



FOR IMMEDIATE RELEASE

NOVEMBER 13, 2008

ARTIS ANNOUNCES RECORD Q3-08 RESULTS; FUNDS FROM OPERATIONS INCREASES TO \$0.42 PER UNIT

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three and nine month periods ended September 30, 2008.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- ◆ Q3-08 revenue increased 35.1% to \$36.1 million; year-to-date, revenue increased 57.8% to \$104.8 million.
- ◆ Q3-08 property net operating income ("Property NOI") increased 33.3% (\$6.2 million) over Q3-07 to reach a total of \$24.7 million; year-to-date, Property NOI increased 61.0% to \$72.3 million.
- ◆ Q3-08 distributable income ("DI") increased 32.6% to \$13.9 million; year-to-date, DI increased 63.2% to \$40.7 million. Q3-08 DI per unit increased 10.5% to \$0.42; year-to-date, DI per unit increased 16.8% to \$1.25.
- ◆ Q3-08 funds from operations ("FFO") increased 37.5% to \$13.8 million; year-to-date, FFO increased 71.6% to \$40.2 million. Q3-08 FFO per unit increased 16.7% to \$0.42; year-to-date, FFO per unit increased 23.0% to \$1.23.
- ◆ Q3-08 same Property NOI (excluding non-cash revenue adjustments) increased 8.9% over Q3-07 as a result of rate increases achieved on lease rollovers.
- ◆ \$55.7 million of accretive acquisitions in western Canada were completed in Q3-08 bringing the total for 2008 to \$109.5 million.
- ◆ At September 30, 2008, mortgage debt-to-gross book value ("GBV") was 51.3% compared to 49.2% at December 31, 2007.
- ◆ At September 30, 2008, the interest coverage ratio was 2.3.
- ◆ Portfolio occupancy was 97.3% at September 30, 2008 (98.0% including committed space) compared to 97.1% at September 30, 2007.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Revenue	36,063	26,688	104,834	66,451
Property NOI	24,665	18,502	72,322	44,918
DI	13,884	10,471	40,740	24,958
FFO	13,766	10,013	40,150	23,395
DI per unit (basic)	0.42	0.38	1.25	1.07
FFO per unit (basic)	0.42	0.36	1.23	1.00
Distributions per unit	0.27	0.26	0.80	0.79
FFO payout ratio	64.3%	72.2%	65.0%	79.0%

<i>\$000's</i>	September 30, 2008	December 31, 2007
Total assets	\$ 1,248,305	\$ 1,176,448
GBV	1,363,784	1,247,047
Mortgages, loans and bank indebtedness	699,268	612,996
Mortgages, loans and bank indebtedness to GBV	51.3%	49.2%

"Q3-08 results of \$0.42 per unit of FFO (\$0.41 fully diluted) are our best results yet," said Armin Martens, CEO of Artis REIT. "We are confident that further growth in revenues, Property NOI, DI and FFO can be achieved as below-market leases are renewed at higher market rents. Our balance sheet remains solid; our mortgage debt to gross book value ratio is just over 51% and all of our near-term mortgage maturities have been renewed. Artis enjoys a distribution payout ratio of less than 65% of FFO and has cash on hand as well as room available on the recently renewed line of credit."

Liquidity and Capital Resources:

At September 30, 2008, Artis had \$18.3 million of cash and cash equivalents on hand. Cash on hand is expected to be used primarily for working capital purposes.

At September 30, 2008, Artis had \$37.4 million undrawn on its revolving line of credit. The revolving line of credit can be used to finance acquisitions of retail, office or industrial properties. As well, up to \$7.5 million can be used for Unit repurchases under the REIT's normal course issuer bid, \$10.0 million can be used for the REIT's mezzanine loan program and \$10.0 million can be used for general purposes.

Artis has two mortgages maturing in 2008 for a total of \$10.1 million. Both are now renewed. As well, Artis has only 5% of its mortgage debt maturing in 2009. These mortgages are not held by conduit lenders and have not been securitized by the lender. Management does not foresee any difficulty in renewing or replacing this financing.

Operational Improvements and Internal Growth:

Occupancy across the portfolio at September 30, 2008 remained very strong at 97.3%, or 98.0% including lease commitments. On a same property basis, Artis achieved Property NOI growth of 6.5% in Q3-08, or 5.9% on a year-to-date basis (including GAAP adjustments for straight-line rent and above- and below-market rent adjustments). As well, Artis achieved an increase of 8.9% in Q3-08, or 8.3% on a year-to-date basis, excluding GAAP adjustments. These improvements are primarily the result of rate increases achieved on lease rollovers, particularly in Alberta. Also included in Q3-08 is the impact of the re-leasing of approximately 174,000 square feet of space in Heritage Square at a significantly higher rate. This metric does not include the impact of growth realized on lease turnovers in properties acquired throughout fiscal 2007 and 2008.

Artis continues to achieve solid increases in base rental rates as leases turn over. For Q3-08, the weighted average rental rates achieved on leases renewed or new leases commencing in the period were approximately 74.2% higher than the rates in-place at expiry. Year-to-date, the weighted average rental rates were approximately 46.3% higher.

More details on lease expiries and average in-place rents can be found in the REIT's September 2008 supplemental information package. The supplemental information package, as well as the audited annual consolidated financial statements for the years ended December 31, 2007 and 2006, the unaudited interim consolidated financial statements for the periods ended September 30, 2008 and 2007, management's discussion and analysis for September 30, 2008, and the 2007 annual information form can be accessed from the REIT's web site at www.artisreit.com.

Portfolio Growth:

During Q3-08, Artis acquired the Willingdon Green Building, a 47,000 square foot office building well-located in the Willingdon Green Executive Park in Metro Vancouver, BC. Artis also acquired the Maynard Technology Centre; a 100% occupied multi-tenant flex industrial property located in Calgary, AB, which is comprised of approximately 154,000 square feet of leasable area.

Outlook

Since results for Q2-08 were released, there has been an increased level of uncertainty in financial and real estate markets. Management believes Artis is well-positioned to weather a possible economic downturn. Artis has a low FFO payout ratio, adequate cash on hand and room available on its line of credit that can be tapped for acquisitions or for other purposes. The REIT has a conservative debt to gross book value ratio of just over 51%, has successfully renewed all mortgages due in 2008 and has minimal exposure to mortgage maturities in 2009. As well, Artis' 2008

leasing program is nearly complete, and approximately 15% of the 2009 lease expiries have already been renewed.

Artis anticipates that it will continue to achieve growth in revenues, Property NOI, DI and FFO as a result of its strong embedded growth profile. At September 30, 2008, Artis estimated that the gap between in-place rental rates and current market rental rates on the remaining 2008 lease expiries is \$4.10 per square foot on average; and the gap on the 694,000 square feet of leases expiring in 2009 is \$3.15.

Management reviews and re-assesses the market rent estimates on an on-going basis. There is no deterioration in asking rates in any of its target markets at this time, and management is of the view that market rent rates will remain stable for the next 12 months.

On July 31, 2008 Artis announced that it would be selling two Class "B" suburban office properties in Calgary for \$24.9 million, based on a capitalization rate of approximately 6.3%. The REIT expects to realize a gain of approximately \$6.5 million on the transaction and net proceeds of approximately \$12.2 million. The sale was originally expected to be concluded in Q3-08 but has been rescheduled for Q1-09. The REIT currently holds \$10 million of non-refundable deposits on the transaction; the balance of the net proceeds to be realized on closing are expected to be used for working capital purposes.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management at 1:00 p.m. EST on Friday, November 14, 2008. In order to participate, please dial 1-416-641-6135 or 1-866-542-4262. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at http://www.artisreit.ca/areit_investor.php. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on November 14, 2008, a replay of the conference call will be available by dialing 1-416-695-5800 or 1-800-408-3053 and entering passcode #3266107. The replay will be available until November 21, 2008. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

Artis is a growth oriented real estate investment trust focused exclusively on commercial properties located in primary and growing secondary markets in western Canada. 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 \$1.3 billion of commercial property, comprising approximately 6.5 million square feet of leasable area in 88 properties. Leasable area is approximately 29.7% in Manitoba, 7.6% in Saskatchewan, 56.6% in Alberta, and 6.1% in B.C.; by asset class the portfolio is 31.9% retail, 41.2% office and 26.9% 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.

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, Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Senior Vice President of the REIT at (204) 947 1250.