FOR IMMEDIATE RELEASE **AUGUST 2, 2018**

ARTIS REAL ESTATE INVESTMENT TRUST
RELEASES SECOND QUARTER RESULTS

Today Artis Real Estate Investment Trust (“Artis” or the "REIT") issued its financial results and achievements for the three and six months ended June 30, 2018. All amounts are in thousands of Canadian dollars unless otherwise noted. Information in this press release should be read in conjunction with the REIT's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the period ended June 30, 2018.

SECOND QUARTER HIGHLIGHTS

- Disposed of two office properties in Calgary, Alberta, and one office property in the Greater Vancouver Area, British Columbia, for an aggregate sale price $130.0 million. The net IFRS gain on these properties was $11.1 million.

- Acquired industrial development land in the Greater Denver Area, Colorado, for a purchase price of US$2.9 million and office development land in Madison, Wisconsin, for a purchase price of US$1.4 million.

- Increased NAV per unit to $15.39 at June 30, 2018, from $14.86 at December 31, 2017.

- Reported FFO per unit of $0.32 for the quarter ended June 30, 2018, compared to $0.36 for the quarter ended June 30, 2017. The change was primarily due to the disposition of properties and the impact of foreign exchange.

- Increased total comprehensive income to $103.2 million for the quarter ended June 30, 2018, compared to $8.5 million for the quarter ended June 30, 2017. The change was primarily due to the impact of changes in foreign currency translations and fair values on investment properties.

- Stabilized Same Property NOI in Canadian dollars increased 1.3% for the quarter ended June 30, 2018. Same Property NOI for the total portfolio including the Calgary office segment and properties planned for disposition and re-purposing decreased 0.4% in Canadian dollars or increased 1.3% in functional currency for the quarter ended June 30, 2018.

- Weighted-average rental rate on renewals that commenced during the quarter ended June 30, 2018, increased 5.0%, excluding the Calgary office segment, and unchanged at 5.0% including the Calgary office segment.

- Reported a Proportionate Share EBITDA interest coverage ratio of 3.02 for the quarter ended June 30, 2018, compared to 3.30 for the quarter ended June 30, 2017.

- Decreased Proportionate Share total debt to GBV to 49.0% at June 30, 2018, compared to 49.3% at December 31, 2017, and reported Proportionate Share total debt to normalized EBITDA of 8.8 at June 30, 2018, compared to 8.4 at December 31, 2017.

- Reported unencumbered assets of $1.6 billion at June 30, 2018, compared to $1.7 billion at December 31, 2017. The change is primarily due to the disposition of Production Court during the quarter ended June 30, 2018.

- Occupancy remained strong at 91.4% (93.5% including commitments) at June 30, 2018, compared to 90.6% at March 31, 2018.

- Preliminary site work began at four new industrial development projects in Denver, Colorado and Houston, Texas, expected to total 1.4 million square feet (Artis' interest) of leasable area upon completion. An unconditional long-term lease has been negotiated for 519,000 square feet and a conditional lease is near completion for 36,000 square feet.

- Improved Calgary office occupancy to 79.7% (82.7% including commitments) at June 30, 2018, compared to 72.5% at March 31, 2018.

SELECTED FINANCIAL INFORMATION

	Three months ended June 30,		
$000's, except per unit amounts	**2018**	**2017**	**% Change**
Revenue	$ 126,140	$ 129,507	(2.6)%
Property NOI	75,888	78,700	(3.6)%
Net income	74,975	38,553	94.5 %
Total comprehensive income	103,235	8,519	1,111.8 %
Distributions per common unit	0.27	0.27	— %
FFO (1)	$ 48,807	$ 54,442	(10.4)%
FFO per unit (1)	0.32	0.36	(11.1)%
FFO payout ratio (1)	84.4%	75.0%	9.4 %
AFFO (1)	$ 36,304	$ 40,134	(9.5)%
AFFO per unit (1)	0.24	0.27	(11.1)%
AFFO payout ratio (1)	112.5%	100.0%	12.5 %

	Six months ended June 30,		
$000's, except per unit amounts	**2018**	**2017**	**% Change**
Revenue	$ 251,909	$ 263,064	(4.2)%
Property NOI	150,853	158,978	(5.1)%
Net income	125,697	115,569	8.8 %
Total comprehensive income	188,467	75,399	150.0 %
Distributions per common unit	0.54	0.54	— %
FFO (1)	$ 91,154	$ 109,295	(16.6)%
FFO per unit (1)	0.60	0.72	(16.7)%
Normalized FFO (1)(2)	99,571	109,295	(8.9)%
Normalized FFO per unit (1)(2)	0.65	0.72	(9.7)%
Normalized FFO payout ratio (1)(2)	83.1%	75.0%	8.1 %
AFFO (1)	$ 65,884	$ 80,884	(18.5)%
AFFO per unit (1)	0.43	0.54	(20.4)%
Normalized AFFO (1)(2)	74,301	80,884	(8.1)%
Normalized AFFO per unit (1)(2)	0.49	0.54	(9.3)%
Normalized AFFO payout ratio (1)(2)	110.2%	100.0%	10.2 %

(1) Represents a non-GAAP measure. Refer to the Notice with Respect to non-GAAP Measures.

(2) Calculated after excluding a non-recurring pension liability adjustment and non-recurring property management termination fees.

LIQUIDITY AND LEVERAGE

$000's, except per unit amounts	June 30, 2018	December 31, 2017
Fair value of investment properties	$ 5,119,746	$ 4,910,251
Cash	164,835	35,832
Available on revolving term credit facilities	220,816	61,617
Proportionate Share fair value of unencumbered properties	1,636,911	1,687,754
NAV per unit	15.39	14.86
Proportionate Share secured mortgage and loans to GBV	31.7 %	31.9 %
Proportionate Share total long-term debt and credit facilities to GBV	49.0 %	49.3 %
Proportionate Share total long-term debt and credit facilities to normalized EBITDA	8.8	8.4
Proportionate Share unencumbered assets to unsecured debt	1.7	1.8
Proportionate Share normalized EBITDA interest coverage ratio	3.02	3.23
Weighted-average effective interest rate on Proportionate Share mortgages and other loans	4.06 %	3.96 %
Weighted-average term to maturity on Proportionate Share mortgages and other loans (in years)	3.4	3.6
Unhedged Proportionate Share variable rate mortgage debt as a percentage of total debt	18.6 %	17.1 %

PORTFOLIO ACTIVITY

During Q2-18, Artis completed the acquisition of the following parcels of development land:

Property	Location	Acquisition date	Asset class	Purchase price
Tower Business Center (1)	Greater Denver Area, CO	April 20, 2018	Industrial	$ US2,884
1630 Aspen	Madison, WI	May 31, 2018	Office	US1,394

(1) The REIT acquired an 80% interest in this joint venture arrangement.

As of June 30, 2018, the Artis has an unconditional purchase agreement for an office development project located in the Twin Cities Area, Minnesota. The REIT will acquire each phase upon completion, for a total anticipated purchase price of US$98.5 million. The first phase is expected to close in Q4-18.

During Q2-18, Artis completed the disposition of the following properties:

Property	Property count	Location	Disposition date	Asset class	Owned share of GLA	Sale price
630 - 4th Avenue SW	1	Calgary, AB	June 1, 2018	Office	68,069	$ 9,000
Production Court & Eau Claire Place II	2	Greater Vancouver Area, BC & Calgary, AB	June 27, 2018	Office	437,457	121,000

During Q2-18, Artis entered into an unconditional sale agreement for Centrepoint, an office property held in one of its joint venture arrangements, located in Winnipeg, Manitoba. The sale price of this property at the REIT's interest is $27.2 million. The REIT anticipates that the disposition will close in August 2018.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2018, Artis had $164.8 million of cash on hand and $220.8 million available on its revolving term credit facilities. Liquidity and capital resources will be impacted by financing activity, portfolio acquisition and disposition activities and debt repayments occurring subsequent to June 30, 2018.

NEW DEVELOPMENT ACTIVITY

Artis has numerous development projects in process. The table below lists the ongoing projects and completion progress. Additional information pertaining to each project can be found in the Q2-18 MD&A.

Property	Location	Asset class	Owned share of GLA (000's of S.F.)	% Completed	% Leased (1)
Millwright Building	Minneapolis	Office	139	100.0%	60.0%
Park 8Ninety Phase I	Houston	Industrial	418	100.0%	94.0%
169 Inverness Drive West Phase I	Greater Denver Area	Office	118	100.0%	—%
Park Lucero Phase IV	Greater Phoenix Area	Industrial	95	53.0%	—%
Tower Business Center	Greater Denver Area	Industrial	336	—%	—%
Cedar Port Phase I	Houston	Industrial	519	—%	100.0%
Park 8Ninety build-to-suit	Houston	Industrial	36	—%	100.0%(2)
Park 8Ninety Phase II	Houston	Industrial	543	—%	—%
300 Main	Winnipeg	Residential/ Commercial	580	—%	—%
330 Main	Winnipeg	Retail	27	—%	90.0%

(1) Percentage leased is based on occupancy at June 30, 2018, plus commitments on vacant space.

(2) A conditional long-term lease has been negotiated with a national tenant for this build-to-suit development.

NEW DEVELOPMENT INITIATIVES

Artis has an extensive development pipeline, which consists of projects that are in the early planning stages to be developed over the next several years and projects that are being considered for future development. These development projects are designed to create value for unitholders while improving the overall quality of Artis' portfolio. Artis' pipeline consists of 10 development projects, including both commercial and multi-family assets, totalling up to approximately 4.9 million square feet of gross leasable area.

Additional information pertaining to these projects and Artis' future development initiatives can be found in the Q2-18 MD&A.

PORTFOLIO OPERATIONAL AND LEASING RESULTS

Occupancy at June 30, 2018, was 91.4% (93.5% including commitments on vacant space) compared to 91.3% at June 30, 2017, excluding properties held for redevelopment and new development projects.

	Q2-18	Q1-18	Q4-17	Q3-17	Q2-17
Property NOI	$ 75,888	$ 74,965	$ 74,942	$ 77,304	$ 78,700
Property NOI change (1)	1.2 %	— %	(3.1)%	(1.8)%	(2.0)%
Same Property NOI change (2)	(0.4)%	(1.6)%	(0.3)%	0.5 %	0.4 %
Weighted-average rental rate increase on renewals reported in the period	5.0 %	1.1 %	1.6 %	0.6 %	0.8 %

(1) Property NOI has been impacted by acquisition, disposition and (re)development activity, the impact of foreign exchange and lease termination income.

(2) Same Property NOI results are impacted by foreign exchange.

Artis' portfolio has a stable lease expiry profile with 46.4% of gross leasable area expiring in 2022 or later and 42.5% of the 2018 expiries already renewed or committed to new leases at June 30, 2018. Weighted-average in-place rents for the entire portfolio are $13.55 per square foot and are estimated to be 0.9% below market rents. Information about Artis' lease expiry profile is as follows:

	2018	2019	2020	2021	2022 & later
Expiring square footage	6.8 %	12.4 %	12.4%	13.1%	46.4%
Committed percentage	42.5 %	8.5 %	5.5%	2.4%	2.1%
In-place rents	$ 14.11	$ 13.98	$ 13.84	$ 13.40	$ 13.32
Comparison of in-place to market rents	(5.7)%	(3.7)%	0.1%	0.4%	3.5%
Comparison of in-place to market rents excluding Calgary office segment	*2.1 %*	*1.4 %*	*0.3%*	*1.9%*	*2.0%*

Artis' Calgary office segment represents 8.1% of Q2-18 Proportionate Share Property NOI (7.3% excluding lease termination income in the quarter) and 7.1% of the overall portfolio by GLA (excluding properties held for redevelopment). In 2018, Calgary office expiries represent 0.5% of Artis' total GLA. Of this expiring square footage, 17.8% has been renewed or committed to new leases. In 2019, Calgary office expiries represent 0.6% of Artis' total GLA.

	2018	2019	2020	2021	2022 & later
Calgary office expiring square footage as a % of total GLA	0.5%	0.6%	0.2%	1.4%	3.1%

UPCOMING WEBCAST AND CONFERENCE CALL

Interested parties are invited to participate in a conference call with management on Friday, August 3, 2018, at 9:00 a.m. CT (10:00 a.m. ET). In order to participate, please dial 1.416.764.8688 or 1.888.390.0546. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at http://www.artisreit.com/investor-link/conference-calls/. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on Friday, August 3, 2018, a replay of the conference call will be available by dialing 1.416.764.8677 or 1.888.390.0541 and entering passcode 307492#. The replay will be available until Monday, September 3, 2018. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

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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, 2018, Artis' commercial property comprises approximately 24.5 million square feet of leasable area.

During the three months ended June 30, 2018, Property Net Operating Income ("Property NOI") by asset class, was approximately 53.1% office, 20.6% retail and 26.3% industrial. Property NOI by geographical region, was approximately 4.2% in British Columbia, 21.6% in Alberta, 6.1% in Saskatchewan, 13.2% in Manitoba, 11.3% in Ontario, 8.7% in Arizona, 18.4% in Minnesota, 9.1% in Wisconsin and 7.4% in U.S. - Other.

NOTICE WITH RESPECT TO NON-GAAP MEASURES

In addition to reported IFRS measures, the following non-GAAP measures are commonly used by Canadian real estate investment trusts as an indicator of financial performance. "GAAP" means the generally accepted accounting principles described by the CPA Canada Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. Artis applies IFRS, which is the section of GAAP applicable to publicly accountable enterprises. These non-GAAP measures are not defined under IFRS and are not intended to represent operating profits for the period, or from a property, nor should any of these measures be viewed as an alternative to net income, cash flow from operations or other measures of financial performance calculated in accordance with IFRS. Readers should be further cautioned that the following measures as calculated by Artis may not be comparable to similar measures presented by other issuers.

Proportionate Share

The REIT has properties held in its investments in joint ventures, which are accounted for using the equity method in its consolidated financial statements in accordance with IFRS. Amounts presented on a Proportionate Share basis include Artis' interest in properties held in its joint ventures based on its percentage of ownership in these properties in addition to the amounts per its consolidated financial statements. Management is of the view that presentation on a Proportionate Share basis is meaningful for investors as it is representative of how Artis manages its properties as well as certain operating and financial metrics. Artis does not independently control its unconsolidated joint ventures, and the presentation of pro-rata assets, liabilities, revenue and expenses may not accurately depict the legal and economic implications of the REIT's interest in its joint ventures. Unless otherwise noted, comparative period amounts have been updated to reflect the current period's presentation.

Property Net Operating Income

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. Management considers Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties.

Same Property NOI

Artis calculates Same Property NOI by including Property NOI for investment properties that were owned for a full quarterly reporting period in both the current and comparative year, and excludes properties held for (re)development. Adjustments are made to this measure to exclude non-cash revenue items and other non-recurring revenue amounts such as lease termination income. Management considers Same Property NOI to be a valuable measure for evaluating the operating performance of the REIT's properties due to changes in occupancy, rental rates and the recovery of property operating expenses and realty taxes.

Funds from Operations ("FFO")

Artis calculates FFO substantially in accordance with the guidelines set out by the Real Property Association of Canada (“REALpac”), as issued in February 2017. Management considers FFO to be a valuable recurring earnings measure for evaluating the REIT’s operating performance as it adjusts net income for gains or losses that are not recurring in nature such as fair value gains or losses on investment properties.

Adjusted Funds from Operations ("AFFO")

Artis calculates AFFO substantially in accordance with the guidelines set out by REALpac, as issued in February 2017. Management considers AFFO to be a valuable recurring earnings measure for evaluating the REIT’s operating performance.

FFO and AFFO Payout Ratios

Artis calculates FFO and AFFO payout ratios by dividing the distributions per common unit by diluted FFO per unit and diluted AFFO per unit, respectively, over the same period. Management uses the FFO and AFFO payout ratios to measure the REIT's ability to pay distributions.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") Interest Coverage Ratio

Artis calculates EBITDA as net income, adjusted for interest expense, transaction costs, income taxes and all non-cash revenue and expense items. Management considers this ratio to be a valuable measure of Artis' ability to service the interest requirements on its outstanding debt.

Debt to Gross Book Value ("GBV")

Artis calculates GBV based on the total consolidated assets of the REIT, adding back the amount of accumulated depreciation of property and equipment. The REIT has adopted debt to GBV as an indebtedness ratio used to measure its leverage.

Debt to EBITDA Ratio

Artis calculates debt to EBITDA based on annualizing the current quarter's EBITDA as defined above and comparing that balance to Artis' total outstanding debt. Management considers this ratio to be a valuable measure of Artis' leverage.

Net Asset Value ("NAV") per Unit

Artis calculates NAV per unit as its unitholders' equity, adjusted for the outstanding face value in Canadian dollars of its preferred units, divided by its total number of dilutive units outstanding. Management considers this metric to be a valuable measure of the REIT's residual equity available to its common unitholders.

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. Particularly, statements regarding the REIT's future operating results, performance and achievements are forward-looking statements. Without limiting the foregoing, the words “expects”, “anticipates”, “intends”, “estimates”, “projects”, 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.

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

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 204.947.1250.

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