

Calgary Economic Development

June 2009 Alberta REIN™ Presentation

Calgary, Heart of the New West
Western Canada's business centre

Real Estate Investment Network
June 23, 2009

Leading population growth

Total Population Growth (1998-2007) Canadian CMAs

City	Total Population Growth (1998-2007)
CAL	26.1%
TOR	20.7%
EDM	18.1%
VAN	15.1%
OTT	12.2%
MON	8.3%

Source: Statistics Canada

Leading population growth

Net Overall Migration per Capita (per 1,000 population) (2003, 2007) Canadian CMAs

City	Net Overall Migration per Capita (2003)	Net Overall Migration per Capita (2007)
CAL	9.7	25.6
EDM	5.5	21.5
VAN	10.3	13.8
TOR	9.7	12.8
MON	3.6	5.5
OTT	0.8	7.0

Source: Statistics Canada

Leading population growth

Total 10 Year Net Interprovincial Migration (1998-2007) Canadian CMAs

City	Total 10 Year Net Interprovincial Migration (1998-2007)
CAL	106,620
EDM	63,514
OTT	18,228
TOR	10,958
VAN	-10,690
MON	-72,707

Source: Statistics Canada

Leading population growth

Net International Migration 2003-2007 Calgary CMA

Year	Net International Migration
2003	6,512
2004	9,059
2005	8,864
2006	11,002
2007	14,811

Source: Statistics Canada

Calgary's Population Growth

The Calgary CMA has grown faster than the provincial average

	2001	2006	Change
Calgary	951,494	1,079,310	13.4%
Alberta	2,974,807	3,290,350	10.6%

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Prime pool of core producers

Population Distribution 2008
Calgary Economic Region

Age Group	Percentage
0-4	0.4%
5-9	1.1%
10-14	1.4%
15-19	1.7%
20-24	2.0%
25-29	2.3%
30-34	2.7%
35-39	3.0%
40-44	3.0%
45-49	3.0%
50-54	3.3%
55-59	3.0%
60-64	2.3%
65-69	1.4%
70+	0.7%

Source: Calgary and Region Economic Outlook 2008-2013, City of Calgary Corporate Economics, Statistics Canada

- Highest employment-to-population ratio at 58.7% (2006)
- Over 47% of Calgarians within the core working age group of 25 – 54 (2008)
- Youngest population in Canada with a median age of 35.7 (2006 Census)

Diverse population

Visible Minority Rate 2006 Census
Canadian CMAs

City	Visible Minority Rate (%)
TOR	42.9%
VAN	41.8%
CAL	22.2%
OTT	19.4%
EDM	17.1%
MON	16.5%

Source: Statistics Canada

- Among the highest visible minority rates in Canada
 - 3rd only to Toronto and Vancouver
 - Top visible minority groups: Chinese, South Asian, Filipino
- Only 19.4% of Calgarians identify Canada as location of origin/ ancestry
 - Most prevalent origins: English, Scottish, German, Irish

Labour force growth

Total Labour Force Growth (1999-2008)
Canadian CMAs

City	Total Labour Force Growth (%)
CAL	33.5%
EDM	25.4%
TOR	25.1%
OTT	23.0%
VAN	20.2%
MON	14.1%

Source: Statistics Canada

- Highest labour force growth in 2008 at 3.7%
- Highest total labour force growth at 33.5% over the past 10 years (1999-2008)
- Highest average annual labour force growth at 3.3% over the past 10 years (1999-2008)

Calgary's workforce leads the nation

Participation Rate 2008
Canadian CMAs

City	Participation Rate (%)
CAL	77.1%
OTT	73.3%
EDM	73.0%
TOR	69.0%
MON	66.9%
VAN	66.7%

Source: Statistics Canada

- Highest labour force participation rate in 2008, at a rate of 77.1%
- Consistently highest participation rate over the past 10 years (1999-2008), with an annual average of 75.5%

Calgary's workforce leads the nation

Unemployment Rate 2008
Canadian CMAs

City	Unemployment Rate (%)
CAL	3.5%
EDM	3.7%
VAN	4.3%
OTT	4.8%
TOR	6.9%
MON	7.4%

Source: Statistics Canada

- Lowest unemployment rate in 2008, at 3.5%
- Lowest average annual unemployment rate over the past 10 years (1999-2008), at 4.4%

Employment growth

Total Employment Growth (1999-2008)
Canadian CMAs

City	Total Employment Growth (%)
CAL	36.0%
EDM	28.3%
OTT	25.2%
VAN	24.7%
TOR	24.1%
MON	15.7%

Source: Statistics Canada

- Second highest employment growth in 2008 at 3.5%
- Highest total employment growth at 36.5% growth over the past 10 years (1999-2008)
- Highest average annual employment growth at 3.5% over the past 10 years (1999-2008)

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Calgary's Major Employers

Calgary has many major employers including:

- Calgary Board of Education
- Shaw Communications
- University of Calgary
- NOVA Chemicals Corporation
- Telus
- Calgary Roman Catholic Separate School Division
- Calgary Co-operative Association Ltd.
- Canadian Pacific Ltd.
- Nexen Inc.

Calgary has the highest number of head offices per capita at 9.4 in 2007

Job creation

Calgary is creating jobs at a higher rate than the province, on average.

In the past 10 years (1999-2008), Calgary Economic Region(CER) has created more jobs than has Alberta

	New jobs	% growth
Calgary	207,200	37.6
Alberta	503,400	30.4

In six of those 10 years, Calgary has created more jobs than Alberta on a percentage basis

Most affluent Canadians

Personal Income per Capita 2008 Canadian CMAs

City	Personal Income per Capita (2008)
CAL	\$54,327
EDM	\$44,547
OTT	\$42,236
TOR	\$38,867
VAN	\$36,387
MON	\$34,982

Source: Conference Board of Canada

Most affluent Canadians

Millionaires per Capita (100,000 Population) 2006 Canadian CMAs

City	Millionaires per Capita (100,000 Population) (2006)
CAL	215.8
TOR	97.7
EDM	80.8
VAN	63.1
MON	37.5
OTT	25.8

Source: Statistics Canada

- Highest number of millionaires in Canada on a per capita basis (215.8 per 100,000)
- The number of Calgary millionaires has increased by 21.8% over the past year
- Highest total 10-year growth in millionaires in Canada, more than quadrupling over the past 10 years (1997-2006)

Calgary's robust economy

Real GDP Growth (2008) Canadian CMAs

City	Real GDP Growth (2008)
EDM	1.5%
CAL	1.3%
OTT	1.2%
VAN	1.1%
MON	1.0%
TOR	0.3%

Source: Conference Board of Canada

- Ranks 2nd among major Canadian cities in Real GDP growth:
 - 1.3% in 2008
 - forecast 2.4% in 2009
- Projected to remain one of the top three cities from 2010-2013, with an average annual Real GDP growth rate of 3.7% (cbc)
- Highest average annual GDP growth over the past five years (2004-2008) and 10 years (1999-2008) at 4.7% and 3.8% respectively

Average Income

Calgary's average income is increasing faster than the provincial average

	2000	2005	Change
Calgary	\$83,042	\$98,253	18.3%
Alberta	\$72,006	\$84,369	17.2%

* 2006 and 2001 Census

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Personal Income Per Capita

Calgary's personal income per capita is higher than the provincial figure, although it is slower growing

	2006	2007	2008
Calgary	\$50,677	\$52,421 (3.4%)	\$54,329 (3.6%)
Alberta	\$42,606	\$45,541 (6.9%)	\$47,899 (5.2%)

Western Canada's head office centre

Corporate Head Offices (per 100,000 population) 2007 Canadian CMAs

City	Corporate Head Offices (per 100,000 population)
CAL	9.4
TOR	5.2
VAN	3.4
MON	2.7
EDM	2.4
OTT	1.8

- 107 Calgary-based companies on the FP500 list; Nine are among the top 50 in Canada
- Calgary has experienced more than 27% growth in head offices over past five years (2003-2007)
- Highest concentration of head office employment in Canada
- Head office employment increased by 18.2% over the past five years (2003-2007)
- Highest number of head office employees per capita at 18.0 per 1,000 population in 2007

Source: FP500 2008 Database

Entrepreneurial hotbed

Small Businesses per capita (per 1,000 Population) 2007 Canadian CMAs

City	Small Businesses per capita (per 1,000 Population)
CAL	40.2
EDM	37.7
VAN	36.9
TOR	28.6
MON	28.2
OTT	25.3

- Largest concentration of small businesses among Canadian cities on a per capita basis at 40.2 (per 1000 population) in 2007
- Highest number of self-employed per capita in Canada in 2007 (99.8 per 1000 population)
- Young entrepreneurial capital of Canada
 - Within the 15-34 age range, it represents the largest proportion of self-employed people in Canada in 2007, at a rate of 22.4%

Source: Statistics Canada

Retail performance leads the nation

Total Retail Sales Growth (1999-2008) Canadian CMAs

City	Total Retail Sales Growth (1999-2008)
CAL	110.8%
EDM	94.2%
OTT	50.9%
TOR	49.1%
MON	47.3%
VAN	36.6%

- Highest total growth in retail sales over the past five years (2004-2008) and 10 years (1999-2008) at 41.8% and 110.8% respectively
- Highest retail sales per capita in 2008 at \$18,852
- Highest average annual retail sales per capita growth over the past five years (2004-2008) and 10 years (1999-2008) at 6.7% and 5.5% respectively

Source: Conference Board of Canada

Strong construction activity

10 Year Non-Residential Building Permit Growth (1999-2008) Canadian CMAs

City	10 Year Non-Residential Building Permit Growth (1999-2008)
CAL	318.4%
EDM	270.7%
VAN	82.6%
OTT	69.3%
MON	54.7%
TOR	39.9%

- Second highest total growth in total building permits at 146.4% over the past five years (1999-2008)
- Highest total growth in non-residential building permits over the past 10 years (1999-2008), at a rate of 318.4% (graph)
- Averaged 13,920 housing starts per year over a five-year period (2004-2008)

Source: Statistics Canada

Office and Industrial Market

Vacancy Rates by Market (Q4 2008) Calgary

Market	Vacancy Rate (Q4 2008)
CLASS A	6.2%
CLASS B	10.5%
CLASS C	10.4%
TOTAL	8.1%

Legend:
█ Downtown Office
█ Suburban Office
█ Industrial

Source: CB Richard Ellis

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Enviable lifestyle

A focus on family and a sense of community

- Calgary received two Safe Community designations (World Health Authority, Safe Communities Foundation)
- Calgary schools consistently top performers in Alberta
- Boasts one of the most successful transit systems in the world
- Volunteer capital of Canada at 71% (more than twice the national volunteer rate)

Active and healthy lifestyle

- An hour's drive to spectacular Banff and the Rocky Mountains
- The most extensive urban pathway and bikeway in North America
- World-class attractions and sporting amenities, e.g. Calgary Stampede, Calgary Zoo, Canada Olympic Park
- Abundant green space and parks (3000 sites)
- A community rich in the arts, culture, entertainment, and leisure activities and venues
- Calgary ranks as the world's best city in terms of health and sanitation

Affordable housing

Standard two-storey house (Q4 2008)

Census Metropolitan Area	Average Price	Qualifying Income	Affordability Measure
Vancouver	\$645,700	\$141,200	78.6%
Toronto	\$512,500	\$124,000	61.4%
Montreal	\$303,200	\$76,500	49.8%
Edmonton	\$383,700	\$95,300	46.0%
Calgary	\$417,500	\$99,700	44.5%
Ottawa	\$320,100	\$87,300	44.2%
Canada	\$336,700	\$84,500	50.0%

On the average, Calgary still offers more affordable* housing than Vancouver, Toronto, Montreal, Edmonton and the National average.

* The Royal Bank Housing Affordability Index (April 2009) measures a house price in relation to the total payments required for a mortgage, utilities and property tax. The higher the measure, the more difficult it is to afford a house.

Source: RBC Economics, Housing Affordability, April 2009

Royal Bank of Canada's Affordability Index Hot Zone (25% to 39%)

Affordability Measure for Calgary:

- Detached bungalow was 42.7%
- Standard two-story was 44.5%
- Standard townhouse was 33.8%
- Standard condominium was 27.2%

Source: RBC Economics, Housing Affordability, April 2009

Lowest Property Taxes

Total Property Tax Single Detached House 2007 Canadian Cities

City	Total Property Tax (\$)
VAN	\$3,444
TOR	\$3,104
OTT	\$3,059
MON	\$2,984
EDM	\$1,812
CAL	\$1,789

Calgary's residential property taxes* are the lowest of any major Canadian city

- More than 40% lower than Ottawa, Toronto and Montreal
- Nearly 50% lower than Vancouver

*Figures include municipal, regional and school taxes, net of homeowner grants if applicable

Source: City of Edmonton, 2007 Residential Property Taxes and Utility Charges Survey

A debt-free province

PROVINCIAL AND TERRITORIAL GENERAL GOVERNMENT NET DEBT (AT MARCH 31, 2006)

PROVINCE/TERRITORY	NET DEBT (\$MILLIONS)	CHANGE IN NET DEBT (% CHANGE)	PER CAPITA (\$)
Alberta	-27,609	Not Applicable	-8,246
Yukon	-336	Not Applicable	-10,839
Northwest Territories	-96	Not Applicable	-2,285
Nunavut	243	-21.9	8,100
Prince Edward Island	1,287	2.9	9,326
New Brunswick	5,706	0.3	7,608
Saskatchewan	8,558	-7.3	8,671
Newfoundland and Labrador	9,600	-4.1	18,787
Nova Scotia	11,775	2.2	12,594
Manitoba	11,858	3.8	10,083
British Columbia	16,221	-15.5	3,770
Quebec	103,434	3.6	13,549
Ontario	112,408	1.7	8,880

Source: Statistics Canada

Compelling bottom-line results

Calgary is among the most cost competitive cities in the world for the cost of establishing and operating a business

- 5.3% operating cost advantage over the average US city
- Third least expensive of major Canadian Census Metropolitan Areas (CMAs) in which to do business
- In comparison to large International cities outside of Canada, Calgary comes in second place only to Singapore
- Ranked 7th among International mid-sized cities (including Canada)
- Ranked 7th among International mid-sized cities (including Canada)
- Lowest operating costs among 52 cities across North America

*Boyd study (October 2004)

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Calgary's 10-year economic development strategy

Focus on People and Community

- Educate and exchange
- Remove barriers to meaningful employment
- Enhance the city's sense of place and experience

Focus on Business and Enterprise

- Strategically develop Calgary's economy
- Provide smart infrastructure
- Create an environment for smart ideas and innovation

Focus on International Reach

- Promote the Calgary brand and identity
- Diversify tourism and convention activity
- Enhance international business development and connections



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