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MONEY • ENERGY • TECHNOLOGY • WORLD

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TUESDAY, JUNE 12, 2007

OIL AND GAS TAKE CENTRE STAGE



Paula Arnold, of dmg world media (Canada) inc., surveys Go-Expo from a Concord Well Servicing drilling rig being set up at the Stampede grounds.

Grant Black, Calgary Herald

Home
prices
leap 27%Calgary new housing posts
second highest hike in nationMARIO TONEGUZZI
CALGARY HERALD

The cost of new housing in Calgary rose over the past year by the second highest percentage in the country.

Statistics Canada's New Housing Price Index, released Monday, indicated Edmonton posted the largest 12-month increase at 40.5 per cent followed by Calgary (27.4 per cent), Saskatoon (24.9 per cent), Regina (17.3 per cent) and Winnipeg (6.9 per cent).

Nationally, the cost of new housing rose by 0.8 per cent in April from the previous month and contractors' selling prices were up 8.9 per cent, from April 2006 to April 2007, down slightly from the 9.3 per cent increase recorded in March.

Lai Sing Louie, Canada Mortgage and Housing Corp.'s senior market analyst for Calgary, said the new home costs are "moving in a direction we anticipated."

"It's up but the acceleration in the price level is coming down," said Louie, adding by year-end the CMHC is expecting price growth in Calgary to be about 18.3 per cent.

There is no central database for average selling prices for new homes. But the CMHC keeps track of what it calls the "absorbed price," which is recorded when a new home is completed and moved into. However, that price reflects when the new home was actually sold to the buyer.

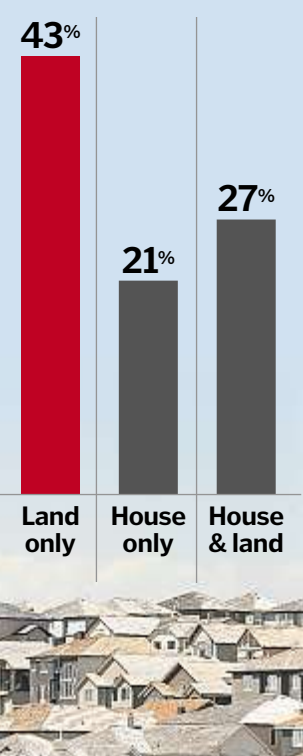
In May, the average absorbed price for a single-detached home in Calgary was \$464,611, an increase of 41.1 per cent from May 2006's \$329,349.

Louie said the CMHC is forecasting the average price to be \$487,500 by year-end.

Don Davies, president of the Calgary Region Home Builders Association, said "prices are continuing to increase although at a more moderate rate than last year and that's due still to Calgary having lots of people moving into the city and there are cost pressures on land, labour and materials still."

"Affordability has a lot to do with it. Calgary's economy is still buoyant but it's slowed down from the record of last year."

Of the 21 metropolitan areas surveyed by Statistics Canada, 12 registered a monthly increase, with Ed-

New housing
price indexes(year-to-year % change
for Calgary)

monton leading the way (4.4 per cent).

"This was the result of high costs for materials and trade labour, high demand, and extended construction periods," said the federal agency.

Regina (2.2 per cent), Saskatoon (2.1 per cent) and Calgary (2.0 per cent) trailed Edmonton in the monthly increase from March to April.

According to the federal agency, the house only component in the New Housing Price Index increased by 21.3 per cent in Calgary in the past 12 months while the land only component increased by 43.3 per cent.

On a monthly basis, the house only category was up two per cent in Calgary and the land only category was up 1.9 per cent.

Louie said there are currently 6,009 single-detached homes under construction in Calgary.

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Oilsands fever
draws world
to Go-ExpoGINA TEEL
CALGARY HERALD

The juggernaut known as Alberta's oilsands has resulted in a few changes to the 2007 Gas and Oil Exposition or Go-Expo, billed as Canada's largest oil and gas event of the year.

"This year we've seen an explosion of interest on the visitor side," said Paula Arnold, marketing manager, business media for dmg world media (Canada) inc., which runs Go-Expo.

As a result, more is the operative word for the once-largely regional show kicking off today at the Calgary Stampede Grounds that showcases all the latest and greatest technology, products and services produced by small to mid-sized companies for the upstream industry.

There's more international interest from exhibitors, with pavilions from China, Korea, Sweden, Netherlands, UK and the U.S. — the most ever to participate at the biennial event started in 1979 and acquired by dmg world media in 1995.

There's more room — a third hall at the Roundup Centre has been added this year and there's

bigger outdoor exhibits — to accommodate the growing interest in the oilsands from visitors and exhibitors alike.

Randy Lyons, national sales manager for Remote Control Inc., is one such exhibitor.

"Oil, gas, energy, that's where it's at, so that's what we're up here for," Lyons said Monday while setting-up his display.

Based in Falun, Sweden and Providence, Rhode Island, in the U.S., Remote Control manufactures actuators for valves, dampers and controls.

"Synchrude and everything is going on with oilsands, your new pipeline project that's projected to come down from the Northwest Territory, that pretty much puts us here," Lyons said, citing his reasons for attending the three-day trade show.

Then there's the record-number of visitors registered to attend Go-Expo.

More than 17,000 visitors are registered this year compared to 10,000 in 2005, Arnold said. Add in the exhibitors and this year's number will reach 21,000 registered visitors from 54 countries.

SEE SHOW, PAGE D10

Go-Expo 2007

Billed as: Canada's largest oil and gas event of the year;

Runs: June 12-14 at Calgary's Stampede Park;

Audience: More than 20,000 registered delegates from 54 countries;

Size: 600 exhibiting companies

Space: 150,000 net square feet of features, events, and indoor and outdoor exhibits.

New: Environmental Services Association of Alberta professional development courses, International Association of Directional Drilling workshops, Go-Road Truck Test Drive Track, Heavy Oil 101 course.

MARGIN
CALLSWestern farmers
gain barley choice

MARKETING • The federal government has announced that Western Canadian farmers will have the freedom to choose how they market their barley beginning Aug. 1.

Speaking at a farm roughly 20 kilometres west of Winnipeg Monday, Agriculture Minister Chuck Strahl said that the government has amended regulations to allow farmers to choose whether they want to market barley through the open market or the Canadian Wheat Board.

"Today is about freedom for our farmers," said Strahl.

"Today is about empowerment for our farmers and today is about opportunity for our farmers."

Jim Janzen, who hosted the minister's press conference, said he has not grown barley for 15 years but he plans to do so in the future and sell it on the open market.

Strahl suggested farmers would make more money in an open market.

"It's time the farmers made a buck and it's time they made it on barley," he said.

Energy 'police'
patrol Beijing

CONSERVATION • Quick, check the thermostat — the energy police are on patrol.

Businesses in Beijing will have to be more aware of their energy use after the city formed a team to monitor energy-saving practices in response to the central government's calls to cut consumption in big cities, state media reported.

Xinhua News Agency said the 20-member team was also part of the municipal government's Green Olympics promise for next year's Olympic Games.

It quoted team leader Huang Qian as saying the "energy-saving police" will check if energy consumption in offices, hotels, schools, shopping malls and other big buildings meets national standards.

For example, air conditioning can be no cooler than 26 C in summer and heating no warmer than 20 C in winter.

Huang said those who fail to improve after warnings "will face penalties and their names will be publicized on TV, on the radio and in newspapers."

HERALD
ENERGY

Canadian Association of Petroleum Producers says the current set of royalties and taxes remain appropriate

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