



FOR IMMEDIATE RELEASE

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ARTIS REAL ESTATE INVESTMENT TRUST ANNOUNCES US\$58 MILLION JOINT VENTURE INDUSTRIAL PROJECT WITH NUVEEN REAL ESTATE AND PROVIDES UPDATE ON ENHANCED ASSET DISPOSITION PROGRAM

- Artis entered into a US\$58 million joint venture development agreement with Nuveen Real Estate for a 561,000 square foot state-of-the-art industrial project in the Greater Phoenix Area, Arizona
- The REIT completed the sale of three non-core assets in December 2020: Strathcona Shoppers Centre, ASM America Headquarters Building and 1110 Pettigrew Avenue
- Artis sold seven properties and one parcel of development land during Q4-20 for aggregate sale prices of \$187.2 million and US\$32.5 million, exceeding the REIT's IFRS fair values by \$4.2 million and US\$7.0 million, respectively

Artis Real Estate Investment Trust ("Artis" or the "REIT") (TSX: AX.UN) announced that it has entered into a new joint venture agreement with Nuveen Real Estate ("Nuveen") for an industrial development project in the Greater Phoenix Area, Arizona, and provided an update on the REIT's enhanced asset disposition program, including the recent sale of three non-core assets. Proceeds from these sales were used to fulfil the REIT's commitment to strengthen its balance sheet and improve its credit profile.

Joint Venture Industrial Development Project with Nuveen Real Estate

Artis has entered into a new joint venture agreement with Nuveen Real Estate for the development of Park Lucero East, a US\$58 million state-of-the-art industrial development project in the Greater Phoenix Area, Arizona. The project is expected to comprise three Class A industrial buildings totaling approximately 561,000 square feet. Artis will develop the project as a 10% general partner. Construction is expected to commence in Q1-21.

"We are pleased to partner with Nuveen on this highly-desired industrial opportunity," said Philip Martens, Executive Vice-President, US Region. "This partnership provides a remarkable opportunity for Artis and Nuveen to combine our extensive development expertise. We are creating a best-in-class industrial complex in a location that has been proven to generate strong demand and attract high-quality tenants. Nuveen has an outstanding reputation and track record and will be an excellent partner for this project."

The 37-acre parcel of land, which Artis has under unconditional contract to purchase, is located along the South Loop 202 Freeway with 202 Freeway and Germann Road frontage and is adjacent to Park Lucero, a multi-phase industrial complex that is owned by Artis and is 100% leased. The purchase of the land is expected to close in January 2021.

Update on Enhanced Asset Disposition Program

Pursuant to Artis' previously announced asset disposition program, the REIT completed the sale of three non-core assets in December 2020: Strathcona Shoppers Centre, ASM America Headquarters Building and 1110 Pettigrew Avenue.

Strathcona Shoppers Centre is a 21,910 square foot single-tenant retail property located in Regina, Saskatchewan. The sale price for Strathcona Shoppers Centre was \$7.6 million, which represents a capitalization rate of 6.3% and an increase over the REIT's most recently reported International Financial Reporting Standards ("IFRS") fair value of \$7.1 million. The sale closed on December 7, 2020.

ASM America Headquarters Building is a 130,282 square foot single-tenant industrial property located in Phoenix, Arizona. The sale price for ASM America Headquarters Building was US\$27.0 million, which represents a capitalization rate of 5.6% and an increase over the REIT's most recently reported IFRS fair value of US\$21.6 million. The sale closed on December 10, 2020.

1110 Pettigrew Avenue is a 118,957 square foot single-tenant industrial property located in Regina, Saskatchewan. The sale price for 1110 Pettigrew Avenue was \$15.3 million, which represents a capitalization rate of 7.1% and an increase over the REIT's most recently reported IFRS fair value of \$14.3 million. The sale closed on December 15, 2020.

"We are making good progress with our disposition program," said Samir Manji, Interim Chief Executive Officer. "Two additional properties for sale are now under unconditional contract and we have had a steady stream of interest in our remaining properties for sale from qualified buyers. We look forward to providing updates as further progress is made."

Together with previously announced asset sales, during Q4-20, Artis sold seven properties and one parcel of development land for aggregate sale prices of \$187.2 million and US\$32.5 million, exceeding the REIT's IFRS fair values by \$4.2 million and US\$7.0 million.

In November 2018, in conjunction with a number of other strategic initiatives aimed at improving Artis' growth profile and strengthening its balance sheet, the REIT announced its intention to embark on a disposition program with a target of \$800 million to \$1 billion of non-core assets sales over a three-year time frame. In September 2020, Artis had achieved this target with approximately \$800 million of dispositions completed ahead of schedule and committed to sell an additional \$550 million. Since November 2018, Artis has successfully completed approximately \$1.0 billion of asset sales at an aggregate sale price in excess of the IFRS fair value of such assets.

Artis is a diversified Canadian real estate investment trust investing primarily in industrial and office properties in select markets in Canada and the United States. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties which, as of September 30, 2020, comprised approximately 23.8 million square feet of leasable area. Artis is focused on growing its industrial portfolio through strategic development projects in its target markets.

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

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, including the REIT's ability to create long-term value, 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 related to the COVID-19 pandemic, implementation of Artis' strategic initiatives, real property ownership, debt financing, foreign currency, credit and tenant concentration, lease rollover, tax related matters, illiquidity, reliance on key personnel, future property transactions, general uninsured losses, cyber security, environmental matters, land and air rights leases, public market risk, availability of cash flow, fluctuations in cash distributions, potential dilution, unitholder liability, potential conflicts of interest, changes in legislation and development risk. 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.

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