



City of Richmond

Report to Committee

To: Finance Committee

Date: May 2, 2025


From: Mike Ching, CPA, CMA
Director, Finance

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




Re: Financial Information - 1st Quarter March 31, 2025

Staff Recommendation

That the staff report titled, "Financial Information – 1st Quarter March 31, 2025", dated May 2, 2025 from the Director, Finance, be received for information.


Mike Ching, CPA, CMA
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 and 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"/>	Public Works	<input checked="" type="checkbox"/>
Development Applications	<input checked="" type="checkbox"/>	RCMP	<input checked="" type="checkbox"/>
Economic Development	<input checked="" type="checkbox"/>	Real Estate Services	<input checked="" type="checkbox"/>
Engineering	<input checked="" type="checkbox"/>	Recreation & Sport Services	<input checked="" type="checkbox"/>
Facilities and Project Development	<input checked="" type="checkbox"/>	Transportation	<input checked="" type="checkbox"/>
Fire Rescue	<input checked="" type="checkbox"/>		
		CONCURRENCE OF GENERAL MANAGER	
			
SENIOR STAFF REPORT REVIEW	INITIALS:	APPROVED BY CAO	
			

Staff Report

Origin

Pre-audited financial information for the first quarter (ended March 31, 2025) is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with an overview of the City of Richmond's (the City's) financial results throughout the year and before the annual audited financial statements are presented.

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

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

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

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

Economic Overview

Following a prolonged period of unprecedented shocks, global growth had appeared to stabilize with steady but modest growth. However, the landscape has shifted once again, as governments reassess policy priorities and uncertainties have increased. Global growth forecasts have significantly declined within the first quarter of the year, driven by historically high tariff rates and an increasingly unpredictable economic environment. The International Monetary Fund (IMF) is now forecasting global growth rates of 2.8% and 3.0% for 2025 and 2026 respectively. Meanwhile, global headline inflation is now expected to ease more gradually than previously projected.

Canada's growth outlook primarily aligns with global trends, reflecting a moderated pace of expansion that is projected to continue. Real Gross Domestic Product (GDP) is expected to remain stable at 1.4% in 2025 before rising to 1.6% in 2026.¹ The ongoing trade conflict with the United States (U.S.) has introduced significant uncertainty into Canada's economic outlook. Tariffs are expected to continue weighing on Canadian businesses, with growing concerns about a weaker U.S. outlook due to reciprocal tariffs and potential spillover effects on Canada. Inflation in Canada, as in B.C. and Metro Vancouver, is trending lower than global numbers and is expected to stabilize around the 2.0% target in the medium term.

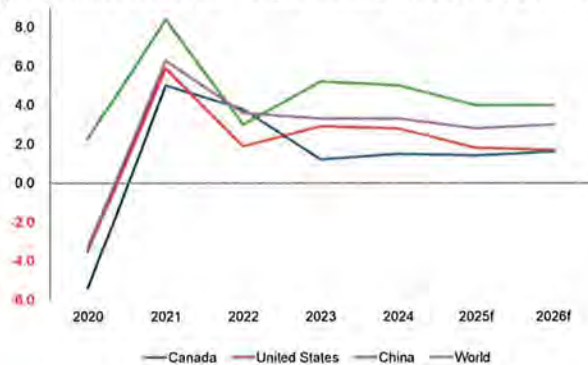
Richmond's economy remains relatively robust and resilient, driven by its diversified nature. While businesses face challenges such as uncertainty regarding tariffs and associated impacts, financing difficulties for large projects, labour shortages, and high input costs, overall economic activity remains strong. Industrial vacancy rates dipped slightly this past quarter after edging upwards at the end of 2024, and the industrial real estate market remains quite competitive.

¹ International Monetary Fund, *World Economic Outlook*, April 2025.

Office vacancy has trended downward and remains lower than the Metro Vancouver average. Low growth should be expected in 2025, aligned with global conditions.

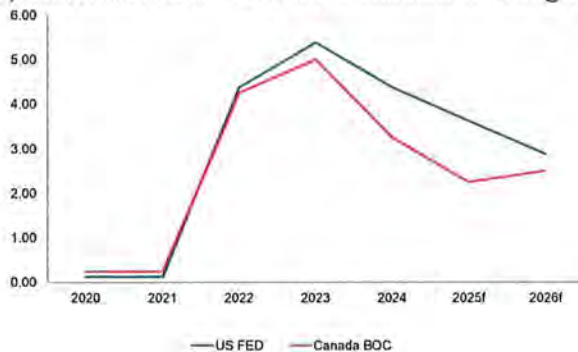
Macroeconomic Indicators & Forecast

1) Global Growth – Real Gross Domestic Product % Change²



- The IMF projects global GDP to decrease from the 2024 rate of 3.3% to 2.8% in 2025, before increasing to 3.0% in 2026. April data reflects a downward revision to the forecast for 2025.
- In 2025, Canadian GDP is forecasted to grow by 1.4%, with U.S. and China GDP growth forecasts of 1.8% and 4.0%, respectively.
- The 2025 global growth outlook marks a notable shift from the previous forecast, reflecting downward revisions for China, the U.S. and Canada. These revisions can be attributed to the effect of the U.S. tariffs and ongoing uncertainty.

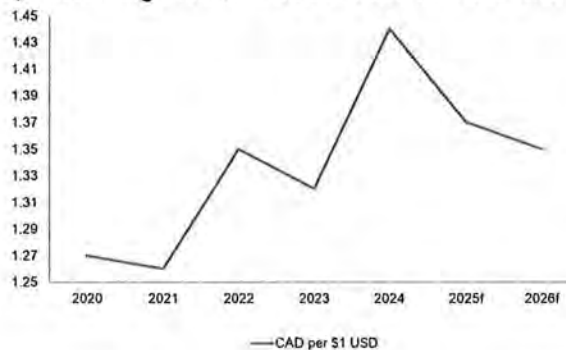
2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year End³



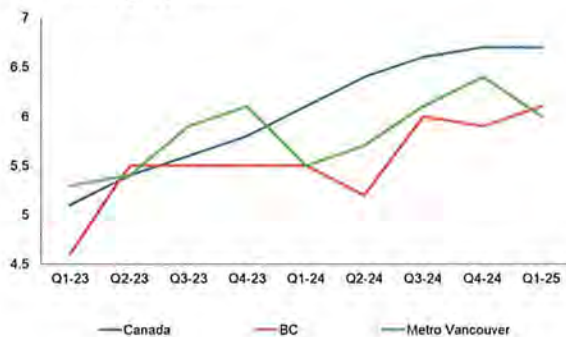
- By the end of Q1 2025, the Bank of Canada (BoC) had lowered its overnight lending rate to 2.75%, down from 3.25% at the end of 2024.
- For the first time since last June, the BoC held interest rates steady in April 2025, citing heightened uncertainty in the economic outlook due to the ongoing U.S. trade tensions.
- Amid growing concerns over the impact tariffs will have on a slowing economy, the U.S. Federal Reserve (U.S. FED) has maintained its key borrowing rate within the 4.25% - 4.50% range, unchanged since December 2024.

²International Monetary Fund, *World Economic Outlook (April 2025): A Critical Juncture amid Policy Shifts*.

³US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; Bank of Canada Monetary Policy Report (April 2025); RBC Financial Markets Monthly (April 2025).

3) Exchange Rates – CAD/USD at Year End⁴

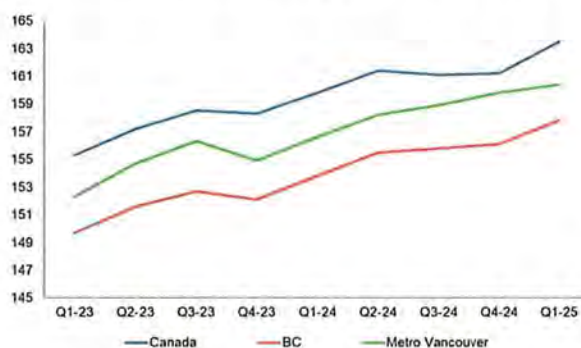
- While the year-over-year outlook for CAD/USD exchange rates is expected to be relatively stable at \$1.37 CAD/ \$1 USD in 2025 and \$1.35 CAD/ \$1 USD in 2026, short term fluctuations are likely.
- The Canadian dollar was trading at a recent low of \$1.44 CAD/\$1 USD at the end of Q1 2025. CAD fluctuations mirror global capital market trends, with investor concerns over US tariffs contributing to heightened market volatility.

4) Unemployment⁵

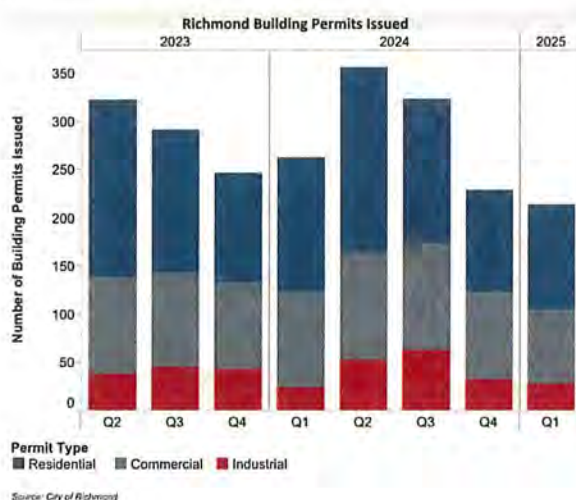
- According to Statistics Canada, national unemployment rose to 6.7% in March, the first increase since November 2024, while in B.C., it increased to 6.1%.
- At the end of Q1 2025, the Canadian, B.C., and Metro Vancouver unemployment rates were 6.7%, 6.1%, and 6.0%, respectively.
- In March 2025, employment in the goods-producing sector declined by 0.4% compared to February, while the services-producing sector saw a 0.3% increase. On a year-over-year basis, employment in goods-producing industries rose by 1.0%, and services-producing industries grew by 0.9%.

⁴RBC Economics (RBC Financial Markets Monthly, April 2025); RBC Currency Report Card, March 2025.

⁵Statistics Canada Labour Force Survey (March 2025); Labour Force Statistics Highlights Issue March 2025 #25-03.

5) Consumer Price Index (CPI – 2002=100)⁶

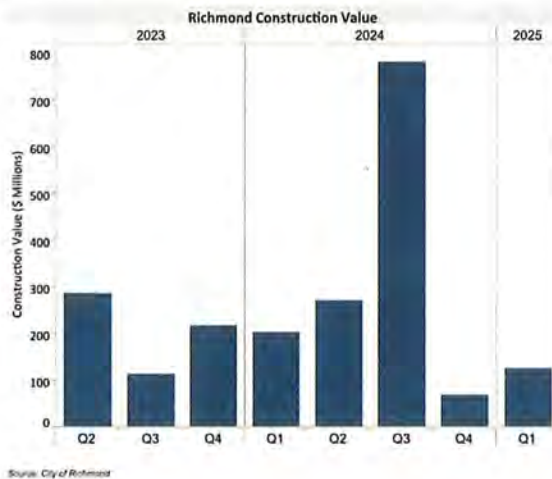
- The Consumer Price Index (CPI) increased by 2.3% year-over-year in March 2025, as compared to a 2.6% gain in February 2025. This was the smallest year-over-year increase since February 2021.
- The slowing in inflation was largely due to lower year-over-year prices for travel tours and gasoline in March 2025. This slowdown was partially offset by the end of the temporary Goods and Services Tax (GST)/Harmonized Sales Tax (HST) break on February 15, 2025, which contributed to higher prices in March relative to February.
- On average over the past 12 months, inflation has been similar in Metro Vancouver at 2.4% relative to B.C. at 2.6% and Canada at 2.3%.

Regional & Local Economic Activity Indicators6) Building Permits – Richmond⁷

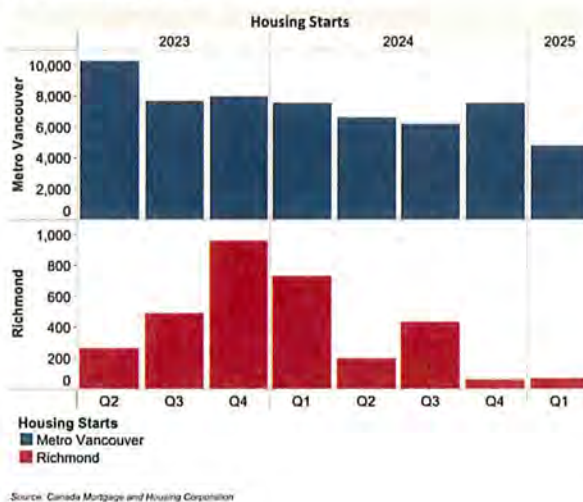
- During the first quarter of 2025, there were 110 residential, 76 commercial, and 28 industrial building permits issued in Richmond.
- This represents an 18.6% decrease in total building permits issued over the same period in 2024, with the highest decrease in residential building permits (20.9%).
- 194 new units were added to the local housing supply in Q1 2025, which represents a 38.6% decrease relative to the same period in 2024. There are substantial quarter-over-quarter fluctuations in the number of new units due to the longer development cycles for multi-family units.

⁶Statistics Canada, Consumer Price Index; also Consumer Price Index, March 2025; also BC Stats, Consumer Price Index, March 2025, Issue 25-03.

⁷City of Richmond Building Permits.

7) Construction Value⁸

- Approximately \$127.5 million in construction value was registered in Q1 2025, a decrease of 37.5% from the same period last year.
- Substantial quarter-over-quarter fluctuations in construction value can be expected, depending on the projects registered that quarter.

8) Housing Starts⁹

- In Q1 2025, there were 69 housing starts in Richmond and 4,834 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on verification that construction work has commenced.¹⁰
- Year-to-date housing starts decreased by 90.6% in Richmond and decreased by 36.6% in Metro Vancouver, 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 fluctuation between the number of residential units permitted for construction and those reported as housing starts by CMHC are further exacerbated when larger projects requiring time to complete underground parking and foundations will show no housing starts until construction has progressed to above grade. Housing units approved by permits issued in Q3 last year will likely be reflected in housing starts toward late 2025 and in 2026.

⁸City of Richmond Building Permits.

⁹Canada Mortgage and Housing Corporation; 2025 Housing Market Outlook.

¹⁰Housing 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.

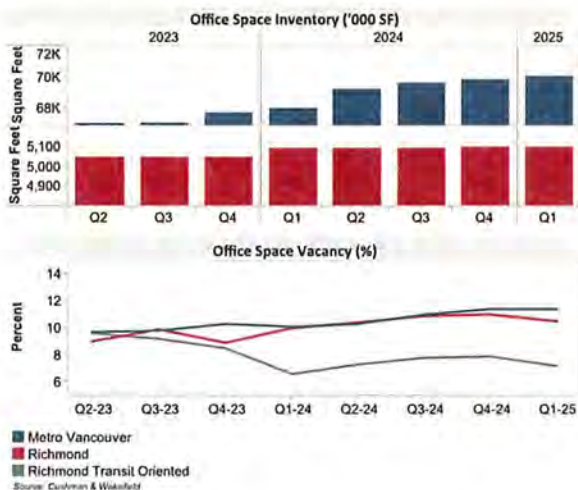
9) Commercial Space¹¹

a) Industrial Space



- In Q1, the Metro Vancouver industrial vacancy rate increased to 3.6% (highest reported vacancy rate since Q3 2016) and is approaching a more balanced market. Recent new construction completions are primarily driving the increased vacancy rate.
- In Richmond, the industrial vacancy rate remains lower than Metro Vancouver at 1.9% in Q1 2025. This rate has decreased slightly from Q4 2024 and has been relatively stable for the last three quarters.
- Despite economic uncertainty, leasing activity has remained strong across Metro Vancouver, with strong demand from wholesale distributors, manufacturers, distribution and engineering services, and recreation and fitness tenants.

b) Office Space



Note that the increased transit-oriented vacancy rate in Q4 2022 was due to the Paramount development (6388 No. 3 Road) coming to market. Short-term fluctuations are expected as new supply is added.

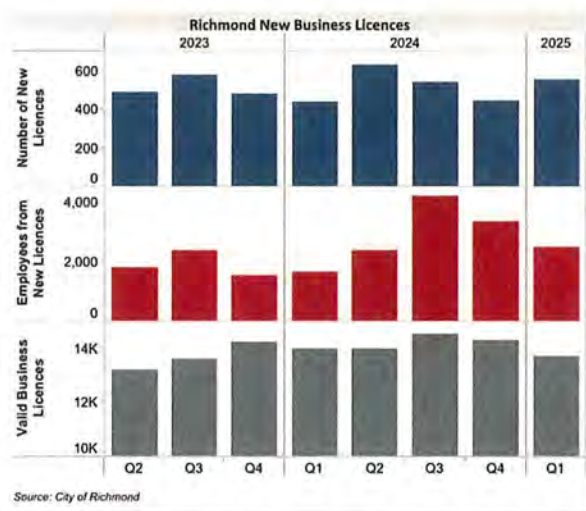
- At the end of Q1 2025, Metro Vancouver's office vacancy rate held steady at 11.4% for the second quarter in a row, though this reflects a 12.9% increase from the same time last year.
- In Richmond, the Q1 office vacancy rate decreased slightly to 10.5%, with transit-oriented vacancy also decreasing from last quarter to 7.2%¹².
- New leasing activity in Metro Vancouver this quarter was primarily driven by the financial and legal sectors. Although no major new entrants joined the market in Q1, tech-related tenants continue to represent a stable presence, accounting for approximately 40.0% of all active tenant requirements.
- Average asking rents in Richmond are the lowest in the Metro Vancouver region.

¹¹Cushman & Wakefield Office and Industrial Market Beat Reports Q1 2025.

¹²Note that transit-oriented office data is sourced from Cushman and Wakefield for consistency across commercial vacancy rates presented in this report. The definition of "transit-oriented office" is office space within 600 meters of a Skytrain station. As this definition includes a limited number of developments in the City Centre, any change (whether related to new inventory or absorption) may have a seemingly disproportionate impact on the data.

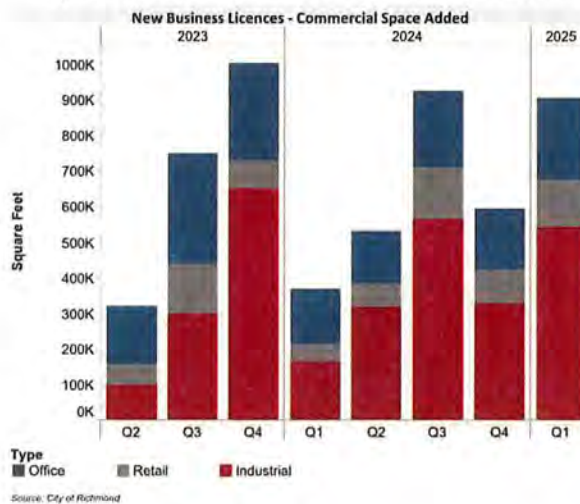
10) Business Growth – Richmond¹³

a) New Business Licences – Number and Employees



- 556 new business licences (representing 2,471 jobs) were issued by the City of Richmond in Q1 2025, a 26.1% increase in new licences and a 48.7% increase in corresponding jobs as compared to the same period last year.
- These new business licences are part of the City's 13,708 total valid business licenses at the end of Q1 2025. Fluctuations are expected in the number of total valid business licences, as businesses update their information as needed and renew their licences annually.

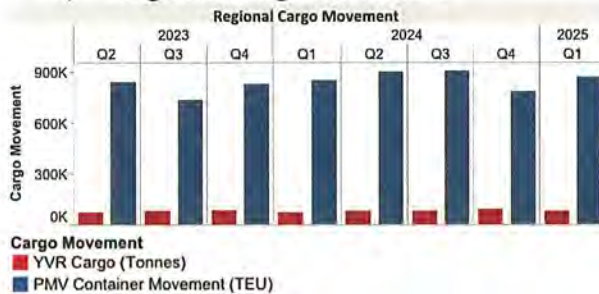
b) New Business Licences – Commercial Space



- 907,372 square feet (sq. ft.) of commercial space absorption was tied to the new business licenses issued during Q1 2025.
- This is an increase of 146.1% compared to the same time period last year. The greatest amount of space was required by industrial (541,816 sq. ft.), followed by office (229,822 sq. ft.), and then retail (135,734 sq. ft.).

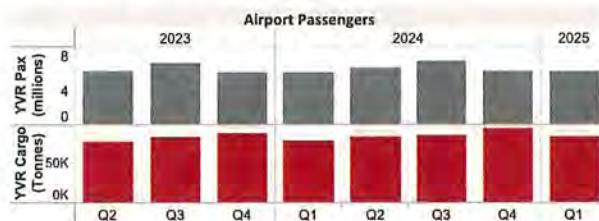
¹³City of Richmond Business Licencing data.

11) Goods and People Movement

a) Regional Cargo Movement¹⁴

Source: Port of Vancouver, YVR

- In Q1 2025, cargo volumes handled by the Port of Vancouver, as measured by Twenty Foot Equivalents (TEUs), increased by 2.0%, as compared to the same period last year.
- In the first three months of 2025, 83,915 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is an 8.0% increase as compared to the same period last year.

b) Airport Passengers¹⁵Source: YVR Monthly Statistics
Note: YVR data

- Passenger travel through YVR continues to be strong, with an increase of 1.7% during the first two months of 2025 (6.09 million) as compared to the same period last year (5.99 million).
- Canada continues to be a popular destination for travelers. In 2024, YVR recorded a total of 26.2 million passengers, representing a 5.2% increase over the 24.9 million passengers in 2023. This figure marks the second-highest annual passenger volume in the airport's history, closely approaching the record of 26.3 million set in 2019

c) Richmond Hotel Room Revenue¹⁶Source: City of Richmond Hotel Tax Ledger
Note: Richmond Hotel Room Revenue for Q1 2025 includes January and February data only where Q1 2024 includes the full 3 months

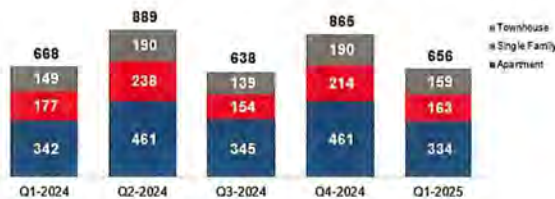
- Hotel room revenues in Richmond for the first two months of Q1 were \$34.5M, which is 13.1% lower than the same period last year.
- Average first quarter hotel occupancy in Richmond was fairly strong at 72.4%, which reflects a 0.5% decrease from the same period last year.

¹⁴Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.¹⁵YVR Monthly Statistics.¹⁶City of Richmond Additional Hotel Room Tax Ledger; STR Global (April 2025).

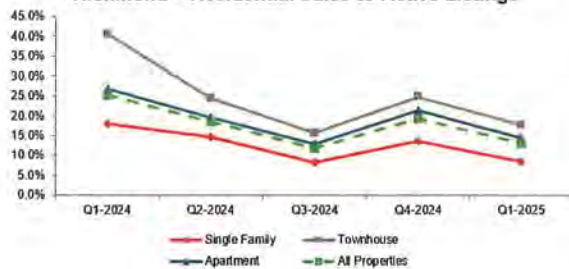
Residential Real Estate¹⁷

The first quarter of 2025 was marked by steady inventory levels, though buyer demand remains restrained. Even with some recent easing in interest rates, many potential buyers are still cautious, holding back due to higher overall borrowing costs. As a result, home prices have leveled off, with the market showing signs of continued stabilization rather than growth.

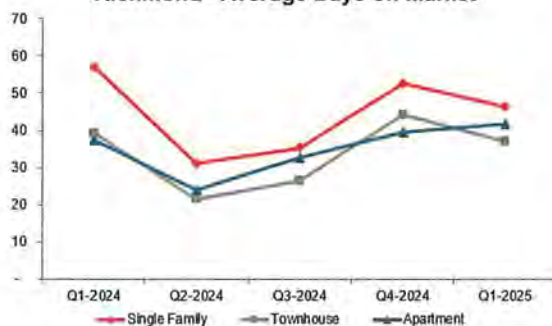
Richmond - Residential Sales



Richmond - Residential Sales-to-Active Listings



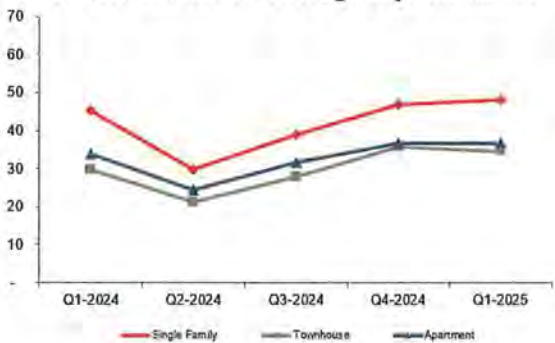
Richmond - Average Days on Market



- Single family detached (SFD) home sales decreased by 7.9% compared to Q1 2024.
- Townhouse sales have increased by 6.7% and apartment sales have decreased by 2.3% compared to Q1 2024.
- Townhouse sales comprise 24.2% of the residential home sales in Richmond. SFD and apartment sales account for 24.8% and 50.9%, respectively, of home sales in Richmond.
- There were 656 residential home sales in Richmond in Q1 2025, a 1.8% decrease compared to the same period last year.
- Richmond residential properties had a sales-to-active listings ratio of 13.0% as at March 31, 2025.
- Analysis of historical data suggests downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months.
- At Q1 2025, SFD properties in Richmond had an average of 46 days on the market, a 19.3% decrease compared to Q1 2024.
- Townhouses and apartments in Richmond had an average of 37 and 42 days on the market, respectively, representing a 5.1% decrease and a 13.5% increase, respectively, over the same period last year.

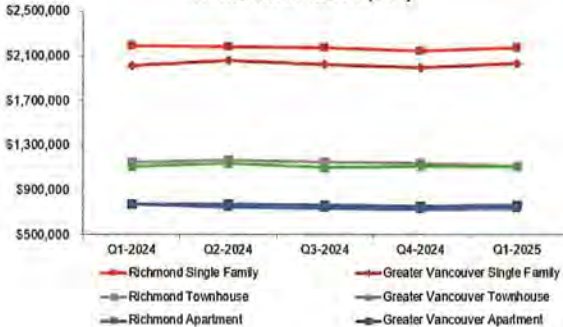
¹⁷Real Estate Board of Greater Vancouver.

Greater Vancouver - Average Days on Market



- At Q1 2025, SFD properties in GVRD had an average of 48 days on the market, which represents an increase of 6.7% compared to Q1 2024.
- Townhouses and apartments in GVRD had an average of 35 and 37 days on the market, respectively, representing a 16.7% and 8.8% increase, respectively, over the same period last year.

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

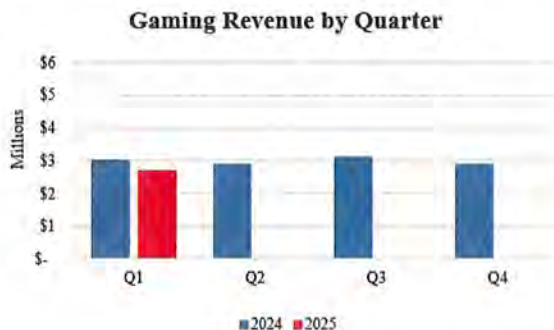


- The Home Price Index (HPI)¹⁸ for SFD properties in Richmond at Q1 2025 was \$2,168,600, a 1.0% decrease compared to Q1 2024. The GVRD housing market has increased with SFD properties priced at \$2,034,400, which represents a 1.3% increase compared to the same quarter last year.
- At Q1 2025, the HPI for townhouse properties in Richmond was \$1,108,400, a decrease of 3.4% compared to Q1 2024. The HPI for townhouse properties in GVRD was \$1,113,100, which is comparable to the same time last year.
- The HPI for apartments in Richmond was \$731,700, a decrease of 5.2% compared to Q1 2024. The HPI for apartments in GVRD was \$767,300, which represents a 1.4% decrease compared to the same time last year.

¹⁸ 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 Q1 2025 was \$2,697,340 a decrease of 11.4% compared to the same quarter last year when \$3,045,099 was received.
- The 2025 budget for gaming revenue is \$11,500,000. Actual revenue received year to date is 23.5% 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
Total		\$11.5M

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

Operating Activity

Table 2 compares budget to unaudited actual activity up to March 31, 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 March 31, 2025 (in \$000's)

Division/Department¹	Q1 YTD Net Budget²	Q1 YTD Actuals and Commitments³	Q1 YTD Variance (\$)	Q1 YTD Variance (%)
Corporate Administration	\$2,867	\$2,761	\$106	4%
Engineering and Public Works	19,776	19,571	205	1%
Finance and Corporate Services	8,499	8,183	316	4%
Fire Rescue	14,806	14,551	255	2%
Law and Community Safety ⁴	(214)	(381)	167	78%
Library	3,399	3,377	22	1%
Parks, Recreation and Culture	14,175	13,657	518	4%
Planning and Development	1,993	1,417	576	29%
Policing	20,763	18,539	2,224	11%
Fiscal	(33,519)	(33,910)	391	1%
Total	\$52,545	\$47,765	\$4,780	9%
Flood Protection Utility	\$13,000	\$12,983	\$17	0%
Sanitary Sewer Utility	6,944	6,731	213	3%
Sanitation and Recycling Utility	521	16	505	97%
Water Utility	6,948	6,667	281	4%
Utilities Total	\$27,413	\$26,397	\$1,016	4%

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

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

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

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

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

- Corporate Administration's favourable variance mainly due to vacancies that are in the process of being filled and timing of operational spending.
- Engineering and Public Works' favourable variance is mainly due to unbudgeted underpinning fee revenue.
- Finance and Corporate Services' favourable variance is mainly due to temporarily vacant positions in the process of being backfilled and lower overtime and auxiliary staff relative to budget.
- Fire Rescue's favourable variance is driven primarily by retirements and vacant positions.
- Law and Community Safety (excluding fire rescue and policing) has a favourable variance due to vacant positions from recent staff movements and positions under review.

- Library is on budget. Any surplus at year-end will be appropriated for future use within Library operations.
- Parks, Recreation and Culture's favourable variance is mainly due to vacant positions in Recreation.
- Planning and Development's favourable variance is primarily due to vacant positions as a result of recent staff movements and positions under review.
- Policing's favourable variance can be attributed to lower-than-expected expenditures on the policing contract, primarily driven by vacancies within the RCMP officer complement.
- Fiscal's favourable variance is mainly due to the timing of expenditures
- Flood Protection Utility is on budget.
- Sanitary Sewer Utility's variance is due to favourable utility revenue and lower operational 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 due to changes in the renegotiated agreement and higher utility fees due to additional customers. Any surplus at year end will be transferred to the General Solid Waste and Recycling Provision.
- Water Utility's favourable variance is mainly due to lower operational expenses. Any surplus at year-end will be transferred to the Water Levy Provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses, and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Statement of Operations for the Three Month Period Ended March 31, 2025, with comparative figures for 2024, is included in Attachment 3.

Cash and Investment Portfolio

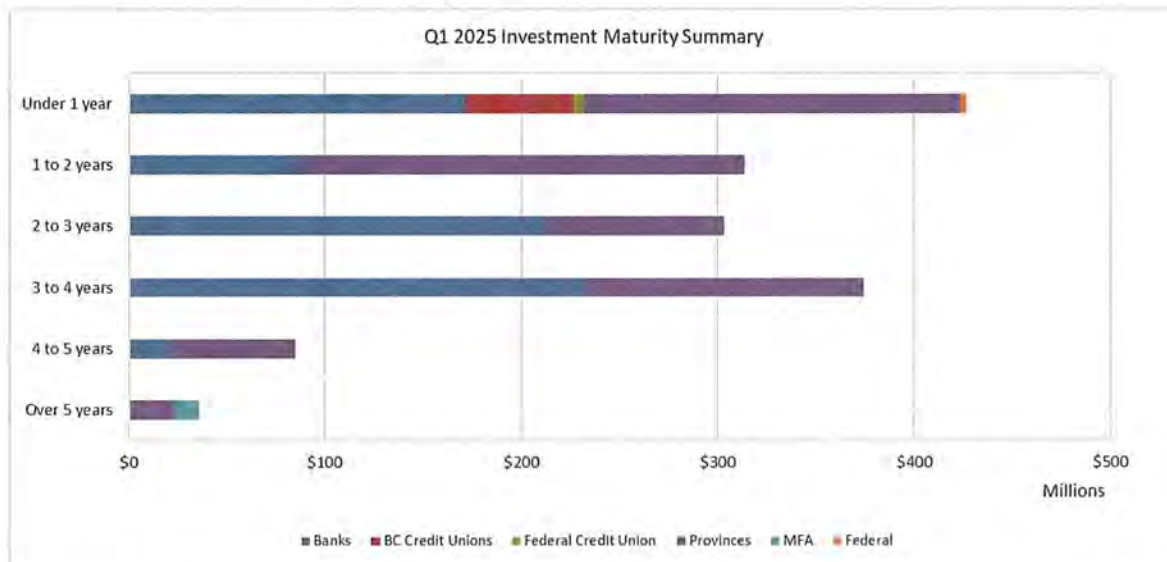
As of March 31, 2025, the City's total cash and investment balance was \$1.7 billion, which represents the City's working capital for ongoing operational obligations, as well as funds held in reserves and liability accounts for future and restricted uses. The City's total cash and investment balance was comprised of \$1.5 billion in investments and \$181.8 million in high interest savings cash account, with a weighted average annualized yield of 4.02%.

At the April 16, 2025 interest rate announcement, the BoC held its key policy rate unchanged at 2.75%. This was the Bank's first pause after seven consecutive cuts for a total reduction of 2.25% since the easing cycle that commenced in June 2024.

Global economic growth was solid in late 2024 and inflation has been easing towards central bank targets. However, tariffs and uncertainty have weakened the outlook. In Canada, the economy is slowing as tariff announcements and uncertainty pull down consumer and business confidence. Consumption, residential investment and business spending all look to have weakened in the first quarter.

The City's overall credit risk exposure remains stable as the City continues to maintain a diversified and high credit quality investment portfolio, where 47.0% is invested in chartered bank deposits and bonds, 48.2% in federal and provincial government securities, 4.0% in credit unions deposits and 0.8% in a MFA long-term bond.

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 Morgan Stanley Capital International (MSCI) Environmental, Social, and Governance (ESG) rating of the City's fixed income portfolio, the City continues to receive a high ESG rating of "AA" as of Q1 2025.

Contract Awards

In accordance with Procurement Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the first quarter, 34 contracts greater than \$75,000 were awarded totalling over \$19.3 million (Attachment 4).

Financial Impact

None.

Conclusion

The March 31, 2025 financial information report provides details on the economic environment, financial results and other key indicator information to the Finance Committee for information.



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(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**March 31, 2025****Macroeconomic Indicators & Forecast**

1)	Real GDP (% at YE)	2025f	2026f			
	Canada	1.4	1.6			
	United States	1.8	1.7			
	China	4.0	4.0			
	World	2.8	3.0			
2)	Interest Rates (at YE)	2025f	2026f			
	Bank of Canada	2.25	2.50			
	US FED	3.63	2.88			
3)	Exchange Rate (at YE)	2025f	2026f			
	CAD per \$1 USD	1.37	1.35			
4)	Unemployment (% at QE)	Q1-2025	Q4-2024	Change	Q1-2024	Change
	Canada	6.7	6.7	0.0%	6.1	9.8%
	BC	6.1	5.9	3.4%	5.5	10.9%
	Metro Vancouver	6.0	6.4	(6.3%)	5.5	9.1%
5)	CPI (2002=100) (at QE)	Q1-2025	Q4-2024	Change	Q1-2024	Change
	Canada	163.5	161.2	1.4%	159.8	2.3%
	BC	157.8	156.1	1.1%	153.8	2.6%
	Metro Vancouver	160.4	159.8	0.4%	156.6	2.4%

Regional and Local Market Indicators

6)	Richmond Building Permits	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
	Residential – New Construction	30	39	(23.1%)	30	39	(23.1%)
	Residential – Alterations	80	100	(20.0%)	80	100	(20.0%)
	Residential Total	110	139	(20.9%)	110	139	(20.9%)
	Number of units from new residential construction	194	316	(38.6%)	194	316	(38.6%)
	Residential	110	139	(20.9%)	110	139	(20.9%)
	Commercial	76	99	(23.2%)	76	99	(23.2%)
	Industrial	28	25	12.0%	28	25	12.0%
	Building Permits Total	214	263	(18.6%)	214	263	(18.6%)
	Construction Value (\$ million)	127.5	203.9	(37.5%)	127.5	203.9	(37.5%)
7)	Housing Starts CMHC (Units)	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2025	Change
	Starts - Richmond	69	735	(90.6%)	69	735	(90.6%)
	Starts - Metro Vancouver	4,834	7,627	(36.6%)	4,834	7,627	(36.6%)
8)	Richmond Residential Sales Activity	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
	Sales - Detached	163	177	(7.9%)	163	177	(7.9%)
	Sales - Townhouse	159	149	6.7%	159	149	6.7%
	Sales - Apartment	334	342	(2.3%)	334	342	(2.3%)
	Sales - Total	656	668	(1.8%)	656	668	(1.8%)

Economic Indicators**March 31, 2025****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings**

Ratio (% at QE)	Q1-2025	Q1-2024	Change
Single Family Detached	8.4%	17.9%	(53.1%)
Townhouse	17.8%	40.6%	(56.2%)
Apartment	14.3%	26.8%	(46.6%)
Total	13.0%	25.1%	(48.2%)

10) Average Days on Market

Property Type	Richmond			Metro Vancouver		
	Q1-2025	Q1-2024	Change	Q1-2025	Q1-2024	Change
Single Family Detached	46	57	(19.3%)	48	45	6.7%
Townhouse	37	39	(5.1%)	35	30	16.7%
Apartment	42	37	13.5%	37	34	8.8%

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

Property Type	Richmond			Metro Vancouver		
	Q1-2025	Q1-2024	Change	Q1-2025	Q1-2024	Change
Single Family Detached	2,169	2,191	(1.0%)	2,034	2,008	1.3%
Townhouse	1,108	1,147	(3.4%)	1,113	1,113	0.0%
Apartment	732	772	(5.2%)	767	778	(1.4%)

12) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q1-2025	Q1-2024	Change	Q1-2025	Q1-2024	Change
Office Vacancy (%)	10.5	10.0	5.0%	11.4	10.1	12.9%
Transit Oriented Office Vacancy (%)	7.2	6.6	9.1%	N/A	N/A	N/A
Office Inventory (000 sf)	5,094	5,090	0.1%	70,040	67,978	3.0%
Industrial Vacancy (%)	1.9	0.8	137.5%	3.6	2.5	44.0%
Industrial Inventory (000 sf)	46,762	45,863	2.0%	247,870	244,064	1.6%

13) Richmond Business Growth

	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Total Valid Business Licences (at QE)	13,708	13,982	(2.0%)	N/A	N/A	N/A
New Licences - Number Issued	556	441	26.1%	556	441	26.1%
New Licences - Employees	2,471	1,662	48.7%	2,471	1,662	48.7%
New Licences - Office Added (sf)	229,822	154,095	49.1%	229,822	154,095	49.1%
New Licences - Retail Added (sf)	135,734	48,009	182.7%	135,734	48,009	182.7%
New Licences - Industrial Added (sf)	541,816	166,656	225.1%	541,816	166,656	225.1%
Total Space Added (sf)/Avg. Change	907,372	368,760	146.1%	907,372	368,760	146.1%

Economic Indicators**March 31, 2025****Regional and Local Market Indicators (continued)**

14)	Goods & People Movement	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
	YVR Air Cargo (tonnes)	83,915	77,732	8.0%	83,915	77,732	8.0%
	PMV Container Movement (TEUs)	877,589	860,605	2.0%	877,589	860,605	2.0%
	YVR Passengers (million)	6.09	5.99	1.7%	6.09	5.99	1.7%
	Richmond Hotel Revenue (\$ million)*	34.5	39.7	(13.1%)	34.5	39.7	(13.1%)

Notes:

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

*Richmond Hotel Room Revenue for Q1 2025 includes January and February date only. YTD includes data for January and February only.

List of Sources:

- 1) International Monetary Fund, *World Economic Outlook (April 2025). A Critical Juncture amid Policy Shifts.*
- 2) US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; Bank of Canada Monetary Policy Report, April 2025.
- 3) RBC Economics RBC Financial Markets Monthly, April 2025.
- 4) Statistics Canada Labour Force Survey (March 2025); BC Stats Labour Force Statistics Highlights, March 2025 Issue #25-03.
- 5) Statistics Canada, Consumer Price Index; also Consumer Price Index, March 2025; also BC Stats, Consumer Price Index, March 2025.
- 6) City of Richmond Building Permits.
- 7) Canada Mortgage and Housing Corporation; 2025 Housing Market Outlook.
- 8), 9), 10) & 11) Real Estate Board of Greater Vancouver.
- 12) Cushman & Wakefield Office and Industrial Market Beat Reports, Q1 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 (April 2025).

Financial and Key Indicators**March 31, 2025**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions*	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Roads, Water, Sewer DCCs Received	\$9,791	\$3,289	197.7%	\$9,791	\$3,289	197.7%
Parks DCCs Received	\$2,703	\$3,254	(16.9%)	\$2,703	\$3,254	(16.9%)
Total DCC Fees Received	\$12,494	\$6,543	91.0%	\$12,494	\$6,543	91.0%
DCC Reserves – Uncommitted Balance at QE	\$166,254	\$150,201	10.7%	N/A	N/A	N/A
2) Uncommitted Reserves (at QE)	Q1-2025	Q1-2024	Change			
Capital Funding Reserves	\$283,710	\$204,586	38.7%			
Utility Reserves	\$92,193	\$84,726	8.8%			
Affordable Housing Reserves	\$10,918	\$10,458	4.4%			
Other Reserves	\$102,199	\$110,651	(7.6%)			
Total Uncommitted Reserves	\$489,020	\$410,421	19.2%			
3) Taxes to date	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Taxes Collected	\$22,094	\$17,829	23.9%	\$22,094	\$17,829	23.9%
City Portion of Taxes Collected	\$11,268	\$9,093	23.9%	\$11,268	\$9,093	23.9%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$19,421	\$15,502	25.3%	\$19,421	\$15,502	25.3%
No. of Participants on Pre-authorized withdrawal (at QE)	6,412	6,359	0.8%	6,412	6,359	0.8%
Pre-authorized withdrawals payments	\$14,521	\$13,474	7.8%	\$14,521	\$13,474	7.8%
Interest rate % paid	3.45%	5.20%	(33.7%)	3.45%	5.20%	(33.7%)
<i>Sources: All data is from City of Richmond records</i>						
4) Cash and Investments	Q1-2025	Q1-2024	Change			
Investments	\$1,539,031	\$1,400,854	9.9%			
Cash (includes high interest savings accounts)	\$181,811	\$244,746	(25.7%)			
Total Cash and Investments	\$1,720,842	\$1,645,600	4.6%			
Average City Rate of Return on Investments %	4.02%	4.59%	(12.4%)			
5) Planning and Development	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Building Permit Fees Collected	\$2,130	\$2,323	(8.3%)	\$2,130	\$2,323	(8.3%)
Development Applications Received	31	23	34.8%	31	23	34.8%
Development Applications Fees	\$204	\$211	(3.3%)	\$204	\$211	(3.3%)

Financial and Key Indicators**March 31, 2025**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

6) Business Licences	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Revenue Received for Current Year Licences	\$2,209	\$2,281	(3.2%)	\$2,209	\$2,281	(3.2%)
7) Other Revenues	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Parking Program Revenue	\$734	\$577	27.2%	\$734	\$577	27.2%
Gaming Revenue	\$2,697	\$3,045	(11.4%)	\$2,697	\$3,045	(11.4%)
Traffic Fine Revenue	\$0	\$0	0%	\$0	\$0	0%
8) Employees	Q1-2025	Q1-2024	Change			
Full Time Equivalent (FTE) Employees (at QE)	1,752	1,678	4.4%			
<i>(City and Library)</i>						
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
9) Operating Indicators	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
RCMP - Calls for Service Handled	16,449	16,885	(2.6%)	16,449	16,885	(2.6%)
Community Bylaws	1,584	1,694	(6.5%)	1,584	1,694	(6.5%)
Fire-Rescue Incidents	3,270	3,504	(6.7%)	3,270	3,504	(6.7%)
Public Works Calls for Service	3,096	3,422	(9.5%)	3,096	3,422	(9.5%)
10) Richmond Population Estimate Year End	2025f	2024f				
	241,151	242,966				

*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 Three Month Period Ended March 31, 2025, with comparative figures for 2024.

(in \$000's)

	Budget March 31, 2025	Actuals March 31, 2025	Actuals March 31, 2024
Revenue:			
Taxes and levies	\$82,655	\$82,655	\$78,482
Utility fees	40,814	40,771	34,556
Sales of services	12,418	10,667	10,090
Payments-in-lieu of taxes	3,750	3,450	3,350
Provincial and federal grants	2,970	1,031	4,857
Development cost charges	3,215	1,788	1,308
Other capital funding sources	19,551	7,042	3,826
Other revenue:			
Investment income	7,659	14,769	15,739
Gaming revenue	2,875	2,697	3,045
Licences and permits	4,578	4,949	5,274
Other	14,612	16,689	16,954
Equity income	298	650	720
	\$195,395	\$187,158	\$178,201
Expenses:			
Law and community safety	\$43,027	\$40,052	\$35,810
Utilities ⁴	37,772	33,257	29,947
Engineering, public works and project development	19,190	16,480	15,426
Parks, recreation and culture services	20,032	17,154	16,107
General government	36,240	34,527	34,542
Planning and development	6,078	5,160	8,601
Library services	3,238	2,992	2,925
	\$165,577	\$149,622	\$143,358
YTD Surplus (Annual Surplus) ²	\$29,818	\$37,536	\$34,843
Accumulated surplus, beginning of year	3,866,374	3,866,374	3,831,531
Accumulated surplus, end of March 31 ³	\$3,896,192	\$3,903,910	\$3,866,374

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

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

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

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

Contract Awards Greater than \$75,000

January 1st to March 31st, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department
1	Community Safety Building - Emergency Power Upgrades	Ashton Mechanical Ltd.	\$465,071	Facilities and Project Development
2	Cab and Chassis - Model 548 (One Tandem Axle) Truck 2025	Peterbilt Pacific Inc.	221,540	Public Works
3	Inclusionary Zoning and Density Bonusing Framework: Financial Feasibility Assessment	Urban Systems Ltd.	93,066	Housing Office
4	Works Yard Replacement Project Phase 1 - Design Review Services	Kasian Architecture and Interior Design	453,787	Facilities and Project Development
5	City Hall and City Hall Annex Security Upgrades	Heatherbrae Builders Co. Ltd.	475,880	Facilities and Project Development
6	Corporate Leadership Training Program (3 year term)	Citizencentric Consulting Inc.	350,100	Human Resources
7	Geospatial and Digital Twin Strategy	ESRI Canada Ltd.	157,355	Information Technology
8	Supply and Delivery of One (1) Fully Electric Wheelchair Accessible Bus	Greenpower Motor Company Inc.	190,538	Public Works
9	Community Public Engagement Platform License (4 year term)	Social Pinpoint Software Inc.	113,448	Corp Communications & Marketing
10	Steveston Martial Arts Centre - Roof Beam Remediation	Scott Special Projects Ltd.	653,451	Facilities and Project Development
11	Richmond Animal Shelter Flooring Upgrades	Edifice Construction Inc.	211,914	Facilities and Project Development
12	Britannia Shipyards - Building Envelope and Structural Renewals	Scott Special Projects Ltd.	6,669,500	Facilities and Project Development
13	Services to Secure Historical Objects in the Britannia Shipyard Building	Charlemain Productions Ltd.	91,679	Arts, Cultural & Heritage Administration
14	Fire Hall No.5 Mechanical Systems Renewals	Ashton Mechanical Ltd.	648,352	Facilities and Project Development
15	Service Catalogue and KPI Development	KPMG LLP	80,000	Finance

Contract Awards Greater than \$75,000 (continued)January 1st to March 31st, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department
16	Feature Manipulation Engine (FME) Server and FME Desktop Maintenance and Support Renewal Contract (4 year term)	Safe Software Inc.	130,000	Information Technology
17	Supply and Delivery of One (1) Compact Radius Excavator	Finning (Canada)	312,620	Public Works
18	Solution Support for Oracle Enterprise Performance Management (EPM) Implementation	Novamodus Solutions Inc.	75,000	Information Technology
19	Amanda Annual Support and Maintenance Contract Renewal 2025	Granicus LLC	130,471	Information Technology
20	Works Yard Electrical Distribution and Electric Vehicle Infrastructure Installation	PCL Constructors Westcoast Inc.	414,121	Facilities and Project Development
21	Supply and Delivery of One (1) Four (4) Ton Hot Box mounted on a Trailer	PSE Equipment Ltd.	75,389	Public Works
22	Supply and Delivery of One (1) Fully Electric Bus	Greenpower Motor Company Inc.	293,294	Public Works
23	Pay Parking Meter and Mobile Payment Service	Imperial Parking Canada Corporation (Impark)	144,000	Community Bylaws
24	Tent and Supply Rentals for Various Events and Festivals (2 year term)	Elite Tents & Events Ltd. Cascade Tents Inc.	209,447	Arts, Cultural & Heritage Administration
25	Street Light LED Upgrade Program	Westburne Rexel Group	229,156	Engineering
26	Decorative LED Luminaires for the Street Light LED Upgrade Program	Wesco Distribution Canada LP	107,797	Engineering
27	Development Coordinated Drainage Works to Improve Laneway Drainage	Anderson Creek Site Developing Ltd.	80,149	Engineering
28	Supply and Delivery of Two (2) Four-Cylinder Hybrid Minivans	Open Road Toyota Richmond	99,424	Public Works
29	Data Center Server Refresh Including Support and Maintenance - Dell Server	CDW Canada	232,501	Information Technology
30	Nature-Based Flood Protection Solutions Assessment	Kerr Wood Leidel Associates Limited	149,463	Engineering

Contract Awards Greater than \$75,000 (continued)January 1st to March 31st, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department
31	Seepage Assessment and Groundwater Management Plan	WSP Canada Inc.	92,105	Engineering
32	IT Resiliency Assessment	KPMG LLP	80,000	Finance
33	MRN & non-MRN - Asphaltic Concrete Paving Program 2025	1166618 B.C. DBA Save On Blacktop	5,494,071	Engineering
34	Virtualized Server Infrastructure - VMWare Service License Upgrades and Support 2025	Long View Systems	101,647	Information Technology