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We welcome your comments and feedback.

The Journal is an electronic publication offering a picture of the local economy in Perth & Kinross.

January - May 2019 Highlights

- Claimant Count rate in all areas returns to relative stability after a period of worsening.
- A marked deterioration in Perth City Claimant Count figures is noted. The gap between Perth City and Scottish average has shrunk from 0.8 percentage points to 0.2 percentage points over the 12 months to May 2019.
- Perth City business unit vacancy rate grows compared to 2018 and 2017.
- Business start-up figures continue on a downward trend.
- Cash house sale prices remain ahead of mortgage sale prices in Perth & Kinross.
- The figures relating to building warrant submissions seem to suggest a return to larger developments in monetary terms.

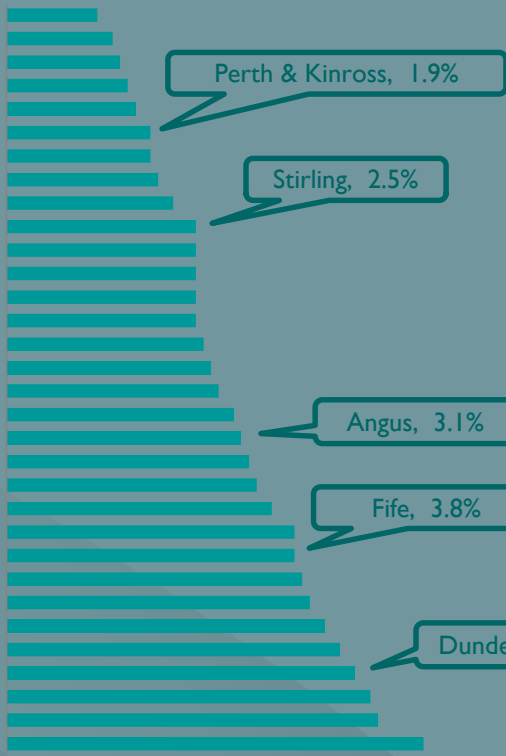
Labour Market

Perth City Centre

Enterprise

Housing Market

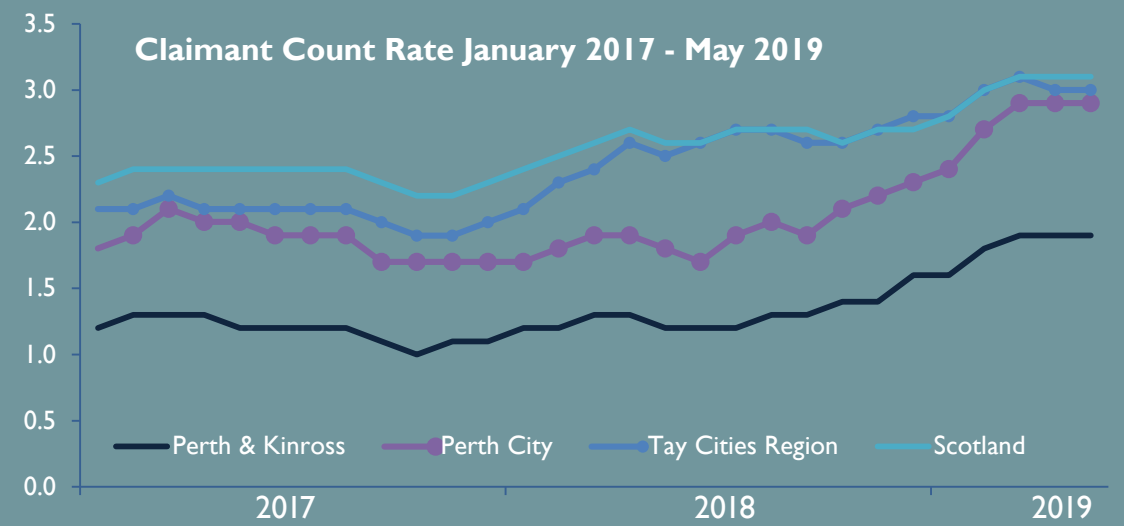
Claimant Count in local authorities in Scotland May 2019



- Perth & Kinross area had 6th lowest Claimant Count rate in Scotland in May. The rate of 1.9% remains in line with April.
- Our key neighbouring Local Authority areas fared less favourably than Perth & Kinross in May. Their rates ranged from 2.5% in Stirling to 4.6% in Dundee.
- The 3.1% rate recorded in Angus was in line with the Scottish average.

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

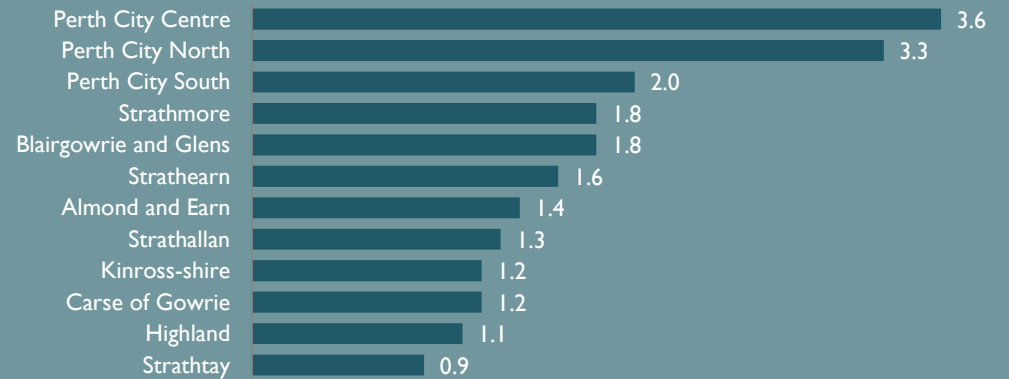
Claimant Count Rate January 2017 - May 2019



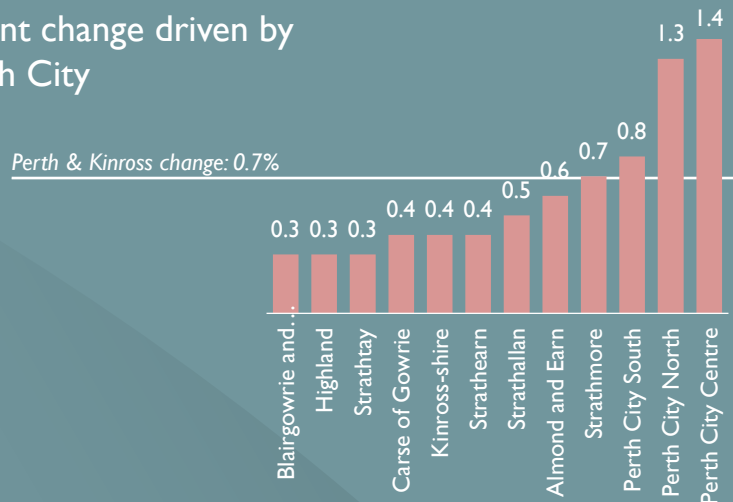
- All areas saw a negative trend of growth in rate of claimants that started in Autumn 2018 and lasted until early spring 2019. This has subsequently been followed by a period of relative stability over the last 2-3 months.
- The Perth City Claimant Count rate of 2.9% remains above Perth & Kinross level but below Scottish average. The deterioration in Perth City was markedly more rapid than in Perth & Kinross. As a result, the gap between Perth City and Scottish average has shrunk from 0.8 percentage points to 0.2 percentage points over the 12 months to May 2019.
- There were 1,755 Claimants in Perth & Kinross in May 2019.

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 May 2019 ranged from 0.9% to 3.6%, compared to a noticeably narrower range of 0.6% to 2.2% a year before. In other words, not only did the Claimant Count rate worsen in all wards, but also the gap between the best- and the worst-performing wards increased from 1.6 percentage points to 2.5 percentage points.
- The lowest rate of 0.9% was in Strathtay. Perth City Centre had the highest rate at 3.6%. Both Perth City Centre and Perth City North have now exceeded the Scottish average.

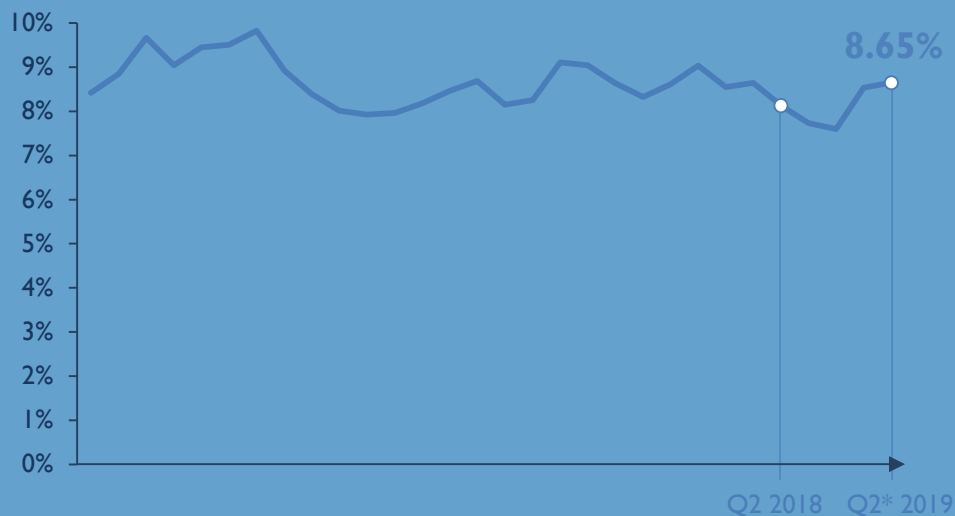


Extent of Claimant Count change driven by Perth City



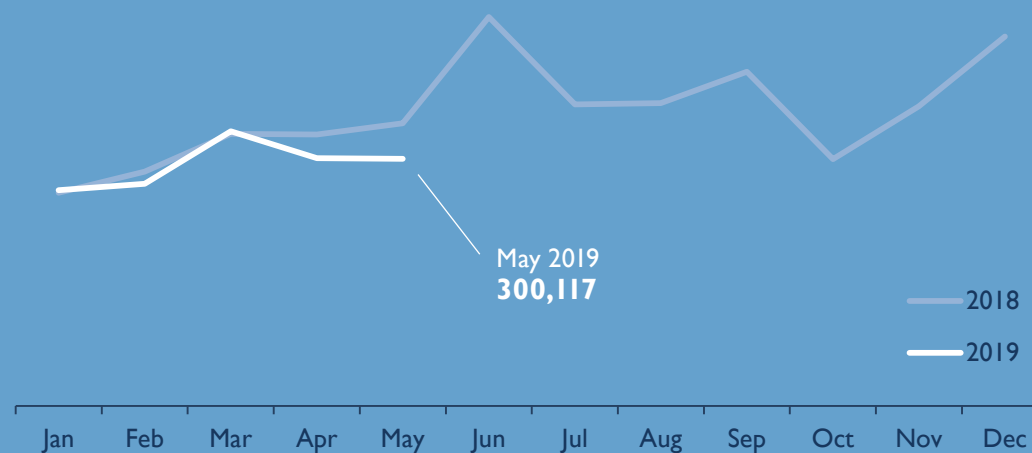
- Compared to the same month in 2018, all wards had a higher (worse) rate of Claimant Count in May 2019. The increase varied from 0.3% to 1.4%.
- The rates in Blairgowrie and Glens, Highland, and Strathtay increased the least (0.3%).
- The wards most affected were all Perth City wards. They were the only wards to show increase higher than Perth & Kinross as a whole.
- The proportion of Claimants in Perth City who were resident in either City Centre or City North wards was still at 78%.
- 51% of all Perth & Kinross Claimants were resident in Perth City.

Business Unit Vacancy Rate grows



- Perth City Centre business vacancy rate increased in Q2* 2019 from the previous quarter. The 8.65% recorded between April and May was also higher than the rate recorded both: a year before and 2 years before.

Perth City Centre footfall



- Footfall numbers in April and May of 2019 were down on the year before.

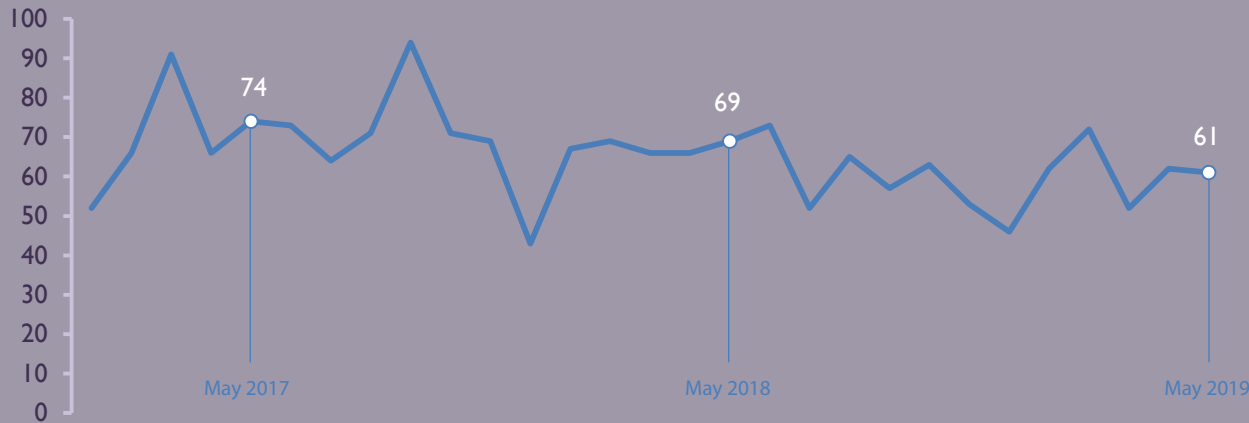


- There were 10 new business openings against the backdrop of closures in the first five months of the year.

*Q2 figure excludes the month of June which was unavailable at time of publication.

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

Business Start-ups in Perth & Kinross

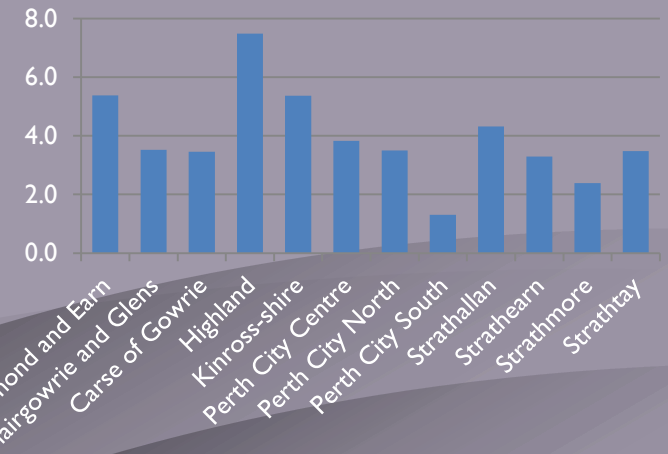


Top Start up Industries - May 2019

- Wholesale & retail trade
- Real estate, professional services & support activities

Rate of Business Start-up per 1,000 Working Age Population

• Over the first 6 months of 2018, Highland ward had the highest rate of start-ups per 1,000 working age population; Perth City South had the lowest rate.

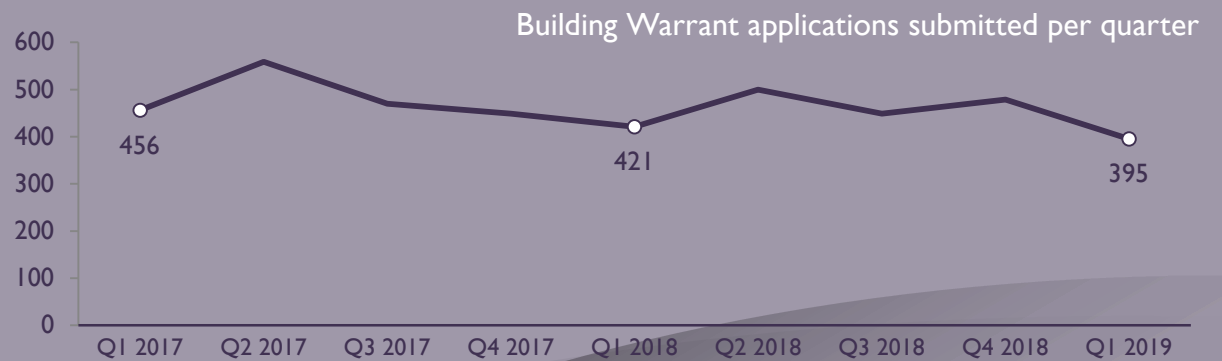
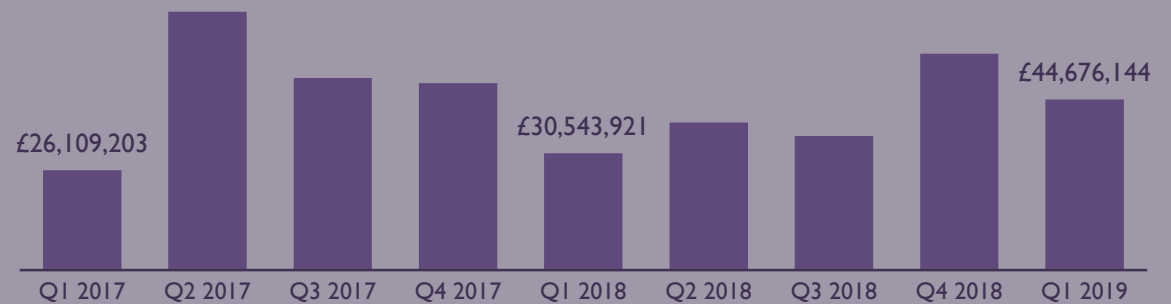


- 8.3% fewer businesses started up in Perth & Kinross during the first five months of this year compared with the corresponding period of last year. The trend remains negative.
- In Perth & Kinross 61 new businesses started up in May 2019, 1 fewer than the previous month and 8 fewer than in May 2018. Perth City Centre saw the most start-ups; Perth City South saw the least.
- The make up of start-ups is Limited Companies 41%, Sole Traders 32.8%, Other For Profit Start-ups (mainly Partnerships) 9.8% and Not For Profit 16.4%.

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.

Investment

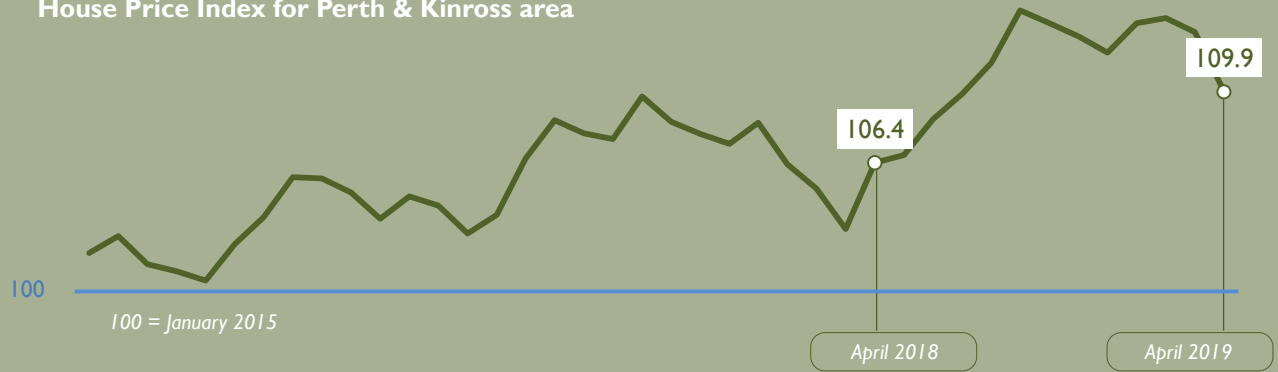
- The monetary values reported in this section are an indication of investment, both under way in the reporting period, and planned within the following 3 years.
- The value of building works requiring a Building Warrant in the first quarter of 2019 was 46.3% higher than the value recorded in the same quarter the year before, and 71% higher than 2 years before.
- There were 395 applications for a Building Warrant and amendment to a Building Warrant between January and March 2019, 26 less than the same time frame a year earlier.
- The average value of a Building Warrant application in Q1 2019 was £113,104. This was £40.5k above the average value in the same quarter of last year.



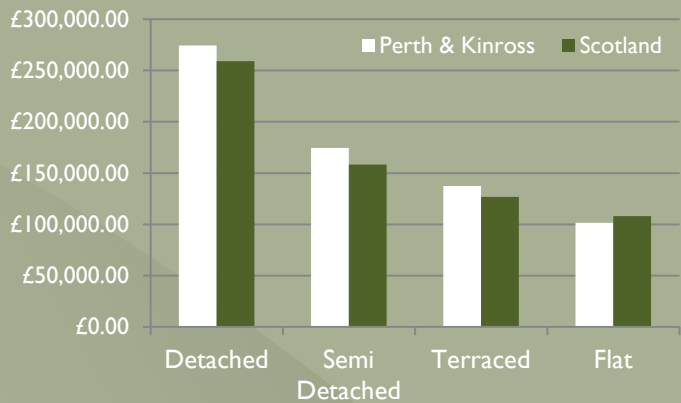
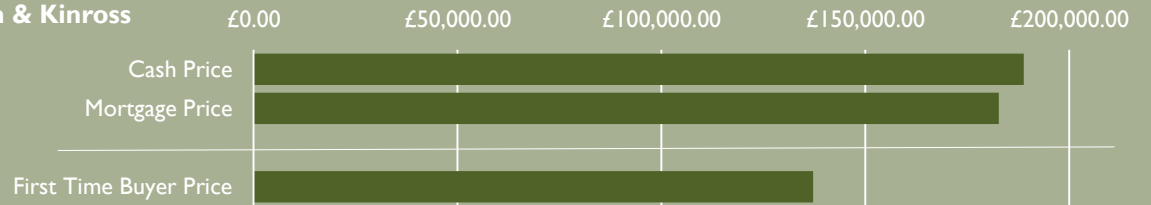
Housing Market

- Despite a month-to-month decline, Perth & Kinross house prices increased by 3.29% in the 12 month period to April 2019. All property types showed 12-month price growth in Perth & Kinross.
- The highest growth was in semi-detached property prices at 4.35%.
- In Scotland, house prices grew at a slower rate. The 12-month price increase of 1.62% was driven by detached, semi-detached and terraced property hikes. Flatted property prices remained stagnant.
- A house sold in Perth & Kinross area cost £185,126 on average. This figure was £34,300 above Scotland.

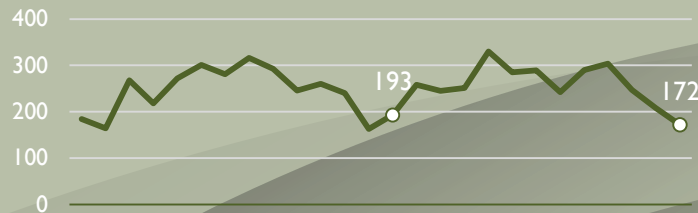
House Price Index for Perth & Kinross area



House Prices in Perth & Kinross



Source: UK HPI (ONS)



Housing Market Volume

(Latest data available: February 2019)

- Housing markets experienced a volume contraction compared to the same month in 2018.