



## **City Plan – Economic, Demographic and Market Study**

### **• BACKGROUND**

- The City Plan will provide Edmonton with a new Municipal Development Plan and Transportation Master Plan.
- Technical studies, policy reviews and modelling are required for the development of The City Plan.
- Therefore, Watson & Associates Economists Ltd. in association with Nichols Applied Management Inc. have produced a report to help, “understand Edmonton’s current and anticipated future demographic, employment and market trends.” Furthermore, the report provides a City-wide population, housing and employment forecast for Edmonton to the year 2065.
- This brief highlights aspects from the aforementioned report most relevant to the land development industry.<sup>1</sup>

### **• MACRO-ECONOMIC TRENDS INFLUENCING EMPLOYMENT AND LABOUR FORCE GROWTH (p. 4 – 23)**

- The City of Edmonton is expected to experience a relatively constant and steady GDP growth through 2045, ranging between 1.6% and 2.9% annually. Over the 2045-2065 period, an average annual GDP growth of 2% is anticipated.
- *Long-Term Energy Sector Growth Potential:*
  - Despite short-term challenges, long-term trends remain favorable for oil prices and production, largely based on continued demand from Asia.
  - The price of Western Canada Select (WCS) is expected to continue to recover, with an increase to \$64 per barrel by 2027.
  - However, the long-term price of WCS will be partly dependent on the ability to expand opportunities to ship oil to markets via pipeline (e.g. Trans Mountain).
  - Oil sands production is forecast to increase to 3.8 million barrels per day by 2030 (an increase of 44% from 2017 levels).

### **• POPULATION, DEMOGRAPHIC AND HOUSING TRENDS (p. 51 – 65)**

- Edmonton will continue to be the major urban core within the Edmonton Metro Region, housing approximately 70% of the region’s population.
- The research in this report suggests that there is still a dominant preference for lower-density housing among homeowners in the City and that proclivity towards this housing product is likely to continue.
- Furthermore, recent studies have indicated that millennials prefer lower-density homes over higher-density ones.

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<sup>1</sup> Please note: this brief is not the opinion of UDI-ER. It highlights salient points from the report by Watson & Associates Economists Ltd. in association with Nichols Applied Management Inc. cited in the references.

- **CITY OF EDMONTON LONG-TERM POPULATION, HOUSING AND EMPLOYMENT FORECAST AND GROWTH ALLOCATIONS (p. 65 – 87)**

- *Population:*

- Edmonton’s population is forecast to grow at an average annual rate of 1.5% (from approximately 977,000 in 2018 to 2 million by 2065).

- *Housing:*

- Based on market model assumptions and the identified housing supply<sup>2</sup>, Edmonton can accommodate 1.8 million people by 2065 (200,000 shy of the 2 million population target). This means an additional 844,000 people in about 349,000 *new* units.
- Therefore, in order to meet the City’s objective of housing a population of 2 million by 2065, a notable shift in housing and geographic preferences would need to occur.
- Under a full population scenario (i.e. 2 million people), the City would house an additional 1.05 million people in about 430,000 *new* units by 2065.
- While a large share of development will be accommodated through greenfield supply, about 1/3<sup>rd</sup> of housing growth is anticipated to be accommodated through infill.

- *Employment:*<sup>3</sup>

- Edmonton’s long-term economic and employment growth potential is largely tied to the success of the broader provincial and national economies, as a whole.
- Edmonton is expected to add an additional 559,400 jobs by 2065 – which represents an average annual employment growth rate of 1.5%.
- The commercial sector is anticipated to account for 48% of City-wide employment growth over the period, followed by the institutional sector (32%), and the industrial sector (15%). Work at home employment is expected to account for 5% employment growth.

- **CITY OF EDMONTON LONG-TERM RESIDENTIAL AND NON-RESIDENTIAL LAND NEEDS (p. 93 – 101)**

- *Residential Land*

- Residential land needs will not differ from those already planned for new neighborhoods as well as those previously estimated for the annexation lands.

- *Non-Residential Land*

- Current industrial land supply (Northwest, South/Southwest and Northwest) will be built out by 2045. Thereafter, the City will rely

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<sup>2</sup> For further information on how these market assumptions were determined, please see p. 66-69.

<sup>3</sup> Figures in this section are based on the Full Population Scenario of 2 million people by 2065.

exclusively on the EETP and South Annexation area to accommodate future industrial land development.

- There is a significant shortage of commercial land in the Southwest Annexation area to accommodate future employment growth allocated to the area through 2065 (a deficit of 635 net ha).
  - The excess employment would therefore need to be accommodated within the former City of Edmonton municipal boundary through either higher density of development on greenfield lands or through higher rates of intensification (i.e. infill).

- **REFERENCES**

- City of Edmonton. *The City Plan*.  
[https://www.edmonton.ca/city\\_government/city\\_vision\\_and\\_strategic\\_plan/city-plan.aspx](https://www.edmonton.ca/city_government/city_vision_and_strategic_plan/city-plan.aspx)
- Watson & Associates Economists Ltd. in association with Nichols Applied Management Inc. (2019). *City Plan – Economic, Demographic and Market Study*. City of Edmonton.  
[https://www.edmonton.ca/city\\_government/documents/PDF/City\\_Plan\\_Economic\\_Demographic\\_MarketStudy.pdf](https://www.edmonton.ca/city_government/documents/PDF/City_Plan_Economic_Demographic_MarketStudy.pdf)