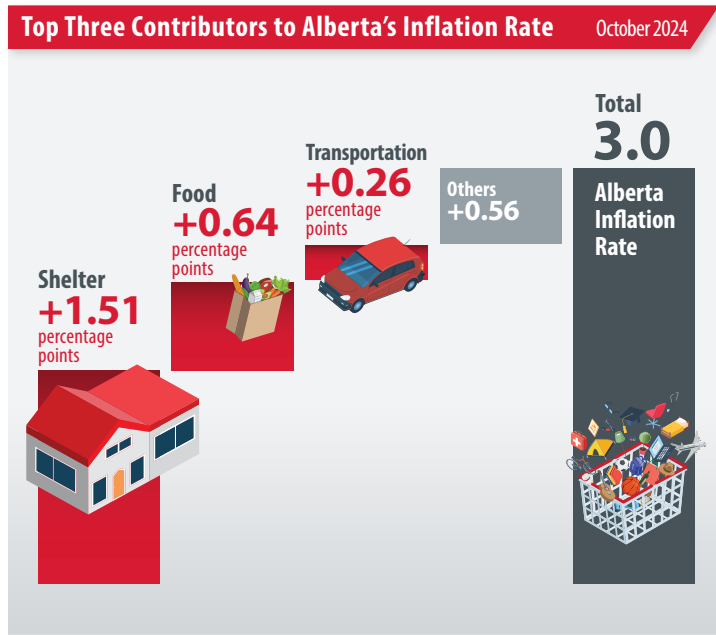
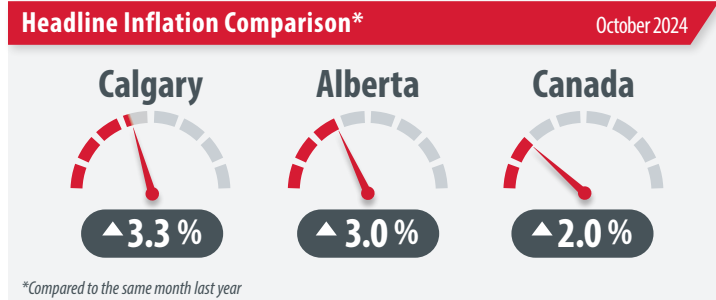


## HIGHLIGHTS



The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

## Inflation Rates

	Relative Importance (%)*	Year-over-year (%)		
		Oct-24	Sep-24	Aug-24
<b>Calgary: All-items</b>	<b>100.00</b>	<b>3.3</b>	<b>2.1</b>	<b>2.3</b>
Shelter	27.18	6.6	4.8	4.4
Rented accommodation	5.49	13.3	14.3	15.9
Owned accommodation	18.02	8.2	8.1	9.4
Water, fuel and electricity	3.67	-9.8	-17.8	-22.4
<b>Alberta: All-items</b>	<b>100.00</b>	<b>3.0</b>	<b>1.9</b>	<b>2.0</b>
Alberta: All-items excluding food and energy	75.39	3.3	2.9	3.0
<b>Canada: All-items</b>	<b>100.00</b>	<b>2.0</b>	<b>1.6</b>	<b>2.0</b>
Canada: All-items excluding food and energy	76.30	2.3	2.4	2.4

\* CPI basket weights are based on the 2023 expenditure data, modified in June 2024. Sources: Statistics Canada, Corporate Economics, November 19, 2024.

## Calgary's inflation rate rose to 3.3 per cent in October 2024, while the national inflation rate edged up slightly to 2.0 per cent.

In October 2024, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) increased by 3.3 per cent year-over-year (YoY), up from September's 2.1 per cent, marking the highest inflation rate in Canada. This rise from September's reading was primarily driven by utility costs. Although electricity prices remain lower than a year ago, their disinflationary impact diminished compared to September. Similarly, Alberta's inflation rate climbed to 3.0 per cent from September's 1.9 per cent. At the national level, inflation increased slightly to 2.0 per cent from 1.6 per cent in September, driven by a smaller decline in gasoline prices and higher grocery costs. As inflation rates remaining within the Bank of Canada's (BoC) target range, BoC reduced its policy interest rate by 0.50 percentage points on October 23, 2024, marking its fourth consecutive cut. This adjustment lowered the policy rate to 3.75 per cent, the lowest level since October 26, 2022. The BoC's final meeting of 2024 is scheduled for December 11<sup>th</sup>. According to its October Monetary Policy Report, annual national inflation is projected to average 2.5 per cent in 2024 and 2.2 per cent in 2025.

## How much do property tax increases contribute to Alberta's overall inflation?

Property taxes are one of the few items within the CPI that municipalities have direct influence over (other items include local commuter transportation), though municipalities can also indirectly affect other components, such as shelter costs, through planning and zoning regulations. Every November (for the reference month of October), Statistics Canada updates its index for property taxes and other special charges. This index, which is determined by both provincial and municipal components of property taxes, the assessed value of homes, as well as other charges levied on homeowners (e.g., waste and recycling fees), is only available at both the provincial and national levels, with Calgary's data included in Alberta's calculation<sup>1</sup>. As of October 2024, Alberta's property taxes and other special charges saw a 6.3 per cent increase YoY, up from last year's 3.8 per cent increase, ranking fifth highest in the country. Following the approach by Chen & Tombe (2023), the contribution of property taxes and other special charges to Alberta's overall inflation is estimated to be around 0.14 per cent<sup>2</sup>. In other words, Alberta's inflation rate for October would have been 2.9 per cent, instead of the reported 3.0 per cent, had property taxes and special charges data in all surveyed municipalities remained the same as in 2023.

## Cellular service prices continue to pull down inflation in Alberta amid Black Friday sales.

If you're shopping for a new mobile plan during Black Friday sales, you may find that prices are cheaper than last year—and you're not the only one noticing. In October 2024, cellular service prices in Alberta, which have been included in the CPI since April 2023, saw an 8.4 per cent YoY decline. According to the Government of Canada, increased competition has contributed to this drop<sup>3</sup>. In fact, cellular services have been one of the key downward pressures on Alberta's overall inflation in recent years. It is worth noting, however, that Statistics Canada has advised caution when interpreting YoY figures, as an updated methodology was introduced in August. This new approach incorporates transaction data, including detailed plan information such as the number of subscribers on each plan offered by participating wireless companies, rather than relying solely on advertised plans on websites, to reflect price changes more accurately<sup>4</sup>.

<sup>1</sup> <https://www150.statcan.gc.ca/n1/pub/62f0014m/62f0014m2023007-eng.htm>

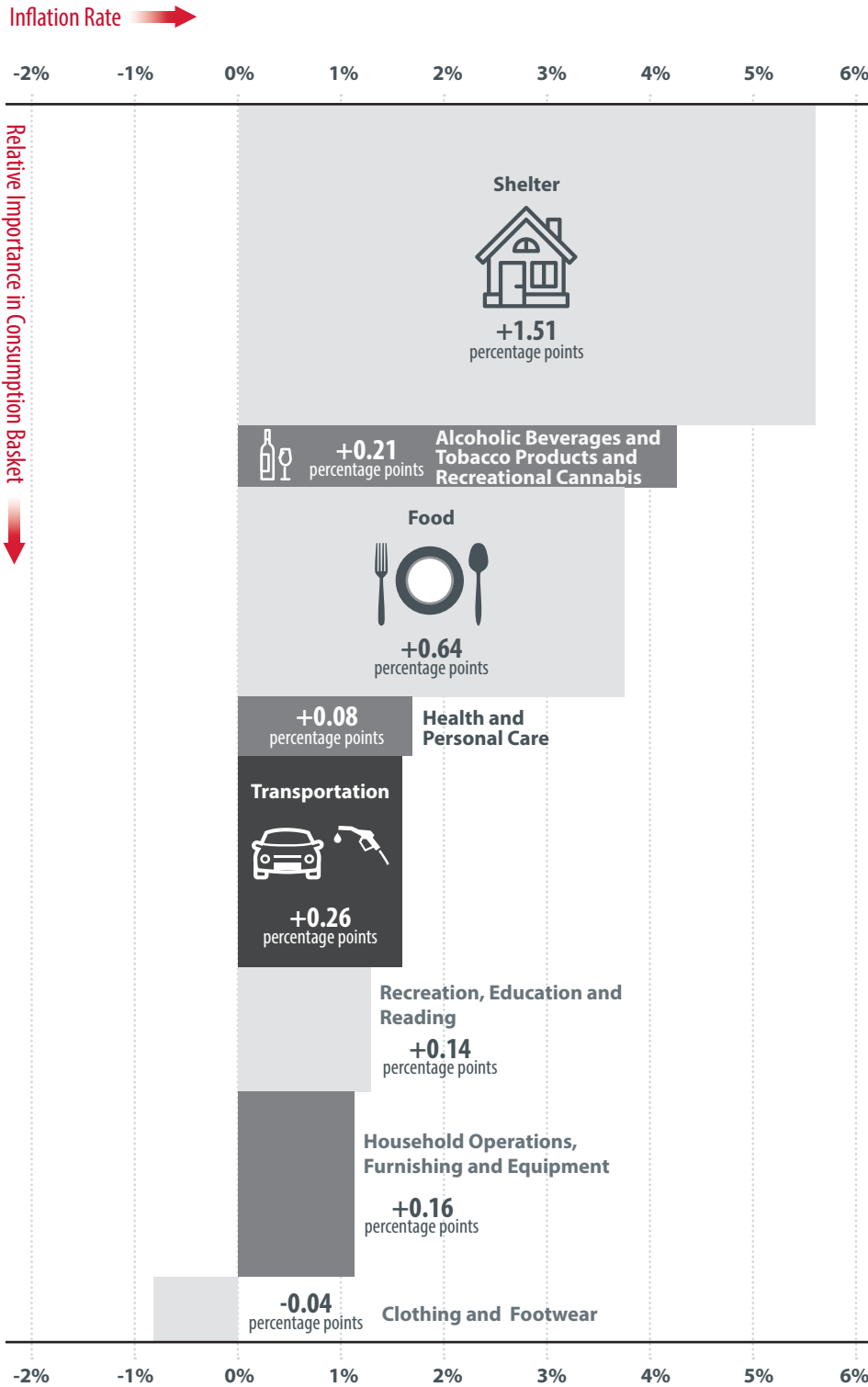
<sup>2</sup> Chen, Y., & Tombe, T. (2023). The rise (and fall?) of inflation in Canada: A detailed analysis of its post-pandemic experience. *Canadian Public Policy*, 49(2), 197-217.

<sup>3</sup> <https://www150.statcan.gc.ca/n1/pub/62f0014m/62f0014m2024005-eng.htm>

<sup>4</sup> <https://www.canada.ca/en/innovation-science-economic-development/news/2024/04/prices-for-telecom-services-continue-to-decline.html>

## Contribution of Consumer Items to Inflation: Alberta

October 2024



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, November 19, 2024.

Next release: December 17, 2024

### 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.