



FOR IMMEDIATE RELEASE

OCTOBER 31, 2017

ARTIS REAL ESTATE INVESTMENT TRUST ANNOUNCES DISPOSITION OF FOUR ALBERTA OFFICE PROPERTIES

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) announced today that it has sold Quarry Park Portfolio, a portfolio of three office properties located in Calgary, Alberta, and entered into an unconditional agreement to sell Millennium Centre, an office property located in Red Deer, Alberta.

Quarry Park Portfolio

The Quarry Park Portfolio comprises three office properties located in the Quarry Park commercial/residential area of Calgary, Alberta, totaling 282,327 square feet of gross leasable area. The portfolio was sold for \$98.0 million (\$347 per square foot). The transaction closed on September 15, 2017.

Millennium Centre

Millennium Centre is a 148,871 square foot office property located in Red Deer, Alberta. The sale price for this property is \$33.0 million (\$222 per square foot). This transaction is expected to close on December 1, 2017.

“The sale of these assets further reduces our exposure to the Alberta office market, which became a strategic initiative for Artis since the downturn in oil prices,” said Armin Martens, President and Chief Executive Officer of Artis. “These sales are at prices that compare well to our internal fair value of approximately \$15 per unit, and will provide us with capital to recycle into newer generation real estate in our other target markets, further improving the diversity and resiliency of our overall portfolio.”

The net gain over the International Financial Reporting Standards (“IFRS”) value recorded at June 30, 2017, on these dispositions was approximately \$1.3 million.

Including all dispositions completed and announced year to date, Artis has sold 15 properties totaling over 1.4 million square feet of leasable area for an aggregate sale price of \$350.0 million at a net gain over the most recently reported IFRS value of approximately \$10.5 million. With these transactions, Artis has completed its strategic plan of reducing its Alberta office weighting to under 10%.

Artis anticipates Property Net Operating Income (“Property NOI”) by asset class for the three months ended June 30, 2017, adjusted for acquisitions and dispositions announced as of the date of this press release, would be approximately 20.5% retail, 55.2% office and 24.3% industrial. Artis anticipates that the adjusted Property NOI by geographical region would be approximately 3.9% in British Columbia, 22.3% in Alberta (8.8% in Alberta office, 9.4% in Alberta retail and 4.1% in Alberta industrial), 6.8% in Saskatchewan, 13.9% in Manitoba, 11.3% in Ontario and 41.8% in the U.S.

The above Property NOI pro forma calculation excludes lease termination income and includes Artis' proportionate share of properties held in joint venture arrangements.

Artis is a diversified Canadian real estate investment trust investing in office, retail and industrial properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and select markets in the United States. As of June 30, 2017, Artis' commercial property comprises approximately 25.9 million square feet of leasable area.

Property NOI is a non-GAAP measure. Artis calculates Property NOI as revenues less property operating expenses such as utilities, repairs and maintenance and realty taxes. Property NOI does not include charges for interest or other expenses not specific to the day-to-day operation of the REIT's properties.

For further information, please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Heather Nikkel, Vice-President – Investor Relations of the REIT at 1.204.947.1250

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

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