

Perth & Kinross Economic Journal

April - September 2015 (Q2, Q3 2015)*

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

Release Schedule: The Journal is a quarterly publication* and is scheduled for release as follows:

- Q4 2015 - end of January 2016
- Q1 2016 - end of April 2016

**Please note that for reasons beyond our control it was not possible to produce a separate Journal for Quarter 2 2015 (April - June 2015). Please accept our apologies for any inconvenience this might have caused.*

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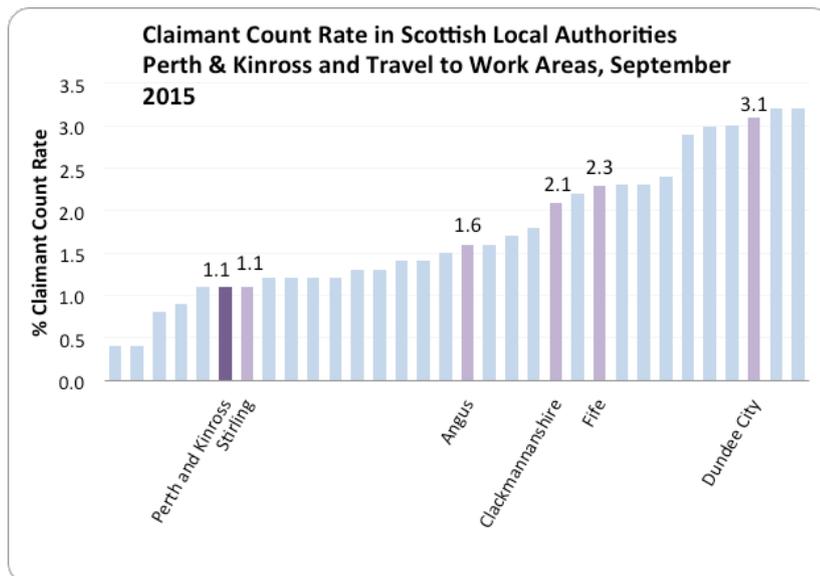


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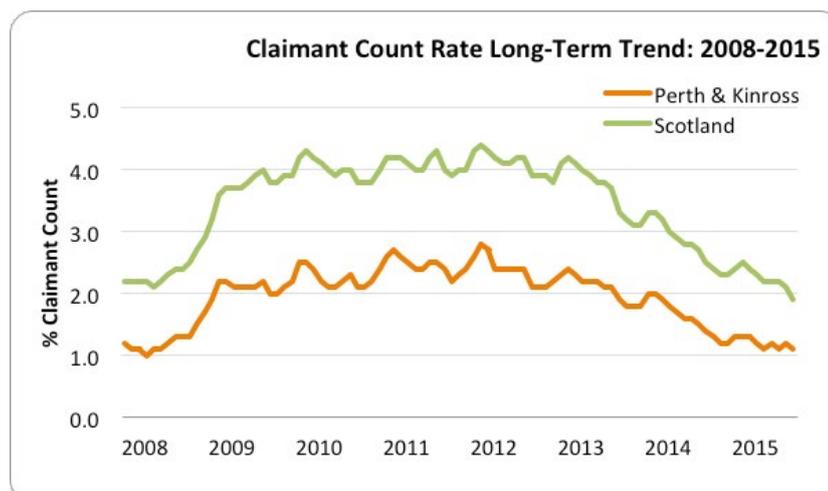
Labour Market

Unemployment

- Perth & Kinross area remains among top five local authority areas with the lowest Jobseeker's Allowance Claimant Count rate in Scotland with a rate of 1.1% in September 2015.
- The rate fell in April 2015 and fluctuated between 1.1% and 1.2% between April and September 2015. September rate of 1.1% was 0.3 percentage points below the rate recorded a year before.

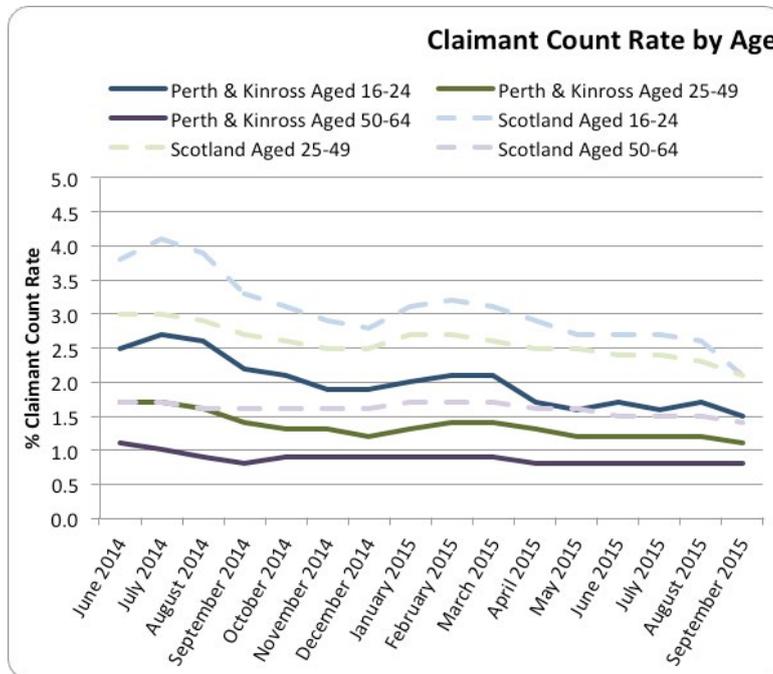


- While Stirling had the same rate of 1.1% in September, other Travel to Work areas fared less favourably than Perth & Kinross. Their rates ranged from 1.6% in Angus to 3.1% in Dundee.
- The number of JSA Claimants in Perth & Kinross fell below 1,000 for the first time since May 2008. There were 978 Claimants in the area in September.
- In Perth & Kinross, the rate between April and September was the lowest since pre-recession levels. The highest September rate in our area in the last 5 years was in 2011 at 2.4%, more than double the current rate.
- Scottish Claimant Count rate decreased over the period of April to September 2015 from 2.3% to 1.9%.
- The Perth City Claimant Count rate of 1.7% remains above Perth & Kinross area but below Scottish average. As of September, there were 522 Claimants of Jobseeker's Allowance in Perth City.

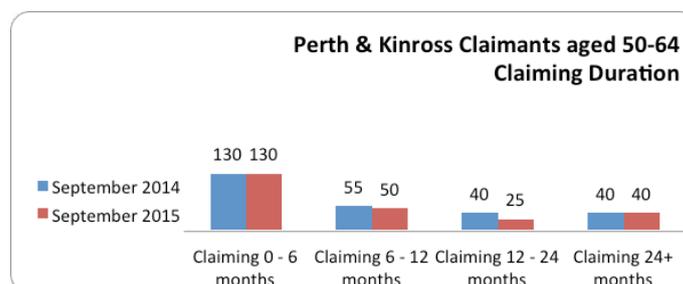
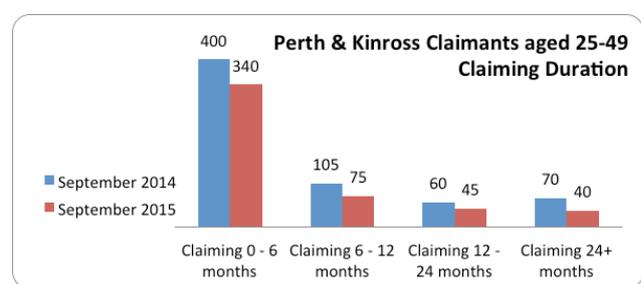
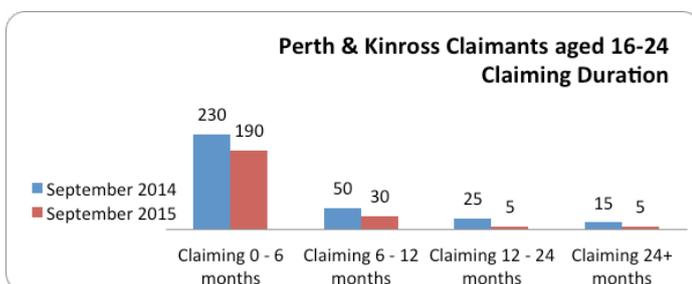


Jobseekers's Allowance Claimants Age Groups

- Between September 2014 and September 2015, it was the 16-24 age group who recorded the largest improvement in Claimant numbers. The figures fell by 28% for that age group. The fall in the number of Claimants aged 25-49 was lower at 21%.
- The smallest improvement over the same time period was among Claimants aged 50-64: the figures fell by only 7.5%.



- The largest improvement in all age groups was among short-term unemployed (claiming less than 6 months).
- 660 people were claiming Jobseeker's Allowance for less than 6 months in September 2015 in Perth & Kinross. 190 (28.8%) of these short-term Claimants were below 25 years of age and 340 (or 51.5%) were aged 25-49.
- 160 people were claiming Jobseeker's allowance for more than a year. Of these, only 10 (6.3%) were under 25 years of age.



Best and Worst Performing Wards

- The table below illustrates how the wards in Perth & Kinross performed in terms of Jobseeker's Allowance Claimant Count rate. The rates recorded across the area in September 2015 range from 0.6% to 2.7%, compared to a range of 0.6% to 2.9% a year before.
- All rural wards and Perth City South recorded Claimant Count Rate of 1.0% or lower in September 2015, whereas Perth City Centre and Perth City North were markedly higher at 2.3% and 1.9%, respectively. 467 of the 522 Claimants in Perth City (or, 89.5%) were resident in either City Centre or City North Wards.

2011 Census Wards Claimant Count Rate

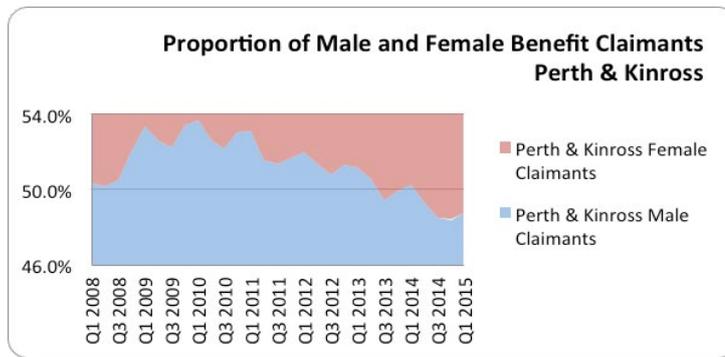
	September 2015		September 2014			September 2015		September 2014	
	Claimant Number	Claimant Rate	Claimant Number	Claimant Rate		Claimant Number	Claimant Rate	Claimant Number	Claimant Rate
Almond and Earn	57	0.9	72	1.1	Perth City South	55	0.7	63	0.8
Blairgowrie and Glens	53	0.8	67	1.0	Strathallan	44	0.7	35	0.6
Carse of Gowrie	40	0.6	54	0.9	Strathearn	64	1.0	67	1.0
Highland	29	0.5	45	0.8	Strathmore	73	0.8	91	1.0
Kinross-shire	56	0.7	78	1.0	Strathtay	40	0.6	48	0.8
Perth City Centre	243	2.3	314	2.9					
Perth City North	224	1.9	304	2.6	Column Total	978	1.1	1,238	1.3

Benefit Claimants

- There were 9,560 benefit claimants (taking into account a range of DWP benefits) in Perth & Kinross in the First Quarter of 2015 (latest data available at the date of publication), 410 less than a year before.
- The rate of Benefit Claimants was at 10.4% in the area, down from 10.9% the previous year. It was also well below the Scottish level of 15.2%.
- Statistical Group allocation in the table below is an indication of the main reason people claim benefits.

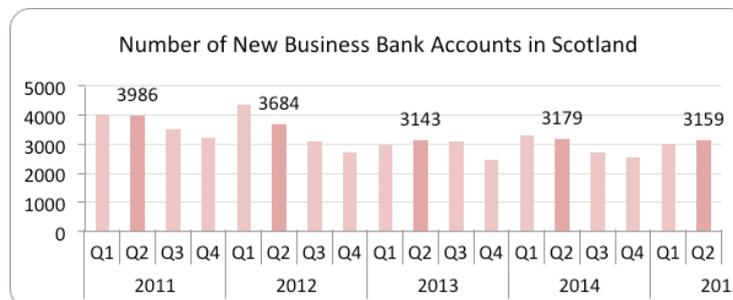
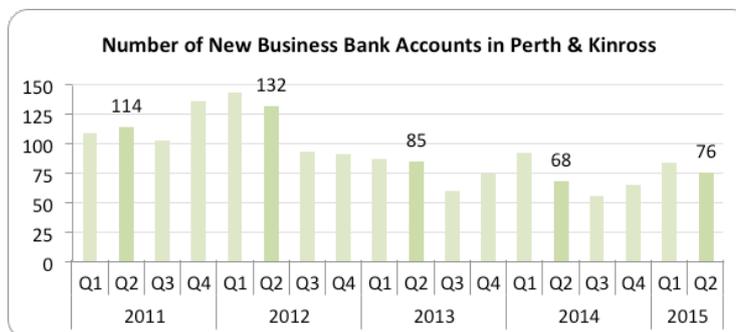
Statistical Group	Perth & Kinross		Scotland	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014
job seeker	1.3	1.9	2.4	3.2
ESA and incapacity benefits	5.7	5.5	7.8	7.7
lone parent	0.7	0.7	1.0	1.1
carer	1.2	1.1	1.5	1.4
others on income related benefit	0.2	0.3	0.3	0.3
disabled	1.1	1.2	1.2	1.2
bereaved	0.2	0.2	0.2	0.2
All Benefit Claimants	10.4	10.9	14.5	15.2

- The gender split of benefit claimants was at 48.7% male and 51.3% female in Q1 2015. In the wake of the economic downturn, with traditionally male-dominated construction industry being one of the worst affected, the gender split was marked by a degree of dominance of male Claimant numbers. Around 2 years ago this proportion seemed to come back to a roughly equal split, with the current situation being a marginally higher proportion of females as illustrated in the graph below.



Business Start-up

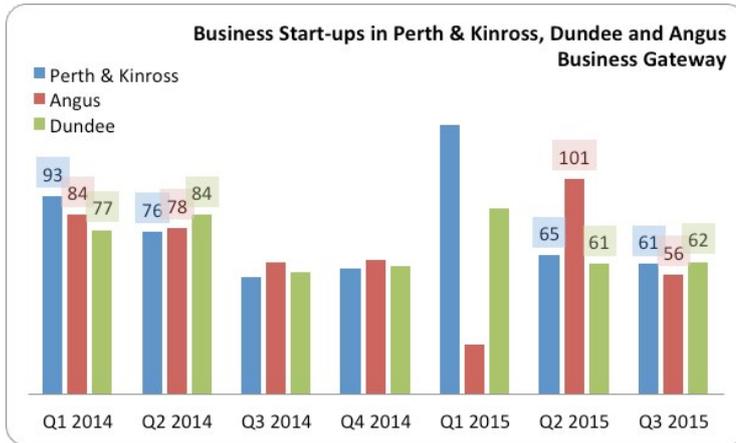
- There were 76 new business bank accounts in Scottish Banks in Quarter 2 of 2015 (latest data available at the time of publication), a drop from the previous Quarter's figure of 84.



- Q2 2015 was up by 11.8% on the same quarter in 2014 and down by 10.6% on 2013.
- For comparison, the number of new bank accounts in Scotland in Q2 2015 was 0.6% lower than the year before and 0.5 higher than 2 years before.

Variance	Perth & Kinross	Scotland
Q1 2015 On Q1 2014	11.8%	-0.6%
Q1 2015 On Q1 2013	-10.6%	0.5%

- Business Gateway recorded 65 start-up businesses between April and June 2015, and 61 between July and September 2015. Both of these figures are lower than their comparative figures from 2014: 93 and 76, respectively.
- In Tayside, Dundee figures fared similarly to Perth & Kinross, with both Q2 and Q3 below their previous year benchmarks. Angus recorded an annual improvement in Q2 2015 (101 compared to 84); however, their previous quarter was well below trend at 23. It could be argued that the time distribution of start-up numbers was somewhat skewed in Angus in the first half of the year; the overall trend does not deviate from the other Tayside local authority areas.



Housing Market

- Despite a drop in residential property prices in Q3 2015 in Perth & Kinross, the overall 3-year trend has been of recovery (see trendline in the chart below). Average house prices have stayed above £185k in the last 12 months.
- The average residential property price in Perth & Kinross in the third Quarter of 2015 was £190,643 which was over £21k above the Scottish average.
- Average Perth & Kinross house prices were 8th highest among local authority areas in Scotland.



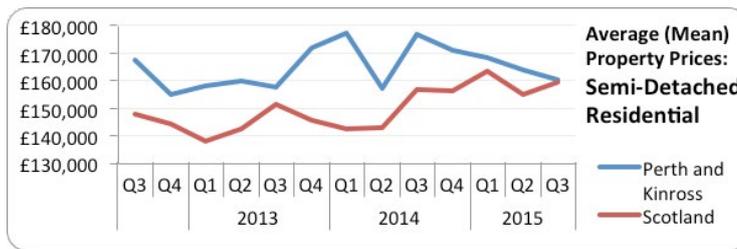
- An average flatted property price in the area dropped to £112,638 in Q2 2015, with a further fall to £106,596 in Q3. After a spike in price levels between Q4 2014 and Q1 2015, this drop brought the price of a flatted property to a level that is very similar to what we observed a year before. The Scottish flatted property prices have fluctuated around the £134k mark since Q3 2014 and in Q3 2015 were at £134,377.



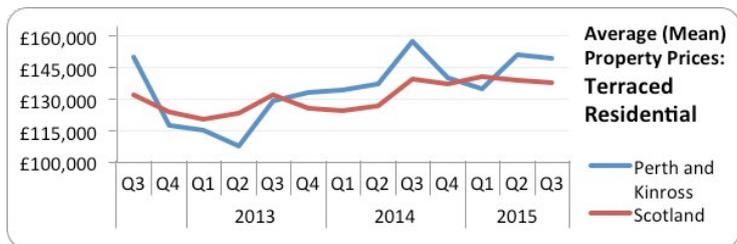
- The average Perth & Kinross price for a detached property fell by just over £4.5k to £255,158 in Q2 2015, and barely changed in the following Quarter (£255,826). The Scottish average reached £245,547 in Q3 2015.



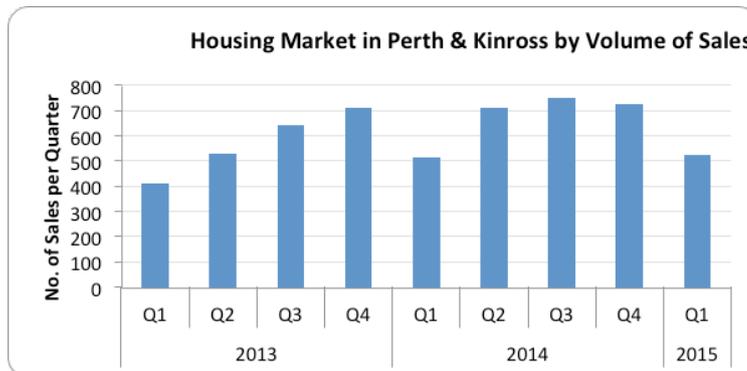
- Semi-Detached property prices have been in steady decline in the area for about a year now and, at £160,353, were only £499 above the Scottish average in Q3 2015.



- 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.

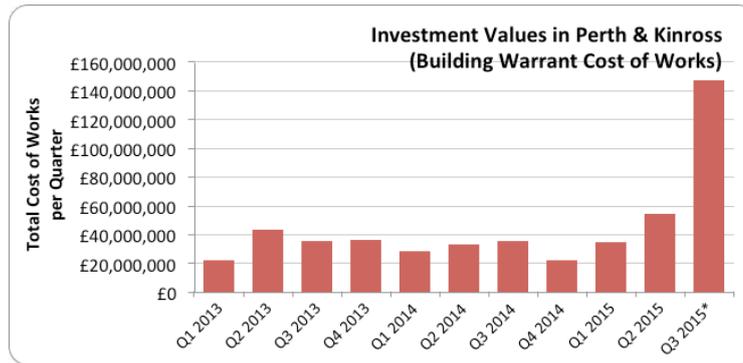


- 830 houses sold in Perth & Kinross area between July and September 2015, compared to 751 in the same Quarter a year before. Detached property sales at 351 constitute the largest proportion in the volume of sales.



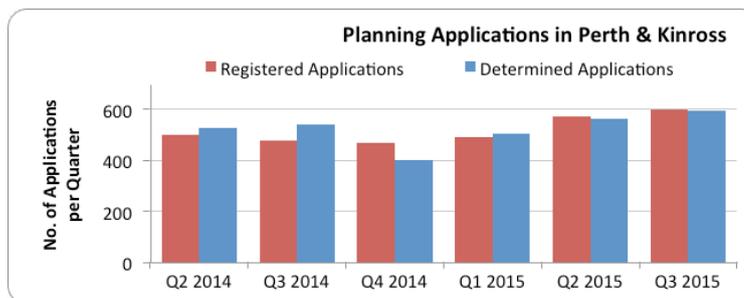
Investment

- The monetary values reported 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 3 of 2015 was £147,633,385.50.
- *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 previously reported figures.



Planning Applications

- The number of new Planning Applications submitted to Perth & Kinross Council rose in the last two quarters to 572 (Q2) and 601 (Q3), well above the 501 and 480 in the same Quarters a year earlier.
- The numbers of determined applications at 566 and 595 were also at a higher level to the previous year's figures of 527 and 540.



Perth City Centre

- Perth City Centre business vacancy rate has levelled off, with Q3 2015 rate at 8.21%. This is slightly higher than the same Quarter in 2014 at 7.93%.
- Between July and September 2015, there were 6 new retail business openings against the backdrop of 2 retail closures.

