

CONSUMERS

# Retail spending ebbs in April

Saskatchewan now leads in yearly gains

MARIO TONEGUZZI  
CALGARY HERALD

Consumer fatigue may finally be hitting Albertans. According to data released Thursday by Statistics Canada, retail sales in the province declined by 0.5 per cent in April from the previous month, the fourth decrease in eight months. However, year-over-year sales are still up 7.5 per cent.

Nationally, total retail sales increased moderately in April on the strength of new car dealers' sales, said the federal agency, adding that excluding new, used and recreational vehicles and parts dealers, retail sales were flat.

“The numbers are still very, very strong”

TODD HIRSCH, ECONOMIST, ATB FINANCIAL

Higher sales at new car dealers were the largest contributor to April's gains," said Statistics Canada.

And Alberta is no longer the year-over-year percentage sales growth king. That title now belongs to Saskatchewan.

In a commentary on the retail numbers, Douglas Porter, Deputy Chief Economist for BMO Capital Markets, said: "Alberta is no longer the regional growth leader in sales, slipping into single-digit gains on a yearly basis (7.5 per cent), leaving it in a tie for fifth place on the provincial leader board. The new leader is that hot-bed of ac-



Total retail sales in Canada increased moderately in April on the strength of new car dealers' sales, Stats Canada said Thursday, adding that excluding new, used and recreational vehicles and parts dealers, retail sales were flat.

tivity, Saskatchewan, which has posted a rip-roaring 12.2 per cent (year-over-year) gain."

ATB Financial senior economist Todd Hirsch said the newest retail sales numbers "tells us there is a little bit of consumer fatigue setting in in Alberta."

"The numbers are still very, very strong compared to the national number and I'm talking here the April 2007 over April 2006 year-over-year, but we're down out of the stratosphere from where we used to be back in 2006 with all those double-digit gains," said Hirsch. "So now we're back into single-digit gains. It's still pretty good."

"But when you look at inflation combined with Alberta's population growth, it's actually relatively flat. It's probably up a little bit. The point is it's

more indication that Alberta's economy is moderating to a healthier pace."

Last year, the province experienced year-over-year retail sales growth of more than 16 per cent compared with 2005.

In April, retail sales in Alberta were \$5.01 billion compared with \$5.039 billion in March.

Nationally, retail sales are up 4.7 per cent year-over-year.

The federal agency said sales gains were seen in half the provinces in April.

"In Quebec, sales grew 1.5 per cent, the strongest monthly increase for this province in nine months. Sales in this province may have been buoyed by the payout of a pay equity settlement to Quebec's public service sector. Sales were also up in British Co-

lumbia (1.5 per cent) for a fifth consecutive month. In contrast, sales in Ontario edged down by 0.3 per cent after registering two strong increases in February (one per cent) and March (1.7 per cent)," said Statistics Canada.

"Sales in the Prairie provinces edged down 0.2 per cent after a strong increase of 3.4 per cent in March. This lacklustre result was mainly due to the 0.5 per cent sales decline in Alberta, the fourth decrease in eight months. Each of the Atlantic Provinces registered sales declines except Newfoundland and Labrador (0.9 per cent). The three territories, however, all experienced strong sales growth in April, posting an overall increase of 2.2 per cent."

MTONEGUZZI@THEHERALD.CANWEST.COM



## Atkinson theatrics waken jury

MARY VALLIS  
CANWEST NEWS SERVICE  
CHICAGO

Defence attorney Michael Schachter slammed stacks of paper containing David Radler's testimony on a table before jurors in the Conrad Black fraud trial on Thursday and accused the federal government of twisting the facts to win a conviction.

"You can read every word of David Radler's testimony on the stand and you will find he never testified that Peter ever did anything wrong," Schachter yelled, referring to his client, Peter Atkinson.

Atkinson, 60, faces charges of mail and wire fraud and filing false tax returns in the criminal trial of four former Hollinger executives accused of conspiring to steal \$60 million US from Hollinger International Inc.

Atkinson is the former vice president and general counsel of Hollinger Inc. — Hollinger International's Toronto-based parent company.

In his closing argument, Schachter insisted that despite eight days of testimony from Radler, a former Hollinger executive who was the government's star witness, and hundreds of documents flashed before the jury, there is still no evidence Atkinson did anything wrong.

"There has been not a single witness, not a single one, who testified that Peter lied to them, misled them or deceived them," Schachter said.

"We have looked at 700 documents. Not one has showed Peter Atkinson lied, misled or deceived anyone."

Schachter urged the jury to see the case as four separate trials against the individual defendants instead of viewing them as a group.

He went on to argue that Atkinson viewed the \$2 million Cdn he received during Hollinger International's sale of newspapers to CanWest Global Communications as a "bonus" that came from Radler through his personal proceeds in the CanWest transaction, and that CanWest had proposed Atkinson's non-compete agreement.

"It's (money) coming out of Radler's pocket... never a dime from Hollinger International," Schachter said.

Atkinson never tried to hide anything and sought an independent legal opinion to ensure the payment was above board, his lawyer told the jury.

Atkinson and Jack Boulton, the former chief financial officer of Hollinger International, are the only defendants in the case that the prosecution alleges received improper payments during the CanWest transaction.

Schachter's theatrics appeared to play well with the jury as he continued to raise his voice and present elaborate charts to explain the case's many documents. Members of the jury who have been prone to closing their eyes during the 14-week case were alert as Schachter began his address.

# Home sales in Alberta spring to new highs

Average sale price hits \$363,574

MARIO TONEGUZZI  
CALGARY HERALD

House sales in Alberta reached the highest level for any month on record in May, according to data released Thursday by the Canadian Real Estate Association.

Sales in May were up 3.7 per cent across the province compared with May 2006 — an increase from 8,300 units to 8,606.

Also, the average sale price in Alberta jumped by 28.1 per cent to \$363,574, from \$283,813 in May 2006.

A report by Genworth Financial Canada also released on Thursday says the average new home price in Calgary will increase 16.3 per cent this year to \$505,571, edging close to the average price of a new home in Toronto (\$518,401).

Nationally, for the second consecutive month, MLS residential sales activity, new listings, average prices and

dollar volume all reached new heights.

"May 2007 was a very strong month for resale housing activity in Canada and the national MLS residential market shattered all previous records for a second consecutive month," said CREA President Ann Bosley. "Resale housing is one of the major engines driving the national economy, and activity remains on track to a new national record in 2007."

"The recent increase in mortgage interest rates may encourage prospective homebuyers to jump off the fence and into the market. I also expect that many prospective buyers across the country who have pre-approved mortgages will take advantage of these lower interest rates and purchase a home in June."

According to the Calgary Real Estate Board website on Thursday, the average sale price of a Calgary single-family home in the past 30 days was \$493,885 and the median price was \$440,000. In the past 30 days, total sales for single-family homes in the city were 1,852 and the current active listings are 4,251.

The Genworth report predicts average prices in the Calgary resale market will increase 18.5 per cent this year.

Nationally in May, total MLS sales increased 11 per cent from a year ago to 60,735 units and the average sale price rose by 10.8 per cent to a new record of \$314,258 from \$283,641 in May 2006.

The Summer 2007 Metropolitan Housing Outlook by Genworth predicted a reduced rate of price increases in Alberta this year because of slightly lower demand.

The report said that Alberta this year will experience 18.4 per cent growth in new home prices to an average price of \$449,420. Resale homes are forecast to increase 18.3 per cent this year to an average price of \$338,559. Last year, Albertans saw a 36.9 per cent increase in new home prices and a 30.9 per cent hike in resale home prices, said the report.

The report says Alberta new home prices are expected to increase more moderately at about five per cent in 2008, then about 3.9 per cent annually

through 2011, while resale homes are expected to climb in price by nine per cent in 2008, 6.2 per cent in 2009 and then an average of 4.5 per cent annually through 2011.

"Alberta's booming economy has really fuelled extraordinary price increases, meaning that affordability has been stretched for many prospective buyers, but now we're seeing what looks like more manageable growth over the next half-decade in what is still a great housing market," said Peter Vukanovich, president of Genworth Financial Canada.

The report says new home prices in Calgary are expected to average \$505,571 by the end of 2007.

In 2006, Calgary new home prices skyrocketed 43.6 per cent over the previous year. Calgary new home prices are then forecast to climb 5.5 per cent in 2008, before settling in at about four per cent annual growth through 2011.

Growth in Calgary resale home prices is forecast to be 18.5 per cent this year, down from a stunning 38.6 per cent hike in 2006. Calgary resale home prices are expected to rise 7.3 per cent annually on average through 2011.

MTONEGUZZI@THEHERALD.CANWEST.COM

“May was a very strong month for resale housing activity”

ANN BOSLEY, CREA

First we perfected the car.  
Now we've perfected the value.

Audi A6 3.2

Lease for 36 months **1.5%**<sup>†</sup>

Finance for 60 months **1.5%**<sub>A.P.R.</sub><sup>†</sup>

audi.ca

\*Manufacturer's Suggested Retail Price of 2007 A6 3.2 with quattro® all-wheel-drive is \$62,700. Destination charge of \$800, PDI, license, insurance, taxes, PPSA, registration fees, administration fees, documentation fees and other options additional. D.A.C. lease rate is 1.5% available for up to 36 months on all A6 3.2 models. Limited time leasing offer based on a new 2007 A6 3.2 available only through Audi Financial Services (AFS). 20,000 kilometer allowance; charge of \$0.20/km. for excess kilometers. 1.5% purchase financing for a 60 month term on A6 3.2 models delivered from dealer stock. Financing example: \$20,000 at 1.5% annum equals \$345.20 per month for 60 months. Cost of borrowing is \$772.00 for an obligation total of \$20,772.00. Monthly payments and cost of borrowing will vary depending on term, amount borrowed and down payment/trade. Must take delivery by June 30, 2007. Offer is for a limited time and can change without notice. Dealer may lease or sell for less. Vehicle selection is subject to availability. European model shown. "Audi," "A6," "quattro" and the four rings emblem are registered trademarks of AUDI AG. ©2007 Audi Canada. To find out more about Audi, see your dealer, call 1-800-FOR-AUDI or visit us at audi.ca. AA620644