

Edinburgh economy watch



Welcome to the April 2011 edition of the Edinburgh Economy Watch – a monthly update on the performance of the city's economy produced by the Economic Development Unit of the City of Edinburgh Council.

What is it?

The Economy Watch allows readers to track the impact that the current global and national economic conditions are having on Edinburgh through monitoring a selection of economic indicators and comparing these with other cities. Information is displayed in graphs with some brief analysis. Only frequently updated indicators are used so that the latest trends can be clearly viewed. Data is displayed for up to 18 months in the past where possible.

Comparator Cities

Where comparable statistics are available, Edinburgh is benchmarked against the average of a suite of eleven comparator cities. The comparator cities are Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, London, Manchester, Newcastle, Norwich and Nottingham. These cities have been selected as they represent a diverse range of mid-sized and large UK cities.

Traffic Lights

Where possible, each indicator's performance is assessed by means of a "traffic light" system comparing it against the previous month, year and comparator cities. Green signifies improvement, amber relative stability and red worsening.

Survey

We would be grateful to hear views on the Economy Watch via our [online survey](#).

Mailing List

To subscribe to Economy Watch send an e-mail to Emma Sharp at economicstrategy@edinburgh.gov.uk with "SUBSCRIBE" in the subject line. You can access current and archive issues of the Economy Watch at www.edinburgh.gov.uk/economywatch

At a Glance...

Indicator	Annual Trend	Monthly Trend	Relative to Other Cities	Change on last year	More info
Investment	↑	↑	↓	New business incorporations up 25.1% Business Gateway start-ups saw no change	Page 2
Labour market	↓	—	↓	Claimant count down 4.1% Job vacancies down 22.3%	Page 5
Tourism	↓	↑	↓	Airport passenger numbers down by 9% Hotel room occupancy down 0.3% points	Page 8
Housing	↓	↓	↓	House prices down 10.9% House sales down 8.1%	Page 10
Planning and development	↑	↑	—	Planning applications received up 20.8% Building warrants issued up 3.2%	Page 12
City centre	↑	↑	—	Average City Centre footfall up 19.9%	Page 14

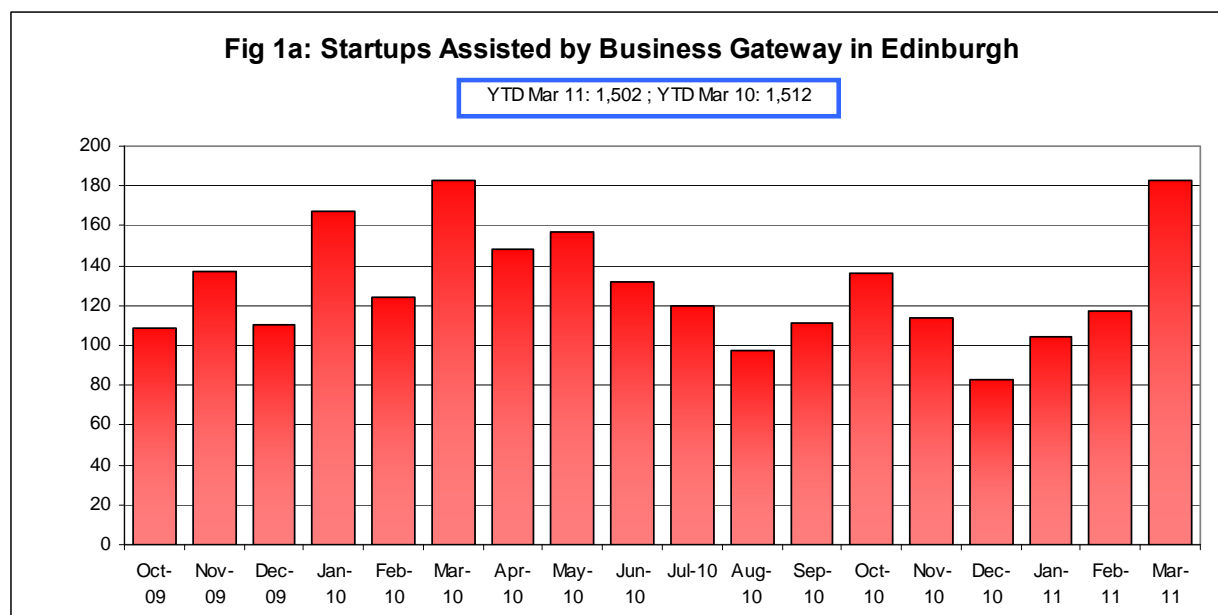
(1) Investment

Summary Table

Indicator	Edinburgh this month	Year to Date	YTD Comparison with 2009/10
Business Gateway Start-ups	183	1,502	— no change
Business Incorporations	379	3,724	↑ 25.1%
Large-scale Foreign Direct Investments	2	17	↓ 34.6%
Commercial Property Take-Up (m ²)	2,525	66,848	↑ 24.6%

1.1 Business Start-ups (Monthly Trend ▲ ; Annual Trend —)

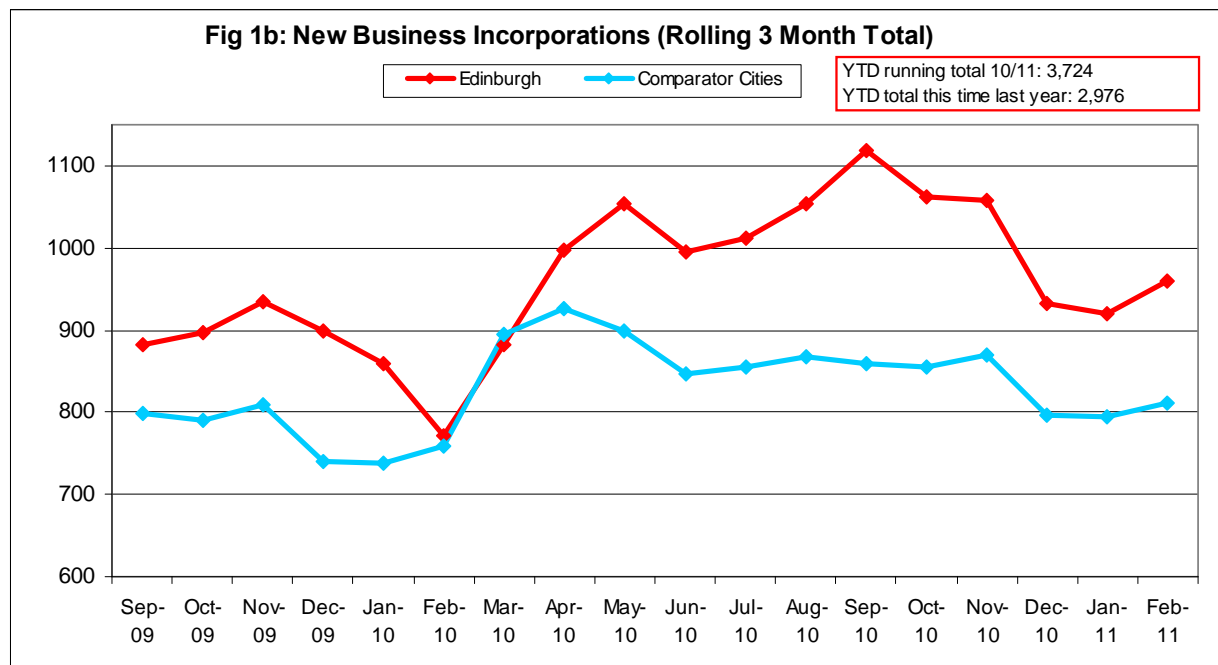
Fig 1a shows that there were 183 start-ups assisted by the Business Gateway in Edinburgh in March 2011, matching March 2010's figure¹. The year to date total for 2010/11 is currently the same as at this point last year.



¹ Source: Business Gateway

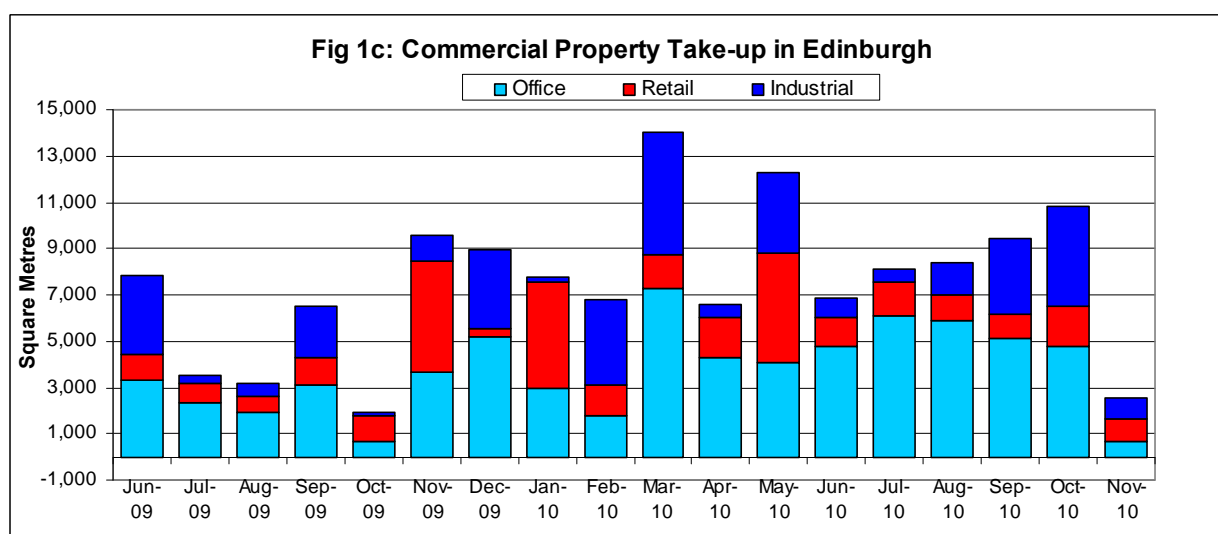
1.2 New Incorporations (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

The number of new businesses incorporated in the three-month period ending January 2011 rose from last month to 960. This represents an increase of 24.4% on last year's figure, and means the Year to Date figure is up by 25.1% on this time last year. Meanwhile, the average for comparator cities also saw a small increase, now standing at 811 incorporations registered in the last three months. This represents a 6.8% increase from last year.²



1.3 Commercial Property Take-up (Monthly Trend ▼; Annual Trend ▼)

Fig 1c shows commercial property take-up in Edinburgh by month, divided into office, retail and industrial. 2,525 square metres of commercial space was taken in November 2010, 73.5% down on last year. In total, 21 transactions took place – two less than in November 2009.³

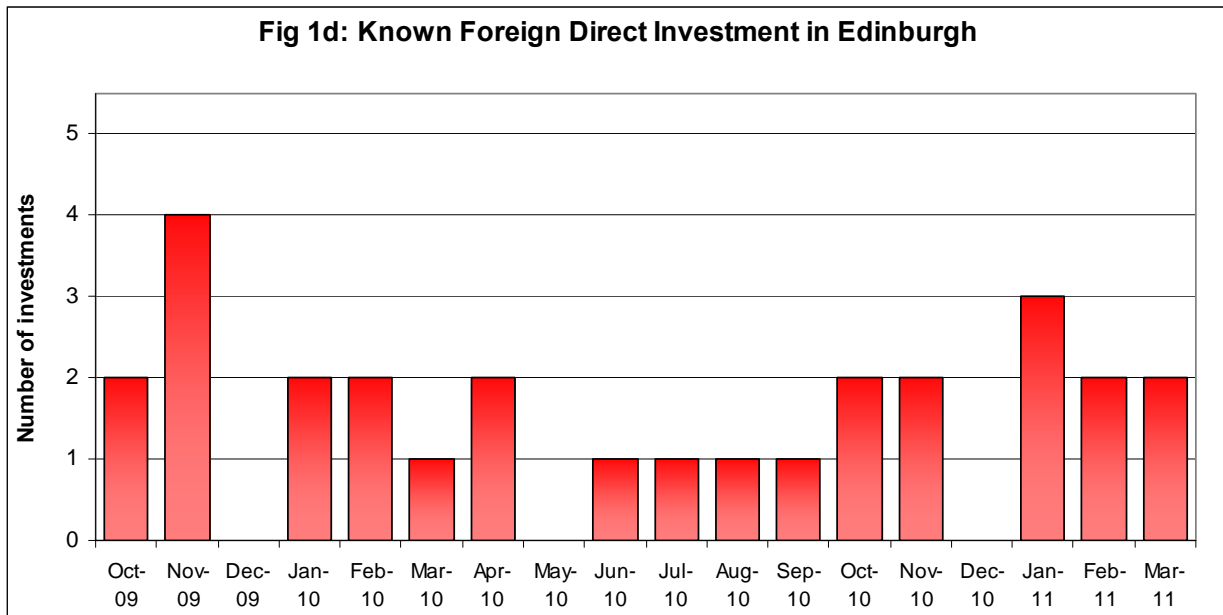


² Source: FAME. The comparator cities figure is an average of the monthly number of incorporations in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Norwich and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

³ Source: Scottish Property Network. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

1.4 Foreign Direct Investment

Figure 1d shows that 28 large-scale Foreign Direct Investment (FDI) projects in Edinburgh have been recorded by FDI Markets over the past 18 months.⁴



⁴ Source: FDI Markets. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

(2) Labour Market

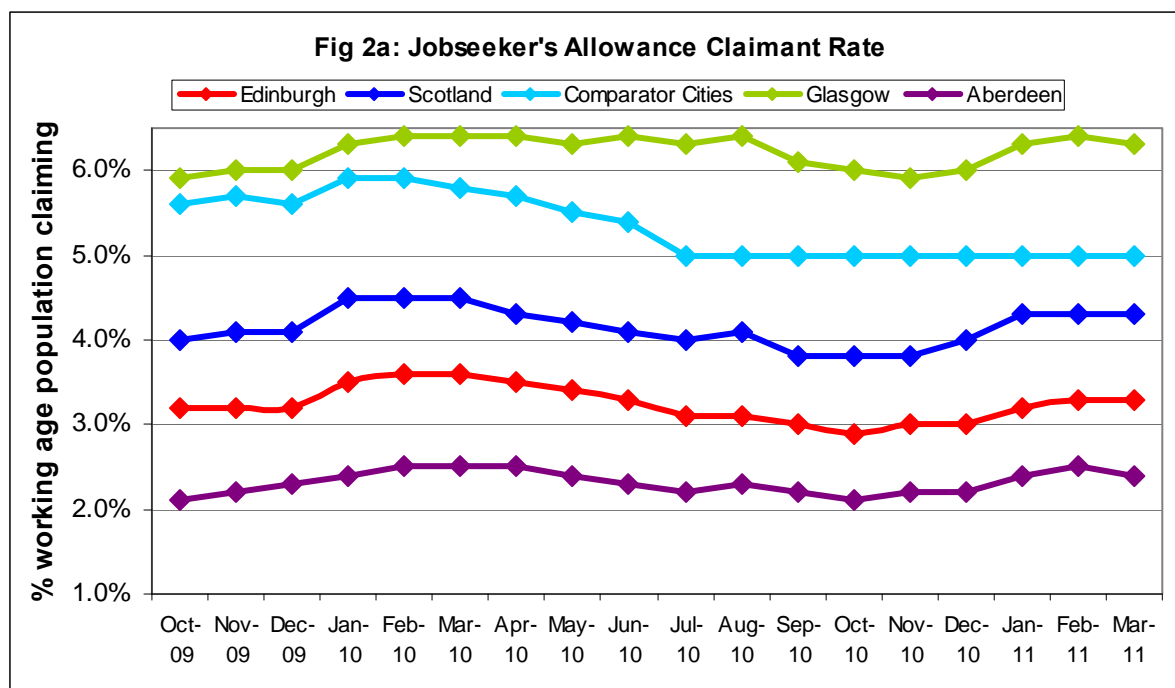
Summary Table

Indicator	Edinburgh this month	Comparison with this month last year
Jobseeker's Allowance Claimant Count	11,016	↓ 4.1%
Jobseeker's Allowance Claimant Rate	3.3%	↓ 0.3% points
Vacancies Advertised by Jobcentre Plus	2,215	↓ 22.3%
Claimants Per Vacancy	5	↑ 1% point

- The labour market is a lagging indicator following a recession.
- The difference in claimant count between Edinburgh and comparator cities has not closed significantly in the past year.
- There are now 5 Jobseeker's Allowance claimants for every vacancy advertised by Jobcentre Plus. Scotland's ratio is 6.6 and the comparator cities' average is 5.8.

2.1 Claimant Rate (Monthly Trend —; Annual Trend ▼; Relative to Comparator Cities ▲)

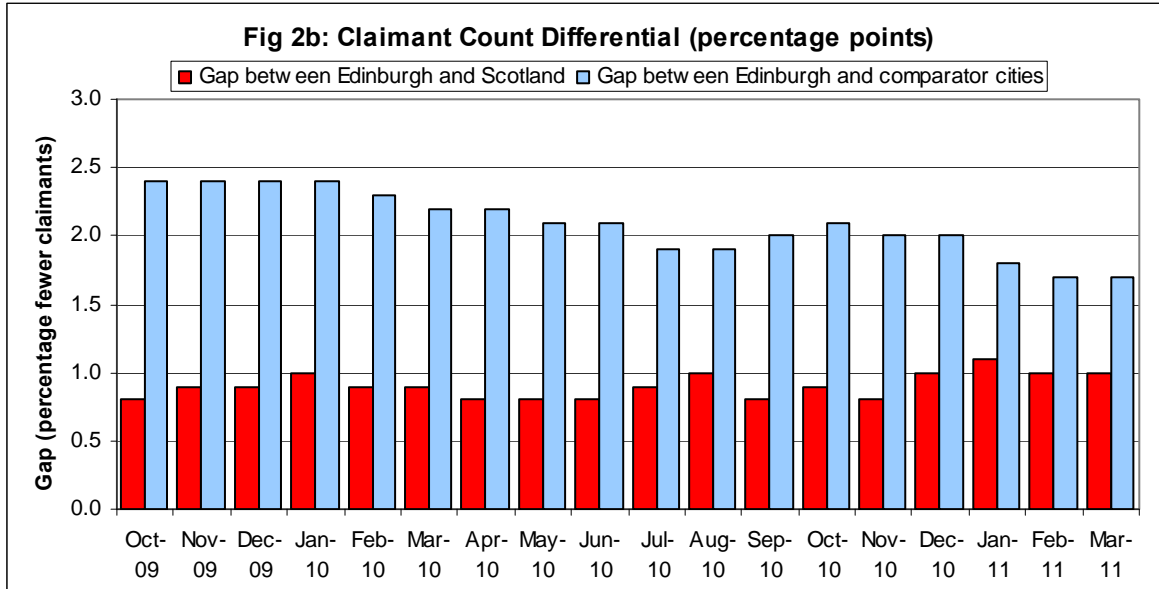
The claimant rate of Edinburgh remained the same in March 2011 from February 2011, 3.3% of the working age population. Edinburgh's claimant rate continues to compare favourably with that of Scotland (4.3%) and comparator cities (5%).⁵



⁵ Source: Department for Work and Pensions. The unemployment rate is defined as the percentage of the working age population claiming Jobseeker's Allowance. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

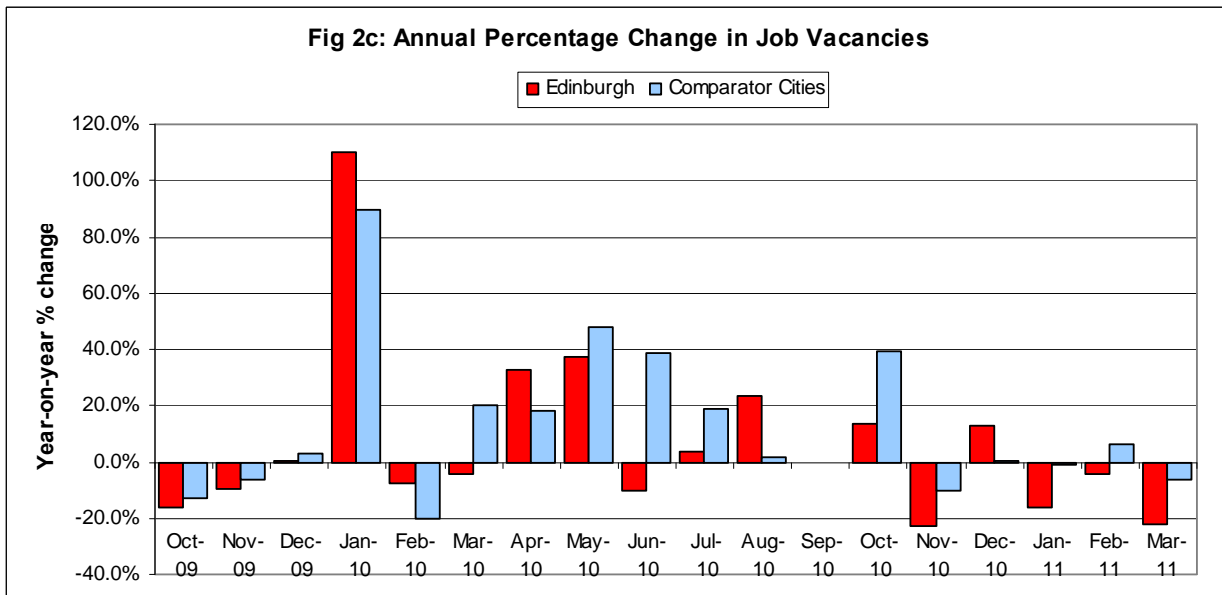
2.2 Claimant Differential (Monthly Trend —; Annual Trend ▼)

Figure 2b highlights the difference in the unemployment rate between Edinburgh and Scotland and comparator cities. In March 2011, Edinburgh’s unemployment rate was 1 percentage point below that of Scotland and 1.7 percentage points below that of comparator cities – a narrower gap than a year ago.⁶



2.3 Job Vacancies⁷ (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities ▼)

Figure 2c shows that the number of job vacancies advertised by Jobcentre Plus in Edinburgh was less than last year. In March 2011, there were 2,215 job vacancies advertised by Jobcentre Plus in Edinburgh – 22.3% less than in March 2010.⁸ Comparator cities also fell compared to last year, by 6.3%.

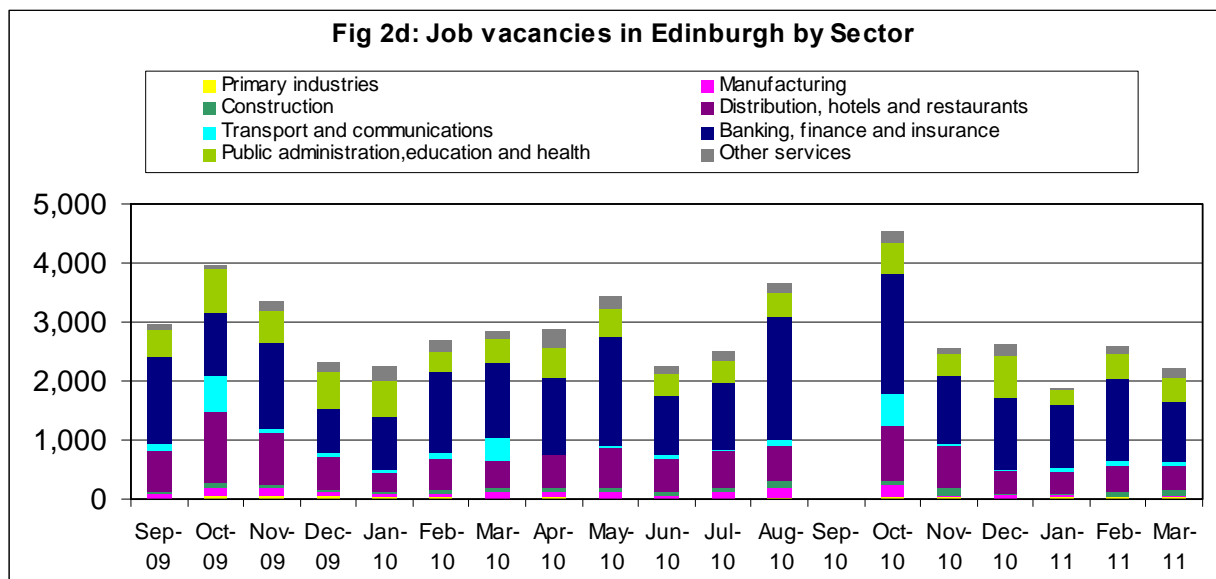


⁶ Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

⁷ Due to problems identified with the source data supplied by DWP, it is presently not possible to report September’s vacancy figures.

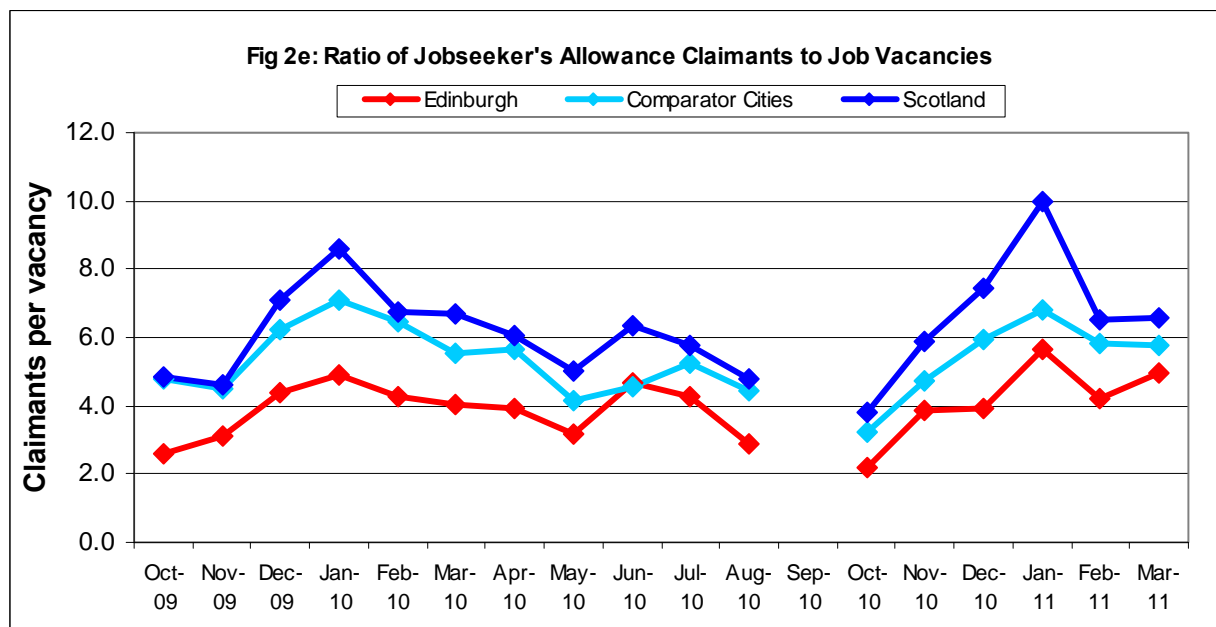
⁸ Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

Figure 2d shows the breakdown of job vacancies in Edinburgh notified by Jobcentre Plus by the sector they appear in. Vacancies notified by Jobcentre Plus represent approximately one third of all vacancies. March 2011 saw over 2,200 jobs notified.



2.4 Vacancy Ratio⁹ (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

In March 2011, there were 5.0 Jobseeker's Allowance claimants in Edinburgh for every vacancy advertised by Jobcentre Plus. Figure 2e shows that the ratio compares favourably with Scotland (6.6 claimants per vacancy), while comparator cities also saw a rise this month (5.8 claimants per vacancy).¹⁰



⁹ Due to problems identified with the source data supplied by DWP, it is presently not possible to report September's vacancy figures.

¹⁰ Ibid

2.5 Job News

Figure 2f details some of the job gains and losses in Edinburgh over the month of March 2011.

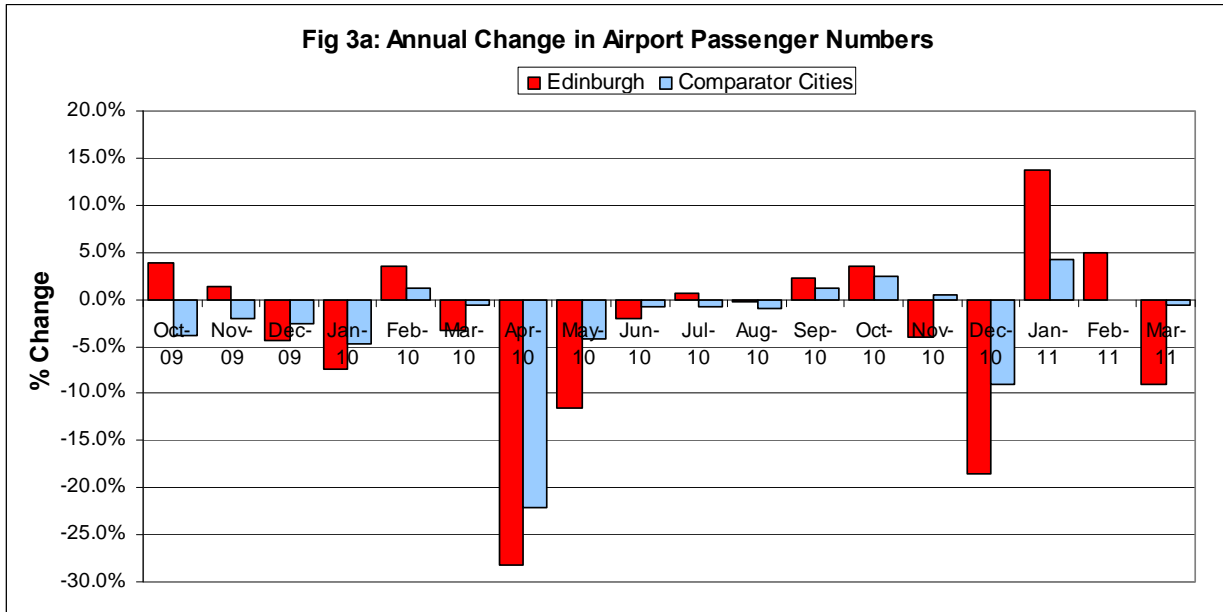
Fig 2f. Job announcements in Edinburgh in March 2011				
Employer	Sector	Location	Potential job gains/losses	Timescale
Blipfoto	ICT	Newhaven Road	16	Ongoing
Premier Inn	Tourism	Kirkliston Road	50	Ongoing
Royal Zoological Society of Scotland	Tourism	Corstorphine Road	-16	Ongoing
Reloaded Productions	ICT	TBD	22	Ongoing
Gladedale Capital	Construction	Quartermile	400	Spring 2011 to winter 2012

For information about the labour market at a ward level, or any other detailed enquires, please send your request to: economicstrategy@edinburgh.gov.uk

(3) Tourism

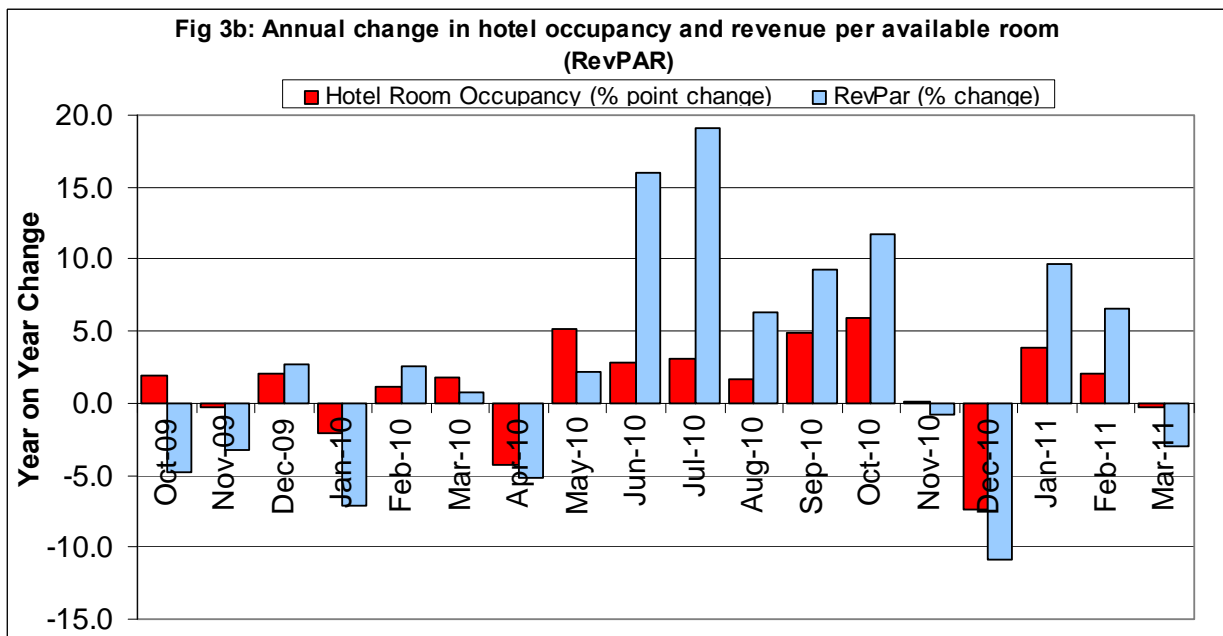
3.1 Airport (Annual Trend ▼; Relative to Comparator Cities ▼)

Passenger numbers at Edinburgh Airport fell by 9% in March 2011 in comparison to the 2010 figure. In total, 611,175 passengers passed through the airport in March. Comparator cities fell by 0.7%.¹¹



3.2 Hotels (Annual Trend ▲)

Hotel room occupancy fell in March 2011, compared with 2010, by 0.3% points to stand at 70.6%. Revenue per available room (RevPar) also fell in March 2011 compared with 2010, to £48.99 – a 3% decrease from last year.¹²

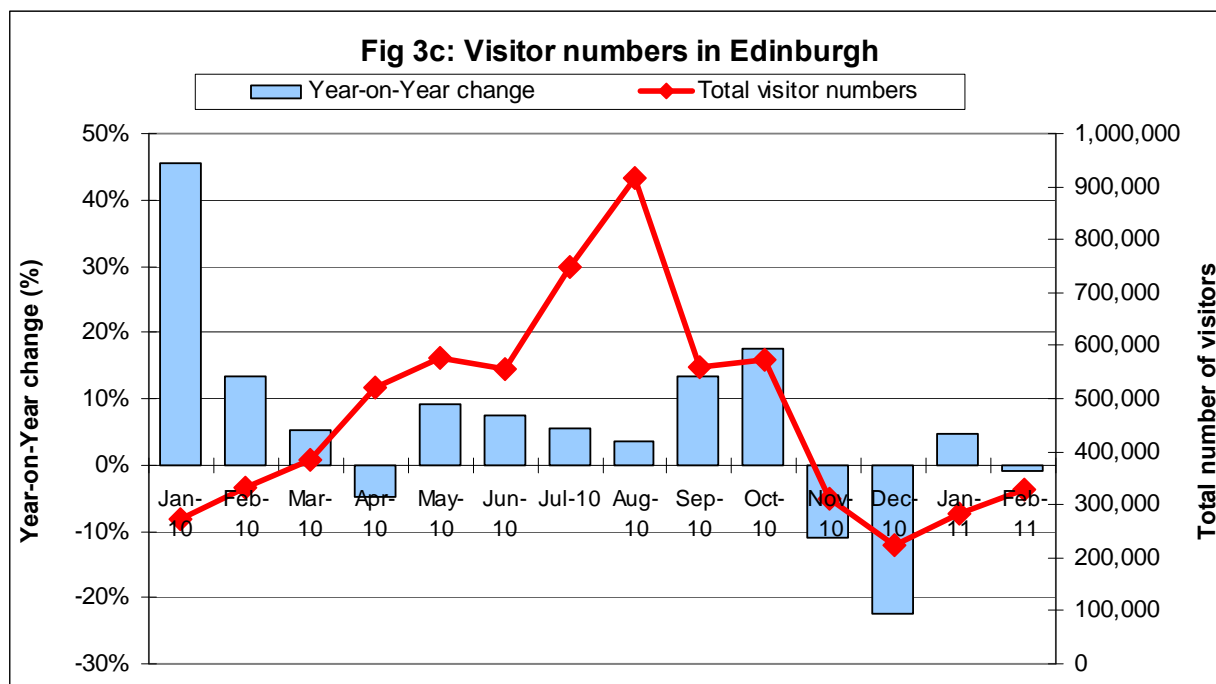


¹¹ Source: Civil Aviation Authority. The comparator cities figure is an average of year-on-year changes in passenger numbers at Birmingham, Bristol, Cardiff, Gatwick, Heathrow, Leeds, London City, Luton, Manchester, Newcastle and Stansted airports.

¹² Source: STR Global

3.3 Visitor Attractions (Annual Trend —)

Total visitor numbers at a selection of the most popular attractions in Edinburgh were 330,392 in February 2011. This represents a small decrease of 1% from 2010.¹³



For more information on tourism in Edinburgh, visit the Edinburgh Inspiring Capital website at www.edinburgh-inspiringcapital.com or the ETAG (Edinburgh Tourism Action Group) website at www.etag.org.uk

¹³ Source: DEMA. The tourist attractions are: Edinburgh Castle, Botanic Gardens, National Museum of Scotland, National War Museum of Scotland, National Gallery Complex, Our Dynamic Earth, Edinburgh Zoo, St Giles Cathedral and Scottish Parliament Visitor Centre.

(4) Housing

4.1 House Prices (Monthly trend ▼; Annual Trend ▼; Relative to Comparator Cities ▼)

The average house price in Edinburgh fell in February to £203,456. This is still significantly higher than comparator cities, who saw a small fall from December but stayed around their 18 month average of £123791.¹⁴

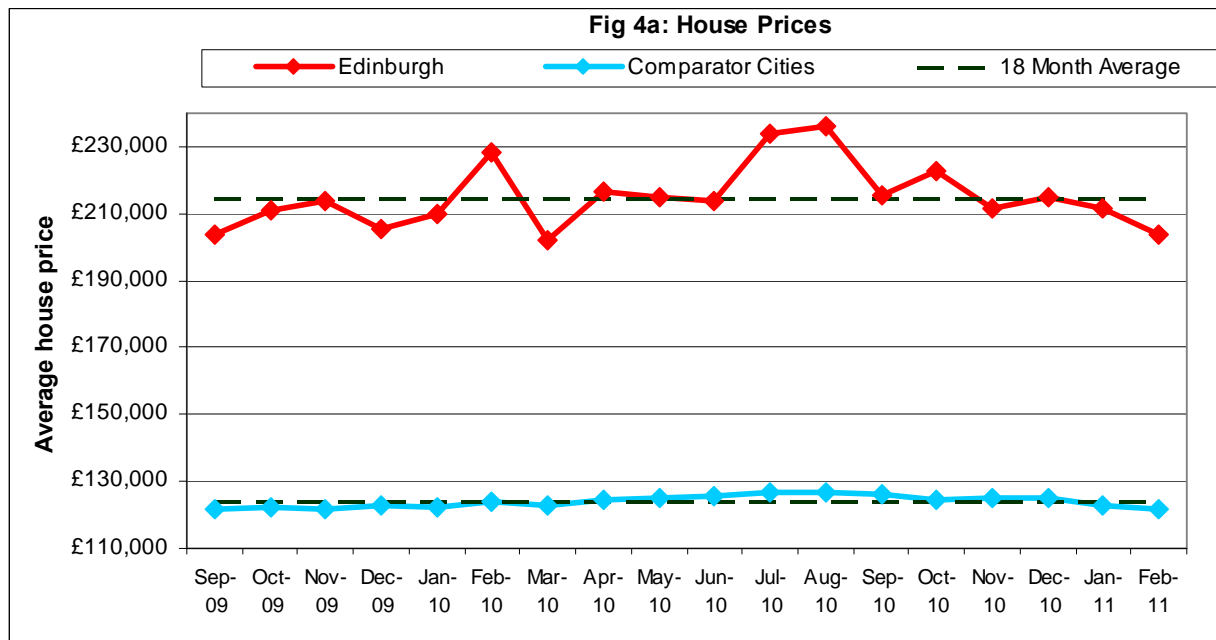
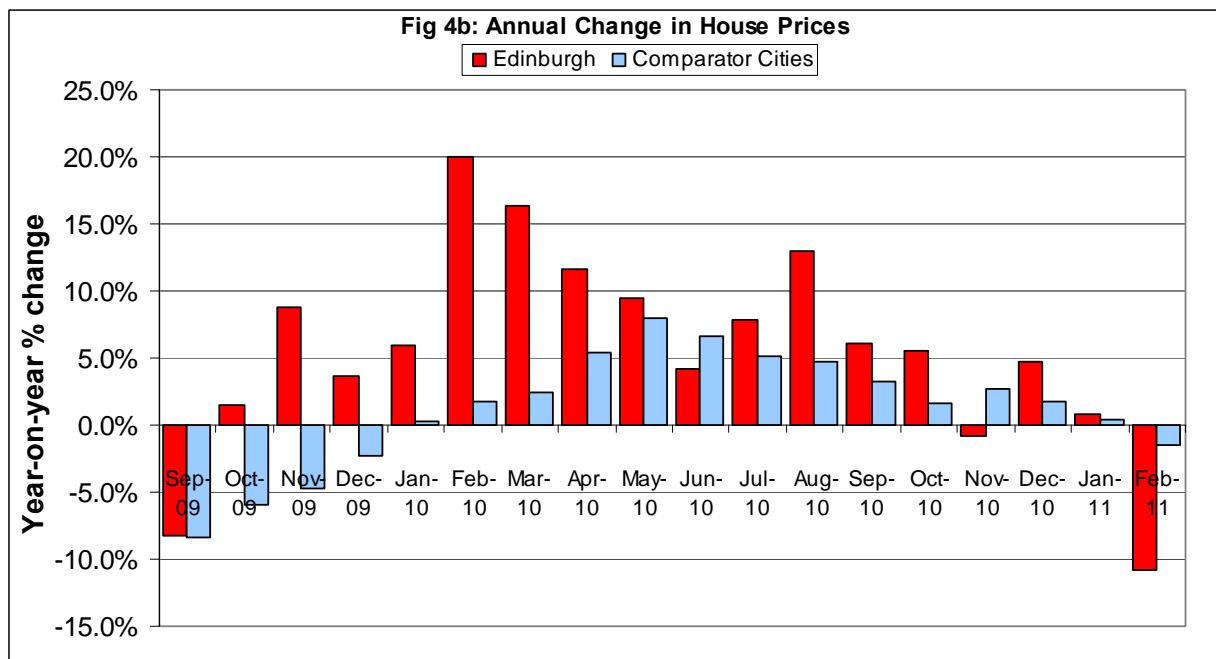


Figure 4b shows how prices have changed compared with the same period last year. House prices in Edinburgh fell by 10.9% from February 2010, which is perhaps unsurprising given the performance in that month last year. House prices in comparator cities fell year-on-year by 1.5%.¹⁵

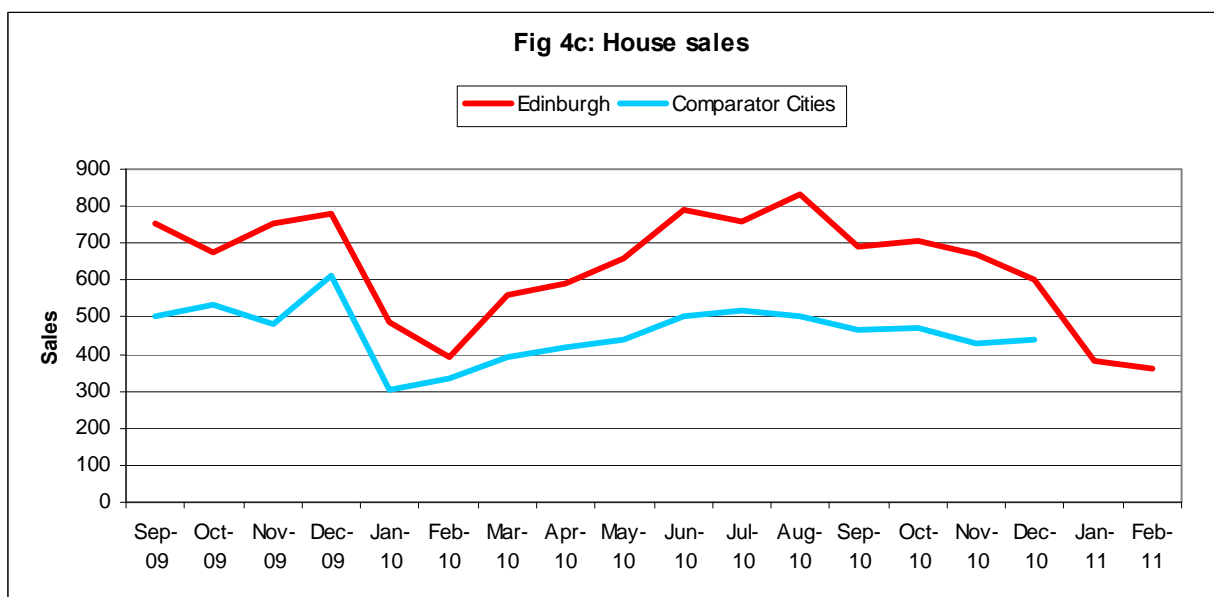


¹⁴ Source: Registers of Scotland (Scottish cities); Land Registry (English & Welsh cities). The figure quoted for comparator cities is based on an average of house prices in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

¹⁵ Ibid

4.2 House Sales (Monthly trend ▼; Annual trend ▼; Relative to Comparator Cities →)

363 homes were sold in Edinburgh in February 2011. This represents 8.1% fewer houses sold compared to February 2010.¹⁶



For further information about Edinburgh's housing market, see the latest [Housing Monitoring Report](#).

¹⁶ Ibid

(5) Planning and Development

5.1 Planning Applications Received (Monthly Trend ▲; Annual Trend ▲) and Building Warrants Issued (Monthly Trend ▲; Annual Trend ▲)

In the three-month period ending in March 2011, the City of Edinburgh Council received 1161 planning applications and issued 1033 building warrants. ¹⁷

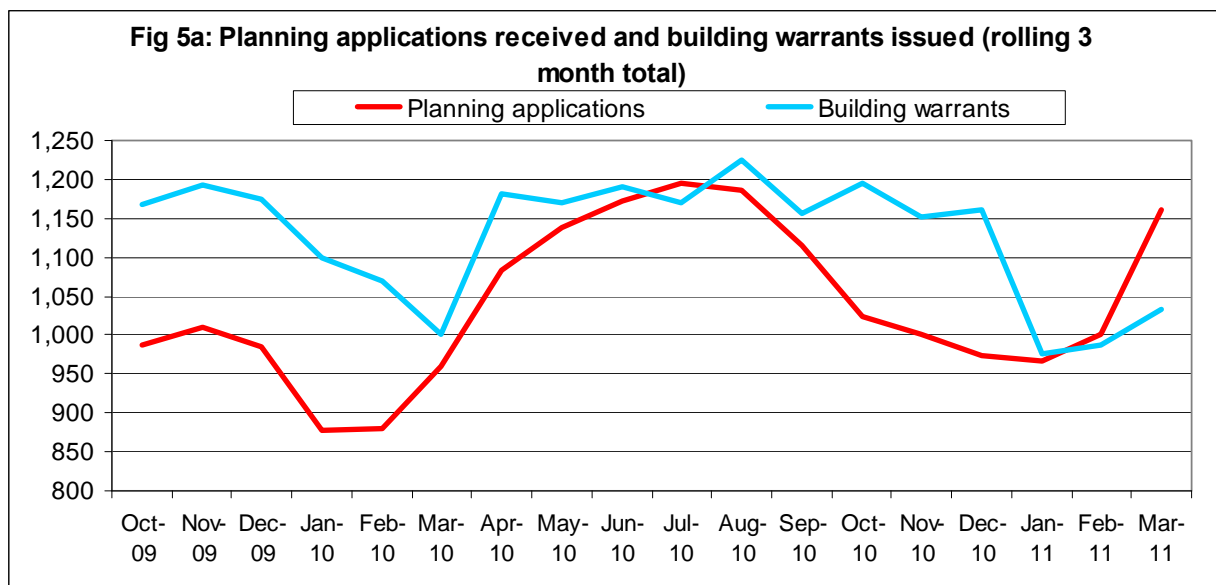
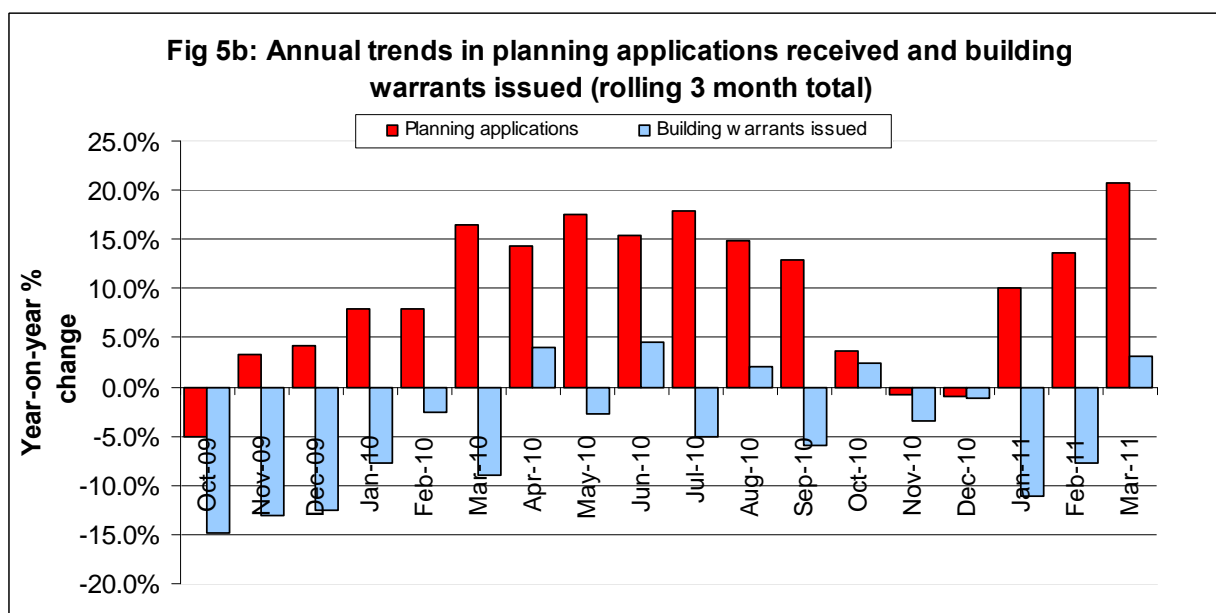


Fig 5b shows that the annual change in planning applications has increased in the month of March 2011, up 20.8% on last year. The number of building warrants issued also increased, up by 3.2% on last year's figure.



¹⁷ Source: City of Edinburgh Council, Planning Information team. The number of planning applications can vary substantially from month to month, so year on year comparisons of a single month would be likely to fluctuate quite widely and obscure trends. Using a rolling 3 month average gives a truer representation of the underlying trends.

5.3 Number of Proposal of Application Notices

Proposal of application notices (PANs) have been a statutory requirement for “major” developments since August 2009. Fig 5c shows the number of PANs received by month in Scotland’s four city local authorities. There have been 34 PANs received in Edinburgh over the last 12 months – more than any other Scottish city.

Fig 5c: Proposals of Application Notices Received (4 Scottish City Local Authorities)

	Aberdeen	Dundee	Edinburgh	Glasgow
April 2010	0	1	4	1
May 2010	2	0	2	2
June 2010	0	2	3	1
July 2010	1	0	4	3
August 2010	5	0	2	4
September 2010	0	0	2	4
October 2010	0	0	3	4
November 2010	0	1	4	3
December 2010	0	1	3	3
January 2011	3	0	1	1
February 2011	0	0	3	1
March 2011	0	1	3	2
Total	11	6	34	26

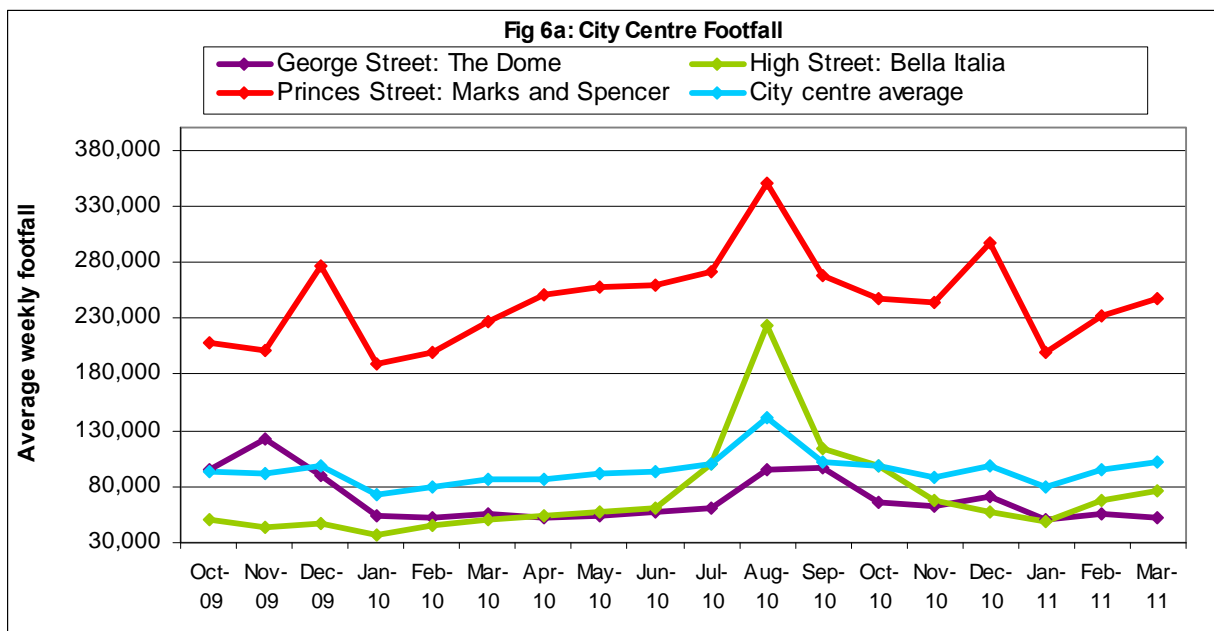
Source: Local Authorities’ Planning websites. Methods of recording PANs may vary. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively. For any corrections, please contact economicstrategy@edinburgh.gov.uk

For further information on planning issues in Edinburgh, see the latest [Planning News](#)

(6) City Centre

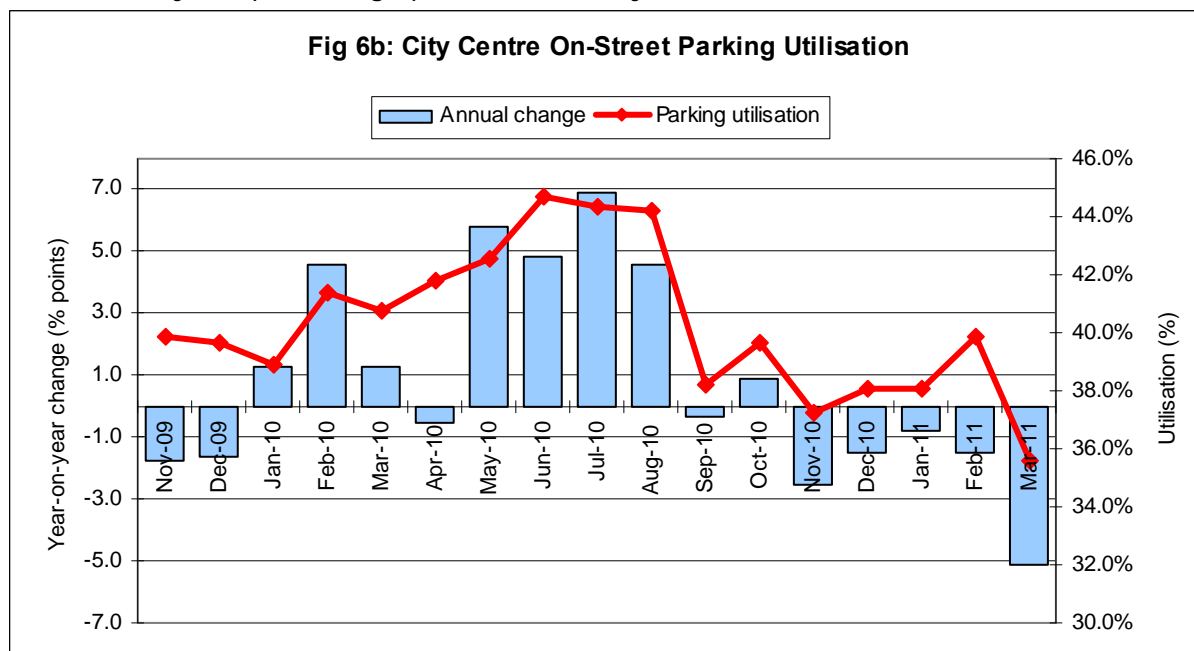
6.1 Footfall (Monthly Trend ▲; Annual Trend ▲)

Figure 6a summarises data from automated footfall counters in Edinburgh city centre. In March, weekly footfall averaged 247,380 at the busiest counter outside Marks & Spencer on Princes Street.¹⁸ Compared with March 2010, footfall was up by 8.9% outside Marks & Spencer.¹⁹



6.2 Parking (Monthly Trend ▼; Annual Trend ▼)

Fig 6b shows on-street parking utilisation data taken from parking metres. Parking utilisation has decreased from February 2011, with 35.6% utilisation reported in March 2011, down by 5.2 percentage points from last year.²⁰



For more detailed information on city centre trends, see the latest [Essential Trends](#)

¹⁸ Source: Springboard. The comparator cities figure is an average of footfall count at the busiest locations in Birmingham, Bristol, Cardiff, Dublin, Edinburgh, Glasgow, Leeds, London, Liverpool, Manchester, Newcastle, Norwich and Nottingham.

¹⁹ Ibid.

²⁰ Source: City of Edinburgh Council.

(7) Useful Links

Council Information

The statistics presented in the Economy Watch represent only a sample of the total number of economic indicators which are monitored by the Council. Raw figures, supporting data and detailed source information are available on request.

You can find more useful economic information and publications at www.edinburgh.gov.uk/economicdata

The [Edinburgh Resilience Action Plan](#) provides a plan of action to address the economic challenges facing the City of Edinburgh and the wider city region as a result of the current economic climate.

External Links

BBC Economy Tracker

<http://news.bbc.co.uk/1/hi/business/7844962.stm>

BBC European Comparator

<http://news.bbc.co.uk/1/hi/business/10150007.stm>

Centre for Cities City Tracker

<http://citytracker.org.uk/>

City of London Economic Digest

http://www.cityoflondon.gov.uk/Corporation/LGNL_Services/Business/Business_support_and_advice/Economic_information_and_analysis/Research_publications/Research+periodicals.htm

Office of National Statistics indicators (UK Level)

<http://www.statistics.gov.uk/instantfigures.asp>

PKF hotel statistics (UK Level)

http://www.pkf.co.uk/news/Hotel_Monthly_Press_Release&category=News%20%5E%20views&subcategory=News&gobackto=4

Scottish Parliament Information Centre Economic Briefings (Scottish Local Authority Level)

<http://www.scottish.parliament.uk/business/research/subject/EcoFin.htm>

The Guardian: Leading Economies by Size of GDP

<http://image.guardian.co.uk/sys-files/Guardian/documents/2009/12/08/Recession.pdf>

The Guardian: The rise and fall of the UK's gross domestic product

<http://www.guardian.co.uk/business/interactive/2008/oct/22/creditcrunch-recession>

The Scottish Government: State of the Economy Updates

<http://www.scotland.gov.uk/Topics/Economy/state-economy>

West Lothian Key Economic Indicators

<http://www.wlinfo.org.uk/Economy.asp>