BUDGET
VANCOUVER 2026

PROPOSED 2026 BUDGET

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MESSAGE FROM THE CITY MANAGER

Across the country, families and businesses are feeling the impacts of rising costs and economic uncertainty. Here in Vancouver, Council has directed staff to bring forward a 2026 Budget with a 0% property tax increase while maintaining the services people count on most, including community grants, public safety, road and sidewalk maintenance, and community centre and library hours. This clear direction helps provide stability for our residents and businesses and clarity for our staff.

Our goal is to deliver on this direction. We will get there by finding efficiencies, reducing costs where we can, and finding new and creative ways to generate revenue.

Looking ahead to 2026

For next year, our proposed Operating Budget is $2.39 billion. It covers fixed costs and Council-approved priorities, and maintains the planned increases in infrastructure renewal funding (including the equivalent to a 1% property tax increase). At the same time, we are also facing significant cost pressures, including increases in public safety services, construction materials and labour, salaries and compensation, and levies charged by Metro Vancouver and E-Comm 9-1-1. Utility fees, including solid waste, water and sewer, are proposed to increase by 4.2%, mostly due to investments toward replacement of aging capital infrastructure, and a rise in Metro Vancouver water rate and sewer levies.

Even with these pressures, we remain focused on maintaining essential services and investing in the long-term infrastructure that supports a livable city.

Our proposed budget supports the delivery of projects from our 2023-2026 Capital Plan, representing a $3.96 billion investment in Vancouver's livability, sustainability and resilience. In 2026, we are prioritizing the completion of ongoing multi-year projects while advancing $698 million in new investments. The 2026 Capital Expenditure Budget is $894 million, which is a slight increase from the 2025 expenditure budget of $880 million.

Notable capital projects include the renewal and expansion of the PNE Amphitheatre, seismic upgrades to the Cambie Bridge, construction of the new Marpole Community Centre and ongoing programs such as sewer main renewal, fleet replacement and capital grants.

I want to thank staff for the work they do every day to deliver for our city, and Mayor and Council for their leadership. By staying focused on service and responsible investment, we can meet today's challenges while delivering the services and infrastructure that residents and businesses rely on.

Donny van Dyk

City Manager

VANCOUVER CITY COUNCIL

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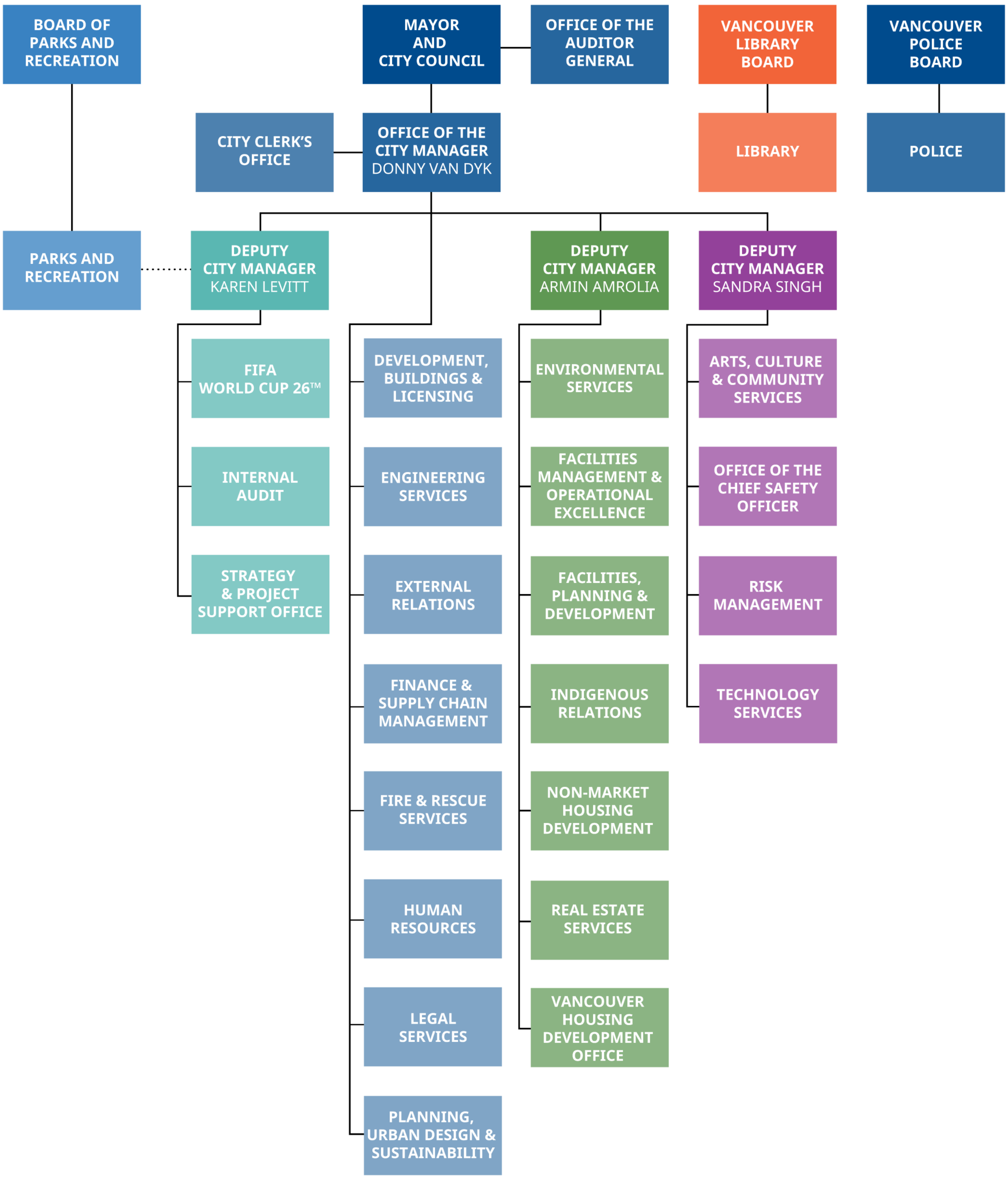
CITY OF VANCOUVER'S ORGANIZATIONAL STRUCTURE



TAXES AND FEES AT A GLANCE

The 2026 Proposed Budget has been developed based upon a 0% property tax increase while maintaining front-line services, library and community services, and grants. The police and fire departments are fully funded in the 2026 Proposed Budget, reinforcing public safety as a key priority. The budget supports affordability and recognizes the need to deliver services that only the City can deliver. Delivering front-line services effectively and efficiently is one of the key ways that the City can support the local economy — by keeping money in the pockets of residents and businesses.

2026 Increases – City property tax, fees and charges

Property tax increase	**0.0%**
Utility fees (combined)	**4.2%**
Water	4.0%
Sewer	5.5%
Solid waste	1.6%
Median single-family home combined municipal property tax and utility fees	**1.7%**

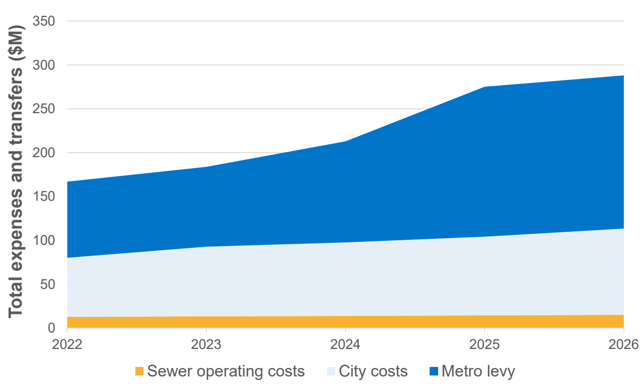
2026 Increases – all other fees

Neighbourhood Energy Utility (NEU)	**3.2%**
Recreation user fees	**2.0-5.0%**
Most business licence fees	**4.5%**
Most permit fees	**4.5%**

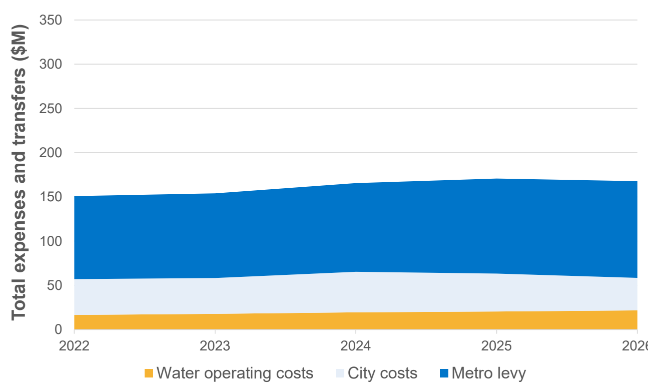
The 2026 utility fees increase recedes to 4.2% after the significant increase of 18.2% in 2025, primarily as a result of a smaller increase in Metro Vancouver water rate and sewer and drainage levy. The 2026 utility fees follow a 0% increase for City-run system operations, similar to property taxes, with the 4.2% increase attributed to the City's ongoing investment in underground infrastructure renewal and payment to Metro Vancouver.

The charts that follow show the breakdown of total water and sewer utility costs over the last five years leading up to the 2026 Budget.

2022-2026 Total sewer utility costs



2022-2026 Total water utility costs



2026 PROPOSED OPERATING BUDGET

Balancing the budget at 0% while maintaining front-line services requires that the City identify $120 million in revenue opportunities and expenditure savings. The 2026 Budget will be a back-to-basics budget. To succeed, the City will need to organize teams to optimize service delivery, review management structures and consolidate overlapping functions to increase efficiency. We will need to prioritize work and consider scaling back or discontinuing activities that don't support front-line service delivery. Staff will continue to focus on results, ensuring that there is the right balance between planning and delivery and simplifying administrative processes. Staff will also continue to develop new revenue opportunities, including increasing sponsorship and advertising, optimizing the City's investment portfolio and aligning program fees with rising costs.

The 2026 Budget sets the foundation for building an effective and efficient City. Achieving this vision will require collaboration, and the City will require senior governments to effectively deliver services within their mandates. Where the City is solely responsible for key front-line services, such as public safety, roads, libraries and community centres, it will continue to deliver outstanding services and manage taxpayer funding responsibly and efficiently.

The City continues to face fixed cost pressures including salaries and benefits, external party costs such as levies charged by Metro Vancouver and E-Comm 9-1-1, operating impacts of previously approved capital projects, fleet maintenance, building rentals and maintenance. The Operating Budget continues to include an equivalent of 1% property tax increase for funding of additional infrastructure renewal. The proposed 2026 Budget includes funding for all of these fixed cost pressures.

At the time of writing, collective agreements with Vancouver Police Union, Vancouver Fire Fighters' Union and CUPE Local 15 are settled and reflected within the 2026 Budget. While the timing and financial impacts of pending agreements are currently unknown, provisions have been included within the respective departmental budgets as part of the 2026 Proposed Operating Budget.

The $120 million in revenue opportunities and expenditure savings will be achieved through:

- **Revenue optimization** — Including increased sponsorship and advertising, and ensuring fees for City services reflect the true cost of delivering services.
- **Delivering cost effectively** — Reviewing exempt management structures and consolidating overlapping functions, ensuring the right balance between planning and delivery, and streamlining administrative processes.
- **Service level reviews** — Reviewing service levels to prioritize front-line service delivery.
- **Capital efficiencies** — Optimizing capital overhead spending by streamlining technology lifecycle practices and prioritizing essential business initiatives.

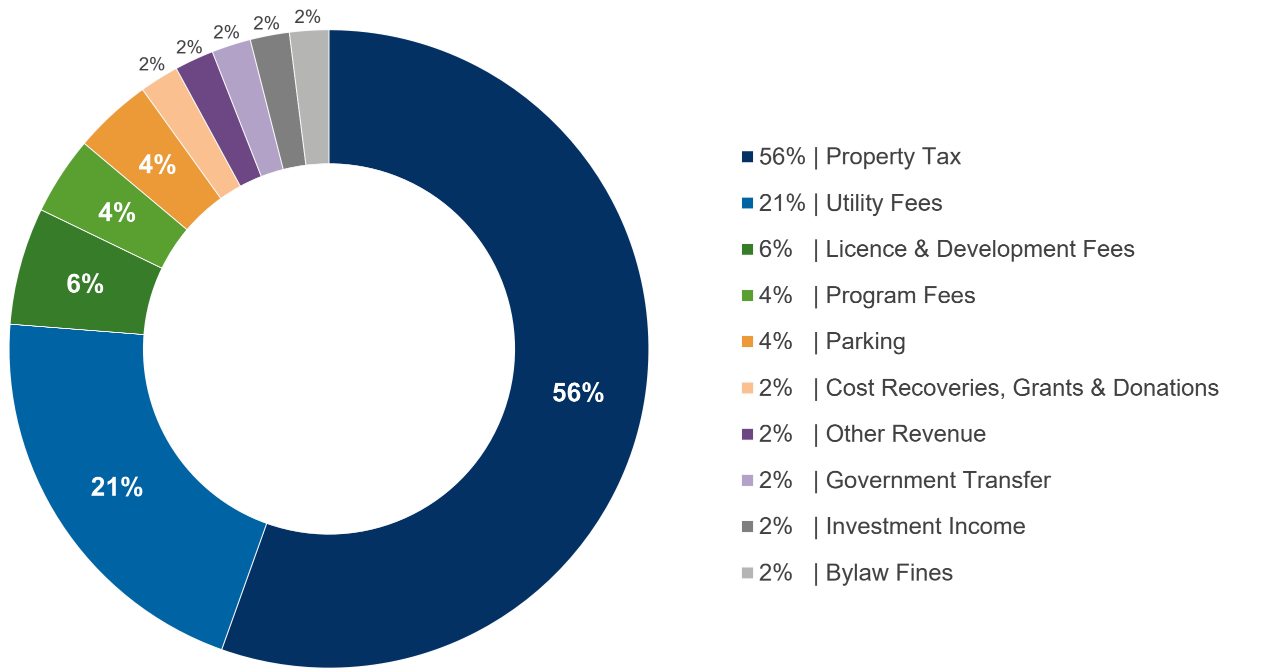
Between 2022 and 2025, staffing at the City increased by 748 full-time equivalent positions, including Public Safety. Of the net-new full-time equivalent (FTE) positions, approximately one-third are exempt roles, including technical professionals such as engineers and safety staff, who support capital projects, and two-thirds are unionized front-line workers. Reviewing how teams are organized will be an important part of ensuring that the City delivers services efficiently and effectively.

City of Vancouver	2022 Actual	2023 Actual	2024 Actual	2025 (Sep)	2022-2025 Change
Full-time equivalents*	8,823	9,134	9,470	9,572	748

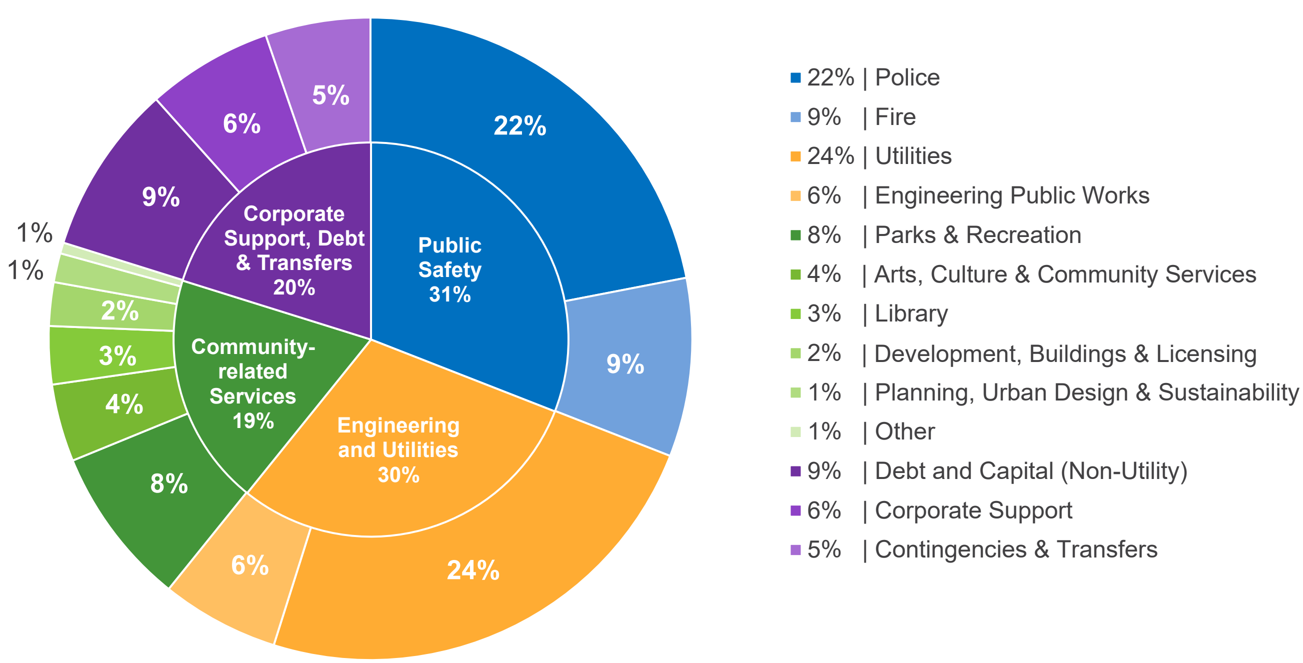
*The FTE estimates include Public Safety.

Recognizing the scale of change that is required, the City will move quickly, thoughtfully and professionally. Council's approval of the 2026 Budget will set the early direction needed to begin this work, with staff committed to reporting to Council regularly with updates and detailed line-item budgets.

2026 Operating revenues ($2,393 million)



2026 Operating expenditures, debt and transfers by service area ($2,393 million)



2026 Proposed Operating Budget

Operating Budget Summary ($ Millions)	2025 Restated Budget	2026 Proposed Budget	$ Change	% Change
Revenues				
Property tax revenue	1,323.9	1,333.3	9.3	1%
Utility revenue	492.4	502.1	9.6	2%
Program revenue	85.6	101.1	15.5	18%
Licence and development fees	137.9	143.0	5.1	4%
Parking revenue	81.1	92.1	11.0	14%
Cost recoveries, grants and donations	65.4	57.5	(7.8)	-12%
Government transfers	35.0	41.1	6.1	18%
Investment income	52.5	40.5	(12.1)	-23%
Other revenue	42.5	44.9	2.4	6%
Bylaw fine revenue	26.3	36.9	10.6	40%
Total Revenues	**2,342.7**	**2,392.5**	**49.8**	**2%**
Expenditures & Transfers				
Utilities	559.3	572.2	13.0	2%
Engineering	142.7	141.8	(0.8)	-1%
Police Services	479.1	525.3	46.2	10%
Fire and Rescue Services	202.8	215.0	12.2	6%
Parks and Recreation	190.7	192.0	1.2	1%
Library	67.7	69.8	2.1	3%
Britannia Community Services Centre	6.6	6.5	(0.1)	-2%
Civic Theatres	16.6	16.4	(0.2)	-1%
Arts, Culture and Community Services	50.5	44.4	(6.0)	-12%
Grants	32.7	32.7	-	0%
Planning, Urban Design and Sustainability	40.4	34.9	(5.5)	-14%
Development, Buildings and Licensing	52.6	52.5	(0.2)	0%
Mayor and Council	4.4	4.1	(0.3)	-6%
Office of the Auditor General	2.6	2.5	(0.0)	-2%
Corporate Support				
Real Estate, Environment and Facilities Management	39.3	34.4	(4.9)	-13%
Finance and Supply Chain Management	19.2	16.6	(2.6)	-14%
Technology Services	55.0	51.8	(3.2)	-6%
Other Corporate Support	57.1	48.7	(8.4)	-15%
General Government	135.9	126.2	(9.7)	-7%
General Debt and Transfers to the Capital Fund	187.6	204.8	17.1	9%
Total Expenditures & Transfers	**2,342.7**	**2,392.5**	**49.8**	**2%**
Net Expenditures	**-**	**-**	**-**	**-**

FISCAL RESPONSIBILITY AND BENCHMARKING

Financial sustainability guiding principles

Vancouver, like other Canadian cities, offers a broad range of services with limited revenue sources. The City adheres to prudent fiscal stewardship with careful financial planning that balances short-term operating needs with long-term infrastructure and amenity requirements. The City's financial planning process is guided by a set of financial sustainability guiding principles and financial health targets.

Fiscal prudence

- Live within our means
- Consider long-term implications in all decisions
- Maintain a stable and predictable revenue stream
- Keep debt at a manageable level
- Build in flexibility and contingencies for emerging priorities and opportunities

Affordability and cost-effectiveness

- Deliver services that are relevant and result in desired public outcomes
- Ensure value for money through productivity and innovation
- Keep property tax and user fees affordable and competitive

Asset management

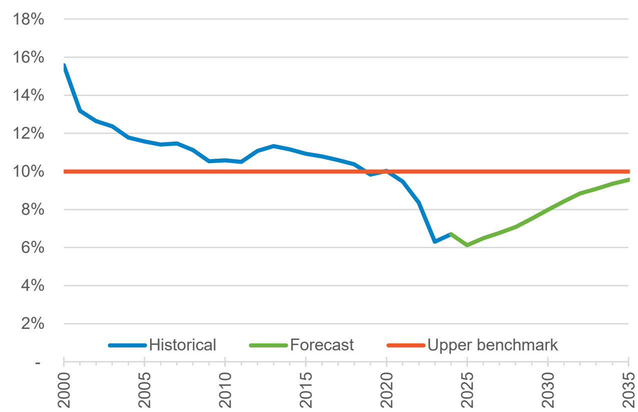
- Maintain assets in a state of good repair
- Optimize operating and capital investments to meet public and economic needs while achieving value for the investment

Long-term financial sustainability framework

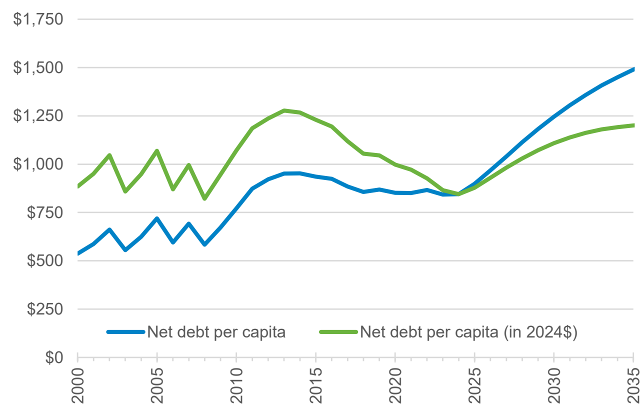
While developing the financial plan presented in this document, the City has maintained a commitment to strong financial discipline and strategic management of debt. This ensures that capital investments will not unduly burden the Operating Budget through debt servicing, operating costs and asset lifecycle costs. Identifying the financial and debt capacity up front ensures that the Capital Plan is developed in a fiscally prudent manner that considers the City's long-term financial health, credit ratings and future impacts on tax and fee payers. Both Moody's and Standard & Poor's credit rating agencies have acknowledged this financial strategy by continuing to assign the City the highest possible credit rating (Aaa/AAA).

For financial planning purposes, the City tracks a number of metrics to provide an indication of its financial health and long-term borrowing capacity, which informs the funding strategy for the Capital Plan. The following are two key financial health metrics and trends.

Debt service as percentage of adjusted operating revenue



Net debt per capita



In developing the Capital Plan, a key constraining factor is the impact on the Operating Budget and property tax arising from debt servicing and pay-as-you-go funding (that is, capital projects funded from within the Operating Budget as opposed to using debt). Given the rapidly evolving economic and geopolitical landscape, there is a risk in overextending the City's fiscal capacity and putting further undue pressure on future budgets.

The City has revised its debt service as a percentage of operating revenue metric to use an adjusted revenue figure that excludes revenue associated with flow-through charges (e.g., Metro Vancouver levies) to reflect that these amounts are not available to service the City's debt.

The projected growth in net debt per capita reflects an intentional, gradual increase in capital investments with the objective of undertaking necessary renewals and upgrades to the City's infrastructure and amenities. The trajectory could change over time, should future Councils choose to sooner transition more capital programs and projects from debt financing to pay-as-you-go. Lowering debt financing would achieve long-term interest savings but result in higher property tax and utility fees during transition years. The City will continue to monitor and adjust its financial strategy to strike a balance between debt financing and pay-as-you-go.

Maintain strong credit ratings and access to low borrowing costs

The City's strong credit ratings (Aaa/AAA) are among the best for Canadian cities, supported by a strong and diverse economy, a stable tax base and exceptional liquidity. A strong credit rating reflects the City's prudent financial management and its capacity to adjust to changes in the economic environment. Continued management of debt within target levels is critical to maintaining these top-tier credit ratings. It is estimated that long-term borrowing costs would increase by 3 to 5 basis points for each level of downgrade, equating to approximately $0.5 million in additional interest over the 10-year term of each $100.0-million debenture issue.

Consider long-term impacts of operating and capital investments

The growing need for asset renewal, the demand for new infrastructure and amenities to support growth, and the rapid escalation in land, construction and other costs will put further pressure on the City's budget. As the City's four-year Capital Plan is developed, the long-term impact on the City's tax and fee payers arising from the City's operating and capital investment decisions, including debt servicing, ongoing operating costs and asset lifecycle costs, is a key consideration.

Maintain assets in a state of good repair

Maintaining core infrastructure and amenities in a state of good repair is critical to the City's long-term financial health and resilience, and it helps ensure asset management obligations are not deferred and infrastructure deficits do not accumulate to unacceptable levels — one of the key factors that credit rating agencies consider as part of rating reviews.

Since 2011, the City has adopted a service-based capital planning framework, which ensures that the City's front-line service needs inform mid- to long-term strategies and near-term decisions concerning infrastructure and amenities, including redevelopment, retrofits and level of capital maintenance investments.

Optimize capital investments

In order to drive financial and operational efficiencies, as part of the planning process for new City infrastructure and amenities, the City (1) seeks to optimize project partnerships with other levels of government, non-profits and private partners, (2) considers repurposing and/or right-sizing existing assets before undertaking new projects, and (3) evaluates opportunities to co-locate and/or functionally integrate complementary sets of services. All new infrastructure and amenity projects are designed with flexible, adaptable and expandable spaces to accommodate changing demographics and future growth.

Municipal finance reform

Local governments and their representative organizations, the Federation of Canadian Municipalities (FCM) and Union of BC Municipalities (UBCM), have noted for over a decade that the current municipal funding model and the overreliance on property taxes are neither sustainable nor resilient.

Like other Canadian cities, Vancouver has been gradually taking on responsibilities that have traditionally been funded and delivered by senior levels of government, including mental health, affordable housing and childcare. The continued expansion of the municipal mandate — paired with the growing need to maintain and renew the City's critical infrastructure and amenities required to support the economy and a growing population — has resulted in significant ongoing budget pressures that cannot be adequately addressed through traditional funding tools such as property taxes and utility and user fees. There is an urgent need to modernize the municipal funding model to include new sources of revenue that capture both economic growth and emerging activities, such as e-commerce and the sharing economy, that rely less on brick-and-mortar businesses upon which property taxes are based.

The City is working to address the affordability and housing crisis and ensure that there is sufficient infrastructure to support growth at a time when the property development market is facing increasing construction costs. The concept of "growth pays for growth" no longer holds as a reliable framework. Vancouver must now explore new funding models, forge stronger partnerships with senior levels of government, and rethink how infrastructure can be delivered sustainably and equitably.

Property taxes and fees for residents and businesses

When developing financial plans, capital plans and the annual budget, the City considers the impact of property taxes, utility fees and user fees on businesses and residents. While increasing numbers of businesses and residents add to the city's economic and social vitality, this at the same time results in growing demand for public services delivered by all levels of government, such as housing, mental health, public safety, climate emergency response, seismic protection, equity and resilience.

Property taxes

The City's property taxes fund approximately 56% of the City's Operating Budget. The City also collects taxes on behalf of a number of other taxing authorities, including the provincial government (regular school tax as well as the additional school tax on homes valued above $3 million), TransLink, BC Assessment, Metro Vancouver and the Municipal Finance Authority of BC.

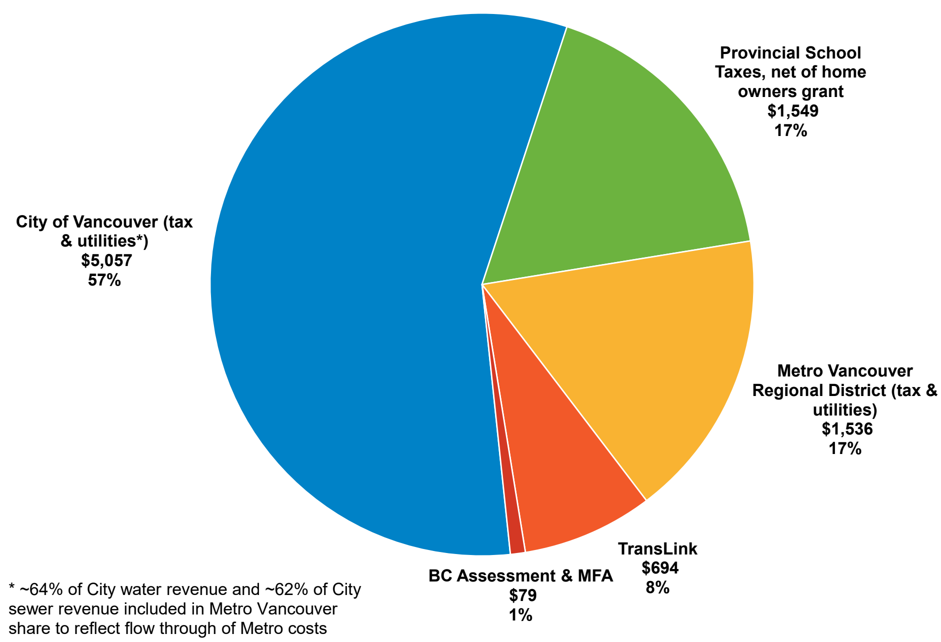
The City does not generate higher property tax revenue as a result of rising property values, as the total tax levy to be collected is determined by Vancouver City Council as part of the annual budget. To establish the City's tax rates, Vancouver City Council divides the tax levy by the assessment base provided by BC Assessment for each property class. Under this approach, property tax increases are driven by the City's funding requirement to support the annual budget, not by rising property values.

The City has also been a leader in supporting community partners through financial and in-kind contributions. In 2024, the City contributed approximately $153 million in the form of property tax exemptions and grants to healthcare and educational institutions and to charitable and not-for-profit organizations — equivalent to $202 per capita.

Looking ahead, the growing need for asset renewal, the demand for new infrastructure and amenities to support growth and advance Council's priorities, and the rapid escalation in land, construction and other costs will put further pressure on the City's budget.

As presented in the following chart, the levies from other taxing authorities, including the charges from Metro Vancouver related to the provision of their component of water and sewer services, represent approximately 43% of the taxes and fees for a median single-family home.

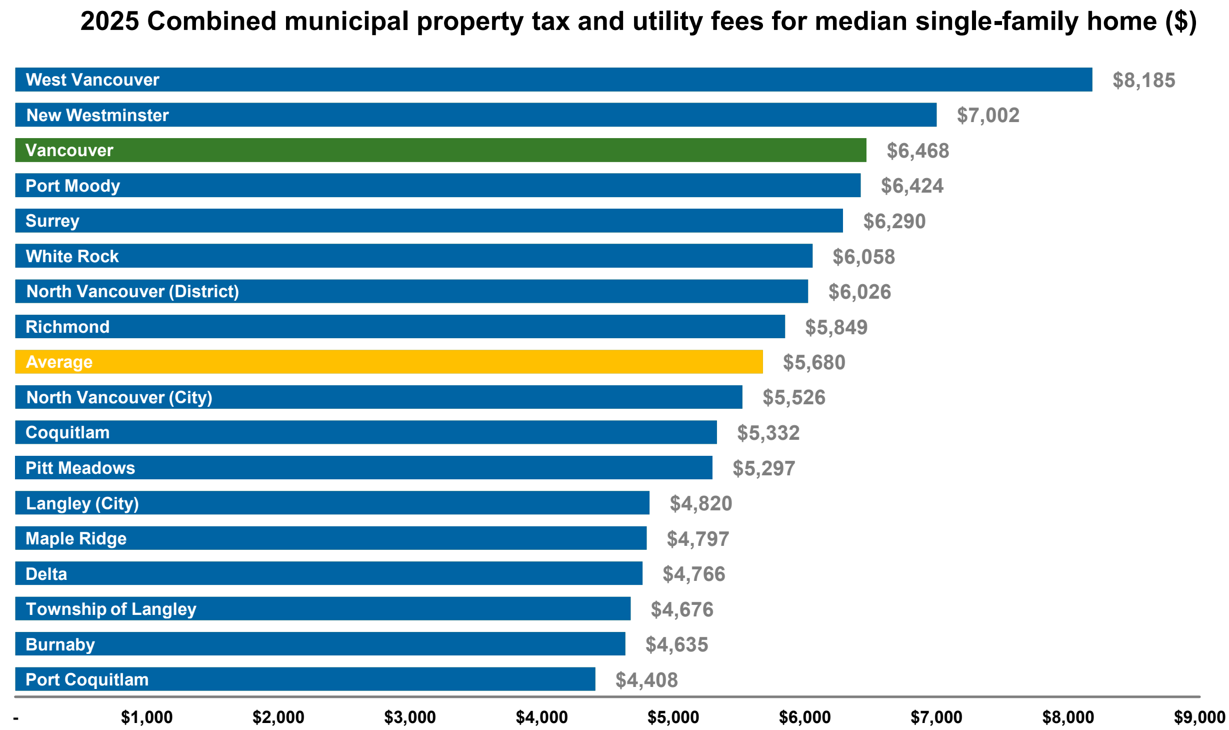
2025 Distribution of taxes and fees for median single-family home

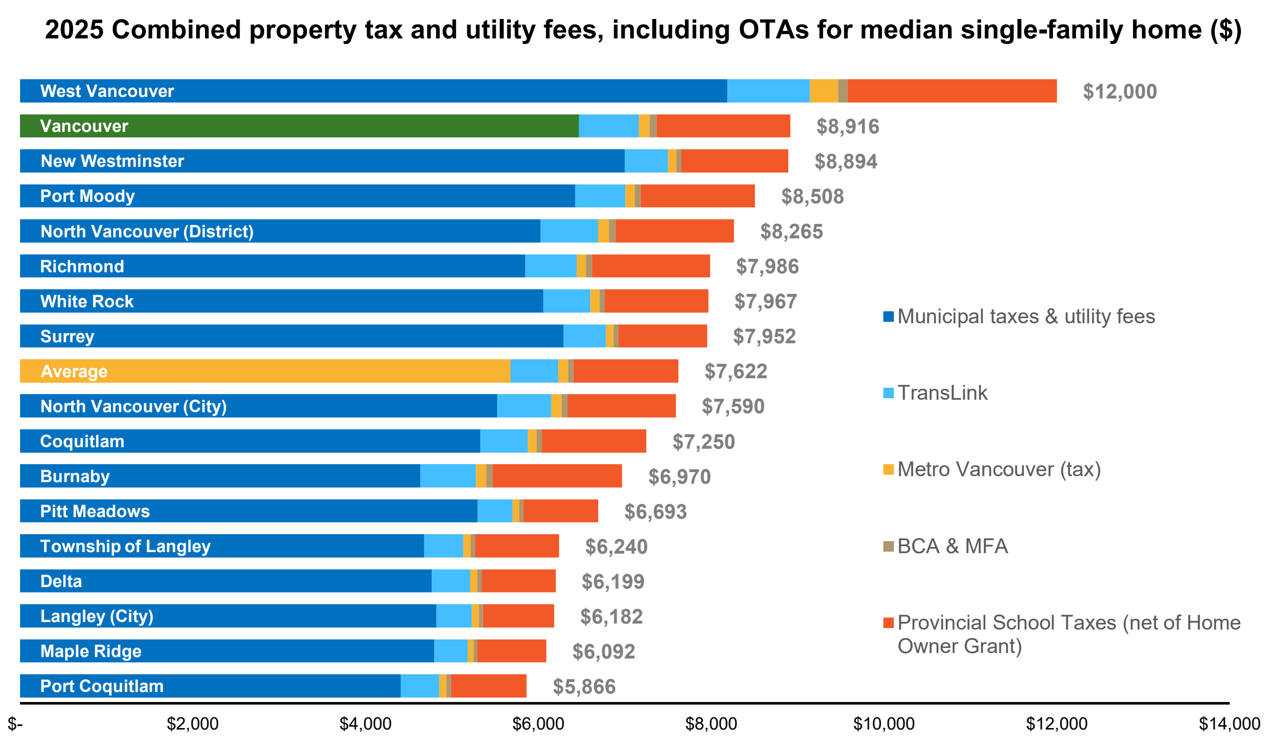


Note: The annual homeowner grant threshold can change the distribution of taxes for a median single-family home. In 2025, a median single-family home assessed at $2.2 million could qualify for a grant of $425, compared with $295 in 2024.

When comparing municipal property taxes and fees across Metro Vancouver municipalities, it is important to keep in mind that Council priorities and community expectations vary across municipalities. Therefore, property taxes and fees may vary from city to city to support the provision of a desired level of services, infrastructure and amenities, and to address unique challenges faced by individual municipalities.

The following charts compare the 2025 property taxes and utility fees for a median single-family home in Vancouver with those in other Metro Vancouver municipalities.





Tax relief programs

The City offers several property tax relief programs, including:

- **Targeted Five-Year Land Assessment Averaging** — Addresses assessment volatility for eligible Residential (Class 1), Light Industry (Class 5) and Business & Other (Class 6) properties. To date, Vancouver is the only municipality in BC that uses averaging to phase in significant assessment increases at a city-wide level.
- **Pilot Development Potential Relief Program (DPRP)** — Provides tax relief for eligible Class 5 and 6 properties, to help independent small businesses and community partners who are paying disproportionately high taxes because of development potential. The DPRP was implemented as a pilot in 2023 and was extended for 2024 and 2025. The City of Vancouver was the first municipality in BC to launch a program to kick-start the much-needed relief.

In addition, the following provincial tax relief measures are available to residential property owners and can be applied independently or in combination to alleviate some taxation impact.

- **Assessment Act s19(8)** — Available to property owners who have occupied their principal residence continuously for at least 10 years. If eligible, assessment will be based on current zoning rather than anticipated zoning or development potential.
- **Property tax deferment** — Available to property owners 55 years of age or older who occupy their principal residence. Also available for families with children under 18 years of age.
- **Homeowner grant** — Available to property owners occupying their principal residence, as long as the value falls within the qualifying range.

2026 PROPOSED CAPITAL BUDGET

Capital Plan

The 2023-2026 Capital Plan, approved by Council in June 2022, focuses on maintaining the City's infrastructure and amenities in a state of good repair, optimizing the City's network of assets to support growth and economic development, and expanding infrastructure and amenities to address emerging needs and priorities. On July 23, 2024, Council approved adjustments to the 2023-2026 Capital Plan to support the delivery of existing projects underway and manage emerging capital needs, including cost escalations and external funding opportunities. The 2023-2026 Capital Plan stands at $3.96 billion, including all of the adjustments to the Capital Plan to date. The following table highlights some of the major projects/programs:

Service Category	Capital Plan ($M)	Highlights
Housing	334.6	• Pre-development to ready construction of social and supportive housing on City land
Childcare	60.3	• New childcare at Firehall No. 8 • Ongoing maintenance and renovation of childcare facilities
Parks and Public Open Spaces	215.0	• New track and field training facility at Killarney Park • Andy Livingstone Synthetic Turf Renewal
Arts, Culture and Heritage	241.8	• Renewal and expansion of the outdoor amphitheatre at Hastings Park/PNE
Community Facilities	301.2	• Renewal and expansion of the Vancouver Aquatic Centre • Detailed design and construction of the Marpole Library expansion
Public Safety	178.5	• Renewal and expansion of Firehall No. 8 and Grandview Firehall No. 9 • Animal Control Centre renewal and expansion
Civic Facilities and Equipment	72.4	• Renewal of the first phase of the Sunset Service Yard at Main Street and East 51st Avenue
Streets	540.8	• Granville Bridge and Cambie Bridge rehabilitation and seismic upgrades • Active transportation and complete streets • Gastown/Water Street public space and transportation improvements
One Water: Potable Water, Rainwater and Sanitary Water	858.0	• Accelerated water meter deployment program • Sewer and distribution main renewal program • Pump station renewal and upgrades
Waste Collection, Diversion and Disposal	151.0	• Landfill closure program • Vancouver Landfill gas collection infrastructure
Renewable Energy	62.2	• Electrical vehicle charging retrofits for rental housing • Energy retrofits for non-City buildings
Developer-led (In-kind)	705.8	• New park at Oakridge Centre (phase 1) • Oakridge Redevelopment - Civic Centre

The 2023-2026 Capital Plan was originally approved in June 2022 at a total value of $3.5 billion, comprising $2.8 billion in City-led investments and $706 million in developer-led projects. The plan established the financial framework to deliver on Council priorities and investments in critical infrastructure and amenities across a range of service areas, including affordable housing, community facilities, transportation networks and climate resilience initiatives. Throughout 2023-2025, Council has approved adjustments to the Capital Plan for a net increase of $459 million. These adjustments include:

- $268 million of additional external funding received throughout the plan to support initiatives that align with Council priorities. Major adjustments include additional senior government funding to enable land acquisition for social housing projects and the Growing Communities Fund to support the delivery of infrastructure projects necessary to enable community growth.
- $148 million in funding increases to account for revised cost estimates for the renewal and expansion of the Pacific National Exhibition (PNE) Amphitheatre and the Vancouver Aquatic Centre funded from the City's capital reserves and reallocation of funding from previously approved projects. The cost estimates are based on a sequential tendering process of the final project scope and reflect current market pricing.
- $43 million in other ongoing adjustments to reflect updated project scopes and cost estimates to ensure delivery of initiatives such as the renewal of the first phase of the Sunset Service Yard at Main Street and East 51st Avenue.

As a part of the 2026 budget process, an additional increase of $4 million (partner funding) to the Capital Plan has been recommended, bringing the total plan to approximately $3.96 billion with the City-led component at $3.2 billion. This updated plan continues to demonstrate the City's commitment to responsible financial management, strategic capital investment and the effective delivery of long-term community benefits.

Furthermore, through the 2026 Budget, $698 million of the Multi-Year Capital Budget will be allocated from the 2023-2026 Capital Plan, bringing the total allocation from the 2023-2026 Capital Plan to $3.0 billion or 91% of the Capital Plan. The remainder of the Capital Plan will be allocated to project budgets throughout 2026. Appendix A of this report provides a detailed summary of the 2023-2026 Capital Plan and new 2026 multi-year Capital Project Budget.

The development of the 2027-2030 Capital Plan is currently underway and will be presented for Council approval in mid-2026 in advance of the municipal election in October 2026. The 2027-2030 Capital Plan will focus on renewing aging and end-of-life critical infrastructure and will also advance new infrastructure that supports growth and evolving community needs.

2026 Proposed Capital Budget

The 2026 Capital Budget provides the authority to proceed with specific capital programs and projects and defines both the multi-year Capital Project Budget and the Annual Capital Expenditure Budget for all approved initiatives. The Capital Budget is important in fostering and maintaining public accountability and providing detailed information about specific programs and projects, including budgets by cost category, specific funding sources and outcomes that are identifiable and measurable. Under the City's Capital Budget policy, approval of the Capital Budget by Council is required to provide staff with the authority to spend.

2026 Multi-year project budget requests

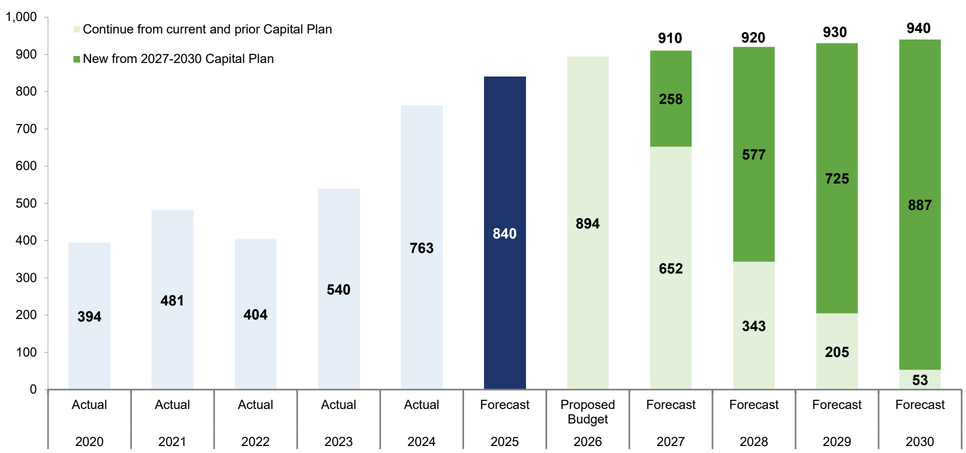
A capital project, such as the construction of a new community centre or firehall, can span multiple years. The multi-year Capital Project Budget reflects this longer time frame and represents the total estimated cost and associated funding for the overall project or project phase, regardless of whether the related expenditures will occur within one year or over multiple years. The Multi-Year Capital Budget represents the aggregate of all approved multi-year Capital Project Budgets. Staff take into consideration various factors when finalizing the 2026 Capital Budget allocations. These factors include aligning the requests with the City's delivery and funding capacity and with its overall delivery and procurement schedule, and ensuring all the budget requests have a defined scope outlined. The 2026 new multi-year Capital Project Budget allocations are estimated to total $698 million. The main drivers for the 2026 allocations are:

- Funding required for major one-time projects included in the 2023-2026 Capital Plan progressing into next phases (detailed design and construction) such as Vancouver Aquatic Centre renewal and expansion.
- Funding for ongoing programs, such as the Sewer Main Renewal program and Active Transportation Corridors program, and ongoing capital maintenance and renovations of City infrastructure.

2026 Annual Capital Expenditure Budget

While the multi-year Capital Project Budget represents the aggregate of all approved multi-year Capital Project Budgets, the Annual Capital Expenditure Budget represents the portion of the multi-year Capital Project Budget that is planned to be spent in the budget year. The Five-Year Financial Plan provides capital expenditure forecasts for the next five years. It includes expenditure forecasts for previously approved multi-year Capital Project Budgets continuing into 2026, expenditure forecasts for new multi-year Capital Project Budgets in the 2026 Capital Budget, and estimated expenditures for new capital projects anticipated to be included in the yet-to-be-developed 2027-2030 Capital Plan. The following chart shows the trend of historical and forecasted capital expenditures.

City-wide – Capital expenditure and forecast ($ in millions)



The 2026 Capital Expenditure Budget is $894 million, up slightly from the 2025 expenditure budget of $880 million. The 2026 Capital Expenditure Budget includes expenditures for one-time projects, such as the renewal and expansion of the PNE Amphitheatre, Cambie Bridge seismic upgrades, Vancouver Aquatic Centre renewal and expansion, and expenditures for ongoing annual capital programs, such as sewer main renewal, renewal of City fleet and capital granting programs. Higher capital expenditures in 2026 are required for the following reasons:

- Existing multi-year projects from prior and 2023-2026 Capital Plan(s) are progressing to next phases, such as detailed design and construction, in 2026.
- Higher expenditures and capital delivery are required to meet the infrastructure renewal and growth needs as outlined in the 2023-2026 Capital Plan.

It is important to note that the forecasts for 2027 through 2030 are preliminary and represent early estimates, given that the 2027-2030 Capital Plan is yet to be developed. The level of annual capital expenditures for 2027-2030 includes spending for projects yet to be approved from the remainder of the 2023-2026 Capital Plan. The five-year expenditure is forecast to range between $910 million and $940 million, an amount required to meet the infrastructure renewal and growth needs for the City.

Appendix B outlines the details of the 2026 Annual Capital Expenditure Budget.

2026 PROPOSED OPERATING, CAPITAL AND CONSOLIDATED BUDGETS

Balanced Operating Budget

$ millions	2025 Restated Budget	2026 Proposed Budget	Net Change ($)	Net Change (%)
Revenues	$2,343	$2,393	$50	2%
Expenditures and Transfers	$2,343	$2,393	$50	2%
Net Operating Budget	**–**	**–**	**–**	**–**

New Multi-Year Capital Budget requests

$ millions	2025 Budget	2026 Proposed Budget	Net Change ($)	Net Change (%)
New Multi-Year Capital Project Budget	629	698	69	11%
Capital Expenditure Budget	880	894	14	2%

Consolidated Budget Summary on a financial statement basis

$ millions	2025 Restated Budget	2026 Proposed Budget	Net Change ($)	Net Change (%)
Revenues				
Operating	$2,343	$2,393	$50	2%
Capital	$258	$225	($34)	-13%
Property Endowment	$63	$64	$1.2	2%
Other Funds	$45	$45	($0.1)	-0%
All Entities	$79	$83	$5	6%
Consolidation Adjustments	($16)	($15)	$0.2	-2%
Total Revenues	**$2,772**	**$2,795**	**$23**	**1%**
Expenditures and Transfers				
Operating	$2,343	$2,393	$50	2%
Capital	$258	$225	($34)	-13%
Property Endowment	$63	$64	$1.2	2%
Other Funds	$45	$45	($0.1)	-0%
All Entities	$77	$82	$5	7%
Consolidation Adjustments	($15)	($16)	($0.7)	5%
Total Expenditures and Transfers	**$2,771**	**$2,793**	**$22**	**1%**
Reconciliation Adjustments to Annual Financial Statements				
Amortization	$230	$241	$11	5%
Capital Additions	($771)	($762)	$9	-1%
Contributions/Transfers to/from Reserves	$88	$106	$19	21%
Debt	$119	$102	($17)	-14%
Total Reconciliation Adjustments	**($335)**	**($312)**	**$22**	**-7%**
Total Expenditures per Financial Statement Basis	**$2,436**	**$2,481**	**$45**	**2%**
Excess Revenues over Expenditures per Financial Statement Basis	**$336**	**$314**	**($22)**	**-7%**

2026 PROPOSED PEF OPERATING BUDGET

The Property Endowment Fund (PEF) is a pool of City-owned real estate assets that generates revenue for municipal initiatives through land leases and development. The 2026 PEF operating budget anticipates increased operating revenues and a marginal decrease in expenditures, resulting in net operating income of $25.7 million (an increase of $1.3 million in net operating income as compared with the 2025 PEF operating budget).

City of Vancouver Property Endowment Fund budget

Operating Budget ($ millions)	2025 Budget	2026 Budget	Net Change ($)	Net Change (%)
Revenue from operations	62.5	63.7	1.2	1.8%
Expenses from operations	38.1	38.0	(0.1)	-0.3%
Net revenue before transfers	**24.4**	**25.7**	**1.2**	**5.1%**
Transfers	(24.4)	(25.7)	(1.2)	5.1%
Net Position	**$ -**	**$ -**	**$ -**	**-**

Property Endowment Fund – revenue

- The 2026 revenue budget is increasing by $1.2 million over the 2025 budget, primarily because of higher EasyPark parking revenues by $1.6 million and lower investment income by $0.6 million to reflect lower investment rate of return on the fund's estimated average cash balance for 2026.

Property Endowment Fund – expenditures

- The 2026 expense budget has decreased by $0.1 million from the 2025 budget. This change is due to lower EasyPark expenses of $0.3 million and lower consultant costs of $0.2 million, and is partially offset with an increase in overhead allocation and rental operating expenses.

Property Endowment Fund – transfers

- The 2026 PEF net transfer budget is $1.2 million higher than the 2025 budget, mostly because of an increase in PEF dividend to the Revenue Fund (City Operating Budget) to support City operations. This transfer reduces the burden of property taxation on the citizens of Vancouver. The dividend is a significant annual benefit of the PEF to the City ($22.9 million for 2026 compared with $21.4 million in 2025).
- The 2026 net transfer from the PEF to the Parking Site Reserve (PSR) is higher than for 2025 because of increased net operating income from EasyPark in 2026.

PUBLIC ENGAGEMENT

2026 Budget Survey

Residents and business owners participated in the City's annual Budget Survey from August 12 to September 14, 2025, sharing their budget priorities, preferences for delivering a balanced budget in 2026 and tolerance for tax increases. A total of 6,346 people took part, including 5,417 residents and 929 business owners. The survey was available online in English, Simplified Chinese, Traditional Chinese and Punjabi and on the phone through 3-1-1. The survey was promoted across the City's communication channels, including posters at community centres and libraries, and in-person community pop-ups. Results were weighted to Census data based on age, gender and geographic location for residents and to BC Stats business size for businesses.

Key findings

- **Budget priorities** — Of Council's nine strategic priorities, the top priorities for both surveyed residents and businesses are to "deliver high-quality City services and infrastructure" (62% of residents, 60% of businesses) and to "work with partners to address the local housing crisis" (54% of residents, 51% of businesses).

- **Preferred financial tools** — Compared with other options presented for balancing the budget, increasing residential and business/commercial property taxes received the highest relative support, with 50% of residents surveyed favouring each. However, overall support for tax increases is mixed — 37% of residents surveyed oppose residential property tax increases and 28% oppose business/commercial increases.

  Business respondents show a similar pattern. They express the greatest support for increasing residential (49%) and business/commercial property taxes (40%) compared with other options. Again, overall support for tax increases is mixed, with 38% opposing residential increases and 41% opposing business/commercial increases.

- **Tax tolerance** — Residents and businesses were asked about their preferences for property tax increases relative to service levels (including 2026 Budget scenarios of 0.0%, 1.5% and 2.5% property tax increases that staff were directed to explore in June 2025). Most respondents were supportive of some increase in property tax to offset a reduction in services.

  Of the options presented, the most preferred was a 5% property tax increase that would maintain the current level of services (42% residents, 37% businesses).

  On October 8, 2025, Council passed a motion directing staff to put forward a 2026 Budget with a 0% property tax increase while prioritizing public safety and front-line City services and maintaining community grants, library services and community centre services.

See Appendix C for a more detailed summary of 2026 Budget engagement findings.

2025 Civic Satisfaction Survey

As part of the City's biannual Civic Satisfaction Survey, a representative sample of 600 Vancouver residents and 200 business owners were surveyed by phone about their satisfaction with City services and service priorities. This survey was conducted between September 2 and September 24, 2025.

Key findings

- **Overall satisfaction** — Close to 75% of residents and businesses surveyed are satisfied with City services.
- **Changes in overall level and quality of services** — Most surveyed residents and businesses perceive the level and quality of City services as having stayed the same over the last three years (60% residents, 55% businesses). Close to a third believe the level and quality of services have worsened (30% residents, 32% businesses).
- **Preferred financial tools** — To balance the budget, most surveyed residents prefer the City continue to offer the same services but not to the same level (39%). Business respondents are the same, showing the most support for reducing service levels (43%).
- **Importance of maintaining current service levels** — Respondents thought all City services were important to maintain at current service levels. All services were rated at least 7 out of 10 on a 1-to-10 scale of importance to maintain. Some services were seen as relatively more important.

  For residents surveyed, the most important City services to maintain at current service levels are fire rescue and medical response, garbage and green bin collection, keeping public spaces clean and parks/green spaces.

  For businesses surveyed, the list is similar, with the most important City services to maintain being fire rescue and medical response, keeping public spaces clean and police services.

See Appendix C for a detailed summary of Civic Satisfaction Survey findings.

BUDGET
VANCOUVER 2026

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