

Fall 2013



REVISED
November 13, 2013

CALGARY & REGION ECONOMIC OUTLOOK 2013-2018





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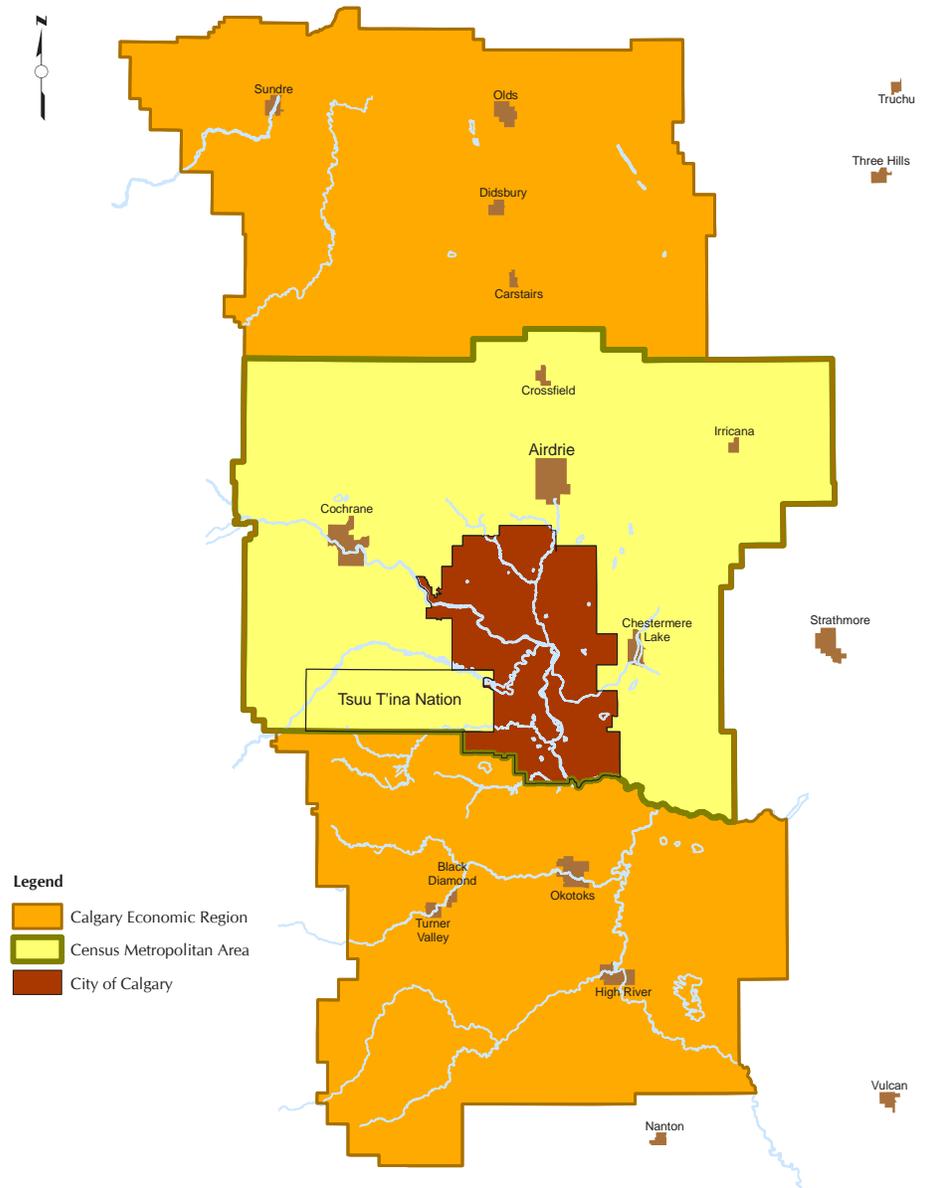
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Calgary Economic Region Map



Revised on: November 13, 2013
 Completed: September 2013



FORECAST

Calgary

- The Calgary Economic Region (CER) grew by 4.9 per cent in 2012, up from 4.6 per cent in 2011 as the economy benefited from growth in both the goods and service sectors. The pace of economic growth should quicken in 2014 and 2015, in response to faster growth in the world outside Calgary and increased investment activity arising from the need to repair the residential and non-residential structures damaged by the recent flood.
- The consumer price inflation rate for 2013 is estimated at 1.8 per cent, up from 1.0 per cent in 2012. Residential vacancy rates are forecast to remain low in 2014 and this should push accommodation costs and consumer prices higher.
- The recent downward trend in non-residential building costs in Calgary is expected to reverse in 2014 and 2015.
- Construction activity should improve from Q3 2013 and gain momentum in 2014 and 2015 as vacancy rates remain low. Moreover, the need to re-build structures damaged by the recent floods would boost construction values.
- The city of Calgary's population is projected to reach 1.274 million by 2018 up from 1.149 million in 2013. The population is expected to grow by 124,200 persons or by 24,800 persons annually over the next 5 years, up from the annual average of 21,300 for the 2008 to 2013 period.
- The number of households is expected to reach 500,600 in 2018, up from 442,600 in 2013, an increase 58,000. This should drive the demand for additional housing units and government services.

ASSUMPTIONS

Alberta

- Alberta's economic activity is expected to level off in 2013 and grow above the national average for the rest of the forecast period. Alberta's economy is expected to grow at 2.7 per cent in 2013, and 3.4 per cent in 2014.
- The transportation pipeline bottlenecks for crude oil have been moderated by increased use of rail cars to ship Alberta's unconventional crude to the U.S. Gulf Coast. It is expected that WTI crude oil prices will average US\$98.3/bbl in 2013, and \$96.7/bbl in 2014.
- In 2013, Canadian natural gas prices advanced in the first half of the year in response to increased use in power generation, as well as higher residential requirements. But prices fell sharply after July due to pipeline disruptions. Natural gas prices in Alberta are expected to average \$2.8/GJ in 2013 and \$3.4/GJ in 2014.

World Outside Alberta

- Canadian economic growth weakened in 2013 to 1.6 per cent, down from 1.9 per cent in 2012. The Canadian economy is forecast to expand by 2.5 per cent in 2014, up from 1.6 per cent in 2013.
- The U.S. economic growth rate should average 1.5 per cent in 2013, down from 2.2 per cent in 2012. Economic growth should also be boosted by historically low short-term interest rates.
- The world economy is expected grow below pre-recession rates over the 2013 to 2015 period. Slower growth in the world economy should moderate the growth in demand for commodities, which should keep the world inflation rate low.



Forecast Risks



- Increasing employment

Consumer Sector

- Rising interest rates
- High consumer debt levels
- Negative net migration

+

- Rising oil prices
- Low interest rates

Business Sector

- Depressed natural gas prices
- Sagging consumer and business confidences
- Low housing starts
- Low non-residential construction
- Rising interest rates

+

Government Sector

- Budget deficit
- Reduction in government spending

+

- Confidence in the developed world prompting a stronger rebound in demand
- U.S. economy gains momentum

World outside Alberta

- The Brazil, Russia, India and China (BRIC) economies experience weaker growth
- The developed economies experience significantly weaker growth
- Some EuroZone members default on their sovereign debt
- The global economy becomes significantly protectionist



CALGARY

- The CER grew by 4.9 per cent in 2012, up from 4.6 per cent in 2011 as the economy benefited from growth in both the goods and service sectors. Economic growth decelerated in 2013 to 2.3 per cent in response to slower growth in the world outside of Calgary. Moreover, economic activity was temporarily disrupted by the flooding in June 2013, consequently, growth would be lower than what was previously forecasted (3 per cent) in spring. The pace of economic growth should quicken in 2014 and 2015 in response to faster growth in the world outside Calgary, and increased investment activity arising from the need to repair the residential and non-residential structures damaged by the flood.
- Total employment should average 827,000 persons in 2013, up from 806,000 in 2012 and 776,000 in 2011. The pace of job creation slowed in 2013 from the 2012 rate as the local job market adjusted to reduced investment spending in the Alberta economy. The 2013 floods and the concomitant work disruption served to further dampen the rate of job creation. The unemployment rate should average 4.9 per cent in 2013, up from 4.8 per cent in 2012. Strong population growth driven by above average net migration levels resulted in the labour force growth exceeding employment growth.
- The consumer price inflation rate for 2013 is estimated at 1.8 per cent, up from 1.0 per cent in 2012. The increase in the overall price level mainly reflects higher shelter costs, as accommodation costs accounts for roughly 27 per cent of the consumer spending. Above average population growth resulted in an increased need for residential space, which drove the cost of housing higher. Residential vacancy rates are forecast to remain low in 2014, which should again push up accommodation costs and consumer prices higher.
- Construction activity should improve from Q3 2013 and gain momentum in 2014 and 2015. Low vacancy rates in the non-residential and residential sectors, employment and population growth would combine to drive the need for new space and increase the 2013 values of building intentions above 2012 levels. The need to re-build structures damaged by the recent floods would also boost construction values.

Calgary Economic Region: Economic growth
(per cent)



Source: Statistics Canada, Corporate Economics.

Calgary Economic Region: Unemployment rate
(per cent)



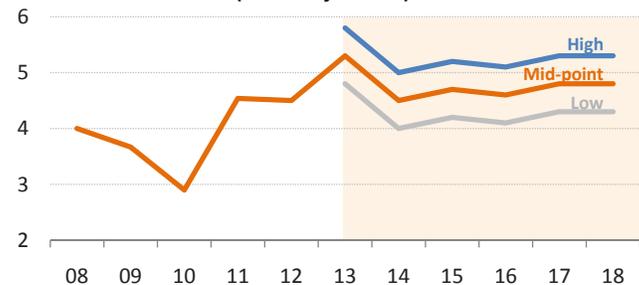
Source: Statistics Canada, Corporate Economics.

Calgary: Inflation rate
(per cent)



Source: Statistics Canada, Corporate Economics.

City of Calgary: Total value of building permits
(billions of dollars)



Source: Statistics Canada, Corporate Economics.



Commodity Prices

- The U.S. economy continues to improve. Housing starts have grown to almost where they were during the 1990 recession. However, the level of economic activity is still below the pre-2008 global economic recession levels.
- We look to see muted inflation in commodities with a few exceptions over the forecast horizon: As lumber mills come back on-stream prices in softwood lumber will experience short term spikes but generally trend downward. Iron and steel are expected to experience some price increases in 2016 and 2017 as available capacity is squeezed by increasing car sales and international trade.
- The recent downward trend in non-residential building costs in Calgary is expected to reverse in 2014 and 2015. This is due to a significant increase in demand for labour as Calgary recovers from recent flooding, while labour is in relatively short supply in the local economy.

Diesel oil price inflation
(per cent)



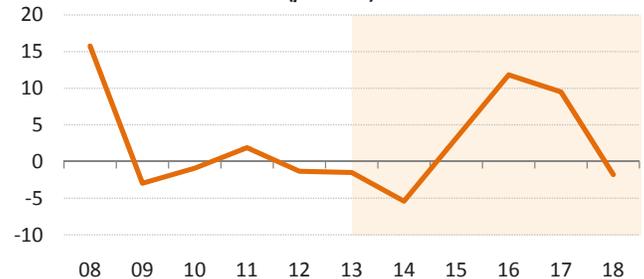
Source: Statistics Canada, Corporate Economics.

Wood price inflation
(per cent)



Source: Statistics Canada, Corporate Economics.

Iron and steel price inflation
(per cent)



Source: Statistics Canada, Corporate Economics.

Non-residential building price inflation
(per cent)



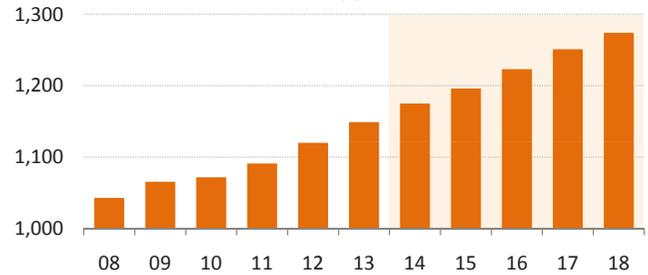
Source: Statistics Canada, Corporate Economics.



Population - City of Calgary

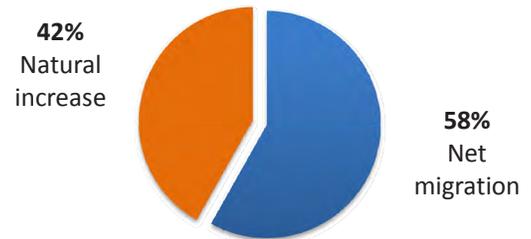
- The city of Calgary's population is projected to reach 1.274 million by 2018 up from 1.149 million in 2013. The population is expected to grow by 124,200 persons or by 24,800 persons annually over the next 5 years, up from the annual average of 21,300 for the 2008 to 2013 period. The annual growth rate for the 2013 to 2018 period is estimated at 2.1 per cent, up from 2.0 per cent over the previous five years.
- In this period net migration is expected to account for 71,000 of the 124,200 population growth, with natural increase accounting for the remaining 53,200. Net migration would be influenced by the relatively low unemployment rate in Calgary and Alberta, compared to Canada. However, the rate of natural increase is projected to slow over the forecast period as the death rate grows faster than the birth rate.
- The age distribution of Calgary's population would shift by 2018, in response to the combination of population aging, net migration and natural increase. The largest population increases would be experienced by the 60-64 cohort (18,100) and the 35-39 cohort (15,700). The increase in the 60-64 age group represents aging of the baby boomers, while growth in the 35-39 age group comes from the effects of net migration as a source for economic growth.
- The number of households is expected to reach 500,600 in 2018, up from 442,600 in 2013, an increase 58,000. This should drive the demand for additional housing units and government services.
- The total population in the 20-29 age group is expected to shrink by 2018 relative to 2013. Consequently, the labour force growth rate is expected to moderate over time as the labour force entrants (20-29) grow at a slower rate than the cohorts who would potentially leave the labour force (55-64). The growth rate of the working age population (15-64) is estimated at 2.4 per cent in 2013 and should fall to 1.2 per cent by 2018.

City of Calgary: Population
(thousands of persons)



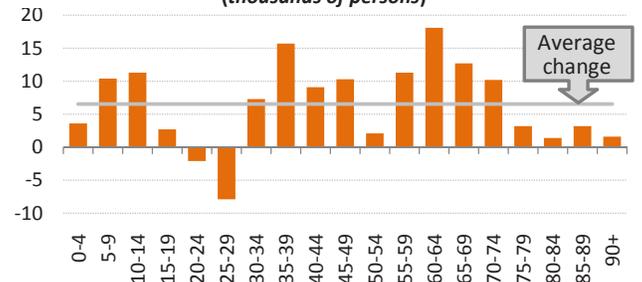
Source: City of Calgary Civic Census, Corporate Economics.

City of Calgary: Sources of population growth
(per cent)



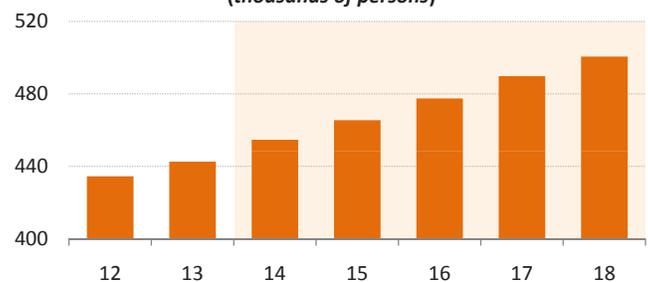
Source: City of Calgary Civic Census, Corporate Economics.

City of Calgary: Population change 2013 - 2018
(thousands of persons)



Source: City of Calgary Civic Census, Corporate Economics.

City of Calgary: Households
(thousands of persons)



Source: City of Calgary Civic Census, Corporate Economics.



June 2013 Floods in Southern Alberta

The flooding of Southern Alberta resulted in structural damage to businesses, loss of inventory, general loss of business due to lack of infrastructure, and in some instances, costs related to temporary relocation, where people and business have made a commitment to return to the original facilities. The dollar loss from the flooding could be categorized into two streams: (a) property, and (b) economic and social activities.

The table below presents an estimate of the foregone economic opportunities in the month of June 2013.

Table 1. Bottom Line Benefits

Impact of Flooding on CER GDP by Industry	Per Cent	Total Loss
		<i>2007 dollars</i>
All Industries		-302,000,000
Forestry, fishing, mining, quarrying, oil and gas	56.86	-171,000,000
Professional, scientific and technical services	12.63	-38,000,000
Finance, insurance, real estate and leasing	11.32	-34,000,000
Manufacturing	4.45	-13,000,000
Construction	4.38	-13,000,000
Information, culture and recreation	3.73	-11,000,000
Business, building and other support services	2.64	-8,000,000
Educational services	1.43	-4,000,000
Transportation and warehousing	1.39	-4,000,000
Accommodation and food services	1.02	-3,000,000
Trade	0.93	-3,000,000
Other services	0.90	-3,000,000
Health care and social assistance	0.65	-2,000,000
Agriculture	0.04	0
Utilities	-0.91	3,000,000
Public administration	-1.48	4,000,000

Source: Corporate Economics and Statistics Canada, Labour Force Survey (Special Tabulation), August 2013



ALBERTA

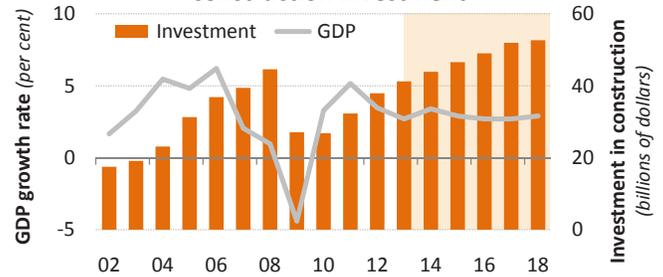
Alberta's economic activity is expected to level off in 2013, and grow above the national average for the rest of the forecast period. Oil and gas production should remain relatively strong supported by the elevated energy prices, consequently, residential and non-residential construction should continue to drive economic growth. This summer, Southern Alberta experienced flooding which has not been seen in decades. This should cut into the GDP growth rate in 2013, but spending to rebuild the residential and non-residential structures should boost the GDP growth rate in 2014 above what was previously forecast (3.2 per cent) in the spring of 2013. Alberta's economy is expected to grow at 2.7 per cent in 2013, and 3.4 per cent in 2014.

The strong economy has attracted migration both from other provinces and internationally, which has pushed the population growth rate above 3 per cent for the first time since late 2006. The net population increase should support the real estate market in the province, allowing residential construction to remain fairly resilient. Alberta's job creation is among the strongest in Canada with employment up 2.3 per cent year over year in the first half of 2013. On average, employment should grow at around 2.2 per cent in 2013 and 1.8 per cent in 2014.

In recent months, the uncertainty about the sustainability of Alberta's energy boom has lessened. The transportation pipeline bottlenecks for crude oil have been moderated by the increased use of rail cars to ship Alberta's unconventional crude to the U.S. Gulf Coast. This has helped to narrow the price difference between the Western Canada Select and WTI benchmark. It is expected that WTI crude oil prices will average US\$98.3/bbl in 2013, and \$96.7/bbl in 2014.

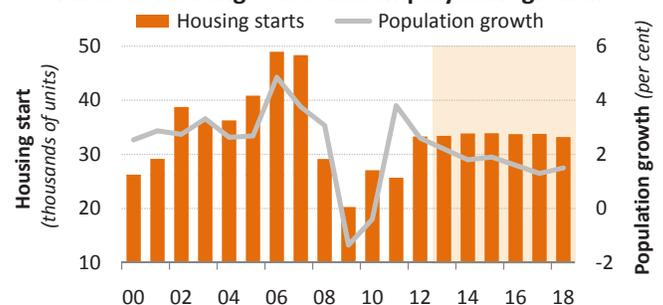
In 2013, Canadian natural gas prices advanced in the first half of the year in response to increased power generation demand as well as higher residential requirements. However, prices fell sharply after July due to increased short-term tolls on cross-country natural gas transportation. On the other hand, natural gas prices could be boosted by a colder than average winter for most of Canada and the United States. Natural gas prices in Alberta are expected to average \$2.8/GJ in 2013 and \$3.4/GJ in 2014.

Alberta: GDP and non-residential construction investment



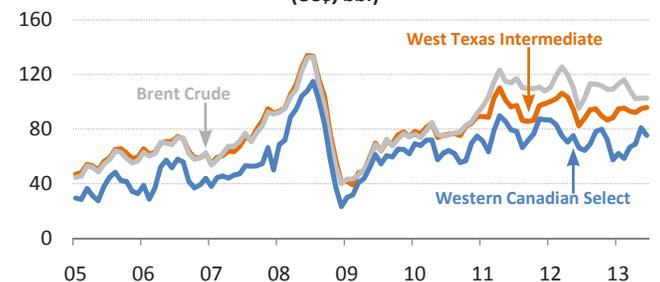
Source: IHS Global Insight, Conferene Board of Canada, Corporate Economics.

Alberta: Housing starts and employment growth



Source: CMHC, Conferene Board of Canada, Corporate Economics.

International and Alberta crude oil prices (US\$/bbl)



Source: U.S. Energy Information Administration, Federal Reserve Bank of St. Louis, Bloomberg, NetEnergy, Natural Gas Exchange, Cenovus, Corporate Economics.

Alberta: AECO spot market prices (\$/GJ)



Source: GLJ Canadian Natural Gas Focus database, Corporate Economics.



WORLD OUTSIDE ALBERTA

- Canadian economic growth weakened in 2013 to 1.6 per cent, down from 1.9 per cent in 2012, in response to slower growth in the residential real estate market, expenditure restraint by the provincial and federal governments and a sub-standard performance from the U.S. economy. Consequently, job and wage increases remained subdued and these along with high consumer debt levels have restrained growth in consumer and business spending in particular, and the rate of economic growth in general. The pace of economic growth in Canada will quicken in 2014 as the U.S. economy shifts to a higher rate of growth as fiscal policy becomes less restrictive. Once U.S. economic growth quickens in 2014, the demand for Canadian exports should increase and be aided by a weaker Canadian dollar. The Canadian economy is forecast to expand by 2.5 per cent in 2014, up from 1.6 per cent in 2013.
- The U.S. economic growth rate should average 1.5 per cent in 2013, down from 2.2 per cent in 2012, in response to a tighter fiscal policy brought on by sequestration. Higher taxes and public sector job losses – products of sequestration – have combined to reduce consumer and business confidence and depress the rate of economic growth. Private sector job growth, an improving housing market and increased domestic oil production from shale should combine to offset some of the negative effects of fiscal policy. Economic growth should accelerate in 2014, as the adverse effects of a relatively tight fiscal policy weaken. Economic growth should also be boosted by historically low short-term interest rates.
- The world economy is expected grow below pre-recession rates over the 2013 to 2015 period. The European economies, with few exceptions, are forecast to remain stagnant for the 2013 to 2015 period as fiscal restraint efforts prevent aggregate demand from increasing. The Chinese economy, while adding to the world growth rate, should do so at a slower relative pace than the past, as China shifts its focus from export led growth to boosting domestic demand. Slower growth in the world economy should weaken the growth in demand for commodities, which should keep the world inflation rate low.

Canada: Economic growth
(per cent)



Source: Statistics Canada, Corporate Economics.

U.S.: Economic growth
(per cent)



Source: Statistics Canada, Corporate Economics.

World: Economic growth
(per cent)



Source: Statistics Canada, Corporate Economics.



Table 1 - Selected Economic Indicators

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

FORECAST COMPLETED: August 2013	BASE FORECAST										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ASSUMPTIONS											
Global Economy											
World Gross Domestic Product (annual % change)	2.8	-0.6	5.2	4.0	3.2	3.3	4.0	4.4	4.5	4.5	4.5
The United States											
U.S. Real Gross Domestic Product Growth (chained 2005 dollar) (%)	-0.3	-3.5	2.4	1.8	2.2	1.5	2.6	3.2	3.0	2.8	2.5
Canada											
Canada Real Gross Domestic Product Growth (chained 2002 dollar) (%)	1.1	-2.8	3.2	2.6	1.9	1.6	2.5	2.8	2.6	2.4	2.4
Prime Business Loan Rate (%)	4.7	2.4	2.6	3.0	3.0	3.0	3.1	4.0	5.1	5.9	6.1
Exchange Rate (US\$/Cdn\$)	0.94	0.88	0.97	1.01	1.00	0.98	0.97	0.97	0.96	0.95	0.94
Alberta											
Gross Domestic Product (%)	1.0	-4.4	3.3	5.2	3.5	2.7	3.4	2.9	2.7	2.7	2.9
Total Employment Growth (%)	3.1	-1.4	-0.4	3.8	2.6	2.2	1.8	1.9	1.6	1.3	1.5
Unemployment Rate (%)	3.6	6.6	6.5	5.4	4.7	4.6	4.5	4.4	4.3	4.2	4.2
Housing Starts ('000 Units)	29.2	20.3	27.1	25.7	33.3	33.4	33.9	33.9	33.7	33.8	33.2
Inflation Rate (%)	3.2	-0.1	1.0	2.4	1.1	1.4	2.0	2.1	2.1	2.1	2.0
Crude Oil Price - WTI (US\$/bbl)	99.6	61.8	79.5	95.1	94.1	98.3	96.7	94.9	96.6	97.4	103.0
Western Canadian Select - WCS (US\$/bbl)	79.6	52.1	65.3	78.0	73.1	83.1	77.0	80.0	78.7	80.2	81.8
Alberta Natural Gas Price - AECO/NIT (\$/GJ)	7.7	3.8	3.8	3.4	2.3	2.8	3.4	4.2	4.2	4.5	4.6
FORECAST											
Calgary Economic Region (CER)											
Gross Domestic Product (%)	1.5	-4.0	3.6	4.6	4.9	2.3	2.7	2.5	2.3	2.3	2.3
Total population	1,251	1,296	1,338	1,362	1,398	1,435	1,467	1,493	1,527	1,562	1,590
Total Employment ('000 Persons)	768	765	755	776	806	827	850	869	885	900	914
Total Employment Growth (%)	3.1	-0.4	-1.3	2.8	3.9	2.6	2.8	2.2	1.8	1.7	1.6
Unemployment Rate (%)	3.3	6.3	7.0	6.2	4.8	4.9	4.6	4.5	4.4	4.3	4.2
Inflation Rate (%) (CMA)	3.2	-0.1	0.8	2.2	1.0	1.8	2.2	2.1	2.1	2.1	2.1
Building Permits (\$billion)	5.1	4.5	3.8	5.5	5.7	6.3	6.5	5.9	5.8	6.0	6.0
<i>Low Forecast</i>	N/A	N/A	N/A	N/A	N/A	5.6	5.9	5.6	5.1	5.4	5.4
<i>High Forecast</i>	N/A	N/A	N/A	N/A	N/A	6.9	7.1	6.1	6.4	6.6	6.6
Housing Starts ('000 Units) (CMA)	11.4	6.3	9.3	9.3	12.4	12.3	12.8	11.9	11.0	10.8	10.0
Non-Residential Building Price Inflation (%) (CMA)	13.7	-7.7	-2.2	2.7	3.7	1.0	5.0	4.5	3.0	3.0	3.0

Numbers may not add up due to rounding

Source: Statistics Canada, Corporate Economics



Table 2 - Selected Indicators

City of Calgary

FORECAST COMPLETED: August 2013

							BASE FORECAST					
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
DEMOGRAPHY												
Total Population ('000 Persons)	1,043	1,065	1,072	1,091	1,120	1,149	1,175	1,196	1,223	1,251	1,274	
<i>Total Population Growth (%)</i>	2.2	2.2	0.6	1.0	2.7	2.6	2.2	1.8	2.2	2.3	1.8	
Net Migration ('000 Persons)	12.4	12.9	-4.1	9.6	19.7	19.1	15.0	10.0	16.0	18.0	12.0	
Household Formation ('000 Units)				11.6	10.3	8.7	12.1	10.8	12.0	12.3	10.8	

REAL ESTATE

Residential Market

Housing Starts ('000 units)	9.6	5.0	7.3	7.7	10.3	9.1	9.3	9.2	8.8	8.4	7.9
New House Price Inflation (%)	0.7	-6.7	1.7	0.4	4.5	4.5	3.0	5.7	4.5	1.2	2.2
Total Building Permits mid point (\$billions)	4.0	3.7	2.9	4.5	4.5	5.3	4.5	4.7	4.6	4.8	4.8
<i>Low Forecast</i>						4.8	4.0	4.2	4.1	4.3	4.3
<i>High Forecast</i>						5.8	5.0	5.2	5.1	5.3	5.3

Numbers may not add up due to rounding
Source: Statistics Canada, Corporate Economics



Table 3 - City of Calgary Population Projection

City of Calgary

FORECAST COMPLETED: July 2013		BASE FORECAST					
	2012	2013	2014	2015	2016	2017	2018
Total Population (as April)	1,120,200	1,149,600	1,175,400	1,196,200	1,222,800	1,251,300	1,273,800
Total Population Growth Rate (April - March)	2.7	2.6	2.2	1.8	2.2	2.3	1.8
Total Net Migration (April - March)	19,700	19,100	15,000	10,000	16,000	18,000	12,000
Total Births (April - March)	NA	15,000	15,300	15,500	15,500	15,600	15,800
Total Deaths (April - March)	NA	4,700	4,500	4,700	4,900	5,100	5,300
Total Natural Increase (April - March)	9,600	10,300	10,800	10,800	10,600	10,500	10,400
Total Households (as April)	433,900	442,600	454,668	465,432	477,467	489,791	500,580
Total Household Formation (April - March)	11,600	8,700	12,068	10,764	12,035	12,325	10,789

Population by Cohort		BASE FORECAST					
	2012	2013	2014	2015	2016	2017	2018
0-4	76,700	76,200	76,400	76,600	77,500	78,800	79,800
5-9	66,800	71,000	74,400	77,100	79,500	81,100	81,400
10-14	62,400	64,800	66,200	67,700	70,000	73,000	76,100
15-19	65,200	67,000	67,600	67,600	68,200	69,000	69,700
20-24	73,100	75,600	74,700	73,300	73,100	73,900	73,500
25-29	93,500	93,700	92,000	90,000	88,600	87,200	85,800
30-34	96,400	98,100	102,000	103,800	105,500	106,700	105,400
35-39	91,200	91,900	94,700	97,100	100,500	104,100	107,600
40-44	89,100	90,000	92,000	93,500	95,200	97,400	99,100
45-49	87,000	85,800	86,200	86,800	89,700	93,100	96,100
50-54	84,900	86,700	88,200	89,200	89,000	89,200	88,800
55-59	71,600	75,300	78,600	81,100	83,400	85,000	86,600
60-64	52,500	55,400	58,400	62,000	65,900	70,000	73,500
65-69	35,700	40,100	43,000	46,000	49,100	51,100	52,800
70-74	24,900	26,900	28,400	29,800	31,100	33,700	37,100
75-79	19,900	20,600	20,900	21,400	22,100	22,700	23,800
80-84	15,600	15,900	16,200	16,600	16,800	17,000	17,300
85-89	8,500	9,300	10,100	10,800	11,500	12,000	12,500
90+	5,200	5,300	5,500	5,800	6,100	6,500	6,900
Total	1,120,200	1,149,600	1,175,400	1,196,200	1,222,800	1,251,300	1,273,800

12-17	76,500	78,700	79,400	79,900	81,800	83,900	86,000
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Numbers may not add up due to rounding

Source: The City of Calgary Civic Census, Corporate Economics



Table 4 - Calgary Economic Region (CER) Population Projection

Calgary Economic Region (CER)		BASE FORECAST					
FORECAST COMPLETED: July 2013							
	2012	2013	2014	2015	2016	2017	2018
Total Population (as April)	1,398,400	1,435,000	1,467,300	1,493,300	1,526,500	1,562,200	1,590,200
Total Population Growth Rate (April - March)	2.6	2.6	2.3	1.8	2.2	2.3	1.8
Total Net Migration (April - March)	23,100	18,800	12,500	20,000	22,500	15,000	12,500
Total Births (April - March)	19,000	19,100	19,300	19,400	19,500	19,700	19,600
Total Deaths (April - March)	5,500	5,600	5,800	6,100	6,300	6,600	6,900
Total Natural Increase (April - March)	13,500	13,500	13,500	13,300	13,200	13,000	12,700
Total Households (as April)	542,000	554,600	567,400	580,100	592,400	604,100	615,100
Total Household Formation (April - March)	14,200	12,600	12,800	12,700	12,300	11,700	11,000

Population by Cohort		BASE FORECAST					
	2012	2013	2014	2015	2016	2017	2018
0-4	95,000	95,100	95,400	95,600	96,700	98,400	99,600
5-9	85,100	88,600	92,900	96,300	99,200	101,300	101,600
10-14	80,100	80,800	82,700	84,500	87,400	91,100	95,000
15-19	84,200	83,700	84,400	84,400	85,200	86,100	87,100
20-24	92,500	94,400	93,300	91,500	91,300	92,300	91,700
25-29	112,000	117,000	114,800	112,300	110,600	108,800	107,100
30-34	115,700	122,400	127,300	129,600	131,700	133,300	131,600
35-39	111,100	114,700	118,200	121,300	125,500	129,900	134,400
40-44	110,000	112,400	114,800	116,700	118,800	121,600	123,700
45-49	108,500	107,100	107,600	108,300	112,000	116,200	119,900
50-54	107,300	108,200	110,100	111,400	111,200	111,300	110,900
55-59	90,900	94,000	98,100	101,300	104,100	106,100	108,000
60-64	67,000	69,200	72,900	77,400	82,300	87,400	91,800
65-69	46,400	50,100	53,600	57,400	61,300	63,700	66,000
70-74	31,900	33,600	35,400	37,200	38,900	42,100	46,300
75-79	24,900	25,700	26,100	26,700	27,500	28,300	29,800
80-84	19,200	19,900	20,200	20,700	20,900	21,200	21,600
85-89	10,400	11,600	12,600	13,500	14,400	15,000	15,600
90+	6,400	6,600	6,800	7,200	7,600	8,200	8,600
Total	1,398,600	1,435,100	1,467,200	1,493,300	1,526,600	1,562,300	1,590,300

Numbers may not add up due to rounding
 Source: Corporate Economics



Table 5 - Selected Commodity Prices

City of Calgary

FORECAST COMPLETED: August 2013

						BASE FORECAST					
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CONSTRUCTION COMMODITIES											
Iron and steel products	15.7	-3.0	-0.9	1.9	-1.3	-1.5	-5.4	3.2	11.8	9.5	-1.8
Aluminum products	-0.4	-19.8	10.3	4.3	-9.5	-0.6	4.7	-2.5	0.8	-3.8	2.2
Wood	-3.5	11.0	-1.6	2.0	2.1	7.2	-5.5	-4.4	-4.4	-3.8	-1.6
Asphalt**	61.8	-25.4	13.1	-0.7	18.5	-0.3	0.6	-1.5	-1.1	-2.5	1.2
OPERATIONAL COMMODITIES											
Rubber	13.0	-9.2	69.2	32.8	2.0	0.1	2.3	2.6	2.0	0.5	2.2
Diesel oil	26.4	-31.1	10.5	23.6	-1.0	4.1	-2.0	1.6	2.7	1.3	1.2
Vehicle parts	4.6	5.3	1.7	1.8	2.6	0.2	0.3	0.4	0.1	1.0	5.4

Numbers may not add up due to rounding

** Based on Ontario Ministry of Transportation Asphalt Price Index

WHO WE ARE

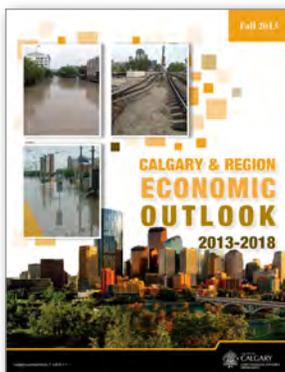
Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced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

For more information, please contact:

Patrick Walters
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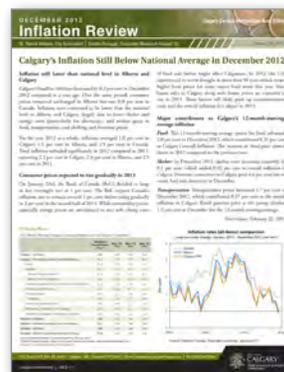
Many of our publications are available on the internet at www.calgary.ca/economy.

Forecasting



- ▶ Calgary & Region Economic Outlook
- ▶ Energy Reports on Natural Gas and Crude Oil

Information Provision



- ▶ Labour Market Review
- ▶ Inflation Review
- ▶ Current Economic Analysis
- ▶ Construction Inflation

Policy Analysis



- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
- ▶ Calgary Residential and Commercial Real Estate Markets

Corporate Research Analyst: Estella Scruggs

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Sources:

Statistics Canada, CMHC, CREB, MLS, Bank of Canada, Conference Board of Canada, GLJ Energy Publications, The City of Calgary, Centre for Spatial Economics, Construction Sector Council, U.S. Federal Bank Reserve of St. Louis, International Money Fund (World Economy Outlook), World Bank, Central Plan Bureau Netherlands, and others.