



City of Edmonton

## Q4 2024 Economic Update (Revised)

**City of Edmonton Corporate Economics**

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## Q4 2024 Economic Overview

*Note: this report was originally released on February 3, 2025. This version contains an updated labour market section that incorporates revised data from Statistics Canada's [2025 Revisions of the Labour Force Survey \(LFS\)](#).*

Over Q4 2024, the Edmonton census metropolitan area (CMA) labour market experienced a boost in employment growth, mainly in full-time positions, which helped to lower the unemployment rate. Annualized consumer price inflation accelerated in Q4 as shelter inflation rose higher. Part of the reason for this rise was that price deflation in core utilities previously provided a moderating impact to rented and owned accommodation inflation, and that impact in Q4 was felt to a lesser extent. Existing housing market conditions in Edmonton remained tight in Q4. At the same time, housing starts activity was robust, which helped set a record high in Edmonton annual housing starts since at least 1990. Rapid population growth has been a key driver of economic activity in Edmonton and the CMA in recent years, with housing demand impacts becoming more noticeable in 2024.

Looking ahead, there have been major developments since the City's summer 2024 outlook was released that have raised the level of uncertainty surrounding the City's expectations for Edmonton and the CMA's economies in 2025 and beyond<sup>1</sup>. These developments include changes to federal immigration policies and threats of tariffs from the United States. These developments will be considered in the City's next long-term economic outlook.

Details of demographic trends between 2023 and 2024, developments in the Edmonton CMA labour market and price inflation and Edmonton housing and residential building construction are provided below.

### *Demographic Trends*

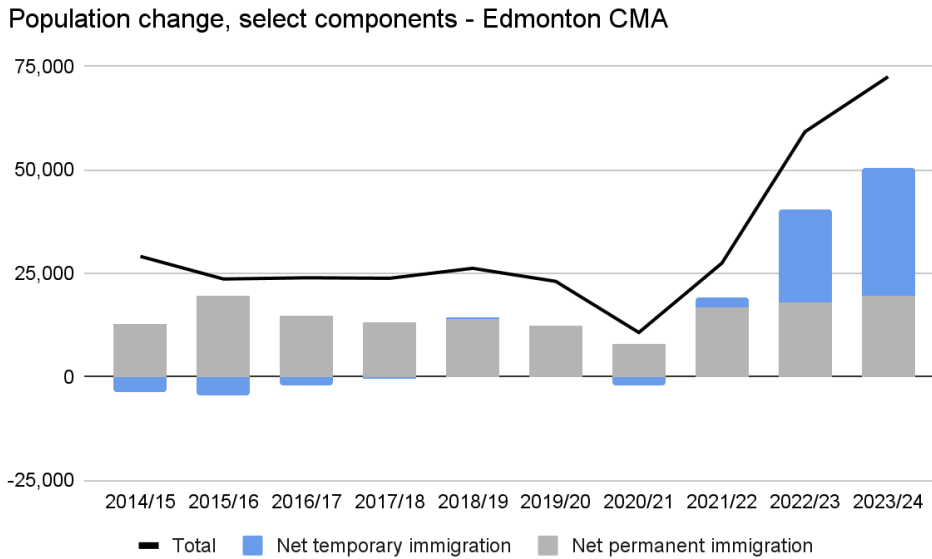
Edmonton's population grew by 5.7 per cent between 2023 and 2024, reaching an estimated 1,190,458 by July 1, 2024. This was the fastest growth rate since at least 2002. The CMA population also grew by 4.7 per cent over the same period. As of July 1, 2024, Edmonton's population made up 73 per cent of the CMA, its highest share since at least 2001. This suggests that Edmonton is either absorbing a larger proportion of newcomers to the CMA than other municipalities or has stronger growth from natural increase, or a mix of both.

Net migration, especially from international migration, was the primary factor in CMA population change between 2023 and 2024. This aligned with provincial and national

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<sup>1</sup> An overview of the City's summer 2024 outlook can be found in the [Q3 2024 economic update](#).

demographic trends. International migration, including permanent and temporary (i.e., non-permanent) immigration, was a significant driver of the CMA's net population change between 2023 and 2024, reaching its highest level since at least 2002. Net temporary immigration, which includes international students and temporary foreign workers, was almost 31,000 between 2023 and 2024, surpassing both net permanent immigration (almost 20,000) and domestic migration<sup>2</sup> (almost 17,000). Notably, net interprovincial migration reached a new high since at least 2002, at 13,893.



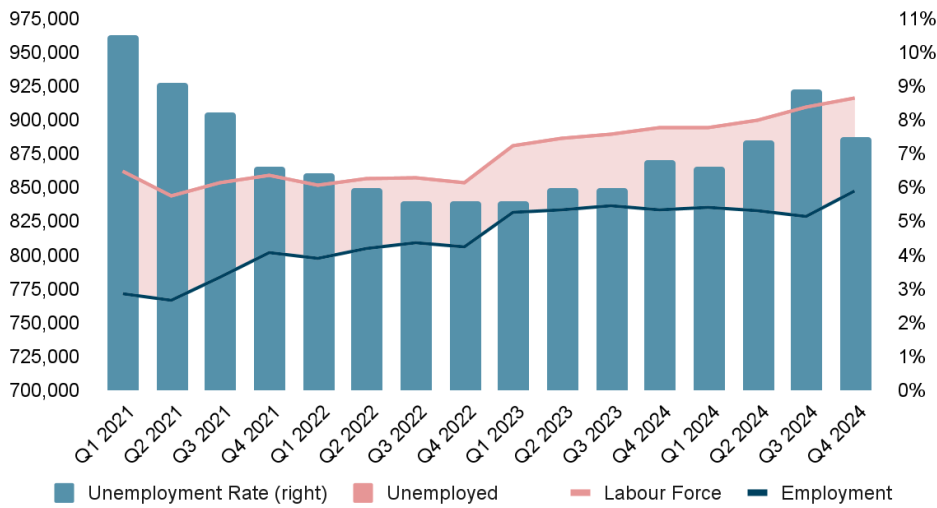
Source: Statistics Canada

### Labour Market

The labour market in the Edmonton CMA strengthened considerably in the closing quarter of 2024, as seasonally adjusted employment expanded 2.3 per cent from Q3, rising more than three times faster than the labour force. Despite the addition of almost 20,000 employed people to the labour market in Q4, the unemployment rate in the Edmonton CMA closed 2024 at 7.5 per cent. This is up from 6.8 per cent at the end of 2023, as year-to-date labour force growth exceeded that of employment for the first three quarters of the year. Working age population growth averaged 4.6 per cent in 2024, setting a record for data going back to 2007, while the labour force grew 2.0 per cent. The fourth quarter surge in employment lifted employment growth for the year, but with minimal annualized growth in Q2 and negative annualized growth in Q3, annual employment growth (0.5 per cent) still trailed labour force growth. As a consequence, the annual unemployment rate in 2024 also averaged 7.5 per cent.

<sup>2</sup> Domestic migration is the sum of net interprovincial (between Alberta and other provinces) and net intraprovincial (between regions within Alberta) migration.

Labour market indicators - Edmonton CMA



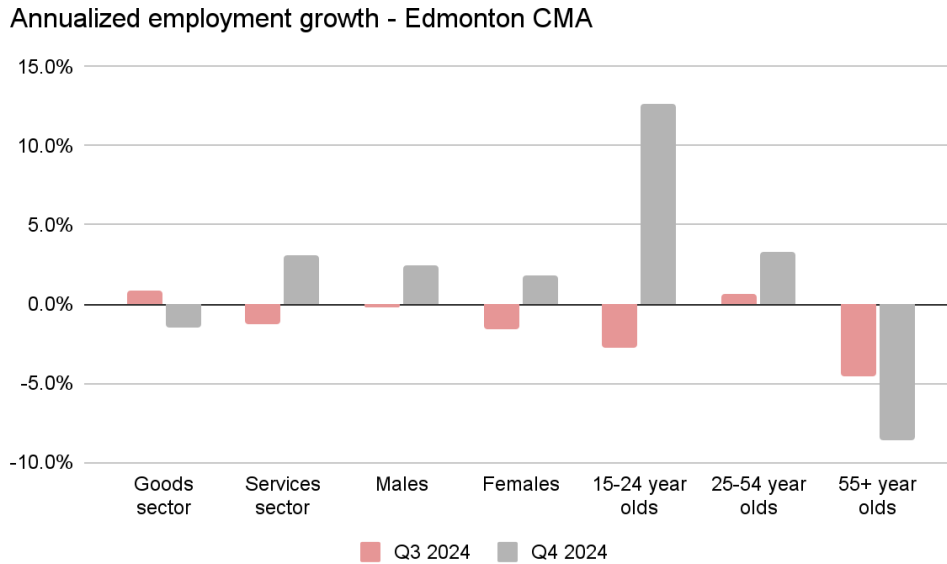
Source: Statistics Canada, seasonally adjusted

While Q4 2024 saw a marked rise in employment in the Edmonton CMA, annualized wage growth slowed. Based on data unadjusted for seasonality from Statistics Canada, the weekly wage rate in the Edmonton CMA averaged \$1,330 in Q4, an increase of 1.0 per cent over the last quarter of 2023. After seeing annualized growth of 8.9 per cent in Q3 2023, this was the fifth straight quarter the Edmonton CMA had seen lower rates of growth in the average weekly wage rate. The slowing can be partially attributed to composition of employment growth in Q4 2024, both on a sector basis and a demographic basis.

On a sectoral basis, based on data unadjusted for seasonality from Statistics Canada, annualized employment rose in the services sector (+3.1 per cent), more than offsetting a decline in the goods sectors (-1.5 per cent). Based on provincial-level data, average wages in services sectors are lower than in goods sectors. This is true for the three sectors that recorded double-digit employment growth in Q4 2024 – education services (+29 per cent), transportation and warehousing (+18 per cent) and accommodation and food services (+16 per cent). A 12 per cent annualized decline in other natural resources employment in Q4 2024, the highest paying sector provincially, likely also contributed to the moderation in wage growth.

Demographically, Q4 2024 saw annualized employment gains across all sexes and broad age groups, with the exception of those 55 years of age and older, where employment declined for both men (-13 per cent) and women (-3.2 per cent). The largest increases came in the youth age group (15-24 years of age), with men seeing a 26 per cent increase and women a 1.8 per cent rise. While annualized full-time employment gains more than offset part-time losses in Q4 2024, the outsized influence of employment growth from youths, who typically

have lower wage rates than other age groups, and services sectors likely contributed to the easing in annualized wage growth for the quarter.



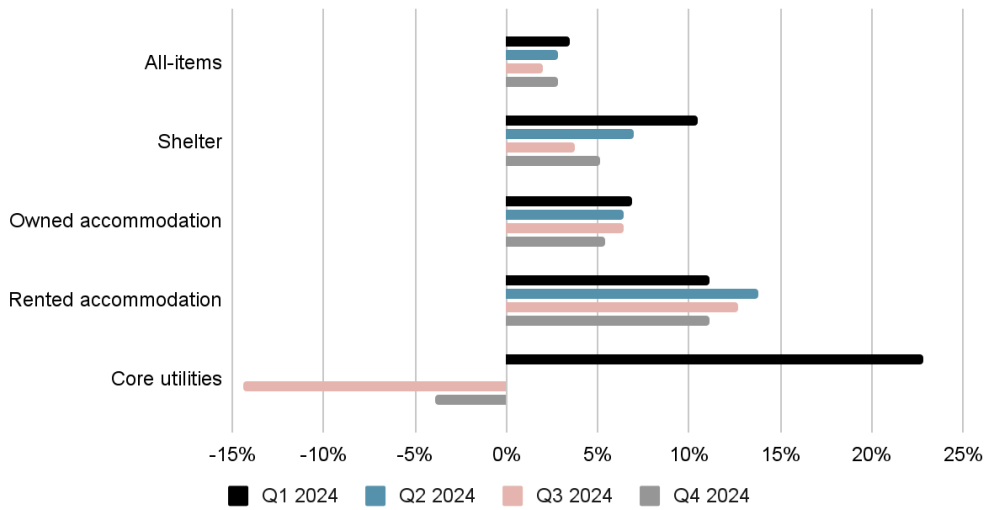
Source: Statistics Canada, not seasonally adjusted

### Consumer Inflation

Annualized consumer inflation<sup>3</sup> in the Edmonton CMA accelerated in the final quarter of 2024, rising from 2.0 per cent in Q3 to 2.8 per cent. While owned and rented accommodation inflation both eased in the fourth quarter, shelter inflation climbed from 3.8 per cent in Q3 to 5.1 per cent in Q4 as the rate of deflation in core utility prices eased. Core utilities annualized deflation moved from -14 per cent in Q3 to -3.9 per cent in Q4 2024. Across the 16 CMAs Statistics Canada produces CPI estimates for, the Edmonton CMA's Q4 2024 pace trailed only Calgary (+2.9 per cent) and exceeded both the national (+1.9 per cent) and Alberta (+2.7 per cent) averages. Nationally, this was the fourth straight quarter inflation has fallen within the Bank of Canada's target range of 1-3 per cent, which was supportive of continued monetary easing. This was reflected in the central bank lowering its policy interest rate twice in Q4, bringing it down to 3.25 per cent on December 11, 2024. The easing in interest rates likely contributed to the softening in owned accommodation inflation nationally in Q4, as well as in the Edmonton CMA.

<sup>3</sup> As measured by annualized per cent changes in Statistics Canada's Consumer Price Index.

Annualized consumer inflation - Edmonton CMA



Source: Statistics Canada

On an annual basis, consumer inflation in the Edmonton CMA averaged 2.8 per cent as the strong pace in Q1 (+3.5 per cent) and more moderate pace in Q3 cancelled each other out. This was unchanged from the rate of price increase in 2023. Shelter and food were the primary drivers that kept annual inflation in the Edmonton CMA from moderating further in 2024. An acceleration in rented accommodation inflation (from 4.6 per cent in 2023 to 12 per cent in 2024) and still elevated inflation for owned accommodation (+6.3 per cent) more than offset a modest deflation in core utilities (-0.3 per cent).

*Housing and Residential Building Construction*

Rapid population expansion in recent years, driven by net migration, has kept housing demand elevated. This has resulted in more competition for rentals and existing homes, as well as pushing new housing starts higher.

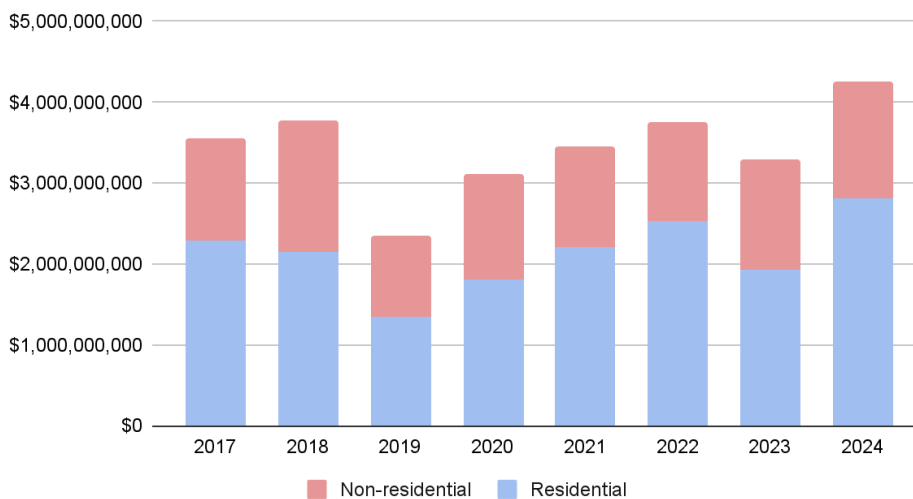
The Fall 2024 Rental Market Report by the Canada Mortgage and Housing Corporation (CMHC) showed that Edmonton's purpose-built apartment vacancy rate was 3.0 per cent in October 2024; in October 2023, the vacancy rate was 2.6 per cent. Elevated rental demand in Edmonton kept the vacancy rate relatively low, especially considering there was a 4.2 per cent expansion in the purpose-built apartment universe between October 2023 and October 2024. The CMHC Rental Market Surveys indicated 3,117 apartment units were added to the rental universe, of which 1- and 2-bedroom units combined accounted for 82 per cent. The strongest growth was seen in apartment units with three or more bedrooms (+13 per cent), which added 413 new units. However, these larger units accounted for only 4.8 per cent of Edmonton's rental apartment universe as of October 2024. Overall average rent growth from

a fixed sample of rental properties in Edmonton accelerated from 6.0 per cent in October 2023 to 7.2 per cent in October 2024.

According to data from the Realtors Association of Edmonton, existing home market conditions in Edmonton appeared to have tightened over Q4 2024. Compared to Q3 2023, sales for all residential property types saw double-digit growth in 2024, with the highest increases in detached and semi-detached properties at 26 per cent. Although new listings increased for all property types, sales grew even faster. The sales-to-new listings ratio for all property types moved higher in Q4 with averages above 75 per cent in every property type and 92 per cent for the market as a whole, which indicated market conditions that favoured sellers.

The Edmonton residential construction sector performed well in 2024, reflecting increased housing demand from a growing population and more competition for units in the rental and existing home markets. In Q4, the total value of building permits issued by the City of Edmonton increased from \$909 million in 2023 to \$1.1 billion in 2024; permits for new residential structures were valued at \$714 million in Q4, 51 per cent higher than in 2023. This activity brought the value of total building permits in 2024 to \$4.3 billion, a 29 per cent increase over 2023, with growth largely driven by building intentions for new residential structures. Building permit values for new residential structures in 2024 were 53 per cent higher at \$2.5 billion.

Value of Building Permits Issued - Edmonton

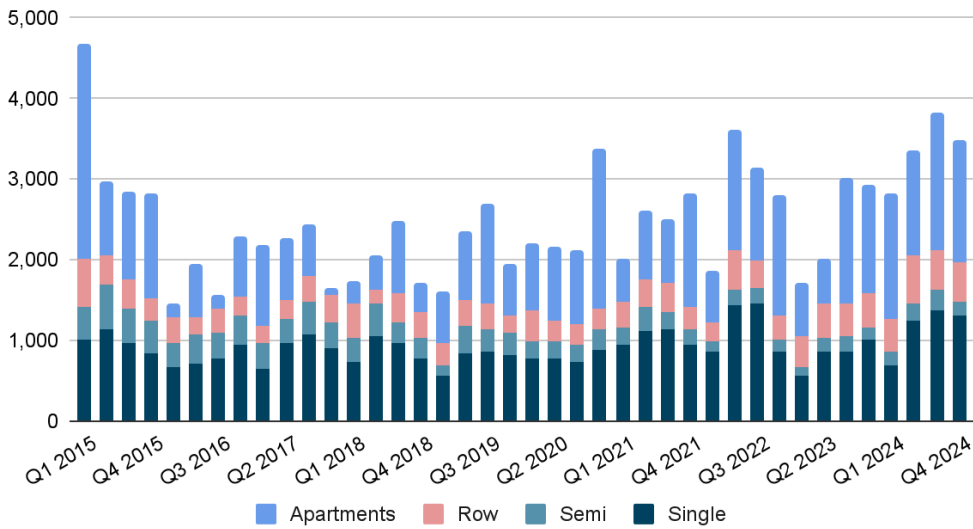


Source: City of Edmonton

Notes: residential includes single, semi-detached, row, and apartment structures, as well as miscellaneous residential building activity; and non-residential includes commercial, industrial, and institutional structures.

Through December 2024, based on permits issued, building intentions for new dwelling units remained concentrated in single-family dwellings (39 per cent), followed by apartments (30 per cent). This trend is consistent with Edmonton’s historical experience. However, housing starts in Q4 indicated a stronger focus on row dwellings. In Q4 2024, housing starts in Edmonton totalled 3,480 units, 19 per cent growth over Q4 2023. The strongest growth by dwelling type was for single detached units (+30 per cent), followed by row units (+22 per cent). The 19 per cent gain in starts added to an already high pace of new home construction over the first three quarters of 2024. There were a total of 13,484 housing starts in Edmonton in 2024, representing a 40-per-cent increase over 2023. That level of housing starts also represents a record high since at least 1990. Over the course of 2024, growth in starts was led by apartments (+48 per cent), primarily rentals, and single detached units (+41 per cent). Starts for every other housing type posted growth of at least 20 per cent.

Housing starts - Edmonton



Source: CMHC



## Information Sources by Concept

### Long-term economic outlook

- City of Edmonton, [Q3 2024 Economic Update](#).
- City of Edmonton, [Summer 2024 Outlook Summary Table](#).

### Demography

- Immigration, Refugees and Citizenship Canada. [Government of Canada reduces immigration](#).
- Statistics Canada. [Table 17-10-0148-01 Population estimates, July 1, by census metropolitan area and census agglomeration, 2021 boundaries](#).
- Statistics Canada. [Table 17-10-0149-01 Components of population change by census metropolitan area and census agglomeration, 2021 boundaries](#).
- Statistics Canada. [Table 17-10-0155-01 Components of population change by census metropolitan area and census agglomeration, 2021 boundaries](#).

### Housing and residential building construction

- City of Edmonton [Monthly Building Permit Summary](#).
- CMHC Starts and Completions and Market Absorption Surveys via the [Housing Market Information Portal](#).
- CMHC [Fall 2024 Rental Market Report](#).
- Realtors Association of Edmonton, [Monthly Market Statistics Update](#).

### Labour and Employment

- Statistics Canada. [Table 14-10-0063-01 Employee wages by industry, monthly, unadjusted for seasonality](#).
- Statistics Canada. [Table 14-10-0458-01 Labour force characteristics by census metropolitan area, three-month moving average, unadjusted for seasonality](#).
- Statistics Canada. [Table 14-10-0459-01 Labour force characteristics by census metropolitan area, three-month moving average, seasonally adjusted](#).
- Statistics Canada. [Table 14-10-0467-02 Employment by industry and census metropolitan area, three-month moving average, unadjusted for seasonality](#).

### Prices

- Statistics Canada. [Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted](#).