

Business Watch

Wed Sep 5 2007

\$60.7M for condos

LANESBOROUGH Real Estate Investment Trust (TSX:LRT.UN) is paying \$60.7 million for a 160-suite condominium apartment property under construction in the Timberlea area of Fort McMurray, Alta., a hotbed for the oil and gas industry.

The Parsons Landing Apartments will consist of a four-storey building, with 32 one-bedroom, 124 two-bedroom and four three-bedroom suites, a 219-stall parkade and 37 surface parking stalls.

The acquisition will be financed with a new first mortgage for \$45 million and the balance in cash, Winnipeg-based Lanesborough said in a statement.

Pay grows faster than bills

OTTAWA -- Despite talk from the Bank of Canada about controlling inflation, another piece of evidence was released Tuesday indicating our paycheques are growing faster than our bills.

Business consultancy firm, Hay Group, said a recent poll of 550 Canadian employers, in both the public and private sectors, showed base salaries are expected to rise an average of 3.8 per cent in 2008. This is about a quarter-percentage point higher than results of the last few years.

Canada ranks fifth

VANCOUVER -- Canada now ranks alongside the United States and United Kingdom at fifth place on the 2007 "Economic Freedom of the World" index, a ranking of 141 economies based on free-market measures by a network of economic think-tanks

Low tax rates, little government interference in the economy, stable legal systems that emphasize private property rights and the enforcement of contracts, and the free voluntary exchange of goods and services within free markets are the hallmarks of economic freedom, according to the Economic Freedom index.

Canada lowered taxes, saw an increase in property rights and the independence of its courts, and improved access to money and the control of inflation thus increasing its score.

GM surprises analysts

DETROIT -- Toyota, Ford and Chrysler each reported sales declines last month, but General Motors Corp. surprised industry analysts on Tuesday by showing an increase in a declining U.S. auto market.

Meanwhile, Toyota's total sales beat those of Ford for the first eight months of the year, figures show. Many analysts have predicted that Toyota will overtake Ford for the No. 2 slot for the full year in 2007.

Toyota's 2.8 per cent sales drop, Ford's 14.4 per cent decline and Chrysler's 6.1 per cent decrease were symptoms of what analysts said would be a slumping U.S. auto market due to high gasoline prices, rising mortgage payments and turmoil in the financial markets.

Overtime lawsuits

TORONTO -- In what could be the second of many unpaid-overtime class action lawsuits against major Canadian employers, KPMG LLP faces litigation seeking \$20 million on behalf of the accounting firm's employees.

The action against the Canadian arm of the global network of audit, tax and advisory firms follows a similar move in June against Canadian Imperial Bank of Commerce which had prompted predictions that others would follow.

"The judicial winds in Ontario and in North America are pro-employee and pro-overtime, and especially in the class-action arena," lawyer Henry Juroviesky of Juroviesky and Ricci LLP said in an interview Tuesday after his Toronto-headquartered commercial and tax law firm filed the KPMG litigation in Ontario Superior Court.

WCE trade up 16.4%

TRADE on the Winnipeg Commodity Exchange increased 16.4 per cent in August, compared with the same month a year ago.

Canola futures contract volume rose 24.8 per cent to 181,145 contracts, while canola options contract trading soared 88.8 per cent, the exchange said Tuesday.

Meanwhile, trade in western barley futures fell 20.9 per cent to 20,457 contracts.

At the end of August, futures and options open interest stood at 131,278 contracts -- an increase of 30.7 per cent from a year ago.