



FOR IMMEDIATE RELEASE

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ARTIS RELEASES THIRD QUARTER 2009 RESULTS; REPORTS SOLID SAME-PROPERTY NOI GROWTH

Today Artis Real Estate Investment Trust ("Artis" or "the REIT") issued its financial results and achievements for the three and nine month period ended September 30, 2009.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- ◆ In Q3-09 Artis raised additional capital through the issuance of 5-year convertible debentures, the private placement of new units and from property dispositions. Artis redeployed a substantial portion of these proceeds toward the repayment of short and long-term debt. At September 30, 2009 Artis had \$23.0 million of cash on hand compared to \$14.3 million at June 30, 2009 and had decreased the total long-term debt and bank indebtedness to gross book value ("GBV") ratio from 54.7% at June 30, 2009 to 54.3% at September 30, 2009.
- ◆ At September 30, 2009, the ratio of mortgages, loans and bank indebtedness to GBV was 47.7%, a decrease from 51.6% at December 31, 2008.
- ◆ Q3-09 revenue increased 0.8% (\$277,000) over Q3-08 to reach \$33.6 million; year-to-date, revenue increased 5.4% (\$5.2 million) to \$101.8 million.
- ◆ Q3-09 same Property NOI, excluding non-cash revenue adjustments, increased 3.6% (\$642,000) over Q3-08; year-to-date, same Property NOI increased 5.9% (\$3.0 million).
- ◆ Q3-09 property net operating income ("Property NOI") was \$23.1 million, down 0.3% from Q3-08; year-to-date, Property NOI increased 3.4% (\$2.3 million) to reach \$69.8 million.
- ◆ 2009 year-to-date interest coverage ratio was 2.25, compared to 2.24 for 2008 year-to-date.
- ◆ At September 30, 2009, portfolio occupancy was 96.4% (96.7% including committed space), compared to 96.2% at Q2-09.

SELECTED FINANCIAL INFORMATION

<i>\$000's, except per unit amounts</i>	Three month period ended September 30,		Nine month period ended September 30,	
	2009	2008	2009	2008
Revenue	\$ 33,567	\$ 33,290	\$ 101,786	\$ 96,580
NOI	23,064	23,124	69,824	67,519
DI	12,187	14,010	38,984	41,053
FFO	12,963	13,892	40,355	40,463
DI per unit (basic)	0.37	0.42	1.18	1.25
FFO per unit (basic)	0.39	0.42	1.22	1.24
Distributions	0.27	0.27	0.81	0.80
FFO payout ratio	69.2%	64.3%	66.4%	64.5%

<i>\$000's</i>	September 30, 2009	December 31, 2008
Total assets	\$ 1,141,731	\$ 1,243,693
GBV	1,307,939	1,374,377
Mortgages, loans and bank indebtedness	624,273	708,869
Mortgages, loans and bank indebtedness to GBV	47.7%	51.6%

"The third quarter of 2009 has been a period of significant activity for Artis," said Armin Martens, President and Chief Executive Office of Artis REIT. "We have worked hard to improve our liquidity and strengthen our balance sheet. Artis raised significant capital from the issuance of a new series of convertible debentures, plus subsequent new issues of equity units. We have also raised capital through the selective disposition of properties; focusing on opportunities to realize gains or minimize our exposure to markets where we are heavily weighted. A consequence of these measures has been dilution to certain key measures, such as DI and FFO per unit. However, we have now successfully recharged our balance sheet, and are ready to focus on acquisition and other growth opportunities as we look ahead."

Financing Activities

On July 9, 2009, Artis closed a \$40.0 million public offering of 5-year convertible unsecured subordinated debentures (the "Series E Debentures"). On July 15, 2009, an additional \$6.0 million of the Series E Debentures were issued pursuant to the exercise of the underwriters' overallotment option. The Series E Debentures pay interest at a rate of 7.5% per annum and are listed on the Toronto Stock Exchange as AX.DB.E.

On July 31, 2009, Artis issued 555,555 units at a price of \$9.00 per unit for aggregate gross proceeds of \$5.0 million pursuant to a non-brokered private placement agreement.

On September 15, 2009, Artis announced that it had entered into a bought-deal arrangement to sell to a syndicate of underwriters, 3,400,000 units (exclusive of units issuable upon the exercise of the over-allotment option granted to the underwriters) at a price of \$9.00 per unit. The offering closed on October 6, 2009, for gross proceeds of \$30.6 million. On October 22, 2009, the underwriting syndicate exercised its full over-allotment option and a further 510,000 units were issued for gross proceeds of \$4.6 million.

In Q3-09, Artis dealt with all the remaining 2009 mortgage maturities; there are no mortgages left to refinance in 2009. As at September 30, 2009, approximately 12.3% of its mortgage debt is maturing in 2010 and 6.6% of Artis' mortgage debt is maturing in 2011. The average size of mortgages to be refinanced for 2010 and 2011 are \$6.5 million and \$7.0 million respectively. Management is currently in discussion with various lenders with respect to the 2010 and 2011 refinancings.

Portfolio Disposition and Acquisition Activity

On July 15, 2009, the sale of the property known as Albert Street Mall, a retail centre in Regina, Saskatchewan was completed and Artis realized net cash proceeds of \$2.0 million. On July 27, 2009, the sale of the property known as Bridges Centre, a two-storey office building in Calgary, Alberta was completed and Artis realized net cash proceeds of \$1.8 million. Artis recorded a net gain of \$392,000 as a result of these transactions.

Subsequent to September 30, 2009, Artis disposed of the property known as Willowglen Business Plaza ("Willowglen"). Willowglen is a 285,813 square foot suburban Class "B" office property located in the North East section of Calgary, Alberta. The property sold for \$28.3 million which represents a capitalization rate of approximately 8.3%. The disposition closed on October 1, 2009. The REIT expects to record a gain of approximately \$4.7 million on the transaction in Q4-09. In conjunction with the Willowglen sale, Artis agreed to acquire from the purchaser a newly developed flex-industrial property in the Kingsview Business Park in Airdrie, Alberta. The purchase price for the Airdrie property, including additional development lands, was \$4.6 million. Artis realized cash proceeds of approximately \$4.4 million on the closing of these transactions.

Subsequent to September 30, 2009, Artis disposed of the property known as Franklin Showcase Warehouse, an industrial property in Calgary, Alberta. The property was sold for \$6.0 million, which represented a capitalization rate of approximately 8.2%. Artis realized cash proceeds of \$2.3 million on the sale, and expects to record a gain of approximately \$621,000 in Q4.

Subsequent to September 30, 2009, Artis acquired the Winnipeg Industrial Portfolio from ING Canada. The portfolio is comprised of 13 light and flex-industrial properties located in the St. James Industrial area, Omand's Creek industrial area, Inkster Industrial Park and Fort Garry Industrial Park. The net rentable area of the portfolio is over 721,000 square feet, and is 92.5% occupied (excluding one property considered to be in development). The acquisition closed on October 29, 2009. The aggregate purchase price for the portfolio was \$42.7 million, which the REIT satisfied by

way of cash on hand. Artis has secured a commitment for \$27.5 million of new 10-year mortgage financing bearing interest at a rate of 6.3% per annum.

Liquidity and Capital Resources

At September 30, 2009, Artis had \$23.0 million of cash and cash equivalents on hand. Subsequent to September 30, 2009, Artis realized \$35.2 million of proceeds from the issuance of new units and \$6.7 million from property dispositions. These proceeds, in addition to the cash on hand at September 30, 2009, were used to fund acquisitions that closed subsequent to September 30, 2009, with the significant balance available to be redeployed into future acquisitions, or for debt repayment and working capital purposes.

In addition to cash resources, the REIT also has \$29.3 million undrawn and available on its line of credit. The undrawn balance can be utilized to fund future acquisitions; alternately, up to \$10.0 million of the undrawn facility may be utilized for general corporate purposes, up to \$10.0 million may be utilized to provide mezzanine financing and up to \$7.5 million may be utilized to purchase units under the REIT's normal course issuer bid. In Q3-09, Artis exercised its option and extended the maturity date on the line of credit to September 28, 2010.

At September 30, 2009, the ratio of mortgages, loans and bank indebtedness to GBV was 47.7%, a decrease from 51.6% at December 31, 2008. The ratio is well within the 70% limit set out in the REIT's Amended and Restated Declaration of Trust.

Operational Improvements and Internal Growth

Portfolio occupancy at September 30, 2009 remains strong at 96.4% (96.7% including commitments). Excluding GAAP adjustments for straight-line rent and above- and below-market rent adjustments, Q3-09 same Property NOI results increased 3.6% over Q3-08. The same Property NOI growth was driven primarily by increases in base rental rates achieved on lease turnovers.

In Q3-09 Artis leased or renewed 229,529 square feet of leasable area and the weighted average rental rates achieved on lease turnovers in the period were approximately 34.0% higher than the rates in place at expiry (year-to-date, 18.0%). At September 30, 2009, the weighted average in-place rent per square foot across the portfolio was \$13.70, compared to \$13.10 at September 30, 2008.

At September 30, 2009, 2.8% of the portfolio's leasable area was set to expire in the remainder of 2009. 82.1% of these remaining expiries have been renewed or new lease commitments secured. To date, 96.3% of the total 2009 leasing program is complete; with tenant retention of approximately 73% achieved for the year. 15.8% of the portfolio's leasable area will expire in 2010, and to date 19.7% of these expiries have already been renewed. The weighted average term to maturity of all leases in the portfolio is 4.9 years; for the top ten tenants (who account for 23.7% of the portfolio's gross revenues at September 30, 2009, the weighted average lease term is 9.0 years.

Portfolio Leasing and Tenant Profile

Artis' lease expiry profile at September 30, 2009 is summarized as follows:

Expiry Year	British Columbia				Calgary Office Only		Total
	Columbia	Saskatchewan	Manitoba	Alberta	Only		
2009	0.0%	0.3%	1.1%	1.4%	0.5%	2.8%	
2010	0.4%	1.4%	6.9%	7.1%	1.9%	15.8%	
2011	0.2%	0.8%	5.5%	9.4%	5.3%	15.9%	
2012	1.3%	0.3%	2.7%	4.3%	2.3%	8.6%	
2013	0.3%	1.9%	4.3%	8.1%	5.1%	14.6%	
2014	0.5%	0.9%	5.0%	4.1%	1.5%	10.5%	
2015 & Later	1.9%	2.0%	4.2%	18.3%	7.1%	26.4%	
M-T-M	0.3%	0.0%	0.2%	0.4%	0.1%	0.9%	
Vacancies	0.9%	0.0%	0.9%	2.7%	2.2%	4.5%	
Total GLA	362,102	476,230	1,928,010	3,496,318	1,622,799	6,262,660	

Artis' management reviews the current market rents across its portfolio on an on-going basis. Management estimates that the weighted average market rent rates at September 30, 2009 for all remaining 2009 lease expiries and for the 2010 lease expiries are approximately 14.3% and 13.8% higher than the rates in place at lease expiry.

At September 30, 2009, 54.3% of the REIT's GLA is occupied by national tenants, 8.4% by government tenants and the remainder by regional and local tenants. Artis' top twenty (non-government) tenants in the portfolio account for 31.7% of the REIT's gross revenues and the weighted average term to maturity on those leases is 7.8 years.

Artis' portfolio leasing and tenant profile will be impacted by the significant acquisition and disposition activities concluded subsequent to September 30, 2009. Further information about the impact of these transactions on the portfolio are included in the Supplemental Package for September 30, 2009, which may be downloaded from the REIT's web site at www.artisreit.com. Additional information about the REIT's portfolio can be found in the Management's Discussion and Analysis for the three and nine month periods ending September 30, 2009.

Upcoming Webcast and Conference Call:

Interested parties are invited to participate in a conference call with management on Thursday, November 12, 2009 at 1:00 p.m. EST. In order to participate, please dial 1-416-695-6617 or 1-800-355-4959. You will be required to identify yourself and the organization on whose behalf you are participating.

Alternatively, you may access the simultaneous webcast by following the link from our website at http://www.artisreit.ca/areit_investor.php. Prior to the webcast, you may follow the link to confirm you have the right software and system requirements.

If you cannot participate on November 12, 2009, a replay of the conference call will be available by dialing 1-416-695-5800 or 1-800-408-3053 and entering passcode #3731783. The replay will be available until November 26, 2009. The webcast will be archived 24 hours after the end of the conference call and will be accessible for 90 days.

Artis is a 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.

Artis' commercial property comprises approximately 6.7 million square feet of leasable area in 95 properties. Leasable area is approximately 40% in Manitoba, 7% in Saskatchewan, 48% in Alberta, and 5% in B.C.; by asset class the portfolio is 29% retail, 34% office and 37% industrial.

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.

Non-GAAP Performance Measures

DI, Property NOI and FFO are non GAAP measures commonly used by Canadian income trusts as an indicator of financial performance. Management uses DI, Property NOI and FFO to analyze operating performance. DI, Property NOI and FFO may not be comparable to similar measures presented by other issuers. DI, Property NOI and FFO are not intended to represent operating profits for the period or from a property nor should any such measure be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

Cautionary Statements

The comments and highlights herein should be read in conjunction with the consolidated financial statements and management's discussion and analysis for the same period. These documents are available on the SEDAR website at www.sedar.com. They are also posted on the Artis web site at www.artisreit.com.

This press release contains forward looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements. Without limiting the foregoing, the words "expects", "anticipates", "intends", "estimates", "projects", and similar expressions are intended to identify forward looking statements. Artis is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied in these forward looking statements. Artis cannot assure investors that actual results will be consistent with any forward looking statements and Artis assumes no obligation to update or revise such forward looking statements to reflect actual events or new circumstances. All forward looking statements contained in this press release are qualified by this cautionary statement.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer, Mr. Jim Green, Chief Financial Officer or Ms. Kirsty Stevens, Senior Vice President of the REIT at (204) 947 1250.