

WINTER 2026



Alberta Construction Monitor

The Alberta Construction Monitor is an ICBA publication providing ahead-of-the-curve information and statistics on the Alberta construction industry and issues relevant to it.

icbaalberta.ca/economics info@icbaalberta.ca

Construction share of total all-industry GDP

8.2%

Value of all projects in the Alberta major projects inventory

\$166B

Value of major Alberta projects under construction

\$71B

Alberta monthly urban housing starts

4,377 +14% y/y

Alberta monthly MLS home sales

-7.1% y/y

Total value of building permits issued

\$2.1B +18% y/y
(seasonally adjusted)

Employment in the construction industry

248,400 +0.6% y/y

Average weekly wages, construction

\$1,753

Number of construction companies with employees in Alberta

21,080



Active Alberta businesses with paid employees

123,410

For details on data sources,
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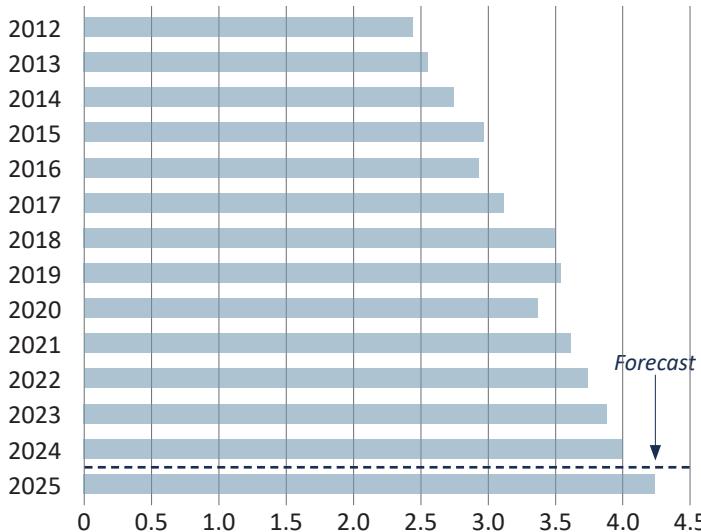


Choppy Waters: Alberta's 2026 Economic Outlook

After a solid performance over 2024-2025, ICBA Economics expects Alberta to stay near the top of the Canadian growth leaderboard in 2026-2027, even as the province continues to face turbulence caused by America's volatile trade policies and slower Canadian population growth.

In 2025, Alberta benefitted from positive momentum in the construction and energy sectors, high levels of in-migration, a substantial jump in housing starts, and lower interest rates as inflation retreated further following the 2021-23 Canadian inflation surge. These trends will not fully reverse in the short-term, but lower oil prices and moderating population gains suggest some lessening of their growth-enhancing effects. That said, rising oil production and improved access to Asian markets promise to lift the province's exports over the medium term.

1) Alberta Oil Production By Year (millions of barrels per day)



On the trade front, the Trump Administration's tariff war has roiled global markets, hammered a handful of Canadian industries, and damped business confidence. However, for the most part Alberta has been unscathed. According to ATB Economics, the average "effective" U.S. tariff on Alberta's southbound exports is just 1.7%, versus 6.2% for Canada and significantly higher rates for many other American trading partners¹. These comparatively low average Canadian/Alberta tariff rates are because the bulk of Canada's exports are still entering the United States tariff-free, provided they are compliant with the Canada-U.S.-Mexico trade agreement (CUSMA). Almost of all of Alberta's shipments to the U.S. are CUSMA-compliant. Thus, Alberta has been little affected by President Trump's "sectoral" tariffs on Canadian exports of lumber, steel and some other related products, aluminum, and motor vehicles.

As always, the energy sector plays an outsized role in Alberta's economy. Recent developments in Venezuela raise the prospect that long depressed oil production in that country could rebound, creating stiffer competition for Alberta barrels in the U.S. Gulf Coast market – which accounts for a modest share of the province's oil exports. While such a scenario is conceivable, it is far from assured. It will take many years – and a convincing return to domestic political and policy stability – to refurbish Venezuela's dilapidated energy industry. Moreover, Alberta oil enjoys compelling logistical and commercial advantages in the vital U.S. Midwest market. According to Canadian economist Jack Mintz, Alberta's heavy oil will remain attractive in the U.S. "for many years to come," provided "we don't saddle it with high carbon taxes, decarbonization requirements, and limited pipeline" capacity.²

A significant economic driver for Alberta in the next two years – albeit to a lesser extent than during 2023-2025 – will be additional population growth. This comes at a time when Canada's population is projected to flatline amid dramatic shifts in federal immigration policy. After climbing by 2.5% last year, ICBA Economics expects Alberta's population to grow at an average annual rate of 1.5% over 2026-27, fueled by in-migration from other provinces and more new Canadian immigrants choosing to settle in Alberta. Continued population growth should provide a tailwind for consumer spending and housing demand that won't be present in other parts of the country.



Finally, a word must be said about Alberta's fiscal situation. The second quarter fiscal update from Alberta's Treasury Department projects a \$6.4 billion operating deficit in 2025-26, \$1.2 billion more than the government was anticipating last spring.³ Softer energy markets are main reason, underscoring the province's heavy reliance on the energy sector to generate revenues. ICBA Economics does not recommend spending cuts or tax hikes to offset what we believe will be a temporary deterioration in the province's fiscal outlook. At 8.7% of GDP, Alberta continues to have a very low government net debt burden by Canadian standards.

2) ICBA Economics Alberta Forecast (annual % change unless noted otherwise)

Indicator	2024	2025	2026	2027
Real GDP	3.0%	2.4%	2.3%	2.5%
Employment	3.1%	2.8%	2.4%	1.7%
Unemployment rate (annual avg)	7.0%	7.1%	6.7%	6.0%
Retail sales	1.7%	4.6%	4.0%	4.7%
Housing starts (000 units)	47.8	55.8	46.0	44.0
Inflation (total CPI)	2.9%	2.0%	1.9%	2.0%

Overall, the outlook for Alberta is reasonably positive, particularly in the Canadian context. This year, we see real GDP growth roughly matching 2025's moderate pace, followed by a small improvement in 2027 as investment gains momentum and more industrial, commercial and infrastructure projects advance. Our forecast assumes no change in Canada-U.S. trade relations, including the continuation of the Trump Administration's mix of "sectoral" tariffs coupled with zero tariffs on most Canadian exports that are deemed to be compliant with the Canada-U.S.-Mexico trade agreement.

¹ATB Economics, *Quarterly Economic Outlook*, December 9, 2025.

²Jack Mintz, "No need to panic yet. Alberta will sell its oil for now," *Financial Post*, January 9, 2026.

³Government of Alberta, 2025-26 Second Quarter Fiscal Update and Economic Statement, November 2025.

Three Takeaways for Your Construction Company

Alberta's economy is forecast to grow 2.3% in 2026 with unemployment easing to 6.7%, which usually means steadier demand and firmer pricing power than most of Canada.

Housing starts are forecast to cool from 55,800 to 46,000, so homebuilders should plan for a less frantic market but still solid baseline demand thanks to population growth.

With an effective U.S. tariff of just 1.7% on Alberta exports and most shipments CUSMA-compliant, industrial and infrastructure work tied to energy exports looks more resilient even with a \$6.4B deficit reflecting softer oil prices.