



FOR IMMEDIATE RELEASE

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ARTIS RELEASES Q3-07 RESULTS, POSTS HIGHEST QUARTERLY FFO PER UNIT RESULTS TO DATE

Today Artis Real Estate Investment Trust ("Artis" or "Artis REIT") issued its financial results and achievements for the three month and nine month periods ended September 30, 2007.

FINANCIAL HIGHLIGHTS

- ◆ Q3 revenues increased 71.8% to \$27.0 million; year-to-date, revenues increased 82.0% to \$67.4 million.
- ◆ Q3 net operating income ("NOI") increased 85.1% to \$18.7 million; year-to-date, NOI increased 90.5% to \$45.4 million.
- ◆ Q3 distributable income ("DI") increased 128.3% to \$10.5 million; year-to-date, DI increased 132.9% to \$25.0 million. DI per unit increased -% to \$0.38; year-to-date, DI per unit increased 9.2% to \$1.07.
- ◆ Q3 funds from operations ("FFO") increased 147.5% to \$10.0 million; year-to-date, FFO increased 148.5% to \$23.4 million.
- ◆ Highest FFO per unit results achieved in Q3; FFO per unit increased 5.9% to \$0.36; year-to-date, FFO per unit increased 16.3% to \$1.00.
- ◆ Q3 same property NOI (excluding GAAP revenue adjustments) increased 10.5% over last year (year-to-date, 8.4%) as a result of absorption of space in the portfolio of properties owned at January 1, 2006, and rate increases achieved on lease rollovers, particularly in Alberta.
- ◆ Occupancy remained strong at 97.1% (98.0% including committed space).
- ◆ \$161.3 million of acquisitions were completed in Q3 (\$387.3 million completed year-to-date).
- ◆ Mortgage debt-to-gross book value ("GBV") decreased to 49.9% from 52.1% at December 31, 2006.

SELECTED FINANCIAL INFORMATION

<i>(unaudited)</i> \$000's, except per unit amounts	Three month period ended September 30		Nine month period ended September 30	
	2007	2006	2007	2006
Revenues	\$ 27,041	\$ 15,744	\$ 67,409	\$ 37,033
NOI	18,656	10,079	45,373	23,818
DI	10,471	4,587	24,958	10,716
FFO	10,013	4,045	23,395	9,413
DI per unit (basic)	0.38	0.38	1.07	0.98
FFO per unit (basic)	0.36	0.34	1.00	0.86
Distributions	0.26	0.26	0.78	0.78
Weighted average units outstanding:				
Basic	26,824,956	12,072,151	22,663,067	10,958,562
Basic, including Class B units	27,546,303	12,072,151	23,384,414	10,958,562

"Our third quarter financial results continue to demonstrate the effectiveness of our internal and external growth strategies," said Armin Martens, President and Chief Executive Officer of Artis. "We are particularly pleased to report our strongest FFO per unit results since our formation as a REIT. At the same time, we have achieved substantial reductions in our payout ratios (72.9% and 78.0%, respectively) and decreased our leverage. Artis is well positioned to execute further accretive acquisitions through to the end of 2007, further improving our financial performance and enhancing value for our unitholders."

\$75.1 million in new equity raised:

On September 26, 2007, Artis announced it had entered into a bought-deal arrangement with a syndicate of underwriters for the sale of 4,230,000 units (exclusive of units issuable upon the exercise of the over-allotment option granted to the underwriters) at a price of \$17.75 per unit. The offering closed on October 17, 2007, for aggregate gross proceeds of \$75.1 million.

Q3-2007 Acquisition highlights:

Property	Location	Acquisition Date	Type	Square Feet of Leasable Area (000's)
TransAlta Place	110 - 12th Avenue SW, Calgary, AB	July 5, 2007	Office	336
Winnipeg Square ⁽¹⁾	360 Main Street, Winnipeg, MB	August 29, 2007	Office/Retail	598
Pepco Building	608 - 17th Avenue, Nisku, AB	September 15, 2007	Industrial	20
Delta Shoppers Mall	8037 - 120th Street, Delta, BC	September 24, 2007	Retail	75
Total				1,029

⁽¹⁾ The REIT acquired a 38% ownership interest in Winnipeg Square, which is proportionately consolidated in the accounts of the REIT. Approximately 11% of Winnipeg Square's GLA is allocated to retail.

With the successful closing of the above four acquisitions, Artis now owns or has an ownership interest in 54 properties comprising nearly 5.1 million square feet of leasable area. Readers are invited to view more details on these properties on the Artis web site at www.artisreit.com.

Operational improvements and internal growth:

As a result of strong on-going leasing and renewal activity, Artis achieved overall portfolio occupancy of 97.1% at September 30, 2007. Including committed space, the occupancy ratio increases to 97.4% at September 30, 2007. Quarterly growth in same property NOI was 6.9% (5.8% on a year-to-date basis); same property NOI growth is calculated using the GAAP adjusted revenues, less property operating expenses. Excluding GAAP adjustments for straight-line rent and above- and below-market adjustment, growth in same property NOI was 10.5% (8.4% on a year-to-date basis). The calculation includes only those properties owned from January 1, 2006, through to September 30, 2006, and thus does not include the impact on internal growth of lease turnovers on any of the properties acquired in fiscal 2006 or 2007. The same property growth was driven primarily by increases in base rental rates achieved on lease turnovers.

"Internal growth has been achieved by the actively managing our growing portfolio, in particular, consistently increasing rents to market upon lease turnover", said Martens. "Looking ahead, through the balance of 2007 and into 2008, a substantial proportion of the REIT's lease expiries are in Alberta; we continue to see upside in our growth profile based on continuing strong demand and sustained pressure on market rates in that province."

Artis is a growth-oriented real estate investment trust focused exclusively on commercial properties located in primary and growing secondary markets in western Canada, particularly in Alberta. The REIT's goal is to provide unitholders the opportunity to invest in high-quality western Canadian office, retail and industrial properties, as well as to provide monthly cash distributions that are stable, tax efficient, and growing over time. To date, Artis has acquired approximately \$825 million of commercial property; approximately 17.4% in Manitoba, 10.4% in Saskatchewan, 69.0% in Alberta, and 3.2% in B.C. Artis owns 52 properties, comprising over 4.4 million square feet of leasable area (33.0% retail, 52.9% office and 14.1% industrial).

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.

Non-GAAP Performance Measures

DI, Property NOI and FFO are non-GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. Management uses DI, Property NOI and FFO to analyze operating performance. DI, Property NOI and FFO may not be comparable to similar measures presented by other issuers. DI, Property NOI and FFO are not intended to represent operating profits for the period or from a property nor should any such measure be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

Cautionary Statements

The comments and highlights herein should be read in conjunction with the consolidated financial statements and management's discussion and analysis for the same period. These documents are available on the SEDAR website at www.sedar.com. They are also posted on the Artis web site at www.artisreit.com.

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. 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, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and proposed 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 of the REIT or Mr. Jim Green, Chief Financial Officer of the REIT at (204) 947-1250.