

# Current Economic Analysis

Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

October 31, 2011



- In September 2011, Calgary's 12-month-moving-average inflation rate increased to 1.5 per cent from 1.4 per cent in August 2011 and 0.8 per cent in September 2010. Nationally, the inflation rate also increased to 2.8 per cent from 2.7 per cent last month and 1.4 per cent in September 2010.
- The unemployment rate in the Calgary Economic Region (CER) was 6.1 per cent in September 2011, down from 6.9 per cent in the previous year. Nationally, the unemployment rate was 7.4 per cent, down from 8.2 per cent in September 2010.
- Total employment in the CER was 793,200 in September 2011, an increase of 26,300 from 766,900 in September 2010.
- In September 2011, the average hourly wage in Calgary was \$26.41, a slight increase of 0.8 per cent compared to a year ago. In Alberta, the average hourly wage was \$25.73, an increase of 1.9 per cent compared to September 2010.
- Between August 2010 and August 2011, the number of Calgarians receiving regular employment insurance fell by 32.7 per cent to 10,580. In Alberta, the number fell by 27.7 per cent to 33,170.
- In September 2011, the average price of oil (WTI) was USD\$85.61/bbl, down 0.8 per cent from August 2011. The average price of natural gas was \$3.43/GJ, down 0.9 per cent from the previous month.
- The Canadian prime business loan rate remained unchanged at 3 per cent in September 2011.
- The Index of Consumer Confidence increased slightly by 0.3 points from the previous month to 75 (2002 = 100).
- In August 2011, Alberta retail sales were estimated at \$5.3 billion (seasonally adjusted), a 1.4 per cent increase over the previous month and a 6.4 per cent increase year-over-year.
- Alberta wholesale merchants' sales were estimated at \$6 billion (seasonally adjusted) in August 2011, up 1.1 per cent from the previous month and 13.4 per cent from August 2010.
- Alberta manufacturing sales were estimated at \$5.8 billion (seasonally adjusted) in August 2011, up 0.4 per cent from the previous month and 15.6 per cent from August 2010.
- Real gross domestic product (GDP) rose 0.3 per cent in August 2011, following increases of 0.4 per cent in July and 0.2 per cent in June.
- In September 2011, total housing starts in Calgary (CMA) reached 810 units, down from 1,237 units in August but up from 796 units a year ago.
- Calgary housing sales in September 2011 was 1,793 units, down 6.3 per cent from 1,914 units in August but up 11.6 per cent from 1,607 units a year ago.
- September's MLS average sale price for Calgary was \$419,632, up 2.7 per cent from last month's average of \$408,637, and 2.2 per cent from \$410,707 a year ago.

*Next release: November 30, 2011*

**Note:** In January 2011, Statistics Canada applied a standard revision to its Labour Force Survey estimates following the release of final population estimates from Census 2006. As a result, the data that are related to employment have been revised accordingly.

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Sources: Statistics Canada, CMHC, CREB, MLS, Bank of Canada, Conference Board of Canada, GLJ Energy Publications, The City of Calgary, Office of the Superintendent of Bankruptcy and others.

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City of Calgary Monthly Economic Indicators	2008	2009	2010	2010					2011								
				Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>General Indicators</b>																	
<b>Inflation (12-month-moving-average)</b>																	
Calgary Census Metropolitan Area (CMA)	3.2%	-0.1%	0.8%	0.6%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	1.0%	1.1%	1.2%	1.2%	1.4%	1.5%
Canada	2.4%	0.3%	1.8%	1.2%	1.4%	1.6%	1.7%	1.8%	1.8%	1.9%	2.0%	2.1%	2.3%	2.5%	2.6%	2.7%	2.8%
<b>Unemployment Rate</b>																	
Calgary Economic Region (C.E.R.)	3.3%	6.3%	7.0%	6.9%	6.9%	6.9%	6.1%	5.9%	5.9%	6.1%	6.1%	6.0%	5.9%	5.7%	5.7%	6.1%	6.1%
Canada	6.1%	8.1%	8.1%	8.2%	8.2%	7.8%	7.3%	7.1%	7.4%	7.7%	8.1%	8.1%	7.9%	7.5%	7.3%	7.5%	7.4%
C.E.R. Employment (Person - 000s)	768	765	755	772	767	760	757	757	754	755	756	757	762	774	789	796	793
Employment insurance Alberta - # of recipients (seasonally adjusted)	17,702	56,556	49,848	45,900	48,020	47,210	47,120	46,130	44,350	42,130	39,080	37,020	34,610	33,770	32,380	33,170	
Year-over-year % change	5.7%	217.3%	-0.2%	-20.9%	-33.1%	-35.4%	-34.6%	-31.2%	-24.9%	-24.2%	-25.7%	-26.8%	-29.7%	-30.6%	-31.6%	-27.7%	
Employment insurance Calgary - # of recipients (unadjusted)	4,903	17,747	15,645	15,720	12,280	11,600	11,810	12,990	14,590	14,010	13,230	12,060	10,130	9,710	9,680	10,580	
Year-over-year % change	9.7%	261.9%	-11.8%	-29.0%	-35.2%	-37.2%	-36.9%	-34.0%	-29.8%	-30.2%	-31.2%	-31.4%	-36.2%	-33.5%	-36.4%	-32.7%	
City of Calgary Population Estimate (000s) <sup>†</sup>	1,043 <sup>‡</sup>	1,065 <sup>‡</sup>	1,072 <sup>‡</sup>	1,078	1,080	1,081	1,083	1,084	1,086	1,088	1,089	1,091	1,093	1,095	1,097	1,099	1,101
West Texas Intermediate (\$US/barrel)	99.64	61.78	79.52	76.68	75.55	81.97	84.14	89.23	89.62	89.74	102.98	110.04	101.39	96.29	97.34	86.34	85.61
Alberta Natural Gas (Cdn\$/GJ)	7.73	3.78	3.80	3.22	3.37	3.13	3.50	3.69	3.80	3.39	3.52	3.54	3.69	3.78	3.51	3.46	3.43
Canadian real GDP y-o-y % Change - (Chained 2002 dollar)	0.6%	-2.6%	3.3%	4.3%	3.6%	3.7%	3.4%	3.4%	3.4%	3.1%	2.8%	2.8%	2.1%	2.0%	2.3%	2.4%	
Canadian real GDP m-o-m % Change - (Chained 2002 dollar)	NA	NA	NA	0.3%	-0.1%	0.3%	0.4%	0.5%	0.5%	-0.1%	0.2%	-0.0%	-0.3%	0.2%	0.4%	0.3%	
Prime lending rate - Bank of Canada (%)	4.73%	2.40%	2.60%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Consumer Indicators</b>																	
Hourly earnings - Alberta (\$) Year-over-year % change	5.6%	4.4%	1.3%	0.7%	0.7%	0.2%	0.2%	2.1%	0.8%	3.5%	1.2%	0.7%	1.6%	2.0%	-0.4%	0.2%	1.9%
Hourly earnings - Calgary (\$) Year-over-year % change	5.8%	3.7%	1.0%	0.3%	0.8%	0.3%	0.6%	1.0%	0.3%	0.6%	-0.2%	0.4%	0.3%	1.3%	0.5%	0.5%	0.8%
Retail sales - Alberta (\$ billions)	61.1	56.0	59.6	5.0	5.0	5.1	5.2	5.2	5.1	5.2	5.2	5.2	5.3	5.2	5.2	5.3	
Consumer confidence - Canada	77.7	71.4	84.7	79.4	78.1	79.7	83.6	81.0	88.1	89.3	83.7	87.7	85.6	83.1	81.3	74.7	75.0
Housing starts - Calgary CMA	11,438	6,318	9,262	858	796	784	555	486	518	627	403	556	707	719	658	1,237	810
# of personal bankruptcies - Alberta	6,066	9,986	8,150	615	732	700	667	519	578	636	680	640	617	649	534		
Calgary Housing (# of units sold) MLS	23,137	24,880	20,996	1,559	1,607	1,442	1,427	1,251	1,292	1,917	2,273	2,087	2,220	2,431	1,976	1,914	1,793
Household sales/listing ratio - Calgary	41.77	61.13	47.97	45.52	41.45	46.16	57.33	84.24	36.28	47.97	51.95	49.88	47.82	55.25	52.32	49.87	44.95
Current month average house price - Calgary Metro (\$000)	412.9	394.8	409.6	396.3	410.7	403.7	411.2	389.9	402.3	409.3	410.9	424.7	428.5	424.3	411.8	408.6	419.6
Year-over-year % change of Calgary City MLS average prices	-2.9%	-4.4%	3.7%	-0.4%	-0.4%	-1.5%	-0.9%	-3.0%	1.7%	2.4%	-2.3%	4.7%	-1.1%	-2.1%	-1.0%	3.1%	2.2%
<b>Business Indicators</b>																	
Wholesale sales - Alberta - seasonally adjusted (\$billions)	68.7	59.0	62.9	5.3	5.5	5.5	5.6	5.6	5.6	5.6	5.7	5.5	5.8	6.0	6.0	6.0	
Manufacturing sales - Alberta - seasonally adjusted (\$billions)	70.4	54.5	59.8	5.0	5.1	5.2	5.2	5.4	5.4	5.5	5.7	5.8	5.6	5.6	5.8	5.8	
# of new businesses	**	**	**	269	374	571	553	649	NA	19 <sup>++</sup>	224	656	572	137	507	456	315
# of business closures - Calgary	**	**	**	211	174	141	198	197	NA	476 <sup>++</sup>	271	164	215	160	191	222	158
# of business bankruptcies - Alberta	447	405	378	30	34	24	19	44	30	22	26	17	22	16	15		

\*\* Tracking of these indicators commenced in late 2008. Some comparative historical data has not been obtained ++ February figures are YTD to February 28 of the year † Taken from April Civic Census ‡ Revised monthly data based on April 2010 Civic Census Revised Data