



FOR IMMEDIATE RELEASE

NOVEMBER 2, 2015

**ARTIS REAL ESTATE INVESTMENT TRUST ANNOUNCES  
ACQUISITION OF OFFICE TOWER IN MINNEAPOLIS AND PROVIDES UPDATE  
ON NEW AND PREVIOUSLY ANNOUNCED PROPERTY TRANSACTIONS**

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) announced today that it has entered into an agreement to acquire Canadian Pacific Plaza, an office tower located in Minneapolis, Minnesota. Artis also announced the disposition of an office property located in the Twin Cities Area, Minnesota, and announced that the REIT has entered into unconditional contracts for the disposition of an office property in the Greater Vancouver Regional District, British Columbia, and the disposition of a retail property in Grande Prairie, Alberta. An update on recently announced property transactions was also provided.

“We are pleased to demonstrate our ability to prudently recycle capital, disposing of non-core assets at attractive capitalization rates and strategically redeploying the proceeds to high quality, accretive acquisitions in our target markets,” said Armin Martens, CEO of Artis. “We will continue to look for opportunities to improve our balance sheet, while enhancing the growth potential and diversity of our portfolio.”

*New Acquisition:*

Artis has entered into an unconditional agreement to acquire Canadian Pacific Plaza, a Class A, 393,884 square foot, 26-storey office building located in downtown Minneapolis, Minnesota. The property, with a weighted-average lease term to maturity of 6.2 years, is 98% leased to various quality tenants, including Canadian Pacific Railway, who occupies approximately 23% of the building pursuant to a long-term lease expiring in 2027. Canadian Pacific Plaza offers tenants a variety of on-site amenities, including a 147-stall parkade with valet parking, a dedicated conference centre, a full-service fitness centre, and 24-hour security card access to the building. The property is connected to the Minneapolis Skywalk System and is located adjacent to dual Light Rail Train (LRT) stations connecting downtown to both the Minneapolis-Saint Paul International Airport and the Mall of America. Canadian Pacific Plaza has a Walk Score of 97. The purchase price of US\$68.6 million represents a capitalization rate of 7.5% and will be financed with the REIT’s existing resources and by assumption of the current mortgage with an effective interest rate of 3.39%, maturing November 2023. This acquisition is expected to close on November 3, 2015.

*Previously Announced Acquisitions:*

On July 23, 2015, Artis acquired a 75% interest in the Graham Portfolio, a portfolio of eight properties located in major markets in British Columbia, Alberta and Saskatchewan. The portfolio is comprised of 324,140 square feet of leasable area and approximately 19.2 acres of excess land for future development. The owner of the remaining 25% interest occupies 100% of the portfolio, with a remaining lease term of 19 years, subject to a rental increase every five years. The purchase price for Artis’ interest in the portfolio was \$74.0 million and was satisfied with cash and the proceeds of new mortgage financing of \$37.0 million, bearing interest at a rate of 3.58% per annum. This acquisition represents an average capitalization rate over the lease term of 7.3%.

On August 12, 2015, Artis acquired a 9.9 acre parcel of land for future development in the Greater Denver Area, Colorado. The site, which is suitable for a 320,000 square foot Class A office building, is located on the I-25 with immediate connectivity to the light rail transit system and is adjacent to the DirecTV Building, an office asset owned by Artis. The purchase price for this parcel of land, US\$7.6 million, was satisfied with cash on hand. This land will be held for future development.

*New Dispositions:*

On October 9, 2015, Artis sold 605 Waterford Park, a 204,417 square foot office property located in the Twin Cities Area, Minnesota. This property was sold for US\$31.5 million, representing a capitalization rate of 6.8%, and was unencumbered at the time of disposition.

Artis has entered into an unconditional agreement to sell Willingdon Green, a 46,783 square foot office property located in the Greater Vancouver Regional District, British Columbia. This property is currently unencumbered and will be sold for \$16.7 million, representing a capitalization rate of 5.5%. The sale of Willingdon Green is expected to close on November 2, 2015.

Artis has entered into an unconditional agreement to sell Gateway II, a vacant 16,779 square foot retail property in Grande Prairie, Alberta, to an owner-occupier for \$2.7 million. The sale of Gateway II is expected to close on November 30, 2015.

*Previously Announced Dispositions:*

During Q2-15, Artis disposed of two properties. On June 18, 2015, Artis sold a retail property located in Moose Jaw, Saskatchewan, to an owner-occupier for \$5.3 million and received a lease termination payment prior to the sale of the property.

Subsequently, on June 24, 2015, Artis sold an office property located in the Greater Vancouver Regional District, British Columbia. The sale price of \$47.5 million represents an actual capitalization rate of 2.9% and a stabilized capitalization rate of 4.9%.

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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 26.0 million square feet of leasable area.

At June 30, 2015 actual year-to-date Property Net Operating Income ("Property NOI") by asset class was approximately 26.3% retail, 51.0% office and 22.7% industrial. Property NOI by geographical region was approximately 7.6% in British Columbia, 37.2% in Alberta, 7.4% in Saskatchewan, 12.2% in Manitoba, 10.4% in Ontario and 25.2% in the U.S.

Property NOI is a non-GAAP measure. Artis calculates Property NOI as revenues, measured in accordance with International Financial Reporting Standards, less property operating expenses such as taxes, utilities, repairs and maintenance, and does not include charges for interest and amortization or income from joint arrangements accounted for as equity investments.

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 1.204.947.1250

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

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