgage for an industrial portfolio in the amount of US\$7,366 and repaid a mortgage for an industrial property held under a joint venture arrangement at the REIT's interest in the amount of US\$7,360.
- The REIT received new mortgage financing on three previously unencumbered retail properties in the amount of \$81,000.
- The REIT received new mortgage financing in the amount of \$20,000 and repaid the existing mortgage in the amount of \$10,944 for a retail property.
- The REIT made an interest payment for the Series C senior unsecured debentures in the amount of \$4,593 for the six months ended February 22, 2021 and repaid the principal balance upon maturity in the amount of \$250,000.
- The REIT repaid a net balance of \$30,000 and drew a net balance of US\$159,500 on its revolving term credit facilities.
- The REIT purchased through the NCIB 1,064,346 common units at a weighted-average price of \$10.68, 3,700 Series A preferred units at a weighted-average price of \$19.51 and 6,624 Series E preferred units at a weighted-average price of \$18.81.
- The REIT declared a monthly cash distribution of \$0.04635 per common unit for the months of January and February 2021.
- The REIT declared a quarterly cash distribution of \$0.3750 per Series I preferred unit for the three months ended January 31, 2021.

OUTSTANDING UNIT DATA

As of March 2, 2021, the balance of common units outstanding is as follows:

	Total
Units outstanding at December 31, 2020	134,643,175
Units issued on redemption of restricted units	1,929
Units issued on redemption of deferred units	12,953
Units purchased and cancelled through NCIB	(1,064,346)
Units outstanding at March 2, 2021	133,593,711

As of March 2, 2021, the balance of preferred units outstanding is as follows:

	Series A	Series E	Series I	Total
Preferred units outstanding at December 31, 2020	3,356,200	3,788,098	4,965,540	12,109,838
Preferred units purchased and cancelled through NCIB	(3,700)	(6,624)	—	(10,324)
Preferred units outstanding at March 2, 2021	3,352,500	3,781,474	4,965,540	12,099,514

The balance of restricted units outstanding as of March 2, 2021 is 416,429, none of which have vested.

The balance of deferred units outstanding as of March 2, 2021 is 80,983. All of these deferred units have vested, of which 20,890 are redeemable.

RISKS AND UNCERTAINTIES

COVID-19 PANDEMIC

The COVID-19 pandemic has resulted in governments enacting emergency measures, including travel restrictions, physical distancing and the temporary closure of non-essential businesses. These changes have caused a disruption to markets where the REIT operates in both Canada and the U.S. and an overall global economic slowdown.

Governments are reacting with significant interventions designed to stabilize economic conditions, however, the efficacy of these interventions remains unknown at this time.

As the situation is continually evolving, the duration and impact of the COVID-19 pandemic is unknown. Any estimate of the length and potential severity of the risks associated with the COVID-19 pandemic is subject to significant uncertainty. The extent to which the COVID-19 pandemic may adversely affect the REIT's operations, financial results and capital resources in future periods is also subject to significant uncertainty. The REIT is faced with numerous risks related to the COVID-19 pandemic which include, but are not limited to the following uncertainties:

- estimates of the amount and timing of future cash flows generated from investment properties in the determination of fair value;
- the REIT's ability to satisfy ongoing debt covenants due to changes in the REIT's liquidity and financial condition;
- the collection of rents receivable due to economic challenges faced by tenants subject to temporary closures of non-essential businesses, particularly in the retail segment;
- the impact of additional government regulation in response to the COVID-19 pandemic;
- delays, costs and availability of resources required to complete capital projects and ongoing developments in process and potential restrictions regarding the commencement of new development projects;
- market volatility and the associated challenges related to the ability to access capital;
- the REIT's ability to refinance maturing mortgages; and
- fair values of investment properties for disposed properties exceeding the mortgages payable for which the REIT has provided guarantees.

Any of these risks and uncertainties could have a material adverse effect on our operations, financial results and capital resources. Management seeks to mitigate risks associated with the COVID-19 pandemic in a variety of ways:

- management is working diligently with tenants to ensure the ongoing operation of their businesses and has provided rent deferrals to certain qualifying tenants;
- management has implemented a plan to reduce expenses to conserve capital resources, including the delay of certain capital expenditures and is addressing the potential to defer commencement of new development projects;
- to help mitigate the spread of the virus, management has increased cleaning and sanitization at all properties and has implemented a remote work from home policy for employees, where appropriate to do so;
- management is actively monitoring the availability of government relief programs in both Canada and the U.S. that may be applicable to either the REIT or its tenants; and
- management continues to assess recommendations by the public health authorities and continues to closely monitor operations and will take further action, if necessary, that are in the best interest of employees, tenants and stakeholders.

REAL PROPERTY OWNERSHIP

All real property investments are subject to elements of risk. General economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors affect such investments. The REIT's properties are located in five Canadian provinces and six U.S. states, with the largest geographical segments, measured by Proportionate Share Property NOI, located in the province of Alberta and in the state of Minnesota. As a result, our investment properties are impacted by factors specifically affecting their respective real estate markets. These factors may differ from those affecting the real estate markets in other regions of Canada and the U.S.

DEVELOPMENTS

Artis is subject to numerous risks related to development projects including development costs exceeding original estimates, construction or other unforeseen timing delays and development projects not be leased on a timely basis or at anticipated rates upon completion. These risks could impact the REIT's liquidity, financial position and future earning potential.

At December 31, 2020, investment properties under development account for 2.9% of Artis' total investment properties (December 31, 2019, 2.1%). At December 31, 2020, the REIT had one development project in progress, 300 Main.

DEBT FINANCING AND INTEREST RATE FLUCTUATIONS

Artis will be subject to the risks associated with debt financing. There can be no assurance that Artis will be able to refinance its existing indebtedness on terms that are as or more favourable to Artis as the terms of existing indebtedness. The inability to replace financing of debt on maturity would have an adverse impact on the financial condition and results of Artis.

Management seeks to mitigate this risk in a variety of ways. First, management considers structuring the timing of the renewal of significant tenant leases on properties in relation to the time at which mortgage indebtedness on such property becomes due for refinancing. Second, management seeks to secure financing from a variety of lenders on a property by property basis. Third, mortgage terms are, where practical, structured such that the exposure in any one year to financing risks is balanced.

Artis is also subject to interest rate risk associated with the REIT's credit facilities, mortgages and debentures payable due to the expected requirement to refinance such debts in the year of maturity. The REIT minimizes the risk by restricting debt to 70% of gross book value and by carefully monitoring the amount of variable rate debt. At December 31, 2020, 31.8% of the REIT's mortgages and loans payable bear interest at fixed rates, and a further 37.1% of the REIT's mortgages and loans payable bear interest at variable rates with interest rate swaps in place. At December 31, 2020, the REIT is a party to \$1,495,281 of variable rate debt, including credit facilities (December 31, 2019, \$2,041,647). At December 31, 2020, the REIT had entered into interest rate swaps to hedge the interest rate risk associated with \$973,405 of variable rate debt, including credit facilities and debentures, (December 31, 2019, \$880,729). The REIT has the ability to place interest rate swaps on top of variable rate debt at any time in order to effectively fix the interest rate.

At December 31, 2020, the REIT's ratio of secured mortgages and loans to GBV was 26.2%, compared to 26.3% at December 31, 2019. At December 31, 2020, the REIT's ratio of total long-term debt and credit facilities to GBV was 49.3%, compared to 51.3% at December 31, 2019. Approximately 31.8% of Artis' maturing mortgage debt comes up for renewal in 2021, and 14.2% in 2022. Management is in discussion with various lenders with respect to the renewal or refinancing of the 2021 mortgage maturities.

FOREIGN CURRENCY

The REIT owns properties located in the U.S., and therefore, the REIT is subject to foreign currency fluctuations that may impact its financial position and results. In order to mitigate a portion of this risk, the REIT's debt on U.S. properties is held in US dollars to act as a natural hedge.

TENANTS

Credit and Tenant Concentration

Artis is exposed to risks relating to tenants that may be unable to pay their contracted rents. Management mitigates this risk by acquiring and owning properties across several asset classes and geographical regions. As well, management seeks to acquire properties with strong tenant covenants in place. Artis' portfolio includes 1,579 tenant leases with a weighted-average term to maturity of 5.3 years. Approximately 50.8% of the REIT's gross revenue is derived from national or government tenants. As indicated below, the largest tenant by gross revenue is Bell MTS Inc., which is one of Canada's leading national communication companies providing voice services, internet and data services, and television. The second largest tenant by gross revenue is Graham Group Ltd., which provides construction management, general contracting, design build, and public-private partnership services to industrial, commercial, and infrastructure sectors.

Top 20 Tenants by Gross Revenue ⁽¹⁾

Tenant	Tenant location	% of total gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total GLA	Weighted-average remaining lease term
Bell MTS Inc.	Canada	2.5 %	314	1.4 %	4.4
Graham Group Ltd.	U.S.	2.2 %	243	1.1 %	13.6
AT&T	U.S.	1.8 %	257	1.1 %	4.5
WorleyParsons Canada Services Ltd.	Canada	1.7 %	164	0.7 %	0.7
Bell Canada	Canada	1.6 %	115	0.5 %	8.8
Prime Therapeutics LLC	U.S.	1.6 %	386	1.7 %	13.8
TDS Telecommunications Corporation	U.S.	1.3 %	174	0.8 %	4.0
Catalent Pharma Solutions, LLC	U.S.	1.2 %	233	1.0 %	15.6
CB Richard Ellis, Inc.	U.S.	1.1 %	108	0.5 %	6.0
PBP, Inc.	U.S.	1.1 %	519	2.3 %	10.9
Fairview Health Services	U.S.	1.0 %	179	0.8 %	2.7
Choice Hotels International Services Corp.	U.S.	1.0 %	114	0.5 %	1.0
Recipe Unlimited Corporation	Canada	1.0 %	100	0.4 %	8.0
Shoppers Drug Mart	Canada	0.9 %	96	0.4 %	5.5
3M Canada Company	Canada	0.8 %	319	1.4 %	4.2
UCare Minnesota	U.S.	0.8 %	124	0.5 %	12.6
Silent Aire USA Inc.	U.S.	0.7 %	289	1.3 %	6.2
Telephone and Data Systems Inc.	U.S.	0.7 %	107	0.5 %	4.0
Co-Operators Financial Services Ltd.	Canada	0.7 %	79	0.3 %	2.4
Soo Line Railroad Company	U.S.	0.7 %	92	0.4 %	6.7
Total		24.4 %	4,012	17.6 %	7.7

Government Tenants by Gross Revenue ⁽¹⁾

Tenant	% of total gross revenue ⁽²⁾	Owned share of GLA (000's of S.F.)	% of total GLA	Weighted-average remaining lease term
Federal Government	1.3 %	189	0.8 %	5.2
Provincial Government	0.6 %	73	0.3 %	6.6
Civic or Municipal Government	0.5 %	90	0.4 %	12.1
Total	2.4 %	352	1.5 %	7.3

Weighted-average term to maturity (entire portfolio) 5.3

(1) Based on owned share of GLA of properties included in the Portfolio Summary - Portfolio by Asset Class table.

(2) Total gross revenue is in Canadian and US dollars.

Lease Rollover

The value of investment properties and the stability of cash flows derived from those properties is dependent upon the level of occupancy and lease rates in those properties. Upon expiry of any lease, there is no assurance that a lease will be renewed on favourable terms, or at all; nor is there any assurance that a tenant can be replaced. A contraction in the Canadian or U.S. economy would negatively impact demand for space in industrial, office and retail properties, consequently increasing the risk that leases expiring in the near term will not be renewed.

Details of the portfolio's expiry schedule is as follows:

Expiry Year	Canada					U.S.						Total
	AB	BC	MB	SK	ON	AZ	CO	MN	NY	TX	WI	
2021	2.5 %	0.2 %	3.3 %	0.6 %	1.7 %	1.1 %	0.5 %	5.5 %	— %	— %	0.7 %	16.1 %
2022	1.0 %	0.1 %	1.5 %	1.2 %	2.6 %	0.6 %	0.3 %	3.0 %	— %	0.6 %	0.4 %	11.3 %
2023	1.4 %	0.2 %	1.7 %	0.3 %	1.4 %	0.6 %	0.2 %	2.8 %	0.3 %	— %	0.5 %	9.4 %
2024	0.8 %	0.1 %	1.7 %	0.2 %	1.4 %	0.5 %	0.1 %	2.9 %	0.2 %	0.2 %	1.7 %	9.8 %
2025	1.0 %	— %	1.5 %	0.3 %	2.7 %	1.2 %	1.3 %	1.3 %	— %	0.2 %	0.4 %	9.9 %
2026	0.6 %	0.1 %	1.6 %	0.2 %	0.8 %	0.6 %	— %	0.7 %	— %	— %	0.9 %	5.5 %
2027 & later	2.6 %	0.7 %	3.0 %	1.7 %	1.6 %	2.5 %	1.1 %	7.1 %	— %	5.2 %	2.0 %	27.5 %
Month-to-month	— %	— %	0.1 %	— %	— %	— %	— %	— %	— %	— %	— %	0.1 %
Vacant	2.3 %	0.1 %	2.1 %	0.3 %	0.4 %	0.6 %	0.9 %	1.5 %	— %	0.9 %	1.1 %	10.2 %
New development/ redevelopment	— %	— %	— %	— %	0.2 %	— %	— %	— %	— %	— %	— %	0.2 %
Total	12.2 %	1.5 %	16.5 %	4.8 %	12.8 %	7.7 %	4.4 %	24.8 %	0.5 %	7.1 %	7.7 %	100.0 %

Artis' real estate is diversified across five Canadian provinces and six U.S. states, and across the industrial, office and retail asset classes. By city and asset class, the five largest segments of the REIT's portfolio (by Q4-20 Proportionate Share Property NOI) are Twin Cities Area office, Twin Cities Area industrial, Madison office, Greater Toronto Area industrial and Greater Phoenix Area office.

SIFT RULES AND OTHER TAX-RELATED FACTORS

The Income Tax Act (Canada) contains legislation affecting the tax treatment of a specified investment flow-through ("SIFT") trust or partnership ("the SIFT Rules"), which are applicable to publicly traded income trusts unless the trust satisfies the REIT Exception. The REIT Exception to the SIFT Rules is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of the taxation year. Management believes that the REIT has met the requirements of the REIT Exception in each taxation year since 2009 and that it has met the REIT Exception throughout the year ended December 31, 2020 and the year ended December 31, 2019. There can be no assurances, however, that the REIT will continue to be able to satisfy the REIT Exception in the future such that the REIT will not be subject to the tax imposed by the SIFT Rules.

The Tax Act also contains restrictions relating to the activities and the investments permitted by a mutual fund trust. Closed-end trusts must also comply with a number of technical tests relating to its investments and income. No assurance can be given that the REIT will be able to continue to comply with these restrictions at all times.

The REIT operates in the United States through U.S. REITs, which are capitalized by the REIT by way of equity, debt in the form of notes owed to the REIT and preferred shares. If the Internal Revenue Service or a court were to determine that the notes and related interest should be treated differently for tax purposes, this may adversely affect the REIT's ability to flow income from the U.S. to Canada.

CYBER SECURITY

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including for Artis and the real estate industry. Cyber attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the organization's information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information.

As Artis' reliance on technology has increased, so have the risks posed to its system. Artis' primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to its business relationships with its tenants, disclosure of confidential information regarding its tenants, employees and third parties with who Artis interacts, and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny and litigation. These developments may subject Artis' operations to increased risks, as well as increased costs, and, depending on their magnitude, could have a material adverse effect on Artis' financial position and results of operations.

The Board and management are responsible for overseeing Artis' cyber security risks. To remain resilient to these risks, Artis has implemented processes, procedures and controls to help mitigate these risks, including installing firewalls and antivirus programs on its networks, servers and computers, and staff training. However, these measures, as well as its increased awareness of a risk of a cyber incident, do not provide assurance that its efforts will be effective or that attempted security breaches or disruptions will not be successful or damaging.

CRITICAL ACCOUNTING ESTIMATES

Artis REIT's management believes that the policies below are those most subject to estimation and judgment by management.

VALUATION OF INVESTMENT PROPERTIES

Investment properties include properties held to earn rental income and properties that are being constructed or developed for future use as investment properties. Investment properties are measured at fair value with any changes therein recognized in net income or loss for the year. Artis determines the fair value of investment properties, including those held under joint venture arrangements, based upon either the discounted cash flow method or the overall capitalization method. Under the discounted cash flow method, expected future cash flows for each investment property were discounted, generally over a term of approximately 10 years, using weighted-average rates of approximately 7.42% at December 31, 2020 and 7.55% at December 31, 2019. Expected future cash flows for each investment property have been based upon, but not limited to, rental income from current leases, budgeted and actual expenses, and assumptions about rental income from future leases. Under the overall capitalization method, year one income was stabilized and capped at weighted-average capitalization rates of approximately 6.30% at December 31, 2020 and 6.41% at December 31, 2019.

Investment properties under development include initial acquisition costs, other direct costs and borrowing costs during the period of development. The REIT considers practical completion to have occurred when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The REIT measures loss allowance for rents receivable at the lifetime expected credit losses. In determining the expected credit losses, the REIT takes into account the expectations of future defaults and rent abatements based on payment history, tenant communications and economic conditions, as well as the impact of COVID-19 on tenant's ability to pay. As part of this assessment, the REIT reviews individual tenant risk profiles given the impact on tenant operations of COVID-19 restrictions imposed by various levels of government.

VALUATION OF DEFERRED TAX ASSETS AND LIABILITIES

The REIT has reviewed the SIFT Rules (see discussion under the Tax Risk section of this MD&A) and has assessed their interpretation and application to the REIT's assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT believes it has met the REIT Exception throughout the years ended December 31, 2019 and 2020.

CHANGES IN ACCOUNTING STANDARDS

Revised Accounting Standard Adopted During the Year

The amendments to the definition of a business in IFRS 3 – *Business Combinations* help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after January 1, 2020.

The amendments to IAS 1 and IAS 8 align the definition of "material" across the standards and clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The adoption of the amendments to the definition of material did not have a significant impact on the REIT's consolidated financial statements.

Future Changes in Accounting Standards

In January 2020, the IASB issued amendments to IAS 1 - *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted. The REIT does not expect a material impact to its consolidated financial statements from the adoption of these amendments.

In May 2020, the IASB issued amendments to IFRS 3 *Business Combinations*. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. The amendments also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. The REIT does not expect a material impact to its consolidated financial statements from the adoption of these amendments.

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The REIT will apply these amendments to contracts for which it has not yet fulfilled all its obligations on January 1, 2022 when it will first apply the amendments. The REIT does not expect a material impact to its consolidated financial statements from the adoption of these amendments.

In August 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments include a number of reliefs and additional disclosures. For financial instruments at amortized cost, the amendments introduce a practical expedient such that if a change in the contractual cash flows is as a result of IBOR reform and occurs on an economically equivalent basis, the change will be accounted for by updating the effective interest rate with no immediate gain or loss recognized. The amendments are effective for annual periods beginning on or after January 1, 2021, with earlier application permitted. The REIT is in the process of assessing the impact of these amendments on its IBOR-based financial instruments.

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier adoption permitted. The REIT does not expect a material impact to its consolidated financial statements from the adoption of this amendment.

CONTROLS AND PROCEDURES

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The REIT's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal controls over financial reporting.

All control systems have inherent limitations, and evaluation of a control system cannot provide absolute assurance that all control issues have been detected, including risks of misstatement due to error or fraud. As a growing enterprise, management anticipates that the REIT will be continually evolving and enhancing its systems of controls and procedures.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") evaluated, or caused to be evaluated, the design of the REIT's internal controls over financial reporting (as defined in NI 52-109). Based on this evaluation, the CEO and CFO have concluded that, as at December 31, 2020, the design of our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. No changes were made in the REIT's design of internal controls over financial reporting during the year ended December 31, 2020, that have materially affected, or are reasonably likely to materially affect, the REIT's internal controls over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

The REIT's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the REIT is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

As of December 31, 2020, an evaluation was carried out, under the supervision of and with the participation of management, including the CEO and CFO, of the effectiveness of the REIT's disclosure controls and procedures (as defined in NI 52-109). Based on the evaluation, the CEO and CFO have concluded that the REIT's disclosure controls and procedures were effective for the year ended December 31, 2020.