REAL ESTATE

Building permits buck national trend

Regional totals hit $60.5 million for the month of November

CARLA WILSON
Times Colonist

Greater Victoria's building permit values bucked the trend with strong growth despite November drops in provincial and national levels, Statistics Canada said.

Building permits totalling $60.5 million were taken out in Greater Victoria in November, up 24.4 per cent from October, the federal agency announced yesterday.

The total permit value of $879.8 million for the first 11 months of year, sets a local annual record. It's up 19.7 per cent compared with the same months in 2006.

Darcy Kray, Durwest Construction Management Ltd. president, said that company has its 2008 work committed and projects lined up into 2010.

Durwest has worked on many major developments including Bear Mountain Arena and Bear Mountain projects, and the Victoria International Airport expansion. It is also construction manager for the $14-million Kelset Elementary School in North Saanich.

"We are looking to focus a little more on non-residential market for five or six months while we wait to see where this multi-family residential market is going to land," Kray said.

"We are starting to see (multi-family) projects having a little more difficulty in term of viability."

Construction costs increases of between eight and 10 per cent annually call for extra diligence over expenses, he said.

"Whether it's good times or bad, the developers are working towards a certain budget and with the escalation of construction costs, it is challenging to try to make those numbers work now, certainly more challenging than say a couple of years ago."

Across the country, the value of all types of building permits dropped in November by 9.9 per cent from the previous month. However, it stayed above $6 billion for the seventh month in a row.

A new annual high was set with the total value of the first 11 months of 2007 hitting $68.1 billion. The previous high was in 2006 at $66.3 billion.

On the residential side, national values slid by five per cent to $3.9 billion from October to November and non-residential permit values fell by 17.5 per cent to $2.17 billion month-over-month.

Municipalities saw a "dive" in November in planned multi-family projects, Statistics Canada said. Multi-family building permit value declined by 15.2 per cent and the number of units approved dropped by 7.9 per cent.

RAY SMITH, TIMES COLONIST

One of the area's projects is Kelset Elementary School, under construction on Forest Park at East Saanich Road.

The biggest provincial decrease in housing permit values took place in B.C. where multi-family permits tumbled by 49.7 per cent in November from October.

This province saw a drop in all residential permit values of 28.5 per cent to $611 million month-to-month.

Nationally, single-family housing permits rose 1.8 per cent to $2.5 billion in November. In Greater Victoria, December saw a new high in the average price for a single family house, at $624,450.

Newcomers are one factor in Greater Victoria's robust housing market. Census figures show that Greater Victoria's population reached 330,088 in 2006, up from 311,902 five years earlier.

Canada's 12-month rate of growth in new housing prices remained at 6.1 per cent between November 2006 and November 2007, the same rate seen in the year-over-year increase in October, another new Stats Can report said.

In the Victoria region, contractors' selling prices rose 1.2 per cent in November 2007 from November 2006. They increased 0.5 per cent in November 2007 from the previous month, the report said.

As for non-residential building permit values, B.C. was one of four provinces with a November increase, moving up 6.5 per cent from October to $290.5 million.

The total non-residential permit value in Canada for the first 11 months of last year reached $26.6 billion, up 15.5 per cent from the same months in 2006 and setting a new annual record.

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Via Rail ridership helped by record snow

MONTREAL — Via Rail Canada Inc. posted a 10.2-per-cent increase in ridership over the holidays, compared with the same period a year earlier, in the Quebec City-Windsor, Ont., corridor because of the record snowfall.

"The positive performance of Via in the Quebec City-Windsor corridor is partly explained by the train's reliability during recent storms where, despite some delays, there were no cancellations," Via said yesterday. — CNS

MEDIA

Canwest seeks share-price reappraisal

BARBARA SHECTER
Canwest News Service

TORONTO — Convincing investors Canwest Global Communications Corp. is worth more than the current stock price is among the company's top priorities for the coming year, chief executive Leonard Asper told shareholders at Canwest's annual meeting yesterday.

Other priorities include boosting the revenue growth of the media company's online and digital properties and integrating 13 fast-growing specialty television channels picked up with the acquisition of Alliance Atlantis Communications Inc. unveiled exactly a year ago, he said.

Asper said the media company should be able to weather the continuing Hollywood writers' strike through at least March or April without taking a significant profit hit. He added that the new specialty TV channels will provide additional programming for the main networks and another place for advertisers to put their money.

Specialty TV doesn't rely as much on Hollywood fare, particularly lifestyle channels such as HGTV, Slice and Food that were picked up from Alliance Atlantis.

Asper said he believes Canwest's share price has been hit unfairly by false assumptions, such as the widely held belief the company would sell its controlling stake in Australian broadcaster Network Ten last year.

Investment bankers were hired to assess options, and it was determined that there was still more growth in the network than was reflected in any offers.

"No matter how many times I said we were assessing our options, people heard 'Network Ten is for sale,' " Asper said.

Canwest also posted improved operating earnings yesterday for its first fiscal quarter, due to strong results from its publishing group, particularly in Western Canada, and newly acquired specialty TV stations.

PETER REDMAN, CANWEST NEWS SERVICE

Leonard Asper said the company should be able to weather the continuing writers' strike in Hollywood.

Consolidated earnings for the three months that ended Nov. 30 were $222-million, a figure that was reduced by a $12-million restructuring charge. Excluding the non-recurring charge, EBITDA (earnings before interest, taxes, depreciation and amortization) would have increased by 12 per cent from the corresponding quarter a year earlier, rather than six per cent.

Net earnings fell to $40.7 million, or 23 cents a share, from $66.4 million, or 37 cents, as a result of one-time restructuring and marketing costs, and non-cash losses tied to currency and interest rate hedges. Consolidated revenues grew eight per cent from the prior year to $868 million.

Canwest's publishing business, which includes metropolitan newspapers across the country as well as the *Times Colonist* and *National Post*, performed well, with revenue up five per cent to $362 million and earnings up 16 per cent to $102 million. The company cited growth in classified advertising stemming in part from the booming economy in Western Canada.

In response to the results, the stock finished the day up 20 cents, or three per cent, to $6.79.

The share price, which has hovered below $10 for much of the past year, could also be suffering from investors placing too much emphasis on Canadian television operations, which account for less than 10 per cent of the overall business, Asper said.

"To think what happens on Thursday night on Global is what happens at Canwest … It's so past that," he said, adding that the company has diversified its operations to include newspapers and fast-growing specialty TV channels that benefit from both advertising and subscriber revenue. There is also growing revenue from putting print and broadcast content online, he added.

Asper acknowledged some investors are sitting on the sidelines because the value of Canwest's stake in its Canadian television operations won't be known until conventional networks Global TV and E! are rolled into the specialty channel company co-owned with a private equity arm of partner Goldman Sachs Group Inc.

Retail sales in Canada grow but show signs of slowing

CanWest News Service

OTTAWA — Retails sales in Canada continued to grow, year over year, in the third quarter of 2007, albeit at its slowest pace in more than three years, Statistics Canada said yesterday.

The government agency said retail sales amounted to $106.8 billion in the summer quarter, up 4.1 per cent from the same period in 2006. That was the smallest increase since the second quarter of 2004, even though every major commodity group posted gains.

Statistics Canada said the sector comprised of motor vehicles, parts and services held back overall gains, with its increase coming in at just 0.9 per cent. New-car sales were down 3.2 per cent, and sales of new trucks, vans and SUVs declined 2.7 per cent.

Used-vehicle sales were up 7.3 per cent, the lowest increase in more than a year.

The biggest increase was seen in the category of health and personal-care products, where sales gained 7.9 per cent, which was the smallest increase since the first quarter of 2006. Prescription drugs led the way in this category, gaining 10.5 per cent.

Statistics Canada said the strong housing market helped boost the category of furniture, home furnishings and electronics, which had a sales gain of seven per cent.

Sales of fuels, oils and additives were up 5.9 per cent. Some consumers may be surprised to learn this had nothing to do with an increase in the cost of gasoline, which Statistics Canada said was about the same in the third quarters of both 2007 and 2006.

Retail sales of sporting and leisure goods were up seven per cent.

ENVIRONMENT

Oilsands receive failing grade

One of 10 mines passed the test

WANDA PRAAMSMA
CanWest News Service

All but one of 10 Alberta oilsands mines received a failing grade on environmental performance in a report released yesterday by the Pembina Institute and the World Wildlife Fund.

The report says the mines have substantial room for improvement in their environmental practices. They need to "step up and work together to solve these environmental challenges," a news release from the study's authors said.

Pembina and WWF graded 10 mines in areas such as environmental management, land impacts, air pollution, water use and management of greenhouse gases, using information provided by the companies.

The average score among the mines assessed was 33 per cent. Albian Sands Muskeg River mine scored the highest, with 56 per cent, while Syncrude and the proposed Synenco Northern Lights Mine had the weakest scores, both with 18 per cent.

"The poor environmental performance reflects badly on the oilsands mining companies, which include the largest and most profitable major oil companies in the world," said WWF Canada's Rob Powell.

"Government must establish limits to curb impacts on fresh water, the global atmosphere, wildlife and public health."

Syncrude rejected the report's findings.

"We obviously don't agree with their findings," said company spokesman Alain Moore. Moore said the company is the most efficient user of water in the industry. And the company has an emissions-reduction project worth $772 million that will bring down sulphur pollution in phases between 2009 and 2011, he said.

The study found that while the majority of oilsands operations have environmental policies in place, only two provided evidence of having an independently accredited environmental management system.