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ARTIS CONTINUES U.S. EXPANSION WITH ACQUISITION OF U.S. \$52.9 MILLION OF NEWLY CONSTRUCTED OFFICE PROPERTIES AND ANNOUNCES ACQUISITION OF CANADIAN PROPERTIES

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has acquired three newly constructed office properties in the states of Arizona, New York and Florida for aggregate purchase prices of U.S. \$52.9 million. Artis also announced the acquisition of a new CAD \$10.6 million industrial property in Calgary, Alberta and confirmed the closing of the previously announced acquisition of a CAD \$48.0 million retail/office property in Port Coquitlam, British Columbia.

On November 18, 2010, Artis acquired the [Humana Building](#), a three-storey Class A professional office complex located in metropolitan Phoenix, Arizona. The property is located in a strategic intersection of the Westgate City Centre, the home of the Phoenix Coyotes Arena, the Arizona Cardinals Stadium, along with numerous retail, entertainment, and dining amenities. The Humana Building comprises 106,418 square feet of leasable area and is 100% leased to Humana Pharmacy Inc. until 2017 with periodic rent escalations. The property is situated on a 403,104 square foot site, which would provide for future expansion to meet tenant needs. Humana Pharmacy Inc. is a high credit-rated New York Stock Exchange ("NYSE") listed Fortune 100 Company with a market capitalization in excess of U.S. \$7.8 billion. The purchase price of U.S. \$14.8 million, which represents a going-in capitalization rate of 7.5%, was financed with cash on hand and from the proceeds of a new U.S. \$10.0 million 5-year floating rate mortgage currently bearing interest at a rate of 2.5% per annum.

On December 30, 2010, Artis acquired the [Hartford Corporate Plaza](#), a three-storey Class A office building located in New Hartford, New York. Hartford Corporate Plaza is located in the Interstate-90 commercial corridor and is in close proximity to all of the major northeast metropolitan markets. The property comprises 122,760 square feet of leasable area with an additional 50,000 square feet of undeveloped area, which could be used to expand the property to meet the tenant's future needs. The property is 100% leased to Hartford Fire Insurance Company until 2018 with periodic rent escalations. Hartford Fire Insurance Company is a Standard & Poor's "A" rated company, and a subsidiary of Hartford Financial Services Group, Inc., a NYSE-listed company with a market capitalization in excess of U.S. \$12.4 billion. Hartford Financial Services Group Inc. is also a Fortune 100 company. The purchase price of U.S. \$17.6 million represents a going-in capitalization rate of 9.0%.

On December 30, 2010, Artis acquired the [Mosaic Building](#), a four-storey LEEDs Gold certified Class A office building located in a suburb of Tampa, Florida. The Mosaic Building has excellent access to the Interstate 75 and to U.S. Highway 301, major arterial roadways to Tampa Bay and other parts of Florida. The Mosaic Building comprises 107,463 square feet of leasable area, with expansion rights for an additional 11,402 square feet to meet the tenant's future needs. The property is 100% leased to the Mosaic Company until 2020; the lease provides for regular annual rent increases. The Mosaic Company is a NYSE listed company with a market capitalization of \$33.4 billion; the major

shareholder is Cargill, Incorporated. The purchase price of U.S. \$20.5 million represents a going-in capitalization rate of 8.1%.

In connection with the Hartford Corporate Plaza and Mosaic Building acquisitions, Artis obtained a new U.S. \$22.6 million 5-year floating rate mortgage currently bearing interest at a rate of 3.85% per annum. The remainder of the purchase price was financed with cash on hand.

“The Humana Building, Hartford Corporate Plaza and the Mosaic Building are all are well-located within their respective markets and boast new generation design and construction. We are very pleased with the acquisitions and believe they enhance the overall quality of Artis’ portfolio”, said Armin Martens, CEO of Artis. “All three properties are 100% leased to strong credit-rated tenants on long-term leases with contractual rent escalations. This represents an excellent opportunity to acquire great assets at very reasonable prices.”

Artis also announced the closing of the [ADT & Dominion Buildings](#) on January 7, 2011. The properties comprise 48,119 square feet of industrial area located just off Memorial Drive in southeast Calgary, Alberta. ADT & Dominion Buildings are 100% leased by two national tenants with strong covenants. The purchase price of CAD \$10.6 million, which represents a going-in capitalization rate of 9.0%, was financed with cash on hand.

Artis also confirmed the closing of the previously announced acquisition of [Poco Place](#) on December 22, 2010. Poco Place is a four-building retail plaza and seven-storey office building located in Port Coquitlam, British Columbia. The purchase price of CAD \$48.0 million, which represents a going-in capitalization rate of 6.7%, was financed with cash on hand and from the proceeds of a new CAD \$31.2 million sixty-four month mortgage bearing interest at an annual rate of 4.2% per annum. The property comprises 163,844 square feet of leasable area and is approximately 99.9% leased with a high proportion of national tenants such as Michaels, Sport Mart, Pier 1 Imports, HSBC, Planet Organic, IHop and TD Canada Trust.

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 income-producing properties, with a major focus on Western Canada. Artis’ commercial property comprises over 12.6 million square feet of leasable area in 134 properties. Leasable area by asset class is approximately 26.2% retail, 35.7% office and 38.1% industrial. The portfolio is located 12.7% in B.C., 37.8% in Alberta, 5.1% in Saskatchewan, 25.8% in Manitoba, 7.5% in Ontario and 11.1% in the U.S.

The REIT’s Distribution Reinvestment Plan (“DRIP”) allows unitholders to have their monthly cash distributions used to purchase trust units without incurring commission or brokerage fees, and receive bonus units equal to 4% of their monthly cash distributions. More information can be obtained at www.artisreit.com.

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

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