

**TOWNSHIP OF ESQUIMALT**

# 2026 Property Tax Rates

# Financial Plan Components

- Council focused on lowering the required tax increase without service level reductions, reserve balance utilization or impacts to the Council Priorities Plan
- The 2026 budget includes:
  - increased contributions to the long-term infrastructure reserves
  - approval of the Victoria/Esquimalt Police Board budget
  - approval of 3 new FTE and conversion of 3 temporary fire fighter positions
- Additional revenue required to balance budget:
  - \$4,734,942 or an 11.83% increase

# Assessments

# Municipal Assessments

Property Class	2025	2026	Increase/ (Decrease)	% Increase/ (Decrease)
Class 1 – Residential	\$5,613,512,605	\$5,770,333,305	\$156,820,700	2.79%
Class 2 – Utilities	2,349,800	2,748,700	398,900	16.98%
Class 4 – Major Industry	67,251,400	56,492,900	(10,758,500)	(16.00%)
Class 5 – Light Industry	39,608,738	41,386,900	1,778,162	4.49%
Class 6 – Business	373,377,800	377,306,700	3,928,900	1.05%
Class 8 – Recreation/Non-Profit	31,412,000	33,103,400	1,691,400	5.38%
<b>Total</b>	<b>\$6,127,512,343</b>	<b>\$6,281,371,905</b>	<b>\$153,859,562</b>	<b>2.51%</b>

# Municipal Assessments

Property Class	Existing Assessments	Non-Market Change	Total Increase
Class 1 – Residential	(\$68,552,300)	\$225,373,000	\$156,820,700
Class 2 – Utilities	398,900	---	398,900
Class 4 – Major Industry	(679,200)	(10,079,300)	(10,758,500)
Class 5 – Light Industry	(2,872,838)	4,651,000	1,778,162
Class 6 – Business	(2,854,000)	6,782,900	3,928,900
Class 8 – Recreation/Non-Profit	930,400	761,000	1,691,400
<b>Total</b>	<b>(\$73,629,038)</b>	<b>\$227,488,600</b>	<b>\$153,859,562</b>

# Residential (Class 1) Assessments

Property Class	2025 Folio Count	2025 Assessments	2026 Folio Count	2026 Assessments	Increase/ (Decrease)	% Increase/ (Decrease)
Residential Vacant	31	37,066,201	34	\$42,612,901	\$5,546,700	14.97%
Residential Single Family	3,054	3,208,273,300	3,051	3,198,443,400	(9,829,900)	(0.31%)
Residential Strata	1,906	1,268,856,600	2,016	1,398,810,500	129,953,900	10.24%
Residential Other	301	1,099,316,504	300	1,130,466,504	31,150,000	2.83%
<b>Total</b>		<b>\$5,613,512,605</b>	<b>5,401</b>	<b>\$5,770,333,305</b>	<b>\$156,820,700</b>	<b>2.79%</b>

# Property Tax Burden

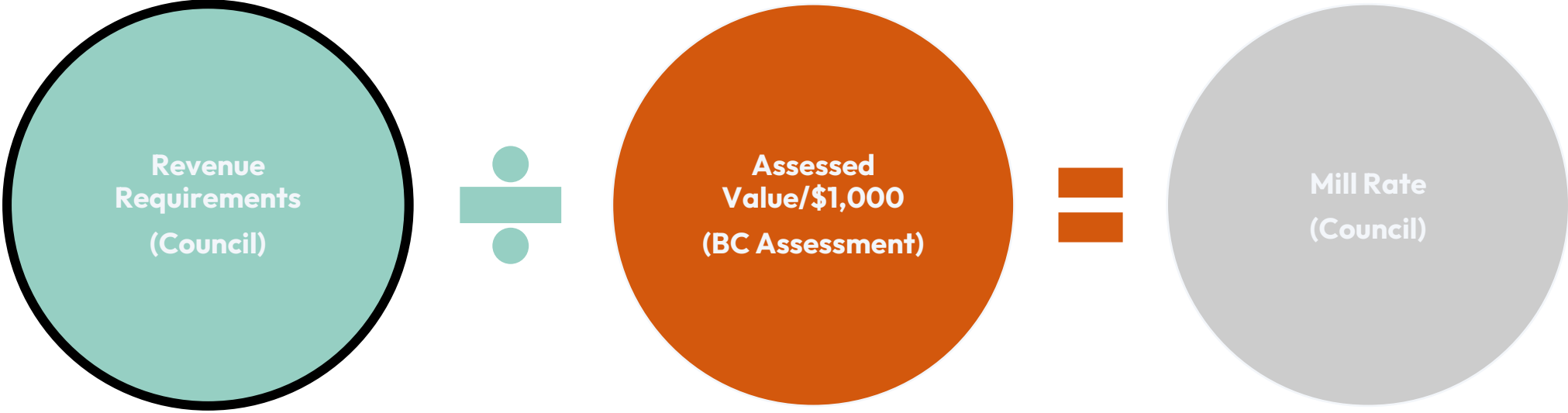
<b>Property Class</b>	<b>Assessed Value</b>	<b>% of Total</b>	<b>Property Taxes</b>	<b>% of Total</b>
Class 1 – Residential	\$5,770,333,305	91.86%	\$22,842,358	77.70%
Class 2 – Utilities	2,748,700	0.04%	43,068	0.15%
Class 4 – Major Industry	56,492,900	0.90%	2,319,018	7.89%
Class 5 – Light Industry	41,386,900	0.66%	367,629	1.25%
Class 6 – Business	377,306,700	6.01%	3,691,406	12.56%
Class 8 – Recreation/Non-Profit	33,103,400	0.53%	136,401	0.46%

# PILT Assessments

Taxation Year	\$ Assessments	\$ Change	% Change
2016	846,639,400		
2017	915,800,200	69,160,800	8.17%
2018	1,000,119,500	84,319,300	9.21%
2019	1,047,414,900	47,295,400	4.73%
2020	1,062,956,903	15,542,003	1.48%
2021	1,116,644,700	53,687,797	5.05%
2022	1,215,697,000	99,052,300	8.87%
2023	1,298,043,000	82,346,000	6.77%
2024	1,379,689,430	81,646,430	6.29%
2025	1,373,031,900	(6,657,530)	(0.48%)
2026	1,344,463,301	(28,568,599)	(2.08%)

# Tax Rates

# Tax Rate Calculation



# Annual Tax Increases

- Tax (mill) rate changes are not the same as revenue increases
- Council approves revenue increase to balance budget
- Revenue % increase is typically applied consistently to all property classes
- Mill rates calculated based on revenue to be collected from each class



# 11.83% Increase – PILT Revenue

	2026	2025	Increase/(Decrease)	Change(%)
<b>Accepted Assessed Values</b>				
<b>Class 1</b>	526,399,001	534,831,000	(8,431,999)	-1.60%
<b>Class 4</b>	182,389,000	202,041,000	(19,652,000)	-10.77%
<b>Class 5</b>	240,000	247,000	(7,000)	-2.92%
<b>Class 6</b>	586,109,300	585,970,900	138,400	0.02%
<b>Class 8</b>	49,326,000	49,942,000	(616,000)	-1.25%
<b>Total</b>	1,344,463,301	1,373,031,900	(28,568,599)	-2.12%
<b>Revenue</b>				
<b>Class 1</b>	\$ 2,134,332	\$ 1,913,226	\$ 221,106	10.36%
<b>Class 4</b>	\$ 7,490,369	\$ 7,344,756	145,613	1.94%
<b>Class 5</b>	\$ 2,133	\$ 1,820	312	14.65%
<b>Class 6</b>	\$ 5,736,806	\$ 5,094,124	642,682	11.20%
<b>Class 8</b>	\$ 203,336	\$ 189,550	13,786	6.78%
<b>Total</b>	\$ 15,566,975	\$ 14,543,476	\$ 1,023,499	6.57%
			<b>2025 Budget</b>	<b>% 2025</b>
<b>Ratios</b>	<b>Municipal Tax Revenue</b>		29,413,032	65.39%
	<b>PILT Revenue</b>		15,566,975	34.61%
			<b>44,980,007</b>	<b>100.00%</b>
	<b>2026 Budget Requirements</b>		44,773,935	
	<b>Surplus/(Shortfall)</b>		<b>206,072</b>	

# Assessment Impacts

- Staff calculations and presentations to Council are based on assessment values provided at December 31
- Updated assessments are provided at March 31 and sometimes require revisions to calculations
- Class 4 and Class 5 assessment increases which have resulted in higher anticipated taxation revenues
- New calculation generates additional \$206k revenue for Council consideration

# Considerations

- Newly calculated surplus \$206k is approximately 0.4% of the total proposed 2026 operating budget
- Class 4 assessments = PILT leases and the related revenue figures are unpredictable
- Funds could be incorporated into the financial plan by:
  - increasing the annual contingency account of \$250k
  - further increasing the 2026 contributions to infrastructure reserves
- Reduce the tax increase based on updated revenue calculations to eliminate the surplus

# 11.32% Increase – Municipal Revenue

2025	<u>Property Class</u>	<u>Final</u>	<u>Tax Rate</u>	<u>Multiple</u>	<u>Revenue</u>
	01 Residential	5,613,512,605	3.498160	1.00000	19,636,965
	02 Utilities	2,349,800	16.396920	4.68730	38,529
	04 Major Industry	67,251,400	36.352800	10.39198	2,444,777
	05 Light Industry	39,608,738	7.370260	2.10690	291,927
	06 Business/Other	373,377,800	8.685620	2.48291	3,243,018
	08 Recreation Non-Profit	31,412,000	3.795400	1.08497	119,221
		<b>6,127,512,343</b>			<b>25,774,437</b>

2026-EXISTING	<u>Property Class</u>	<u>Revised</u>	<u>2026 Tax Rate</u>	<u>2026 Multiple</u>	<u>Tax Revenue</u>
	01 Residential	5,544,960,305	3.94230	1.00000	21,859,870
	02 Utilities	2,748,700	15.60408	3.95812	42,891
	04 Major Industry	66,572,200	40.88080	10.36980	2,721,525
	05 Light Industry	36,735,900	8.84619	2.24392	324,973
	06 Business/Other	370,523,800	9.74331	2.47148	3,610,127
	08 Recreation Non-Profit	32,342,400	4.10348	1.04089	132,717
		<b>6,053,883,305</b>			<b>28,692,102</b>

2026-GROWTH	<u>Property Class</u>	<u>Revised</u>	<u>Tax Rate</u>	<u>Multiple</u>	<u>Tax Revenue</u>
	01 Residential	225,373,000	3.94230	1.00000	888,487
	02 Utilities	-	15.60408	3.95812	-
	04 Major Industry	(10,079,300)	40.88080	10.36980	(412,050)
	05 Light Industry	4,651,000	8.84619	2.24392	41,144
	06 Business/Other	6,782,900	9.74331	2.47148	66,088
	08 Recreation Non-Profit	761,000	4.10348	1.04089	3,123
		<b>227,488,600</b>			<b>586,791</b>
		<b>6,281,371,905</b>			

**TOTAL TAX REVENUE 2026** **29,278,893**

# 11.32% Increase – PILT Revenue

	2026	2025	Increase/(Decrease)	Change(%)
<b>Accepted Assessed Values</b>				
<b>Class 1</b>	526,399,001	534,831,000	(8,431,999)	-1.60%
<b>Class 4</b>	182,389,000	202,041,000	(19,652,000)	-10.77%
<b>Class 5</b>	240,000	247,000	(7,000)	-2.92%
<b>Class 6</b>	586,109,300	585,970,900	138,400	0.02%
<b>Class 8</b>	49,326,000	49,942,000	(616,000)	-1.25%
<b>Total</b>	1,344,463,301	1,373,031,900	(28,568,599)	-2.12%
<b>Revenue</b>				
<b>Class 1</b>	\$ 2,124,598	\$ 1,913,226	\$ 211,372	9.95%
<b>Class 4</b>	\$ 7,456,209	\$ 7,344,756	111,453	1.49%
<b>Class 5</b>	\$ 2,123	\$ 1,820	303	14.25%
<b>Class 6</b>	\$ 5,710,643	\$ 5,094,124	616,519	10.80%
<b>Class 8</b>	\$ 202,408	\$ 189,550	12,859	6.35%
<b>Total</b>	\$ 15,495,982	\$ 14,543,476	\$ 952,506	6.15%
			<b>2026 Budget</b>	<b>% 2026</b>
<b>Ratios</b>	<b>Municipal Tax Revenue</b>		29,278,893	65.39%
	<b>PILT Revenue</b>		15,495,982	34.61%
			<b>44,774,875</b>	<b>100.00%</b>
<b>2026 Budget Requirements</b>			44,773,935	
<b>Surplus/(Shortfall)</b>			<b>940</b>	

# Tax Impacts and Comparators

# Annual Tax Increases

Lower than the average assessment change

- Taxes will increase less than the average

Similar to the average assessment change

- Taxes will increase similar to the average

Higher than the average assessment change

- Taxes will increase by more than the average

The most important factor is not how much your assessment has changed but how it changed in relation to the average change for your property class in Esquimalt.

# Average Impact @ 11.83%

<b>Property Class</b>	<b>2026 Average Assessment</b>	<b>2025 Average Assessment</b>	<b>2026 Property Taxes</b>	<b>2025 Property Taxes</b>	<b>Increase</b>
Class 1 – Residential	1,047,801	1,060,754	\$4,150	\$3,711	\$439
Class 2 – Utilities	152,706	138,224	\$2,394	\$2,266	\$128
Class 4 – Major Industry	1,210,404	1,268,894	\$49,709	\$46,128	\$3,581
Class 5 – Light Industry	2,160,935	2,200,485	\$19,204	\$16,218	\$2,986
Class 6 – Business	1,618,008	1,623,382	\$15,837	\$14,100	\$1,737
Class 8 – Recreation/Non-Profit	437,059	424,486	\$1,802	\$1,611	\$191

# Average Impact @ 11.32%

Property Class	2026 Average Assessment	2025 Average Assessment	2026 Property Taxes	2025 Property Taxes	Increase
Class 1 – Residential	1,047,801	1,060,754	\$4,131	\$3,711	\$420
Class 2 – Utilities	152,706	138,224	\$2,383	\$2,266	\$117
Class 4 – Major Industry	1,210,404	1,268,894	\$49,482	\$46,128	\$3,354
Class 5 – Light Industry	2,160,935	2,200,485	\$19,116	\$16,218	\$2,898
Class 6 – Business	1,618,008	1,623,382	\$15,765	\$14,100	\$1,665
Class 8 – Recreation/Non-Profit	437,059	424,486	\$1,793	\$1,611	\$182

# Historical Tax Impact

	<u>Average Assessment</u>	<u>Annual Increase</u>		<u>Average Assessment</u>	<u>Annual Increase</u>
2015	461,363	\$49		835,982	210
2016	481,790	46		787,167	205
2017	556,653	12		865,474	52
2018	661,266	69		1,008,867	320
2019	728,308	121		1,041,457	-
2020	744,172	52		1,119,836	225
2021	773,026	42		1,376,736	184
2022	928,731	131		1,440,119	614
2023	1,047,439	235		1,462,206	1,025
2024	1,029,731	234		1,656,987	980
2025	1,060,754	467		1,623,382	1,923
2026 (@ 11.83%)	1,047,801	439		1,618,008	1,737
<b>Average</b>		<b>\$158</b>		<b>\$</b>	<b>623</b>

# Historical Increases

	<b>Tax Increase - Residential</b>	<b>Tax Increase - Business</b>	<b>Consumer Price Index</b>	<b>Construction Index</b>
2012-2014	0.00%	0.00%; (2.36%); 0.00%	2.10%; 1.00%; (0.30%)	
2015	2.15%	2.15%	0.86%	1.68%
2016	1.96%	1.96%	1.11%	5.86%
2017	0.50%	0.50%	1.77%	5.53%
2018	2.90%	2.90%	1.91%	5.961%
2019	4.93%	0.00%	2.36%	2.03%
2020	2.00%	2.00%	2.46%	0.25%
2021	1.60%	1.60%	1.09%	7.57%
2022	(4.60% PSB debt) 4.92%	4.92%	2.45%	9.00%
2023	7.41%	5.16%	6.96%	8.68%
2024	7.72%	7.72%	3.70%	4.94%
2025	9.90%	9.90%	2.30%	2.86%

# Consumer Price Index (CPI)

- CPI is the most widely used indicator of inflation, but focuses primarily on common household purchases
  - Housing, transportation, food are typical CPI basket items
- The Township purchases an entirely different range of goods and services
  - Labor, materials and contractual services are the largest expenditures
  - As costs increase, municipalities require more money to purchase and provide the same mix of goods and services
- While municipalities continually provide new and enhanced service levels, CPI does not account for additions to the typical basket

# Municipal Services

- Recreation
- Fire Services
- Police Services
- Parks Maintenance
- Garbage & Kitchen Scrap Collection
- Yard and Garden Waste Facility
- Library
- Road & Sidewalk Maintenance
- Snow Clearing
- Archives
- Bylaw Enforcement
- Storm & Sanitary Drain Maintenance

# Service Comparison

	POLICE		FIRE		RECREATION		LIBRARY	
	OWN	COST	OWN	VOLUNTEER/	OWN	COST	OWN	COST
		SHARED		COMPOSITE		SHARED		SHARED
Esquimalt	X		X		X		X	
Oak Bay	X		X		X		X	
Saanich	X		X		X		X	
Victoria	X		X		X		X	
Central Saanich	X			X		X	X	
Colwood		X		X		X		X
Langford		X		X		X		X
North Saanich		X		X		X		X
Sidney		X		X		X		X
View Royal		X		X		X		X

# Other Taxing Jurisdictions

- Township collects tax levies for other external entities
  - Rates set independently by each agency
- Represents approximately 40% of total property tax bill
  - CRD/CHRD
  - BC Assessment
  - School Tax
  - BC Transit
  - Municipal Finance Authority

# Council Direction

- Direct staff to prepare the 2026 tax rate bylaw based on the desired tax revenue increase
- Provide direction to staff regarding the treatment of any surplus resulting from the approved tax rate calculation