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**ARTIS ANNOUNCES ACQUISITION OF \$72 MILLION
OF OFFICE, RETAIL AND INDUSTRIAL PROPERTIES
AND A \$50 MILLION EQUITY FINANCING**

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has acquired a 50% interest in the Kincaid Building and the Cliveden Building in Metro Vancouver, British Columbia, with its partner, Kingswood Capital Corporation ("Kingswood Capital") of Vancouver, British Columbia. The REIT also announced that it has entered into agreements to acquire an industrial property in Saskatoon, Saskatchewan, a retail property in West Bank, British Columbia, and a flex/industrial property in Edmonton, Alberta. The aggregate purchase price of the completed and announced acquisitions is approximately \$72 million, with a weighted average capitalization rate of approximately 8.00%.

Artis has also entered into an agreement to sell to a syndicate of underwriters led by Canaccord Adams and CIBC World Markets Inc. (the "Underwriters"), on a bought deal basis, 4,600,000 trust units ("Units") at a price of \$11.00 per Unit for gross proceeds to Artis of \$50,600,000 (the "Financing"). Artis has also granted the Underwriters an over-allotment option to purchase up to an additional 690,000 Units on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the Financing. Artis intends to use the net proceeds from the Financing to fund future acquisitions and for general working capital purposes. The Financing is expected to close on or about January 26, 2010 and is subject to regulatory approval.

The Kincaid Building is a five storey office building, 100% occupied by Eastman Kodak, located in the Discovery Place Business Park in Burnaby, British Columbia. The building is designed as a single tenant flex office building and is comprised of 182,437 square feet of leasable area, approximately 88,050 square feet being office space and the remainder being warehouse and lab space. The Kincaid Building includes 314 underground and surface stalls and also includes a development opportunity for an additional 65,000 square feet of office space. The Kincaid Building is the head office in Canada for Eastman Kodak. Eastman Kodak has entered into a newly executed 10-year lease which expires in 2019, with a rent step in 2014.

The Cliveden Building is a two storey building comprised of 46,105 square feet of office space and 93,171 square feet of manufacturing and warehouse space. Within the last 18 months, the property was improved with a new clean room suitable for high tech manufacturing tenants, at a cost in excess of \$3.5 million. The Cliveden Building is located in the Annacis Island industrial node, in the Greater Vancouver Regional District ("GVRD"), in close proximity to major transportation corridors and bridges. The property has a parking ratio of 1.11 stalls per 1,000 square feet of leasable area, which is high relative to competitive buildings in the market. The Cliveden Building is 100% leased until 2011; rents are estimated to be approximately 17% below market rents for the market.

The 50% interest in these properties was acquired for \$23.0 million, which represented a weighted average going-in capitalization rate on stabilized income of 7.50%. The purchase price was satisfied with cash on hand and from the proceeds of a new \$9.0 million financing bearing interest at a rate of 4.71% per annum.

"The Kingswood Group is active in both real estate investment and development, with a particular focus on the GVRD. We are pleased to welcome Artis REIT as a partner in the Kincaid and Cliveden properties," said Joseph Segal, President of Kingswood Capital.

Artis has also entered into a conditional agreement to acquire a recently constructed 163,418 square foot industrial building in Saskatoon, Saskatchewan. The building consists of 140,000 square feet of freezer and cooler space and 23,418 square feet of office space. The facility is currently occupied by Maple Leaf Foods on a 20-year lease with regular rent steps every five years. The acquisition is expected to close in the first quarter of 2010 at a purchase price of \$25.5 million, which represents a weighted average capitalization rate of 8.56%. The purchase price is expected to be satisfied with cash on hand, and from the assumption of \$17.3 million of existing mortgage financing bearing interest at a rate of 5.00% per annum.

Artis has also entered into an unconditional agreement to acquire a 105,670 square foot retail building in West Bank, British Columbia. The property is 100% leased to Zellers on a long-term lease with regular rent steps every five years. Management estimates that current in-place rent is 21% below market. The acquisition is expected to close in January, 2010. The purchase price of \$10.0 million, which represents a going-in capitalization rate of 8.32%, will be financed with cash on hand and from the proceeds of a new mortgage financing of \$6.0 million at an estimated interest rate of 5.20%.

Artis has also entered into a conditional agreement to acquire a 100% occupied multi tenant industrial building in Edmonton, Alberta. The 162,860 square foot property is located on a 6.97 acres site in the Sherwood Park Industrial area. The purchase price is estimated at \$13.3 million and the anticipated going-in capitalization rate is 7.46%. Management estimates that current in-place rents are 15% below market. The acquisition is expected to close February, 2010 and will be financed by cash on hand and a new mortgage of \$8.6 million at an estimated interest rate of 5.20%.

"We are very pleased to be increasing our weighting in British Columbia and Saskatchewan real estate with these acquisitions," said Armin Martens, CEO of Artis. "As well, Artis is looking forward to a long and mutually beneficial partnership with Joseph Segal and Kingswood Capital."

Including the impact of all announced acquisitions, Artis' portfolio (by GLA) will be 8.7% in British Columbia, 45.7% in Alberta, 9.1% in Saskatchewan and 36.5% in Manitoba.

The Units have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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. 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.

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.

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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