



# City of Richmond

## Report to Committee

**To:** Finance and Audit Committee

**Date:** November 28, 2025

**From:** Mike Ching  
Director, Finance

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




**Re:** Financial Information – 3rd Quarter September 30, 2025

### Staff Recommendation

That the report titled, “Financial Information – 3rd Quarter September 30, 2025”, dated November 28, 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	<input checked="" type="checkbox"/>	Housing Office	<input checked="" type="checkbox"/>
Building Approvals	<input checked="" type="checkbox"/>	Information Technology	<input checked="" type="checkbox"/>
Climate & Environment	<input checked="" type="checkbox"/>	Library Services	<input checked="" type="checkbox"/>
Community Bylaws	<input checked="" type="checkbox"/>	Parks Services	<input checked="" type="checkbox"/>
Community Safety Administration	<input checked="" type="checkbox"/>	Policy Planning	<input checked="" type="checkbox"/>
Community Social Development	<input checked="" type="checkbox"/>	PRC Planning & Strategic Initiatives	<input checked="" type="checkbox"/>
Development Applications	<input checked="" type="checkbox"/>	Public Works	<input checked="" type="checkbox"/>
Economic Development	<input checked="" type="checkbox"/>	RCMP	<input checked="" type="checkbox"/>
Engineering	<input checked="" type="checkbox"/>	Real Estate Services	<input checked="" type="checkbox"/>
Facilities and Project Development	<input checked="" type="checkbox"/>	Recreation & Sport Services	<input checked="" type="checkbox"/>
Fire Rescue	<input checked="" type="checkbox"/>	Transportation	<input checked="" type="checkbox"/>
		<b>CONCURRENCE OF GENERAL MANAGER</b> 	
<b>SENIOR STAFF REPORT REVIEW</b>	INITIALS: 	<b>APPROVED BY CAO</b> 	

## Staff Report

### Origin

Pre-audited financial information for the third quarter (ended September 30, 2025) is being provided to the Finance and Audit 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**

Global economic growth is expected to remain low amid continuing uncertainty largely related to changing global trade dynamics, lower immigration and policy unpredictability. The International Monetary Fund (IMF) is forecasting global growth to slow to 3.2% in 2025 and further to 3.1% in 2026.

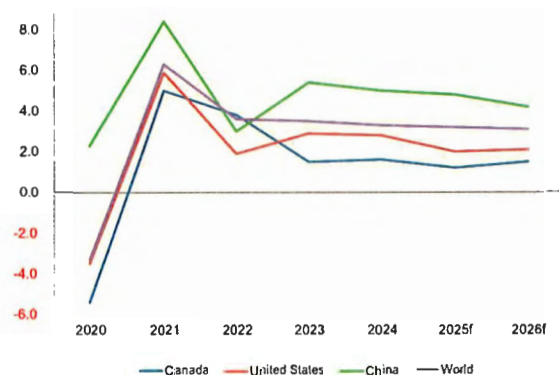
Global inflation is forecast to ease to 4.2% in 2025 and 3.7% in 2026, though differences remain across regions. Inflation in the United States continues to exceed target levels, while much of the rest of the world continues to experience price pressures.

In Canada, the economy remains delicately balanced between low growth and continuing inflationary pressures. Real Gross Domestic Product (GDP) growth is projected to increase from 1.2% in 2025 to 1.5% in 2026, supported by fiscal measures, improved business confidence, and stabilizing consumer demand. In October, the Bank of Canada (BoC) reduced its policy rate to 2.25%, signaling that inflation is approaching its target, and that further rate cuts may be unlikely unless conditions change.

In Richmond, the city's diverse economy—anchored in transportation, logistics, manufacturing, and tourism, among others—continues to provide a solid foundation. That said, businesses continue to face challenges related to lower growth, inflationary pressures, labour challenges, and high input costs. Industrial vacancy rates are holding steady, while office vacancies have declined as leasing activity strengthens. Looking ahead, growth in Richmond is expected to remain low through 2026, consistent with regional and global trends.

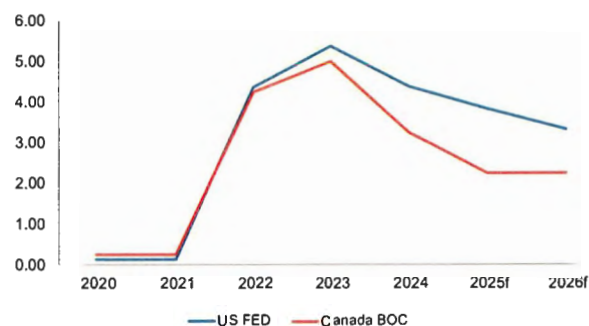
## Macroeconomic Indicators & Forecast

### 1) Global Growth – Real Gross Domestic Product % Change<sup>1</sup>



- The IMF projects global GDP to decrease slightly from the 2024 rate of 3.3% to 3.2% in 2025 and 3.1% in 2026. This reflects an upward revision to the previous 2025 forecast.
- In 2025, Canadian GDP is forecasted to grow by 1.2%, with U.S. and China GDP growth forecasts of 2.0% and 4.8%, respectively.
- The growth profile for 2025 reflects upward revisions globally and in the U.S., a downward revision for Canada, and growth in China holding steady.

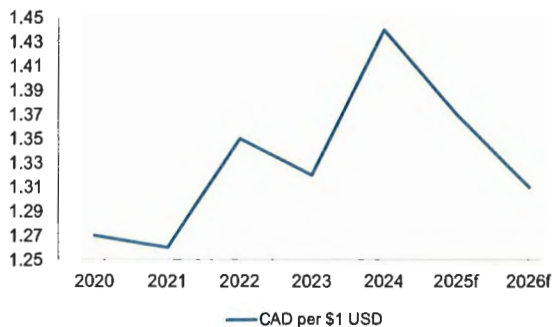
### 2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year End<sup>2</sup>



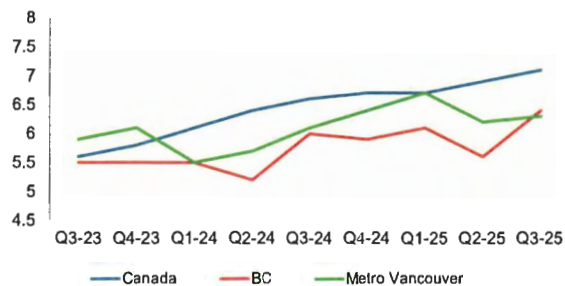
- By the end of Q3 2025, the BoC had lowered its overnight lending rate to 2.50%, down from 2.75% at the end of Q2.
- The BoC further cut its policy rate to 2.25% at the end of October, noting low growth and inflation expected to remain near its target.
- By the end of Q3, the U.S. FED had reduced its rates to 4.00 – 4.25%, which was followed by a further reduction in October to 3.75%-4.00%. It is anticipated that the U.S. FED will continue to reduce rates gradually, while the BoC may hold rates steady.

<sup>1</sup>International Monetary Fund, World Economic Outlook (October 2025): Global Economy in Flux, Prospects Remain Dim.

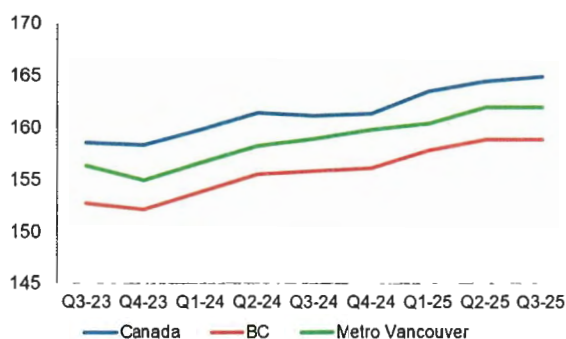
<sup>2</sup>Bank of Canada Pres Release, October 29, 2025 and RBC Monthly Forecast Update, October 2025 .

3) Exchange Rates – CAD/USD at Year End<sup>3</sup>

- The Canadian dollar was trading at \$1.39 CAD/\$1 USD at the end of Q3 2025, weakening slightly from the previous quarter.
- The CAD/USD exchange rate is expected to be \$1.37 CAD/\$1 USD at the end of 2025, strengthening to \$1.31 CAD/\$1 USD at the end of 2026. Short-term fluctuations are expected to continue.

4) Unemployment<sup>4</sup>

- According to Statistics Canada, national unemployment held steady at 7.1% in September. Employment increased, with gains concentrated in full-time work, while part-time employment declined.
- At the end of Q3 2025, the Canadian, B.C., and Metro Vancouver unemployment rates were 7.1%, 6.4%, and 6.3% respectively.
- Most recently, in October 2025, year-over-year employment in B.C.'s goods-producing sectors increased by 15,200 positions (+3.0%), while the services-producing sectors added 20,800 positions (+0.9%).

5) Consumer Price Index (CPI – 2002=100)<sup>5</sup>

- At the end of Q3, the national Consumer Price Index (CPI) increased by 2.4% year-over-year, with food, gasoline, and shelter as the key drivers of inflation.
- Both British Columbia and Metro Vancouver registered a year-over-year CPI increase of 1.9%, below the national CPI.
- In B.C., rent price growth was well below the national level, rising by 1.8% as compared to 4.8% across Canada.

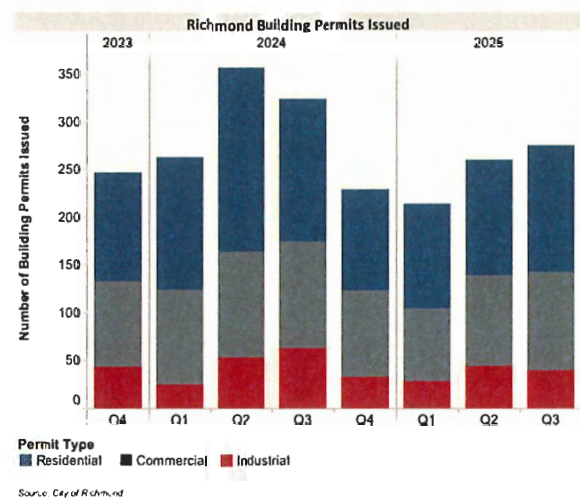
<sup>3</sup>RBC Monthly Forecast Update, October 2025.

<sup>4</sup>Statistics Canada Labour Force Characteristics (September 2025); Labour Force Statistics Highlights Issue #25-10.

<sup>5</sup>Statistics Canada, Consumer Price Index; also Consumer Price Index, September 2025; also BC Stats, Consumer Price Index, September 2025, Issue 25-09.

## Regional & Local Economic Activity Indicators

### 6) Building Permits – Richmond<sup>6</sup>



- During the third quarter of 2025, there were 133 residential, 102 commercial, and 40 industrial building permits issued in Richmond.
- This represents a 15.1% decrease in total building permits issued over the same period in 2024, with the highest decrease in industrial building permits, at 36.5%. The decreased number of permits in relation to this time last year reflects heightened permitting activity in the third quarter in 2024 partially in response to increases in Metro Vancouver and Translink DCC fees.

### 7) Construction Value<sup>7</sup>

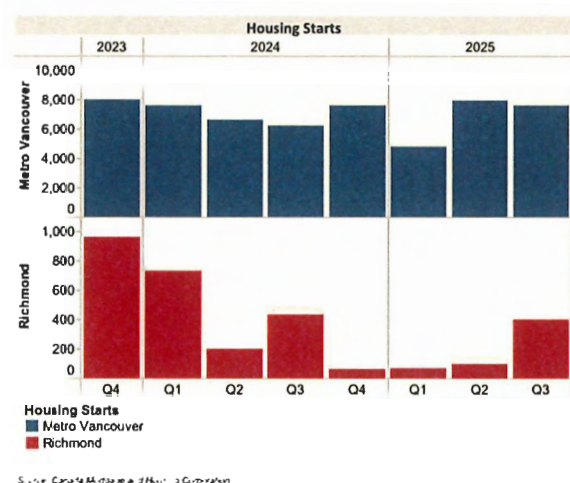


- Approximately \$90.3 million in construction value was registered in Q3 2025, a decrease of 88.4% from the same period last year.
- Although there are anticipated year to year fluctuations by quarter, comparison of Q3 construction value in 2024 reflects a spike in permit activity in response to Metro Vancouver and Translink DCC fees.

<sup>6</sup>City of Richmond Building Permits.

<sup>7</sup>City of Richmond Building Permits.

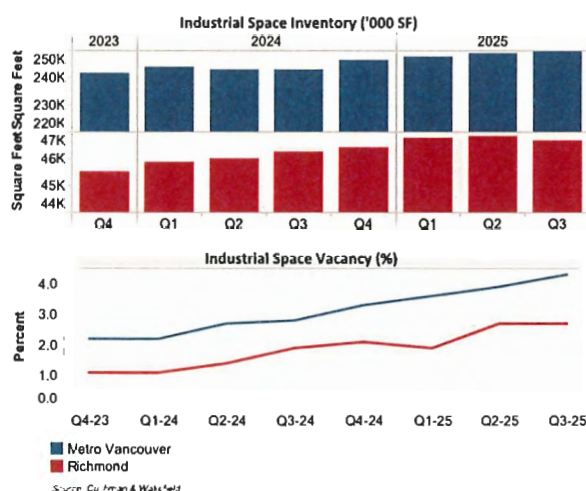


8) Housing Starts<sup>8</sup>

- In Q3 2025, there were 403 housing starts in Richmond and 7,602 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on verification that construction work has commenced.<sup>9</sup>
- Year to date housing starts decreased by 58.3% in Richmond and 0.6% in Metro Vancouver, as compared to the same period in 2024. There is a fair amount of fluctuation quarter by quarter, as is to be expected depending on project timelines.
- The Canadian housing market is projected to experience continued cooling in 2025, followed by a gradual recovery in 2026 amid easing trade tensions and improving economic conditions.

9) Commercial Space<sup>10</sup>

## a) Industrial Space



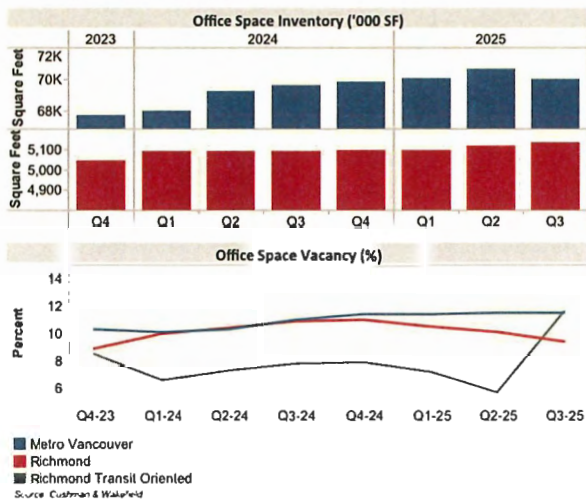
- In Q3, the Metro Vancouver industrial vacancy rate increased to 4.3%, which was the highest rate since Q3 2016. Despite the increase, Metro Vancouver still has the lowest vacancy in Canada among markets with inventories exceeding 100 million sq ft.
- In Richmond, the industrial vacancy rate remains lower than Metro Vancouver at 2.7% in Q3 2025.
- While asking rents are moderating alongside higher vacancies, Richmond still commands Metro Vancouver's highest net asking lease rates and lowest vacancy rate.

<sup>8</sup>Canada Mortgage and Housing Corporation; 2025 Housing Market Outlook.

<sup>9</sup>Housing 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.

<sup>10</sup>Cushman & Wakefield Office and Industrial Market Beat Reports Q3 2025.

## b) Office Space

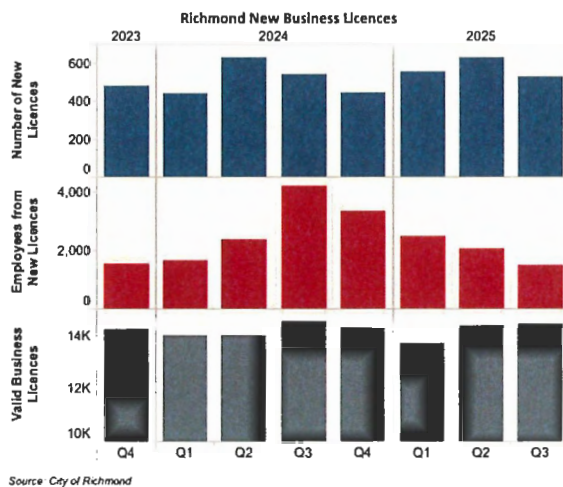


Note that the increased transit-oriented vacancy rate in Q3 2025 was due to the Galleria development (8555 Capstan Way) coming to market. Short-term fluctuations are expected as new supply is added.

- At the end of Q3 2025, Metro Vancouver's office vacancy rate increased to 11.5%, a 4.5% increase from the same time last year.
- In Richmond, the Q3 office vacancy rate decreased to 9.4%, with transit-oriented vacancy increasing from last quarter to 11.6%<sup>11</sup>.
- Average asking rents in Richmond continue to be the lowest in the Metro Vancouver region.

10) Business Growth – Richmond<sup>12</sup>

## a) New Business Licences – Number and Employees

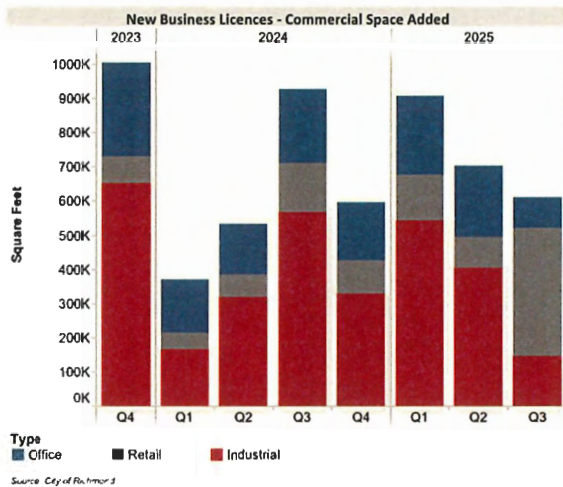


- 528 new business licences (representing 1,494 jobs) were issued by the City of Richmond in Q3 2025, a 2.4% decrease in new licences and a 64.4% decrease in jobs as compared to the same period last year.
- These new business licences are part of the City's 14,427 total valid business licenses at the end of Q3 2025, representing a slight decrease of 0.6%. Fluctuations in the total count of valid business licences are anticipated, reflecting periodic updates and annual renewals by businesses.

<sup>11</sup>Note 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.

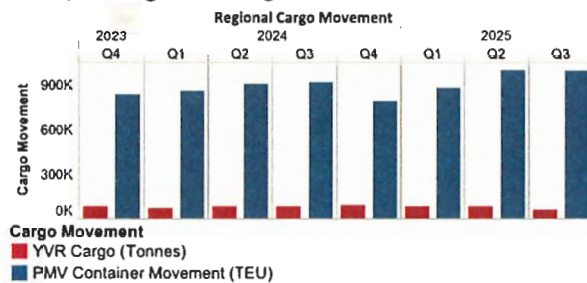
<sup>12</sup>City of Richmond Business Licencing data.

## b) New Business Licences – Commercial Space

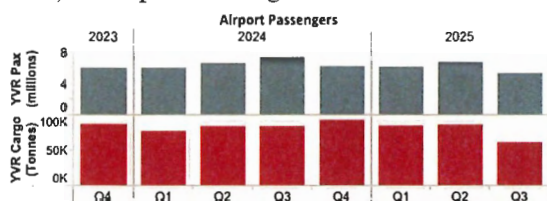


- 611,898 square feet of commercial space absorption was tied to the new business licenses issued during Q3 2025.
- This is a decrease of 34.1% compared to the same time period last year. The greatest amount of space was required by retail (373,919 sq ft), followed by industrial (146,985 sq ft), and then office (90,994 sq ft).

## 11) Goods and People Movement

a) Regional Cargo Movement<sup>13</sup>

- In Q3 2025, cargo volumes handled by the Port of Vancouver, as measured by Twenty Foot Equivalents (TEUs), increased by 8.6%, as compared to the same period last year.
- In Q3 2025, 90,365 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is a 7.0% increase as compared to the same period last year.

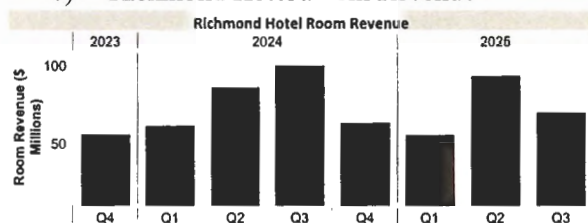
b) Airport Passengers<sup>14</sup>

- Passenger travel through YVR continues to be strong, with an increase of 3.9% during Q3 2025 with 7.7 million passengers as compared to the same period last year at 7.4 million.

<sup>13</sup>Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.

<sup>14</sup>YVR Monthly Statistics.



c) Richmond Hotel Room Revenue<sup>15</sup>

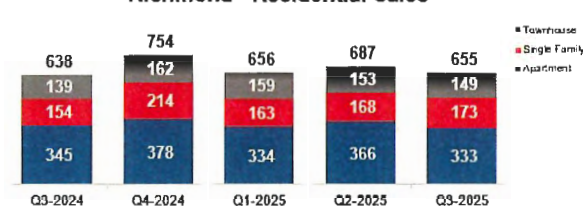
Source: City of Richmond Hotel Tax Ledger

Note: The chart for Richmond Hotel Room Revenue for Q3 2025 includes July and August data only, where Q3 2024 includes the full 3 months. The analysis compares the same periods for Q3, i.e. July and August only for both 2024 and 2025.

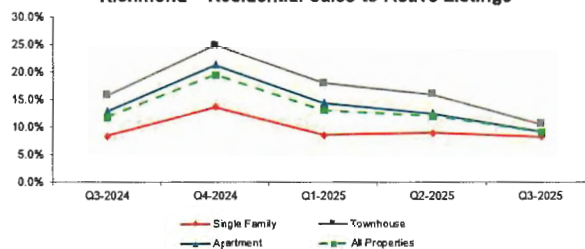
- Hotel room revenues in Richmond for the first two months of Q3 were \$69.9M, which is 5.0% higher than the same period last year.
- B.C.'s hotel occupancy rate sat at 87.2% in August, while Canada experienced its highest occupancy level since 2014 at 80.7%.

**Residential Real Estate<sup>16</sup>**

Richmond's residential real estate market remained in Buyer's Market conditions in Q3 2025, with a Sales-to-Active Listings Ratio of 9.0%. Overall sales rose 2.7% year-over-year, led by detached and townhouse properties, while apartment sales eased slightly. Benchmark prices continued to decline, with townhouses posting the largest annual drop at 9.3%. Homes took longer to sell across all property types, as elevated borrowing costs and ample supply kept downward pressure on prices.

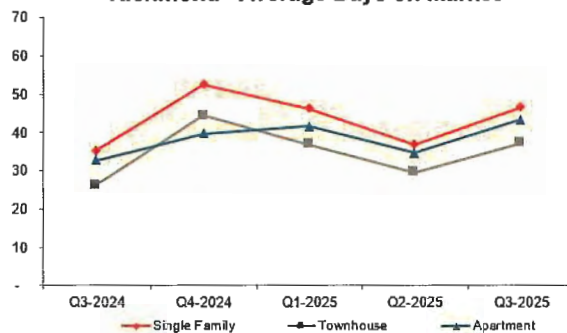
**Richmond - Residential Sales**

- Single family detached (SFD) home sales increased by 12.3% compared to Q3 2024.
- Townhouse sales have increased by 7.2% and apartment sales have decreased by 3.5% compared to Q3 2024.
- Townhouse sales comprise 22.8% of the residential home sales in Richmond. SFD and apartment sales account for 26.4% and 50.8%, respectively, of home sales in Richmond.
- There were 655 residential home sales in Richmond in Q3 2025, a 2.7% increase compared to the same period last year.
- Richmond residential properties had a sales-to-active listings ratio of 9.0% as at September 30, 2025.
- Analysis of historical data suggests downward pressure on home prices occurs when the ratio dips below 12.0% for a sustained period, while home prices often experience upward pressure when it surpasses 20.0% over several months.

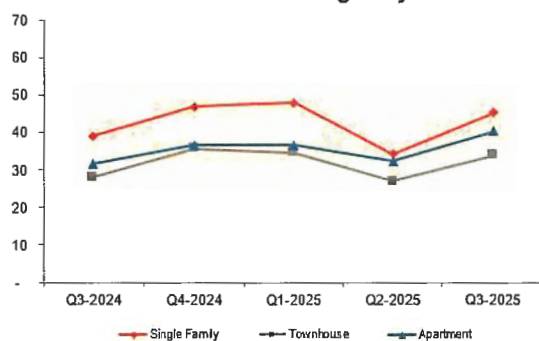
**Richmond - Residential Sales-to-Active Listings**

<sup>15</sup>City of Richmond Additional Hotel Room Tax Ledger; STR Global (September 2025).

<sup>16</sup>Greater Vancouver Realtors.

**Richmond - Average Days on Market**

- At Q3 2025, SFD properties in Richmond had an average of 47 days on the market, a 34.3% increase compared to Q3 2024.
- Townhouses and apartments in Richmond had an average of 37 and 43 days on the market, respectively, representing a 42.3% and 30.3% increase, respectively, over the same period last year.

**Greater Vancouver - Average Days on Market**

- At Q3 2025, SFD properties in GVRD had an average of 45 days on the market, which represents an increase of 15.4% compared to Q3 2024.
- Townhouses and apartments in GVRD had an average of 34 and 40 days on the market, respectively, representing a 21.4% and 25.0% increase, respectively, over the same period last year.

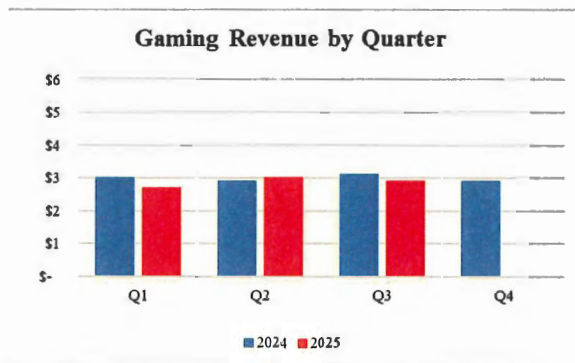
**Richmond vs. Greater Vancouver Residential Home Price Index (HPI)**

- The Home Price Index (HPI)<sup>17</sup> for SFD properties in Richmond at Q3 2025 was \$2,044,800, a 5.7% decrease compared to Q3 2024. The GVRD housing market has decreased with SFD properties priced at \$1,933,100, which represents a 4.4% decrease compared to the same quarter last year.
- At Q3 2025, the HPI for townhouse properties in Richmond was \$1,042,700, a decrease of 9.3% compared to Q3 2024. The HPI for townhouse properties in GVRD was \$1,069,800, which represents a 2.7% decrease compared to the same quarter last year
- The HPI for apartments in Richmond was \$704,600, a decrease of 4.5% compared to Q3 2024. The HPI for apartments in GVRD was \$728,800, which represents a 4.4% decrease compared to the same period last year.

<sup>17</sup> 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 Q3 2025 was \$2,906,290, a decrease of 5.5% compared to the same quarter last year when \$3,074,504 was received.
- Year to date revenue for 2025 is \$8,571,156 which is 5.3% lower than for same period for 2024 which was \$9,052,082.
- The 2025 budget for gaming revenue is \$11,500,000. Actual revenue received year to date is 74.5% 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
<b>Total</b>		<b>\$11.5M</b>

\*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 September 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 September 30, 2025 (in \$000's)

Division/Department <sup>1</sup>	Q3 YTD Net Budget <sup>2</sup>	Q3 YTD Actuals and Commitments <sup>3</sup>	Q3 YTD Variance (\$)	Projected Surplus (Deficit) before Appropriation	Estimated Appropriation	Projected Surplus (Deficit) after Appropriation
Corporate Administration	9,004	8,872	132	189	-	189
Engineering and Public Works	38,078	37,432	646	969	(708)	261
Finance and Corporate Services	22,735	22,509	226	341	-	341
Fire Rescue	41,824	42,318	(494)	(1,413)	-	(1,413)
Law and Community Safety <sup>4</sup>	2,346	1,653	693	1,389	(203)	1,186
Library	8,877	8,544	333	235	-	235
Parks, Recreation and Culture	41,177	39,924	1,253	1,453	-	1,453
Planning and Development	5,682	4,790	892	1,169	(330)	839
Policing	63,436	57,083	6,353	8,575	(2,390)	6,185
Fiscal	(219,254)	(219,476)	222	101	(981)	(880)
<b>Total</b>	<b>\$13,905</b>	<b>3,649</b>	<b>\$10,256</b>	<b>\$13,008</b>	<b>(\$4,612)</b>	<b>\$8,396</b>
Flood Protection Utility	4,393	3,615	778	844	(844)	-
Sanitary Sewer Utility	1,587	1,105	482	1	(1)	-
Sanitation and Recycling Utility	232	(1,876)	2,108	3,131	(3,131)	-
Water Utility	4,655	4,151	504	71	(71)	-
<b>Utilities Total</b>	<b>10,867</b>	<b>6,995</b>	<b>3,872</b>	<b>4,047</b>	<b>(4,047)</b>	<b>-</b>

<sup>1</sup>Net 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.

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

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

<sup>4</sup>Includes 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 underpinning fee revenue and Public Works maintenance expenses less than budgeted. Estimated appropriations at year-end include the following: \$100K for Snow & Ice control and \$608K for Fleet surplus to be transferred to the Equipment Reserve in accordance with Council's Sustainable Green Fleet Policy 2020.
- Finance and Corporate Services' favourable variance is mainly due to timing of IT maintenance contract renewals.
- Fire Rescue's unfavourable variance is primarily attributable to higher than anticipated firefighter overtime during the summer and fall months due to unforeseen absences, planned regulatory firefighter training and new recruit training. This is partially offset by savings from retirements, other statutory absences and vacant positions. \$325,000 was transferred from the Policing budget to Fire Rescue for firefighter equipment and payroll system enhancements, this transfer was 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, higher parking revenues and timing on operational expenses. Estimated appropriations at year-end includes \$203K for 2026 Capital Submission for Parking Mobile Payment Solution.
- Library's favourable variance is primarily from salaries due to vacancies. Any surplus at year-end will be appropriated for future use within Library operations.
- Parks, Recreation and Culture Services' favourable variance is mainly due to vacant positions in Recreation and Sport Services and stronger revenue from Aquatic Services and Minoru Centre for Active Living.
- Planning and Development's favourable variance is primarily due to vacant positions offset by lower revenues in Development Applications and Building Approvals. Estimated appropriations at year-end include \$330k for Community Social Development auxiliary positions to advance priorities that are in progress and expected to carry over into 2026.
- Policing's favourable variance can be attributed to lower-than-expected expenditures on the policing contract, primarily due to by vacancies within the RCMP officer complement. \$325,000 was transferred from the Policing budget to Fire Rescue for firefighter equipment and payroll system enhancements, this transfer was included in the Financial Plan Amendment. Estimated appropriations at year-end includes \$2.4M of the policing contract surplus which will be utilized in the 2026 Operating Budget to reduce the cost of policing.
- Fiscal's favourable variance is mainly from favourable investment income. Estimated appropriations at year-end include \$981K for service fees for Lulu Island Energy Company in accordance with the asset transfer agreement as presented in the 2026 Proposed Operating Budget report.
- Flood Protection Utility has a favourable variance due to timing of Public Works maintenance projects. Any surplus at year end will be transferred to the Flood Protection Provision.
- Sanitary Sewer Utility has a favourable variance due to operational savings from Public Works expenses. 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, utility fees from additional customers, and vacant positions. 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 Nine Month Period Ended September 30, 2025, with comparative figures for 2024, is included in Attachment 3.

### **Cash and Investment Portfolio**

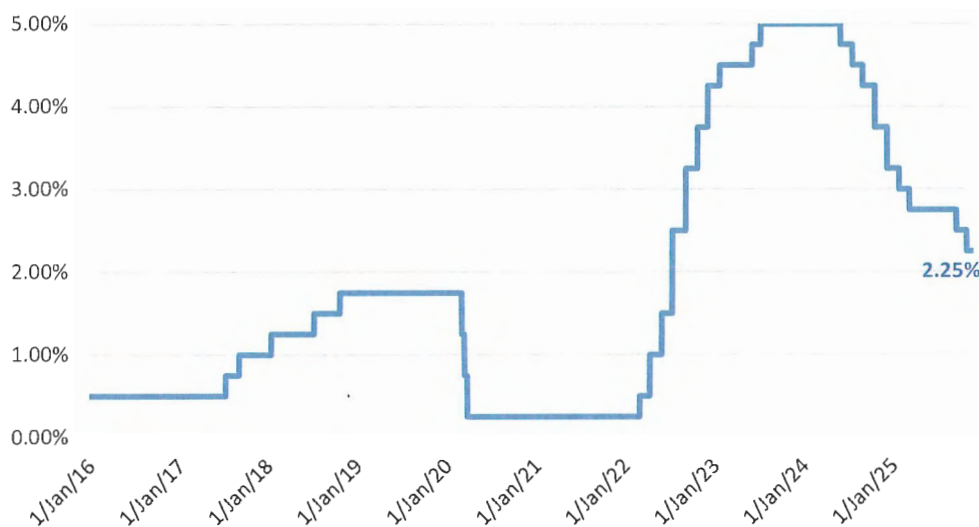
As of September 30, 2025, the City's total cash and investment balance was \$1.8 billion, which represented the City's working capital for ongoing operational obligations, as well as funds held in reserves and liability accounts for future and restricted uses. The City's total cash and investment balance



was comprised of \$1.6 billion in investments and \$247.0 million in a high interest savings cash account, with an overall investment yield of 3.9% for the quarter.

At the most recent interest rate announcement that took place on October 29, 2025, the BoC lowered the policy interest rate by 0.25% to 2.25%. This was the second consecutive cut, and the fourth cut this year. Governor Tiff Macklem stated that the current policy rate is at about the right level to keep inflation close to 2.0% while helping the economy through this period of structural adjustment. This potentially indicates the end of an easing cycle that began in the summer of 2024 where the BoC had lowered borrowing costs nine times from the high of 5.00% to the current level of 2.25%.

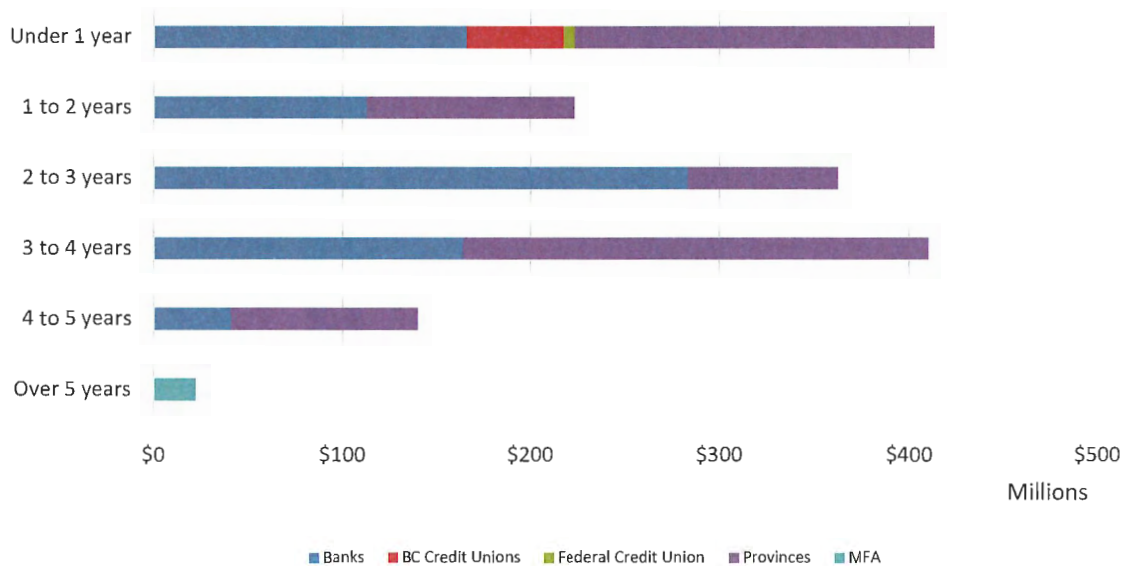
Chart 1: History of Policy Interest Rate (2016 to Current)



Source: Bank of Canada

The City's overall credit risk exposure remains stable as the City continues to maintain a diversified and high credit quality investment portfolio, where 48.8% is invested in chartered bank deposits and bonds, 46.5% in provincial government securities, 3.3% in credit unions deposits and approximately 1.4% 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 sustain a favourable investment yields in the long-run, while balancing the needs of near-term cash flow required to support operations and approved capital plans.

Chart 2: Q3 2025 Investment Maturity Summary

Staff continue to monitor the interest rate movement and 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 Q3 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 third quarter, 25 contracts greater than \$75,000 were awarded totalling over \$9.9 million (Attachment 4).

### **Financial Impact**

None.

**Conclusion**

The September 30, 2025 financial information report provides details on the economic environment, financial results and other key indicator information to the Finance and Audit 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****September 30, 2025****Macroeconomic Indicators & Forecast**

<b>1) Real GDP (% at YE)</b>	<b>2025f</b>	<b>2026f</b>			
Canada	1.2	1.5			
United States	2.0	2.1			
China	4.8	4.2			
World	3.2	3.1			
<b>2) Interest Rates (at YE)</b>	<b>2025f</b>	<b>2026f</b>			
Bank of Canada	2.25	2.25			
US FED	3.83	3.33			
<b>3) Exchange Rate (at YE)</b>	<b>2025f</b>	<b>2026f</b>			
CAD per \$1 USD	1.37	1.31			
<b>4) Unemployment (% at QE)</b>	<b>Q3-2025</b>	<b>Q2-2025</b>	<b>Change</b>	<b>Q3-2024</b>	<b>Change</b>
Canada	7.1	6.9	2.9%	6.6	7.6%
BC	6.4	5.6	14.3%	6.0	6.7%
Metro Vancouver	6.3	6.2	1.6%	6.1	3.3%
<b>5) CPI (2002=100) (at QE)</b>	<b>Q3-2025</b>	<b>Q2-2025</b>	<b>Change</b>	<b>Q3-2024</b>	<b>Change</b>
Canada	164.9	164.4	0.3%	161.1	2.4%
BC	158.8	158.8	0.0%	155.8	1.9%
Metro Vancouver	161.9	161.9	0.0%	158.9	1.9%

**Regional and Local Market Indicators**

<b>6) Richmond Building Permits</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Residential – New Construction	61	71	(14.1%)	135	192	(29.7%)
Residential – Alterations	80	79	1.3%	237	395	(40.0%)
Residential Total	141	150	(6.0%)	372	587	(36.6%)
Number of units from new residential construction	75	531	(85.9%)	660	1,166	(43.4%)
Residential	133	150	(11.3%)	364	481	(24.3%)
Commercial	102	111	(8.1%)	273	321	(15.0%)
Industrial	40	63	(36.5%)	112	141	(20.6%)
Building Permits Total	275	324	(15.1%)	749	943	(20.6%)
Construction Value (\$ million)	90.3	781.4	(88.4%)	337.0	1,256.7	(73.2%)
<b>7) Housing Starts CMHC (Units)</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Starts - Richmond	403	434	(7.1%)	571	1,368	(58.3%)
Starts - Metro Vancouver	7,602	6,225	22.1%	20,373	20,503	(0.6%)
<b>Richmond Residential Sales Activity</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Sales - Detached	173	154	12.3%	504	569	(11.4%)
Sales - Townhouse	149	139	7.2%	461	478	(3.6%)
Sales - Apartment	333	345	(3.5%)	1,033	1,148	(10.0%)
Sales - Total	655	638	2.7%	1,998	2,195	(9.0%)

**Economic Indicators****September 30, 2025****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings**

<b>Ratio (% at QE)</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>
Single Family Detached	8.1%	8.2%	(1.2%)
Townhouse	10.4%	15.7%	(33.8%)
Apartment	9.0%	12.8%	(29.7%)
<b>Total</b>	<b>9.0%</b>	<b>11.7%</b>	<b>(23.1%)</b>

**10) Average Days on Market**

<b>Property Type</b>	<b>Richmond</b>			<b>Metro Vancouver</b>		
	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>Q2-2025</b>	<b>Q2-2024</b>	<b>Change</b>
Single Family Detached	47	35	34.3%	45	39	15.4%
Townhouse	37	26	42.3%	34	28	21.4%
Apartment	43	33	30.3%	40	32	25.0%

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

<b>Property Type</b>	<b>Richmond</b>			<b>Metro Vancouver</b>		
	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>
Single Family Detached	2,045	2,169	(5.7%)	1,933	2,022	(4.4%)
Townhouse	1,043	1,149	(9.3%)	1,070	1,099	(2.7%)
Apartment	705	738	(4.5%)	729	762	(4.4%)

**12) Commercial Space (at QE)**

	<b>Richmond</b>			<b>Metro Vancouver</b>		
	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>
Office Vacancy (%)	9.4	10.9	(13.8%)	11.5	11.0	4.5%
Transit Oriented Office Vacancy (%)	11.6	7.8	48.7%	N/A	N/A	N/A
Office Inventory (000 sf)	5,134	5,090	0.9%	69,968	69,585	0.6%
Industrial Vacancy (%)	2.7	1.9	42.1%	4.3	2.8	53.6%
Industrial Inventory (000 sf)	46,672	46,243	0.9%	249,635	243,116	2.7%

**13) Richmond Business Growth**

	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Total Valid Business Licences (at QE)	14,427	14,518	(0.6%)	N/A	N/A	N/A
New Licences - Number Issued	528	541	(2.4%)	1,713	1,612	6.3%
New Licences - Employees	1,494	4,197	(64.4%)	6,002	8,220	(27.0%)
New Licences - Office Added (sf)	90,994	216,527	(58.0%)	530,061	518,256	2.3%
New Licences - Retail Added (sf)	373,919	144,004	159.7%	601,438	258,697	132.5%
New Licences - Industrial Added (sf)	146,985	567,698	(74.1%)	1,091,908	1,053,333	3.7%
<b>Total Space Added (sf)/Avg. Change</b>	<b>611,898</b>	<b>928,229</b>	<b>(34.1%)</b>	<b>2,223,407</b>	<b>1,830,286</b>	<b>21.5%</b>



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

14) Goods & People Movement	Q3-2025	Q3-2024	Change	YTD-2025	YTD-2024	Change
YVR Air Cargo (tonnes)	90,365	84,465	7.0%	261,507	246,101	6.3%
PMV Container Movement (TEUs)	992,961	914,700	8.6%	2,870,730	2,683,718	7.0%
YVR Passengers (million)	7.65	7.36	3.9%	20.50	19.96	2.7%
Richmond Hotel Revenue (\$ million)*	69.9	66.6	5.0%	218.5	214.4	1.9%

**Notes:**

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

\* Richmond Hotel Room Revenue for Q3 2025 includes July and August data only. YTD includes data from January to August.

**List of Sources:**

- 1) International Monetary Fund, *World Economic Outlook (October 2025). Global Economy in Flux, Prospects Remain Dim.*
- 2) Bank of Canada Press Release, October 29, 2025 and RBC Monthly Forecast Update, October 2025.
- 3) RBC Monthly Forecast Update, October 2025.
- 4) Statistics Canada Labour Force Characteristics (September 2025); BC Stats Labour Force Statistics Highlights, Issue #25-10.
- 5) Statistics Canada, Consumer Price Index; also Consumer Price Index, September 2025; also BC Stats, Consumer Price Index, September 2025, Issue 25-09
- 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, Q3 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 (September 2025).

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

(All dollar amounts in \$000's)

<b>1) Development Cost Charges Contributions*</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Roads, Water, Sewer DCCs Received	\$6,023	\$19,055	(68.4%)	\$16,166	\$26,494	(39.0%)
Parks DCCs Received	\$960	\$11,318	(91.5%)	\$3,696	\$16,482	(77.6%)
Total DCC Fees Received	\$6,983	\$30,373	(77.0%)	\$19,862	\$42,976	(53.8%)
DCC Reserves – Uncommitted Balance at QE	\$173,478	\$187,939	(7.7%)	N/A	N/A	N/A
<b>2) Uncommitted Reserves (at QE)</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>			
Capital Funding Reserves	\$254,441	\$207,646	22.5%			
Utility Reserves	\$97,492	\$89,406	9.0%			
Affordable Housing Reserves	\$16,650	\$9,495	75.4%			
Other Reserves	\$102,087	\$114,052	(10.5%)			
Total Uncommitted Reserves	\$470,670	\$420,599	11.9%			
<b>3) Taxes to date</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Taxes Collected	\$117,060	\$138,631	(15.6%)	\$592,819	\$558,967	6.1%
City Portion of Taxes Collected	\$59,701	\$70,702	(15.6%)	\$302,338	\$285,073	6.1%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$10,729	\$7,759	38.3%	N/A	N/A	N/A
No. of Participants on Pre-authorized withdrawal (at QE)	6,514	6,462	0.8%	N/A	N/A	N/A
Pre-authorized withdrawals payments	\$11,527	\$9,673	19.2%	\$35,734	\$32,119	11.3%
Interest rate % paid	2.95%	4.95%	(40.4%)	N/A	N/A	N/A
Sources: All data is from City of Richmond records						
<b>4) Cash and Investments</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>			
Investments	\$1,572,086	\$1,499,296	4.9%			
Cash (includes high interest savings accounts)	\$246,767	\$304,018	(18.8%)			
Total Cash and Investments	\$1,818,853	\$1,803,314	0.9%			
Average City Rate of Return on Investments %	3.85%	4.43%	(13.1%)			
<b>5) Planning and Development</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Building Permit Fees Collected	\$1,361	\$8,056	(83.1%)	\$4,760	\$12,704	(62.5%)
Development Applications Received	27	30	(10.0%)	86	88	(2.3%)
Development Applications Fees	\$160	\$275	(41.8%)	\$571	\$821	(30.5%)

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

(All dollar amounts in \$000's)

**Financial and Key Indicators (continued)**

<b>6) Business Licences</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Revenue Received for						
Current Year Licences	\$1,194	N/A	N/A	\$4,040	N/A	N/A
<i>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.</i>						
<b>7) Other Revenues</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
Parking Program Revenue	\$848	\$629	34.8%	\$2,376	\$1,830	29.8%
Gaming Revenue	\$2,906	\$3,075	(5.5%)	\$8,571	\$9,052	(5.3%)
Traffic Fine Revenue*	\$2,273	\$0	0%	\$2,273	\$2,303	(1.3%)
<b>8) Employees</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>			
Full Time Equivalent (FTE)						
Employees (at QE)	1,765	1,719	2.7%			
<i>(City and Library)</i>						
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
<b>9) Operating Indicators</b>	<b>Q3-2025</b>	<b>Q3-2024</b>	<b>Change</b>	<b>YTD-2025</b>	<b>YTD-2024</b>	<b>Change</b>
RCMP - Calls for Service						
Handled	16,604	17,536	(5.3%)	49,797	51,786	(3.8%)
Community Bylaws	2,126	2,160	(1.6%)	5,758	5,880	(2.1%)
Fire-Rescue Incidents	3,382	3,460	(2.3%)	9,799	10,147	(3.4%)
Public Works Calls for Service	4,014	3,680	9.1%	10,830	10,658	1.6%
<b>10) Richmond Population</b>	<b>2025f</b>	<b>2024f</b>				
Estimate Year End	242,454	242,966				

Population figures from BC Stats

**Notes:**

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

## Unaudited Statement of Operations<sup>1</sup>

For the Nine Month Period Ended September 30, 2025, with comparative figures for 2024.

(in \$000's)

	Budget Sep 30, 2025	Actuals Sep 30, 2025	Actuals Sep 30, 2024
<b>Revenue:</b>			
Taxes and levies	\$254,455	\$253,721	\$238,877
Utility fees	131,781	130,598	117,277
Sales of services	37,493	33,226	33,141
Payments-in-lieu of taxes	15,001	15,889	15,882
Provincial and federal grants	21,784	7,075	13,005
Development cost charges	9,644	4,600	34,549
Other capital funding sources	58,652	23,014	27,767
Other revenue:			
Investment income	22,977	46,149	51,150
Gaming revenue	8,870	8,571	9,052
Licences and permits	11,033	9,830	18,007
Other	22,636	20,793	30,431
Equity income	420	1,516	1,742
	<b>\$594,746</b>	<b>\$554,982</b>	<b>\$590,880</b>
<b>Expenses:</b>			
Law and community safety	\$128,692	\$119,677	\$113,079
Utilities <sup>4</sup>	121,979	116,527	100,181
Engineering, transportation, public works and project development	57,052	52,159	51,360
Parks, recreation and culture services	61,147	57,871	55,639
General government	59,338	61,050	56,614
Planning and development	17,888	15,637	21,906
Library services	9,740	9,524	9,161
	<b>\$455,836</b>	<b>\$432,445</b>	<b>\$407,940</b>
YTD Surplus (Annual Surplus) <sup>2</sup>	\$138,910	\$122,537	\$182,940
Accumulated surplus, beginning of year	4,014,470	4,014,470	3,831,531
Accumulated surplus, end of Sep 30 <sup>3</sup>	<b>\$4,153,380</b>	<b>\$4,137,007</b>	<b>\$4,014,471</b>

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

<sup>2</sup>Annual 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.

<sup>3</sup>Accumulated 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.

<sup>4</sup>Utilities includes flood protection, water, sanitary sewer, and sanitation and recycling.

**Contract Awards Greater than \$75,000**July 1<sup>st</sup> to September 30<sup>th</sup>, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department/Section
1	Fire Hall No. 7 System Renewals	Edifice Construction Inc.	1,389,970	Project Development
2	Supply and Delivery of Electronic Key Cabinets and Key Management Systems	ECOS Systems Inc.	99,364	Facility Services
3	Supply and Delivery of LUCAS 3 Chest Compression System	Stryker Canada ULC	224,034	Fire-Rescue
4	Supply and Delivery of Multiple Conventional Two (2) Ton Dual Wheel Crew Cabs with 9' (nine foot) Dump Bodies	Mainland Ford Ltd.	280,736	Fleet Operations
5	Supply and Delivery of Two (2) Fully Electric Vans	Metro Motors Ltd.	172,300	Fleet Operations
6	Invasive Species Management Services (4 year term)	Green Admiral Nature Restoration	447,438	Climate & Environment and Parks
7	Review of Corporate Risk Framework	Price Waterhouse Coopers LLP	142,580	Business Services
8	Provision of Engineering Quality Assurance Program (2 year term)	E.X.L. Engineering Inc.	213,000	Engineering Design and Construction
9	Supply and Delivery of One (1) Asphalt Paver	Rollins Machinery Ltd.	410,900	Fleet Operations
10	Supply and Delivery of Multiple One Ton Crew Cab Pickup Trucks	Mainland Ford Ltd.	132,351	Fleet Operations
11	Steveston Community Centre and Library - Temporary Community Centre and Library	Scott Construction Ltd.	1,301,125	Project Development
12	Cambie and No. 4 Road Intersection Improvements	B.A. Blacktop Infrastructure Inc.	1,621,284	Engineering Design and Construction
13	Adobe Software Subscriptions - August 2025 - August 2026	CDW Canada	119,588	IT Administration



**Contract Awards Greater than \$75,000 (continued)**July 1<sup>st</sup> to September 30<sup>th</sup>, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department/Section
14	Supply and Delivery of Flygt Pumps for Miller Road Drainage Pump Station	Xylem Canada LP	151,170	Flood Protection
15	Concrete Barriers for Westminster Highway at No. 2 Road Transportation Improvement Program	Eagle West Crane & Rigging	84,112	Roads and Construction Services
16	City Hall Annex First Floor Tenant Improvements - Design and Contract Administration Services	Mallen Gowing Berzins Architecture	127,253	Project Development
17	Paving for the Canal Stabilization Projects on Sidaway Road, No. 6 Road, Westminster Highway and No. 7 Road	GB Paving Ltd.	1,827,540	Engineering Design and Construction
18	Supply and Delivery - Lease a Mailing and a Folder/Inserter/Sealer and an Envelope Opener System - (5 year term)	Pitney Bowes of Canada Ltd.	93,900	IT Infrastructure Services
19	PeopleSoft Pay Advice Services	Attain Solutions Inc.	88,600	IT Business and Enterprise Systems
20	Phoenix Net Loft Concept Design and Interior Program	Iredale Architecture	95,115	Project Development
21	Richmond Ice Centre Interior Renewals - Design and Contract Administration	Mallen Gowing Berzins Architecture	159,470	Project Development
22	King George/Cambie Community Park Shade Structure - Design Build Services	Parkworks Solutions Corp.	82,114	Parks, Planning Design and Construction
23	Supply and Delivery of Oracle SPARC Servers	Eclipsys Solutions Inc.	398,445	IT Infrastructure Services
24	Supply and Delivery of Scott Air SCBA Packs	Brogan Fire & Safety	114,968	Fire-Rescue
25	Supply and Delivery of One (1) High Roof Cargo Van with Rear Crew Seat	Mercedes-Benz Boundary	100,119	Fleet Operations