



FOR IMMEDIATE RELEASE

JANUARY 22, 2018

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ARTIS REAL ESTATE INVESTMENT TRUST ANNOUNCES EXERCISE OF UNDERWRITERS' OPTION

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that as a result of strong investor demand for its previously announced offering, the underwriters have exercised their option to increase the size of the offering to 5,000,000 Cumulative Minimum Rate Reset Preferred Trust Units, Series I ("Series I Units") to be offered on a bought deal basis to a syndicate of underwriters led by TD Securities Inc., RBC Capital Markets and Scotiabank (collectively the "Underwriters"). The Series I Units will be issued at a price of \$25.00 per unit, for gross proceeds of \$125,000,000 (the "Financing").

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