



FOR IMMEDIATE RELEASE

JANUARY 22, 2018

**ARTIS REAL ESTATE INVESTMENT TRUST ANNOUNCES OFFERING OF \$100 MILLION
CUMULATIVE MINIMUM RATE RESET PREFERRED TRUST UNITS, SERIES I**

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has entered into an agreement to sell to a syndicate of underwriters led by TD Securities Inc., RBC Capital Markets and Scotiabank (collectively the "Underwriters"), on a bought deal basis, 4,000,000 Cumulative Minimum Rate Reset Preferred Trust Units, Series I ("Series I Units") at a price of \$25.00 per Series I Unit (the "Issue Price") for gross proceeds of \$100,000,000 (the "Financing"). Artis has also granted the Underwriters an option, exercisable at any time up to 48 hours prior to the closing of the Financing, to purchase a further 1,000,000 Series I Units at the Issue Price, which, if fully exercised, would result in additional gross proceeds of \$25,000,000.

The Series I Units will pay fixed cumulative preferential distributions of \$1.50 per Series I Unit per annum, yielding 6.00% per annum, payable on the last day of January, April, July and October of each year, as and when declared by the board of trustees of Artis, for the initial period ending on April 30, 2023. The first quarterly distribution, if declared, will be payable on April 30, 2018 and will be \$0.3750 per Series I Unit, based on the anticipated closing date of the Financing on January 31, 2018. The distribution rate will be reset on April 30, 2023 and every five years thereafter at a rate equal to the greater of (i) the sum of the then five year Government of Canada bond yield and 3.93% and (ii) 6.00%. The Series I Units are redeemable by Artis, at its option, on April 30, 2023 and on April 30 of every fifth year thereafter.

Holders of Series I Units will have the right to reclassify all or any part of their Series I Units as Cumulative Floating Rate Preferred Trust Units, Series J (the "Series J Units"), subject to certain conditions, on April 30, 2023 and on April 30 of every fifth year thereafter. Such reclassification privilege may be subject to certain tax considerations (to be disclosed in the prospectus supplement for the Financing). Holders of Series J Units will be entitled to receive a floating cumulative preferential distribution, payable on the last day of January, April, July and October of each year, as and when declared by the board of trustees of Artis, at a rate equal to the sum of the then 90-day Government of Canada Treasury Bill yield plus a spread of 3.93%.

DBRS Limited has assigned a provisional rating of Pfd-3 (low) to the Series I Units.

The Financing is being made pursuant to the REIT's base shelf prospectus dated August 8, 2016. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators. The Financing is expected to close on or about January 31, 2018 and is subject to regulatory approval.

Artis intends to use the net proceeds from the Financing to redeem its existing U.S. dollar denominated cumulative redeemable preferred trust units, Series C and for general trust purposes.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The Series I Units being offered have not been and will not be registered under the U.S. Securities Act of 1933 and state securities laws. Accordingly, the Series I Units may not be offered or sold to U.S. persons except pursuant to applicable exemptions from registration requirements.

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.

During the three months ended September 30, 2017, Property Net Operating Income ("Property NOI") by asset class, including Artis' proportionate share of properties held in joint venture arrangements, was approximately 55.4% office, 20.2% retail and 24.4% industrial. Property NOI by geographical region, including Artis' proportionate share of properties held in joint venture arrangements, was approximately 4.2% in British Columbia, 25.0% in Alberta, 6.6% in Saskatchewan, 13.8% in Manitoba, 11.5% in Ontario, 7.3% in Arizona, 17.1% in Minnesota, 10.0% in Wisconsin and 4.5% in U.S. – Other.

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.

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. The words "expects", "anticipates", "intends", "estimates", "projects", "will", 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.

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