

January 17, 2012

**ARTIS ANNOUNCES \$75.3 MILLION EQUITY OFFERING AND
\$77.9 MILLION OF OFFICE PROPERTY ACQUISITIONS**

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IN THE UNITED STATES

Artis Real Estate Investment Trust (TSX: AX.UN) ("Artis" or the "REIT") announced today that it has entered into an agreement to sell to a syndicate of underwriters led by RBC Capital Markets, CIBC and Canaccord Genuity Corp. (the "Underwriters"), on a bought deal basis, 5,000,000 trust units ("Units") at a price of \$15.05 per Unit for gross proceeds to Artis of \$75,250,000 (the "Financing"). Artis has also granted the Underwriters an option to purchase up to an additional 750,000 Units on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days following the closing of the Financing.

The Financing is being made pursuant to the REIT's base shelf prospectus dated August 19, 2010. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators. The Financing is expected to close on or about January 26, 2012 and is subject to regulatory approval.

Artis intends to use the net proceeds from the Financing to fund future acquisitions, for debt repayment and for general trust purposes.

Artis continues to enjoy a strong deal flow pipeline, with a continued focus on the accretive acquisition of quality commercial properties, in select markets in Canada and the U.S.

Office Property Acquisitions:

Artis has entered into an unconditional agreement with respect to the acquisition of North 48 Commercial Complex, a 63,571 square foot newly constructed Class B office property located in Saskatoon, Saskatchewan. North 48 was constructed in 2008, and is currently 100% leased to ICR Commercial Real Estate and Cameco until 2018. The property includes a 22 stall enclosed parking garage and ample outdoor parking spots. The property is centrally located on Millar Avenue, the major north south connector road in the north business district. The purchase price of CAD \$18.4 million, representing an average capitalization rate of 7.0%, is expected to be financed with cash on hand. The acquisition is expected to close on or about January 31, 2012.

On December 22, 2011, Artis acquired Two MarketPointe a 241,695 square foot LEED Gold Class A office property located in Minneapolis, Minnesota. The property includes a 969 stall parking structure which provides for an excellent parking ratio of 4.0 stalls per 1,000 square feet of leasable space. Tenant amenities include an on-site fitness facility, a deli and convenience store, and a full-service bar and upscale restaurant. Two MarketPointe was constructed in 2008, and is currently 91.3% occupied by a mixture of national and regional tenants, all with prescribed annual rent increases. The weighted-average term to maturity of the leases is 7.0 years. The purchase price of US\$59.5 million, which represents a going-in capitalization rate of 7.5% on the building, was financed with cash on hand and from the proceeds of a new US\$40.64 million 5-year mortgage bearing interest at a floating rate currently equivalent to 2.78% per annum. The purchase price for the property includes \$3.0 million for an additional 5.7 acres of land located directly adjacent to the property that is available for development.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The Units being offered have not been and will not be registered under the U.S. Securities Act of 1933 and state securities laws. Accordingly, the Units may not be offered or sold to U.S. persons except pursuant to applicable exemptions from registration requirements.

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 16.9 million square feet of leasable area in 163 properties. Leasable area by asset class is approximately 22.2% retail, 36.3% office and 41.5% industrial. The portfolio is located 9.5% in British Columbia, 29.5% in Alberta, 5.5% in Saskatchewan, 20.5% in Manitoba, 11.7% in Ontario and 23.3% 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.

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