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ARTIS ANNOUNCES \$165.0 MILLION OF NEW ACQUISITIONS AND COMPLETES \$117.0 MILLION OF PREVIOUSLY ANNOUNCED ACQUISITIONS

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has entered into unconditional agreements with respect to the acquisition of \$165.0 million of office properties in Canada and the United States. Artis also confirmed the closing of \$117.0 million of previously announced property acquisitions.

New Acquisitions

[Stampede Station](#) is a newly constructed Class AA ten-storey office building located in Calgary, Alberta. The building comprises 161,683 square feet of leasable space and is strategically located in Calgary's Business District, across the street from the Calgary Stampede and Convention Grounds as well as a Light Rail Transit station. A first right of refusal to acquire the future Phase II Office development of 315,000 square feet was also obtained. The building features an excellent parking ratio of 2.0 stalls per 1,000 square feet of leasable space; a ratio that is superior to similar buildings within the beltline and downtown areas. Stampede Station is 100.0% occupied by several high credit tenants on long-term leases, including IHS Energy Canada, ATB Financial, and Tundra Engineering Associates. The weighted-average lease term to maturity is 6.5 years with multiple rent step ups. Tenant spaces totaling 55% of the building's GLA have achieved LEED Gold status. LEED Silver status for the building is anticipated within a year. The purchase price of \$90.0 million (which represents a price of \$437 per square foot, excluding the parking structure and lot) was financed with cash on hand and from the proceeds of a new \$58.0 million five-year mortgage bearing interest at a fixed rate of 3.88% per annum. The acquisition closed on July 26, 2011.

Artis has also agreed to acquire from the Ryan Companies US Inc. ("Ryan") a new [Class AA LEED Silver certified professional office building](#), currently under construction in northeast Phoenix, Arizona. Once built, the property will comprise 210,202 square feet of leasable area. The building design can accommodate an expansion of an additional 52,000 square feet. The building is 100.0% pre-leased to the United States of America (Government Services Administration, "GSA") for a term of 20 years. The lease is structured as a fully net lease, with all operating costs to be passed along to the tenant. The building is situated on a 12.29 acre site that will also be improved with a 345 stall parkade and 60 surface parking stalls, to provide for an excellent parking ratio of 1.93 stalls per 1,000 square feet of leasable area. The acquisition is anticipated to close in February 2012, upon substantial completion and tenant occupancy. The purchase price of the building is US\$75.0 million. In conjunction with the closing of this transaction, Artis has secured a 20-year, non-recourse, fixed rate mortgage in the amount of US\$68.5 million, which represents a 91% loan-to-value ratio for the property. The term of the mortgage will be co-terminus with the GSA lease and the loan will bear interest at a fixed rate of 4.67% per annum. Artis' management feels that this mortgage debt represents conservative, risk-free financing as well as an excellent natural currency hedge. Ryan will be engaged as the property manager for this building.

Artis calculates the weighted average capitalization rate for the above announced acquisitions to be 7.0%.

Artis recalculated its reported Q1-2011 Property NOI to adjust for the impact of Q1-2011 acquisitions completed in the period, as well as for the impact of all other acquisitions completed and announced to date. This results in a pro-forma quarterly Property NOI of \$51.8 million, or \$207.0 million on an annualized basis.

Previously Announced Acquisitions

On June 28, 2011, Artis closed the previously announced acquisition of [415 Yonge Street](#), a 191,880 square foot downtown Toronto office property. The purchase price of \$49.7 million, representing a going-in capitalization rate of 7.0%, was financed with cash on hand and from the proceeds of a \$35.0 million, 10-year mortgage bearing interest at a rate of 4.67% per annum.

On June 30, 2011, Artis closed the previously announced acquisition of the [Union Hills Office Plaza](#), a 142,773 square foot three-storey Class A office building located in metropolitan Phoenix, Arizona. The purchase price of US\$27.1 million, representing a going-in capitalization rate of 8.1%, was financed with cash on hand and from the proceeds of a US\$18.9 million five-year mortgage bearing interest at a floating rate currently equivalent to 2.46% per annum based on current bond rates.

On June 30, 2011, Artis closed the previously announced acquisition of [201 Westcreek Boulevard](#), a 301,113 square foot Class A industrial building, with 70,977 square feet of office space on two floors. The purchase price of \$34.4 million, representing a going-in capitalization rate of 8.4%, was financed with cash on hand and from the proceeds of a \$22.8 million three-year mortgage bearing interest at a rate of 3.43% per annum.

On July 6, 2011, Artis closed the previously announced acquisition of the [Plymouth Corporate Campus](#), an 83,617 square foot industrial showroom complex located in a suburb of Minneapolis, Minnesota. The purchase price of US\$5.8 million, representing a going-in capitalization rate of 8.3%, was financed with cash on hand.

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 properties in Canada and the United States, with a major focus on Western Canada. Artis' commercial property comprises nearly 16.5 million square feet of leasable area in 161 properties. Leasable area by asset class is approximately 22.3% retail, 34.3% office and 43.4% industrial. The portfolio is located 9.7% in British Columbia, 30.3% in Alberta, 5.6% in Saskatchewan, 19.5% in Manitoba, 12.1% in Ontario and 22.8% in the U.S.

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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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