



FOR IMMEDIATE RELEASE

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ARTIS ANNOUNCES \$242.3 MILLION OF NEW ACQUISITIONS AND COMPLETES \$60.3 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 \$189.0 million of industrial, retail and office properties in Canada and US\$53.3 million of retail and office properties in the United States. Artis also confirmed the closing of \$60.3 million of previously announced Canadian office and industrial property acquisitions.

New Canadian Acquisitions

[1165 Kenaston](#) is a 180,689 square foot industrial building and two-storey office complex located in Ottawa, Ontario. The property has excellent access to the city’s downtown core, as well as Highway No. 117, Ottawa’s primary east/west thoroughfare. The building is 100.0% leased to St. Joseph Communications on a long-term lease expiring in 2019, with contractual rent increases. St. Joseph Communications is the largest privately owned communications company in Canada and the leading provider of totally integrated communication solutions. The purchase price of \$21.5 million, representing a going-in capitalization rate of 6.9% and a purchase price per square foot of \$119, is expected to be financed with cash on hand and by way of the assumption of approximately \$11.7 million of existing mortgage financing, maturing in May 2015 and bearing interest at a rate of 4.50% per annum. The acquisition is anticipated to close on or about May 27, 2011.

[Victoria Square Shopping Centre](#) is a 297,122 square foot enclosed regional mall, well-located on Ring Road and Victoria Avenue (the Trans Canada Highway) in Regina, Saskatchewan. Victoria Square is one of Regina’s largest regional malls and forms part of an established retail node, in close proximity to a Costco, Home Depot and many other national retailers. The centre is 97.2% occupied by a mix of national and regional tenants, including TD Bank, Shoppers Drug Mart, Sport Chek and a recently upgraded new format Safeway store. The purchase price of \$49.0 million, representing a going-in capitalization rate of 6.8% and a purchase price per square foot of \$165, is expected to be financed with cash on hand and by way of the assumption of approximately \$23.6 million of existing mortgage financing, maturing in January 2013 and bearing interest at a rate of 4.50% per annum. The acquisition is anticipated to close on or about May 31, 2011.

[McGillivray Cineplex](#) is a 42,725 square foot Cineplex theatre located in the growing Kenaston retail power node of Winnipeg, Manitoba. The property is leased to Cineplex until 2026. The purchase price of \$13.0 million is expected to be financed with cash on hand and from the proceeds of an assumed \$9.1 million mortgage maturing in June 2018 and bearing interest at a rate of 5.56% per annum. In addition, the property allows for future development opportunities, including an 18,582 square foot Shoppers Drug Mart, with which Artis has entered into an executed offer to lease for a 20-year lease term. The cost to develop the property is estimated to be approximately \$8.0 million, which will be financed with cash on hand and from the proceeds of new construction financing bearing interest at a rate of prime plus 50 bps. The acquisition is anticipated to close on or about June 10, 2011 and the development is expected to be completed by early 2012. The capitalization rate of the acquisition plus the development is estimated to be 7.0% or higher.

The [415 Yonge Street](#) property is a 191,880 square foot 19-storey office building located in Toronto's Downtown North office node in close proximity to the University of Toronto, College Park and the Subway station, which provides easy access to local amenities. The building is 98.6% leased to an attractive mix of national, regional and government tenants, including Ryerson University and the Ministry of Health. 415 Yonge Street has a BOMA Best Level 3 Certification, as well as 133 underground parking stalls. The purchase price of \$49.7 million, representing a going-in capitalization rate of 7.0% and a purchase price per square foot of \$259, is expected to be financed with cash on hand and from the proceeds of a new \$35.0 million 10-year mortgage bearing interest at a rate anticipated to be approximately 4.79% per annum based on today's bond rates. The acquisition is anticipated to close on or about June 28, 2011.

[MTS Place](#) is a 269,124 square foot two-building office complex located in the heart of Winnipeg's financial district, in close proximity to major local thoroughfares and adjacent to the 360 Main Street building, also owned by Artis. The property is currently 100.0% occupied, with the largest tenant, MTS Allstream, occupying 90.0% of the space on a long-term lease with contractual rent increases. Both buildings have achieved a BOMA Best Level 1 Certification. The purchase price of \$55.8 million, representing an average capitalization rate of 7.1% and a purchase price per square foot of \$207, is expected to be financed with cash on hand and by way of the assumption of approximately \$39.5 million of existing mortgage financing, maturing in June 2017 and bearing interest at a rate of 5.14% per annum. The acquisition is anticipated to close in summer 2011.

New Acquisitions in the United States

[605 Waterford Park](#) is a 199,365 square foot Class A suburban office building located in a suburb of Minneapolis, Minnesota. The property is strategically located in the I-394 office submarket, with excellent access to the retail amenities of the Waterford Plaza and the Ridgedale Regional Mall and located just 10 minutes from the Minneapolis CBD. 605 Waterford Park is 87.3% leased to several national and regional tenants, including SHPS, Spanlink, Winmark and U.S. Energy. The property features a total of 770 parking stalls, 485 of which are surface stalls, 235 are covered, and 50 are indoor executive stalls. The purchase price of US\$25.0 million, representing a going-in capitalization rate of 9.2% and a purchase price per square foot of \$125, is expected to be financed with cash on hand and by way of the proceeds of a new US\$17.3 million 5-year floating rate mortgage bearing interest at a rate currently equivalent to 2.45% per annum. The acquisition is anticipated to close on or about June 1, 2011.

The [Ryan Retail Portfolio](#) is comprised of five shopping centres, shadow-anchored by Target Supercentres and located throughout the greater Minneapolis/St. Paul area. The total portfolio comprises 508,862 square feet of leasable area and is 98.7% occupied with a high proportion of national tenants, including Home Depot, Best Buy, OfficeMax, PetSmart and Caribou Coffee. The purchase price of US\$28.3 million, representing a going-in capitalization rate of 7.9%, is expected to be financed with cash on hand and from the proceeds of an anticipated new US\$19.8 million 5-year floating rate mortgage bearing interest at a rate currently equivalent to 2.45% per annum. The acquisition is anticipated to close on or about June 15, 2011.

Previously Announced Acquisitions

On April 15, 2011, Artis closed the previously announced acquisition of the [Cara Foods Building](#), a 100,398 square foot LEED Silver office complex located in Vaughn, Ontario. Artis acquired a 50% interest in this property for a purchase price of \$21.0 million, representing an average capitalization rate of 6.7%.

On April 29, 2011 Artis closed the previously announced acquisition of the [3M Distribution Facility](#), a newly constructed, state of the art industrial building located in the town of Milton, part of the Greater Toronto Area (GTA). Artis acquired this property for a purchase price of \$39.3 million, representing a going-in capitalization rate of 6.8%.

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 over 14.8 million square feet of leasable area in 148 properties. Leasable area by asset class is approximately 22.3% retail, 32.4% office and 45.3% industrial. The portfolio is located 10.9% in British Columbia, 32.7% in Alberta, 4.3% in Saskatchewan, 21.4% in Manitoba, 8.9% in Ontario and 21.8 % 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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