



INSIDE BUSINESS

Housing starts down in St. John's in December
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Marketing initiatives get provincial boost
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Feds could cut departments as much as 10 per cent
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Air Canada increasing flights from Gander to Labrador
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LOCAL STOCKS

	CLOSE	CHNG.	VOL. (000)
Alderon Iron O	3.14	+0.09	2297
Altius Mineral	11.23	+0.07	187
Bayswater Uran	0.21	+0.02	218
Bell Aliant In	27.96	-0.37	2036
Buchans Minera	0.07	0.00	820
Canadian Imper	0.03	0.00	2194
Champion Miner	1.62	-0.03	7580
Cornerstone Ca	0.14	-0.01	1396
Crosshair Ener	0.39	+0.02	474
Fortis Inc.	33.04	-0.20	2981
Golden Dory Re	0.08	+0.02	1275
Husky Energy I	24.42	-0.03	11053
Labrador Iron	37.23	-0.37	594
New Island Res	0.01	0.00	3
Newfoundland C	7.97	0.00	113
Nwest Energy C	0.25	0.00	834
Paladin Energy	1.48	+0.06	9202
Rambler Metals	0.45	+0.04	430
Rutter Inc.	0.06	0.00	460
Silver Spruce	0.08	+0.01	600
Stantec Inc.	27.16	-0.03	1162
Vulcan Mineral	0.18	+0.01	80

COMMODITIES

	CLOSE	PREVIOUS
Gold	\$1,632/oz	\$1,611/oz
Silver	\$29.92/oz	\$28.94/oz
Nickel	\$19,425	\$18,855/t
Copper	\$7,641	\$7,503/t
Brent Crude Oil	\$113.28	\$112.45
West Texas Crude	\$101.80	\$101.53

	MARKET CLOSE	CHNG.	VOL.
TSX 60	699.59	4.60	93.8M
S&P/TSX	12,270.66	73.94	379.9M
TSXV	1,542.23	14.75	225.3M

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The Dollar 98.33¢
Jan. 10 up 0.57¢

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Real Estate Consultant
Re/Max Realty Specialists Ltd.

Crude Oil Barrel Price
up \$0.83
Jan. 10 \$113.28 USD/barrel
*Brent Crude as of 8:30 p.m.

BRIEF

Multimillion-dollar settlement of Chinese drywall claims OK'd New Orleans (AP) — A Chinese drywall manufacturer would pay hundreds of millions of dollars to resolve court claims by thousands of Gulf Coast property owners who say the product wrecked their homes, under a deal that has been given preliminary approval by a federal judge. In an order issued Tuesday, U.S. District Judge Eldon Fallon says he believes the proposed settlement is "fair, reasonable and adequate."

REAL ESTATE

Hot housing market tougher for buyers: broker

Rise in housing prices plus stricter mortgage eligibility rules will keep mortgage payments rising

By DANIEL MACEachern
THE TELEGRAM

Claude Sullivan of East Coast Mortgage Brokers had four words of advice at the St. John's Northwest Rotary Club luncheon Tuesday: "Buy now. Don't wait."

Sullivan, along with Re/Max Plus Realty agent Jim Burton, spoke to a crowd of about 50 at the Holiday Inn on the evolution and affordability of housing in St. John's.

Their message: with real estate prices currently on the upswing — plus the possibility of a slight rise in interest rates — people thinking about buying homes should consider making the plunge now, as houses are likely to get less affordable in the short term.

"Real estate prices are increasing. The potential — although we don't expect it, but the potential is there — for interest rates to increase as well," Sullivan told The Telegram. "So that would be a perfect storm for an increase in mortgage payments."

But some of that reduction in affordability — with the federal government in recent years putting stricter qualifications on home-buyers — is what has helped Canada so far avoid the housing crunch in the United States, said Sullivan. In Newfoundland and Labrador, a strong economy has kept the housing market humming.

"With these megaprojects looking to employ thousands of people



Jim Burton, Re/Max Plus Realty agent, speaks to the St. John's Northwest Rotary Club luncheon at the Holiday Inn Tuesday. — Photo by Daniel MacEachern/The Telegram

over the next few years, that makes our situation to be a little different from the rest of Canada," Sullivan said. "Our economy's so vibrant compared to the economy in other parts of Canada, that we don't anticipate that the negatives in the other parts of Canada are going to affect us. We're going to ride through it because of the strong economy and the strong projects."

But Canada has gone from a nation of savers to a nation of debtors, Sullivan said. In recent years the biggest barrier to home ownership is not the size of a potential mortgage payment.

"The government, through (the Canada Mortgage and Housing Corp.) regulates what people will be able to qualify for, and that is to make sure that people don't get in over their heads," he said. "The biggest problem that we generally find is that mortgage payments, or mortgage debt itself, is not the crippling factor for most people when they experience problems; it's the other debt. The other debt, though, is very hard to regulate and police, whereas mortgages are easier to control."

Burton, who spoke before Sullivan, painted a picture of a St. John's

housing market that has seen the average price of homes go from just under \$101,000 in 2000 to about \$268,000 last year, an increase of 166 per cent. If you look at only new homes, said Burton, the average price is \$340,000.

Three main factors are driving consumer confidence in the St. John's area, Burton told the Rotary Club: population growth, income growth, and employment growth. St. John's, he said, is the oldest community in North America to hold city status, but 30 per cent of the city has been built since 1990.

"The city is growing, and the downtown landscape is changing dramatically," he said. "It's nice to see the confidence that's being invested on Water Street, with the new \$50-million office building on the old Woolworth's site (and) the hotel that is being built just up the street from that."

The province's economic strength is expected to continue at least through 2012, said Burton. "The positive growth will continue. The demand for housing will remain steady for 2012," he said.

"Unit sales — we're anticipating to see 3,700 MLS sales, which will be probably about four to five per cent higher than we had last year. Prices should move ahead about five per cent this year — average price we're anticipating to be about \$279,000."

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FISHERY

Cooke Aquaculture invests in new ice system

By CLAYTON HUNT
TRANSCONTINENTAL MEDIA
HARBOUR BRETON

Cooke Aquaculture has invested in a state-of-the-art ice system that will boost the quality of its product while reducing energy consumption.

Cooke's True North Salmon division has contracted with Young's Industrial Refrigeration Ltd. of Newfoundland and Labrador to supply a state-of-the-art slurry ice system from IceSynergy, Inc. of Springfield, Missouri.

With the system due to come on line early in 2012 at Cooke's primary processing facility in Blacks Harbour, N.B., the True North Salmon team says it is looking forward to the improved chilling performance along with a subsequent boost in product quality.

Company officials also expect to see energy and labour savings and streamlined operations with the new system in place.

The system will be one of the largest installed for fish chilling, providing ice slurry to three different processes simultaneously.

Chuck Brown, the communications manager with Cooke Aquaculture, said, "The new technology will deliver ice slurry to various points in our process including to the large totes that deliver harvested fish to value-added processing plants, on the harvest vessels themselves as well as in holding tanks.

"The 'cold chain' is critical to product quality and freshness and those new ice delivery technology helps us deliver an ideal ice slurry to the facilities and vessels that need it."

Ross Butler is Cooke's processing vice-president.

"The fact that this system can simultaneously supply ice slurry to multiple drop points spread out over considerable distances is tremendous for operational efficiency," Butler said. "We also expect to see product quality improve as a result of reduced core temperatures throughout harvest, holding and processing.

Our main product is fresh salmon and our major customers are our neighbours in the northeast United States and Canada.

"We are dedicated to delivering the best and freshest salmon and the MaximIce system is another investment that will help us do that."

The MaximIce technology is different from traditional slurry ice-makers that grind ice and mix it with water to create a slurry. The ice crystals generated by IceSynergy's system are tiny, rounded crystals formed in the solution, making them very smooth for excellent flow properties, especially as seawater slurry ice.

According to Brown, the new system will have the capacity of 175 imperial tons of refrigeration (TR) which means, under normal conditions, the system has the capacity to generate 175 physical tons of ice in a 24-hour period.

"We believe this technology will be a big boost to our operations in New Brunswick. We'll monitor its performance once it's all up and running to determine if it makes sense to adapt it to other areas of our operations such as Newfoundland, Nova Scotia and Maine."

The Coaster



Rick Walsh, a Cooke employee, supplies ice to the company's processing operation in Harbour Breton. Cooke Aquaculture has invested in an ultra modern ice system for its operation in Blacks Harbour, N.B., to improve the efficiency and performance of that processing facility.

— Photo by Clayton Hunt/The Coaster



Employees work on the trimming line in Cooke's new processing system in Harbour Breton. A new trimming line is scheduled to be in place at the operation by mid-January. — Photo by Clayton Hunt/The Coaster

New processing operation brings higher yield, quality: Cooke

By CLAYTON HUNT
TRANSCONTINENTAL MEDIA
HARBOUR BRETON

The employees at the Cooke salmon operation in Harbour Breton have been using some of the most modern processing equipment in the world since the operation resumed production in December 2011.

Bill Carter, the manager of the Cooke facility, said the new equipment, an investment of more than \$2 million, includes a new whole fish grading line and a state-of-the-art Baader processing line that includes new filleting and trimming technology. He said the new technology is important for a number of key reasons.

"The employees are getting familiar with the new equipment," Carter said.

"And we're seeing our volumes and productivity increase on a daily basis. This demonstrates to me the equipment is working and the employees are now getting comfortable with the new processing techniques."

He said the plant's capacity has increased as the new equip-

ment allows the operation to process what the market demands on any given day.

"We can meet our needs by using one shift as opposed to two per day as we did before. Our one-shift operation, with this new technology, meets our filleting needs at this point in time.

"In addition, we are turning out a better quality product now with a higher yield recovery."

Carter said the ultra-modern equipment is crucial to Cooke's Harbour Breton operation for another reason.

"This plant is only the second salmon-processing operation in the Americas to be using this technology which has been used in Europe for some time now," he said.

Equipment needed to compete

"If we didn't go with this type of equipment, and continued with the older technology, we would not be able to compete internally with other Cooke plants.

"Nor would we be able to compete globally with other salmon-producing operations around the world.

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