



FOR IMMEDIATE RELEASE

OCTOBER 4, 2010

ARTIS COMPLETES CAD\$120.0 MILLION OF PREVIOUSLY ANNOUNCED ACQUISITIONS, ANNOUNCES CAD\$198.4 MILLION OF NEW ACQUISITIONS AND CAD\$100.9 MILLION EQUITY OFFERING

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Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has entered into unconditional agreements with respect to CAD\$198.4 million of previously unannounced commercial property acquisitions in Calgary, Edmonton and Fort McMurray, Alberta, as well in Mississauga, Ontario and the mid-western United States. As well, Artis confirmed the closing of CAD\$120.0 million of previously announced office and retail property acquisitions.

Artis has also entered into an agreement to sell to a syndicate of underwriters led by CIBC and Canaccord Genuity Corp. (the "Underwriters"), on a bought deal basis, 7,500,000 trust units ("Units") at a price of CAD\$13.45 per Unit for gross proceeds to Artis of CAD\$100,875,000 (the "Financing"). Artis has also granted the Underwriters an option to purchase up to an additional 1,125,000 Units on the same terms and conditions, exercisable at any time, in whole or in part, up to 48 hours prior to the closing of the Financing. Artis intends to use the net proceeds from the Financing to fund future acquisitions and for general trust purposes. The Financing is expected to close on or about October 14, 2010 and is subject to regulatory approval.

"Artis continues to focus on sourcing high-quality commercial property acquisitions in our core Western Canadian market, as well as in select U.S. markets such as Minneapolis where excellent opportunities exist," said Armin Martens, Chief Executive Officer of Artis REIT. "Our deal flow pipeline is solid, and the spreads between capitalization rates and mortgage rates continue to be healthy. We look forward to continued growth in our portfolio and our earnings as we execute on our acquisition program."

New Acquisitions:

The Minneapolis Industrial Portfolio is a 26-building industrial portfolio in Minneapolis, Minnesota. The properties, which are currently 86% occupied, are located on 15 different sites in various submarkets of Minneapolis, Minnesota. The Minneapolis Industrial Portfolio comprises 2,459,565 square feet of leasable area and is tenanted by a combination of office, flex-industrial, warehouse and distribution and light manufacturing tenants. The acquisition of this portfolio will enable Artis to become one of the top five industrial landlords in Minneapolis.

Horizon II is an industrial building located in the Northeast quadrant of Calgary, Alberta. The property is located between two main arteries in the city and is within a five minute walk from the light rail public transit. Horizon II comprises 95,542 leasable square feet and is currently 100% occupied, with New Horizon Storage occupying 67% of the leasable area.

Letourneau Centre is a three-building industrial complex comprising 97,743 square feet of leasable area. The Centre is located in Edmonton, Alberta in one of the principal commercial nodes of the city with high exposure on 99th Street. Letourneau is currently 89.5% occupied with a mix of national, regional and local tenants.

Furniture Pluss Building is a 100% occupied retail building located in Fort McMurray, Alberta. The property, which comprises 21,490 square feet of leasable area is adjacent to Northern Lights Shopping Centre I & II, which is already owned by Artis.

The Dunwin Portfolio is comprised of seven high quality flex-industrial properties located in three small clusters on Dunwin Drive in Mississauga, Ontario. The site is in close proximity to two major GTA highways as well as the Lester B. Person International Airport. The portfolio comprises 157,551 square feet of leasable area and is currently 92% occupied by a mix of national, regional and local tenancies.

Meadowvale Building is a newly constructed four-storey certified LEED Silver Class "A" office property located in Mississauga, Ontario. The building is located in the well established Meadowvale office node, with excellent access to major highways and public transit, and a parking ratio of 3.6 stalls per 1,000 square feet of leasable area. The Meadowvale Building comprises 99,102 square feet of leasable area and is 95% leased; major tenants include Whirlpool Canada and Takeda Canada.

The aggregate purchase price for the newly announced acquisitions is CAD\$198.4 million, which represents a weighted-average going-in capitalization rate of 7.3%. The acquisitions are expected to be financed with cash on hand and from the proceeds of an anticipated CAD\$129.2 million of new fixed and floating rate mortgage financing bearing interest at a weighted-average annual rate of 3.75%. The purchase prices and mortgages related to the US acquisitions are included at their Canadian dollar equivalents based on the exchange rates in effect on October 1, 2010. Pro-forma mortgage debt to gross book value assuming all closings would be approximately 52%.

Previously Announced Acquisitions:

On September 13, 2010, Artis closed the previously announced acquisition of 1045 Howe Street, a 101,145 square feet Class B office building located in Vancouver, British Columbia. 1045 Howe Street is a nine-storey office tower, including a two-storey above ground parking garage. The building is strategically located in Vancouver's downtown south district, minutes from the CBD and other amenities such as the Canada Skytrain service. 1045 Howe Street is 100% occupied by a combination of national and regional tenants with a weighted average lease term to maturity of approximately 6.3 years. The purchase price of CAD\$38.0 million, which represents a going-in capitalization rate of 7.3%, was financed with cash on hand and from the proceeds of a new CAD\$15.6 million five-year mortgage bearing interest at a rate of 5.5% per annum.

On September 30, 2010, Artis closed the previously announced acquisition of Cancross Court, 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 approximately 9.2 years. The purchase price of CAD\$29.5 million, which represents a going-in capitalization rate of 7.8%, was financed with cash on hand and from the proceeds of a new CAD\$18.3 million five-year mortgage bearing interest at a rate of 3.8% per annum.

On September 30, 2010, Artis closed the previously announced acquisition of the Winnipeg retail properties – St. Vital Square and Pembina Village Shopping Centre. St. Vital Square is a six-

building 116,353 square foot unenclosed Class A retail shopping centre located across from St. Vital Centre, one of Winnipeg's premier regional malls. St. Vital Square is 100% occupied with an excellent tenant roster including: Mark's Work Wearhouse, Pier One Imports, Shoppers Drugmart, Moore's and a Manitoba Liquor Commission outlet. Pembina Village Shopping Centre is a seven-building 131,326 square foot unenclosed Class A retail shopping centre located on Pembina Highway, a major Winnipeg thoroughfare to the University of Manitoba, Manitoba's largest student campus. Pembina Village Shopping Centre is 100% occupied with an excellent tenant roster including: Winner's, Jysk, Pennington's and Applebee's.

The purchase price for the two properties of CAD\$52.5 million, which represents a going-in-capitalization rate of 7.2%, was financed with cash and hand and from the proceeds of two new mortgages aggregating CAD\$37.0 million, bearing interest at a weighted average annual rate of 4.2%, based on today's prime banking rates.

Artis is a diversified Canadian real estate investment trust investing in office, industrial and retail properties. 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 over 10.1 million square feet of leasable area in 117 properties. Leasable area by asset class is approximately 30.9% retail, 33.3% office, and 35.8% industrial. The portfolio is 14.3% in B.C., 44.7% in Alberta, 6.3% in Saskatchewan, 32.2% in Manitoba, 1.4% in Ontario, and 1.1% in the U.S.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Chief Administrative Officer 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