



# VOLUME 1

## Executive Summary of Calgary and Region Socio-Economic Outlook 2009-2019



## PREAMBLE

Rising energy prices in recent years drove investment and economic activity in Alberta and Calgary. For most of this period, Calgary led the province and the nation in job creation. Employment growth resulted in an increased demand for residential and non-residential space and which pushed vacancy rates in the real estate markets to extremely low levels. Relatively low vacancy rates and increasing real estate prices drove space construction. Investment intentions therefore rose sharply in the 2004 – 2007 period. High resource prices led to increase investment in various sectors of the economy which induced employment and economic growth and drove the unemployment rate to extremely low levels and this in turn pushed wage increases above the increase in the consumer price index.

The global recession however served as the catalyst in bringing Alberta's resource boom to a halt. Sharply lower demand for commodities resulted in correspondingly lower commodity prices and this reduced resource companies' cash flow. The industry responded by reducing spending and hiring and this had a ripple effect throughout the economy. Consequently, the unemployment rate rose from 3.5 per cent in August 2008 to 7.0 per cent in August 2009 as labour force growth outstripped

employment growth. Currently, there is a large amount of office space under construction, in view of the long time lags between the start and completion of construction and consequently, the office vacancy rate is expected to rise sharp over the next 18 months before peaking at a high level.

Economic recovery in the Calgary Economic Region would be directly linked to the resumption of growth in the world economy. Growth in world economic activity would result in an increase demand for commodities and also cause commodity prices to increase. Eventually, this would lead to higher investment levels, employment and output. The Calgary Economic Region which is home to a substantial portion of the Canadian energy sector would enjoy the spinoff from the economic expansion.

This publication is a reference document created to support Calgary City Council during the budget-adjustment process.

## FORECAST

### City of Calgary

The Civic Census placed the city of Calgary's population at 1,065,455 as of April 2009, up from 1,042,892 in 2008, representing an increase of 22,563 persons. This increase is roughly the same as the average growth of 22,306 for the period 1999 – 2009.

The total population for the city of Calgary is expected to grow to 1.278 million persons in 2019 from 1.065 million in 2009, up by 0.213 million. Population is expected to increase by an average of 21,300 annually over the 2009 - 2019 period.

The rate of natural increase is projected to decline over the forecast period, falling from 9.5 per 1,000 persons in 2009 to 7.2 per 1,000 persons in 2019.

As Calgary's population continues to grow, the developing communities on the city's outer fringe will continue to

accommodate the largest share of population growth. Although population growth is expected to slow over the next five years, the developing communities will continue to expand, albeit at a slower rate. Suburban areas continue to grow more and more culturally and economically diverse. As inner-city areas become less affordable, the number of low-income suburban households continues to grow. At the same time, more and more immigrant and visible minority families are gravitating to the newer communities, increasing the cultural vibrancy of such areas.

Drawn by its stronger economy, immigration to Calgary has increased consistently over the past decade, reaching a record level in 2008. Although the current economic recession may prompt expectations of a decline in immigration to Calgary, ongoing weakness in the economies of the primary immigration destination regions, notably Ontario and B.C., may contribute to ongoing high levels of immigration and secondary migration to Calgary. As the economy recovers, immigration will again be important to meet local labour force needs and will continue to increase.

The number of Calgarians that were unable to qualify for a mortgage in 2008 was estimated to have increased by approximately 263 per cent compared to 1980.

Over the next two years, housing cost increases should continue to slow as reduced population growth eases pressure on the rental and ownership markets. This has led to rising vacancy rates and moderating rent after several years of steep increases and may help to partially alleviate current household financial pressures.

Although vacancy rates have started to rise, Calgary's rental stock continues to shrink as more units are converted to condominium ownership and little new rental stock is constructed, contributing to an ongoing lack of affordable housing. It is expected that Calgary's private rental stock will continue to shrink, suggesting that currently low vacancy rates for lower-priced units may remain.

The total value of building permits in 2009 is expected fall in the range of \$2.2 to \$3.5 billion, from \$4.2 billion in 2008. Higher vacancy rates in the residential and non-residential real estate markets should have a negative impact on investment intentions in 2009. With economic recovery from 2010 onwards, the total value of building permits should grow to between \$3.9 and \$5.6 billion by 2014 and remain at that level for the rest of the forecast period.

## Calgary Economic Region (CER)

Economic activity in the CER should contract by 2.5 per cent in 2009 and then increase by 2.2 per cent in 2010. As economic growth in the US and the emerging economies gather momentum, the CER's output should expand by 3.4 percent in 2011.

Over the next two years, income growth will remain slow due to lower wage growth and reduced investment income. As the economy recovers, wages may continue to stagnate as employment growth will be strongest in industries in the middle to lower end of the earnings spectrum. As a result, savings rates will remain low and households may continue to rely on debt to meet current expenses. Projected interest rate increases in 2011 and 2012 may pose challenges for highly indebted households.

Construction output in 2009 - 2011 will be buoyed somewhat by institutional projects and by refurbishment and redevelopment activity. The finance, insurance and real estate sector is expected to show significant growth as the residential real estate markets stabilizes in late 2009 and show strong growth later in the forecast as Calgary emerges from the recession as a strong financial centre.

Total employment in the CER was estimated at 753,000 in 2008, up from 735,000 in 2007. The forecast is for total employment to decline to 745,000 in 2009 and rebound to 760,000 in 2010 as economic growth resumes.

The consumer price inflation rate is expected to average -1.0 per cent for 2009 as a whole and increase to 2.0 per cent in 2010 and 2.5 per cent in 2011. Inflation rates are expected to increase as the region's spare capacity becomes exhausted.

The unemployment rate is expected to average 6.5 per cent in 2009 and 7.0 per cent in 2010. Labour force growth is expected to outpace employment growth as the economy begins its recovery from the recession. Individuals who left the labour force because of slim hopes of finding employment would now return.

Despite the recent period of prolonged economic growth, Calgary's poverty rate remained virtually unchanged between 2001 and 2006. As the recession set in, low-income workers have been affected by layoffs, many of whom are ineligible for Employment Insurance. As a result, Social Assistance receipt has begun to rise in Calgary after years of decline. Looking forward, continued slow income growth and rising unemployment will likely lead to continued increases in the poverty rate along with increases in Social Assistance receipt.

Increased institutional construction activity in 2009 is having a larger impact on commercial construction in Calgary than previously thought. This activity provides some offset to downward price readjustments. We anticipate a brief dip to

2004 price levels in 2010/2011 from the combination of excess capacity in the non-residential construction sector and falling international commodity prices.

With the onset of the recession there is concern that falling household incomes may lead to reduced charitable giving even as the demand for service grows. In addition to reduced individual giving, shrinking corporate earnings may also lead to reduced corporate donations and sponsorships, while rising government deficits may lead to an increasingly constrained public funding environment. Looking forward, expect the funding environment to remain challenging over the next two years until economic growth picks up in earnest in 2011.

Calgarians continue to feel relatively safe as both person and property crime rates fall, and the severity of crime is lessening. Despite decreasing overall rates of crime, however, concern about certain types of crime is rising, particularly organized crime and gang activity which is occupying more and more police resources. Over the forecast period, Calgary should remain a comparatively safe city as long-term declines in person and property crime rates should continue. However, recent increases in gang violence and organized crime may lead to rising safety concerns despite the falling rate and severity of crime.

## ASSUMPTIONS

### Alberta

Alberta's Gross Domestic Product (GDP) is expected to contract by 3.0 per cent in 2009 and grow by 2.6 per cent in 2010. As world economic growth gathers momentum, the Alberta economy should respond by growing at 4.0 per cent in 2011.

Natural gas prices are expected to remain around \$4/GJ in 2009 and 2010, as the combination of unconventional gas supply and Liquefied Natural Gas (LNG) supply is expected to overshadow current and expected demand. North American markets are expected to tighten in 2011 and 2012, with stronger GDP growth, which should restore industrial gas demand to prerecession levels.

Reduced investment spending combined with reasonably high OPEC compliance with production cuts and weaker non-OPEC output, particularly in the North Sea should tighten supply and increase crude oil prices in the near future. WTI prices are expected to average US\$55/bbl in 2009 and increase to US\$60/bbl in 2010.

### Canada

The Canadian economy should record positive growth by the second half of this year, but the average growth for 2009, as a whole, would be negative. Economic growth should be positive for 2010 and should accelerate in 2011. With the withdrawal of stimulus policies after recovery, economic growth in Canada should trend down to its long-term potential rate of 2.1 per cent by the end of the forecast period.

### United States

The U.S. economy, after contracting by 6.4 per cent in Q1, 2009, declined by 1.0 per cent in Q2, 2009. This provides strong evidence that the strength of the recession is weakening. The recession is expected to bottom out in the second half of 2009, bolstered by an accommodative monetary policy, government efforts to stabilize financial markets and the sizable fiscal stimulus. The recovery should be moderate in 2010 and then accelerate in 2011 and 2012, as the economy begins to experience job gains. Over the forecast period, the long-term U.S. GDP growth is expected to average 2.5 per cent annually.

## World

World output is expected to decline by 1.7 percent in 2009 as a whole. With a growth rate of 2.2 per cent in 2010, the recovery should be anemic. Higher growth rates will follow from 2011 to 2014 as the recovery gains momentum before falling back to its long-term trend.

## Commodity prices

Commodity prices, in 2009, fell sharply from the high levels of 2008, but have partly recovered since early this year.

Asphalt price increases are expected to moderate over the near term as the balance between roofing and roadwork shifts back to historical norms in the 2012 time frame.

Rubber prices should decline in 2009 and then increase steadily until 2018, when global demand will necessitate increased synthetic rubber production which will cause the price of rubber to be more linked to the price of oil than it currently is.

Diesel fuel prices are expected to grow steadily over the forecast period as world economic growth return to positive territory.



## FORECAST RISKS

Forecasts are always subjected to both upside and downside risks. The risks for this forecast are as follows:

### Downside risk

- ▶ Household spending is not expected to be a major force in boosting domestic demand in the very near term even if the consumer sector accounts for about 70 per cent of GDP in North America.
  - North American households have suffered major losses of wealth and jobs in the current economic crisis and they are also heavily indebted.
  - A prolonged (and deeper) recession would create situations where people run out of employment benefits.
- ▶ Even though the global credit crisis has eased the U.S. banking system is still burdened with bad debts.
- ▶ The possibility of a delayed worldwide recovery exists if the stimulus plans are terminated too early.
- ▶ Protectionism is generally an outcome of a steep recession where governments try to stimulate demand in their countries at the expense of foreign countries. These actions generally result in a reduction in trade volumes and in the end, every one suffers by paying higher prices.
- ▶ Alberta's royalty revenues from natural gas are significantly reduced due to sharp drop of natural gas prices and volumes sold, in response to increased gas supplies from the drilling of shale reserves in the U.S. and B.C. and the collapse of U.S. demand. This has caused the provincial budget to move into a deficit position. Given, the province's resolve to hold the line on spending, its stakeholders should expect very little increase in transfer payments.
- ▶ A sustained recovery in the U.S. economy is based on a stabilization of the housing market. A stable housing market would result in increased property values. The U.S. housing market is still unstable as foreclosures have reached an all time high.
- ▶ Uncertainties around the U.S. clean energy bill may delay investments in Alberta's tarsands.



## Upside risk

- ▶ The possibility of a rapid worldwide recovery exists if the stimulus plans are kept in place for an extended period of time.
  - ▶ Through the purchase of foreign assets, China is attempting to diversify its investments portfolio. This cash infusion into commercial real estate in the U.S. may stabilize that sector.
  - ▶ Canada's stable banking system may lure more foreign investors to do business in Canada (for example: China investing in Canadian resources such as uranium, conventional oil and tarsands.)
  - ▶ Alberta, known as the 'wealthy' province in Canada, with relatively low taxes, can lure more newcomers. Their spending would support the province's retail sector.
  - ▶ Alberta as an energy producer would benefit from higher energy prices and lower input costs.
    - Oil prices, after bottoming out at \$US39 (per barrel) in February 2009, have staged a strong rebound and have traded around \$US70 as of June 3, 2009.
- Higher unemployment rates in all Canadian provinces have exerted downward pressure on wage inflation rates.
  - The world recession has reduced the demand for building materials and prices for these commodities have fallen as a result.
- ▶ The combination of higher prices and reduced input costs should lead to improved profitability for the various investment projects and therefore induce investments in tar sands facilities. Oil sands companies are re-examining the economics of their stalled projects in view of rising prices and falling input costs. Increased investment spending in the tar sands should rebound in the early stages of the forecast period.
- ▶ The need for energy security should drive the search for a secure North American energy source. Consequently, this should boost investment in the province's and country's transportation infrastructure that is geared at delivering the tar sands output to markets in the U.S.

## FORECAST IMPACTS

Variable	Direction of Change	Impacts/Implications		
		The City of Calgary	Community	Other Orders of Government
Gross Domestic Product (%) - World	World economic activity is expected to expand in 2010 and grow faster in 2011	Inflation rates for commodities purchased by The City should be higher. In 2010 and 2011.	Businesses should experience increased demand for commodities. The prices for oil should increase in 2010 and 2011 as the demand for this commodity increases in the developed and developing world.	Resource and income tax revenues should increase.
Gross Domestic Product (%) - Canada	The Canadian economy would recover in 2010 but growth would be sub-par as: consumers are burdened with debt; corporate profits grow below trend; governments are faced with increased deficits and debt; and net exports remain weak as the US economy grows below its potential.	A GDP drop means lower tax revenues for province and feds, which signals lower transfers to municipalities over the forecast horizon as well as an increased risk of downloading responsibilities to local municipalities	The market for goods and services in the rest of Canada from the Calgary Economic Region would grow at a slower pace. Jobs would increase at a slower rate than the growth in the labour force and cause the unemployment rate to be higher in the next couple of years.	The demand for Income support programs would increase in the 2010. Also, budget deficits are likely to increase.

# SOCIO-ECONOMIC OUTLOOK 2009-2019

Variable	Direction of Change	Impacts/Implications		
		The City of Calgary	Community	Other Orders of Government
Prime Business Loan Rate (%)	The Bank of Canada has pledged to maintain short-term interest rates at current levels until late 2010.	<p>Lower Interest service charges should not have a direct effect on The City.</p> <p>However, the impacts would be indirect as services providers pass on lower charges as lower fees to The City</p>	<p>This should lower the cost of credit and therefore stimulate consumers' purchase of big ticket items.</p> <p>Businesses are expected to take advantage of lower capital costs by boosting spending on capital goods.</p>	Eases the burden of financing new national debt as new borrowings don't have to be offered a high return.
Crude Oil Price - WTI (US\$/bbl)	Higher oil prices in 2010 and 2011	<p>Consumers disposable incomes should be reduced and transit gains a relative costs advantage over the automobile.</p> <p>Higher gasoline and diesel fuel prices should result in higher City operating costs.</p>	<p>Alberta is a net exporter of crude oil and therefore should benefit from higher revenues. This results in increased economic activity for the provincial and local economies.</p>	Higher oil prices and increased economic activity should result in an increase in provincial resource revenues

# SOCIO-ECONOMIC OUTLOOK 2009-2019

Variable	Direction of Change	Impacts/Implications		
		The City of Calgary	Community	Other Orders of Government
Alberta Natural Gas Price - AECO/NIT (Can\$/GJ)	Remains flat	<p>Modest growth in franchise fees as growth would come mainly from market expansion and not from price increases.</p> <p>Municipalities may receive less in transfer payments from the provincial government.</p>	<p>Drilling in the natural gas sector would be adversely affected by historically low prices. This would have a negative impact on related sectors of the local economy.</p> <p>The economic effects of lower natural gas prices should neutralize the benefits from higher oil prices.</p>	<p>Natural gas is a major revenue source for the provincial treasury and consequently, the provincial budget would be adversely affected.</p> <p>The province is expected to respond in its 2010/2011 budget by attempting to control spending.</p>
Gross Domestic Product (%) - CER	Moderates due to lower rates of investment in residential and non-residential space.	<p>Reduces growth rate for new space; residential and non-residential</p> <p>Slower growth in revenue base; assessment and non-assessment from taxes and fees</p>	<p>Economic growth should result in increased employment and population in the community.</p> <p>Jobs would increase at a slower rate than the growth in the labour force and cause the Calgary unemployment rate to be higher.</p> <p>The number of personal and business bankruptcies are likely to increase in 2010 and plateau in 2011 before declining for the rest of the forecast period.</p>	

# SOCIO-ECONOMIC OUTLOOK 2009-2019

Variable	Direction of Change	Impacts/Implications		
		The City of Calgary	Community	Other Orders of Government
Employment	Moderate growth from 2010 to end of the forecast period.	The demand for non-residential space should increase and consequently, the non-residential tax base should grow.	Labour income should increase. This should provide support for the growth of consumer spending.	
Population Growth	Continued growth Population aging Increase in number of retirees Increase in youngest cohorts Decrease in first time labour market entrants Population growth would continue to be dependent on positive net migration levels.	Growth in demand for city services would be shaped by changing demographics. Population growth between 2009 and 2011 should result in an additional 28,000 households and by 2019 this figure should increase to 82,000. This implies an increase in the overall demand for municipal services.	The statistics imply that employers would encounter greater difficulties in hiring younger workers as the Baby-Boom generation enters its retirement years.  Businesses and non-profit organizations would experience an expanding market for goods and services that are favored by an older population.	
Building Permits (\$billion)	Return to 2000 to 2003 levels. The markets for residential and non-residential real estate are in over supply situation.	Smaller levels of revenues that are tied to building permits should be expected over the 2010 – 2011 period.	Employment in the construction industry would be below the 2000 – 2008 levels.	
Housing Starts ('000 Units) CMA	Housing starts would grow below demographic requirements in 2009 and 2010.	Growth rate of residential tax base will be reduced	Average household sizes will increased pressure for parents as young adults stay to help children get a start by at home longer before venturing on their own, contributing to down payments.	

# SOCIO-ECONOMIC OUTLOOK 2009-2019

Variable	Direction of Change	Impacts/Implications		
		The City of Calgary	Community	Other Orders of Government
House price	Moderate increase due to a more balanced market	Housing affordability may deteriorate over this period if house prices grow at a faster rate than wages.	Increased need for affordable housing options.	
Non-Residential Building Price Inflation (%)	Rate of growth should moderate as some commodity prices fall on world markets	The trend in cost increases should break from recent past and grow at slower rates. Costs over runs should be reduced		
Consumer price inflation	Modest inflation rates are expected in 2010 and 2011, as the region tries to adjust to excess capacity.	The City may experience lower rates of inflation, compared, to the recent past for those services that are linked to the consumer price index.	Household income should depreciate at a reduced rate.	
Median Income	Stagnant	Reduced demand / revenue generation for fee-based services	Reduced disposable income constraining consumer spending on goods and services.	Reduced tax revenue growth
Low-income Rate	Increasing	Increased demand for fee subsidies (Recreation, Transit)	Increased demand for social services, particularly basic needs and crisis services.	Increased demand for support services, including Social Assistance.

# SOCIO-ECONOMIC OUTLOOK 2009-2019

Variable	Direction of Change	Impacts/Implications		
		The City of Calgary	Community	Other Orders of Government
Average Rent	Moderating	Possibly moderating shelter and affordable housing demand.	Household financial stress may be partially alleviated.	Possibly moderating shelter and affordable housing demand.
Immigration	Increasing	Increased attention to issues of diversity in program and service delivery.	Increased attention to issues of diversity in program and service delivery. Increased demand for settlement services.	Increased attention to issues of diversity in program and service delivery.
Charitable Donations	Decreasing	Increased demand for funding support through City funding programs such as FCSS.	Reduced financial capacity among social service, arts, culture and leisure organizations.	Increased demand for funding support through funding programs.
Crime Rate	Decreasing	Reduced strain on police services.	Increasing sense of safety among citizens.	Reduced strain on justice services.
Suburban Population Growth	Slowing	Moderating demands for new physical and social infrastructure in developing areas.		
CPI	Flat	The cost of goods and services that are linked to CPI would grow at a slower rate.	Low rate of inflation will ease financial stress on lower-income households.	

# SOCIO-ECONOMIC OUTLOOK 2009-2019

Variable	Direction of Change	Impacts/Implications		
		The City of Calgary	Community	Other Orders of Government
Unemployment	Increases in 2010.	Major employer would find it relatively easier to hire the required skills.	Continued high unemployment will suppress wage growth and create financial strain on unemployed workers.  Slacker labour market may benefit voluntary sector that has been struggling with HR issues due to labour shortage.	Increased demand for income supplements.



## SOCIAL OUTLOOK DATA

### Median total income of individuals and families (\$2007), Calgary CMA

	2002	2003	2004	2005	2006	2007	Percentage Change	
							2002-2007	2006-2007
Individuals	29,300	27,700	31,000	30,800	32,300	34,100	16.4%	5.6%
Families	62,300	54,400	60,600	59,700	65,800	68,800	10.4%	4.6%

### Private Market Apartment Vacancy Rates and Average Rent, Calgary CMA

	2003	2004	2005	2006	2007	2008	Percentage Change	
							2003-2008	2007-2008
Vacancy Rate	4.4	4.3	1.6	0.5	1.5	2.1	-2.3	0.6
Average Monthly Rent (All Unit Types)	\$721	\$716	\$723	\$851	\$974	\$1,031	43.0%	5.9%

### Social Assistance Recipients by Program, Calgary

	2003	2004	2005	2006	2007	2008	Percentage Change	
							2003-2008	2007-2008
Income Support	12,374	12,177	10,119	7,844	8,237	10,583	-15.9%	29.9%
Assured Income for the Severely Handicapped (AISH)	11,250	11,018	11,854	12,278	11,896	12,319	9.9%	3.4%
Guaranteed Income Supplement (GIS)	24,288	25,178	26,100	26,301	26,571	25,578	5.5%	-3.8%
TOTAL	47,912	48,373	48,073	46,423	46,704	48,480	1.2%	3.8%

## Total Immigrant Landings, Canada and Calgary

	2003	2004	2005	2006	2007	2008	Percentage Change	
							2003-2008	2007-2008
Canada	221,462	235,825	262,241	251,653	236,754	247,243	11.6%	4.4%
Calgary	9,248	9,281	11,047	11,635	10,972	12,689	37.2%	15.6%
Immigration to Calgary as % of Canadian Immigration	4.2%	3.9%	4.2%	4.6%	4.4%	5.1%		

## Contributions to Charity, Calgary (CMA)

	2002	2003	2004	2005	2006	2007	Percentage Change	
							2002-2007	2006-2007
Percentage of Households Reporting Contributions to Charity	76.8%	68.7%	70.9%	76.6%	80.0%	72.1%	-4.7%	3.4%
Average Total Charitable Contributions per Household Reporting	814	954	1,076	1,219	1,307	1,381	69.7%	7.2%

## Crime Rate per 100,000 Population, Calgary

	2003	2004	2005	2006	2007	2008
Person Crimes	1,047.8	1,007.7	988.4	923.1	812.9	800.3
Property Crimes	6,183	5,764	5,625	5,503	5,214	4,768

## Population by Urban Area, Calgary

Urban Area	2008	2009	Population Change 2008-2009		
			Number	Percent	% of Growth
Downtown / Inner City	137,000	138,459	1,459	1.1%	6.5%
Established Areas	410,469	409,993	-476	-0.1%	-2.1%
Recent Suburbs	297,278	297,809	531	0.2%	2.4%
Developing Communities	194,256	215,495	21,239	10.9%	94.1%
Industrial / Residual	3,874	3,699	-175	-4.5%	-0.8%
Total	1,042,877	1,065,455	22,578	2.2%	100.0%

# SOCIO-ECONOMIC OUTLOOK 2009-2019

**Table 1: Key economic indicators**

Rest of the World, United States, Canada, Alberta and Calgary Economic Region

Forecast completed: June, 2009			FORECAST									
ASSUMPTIONS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Global Economy</b>												
World Gross Domestic Product (annual % change)	3.4	-1.7	2.2	4.2	4.8	4.9	4.8	3.3	3.3	3.3	3.3	3.3
<b>The United States</b>												
U.S. Real Gross Domestic Product growth (chained 2000 dollar) (%)	1.1	-2.6	1.8	2.8	3.3	3.0	2.7	2.7	2.7	2.7	2.7	2.8
<b>Canada</b>												
Canada Real Gross Domestic Product growth, (chained 2002 dollar) (%)	0.5	-2.3	1.9	2.8	3.7	3.1	2.7	2.3	2.2	2.0	2.2	2.1
Prime Business Loan Rate (%)	4.7	2.3	2.5	5.5	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Canadian/US. Exchange Rate (US\$/Cdn\$)	0.94	0.88	0.90	0.91	0.92	0.93	0.94	0.95	0.95	0.95	0.95	0.95
<b>Alberta</b>												
Gross Domestic Product (%)	0.6	-3.0	2.5	3.9	3.5	3.0	2.5	2.4	2.3	2.0	2.0	1.5
Total Employment Growth (%)	2.9	-1.5	1.0	2.3	1.9	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Unemployment Rate (%)	3.5	6.3	7.0	5.5	4.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Crude Oil Price - WTI (US\$/bbl)	99.6	60.0	68.0	68.0	70.0	73.0	79.0	85.0	85.0	85.0	85.0	85.0
Housing Starts ('000 Units)	29.2	15.0	17.0	42.0	42.0	38.0	38.0	35.0	35.0	35	35	35
Alberta Power Pool Prices (\$/MWh)	87.4											
Inflation Rate (%)	3.2	-0.6	1.7	2.1	2.2	2.2	2.0	2.0	2.0	2.0	2.0	2.0
Alberta Natural Gas Price - AECO/NIT (Cdn\$/GJ)	7.7	3	4	6	6	6	6	6	6	6	6	6
<b>FORECAST</b>												
<b>Calgary Economic Region (CER)</b>												
Gross Domestic Product (%)	9.4	-2.5	2.2	3.7	3.3	2.9	2.5	2.2	1.8	1.4	1.0	0.6
Total population*	1,251	1,296	1,328	1,351	1,380	1,405	1,433	1,453	1,475	1,498	1,520	1,542
Total Employment ('000 Persons)	756	745	755	781	794	809	819	832	841	853	861	870
Total Employment Growth (%)	2.7	-1.4	1.3	3.5	1.6	1.9	1.3	1.5	1.1	1.4	0.9	1.2
Unemployment Rate (%)	3.3	6.5	7.0	6.0	5.5	4.5	4.0	3.5	3.0	3.0	3.0	3.0
Inflation Rate (%)	3.2	-1.0	1.5	2.0	2.5	3.0	3.0	2.5	2.0	2.0	2.0	2.0
Building Permits (\$billion)	5.1											
Low Forecast	NA	2.8	3.0	3.1	4.3	4.6	4.9	4.9	4.9	4.9	4.9	4.9
High Forecast	NA	4.4	4.8	5.1	6.3	6.9	7.0	7.0	7.0	7.0	7.0	7.0
Housing Starts ('000 Units) CMA	11.4	4.9	6.8	12.3	11.9	12.8	10.6	10.4	9.8	9.1	8.6	8.5
Non-Residential Building Price Inflation	17.3	-4.3	-2.0	7.6	5.0	3.1	1.8	-0.7	2.4	2.2	-0.8	-0.6

\* Total population, census divisions and census metropolitan areas, 2001 Census boundaries  
Numbers may not add up due to rounding

UPDATED BY CORPORATE ECONOMICS, AUGUST 2009

# SOCIO-ECONOMIC OUTLOOK 2009-2019

**Table 2: City of Calgary: Key economic indicators**

FORECAST COMPLETED: June, 2009	FORECAST											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Municipal price Index (as of June, 2009)	5.5	2.8	4.5	3.5	NA	NA						
<b>Demography</b>												
Total Population ('000 Persons)	1,043	1,065	1,093	1,113	1,139	1,160	1,184	1,202	1,222	1,241	1,260	1,278
Total Population Growth (%)	2.2	2.2	2.6	1.9	2.3	1.9	2.1	1.5	1.6	1.6	1.5	1.5
Net Migration ('000 Persons)	12.4	12.9	18.0	11.0	16.0	12.0	15.0	9.0	11.0	11.0	11.0	11.0
<b>Real estate</b>												
Residential market												
Housing Starts ('000 units)	9.6	3.9	5.4	9.8	9.5	10.2	8.5	8.3	7.8	7.3	6.9	6.8
New House Price Inflation (%)	2.1	-5.0	5.0	8.0	6.5	6.5	5.6	5.2	4.3	4.2	2.6	1.7
Total Building Permits mid point (\$billions)	4.2	2.9	3.1	3.3	4.2	4.6	4.8	4.8	4.8	4.8	4.8	4.8
Low Forecast		2.2	2.4	2.5	3.4	3.7	3.9	3.9	3.9	3.9	3.9	3.9
High Forecast		3.5	3.8	4.1	5.0	5.5	5.6	5.6	5.6	5.6	5.6	5.6

Numbers may not add up due to rounding

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# SOCIO-ECONOMIC OUTLOOK 2009-2019

**Table 3: City of Calgary: Population projections**

FORECAST COMPLETED: June, 2009		FORECAST									
(Persons, except rates)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total population	1,065,455	1,093,000	1,113,000	1,139,000	1,160,000	1,184,000	1,202,000	1,222,000	1,241,000	1,260,000	1,278,000
Total net migration	18,000	11,000	16,000	12,000	15,000	9,000	11,000	11,000	11,000	11,000	11,000
Total natural increase	9,457	9,000	9,000	9,000	9,000	9,000	9,000	8,000	8,000	8,000	7,000
Total deaths	5,583	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	8,000	8,000
Total births	15,040	15,000	15,000	15,000	16,000	16,000	15,000	15,000	15,000	15,000	15,000
Total women in childbearing age	320,805	326,000	328,000	331,000	334,000	337,000	338,000	340,000	341,000	342,000	344,000
Total Population growth rate	2.2%	2.6%	1.9%	2.3%	1.9%	2.1%	1.5%	1.6%	1.6%	1.5%	1.5%

# SOCIO-ECONOMIC OUTLOOK 2009-2019

Population by five-year cohort

(Persons)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
0-4	65,274	69,000	71,000	74,000	76,000	78,000	78,000	78,000	78,000	78,000	78,000
5-9	60,618	62,000	63,000	64,000	66,000	68,000	71,000	74,000	76,000	78,000	80,000
10-14	62,385	63,000	63,000	65,000	65,000	66,000	67,000	68,000	69,000	70,000	72,000
15-19	66,767	67,000	67,000	67,000	67,000	68,000	68,000	68,000	69,000	70,000	70,000
20-24	80,731	80,000	78,000	77,000	75,000	73,000	73,000	73,000	73,000	73,000	73,000
25-29	89,112	89,000	89,000	90,000	89,000	89,000	88,000	86,000	84,000	82,000	80,000
30-34	94,279	95,000	94,000	95,000	95,000	96,000	96,000	95,000	96,000	95,000	95,000
35-39	91,212	94,000	96,000	98,000	99,000	101,000	101,000	100,000	100,000	101,000	101,000
40-44	88,553	90,000	92,000	94,000	96,000	97,000	99,000	101,000	102,000	104,000	105,000
45-49	86,418	88,000	89,000	90,000	91,000	93,000	94,000	96,000	98,000	99,000	100,000
50-54	81,000	84,000	87,000	88,000	89,000	90,000	91,000	92,000	93,000	94,000	95,000
55-59	57,565	63,000	68,000	73,000	78,000	82,000	85,000	88,000	89,000	90,000	90,000
60-64	42,969	46,000	49,000	51,000	54,000	58,000	62,000	67,000	73,000	77,000	81,000
65-69	31,260	33,000	34,000	38,000	40,000	42,000	45,000	48,000	50,000	53,000	56,000
70-74	23,496	24,000	25,000	27,000	28,000	30,000	32,000	33,000	36,000	38,000	40,000
75-79	19,055	20,000	20,000	20,000	21,000	22,000	22,000	23,000	24,000	26,000	27,000
80-84	13,569	14,000	15,000	15,000	16,000	16,000	16,000	17,000	17,000	17,000	18,000
85-89	7,722	8,000	8,000	9,000	9,000	10,000	10,000	10,000	11,000	11,000	11,000
90+	3,470	3,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
<b>Total</b>	<b>1,065,455</b>	<b>1,093,000</b>	<b>1,113,000</b>	<b>1,139,000</b>	<b>1,160,000</b>	<b>1,184,000</b>	<b>1,202,000</b>	<b>1,222,000</b>	<b>1,241,000</b>	<b>1,260,000</b>	<b>1,278,000</b>

Numbers may not add up due to rounding

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## For more information

Statistical data and interpretation of trends described in this Executive Summary are included in:

**Volume 2: Economic Outlook 2009-2019**

Web address: [www.calgary.ca/economy](http://www.calgary.ca/economy)

**Volume 3: Social Outlook 2008-2013**

Web address: [www.calgary.ca/cns](http://www.calgary.ca/cns)



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