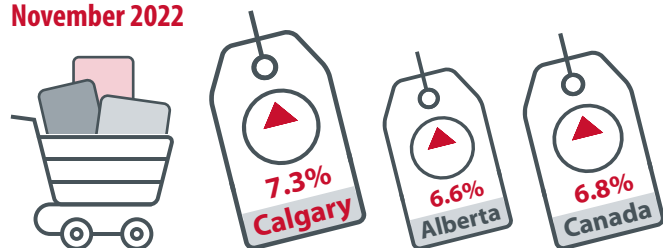


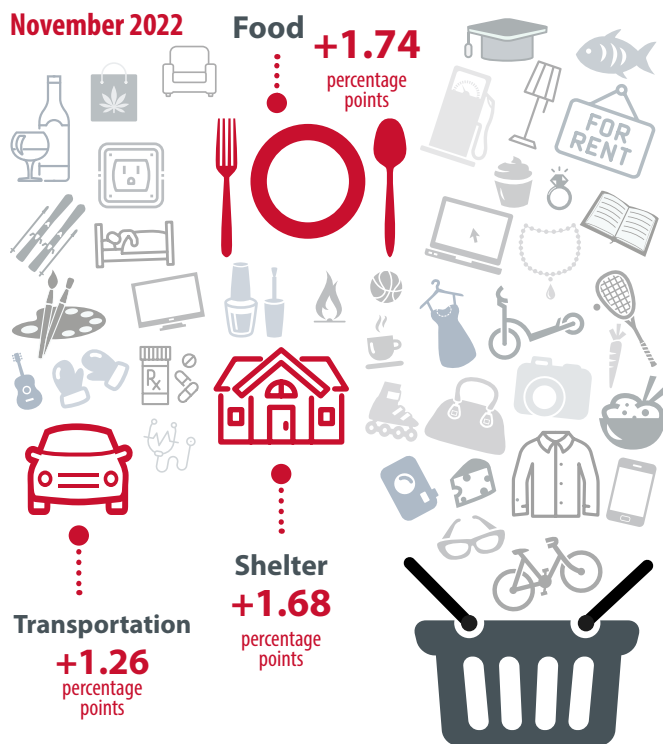
Headline Inflation Comparison

November 2022



Major Contributors to Alberta's Inflation Rate

November 2022



Inflation in Calgary remains stubbornly high

In November 2022, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 7.3 per cent over the previous twelve months. This was slightly below the rate of 7.4 per cent reported for October 2022, but remained far above the target rate of 2 per cent.

Despite decreases in the inflation rate for utilities and lower gasoline prices, inflation persisted in other key categories to keep Calgary's inflation rate high. While food prices continue to be a leading cause of inflation, the increasing cost of shelter is another key challenge for Calgary. While the Canadian Real Estate Association reports that the national benchmark house price fell by 4.4 per cent year-over-year in November, the benchmark price increased by 9.3 per cent in Calgary. In addition, sharply rising interest rates have impacted the cost of mortgages across the country. Strong demand for housing in Calgary due to a strengthened economy and migration to the city was a major factor behind the increases of 11.4 per cent in the total cost of owned accommodation and 6.3 per cent in the total cost of rented accommodation in November.

Significant price increases across all categories in Alberta

Alberta's year-over-year CPI inflation dropped slightly to 6.6 per cent in November. Canada's inflation rate remained slightly higher than Alberta's at 6.8 per cent. Inflation was lower in both Alberta and Canada than in the Calgary CMA.

In November, food prices continued to grow the fastest of all categories in Alberta, rising by 10.6 per cent year-over-year. Ongoing supply chain disruptions, extreme weather around the globe, and the Russian invasion of Ukraine continued to affect food supply, putting upward pressure on prices.

November's year-over-year price increase for transportation was 7.1 per cent in Alberta, decelerating from the 9.9 per cent increase reported in October. Gasoline prices fell 9.6 per cent over the month from October. The price decrease was due to the reopening of refineries in the western United States and a fall in global demand due to increasing interest rates and global recession fears. Despite the monthly decrease, gasoline prices in November 2022 remained 6.9 per cent higher than in November 2021.

Inflation Rates

	Relative Importance (%)*	Year-over-year (%)			Year-to-Date Average (%)
		Nov-22	Oct-22	Sep-22	
Calgary: All-items	100.00	7.3	7.4	6.8	7.3
Shelter	25.77	8.4	8.2	8.1	8.6
Rented accommodation	5.81	6.3	5.8	9.1	5.6
Owned accommodation	15.83	11.4	10.9	8.9	7.8
Water, fuel and electricity	4.14	1.6	2.5	4.0	14.4
Alberta: All-items	100.00	6.6	6.8	6.2	6.5
Alberta: All-items excluding food and energy	75.90	5.8	5.5	5.3	4.6
Canada: All-items	100.00	6.8	6.9	6.9	6.8
Canada: All-items excluding food and energy	76.65	5.4	5.3	5.4	4.9

* CPI basket weights are based on the 2021 expenditure data, modified on December 2022.

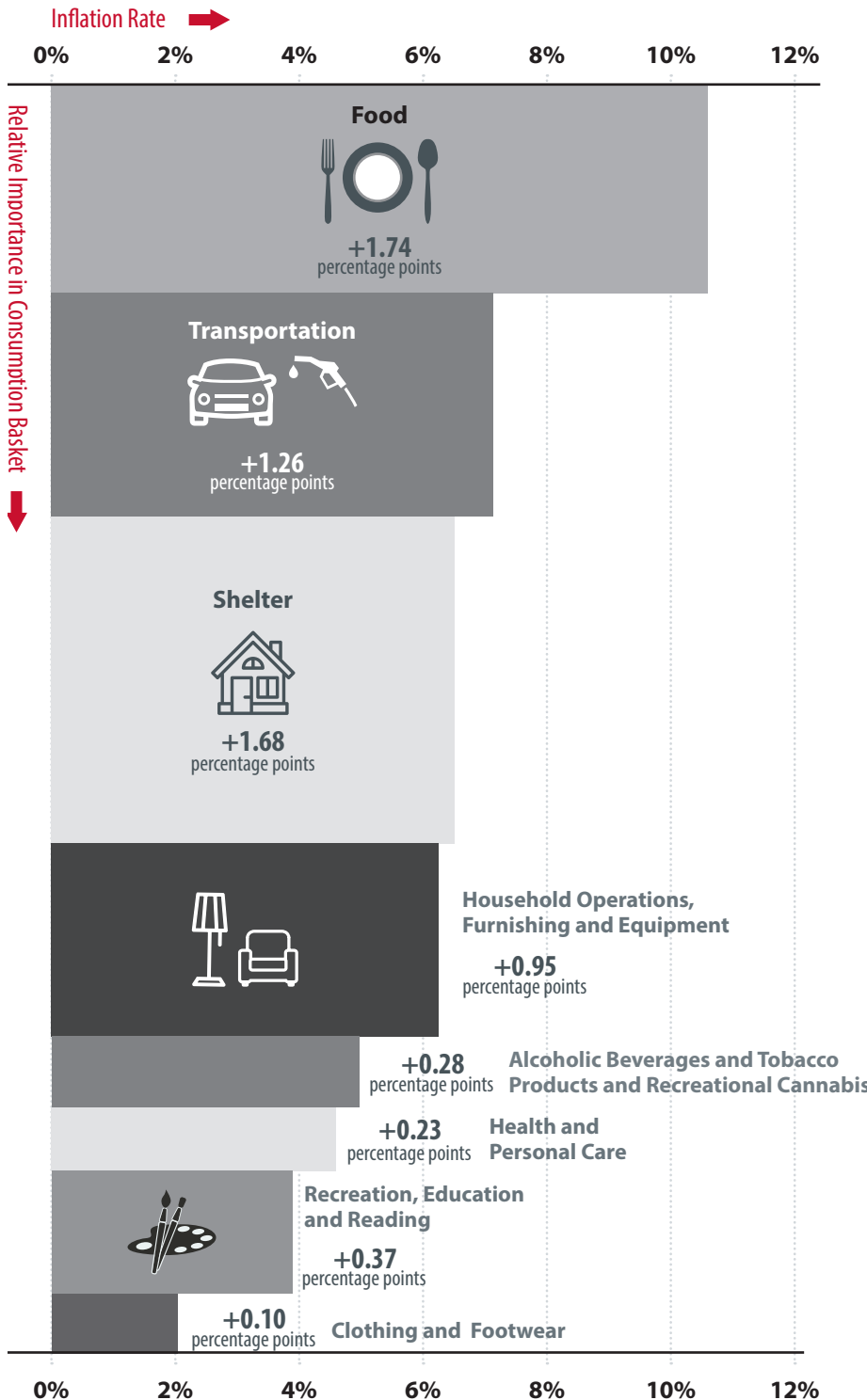
Sources: Statistics Canada, Corporate Economics, December 21, 2022.

The cost of shelter in Alberta increased by 6.5 per cent year-over-year in November, with the most significant increases stemming from owned accommodation costs.

Year-over-year price increases occurred across all major categories in Alberta. However, prices for a few individual items have decreased since November 2021. These include home entertainment equipment, children's clothing, and electricity.

Contribution of Consumer Items to Inflation: Alberta

November 2022



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, Statistics Canada, Corporate Economics.