



FOR IMMEDIATE RELEASE

DECEMBER 21, 2017

ARTIS REAL ESTATE INVESTMENT TRUST PROVIDES UPDATE ON DEVELOPMENT PROJECTS AND PROPERTY ACQUISITIONS AND DISPOSITIONS

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) provided today an update on development projects, Park Lucero and Park 8Ninety, located in Arizona and Texas. Artis also announced that it has acquired a portfolio of three industrial properties in Colorado and Arizona, that it has entered into an unconditional agreement to sell an office property in the Greater Phoenix Area, Arizona, and provided an update on previously announced property transactions.

Development Update

Artis has entered into a new long-term lease of 12 years with annual rent escalations of 4.0%, with Footprint LLC, at Park Lucero, an industrial development project in the Greater Phoenix Area, Arizona. Footprint LLC, which is a sustainable technology firm specializing in biodegradable packaging, will be leasing approximately 131,796 square feet in Phase II of this Class A industrial park (Artis owns a 90% interest in Park Lucero Phase II). This marks the fifth fully-leased building at Park Lucero, with one slab-ready pad remaining for future development.



Once complete, all four phases of Park Lucero are expected to comprise approximately 581,935 square feet. Phase I, II and III are fully leased, while Phase IV is yet to be developed. To date, Artis has invested US\$51.4 million in this project, generating stabilized net operating income of US\$3.8 million, which represents a 7.3% yield, with anticipated value creation of US\$13.5 million. Since development began in 2015, Artis has proven its ability to attract tenants amongst growing competition with excellent site-selection, compelling design, and responsive tenant negotiations.

Artis also has a 95% ownership interest in Park 8Ninety, an industrial development in Houston, Texas. This project continues to garner prospects and achieve leasing expectations in its first phase allowing Artis to plan a second phase with cross-dock functionality. Phase I of Park 8Ninety is 439,704 square feet while Phase II is anticipated to be approximately 400,000 square feet. The entire project is expected to be developed in several phases into approximately 1,800,000 square feet of new generation industrial buildings.

Artis anticipates the total cost for this project will be approximately US\$170.3 million, and will generate stabilized net operating income of US\$11.9 million, which represents a 7.0% yield, with anticipated value creation of US\$36.7 million.



For more information about these projects, please visit www.parklucero.com and park8ninety.com.

New Acquisition

On December 11, 2017, Artis acquired a portfolio of three multi-tenant industrial properties, two of which are located in the Greater Phoenix Area, Arizona, and one located in the Greater Denver Area, Colorado. The portfolio totals 379,487 square feet of leasable area and is 92.5% occupied. The purchase price of US\$40.0 million, which represents a capitalization rate of 6.3%, was satisfied with cash on hand.

New Disposition

Artis has entered into an unconditional agreement to sell Humana Building, a 106,418 square foot office property located in the Greater Phoenix Area, Arizona. The sale is expected to close on January 23, 2018, for US\$19.1 million, representing a capitalization rate of 6.0%.

Update on Previously Announced Transactions

On November 17, 2017, Artis sold a portfolio of seven industrial properties totaling 1,204,612 square feet of leasable area located in the Twin Cities Area, Minnesota. This portfolio was sold for US\$70.6 million, which represents a capitalization rate of 6.0%.

On December 7, 2017, Artis sold Millennium Centre, a 148,871 square foot office property located in Red Deer, Alberta. This property was sold for \$33.0 million, which represents a capitalization rate of 7.3%.

On December 20, 2017, Artis acquired Clearwater Creek Distribution Center, a 402,522 square foot single-tenant cross-dock industrial property located in Lino Lakes, Minnesota. The building is fully leased for a 15-year term with annual rent escalations of 2.0%. The purchase price of US\$26.9 million, representing a capitalization rate of 6.5%, was satisfied with cash on hand.

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 September 30, 2017, Artis' commercial property comprises approximately 25.4 million square feet of leasable area.

Artis anticipates Property Net Operating Income ("Property NOI") by asset class for the three months ended September 30, 2017, adjusted for acquisitions and dispositions announced as of the date of this press release, would be approximately 21.1% retail, 53.3% office and 25.6% industrial. Artis anticipates that the adjusted Property NOI by geographical region would be approximately 4.2% in British Columbia, 22.6% in Alberta (8.7% in Alberta office, 9.6% in Alberta retail and 4.3% in Alberta industrial), 6.9% in Saskatchewan, 14.5% in Manitoba, 11.9% in Ontario and 39.9% 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.

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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