



## EDMONTON MONTHLY KEY ECONOMIC INDICATORS

▲ - Increase from Last period

▼ - Decrease from last period

◀▶ - No change from last period

Indicator ('000 except as indicated)	Indicators for: Jun-09				Indicators for: May-09			
	Jun-09	May-09	Change From Last Period	Change Yr over Yr	May-09	Apr-09	Change From Last Period	Change Yr over Yr
<b>Labour Force Characteristics<sup>1</sup></b>								
Unemployment Rate (%)	▲ 6.7%	6.3%	0.4	3.0	▲ 6.3%	5.4%	0.9	2.4
Labour Force	▲ 666	657.3	1.3%	3.6%	▲ 657.3	649.9	1.1%	2.9%
Employed	▲ 621.2	616.2	0.8%	0.4%	▲ 616.2	614.7	0.2%	0.3%
Full-time	▲ 510.6	503.5	1.4%	-1.1%	▲ 503.5	499.1	0.9%	-0.7%
Part-time	▼ 110.6	112.7	-1.9%	8.3%	▼ 112.7	115.5	-2.5%	5.3%
Unemployed	▲ 44.8	41.2	8.0%	85.9%	▲ 41.2	35.2	14.6%	67.5%
Not in labour force	▼ 235.9	242.3	-2.7%	-1.0%	▼ 242.3	247.7	-2.2%	0.7%
Participation Rate (%)	▲ 73.8%	73.1%	0.7	-72.3	▲ 73.1%	72.4%	0.7	0.5
Employment Rate (%)	▲ 68.9%	68.5%	0.4	-1.0	◀▶ 68.5%	68.5%	0.0	-1.4
<b>Inflation (CPI Index)<sup>2</sup></b>	▲ 122.2	121.6	0.5%	-1.2%	▼ 121.6	120.5	-1.2%	-0.2%
<b>Pre-Owned Housing Statistics<sup>3</sup></b>								
Listed	▼ 3,179	3,180	0.0%	-20.2%	▲ 3,180	3,019	5.1%	-25.9%
Inventory	▼ 6,785	7,435	-9.6%	-37.3%	▼ 7,435	7,539	-1.4%	-32.4%
Sold	▲ 2,552	2,161	15.3%	37.8%	▲ 2,161	1,843	14.7%	18.7%
Average Residential Selling Price (\$)	▲ 302,667	300,787	0.6%	-5.1%	▲ 300,787	293,491	2.4%	-7.4%
<b>New Home Housing Statistics<sup>4</sup></b>								
Starts	▲ 450	346	23.1%	-19.1%	▼ 346	355	-2.6%	-41.0%
Inventory	▼ 10,164	10,706	-5.3%	-35.4%	▼ 10,706	11,217	-4.8%	-33.8%
Absorbed	▲ 713	576	19.2%	-27.3%	▲ 576	481	16.5%	-40.7%
<b>Months Supply of Housing<sup>5</sup></b>	▼ 5.2	6.6	-27.7%	-44.6%	▼ 6.6	8.1	-21.8%	-31.9%
<b>Value of Building Permits - City of Edmonton<sup>6</sup></b>								
Residential (\$millions)	▼ 64.8	68.7	-6.0%	-14.3%	▲ 68.7	63.5	7.6%	-100.0%
Non-residential (\$millions)	▼ 70.3	104.6	-48.8%	-48.1%	▲ 104.6	93.3	10.8%	-100.0%
<b>Enplaned/Deplaned Passengers at Edmonton International Airport<sup>7</sup></b>	▼ 481,253	488,415	-1.5%	-10.0%	▼ 488,415	526,066	-7.7%	-8.5%

### Sources and Notes

Data is for the Edmonton CMA except where noted; **n/a** in a cell indicates that the data for this period is not available

<sup>1</sup> Statistics Canada, custom data extraction from Labour Force Survey, three month moving average, unadjusted data.

<sup>5</sup> Calculated by EEDC: the sum of the pre-owned and new housing inventories divided by the sum of the pre-owned homes sold plus new housing absorbed in the month.

<sup>2</sup> Statistics Canada, Consumer Price Index

<sup>6</sup> City of Edmonton

<sup>3</sup> Realtors Association of Edmonton, MLS monthly statistics

<sup>7</sup> Edmonton Airports Authority

<sup>4</sup> Canadian Mortgage and Housing Corporation



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### Commentary

#### Summary

While economic commentators frequently point out that the worldwide global downturn has been the most significant since the Depression, the June indicators continue to show that the impact on Edmonton has been much less muted. Edmonton has felt the impact of the downturn but mainly in the form of a cut in the previous high growth returning Edmonton to a relatively steady state compared to the same period a year ago. Labour force and employment increases, record setting housing sales and increases in both residential and non-residential building permits indicate that Edmonton has become more stable than previous years with extremely high growth.

#### Labour Force Characteristics

On a year-over-year basis, Edmonton has shown positive employment and labour force growth in each month of 2009. In June, Edmonton experienced an increase in employment of 2,600 persons (0.4%) compared to a year earlier. Meanwhile, the labour force grew by 8,700 persons from the previous month. Between natural growth and net migration Edmonton has continued to expand its labour force during the global downturn. Since the Edmonton labour force has been expanding at a faster rate than job creation, the unemployment rate has risen. With a 6.7% unemployment rate in June, Edmonton had the second lowest rate of the major Canadian cities, and well below the Canadian average of 8.6%.

#### Consumer Price Index

Consumer price indices in June dropped by 1.2% in Edmonton, 1.6% in Alberta, and 0.3% in Canada over a year ago. This is the third consecutive month that both Edmonton and Alberta has experienced deflation. The price declines for Edmonton, in April, May and June, are the largest since 2004 and in Alberta since 2002. Canada wide price increase was the slowest since 1995. In the first half of 2008 inflation in Edmonton was in excess of 4.0 per cent year-over-year, now in June, Edmonton is seeing continuing deflation for the first time since 2004. The main components responsible for change in both Canada and Alberta were price declines for housing and energy products. The weakened economy including concerns over increasing unemployment rates and job security held back Edmontonian's spending on non-essential goods and services and continues to put downward pressure on price increases.

#### Housing

The Edmonton housing market continues to be a buyers market. Although average selling price did increase 0.6% over last month, it is down 5.1% from last year. While the listings of pre-owned homes have declined from the same period in 2008 there is still substantial inventory available. Sales have increased in June compared to last month and June 2008 and residential sales in June set a new record for the month. With low interest rates affordability has improved and if the labour force continues to expand, one can expect to see the current surplus of properties for sale slowly erode. A sales to listing ration of 80% was driven by strong sales in the month of June should also help decrease the surplus of inventory.

#### Building Permits

Both residential and non-residential building permits increased in June compared to May. Residential permits increased 30.5% over the previous month and non-residential were up 38%. Year-over-year residential permits were up almost 42% and non-residential permits were up over 107%, although July 08 seemed to be an outlier in the trend last year.

#### Airport Passenger Traffic

Airport traffic decreased by 10% in June compared to the same period in 2008 and was the slowest June in the last 2 years. The decrease in passengers maybe a result of travellers staying closer to home rather than travelling longer distances. A decline in July and August will begin to indicate increased caution on the part of consumers. Year to date numbers are only down 4.3%, after a record year in 2008 and given that air transportation tends to decline early on in an economic downturn, this is another indicator that Edmonton is currently weathering the global economic downturn better than most communities.