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## **ARTIS ANNOUNCES \$27.7 MILLION BC RETAIL ACQUISITION AND CLOSES \$72.0 MILLION OF PREVIOUSLY ANNOUNCED PROPERTIES**

Artis Real Estate Investment Trust (TSX: AX.UN) (“Artis” or the “REIT”) announced today that it has entered into an unconditional agreement to acquire Tamarack Mall, a regional shopping centre in Cranbrook, British Columbia. As well, Artis has completed the previously announced acquisitions of a retail property in Kelowna, British Columbia, and two industrial properties – one in Edmonton, Alberta, and the other in Saskatoon, Saskatchewan.

Tamarack Mall is the premiere shopping destination in Cranbrook, British Columbia. It is an enclosed shopping centre occupied by solid national tenants including Zellers, Winners, Shoppers Drugmart and Staples. Together with the newly developed Boston Pizza and Tim Hortons pad sites, the centre comprises 287,741 square feet of rentable area and is 96.7% leased. The City of Cranbrook is the largest urban community in south-eastern British Columbia. Forestry, mining, manufacturing, tourism, trade services, and transportation constitute the base economies of the region. The purchase price of \$27.7 represents a going-in capitalization rate of 8.7%. The acquisition is anticipated to close in Q2-10 and the purchase price will be satisfied with cash on hand and from the proceeds of new \$19.6 million of mortgage financing, bearing interest at an estimated rate of 5.5% per annum.

Artis acquired the Westbank Zellers property on January 14, 2010. The property is a 105,670 square foot retail building 100% occupied by Zellers. Westbank Zellers is located in the Glenrosa Neighbourhood, an easily accessible and growing commercial and residential neighbourhood in West Kelowna, British Columbia. The site is shadow anchored by an Extra Foods and has ample parking. The Zellers lease is in place until 2023, and provides for regular rent steps at five year intervals. Management estimates that the current in-place rent is 21% below market. The purchase price of \$10.0 million, which represents a going-in capitalization rate of 8.32%, was satisfied with cash on hand and from the proceeds of new five-year mortgage financing of \$6.0 million bearing interest at an estimated rate of 5.14% per annum.

Artis acquired the Maple Leaf Building on January 29, 2010. The Maple Leaf Building is a 163,418 square foot industrial building in Saskatoon, Saskatchewan. The building consists of 140,000 square feet of freezer and cooler space and 23,418 square feet of office space. The facility is currently occupied by Maple Leaf Foods on a newly executed 20 year lease, which provides for rent steps every five years. The purchase price of \$25.5 million, which represents a weighted average capitalization rate of 8.56%, was satisfied with cash on hand and from the assumption of \$17.3 million of existing mortgage financing, which matures in 2014 and bears interest at a rate of 5.0% per annum.

Artis acquired Sherwood Centre on January 29, 2010. Sherwood Centre is a 162,860 square foot multi-tenant industrial property in Edmonton, Alberta. The property is an attractive facility with a modern office/warehouse development and is well-located on a large 6.97 acre landscaped site in Edmonton’s Southside Sherwood Park industrial district. Sherwood Centre is 100% occupied by three tenants, with a weighted average lease term of 4.9 years. Management estimates that the rents are approximately 15% below market. Sherwood Centre was purchased for \$13.3 million which

represents a going-in capitalization rate of 7.46%. The purchase price was satisfied with cash on hand and from the proceeds of new five-year mortgage financing of \$8.6 million bearing interest at a rate of 5.06% per annum.

As previously announced, Artis acquired a 50% interest in the Kincaid Building and the Cliveden Building in Metro Vancouver, British Columbia, with its partner, Kingswood Capital Corporation ("Kingswood Capital") of Vancouver, British Columbia. The Kincaid Building is a five storey office building, 100% occupied by Eastman Kodak, located in the Discovery Place Business Park in Burnaby, British Columbia. The Cliveden Building is a two storey building comprised of 46,105 square feet of office space and 93,171 square feet of manufacturing and warehouse space. The 50% interest in these properties was acquired for \$23.0 million, which represented a weighted average going-in capitalization rate on stabilized income of 7.50%. The purchase price was satisfied with cash on hand and from the proceeds of a new \$9.0 million financing bearing interest at a rate of 4.71% per annum.

"We are very pleased to be able to acquire this caliber of real estate at these capitalization rates," said Armin Martens, CEO of Artis. "As the cost of financing has also decreased, this is an ideal time for Artis to pursue accretive acquisitions in segments of the Canadian market that we believe will continue to perform strongly. We expect to continue to grow our portfolio through 2010, and will continue to diversify our portfolio, while staying true to our western Canadian roots."

Artis also confirmed today that by the end of January, \$20.0 million of mortgage financing and the full balance on the acquisition line of credit had been repaid.

"Artis REIT is starting 2010 in a sound financial position," said Jim Green, CFO of Artis. "We have increased our equity with the conclusion of our recent bought deal financing, redeployed capital into acquisitions, decreased our debt-to gross-book value ratio and freed up the full \$60 million of capacity on the acquisition line of credit. Artis is ready to take advantage of future acquisition opportunities in 2010."

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Artis is a growth oriented real estate investment trust focused exclusively on commercial properties located in primary and growing secondary markets in western Canada. The REIT's goal is to provide unitholders the opportunity to invest in high quality western Canadian office, retail and industrial properties, as well as to provide monthly cash distributions that are stable, tax efficient, and growing over time.

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](http://www.artisreit.com).

For further information please contact Mr. Armin Martens, President and Chief Executive Officer,  
Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Senior VP – Investor Relations  
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](http://www.artisreit.com)  
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