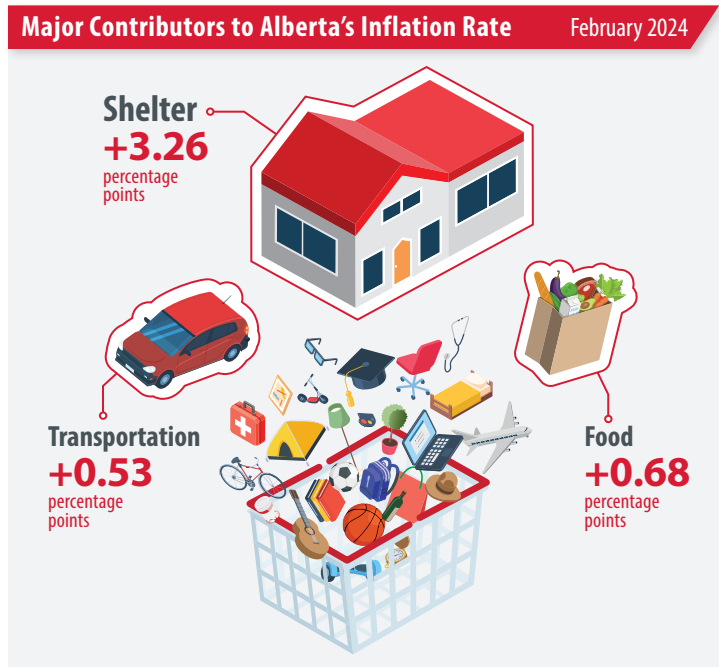
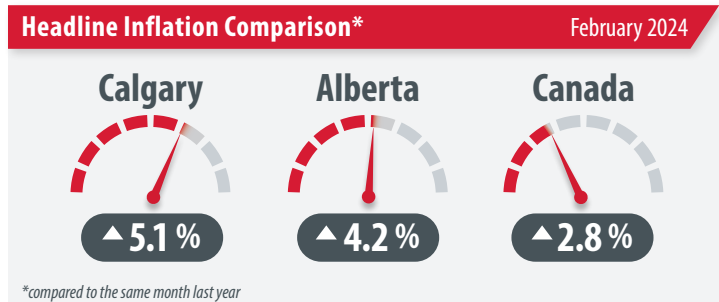


### HIGHLIGHTS

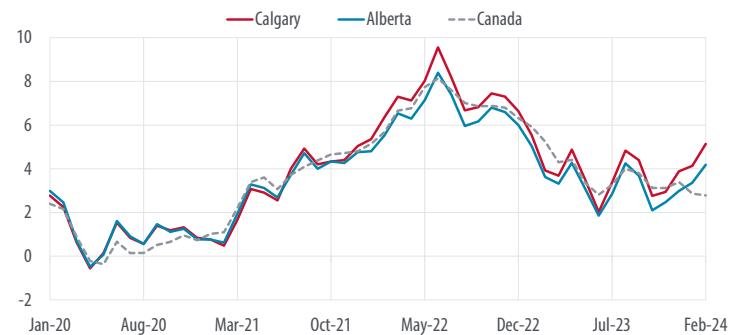


### Calgary's inflation rose to 5.1 per cent in Calgary, while the national inflation further slowed to 2.8 per cent in February 2024.

In February 2024, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) experienced a year-over-year (YoY) increase of 5.1 per cent, up from 4.1 per cent in January. This marks the fifth consecutive acceleration in the inflation rate for Calgary since October 2023. This is primarily driven by significant rent inflation, detailed below. Another contributing factor is the base year effect related to utility costs, which rose 35.1 per cent YoY. Alberta's energy rebate program from 2023, which is no longer in effect, resulted in comparatively low utility prices for the base year (February 2023). These factors have made Calgary's inflation rate the highest in the nation for two consecutive months.

Similarly, Alberta's inflation rate was at 4.2 per cent, up from 3.4 per cent in January. Shelter costs, including utilities, were the major contributors to Alberta's inflation, accounting for approximately 3.3 per cent of the overall inflation rate. The Government of Alberta forecasts an average inflation rate of 2.5 per cent for 2024 according to the budget released on February 29<sup>th</sup>, 2024. Meanwhile, Canada's national inflation rate dropped to 2.8 per cent, from January's 2.9 per cent. This is the first time Canada's inflation rate came below 3 per cent for two consecutive months since March 2021. This is primarily attributed to a decline in cellular and internet service costs as well as a deceleration in food cost inflation. Core inflation, which excludes volatile items such as food and energy, in Alberta increased to 2.9 per cent from 2.8 per cent in January whereas it eased to 2.8 per cent from January's 3.1 per cent for Canada.

Year-over-year Inflation Rates in Calgary, Alberta, and Canada (Jan 2020 - Feb 2024)



### Inflation Rates

	Relative Importance (%)*	Year-over-year (%)		
		Feb-24	Jan-24	Dec-23
<b>Calgary: All items</b>	<b>100.00</b>	<b>5.1</b>	<b>4.1</b>	<b>3.9</b>
Shelter	25.89	14.8	12.2	10.2
Rented accommodation	5.91	15.3	14.4	18.4
Owned accommodation	16.14	9.6	9.5	9.6
Water, fuel and electricity	3.85	35.1	18.6	2.3
<b>Alberta: All items</b>	<b>100.00</b>	<b>4.2</b>	<b>3.4</b>	<b>3.0</b>
Alberta: All-items excluding food and energy	76.10	2.9	2.8	3.0
<b>Canada: All items</b>	<b>100.00</b>	<b>2.8</b>	<b>2.9</b>	<b>3.4</b>
Canada: All-items excluding food and energy	76.57	2.8	3.1	3.4

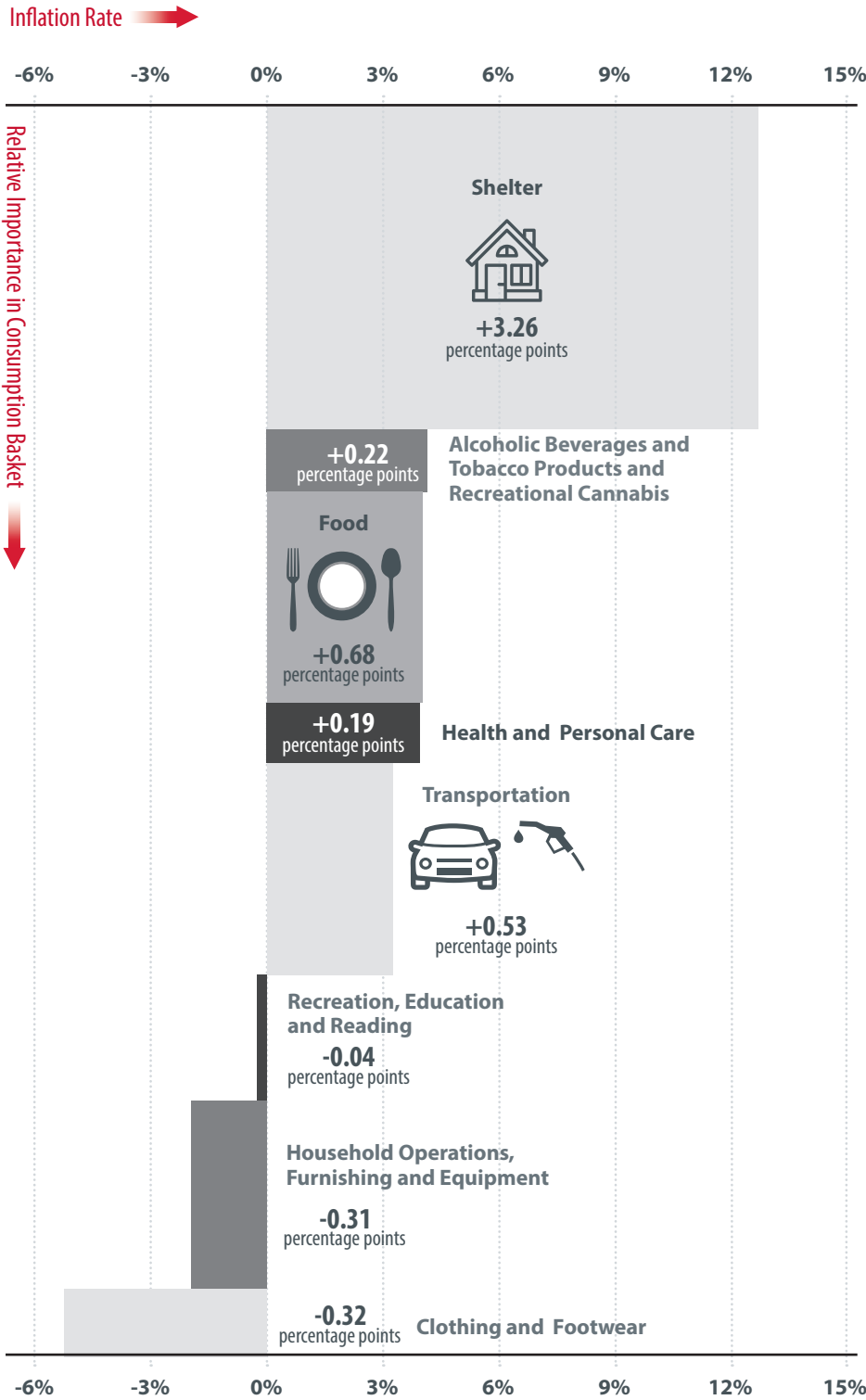
### Calgary's rent costs escalated by 15.3 per cent, marking the fifth consecutive month of double-digit growth.

In February 2024, the cost of renting in Calgary rose by 15.3 per cent from February 2023, marking the fifth consecutive month of double-digit increases in rental costs since October 2023. This includes an 18.4 per cent year-over-year increase in December 2023, the highest on record. Calgary last experienced such a prolonged period of double-digit rent inflation from November 1980 to December 1982, when inflation rates remained above 10 per cent for over 26 consecutive months, with an average of 13.7 per cent. Calgary's rental inflation rate has been the highest in the nation for three straight months, even outpacing Halifax, which has also faced significant rent increases due to high population growth and limited increase in supply. The persistent rise in shelter costs, particularly for rent, will continue to impact the cost of living in Calgary, especially for young people, newcomers to Canada, and low-income households who tend to rely on rental housing.

\* CPI basket weights are based on the 2022 expenditure data, modified in June 2023. Sources: Statistics Canada, Corporate Economics, March 19, 2024.

## Contribution of Consumer Items to Inflation: Alberta

February 2024



The calculation for contribution incorporates the effects of changes in basket weight. The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Sources: Statistics Canada, Corporate Economics, March 19, 2024.

**Next release: April 16, 2024**

### 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, Statistics Canada,  
Corporate Economics.