

Perth and Kinross Economic Journal

Quarter 1 2016 (January - March 2016)

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

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We welcome your comments and feedback.

Quarter 1 2016 Highlights

- 1 in 4 people who stayed on Jobseeker's Allowance for less than 6 months was below 25 years of age. In contrast, only 1 in 14 people who stayed on Jobseeker's Allowance for more than 1 year was in the same age group.
- 9 out of 10 Claimants in Perth City were resident either in Perth City North or Perth City Centre. Perth City South and Strathtay Claimant rates were the joint lowest in the area at 0.7%.
- Business Gateway start-ups increased to 134 in the first Quarter of the year.
- The value of House Sales in the area between January and March 2016 were over £101 Million.
- Perth City Centre footfall number in March was higher than both last year and 2 years ago.

Labour Market

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Footfall

Housing Market

Unemployment

- Perth and Kinross area remains among top five local authority areas with the lowest Claimant Count rate in Scotland with a rate of 1.2% in March 2016.
- Our key neighbouring Local Authority areas fared less favourably than Perth and Kinross in March 2016. Their rates ranged from 1.6% in Stirling to 3.4% in Dundee.*
- Perth and Kinross rate rose in January 2016 and remained at the level of 1.2% for 3 consecutive months. The rate averaged 1.1% over the 12 months between April 2015 and March 2016.
- March rate was 0.1 percentage points below the rate recorded a year before.
- The highest March rate in our area in the last 5 years was 2.7% in March 2012, more than double the current rate.
- The number of Claimants in Perth and Kinross remained around the 1,100 mark for the first 3 months of 2016. There were 1,140 Claimants in the area in March 2016.
- After the low of 1.9% in September 2015, the Scottish Claimant Count rate has been largely increasing and reached 2.3% in March 2016.**
- The Perth City Claimant Count rate of 1.9% remains above Perth and Kinross area but below Scottish average. As of March, there were 590 Claimants of Jobseeker's Allowance in Perth City.

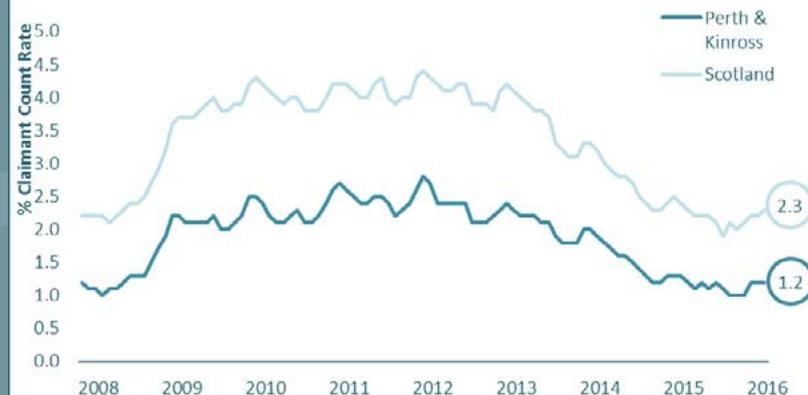
* Some local results might be affected by the phased adoption of Universal Credit.

** Scottish average rate increase has been partly influenced by the phased adoption of Universal Credit.

**Claimant Count Rate in Scottish Local Authorities
Perth & Kinross and Neighbouring Areas, March 2016**

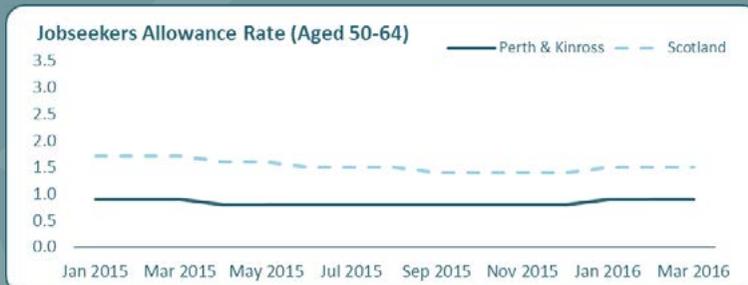
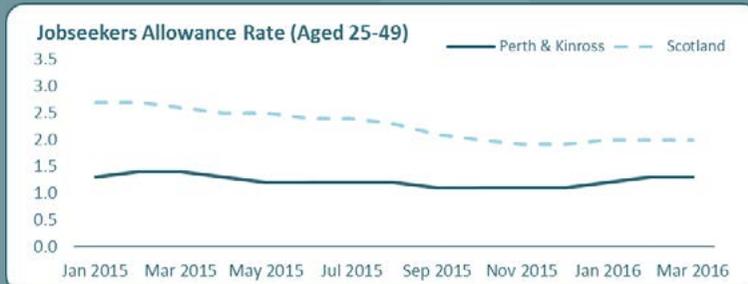
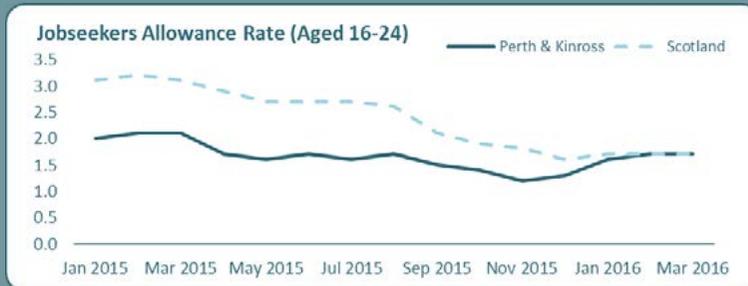


Claimant Count Rate Long-Term Trend: 2008-2016



Jobseeker's Allowance Claimants Age Groups

- Between March 2015 and March 2016, the 16-24 age group had a significant improvement in Claimant numbers. The figures fell by 19.4% for that age group. The fall in the number of Claimants aged 25-49 was much lower at 4%.
- Conversely, the number of Claimants aged 50-64 actually increased by 5.6% over the same time period.
- The Claimant rate for 16-24 year-olds was 1.7% in March 2016. This is against the lower rates of 1.3% for 25-49 year-olds and 0.9% for 50-64 year-olds.

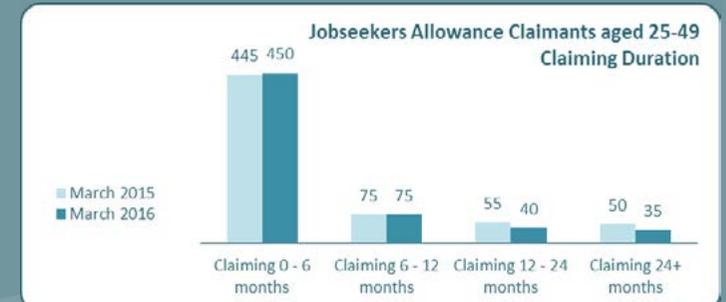


- Between March 2015 and March 2016, the number of people claiming Jobseeker's Allowance for under 6 months and for 6-12 months remained relatively static (marginal drops of 0.6% and 3.7%, respectively).

- The numbers of those claiming Jobseeker's Allowance longer term, on the other hand, fell rather significantly. The fall was 36.4% for those claiming 1-2 years and 21% for those claiming over 2 years.

- 860 people were claiming Jobseeker's Allowance for less than 6 months in March 2016 in Perth and Kinross. 220 (25.6%) of these short-term Claimants were below 25 years of age and 450 (or 52.3%) were aged 25-49.

- 145 people were claiming Jobseeker's Allowance for more than a year. Of these, only 10 (6.9%) were under 25 years of age.



Best and Worst Performing Wards

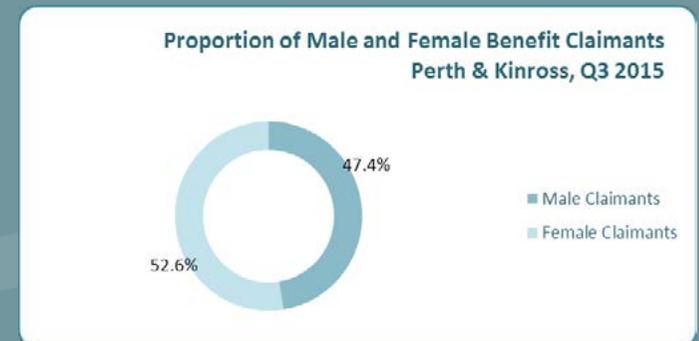
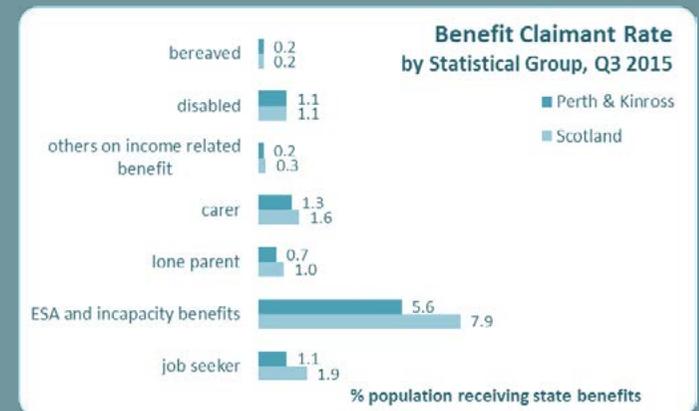
- The graph below illustrates how the wards in Perth and Kinross performed in terms of Jobseeker's Allowance Claimant Count rate. The rates recorded across the area in March 2016 range from 0.7% to 2.5%, compared to a slightly wider range of 0.6% to 2.7% a year before.
- The lowest rate of 0.7% was in in Strathtay and Perth City South.
- All the rural wards and Perth City South recorded Claimant Count Rate of 1.2% or below in March 2016, whereas Perth City Centre and Perth City North were markedly higher at 2.5% and 2.2%, respectively. 525 of the 585 Claimants in Perth City (or 89.7%) were resident in either City Centre or City North wards.
- 51.3% of all Perth and Kinross Claimants were resident in Perth City.



Source: NOMIS on behalf of the Office for National Statistics

Benefit Claimants

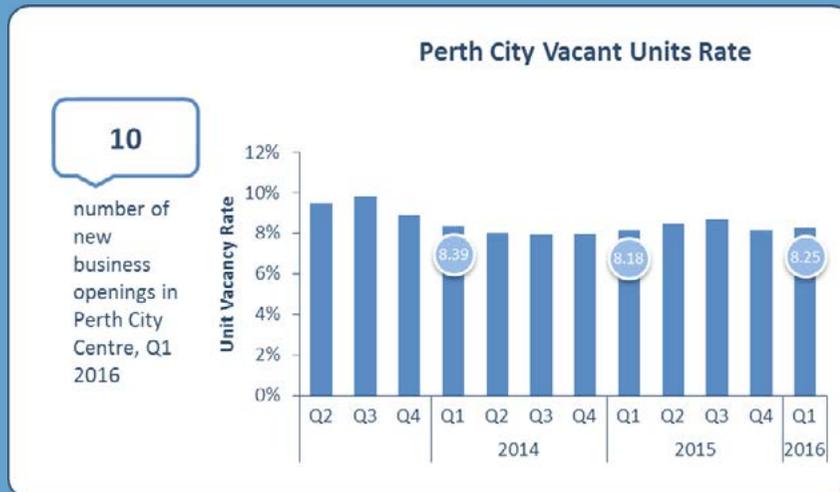
- The latest benefit claimant data available at the time of publication was for the third Quarter of 2015.
- There were 9,360 benefit claimants in Perth and Kinross in Q3 2015, 150 less than a year before.
- The rate of Benefit Claimants was at 10.2% in the area, down from 10.4% in the previous year. It was also well below the Scottish level of 13.9%.
- Statistical Group allocation in the table opposite is an indication of the main reason people claim benefits.
- The gender distribution of benefit claimants was at 47.4% male and 52.6% female in Q3 2015. The balance seems to be tipping further towards the majority of female Claimants as illustrated in the graph opposite.



Source: Department for Work and Pensions

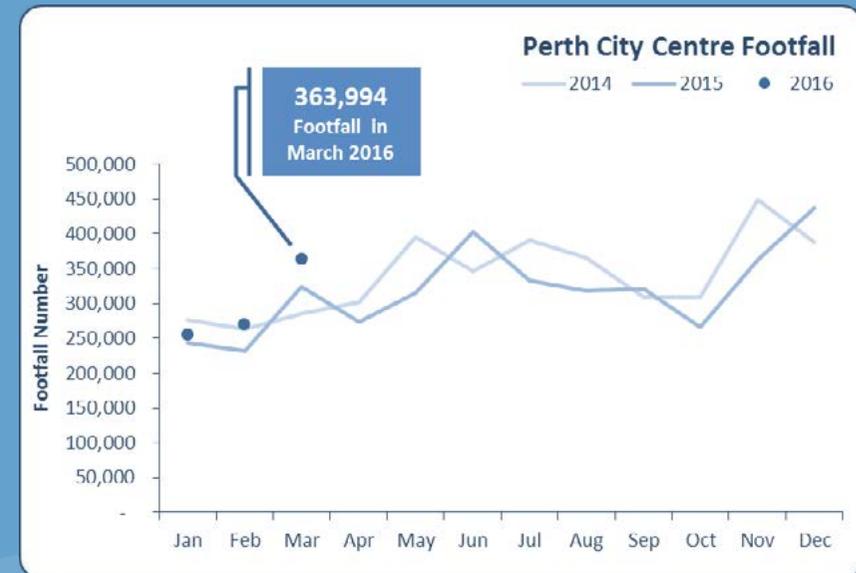
Business Unit Vacancy Rate

- Perth City Centre business vacancy rose marginally, with Q1 2016 rate at 8.25%. This was only slightly higher than the same Quarter in 2015 at 8.18%.
- Between January and March 2016, there were 10 new business openings against the backdrop of 8 closures.



Footfall

- The footfall number of 363,994 in March 2016 was higher than both 1 and 2 years before.
- The numbers at the end of the next Quarter are expected to rise further in line with seasonality trends.

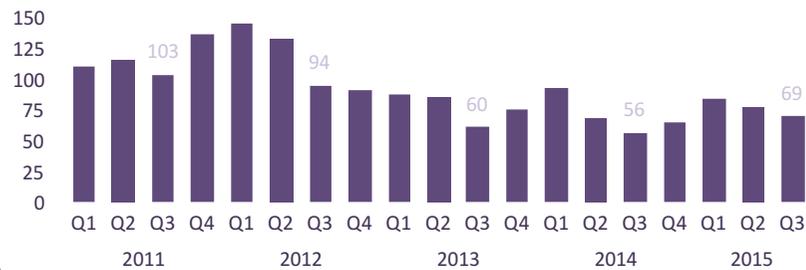


Source: Perth & Kinross Council

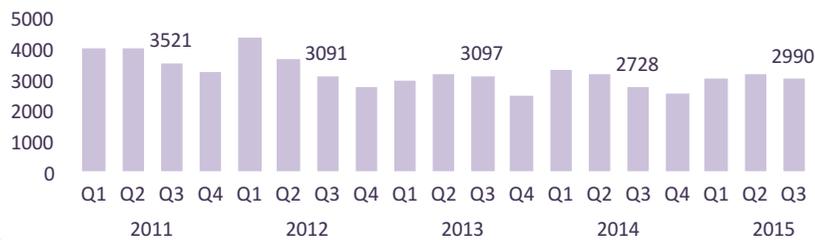
Business Start-Up

- There were 62 new business bank accounts in Scottish Banks in Quarter 4 of 2015 in the area, a drop from the previous Quarter's figure of 69.
- Q4 2015 was down by 4.6% on the same quarter in 2014 and by 17.3% on 2013.

Number of New Business Bank Accounts in Perth & Kinross



Number of New Business Bank Accounts in Scotland



- For comparison, the number of new business bank accounts in Scotland in Q4 2015 was 2% lower than the year before and 0.9% higher than 2 years before. This would suggest there was a somewhat higher level of start-up activity in Scotland as a whole.

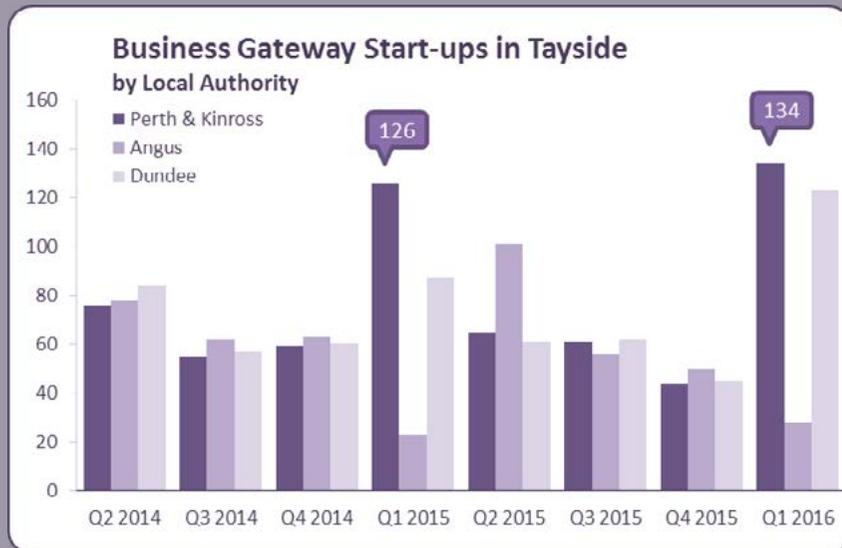
Variance	Perth and Kinross	Scotland
Q4 2015 on Q4 2014	-4.6%	-2.0%
Q4 2015 on Q4 2013	-17.3%	0.9%

Please note these are the last numbers we will report from The Committee of Scottish Bankers as the data set has now been discontinued.

Source: The Committee of Scottish Bankers

Business Gateway Start-Up

- Business Gateway recorded 134 start-up businesses between January and March 2016 in the Perth and Kinross area. This is higher than the comparative figure of 126 from 2015.
- Perth and Kinross number was the highest in Tayside, although all Tayside areas recorded an improvement on last year's numbers. The figure for Angus area was 28 start-ups (compared to 23 in 2015) and Dundee, 123 compared to 87.



Source: Elevator/Perth & Kinross Council

Investment

- The monetary values reported below 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 Quarter 1 of 2016 was £22,357,414. The figures in the same Quarter a year before were higher at more than £35M. Quarter 1 in 2014 was also higher at over £28.5M.

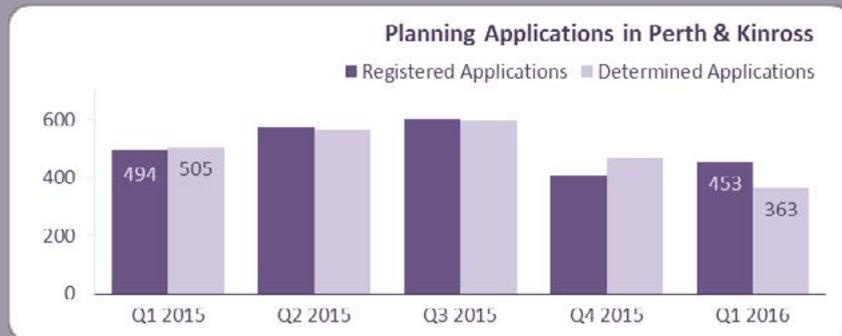


* Due to legislation changes in October 2015, Perth & Kinross Council registered an unprecedented volume of applications in the months preceding the changes, which reflected in the value of works reported for Q3 2015 (and possibly Q2 2015 to a lesser extent). For the same reason, it is impractical to treat these values as directly comparable with other reported figures.

Source: Perth & Kinross Council

Planning Applications

- The number of new Planning Applications submitted to Perth & Kinross Council fell in the first quarter of the year to 453 which was below the 494 in the same Quarter a year earlier.
- The number of determined applications at 363 was also at a lower level than the previous year's figure of 505.



Source: Perth & Kinross Council

- There was a drop in residential property prices in Q1 2016 in Perth and Kinross, with the mean residential property price of £183,161. This was nearly £24k above the Scottish average.
- Average Perth and Kinross house prices were 8th highest among local authority areas in Scotland.
- An average flatted property price in the area dropped to £100,467 in Q1 2016. This was significantly (27%) below the figure of £138,223 recorded a year before.
- Scottish flatted property prices have fluctuated broadly between around £130k and £135k for nearly 2 years. In Q1 2016 the average price was £132,606.
- The average Perth and Kinross price for a detached property reached £257,020 in the first Quarter of the year, slightly down from £259,880 a year before. The figure for Scotland as a whole for January to March 2016 was £236,249.
- Mean average semi-detached property price in the area at £163,894 was 8.45% above the Scotland's figure of £150,051.
- The prices of terraced properties recovered from their drop below the Scottish average and achieved an average of £151,180 in Q2 2015 and £149,385 in Q3. The latest Scottish average, for comparison, was £137,607.



- 552 houses sold in Perth and Kinross area between January and March 2016, compared to 524 in the same Quarter a year earlier. Detached property sales at 207 constitute the largest proportion (37.5%) in the volume of sales.



*value of residential property sales in Perth & Kinross, Q1 2016

Housing Market in Perth & Kinross by Volume of Sales



Source: Registers of Scotland