

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

Edmonton

A vertical photograph on the left side of the page showing a snowy winter scene. In the foreground, a long, narrow metal bridge or walkway extends from the bottom towards the middle ground. The background shows a city skyline with various buildings under a hazy, overcast sky.

City of Edmonton

2026 Municipal Price Inflation Report (Updated June 2026)

City of Edmonton Corporate Economics

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

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

edmonton.ca/economicreports

For media inquiries:

Mel Garcia, Communications Advisor
Financial Services
(780) 686-2641

Understanding Inflation

Inflation is defined as the rate of price growth for goods and services over a period of time, meaning each unit of currency buys a different amount of goods and services over time. For example, if an item costs \$100.00 in period 1 and period-to-period inflation is two per cent, that same item will cost \$102.00 in period 2, \$104.04 in period 3 and so forth. Statistics Canada's Consumer Price Index (CPI) measures price changes for goods and services purchased by Canadian consumers and is the most widely used indicator of price changes in Canada.

The City of Edmonton's (City) costs to provide municipal services also face inflation. Due to price increases, the City requires more money to purchase the same mix of goods and services over time. However, because the City purchases a considerably different range of goods and services than the average consumer, the CPI is not an adequate measure of the inflation City operations face. A Municipal Price Index (MPI) was developed to estimate operating price inflation faced by the City.

The MPI is a tool to help inform the budgetary process for external economic conditions that the City may be exposed to. It is not a prescriptive tool for mandating annual operating expenditure increases. Additional details can be found in the [MPI Backgrounder](#).

2026 Municipal Price Index Calculation

The MPI is updated on an annual basis. Annual updates involve revising the previous year's estimated MPI values to incorporate historical inflation figures for previously forecasted values and updating inflation factors for the current and next four years with updated forecasts. In cases where labour agreements have been settled since the previous update, if these extend into the future, the negotiated settlements are accounted for in forecast years. Revisions to historical estimates beyond the previous year are only made when there are revisions to historical inflation factors or new collective agreements came into force between update periods that would impact historical inflation for City personnel expenditures.

MPI inflation for 2025 was estimated at 2.14 per cent, higher than the projection of 1.89 per cent in last year's MPI update. The faster rate was due primarily to wages and salaries inflation stronger than estimated, as negotiated increases in previously unsettled labour contracts were settled higher than growth in the placeholder wages and salaries forecast from Signal49 Research (previously the Conference Board of Canada). This contributed a 0.37 percentage point increase to 2025 MPI inflation. This increase and smaller increases across six other categories, more than offset downward revisions in six other categories.¹

¹ Lower price changes than forecast were recorded for land cost, travel and training, debt service and other expenses. Higher than forecast changes were recorded for employee benefits, electricity, utilities, external space, contract services and professional services. There were no changes for other categories.

Municipal inflation for 2026 is forecast at 3.05 per cent, more than a full percentage point higher than projected in the 2025 update. Only natural gas and debt service are estimated lower compared to last year's 2026 forecast. These downward revisions are more than offset with increases to wages and salaries, equipment, fuel and materials, which account for a combined 1.12 percentage point increase to 2026 MPI inflation. There are also marginal increases from employee benefits, electricity, utilities, external space, grants and board requisition, land cost and contract services. Inflationary pressures from other categories are expected to be unchanged for 2026, compared to the 2025 MPI update. Over the remainder of the forecast horizon, 2027-2030, municipal inflation expectations are forecast to average 1.9 per cent annually.

Table 1. City of Edmonton Municipal Inflation

		Weighted Expenditure Category Inflation		
Expenditure Category	Weight	2025	2026f	2027-30f Avg.
Wages and Salaries	45.48%	1.41%	1.44%	1.12%
Employee Benefits Total	8.41%	0.27%	0.27%	0.21%
Equipment (Vehicles and Computers)	3.77%	0.14%	0.27%	0.03%
Fuel	1.88%	-0.25%	0.43%	-0.05%
Materials	3.26%	0.12%	0.24%	0.03%
Natural Gas	0.57%	0.01%	-0.14%	0.05%
Electricity	1.38%	0.16%	0.05%	0.03%
Utilities (excl. Natural Gas and Electricity)	0.62%	0.03%	0.02%	0.01%
External Space	1.34%	0.06%	0.03%	0.03%
Grants & Board Requisition	1.29%	0.02%	0.03%	0.03%
Land Cost	3.54%	0.03%	0.09%	0.07%
Tax Adj & Concessions	0.57%	0.01%	0.01%	0.01%
Other Expenses	7.44%	0.14%	0.18%	0.15%
Other Financing	0.02%	0.00%	0.00%	0.00%
Travel & Training	0.16%	0.00%	0.00%	0.00%
Contract Services	7.84%	0.17%	0.15%	0.18%
Professional Services	1.21%	0.03%	0.02%	0.03%
Debt Service Total	11.22%	-0.21%	-0.05%	0.00%
	100.0%			
Municipal Price Inflation		2.14%	3.05%	1.91%

Sources: City of Edmonton, Statistics Canada, Bank of Canada, Signal49 Research

Notes: "e" = estimates, "f" = forecasts