

Report

Date January 13, 2026
Subject Comparative Tax Analysis

File:

PURPOSE

To receive an analysis of the 2025 residential property tax burden in North Cowichan to inform Council's understanding of its relative tax position and guide future policy and financial planning.

BACKGROUND

At the November 19, 2025, Council meeting, the following Notice of Motion was carried:

THAT Council direct staff to prepare a report analyzing the residential property tax burden in the District of North Cowichan using 2025 data, and comparing it with a selection of British Columbia municipalities that represent reasonable and defensible comparators in terms of population size, geographic location, service levels, and assessment base;

AND THAT the report include, but not be limited to, the following measures of residential tax burden:

Per capita tax burden: Total residential property taxes divided by the total population;

Residential tax rate: The tax rate charged per \$1,000 of assessed property value;

Average tax bill: An estimated annual tax for a representative residential property (e.g., the average assessed value in North Cowichan);

AND THAT the methodology used in the report rely on readily available data and be designed to allow replication in future years;

AND THAT the report identifies the comparator municipalities selected, provide the rationale for their inclusion, and offer a high-level summary of major known differences in service levels (e.g., recreation, fire protection) and infrastructure conditions among the comparator municipalities, based on available data.

DISCUSSION

This report provides a comparative analysis of municipalities with similar population sizes, geographic locations, and assessment base. The analysis draws on publicly available data from the Government of British Columbia's website and British Columbia Statistics data, which list municipal tax rates and tax burdens. As this data is updated annually, it reflects the prior year; the most recent update was on September 12, 2025. Additionally, population estimates are gathered from British Columbia Statistics data, which is based on 2024 population estimates.

To ensure a reasonable and defensible comparative analysis, staff selected eight municipalities because they share similar population sizes (aside from Langford) and assessment bases, making them reasonable benchmarks for North Cowichan. These similarities provide a fair basis for comparison of tax levels and financial practices. Langford was included despite its significantly larger population because of its proximity and regional relevance as a neighbouring community.

The eight chosen comparators are Port Moody, Squamish, West Kelowna, Port Alberni, Penticton, Langford, Campbell River, and Courtenay.

Appendix A includes a list of all municipalities in British Columbia with populations ranging from 20,000 to 50,000, except Langford, which was included for its proximity and regional relevance despite its larger population. Staff conducted research on the services these municipalities provide—such as fire protection, policing, recreation, and other core functions—and provided a rationale for why each was included or excluded from the comparison. Due to timing and resource constraints, only limited data could be gathered for this report; however, future iterations will be more comprehensive, incorporating detailed information on service levels and infrastructure conditions. This will enable Council to make more informed, timely decisions on property taxes and user fees.

Below is the population and total assessment for the municipalities that were used for the analysis:

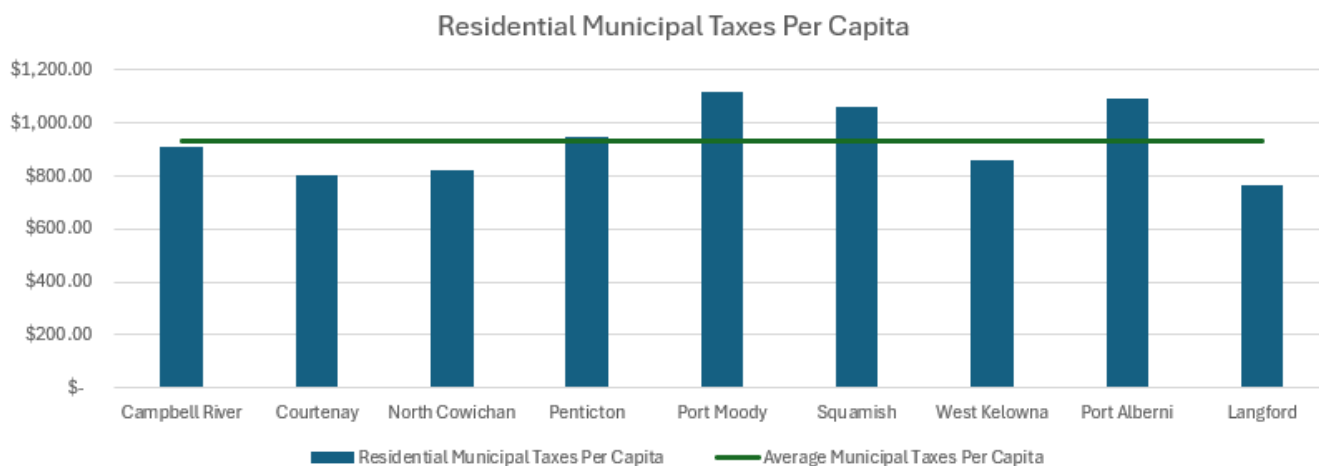
Municipality	Population	Total Assessment
Port Moody	38,942	19,768,724,601
Squamish	28,056	13,617,401,773
West Kelowna	48,880	15,689,819,880
Port Alberni	19,685	4,405,281,882
Penticton	38,665	12,266,604,522
Langford	58,320	19,221,302,358
Campbell River	38,028	11,093,331,282
Courtenay	32,049	10,137,159,176
North Cowichan	34,495	11,304,388,147

The data shows that population and assessment levels are generally comparable across the selected municipalities, except for Port Moody and Langford, which represent outliers. Staff included these municipalities to broaden the comparison and provide additional context.

Per Capita tax burden is shown below:

Municipalities	2024 Population	Total Municipal Residential Taxes	Residential Municipal Taxes Per Capita
Campbell River	38,028	\$ 34,712,169	\$ 912.81
Courtenay	32,049	\$ 25,735,290	\$ 803.00
North Cowichan	34,495	\$ 28,465,912	\$ 825.22
Penticton	38,665	\$ 36,773,904	\$ 951.09
Port Moody	38,942	\$ 43,498,731	\$ 1,117.01
Squamish	28,056	\$ 29,698,249	\$ 1,058.53
West Kelowna	48,880	\$ 41,990,610	\$ 859.06
Port Alberni	19,685	\$ 21,512,984	\$ 1,092.86
Langford	58,320	\$ 44,677,668	\$ 766.08

The analysis shows that North Cowichan ranks third among nine comparator municipalities for residential property taxes per capita. While this might suggest a moderate position, the metric itself is misleading. Property taxes are based on property value, not the number of residents, so using a per capita measure distorts the reality of the tax burden. Calculating municipal taxes on a per capita basis assumes an even distribution of people across households, which is rarely accurate. Property taxes are assessed on the value of the property, not the number of occupants. For example, a home with 10 residents pays roughly the same tax as a home with two residents (assuming similar assessment), making the per capita figure appear disproportionately low for larger households.



Tax rate charged per \$1,000 of assessed property value is shown below:

Municipalities	Residential Tax Rate
Campbell River	3.46504
Courtenay	2.85130
North Cowichan	2.78604
Penticton	3.56340
Port Moody	2.50595
Squamish	2.59997
West Kelowna	2.92142
Port Alberni	5.59095
Langford	2.67808



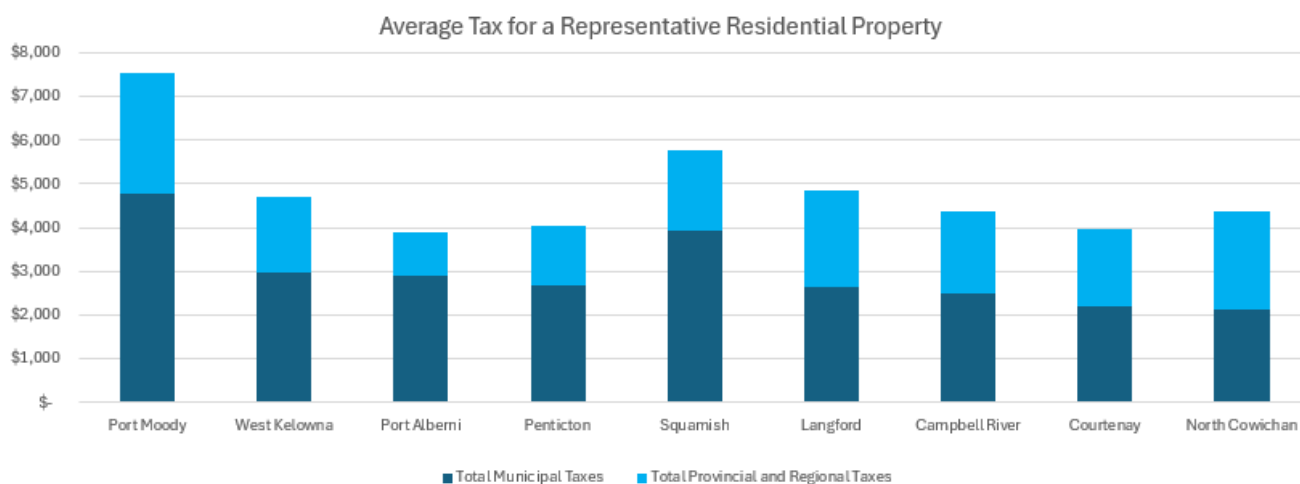
North Cowichan has the fourth-lowest residential tax rate per \$1,000 of assessment among the nine comparator municipalities. Port Moody records the lowest rate; however, this outcome is mainly attributable to its significantly higher residential assessment base, which allows the municipality to generate sufficient revenue at a lower rate. In contrast, North Cowichan's position reflects a balance between maintaining comparatively low tax rates while operating within a more moderate assessment base. This distinction highlights how both assessment levels and tax rates must be considered together to fully understand the relative tax burden across municipalities.

The annual general municipal tax for a representative residential property is shown below:

Municipality	Average House	Tax rate per \$1,000	Municipal Taxes
Port Moody	\$ 1,912,333	\$ 2.50595	\$ 4,792
Squamish	\$ 1,517,821	\$ 2.59997	\$ 3,946
West Kelowna	\$ 1,020,737	\$ 2.92142	\$ 2,982
Port Alberni	\$ 516,390	\$ 5.59095	\$ 2,887
Penticton	\$ 747,566	\$ 3.56340	\$ 2,664
Langford	\$ 985,994	\$ 2.67808	\$ 2,641
Campbell River	\$ 716,653	\$ 3.46054	\$ 2,480
Courtenay	\$ 767,746	\$ 2.85130	\$ 2,189
North Cowichan	\$ 761,839	\$ 2.78604	\$ 2,123

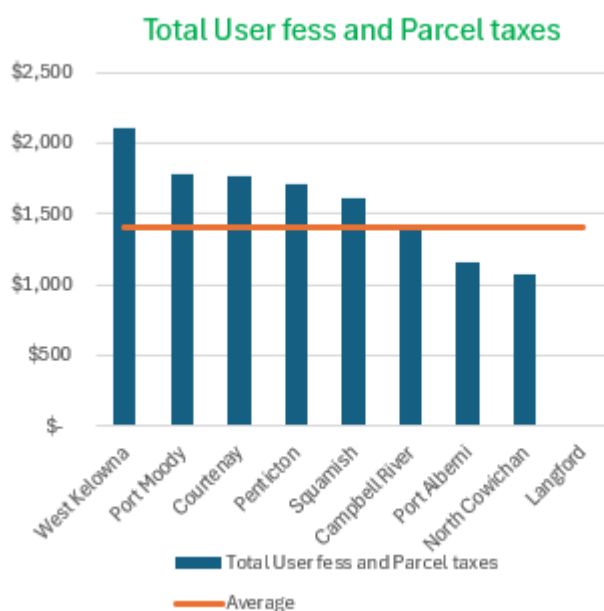
North Cowichan records the lowest level of general municipal taxes for a representative residential property among the comparator municipalities. This outcome reflects the municipality's relatively moderate expenditure levels and efficient resource allocation, which have maintained a lighter tax burden on households. When considered alongside assessment values and user fees, this result underscores the importance of evaluating the total tax burden rather than focusing solely on rate structures, as it provides a more accurate measure of affordability and equity across municipalities.

North Cowichan has consistently maintained one of the lowest general municipal tax rates for residential properties over many years. While this long-standing position has benefited residents through comparatively lower costs, it has also created increasing challenges for the municipality. Sustaining service levels and maintaining the status quo under such low tax rates year after year has become difficult, highlighting the tension between affordability for taxpayers and the financial pressures of delivering essential services.



Staff also did a comparison on User Fees and Parcel taxes as shown below:

Municipalities	Total User fess and Parcel taxes
West Kelowna	\$ 2,113
Port Moody	\$ 1,783
Courtenay	\$ 1,760
Penticton	\$ 1,709
Squamish	\$ 1,606
Campbell River	\$ 1,418
Port Alberni	\$ 1,154
North Cowichan	\$ 1,068
Langford	\$ -

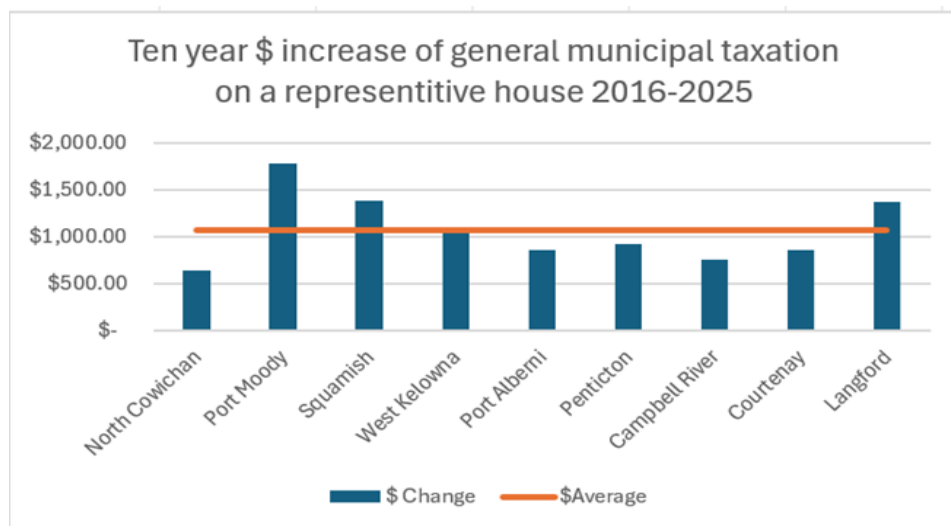
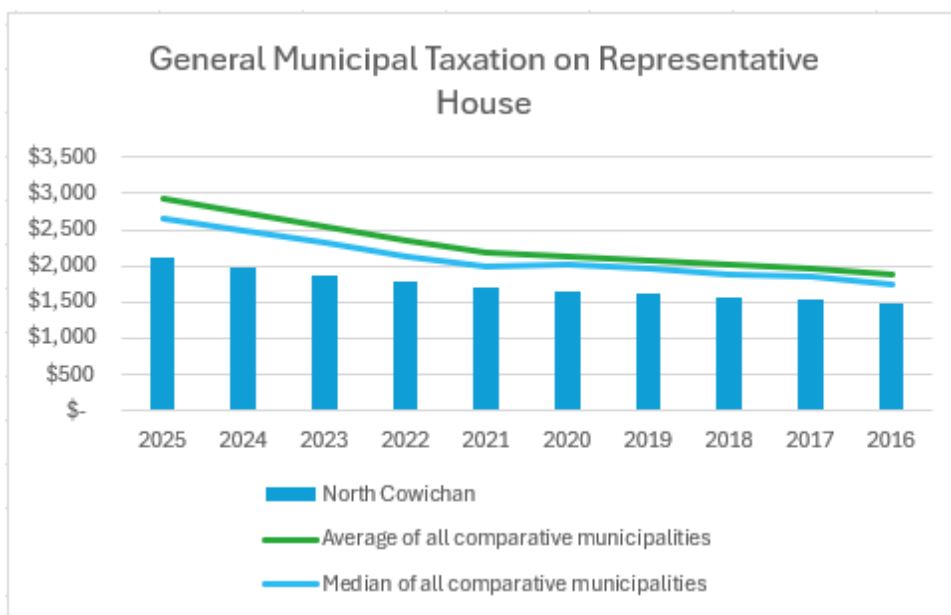


Staff acknowledge that some municipalities may incorporate parcel taxes within user fees. Due to the timing of this report, staff were unable to verify this practice; however, subsequent reporting will confirm whether such integration occurs. Regardless of this uncertainty, preliminary analysis indicates that North Cowichan maintains the lowest combined burden of fees and parcel taxes among the comparator municipalities.

Staff also conducted a 10-year analysis of residential taxes, user fees, and parcel taxes to compare North Cowichan with other municipalities. The results show that from 2016 to 2025, North Cowichan consistently ranks below both the average and the median across these categories. This demonstrates that the community's overall tax and fee burden has remained comparatively low over the past decade.

Residential Taxes

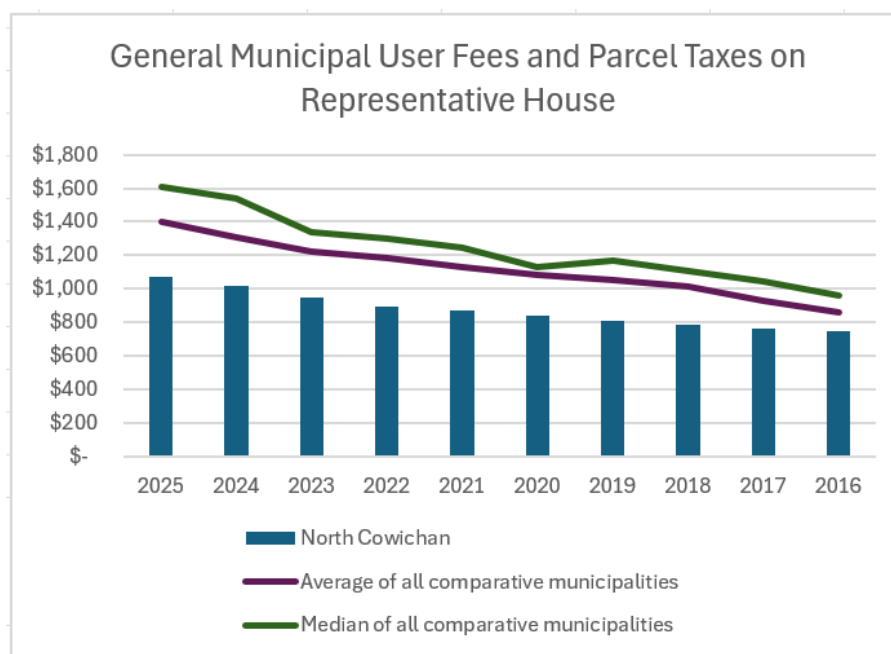
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
North Cowichan	\$ 2,123	\$ 1,968	\$ 1,871	\$ 1,786	\$ 1,702	\$ 1,655	\$ 1,624	\$ 1,575	\$ 1,538	\$ 1,481
Port Moody	\$ 4,792	\$ 4,526	\$ 4,154	\$ 3,843	\$ 3,552	\$ 3,351	\$ 3,346	\$ 3,285	\$ 3,268	\$ 3,016
Squamish	\$ 3,946	\$ 3,468	\$ 3,203	\$ 3,189	\$ 2,947	\$ 2,799	\$ 2,784	\$ 2,789	\$ 2,708	\$ 2,560
West Kelowna	\$ 2,982	\$ 2,791	\$ 2,612	\$ 2,477	\$ 2,288	\$ 2,172	\$ 2,132	\$ 2,045	\$ 1,968	\$ 1,888
Port Alberni	\$ 2,664	\$ 2,530	\$ 2,315	\$ 2,159	\$ 1,997	\$ 2,051	\$ 1,964	\$ 1,920	\$ 1,855	\$ 1,804
Penticton	\$ 2,641	\$ 2,477	\$ 2,330	\$ 2,116	\$ 1,924	\$ 1,894	\$ 1,849	\$ 1,812	\$ 1,731	\$ 1,718
Campbell River	\$ 2,480	\$ 2,404	\$ 2,306	\$ 2,105	\$ 2,000	\$ 2,031	\$ 1,973	\$ 1,884	\$ 1,839	\$ 1,733
Courtenay	\$ 2,189	\$ 2,040	\$ 1,892	\$ 1,721	\$ 1,611	\$ 1,552	\$ 1,520	\$ 1,481	\$ 1,453	\$ 1,330
Langford	\$ 2,641	\$ 2,406	\$ 2,095	\$ 1,858	\$ 1,655	\$ 1,527	\$ 1,494	\$ 1,437	\$ 1,326	\$ 1,280



Over the last 10 years, North Cowichan has consistently maintained the lowest tax levels among comparator municipalities. In 2025 alone, taxes were approximately \$817 below the average and \$518 below the median. While this reflects a strong commitment to affordability, it has also contributed to significant challenges, including underinvestment in critical infrastructure, limited ability to absorb financial shocks such as the mill closure, inadequate planning and funding for designated growth areas, and staffing levels that lag behind the needs of a rapidly growing community. This historical approach underscores the need for a more balanced and sustainable tax strategy moving forward.

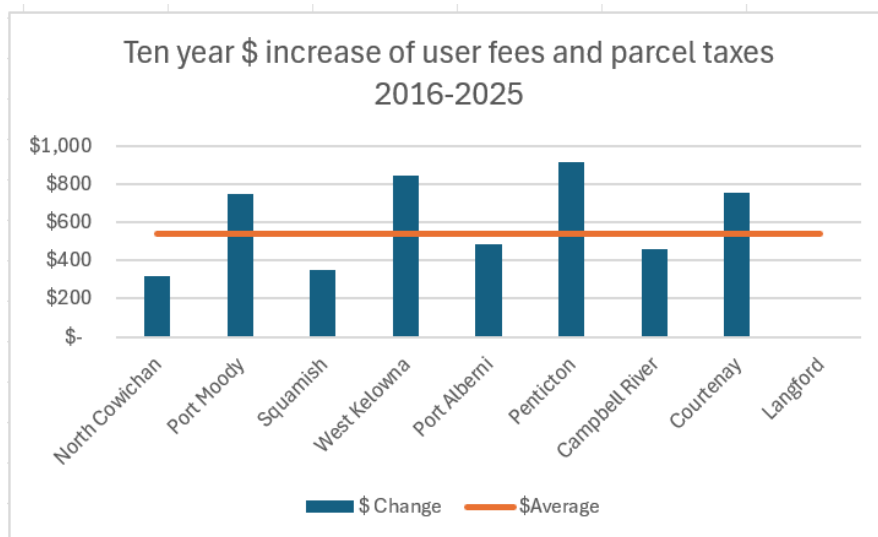
User fees and Parcel taxes

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
North Cowichan	\$ 1,068	\$ 1,014	\$ 945	\$ 895	\$ 873	\$ 842	\$ 809	\$ 788	\$ 766	\$ 749
Port Moody	\$ 1,783	\$ 1,562	\$ 1,481	\$ 1,435	\$ 1,243	\$ 1,207	\$ 1,170	\$ 1,124	\$ 1,072	\$ 1,037
Squamish	\$ 1,606	\$ 1,540	\$ 1,490	\$ 1,470	\$ 1,430	\$ 1,380	\$ 1,353	\$ 1,325	\$ 1,310	\$ 1,258
West Kelowna	\$ 2,113	\$ 2,029	\$ 2,019	\$ 1,989	\$ 1,954	\$ 1,902	\$ 1,793	\$ 1,789	\$ 1,330	\$ 1,269
Port Alberni	\$ 1,154	\$ 1,098	\$ 1,052	\$ 1,009	\$ 914	\$ 896	\$ 811	\$ 786	\$ 746	\$ 669
Penticton	\$ 1,709	\$ 1,579	\$ 1,338	\$ 1,301	\$ 1,274	\$ 1,132	\$ 1,216	\$ 1,108	\$ 1,041	\$ 798
Campbell River	\$ 1,418	\$ 1,354	\$ 1,254	\$ 1,198	\$ 1,162	\$ 1,091	\$ 1,066	\$ 1,024	\$ 985	\$ 956
Courtenay	\$ 1,760	\$ 1,613	\$ 1,418	\$ 1,331	\$ 1,285	\$ 1,269	\$ 1,248	\$ 1,198	\$ 1,103	\$ 1,003
Langford	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



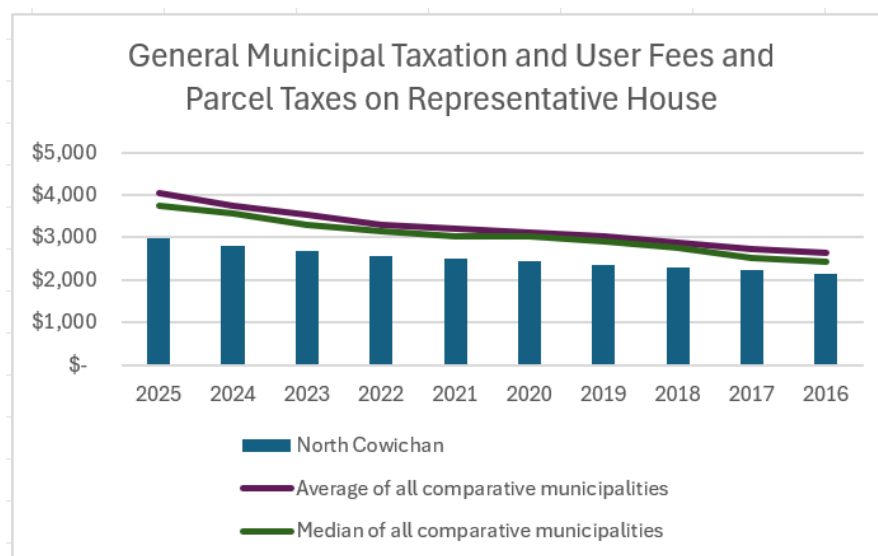
North Cowichan has consistently had the lowest user fees among comparator communities, with the exception of Langford, which does not charge user fees because it contracts out water, sewer, and garbage services. Over the 10-year period from 2016 to 2025, North Cowichan's user fees have grown the least, reinforcing its position as the most affordable in this category. Currently, user fees are \$538 below the median, a gap that highlights just how far below the norm North Cowichan has remained.

As shown below, North Cowichan is well below the 10-year average increase.

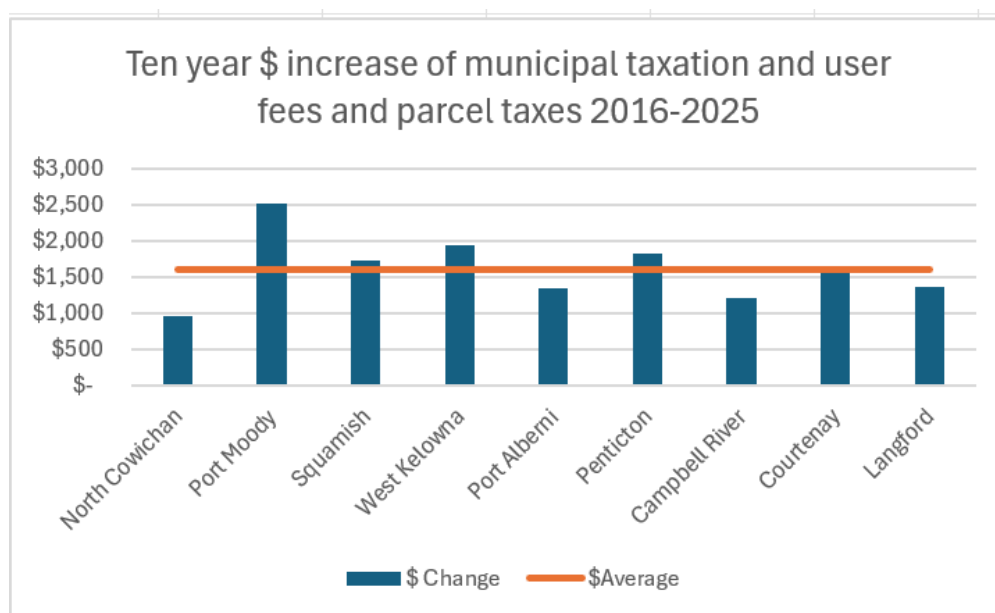


Total Tax burden

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
North Cowichan	\$ 3,191	\$ 2,982	\$ 2,816	\$ 2,681	\$ 2,575	\$ 2,497	\$ 2,433	\$ 2,363	\$ 2,304	\$ 2,230
Port Moody	\$ 6,575	\$ 6,088	\$ 5,635	\$ 5,278	\$ 4,795	\$ 4,558	\$ 4,516	\$ 4,409	\$ 4,340	\$ 4,053
Squamish	\$ 5,552	\$ 5,008	\$ 4,693	\$ 4,659	\$ 4,377	\$ 4,179	\$ 4,137	\$ 4,114	\$ 4,018	\$ 3,818
West Kelowna	\$ 5,095	\$ 4,820	\$ 4,631	\$ 4,466	\$ 4,242	\$ 4,074	\$ 3,925	\$ 3,834	\$ 3,298	\$ 3,157
Port Alberni	\$ 3,818	\$ 3,628	\$ 3,367	\$ 3,168	\$ 2,911	\$ 2,947	\$ 2,775	\$ 2,706	\$ 2,601	\$ 2,473
Penticton	\$ 4,350	\$ 4,056	\$ 3,668	\$ 3,417	\$ 3,198	\$ 3,026	\$ 3,065	\$ 2,920	\$ 2,772	\$ 2,516
Campbell River	\$ 3,898	\$ 3,758	\$ 3,560	\$ 3,303	\$ 3,162	\$ 3,122	\$ 3,039	\$ 2,908	\$ 2,824	\$ 2,689
Courtenay	\$ 3,949	\$ 3,653	\$ 3,310	\$ 3,052	\$ 2,896	\$ 2,821	\$ 2,768	\$ 2,679	\$ 2,556	\$ 2,333
Langford	\$ 2,641	\$ 2,406	\$ 2,095	\$ 1,858	\$ 1,655	\$ 1,527	\$ 1,494	\$ 1,437	\$ 1,326	\$ 1,280



North Cowichan has the second-lowest total tax burden at \$3,191 per home, with only Langford lower due to its practice of contracting out services and not charging user fees. Over the past decade, North Cowichan's total tax burden has grown the least among all comparator communities, rising by just \$961, compared to an average increase of \$1,613. In 2025, North Cowichan's total tax burden was \$758 below the median of the group and \$652 below the average (shown below), underscoring its long-standing position as one of the most affordable municipalities. However, this lower-than-average tax and user fee increase has come at a price: we are now facing a significant infrastructure deficit, resourcing shortages, and a lack of commitment or funding for asset management, all of which threaten the municipality's ability to meet current and future demands.



North Cowichan has maintained the lowest tax burden among our comparator communities for decades. While this has been beneficial for residents from a tax perspective, it has not benefited the municipality's ability to manage assets or plan for future growth. This prolonged low-tax environment has led to:

- Severely underfunded capital and equipment reserves
- No capacity to absorb major financial shocks, such as the Crofton Mill closure
- Minimal investment and commitment toward asset management
- Inadequate funding and planning for designated growth areas
- Staffing levels that fall far short of supporting a rapidly growing community

Now is the time for Council to shift its focus to long-term sustainability. Continuing on the same path will only deepen these challenges and compromise service delivery, infrastructure reliability, and growth management. Staff strongly recommend adopting a property tax policy that gradually raises property taxes and user fees to the median level of comparator communities over the next five years. This adjustment, equivalent to an additional \$758 per household based on 2025 figures, will provide the financial capacity needed to operate effectively, invest in infrastructure, and secure North Cowichan's future.

RECOMMENDATION

THAT Council receive the Comparative Tax Analysis report dated January 13, 2026, from the Director, Financial Services for information.

Report prepared by:



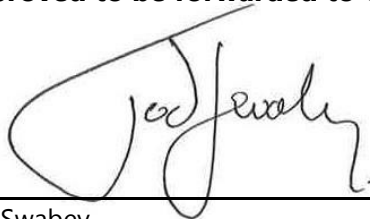
Teri Vetter, CPA, CGA
Director, Financial Services

Report reviewed by:



Bill Corsan
General Manager, Corporate Services and
Community Relations

Approved to be forwarded to Council:



Ted Swabey
Chief Administrative Officer

Attachment 1- Appendix A