



To: Finance and Audit Committee

Date: August 7, 2026

From: Jerry Chong
General Manager, Finance and Corporate
Services

File: 03-0970-09-01/2025-
Vol 01

Re: Financial Information - 2nd Quarter June 30, 2026

Staff Recommendation

That the report titled Financial Information – 2nd Quarter June 30, 2026, from the General Manager, Finance and Corporate Services, dated August 7, 2026, be received for information.

Executive Summary

This report provides an update on the City's economic environment, financial results, investment position and key operating indicators before the annual audited financial statements are presented.

Richmond's economy showed mixed results. Tourism, YVR activity, hotel revenue and industrial/commercial activity remained strong, while housing starts, construction value and development-related revenues softened.

City's year-to-date operating results are favourable compared to the approved 2026 Financial Plan. Net operating activity has a favourable variance of \$3.3 million, or 5.7% including Utilities. These variances are primarily attributable to vacant positions, timing differences in expenditures, and lower-than-budgeted policing contract costs.

Financial indicators remained stable overall. Total cash and investments were \$2.22 billion at June 30, 2026, a 3.1% increase from Q2 2025, with investment activities conducted in compliance with the City's Investment Policy 3703. The City continued to maintain a diversified, high-quality investment portfolio and received an independent ESG rating of "AA" for its fixed income portfolio. In addition, 43 contracts greater than \$75,000 were awarded during the first quarter, totalling over \$39.9 million.

Staff Report

Origin

Pre-audited financial information for the second quarter (ended June 30, 2026) 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.

Economic Overview

At mid-year, the global economy has remained resilient despite ongoing geopolitical uncertainty and the impacts of the war in the Middle East. Growth is being supported by strong investment in new technologies, including artificial intelligence (AI), while some economies continue to face challenges from higher energy costs and ongoing uncertainty. The International Monetary Fund (IMF) forecasts global growth of 3.0% in 2026 and 3.4% in 2027, broadly in line with its previous outlook. The U.S. economy is forecast to grow by 2.3% in 2026, while China's GDP growth is expected to reach 4.6%.

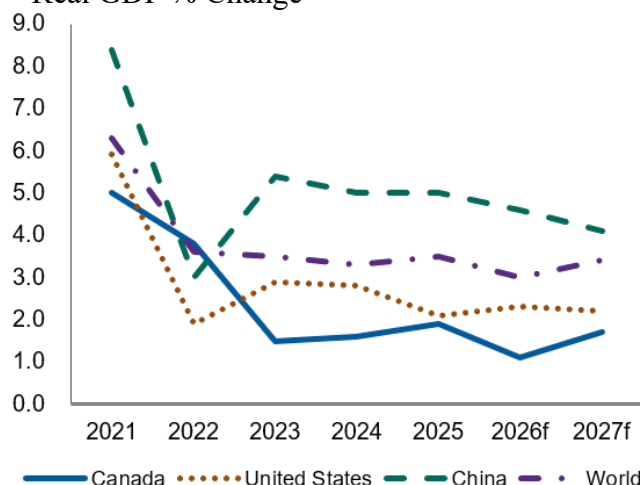
Canada's economic outlook remains subdued, with GDP growth forecasted to slow to 1.1% in 2026 and then rising to 1.7% in 2027. Growth is expected to be impacted by ongoing uncertainty, including slower population growth and weaker business investment. However, trade conditions remain relatively supportive with Canada-United States-Mexico Agreement (CUSMA) exemptions still protecting most Canadian exports from U.S. tariffs. In addition, resilient consumer spending continues to provide support to economic growth.

Inflation in British Columbia has remained relatively stable, with the Consumer Price Index increasing 2.8% year over year in June 2026. While some goods and services have seen larger price increases than others, overall inflation has moderated compared with previous years and is expected to ease further as economic conditions improve.

Richmond's economy continues to demonstrate resilience amid a slower national economic outlook and ongoing global uncertainty, supported by strong demand for industrial space, increased commercial permitting, growing passenger and cargo activity at YVR, and a strong tourism sector. While housing development and construction activity have softened, Richmond's diverse economy and strategic location continue to support stable economic performance.

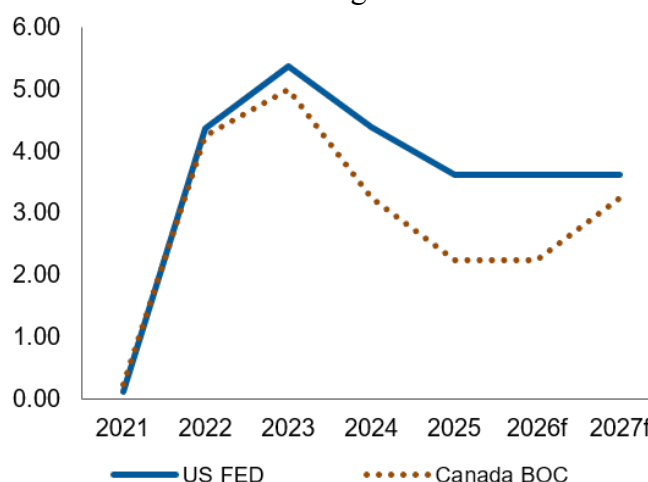
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Change¹



- The IMF projects global GDP growth to be 3.0% in 2026, down from 3.5% in 2025, with a modest rebound to 3.4% in 2027. Growth is expected to be supported by investment in AI despite ongoing geopolitical tensions and higher energy prices.
- In 2026, Canadian GDP is now forecasted to slow to 1.1%, with U.S. and China GDP forecasts at 2.3% and 4.6%, respectively.

2) Interest Rates – U.S. and Canadian Overnight Central Bank Rate % at Year-End²



- At the end of Q2 2026, the Bank of Canada (BOC) continued to maintain its overnight lending rate at 2.25%, despite ongoing trade and energy price uncertainty.
- The U.S. Federal Reserve (U.S. FED) is expected to maintain its key borrowing rate within the 3.50%-3.75% range through to 2027. While stronger labour market conditions and persistent inflation have increased the possibility of additional rate hikes, the current outlook is that rates will remain unchanged.

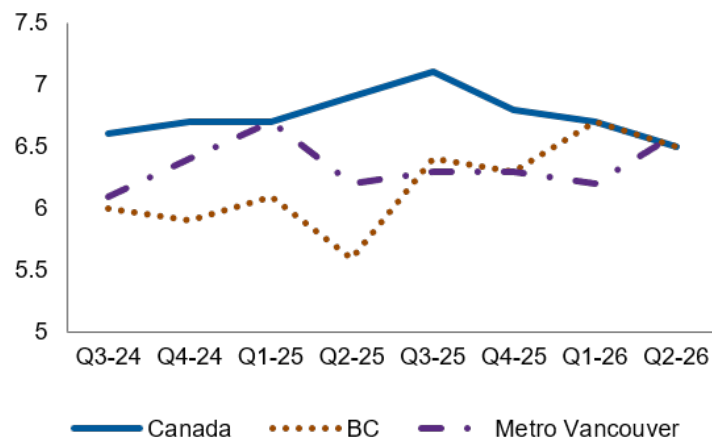
¹ International Monetary Fund, World Economic Outlook (July 2026). Global Economy in Crosscurrents of War and Technology.

² US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; RBC Monthly Forecast Update, July 2026.

3) Exchanges Rates – CAD/USD at Year-End³

Note: RBC's exchange rate forecasts for 2026 and 2027 are not yet available.

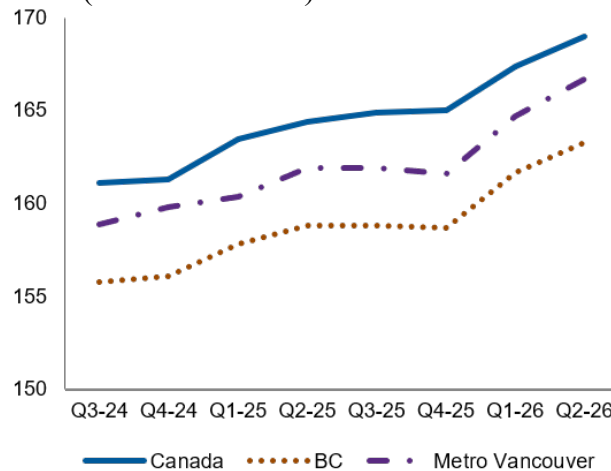
- The Canadian dollar was trading at \$1.42 CAD/\$1 USD at the end of Q2 2026, indicating some weakening from the end of 2025, compared with \$1.37 CAD/\$1 USD.

4) Unemployment⁴

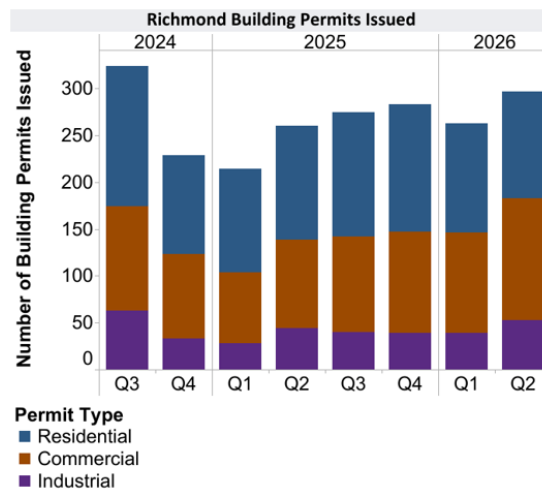
- According to Statistics Canada, at the end of Q2 2026, the Canadian, B.C. and Metro Vancouver unemployment rates were 6.5%, 6.5% and 6.6%, respectively.
- The province added 7,800 jobs in June, with approximately two-thirds of the increase in full-time employment, while the unemployment rate declined to 6.5%, suggesting improving but still cautious labour market conditions.

³ RBC Monthly Forecast Update, July 2026.

⁴ Statistics Canada Labour Force Survey (June 2026); BC Stats, Labour Force Statistics Highlights, June 2026.

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

- Canada's CPI was up 2.8% in June 2026 when compared to June 2025. British Columbia also increased 2.8%, ranking the second lowest among the provinces. Metro Vancouver saw a 3.0% increase over the same period.
- Gasoline prices fell 10.2% month-over-month in June as some easing of geopolitical tensions during the period helped lower global oil prices, though prices remained 20.5% higher year-over-year.

Regional & Local Economic Activity Indicators6) Building Permits – Richmond⁶

Source: City of Richmond

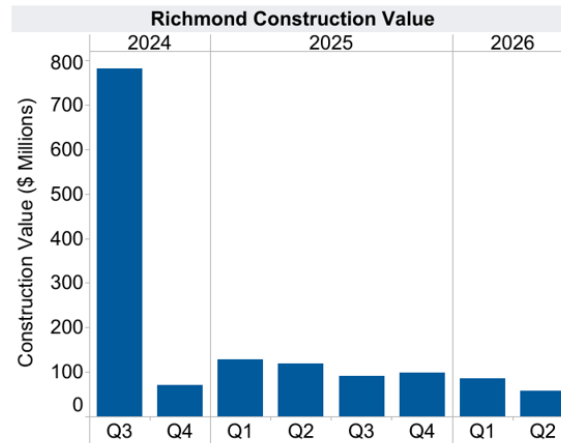
- During the second quarter of 2026, 114 residential, 130 commercial and 53 industrial building permits were issued in Richmond.
- This represents a 14.2% increase in total building permits issued over the same period in 2025, with the highest increase in commercial building permits at 36.8%.

⁵ Statistics Canada, Consumer Price Index; also Consumer Price Index, June 2026; also BC Stats, Consumer Price Index, June 2026, Issue #26-06.

⁶ City of Richmond Building Permits.

- 30 new housing units were added to Richmond's housing supply in Q2 2026, a 92.3% decrease compared with the same period in 2025. Substantial year-over-year fluctuations in quarterly housing units are expected as large residential projects can contribute a significant number of dwelling units in a single month. The trend is for fewer construction starts of larger, multi-family residential projects.

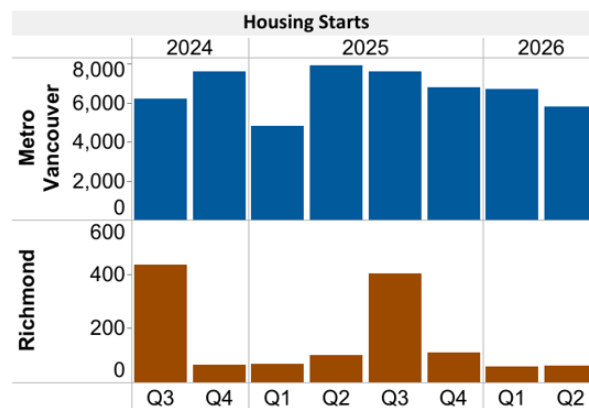
7) Construction Value⁷



Source: City of Richmond

- Approximately \$57.7 million in construction value was registered in Q2 2026, representing a 51.6% decrease compared to the same period last year.
- Although substantial quarter-to-quarter fluctuations in construction value are expected, the overall trend indicated lower construction value year-over-year.

8) Housing Starts⁸



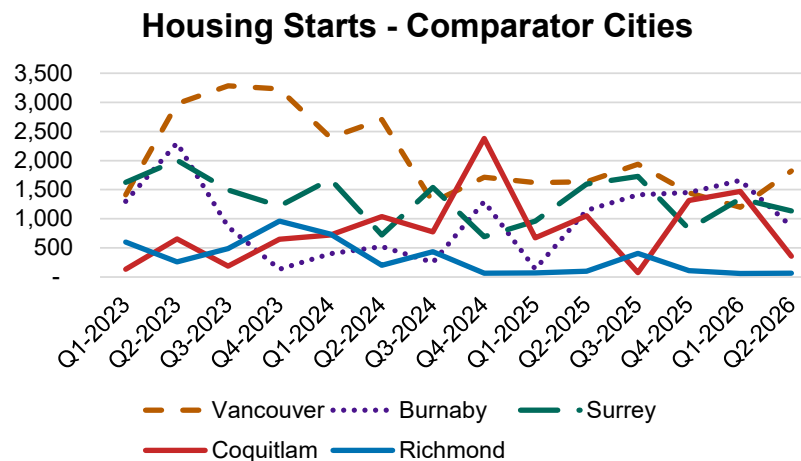
Housing Starts
 ■ Metro Vancouver
 ■ Richmond

Source: Canada Mortgage and Housing Corporation

⁷ City of Richmond Building Permits.

⁸ Canada Mortgage and Housing Corporation for Housing Starts and Unabsorbed Units.

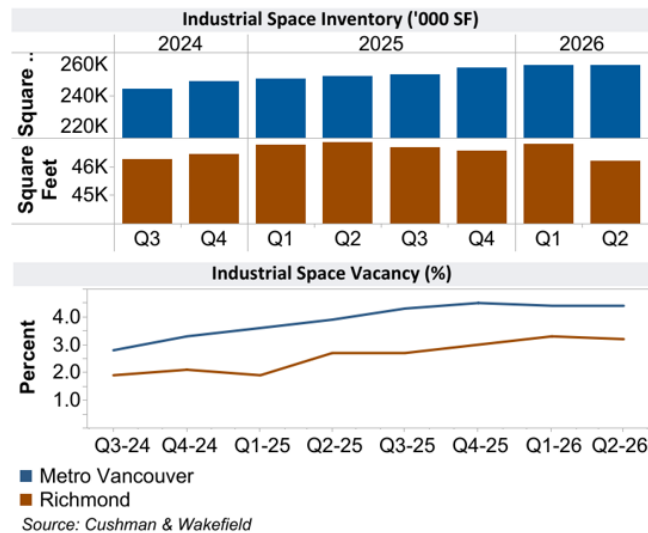
- In Q2 2026, there were 63 housing starts in Richmond and 5,815 across Metro Vancouver, as reported by the Canada Mortgage and Housing Corporation (CMHC) based on confirmed construction commencement.⁹
- Compared with the same period in 2025, year-to-date housing starts declined by 26.8% in Richmond and 2.0% across Metro Vancouver. While quarter-to-quarter comparisons across sequential years can show significant volatility, the broader trend suggests that housing starts are declining on a year-over-year basis.
- Although the economic factors for residential development affect communities throughout the region, Richmond is particularly impacted by the high construction costs specifically due to geology, high development property costs and the inability to build beyond 15 stories in accordance with airport and Transport Canada regulations. The height limitation, not affecting other communities, makes it challenging for developers to spread costs across enough units to support project viability.



- The Metro Vancouver housing starts statistics are broken down further including select comparator cities in the chart above.
- CMHC forecasts indicate that housing starts in Metro Vancouver and British Columbia are expected to remain below historical averages over the 2026–2028 period, reflecting elevated construction costs, softer demand and higher inventories of unsold units, particularly in the condominium segment.

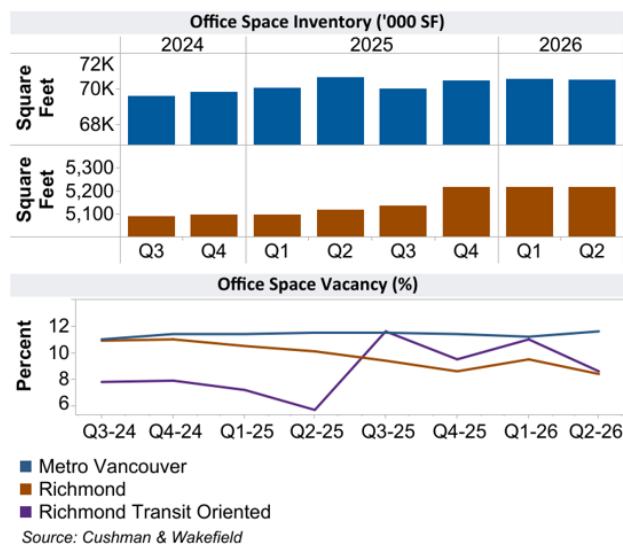
⁹ Housing Start is defined as the beginning of construction work on a building, generally when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

9) Commercial Space¹⁰
 a) Industrial Space



- Following three years of consecutive increases, industrial vacancy in Metro Vancouver remained unchanged from Q1 2026 at 4.4%, with demand and available space staying balanced despite ongoing economic uncertainty.
- Richmond's industrial vacancy rate remained lower than the Metro Vancouver average at 3.2% in Q2 2026, reflecting continued strong demand for industrial space.
- Quarter-over-quarter, average industrial asking rents in Richmond increased slightly to \$21.02/square foot, which reflects higher asking rates for newer industrial space.

b) Office Space

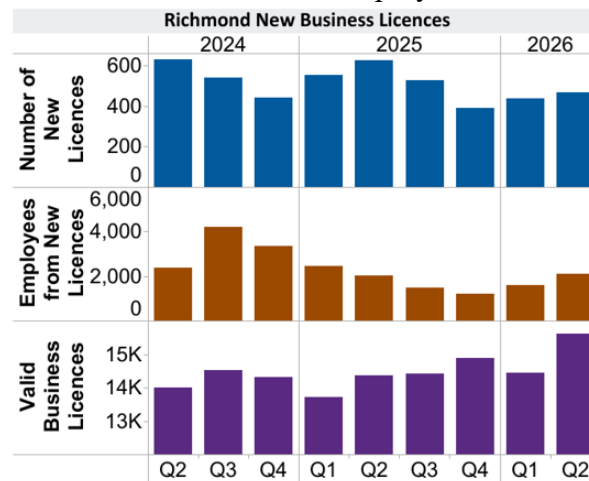


¹⁰ Cushman & Wakefield Office and Industrial Market Beat Reports, Q2 2026.

- At the end of Q2 2026, Metro Vancouver's office vacancy rate increased slightly to 11.6%, up from 11.5% in Q2 2025. Market conditions remained relatively stable, with limited new office space added during the quarter.
- In Richmond, the office vacancy rate decreased to 8.4% in Q2 2026, down from 10.1% year-over-year.
- Transit-oriented office vacancy in Richmond decreased to 8.6%, down from 11.0% in Q1 2026. This rate is largely driven by vacant office spaces in newly built developments that are in the process of being absorbed.
- Average asking rents in Richmond continue to be the lowest in Metro Vancouver.

10) Business Growth – Richmond¹¹

a) New Business Licences – Number and Employees

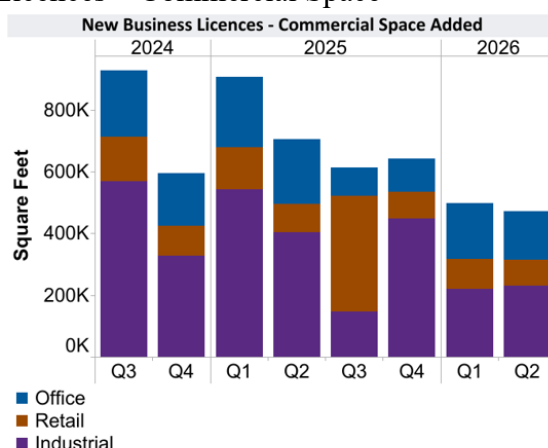


Source: City of Richmond

- The City of Richmond issued 468 new business licences in Q2 2026, representing 2,091 jobs. This was a 25.6% decrease in new licences and a 2.7% increase in associated jobs compared to the same period last year. Fluctuations in the number of new business licences are expected from quarter-to-quarter.
- There were 15,622 total valid business licences at the end of Q2 2026, an 8.7% increase from the same time last year. This increase is due in part to staff's continued efforts to follow up on outstanding applications and confirm business status.

¹¹ City of Richmond Business Licensing Data.

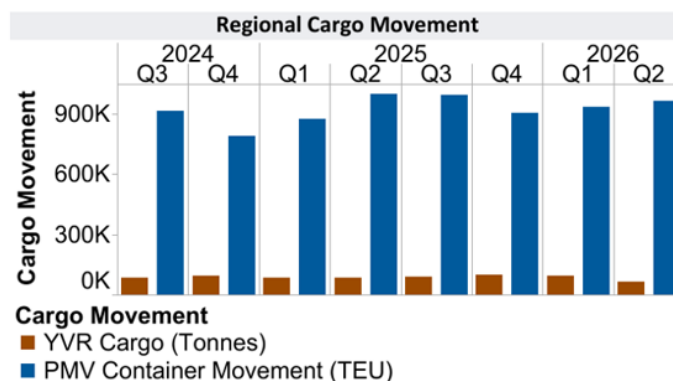
b) New Business Licences – Commercial Space



Source: City of Richmond

- New business licences issued in Q2 2026 accounted for 471,939 square feet of commercial space absorption, a 33.0% decrease compared to the same period last year.
- Industrial accounted for the largest share of space absorption at 229,825 square feet, followed by office at 157,965 square feet and retail at 84,149 square feet.
- Commercial space absorption can fluctuate from quarter to quarter depending on the scale and space needs of businesses opening or expanding during the period.

11) Goods and People Movement

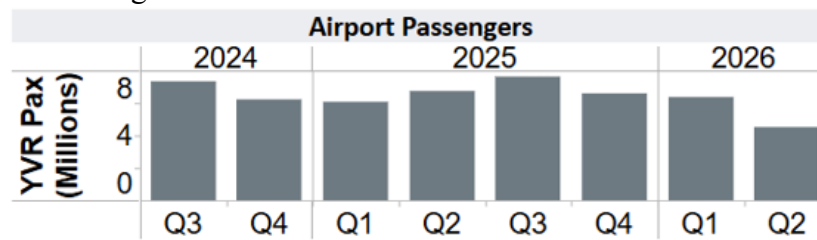
a) Regional Cargo Movement¹²

Source: PMV; YVR.

Note: YVR for Q2 2026 includes April and May data only, where Q2 2025 includes the full 3 months.
The analysis compares the same periods for Q2, i.e. April and May only for both 2026 and 2025.

- In Q2 2026, the Port of Vancouver (PMV) handled 966,516 twenty-foot equivalent units (TEUs) of cargo, representing a 3.4% decrease compared with the same period in 2025.
- In April and May of Q2 2026, 66,728 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is a 16.3% increase as compared to the same period last year.

¹² Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.

b) Airport Passengers¹³

Note: The chart for YVR for Q2 2026 includes April and May data only, where Q2 2025 includes the full 3 months. The analysis compares the same periods for Q2, i.e. April and May only for both 2026 and 2025.

- Passenger travel through YVR continued to be strong, with an increase of 4.2% during the first two months of Q2 2026 (4.5 million) as compared to the same period last year (4.3 million).
- As a host city for the FIFA World Cup 2026™, nearly 2.8 million passengers travelled through YVR during the games period from June 8 to July 10, averaging nearly 86,000 travellers per day.

c) Hotel Revenue¹⁴

Source: City of Richmond Hotel Tax Ledger

The chart for Richmond Hotel Room Revenue for Q2 2026 includes April and May data only, where Q2 2025 includes the full 3 months. The analysis compares the same periods for Q2, i.e. April and May only for both 2026 and 2025.

- Richmond hotel room revenue in the first two months of Q2 2026 was \$63.7 million, representing a 30.8% increase compared with the same period last year.
- Year-to-date hotel room revenue in Richmond (January to May 2026) increased 30.4% year-over-year. Performance in 2026 has continued to build on the strong momentum established in 2025.
- General Municipal and Regional District Tax (MRDT) revenues for April and May totaled \$1,783,240.

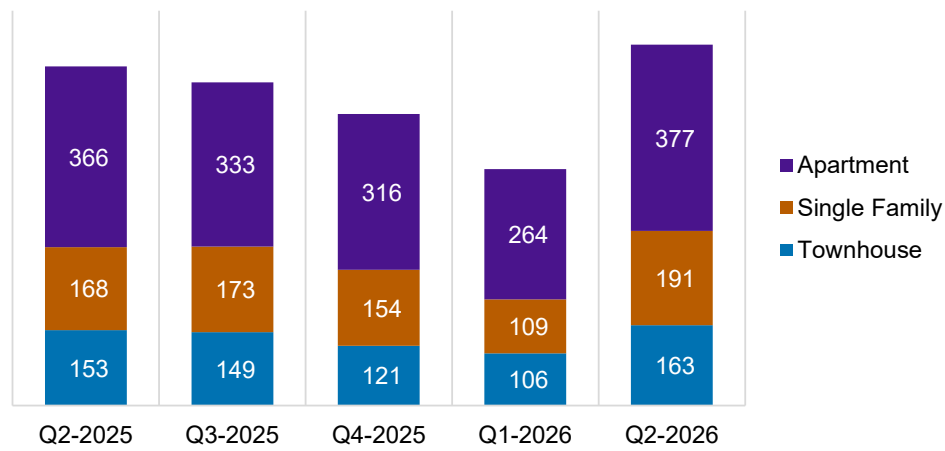
¹³ YVR Monthly Statistics, YVR News.

¹⁴ City of Richmond Hotel Tax Ledger.

Residential Real Estate

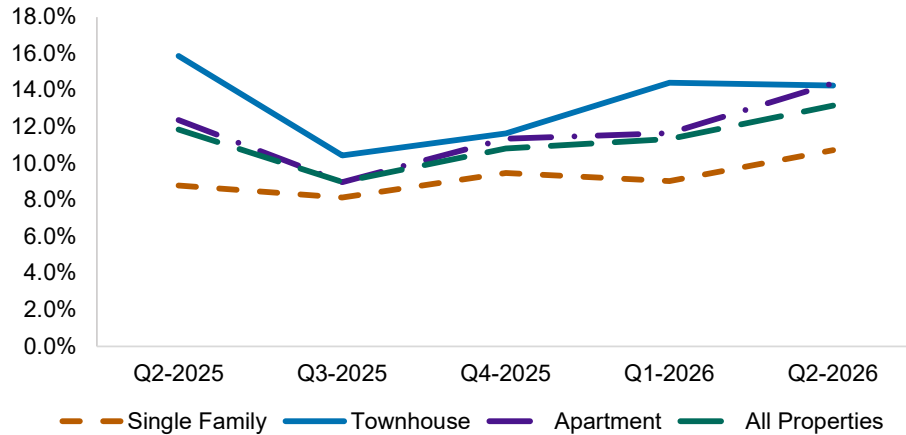
Richmond's residential real estate market remained in balanced market conditions in Q2 2026, with a total of 731 residential homes sold and a sales-to-active listings ratio of 13.2%. Overall sales increased 6.4% year-over-year, led by a 13.7% rise in single-family detached home sales, while townhouse and apartment sales increased by 6.5% and 3.0% respectively. Selling times continued to lengthen, with average days on market increasing to 46 for single-family detached homes, 38 for townhouses and 44 for apartments. Despite stronger sales activity, home prices declined across all property types compared to the same period last year.

Richmond - Residential Sales



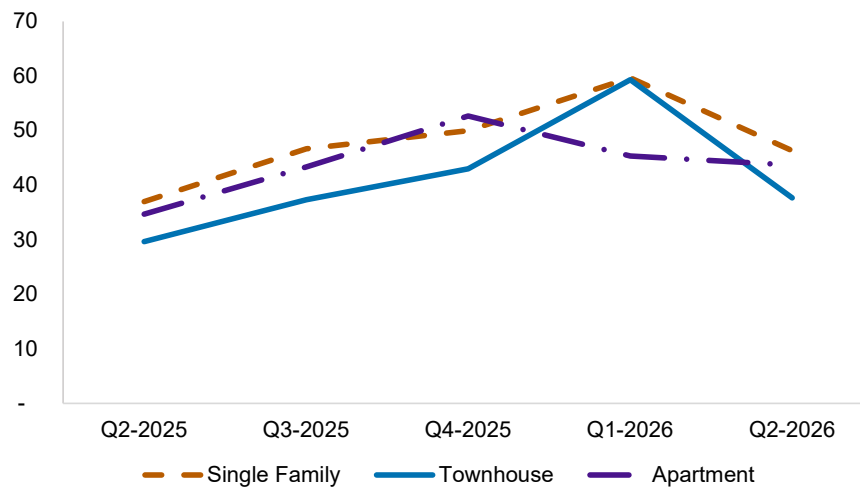
- Single-family detached (SFD) home sales increased by 13.7% compared to Q2 2025.
- Townhouse sales have increased by 6.5%, and apartment sales have increased by 3.0% compared to Q2 2025.
- Townhouse sales comprise 22.0% of the residential home sales in Richmond. SFD and apartment sales account for 26.0% and 52.0%, respectively, of home sales in Richmond.
- There were 731 residential home sales in Richmond in Q2 2026, a 6.4% increase compared to the same period last year.

Richmond - Residential Sales-to-Active Listings



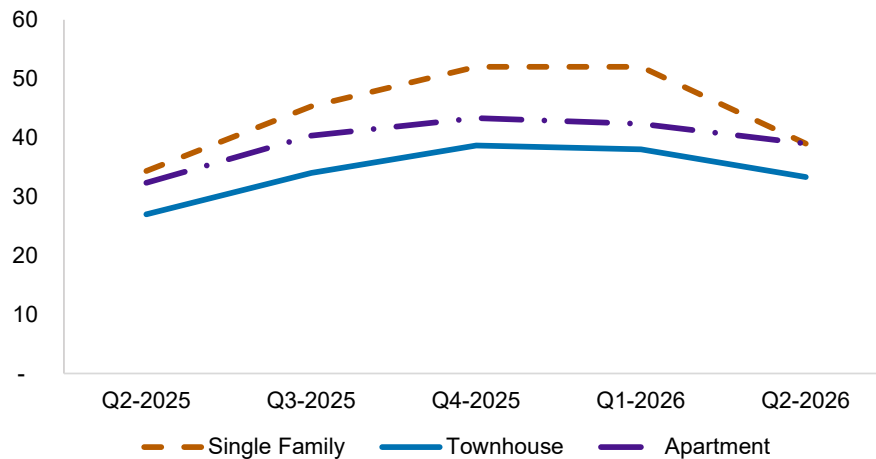
- Richmond residential properties had a sales-to-active listings ratio of 13.2% as at June 30, 2026.
- Analysis of historical data suggests downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months.

Richmond - Average Days on Market



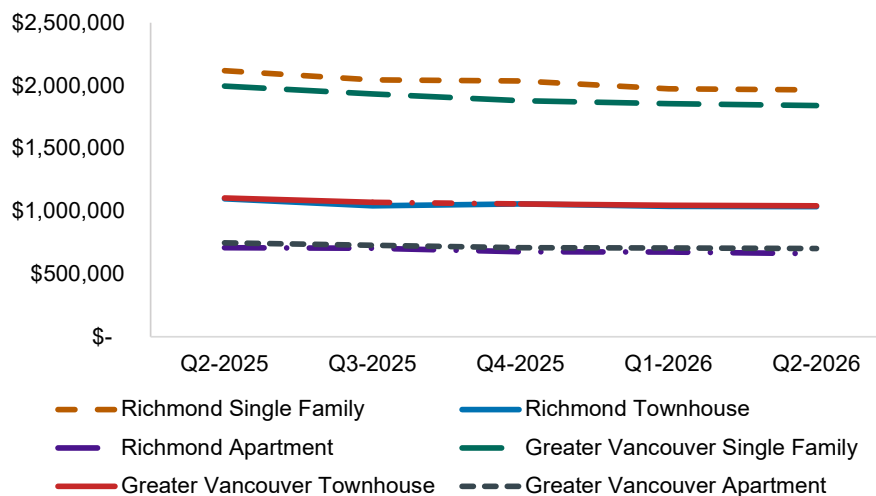
- At Q2 2026, SFD properties in Richmond had an average of 46 days on the market, a 24.3% increase compared to Q2 2025.
- Townhouses and apartments in Richmond had an average of 38 and 44 days on the market, respectively, representing a 26.7% and 25.7% increase, respectively, over the same period last year.

Greater Vancouver - Average Days on Market



- At Q2 2026, SFD properties in GVRD had an average of 39 days on the market, which represents an increase of 14.7% compared to Q2 2025.
- Townhouses and apartments in GVRD had an average of 33 and 39 days on the market, respectively, representing a 22.2% and 21.9% increase, respectively, over the same period last year.

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



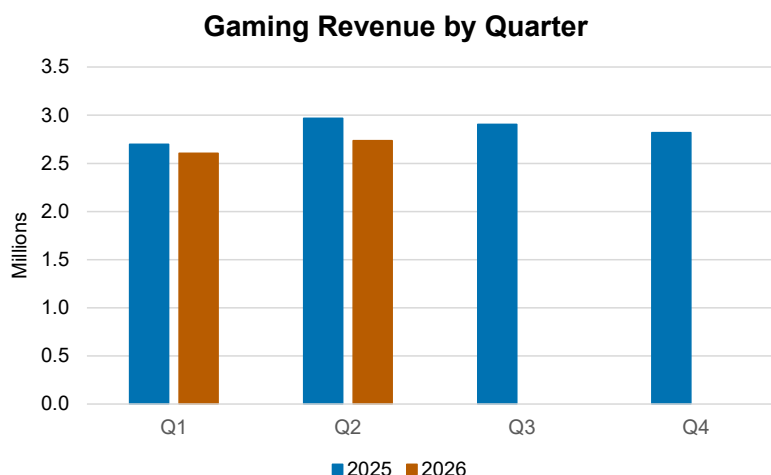
- The Home Price Index (HPI)¹⁵ for SFD properties in Richmond at Q2 2026 was \$1,964,000, a 7.2% decrease compared to Q2 2025. The GVRD housing market has decreased with SFD properties priced at \$1,840,700, which represents a 7.7% decrease compared to the same quarter last year.

¹⁵Home 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.

- At Q2 2026, the HPI for townhouse properties in Richmond was \$1,036,400, a decrease of 5.6% compared to Q2 2025. The HPI for townhouse properties in GVRD was \$1,043,400, which represents a 5.5% decrease compared to the same quarter last year.
- The HPI for apartments in Richmond was \$662,200, a decrease of 6.6% compared to Q2 2025. The HPI for apartments in GVRD was \$703,000, which represents a 6.0% decrease compared to the same period last year.

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 2026 was \$2,736,570, a decrease of 7.8% compared to the same quarter last year when \$2,967,526 was received.
- The 2026 budget for gaming revenue is \$10,500,000. Actual revenue received year to date is 50.9% of the total budget.

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

At the January 26, 2026 Council meeting, the 2026 Budget was approved which included the gaming revenue allocation for 2026. 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 2026 gaming revenue allocation

	Distribution	2026 Budget
Capital Reserves	Remainder	\$1.0M
Grants	Policy	2.9M
Council Community Initiatives Account	2%	0.2M
Debt Servicing	Fixed	6.4M
Total		\$10.5M

Operating Activity

Table 2 compares budget to unaudited actual activity up to June 30, 2026. 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, 2026 to June 30, 2026 (in \$000s)

Division/Department¹	Q2 YTD Net Budget²	Q2 YTD Actuals and Commitments³	Q2 YTD Variance (\$)	Q2 YTD Variance (%)
Corporate Administration	\$6,148	\$5,988	\$160	2.6%
Engineering and Public Works	31,552	31,750	(198)	0.6%
Finance and Corporate Services	16,394	15,849	545	3.3%
Fire-Rescue	29,559	29,510	49	0.2%
Law and Community Safety ⁴	805	803	2	0.2%
Library	6,899	6,499	400	5.8%
Parks, Recreation and Culture	28,872	28,296	576	2.0%
Planning and Development	4,059	3,979	80	2.0%
Policing	44,573	41,979	2,594	5.8%
Fiscal	(127,383)	(128,484)	1,101	0.9%
Total	\$41,478	\$36,169	\$5,309	12.8%
Flood Protection Utility	\$9,075	\$9,064	\$11	0.1%
Sanitary Sewer Utility	3,987	5,989	(2,002)	50.2%
Sanitation and Recycling Utility	1,128	251	877	77.7%
Water Utility	2,826	3,703	(877)	31.0%
Utilities Total⁵	\$17,016	\$19,007	(\$1,991)	11.7%

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 26, 2026.

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.

⁵Utilities are restricted funds where amounts collected for each utility may only be used for that utility's intended purpose. Each utility also has an associated rate stabilization provision established through any accumulated surplus from prior years.

The following section provides an explanation on a Divisional/Departmental basis of year-to-date variances in relation to the 2026 Financial Plan:

- Corporate Administration's favourable variance is mainly due to vacant positions.
- Engineering and Public Works has an unfavourable variance due to the timing of operational spending.
- Finance and Corporate Services' favourable variance is mainly due to vacant positions and the timing of IT maintenance and subscription contract renewals.
- Fire-Rescue's favourable variance is mainly driven by Firefighter vacant positions, retirements and leaves offset by higher Firefighter overtime usage.
- Law and Community Safety (excluding fire-rescue and policing) is on budget.
- Library's favourable surplus is mainly due to vacant positions and timing of operational spending. 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.
- Planning and Development has a favourable variance due to vacant positions.
- Policing's favourable variance is due to lower-than-budgeted expenditures on the policing contract, primarily driven by vacant positions within the RCMP officer complement.
- Fiscal's favourable variance is mainly due to favourable investment income and timing of expenditures.
- Flood Protection Utility is on budget. Any surplus at year-end will be transferred to the Flood Protection Provision.
- Sanitary Sewer Utility's unfavourable variance is due to metered utility revenue being lower than budgeted based on forecast assumptions. Operating costs payable to Metro Vancouver for sanitary sewer services are fixed, resulting in a higher variance relative to the Water Utility. An estimate for the anticipated funding requirement will be included in the financial plan amendment from the Sewer Levy Stabilization Provision.
- Sanitation and Recycling Utility's favourable variance is due to vacant positions, favourable utility fees and timing of operational spending. Any surplus at year-end will be transferred to the General Solid Waste and Recycling Provision.
- Water Utility's unfavourable variance is mainly due to lower metered utility revenue as a result of water consumption levels being lower than projected. This is likely attributable to Metro Vancouver's water restrictions which entered Stage 2 and Stage 3 in June. The impact was partially offset by lower water purchase costs from Metro Vancouver. An estimate for the anticipated funding requirement will be included in the financial plan amendment from the Water Levy Stabilization 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, 2026, with comparative figures for 2025, is included in Attachment 3.

Cash and Investment Portfolio

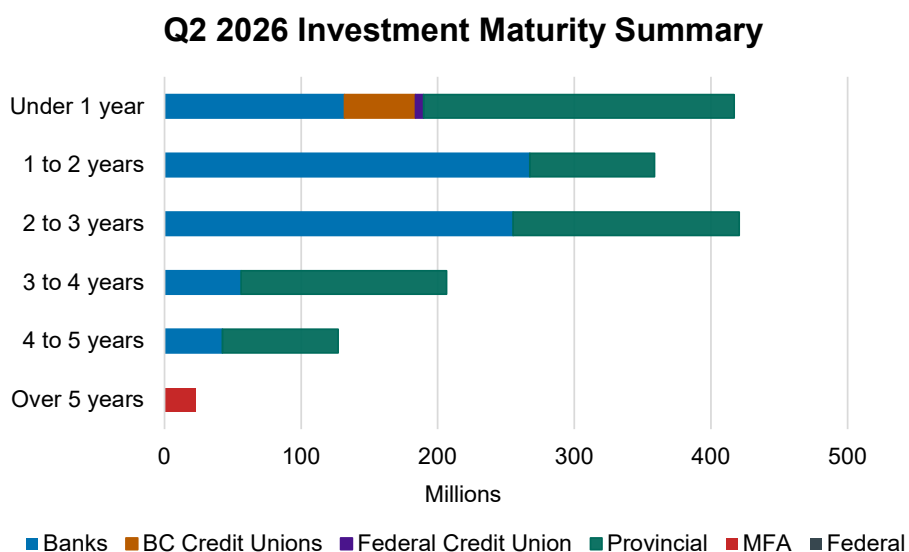
As of June 30, 2026, the City's total cash and investment balance was \$2.22 billion, which represented the City's working capital for ongoing operational obligations, as well as funds held in reserves and liability accounts for future and restricted uses. The higher than usual cash and investment balance is mainly due to the timing of property tax collection for the July 2, 2026 due date. The City has subsequently remitted approximately \$350 million to various external agencies for taxes that were collected on their behalf.

The City's total cash and investment balance was comprised of \$1.59 billion in investments and \$634 million in high interest savings cash accounts, with an overall investment yield of 3.64% for the quarter.

At the most recent July 15, 2026 interest rate announcement meeting, the BOC held the policy interest rate unchanged at 2.25%. This marks the sixth consecutive decision by the BOC to hold the interest rate since the last reduction in late 2025. Inflation remains the key source of uncertainty, with CPI inflation around 3% mainly due to higher energy costs stemming from the conflict in the Middle East. The BOC will continue to assess the strength of the Canadian economy and the outlook for inflation and is prepared to adjust monetary policy as needed.

The City's overall credit risk exposure remains stable as the City continues to maintain a diversified and high credit quality investment portfolio, where 49% is invested in chartered bank deposits and bonds, 46% in provincial and federal government securities, 3% in credit union 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 sustain 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 a high ESG Rating of "AA" as of Q2 2026.

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 second quarter, 43 contracts greater than \$75,000 were awarded, totaling \$39.9 million (Attachment 4).

Budgetary Implications

None.

Conclusion

The June 30, 2026, financial information report provides details on the economic environment, financial results and other key indicator information to the Finance and Audit Committee for information.

Respectfully submitted,

Mike Ching, Director, Finance

Report Contributors

This report was prepared by Cindy Gilfillan, Manager, Financial Reporting and reviewed by: Arts, Culture and Heritage Services; Building Approvals; Climate & Environment; Community Bylaws; Community Safety Administration; Community Social Development; Development Applications; Economic Development; Engineering; Facilities and Project Development; Fire-Rescue; Housing Office; Information Technology; Library Services; Parks Services; Policy Planning; PRC, Planning and Strategic Initiatives; Public Works; RCMP; Real Estate Services; Recreation and Sport Services; and Transportation.

Endorsed by Serena Lusk, CAO

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

Economic Indicators**June 30, 2026****Macroeconomic Indicators & Forecast**

1) Real GDP (% at YE)	2024	2025	Change	2026f	2027f
Canada	1.6	1.9	18.8%	1.1	1.7
United States	2.8	2.1	(25.0%)	2.3	2.2
China	5.0	5.0	0.0%	4.6	4.1
World	3.3	3.5	6.1%	3.0	3.4
2) Interest Rates (at YE)	2024	2025	Change	2026f	2027f
Bank of Canada	3.25	2.25	(30.8%)	2.25	3.25
US FED	4.38	3.63	(17.1%)	3.63	3.63
3) Exchange Rate (at YE)	2024	2025	Change	2026f	2027f
CAD per \$1 USD	1.32	1.44	9.1%	1.37	1.34
4) Unemployment (% at QE)	Q2-2026	Q1-2026	Change	Q2-2025	Change
Canada	6.5	6.7	(3.0%)	6.9	(5.8%)
BC	6.5	6.7	(3.0%)	5.6	16.1%
Metro Vancouver	6.6	6.2	6.5%	6.2	6.5%
5) CPI (2002=100) (at QE)	Q2-2026	Q1-2026	Change	Q2-2025	Change
Canada	169.0	167.4	1.0%	164.4	2.8%
BC	163.3	161.7	1.0%	158.8	2.8%
Metro Vancouver	166.7	164.7	1.2%	161.9	3.0%

Regional and Local Market Indicators

6) Richmond Building Permits	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Residential – New Construction*	24	44	(45.5%)	57	74	(23.0%)
Residential – Alterations	90	77	16.9%	174	157	10.8%
Residential Total	114	121	(5.8%)	231	231	0.0%
*Number of units from new residential construction	30	391	(92.3%)	75	585	(87.2%)
Residential	114	121	(5.8%)	231	231	0.0%
Commercial	130	95	36.8%	237	171	38.6%
Industrial	53	44	20.5%	92	72	27.8%
Building Permits Total	297	260	14.2%	560	474	18.1%
Construction Value (\$ million)	57.7	119.2	(51.6%)	143.8	246.7	(41.7%)
7) Housing Starts CMHC (Units)	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Starts - Richmond	63	99	(36.4%)	123	168	(26.8%)
Starts - Metro Vancouver	5,815	7,937	(26.7%)	12,521	12,771	(2.0%)
8) Richmond Residential Sales Activity	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Sales - Detached	191	168	13.7%	300	331	(9.4%)
Sales - Townhouse	163	153	6.5%	269	312	(13.8%)
Sales - Apartment	377	366	3.0%	641	700	(8.4%)
Sales - Total	731	687	6.4%	1,210	1,343	(9.9%)

Economic Indicators**June 30, 2026****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings**

Ratio (% at QE)	Q2-2026	Q2-2025	Change
Single Family Detached	10.7%	8.8%	21.6%
Townhouse	14.3%	15.9%	(10.1%)
Apartment	14.4%	12.4%	16.1%
Total	13.2%	11.8%	11.9%

10) Average Days on Market

Property Type	Richmond			Metro Vancouver		
	Q2-2026	Q2-2025	Change	Q2-2026	Q2-2025	Change
Single Family Detached	46	37	24.3%	39	34	14.7%
Townhouse	38	30	26.7%	33	27	22.2%
Apartment	44	35	25.7%	39	32	21.9%

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

Property Type	Richmond			Metro Vancouver		
	Q2-2026	Q2-2025	Change	Q2-2026	Q2-2025	Change
Single Family Detached	1,964	2,117	(7.2%)	1,841	1,995	(7.7%)
Townhouse	1,036	1,098	(5.6%)	1,043	1,104	(5.5%)
Apartment	662	709	(6.6%)	703	748	(6.0%)

12) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q2-2026	Q2-2025	Change	Q2-2026	Q2-2025	Change
Office Vacancy (%)	8.4	10.1	(16.8%)	11.6	11.5	0.9%
Transit Oriented Office Vacancy (%)	8.6	5.7	50.9%	N/A	N/A	N/A
Office Inventory (000 sf)	5,216	5,116	2.0%	70,499	70,623	(0.2%)
Industrial Vacancy (%)	3.2	2.7	18.5%	4.4	3.9	12.8%
Industrial Inventory (000 sf)*	46,185	46,843	(1.4%)	254,129	249,039	2.0%

13) Richmond Business Growth

	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Total Valid Business Licences (at QE)	15,622	14,368	8.7%	15,622	14,368	8.7%
New Licences - Number Issued	468	629	(25.6%)	905	1,185	(23.6%)
New Licences - Employees	2,091	2,037	2.7%	3,697	4,508	(18.0%)
New Licences - Office Added (sf)	157,965	209,245	(24.5%)	337,820	439,067	(23.1%)
New Licences - Retail Added (sf)	84,149	91,785	(8.3%)	180,934	227,519	(20.5%)
New Licences - Industrial Added (sf)	229,825	403,107	(43.0%)	450,190	944,923	(52.4%)
Total Space Added (sf)/Avg. Change	471,939	704,137	(33.0%)	968,944	1,611,509	(39.9%)

Economic Indicators**June 30, 2026****Regional and Local Market Indicators (continued)**

14) Goods & People Movement	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
YVR Air Cargo (tonnes)**	66,728	57,384	16.3%	160,023	142,105	12.6%
PMV Container Movement (TEUs)	966,516	1,000,182	(3.4%)	1,901,593	1,877,769	1.3%
YVR Passengers (million)**	4.51	4.33	4.2%	10.88	10.42	4.4%
Richmond Hotel Revenue (\$ million)***	63.7	48.7	30.8%	135.6	104.0	30.4%
MRDT Revenues (\$ million)***	1.78	1.36	30.8%	3.80	2.91	30.4%

Notes:

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

*The Q2 2026 industrial inventory decrease is primarily due to ongoing validation by the source, rather than a significant market-driven change.

**YVR data for Q2 2026 and Q2 2025 includes April and May data only. YTD includes data from January to May.

***Richmond Hotel Room Revenue and MRDT Revenues for Q2 2026 includes April and May only. YTD includes data from January to May.

List of Sources:

- 1) International Monetary Fund, World Economic Outlook (July 2026). Global Economy in Crosscurrents of War and Technology.
- 2) US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; RBC Monthly Forecast Update, July 2026.
- 3) RBC Monthly Forecast Update, July 2026.
- 4) Statistics Canada Labour Force Survey (June 2026); BC Stats, Labour Force Statistics Highlights, June 2026.
- 5) Statistics Canada, Consumer Price Index; also Consumer Price Index, June 2026; also BC Stats, Consumer Price Index, June 2026, Issue #26-06.
- 6) City of Richmond Building Permits.
- 7) City of Richmond Building Permits.
- 8) Canada Mortgage and Housing Corporation.
- 9) Cushman & Wakefield Office and Industrial Market Beat Reports, Q2 2026.
- 10) City of Richmond Business Licencing data.
- 11) Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.
- 12) YVR Monthly Statistics, YVR News.
- 13) City of Richmond Hotel Tax Ledger.

Financial and Key Indicators**June 30, 2026**

(All dollar amounts in \$000s)

1) Development Cost Charges Contributions	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Roads, Water, Sewer DCCs Received	\$107	\$352	(69.6%)	\$2,161	\$10,143	(78.7%)
Parks DCCs Received	\$30	\$33	(9.1%)	\$231	\$2,736	(91.6%)
Total DCC Fees Received	\$137	\$385	(64.4%)	\$2,392	\$12,879	(81.4%)
DCC Reserves – Uncommitted Balance at QE	\$172,482	\$166,495	3.6%	N/A	N/A	N/A
2) Uncommitted Reserves (at QE)	Q2-2026	Q2-2025	Change			
Capital Funding Reserves	\$249,461	\$213,843	16.7%			
Utility Reserves	\$89,478	\$97,245	(8.0%)			
Affordable Housing Reserves	\$17,798	\$16,553	7.5%			
Other Reserves	\$93,439	\$101,651	(8.1%)			
Total Uncommitted Reserves	\$450,176	\$429,292	4.9%			
3) Taxes to date	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Taxes Collected	\$464,302	\$453,665	2.3%	\$483,992	\$475,759	1.7%
City Portion of Taxes Collected	\$236,794	\$231,369	2.3%	\$246,836	\$242,637	1.7%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$17,348	\$14,464	19.9%	\$17,348	\$14,464	19.9%
No. of Participants on Pre-authorized Withdrawal (at QE)	6,443	6,373	1.1%	6,443	6,373	1.1%
Pre-authorized Withdrawals Payments	\$9,503	\$9,687	(1.9%)	\$23,898	\$24,208	(1.3%)
Interest Rate % Paid	2.45%	2.95%	(16.9%)	2.45%	2.95%	(16.9%)
Sources: All data is from City of Richmond records						
4) Cash and Investments	Q2-2026	Q2-2025	Change			
Investments	\$1,587,800	\$1,580,120	0.5%			
Cash (Includes High Interest Savings Accounts)	\$634,516	\$575,925	10.2%			
Total Cash and Investments	\$2,222,316	\$2,156,045	3.1%			
Average City Rate of Return %	3.64%	4.00%	(9.0%)			
5) Planning and Development	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Building Permit Fees Collected	\$1,126	\$1,268	(11.2%)	\$2,529	\$3,399	(25.6%)
Development Applications Received	53	28	89.3%	89	59	50.8%
Development Applications Fees	\$110	\$206	(46.6%)	\$527	\$410	28.5%

Financial and Key Indicators**June 30, 2026**

(All dollar amounts in \$000s)

Financial and Key Indicators (continued)

6) Business Licences	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Revenue Received for						
Current Year Licences	\$1,148	\$997	15.1%	\$3,369	\$2,845	18.4%
7) Other Revenues	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Parking Program Revenue	\$941	\$794	18.5%	\$1,758	\$1,527	15.1%
Gaming Revenue	\$2,737	\$2,968	(7.8%)	\$5,341	\$5,665	(5.7%)
Traffic Fine Revenue	\$0	\$0	0.0%	\$0	\$0	0.0%
8) Employees	Q2-2026	Q2-2025	Change			
Full Time Equivalent (FTE)						
Employees (at QE)	1,773	1,759	0.8%			
(City and Library)						
FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.						
9) Operating Indicators	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
RCMP - Calls for Service						
Handled	17,710	16,744	5.8%	34,383	33,193	3.6%
Community Bylaws	2,298	2,048	12.2%	3,993	3,632	9.9%
Fire-Rescue Incidents	3,263	3,147	3.7%	6,339	6,417	(1.2%)
Public Works Calls for Service	3,517	3,720	(5.5%)	6,673	6,816	(2.1%)
10) Richmond Population	2026f	2025	2024	2023	2022	
Estimate Year End						
	238,628	239,584	242,142	235,936	228,349	
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, 2026, with comparative figures for 2025.
(in \$000s)

	Budget June 30, 2026	Actuals June 30, 2026	Actuals June 30, 2025
Revenue:			
Taxation and levies	\$176,289	\$176,078	\$167,886
Utility fees	92,283	88,378	83,886
Sales of services	26,426	26,600	22,871
Payments-in-lieu of taxes	10,518	10,518	9,300
Provincial and federal contributions	6,583	7,048	2,809
Development cost charges	5,513	3,805	3,613
Other capital funding sources	37,492	11,897	12,737
Other revenue:			
Investment income	24,358	28,598	29,807
Gaming revenue	5,433	5,341	5,665
Licences and permits	8,254	7,361	7,004
Other	9,336	23,371	21,698
Equity income in LIEC	1,076	1,382	1,109
	\$403,561	\$390,377	\$368,385
Expenses:			
Law and community safety	\$89,410	\$84,037	\$80,677
Utilities ²	86,484	82,418	72,265
General government	51,233	56,869	55,821
Parks, recreation and culture	41,761	39,666	37,398
Engineering, transportation, public works and project development	39,603	35,933	33,658
Planning and development	13,305	11,516	10,509
Richmond Public Library	6,967	6,580	6,233
	\$328,763	\$317,019	\$296,561
YTD surplus (annual surplus) ³	\$74,798	\$73,358	\$71,824
Accumulated surplus, beginning of year	3,915,713	3,915,713	3,949,912
Accumulated surplus, end of June 30 th	\$3,990,511	\$3,989,071	\$4,021,736

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

²Utilities includes flood, sanitation, sewer and water.

³Annual 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.

⁴Accumulated 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.

Contract Awards Greater than \$75,000

April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
1	946F - Community Safety Building - Access Control Upgrade	Receiver General for Canada (RCMP-Ontario)	\$228,358	Law and Community Safety
2	948F - Animal Shelter Operations and Animal Control Services (three year term)	BC SPCA	3,718,985 initial term 1,014,678 remaining terms 2,704,307	Law and Community Safety
3	8481Q - Supply and Delivery of One (1) Medium Flat Deck Crane Truck	Dams Ford Lincoln Sales Ltd.	255,226	Engineering and Public Works
4	957IQ - Britannia Shipyard - Building Exhibit Unpack and Re-Installation	Charlemain Productions Ltd.	94,500	Parks, Recreation and Culture
5	8402PQ – Office Supply and Installation	Heritage Office Furnishings Ltd.	220,672	Engineering and Public Works
6	954S - Operation of Restorative Justice Program - 2026-2028	Touchstone Family Association	332,310 initial term 110,770 remaining terms 221,540	Law and Community Safety
7	956IQ - First Nations Building Reconstruction - Quality Assurance Services	Iredale Architecture Inc.	111,565	Engineering and Public Works
8	8511Q -- Supply and Delivery of Multiple Conventional Two (2) Ton Dual Wheel Crew Cab Dump with 9' (Nine Foot) Dump Body	Abbotsford Chrysler Dodge Jeep Ram Ltd.	483,476	Engineering and Public Works
9	959IQ - Supply and Installation of Sport Fence at Burkeville Park	Streamline Fencing Ltd.	138,681	Parks, Recreation and Culture
10	9581Q - Recycling Depot Fence Upgrade	Fortress Fencing Inc.	76,350	Engineering and Public Works
11	8495P - Granville Avenue and Cooney Road Channelized Island Removal	Amrize Canada Inc.	826,090	Engineering and Public Works
12	964IQ - Richmond Ice Centre Fire Watch Services	Aimpoint Security Solutions Inc.	78,449	Engineering and Public Works

Contract Awards Greater than \$75,000 (continued)April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
13	8538Q - Rental of Coveralls and Related Services (3 year term)	Alsco Canada Corporation	337,281 initial term 112,427 remaining terms 224,854	Finance and Corporate Services
14	8506P - MRN and Non-MRN Asphaltic Concrete Paving	1166618 B.C. Ltd. DBA Save On Blacktop	8,232,265	Engineering and Public Works
15	8268P – Demolition for Works Yard Replacement - Phase 1	PCL Constructors Westcoast Inc.	1,574,664	Engineering and Public Works
16	967F - Project Manager and Business Analyst for the Workforce Management Solution	S.I. Systems Partnership	249,600	Finance and Corporate Services
17	8560Q - Supply and Delivery of Dell Virtualized Host Servers	Turning Point Technology Services Inc.	192,248	Finance and Corporate Services
18	8500P - Provision of Consulting Services for Streetlight Condition Assessment	Evair Consulting, Inc.	280,880	Engineering and Public Works
19	8541P - Permit Enhancements to Amanda and Citizen Portal	Meraki IT Consulting Incorporated	217,500	Finance and Corporate Services
20	9771Q - Kaiwo Maru	Japan Agency of Maritime Education and Training for Seafarers	136,240	Parks, Recreation and Culture
21	8385Q - Supply and Delivery of Safety Equipment (3 year term)	Associated Fire Safety Group WFR Wholesale Fire & Rescue Firetech Manufacturing Ltd.	481,870 initial term 267,205 remaining terms 214,665	Law and Community Safety
22	8555Q - Palo Alto Firewall Refresh, Support Licences and Subscriptions	Ion United Inc.	161,170	Finance and Corporate Services
23	9691Q - Asphalt Paving for No. 3 Road West Laneway Upgrades Project	1166618 B.C. Ltd. DBA Save On Blacktop	110,432	Engineering and Public Works

Contract Awards Greater than \$75,000 (continued)April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
24	984F - Application Traffic Load Balancer Refresh	Compugen Inc.	174,714	Finance and Corporate Services
25	8551 NOITC - AMANDA License Subscription and Maintenance (5 year term)	Granicus LLC	713,466 initial term 134,384 remaining terms 579,082	Finance and Corporate Services
26	978F - Imaging Development	Microserve	84,367	Finance and Corporate Services
27	981S - Voter Cards and Guide - Data Format, Printing and Postage - 2026 Election	IDRS	180,343	Finance and Corporate Services
28	8307P - Phase 1 - Provision of Parking Meter Equipment	J.J. MacKay Canada Limited	402,535	Law and Community Safety
29	8553P - Garratt Wellness Centre - Roof Replacement	Langley Roofing Co. Ltd.	264,800	Engineering and Public Works
30	8176P - West Richmond Pavilion - Facility Construction	PCL Constructors Westcoast Inc.	15,653,720	Engineering and Public Works
31	8561 NOITC - Marina Management Services (3 year term)	Dorset Realty Group Canada Ltd.	240,000 initial term 80,000 remaining terms 160,000	Finance and Corporate Services
32	8412P - Community Safety Division, Joint Mobile Command Unit	Intercontinental Truck Body (BC) Ltd.	1,347,325	Law and Community Safety
33	989F - PeopleSoft Financials Technical Support License Expansion 2026	Oracle Canada ULC	76,250	Finance and Corporate Services
34	991F - Minoru Centre for Active Living - Family Hot Tub and Leisure Pool Defender Filter Rebuild	Riverwest General Contractors Ltd.	212,814	Engineering and Public Works
35	8546Q - Supply and Delivery of Multiple Fully Electric Crossover Vehicles	Wheaton Chevrolet Buick GMC Ltd.	137,755	Engineering and Public Works

Contract Awards Greater than \$75,000 (continued)April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
36	8530Q - Cisco Support and Licensing (3 year term)	Long View Systems	437,897 initial term 250,122 remaining terms 187,775	Finance and Corporate Services
37	996IQ - Garratt Wellness Centre - Boiler Replacement	Division Mechanical Ltd.	84,590	Engineering and Public Works
38	997S - Public Sector Annual Subscription Lease	Infor Canada Ltd.	151,107	Finance and Corporate Services
39	9941Q - Supply and Delivery of Bank Stabilizing Materials for the No. 9 Road Canal Stabilization Project	Terrafix Geosynthetics Inc.	135,791	Engineering and Public Works
40	8437Q - Supply and Delivery of Carbon Dioxide (CO2) at Minoru Centre for Active Living (3 year term)	Linde Canada Inc.	282,259 initial term 94,086 remaining terms 188,173	Parks, Recreation and Culture
41	8575Q - Seine Net Loft Heritage Items Protection, Relocation and Storage	Charlemaine Productions Ltd.	159,000	Parks, Recreation and Culture
42	8547Q - Supply and Delivery of Multiple Conventional Two (2) Ton Dual Wheel Crew Cab with 9' (Nine Foot) Dump Body and Required Outfitting	Viking-Cives, Ltd.	319,441	Engineering and Public Works
43	8556 RFI - Budget Planning & Monitoring Phase 2	EPM One Consulting Ltd.	294,580	Finance and Corporate Services