

Current Economic Analysis

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

September 30, 2011



- In August 2011, Calgary's 12-month-moving-average inflation rate increased to 1.4 per cent from 1.2 per cent in July and 0.6 per cent in August 2010. Nationally, the inflation rate also increased to 2.7 per cent from 2.6 per cent last month and 1.2 per cent in August 2010.
- The unemployment rate in the Calgary Economic Region (CER) was 6.1 per cent in August 2011, down from 6.9 per cent in the previous year. Nationally, the unemployment rate was 7.5 per cent, down from 8.2 per cent in August 2010.
- Total employment in the CER was 796,200 in August 2011, an increase of 24,400 from 771,800 in August 2010.
- In August 2011, the average hourly wage in Calgary increased slightly to \$26.21 (0.5 per cent) compared to a year ago. In Alberta, the average hourly wage increased to \$25.16 (0.2 per cent) compared to August 2010.
- Between July 2010 and July 2011, the number of Calgarians receiving regular employment insurance fell by 36.4 per cent to 9,680. In Alberta, the number fell by 32.6 per cent to 31,940.
- In August 2011, the average price of oil (WTI) was USD\$86.34/bbl, down 11.3 per cent from July 2011. The average price of natural gas was \$3.46/GJ, down 1.4 per cent from July.
- The Canadian prime business loan rate remained unchanged at 3 per cent in August 2011.
- The Index of Consumer Confidence in August continued its recent downward trend, dropping 6.6 points to 74.7 (2002=100) compared to last month.
- In July 2011, Alberta retail sales were estimated at \$5.2 billion (seasonally adjusted), a 1.2 per cent decrease over the previous month but a 5.5 per cent increase year-over-year.
- Alberta wholesale merchants' sales were estimated at \$6 billion (seasonally adjusted) in July 2011, down 0.2 per cent from the previous month but up 15.3 per cent from July 2010.
- Alberta manufacturing sales were estimated at \$5.8 billion (seasonally adjusted) in July 2011, up 3 per cent from the previous month and 15.4 per cent from July 2010.
- Real gross domestic product rose 0.3 per cent in July 2011 following a 0.2 per cent increase in June.
- In August 2011, total housing starts in Calgary (CMA) reached 1,237 units, up from 658 units in July and from 858 units a year ago.
- Calgary housing sales in August 2011 was 1,914 units, down 3.1 per cent from 1,976 units in July but up 22.8 per cent from 1,559 units a year ago.
- August's MLS average price for Calgary was \$408,637, down 0.8 per cent from last month's average price of \$411,833, but up 3.1 per cent from \$396,255 a year ago.

Next release: October 31, 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 | | | | | | | |
|--|--------------------|--------------------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| | | | | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
| General Indicators | | | | | | | | | | | | | | | | | |
| Inflation (12-month-moving-average) | | | | | | | | | | | | | | | | | |
| Calgary Census Metropolitan Area (CMA) | 3.2% | -0.1% | 0.8% | 0.4% | 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% |
| Canada | 2.4% | 0.3% | 1.8% | 1.0% | 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% |
| Unemployment Rate | | | | | | | | | | | | | | | | | |
| Calgary Economic Region (C.E.R.) | 3.3% | 6.3% | 7.0% | 6.9% | 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% |
| Canada | 6.1% | 8.1% | 8.1% | 8.0% | 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% |
| C.E.R. Employment (Person - 000s) | 768 | 765 | 755 | 769 | 772 | 767 | 760 | 757 | 757 | 754 | 755 | 756 | 757 | 762 | 774 | 789 | 796 |
| Employment insurance Alberta - # of recipients (seasonally adjusted) | 17,702 | 56,556 | 49,848 | 47,370 | 45,900 | 48,020 | 47,210 | 47,120 | 46,130 | 44,350 | 42,130 | 39,080 | 37,020 | 34,610 | 33,770 | 31,940 | |
| Year-over-year % change | 5.7% | 217.3% | -0.2% | -24.0% | -20.9% | -33.1% | -35.4% | -34.6% | -31.2% | -24.9% | -24.2% | -25.7% | -26.8% | -29.7% | -30.6% | -32.6% | |
| Employment insurance Calgary - # of recipients (unadjusted) | 4,903 | 17,747 | 15,645 | 15,210 | 15,700 | 12,280 | 11,600 | 11,810 | 12,990 | 14,590 | 14,010 | 13,230 | 12,060 | 10,130 | 9,710 | 9,680 | |
| Year-over-year % change | 9.7% | 261.9% | -11.8% | -29.2% | -29.1% | -35.2% | -37.2% | -36.9% | -34.0% | -29.8% | -30.2% | -31.2% | -31.4% | -36.2% | -33.5% | -36.4% | |
| City of Calgary Population Estimate (000s) [†] | 1,043 [‡] | 1,065 [‡] | 1,072 [‡] | 1,076 | 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 |
| West Texas Intermediate (\$US/barrel) | 99.64 | 61.78 | 79.52 | 76.38 | 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 |
| Alberta Natural Gas (Cdn\$/GJ) | 7.73 | 3.78 | 3.80 | 3.49 | 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 |
| Canadian real GDP y-o-y % Change - (Chained 2002 dollar) | 0.6% | -2.6% | 3.3% | 4.0% | 4.3% | 3.6% | 3.7% | 3.4% | 3.4% | 3.4% | 3.1% | 2.8% | 2.8% | 2.1% | 2.0% | 2.3% | |
| Canadian real GDP m-o-m % Change - (Chained 2002 dollar) | NA | NA | NA | 0.0% | 0.3% | -0.1% | 0.3% | 0.4% | 0.5% | 0.5% | -0.2% | 0.2% | -0.0% | -0.3% | 0.2% | 0.3% | |
| Prime lending rate - Bank of Canada (%) | 4.73% | 2.40% | 2.60% | 2.75% | 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% |
| Consumer Indicators | | | | | | | | | | | | | | | | | |
| Hourly earnings - Alberta (\$) Year-over-year % change | 5.6% | 4.4% | 1.3% | 2.8% | 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% |
| Hourly earnings - Calgary (\$) Year-over-year % change | 5.8% | 3.7% | 1.0% | 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% |
| Retail sales - Alberta (\$ billions) | 61.1 | 56.0 | 59.6 | 4.9 | 5.0 | 5.0 | 5.1 | 5.2 | 5.2 | 5.1 | 5.2 | 5.2 | 5.2 | 5.3 | 5.2 | 5.2 | |
| Consumer confidence - Canada | 77.7 | 71.4 | 84.7 | 80.0 | 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 |
| Housing starts - Calgary CMA | 11,438 | 6,318 | 9,262 | 1,166 | 858 | 796 | 784 | 555 | 486 | 518 | 627 | 403 | 556 | 707 | 719 | 658 | 1,237 |
| # of personal bankruptcies - Alberta | 6,066 | 9,986 | 8,150 | 626 | 615 | 732 | 700 | 667 | 519 | 578 | 636 | 680 | 640 | 617 | 649 | | |
| Calgary Housing (# of units sold) MLS | 23,137 | 24,880 | 20,996 | 1,612 | 1,559 | 1,606 | 1,442 | 1,427 | 1,251 | 1,292 | 1,917 | 2,273 | 2,087 | 2,220 | 2,431 | 1,976 | 1,914 |
| Household sales/listing ratio - Calgary | 41.77 | 61.13 | 47.97 | 44.83 | 45.52 | 41.47 | 46.16 | 57.33 | 84.24 | 36.28 | 47.97 | 51.95 | 49.88 | 47.82 | 55.25 | 52.32 | 49.87 |
| Current month average house price - Calgary Metro (\$000) | 412.9 | 394.8 | 409.6 | 416.1 | 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 |
| Year-over-year % change of Calgary City MLS average prices | -2.9% | -4.4% | 3.7% | 5.3% | -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% |
| Business Indicators | | | | | | | | | | | | | | | | | |
| Wholesale sales - Alberta - seasonally adjusted (\$billions) | 68.7 | 59.0 | 62.9 | 5.2 | 5.3 | 5.5 | 5.5 | 5.6 | 5.6 | 5.6 | 5.6 | 5.7 | 5.5 | 5.8 | 6.0 | 6.0 | |
| Manufacturing sales - Alberta - seasonally adjusted (\$billions) | 70.4 | 54.5 | 59.8 | 5.0 | 5.0 | 5.1 | 5.2 | 5.2 | 5.4 | 5.4 | 5.5 | 5.7 | 5.8 | 5.6 | 5.6 | 5.8 | |
| # of new businesses | ** | ** | ** | 236 | 269 | 374 | 571 | 553 | 649 | 0 | 19 | 224 | 656 | 572 | 137 | 507 | 456 |
| # of business closures - Calgary | ** | ** | ** | 162 | 211 | 174 | 141 | 198 | 197 | 0 | 476 | 271 | 164 | 215 | 160 | 191 | 222 |
| # of business bankruptcies - Alberta | 447 | 405 | 378 | 27 | 30 | 34 | 24 | 19 | 44 | 30 | 22 | 26 | 17 | 22 | 16 | | |

** 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