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FOR IMMEDIATE RELEASE

October 17, 2007

Artis REIT Closes \$75 Million Offering of Units

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis") announced today that it has closed its previously announced public offering of 4,230,000 trust units ("Units") at a price of \$17.75 per Unit for gross proceeds of \$75,082,500. The Units were purchased by a syndicate of underwriters led by Canaccord Adams and CIBC World Markets Inc., as co-lead underwriters, and including BMO Nesbitt Burns Inc., National Bank Financial, Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., Trilon Securities Corporation, Bieber Securities Inc., Desjardins Securities Inc. and Westwind Partners Inc. (the "Underwriters") and sold to the public pursuant to a short form prospectus dated October 11, 2007. Artis has granted to the Underwriters an over-allotment option which entitles the Underwriters to purchase up to an additional 634,500 Units at a price of \$17.75 per Unit at any time within 30 days of the closing of the offering.

Artis intends to use the net proceeds from the Financing for a combination of property acquisitions, debt reduction and/or for general working capital purposes.

Artis is a real estate investment trust listed on the TSX with the objective of acquiring and maintaining a growing portfolio of properties with stable cash distributions. Artis REIT focuses on properties located in western Canada, particularly in the province of Alberta.

The Units have not been registered under the US. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

This press release contains forward-looking statements. Artis is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Artis 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, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and potential changes in the tax treatment of trusts. Artis assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer of Artis or Mr. Jim Green, Chief Financial Officer of Artis at (204) 947-1200.

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