



FOR IMMEDIATE RELEASE

JANUARY 31, 2008

**ARTIS REIT ANNOUNCES SIGNIFICANT LEASE TRANSACTIONS**

Artis Real Estate Investment Trust (“**Artis**” or the “**REIT**”) confirmed today that it has entered into an unconditional agreement to lease 173,674 square feet of space in the Heritage Square office building in Calgary, Alberta (the “Heritage Square Agreement”) to a well-known International Engineering and Consulting Services firm. The Heritage Square Agreement represents approximately 3% of the REIT’s total rentable area. The new tenant has committed to a 5 year and 2 month term commencing July 1, 2008; the new lease replaces an existing tenancy which expires June 30, 2008.

At January 1, 2008, Artis had approximately 737,000 square feet of rentable area coming up for renewal in 2008. Including the Heritage Square Agreement, Artis has already renewed approximately 56% of the 2008 square footage expiring, with an average lease term of 5 years. Rental rates achieved on the renewal terms are higher than the in-place rental rates on the expiring terms, as illustrated below. The renewals completed to date are anticipated to add approximately \$3 million to the REIT’s base rent on an annualized basis.

**2008 Renewal Activity:**

	Rentable Area (Square Feet)	Increase in Base Rent
Heritage Square Agreement	173,674	124%
Willowglen Business Park	65,195	91%
Other completed renewals	175,618	26%
<b>Total 2008 renewals completed at January 31, 2008</b>	<b>414,487</b>	<b>79%</b>

Artis also confirmed today that it has entered into an unconditional agreement to lease an additional full floor of the Grain Exchange Building (in Winnipeg, Manitoba) to Public Works and Government Services Canada. The agreement is for 25,363 square feet of currently unoccupied space (representing 0.4% of the REIT’s total rentable area) commencing May 1, 2008, at competitive rental rates.

“In 2008, our leasing program will be a key component of our continuing growth story,” said Armin Martens, CEO of the REIT. “As our 2008 renewal activity thus far indicates, leasing fundamentals in our markets continue to be robust. We believe Artis is well-positioned to realize further rental growth as the remaining lease maturities are renewed or released and look forward to stable and growing cash flows from our properties as a result of our strong embedded growth profile.”

In 2007, Artis concluded approximately \$600 million of accretive acquisitions. The REIT’s 2007 acquisitions were financed from the proceeds of equity offerings during the year, and from new mortgage or other financing. The weighted average rate of mortgage and other financing arranged or assumed was 5.4%; the weighted average term to maturity of the debt was 6.4 years. The REIT has minimal refinancing exposure in 2008, with two mortgages totaling less than \$10.1 million maturing in the fourth quarter of the year; the weighted average rate of interest on the maturing mortgages is 6.2%.

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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.

Artis owns approximately \$1.1 billion of commercial property, comprising approximately 6.1 million square feet of rentable area in 81 properties. Rentable area is approximately 31.7% in Manitoba, 6.8% in Saskatchewan, 56.7% in Alberta, and 4.8% in B.C.; by asset class the portfolio is 31.1% retail, 43.0% office and 25.9% 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](http://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 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.*

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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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