



**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 wider 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 on the report. 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 released a comprehensive regional analysis of the economic impact of COVID-19, within the report [Regional Economic Impact of COVID-19: 2020 in Economic Statistics](#) (McGrath, 2021). Dr Luke McGrath presented a comprehensive overview of COVID-19 impacts on the Western Region and AEC at the [Nevin Institute Labour Market Conference](#).

What is covered in the timely economic indicator set?

Table 1. Timely Economic Indicator Set

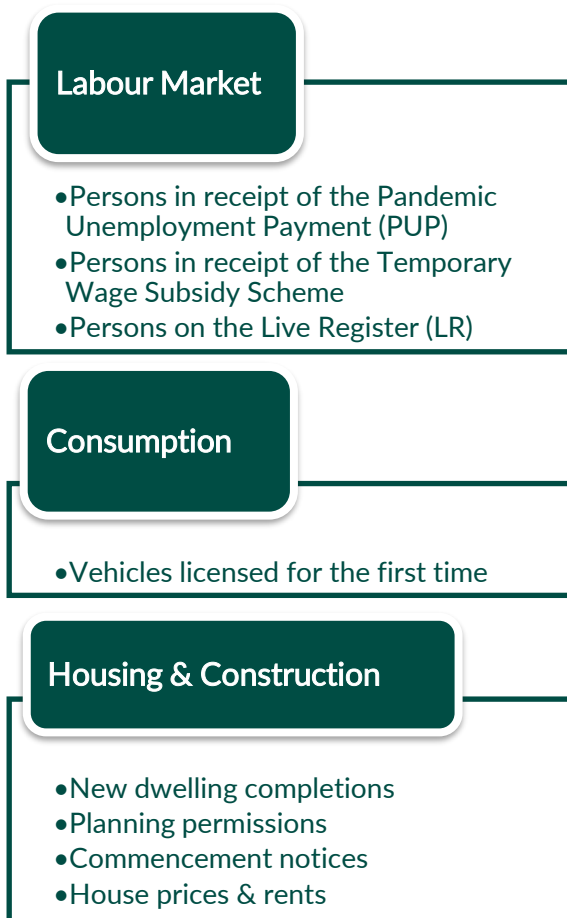


Figure 1. The Western Region



**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 2019 and 2020 and were published in February 2022, 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 (WR) and Atlantic Economic Corridor (AEC) labour force receiving state income supports or on the live register fell to 9.1% at the start of June, down from over 50% in May 2020. Considerable regional and within region variation remains. For example, the share of the labour force in those categories combined, within the AEC counties, ranged from 7.4% in Galway to 13.2% in Donegal.
- As the pandemic income supports schemes have wound down the WR & AEC share of the labour force on the live register has risen from 7.5% during 2022 to 8.8% in July. Nationally, the figure was 8.1% Higher regional shares of the labour force on the live register represent a continuation of a pre-pandemic trend related to regional economic & social structures

Consumption

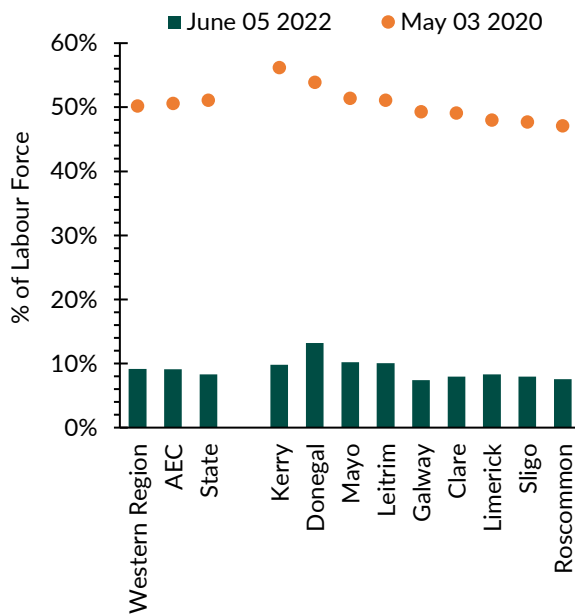
- During the first half of 2022 (H1), new car registrations rose 5% in the WR and 2% in the AEC. Nationally, registrations were up 4%, year on year. However, July is a key month for car sales and a strong decline was recorded nationally (-25%) and in the WR (-9%) and AEC (-13%) compared with last July.
- During H1 2022, new goods vehicle registrations fell (17-19%) in the WR & AEC, year on year. Nationally, registrations fell 17%. Registrations for H1 were at the same level as 2019 in the AEC and 2% above 2019 levels in the WR. Nationally, registrations were down 12% compared to 2019.

Housing & Construction

- The story of the housing market in 2021 was clear, housing demand held up well and continued to outpace supply thus prices have continued to rise. The supply of available houses for sale rose during 2021 but from an extremely low base. The sales and rental price patterns suggest the pandemic has coincided with movement away from larger urban areas.
- These trends have continued into 2022. There are encouraging signs in terms of supply growth and there is likely to be mooted demand given rising interest rates and general inflation. A slowdown in house prices is expected throughout H2 2022 and into 2023 However, rising borrowing and material costs also threaten construction delays and the viability of residential units commenced and the scale of investment in future units.

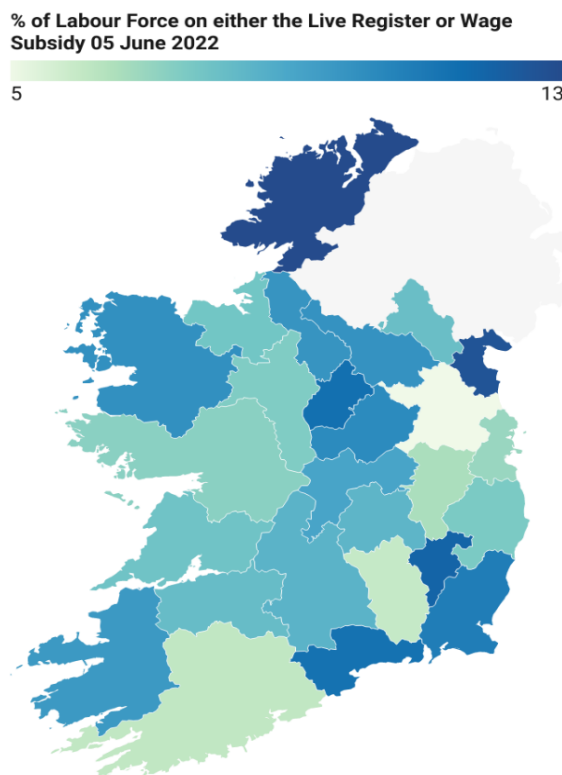
Labour Market

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



Source: Analysis of CSO Table LRW14 (22/08/22).

Figure 3. Combined % of LF in receipt of Wage Subsidy or on the Live Register.



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Source: Analysis of CSO Table LRW14 (22/08/22).

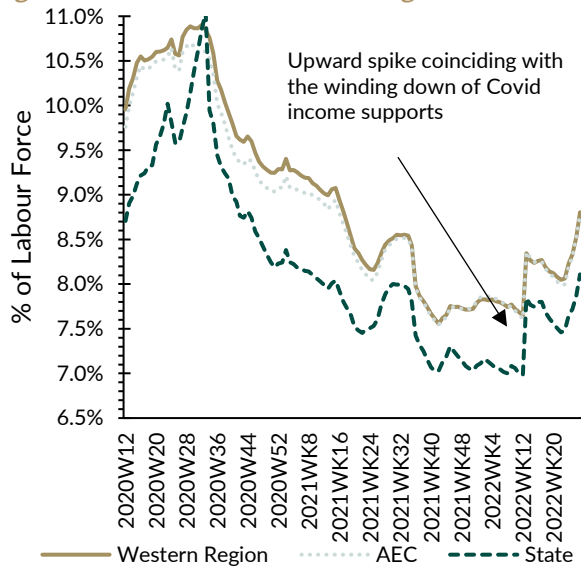
Share of Labour Force (LF) receiving state income supports falls.

- The combined share of the LF on either state income support or on the live register fell to 9.1% at the start of June down from over 50% during May 2020.
- The WR and AEC aggregates were above the national level of 8.3%.

Regional and within-region variation remains.

- At the start of June, the % of the LF receiving either the wage subsidy or on the live register in the AEC ranged from 7.4% in Galway to 13.2% in Donegal.
- Four AEC counties were above the national average of 8.3% (Donegal 13.2%, Mayo 10.2%, Leitrim 10.0% & Kerry 9.8%) & five below (Galway 7.4%, Roscommon 7.6%, Sligo 7.9%, Clare 8.0% & Limerick 8.3%).
- Regional & within region labour market variation has been highlighted as a key feature of the pandemic period by [Lydon & McGrath \(2020\)](#) & [McGrath \(2021\)](#). Those studies suggest that the variation is related to, and has in some cases exacerbated, historical regional structural issues within enterprise, employment, & economic activity.

Figure 4. % of LF on the Live Register.

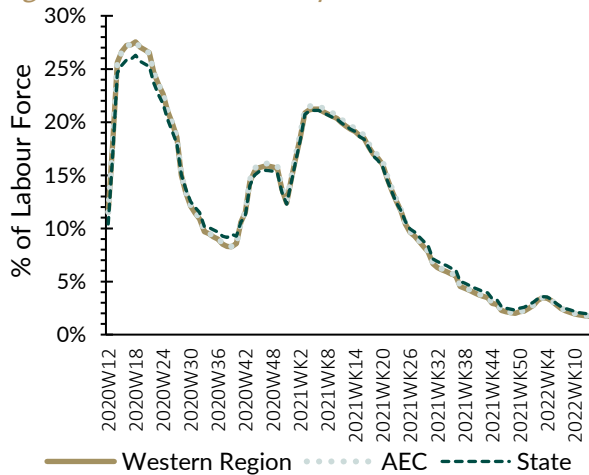


Source: Analysis of CSO Table LRW14 (22/08/22).

Live register numbers rise as income support schemes unwind.

- Live register numbers rose as the PUP & wage subsidy schemes were unwound.
- The % of the LF on the live register had been 7.5% during 2022 but rose to 8.8% in the WR & AEC at the start of July. Nationally, 8.1% of the LF was on the live register having been 7.0%.
- Higher regional shares of the LF on the live register represent a continuation of a pre-pandemic trend related to regional economic & social structures.
- Figure 10 below shows county-level trends.

Figure 5. % of LF in receipt of PUP.

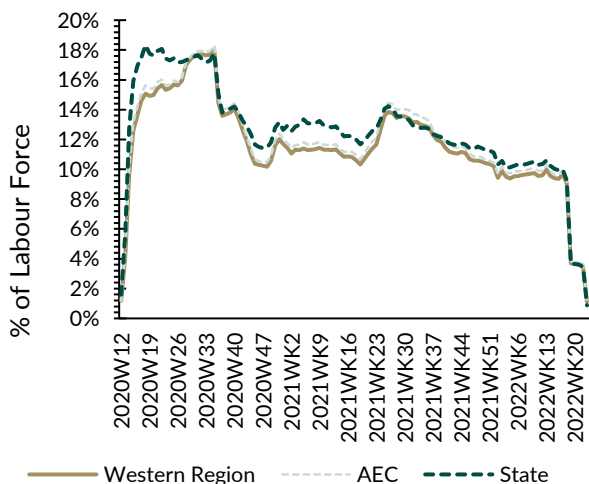


Source: Analysis of CSO Table LRW14 (22/08/22).

PUP ends with less than 2% of LF in receipt.

- On 22 Jan. the PUP closed to new applicants, those not moving back into employment were moved onto alternative schemes.
- At the end of March, the % of the LF in the WR & AEC receiving the PUP fell to 1.7% as the scheme fully wound down. At its peak almost 30% of the LF was in receipt of the payment.
- Figure 8 below shows county-level trends.

Figure 6. % of LF supported by Wage Subsidy.



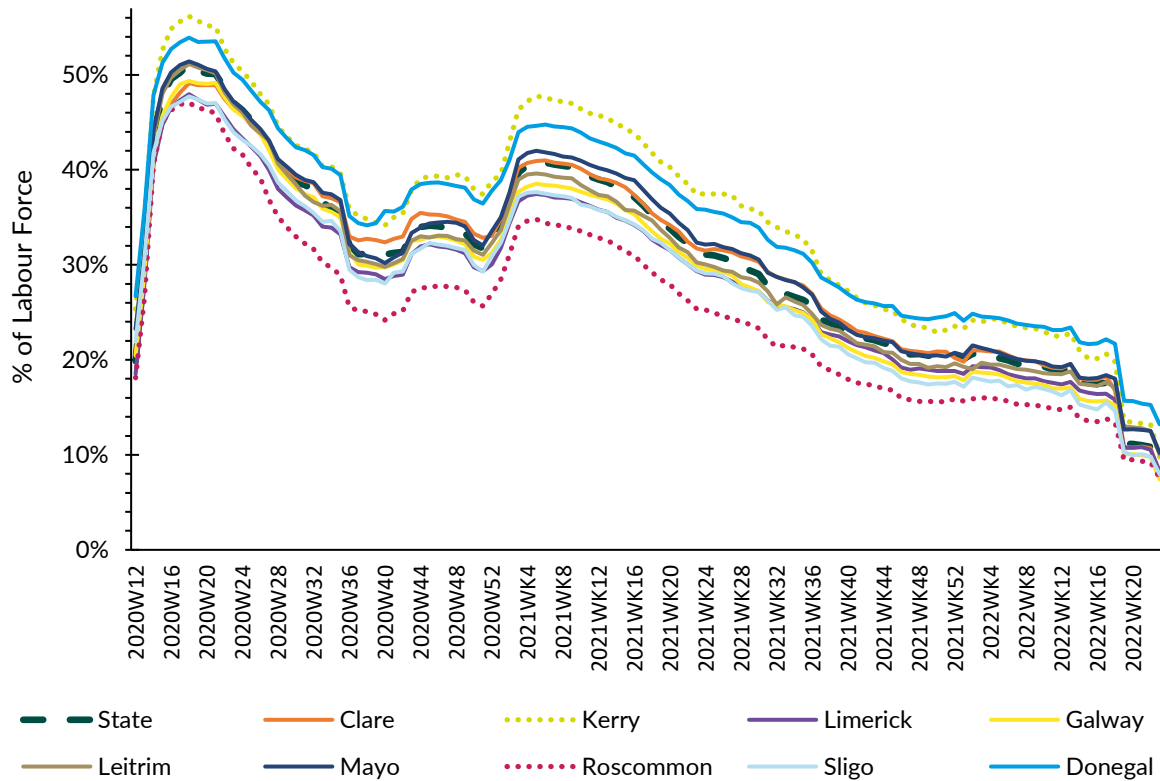
Source: Analysis of CSO Table LRW14 (22/08/22).

Wage Subsidy supports below 1% of LF at the start of June.

- The EWSS remained in place until April 30th for most workers. For businesses directly impacted by the restrictions introduced in December 2021, the subsidy ended on 31 May 2022.
- At the EWSS was fully wound down 1.1% of the WR & AEC LF were supported by the subsidy. Nationally, the figure was 0.9%. At its peak almost 20% of the LF was receiving the subsidy.
- Figure 9 below shows county-level trends

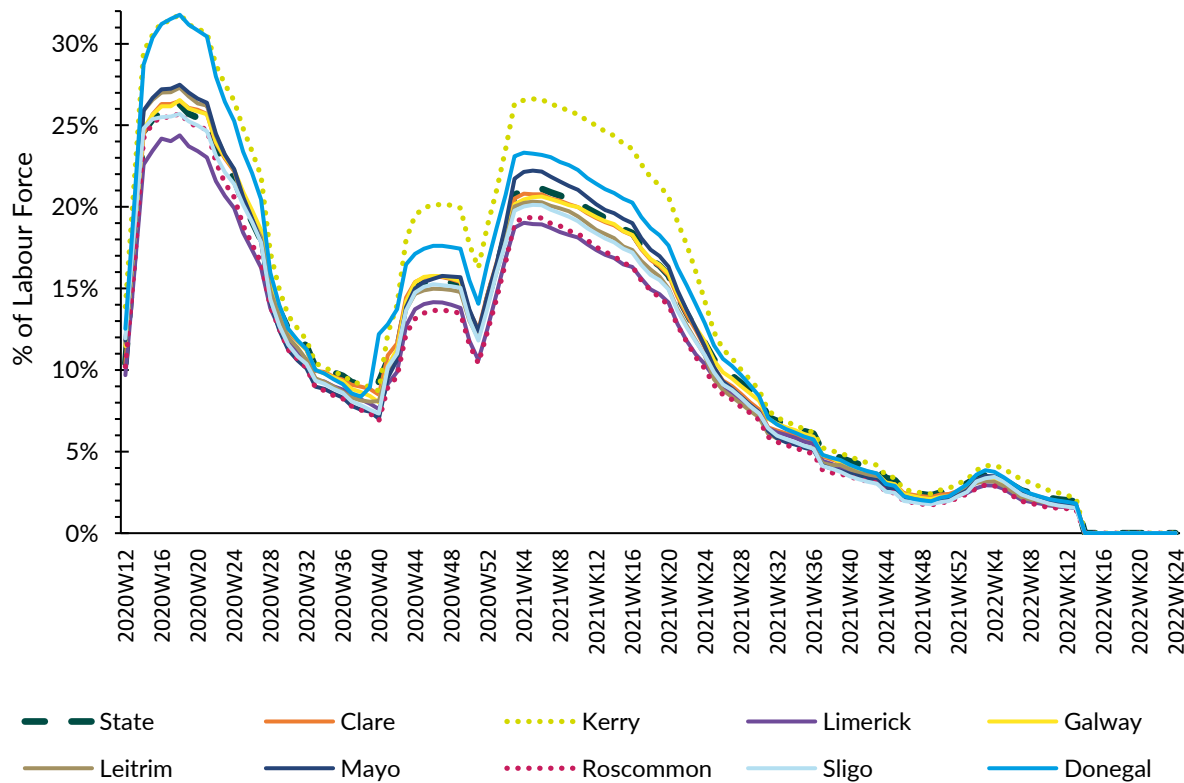
Labour Market Trends by County

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



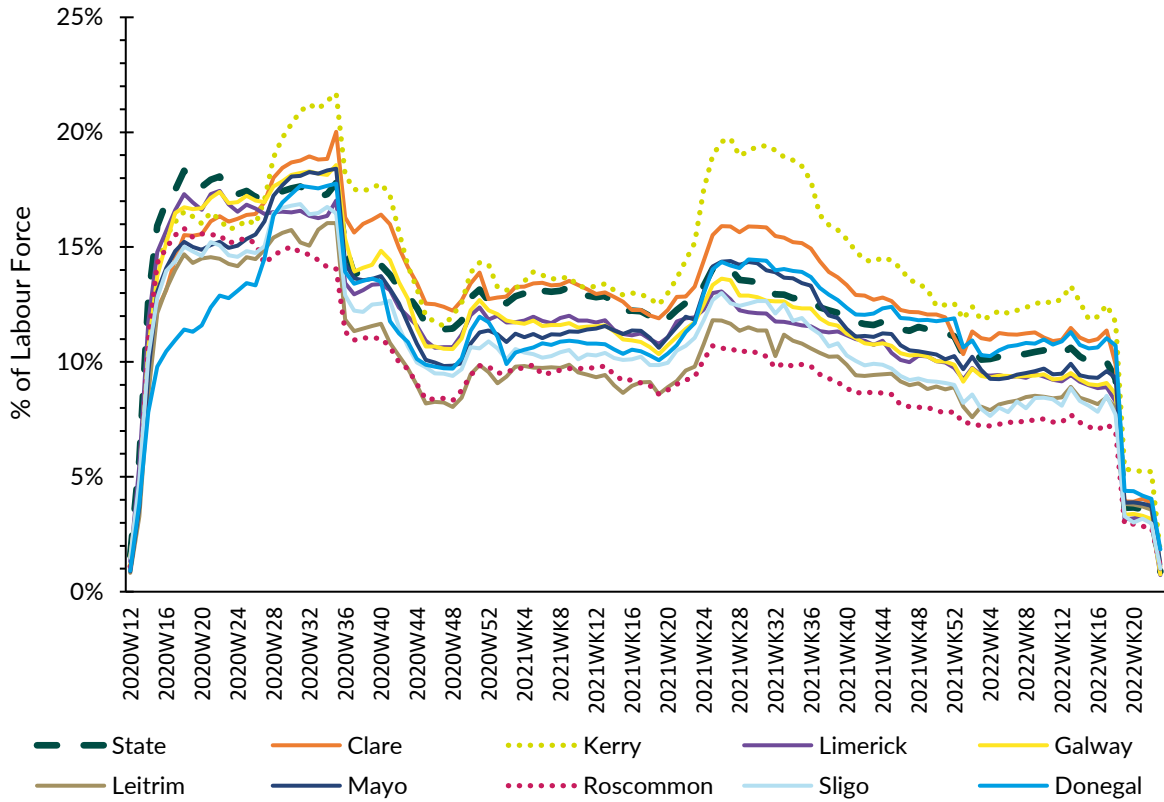
Source: Analysis of CSO Table LRW14 (22/08/22).

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



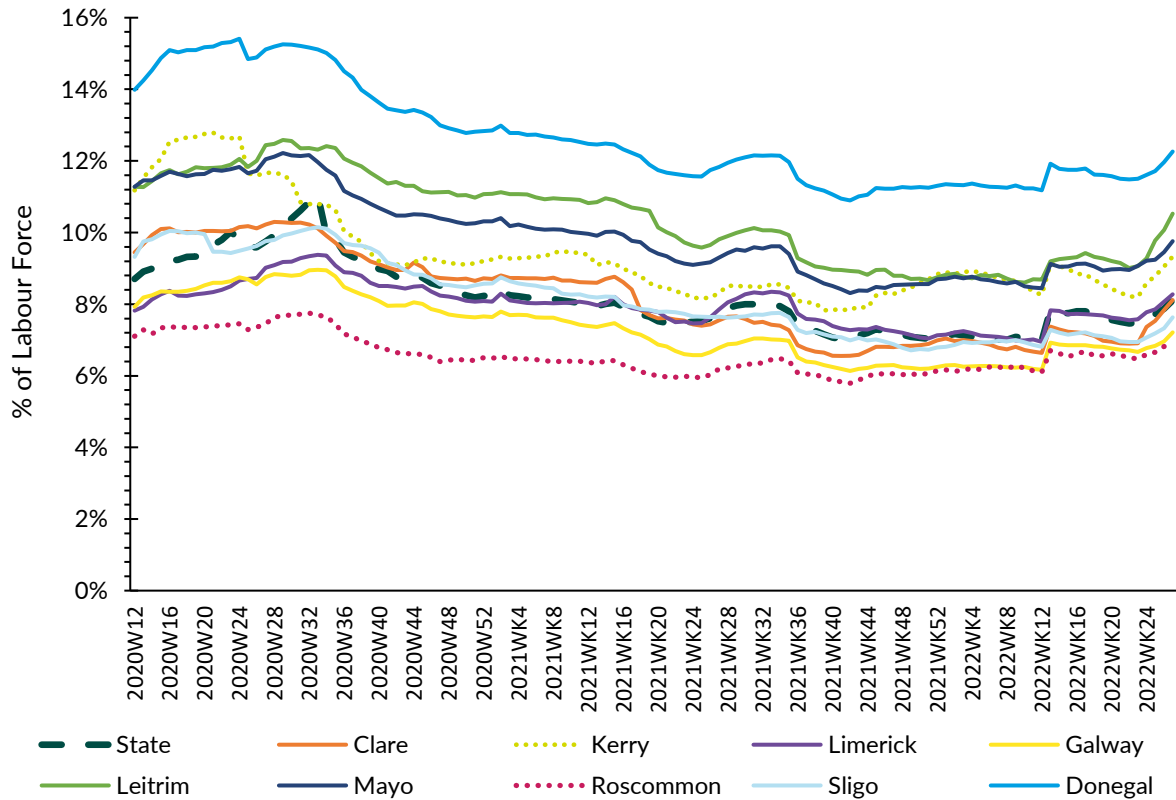
Source: Analysis of CSO Table LRW14 (22/08/22).

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



Source: Analysis of CSO Table LRW14 (22/08/22).

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

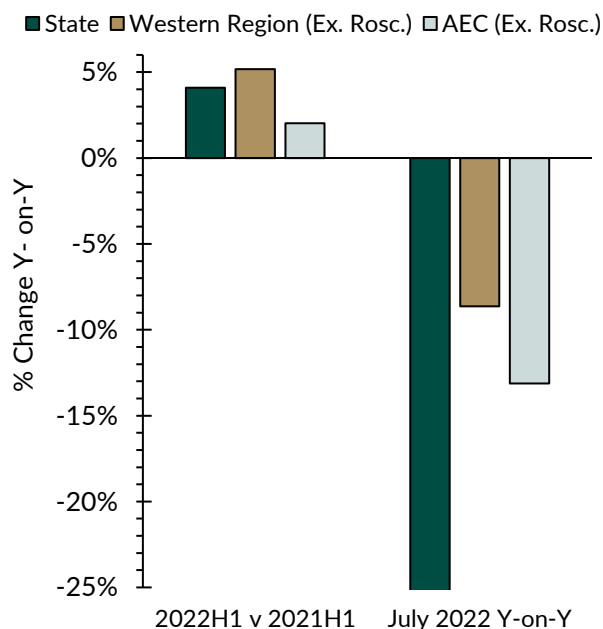


Source: Analysis of CSO Table LRW14 (22/08/22).

Consumption

New Private Cars

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



Source: Analysis of CSO Tables TEM22/TEM24. Note: *Ex. Roscommon, due to distortions caused by the activity of a national car hire company see [here](#).

First half of 2022 shows Y-on-Y rise in registrations but signs of slowdown in the key month of July.

- During H1 2022, new car registrations rose 2-5% in the WR & AEC, year on year. Nationally, there was a rise of 4%.
- July is a key month for car sales due to the dual registration system. July registrations were down 9%-13% in the WR & AEC. Nationally, registrations were down 25% compared with last July.

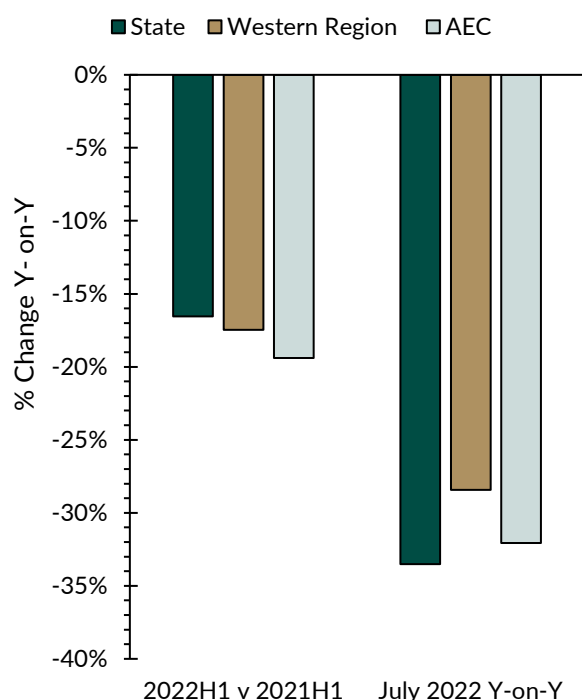
Table 3. New Private Cars Licensed for the First Time.

	2019 H1	2020 H1	2021 H1	2022 H1
Donegal	1,518	1,199	1,455	1,522
Leitrim	284	249	266	268
Sligo	721	598	705	706
Galway	2,566	2,004	2,360	2,641
Mayo	1,246	995	1,084	1,152
Clare	1,493	1,134	1,335	1,288
Roscommon	3,229	809	1,132	1,227
Western Region (Ex. Roscommon)	7,828	6,179	7,205	7,577
Limerick	2,564	1,968	2,265	2,089
Kerry	1,506	1,178	1,408	1,433
AEC (Ex. Roscommon)	11,898	9,325	10,878	11,099
State	77,639	49,184	59,823	62,268

Source: Analysis of CSO Tables TEM22 & TEM24.

New Goods Vehicles

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



Source: Analysis of CSO Table TEM14.

Contraction in new goods vehicles during H1 2022 but still at pre-pandemic levels in WR & AEC.

- During H1 2022, new goods vehicle registrations fell 17-19% in the WR & AEC, year on year. Nationally, registrations fell 17%.
- Registrations for H1 were at pre-pandemic levels in the AEC & 2% above in the WR. Nationally, registrations were down 12% lower than 2019.
- During July, WR & AEC registrations were down 28-32% compared to last year. Nationally, registrations fell 34%.
- The large declines reflect a fall from large sharp recorded in 2021 following a slowdown in construction activities during the 2020 lockdowns.

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

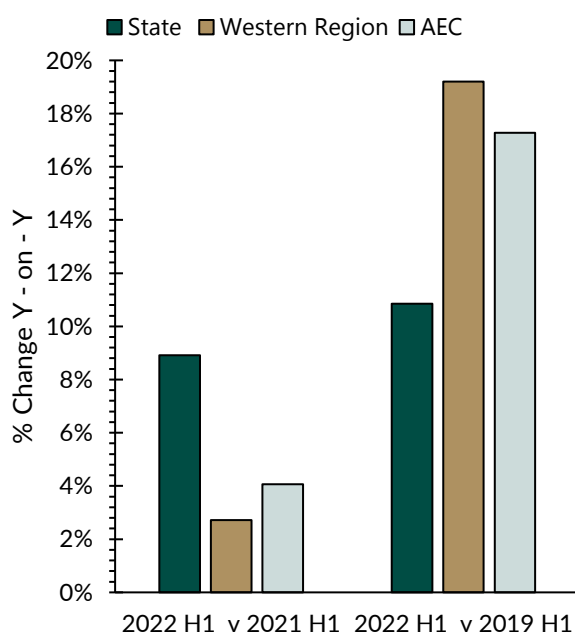
	2019 H1	2020 H1	2021 H1	2022 H1
Donegal	259	197	409	321
Leitrim	59	58	67	72
Sligo	176	119	191	149
Galway	512	350	610	503
Mayo	269	209	346	295
Clare	210	145	221	183
Roscommon	149	96	178	146
Western Region	1,634	1,174	2,022	1,669
Limerick	497	438	569	467
Kerry	342	308	492	349
AEC	2,473	1,920	3,083	2,485
State	14,305	9,772	15,005	12,522

Source: Analysis of CSO Table TEM14.

Housing & Construction

Sales Volumes

Figure 13. Change in Sales Volumes



Source: Analysis of CSO Table HPM03.

Sales volumes remain elevated in 2022.

- Sales volumes exceeded pre-pandemic levels in the WR & AEC during 2021, this trend has continued into 2022.
- There was a sharp contraction in volumes during the onset of the pandemic in Q2 and Q3 2020.
- Within the AEC, only Limerick city saw sales volumes remain below pre-pandemic levels. These trends combined with the price trends below suggest movement away from larger urban centres during the pandemic.
- Volumes increased as supply rose during 2021 and into 2022 but that increase was from a low base. Demand has continued to rise, and this has resulted in price increases, see below.

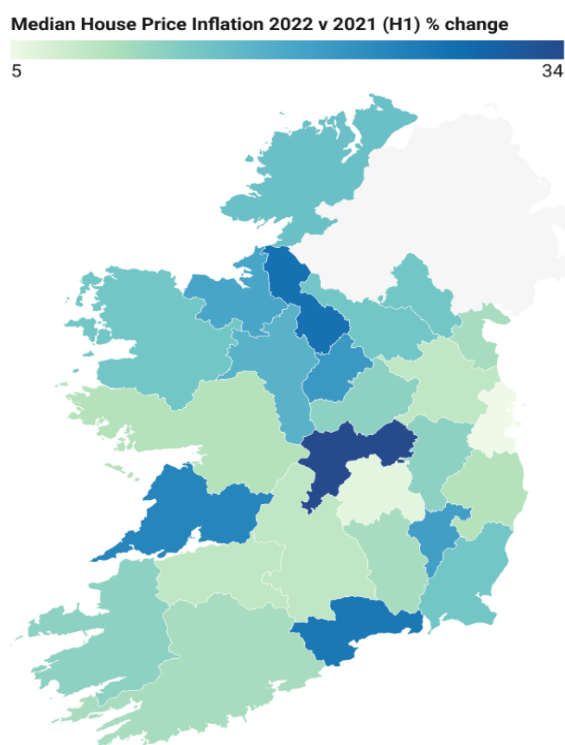
Table 5. Sales Volumes based on Market Transactions of all Properties.

	2019H1	2020 H1	2021 H1	2022 H1
Donegal	510	445	632	633
Leitrim	153	134	224	204
Sligo	313	251	342	353
Galway City	337	275	305	366
Galway County	596	545	670	663
Mayo	456	444	564	581
Roscommon	278	278	334	352
Clare	434	406	500	516
Western Region	3,077	2,778	3,571	3,668
Limerick City	280	213	212	269
Limerick County	470	419	524	515
Kerry	513	456	584	638
AEC	4,340	3,866	4,891	5,090
State	20,100	16,828	20,458	22,282

Source: Analysis of CSO Table HPM03.

Housing Sales Prices

Figure 14 Median Price changes 219-21.



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Source: Analysis of CSO Table HPM03.

House prices continue to rise reflecting shortages & movement away from larger urban centres.

- Median sales prices rose in all AEC counties when comparing H1 2022 with H1 2021. Increases ranged from 9% in Limerick to 28% in Leitrim. 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 for June shows an annual increase in Dublin house prices of 12% compared with 16% in the rest of State. Border (Cavan, Donegal, Leitrim, Monaghan, & Sligo) & West (Galway, Mayo, Roscommon) prices rose 20%.

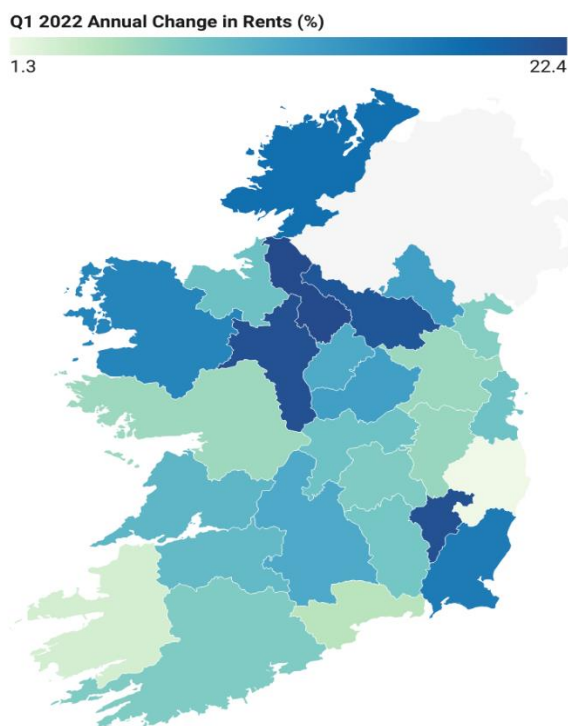
Table 6. Median House Prices based on Market Transactions of all Properties.

	2019 H1	2020 H1	2021 H1	2022 H1
Donegal	€115,968	€122,272	€133,392	€154,792
Leitrim	€115,750	€106,411	€122,649	€156,750
Sligo	€145,669	€130,542	€147,631	€177,125
Galway City	€259,042	€261,500	€298,167	€317,417
Galway County	€199,417	€223,500	€219,810	€252,000
Mayo	€135,333	€141,833	€149,667	€171,750
Roscommon	€118,917	€111,042	€128,325	€151,833
Clare	€175,417	€186,958	€187,425	€234,250
Limerick City	€166,500	€178,850	€176,667	€200,528
Limerick County	€200,181	€207,417	€221,942	€235,750
Kerry	€172,542	€173,375	€192,417	€217,250
State	€250,752	€249,583	€263,750	€291,167

Source: Analysis of CSO Table HPM03.

Housing Rental Prices

Figure 15. 2022Q1 Year on Year % change in Standardised Rents.



Created with Datawrapper

Source: Analysis of RTB Rent Index.

Sharp rise in rents reflect shortages & movement away from large urban centres.

- Rents rose annually in all AEC counties during Q1 2022. Increases ranged from 4.8% in Galway city to 22.4% in Leitrim (the largest increase in the country). The national increase in rents was 9.2%.
- Rents fell quarter on quarter in Roscommon (-7.1%), Kerry (-3.0%), & Leitrim (-0.9%).
- The rental price (and sales price) trends suggest the pandemic has coincided with a movement away from large urban areas.
- The accompanying [WDC Insights blog post](#) details the severe shortages of available rental properties across the country.

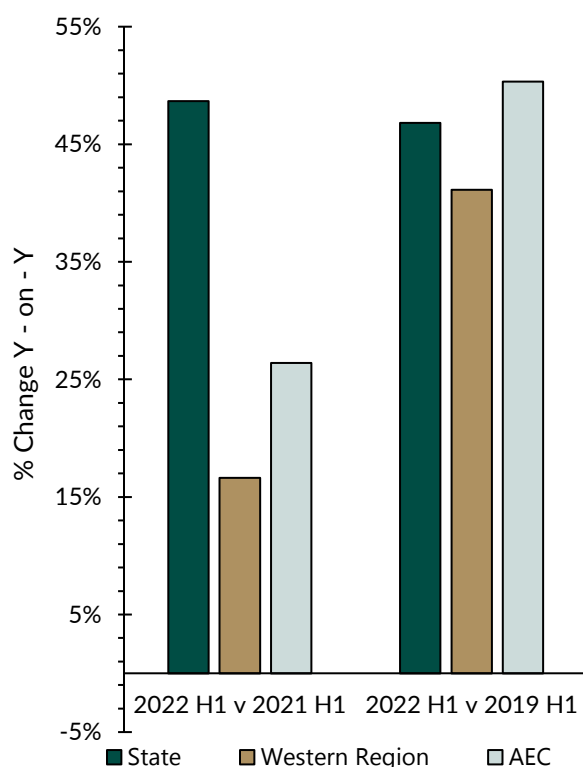
Table 7. Residential Tenancies Board Standardised Rent (Euro).

	2022 Q1 (per month)	% Change Y-on-Y	% Change Q-on-Q
Clare	€947	10.3%	0.3%
Donegal	€764	18.3%	5.0%
Galway County	€1,080	8.4%	3.1%
Galway City	€1,413	4.2%	7.5%
Leitrim	€734	22.4%	-0.9%
Mayo	€884	15.8%	6.9%
Roscommon	€822	21.7%	-7.1%
Sligo	€884	9.0%	2.5%
Limerick	€1,219	9.9%	0.0%
Kerry	€929	3.0%	-3.0%
Dublin	€2,015	8.9%	3.0%
State	€1,460	9.2%	3.3%
Outside GDA*	€1,081	9.5%	2.1%

Source: Analysis of RTB Rent Index Reports. *Note: GDA = Greater Dublin Area (Dublin, Meath, Kildare, & Wicklow).

Dwelling Completions

Figure 16. Change in Dwelling Completions.



Source: Analysis of CS0 Table NDQ06.

Dwelling completions rise during Q1.

- WR & AEC dwelling completions were above pre-pandemic levels during 2021 and this trend has continued into 2022.
- National completions in 2021 were below 2019 levels. However, during H1 2022, there was a sharp national growth of 49% year on year. A sharp increase in Dublin completions largely explains the high growth rate.
- Lower year on year growth rates were recorded in WR & AEC but those rates need to be put into the context of sustained high historical levels of completions during 2021.
- If the same level of growth is sustained throughout 2022, completions would reach close to 30,000. At this level, supply would be close to the projected national housing demand as estimated by [Bergin & García Rodríguez \(2020\)](#). [Lyons \(2020\)](#) estimates a higher housing demand of closer to 50,000.

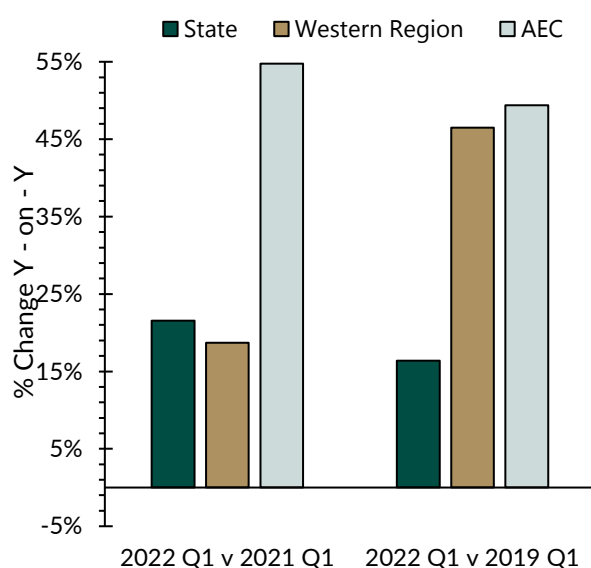
Table 9. Total Dwelling Completions.

	2019 H1	2020 H1	2021 H1	2022 H1
Clare	175	148	179	319
Donegal	196	221	208	295
Galway County	342	317	353	401
Galway City	70	88	222	159
Leitrim	22	10	42	24
Mayo	177	174	164	212
Roscommon	74	59	119	71
Sligo	53	88	55	84
Western Region	1,109	1,105	1,342	1,565
Limerick County	251	191	264	387
Limerick City	22	10	42	24
Kerry	182	142	228	366
AEC	1,542	1,438	1,834	2,318
State	9,069	8,197	8,957	13,316

Source: Analysis of CS0 Table NDQ06.

Planning Permissions (Units for which Permissions Granted)

Figure 17. Change in Total Planning Permissions Granted.



Source: Analysis of CSO Table BHQ12.

Continued growth in regional planning permissions.

- Total planning permissions (residential units for which permission granted) rose by 19% (55%) in the WR (AEC) during 2022 Q1 compared with 2021 Q1. Nationally, there was a rise of 22%.
- National and regional planning permissions were sharply above pre-pandemic levels during Q1 2022.

Table 10. Planning Permissions - Houses (Number).

	2019 Q1	2020 Q1	2021 Q1	2022 Q1
Clare	114	38	118	161
Donegal	126	145	158	230
Galway County	168	234	164	257
Galway City	39	12	14	16
Leitrim	5	15	12	18
Mayo	97	101	75	74
Roscommon	29	88	40	24
Sligo	33	114	15	83
Western Region	611	747	696	863
Limerick	213	109	114	292
Kerry	175	82	75	93
AEC	999	938	885	1,248
State	4,894	4,582	3,089	4,687

Source: Analysis of CSO Table BHQ12.

Table 11. Planning Permissions One-Off Houses.

	2019 Q1	2020 Q1	2021 Q1	2022 Q1
Clare	66	31	50	82
Donegal	93	92	146	205
Galway County	144	131	125	217
Galway City	7	8	12	12
Leitrim	5	15	10	16
Mayo	66	76	73	70
Roscommon	29	19	37	24
Sligo	21	22	15	17
Western Region	431	394	468	643
Limerick	67	74	76	116
Kerry	59	50	69	79
AEC	557	518	613	838
State	1,456	1,355	1,661	2,081

Source: Analysis of CSO Table BHQ12.

Table 12. Planning Permissions - Multi-Development.

	2019 Q1	2020 Q1	2021 Q1	2022 Q1
Clare	48	7	68	79
Donegal	33	53	12	25
Galway County	24	103	139	40
Galway City	32	4	2	4
Leitrim	N/A	N/A	2	2
Mayo	31	25	2	4
Roscommon	N/A	69	3	N/A
Sligo	12	92	N/A	66
Western Region	180	353	228	220
Limerick	146	35	38	176
Kerry	116	32	6	14
AEC	442	420	272	410
State	3,438	3,227	1,428	2,606

Source: Analysis of CSO Table BHQ12.

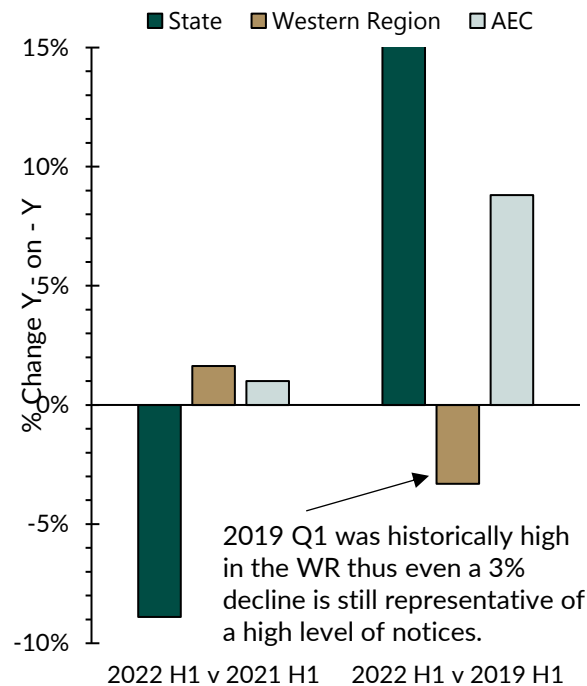
Table 13. Planning Permissions Private Flats/Apartments.

	2019 Q1	2020 Q1	2021 Q1	2022 Q1
Clare	5	3	11	5
Donegal	1	13	3	27
Galway County	4	8	101	2
Galway City	59	65	5	90
Leitrim	N/A	4	N/A	N/A
Mayo	2	12	16	6
Roscommon	N/A	26	12	4
Sligo	2	N/A	N/A	5
Western Region	73	131	148	139
Limerick	36	12	29	251
Kerry	14	4	21	38
AEC	123	147	198	428
State	2,378	8,500	3,874	3,776

Source: Analysis of CSO Table BHQ12.

Commencement Notices

Figure 18. Change in Commencement Notices (No. of residential units commenced).



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

Strong Levels of Commencements continue during H1 2022.

- During H1 2022, residential units commenced rose 1-2%, year on year, in the WR & AEC. Nationally, there was a 9% decline.
- Total national commencements topped 30,000 in 2021, the pace of growth during H1 suggests a similar total is feasible for 2022. To put that 30,000 into perspective, the equivalent total for 2015 was below 9,000.
- Traditionally, there has been a one-year lag (longer for apartments) between commencements turning into completions. However, rising borrowing and materials costs have resulted in concerns being raised over the speed at which these units will eventually be completed. The growing share of apartments within total completions also means a longer lag between dwelling commencements and completions.

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

	2019 H1	2020 H1	2021 H1	2022 H1
Clare	208	142	164	191
Donegal	220	132	221	262
Galway County	375	262	392	507
Galway City	319	71	314	76
Leitrim	11	28	27	49
Mayo	294	152	199	242
Roscommon	68	91	69	72
Sligo	45	80	80	90
Western Region	1,540	958	1,465	1,489
Limerick	263	319	488	496
Kerry	242	178	250	240
AEC	2,045	1,455	2,203	2,225
State	12,260	9,952	15,530	14,149

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

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**WESTERN
DEVELOPMENT
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