



# City of New Westminster

## Report to Council

**To:** New Westminster City Council  
in Regular Council

**Meeting Date:** April 27, 2026

**From:** Gary So, Acting CFO/Director,  
Finance and IT

**Report No.:** 2026-149

**Re:** **2026 Tax Rate Bylaw No. 8576, 2026**

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### Staff Recommendation

*THAT 2026 Tax Rate Bylaw No. 8576, 2026 be introduced and given first, second and third readings.*

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### Purpose

To seek Council's approval for the City's 2026 Tax Rates as presented in Attachment 1.

### Background

Section 165 of the *Community Charter*, requires municipalities to adopt the Financial Plan Bylaw, before the Tax Rate Bylaw. On February 23, 2026, Council adopted the 2026 - 2030 Financial Plan Bylaw.

Section 197 of the *Community Charter*, requires municipalities to adopt the Tax Rate Bylaw before May 15th of each year, to impose property value taxes by establishing tax rates for:

- a) The municipal taxation revenue proposed to be raised in the Financial Plan Bylaw.
- b) The amounts to be collected on behalf of Other Taxing Authorities (OTAs).

The timely adoption of both bylaws before the statutory deadlines is essential to ensure compliance and effectively manage unforeseen circumstances.

In addition, at the request of Business Associations, the City has established Business Improvement Areas (BIA) by bylaw for fixed terms. Establishing BIAs allows the City to collect an annual levy from Light Industry (class 5) and Business (class 6) properties within the specified improvement area on behalf of the Business Associations, with

remittance of levy collected to the Associations on a monthly basis. The annual funding levy enables the Business Association to undertake strategic initiatives that encourage and promote business within the BIA.

## Analysis

Local governments are responsible for determining budgetary needs and for establishing, by bylaw, property tax rates to be applied to assessed values as provided by BC Assessment (BCA). The relationship between assessments and property tax rates may be described as:



Source: City of New Westminster, Finance Department

## ASSESSMENT VALUE

In the first week of January 2026, all property owners in British Columbia received Property Assessment Notices from BCA.

BCA uses market data and generally accepted valuation approaches such as direct comparison, cost and income to analyze a property's assessment value or Highest and Best Use (HBU). BCA records assessment values and reports them annually to the property owners, local governments and OTAs. Assessment values reflect an estimate of a property's value as at July 1<sup>st</sup> of the preceding year. This common valuation date ensures that all properties are assessed fairly and that there is an equitable basis to the valuation.

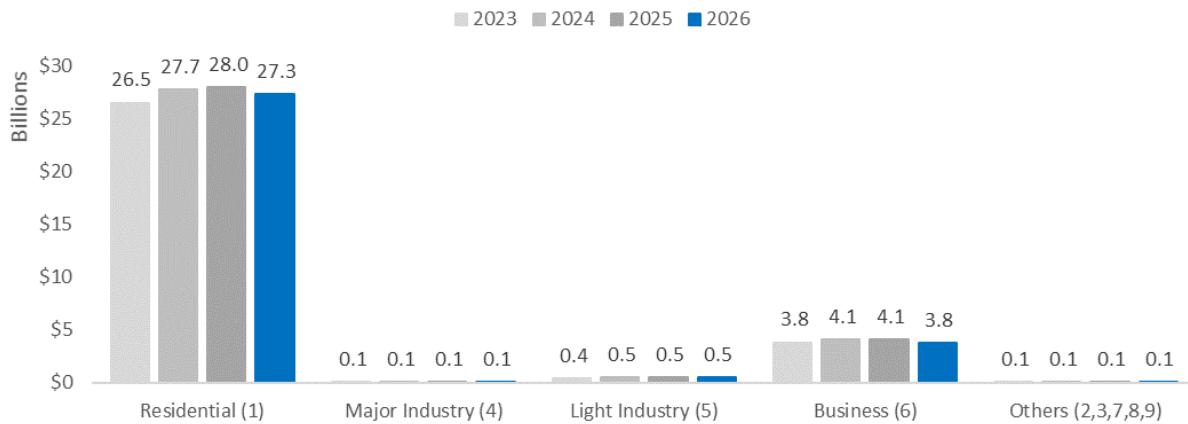
Under the *Community Charter*, tax rates are calculated by Municipalities based on the Revised Roll received from BCA in late March. Assessment data incorporates market value for existing properties and new value or growth. Market value of existing properties reflects annual property price fluctuations, while new value or growth represents new development (i.e. subdivisions, rezoning, and new construction), assessment class alternations and any exemptions. Multi-year developments may contribute new value or growth for each year the project is in construction. The new value or growth is calculated by factoring the percentage completion of the project, current year valuation, less any value reported in the preceding year. Consistent with prior year practice, estimated municipal taxation revenue from new growth was incorporated in the 2026 - 2030 Financial Plan.

## 2026 Revised Roll

The City's total Net Taxable Assessment Value (NTAV) reduced to approximately \$31.8B (2025 - \$32.8B), decreasing by \$1.0B (net) or 3.1%, of which:

- \$0.3B is the result of new value or growth.
- (\$1.3B) is due to market changes.

### CNW Net Taxable Assessment Value - By Property Class



Source: 2026 Revised Roll run on 2026-03-20

With a NTAV of \$27.3B, Residential (class 1) represents 85.8% of the City's total NTAV and when compared to 2025, decreased by \$0.7B (net) or 2.5%, of which:

- \$0.3B is the results of new value or growth, primarily due to increase in residential strata unit inventory.
- (\$1.0B) is due to market change.

Despite interest rate cuts by the Bank of Canada and a pause in early 2026, Residential (class 1) market activity remains subdued compared to prior years. While sales are gradually recovering from measured 2025 levels, growth remains modest, reflecting ongoing economic uncertainty, affordability challenges, and cautious buyer sentiment. With a NTAV of \$3.8B, Business (class 6) represents 11.9% of the City's total NTAV and when compared to 2025, decreased by \$0.3B or 7.3%, which is primarily due to market change.

## TAX RATE

### Municipal Taxation

\$131.5M budgeted Municipal Taxation revenue provides a stable and consistent source of revenues to pay for many City services, such as Police Services and Fire and Rescue

that are difficult to fund on a user-pay basis. 2026 Municipal Taxation revenue can be further broken down into:

- \$128.9M Municipal Property Taxation
  - \$127.6M Municipal Property Taxes
  - \$ 1.3M Capital Levy
- \$2.0M Grant-in-Lieu of Taxes
- \$0.6M Utilities 1%-in-Lieu of Taxes

### **Tax Rates**

The City's primary objective is to set tax rates that meet Financial Plan budgetary requirements, after maximizing non-tax revenues, to provide City services. This is accomplished by maintaining the historical relationship between the property classes and applying the same annual tax rate increase across all property classes. While a different rate increase may be established for each property class, only one tax rate may be set for each property class.

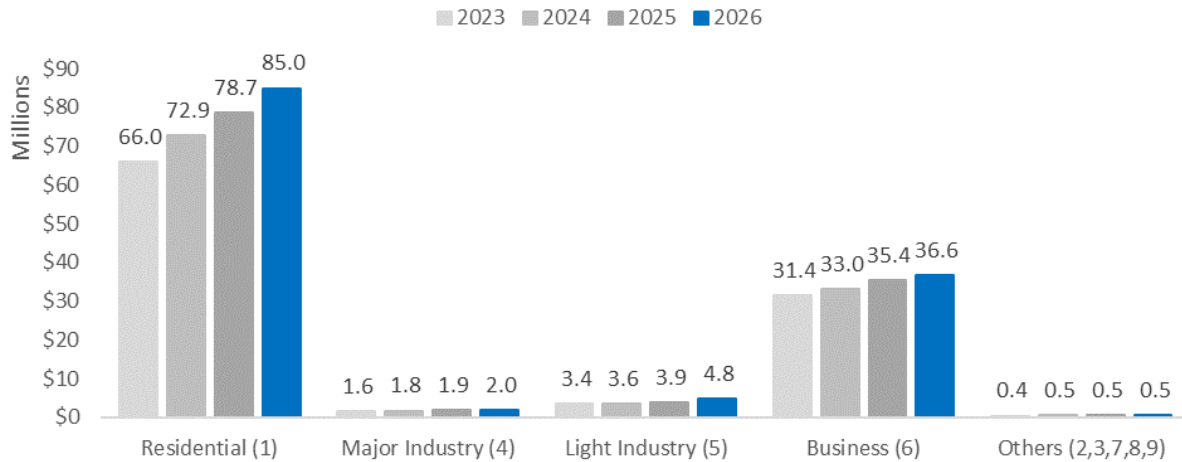
Before calculating current year tax rates based on Council approved increases, the prior year rates undergo adjustments to accommodate changes in assessment values of existing properties. This adjustment ensures the City collects the same proportion of tax revenue from each property class in the current year as in the previous year. Generally speaking, when assessment values increase, the base tax rate decreases and conversely, when assessment value decrease, the base tax rate increases.

The City's 2026 Tax Rates are presented in Attachment 1.

### **Tax Distribution**

The City's secondary objective is to set tax rates that are competitive within the region; consequently, the City may adjust the property tax distribution between property classes as deemed necessary. At Council's direction, tax distribution can be shifted from one property class to another, as long as the total municipal taxes collected meet Financial Plan budgetary requirements. Tax distribution may shift (without Council direction) from one property class to another depending on new growth in a given property class.

### CNW Municipal Property Tax Distribution - By Property Class



Source: City of New Westminster, Finance Department

Residential (class 1) supports approximately \$85.0M, or 65.9%, of municipal property tax distribution. 2026 average Single Family Dwelling (SFD) assessment decreased by \$0.02M or 1.1% to \$1.62M and the 2026 average Strata/Multi-Family Dwelling (MFD) assessment also declined by \$0.03M or 4.9% to \$0.65M. Estimated municipal property taxes for an average SFD are \$5,028 and \$2,017 for an average MFD. The table below groups Residential (class 1) properties into \$0.5M assessment ranges to illustrate estimated municipal property taxes:

Assessment \$ Value	Property Count	Total \$ Assessment Value	% of Total \$ Assessment Value	Est. Municipal Property Taxes
< 0.5M	4,627	1.9B	6.9%	< 1,552
0.5M - 1.0M	12,894	8.8B	32.1%	1,552 - 3,104
1.0M - 1.5M	4,229	5.4B	19.7%	3,104 - 4,656
1.5M - 2.0M	3,464	5.8B	21.4%	4,656 - 6,208
2.0M - 2.5M	889	1.9B	7.0%	6,208 - 7,760
> 2.5M	466	3.5B	12.9%	> 7,760
<b>Total</b>	<b>26,569</b>	<b>27.3B</b>	<b>100.0%</b>	

Business (class 6) supports approximately \$36.6M, or 28.4%, of municipal property tax distribution. Business (class 6) total assessment value, approximately 60.5% reflects a broad mix of moderately assessed properties—including commercial strata lots, stores and service commercial, offices, and retail spaces—representing a diverse and active business landscape. The average commercial strata assessment in 2026 is approximately \$1.3M with estimated municipal property taxes equaling \$12,554.

At the same time, assessments are highly concentrated, with a small number of high-value properties—such as shopping centres, storage and warehousing, self-storage, big

box retail, and office buildings—accounting for 39.5% of the total assessment value. Together, these segments highlight the balance between a concentrated share of assessment value and a widely distributed base of businesses across the community. The table below groups Business (class 6) properties into \$5.0M assessment ranges to illustrate estimated municipal property taxes:

Assessment \$ Value	Property Count	Total \$ Assessment Value	% of Total \$ Assessment Value	Est. Municipal Property Taxes
< 5.0M	874	1.1B	28.9%	< 48,286
5.0M - 10.0M	77	0.5B	13.1%	48,286 - 96,572
10.0M - 15.0M	26	0.3B	7.9%	96,572 - 144,858
15.0M - 20.0M	14	0.2B	5.3%	144,858 - 193,144
20.0M - 25.0M	7	0.2B	5.3%	193,144 - 241,430
> 25.0M	23	1.5B	39.5%	> 241,430
<b>Total</b>	<b>1,021</b>	<b>3.8B</b>	<b>100.0%</b>	

### Business Improvement Associations

The *Community Charter* provides the authority for a municipality to create a BIA by bylaw, and establishes the rules for the establishment and operation of such service. A BIA is a Local Service Area where Light Industry (class 5) and Business (class 6) property owners finance activities to promote a business promotion scheme.

Establishing the BIAs allows the City to collect an annual levy from Light Industry (class 5) and Business (class 6) properties within the specified improvement area on behalf of the Business Associations, with remittance of levy collected to the Associations on a monthly basis. Annual levy for the two New Westminster BIAs:

- \$0.16M Uptown Business Association
- \$0.45M Downtown New Westminster BIA
  - \$0.25M Primary Area
  - \$0.20M Secondary Area

In December 2023, Council approved Uptown Business Improvement Area Bylaw No. 8424, 2023 (Attachment 2) for the period of January 1, 2024 to December 31, 2028.

In December 2025, Council approved the Downtown New Westminster Business Improvement Area (Primary Area) bylaw No. 8548, 2025 (Attachment 3) and Downtown New Westminster Business Improvement Area (Secondary Area) bylaw No. 8549, 2025 (Attachment 4) both for the period of January 1, 2026 to December 31, 2029.

## PROPERTY TAX PROGRAMS

### Home Owner Grant

The Home Owner Grant (HOG) program is a Province of BC program designed to help home owners with property taxes. Most eligible home owners qualify for the regular HOG (also called the basic grant) which provides a maximum reduction in residential property taxes of \$570. To qualify for the regular HOG a home owner must:

- Be the registered owner of the residence (or a spouse or relative of the deceased owner)
- Be a Canadian citizen or permanent resident of Canada
- Live in B.C.
- Occupy the residence as a principal residence

In addition to the regular HOG, a home owner may qualify for a higher grant (called the additional grant) which, provides an additional amount of \$275 (for a total of \$845). In addition to the regular HOG eligibility criteria, to qualify for the additional grant a home owner must be:

- 65 years of age or older in the current year
- A Veteran
- A person with a disability
- Living with a spouse or relative with a disability
- A spouse or relative of a deceased owner who would have qualified for the additional grant

The Province of BC set the assessed value threshold for the regular HOG at \$2.075M in 2026. The effect of the assessed value threshold is that the maximum HOG is reduced by \$5 for each \$1,000 of assessed value over \$2.075M. As a result, the basic HOG is reduced to zero for residential properties valued at \$2.189M and the additional grant is eliminated on residential properties assessed at \$2.244M or more.

Total HOGs claimed in 2025 equated to approximately \$12.6M.

### Property Tax Deferment

The Province of BC administers the Property Tax Deferment (PTD) program to assist qualified home owners with deferral of property taxes. The PTD program allows home owners to defer payment of property taxes, along with interest, until the home is sold, transferred to a new owner or becomes part of the probate of an estate. If property and

equity qualifications are satisfied, home owners have the following deferment program options:

- Regular Program
  - a person 55 years or older
  - a surviving spouse of any age
  - a person with disabilities
- Families with Children Program
  - Parent, stepparent or financially supporting a child under the age of 18

Province of BC Budget 2026 includes changes to the interest rate terms for the property tax deferment program. The 2026 changes to the BC Property Tax Deferment Program represent a shift from relatively low, simple (non-compounding) interest rates that were set at or below the prime rate. Under the new framework, interest is calculated at a higher rate—set at prime plus a margin—and is compounded regularly, increasing the overall cost of carrying deferred taxes over time. While existing deferred balances remain subject to the old rules, all new deferments moving forward will be subject to these updated terms.

The Province of BC accepts applications online through the e-deferment program once an applicant has created an online profile with eTaxBC. Property owners must contact the Province directly for assistance with deferment applications.

Total PTD application processed in 2025 equaled to approximately \$5.7M.

### **Use of Permissive Exemptions**

Section 224 of the *Community Charter* allows Council, on or before October 31 of each year, to adopt a bylaw, to exempt from property taxation on the land, improvements or both owned and used for various specified purposes for the subsequent year. Council has provided Permissive Tax Exemptions (PTE) for the following land and/or improvements:

1. Surrounding an exempt property
2. Used or occupied by a hospital or independent schools
3. Used or occupied by a home for elderly citizens constructed with the assistance of aid granted by the Province under the *Housing Construction (Elderly Citizens) Act* before its repeal
4. Used for charitable or philanthropic purposes
5. Owned or held by an athletic or service club for public service purposes

These PTEs provided by Council are in addition to the statutory exemption that the land and improvements may be entitled to under Section 220 of the *Community Charter*. The City's PTE policy strives to ensure a balance between approving PTEs and the need to preserve the property tax revenue base.

In September 2025, Council approved the 2026 Taxation Exemption list and Permissive Tax Exemption Bylaw No. 8542, 2025.

2025 PTE (Municipal Taxation) estimated to be \$0.92M

### **Financial Implications**

The property tax rates provided in the Tax Rates Bylaw No.8576, 2026 (Attachment 1) will generate the required:

- \$128.9M Municipal Property Taxation
- \$0.61M BIA Levy
  - \$0.16M Uptown Business Association
  - \$0.45M Downtown New Westminster BIA
    - \$0.25M Primary Area
    - \$0.20M Secondary Area

### **Interdepartmental Liaison**

The City's taxing obligations in relation to the Metro Vancouver Regional District has been confirmed in writing.

### **Attachments**

- Attachment 1 – Tax Rates Bylaw No. 8576, 2026
- Attachment 2 – Uptown Business Improvement Area Bylaw No. 8424, 2023
- Attachment 3 – Downtown New Westminster Business Improvement Area (Primary Area) Bylaw No. 8548, 2025
- Attachment 4 – Downtown New Westminster Business Improvement Area (Secondary Area) Bylaw No. 8549, 2025

### **Report Approval**

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