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## Palliser Square Complex

### GENERAL SUMMARY



<b>Record Status:</b>	Final
<b>Inventory Number:</b>	AB-OFF-2006-03-02-130
<b>Address:</b>	120 10th Avenue S.W. 104-140 10th Avenue S.E. 101-115 9th Avenue S.W. 125-133 9th Avenue S.E.
<b>Location:</b>	Located on the southwest corner of 9th Avenue and 1st Street
<b>Municipality:</b>	Calgary
<b>Sub-Market:</b>	Downtown
<b>Quadrant:</b>	SE
<b>Tenancy Type:</b>	Multi Tenant
<b>Event Date:</b>	2006-03-02
<b>Price:</b>	\$155,000,000
<b>Building Size (sf):</b>	624,451
<b>Price Per Square Foot:</b>	\$248
<b>Capitalization Rate:</b>	7.5%
<b>Sale Type:</b>	Market
<b>Percentage Transferred:</b>	100.00%
<b>Estate Type:</b>	Fee Simple
<b>Brokers:</b>	CB Richard Ellis Canada (D Forbes) CB Richard Ellis Canada (G Mar)

### LEGAL DETAILS

<b>Link Number:</b>	0013855433, 0013856026, 0013856018, 0013856034, 0013855425, 0017626649, 0012700431, 0027999598, 0013856042
<b>Title Number:</b>	061 088 813
<b>Roll Number:</b>	067236695, 068230200, 068230309, 068230408, 068230507, 068230606, 068230705, 068230804 & 068230903
<b>Legal Description:</b>	Plan 1423LK, Blocks 5, 5A, 6, 7, 8, 9, 10 and 11 Plan 9912051, Strata Block J
<b>Lot Details (feet):</b>	Frontage on 9th Avenue 788.49 feet
<b>Lot Area (acres):</b>	5.59
<b>Building Assessment:</b>	\$108,020,000.00

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<b>Total Assessment:</b>	\$108,020,000.00 (2006)
<b>Vendors:</b>	KingStreet Capital Partners [Palliser Square Inc.]
Signing Officer:	Stuart Lazier, ASO
Address:	161 Bay Street, Suite 3140, Box 204, Toronto, Ontario, M5J 2S1
<b>Purchasers:</b>	Aspen Properties (Palliser Square Properties Ltd.)
Signing Officer:	Scott Hutcheson, ASO
Address:	833 4th Avenue S.W., Suite 1200, Calgary, Alberta, T2P 3T5

## PRICE STRUCTURE

<b>Cash and Assumed Consideration:</b>	\$155,000,000.00 (100%)
<b>VTB Price:</b>	\$0.00 (0%)
<b>Other Considerations Price:</b>	\$0.00 (0%)
<b>Chattels Price:</b>	\$0.00 (0%)
<b>Total Price:</b>	\$155,000,000.00
<b>Percentage Transferred:</b>	100.00%
<b>100% Equivalent:</b>	\$155,000,000.00

## PROPERTY DETAILS

<b>Land Use Details:</b>	General land use guidelines for this property fall under the City of Calgary City Hall ARP and East Victoria Park ARP Policy Reports. The Land Use for the property is governed by Direct Control By-Law 55Z95 which follows CM-2, a Downtown Business classification which on a scaled basis, permits a gross floor area of up to twenty times the lot area, further subject to parking, setback, public amenity and site area requirements. In this case with a site area of approximately 243,500 square feet, the designation permits a maximum gross floor area equal to seven times the area of the lot. Notwithstanding the foregoing, the owner may be able to increase density beyond the above noted limits by incorporating certain design and public amenity features into their development.
<b>Physical Details:</b>	The property contains a total net rentable area of 624,451 square feet contained within four primary structures. The 626 foot Calgary Tower has been constructed circa 1968 using steel reinforced concrete and accommodates a 200 seat restaurant, a bar and an observation deck near its peak. It is serviced by two passenger elevators. One Palliser Square is a 27 storey office tower constructed circa 1970 using structural steel and concrete framing with a post tension cable system behind precast concrete panels. The building contains a net rentable area of 364,986 square feet including approximately 19,700 square feet of retail area. The floor plates range from 14,850 square feet for floors 4 through 14 to 15,330 square feet for floors 15 through 27. The building is serviced by nine elevators. The Tower Centre is a five storey office and retail building constructed circa 1968 using structural steel and concrete framing behind precast aggregate panels. The building contains a net rentable area of 259,469 square feet including approximately 100,100 square feet of retail area. The floor plates vary from approximately 40,000 to 50,000 square feet as each successive floor is set back from the one below it. The building is serviced by eight elevators. The Palliser Parkade is an above ground parkade constructed using reinforced concrete circa 1970. The parkade contains 1,374 parking stalls on six levels and is serviced by one elevator. The transaction also includes 0.57 acres of excess land fronting along 10th Avenue S.W.
<b>Tenancy and Income Details:</b>	At the time of sale the building's tenancy was characterized by predominantly local businesses. Some of the building's main tenants include Encana, Imperial Parking and AON Reed Stenhouse. The building's annual operating costs and realty taxes were estimated to range between approximately \$7.10 and \$16.09 per square foot. The building's contractual net income for the twelve months following the date of sale was estimated to be approximately \$11,700,000, including the operating costs and realty taxes on the vacant space, representing a going-in yield of 7.5%.
<b>Net Operating Income:</b>	\$11,700,000.00

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**GENERAL NOTES**

<p><b>General Remarks:</b></p>	<p>Our discussions with industry professionals familiar with this transaction indicated that prior to the date of sale development permits were approved with the City of Calgary to develop two 450,000 square foot, 26 storey office towers on the site, incorporating the existing four storeys of retail surrounding the Calgary Tower. As a result of the foregoing, vacancy was being deliberately maintained in Tower Centre in order to accommodate the development of the new office towers. At the time of sale One Palliser Square was fully occupied. Subsequent to the date of sale the purchaser was actively marketing the vacant space for lease at an asking rate of approximately \$8.00 to \$10.00 per square foot net for Tower Centre and approximately \$22.00 to \$24.00 per square foot net for One Palliser Square. The vendor had acquired the property in March 2004 for a total consideration of \$86,431,000, representing a price per square foot of \$138, based on the information provided at the time of sale.</p>
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**PROPERTY LOCATION**

<p><b>Surrounding Uses:</b></p>	
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