

July 24, 2012

**ARTIS ANNOUNCES OFFERING OF CUMULATIVE RATE RESET  
PREFERRED TRUST UNITS**

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IN THE UNITED STATES

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) announced today a marketed public offering (the “Financing”) of approximately \$50 million Cumulative 5-Year Rate Reset Preferred Trust Units, Series A (the “Series A Units”) at a price of \$25 per Series A Unit. The Financing is being led by RBC Capital Markets, CIBC and Macquarie Capital Markets Canada Ltd. (the “Underwriters”). Artis has also granted the Underwriters an over-allotment option, exercisable at any time up to 30 days after the closing of the Financing, to purchase additional Series A Units, up to an amount equal to 15% of the number of Series A Units sold pursuant to the Financing. The Financing will be priced in the context of the market with the final terms of the Financing to be determined at the time of pricing.

The Series A Units will pay fixed cumulative preferential distributions, payable on the last day of March, June, September and December of each year, as and when declared by the board of trustees of Artis, for the initial approximately five-year period ending September 30, 2017. The first quarterly distribution, if declared, shall be payable on September 30, 2012. The distribution rate will be reset on September 30, 2017 and every five years thereafter at a rate equal to the sum of the then five-year Government of Canada bond yield and a spread which will be set upon pricing of this Financing. The Series A Units are redeemable by Artis, at its option, on September 30, 2017 and on September 30 of every fifth year thereafter.

Holders of Series A Units will have the right to reclassify all or any part of their Series A Units as Cumulative Floating Rate Preferred Trust Units, Series B (the “Series B Units”), subject to certain conditions, on September 30, 2017 and on September 30 of every fifth year thereafter. Such reclassification privilege may be subject to certain tax considerations (to be disclosed in the prospectus supplement). Holders of Series B Units will be entitled to receive a floating cumulative preferential distribution, payable on the last day of March, June, September and December 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 which will be set upon pricing of this Financing.

The Financing is being made pursuant to the REIT’s base shelf prospectus dated June 15, 2012. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators.

Artis intends to use the net proceeds from the Financing to repay indebtedness, fund future acquisitions, and for general trust purposes.

Artis continues to enjoy a strong deal flow pipeline, with a continued focus on the accretive acquisition of quality commercial properties, in select markets in Canada and the U.S.

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

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Artis is a diversified Canadian real estate investment trust investing in office, industrial and retail properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of

commercial properties in Canada and the United States, with a major focus on Western Canada. Artis' commercial property comprises nearly 20.3 million square feet of leasable area in 196 properties. Leasable area by asset class is approximately 19.5% retail, 37.0% office and 43.5% industrial. The portfolio is located 8.4% in British Columbia, 28.8% in Alberta, 4.9% in Saskatchewan, 17.7% in Manitoba, 15.4% in Ontario and 24.8% in the U.S.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Chief Administrative Officer at 1.204.947.1250

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

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