

# IN BRIEF

From Herald News Services

## Banks rated on climate change policies

**ETHICAL FUNDS** • Canada's Big Five banks have woken up to the impact their financing has on climate change, according to a report released Wednesday by The Ethical Funds Company.

But some are doing better than others, says the report, by the socially responsible mutual fund.

TD Bank and Royal Bank come out on top of the ratings, with policies and practices on lending that address climate change. Bank of Montreal is at the bottom, offering little evidence it considers the environment in its lending portfolio.

In the middle are third-place Canadian Imperial Bank of Commerce, described as "climbing the ladder," and fourth-place Bank of Nova Scotia, improving, but slow to address climate change risk in its lending.

Robert Walker, vice-president of sustainability at Ethical Funds, said banks play a crucial role in tackling climate change as they are the key lenders of capital to companies that create environmental impacts.

## Six hurt, one missing after natural gas blast

**ACCIDENT** • A natural gas explosion injured six crew members of a pipeline maintenance vessel off the coast of Louisiana and left one person missing, the U.S. Coast Guard said Wednesday.

The explosion occurred late Tuesday while the Motor Vessel Jillian Morrison was clearing the gas from a shut section of a pipeline owned by ANR Pipeline Co. into a tank towed behind the vessel, said Petty Officer James Harless, a Coast Guard spokesman.

The towed tank ruptured in the explosion, Harless said. Coast Guard investigators checked the pipeline and wellhead for damage at the location of the explosion 25 kilometres off the coast of Marsh Island, La.

ANR's parent company, TransCanada Corp., said the blast did not affect its pipeline system or supplies of natural gas to customers.

The search continues for a missing crew member, Harless said.

## Agrium ponders expansion options

**POTASH** • Canada's third-largest potash producer is still studying how much more it can expand its only production facility at Vanscoy, Sask., west of Saskatoon.

Calgary-based Agrium Inc., a producer, wholesaler and retailer of fertilizer products, posted its annual report online this week.

The company earlier reported its record \$441 million net earnings for 2007 and has since been focused on completing its December acquisition of a group of retail fertilizer operations owned by UAP in the United States.

At the same time, Agrium continues to look at one and possibly two major potash investments.

Potash accounted for 15 per cent of the company's earnings before interest, taxation, depreciation and amortization in 2007.

The company is currently fine-tuning a 310,000-tonne capacity expansion at the Vanscoy mine.



James Miller, partner with Avison Young in Calgary, says the city is "now getting the attention of big players."

# International real-estate investors flock to Calgary

City's thriving resource sector one of many draws

MARIO TONEGUZZI  
CALGARY HERALD

The strength of Calgary's economy and growing concern about a possible U.S. recession are attracting new investment from international buyers, says a commercial real estate report by Avison Young.

"Calgary is an appealing market in which to invest," says the Calgary Investment Review 2007 year-end report. "Economic and political stability combined with the strength of Canada's resource sector and its appreciating currency makes Calgary an exceptionally attractive market."

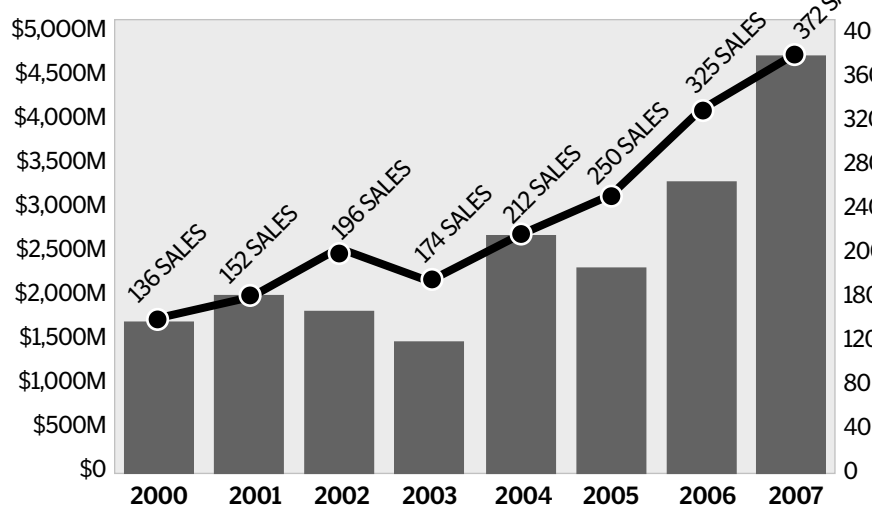
"As a result, institutional and private investors from Australia, the U.S., Europe and Asia are turning their attentions to our market. As currency values continue to rise, so too does the value of these countries' portfolios."

The report, put together by Susan Thompson, research manager at Avison Young Commercial Real Estate (Alberta) in Calgary, said that as recently as 2003, the total dollar volume for sales of office, retail, industrial, multi-family, residential land and ICI (industrial, commercial, institutional) land combined had not exceeded \$2 billion. In 2007, the office investment sector alone exceeded \$2 billion and the overall market came close to reaching \$5 billion for those sales (excluding transactions valued under \$2 million).

"Calgary is still being viewed as a market of opportunity and it continues to bring in a steady flow of investors," said the report. It said Calgary is recognized as the strongest market in the country and international investors, institutions and private syndicates have all placed a focus on the city.

"The outlook remains extremely positive for the underlying strength and stability of our economy and will continue to make real estate in Calgary a prudent long-term investment," says the report.

City of Calgary annual property sales (SALE PRICES OF \$2 MILLION AND UP)



The 2007 sales reflect the "rotation of new believers in the market, supporting values, the vendors have been from all walks, whether it's been institutional, private equity," said James Miller, a partner with Avison Young in Calgary.

"There have been more types of buyers by virtue of REIT's (real estate investment trusts)," he said.

"This year, we will see the institutions, the private guys, the pension funds continue to be the dominant groups and REIT's will sit on the sidelines by and large."

Miller said a number of Calgary projects have gone international.

"The attraction of bigger assets brings more money. So when you're in a \$200-million and above asset type . . . in Calgary, it's now getting the attention of big players," he said. "And that is a bit of a compliment to the oilpatch. We're following the footsteps of a very established international oil and gas market. When you get such familiar names on a rent roll to an international clientele or a cross-border clientele, it's a maturing market."

"(Calgary) is a very strong long-term view. And when people are putting half a billion dollars in New York, or London, or Dubai, this is not an unfamiliar stop any longer. This has Canada's second-most head offices. This is a major asset marketplace."

The major elements of Calgary's economy — including robust consumer spending, low unemployment and a strong energy sector — are extremely attractive to outside investors, said Bruce Irvine, vice-president for business development and retention at Calgary Economic Development.

"(Calgary's) growth rate has been in the top five in Canada for the last 10 years. When you're that consistent, that's a stability and an excitement that gets investment to look at this direction," he said.

Also, vacancy rates in all commercial real estate markets in the city remain at very low levels.

"For every product that we can develop, our vacancy is low. That puts an upward pressure on the prices. So in short, you've got high rents, low vacancy. You can't have a more attractive mix than that," said Irvine.

According to the Avison Young report, total dollar volume in property sales across all assets was \$4.7 billion in 2007 on 372 transactions — the highest ever recorded. The dollar volume was up \$1.4 billion (43 per cent) from 2006, and up \$2.4 billion (103 per cent) from 2005. Total sales were also up 47 (14 per cent) from the previous year and up 122 (49 per cent) from 2005.

MTONEGUZZI@THEHERALD.CANWEST.COM

# WestJet unveils Big Apple flight plan

GINA TEEL  
CALGARY HERALD

Be it for business or pleasure, New York City is the place be, and Calgarians will soon have more ways to get to the Big Apple.

WestJet Airlines Ltd. announced Wednesday a new seasonal non-stop service from Calgary to New York City via Newark International Airport, with daily flights starting June 2.

The news follows a similar announcement from Air Canada earlier this month, when the nation's biggest carrier said it's expanding service from Calgary to the New York/New Jersey area starting June 16, with daily, non-stop service to Newark.

Richard Bartrem, WestJet's vice-president of culture and communications, said the new destination has been in the works for a while as part of the Calgary-based carrier's continued expansion plan.



Richard Bartrem

"We certainly see this being a successful route for us," he said.

The double dose of new service to New York comes as more and more Albertans are flying there to take in the opera and other cultural venues, said Rick MacSwain, sales and marketing manager for UNIGLOBE Geo Travel.

"New York is an amazing city, it really is, it never sleeps."

"It's awesome for shopping, too," he said.

It's also popular now for Albertans to fly into New York, and then embark on a coastal cruise either out to Bermuda or up the north New England states, or to Halifax, MacSwain said.

Allison Eaton, Vancouver spokeswoman for the Flight Centre travel agency, said New York is always going to be a premier destination for people, but Calgary's boom is helping to build demand.

"We've got a strong Canadian dollar, a huge economy in Calgary, lots more people that are creating more of a demand, and they've got more money to spend," she said.

The new flights also connect two significant financial centres, said airline analyst Rick Erickson.

"Let's not forget, it's the Big Apple. The U.S. business destinations don't get any bigger," he said.

Air Canada, with its business class product, will likely attract all the high-yield traffic between Calgary and New York and some leisure traffic as well, Erickson said.

He suggested WestJet is following up on its intentions of adding at least one new business destination in the U.S. each year.

However, by announcing that its new service is seasonal, WestJet is signalling the service is aimed a leisure traffic, with demand largely from Western Canada, Erickson said.

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