

# Ottawa to forge ahead with securities watchdog this week

Draft rules likely to be revealed today

REUTERS OTTAWA

The federal government is ready to unveil draft legislation this week to create a national securities regulator, but will wait for a Supreme Court ruling before asking Parliament to approve it.

Finance Minister Jim Flaherty is likely to reveal the proposed law today, government officials said. But he will present it to Parliament for information purposes only.

The legislation is a major step in a decades-long effort by the current Conservative and former Liberal govern-

ments to replace a patchwork of provincial watchdogs with a single national regulator, despite strong objections from Quebec and Alberta.

To pre-empt any attempt at torpedoing the reform on the grounds it encroaches on provincial jurisdiction, the federal government will first submit its plan to the Supreme Court for its opinion on whether Ottawa has the constitutional right to set up such a body.

Quebec and Alberta argue the power to oversee stock and bond markets lies with individual provinces and territories. Canada's system of 13 provincial and territorial regulators is unique in the Group of Seven major industrialized countries and Flaherty has called it an international "embarrassment."

Ottawa argues it would be easier to regulate markets and



Jim Flaherty

enforce rules across the country under a single regulator, and help co-ordinate regulation with the U.S. Securities and Exchange Commission and other countries as part of financial reform efforts following the global financial crisis.

But Quebec predicts big job losses in Montreal and a

weaker local economy if that power is taken away. Some of Quebec's top companies have joined forces with the provincial government in opposing Ottawa's plan.

Other critics say the present system works well, so there's no point in "fixing" it. Under a so-called passport system, some types of regulatory approvals in one province are automatically recognized in others.

Quebec and Alberta have both said they would challenge Ottawa's move in court.

Ontario, where the majority of securities transactions take place, supports Ottawa's proposal, as does British Columbia.

Flaherty hopes to have a national regulator operating by 2012, but first he has to get it passed by Parliament, where two of the three opposition parties are opposed.



Calgary Herald Archive

Alberta's cattle sector suffered from declining demand, StatsCan reported Tuesday.

## Farm income takes beating

LISA SCHMIDT CALGARY HERALD

Despite lower expenses, Alberta farmers sank into the red last year as sagging livestock markets and smaller crops dragged down income.

Producers posted an overall loss of \$403 million in 2009, compared with income of \$1.5-billion a year earlier when commodity prices soared, Statistics Canada reported Tuesday.

Average crops for grains and oilseeds weren't enough to offset a slump in the cattle and hog sectors, suffering from falling demand due to the recession.

The outlook for this year is improving, after spring rains boosted moisture levels, said one industry official.

"Last year, the crops just weren't that good; they were average with good prices," said Rod Scarlett, executive director of Wild Rose Agricultural Producers, a farm lobby group.

"This spring, we had good moisture, so the big fear on pastures and hay land has passed. We are getting pasture growth at least now and hay fields look a lot better, so there is some reason for opti-

mism." It was the first time since 1986 that producers paid out less in expenses, the agency noted. Operating expenses — which include costs such as machinery, fuel, interest and fertilizer — fell seven per cent to \$7.6 billion.

But income also dropped, with farm cash receipts dropping eight per cent to \$9.3 billion.

"Volatile commodity prices, poor weather and the fluctuating Canadian dollar can cause trouble, and last year saw more than a few such challenges for Alberta farmers," ATB Financial chief economist Todd Hirsch said in a note.

Across Canada, net farm income was \$2.7 billion, compared with \$6.7 billion in 2008.

Livestock receipts nationwide fell \$900 million to \$17.9 billion, due largely to a more than 30 per cent drop in the number of cattle and hogs exported to the U.S., where country-of-origin labelling legislation came into effect.

In Alberta, livestock receipts fell nearly four per cent to \$4.1 billion.

WITH FILES FROM DAVID FINLAYSON, EDMONTON JOURNAL

## Property buyers aim to beat B.C. tax

MARIO TONEGUZZI CALGARY HERALD

Recreational property developers in B.C. are targeting potential Alberta homebuyers prior to the province's introduction of the harmonized sales tax on July 1.

"We're doing absolutely everything we can to reach out to those who have shown interest in purchasing property in the area by letting them know postponing could cost them tens of thousands of dollars," said Frank Kernick, developer of Copperville at Lakeview Meadows in Invermere, B.C. "Regardless of the development, second-home property in British Columbia will cost seven per cent more as of July 1."

His organization is focusing resources on educating potential buyers on the financial impact of the HST on real estate investments in B.C.

As an example, purchasing one of 10 luxury condos available at the Copperville project after July 1 will cost buyers between \$35,000 to \$50,000 more as a result of the HST. The condos range in price from \$529,000 to \$749,000.

Kernick said Albertans aren't really aware of the additional tax.

"We've had a lot of people sitting on the fence in the last two years with the world economy. Recreational property is discretionary spending," said Kernick, who added he's seen an increase in interest in the past two weeks.

Kernick said he suspects most developments are already working on plans on how to deal with the repercussions of the tax.

Purchasing recreational property in B.C. has been an attractive real estate option for many Calgarians, particularly in recent years.

Albertans are quickly becoming the dominant group of homebuyers at Revelstoke Mountain Resort. In the past six months, 50 per cent of the resort buyers were from Alberta.

Mike Vopni, director of sales and marketing with Sotheby's International Realty Canada at Revelstoke Mountain Resort, said the HST is weighing on some buyers' minds.

"I know we have a couple of Albertans who are looking to purchase very soon, before the HST kicks in. I wouldn't be surprised if we see a couple of last-minute sales happen before," said Vopni. He said there might be some reluctance to purchase after July 1, but for the resort, its peak selling season is during the winter.

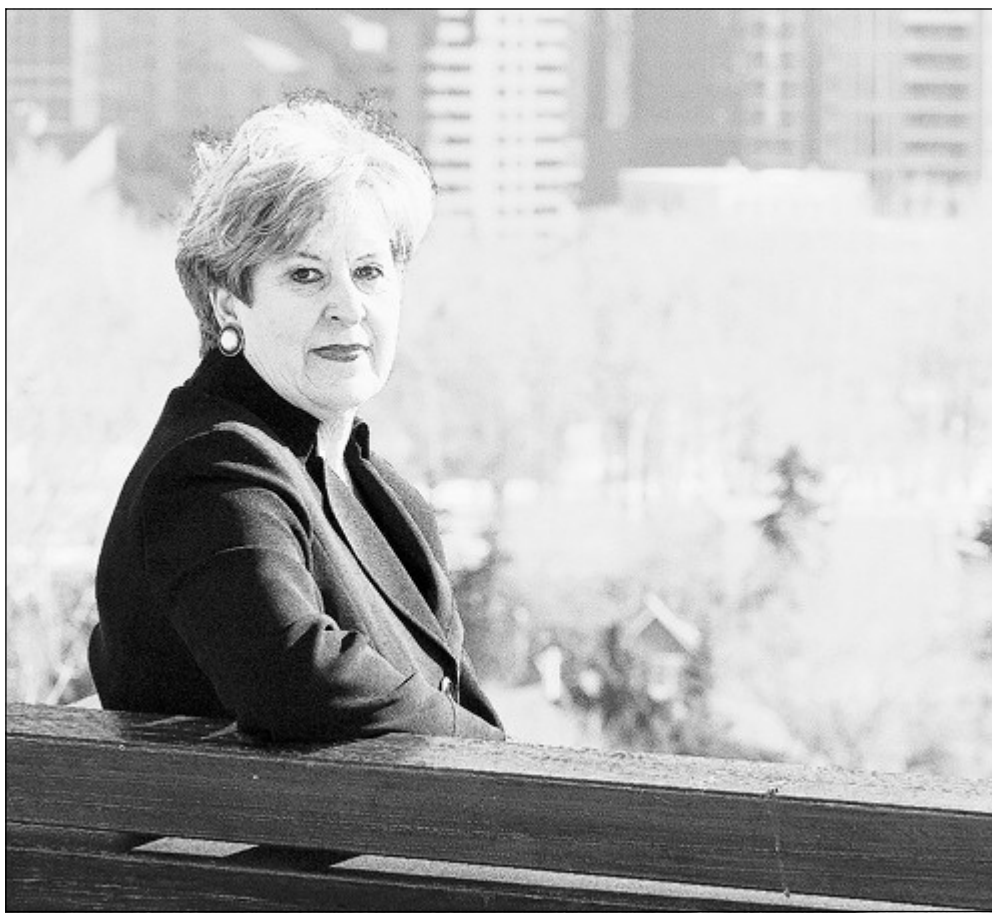
Calgary-based developer Sam Boguslavsky, of Sable Resorts, is offering suites at Legacy on Mara Lake in B.C. tax-free, if buyers are able to close prior to the July 1 deadline.

Legacy homes range in price from \$300,000 to more than \$1 million.

"We had an extremely successful weekend," he said. "Basically we've taken the tax right out. . . . It's my little protest, if you wish, against new taxes.

"The May long weekend is always an indication of what the summer will bring. The economic climate that I witnessed is people are a lot more optimistic and they're looking for unique projects."

MTONEGUZZI@THEHERALD.CANWEST.COM



Courtesy, Calgary Real Estate Board

Diane Scott, president of the Calgary Real Estate Board, says home prices in the city have been steady and avoided the recent rapid jumps in Vancouver and Toronto.

## Homes more affordable, but deemed overpriced

MARIO TONEGUZZI CALGARY HERALD

Alberta was the only province in Canada to see an improvement in housing affordability in the first quarter of this year, bucking the national trend.

But 17.4 per cent of homes in the province are still overpriced — the second-highest rate in the country behind B.C.'s 20.7 per cent.

Those are the findings of two national real estate reports released Tuesday.

The RBC Housing Affordability report indicates houses are more affordable in Alberta today than they were in the previous quarter.

Diane Scott, president of the Calgary Real Estate Board, said Calgary still has one of the lowest levels of housing affordability compared with larger cities.

"Simply, the rebound was more restrained. It was calmer in Calgary than in Vancouver, than in Toronto," said Scott.

"We didn't go up as fast. So we are staying pretty steady."

However, a report by CIBC said that on average, Canadian home prices are now around 14 per cent over their "fair" value — representing 1.5 million homes, or 17 per cent of all dwellings. The report said Alberta and B.C. home prices have "overshot the most, with nearly one in four homes in those provinces above their fair value."

And CIBC said higher interest rates will lead to a decline in prices of probably five to 10 per cent in the coming year or two.

The RBC housing affordability measures for Alberta eased between 0.1 and 0.6 of a percentage point, extending the significant drop in the measure since the end of 2007, a trend that was only briefly halted last summer, said the report.

"In contrast to most other provinces, house prices remained relatively tame in Alberta during the past year

or so and this has kept the cost of home ownership in check," said Robert Hogue, senior economist with RBC.

The RBC Affordability measures for Alberta, which capture the province's proportion of pre-tax household income needed to service the costs of owning a home, declined across all housing types in the first quarter of the year.

The measure for a detached bungalow moved to 33 per cent (a drop of 0.4 of a percentage point over the previous quarter), and fell 0.4 of a percentage point to 21.9 per cent for a standard condominium.

Meanwhile, the CIBC World Markets said in its home ownership affordability index report that home ownership remains within reach for most Canadians, but is getting increasingly difficult for families with household income less than \$50,000.

MTONEGUZZI@THEHERALD.CANWEST.COM

**WOODSIDE GOLF COURSE**

**WOODSIDE GOLF COURSE**

**GOLF TOURNAMENTS**

Peace of Mind Corporate Tournament Planning.  
Your No-Hassle Tournament is our Specialty.

Receive Complimentary Green Fee Passes to keep re-visiting us!

**Starting at \$100/Golfer**

Includes 18-Hole Green Fee, Power Cart with Bottled Water, \$12 Prizes & Meal

[www.woodsidegc.com/tournaments.html](http://www.woodsidegc.com/tournaments.html)

525 Woodside Drive - Airdrie - T4B 2C6 - 22 Minutes from Downtown  
Kaitlyn - 403.948.6717

## Natural gas exports decline

TRADE • Canadian natural gas exports dropped more than 50 per cent in value last year and accounted for the lowest volumes to cross the border in a decade, according to the National Energy Board.

The federal regulator said Tuesday that exports of natural gas totalled 3.25 trillion cubic feet in 2009, at the same time imports of the resource into Canada rose by 30 per cent.

"Going into 2010, pro-

duction of natural gas in Canada is expected to decline to an average of 13.9 billion cubic feet per day," the board stated.

Producers saw the average price for exported natural gas drop by 48 per cent to average \$4.42 per gigajoule.

Gross export revenues for natural gas totalled \$15.53 billion, in stark contrast to the \$33.1 billion realized in 2008.

— Dina O'Meara, Calgary Herald

**10% to 18.2% + R.O.I.\***

**In Real Estate LPs and REITs**

Invest in individual and/or pooled real estate properties offering:

- Regular Monthly Cash Flow
- Capital Growth Potential
- Beneficial Tax Treatment

Call 1-877-772-8836 to get your FREE copy of our Blue Book of Real Estate Syndication. Or visit [league.ca](http://league.ca) today.

**LEAGUE**  
LEARN. EARN. LIVE. GIVE.™

\* Performance based on past results of entities administered by League Assets Corporation. Neither League Assets Corp. nor its directors or employees or any associates guarantee or make any representation as to the performance of the entities it administers, the maintenance or repayment of capital, or any particular rate of return. There are risks associated with these investments. Relevant offering documents are available from our offices, which you are encouraged to read. Residents of Ontario and Quebec must either be accredited investors or invest a minimum of \$150,000.

**CresaPartners**  
CORPORATE REAL ESTATE SERVICE ADVISORS

CresaPartners welcomes Kendra Kortzman as a Principal of the firm

Kendra has been an integral part of CresaPartners for the past six years representing her clients and colleagues with unbiased professionalism and goal-driven solutions.

CresaPartners is an international corporate real estate advisory firm that exclusively represents tenants and specializes in the delivery of fully integrated real estate services. With more than 50 offices, CresaPartners is the largest tenant representation firm in North America.

SUITE 970, 300 - 5 AVENUE SW, CALGARY, ALBERTA T2P 3C4  
T: 403-571-8080 F: 403-571-8089 [www.cresapartners.com](http://www.cresapartners.com)