

# Edinburgh economy watch



Welcome to the March 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](mailto: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](http://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 22.4% Business Gateway start-ups saw no change	<a href="#">Page 2</a>
Labour market	↓	↑	↓	Claimant count up 5.1% Job vacancies down by 4.1%	<a href="#">Page 5</a>
Tourism	↑	↑	↑	Airport passenger numbers up 5% Hotel room occupancy up 2% points	<a href="#">Page 8</a>
Housing	↑	—	—	House prices up 0.9% House sales down 21%	<a href="#">Page 10</a>
Planning and development	—	↑	—	Planning applications received up 13.6% Building warrants issued down 7.8%	<a href="#">Page 12</a>
City centre	↑	↑	—	Average City Centre footfall up 19.5%	<a href="#">Page 14</a>

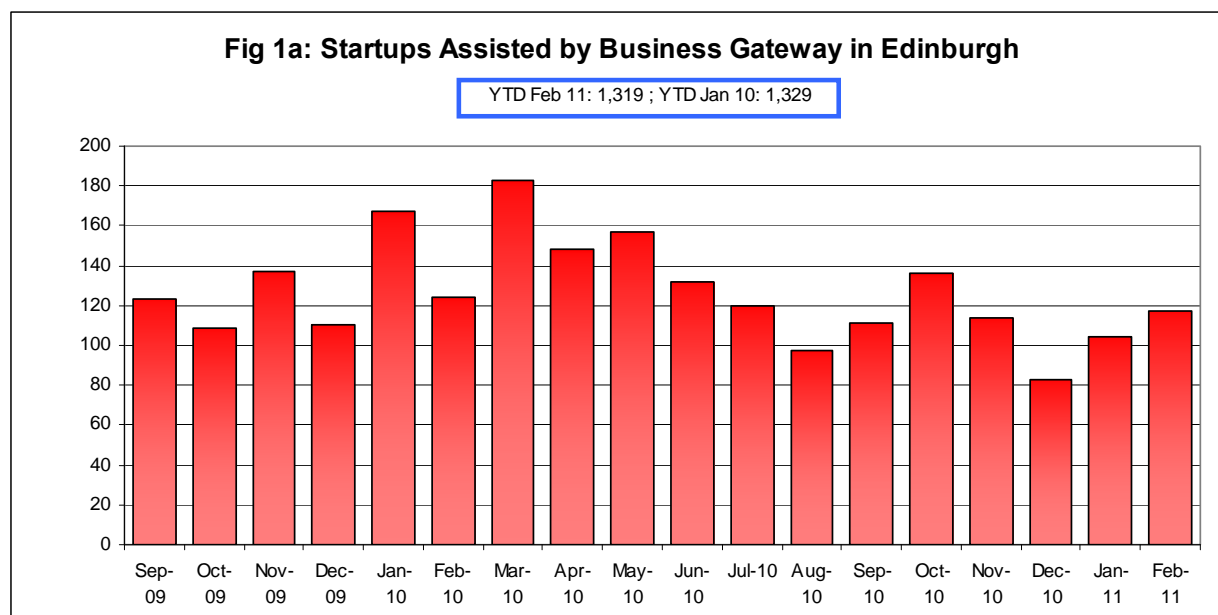
## (1) Investment

### Summary Table

Indicator	Edinburgh this month	Year to Date	YTD Comparison with 2009/10
Business Gateway Start-ups	117	1,319	— no change
Business Incorporations	302	3,345	↑ 22.4%
Large-scale Foreign Direct Investments	2	15	↓ 40%
Commercial Property Take-Up (m <sup>2</sup> )	2,525	66,848	↑ 24.6%

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

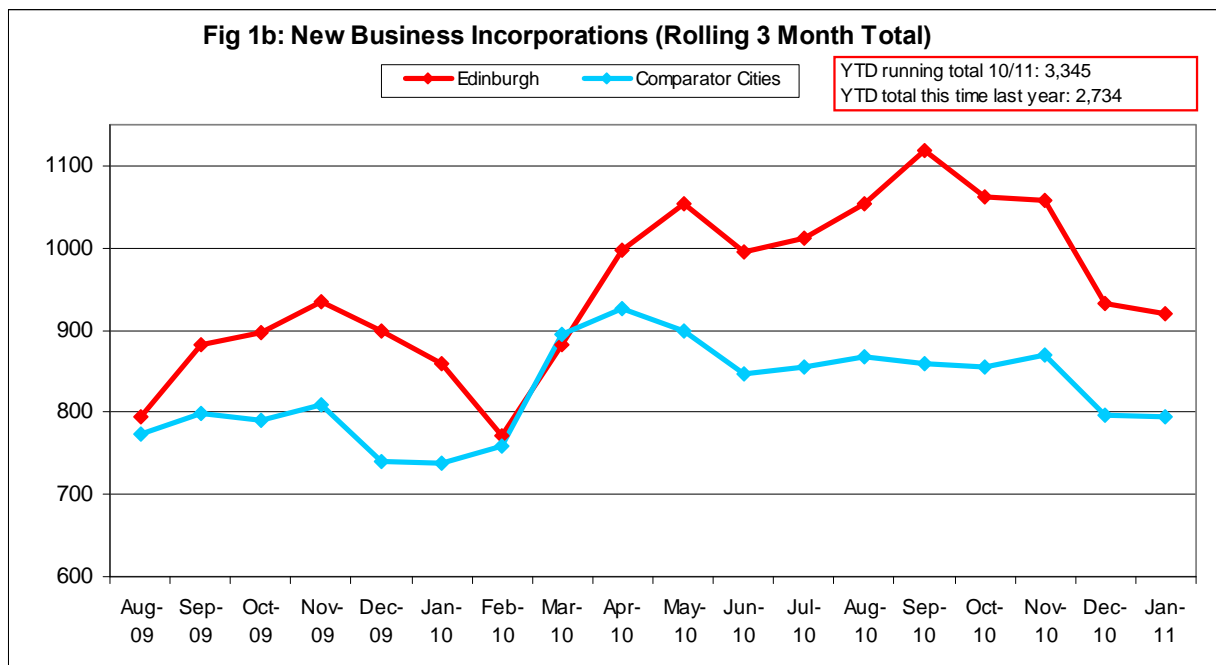
Fig 1a shows that there were 117 start-ups assisted by the Business Gateway in Edinburgh in February 2011, a 5.6% decrease from February 2010<sup>1</sup>. The year to date total for 2010/11 is currently the same as at this point last year.



<sup>1</sup> Source: Business Gateway

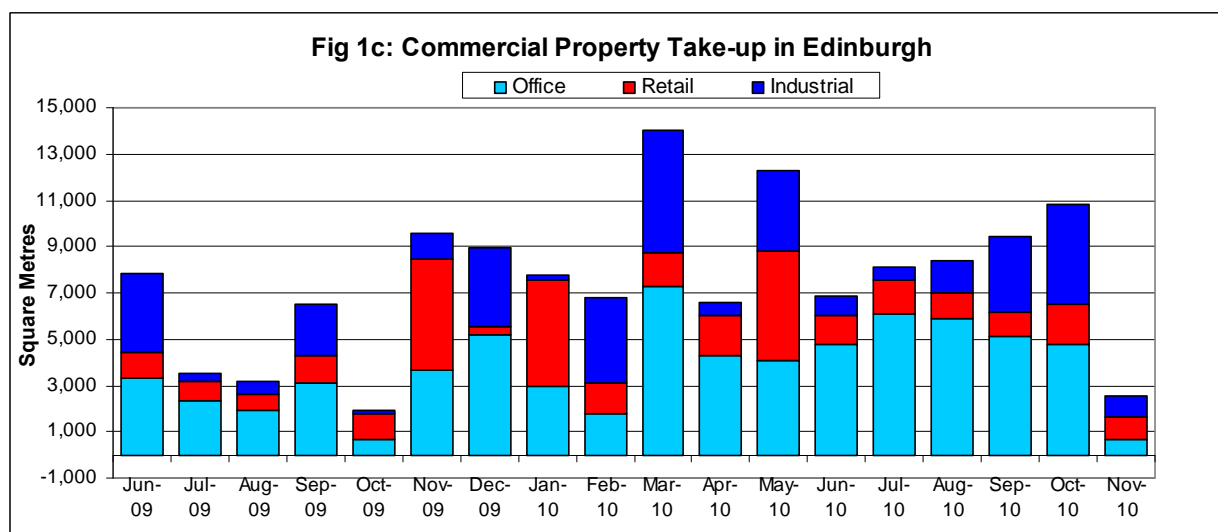
## 1.2 New Incorporations (Monthly Trend ▼; Annual Trend ▲; Relative to Comparator Cities ▼)

The number of new businesses incorporated in the three-month period ending January 2011 fell from last month to 919. This represents an increase of 6.9% from last year's figure, and means the Year to Date figure is up by 22.3% on this time last year. Meanwhile, the average for comparator cities also saw a small drop, now standing at 794 incorporations registered in the last three months. This represents a 7.6% increase from last year.<sup>2</sup>



## 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.<sup>3</sup>

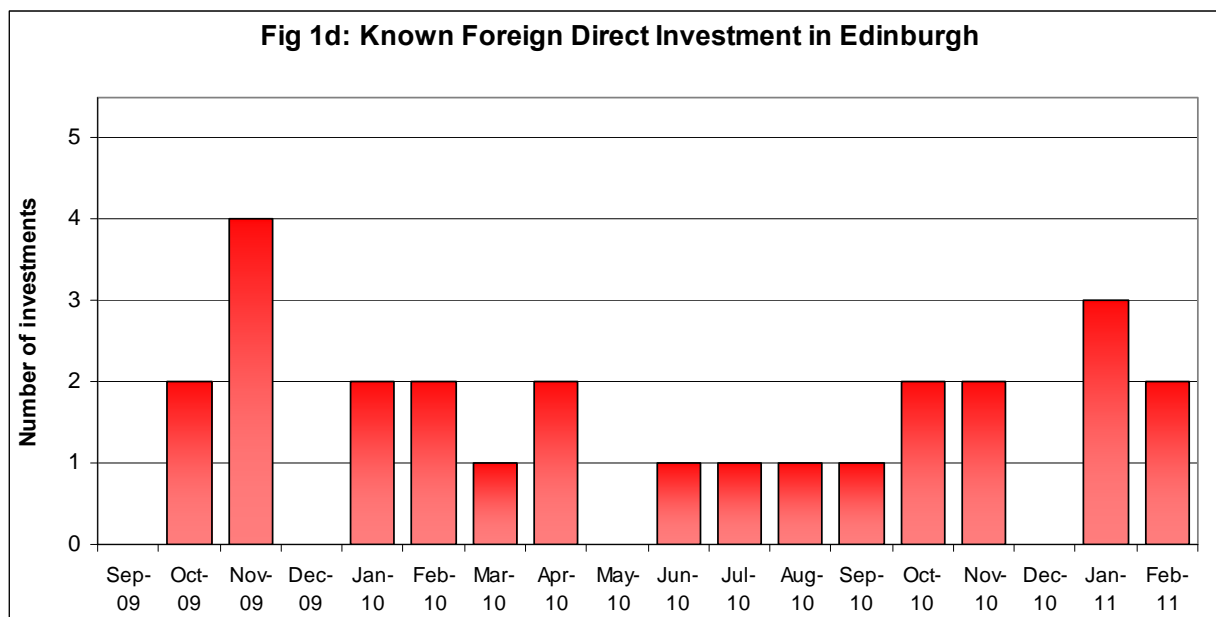


<sup>2</sup> Source: FAME. The comparator cities figure is an average of the monthly number of incorporations in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Norwich and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database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

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

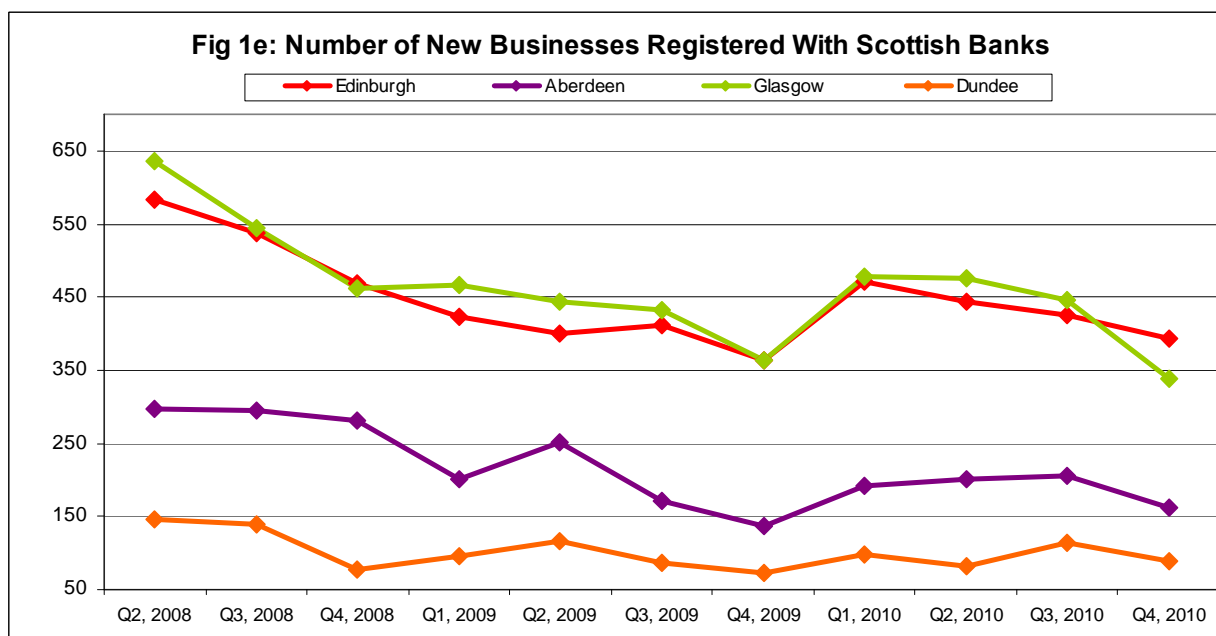
## 1.4 Foreign Direct Investment

Figure 1d shows that 26 large-scale Foreign Direct Investment (FDI) projects in Edinburgh have been recorded by FDI Markets over the past 18 months.<sup>4</sup>



## 1.5 New Businesses registered with Scottish Clearing Banks (Quarterly Trend ▼ ; Annual Trend ▲ ; Relative to Comparator Cities ▲)

In Q4 2010, 393 new businesses registered for bank accounts with Scottish Banks in Edinburgh. This represents a drop of 32 from Q3, however is up 8.3% on the figure from Q4 2009. On average, comparator cities of Aberdeen, Glasgow and Dundee saw a drop of 14% from Q4 2009. Edinburgh saw year on year increases in every quarter of 2010, with the final 2010 total up 8.5% on last year.<sup>5</sup>



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

<sup>5</sup> Source: The Committee of Scottish Clearing Bankers (CSCB).

## (2) Labour Market

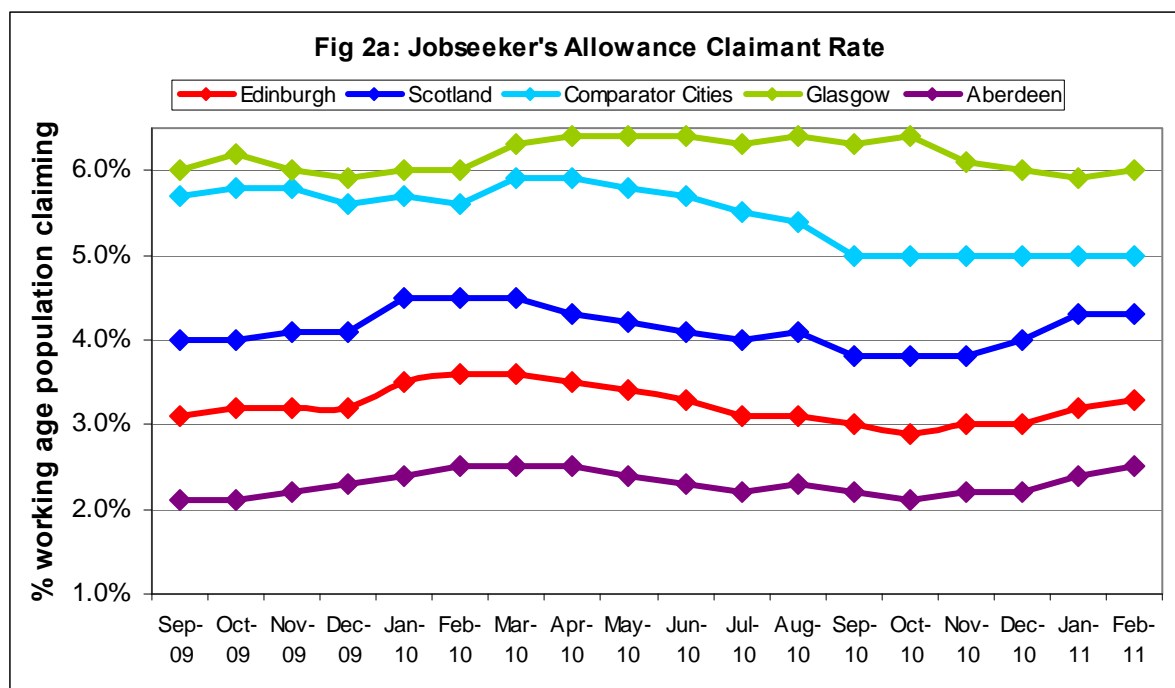
### Summary Table

Indicator	Edinburgh this month	Comparison with this month last year
Jobseeker's Allowance Claimant Count	10,984	↓ 4.8%
Jobseeker's Allowance Claimant Rate	3.3%	↓ 0.3% points
Vacancies Advertised by Jobcentre Plus	2,591	↓ 4.1%
Claimants Per Vacancy	4.2	↓ 0.1% points

- 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 4.2 Jobseeker's Allowance claimants for every vacancy advertised by Jobcentre Plus. Scotland's ratio is 6.5 and the comparator cities' average is 5.8.

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

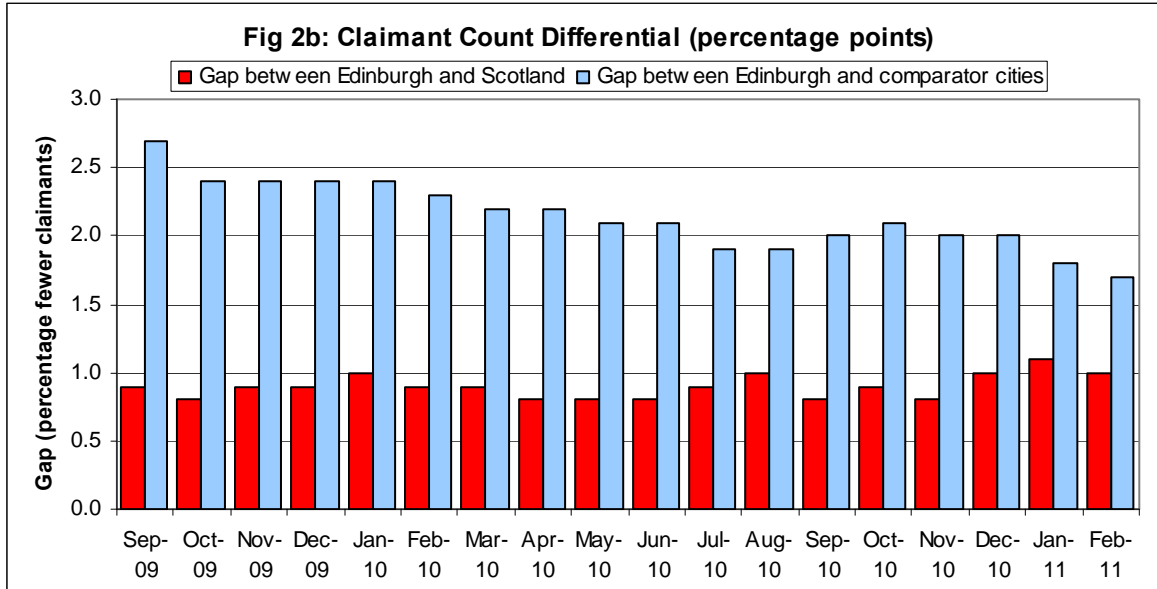
The claimant rate of Edinburgh increased in February 2011 from January 2011, 3.3% of the working age population. However, Edinburgh's claimant rate continues to compare favourably with that of Scotland (4.3%) and comparator cities (5%).<sup>6</sup>



<sup>6</sup> 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.

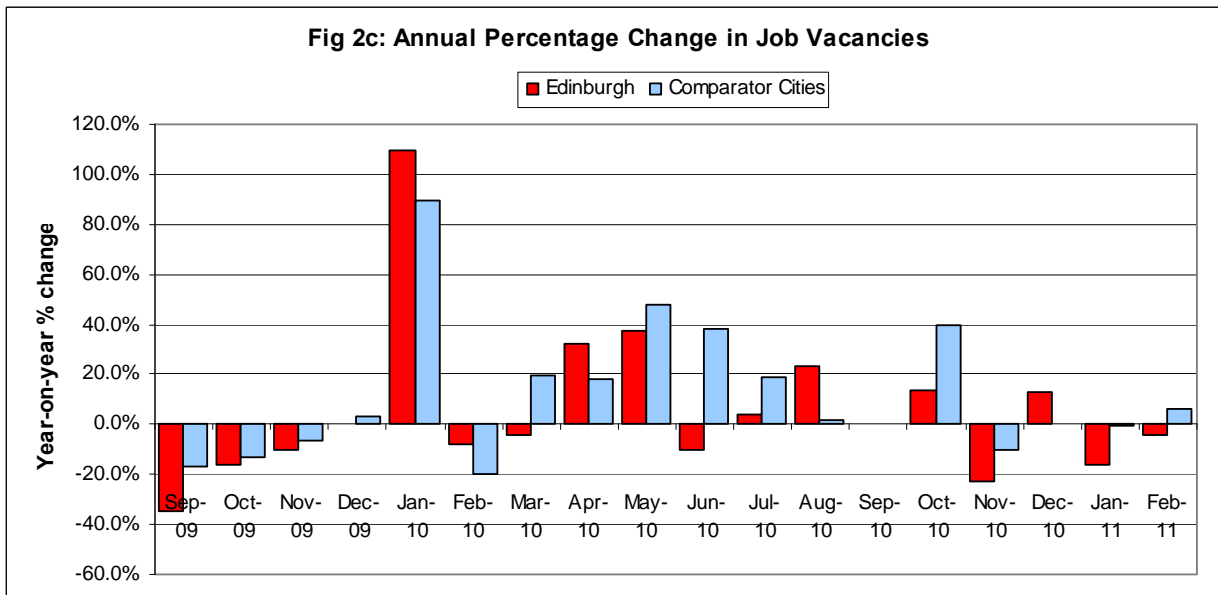
**2.2 Claimant Differential (Monthly Trend ▼; Annual Trend ▼)**

Figure 2b highlights the difference in the unemployment rate between Edinburgh and Scotland and comparator cities. In February 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.<sup>7</sup>



**2.3 Job Vacancies<sup>8</sup> (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 February 2011, there were 2,591 job vacancies advertised by Jobcentre Plus in Edinburgh – 4.1% less than in February 2010.<sup>9</sup> Comparator cities were up on last year, by 6.3%.

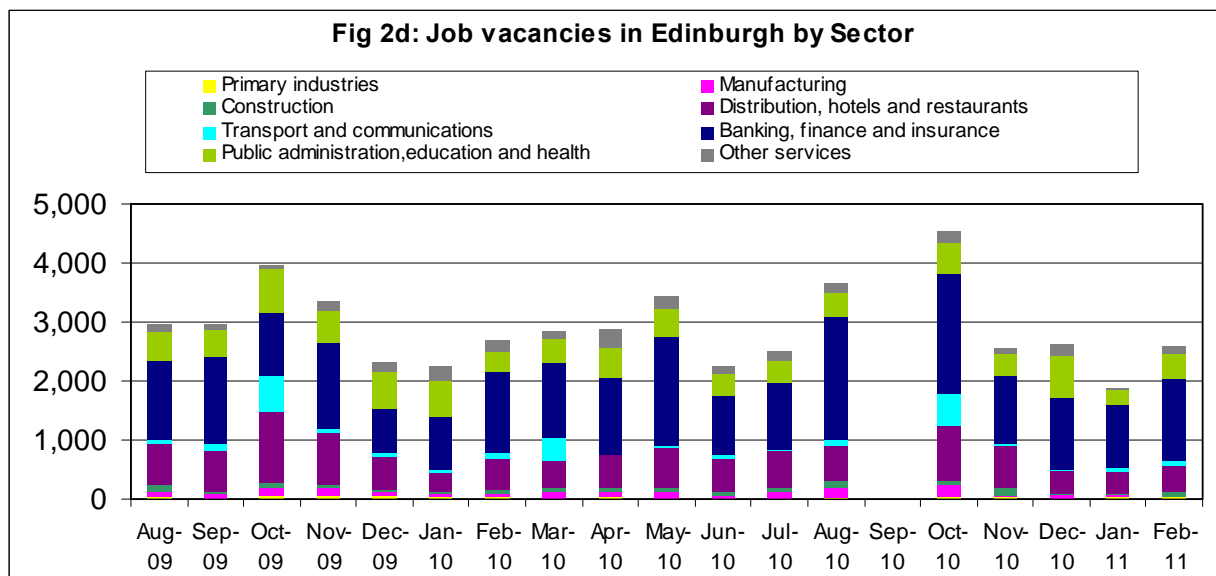


<sup>7</sup> Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

<sup>8</sup> Due to problems identified with the source data supplied by DWP, it is presently not possible to report September’s vacancy figures.

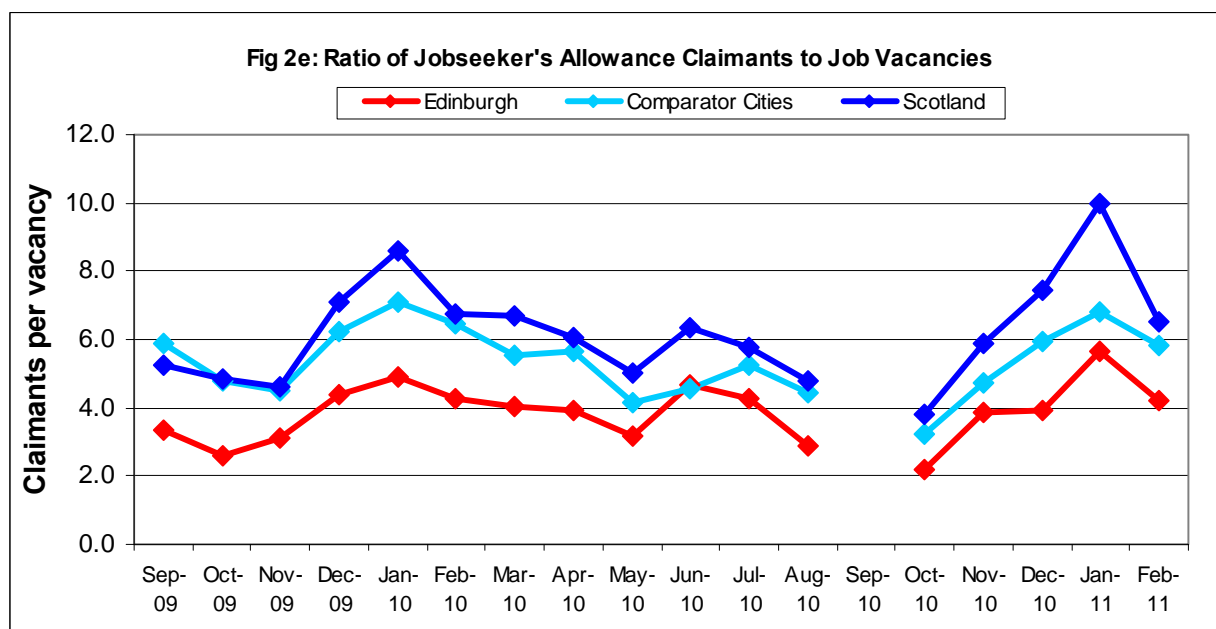
<sup>9</sup> Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

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. February 2011 saw over 2,500 jobs notified.



## 2.4 Vacancy Ratio<sup>10</sup> (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities ▼)

In February 2011, there were 4.2 Jobseeker's Allowance claimants in Edinburgh for every vacancy advertised by Jobcentre Plus. Figure 2e shows that the ratio compares favourably with Scotland (6.5 claimants per vacancy), while comparator cities also saw a rise this month (5.8 claimants per vacancy).<sup>11</sup>



<sup>10</sup> Due to problems identified with the source data supplied by DWP, it is presently not possible to report September's vacancy figures.

<sup>11</sup> Ibid

## 2.5 Job News

Figure 2f details some of the job gains and losses in Edinburgh over the month of February 2010.

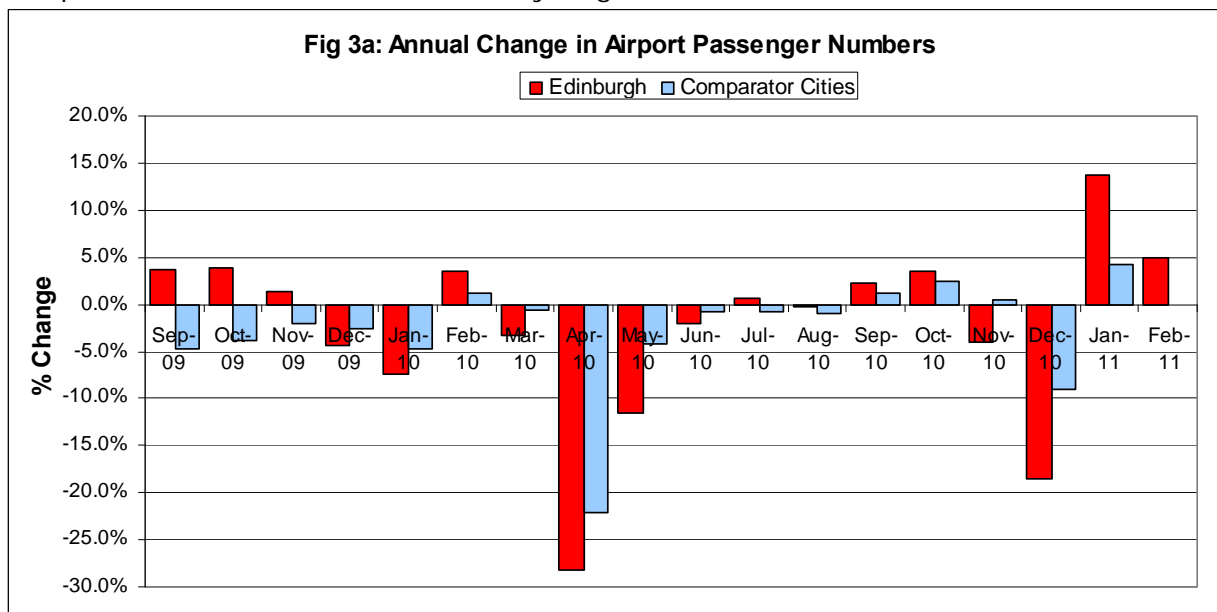
<b>Fig 2f. Job announcements in Edinburgh in February 2011</b>			
<b>Employer</b>	<b>Sector</b>	<b>Location</b>	<b>Potential job gains/losses</b>
Scottish Sensory Centre	Higher education	Holyrood Road	-9
EasyJet	Tourism	Edinburgh Airport	60
Virgin Money	Financial services	St Andrew Square	300
Sainsbury's	Retail	Inglis Green Road	495
Sainsbury's	Retail	Barnton	25
BlindCraft	Manufacturing	Craigmillar	-70
Toshiba Medical Visualisation Systems	Life sciences	TBD	100
Squiz	ICT	High Street	5

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

### (3) Tourism

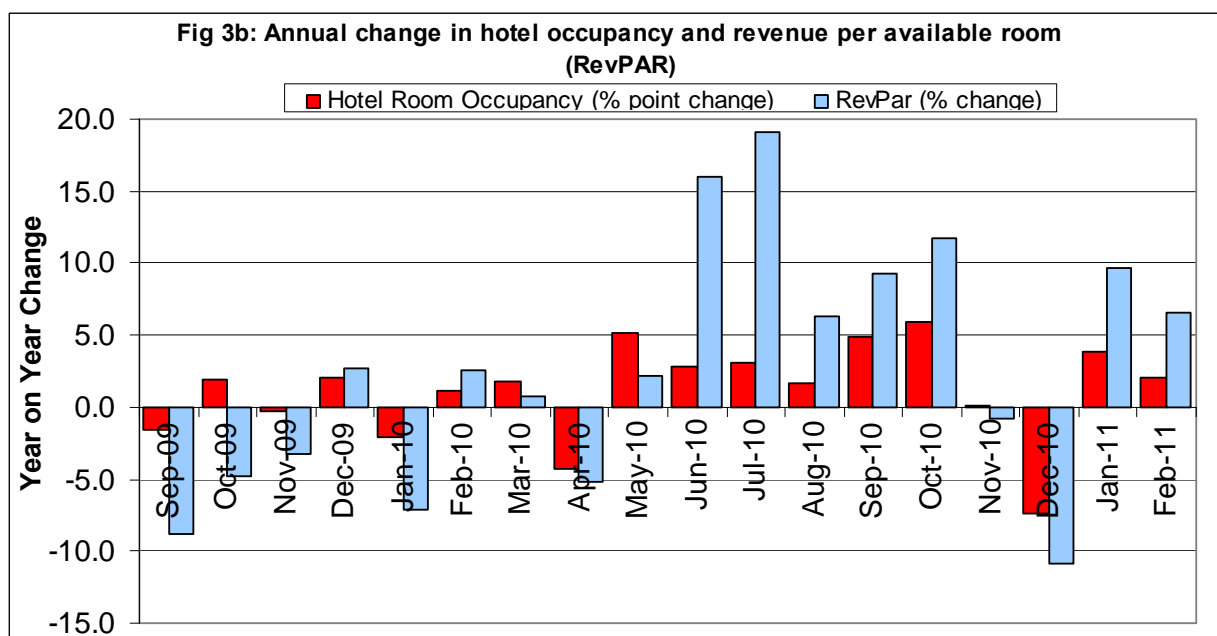
#### 3.1 Airport (Annual Trend ▲; Relative to Comparator Cities ▲)

Passenger numbers at Edinburgh Airport rose by 5% in February 2011 in comparison to the 2010 figure. In total, 611,174 passengers passed through the airport in November. Comparator cities matched last February's figure.<sup>12</sup>



#### 3.2 Hotels (Annual Trend ▲)

Hotel room occupancy rose in February 2011, compared with 2010, up by 2% points to stand at 69.8%. Revenue per available room (RevPar) also increased in February 2011 compared with 2010, up to £51.58 – a 6.5% increase from last year.<sup>13</sup>

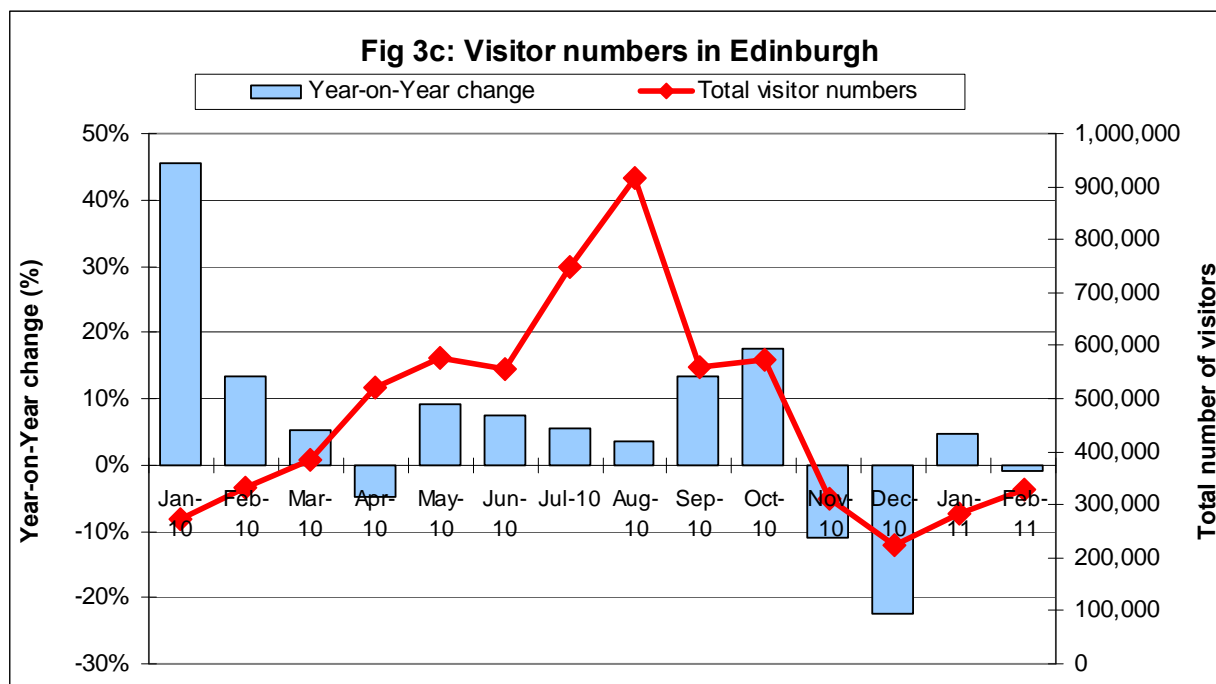


<sup>12</sup> Source: Civil Aviation Authority. The comparator cities figure is an average of year-on-year changes in passenger numbers at Birmingham, Bristol, Cardiff, Gatwick, Heathrow, Leeds, London City, Luton, Manchester, Newcastle and Stansted airports.

<sup>13</sup> 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 drop of 1% from 2010.<sup>14</sup>



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

<sup>14</sup> 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 slightly in January to £211,690. This is significantly higher than comparator cities, who saw a small fall from December but stayed around their 18 month average of £123,724.<sup>15</sup>

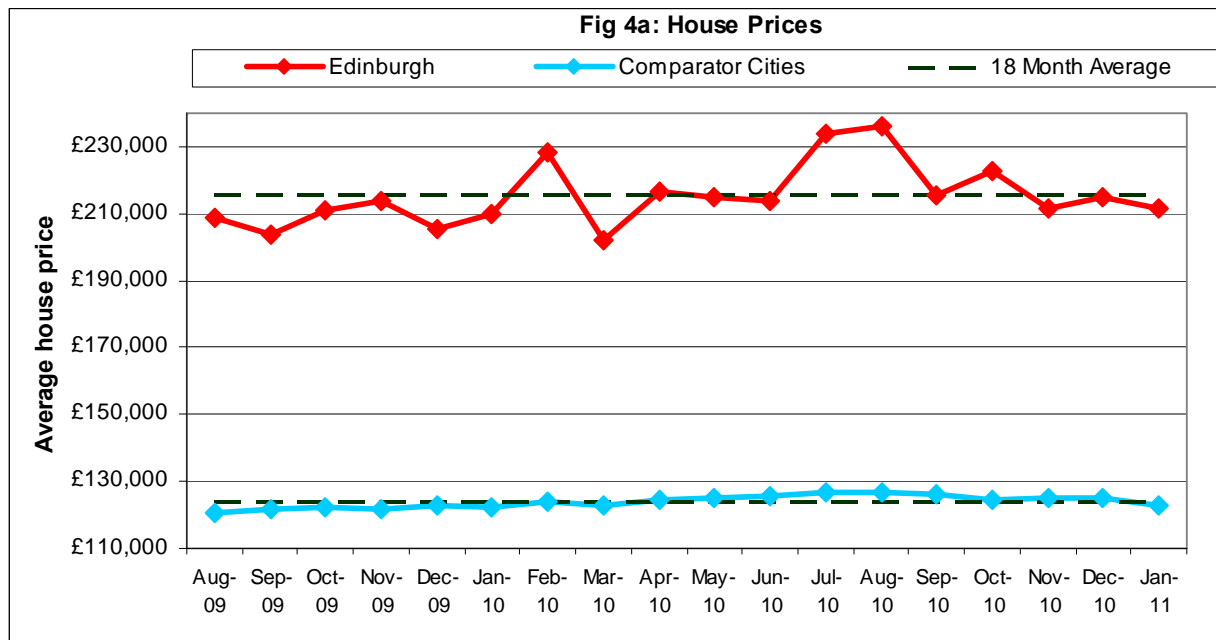
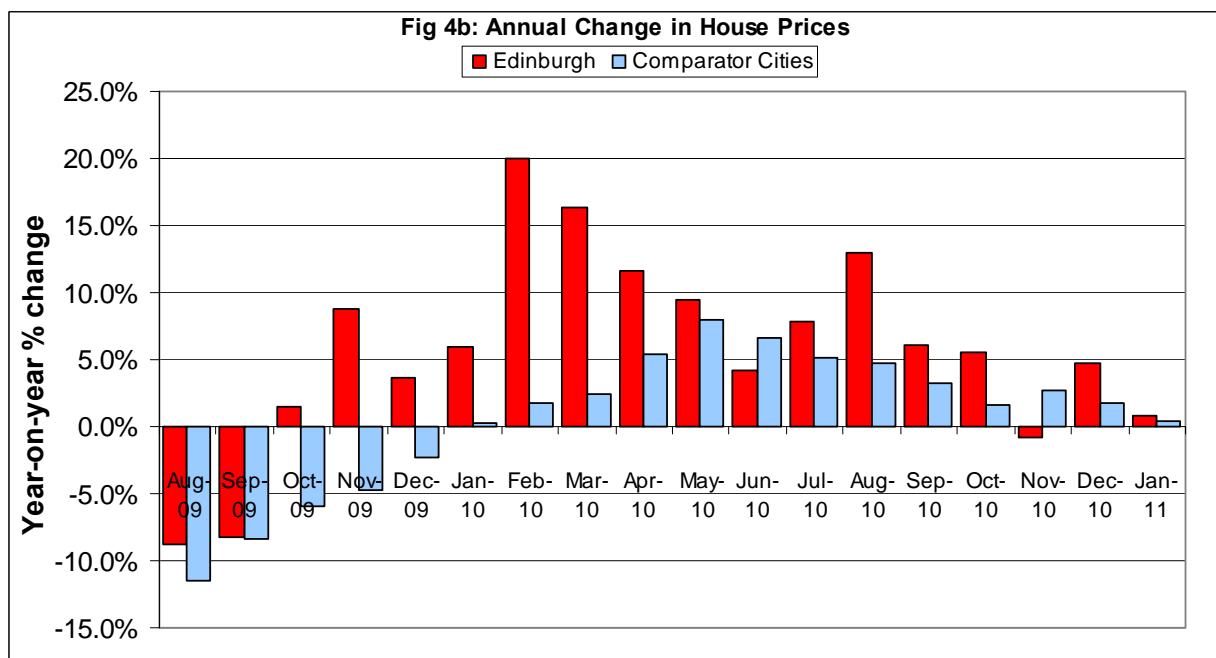


Figure 4b shows how prices have changed compared with the same period last year. House prices in Edinburgh rose by 0.9% from January 2010. House prices in comparator cities rose year-on-year by 0.3%.<sup>16</sup>

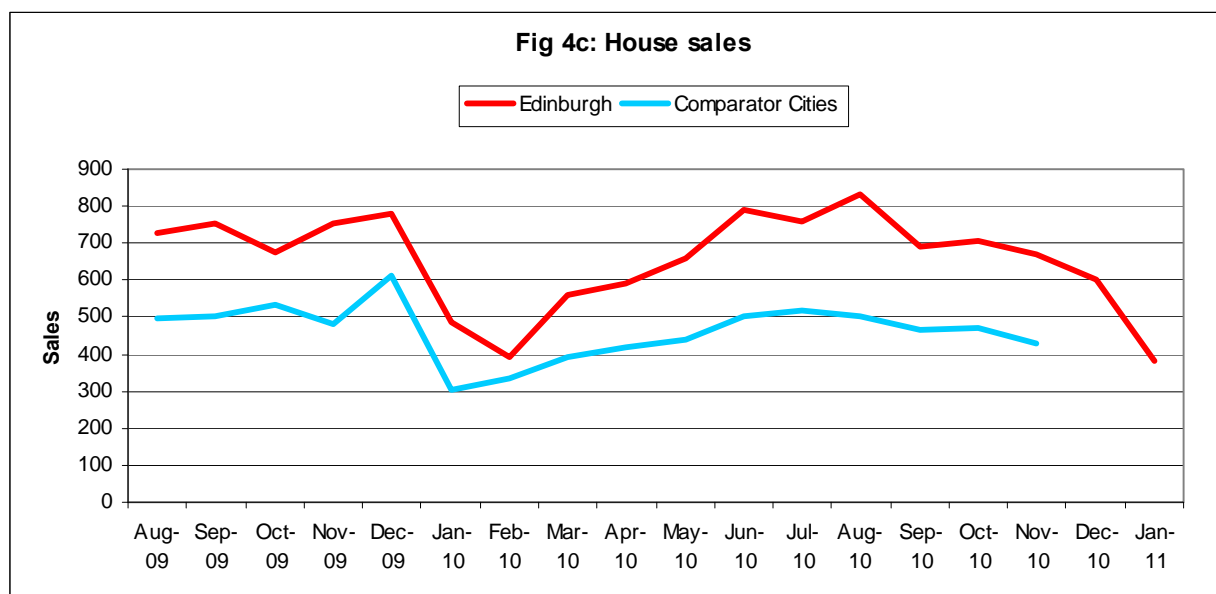


<sup>15</sup> Source: Registers of Scotland (Scottish cities); Land Registry (English & Welsh cities). The figure quoted for comparator cities is based on an average of house prices in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

<sup>16</sup> Ibid

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

383 homes were sold in Edinburgh in January 2011. This represents 21% fewer houses sold compared to January 2010.<sup>17</sup>



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

<sup>17</sup> 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 February 2011, the City of Edinburgh Council received 1000 planning applications and issued 987 building warrants. <sup>18</sup>

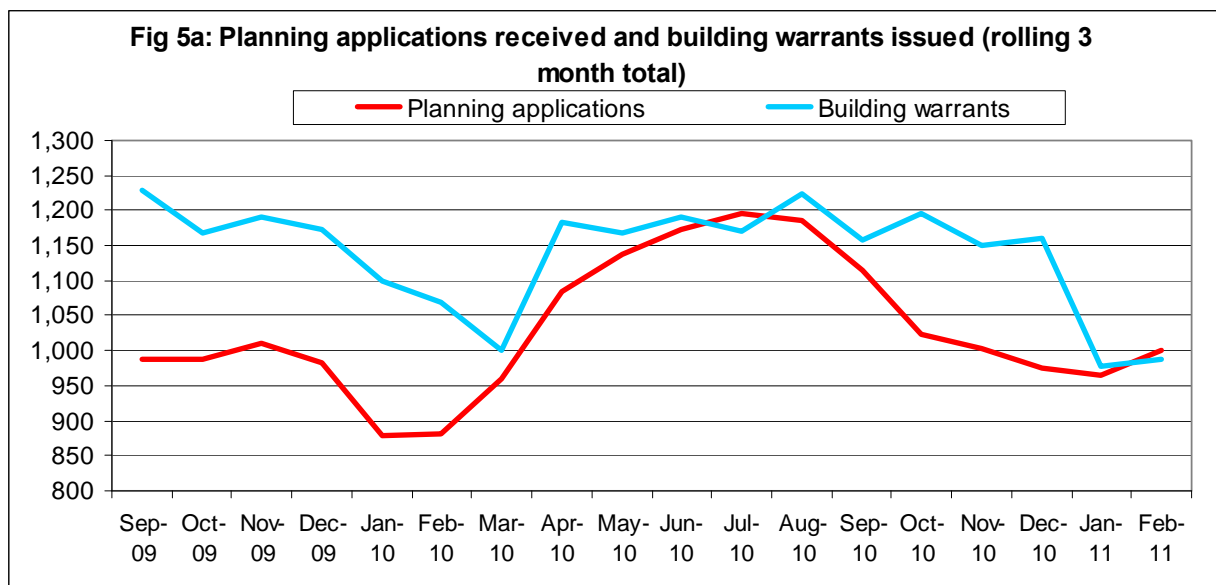
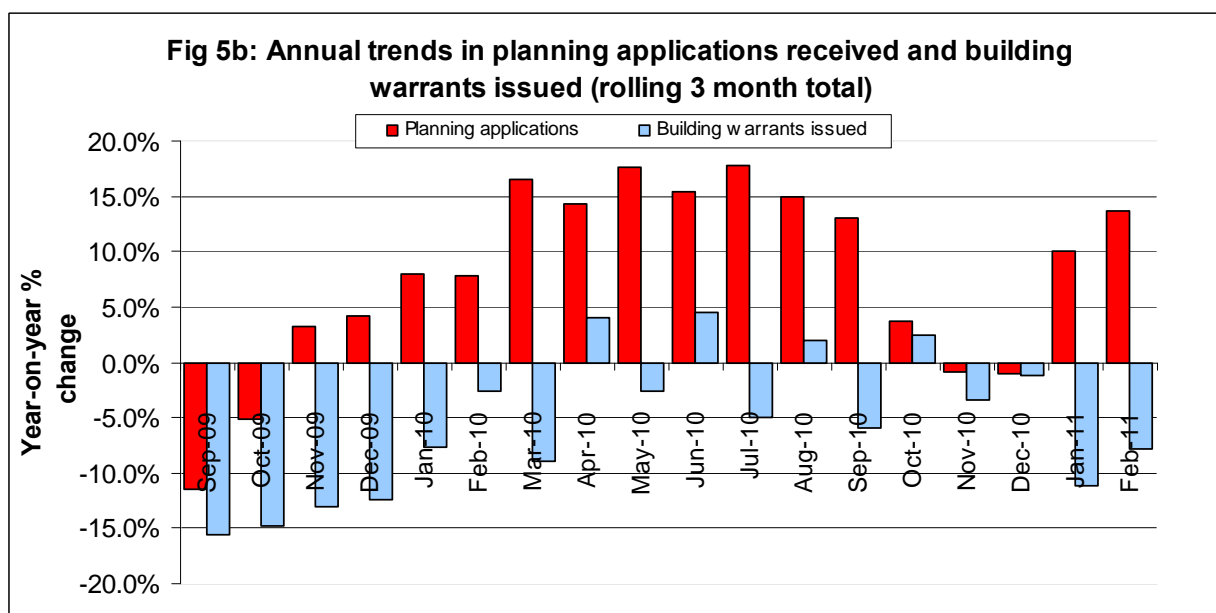


Fig 5b shows that the annual change in planning applications has increased in the month of February 2011, up 13.6% on last year. The number of building warrants issued fell, by 7.8% on last year's figure.



<sup>18</sup> 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 35 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)**

	<b>Aberdeen</b>	<b>Dundee</b>	<b>Edinburgh</b>	<b>Glasgow</b>
March 2010	0	0	4	1
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
<b>Total</b>	<b>11</b>	<b>5</b>	<b>35</b>	<b>25</b>

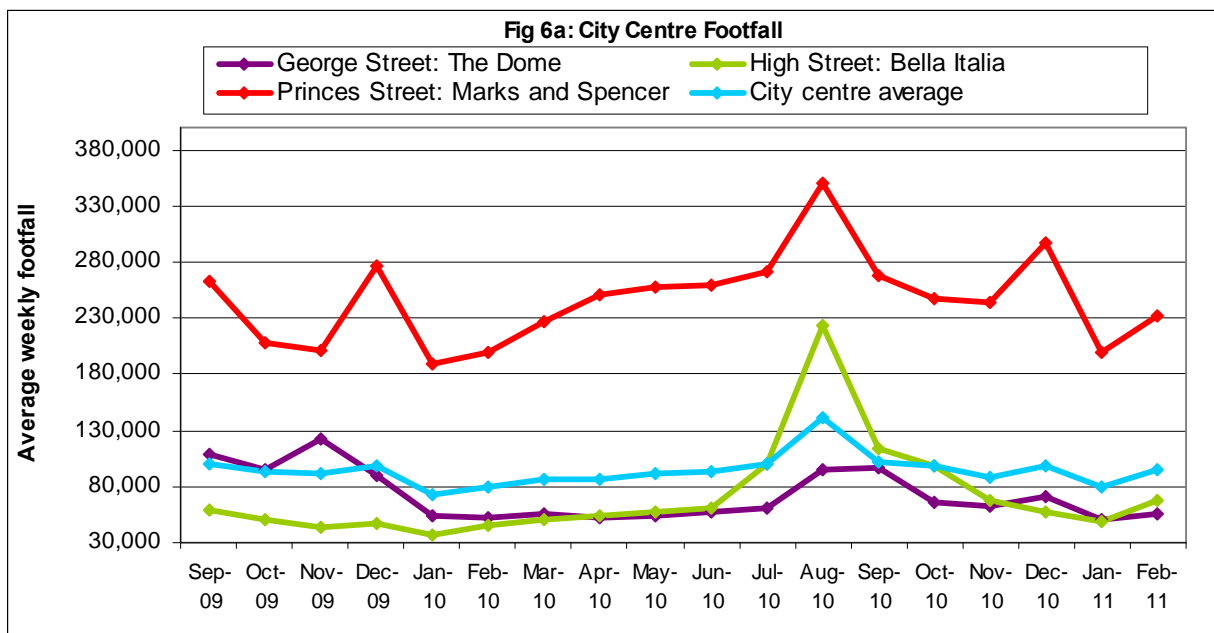
Source: Local Authorities’ Planning websites. Methods of recording PANs may vary. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively. For any corrections, please contact [economicstrategy@edinburgh.gov.uk](mailto:economicstrategy@edinburgh.gov.uk)

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

## (6) City Centre

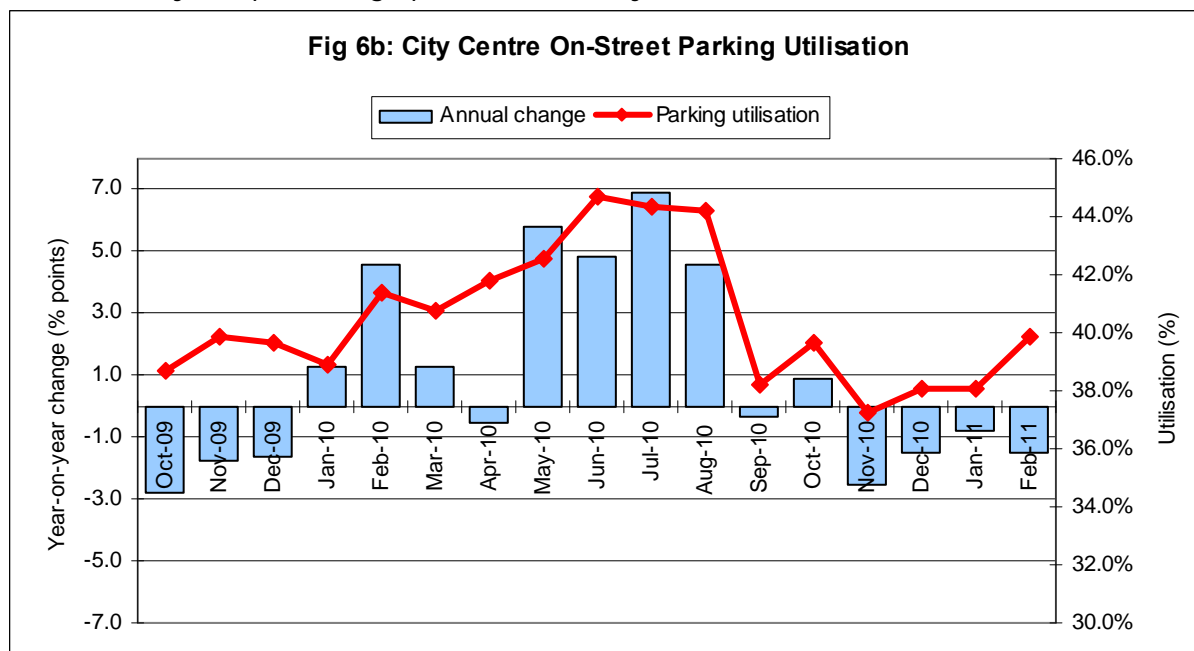
### 6.1 Footfall (Monthly Trend ▲; Annual Trend ▲)

Figure 6a summarises data from automated footfall counters in Edinburgh city centre. In February, footfall averaged 232,969 at the busiest counter outside Marks & Spencer on Princes Street.<sup>19</sup> Compared with February 2010, footfall was up by 17.1% outside Marks & Spencer.<sup>20</sup>



### 6.2 Parking (Monthly Trend ▲; Annual Trend ▼)

Fig 6b shows on-street parking utilisation data taken from parking metres. Parking utilisation has increased from January 2011, with 39.9% utilisation reported in February 2011, down by 1.5 percentage points from last year.



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

<sup>19</sup> 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.

<sup>20</sup> Ibid.

## **(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](http://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](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](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>