

S&P/TSX 11,888.08 +21.18	TSX VENTURE 1,551.68 +7.75	DOW 10,572.02 -11.94	NASDAQ 2,308.71 +0.29	DOLLAR 96.25 +0.23	NYMEX OIL \$81.77 +\$0.26	NYMEX GAS \$5.637 \$-0.247	GOLD \$1,118.70 +\$0.40
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EDITOR: PAUL CASHMAN, 780-498-5669; business@thejournal.canwest.com

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Housing market rebounds

Consumer confidence returns to resale buying

BILL MAH
Journal Business Writer
EDMONTON

Edmonton's resale housing market stumbled at the start of 2009.

Even as home sales fell dramatically and prices slipped from year-earlier levels, Charlie Ponde last January forecast a reasonably good year for real estate despite the bite of recession.

It turns out, the Realtors Association of Edmonton president wasn't optimistic enough.

"We predicted residential sales of 15,550 this year and exceeded it in early October," Ponde said on Tuesday as the group released its final month of Multiple Listing Service figures for 2009.

"We anticipated that single-family prices would end the year at \$352,000 and condos would be at \$222,500."

The average prices turned out to be \$364,032 and \$240,322, respectively.

Despite the slowest start since 1996, the year ended with 19,139 home sales to beat the 2008 tally of 17,317. Sales records were set in June and July, and in six of the last seven months, MLS sales topped numbers from a year ago. September fell just short of 2008 sales.

Throughout the year the average single-family home sale price see-sawed from a low of \$347,000 in February to \$373,000 in July — a spread of 7.5 per cent or \$26,000.

Condo prices varied within a nine-per-cent

“Strong year-end sales put a crown on a year that started slow but ended big.”

Charlie Ponde, president of the Realtors Association of Edmonton

range from \$227,000 in February to \$247,000 in June.

The Edmonton-region market ended 2009 by nearly breaking the December sales record.

Sales of single-family houses, condominiums, duplexes and other homes through the Multiple Listing Service tallied 948 in December — missing the record of 1,074 set in 2006.

"Strong year-end sales put a crown on a year that started slow but ended big," said Ponde, the outgoing association president.

Renewed consumer confidence, low interest rates and government incentives triggered more sales, he said.

December marked a dramatic 55.9-per-cent turnaround from December 2008, which saw 608 Edmonton-region homes sold — the stingiest number recorded since 1995.

Prices, however, remained stable. Single-family homes dropped one third of a per cent to \$366,761 from an average selling price of \$368,018 in November.

Compared to December 2008, the average selling price of a single-family home was up 4.23 per cent.

The average price of a condo increased 5.4

The new face of city realtors' association

Journal Business Staff

Real estate is the family business for Larry Westergard.

After earning a Bachelor of Arts from the University of Alberta and a stint in retail management at Canadian Tire, the new president of the Realtors Association of Edmonton followed in his father's footsteps by becoming a realtor in 1996, and went into business with him, too.

Westergard is the owner and manager of a Re/Max office in southeast Edmonton and before that, managed and co-owned a Leduc brokerage.

He was named by the realtors group to succeed Charlie Ponde as president until December 2010.

Westergard isn't commenting on the market in detail until he releases the 2010 forecast next week, but said on Tuesday he's ready

per cent in December, more than recovering a 2.5-per-cent drop in November. Condo prices rose on average in December to \$244,174, up from \$231,684 the previous month. Compared year-over-year, condos are up 4.22 per cent.

There were 1,118 homes listed in December for a sales to listing ratio of 85 per cent. The average days on market was 50 days.



Local realtors association president Charlie Ponde, right, is handing over the reins to his successor, Larry Westergard.

for any surprises.
 "As much as we hope it's going to be stable, something always comes up within the industry or the market or the city that changes things," Westergard said.

Ponde said a detailed forecast for 2010 is scheduled for next week, saying only he looked forward to a stable market continuing.

"The bubble would only happen if people get greedy," Ponde said.

A shortage of listings could also drive prices up, he added.

bmah@thejournal.canwest.com



Trinidad Drilling resumes work on uncompleted rigs at its Nisku facility, part of a \$105-million contract put on hold a year ago. Two of the rigs — state-of-the-art units designed for deep-shale targets — will be going to Louisiana this spring.

Shale gas rejuvenates rig industry

Trinidad Drilling resumes building high-tech structures delayed a year ago

DAVE COOPER
Journal Business Writer
EDMONTON

In the latest sign that the drilling industry is coming back to life — at least for shale gas projects — Trinidad Drilling said it will resume construction of six high-tech rigs which were delayed one year ago.

About \$60 million worth of work remains to be done on the original \$105-million contract. The restart means steady work for the 175 staff at Trinidad's manufacturing facility in Nisku.

"The first two rigs, which were further along in the process before they were delayed by the customer, will be coming out in the first quarter. The remaining four will be out by the end of the year," Lisa Ciulka, Trinidad's director of investor relations, said Tuesday.

After some layoffs last year when rig building stopped, the resumption, "keeps the guys that we do have working, which is important to us. And if there is additional work,

there is the possibility of hiring more people," she said.

The six new rigs are going under five-year contracts to Chesapeake Energy for its deep natural gas drilling sites in Haynesville shales in Louisiana.

This will bring to 31 the number of Trinidad rigs in the key shale play, the most of any driller.

U.S.-based Chesapeake is the world's largest shale gas operator, and on Monday accepted a \$2.25-billion deal with France's Total Energy for a 25-per-cent stake in Chesapeake's Barnett-shale gas fields in North Texas.

In December, Exxon Mobil paid \$31 billion to acquire XTO Corp., one of the top 10 shale gas producers.

"Certainly there has been a lot of negative feeling in the industry, so this deal represents momentum. Our

customers have a very positive outlook for shale gas," Ciulka said.

While hundreds of older rigs used for shallow gas drilling sit idle throughout Alberta and the U.S., the top-end units are busy.

"Shallow gas rigs can't do what our customers need them to do, and the five-year deals allow us to build the right equipment for these projects," said Ciulka.

"We are drilling in the Horn River and Montanay of B.C., the Bakken (in Saskatchewan) and most other shale plays. Our focus has been in deep drilling since 2002 when we started adding those rigs."

Now more than 80 per cent of Trinidad's fleet of 119 rigs can drill deeper than 2,000 metres. About 45 per cent are now operating in unconventional shale plays across North America.

“Certainly there has been a lot of negative feeling in the industry, so this deal represents momentum.”

Lisa Ciulka, director of investor relations for Trinidad Drilling

"Drilling is generally becoming deeper and more technically challenging. The new rigs have the latest equipment and automation that makes the work easier and safer," Ciulka said.

Trinidad builds its rigs, then provides the necessary staff and servicing. It drills under long-term contracts with major oil and gas companies which guarantee a fee, "and gives us security in a very cyclical market."

Trinidad's president and CEO Lyle Whitmarsh said in a statement that the new, "built-for-purpose-style rigs continue our strategic deep-drilling focus and strengthens our position as one of the leading unconventional shale drillers in North America."

UBS Investment Research rates Trinidad highly among its peer group because of its "high quality rig fleet and strong contract position."

The six new units are 18,000-foot (5,486-metre) triple rigs with 1,500 horsepower AC drawworks.

dcooper@thejournal.canwest.com

Stretch limos proposed for Edmonton, Calgary trip

DAVID FINLAYSON
Journal Business Writer
EDMONTON

A former commuter pilot figures a stretch limo service between Calgary and Edmonton is a viable alternative to flying.

Craig Boechler's Executive Express will use specially configured stretch Lincoln Navigator SUVs to ferry people in comfort for \$99 each way, the same price as his former employer, QuikAir, before it folded in the wake of passenger restrictions at City Centre Airport.

"I saw the need when I was with QuikAir. Businesspeople want to go from downtown to downtown, and what I'm doing is basically taking the wings off an airplane."

"I can't compete on actual time in the air, but when you factor in travelling to the airport and time in the airport, it will be about the same. And you can work the whole time."

He said he's already had a lot of interest from lawyers, politicians and medical professionals who travel the route often. One Calgary law firm supported his licence application to the government.

"These people rarely take the bus, and they don't like driving because they arrive too tired. But they are looking for an alternative to flying."

Construction will start on the prototype of the unique vehicle in Toronto later this month. It will contain two separate compartments with two pairs of facing seats each. Clients can buy single seats, a compartment, or the whole limo. There'll be wireless Internet and satellite television, and the screens can also be used to finalize visual presentations while on the road.

Two people will be able to buy a whole compartment and go door to door for about the same cost as flying, Boechler said.

The service will start from Calgary, where he is now based, but the goal is to have at least four vehicles in each city.

They will be flexible enough so they can, for example, run a service from the University of Calgary and Foothills Hospital to the University of Alberta for doctors and academics.

Getting licensed wasn't easy because it's neither a bus nor a conventional limo service, Boechler said. And current bus operators opposed the application.

If it flies, the service could be used on other routes, he said.

"We're very excited about it. It's quite revolutionary."

dfinlayson@thejournal.canwest.com