

Current Economic Analysis

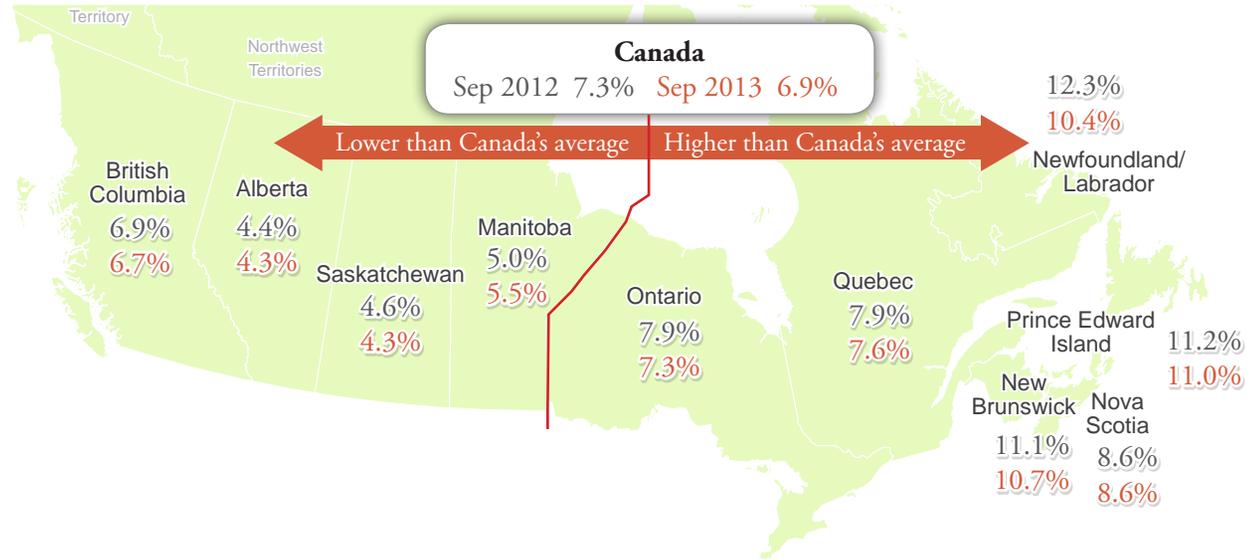
Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

October 31, 2013

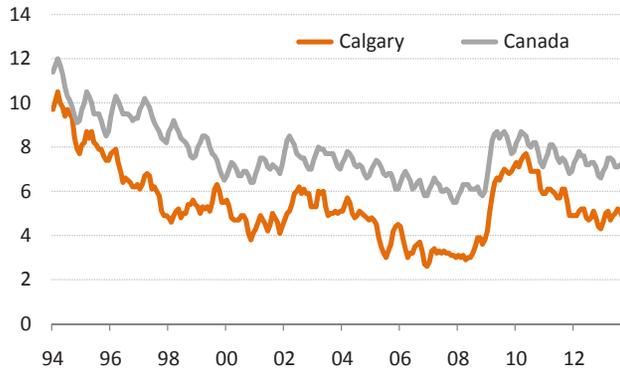
Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) was 4.8 per cent in September 2013, down from 5.1 per cent for the same time last year. Nationally, the unemployment rate was 7.1 per cent, down from 7.3 per cent in September 2012.
- Total employment in the Calgary Economic Region (CER) was 847,100 in September 2013, a 4.7 per cent increase from 809,400 in September 2012.
- The CER's working age population was estimated at 1,186,600 in September 2013, up 44,900 from September 2012.

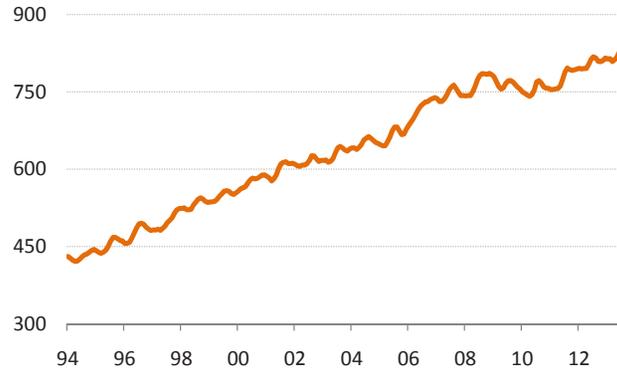
Unemployment Rates, Canada and Provinces (Seasonally adjusted)



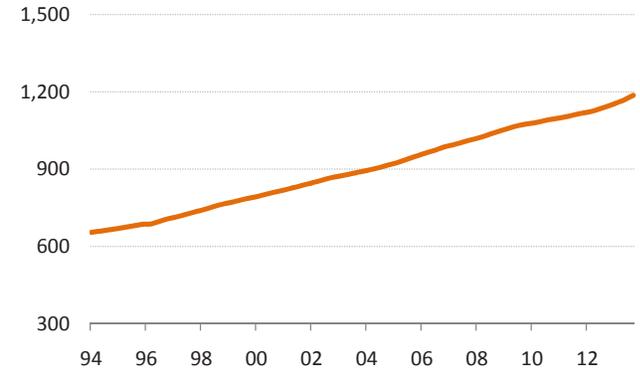
Unemployment Rates (unadjusted, per cent)



Calgary CER: Total Employment (unadjusted, thousands of persons)



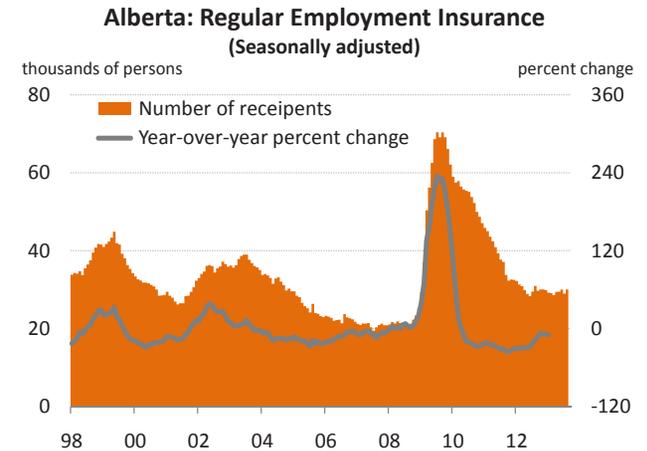
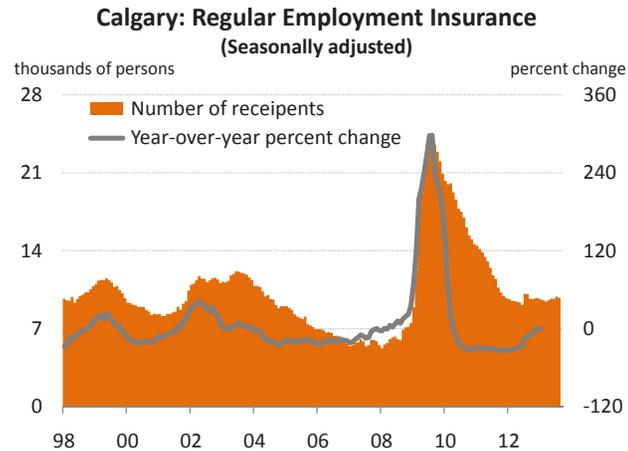
Calgary CER: Working Age Population (unadjusted, thousands of persons)



Sources: Statistics Canada, City of Calgary Civic Census, Corporate Economics

Labour Market (continued)

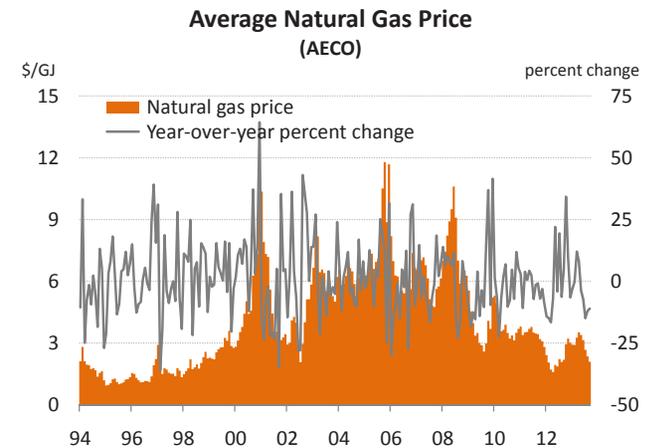
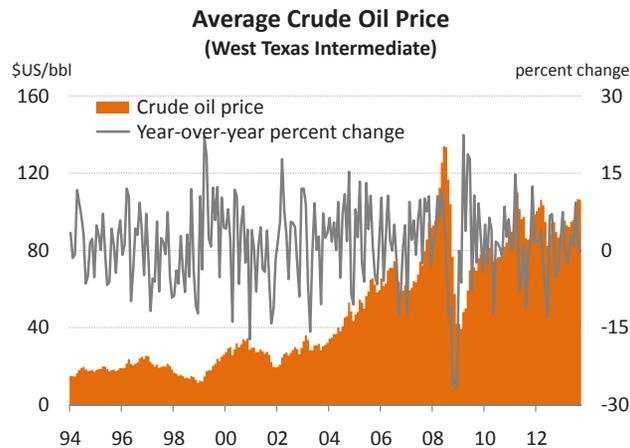
- Between August 2012 and August 2013, the number of Calgarians receiving regular employment insurance fell by 3.2 per cent to 9,770. For Alberta, during the same time period, the number fell by 3 per cent to 30,030 year-over-year.



Sources: Statistics Canada, Corporate Economics

Energy

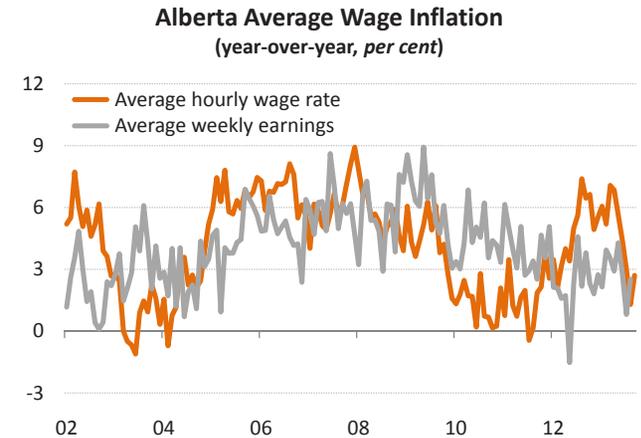
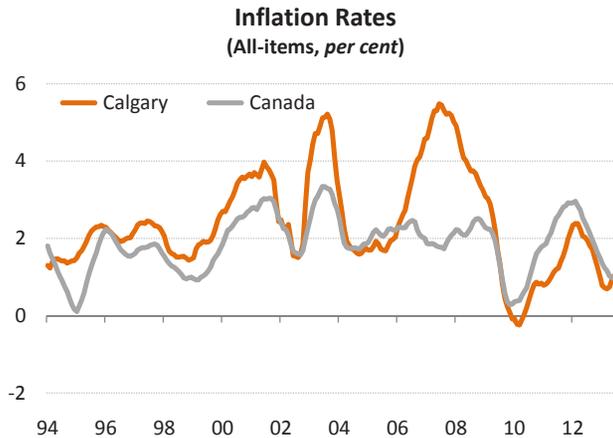
- In September 2013, the average price for crude oil (WTI) was US\$106.24/bbl, down 0.3 per cent from August 2013 but up 12.4 per cent from a year ago.
- The average price for natural gas (AECO) was \$2.09/GJ in September 2013, down 11.1 per cent from the previous month and 4.6 per cent from September 2012.



Sources: GLJ Energy Publications, Corporate Economics

Prices

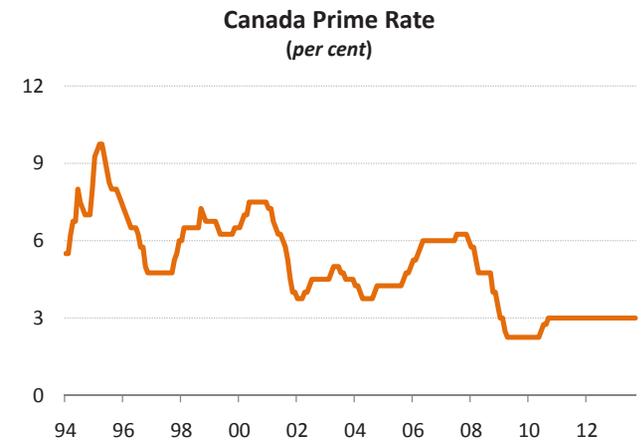
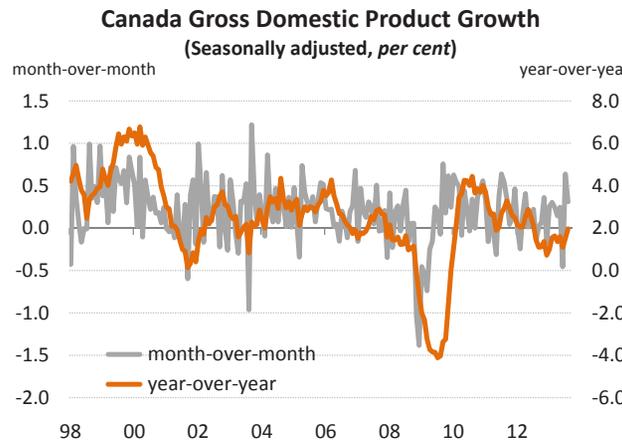
- In September 2013, Calgary's 12-month-moving-average inflation rate remained unchanged at 1.2 per cent compared to the previous month but down from 1.7 per cent in September 2012. Nationally, the inflation rate also remained unchanged at 0.9 per cent in September 2013 from the previous month, but decreased from 2 per cent in September 2012.
- In Alberta, the average hourly wage inflation rate in September 2013 was 2.7 per cent, decreased from 6.5 per cent a year ago. The average weekly earnings growth rate was 2.5 per cent in August 2013, increased from 2.2 per cent in August 2012.



Sources: Statistics Canada, Corporate Economics

General Indicators

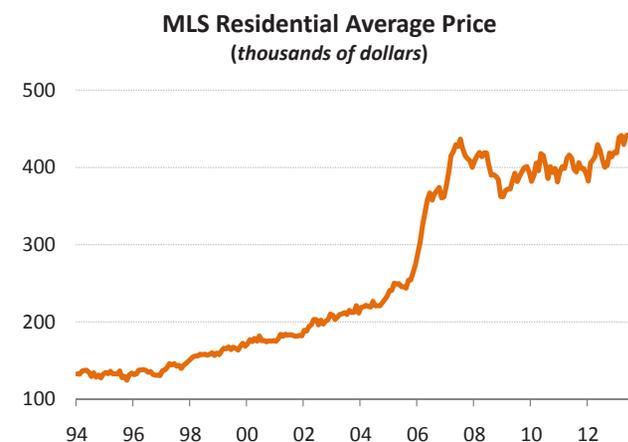
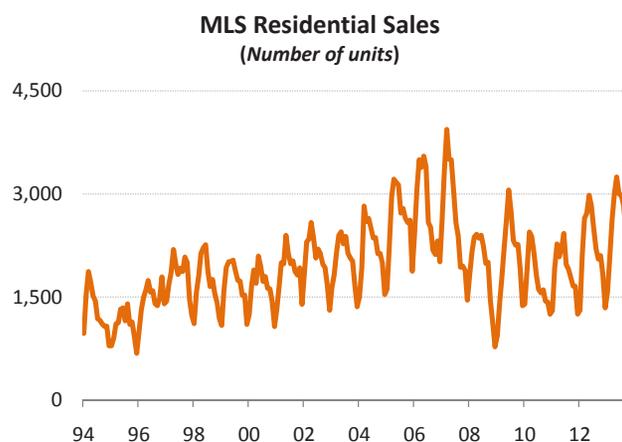
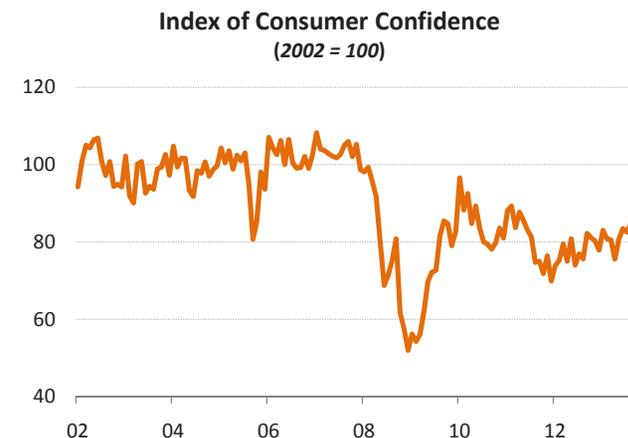
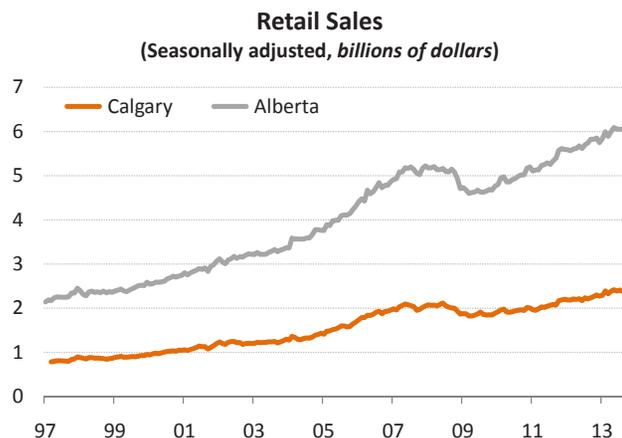
- Canada's real gross domestic product (GDP) growth:
 - ▶ **Month-over-month:** decelerated to 0.3 per cent in August 2013, following a 0.6 per cent increase in July 2013.
 - ▶ **Year-over-year:** increased 2 per cent in August 2013, following a 1.5 per cent growth in July 2013.
- The Canadian prime business loan rate remained unchanged at 3 per cent in September 2013.



Sources: Statistics Canada, Bank of Canada, Corporate Economics

Consumer Indicators

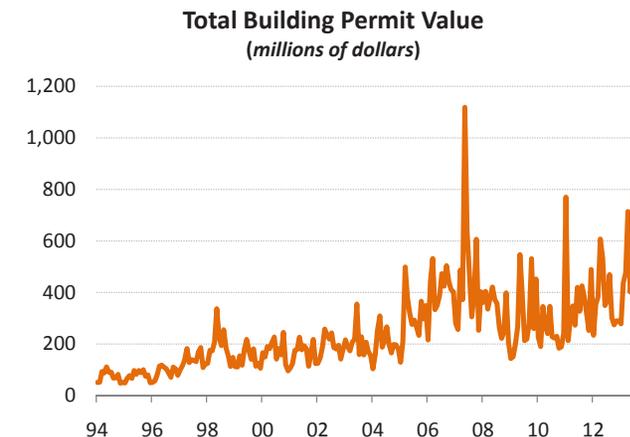
- In August 2013, total retail sales in the CER was estimated at \$2.4 billion (seasonally adjusted), down 1.1 per cent from July but up 7.6 per cent from a year ago. Alberta retail sales were estimated at \$6.1 billion (seasonally adjusted), indicating a 0.1 per cent increase over the previous month and a 5.5 per cent increase year-over-year.
- The Index of Consumer Confidence increased in September 2013, rising 6.3 points to 91 (2002 = 100) from August 2013.
- In September 2013, total housing starts in Calgary (CMA) reached 904 units, down from 982 units in August and 1,012 units a year ago.
- Calgary housing sales in September 2013 was 2,475 units, down 12.5 per cent from 2,830 units in August but up 20.5 per cent from 2,054 units a year ago.
- September's MLS average sale price for Calgary was \$435,934, up 0.8 per cent from August's average of \$432,576 and 8.2 per cent from \$402,756 a year ago.



Sources: Statistics Canada, Conference Board of Canada, Calgary Real Estate Board (CREB), Canada Mortgage and Housing Corporation (CMHC), Corporate Economics

Business Indicators

- Alberta wholesale merchants' sales were estimated at \$6.6 billion (seasonally adjusted) in August 2013, down 0.7 per cent from the previous month but up 1.6 per cent from a year ago.
- Alberta manufacturing sales were estimated at \$6.5 billion (seasonally adjusted) in August 2013, up 1.9 per cent from the previous month and 8 per cent from the same time last year.
- In September 2013, the total building permit value in the city of Calgary reached \$517 million, a 7.3 per cent increase from August's total of \$482 million, and a 71.2 per cent increase from \$302 million a year ago. The total building permit value for the three quarters of 2013 was \$4.54 billion, up from \$3.62 billion for the same period 2012.



Sources: Statistics Canada, The City of Calgary, Corporate Economics

Next update: November 29, 2013

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.

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

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Current Economic Analysis

City of Calgary Monthly Economic Indicators	2010	2011	2012	2012					2013								
				Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Labour Market																	
Unemployment Rate - Calgary Economic Region (CER) (%)	7.0%	5.8%	4.9%	4.8%	5.1%	4.8%	4.4%	4.3%	4.6%	5.0%	5.1%	4.7%	4.9%	5.0%	5.2%	5.1%	4.8%
Unemployment Rate - Canada (%)	8.1%	7.5%	7.3%	7.3%	7.3%	7.1%	6.7%	6.6%	6.9%	7.1%	7.5%	7.5%	7.4%	7.1%	7.1%	7.2%	7.1%
Employment - CER (Person - 000s)	755.2	776.1	806.3	815.8	809.4	808.6	810.6	815.5	813.8	814.4	808.7	812.5	817.8	827.1	836.5	842.3	847.1
Employment insurance Alberta - # of recipients (15 years and over), seasonally adjusted **	54,065	38,603	30,163	30,970	29,730	30,070	30,070	29,910	29,240	29,120	28,630	29,450	29,460	30,040	28,990	30,030	
Year-over-year % change **	-0.5%	-28.8%	-20.7%	-16.6%	-12.0%	-7.0%	-7.8%	-8.0%	-9.3%	-7.1%	-7.4%	-1.5%	1.9%	5.8%	-1.8%	-3.0%	
Employment insurance Calgary - # of recipients (15 years and over), seasonally adjusted **	17,622	12,108	9,628	10,090	9,680	9,630	9,730	9,750	9,610	9,530	9,430	9,550	9,690	9,680	9,880	9,770	
Year-over-year % change **	-0.8%	-31.5%	-18.9%	-12.0%	-9.5%	-6.0%	-2.0%	0.0%	-0.3%	0.1%	-0.5%	1.4%	3.6%	6.1%	-2.5%	-3.2%	
City of Calgary Population Estimate (000s)	1,072 ^f	1,091 ^f	1,120 ^f	1,130	1,132	1,135	1,137	1,140	1,142	1,145	1,147	1,150	1,153	1,157	1,162	1,166	1,171
Energy																	
West Texas Intermediate (\$US/barrel)	79.52	95.13	94.21	94.16	94.56	89.57	86.74	88.25	94.83	95.32	92.96	92.07	94.79	95.80	104.70	106.54	106.24
Alberta Natural Gas (Cdn\$/GJ)	3.80	3.43	2.27	2.08	2.19	2.94	3.22	3.01	2.92	2.91	3.26	3.52	3.39	3.14	2.67	2.35	2.09
Prices																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	0.8%	2.2%	1.0%	1.8%	1.7%	1.5%	1.3%	1.0%	0.8%	0.7%	0.7%	0.7%	0.9%	1.0%	1.2%	1.2%	1.2%
Inflation Rate - Canada (%)	1.8%	2.9%	1.5%	2.1%	2.0%	1.8%	1.6%	1.5%	1.4%	1.2%	1.2%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%
Average Hourly Wage Rate - Alberta y-o-y % change	1.3%	1.7%	4.8%	7.4%	6.5%	6.6%	4.9%	5.5%	6.1%	5.2%	7.1%	6.8%	5.6%	4.4%	3.0%	1.3%	2.7%
Average Weekly Earnings* - Alberta y-o-y % change	4.4%	4.0%	2.1%	2.2%	3.8%	2.3%	1.8%	2.7%	2.1%	3.9%	3.5%	2.9%	4.3%	2.8%	0.8%	2.5%	
General Indicators																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	3.5%	2.7%	1.8%	1.4%	1.1%	1.1%	1.4%	0.7%	1.0%	1.6%	1.6%	1.4%	1.6%	1.1%	1.5%	2.0%	
Canadian Real GDP m-o-m % change - (Chained 2007 dollar)	--	--	--	-0.1%	0.0%	0.1%	0.4%	-0.2%	0.3%	0.3%	0.2%	0.1%	0.2%	-0.5%	0.6%	0.3%	
Prime Lending Rate - Bank of Canada (%)	2.60%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Consumer Indicators																	
Retail Sales - Alberta, seasonally adjusted (\$billions)	59.7	63.9	68.3	5.7	5.8	5.8	5.9	5.7	5.8	6.0	5.9	6.0	6.1	6.1	6.1	6.1	
Retail Sales - CER, seasonally adjusted (\$billions)	23.4	24.8	26.7	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.4	2.4	
Index of Consumer Confidence - Canada	84.7	80.6	77.7	75.6	82.2	81.1	80.3	77.9	83.0	80.8	80.5	75.6	80.7	83.4	82.6	84.7	91.0
Housing Starts - Calgary CMA	9,262	9,292	12,841	1,039	1,012	980	990	866	719	896	890	1,067	1,078	912	1,385	982	904
# of Personal Bankruptcies - Alberta	8,150	7,029	5,759	454	421	489	420	346	446	412	429	464	434	375	385	379	
Calgary Residential Unit Sales MLS	20,996	22,466	26,634	2,198	2,054	2,104	1,831	1,343	1,572	2,071	2,631	3,003	3,247	3,002	2,976	2,830	2,475
Calgary Residential Sales to New Listings Ratio MLS	48.09	53.69	66.33	64.67	60.11	69.44	84.07	105.83	48.04	59.58	62.27	64.39	65.76	75.29	78.30	76.94	68.18
Calgary Residential Average Price MLS (\$thousands)	397.4	401.9	410.8	400.3	402.8	418.7	413.9	419.8	418.9	438.8	441.4	429.7	440.7	442.5	438.2	432.6	435.9
Business Indicators																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	61.4	69.9	77.5	6.5	6.5	6.5	6.6	6.5	6.5	6.7	6.4	6.5	6.6	6.5	6.6	6.6	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	60.6	71.1	73.5	6.0	6.2	6.0	6.0	5.9	6.1	6.2	6.1	6.0	6.2	6.2	6.4	6.5	
# of New Businesses - Calgary	3,537	4,300	3,770	445	293	549	533	337	NA	549	344	271	244	153	124	278	665
# of Business Closures - Calgary	2,503	2,380	2,445	124	215	225	124	154	NA	785	243	165	209	146	140	193	211
# of Business Bankruptcies - Alberta	378	264	230	10	21	18	15	16	10	14	12	15	11	9	9	7	
City of Calgary Total Building Permit Value (\$millions)	2,913.0	4,528.3	4,452.6	469.3	302.0	274.6	290.0	289.4	278.5	437.4	476.7	714.1	402.1	453.0	796.6	481.6	516.9

^f Taken from April Civic Census * Average weekly earnings is wage rate with benefits (including overtime) ** In March 2013, employment insurance data have been reconstructed with a new methodology by Statistics Canada. This change has affected the data over the entire historical period.