

HOUSING DEMAND

Key Takeaways

- Calgarians have so far shown financial resilience, with mortgage delinquency rates remaining low, as 60 per cent of mortgages are expected to renew in 2025 and 2026.
- Steady employment growth continues to support housing demand, though population growth keeps moderating.
- The federal GST rebate on new homes may boost housing demand, but trade uncertainties, slower wage growth, and weakening population growth could temper its impact.

	Q2 2024	Q1 2025	Q2 2025	YoY Change
Mortgage Rate (5-year Conventional) Chartered Banks	6.8%	6.5%	6.2%	-0.6 percentage points
Population Change* (working age population)	1,535,700	1,598,000	1,614,500	+78,800 people
Job Growth*	1,010,200	1,023,000	1,059,100	+48,900 jobs
Unemployment Rate*	8.2%	7.7%	7.3%	-0.9 percentage points
Labour Income** (average weekly all-industry wage rate)	\$1,443	\$1,440	\$1,456	+\$13

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

Interest Rates

The Bank of Canada (BoC) held its policy interest rate steady at 2.75 per cent in both its April and June 2025 meetings. As of Q2 2025, the average rate on a five-year conventional mortgage declined to 6.2 per cent, down from 6.5 per cent in Q1. Lower mortgage rates have led to an increased share of variable-rate mortgages among newly advanced loans, rising to 33 per cent in May 2025 from 10 to 15 per cent in 2024. However, this share has declined since peaking at 45 per cent in March, following a spike in Government of Canada bond yields (from 2.5 per cent on April 2nd to 3.0 per cent as of mid-July), driven by U.S. fiscal policy developments and trade tensions.

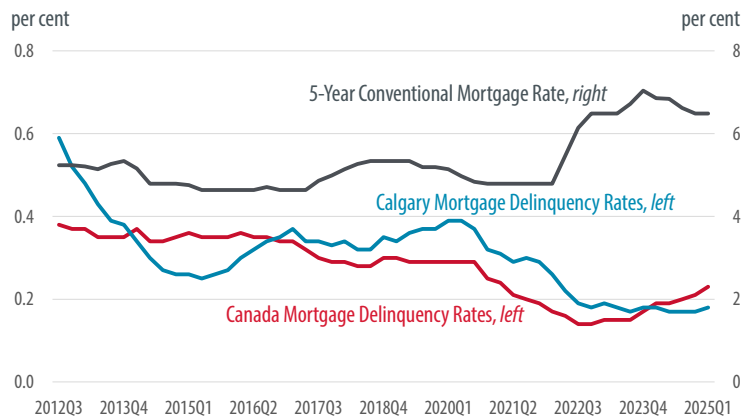
Despite elevated interest rates over the past two years, recent data from Equifax and CMHC suggest that Calgary homeowners so far have remained financially resilient, with mortgage delinquency rates below historical averages. With approximately 60 per cent of existing mortgages expected to renew in 2025 and 2026¹, household financial health in Calgary will be closely monitored amid ongoing economic uncertainty.

Population Change

According to the Labour Force Survey, the Calgary Economic Region (CER)'s estimated population reached 1,614,500 in Q2 2025, up 5.1 per cent year-over-year (YoY). This is down from 6.2 per cent growth in the same period last

year but remains above the historical average, reflecting a broader national trend of decelerating population growth. The slowdown is potentially linked to recent changes in immigration policy, such as the cap on international student admissions. This deceleration in temporary resident growth continues to show in the rental market, where rent increases have been moderating, coupled with the continued influx of purpose-built rental supply.

Chart 1: Mortgage Delinquency Rates in Canada and Calgary CMA vs. 5-Year Conventional Mortgage Rate



Source: CMHC and Bank of Canada

Employment

In Q2 2025, the CER added 48,900 jobs, bringing total employment to 1,059,100, an increase of 4.8 per cent YoY. Most of this growth came from full-time employment, which rose by 46,600 jobs or 5.7 per cent, supporting steady demand for housing. The unemployment rate declined from 8.2 per cent to 7.3 per cent over the past year, driven by a slower expansion of the labour force (3.8 per cent in Q2 2025 compared to 6.8 per cent last year), reflecting a moderating, though still historically high, rate of labour force growth supporting housing demand.

Labour Income

Average weekly earnings in the Calgary Metropolitan Area (CMA) rose by 0.9 per cent YoY to \$1,456 in Q2 2025, which was the slowest pace of growth since Q4 2023. According to the BoC's Business Outlook Survey for Q2 2025, wage expectations among businesses are trending lower. This reflects both a sluggish economy and reduced labour shortages, with the share of firms reporting hiring challenges now below the pre-pandemic average. Slower wage growth may influence housing activity and buyer's housing choices, even in the presence of demand-stimulating government measures (see below).

Key Policy Initiatives

With uncertainties around trade conflicts continuing to loom, consumer confidence remains dampened. While the Conference Board of Canada's Index of Consumer Confidence showed a slight improvement in Q2 2025², the BoC's survey suggests that consumers are still cautious about big spending³. On the other hand, on May 28 2025, the federal government unveiled a policy eliminating the GST on new homes for first time home buyers, applicable to agreements signed on or after May 27 2025 for homes valued up to \$1.5 million, potentially fueling the housing demands⁴.

¹ <https://www.bankofcanada.ca/2025/07/staff-analytical-note-2025-21/>

² https://www.conferenceboard.ca/in-fact/index-of-consumer-confidence_jun2025/

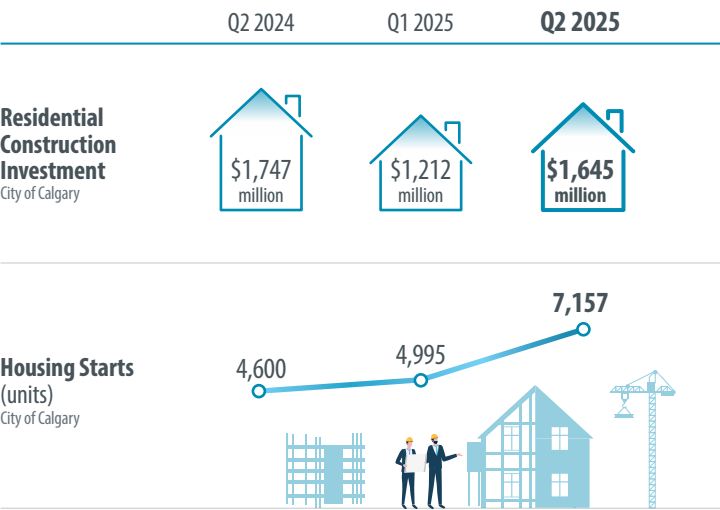
³ Canadian Survey of Consumer Expectations—Second Quarter of 2025

⁴ <https://www.canada.ca/en/departement-finance/news/2025/05/gst-relief-for-first-time-home-buyers-on-new-homes-valued-up-to-15-million.html>

HOUSING SUPPLY

Key Takeaways

- Construction intentions remain strong despite economic uncertainty and softer demand outlook.
- Calgary recorded the highest number of housing starts among Canadian municipalities in the first half of 2025, with 12,152 units, driven by purpose-built rentals.
- Calgary also led all major municipalities in housing completions during the first half of 2025, with 9,534 units.



Building Permit: Value

According to building permit data from the City’s Open Data Portal as of July 2025, the total value of residential building permits submitted in Calgary for Q2 2025 was \$1.645 billion, reflecting a 5.8 per cent YoY decline compared to Q2 2024. The value of both single-detached and duplex permits dropped from the historical high recorded in Q2 2024, down 19.5 per cent and 24.8 per cent, respectively, to \$481 million and \$84 million. Most of the decline in single-detached permits was concentrated in the northern part of the city. Apartment permit values rose by 2.1 per cent to \$733 million, making it the third-highest quarterly value on record in nominal terms. While momentum reflects strong population growth in recent years, CMHC’s 2025 Rental Housing Development Study indicates that Prairie developers are becoming more pessimistic about the future, citing a weaker immigration outlook as a key concern⁵. Townhouse also saw strong growth, with permit values reaching \$154 million, up 25.1 per cent YoY, driven by significant activity in the Northeast, which recorded its second-highest value historically. Secondary suite permits also increased by 3.6 per cent to \$52 million.

Building Permit: Residential Units

In Q2 2025, a total of 6,516 residential housing units were submitted through building permits, down 15.5 per cent from Q2 2024. Both apartment and single-detached units declined by approximately 20 per cent, to 2,774 and 1,206 units, respectively. However, apartment permits remain well above the 5-year Q2 average of about 2,000 units, and single-detached units are in line with the 5-year average. Townhouses increased by 11.2 per cent to 684 units, well above the 5-year average of 500 units. Duplex permits declined by 24.9

per cent to 437 units from the Q2 2024 record of 582 units but remain above the 5-year average of 330 units. Overall, despite some headwinds from softer demand outlook and ongoing uncertainty, construction intentions in Calgary remain robust.

Housing Starts

According to CMHC’s Starts and Completions Survey, there were 7,157 housing starts in Calgary in Q2 2025, a 55.6 per cent increase from Q2 2024. This growth was led by apartment construction, which rose by 93.7 per cent to 4,481 units, surpassing the previous quarterly record of 3,223 units in Q4 2024 by more than 1,000. Of these, 71 per cent (3,480 units) were purpose-built rentals, contributing to the moderation of rent increases in the city.

With the Q2 results, total housing starts for the first half of 2025 reached 12,152 units (see Chart 2 on page 4). Calgary recorded the highest number of starts among all Canadian municipalities. This is the first time the city has surpassed 10,000 starts in the first half of a year, well above the previous record of 8,954 in 2024, which had total annual starts of 21,084; Calgary is on pace to set a new annual record for the third year in a row. This strong momentum contrasts with Toronto, where starts plummeted by 62 per cent, reflecting weaker market conditions, financing constraints, and higher construction costs, as noted in CMHC’s survey.

Housing Under Construction

According to CMHC, as of Q2 2025, there were 23,117 dwelling units under construction in the city of Calgary, an increase of 16 per cent YoY. This growth is largely attributed to apartment and row house construction, both of which rose by approximately 20 per cent. Semi-detached and single-detached units also increased, but at a more modest pace of 3 per cent. The shift toward rental construction is evident. Of the units under construction, nearly half (11,224 units) are intended for the rental market, up 44.8 per cent YoY. In contrast, condo units under construction declined by 10 per cent. The remaining 5,312 units are being built for homeowners.

Housing Completions

According to CMHC’s Starts and Completions Survey, Calgary recorded 5,119 housing completions in Q2 2025, a 1.6 per cent increase from Q2 2024. Although apartment completions declined by 9 per cent to 2,827 units, this was partially offset by a sharp increase in semi-detached completions, which doubled YoY to 486 units, the highest quarterly total on record for this category. Single-detached and row house completions also grew, rising by 7.6 per cent and 5.7 per cent to 1,252 and 554 units, respectively.

In the first half of 2025, Calgary completed 9,534 dwelling units, a 5.3 per cent decline compared to the same period in 2024. Despite the decrease, Calgary led all Canadian municipalities in total completions, while Toronto experienced a slowdown. Completions for homeowner-oriented housing types increased by 16.1 per cent YoY, reaching 3,797 units, driven by gains in single and semi-detached categories. This was offset by declines in rental completions. Given the strong pipeline of rental units under construction, rental completions are expected to remain robust in the near term.

Key Policy Initiatives

The Liberal housing plan⁶, released in March during the election campaign, outlines several potential policy changes. These include cutting development charges, creating a new entity, Build Canada Homes, to finance affordable homebuilders. It also proposes reintroducing the Multiple Unit Residential Building (MURB) cost allowance. Combined with recent measures such as changes to the Apartment Construction Loan Program, these policies are expected to further boost rental supply.




5 <https://www.cmhc-schl.gc.ca/observer/2025/whats-shaping-canadas-rental-construction-outlook>

6 <https://liberal.ca/mark-carneys-liberals-unveil-canadas-most-ambitious-housing-plan-since-the-second-world-war/>

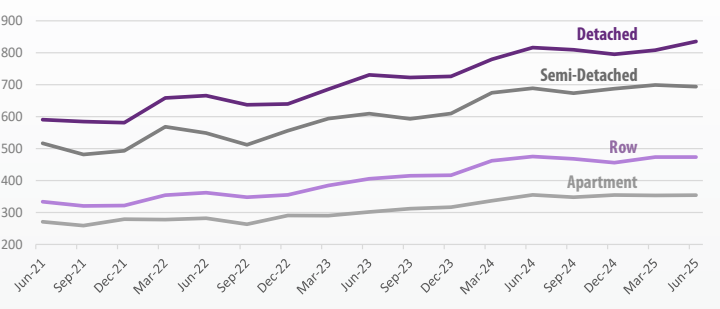
HOUSING MARKET

Key Takeaways

- Calgary's housing market continued to shift toward balance in Q2 2025, with inventory reaching the highest level since Q2 2021.
- The benchmark price in Calgary declined by 2.5 per cent YoY to \$589,100, reflecting softer demand and improved supply though price trends varied by housing type and region.
- The housing price-to-income ratio fell to 5.2 in Q1 2025 from 5.4 a year ago, indicating a modest improvement in housing affordability.

	Q2 2024	Q1 2025	Q2 2025	YoY Change
 Housing Sales City of Calgary	8,703	5,324	7,085	-1,618 units
 Average Resale House Prices City of Calgary	\$614,840	\$618,991	\$647,503	+\$32,662
	Q1 2024	Q4 2024	Q1 2025	YoY Change
 Housing Price to Income Ratio Composite	5.39	5.35	5.24	-0.15

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



New House Listings

In Q2 2025, a total of 13,100 homes were newly listed, representing a 12.7 per cent increase from Q2 2024. This marks the highest quarterly number of new listings since Q2 2021. Detached and semi-detached listings rose by 18.2 per cent and 18.7 per cent, reaching 6,469 and 3,341 units, respectively. As price growth moderated, more sellers were motivated to list their homes in anticipation of a possible market cooling. These are the highest quarterly totals for detached and semi-detached listings since Q1 2022 and Q2 2021. Nearly all price ranges and districts saw increased listings, offering more options and choices for buyers. With slower sales activity and improved listings, sales-to-new-listings ratios declined across the board. However, some segments remained resilient. For example, in the West district, detached homes still had a sales-to-new-listings ratio above 70 per cent as of June 2025. Apartment listings saw a slight decline of 1.9 per cent to 3,341 units but remained well above the five-year Q2 average of 2,595. In contrast, rowhouse listings fell sharply by 20.5 per cent to 1,160 units.

Inventory of Houses

Increased listings and slower sales have led to higher inventory levels. The number of homes for sale in Calgary reached 6,518 in Q2 2025, a 97.1 per cent increase compared to the same period last year. This marks the highest inventory level since Q2 2021. Inventory increased across all product types.

Semi-detached and row houses more than doubled, rising to 527 and 1,095 units respectively, both reaching their highest levels since Q2 2021. Detached home inventory rose by 87.5 per cent to 2,871 units, also the highest since Q2 2021. Apartment inventory climbed to 2,025 units, the highest level on record. With sales slowing, the months of supply, which is a ratio of inventory to sales, rose to 3, up from 1.4 a year ago. Last year, there were several pockets where months of supply fell below 1. As of Q2 2025, no product type or region shows this level of tightness, though detached homes in the West remain relatively constrained with 1.8 months of supply. These gains in inventory continue to improve buyer choice and support a more balanced market.

Sales

In Q2 2025, there were 7,085 home sales in Calgary, registering an 18.6 per cent YoY decline. This is also lower than the 5-year average for Q2 of 7,891 sales. Sales were down across virtually all dwelling types, price ranges and regions as economic uncertainty continues to weigh on buyer sentiment. Many buyers are holding off due to moderating price growth and a growing number of listings, providing more options and less urgency to act. The average number of days on market increased to 30, up from 22 a year ago, indicating slower activity.

Detached sales declined by 10.3 per cent to 3,567 units, significantly below the five-year Q2 average of 4,222. Semi-detached sales declined by 12.1 per cent to 656 units, which is roughly in line with the five-year average for Q2. The sales-to-new-listings ratio for detached homes fell to 55 per cent, down from 73 per cent in Q2 2024, indicating a movement from a seller's market to a balanced market; a similar trend was seen for semi-detached homes. As seen in listing activities, apartment sales saw the steepest decline, falling 32.3 per cent year-over-year, the largest drop since Q2 2020. However, this was from a historic high last year, as volumes remained close to the five-year average for Q2. Row house sales were down 20.5 per cent, also aligning with historical averages. Looking ahead, some improvement in housing activity could emerge with greater clarity on trade negotiations and the recent GST rebate announcement, though the outlook remains uncertain.

Resale House Prices (Benchmark Prices)

According to CREB, benchmark prices, which reflect the value of a typical home, declined by 2.5 per cent YoY to \$589,100 in Q2 2025. Slower sales and rising inventory have shifted the market more in favour of buyers, contributing to downward pressure on prices. The sales-to-list-price ratio—calculated as the average sale price divided by the average list price, has now dropped below 100 per cent across all housing types, a significant shift from a year ago when all ratios were above 100 per cent.

By product type, detached and semi-detached homes saw modest price increases of 0.98 per cent and 2.7 per cent, reaching \$767,666 and \$695,200 respectively. For detached homes, this was the slowest YoY growth rate since Q2 2020, while for semi-detached, it was the slowest since Q1 2021, pointing to overall price moderation. In contrast, apartment and rowhouse benchmark prices declined by 1.5 per cent, falling to \$334,933 and \$453,767, respectively. Both segments recorded their first YoY price drops since Q4 2020.

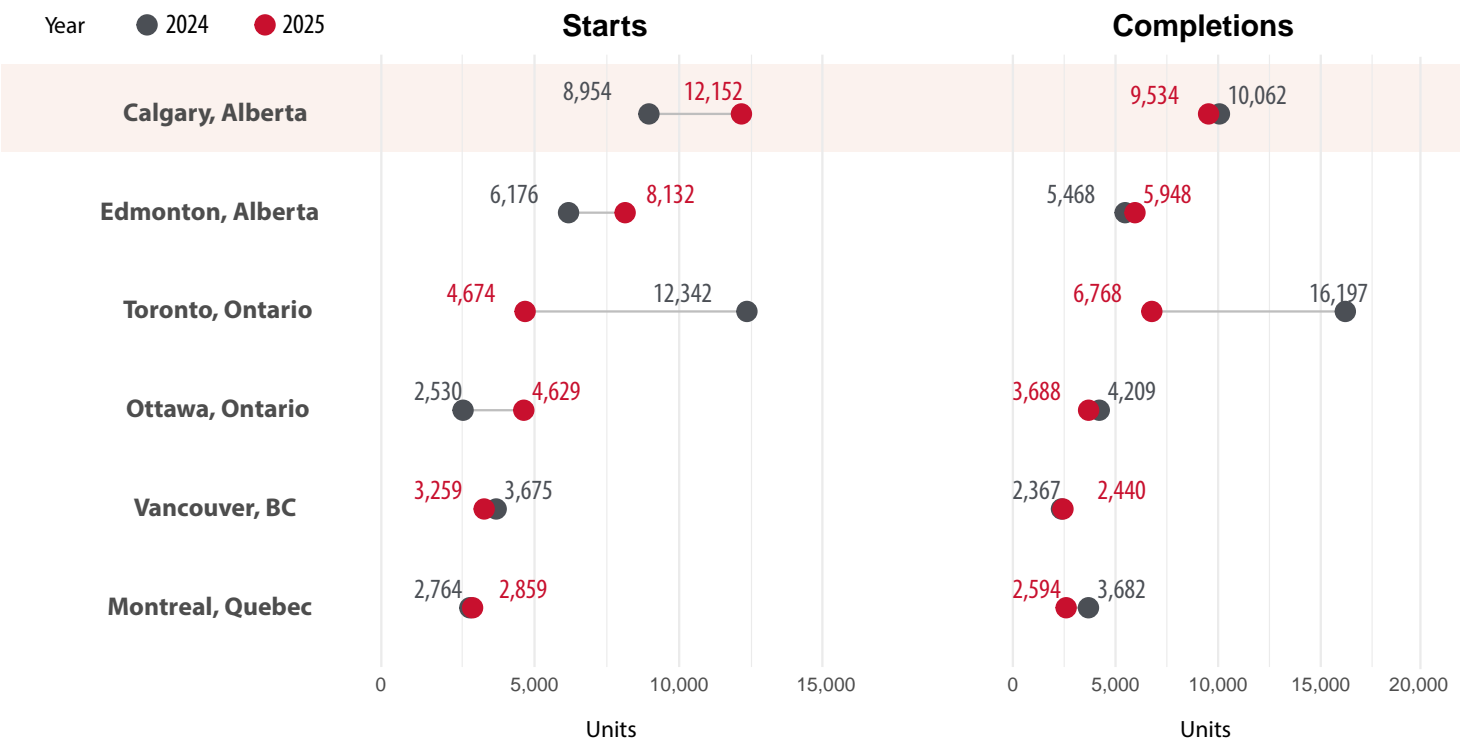
Price trends also varied by region and price range. Detached homes in the City Centre continued to post gains, while those in the Northeast declined. A similar pattern was seen for semi-detached units, with City Centre prices up 3 per cent. Rowhouse and apartment prices declined across all districts. While virtually, all price ranges have seen a drop in sales, higher-end products showed more resilience. Detached and semi-detached homes priced above \$1 million recorded gains in sales, and rowhouse sales over \$800,000 increased. This growing polarization in price trends is worth noting.

Going forward, price growth is expected to remain moderate as the supply-demand balance continues to improve. For detached homes, competition in the new home market may intensify as the GST rebate and continued narrowing price gap between resale and new builds attract more buyers toward new builds. The average and median home prices in Calgary were \$647,503 and \$592,000 respectively, each up by 5 per cent YoY.

Housing Price to Income Ratio

As of Q1 2025, the housing price to income ratio in Calgary stood at 5.2, down from 5.4 in both the same period last year and the previous quarter. Housing affordability improved as wages grew at a faster pace than benchmark home prices. Across most major regions in Canada, the ratio declined as markets remained soft, with the exception of Edmonton, where the ratio now sits at 4.1, up from 4.0 last quarter. Looking ahead, the ratio may continue to decline due to increased housing supply and a weaker demand outlook, though it will also depend on wage growth.

Chart 2: Housing Starts and Completions by Major Canadian Municipalities (First Half: 2024 vs 2025)



Source: CMHC

Next Update: October 2025

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 have developed reliable methods of forecasting and analysis.

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Sources:
Bank of Canada, CMHC, Corporate Economics, CREA, CREB, Statistics Canada.