WESTERN DEVELOPMENT COMMISSION

Timely Economic Indicators for the Western Region

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WDC Insights
Providing insights on key issues for the Western Region of Ireland

Introduction

The Western Development Commission (WDC) has compiled a set of timely economic indicators to help assess economic activity in the Western Region (WR) and Atlantic Economic Corridor (AEC) closer to real-time.* The indicators chosen are all published at least quarterly by official sources and can provide insight on what to expect once further official data become available. See the detailed methodology here. The report is largely statistical, please see the accompanying WDC Insights Blog for a commentary. The WDC acknowledges that the indicator set is limited given the availability of official high-frequency county-level economic data. To address this limitation, supplementary ad-hoc reports based on alternative data sources are also produced. The WDC has recently released a comprehensive regional analysis of the economic impact of COVID during 2020, within the report Regional Economic Impact of COVID-19: 2020 in Economic Statistics. A comprehensive overview of COVID-19 impacts on the Western Region and AEC was also presented at the Nevin Institute Labour Market Conference 2021.

What is covered in the timely economic indicator set?

Table.1. Timely Economic Indicator Set

Labour Market

- Persons in receipt of the Pandemic Unemployment Payment (PUP)
- Persons in receipt of the Temporary Wage Subsidy Scheme (TWSS/EWSS)
- Persons on the Live Register (LR)

Consumption

- Vehicles licensed for the first time

Housing & Construction

- New dwelling completions
- Planning permissions
- Commencement notices
- House prices & rents

Figure 1. The Western Region

**Note: The Western Region is defined under the WDC) Act 1998 as the seven counties of Clare, Donegal, Galway, Leitrim, Mayo, Roscommon, and Sligo. The AEC is set out in Ireland 2040 as an initiative to drive balanced regional development and encompasses the Western Region as well as Kerry and Limerick.*

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Why timely economic indicators are particularly important at the regional level?

The lag between the data reference period and the publication of official national income accounts and other economic statistics has prompted considerable effort into the development of national real-time economic indicators. The lag is often considerably longer for county and regional data. For example, the latest available regional income accounts relate to 2018 and 2019 and were published in February 2021, a lag of up to thirty-six months between the data reference period and publication. This demonstrates the need for timelier regional and county level indicators of economic activity.

Insights on regional economic activity

Labour Market

- The combined share of the Western Region's (AEC) labour force receiving the PUP, wage subsidy or on the live register fell to 27.9% (28.5%) at the start of August, down from 40% a year ago and 50% in May 2020. However, regional and within region-variation remains. For example, the share of the labour force in either of those categories within the AEC counties ranged from 22% in Roscommon (the lowest rate in the country) to 34% in Kerry (the highest rate in the country). These variations are attributable to county-level structures of enterprise and employment and have been discussed extensively in previous **WDC analysis**.
- Persons receiving the PUP are at the lowest levels since the onset of the pandemic. During mid-October, 14,467 persons in the Western Region received the PUP (3.7% of the labour force). PUP claims in the Western Region have consistently declined from February where 82,414 persons received the PUP (20% of the labour force).
- The share of the labour force receiving the wage subsidy in the Western Region and AEC has typically been lower than the national average. Flows away from the PUP and onto the wage subsidy have resulted in the Western Region and AEC share exceeding the national average since mid-July. This is encouraging given the wage subsidy is tied to employment unlike the PUP. This trend is likely driven by the accommodation and food sector.

Consumption

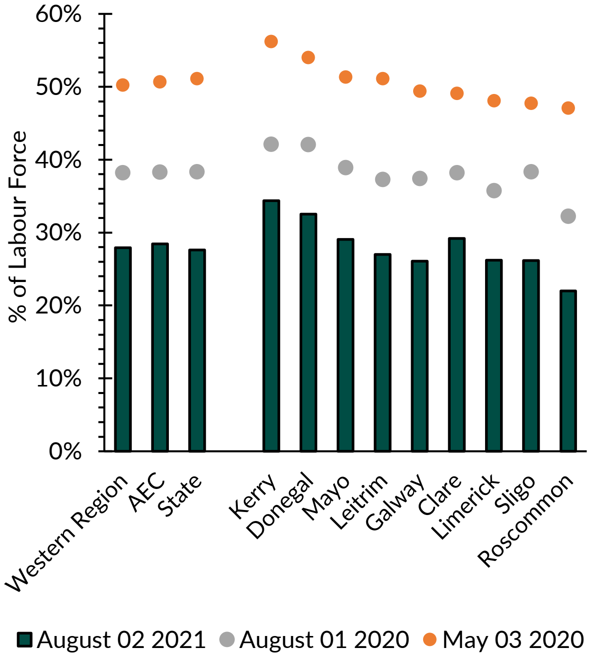
- 2021 new car registrations and new goods vehicle registrations were above pre-pandemic levels in the Western Region & AEC during 2021 so far.

Housing & Construction

- From Jan-August, sales volumes were above pre-pandemic levels in the Western Region and AEC. However, the supply of available properties has not kept pace with demand. The lack of supply has meant that the increase in demand has driven up sales prices and rents, particularly in rural and coastal areas.
- The sale and rental price trends suggest movement away from larger urban areas, particularly Dublin. Whether this reflects a longer-term trend around should become clearer as the remaining restrictions are lifted and new working patterns become established. See the accompanying **Insights blog post** for a more detailed discussion.

Labour Market

Figure 2. Combined % of Labour Force in receipt of PUP or Wage Subsidy or on the Live Register.



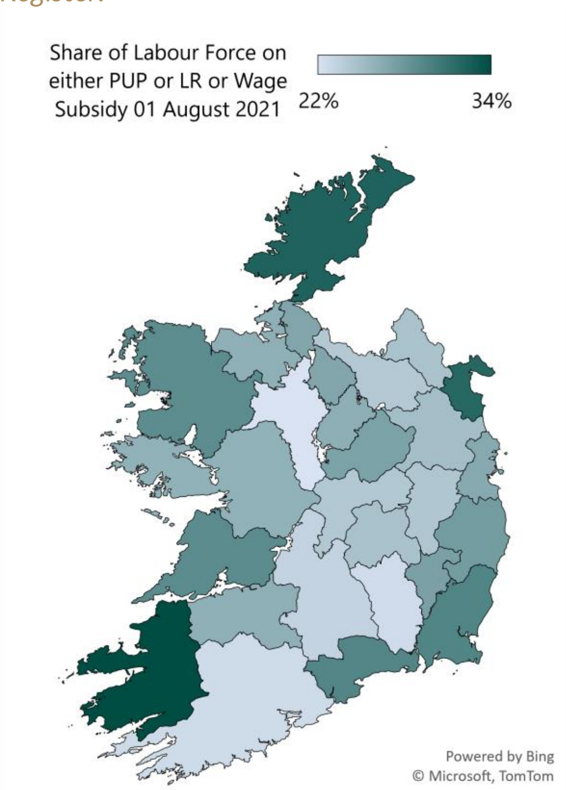
Source: Analysis of CSO Table LRW14 (13/10/21).

Share of Labour Force (LF) receiving state income supports falls.

- The % of the LF receiving either the PUP, wage subsidy or on the live register has fallen consistently since February. The combined share of the LF in one of those categories in the WR (AEC) fell to 27.9% (28.5%) at the start of Aug. down from 40% a year ago and 50% in May 2020.

- The WR and AEC aggregates were above the national level of 27.5% in August 2021. This is driven by a lower LF share in receipt of the PUP being offset by higher shares on the live register (a pre-pandemic trend) and receiving the wage subsidy.

Figure 3. Combined % of Labour Force in receipt of PUP or Wage Subsidy or on the Live Register.



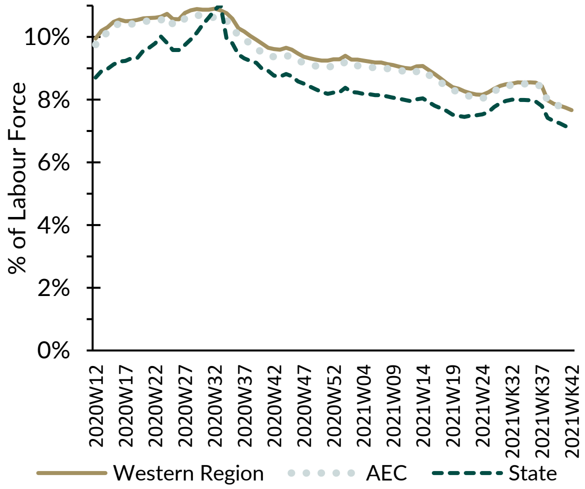
Source: Analysis of CSO Table LRW14 (13/10/21).

Regional and within-region variation remains.

- The % of the LF receiving either the PUP, wage subsidy or on the live register in the AEC ranged from 22% in Roscommon (the lowest rate in the country) to 34% in Kerry (the highest in rate the country).

- The regional and within region variation in the labour market has been documented by Lydon and McGrath (2020) and McGrath (2021) as a key feature of the pandemic. Those studies suggest that the variation is related to, and has in some cases exacerbated, pre-pandemic regional structural issues within enterprise and employment.

Figure 4. % of LF on the Live Register.

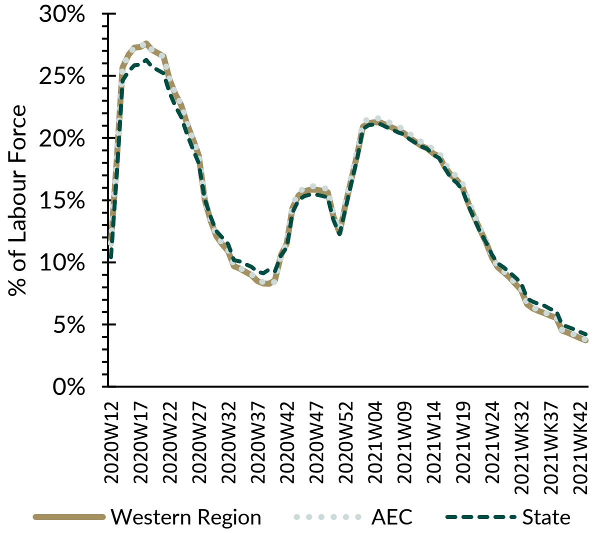


Source: Analysis of CSO Table LRW14 (13/10/21).

Decline in numbers on the live register.

- The % of the LF on the live register in the WR (AEC) fell to 7.7% (7.6%) at the start of October.
- Figure 10 below shows county-level trends.

Figure 5. % of LF in receipt of PUP.

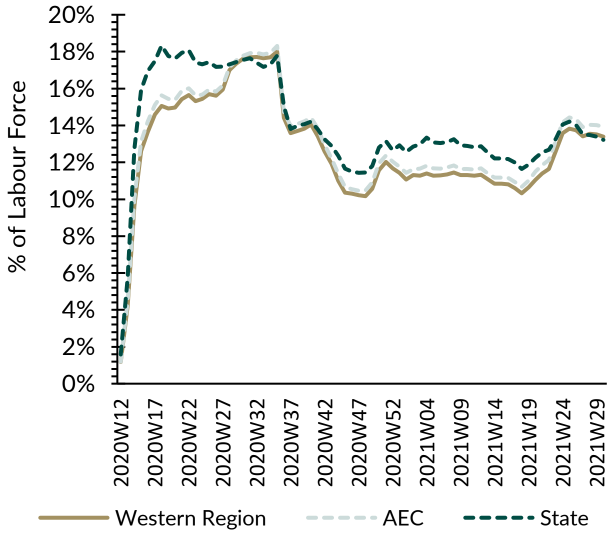


Source: Analysis of CSO Table LRW14 (13/10/21).

Number of PUP recipients at lowest levels.

- During October, the % of the LF in the WR and AEC receiving the PUP fell below 4%.
- Figure 8 below shows county-level trends. There has been a reduction in the regional and within region variation in terms of PUP recipients since June/July as was the case during the easing of restrictions during the summer of 2020.

Figure 6. % of LF supported by Wage Subsidy.



Source: Analysis of CSO Table LRW14 (13/10/21).

Wage subsidy supports now above national average.

- The estimated number of persons supported by the wage subsidy as a % of the LF has typically been lower than the national average in the AEC & WR. Flows away from the PUP and onto the wage subsidy have resulted in the WR/AEC share exceeding the national average since mid-July. This is encouraging given the wage subsidy is tied to employment unlike the PUP. The national sectoral breakdown of PUP and wage subsidy recipients suggests these trends are driven by the accom. and food sector.
- Figure 9 below shows county-level trends.

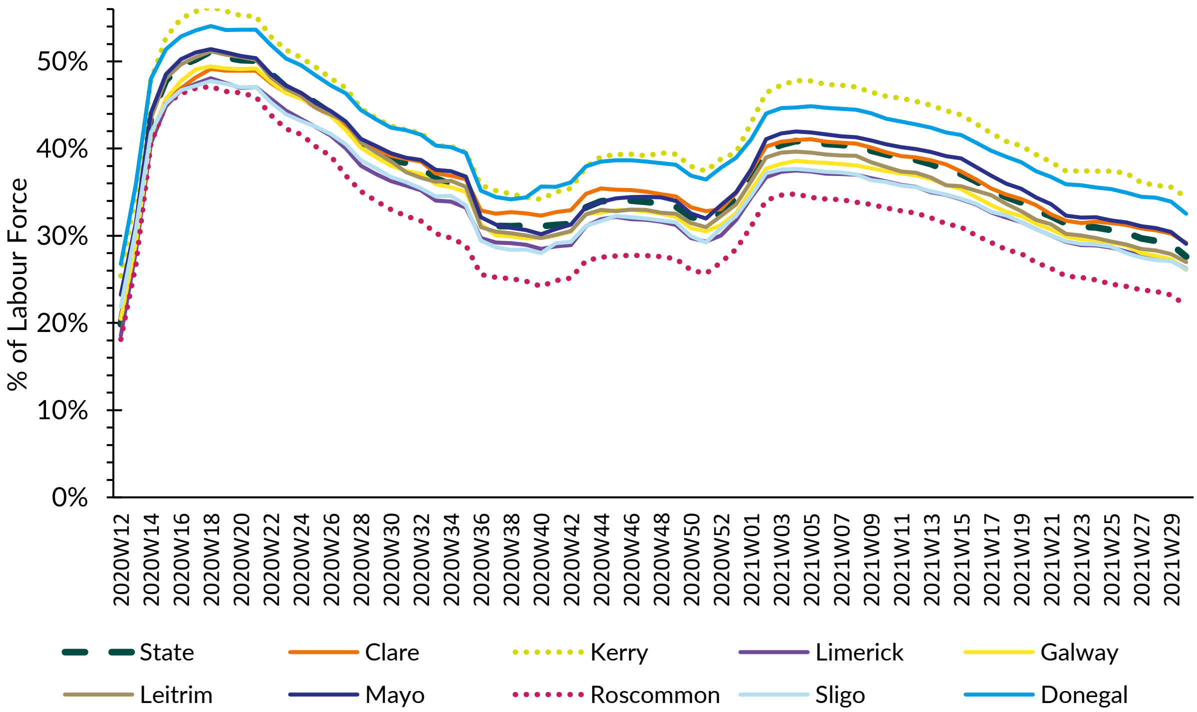
Table 2. Key Labour Market Indicators.

Key Labour Market Indicators: 01 August 2021 (2021 Wk30)				
	Live Register	PUP	Wage Subsidy	Total Excluding Overlaps
Clare	4,228	3,642	8,941	16,495
Change Y-on-Y	-1,581	-2,998	-1,669	-5,433
Donegal	7,876	2,799	10,233	23,165
Change Y-on-Y	-2,177	-3,423	-2,340	-6,814
Galway	7,814	4,895	15,821	32,633
Change Y-on-Y	-2,230	-6,021	-6,985	-14,240
Leitrim	1,335	527	1,690	4,021
Change Y-on-Y	-331	-800	-573	-1,536
Mayo	5,109	2,080	8,390	17,457
Change Y-on-Y	-1,532	-2,606	-2,471	-5,920
Roscommon	1,738	948	3,032	6,527
Change Y-on-Y	-407	-1,431	-1,351	-3,049
Sligo	2,147	1,002	3,823	7,920
Change Y-on-Y	-706	-1,341	1,281	-3,019
Western Region	29,729	14,467	51,930	108,218
Change Y-on-Y	-8,964	-18,620	-16,670	-40,011
Limerick	6,663	3,214	10,880	23,617
Change Y-on-Y	-861	-4,287	-4,063	-8,619
Kerry	5,485	3,112	13,539	24,043
Change Y-on-Y	-1,650	-4,287	-1,082	-5,440
AEC	41,877	20,793	76,349	155,878
Change Y-on-Y	-11,475	-26,448	-21,815	-54,070
State	162,898	97,130	304,461	636,275
Change Y-on-Y	-60,349	-112,742	-102,065	-247,925

Source: Analysis of CSO Table LRW14 (13/10/21). The three categories in the table added together exceed the "Total Excluding overlaps" as there are overlaps between the schemes that the CSO attempt to filter out.

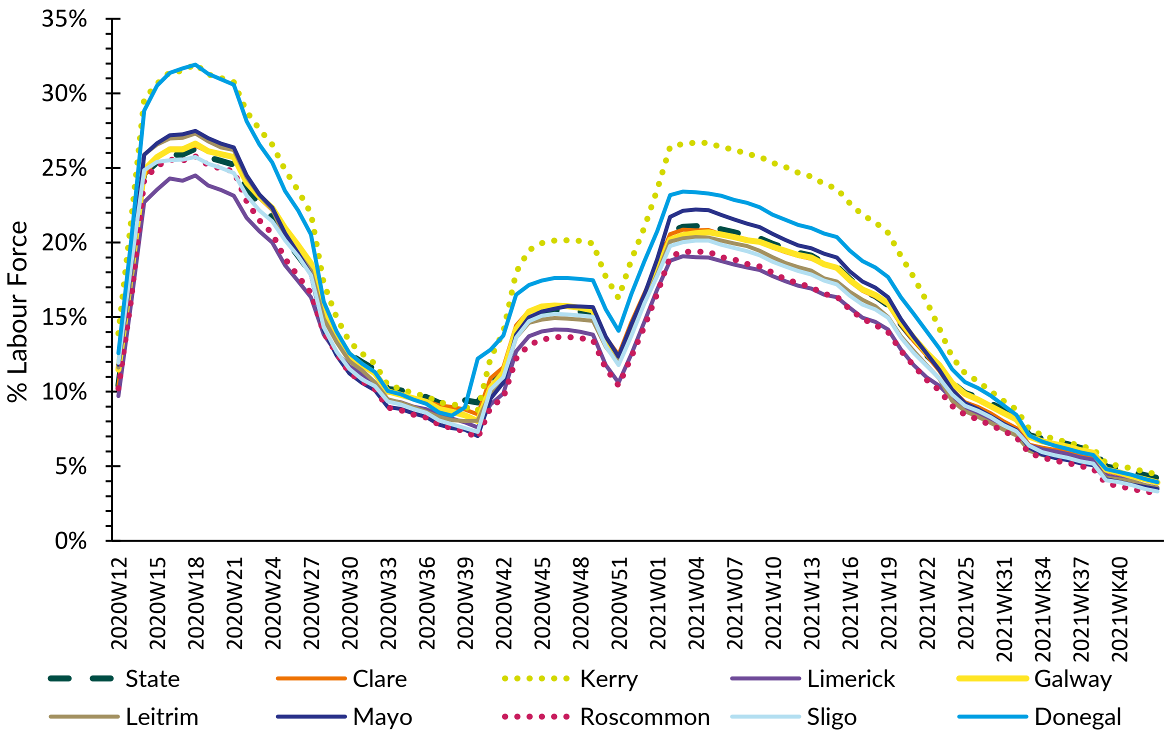
Labour Market Trends by County

Figure 7. % of Labour Force in receipt of PUP or Wage Subsidy or on the Live Register (LR).



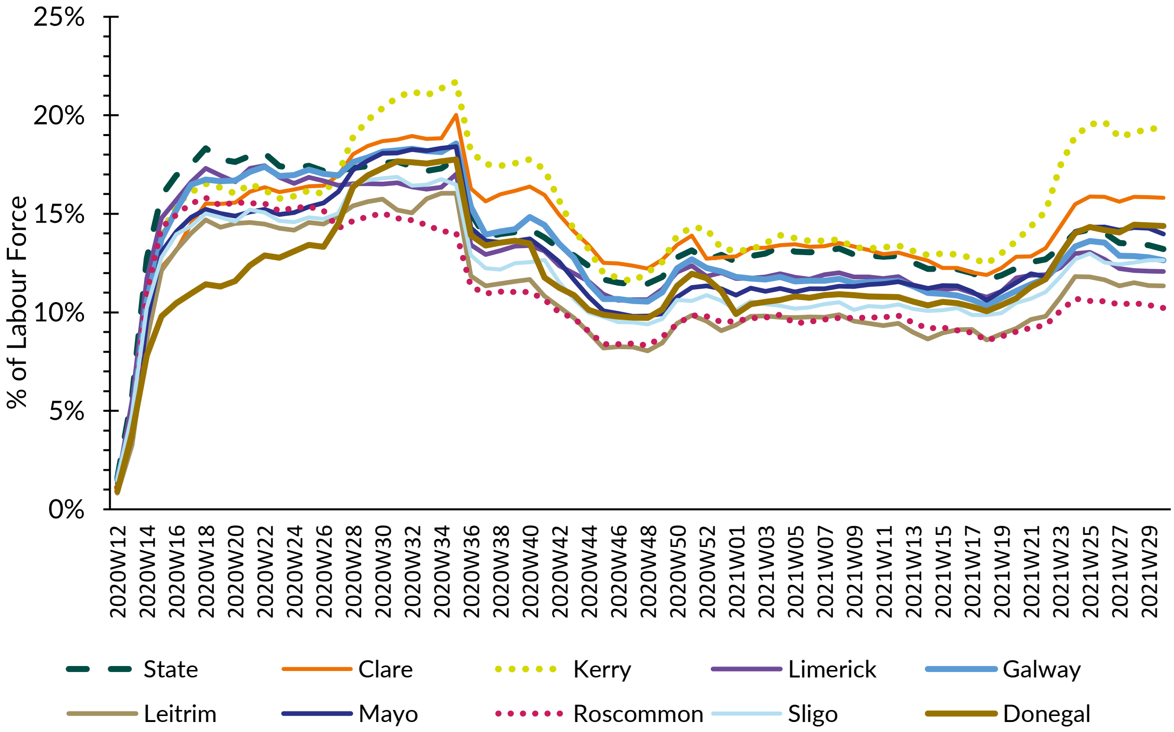
Source: Analysis of CSO Table LRW14 (13/10/21).

Figure 8. % of Labour Force in receipt of PUP.



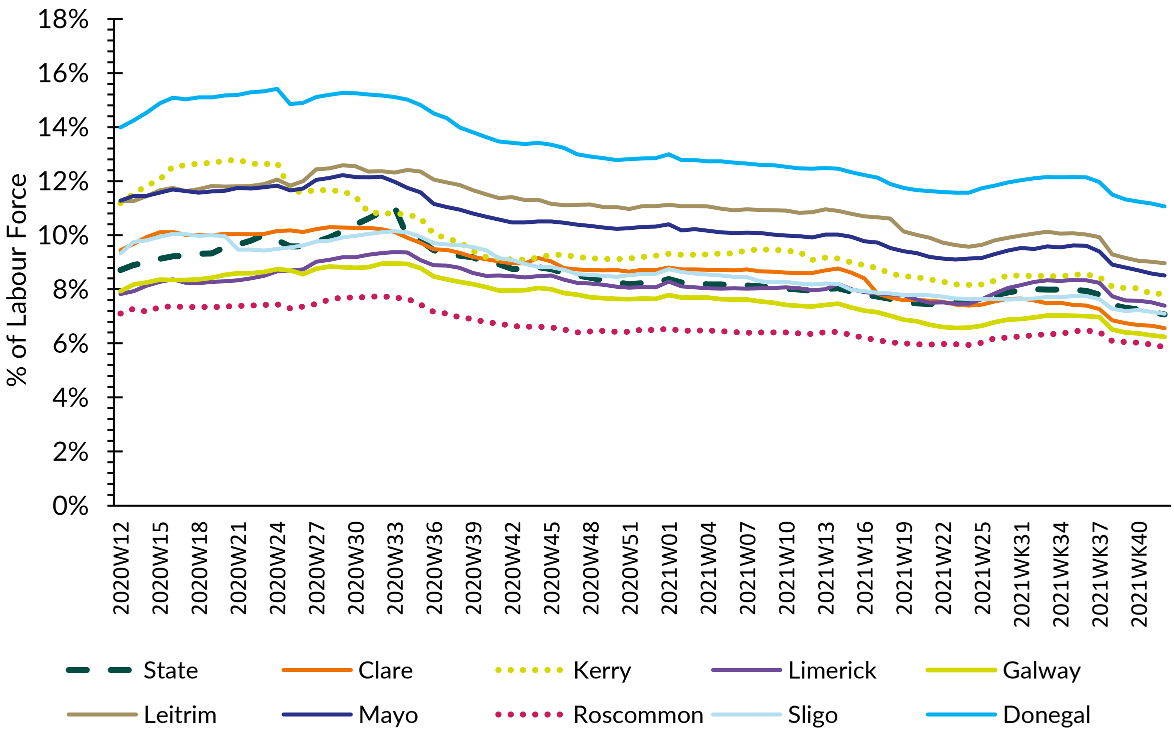
Source: *Analysis of CSO Table LRW14 (13/10/21).*

Figure 9. % of Labour Force supported by the Wage Subsidy.



Source: *Analysis of CSO Table LRW14 (13/10/21).*

Figure 10. % of Labour Force on the Live Register.

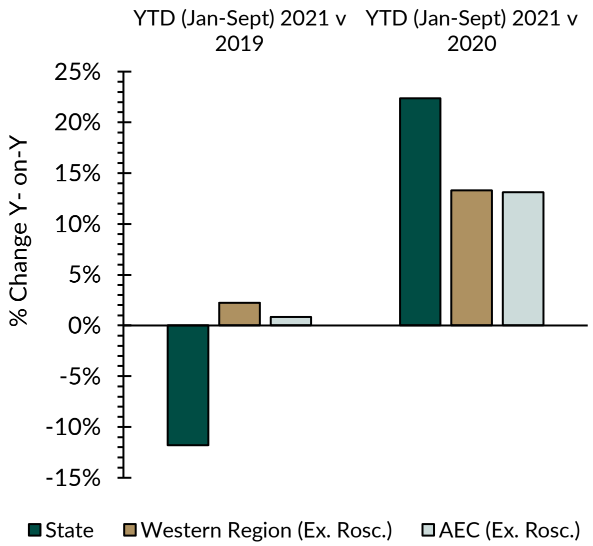


Source: *Analysis of CSO Table LRW14 (13/10/21).*

Consumption

New Private Cars

Figure 11. Change in New Private Cars Licensed for the First Time.



*Source: Analysis of CSO Table TEM22. Note: *Ex. Roscommon, as it distorts the WR/AEC aggregates due to the activity of a national car hire company see **here.***

Sharp Growth in Q3 sees 2021 new cars registrations above pre-pandemic levels.

- Total new car registrations rose, 13% in the WR & AEC from Jan-Sept 2021 compared with the same period last year. Nationally, registrations rose 22%.

- Registrations in the year to date (YTD) were above pre-pandemic levels in the WR & AEC. Compared with Jan-Sept 2019, registrations were 1-2% higher in the WR & AEC and driven by strong Q3 growth. Nationally, registrations remained 12% below 2019 levels.

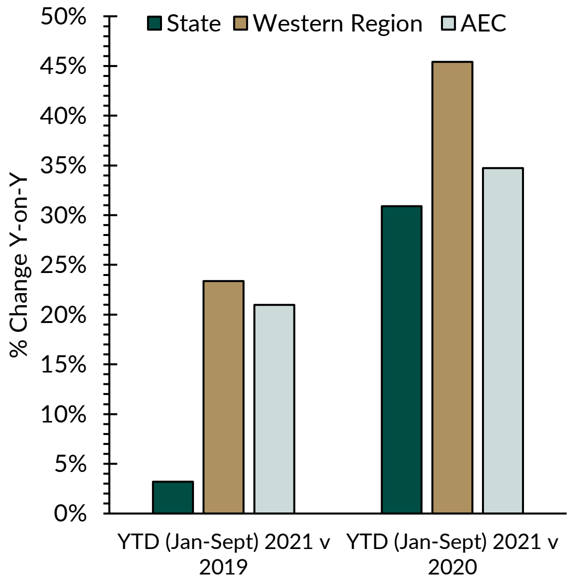
Table 3. New Private Cars Licensed for the First Time.

	2019 Q3	2020 Q3	2021 Q3	2019 YTD (Jan-Sep)	2020 YTD (Jan-Sep)	2021 YTD (Jan-Sep)
Donegal	554	738	789	2,072	1,937	2,244
Leitrim	103	134	139	387	383	405
Sligo	247	328	370	968	926	1,075
Galway	994	1,115	1,274	3,560	3,119	3,634
Mayo	492	506	603	1,738	1,501	1,687
Clare	516	686	594	2,009	1,820	1,929
Roscommon	1,169	254	844	4,398	1,063	1,976
Western Region (Ex Roscommon)	2,906	3,507	3,769	10,734	9,686	10,974
Limerick	947	1,050	1,086	3,511	3,018	3,351
Kerry	596	692	751	2,102	1,870	2,159
AEC (Ex-Roscommon)	4,449	5,249	5,606	16,347	14,574	16,484
State	30,047	28,436	35,149	107,686	77,620	94,972

Source: CSO (TEM22)

New Goods Vehicles

Figure 12. Change in New Goods Vehicles Licensed for the First Time.



Source: Analysis of CSO Table TEM14.

New goods vehicle registrations above pre-pandemic levels.

- From Jan- Sept. 2021, new goods vehicle registrations grew 35-45% in the WR & AEC, on an annual basis. Nationally, there was a 31% increase.
- Registrations were 21-23% above 2019 levels in the WR & AEC. Nationally, registrations were 3% above 2019 levels.

Table 4. New Goods Vehicles Licensed for the First Time.

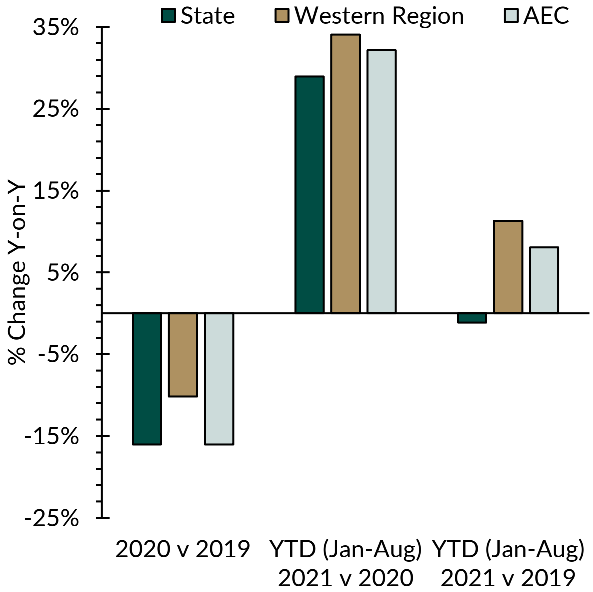
	2019 Q3	2020 Q3	2021 Q3	2019 YTD (Jan-Sep)	2020 YTD (Jan-Sep)	2021 (Jan-Sep)
Donegal	92	134	189	351	331	546
Leitrim	18	32	43	77	90	102
Sligo	54	72	88	230	191	249
Galway	230	208	341	742	558	888
Mayo	169	177	197	438	386	504
Clare	74	97	128	284	242	328
Roscommon	49	74	86	198	170	245
Western Region	686	794	1,072	2,320	1,968	2,862
Limerick	215	255	261	712	693	757
Kerry	134	181	195	476	489	625
AEC	1,035	1,230	1,528	3,508	3,150	4,244
State	6,927	6,966	8,434	21,232	16,738	21,910

Source: CS0 (TEM14). Year on year % change in parentheses. See previous TEI reports for previous months.

Housing & Construction

Sales Volumes

Figure 13. Change in Sales Volumes



Source: Analysis of CSO Table HPM03.

Sales volumes back above pre-pandemic levels.

- Sales volumes exceeded pre-pandemic levels in the WR and AEC during 2021 year to date (YTD) Jan-July. Transactions were 8-11% higher in the WR & AEC compared with the same period in 2019.
- Nationally, transactions were 1% lower than the same period in 2019 and driven by Dublin where sales were 12% below 2019 levels (up 21% compared with 2020).
- Sales volumes have increased as supply has increased during 2021 but that supply has risen from an extremely low base. Demand has continued to rise, and this has resulted in price increases (see below and accompanying Insights blog post).

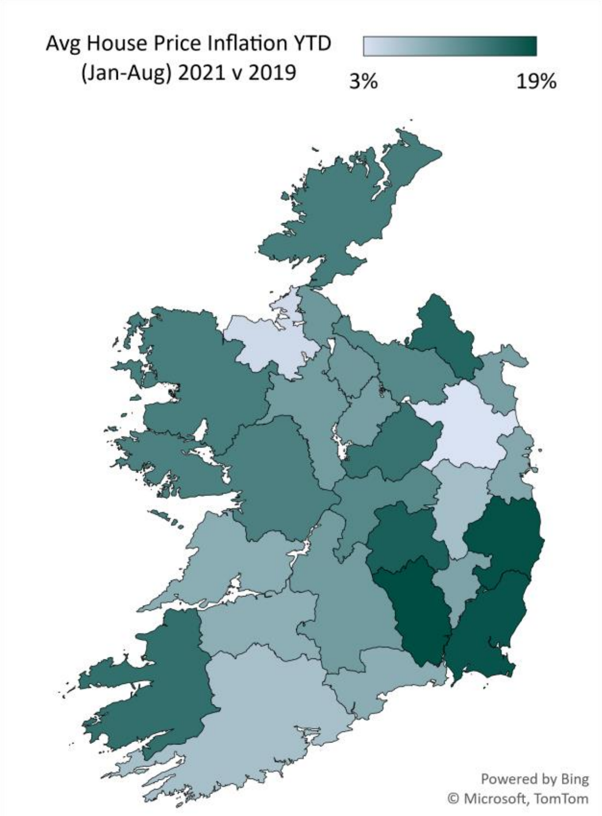
Table 5. Sales Volumes based on Market Transactions of all Properties.

	YTD (Jan-Aug) 2019	YTD (Jan-Aug) 2020	YTD (Jan-Aug) 2021
State	28,363	21,748	28,044
Western Region	4,328	3,594	4,818
AEC	6,138	5,018	6,632
Donegal	715	598	844
Leitrim	204	171	279
Sligo	431	313	449
Galway City	465	349	414
Galway County	830	698	901
Mayo	639	564	784
Roscommon	397	359	463
Dublin	9,140	6,6145	8,000
Limerick City	390	260	296
Limerick County	713	553	720
Clare	647	542	684
Kerry	707	611	798

Source: CS0 (HPM03). See previous TEI reports for previous months.

Housing Sales Prices

Figure 14. Median Sales Price changes 2021 (avg. Jan-Aug) v 2019 (avg. Jan-Aug).



Source: Analysis of CSO Table HPM03.

House prices rise reflecting shortages and movement away from larger urban centres.

- Median sales prices rose in all AEC counties when comparing Jan-Aug 2021 with 2019, from 4% in Sligo to 15% in Kerry. This data is limited as it does not account for size etc. and is only indicative of price changes. The official source is the Residential Property Price Index (RPPI) which is unavailable at county level.
- The RPPI shows Dublin prices have increased more slowly than the rest of the country during the pandemic. Price increases have been driven by a continued shortage of supply. The supply of available houses for sale began to rise during 2021 but from a low base. Demand has held up well and continues to outpace supply thus prices have risen.
- The trends suggest movement away from larger urban areas, particularly Dublin. Whether this reflects a longer-term trend around should become clearer as the remaining restrictions are lifted and new working patterns become established. See the accompanying Insights blog post for a more detailed discussion.

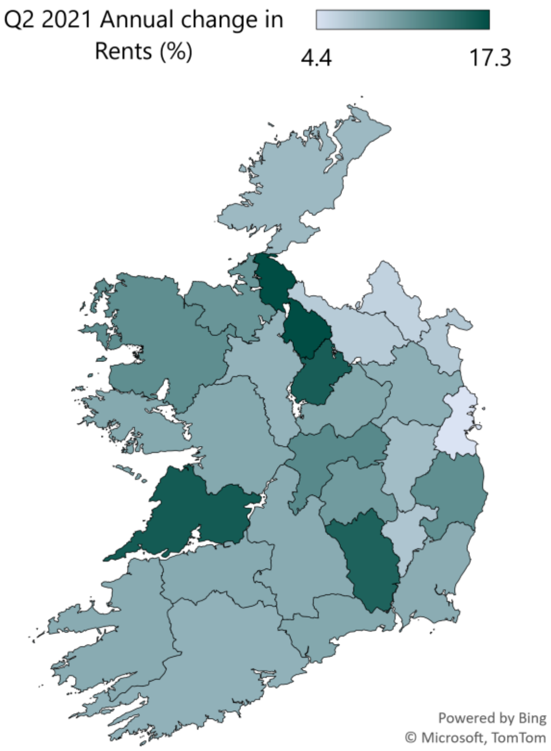
Table 6. Median House Prices based on Market Transactions of all Properties.

	Jan-Aug Avg. 2019	Jan-Aug Avg. 2020	Jan-Aug. 2021	% Change 2019-21
Donegal	€119,101	€123,579	€135,389	14%
Leitrim	€113,875	€112,558	€126,424	11%
Sligo	€148,502	€130,281	€154,942	4%
Galway City	€265,172	€269,781	€301,125	14%
Galway County	€199,188	€225,250	€225,357	13%
Mayo	€138,063	€137,125	€156,875	14%
Roscommon	€121,438	€109,219	€134,369	11%
Dublin	€366,469	€374,437	€401,188	9%
Limerick City	€168,375	€183,450	€181,563	8%
Limerick County	€205,730	€210,000	€225,206	9%
Clare	€175,594	€184,219	€191,319	9%
Kerry	€171,531	€171,969	€197,438	15%

Source: Analysis of CSO Table HPM03. See previous TEI reports for previous months.

Housing Rental Prices

Figure 15. 2021Q2 Year on Year % change in Standardised Rents.



Source: Analysis of Residential Tenancies Board Rent Index.

Sharp rise in rents reflects housing shortages and movement away from large urban centres.

- Rents rose annually in all AEC counties during Q2 2021. Increases ranged from 8% in Donegal to 17.3% in Leitrim.
- The two largest annual increases in the country were in Leitrim (17.3%) and Clare (16.1%).
- The national annual increase in rents was 7%, driven downwards by Dublin (4.4%) where the lowest increase in rents occurred.
- The rental price (and sales price) trends suggest the pandemic has coincided with a movement away from large urban areas. It remains to be seen if this reflects an emerging trend around long-term working and lifestyle choices. See the accompanying Insights blog post for a more detailed discussion.

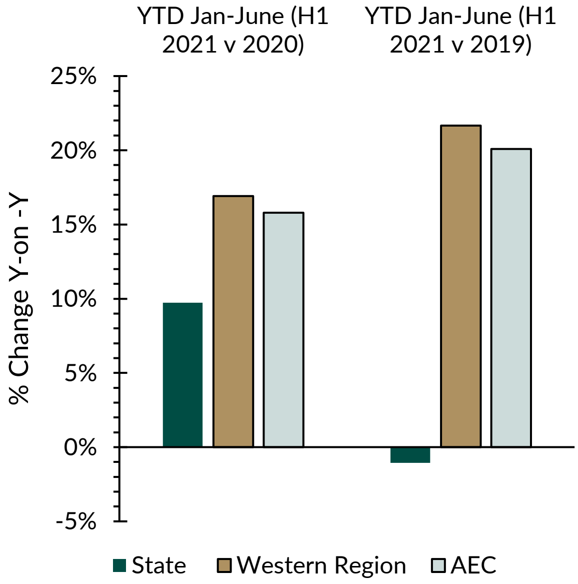
Table 7. Residential Tenancies Board Standardised Rent (Euro).

	2021 Q2 (per month)	% Change Y-on-Y	% Change Q-on-Q
Clare	€894	16.1%	5.1%
Donegal	€677	8.0%	3.3%
Galway	€1,222	9.4%	3.0%
Leitrim	€705	17.3%	17.6%
Mayo	€790	11.7%	3.8%
Roscommon	€718	8.6%	5.8%
Sligo	€829	11.1%	4.6%
Limerick	€1,123	9.3%	6.7%
Kerry	€873	9.2%	0.6%
Dublin	€1,848	4.4%	1.6%
State	€1,352	7.0%	3.6%
Outside GDA*	€1,007	10.8%	3.8%

Source: Analysis of Residential Tenancies Board Rent Index Reports. *Note: GDA = Greater Dublin Area (Dublin, Meath, Kildare, and Wicklow).

Dwelling Completions

Figure 16. Change in Dwelling Completions.



Source: Analysis of CSO Table NDQ06.

Dwelling completions rise in H1 2021

- Total dwelling completions were above pre-pandemic levels during H1 2021, in the WR & AEC driven by strong growth in Q2. Nationally, dwelling completions were slightly below pre-pandemic levels.

- While Dwelling completions have risen during 2021 the number of completions for the year are likely to be lower than the projected housing demand of 31,000 in 2021 as estimated by Bergin & García Rodríguez (2020). Lyons (2020) estimates a higher housing demand of closer to 50,000. See accompanying Insights blog post for more detail.

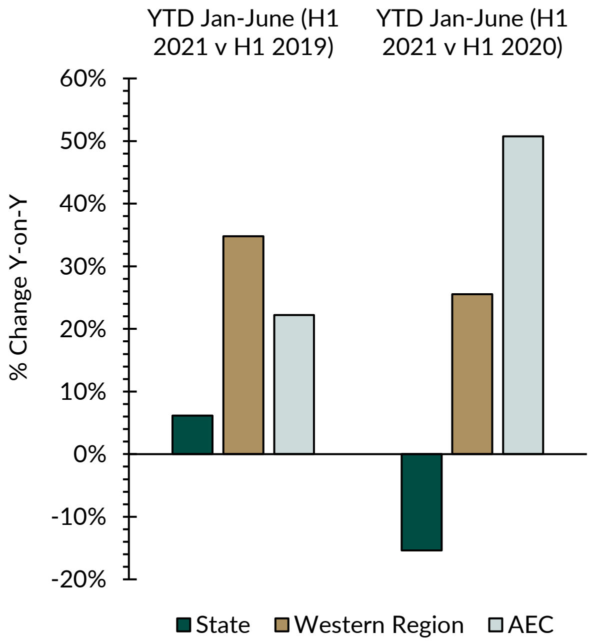
Table 9. Total Dwelling Completions.

	2020Q1	2020Q2	2021Q1	2021Q2
Clare	76 (38%)	76 (-36%)	60 (-21%)	120 (67%)
Donegal	121 (42%)	99 (-11%)	82 (-32%)	122 (24%)
Galway County	192 (32%)	124 (-37%)	204 (6%)	168 (37%)
Galway City	57 (90%)	31 (-21%)	134 (135%)	88 (184%)
Leitrim	5 (-55%)	5 (-55%)	10 (100%)	30 (500%)
Mayo	124 (28%)	53 (-35%)	67 (-45%)	96 (81%)
Roscommon	28 (-28%)	31 (-14%)	60 (114%)	63 (103%)
Sligo	74 (573%)	14 (-67%)	25 (-66%)	29 (107%)
Western Region	677 (43%)	433 (-32%)	642 (-5%)	716 (68%)
Limerick	128 (47%)	64 (-61%)	131 (2%)	150 (134%)
Kerry	83 (4%)	58 (-43%)	116 (40%)	95 (64%)
AEC	888 (39%)	555 (-38%)	889 (0%)	961 (75%)
State	4966 (17%)	3237 (-33%)	3953 (-20%)	5,021 (55%)

Source: *Analysis of CSO Table NDQ06.* Year on Year % change in parentheses.

Planning Permissions (Units for which Permissions Granted)

Figure 17. Change in Total Planning Permissions Granted.



Source: Analysis of CSO Table BHQ12.

Planning permissions above pre-pandemic levels.

- Total planning permissions (units for which permission granted) rose by 26% (51%) in the WR (AEC) during H1 2021, compared with H1 2020 and 35% (22%) compared with H1 2019.
- Nationally, there was a large annual increase in planning permissions granted pre-pandemic (Q1 2020) driven by sharp growth in Dublin private flats and apartments. The high level in Q1 2020 explains why national planning permissions during H1 2021 were down on 2020 levels. During Q2 2021 total national planning permissions granted were 53% higher than Q2 2020 and 22% higher than Q2 2019 suggesting levels nationally are above pre-pandemic levels.

Table 10. Planning Permissions - Houses (Number).

	2019 H1 (Jan.-June)	2020 H1	2021 H1
Clare	202	105	226
Donegal	234	317	387
Galway County	302	292	519
Galway City	158	182	30
Leitrim	39	36	69
Mayo	172	142	254
Roscommon	60	118	106
Sligo	83	150	94
Limerick	495	188	613
Kerry	292	121	191
State	17,059	21,403	18,113

Source: *Analysis of CSO Table BHQ12*. See previous TEI reports for previous months.

Table 11. Planning Permissions One-Off Houses.

	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2
Clare	31	15	63	49	50	59
Donegal	92	31	124	88	146	146
Galway County	131	41	153	140	125	136
Galway City	8	2	8	3	12	5
Leitrim	15	3	12	12	10	15
Mayo	76	23	76	55	73	103
Roscommon	19	4	24	22	37	37
Sligo	22	4	20	20	15	30
Limerick	74	36	59	56	76	105
Kerry	50	23	59	48	69	69
State	1,355	669	1,754	1,514	1,661	1,786

Source: CSO (BHQ12). See previous TEI reports for previous months.

Table 12. Planning Permissions - Multi-Development.

	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2
Clare	7	49	53	127	68	37
Donegal	53	107	161	74	12	54
Galway County	103	9	51	28	139	8
Galway City	4	23	24	2	2	2
Leitrim	n/a	n/a	13	4	2	17
Mayo	25	5	19	49	2	25
Roscommon	69	n/a	n/a	n/a	3	15
Sligo	92	6	21	13	n/a	n/a
Limerick	35	15	34	224	38	189
Kerry	32	10	21	93	6	11
State	3,736	2,394	3,974	2,917	1,428	2,100

Source: CSO (BHQ12). See previous TEI reports for previous months.

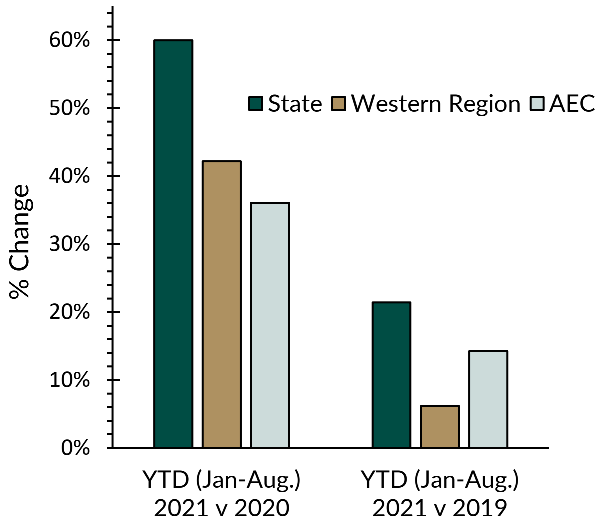
Table 13. Planning Permissions Private Flats/Apartments.

	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2
Clare	3	n/a	12	83	11	1
Donegal	13	21	67	31	3	26
Galway County	8	n/a	49	27	101	10
Galway City	65	80	58	2	5	4
Leitrim	4	2	1	1	10	15
Mayo	12	1	n/a	n/a	16	35
Roscommon	26	n/a	8	1	12	2
Sligo	n/a	n/a	8	1	15	30
Limerick	12	16	16	204	29	176
Kerry	4	2	10	7	21	15
State	9,041	4,208	7,871	5,104	3,874	7,264

Source: CSO (BHQ12). See previous TEI reports for previous months.

Commencement Notices

Figure 14. Change in Commencement Notices (No. of residential units commenced).



Source: Analysis of Dept. of Housing, Local Government and Heritage BCMS Commencement Notices.

Commencement notices above pre-pandemic Levels during 2021.

- Residential units commenced rose 42% (36%) from Jan-Aug. 2021 in the WR (AEC) compared with Jan-Aug. 2020. Nationally, there was an increase of 60%.
- The number of residential units commenced was above pre-pandemic levels (Jan-Aug. 2019) in the AEC, WR and nationally.

Table 14. Commencement Notices (No. of residential units commenced).

	YTD (Jan.-Aug) 2019	YTD (Jan.-Aug) 2020	YTD (Jan. -Aug) 2021
Clare	267	180	276
Donegal	266	220	309
Galway County	494	332	523
Galway City	341	226	379
Leitrim	15	39	33
Mayo	357	215	260
Roscommon	100	105	108
Sligo	68	108	138
Western Region	1,908	1,425	2,026
Limerick	332	455	567
Kerry	284	240	291
AEC	2,524	2,120	2,884
State	17,315	13,144	21,023

Source: Analysis of Dept. of Housing, Local Government and Heritage BCMS Commencement Notices. See previous TEI reports for previous months.

Read the WDC Policy Team's Insights Blog and sign up to our mailing list at https://westerndevelopment.ie/insights/

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