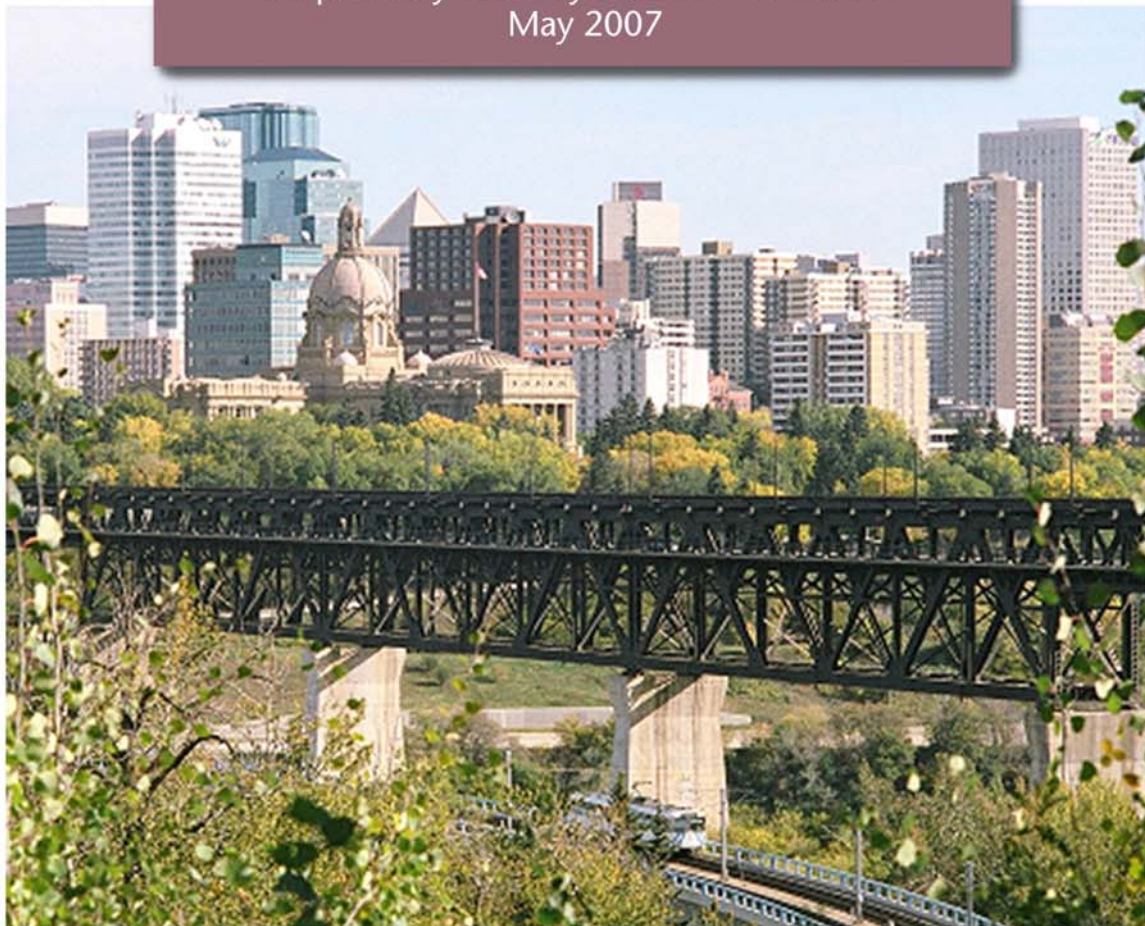


Edmonton Socio-Economic OUTLOOK 2007-2012

Prepared by The City Forecast Committee
May 2007



EDMONTON SOCIO-ECONOMIC OUTLOOK 2007 – 2012

*Prepared by:
City Forecast Committee
May 2007*

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EXECUTIVE SUMMARY

Economic Outlook

Economic Growth

High energy prices, strong consumer spending, economic spin-offs from activity in northern Alberta and over \$40 billion in proposed regional projects will keep economic conditions strong in the Edmonton Census Metropolitan Area (CMA) over the next five years. A lack of affordable and available housing, rising construction costs and tight labour market conditions will make it difficult for industry and the government sector to keep up with demand. Consequently, economic growth is expected to increase from 5.5 per cent in 2006 to 5.8 per cent in 2007, but decelerate slightly to four per cent by 2010. Growth will pick up to 4.5% per year in 2011 and 2012 on the heels of increased construction activity on new petrochemical facilities in the Edmonton CMA, and increased government spending on transportation and infrastructure initiatives. Edmonton's average annual economic growth rate of 4.6% over the forecast period will be almost double the average annual long run growth rate of 2.5%.

Housing Market

Strong economic conditions in Edmonton will keep home selling prices high and apartment vacancy rates low over the next five years. Accordingly, new home construction activity will remain strong throughout the forecast period, led by new condominium construction due to their relative affordability compared to single family homes. However, tight labour market conditions and rising construction and materials costs will make it challenging for developers and builders to keep up with demand. As a result, total housing starts in the Edmonton CMA are expected to reach 14,600 in

2007, 13,900 in 2008, and average 13,200 units per year for the remainder of the forecast period.

Population Growth

Strong economic conditions and plentiful jobs will keep population growth strong throughout the forecast period. Around 70 per cent of the total growth will come from net migration, which is expected to average 16,600 persons per year – double historical annual averages of 8,000 persons. However, a lack of affordable and available housing, increased economic growth in eastern Canada and continued growth in British Columbia will soften net migration growth slightly after 2008. The population of the Edmonton CMA is expected to grow by 107,000 between 2007 and 2012 (10 per cent growth) and reach 1.2 million by 2012, while the city of Edmonton's population is expected to grow by 70,000 (10 per cent growth) and reach 830,000 over the same time period.

Labour Market

Due to robust population and labour force growth between 2005 and 2006, and increased participation rates of people in the younger age category, employment will grow by a strong five per cent (or 28,000 positions) in 2007, and average a healthy 2.5% growth rate per year on the heels of strong economic conditions. However, putting a lid on employment growth will be a lack of affordable and available housing, which will prevent some people from moving to Edmonton. Higher paying positions in manufacturing and construction throughout Alberta will lure people away from certain service sector positions in Edmonton, which will also hinder employment growth.

Consumer Prices and Construction Costs

After increasing by 3.5 per cent in 2006, the Edmonton consumer price index (CPI), measured by Statistics Canada, is expected to



increase by five per cent in 2007 and an additional 5% in 2008 on the heels of rising gasoline prices, increased home carrying costs and higher labour costs brought on by strong economic growth. The CPI is expected to average four percent per year for the remainder of the forecast period as strong economic conditions persist. After increasing by near-record levels of 11.6 per cent in 2006, the non-residential construction price index, also measured by Statistics Canada, will increase by 20 per cent in 2007 and 16 per cent in 2008, led by high energy and commodity prices and high labour costs. This also signals that cost escalations in capital programs will continue throughout the forecast period.

Factors That Could Affect the Outlook

Despite the anticipated strong economic outlook, there are several risks inherent in our economy that could dramatically affect our economic and population projections:

- An increase (decrease) in the supply of affordable housing, and/or softening (escalating) home selling prices, will allow more (less) skilled labour to move to Edmonton to take advantage of the strong economy. This will help loosen (tighten) Edmonton's labour market, and lower (increase) construction and labour costs.
- A stronger (weaker) United States economy will help keep global energy demand conditions strong (weak) and keep energy investment in oil sands related projects high (low).
- Rising (falling) gasoline prices and rising (falling) national inflation rates may force the Bank of Canada to raise (lower) interest rates, which could hamper (improve) investment activity and increase (decrease) home carrying costs for households.
- Government policies geared towards environmental protection (Kyoto) could also have a profound impact on Alberta's energy industry, resulting in the possible delay or

cancellation of several proposed oil sands upgraders planned for the Edmonton region.

- Appropriate land use planning (residential and industrial) through increased co-operation between municipalities within the Edmonton region and the government of Alberta will result in the efficient allocation of labour, goods and services throughout the Edmonton region and help reduce construction and labour costs.
- A large, unexpected fall in oil prices would hamper oil sands investment in Alberta, and have negative implications on other sectors of the economy.

Social Outlook

Tremendous growth is expected in Edmonton's population over the next five years. This growth is accentuated by a mini baby-boom and higher levels of provincial and international immigration. However, the anticipated increase in Edmonton's population in the forecast period will be centered on the mature and elderly segments of the population, with the number of people over the age of 50 expected to increase by 70,000 people compared with an increase of 60,000 people for those under 50. Social issues and implications for Edmonton include the following:

- The demographic shift is expected to affect the provision of school services in areas with a declining population of young children. Three more schools (High Park, Newton and Mount Pleasant) are scheduled to be closed in 2007.
- Edmonton, as is the case with the rest of Canada, has a high proportion of immigrants within the population. Many of these immigrants come without knowledge of the English language, and will therefore need additional support. The City of Edmonton has created an Office of Diversity and Inclusion to address these issues.



- An aboriginal population between 55,000 and 60,000 can be expected by the end of this forecast period. The aboriginal population is generally younger, with higher level of unemployment and poverty than the rest of the population.
- The nature of families continues to change moving into this forecast period. In 2005, 138 same sex marriages were recorded in Alberta. Alberta's divorce rate was the second highest among provinces in Canada for 2003/2004. Furthermore, a 2005 study found that families are spending an average of 44 fewer minutes together than their counterparts did almost twenty years ago.
- Edmonton's Emergency Medical Services (EMS) is working with Capital Health on several initiatives to mitigate the challenges associated with extended off-load delays at hospitals. Paramedics spent an average of 52 minutes per incident at hospitals in 2006.
- Overall crime in the City has decreased, and despite some high profile violent crimes, Edmonton is an increasingly safer city. Police Chief Mike Boyd introduced 8 key crime indicators with a reduction target of 14%; 6 of the 8 have been reduced in a short period of time.
- Drug charges have remained fairly consistent since 2001. The Province is focused on reducing the use of methamphetamine (Crystal Meth). One major step was a reclassification of pseudoephedrine, a main ingredient for Crystal Meth, to being available only behind the pharmacy counter.



INTRODUCTION

This report provides an economic and social analysis of the current and future changes of the city of Edmonton and Edmonton Census Metropolitan Area (CMA) (see map at the back of this report) for 2007 to 2012. This report is used as a reference for preparing department business plans and operating budgets, land use and transportation plans, and long range financial plans. In addition, public sector agencies, citizens and businesses use the forecast for planning purposes.

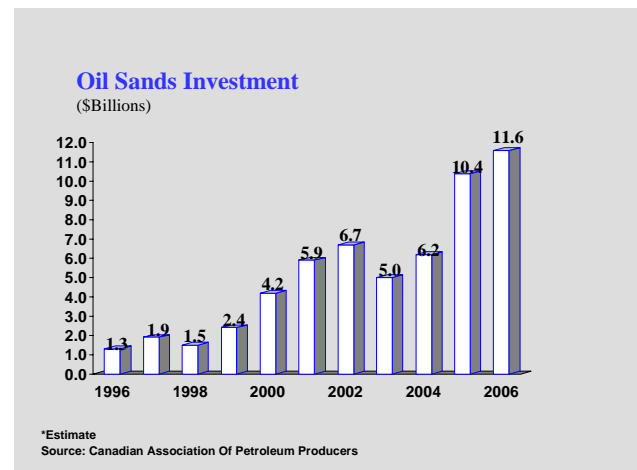
The report is prepared by the City Forecast Committee (see back of report for a list of members), which monitors economic trends and conditions throughout the year, and prepares an outlook report semi-annually in the spring and the fall.

The report is divided into three major sections:

1. **The Economic Outlook**, which explores some of the key macro-economic conditions that are effecting the Edmonton economy, including economic growth, housing and labour markets, and population growth.
2. **The Social Outlook**, which explores some of the social issues that could impact the Edmonton economy, such as demographic changes, health care, education, poverty and crime.
3. **Statistical Appendix**, which includes all of the forecast variables and historical economic data on the Edmonton region and the city of Edmonton.

PART 1: THE EDMONTON ECONOMY OVER THE PAST TEN YEARS (1996 TO 2006)

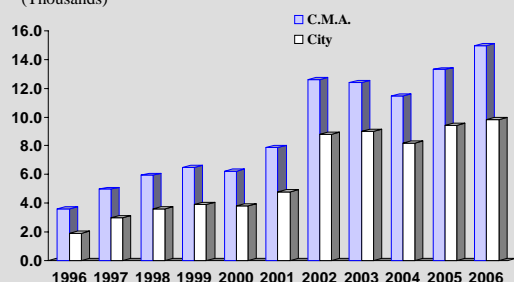
The Edmonton CMA has been one of the fastest growing economies in Canada over the past several years, due in large part to strong infrastructure and institutional investment, and, most importantly, a surge in energy investments, particularly in oil sands development in northern Alberta. According to the Canadian Association of Petroleum Producers, capital spending in oil sands projects increased from \$1.3 billion in 1996 to its current level of around \$11.6 billion per year on the heels of rising energy prices and a new generic oil sands royalty rate introduced by the government of Alberta in the late 1990s.



As a result, 117,000 new employment positions have been created in the Edmonton region since the start of the oil sands boom in 1996, which has driven the unemployment rate down from 8.3 per cent to 3.9 per cent over the same time period. Strong employment growth and low interest rates also strengthened consumer spending, which in turn fuelled strong residential construction activity, adding 100,000 new homes in the Edmonton CMA since 1996 (over 66,000 new homes built in the city of Edmonton).

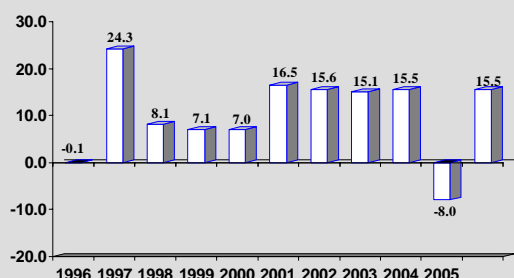


Edmonton Housing Starts
Edmonton (C.M.A.) and Edmonton (City)
(Thousands)



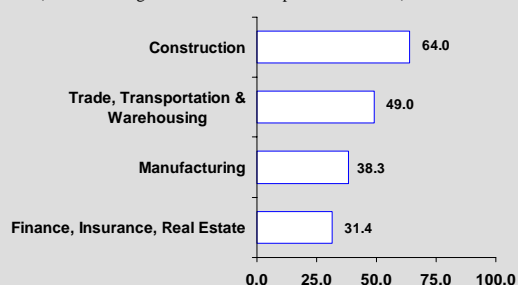
Edmonton's population also benefited from strong economic activity. According to the 2006 federal census, the Edmonton CMA grew by 96,000 people, or 10.4 per cent, since the last census in 2001, while the city of Edmonton grew by 64,000 people, or 9.6 per cent, with one third of the total gain occurring between 2005 and 2006. Contributing to the surge in population growth has been strong levels of net migration. According to the federal tax filer information, annual net migration into the Edmonton CMA has increased from 6,800 people in 2004 to 21,000 people in 2006.

Edmonton's Labour Market
New Jobs Created - Edmonton (C.M.A.)
(Thousands)



Consequently, total gross domestic product (GDP) in the Edmonton region increased by 34 per cent since 1999, or an annual average growth rate of 3.7 per cent, led by strong growth in the finance, trade, manufacturing and construction sectors (see Appendix 6).

Economic Growth By Industry Since 1999
(Percent Change in Real GDP - Top Four Industries)

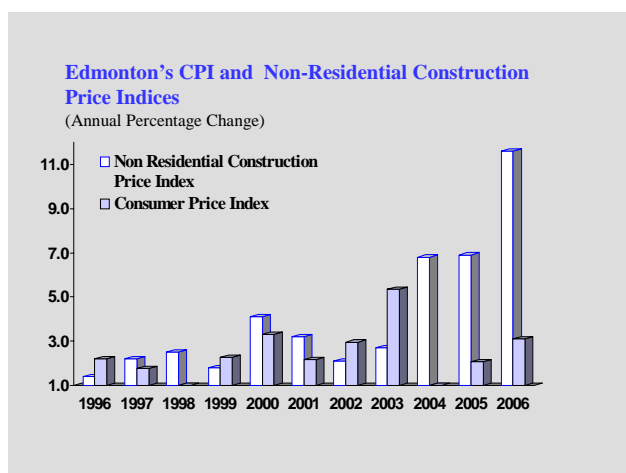


Due to a combination of strong economic conditions, a surge in population growth and over \$40 billion in planned and proposed regional projects over the next five to ten years, Edmonton's industrial and commercial real estate markets have witnessed a sharp decline in vacancy rates. According to CB Richard Ellis, vacancy rates in Edmonton's industrial market plummeted from 4.8 per cent in 2001 to just 1.4 per cent in 2006, with lease rates rising from \$4.85 per square foot in 2002 to \$8.50 per square foot in 2006. Downtown office vacancy rates also plummeted, falling from 13.8 per cent in 2000 to 7.4 per cent in 2006.

Despite Edmonton's healthy economic growth over the past decade, consumer prices have not increased at the same rate as non-residential (infrastructure and construction) costs. The consumer price index, as measured by Statistics Canada, has averaged 2.5 per cent per year, while the non-residential construction price index, also tracked by Statistics Canada and measures contractors' selling prices for non-residential construction projects, increased by 4.1 per cent per year – almost double the rate of consumer prices. In fact, the divergence in consumer prices and construction costs has been more pronounced over the past three years, where consumer prices have only averaged 2.1 per cent per year, while non-residential prices have averaged a phenomenal 8.5 per cent per



year – about four times the general rate of inflation.

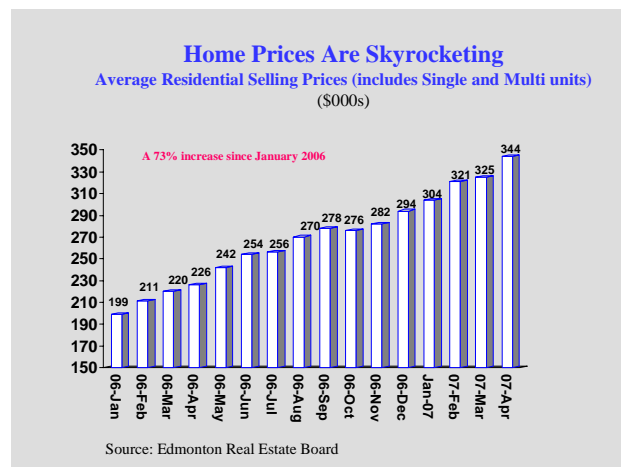


Current Economic Trends in Edmonton for 2007

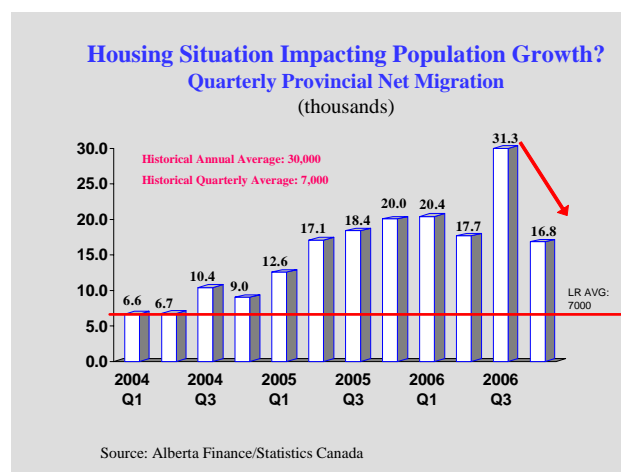
Strong economic conditions and record setting population growth in 2006 have spilled over into 2007. For the first quarter of this year, employment growth has surged, consumer spending remains robust, and investment activity in both the public and private sectors remains strong. These robust economic conditions are having some profound impacts on several sectors of the economy which are explored in more detail in the following section.

Home Prices Still Surging

According to the Edmonton Real Estate Board, average residential selling prices in the Edmonton area reached \$344,000 in April of this year – a 73 per cent increase since January 2006. Average selling prices for single family homes reached \$413,000 and \$261,000 for condominiums. In addition, apartment vacancy rates in Edmonton plummeted from 4.5 per cent in 2005 to just 1.2 per cent by the end of 2006 due to the recent surge in population growth and a high number of apartment conversions to condominiums.



Rising home prices, low vacancy rates, rising rental rates and mounting home carrying costs in the Edmonton area may have an impact on population growth, as a lack of affordable and available housing may restrict certain people from moving to Edmonton. As a matter of fact, we may already be seeing evidence of this at the provincial level. According to Alberta Finance's Quarterly Population Report, Alberta net migration, which has been averaging a phenomenal 20,000 people per quarter over the past two years (almost three times higher than the long-term quarterly average of 7,000 people), fell from 30,000 net migrants in the third quarter of 2006 to 16,000 net migrants in the fourth quarter – a 46 per cent decrease, despite Alberta's hot economy.



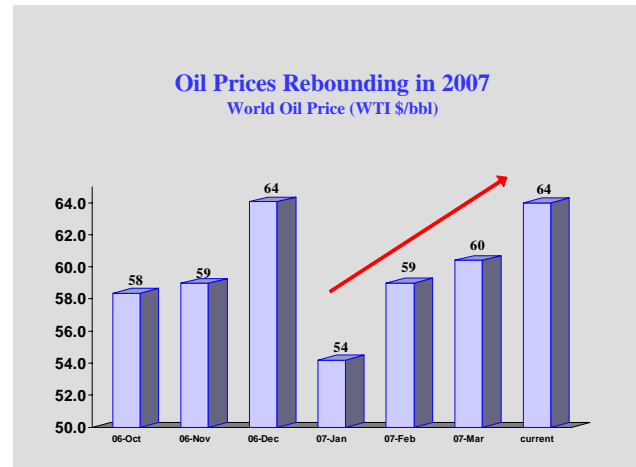


Labour Markets Remain Tight

According to Statistics Canada's monthly Labour Force Survey (LFS), employment in the Edmonton region has skyrocketed over the past few months, due to the surge in population growth over the past few years which has increased the labour supply and helped fill vacant job positions in all sectors of the economy. According to the LFS, the seasonally adjusted three-month moving average of total employment in the Edmonton region reached 593,000 in April – up eight per cent from a year ago. As a result, Edmonton's unemployment rate fell to 3.3% – the lowest among major cities across Canada.

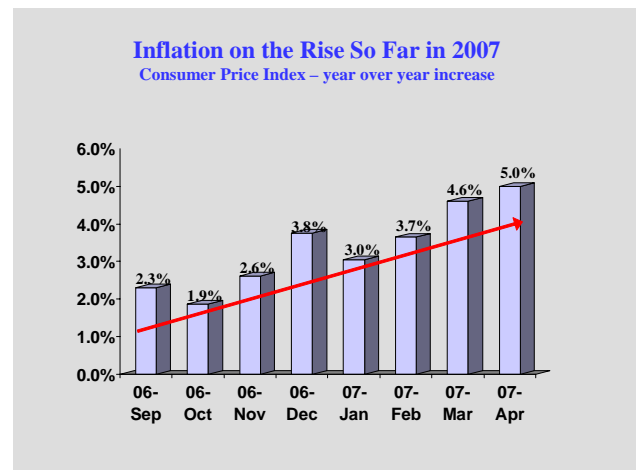
Oil and Gasoline Prices Rising

After reaching near record-level highs of \$75 per barrel in mid-2006, oil prices stumbled throughout the winter season and settled at \$54 per barrel in January 2007 due to the lower than expected number of hurricanes and a warmer than normal winter in the United States last year. However, oil prices have rebounded from their recent lows in January, rising to \$64 per barrel in April on the heels of increased geopolitical instability, rising global energy demand conditions, and rising gasoline prices due to refinery setbacks in North America which limited gasoline production. Refinery setbacks in Canada included two separate fires at two Imperial Oil refineries in eastern Canada: one in December 2006 in their Sarnia, Ontario location and a more recent fire in the crude processing unit of the company's refinery in Nanticoke, Ontario on February 15. Petro-Canada also had a fire in its refinery here in Edmonton in March. As a result of these fires and other setbacks in the United States, gasoline prices in Edmonton increased from \$0.78 cents per litre in January to \$1.06 per litre in early May.



Inflation on the Rise

Due to rising oil and gasoline prices and home carrying costs, Edmonton's inflation rate for the month of March has increased a dramatic 4.6 per cent – the largest year-over-year increase since the middle of 2003. The non-residential construction price index is also up dramatically, increasing by 18.5 per cent in the first quarter of this year from the first quarter in 2006.

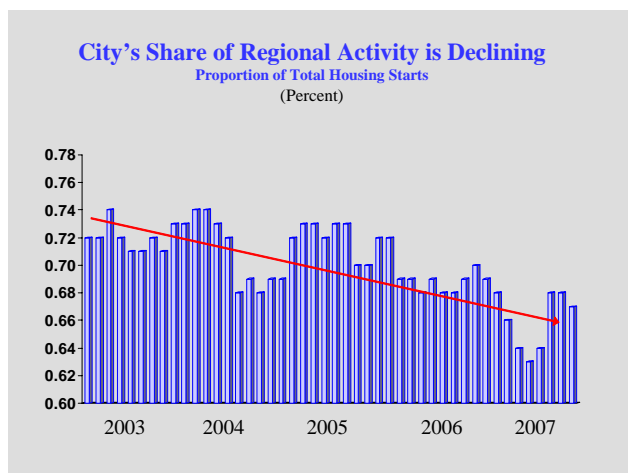


Residential Construction in the City Not Keeping Pace with the Rest of the Region

According to the Canada Mortgage and Housing Corporation (CMHC), total housing starts in the Edmonton region reached 14,970 units in 2006 – the second highest increase in the Edmonton



CMA's history, behind the 17,000 starts that were reached in 1978. Total housing starts in the city of Edmonton reached 9,816 units – the fifth highest total in the city's history, and the highest since 1981. Over the first four months of this year, total housing starts are up by 10 per cent in the Edmonton CMA, led by a 45 per cent increase in multi-unit starts. Despite the increase in regional housing starts, total housing starts in the city of Edmonton are down by five per cent, led by a 28 per cent decline in single unit starts. As a matter of fact, the city of Edmonton's share of the region's total housing starts has fallen to 53 per cent in April of this year from highs of around 75 per cent in early 2006, led by a decline in the city's share of single family units (down from 64 per cent in February 2006 to current levels of just 49 per cent).



PART 2: EDMONTON ECONOMIC OUTLOOK

Implications of Current Economic Trends and Global Conditions on Edmonton's Economic Forecast

Energy Markets

- Energy prices to remain high – favorable conditions for continued oil sands development in and around the Edmonton region
- However, rising gasoline prices will soften consumer spending

Oil Prices

Geopolitical uncertainties, a lack of oil supply, shortage of gasoline supplies and increased economic growth in emerging economies such as China and India are responsible for the recent surge in oil prices. Geopolitical hot spots that could potentially affect the oil price forecast will be centered in the countries of Iraq, Iran, Nigeria, Russia and Venezuela.

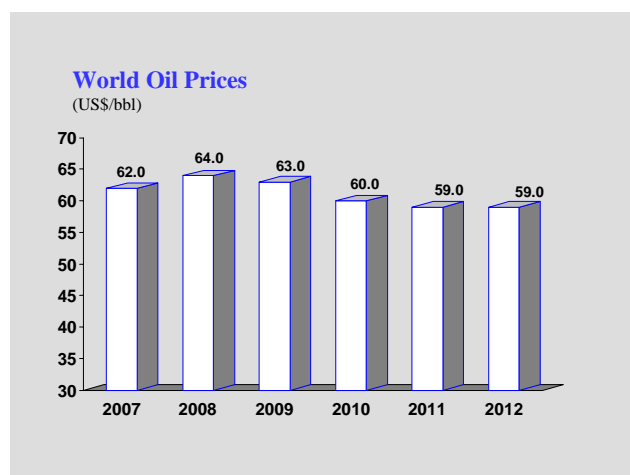
- In Iraq, there has been an increase in violence between Sunni and Shia militias which may jeopardize oil supply levels.
- The relationship between Iran and the United States has become unstable over Iran's nuclear ambitions as the United States believes Iran is supplying weapons to Shia militia in Iraq.
- Russia's president Putin has publicly expressed his displeasure with American foreign policy.
- Venezuelan and U.S. relations have become increasingly tense as President Chavez has started his six-year term. Chavez has stated that the state oil company will assume a minimum 60 per cent stake in the four heavy oil projects.
- Attacks against foreign oil workers in Nigeria prompted thousands of expatriates to leave the country, decreasing Nigerian oil output.

In addition to geopolitical instabilities, it is expected that world oil demand will remain strong throughout the forecast period as China,



India and other emerging economies continue to grow.

As such, it is expected that oil prices will remain firm throughout the 2007 year and average \$62 per barrel on the heels of rising gasoline prices and geopolitical instability and continue to remain high throughout the forecast period, averaging \$61 per barrel per year (see Appendix 1).



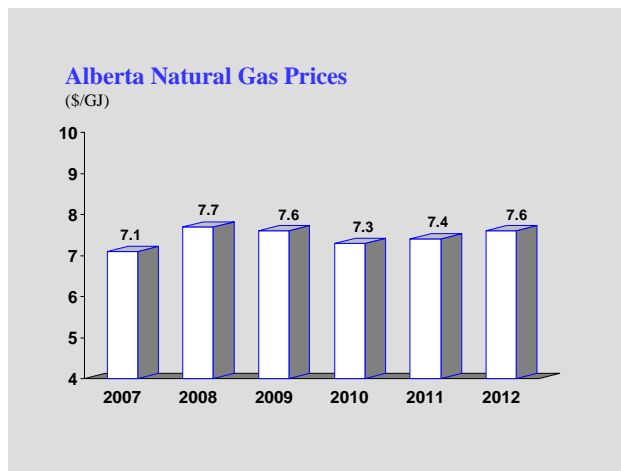
Natural Gas Prices

As with oil prices, strong demand and a lack of supply has led to the surge in natural gas prices over the past 10 years. With regards to the forecast, there are several factors that have the potential to boost the demand of natural gas in the near future:

- Increased demand for alternative sources of energy in the United States in response to President George Bush's goal to reduce gasoline usage by 20 per cent in 10 years. Alternative sources of energy will require an increased number of ethanol plants and bio refineries which are powered by natural gas.
- Increased demand for electricity by consumers in the United States as the economy rebounds after 2008, which will be produced by natural gas-fired cogeneration plants.

- North American natural gas and conventional oil supplies are declining, which will keep prices high.

Consequently, the demand for natural gas is expected to remain healthy throughout the forecast period, with natural gas prices averaging \$7.50 per gigajoule per year over the next five years.



United States/Canadian Economic Conditions

- Softer growth in the United States and the rest of Canada in 2007 will keep interest rates low
- The Edmonton economy will be sheltered from a slight moderation in United States growth this year, due to continued strength in energy prices and strong investment activity in the energy and manufacturing sectors

United States Economic Conditions

After posting a respectable 3.2 per cent growth rate in 2005, the United States economy grew by a further 3.3 per cent in 2006, led by a 3.2 per cent increase in consumer spending, which represents approximately 70 per cent, or \$8 trillion, of the total United States economy. In response to this growth, the Federal Open



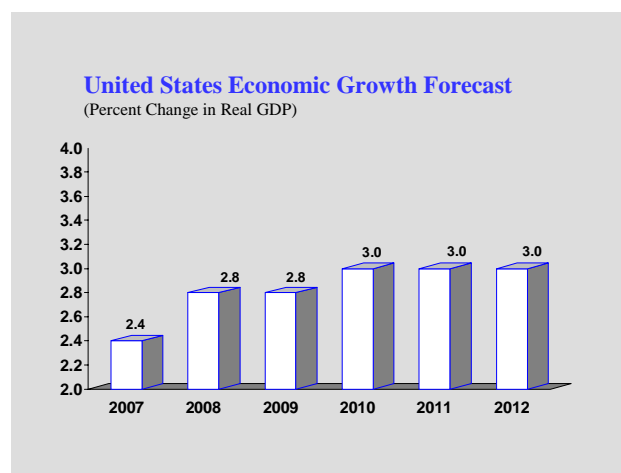
Market Committee (FOMC) of the Federal Reserve Board in the United States raised interest rates (or the federal funds borrowing rate) from historic lows of one per cent in 2003 to current levels of 5.25 per cent to curb the pace of rapid growth over the past few years and put a lid on inflation.

Despite the healthy economic growth rate last year, the United States housing market experienced a dramatic downturn which could have implications on the economy this year. According to the National Association of Realtors, existing home sales fell 10 per cent through 2006, while average home prices fell by 10 per cent between July of 2006 and January of 2007.

However, current economic indicators so far this year suggest the United States is fairing well despite last years downturn in the housing market. The United States labour market added 180,000 positions in March – an increase of 11 per cent from January of this year – which has lowered the unemployment rate down from 4.6 per cent to 4.4 per cent over the same time period. Consumer spending in the United States, which represents almost 70 per cent of all economic activity, increased from 2.6 per cent in the second quarter of 2006 to 4.2 per cent by the end of the year. And, in addition, the housing market is starting to show some signs of life, with total resale market sales reaching 6.7 million in February of this year – up 7.4 per cent from its lows in September of 2006.

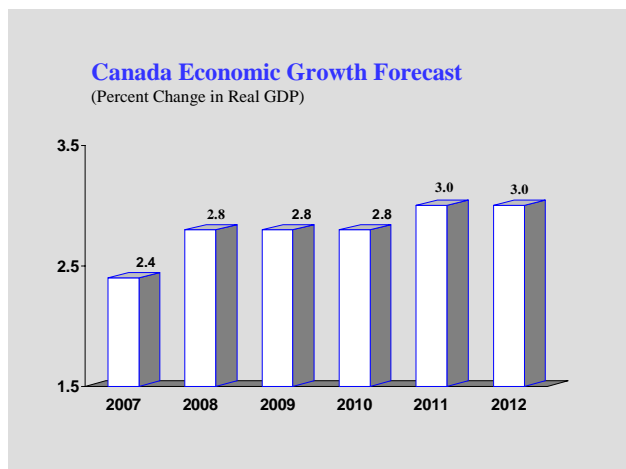
It is expected the United States economy will grow by 2.4 per cent 2007 – down from its growth rate of 3.3 per cent in 2006 – as consumer spending cools by the second quarter of this year in response to the recent slowdown in the housing market. A rebound in consumer spending and a stabilizing housing market will help increase economic growth to 2.8 per cent in 2008 and average a respectable three per cent per year for the remainder of the forecast period

(see Appendix 1 and Appendix 5 for further information).



Canadian Economic Outlook

Since Canada's export market relies heavily on the United States economy, a slow down in the United States this year will impact Canadian exports and economic performance, as consumers in the United States demand less goods and services from foreign countries. In addition, the recent surge in the Canadian dollar will make Canadian exports more expensive for consumers in the United States. The combination of a slowing United States economy and a strengthening Canadian dollar will therefore soften Canadian economic growth to 2.4% this year from 2.7% last year. As the United States economy begins to stabilize in 2008, the Canadian economy will rebound to 2.8% in 2008 and average three per cent per year for the remainder of the forecast period.



Canadian Dollar Forecast

Due to strong global demand for Canadian commodities and the anticipated rise in Canadian interest rates in response to rising prices, the value of the Canadian dollar has climbed dramatically, increasing from \$0.85 US in January to current values of over \$0.90 US, and is averaging \$0.87 US over the first five months of this year. The Canadian dollar is expected to remain strong for the remainder of 2007 and average \$0.89 US for the year as a whole, as energy and commodity prices continue to remain high. A strengthening United States economy and a slight easing in commodity prices after 2008 will soften the Canadian dollar slightly to an annual average of \$0.85 US for the remainder of the forecast period.

Canadian Interest Rate Forecast

Due to the recent rise in oil and gasoline prices, the national inflation rate increased from 1.2 per cent in January to 2.2 per cent in April. Traditionally, the Bank of Canada has raised interest rates to cool down the economy and bring down the rate of inflation. As mentioned in the sections above, this anticipated rise in interest rates has also contributed to the recent surge in the Canadian dollar, which will have negative impacts on our level of exports to the United States. This, combined with the

anticipated slowdown in the United States economy later this year, will no doubt have negative implications on the Canadian economy, particularly in eastern Canada, where a large portion of the country's non-energy related manufactured goods are produced and sold to the United States.

Since the Canadian economy is expected to soften later this year in response to a slowing United States economy, it will be difficult for the Bank of Canada to raise interest rates too aggressively to combat inflation, as higher interest rates increase the risk of an even weaker Canadian economy this year and in 2008. As a matter of fact, a strong Canadian dollar has historically played a major role in reducing the prices of imported goods and services from other countries, which has helped keep a lid on inflation. As such, it is expected that the Bank of Canada will keep interest rates at current levels for the remainder of the year, with prime lending rates averaging 5.7% for 2007, and 5.8% per year for the remainder of the forecast period.

Regional Investments In and Around Edmonton

Due to high energy prices and strong economic conditions, over \$40 billion in regional investments have been planned or proposed over the next five to 10 years, including the proposed construction of 10 to 12 oil sands petrochemical facilities (upgraders). This will translate into very strong economic demand conditions for Edmonton.

High energy prices and increased demand for energy products by China, the United States and other countries throughout the world have led to the recent announcement of 10 to 12 upgraders/refineries totaling at least \$40 billion in value that may be built in the Edmonton region over the next five to 10 years. In



addition, several proposed pipeline projects totaling approximately \$3 billion will be built between Edmonton and Fort McMurray, and from Edmonton to the west coast to ship crude oil and petroleum products to foreign markets. Non-energy related investments are also playing a significant role in Edmonton's economic outlook with billions of dollars in institutional and infrastructure projects are already under way or expected to begin construction over the next few years.

The Major Projects List published by the Government of Alberta shows that all proposed, announced, recently completed and under construction projects in Alberta total a record \$169 billion. The Fort McMurray (Wood Buffalo-Cold Lake) area holds the largest proportion at 41 per cent, or \$70 billion, followed by the Edmonton region with 25 per cent, or \$42 billion. What is interesting is that Edmonton's share of the overall total proposed or announced investment in Alberta increased from 10 per cent in early 2005 to its current proportion of 25 per cent.

Edmonton's Housing Market

Factors keeping market strong:

- Over \$40 billion in regional investments (strong economic fundamentals)
- Weaker U.S. and Canadian economies in 2007 will keep interest rates low

Challenges facing the market:

- Lack of skilled labour for builders and developers
- Rising construction and labour costs
- Low apartment vacancy rates

Implications for the housing market outlook:

- Resale home selling prices to continue rising over the forecast period, but at a decelerating rate
- Housing starts will remain strong, but builders and developers will have difficulty keeping up with demand
- Apartment vacancy rates to remain very low

Resale Market

As mentioned in Part 1 of this report, strong demand fundamentals and a shortage of homes available for sale have led to the recent surge in average home selling prices in the Edmonton area. Due to expected strong economic fundamentals over the forecast period, it is expected that Edmonton's resale housing market will continue to remain strong with average resale prices continuing to remain high. However, near-record level of construction activity over the past couple of years, along with affordable housing initiatives introduced by the City of Edmonton (Cornerstones and the First Time Homebuyers program) and the Government of Alberta, will help increase housing supply and help put a lid on rising home prices. According to CMHC's Residential

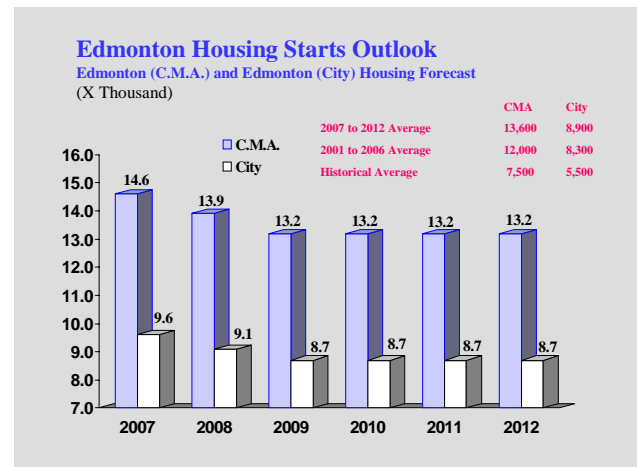


Construction Digest, the total number of single family units under construction in the Edmonton CMA was up 32.1% in April from a year ago, while multi family units were up 18% - all of which are expected to be completed and available for sale later this year and in the beginning of 2008. The supply of resale homes for sale is also expected to increase this year. According to CMHC's Housing Market Outlook, existing home owners in the Edmonton area who ordered new homes last year, will begin to put their existing houses up for sale prior to moving into their newly completed home this year.

New Home Market

It is anticipated that housing starts in the Edmonton CMA will continue to remain strong over the forecast period, with total housing starts reaching 14,600 units in 2007 – a slight decline from the near-record levels set in 2006 – due primarily to a slight slowdown in single unit starts (expected to reach 8,500 units in 2007, down from 9,064 units in 2006). On the other hand, multi-unit starts are expected to reach 6,100 units in 2007, up from 5,906 units in 2006. Total housing starts are expected to reach 13,900 units starts 2008 and average 13,200 units per year for the remainder of the forecast period. However, a lack of skilled labour and a shortage of serviced land will prevent home builders and developers from keeping up with demand.

Housing starts in the city of Edmonton are expected to reach 9,600 units in 2007 – a slight decline from the total of 9,816 starts in 2006, due primarily to softening single unit starts. However, multi-unit starts are expected to increase from 4,453 starts in 2006 to 4,900 starts in 2007. Total housing starts in the city of Edmonton are expected to reach 9,100 units in 2008, and average 8,700 units per year for the remainder of the forecast period (see Appendix 1 and Appendix 5 for further information).



Rental Market

As mentioned in Part 1 of this report, apartment vacancy rates have come down dramatically over the past year due to a combination of strong population growth and a large number of apartments being converted to condominiums, which has taken available supply off of the market. Due to strong anticipated economic and population growth, vacancy rates in Edmonton's apartment market is expected to average just 0.5 per cent per year for the remainder of the forecast period.



Population Growth

Positive factors:

- Over \$40 billion in regional investments (strong economic fundamentals and plenty of jobs) will keep in-migration strong

Challenges:

- Lack of affordable and available housing will limit the ability of some people to move to Edmonton
- Edmonton's population is expected to age

Implications for the forecast:

- Population growth will remain strong, but will decelerate slightly through the forecast period

It is expected population growth will remain strong over the forecast period, averaging a healthy two per cent per year. However, the rate of growth is expected to decelerate slightly as less people move into the Edmonton CMA due to a lack of available and affordable housing. Also, low vacancy rates, rising rental rates and a high number of condominium conversions will force some fixed, low income category to move to other jurisdictions outside of the Edmonton area to seek more affordable housing.

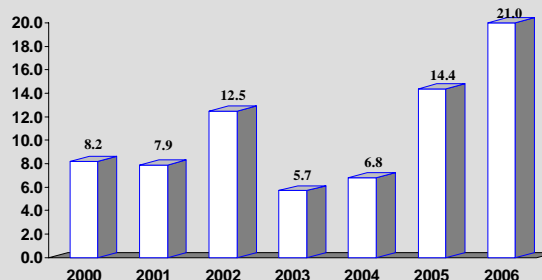
As such, total net migration into the Edmonton CMA, which has historically contributed 50 per cent to 75 per cent of Edmonton's total annual population growth, will increase from 21,000 in 2006 to 22,500 this year before falling to 18,500 in 2008. Total net migration into the Edmonton CMA is expected to average a healthy 15,000 per year for the remainder of the forecast period – double the historical annual average of 8,000 people per year, and almost three times the level of 6,800 net migrants that was reached in 2004. The other component of population growth, natural increase (births minus deaths), will contribute to 30 per cent of the total population gain in the Edmonton CMA, and will increase

from 5,600 persons in 2007 to 6,000 persons by 2012. As a result, the population of the Edmonton CMA will grow by 107,000 people, or 10 per cent, and reach a total of 1.2 million people by 2012. The population of the city of Edmonton is expected to grow by 70,000 people, or 9.2 per cent, and reach a total of 830,000 people by 2012.

Historical Net Migration

Edmonton (C.M.A.)

(thousands)

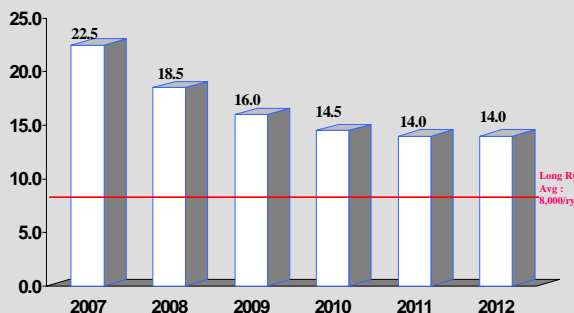


* Total for Edmonton CMA in 2006 is an estimate based on total Alberta net migration for 2006

Edmonton's Net Migration Outlook

Edmonton (C.M.A.) Net Migration Population Forecast

(X Thousands)



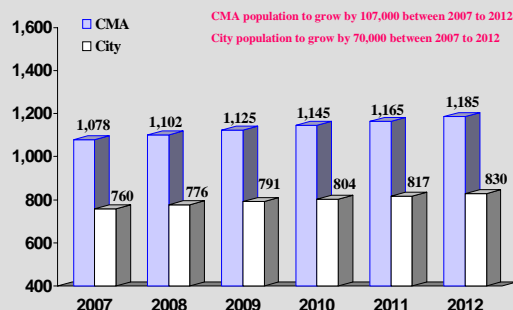


Edmonton's Total Population Outlook

"10 years of growth in 5 years"

Edmonton (C.M.A.) and Edmonton (City)

(X Thousand)

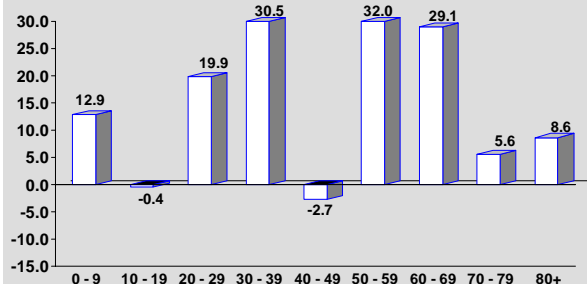


Despite continued growth in population, it is expected that the Edmonton CMA population will continue to age. The proportion of the population aged 50+ is expected to increase by 75,000 people and will represent approximately 31 per cent of the total population by 2012, up from its current proportion of 27 per cent. Our aging population will have a direct impact on the size of the working age population (ages 15 to 64) and the labour force, which is comprised of people either working or looking for work. As the working age population ages, more people will leave the labour force than enter it (see Appendices 1 to 3 for further information).

Edmonton (C.M.A.) Population

Change-by-Age Forecast (2006-2011)

(Thousands)



Labour Market

Factors keeping market strong:

- Over \$40 billion in regional investments (strong economic fundamentals and plenty of jobs)

Challenges for the market:

- Lack of affordable and available housing may limit migration and labour force growth
- An already fully employed labour market will make it difficult for employers to fill vacancies from the existing labour force
- High wage rates in manufacturing, energy and other areas in the goods producing sector will continue to lure people away from lower paying service sector positions in Edmonton

Implications for the employment forecast:

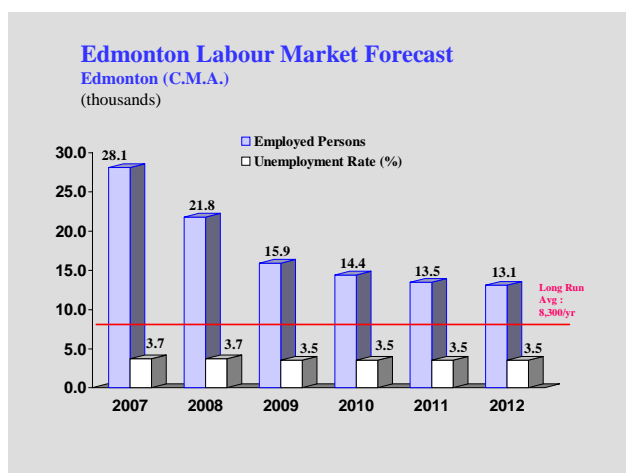
- Edmonton's labour market will continue to grow in the forecast period, but at a declining rate
- Unemployment rates are expected to remain quite low

After increasing by 2.8 per cent in 2006, it is expected that employment will grow by a robust five per cent (28,000 positions) in 2007 as more vacant positions are filled in all sectors of the economy due to the surge in population growth between 2005 and 2006 and strong economic fundamentals.

With over \$40 billion in proposed investments in the Edmonton region and continued economic spin-offs from energy projects in northern Alberta, employment is expected to continue growing over the forecast period in line with robust economic conditions, and is expected to reach 3.7 per cent in 2008, 2.6 per cent in 2009, and average a healthy 2.1 per cent per year for the remainder of the forecast period.



However, employment growth will decelerate slightly over the forecast period as people from other jurisdictions outside of Edmonton find it difficult to find affordable and available housing. As such, it is expected that Edmonton's labour market will continue to remain tight, with the unemployment rate averaging 3.5 per cent per year over the forecast period.



Leading the way in employment growth between 2007 and 2012 will be the manufacturing, mining and oil and gas sectors (18.2 per cent), the trade sector (16 per cent) and the professional, scientific and technical services sector (15 per cent). However, employment in the accommodation and food industry will continue to struggle, growing by just 5.7 per cent, as higher paying positions in Alberta's energy and manufacturing sectors lure people away from some lower paying positions in the accommodation and food sectors (see Appendix 9 for further information).

Consumer Prices

Factors keeping prices high:

- Strong economic conditions will keep labour markets tight and labour costs high, which will be passed down by businesses to the consumer in the form of higher prices.
- Rising gasoline and oil prices
- Rising home carrying costs

Factors keeping prices low:

- Strong Canadian dollar (exchange rate over \$0.80 US) will keep import prices low

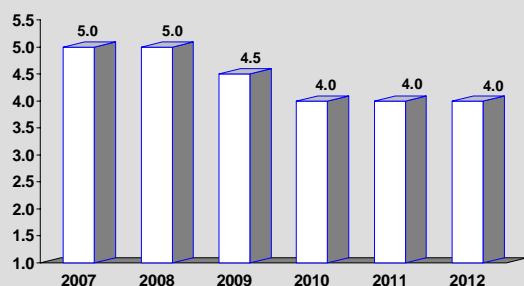
Implications for Edmonton's inflation rate:

- The consumer price index for Edmonton will increase over the course of 2007, and will remain high for the remainder of the forecast period

Due to the recent surge in gasoline prices and home carrying costs, Edmonton's inflation rate is expected to average five per cent in 2007. Continued strong economic conditions in and around Edmonton, high energy costs brought on by high oil prices and higher electricity costs from new climate-change laws introduced by the government of Alberta (a \$15 per tonne tax on carbon dioxide emissions) will keep Edmonton's inflation rate at five per cent in 2008, and at 4.5 per cent per year for the remainder of the forecast period.

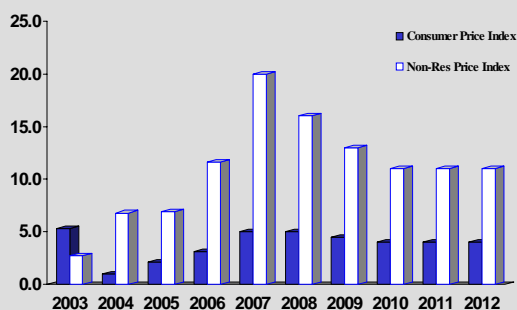


Edmonton Region Inflation Rate Forecast
(Annual Average Percentage Change in Consumer Price Index)



Non-residential construction costs are also expected to increase. The non-residential construction price index is expected to increase by 20 per cent in 2007 and a further 16 per cent in 2008 on the heels of continued labour market tightness which will keep wage rates high. Strong energy and commodity prices will also contribute to rising construction costs over the forecast period.

Cost Escalation Comparative Outlook
(Annual Average Percentage Change)



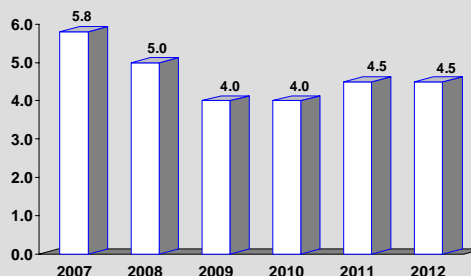
Economic Growth

Due to strong oil sands activity in northern Alberta, strong investment activity in and around the Edmonton region, and the spill-over effects of the surge in population growth between 2005 and 2006, economic growth is expected to increase from 5.5 per cent in 2006 to 5.8 per cent in 2007.

Rising construction costs and tight labour market conditions, along with higher energy costs (gasoline and home heating expenses) for consumers, will make it challenging for both public and private sector agencies to keep up with demand which will soften economic growth to five per cent in 2008, and to four per cent in both 2009 and 2010.

Increased construction activity on several petrochemical facilities in the Edmonton region, increased production from existing petrochemical facilities, and increased government spending on infrastructure projects, will boost economic growth to 4.5 per cent in 2011 and by a further 4.5 per cent in 2012. Leading the way in economic growth over the forecast period will be the construction and manufacturing sectors (22 per cent), the trade, the finance, insurance and real estate sectors (19 per cent), and the transportation and warehousing sectors (18 per cent) (see Appendix 7 for further information).

Edmonton Economic Growth
(Percent Change in Real GDP)





Implications of the Economic Outlook

Business Sector

Over the forecast period, Edmonton's business community is expected to benefit from:

- Higher population growth
- Continued spin-off from investment activity in energy, pipeline and resource-related projects in northern Alberta
- High investment activity in the Edmonton region

However, Edmonton businesses must adjust to:

- A shortage of skilled labour in certain occupations
- Increased house prices and rental rates
- Higher energy costs.

Government and the Public Sector

Over the next few years, Edmonton's government and public sector will benefit from:

- Continued strong economic growth in the province
- An increased assessment base
- Continued provincial and federal government spending

However, Edmonton's government and public sector must deal with:

- Continued municipal infrastructure shortfalls, even after federal and provincial grants
- Increased demand for municipal services as a result of growth, e.g. roadways, transit, parkland, etc.
- Continued demand for government services in health, education and infrastructure as a

result of the aging population and positive net migration

Families and Individuals

Over the forecast period, Edmontonians are expected to benefit from:

- Increased employment and income opportunities as well as higher after-tax incomes from robust economic activity.

Edmontonians must also deal with:

- A widening gap between the *haves* and *have-nots* in our society
- A shortage of affordable and available housing
- Increased homelessness.

PART 3: FACTORS THAT COULD AFFECT THE OUTLOOK

Upside Risks

- Near-record housing starts in 2006, along with the recently announced home affordability initiatives by the City of Edmonton, could increase the supply of new homes substantially and could soften home selling prices significantly, which would improve Edmonton's current home affordability and availability situation. In an environment of strong economic demand fundamentals (high oil prices and strong demand for energy products), this would increase the movement of skilled labour into the Edmonton area, which would result in increased employment in all sectors of the economy which would help drive down labour costs.



- A decline in labour costs, brought on by increased labour supply, would improve the economics of many residential and non-residential construction projects.
- The recent slow down in the United States housing market could bring much needed skilled labour from the United States into the Edmonton area.
- The recent surge in the value of the Canadian dollar will continue to act as a drag on Canada's non-energy manufacturing sector in eastern Canada which depends on a low dollar to reduce its export prices of goods and services bound for the United States. This could increase the amount of skilled labour moving into Alberta and Edmonton from eastern Canada, which would lead to an increase in labour supply, higher levels of employment and lower labour costs.
- A stronger than expected United States economy this year and over the forecast period would keep world energy and commodity prices high, which will keep Alberta's energy industry strong.
- Appropriate land use planning (residential and industrial) through increased co-operation between municipalities within the Edmonton region and the government of Alberta will result in the efficient allocation of labour, goods and services throughout the Edmonton region and help reduce construction and labour costs.

Possible Outcomes/Scenarios:

- Population growth for the Edmonton region and the city of Edmonton would accelerate after 2008 and average 2.5 per cent per year, with net migration averaging 21,000 persons per year.
- Employment growth would average 3.6 per cent per year

- Total housing starts in the Edmonton region would average 14,600 units per year
- Economic growth would accelerate after 2008 and average a robust 5.1 per cent per year (see Appendix 4 for further information).

High Growth Scenario - Edmonton CMA

Indicator	2007 to 2012 Average
Base Case - Net Migration (000's)	16.6
High Growth Case	21.4
Base Case - Economic Growth (%)	4.6
High Growth Scenario	5.1
Base Case - Employment (000's)	632
High Growth Scenario	644
Base Case - Inflation Rate (%)	4.4
High Growth Scenario	4.8
Base Case - Total Housing Starts	13,550
High Growth Scenario	14,615

Downside Risks

- If home price escalations do not moderate, but instead, continue to accelerate, home affordability and availability conditions in Edmonton could deteriorate further, which could result in a sharp decline in the amount of skilled labour moving into the Edmonton area. In an environment of strong economic demand conditions, this would only increase labour and construction costs further.
- If the recent collapse in the United States housing market spills over into other sectors of the economy, the amount of energy demanded by industrial users and the general public may fall as the economy slows. This may have a negative impact on world oil prices which could negatively impact Alberta's energy sector.
- Higher than expected consumer prices across Canada may force the Bank of Canada to aggressively raise interest rates



throughout the forecast period, which would have a negative impact on all sectors of Edmonton's economy.

- Government policies geared towards environmental protection (Kyoto) could negatively impact Alberta's energy sector and have a profound impact on Edmonton's economy.
- A large unexpected fall in oil prices would negatively impact oil sands and energy related investments in Alberta and the Edmonton region, which would also have consequences on other sectors on the economy that are dependent on the energy industry.
- An absence of a coordinated approach to land use planning between municipalities within the Edmonton region, or the absence of a regional growth management plan, could result in the inefficient movement of goods, services and labour throughout the Edmonton CMA, which will increase labour costs and keep construction costs high.

Low Case Scenario - Cancellation/Delay of Proposed Upgraders In Edmonton

Indicator	2007 to 2012 Average
Base Case - Net Migration (000's)	16.6
Low Growth Case	4.5
Base Case - Economic Growth (%)	4.6
Low Growth Scenario	3.3
Base Case - Employment	632
Low Growth Scenario	597
Base Case - Inflation Rate (%)	4.4
Low Growth Scenario	2.5
Base Case - Total Housing Starts	13,550
Low Growth Scenario	10,135

Possible Outcomes/Scenarios:

- Population growth for the Edmonton region and the city of Edmonton could decelerate throughout the forecast period and average only 0.9 per cent per year, with net migration averaging just 4,500 persons per year.
- Employment growth would average 1.2 per cent per year
- Total housing starts in the Edmonton region would fall throughout the forecast period and average 10,000 units per year (see Appendix 4 for further information).



PART 4: SOCIAL OUTLOOK

KEY SOCIAL ISSUES

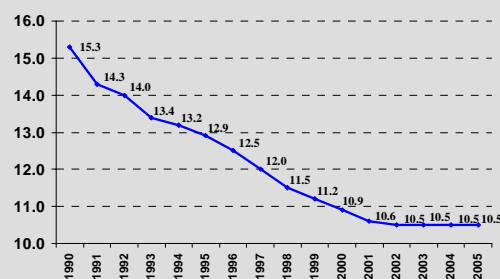
Social Implications of Demographic Change

Declining birth rates, smaller families and fewer children will have long term impacts on Edmonton's population, labour force and could have implications for the overall ability to maintain facilities, programs and services. This may be moderated by increasing in migration.

It is expected that the Edmonton CMA including the city of Edmonton will experience tremendous population growth over the forecast period. The city of Edmonton is expected to grow by around 90,000 people between 2006 and 2012 (six years), an increase of almost 12%, or the equivalent of adding the entire population of Strathcona County and most of the population of the City of Leduc to that of Edmonton. By comparison, the rest of the Edmonton CMA is expected to grow by 45,000 people or 15% over the same time period.

It is estimated that over the forecast period the Edmonton CMA's 0-9 age group will increase by 10.5% while the 10-19 age group will decline by 0.3%. These changes are for the most part consistent with the demographic changes that are happening in Canada as a whole, except for the 0-9 age group which is running contrary to the national experience. The national birth rate has declined by about a third between 1990 and 2000. The national birth rate appears to have reached a plateau at 10.5 births per 1,000 population. Locally, the Alberta birth rate declined to 12.2 births per 1,000 population in 2002 and has rebounded slightly to 12.7 in 2004 and 2005. The Capital Health Region rate will remain above the national birth rate. Furthermore, Capital Health Authority has indicated that the Capital Health Region is undergoing a "mini-baby boom." Edmonton Public Schools has also indicated that they had approximately 1500 more students enrolled than were anticipated.

Birth Rate per 1,000 Population Canada



Source: Statistics Canada

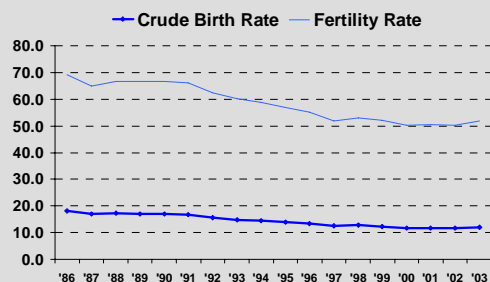
As of 2002, the number of children born to Canadian women remained near the all-time low set in 2000. It had risen slightly to 1.5 children for every woman of child-bearing age, approaching the rate of 1.4 children reported in many European countries. This compares with a rate of 2.0 children per woman in the United States. Alberta showed a slightly higher number of children at 1.69, and has shown increases in births in four of the last five years. Alberta now ranks third of Canadian provinces in the number of births per year, exceeded only by Ontario and Quebec; outpacing British Columbia.

Edmonton's age-specific fertility rate and crude birth rate have been declining similar to the national decline in rates. In 1990, the annual age specific fertility rate in Edmonton was 66.5 live births per 1,000 women, age 15-44. By 2003, this had declined to 51.8 per 1,000 women (and this was an increase from 2002 when it was 50.2). Edmonton's annual crude birth rate (live births per 1,000 population) decreased from 17 in 1990 to 12 in 2003.



Birth and Fertility Rates*

Edmonton



Source: Capital Health Authority

*Birth rate = live births per 1,000 population. Fertility rate = live births per 1,000 women age 15-44

Immigration of younger families from other regions of the globe is expected to help mitigate the anticipated decline in the younger population and help support programs and services for older people and young children. The lifetime fertility rate of women who immigrated to Canada from 1996 to 2001 was 3.1 births per woman of child-bearing age. However, the longer immigrant women stay in Canada, the closer their fertility rate mirrors the Canadian average, particularly if they arrived at a young age and received part of their schooling here. This pattern of decline in fertility is not as marked among women who immigrated from Asia and the Middle East (however, a relatively high proportion of immigrants choosing Edmonton are from these geographic source countries). The decline in fertility among immigrant women is significant, because natural increase (births minus deaths) has been making a steadily smaller contribution to our population growth for Canada in recent years.

Edmonton's school boards continue to examine schools in neighbourhoods with declining populations of young children. School closures and amalgamation are intended to enable students to have quality programs with options available. Closure of regular school programs, change of use and sale of schools and school sites also frees-up resources to renew existing priority facilities and for construction of new schools in areas of the city that are seeing rapid development and increasing population. Most closed schools and school sites have been retained by the city to provide additional parkland in neighbourhoods where there is a parkland deficiency. Some closed schools are being converted to alternate

community use including for a health care centre in Cromdale School. On the other hand, Edmonton schools as a whole are experiencing a growth in the number of students for 2006-2007 school year. This is likely due to in-migration of young families related to Edmonton's current prosperity and newer family formation.

Edmonton Schools Closed Since 2001

School name	Neighbourhood	Year Closed
Beverly Heights	Beverly Heights	2001
Alex Taylor	Boyle Street	2001
Canora Elementary	Canora	2001
Idylwyde	Idylwyde	2001
Queen Mary Park	Queen Mary Park	2001
McQueen	McQueen	2001
St. Patrick's	Alberta Avenue	2003
Bellevue	Bellevue	2003
Cromdale Elementary	Cromdale	2004
Sherbrooke School	Sherbrooke	2003
H.A. Gray	Westwood	2004
St. Rita	Dovercourt	2004
St. Bede	Goldbar	2004
St. Bride	Forest Heights	2004
St. John	Oliver	2004
Wellington	Athlone	2005
North Edmonton	Balwin	2005
Strathern Elementary	Strathearn	2005
Terrace Heights	Terrance Heights	2005
High Park School	High Park	2007*
Newton School	Newton	2007*
Mount Pleasant	Mount Pleasant	2007*

* Indicates announced for closure on March 22, 2007

A rising number of women in the labour force had been the primary source of growth in the labour market. However, in recent years the increase in number of women in the workforce has been slowing down particularly in the Prairie Provinces. In Alberta the participation rate of women with children under age six fell by a full percentage point in 2005 to 64.9%, three points lower than its peak in 1999. Relatively high Alberta incomes may be permitting increasing numbers of stay-at-home mothers with young children. While good for families and pushing up wages in low-paying service industry jobs, this may however be having a negative impact on the supply of personnel for service and other industries, .



Prime Immigrant Source Countries for Edmonton 2001 - 2005			
Country of Origin	Number	Percent of Total*	Previous standing
Philippines	3,211	13.7%	3
India	3,168	13.5%	1
China	3,066	13.0%	2
Pakistan	948	4.0%	10
Afghanistan	748	3.2%	n.a.
Korea	636	2.7%	8
United States	586	2.5%	7
Great Britain	568	2.4%	n.a.
Vietnam	558	2.4%	5
Sudan	542	2.3%	n.a.
Ukraine	440	1.9%	6

Diversity and Inclusion

Edmonton's population is increasingly diverse. Businesses and governments that are not willing to be culturally sensitive may be marginalizing themselves from this growing portion of the population.

Edmonton is a diverse city. According to census information, 15% of Edmontonians are visible minorities; 21.8% of the population in 2001 had immigrated to Canada some time during their lives. More than 4% of Edmontonians identify as having an Aboriginal background.

The City of Edmonton has established an Office of Diversity and Inclusion within its Administration. The Office is helping to ensure that employment policies are not barriers to people of diverse backgrounds in the workforce. And can reflect Edmonton's increasingly diverse population. As well, the Office, through staff training and other efforts, is helping ensure that Edmonton's citizens, regardless of background, are able to effectively utilize City programs, facilities and services.

▪ Immigrants

Canada is now second only to Australia in terms of the percentage of its population that was foreign-born. In 2001, 21.8% of Edmontonians were born in other countries.

While only about 2% of immigrants each year select Edmonton as their home, over 23,500 Edmontonians had arrived from other countries during the 2001 to 2005 period. This is a significant increase from the previous five-year period when 19,000 people from other countries chose Edmonton as their home. The number of immigrants choosing Edmonton as their destination has been increasing since 1999 and will likely continue given Edmonton's prosperity and availability of jobs.

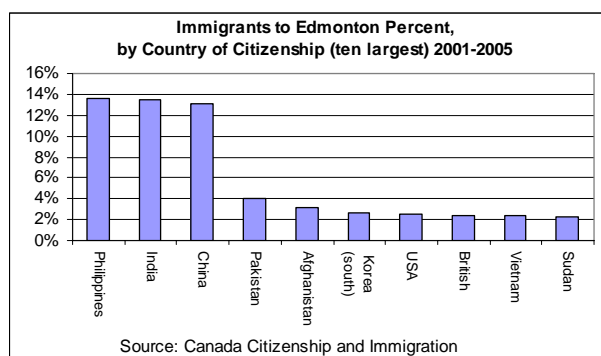
It is noteworthy that over 40% of recent immigrants to both Canada as a whole and to Edmonton have come from south, south-east and east Asia. Many have different language backgrounds and over 10,000 recent immigrants (43%) to Edmonton had knowledge of neither English nor French, Canada's two official languages, (2001 Census of Canada). Many of those immigrants without knowledge of English language will require additional supports to enable them to have satisfactory transitions to Canadian and Edmonton life. Special supports may be needed by immigrant groups which are very small and/or which may not have the capacity to build their own institutions and social infrastructure.

The majority of immigrants to Canada during the period 2001 to 2005 were of working age (26-55). On average, immigrants tend to have higher levels of education than people born in Canada, and adult immigrants are much more likely to seek additional education once they arrive. Notwithstanding their educational achievements, recent immigrants are more likely to work in low-paying or non-skilled jobs, and are more likely to be unemployed than native-born Canadians. On the whole, recent immigrants, aged 25 to 54, earn on average only 63% of their Canadian-born counterparts, while those working in many of the "high tech" industries earn only 67.6% as much as their Canadian counterparts.

In Edmonton, recent immigrants had an employment rate of 76.1%, compared to 84% for other Edmontonians. Their unemployment rate was higher (5.9%, versus 4.1% for others). Also, 21.2% of immigrants (all periods of immigration) to Edmonton had low incomes, similar to the general population, whereas 40.6% of recent immigrants (1996-2001) had incomes below the Statistics Canada Low Income Cutoff.



Immigrants to Canada choose Edmonton and Calgary for the same general reasons but in different proportions. The largest group, 38% of immigrants sampled, chose Edmonton for economic opportunity; 24% for family and friends; 19% for educational opportunities and 19% for Edmonton's quality of Life. Immigrants surveyed indicated the best thing about living in Edmonton is quality of life (41%), Educational opportunities (31%); and economic opportunities (28%).



The 2007 Alberta Speech from the Throne stated that the Provincial Government "...will help new Albertans realize their dreams and encourage them to put down roots, raise families here and contribute to and share in Alberta's prosperity."

Immigration and settlement issues are of interest to many in Edmonton. "Inclusive Communities" is one of the City of Edmonton's focus areas. The City of Edmonton "...is committed to fostering inclusive communities where residents are equally valued and respected." The City of Edmonton will seek ways to increase the numbers of newcomers to Canada who settle in Edmonton's supportive and receptive community. Edmonton City Council will explore the possibility of an agreement on immigration with the governments of Alberta and Canada; and explore ways to attract and retain immigrants to our city.

The City of Edmonton supports programs that attract immigrants and enhance their effective integration. The City will facilitate an immigrant forum to discuss concerns about social and economic integration; and collaborate with community groups to develop a vibrant international marketplace.

The University of Alberta is the seat of the Prairie Centre of Excellence for Research on Immigration and Integration. This institution is aiding the City of Edmonton and Government of Canada by conducting examinations into the reasons why immigrants select certain destinations and on ways to attract and retain immigrants to Edmonton.

■ *Aboriginal People*

Edmonton's Aboriginal communities are young, growing in number and becoming better educated. They are a group that could have an even greater impact on and make significant contributions to our economy and life in our city.

Aboriginal people are under-represented in Edmonton when compared with the province as a whole (4.6% of Edmonton's population and 5.3% of Alberta's population identify as Aboriginal). Notwithstanding this, Edmonton has the second largest number of Aboriginal people of major Canadian cities, after Winnipeg. Edmonton's Aboriginal population grew substantially during the 1996 to 2001 period and it is anticipated that the growth in this group of Edmontonians will continue.

In 1996, the Census of Canada indicated that there were 25,285 people in Edmonton who identified as Aboriginal. The 2001 Census indicated that there were over 30,000 who identified as Aboriginal (an increase of over 20%). Projections indicate that the Aboriginal identity population in Edmonton could reach 44,000 – 47,000 by 2017 (an increase of about 45%). If the Aboriginal population of Edmonton grows at the rate it grew between 1996 and 2001, an urban Aboriginal population in the order of 55,000 to 60,000 can be anticipated around the end of the forecast period.

As well, the census found that there were over 40,215 Edmontonians who indicated they had Aboriginal origins (ancestry) whether or not they identified as being Aboriginal (this larger group overlaps with those who identify as Aboriginal). It is widely believed that the Aboriginal population is undercounted in the Census of Canada.



Aboriginal peoples in Edmonton are diverse within themselves and include North American Indians (themselves of diverse cultural and linguistic backgrounds) (44%), Metis (52%) and a smaller number of Inuit (1%). Metis people are over-represented in Edmonton when compared to their proportion among Aboriginal people in Canada as a whole. There are also other groupings based on historic, cultural and legal issues. Edmonton is a magnet for many Aboriginal people looking for employment, housing, education and services. Some Aboriginal people move back and forth to the City from reserves and other communities surrounding the city or from Northern Alberta.

Edmonton's Aboriginal people are facing many challenges. Some of these relate to income (Aboriginal people in the Edmonton CMA earn only 77% as much as do other Albertans), poverty (15% of the low income population of many neighbourhoods is Aboriginal), family disruption, subjugation of culture and language, substance and alcohol abuse, discrimination, and low employment and high unemployment levels.

The Aboriginal community is young and growing rapidly. In 2001, 31.3% of the Aboriginal population was under age 15 compared to 19.7% for the general population. On the other hand, only 2.8% of Edmonton's Aboriginal communities are over age 65 compared to 11.6% of the general population.

The Aboriginal labour force participation rate (66%) is approaching that of the City as a whole (70%). The unemployment rate for Aboriginal people was more than twice as high as that of the general population in 2001 (14% vs. 6%). Also, almost 44% of Edmonton's Aboriginal people have low incomes (Statistics Canada Low Income Cut Off).

Most Aboriginal people in Western Canada work in the service sector as does the general population (74.1% of Aboriginal workers; 75.6% of non-Aboriginal workers). Aboriginal youth are having a more difficult time with employment, 26.6% of Aboriginal youth in Western Canada were unemployed compared to 17.1% of non-Aboriginal youth. Aboriginal people in Alberta have higher labour force participation rate, lower unemployment and higher employment rates than those in the other

western provinces. Improved educational attainment, self employment (6.31% of Aboriginal people are self-employed) and increasing numbers of Aboriginal businesses (27% of Aboriginal businesses are located in Edmonton and area) bode well for improved employment rates and higher incomes in the future.

The City has been working with Edmonton's Aboriginal communities to develop a dialogue process culminating in an Accord which provides direction as to how the City will interact with Aboriginal peoples both as an employer and as a service provider. From this initiative, the City has established an Aboriginal Relations Office to bring life to the Accord relationship agreement. A relationship accord between the City of Edmonton Administration and Aboriginal community leaders was formalized and approved at a forum held in November 2006. The Accord will enhance and promote positive perceptions and attitudes between Aboriginal communities and the City of Edmonton. Explore and create agreements that enrich community life; share in the gifts of the relationship and renew and strengthen the relationship agreement.

▪ **Visible Minorities**

The visible minority population in the Edmonton region (CMA) has increased in the last ten years due in large part to an inflow of immigrants. Of the 44,900 immigrants who arrived in Canada in the 1990s and who settled in Edmonton, 71% were also visible minorities in 2001.

People with visible minority backgrounds contribute much to the richness of Edmonton adding to the diversity and vibrancy of cultural, religious, arts, leisure, business-economic, and other opportunities in our City.

Visible minorities accounted for 15% of the Edmonton region's 927,000 residents in 2001, up from 14% in 1996 and 13% in 1991. The increase in immigrants coming to Edmonton in recent years will likely increase visible minorities representation in the population. In 2001 Edmonton had the fifth highest proportion of visible minorities among census metropolitan areas, behind Vancouver, Toronto, Abbotsford and Calgary.



Visible minorities are more prevalent in the City of Edmonton than in the balance of the region. About 20% of the City of Edmonton population were visible minorities in 2001. The proportion in 2001 was well above the national level of 13% and the Alberta provincial level of 11%. Every fifth person in the city of Edmonton was of a visible minority background.

About 4% or less of the population in the surrounding municipalities within the Edmonton Census Metropolitan Area was comprised of visible minorities.

The Edmonton census metropolitan area had about 41,300 Chinese residents in 2001, making it the fifth highest population of Chinese in the country. More than one in five Chinese people living in Edmonton immigrated in the past ten years. In older areas of the city and in particular in downtown, the Chinese community has highly developed institutions and social infrastructure. When this ethnic group grew and developed it did not duplicate most of its institutions in other parts of the city (churches often being an exception), but, rather, looked to the existing institutions. Other large groups of visible minorities in Edmonton include South Asians (29,100), Filipinos (14,200), and Blacks (14,100). As these groups grow and spread out in the city over time, they may develop their institutions and social infrastructure in a similar fashion to the Chinese community.

Around 25% of Edmonton's visible minority population have low incomes, a much higher rate than the general population. This may relate to the lower income levels experienced by recent immigrants, many of whom are visible minorities.

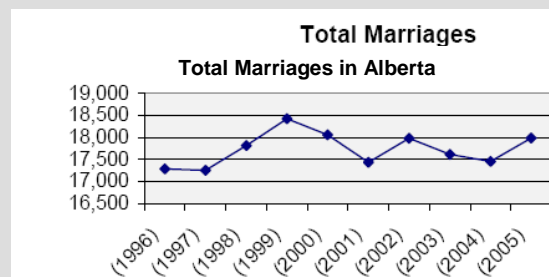
Families and Children

Canadians are waiting longer to marry. Common-law relationships and other family forms are more common. There is no one form of traditional family that applies to all Edmontonians. This will have additional impacts on employment benefits and family benefits and services.

The number of marriages in Alberta has remained relatively constant between 2001 (17,431 marriages)

and 2005 (17,900 marriages), while Canada as a whole showed a small decline. However, a more pronounced trend is people choosing a common-law arrangement/relationship over marriage, particularly as a first union or following break-up of a previous marriage.

Families and Children



Around 43% of Canadian men and 53.3% of Canadian women age 20-29 years selected a common-law relationship as their first union. The percentage of people selecting common-law relationships as their first union decreases with age.

People are also waiting longer to marry. The average age of brides in 1981 was 26.2 years; by 2001 it had risen by more than 5 years to 31.9 years. The average age of marriage for males also increased. In addition, the average age of a mother at birth of a first child has also increased people are having fewer children. People are also divorcing at a later age.

The 2001 Census of Canada also found that 0.5% of Edmonton families are same-sex couples. Recent changes to the Federal Marriage Act will likely have little impact on the number of these families but may have positive impacts on their stability. 2005 was the first year that Alberta recorded same sex marriages; there were 138 such marriages. While the genders of these marriage partners are not given by Alberta Vital Statistics in their 2005 review, for most, it was their first marriage (80%); less than 1% were widowed and 19% were divorced.

Stability is an important factor affecting families, especially children. Even before the actual marital



break-up, young children of parents heading for divorce tend to develop mental health problems more frequently than those whose parents are not breaking-up. Data from the National Longitudinal Survey of Children and Youth found that children whose parents eventually divorce show higher levels of depression, as well as higher levels of anti-social behaviour, than children whose parents remain married.

Alberta has the second highest rate of divorce for people under age 30 among Canadian provinces (2003 and 2004). Between 1999 and 2002 the number of divorces in Alberta had been slowly rising (7,931 divorces in 1999; 8,291 in 2002). However, the latest information available for 2004 indicates that the number has dropped almost to the 1999 level, and hovers around 8,000 per year. The national trend is similar; there were about 71,400 divorces in Canada in 2004. In 2001, 9.3% of Edmontonians over the age of 20 years were divorced.

Families need care and nurturing. The amount of “quality time” we spend with our children and spouses is important to their development and health. However, many of us are becoming busier and are investing less time with our families than in the past. In 1986, when the first study of use of time with families was undertaken, workers spent 250 minutes (4 hours and 10 minutes) with their families per day. In 2005, workers spend almost three-quarters of an hour, or 44 minutes on average less time with their families. The decline was slightly less for women workers than for men workers. As our children get older, we spend less time with them than we spent in the past. Lone parents had the largest decrease in time spent with young children, especially those ages 0-4. In 2005 lone parents with children ages 0-4 spent 95 minutes less per day with their children than they did in 1986, a difference of more than an hour and a half per day.

Making Edmonton a more child friendly city will be furthered by contacting child friendly cities around the world; Edmonton will apply to become a Child Friendly City and develop a process and strategy for implementation. A report card on Edmonton's progress in this regard will be developed. Edmonton City Council has also approved full funding for “access to recreation for low income families”. This

latter initiative will make recreational and selected cultural opportunities more available to families with very limited finances. Families First Edmonton will help determine whether a constellation of services, including recreation provision for children, will support families and increase their capacity.

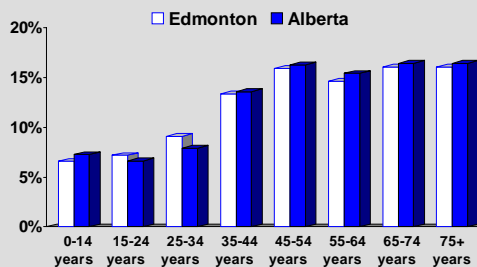
Health

Edmontonians (Capital Health Region population) rated their health as “excellent” or “very good” more often than Canadians as a whole, 61.5% versus 60% respectively, in 2005. Alberta spent more per capita on health expenditures than any other province at over \$4,800 per capita in 2005.

In 2001, 15.8% of Canadians had some limitation to their activities due to physical or mental disability. The percent of Albertans with a disability was very close to the national average, at 16%, while the percent of Edmontonians with a disability was above the national average at 17.6%.

Disability increases with age. About 6.5% of Edmontonians with a disability are under 15 years of age, while more than 15% are in each of the age groups greater than 44 years of age. An aging population will likely mean more people with disabilities. Accessibility to facilities, services and businesses will become even more important.

Disability Rates by Age, 2001



Source: Urban Poverty Project, CCSD, 2004

More than 82% of those over the age of 65 had at least one chronic illness (many have more than one chronic illness) and about 50% had a disability. At



age 65, Edmontonians can expect to live an additional 13.8 years. Unfortunately, only three of these years will be disability free.

Canada has one of the longest life expectancies in the world - 79.5 years for both sexes (77 years for males and 82 years for females) at birth. Life expectancy varies considerably within Canada and remote, northern areas of the country have significantly lower life expectancies than the national rate. Edmonton (Capital Health Region) life expectancy at birth is 79.9 years for both sexes (77.4 years males and 82.4 years females) and is longer than the national rate and longer than the provincial rate (79.5 years both sexes). The gap between the national life expectancy rate at age 65 is even greater. The Edmonton rate is 19.5 additional years while the

Life Expectancy 2001			
Expectancy- at birth	Both Sexes	Males	Females
	Years	Years	Years
Canada	79.5	77.0	82.0
Alberta	79.5	77.1	82.0
Calgary HR	80.2	78.1	82.4
Capital HR	79.9	77.4	82.4
Expectancy – at age 65			
Canada	18.8	17.0	20.5
Alberta	19.2	17.4	20.8
Calgary HR	19.3	17.8	20.8
Capital HR	19.5	17.6	21.3

national rate is only 18.8 additional years. The gap between the Edmonton rate at age 65 years and the provincial rate is smaller.

Edmontonians are generally healthy. Over 61% of those living in the Capital Health Region self-rated their health as excellent or very good during 2005. This is slightly above the average for Canada but below that of all Albertans. More Calgarians (66%) self-rated their health as excellent or good than did Edmontonians (61.5%) in 2005.

In 2003, 82.1% of people in the Capital Health Region had contact with a medical doctor in the past year (slightly above the provincial and national rates). 8.9% had contact with a health professional

about mental health in the past 12 months (slightly higher than the provincial rate) and 62.7% had contact with a dental professional during the past year (slightly lower than the provincial and national rates). In 2005, 81.3% of Edmontonians (Capital Health Region) had a regular physician; 14.8% had not looked for a physician, but 3.4% could not find a physician.

Edmontonians need to be encouraged to be more active. Inactivity leads to chronic health problems and a lesser quality of life. Physical activity and proper nutrition are keys to good health. Lack of regular physical activity puts people at increased risk of coronary artery disease, osteoporosis, stroke, high blood pressure, colon cancer and Type 2 diabetes.

The Canadian Community Health Survey conducted by Statistics Canada in 2003 found that most Edmontonians are aware of the value of being physically active. They realize that exercise is important to maintaining good health, and they often are aware of what they should be doing to obtain health benefits. Almost 56.3% of Edmontonians (Capital Health Region) report they are physically active or moderately active. Males are more active than females (56.3% of males report being physically active or moderately active in contrast to 47.7% of females). As well, Edmontonians are more active than the country as a whole (50.3% of Canadians report being physically active or moderately active). However, Calgarians and other Albertans are more active than Edmontonians (57.3% and 54% of Calgarians and Albertans report being physically active or moderately active, respectively). 43.9% of Edmontonians report being physically inactive.

A survey conducted for Active Edmonton in 2003 also indicated that as many as 36% of the population have no intention of changing their activity patterns soon and 52% said they planned some increase in their physical activity within the next six months. People tend to become less physically active as they get older.

Council's Special Initiatives on "Sports, Recreation Opportunities" and "Capital Health Partnership" support the Active Edmonton program and plans for improved facilities, trails and parks to encourage



Edmontonians to be active and help keep Edmonton an attractive City.

The City will also help ensure civic facilities and public transit support health investments. Public health emergency plans will be formulated. Other partnerships in the health arena will be developed to help Edmontonians have healthy and long lives. Capital Health Authority, with the City as a partner, is evaluating the use of thrombolytics (“clot busters”) in the treatment of heart attack patients in efforts to save lives and reduce the impact of attacks.

It has recently been estimated that 50% of the United States population is overweight or obese. Canadians are not far behind their American cousins. 15% of Canadians (age 20+) were found to be obese in a 2002 report. Recent health information released by Statistics Canada indicates that over 59% of Canadians are overweight or obese. The research indicates that the percent of overweight/obesity in the community decreases with the size of city. Nevertheless, the percent of overweight/obese adult Edmontonians is larger than the national percent; while the percent of overweight/obese children is smaller. Furthermore, the percent of overweight Edmontonians of all ages, is larger than the percent for Calgary.

Percent Overweight/Obese		
Geographic Area	Percent Age 18+	Percent Age 2-17
Canada	59.1%	26.2%
Alberta	60.9%	21.8%
Calgary	53.8%	16.0%
Edmonton	62.2%	21.4%

A disturbing fact is that almost one-third of children aged 2-11 are overweight (29% of boys; 27% of girls in 2000/01) and about half of them would be

considered obese. These rates had tripled over the previous fifteen years for boys and doubled for girls. A high obesity rate, a high smoking rate, and a high depression rate were the strongest predictors of a low disability free life expectancy. Obesity is associated with additional social and personal problems for children.

In May 2003 the City of Edmonton in collaboration with over 35 community and governmental organizations (e.g. Capital Health, Edmonton Federation of Community Leagues, Sport Council, Health Canada) initiated Active Edmonton (www.activedmonton.ca) to increase and improve physical activity in Edmonton. Active Edmonton has monthly events, challenge contests, workshops and symposiums, promotional campaign, research and evaluation (to track participation levels, awareness and barriers), Active Edmonton Resource Guide, an information line (448-4555), weekly fit tips on A Channel and a web site. This year's focus area is children and youth. Beginning in May 2005 the focus will be on the workplace. Active Edmonton is scheduled for completion in 2008. Edmonton's Mayor Stephen Mandel is honorary chair of Active Edmonton. The Active Edmonton model is being examined for potential use across Canada.

Seniors

The aging population poses challenges for our youth oriented society. More programs and services are being designed with seniors in mind.

Researchers have found that while both older and younger people believe most people are happier in their youth, quite the opposite is true. In fact, people report that they are happier with their lives the older they get. A study, conducted by the VA Ann Arbor Healthcare System and the University of Michigan, has found that older people “mis-remember” how happy they were as youths, just as youths “mis-predict” how happy (or unhappy) they will be in their golden years. In all cases, older people reported being happier with their lives than younger people.

While Alberta has the youngest population of the provinces, 10.4% of Albertans were 65 years of age



or over in 2001. This compares to 13% for Canada as a whole. Around 11.7% of Edmontonians (11.5% in 2005), slightly higher than the rate for the province, were over the age of 65 in 2001. However, their numbers are growing rapidly. In the ten year period 1991 to 2001, the number of seniors in Edmonton increased by 51% while the total population increased by only 8%. By 2012, the Edmonton CMA is expected to have 138,000 people aged 65 and over, or 12% of the total population. By 2046 it is expected that one out of four Canadians will be over the age of 65 years.

Council's Special Seniors Issues Initiative will enhance services and opportunities for the growing seniors' population. The City will improve its knowledge base and continue liaison and partnerships with relevant agencies. Council will also:

- Implement Seniors Friendly training for City staff;
- Conduct forums for the City to ready itself for the growing seniors population;
- Help ensure equitable services for seniors;

The City will also:

- Develop a blueprint for action for seniors services;
- Support the Edmonton Seniors Coordinating Council and other agencies; and
- Expand City operated Senior Centres.

The City of Edmonton is also in the process of ensuring that Edmonton City Hall is senior friendly.

Adequate retirement income is a major factor in the well-being of older people. Canadians with incomes below \$20,000 were much more likely to state that they had no plans to retire than persons with an income \$40,000 or greater. Retirement plans were also greatly influenced by whether or not the individual had a private (or employment) pension plan. Recent immigrants (arriving since 1980) were much more likely (47%) to have no fixed retirement plans and were also more concerned (45%) about the adequacy of their financial preparations for retirement.

Consideration to reduce benefits for seniors because many seniors appear to be affluent, may be misguided. A large group of Edmonton seniors,

primarily older women, have low incomes and are dependent upon government transfer payments.

While overall, 62.3% of Albertans self-rated their health as "excellent or very good" in 2005 this is not true for Albertans of all age groups. 65-73% of Albertans up to age 55 self rate their health as excellent or very good. The percent of people who rate their health as excellent or very good, declines sharply for those older than age 55 years. Those Albertans between ages 55-64 the rate is only about 55%; for those age 65-74 years it declines even more sharply and is only about 43%; those over 75 years of age self-rate their health as excellent or very good only about 35% of the time.

The Government of Alberta appointed MLA Task Force to gather input on proposed health service and accommodation standards for continuing care, mostly for Alberta seniors, has made a number of recommendations to improve the level and standard of care as well as improve the quality of life of residents of long term care facilities. .

During the 2000 income year, 20.5% of Edmonton seniors (age 65+) had incomes below the Statistics Canada low income cutoff. This is the largest percent with low income of any adult age group and closely reflects the percent of the total population with low income. It is important to note that older women (and women in general) have higher rates of low income/poverty than do men. For the 75-84 year age group, 11.7% of men have low incomes while 25.4% of women, more than twice the rate of men, have low incomes. At the 85+ age group, the difference is much more dramatic; 31.8% of women have low incomes while only a small number of men have low incomes.

Edmonton City Council approved a property tax rebate in 2005 of \$39 for older homeowners who have low incomes and are receiving benefits of the Alberta Seniors Benefit. While the rebate is a relatively small amount it reflects the average increase in property taxes for 2005. The rebate shows the City of Edmonton's concern for older people who are on fixed incomes and have few financial resources.



The federal government has stated that it is increasing the level of financial benefit for low-income seniors.

The provincial Government is in the early stages re-examining its benefits to seniors. On March 2, 2005, the Alberta Speech from the Throne indicated that seniors benefits would be expanded to include dental and optical needs along with help to cover annual increases in the education portion of property taxes.

Education

The Canadian Council on Learning has recently developed a Composite Learning Index. This system uses 15 indicators in four major areas to measure the state of lifelong learning in Canada. The four major areas are:

- Learning to Know
- Learning to Do
- Learning to Live Together
- Learning to Be

Scores are developed from these indicators on a national, provincial and municipal basis.

Canada as a whole scored 73 out of 100. The provincial score in Alberta was higher than the national rating at 80.1. Edmonton's rating was slightly above the provincial average at 81.6, but well behind Calgary which led Canadian cities with a rating of 88.1 (followed by Ottawa/Gatineau, then Edmonton). Edmonton's only indicator that ranked below average came from the municipal high-school dropout rate.

Advanced Education:

Edmontonians like to think of themselves as being part of a "smart" city. Indeed, the percentage of Edmontonians (age 15+) with a university degree increased from 15.6% in 1996 to 17.9% in 2001. The educational attainment of parents is a good indicator or predictor of the educational attainment of children. Each additional year of parental education increases the likelihood of university attendance for children by as much as five percentage points.

The percentage of men with a university degree exceeds that of women with a university degree. In 1971, 6.6% of Canadian men had a university degree and 3.5% of Canadian women had a university

degree. Not only has the number and percentage of Canadians with a university degree grown but the gender gap in higher education is also narrowing. In 2001, 12.7% of Canadian men and 11.9% of women (age 15+) had a university degree or higher. In Edmonton, the gap appears to be smaller than in Canada as a whole; 18.0% of men and 17.9% of women (age 15+) in 2001 had a university degree or higher. Currently, enrolment of women in university exceeds that of men.

In 2005, the provincial government introduced the Alberta Centennial Education Savings Plan. The grant provides \$500 funding for a Registered Education Savings Plan (RESP) for every child born to or adopted by Alberta residents in 2005 and after. Three subsequent grants of \$100 each will be available to children attending school in Alberta at ages 8, 11 and 14, starting in 2013. A child will not have to receive previous grants in order to qualify for subsequent grants. This grant should provide some relief for increases in tuition at Alberta's post secondary institutions.

Alberta's undergraduate tuition fees are 11% more than the national average this year (2006-07). The \$4,828 average is down 0.2% from 2005-06, but up 19.8% from 2001-02 and 275.3% from 15 years before. This has made it difficult for some Edmontonians to improve their educational attainment. Alberta provides the highest student assistance funding among Canadian provinces, averaging nearly \$1,200 on a per student basis. During the 2005-06 fiscal year, over 70,000 Alberta students received more than \$418 million in federal and provincial loans, grants, bursaries and scholarships.

In November of 2006, the Government of Alberta has announced "A New Approach to Tuition". Over the previous two years, Alberta's post-secondary tuition rates had been frozen at their 2004 levels. Starting in September of 2007, future rate increases will be limited to the Alberta Consumer Price Index (CPI) [which from February 2006 to February 2007 was approximately 2.5 times the national increase]. This will limit the 2007 rate increase to 3.3%, which under previous regulations could have ranged anywhere from 6 – 11%. The Alberta government



will meet the additional inflationary costs that post-secondary institutions face beyond the CPI.

Elementary and Secondary Education:

Nationally, elementary and secondary school enrolments had declined by 1.6% between fiscal 1996/97 and 2004/05. However, total spending on public elementary and secondary schools has increased by 11.3% in 2004 constant dollars. In Alberta enrolment has increased by 0.8% during this period while expenditures on elementary and secondary education have increased by 32.9%. Alberta spending per student has grown by 31.9% during this same period.

The 3 year High-School Completion Rates were below the provincial average for both of Edmonton's major school districts in 2004-05; the Edmonton Catholic School Board rate stood at 68.5% while Edmonton Public School Board rate was at 63.6% (provincial average was 70.4%). Both boards saw significant improvement from the reported 3 year rate from 1997-98.

The Alberta government has initiated a strategy to reduce class sizes throughout the province over the past three fiscal years. Some notable changes have been made in Edmonton. The Edmonton Catholic School Board reduced class sizes from K-3 (kindergarten to grade 3) by an average of 3.1 students per class; the June 2007 average of 16.7 students per class is 1.9 lower than the provincial average and 2.4 lower than the load in Edmonton Public classrooms. Catholic classes from grades 4-6 were reduced by an average of 1.6 students over the same time period. The Class Size Initiative (CSI) has not been as effective in Edmonton Public secondary schools where average class sizes for grades 7-9 increased by 0.9 students and by 1.1 students for grades 10 through 12. Secondary class sizes for both school districts are above the provincial average.

Edmonton's growing and diverse population is afforded second language programs (including bilingual and immersion) in American Sign Language, Arabic, Chinese (Mandarin), Cree, French, German, Hebrew, Italian, Japanese, Latin, Polish, Punjabi, Spanish, and Ukrainian through the two school boards.

Poverty

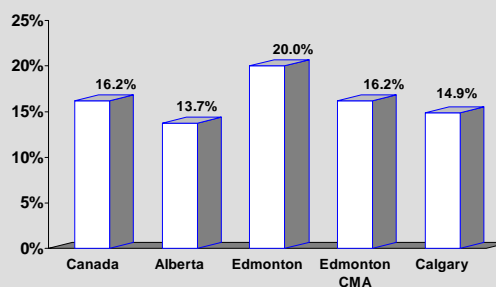
While the economy has significantly improved during the first half of the decade, there are many who have not benefited. Governmental and other society efforts need to be further directed at reducing poverty rather than just maintaining people in it.

The improved economy in Canada and especially in Alberta has reduced the number and percentage of Edmontonians (CMA) living with low-incomes since the mid-1990s. In 1996, 17.2% of the population had incomes below the Statistics Canada low-income cut off. In 2001, this had been reduced to 12.1%. In the city of Edmonton, poverty or low-income is more extensive than it is in the region. The Edmonton city rate was 20% (2001).

The minimum wage in Alberta is \$7.00. This minimum wage represents the lowest rate payable across Canada (New Brunswick and Newfoundland also have a minimum wage of \$7.00 per hour). Alberta Finance ranked the after-tax minimum wage rate at \$6.25 per hour, fifth highest among all provinces. The same report stated that only 2.9% of employed Albertans earned the minimum wage between July 2005 and June 2006; an increase of 2.1% over the previous year (prior to the increase in the provincial minimum wage). A single parent with one child would have to work 64.48 hours per week at minimum wage to meet the income threshold of the low income cut off (after-tax LICO).

Incidence of Low Income

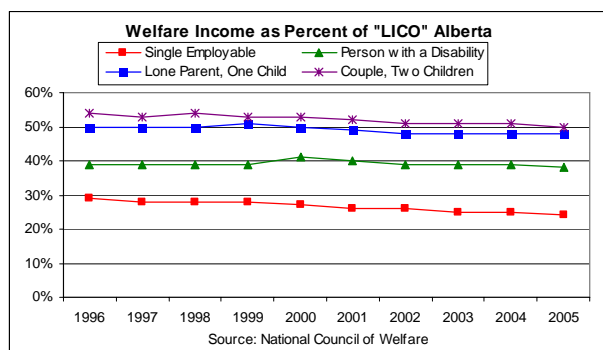
Edmonton, 2001



Source: Urban Poverty Project, CCSD, 2004



The United Nations Committee on Economic, Social and Cultural Rights has stated that Welfare benefits in most Canadian provinces have dropped in value in the past 10 years and often amount to less than half of basic living costs. In Alberta, people with the lowest incomes, many receiving social assistance, “Alberta Works,” have been losing income ground for a number of years. A September 2006 study released by the National Council of Welfare, a Federal Government agency, indicated that the social assistance benefits in Alberta are among the lowest in Canada.



The table shows that for four selected types of households, all receiving benefits from Alberta Works, are losing ground when compared to the Statistics Canada Low Income Cut-off and are worse off financially than they were in 1996 when welfare roles were cut and benefits reduced. For example, a single employable person with Alberta Works benefits was receiving 29% of the LICO in 1996. In 2004, the same single employable person was only receiving 24% of the LICO low-income threshold.

Adequate, appropriate and affordable shelter is very important in a climate like that of Edmonton. Yet, in 2001 40,615 renter households (37.7% of renter households) spent more than 30% of their gross income on shelter (CMHC standard for affordable shelter costs). Recent trends in housing and inflation are increasing these pressures. In 2006, rental vacancy in Edmonton declined by 3.4%. This coincided with an 11% increase (over twice the rate of inflation) in the average rent for a two-bedroom apartment.

The Edmonton Consumer Price Index increased nearly 5% in 2006; however, the “Nutritious Food

Basket Price did not keep up with that pace, rising by only 3.2%. While 17% higher than in 1993, 2006 Food Bank usage has decline by 24% since 1996 (>13% decrease in the last year).

Edmonton’s 2006 Homeless Count of 2,618 was an increase of 19% from the 2004 numbers. Edmonton City Council’s special initiative on affordable housing, “Cornerstones: Edmonton’s Plan for Affordable Housing” is to increase the supply of affordable housing units by 2,500 in five years. The Federal Government has indicated a \$200 million (nationally) tax credit for low income housing for provinces and municipalities, as well as \$269.6 million of support for affordable housing partnerships over two years. A 2006 City of Edmonton report noted a 2½ year wait for the approximately 5,000 application on various social housing wait lists in Edmonton.

Child Care

Most children now receive some form of pre-school child care. Quality of that care can have a significant impact on children’s development and later life.

Currently, the Child Care Advocacy Association of Canada claims eight out of ten children to not have access to quality, affordable child care spaces.

In 2000/01, 53% of Canadian children ages six months to five years of age were in non-parental child care. This had increased from 42% in 1994/05. 25% of these were enrolled in daycare, up from 20% ten years earlier. While Alberta had the lowest provincial rate of child care among the provinces, 43% of those between six months and five years were enrolled in child care in 2003. Children from single-parent families were more likely to be enrolled in child care than children from two-parent families. Children in households with incomes below LICO were less likely to be enrolled in child care than children from higher income (equal to or above LICO), 37.3% and 57.1%, respectively. Urban children are more likely to be enrolled in child care than are their rural counterparts.

While the above information relates to children under age six, Alberta municipalities may provide



support or subsidy to children in low-income families who are between the ages of six and twelve. Approximately 2,100 Edmonton children in low-income families receive municipal subsidy for out of school care per month.

The City's services to the children of Edmonton are based on the international UNICEF-supported "child friendly" secretariat key indicators. Edmonton City Council's Special Initiative on a "Child Friendly City" includes:

- Improving advocacy for children internally and externally with partners;
- Understanding and benchmarking City services for children;
- Determining barriers to services and potential funding from other orders of government to address these;
- Developing pilot projects;
- Developing a corporate children's services framework.

On July 7, 2005, the governments of Canada and Alberta signed an Agreement in Principle called "Moving Forward on Early Learning and Child Care." The agreement had paved the way for \$448.1 million in new money to fund child care over five years. This funding agreement was cancelled as part of the 2007 Federal Budget, reducing the total transfer from the arrangement by \$352 million. In 2007-08 alone, the total transfer to all provinces was reduced from \$1,200 million to \$250 million; the \$250 million (distributed to the provinces on a per capita basis) is to be used to create spaces for child care and beginning in 2009-10 will increase by 3% per year.

The 2007 Federal version of the Universal Child Care Benefit will take the form of a direct support payment. Families with children under age six are to receive \$100 per month per child for child care. The average cost of Childcare (All Licensed Care) per Child per Month in the Edmonton region was \$538 in November of 2005.

In addition, the Federal Government is offering a 25 per cent investment tax credit to businesses that create child care spaces in the workplace to a maximum of \$10,000 per space created.

In Alberta, the provincial government assumed responsibility for subsidies for child care for low-income families with children of pre-school age. These subsidies range between \$400 and \$575 monthly per child for regular hours of care. Municipalities continue to provide subsidies for out-of-school care for school age children where this is a municipal priority. Combined, the cities of Edmonton Calgary and Red Deer invest approximately \$10 million per year on out-of-school care for school age children (age 6-12).

City of Edmonton Out-of-School Care						
	2001	2002	2003	2004	2005 (projected)	2006 (projected)
Number children per month	2081	2078	2109	2198	2078	2100
Annual Financial Allocation for Subsidies \$millions	\$5.60	\$6.40	\$6.67	\$6.30	\$6.20	\$6.20
Average monthly subsidy per child \$	\$203.20	\$218.18	\$232	\$230.3	\$232.3	\$220.00

The Government of Alberta has expanded its role in assessing child care centres to include out-of-school care centres. The City of Edmonton has reached an agreement with Region 6 Child and Family Services Authority for the City of Edmonton to take primary responsibility for assessing the quality of approved out-of-school care centres in the City of Edmonton and ensuring they meet the City's standards. The two orders of government, provincial and municipal, will continue to monitor the situation in the Edmonton region

Culture

Culture and the arts are vital integral parts of society. Support for the arts, for all Edmontonians regardless of income or background, could offer creative ways to bring diverse elements of our society together.

The arts and culture are vital, creative part of the community and play a major role in keeping our quality of life high. Edmonton has been selected as the Cultural Capital of Canada for 2007. Up to \$2



million is awarded for projects that celebrate arts and culture and create a cultural legacy for the community. As part of the cultural celebrations, funding will be available for up to 20 new cultural projects, a poetry festival, connecting culture with Edmontonians, creating a directory of Edmonton's cultural community and resources, and a "Nightworks" celebration to conclude Edmonton's year-long celebration.

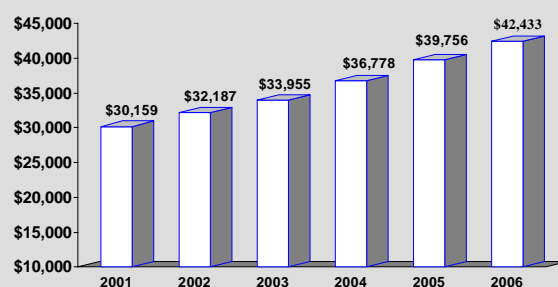
The main estimates for federal government spending on culture for fiscal 2008 (year ending March 31, 2008) indicate an expenditure of \$3.87 billion. This amount is \$14.5 million (or 0.4%) less than 2007 totals. The top two budgetary items are the Department of Canadian Heritage and the Canadian Broadcasting Corporation (CBC).

Per capita government spending on culture in Alberta was \$160 in 2002-03 (composed of \$51 federal, \$56 provincial and \$53 municipal). This was the lowest total per capita spending of the provinces primarily because of lower provincial spending. Despite this, the arts sector in Alberta added over \$150 million to the GPP (Gross Provincial Product) and employed more than 3,500 Albertans full-time. The provincial government will focus on cultural activities through the newly formed Ministry of Tourism, Parks, Recreation and Culture.

The Edmonton Arts Council (EAC), a non-profit charitable organization, supports the Edmonton arts and cultural community through grant funding and advocacy. The EAC provided the community with over \$3.1 million in 2006, 88% of which was applied to the operating costs of arts organizations and festivals.

The City of Edmonton spending on culture has been increasing steadily over the last five years to where it now totals over \$42 million. Between 2001 and 2006 Edmonton's municipal expenditures on culture increased by over 40 percent.

Investment in Culture*
City of Edmonton (\$000's)



Source: City of Edmonton

*Does not include capital expenditures

Over the course of 2005, 126 arts and cultural organizations participated in an Economic Development Edmonton survey regarding the impacts of culture. Total attendance for the year came to be 3,869,979 or 2.9 events for every Edmonton citizen (after accounting for visitors/tourists). The study estimates that these 126 cultural organizations accounted for \$177.7 million of Alberta's GDP (\$123.7 million of Greater Edmonton's GDP).

Recreation and Leisure

The need for health-giving and fulfilling leisure activities is more and more important as we are becoming increasingly obese. Leisure activities and opportunities to enjoy nature play an important preventive role in relation to health and social issues especially in light of the increased pressures on the health and social support systems.

Edmonton is becoming increasingly active. A 2007 Alberta Centre for Active Living survey found that 61.1% of Edmontonians rated themselves as sufficiently active. This amount has increased by 10% since 2000. While more active than past years, Edmonton's rate still trails the provincial average of 62.4%.

Many recreation opportunities exist in Edmonton. The landscape of North America's largest urban forest provides much of the 225 km of designated bikeways throughout the City. The Edmonton Sports Council lists over 677 different recreation facilities, accommodating more than 140 different types of



recreation activities and sports. These services will be enhanced by the opening of the new, multi-purpose facility (featuring four new sheets of ice) set to open in Edmonton's southwest in 2008. Numerous other projects are also being developed to meet the City's growing and diversifying demand for recreational services. Attendance in municipally owned or operated facilities approached 5 million during 2006, a 3.4% drop from the previous year (largely due to renovations closing the Kinsmen Sports Centre).

Alberta Community Development completed a 2004 Alberta Recreation Survey. 3,217 Alberta Households completed the survey. 28.2% of these were in Edmonton. In terms of exercise oriented recreation, Edmontonians and Albertans as a whole varied little in their preferences. As well, there were only small differences in Edmontonians and all Albertans with regard to creative/cultural activities.

Ten Most Popular Exercise Oriented Activities Participating Households 2004(%)		
Activity	Edmonton	Alberta
Walking for Pleasure	93.4%	93.0%
Bicycling	56.9%	56.0%
Swimming (pools)	55.9%	54.1%
Golf	38.6%	44.9%
Aerobics/Fitness/ Aquasize/Yoga	45.9%	43.9%
Weight Training	35.2%	36.1%
Jogging/Running	36.1%	35.6%
Swimming (outdoors)	31.5%	32.6%
Ice Skating	33.1%	29.6%
In-line skating	18.6%	20.9%

Safety

In a effort to mitigate the challenges associated with extended off-load delays at hospitals Edmonton's Emergency Medical Services (EMS) are working closely with Capital Health to design and implement the "Emergency Services and System Capacity" (ESSC) project. The ESSC initiative includes the "Full Capacity Protocol," implemented February 22 at the four major hospitals. The protocol is "triggered" when an Emergency Department has more than about one-quarter of its stretchers

occupied by admitted patients waiting for beds. While formal evaluation for this project is expected to begin in May, encouraging signs indicate an early reduction in the number of patients waiting for emergency services across the region of approximately 40%. Improvement in this area is critical to EMS response times as the average minutes that paramedics spend in hospitals grew to an average of 52 minutes per incident in 2006 (up 36.8% in one year).

63,791 medical events were dispatched in 2006, up 7.6% from the year before. The number of critical calls skyrocketed to 1860 (up 77.3% since 2005). The most critical challenge for Edmonton's EMS was the 2157 System Alerts (where only three or fewer ambulances are available to respond to the next call) in 2006, up over 120% from 2005 numbers.

In Edmonton, seniors are three times as likely to use emergency medical services as the general population. Those people 85 years and older have ambulance utilization rates seven times higher than does the general population. Large increases in the senior population will likely occur in the older, central areas of the city. A high proportion of this population will be women living alone. The increasing number of seniors along with the increasing sprawl of the city could place additional pressures on emergency services such as Emergency Medical Services.

10,321 emergency fire events occurred in 2006, up 8.6% from 2005. Non-structural fires increased by over 10% while structural fires decreased slightly. The majority of the increased demand for fire services came in response to alarms, which alone accounted for an increase of 904 events. While the overall number of events continues to increase, the number of events per 1000 population has remained fairly constant since 2002. Citizen satisfaction with Edmonton's Fire Rescue Services was recorded at 95% in 2005.

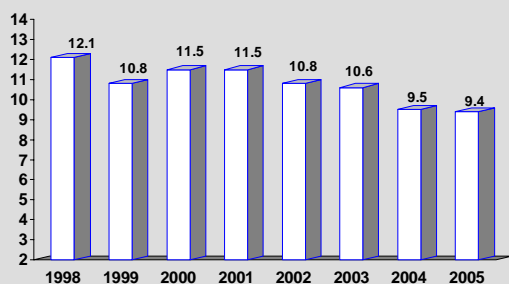
With respect to crime, overall, there has been a decrease over the past year. Generally speaking Edmonton, despite some high profile violent crimes, is an increasingly safer city. As part of his 100 Day Plan, Police Chief Mike Boyd introduced a crime



reduction target of 14% across 8 key crime indicator categories by April 30, 2007. Of the 8 indicators, only Sexual Assault and Motor Vehicle Theft had increased in 2006, while the other six types of crime (Homicide, Robbery, Non Sexual Assault, Break & Enter, Theft from Auto, and Theft over \$5000) were reduced.

Violent Crime Rates per 1,000 Population

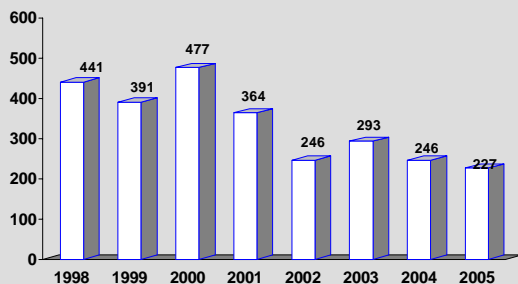
Edmonton



Source: Edmonton Police Service

Child abuse reports have decreased dramatically. In 1998 there were 440 child abuse cases referred to Edmonton Police Service. By 2005, the number of incidents had declined by over 49% to only 227. As a rate per 1,000 population the rate declined from 69 per 100,000 population in 1998 to just 32 in 2005. Edmonton Police Service and child welfare authorities have a team jointly working to address issues of child abuse.

Child Abuse Reports to Edmonton Police Service



Source: Edmonton Police Service

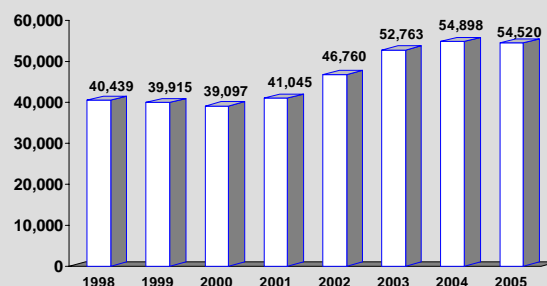
Charges in relation to crimes committed by young people have also dramatically decreased over the period 1998 to 2005. In 1998 youths aged twelve to

seventeen committed 7,111 crimes and by 2005 this had decreased to 4,907, a decrease of 31% during the period. Youth violent crime charges for 2005 decreased by 10.5% from the previous year.

Property crime, on the other hand, has increased in Edmonton over the same period of time. Property crime increased from 40,436 incidents in 1998 to 54,520 incidents in 2005, an increase of 35%. 2005 property crime was down 1.6% over 2004.

Property Crimes

Edmonton



Source: Edmonton Police Service

Canadian research reveals that 7% of people in current or previous marital, common-law relationships experienced violence in their relationship. In Alberta in 2004, 7% of men and 10% of women (the highest reported percent of the Provinces), experienced family violence in the past five years. Immigrant women are particularly vulnerable to domestic violence. The City of Edmonton has Spousal Violence Intervention Teams consisting of Police and Social Worker to address issues of family violence. In 2004, 4,401 cases were referred to the Spousal Violence Intervention Teams. A special team, consisting of Community Services, Police Service and Catholic Social Services, works with victims of elder abuse.

The March 2007 Alberta Speech from the Throne indicated that the Provincial government will continue to develop and implement an integrated crime reduction strategy across 13 provincial departments. This program will be enhanced through a Crime Reduction and Safe Communities Task Force to consult with Albertans on how best to reduce crime.



Community Revitalization

62.6% of Capital Health Region citizens (which includes Edmonton) have a very strong or somewhat strong sense of community belonging. This percent is slightly below, but comparable to, the provincial and national averages. These totals are increasing across Canada. In Alberta, 65% of people have a very strong or somewhat strong sense of community belonging, up significantly from 57% in 2000-01.

Between 2001 and 2005, of the 250 residential neighbourhoods listed, 132 neighbourhoods lost population (a population loss totalling 25,410). 118 Edmonton neighbourhoods gained population (totalling 80,064 people) during this period through in-migration, natural increase, movement from other neighbourhoods and new household formation.

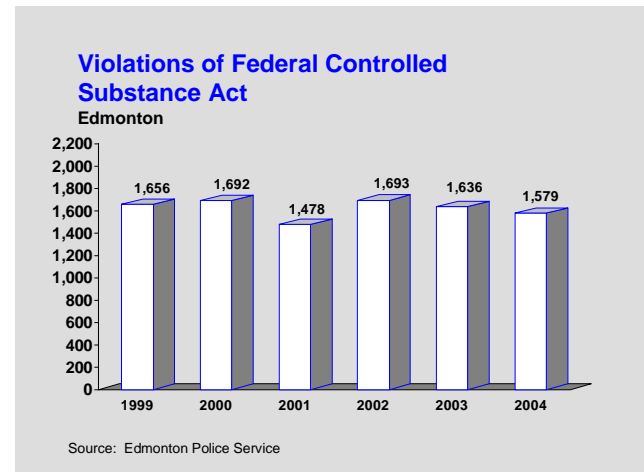
Edmonton City Council's Special initiative on Neighbourhood Revitalization includes renewal of physical infrastructure, community engagement, alternative mobility modes, and target areas social, recreational, economic and environmental concern using a community building model. Communities in need are based on an in depth ranking of indicators which examine the neighbourhood's Social Health & Wellness, Personal & Community Safety, Education, Housing, Economic/Employment, and Physical & Natural Environment. From these indicators, 32 neighbourhoods (15%) were designated as priority areas to receive targeted revitalization efforts.

Drug Use Prevention

Use of illicit drugs is a problem in many of Canada's cities. The direct and indirect costs of illicit drug use have been estimated as costing Canada \$39.8 per year. A 1997 survey of 200 senior elected municipal officials, police representatives, First Nations Tribal Council members and representatives of the federal-provincial-territorial working group on crime prevention, perceived drug offences to be the most serious crime and disorder problem in their communities.

In Edmonton, charges by Police for violations of the federal Controlled Substance Act have been relatively stable over recent years. The range in number of charges varied slightly from a high of

1,695 (in 2002) to a low of 1,478 (in 2001). For 2005, drug charges (1,492) had decreased by 6% when compared to the corresponding period in the previous year.



Use of methamphetamine (a.k.a. Crystal Meth) has become a major focus for drug prevention activities in Alberta. Provincial regulations were altered in December of 2005 to reclassify pseudoephedrine, one of the main ingredients for methamphetamine, as a schedule 2 drug. This requires that the product to be kept behind the pharmacist's counter. The Edmonton Police Service reported 299 Methamphetamine offences in 2005, up 7.2% from 2004. In the 2004 Canadian Addiction Survey 6.4% of respondents aged 15 and older reported using amphetamines at least once in their lives.

The 2005 Alberta Youth Experience Survey (TAYES) indicated that 26.7% of students in grades 7 through 12 used Cannabis in the previous year. The percentage for students in grades 10 through 12 increases to 34.5%.







STATISTICAL APPENDICES





Edmonton Socio-Economic Outlook, 2007 - 2012

Appendix 1 – Economic Forecast Indicators

Forecast for Selected Economic Indicators									
Actual/Estimate				Forecast					
Indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012
United States, Canada and Alberta									
World Oil Price (US\$/bbl) (1)	41.42	56.46	66.00	62.00	64.00	63.00	60.00	59.00	59.00
Alberta Natural Gas Price (\$/GJ) (2)	6.52	8.14	6.70	7.10	7.70	7.60	7.30	7.40	7.60
Economic Growth Rate (% change)(3)									
United States	4.2	3.5	3.3	2.4	2.8	2.8	3.0	3.0	3.0
Canada	2.9	2.9	2.7	2.4	2.8	2.8	2.8	3.0	3.0
Alberta	4.3	4.5	6.9	4.0	3.5	3.5	3.8	4.2	4.2
Prime Lending Rate (%)	4.0	4.4	5.8	5.7	5.7	5.8	5.8	5.8	5.8
Exchange Rate(US\$/Cdn\$)	0.77	0.83	0.89	0.89	0.87	0.85	0.85	0.85	0.85
Edmonton Region and City									
Net Migration - CMA(000) (4)	6.8	14.4	21.0	22.5	18.5	16.0	14.5	14.0	14.0
Natural Increase in Population - CMA(000)				5.6	5.8	6.3	6.0	6.0	6.0
Population - CMA(000) (4)	1003*	1023*	1050*	1,078	1,102	1,125	1,145	1,165	1,185
Population Growth Rate - CMA(%)	1.2	2.0	2.7	2.7	2.2	2.0	1.8	1.7	1.7
Population - City(000) (4)	712*	721*	741*	760	776	791	804	817	830
Population Growth Rate - City(%)	1.2	2.0	2.7	2.5	2.1	1.9	1.7	1.6	1.6
Economic Output - CMA(\$billions)	41.5*	42.9*	45.3*	47.9	50.3	52.3	54.4	56.9	59.4
Economic Growth Rate - CMA(%)	4.8*	3.5*	5.5*	5.8	5.0	4.0	4.0	4.5	4.5
Employment - CMA(000) (5)	554	546	561	589	611	627	641	655	668
Employment Growth Rate (%)	2.9	-1.4	2.8	5.0	3.7	2.6	2.3	2.1	2.0
New Persons Employed - CMA(000)	15.5	-8.0	15.0	28.1	21.8	15.9	14.4	13.5	13.1
Unemployment Rate - CMA(%) (5)	4.8	4.5	3.9	3.7	3.7	3.5	3.5	3.5	3.5
Inflation Rate CPI - City (%) (5)	1.0	2.1	3.1	5.0	5.0	4.5	4.0	4.0	4.0
Non-Res Construction Price (% change) (5)	6.8	6.9	11.6	20.0	16.0	13.0	11.0	11.0	11.0
Vacancy Rates (%) (6)									
Apartment (CMA, Oct)	5.3	4.5	1.0	0.5	0.5	0.5	0.5	0.5	0.5
Downtown Office (the City, Dec)	8.6	7.1	7.4	7.1	6.5	6.5	6.0	6.0	6.0
Housing Starts (Units) (8)									
City -Total	8,159	9,434	9,816	9,600	9,100	8,700	8,700	8,700	8,700
- Single Family	4,030	5,023	5,363	4,700	4,400	4,100	4,100	4,100	4,100
- Multi-Family	4,129	4,411	4,453	4,900	4,700	4,600	4,600	4,600	4,600
CMA -Total	11,488	13,294	14,970	14,600	13,900	13,200	13,200	13,200	13,200
- Single Family	6,614	7,623	9,064	8,500	8,000	7,500	7,500	7,500	7,500
- Multi-Family	4,874	5,671	5,906	6,100	5,900	5,700	5,700	5,700	5,700
Building Permit Value - City (\$million)									
Total (9)	1,604	2,111	2,306	2,250	2,100	1,950	1,950	1,950	1,950
<p>* Estimates</p> <p>Forecast: City Forecast Committee, May 2007</p> <p>Notes:</p> <p>1. World oil prices are for West Texas intermediate crude at Cushing, Oklahoma in U.S. Dollars (Sproule and the Energy Information Administration)</p> <p>2. Natural gas prices are AECO 30-Day Spot Natural Gas Price (Can\$/GJ) from Sproule</p> <p>3. The U.S., Canada and Alberta economic growth rates are for real GDP at market price from Statistics Canada</p> <p>4. Numbers are for July 1 of previous year to June 31 of current year. Historical values from Statistics Canada.</p> <p> The 2006 population figures for the Edmonton CMA and the city of Edmonton are post Censal estimates</p> <p>5. Historical (actual) figures from Statistics Canada</p> <p>6. Historical apartment vacancy rates are from the Canada Mortgage and Housing Corporation. Historical office vacancy rates from CB Richard Ellis</p> <p>7. Historical average residential selling prices from the Edmonton Real Estate Board</p> <p>8. Historical housing starts data from Canada Mortgage and Housing Corporation</p> <p>9. Total building permit value contains "other" category at \$10 million per year between 2006 to 2011</p>									

Appendix 2 – City of Edmonton Population Projections

	2006*	2007	2008	2009	2010	2011	2012
0 - 4	39,527	40,593	41,511	42,203	42,752	43,373	44,412
5 - 9	41,706	41,685	41,952	42,588	43,208	43,956	44,604
10 - 14	44,755	44,734	44,498	44,193	44,024	43,905	43,532
15 - 19	50,833	51,432	51,868	51,990	51,769	51,370	51,041
20 - 24	69,723	71,428	72,009	72,258	72,818	73,112	73,321
25 - 29	63,256	66,551	69,188	71,250	72,271	72,989	73,425
30 - 34	54,396	56,377	58,670	61,023	63,717	66,362	68,750
35 - 39	54,936	56,091	56,831	57,808	58,716	59,780	61,170
40 - 44	59,789	58,717	57,675	56,215	55,229	54,950	55,542
45 - 49	59,300	60,841	61,797	62,516	62,715	62,246	60,866
50 - 54	50,342	52,663	54,853	56,902	58,316	59,552	60,799
55 - 59	38,617	40,642	41,671	42,839	44,835	46,776	48,702
60 - 64	27,831	29,365	32,050	34,310	36,322	38,444	40,333
65 - 69	23,806	24,584	25,494	26,625	27,808	29,012	30,494
70 - 74	21,791	21,929	22,127	22,505	22,854	23,368	24,035
75 - 79	17,907	18,559	19,026	19,286	19,457	19,548	19,616
80 - 84	12,714	13,119	13,377	13,805	14,207	14,660	15,129
85+	9,800	10,569	11,370	12,012	12,621	13,201	13,782
Total	741,028	759,879	775,969	790,326	803,639	816,604	829,555

Prepared by: City of Edmonton Forecast Committee, April 2007

*2006 Statistics Canada estimate

Appendix 3 – Edmonton CMA Population Projections

	2006*	2007	2008	2009	2010	2011	2012
0 - 4	59,856	61,505	62,955	64,125	65,076	66,150	67,831
5 - 9	62,188	62,251	62,742	63,809	64,801	66,010	67,064
10 - 14	68,663	68,742	68,466	68,111	67,951	67,857	67,378
15 - 19	73,872	74,915	75,640	75,869	75,590	75,079	74,711
20 - 24	83,449	85,593	86,531	87,001	87,746	88,134	88,435
25 - 29	85,608	90,215	94,053	97,087	98,649	99,767	100,468
30 - 34	76,224	79,145	82,551	86,038	89,942	93,791	97,301
35 - 39	76,084	77,799	79,012	80,522	81,889	83,433	85,482
40 - 44	88,400	87,021	85,540	83,499	82,101	81,790	82,776
45 - 49	86,241	88,608	90,042	91,224	91,615	91,036	89,136
50 - 54	73,000	76,500	79,747	82,831	85,006	86,943	88,872
55 - 59	59,970	63,132	64,729	66,658	69,821	72,953	76,089
60 - 64	42,372	44,788	48,871	52,471	55,661	58,936	61,778
65 - 69	33,053	34,201	35,475	37,117	38,826	40,565	42,698
70 - 74	28,574	28,793	29,068	29,604	30,114	30,817	31,742
75 - 79	23,162	24,042	24,661	25,039	25,286	25,435	25,554
80 - 84	16,330	16,869	17,206	17,781	18,326	18,933	19,568
85+	12,999	14,029	15,112	15,986	16,825	17,609	18,398
Total	1,050,046	1,078,148	1,102,401	1,124,772	1,145,226	1,165,238	1,185,283

Prepared by: City of Edmonton Forecast Committee, April 2007

*2006 Statistics Canada estimate

Appendix 4 – Forecast Scenarios

High Growth Scenario						
Indicator	2007	2008	2009	2010	2011	2012
Net Migration - CMA(000)	22.5	19.6	19.5	21.0	23.0	23.0
Population - CMA(000)	1,078	1,103	1,129	1,156	1,185	1,214
- City(000)	760	777	794	812	831	850
Economic Growth Rate - CMA(%)	5.8	5.5	4.7	4.9	4.9	4.8
Employment - CMA(000)	589	613	635	655	677	695
Employment Growth Rate (%)	5.0	4.0	3.6	3.2	3.3	2.7
New Persons Employed - CMA(000)	28.1	23.8	21.9	20.4	21.5	18.1
Edmonton Inflation Rate	5.5	5.5	4.5	4.5	4.5	4.5
Housing Starts (Units)						
CMA -Total	14,500	13,950	13,662	14,470	15,326	15,783
City -Total	9,534	9,133	9,005	9,537	10,101	10,402

Low Case Scenario - Cancellation/Delay of Proposed Upgraders						
Indicator	2007	2008	2009	2010	2011	2012
Net Migration - CMA(000)	18.9	11.6	5.0	0.8	-3.4	-6.2
Population - CMA(000)	1,073	1,090	1,102	1,108	1,110	1,110
- City(000)	756	768	775	778	778	777
Economic Growth Rate - CMA(%)	4.9	3.9	3.2	2.7	2.5	2.5
Employment - CMA(000)	581	595	600	603	601	601
Employment Growth Rate (%)	3.6	2.4	0.8	0.6	-0.4	0.0
New Persons Employed - CMA(000)	20.1	13.8	4.9	3.4	-2.5	0.1
Edmonton Inflation Rate	4.5	2.5	2.0	2.0	2.0	2.0
Housing Starts (Units)						
CMA -Total	13,791	12,226	10,310	9,230	8,176	7,076
City -Total	9,068	8,004	6,795	6,083	5,389	4,664

Low Case Scenario - Slowdown/Delay in Major Oil Sands Projects in Northern Alberta						
Indicator	2007	2008	2009	2010	2011	2012
Net Migration - CMA(000)	18.3	9.3	0.7	-4.2	-9.1	-13.2
Population - CMA(000)	1073	1088	1095	1096	1092	1085
- City(000)	756	766	770	770	766	760
Economic Growth Rate - CMA(%)	4.5	3.1	2.4	2.2	2.0	1.5
Employment - CMA(000)	580	590	591	591	583	579
Employment Growth Rate (%)	3.4	1.7	0.1	0.1	-1.4	-0.7
New Persons Employed - CMA(000)	19.1	9.8	0.9	0.4	-8.5	-3.9
Edmonton Inflation Rate	4.0	2.0	1.5	1.5	1.5	1.5
Housing Starts (Units)						
CMA -Total	13,711	11,813	9,344	7,829	6,511	5,078
City -Total	9,015	7,734	6,159	5,160	4,291	3,347



Edmonton Socio-Economic Outlook, 2007 - 2012

Appendix 5 – Survey of Forecasters

	2007	2008	2009	2010	2011	2012	DATE OF FORECAST
Gross Domestic Product (%)							
Edmonton Socio-Economic Outlook	5.8	5.0	4.0	4.0	4.5	4.5	May-07
Conference Board	3.7	3.6	3.6	3.5	3.4		Spring 2007
Average	4.8	4.3	3.8	3.8	4.0	4.5	
Housing Starts							
Edmonton Socio-Economic Outlook	14,600	13,900	13,200	13,200	13,200	13,200	May-07
Canada Mortgage and Housing Corporation	14,150	13,000					May-07
Conference Board	13,100	11,100	10,000	9,200	8,600		Spring 2007
Average	13,950	12,667	11,600	11,200	10,900	13,200	
Employment Growth (%)							
Edmonton Socio-Economic Outlook	5.0	3.7	2.6	2.3	2.1	2.0	May-07
Canada Mortgage and Housing Corporation	4.5	2.0					May-07
Conference Board	4.4	2.1	2.0	1.6	1.4		Spring 2007
Average	4.6	2.6	2.3	2.0	1.8	2.0	
Unemployment Rate (%)							
Edmonton Socio-Economic Outlook	3.7	3.7	3.5	3.5	3.5	3.5	May-07
Canada Mortgage and Housing Corporation	3.8	4.0					May-07
Conference Board	3.9	4.0	4.1	4.0	3.8		Spring 2007
Average	3.8	3.9	3.8	3.8	3.7	3.5	
Population Growth Rate (%)							
Edmonton Socio-Economic Outlook	2.7	2.2	2.0	1.8	1.7	1.7	May-07
Conference Board	2.4	1.7	1.6	1.5	1.4		Spring 2007
Average	2.5	2.0	1.8	1.7	1.6	1.7	
Net Migration							
Edmonton Socio-Economic Outlook	22,500	18,500	16,000	14,500	14,000	14,000	May-07
Canada Mortgage and Housing Corporation	19,000	15,500					May-07
Average	20,750	17,000	16,000	14,500	14,000	14,000	

Appendix 6 – Historical GDP by Industry

Real Gross Domestic Product at Market Prices by Industry, Edmonton C.M.A. Millions of Chained (1997) Dollars ^{(2) (3)}									
Industry	1999	2000	2001	2002	2003	2004	2005	2006	% Change 2007 to 2012
Agriculture	241	221	89	92	169	189	186	168	-30.1%
Utilities	902	1,122	907	781	968	1,098	1,136	1,197	32.8%
Construction	2,342	2,500	3,199	3,306	3,339	3,475	3,581	3,840	64.0%
Manufacturing	3,838	4,246	4,106	4,645	4,511	4,829	5,030	5,307	38.3%
Total Trade, Transportation and Warehousing	5,067	5,686	5,969	6,014	6,683	6,959	7,239	7,555	49.1%
Finance, Insurance, Real Estate, Renting & Leasing and management of companies and Enterprises	6,837	6,784	7,454	7,906	7,038	8,234	8,541	8,982	31.4%
Professional; scientific and technical services	2,066	2,226	2,235	2,643	2,904	2,689	2,825	2,956	43.1%
Educational Services	1,320	1,588	1,906	1,869	1,901	1,998	2,026	2,047	55.1%
Health Care & Social Assistance	1,654	1,716	1,908	2,008	2,023	2,125	2,200	2,279	37.7%
Accommodation & Food Service	785	885	953	997	1,000	975	994	1,033	31.6%
Public Administration	1,788	2,081	2,294	2,129	2,343	2,343	2,417	2,700	51.0%
Other Services	5,803	5,002	4,520	4,803	5,258	5,066	5,206	5,639	-2.8%
GDP at Basic Prices	32,643	34,055	35,541	37,191	38,136	39,978	41,378	43,702	33.9%
Indirect Taxes Less Subsidies	1,255	1,255	1,326	1,376	1,431	1,474	1,540	1,591	
GDP at Market Prices	33,898	35,310	36,868	38,567	39,567	41,452	42,918	45,293	33.6%
Edmonton Growth Rate	-0.2%	4.2%	4.4%	4.6%	2.6%	4.8%	3.5%	5.5%	
Alberta Growth Rate (%)	2.1%	6.5%	2.0%	1.7%	3.2%	4.9%	4.8%	6.7%	

Prepared by the City of Edmonton Corporate Business Planning Department, May 2007

Source: Statistics Canada

Notes:

- (1) GDP at Market Prices is obtained by adding Indirect Taxes Less Subsidies to GDP at Basic Prices.
- (2) Preliminary Estimates - Subject to Revision
- (3) GDP by industry estimates based on Statistics Canada information, which is only available to 1998 under the North American Industry Classification (NAICS)

Appendix 7 – GDP by Industry Forecast

Real Gross Domestic Product at Market Prices by Industry Edmonton C.M.A.⁽¹⁾ Millions of Chained (1997) Dollars ^{(2) (3)}							% Change 2007 to 2012
Industry	2007	2008	2009	2010	2011	2012	
Agriculture	217	192	178	173	168	162	-25.6%
Utilities	1,256	1,307	1,347	1,389	1,432	1,473	17.3%
Construction	4,239	4,521	4,644	4,791	4,995	5,175	22.1%
Manufacturing	5,619	5,932	6,180	6,388	6,636	6,853	22.0%
Total Trade, Transportation and Warehousing	7,984	8,342	8,631	8,904	9,173	9,432	18.1%
Finance, Insurance, Real Estate, Renting & Leasing and management of companies and Enterprises	9,463	9,896	10,250	10,599	10,933	11,249	18.9%
Professional; scientific and technical services	3,119	3,254	3,376	3,486	3,598	3,711	19.0%
Educational Services	2,073	2,097	2,123	2,152	2,185	2,217	6.9%
Health Care & Social Assistance	2,362	2,441	2,520	2,601	2,684	2,766	17.1%
Accommodation & Food Service	1,082	1,131	1,170	1,211	1,249	1,285	18.8%
Public Administration	2,797	2,890	2,982	3,074	3,170	3,262	16.6%
Other Services	5,890	6,137	6,383	6,595	6,842	7,144	21.3%
GDP at Basic Prices	46,101	48,140	49,785	51,364	53,064	54,728	18.7%
Indirect Taxes Less Subsidies	1,819	2,176	2,544	3,058	3,808	4,703	
GDP at Market Prices	47,920	50,316	52,329	54,422	56,871	59,430	24.0%
Edmonton Growth Rate	5.8%	5.0%	4.0%	4.0%	4.5%	4.5%	

Prepared by the City of Edmonton Corporate Business Planning Department, May 2007

Source: Statistics Canada

Notes:

- (1) GDP at Market Prices is obtained by adding Indirect Taxes Less Subsidies to GDP at Basic Prices.
- (2) Preliminary Estimates - Subject to Revision
- (3) GDP by industry estimates based on Statistics Canada information, which is only available to 1998 under the North American Industry Classification (NAICS)



Appendix 8 – Historical Employment by Industry

Employment by Industry - Edmonton C.M.A. (thousand)									% Change 1999 to 2006
Industry	1999	2000	2001	2002	2003	2004	2005	2006	
Total	484	491	508	523	538	554	546	561	15.9%
Goods Producing Sector	111	101	108	121	121	126	122	124	12.1%
Agriculture	6.5	4.9	2.1	2.9	5.0	4.5	2.8	3.7	-43.1%
Utilities	3.3	5.1	4.3	4.8	4.9	5.7	5.5	4.3	30.3%
Construction	35.7	34.3	41.6	46.9	48.3	51.3	51.0	55.3	54.9%
Manufacturing, mining, oil and gas	65.0	56.9	59.8	66.3	63.1	64.5	62.4	60.6	-6.8%
Services Sector	374	390	400	402	417	428	424	437	17.1%
Trade	75.9	84.7	84.3	80.9	87.4	90.9	95.5	93.5	23.2%
Transportation and Warehousing	24.5	30.3	30.4	27.5	30.4	29.6	29.6	32.0	30.6%
Finance, Insurance, Real Estate and Leasing	28.8	28.9	30.6	31.2	26.8	31.2	30.5	31.2	8.3%
Professional, Scientific, Technical, Mgmt	48.5	49.0	48.6	55.0	58.9	55.8	57.0	55.7	14.8%
Educational Services	36.9	35.1	42.8	41.2	38.9	40.6	41.8	42.3	14.6%
Health Care and Social Assistance	53.4	51.7	52.5	55.2	54.5	60.9	55.8	59.8	12.0%
Accommodation and Food Services	29.5	34.8	35.3	36.2	36.6	39.4	34.0	30.5	3.4%
Other Services	48.9	49.0	46.0	46.6	50.2	48.8	50.6	53.6	9.6%
Public Administration	27.2	26.2	29.3	28.5	33.3	30.6	29.4	38.8	42.6%

Prepared by the Corporate Business Planning Department, May 2007

Source: Statistics Canada



Appendix 9 – Employment by Industry Forecast

Employment by Industry - Edmonton C.M.A. (thousand)							% Change 2007 to 2012
Industry	2007	2008	2009	2010	2011	2012	
Total	589	611	627	641	655	668	13.5%
Goods Producing Sector	133	139	141	144	149	153	15.4%
Agriculture	3.3	3.6	3.2	2.9	2.7	2.5	-24.2%
Utilities	4.7	4.9	5	5.1	5.2	5.3	12.8%
Construction	59.1	61.9	63.0	64.0	66.7	67.8	14.7%
Manufacturing, mining, oil and gas	65.4	68.2	70.2	71.8	74.8	77.3	18.2%
Services Sector	456	472	485	498	506	515	12.9%
Trade	98.3	103.2	106.5	109.1	111.5	113.7	15.7%
Transportation and Warehousing	35.9	38.7	40.7	42.6	43.5	44.4	23.7%
Finance, Insurance, Real Estate and Leasing	32.9	33.0	33.8	34.5	35.1	35.7	8.5%
Professional, Scientific and Technical Services	58.0	60.3	62.1	63.7	65.2	66.6	14.8%
Educational Services	43.5	43.8	44.1	44.4	44.9	45.3	4.1%
Health Care and Social Assistance	62.7	64.6	66.4	68.3	70.3	72.2	15.2%
Accommodation and Food Services	31.4	32.1	32.5	32.8	33.0	33.2	5.7%
Other Services	54.0	56.0	58.0	60.0	59.0	60.0	11.1%
Public Administration	39.3	40.3	41.2	42.1	43.0	43.9	11.7%

Prepared by the Corporate Business Planning Department, May 2007

Source: Statistics Canada

Members of the City Forecast Committee

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Map of the Edmonton CMA

