



City of Richmond

Report to Committee

To: Finance Committee

Date: May 3, 2024

From: Mike Ching
Director, Finance

File: 03-0905-01/2024-Vol
01

Re: Financial Information – 1st Quarter March 31, 2024

Staff Recommendation

That the staff report titled, “Financial Information – 1st Quarter March 31, 2024”, dated May 3, 2024 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"/>	Information Technology	<input checked="" type="checkbox"/>
Building Approvals	<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"/>	Sustainability & District Energy	<input checked="" type="checkbox"/>
Fire Rescue	<input checked="" type="checkbox"/>	Transportation	<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, 2024) 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

Global growth is slow and steady, with the notable absence of a recession. However, the situation varies across countries. The divergence between growth trajectories in advanced economies and emerging markets has continued, though the pattern has flipped from last fall, with recent increases in advanced economies and slight slowdowns in emerging economies – and even greater slowdowns in developing countries, where inflation also remains higher. In the U.S., growth rates are higher than previously forecasted, and China continues to face significant challenges in its real estate sector. While the latest medium-term growth forecast is 3.1%, the lowest it has been in decades, the risks to the overall global outlook are becoming more balanced.

In Canada, economic growth is slow, and inflation is also slowing. The Bank of Canada (BoC) has maintained its policy rate of 5% for almost three quarters and notes that its approach is working to reduce inflationary pressures, though it will continue to monitor progress.¹ Inflation in services, including shelter (rent and mortgage interest costs), is proving more challenging to rein in than inflation in goods. Strong population growth is expected to support robust output growth in 2024.

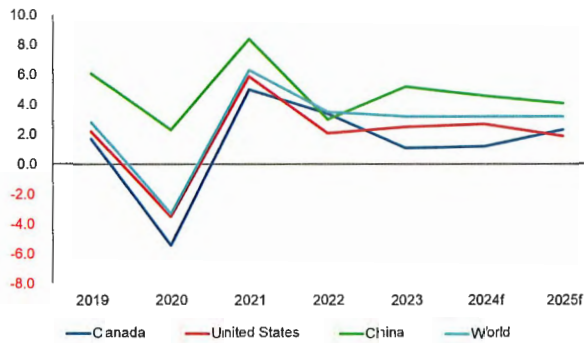
Richmond's diversified economy continues to be relatively healthy. Businesses face challenges in the current economic climate and obtaining financing for large projects can be both difficult and costly. However, business licencing continues to show strong activity, with some recent increases in new licences and a steady overall number of businesses operating in Richmond. Industrial vacancy rates dipped lower this past quarter after edging upwards at the end of 2023, and the industrial real estate market remains quite competitive. Office vacancy has trended

¹Bank of Canada, [Monetary Policy Report, April 2024](#).

upward slightly, though transit-oriented office vacancy rates are down, as businesses locate near transit offerings in the City Centre. Lower growth should be expected in 2024, aligned with global conditions.

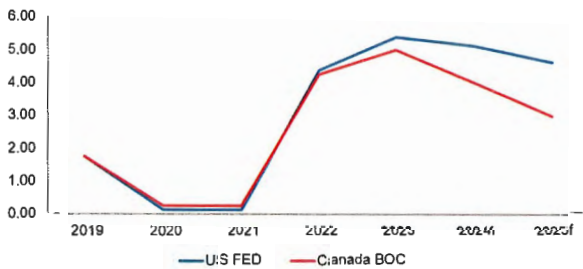
Macroeconomic Indicators & Forecast

1) Global Growth – Real Gross Domestic Product % Change²



- The International Monetary Fund (IMF) projects global Gross Domestic Product (GDP) will hold steady at the 2023 rate of 3.2% in both 2024 and 2025. This reflects a slight upward revision to the forecast.
- In 2024, Canadian GDP is forecasted to grow by 1.2%, with U.S. and China GDP growth forecasts of 2.7% and 4.6%, respectively.
- This global growth profile for 2024 is slightly stronger than previously anticipated. It reflects slight downward revisions for Canada and China, though an upward revision to the U.S. forecast.

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

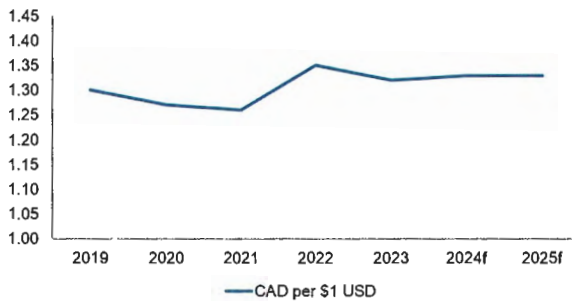


- The BoC has held its overnight lending rate steady at 5.0% since its last increase in July 2023.
- The U.S. Federal Reserve (U.S. FED) continued to hold steady its rate of 5.38% (5.25% - 5.50%), as it also has since its last increase in July 2023.
- Unexpected resiliency in the U.S. economy and increases in U.S. inflation mean that the BoC is expected to start cutting interest rates sooner than the U.S. FED, which will likely maintain higher rates for a longer time period.

²International Monetary Fund, *World Economic Outlook (April 2024): Steady but Slow: Resilience and Divergence*.

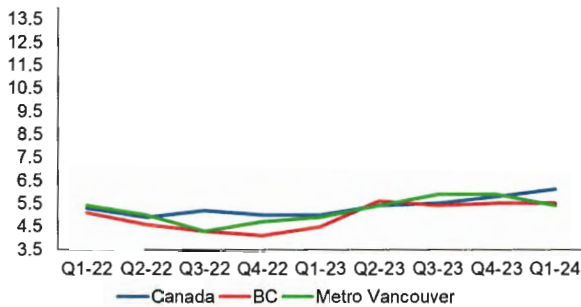
³US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; *Bank of Canada Monetary Policy Report (April 2024)*; RBC *Financial Markets Monthly (April 2024)*.

3) Exchange Rates – CAD/USD at Year End⁴



- While the year-over-year outlook for the Canadian dollar (CAD)/U.S. Dollar (USD) exchange rates is expected to be relatively stable at \$1.33 CAD / \$1 USD in both 2024 and 2025, shorter term fluctuations are likely.
- Multiple factors affect exchange rates including interest rates, oil prices, geopolitical developments, and inflation. If the BoC cuts interest rates before the U.S. FED, there could be a weakening of the CAD, as global investors are attracted to higher interest rate environments.

4) Unemployment⁵

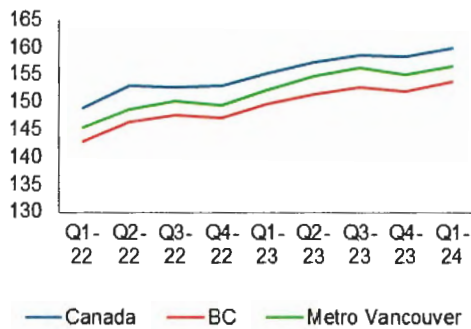


- According to Statistics Canada’s March 2024 Labour Market Survey, population growth continues to be higher than employment growth, and the employment rate declined for a sixth consecutive month. Unemployment also increased to 6.1% in March.
- In B.C. and across Canada, new positions were added in the health care and social assistance sectors. Nationally, employment fell in accommodation and food services, whereas in B.C., employment was down in goods-producing sectors, especially construction.
- At the end of Q1 2024, the Canadian, B.C., and Metro Vancouver unemployment rates were 6.1%, 5.5%, and 5.4%, respectively.

⁴RBC Economics (RBC Financial Markets Monthly, April 2024).

⁵Statistics Canada Labour Force Survey (March 2024); Labour Force Statistics Highlights Issue #24-03.

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

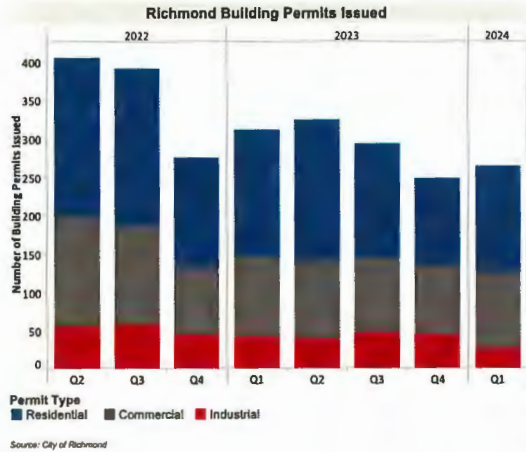


- While Canadian inflation accelerated slightly in March (2.9%) as compared to February (2.8%), it was lower in Q1 2024 than in all quarters since the historic high of 8.1% in June 2022.
- The most recent increase was largely driven by higher gas prices and continuing high shelter costs (including both mortgage interest costs and rent).
- Compared with other provinces, B.C. is squarely in the middle, with the fifth highest rate of inflation in March.
- On average over the past 12 months, inflation has been higher in Metro Vancouver (3.6%) than in B.C. (3.2%) or nationally (3.3%).

⁶Statistics Canada, Consumer Price Index; also Consumer Price Index, March 2024; also BC Stats, Consumer Price Index, March 2024, Issue 24-03; also TD Economics, Canadian Consumer Price Index (March 2024).

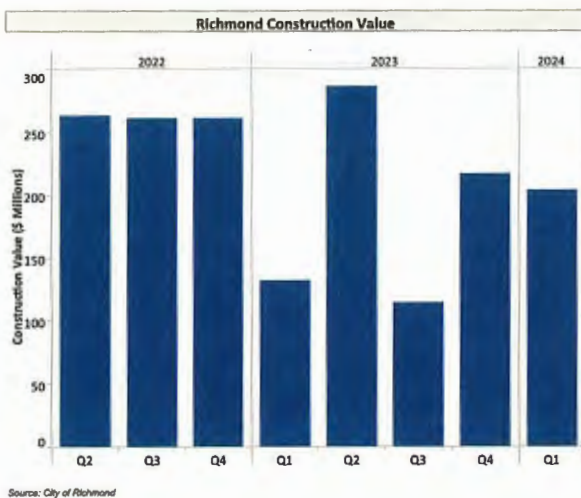
Regional & Local Economic Activity Indicators

6) Building Permits – Richmond⁷



- During the first quarter of 2024, there were 139 residential, 99 commercial, and 25 industrial building permits issued in Richmond.
- This represents a 15.2% decline in total building permits issued over the same period in 2023, with less of a decrease in commercial (-4.8%) as compared to residential (-16.3%) and industrial (-37.5%).
- 316 new units were added to the local housing supply in Q1 2024, which represents a 103.9% increase as compared to the same period in 2023. There are substantial quarter-over-quarter fluctuations in the number of new units due to the longer development cycles for multi-family units.

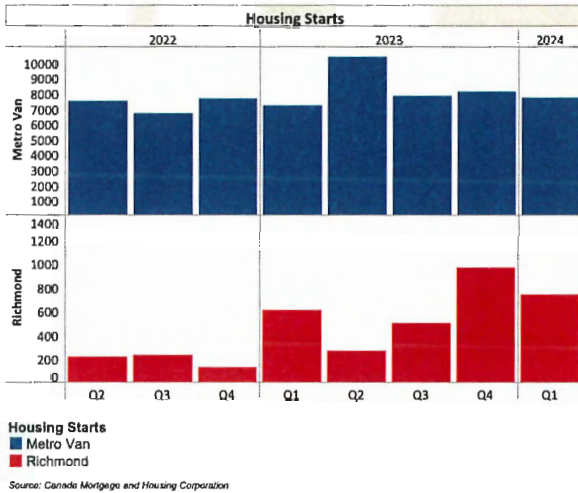
7) Construction Value⁸



- Approximately \$203.9 million in construction value was registered in Q1 2024, an increase of 53.7% from the same period last year.
- Substantial quarter-over-quarter fluctuations in construction value can be expected, depending on the projects registered that quarter.

⁷City of Richmond Building Permits.
⁸City of Richmond Building Permits.

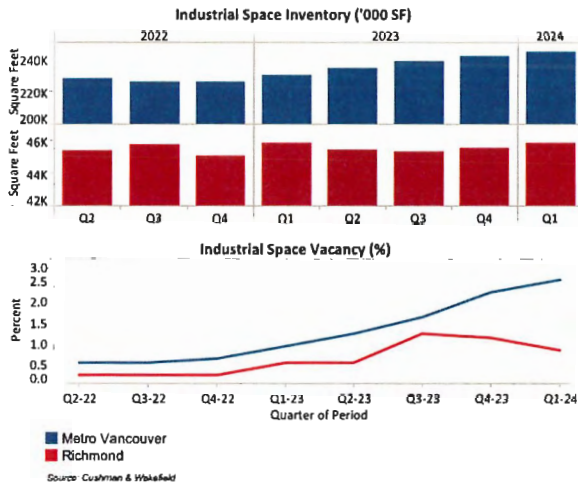
8) Housing Starts⁹



- In Q1 2024, there were 735 housing starts in Richmond and 7,627 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on verification that construction work has commenced¹⁰.
- Year-to-date housing starts increased by 22.7% in Richmond and by 7.2% in Metro Vancouver, as compared to the same period in 2023. There is a fair amount of fluctuation quarter by quarter, as is to be expected depending on project timelines.
- While Q1 was strong, a decline in housing starts is anticipated for 2024 due to high land and construction costs, as well as financing challenges, especially for multi-family buildings.

9) Commercial Space¹¹

a) Industrial Space



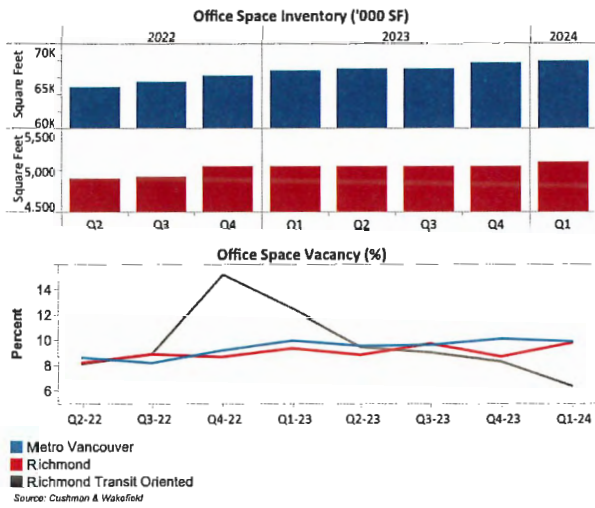
- In Q1, the Metro Vancouver industrial vacancy rate has increased to 2.5% and is approaching a more balanced market. New construction is a key driver of the higher vacancy rates.
- In Richmond, the industrial vacancy rate remains lower than Metro Vancouver and was 0.8% in Q1 2024, tracking downward after slight increases in Q3 and Q4 2023.
- Asking rents have started to moderate though still remain near historic highs, especially for new construction.

⁹Canada Mortgage and Housing Corporation; 2024 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.

¹¹Cushman & Wakefield Office and Industrial Market Beat Reports Q1 2024.

b) Office Space



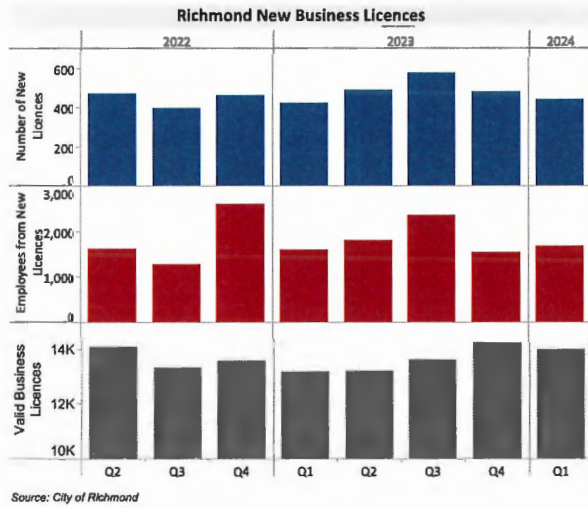
Note that the increased transit-oriented vacancy rate in Q4 2022 was due to the Paramount development (6388 No. 3 Road) coming to market. Short-term fluctuations are expected as new supply is added.

- The office vacancy rate remains relatively steady at 10.1% in Metro Vancouver, the same in Q1 2024 as it was a year ago in Q1 2023.
- At the end of Q1 2024, the office vacancy rate had increased to 10.0% in Richmond, with transit-oriented vacancy declining to 6.6%¹².
- Following near-record construction completions across Metro Vancouver over the past several years, no large-scale additions are expected in the next two years. Vacancy rates may start to decline, especially in new buildings, as tenants absorb the new, higher-quality space.
- Average asking rents in Richmond are the lowest in the Metro Vancouver region.

¹²Note that as of Q1 2023, transit-oriented office data is now sourced from Cushman and Wakefield for greater 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.

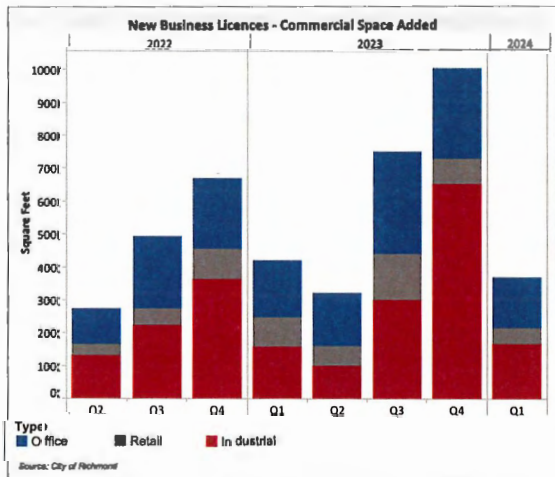
10) Business Growth – Richmond¹³

a) New Business Licences – Number and Employees



- 441 new business licences (representing 1,662 jobs) were issued by the City of Richmond in Q1 2024, a 4.3% increase in new licences (and a 3.6% increase in corresponding jobs) as compared to the same period last year.
- These new business licences are part of the City’s 13,982 total valid business licences at the end of Q1 2024. Fluctuations are expected in the number of total valid business licences, as businesses update their information as needed and renew their licences annually.
- In Q1 2024, 67 business licences became inactive. This includes businesses that ceased operations and home occupation businesses that may have stopped operating or moved out of Richmond.

b) New Business Licences – Commercial Space

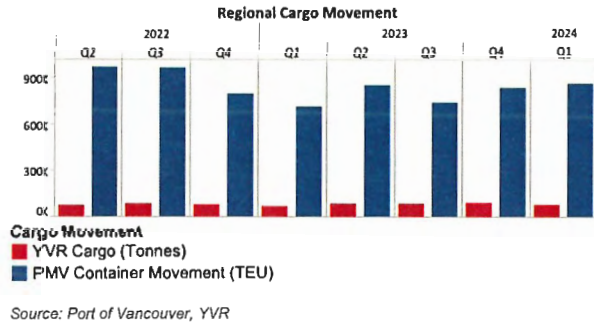


- 368,760 square feet of commercial space absorption was tied to the new business licences issued during Q1 2024.
- This is a decrease of 12.3% compared to the same time period last year. The greatest amount of space was required by industrial (166,656 square feet), followed closely by office (154,095 square feet), and then retail (48,009 square feet).

¹³City of Richmond Business Licencing data.

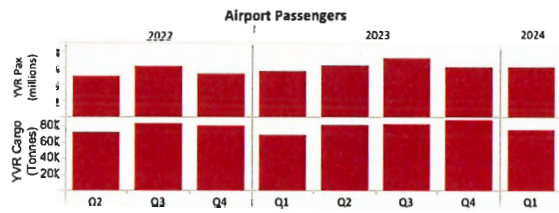
11) Goods and People Movement

a) Regional Cargo Movement¹⁴



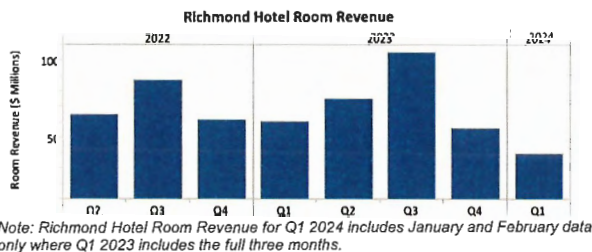
- In Q1 2024, cargo volumes handled by the Port of Vancouver, as measured by Twenty Foot Equivalents (TEUs), increased by 21.6% as compared to the same period last year.
- 73,583 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is a 9.8% increase as compared to the same period last year.

b) Airport Passengers¹⁵



- Passenger travel through YVR continues to be strong, with an increase of 9.1% during Q1 2024 (5.99M) as compared to the same period last year (5.49M).
- Globally, the aviation industry has returned to profitability, three years after historic losses due to the pandemic. There is now much focus on air transportation’s access to renewable energy sources, as the industry looks toward future growth and sustainability.

c) Richmond Hotel Room Revenue¹⁶



- Hotel room revenues in Richmond for the first two months of Q1 were \$39.7M, which is 9.4% higher than the same period last year.

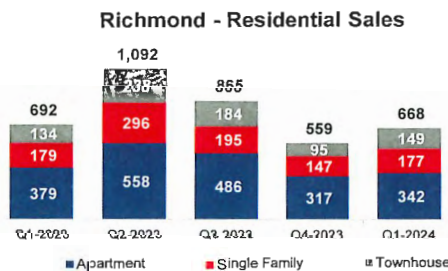
¹⁴Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.

¹⁵YVR Monthly Statistics; International Air Transport Association, Global Outlook for Air Transport (December 2023).

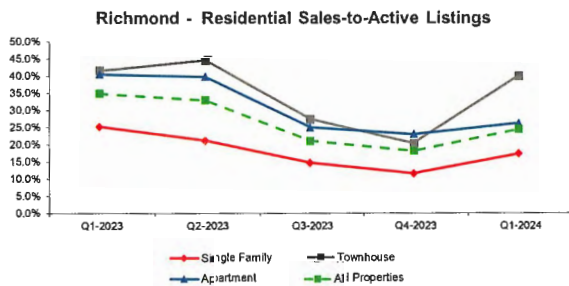
¹⁶City of Richmond Additional Hotel Room Tax Ledger.

Residential Real Estate¹⁷

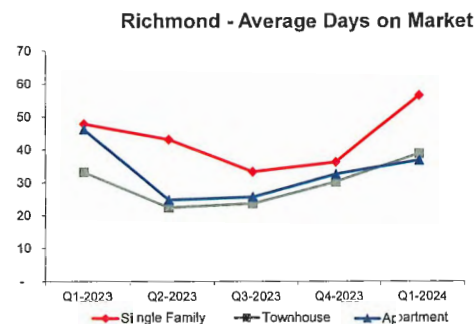
While the market has not reached the same level as compared to last year, the sales activity is reflective of a balanced market. There are still modest month over month price gains of 1% - 2% happening at the base level, despite borrowing costs remaining elevated. Regardless of the increase in inventory, the overall market balance is heading further into seller’s market territory.



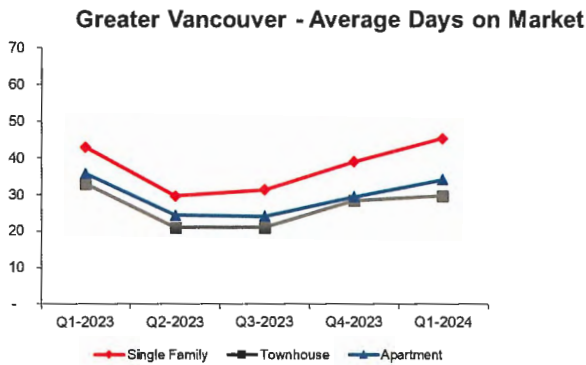
- Single family detached (SFD) home sales decreased by 1.1% compared to Q1 2023.
- Townhouse sales have increased by 11.2% and apartment sales have decreased by 9.8% compared to Q1 2023.
- Townhouse sales comprise 22.3% of the residential home sales in Richmond. SFD and apartment sales account for 26.5% and 51.2%, respectively, of home sales in Richmond.
- There were 668 residential home sales in Richmond in Q1 2024, a 3.5% decrease compared to the same period last year.



- Richmond residential properties had a sales-to-active listings ratio of 25.1% as at March 31, 2024, representing a seller’s market.
- 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 2024, SFD properties in Richmond had an average of 57 days on the market, an 18.8% increase compared to Q1 2023.
- Townhouses and apartments in Richmond had an average of 39 and 37 days on the market, respectively, representing an 18.2% increase and a 19.6% decrease, respectively, over the same period last year.

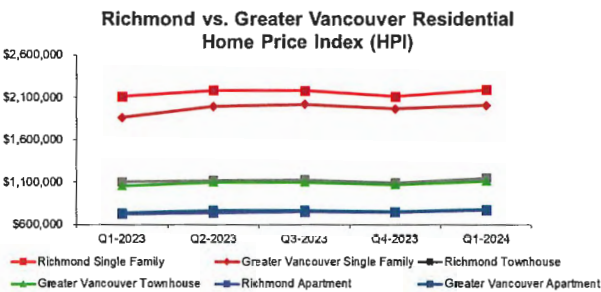


¹⁷ Real Estate Board of Greater Vancouver.



At Q1 2024, SFD properties in GVRD had an average of 45 days on the market, which represents a 4.7% increase compared to Q1 2023.

Townhouses and apartments in GVRD had an average of 30 and 34 days on the market, respectively, which represents a decrease of 9.1% for townhouses and 5.6% for apartments, compared to Q1 2023.



- The Home Price Index (HPI)¹⁸ for SFD properties in Richmond at Q1 2024 was \$2,190,500, a 3.9% increase compared to Q1 2023. The GVRD housing market has increased with SFD properties priced at \$2,007,900, which represents a 7.8% increase compared to the same quarter last year.
- At Q1 2024, the HPI for townhouse properties in Richmond was \$1,146,600, an increase of 3.9% compared to Q1 2023. The HPI for townhouse properties in GVRD was \$1,112,800, which represents a 5.3% increase compared to the same time last year.
- The HPI for apartments in Richmond was \$772,400, an increase of 6.3% compared to Q1 2023. The HPI for apartments in GVRD was \$777,500, which represents a 5.4% increase compared to the same time last year.

¹⁸Home 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 2024 was \$3,045,099, a decrease of 17.5% compared to the same quarter last year when \$3,690,296 was received.
- The 2024 budget for gaming revenue is \$12,500,000.

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 29, 2024 Council meeting, the 2024 Budget was approved which included the gaming revenue allocation for 2024. 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 2024 gaming revenue allocation

	Distribution	2024 Budget
Capital Reserves	Remainder	\$1.8M
Grants	25%	3.1M
Council Community Initiatives Account	2%	0.3M
Debt Servicing	Fixed	6.4M
Operating (RCMP)*	7%	0.9M
Total		\$12.5M

*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, 2024. 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, 2024 to March 31, 2024 (in \$000's)

Division/Department¹	Q1 YTD Net Budget²	Q1 YTD Actuals and Commitments³	Q1 YTD Variance (\$)	Q1 YTD Variance (%)
Community Safety ⁴	(820)	(1,104)	284	35%
Community Services	13,571	12,722	849	6%
Corporate Administration	2,513	2,376	137	5%
Engineering and Public Works	19,281	19,241	40	0%
Finance and Corporate Services	7,530	7,259	271	4%
Fire Rescue	13,225	12,922	303	2%
Law and Legislative Services	1,273	1,172	101	8%
Library	3,295	3,293	2	0%
Planning and Development	2,716	2,570	146	5%
Policing	18,810	18,320	490	3%
Fiscal	(32,499)	(32,046)	(453)	1%
Total	48,895	46,725	2,170	4%
Flood Protection Utility	12,382	12,082	300	2%
Sanitary Sewer Utility	6,237	6,209	28	0%
Sanitation and Recycling Utility	320	11	309	97%
Water Utility	7,205	7,132	73	1%
Utilities Total	26,144	25,434	710	3%

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 29, 2024.

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

⁴Includes Community Safety Administration, Business Licences, Community Bylaws and Emergency Programs.

The following section provides an explanation on a Divisional/Departmental basis of year-to-date variances in relation to the 2024 Financial Plan:

- Community Safety (excluding fire rescue and policing) has a favourable variance due to higher business licence revenue and lower operational spending for Q1 2024.
- Community Services' favourable variance is mainly due to vacant positions, lower than budgeted parks expenditures and operating expenses to date, as well as stronger revenue from recreation activities.
- Corporate Administration's favourable variance is mainly due to vacant positions and lower operational spending.

- Engineering and Public Works is on budget.
- Finance and Corporate Services' favourable variance is mainly due to higher revenue, staff vacancies and lower operational spending for Q1 2024.
- Fire Rescue's favourable variance is mainly due to vacant positions through firefighter retirements.
- Law and Legislative Services is on budget.
- Library is on budget.
- Planning and Development's favourable variance is primarily due to staff vacancies in Building Approvals and Community Social Development.
- Policing's favourable variance is driven by lower than budgeted policing contract costs.
- Fiscal's unfavourable variance is mainly due to timing of expenditures.
- Flood Protection Utility's favorable variance is mainly due to vacant positions.
- Sanitary Sewer Utility is on budget.
- Sanitation and Recycling Utility's favourable variance is mainly due to vacant positions and operational savings.
- Water Utility is on budget.

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, 2024, with comparative figures for 2023, is included in Attachment 3.

Cash and Investment Portfolio

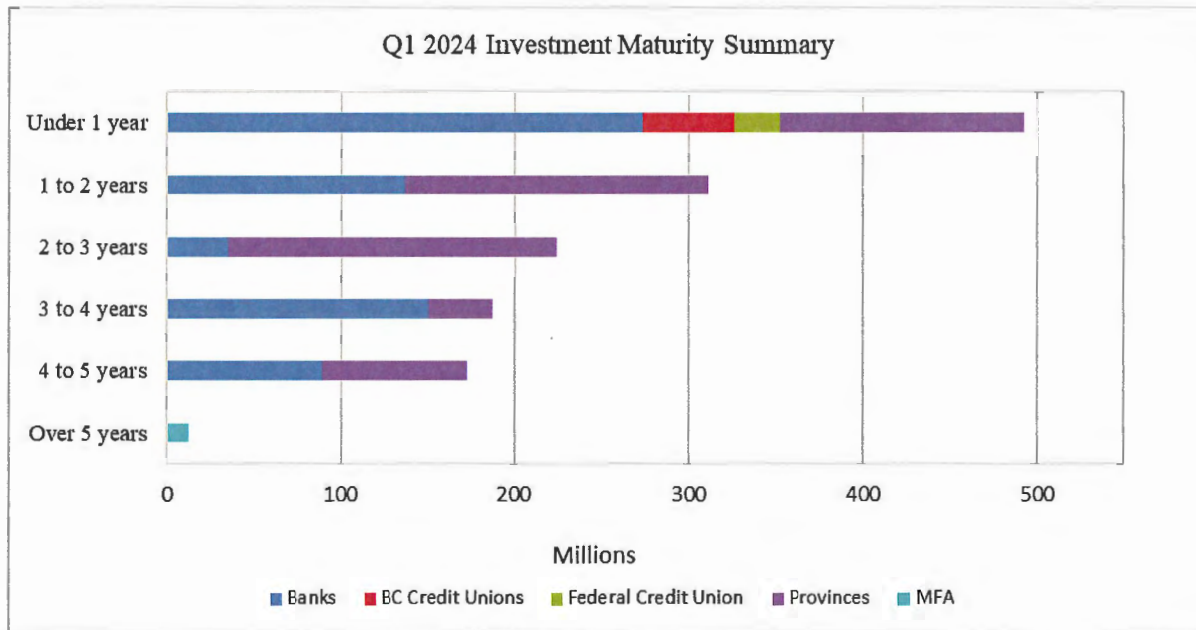
As of March 31, 2024, the City's total cash and investment balance was \$1.65 billion, which represents the City's working capital for ongoing operational obligations, as well as funds held in reserves and liability accounts for future and restricted uses.

The City's total cash and investment balance was comprised of \$1.40 billion in investments and \$245 million in a high interest savings cash account, with a weighted average annualized yield of 4.59% for the first quarter of 2024.

Consumer Price Index (CPI) inflation has been trending steady in the first quarter of this year with March 2024 CPI reported at 2.9%. The BoC expects CPI inflation to be close to 3% during the first half of this year, move below 2.5% in the second half, and reach the 2% inflation target in 2025.

With clearer signs that monetary policy is moderating spending and relieving price pressures, the BoC held its target for overnight interest rate at 5% at the latest April 10, 2024 interest rate announcement. The BoC will continue to assess and look for evidence that downward momentum of inflation is sustained before any interest rate cuts.

The City’s overall credit risk exposure remains low because the City continues to maintain a diversified and high credit quality investment portfolio comprised of 49% in chartered banks, 44% in provincial government bonds, 5% in B.C. credit unions, 1% in federal credit unions and 1% in MFA long-term bonds. As shown in the investment maturity summary in the chart below, the City’s cash and investment portfolio has been strategically positioned in order to allow for flexible reinvestment opportunities to lock into higher rate investment products in the current interest rate environment.



Staff will continue to monitor the interest rate movement and position 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 the independent ESG rating¹⁹ of the City’s fixed income portfolio, the City continues to receive a high ESG Rating of “AA” as of Q1 2024.

¹⁹Morgan Stanley Capital International (MSCI) ESG Rating

Contract Awards

In accordance with Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the first quarter, 37 contracts greater than \$75,000 were awarded totalling over \$83.3 million (Attachment 4).

Financial Impact

None.

Conclusion

The March 31, 2024 financial information report provides details on the economic environment, financial results and other key indicator information to the Finance Committee for information.



Cindy Gilfillan, CPA, CMA
Manager, Financial Reporting
604-276-4077

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

Economic Indicators**March 31, 2024****Macroeconomic Indicators & Forecast**

1) Real GDP (% at YE)	2024f	2025f			
Canada	1.2	2.3			
United States	2.7	1.9			
China	4.6	4.1			
World	3.2	3.2			
2) Interest Rates (at YE)	2024f	2025f			
Bank of Canada	4.00	3.00			
US FED	5.13	4.63			
3) Exchange Rate (at YE)	2024f	2025f			
CAD per \$1 USD	1.33	1.33			
4) Unemployment (% at QE)	Q1-2024	Q4-2023	Change	Q1-2023	Change
Canada	6.1	5.8	5.2%	5.0	22.0%
BC	5.5	5.5	0.0%	4.5	22.2%
Metro Vancouver	5.4	5.9	(8.5%)	4.9	10.2%
5) CPI (2002=100) (at QE)	Q1-2024	Q4-2023	Change	Q1-2023	Change
Canada	159.8	158.3	0.9%	155.3	2.9%
BC	153.8	152.1	1.1%	149.7	2.7%
Metro Vancouver	156.6	154.9	1.1%	152.3	2.8%

Regional and Local Market Indicators

6) Richmond Building Permits	Q1-2024	Q1-2023	Change	YTD-2024	YTD-2023	Change
Residential – New Construction [^]	39	63	(38.1%)	39	63	(38.1%)
Residential – Alterations	100	103	(2.9%)	100	103	(2.9%)
Residential Total	139	166	(16.3%)	139	166	(16.3%)
Number of units from new residential construction	316	155	103.9%	316	155	103.9%
Residential	139	166	(16.3%)	139	166	(16.3%)
Commercial	99	104	(4.8%)	99	104	(4.8%)
Industrial	25	40	(37.5%)	25	40	(37.5%)
Building Permits Total	263	310	(15.2%)	263	310	(15.2%)
Construction Value (\$ million)	203.9	132.6	53.7%	203.9	132.6	53.7%
7) Housing Starts CMHC (Units)	Q1-2024	Q1-2023	Change	YTD-2024	YTD-2023	Change
Starts - Richmond	735	599	22.7%	735	599	22.7%
Starts - Metro Vancouver	7,627	7,118	7.2%	7,627	7,118	7.2%
8) Richmond Residential Sales Activity	Q1-2024	Q1-2023	Change	YTD-2024	YTD-2023	Change
Sales - Detached	177	179	(1.1%)	177	179	(1.1%)
Sales - Townhouse	149	134	11.2%	149	134	11.2%
Sales - Apartment	342	379	(9.8%)	342	379	(9.8%)
Sales - Total	668	692	(3.5%)	668	692	(3.5%)

Economic Indicators**March 31, 2024****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings**

Ratio (% at QE)	Q1-2024	Q1-2023	Change
Single Family Detached	17.9%	25.4%	(29.5%)
Townhouse	40.6%	41.7%	(2.6%)
Apartment	26.8%	40.6%	(34.0%)
Total	25.1%	35.1%	(28.5%)

10) Average Days on Market

Property Type	Richmond			Metro Vancouver		
	Q1-2024	Q1-2023	Change	Q1-2024	Q1-2023	Change
Single Family Detached	57	48	18.8%	45	43	4.7%
Townhouse	39	33	18.2%	30	33	(9.1%)
Apartment	37	46	(19.6%)	34	36	(5.6%)

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

Property Type	Richmond			Metro Vancouver		
	Q1-2024	Q1-2023	Change	Q1-2024	Q1-2023	Change
Single Family Detached	2,191	2,108	3.9%	2,008	1,862	7.8%
Townhouse	1,147	1,103	3.9%	1,113	1,056	5.3%
Apartment	772	726	6.3%	778	737	5.4%

12) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q1-2024	Q1-2023	Change	Q1-2024	Q1-2023	Change
Office Vacancy (%)	10.0	9.5	5.3%	10.1	10.1	0.0%
Transit Oriented Office Vacancy (%)	6.6	12.5	(47.2%)	N/A	N/A	N/A
Office Inventory (000 sf)	5,090	5,043	0.9%	67,978	66,815	1.7%
Industrial Vacancy (%)	0.8	0.5	60.0%	2.5	0.9	177.8%
Industrial Inventory (000 sf)	45,863	45,868	0.0%	244,064	230,197	6.0%

13) Richmond Business Growth

	Q1-2024	Q1-2023	Change	YTD-2024	YTD-2023	Change
Total Valid Business Licences (at QE)	13,982	13,164	6.2%	13,982	13,164	6.2%
New Licences - Number Issued	441	423	4.3%	441	423	4.3%
New Licences - Employees	1,662	1,604	3.6%	1,662	1,604	3.6%
New Licences - Office Added (sf)	154,095	174,274	(12.0%)	154,095	174,274	(12.0%)
New Licences - Retail Added (sf)	48,009	89,038	(46.0%)	48,009	89,038	(46.0%)
New Licences - Industrial Added (sf)	166,656	157,036	6.0%	166,656	157,036	6.0%
Total Space Added (sf)/Avg. Change	368,760	420,348	(12.3%)	368,760	420,348	(12.3%)

Economic Indicators**March 31, 2024****Regional and Local Market Indicators (continued)**

14)	Goods & People Movement	Q1-2024	Q1-2023	Change	YTD-2024	YTD-2023	Change
	YVR Air Cargo (tonnes)	75,583	68,810	9.8%	75,583	68,810	9.8%
	PMV Container Movement (TEUs)	861,517	708,275	21.6%	861,517	708,275	21.6%
	YVR Passengers (million)	5.99	5.49	9.1%	5.99	5.49	9.1%
	Richmond Hotel Revenue (\$ million)*	39.7	36.3	9.4%	39.7	36.3	9.4%

Notes:

- a) *QE indicates quarter-end; YE indicates year-end.*
b) *f - forecast to year-end.*
c) *Figures have been updated to reflect changes in source data.*
**Richmond Hotel Room Revenue for Q1 and YTD includes January and February only.*

List of Sources:

- 1) *International Monetary Fund, World Economic Outlook (April 2024). Steady but Slow Resilience and Divergence.*
2) *US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; Bank of Canada Monetary Policy Report, April 2024.*
3) *RBC Economics RBC Financial Markets Monthly, April 2024.*
4) & 5) *Statistics Canada, BC Stats.*
6) *City of Richmond Building Permits.*
7) *Canada Mortgage and Housing Corporation.*
8), 9), 10) & 11) *Real Estate Board of Greater Vancouver.*
12) *Cushman & Wakefield Office and Industrial Market Beat Reports.*
13) *City of Richmond Business Licences*
14) *Port of Vancouver Monthly Cargo Statistics.*
YVR Monthly Statistics.
City of Richmond Additional Hotel Room Tax Ledger.

Financial and Key Indicators**March 31, 2024**

(All dollar amounts in \$000's)

	Q1-2024	Q1-2023	Change	YTD-2024	YTD-2023	Change
1) Development Cost Charges Contributions						
Roads, Water, Sewer DCCs Received	\$3,289	\$1,086	202.7%	\$3,289	\$1,086	202.7%
Parks DCCs Received	\$3,254	\$566	474.5%	\$3,254	\$566	474.5%
Total DCC Fees Received	\$6,543	\$1,652	295.9%	\$6,543	\$1,652	295.9%
DCC Reserves – Uncommitted Balance at QE	\$150,201	\$141,851	5.9%	N/A	N/A	N/A
2) Uncommitted Reserves (at QE)						
Capital Funding Reserves	\$204,586	\$240,803	(15.0%)			
Utility Reserves	\$84,726	\$107,846	(21.4%)			
Affordable Housing Reserves	\$10,458	\$11,428	(8.5%)			
Other Reserves	\$110,651	\$83,807	32.0%			
Total Uncommitted Reserves	\$410,421	\$443,884	(7.6%)			
3) Taxes to date						
Taxes Collected	\$17,829	\$15,489	15.1%	\$17,829	\$15,489	15.1%
City Portion of Taxes Collected	\$9,093	\$7,899	15.1%	\$9,093	\$7,899	15.1%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$15,502	\$12,515	23.9%	\$15,502	\$12,515	23.9%
No. of Participants on Pre-authorized withdrawal (at QE)	6,359	6,312	0.7%	6,359	6,312	0.7%
Pre-authorized withdrawals payments	\$13,474	\$12,324	9.3%	\$13,474	\$12,324	9.3%
Interest rate % paid	5.20%	4.45%	16.9%	5.20%	4.45%	16.9%
<i>Sources: All data is from City of Richmond records</i>						
4) Cash and Investments						
Investments	\$1,400,854	\$1,046,545	33.9%			
Cash (includes high interest savings accounts)	\$244,746	\$491,822	(50.2%)			
Total Cash and Investments	\$1,645,600	\$1,538,367	7.0%			
Average City Rate of Return on Investments %	4.59%	4.10%	12.0%			

Financial and Key Indicators**March 31, 2024**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

	Q1-2024	Q1-2023	Change	YTD-2024	YTD-2023	Change
5) Planning and Development						
Building Permit Fees Collected	\$2,323	\$1,709	35.9%	\$2,323	\$1,709	35.9%
Development Applications Received	23	36	(36.1%)	23	36	(36.1%)
Development Applications Fees	\$211	\$214	(1.4%)	\$211	\$214	(1.4%)
6) Business Licences						
Revenue Received for Current Year Licences	\$2,281	\$1,957	16.6%	\$2,281	\$1,957	16.6%
Revenue Received for Next Year (Deferred)	\$112	\$104	7.6%	\$112	\$104	7.6%
Total Licence Revenue	\$2,393	\$2,061	16.1%	\$2,393	\$2,061	16.1%
<i>Year to date valid licences and revenue include current year licences issued in the prior year.</i>						
7) Other Revenues						
Parking Program Revenue	\$577	\$500	15.4%	\$577	\$500	15.4%
Gaming Revenue	\$3,045	\$3,690	(17.5%)	\$3,045	\$3,690	(17.5%)
Traffic Fine Revenue	\$0	\$0	0%	\$0	\$0	0%
8) Employees						
Full Time Equivalent (FTE) Employees (at QE) <i>(City and Library)</i>	1,678	1,607	4.4%			
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
9) Operating Indicators						
RCMP - Calls for Service Handled	16,885	15,833	6.6%	16,885	15,833	6.6%
Community Bylaws	1,694	1,639	3.4%	1,694	1,639	3.4%
Fire-Rescue Incidents	3,504	2,908	20.5%	3,504	2,908	20.5%
Public Works Calls for Service	3,422	3,081	11.1%	3,422	3,081	11.1%
10) Richmond Population Estimate Year End						
	2024f	2023				
	235,083	229,781				

*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, 2024, with comparative figures for 2023.

(in \$000's)

	Budget March 31, 2024	Actuals March 31, 2024	Actuals March 31, 2023
Revenue:			
Taxes and levies	\$76,669	\$76,625	\$71,687
Utility fees	37,115	34,556	31,050
Sales of services	13,704	10,090	9,228
Payments-in-lieu of taxes	3,663	3,350	3,331
Provincial and federal grants	6,659	4,857	1,236
Development cost charges	4,151	1,308	1,337
Other capital funding sources	17,029	3,826	3,276
Other revenue:			
Investment income	6,405	15,739	9,207
Gaming revenue	3,125	3,045	3,690
Licences and permits	3,208	5,274	4,555
Other	3,838	5,669	3,149
Equity income	211	720	699
	\$175,777	\$165,059	\$142,445
Expenses:			
Community safety	\$38,765	\$35,108	\$32,545
Utilities ⁴	31,228	29,947	29,523
Engineering, public works and project development	15,199	14,151	14,154
Community services	19,934	16,007	15,456
General government	24,711	22,419	20,622
Planning and development	11,296	9,876	5,697
Library services	3,119	2,925	2,656
	\$144,252	\$130,433	\$120,653
YTD Surplus (Annual Surplus) ²	\$31,525	\$34,626	\$21,792
Accumulated surplus, beginning of year	3,532,487	3,532,487	3,510,695
Accumulated surplus, end of March 31 ³	\$3,564,012	\$3,567,113	\$3,532,487

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, sewer and sanitation recycling

Contract Awards Greater than \$75,000

January 1st to March 31st, 2024

Item	Description	Awarded Vendor	Awarded Amount	Division
1	Supply and Delivery of One (1) Dump Body and Outfitting on a City-provided Cab and Chassis	Viking-Cives, Ltd.	\$232,810	Engineering & Public Works
2	Supply and Delivery of One (1) 2023 Peterbilt Cab and Chassis (One Tandem Axle) Truck	Peterbilt Pacific Inc.	259,140	Engineering & Public Works
3	ArcGIS Software Support and Maintenance Renewal	ESRI Canada Ltd.	237,000	Finance and Corporate Services
4	Architectural Services for the Hugh Boyd Community Facility and Fieldhouse - Phase 1	Carscadden Stokes McDonald Architects	98,935	Engineering & Public Works
5	Supply and Delivery of One (1) Rotary Batwing Roll Over Protective Structure Mower with Three (3) Cutting Surfaces	Oakcreek Golf & Turf LP	117,420	Engineering & Public Works
6	On-Call Fire Systems Service Provider	Elite Fire Protection Ltd.	1,157,450	Engineering & Public Works
7	Insurance Brokerage Services	AON Canada Inc.	380,000	Finance and Corporate Services
8	Space Planning 7100 River Road for Works Yard	Heritage Office Furnishings Ltd.	113,900	Engineering & Public Works
9	Works Yard - Salt Shed Construction	Holaco Construction Ltd.	149,058	Engineering & Public Works
10	Densification Impact Assessment of Single Family Parcels	Kerr Wood Leidal Associates Limited	94,448	Engineering & Public Works
11	City Hall Annex First Floor Renovation Design	Ashton Mechanical Ltd.	154,893	Engineering & Public Works
12	South Arm Community Centre Infrastructure Renewals - Flooring and Tile Supply	PCL Constructors Westcoast Inc.	177,269	Engineering & Public Works
13	Steveston Streetscape Vision Design Concepts	WSP Canada Inc.	99,560	Planning and Development
14	Supply and Delivery of Drainage Infrastructure Materials - Burkeville Utility Upgrades	Wolseley Canada Inc.	126,931	Engineering & Public Works
15	City Hall Chiller Replacement, Domestic Waterline and Elevator Renewals - Heat Pump and Equipment Supply	Heatherbrae Builders Co. Ltd.	1,405,560	Engineering & Public Works

Contract Awards Greater than \$75,000 (continued)January 1st to March 31st, 2024

Item	Description	Awarded Vendor	Awarded Amount	Division
16	Energy Management Software	Puma Utility Monitoring Inc.	150,000	Engineering & Public Works
17	Works Yard Civil Relocation Design Services	Aplin & Martin Consultants Ltd.	139,798	Engineering & Public Works
18	Workforce Management Solution Implementation	S.I. Systems Partnership	306,000	Finance and Corporate Services
19	Extended Detection and Response Solution (3 year term)	Optiv Canada Inc.	534,813	Finance and Corporate Services
20	South Arm Community Centre Infrastructure Renewals – Base Building Renewals	PCL Constructors Westcoast Inc.	1,463,698	Engineering & Public Works
21	Information Technology Service Management Solution	Kifinti Solutions	749,580	Finance and Corporate Services
22	Supply and Delivery of One (1) 6500KG Gross Vehicle Weight Cutaway Cube Van With Dual Rear Wheels	Barnes Wheaton GM	106,243	Engineering & Public Works
23	Learning Management System	HR Path Canada	204,803	Community Safety
24	Provision of Consulting Services for Dike Breach Modelling and Emergency Reconstruction Strategy	Kerr Wood Leidal Associates Limited	298,709	Engineering & Public Works
25	Audio and Visual Equipment Replacement	Hybrid Audio Visual	134,203	Finance and Corporate Services
26	On-Call Plumbing Contractor Services (3 year term)	PJB Mechanical; Kern BSG Management Ltd.; C&C Electrical Mechanical	2,020,000	Engineering & Public Works
27	Supply and Delivery of Pool Chemicals (3 year term)	DB Perks & Associates; Cleartech; Univar Solutions	1,331,700	Community Services
28	Delivery of Advanced Lifeguarding, Lifesaving and First-Aid Instructional and Recertification Courses	LIT Aquatics Ltd.	2,100,000	Community Services
29	Aquatic Leadership Courses and Swimming Lessons (2 year term)	Lifesaving Society	121,400	Community Services

Contract Awards Greater than \$75,000 (continued)January 1st to March 31st, 2024

Item	Description	Awarded Vendor	Awarded Amount	Division
30	Street and Sidewalk Vegetation Control Services (3 year term)	Western Weed Control Ltd.	350,000	Community Services
31	Amanda Support and Maintenance	Granicus LLC	124,258	Finance and Corporate Services
32	City Hall Annex First Floor Demolition	Ashton Mechanical Ltd.	189,229	Engineering & Public Works
33	Minoru Centre Mechanical System Review	The AME Consulting Group Ltd.	93,640	Engineering & Public Works
34	ForgeRock Support and Maintenance (2 year term)	Ping Identity Corporation	350,513	Finance and Corporate Services
35	Steveston Community Centre and Library - Facility Construction	Scott Construction Ltd.	67,446,228	Engineering & Public Works
36	Asphalt Paving - No 4 East Laneway & Seafield Crescent Laneway Upgrade Projects	Superior Asphalt Paving Ltd.	114,570	Engineering & Public Works
37	Proofpoint Enterprise Software Maintenance and Support	Ion United Inc.	145,396	Finance and Corporate Services