

Vancouver has potential to attract Asian head offices: executive

BY BRIAN MORTON, VANCOUVER SUN JULY 31, 2012



An aerial view of the downtown core of Vancouver, B.C. on October 17, 2010.

Photograph by: Ian Smith, PNG

Vancouver has the potential to attract head offices for Asian companies seeking a stronger North American presence, according to an executive with a U.S.-based company that fosters corporate moves.

“I think the potential [for more head offices] is very possible, particularly from Asia,” said John Boyd, principal with The Boyd Company Inc., of New Jersey.

“Number 1 is the presence of a highly-educated Asian workforce. And there is a unique relationship [with Asia], a special advantage Vancouver has. But I don’t think [B.C.] is doing enough.”

Boyd also suggested Premier Christy Clark’s spat with Alberta Premier Alison Redford over Northern Gateway pipeline revenues works against B.C. attracting more head offices to Vancouver, although he noted the city is also in a good position to attract more “progressive” head offices from other parts of North America because it’s a great place to live.

Boyd, in Vancouver this week to meet with clients and potential clients, made the comments after Tuesday's release of a Boyd Company report showing Vancouver is the second-most expensive city in Canada — after Toronto — to have a head office, although it is 23rd in North America with New York the costliest and Halifax the cheapest.

The report concluded that operating costs for a 100,000-square-foot corporate headquarters with 500 employees are \$38.96 million per year in Vancouver-Burnaby, behind Toronto's \$39.2 million and New York's \$47.2 million.

The report said Vancouver houses Western Canada's second largest concentration of major head offices after Calgary.

While Boyd believes Vancouver has great potential in soliciting Asian corporate offices and others including high-tech, pharmaceuticals, design, film and video-gaming, the city's tax rates and dispute over the Northern Gateway pipeline work against it.

"In terms of retaining current head offices, [the prospects] are fairly good," said Boyd, who said there is "unprecedented mobility" of North American head offices on the lookout for lower-cost sites. "But in terms of attracting new offices, it's difficult because of higher costs and the business climate picture compared with Calgary, Edmonton and Saskatchewan."

He said Clark's position on Northern Gateway "portrays B.C. as more concerned about the environment, which is very important, over the [importance] of jobs and low-cost energy."

Despite that, he said, Vancouver's strengths include "world-class air service, especially to China, a bilingual [Chinese and English] workforce, and Vancouver is a world-class city that's very progressive. And people love living in Vancouver."

Meanwhile, Jock Finlayson, executive vice-president and chief policy officer for the Business Council of B.C., agrees there's tremendous potential to attract Asian corporate offices to Vancouver, but that it's "nonsense" to suggest Clark's spat with Redford is driving away corporate business.

"These decisions about where they'll put their head offices are long-term decisions they make for strategic purposes. And our corporate tax rates are very competitive."

bmorton@vancouver.sun.com