Q3 2017

PERTH & KINROSS ECONOMIC JOURNAL

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We welcome your comments and feedback.

The Journal is an electronic publication on the state of the local economy prepared and published by Planning & Development in Perth & Kinross Council.

Quarter 3 2017 Highlights

- Perth & Kinross had 3rd lowest Claimant Count rate in Scotland.
- The Claimant Count rate has demonstrated robustness as it remained in line with pre-recession levels of JSA Claimant Count rate for about 2 1/2 years.
- 9 out of 10 Claimants in Perth City are resident either in Perth City North or Perth City Centre.
- Claimant Count in four out of eleven wards improved.
- Business start-ups recorded an unseasonal spike; still, the trend is declining.
- Annual property price change has been positive for the last 15 months. House prices in Perth & Kinross were £33k above Scottish average.

Labour Market

Claimanr Count rate
Best- and Worst-Performing Wards

Perth City Centre

Business Unit Vacancy Rate
Footfall

Enterprise

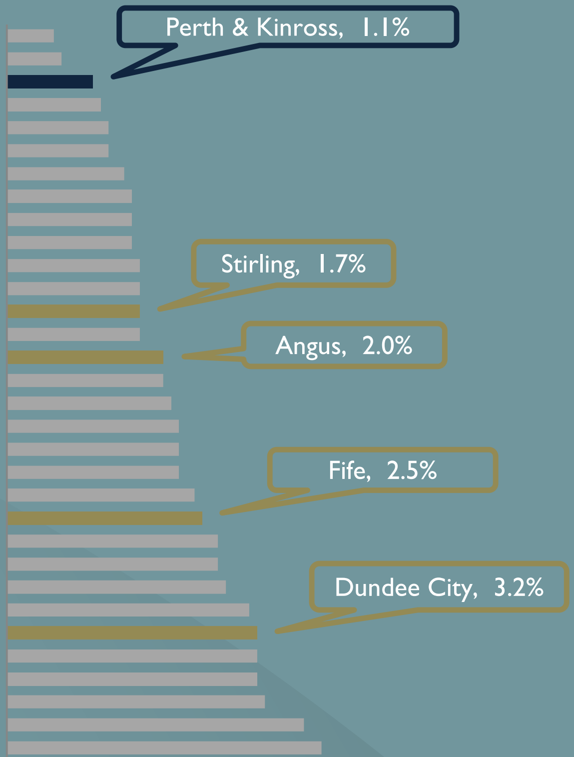
Business Start Ups
Investment
Planning

Housing Market

House Prices
Market Volume

Perth & Kinross Claimant Count rate returns to top 3 of all Scottish local authorities

September 2017



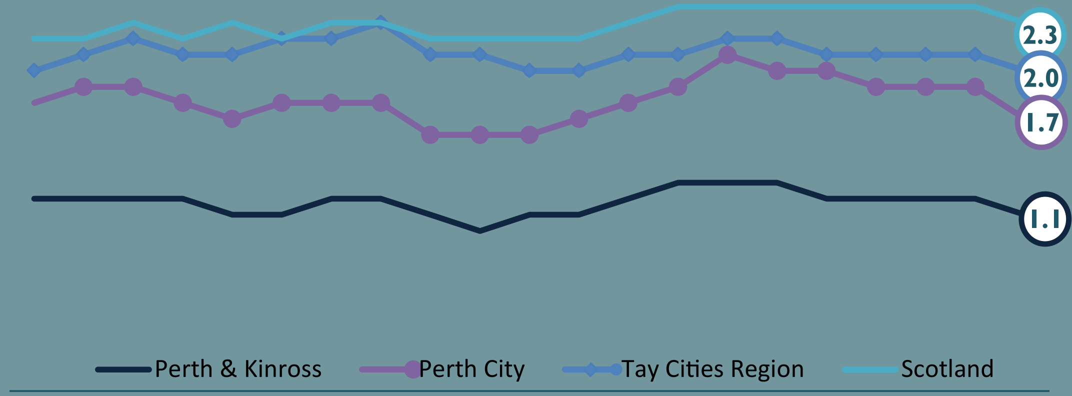
- Perth & Kinross area remains among the very top local authority areas with the third lowest rate in Scotland. The rate of 1.1% recorded in September 2017 marks around 2 1/2 years of performance in line with pre-recession levels.

- Our key neighbouring Local Authority areas fared less favourably than Perth & Kinross in March. Their rates ranged from 1.7% in Stirling to 3.2% in Dundee.

  - The comparative areas showed mixed performance compared to the same month in 2016. Notably, Dundee City was the only area that saw year-on-year improvement in the rate, with Angus staying the same.

Claimant Count Rate drops in September

January 2016 - September 2017



- There were 995 Claimants in Perth & Kinross in September 2017, the lowest number since December last year.

- The Perth City Claimant Count rate of 1.7% remains above Perth & Kinross level but below Scottish average. Perth City rate has been improving faster than Scotland as a whole recently. The gap between Perth City rate and Scotland's rate has doubled in the last 6 months.

Notes

From April 2016 onwards, the Claimant Count rate in Perth & Kinross area has included Universal Credit Claimant records.

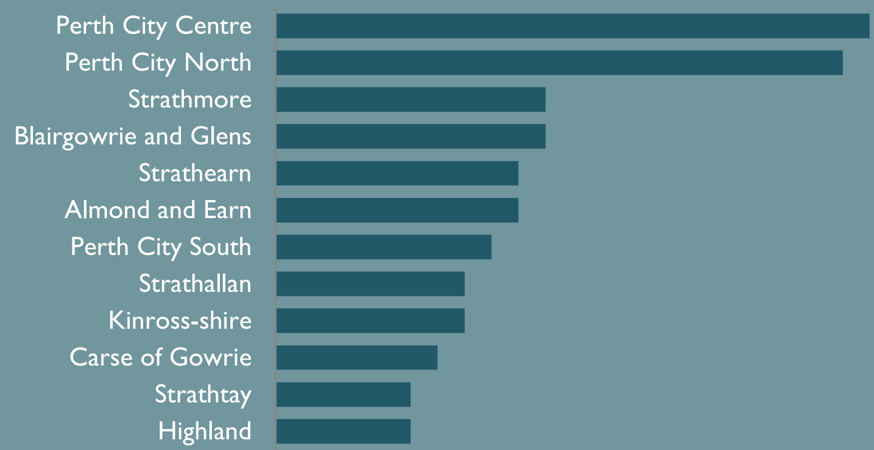
Tay Cities Region includes the areas of Perth & Kinross, Angus, Dundee and North-East Fife.

Source: NOMIS

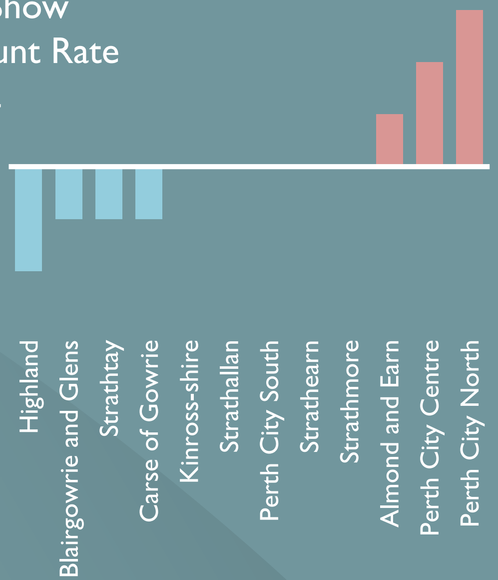
Best and Worst Performing Wards

- The graph illustrates how the wards in Perth & Kinross performed in terms of Claimant Count rate. The rates recorded across the area in September 2017 ranged from 0.5% to 2.2%, compared to a noticeably narrower range of 0.7% to 2.0% a year before. In other words, the gap between the best- and the worst-performing wards increased from 1.3 percentage points to 1.7 percentage points.

- The lowest rate of 0.5% was in Highland and Strathtay. Perth City Centre had the highest rate at 2.2%. All the Wards were below Scottish average.



Four Wards Show Claimant Count Rate Improvement



- Most wards had an unchanged rate (compared to September 2016), with only 3 recording a higher (worse) rate of Claimant Count. Of the three, Perth City North had the greatest increase at 0.3 percentage points.

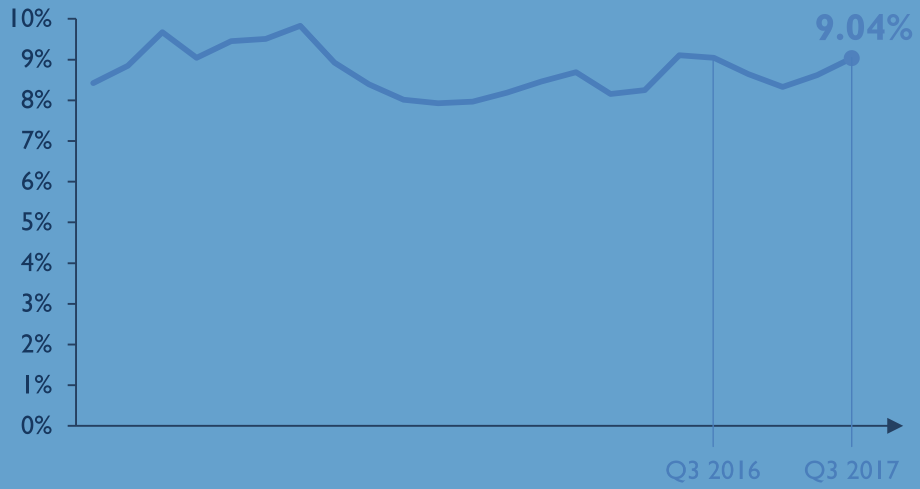
- Highland decreased (improved) the most (-0.2% over the same period).

- 88% of the Claimants in Perth City were resident in either City Centre or City North wards.

- 54% of all Perth & Kinross Claimants were resident in Perth City.

Source: NOMIS

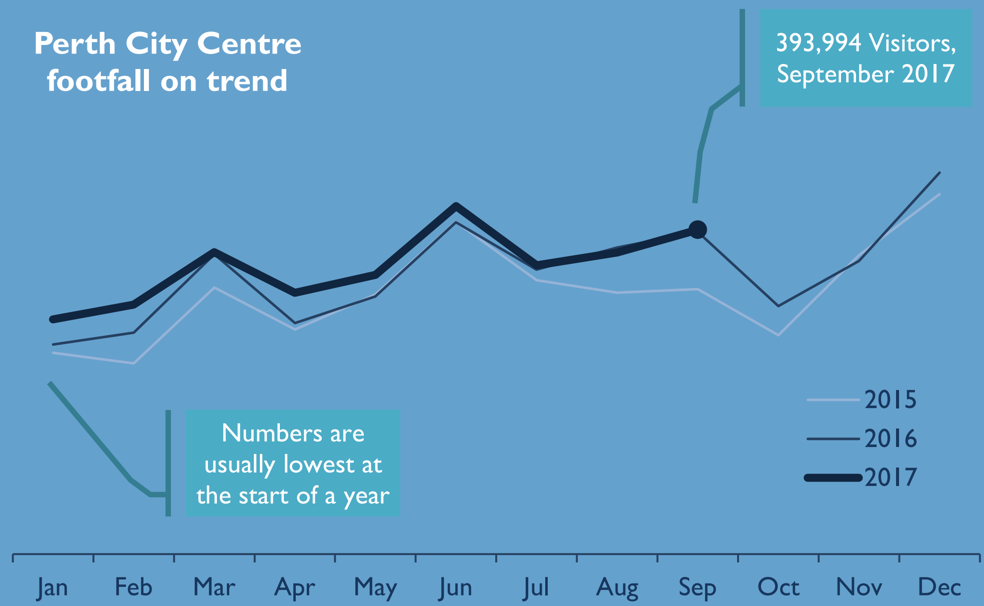
Business Unit Vacancy Rate in line with last year



- Perth City Centre business vacancy rate in Q3 2017 increased on the previous quarter. The 9.04% recorded between July and September was, however, identital to the rate recorded a year before. The rate was higher than the 8.69% in the same quarter 2 years before.

- There were 4 new business openings against the backdrop of 6 closures, 1 expansion and 3 businesses moving premises in the second quarter of the year.

Perth City Centre footfall on trend



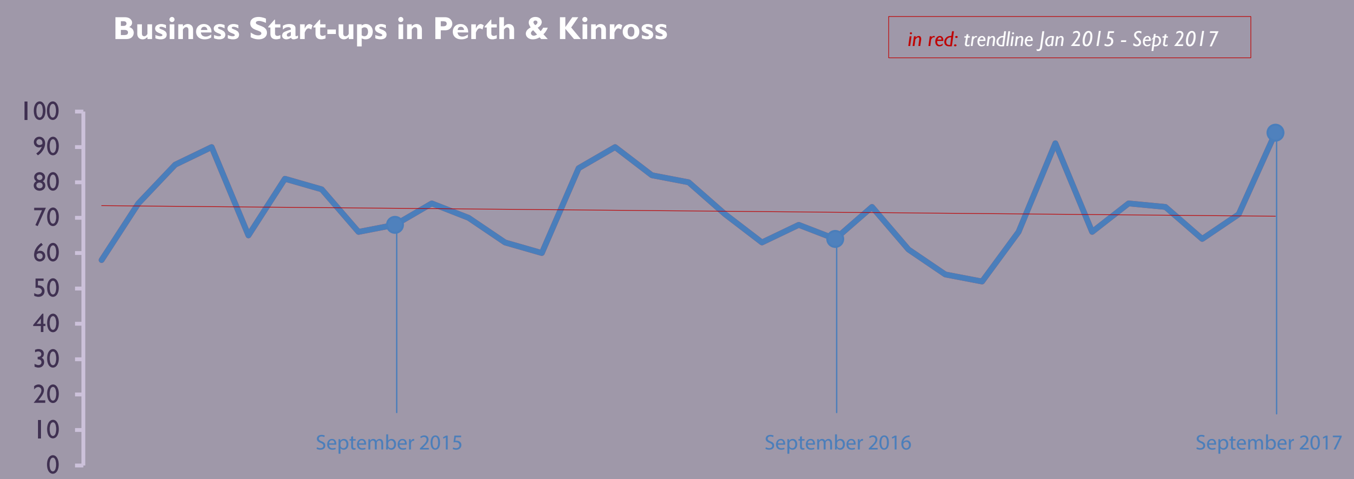
- Footfall numbers in the third quarter of 2017 followed trend. The numbers for each month of the quarter were within +/-1.6% margin of the same months in 2016.

- The footfall of 393,994 in September 2017 was 7.6% higher than the previous month and just 0.7% higher than September 2016.

- Please note that footfall numbers do not directly relate to consumer spend in the City Centre.

Source: Perth & Kinross Council

Business Start-ups in Perth & Kinross



- 1.7% fewer businesses started up in Perth & Kinross during the first nine months of this year compared with the corresponding period of last year. **This growth rate ranks Perth & Kinross at 27 out of the 32 Scottish local authorities.** September figure was unusually high; higher, in fact, than any month in the last 3 years. The trend remains negative.

- Growth in the number of start-ups across Scotland has risen. So far this year North Lanarkshire (30.8%), Eilean Siar (28.2%) and Angus (22.2%) have seen the strongest growth compared to the corresponding period in 2016. Aberdeen City (-3.0%), East Lothian (-5.7%) and the South Ayrshire (-10.3%) have had the weakest growth.

- In Perth & Kinross 94 new businesses started up in September 2017, 23 more (32.4%) than the previous month and 30 more (46.9%) than in September 2016. Strathmore saw the most start-ups; Both Almond and Earn and Carse of Gowrie saw the least.

- The make up of start-ups is Limited Companies 38.3%, Sole Traders 31.9%, Other For Profit Start-ups (mainly Partnerships) 8.5% and Not For Profit 21.3%.

- Perth & Kinross accounted for 3.3% of all start-ups across Scotland.

Top 3 Start up Industries

Real estate, professional services & support activities

Recreational, personal & community services

Accommodation & food services

- In September 2017, the top 3 industries account for 54.3% of the starts.

Note: A 'Start-up' reflects the opening of a first current account from a small business banking product range. They represent businesses new to banking or those previously operated through a personal account. The data exclude businesses operating through personal accounts.

Source: BankSearch / Companies House

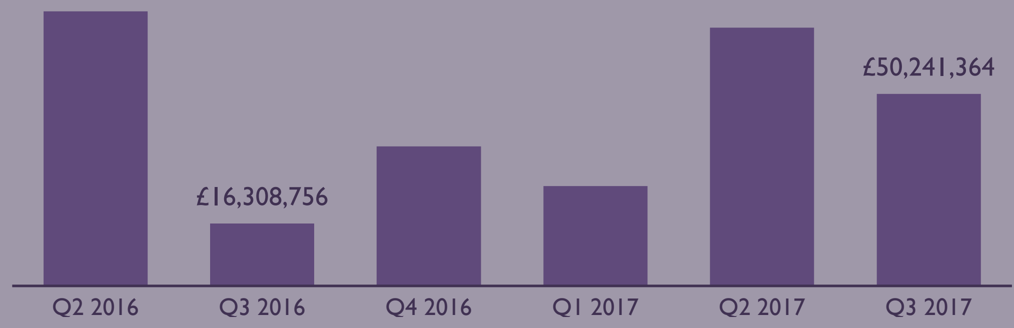
Investment

• The monetary values reported in this section are an indication of investment, both under way in the reporting period, and planned within the following 3 years.

• The value of building works requiring a Building Warrant in the third quarter of 2017 was over 3 times the value recorded the same quarter last year.

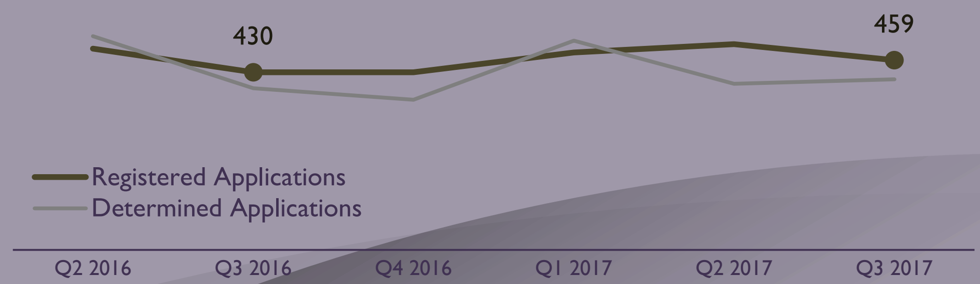
• There were 501 applications for a Building Warrant and amendment to a Building Warrant between July and September 2017, a 6.2% decline compared to the same quarter last year.

• The average value of a Building Warrant application in Q3 2017 was £106,897. This was £14k below the average value in the previous quarter and second highest value this year.



Planning Applications

• The number of new Planning Applications submitted to Perth & Kinross Council and validated increased compared to the same quarter last year. The increase was 6.7%.



Source: Perth & Kinross Council

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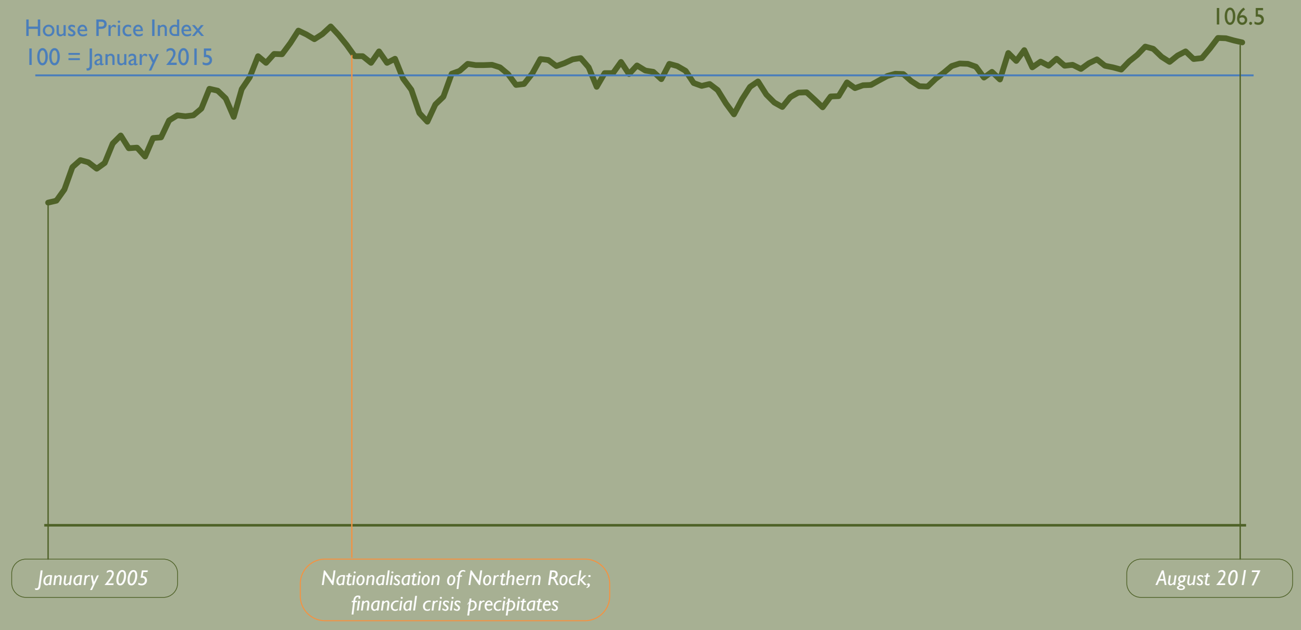
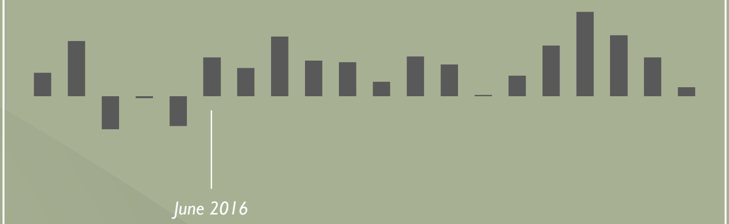
- Average Perth & Kinross house prices were 7th highest among local authority areas in Scotland.

- The largest annual increase in house prices in Scotland was in Shetland Islands (13.7%), and the highest drop, in Aberdeenshire (-5.7%). Only 4 local authority areas recorded annual decrease in prices.

- There was a marginal change of -0.4% in average residential property prices in August 2017 in Perth & Kinross, compared to the previous month. Annually, the change was 0.7%. A house sold in the area cost £179,434 on average. This figure was £33,080 above Scotland.



Annual % change in property prices has been positive over the last 15 months



Housing Market Volume

(Latest data available: June 2017)

	August 2017	August 2016	Difference
Volume of Sales in Perth & Kinross	282	257	9.7%
Volume of Sales in Scotland	10,473	8,782	19.3%

- Houses sold in Perth & Kinross accounted for 2.7% of the housing stock sales in Scotland.

Please note the data reported in this section are not comparable to data published in Economic Journal or other Council publications before January 2017. This is due to the change in the source for the data.

Source: UK HPI (ONS)