



# Inflation Review

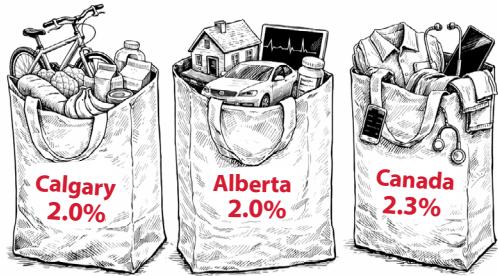
Hotaka Kobori Associate Economist | Estella Scruggs Senior Corporate Research Analyst | Lalita Sedrović Finance Coordinator

February 17, 2026

## HIGHLIGHTS

### Headline Inflation Comparison\*

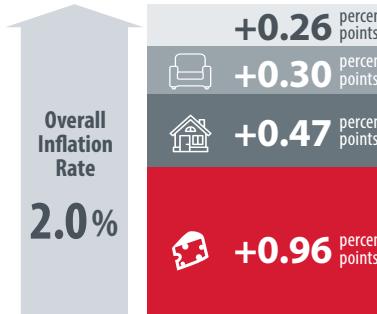
January 2026



\*Compared to the same month last year

### Main Contributors to Alberta's Inflation Rate

January 2026



### Calgary's inflation rate decelerated to 2.0 per cent in January 2026, while the national rate also eased to 2.3 per cent

In January 2026, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) rose 2.0 per cent year over year (YoY), down from 2.3 per cent in December 2025. Alberta's inflation rate also slowed to 2.0 per cent from 2.1 per cent a month earlier, while Canada's overall inflation edged down to 2.3 per cent in January 2026 from 2.4 per cent in December 2025.

The national deceleration was partly driven by declines in gasoline prices and softer shelter cost pressures. In Alberta, lower prices for cellular services and furniture contributed to month-over-month easing in headline inflation. However, food inflation accelerated to 5.8 per cent from 4.9 per cent, partly due to baseline effects related to the GST holiday in place from December 2024 to February 2025, as discussed in the [November 2025 Inflation Review](#). Alberta also continued to experience upward pressure in vehicle insurance premiums, which rose 16.7 per cent YoY, remaining the highest rate of increase in the nation for the sixth consecutive month.

### How much does the new Canada Groceries and Essentials Benefit offset grocery spending increases since the pandemic?

On January 26, the federal government announced a new Canada Groceries and Essentials Benefit. This measure enhances the existing GST/HST credit through a temporary top up of 50 per cent in 2026-27, followed by a permanent increase of 25 per cent from 2026 to 2030, indexed to inflation. The combined fiscal cost is estimated at \$11.7 billion<sup>1</sup>.

A single individual could receive up to \$402 (or 74 per cent increase from the maximum base amount of \$543) in additional benefits in 2026-27. The stated purpose of the program is to *"offset grocery cost increases beyond overall*

*inflation since the pandemic*". The following analysis examines the extent to which the program is likely to offset recent increases in grocery spendings.

Based on the latest Survey of Household Spending, a one-person household in Canada spent an average of \$4,607 annually on food purchased from stores in 2023. As per CPI, food purchased from stores rose 5.8 per cent between 2023 and 2025. Holding purchasing patterns constant, this implies average annual grocery spending of about \$4,874 in 2025.

Compared with pre-pandemic levels, average annual spending rose by about \$800 relative to 2019, when one person households spent approximately \$4,078. Taken together, the increase in grocery spending since the pandemic generally exceeds the maximum additional benefit of \$402 for this type of household. This suggests that while the new benefit may help offset part of the increase in grocery spendings, it is unlikely to fully offset cumulative food price increases experienced since the pandemic.

While overall inflation has moderated, food inflation has remained elevated in 2025, driven in part by higher beef and coffee prices. In Alberta, food inflation remains one of the fastest growing major CPI components since 2020 climbing by 27 per cent, second only to shelter (+28.8 per cent) which is moderating. As a result, grocery prices have increased (30.4 per cent) faster than overall inflation (19.0 per cent) since 2020, highlighting the persistence of food-related cost pressures for households.

## Inflation Rates

	Relative Importance (%) <sup>*</sup>	Year-over-year (%)		
		Jan-26	Dec-25	Nov-25
<b>Calgary: All-items</b>	<b>100.00</b>	<b>2.0</b>	<b>2.3</b>	<b>2.1</b>
Shelter	28.73	1.4	2.3	2.1
Rented accommodation	6.12	2.4	4.9	3.2
Owned accommodation	19.12	1.9	2.3	2.7
Water, fuel and electricity	3.48	-3.6	-4.6	-5.1
<b>Alberta: All-items</b>	<b>100.00</b>	<b>2.0</b>	<b>2.1</b>	<b>1.9</b>
Alberta: All-items excluding food and energy	78.28	2.6	2.9	2.5
<b>Canada: All-items</b>	<b>100.00</b>	<b>2.3</b>	<b>2.4</b>	<b>2.2</b>
Canada: All-items excluding food and energy	77.26	2.4	2.5	2.4

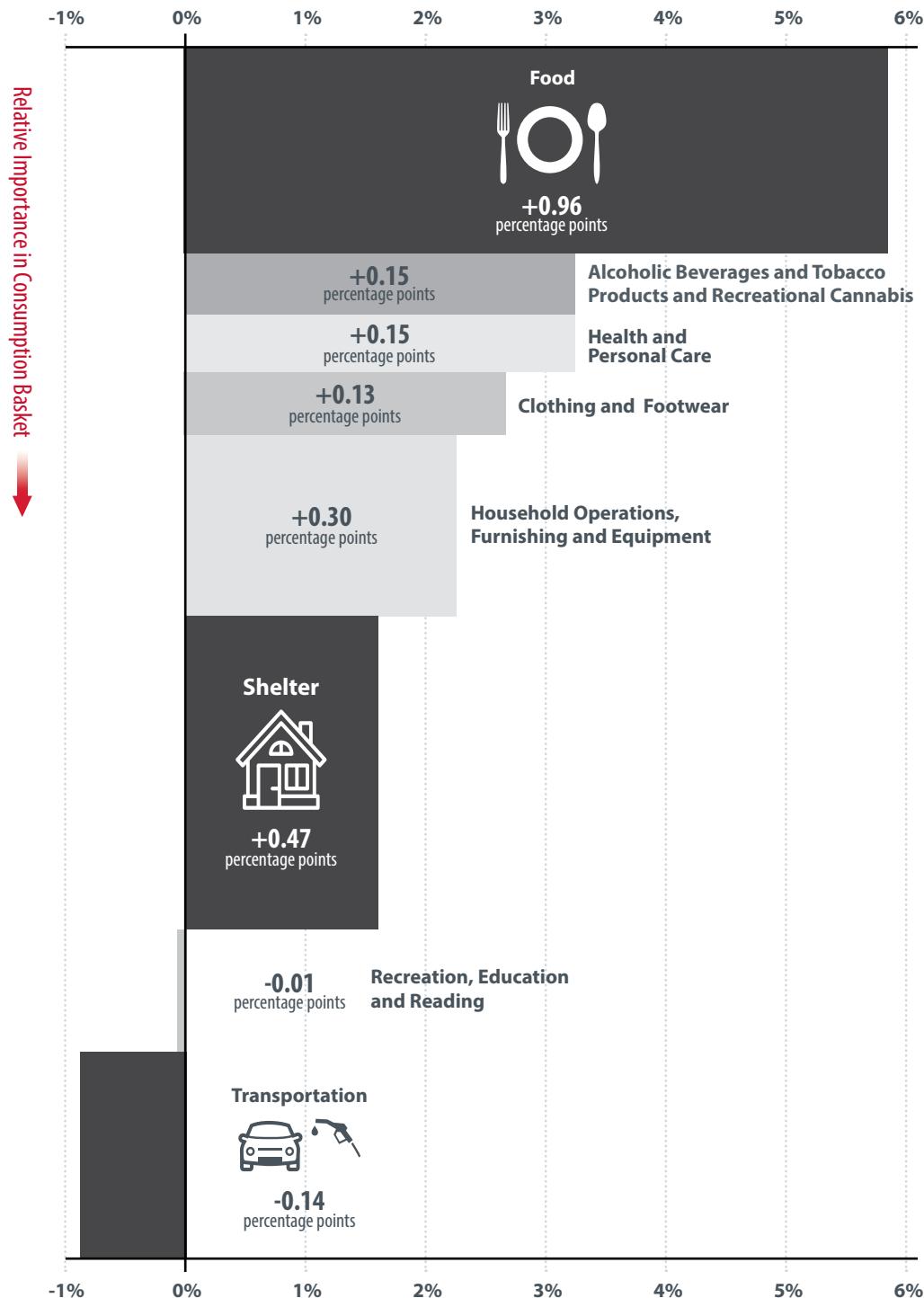
\* CPI basket weights are based on the 2024 expenditure data, modified in June 2025.

Sources: Statistics Canada, Corporate Economics, February 17, 2026.

## Contribution of Consumer Items to Inflation: Alberta

January 2026

Inflation Rate 



The calculation for contribution incorporates the effects of changes in basket weight. The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Sources: Statistics Canada, Corporate Economics, February 17, 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.

For media inquiry, please contact:  
The Media Line at **403.828.2954**  
or  
[media.relations@calgary.ca](mailto:media.relations@calgary.ca)

For the technical questions, please contact:

**Chris Jacyk**  
Manager, Economics, Regulatory, Long-Range Financial Planning  
[chris.jacyk@calgary.ca](mailto:chris.jacyk@calgary.ca)

**Hotaka Kobori**  
Associate Economist  
[hotaka.kobori@calgary.ca](mailto:hotaka.kobori@calgary.ca)

**Stella Scruggs**  
Senior Corporate Research Analyst  
[estella.scruggs@calgary.ca](mailto:estella.scruggs@calgary.ca)

**Lalita Sedrović**  
Finance Coordinator  
[lalita.sedrović@calgary.ca](mailto:lalita.sedrović@calgary.ca)

Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy).

The City of Calgary provides this information in good faith. However, the aforementioned organization makes no representation, warranty or condition, statutory express or implied, takes no responsibility for any errors and omissions which may be contained herein and accepts no liability for any loss arising from any use or reliance on this report.

Sources:  
Bank of Canada, Statistics Canada,  
Corporate Economics