

Geared for girls

The Lamborghini Gallardo Superleggera (zero to 100 km/h in 3.8 seconds) made its North American debut at the New York International Auto Show on Wednesday, but we were looking for something a little more in our price range. Just so happens Mattel was also using the event to unveil Polly Pocket Polly Wheels, the first die-cast toy cars designed just for girls. The toy cars are the result of two years of market research that found girls clamouring for their own version of Hot Wheels or Matchbox (also made by Mattel), said Stephanie Cota, vice-president of girls marketing at Mattel. MSRP: About \$3.50.



THE VANCOUVER SUN

SECTION C

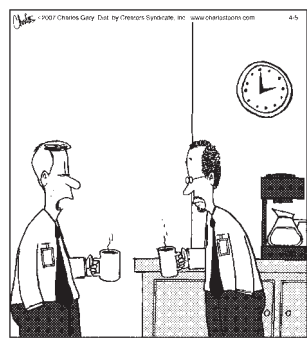
BUSINESS BC

TAKEOVER BID FOR BURNABY'S GATEWAY | C3

MALCOLM PARRY'S TRADE TALK | C4

FINAL EDITION EDITOR HUGH DAWSON 604-605-2520 • THURSDAY, APRIL 5, 2007 • E-mail sunbusiness@png.canwest.com

WORKING IT OUT



'I don't know about you, but when I was a kid, nobody ever said, 'I wanna be a peon when I grow up.'

IRON CHEF STRIKES GOLD

The Iron Chef America has an iron-clad contract with General Mills. Mario Batali of Food Network fame has developed 10 frozen pasta dinners for the food giant. He joins fellow celebrity foodies Emeril Lagasse and Rachael Ray in having their likenesses in shopping carts, but Batali is entering a red hot market. Annual sale of frozen Italian entrees in U.S. club stores grew 24% to more than \$52 million US from 2004 to 2006, according to market researcher Nielsen Co. No one is saying how much Batali's deal is worth, but his frozen meals will sell for about \$12.

BUSINESS BC FRIDAY

SMART MONEY: BusinessBC's weekly guide to personal finance, along with our popular Market Value listings.

B.C. SNAPSHOT

West side story

Owners on the west side of Vancouver were the winners in the March real estate sweepstakes for detached homes in the Real Estate Board of Greater Vancouver's region. The benchmark price there rose 17% from March 2006. Squamish householders came a close second.

1 year % change in benchmark price, detached homes in REBGV region

Vancouver West	+17.0
Squamish	+16.2
Pitt Meadows	+15.9
Coquitlam	+13.9
Richmond	+13.4
Port Moody	+11.6
Maple Ridge	+11.2
Burnaby	+11.0
Port Coquitlam	+10.8
Vancouver East	+10.7
Sunshine Coast	+10.2
North Vancouver	+10.0
West Vancouver	+9.7
South Delta	+6.4
New Westminster	+5.3
Greater Vancouver	+11.8

Source: Real Estate Board of Greater Vancouver

OPPORTUNITY COMES KNOCKING IN THE NORTH



LEANNE RITCHE/SPECIAL TO THE VANCOUVER SUN

Sharon Howie is buying a 1930s-era home in Prince Rupert for \$105,000 after recently moving to the port city with her boyfriend: 'You can live here and have a good life for a lot less than you could in Victoria or Vancouver.'

Northern B.C. joins the housing boom

REAL ESTATE | Prince Rupert's prices have skyrocketed 40 per cent in past year

BY MICHAEL KANE
VANCOUVER SUN

Strong economic news and relatively affordable prices are driving a real estate boom in much of northern B.C., where a record \$244 million worth of property was sold during the first three months of this year.

Thanks to renewed mining activi-

ty, homes in Williams Lake are selling within days for more than their listing price, and the rental vacancy rate is one of the lowest in Canada at 0.4 per cent, according to Mayor Scott Nelson.

In Prince Rupert, prices have risen about 40 per cent in the past year, said Ted Shepard, past president of

See **FIVE YEARS OF** C4

Northern boom

Steady demand, a shortage of available properties, and relatively few building starts are combining to boost real estate values throughout northern B.C.

Average selling price for a detached house as of March 31, and percentage change from a year earlier:

100 Mile House	\$209,084	+10.4%
Fort Nelson	\$219,569	+2.2%
Fort St. John	\$294,907	+21.5%
Kitimat	\$126,273	+15.3%
Mackenzie	\$121,081	+11.3%
Prince George	\$232,951	+32.2%
Prince Rupert	\$152,336	+23.4%
Quesnel	\$145,471	+14.1%
Smithers	\$177,597	+10%
Terrace	\$162,425	+24.3%
Williams Lake	\$191,505	+16.1%

SOURCE: BC NORTHERN REAL ESTATE BOARD

Lundin surges on deal to buy nickel miner

Vancouver company to acquire Rio Narcea Gold Mines for \$993 million

BY ROB DELANEY

METALS | Vancouver-based Lundin Mining Corp. agreed Wednesday to acquire Rio Narcea Gold Mines Ltd. for \$993 million to take advantage of record nickel prices. Lundin shares surged 14 per cent on the news.

Lundin will raise output at the Rio Narcea nickel and copper operation in Spain and plans to sell a gold mine in Mauritania.

"We're a strong believer that nickel will have a deficit" of supply "because of a lack of investment, so it was logical for us to add nickel," Lundin CEO Karl-Axel Waplan said Wednesday in a conference call.

The purchase moves Lundin closer to its goal of becoming "one of the world's leading metal mining companies," he said.

Nickel, used to produce stainless steel, has tripled in price in the past year as demand grew in China.

Nickel for delivery in three months on the London Metal Exchange rose \$810 US, or 1.7 per cent, to a record \$49,400 a metric tonne.

Lundin's offer for Toronto-based Rio Narcea follows Xstrata Plc's \$4 billion agreement in March to buy Canada's LionOre Mining International Ltd. to increase its nickel production by 36 per cent.

See **SHARES OF** C3

Zipcar delivers competition to the concept of car-sharing

BY BRUCE CONSTANTINEAU
VANCOUVER SUN

DRIVING | The car-sharing market in Vancouver just got competitive.

U.S.-based Zipcar has invested about \$2 million to launch a car-share service in Vancouver today with a fleet of 100 new vehicles spread throughout the city.

The new commercial venture will compete with the non-profit Co-operative Auto Network,

which has had a lock on the Vancouver market since its creation 10 years ago. CAN has more than 3,000 members who can choose from about 160 vehicles throughout the Lower Mainland.

Car sharing allows members to pay by the hour to reserve a car for personal use. Boosters of the concept say it's a lot cheaper than owning a car and better for the environment because it also encourages people to take transit, walk or bike.

Zipcar president Scott Griffith said members typically save about \$500 a month when they use Zipcar instead of owning a private car.

"When people have to meter their own car use, they make smart choices about using other forms of transportation," he said in an interview. "This is a sign of the times. Urban living is expensive, and people are always look-

See **ZIPCAR EXPECTS** C4



BILL KEAY/VANCOUVER SUN

Zipcar president Scott Griffith says people can pay by the hour to use a car in the city.

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Five years 'of assured growth'

From C1

the Northern Real Estate Board. He says the impetus was the 2005 announcement of firm funding for a northern container port.

In Prince George, the average home price has risen to \$223,000 from \$195,000 last November, and people are moving to the city from all over because of mining, construction, oil and gas activity, and increased logging driven by the pine beetle epidemic, said city realtor Marnie Scott.

"CMHC are telling us we have got at least five years of assured future growth across the whole northern region," Scott said. "There is just so much going on, and it's keeping everybody busy." Just two places bucking the trend are Fort St. John and Fort Nelson, where oil and gas exploration has slowed, and there are now fewer buyers and more listings.

"The pendulum has swung slightly in the buyer's direction, but our spring selling season hasn't hit yet because there is still lots of snow up here, and the oil and gas will come back," said Fort St. John realtor Dave Eaton.

Across the Northern Real Estate Board's area, which encompasses two-thirds of the province, the value of all properties sold in the first quarter is up 35 per cent from the same period last year and almost double the \$125.8 million of 2005, the board reported Wednesday.

Some 1,327 properties changed hands, up slightly from 1,298 in the first three months of 2005.

Planned spending on residential and commercial buildings is also soaring in northern B.C., according to BC Stats. The value of building permits on the north coast rose 57 per cent in 2006, leading the province, followed by a 35-per-cent gain in the north-east.

"Things are really cooking in the North," board president Glen Holling said in an interview. "It's very hard to put a finger on what drives everything in such a vast region, but generally the economic outlook and confidence is pretty strong."

Barring any last-minute complications, the newest buyers in Prince Rupert are Sharon Howie and her boyfriend, Michael Grattan, who agreed to pay \$105,000 Wednesday for a 1930s character home with a view of the bay and the mountains.

"It does need some work, but it is very, very affordable, and we're looking to put some money into it was well," said Howie, a communications manager looking for work. The couple moved to Prince Rupert from Ottawa last week when Grattan landed a full-time job as a float-plane pilot.

"In Ottawa that's seasonal work, so the full-time aspect was a big draw. But it was also the appeal of the city, of British Columbia and the mountains and the ocean," Howie said.

"You can live here and have a good life for a lot less than you could in Victoria or Vancouver, and [Grattan's] salary here is actually a lot more than it was in the Vancouver area."

Conservation officer Darin Conroy experienced sticker shock when he moved to Prince George after working in Nunavut.

He and his wife, Carol, a registered nurse, planned to check out a dozen MLS listings when they arrived in the city in December, but most had already sold.

The parents of two pre-schoolers eventually paid \$300,000 for a single detached home built in 2004 in the northern part of the city known as "The Hart."

"It was a little more than we had initially planned on spending, but we're happy with the house," Darin said.

Holling said most areas of northern B.C. are experiencing a shortage of available properties, and listing inventories are dropping to as low as two months' supply.

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Skipper the dog loves to learn new tricks as he gets older



MALCOLM PARRY
VANCOUVER SUN
TRADE TALK

DICK HARDT has got a dog for you. Such a dog, too, and not only because he's free and has an excellent pedigree.

Skipper will guard you night and day, near and far. He'll quickly learn everything you want him to do on your behalf, as well as a lot of stuff you don't know yet or that is too complex for you to grasp.

He'll also learn new tricks as he gets older. And not just from you. In fact, he'll stay in constant touch with possibly millions of other Sxippers around the world, all of whom will share everything they've learned that may protect and aid their masters. And none will ever disclose a single discreet fact about the man, woman or child who holds their leash.

Okay, Skipper is software. And mechanical engineer Hardt is the 43-year-old Fort St. John native who pioneered what he called "monetizing the Internet."

By that, he meant modifying freely available software into forms business operators could use and he could sell.

Thus he launched the spam-fighting firm ActiveState in 1997, moved it into a former bank building at Granville off Dunsmuir Street, and saw it gross \$9 million in 2001. Soon, though, he modified himself from behind the president's desk and back on the technological wave he loves to surf.

Two years later, he sold the 70-employee ActiveState to the British Sophos firm and bought himself a Porsche Carrera GT that recently cost ICBC \$190,000 after a parking-lot scrape damaged its carbon-fibre underbody. The supercar is well again, ActiveState employs close to 200, and Hardt is realizing another aim: "To manage your identity in a digital world."

The Cliqin firm he said would do that emerged in 2004 as Sxip (Simple eXtensible Identity Protocol), with a staff of 20 occupying 10,000 square feet at Beatty and Robson for \$15 a foot all in. With the option on a same-size floor below, you don't need Hardt's slide-rule to figure 150 could work there.

Sxip begat Sxipper — www.sxipper.com — a beta version of which is freely available. Hardt says the good digital dog "manages your identity on line."

That includes straightforward stuff like remembering and applying site passwords, automatically filling in forms, and remembering all the sites you've accessed and what you've told them.

But today's dynamic data is much harder to handle than it was when web pages were static. Sxipper is in his element here, Hardt says, especially when its master's identity data is dynamic and would be hard or impossible to manage.

He's referring to stuff like disposable e-mail and one-time credit cards.

Say a website wants your e-mail address, but you couldn't prevent it going to another site. Sxipper will forward an address only the directed site can access. When you've received all you want, Sxipper kills it.

On-line credit purchases? Sxipper will send a number valid for once only.

Sxipper will remain free, Hardt says, with a package for disposables, data-synchronizing and back-up costing around \$25 annually. He expects "millions and millions will want to use the free version, and millions will want the paid service."

Meanwhile, with Hardt's traditional policy of "releasing early and releasing often," new versions of Sxipper will go out every 10 days. "And Sxipper himself will constantly grow as he learns, evolves and adapts to what



Software hotshot Dick Hardt says his digital dog Sxipper will protect its master's internet security as well as a live one would his home and well-being.



OneMove Technologies president-CEO Martin Johnson hopes to clean up on every hitherto-complex step of Britons buying their own homes.

people ask for and teach him."

As for making another heap of moolah, Hardt is looking beyond supercars to very light jets like the \$1.5-million US Eclipse 500, that cruises at 370 knots for up to 2,400 km. Maybe in a couple of years — 14 dog years, that is.

CRISTINA GIUSTI and **Liselott Montesano** were selling women's wear at the Leone store in 1987 when they decided to go into business together.

Slow forward to late 2005. After working in the art-gallery game, earning a geography degree from Simon Fraser university and marrying Vancouver Canucks then-captain **Trevor Linden**, Cristina Linden had taken over Yaletown's 1,400-square-foot Zero Gravity store and renamed it Basquiat.

Nurse Montesano, who began her professional life in a Swedish urology clinic, was by then making her own line of jewelry and selling it, along with top-dollar women's fashions, at Bacci on South Granville.

Another year went by. Linden didn't

like her location. **Rick Ilich** was redeveloping a 1,400-square-foot site on Hamilton Street off Davie. Linden shot, scored and called Montesano from the bench to realize their long-ago plan.

They opened Basquiat II recently, and now spend many a shift in Milan, New York and Los Angeles sourcing and ordering garments — Dondup, Belstaff and the like — to replenish stock that sells quicker than they expected.

How quickly is moot since the two are as unforthcoming as Montesano's old patients regarding their business numbers. But passersby can see a lot of merchandise bags coming out of there. And one thing we do know: with Ms. Linden so entrenched here, hubby Trevor must be, too.

MARTIN JOHNSON, the OneMove Group president and CEO, was CFO of **Chris Brough's** short-lived but infinitely ambitious Sextant Entertainment Group here in 1999. He'd earlier been a VP at the Alliance Communications subsidiary Alliance Equicap, which directed tax-sheltered

investment to Canadian movies

It's easy to picture the Sextant-era Johnson behind a half-acre walnut desk, thumbing a business-adventure script that goes like this: A handful of aggressive guys make \$3,700 a day streamlining B.C. house sales at \$65 a pop. They move into London's Canary Wharf business powerhouse, and start biting off \$1,000 per trade under Britain's archaic realty system.

Change reels. That's just what father-of-four Johnson says he and partner **Neil Patel** are achieving. Patel is a British realtor who founded the five-years-old Madison's Estate Agency there.

OneMove is basically a software package that integrates all aspects of a real-estate conveyance — buyer, seller, agent, lawyer, mortgage lenders, insurance companies, land registry office, etc. — so that all participants are updated simultaneously. Achieving that is not too daunting in a highly advanced realty network like B.C.'s, where there is a multiple-listing service and advanced data systems are already in place.

In Britain, though, each component is an island with minimal interaction, little of it digital, and property deeds that go back centuries. Agents represent only the seller, Johnson says, and conditional offers are not permitted. That means folk who believe they have a more-or-less done deal, can have it pulled from under them weeks later by someone chucking in more cash. The result, he said, is that it takes three to four months to buy a property, and 28 per cent of all deals fail.

That alone may explain why British TV is full of home-renovation programs. But with U.K. house prices averaging 228,183 pounds (\$517,700) and unsold property at its lowest level in seven years, there are pickings for the inventive. Britain is also a potential \$3 billion market, as Johnson observed with one eyebrow raised.

Helping OneMove adapt to the U.K.'s complex home-searching and conveyancing climate is the national land system Vancouver-based MacDonald, Dettwiler and Associates built for England and Wales. There's also the home buyer's expense insurance scheme OneMove negotiated with the HSBS Bank to give putative home buyers a \$3,000 hedge against being snookered.

OneMove clients have those major factors coordinated by a personal moving consultant, along with surveys, home insurance, moving services, wills and tax planning and the like. For their \$1,000 average fee, they're also kept updated by the loan of a BlackBerry. And since even OneMove's streamlined system usually entails weeks, these are usually kept, sending — ker-ching — another commission OneMove's way.

Break-even in Britain is 500 transactions a month, said Johnson, who claimed OneMove is already handling 150. "We've developed the most efficient real-estate system in the world," he said, sounding like a moviemaker again.

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Friends Liselott Montesano and Cristina Linden took 20 years to launch the store they said they would, but their Basquiat boutique is now open in Yaletown.

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Zipcar expects to have 150 cars in Vancouver by year's end

From C1

ing for smart ways to save money."

Vancouver is Zipcar's eighth major metropolitan market since it began operations in Boston seven years ago, and the company now serves more than 90,000 members with a fleet of 2,500 vehicles. It also operates in New York, San Francisco, Minneapolis, Washington D.C., London and Toronto.

It has financed its growth with \$10 million US in funding from Benchmark Capital and \$25 million US in venture capital fund-

ing led by Greylock Partners.

Griffith said it typically takes 18 to 24 months before Zipcar becomes profitable in any new market, and the company is launching in Vancouver with its largest initial fleet ever. It expects to have 150 cars in the city by the end of this year.

"We expect to do well here because Vancouver is a world-class city with a very strong downtown population that lives and works in the city," Griffith said. "There's a lot of interest here in improving the urban lifestyle, and a high willingness to try new concepts."

Zipcar members pay a one-

time \$25 application fee and a \$55 annual membership fee to join. It costs from \$8.30 to \$14.75 an hour to use a company vehicle, which includes insurance, gas, designated parking, maintenance, and up to 150 km of driving in a 24-hour period.

Vehicle types range from the Honda Civic to the MINI convertible. They will be available in downtown Vancouver, Yaletown, the West End, Coal Harbour, Gastown, Kitsilano, Fairview, Mount Pleasant, and Commercial Drive.

Griffith said the company isn't out to destroy CAN, which was the first North American car-

share service of its kind when it began operations in Vancouver in January 1997.

"We see this as a situation where one plus one equals five, because we tend to grow the market for everybody," he said. "Consumers like choices and that's probably what's going to happen here, so everyone will benefit."

CAN executive director Tracey Axelsson said Zipcar officials contacted them years ago to find out how car sharing works, and now they're a competitor.

"I know in other cities where they launched, they tended to

put their cars right beside wherever [other car-sharing companies] vehicles were located," she said in an interview. "I understand they have talked to the same parking suppliers we use, so we'll have to wait and see."

Griffith doesn't expect any parking "overlap" in Vancouver at first, but said that might happen over time.

CAN uses a different rate structure than Zipcar, charging a \$500 membership fee, which is refundable, and a \$2-an-hour vehicle usage charge, plus driving charges of 18 cents to 38 cents per kilometre.

Axelsson said most CAN

members pay about \$4 an hour to use a car, although that can increase substantially if they drive long distances.

"But most members don't do that," she said. "They see the car as a city car — a way to get from point A to point B."

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