Calgary

Housing Review
First Quarter 2025

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HOUSING DEMAND

Key Takeaways

- Calgary's working-age population grew by 5.7 per cent year-over-year (YoY) in Q1 2025, though the growth rate is slowing due to decelerating international migration.
- Employment in Calgary grew by 4.3 per cent in Q1 2025, driven by a strong private sector, which continues to support housing demand.
- Consumer confidence has waned amid trade wars, but the proposed removal of GST on homes and falling interest rates could help mitigate the slowdown in demand.

	Q1 2024	Q4 2024	**Q1 2025**	YoY Change
Mortgage Rate (5-year Conventional) Chartered Banks	6.9%	6.5%	**6.5%**	-0.4 percentage points
Population Change* (working age population)	1,511,600	1,581,000	**1,598,000**	+86,400 people
Job Growth*	980,700	1,025,800	**1,023,000**	+42,300 jobs
Unemployment Rate*	7.0%	7.4%	**7.7%**	+0.7 percentage points
Labour Income** (average weekly all-industry wage rate)	$1,386	$1,455	**$1,440**	+$54

* Calgary Economic Region (CER)
** Calgary Census Metropolitan Area (CMA)

Interest Rates

The Bank of Canada (BoC) cut its policy rate by 0.25 per cent in both January and March 2025, marking the seventh consecutive rate cut and bringing the rate down to 2.75 per cent from 5 per cent in June 2024. Correspondingly, the 5-year conventional mortgage rate has declined to 6.5 per cent. However, the yield in the bond market, to which mortgage rates are more closely tied, has long priced in these declining interest rates, suggesting that fixed rates have limited room to fall. Amid falling mortgage rates, the share of variable-rate mortgages in newly advanced mortgages has increased. As of January 2025, the share of variable-rate mortgages expanded to 39 per cent, up from just 6 per cent in July 2023, while the share of 5-year fixed-rate mortgages dropped below 10 per cent for the first time since 2018. Amid heightened economic uncertainty, falling interest rates are expected to continue supporting housing demand.

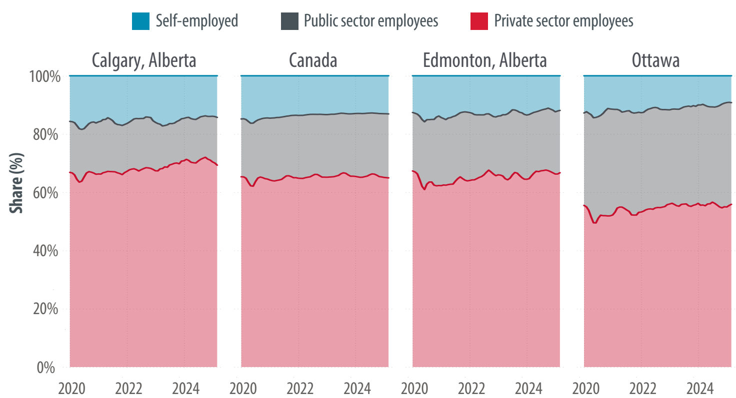
Population Change

According to the Labour Force Survey (LFS) in Q1 2025, the Calgary Economic Region (CER)'s estimated population grew by 5.7 per cent YoY to 1,598,000. CER's growth rate was the highest among major economic regions in Q1 2025. As population growth continues to outpace employment growth, the unemployment rate has increased to 7.7 per cent, up from 7.0 per cent. Although population growth remains elevated, there are early signs that the growth rate is beginning to slow. For example, Q1 2024 saw a 6.1 per cent YoY increase, about 0.5 per cent higher than the current quarter, and since Q3 2024, growth has been decelerating. With tightening federal immigration policies, this deceleration trend, especially in international migration, will likely continue. This is expected to provide relief in rental markets, which are already experiencing some easing in rent increases, coupled with an increase in supply (c.f. supply section).

Employment

In Q1 2025, employment in the CER increased by 4.3 per cent, reaching 1,023,000 compared to Q1 2024 led by health care and wholesale trades sectors. Full-time employment continued to grow by 6.9 per cent, while part-time employment shrank by 5.8 per cent. With the release of the newly updated LFS in February 2025, labour data now allows for a breakdown into public, private sector, and self-employed categories. The data reveals an interesting and unique trend driving housing demand in Calgary. Calgary was the only major economic region to have seen an expanding share of private sector employment, coupled with a declining share of public sector employment since 2020. This trend is indicative of Calgary's relatively strong economy, which has attracted many through interprovincial migration, partly fueling the housing market in recent years.

Chart 1: The Shares of Private, Public Sector Employees and Self-employed by Economic Region since 2020



Source: Statistics Canada Table 14-10-0465-01

Labour Income

In Q1 2025, the average weekly earnings in the Calgary Metropolitan Area (CMA) increased by 3.9 per cent, but dropped by 1.0 per cent compared to the previous quarter. Wholesale and retail trade, mining, and information and cultural industries led the growth. Full-time employees saw a gain of 2.1 per cent YoY, while part-time employees experienced a 2.7 per cent increase. As housing price growth continues to outpace income growth, more individuals are relying on intergenerational transfers to cover housing costs, further fueling housing demand (see market section).

Key Policy Initiatives

The heightened uncertainty due to the trade war is impacting consumer confidence, dampening demand. BoC's survey has found that more people have lost confidence in the labour market[1]. The Conference Board of Canada's Index of Consumer Confidence also fell to a historic low in Q1 2025, as consumers anticipate deteriorating economic prospects; 67.4 per cent of respondents felt it was a bad time to make a major purchase[2]. The potential for increased costs in new homes, passed through from tariffs, could further deter buyers. Offsetting these headwinds, the federal government has proposed the removal of GST for first-time homebuyers in March. Based on Calgary's benchmark price as of Q1 2025 (see market section), this could result in about $30,000 reduction.

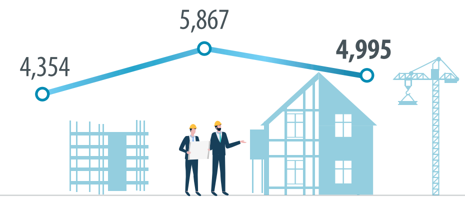
[1] https://www150.statcan.gc.ca/n1/pub/11-631-x/11-631-x2025001-eng.htm
[2] https://www.conferenceboard.ca/insights/consumer-confidence-plunges-to-historic-low/

HOUSING SUPPLY

Key Takeaways

- The investment into residential construction remains solid amid economic uncertainty.
- In Q1 2025, the City of Calgary recorded the highest housing starts among Canadian municipalities, the first time it has done so in Q1 since 2007.
- Calgary's housing completions also reached the highest level among major municipalities in Canada at 4,415 units.

	Q1 2024	Q4 2024	**Q1 2025**
Residential Construction Investment City of Calgary	$1,255 million	$1,438 million	**$1,188 million**
Housing Starts (units) City of Calgary	4,354	5,867	**4,995**



Building Permit: Value

According to building permit data from The City's open data portal as of April 2025, the total value of residential building permits submitted in Calgary for Q1 2025 was $1.188 billion, reflecting a slight YoY decline of 5.4 per cent compared to Q1 2024. The value of apartment permits dropped by 20.0 per cent, bringing the total to a negative growth rate. However, the apartment permit value of $339.5 million remains higher than the quarterly 10-year average of $301 million. Single-family and townhouse permits reached $484.1 million and $161.4 million, recording increases of 2.5 per cent and 8.4 per cent, respectively. Duplex permits declined by 25 per cent to $71.8 million. Secondary suite permits remain strong, registering a 17.2 per cent increase and reaching $44.6 million. Despite the prevailing economic uncertainty, investment intentions in Calgary remain robust due to sustained demand.

Building Permit: Residential Units

In Q1 2025, residential housing units totaled 5,409, up by 3.1 per cent from the same period last year. This growth was led by townhouses and secondary suites, which grew by 33.8 per cent and 19.2 per cent, reaching 839 and 719 units, respectively. The townhouse unit total was the third-highest quarterly record for the City of Calgary, driven by infill projects in the city centre district. Apartments and single-family homes saw slight declines, with 1,680 and 1,253 units, respectively. Duplexes totaled 381 units, with growth concentrated in the southeast and city centre districts.

Housing Starts

According to CMHC's Starts and Completions Survey, the City of Calgary recorded 4,995 housing starts in Q1 2025, a 14.7 per cent increase from 4,354 units in Q1 2024. Calgary led all Canadian municipalities in housing starts this quarter for the first time it has done so in Q1 since 2007 as the city of Toronto experienced a 54.7 per cent decline in starts due to a slowdown in multi-family construction.

Continuing the trend from last year, growth in Calgary was largely driven by the multi-family segment, particularly apartments, which increased by 22.6 per cent to 2,878 units. The Beltline and North Hill zones[3] contributed significantly to this rise. Of the apartment starts, 1,848 units (64.2 per cent) were purpose-built rentals. This marks a salient shift from Q1 2024, when rentals accounted for 37.7 per cent, and Q4 2024, when the share was 39.9 per cent. The increase in rental starts is expected to help ease pressure on rent levels.

Single-detached starts declined 8.6 per cent to 1,022 units, the lowest level since Q1 2023. Other ground-oriented types saw gains: semi-detached units rose 6.8 per cent to 376, while rowhouse starts increased 34.1 per cent to 719 units, marking Calgary's second-highest quarterly total on record for this type. Looking ahead, the growing shift toward multifamily housing is expected to continue, supported by various government initiatives aimed at boosting construction. However, heightened economic uncertainty stemming from trade tensions could weigh on builder confidence and potentially slow future housing construction.

Housing Under Construction

As of Q1 2025, the total number of dwelling units under construction in Calgary is 20,811, up 2 per cent from Q1 2024. Of these, 14,241 units (68.4 per cent) are apartments. The Beltline zone saw a sharp increase in projects under construction, primarily rental apartments. Single-detached homes account for 15 per cent (3,119 units). Row houses total 2,233 units, a 16.8 per cent increase from last year, while semi-detached homes rose by 30 per cent to 1,218 units, reflecting rising demand in mid-price segments. The number of semi-detached units under construction in Fish Creek zone has doubled YoY. In the broader Calgary CMA, Cochrane recorded a significant rise in row house construction, reaching 273 units, the highest level since 2016.

Housing Completions

In Q1 2025, there were 4,415 completions in Calgary, representing a 12.1 per cent decline from the highs in Q1 2024. However, this is still well above the 10-year Q1 average of 2,402 units. City of Calgary recorded the highest number of completions among major Canadian municipalities, while the city of Toronto experienced a 66.8 per cent decline. This marks the first time since 2014 that Calgary surpassed Toronto in Q1 completions. By dwelling type, apartment completions fell by 25 per cent to 2,070 units from the previous year's peak, when apartment construction had more than tripled. Despite the drop, this remains nearly double the 10-year Q1 average of 1,093 units. Row house completions also declined by 34.2 per cent to 491 units. These declines were partially offset by increases in single-detached and semi-detached completions, which rose by 19.1 per cent and 35.8 per cent to 1,414 and 440 units, respectively. The Fish Creek zone saw notable growth, with single-detached completions rising and semi-detached completions quadrupling to 152 units as new communities continue to build out. Meanwhile, the North Hill zone recorded a doubling of semi-detached completions and a fourfold increase in row houses. This mix of greenfield development and intensification should continue to support housing completions moving forward.

Key Policy Initiatives

As part of the Downtown Incentive Program, the City of Calgary announced its second office-to-residential conversion, adding a combined 1,100 units and a $350 million investment[4]. These programs are expected to further increase the supply of multifamily construction in downtown areas. Additionally, the Immigration, Refugees and Citizenship Canada (IRCC) introduced new measures to support housing construction by increasing support for foreign apprentices, aiming to fill the much-needed skilled labour gap in the construction sector, potentially boosting construction activity[5].

[3] Refer to Figure 1 in the Q4 2024 Housing Review for CMHC's zone classifications.

[4] https://newsroom.calgary.ca/city-of-calgary-announces-three-new-residential-developments-to-support-downtown-revitalization-as-second-office-residential-conversion-opens-to-residents/

[5] https://www.canada.ca/en/immigration-refugees-citizenship/news/2025/03/canada-takes-action-to-support-housing-with-new-immigration-measures.html

HOUSING MARKET

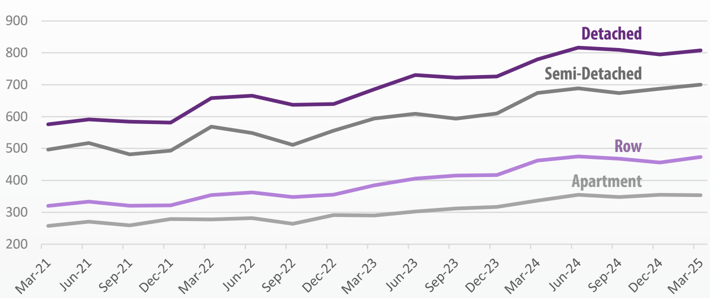
Key Takeaways

- Calgary's housing market is becoming more balanced as listings grow, sales dip, and inventory improves amid tariff uncertainties.
- The benchmark price in Calgary reached $587,700 in Q1 2025, reflecting a 1% YoY increase, but price growth has slowed due to improving supply and softer demand.
- Calgary's housing price-to-income ratio declined to 5.4 in Q4 2024 from 5.7 in Q3 2024, indicating a slight improvement in affordability.

	Q1 2024	Q4 2024	Q1 2025	YoY Change
Housing Sales City of Calgary	6,439	5,278	5,328	-1,111 units
Average Resale House Prices City of Calgary	$582,902	$613,847	$619,107	+$36,205

	Q4 2023	Q3 2024	Q4 2024	YoY Change
Housing Price to Income Ratio Composite	5.2	5.7	5.4	+0.2

Average Resale House Prices by Structure Type
City of Calgary (thousands)



New House Listings

In Q1 2025, 9,745 homes were newly listed, representing a 21 per cent increase from Q1 2024. Growth was observed across virtually all product types, price ranges, and regions, with detached and row houses seeing strong increases of 24.2 per cent and 24.9 per cent, respectively. Apartments and semi-detached homes increased by 16.3 per cent and 19.6 per cent, respectively. Overall, this was the highest level of new listings since Q1 2022, with apartment listings reaching a historic high for Q1. These increases are improving the supply and demand balance, especially for detached homes, though some specific sectors remain sellers' markets, such as row houses in the city center, where the March 2025 sales-to-new listings ratio was more than 70 per cent.

Inventory of Houses for Resale

As listings grew and sales subsided, inventory increased significantly, rising by 83.3 per cent to 4,317 units, up from 2,355. All product types across all regions saw improvements in inventory, with row houses' inventory more than doubling compared to the same time last year. Apartments also experienced significant restocking, with a 93.1 per cent increase, while other high-demand product types, such as detached and semi-detached homes, saw increases of 68.8 per cent and 60.7 per cent, respectively. Despite these improvements, some specific price ranges and regions remain constrained. Inventory in higher price ranges has improved, while more affordable ranges are still limited. In the Northwest, the months of supply for detached homes is still at 1.5. Overall, these improvements in inventory indicate a gradual improvement in the supply-demand balance, offering a wider range of options and some relief to buyers.

Sales

In Q1 2025, there were 5,328 sales, registering a 17.3 per cent decline from the 6,439 sales recorded in the same period last year. All product types and regions saw a drop in sales as economic uncertainty, due to ongoing trade tensions, weighed on buyer activity. Continued supply improvements, as well as declining interest rates, also caused some buyers to remain on the sidelines. The announcement of the GST removal may have further nudged people to hold off. Days on market increased from 33 days to 25 days, indicating a more balanced market.

Apartments saw the most significant drop in sales, with a 28.7 per cent decline to 1,383 sales. While sales volumes for detached, semi-detached, and row houses were down 12.7 per cent, 11.0 per cent, and 12.0 per cent, respectively, to 2,472, 509, and 964 sales, these pullbacks can also be attributed to a lack of available units in the price ranges buyers are willing to purchase. For instance, sales for detached homes priced between $700,000 and $800,000 dropped from 1,360 to 1,110 units due to limited supply. In contrast, semi-detached homes priced between $500,000 and $700,000 saw an increase, and row houses priced between $400,000 and $600,000 remained relatively steady compared to last year. As economic uncertainty persists, sales are expected to remain subdued, coupled with slower population growth; however, lower interest rates may offset this trend.

Resale House Prices (Benchmark Prices)

In Q1 2025, the benchmark price across all property types in the city of Calgary was $587,700, reflecting a 1 per cent YoY increase. This marks the slowest price growth rate recorded since December 2020. On a quarterly basis, it has declined for three consecutive quarters since Q2 2024. By product type, detached, semi-detached, row houses, and apartments experienced price increases of 5 per cent, 7 per cent, 3 per cent, and 4 per cent YoY, respectively, with benchmark prices of $760,367, $683,000, $448,567, and $333,900. Detached and semi-detached homes continue to show strong growth, while row houses and apartments are slightly below the peaks observed last year. By region, the Northwest and Southwest saw higher growth, close to 1 per cent, with the West experiencing a 1.8 per cent increase. The rest of the regions saw YoY declines. This was partly driven by higher-end price ranges in semi-detached and row houses, which saw a 6 per cent increase in the West, with benchmark prices for semi-detached homes surpassing $800,000.

Overall, as supply improved and demand slowed, price increases eased this quarter especial. For instance, apartments experienced a quarterly decline for the first time since Q4 2022. This price moderation observed in Calgary is expected to further slow future price growth. A literature review shows the price expectations of people in the housing markets, which significantly influence individual behaviour, are shaped by housing conditions, personal experiences, and social interactions[6]. For instance, buyers with friends who experienced positive housing price growth were more likely to increase their investments, while renters with similar friends were more likely to become homeowners. On the other hand, homeowners with friends who saw similar trends were less likely to sell their homes. Furthermore, the same literature review indicates that uncertainties about house price movements can also deter investment behaviour.

Another recent study shows a growing trend of intrafamily inheritance shaping housing outcomes, especially among young homeowners. In 2023, the median inheritance received by Canadian homeowners rose to $85,100, up from $67,000 in 2019[7]. Children of homeowners were more likely to receive support than those of renters. Amid high rents, homeownership is increasingly tied to intergenerational wealth transfers as boomers retire, widening the divide between those with and without family housing wealth and hindering socioeconomic mobility.

Housing Price to Income Ratio

As of Q4 2024, the latest housing price to income ratio[8] for Calgary's composite stood at 5.4, up by 0.2 from 5.2 in Q4 2023 but down by 0.3 from 5.7 in Q3 2024. On a quarterly basis, wage growth in Calgary outpaced the growth in benchmark prices, resulting in a lower ratio. Across all property types, affordability ratios improved as the supply and demand balance continued to stabilize. Edmonton, on the other hand, was the only major region to experience a quarterly increase in Q4 2024.

[6] Kuchler, T., Piazzesi, M., & Stroebel, J. (2023). Housing market expectations. In Handbook of economic expectations (pp. 163-191). Academic Press.

[7] McCormack, C., & Sheridan, T., (2025). Familial support in entering the Canadian housing market. Economic and Social Reports.

[8] A detailed explanation of the methodology can be found in the 2024 Fall Economic Outlook.

Next Update: July 2025

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