

## Quarterly Economic Intelligence Executive Summary

*This Executive Summary is drawn from the Economic Bulletin produced by the West of England Combined Authority. This document reports on the 1<sup>st</sup> quarter of 2017.*

Recent data published by ONS suggests that growth in GDP in the UK fell to 0.3% in the first quarter of 2017, meaning that growth more than halved from the 0.7 per cent expansion rate seen in the final quarter of 2016. PWC have projected that UK economic growth will slow to around 1.6% in 2017 and 1.4% in 2018 due to slower consumer spending and a fall in business investment from Brexit-related uncertainty. It is anticipated that the service sector will continue to grow but at a slower rate in 2017-18, however construction may suffer from lower investment levels; whilst the weaker pound should benefit manufacturing and service exporters.

At the local level high level economic indicators continue to show improvement, albeit slowing. The employment rate amongst the working age population stood at 77.2% in the year to December 2016, remaining relatively unchanged on the same period the previous year. Unemployment amongst the working age population continues to decline, standing at 3.7% in the year to December 2016; declining by 0.5 percentage points (p.p) on the same period the previous year.

Business Start-ups are starting to show signs of an up-turn, with the 1<sup>st</sup> quarter of 2017 exhibiting the highest number of start-ups for the period since 2012. Whilst business startups are an indicator of entrepreneurialism a sudden increase can also be an indication of economic distress. Trends in business start-ups tend to be prone to fluctuations quarter on quarter and therefore need to be carefully monitored and considered alongside other data to fully understand the driving force behind the changes.

Affordability of housing remains an area of concern for the West of England with rising house prices and rents. Whilst growing house prices is a positive sign of an area's economic health, it also presents serious challenges. In 2016 average house prices in the West of England exceeded the maximum cap on a help to buy ISA, and as of December 2016 house prices stood at £262,797. In 2016 average house prices continued to outstrip median annual earnings varying from 8 times average earnings in North Somerset and 10.5 times in B&NES. House prices could present an issue in the West of England as economic growth could be seriously limited across the partnership area if workers cannot afford to live in the area. It could also worsen the unsustainable pattern of in-bound commuting from more affordable areas within and outside the partnership area; this in turn has a knock on effect for the success of businesses operating in the area.

To view the report in its entirety, please use the following link: [West of England Quarterly Economic Bulletin April 2017](#)

## Quarterly Economic Bulletin at a Glance

(Positive, Neutral, Negative, ↑ increase, ↓ decrease, - no change)

Data Sets	Headline Data	Direction of Change
<b>Visitors to Attractions</b> - In Q1 of 2017 the number of visitors to attractions in the WE decreased on the same quarter for 2016 by 6%.	941,275	↓
<b>Total Room Sales/ Occupancy (Bristol)</b> - In Q1 of 2017 the number of room sales in Bristol was up on the same quarter for 2016 by 4.5%.	408,121	↑
<b>Passenger Numbers Bristol Airport</b> – Q4 of 2016 saw 16% more passengers than Q4 of 2015.	1,703,800	↑
<b>Employment Rate</b> - The employment rate amongst the working age population stood at 77.2% in the year to December 2016, remaining relatively unchanged on the same period the previous year.	77.2	-
<b>Unemployment Rate</b> – In the year to December 2016 the unemployment rate for the working age population stood at 3.7%, a reduction on the same period the previous year by 0.5 pp	3.7	↓
<b>Jobseeker's Allowance Claimant Rate</b> - As of March 2017 the claimant rate in the West of England stood at 0.9%. This is a decrease of 0.2 pp on the same month the previous year.	0.9%	↓
<b>Advertised Jobs</b> – During Q1 2017 there were approximately 69,166 online advertisements for jobs in the West of England area. An increase of 43% on the same period in 2015.	69,166	↑
<b>House Prices</b> – In December 2016 the average house prices across the West of England increased by 9% on the same month the previous year.	£262,797	↑
<b>House Sales</b> – In December 2016 house sales in the West of England decreased by 23% on the same month the previous year.	1,442	↓
<b>House Affordability</b> - Median annual earnings are being vastly outstripped by house prices - varying from 8 times average earnings in North Somerset and 10.5 times in B&NES.	See page 12	↑
<b>Business Start-ups</b> - The 1 <sup>st</sup> quarter of 2017 saw a 5.2 percentage increase in the number of businesses being started up in the West of England compared to Q1 the previous year.	2,049	↑
<b>Inward Investment New Jobs</b> - Since April 2016, 1,618 new jobs have been committed by 48 successful projects.	1,618 new jobs committed	↑
<b>Bristol City Centre Take-up</b> – Commercial take up in Bristol City Centre in Q1 2017 decreased on Q4 2016 at 126,319 sq ft.	126,319 sq ft	↑
<b>Bristol Out of Town Take-up</b> - take up of commercial space in out of town Bristol for Q4 2017 decreased on Q4 2016 at 89,774 sq ft.	89,774 sq ft	↑
<b>Bristol City Centre Rents</b> – Q3 2016 rents in Bristol City Centre have remained static at £28.50psf.	£28.50psf	-
<b>Bristol Out of Town Rents</b> – Q1 2017 Bristol out of town rents have remained static at £21.50psf	£21.50psf	↑
<b>Bath Rents</b> – Q1 2017 rents in Bath have remained static at £26.00psf	£31.00psf	↑