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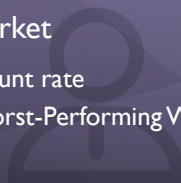
The Journal is an electronic publication on the state of the local economy prepared and published by Planning & Development in Perth & Kinross Council.

Quarters 1&2 2018 Highlights

- Perth & Kinross Claimant Count rate is second lowest in Scotland.
- A dramatic improvement in Perth City Claimant Count figures is noted.
- Perth City business unit vacancy rate shows improvement compared to 2017 and 2016.
- Construction returns to top 3 industries among start-ups.
- Cash house sale prices remain ahead of mortgage sale prices in Perth & Kinross.
- Numbers of house sales drop.
- The volume of works requiring a Building Warrant is on the increase; however, the average cost of a Warrant is down 36%.

Labour Market

Claimant Count rate
Best- and Worst-Performing Wards



Perth City Centre

Business Unit Vacancy Rate
Footfall



Enterprise

Business Start Ups
Investment
Planning

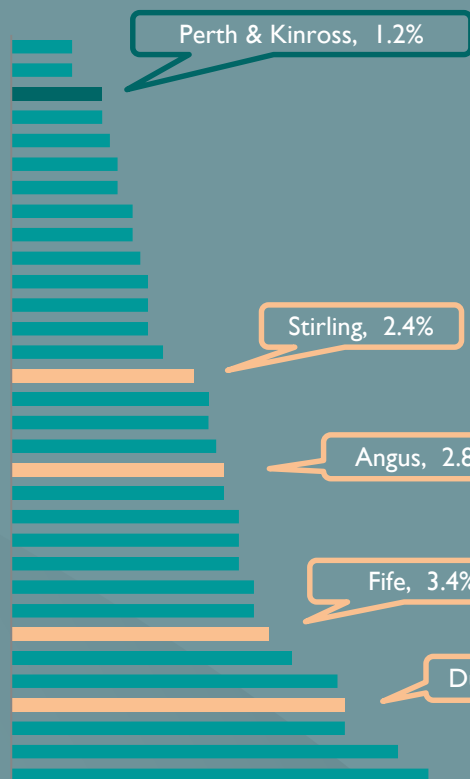


Housing Market

House Prices
Market Volume



**Perth & Kinross Claimant Count rate 2nd lowest in Scotland
June 2018**

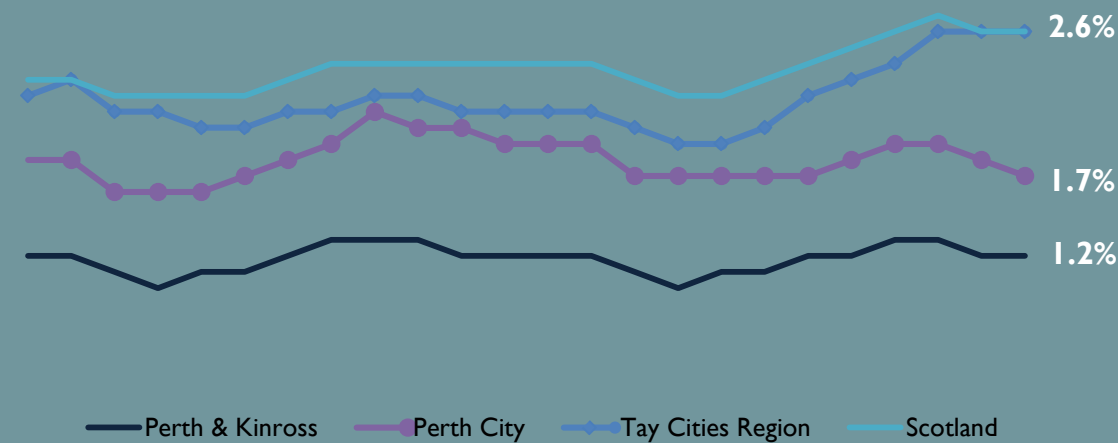


- Perth & Kinross area remains among the very top local authority areas with the second lowest rate in Scotland. The rate of 1.2% recorded in June 2018 remains in line with pre-recession levels.

- Our key neighbouring Local Authority areas fared less favourably than Perth & Kinross in December. Their rates ranged from 2.4% in Stirling to 4.4% in Dundee.

- The rate in Perth & Kinross over the first 6 months of the year was in line with the same period in 2017.

Claimant Count Rate July 2016 - June 2018



- The Perth City Claimant Count rate of 1.7% remains above Perth & Kinross level but below Scottish average.

- Both Scotland and Tay Cities area have seen a generally negative trend of gradual increase in rate of claimants over the last 6 months. Perth City and Perth & Kinross have shown more resilience in the same period.

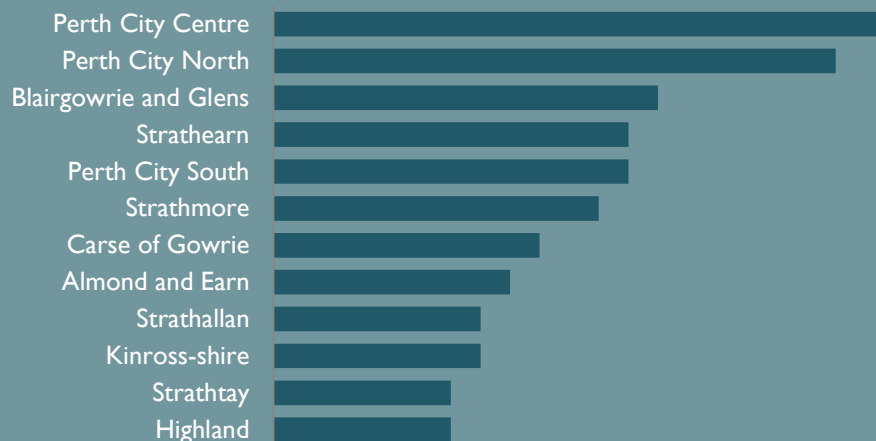
- There were 1,075 Claimants in Perth & Kinross in June 2018.

Notes

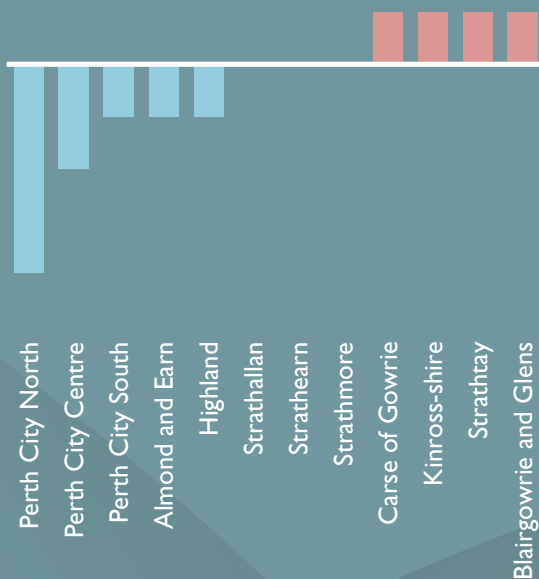
Tay Cities Region includes the areas of Perth & Kinross, Angus, Dundee and North-East Fife.

Best and Worst Performing Wards

- The graph illustrates how the wards in Perth & Kinross performed in terms of Claimant Count rate. The rates recorded across the area in June 2018 ranged from 0.6% to 2.1%, compared to a noticeably wider range of 0.5% to 2.3% a year before. In other words, the gap between the best- and the worst-performing wards decreased from 1.8 percentage points to 1.5 percentage points.
- The lowest rate of 0.6% was in Highland and Strathtay. Perth City Centre had the highest rate at 2.1%. All the Wards were below Scottish average.

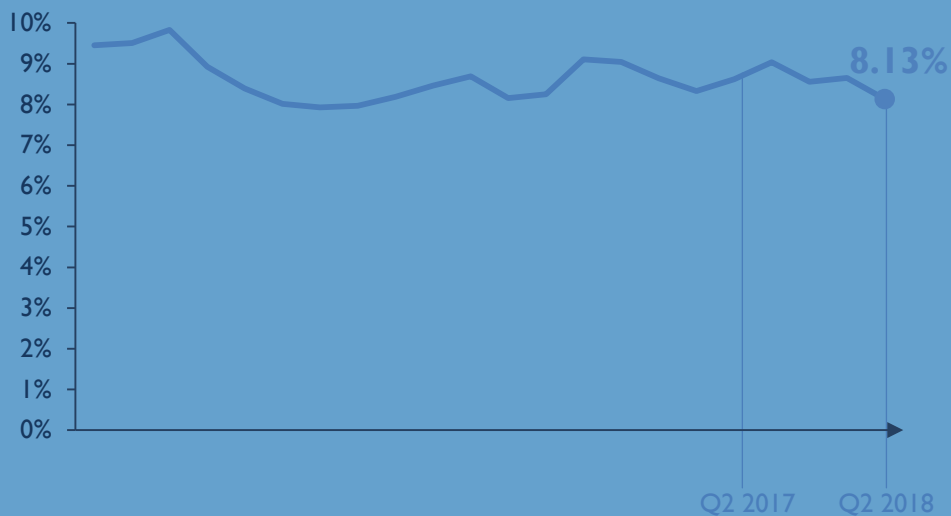


The City of Perth shows dramatic Improvement



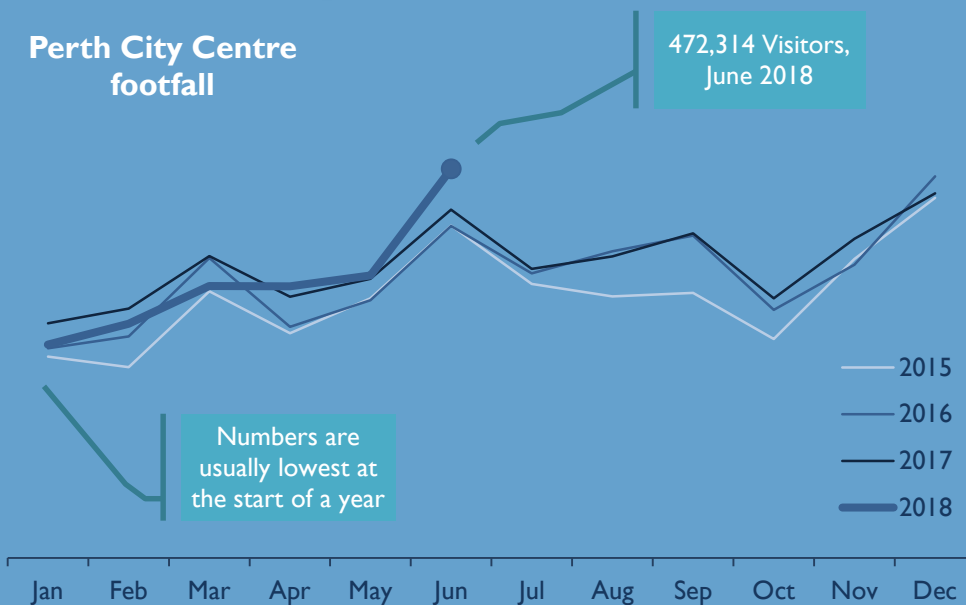
- Compared to the same month in 2017, four wards had a higher (worse) rate of Claimant Count in June. The increases were by 0.1 percentage point each.
- Only three wards did not record a change in rate over the same period.
- Improvement was noted in five wards. The most dramatic improvement was in all 3 Perth City wards.
- The proportion of Claimants in Perth City who were resident in either City Centre or City North wards fell to 78%.
- 50% of all Perth & Kinross Claimants were resident in Perth City.

Business Unit Vacancy Rate improves



• Perth City Centre business vacancy rate in Q2 2018 fell from the previous quarter. The 8.13% recorded between April and June was also lower than the rate recorded both: a year before and 2 years before.

Perth City Centre footfall



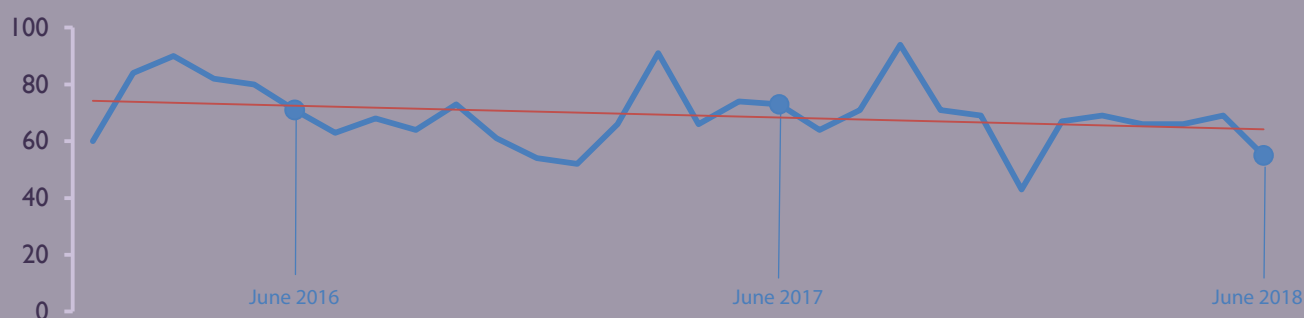
• Footfall numbers in the first three months of 2018 were down on the year before. The figures in the second quarter of 2018 recovered, and reached over 472 thousand in June.



• There were 17 new business openings against the backdrop of 10 closures in the first six months of the year.

• Please note that footfall numbers do not directly relate to consumer spend in the City Centre.

Business Start-ups in Perth & Kinross



- 2.8% fewer businesses started up in Perth & Kinross during the first six months of this year compared with the corresponding period of last year. **This growth rate ranks Perth & Kinross at 14 out of the 32 Scottish local authorities.** The trend remains negative, but the long-term rate of decline has been slower in the last 12 months.

- The number of start-ups across Scotland has fallen. So far this year Shetland Islands (18.3%), Orkney Islands (16.4%) and Inverclyde (14.6%) have seen the strongest growth compared to the corresponding period in 2017. North Lanarkshire (-21.6%), Angus (-22.3%) and the North Ayrshire (-22.5%) have had the weakest growth.

- In Perth & Kinross 55 new businesses started up in June 2018, 14 fewer than the previous month and 18 fewer than in June 2017. Strathallan saw the most start-ups; Perth City North saw the least.

- The make up of start-ups is Limited Companies 46.6%, Sole Traders 35.6%, Other For Profit Start-ups (mainly Partnerships) 1.4% and Not For Profit 15.1%.

Note: A 'Start-up' reflects the opening of a first current account from a small business banking product range. They represent businesses new to banking or those previously operated through a personal account. The data exclude businesses operating through personal accounts.

Top 3 Start up Industries

Recreational, personal & community services

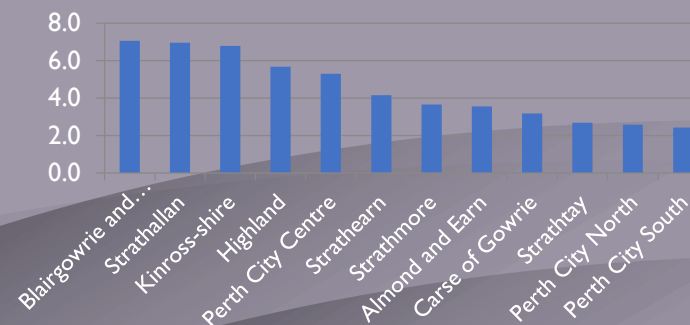
Real estate, professional services & support activities

Construction

- The top 3 industries account for 61.6% of the starts.

- Over the first 6 months of 2018, Blairgowrie and Glens, and Strathallan saw the highest rates of start-ups per 1,000 working age population; Perth City North and South saw the lowest rates.

6-monthly rate of start-up per 1k working age population: Jan - Jun 2018



Labour Market

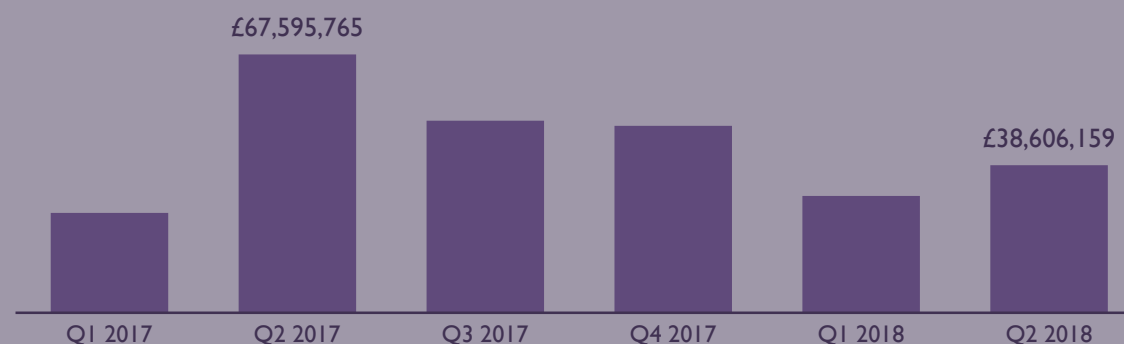
Perth City Centre

Business

Housing Market

Investment

- The monetary values reported in this section 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 the second quarter of 2018 was 43% lower than the value recorded in the same quarter the year before, and 46% lower than 2 years before. The value in the first quarter of 2018 at £30.5M was 17% higher than the year before.
- There were 500 applications for a Building Warrant and amendment to a Building Warrant between April and June 2018, a marginal increase of 1.1% compared to the same quarter in 2017.
- The average value of a Building Warrant application in Q2 2018 was £77,212. This was £43.7k below the average value recorded in the same quarter of last year.



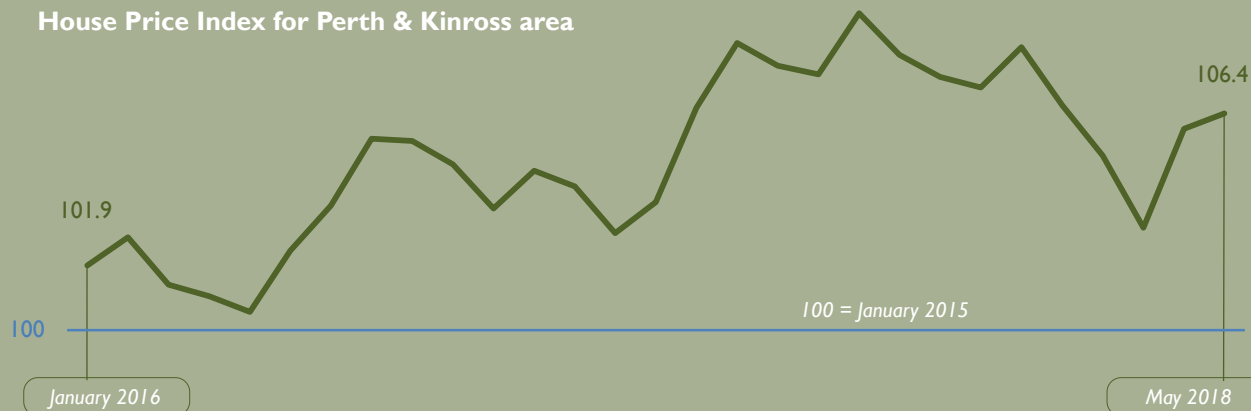
Planning Applications

- Due to the change in Scottish Government reporting schedule, quarterly Planning Application figures are not currently available.

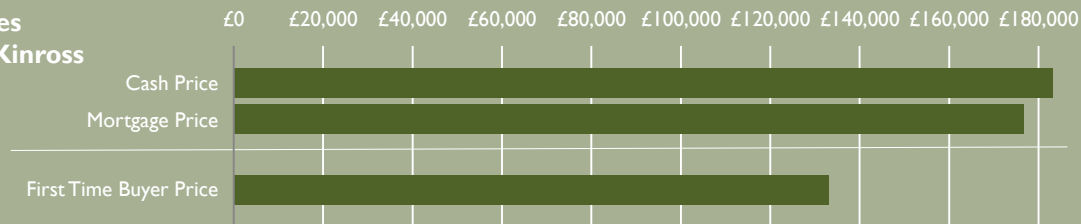
Housing Market

- Despite a month-to-month increase in May, Perth & Kinross house prices declined by 1.91% in the 12 month period to May 2018, down from the decline of 0.59% in the year to April 2018. All property types showed a decline in average price in Perth & Kinross. The largest decline in May was in flatted property prices.
- In Scotland, house prices grew by 4.9% in the year to May 2018. All property types in Scotland showed an increase in average prices.
- A house sold in Perth & Kinross area cost £179,277 on average. This figure was £30,273 above Scotland.

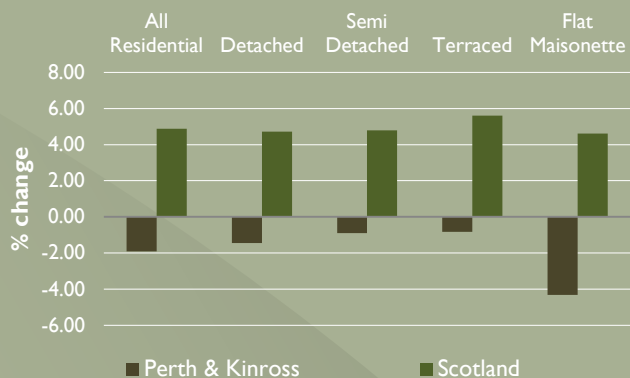
House Price Index for Perth & Kinross area



House Prices in Perth & Kinross



Change in house prices by property type, year to May 2018



Source: UK HPI (ONS)

Housing Market Volume

(Latest data available: March 2018)

	March 2018	March 2017	Variance
Number of sales in Perth & Kinross	248	268	-7.5%
Number of sales in Scotland	7,861	9,364	-19.1%

- Housing markets experienced a contraction compared to the same month in 2017. Scotland saw a more substantial drop than Perth & Kinross.