

Current Economic Analysis

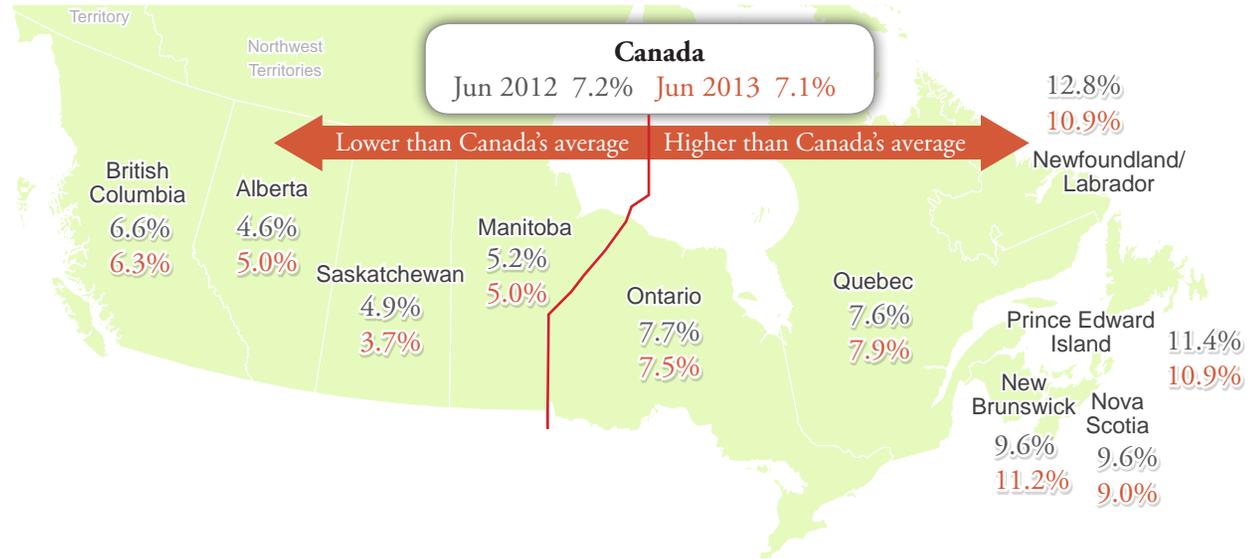
Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

July 31, 2013

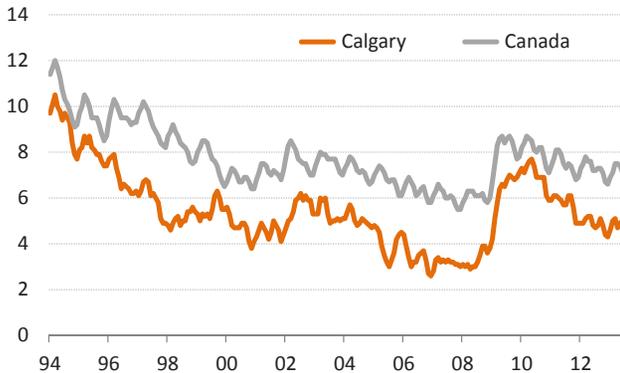
Labour Market (*Unadjusted*)

- The unemployment rate in the Calgary Economic Region (CER) was 5 per cent in June 2013, up from 4.8 per cent for the same time last year. Nationally, the unemployment rate was 7.1 per cent, down from 7.2 per cent in June 2012.
- Total employment in the Calgary Economic Region (CER) was 827,100 in June 2013, a 1.8 per cent increase from 812,700 in June 2012.
- The CER's working age population was estimated at 1,173,000 in June 2013, up 40,200 from June 2012.

Unemployment Rates, Canada and Provinces (*Seasonally adjusted*)



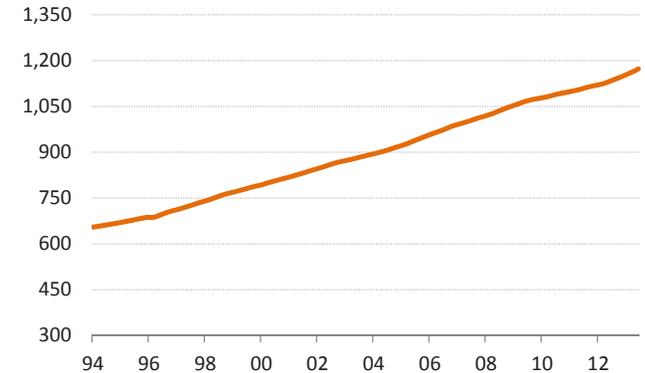
Unemployment Rates (unadjusted, per cent)



Calgary CER: Total Employment (unadjusted, thousands of persons)



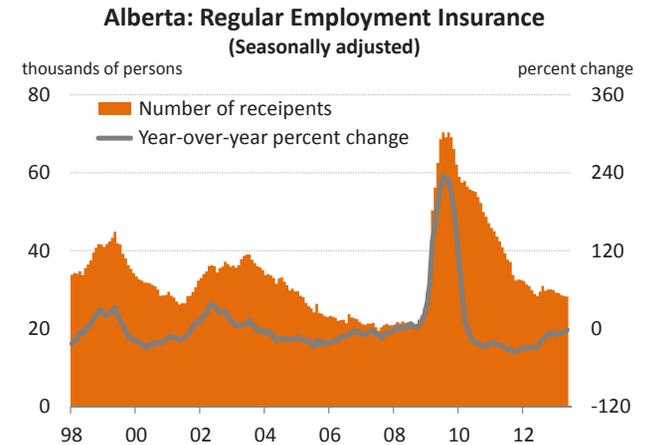
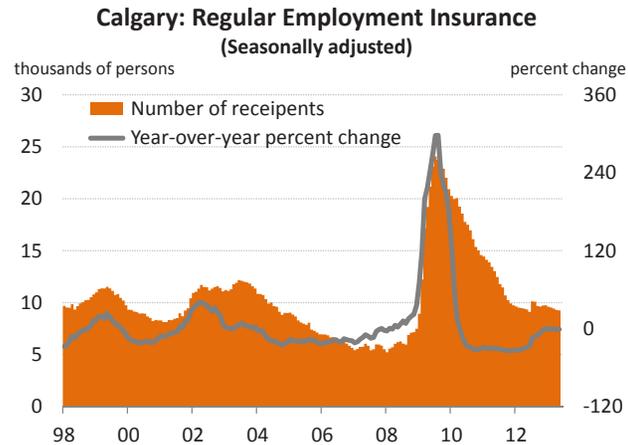
Calgary CER: Working Age Population (unadjusted, thousands of persons)



Sources: Statistics Canada, City of Calgary Civic Census, Corporate Economics

Labour Market (continued)

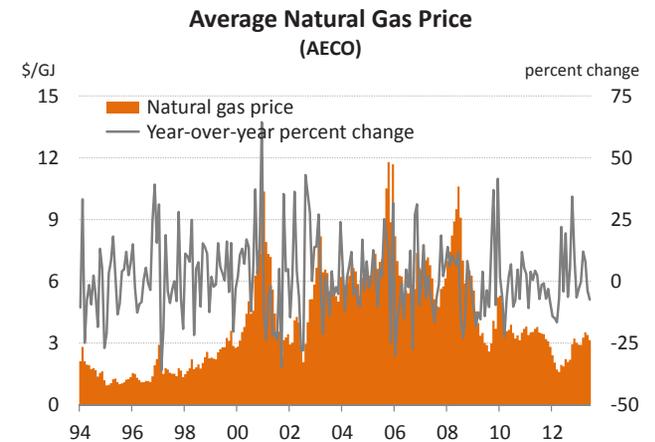
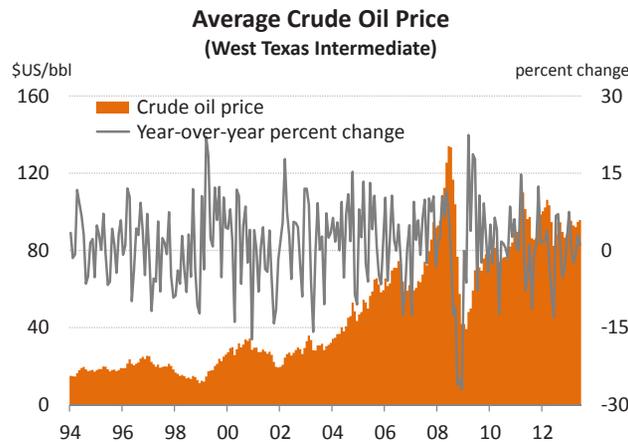
- Between May 2012 and May 2013, the number of Calgarians receiving regular employment insurance fell by 1 per cent to 9,260. For Alberta, in the same time period, the number fell by 2.2 per cent to 28,260 year-over-year.



Sources: Statistics Canada, Corporate Economics

Energy

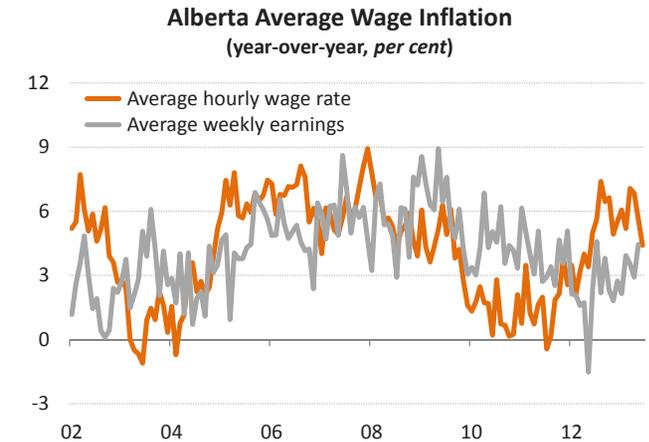
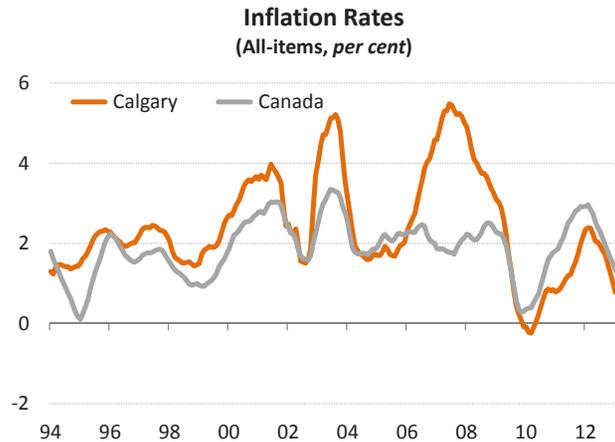
- In June 2013, the average price of crude oil (WTI) was US\$95.8/bbl, up 1.1 per cent from May 2013 and 16.2 per cent from a year ago.
- The average price of natural gas (AECO) was \$3.14/GJ in June 2013, down 7.4 per cent from the previous month but up 68.8 per cent from June 2012.



Sources: GLJ Energy Publications, Corporate Economics

Prices

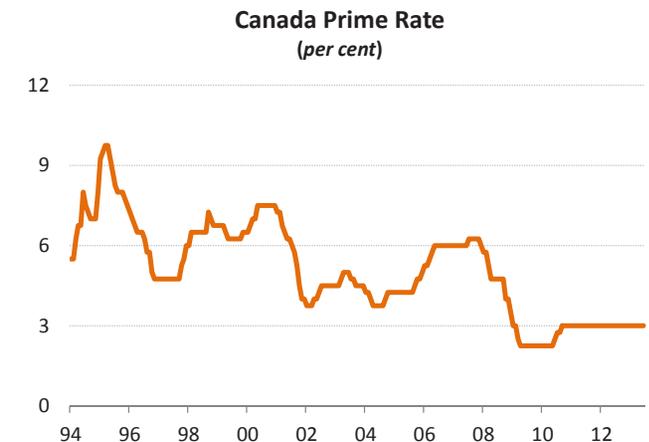
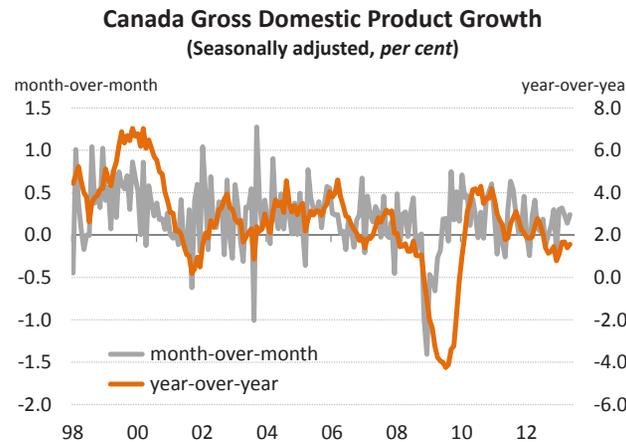
- In June 2013, Calgary's 12-month-moving-average inflation rate increased to 1 per cent from 0.9 per cent in May 2013 but down from 2 per cent in June 2012. Nationally, the inflation rate remained unchanged at 1 per cent in June 2013 from the previous month, but decreased from 2.4 per cent in June 2012.
- In Alberta, the average hourly wage inflation rate in June 2013 was 4.4 per cent, down from 5 per cent a year ago. The average weekly earnings growth rate was 4.5 per cent in May 2013, increased from -1.5 per cent in May 2012.



Sources: Statistics Canada, Corporate Economics

General Indicators

- Canada's real gross domestic product (GDP) growth:
 - ▶ **Month-over-month:** edged up 0.2 per cent in May 2013, following a 0.1 per cent increase in April 2013.
 - ▶ **Year-over-year:** increased 1.6 per cent in May 2013, following a 1.4 per cent growth in April 2013.
- The Canadian prime business loan rate remained unchanged at 3 per cent in June 2013.

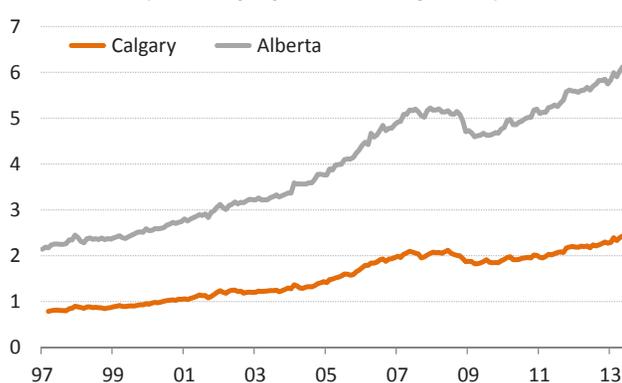


Sources: Statistics Canada, Bank of Canada, Corporate Economics

Consumer Indicators

- In May 2013, total retail sales in the CER was estimated at \$2.4 billion (seasonally adjusted), up 1.5 per cent from April and 9.8 per cent from a year ago. Alberta retail sales were estimated at \$6.1 billion (seasonally adjusted), indicating a 1.6 per cent increase over the previous month and a 7.9 per cent increase year-over-year.
- The Index of Consumer Confidence increased again in June 2013, rising 2.7 points to 83.4 (2002 = 100) from May 2013.
- In June 2013, total housing starts in Calgary (CMA) reached 912 units, down from 1,078 units in May and 1,184 units a year ago.
- Calgary housing sales in June 2013 was 3,002 units, down 7.5 per cent from 3,247 units in May but up 6 per cent from 2,832 units a year ago.
- June's MLS average sale price for Calgary was \$442,529, up 0.4 per cent from May's average of \$440,675 and 4.8 per cent from \$422,139 a year ago.

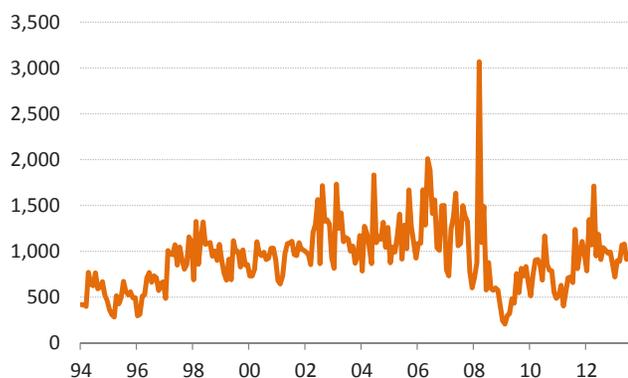
Retail Sales
(Seasonally adjusted, billions of dollars)



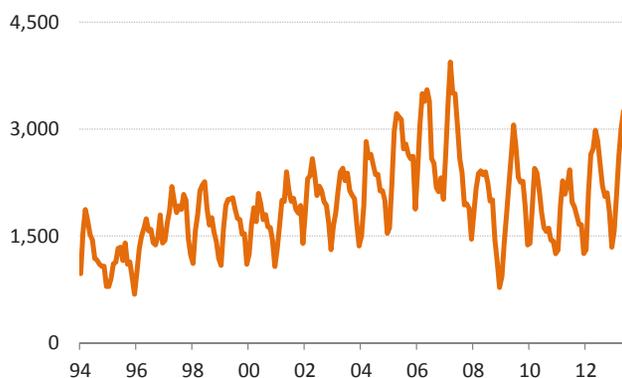
Index of Consumer Confidence
(2002 = 100)



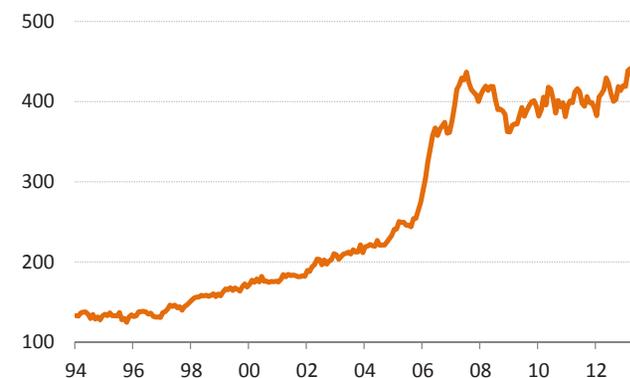
Housing Starts
(Number of units)



MLS Residential Sales
(Number of units)



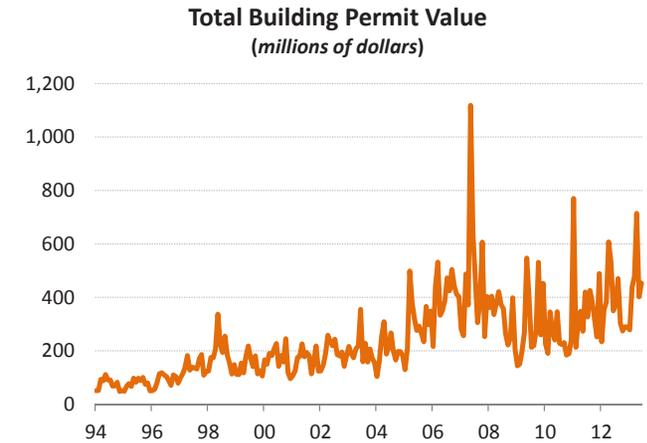
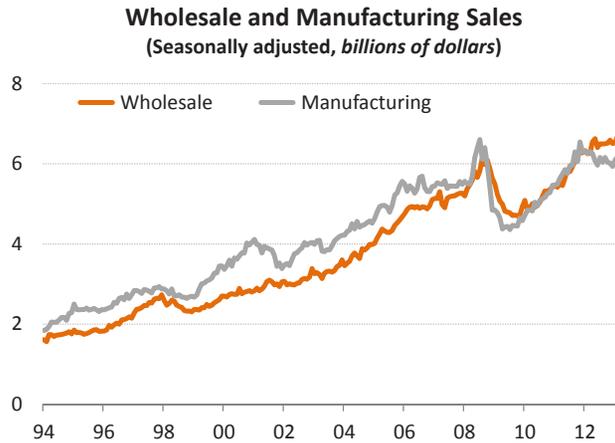
MLS Residential Average Price
(thousands of dollars)



Sources: Statistics Canada, Conference Board of Canada, Calgary Real Estate Board (CREB), Canada Mortgage and Housing Corporation (CMHC), Corporate Economics

Business Indicators

- Alberta wholesale merchants' sales were estimated at \$6.6 billion (seasonally adjusted) in May 2013, up 1.5 per cent from the previous month and 0 per cent from a year ago.
- Alberta manufacturing sales were estimated at \$6.2 billion (seasonally adjusted) in May 2013, up 2.1 per cent from the previous month and 1.5 per cent from a year ago.
- In June 2013, the total building permit value in the city of Calgary reached \$453 million, a 12.6 per cent increase from May's total of \$402 million, and a 29.5 per cent increase from \$350 million a year ago.



Sources: Statistics Canada, The City of Calgary, Corporate Economics

Next update: August 29, 2013

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 developed reliable methods of forecasting and analysis.

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Many of our publications are available on the internet at www.calgary.ca/economy.

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Current Economic Analysis

| City of Calgary Monthly Economic Indicators | 2010 | 2011 | 2012 | 2012 | | | | | | | | 2013 | | | | | |
|--|--------------------|--------------------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| | | | | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
| Labour Market | | | | | | | | | | | | | | | | | |
| Unemployment Rate - Calgary Economic Region (CER) (%) | 7.0% | 5.8% | 4.9% | 5.2% | 4.8% | 4.7% | 4.8% | 5.1% | 4.8% | 4.4% | 4.3% | 4.6% | 5.0% | 5.1% | 4.7% | 4.9% | 5.0% |
| Unemployment Rate - Canada (%) | 8.1% | 7.5% | 7.3% | 7.6% | 7.2% | 7.2% | 7.3% | 7.3% | 7.1% | 6.7% | 6.6% | 6.9% | 7.1% | 7.5% | 7.5% | 7.4% | 7.1% |
| Employment - CER (Person - 000s) | 755.2 | 776.1 | 806.3 | 803.5 | 812.7 | 818.0 | 815.8 | 809.4 | 808.6 | 810.6 | 815.5 | 813.8 | 814.4 | 808.7 | 812.5 | 817.8 | 827.1 |
| Employment insurance Alberta - # of recipients (15 years and over), seasonally adjusted ** | 54,065 | 38,603 | 30,163 | 28,910 | 28,380 | 29,520 | 30,970 | 29,730 | 30,070 | 30,070 | 29,910 | 29,240 | 29,120 | 28,630 | 28,350 | 28,260 | |
| Year-over-year % change ** | -0.5% | -28.8% | -20.7% | -29.3% | -27.8% | -21.7% | -16.6% | -12.0% | -7.0% | -7.8% | -8.0% | -9.3% | -7.1% | -7.4% | -5.2% | -2.2% | |
| Employment insurance Calgary - # of recipients (15 years and over), seasonally adjusted ** | 17,622 | 12,108 | 9,628 | 9,350 | 9,120 | 10,130 | 10,090 | 9,680 | 9,630 | 9,730 | 9,750 | 9,610 | 9,530 | 9,430 | 9,300 | 9,260 | |
| Year-over-year % change ** | -0.8% | -31.5% | -18.9% | -28.2% | -26.9% | -14.2% | -12.0% | -9.5% | -6.0% | -2.0% | 0.0% | -0.3% | 0.1% | -0.5% | -1.3% | -1.0% | |
| City of Calgary Population Estimate (000s) | 1,072 ^f | 1,091 ^f | 1,120 ^f | 1,123 | 1,125 | 1,128 | 1,130 | 1,132 | 1,135 | 1,137 | 1,140 | 1,142 | 1,145 | 1,147 | 1,150 | 1,153 | 1,157 |
| Energy | | | | | | | | | | | | | | | | | |
| West Texas Intermediate (\$US/barrel) | 79.52 | 95.13 | 94.21 | 94.72 | 82.41 | 87.95 | 94.16 | 94.56 | 89.57 | 86.74 | 88.25 | 94.83 | 95.32 | 92.96 | 92.07 | 94.79 | 95.80 |
| Alberta Natural Gas (Cdn\$/GJ) | 3.80 | 3.43 | 2.27 | 1.94 | 1.86 | 2.22 | 2.08 | 2.19 | 2.94 | 3.22 | 3.01 | 2.92 | 2.91 | 3.26 | 3.52 | 3.39 | 3.14 |
| Prices | | | | | | | | | | | | | | | | | |
| Inflation Rate - Calgary Census Metropolitan Area (CMA) (%) | 0.8% | 2.2% | 1.0% | 2.1% | 2.0% | 1.9% | 1.8% | 1.7% | 1.5% | 1.3% | 1.0% | 0.8% | 0.7% | 0.7% | 0.7% | 0.9% | 1.0% |
| Inflation Rate - Canada (%) | 1.8% | 2.9% | 1.5% | 2.5% | 2.4% | 2.3% | 2.1% | 2.0% | 1.8% | 1.6% | 1.5% | 1.4% | 1.2% | 1.2% | 1.0% | 1.0% | 1.0% |
| Average Hourly Wage Rate - Alberta y-o-y % change | 1.3% | 1.7% | 4.8% | 3.4% | 5.0% | 5.6% | 7.4% | 6.5% | 6.6% | 4.9% | 5.5% | 6.1% | 5.2% | 7.1% | 6.8% | 5.6% | 4.4% |
| Average Weekly Earnings* - Alberta y-o-y % change | 4.4% | 4.0% | 2.1% | -1.5% | 2.3% | 4.6% | 2.2% | 3.8% | 2.3% | 1.8% | 2.7% | 2.1% | 3.9% | 3.5% | 2.9% | 4.5% | |
| General Indicators | | | | | | | | | | | | | | | | | |
| Canadian Real GDP y-o-y % change - (Chained 2007 dollar) | 3.4% | 2.6% | 1.8% | 2.8% | 2.5% | 2.0% | 1.4% | 1.1% | 1.2% | 1.5% | 0.8% | 1.1% | 1.7% | 1.7% | 1.4% | 1.6% | |
| Canadian Real GDP m-o-m % change - (Chained 2007 dollar) | -- | -- | -- | 0.1% | 0.0% | 0.2% | -0.1% | 0.0% | 0.1% | 0.3% | -0.2% | 0.3% | 0.3% | 0.2% | 0.1% | 0.2% | |
| Prime Lending Rate - Bank of Canada (%) | 2.60% | 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% | 3.00% | 3.00% | 3.00% |
| Consumer Indicators | | | | | | | | | | | | | | | | | |
| Retail Sales - Alberta, seasonally adjusted (\$billions) | 59.7 | 63.9 | 68.3 | 5.7 | 5.6 | 5.7 | 5.7 | 5.8 | 5.8 | 5.9 | 5.7 | 5.8 | 6.0 | 5.9 | 6.0 | 6.1 | |
| Retail Sales - CER, seasonally adjusted (\$billions) | 23.4 | 24.8 | 26.7 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 2.4 | 2.3 | 2.4 | 2.4 | |
| Index of Consumer Confidence - Canada | 84.7 | 80.6 | 77.7 | 80.8 | 74.0 | 76.9 | 75.6 | 82.2 | 81.1 | 80.3 | 77.9 | 83.0 | 80.8 | 80.5 | 75.6 | 80.7 | 83.4 |
| Housing Starts - Calgary CMA | 9,262 | 9,292 | 12,841 | 949 | 1,184 | 910 | 1,039 | 1,012 | 980 | 990 | 866 | 719 | 896 | 890 | 1,067 | 1,078 | 912 |
| # of Personal Bankruptcies - Alberta | 8,150 | 7,029 | 5,759 | 515 | 484 | 489 | 454 | 421 | 489 | 420 | 346 | 446 | 412 | 429 | | | |
| Calgary Residential Unit Sales MLS | 20,996 | 22,466 | 26,634 | 2,982 | 2,832 | 2,502 | 2,198 | 2,054 | 2,104 | 1,831 | 1,343 | 1,572 | 2,071 | 2,631 | 3,003 | 3,247 | 3,002 |
| Calgary Residential Sales to New Listings Ratio MLS | 48.09 | 53.69 | 66.33 | 60.29 | 65.06 | 70.03 | 64.67 | 60.11 | 69.44 | 84.07 | 105.83 | 48.04 | 59.58 | 62.27 | 64.39 | 65.76 | 75.29 |
| Calgary Residential Average Price MLS (\$thousands) | 397.4 | 401.9 | 410.8 | 429.5 | 422.1 | 409.7 | 400.3 | 402.8 | 418.7 | 413.9 | 419.8 | 418.9 | 438.8 | 441.4 | 429.7 | 440.7 | 442.5 |
| Business Indicators | | | | | | | | | | | | | | | | | |
| Wholesale Sales - Alberta, seasonally adjusted (\$billions) | 61.4 | 69.9 | 77.5 | 6.6 | 6.4 | 6.5 | 6.5 | 6.5 | 6.5 | 6.6 | 6.5 | 6.5 | 6.7 | 6.4 | 6.5 | 6.6 | |
| Manufacturing Sales - Alberta, seasonally adjusted (\$billions) | 60.6 | 71.1 | 73.5 | 6.1 | 6.0 | 6.2 | 6.0 | 6.2 | 6.0 | 6.0 | 5.9 | 6.1 | 6.2 | 6.1 | 6.0 | 6.2 | |
| # of New Businesses - Calgary | 3,537 | 4,300 | 3,770 | 162 | 475 | 202 | 445 | 293 | 549 | 533 | 337 | NA | 549 | 344 | 271 | 244 | 153 |
| # of Business Closures - Calgary | 2,503 | 2,380 | 2,445 | 290 | 122 | 239 | 124 | 215 | 225 | 124 | 154 | NA | 785 | 243 | 165 | 209 | 146 |
| # of Business Bankruptcies - Alberta | 378 | 264 | 230 | 28 | 22 | 16 | 10 | 21 | 18 | 15 | 16 | 10 | 14 | 12 | | | |
| City of Calgary Total Building Permit Value (\$millions) | 2,913.0 | 4,528.3 | 4,459.1 | 532.4 | 349.7 | 372.8 | 470.3 | 302.5 | 274.6 | 290.0 | 289.4 | 278.5 | 437.4 | 476.7 | 714.1 | 402.1 | 453.0 |

^f Taken from April Civic Census * Average weekly earnings is wage rate with benefits (including overtime) ** In March 2013, employment insurance data have been reconstructed with a new methodology by Statistics Canada. This change has affected the data over the entire historical period.