

# Plymouth's Monthly 'State of the Economy' Update

14th of May 2015

Please see below for a brief analysis of the latest labour market statistics for Plymouth, published 14th of May, as well as the latest housing market and business start-up figures.

## Key Points:

- Unemployment is 3.2% lower than in March 2015 and 22.1% lower than a year ago; youth unemployment has seen a notable decrease over the past month, by 8.8%, and is 32.2% lower than 12 months ago;
- Average house prices have risen over the last recorded month to a current £133,709 price, in line with the national trend; the number of property transactions, however, has seen a significant decline, more acute than the national fall;
- The number of business start-ups in Plymouth has declined from the previous month, notably in the constructions sector (50% down) and wholesale & retail trade (45.8% down). The rate of business start-ups is also down to 5.5 per 10,000 working age population from 6.3 in the preceding month and 6.7 in February 2014.

## I. Employment



- JSA unemployment is now 2.0% of the working age population, standing at 3,320 claimants – 3.2% down (by 110 claimants) from March to April 2015. This is in line with the national and regional picture (UK 3.7% down, SW 6% down), according to the new Claimant Count release.
- Overall, the claimant count is 22.1% lower than 12 months ago (down by 940 claimants, from 2.5% of the working age population) and 45% lower than in Feb 2013;
- The improvement continues to be seen across the 18-24 age group and across long-term (1 year+) claimants as well.
- The youth claimant count (for those aged 18-24) has followed the same trend as the total number of claimants; it is 8.8% lower than in March 2015 and 32.2% lower than 12 months ago, currently standing at 830 claimants. Similarly, as a percentage of total claimants, youth unemployment in Plymouth is down from 32.6% to 25% over the same period, but is still higher than both national (21.6%) and regional ratios (23.0%);
- The duration of claims has seen a significant decline overall. Long-term unemployment (claiming for 1 year+) is broadly unchanged from the previous month, only 0.7% higher; however, it remains 34.3% lower (by 370) than 12 months ago and 54% lower than Feb 2013; it currently stands below the national rate both as a percentage of the working age population and as a percentage of total claimants (0.4%, as opposed to 0.5%, and 21.4%, as opposed to 27.8%), at 710 claimants;
- The number of young (aged 18-24) long-term claimants (1 year+) is 5.9% higher than in March 2015, and 55% lower than last April; it is also 78% down since Feb 2013. This is to a current 0.3% of the

total working age population and 2.7% of total claimants, 10.8% of total 18-24-year old claimants and 12.7% of total long-term claimants.

## 2. House Prices



- After a consistent fall following the brief, yet significant, recovery in house prices between mid-2009 and 2010, the house price level has been more recently picking up the pace since the beginning of 2014 and continues to do so.
- The March data, however, shows a seasonally adjusted annual price increase of 3.5% (5.3% UK) since March 2014 and a 2.1% increase since the preceding month. The average house price in Plymouth currently stands at £133,709 and the House Price Index at 267.6 (from 258.5 a year ago), compared to that across the UK of £178,007 (286.5 HPI), and £185,162 (306.9 HPI) for the South West region.
- The number of property transactions has, on the other hand, significantly declined over the last recorded month. Sales volumes are currently standing at an average of 234 sales in January 2015, 36.2% lower than in the preceding month and 19.3% lower than the corresponding month in 2014.
- This is, however, in line with an 18% annual fall in national sales volumes to a current figure of 53,168 sales.

## 3. Business Start-Ups



- The number of businesses starting up during February 2015 compared with the corresponding period of last year is 18.1% lower, according to latest data from a BankSearch survey. This negative growth rate ranks Plymouth among the lowest of the 326 English districts this month.
- In Plymouth 95 new businesses started up in February 2015, 15 less than the previous month and 21 less than in February 2014.
- St Peter and the Waterfront saw the most start-ups; Plymstock Dunstone saw the least.
- There were 5.5 start-ups for every 10,000 working age in Plymouth.
- The top 4 industries account for 70% of the starts, and have seen significant annual growth, with two exceptions. These are: Real estate, professional services & support activities (+3.8%), Recreational, personal & support services (+21.4%), Wholesale & retail trade (-45.8%) and Construction (-50%).