

Real estate market remained strong across B.C. in January

HOUSING | Economists say it reflects the strength of economy, expect it to continue through this year

BY DERRICK PENNER
VANCOUVER SUN

Real estate sales remained brisk provincewide in January, the B.C. Real Estate Association reports, with total transactions up almost 13 per cent from the same month a year ago.

Realtors racked up 5,238 Multiple-Listing-Service recorded transactions in January, compared with 4,626 in January 2005.

The increase does not reflect statistics for the B.C. Northern Real Estate Board, centred in Prince George, whose figures were not available at the time of the report.

"Buyers seem to have lots of confidence," Dave Barclay, president of the B.C. Real Estate Association said in an interview. "The economy is still strong, and I think our expectations are that it's going to remain strong throughout Canada."

The dollar value of real estate transactions in January increased by 42.3 per cent to \$1.9 billion reflecting higher prices. In a news release, the B.C. Real Estate Association said nine of its 12 member real estate boards reported double-digit increases in the value of transactions recorded in January.

The Kamloops real estate board experienced the biggest gain in sales. BCREA figures show that 199 transactions across Kamloops represented a 51 per cent increase over the same month a year ago. The value of those transactions, just under \$40 million, was 96 per cent higher than January 2005.

The Fraser Valley saw the next biggest gain. The valley's 1,089 sales represented a 38 per cent increase in units changing hands. The value of those transactions, at \$404 million, was 73 per cent higher than the total value of real estate sold in the same month a year ago.

Helmut Pastrick, chief economist of Credit Union Central B.C., noted that B.C.'s real estate market slowed at the end of 2004, so 2005 got off to a sluggish start before roaring off to record levels by the end of the year.

Pastrick expects that February and March will also experience more sales than the same months of 2005, however his forecast assumes that sales in later months of 2006 will come in lower than their corresponding months a year ago.

Pastrick's expectation is that total unit sales in 2006 to change little from 2005, or even decline by as much as two per cent.

Pastrick said that on a seasonally adjusted basis, factoring out seasonal trends, B.C.'s real estate market hit a peak in about August of 2005 and has eased off since then. However, it remains active.

"The indicators are that the housing market, in my view, is going to hold up reasonably well," Pastrick said. "I expect the market to put together another solid year."

dpenner@png.canwest.com

REAL ESTATE'S BRISK BUSINESS



Real estate sales remained brisk in January following a record-setting 2005, the B.C. Real Estate Association reported Monday, with sales for the month up substantially from the same month a year ago, without including statistics from the Prince George region's real estate board.

Sales: 5,238 **+13.23%**
Total transaction value: **\$1.9 billion** **+42.34%**

Leaders:

KAMLOOPS	
Sales: 199	+51%
Value: \$39.5 million	+96%
VANCOUVER ISLAND	
Sales: 525	+37%
Value: \$136.3 million	+71%
FRASER VALLEY	
Sales: 1,089	+38%
Value: \$404 million	+73%

* Excludes results from the B.C. Northern Real Estate Board, which were not available at time of report.

Condo shoppers pack the sales centre for the three-tower Lotus project in Richmond. A total of 174 of 194 units in the first two towers sold during the weekend. The development attracted 900 potential buyers to pre-register.



VANCOUVER SUN

Buyers form line before dawn to snap up Richmond condos

REAL ESTATE | Near sellout surprises even the developer

BY DERRICK PENNER
VANCOUVER SUN

Buyers lined up in the cold pre-dawn hours in Richmond over the weekend to make bids on the Lotus, a three-tower high-end project in the city's downtown.

Realtor Jason Craik of MAC Real Estate Solutions sold 174 of 194 units put up for sale in the first batch, which was ahead of developer Cressey's expectations.

"It was ridiculous, I don't know how else to put it," Cressey vice-president Hani Lamam said in an interview. "The demand was overwhelming."

Lamam said his company initially intended to only put units of Lotus' first 94-suite tower on the market Saturday, but decided to add the development's second tower to its pre-sale inventory to make sure buyers had a selection.

However, when the weekend was over, all but 20 units in both towers were spoken for.

Lamam said MAC Real Estate Solutions had pre-registered 900 potential buyers.

"A lot of [registered clients] walked away disappointed, because they didn't have

enough choice," Lamam said. "We could have brought the third tower [onto the market], but we weren't ready."

Units in Lotus range from \$270,000 for 550-square-foot, one-bedroom apartments, to \$600,000 for two-bedroom penthouse apartments.

Cressey designed Lotus's suites to be comparable with Yaletown developments. Lamam added that his firm's experience with its first weekend of sales "confirms the market is healthy," and shows that "if you put a good package together [a development] will get absorbed."

Cameron Muir, a market analyst with Canada Mortgage and Housing Corp., said con-

dominium developments are becoming more prevalent because they are increasingly seen as the "affordable option for home ownership" given rapid housing price increases that have hit the market in recent years.

"With three-quarters of all housing starts today in the multi-family category... it certainly is a trend that is not going to go away any time soon," Muir said.

Muir added that the extension of rapid transit to Richmond and the status of Vancouver International Airport as a major employer help support "a pretty solid market for [home] ownership" in the suburb.

dpenner@png.canwest.com

Placer Dome reports 44% profit drop in Q4

MINING | Company spent \$21 million US at end of '05 in relation to takeover by rival Barrick Gold

BY TARA PERKINS

Placer Dome Inc. released its last set of financial statements Monday, reporting a 44-per-cent drop in fourth-quarter profit while it prepares to become part of rival Barrick Gold Corp. in a \$12.1-billion-Cdn deal.

The Vancouver-based company, reporting in U.S. dollars, said it spent \$21 million in relation to the takeover during the final three months of 2005 as net earnings fell to \$22 million, from \$39 million a year earlier.

The amalgamation of Placer

and Toronto-based Barrick should be finished by the end of March, and Placer's results for the final three months of 2005 were released "for information purposes," said spokeswoman Gayle Stewart.

Barrick is scooping up the last of Placer's shares by compulsory acquisition, having received 94 per cent of the stock by the time its takeover offer expired in the first week of February.

The deal turns Barrick into the world's biggest gold producer.

Barrick is set to release its results after markets close

Wednesday.

Barrick appears to have already exerted its influence on Placer's gold hedge book. Placer said Monday it has reduced and restructured its forward sales commitments following the change in control.

It has repurchased about one million call options and gold lease rate obligations at a cost of \$222 million, and reported a maximum committed hedge position of 6.2 million ounces of gold as of Feb. 17.

The moves should reduce the merged Barrick's overall hedge book to below 20 million ounces of gold, Merrill Lynch analyst Michael Jalonen said in a note to clients.

At Sept. 30, the combined

hedge book of Barrick and Placer would have been 20.9 million ounces — the largest in the industry.

Gold hedging lends stability to earnings when gold prices are low, but cuts into profits when prices are high. As gold prices have soared to 25-year highs recently, it has been a contentious issue.

Placer said its fourth-quarter earnings amounted to five cents per share, down from nine cents per share in the same period of 2004.

Excluding \$28 million in unusual losses, earnings were in line with expectations of 11 cents per share, Jalonen said.

Mine operating earnings rose 95 per cent to \$152 million,

helped by higher metal prices and gold production. This was offset by costs related to the takeover and by higher spending on resource development, technology and other items.

The \$21 million Placer spent in connection with the Barrick deal is "certainly a lot of money to spend when there was really not much of a fight," said Research Capital Corp. analyst Barry Allan.

Barrick launched an unsolicited offer last Halloween, and Placer's board accepted a higher offer Dec. 22 after no rival suitors came forward publicly.

Placer shares closed up 18 cents at \$27.30 Cdn on the Toronto Stock Exchange, while Barrick rose 41 cents to \$33.29.

Canadian Press

Business coalition to fight parking tax

GVRD | Grassroots group to battle TransLink

BY GILLIAN SHAW
VANCOUVER SUN

Lower Mainland businesses launched a coalition Monday to fight TransLink's controversial new parking tax.

Vowing they are in for the long haul, representatives of retail and trade organizations, real estate and independent businesses across the board met in downtown Vancouver to formulate a strategy for battling a tax they say will hurt businesses and cost jobs.

"This is a grassroots group, and we'll all be out there with a similar plan and a similar set of messages to let the government know this is terrible," said Ted Williams, spokesman for the group which is calling itself the Park the Tax Coalition. "Enough is enough."

"This tax is unfair and inequitable. There is a fair amount of grassroots anger over this."

Williams said there were 25 people at the meeting, representing organizations that add up to thousands of members.

"The representation is from all over the GVRD," he said. "I think we are going to end up to be the largest anti-tax coalition that has ever been put together by the time we are done here."

"There are so many people who are unfairly affected by the tax."

Williams, who is director of Metrotown properties with Ivanhoe Cambridge, said the tax has many inequities and businesses will either be forced to pass the added cost onto consumers, a move that could put them at a competitive disadvantage, or make cuts in other areas to come up with the money.

"It weakens small business and it will affect jobs," he said. "If the independent businessman can't cut his overhead somewhere else, he is going to have to look at cutting jobs."

Small businesses will be especially hurt by the tax, according to the coalition. In the case of Metrotown, Williams said the parking tax, which amounts to about \$250,000, will be borne by the small stores and not the large anchor department stores that have their common area costs capped under their leases.

"As a result of signing long leases they have to have certain assurances on common costs and common area maintenance," Williams said of the department stores. "The small businesses are going to get hit with this one in shopping centres."

Williams said the coalition, which will be announcing its plan of action in the coming weeks, will have a presence on the Web through the Canadian Federation of Independent Business site, at www.cfib.ca/legis/bc/index.asp.

gshaw@png.canwest.com

Five-year ban for shares manipulation

DECISION | A former stockbroker who manipulated a company's share price has been barred from the capital markets for five years by the British Columbia Securities Commission.

The commission's sanction against Michael Alan Wilson arose from activity in Golden Fortune Investments, a junior company whose activities included late-'90s telecom ventures in China and a Y2K bug fix for Chinese computers.

Wilson admitted causing a misleading appearance of trading activity in the company's stock and abusive operation of nominee accounts.

Regulators halted trading in B.C.-based Golden Fortune in October 2003 after audited financial statements were not filed, and the stock was delisted from the TSX Venture Exchange in April 2004.

The commission said Wilson cannot buy or sell securities except in his personal account, cannot be a director or officer of any public company and cannot engage in any investor relations activities for at least five years.

He must also pay the BCS \$5,000.

Canadian Press