Calgary

Spring 2025

Calgary and Region

ECONOMIC OUTLOOK 2025-2030

www.calgary.ca/**economy**

LAND ACKNOWLEDGEMENT

The city of Calgary, where the Bow and Elbow rivers meet, was historically a place of confluence where the sharing of resources, ideas and opportunities naturally come together. Long before Settlers named it Calgary, the original Indigenous Nations of this area had their own names for the land. In the Blackfoot language, it is called Moh-kins-tsis. The Îethka Nakoda Wîcastabi First Nations refer to this place as Wicispa Oyade and the people of the Tsuut'ina nation call it Guts-ists-I. The Métis call the Calgary area Otos-kwunee.

We would like to take this opportunity to appreciate and acknowledge that we are gathered on the ancestral and traditional territory of the Blackfoot Confederacy, made up of the Siksika, Piikani, Amskaapipiikani and Kainai First Nations; the Îethka Nakoda Wîcastabi First Nations, comprised of the Chiniki, Bearspaw, and Goodstoney First Nations; and the Tsuut'ina First Nation. The city of Calgary is also homeland to the historic Northwest Métis and to the Otipemisiwak Métis Government, Métis Nation Battle River Territory (Nose Hill Métis District 5 and Elbow Métis District 6). We acknowledge all Indigenous people who have made Calgary their home.

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INTRODUCTION

The City of Calgary (The City) tracks economic indicators throughout the year to develop insights about the impacts of external events on the local economy. The results are published in the Economic Outlook semi-annually in the spring and fall and are available to the public.

The release of the City's Spring Economic Outlook is in late April every year. This timing is the result of several dependencies. For example, it typically follows and incorporates insights from a spring release of the Government of Alberta budget. The late April timing also ensures that a complete set of historical values, including those for the previous year and the first quarter of the current year, are incorporated into the forecast. Many of these values are attributable to several external agencies that complete their work in mid-April.

Purpose

The Spring 2025 Economic Outlook supports The City's financial and physical planning. It provides a reasonable basis for decision-making by outlining and clarifying the economic opportunities and threats facing the Calgary Economic Region. The outlook considers several economic indicators. The choice of indicators reflects factors deemed likely to affect local economic performance over the forecast period.

Plan

There are two areas or economies of interest. The first is the local (or city of Calgary) economy. The second is the regional economy (Calgary Economic Region or CER).

The CER is a small open economy affected by changes outside its borders. Consequently, external influences from the provincial, national and world economies get transmitted to the local and regional economies. Outside factors judged to have a substantial impact get presented as forecast assumptions. Most national and international forecast estimates in the assumptions section reflect the average expectations of private sector forecasters. All the CER or City forecast estimates are the output of City of Calgary forecast models, validated by private sector forecasts.

The economic cycle for commodity-based regions helps to inform projections of economic activity in the CER. The level of crude oil sales affects the cash flow of Alberta's energy industry and investment in the local economy. A summary of the path from crude oil sales to increased domestic demand is available in the chart below. The Spring 2025 Economic Outlook uses assumptions about changes in the path for the 2025 to 2030 period as follows:

- Improved market accessibility and better transportation capability will improve the cash flow of the energy sector and boost local and provincial economies.
- A more favorable financing environment should boost household consumption, encourage private sector investment, and support exports.
- Central Banks' synchronized contractionary monetary policies and removing global supply chain constraints have successfully reduced global inflation.

Payoff

The Spring 2025 Economic Outlook provides comprehensive estimates of the future conditions for Calgary's local and regional economies. Like the work of alternative forecast providers, it uses theoretical and empirical economic underpinnings. However, unlike the work of alternative forecasters, it provides the complete set of indicators requested by local decision-makers for the city and CER.

Finally, it tackles key recurring questions posed by City of Calgary decision-makers:

- **What is the overall forecast for the growth rate in the local economy?**
- **What are the drivers of local economic performance?**
- **How many jobs is the local economy expected to create?**
- **What is the forecast for population growth in the city and region?**
- **What is the expected inflation rate?**
- **What are the implications, especially for municipal finance?**

PREAMBLE

What has changed since the 2024 Fall Economic Outlook

Our 2024 Fall Economic Outlook assumed that decelerating global inflation and steady growth would decrease the likelihood of a hard landing. The resilience of global markets would have a positive impact on consumer confidence and spending. The U.S. economy was expected to improve slightly, driven by higher productivity and the three key pieces of legislation passed by the Biden Administration[1]. Canada's economy was projected to benefit from population growth, while a more favourable borrowing environment going into 2025 would improve confidence for private investment, stimulate household consumption, and aid exports. Canada's exchange rate was expected to remain relatively stable against the U.S. dollar as monetary rate shifts across both regions stay in sync. This would support trade as trading partners benefit from improved price certainty. Alberta's economic performance was anticipated to be significantly stronger. The City would benefit from the Province's improved fiscal situation and strong growth.

In the past few months, rising tariff uncertainty and persistent market volatility have mounted fears of stagnant economic growth.

[1] The Inflation Reduction Act (IRA), the Infrastructure and Investment Jobs Act (IIJA) and the Chips and Science Act (CSA) should translate to about US $3.5 trillion in funding over the next decade and aid real GDP growth.

Executive Summary

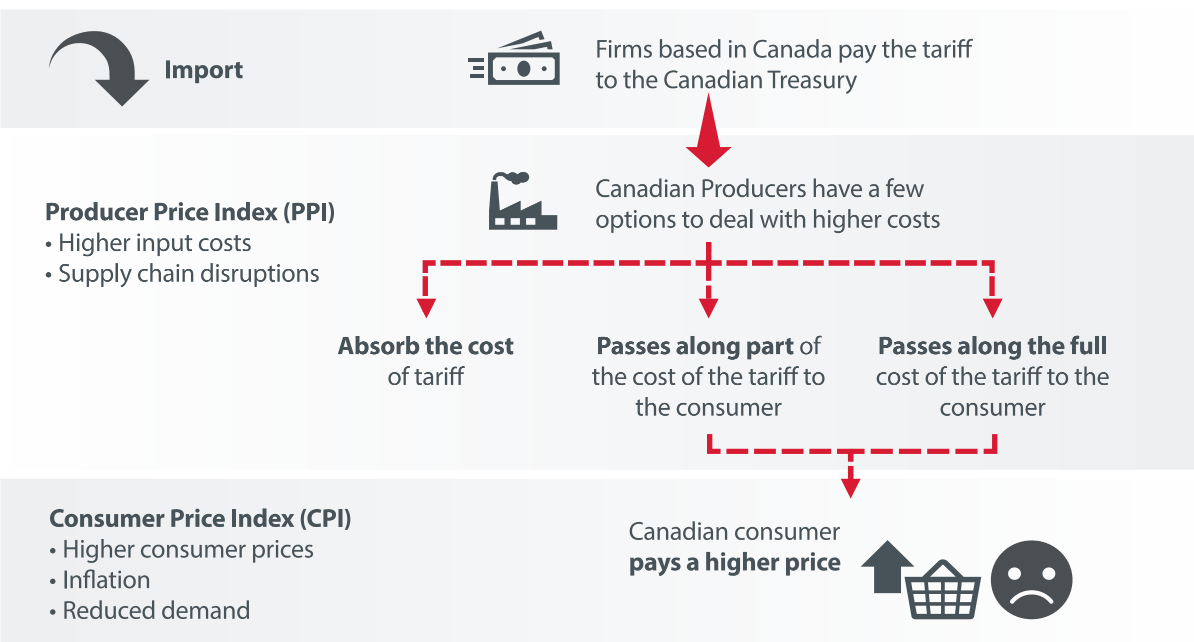
Forecast Implications
Forecast Risks

EXECUTIVE SUMMARY

1. Rising tariff uncertainty, market volatility, and fears of slow economic growth pose near-term risks to investment, employment, and the housing market, potentially leading to reduced activity and instability

Tariffs are sales taxes that a government imposes on goods and services imported from other countries. They are designed to generate revenues for the government, protect domestic industries from foreign competition, and potentially reduce trade imbalances by discouraging consumption and imports. Tariffs increase import costs and, depending on alternative product availability and substitutability, pose a potential risk of cost pass-through to customers/buyers. Switching to another supplier is not always easy as it might involve legal challenges and steep switching costs.

- Do importers reduce profit margin by absorbing the extra costs of tariffs?
- Are they willing and able to pass on the full increased costs to customers through higher prices?
- Do they pass on part of the cost of the tariff to consumers while absorbing the rest?



The most common type of tariff—import tariff—is levied on goods entering a country. It usually results in higher prices for consumers and tends to decrease the volume of trade between countries, as imports become less competitive. Tariffs can lead to retaliatory measures from other countries, potentially escalating into trade wars.

On April 2nd, the United States imposed additional discounted retaliatory tariffs on almost all countries, including the world's major economies, exposing the U.S. to severe retaliation risk. While the tariffs were marketed as reciprocal, the methodology employed to determine them was rudimentary and lacked a solid economic foundation. However, on April 9th, the President suddenly paused these tariffs for more than 75 countries for 90 days after economic and market turmoil, but hiked levies on China to 145 per cent. Shortly after that, China retaliated imposing 125 per cent tariffs on U.S. imports.

Due to tariffs' unpredictable costs and complexities, businesses may achieve lower profits, delay, or cancel investment plans, leading to reduced investment in infrastructure, equipment, and expansion. The accompanying economic uncertainty can lead to a decline in consumer confidence and spending, which can negatively impact businesses and lead to job cuts, slow hiring, or reduced employment opportunities. Rising costs for construction materials and other inputs due to tariffs can increase housing costs, making it less affordable and potentially slowing down construction and sales; it can also negatively impact housing demand.

Tariffs could directly or indirectly affect municipal operating and capital expenditures through reduced investment in the local economy, higher costs of procuring goods and services, potential supply chain disruptions and delays, and increased demand for government support. One potential risk to revenue is the decline in municipal income due to lower property tax collections. Increased construction costs may hinder building projects, which could lead to a slowdown in both residential and commercial development, ultimately affecting the expansion of the property tax base. Rising construction expenses, driven by tariffs on imported materials such as steel, lumber, and aluminum, may affect affordable housing projects. Furthermore, extended development schedules caused by global supply chain disruptions could result in delays and increased costs for municipal initiatives. The introduction of tariffs on equipment and technology used by police and fire departments might lead to higher procurement costs. Strengthened government support could be essential in maintaining adequate funding for critical public safety services, enabling these departments to provide effective services and ensure community safety.

2. Housing starts are projected to moderate from record highs but stay elevated. Residential construction investment is expected to fall slightly but remain elevated

Calgary's historically strong population growth sustained housing demand despite high financing costs. As a result, Calgary recorded the highest number of housing starts among Canadian municipalities in 2024, the second time since 2014. The growth in housing starts was primarily driven by multi-family construction, particularly apartments. Government initiatives are expected to support new supply, although these developments remain sensitive to tariff-related risks.

Building permit values, which reflect investment intentions in construction, experienced substantial growth in 2024, led by permits for the construction of apartment units. Residential permit values accounted for about 65 per cent of the total value. Notably, permits for secondary suites experienced the highest growth, rising by 110 per cent. This was driven by tight rental market conditions and various City initiatives that have made these projects more attractive to homeowners and builders.

Residential construction investment is expected to taper off but remain elevated, at approximately $7 billion annually, well above historical averages. While housing demand may soften due to tighter federal immigration policies, several government programs, including the City's Downtown Incentive Program and declining interest rates are expected to help sustain investment. Additionally, higher construction costs resulting from tariffs may continue to inflate permit values.

In 2024, the benchmark price across all property types in Calgary rose by 7 per cent. While this represents a slowdown from the double-digit increases seen in 2021 and 2022, it remains above the ten-year average growth rate and Calgary's inflation rate.

Limited supply and strong population growth supported most of the price growth. However, price increases varied across product types and regions. Districts with lower benchmark prices recorded the most significant gains across all housing types, as buyers sought less expensive options amid high prices and elevated mortgage rates.

Although recent policy changes and declining interest rates could stimulate demand, economic uncertainty stemming from trade tensions is expected to weaken consumer confidence, slow sales and price growth, and narrow the price gap between resale and new homes.

The average growth rate in benchmark prices is expected to slow in the short term as demand and supply become more balanced. Softer demand due to slower population growth and added supply, especially in the condominium segment, are expected to ease price pressures.

Canada/U.S. Exchange Rate

2026 **0.76**
2025 **0.74**
US$ for 1 C$

2024 **0.73** | 2022 **0.77**
2023 **0.74** | 2021 **0.80**

A relatively stable Canadian dollar to the U.S. dollar bodes well for Canadian exports, as higher valued Canadian currency cushions price volatility in imported goods.

Calgary (CMA) Housing Starts

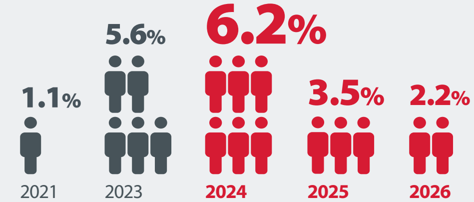
15.2 thousand
2026-2030
Average

2025 **22.7** thousand
2024 **24.4** thousand

Housing starts in the Calgary CMA hit a record high in 2024 and are expected to remain elevated, supported by sustained demand and policies aimed at boosting construction.

City of Calgary: Population Growth

Calgary's population is projected to grow by 3.5 per cent in 2025 and 2.2 per cent in 2026. This is largely due to anticipated reductions in international immigration over the next few years.



3. Calgary's slow economic growth has limited its ability to accommodate the surge of job seekers, resulting in increased unemployment

Last year, the Calgary Census Metropolitan Area (CMA) saw a remarkable 6.0 per cent increase in population in 2024, the highest in Canada. The unprecedented population growth has alleviated some pressure in sectors grappling with acute labour shortages, particularly in Construction and Health Care. However, the high unemployment rate in Calgary poses significant challenges to the local economy. The local economy is not expanding quickly enough to generate sufficient job opportunities, resulting in a higher unemployment rate. For reference, Calgary recorded the second-highest unemployment rate in 2024, at 7.6 per cent among major cities, trailing only Toronto's 8.0 per cent. The lingering tariff uncertainty and Calgary's considerable reliance on the U.S. market for exports - a Canadian Chamber of Commerce report indicates that almost 97 per cent of Calgary's exports are directed to the U.S. – could exacerbate conditions in Calgary's labour market.

However, technological advancements, digital trends (including artificial intelligence and information processing), and investments to reduce carbon emissions will likely influence Calgary's labour market. Current projections indicate approximately 427,000 job openings within the Calgary Economic Region (CER) from 2024 to 2033, with a concentration in Health Care and Social Assistance, Construction, and Professional, Scientific, and Technical Services in the medium term.

Looking ahead, we anticipate that Calgary's unemployment rate will remain high, projected at 7.5 per cent in 2025 and slightly decreasing to 7.1 per cent in 2026. Employment growth is also expected to decelerate significantly, from 4.8 per cent to 2.2 per cent in 2025. However, we foresee a rebound in employment growth by 2027 as the economy stabilizes, aided by a lower interest rate environment and potentially favourable resolutions to trade policy uncertainties.

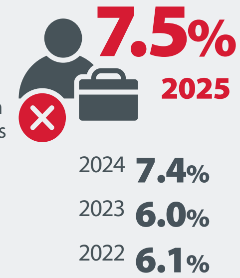
4. The potential for extended tariffs and counter-tariffs affecting construction expenses and rising input costs in Calgary's manufacturing sector will likely create upward pressure on prices in the medium term, particularly for industries reliant on U.S. trade

Tariffs on imported construction materials (such as steel and aluminum) will immediately raise project costs. They can disrupt supply networks, causing delays and potential shortages, further increasing costs. Even if building materials are not directly subject to tariffs, the increasing costs of commodities used to manufacture other goods (such as Heating, Ventilation, and Air Conditioning (HVAC) equipment) will result in higher prices. Warm air gas furnaces and electro-thermic cooking stoves, with total import values of $36 million and $59 million respectively in Alberta in 2024, are among the imported goods subject to tariffs; about half of these imports originate from the United States. Tariff-related uncertainties and increased expenses may cause project delays or even suspension.

Tariffs on imported raw materials and components will increase manufacturers' production costs. Businesses may face reduced profit margins as they absorb some of the increased costs associated with tariffs. In the construction sector, tariffs can disrupt supply chains, leading to delays and potential shortages, further escalating costs. Companies may need to explore

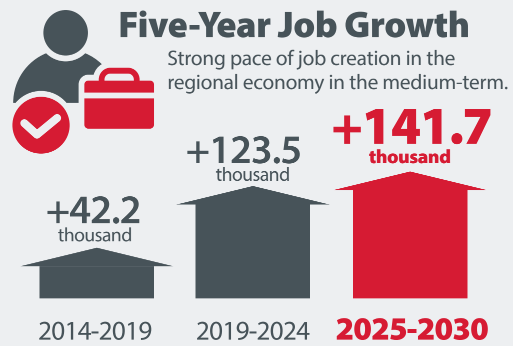
Calgary: Unemployment Rate

Calgary's sluggish economic growth has hindered its ability to accommodate the influx of job seekers due to rapid population growth, resulting in rising unemployment. Calgary's unemployment rate will remain high, projected at 7.5 percent in 2025, as employers and investors remain cautious in light of the uncertainty surrounding tariffs.



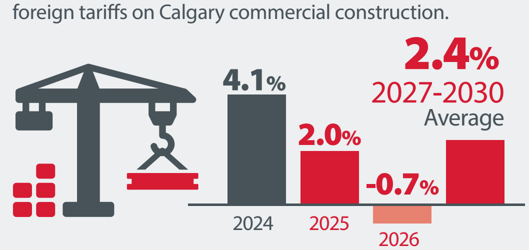
Five-Year Job Growth

Strong pace of job creation in the regional economy in the medium-term.



Non-residential Price Inflation

Exchange rates and energy costs are offsetting increases in raw material and labour costs softening the impact of foreign tariffs on Calgary commercial construction.



alternative markets to mitigate the negative impact of tariffs. Industries crucial to Calgary's economy, especially oil, agriculture and manufacturing, will face increased pressure and costs because of the tariffs. Increased input costs due to tariffs could lead to job losses in the manufacturing sector. The increased costs for manufacturers and construction companies will ultimately be passed on to consumers through higher prices for goods and services.

Non-residential building prices include various inputs like wood, steel, and aluminum. Labour cost increases have recently manifested, and we anticipate more. However, the two most prominent drivers of non-residential building inflation are exchange rates and energy costs.

Energy costs are likely to fall slightly in the coming years as the full impact of the United States' reduction in the size of the federal workforce is felt across the economy. Furthermore, the Trump administration's tariff uncertainty will likely significantly reduce business investment in the United States. Lower interest rates will considerably reduce the cost of constructing non-residential structures in Calgary. Due to the tariff issue, the Bank of Canada has responded by cutting interest rates faster than expected.

For consumers, the inflation rate in the Calgary Census Metropolitan Area (CMA) is projected to decrease from 3.4 per cent in 2024 to 3.0 per cent in 2025, but will remain elevated above inflation targets due to some of the price pressures expected to materialize this year.

5. The impact of the uncertainty created by the current policy environment can contribute to slower economic growth

The current policy environment has created uncertainty, which can harm the economy by decreasing business investment, depressing consumer and business sentiment, and potentially contributing to higher inflation. This uncertainty may potentially result in slower economic growth and employment losses. Uncertainty regarding future trade restrictions has undermined confidence in the economy, potentially lowering consumer spending and business activity. The United States's imposition of tariffs triggered retaliatory tariffs by other countries, resulting in a trade war with potentially severe economic impacts on the global economy. Tariffs on imported commodities, particularly those originating in the United States or passing through U.S. ports, directly raise the cost of project materials. Steel and aluminum are essential materials for construction and infrastructure projects. The increased cost due to the retaliatory tariffs can be passed on to consumers through higher prices (inflation).

Supply chains may be disrupted, leading to delays in procurement, manufacturing, and delivery of key components. This can further put pressure on project timelines and budgets. The uncertainty surrounding tariffs makes it difficult for contractors to lock in prices and timelines for future projects. This creates a volatile economic climate in which project owners, contractors, and suppliers must navigate a rapidly changing marketplace. Fixed-price contracts may struggle to absorb rapid cost increases induced by tariffs, resulting in conflicts and lawsuits. Rising material costs and rising expenses owing to tariffs may push project participants to reconsider their budgets. This could cause projects to become costly and be suspended or cancelled. These decisions may force businesses to downsize their employment if they expect slower growth or increased costs.

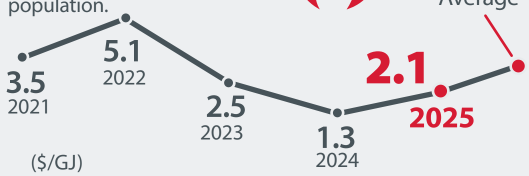
Finally, reduced investment and consumer spending, and the potential for higher prices (inflation) can all contribute to slower economic growth.

> “Due to tariffs' unpredictable costs and complexities, firms may experience decreased profitability, delay or cancel investment plans, resulting in reduced investment in infrastructure, equipment, and expansion. The accompanying economic uncertainty can lead to a decrease in consumer confidence and spending, which can severely effect firms, leading to job cutbacks, slow hiring, or limited employment possibilities.”

Natural Gas (AECO-C)

Natural gas prices are expected to continue an upward trajectory as alternative cheaper and cleaner energy demand grows driven primarily by technology and population.

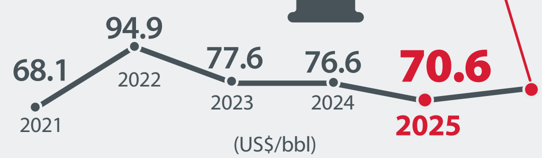
3.2
2026-2030 Average



West Texas Intermediate (WTI)

The weaker demand in crude oil in 2024, aided downward pressure on WTI prices along with improved supply from non-OPEC participants like Canada and the USA.

74.4
2026-2030 Average



Calgary Building Permit

$6.9 billion
2026-2030 Average

Total building permit values are expected to stay elevated, driven by continued demand for residential construction.

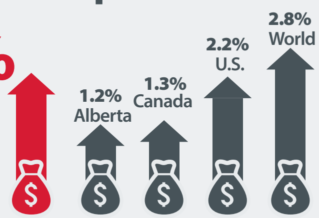
2025 **$7.6 billion**

2024 **$9.4 billion**

2023 **$6.0 billion**

GDP Growth Comparison

1.6%
Calgary CER



Calgary's economic performance is expected to surpass Alberta's and Canada's, but it will trail behind the U.S. and global economic growth in 2025.

Prime Business Loan Rate

The Bank of Canada (BOC)'s policy rate fell 1.75 percentage points in 2024 and has seen another 0.5 percentage points cuts so far. The expectation is that the BOC could cut the policy rate again which is expected to drive down the prime business loan rate, providing businesses and consumers with lower borrowing costs.

5.9%
2025

2024 **6.9%**

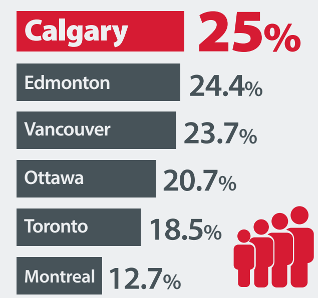
2023 **6.9%**

2022 **4.2%**

Ten-Year Population Growth

Growth Rate Among Canadian CMAs (2014-2024)

Calgary's population growth has outpaced other major Canadian cities in the past ten years. The trend is expected to continue in 2025, albeit with a slowdown in net migration.



Calgary Consumer Inflation

Calgary's CPI inflation is expected to remain above the Bank of Canada's inflation target in 2025, at 3.0 per cent.

3.0%
2025

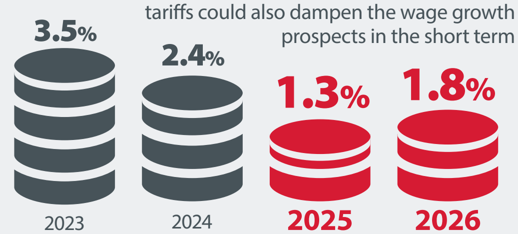
2024 **3.4%**

2022 **7.2%**

2020 **1.1%**

Alberta Wage Inflation

As elevated unemployment persists in 2025 due to strong population growth and weakened economic conditions, wage growth continues to slow. Headwinds caused by tariffs could also dampen the wage growth prospects in the short term



Population Increase by Cohort

Calgary's senior cohort is expected to experience a solid increase over the forecast window.

Youth 12-17 **+10,500**

Working 15-64 **+88,700**

Seniors 65+ **+64,400**

Forecast implications

Averages: Previous vis-à-vis Current City of Calgary Service Plans and Budget Cycle

Economic Indicator	Estimate Previous Service Plans and Budget Cycle [2019 to 2022] Annual Average	Forecast Current Service Plans and Budget Cycle [2023 to 2026] Annual Average	Forecast Implications
Assumptions			
Global Economy			
Real Gross Domestic Product Growth (%)	2.5	3.1	The average global economic growth rate is predicted to be higher throughout the current service plans and budget cycle than last cycle. However, lingering inflation, tariff/geopolitical uncertainty, and potential policy shifts could pose risks, with some regional disparities. Increased trade protectionism, including tariffs, could lead to slower growth, potentially impacting global trade. The stance of monetary policy, particularly in advanced economies, will significantly impact inflation and growth expectations.
The United States			
Real Gross Domestic Product Growth (%)	1.8	2.3	Our forecast calls for the U.S. economy to perform slightly better in this budget cycle. While there is a prospect of a "soft landing" with a modest expansion, many experts predict slowing economic activity. Real GDP growth in the United States is expected to decline in the short term, potentially leading to a recession. Elevated interest rates, decreasing post-pandemic stimulus, and the impact of tariffs can all contribute to the slowdown.
Canada			
Real Gross Domestic Product Growth (%)	1.4	1.3	While the outlook for Canadian GDP is mixed, growth will be slightly slower during this budget cycle. Slower population growth and the impact of tariffs could serve as headwinds. Lower interest rates are likely to enhance consumer spending, but rising costs due to the tariffs may dampen it, and the unemployment rate is expected to remain high.
Prime Business Loan Rate (%)	3.3	6.3	The Bank of Canada's short-term interest rate decisions balance managing inflation and supporting economic growth while carefully navigating the uncertain landscape of U.S. tariffs. Currently, the Bank is focused on keeping inflation close to 2 per cent. Simultaneously, the Bank is monitoring the impact of U.S. tariffs on the Canadian economy, which may result in higher uncertainty and slower economic growth.
Exchange Rate (US$ for 1 C$)	0.77	0.74	The exchange rate between Canada and the United States is expected to be volatile in the coming months, with the Canadian dollar potentially weakening further due to U.S. tariffs and differing monetary policies. Experts believe that the Canadian dollar will decrease, potentially affecting Canadian exporters and importers, particularly those that rely on the U.S. market.
Alberta			
Real Gross Domestic Product Growth (%)	0.9	1.7	Alberta's real GDP is predicted to perform better during the current budget cycle, driven mainly by strong energy sector performance, growth in emerging industries, including technology and petrochemicals, and continued interprovincial migration. Potential obstacles include the ongoing trade war with the United States, which might slow economic growth.
Total Employment Growth (%)	1.0	2.6	While Alberta's economy is predicted to expand faster during this budget cycle, the labour market will likely have shortages or surpluses in various occupations. The overall picture is of a primarily balanced market with an uneven distribution of workers across sectors, which may be impacted by trade uncertainty and the rise of specific industries, such as the digital economy.
Unemployment Rate (%)	8.2	7.0	Alberta's unemployment rate is forecast to be lower during the current budget cycle. The province's population growth will likely support hiring and spending. However, consumers are expected to be cautious due to economic uncertainties and potentially higher inflation than in other provinces.

Numbers may not add up due to rounding.

Forecast implications

Averages: Previous vis-à-vis Current City of Calgary Service Plans and Budget Cycle

Economic Indicator	Estimate Previous Service Plans and Budget Cycle [2019 to 2022] Annual Average	Forecast Current Service Plans and Budget Cycle [2023 to 2026] Annual Average	Forecast Implications
Assumptions			
Alberta			
Housing Starts ('000 units)	30.0	42.6	Higher housing starts in Alberta have strong implications for the province's economy. They suggest a robust construction sector, contributing to GDP growth and employment. However, it also reflects a strong housing market, with potential for investment and affordability challenges.
Inflation Rate – Consumer Price Inflation or CPI (%)	3.1	2.8	Alberta's inflation rate will certainly influence the Bank of Canada's monetary policy decisions, particularly given the current global trade war. Alberta's inflation rate will likely moderate but remain above the national average. This might affect Alberta's GDP growth, consumer spending, and government budgets.
West Texas Intermediate - WTI (US$/bbl)	64.8	73.6	Our forecast predicts a higher price for West Texas Intermediate crude oil during the current budget cycle. However, lower WTI oil prices negatively impact Alberta's economy (Alberta's February budget forecast an average WTI price of US$68. Each dollar by which that price fluctuates results in a $750 million hit to revenues), potentially leading to budget deficits, reduced investment, cuts in government spending, increased unemployment, and slower economic growth.
Western Canadian Select - WCS (US$/bbl)	50.1	58.6	The price of WCS improved significantly relative to the last budget cycle. A narrowing WCS-WTI differential and increased ability to access new markets could boost Alberta's economy, increase profit margins, and enhance government revenues.
Alberta Natural Gas Price - AECO/NIT ($/GJ)	3.1	2.2	The Alberta Energy Company (AECO) natural gas price, an important benchmark for natural gas pricing in Alberta, directly impacts the oil and gas industry's income and profitability, both of which are major economic drivers in Alberta. AECO prices also impact Alberta's energy sector's competitiveness and capacity to attract investors. While the impacts may be indirect, decreased AECO prices may produce cheaper energy costs for consumers, boosting consumer spending and confidence.
Industrial Product Price Index (%)	6.6	1.1	Overall, the Industrial Product Price Index's (IPPI) influence on Alberta's economy is complex and depends on several factors, including duration and magnitude of the price increase, the strength of the global economy, and the effectiveness of government policies in managing the potential impacts. The IPPI can impact Alberta's economy by affecting energy sector investment, overall economic growth, and government revenue. Sustained high IPPIs owing to tariffs may also cause inflationary pressures, thereby depressing consumer spending and corporate investment.
Raw Materials Price Index (%)	11.4	-0.8	Tariff-induced increases in the Raw Materials Price Index (RMPI) have a significant economic advantage for Alberta. Higher oil and gas prices, as the RMPI measures, increase output and profitability, increasing investment, job creation, and general economic expansion. We expect a decrease in the RMPI during this budget cycle.
Alberta Average Annual Wage Rate Growth (%)	1.7	2.2	Increased average annual wage growth in Alberta can have a significant economic impact. Higher earnings can boost consumer spending, increasing demand for products and services, thus driving economic growth. However, it can raise labor expenses for firms, potentially contributing to inflationary pressures and increased costs of living, which can negatively impact their profitability and competitiveness.

Numbers may not add up due to rounding.

Forecast implications

Averages: Previous vis-à-vis Current City of Calgary Service Plans and Budget Cycle

Economic Indicator	Estimate Previous Service Plans and Budget Cycle [2019 to 2022] Annual Average	Forecast Current Service Plans and Budget Cycle [2023 to 2026] Annual Average	Forecast Implications
Forecast			
Calgary Economic Region (CER)			
Real Gross Domestic Product Growth (%)	1.7	2.5	Overall, Calgary's economic forecasts point to a positive trajectory, with the region poised to continue as a major economic hub in Canada. However, addressing the potential challenges attributed to various factors related to the ongoing trade conflicts and prevailing uncertainties is crucial.
Total Employment ('000 persons)	878.2	1,015.2	Calgary's total employment increase has a substantial economic influence, affecting GDP, business activity, and the overall cost of living. A robust labor market boosts consumer spending, encourages investment, and benefits local businesses. However, rapid employment growth can strain resources and infrastructure, raising the cost of housing and other critical services.
Total Employment Growth (%)	2.1	3.3	The city's economy is expected to grow faster than the national economy. Calgary's employment growth will be faster this budget cycle and has positive economic implications, including increased consumer spending, potentially lowering unemployment, and driving demand for services and infrastructure.
Unemployment Rate (%)	8.5	7.0	Though trending lower, Calgary's high unemployment rate has several economic implications. It indicates a mismatch between job seekers and available opportunities, potentially leading to slower economic growth. This can affect consumer spending, business investment, and overall economic activity. The ongoing trade war could exacerbate the labour force and job creation mismatch.
Calgary Census Metropolitan Area (CMA)			
Housing Starts ('000 Units)	13.4	21.1	High housing starts in Calgary, like the record-breaking 24,400 starts in 2024, have significant positive economic implications. They indicate strong demand, can drive job creation in the construction industry, and attract interprovincial migration, further boosting the economy. Additionally, increased housing supply can help ease pressure on rental markets and potentially lead to more affordable homeownership.
Inflation Rate - CPI (%)	3.2	3.1	Our forecast calls for consumer price inflation to remain virtually unchanged from last budget cycle. Calgary's consumer price inflation, which remains above the 2 per cent mark, can impact the city's economy by potentially decreasing purchasing power, impacting business costs, and potentially affecting investment and growth.
Non-Residential Building Price Inflation (%)	3.9	2.5	Non-residential construction costs will decelerate in this cycle despite the continued increase in Calgary's population and number of workers. However, the ongoing global trade war can have several economic impacts on Calgary's non-residential construction price inflation. Potentially increased construction prices may increase project expenses, potentially delaying or preventing new development. This can affect the city's ability to attract businesses and retain personnel, hurting overall economic growth. Furthermore, inflation may result in fewer investments in the construction sector and therefore higher real estate prices, reducing affordability.

Numbers may not add up due to rounding.

Forecast implications

Averages: Previous vis-à-vis Current City of Calgary Service Plans and Budget Cycle

Economic Indicator	Estimate Previous Service Plans and Budget Cycle [2019 to 2022] Annual Average	Forecast Current Service Plans and Budget Cycle [2023 to 2026] Annual Average	Forecast Implications
Forecast			
City of Calgary			
Demography			
Total Population ('000 Persons)	1,315.5	1,522.9	A larger city population points to increased demand for municipal services and infrastructure. It also means that the residential property tax base would grow.
Total Population Growth (%)	1.6	4.4	Calgary's population growth rate is predicted to quadruple this cycle, owing to strong net migration. This could put additional strain on some City services and infrastructure.
Net Migration ('000 Persons)	11.8	53.5	Calgary has experienced strong migration, but population growth may temper due to tightening immigration policies. While net migration drives strong growth in sectors like construction and housing, it also leads to a sharp increase in unemployment in the short term, potentially impacting affordability and infrastructure. However, in this cycle, the elevated population level should support consumption and demand for housing.
Household Formation ('000 Units)	7.4	23.7	Rising household formation in the current cycle should support higher demand for residential spaces, pointing to a larger residential tax base and increased demand for City infrastructure and services.
Real Estate			
Residential Market			
Housing Starts ('000 Units)	11.5	17.6	Stronger residential construction activity in the current cycle should support increases in the residential tax base, development and building permit activity, and demand for the continued expansion of City infrastructure.
Calgary Average Residential MLS® Sale price (%)	2.1	6.0	Home affordability in Calgary will remain challenging for new housing market entrants as housing prices continue to grow in the current cycle. This should stimulate the supply of new housing units and shift the demand across different housing structure types, such as multi-family units.
Benchmark Home Price Growth (%)	5.0	4.5	Benchmark home price growth should remain virtually unchanged in this cycle. This is driven by strong demand for shelter from population growth and increasing residential building costs. While rising prices can boost property tax revenue and stimulate demand for services, they also create challenges for new home buyers. If the housing market becomes overly inflated, they could potentially strain the economy. Tariff uncertainty could also impact home price growth.
Total Building Permits ($ billions)	4.9	7.5	Higher building permit values in the current cycle will lead to a broader property tax base and higher revenues.

Numbers may not add up due to rounding.

Forecast Risks

Legend: ▲ Upside Risk ▼ Downside Risk ♦ Both

Risks arising from activities in the Rest of the World:
Major factors that could **alter actual economic performance** include reconfiguration of supply chains and ongoing trade disputes, uncertainties in global commodity prices and inflation, and potential divergence in global productivity.

▼ 1. Tariffs Uncertainty[2]

The Trump Administration's tariff whiplash **injected uncertainty and volatility into global markets.** Tariffs are government taxes on goods and services imported from another country. Tariff uncertainty is detrimental to international markets, resulting in lower investment, slower economic growth, and more volatility as businesses and consumers become more cautious and corporations delay or cancel planned investments. To make matters worse, the Trump Administration appears to want to re-negotiate the same deal they negotiated with Mexico and Canada last time Trump was elected, which calls to question whether or not the Trump Administration can be trusted at all in the negotiations Mr. Trump purports to want to have with nations regarding trade.

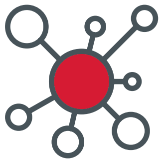
▼ 2. Global Economic Reconfiguration

Geopolitical tensions, especially those between the United States, Canada, Mexico, the European Union, and China, are causing a **major reconfiguration of the global economy** by changing supply networks. These changes restrict global competitiveness and drive inflation due to ongoing trade disputes, particularly in strategic sectors.

▼ 3. Commodity Prices and Inflation

Commodities and energy prices are anticipated to continue fluctuating, with geopolitical threats like the Middle East conflict able to disrupt oil supplies. **Trade tensions with the United States and persistent inflation will keep inflationary pressures** above pre-pandemic levels. Supply chain reconfigurations will make persistent inflation worse. **There is a high probability for inflation to move higher.**

♦ 4. Technological and Geopolitical Disruption



Technological advancements like artificial intelligence (AI) will benefit advanced economies more quickly. However, these **technologies are expected to exacerbate global inequality** as less-developed economies struggle to integrate them. This could exacerbate economic inequality and the divergence in global productivity.

[2] Tariff policies are as old as the United States. However, many economists blame restrictive trade policy for inflicting enormous misery during the Great Depression in the 1930s, and the post-World War II period witnessed the gradual lowering of trade barriers before a fundamental restructuring of global commerce as the twenty-first century began.

Forecast Risks

Legend: ▲ Upside Risk ▼ Downside Risk ◆ Both

Risks from market conditions and policy differences across Canada:

Significant factors that could **alter actual economic performance** include the progress of inflation deceleration to its target range, uncertainties in consumption demand, and environmental policy divergence that creates business investment ambiguity.

▼ 5. Inflation and Monetary Policy

Many view trade tensions as a main inflation risk, and they have undoubtedly fueled concerns about price stability and the impact on the Canadian economy. Although the United States has temporarily postponed retaliatory tariffs, **mounting uncertainty has eroded consumer and business confidence and raised inflation** forecasts. A prolonged trade war would increase consumer prices and accelerate inflation rate. Higher inflation due to trade disruptions may keep interest rate reductions on hold; however, an economic downturn in Canada may drive the Bank to reduce the rate more aggressively.

▼ 6. Consumption Demand

Canada's population growth, driven by high immigration rates, supports consumption demand. However, households with high debt levels may constrain future consumption, particularly in sectors sensitive to interest rates. The uncertainty surrounding interest rates poses **significant risks to consumer confidence and could put downward pressure on consumption demand**.

▼ 7. Environmental Policy Divergence

Fragmented environmental policies among different orders of Canadian government **jeopardize economic growth by impeding long-term planning**, creating regulatory uncertainty, particularly in the energy sector, and potentially resulting in inefficient resource allocation and investment. Different environmental standards can lead to higher compliance costs for businesses operating in multiple jurisdictions, potentially reducing their domestic and international competitiveness.

▼ 8. Tariffs Imposed on Canadian Imports

The Trump Administration's imposition of tariffs on Canadian imports, with the intent to force U.S. companies to relocate manufacturing and supply chains to the United States, thereby creating jobs and reviving regions left behind by globalization, could significantly impact Canada's economic outlook, particularly in industries heavily reliant on U.S. trade (such as Canada's energy and automobile industry, and reliance on U.S. steel and aluminum) and inflation trajectory.

▼ 9. Breakup with China

The economic decoupling between China and the West, including Canada, **will impact the Canadian economy through reduced trade, supply chain disruptions, and potential shifts in investment and production**. As the United States seeks to reduce its reliance on China by imposing retaliatory tariffs, there could be shifts in investment and production activities away from China, potentially impacting the complex Canada-China relationship.

▼ 10. Disasters due to Climate Change and Critical Infrastructure

The increasing severity of wildfires in Canada poses a major risk to critical infrastructure. Wildfires could destroy energy, transportation, and communication networks, significantly impacting local economies and national productivity. **Climate change further exacerbates these risks**, increasing the likelihood of infrastructure damage.

Forecast Risks

Legend: Upside Risk Downside Risk Both

Risks from potential changes in Alberta provincial economy:

Significant factors that could **alter actual economic performance** include the uncertainties associated with energy prices and exports, tariffs, migration and demand for housing and infrastructure services, and the labour market imbalance.

11. Oil and Natural Gas Prices and Exports

Changes in oil and natural gas prices and exports significantly impact the Alberta economy, affecting GDP, employment, government revenues, and the strength of the Canadian dollar. As Canada's energy products contribute approximately 13 per cent to the total value of trade with the United States, the **ongoing trade war with the U.S. could negatively impact the industry through reduced investment, increased input costs (tariff on steel as one of the primary input), and slower job creation**. The lower royalties revenues due to lower energy price would lead to lower transfers to the municipal governments.

12. The Level of Net Migration

On October 24, 2024, the Federal government announced the 2025–2027 Immigration Levels Plan, which will pause population growth in the short term to achieve well-managed, sustainable growth in the long term. Alberta's economy is likely to experience a slowdown in population growth due to the announced change in government immigration policy, which **will impact labour force entry, consumer spending, and infrastructure demands**. However, the province's strong economic position should still lead to faster growth than the national average.

13. Labour Market Balance

Alberta's labor market imbalance, with shortages in specific sectors and surpluses in others, **will likely lead to economic challenges, including increased costs, wage pressures, and potential strain on housing affordability, particularly in construction and related industries**. The ongoing tariff uncertainty can pose challenges for specific sectors with skills gaps, and sectors with shortages could experience higher costs to acquire and retain skilled workers.

Forecast Risks

Legend: ▲ Upside Risk ▼ Downside Risk ◆ Both

Risks from local and regional private and public sector influences:

Factors that could **alter economic performance** include the uncertainty associated with normalizing business pricing behaviour and improved investment environment, weakening consumer confidence and spending activities and labour cost escalation.

▼ 14. Business Pricing and Investment

Due to tariffs' unpredictable costs and complexities, firms may experience decreased profitability, delay or cancel investment plans, resulting in reduced investment in infrastructure, equipment, and expansion. Despite weakening business and investor confidence, some major investment initiatives are still underway or expected to start soon. These investments are expected to boost the local economy by supporting growth and potentially easing housing supply issues while driving labour and resource demand.

▼ 15. Consumer Confidence and Spending

Consumer confidence and spending are key drivers of the Calgary economy, and their fluctuations significantly impact various sectors, including retail, housing, and tourism. **Prolonged economic uncertainty might cause a decline in consumer confidence and expenditures, harming businesses and resulting in job cuts, slow hiring, or fewer employment opportunities**.

▼ 16. Labour Cost Escalation

The construction industry, which already has a skilled worker shortage, is especially sensitive to rising labour expenses. These might lead to project delays and higher consumer costs. Rising labour costs in Calgary will likely lead to increased business expenses, potentially impacting affordability and slowing economic growth. **Higher prices for goods and services, fueled by rising labor costs, can erode the purchasing power of consumers and potentially fuel inflation**.

The Broader Calgary Economy

The Sources of Economic Growth in Calgary

Calgary's Labour Market

The Contribution of Private and Public Investments and Impact on Construction Inflation

THE BROADER CALGARY ECONOMY

The Sources of Economic Growth in Calgary

Following three consecutive years of swift population increase, substantial reductions in immigration are anticipated.

Rapid population growth has been a prominent issue over the last three years, notably as net migration surged across Canada, with Calgary no exception. Since 2024, the federal government has implemented various measures aimed at scaling back several immigration programs[3]. This has led to increased volatility in population growth, primarily due to the government's ongoing adjustments to immigration policies. These changes include a notable decrease in temporary residents and permanent immigrants allowed. These policy shifts followed when Canada expanded its temporary resident programs to address the growing number of job vacancies that arose after the pandemic. However, as job vacancies have decreased and the unemployment rate has risen, the federal government has moved to tighten immigration regulations more rigorously.

As of April 1, 2024, Calgary's population was estimated at 1,509,811, reflecting a growth rate of 6.2 per cent since April 2023, with around 87,600 new residents added to the city. The majority of this growth can be attributed to an estimated net migration of 80,200, as international migrants and newcomers from other regions of Canada have been drawn to Calgary. However, based on current information and data (as of January 2025), Calgary's population is projected to grow by 3.5 per cent in 2025 and 2.2 per cent in 2026.

In addition to the anticipated reduction in international immigration over the next few years, rising unemployment in Calgary will likely hinder domestic migration, as securing employment has become increasingly challenging since last year. The unemployment situation in Calgary has raised significant concerns, with the local economy not expanding quickly enough to generate sufficient job opportunities, resulting in a higher unemployment rate. For reference, Calgary recorded the second-highest unemployment rate among major cities in 2024.

First, the pandemic uncertainty, inflationary and monetary policy uncertainty, and now geopolitical uncertainty.

Since 2020, uncertainty has been a prevailing theme in economies worldwide. Canadian economies have faced challenges due to the COVID-19 pandemic 2020, inflationary pressures and increasing interest rates in 2022, and trade uncertainties in 2025. Just when it seemed like the fight against inflation was behind us, a new wave of unpredictability arose with the introduction of extensive tariffs on exports to the U.S. and subsequent retaliation from the global community. Given that a large portion of Calgary's exports is directed towards the U.S. each year, it's no surprise that these drastic shifts in trade relations could have a profound effect on Calgary's economy. When you factor in this considerable uncertainty alongside a decline in foreign demand, the repercussions for Calgary's economy will likely be substantial.

Calgary's GDP could potentially fall below two per cent due to widespread uncertainty and fluctuations in prices.

Our projections for this report are mainly grounded in a scenario that envisions a trade war. In this scenario, the U.S. would enact comprehensive 25 percent tariffs (excluding energy products which will face a 10 percent tariffs) in Canada, and Canada (and other nations in the global community) would employ counter-tariffs through 2025. We also anticipate that ongoing trade policy uncertainty and a cautious business environment will result in significant adverse effects in Canada and the United States over the next two years.

Calgary faces economic risks from the ongoing trade policy disputes due to its considerable reliance on the U.S. market for exports and its connection to the energy sector. A Canadian Chamber of Commerce report indicates that almost 97 per cent of Calgary's exports are directed to the U.S. On a brighter note, despite its vulnerability to energy market fluctuations, Calgary's economy has become more diversified over time. In the 1980s, the primary and utility sectors constituted nearly half of Calgary's GDP, but this number has now fallen below 30 per cent. Meanwhile, sectors such as Finance, Insurance, Real Estate, and Professional, Scientific, and Technical Services now represent 35 per cent of the GDP. This increased diversification may help mitigate some of the adverse effects of the tariffs.

The current economic conditions and our assumptions of trade policy evolving over the next couple of years lead us to expect some adverse impacts on business conditions and spending, specifically, a slowdown in growth to 1.6 and 2.4 per cent in 2025

[3] Source:www.canada.ca

and 2026, respectively. This economic deceleration is attributed to various factors related to the ongoing trade conflicts and prevailing uncertainties. As apprehension rises across North American cities, investors are likely to adopt a cautious approach throughout the year, which may hinder investment inflows into Calgary due to unclear supply chains.

Consumer spending started to increase towards the end of last year as inflationary pressures eased and the Bank of Canada began to unwind its restrictive monetary policies. Nevertheless, the potential for extended tariffs and counter-tariffs affecting construction expenses and rising input costs in Calgary's manufacturing sector will likely create upward pressure on prices in the medium term. The inflation rate in the Calgary Census Metropolitan Area (CMA) is projected to decrease from 3.4 percent in 2024 to 2.6 percent in 2025.

Calgary's labour market is expected to retighten over the medium term.

Last year, Calgary's labour market revealed two notable trends: (1) it experienced one of the highest unemployment rates, and (2) significant population growth among major cities. Specifically, the Calgary Census Metropolitan Area (CMA) saw a remarkable 6.0 per cent increase in population in 2024, the highest in Canada. Conversely, it recorded the second-highest unemployment rate at 7.6 per cent, trailing only Toronto's 8.0 per cent.

Over the past three years, the unprecedented population growth has alleviated some pressure in sectors grappling with acute labour shortages, particularly in Construction and Health Care. However, Calgary's sluggish economic growth has hindered its ability to accommodate the influx of job seekers, resulting in rising unemployment. Additionally, the ongoing uncertainty from tariff disputes continues to affect the business environment despite the Bank of Canada's attempts to mitigate these challenges through expansionary monetary policies.

Looking ahead, we anticipate that Calgary's unemployment rate will remain high, projected at 7.5 per cent in 2025 and slightly decreasing to 7.1 per cent in 2026. Employment growth is also expected to decelerate significantly, from 4.8 per cent to 2.2 per cent in 2025. However, we foresee a rebound in employment growth by 2027 as the economy stabilizes, aided by a lower interest rate environment and potentially favourable resolutions to trade policy uncertainties.

Moreover, technological advancements, digital trends (including artificial intelligence and information processing), and investments to reduce carbon emissions will likely influence Calgary's labour market positively from a productivity and increased hiring standpoint. Current projections indicate approximately 427,000 job openings within the Calgary Economic Region (CER) from 2024 to 2033, with a concentration in Health Care and Social Assistance, Construction, and Professional, Scientific, and Technical Services in the medium term.

Major Infrastructure Investments Underway

$6.2 billion

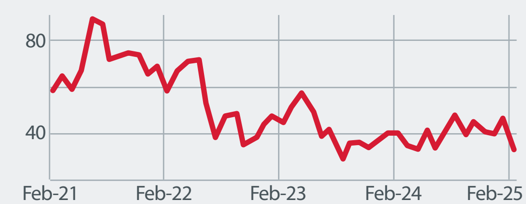
Calgary Green Line

Calgary Events Centre	$1.2 billion
Future Energy Park Renewable Natural Gas and Ethanol Project	$1.2 billion
Bonnybrook Wastewater Treatment Plant D Expansion	$700 million

Consumer and Business Confidences

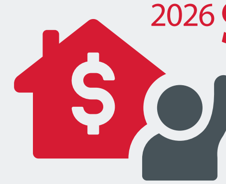
is starting to dip across the province.

Alberta Consumer Confidence (index 2014=100)



Benchmark House Price

Benchmark price growth is expected to ease in 2025 amid slower population growth, improved supply, and weaker consumer confidence due to economic uncertainty.



2026 **$629 thousand**

2025 **$605 thousand**

2024 **$594 thousand**

The Contribution of Private and Public Investments and Impact on Construction Inflation

The Green Line LRT (Phase 1) and the Calgary Events Centre are transformational initiatives anticipated to stimulate investment in the Calgary area.

However, uncertainty significantly impacted investment levels during the year's first quarter. The Canadian Federation of Independent Business (CFIB) publishes a monthly Business Barometer, which gauges business confidence across Canada and its provinces. Their findings reveal that business optimism in Canada, particularly in Alberta, has reached its lowest point since 2000, with minimal hiring intentions on the horizon. For example, in March 2025, business confidence in Alberta plummeted by 33.3 percent month-over-month, marking it as the third steepest decline among the provinces.

Despite declining business and investor confidence, several significant investment initiatives are still in progress or set to launch shortly. These projects are anticipated to stimulate activity in vital sectors like construction. The Calgary Green Line LRT project is set to commence soon, with the southeast segment kicking off this year. The federal government has pledged $1.5 billion to support the Green Line LRT, connecting Shepard in the south to downtown. The project is estimated to be worth around $6.0 billion and is expected to engage local construction firms,

bolstering businesses in Calgary and increasing hiring in the area.

The Calgary Events Centre (Scotia Place) project also started on July 22, 2024. This venue will be Alberta's latest top-tier sports and entertainment facility. Completion is projected for 2027, with an estimated cost of $800 million. Additional expenses related to surrounding infrastructure will bring the total project cost to $1.22 billion.

The Future Energy Park Renewable Natural Gas and Ethanol Project, valued at $1.2 billion, is poised to launch this year. Once completed, it will become North America's largest carbon-negative renewable natural gas and ethanol initiative. This project aims to convert low-grade wheat and other agricultural products into natural gas and ethanol. It is projected to create 800 jobs during construction and 100 permanent positions once operational.

In Calgary, the Arts Commons Transformation (ACT) project represents a $660 million investment in cultural infrastructure, making it the largest in Canada. This initiative includes a $270 million expansion featuring a new performance venue, a $270 million upgrade of the existing Arts Commons, $70 million dedicated to revitalizing Olympic Plaza, and a $50 million endowment fund. The project aims to address the increasing demand for cultural and artistic spaces in Calgary, providing venues for world-class performances and enhancing community involvement.

These significant infrastructure projects in the Calgary area, as well as the Bank of Canada's substantial interest rate cuts, are anticipated to mitigate some of the impacts of economic policy uncertainty by bolstering economic activity. However, overall investment activity is likely to decelerate as uncertainty remains notably high.

Non-Residential Construction Price Inflation – Impact on City Costs

Non-Residential Building prices are made up of a bundle of different inputs. There have been fluctuations over the past few years for some inputs like wood, steel and aluminum and we're about to see those same issues hit construction markets again as President Trump imposes new tariffs. We have also seen some labour cost increases recently and we anticipate some more of them in the future. However, the two largest drivers of non-residential building inflation are exchange rates and energy costs.

Energy costs are expected to decrease rather notably over the next few years as the full impact of the U.S. decreasing the size of the government workforce filters through the U.S. economy. In addition, U.S. business investment is expected to decrease dramatically due to the uncertainty created by the Trump administration. Both of these are expected to result in decreased North American energy costs which will impact Canadian construction costs.

The announced tariffs are anticipated to have a chilling impact upon international trade. Indeed, it now appears that the Trump Administration is taking issue with any nation that has a trade deficit with the United States and even some that have a trade surplus like Australia. The impact on the Canadian commercial construction market is two-fold: A) the floating exchange rate is anticipated to take some of the pressure off Canada and re-adjust prices so that the impact of the tariffs isn't quite so hard. B) As tariffs decrease the volume of international trade, the diversity of available product is anticipated to decline. However, much of the materials used in Canadian non-residential construction are primarily and secondarily manufactured in Canada so this is likely to impact only finishing products which have a limited impact on overall project costs.

Further softening the costs to construct a non-residential building in Calgary are lowered interest rates. Thanks to the tariff situation the Bank of Canada has responded by lowering interest rates a bit faster than we previously anticipated.

By 2028 increased prices for energy are anticipated to result in a jump in construction costs in Alberta.

Residential Activity – Building Investment and Expansion of the Residential Tax Base

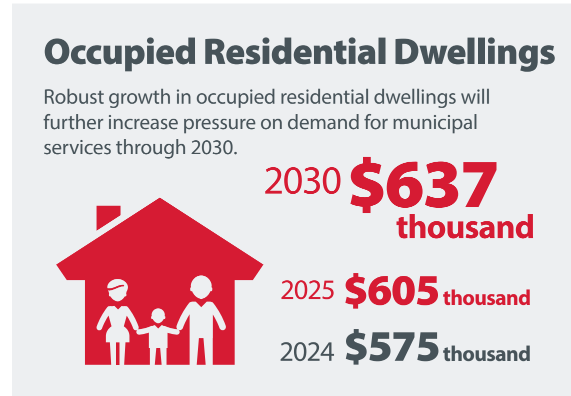
Housing Starts

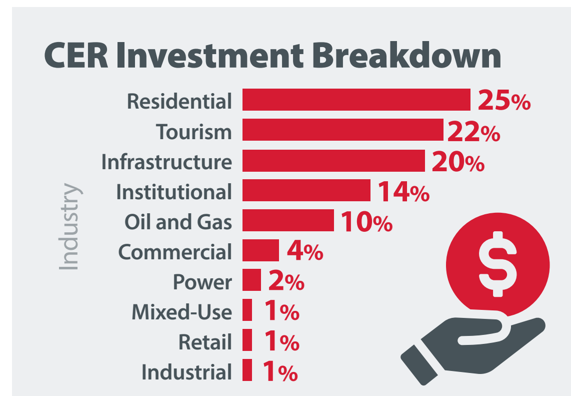
According to the Calgary Mortgage and Housing Corporation (CMHC), housing starts in 2024 reached 20,165 units in the city of Calgary and 24,369 units in the Calgary Census Metropolitan Area (CMA), representing year-over-year (y-o-y) increases of 21 and 25 per cent, respectively. Despite high financing costs that have slowed large projects in other parts of Canada, Calgary's strong population growth sustained housing demand. As a result, the city of Calgary recorded the highest number of housing starts among Canadian municipalities in 2024, the second time since 2014.

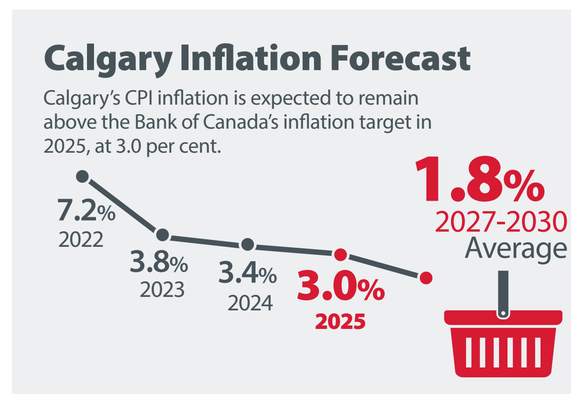
The growth in housing starts was driven primarily by multi-family construction, particularly apartments, marking 10,680 units. This was the first time the city hit the 10,000 milestone in a single year. Of these, 54 per cent (5,759 units) were condos, reflecting a 41 per cent y-o-y increase. This surge in multi-family construction was supported by high home prices and mortgage rates, which increased demand for more affordable housing options.

Looking ahead, housing starts are expected to moderate from record highs but remain elevated over the forecast period. While population growth may slow due to changes in federal immigration policy, Calgary's relative affordability is expected to continue attracting demand, especially through interprovincial migration. Government initiatives, such as the Apartment Construction Loan Program and The City's Housing Strategy[4], are also expected to support new supply, especially multi-family construction.

However, these developments remain sensitive to tariff-related risks. Tariffs are expected to dampen







[4] https://www.calgary.ca/communities/housing-in-calgary/housing-strategy.html

economic activity and raise input costs, which are often passed on to buyers, weakening housing demand. Fiscal and monetary policy measures, such as lower interest rates, may help counter these pullbacks and support continued demand.

Amid heightened economic uncertainty, builder sentiment has declined. The latest Housing Market Index from the Canadian Home Builders' Association, which gauges selling conditions reported by builders, fell in the Q4 2024 amid the heightened economic uncertainty, suggesting a potential slowdown in future housing starts. However, if federal priorities shift towards affordable housing, it could influence construction activity in this sector.

Building Construction Investment Intentions

Building permit values submitted to The City of Calgary reflect investment intentions in construction. Per the data as of April 2025, shows the total value of permits submitted reached approximately $9.4 billion in 2024. Residential permits accounted for about 65 per cent of this total, or $6.0 billion, which is 35 per cent higher than in 2023. These permits are projected to support the construction of 26,608 housing units, up from 19,481 units last year.

Like housing starts, the growth in permits was led by apartment developments, which increased by 50 per cent to reach $2.3 billion, representing 10,729 units. The southern parts of the city saw particularly strong growth. Single-family permits recorded a modest 15 per cent y-o-y increase in value, while other ground-oriented housing types grew by nearly 50 per cent, reflecting continued solid demand. Notably, permits for secondary suites experienced the highest growth, rising by 110 per cent. This was driven by tight rental market conditions and various City initiatives that have made these projects more attractive to homeowners and builders.

Residential construction investment is expected to taper off in the current forecast period but remain elevated, at approximately $7 billion annually, which is well above historical averages. While housing demand may soften due to tighter federal immigration policies, several government programs, including the City's Downtown Incentive Program and declining interest rates, are expected to help sustain investment. Additionally, higher construction costs resulting from tariffs may continue to inflate permit values. For instance, warm air gas furnaces and electro-thermic cooking stoves, with total import values of $36 million and $59 million respectively in Alberta in 2024, are among the imported goods subject to tariffs; about half of these imports originate from the United States[5].

Benchmark Housing Prices

In 2024, the benchmark price across all property types in Calgary rose by 7 per cent from 2023 levels to $593,600. While this represents a slowdown from the double-digit increases seen in 2021 and 2022, it remains above the ten-year average growth rate and Calgary's inflation rate of 3.4 per cent.

Most of the price growth occurred in the first half of the year, supported by limited supply and strong population growth. Price appreciation slowed in the second half, as supply improved and the market became more balanced. However, price increases varied across product types and regions; areas with lower months of supply[6] continued to experience faster price growth.

The benchmark price for single-family detached homes rose by 10.8 per cent to $749,000. Apartments saw a 15 per cent increase, reaching $336,000. Semi-detached homes reached $669,000, and rowhouses were priced at $452,000. Across all housing types, districts that have traditionally had lower benchmark prices recorded the most significant increases, as buyers sought less expensive options amid high prices and elevated mortgage rates.

Sources of High Inflation

Shelter and food costs have been significant drivers of Alberta's inflation in 2024.

Shelter **7.0%**

Food **3.3%**

Alcoholic beverages, tobacco products and recreational cannabis **4.0%**

All items **2.9%**

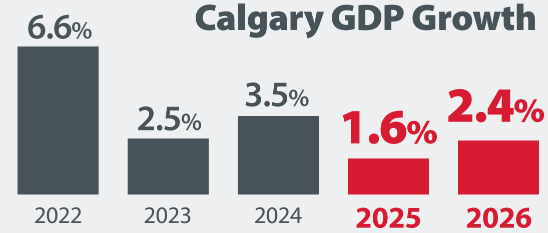
Household operations, furnishings and equipment **-1.4%**

Transportation **2.8%**

Recreation, education and reading **0.2%**

Clothing and footwear **-3.1%**

Calgary GDP Growth



1.6 per cent and 2.4 per cent GDP growth is expected for the Calgary Economic Region in 2025 and 2026 respectively, a slowdown from 2024.

Labour Force Participation

The labour force participation rate is expected to slightly dip in 2025.

2024
70.5%

2025
70.0%

2026
69.8%

2027
69.7%

[5] https://www.calgary.ca/content/dam/www/cfod/finance/documents/corporate-economics/inflation-review/inflation-review-2025-02.pdf

[6] the month of supply refers to the total number of units in inventory divided by the total number of monthly sales; a lower value indicates a tighter housing market

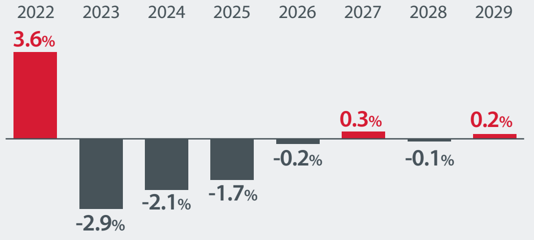
In the short-term forecast, the average growth rate in benchmark prices is expected to slow as demand and supply become more balanced. As noted in the housing starts section, softer demand due to slower population growth and added supply, especially in the condominium segment, are expected to ease price pressures. However, continued, albeit slower, interprovincial migration is likely to support detached home sales, particularly in areas where inventory remains tight.

If tariff-related risks materialize, they could dampen housing market activity. Economic uncertainty stemming from trade tensions is expected to weaken consumer confidence, slowing both sales and price growth. Conversely, higher input costs due to tariffs may push up the price of new homes, which could drive more buyers toward the resale market. This may accelerate the narrowing price gap between resale and new homes, a trend Calgary has experienced in recent years.

Additionally, recent policy changes could stimulate demand. These include longer amortization periods, increased price caps for uninsured mortgages, higher Registered Retirement Savings Plan (RRSP) withdrawal limits under the Home Buyers' Plan (HBP), and the proposed removal of Goods and Services Tax (GST) for first-time homebuyers. Declining interest rates are also anticipated to support housing demand moving forward.

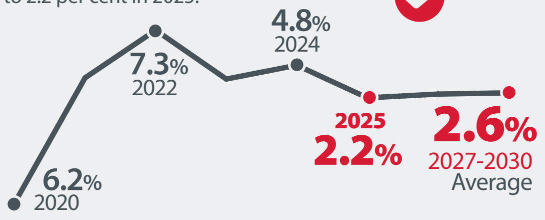
Living Standards

The living standards measured by real GDP per capita in Calgary expect a decline in 2025 and 2026.



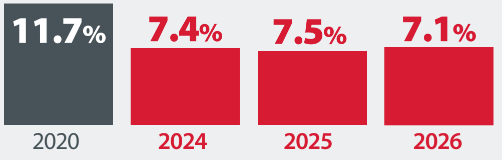
Annual Job Growth

Employment growth is also expected to decelerate significantly, from 4.8 per cent to 2.2 per cent in 2025.



Unemployment Rate

Calgary's sluggish economic growth has hindered its ability to accommodate the influx of job seekers due to rapid population growth, resulting in rising unemployment.



Trade and Tariffs

During the first Trump administration, 2017-2021[7] President Trump imposed tariffs as a protectionist measure. In March 2018, the President imposed tariffs on steel of 25% and on aluminum of 10% from most countries; Canada and Mexico were exempted. The tariffs were extended to Canada and Mexico in June 2018. Most countries retaliated, and Canada imposed matching retaliatory tariffs on July 1, 2018. A new North American Trade Agreement was negotiated, and tariffs against Canada and Mexico were lifted on May 20, 2019. In a last-minute move President Trump refused to honour the deal stating that there was too much illegal migration coming from Mexico. After some negotiations the Mexican tariffs were removed on June 7, 2019. As of 2021 the Trump tariffs had gone by the wayside for some countries like Australia, the United Kingdom and Japan. Tariffs were averted with India but for most countries the original Trump tariffs of 2018 still stand in 2025.

Now, in 2025, President Trump is wasting no time in imposing tariffs on all imports into the U.S., doing it within months of taking office instead of waiting more than a year as he did last time. This time, the tariffs do not single out industries but are targeted and broad-based, covering all imports to the U.S.

The United States has not imposed this type of tariff since the Smoot-Hawley Tariff Act of 1930[8] when two Republican politicians thought imposing all-inclusive tariffs would protect U.S. farmers and industrialists from foreign competition. Though the Smoot-Hawley Tariff Act was opposed by over 1,000 economists of the day, the bill passed, and 4 years later, the exercise was regarded as one of the more expensive mistakes in U.S. history.

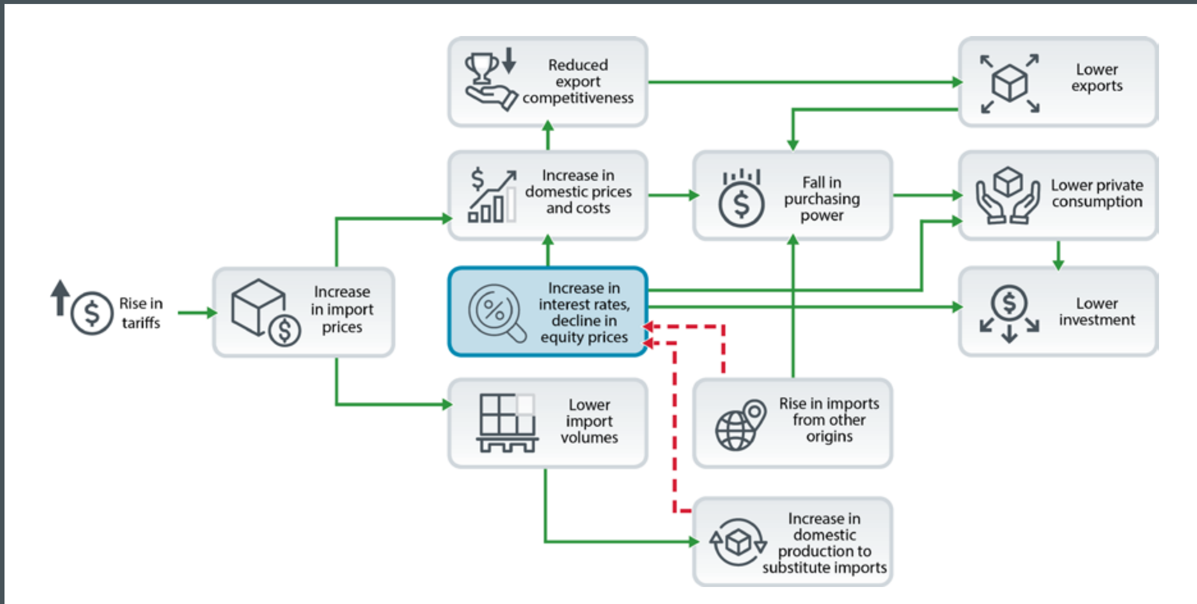
In 1930, the U.S. tariffs applied to all foreign countries, who all retaliated by imposing their own tariffs, and this raised international prices for goods. Trade, both imports and exports, with the U.S. fell by over 60% because of the tariffs and reciprocal tariffs. Lost jobs and higher prices because of the tariffs exasperated the Great Depression. Even though the tariff situation changed in 1934 it took until the Japanese attack on Pearl Harbour at the end of 1941 for the Great Depression in the US to lift.

Today, President Trump promised all-inclusive tariffs on imports into the U.S. from Canada, Mexico, and China and has doubled down by threatening reciprocal counter-tariffs if any country imposes reciprocal tariffs. Europe has been put on notice that it may be next, and Colombia was briefly hit with significant tariffs for refusing some repatriation of citizens.

Canada is cautious in responding to the U.S. 2025 all-inclusive tariffs. Canada imports about U.S.$450 billion of goods from the U.S. each year and exports about U.S.$380 billion. In terms of services, though, Canada exports U.S.$107 billion and imports U.S.$ 120 billion. On net, Canada is a net exporter to the U.S. by about U.S.$70 billion per year. President Trump has long taken issue with this, stating that trade should be more equal and that trade shouldn't be, in his view, one-sided.

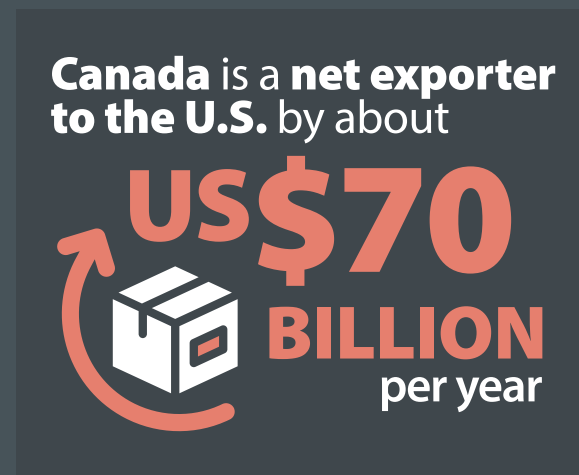
[7] First presidency of Donald Trump January 20, 2017 – January 20, 2021

[8] https://www.senate.gov/artandhistory/history/minute/Senate_Passes_Smoot_Hawley_Tariff.htm



The infographic above depicts the complexity of imposing tariffs. Firstly, tariffs have the direct effect of raising import costs, which lowers demand for imports. Although prices are higher than before the tariffs, some demand will probably be redirected to domestic manufacturers and foreign suppliers. Secondly, rising import prices will increase input costs and output prices, mainly if supply is inelastic. The United States and other economies with high-capacity utilization and full employment will be particularly susceptible to price pressures. A decline in export competitiveness brought on by the cost increase will result in lower export volumes. Import taxes will also reduce household purchasing power by driving up consumer prices and reducing actual consumer spending. Lastly, as central bankers take action to avoid overheating and bring inflation down to target rates, the inflationary effects of higher tariffs will probably result in higher nominal interest rates. Rising costs and interest rates will squeeze corporate profits, lowering share prices. Meanwhile, lower company investment will result from weaker demand and higher input and capital prices. The ensuing decline in household wealth will further narrow consumer spending.

Two reasons exist for the apparent trade "imbalance" between Canada and the US. 1) Many U.S. firms have offshored production to places like China, so now when a Canadian buys a product of a U.S. firm, it is registered as an import from China instead of the U.S. Currently, Canada imports about U.S.$ 44.4 billion and exports about U.S.$23 billion to China for a trade imbalance of U.S.$ 21 billion. This accounts for roughly 1/3 of the trade imbalance between Canada and the US. 2) The rest is oil. Canada sells a lot of oil to the U.S.[9], and at a significant discount to world prices, but this, too, is deceiving. Some Canadian oil producers sell their output to refineries in the United States through Enbridge or TC Energy pipelines[10]. For example, Cenovus Energy, ships output to its Superior (WI), Lima (OH), Toledo (OH), Wood River (50% ownership in IL), and Borger (50% ownership in TX) refineries. Cenovus' CEO Jon McKenzie has indicated that if tariffs are imposed, Cenovus may shift its oil exports away from the U.S. market. Suncor Energy's integrated nature, with refining capacity in Canada, is seen as a "natural hedge" against tariffs, as it reduces reliance on shipping unrefined crude south of the border. Suncor refines a substantial portion of its production within Canada, with refineries in Edmonton, Montreal, and Sarnia, Ontario. Canadian Natural Resources Limited (CNRL) and Imperial Oil also have refining footprints in Canada. Calculating the apparent trade imbalance with the U.S. becomes tricky if we consider U.S. firms with offshored production and U.S. oil imports from Canada.



[9] https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2024/market-snapshot-almost-all-canadian-crude-oil-exports-went-to-the-united-states-in-2023.html

[10] Trans Mountain and TM expansion are shipping oil from Edmonton,AB to Burnaby, BC; Enbridge Mainline ships oil from Edmonton, AB to Superior, WI and through Express from Hardisty, AB to Casper, WY; TC Energy also ships from Hardisty, AB through Keystone to Cushing, OK.

Commodity Prices - Local, Regional, & Provincial Economy Impact

- Crude Oil Prices
- Natural Gas Prices
- Construction Commodities
- Operational Commodity Prices

COMMODITY PRICES - LOCAL, REGIONAL, & PROVINCIAL ECONOMY IMPACT

Crude Oil Prices

Global crude oil demand moderated in 2024, with annual gains of 940 thousand barrels per day (kb/d), significantly below the previous year's gains of 1.5 million barrels per day (mb/d). The reason was China, the second largest economy in the world, had a significant contraction in its demand for crude oil and its slowest since 2020. We see global demand for crude slightly challenged from the substitution of diesel fuel to liquified natural gas (LNG) for heavy-truck transportation, and growing electric vehicle and infrastructure demand as the global population grows.

Global oil markets will remain reasonably tight through the first half of 2025, before progressively transitioning to a situation where supply will overshadow demand, with oil inventory rising later in the year. We predict global oil inventories will shrink in the second quarter of 2025, partly due to reduced crude oil output in Iran and Venezuela. However, we expect oil stocks to rise and put downward pressure on crude oil prices in late 2025 and early 2026, when OPEC+ is expected to reverse production cuts and non-OPEC oil production will increase. Oil prices are expected to remain under pressure in 2025 as U.S. tariffs, counter-tariff measures (put upward pressure), and slowing economic development in India and China weigh on demand, while OPEC+ continues to raise output (engaging downward pressure). The deteriorating macroeconomic outlook in China, along with underperformance in Indian demand, will more than balance a minor recovery in European demand. However, industry observers warn that U.S. President Donald Trump's tariffs and discounted reciprocal tariffs could derail this trend, causing economic slowdowns and rising global prices. Since taking office in January 2025, Trump has resumed a maximum pressure campaign on Iran to reduce its oil exports to zero and imposed a 25% tariff on any country that purchases oil or gas from Venezuela. Crude oil output has also expanded in four countries: the United States, Guyana, Canada, and Brazil. Meanwhile, continued peace talks between Russia and Ukraine could eventually lead to the easing of U.S. sanctions against Russia. More U.S. sanctions against producers such as Iran and Venezuela could result in a reduced global oil supply and higher prices, while the return of Russian oil to the market could be offset and weigh on prices. The agreement is that OPEC+, which comprises OPEC members, Russia, and other allies, will not boost supply significantly this year, but will try to drive up oil prices by allowing demand to outpace supply in the year's second half. We estimate West Texas Intermediate (WTI) crude oil price to average roughly U.S.$60/barrel (bbl.) in 2025 and U.S.$69/bbl. by 2026.

Western Canadian heavy crude oil prices are now firm, boosting the Canadian economy amid macroeconomic instability. This increases profitability for Canadian oil companies while increasing royalty and income tax collections for Canadian governments.

The WCS's strength stems from the increased value of heavy crudes relative to lighter grades, which is backed by production cuts, shipping activity, sanctions, and other market dynamics. The Trans Mountain Pipeline Expansion (TMEP) project, which provides a shift towards exporting heavy crudes to Asia, temporarily alleviated the effect of Western Canadian oil discounts due to pipeline constraints.

New tariffs on Canadian and Mexican oil are set to affect U.S. refiners, as access to discounted heavy crude from both nations has helped build one of the world's most advantageous and profitable refining centers. Tariffs are expected to hike Canadian and Mexican crude prices and operating costs at U.S. refineries as refiners seek less expensive alternative sources. These extra costs are expected to be passed on to U.S. customers at the pump, resulting in higher fuel prices.

Western Canadian Select (WCS) is predicted to average about U.S.$56/bbl. in 2025 and U.S.$57/bbl. in 2026. However, the risk balance has shifted toward wider differentials over the coming year as OPEC+ begins to lift production cuts and Western Canadian production continues to rise without any new pipeline extensions.

Natural Gas Prices

Natural gas producers in Western Canada faced multiple headwinds in 2024, including stagnating demand, low prices, significant shut-ins, and overflowing inventories. But while 2025 promises improved market conditions, driven by the start of full commercial operations at LNG Canada[11], challenges remain with pricing.

Potentially higher gas demand, driven by Artificial Intelligence (AI), data centers, and new LNG production, could support elevated natural gas prices by the end of 2025. In late December, the federal government-owned Impact Assessment Agency of Canada said Calgary-based natural gas and NGL producer Kiwetinohk Energy has proposed constructing and operating a new natural gas-fired power generation plant at Swan Hills in Alberta. However, potential delays to LNG Canada's startup and outages at key LNG export terminals could lower AECO natural gas prices.

The increase in natural gas demand as an alternative energy source for transportation is expected to firm-up global demand. The increase in alternative energy uses, which leans more towards liquefied natural gas (LNG) as an option as energy consumption intensity increases, is a driver in firming price growth in natural gas. Although seasonal climate swings or shifts across the region also can contribute to both supply and demand needs (causing oversupply or undersupply relative to demand and correspondingly price swings), we expect the AECO natural gas price in Alberta to average about \$2.40/gigajoule (GJ) in 2025 and rise to around \$3.30/GJ by 2026.

[11] LNG Canada, with first export cargoes due by summer 2025, is a joint venture that will build and manage Canada's first large-scale liquefied natural gas (LNG) export terminal in Kitimat, British Columbia. Shell is leading the project, which also includes Petronas, PetroChina, Mitsubishi Corporation, and KOGAS as partners. The project intends to export liquefied natural gas (LNG) from the Montney basin in northeast British Columbia to global markets, primarily in Asia.

Construction Commodities

Key drivers to watch:

- Geopolitics
- Interest rates
- Geopolitics;

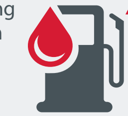
Enter the Year of Uncertainty

Last year, it was expected that if Trump was re-elected, the U.S. President would likely re-establish 25 per cent tariffs on steel and aluminum for the purpose of renegotiating the United States-Mexico-Canada Agreement (USMCA) again. It was not expected that he would be able to unilaterally impose 25 per cent tariffs on all goods from Canada across the board. He was not expected to spend the first months of his presidency with on-again off-again pronouncements. Nor was it anticipated that he would make so many diverse executive orders seemingly to deconstruct the U.S. federal government and all its social programs and consumer protection programs. Rumors spread daily saying that even sacred cows of the federal government that provide incredible stability to markets are not safe only for those rumors to be proven true.

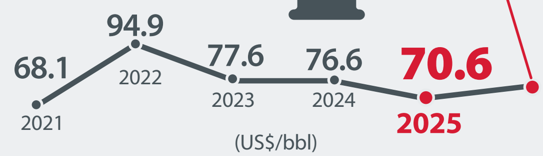
The end result of this is an era of tremendous uncertainty. If anyone makes a business decision today, no one knows if it will be allowed tomorrow or indeed if they will be criminally prosecuted for making it. Businesses in the U.S. face conditions where interest rates and exchange rates are virtually irrelevant to decisions. Investment and hiring are almost impossible. Meanwhile, in Canada, we face the specter of dramatic increases in costs. Not particularly from the U.S. tariffs themselves, which are a tax on Americans, but rather from the Canadian counter-tariffs, which are a tax on Canadians for importing U.S. goods.

West Texas Intermediate (WTI)

The weaker demand in crude oil in 2024, aided downward pressure on WTI prices along with improved supply from non-OPEC participants like Canada and the USA.



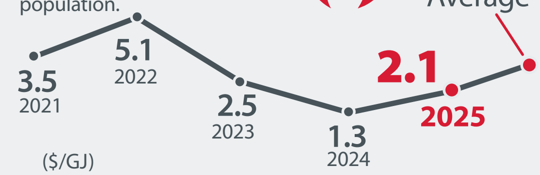
74.4
2026-2030
Average



Natural Gas (AECO-C)

Natural gas prices are expected to continue an upward trajectory as alternative cheaper and cleaner energy demand grows driven primarily by technology and population.

3.2
2026-2030
Average



Iron and Steel

Uncertainty plagues the iron and steel markets. Increasing U.S. production is unlikely while the world continues in oversupply, so tariffs are likely to just increase prices and create supply chain issues.

2024	2025
-2.6%	+2.0%

Annual Price Change (per cent)

In Canada, the Canadian counter-tariffs will drive up the prices of goods made in Canada. Canada makes many goods and is a major supplier to U.S. markets, particularly for aluminum, lumber, and steel. At the time of writing, Canada had not imposed any tariffs on the export of those products. Should that situation change, our forecast for the prices of aluminum, steel, and lumber will rise accordingly.

In preparing this forecast, we have presumed that things will progress as they did the last time Trump was in office. Negotiations on the USMCA will drag to the end of the calendar year, and thereafter, a nervous trade peace will settle until the next U.S. election. The U.S. mid-term elections in 2026 will prove volatile, as disapproval over what the Republicans have done will compete with disapproval of the Democrats for not rising to stop the Republicans.

Iron and Steel

At the time of writing, U.S. steel tariffs were 25 per cent, but President Trump had threatened to reciprocate any tariffs imposed by any country. Canada has responded to the U.S. tariffs by imposing its own 25 per cent tariffs, but at the time of writing, the list of goods tariffed by Canada concentrates on consumer products, not industrial ones. Canada has threatened to increase the scope of its tariffs, but a new Prime Minister has come to power in Canada since, and it seems the approach he will take on this will wait until after the election at the end of April.

Nevertheless, there has been an announcement that a new Canadian trade corridor will be constructed. Details are slim, but it would seem that with the U.S. now being an unreliable trade partner, there is increased interest in promoting Canadian internal and external trade. The construction of a new trade corridor could result in a significant increase in demand inside Canada for Canadian iron and steel. However, much Canadian iron and steel today goes to the U.S. auto industry, and it seems President Trump is determined to move more, if not all, production of vehicles for the U.S. market to the U.S. It is unknown if the increased demand for construction materials to build a Canadian corridor will be sufficient to replace lost demand for auto manufacturing.

Our short-term outlook reflects the incredible uncertainty in markets today, with prices higher than we previously expected. Longer-term, our forecast calls for some moderation, as we presume markets will tire of President Trump's up-and-down tactics and will prevail upon him that after his first 100 days in office, business will need a much more stable environment to thrive.

Aluminum

The U.S. simply cannot meet its demand for aluminum. About 80 per cent of the aluminum used by the U.S. comes from Canada, which has a comparative advantage in its production due to the proximity of cheap electricity (Quebec) and shipping ports for raw material (Bauxite). The U.S. has re-imposed 10 per cent tariffs on aluminum, in the same way it did when Trump came to power 8 years ago. This time, President Trump has more authority and seems even more determined to re-shore U.S. manufacturing, which would increase the demand for North American aluminum.

The recently announced tariffs against Canadian aluminum are being partially offset by exchange rate effects; however, the constant uncertainty surrounding U.S. policies continues to weigh on every business in North America. As a result, aluminum prices are being bid up in light of the uncertainty, and deliveries are down as businesses are loath to make investment decisions in such an environment. We anticipate more stable conditions when negotiations regarding North American free trade conclude.

Aluminum

Canada supplies 60 per cent of the U.S. aluminum market. Tariffs would have to be in place for many years for smelters to migrate to the U.S.

2022	2023
+26.3%	-6.3%
2024	**2025**
+1.6%	**+7.5%**

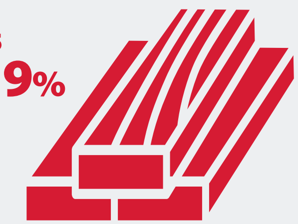
Annual Price Change (per cent)

Wood

North American lumber prices are very volatile, going up and down in days by up to 30 per cent on tariff news and rumors.

2024	2025
+18%	**+19%**
2021	
+53%	

Annual Price Change (per cent)



Asphalt

Carbon taxes relief is expected to significantly lower 2025 prices. We expect this relief will be short lived.

2025 C$913 /tonne

2024 C$1,106 /tonne

Wood

In August last year, the U.S. again imposed higher tariffs on Canadian softwood, raising the average tariff from about 8 per cent to 14.5 per cent. Yet again, those tariffs are in dispute, and now President Trump has repeatedly threatened new 25 per cent tariffs on Canadian softwood, which would be in addition to any and all existing tariffs. As such, that would put the total tariff on Canadian softwood production at about 40 per cent. The highest tariffs Canada has ever faced in the long-running softwood lumber dispute with the U.S. were 27.2 per cent in 2002.

It was estimated the 27 per cent tariff resulted in 15,000 jobs lost in the Canadian lumber industry, about 10 per cent of the lumber employment in Canada at the time. Today, we're talking about the highest tariffs in Canadian history by a wide margin, while Canadian employment in the industry today is a shadow of its former self, at just under 50,000 jobs. A good guess of the impact of these tariffs would be roughly 10,000 jobs, with productive capacity of Canadian lumber output dropping by over 20 per cent. The direct impact of this tariff would be expected to result in a rise in wood prices from about $U.S. 400/thousand board feet to about $U.S. 560/thousand board feet. Adding in exchange rate impacts, Canadian lumber prices could increase by 30 per cent by the end of 2025. President Trump has suggested that the U.S. doesn't need Canadian lumber, even though about 30 per cent of U.S. lumber supplies come from Canada, and has signed orders to harvest more U.S. trees. However, the growing season in Canada is shorter, so trees in Canada produce stronger lumber than trees in the U.S., and as a result, Canadian lumber isn't easily replaced just by cutting more U.S. trees.

The last time Trump imposed tariffs at the start of his presidency, they only lasted 10 months before a new trade deal was negotiated. President Trump has a very long history of wanting to re-negotiate deals. This is likely another attempt at re-negotiating the U.S.-Canada-Mexico free trade agreement, and these tariffs could disappear within a year. However, this time the Canadian forestry industry won't be able to bounce back from 10 months of 40 per cent tariffs. The result is that the Canadian lumber industry will face long-term impacts from these tariffs, which cannot be undone. Even if these lumber tariffs disappear within a year, they will likely result in a permanent increase in the costs of building a house in Calgary of around $20,000 per dwelling.

Asphalt

We cannot understate the impact of eliminating the Carbon tax on the cost of Asphalt in Canada. But as always, it seems that it takes a long time for tax reductions to actually impact retail prices, and there's the issue. Mr. Carney is repealing the carbon tax as a stopgap measure to relieve inflation while negotiating a new trade agreement with the U.S. It is not and cannot be a long-term solution. As Canada looks overseas to increase trade with other nations, it must come to grips with the fact that the world, except the U.S., has been embracing a lower-carbon future. European rules now require significant carbon controls and onerous tracking regulations to ensure carbon emissions are not just 'offloaded' to another part of the production chain. Canada must impose carbon rules to join the rest of the world in greater international trade. Whatever form they take, they will have the exact same impact on prices as Canada's carbon tax currently imposes.

The four significant drivers of asphalt binder prices in Alberta are Western Canadian Select (WCS) crude oil prices, carbon taxes, interest rates, and delivery time, which have been facing some shifts lately. Our expectations for WCS prices are muted due to the ongoing tariff situation with the U.S. and interest rates in Canada, which are lowering faster than we previously anticipated, also in response to the tariff situation. The announcement of a new Canadian trade corridor may mean increased demand for asphalt, but we are unsure what a trade corridor means. If it is merely a rebranding of existing roads and railways, then the impact is notional at best, but if it means the construction of new highways, demand for Asphalt across the West could rise dramatically. As Asphalt is currently a residual product from mining oil sands in Alberta, we do not anticipate that a possible increase in demand will shift prices in Alberta.

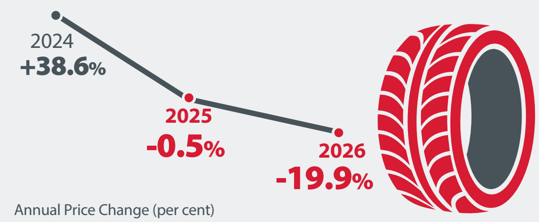
Operational Commodity Prices

Rubber

U.S. trade tariffs are the news of the day in rubber markets. Rubber is an international market centered in East Asia, subject to international pressures. Chinese actions to stockpile rubber in 2024 dramatically caused prices to spike from late 2024 into 2025. Though there's a lot of news in the EV market and with regard to tariffs, rubber demand is a function of how much people drive in a year. It would seem

Rubber

Companies pre-ordered in 2024 in an attempt to avoid tariffs in 2025. This year we anticipate stable prices while the tariff situation resolves.



this summer is the summer of the road trip. People in Canada are nervous about flying to the U.S., and the U.S. currently has an issue with air traffic control, which also impacts flight confidence there. High driving demand and continued Chinese stockpiling will keep rubber prices high in 2025.

After 2025, we anticipate Chinese stockpiling of raw materials will return to normal levels, while increased driving in North America will continue to pressure rubber prices above their historic norms. Slowly increasing oil prices will also provide some upward pressure on rubber prices through 2029.

Diesel

The federal government's repeal of Canada's carbon tax should offer some inflation relief to Canadians, thereby softening the blow of inflation caused by U.S. tariffs. The problem is that it only works if tax reductions actually get passed on to consumers, and it appears that retail prices rose in Canada right after the announcement that the carbon tax would be repealed shortly. Indeed, the situation led the Premier of Alberta to issue a warning to oil companies, though she did not go so far as to suggest that this conduct could be a federal offence under s. 76(1)(a) of the Competition Act, R.S.C., 1985, c. C-34. For Canada to successfully navigate the inflationary impact of the Trump tariffs, the diesel price must decrease by the amount of the repealed carbon tax. We anticipate whatever provincial, federal or legal means necessary to force retail prices accordingly will be done forthwith. We do, however, anticipate this lower price will be in effect for this year only and that as soon as the tariff situation is resolved we anticipate a new carbon emission regulation or tax will be implemented which will have the same impact as the carbon tax would have had it continued.

Vehicle Parts

Some companies have pre-ordered and hoarded parts in anticipation of the tariffs. Indeed, U.S. auto manufacturers have done their best to advance part deliveries to assembly plants to avoid as much of tariffs as possible. This has resulted in some short-term inflation in prices which we anticipate will fall off dramatically as the tariffs take hold. As much as President Trump wants to move the production of vehicles sold in the U.S. into the U.S., the fundamental problem is that it's not possible to do so without permanent tariffs on automobiles and parts, which will drive prices of automobiles out of reach of the average person. Indeed, this may be why President Trump has ordered the U.S. EPA to change its focus from protecting the environment to making rules that make vehicles less expensive. In any event, manufacturing facilities cannot be built instantaneously, so as much as President Trump wants everything to be different today, the only path forward is a slow one. For this reason we anticipate only minor changes to parts prices in our forecast.

Diesel Oil

Global politics have intervened in diesel markets. Carbon tax relief is lowering diesel prices while market concerns over US recession are lowering oil prices pushing diesel prices lower.

2025 1.56/L

2024 **1.86/L**

Alberta Diesel Pump Price (tax included)

Vehicle Parts

New tariffs and a renewed push to have more auto manufacturing in the U.S. is creating supply chain issues in parts industries. Availability and quality are becoming bigger issues than price.

2025 +1.3%

2024 **+3.8%**

Annual Price Change (per cent)

Assumptions

- Economic Conditions in Alberta
- Economic Conditions in Canada
- The United States Economy
- The World Economy

ASSUMPTIONS

Economic Conditions in Alberta

The Alberta economy saw real GDP grow by 1.7 per cent in 2024, slower than the real GDP growth experienced in 2023, despite a relatively lower borrowing environment and a recently completed expanded oil pipeline capacity of almost triple the previous delivery[12]. Total industry investment was lower in 2024 as sustained higher borrowing costs impacted planned investments. Investment in 2024 fell 2.6 per cent from the 2023 level and is expected to shave off another 3.0 per cent annual investment in 2025, due to increased U.S. trade policy-related uncertainty, despite a lower borrowing backdrop. Lower investment in 2025, coupled with trade policy uncertainty and geopolitical tensions south of the border, is expected to keep real GDP growth subdued around 1.2 per cent.

Despite strong employment growth of 3.1 per cent experienced in 2024, the unemployment rate rose to 7.0 per cent due to significant population growth. The pace of labour force growth was greater than the pace of employment growth, causing the unemployment rate to increase 1.1 percentage points above the 2023 unemployment rate. The lower investment environment in 2025 and restrained demand south of the border will see employment growth slow to 1.5 per cent, but still above the historical pre-pandemic decade average of about 1.3 per cent. Alberta's population growth is expected to slow down to 2.6 per cent in 2025, after experiencing an average of 4.2 per cent per year growth over the last two years, as new restrictions to federal immigration policy lower immigration targets. The slower pace of labour force growth will mitigate further upward pressure on the unemployment rate in 2025. The slackness in Alberta's labour market is expected to translate into lower hourly wage growth pressures as more unemployed persons are readily available for work in 2025, as the unemployment rate reaches 7.7 per cent and wage growth slows to 1.3 per cent.

The slowed but firm population growth is still expected to exert upward pressure on goods and services, all else equal. However, the Bank of Canada's concerted efforts to drive down inflation have been relatively successful, though above the 2.0 per cent mid-point range target, at 2.4 per cent for Canada, while Alberta experienced 2.9 per cent consumer price inflation in 2024. The threat of inflation aggravation arising from tariff inflationary pressures in 2025 remains, is reflected in the expected inflation, though inflation is estimated to remain elevated at 2.7 per cent in 2025. The slower pace of population and employment growth, coupled with increasing job and investment uncertainty, should slow the growth of Alberta's total housing starts from 47,800 experienced in 2024 to about 44,500 in 2025. The slower population growth path in Alberta, coupled with various levels of government housing supply grants and incentive programs, should enable the housing market to rebalance as housing supply stock catches up with housing demand.

[12] The Trans Mountain Pipeline Expansion (TMX) project and existing (1,150 km) pipeline purchased by the federal government of Canada in 2018 for $4.5 billion, began construction in 2019 and was completed March 2024. The expansion created a twinned pipeline increasing the capacity from the previous 300,000 bpd to 890,000 bpd between Alberta and Burnaby, British Columbia. The total estimated cost of the project was $34.0 billion. Operations of this pipeline began in May 2024.

Alberta's Economic Performance

Tariffs and counter measure tariffs aid economic headwinds. Alberta real GDP growth is estimated to increase by 1.2 per cent in 2025 as business investment uncertainty weigh and household consumption concerns due to growing uncertainty of potential job layoffs.

2024	2025	2026	2027-2030 Average
1.7%	1.2%	1.7%	2.1%

Alberta's Unemployment Rate

The backlog of unemployed due to higher labour force growth in 2024 despite over 3.0 per cent employment growth, coupled with slower but firm population growth and restrained investment prospects will keep unemployment rate elevated in 2025 and 2026.

6.8% 2027-2030 Average

2026 **7.5%**
2025 **7.7%**
2024 **7.0%**

Alberta's Housing Starts

Alberta housing starts will remain elevated in 2025, as housing supply programs/policies from all orders of government remain in place to combat housing affordability and availability.

32.6 2027-2030 Average

2026 **42.2**
2025 **44.5**
2024 **47.8**

('000 units)

Economic Conditions in Canada

Canada and international trade policy uncertainty emanating south of the border

The whipsaw international trade policy and geopolitical tensions, including threats of annexation of Canada and elsewhere by the U.S., are expected to slow Canada's real GDP growth to around 1.3 per cent in 2025. The Bank of Canada (BOC) 's almost two-year-old lower borrowing cost environment, which was embarked on to provide relief to Canadian businesses and consumers, is experiencing headwinds, as U.S. tariffs threaten supply-side inflation. It will be challenging for the Bank of Canada to achieve its price-stability goals and predict the anticipated economic effects of increased tariffs until additional information is available, such as what eventually will be tariffed, at what amount and for how long, and the scale of retaliation from our trading partners. While trade policy uncertainty remains high, it's effects on both businesses and consumer confidence deteriorates.

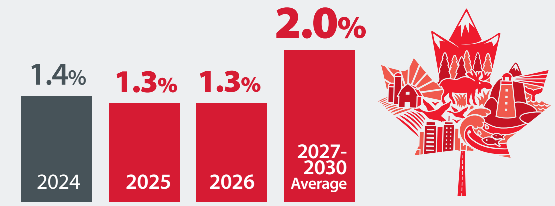
Despite a backdrop of slower but firm population growth and firm investments in housing infrastructure, household spending and overall business investments are subject to significant uncertainty as upward pressures of labour market slackness increases on the heels of U.S. blanket tariffs on Canadian goods. The corresponding retaliatory tariffs from Canada also impose further inflationary pressures on goods coming into Canada from the U.S. and slows U.S. demand for Canadian currency aiding weakness in the U.S.- Canada dollar exchange rate.

Government expenditure is expected to increase as part of an economic buffer to manage the impact of tariffs. Total Canadian merchandise exports reached $778.8 billion in 2024, while $784.8 billion of imports were registered in the same period. 62 per cent of all merchandise imports came from the U.S., while 75.9 per cent of Canadian exports headed to the U.S. Canada's total trade with the U.S. is upwards of 69 per cent significantly tying Canada to the U.S. hip.

Slower labour force growth to mitigate weaker labour productivity and rising unemployment rate

The pace of labour force growth outstripped the pace of employment growth, which saw the unemployment rate increase in 2024 to 6.3 per cent from 5.4 per cent experienced in 2023. The Canadian labour force grew by 3.0 per cent, and employment saw a 1.9 per cent increase in 2024. Changes in immigration policy in 2024Q4 are expected to see both temporary and permanent resident growth slow in 2025, resulting in slower population growth going forward. The slackness in labour market conditions, as more unemployed persons eagerly look for work, should put further downward pressure on wages despite inflationary impacts from tariffs and population growth.

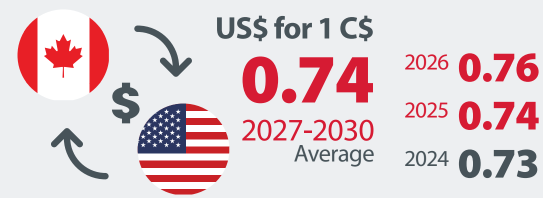
Canada's Real GDP Growth



Canada's real GDP is expected to remain relatively stable in 2025, if prior trading commitments with the U.S. (via USMCA) are managed.

Canada/U.S. Exchange Rate

The loonie should remain stable in 2025 and is expected to strengthen as alternative markets other than the U.S. are sought by other countries including Canada.



Prime Business Loan Rate

The prime business loan rate is expected to drop in 2025 as the Bank of Canada maintains its target of 2.0 per cent. The lower prime rate will aid economic growth.

The United States Economy

United States higher productivity growth will continue mitigating the effects of sticky higher borrowing cost and tariffs

United States' President Trump has decided to take a protectionist trade policy stance with Canada and Mexico despite a trilateral trade agreement (USMCA), NAFTA 2.0[13]. A suite of tariff rates across different commodity types, from energy, aluminum, and steel to lumber, agricultural products, and others, has been either suggested or already imposed or temporarily suspended. Other countries or groups such as China, United Kingdom, the European Union (EU) and other nations are facing similar tariff impositions and threats. Such threats and imposition of tariffs and retaliatory tariffs will reverberate globally as the inflationary impact on the cost of production on supply chains is transferred. The lack of readily available substitute products of imports from the U.S. will aid the inflationary impacts of tariffs and contract global trade.

The seesaw of trade policy stances and heightened uncertainty from the U.S. government have significantly redressed various regions' economic outlooks since Donald Trump's election win in November 2024. The situation is quite uncertain in terms of monetary policy, with significant chances of higher unemployment and higher inflation. The Trump Administration is implementing major policy changes in four areas: trade, immigration, fiscal policy, and regulation[14].

Economic growth in the U.S. is expected to slow to around 2.2 per cent in 2025, coming off a strong finish in 2024 of 2.8 per cent real GDP growth. The government's planned tax cut is expected to further stimulate consumer spending despite downwardly sticky borrowing costs as the Federal Reserve Bank (Fed) remains cautious of inflationary traits of the personal consumption expenditure price index. An increase in business investment and improved labour productivity growth are expected to sustain economic growth going forward.

Immigration and the Fed

The unemployment rate is expected to rise to around 4.3 per cent in 2025, from 4.0 per cent in 2024, as the pace of labour force growth continues to decelerate relative to employment growth. As international net migration is curtailed based on new immigration policies[15], the pace of population growth is expected to slow, aiding a slower pace of labour force growth. A steady pace of employment growth is expected to see downward pressure on unemployment rate going forward. The pace of inflation is expected to normalize as population growth slows and the Fed remains vigilant of its policy rate and tariff pressures.

U.S. Real GDP Growth

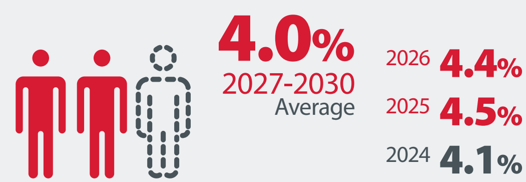
Despite high labour productivity in the US, international trade policy uncertainty environment created by the US, is poised to slow global economic growth, including the US in 2025.

U.S. Consumer Price Index

The path to lowering inflation by the Federal Reserve continues but caution abounds amidst inflationary impacts of tariffs.

U.S. Unemployment Rate

Unemployment rate is expected to increase in 2025 as economic growth slows but restrained immigration controls will contribute to lower unemployment rate over the forecast horizon.



[13] The USMCA (United States-Mexico-Canada Agreement) is a modernized version of NAFTA (North American Free Trade Agreement) that went into effect on July 1, 2020. It aims to address modern trade concerns such as digital commerce, intellectual property, and labor standards while building on NAFTA's foundation of free trade. There are som some similarities between the two agreements. Both agreements aim to promote free trade and investment among the three countries by lowering tariffs and other trade barriers. NAFTA and the USMCA foster economic integration and collaboration in North America. The USMCA maintains NAFTA's current zero-tariff regime for most goods.

[14] https://www.federalreserve.gov/newsevents/speech/powell20250404a.htm

[15] https://www.propublica.org/article/donald-trump-immigration-executive-orders

The World Economy

A threat to global growth, U.S. tariffs, counter-tariffs and productivity snag

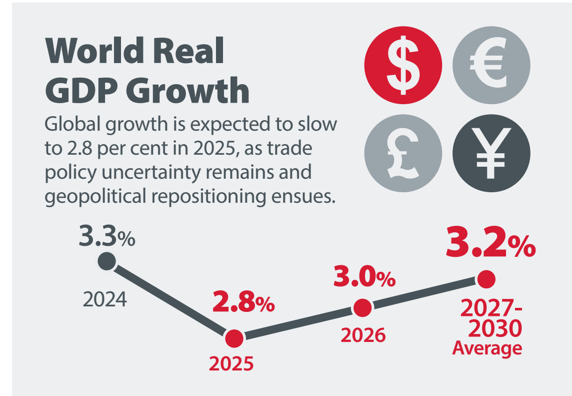
As tariffs take hold, we now expect global economic growth to moderate to 2.8 per cent this year, below our 2024 Fall Economic Outlook forecast of global real GDP growth in 2025, and a drop from 3.3 per cent in 2024 and the pre-pandemic decade average growth of 3.7 per cent per year as tariffs take hold. The supply side inflationary aspects of tariffs and counter-tariffs and the lack of readily available substitutable products for some regions should result in demand-related pullbacks and subsequently increase pressure on some displacement of workers across various industries, all else equal.

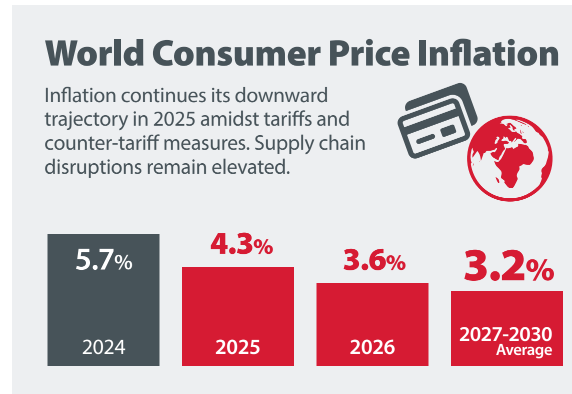
We expect both advanced economies and emerging and developing economies to experience varying degrees of GDP moderation in 2025 and 2026 on the backdrop of modest labour productivity gains and depending on the duration of and escalation of trade restrictive measures. Advanced economies are projected to see economic growth slow to 1.4 per cent and emerging market and developing economies slow to 3.7 per cent in 2025 due to tariff implications.

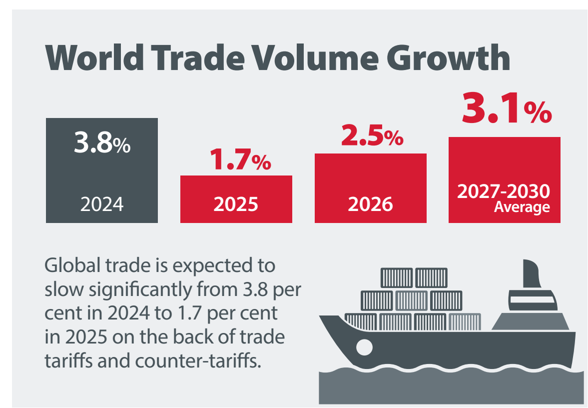
Inflationary impacts of tariffs

Central banks counter measures over the last two years of tightening monetary policy - to battle high inflation - have successfully aligned inflation closer to inflation targets across the globe. The result of the inflationary counter measures saw interest rates inflamed. A relatively cautious stance of the central banks lowering interest rates to relieve businesses and households from weighing debt and restrained business investment, in the face of tariffs, is further heightened. Tariffs increase import costs and subsequently pose a potential risk of cost pass-through to customers/buyers, depending on alternative product availability and substitutability.

Global inflation is expected to remain elevated at 4.3 per cent in 2025, though significantly lower than 5.7 per cent in 2024 but marginally lower than the decade average of 4.5 per cent. Inflation is expected to continue descent to 3.6 per cent in 2026 as the initial impacts of tariffs wane and cautious monetary stance remains.







Forecast Tables

Glossary

Calgary Economic Region Map

FORECAST TABLES

Table 1 - Selected Economic Indicators

Rest of the World, United States, Canada, Alberta, Calgary Economic Region (CER) & Calgary Census Metropolitan Area (CMA)

FORECAST COMPLETED: April 2025						FORECAST					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ASSUMPTIONS											
Global Economy											
Real Gross Domestic Product Growth (%)†	-2.7	6.5	3.5	3.3	3.3	2.8	3.0	3.2	3.2	3.2	3.1
The United States											
Real Gross Domestic Product Growth (%)	-2.8	5.9	1.9	2.5	2.8	2.2	1.8	1.9	1.9	1.7	1.5
Canada											
Real Gross Domestic Product Growth (%)	-5.1	5.0	3.6	1.2	1.4	1.3	1.3	1.9	2.1	2.0	2.0
Prime Business Loan Rate (%)	2.7	2.4	4.2	6.9	6.9	5.9	5.3	5.3	5.2	5.1	5.1
Exchange Rate (US$ for 1C$)	0.75	0.80	0.77	0.74	0.73	0.74	0.76	0.76	0.75	0.75	0.70
Alberta											
Real Gross Domestic Product Growth (%)	-7.8	5.3	6.1	2.3	1.7	1.2	1.7	2.1	2.0	2.0	2.1
Total Employment Growth (%)	-7.3	5.1	4.9	3.7	3.1	1.5	2.0	2.2	2.2	2.1	2.2
Unemployment Rate (%)	11.4	8.6	5.8	5.9	7.0	7.7	7.5	6.8	6.9	6.7	6.6
Housing Starts ('000 Units)††	24.0	31.9	36.5	36.0	47.8	44.5	42.2	32.1	32.4	32.8	33.1
Inflation Rate - CPI (%)	1.1	3.2	6.4	3.3	2.9	2.7	2.2	1.9	1.8	1.9	2.0
Crude Oil Price - WTI (US$/bbl)*	39.2	68.1	94.9	77.6	76.6	70.6	69.4	72.9	76.1	75.6	78.1
Western Canadian Select - WCS (US$/bbl)*	27.6	54.4	74.9	59.0	61.8	56.5	57.1	58.8	62.8	64.3	65.7
Alberta Natural Gas Price - AECO/NIT ($/GJ)	2.1	3.5	5.1	2.5	1.3	2.1	2.9	3.0	3.3	3.4	3.5
Industrial Product Price Index (%)	-0.4	13.9	12.8	-1.8	0.9	3.7	1.6	2.1	1.9	1.9	1.8
Raw Materials Price Index (%)	-8.2	32.4	23.7	-8.1	0.5	3.5	0.9	2.4	2.0	2.0	1.7
Alberta Average Wage Rate Increase for All Industries (%)**	-0.3	1.0	5.4	3.5	2.4	1.3	1.8	2.0	2.2	2.3	2.3

Numbers may not add up due to rounding.

Sources for historical data: † International Monetary Fund (IMF) †† Statistics Canada * Bloomberg
** Alberta, Wages & Salaries Per Employee from Conference Board of Canada ✧ Corporate Economics ✧✧ Canada Mortgage and Housing Corporation (CMHC)

(Continued)

Table 1 - Selected Economic Indicators

Rest of the World, United States, Canada, Alberta, Calgary Economic Region (CER) & Calgary Census Metropolitan Area (CMA)

FORECAST COMPLETED: April 2025						FORECAST					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
FORECAST											
Calgary Economic Region (CER)											
Real Gross Domestic Product Growth (%)✧	-6.5	4.3	6.6	2.5	3.5	1.6	2.4	2.9	2.4	2.7	2.8
Total Employment ('000 people)	830.8	862.6	928.4	962.8	1,009.3	1,031.3	1,057.5	1,088.2	1,115.8	1,144.0	1,173.0
Total Employment Growth (%)	-6.2	3.8	7.6	3.7	4.8	2.2	2.5	2.9	2.5	2.5	2.5
Unemployment Rate (%)	11.7	9.0	6.1	6.0	7.4	7.5	7.1	6.5	6.5	6.4	6.4
Calgary Census Metropolitan Area (CMA)											
Housing Starts ('000 units) ✧✧	9.2	15.0	17.3	19.6	24.4	22.7	17.8	14.9	14.7	14.3	14.0
Inflation Rate - CPI (%)	1.1	3.2	7.2	3.8	3.4	3.0	2.1	1.9	1.9	1.7	1.6
Non-Residential Building Construction Inflation (%)	0.5	4.0	9.0	4.7	4.1	2.0	-0.7	0.4	6.3	0.9	1.8

Numbers may not add up due to rounding.

Sources for historical data: † International Monetary Fund (IMF) †† Statistics Canada * Bloomberg
** Alberta, Wages & Salaries Per Employee from Conference Board of Canada ✧ Corporate Economics ✧✧ Canada Mortgage and Housing Corporation (CMHC)

Table 2 - Selected Real Estate Indicators for City of Calgary

City of Calgary

FORECAST COMPLETED: April 2025						FORECAST					
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
DEMOGRAPHY											
Total Population ('000 people)	1,307.0	1,321.6	1,347.8	1,422.2	1,509.8	1,562.6	1,597.0	1,619.3	1,638.8	1,660.1	1,681.6
Total Population Growth (%)	1.7	1.1	2.0	5.6	6.2	3.5	2.2	1.4	1.2	1.3	1.3
Net Migration ('000 people)	12.3	6.1	19.1	66.6	80.2	42.6	24.6	12.7	10.1	12.5	13.2
Household Formation ('000 units)	7.7	5.6	10.1	28.5	33.6	19.8	13.1	7.9	6.8	7.5	7.6

FORECAST COMPLETED: April 2025											
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
REAL ESTATE											
Residential Market											
Housing Starts ('000 units)*	7.9	12.7	14.8	16.7	20.2	18.8	14.7	13.1	12.9	12.5	12.2
Average Residential MLS Sale Price Growth (%)**	-0.1	7.6	4.9	4.3	12.6	2.7	4.2	2.2	1.9	1.9	1.9
Benchmark House Price Growth (%)**	-0.9	12.8	11.9	4.9	7.4	1.9	3.9	1.4	1.1	0.8	0.7
Total Building Permits ($billions)	3.4	5.6	5.7	6.0	9.4	7.6	6.8	6.9	7.0	7.0	7.1

Numbers may not add up due to rounding.

Sources for historical data: * Canada Mortgage and Housing Corporation (CMHC) ** Calgary Real Estate Board

Table 3 - Selected Commodity Price Inflation

City of Calgary

FORECAST COMPLETED: April 2025						FORECAST					
Unit: per cent	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
CONSTRUCTION COMMODITIES											
Iron and steel products	-0.9	31.7	18.0	-2.6	-2.6	2.0	2.1	6.1	4.7	3.2	4.2
Aluminum products	-6.2	29.6	26.3	-6.3	1.9	7.5	2.1	6.4	4.4	1.3	7.0
Wood	24.3	52.7	-6.4	-29.4	18.2	19.2	-0.2	0.1	0.0	0.8	-0.2
Asphalt*	-9.5	4.5	66.2	-11.6	-1.0	-17.5	30.4	0.3	1.5	3.2	4.4
OPERATIONAL COMMODITIES											
Rubber	0.5	15.2	-7.2	-8.1	38.6	-0.5	-19.9	2.7	2.6	6.1	5.0
Diesel Oil**	-15.4	25.7	42.0	-13.6	22.4	-15.8	14.1	0.0	1.1	2.6	4.0
Vehicle Parts	1.1	2.3	7.0	2.7	3.8	1.3	2.5	2.5	2.0	2.4	1.3

Numbers may not add up due to rounding.
* Based on Ontario Ministry of Transportation Asphalt Price Index
** Annual average cents per litre, includes Carbon tax, Prov and Fed taxes. Assuming no Carbon Tax in 2025.

Table 4 - City of Calgary Population Projection

City of Calgary *(thousands of people)*

FORECAST COMPLETED: January 2025	Estimate *(no Civic Census)*					FORECAST					
	2020*	**2021***	**2022***	**2023***	**2024***	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Total Population *(as of April)*	1,307.0	1,321.6	1,347.8	1,422.2	1,509.8	1,562.6	1,597.0	1,619.3	1,638.8	1,660.1	1,681.6
Total Population Growth Rate (%) *(April-March)*	1.7	1.1	2.0	5.5	6.2	3.5	2.2	1.4	1.2	1.3	1.3
Total Net Migration *(April-March)*	12.3	6.1	19.1	66.6	80.2	42.6	24.6	12.7	10.1	12.5	13.2
Total Births *(April-March)*	15.6	15.8	15.2	15.6	16.2	18.3	18.2	18.4	18.3	18.2	18.1
Total Deaths *(April-March)*	6.6	7.4	8.0	7.8	8.7	8.1	8.4	8.7	9.1	9.4	9.8
Total Natural Increase *(April-March)*	9.0	8.4	7.2	7.7	7.5	10.2	9.8	9.7	9.3	8.8	8.3
Total Households *(as of April)*	496.7	502.4	512.5	541.0	574.5	594.4	607.4	615.3	622.1	629.6	637.1
Total Household Formation *(April-March)*	7.7	5.6	10.1	28.5	33.6	19.8	13.1	7.9	6.8	7.5	7.6

(Continued)

Table 4 - City of Calgary Population Projection

City of Calgary *(thousands of people)*

FORECAST COMPLETED: January 2025	Estimate *(no Civic Census)*					FORECAST					
	2020*	**2021***	**2022***	**2023***	**2024***	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Population by 5-year Cohorts											
0-4	79.6	79.0	79.0	80.9	82.9	85.2	87.5	89.9	92.2	94.4	94.2
5-9	79.3	81.5	82.1	84.8	89.5	91.4	91.9	90.9	90.2	89.1	90.5
10-14	77.0	77.8	79.9	84.3	89.3	92.1	94.3	95.0	94.9	95.6	95.8
15-19	70.8	72.6	74.9	81.3	86.9	89.8	91.7	92.7	94.0	95.7	97.1
20-24	78.9	79.7	80.7	90.5	100.6	103.8	100.1	99.3	98.0	96.7	97.2
25-29	97.4	97.3	97.1	105.6	116.9	121.6	119.1	117.0	114.8	113.6	111.9
30-34	113.8	114.3	114.7	123.2	132.4	136.2	134.9	134.0	131.6	130.5	129.4
35-39	115.8	114.8	117.8	124.9	134.7	140.4	141.7	142.7	143.9	143.2	142.3
40-44	101.8	102.8	106.2	113.1	122.0	128.0	133.5	137.0	139.5	142.4	144.8
45-49	93.2	93.9	95.8	99.1	102.7	107.0	113.0	117.5	122.0	126.7	130.5
50-54	84.0	86.5	86.8	87.1	89.6	92.1	96.2	98.8	102.2	104.8	108.6
55-59	83.1	83.9	84.4	84.2	83.7	84.0	86.7	87.5	88.2	90.7	93.3
60-64	73.9	74.9	77.0	79.5	81.6	82.1	84.1	84.5	84.6	84.3	84.8
65-69	55.2	56.4	60.2	64.1	68.6	72.2	76.3	78.1	80.0	81.5	81.8
70-74	40.2	41.2	43.4	47.3	52.0	54.6	57.8	61.2	64.0	67.0	70.0
75-79	25.8	26.9	28.8	31.6	33.7	37.2	40.7	42.7	45.5	48.7	50.5
80-84	17.9	18.5	19.4	20.3	21.6	22.7	24.4	26.1	27.9	29.1	31.7
85-89	12.0	12.3	12.3	12.5	13.0	13.7	14.1	14.8	15.3	16.1	16.7
90-99	7.1	7.1	7.2	7.5	7.8	8.1	8.8	9.1	9.3	9.7	10.1
100+	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Total	**1,307.0**	**1,321.6**	**1,347.8**	**1,422.2**	**1,509.8**	**1,562.6**	**1,597.0**	**1,619.3**	**1,638.8**	**1,660.1**	**1,681.6**
Youth (12-17 inclusive)	86.7	89.1	91.5	98.1	105.1	108.6	111.0	112.9	114.4	115.5	115.9
Primary School Age (6-17 inclusive)	182.9	186.2	190.5	201.0	212.9	219.0	222.8	224.9	225.0	225.1	225.1
Working Age (15-64 inclusive)	912.7	920.6	935.3	988.6	1,051.2	1,085.1	1,101.0	1,111.1	1,119.0	1,128.6	1,139.9
Seniors 65+	158.4	162.7	171.6	183.7	196.9	208.8	222.3	232.4	242.5	252.4	261.3
Super Seniors 85+	19.3	19.8	19.8	20.4	21.1	22.2	23.2	24.3	25.0	26.1	27.2
Female Super Seniors 85+	12.3	12.5	12.6	12.8	13.3	13.8	14.4	15.1	15.4	16.1	16.7
Average Age	**37.7**	**37.8**	**38.0**	**37.8**	**37.7**	**37.8**	**38.2**	**38.5**	**38.7**	**39.0**	**39.3**

Numbers may not add up due to rounding.

Table 5 - Calgary Census Metropolitan Area (CMA) Population Projection

Calgary Metropolitan Area (CMA) *(thousands of people)*

FORECAST COMPLETED: January 2025						FORECAST					
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Total Population *(as of July)*	1,528.3	1,540.2	1,586.9	1,678.7	1,778.9	1,839.0	1,888.0	1,937.9	1,988.1	2,039.8	2,093.6
Total Population Growth Rate (%) *(July-June)*	1.7	0.8	3.0	5.8	6.0	3.4	2.7	2.6	2.6	2.6	2.6
Total Net Migration *(July-June)*	18.3	6.5	39.0	84.4	92.6	49.2	37.7	38.5	38.8	40.3	42.4
Net Migration 18-24 *(July-June)*	14.4	6.9	30.4	63.6	72.5	37.7	32.0	37.1	39.1	40.0	40.6
Net Migration 28-40 *(July-June)*	3.9	-0.4	8.5	20.9	20.1	11.6	5.7	1.4	-0.3	0.3	1.8
Total Births *(July-June)*	17.0	16.7	16.5	16.8	17.5	20.3	21.1	21.6	22.1	22.6	23.1
Total Deaths *(July-June)*	7.8	8.5	8.8	9.5	9.9	9.3	9.8	10.3	10.7	11.2	11.7
Total Natural Increase *(July-June)*	9.2	8.2	7.7	7.3	7.6	10.9	11.3	11.4	11.4	11.4	11.4
Population by 5-year Cohorts											
0-4	90.7	88.2	87.9	89.5	91.2	93.5	96.8	101.0	106.0	111.4	114.4
5-9	94.4	95.1	97.6	102.3	107.0	107.6	106.5	105.7	104.7	104.1	106.6
10-14	93.9	95.4	98.1	102.3	106.9	109.8	112.7	115.5	117.7	119.4	120.0
15-19	86.4	87.0	91.5	97.5	104.5	108.8	112.3	115.5	117.9	120.3	123.1
20-24	95.1	94.4	97.4	104.6	112.8	117.5	119.4	121.9	125.0	128.4	132.3
25-29	109.0	106.7	110.4	122.2	133.9	139.2	141.2	142.6	144.1	146.2	148.9
30-34	128.5	126.2	129.0	140.7	150.8	154.2	157.2	161.0	164.5	167.8	171.4
35-39	131.4	132.4	135.9	145.4	156.2	162.2	166.3	169.5	173.0	175.6	177.7
40-44	117.0	120.0	125.4	135.4	146.8	153.9	159.5	163.8	167.6	171.7	176.6
45-49	107.6	107.8	110.0	115.0	122.6	128.0	134.1	140.9	148.0	154.7	160.7
50-54	96.6	98.9	101.8	105.1	108.7	110.8	112.5	115.4	119.2	124.3	129.8
55-59	97.2	95.8	94.9	95.2	96.6	97.5	100.4	103.8	106.4	108.6	111.0
60-64	88.8	90.4	92.2	94.5	97.1	97.5	96.9	96.3	96.1	96.6	98.1
65-69	67.8	71.9	76.8	81.6	86.1	89.5	91.9	93.8	95.5	97.0	97.7
70-74	50.3	53.1	55.5	58.8	63.4	67.8	72.5	77.1	81.0	84.4	87.5
75-79	31.1	33.1	36.9	40.7	44.4	48.2	51.5	53.7	56.4	59.9	63.7
80-84	20.6	21.4	22.4	24.0	25.6	27.5	29.5	32.7	35.8	38.6	41.7
85-89	13.6	13.8	14.2	14.4	14.8	15.4	16.3	17.0	18.2	19.3	20.5
90-99	8.1	8.4	8.8	9.0	9.2	9.6	10.0	10.4	10.7	11.0	11.4
100+	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Total	**1,528.3**	**1,540.2**	**1,586.9**	**1,678.7**	**1,778.9**	**1,839.0**	**1,888.0**	**1,937.9**	**1,988.1**	**2,039.8**	**2,093.6**
Average Age	**37.7**	**38.0**	**38.2**	**38.1**	**38.1**	**38.2**	**38.4**	**38.6**	**38.7**	**38.9**	**39.0**

Numbers may not add up due to rounding.

Table 6 - Calgary Economic Region (CER) Population Projection

Calgary Economic Region (CER) *(thousands of people)*

FORECAST COMPLETED: January 2025						FORECAST					
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Total Population *(as of July)*	1,640.6	1,652.9	1,700.3	1,793.9	1,897.3	1,959.7	2,010.5	2,061.9	2,113.5	2,166.5	2,221.6
Total Population Growth Rate (%) *(July-June)*	1.6	0.7	2.9	5.5	5.8	3.3	2.6	2.6	2.5	2.5	2.5
Total Net Migration *(July-June)*	18.7	6.6	39.8	86.4	96.0	51.5	39.7	40.2	40.4	41.8	44.0
Total Births *(July-June)*	17.9	17.6	17.4	17.7	18.3	21.1	21.9	22.4	23.0	23.5	24.0
Total Deaths *(July-June)*	8.6	9.3	9.8	10.5	10.9	10.2	10.7	11.2	11.8	12.3	12.9
Total Natural Increase *(July-June)*	9.4	8.3	7.6	7.2	7.5	10.8	11.1	11.2	11.2	11.2	11.2
Population by 5-year Cohorts											
0-4	96.4	93.6	93.2	94.7	96.4	98.2	101.2	105.2	110.2	115.5	118.7
5-9	101.4	102.0	104.4	109.2	114.0	114.3	112.9	111.7	110.3	109.5	111.6
10-14	101.9	103.3	106.0	110.2	114.8	117.6	120.5	123.2	125.3	126.8	127.0
15-19	93.6	94.5	99.3	105.7	113.3	117.7	121.0	124.2	126.5	128.7	131.5
20-24	100.5	99.7	102.8	110.4	119.8	125.8	128.7	131.9	135.5	138.9	142.7
25-29	114.2	111.7	115.4	127.3	139.2	145.1	147.5	149.6	151.9	155.2	158.9
30-34	134.6	132.1	134.9	146.6	156.9	160.4	163.6	167.5	171.1	174.6	178.6
35-39	138.6	139.4	142.7	152.1	162.8	169.0	173.2	176.5	180.1	182.8	184.9
40-44	124.7	127.8	133.1	143.0	154.4	161.6	167.1	171.4	175.1	179.3	184.2
45-49	115.2	115.3	117.6	122.7	130.3	135.8	142.0	148.8	156.0	162.7	168.7
50-54	104.1	106.5	109.4	112.7	116.4	118.3	119.9	122.9	126.7	132.0	137.5
55-59	105.5	103.9	102.7	102.8	104.1	104.9	107.8	111.2	113.9	116.0	118.3
60-64	97.2	98.8	100.7	103.1	105.7	105.9	104.9	104.0	103.5	103.7	105.1
65-69	74.9	79.4	84.6	89.7	94.5	98.0	100.4	102.3	103.9	105.3	105.8
70-74	56.1	59.2	61.8	65.2	70.1	74.9	80.0	84.8	89.0	92.5	95.6
75-79	34.9	37.2	41.4	45.6	49.6	53.7	57.2	59.5	62.3	66.1	70.2
80-84	22.9	23.9	25.0	26.9	28.7	30.7	33.0	36.7	40.1	43.2	46.4
85-89	14.9	15.2	15.5	15.7	16.2	17.0	18.0	18.9	20.3	21.6	22.9
90-99	8.7	9.1	9.5	9.8	9.9	10.4	10.8	11.3	11.6	12.0	12.5
100+	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5
Total	**1,640.6**	**1,652.9**	**1,700.3**	**1,793.9**	**1,897.3**	**1,959.7**	**2,010.5**	**2,061.9**	**2,113.5**	**2,166.5**	**2,221.6**
Average Age	**38.0**	**38.3**	**38.4**	**38.4**	**38.4**	**38.5**	**38.6**	**38.8**	**39.0**	**39.1**	**39.2**

Numbers may not add up due to rounding.

GLOSSARY

Advanced Economies
The International Monetary Fund recognizes 41 developed countries and territories as advanced economies: Andorra, Australia, Austria, Belgium, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong SAR, Iceland, Ireland, Israel, Italy, Japan, (Republic of) Korea, Latvia, Lithuania, Luxembourg, Macao SAR, Malta, Netherlands, New Zealand, Norway, Portugal, Puerto Rico, San Marino, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, United Kingdom and the United States.

AECO-C
Is the central natural gas spot market price for Alberta, measured in Canadian dollar per gigajoule. Joule is the international measure of energy. One gigajoule corresponds to one billion joules.

Apartment
Within the context of Calgary's Civic Census, an apartment is a structure originally designed and built to contain at least three dwelling units on three or more levels. The dwelling units share outside entrances. Apartments include rental units and those that are owner-occupied. Within the Canada Mortgage and Housing Corporation (CMHC)'s Starts and Completions Survey, apartment units fall under the broader classification of "Apartment and other," which includes all dwellings not classified as Single-Detached, Semi-Detached, or Row (Townhouse) dwellings. This category covers various structure types, such as stacked townhouses, duplexes, triplexes, double duplexes, row duplexes, and secondary suites or similar configurations.

Bank of Canada
The Bank of Canada is the central bank of Canada tasked to provide monetary and fiscal stability to the economy.

Business Fixed Investment
Business fixed investment represents the spending by businesses to increase production capacity. It is traditionally decomposed into equipment (such as computers and machines), structures (such as plants, shopping malls, or warehouses), and intellectual property (such as software and research and development).

Calgary Economic Region (CER)
Is an Alberta economic region that covers the city of Calgary and its surrounding twenty cities, towns, villages, and First Nation reserves including: Airdrie (City), Beiseker (Village), Black Diamond (Town), Carstairs (Town), Chestermere (City), Cochrane (Town), Cremona (Village), Crossfield (Town), Didsbury (Town), Eden Valley Reserve; Bearspaw First Nation, Foothills No. 31 (Municipal district), High River (Town), Irricana (Town), Longview (Village), Mountain View County (Municipal district), Okotoks (Town), Olds (Town), Rocky View County (Municipal district) , Sundre (Town), Tsuut'ina Nation , Turner Valley (Town).

Census Metropolitan Area (CMA)
An urban Census metropolitan area (CMA) is an area consisting of one or more neighbouring municipalities situated around a major urban core. A CMA must have a total population of at least 100,000 of which 50,000 or more live in the urban core. The Calgary CMA includes Airdrie (City), Beiseker (Village), Calgary (City), Chestermere (City), Cochrane (Town), Crossfield (Town), Irricana (Town), Rocky View County (Municipal district), and Tsuut'ina Nation .

Commodities
Commodities are tangible goods that can be bought and sold in spot or futures markets. Commodities are goods that are usually produced and/or sold by many different companies. A commodity is uniform in quality between companies that produce/sell it in the sense that we cannot tell the difference between one firm's product and another. Examples of commodities include oil, electricity, metals, cement and agricultural products, such as wheat, corn, and rice.

Consumer Price Index (CPI)
The Consumer Price Index (CPI) is an indicator of the consumer prices encountered by consumers. It is obtained by calculating, on a monthly basis, the cost of a fixed "basket" of goods purchased by a typical consumer during a given month. The basket contains products from various categories, including shelter, food, entertainment, fuel and transportation. Since the contents of the basket remain constant in terms of quantity and quality, the changes in the index reflect price changes. The CPI is a widely used indicator of inflation (or deflation) and indicates the changing purchasing power of money in Canada.

Counter Tariffs
Counter tariffs, also known as retaliatory tariffs, are tariffs imposed by one country on goods imported from another country, in response to tariffs imposed by that other country on its own exports.

Developing and Emerging Market Economies
According to IMF's classification, this group of countries (155) includes developing economies that are low- and middle-income countries, and emerging economies that are in transition from developing economies to developed countries. Some of the largest countries in the world like India, China, Brazil, and Indonesia are emerging economies.

Economic Region
An economic region (ER) is a grouping of complete census divisions (CDs) created as a standard geographic unit for analysis of regional economic activity.

Economy
The term economy refers to the institutional structures, rules and arrangements by which people and society choose to employ scarce productive resources that have alternative uses in order to produce various goods over time and to distribute them for consumption, now and in the future, among various people and groups in society. In a free market economy like Canada's the laws of supply and demand determine what, how and where goods and services should be produced, who should consume them and when. A "strong' or "healthy" economy is usually one that is growing at a good pace.

Employment Rate
The number of employed people expressed as a percentage of the working age population.

European Union
A political and economic union of 27 member states that are located primarily in Europe. The IMF expects the European Union to account for over 14 per cent of global GDP in 2024. Some of the largest economies that are EU member states include Germany, France, Italy, Spain, and the Netherlands.

Federal Funds (or "Fed Funds") Rate
Set by the Federal Open Market Committee of the U.S. Federal Reserve, the Fed Funds rate is the target interest rate at which commercial banks borrow and lend their excess reserves to each other overnight. Domestically, the Fed Funds rate is analogous to the Bank of Canada's overnight rate (also known as the "policy interest rate").

Fiscal Policy
Also called budgetary policy, the overall program for directing government spending and taxation for the purpose of keeping the actual Gross Domestic Product (GDP) close to the potential full employment GDP, but without overreaching that potential and causing inflation.

Federal Reserve
The Federal Reserve System is the central bank of the United States tasked to provide monetary and fiscal stability to the economy.

G7
The international Group of 7 (G7) consists of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. The G7 comprises of the world's largest advanced economies and liberal democracies. With its members accounting for over half of global net wealth, the G7 is seen as highly influential in global affairs.

Gross Domestic Product (GDP)
GDP is a measure of the value of all goods and services produced by the economy. Unlike Gross National Product (GNP), GDP only includes the values of goods and services earned by a region or nation within its boundaries. GDP includes; Consumers' consumption expenditures, Investment activity, Government spending (including all levels of government) and Exports minus Imports.

Henry Hub
Henry Hub is a natural gas pipeline in Louisiana that serves as the pricing and delivery location of natural gas futures on the New York Mercantile Exchange (NYMEX).

Housing Markets
For housing ownership this consists of two markets: new dwelling and re-sale markets. Each is described by different parameters and followed closely by different statistical bodies: the Planning and Building Department with The City of Calgary and Statistics Canada for new dwellings, and The Canadian Real Estate Association for the re-sale market. The rental market is a sub-market where owners lease properties to tenants. House prices, interest rates and lease rates are closely tied together

Housing Units
A general term that refers to single-family houses, duplexes, multiplexes, row homes, high rise properties, townhouses and mobile homes. There are 2 main types of home ownership in Alberta, the fee simple where people own the land and all improvements, and the condominium where owners only own the inside of their units and all land and structures are shared among all owners of that property. Generally high rise properties are condos but for all other structure types there is no reliable way to tell from appearance alone whether the ownership type is fee simple or condominium.

Housing Starts
A housing start is defined as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

IMF
The International Monetary Fund (IMF) is an organization created in 1945, governed by and accountable to the 190 countries that make up its near-global membership. The IMF's primary purpose is to ensure the stability of the international monetary system—the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other.

Index
An economic tool that allows for data comparison over time. An index number is used to indicate change in magnitude (cost or price) as compared with the magnitude at some specified time.

Industrial Product Price Index (IPPI)
The Industrial Product Price Index (IPPI) measures price changes for major commodities sold by manufacturers. The prices collected are for goods sold at the factory gate. As a result, the prices covered by the IPPI refer not to what a purchaser pays, but to what the producer receives.

Inflation Rate
A measure of the percentage change in the a Price Index for a specific period of time. The most commonly cited inflation rate refers to the Consumer Price Index and measures the rate of change average consumers face in their day to day lives. There are other inflation rates that measure other things like the inflation rates governments or specific industries face.

Labour Force
The working age population (aged 15+) who are actively involved in the labour market, which includes those employed and unemployed people. It does not include people who are at their working age but not working or looking for work (e.g., retirees or full-time students).

MLS®
The Multiple Listing Service, or MLS, is a local or regional service that compiles available real estate for sale submitted by member brokers and agents, along with detailed information that brokers and agents can access online.

Monetary Policy
Refers to measures undertaken to affect financial markets and credit conditions with the ultimate objective of influencing the overall behaviour of the economy. Monetary policy is usually the responsibility of the central banks, such as the Bank of Canada.

Non-Residential Construction Price Inflation
Non-residential construction price inflation measures the overall price escalation seen in the construction of non-residential buildings. This indicator includes the impact of input prices, labour costs, taxes, fluctuating profit margins and the effect of the overall economy on demand for local non-residential construction projects.

OPEC
The Organization of Petroleum Exporting Countries (OPEC) is an organization of 12 oil producing countries (Algeria, Congo, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, the United Arab Emirates, and Venezuela) that seeks to actively manage oil production in its member countries by setting production targets. OPEC member countries typically produce 40 to 50 per cent of the world's crude oil, and Saudi Arabia is OPEC's largest producer. OPEC is described by most market observers as a cartel whose actions, particularly those by Saudi Arabia, serve as a major influence on global oil production and price.

OPEC+
OPEC+ was established in 2016 amid a global economic slowdown and strong production from U.S. shale producers to stabilize oil prices by jointly cutting production among its members. OPEC+ describes the 12 members of OPEC plus 10 oil exporting non-OPEC countries (Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan, and Sudan). Russia is the largest and most influential oil producing member of OPEC+ who is not a formal member of OPEC.

Overnight Rate
The overnight interest rate is the rate for overnight (between business days) lending among major banks in Canada. It is typically the lowest of all types of interest rates and influences other interest rates. The Bank of Canada sets the target for the overnight rate as one way to conduct monetary policy. Major banks can deposit money overnight with the Bank of Canada and receive an interest rate equal to the target rate (the "deposit rate") or borrow money from the Bank of Canada at a rate one-quarter of a percentage point higher (the "bank rate").

Quantitative Tightening
A contractionary monetary policy implemented by central banks in order to reduce liquidity or reduce money supply. This is usually done by the central bank reducing its assets on the balance sheets.

Raw Materials Price Index (RMPI)
The Raw Materials Price Index (RMPI) measures price changes for raw materials purchased for further processing by manufacturers. As a purchasers' price index, prices include all charges purchasers incur to bring a commodity to the establishment gate. They include transportation charges, net taxes paid, custom duties, as well as subsidies, if applicable.

Reciprocal Tariffs
Reciprocal tariffs are calculated as the tariff rate necessary to balance bilateral trade deficits between a country and each of its trading partners. This calculation assumes that persistent trade deficits are due to a combination of tariff and non-tariff factors that prevent trade from balancing.

Retaliatory Tariffs
Retaliatory tariffs are import taxes imposed by a country in response to tariffs or trade barriers levied by another country, essentially a "tit-for-tat" approach to trade disputes.

Soft Landng
A soft landing is the goal of a central bank when it implements contractionary monetary policies just enough to stop an economy from overheating and experiencing high inflation without causing a severe downturn. It is the process of an economy shifting from growth to slow growth to potentially zero growth as it approaches but avoids a recession.

Tariff
A tax imposed on imports. Tariffs are designed to support domestic producers but they result in higher prices for consumers.

Trade War
A trade war is an economic conflict where countries impose retaliatory trade barriers, like tariffs, on each other, often escalating tensions and disrupting markets.

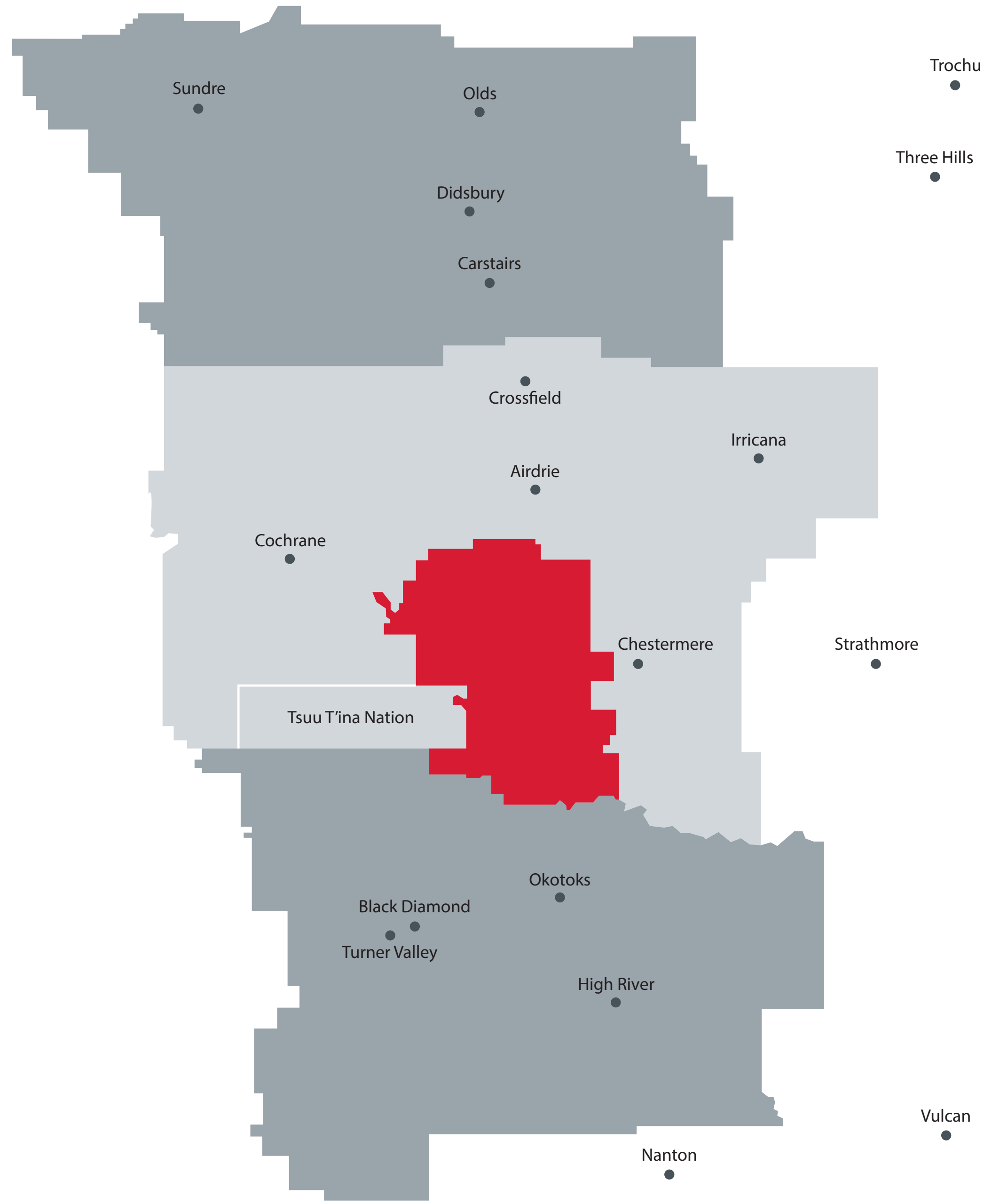
Unemployment Rate
In Canada, the unemployment rate measures the number of unemployed people 15 years of age and over as a percentage of the total labour force (civilian population over age 15 that are not in institutions and either worked recently or looked for work recently, excluding; full time students, retirees and people unable to work due to long term illness, injury or other.) .

WCS
Western Canadian Select (WCS) is the benchmark for emerging heavy, high TAN (acidic) crudes, one of many petroleum products from the Western Canadian Sedimentary Basin oil sands. Unlike other prices, WCS is reported as a deviation from the price of West Texas Intermediate grade oil and is usually expressed as a negative number. This does not mean the price for WCS oil is negative, rather it means take the WTI price and subtract the WCS price to reveal the actual price for WCS grade oil.

Working-Age Population
Describes people aged 15 to 64.

WTI
West Texas Intermediate (WTI) crude oil is the underlying commodity of the New York Mercantile Exchange's oil futures contracts. Light, sweet crude oil is commonly referred to as "oil" in the Western world.

CALGARY ECONOMIC REGION MAP



Legend

- Calgary Economic Region (CER)
- Calgary Census Metropolitan Area (Calgary CMA)
- City of Calgary

Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and have developed reliable methods of forecasting and analysis.

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Sources:
Bank of Canada, Calgary Real Estate Board (CREB), Canada Mortgage and Housing Corporation (CMHC), Canadian Real Estate Association (CREA), Conference Board of Canada, Federal Reserve Bank of the U.S., Government of Alberta, Government of Canada, International Monetary Fund (IMF), Organization of the Petroleum Exporting Countries (OPEC), Statistics Canada, Stokes Economics, The City of Calgary, U.S. Energy Information Administration (EIA), World Bank, and others.