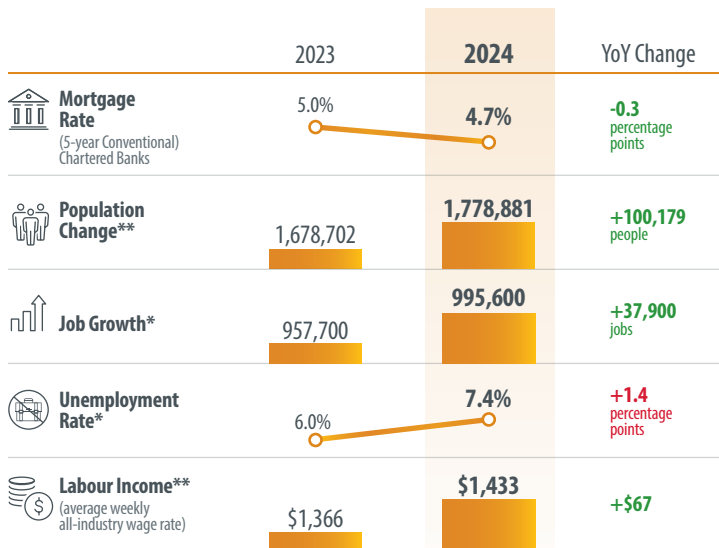




HOUSING DEMAND

Key Takeaways

- Calgary Census Metropolitan Area (CMA) experienced the highest population growth in Canada in 2024, with a net annual gain of 100,179 people (275 daily), significantly increasing housing demand.
- In just two years (2022-2024), Calgary CMA's population grew by 191,934, a growth that took eight years (2015-2022) to achieve, highlighting the rapid pace of expansion.
- The federal government's lower immigration targets could lead to a slowdown in population growth, potentially easing housing demand in the coming years.



* Calgary Economic Region (CER)

** Calgary Census Metropolitan Area (CMA)

Interest Rates

The Bank of Canada decided to lower its target policy rate by 0.50 per cent in both the October and December meetings consecutively, bringing the rate to 3.25 per cent, the lowest since September 2022. As of December 2024, the policy interest reached the upper bound of Bank of Canada's neutral rate (2.25 -3.25). In 2024, the policy interest dropped 1.75 per cent from 5 per cent, the biggest annual drop since 2009, when the rate declined 4.25 to 1.5 per cent, excluding the COVID-19 pandemic. As of Q4 2024, the conventional five-year mortgage fell by 0.6 per cent year-over-year (YoY). The falling mortgage rates are expected to intensify housing demands.

Population Change

According to the latest Statistics Canada data released on January 16th, 2025, the city of Calgary's population grew by 90,703 in 2024, reflecting a 6.1 per cent YoY increase, reaching 1,569,133 as of July 1st 2024. In other words, the city experienced a net increase of about 250 people daily. Among 30 major Canadian municipalities, Calgary had the fourth-highest growth rate,

trailing only Surrey, Kitchener, and Brampton. At the CMA level, Calgary CMA saw a net gain of 100,179 people in 2024, a 6.0 per cent increase, the highest among all CMAs and Census Agglomerations (CAs) in Canada. Non-permanent residents and interprovincial migration led this growth, with both components reaching record highs (see Chart 1). In a mere two years, from 2022 to 2024, the Calgary CMA has grown by 191,934 people—almost matching the entire growth that took eight years (2015-2022) to achieve. This unprecedented population growth is placing significant pressure on housing demand.

Employment

In Q4 2024, employment in the Calgary Economic Region (CER) grew by 4.7 per cent from 965,000 in Q4 2023 to 1,010,100. For the entire year of 2024, employment in the CER totaled 995,600, reflecting a 4 per cent increase (37,900 jobs) from 2023. Full-time employment rose by 21,100 to 809,700 (2.68 per cent), while part-time employment grew by 16,800 to 185,800 (9.9 per cent), marking the highest annual increase since 2021 during the COVID-19 recovery. By industry, manufacturing, accommodation, and healthcare led the growth. Despite sluggish economic conditions across Canada, which saw only a 1.8 per cent national increase, Calgary's labour force continued to expand, sustaining a solid demand for housing.

Labour Income

In Q4 2024, average weekly earnings in the Calgary CMA increased by 4.1 per cent, reaching \$1,450, up from \$1,393 in Q4 2023. Annually, the average income grew by 4.9 per cent, to \$1,433, the highest growth rate since 2020. With annual CPI inflation of 3.4 per cent, real wage growth is estimated at 1.5 per cent. Mining, real estate rental and leasing, and healthcare led the income growth. Full-time employment saw a 6.4 per cent annual increase, while part-time employment declined by 0.8 per cent. While stable income base for more established households could fuel housing activities, contrasting slower new hiring trends could also indicate that younger generations may face greater challenges in job markets and homeownership, leading to a more polarized housing market and a widening divide across the housing spectrum. In fact, households aged 35 years and younger were the only age cohort to see a reduction in their mortgage debt since 2023, as rising housing prices and mortgage rates made homeownership less affordable¹.

Key Policy Initiatives

On October 24, 2024, the federal government announced the 2025-2027 immigration levels plan with the aim of curbing immigration levels, which could lead to a marginal population decline in 2025 and 2026. Specifically, the number of permanent resident targets has been slashed more than 20% to 395,000 in 2025 and 380,00 in 2026 from the previously announced 500,000. For the first time, it also sets targets for temporary residents to reduce their share to 5% of the total population through changes in caps on international students and temporary foreign worker programs. According to the federal government, these changes are expected to reduce the housing supply gap by 670,000 units by 2027².

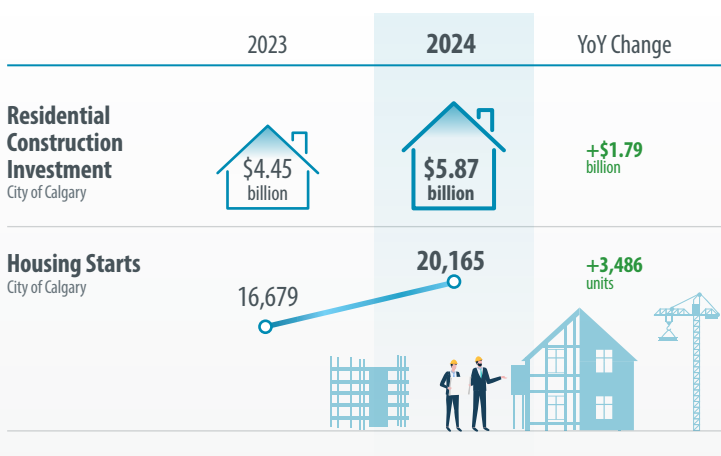
¹ <https://www150.statcan.gc.ca/n1/pub/11-631-x/11-631-x2025001-eng.htm>

² <https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/10/20252027-immigration-levels-plan.html>

HOUSING SUPPLY

Key Takeaways

- In 2024, Calgary experienced significant growth in both building permit values and residential unit permits.
- The city of Calgary recorded the highest housing starts in Canada, surpassing 20,000 units for the first time with 20,165 starts, driven by multifamily construction.
- Housing completions also reached a new record of 21,084 units, surpassing Montreal and Ottawa combined and achieving twice the number of completions per capita.



Building Permit: Value

According to building permit data from the City’s open data portal as of January 2025, the total value of residential building permits submitted in Calgary for Q4 2024 reached \$1.399 billion, marking a 32.1 per cent increase compared to Q4 2023. For the entire year of 2024, the total value of building permits amounted to \$5.87 billion, reflecting a 31.9 per cent YoY increase, the highest in the City’s history. Apartments experienced a remarkable 43.5 per cent increase, reaching \$2.224 billion—an all-time high and the first time surpassing the \$2 billion mark. Similarly, single-family homes rose by 15 per cent, reaching \$2.049 billion, also a record high. Duplexes also achieved a historical high of \$361.5 million, reflecting a 52.7 per cent YoY increase, while townhouses grew by 36.9 per cent to \$602.9 million, marking the second highest value on record since 2014. The most notable growth was in secondary suites, which saw a 110.2 per cent increase to \$222.1 million, the highest recorded value by far.

Building Permit: Residential Units

In Q4 2024, the total number of housing units permitted reached 4,340, a 41.1 per cent increase YoY. For the full year of 2024, a total of 25,808 housing units were submitted, a 32.5 per cent increase from 19,481 units in 2023. Similar to the permit values, nearly all permit classes set new records, except for single-family units, which increased by 16.5 per cent to 5,303 units. Apartments saw a 26.2 per cent increase, reaching 10,170 units, the first time surpassing the 10,000-unit threshold. Townhouses grew to 2,793 units from 2,057 the previous year. Duplexes saw a 51.7 per cent increase to 1,829 units. Secondary suites doubled to 3,505 units. By region, the rapidly growing southeast area saw nearly a doubling of housing units. In summary, these record-high numbers from building permits reflect the market’s response to the strong demand for housing driven by rapid population growth.

Housing Starts

According to CMHC, Calgary recorded 5,867 housing starts in Q4 2024, reflecting a 32.4 per cent YoY increase and marking the highest quarterly total for the city. In 2024, total housing starts reached 20,165 units, a 20.9 per cent YoY increase, setting a new record and making 2024 the first year Calgary surpassed 20,000 units. Calgary became only the second municipality in Canada to reach this milestone. Additionally, Calgary recorded the highest number of housing starts among all municipalities in 2024, surpassing Toronto for the first time since 2014.

This growth was primarily driven by apartment construction, which saw 10,600 units (+21.9 per cent YoY), the first time surpassing the 10,000-unit mark. Of these, 48 per cent were rental units and 54 per cent were condos. Despite unfavorable financing conditions that hindered projects in major cities like Toronto and Vancouver, Calgary’s strong population growth made large projects attractive. Single-family starts increased by 16.8 per cent to 5,179 units. Rowhouses grew by 11.2 per cent, and semi-detached homes saw a notable 47.7 per cent increase to 1,746 units—both the highest annual totals on record (See Figure 1).

Housing Under Construction

As of Q4 2024, the total number of dwelling units under construction stands at 20,216, a 4.2 per cent decrease compared to the same time last year, but still the second-highest level on record. Of this total, 66 per cent (13,344 units) are apartments, with nearly equal splits between rental units and condos. Rowhouses saw a slight decline of 3.3 per cent, totaling 2,080 units. However, the decline in apartment and rowhouse construction was offset by increases in single-family and semi-detached homes, which rose by 10.9 per cent and 40.9 per cent, respectively, to 3,510 and 1,282 units. This increase is supported by sustained demand for larger living spaces and both inner-city redevelopment and greenfield developments.

Housing Completions

In Q4 2024, 5,827 dwelling units were completed in Calgary, the highest number recorded in a single quarter. Throughout 2024, a total of 21,084 units were complete, a staggering 68.7 per cent YoY increase. This marked the first time Calgary surpassed the 20,000-unit milestone and it ranked second in Canada, behind Toronto. Remarkably, the city of Calgary (with a pop ~1.6 million) saw more completions than Montreal (2 million) and Ottawa (1.2 million) combined, achieving more than twice the number of completions per capita. Similar to housing starts, the majority of this growth was driven by apartments, which grew by 133.9 per cent YoY to 12,208 units. Of these, 72.9 per cent (8,897 units) were purpose-built rentals, a significant increase from 3,375 units in 2023. This influx of supply is helping to moderate rent increases in Calgary, especially in downtown areas. Single-family completions totaled 5,009 units, an 18.3 per cent increase, marking the first time since 2008 that Calgary hit the 5,000-unit mark. Rowhouses and semi-detached homes also saw increases of 29.9 per cent and 22.4 per cent, reaching 2,433 and 1,434 units, respectively. As a result of this sustained growth, the share of apartments in total completions rose to 57.9 per cent, up from 41.8 per cent the previous year, while the share of single-family homes remained at 23.8 per cent.

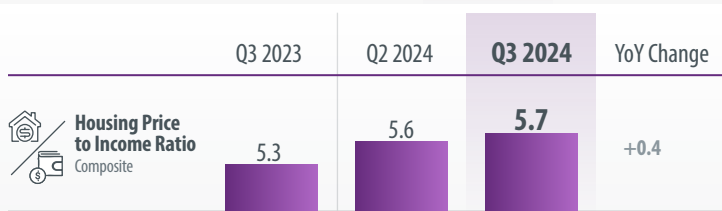
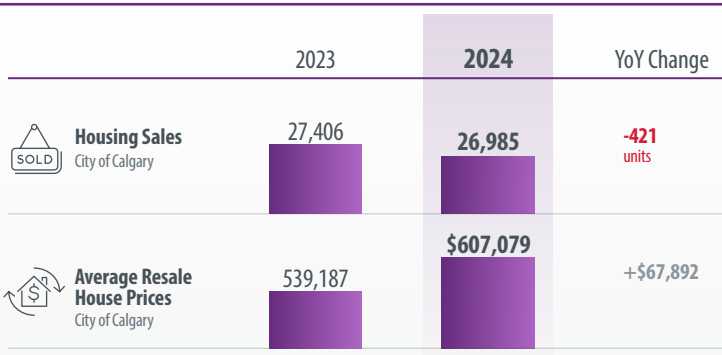
Key Policy Initiatives

On October 8, 2024, the federal government introduced new measures aimed at encouraging the construction of secondary suites. These initiatives include allowing homeowners to refinance insured mortgages with a loan-to-value (LTV) ratio of up to 90% of the improved home value, with a maximum 30-year amortization. Additionally, the government raised the mortgage insurance home price limit to \$2 million for those refinancing to add a secondary suite. Combined with the City of Calgary’s various programs to promote secondary suite construction, along with the upcoming Canada Secondary Suite Loan Program, which will offer low-interest loans of up to \$40,000, these initiatives are expected to further encourage the creations of more secondary suites.

HOUSING MARKET

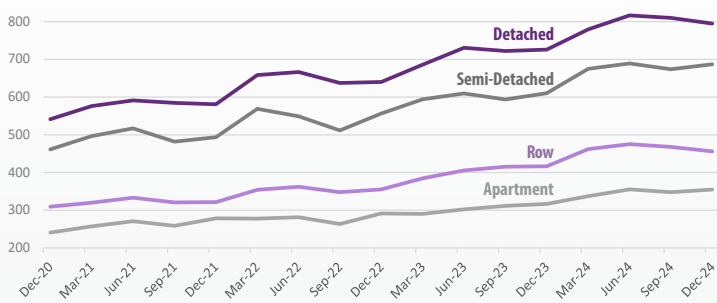
Key Takeaways

- Inventory improved as listings outpaced sales, particularly in higher-end markets in 2024.
- Total sales edged downward, with single-detached homes suffering from a lack of options, while apartments saw the second-highest sales on record.
- According to CREB, benchmark housing prices appreciated by 7 per cent YoY, reaching \$593,608, driven by growth in districts with traditionally lower benchmark prices.



Average Resale House Prices by Structure Type

City of Calgary (thousands)



New House Listings

In Q4 2024, there were 6,830 new listings, a 10.9 per cent increase from Q4 2023. Throughout 2024, new listings totaled 37,305, up by 9.7 per cent YoY. All product types saw increased listing activity in response to sustained high population growth. Detached homes saw a rebound, rising by 5.5 per cent to 17,237 listings, following a 22.9 per cent drop in 2023; however, it's still below the 10-year average of 18,866. Apartments, on the other hand, set a new record with 10,831 listings, marking an 11.5 per cent YoY gain and the first time surpassing the 10,000 mark, driven by demand for more attainable housing types as prices rise. Rowhouses and semi-detached listings increased by 17.5 per cent and 14 per cent, respectively, to 6,100 and 3,317, helping to address the scarcity of detached homes and meet growing demand.

Inventory of Houses for Resale

As listings grew, inventory also increased. As of Q4 2024, inventory stood at 4,104, a significant 47 per cent increase from the same time last year. In 2024, the average inventory was 3,586, bouncing back by 16.7 per cent from the lowest inventory level ever recorded in Calgary. As demand and supply imbalances improved, all product types saw an increase in inventory. Detached homes saw a 9.3 per cent increase, following a 27 per cent drop last year. Despite this improvement, inventory remains about 1,000 units

below the 10-year average, reflecting continued scarcity. The largest increase was seen in apartments, which grew by 22.5 per cent to 1,181 units, as the influx of listings outpaced sales activity. Rowhouses and semi-detached homes increased by 11.4 per cent and 34.6 per cent, respectively, to 287 and 505 units. These improvements are largely driven by higher-end price ranges, highlighting a lack of affordable options and the increasing number of buyers being priced out, which has allowed for restocking in higher-end segments.

Sales

In Q4 2024, the total sales in Calgary saw a slight decline of 0.5 per cent, totaling 5,287. Compared to Q3, sales decreased by 1,269 from 6,556, which is seasonally typical. For the entire year of 2024, total sales amounted to 26,985, down by 1.5 per cent from 27,407 in 2023. With interest rates and housing prices remaining elevated, sellers and buyers have been hesitant to enter the market, leading to a trend of restrained sales since 2022. However, sales improved during the second half of 2024 as rates and supply conditions began to stabilize. Sales remained 26 per cent above the 10-year average of 21,456, supported by population growth. By property type, single-detached sales declined by 2.4 per cent, marking the third consecutive year of decline since the peak of 17,036 in 2021 mainly due to the scarcity of options for buyers. In fact, single-detached sales in 2024 were below the 10-year average. Amid this diminishing sales of detached homes, apartments helped offset the drop, with 7,568 sales, a 4 per cent YoY decline but still the second-highest on record. Across all property types, sales in lower price ranges declined, but this was offset by an increase in higher-end products. The total sales-to-new listings ratio improved to 72 per cent from 82 per cent in 2023. Moreover, the months of supply, which is the ratio of inventory to sales, increased significantly to 1.59 from 1.34 at the same time last year, with the biggest improvements in apartments and rowhouses. These indicators collectively suggest an overall loosening of market tightness, although the lower-end and detached home segments still remain tight.

Resale House Prices (Benchmark Prices)

In Q4 2024, the benchmark price, which represents the price of a typical home across all types, reached \$587,900, reflecting a 3.8 per cent YoY increase. However, on a quarter-over-quarter basis, it saw a decline of 2.3 per cent, marking two consecutive declines, the first time since December 2022.

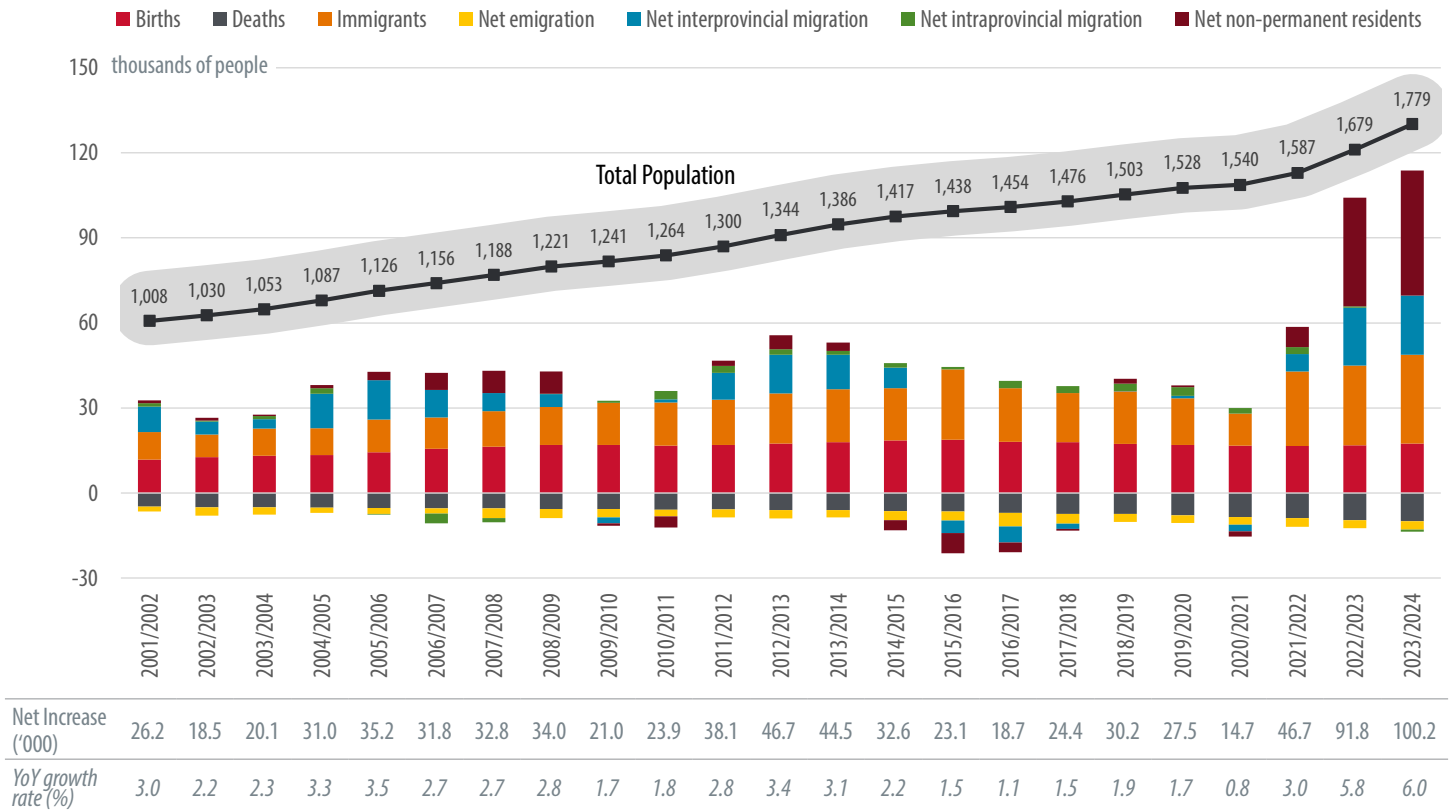
For the year 2024, the benchmark price stood at \$593,608, up by 7 per cent YoY. Most of this price growth occurred in the first half of the year before demand and supply imbalances started to improve in the latter half. Detached homes reached \$748,683, a 10.8 per cent YoY increase, marking the first time the benchmark surpassed \$700,000. Since 2022, the cumulative increase for detached homes has risen by 19 per cent. The West and East, which have the highest and lowest benchmark prices among all districts, have seen the largest increases, indicating slower activity in the middle range and a more polarized market landscape. Apartments saw the highest increase, jumping 15 per cent to \$336,183, driven by demand for more affordable options as housing prices and borrowing costs rose. This is the first time the apartment benchmark has exceeded \$300,000. Growth in the western areas is being driven by more luxurious product types entering those markets, and benchmark prices have now surpassed those in the city centre. Areas traditionally considered more affordable, such as the Northeast and East, are also experiencing growth, reflecting broader shifts in demand for attainable housing. Semi-detached homes showed a gain of 10.9 per cent to \$669,042, with significant increases in the South and East, both experiencing gains of more than 10 per cent, narrowing the gap with other districts. Rowhouses increased by 13.58 per cent, hitting the \$400,000 mark for the first time, with the largest increases in the East, which saw a significant 16.6 per cent increase. In sum, rising benchmark prices are putting pressure on housing affordability for Calgarians, especially in areas that have traditionally been more affordable but are now experiencing rapid price increases, potentially leaving some buyers priced out. This trend highlights the growing affordability divide in the market, with first-time buyers and lower-income households, struggling the most. In 2024, the average price and median prices increased by 12.6 per cent and 13.13 per cent, reaching \$608,079 and \$560,000, respectively.

Housing Price to Income Ratio

As of Q3 2024, the latest housing price to income ratio³ stood at 5.7, up by 0.1 from Q2 2024 and 0.4 from Q3 2023 as rising housing benchmark prices continue to outpace the income growth in Calgary. A comparison with other major Canadian cities reveals that Calgary was the only major area to experience deteriorating affordability indicators, with rapid population growth and supply imbalances putting pressure on prices.

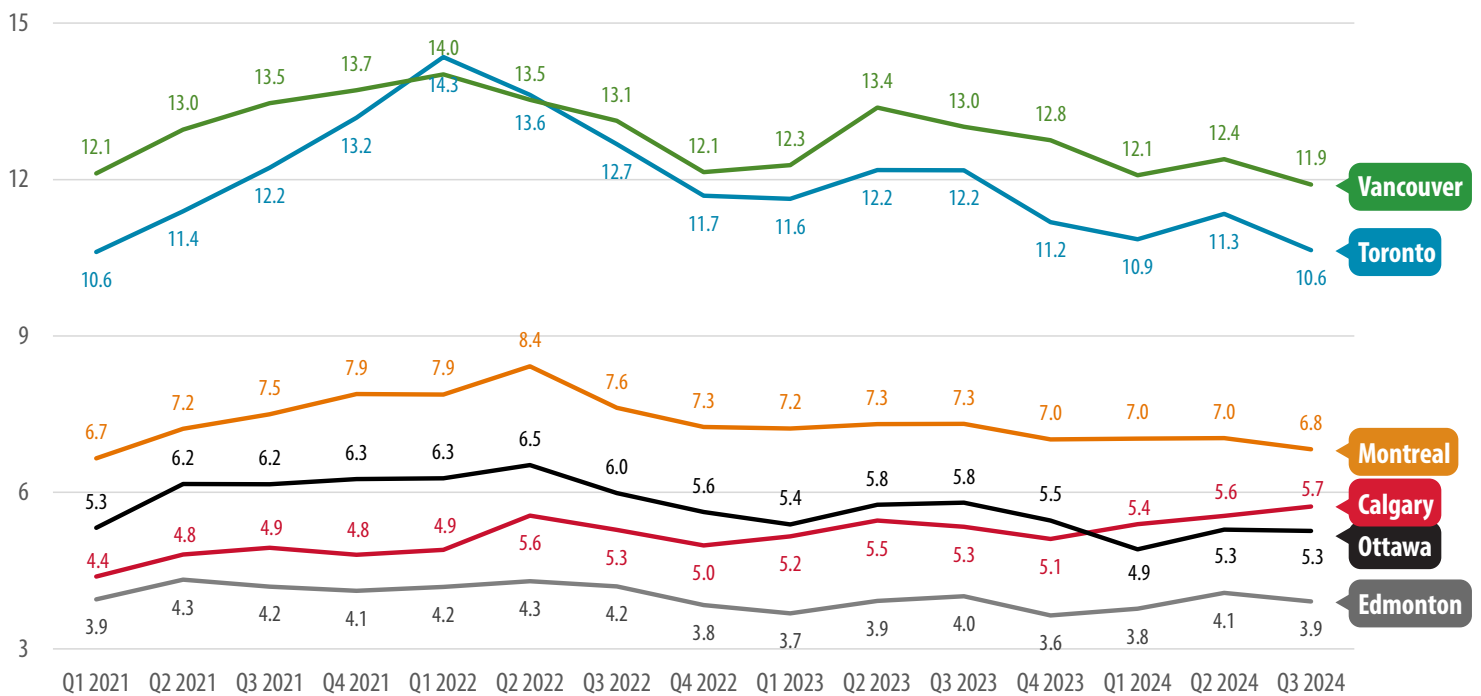
³ A detailed explanation of the methodology can be found in the 2024 Fall Economic Outlook.

Chart 1: Calgary CMA Population Growth by Components since 2021



Source: Statistics Canada Table: 17-10-0148-01 and 17-10-0149-01

Chart 2: Housing Price to Income Ratio by Property Type, Q1 2021 - Q3 2024

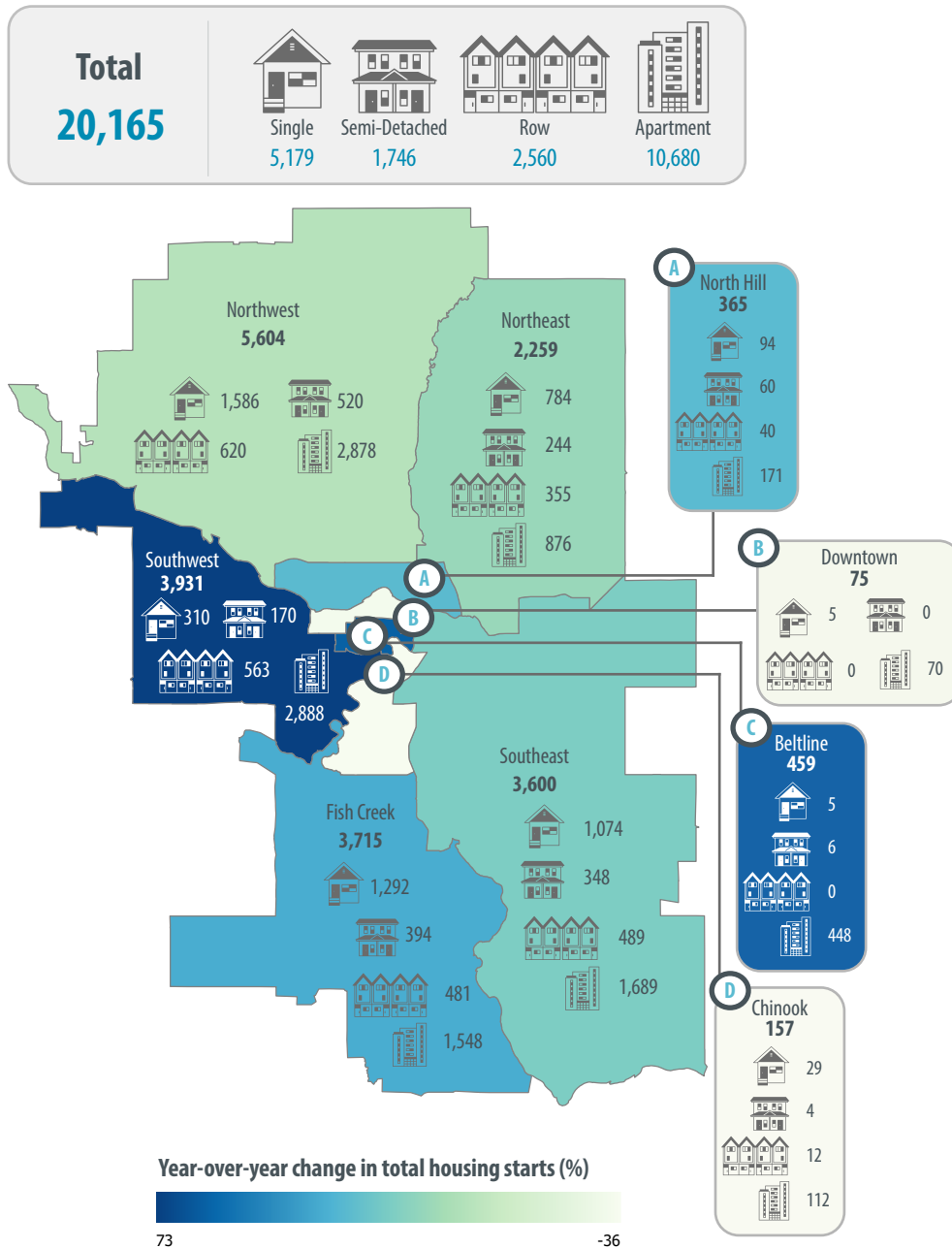


Source: CREA, Statistics Canada Table 14-10-0444-01 and 98-316-X2021001.

Note: Household income data is at the census subdivision level and has been extrapolated by applying the growth rate of the average hourly wage.

Figure 1A: Total Number of **Housing Starts** in 2024

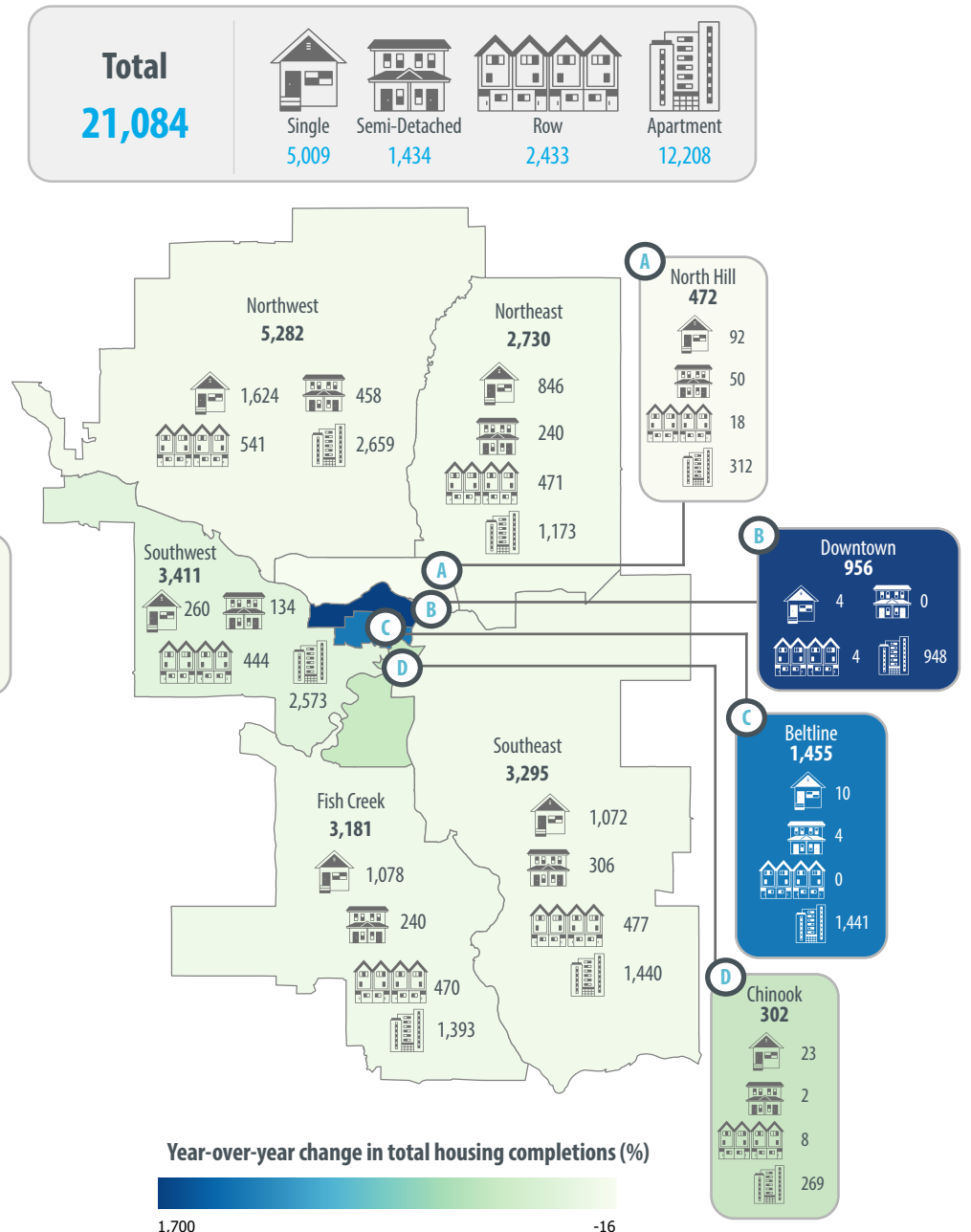
Dwelling type by zone in the city of Calgary



Source: CMHC Starts and Completions Survey, Corporate Economics

Figure 1B: Total Number of **Housing Completions** in 2024

Dwelling type by zone in the city of Calgary



Source: CMHC Starts and Completions Survey, Corporate Economics

Next Update: April 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.

For media inquiry, please contact:
The Media Line at **403.828.2954** or
media.relations@calgary.ca

For the technical questions, please contact:

Stanley Kongnetiman
Manager
Corporate Economics and Regulatory Affairs
stanley.kongnetiman@calgary.ca

Hotaka Kobori
Associate Economist
hotaka.kobori@calgary.ca

Estella Scruggs
Senior Corporate Research Analyst
estella.scruggs@calgary.ca

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

The City of Calgary provides this information in good faith. However, the aforementioned organization makes no representation, warranty or condition, statutory express or implied, takes no responsibility for any errors and omissions which may contained herein and accepts no liability for any loss arising from any use or reliance on this report.

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