

# Edmonton Journal

## Industrial real estate set to rise; Market shows signs of growth, agency report says

Fri Dec 11 2009  
Page: E1  
Section: Business  
Byline: Bill Mah  
Dateline: EDMONTON  
Source: Edmonton Journal

Edmonton's industrial real estate market has bottomed out and is set to start growing again, according to a new report by Avison Young.

Overall vacancy in the industrial sector rose to 4.2 per cent in the third quarter of 2009, up from 1.3 per cent at the end of last year, said the commercial real estate firm's fall 2009 report released Thursday.

"Our research indicates that despite the increase in the overall vacancy rate, there is still a healthy demand for top-tier industrial space in the city," said Avison Young principal Rob Iwaschuk.

"In the wake of downward pressure on rental rates and property values, including land, we believe the market has now stabilized. We anticipate positive growth in the mid-to-longer term, which will only be reinforced by strengthening commodity prices."

After three years of minuscule vacancy rates in Edmonton, Avison Young says the market has actually moved back into normal ranges for a steady-growth economy. Despite being a sizable increase, the vacancy rate is still far from the 5.4 per cent Edmonton posted in the late 1990s.

Low commodity prices forced many companies to restructure and that slowed the industrial real estate market during the first half of 2009, the report said.

"A similar level of activity is anticipated for the end of the year and into 2010."

Rental rates were pushed down by a surge in available space--including sublease options.

As an example, the report says new small-to medium-sized bays in northwest Edmonton that last year cost \$10 to \$12 per square foot dropped to between \$9 and \$10 per square foot.

The market has also seen both building and land sales plunge over the past nine months, with transaction volumes dropping 52 per cent compared to the first three quarters of 2008.

New construction in the Edmonton area has also dropped off significantly as developers shelved or postponed projects for late 2010. However, some major developments went up in 2009, adding more space in the northwest and southeast.

In northwest Edmonton: Westpoint Corporate Centre; Yellowhead Transport Depot; Yellowhead

Crossing Phase II; Winfield West; Sunwapta Business Park; and Northport Business Park.

In the southeast: Gateway Business Park Phase II; CityView Business Park; 53rd Avenue Business Centre; Roper Ridge Business Park; Pylypow Industrial; and 50th Street Business Park

"The new space has been met with reasonable demand as several large tenants have leased space in the new developments," the report said.

Avison Young predicts a modest rebound next year.

"A gradual recovery is expected and a stabilized marketplace is forecast if current conditions are maintained.

"A limited amount of speculative development under construction or nearing completion will help to insulate the market going into 2010. Despite the controlled growth, new developments in both Acheson and Nisku will increase the availability of industrial facilities and it is projected that strong demand figures will not appear in the Edmonton market until 2011."

[bmah@thejournal.canwest.com](mailto:bmah@thejournal.canwest.com)

# The Telegram (St. John's)

## Toyota Canada to hire 800 people at Woodstock plant

Fri Dec 11 2009  
Page: D2  
Section: Business  
Byline: Kristine Owsram  
Source: The Canadian Press

In a sign the troubled Canadian auto industry is beginning to recover with a strong lineup of vehicles North American consumers want to buy, Toyota Canada is hiring 800 more people to raise production of a popular SUV built in southwestern Ontario.

The Japanese automaker said Thursday it plans to introduce a second shift at its new plant in the farm community of Woodstock beginning next March to produce the RAV4.

"Thanks to high demand for this popular vehicle, we are able to increase production in Woodstock," said Ray Tanguay, president of Toyota Canada.

The move is a shot in the arm for the Canadian industry, which has seen the North American carmakers - General Motors, Ford and Chrysler - cut thousands of jobs in the last few years. At the same time, however, Japanese rivals such as Toyota and Honda grew their market share and have expanded their workforces to nearly 11,000 people as they export more and more vehicles to the United States and grow their sales in Canada.

Honda, which employs 4,300 people at assembly and engine plants in central Ontario, makes hot-selling Civic sedans as well as other vehicles in Canada.

At Toyota, the carmaker was the largest seller of cars and trucks in Canada last month for the first time.

"We are very pleased to be able to continue our growth and provide jobs in the local community," Tanguay added. "This move demonstrates Toyota's continued commitment to North American production and to building where we sell."

In Canada, sales of the RAV4 have increased 24 per cent in 2009 to a total of 23,748 through November. The sport utility vehicle is the company's second most popular vehicle after the Corolla, also built in Canada, and makes up approximately 14 per cent of Toyota's overall sales.

In the U.S., sales of the RAV4 are at 132,346 through November, a four per cent increase over the same period last year.

The new jobs will boost total employment at Toyota Canada to 6,500 people, with 2,000 in Woodstock and 4,500 at the company's other plant in Cambridge, Ont. The automaker said it will begin hiring this month.

The spinoff effects of 800 new jobs at an auto assembly plant are huge, said Tony Faria, co-director of the automotive research centre at the University of

Windsor.

"The traditional number used is that there are six or seven jobs created for every assembly line job, and that includes the parts makers, the distribution companies that are bringing parts into the plants or taking the finished product out of the plants, suppliers of all types of services to those plants (and) other businesses that are in the communities," Faria said.

Toyota said it uses 60 Canadian suppliers for production of the RAV4, 50 of which are based in Ontario.

"The increase in RAV4 production means the addition of a second shift in Woodstock, the creation of 800 new jobs, more work for the entire supply chain - and most importantly it means that Toyota has confidence in Ontario's workforce and business climate," said Sandra Pupatello, Ontario's minister of economic development and trade.

"This is a strong and tangible recognition of our highly skilled workforce, our competitive business environment and that Ontario is the best place in the world to build cars," added federal Industry Minister Tony Clement.

Toyota opened the Woodstock plant in late 2008, just as the auto industry slipped into its deepest slump in decades. It was always assumed the plant would operate with two shifts, but falling demand forced Toyota to limit it to one.

"The market's eventually growing back to where it was supposed to be in Toyota's eyes in terms of the capacity they were adding," Faria said.

© 2009 Transcontinental Media G.P. All rights reserved.

# The New York Times

## Trade Deficit in October Narrowed as Exports Rose

Fri Dec 11 2009

Page: 3

Section: Business/Financial

Byline: JAVIER C. HERNANDEZ

Illustrations: PHOTO: A crane unloads shipping containers in Wilmington, N.C. Exports of cars and computers have jumped recently. (PHOTOGRAPH BY JIM R. BOUNDS/BLOOMBERG NEWS) CHART: Balance of Trade: The deficit is the excess of imports over exports for goods and services. Amounts are rounded, in billions of dollars, seasonally adjusted. (Source: Commerce Department)

The United States trade deficit narrowed unexpectedly in October, the government said Thursday, helped by a surge in exports like cars and computers and a drop in demand for foreign oil.

As countries struggled to sustain a recovery, the 2.6 percent rise in exports surprised some analysts. The increase helped bring the trade deficit down 7.6 percent in October, the Commerce Department said, and it is expected to help drive economic expansion in the last part of 2009.

But economists cautioned that October might be an exception caused by the extraordinary drop in oil imports. Long-term, the trade balance, which measures the difference between the value of imports and exports, will swell in the next several months as demand for oil returns to higher levels and as exports remain steady.

The country imported \$17.44 billion in oil in October, a decline of \$2.07 billion from September. The decrease was the result of weaker demand -- 27.4 million fewer barrels -- and a 78-cent drop in the price. Excluding oil imports, which can be volatile from month to month, imports rose 2.9 percent.

"Growth both here and abroad is quite firm in the fourth quarter, and that's an important sign of recovery," said Dean Maki, chief United States economist at Barclays Capital. "Still, we don't think this month's decline reflects the underlying trend."

The more significant number, Mr. Maki said, was the annual rate of growth for imports and exports. Both increased at a pace of about 25 percent in the last three months, leaving the trade deficit relatively unchanged.

The trade gap fell to \$32.9 billion in October from \$35.7 billion in September. After months of stagnation, exports in October were \$3.5 billion more than in September, while imports increased by just \$700 million from September. The gains in exports were broad-based, led by computers, automobiles and semiconductors.

The trade gap has fallen significantly in the last year, totaling \$59.4 billion in October 2008. Exports were also helped by a weaker dollar, which is making American products cheaper overseas while driving up the price of everything from Italian cheese to Japanese cars in the United States.

"The lower dollar means there is scope for exports to rise at a faster rate," Capital Economics, a

Toronto-based research firm, said in a research note on Thursday.

Julia Coronado, senior United States economist at BNP Paribas, said strong recoveries in emerging markets could eventually help reduce the deficit. But monetary restrictions in places like China, she said, were hurting the competitiveness of American products, making the gap difficult to reduce.

"It's a good sign that both imports and exports are picking up -- that's an indication that the economy has normalized," Ms. Coronado said. "But as long as misaligned currencies, like China's undervalued currency, are there, you're not going to see a closing of the trade imbalance."

Ms. Coronado said she expected to continue to see increases in exports of goods like computer equipment, commercial aircraft, and agricultural machinery as businesses in emerging countries grow.

In its note, Capital Economics said that the strength of exports in October would probably help speed the rate of expansion in the fourth quarter to 3 percent.

In the third quarter, the economy expanded at a rate of 2.8 percent, but it was held back by a swelling trade deficit.

In other economic news, the number of newly laid-off workers filing for unemployment benefits rose unexpectedly by 17,000 last week.

That comes against the backdrop of signs of stability in the jobs market, with the economy shedding only 11,000 jobs last month. Still, the unemployment rate remains at 10 percent. The Labor Department attributed the unexpected rise in part to a rush of claims after the Thanksgiving holiday, when employment offices were closed.

© 2009 by the New York Times Company

# The New York Times

## British Bank Holds Steady On Rates and Bond Plan

Fri Dec 11 2009

Page: 3

Section: Business/Financial

Byline: JULIA WERDIGIER

Dateline: LONDON

Illustrations: PHOTO: Mervyn King, governor of the Bank of England, which is trying to assist a faint recovery. (PHOTOGRAPH BY CHRIS RATCLIFFE/BLOOMBERG NEWS)

The Bank of England kept its benchmark interest rate unchanged on Thursday and decided to stick to its program of buying government bonds, tacitly acknowledging that signs of a recovery remained faint.

The central bank kept the interest rate at 0.5 percent, a record low. The bank has already spent about \$185 billion to buy debt in order to stimulate the credit market and can spend an additional \$15 billion (for a total of \$325 billion) as part of the program.

"There really is little left for the Bank of England to do other than wait for the recovery to kick in," Peter Dixon, an analyst at Commerzbank in London, said. He expects the Bank of England to halt asset purchases in February.

The Bank of England governor, Mervyn King, said earlier that he had an "open mind" about whether to expand the program because of concerns that halting the purchases too early could hurt a recovery. On Thursday, the central bank indicated that it would keep the program unchanged until at least February.

The bank expanded the asset purchasing plan last month for a third time after the British economy continued to shrink in the third quarter. The chancellor of the Exchequer, Alistair Darling, repeated Wednesday that he expected the economy to start growing again "by the turn of this year" but he warned of complacency and added that "we must continue to support the economy until recovery is established."

In contrast, some other countries have already started to scale back emergency stimulus packages. Switzerland's central bank said Thursday that it would stop buying corporate bonds. The European central bank and the Federal Reserve previously announced plans to wind down emergency stimulus.

The pound rose against the dollar on Thursday after the decisions on the interest rate and asset purchasing program, which were widely expected. A relatively weak pound throughout this year had helped to attract foreign investment and helped British firms to sell products abroad, easing some effects of the recession.

While some recent economic data indicated that Britain's economy might have stopped shrinking in the last month, concerns among investors about the country's large budget deficit remained. Britain plans to issue a record amount of government debt this fiscal year to help its stretched finances.

The government announced some tax increases Wednesday, including a levy on bankers' bonuses, but less than a year before a general election, it did not identify areas for spending cuts necessary to meet its pledge to half the budget deficit in four years.

A ratings agency, Moody's Investors Service, said this week that the public finances of both the United States and Britain were testing the boundaries of their credit ratings.

Ireland's government announced Wednesday that it would cut pay for teachers, nurses and police officers as part of a plan to reduce the budget deficit to 2.9 percent of gross domestic product, from 11.7 percent, by 2014.

Also on Thursday, the South Korean central bank left its key rate unchanged at 2 percent, while Iceland cut its key rate to 10 percent.

© 2009 by the New York Times Company

# The Globe And Mail

## EXPORTS ON THE RISE AGAIN; For the first time in four months, Canada notched a surplus in October, netting \$428-million thanks to high commodities prices and an unexpected run on canola oil, Tavia Grant and Richard Blackwell report

Fri Dec 11 2009  
Page: B1  
Section: Report On Business: Canadian  
Byline: Tavia Grant and Richard Blackwell

48 Percentage increase in canola oil exports

6.5 Percentage increase in energy exports

34 Percentage increase in precious metals exports

\*\*\*\*\*

Canada posted its first trade surplus in four months, courtesy of higher gold sales, strong energy exports, and demand from an unlikely source: the Golden Arches.

Stronger gold and energy prices accounted for much of the swing into a \$428-million surplus in October from a month-earlier deficit of \$850-million.

Other contributors, though, came from unexpected quarters. Canola exports rocketed 48 per cent in the month.

Why the sudden demand for canola?

"We're seeing a large increase from the food service industry, at some of the big chains like McDonalds ... which are moving away from trans fats," said JoAnne Buth, Winnipeg-based president of the Canola Council of Canada.

Global demand for canola, from China to the United States and Mexico, is growing quickly due to population growth and a shift toward oils with lower saturated fats, she said. Canada is the world's largest canola exporter.

To meet demand, the industry is boosting capacity to crush more seeds into oil, and building more processing plants in Saskatchewan and Quebec.

McDonald's did not return calls for comment.

The company's website describes its conversion to a "canola oil blend cooking oil" in the United States, saying its fries are now trans-fat free.

The jump in exports of some commodities is a bright patch in a sea of choppy trade numbers. Trade figures are notoriously volatile, and while trade will bolster fourth-quarter economic growth, it's too early to declare a sustained rebound for exporters.

"This isn't the spark that's going to ignite a full-blown recovery," said Peter Hall, chief economist at Export Development Canada.

"There's still going to be bumps and wobbles in the U.S. demand story."

The United States accounts for 73 per cent of Canada's merchandise exports.

Oil and gold comprised more than two thirds of the gain in October's exports, Mr. Hall said.

He called this a "transitional" period when the economy is shifting from recession to recovery and cautioned that swings in commodity prices will keep the trade numbers bumpy.

Recent trading underscores that point. Oil prices have skidded for the past seven straight trading sessions, shedding 10 per cent. Gold is 8 per cent off its highs reached earlier this month.

Some of the monthly volatility can be ironed out by focusing on year-to-date numbers. These show the biggest percentage drops in exports have been in nickel and natural gas compared with last year. Autos, which rose in October, are still down 32 per cent from last year's levels. The biggest increases have been in aircraft and asbestos.

October's total exports rose to \$31.1-billion, Statistics Canada said yesterday, amid higher U.S. demand. Energy exports rose 6.5 per cent, led by petroleum and coal products. Precious metals exports hit a record, driven by gold.

"Worldwide surges in gold prices and in the demand for gold bars fuelled the rise," the Statscan report said.

The high price of gold has boosted demand for the precious metal from investors around the world, said Bank of Nova Scotia commodities specialist Patricia Mohr, and this is reflected in Canada's increased exports.

As one of the globe's biggest gold miners - Canada is ranked fifth in the world - it's not surprising the higher price would have a positive impact on our trade balance, she said.

John Ing, president of investment dealer Maison Placements Canada Inc., said the rise in gold's price alone is enough to boost the value of our gold exports sharply.

He noted, however, that any increase in the volume of exports will be hard to maintain, as there is little gold held in inventory by miners and refiners. It's not possible just to crank up production in the short term to meet the increased demand.

Imports dropped to \$30.7-billion as prices fell and volumes were little changed. For the third straight month, the decline was mostly due to a drop in the value of machinery and equipment.

© 2009 CTVglobemedia Publishing Inc. All Rights Reserved.

# The Ottawa Sun

## City warns of traffic mess ; Committee hears construction of downtown LRT tunnel will cause major gridlock

Fri Dec 11 2009  
Page: 3  
Section: News  
Byline: BY JON WILLING, CITY HALL BUREAU  
Illustrations: graphic

An artist's rendition shows the layout of a possible combined bus/light rail station.

Downtown traffic could be ugly for up to three years while workers construct a 12.5-km stretch of electric light rail.

"I think people are going to accept it's short-term pain for long-term gain," Bay Coun. Alex Cullen, chairman of the transit committee, said yesterday after a briefing on the downtown tunnel proposal.

After a series of public consultations, the committee is ready to approve the \$2.1-billion rail route between Tunney's Pasture and Blair station, and direct staff to pursue an environmental assessment. Committee members will consider the plan Wednesday and city council will get the final say on the 13-station route in January.

If all goes according to plan, the Ontario environment ministry will have a decision on the environmental assessment by May. City staff anticipate construction beginning in 2012 at the earliest.

Deputy city manager Nancy Schepers was upfront about the amount of disruption residents will experience while the rail route is built through the core. Staff have already drafted diversion routes for buses when parts of downtown are dug up to build underground rail lines.

Underground rail stations are being proposed for:

- \* A block near Albert and Lyon streets, called the Downtown West station;
- \* A block at Albert St. near O'Connor St., called the Downtown East station;
- \* Near the intersection of Colonel By Dr. and Rideau St., called Rideau Station; and,
- \* Beside the University of Ottawa, where the Campus Station Transitway stop currently exists.

The Downtown West and Downtown East stations will be dug about 35 metres below the surface and would be the two deepest terminals.

Vivi Chi, manager of city-wide transportation planning, said the Rideau Station will provide an "iconic arrival experience" because people will arrive within sight of the Parliament Buildings, Rideau Canal and National War Memorial.

The city needs to acquire 130 properties for the project, including 50 owned by the federal

government, its agencies and the National Capital Commission. Schepers said the city has engaged in preliminary discussions with the NCC about the properties.

### BUY PROPERTIES

There are 20 private properties required and none is residential.

A light-rail storage and maintenance facility is being proposed for land near Belfast Rd. and St. Laurent Blvd., which would be the largest acquisition needed.

City staff want permission to begin the property acquisitions. Money has been earmarked in the proposed 2010 budget.

JON.WILLING@SUNMEDIA.CA

© 2009 Sun Media Corporation. All rights reserved.