

July 18, 2013

ARTIS ANNOUNCES OFFERING OF \$75 MILLION CUMULATIVE RATE RESET PREFERRED TRUST UNITS, SERIES G, AND NEW US\$109.6 MILLION OFFICE PROPERTY ACQUISITIONS

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION
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 and CIBC (the "Underwriters"), on a bought deal basis, 3,000,000 Cumulative Rate Reset Preferred Trust Units, Series G ("Series G Units") at a price of \$25.00 per Series G Unit for gross proceeds to Artis of \$75,000,000 (the "Financing"). Artis has also granted the Underwriters an option, exercisable at any time up to 48 hours prior to the closing of the Financing, to purchase a further 450,000 Series G Units at the issue price which, if fully exercised, would result in additional gross proceeds of \$11,250,000.

The Series G Units will pay fixed cumulative preferential distributions of \$1.25 per Series G Unit per annum, yielding 5.00% per annum, payable on the last day of January, April, July and October of each year, as and when declared by the board of trustees of Artis, for the initial period ending July 31, 2019. The first quarterly distribution, if declared, shall be payable on October 31, 2013 and shall be \$0.3219 per Series G Unit, based on the anticipated closing of the offering of Series G Units of July 29, 2013. The distribution rate will be reset on July 31, 2019 and every five years thereafter at a rate equal to the sum of the then five-year Government of Canada bond yield and 3.13%. The Series G Units are redeemable by Artis, at its option, on July 31, 2019 and on July 31 of every fifth year thereafter.

Holders of Series G Units will have the right to reclassify all or any part of their Series G Units as Cumulative Floating Rate Preferred Trust Units, Series H (the "Series H Units"), subject to certain conditions, on July 31, 2019 and on July 31 of every fifth year thereafter. Such reclassification privilege may be subject to certain tax considerations (to be disclosed in the prospectus supplement). Holders of Series H Units will be entitled to receive a floating cumulative preferential distribution, payable on the last day of January, April, July and October of each year, as and when declared by the board of trustees of Artis, at a rate equal to the sum of the then 90-day Government of Canada Treasury Bill yield plus a spread of 3.13%.

DBRS Limited ("DBRS") has assigned a provisional rating of Pfd-3 (low) to the Series G Units.

The Financing is being made pursuant to the REIT's base shelf prospectus dated June 15, 2012. 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 July 29, 2013 and is subject to regulatory approval.

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

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The Series G 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 Series G Units may not be offered or sold to U.S. persons except pursuant to applicable exemptions from registration requirements.

New Acquisitions:

Artis has entered into an unconditional agreement to acquire the property known as 161 Inverness, in Denver, CO. 161 Inverness is a six-storey, Class A trophy office building constructed in 1997, with superior finishes and outstanding tenant amenities. The property is located in one of Denver's most prestigious office

parks in Southeast Suburban Denver and includes a two-storey atrium lobby, full service cafeteria, on-site fitness centre and convenient LRT access. 161 Inverness is comprised of 256,767 square feet of leasable area and is 100% occupied by DirecTV, LLC, pursuant to a long-term lease with regular annual 2.1% rent escalations, until 2025. DirecTV, LLC, who is the largest TV service provider in the U.S., with a market cap over \$35 billion and a BBB credit rating from S&P, has made significant investments to improve the property for their specific use.

The purchase price of US\$71.0 million represents a going-in capitalization rate of 6.0%. Artis expects to finance the acquisition with cash, and from proceeds of a new five-year US\$39.1 million mortgage bearing interest at a rate estimated to be 3.40% per annum, based on today's financing rates. The closing is anticipated to occur on July 31, 2013.

Artis has also entered into an unconditional agreement to acquire the property known as North Scottsdale Corporate Center II ("Corporate Center"), located just west of the Loop 101 Freeway in Scottsdale, AZ, and surrounded by executive housing communities and the upscale Kierland Commons shopping area. The property is a four-storey, Class A office building, recently constructed in 2007. It is comprised of 152,629 square feet of leasable area currently 94.6% leased to a variety of national tenants. The major tenant is Choice Hotels International Service Corp., who occupies 58% of the leasable area, pursuant to a lease expiring in 2020. The tenant operates a number of hotel brands, including Comfort Inns, Quality Hotels, Econolodge, and Clarion, with a market cap of over \$2.5 billion and a BB+ credit rating from S&P.

The purchase price of US\$38.6 million represents a going-in capitalization rate of 6.5%. Artis expects to finance the acquisition with cash, and from proceeds of new financing, yet to be arranged. The closing is anticipated to occur on September 10, 2013.

Recently Closed Acquisitions:

Subsequent to March 31, 2013, Artis acquired the following properties.

Property Name	Property Count	Acquisition Date	Location	Property Type	GLA ⁽¹⁾
220 Portage	1	April 30, 2013	Winnipeg, MB	Office	170,158
Quarry Park Portfolio	3	May 15, 2013	Calgary, AB	Office	282,327
1700 Broadway ⁽²⁾	1	May 22, 2013	Denver, CO	Office	394,151
ASM America Headquarters Building	1	June 4, 2013	Phoenix, AZ	Office	130,282
Cara Foods Building ⁽³⁾	-	June 5, 2013	Vaughan, ON	Office	100,398
Oakdale Village	1	June 10, 2013	Twin Cities Metropolitan Area, MN	Retail	164,860
PTI Building	1	June 28, 2013	Acheson, AB	Industrial	71,654

(1) Square footage of the property at the time of acquisition, before adjusting for owned share of total leasable area.

(2) Artis acquired a 50% interest in this property.

(3) Artis acquired the remaining 50% of this property.

Artis acquired the above eight commercial properties in Canada and the U.S. (in addition to the remaining 50% interest in Cara Foods Building) for aggregate purchase prices of \$237.8 million and US\$102.8 million, respectively. This represented a weighted-average capitalization rate of 6.5%. The purchase prices for these Canadian and U.S. acquisitions were settled with cash on hand and from proceeds of new mortgage financing

aggregating \$118.6 million and US\$34.4 million, respectively. The mortgages bear interest at a weighted-average annual rate of 3.54% with a weighted-average term to maturity of 9 years. Subsequent to closing the Cara Food Building acquisition, Artis refinanced the mortgage for an additional \$1.6 million, for a ten-year term at a 4.01% annual interest rate.

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 24.8 million square feet of leasable area in 231 properties. Leasable area by asset class is approximately 18.3% retail, 33.5% office and 48.2% industrial. The portfolio is located 7.4% in British Columbia, 26.1% in Alberta, 5.3% in Saskatchewan, 15.2% in Manitoba, 15.8% in Ontario and 30.2% 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 of the REIT at 1.204.947.1250

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

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