


The logo for the City of Edmonton, featuring the word "Edmonton" in white text on a blue rectangular background.

Edmonton

A photograph of the Edmonton skyline at night, featuring the illuminated Asiniboia Bridge and various city buildings.

City of Edmonton

## Q1 2025 Economic Update

**City of Edmonton Corporate Economics**

Felicia Mutheardy, Chief Corporate Economist  
Financial and Corporate Services  
(780) 496-6144

Wade Sebastian-Tymchak, Senior Economist  
Financial and Corporate Services  
(780) 508-4062

**For media inquiries:**

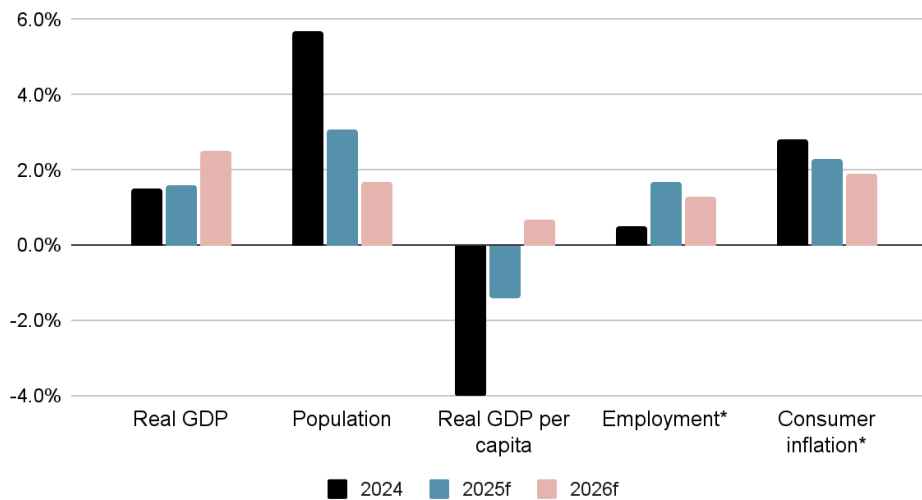
Matt Pretty, Communications Advisor  
(780) 886-7552

### *Spring 2025 Economic Outlook Highlights*

The City's spring 2025 long-term economic outlook for Edmonton and the census metropolitan area (CMA) was finalized in late March. This outlook considered developments in the Edmonton and CMA economies since the summer 2024 outlook was released. It incorporates, among other developments, the anticipated impact on population growth from annual reductions in national permanent resident admission targets starting in 2025 as outlined in the federal 2025-2027 immigration levels plan. International in-migration has been a significant driver of population growth in recent years. It is expected to slow, though at a more gradual pace over the 2024-2025 period than previously forecast in the City's summer 2024 outlook as the pace of growth in Alberta has remained elevated, particularly from immigration. This supports the possibility of still elevated population growth in Edmonton and the CMA, at least over the 2024-2025 period.

The spring outlook also contemplated implications of a trade war between the United States (US) and its trading partners, including Canada. When the outlook was being developed, circumstances were fluid as policies were being announced and altered on an almost daily basis. This limited the extent to which potential effects could be considered in the outlook as it left open a number of scenarios for how tariffs could play out, leading to an even greater number of potential outcomes. The primary trade-related factors that were considered in the City's spring outlook were weaker consumer and business sentiment, and sustained weakness in the Canadian dollar relative to the US dollar. Recent surveys from the Bank of Canada and the Conference Board of Canada indicate an erosion in both consumer and business sentiment in response to the US-Canada trade conflict, whereas the Canadian dollar has materially weakened against the US dollar in recent months relative to the prior year. The anticipated downstream effects of these factors include restrained consumer spending and business investment, including hiring, from heightened trade policy uncertainty and weaker growth in exports. All of these effects are anticipated to weigh on final domestic demand and real gross domestic product (GDP) growth. Continued elevated population growth over 2024-2025 will support residential building investment, though trade policy uncertainty is expected to constrain any uplift in spending typically seen with a growing population. The anticipated effects of the trade conflict on prices are mixed, as higher US import costs and Canadian countertariffs placing upward pressure on inflation would be partially counterbalanced by reduced demand. Highlights from the spring outlook for 2025 and 2026 are provided below.

## Growth forecast, select indicators - Edmonton



Sources: Statistics Canada, City of Edmonton, and Stokes Economics.

Notes: "f" = forecast; and \* signifies an Edmonton CMA-level indicator

**Near Term:**

- After growing an estimated 1.5 per cent in 2024, real GDP in Edmonton is now forecast to grow 1.6 per cent in 2025 and 2.5 per cent in 2026.
- Across industry sectors, real GDP growth rates in Edmonton are expected to be strongest in the educational services (+3.3 per cent), public administration (+2.7 per cent), and transportation and warehousing (+2.4 per cent) sectors in 2025.
- Edmonton's population grew 5.7 per cent between 2023 and 2024, its fastest pace since at least 2002. Population growth is forecast to slow to 3.1 per cent in 2025, followed by 1.7 per cent growth in 2026, largely reflecting reduced international in-migration.
- The spring outlook for the Edmonton CMA labour market in 2025 and 2026 is for modest improvements for job seekers by the end of 2026, largely reflective of slower labour supply expansion from reduced net migration. Employment in 2025 is expected to grow 1.7 per cent, which is an improvement from 0.5 per cent growth in 2024, followed by 1.3 per cent growth in 2026. The Edmonton CMA unemployment rate is forecast to average 7.7 per cent in 2025, and 7.3 per cent in 2026.
- The outlook for Edmonton CMA consumer prices is for consumer inflation to continue moderating, averaging 2.3 per cent in 2025 and 1.9 per cent in 2026.<sup>1</sup> However, trade developments add to the uncertainty surrounding the inflation outlook.

In general, tariffs are disruptive to an economy, and could impact key variables, such as spending, trade flows, real GDP, and inflation. However, their effects depend on many

<sup>1</sup> Consumer inflation is measured by annualized per cent changes in Statistics Canada's Consumer Price Index.

factors, including the change in tariff rates, which goods are affected, when tariffs come into effect, how long they will be in place, and how easily businesses and consumers can find non-tariffed substitutes.<sup>2</sup> Details of some of these factors became known after the spring outlook was finalized, including announced tariff implementation dates, tariff rates, and which goods would be subject to tariffs. The critical factors that remain unknown at the time of writing are the duration and stability of tariffs. It will take time before data is available that illustrate the effects of recent trade developments, which significantly increases the uncertainty surrounding the City's economic outlook, especially beyond 2025 and 2026. Developments will be monitored as the year progresses and more data are released. These developments will be taken into consideration in the City's summer 2025 outlook.

### *Q1 2025 Economic Overview*

The Edmonton CMA saw a decline in employment in Q1 2025 compared to Q4 2024, but a deeper decline in the labour force led to an improvement in the unemployment rate. Employment in the first quarter of 2025 was higher than a year earlier due to especially strong employment growth in Q4 2024. This annualized growth, along with continued strength in population inflows, as reflected in the 2.3 per cent annualized growth in the working age population in Q1, helped support a strong start to residential construction in Edmonton and the Edmonton CMA in 2025. Housing starts in Q1 2025 were higher than the same quarter in 2024, which ended up being a record year for starts, at least since 1990.

Details of developments in the Edmonton CMA labour market and price inflation and Edmonton housing and residential building construction during Q1 2025 are provided below, along with the spring 2025 outlook for these sectors and potential risks to the forecast.

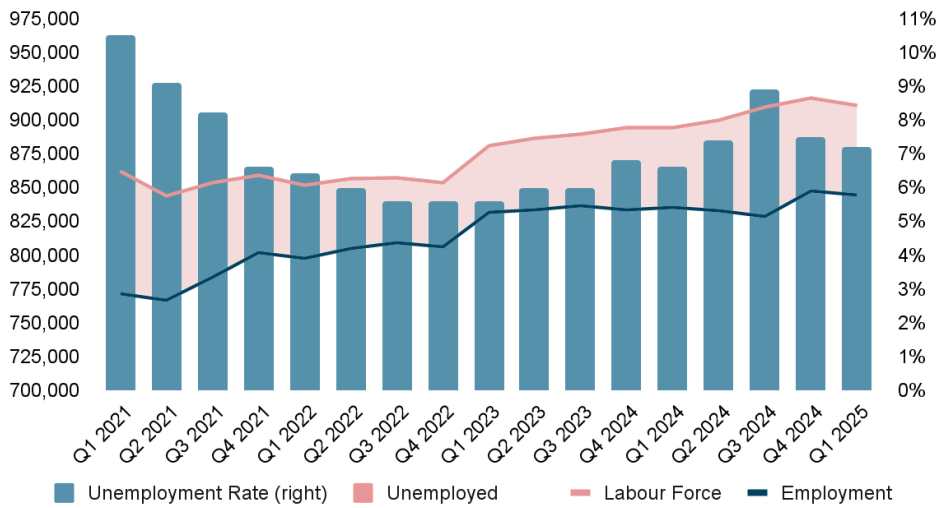
### *Labour Market*

After closing 2024 with a surge in employment growth, the labour market in the Edmonton CMA softened in Q1 2025. For the third time in the last four quarters, and fourth time in the last six, CMA seasonally adjusted employment fell in Q1 2025, declining 0.4 per cent (-3,000) compared to Q4 2024. This development was compounded by weaker engagement with the labour market. The labour force saw a deeper decline (-0.6 per cent) than employment, even as the working age population expanded by 0.4 per cent. This led to the participation rate declining 0.7 percentage points in Q1 to 68.0 per cent. This matches the Q2 2024 rate, which was the lowest rate since the depths of the COVID-19 pandemic in Q2 2020. With the labour force contracting more than employment, the unemployment rate improved, declining to 7.2 per cent in Q1 2025 from 7.5 per cent in Q4 2024.

---

<sup>2</sup> Bank of Canada. [Evaluating the potential impacts of US tariffs](#) (January 2025 Monetary Policy Report).

Labour market indicators - Edmonton CMA

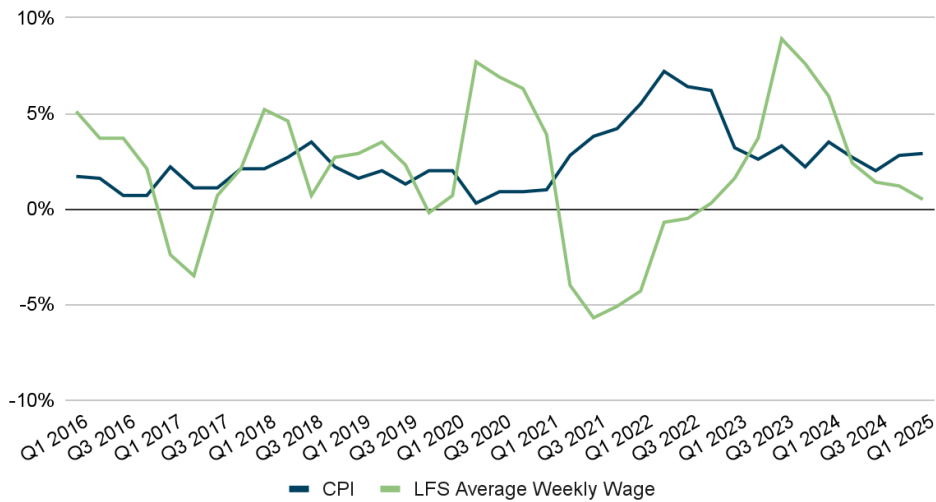


Source: Statistics Canada, seasonally adjusted

With these developments following 2.3 per cent employment growth in Q4 2024, employment in Q1 2025, not adjusted for seasonality, was still a modest 1.0 per cent higher than the same quarter in 2024. Year-over-year growth in Q1 was driven by gains in employment (unadjusted for seasonality) among men (1.8 per cent) and younger workers between 15 and 24 years of age (8.5 per cent). Growth was almost entirely limited to part-time employment, which rose 6.4 per cent versus Q1 2024, while full-time employment saw a marginal decline of 0.2 per cent. On a sectoral basis, goods employment growth (3.5 per cent) outstripped a modest increase in services sector employment (0.4 per cent). Agriculture, utilities, and construction all registered year-over-year growth in excess of 15 per cent. On the services side, at 18 per cent, other services (excluding public administration) also eclipsed this growth rate.

The sluggish employment growth in Q1 2025 was matched by a further deterioration in wage growth in the Edmonton CMA. The average weekly wage in the Edmonton CMA averaged \$1,316 in Q1 2025, the highest wage rate to open a year since at least 2006 but only a 0.5 per cent increase over Q1 2024. It was also lower than the average wage rate for the previous three quarters, although data are not adjusted for seasonality. The opening of 2025 marked the sixth consecutive quarter where annualized average weekly wage growth in the Edmonton CMA had slowed and the fourth straight quarter it had come in lower than annualized consumer inflation.

## Consumer price and LFS wage annualized inflation - Edmonton CMA



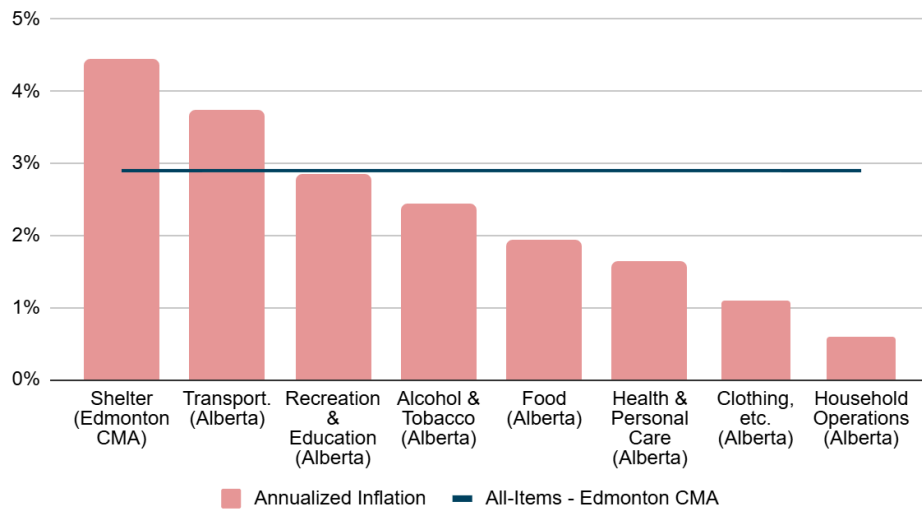
Source: Statistics Canada, not seasonally adjusted

With the forecast anticipating slower population growth, the outlook for labour force expansion in the Edmonton CMA in 2025 is in line with 2024 at 2.0 per cent. Employment, after a sluggish year in 2024, is expected to grow 1.7 per cent as business expansion responds to the recent influx of new customers, and construction activity remains elevated. As in-migration continues to slow, labour force growth is anticipated to ease in 2026, more so than employment growth. As a result, the unemployment rate is expected to improve, averaging 7.3 per cent in 2026 following a slight increase in 2025 to 7.7 per cent.

### Consumer Inflation

Annualized consumer inflation in the Edmonton CMA remained effectively unchanged in Q1 2025. After closing 2024 at 2.8 per cent in Q4, inflation averaged 2.9 per cent in the opening quarter of 2025. Shelter inflation continued to ease, as annualized rented accommodation inflation slowed for the third straight quarter, annualized owned accommodation inflation moderated for a second consecutive quarter and core utilities experienced annualized deflation for the third straight quarter, deepening from -3.9 per cent in Q4 2024 to -5.3 per cent in Q1 2025. Aggregate annualized shelter inflation was still 4.4 per cent in the Edmonton CMA in Q1 2025, which contributed significantly to propping up the inflation rate. Annualized transportation inflation was likely another significant contributor to consumer inflation; it accelerated from 3.0 per cent in Q4 2024 in Alberta to 3.7 per cent in Q1 2025, even as the repeal of the federal carbon tax contributed to an easing in annualized transportation inflation to 1.8 per cent in March. The removal of the carbon tax should continue to provide a moderating influence on annualized inflation over the remaining quarters of 2025.

## Annualized consumer price inflation - Q1 2025



Source: Statistics Canada

The Edmonton CMA's consumer inflation rate in Q1 2025 tied with Saskatoon for second highest among the 16 CMAs Statistics Canada produces CPI estimates for, trailing only Winnipeg (3.2 per cent). The opening of 2025 also marked the second straight quarter the Edmonton CMA had recorded the highest annualized rented accommodation inflation and sixth straight quarter it had ranked in the top five across all CMAs. Despite moderating, annualized owned accommodation inflation was equally robust compared to other CMAs, with the Edmonton CMA's rate ranking in the top five for the third consecutive quarter.

As shelter inflation continues to moderate and the elimination of the federal carbon tax becomes entrenched, annual inflation for the Edmonton CMA is forecast to average 2.3 per cent in 2025, slowing to 1.9 per cent in 2026. However, the prospect of inflationary pressures arising from tariffs on US goods presents a further risk to economic activity going forward, and suggests an elevated degree of uncertainty to the inflation outlook over the near term.

### *Housing and Residential Building Construction*

Rapid population expansion in recent years, driven by net migration, has kept upward pressure on housing demand. Following a record setting year for housing starts, new home construction remained elevated in Q1. However, a combination of lower net migration and downstream effects from trade policy uncertainty on buyer sentiments will make it challenging for the Edmonton residential construction sector to repeat their 2024 performance over the whole of 2025.

According to data from the Realtors Association of Edmonton, total residential home sales in the Greater Edmonton Area (GEA) saw modest annualized growth of 0.7 per cent in Q1, while new listings rose 4.6 per cent.<sup>3</sup> Detached home sales declined 5.6 per cent in Q1 compared to Q1 2024, while sales across all other types posted positive growth. More supply was added across all dwelling types over Q1, with the strongest new listings growth in row/townhouse dwellings (16 per cent). Despite gains in supply, Q1 median sale prices for each dwelling type posted significant annualized growth, likely reflective of continued tightness in market conditions. In Q1, annualized growth in the median sale price was lowest across all types for a semi-detached home at 7.7 per cent, and highest for a detached home at 14 per cent. The MLS Home Price Index composite benchmark price in the GEA was \$424,300 in Q1 2025, a 13 per cent increase over Q1 2024, while the benchmark price for a single-family home, the highest priced housing type, rose 14 per cent to \$493,800.

In Q1, the total value of building permits issued by the City of Edmonton increased 25 per cent, from \$1.0 billion in 2024 to \$1.3 billion in 2025. The increase was driven by building intentions for non-residential structures, with commercial and institutional permit values in Q1 2025 close to doubling Q1 2024 values. Following a strong performance in 2024, building intentions for residential structures cooled slightly over Q1 2025. This is largely due to the effect of lower building permit values for new residential construction, as permit values for alterations and repairs registered a 9.8 per cent gain in Q1 compared to Q1 2024. Building permit values for new residential structures in Q1 2025 declined to \$537 million, a decrease of 2.1 per cent compared to Q1 2024.

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.

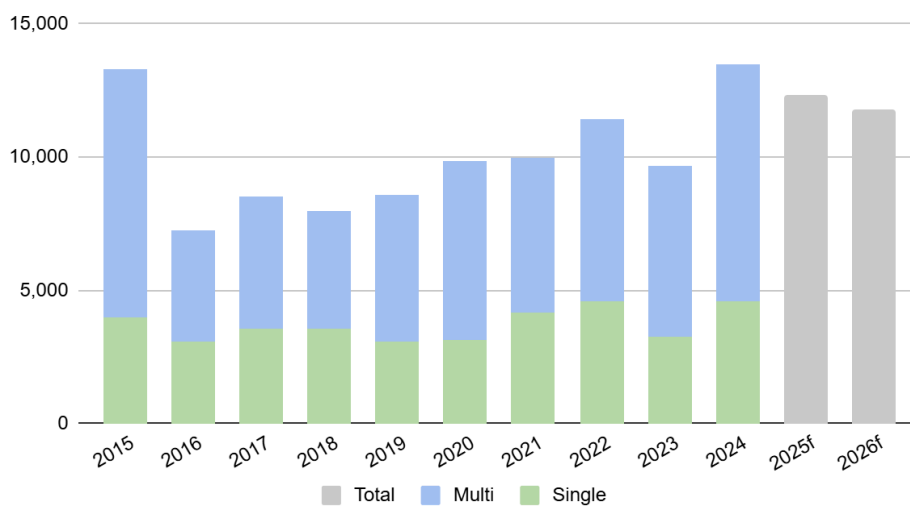
<sup>3</sup> Realtors Association of Edmonton, [Monthly Market Statistics Update](#).



In Q1, there were 2,999 housing starts in Edmonton, a 6.5 per cent gain over Q1 2024. Across types, single starts posted the largest annualized gain at 32 per cent, followed by a 23 per cent gain in row starts. Both semi-detached and apartment starts were lower than Q1 2024. The level of units under construction in Q1 2025 was 9.5 per cent higher than in Q1 2024, with apartments accounting for the greatest share (59 per cent). In Q1, there were 6,640 apartments under construction, of which 5,399 were intended for rental, which is historically elevated both in levels and as a share of total apartments under construction. Conversely, the construction of new apartments for ownership has been low in recent years. There were 54 completed and unabsorbed apartment units for ownership in Q1 2025, the third consecutive quarter where inventory levels were below 100 units. This suggests an increasing possibility of a shift in apartment construction towards units for ownership if the low inventories are reflecting unmet market demand.

Following a record year for starts since at least 1990, new home construction in Edmonton is expected to moderate over 2025 and 2026 due to a combination of lower net migration, still elevated levels of units under construction, softer labour market conditions, and downstream effects from trade policy uncertainty on consumer sentiment. Lower borrowing rates should lend some support to purchasing activity, though it is unlikely it would be enough to offset effects from these other factors. Annual housing starts are forecast to remain historically elevated in both years. The largest relative reductions in annual housing starts in the City's spring outlook through 2026 are forecast to come from apartments, as new rental supply coming onstream helps to restore some balance in market conditions. In 2025, housing starts are forecast to decline 8.4 per cent to 12,350, followed by a further 4.5 per cent reduction to 11,800 in 2026.

Housing starts - Edmonton



Sources: CMHC, City of Edmonton, and Stokes Economics

Notes: multi includes semi-detached, row, apartment, and others; "f"=forecast

## *Risks to the Spring 2025 Outlook*

Two key risks that could impact the City's outlook, both in the near term (i.e., 2025) and over the longer term, are provided below.

### **1. Sudden or unexpected changes to migration patterns**

The current outlook has incorporated assumptions about reductions in international in-migration associated with the federal immigration targets announced at the end of October 2024, which will likely lower international inflows to Edmonton and the CMA starting in 2025. Q1 2025 annualized population growth for Alberta was still a robust 3.5 per cent, which informed the 2025 Edmonton (3.1 per cent) and Edmonton CMA (2.7 per cent) growth forecasts in the spring 2025 outlook. If international in-migration continues to exceed expectations, this could lead to upside risks to the forecast for population growth, as well as residential construction, consumption, and real GDP. However, if the slowing of international in-migration provincially converges to or exceeds the pace of reductions targeted nationally by the federal government, this could lead to slower population growth and downside risks to the forecast.

### **2. Uncertainty surrounding trade policy of Canada and international partners**

The flurry of announcements from the US government on trade policy over the last few months has increased trade policy uncertainty and shaken confidence in both consumers and businesses. Despite recent messaging from the US administration suggesting openness to refinement, as opposed to large scale policy changes, there is still a lack of clarity on the administration's policy objectives, and whether recent decisions will achieve those outcomes. This keeps the door open to further revisions and does little to address increased uncertainty and erosion of confidence that is holding back business planning and consumer spending. Even if no other announcements are made, it would likely take some time and significant reassurances before consumer and business confidence is restored. At the time of writing, Canada appeared to be in a better position than it was in early February with exemptions for most Canada-US-Mexico Agreement-compliant (CUSMA) goods exported to the US being in place. However, the risk of further changes remains, which raises the likelihood of an economic slowdown even if nothing else changes.

## Information Sources by Concept

### Long-Term Economic Outlook

- Bank of Canada. [Evaluating the potential impacts of US tariffs](#) (January 2025 Monetary Policy Report).
- City of Edmonton. [Spring 2025 Outlook Summary Table](#).

### Demography

- Immigration, Refugees and Citizenship Canada. [Government of Canada reduces immigration](#).
- Statistics Canada. [Table 17-10-0009-01 Population estimates, quarterly](#).
- 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 Population estimates, July 1, by census subdivision, 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](#).
- Realtors Association of Edmonton, [Monthly Market Statistics Update](#).
- Canadian Real Estate Association, [MLS® Home Price Index \(HPI\)](#).

### Labour and Employment

- Statistics Canada. Labour Force Survey average weekly wages, Edmonton CMA, custom order.
- 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 characteristics by 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](#).