



FOR IMMEDIATE RELEASE

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## **ARTIS REIT ANNOUNCES SALE OF CALGARY OFFICE PROPERTY AND PURCHASE OF WINNIPEG INDUSTRIAL PORTFOLIO**

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it recently completed the sale of the Calgary office property known as Willowglen Business Park ("Willowglen"). Artis also announced that it has entered into an unconditional agreement to acquire a portfolio of 13 light and flex-industrial properties in Winnipeg (the "Winnipeg Industrial Portfolio"), from ING Canada.

Willowglen is a 285,813 square foot suburban Class "B" office property located in the North East section of Calgary, Alberta. The property sold for \$28.3 million which represents a capitalization rate of approximately 8.3%. The disposition closed on October 1, 2009. The REIT expects to record a gain of approximately \$4.4 million on the transaction. In conjunction with the Willowglen sale, Artis agreed to acquire from the purchaser a newly developed flex-industrial property in the Kingsview Business Park in Airdrie, Alberta. The purchase price for the Airdrie property, including additional development lands, was \$4.6 million. Artis realized net cash proceeds of approximately \$4.1 million on the closing of these transactions

The Winnipeg Industrial Portfolio is comprised of 13 light and flex-industrial properties located in the St. James Industrial area, Omand's Creek industrial area, Inkster Industrial Park and Fort Garry Industrial Park. The net rentable area of the portfolio is over 721,000 square feet, and is 92.3% occupied (excluding one property considered to be in development). The aggregate purchase price for the portfolio is \$42.7 million, which the REIT expects to satisfy by way of cash on hand and \$27.5 million of new 10-year mortgage financing with a 25 year amortization period and bearing interest at a rate that is 280 basis points over the 10-year Government of Canada bond yields on the date the rate is locked in.

"This meaningful repositioning of Artis' portfolio will reduce the REIT's weighting in the Calgary office market," said Armin Martens, CEO of Artis. "The Winnipeg industrial market has performed well through the recent economic downturn and we anticipate that this market will remain strong. We are very pleased to increase our portfolio weighting in this segment of the western Canadian commercial real estate market."

Prior to disposition, 2010 lease expiries in Willowglen represented approximately 5% of the REIT's total 2010 expiries and approximately 40% of the REIT's Calgary office 2010 expiries. The weighting of Calgary office property in the overall portfolio will be reduced from 26% to 20%. With the conclusion of the Willowglen disposition and the Winnipeg Industrial Portfolio acquisition, the REIT's portfolio will be comprised of approximately 6.7 million square feet of leasable area in 96 properties. Leasable area will be approximately 39% in Manitoba, 7% in Saskatchewan, 48% in Alberta, and 6% in B.C.; by asset class the portfolio will be 29% retail, 34% office and 37% industrial.

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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. 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.

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).

For further information please contact Mr. Armin Martens, President and Chief Executive Officer,  
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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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