



FOR IMMEDIATE RELEASE

AUGUST 4, 2010

**ARTIS ANNOUNCES ACQUISITION OF \$116.5 MILLION OF OFFICE
PROPERTIES IN THE GREATER TORONTO AREA, RENEWS \$60.0 MILLION
CREDIT FACILITY**

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has entered into unconditional agreements to acquire the Concorde Centre and Cancross Court portfolio for an aggregate purchase price of \$116.5 million. Artis also confirmed today that it has renewed the \$60.0 million revolving term credit facility, which matures on September 28, 2010.

Concorde Corporate Centre is a three-building Class A suburban office complex comprising 548,742 square feet of leasable area. Concorde Corporate Centre is located in Toronto's Don Mills and Eglinton office node, with direct access to the Don Valley Parkway and easy access to other major thoroughfares in the greater Toronto area (the "GTA"), including Highway 401 and the Gardiner Expressway. The property is 95.0% occupied with strong tenancies in place, including Home Depot Canada, Sport Alliance of Ontario, TD Bank, ESRI Canada and Deloitte & Touche. The weighted-average lease term to maturity is 7.2 years. Concorde Corporate Centre is being acquired for \$87.0 million, which represents an 8.25% going-in capitalization rate. The purchase price is expected to be financed with cash on hand and from the proceeds of an anticipated \$58.0 million of new mortgage financing. Based on today's bond rates, Artis estimates that the interest rate on the financing will be approximately 4.5%. The acquisition is expected to close in the fourth quarter of 2010.

Cancross Court is a two-building Class A suburban office complex comprising 143,877 square feet of leasable area. Cancross Court is located in Mississauga, the western portion of the GTA. The site provides excellent access to major GTA thoroughfares, including Highway 401, and the properties provide for superior parking ratios within this market. Cancross Court's two buildings are currently 100% occupied by three tenants, the largest being HB Group Insurers. The weighted-average lease term to maturity is 9.2 years. Cancross Court is being acquired for \$29.5 million, which represents a 7.75% going-in capitalization rate. The purchase price is expected to be financed with cash on hand and from the proceeds of an anticipated \$18.3 million of new mortgage financing. Based on today's bond rates, Artis estimates that the interest rate on the financing will be approximately 4.5%. The acquisition is expected to close in the third quarter of 2010.

Artis acquired this portfolio through Crown Realty Partners. Crown Realty Partners has been responsible for the management of these properties and will continue on in this capacity. For more information about the Cancross Court and Concorde Corporate Centre properties, readers may visit the Crown Realty Partners web sites at www.crownrealtypartners.com/index.php/properties.

"As the gross book value of our asset base approaches the \$2 billion mark, we believe it is prudent to diversify our portfolio beyond our core Western Canadian market," said Armin Martens, CEO of Artis REIT. "The GTA is a large and vibrant investment market and expanding our focus to include this market enables Artis to pursue more accretive investment opportunities for the benefit of our unitholders."

Artis is also pleased to announce that it has renewed its current \$60.0 million revolving term credit facility with a new \$60.0 million revolving term credit facility (the “acquisition line of credit”). The acquisition line of credit is for a one-year term, with renewal at the option of the REIT for a further one-year term.

Artis is a Canadian real estate investment trust. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial income-producing properties, with a major focus on Western Canada. Artis’ commercial property comprises approximately 9.6 million square feet of leasable area in 111 properties. Leasable area by asset class is approximately 29.5% retail, 32.6% office, and 37.9% industrial. The portfolio is 31.5% in Manitoba, 6.7% in Saskatchewan, 46.6% in Alberta, 14.0% in B.C. and 1.2% in the U.S.

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. 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 at 1.204.947.1250

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this press release.

Suite 300 – 360 Main Street
Winnipeg, MB R3C 3Z3
T 204.947.1250 F 204.947.0453

www.artisreit.com
AX.UN on the TSX