



FOR IMMEDIATE RELEASE

NOVEMBER 6, 2014

**ARTIS RELEASES THIRD QUARTER RESULTS:
DEMONSTRATES IMPROVEMENTS IN BALANCE SHEET
AND PAY-OUT RATIO**

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three and nine month periods ended September 30, 2014. All amounts are in thousands of Canadian dollars, unless otherwise noted.

"We are pleased to report another quarter of improvement and disciplined growth at Artis REIT. We achieved healthy Same Property NOI Growth of 2.4%, an AFFO payout ratio of 87.1% and reduced secured mortgages and loans to GBV to 41.4%", said Armin Martens, CEO of Artis. "Our internal growth strategy is working, and our healthy balance sheet positions us well to take advantage of strategic investment opportunities that may arise."

THIRD QUARTER HIGHLIGHTS

- ◆ Acquired one retail property for a purchase price of \$12.4 million, reaching a gross book value ("GBV") of \$5.4 billion at September 30, 2014.
- ◆ Raised \$75.9 million in an additional offering of Series A senior unsecured debentures.
- ◆ Decreased secured mortgages and loans to GBV to 41.4% from 42.8% at June 30, 2014.
- ◆ Maintained a healthy interest rate coverage ratio of 2.84 times for the quarter ended September 30, 2014.
- ◆ Increased Property NOI, excluding lease termination income, by 5.4% and Same Property NOI by 2.4% compared to the same quarter of last year.
- ◆ Maintained solid occupancy at 94.6% (95.6% including commitments) at September 30, 2014.
- ◆ FFO, excluding lease termination income, is up 8.3% to \$49.2 million compared to the same quarter of last year.
- ◆ AFFO, excluding lease termination income, is up 10.7% to \$42.1 million compared to the same quarter of last year, with significant liquidity maintained on the balance sheet.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three month period ended September 30,		% Change
	2014	2013	
Revenue ⁽¹⁾	\$ 125,404	\$ 117,060	7.1 %
Property NOI ⁽¹⁾	\$ 78,628	\$ 74,635	5.4 %
Distributions per common unit	\$ 0.27	\$ 0.27	-
FFO ⁽¹⁾	\$ 49,168	\$ 45,387	8.3 %
Diluted FFO per unit ⁽¹⁾	\$ 0.35	\$ 0.35	-
FFO payout ratio ⁽¹⁾	77.1 %	77.1 %	-
AFFO ⁽¹⁾	\$ 42,108	\$ 38,046	10.7 %
Diluted AFFO per unit ⁽¹⁾	\$ 0.31	\$ 0.30	3.3%
AFFO payout ratio ⁽¹⁾	87.1 %	90.0 %	(2.9)%

(1) Excluding lease termination income.

\$000's, except per unit amounts	Nine month period ended September 30,		% Change
	2014	2013	
Revenue ⁽¹⁾	\$ 368,871	\$ 334,283	10.3 %
Property NOI ⁽¹⁾	\$ 232,950	\$ 215,597	8.0 %
Distributions per common unit	\$ 0.81	\$ 0.81	- %
FFO ⁽¹⁾	\$ 143,743	\$ 131,798	9.1 %
Diluted FFO per unit ⁽¹⁾	\$ 1.07	\$ 1.06	0.9%
FFO payout ratio ⁽¹⁾	75.7 %	76.4 %	(0.7)%
AFFO ⁽¹⁾	\$ 122,614	\$ 112,037	9.4%
Diluted AFFO per unit ⁽¹⁾	\$ 0.92	\$ 0.91	1.1%
AFFO payout ratio ⁽¹⁾	88.0 %	89.0 %	(1.0)%

(1) Excluding lease termination income.

INCOME FOR THE PERIOD

Income for the nine month period ended September 30, 2014 was \$141,275, compared to \$197,857 in 2013. Income for the three month period ended September 30, 2014 was \$56,817 compared to \$48,978 for the same period of last year. Artis recorded a fair value gain of \$19,583 in the nine month period ended September 30, 2014, (compared to a gain of \$60,973 in 2013) and a gain of \$11,725 in the three month period ended September 30, 2014 (compared to a loss of \$2,886 in the same period of last year).

LIQUIDITY AND LEVERAGE

\$000's	September 30, 2014	December 31, 2013
Fair value of investment properties	\$ 5,129,902	\$ 4,899,158
Cash and cash equivalents	\$ 123,141	\$ 48,222
Available on revolving term credit facility	\$ nil	\$ 80,000
Fair value of unencumbered properties	\$ 537,937	\$ 227,668
Secured mortgage and loans to GBV ⁽¹⁾	41.4 %	45.4 %
Total long-term debt and bank indebtedness to GBV ⁽¹⁾	48.6 %	49.0 %
Senior unsecured debentures to unencumbered assets	37.1 %	- %
Interest coverage ratio	2.80 times	2.82 times
Weighted-average interest rate on mortgages and other loans	4.24 %	4.27 %
Weighted-average term to maturity on mortgages and other loans	4.0 years	4.3 years
Unhedged floating rate debt as a percentage of total debt	8.5 %	10.2 %

(1) Gross Book Value ("GBV") is calculated as the consolidated net book value of the consolidated assets of the REIT, adding back the amount of accumulated depreciation of property and equipment.

Artis is currently negotiating a replacement revolving term credit facility in the amount of \$125.0 million.

PORTFOLIO ACQUISITION ACTIVITY

During Q3-14, Artis acquired the following property:

Property	Property Count	Acquisition Date	Location	Property Type	Owned Share of GLA
Shoppes of St. Vital	1	September 9, 2014	Winnipeg, MB	Retail	24,266

Artis acquired the above retail property for a purchase price of \$12.4 million at a capitalization rate of 6.11%. During the quarter, Artis also acquired a parcel of land located in Houston, Texas for US\$12,772.

DEVELOPMENTS

In Q3-14, Artis purchased a 127.36 acre parcel of land located in the Southwest industrial submarket in Houston, Texas. Planning is underway for this future development.

Artis' development pipeline totaled 2,309,000 square feet at the end of the quarter, with 2,017,600 square feet at Artis' interest, to be developed over the next several years. A total of 342,165 square feet of developments are underway with 272,983 square feet at Artis' interest. Year-to-date, Artis has completed and transferred 2 properties totaling 272,000 square feet to its income producing portfolio.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at September 30, 2014 was 94.6% (95.6% including commitments on vacant space) compared to 94.6% at June 30, 2014 and 95.8% at September 30, 2013.

Artis maintained stable results in several key operating metrics during Q3-14. The Same Property NOI growth trend continued to be very healthy throughout the quarter.

\$000's	Q3-14	Q2-14	Q1-14	Q4-13	Q3-13
Property NOI ⁽¹⁾	\$ 78,628	\$ 76,987	\$ 77,335	\$ 74,801	\$ 74,635
Property NOI growth ⁽¹⁾	2.1 %	(0.4)%	3.4 %	0.2 %	4.8 %
Same Property NOI growth reported in the period ⁽²⁾	2.4 %	3.3 %	2.8 %	3.7 %	3.8 %
Weighted-average rental rate increase on renewals reported in the period	2.7 %	2.6 %	2.4 %	7.5 %	5.2 %

(1) Property NOI, net of lease termination income recorded in the period.

(2) Excluding GAAP adjustments for straight-line rent and amortization of tenant inducements and lease termination income.

Artis' portfolio has a stable lease expiry profile and significant progress on leasing has been made, with 62.1% of 2014 expiries and 26.7% of 2015 expiries already renewed or committed. Weighted-average in-place rents for the entire portfolio are \$13.30 per square foot and are estimated to be 6.5% below market rents. Information about Artis' lease expiry profile follows:

	2014	2015	2016	2017	2018 & later
Expiring square footage	5.4 %	13.1 %	14.4 %	12.5 %	47.2 %
Committed percentage	62.1 %	26.7 %	3.5 %	7.7 %	0.2 %
In-place rent	\$ 12.10	\$ 11.09	\$ 11.48	\$ 11.33	\$ 15.13
Comparison of in-place to market rents	5.6 %	7.4 %	7.8 %	7.4 %	5.8 %

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, November 7, 2014 at 12:00 p.m. CT (1:00 p.m. ET). In order to participate, please dial 1-416-340-2216 or 1-866-223-7781. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at <http://www.artisreit.com/investor-link/conference-callspresentations/>. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on November 7, 2014, a replay of the conference call will be available by dialing 1-905-694-9451 or 1-800-408-3053 and entering passcode #8229112. The replay will be available until December 7, 2014. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

Artis is a diversified Canadian real estate investment trust investing in office, industrial and retail properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in Canada and the United States, with a major focus on Western Canada. As of today's date, Artis' commercial property comprises approximately 25.6 million square feet of leasable area.

At September 30, 2014, actual year-to-date Property Net Operating Income ("Property NOI") by asset class was approximately 24.3% retail, 51.9% office and 23.8% industrial. Property NOI by geographical region was approximately 8.3% in British Columbia, 38.9% in Alberta, 5.6% in Saskatchewan, 12.2% in Manitoba, 12.4% in Ontario and 22.6% in the U.S.

Non-GAAP Performance Measures

Property Net Operating Income ("Property NOI"), Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO") are non-GAAP measures commonly used by Canadian real estate investment trusts as an indicator of financial performance. "GAAP" means the generally accepted accounting principles described by the Canadian Institute of Chartered Accountants ("CICA") Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. As a publicly accountable enterprise, Artis applies the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Artis calculates Property NOI as revenues, measured in accordance with IFRS, less property operating expenses such as taxes, utilities, repairs and maintenance. Property NOI does not include charges for interest and amortization. Management considers Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties.

Artis calculates FFO substantially in accordance with the guidelines set out by the Real Property Association of Canada ("REALpac"), as issued in April 2014. These guidelines include certain additional adjustments to FFO under IFRS from the previous definition of FFO. Management considers FFO to be a valuable measure for evaluating the REIT's operating performance in achieving its objectives.

Artis calculates AFFO based on FFO for the period, net of allowances for normalized capital expenditures and leasing costs and excluding straight-line rent adjustments and unit-based compensation expense.

Property NOI, FFO and AFFO are not measures defined under IFRS. Property NOI, FFO and AFFO 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 operating activities or other measures of financial performance calculated in accordance with IFRS. Readers should be further cautioned that Property NOI, FFO and AFFO as calculated by Artis may not be comparable to similar measures presented by other issuers.

Cautionary Statements

This Press Release contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Particularly, statements regarding the REIT's future operating results, performance and achievements 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 real property ownership, availability of cash flow, general uninsured losses, future property acquisitions and dispositions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and changes in the tax treatment of trusts. Artis cannot assure investors that actual results will be consistent with any forward-looking statements and Artis assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this Press Release are qualified by this cautionary statement.

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

For further information please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Heather Nikkel, Director - Investor Relations of the REIT at (204) 947-1250.