

Inflation Review

December 2025

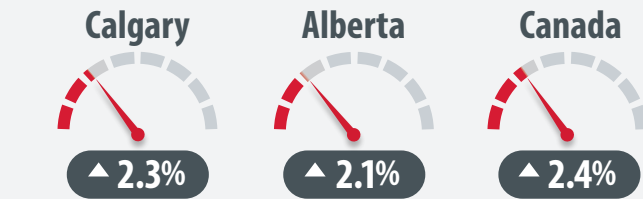
Hotaka Kobori Associate Economist | Estella Scruggs Senior Corporate Research Analyst

January 19, 2026

HIGHLIGHTS

Headline Inflation Comparison*

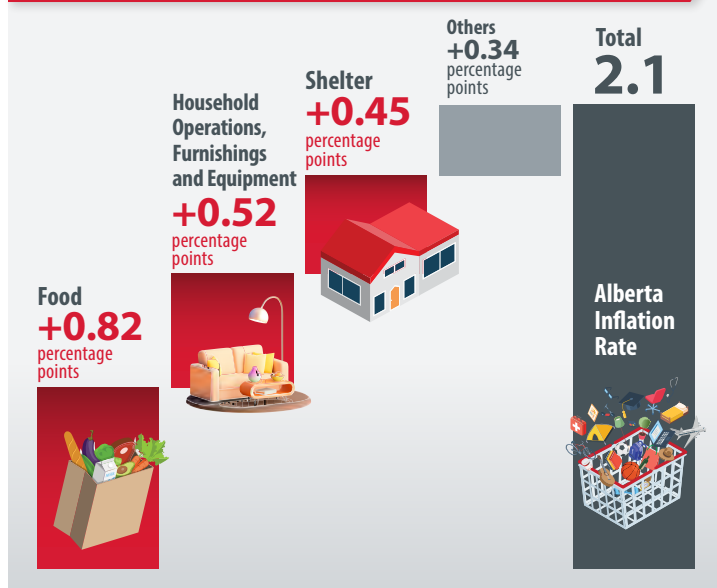
December 2025



*Compared to the same month last year

Top Three Contributors to Alberta's Inflation Rate

December 2025



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

Inflation Rates

	Relative Importance (%)*	Dec-25	Year-over-year (%) Nov-25	Oct-25
Calgary: All-items	100.00	2.3	2.1	2.1
Shelter	28.73	2.3	2.1	3.1
Rented accommodation	6.12	4.9	3.2	6.1
Owned accommodation	19.12	2.3	2.7	3.0
Water, fuel and electricity	3.48	-4.6	-5.1	-4.4
Alberta: All-items	100.00	2.1	1.9	1.8
Alberta: All-items excluding food and energy	78.28	2.9	2.5	2.9
Canada: All-items	100.00	2.4	2.2	2.2
Canada: All-items excluding food and energy	77.26	2.5	2.4	2.7

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

Sources: Statistics Canada, Corporate Economics, January 19, 2026.

Calgary's inflation rate accelerated to 2.3 per cent in December 2025, while the national rate edged up to 2.4 per cent

In December 2025, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) rose 2.3 per cent year-over-year (YoY), up from 2.1 per cent in November. Alberta's inflation rate also edged up to 2.1 per cent from 1.9 per cent the previous month, while Canada's overall inflation accelerated to 2.4 per cent in December from 2.2 per cent in November.

The acceleration seen nationwide was partly driven by baseline effects related to the GST holiday that was in effect from December 2024 to February 2025, as discussed in the [November 2025 Inflation Review](#). In Alberta, food purchased from restaurants rose 4.3 per cent YoY, compared with 1.6 per cent in November. Prices for children's clothing also increased at a faster pace, rising 9.7 per cent YoY in December compared with 7.5 per cent the previous month.

Calgary's annual inflation rate was 2.0 per cent in 2025, following a cumulative increase of 21.1 per cent since 2020

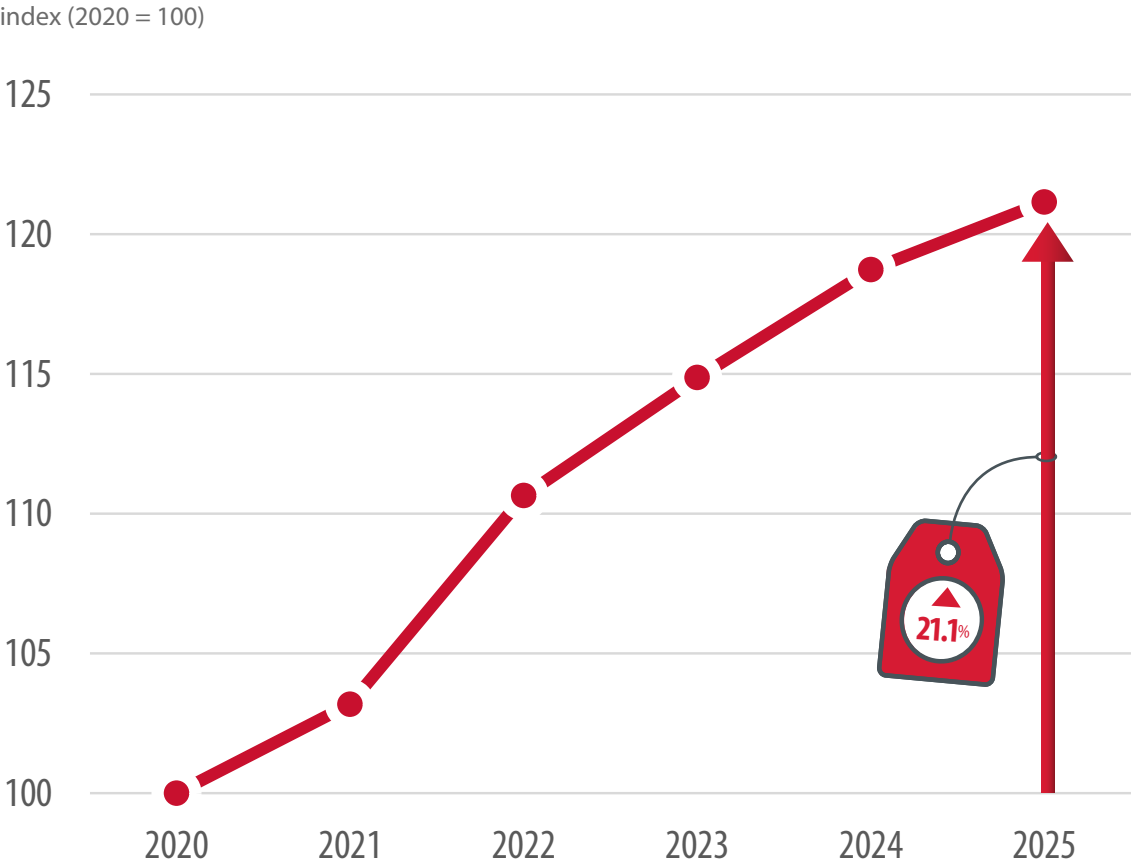
With December figures now available, the annual inflation rate for the Calgary CMA in 2025 came in at 2.0 per cent, down from 3.4 per cent in 2024. This marked the slowest pace of annual price growth since 2020 (+1.1 per cent). Lower gasoline prices, which declined 8.9 per cent in 2025, helped suppress headline inflation over the year. This decline was driven by the removal of the consumer carbon tax in April 2025, alongside weaker global commodity prices.

Weaker housing market conditions in Calgary, reflecting softer market fundamentals and tariff related uncertainty, contributed to slower increases in rents and owned accommodation costs. Declining mortgage interest rates further eased pressures on overall shelter costs, which rose 2.6 per cent in 2025 compared with 7.0 per cent in 2024. These moderating trends were partially offset by sharp increases in home insurance costs in Alberta, which have recorded the highest growth rates in Canada since April 2025.

Tariffs have so far had a limited direct impact on consumer prices in 2025, in part due to lower than expected pass through to households. However, underlying inflation pressures remain persistent, particularly in food prices, which rose 3.1 per cent over the year.

While inflation generally decelerated in 2025, the cumulative impact since the pandemic has significantly raised the cost of living in Calgary. The CPI in the Calgary CMA has increased by 21.1 per cent since 2020 and 30.5 per cent since 2015. For reference, \$100 in 2025 has the same purchasing power as \$82.5 in 2020 and \$76.6 in 2015, reflecting the erosion of consumer purchasing power over time.

Chart 1: Cumulative Inflation Rate since 2020, Calgary CMA

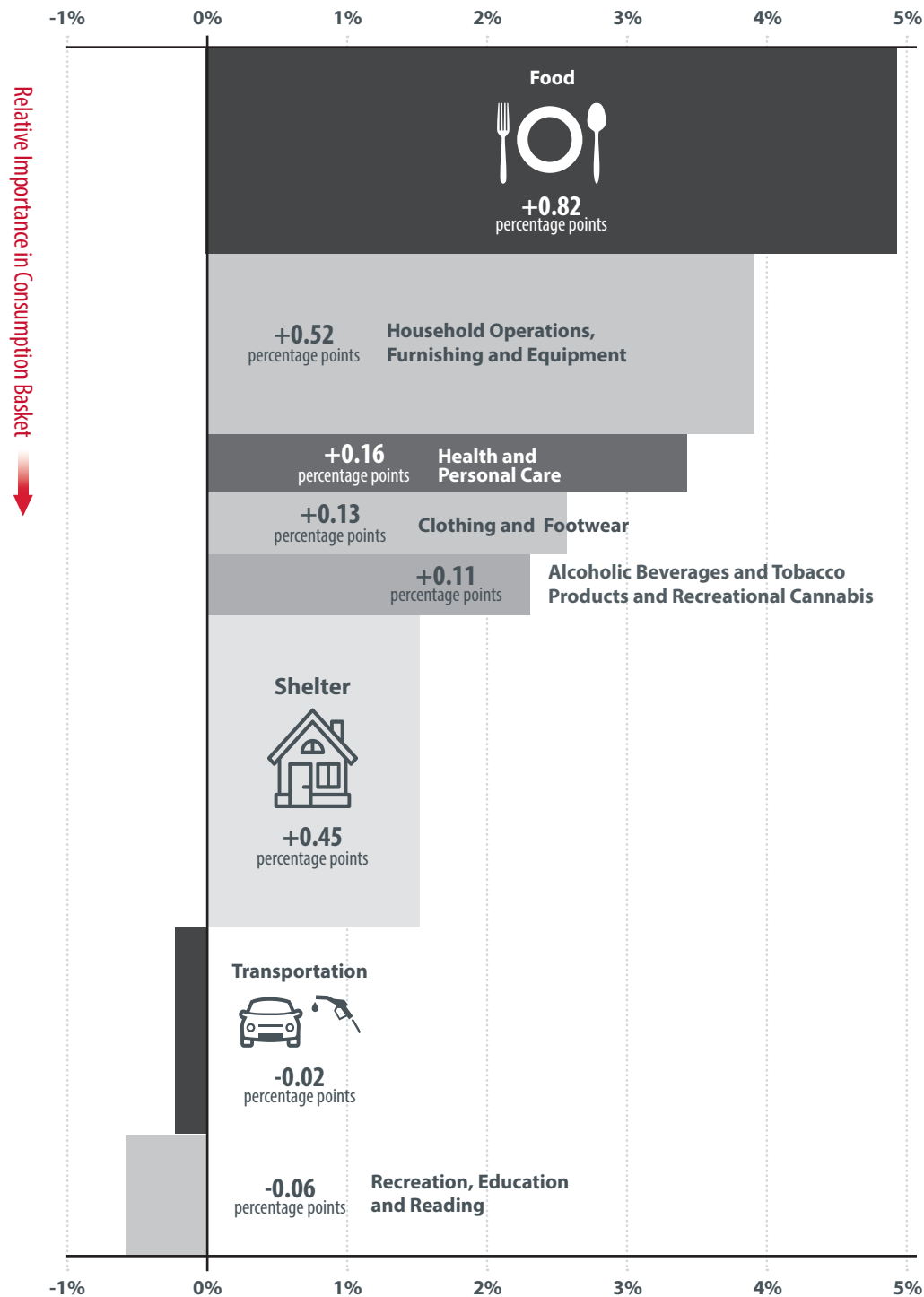


Source: Statistics Canada, Corporate Economics.

Contribution of Consumer Items to Inflation: **Alberta**

December 2025

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, January 19, 2026.

Next release: **February 17, 2026**

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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

For the technical questions, please contact:

Chris Jacyk

Manager, Economics, Regulatory,
Long-Range Financial Planning
chris.jacyk@calgary.ca

Hotaka Kobori

Associate Economist
hotaka.kobori@calgary.ca

Estella Scruggs

Senior Corporate Research Analyst
estella.scruggs@calgary.ca

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Sources:
Bank of Canada, Statistics Canada,
Corporate Economics