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AMREIT
Form 424B3
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Registration No. 333-114432

AMREIT

Supplement No. One, Dated August 31, 2004
To Prospectus, Dated June 25, 2004
For up to 17,000,000 Class D Common Shares Offered To The Public

This Supplement is part of, and should be read in conjunction with, the Prospectus dated June 25, 2004. Capitalized terms used in this Supplement have the same meanings as in the Prospectus unless otherwise stated herein.

Information as to the number and types of properties acquired by AmREIT is presented as of August 31, 2004 and all references to property acquisitions should be read in that context. Proposed properties for which AmREIT enters into initial commitments to acquire, as well as property acquisitions, that occur after August 31, 2004, will be reported in a subsequent Supplement.

RECENT DEVELOPMENTS

AmREIT has acquired four new properties: The Courtyard at Post Oak, Bakery Square Shopping Center, Plaza in the Park and Cinco Ranch Shopping Center. The first three are located in Houston, Texas and the last property is located in Katy, Texas, a suburb of Houston. As of the date of this Supplement, we have sold 275,280.424 class D common shares, resulting in \$2,752,804.24 in gross sales proceeds.

The Courtyard at Post Oak:

On June 15, 2004, AmREIT acquired The Courtyard at Post Oak, consisting of a 4,013 square foot, free standing building occupied by Verizon Wireless (NYSE: VZ) and a 9,584 square foot, multi-tenant shopping center occupied by Ninfa's Restaurant and Dessert Gallery. The property was acquired for \$6.35 million in cash.

Bakery Square Shopping Center:

On July 21, 2004, AmREIT acquired Bakery Square Shopping Center, which is comprised of a free standing Walgreen's and a 19,494 square foot shopping center anchored by Bank of America (NYSE: BOA). The shopping center was acquired with approximately \$3.97 million in cash and the assumption of \$4.52 million in long term fixed rate debt.

Plaza in the Park:

On July 1, 2004, AmREIT acquired Plaza in the Park, a 129,955 square foot Kroger (NYSE: KR) anchored shopping center located on approximately 14.3 acres of land. The property was acquired with approximately \$15.33 million in cash and the assumption of \$18.16 million in long term fixed rate debt.

Cinco Ranch Shopping Center:

On July 1, 2004, AmREIT acquired Cinco Ranch - Kroger, a 97,297 square foot Kroger (NYSE: KR) anchored shopping center located on approximately 12.8 acres of land. The property was acquired with approximately \$6.4 million in cash and the assumption of \$8.59 million in long term fixed rate debt.

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BUSINESS AND PROPERTIES

Properties

Description.

The following sentence updates and replaces the table heading under this caption on page 30 of the Prospectus.

Information concerning the properties owned solely by AmREIT as of August 31, 2004, is presented in the following table:

AmREIT Wholly-Owned Property Information (August 31, 2004)

Property (Location)	Date Acquired	Purchase Price	Building Leaseable Area	Annu Ren
Radio Shack (Dallas, TX)	06/15/94	\$1,062,000	5,200	\$108,
Transworld Entertainment (Independence, MO)	11/14/94	1,550,000	14,047	187,
Copperfield Medical Plaza (Houston, TX)	07/01/95	1,680,000	14,000	201,
Wherehouse Entertainment (Wichita, KS)	09/12/95	1,700,000	15,158	(3)
FootStar, Inc. (1) (Tucson, AZ)	09/11/96	3,351,000	19,550	419,
Washington Mutual (The Woodlands, TX) (4)	09/23/96	500,000	-	59,
Washington Mutual (Houston, TX) (4)	12/11/96	828,000	-	97,
FootStar, Inc. (1) (Baton Rouge, LA)	06/09/97	2,806,000	20,575	300,
Hollywood Video (Lafayette, LA)	10/31/97	1,124,000	7,488	134,
Hollywood Video (Ridgeland, MS)	12/30/97	1,208,000	7,488	138,
OfficeMax (Dover, DE)	04/14/98	2,548,000	23,500	264,
Woodlands Plaza (The Woodlands, TX)	06/03/98	3,542,000	16,922	374,
Sugar Land Plaza (Sugar Land, TX)	07/01/98	3,635,000	16,922	330,
Dardin Restaurants (Peachtree City, GA) (4)	12/18/98	738,000	-	75,
IHOP, Corp. (Sugarland, TX)	09/30/99	1,608,000	4,020	165,
IHOP, Corp.				

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(Topeka, KS)	09/30/99	1,335,000	4,020	137,
Foodmaker				
(Dallas, TX).....	07/23/02 (2)	715,100	2,238	68,
Baptist Memorial Health				
(Memphis, TN).....	07/23/02 (2)	2,079,200	15,000	204,
Payless Shoes				
(Austin, TX).....	07/23/02 (2)	698,300	4,000	82,
Golden Corral				
(Houston, TX).....	07/23/02 (2)	1,811,800	12,000	182,
Golden Corral				
(Houston, TX).....	07/23/02 (2)	1,843,400	12,000	181,
Eckerd				
(Houston, TX) (4).....	01/10/03	2,646,900	-	327,
TGI Friday's				
(Houston, TX).....	07/23/02 (2)	2,036,900	8,500	180,
Guitar Center				
(Minnesota, MN).....	07/23/02 (2)	2,541,700	15,000	246,
AFC, Inc. (Popeye's Chicken)				
(Atlanta, GA).....	07/23/02 (2)	1,113,900	2,583	105,
Memorial Herman Hospital				
(Houston, TX).....	07/23/02 (2)	1,816,800	15,000	171,
Blockbuster Video				
(Oklahoma City, OK).....	07/23/02 (2)	973,800	15,000	92,
Pier One				
(Longmont, CO).....	07/23/02 (2)	1,423,600	8,014	135,
IHOP, Corp.				
(Grand Prairie, TX).....	04/15/03	1,940,400	4,020	174,
TGI Friday's				
(Hanover, MD).....	09/16/03	1,474,700	8,500	134,
The Terrace Shops				
(Houston, TX).....	12/15/03	4,800,000	16,395	428,
Uptown Plaza				
(Houston, TX).....	12/15/03	13,000,000	28,000	1,268,
The Courtyard at Post Oak				
(Houston, TX).....	06/15/04	6,350,000	13,597	481,
Plaza in the Park				
(Houston, TX).....	07/01/04	33,490,000	129,955	2,607,
Cinco Ranch Shopping Center				
(Katy, TX).....	07/01/04	14,990,000	97,297	1,218,
Bakery Square				
(Houston, TX).....	07/21/04	8,490,000	34,704	531,
TOTAL		\$132,289,500	602,561	\$11,711,

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- (1) Footstar, Inc. filed for Chapter 11 Bankruptcy protection on March 2, 2004. In publicly released announcement, Footstar has indicated their intent to reject the lease on all Just For Feet locations, including the leases on our two properties.
- (2) These properties were acquired as part of the merger of the affiliated partnerships (Funds IX, X and XI) on July 23, 2002. The purchase price reflects the pro-rata portion of the negotiated price allocated to the properties that AmREIT paid the partnerships in common shares.

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- (3) Wherehouse Entertainment filed for Chapter 11 Bankruptcy protection, and as such, rejected the Wherehouse Entertainment lease in Wichita, Kansas. At March 31, 2004, no rental income was being received on this property.
- (4) Represents a land lease only, and as such, no building leasable area is reflected.

The following paragraphs are inserted following the first full paragraph on page 33 of the Prospectus.

Recent Acquisitions and Dispositions.

On June 15, 2004, AmREIT acquired The Courtyard at Post Oak, consisting of a 4,013 square foot, free standing building occupied by Verizon Wireless (NYSE: VZ) and a 9,584 square foot, multi-tenant shopping center occupied by Ninfa's Restaurant and Dessert Gallery. The property was constructed in 1994 and is located at the northwest intersection of Post Oak and San Felipe in Houston, Texas. This is a lighted intersection in the heart of the Galleria area, the most significant retail corridor in the Greater Houston area. The property was acquired for \$6.35 million in cash. The weighted average remaining lease term for the project is 5.2 years.

Tenant	Square Footage	Lease Term	Expiration
Verizon Wireless	4,013	10 Years	December 2009
Ninfa's	7,606	15 Years	November 2009
Dessert Gallery	1,978	5 Years	August 2008

On July 21, 2004, AmREIT acquired Bakery Square Shopping Center, which is comprised of a free standing Walgreen's and a 19,494 square foot shopping center anchored by Bank of America (NYSE: BOA). The property was constructed in 1996 and is located at the southwest corner of Dunlavy and West Gray in Houston, Texas. This is a strong infill location just south of the central business district in Houston. The property was acquired with approximately \$3.97 million in cash and the assumption of \$4.52 million in long term fixed rate debt. The debt is evidenced by note issued to New York Life Insurance Company and has a current balance of \$4.52 million, bears interest at a rate of 8% per year (and matures on February 10, 2017. The initial principal balance of the note was \$5.40 million. The loan has a term and amortization of 15-years, with principal and interest payments of \$47,617 due monthly. The weighted average remaining lease term for the shopping center is 4.9 years. The Walgreen's lease is for 60 years and will expire October 31, 2056. The shopping center is 100% occupied.

Tenant	Square Footage	Lease Term	Expiration
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Blockbuster Video	6,484	10 years	October 2006
T-Mobile	1,416	10 years	September 2007
Fantastic Sam's	1,050	4 years	February 2008
River Oaks Nails	1,050	5 years	May 2009
Bell Cleaners	1,750	14 years	March 2010
Boston Market	2,816	10 years	May 2010
Bank of America	3,878	15 years	January 2012
Philly Connection	1,050	10 years	May 2014
Walgreens	15,210	60 years	September 2056

On July 1, 2004, AmREIT acquired Plaza in the Park, a 129,955 square foot Kroger (NYSE: KR) anchored shopping center located on approximately 14.3 acres of land. The property was constructed in 1999 and is located at the southwest corner of Buffalo Speedway and Westpark in Houston, Texas. Plaza in the Park's Kroger is undergoing a 13,120 square foot expansion and, when completed, is expected to be the number one Kroger grocery store in both sales volume and size in the State of Texas. Additionally, Kroger is the number one grocer in the Houston marketplace, and enjoys over 26% of total market share. The property was acquired with approximately \$15.33 million in cash and the assumption of \$18.16 million in long term fixed rate debt. The debt is evidenced by a note issued to Teachers Insurance and Annuity Association of America and has a current balance of \$18.16 million, bears interest at a rate of 5.16% per year and matures in July 2013. The initial principal balance of the note was approximately \$18.43 million. The loan has a ten year term with a 30-year amortization. Principal and interest payments of \$105,802 are due monthly. The weighted average remaining lease term for the project is 9.2 years. The Kroger lease is for 20 years, containing approximately 69 thousand square feet, expiring in August 2017. The shopping center is 96.67% occupied.

Tenant	Square Footage	Lease Term	Expiration
Postal Annex	900	5 years	April 2006
Dervish Enterprises	2,427	5 years	June 2006
Quizno's	1,600	7 years	October 2006
Sprintcom, Inc.	2,500	5-Year	October 2006
The Root of You	2,850	5 years	December 2006
Hallmark Gold Crown	5,650	5-Year	February 2007
Siena Interiors	2,164	5 years	October 2007
Image America	2,276	5-Year	March 2008
Avenue Chocolates	1,200	5 years	March 2008
Tapioca Express	1,112	5 years	December 2008
Planet Beach	1,960	7 years	March 2009
Huntington Learning Center	2,518	5 years	March 2009
West University Wellness	2,400	5 years	April 2009
Dr. Daniel O. Howes	1,500	10 years	May 2009
Pilgrim Cleaners	1,200	10 years	June 2009
General Nutrition	900	10 years	June 2009
Bo Hwa Oh	1,295	5 years	July 2009
Brelan, Inc.	2,300	10 years	August 2009
Envision Nails	1,200	10 years	September 2009
Vietopia Restaurant	5,640	10 years	September 2009
Vision Optique	1,800	10 years	October 2009
Copperfield Liquor	3,400	10 years	December 2009
Buca di Beppo	7,573	10 years	August 2010
Household Finance Corp III	2,000	10 years	April 2011

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Kroger Texas, LP	68,658	20 years	August 2017
Vacant	2,932		

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On July 1, 2004, AmREIT acquired Cinco Ranch - Kroger, a 97,297 square foot Kroger (NYSE: KR) anchored shopping center located on approximately 12.8 acres of land. The property was constructed in 2001 and is located at the northeast corner of Mason Road and Westheimer Parkway in Katy, Texas. The shopping center is positioned in the heart of the affluent Cinco Ranch master planned community, and is ranked by Kroger as one of the top 10 Kroger grocery stores in Texas. The property was acquired with approximately \$6.4 million in cash and the assumption of \$8.59 million in long term fixed rate debt. The debt is evidenced by a note issued to Teachers Insurance and Annuity Association of America and has a current balance of \$8.59 million, bears interest at a rate of 5.16% per year and matures in July 2003. The initial principal amount of the note was approximately \$8.72 million. The loan has a ten year term with a 30-year amortization. Principal and interest payments of \$50,060 are due monthly. The weighted average remaining lease term for the project is 14 years. The Kroger lease is for 20 years, containing approximately 63 thousand square feet, expiring in June 2023. The shopping center is 100% occupied.

Tenant	Square Footage	Lease Term	Expiration
Hallmark Gold Crown	4,500	5 years	February 2006
General Nutrition	1,400	5 years	March 2006
L'Aglio	1,720	5 years	April 2006
Sally Beauty Company	1,400	5 years	July 2006
State Farm Mutual	1,400	5 years	September 2006
I-cafe	1,000	5 years	February 2008
Uncle Lee's Cafe	1,600	5 years	June 2008
Itty Bitty City	2,600	5 years	December 2008
Pizza Hut of America	1,600	10 years	January 2011
Fashion Park Cleaners	1,400	10 years	February 2011
Nails Today	1,400	10 years	February 2011
Parkway Liquor	1,927	10 years	February 2011
eDentistry	1,750	10 years	February 2011
TGF Haircutters	1,400	10 years	March 2011
Wishnow-Sugar Vision Center	1,820	10 years	March 2011
Blockbuster Inc.	4,417	10 years	March 2011
Starbucks Corp.	1,400	10 years	June 2011
Mail Boxes Etc.	1,190	10 years	November 2011
Kroger Texas LP	63,373	20 years	June 2023

REDEMPTION OF SHARES

Description.

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The following sentence updates and replaces the first sentence in the fifth paragraph under this caption on page 57 of the Prospectus.

Upon the Redemption Agent's receipt of notice for redemption of shares, the redemption price for this limited optional redemption right will initially be \$10.00 per share.