



FOR IMMEDIATE RELEASE

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**ARTIS ANNOUNCES \$52.5 MILLION OF
NEW ACQUISITIONS AND \$80.5 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 to acquire two Winnipeg retail properties – St. Vital Square and Pembina Village Shopping Centre – for \$52.5 million.

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, 6,600,000 trust units ("Units") at a price of \$12.20 per Unit for gross proceeds to Artis of \$80,520,000 (the "Financing"). Artis has also granted the Underwriters an option to purchase up to an additional 990,000 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 September 2, 2010 and is subject to regulatory approval.

"Financing for quality retail product like St. Vital Square and Pembina Village Shopping Centre continues to be cost effective, providing a healthy spread between cap rates and mortgage rates. We are very pleased to be adding these two quality retail properties to our portfolio," said Armin Martens, CEO of Artis REIT. "In addition, Artis has a strong deal flow pipeline. We are at various stages of due diligence on a number of potential acquisitions. With the closing of this new equity offering, we will have the necessary capital to take advantage of these opportunities, and further grow our portfolio and our earnings."

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 Warehouse, Pier One Imports, Shoppers Drugmart, Moore's and a Manitoba Liquor Commission outlet. The centre, which was constructed in phases between 1986 and 2008, enjoys a parking ratio of 4.3 stalls per thousand square feet of leasable area.

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 centre was constructed in phases between 1985 and 1994, and updated in 2007. Pembina Village Shopping Centre boasts a parking ratio of 4.8 stalls per thousand square feet of leasable area. In addition, the northwest corner of the site has approximately 1.75 acres of excess land for potential future development.

The purchase price for the two properties is \$52.5 million, which represents a going-in capitalization rate of 7.2%. Management estimates that in-place rents are currently 10% below market. Artis expects to finance the purchase price with cash on hand and from the proceeds of new mortgage financing totaling \$36.8 million bearing floating interest rates estimated to be 3.5% based on today's prime banking rates. The acquisitions are anticipated to close on or about September 30, 2010.

On August 13, 2010, Artis closed the previously announced acquisition of Uplands Common. Uplands Common is a 100% occupied three-building food-anchored retail centre in Lethbridge, Alberta. Lethbridge is Alberta's fourth largest city, with a trading population of approximately 275,000 people. Uplands Common, which was constructed in 2003, comprises 53,392 square feet of leasable area with an excellent parking ratio of 4.1 stalls per 1,000. Uplands Common has a strong tenant profile, with a mix of local and national tenants in-place, anchored by a new format Sobey's on a long-term lease expiring in 2023. The purchase price of \$12.5 million was financed with cash on hand and from the assumption of existing mortgage financing in the amount of \$7.6 million, bearing interest at a rate of 5.44%, which expires in 2015.

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 approximately 9.6 million square feet of leasable area in 111 properties. Leasable area by asset class is approximately 29.9% retail, 32.4% office and 37.7% industrial. The portfolio is 31.3% in Manitoba, 6.6% in Saskatchewan, 46.9% in Alberta and 14.0% in B.C. and 1.2% in Minneapolis, MN.

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.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer,
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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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