

Buoyant SME and housing sectors drive prosperity in the East

Written by editor

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The East of England has grown more prosperous over the past year helped by high employment, a strong housing market and a buoyant SME sector and it remains the UK's most affluent region outside London and the South East, according to the latest Barclays Prosperity Map.

The region has the joint highest employment rate in the country at 77 per cent and house price growth, led by Cambridge, has increased the average house price in the region is £262,626. Meanwhile, the region's small businesses have increased their overall turnover by 6 per cent with a rise of 9 per cent in Norwich.

Simon Smith, regional director in the East of England, Barclays Wealth and Investment Management, said: "With a thriving SME scene supported by the sustained expansion of tech centres in Norwich, Ipswich and Cambridge, it is no wonder that we are continuing to see an uplift across a variety of measures of prosperity in the East of England. These findings show that we are already competing with the capital as a great place to live, work and grow a thriving business."

The region's prosperity has been partly driven by the growth of tech hubs in Norwich and Cambridge. Gdp per capita grew by 11.4 per cent and average earnings across the region of rose 3 per cent.

The number of millionaires in the region reduced slightly by 2.2 per cent (from 93,000 to 91,000) in line with the wider UK trend. With 690,000 people in the UK now being worth at least seven figures, this is the equivalent of 1 in every 67 adults being a millionaire.

Although this is a slight dip in comparison to 2015, falling by 3.8%, the longer term trend paints a better picture, with the number of millionaires increasing by 34% since 2010.

In the rest of the UK, every region has become more prosperous than last year, with uplifts in either household wealth, GDP, household expenditure or earnings, and a decrease in unemployment.

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Simon Smith added: “With positive growth in prosperity recorded across the country and our region holding firm behind London and the South East, it is clear that the East of England continues to play an important role in this trend. It is more important than ever that business leaders and policy makers continue to create new opportunities to keep our region, and the UK as a whole, ‘open for business’ and continuing on this trajectory.”