

# BUSINESS PROFILE

*A Bi-Annual Publication of Concise Business Information about Saskatoon*



## Highlights:

- New newsletter aimed at offering the public and business community concise information about Saskatoon businesses.
- The Business License Program involves approximately 6,300 commercial and home-based businesses each year.
- City Council approves reduction in Business License Fees.
- There are 5,032 commercial, and 1,280 home-based businesses licensed through the City of Saskatoon Business License Program.

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## Business Information At Your Fingertips

Welcome to the first issue of Business Profile. So what is the purpose of the newsletter? This newsletter is aimed at offering the public and business community concise information about Saskatoon businesses. Using data gathered through the Business License Program, the Community Services Department has compiled and researched hundreds of statistical variables that describe the business community in Saskatoon.

By applying this data to issues and business trends we are experiencing today, this newsletter will attempt to predict future trends and provide short term forecasts, keeping you informed about the key dynamics of Saskatoon's changing business sectors.

So what types of analysis will be included? For example, the Business License database contains 18 tables from which 44 variables can be extracted describing business types,

locations, number of employees, etc. Data analysis will focus on the number of commercial and home-based businesses, their distribution throughout the city, as well as local employment figures. All information is based on data collected through the Business License Program.

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## What is the Business License Program?

As a result of the 1997 Province wide re-assessment, the business tax was eliminated, and with it, the method previously used to license over 5,000 businesses. In December 1996, City Council renewed its commitment to license all Saskatoon businesses by adopting Business License Bylaw No. 7590.

Administered by the Business License and Zoning Compliance Section, Development Services Branch, this Bylaw affects most property-based businesses which are required

to obtain a Saskatoon Business License before beginning operation. This Program integrates licensing with the Development and Building Permit processes, and ensures that businesses meet the provisions of the Development Plan, Zoning Bylaw, and Building Code. This program enables planning staff to maintain a comprehensive, up-to-date commercial space and business database that can be reliably used for analysis of both commercial and industrial land use, and provides city-wide business analysis.

The Business License Program relies on each individual business to report accurate and timely information through the business license application and renewal process, as well as provide notification of changes. Accurate reporting ensures that commercial space and business data is, and will continue to be, a major resource for planning and business analysis.

For more information on commercial and industrial space analysis contact:  
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## Commercial Business Sector

Business License data shows there are 5,032 licensed commercial businesses in the City of Saskatoon, employing 53,314 people.

It is no surprise that the retail and service sectors are by far the most prominent encompassing 76% of all businesses and over 66% of all employees. These sectors reflect those goods and services demanded by consumers on a daily basis such as groceries, clothing, dry goods, and personal and household services, as well as professional and health related services.

A 1998 Canadian survey of new small business found that over 58% intended to tap opportunities in the rapidly expanding service sector. This is evident in Saskatoon as almost half the new businesses between 1998 and January 2000 were within the service sector. Now consti-

tuting the largest business sector at 46% with 41% of all employees, the service sector finds its largest concentration in the Central Business District where we see the dominance of most major financial and other business service industries.

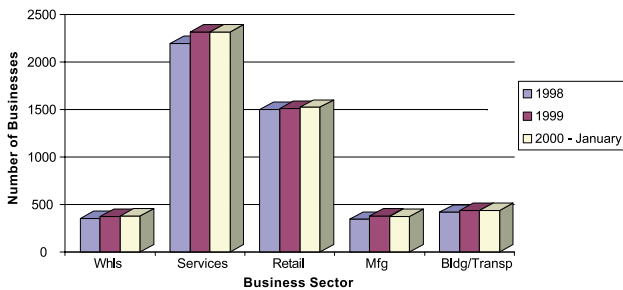
The smallest number of businesses are in the manufacturing sector, but at 15%, they comprise the third highest number of employees. Although the manufacturing sector is smaller by comparison, they employ a slightly larger, more specialized labour force than wholesale business

firms. We see the largest concentration of manufacturing and wholesale businesses located within the northwest industrial area of the city. Land use policies in this area not only offer larger property sites and easier routing access, but also foster industrial partnering and potential industry-client relationships.

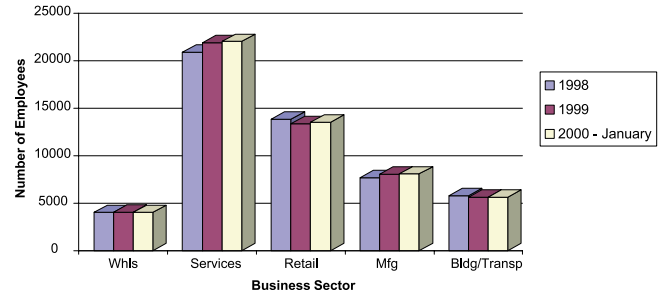


2ND AVENUE BUSINESS CORRIDOR

Number of Commercial Businesses by Business Sector



Number of Employees by Business Sector



## Late Breaking News!

At its April 3rd meeting, City Council approved a reduction in new business license fees from \$100 to \$95, a reduction in business license renewal fees from \$75 to \$70, and the elimination of fees for reporting a change of ownership or a change of floor area for businesses. These fee reductions take effect May 1, 2000.

In addition, City Council gave direction to its administration to explore the possibility of establishing a partnership with the Saskatoon and District Chamber of Commerce aimed at providing value added

services to all licensed businesses in the city. Examples of these services include automatic membership in the Chamber, access to a city wide e-mail service administered by the Chamber, and automatic inclusion in the Chamber's annual Business Directory.

We believe this partnership will provide the business community with:

- cost effective access to current communications technology;
- expanded advertising and networking opportunities;

- enhanced communications between licensed businesses and the business license program (i.e. electronic issuance of information bulletins, on-line license renewals);
- access to base services provided by the Chamber of Commerce.

*The City administration and the Saskatoon and District Chamber of Commerce will be consulting with the business community to determine your response to this initiative. In this regard we will be seeking your opinion in the next few weeks. If you have any comments or questions on this matter please let us know. Feel free to use the fax-back subscription tear away provided in this newsletter.*

## Home-Based Business Sector

There are 1,280 licensed home-based businesses in the city. This sector encompasses 20% of all businesses and is a growing sector of the business community. Home-based businesses now account for one in three, or 32%, of new Canadian businesses. It is estimated that over two million (one in four) Canadian households are involved in home-based businesses.

In Saskatoon there were approximately 350 licensed home-based businesses in 1997. Since that time we have seen a 266% increase in licensed home-based businesses. We believe this increase is due to several factors. First, was the implementation of the 1997 Business License Program where all commercial and home-based businesses were actively encouraged to obtain a business license. Second, was the adoption of a new Zoning Bylaw in 1998

that updated zoning regulations, resulting in more extensive opportunities for home-

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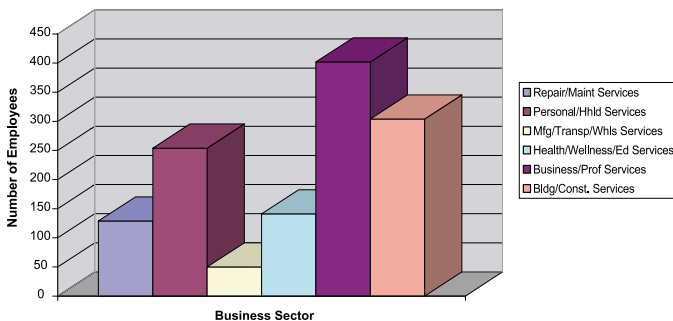
based businesses. The third, may be a result of technological advances and socio-economic factors that have enabled easier access to start home-based small businesses.

The increase in this business sector may also be a result of lifestyle and family choices that allow for more flexibility between work and family time. Company downsizing and lack of employment for skilled workers also forced many to seek alternative ways to participate in the economy.

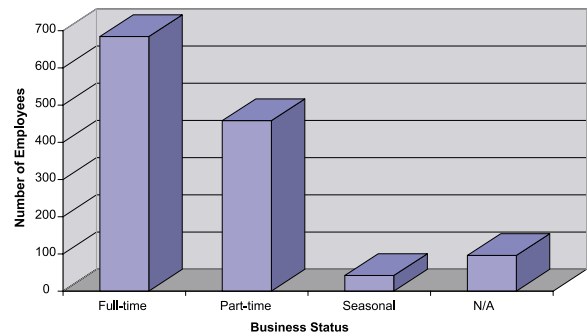
Home-based businesses are predominantly service-based offering skilled professional services by an individual. This is reflected in analysis showing the professional service sector contains 31% of all businesses. The building and construction service sector constitutes 24%, while 20% are related to personal and household services. Some examples of the businesses within these sectors include engineering, management consulting, computer and Internet services, administrative offices for residential and commercial construction and related services, seamstresses, interior decorators, and arts and home-craft production and instruction.

53% of all licensed home-based businesses report their business as full-time, while 36% report their business as part-time business ventures.

Home-Based Businesses by Business Sector



Home-Based Business Status



## So What Does All This Mean?

Are businesses going to proliferate in our residential neighbourhoods? In short, the answer is more than likely not. The first reason is that, as mentioned above, the City regulates the types of, and standards for, home-based businesses. Municipal and provincial legislation and regulatory policies such as licensing and zoning bylaws are put in place to both maintain the character of our residential and commercial areas, and to maintain a balanced, non-discriminatory treatment of both commercial and home-based business.

Secondly, despite the increase in this sector of the business community, home-based businesses are dynamic. Although home-based business start-up is considerably less costly than a commercial location, once established, they are most likely to relocate to commercial or industrial areas as their business and customer base grows. The home serves as a business incubator for the small business entrepreneur.

A 1998 Canadian Federation of Independent Business survey of Canadian new small business intentions showed that 66% of new small businesses intended to operate from a commercial location. Although a subsequent 1999 survey of new small businesses showed an increased intention to operate from the home to 32% from 26%. Overall, 56% of all new businesses in Canada are based in a commercial or industrial setting.



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WWW.CITY.SASKATOON.SK.CA**

### **About the Data**

Analysis in this publication include all those businesses licensed within the mandate of the Business License Program under City of Saskatoon Business License Bylaw No. 7590.

Some businesses not licensed under this bylaw, therefore not covered in commercial business analysis, include federal and provincial departments and agencies, and non-profit and charitable organizations exempt from obtaining a Business License.

Analysis of the home-based business sector does not include Day Care Homes or Care Homes as these operations do not require a Business License. In addition, Direct Sellers and any other business not occupying a commercial or home-based location in the City and licensed through License Bylaw No. 6066 are not included in any analysis.

**CHECK OUT THE SASKATOON & DISTRICT CHAMBER OF COMMERCE WEBSITE  
FOR OPPORTUNITIES AND UPCOMING EVENTS AT:**

**WWW.EBOARDOFTRADE.COM**



Community Services Department  
Development Services Branch