Agenda – Standing Policy Committee on Property and Development – July 6, 2026

REPORTS

Item No. 4 Vacancy to Vitality - Creating and Using the Vacancy to Vitality Reserve

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Vacant Building Rehabilitation & Prevention Strategy (the "Strategy") outlined in appendix A of this report be approved.

2. That the Vacancy to Vitality Reserve (the "VVR") be established and approved to support the Strategy as per the Terms of Reference as outlined in Appendix B.

3. That, subject to approval of Recommendation 1, that the following operating expenditures funded from the VVR be approved:

    A. One temporary FTE Solicitor II position at an annual salary and benefit cost of $162,500 be added to the Legal Services department effective September 1, 2026; and one permanent FTE Building Remediation Inspector position at an annual salary and benefit cost of $106,500 be added to the Community Services department effective January 1, 2027, both positions funded by the Empty Building Fee revenue collected in the Vacancy to Vitality Reserve.

    B. An increase of $91,000 to the Winnipeg Fleet Management Agency 2026 capital project #8330000126 funded by the new Vacancy to Vitality Reserve to purchase one additional vehicle for lease capable of carrying necessary inspection equipment for the Building Remediation Inspector.

4. That the Public Service report back no later than December 2028 with outcomes and recommendations for the Strategy, and a Terms of Reference to include how the Vacancy to Vitality Reserve will be used to support Phase 3 of the Strategy.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On April 30, 2026, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That the Winnipeg Public Service be granted an extension of time to July 3, 2026 to report back on the matter.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

On December 18, 2025, Council adopted the recommendation of the Standing Policy Committee on Property and Development which included the following:

10. That the Public Service report back in April 2026 with a plan to establish a new reserve to be funded by Empty Building Fee revenue that supports the use of the taking title without compensation enforcement tool, prevention of residential building vacancy, re-occupancy of vacant buildings, and re-development of vacant and derelict buildings for housing.

ADMINISTRATIVE REPORT

Title: Vacancy to Vitality - Creating and Using the Vacancy to Vitality Reserve

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
W. Yee	C. Fernandes	B. D'Avignon, acting for T. Graham	J. Dunford

EXECUTIVE SUMMARY

This report is in response to Council's direction from the December 18, 2025, adopted administrative report (*Vacancy to Vitality – Strategic Policy Options to Address Vacant and Derelict Properties*).

Council asked the Public Service to prepare a report and plan for a new reserve funded by Empty Building Fee revenue.

The Public Service recommends creating a new Vacancy to Vitality Reserve. The proposed reserve would give the City a practical tool to reduce vacancy. It would also support redevelopment, and help build safer, stronger, and more vibrant communities.

This reserve would collect money from the Empty Building Fee. That money would then be used to help the City respond to vacant and derelict properties. The reserve would give the City a dedicated fund to support action on empty buildings.

The three-phase plan is:

Phase 1: Create and fund the reserve
Create the Vacancy to Vitality Reserve. Money from the Empty Building Fee would go into this reserve. This would create a stable funding source for future work.

Phase 2: Increase enforcement to support development and occupancy
Improve enforcement related to vacant buildings. Stronger enforcement would help the City better deal with problem properties. It would also encourage property owners to:

- Bring buildings back into use
- Repair them
- Redevelop them

Phase 3: Add enforcement tools and housing programs
Add more tools and programs, especially for residential properties. These tools and programs would help:

- Prevent buildings from becoming vacant in the future
- Support long-term occupancy
- Address housing-related concerns earlier

The plan is intended to:

- Improve how the City enforces rules for vacant buildings
- Encourage the re-occupancy and redevelopment of vacant properties
- Improve the appearance of neighbourhoods
- Support community revitalization
- Add measures to help prevent future residential vacancy

Vacant and derelict buildings can affect safety, neighbourhood appearance, and community confidence. The proposed Vacancy to Vitality Reserve would help the City move from policy direction to action. It would provide a clear way to use Empty Building Fee revenue to support enforcement, redevelopment, and prevention efforts.

RECOMMENDATIONS

1. That the Vacant Building Rehabilitation & Prevention Strategy (the "Strategy") outlined in appendix A of this report be approved.

2. That the Vacancy to Vitality Reserve (the "VVR") be established and approved to support the Strategy as per the Terms of Reference as outlined in Appendix B.

3. That, subject to approval of Recommendation 1, that the following operating expenditures funded from the VVR be approved:

    A. One temporary FTE Solicitor II position at an annual salary and benefit cost of $162,500 be added to the Legal Services department effective September 1, 2026; and one permanent FTE Building Remediation Inspector position at an annual salary and benefit cost of $106,500 be added to the Community Services department effective January 1, 2027, both positions funded by the Empty Building Fee revenue collected in the Vacancy to Vitality Reserve.

    B. An increase of $91,000 to the Winnipeg Fleet Management Agency 2026 capital project #8330000126 funded by the new Vacancy to Vitality Reserve to purchase

one additional vehicle for lease capable of carrying necessary inspection equipment for the Building Remediation Inspector.

4. That the Public Service report back no later than December 2028 with outcomes and recommendations for the Strategy, and a Terms of Reference to include how the Vacancy to Vitality Reserve will be used to support Phase 3 of the Strategy.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On December 18, 2025, Council adopted the administrative report titled “Vacancy to Vitality - Strategic Policy Options to Address Vacant and Derelict Properties.”

The report directed the Public Service to report back with a plan to establish a new reserve funded through Empty Building Fee revenue to support:

- The use of the Taking Title Without Compensation (TTWC) enforcement tool;
- The prevention of residential building vacancy;
- The re-occupancy of vacant buildings; and
- The redevelopment of vacant and derelict buildings for housing.

IMPLICATIONS OF THE RECOMMENDATIONS

The amount of Empty Building Fee (EBF) revenue generated will be influenced by the number of vacant buildings requiring inspection each year. The reserve’s ability to scale up and remain sustainable will also depend on the level of voluntary payment and the rate of collection on outstanding amounts.

An additional temporary FTE for the Legal Services Department is required to support an increase in the number of buildings eligible for TTWC enforcement and improve the collection of EBF payment. The Public Service would evaluate the position after four years to determine if a dedicated FTE is still required.

A new Building Remediation Inspector position will dedicate resources towards remediation at select vacant buildings to protect the structure, improve safety, property valuation, and improve overall neighbourhood esthetics and values. The goals set out for Phase 2 related to Advanced Remediation Enforcement Action is dependent on this new position as Licensing & Bylaw Enforcement’s existing enforcement officers do not have the qualifications required to conduct these types of inspections or work. If the Building Remediation Inspector is approved, the Licensing and By-law Enforcement Fleet Component would need to be increased to include a new fleet vehicle to properly and securely transport necessary equipment to conduct these types of inspections.

All costs associated with Advanced Remediation Enforcement Action (AREA) will be eligible to be added to the applicable tax roll and used to replenish the reserve.

HISTORY/DISCUSSION

Empty Building Fee
The Empty Building Fee (EBF) was adopted by Council in 2019 to deter long-term building vacancy and came into effect on January 1, 2020. Initially set at one percent of assessed value, the fee applied annually to owners of vacant buildings that had received five or more annual Schedule A inspections.

On July 9, 2024, Council approved amendments increasing the fee from one percent to two percent and expanding its application to buildings that had received three or more annual Schedule A inspections.
On December 18, 2025, Council adopted the recommendation in the Vacancy to Vitality Report that all vacant buildings that receive one or more annual Schedule A inspections are subject to an annual EBF calculated on a graduated scale of one to five percent of assessed value, with the highest rate applying to buildings that have received five or more annual Schedule A inspections.

As a result, EBF revenue is projected to increase in 2026, reflecting both the broader application of the fee and the current volume of vacant buildings under inspection.

EBF Revenue and Collections
From the implementation of the fee in 2020 to December 31, 2025, the City issued 857 Empty Building Fee invoices totaling $4,043,790. Of these, approximately 244 invoices (28 percent) were paid, resulting in total collections of $878,761.00 (22 percent).

Licensing and By-law Enforcement currently administers a collection process for unpaid vacant building-related fees, including the option to engage Legal Services to pursue legal remedies where necessary. To improve collection rates of the Empty Building Fee, increased capacity at Legal Services is necessary to dedicate services for more volume and complexity of collection and enforcement. Empty Building Fees are not eligible to be added to the tax roll.

Given the current inventory of vacant buildings eligible for invoicing, the volume of potential enforcement activity will be substantial. In addition, the City may have as little as two years to file a claim in court to collect overdue invoices. To handle the anticipated workload, tight timelines, and to support the recommended phase 1 strategy with the goal of increasing the collection rate of overdue Empty Building Fee and inspection invoices, it is recommended that the reserve be approved to fund one FTE for a Solicitor II position within the Legal Services Department.

<u>Empty Building Fee – Class 5 Estimate</u>
A projection of estimated revenue was prepared using a point in time inventory count from April 2026 and the following criteria:

- 595 vacant residential buildings, grouped by projected year-end 2026 Schedule A inspections.
- A review of historical residential building EBF invoices issued in 2021-2025 (473 invoices) recorded an average residential building property value of $192,989.

Table 1 - 2026 Residential Vacant Buildings Sample				
# of Properties	**Schedule A (2026)**	**EBF Rate**	**Property Value**	**FEE**
59	1	1%	$192,989	$113,864
221	2	2%		$853,011
84	3	3%		$486,332
65	4	4%		$501,771
166	5+	5%		$1,601,809
TOTAL				
595	Potential Residential EBF Revenue			**$3,556,787**

Assuming a collection rate of 25 percent of 2026 residential EBF revenues, approximately $890,000 could be available in the reserve to support phase 2 operations beginning in 2027. The conservative 25 percent collection rate will be sufficient to fund phase 1 and initiate phase 2. Higher rates will accelerate the timeline for phases 2 and 3.

Variables that will influence the actual value of EBF revenues include:

- The actual value of each building at the time of invoice;
- Increases or decreases in number of vacant buildings inspected;
- The age of the building inventory; and
- The number of completed inspections,

Vacant non-residential buildings will have a wider range of property values.

Vacant Building Rehabilitation & Prevention Strategy

The Public Service is recommending executing the Vacant Building Rehabilitation & Prevention Strategy in three phases as outlined in Appendix A. These phases will align with the estimated times for the City to properly fund the reserve to levels to support the goals of each phase. A summary of the strategy is provided below.

	Phase 1	**Phase 2**	**Phase 3**
	Establishment of Reserve	Rehabilitation & Occupancy	Vacancy Prevention
Anticipated Start	Upon adoption of report	January 1, 2027	Accumulated Cash Balance of the Reserve reaches $2 million
# of Goals	8	3	To be provided in future report
Summary	Establish the reserve and take preliminary steps to operationalize Phase 2.	Increased remediation enforcement of the Vacant Building By-law as well as more effective use of the	Support or expansion of existing city programs that help residents to maintain their residential properties, as well

		TTWC enforcement process	as additional enforcement measures for rental properties.

Phase 1 – Establishment of Reserve

Reserve

Phase 1 will establish the reserve and allocate funds for 1 permanent FTE Solicitor II within the Legal Services Department to support increased enforcement action that can trigger the TTWC process with a vacant building owner and enforce payment of Empty Building Fees through civil litigation as required.

As the reserve money increases with 2026 EBF revenues, Licensing and By-law Enforcement (LBE) will take steps to operationalize a dedicated Advance Remediation Enforcement Action (AREA) enforcement process to support phase 2 of the strategy, including the hiring and training of a new Building Remediation Inspector to begin supporting TTWC enforcement processes and AREA-related inspections and enforcement by Quarter 1 2027.

When the reserve reaches an accumulated cash reserve value of $2 million dollars, phase 3 will be initiated with a primary goal of using all additional reserve funds over $2 million to support a vacancy prevention program. This program will aim to expand existing City programs that will assist Winnipeg residents maintain their residential properties. If available, a framework for phase 3 will be included as part of the recommended reporting in two years' time.

Advanced Remediation Enforcement Action (AREA)

LBE's Vacant Buildings Unit inspects and enforces the Vacant Building By-law through compliance orders. Currently, By-law Enforcement Officers (BEOs) have the authority and existing mechanisms to conduct basic remediations at a property related to vegetation, garbage, and building security.

AREA will target outstanding vacant building violations currently not remedied by existing City-enforced remediation. This advanced work will positively improve a building's structural integrity, general safety, valuation, and/or the esthetic value to the surrounding community.

Designated AREA Committee

A designated AREA Committee will be established to support and provide oversight for the enforcement objectives of phase 2 of the strategy. The committee will include representatives from across the Public Service with the functional expertise required to assess properties for AREA-related work in a manner that best serves the public interest.

The committee's first responsibility will be to establish Terms of Reference, establishing processes for reviewing, evaluating, approving, declining, and prioritizing properties brought forward by the Building Remediation Inspector (BRI) for AREA consideration. In carrying out this work, the committee will be expected to balance remediation costs against the overall value and anticipated impact of the proposed work.

TTWC Enforcement Process & Legal Services Support

The Taking Title Without Compensation (TTWC) enforcement process is intentionally lengthy and time-intensive, as it is designed to provide property owners with the maximum opportunity to achieve compliance and retain ownership of their property. At the same time, the process

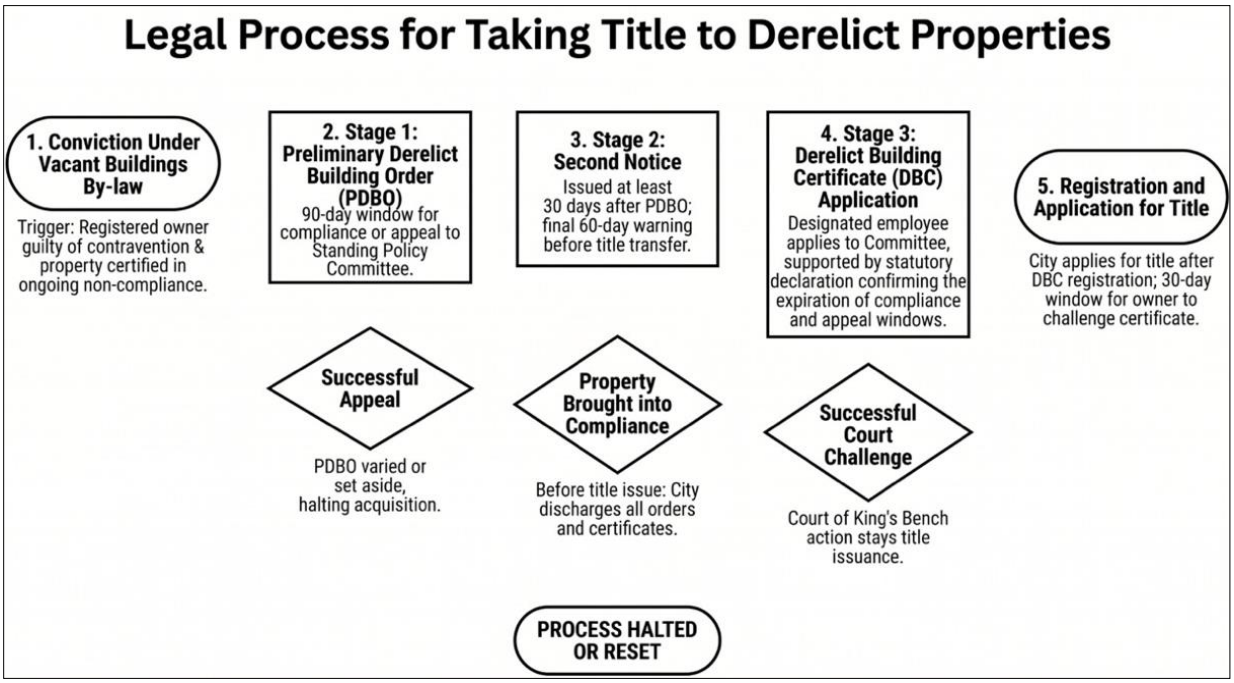
provides a legal mechanism for the City to obtain title to, and control of a derelict building and property where compliance is not achieved.

A key bottleneck in the process is reaching the point at which a property becomes eligible for TTWC, which requires a conviction in Provincial Court. In many cases, the first challenge is completing service of a summons on the property owner. Common service-related issues include:

- the owner is deceased;
- the owner is difficult to locate due to outdated contact information;
- the owner resides outside of Winnipeg; or
- the owner is actively avoiding service.

The reserve would allocate funding for one temporary FTE in Legal Services to support the TTWC enforcement process. This resource would assist in identifying and pursuing legal avenues to affect service and represent the City's interests when working with vacant building owners outside of court or during Provincial Court proceedings to obtain the convictions necessary to advance properties through the TTWC process. These efforts are intended to increase the number of properties eligible for TTWC and to promote compliance with the by-laws associated with vacant and derelict buildings.

The Public Service will evaluate the temporary FTE after four years to determine if a dedicated resource for this work is still required.



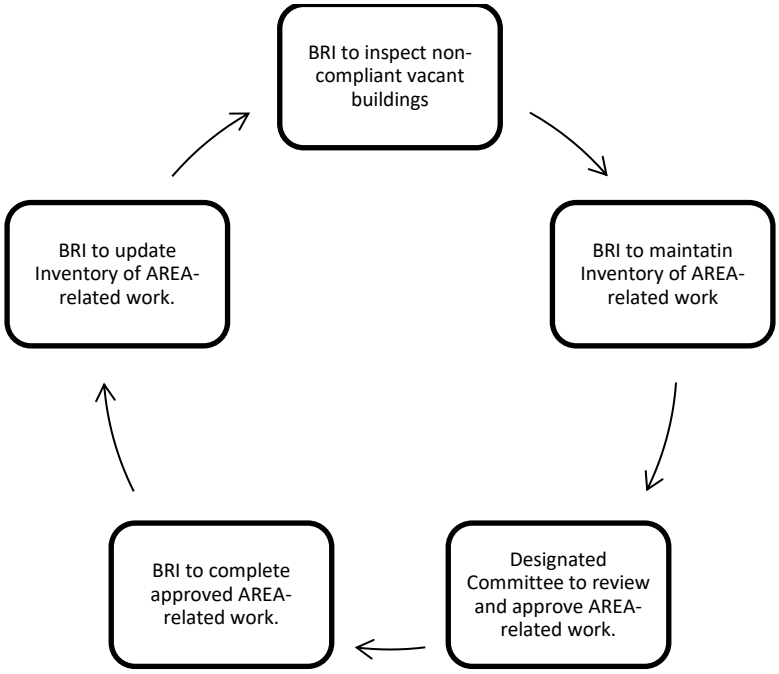
Phase 2 – Redevelopment and Re-occupancy of Vacant Buildings

The strategy proposes to begin phase 2 in Quarter 1, 2027, with operations ramping up to support the remediation and redevelopment of specific elements of vacant buildings through the use of AREA processes.

The intended operational outcome for the Public Service is to protect the structural integrity of vacant buildings and prevent further deterioration, including demolition by neglect, through the enforcement of Compliance Orders using AREA-related work.

The BRI will also respond proactively to changing conditions both inside and outside vacant buildings to help ensure the safety of neighbouring properties, as well as inspection and emergency personnel.

The recommended follow-up report, to be brought forward in two years, will provide a more detailed operational framework. In the interim, phase 2 will proceed in accordance with the following process:



Automatic Reserve Replenishment

The Vacancy to Vitality Reserve (VVR) will fund upfront costs of AREA-related work. This work will align with the City's current approach to remediating certain by-law violations, with costs recovered by adding them to the vacant building owner's property taxes.

These tax recoveries will be used to continually replenish the VVR operating reserve to support phase 1 and phase 2 operations at a $2 million base level.

Phase 3 – Vacancy Prevention Program

Phase 3 of the strategy will be initiated once the Vacancy to Vitality Reserve reaches an accumulated cash balance of $2 million. This portion of the reserve is intended to be replenished through tax recoveries.

As the reserve approaches this milestone, the strategy will shift toward determining how reserve funds in excess of $2 million may be used to support a vacancy prevention program. When appropriate, LBE will engage with key stakeholders to explore options based on conditions at that time.

Preliminary considerations for the potential use of the VVR under a vacancy prevention program include:

- A financial assistance model to help residential property owners avoid vacancy; and
- Expanding AREA-related work to tenant-occupied residential buildings, where landlords are not in compliance with maintenance by-laws.

As phases 1 and 2 are implemented, a more realistic estimate will be developed regarding when the reserve may reach and exceed the $2 million threshold. Future planning will determine what additional reserve levels may be sufficient to support a vacancy prevention program.

When the Public Service reports back, it will provide an update on implementation progress and include any available information related to phase 3.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 18, 2026

Project Name: **First Year of Program** **2026**

Vacancy to Vitality - Strategic Policy Options to Address Vacant and Derelict Properties

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ 91,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 91,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Vacancy to Vitality Reserves	91,000	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ 91,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 91,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 54,000	$ 275,000	$ 281,000	$ 287,000	$ 293,000
Less: Incremental Revenue/Recovery	890,000	908,000	926,000	945,000	964,000
Net Cost/(Benefit)	$ (836,000)	$ (633,000)	$ (645,000)	$ (658,000)	$ (671,000)
Less: Existing Budget Amounts	-	-	-	-	-
Net Reserve Surplus (Benefit)	$ (836,000)	$ (633,000)	$ (645,000)	$ (658,000)	$ (671,000)

Additional Comments: One-time capital expenditures in 2026 of $91,000 (financed by the Vacancy to Vitality Reserve) will be incurred in the Winnipeg Fleet Management Agency SOA for the procurement of one (1) vehichle to be used by the Building Inspector position by increasing capital project # 8330000126.

Vacancy to Vitality Reserve:

Direct costs in 2026 represents the salary and benefits for one (1) temporary FTE Solicitor 2 position effective September 1, 2026 for a 2026 cost of $54,000. Direct costs in 2027 and onwards includes the annualized cost of one (1) temporary FTE Solicitor 2 position salary and benefits cost of $ 165,500, one (1) permanent FTE Buidling Inspector position at a salary and benefits cost of $106,500, and fleet operating costs of $3,000. Annual increase of 2% have been assumed beginning 2028 for increases in collective agreements and inflation.

Incremental Revenue/Recovery represents a conservative estimate of 25% of Empty Building Fee revenue collected with an annual increases of 2% begining in 2027.

Net Reserve Surplus represents the Vacancy to Vitality Reserve (VVR) net surplus to support future phases of this report.

Ozzy Garrett, CPA - June 18/26

Ozzy Garrett, CPA
Manager of Finance
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

- Assessment & Taxation Department
- Legal Services Department
- Manager, Housing Accelerator Fund

OURWINNIPEG POLICY ALIGNMENT

01-4 Housing – Direction 4:

- Provide leadership in encouraging and enforcing property-related standards that create and promote safe living conditions for homeowners, tenants, and for communities as a whole.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Community Services
Division: Licensing & Bylaw Enforcement
Prepared by: J. Lorbis, Coordinator Business Supports & Enforcement Processes
Date: June 18, 2026
File No: CmS-2026-12
Attachments:

Appendix A: Vacant Building Rehabilitation & Prevention Strategy

Appendix B: Terms of Reference