

Edinburgh economy watch



Welcome to the November 2010 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. We have expanded the Labour Market section to include data from the Labour Market Watch.

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 40.2% Business Gateway start-ups up 20.5%	Page 2
Labour market	↑	—	↑	Claimant count down 3.5% Job vacancies up by 13.9%	Page 5
Tourism	↑	↑	↑	Airport passenger numbers up 3.5% Hotel room occupancy up 5.9% points	Page 8
Housing	↑	↓	↑	House prices up 6% House sales down 8.5%	Page 10
Planning and development	↑	↓	—	Planning applications received up 3.6% Building warrants issued up 2.5%	Page 12
City centre	↑	↓	—	Average City Centre footfall up by 2.5%	Page 14

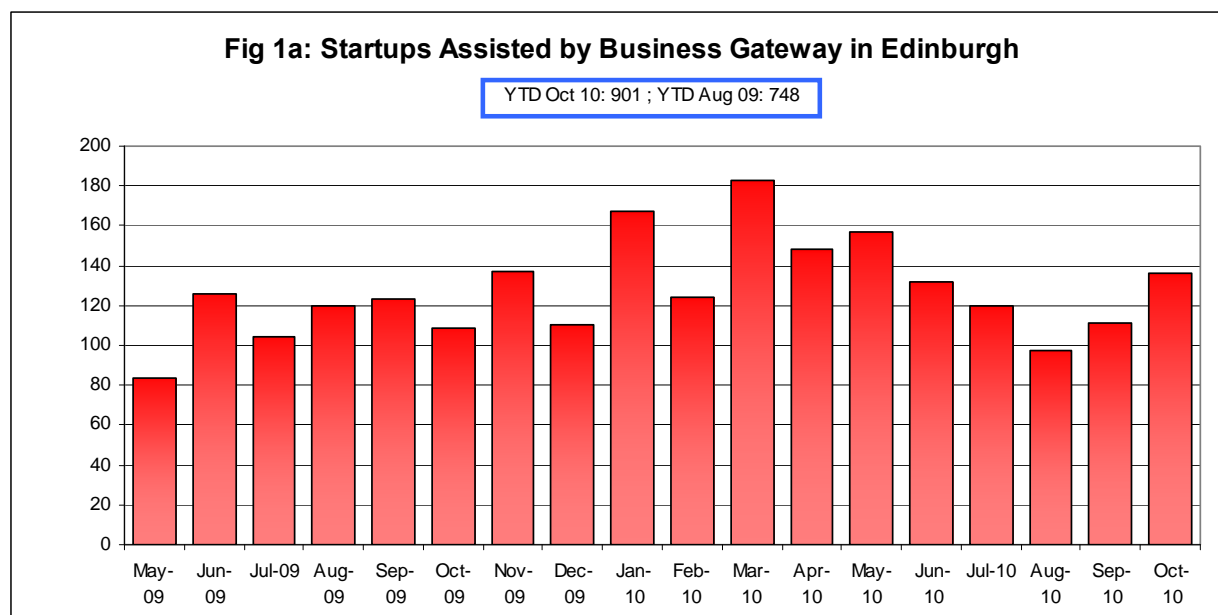
(1) Investment

Summary Table

Indicator	October 2010	Year to Date	YTD Comparison with 2009
Business Gateway Start-ups	136	901	↑ 20.5%
Business Incorporations	407	2,112	↑ 32.3%
Large-scale Foreign Direct Investments	1	7	↓ 35.3%
Commercial Property Take-Up (m ²)	9,442	53,477	↑ 77.5%

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

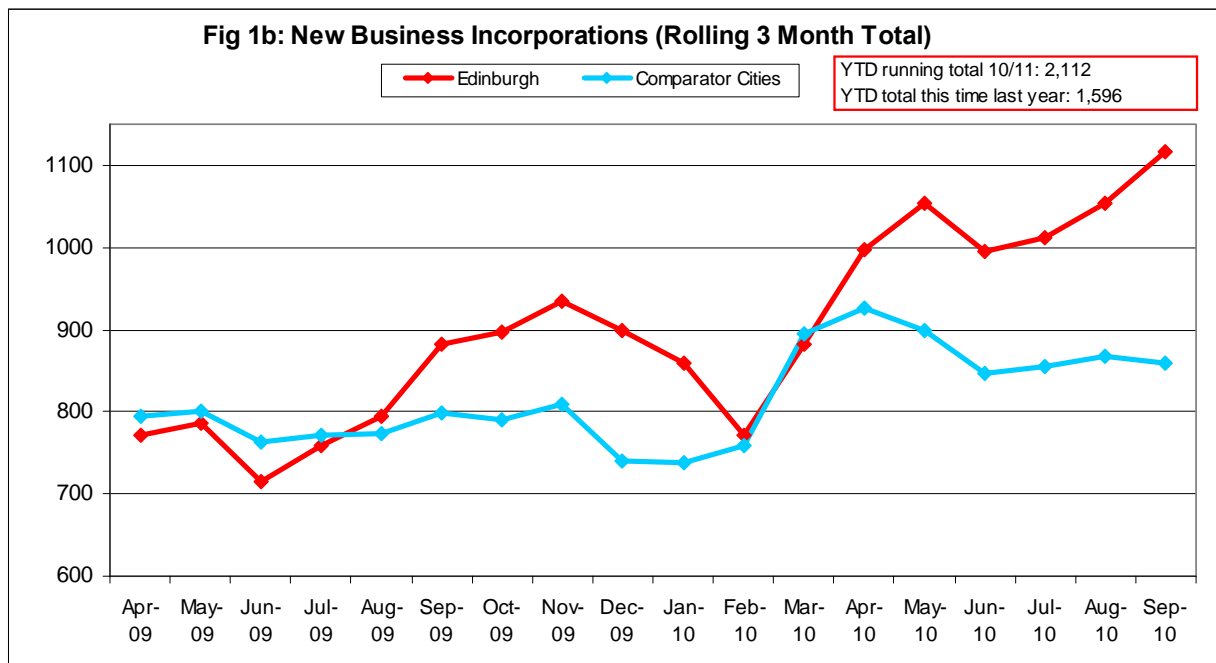
Fig 1a shows that there were 136 start-ups assisted by the Business Gateway in Edinburgh in October 2010, a 24.8% increase from October 2009¹. The year to date total for 2010 is currently 20.5% higher than at this point last year.



¹ Source: Business Gateway

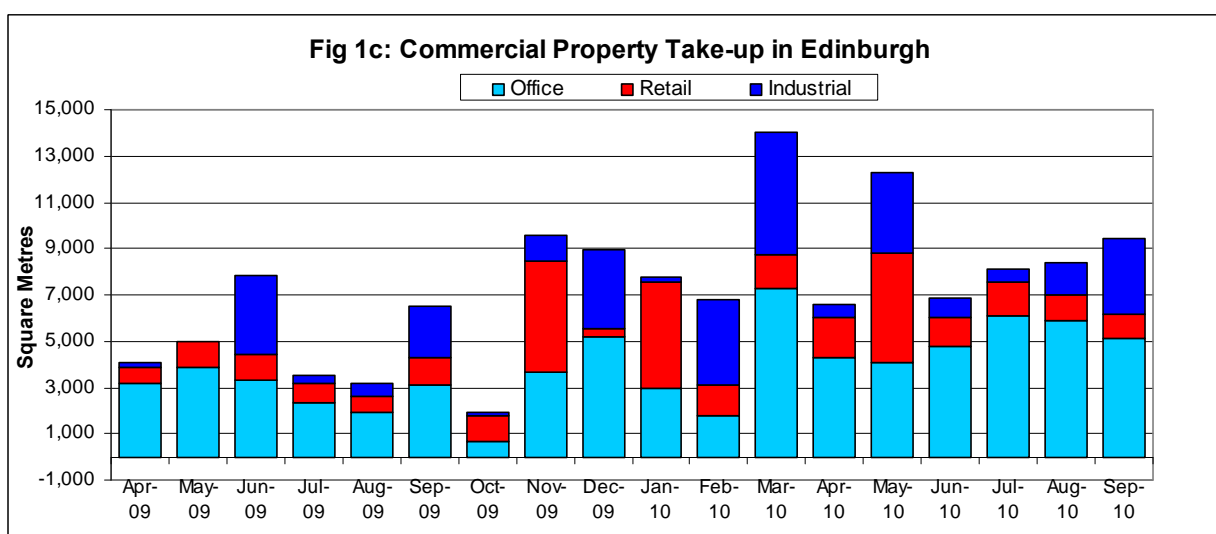
1.2 New Incorporations (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

The number of new businesses incorporated in the three-month period ending August 2010 increased from last month to 1,116. This is an increase of 26.5% from last year's figure. Meanwhile, the average for comparator cities saw a small fall, now standing at 860 incorporations registered in the last three months. This represents a 7.7% 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. 9,442 square metres of commercial space were taken in September 2010, 45.1% up on last year. In total, 30 transactions took place – a 15.4% increase from September 2009.³

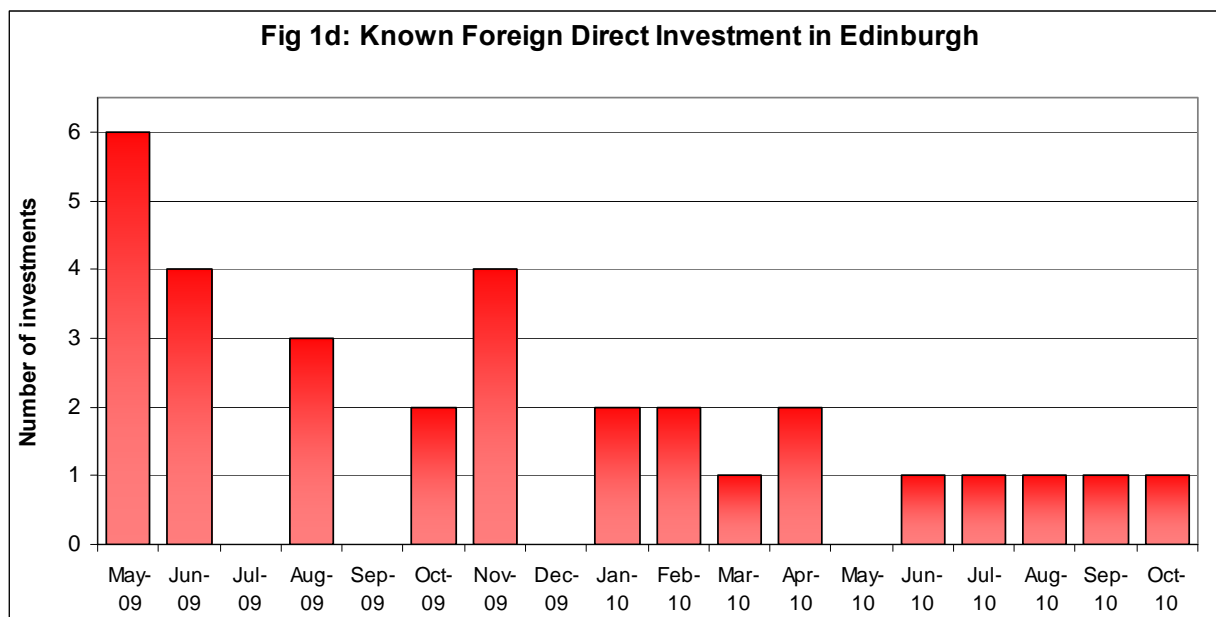


² Source: FAME. The comparator cities figure is an average of the monthly number of incorporations in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Norwich and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

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 31 large-scale Foreign Direct Investment (FDI) projects in Edinburgh have been recorded by FDI Markets over the past 18 months.⁴



Investment News

Wave firm Aquamarine wins £11m in investment

BBC News 24 November

<http://www.bbc.co.uk/news/uk-scotland-scotland-business-11832013>

Scotland gets a taste of Yauatcha chain

The Scotsman 14 November

<http://www.scotsman.com/business/Scotland-gets-taste-of-Yauatcha.6624905.jp>

Hotel group's £500m growth plans include three new sites in Scotland

The Scotsman 10 November

<http://business.scotsman.com/business/Hotel-group39s-500m-growth-plans.6619675.jp>

Nandos set for bank building

The Evening News 6 November

<http://edinburghnews.scotsman.com/news/Nandos-set-for-bank-building.6615466.jp>

Noodle bar chain to dished up in city

The Evening News 2 November

<http://edinburghnews.scotsman.com/topstories/Noodle-bar-chain-to-be.6609171.jp>

Ocean Terminal secures new deals

The Evening News 1 November

<http://edinburghnews.scotsman.com/news/Ocean-Terminal-secures-new-deals.6607619.jp>

Edinburgh nets exclusive fashion store

The Scotsman 30 October

<http://news.scotsman.com/news/Edinburgh-nets-exclusive-US-fashion.6605622.jp>

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

(2) Labour Market

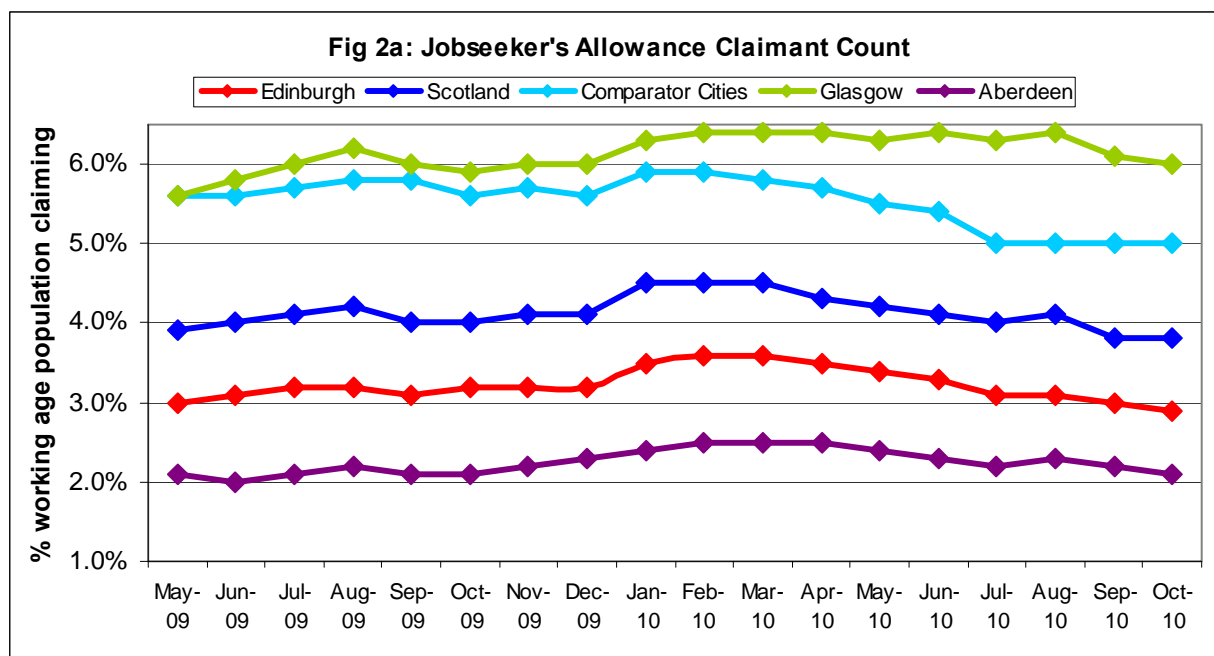
Summary Table

Indicator	Edinburgh this month	Comparison with this month last year
Jobseeker's Allowance Claimant Count	9,885	↓ 3.5%
Jobseeker's Allowance Claimant Rate	2.9%	↓ 0.1% points
Vacancies Advertised by Jobcentre Plus	4,516	↑ 13.9%
Claimants Per Vacancy	2.2	↓ 0.4% 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 2.2 Jobseeker's Allowance claimants for every vacancy advertised by Jobcentre Plus. Scotland's ratio is 3.8 and the comparator cities' average is 3.2.

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

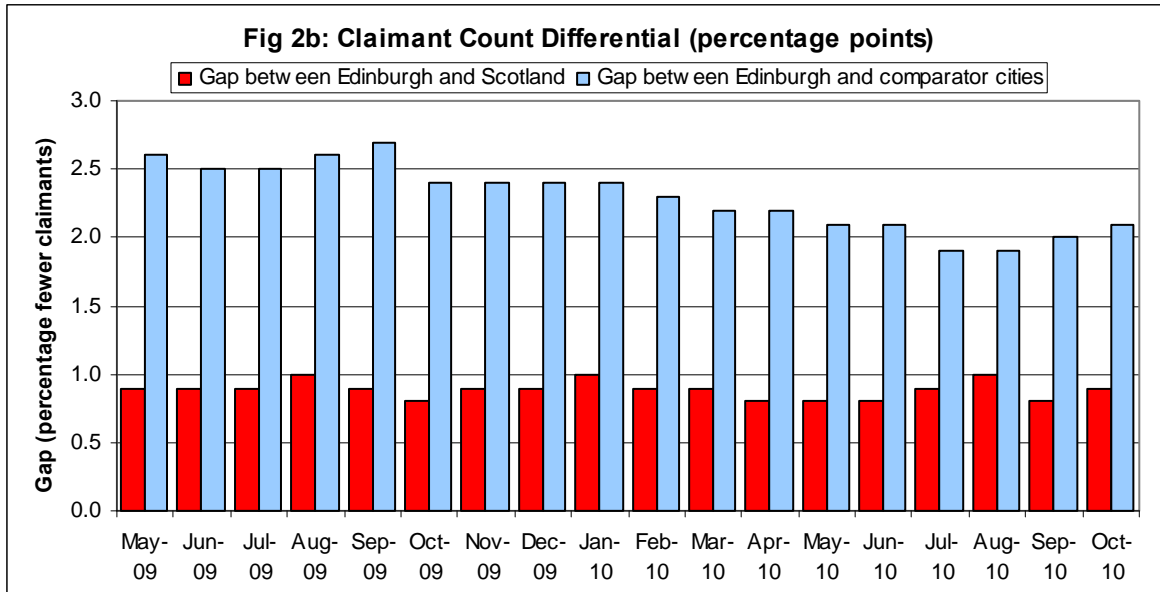
The claimant rate of Edinburgh has fallen to 2.9% of the working age population in October 2010. Edinburgh's claimant rate continues to compare favourably with that of Scotland (3.8%) and comparator cities (5%).⁵



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.

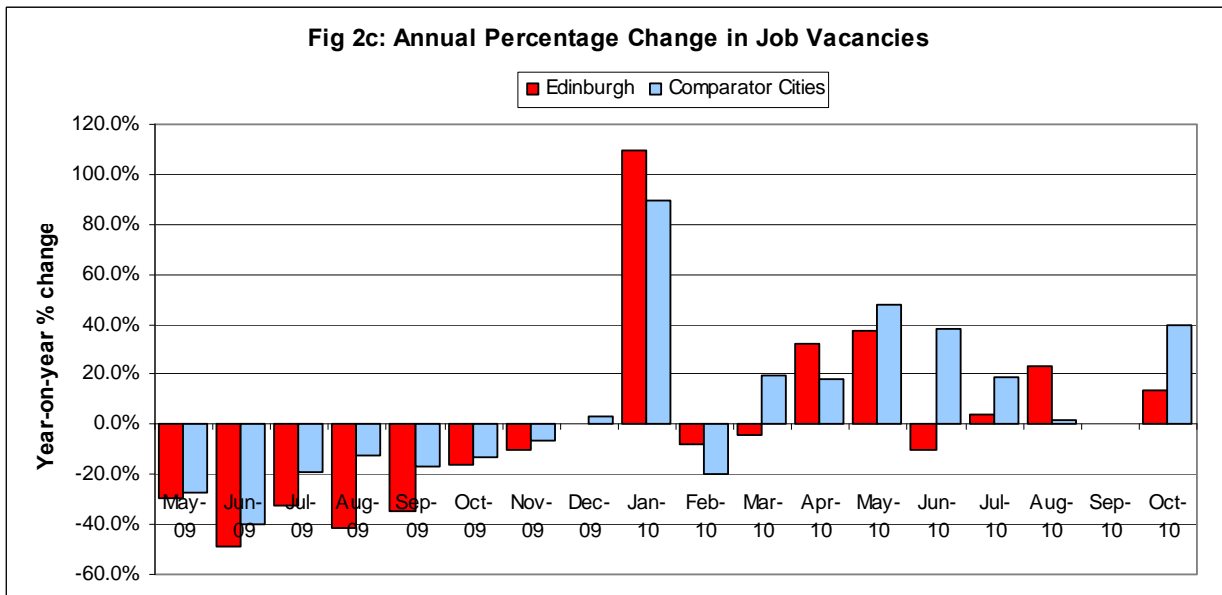
2.2 Claimant Differential (Monthly Trend ▲; Annual Trend ▼)

Figure 2b highlights the difference in the unemployment rate between Edinburgh and Scotland and comparator cities. In October 2010, Edinburgh's unemployment rate was 0.9 percentage point below that of Scotland and 2.1 percentage points below that of comparator cities – a slightly 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 higher than last year. In October 2010, there were 4,516 job vacancies advertised by Jobcentre Plus in Edinburgh – 13.9% more than in October 2009.⁸

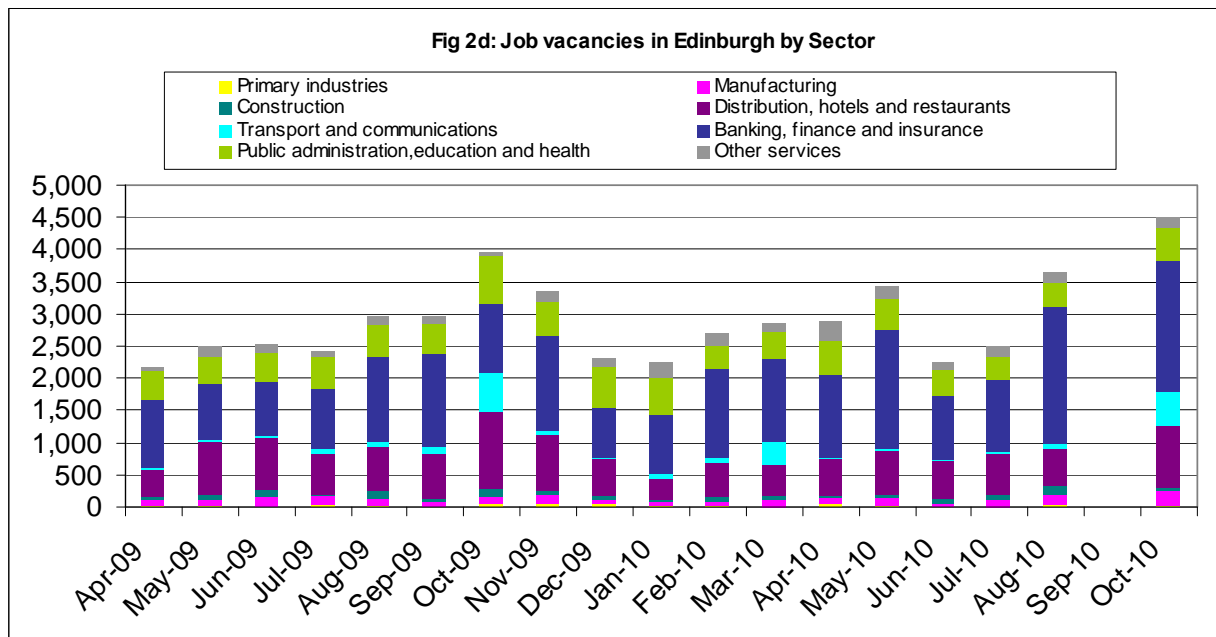


⁶ Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

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

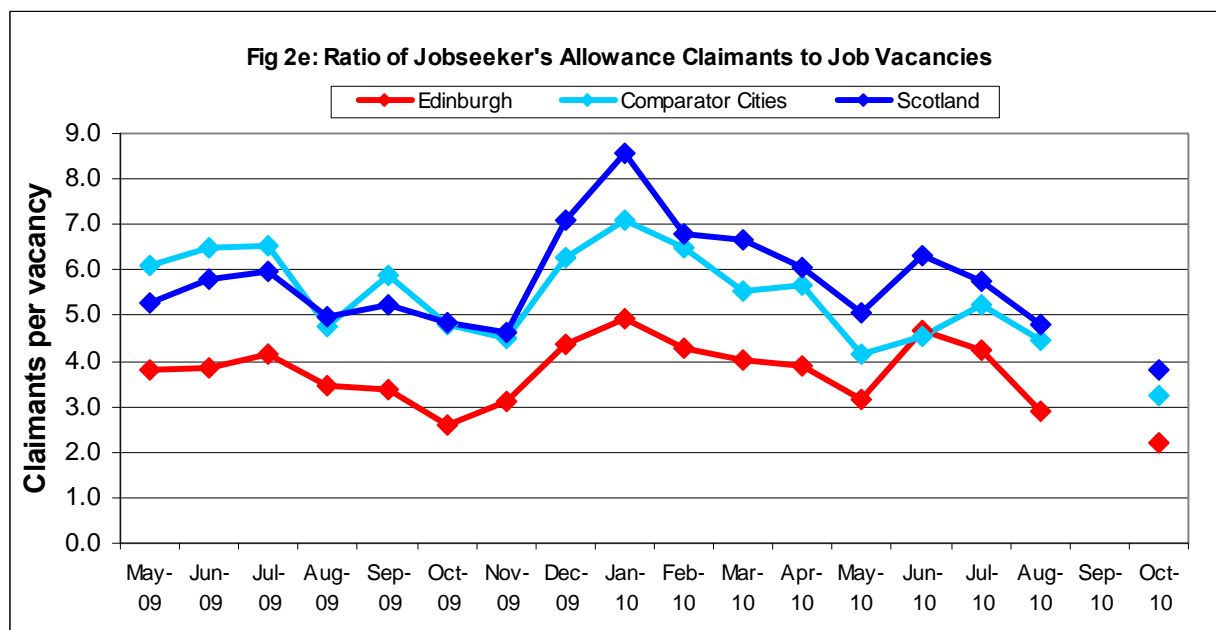
⁸ Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

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. October 2010 has produced more vacancies than any other month in the last eighteen, with over 4,500 jobs notified.



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

In October 2010, there were 2.2 Jobseeker's Allowance claimants in Edinburgh for every vacancy advertised by Jobcentre Plus. Figure 2e shows that the ratio compares favourably with Scotland (3.8 claimants per vacancy), while comparator cities also saw a fall this month (3.2 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 October 2010.

Employer	Sector	Location	Potential job gains/losses
Primark	Retail	Princes Street	600
Hercules Unit Trust	Retail	Fort Kinnaird Retail Park	500
RSTO	ICT	Giles Street	125
Sainsbury	Retail	Craighleith Retail Park	80
Xtreme Karting	Leisure	Newbridge	25
Baxters	Bar/restaurant	Ocean Terminal	-7
Bilfinger Berger	Construction	Lochside Avenue	-36
Edinburgh Zoo	Charity	Corstorphine Road	-50
Lloyds Banking Group	Financial Services	(various)	-330

Labour Market News

Tesco Bank set to create jobs after buying new city office

The Scotsman 30 November

<http://thescotsman.scotsman.com/business/Tesco-Bank-set-to-create.6643949.jp>

Aegon confirm 51 jobs being axed

The Scotsman 24 November

<http://thescotsman.scotsman.com/business/Aegon-confirms--51-jobs.6637426.jp>

Ernest and Young creating 140 Scots jobs to advise on cost-cutting

The Scotsman 2 November

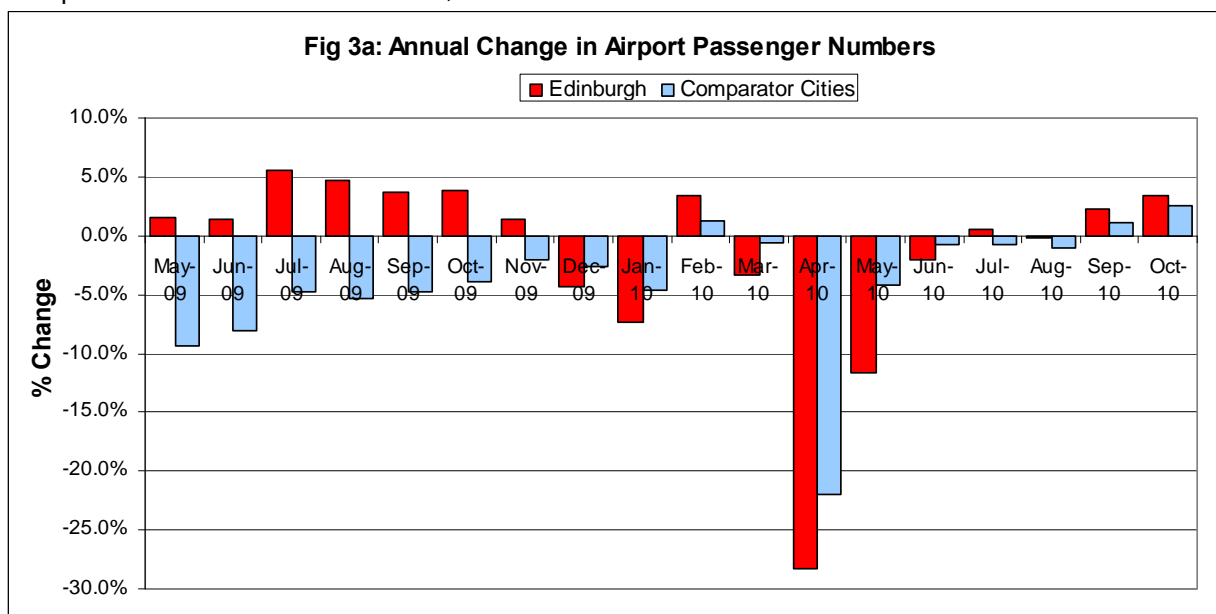
<http://business.scotsman.com/business/Ernst-and-Young-creating-140.6608532.jp>

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

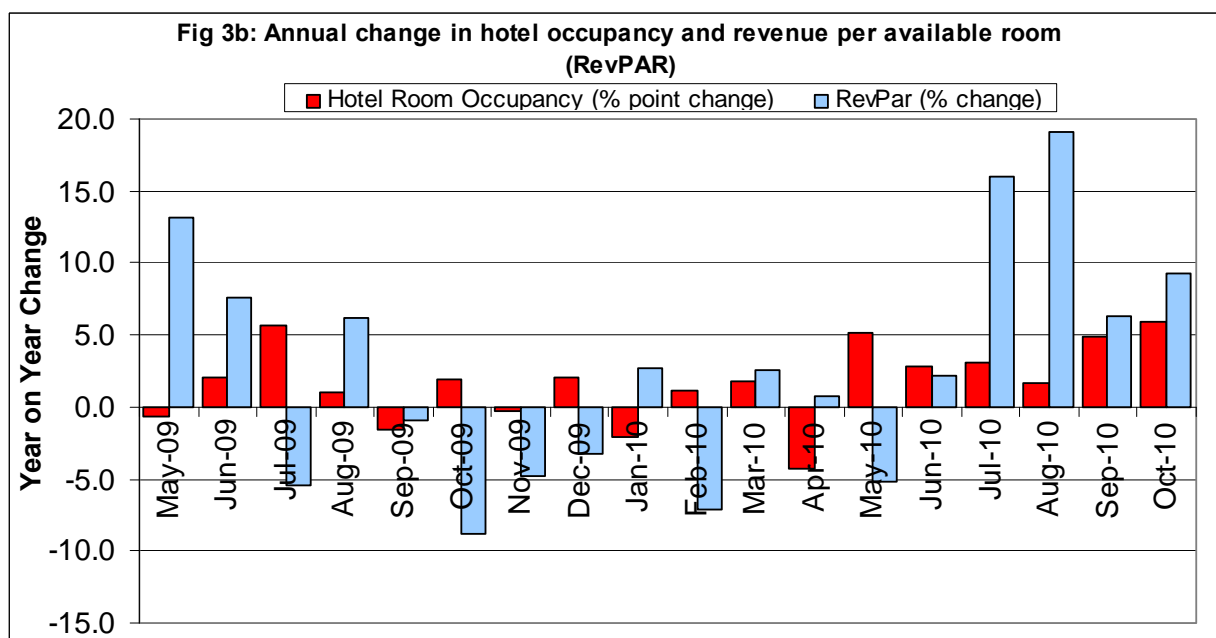
3.1 Airport (Annual Trend ▲; Relative to Comparator Cities ▲)

Passenger numbers at Edinburgh Airport grew by 3.5% in October 2010 in comparison to the 2009 figure. In total, 853,734 passengers passed through the airport in October. Comparator cities also saw a rise, of 2.5%¹¹



3.2 Hotels (Annual Trend ▲)

Both hotel room occupancy and revenue per available room (RevPar) increased in October 2010 compared with 2009. Occupancy was up by 5.9 percentage points, standing at 89.7%, while revenue per available room (RevPar) was £63.24 – an 11.7% increase from last year.¹²



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

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

Tourism News

Promotional body backed

The Evening News 22 November

<http://edinburghnews.scotsman.com/news/Promotional-body-backed-.6634825.jp>

Missoni Edinburgh wins prize as best new hotel in Europe

The Scotsman 15 November

<http://www.scotsman.com/news/Missoni-Edinburgh-wins-prize-as.6625731.jp>

Ticket sales did rise at Festivals

The Scotsman 11 November

<http://news.scotsman.com/edinburgh/Ticket-sales-did-rise-at.6621290.jp>

Edinburgh passengers taking off

The Scotsman 11 November

<http://business.scotsman.com/business/Edinburgh-passengers-taking-off.6621248.jp>

Edinburgh voted best city in UK for Christmas

The Scotsman 5 November

<http://news.scotsman.com/news/Capital-voted-best-festive-city.6613649.jp>

Edinburgh set to bypass London to cut hassle of long-haul flights

The Scotsman 2 November

<http://news.scotsman.com/news/Edinburgh-set-to-bypass-London.6608716.jp>

Flybe offers new routes for winter

The Evening News 1 November

<http://edinburghnews.scotsman.com/news/Flybe-offers-new-routes-for.6607607.jp>

Lothian tourist firms attracts award success

The Evening News 30 October

<http://edinburghnews.scotsman.com/topstories/Lothian-tourist-firms-attract-award.6606016.jp>

(4) Housing

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

The average house price in Edinburgh decreased in October to £215,724. It is also significantly higher than all comparator cities, who saw small fall from September but stayed steady around their 18 month average.¹³

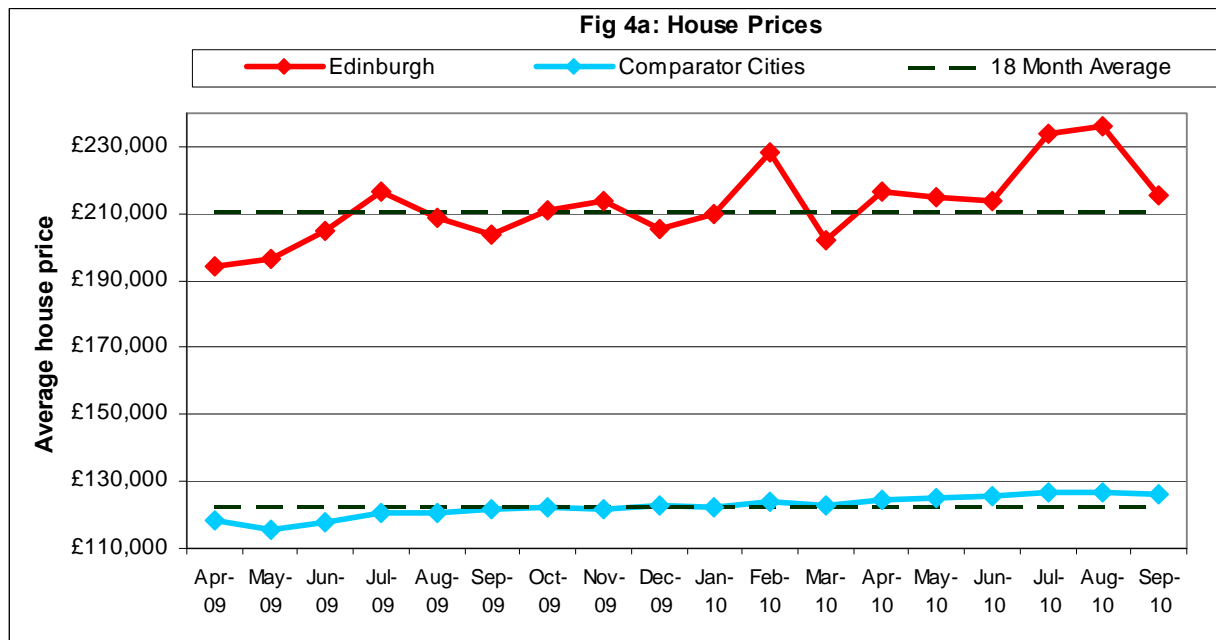
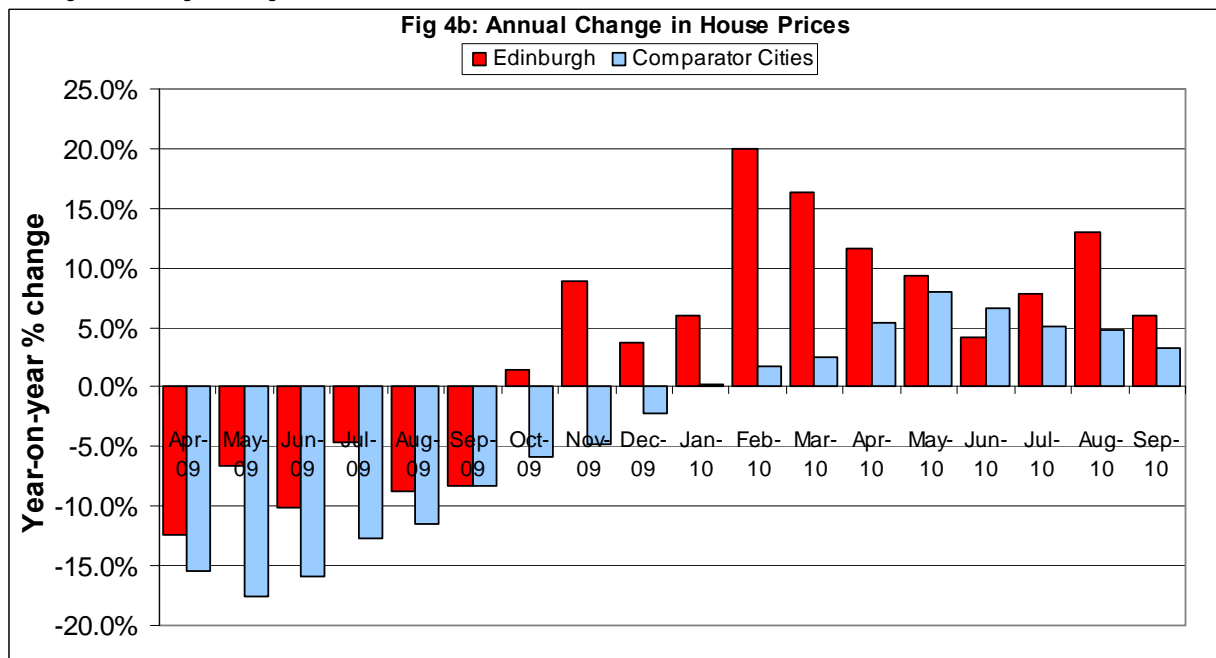


Figure 4b shows how prices have changed compared with the same period last year. House prices in Edinburgh increased by 6% from September 2009 – this means every month for the last year has seen a monthly year-on-year increase. House prices in comparator cities rose year-on-year by 3.3%.¹⁴

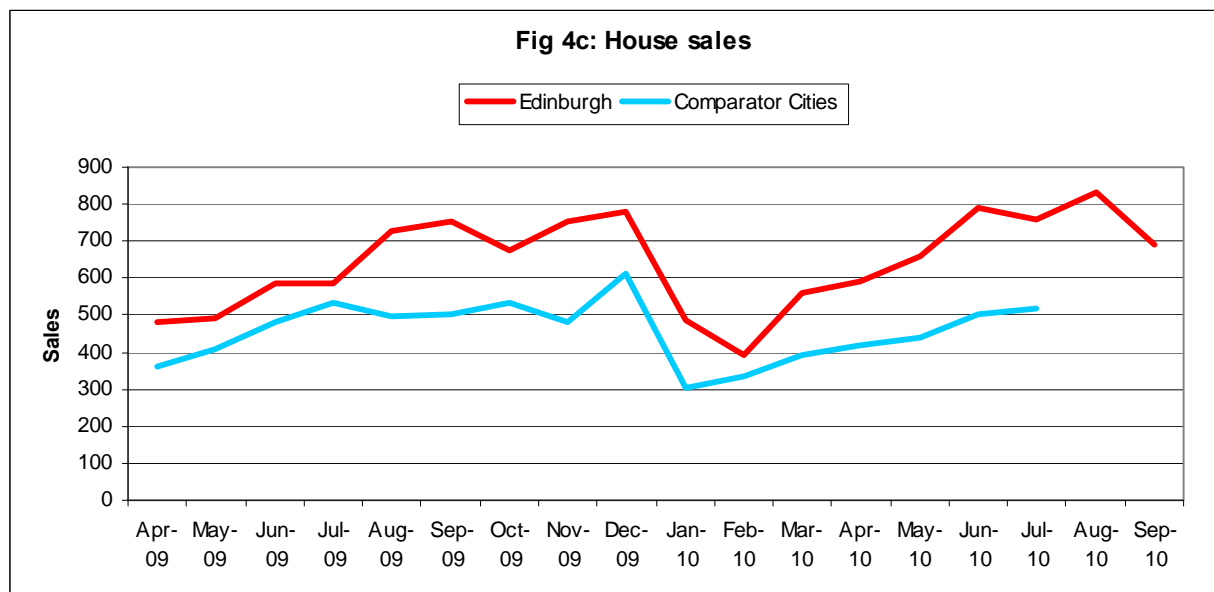


¹³ Source: Registers of Scotland (Scottish cities); Land Registry (English & Welsh cities). The figure quoted for comparator cities is based on an average of house prices in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

¹⁴ Ibid

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

689 homes were sold in Edinburgh in September 2010, 142 less than in August 2010. This represents 8.5% fewer houses sold compared to September 2009.¹⁵



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

Housing News

House prices increase, but Scottish market is stifled by economic fears

The Scotsman 16 November

<http://news.scotsman.com/news/House-prices-increase-but-Scottish.6626968.jp>

House prices in the Capital fall for the first time this year

The Evening News 6 November

<http://edinburghnews.scotsman.com/topstories/House-prices-in-the-Capital.6615470.jp>

¹⁵ 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 September 2010, the City of Edinburgh Council received 1,023 planning applications and issued 1,196 building warrants. ¹⁶

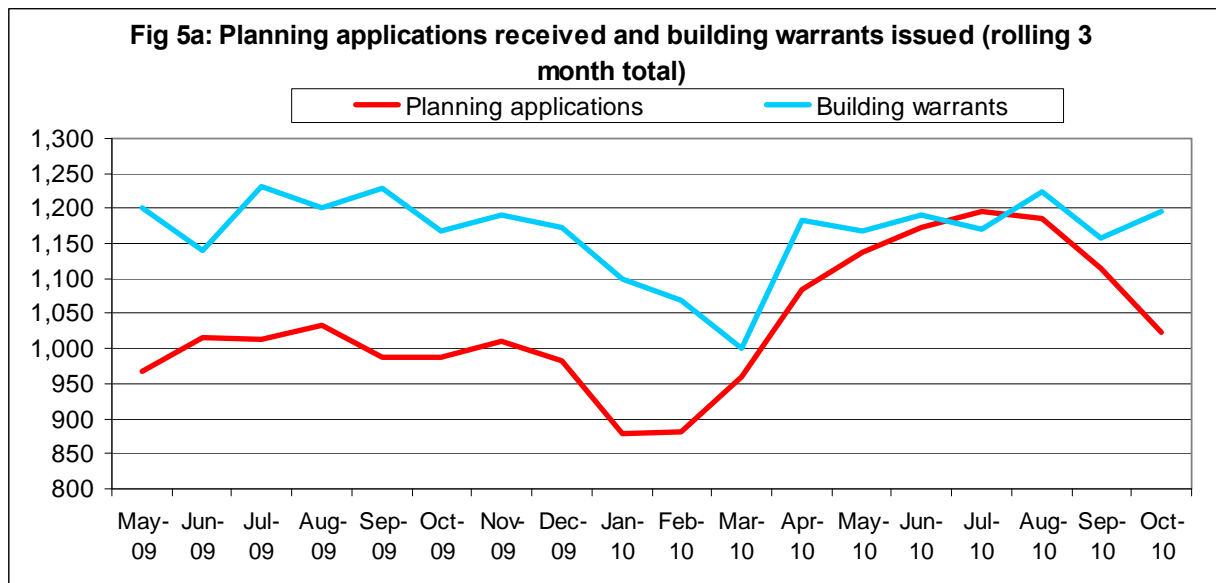
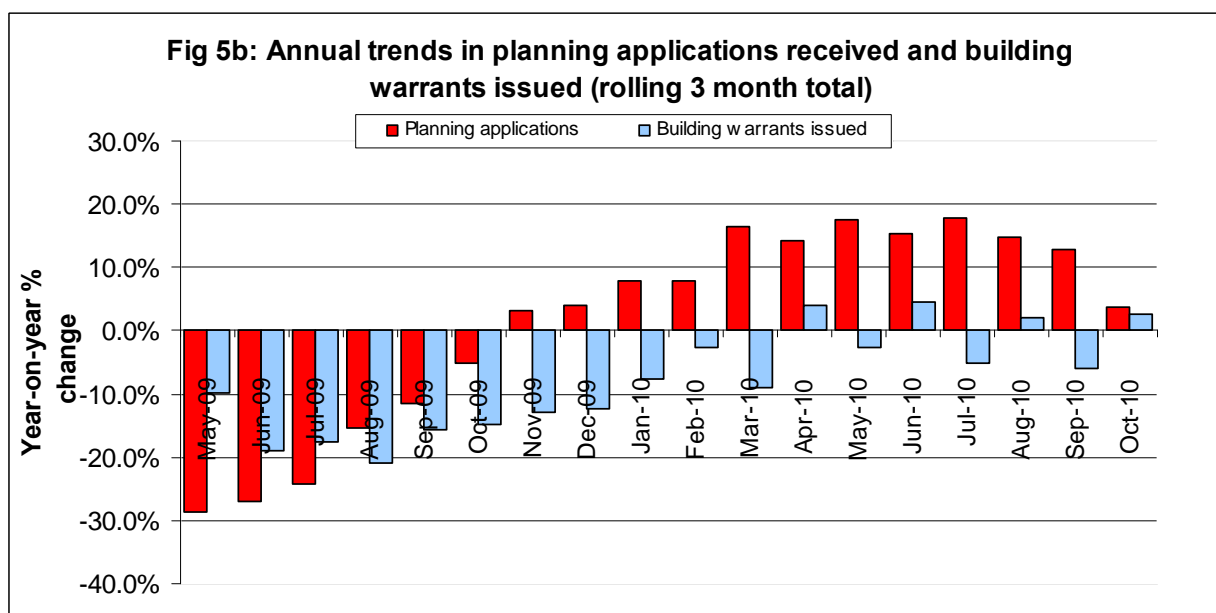


Fig 5b shows that the annual change in planning applications was higher than the previous year for the entire year ending October 2010, this month up 3.6% on last year. The number of building warrants issued rose by 2.5% on last year's figure.



¹⁶ Source: City of Edinburgh Council, Planning Information team

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 year – more than any other Scottish city.

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

	Aberdeen	Dundee	Edinburgh	Glasgow
November 2009	0	1	5	3
December 2009	0	0	0	0
January 2010	1	1	4	4
February 2010	0	1	2	2
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
Total	9	6	35	29

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 —; Relative to Comparator Cities ▼)

Figure 6a summarises data from automated footfall counters in Edinburgh city centre. In September, footfall averaged 247,346 at the busiest counter outside Marks & Spencer on Princes Street.¹⁷ Compared with October 2009, footfall was up by 18.5% outside Marks & Spencer.¹⁸

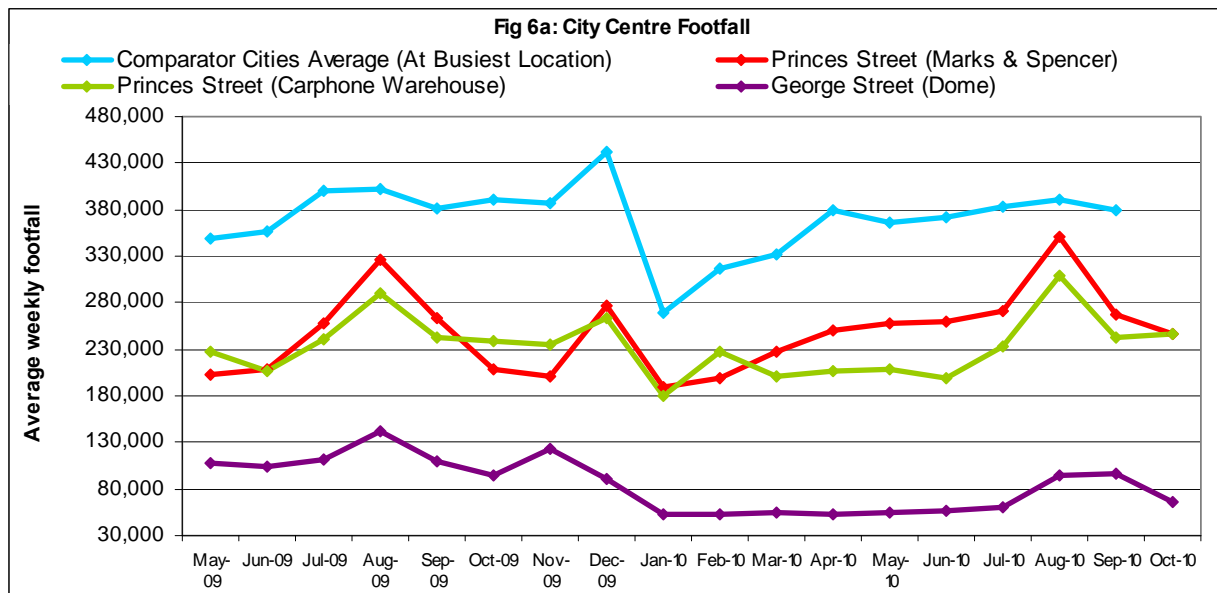
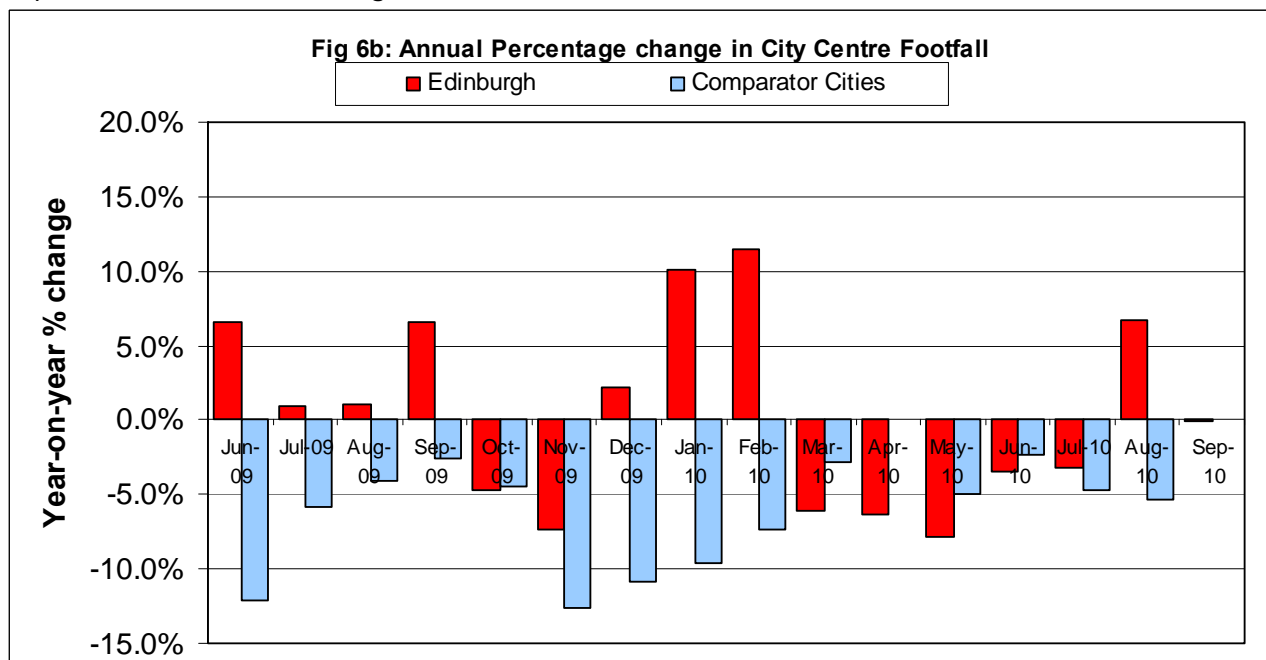


Figure 6b shows how footfall has changed compared with the same period last year for both Edinburgh and comparator cities. Footfall at Edinburgh’s second busiest counter (outside Carphone Warehouse on the east of Princes Street) was not directly affected by Princes Street’s closure unlike the busiest counter. Footfall stayed the same in comparison to September 2009 in Edinburgh.¹⁹



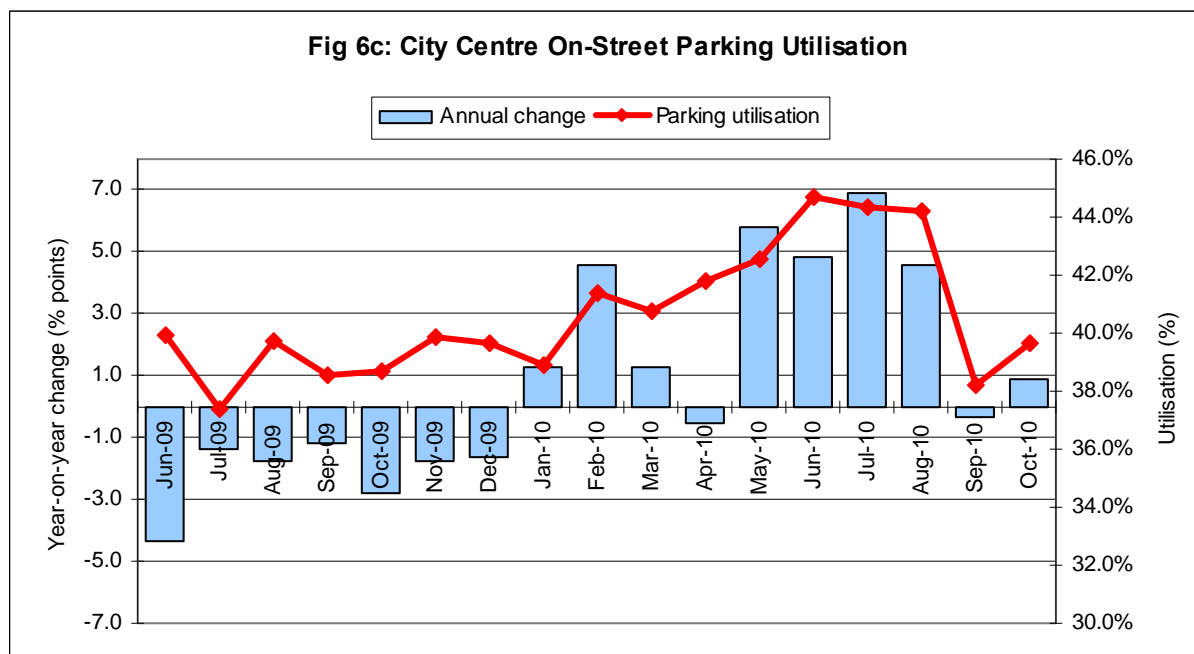
For more detailed information on city centre trends, see the latest [Essential Trends](#)

¹⁷ 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.

¹⁸ Ibid.

6.2 Parking (Monthly Trend ▲; Annual Trend ▲)

Fig 6c shows on-street parking utilisation data taken from parking metres. Parking utilisation has increased from September 2010, with 39.6% utilisation reported in October 2010. This is 0.9% points up from October last year.



City Centre News

Capital bags boost with sales growth

The Evening News 8 November

<http://edinburghnews.scotsman.com/news/Capital-bags-boost-with-sales.6616911.jp>

(7) Surveys and Forecasts

This section summarises and links to some economic forecasts to have emerged in September.

Bank of Scotland PMI (8 November)

The Bank of Scotland PMI shows that activity across the Scottish private sector was down fractionally for the second consecutive month. Although firms continued to add to their workforce, the PMI showed that new business was down.

http://www.lloydsbankinggroup.com/media/pdfs/research/2010/BoS_PMI_Oct_2010.pdf

(8) 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 adverse 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>