



FOR IMMEDIATE RELEASE

JULY 31, 2008

ARTIS REIT ANNOUNCES DISPOSITION OF TWO CALGARY OFFICE PROPERTIES AND THREE NEW ACQUISITIONS

Artis Real Estate Investment Trust (“**Artis**” or the “**REIT**”) announced today that it has entered into an unconditional agreement to sell two class “B” commercial suburban office properties in Calgary, Alberta. The transaction is expected to close at the end of August of this year. The REIT also announced that it has entered into conditional and unconditional agreements to acquire two office properties in B.C. and a class “A” flex/industrial property in Calgary.

The two suburban office properties subject to sale – Airways Business Plaza and Glenmore Commerce Court – will be sold for an aggregate sales price of \$24.9 million, representing a capitalization rate of approximately 6.3%. Artis has owned these properties for three years and one year, respectively, and expects to record a before tax gain on sale in Q3-08 of approximately \$6.5 million (approximately \$0.20 per unit based on today’s issued and outstanding units). Net proceeds of approximately \$12.2 million are anticipated to be realized on the transaction.

“The investment market for Calgary office property has remained strong through the first half of 2008. This has presented us with an excellent opportunity to realize gains on selected assets while partially repositioning our portfolio in terms of asset class and geographical location,” said Armin Martens, Chief Executive Officer of Artis REIT. “We expect that the cash generated from these dispositions will be redeployed in class “A” Calgary industrial properties and in B.C. office properties, increasing our weighting in those markets.”

New Acquisitions:

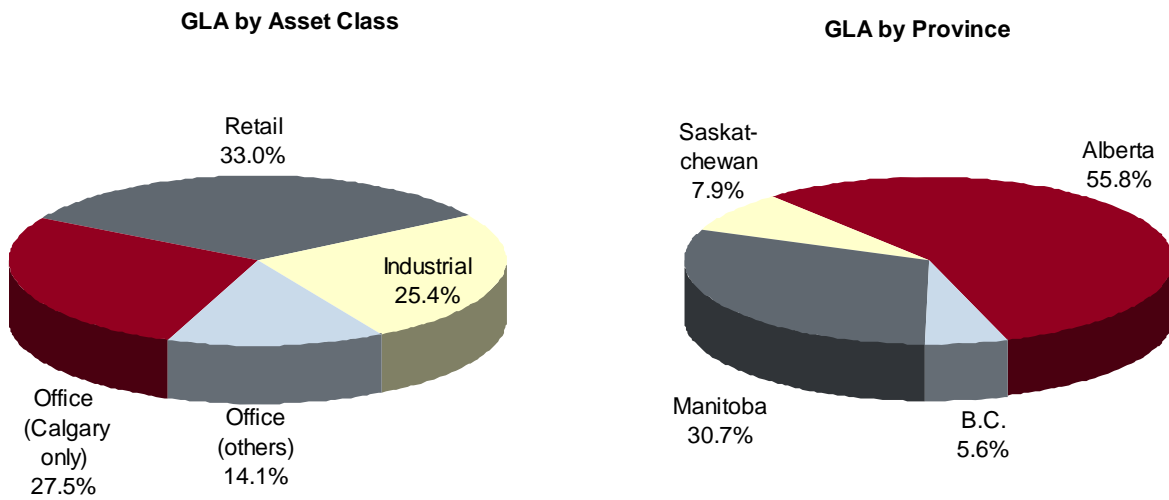
Artis has entered into an unconditional agreement to acquire 1930 Maynard, a 153,000 square foot Class “A” industrial technology building in the Mayland Commercial Park in Calgary. The estimated going-in cash capitalization rate (the “cap rate”) on the \$36.4 million purchase price is 6.6% and management estimates that in-place rents are currently 16% below market. 1930 Maynard is 100% occupied by four high-profile tenants – Bell Canada, Siemens Canada, Q9 Networks and Ledcor Developments, with a weighted average remaining lease term of 8.0 years. The acquisition is expected to close in Q3-08. Artis has secured a commitment for a \$24.0 million mortgage, five year term, bearing an interest rate of 5.4% per annum (based on today’s interest rates); the balance of the purchase price will be satisfied with cash on hand and other financing.

Artis has also entered into an unconditional agreement to acquire a 47,000 square foot class “A” office building in Burnaby, B.C. The three-storey Burnaby office building is well located in a park-like setting in the Willingdon Green Executive Park, with excellent exposure and access to Highway #1. The property has a parking ratio of 3.14 stalls per 1,000 square feet, including 67 underground stalls. The estimated cap rate on the \$11.5 million purchase price is approximately 7.2% and the acquisition is expected to close in Q3-08. Artis has secured a commitment for \$7.7 million financing bearing interest at a rate of 5.5% per annum (based on today’s interest rates); the balance of the purchase price will be satisfied with cash on hand.

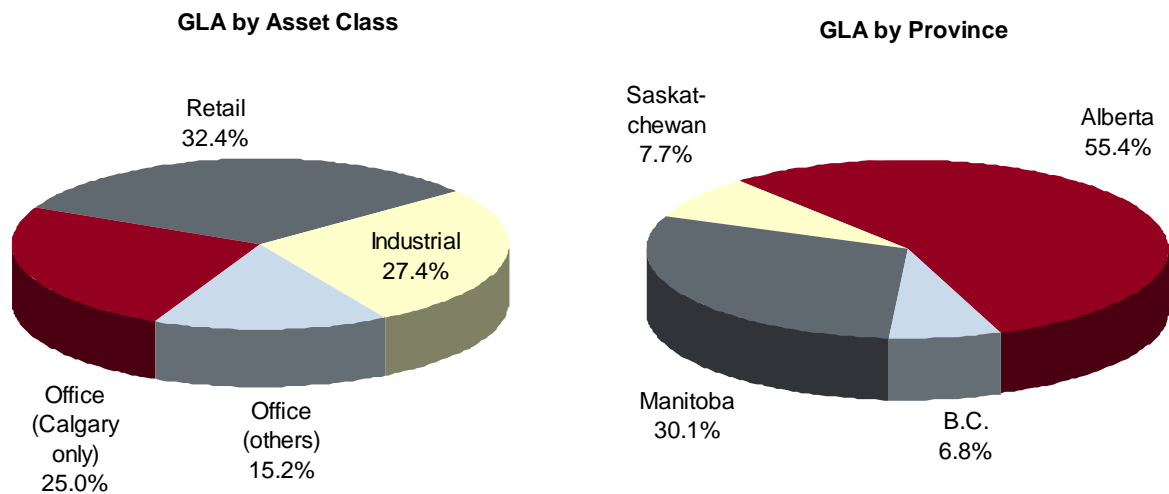
Artis has also entered into a conditional agreement to acquire a well located three-storey, 38,000 square foot office building in Victoria B.C. at an estimated cap rate of 8.2%. The acquisition is anticipated to close in Q3-08 and the \$8.8 million purchase price will be financed with a combination

of mortgage financing and cash on hand. Artis has secured a commitment for a \$5.2 million five-year mortgage bearing interest at a rate of 5.5% per annum (based on today's interest rates).

Current portfolio weighting:



Portfolio weighting post closings and repositioning



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.

Including all of the completed and proposed acquisitions and dispositions, Artis will own approximately \$1.3 billion of commercial property, comprising approximately 6.4 million square feet of leasable area in 87 properties. Leasable area will be approximately 30.1% in Manitoba, 7.7% in

Saskatchewan, 55.4% in Alberta, and 6.8% in B.C.; by asset class the portfolio will be 32.4% retail, 40.2% office and 27.4% 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.

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.

*For further information please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Senior Vice President - Investor Relations.
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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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