



City of Richmond

Report to Committee

To: Finance Committee

Date: August 11, 2025

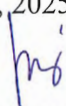
From: Mike Ching
Director, Finance

File: 03-0905-01/2025-Vol 01

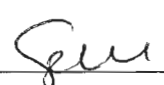
Re: Financial Information - 2nd Quarter June 30, 2025

Staff Recommendation

That the staff report titled, "Financial Information – 2nd Quarter June 30, 2025", dated August 11, 2025, from the Director, Finance, be received for information.


Mike Ching
Director, Finance
(604-276-4137)

Att. 4

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE
Arts, Culture & Heritage Services	☒	Housing Office ☒
Building Approvals	☒	Information Technology ☒
Climate and Environment	☒	Library Services ☒
Community Bylaws	☒	Parks Services ☒
Community Safety Administration	☒	Policy Planning ☒
Community Social Development	☒	PRC Planning & Strategic Initiatives ☒
Development Applications	☒	Public Works ☒
Economic Development	☒	RCMP ☒
Engineering	☒	Real Estate Services ☒
Facilities and Project Development	☒	Recreation & Sport Services ☒
Fire Rescue	☒	Transportation ☒
		CONCURRENCE OF GENERAL MANAGER
		
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

Pre-audited financial information for the second quarter (ended June 30, 2025) is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with an overview of the City of Richmond's (the City's) financial results throughout the year and before the annual audited financial statements are presented.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Economic Overview

At mid-year, global growth has been stronger than anticipated. U.S. trade actions are continuing to create volatility in global trade, though there has been some resilience globally. Stronger than anticipated front-loading, or advance ordering of inventory, has bolstered growth, and effective tariff rates have been lower and delayed, vis-à-vis previous expectations. In China, the decline in exports to the United States has been largely offset by an increase in exports to the rest of the world.¹ The International Monetary Fund (IMF) is now forecasting global growth rates of 3.0% and 3.1% for 2025 and 2026 respectively.² Oil prices spiked higher in June due to the Israel-Iran conflict but have since reversed.³ Inflation forecasts are expected to stay the course.

Canada's growth outlook is similar to global trends. Real Gross Domestic Product (GDP) is now expected to be slightly stronger than previously forecast at 1.6% in 2025 before rising to 1.9% in 2026. That said, despite a stronger-than-expected start to the year, trade tensions with the United States mean continued uncertainty in Canada's economic outlook. Exports to the U.S. have declined, and business confidence has been impacted as companies navigate tariff risks and impacts as well as market access. As the year progresses, business investment may weaken due to continued trade-related pressures.⁴ Inflation in Canada, as in B.C. and Metro Vancouver, is still trending lower than global numbers and is expected to stabilize around the 2% target.

Richmond's diverse economy remains relatively robust and resilient, though businesses also face challenges, including tariff-related uncertainty and financing difficulties for large projects. Industrial vacancy rates are easing, though the industrial real estate market remains quite competitive. Office

¹Bank of Canada, Press release, July 30, 2025.

²International Monetary Fund, World Economic Outlook, July 2025.

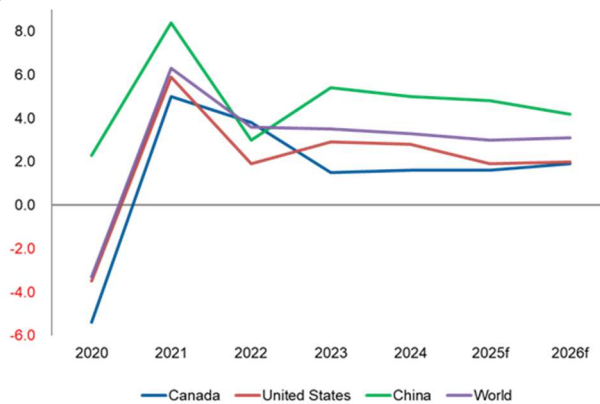
³RBC Economics, Monthly Forecast Update, July 2025.

⁴TD Economics, Canadian Quarterly Economic Forecast (June 2025)

vacancy is trending downward, especially near transit, and remains lower than the Metro Vancouver average. Low growth should be expected in 2025, aligned with global conditions.

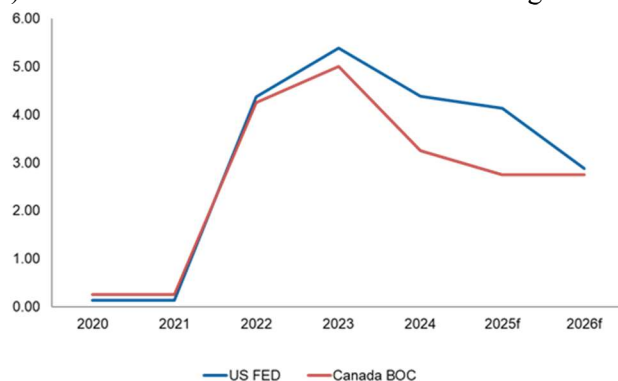
Macroeconomic Indicators & Forecast

1) Global Growth – Real Gross Domestic Product % Change⁵



- The IMF projects global GDP to decrease from 3.3% in 2024 to 3.0% in 2025, before increasing to 3.1% in 2026. This reflects a slight upward revision to the previous 2025 forecast.
- In 2025, Canadian GDP is forecasted to grow by 1.6%, with U.S. and China GDP growth forecasts of 1.9% and 4.8%, respectively.
- The 2025 global growth outlook reflects upward revisions for China, the United States, and Canada, which may be due to business and consumer frontloading in response to tariff uncertainty and lower effective tariff rates compared to those announced earlier.

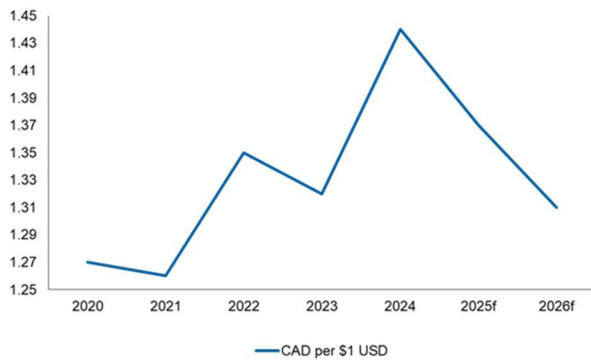
2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year End⁶



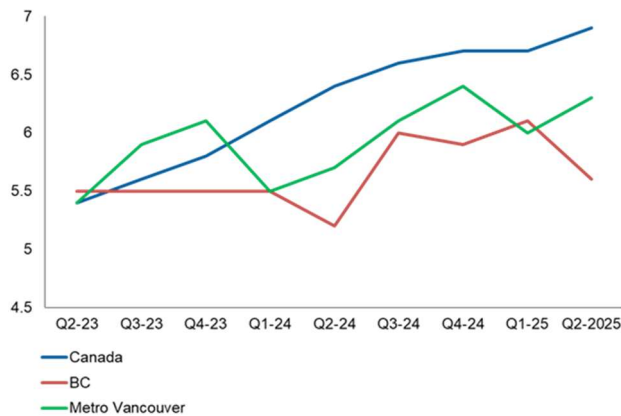
- At the end of Q2 2025, the Bank of Canada (BoC) continued to maintain its overnight lending rate at 2.75%, citing a relatively resilient economy and ongoing uncertainty related to U.S. trade actions.
- Amid the volatility surrounding trade and fiscal policies, the U.S. FED has maintained its key borrowing rate within the 4.25% - 4.50% range, unchanged since December 2024.

⁵International Monetary Fund, *World Economic Outlook (July 2025): Global Economy: Tenuous Resilience Amid Persistent Uncertainty*.

⁶US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; *RBC Monthly Forecast Update, July 2025*.

3) Exchange Rates – CAD/USD at Year End⁷

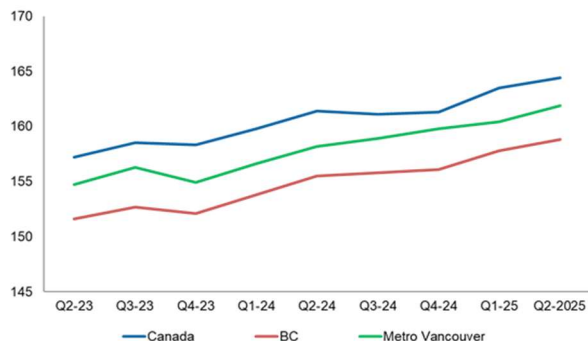
- The Canadian dollar was trading at \$1.36 CAD/\$1 USD at the end of Q2 2025, marking CAD's strongest quarterly performance against the USD in about four years.
- The Canadian dollar is now predicted to be stronger than anticipated, trading at \$1.37 CAD/\$1 USD by end 2025 and \$1.31 CAD/\$1 USD in 2026. However, short-term fluctuations are likely.

4) Unemployment⁸

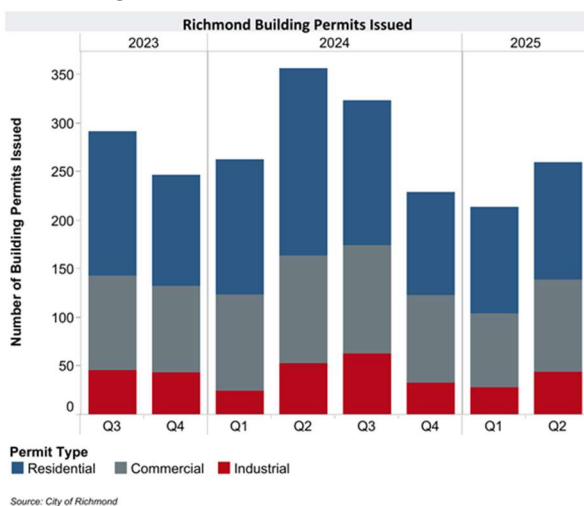
- According to Statistics Canada, national unemployment rose to 6.9% in June. In B.C., it decreased to 5.6%, which was the third-lowest unemployment rate in Canada in June.
- At the end of Q2 2025, the Canadian, B.C., and Metro Vancouver unemployment rates were 6.9%, 5.6%, and 6.3%, respectively.
- In June 2025, B.C.'s employment in goods-producing industries declined by 1.9% and increased in services-producing industries by 0.6%, month-over-month. However, on a year-over-year basis, employment grew in both types of industries: goods-producing industries rose by 0.4% and services-producing industries by 1.9%.

⁷RBC Monthly Forecast Update, July 2025; National Bank of Canada Forex, July 2025.

⁸Statistics Canada Labour Force Survey (June 2025); BC Stats, Labour Force Statistics Highlights Issue June 2025 #25-06.

5) Consumer Price Index (CPI – 2002=100)⁹

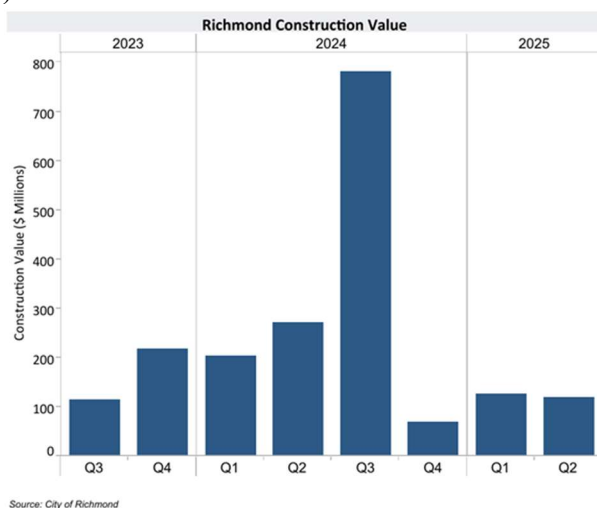
- The Consumer Price Index (CPI) increased by 1.9% year-over-year in June 2025, as compared to a 1.7% gain in May 2025.
- The greater increase in June was largely driven by a smaller year-over-year fall in gasoline prices and rising prices of durable goods such as passenger vehicles and furniture.
- Year-over-year in June, the CPI excluding energy, 2.7% was higher, partly due to the removal of consumer carbon pricing in April 2025.
- In June 2025, B.C. had the third-highest rate of inflation as compared with other provinces.
- On average over the past 12 months, inflation has been similar in Metro Vancouver, 2.4%, relative to B.C. at 2.4% and Canada at 2.0%.

Regional & Local Economic Activity Indicators6) Building Permits – Richmond¹⁰

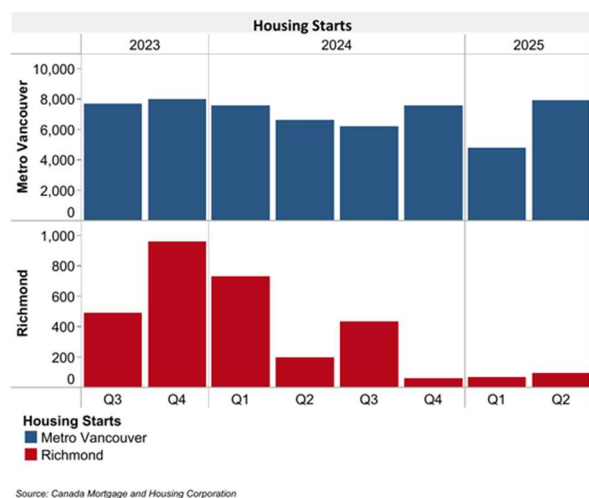
- During the second quarter of 2025, there were 121 residential, 95 commercial, and 44 industrial building permits issued in Richmond.
- This represents a 27.0% decrease in total building permits issued over the same period in 2024, with the highest decrease in residential building permits, at 37.0%.
- 391 new units were added to the local housing supply in Q2 2025, which represents a 22.6% increase relative to the same period in 2024. There are substantial quarter-over-quarter fluctuations in the number of new units due to the longer development cycles for multi-family units.

⁹Statistics Canada, Consumer Price Index; also Consumer Price Index, June 2025; also BC Stats, Consumer Price Index, June 2025, Issue 25-06.

¹⁰City of Richmond Building Permits.

7) Construction Value¹¹

- Approximately \$119.2 million in construction value was registered in Q2 2025, a decrease of 56.1% from the same period last year.
- Substantial quarter-over-quarter fluctuations in construction value can be expected, depending on the projects registered that quarter.

8) Housing Starts¹²

- In Q2 2025, there were 99 housing starts in Richmond and 7,937 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on verification that construction work has commenced.¹³
- Housing starts, as defined by CMHC, are the number of dwelling units in construction above the underground stage. In Richmond, there are a substantial number of dwelling units in residential construction projects that have not yet completed the underground/parking phase, contributing to the discrepancy in housing starts with respect to last year. Increases are anticipated toward Q1 of 2026 when several large residential projects will proceed to above ground phases.

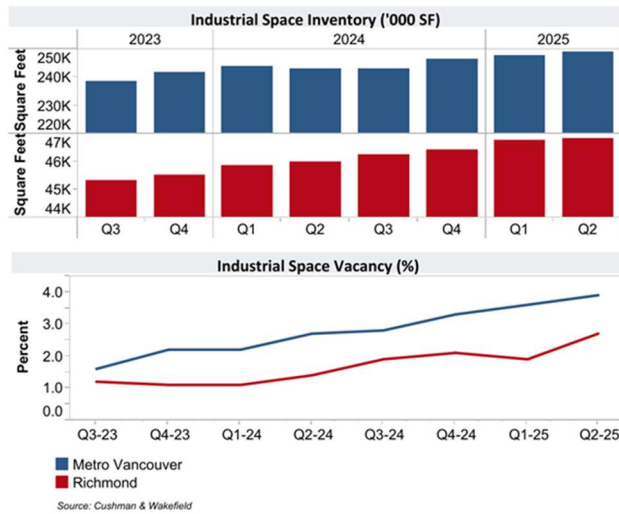
¹¹City of Richmond Building Permits.

¹²Canada Mortgage and Housing Corporation; 2025 Housing Market Outlook.

¹³Housing Start is defined as the beginning of construction work on a building, generally when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

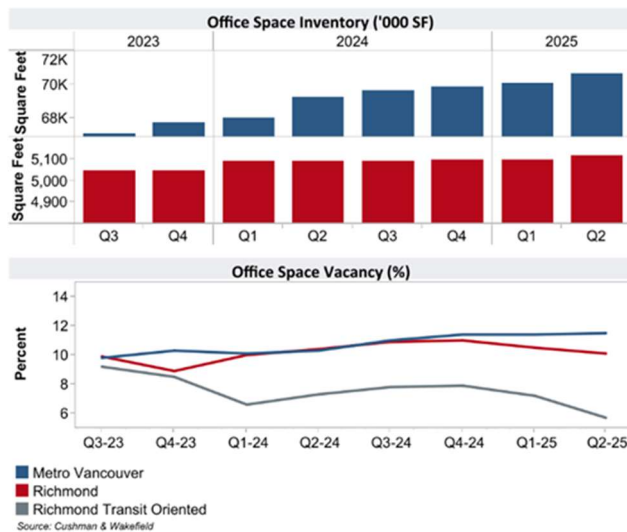
9) Commercial Space¹⁴

a) Industrial Space



- In Q2, the Metro Vancouver industrial vacancy rate increased to 3.9% (highest reported vacancy rate since Q3 2016). Recent new construction completions are primarily driving the increased vacancy rate.
- In Richmond, the industrial vacancy rate remains lower than Metro Vancouver at 2.7% in Q2 2025.
- Richmond recorded a slight quarter-over-quarter rent increase of \$1.91 per square foot, primarily driven by the addition of higher-quality new builds commanding premium rates.

b) Office Space



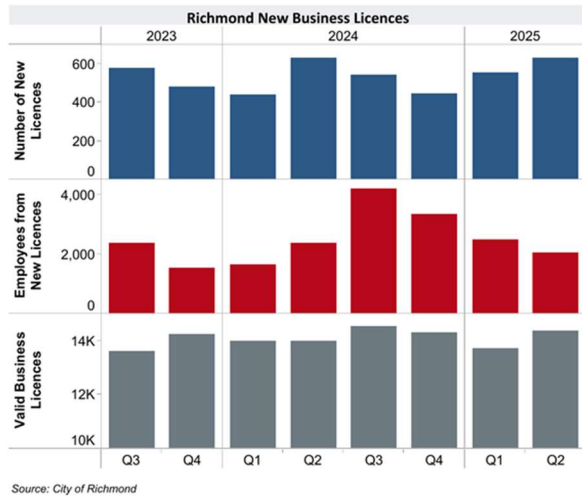
- At the end of Q2 2025, Metro Vancouver's office vacancy rate increased slightly to 11.5% after holding steady at 11.4% for two quarters.
- In Richmond, the Q2 office vacancy rate decreased slightly to 10.1%, with transit-oriented vacancy also decreasing from last quarter to 5.7%¹⁵.
- New leasing activity in Metro Vancouver this quarter was primarily driven by tech and insurance/finance. Legal firms were also a major contributor to both total space leased and the number of transactions.
- Average asking rents in Richmond continue to be the lowest in the Metro Vancouver region.

¹⁴Cushman & Wakefield Office and Industrial Market Beat Reports Q2 2025.

¹⁵Note that transit-oriented office data is sourced from Cushman and Wakefield for consistency across commercial vacancy rates presented in this report. The definition of "transit-oriented office" is office space within 600 meters of a Skytrain station. As this definition includes a limited number of developments in the City Centre, any change (whether related to new inventory or absorption) may have a seemingly disproportionate impact on the data.

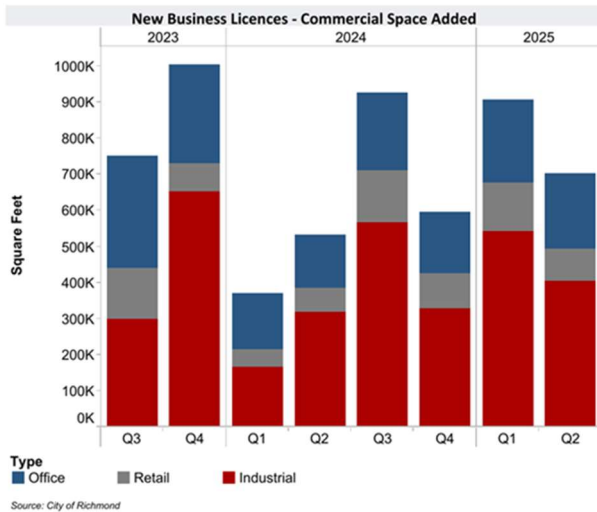
10) Business Growth – Richmond¹⁶

a) New Business Licences – Number and Employees



- 629 new business licences (representing 2,037 jobs) were issued by the City of Richmond in Q2 2025, a 0.2% decrease in new licences and a 13.7% decrease in corresponding jobs as compared to the same period last year.
- These new business licences are part of the City's 14,368 total valid business licences at the end of Q2 2025, which is a 2.6% increase from the same time last year. Fluctuations are expected in the number of total valid business licences, as businesses update their information as needed and renew their licences annually.

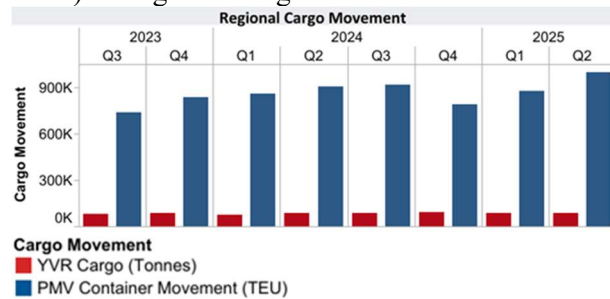
b) New Business Licences – Commercial Space



- 704,137 square feet (sq. ft.) of commercial space absorption was tied to the new business licenses issued during Q2 2025.
- This is an increase of 32.0% compared to the same time period last year. The greatest amount of space was required by industrial at 403,107 sq. ft., followed by office at 209,245 sq. ft., and then retail at 91,785 sq. ft.

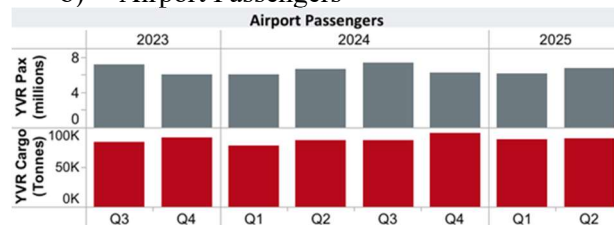
¹⁶City of Richmond Business Licencing data.

11) Goods and People Movement

a) Regional Cargo Movement¹⁷

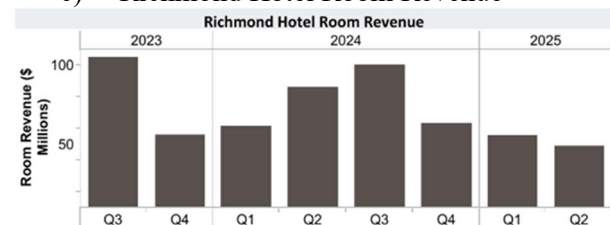
Source: Port of Vancouver, YVR

- In Q2 2025, cargo volumes handled by the Port of Vancouver, as measured by Twenty Foot Equivalents (TEUs), increased by 10.1%, as compared to the same period last year.
- In Q2 2025, 86,229 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is a 2.8% increase as compared to the same period last year.

b) Airport Passengers¹⁸

Source: YVR Monthly Statistics

- Passenger travel through YVR continues to be strong, with an increase of 2.3% during Q2 2025. 6.76 million passengers travelled through YVR as compared to the same period last year of 6.61 million.
- Canada continues to be a popular destination for travelers. The Vancouver Airport Authority is expecting more than 6.7 million travelers between June 15 and September 2, which would make it YVR's busiest-ever summer.

c) Richmond Hotel Room Revenue¹⁹

Source: City of Richmond Hotel Tax Ledger

Note: The chart for Richmond Hotel Room Revenue for Q2 2025 includes April and May data only, where Q2 2024 includes the full 3 months. The analysis compares the same periods for Q2, i.e. April and May only for both 2024 and 2025.

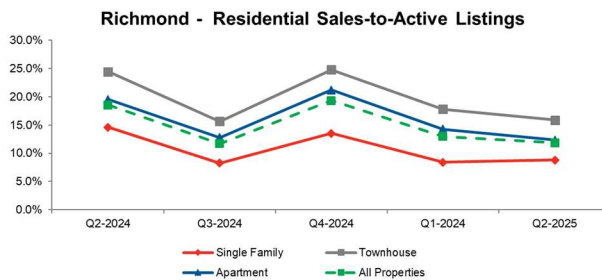
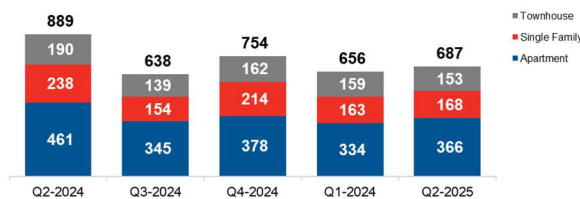
- Hotel room revenues in Richmond for the first two months of Q2 2025 were \$48.7M, which is 0.6% lower than the same period last year.
- Richmond recorded solid hotel occupancy rates in April and May, averaging 78.5% and 84.3% respectively, reflecting year-over-year increases of 3.6% and 4.6%.

¹⁷Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.¹⁸YVR Monthly Statistics.¹⁹City of Richmond Additional Hotel Room Tax Ledger; STR Global (June 2025).

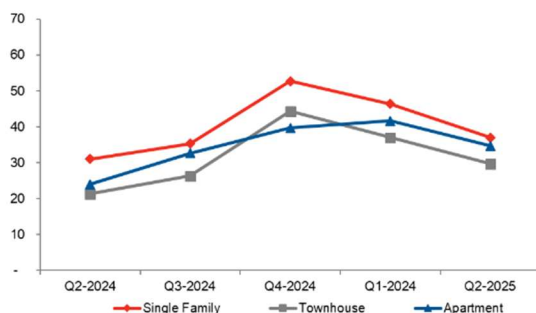
Residential Real Estate²⁰

Richmond's residential real estate market shifted into Buyer's Market territory, as inventory levels rose across all property types while buyer demand remained subdued. The Sales-to-Active Listings Ratio dropped to 11.8%, indicating an advantage for buyers. Sales continued to decline on a year-over-year basis and the average days on market increased, reflecting slower absorption. Benchmark prices edged down slightly as cautious buyers responded to ongoing concerns around borrowing costs and economic uncertainty.

Richmond - Residential Sales

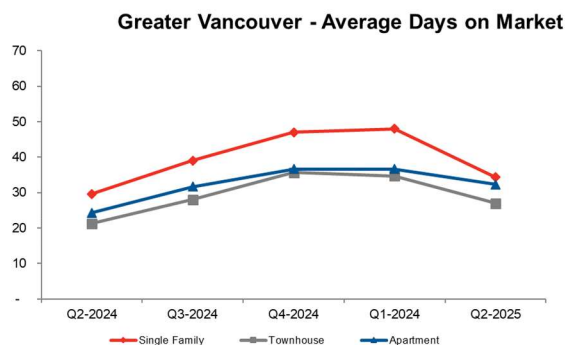


Richmond - Average Days on Market

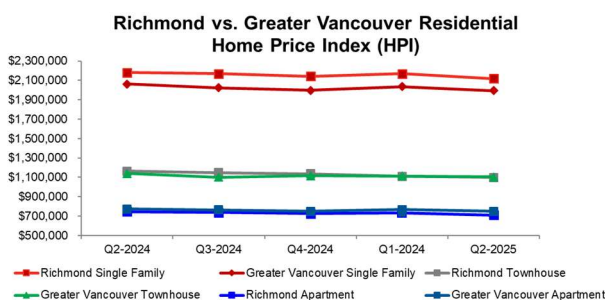


- Single family detached (SFD) home sales decreased by 29.4% compared to Q2 2024.
- Townhouse sales have decreased by 19.5% and apartment sales have decreased by 20.6% compared to Q2 2024.
- Townhouse sales comprise 22.3% of the residential home sales in Richmond. SFD and apartment sales account for 24.5% and 53.3%, respectively, of home sales in Richmond.
- There were 687 residential home sales in Richmond in Q2 2025, a 22.7% decrease compared to the same period last year.
- Richmond residential properties had a sales-to-active listings ratio of 11.8% as at June 30, 2025.
- Analysis of historical data suggests downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months.
- At Q2 2025, SFD properties in Richmond had an average of 37 days on the market, a 19.4% increase compared to Q2 2024.
- Townhouses and apartments in Richmond had an average of 30 and 35 days on the market, respectively, representing a 42.9% and 45.8% increase, respectively, over the same period last year.

²⁰Greater Vancouver Realtors.



- At Q2 2025, SFD properties in GVRD had an average of 34 days on the market, which represents an increase of 13.3% compared to Q2 2024.
- Townhouses and apartments in GVRD had an average of 27 and 32 days on the market, respectively, representing a 28.6% and 33.3% increase, respectively, over the same period last year.

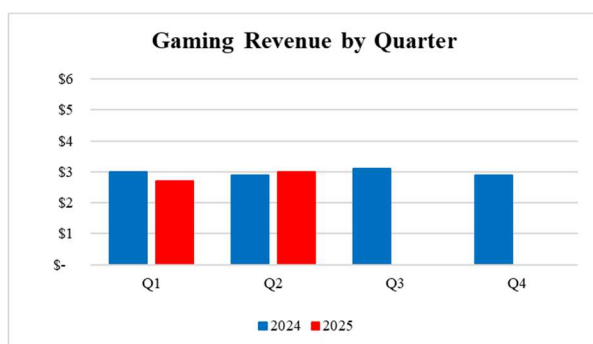


- The Home Price Index (HPI)²¹ for SFD properties in Richmond at Q2 2025 was \$2,117,100, a 2.9% decrease compared to Q2 2024. The GVRD housing market has decreased with SFD properties priced at \$1,994,500, which represents a 3.2% decrease compared to the same quarter last year.
- At Q2 2025, the HPI for townhouse properties in Richmond was \$1,098,300, a decrease of 5.6% compared to Q2 2024. The HPI for townhouse properties in GVRD was \$1,103,900, which represents a 3.0% decrease compared to the same quarter last year.
- The HPI for apartments in Richmond was \$708,800, a decrease of 5.1% compared to Q2 2024. The HPI for apartments in GVRD was \$748,400, which represents a 3.2% decrease compared to the same period last year.

²¹ Home Price Index is a tool to measure home prices trends in Metro Vancouver and other major markets in the country. It is an alternative measure of real estate prices that provides the market trends over traditional tools such as mean or median average prices.

Gaming Revenue

In accordance with the Host Financial Assistance Agreement with the Province of BC (Province), the Province pays 10% of net gaming income to the City. Net gaming revenue is calculated as net win from casino games less (i) fees payable by BC Lottery Corporation (BCLC) to the service provider, and (ii) BCLC's administrative and operating costs. Distributions are subject to volatility due to fluctuations in net win from casino games, operating costs and accounting adjustments.



- The gaming revenue for Q2 2025 was \$2,967,526 an increase of 1.2% compared to the same quarter last year when \$2,932,479 was received.
- Year to date revenue for 2025 is \$5,664,866 which is 5.2% lower than for same period for 2024 which was \$5,977,578.
- The 2025 budget for gaming revenue is \$11,500,000. Actual revenue received year to date is 49.3% of the total budget.

Gaming revenue is dependent on the operations of the River Rock Casino, these amounts may vary due to consumer behaviours, changes in regulations and competition.

At the January 27, 2025 Council meeting, the 2025 Budget was approved which included the gaming revenue allocation for 2025. The distribution of these funds is detailed in Table 1 with any surplus revenue or shortfall to be transferred to the capital reserve.

Table 1: Distribution of the 2025 gaming revenue allocation

	Distribution	2025 Budget
Capital Reserves	Remainder	\$1.0M
Grants	25%	2.9M
Council Community Initiatives Account	2%	0.2M
Debt Servicing	Fixed	6.4M
Operating (RCMP)*	9%	1.0M
Total		\$11.5M

*The funding allocation towards total policing costs is calculated based on the cost of four officers and does not reflect actual policing effort.

Operating Activity

Table 2 compares budget to unaudited actual activity up to June 30, 2025. The net figure represents combined revenue and expense amounts. Actuals include estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

Table 2: Net Operational Activity for the period January 1, 2025 to June 30, 2025 (in \$000's)

Division/Department¹	Q2 YTD Net Budget²	Q2 YTD Actuals and Commitments³	Q2 YTD Variance (\$)	Q2 YTD Variance (%)
Corporate Administration	\$5,901	\$5,806	\$95	2%
Engineering and Public Works	29,051	28,935	116	0%
Finance and Corporate Services	15,787	15,560	227	1%
Fire Rescue	28,705	28,571	134	0%
Law and Community Safety ⁴	1,313	961	352	27%
Library	6,378	6,100	278	4%
Parks, Recreation and Culture	28,347	26,954	1,393	5%
Planning and Development	3,814	3,063	751	20%
Policing	41,483	37,428	4,055	10%
Fiscal	(114,343)	(115,288)	945	1%
Total	\$46,436	\$38,090	\$8,346	18%
Flood Protection Utility	8,758	8,099	659	8%
Sanitary Sewer Utility	4,207	4,120	87	2%
Sanitation and Recycling Utility	408	(988)	1,396	342%
Water Utility	3,489	3,208	281	8%
Utilities Total	\$16,862	\$14,439	\$2,423	14%

¹Net Operational Activity does not include amounts related to capital such as contributed assets, developer contributions, amortization, etc. It does not represent Generally Accepted Accounting Principles but is presented on a modified cash basis.

²The Net Budget is based on the operating budget approved by Council on January 27, 2025.

³Includes budgeted equity transactions such as transfer to reserves, transfer to provision, transfers from provision, etc.

⁴Includes Law and Community Safety Administration, Animal Protection Services, Business Licences, Community Bylaws, Emergency Programs and Legal Services.

The following section provides an explanation on a Divisional/Departmental basis of year-to-date variances in relation to the 2025 Financial Plan:

- Corporate Administration is on budget.
- Engineering and Public Works' favourable variance is mainly due to unbudgeted underpinning fee revenue which is offset by janitorial and security costs exceeding budget. The division as a whole is on budget.
- Finance and Corporate Services' favourable variance is mainly due to vacant positions in the process of being filled.
- Fire Rescue's favourable variance is driven primarily by retirements, other absences and vacant positions offset by increased overtime. In the second quarter, a one-time transfer of \$290,000 from the Policing budget was approved to purchase Non-PFAS (Per and Polyfluoroalkyl Substances) Rescue Firefighter Protective gear, which was not included in the original budget. This transfer will be included in the Financial Plan Amendment.

- Law and Community Safety (excluding fire rescue and policing) has a favourable variance due to vacant positions from recent staff movements and positions under review.
- Library's favourable variance is primarily due to vacant positions as a result of staff movement and positions under review. Any surplus at year-end will be appropriated for future use within Library operations.
- Parks, Recreation and Culture's favourable variance is mainly due to vacant positions in Recreation and Sport Services.
- Planning and Development's favourable variance is primarily due to vacant positions as a result of staff movements and positions under review.
- Policing's favourable variance can be attributed to lower-than-expected expenditures on the policing contract, primarily driven by vacancies within the RCMP officer complement. In the second quarter, \$290,000 was transferred from the Policing budget to Fire Rescue; this transfer will be included in the Financial Plan Amendment.
- Fiscal's favourable variance is mainly from favourable investment income and due to the timing of expenditures
- Flood Protection Utility has a favourable variance is due to timing of Public Works maintenance projects. Any surplus at year end will be transferred to the Flood Protection Provision.
- Sanitary Sewer Utility is on budget. Any surplus at year-end will be transferred to the Sewer Stabilization Provision.
- Sanitation and Recycling Utility's favourable variance is mainly due to Recycle BC revenue relating to changes in the renegotiated agreement and higher utility fees from additional customers. Any surplus at year end will be transferred to the General Solid Waste and Recycling Provision.
- Water Utility's favourable variance is mainly due to lower operational expenses. Any surplus at year-end will be transferred to the Water Levy Provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses, and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Statement of Operations for the Six Month Period Ended June 30, 2025, with comparative figures for 2024, is included in Attachment 3.

Cash and Investment Portfolio

As of June 30, 2025, the City's total cash and investment balance was \$2.16 billion, which represents the City's working capital for ongoing operational obligations, as well as funds held in reserves and liability accounts for future and restricted uses. The higher than usual cash and investment balance is mainly due to the timing of property taxes collection by the July 2, 2025 due date. The City has subsequently remitted over \$375 million to various external agencies for taxes that were collected on their behalf.

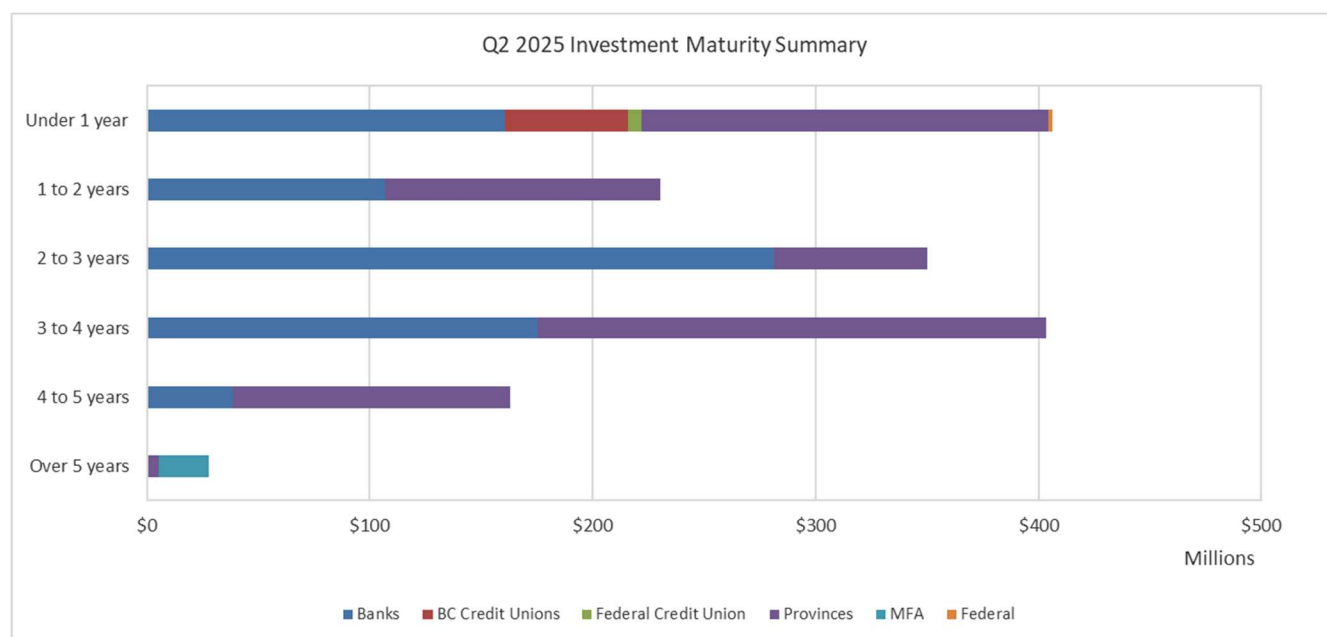
The City's total cash and investment balance was comprised of \$1.58 billion in investments and \$576 million in high interest savings cash account, with a weighted average annualized yield of 4.00%.

At the July 30, 2025 interest rate announcement, the BoC held its key policy rate unchanged at 2.75% for the third consecutive time, citing the continued lack of clarity around tariffs and the outcome of Canada-U.S. trade talks. The BoC will continue to assess the timing and strength of both the downward pressures on inflation from a weaker economy and the upward pressures on inflation from higher costs related to tariffs and the reconfiguration of trade. If a weakening economy puts further downward pressure on

inflation and the upward price pressures from the trade disruptions are contained, there may be a need for a reduction in the policy interest rate.

The City's overall credit risk exposure remains low and stable as the City continues to maintain a diversified and high credit quality investment portfolio, where 48% is invested in chartered bank deposits and bonds, 47% in federal and provincial government securities, 3% in credit unions deposits and approximately 2% in MFA bond and pooled investment funds.

The chart below shows the investment maturity summary by term to maturity. The City's cash and investment portfolio has been strategically positioned to allow the City to in sustaining favourable investment yields in the long-run, while balancing the needs of near-term cash flow required to support operations and approved capital plans.



Staff will continue to monitor the interest rate movement and will position its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions.

All investment activities have been conducted in compliance with the City's Investment Policy 3703. Based on independent ESG rating of the City's fixed income portfolio, the City continues to receive high ESG Rating of "AA" as of Q2 2025.

Contract Awards

In accordance with Procurement Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the first quarter, 27 contracts greater than \$75,000 were awarded totalling over \$23.5 million (Attachment 4).

Financial Impact

None.

Conclusion

The June 30, 2025 financial information report provides details on the economic environment, financial results and other key indicator information to the Finance Committee for information.



Cindy Gilfillan
Manager, Financial Reporting
(604-276-4077)

CG:nj

- Att. 1: Economic Indicators
2: Financial and Key Indicators
3: Unaudited Statement of Operations
4: Contract Awards Greater than \$75,000

Economic Indicators**June 30, 2025****Macroeconomic Indicators & Forecast**

1) Real GDP (% at YE)	2025f	2026f			
Canada	1.6	1.9			
United States	1.9	2.0			
China	4.8	4.2			
World	3.0	3.1			
2) Interest Rates (at YE)	2025f	2026f			
Bank of Canada	2.75	2.75			
US FED	4.13	2.88			
3) Exchange Rate (at YE)	2025f	2026f			
CAD per \$1 USD	1.37	1.31			
4) Unemployment (% at QE)	Q2-2025	Q1-2025	Change	Q2-2024	Change
Canada	6.9	6.7	3.0%	6.4	7.8%
BC	5.6	6.1	(8.2%)	5.2	7.7%
Metro Vancouver	6.3	6.0	5.0%	5.7	10.5%
5) CPI (2002=100) (at QE)	Q2-2025	Q1-2025	Change	Q2-2024	Change
Canada	164.4	163.5	0.6%	161.4	1.9%
BC	158.8	157.8	0.6%	155.5	2.1%
Metro Vancouver	161.9	160.4	0.9%	158.2	2.3%

Regional and Local Market Indicators

6) Richmond Building Permits	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Residential – New Construction	44	41	7.3%	74	80	(7.5%)
Residential – Alterations	77	151	(49.0%)	157	251	(37.5%)
Residential Total	121	192	(37.0%)	231	331	(30.2%)
Number of units from new residential construction	391	319	22.6%	585	635	(7.9%)
Residential	121	192	(37.0%)	231	331	(30.2%)
Commercial	95	111	(14.4%)	171	210	(18.6%)
Industrial	44	53	(17.0%)	72	78	(7.7%)
Building Permits Total	260	356	(27.0%)	474	619	(23.4%)
Construction Value (\$ million)	119.2	271.5	(56.1%)	246.7	475.4	(48.1%)
7) Housing Starts CMHC (Units)	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Starts - Richmond	99	199	(50.3%)	168	934	(82.0%)
Starts - Metro Vancouver	7,937	6,651	19.3%	12,771	14,278	(10.6%)
8) Richmond Residential Sales Activity	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Sales - Detached	168	238	(29.4%)	331	415	(20.2%)
Sales - Townhouse	153	190	(19.5%)	312	339	(8.0%)
Sales - Apartment	366	461	(20.6%)	700	802	(12.8%)
Sales - Total	687	889	(22.7%)	1,343	1,557	(13.7%)

Economic Indicators**June 30, 2025****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings Ratio (% at QE)**

	Q2-2025	Q2-2024	Change
Single Family Detached	8.8%	14.6%	(39.7%)
Townhouse	15.9%	24.5%	(35.1%)
Apartment	12.4%	19.5%	(36.4%)
Total	11.8%	18.6%	(36.6%)

10) Average Days on Market

Property Type	Richmond			Metro Vancouver		
	Q2-2025	Q2-2024	Change	Q2-2025	Q2-2024	Change
Single Family Detached	37	31	19.4%	34	30	13.3%
Townhouse	30	21	42.9%	27	21	28.6%
Apartment	35	24	45.8%	32	24	33.3%

11) Home Price Index (\$000 at QE)

Property Type	Richmond			Metro Vancouver		
	Q2-2025	Q2-2024	Change	Q2-2025	Q2-2024	Change
Single Family Detached	2,117	2,180	(2.9%)	1,995	2,061	(3.2%)
Townhouse	1,098	1,163	(5.6%)	1,104	1,138	(3.0%)
Apartment	709	747	(5.1%)	748	773	(3.2%)

12) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q2-2025	Q2-2024	Change	Q2-2025	Q2-2024	Change
Office Vacancy (%)	10.1	10.4	(2.9%)	11.5	10.3	11.7%
Transit Oriented Office Vacancy (%)	5.7	7.3	(21.9%)	N/A	N/A	N/A
Office Inventory (000 sf)	5,116	5,090	0.5%	70,623	69,233	2.0%
Industrial Vacancy (%)	2.7	1.4	92.9%	3.9	2.7	44.4%
Industrial Inventory (000 sf)	46,843	46,003	1.8%	249,039	242,826	2.6%

13) Richmond Business Growth

	Q2-2025	Q2-2024	Change	Q2-2025	Q2-2024	Change
Total Valid Business Licences (at QE)	14,368	14,007	2.6%	N/A	N/A	N/A
New Licences - Number Issued	629	630	(0.2%)	1,185	1,071	10.6%
New Licences - Employees	2,037	2,361	(13.7%)	4,508	4,023	12.1%
New Licences - Office Added (sf)	209,245	147,634	41.7%	439,067	301,729	45.5%
New Licences - Retail Added (sf)	91,785	66,684	37.6%	227,519	114,693	98.4%
New Licences - Industrial Added (sf)	403,107	318,979	26.4%	944,923	485,635	94.6%
Total Space Added (sf)/Avg. Change	704,137	533,297	32.0%	1,611,509	902,057	78.6%

Economic Indicators**June 30, 2025****Regional and Local Market Indicators (continued)**

14) Goods & People Movement	Q2-2025	Q2-2024	Change	Q2-2025	Q2-2024	Change
YVR Air Cargo (tonnes)	86,229	83,904	2.8%	170,950	161,636	5.8%
PMV Container Movement (TEUs)	1,000,182	908,413	10.1%	1,877,769	1,769,018	6.1%
YVR Passengers (million)	6.76	6.61	2.3%	12.85	12.60	2.0%
Richmond Hotel Revenue (\$ million)*	48.7	49.0	(0.6%)	104.0	110.6	(6.0%)

Notes:

- a) *QE indicates quarter-end; YE indicates year-end.*
b) *f -forecast to year-end.*

* Richmond Hotel Room Revenue for Q2 2025 includes April and May data only. YTD includes data from January to May.

List of Sources:

- 1) *International Monetary Fund, World Economic Outlook (July 2025). Global Economy: Tenuous Resilience Amid Persistent Uncertainty.*
- 2) *US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; RBC Monthly Forecast Update, July 2025.*
- 3) *RBC Monthly Forecast Update, July 2025; National Bank of Canada Forex, July 2025.*
- 4) *Statistics Canada Labour Force Survey (June 2025); BC Stats Labour Force Statistics Highlights, June 2025 Issue #25-06.*
- 5) *Statistics Canada, Consumer Price Index; also Consumer Price Index, June 2025; also BC Stats, Consumer Price Index, June 2025,*
- 6) *City of Richmond Building Permits.*
- 7) *Canada Mortgage and Housing Corporation; 2025 Housing Market Outlook.*
- 8), 9), 10) & 11) *Greater Vancouver Realtors.*
- 12) *Cushman & Wakefield Office and Industrial Market Beat Reports, Q2 2025.*
- 13) *City of Richmond Business Licences data.*
- 14) *Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.*
YVR Monthly Statistics;
City of Richmond Hotel Tax Ledger; STR Global (June 2025).

Financial and Key Indicators**June 30, 2025**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions*	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Roads, Water, Sewer DCCs Received	\$352	\$4,150	(91.5%)	\$10,143	\$7,439	36.4%
Parks DCCs Received	\$33	\$1,910	(98.2%)	\$2,736	\$5,164	(47.0%)
Total DCC Fees Received	\$385	\$6,060	(93.6%)	\$12,879	\$12,603	2.2%
DCC Reserves – Uncommitted Balance at QE	\$166,495	\$157,260	5.9%	N/A	N/A	N/A
2) Uncommitted Reserves (at QE)	Q2-2025	Q2-2024	Change			
Capital Funding Reserves	\$213,843	\$204,971	4.3%			
Utility Reserves	\$97,245	\$87,770	10.8%			
Affordable Housing Reserves	\$16,553	\$9,046	83.0%			
Other Reserves	\$101,651	\$113,141	(10.2%)			
Total Uncommitted Reserves	\$429,292	\$414,928	3.5%			
3) Taxes to date	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Taxes Collected	\$453,665	\$402,507	12.7%	\$475,759	\$420,336	13.2%
City Portion of Taxes Collected	\$231,369	\$205,279	12.7%	\$242,637	\$214,372	13.2%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$14,464	\$10,779	34.2%	\$14,464	\$10,779	34.2%
No. of Participants on Pre-authorized withdrawal (at QE)	6,373	6,334	0.6%	6,373	6,334	0.6%
Pre-authorized withdrawals payments	\$9,687	\$8,972	8.0%	\$24,208	\$22,446	7.8%
Interest rate % paid	2.95%	5.20%	(43.3%)	2.95%	5.20%	(43.3%)
<i>Sources: All data is from City of Richmond records</i>						
4) Cash and Investments	Q2-2025	Q2-2024	Change			
Investments	\$1,580,120	\$1,437,512	9.9%			
Cash (includes high interest savings accounts)	\$575,925	\$540,551	6.5%			
Total Cash and Investments	\$2,156,045	\$1,978,063	9.0%			
Average City Rate of Return on Investments %	4.00%	4.68%	(14.5%)			
5) Planning and Development	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Building Permit Fees Collected	\$1,268	\$2,325	(45.5%)	\$3,399	\$4,648	(26.9%)
Development Applications Received	28	35	(20.0%)	59	58	1.7%
Development Applications Fees	\$206	\$335	(38.3%)	\$410	\$546	(24.8%)

Financial and Key Indicators**June 30, 2025**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

6) Business Licences	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Revenue Received for						
Current Year Licences	\$997	N/A	N/A	\$2,845	N/A	N/A

Only the current periods of Business Licences revenue are presented as the City adopted the Canadian Public Sector Accounting Standard PS 3400 Revenue first-time prospectively in Q4 2024.

7) Other Revenues	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
Parking Program Revenue	\$794	\$624	27.2%	\$1,527	\$1,201	27.2%
Gaming Revenue	\$2,968	\$2,932	1.2%	\$5,665	\$5,978	(5.2%)
Traffic Fine Revenue*	\$0	\$2,303	(100.0%)	\$0	\$2,303	(100.0%)

*Traffic fine revenue for 2025 in the amount of \$2,273,000 was received July 3, 2025.

8) Employees	Q2-2025	Q2-2024	Change
Full Time Equivalent (FTE)			
Employees (at QE)	1,759	1,698	3.6%

(City and Library)

FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.

9) Operating Indicators	Q2-2025	Q2-2024	Change	YTD-2025	YTD-2024	Change
RCMP - Calls for Service						
Handled	16,744	17,365	(3.6%)	33,193	34,250	(3.1%)
Community Bylaws	2,048	2,026	1.1%	3,632	3,720	(2.4%)
Fire-Rescue Incidents	3,147	3,183	(1.1%)	6,417	6,687	(4.0%)
Public Works Calls for Service	3,720	3,556	4.6%	6,816	6,978	(2.3%)

10) Richmond Population	2025f	2024f
Estimate Year End		
	242,454	242,965

Population figures from BC Stats

Notes:

- a) All figures presented above are unaudited
b) f - forecast to year-end

Unaudited Statement of Operations¹

For the Six Month Period Ended June 30, 2025, with comparative figures for 2024.

(in \$000's)

	Budget June 30, 2025	Actuals June 30, 2025	Actuals June 30, 2024
Revenue:			
Taxes and levies	\$167,133	\$ 167,886	\$159,094
Utility fees	85,822	83,886	75,613
Sales of services	24,871	22,871	21,879
Payments-in-lieu of taxes	9,300	9,300	7,325
Provincial and federal grants	15,372	2,809	9,097
Development cost charges	6,429	3,613	33,385
Other capital funding sources	39,101	12,737	18,539
Other revenue:			
Investment income	15,318	29,807	32,476
Gaming revenue	6,239	5,665	5,978
Licences and permits	7,985	7,004	8,980
Other	17,841	21,698	21,587
Equity income	421	1,109	1,359
	\$395,832	\$368,385	\$395,312
Expenses:			
Law and community safety	\$85,773	\$80,677	\$74,840
Utilities ⁴	78,940	72,265	66,932
Engineering, transportation, public works and project development	39,142	33,658	33,882
Parks, recreation and culture services	41,310	37,398	37,537
General government	60,665	55,821	44,172
Planning and development	12,083	10,509	13,684
Library services	6,491	6,233	5,884
	\$324,404	\$296,561	\$276,931
YTD Surplus (Annual Surplus) ²	\$71,428	\$71,824	\$118,381
Accumulated surplus, beginning of year	3,949,912	3,949,912	3,831,531
Accumulated surplus, end of June 30 ³	\$4,021,340	\$4,021,736	\$3,949,912

¹Statement of Operations for City and Library after intercompany eliminations includes investment in Lulu Island Energy Company but excludes Oval results.

²Annual Surplus is the difference between revenues and expenses and reflects the change in the accumulated surplus on the Statement of Financial Position. Annual Surplus is prior to transfer to reserves and surplus appropriations. The revenues include capital contributions, development cost charges and other items that impact the investment in tangible capital assets within the accumulated surplus. The expenses include amortization, which impacts the investment in tangible capital assets in accumulated surplus.

³Accumulated surplus is equivalent to the net worth of an organization and is comprised of investment in tangible capital assets, reserves, appropriated surplus, general surplus and other equity.

⁴Utilities includes flood protection, water, sanitary sewer, and sanitation and recycling.

Contract Awards Greater than \$75,000

April 1st to June 30th, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department/Section
1	Engineering Design & Construction Services for the No. 3 Road South Drainage Pump Station and Dike Upgrade Project	Aplin & Martin Consultants Ltd.	\$900,950	Engineering Design & Construction
2	East Richmond Agricultural Water Supply Update Project	Aecom Canada Ltd.	172,117	Engineering Planning
3	Asphalt Paving for Shell Road West and Seagrave Road East Laneway Upgrade Projects	1166618 B.C. Ltd. DBA Save on Blacktop	141,140	Engineering Design & Construction
4	Supply and Installation of Conduits and Water Service Pipes Using Trenchless Technology and Other Related Civil Works (3 year term)	Ulmer Contracting Ltd.	7,653,189	Multiple Engineering & Public Works Departments
5	ArcGIS Software Support and Maintenance Renewal Contract (3 year term)	ESRI Canada Ltd.	825,990	IT Business & Enterprise System
6	Pest and Animal Control Services (3 year term)	Envirogreen Pest Solutions Ltd. Ridall Pest Control	122,000	Facility Services
7	Richmond Curling Club - Priority 2 Repairs - Phase 1	Heatherbrae Builders Co. Ltd.	2,115,981	Project Development
8	Emergency Notification System Licensing, Support and Maintenance (3 year term)	Everbridge Inc.	181,116	IT Business and Enterprise Systems
9	Removal of Nine Utility Poles at Westminster Highway & Gilley Road - Network# 2947951	Telus Communications Inc.	113,909	Engineering Design and Construction
10	Lansdowne Road Multi-Use Pathway, Gilbert Road to Pearson Way	B.A. Blacktop Infrastructure Inc.	189,402	Engineering Design and Construction
11	Security Services for Access Control Repairs and Alarms Monitoring	Safe & Sound Security Systems Ltd.	180,000	Facility Services
12	Soil Stabilization Field Trial	Groundwater Technology Inc.	1,575,000	Engineering Planning
13	Supply and Delivery of Three (3) Extended Two (2) Ton Dual Rear Wheel Cab and Chassis Trucks	Mainland Ford Ltd.	354,850	Fleet Operations

Contract Awards Greater than \$75,000 (continued)April 1st to June 30th, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department/Section
14	Construction Management Consultant Services - Major Projects	Bowland Consulting Inc.	\$182,000	Project Development
15	Palo Alto Firewall Refresh, Premium Support Licenses and Subscriptions	Ion United Inc.	102,732	IT Infrastructure Services
16	Trane Chiller and Boiler Maintenance Services (2 year term)	Trane Canada ULC	386,113	Facility Services
17	Planning Study for Automated Building Code Review Software	SMARTreview Inc.	86,400	Building Approvals
18	Steveston Park Washroom and Electrical Distribution Centre	Scott Construction Ltd.	2,774,476	Project Development
19	Steveston and South Arm Outdoor Pool Renewals - Design and Contract Administration	Kasian Architecture Interior Design and Planning Ltd.	295,759	Project Development
20	BC Hydro Pole Relocation - No 4 Road & Cambie Road	BC Hydro	80,834	Engineering Design and Construction
21	Richmond Ice Centre Forum and Gardens Ice Rinks Truss Repainting	PCL Constructors Westcoast Inc.	784,675	Project Development
22	F550 Extended Cab c/w Eloquip Side and Rear Dump Body	Viking-Cives, Ltd.	142,089	Fleet Operations
23	Gilbert Road Multi-Use Pathway between Granville Avenue and Elmbridge Way	Arsalan Construction Ltd.	3,598,888	Engineering Design and Construction
24	Economic Development Strategy	Cascadia Strategy Consulting	258,520	Business Services
25	Argus Online Collection Management Database SaaS Subscription (5 year term)	Lucidea Technologies Corp	82,807	IT Innovation and Development
26	Mill and Overlay of Minoru Boulevard between Granville Avenue and the Rainbow Crosswalk	Hexcel Construction Ltd.	110,500	Engineering Design and Construction
27	Construction Services - Rowing Club Washroom Roof Repair	Holaco Construction Ltd.	\$107,300	Project Development