

# BUSINESS EDGE



NEWS MAGAZINE

*Summer 2023*

Inside: Special  
Report on  
Real Estate

## 20 Questions with Arlene Dickinson

**PAGE 10**

Kelly Ryan goes coast to coast in examining residential real estate

*Page 6*

Constantine Lycos puts his math skills to work in assessing real estate investment options

*Page 16*

Our humble humour writer pens the Top 10 Signs You Are Working with the Wrong Realtor

*Page 30*

# Looking to add **colour** to your life by purchasing a home in one of the world's most beautiful and livable cities?



David Richardson is the professional who will help your Vancouver real estate dreams come true.

With four decades of leading performance as a realtor under his belt, David knows Vancouver inside-out. He understands the nuances of each community, including the schools and parks. In fact, he is a philanthropist who has helped fund school/park projects in Vancouver on numerous occasions.

David has consistently ranked as one of the Top 100 RE/MAX Realtors® in Canada and is a Lifetime Member of the Medallion Club for the Real Estate Board of Greater Vancouver. He is known for his professional expertise, resourcefulness, dedicated customer service, and relaxed style.

*"Join me for a cup of coffee!"*

**David@TheColourOfRealEstate.com**

**604 649 2305**

**TheColourOfRealEstate.com**

**THE COLOUR OF  
REAL ESTATE**

**RE/MAX**  
SELECT REALTY

**DAVID RICHARDSON**

# Senior executive Desmond O’Kell explains Enterprise Group’s winning formula



To follow excerpts from experts on our *On the Edge* podcast, you can visit the home page of [BusinessEdgeMedia.ca](https://BusinessEdgeMedia.ca).

***(BE) Today, we are speaking with Desmond O’Kell, senior VP and director of Enterprise Group Inc... Congratulations – I took a peek at the latest financials, and they are quite impressive. Do you mind providing a summary for our audience?***

*(DO) Yeah, it was a nice quarter. Obviously, the energy sector here in Canada that we service is at a good pace. It’s a nice change. Just short of a couple of years ago, we finished a seven-year downturn. So it’s been markedly better over the last couple of years as evidenced by our quarterly financials. This Q1 was a combination of a number of things taking place. We have some innovative equipment offerings that we brought to the market here in the last three years. It is developing some terrific momentum. We have seen two consecutive years now where our clients have been increasing their cap-ex (capital expenditure) budgets for development in the field. The more they do in the field, the more they are looking for our equipment to be on their sites.*

*So we had a terrific quarter. It was markedly up in revenues, margins increased, and, of course, we are publicly traded, so the measuring stick is earnings – and the earnings were terrific. We are looking forward to continuing that trend. The energy sector in Canada has been improving from about Q3 of 2021 to where we are today. If you are tracking our financials quarterly from that point, you will see it is quite the trajectory we are on.*

***(BE) To what do you attribute that uptake?***

*(DO) Well, after 2014, we had the situation where Saudi Arabia really stepped on the gas pedal and purposefully crashed prices worldwide. Those commodity prices really never repaired themselves till about two years ago. So what’s been happening is that during that seven-year downturn, our clients, the producers and service providers – we had to right-size our businesses over that down time.*

*Anybody who has made it out the other end is a finely tuned instrument with respect to expenditures and operating efficiency. Then when our producers start working with better commodity prices, all of a sudden their activity levels increase, they are spending more on cap-ex, and developing their field projects. Of course, when you mix higher activity levels and we are able to increase our pricing a bit, the result is higher revenues and terrific margins.*

***(BE) A lot of companies feel that their stock is undervalued, but I really believe that to be the case with Enterprise Group. Even just looking at the value of your assets suggests that your group of four companies should have a much higher share price. Can you just speak to that?***

*(DO) Yeah, it’s a combination of things. Our clients, the producers, have seen recognition in the market. Tourmaline, Canadian Natural Resources, ConocoPhillips, Shell – they have all seen their share prices accelerate over the last two years as those commodity prices improved. And their earnings were rich for the last couple of years. The services always lag – the producers get the recognition first, and the services follow. We are small-cap services, so we know the recognition will come. We think this year is going to be an inflection point for services.*

*But there is no doubt. I mean, if you read our financial statements and our management discussion analysis document, we outline that our equipment assets – our whole positive assets – are worth about 75 cents a share. We are currently trading in the mid \$.40s at the moment, so we are still a deep discount to true value. And that’s without any consideration for what we built up, which is a terrific business. We are leading edge on a number of different fronts in the class of equipment that we bring to clients. So we love our positioning.*

Visit <https://businessedgemediac.ca> to hear or read the rest of this *On the Edge* podcast with featured guest Desmond O’Kell.

# IN THIS ISSUE

## Coast to coast

Kelly Ryan puts residential real estate in Halifax and Vancouver under the microscope.

p.6

## Money pit or cash cow?

Investment adviser Constantine Lycos assesses the current environment for investing in real estate.

p.16

## Survey says...

More than 1/4 of Canadians are planning to purchase investment property in the next five years.

p.20

## Restrained growth

The Conference Board of Canada predicts modest economic growth for Canadian cities.

p.21

## Crisis management

Brad Hayes explains that understanding root causes of the global energy crisis is the key to progress.

p.22

## Intelligent dialogue

Data scientist Laurie Weston puts into perspective the current path of artificial intelligence.

p.24

## Trash talk

A little critical thinking and research put into question the tales of doom surrounding microplastics.

p.27

## The Lighter Side

Rob Driscoll reveals his Top 10 Signs You Are Working with the Wrong Realtor.

p.30

**WANT TO REACH OVER 100,000 BUSINESSES IN ONE MONTH?  
GET IN CONTACT**

### Publisher

**Rob Driscoll**  
(403) 968-7638  
info@BusinessEdgeMedia.ca

### Marketing/Advertising /Digital Media

403 968 7638  
info@BusinessEdgeMedia.ca

### Subscriptions

info@BusinessEdgeMedia.ca

### Editor

**Muriel Protzer**  
muriel@BusinessEdgeMedia.ca

### Office

#246, 1500 14th Street SW  
Calgary, AB T3C 1C9  
Phone: (403) 968-7638  
BusinessEdgeMedia.ca

# Global Trade Credit offers risk mitigation, better access to capital – and a great sleep!



**Graham MacLachlan,**  
member of the board of directors  
of the Receivables Insurance  
Association of Canada

Despite being the main revenue driver for his company Global Trade Credit, Graham MacLachlan never feels like he's selling anything.

"I am just providing information to educate people, so they can make an informed business decision and they can decide what is best for them."

In the case of trade credit insurance, once a business operator understands how it works, the decision is usually pretty obvious.

Trade credit insurance, also known as accounts receivable insurance, is a product that can be used as a financial instrument to give businesses greater access to capital. It also manages threats that are beyond a company's control.

"It is truly remarkable how many businesses insure pretty much everything except their receivables – despite the fact that receivables are generally a company's #1 asset.

"Trade credit insurance is the best-kept secret in business," MacLachlan says. "It can be utilized purely to mitigate risk, or as a financial instrument that helps high-growth businesses expand with stability – or both!

"A policy also expands the business's ability to grant credit – often dramatically, and grow sales – with one simple, affordable policy. Having a policy even helps you get better terms with the banks."

Diverse benefits to companies working domestically or in international markets have earned trade credit policies an interesting nickname.

"The benefits to the business are huge," says MacLachlan, who has been a leader in the international trade industry since representing the Manitoba Government in the early 1990s. "People call it 'sleep insurance' because the CEO, the shareholders, and all other stakeholders can sleep well at night, knowing that if something completely unforeseen occurs, the company is still safe. It even protects a business from the perils of non-payment."

MacLachlan's role as a broker is to ensure that Global Trade Credit customers have the policy with the best coverage for their unique needs – and at the best rates.

"Even for companies that already have a policy, a broker can be very beneficial," MacLachlan explains. "A trade credit insurance broker works much like a good lawyer, providing representation on a critical matter, and knowing what is best for you."

A good broker can save a business money in various ways, while helping access capital to facilitate high, sustainable growth.

"The cool thing is, you don't pay us a cent for all the work we do on your behalf," notes MacLachlan. "We are paid by the insurance companies once we have assisted you in finding the best fit for your business."

It's also important to note that there are cancellable and non-cancellable insurance carriers – and you likely won't know what you are working with unless you are represented by a broker.

Trade credit insurance also signals strong corporate governance; a business can use the policy to showcase professional protocols.

“**The cool thing is, you don't pay us a cent for all the work we do on your behalf**”

**For more information,**  
visit [GlobalTradeCredit.ca](http://GlobalTradeCredit.ca),  
or contact Graham at  
[gmaclachlan@globaltradecredit.ca](mailto:gmaclachlan@globaltradecredit.ca)  
or 403 454 9760.

KELLY  
RYAN



# The tale of two (coastal) cities

**W**hen I moved to the West Coast from Halifax 22 years ago, I had heard that the Vancouver real estate market was tough to break into.

But how bad could it be? I had just sold a beautiful three-bedroom heritage house in one of Greater Halifax's quiet neighbourhoods. It went for \$134,000, 40% more than what I had paid for it a decade earlier. So I confidently walked into a realtor's office on the west side of Vancouver, and told him I was looking for a new house in the same price range. He laughed. That \$134,000 wouldn't get me anything but a one-bedroom condominium. Maybe.

Bidding wars were just starting to be a thing in Vancouver, and more than one condo slipped through my fingers as a competitive buyer slapped down a no-conditions, over-asking offer.

How was this possible? How could I trade a two-storey, single-family dwelling for a condo – and still come out the loser?

It was a "bubble", friends told me. "Just wait, it has to burst." More than two decades later, that Vancouver bubble still shows no sign of popping. And now my hometown of Halifax is experiencing similar market insanity – multiple offers, sales at 20% over asking, homes selling after only a few days on the market. That house I sold in Halifax is now assessed at a half-million dollars. It went up almost \$200,000 in the last year – 67% in just 12 months.

"It's crazy," says Andrew Perkins, who has been working as a realtor in Halifax for 17 years. He tells the story of his latest deal.

Four-bedroom,  
2,400-sq-ft Halifax  
home listed at \$1,155,000

“We wrote offers on eight properties, and they think it’s a good offer – and they’re not even in the top five. There was a condo listed at \$500,000, and it went for \$100,000 over the asking price. Sellers are loving it because they’re getting more money for their house than they ever imagined.”

David Richardson has sold homes on Vancouver’s west side for 40 years. He nods his head as he hears about the Halifax market, because it’s such a familiar scenario.

“Supply and demand,” he says, “it’s all a case of supply and demand.”

Richardson points to one neighbourhood where there would usually be 25-30 listings. Today, there are two.

“It’s just nuts. I’m sitting here with no listings. Normally at this time of year, I’ve got at least 15. Normally by this time of year, I’ve sold 30, 40 homes. I’ve sold 12. There’s no inventory.”

That’s the chorus being sung by realtors across the country. According to the Canadian Real Estate Association’s latest numbers (April 2023), new listings crept up by 1.6% over March, but still sit at a 20-year low.

Yet, when you drive through Halifax or Vancouver, you see bulldozers and cranes on one construction site after another. However, Perkins says, that is not meeting the need for people who want to own their own home.

“Because they are building apartment buildings rather than condos,” he says. “The vacancy rate for rentals is only 1%. And they have been doing that for the last 10 years. So, Halifax doesn’t have that condo inventory the big cities have.”

In Vancouver, there are 11,000 condos slated for construction this year alone. Surely, that will alleviate the supply pressure, right?

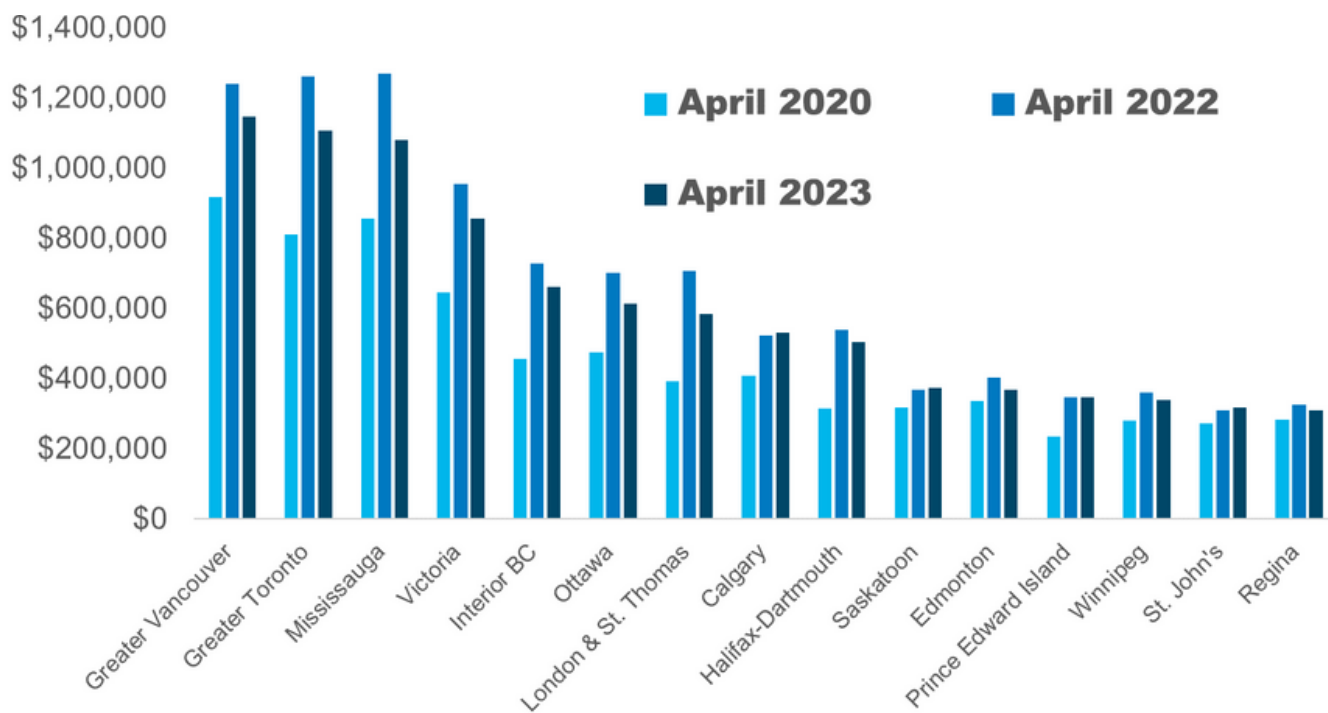
“Building towers and towers and towers of condos – come on, a family of four can’t live in a one-bedroom condo,” Richardson says.

It is estimated some 35,000 people will move to the Greater Vancouver area this year – a 0.95% increase over last. But nothing beats Atlantic Canada for growth. Moncton, N.B., is the fastest-growing city in the country, with Halifax a close second. Numbers released last year saw 20,000 people move into Nova Scotia’s capital city – an increase of nearly 5% in one year.

## Four-bedroom, 2,345-sq-ft Vancouver home listed at \$2,680,000



# Composite House Pricing Index



[Source: CREA monthly statistics and MLS HPI Apr 2023](#)

“With the pandemic, we had a lot of remote workers who were in Toronto, Vancouver, these places, who moved to Halifax because the real estate is still very affordable, and they can live anywhere for work,” Perkins says.

A single-family home in Halifax averages around \$600,000 right now. With many universities, a strong cultural vibe, and an ocean, the city has a lot of appeal, if not a lot of homes. Although Perkins admits no one can predict a real estate future, he cannot see prices going down.

“As long as inventory stays as low as it is, this isn’t a bubble. Nobody could predict what happened in the last three years. No one. What’s going to happen? Even if we went down 10-15%, we’ve gone up almost 60% since 2020.”

In Vancouver, it is hard to get into a single-family home for anything under \$1 million dollars. New zoning regulations are designed to encourage increased density in neighbourhoods throughout the city. Developers can now put a four-plex on a standard city lot. The result? Richardson is seeing builders, not families, predominantly as buyers.

“I just sold a bungalow tear-down, to a builder for \$2.99 million,” he says. “No view. And I sold a corner lot, no view, to a builder in one day for \$3.26 million.”

Richardson mentions another three lots in Kitsilano, a laid-back community minutes away from a string of popular beaches. The sellers are debating whether to list each of the standard 33x120-foot lots for \$2.68 million or \$2.88 million. With the new zoning that allows greater density, Richardson says each lot will likely house a four-plex.

With the current price per square foot, he suggests each unit will go for about \$1 million. He admits those places will be small – but at least it will add to the scarce inventory.

“I’m not negative,” he adds, “I just don’t see a way out of this thing unless City Hall comes in and rezones everything – everything, including farmland. It’s a crisis, a total crisis.”

*(To hear more of David Richardson’s thoughts on the Vancouver market, go to [www.businessedgemediac.ca](http://www.businessedgemediac.ca) and click on our podcast.)*



## Oceanview Acreage in Nova Scotia

13+ acres of prime undeveloped recreational property on Nova Scotia's beautiful south shore

One km from world-class white sand beach of Bayswater Provincial Park

Deeded oceanfront access

Immerse yourself in the welcoming, laid-back Nova Scotia lifestyle

Part of a fast-selling community

Road and power to site already completed

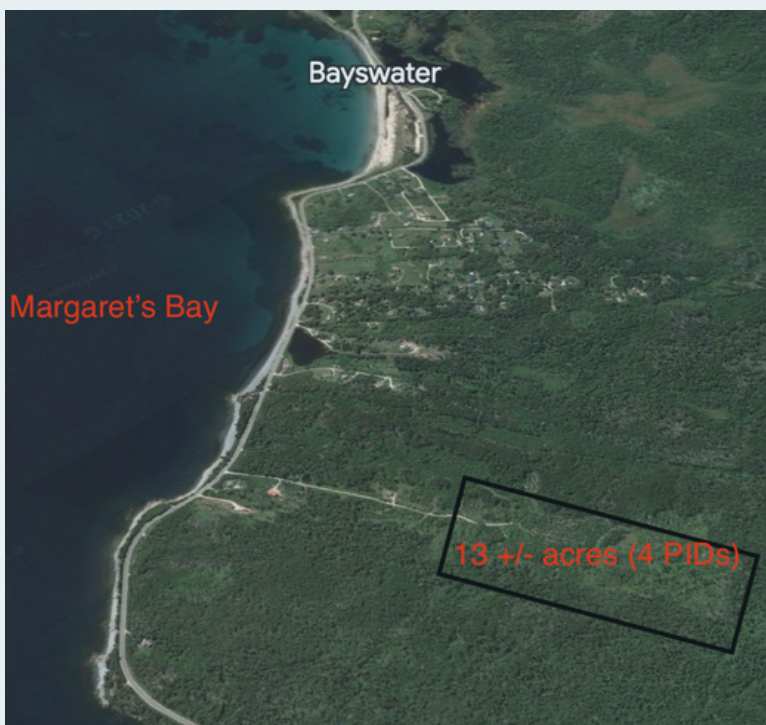
Nearby oceanside 18-hole golf course, Canada's largest keel racing regatta, cycling, kayaking, dining, and shopping in Lunenburg (UNESCO world heritage site), Chester (Canada's playground for the wealthy), 45 minutes from Halifax.

An incredible development opportunity for the savvy investor or for someone who just wants ocean-view acreage to themselves.

**\$210,000 CDN**

(not a typo)

[bayswaterlot@gmail.com](mailto:bayswaterlot@gmail.com)



KELLY  
RYAN



# Musings of a media magnate: 20 Questions with Arlene Dickinson

**A**rlene Dickinson is one of the most recognizable business people in Canada, thanks in large part to her role as one of the entrepreneurial backers on CBC TV's *Dragons' Den*. But she is much more than "the Funder" label that she was given by followers of the program.

With three books and hundreds of thousands of followers on social media, Arlene is a guru to some. Recently, she created what is being called a "super firm" of marketing and communications.

Business Edge publisher Rob Driscoll and I sat down with Arlene to talk about everything from celebrity, to a worldwide aura of fear, to the state of journalism.

## 1. (Kelly) What is the thinking behind the company you just formed – BelieveCo?

*Arlene: We all, as independent agency owners – and, Rob, you will appreciate this for sure – that, when you are working in the media or the marketing business, as an independent, you are always up against big companies. You are always up against size and scale. And you can be scrappy and independent, and still figure it out and service clients well, but what makes you different when you are doing all those things and competing is that you end up becoming very independent.*

*You end up having to make choices as an entrepreneur. You end up trying to figure out, how are you going to survive? And then one day you go, how am I going to exit out of this business? Who do I sell this business to?*

*And you look around you. Gee, there's a lot of multinationals, and when I say multinationals – big corporations, publicly traded organizations that are buying agencies, and that's an option. And you can sell to them, but then you think that everything I've built as an independent gets lost when you do that.*

*And I was at that stage where I thought that I can't be the only independent shop out there trying to figure out, 'how do I keep the legacy of what I built?' And have an opportunity for the people that have come along with me and not lose all of that when I sell to somebody who doesn't care about either one of those things, the legacy or the people – it's all about the revenue and the clients.*

*So I was really struggling with what to do, and it struck me that, what had been worked for me was building relationships in my career. And those relationships had become either client driven or team driven. And, again, I couldn't be the only agency thinking that.*

*So I decided to see if I could consolidate and put together a play that actually focused on being independent and relationship driven, and kept founders at the wheel. And I found many likeminded people, actually, and saw that there was a huge opportunity. And so we raised some capital, and got those people on board, and put together what now will be one of the largest independent shops certainly in Canada ... and we hope to be in North America. It's just a great opportunity to take everything that an entrepreneur is and represents, and put it at scale.*

## 2. (Kelly) Is it fair to call it like an umbrella agency?

*Arlene: No it's one business. We have three market-facing brands. So we've got BelieveCo, which is the marketing agency. We've got Argo, which is the public affairs agency. And then we've got Castleman, which is the indigenous advocacy and communication agency. So those are market-facing brands, but we are one business. And we are out there working together.*

## 3. (Rob) How has it gone so far?

*Arlene: It has only been a few months, so I think it's going great. The energy and the enthusiasm for what we have started here is really palpable. We have had a lot of likeminded people who have said that they would like to join us.*

The keys to a successful media advertising campaign are excellent editorial to attract the readers' attention (**Check!**) and strong circulation – **Check** ... it out:

## UNMATCHED DISTRIBUTION

Approximate number of businesses reached over two consecutive issues by municipality:

### BC

Vancouver	14,108
Surrey	9,310
Victoria	5,483
Kelowna	4,343

### ALBERTA

Calgary	21,781
Edmonton	19,095

### SASKATCHEWAN

Regina	5,670
Saskatoon	4,636

### MANITOBA

Winnipeg	15,893
----------	--------

### ONTARIO

Toronto	33,545
Mississauga	21,341
Ottawa	17,099
Markham	9,029
London	8,492

### NEW BRUNSWICK

Fredericton	2,395
-------------	-------

### PRINCE EDWARD ISLAND

Charlottetown	2,184
---------------	-------

### NOVA SCOTIA

Halifax	3,504
---------	-------

### NEWFOUNDLAND

St. John's	3,872
------------	-------

Advertising inquiries:  
403 968 7638  
[BusinessEdgeMedia.ca](http://BusinessEdgeMedia.ca)

**TOTAL OF 201,780 BUSINESSES!**

## FROM PAGE 10

### 4. (Rob) Is there an ethical component to your customer base?

*Arlene: Yeah, listen I always think when you are philosophically aligned with your clients and your team, you are going to do better. When you are pushing water uphill just for the sake of revenue, you are not. And, yes, there is a view to doing work with people who have likeminded values, and who care about the same things, and who are committed to relationship building as opposed to a vendor/supplier relationship, which many agencies have with their clients and vice versa.*

### 5. (Kelly) We wanted to talk about Dragons' Den, of course. (Rob) In the early years, Business Edge actually did an article talking about how few of the promised investments actually came through. But my understanding is that really changed, and that you earned a reputation as being "the Funder". Did the show really start to put the money behind the pledges?

*Arlene: All the dragons on the show have their own; it's their money. They can do what they want with it, when they make a decision on the show. Lots of these things fall through because when you start doing due diligence – the real due diligence that happens after the show – the businesses ... or the dollars are not what was presented, or the entrepreneur doesn't really want to do the deal. There are all sorts of reasons that deals fall apart, but I've always operated from a belief of we have to have the conversation after the show. You can't just not have the conversation. I don't know the close rate of the other dragons; I have no idea because it's hard enough keeping up with my own stuff. But I hope that's true, Rob. I hope that's true.*

### 6. (Kelly) What would you say is your biggest success out of Dragons' Den?

*Arlene: Oh, I've had a few really good successful stories. I can think of three actually, right off the top:*

*Balzac's Coffee – it's a coffee company based in Ontario that I invested and got involved in, and now we actually literally own the business. It's a fantastic company, and it's done very well.*

*OMG Candy – they came on about seven or eight years ago, and they have gone on to have huge scale and have done very well.*

*Cook it – which is a meal-kit-delivery company based in Montreal with a female founder that's gone and done very well.*

*All of these companies are doing tens of millions of dollars in revenue, and they all started off with very small revenue. So there's been some really great success.*

### 7. (Rob) Now, celebrity can be difficult as we know – well, I don't know ... I've heard about that – but have you found it challenging to balance your personal life and the celebrity life?

*Arlene: That's a great question. And I'll just say it's a great privilege to be on television.*



**Arlene Dickinson**  
Founder of newly  
launched BelieveCo

*There's a weight to that to make sure that you represent and that you are true to yourself. When I'm on Dragons' Den, I really am just myself. And so it's not like I have to be a persona on TV and then something else in person. So, for me, it's been probably less of a shift to say, okay, you know me as this character on television, but I'm somebody completely else in real life. I am who I am on the show, too. It's still an adjustment for me when people recognize me and talk to me. Where it happens the most is if I'm going out to a store ... with no makeup on, and I look horrible, and that's inevitably when somebody will recognize me and want a picture.*

*That's actually what I say on my Twitter account. I say I'm told I look a lot like that woman on TV (laughter). No, it's just been a privilege. I don't have any other way to say it. Is it hard work and all those things? Sure. The ability to have a platform as a result of it, the ability to have a voice in what matters for entrepreneurs in this country – it's just been a privilege. I sometimes think you get elevated too much because you're on television. You've got to be careful not to start believing your own press, I'd say. And you have to remember that you're just a TV personality.*

### 8. (Kelly) It's interesting because you are more than a TV personality. Of course, you are an author. You are an inspirational leader on LinkedIn. I follow you, and I'm amazed at the hundreds of people every day who just write, "I needed to hear that today. Thanks, Arlene."

*Arlene: The thing about LinkedIn that I find lately is that there is a lot of hubris on there, a lot of people talking about how great they are. And then there is a lot of people that are self-acclaimed gurus on everything. My posts on LinkedIn – first of all, they are my posts. I'll be in the middle of something horrible at business, and I'll think, okay, what's the lesson here? And then I'll write it into my LinkedIn post, or I'll be ... reflecting on the past. (continued next page)*

You don't want to sound like everything's always great out there. And I think the reason my posts resonate is because I talk about some of the struggles I've had, and I think being vulnerable and being honest is what drives the response I get.

**9. (Rob) It's great that you can be authentic and be admired. When I get authentic on LinkedIn, I get banned. (laughter)**

Arlene: There's times I probably could be a little more authentic from that perspective, Rob, but I don't know – there are times that I read some people's posts, and I think it's just too perfect. Life isn't perfect. Business isn't perfect.

**10. (Kelly) I really appreciated your recent post about fear and not letting fear be the thief of your joy, I think you said. What motivated a post about fear?**

Arlene: I think maybe this is a function of my age, you know, that because I am older now, and I think about things differently. Most people, as they get a little bit older, their risk tolerance becomes less. I'm actually getting less afraid of risk as I get older. And it's because I think about the context of time, and I think about what I did wrong in my life where I started when I was afraid. I was just literally afraid to try things because I didn't want to embarrass myself or I didn't want to look stupid.

I think I let fear get in my way a lot. And so I was ruminating again about, why didn't I do those things? Because I didn't want to look stupid? Who cares? Like I've said over and over again that my dad always said to me – that I would be a lot less worried about what other people thought of me if I knew how little they did. He said: "Arlene, you're five minutes of gossip at somebody's dinner table, and then they move on to their own lives. So what do you care if people don't like what you're doing? You have to like what you're doing." That's so, so true.

**11. (Rob) Now, along the lines of the fear theme, a lot of what I write about and what we cover with BIG Media (BIG-Media.ca) is related to the issues of today that often get misrepresented through sensationalism in the media. And I think it's a big problem. I know you're in a position where you might not be able to speak completely freely on it, but I really feel like the mainstream media model is broken – that they're all falling over themselves to publish the most sensational, shocking material. And the truth is almost completely lost in that. Now, you're in the media world on the other side helping people with their branding and so on, but do you see the mainstream media model being broken?**

Arlene: It's a really big question, and I do have thoughts on it. Rob, I'd say that everybody became a "journalist" because they were able to publish something. And when that happened, there was this mass move to social media as a result. And you saw papers and traditional media suffering in terms of audience and reach, instead of sticking to what they knew ... they needed to figure out how to get the audience back. And in an effort to do that, they created sensationalism to try and just get eyeballs and get people to read things. I can understand why they went there, but in doing that they

opened up this huge blindside to being criticized for not being journalists, for not sharing the truths, for being very sensationalist. I invested in a company called Goodable.... Goodable is a media platform that only does good news. It's owned by a fellow who was a journalist who went into war zones and, just, he's an amazing human. And he said, what's wrong about this is everybody's clicking on the bad stuff because that's what the news is – getting people to click on bad things. So he created this platform called Goodable, and he is actually demonstrating that people are craving truth. They're craving good news, they're craving values, they're craving not to have to make choices between one side and another. And a lot of the media is trying to get people to choose between one side and another. I think there are media that are starting to get it, but we do have very far right, very far left.

We have media, our mainstream media that's far too politicized, and we've got to get back to media that is about the journalistic truth and fact seeking, and about sharing and helping people understand what is real versus what is fake. And that's going to take courage because that means letting go of some eyeballs and holding onto a core audience that actually is seeking the truth. That's hard for them to do because they have shareholders, and because they have pressure, and because it's very complex. And I don't think it helped when, you know, Donald Trump because he didn't like what they were saying, started blaming them for everything. So mainstream media became a target, and an easy target because if I blame mainstream media, then I can have you listen to the media that I like, which I mean ... Fox News or whoever it is. And the one that I can control the message on, so I'm not so certain that it was mainstream media's fault. Maybe it was mainstream media's fault for not being true to itself....

One of the challenges that mainstream media had was that it created a lot of opinion columnists who, really – they are opinion columnists, they are not spreading the truth. That's just their view. But people started to conflate the truth and the opinion, and what and who had the louder voice became what was heard the most. And who had the most followers became what was believed. You've got, whether it's, and I'm not trying to pick on Fox – but you've got the Tuckers of the world, and what they're saying. Is that journalism or is that opinion? It's opinion.

“LIKE I'VE SAID OVER AND OVER AGAIN THAT MY DAD ALWAYS SAID TO ME – THAT I WOULD BE A LOT LESS WORRIED ABOUT WHAT OTHER PEOPLE THOUGHT OF ME IF I KNEW HOW LITTLE THEY DID.”

**12. (Kelly) One of our recent interviews was with the CEO of a copper company (Claudia Tornquist), and we talked with her about whether it was difficult as a woman in the mining world. Her perspective was that the glass ceiling, while it may have been there, has softened. What are your perspectives on that?**

*Arlene: You're making me really think hard right now (laughter). Do I think it has softened? Yes, and no. I don't mean to be wishy-washy. My main answer is no. It hasn't. We've come a long way. There's been a lot of progress. Things have definitely shifted. There's a lot more awareness and advocacy for women in business and women in their careers. At the same time that's happening, though, we have a deterioration of women's rights and of human rights. And so if you think about it, you've got, while I might have more opportunity in my job, I'm facing health crises in terms of what's happening with controlling my own body, and I'm facing crises relative to the pandemic that could set us back decades in terms of our progress, because you saw women going home to take care of their kids and their parents, and doing homeschooling, and having to give up their careers because they just weren't able. Or entrepreneurs who were working at home who couldn't do it anymore because they had to take care of their families. It's easy to say, yeah, it's better in the business world because there's more opportunity, but how can that be true if at the same time we as women are losing our rights, and losing our position, and losing our voice because of legislation that is being put in place, because of a belief system around where women belong, because of beliefs that are really starting to get more and more ingrained around how we don't have a right to those positions in the business world, or we can't perform in the business world because of our biological functions as females. It's really messy, and so I don't think it has softened because we are facing a tsunami of prejudice and bias right now that I don't think has been dealt with properly.*

**13. (Kelly) Do you think that the whole pandemic and the way it was managed with the lockdowns and everything has had a huge impact on women in the workforce?**

*Arlene: I don't think that there was anything put in place by government or otherwise that created it. I think what happened was that it was just a reality of slipping back into traditional roles.*

**“AN OPINION CAN BE CHANGED BY SOMEBODY EXPRESSING THEIR VIEW THOROUGHLY AND ARTICULATEDLY, AND PROVIDING BACKGROUND RESEARCH AND INFORMATION THAT GIVES ME PAUSE TO PONDER AND THINK ABOUT WHETHER I'M RIGHT OR WRONG. I THINK THAT'S HEALTHY DEBATE, AND I LOVE THAT, BUT HEALTHY DEBATE ON SOCIAL MEDIA IS VERY RARE.”**

*Nobody had to say women should stay home, but as soon as we said kids are going to be homeschooled, it slipped to a traditional facet that fell on the mom's shoulders. And so I think it was less about policy and more about just going back to some traditional values and views that aren't true, but were probably necessary given the circumstances. I don't know. I wouldn't even say they were necessary. I think it just happened as a result of what happened with the pandemic.*

*The pandemic and whether government managed it well or not, there's a million different perspectives on that. I was an advocate for vaccine. I believed in them, and I think that they are the reason that the virus has been controlled, but that's just me. And I have a right to that opinion. Doesn't matter if people agree with me or not.*

**14. (Rob) You touched on something that we write about again quite often. And the ability to say your opinion and actually just be respected for it – I feel like that's been lost in the last few years. And part of it is because of the media and part of it is because of the politicians – but do you find that it's become more difficult to speak freely?**

*Arlene: If you're going to speak freely, you have to be prepared for the hatred. And you have to be aware of, between bots and trolls, it can be debilitating to be honest on social media. But I have learned to put my view and opinion out there, and I don't spend a lot of time looking at what other people are saying about it, because if I did, I wouldn't put my opinion out there. It would be too hard. So you have to have a bit of an iron will against it, and once in a while I'll engage if somebody said something that really bothers me. But for the most part, I try not to engage because it isn't a dialogue that's being created on these social platforms as much as we want it to be. It's a bunch of opinion being thrown out there, and you can choose to listen to that opinion and look at it, and you can learn from it. And that can be on either side of the coin. An opinion can be changed by somebody expressing their view thoroughly and articulately, and providing background research and information that gives me pause to ponder and think about whether I'm right or wrong. I think that's healthy debate, and I love that, but healthy debate on social media is very rare. So it is better maybe to express your opinion in person with somebody that you can have a healthy debate with.*

**15. (Rob) And when someone like me says 'but the vaccine didn't stop transmission, so you are exposed to the side effects, plus usually the virus itself.' And there's still no data in my mind that suggests a healthy person should get vaccinated with the current lineup of COVID vaccines, and media, again, I'm going to blame them. A lot of times it just gets simplified, so instead of breaking into demographics, we all just say, oh, a whole bunch of people died, so everybody should get vaccinated. Now when someone comes up with a counterargument like that, do you engage sometimes ... and will you right now? (laughter)**

*Arlene: I do engage. I have had those debates. I don't know you are wrong... (continued on next page)*

*Do I believe you are wrong? Yes, I believe you're wrong, and I believe you're wrong because history would say whether it's smallpox, whether it's tuberculosis, whether it's chickenpox, whether it's anything that we've been vaccinated for as a species – that those things have stopped – measles, etc. – because of vaccines. And so I do think that vaccines are an effective way to combat the spread of a virus. I just think that's the science. I do have a lot of friends in the healthcare industry that I spoke at length to when this was all going on, and tried to understand what was happening on the front lines, and tried to understand what their views were. A lot of scientists, friends, a lot of people – and not even just friends – people that I respected and had read about. And I also read the other side of it. I also spent a lot of time trying to understand why people didn't think it was a good idea, and all I can say is I respect your choice. You have a choice. But I do believe that the reason that we are where we are right now is because the vaccine was implemented. That's again, my opinion.*

**16. (Rob) I engage on social media just about every day, and I just try to elevate the discussion, and then I ask my data scientists to go tell us the truth and remove every bit of spin that they can. I think, unfortunately, very few people have access to the important data, and I think things are changing. Just on your point of vaccines in general, we wrote an article on vaccines, and it was essentially a celebration of the success for like smallpox and polio.... The data on this one is very different, so we are still finding out. But I always appreciate just a discussion where it does not descend into vitriol.**

*Arlene: Yeah, it doesn't need to. There needs to be tolerance for everybody's view, and there needs to be understanding of where everybody's coming from. Having said that, another quote I always use is, 'lies, (damn) lies, and statistics.' You can interpret statistics however you want, and that's part of the challenge. That is what has happened here. I belong to a business group, and there's a few people on that business group that are on your side of the debate, and there was a lot of exchange on that in that group. And I can tell you I still come back to doing what's best for everybody – has to be something that is a core value. So that's where I came from.*

**17. (Kelly) Is there anything else that you would like to say about going forward and what is in fact a divided ... (Rob interjects: "population.") population, that's the word. Thank you very much – a divided population. What would your advice be for someone on how to stay strong, and not be afraid.**

*Arlene: This is going to sound maybe corny... I believe that good can prevail. Good could be defined in many ways. What is a good person? I think when you think about human rights, and you think about equality, and you think about tolerance, and you think about the fact that when we all die the same – your colour, it doesn't matter.*

*Your belief doesn't matter if you're vaccinated. And I think if we could realize that we're born the same, and we die the same. Everything in between starts to become less extreme. There's so much, somehow weird desire in the world to pick sides quickly. I said this earlier, but this notion that you have to be on a side; you don't have to be on a side. And if you do need to choose a side, take your time choosing it. We have to actually think about what's right and what's good. And I believe that's possible. I believe in the nature of human beings to be good. And if we can just try and find the good in people, we will be less divided. And maybe that's me being Pollyanna, maybe that's not possible, but I like to think it is. I like to think that we all have a place in this world. It's messy right now. It's really messy. It is very fearful out there. We have got to stop being afraid and start being courageous to defend each other, and to defend what's right. And when I say defend, I don't mean fight. I mean stand up for the people that are vulnerable, and who don't have what we have. The three of us on this line are very fortunate. I believe in good. I do. I believe it will prevail.*

**18. (Rob) We do, too. We are going to work hard to spread it.**

*Arlene: Good. I'm glad.*

**19. (Rob) I believe in women entrepreneurs, and I have Kelly as a business partner in Business Edge, and I have Laurie Weston as a partner in Big Media Ltd. And I know that there are tremendous benefits to having women on leadership teams and on boards of directors – that's well documented in my life, and in studies. Do you find that we can empower women and still celebrate motherhood and find a balance there?**

*Arlene: Like a thousand percent. Biologically, we get to bear children, and it's incredible. I mean making life is actually a pretty damn cool thing, and it's a pretty incredible thing to be able to do.... I don't feel like that limits me in the workforce. If I want, if I choose to stay home and be a great mother, I should have that choice. If I choose to work and be a great mother, I should have that choice. I don't think it should limit us whatsoever. I've experienced biases of being a female, or you're going to come to work, and "you're going to get pregnant, you're going to have to go off on maternity leave." Huh. Men need to get over themselves. It's just so ridiculous.*

**20. (Rob) What is next for Arlene Dickinson?**

*Arlene: I am fully dedicated to fostering the entrepreneurial spirit and building businesses that support the next generation of innovators, making a positive impact on the Canadian economy and beyond. My commitment to supporting entrepreneurs remains strong, and through my venture capital fund, District Ventures Capital, I will continue investing in and nurturing innovative Canadian businesses in the food, beverage, and health sectors. We offer not only capital but also mentorship, expertise, and an extensive network to accelerate growth and bring groundbreaking ideas to market.*

# Investing in real estate in 2023

INVESTING  
EDGE



CONSTANTINE  
LYCOS

**R**eal estate is one of the best – if not, the best – asset class for wealth accumulation and wealth preservation. It generally keeps up with inflation, and it can generate income. While it is sensitive to interest rates and macroeconomic conditions, it is far less volatile than equities/stocks, with equities being the other main wealth accumulation asset class.

As I am writing this on May 28, 2023, everyone knows that inflation spiked about a year ago and central banks around the world raised interest rates. As a result, we are looking into a potential recession in the next few quarters. Bond prices adjusted immediately to this new interest rate environment, but other asset classes such as equities and real estate have not yet. In other words, prices are too high. As a result, my main advice: don't rush to invest in real estate.

Investment real estate is usually very closely linked to interest rates. Investors value real estate at what they call capitalization rate or “cap rate”.

Cap rate = net operating income over 1 year / market value of a property.

Cap rates move up and down with interest rates for a couple of reasons. The main one is that investors like to have positive cash flow from their real estate investments, which implies that they usually require the cap rate to be higher than their cost to finance the property, i.e., their mortgage rate.

The second reason is that if interest rates are higher than cap rates, investors may choose to park their money in bonds, t-bills, GICs, etc., instead of buying real estate as their interest income would be higher than what they would get from their real estate investment. We will get back to this later.

Let's take a hypothetical example of a property that has:

Gross rent: \$1,000 per month, or \$12,000 per year.  
Operating expenses (insurance, repairs and maintenance, property taxes, etc.) of \$2,000 per year.

Net operating income = \$12,000 - \$2,000 = \$10,000 per year.

If the required cap rate is 5% because mortgage rates are 5%, then astute investors would not pay more than \$10,000 / 5% = \$200,000 for this hypothetical property. Same property, same income, but when the required cap rate is 10%, the price astute investors would be willing to pay is only \$10,000 / 10% = \$100,000. Under a different interest rate environment, if the cap rate is 2%, then the fair value of this property is \$10,000 / 2% = \$500,000.

This begs the question, how are real estate valuations looking these days? I will look at one-bedroom condos, one of the most popular real estate investments, in 2 locations – Vancouver and Calgary.

## Vancouver

According to zumper.com, the median rent of a one-bedroom condo in Vancouver is \$2,700. Applying the math, by allowing \$700 for condo fees, property taxes, and repairs and maintenance, we are left with \$2,000 per month in net operating income, or \$24,000 per year. A good five-year mortgage rate is 5.74% by tangerine.ca. Even if we assume that rates are a bit too high at the moment, that they will be coming down in the future, and that as investors we are happy with only a 5% rate, we would not want to pay more than \$24,000 / 5% = \$480,000. According to zolo.ca, the median price of one-bedroom condos sold in Vancouver over the last 30 days was \$700,000. According to our calculations above, that is about \$220,000 more than what we should be willing to pay.



# Award-winning broker Uthe is your trusted expert in mortgage matters and more

KEITH  
UTHE



Keith Uthe is not your average mortgage broker.

Besides being an award-winning Independent Mortgage Broker with Enrich Mortgage Group, Keith is a Licensed Realtor, Certified Real Estate Investment Advisor, Smith Manoeuvre Certified Professional, and Real Estate Investor.

While mortgage holders often work with brokers who simply take the commission from the deal and disappear, Uthe looks at his role as an industry-leading coach who can provide valuable guidance to clients on an ongoing basis.

"Maybe you can foresee a move in the future – perhaps for a new job or lifestyle change – three, five, or 10 years from now. When it comes to these large investments, it makes sense to have a prudent plan with contingencies in mind – and it is critical that you have access to the most important information.

"That is what I am here for; I am constantly educating myself so that I can be a valuable resource to my clients."

A series of interest rate hikes is the latest sign of how the mortgage industry can undergo great change.

Recently, the Bank of Canada released a document indicating that about 50% of variable-rate, fixed-payment mortgages have reached their trigger rate, the point at which the mortgage payment only covers interest and contributes nothing toward the principal. This affects about 13% of Canadian mortgages.

But that is not cause for panic, according to Uthe.

**“Mortgages are usually the most significant financial transactions in our lives, so it is paramount that we understand what we are getting into, as well as how things may change down the road,” Uthe explains. “When I meet with my clients – be it in person or virtual – we discuss not only where we are now and how we got there, but what the future may bring. There are all sorts of variables that should be considered when managing mortgages and other real estate investments.**

"The last thing you want to do is make a rash decision that could put you in a difficult position," Uthe explains. "If you work with me, I can go over various options, including possibly increasing your mortgage payment by a sensible amount so that you keep pace with the mortgage term without putting too much pressure on your current situation."

As a Smith Manoeuvre Certified Professional, Uthe can even show you how to make your mortgage payments tax deductible.

**For a free, no-obligation discussion about your mortgage situation, contact Keith at [keith@enrichmortgage.ca](mailto:keith@enrichmortgage.ca) or toll-free 1-877-366-3487.**

## FROM PAGE 16

Having said that, the Vancouver market has traded at unusually low cap rates/high prices for decades for multiple other reasons: foreign buyers that are indifferent to local market economics and supply shortages due to strong net population growth due to migration/immigration. The pyramid scheme that is Vancouver (and the Greater Toronto Area, for that matter) may continue for a long time... My general advice, however, is do not buy residential investment real estate in Vancouver (or the GTA).

### Calgary

According to zumper.com, the median rent of a one-bedroom condo in Calgary is \$1,775. Allowing \$475 for condo fees, property taxes, and repairs and maintenance (things are generally less expensive in Calgary), we are left with \$1,400 per month in net operating income, or \$16,800 per year. Interest rates are the same as in Vancouver, but investors will probably require a higher cap rate for Calgary vs Vancouver, so say an 8% rate. We would not want to pay more than  $\$16,800 / 6\% = \$266,666$ . According to zolo.ca, the median price of one-bedroom condos sold in Calgary over the last 30 days was likely around \$250,000. (Not enough units were sold for the data to be reliable.) According to our calculations above, that is less than what we should be willing to pay. My general advice for Calgary: buy!

“**INVESTMENT REAL ESTATE IS USUALLY VERY CLOSELY LINKED TO INTEREST RATES. INVESTORS VALUE REAL ESTATE AT WHAT THEY CALL CAPITALIZATION RATE OR “CAP RATE”**”

### Investing in real estate through REITs or other investment vehicles

A lot of investors do not wish to be actively involved with the direct ownership of real estate, preferring liquid investment vehicles such as publicly traded real estate investment trusts (REITs) and other real estate funds (public or private) that use professional asset managers to manage all aspects of the investment portfolio, have good diversification, exposure to multiple sectors of real estate such as office, warehouses, storage, multi-family, single-family, shopping malls, etc.

I generally do not like publicly traded REITs as they introduce stock market volatility in what is supposed to be a less volatile asset class. Having said that, there are times when publicly traded REITs or corporations trade at extremely low valuations, and it makes investing in them attractive.

### Recommendations

1. A publicly traded real estate stock that I like is Tricon Residential Inc. (TSX:TCN \$10.81 – don't pay over \$13.00). It is a rental housing company catering to the middle-market demographic in Canada and the U.S. The company owns and manages approximately 36,000 single-family rental homes and multi-family rental units. It is very nicely profitable, generating a return on equity of 15% or more. It normally trades at around book value, but currently trades at 0.57 x book value, a deep discount. Investors sold off the stock last year due to interest rates going up and fears of an upcoming recession. I believe at this price higher cap rates in the underlying real estate portfolio are factored into the stock price as well as a recession, so there is little downside to the stock price and good upside.

2. A private real estate fund I like is the Trez Capital Private Real Estate Fund (FUNDSERV:TRZ610). This fund invests in high-quality build-to-rent development projects primarily in Texas and Florida, in single-family homes as well as self-storage facilities. The markets it invests in have strong fundamentals in terms of population growth, high paying jobs, and reasonable valuations to buy and develop lots. The manager has a long-term track record in these areas, and it is an investment that has a double-digit long-term return potential.

3. Another sector that sometimes is separated from real estate altogether due to its unique properties is farmland. Specifically, Canadian farmland through Veripaht (UR) Fund (FUNDSERV:QWE632). Canadian farmland prices did not go up much after the massive monetary and fiscal stimuli in response to the COVID lockdowns, so valuations are still reasonable. Farmland provides a good hedge against inflation, and it provides a reasonable yield. The fund leases the farms to a variety of operators, growing a variety of crops across several provinces in Canada, giving investors diversification by location, crops, and operators. Farmland is less liquid, so only investors with long-term investment horizons should be considering it. It has been a favourite type of holding for the billionaires, with Bill Gates recently becoming one of the largest individual farmland owners in the world.

FOR ADDITIONAL INFORMATION ON THESE RECOMMENDATIONS, A REVIEW OF YOUR PORTFOLIO, OR IF YOU HAVE ANY OTHER INVESTMENT QUESTION, EMAIL [CONSTANTINE@LYCOSASSET.COM](mailto:CONSTANTINE@LYCOSASSET.COM).

# Is your business ready to take a LEAP?

**Business Edge Media's unique  
Leading Edge Achievement Program (LEAP)  
gives you a big jump on the competition  
through a mix of marketing services including:**

- Regular strategy discussions and ongoing hotline for instant feedback on marketing and other business-growth initiatives
- Consistent social media posting with original content that educates a huge audience and demonstrates thought leadership
- Sponsored content (advertising/advertorial) in Business Edge News Magazine, which is delivered directly to an unrivaled 100,000+ businesses per issue and is read by many thousands more via the digital edition at [BusinessEdgeMedia.ca](http://BusinessEdgeMedia.ca)
- Being the featured guest on our popular "On the Edge with Kelly and Rob" podcast
- Ongoing coverage of newsworthy accomplishments
- Participation in our annual LEAP into Paradise Business Growth (and super fun) Summit in Hawaii

**For more details:**  
[info@BusinessEdgeMedia.ca](mailto:info@BusinessEdgeMedia.ca)  
403 968 7638

# 26% of Canadians intend to buy investment property within five years, survey says

*(Bloomberg BNN)*



**M**ore than a quarter of Canadians have plans to purchase an investment property in the next five years according to a new survey from Royal LePage, while high interest rates have some real estate investors thinking about selling.

The survey, conducted by Leger, found that 26% of respondents said they are likely to buy an investment property within five years. Eleven per cent of Canadians currently own an investment property, and just over half of those investors said they planned to buy another within five years.

“We know that the value of home ownership is strong among Canadians – it is clear that possessing real estate remains a desirable means for building wealth over time,” Phil Soper, president and CEO of Royal LePage, said in a news release.

## **Interest-rate pressure**

However, elevated interest rates appeared to be dampening some people’s investment property outlook.

Just under one-third of residential real estate investors said they had considered selling one or more of their properties because of higher lending rates. Investors under the age of 35 were more likely to be weighing that option, at 54%.

## **Young property investors**

Young Canadians still appear motivated to start investing in real estate, despite well-documented challenges with the country’s real estate market when it comes to high prices, steep interest rates, and low supply.

The survey found that investors aged 18 to 34 were more likely to own more than one investment property compared with those aged 35 and older.

It also found that 15% of residential real estate investors did not own their primary residence, and most of those people were in the 18-34 cohort.

“Despite the hurdles of low home supply and increased lending rates, young people are more inclined than ever to make real estate investing a part of their financial planning for the future,” Soper said. “In fact, survey results tell us that many of them are actually prioritizing an investment property over owning their primary residence.”

### **Most desirable properties**

Single-family detached homes were the most popular type of investment property, the survey said, with 44% of investors owning such homes. Condominiums were the second most popular at 37%, then townhomes at 11%.

The opportunity for long-term property value appreciation was the top priority with 69% of real estate investors, followed by positive monthly cash flow, and low maintenance costs.

Nearly half of investors said their investment property is in a town they don't currently reside, at 44%. Proximity to a post-secondary institution was a factor in the decision about where to buy for 47% of investors.



# Recognizing roots of global energy crisis might help us move toward solutions

BRAD HAYES



Russia's invasion of Ukraine more than a year ago is one of the great tragedies of the 21st century – millions of lives lost or disrupted, untold destruction, and economic upset throughout the world.

The International Energy Agency (IEA) tells us that one of the terrible outcomes of the invasion and subsequent war was to create a global energy crisis ([Where things stand in the global energy crisis one year on](#)). In this commentary, IEA Executive Director Fatih Birol says:

*"It is important here to stress that the energy crisis is global. Although some of the biggest disruptions have been felt in Europe and made a lot of the headlines – major impacts are being felt in many emerging and developing economies. For example, we see this clearly in the number of people worldwide who lack access to electricity, the large majority of whom live in Sub-Saharan Africa. This number rose last year for the first time in decades as energy prices spiked amid the crisis."*

Dr. Birol's commentary discusses the vagaries of global oil and gas supply, emphasizing the overall instability and the over-reliance on Russian supplies. He also applauds the growth of low-emissions energy:

*"The amount of renewable power capacity added worldwide rose by about a quarter in 2022; global electric car sales leaped by close to 60%; investments in energy efficiency jumped; installations of heat pumps surged, especially in Europe; and nuclear power is making a strong comeback."*

No problem with those observations – alternative energy sources and more efficient energy use have progressed strongly in recent years, and will continue to do so.

And so the report concludes:

*"My hope and expectation is that governments will take even stronger policy action to further accelerate clean energy transitions – not only to reduce emissions but also because this crisis has made clear that faster transitions offer a way to enhance energy security and to benefit from a huge opportunity for jobs and industrial growth."*

*"As we at the IEA have said since early on, the only lasting solution to both the current energy crisis and the climate crisis lies in a rapid transition to clean energy."*

Is this a realistic assessment? Does a solution to our current energy crisis lie in rapid transition to "clean" energy? Let's dig in on that a bit.

First, back to the Russian invasion. Did that single event create the global energy crisis?

Of course not.

Global political leaders, particularly in Europe, have for years been setting the stage for energy crisis by promoting policies that reduce energy supply. Much of Europe has halted new oil and gas exploration and development by banning hydraulic fracturing. This is particularly true in Germany, where large oil and gas resources in low-permeability reservoirs in the Rotliegend and Zechstein formations are available to be released by modern horizontal drilling and hydraulic fracturing. There are others attending this party as well – Quebec, New York, and Nova Scotia all have significant shale gas resources sterilized by fracking bans.

New nuclear power generation has been discouraged in some countries, either directly or by invoking unrealistically stringent regulatory burdens. New nuclear projects face up to 20 years hurdling regulatory, financial, and social barriers.

Germany has gone a step further and is about to shut down its last remaining nuclear power stations.

Why are energy supplies being systematically eroded? Because government policy has been driven by emissions reduction goals without adequate regard for energy security. Months before the Russian invasion, energy shortages were growing and prices were rising across Europe, driven in part by increasing dependence on intermittent wind and solar, particularly poorer than expected output from European wind power generators.

We are beginning to see similar signs of crisis in the United States. Some jurisdictions are restricting access to oil and gas by refusing to license new pipelines, or trying to shut down existing pipelines. Some municipalities will not allow natural gas hookups to new housing. Electrical grid operators face enormous challenges trying to balance intermittent power supply from wind and solar against the constant demands placed on their grids by consumers.

The pattern is the same around the world. Energy crises are being created or exacerbated by poorly considered policies to reduce energy supply from sources not considered to be “green” – fossil fuels, and in some places nuclear – without ensuring that adequate replacements are operating and capable of dealing with demand challenges. As Birol noted, low-emissions energy sources are growing – but they aren’t growing fast enough to replace the energy sources being taken offline. They also fail to support resiliency in energy supply because they are not dispatchable – they can’t be called upon when necessary, but only when they happen to be available.

Europe was approaching an energy crisis before Russia invaded Ukraine because they reduced the resiliency of their own energy systems. They relied heavily on Russian oil and gas, so it was easy for Russia to tip Europe into full-fledged crisis by reducing gas exports. Energy shortages were happening already, and a full-fledged crisis was inevitable

under European energy policy (or lack thereof); the Russian invasion just made it happen a little sooner.

The United States is seeing more energy problems every year – electrical blackouts, uncertain grid supply, and volatile fuel prices – as policies and actions focused on emissions reduction undermine energy resiliency and security. We have not suffered as badly in Canada yet, in large part because our electrical grids are powered mostly by hydro and nuclear, which have not been curtailed in the drive for low emissions. North America is unlikely to suffer a European-style energy crisis anytime soon, simply because of our enormous domestic energy resources.

So do the solutions to the world’s current energy woes lie in “rapid transition to clean energy”?

No. In fact, the cause of many of today’s problems is the destruction of energy resiliency by attempting to transition to ‘clean’ energy too rapidly. Resilient energy systems producing adequate, affordable, and always-available energy must be diverse, flexible, and built to local strengths. Europe cannot survive on wind, solar, wood, and geothermal. Nuclear, oil, gas, and coal must continue to be part of the mix. Policymakers ignoring that reality condemn their nations to ongoing energy crisis – and are forced to adopt expensive and environmentally damaging stopgap measures such as accelerated lignite mining and emergency construction of floating LNG regasification terminals, as we are seeing today. So, Dr. Birol – the solutions to the energy crises of today lie not in doing more of the same. Focusing on renewables while discouraging other energy sources is largely responsible for reduced energy security and higher, economy-damaging prices. The long-term solutions – the only kind that count – lie in rebuilding diverse, resilient energy systems incorporating the best and most secure energy sources.

Societies with energy security can afford to reduce environmental impacts. Societies without energy security are too busy scrambling to survive.



# AI: Where are we and where are we going?

## Part 2: The state of the art

LAURIE  
WESTON



It is difficult to assess the “state of the art” when it comes to artificial intelligence because in the time it has taken you to read this sentence, AI has advanced. Unlike any other scientific endeavour that humans have undertaken – which tend to progress relatively systematically with the occasional breakthrough – AI is in a period of mind-blowing, unpredictable change.

I recently asked an audience of about 50 people how many were excited about AI. Most people raised a hand. I then asked how many were concerned about AI, and everyone’s hand shot up. This is probably representative of the public in general – we are simultaneously excited and nervous about imminent, massive changes to our lives with the increasing encroachment and integration of artificial intelligence.

Regardless of our individual excitement-to-trepidation ratio, every one of us living in the modern western world has already welcomed AI into our lives willingly – eagerly even – knowingly or not. Indeed, we may already be on the path to utopia or dystopia, and rapidly approaching the fork in the road that will determine the outcome. As I write this, there is global dismay at recent developments in the pursuit of AGI (artificial general intelligence), of which ChatGPT<sup>[1]</sup> is an example (more about this later), to the extent that more than 1,000 leading AI developers, including Elon Musk, have signed a letter<sup>[2]</sup> recommending a six-month pause on AI development. This pause, the letter explains, would primarily be to allow regulators and regulations to catch up. Is this even possible?

Let’s step back from the brink and look at what led us to this point. In the first article in this series ([AI: Where are we and where are we going? Part 1: the basics](#)), I talked about data inputs, outputs, and processors (algorithms), each typically involving contributions from both humans and computers. These are the foundations of AI. There are also different categories of AI that I call gadgets, assistants, and apps. These categories are not necessarily separate entities; an “assistant” can also be an app and a gadget. However, they each use data and algorithms a little differently.

Gadgets have become essential in our modern lives – from the time our alarm wakes us in the morning (after recording how long and how well we slept), we rely on gadgets to get us through the day. They brew our coffee and count our steps; they control our thermostats and rock our babies to sleep. We remotely unlock our car and drive (or let it drive) us to work or school, stopping and going at synchronized traffic light systems. These are just a few obvious examples of hundreds – no, thousands – of gadgets that we accept as normal in our lives. We dutifully do the software updates or automatic maintenance on all of them, without question or suspicion, satisfied that we are always up to date on the latest advancements.

Gadgets involve hardware, but that hardware often gathers and processes data, ostensibly to improve its service to us, whether it does so in its own body, or sends it back to “base” for assimilation and analysis with contributions from its brothers in the field.



This is one of the reasons everything seems to need an internet connection, even if it is just a doorbell. “Smart” anything is synonymous with a two-way data stream.

“What do we have to fear from these gadgets?” you may be wondering. “They all make our lives so much easier.” That is certainly true, and the benign, face-value use of most of them is just that – an improvement to our everyday routines that relieve us of mundane or unpleasant tasks. There are, however, more secret, possibly even sinister, uses of gadgets. The data they gather is used for product or experience improvement for us, the consumers, but it can also be aggregated for AI to determine how to profile individuals and target them for ad campaigns for everything from consumer goods, to political aims, to societal agendas. Since these can be tailored to any level of personal detail, they are very effective.

Data and instructions can be sent to your gadgets, too, taking control of your thermostat, for example, which will obey, not you, but an unseen master.

Military drones, weapons, and robot soldiers also fall under my definition of “gadgets”, albeit gadgets that can behave viciously without conscience or remorse, controlled from a safe distance. I will leave the pros and cons of these attributes to your imagination and the military experts.

In the last 10 minutes, I have probably used AI assistants half a dozen times as Microsoft checked my spelling and grammar, correcting typos, suggesting commas, and highlighting phrasing it thinks is too wordy. With one click on the suggestion, evidence of my human fallibility was erased – very useful.

Maps, voice and face recognition, games such as Chess and Go, video games, music and movie suggestions, internet search engines, and many more virtual aides that entertain or help us accomplish something fall under the “assistants” category.

In order for a computer algorithm to excel at chess, it only needs to be programmed with the allowable moves and the criteria for winning. This is called “perfect” data. On its turn, it easily computes every possible future move, choosing a move that maximizes its chances of winning. Computers started to win against chess masters as early as 1997, but it took until 2016 to win the game of Go against the best player in the world. Go reportedly has 10170 possible moves. That is 1 with 170 “0”s behind it.

The world champion Go player, Lee Sedol, with years of dedicated practice and sacrifice to hone his skill, stamina, and intellectual ability, was beaten by Deep Mind’s AlphaGo program in a tense five-game match in March 2016.<sup>[3]</sup> For an enthralling documentary about the experience, watch [AlphaGo](#), available on YouTube.

## AlphaGo - The Movie



Watch on YouTube at: <https://www.youtube.com/watch?v=WXuK6gekU1Y>

Assistants that must work with “imperfect” data such as image recognition require millions of “labelled” data inputs to train a model (the relationship between the inputs and the output). Consider a computer that must learn how to identify school buses in images. It builds its knowledge of how to recognize a school bus by building a reference database of images labelled by humans as “school bus” or “not school bus”. So, when presented with a picture of a small, purple, nine-wheeled shape in a tree, it can determine if it fits the criteria.

(You might have thought those Captcha security images that ask you to pick out all the bridges simply proved you were human. True, but at the same time, you were providing your labelling expertise to enhance AI.)

In the old days (10 years ago), there were computer applications such as accounting, retail sales and inventory, medical, human resources, digital photography, and travel booking. These were typically quite expensive, standalone programs that had to be installed on a computer, and required a thick manual and training to learn how to use. Apple’s application marketplace – or “App Store” – democratized (and centralized) the use of computer programs – apps – for everything from banking, to photo editing, to music composing. They are no longer on your physical computer; they are in the cloud. Everything individual users do in these apps is tracked and documented, contributing to the immense amount of data powering and training AI.

Back to ChatGPT, the thing that alarmed the experts and provoked the “pause AI” letter. ChatGPT is a type of “natural language processor” that interacts in a conversational way.

It can chat with you and write essays, poetry, even computer code with only a prompt from the user such as [“Write a poem about climate change in the style of Shakespeare.”](#) It does this by accessing, in a matter of seconds, all of the data that has been gathered and voluntarily uploaded by users of the world wide web.

A sister product to ChatGPT is DALL-E, described on its website as “An AI system that can create realistic images and art from a description in natural language.”<sup>[4]</sup> With the tap of a few keys, real (human) artists and writers could be redundant. Everyone who values creativity and originality might understandably be seriously worried. Both products are the creation of OpenAI, a company co-founded in 2016 by, ironically, Elon Musk. Frankenstein’s monster, perhaps?

I think the concept that scared the 1,000 AI developers who signed the letter was how easily people could be deceived by entirely made-up words and pictures that seem real, with potentially dire consequences.

In 1938, Orson Welles caused panic across the U.S. with his convincing Halloween news report of Martians landing in Grover’s Mill, New Jersey.<sup>[5]</sup> We laugh at that now, but with AI able to create real videos, and make real people say real things, would we behave any differently? I don’t think we would stand a chance.

One last thing: artificial intelligence does not, in fact, exist, at least in the human definition of “intelligence” that implies abstract thought and original ideas. AI is only powerful because it can process inputs at lightning speed, comparing them to databases that are constantly being updated and trained with unwitting human guidance provided through our daily activities interacting with the internet. Humans might be relieved to know that they can still out-think computers, but AI doesn’t have to be able to think to make us feel like we’re not good enough. Just ask Lee Sedol.

FOR SOURCES AND MORE, VISIT  
[BIG-MEDIA.CA](http://BIG-MEDIA.CA) FOR THE FULL PICTURE!

# Trash talk: are microplastics truly the horror story we are being told?

BRAD  
HAYES



Those of you who subscribed to BIG Media Ltd. in the news platform's inaugural year of 2021 might remember a piece I wrote about the power of critical thinking. I examined the idea of a "Great Pacific Garbage Patch" (<https://big-media.ca/taking-a-critical-look-at-the-great-pacific-garbage-patch/>) – an area in the Pacific Ocean reportedly the size of a small country, and so densely packed with floating garbage that it presents a massive environmental hazard.

Natural skepticism and a bit of critical thinking led me to question the existence of the garbage patch, so I undertook a couple of Google searches and a few elementary calculations. I quickly discovered that the patch is a fictional construct, through which one could sail without noticing any particular concentration of human-made debris.

I was reminded about that bit of critical thinking recently when I saw an opinion piece claiming that recycling plastics is harmful, largely because of the release of microplastics ([https://inews.co.uk/opinion/recycling-plastic-doing-more-harm-realise-whats-alternative-2364074?ico=most\\_popular](https://inews.co.uk/opinion/recycling-plastic-doing-more-harm-realise-whats-alternative-2364074?ico=most_popular)). The author expounded upon the many dangers of microplastics, to the point that he claimed he tries to avoid using plastics at all – a difficult task in the world today.

Of course, there are headlines aplenty about plastics pollution and the many, many dangers of microplastics. "The Effect of Microplastic on the Human Health", recently released online (<https://www.intechopen.com/online-first/83763>) says:

"The small particles of microplastics serve as carriers for bacteria and persistent organic pollutants, which are toxic organic compounds that take years to degrade. Moreover, they consist of chemical materials that are hazardous to human and animal health in high concentrations. The humans ingest microplastics by eating marine animals that have consumed the material or through drinking water or breathing air. Therefore, it is very important to have idea and information about microplastics and how to avoid or eliminate their effect on our life."

WebMD, an online publisher of news and information pertaining to human health and well-being, quotes a researcher calling microplastics "a plastic time bomb," and expressing the belief that "we are likely facing a public health emergency." (<https://www.webmd.com/a-to-z-guides/news/20221028/microplastics-health-risks-what-do-we-really-know>)

In response to these concerns in public discourse and mass media,... *(continued on next page)*



Canada's federal government commissioned an assessment that "found that plastic is polluting our rivers, lakes and oceans, harming wildlife, and generating microplastics in the water we use and drink." Never wanting to let a good crisis go to waste, the Trudeau government decided to "pursue actions to reduce the amounts of macroplastics and microplastics that end up in the environment, in accordance with the precautionary principle." (<https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/reduce-plastic-waste/single-use-plastic-overview.html>).

Canadians are now drinking through paper straws and trying to remember to bring their reusable grocery bags to market to avoid paying for a paper or plastic bag.

What struck me in reading about microplastics was the similarity to the "Garbage Patch" articles – everybody knew about it, everybody knew it was just terrible, but there appeared to be few published facts to back up the rhetoric.

Just as critical thinking led me to ask, "How much garbage is really floating out there?" I also wondered,

"Why are microplastics so terrible? Are there really cases of environmental destruction or disease outbreaks associated with microplastics in the environment?"

As a geologist, the first question that popped into my mind was "What is the difference between the many microplastic particles floating around and the far larger quantities of other microparticles in our environment?" There are billions of grains of sand on a beach – does it matter how many are silica, how many are carbonate, and how many are plastic? There are innumerable silt- and clay-sized particles suspended on our oceans, lakes, and rivers – does it really matter what they are made of? Our bodies are already riddled with microparticles and micro-organisms – so do microplastic particles make a difference?

Exercising my ever-improving search-engine skills, I found that the World Health Organization (WHO) recently compiled a comprehensive assessment of the implications for human and ecosystem health arising from the presence of nano- and microplastic particles (NMP) in drinking water, air, food, and beverages (<https://www.who.int/publications/i/item/9789240054608>).

They found reasonably extensive literature, with 640 references listed in the report, and they reached some interesting conclusions, including:

- NMP are distributed across the planet, but in highly variable concentrations
- There are only crude estimates of human exposure, with insufficient data for a quantitative assessment of total human exposure
- Evidence is insufficient to determine risks to human health
- This lack of evidence does not necessarily imply that exposure to NMP is safe or without risk.

WHO notes that there are well-documented health consequences arising from occupational exposure to high concentrations of particular NMP types, but that these findings cannot be extrapolated to background NMP exposure for the general population. As well, there is little evidence to suggest that NMP in food and beverages expose people to hazardous levels of plastic-associated chemicals or pathogens.

The WHO report reminds me of IPCC reports on climate – they compile a lot of relevant scientific research, and attempt to reach appropriate conclusions from that research. Risks and hazards are identified, and best efforts are made to assess their severity. Areas for additional investigation are identified, with the expectation that more reliable results will be obtained in the future.

**“PLASTICS SERVE MANY PURPOSES SUPPORTING HUMAN HEALTH AND WELL-BEING, SO REGARDING THEM AS TIME BOMBS OR HEALTH EMERGENCIES IS SHORT-SIGHTED AND SIMPLY WRONG.”**

Very notably, however, neither IPCC nor WHO investigators forecast doom, gloom, or dire consequences based on incomplete information. Horror stories and crises are instead invented by the news media and others who gravitate to such ideas, selecting worst-case outcomes from a wide range of scenarios and deciding that the world must put all else aside to address these highly unlikely developments. In the two articles referenced at the top of this essay, the authors are correct in seeing microplastics everywhere, but they fail to make a case that those tiny particles represent a hazard to people or to the environment.

That said, as with climate change, it is wise to observe the precautionary principle when it comes to microplastics – which means realizing that there are potential hazards, and working toward better understanding and reducing those hazards. But plastics serve many purposes supporting human health and well-being, so regarding them as time bombs or health emergencies is short-sighted and simply wrong.

# Top 10 Signs You Are Working with the Wrong Realtor

THE LIGHTER SIDE



ROB DRISCOLL



**M**any prospective and current homeowners are familiar with the best qualities of real estate agents – for example, physically attractive, fun, and drive nice cars.

However, I think it is more important to identify bad realtors so you can avoid working with them.

Therefore, for the final article of our Special Report on Real Estate, I spent dozens of minutes researching and compiling the Top 10 Signs You Are Working with the Wrong Realtor:

- 10.** She insists that you pay for the limousine that takes you on the pub crawl between showings.
- 9.** He says the black fungus throughout the home is a lovely accent, the impact of which only grows with time.
- 8.** She suggests you go in at least 20% above asking price ... when there is no competing offer.

- 7.** He personally outbid you on competing offers for the home of your dreams
- 6.** When you voice concern about the water streaming from the bottom of the toilet, she says, "They call it 'taking a leak' for a reason."
- 5.** He keeps referring to private showings as "host bars" and yells "Free Booze!" every time he walks in the door.
- 4.** When you ask if she has prepared the documents necessary to complete the purchase of your new home, she says, "I think a handshake will do the trick."
- 3.** He keeps referring to you as "Paycheck".
- 2.** When you ask how she will promote your home if you list with her, she says, "By putting my beautiful face on billboards, bus benches, and magazine ads."
- 1.** He says the three most important things in real estate are "location, commission, commission."

# BIG Media

## Intelligence. Logic. Respect

Wouldn't it be cool if there was a media company that actually focused on **documenting truth**?

Wouldn't it be cool if that company recruited instead of career journalists, **accomplished scientists** who presented the most **relevant data** with **logical interpretation**, and cited every shred of data so you could do your own fact checking and/or explore further?

Wouldn't it be cool if that company covered the most important issues of the day (e.g., pandemics, climate, energy security) in a way that **educates and empowers** rather than scares readers?

Wouldn't it be cool if that company did not accept advertising, sponsorship, government funding, or political affiliation of any kind to help ensure **lasting editorial objectivity**?

Wouldn't it be cool if that company **encouraged its members** to **submit feedback** including story ideas, so they could truly participate in the direction of an important venture?

Wouldn't it be cool if that company kept its membership fees **affordable**?

[big-media.ca](http://big-media.ca) 

You are welcome!

# WE NEED 72 NEW NICKEL MINES TO MEET PROJECTED 2030 EV DEMAND. THAT'S GREAT NEWS FOR POWER NICKEL (PNPN.V).

Battery Nickel Demand is Forecasting Major Growth by 2030. **Power Nickel (PNPN.V)** is in an Excellent Position to Capitalize.

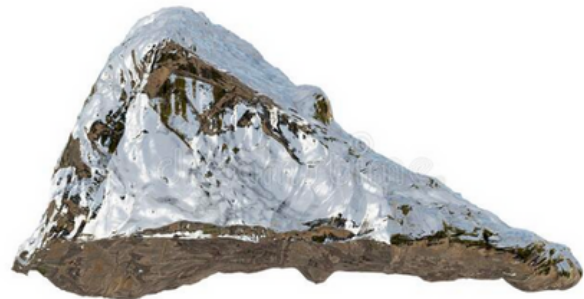
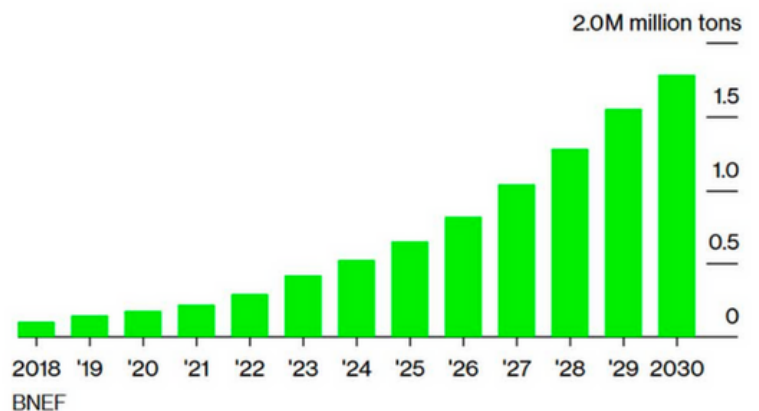
- Automakers to double EV battery spend to \$1.2 trillion by 2030 – Nickel Demand Expected To Explode.
- **Power Nickel's (PNPN.V)** Nisk deposit has the lowest market cap per pound of NiEQ in ground – with Class 1 nickel.
- An “ultra mafic” deposit with comparables at Lynn Lake (22m tons) and Voisey's Bay (50m tons), which sold for \$4.5 billion.
- Located In Quebec – a top North American jurisdiction for mine development with financing incentives.

*“The Nisk main zone has some of the best nickel holes drilled in the world, including one of the best PGM holes. This deposit has amazing potential, and the drill is proving it!”*

**– Terry Lynch, Power Nickel CEO**

## Power Boost

Batteries fuel demand for nickel over the next decade



TSX.V: PNPN | OTC: CMETF | FRA: IVVI  
[PowerNickel.com](http://PowerNickel.com)