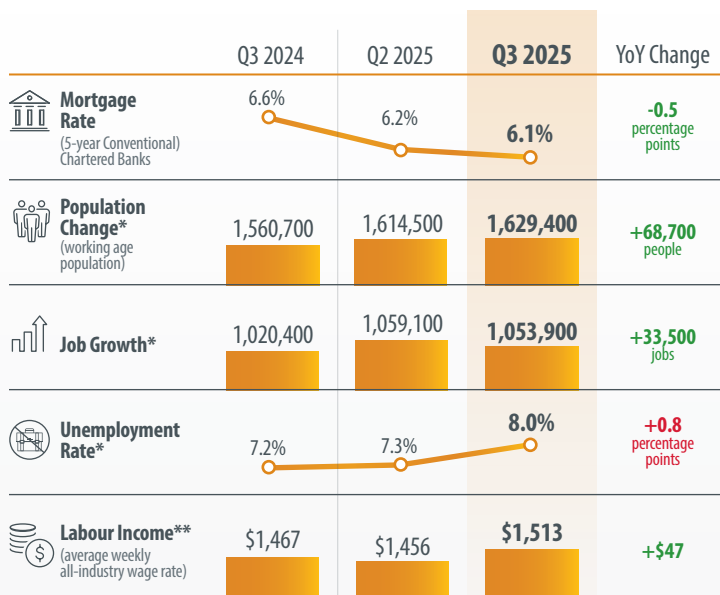


HOUSING DEMAND

Key Takeaways

- Population growth continues to slow down mainly due to lower international immigration.
- However, interprovincial migration in Alberta remains solid, supporting housing demand.
- Softening labour market conditions could slow housing activities as potential buyers struggle to save up for the downpayment despite GST removal.



* Calgary Economic Region (CER)
** Calgary Census Metropolitan Area (CMA)

Interest Rates

The Bank of Canada cut its policy interest rate by 0.25 percentage points to 2.5 per cent on September 17 meeting, marking the first cut since March 2025. With the lower policy rate, the average rate on a five-year conventional mortgage declined to 6.1 per cent, down from 6.6 per cent in Q3 2024. While further interest rate reductions could potentially fuel housing demand, mortgage rates may not fall as much as the policy rate itself, since the spread between the two is expected to normalize after several years of being unusually narrow.

Population Change

According to the Labour Force Survey, the Calgary Economic Region's (CER) estimated working-age population (15 years and over) reached 1,629,400 in Q3 2025, up 4.4 per cent from Q3 2024. This marks the slowest annual growth rate since Q1 2023. Continuing the trend observed over several quarters, population growth is decelerating, though the rate remains elevated relative to historic averages. Recent population estimates suggest that changes to federal immigration policies are lowering international migration (see details below). However, interprovincial migration to Alberta remains strong, albeit lower than last year, continuing to support housing demand in Calgary.

Employment

In Q3 2025, employment in the CER expanded by 33,500, bringing total employment to 1,053,900, representing an increase of 3.3 per cent from Q3 2024. Full-time employment rose 3.7 per cent to 874,100. Despite the annual gains in employment, unemployment reached 91,200 in Q3 2025, the highest level since Q1 2021. There were about 3.4 unemployed persons per job vacancy in Q2 2025, compared with 1.5 at the low point in Q2 2022, when the economy was recovering from the pandemic. Sluggish labour market conditions, particularly elevated youth unemployment, continue to pose barriers to homeownership for potential buyers.

Labour Income

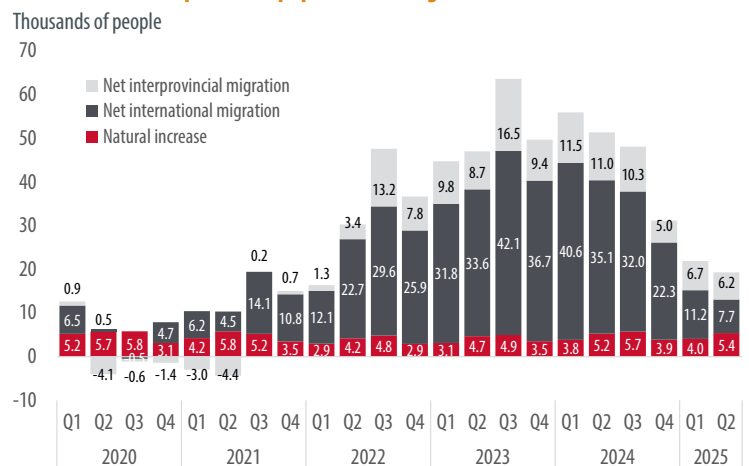
Average weekly earnings in the Calgary Metropolitan Area (CMA) rose by 3.2 per cent from Q3 2024 to \$1,513 in Q3 2025. While the growth improved from Q2 2025, the wage growth is much slower than 7.7 per cent recorded in Q3 2024.

A new survey of first-time homebuyers found Alberta recorded the highest share of respondents willing to put down at least 20 per cent (63 per cent), compared to the national average of 50 per cent, likely owing to relatively lower housing prices compared to BC and ON¹. Sluggish job market may increase the time needed to save for a down payment, potentially postponing home purchases despite the recently introduced GST removal on new builds.

Key Policy Initiatives

The changes to immigration policies are impacting population change. According to the latest Q2 2025 population estimates, Alberta's population grew by 19,268 people, or 0.4 per cent, in Q2 2025. That's a sharp slowdown from 51,335 people, or 1 per cent, in Q2 2024. Most of this change can be attributed to the decline in international migration, especially non-permanent residents, which saw a net decrease of 3,818, posting the largest quarterly drop since Q3 2020. Despite the slowdown in overall population growth, Alberta continues to lead the country in interprovincial migration, with a net gain of 6,187 people in Q2 2025. Between July 2024 and June 2025, Alberta recorded a total of 28,138 net interprovincial migrants, the highest among all provinces, with 44 per cent from ON and 25 per cent from BC, and 77.6 per cent of them were under 40 years old. Between July 2023 and June 2024, Alberta had a net interprovincial migration of 48,394, of which 20,859 moved to the Calgary CMA. Assuming a similar share this year, Calgary CMA's net interprovincial migration for 2024/2025 would be around 12,000 people, which translates to roughly 4,700 new dwelling units of demand from interprovincial migration, based on the average household size. The actual updated regional population estimates will be published in early 2026.

Chart 1: The component of population change in Alberta (Q1 2020 to Q2 2025)



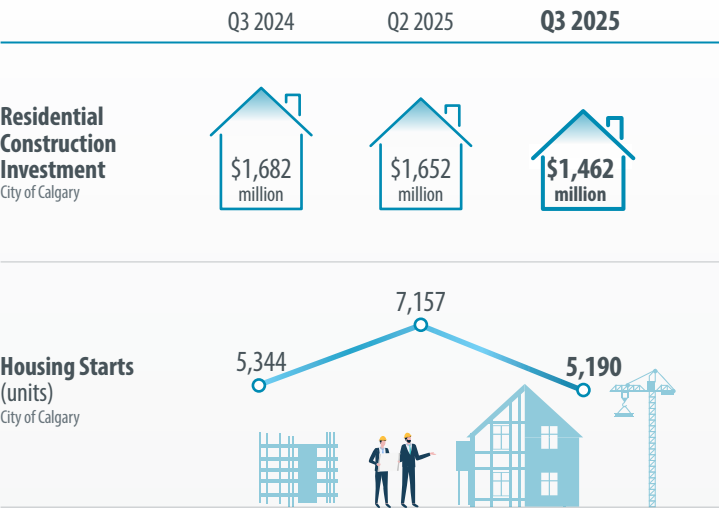
Source: Statistics Canada Table: 17-10-0020-01, 17-10-0040-01, and 17-10-0059-01.

¹ <https://www.royallepage.ca/en/real-estate/news/canadas-real-estate-market-is-primed-for-buyers-but-first-timers-are-moving-at-their-own-pace/>

HOUSING SUPPLY

Key Takeaways

- Construction intentions seem to have slowed down from the historical highs in 2024, signaling a potential moderation in housing starts.
- Calgary recorded the highest number of housing starts among Canadian municipalities so far 2025 and is on the pace to lead Canadian municipalities for the second consecutive year.
- Calgary saw 5,942 completions in Q3 2025, setting a new quarterly record, driven by strong apartment completions.



Building Permit: Value and Residential Units

According to building permit data from the City’s Open Data Portal (as of October 2025), the total value of residential building permits submitted within the Calgary city limits for Q2 2025 was \$1.46 billion, representing 5,864 expected housing units. This marks a 13 per cent decline in value and a 25 per cent decline in units compared to Q3 2024. The single family saw the steepest drop, with permit values down 24 per cent to \$413 million. Virtually all districts experienced declines, except for the West district. The number of expected housing units in this category also fell by 29 per cent to 1,027 units. Amid rising unabsorbed inventory and slowing absorption rates, overall building intentions are softening. As of Q3 2025, CMHC reported 415 unabsorbed single detached in the city of Calgary, up from 284 a year ago.

The apartment recorded a more moderate 8 per cent decline in permit value, to \$654 million, with housing units dropping 28 per cent to 2,411. Similarly, duplex permits decreased 8 per cent to \$83 million for 426 units, while townhouse permits were the only category to post growth, rising 4 per cent in value to \$155 million, with the number of units up 8 per cent to 778.

Housing Starts

According to CMHC’s Starts and Completions Survey, there were 5,190 housing starts within the City of Calgary in Q3 2025. Apartment starts grew by 6 per cent to 2,960 units, of which 1,651 were purpose-built, jumping 18 per cent from Q3 2024. CMHC’s programs to boost rental construction, such

as MLI Select, are having a clear impact; in 2024, about 90 per cent of all rental construction was supported by CMHC’s programs². On the other hand, all the ground-oriented housing types recorded declines. Single-family starts totaled 1,195 units, a drop of 14 percent, rowhouses were down by 4 per cent to 649 units, and semi-detached fell by 20 per cent to 386 units.

With the Q3 results, total housing starts for 2025 YTD reached 17,342 units. Calgary recorded the highest number of starts among all Canadian municipalities so far this year. This is well above the previous record of 14,298 in 2024, which ended with 21,084 total annual start; Calgary is well positioned to set a new annual record for the third consecutive year. In contrast, Toronto recorded 7,682 starts YTD, down sharply from 16,952 during the same period last year. This marks the slowest pace since 2007, and 2025 may end up being the first year since 2007 with fewer than 10,000 housing starts in Toronto.

Also, with rising apartment starts, the composition of housing construction has changed notably. In 2025 YTD, apartments accounted for 60 per cent of total housing starts, up from 53 per cent in 2024 and well above the 2005–2024 average of 40 per cent. In contrast, the share of single-family homes declined to 21 per cent in 2025 YTD, compared with nearly 40 per cent historically. Between 2005 and 2025, the shares of apartments and single-family homes have essentially flipped. As noted above, strong immigration and elevated rents have driven a surge in apartment construction, supported by government housing initiatives.

Housing Under Construction

According to CMHC, as of Q3 2025, there were 22,366 dwelling units under construction in the City of Calgary, an increase of 12 per cent from Q3 2024. Apartments accounted for 71 per cent of all units, with 15,826 under construction, up 16 per cent. Row houses also increased by 14 per cent from Q3 2024 to 2,226 units, while semi-detached declined by 9 per cent to 1,104 units. Single-family units little changed at 3,210.

Housing Completions

As per CMHC, the city of Calgary saw 5,942 housing completions during Q3 2025, marking a 14 per cent increase from Q3 2024. This was the highest number of housing completions achieved in a single quarter for the city of Calgary. Similar to housing starts, apartments led the growth with 3,615 completions, up 28 per cent, which is also the highest on record. Purpose-built rentals accounted for 41 per cent, with 2,742 units, providing downward pressures on rents.

For 2025 YTD, the city of Calgary has recorded 15,476 completions, which is almost the same level as the same time last year. This is the highest among all Canadian municipalities as of Q3 2025 and is on pace to be the highest in Canada for the first time since 2014, as Toronto continues to experience a slowdown. As of Q3 2025, Toronto recorded 11,020 completions, almost half of 20,496 during the same period last year.

Key Policy Initiatives

On September 14, the federal government unveiled details of Build Canada Homes, a new agency with an initial investment of \$13 billion. The agency aims to “build affordable housing at scale” by using flexible funding tools, public lands, and modern construction technologies³. Along with other programs such as CMHC’s programs, these large-scale initiatives across all levels of government are expected to support housing construction activity for the foreseeable future.

2 Source: Presentation Materials from *Current State of Canadian Housing Markets*, held on September 24, 2025; CMHC programs include MLI Select and the Apartment Construction Loan Program (ACLP).

3 <https://www.pm.gc.ca/en/news/news-releases/2025/09/14/prime-minister-carney-launches-build-canada-homes>

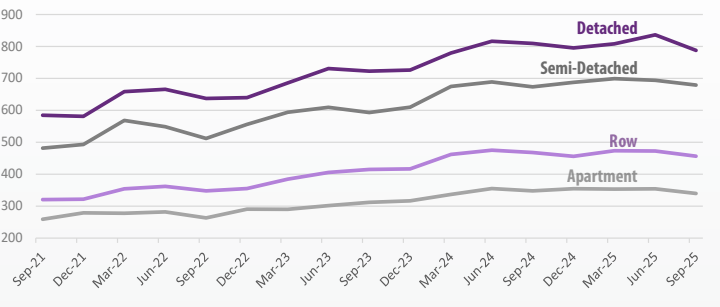
HOUSING MARKET

Key Takeaways

- Calgary’s housing market continues to soften, with lower sales, more listings and rebuilding inventory now at the highest level since Q2 2019.
- The benchmark price in Calgary declined by 4 per cent to \$577,633, signaling a cooling market with adjustments that differed by housing type and region.
- The housing price-to-income ratio remained stable at 5.6 in Q2 2025 as modest wage growth offset declines in benchmark prices.

	Q3 2024	Q2 2025	Q3 2025	YoY Change
 Housing Sales City of Calgary	6,556	7,073	5,803	-753 units
 Average Resale House Prices City of Calgary	\$612,621	\$647,719	\$614,879	+\$2,258
 Housing Price to Income Ratio Composite	5.55	5.26	5.56	+0.01

Average Resale House Prices by Structure Type
City of Calgary (thousands)



New Listings

In Q3 2025, there were approximately 11,171 new listings in Calgary, an increase of about 3 per cent compared with the same period last year. Continuing the trend seen throughout the year, new listings have grown as price appreciation has moderated. This represents the highest level of new listings for Q3 since 2007. Detached and semi-detached listings rose by 9 per cent and 16 per cent from the same time last year, reaching 5,540 and 1,000 units, supported by steady demand for larger homes. In contrast, apartment listings declined by 7 per cent to 2,817, and rowhouse listings edged down slightly to 1,814.

With slower sales and a higher volume of new listings, the sales-to-new-listings ratio has shifted further in favour of buyers. YTD in 2025, the ratio stood at 53 per cent, down from 71 per cent at the same time last year. Across most property types, the ratio is around 50 per cent.

Inventory

With slower sales and rising new listings, inventory levels have continued to build throughout the year. As of Q3 2025, Calgary recorded 6,834 active listings, up 50 per cent from a year earlier. Virtually all property types and geographic areas saw increases in inventory. This is the highest level since Q2 2019.

Detached inventory rose 48 per cent to 3,112 units, apartments increased 36 per cent to 2,025 units, semi-detached homes climbed 67 per cent to 564 units, and row houses surged 73 per cent to 1,132 units. For single-detached and semi-detached homes, this is the highest inventory since Q2 2021, while for row houses it represents the highest level on record. As of Q3 2025, the months of supply, which measures the ratio of inventory to sales, stood at 3.7 months for detached homes (up from 2.5 a year ago), 5.0 months for apartments (up from 3.2), 4.0 months for semi-detached (up from 2.0), and 3.6 months for row houses (up from 2.0).

Despite the overall buildup, inventory conditions vary across property types and regions and some combinations remain relatively tight. For example, semi-detached homes in the City Centre have 3.2 months of supply, compared with 4.0 months overall, and single-detached homes in the West have less than 3 months of supply.

Sales

In Q3 2025, Calgary recorded 5,803 sales, a 12 per cent decrease from 6,556 sales in Q3 2024. This marks the lowest sales level for Q3 since 2020, but is above the 10-year Q3 average of 5,581. The YTD sales volume also declined to \$1.0 billion, down 15 per cent from \$1.2 billion during the same period in 2024.

With supply increasing, population growth slowing, and economic uncertainty weighing on big purchases, buyers’ sentiment have waned. More selection in the listings and easing prices have reduced the urgency to purchase, leading to longer selling times. The average days on market rose to 42 days in Q3 2025, compared with 28 days a year earlier. The cooling rental market is also encouraging more potential buyers to remain on the sidelines.

Sales slowed across nearly all property types, regions, and price ranges, although some segments held up better than others. Single-detached and semi-detached home sales declined by 6 per cent and 1 per cent, to 2,882 and 549 units, respectively. Apartment and row house sales fell more sharply, by 23 per cent and 14 per cent, to 1,358 and 1,014 units.

Resale House Prices (Benchmark Prices)

Benchmark prices, which reflect the value of a typical home, declined by 4 per cent from Q3 2024 to \$577,633 in Q3 2025. As noted above, numerous indicators are showing a shift toward more balanced or buyer-favouring conditions, leading to price adjustments across most segments. The sales-to-list-price ratio has fallen across the board, reflecting the more balanced bargaining power in the current market.

By product type, the single-detached benchmark price stood at \$755,766, a 1 per cent decline from a year earlier, marking the first annual decrease since Q2 2020. While prices in the northern parts of the city softened, areas with tighter supply-demand conditions, such as the West and City Centre, recorded modest gains. The apartment benchmark price fell 6 per cent to \$325,333, and the row house benchmark declined 5 per cent to \$440,967, with nearly all regions seeing decreases, though rowhouses in the City Centre experienced the smallest decline. In contrast, semi-detached homes posted a 1 per cent increase to \$689,833, supported by growth in this product type in the City Centre.

By region, the North and Northeast recorded the steepest overall price declines, as apartments in these areas fell by double digits. In the Northeast, apartment inventory reached eight months of supply, which is reflected in an approximate 10 per cent price decrease.

Variations in benchmark price growth correspond with sales performance. Among single-detached homes, sales fell across all price ranges except those above the \$1 million range which are primarily located in the City Centre, West, and Northwest. A similar pattern is also seen for semi-detached homes, where stronger sales in higher-priced segments continue to support overall benchmark levels. Similarly, sales in lower-priced ranges in North areas have declined more sharply which are reflected in the benchmark prices.

Overall, Calgary’s resale market has softened, and buyers now have a wider range of options. However, certain segments of the market remain relatively resilient, supported by sustained popularity.

Housing Price to Income Ratio

As of Q2 2025, Calgary’s housing price-to-income ratio stood at 5.6, roughly unchanged from the same period last year but up slightly from 5.2 in Q1 2025. Although overall benchmark prices declined during the quarter, wage growth also softened, resulting in a modest uptick in the ratio. A similar trend was observed in several other regions, where housing prices continued to rise faster than wage in the second quarter.

Glossary

CMA: The Calgary CMA includes Airdrie (City), Beiseker (Village), Calgary (City), Chestermere (City), Cochrane (Town), Crossfield (Town), Irricana (Town), Rocky View County (Municipal district), and Tsuu t'ina Nation.

CER: 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), Tsuu t'ina Nation, Turner Valley (Town).

Benchmark prices: According to CREB, benchmark price refers to the price of a typical home in an area as calculated by the Calgary Real Estate Board (CREB).

Next Update: January 2026

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, CMHC, CREA, CREB, Statistics Canada, The City of Calgary.