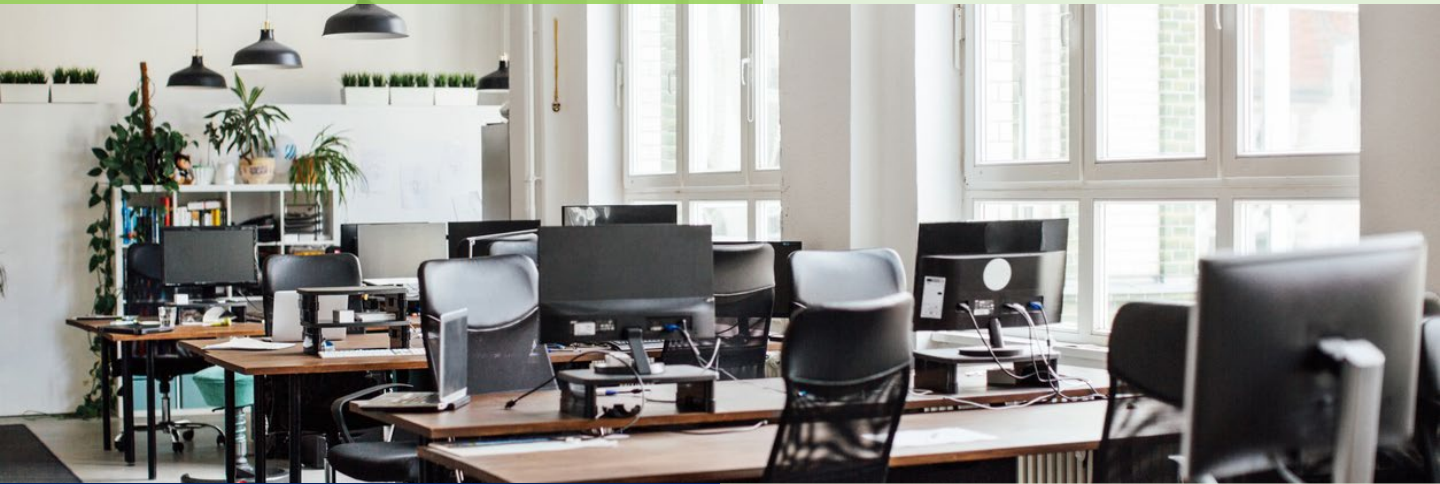


TROY ENDS

Deal and Business Advisory

Economic Trends

Business Climate



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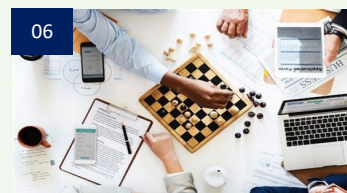
02

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03

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06

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Economic Trends – Alberta & Canada



Tornado season in Alberta is from May - September

Alberta Population

In 2023, Alberta's population surged by 202,324 residents or the equivalent of 550 people every day!



Alberta has 120,732 active businesses as of Jan. 2024

Housing Starts

Housing supply is failing to keep up with population growth, putting pressure on house prices and rents across Alberta.

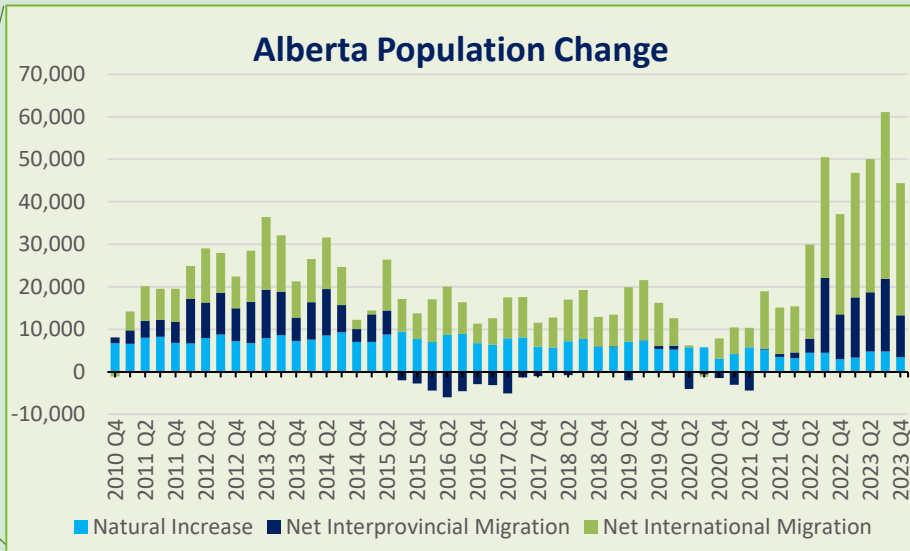


There's a beaver dam visible from space in Wood Buffalo National Park!

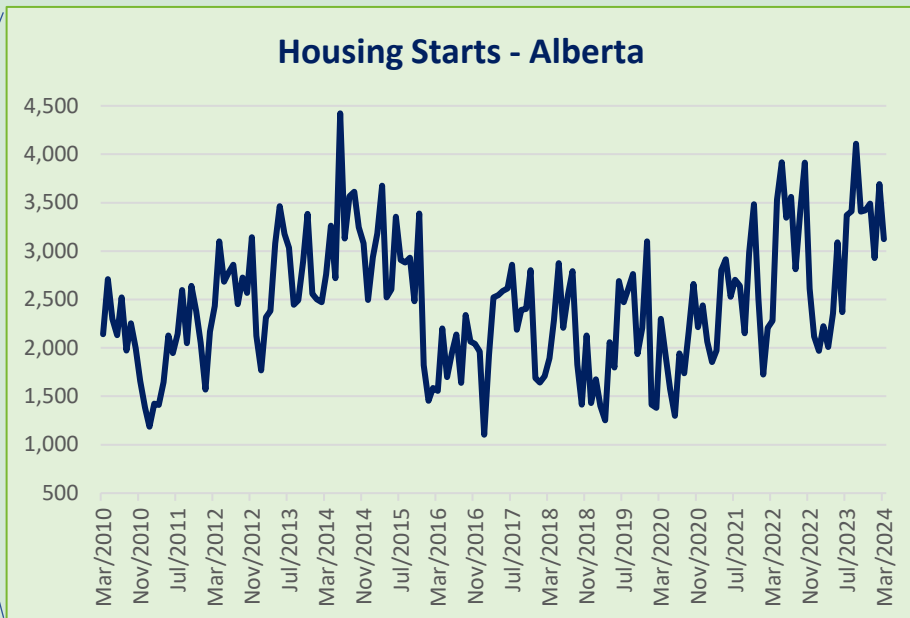
Retail Sales

Population growth is driving economic growth, supporting retail and restaurant sales in the province.

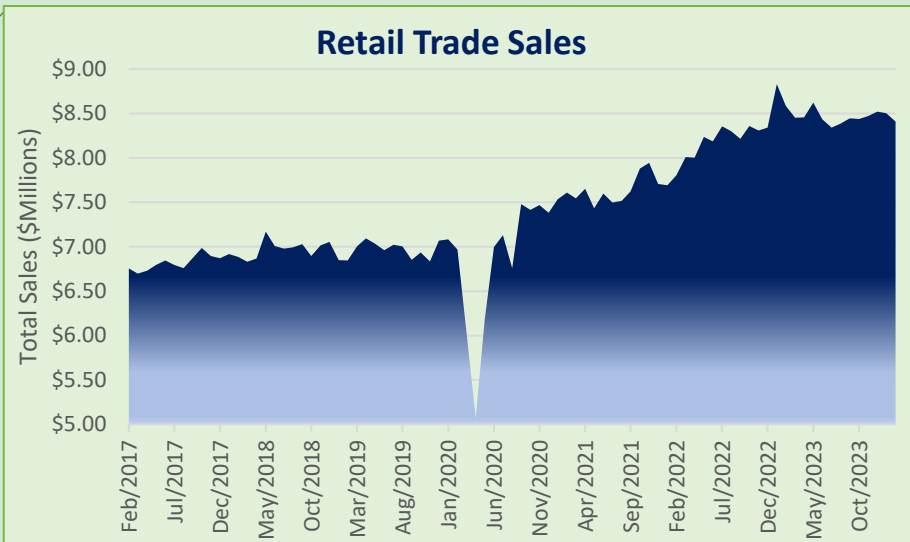
See the Article below for more information and impacts to a valuation!



Source: Government of Alberta



Source: Government of Alberta, Economic Dashboard and Statistics Canada Table 34-10-0143-01



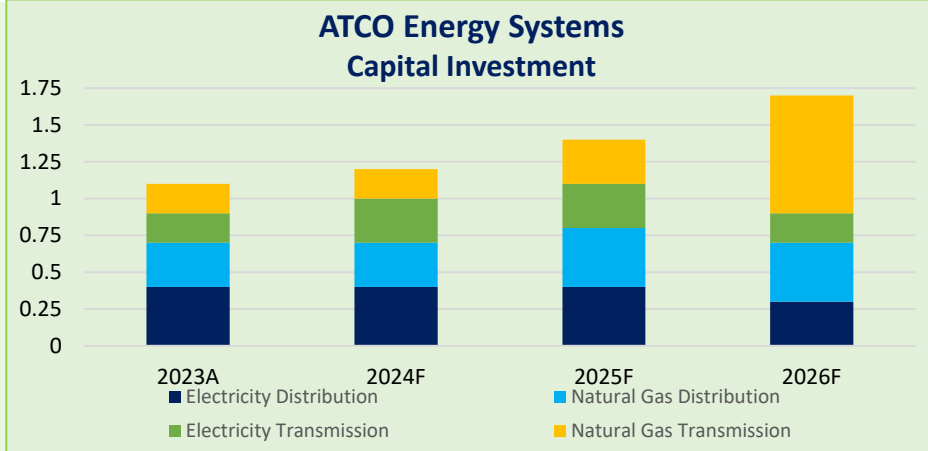
Source: Statistics Canada, Table 20-10-0080-01

Economic Trends – Canada & Global

ATCO Investment

ATCO announced its largest energy infrastructure project, Yellowhead Mainline, to drive economic growth in Alberta.

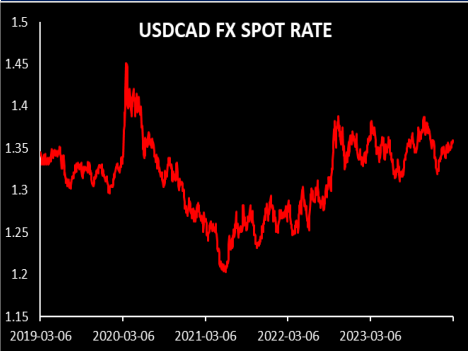
ATCO now expects its capital investment to be in the range of \$4.3 - \$4.7B over the next 3 years.



Source: ATCO news release

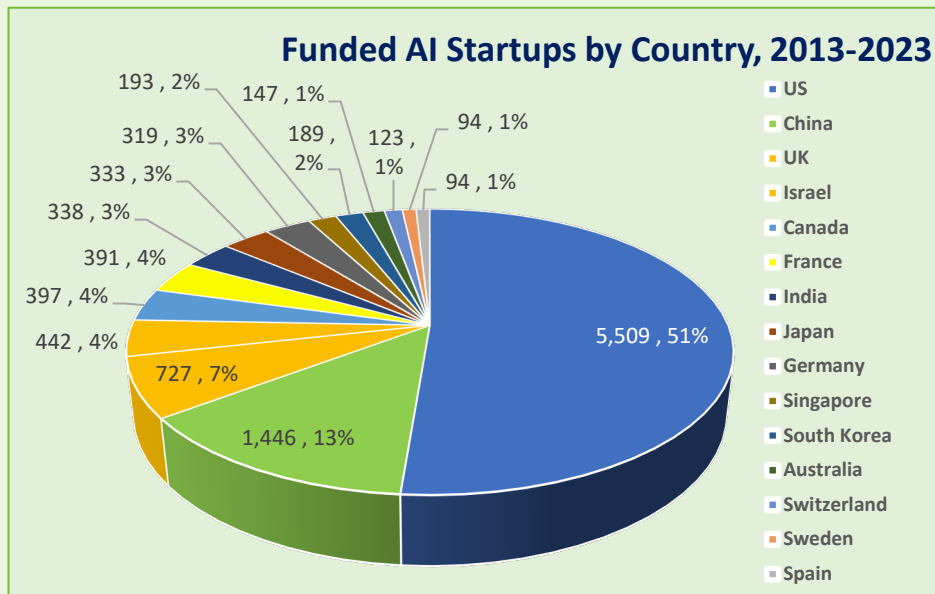
Financial Markets

USD/CAD Spot Rate: 1.3615



Price

EUR/CAD	1.4792
INR/CAD	0.1632
GBP/CAD	1.7235



Source: Visual Capitalist

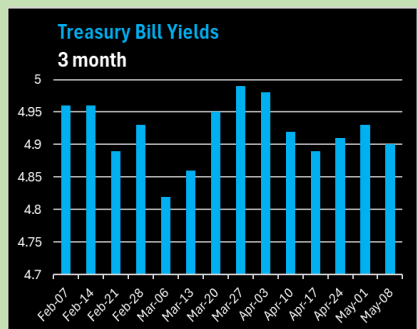
Mining Company Investment Jurisdiction Index

Measures the attractiveness of a jurisdiction based on policy factors such as onerous regulations, taxation levels, and the quality of infrastructure.

In Canada, Saskatchewan led the way in 2023.



Source: Fraser Institute



Source: Bank of Canada

A New Era for Alberta's Economic Landscape

In 2023, Alberta witnessed a historic surge in population growth, primarily driven by a notable increase in immigration, both permanent and non-permanent. This demographic shift is not just reshaping the province's cultural fabric but is also leaving a significant imprint on its economic contours. For business owners and professionals operating within this evolving landscape, understanding the impacts of these trends is critical for strategic planning and business valuation.

Immigration and Population Growth

Last year, Alberta's population grew by 4.1%, the highest rate since 1981, bolstered by record levels of non-permanent residents, including students, temporary workers, and refugees. This influx has contributed to a vibrant labor market and sustained consumer spending, despite overarching economic pressures such as rising interest rates and inflation.

Economic Sectors on the Rise

Real Estate and Construction: The first beneficiary of this population boom has been the real estate sector. With both the housing market and residential construction experiencing robust activity, there's a clear upward trajectory in demand. This demand has particularly spurred growth in multi-family dwellings, reflecting a shift towards more affordable housing options. From a valuation perspective, companies in the construction and real estate sectors are seeing enhanced asset values and revenue projections, making them attractive targets for investment and acquisition.

Retail and Consumer Services: Retail sales rose by 4.3% in 2023, with significant contributions from automobile, health, and personal care stores. The strong population growth underpins these sectors' resilience. Businesses in retail and consumer services should experience increased cash flows and potentially higher valuations, provided they adapt to the new demographic dynamics.

Hospitality and Travel: The surge in population and the general economic recovery have energized the hospitality and travel sectors. Increased local and international travel activity has led to higher spending in restaurants, bars, and hotels. Businesses in these industries might find it worthwhile to re-evaluate their operations and market strategies to capitalize on these trends.



A New Era for Alberta's Economic Landscape

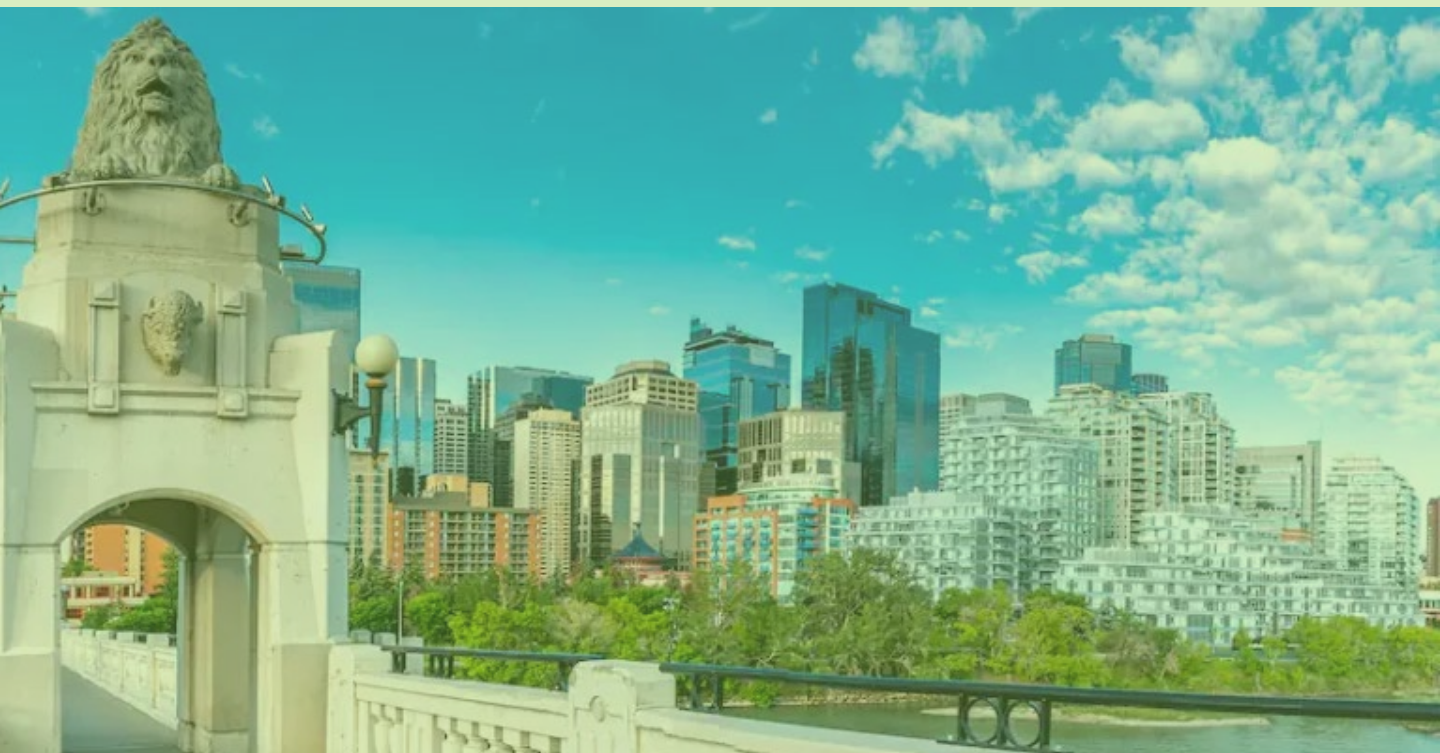
Challenges to Watch

While the economic indicators are promising, there are challenges that business owners must navigate. The rise in consumer insolvencies, as noted in 2023 and early 2024, signals financial distress among Albertans, which could affect consumer-driven sectors. Additionally, the high demand in housing has not been fully met by new construction, leading to a tight market with rising costs. These factors should be considered in any business valuation, as they may impact future revenues and profitability.

Valuation Considerations

At Troy Valuations, we actively adapt our valuation models to reflect the shifting economic landscape in Alberta, particularly in light of the recent immigration surge and its ripple effects across various sectors. We are considering:

- Discount Rates: Stability in interest rates suggests a more predictable environment for calculating discount rates.
- Risk Assessment: Sector-specific risks, especially in consumer services and real estate, need careful consideration given the potential for overvaluation in buoyant markets.
- Growth Projections: For sectors benefiting from immigration and population growth, projections should be optimistic yet grounded in realistic assessments of market saturation and economic conditions.



A New Era for Alberta's Economic Landscape

Leveraging Trends

The interplay between Alberta's immigration-driven population growth and its economic sectors offers both opportunities and challenges for business owners and professionals. As the province continues to navigate these changes, staying informed and agile will be crucial in leveraging these trends for successful business strategies and accurate valuations. For those looking to invest or adjust their business models, now is a pivotal time to reassess the landscape, ensuring that strategies are not only reactive but proactive in seizing the opportunities that Alberta's dynamic economy presents.

At Troy Valuations, our commitment is to provide our clients with the most accurate and timely valuations, ensuring they are well-equipped to make informed decisions in this dynamic economic climate. By staying ahead of these trends and refining our methodologies, we ensure that our services not only meet but exceed the expectations of those we serve, fostering growth and stability in their ventures. If you're looking to navigate the complexities of Alberta's evolving economic landscape, contact us today to discuss how we can support your valuation needs and strategic goals.



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[Economic Ripple Effects of Canada's Carbon Taxes](#)

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[The Crucial Role of Contracts](#)

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