March 2026

Norwich Economic Barometer

NORWICH
City Council

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Business news

Economy

- The Office for National Statistics (ONS) reported that the UK's unemployment rate (International Labour Organisation measurement, survey data) has fallen unexpectedly, partly due to fewer students looking for work while they study. Unemployment fell to 4.9% in the three months to February, despite predictions it would remain unchanged at 5.2%. The drop has been driven by a rise in those not actively seeking work as economically inactive people are not included in the jobless figures.
- The UK economic inactivity rate for people aged 16 to 64 years was estimated at 21.0% in December 2025 to February 2026 - up in the latest quarter but below estimates of a year ago.
- The estimated number of vacancies in the UK has decreased in the latest quarter, following broadly flat estimates since March to May 2025. Early ONS estimates for January to March 2026 suggest a decrease of 29,000 (3.9%), to 711,000, compared with October to December 2025, the lowest level of vacancies since February to April 2021.
- According to ONS figures, wages rose at an annual pace of 3.6% between December and February, the weakest rate since late 2020. Despite the slowdown, pay is still rising faster than inflation.
- Estimates for payrolled employees in the UK fell by 74,000 (0.2%) between February 2025 - February 2026 and decreased by 6,000 between January and February 2026 based on administrative data from HM Revenue and Customs (HMRC).
- The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.4% in the 12 months to March 2026, up from 3.2% in the 12 months to February. On a monthly basis, CPIH rose by 0.6% in March 2026, compared with a rise of 0.3% in March 2025. The Consumer Prices Index (CPI) rose by 3.3% in the 12 months to March 2026, up from 3.0% in the 12 months to February. On a monthly basis, CPI rose by 0.7% in March 2026, compared with a rise of 0.3% in March 2025. Motor fuels made the largest upward contribution to the monthly change in both CPIH and CPI annual rates; clothing made the largest, partially offsetting, downward contribution.
- March UK Services PMI Business Activity Index data showed a marked slowdown in service sector growth, reflecting weaker business and consumer spending amid concerns over the Middle East conflict. The Business Activity Index fell to 50.5 from 53.9 in February, its lowest level since April 2025 and only marginally above the expansion threshold. Growth was further constrained by rising input costs—particularly fuel, transport and raw materials—which

pushed inflation to an 11-month high and squeezed margins. Although some firms reported improved demand early in 2026, heightened geopolitical uncertainty led to a fall in new business for the first time since November 2025, with the sharpest decline in order books for eight months.

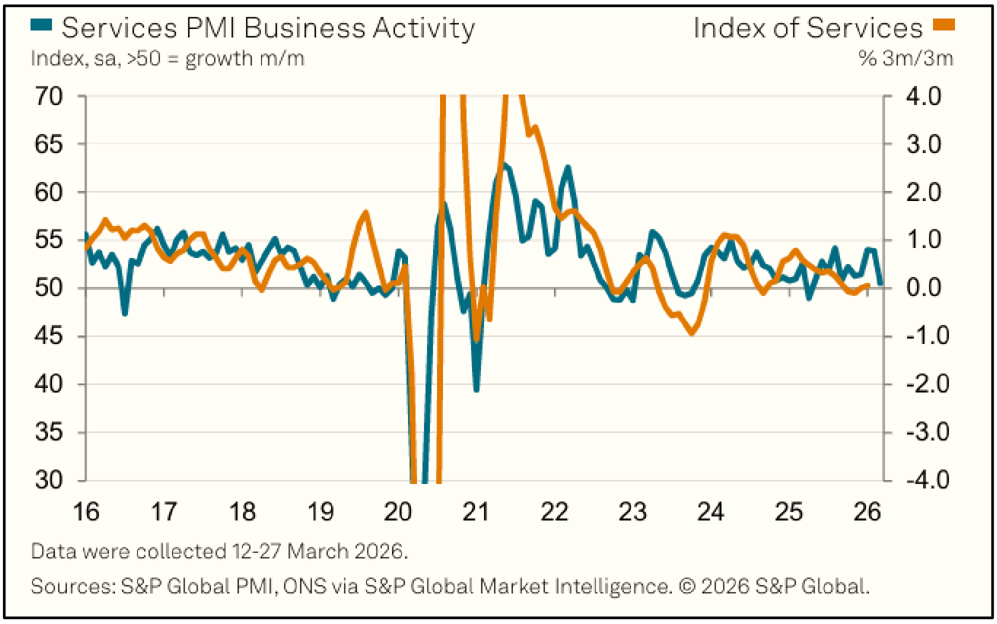

Figure 1: S&P Global/CIPS UK Services Business Activity Index

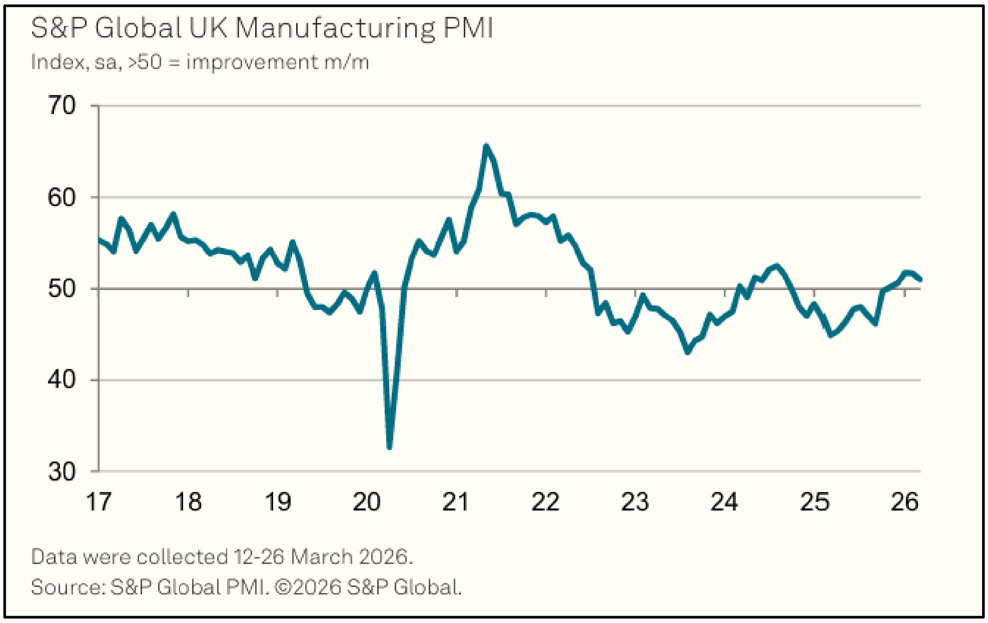

Figure 2: S&P Global/CIPS UK Manufacturing PMI

- Figure 2 shows that UK manufacturing activity weakened at the end of the first quarter, with output contracting amid heightened geopolitical uncertainty, the war in the Middle East and concerns over domestic economic policy. Although the S&P Global UK Manufacturing PMI remained in expansion at 51.0 in March (down from 51.7 in February), output fell for the first time in six months. Rising input cost inflation, increased supply-chain disruption and longer delivery times - driven by conflict-related stress rather than demand -

added further pressure. Production, employment and purchasing all declined, with contractions in intermediate goods outweighing modest growth in consumer and investment goods. Manufacturers cited uncertainty, stock adjustments and weaker confidence in the year ahead as key factors behind the slowdown.

- March data summarised in Figure 3 points to a continued contraction in UK construction output, though at a slightly slower pace than in February. The S&P Global UK Construction PMI rose to 45.6 from 44.5 but remained below the growth threshold for a fifteenth consecutive month. Residential building stayed the weakest segment, while civil engineering and commercial activity also contracted, albeit more moderately. Firms cited weak client confidence, fewer new project starts and falling new business, at its sharpest decline in four months, driven by global economic uncertainty. Input cost inflation intensified, squeezing margins as the war in the Middle East pushed up fuel, transport and raw material prices. Some support came from resilient energy sector demand and improved weather conditions, which helped ease disruptions seen earlier in the year.

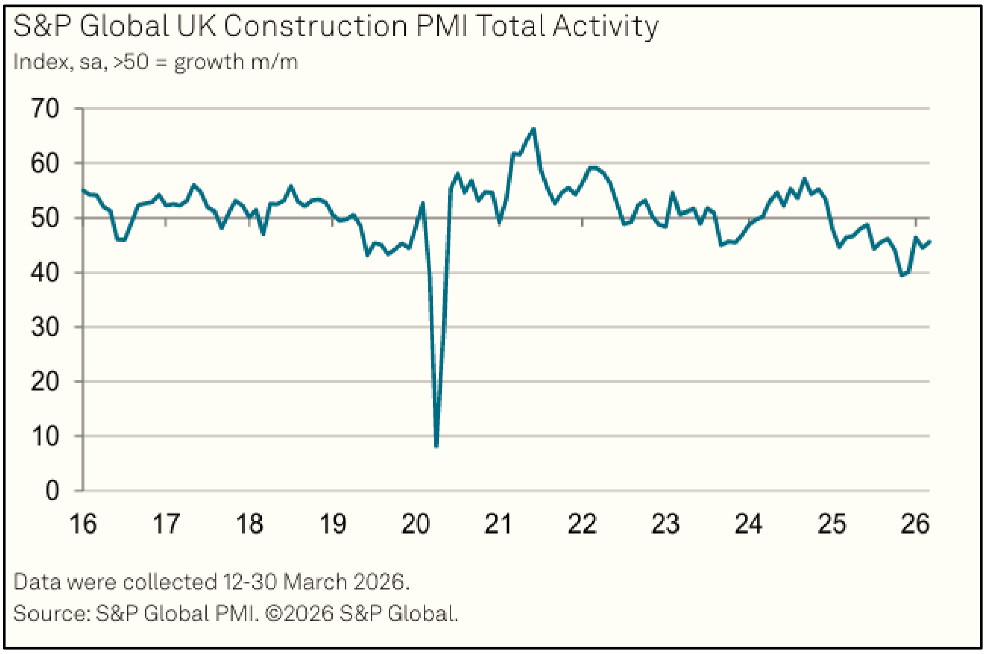

Figure 3: S&P Global/CIPS UK Construction PMI

- According to the S&P Global UK Consumer Sentiment Index, consumer sentiment weakened further at the start of the second quarter, as the conflict in the Middle East weighed heavily on confidence. Views on the labour market soured for the first time in almost three years, while all other measures signalled more acute drags on overall sentiment, underscoring a growing unease among households.
- Healthy life expectancy (HLE) - a measure combining mortality and self-reported health - gives a fuller picture of population health than life expectancy alone. A new report by The Health Foundation found that between

2012–14 and 2022–24, it fell by around two years in the UK to about 61 years for both males and females, with sharp declines in England, Scotland and Wales. More than 90% of local areas now have healthy life expectancy below the state pension age, and over one in ten below 55. Inequalities have widened, with a gap of around 20 years between the most and least deprived areas in England.

- The war in the Middle East is weighing on the East of England economy, with business conditions softening after new business declined for the first time this year in March, according to a key purchasing managers' survey. Rising fuel and raw material costs linked to the conflict have added pressure. The NatWest East of England Growth Tracker business activity index fell to 50.2 from 52.0 in February, indicating only marginal growth. After strong activity at the start of the year, firms reported weaker demand due to falling client confidence, driven by concerns over inflation, the global economy and fuel supplies. Although confidence dropped to its lowest level since April last year and input price inflation rose to a ten-month high, firms remain cautiously optimistic about growth over the next 12 months.
- Businesses in the East of England adopting artificial intelligence are reporting strong performance gains, according to Lloyds. Around 81% of firms investing in AI saw productivity improvements and 31% reported higher profits over the past year. Nearly two-thirds of regional firms have now invested in AI, most commonly to support customer service and sales functions. While most spent under £25,000, almost half of those seeing profit growth reported increases of 11% or more.
- Mid-sized firms in East Anglia are increasingly turning to government-backed finance to support growth amid high costs, according to BDO's economic engine survey. Around 45% are exploring government-backed options, while over one-third aim to self-fund through measures such as bootstrapping. Despite strong investment intentions over the next year, cost pressures and limited access to finance remain the main constraints on growth.
- Prices paid by developers and housebuilders for land have fallen in the East of England over the past year but by less than the national average whilst demand has stayed strong for 'oven-ready' sites in Norfolk with good transport links. Savills research shows that the value of greenfield sites in the East fell by an average of 1% over the past year (against 1.4% for the UK) and the value of development sites in urban locations dropped by an average of 2.6% (vs. 4.5% for the UK).
- ScottishPower has secured £600 million in financing from the National Wealth Fund to support development of the Eastern Green Link 4 electricity interconnector between Fife and Norfolk. The 530 km subsea high-voltage cable will help reduce energy costs by transferring power from generation

centres in Scotland to areas of demand in England, with capacity to supply the equivalent of 1.5 million UK homes. The funding follows a further £600 million loan from the National Wealth Fund in May last year to advance seven other major ScottishPower network projects.

Businesses

- Norwich has been named the UK's best place to live by *The Sunday Times*, topping a list of 72 locations. Judges praised the city's strong schools, connectivity, green spaces and vibrant High Street, highlighting its creative, cosmopolitan character and the balance it offers between urban life and easy access to the countryside.
- Building materials firm Breedon is opening a new construction waste recycling facility in Costessey, Norwich, as part of its circular economy expansion. The site will process materials such as stone, brick and rubble into recycled aggregate and is due to open in March.
- A £5 million charitable investment will support construction of a major new crop science glasshouse at Norwich Research Park. Backed by the Garfield Weston Foundation, the 4,500 sqm facility will enable the John Innes Centre and the Sainsbury Laboratory to grow up to one million plants a year, strengthening nationally accessible research into crop performance.
- Norwich Aviation Centre has secured funding for three new light aircraft, enabling the flight training provider to expand capacity and support more trainee pilots at Norwich Airport.
- The Sainsbury Centre has been named the most visited attraction in the East of England in 2025, welcoming more than 1.16 million visitors. It ranked 29th nationally among Association of Leading Visitor Attractions (ALVA) members, ahead of several major national cultural institutions.
- The HSBC branch on Norwich's London Street has reopened after a six-month closure for refurbishment, part of the bank's £55 million investment programme across its UK branch network.
- Age UK Norwich has won a GSK IMPACT Award, recognising its work supporting people aged over 50 to maintain independence and wellbeing. The charity was praised for initiatives addressing falls prevention, hydration and wider health and social support across Greater Norwich and surrounding areas.

Education

- The University of East Anglia (UEA) has performed strongly in the QS World University Rankings by Subject, with three disciplines ranked in the global top 100. Development Studies placed 23rd worldwide, Environmental Sciences rose to 97th, and Agriculture and Forestry entered the rankings for the first time at 71st, underlining UEA's strengths in sustainability and climate-related research.

- UEA has been provisionally allocated 25 government-funded dental training places per year, becoming one of a small number of institutions approved to train dentists. The award, subject to Office for Students approval, aims to help address severe regional shortages in NHS dental provision, with the university planning to welcome its first dental students in September 2027.
- UEA's Norwich Business School has been recognised for the first time in CEO Magazine's Global MBA Rankings, with its MBA offering overall recognised within the "Tier One" Global category and its Executive MBA programme being ranked 28th in the world.
- Norwich University of the Arts has been ranked in the 201–300 band globally for Art and Design in the latest QS World University Rankings by Subject, marking its first-ever inclusion in the internationally recognised ranking.

Claimant count unemployment

Figure 4 shows how claimant count unemployment has evolved since 2020. Following a steady decline in unemployment from late 2013 onward, rates rose sharply during the Covid-19 pandemic. Since then, claimant counts have fallen across all areas featured in the chart below. At present, the rate in the Norwich City Council area remains slightly above the national average (4.0%) and at 4.3% is notably higher than the rates observed in the urban area, the county and the wider region.

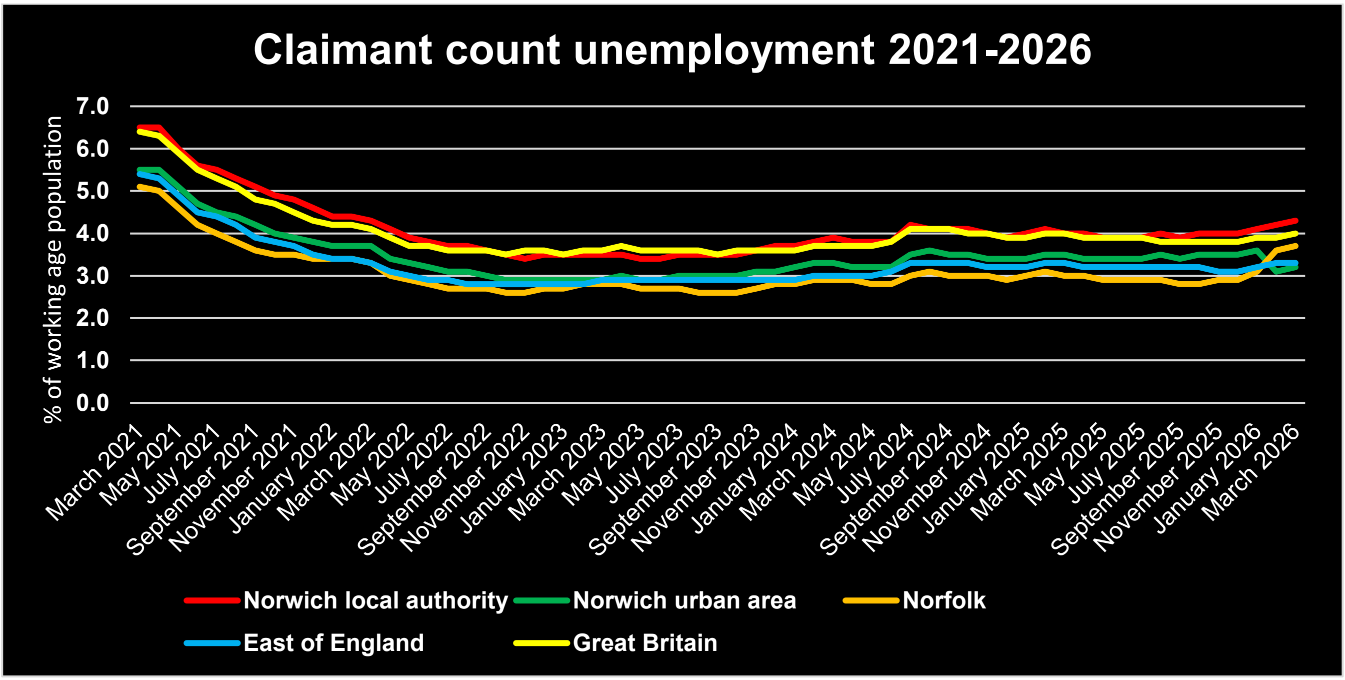

Figure 4: Claimant count unemployment 2021 to 2025

Table 1: Claimant count unemployment rate

	March 2025		February 2026		March 2026		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Gt. Britain	1,703,910	4.0	1,651,720	3.9	**1,687,635**	**4.0**	+ 0.1%	0
East of England	133,430	3.3	131,705	3.3	**134,340**	**3.3**	0	0
Norfolk	16,855	3.0	17,355	3.1	**17,795**	**3.2**	+ 0.1%	+ 0.2%
Norwich Urban Area	5,190	3.5	4,990	3.6	**5,125**	**3.7**	+ 0.1%	+ 0.2%
Norwich City Council Area	4,095	4.0	4,235	4.2	**4,360**	**4.3**	+ 0.1%	+ 0.3%

Table 1 indicates that the claimant count unemployment rate rose slightly month on month in all reported areas except the East of England. However, interpretation of trends over time should be treated with caution, as the ONS introduced a minor change to urban area definitions in January 2026. Compared with a year earlier, claimant count rates have increased in both Norfolk and Norwich, while national and regional rates have remained stable.

Ward level claimant count unemployment

As shown in Table 2, the unemployment rate in Bowthorpe fell in March compared with the previous month, while rates in Crome, Eaton, Lakenham, Mancroft, Mile Cross, Town Close, University and Thorpe Hamlet wards increased. In all other wards, unemployment rates remained unchanged.

Compared with March last year, unemployment rates rose in Crome, Eaton, Mile Cross, Nelson, Town Close and University wards, while rates in Catton Grove and Thorpe Hamlet were unchanged. In the remaining wards, unemployment declined, with the most pronounced decrease recorded in Wensum ward.

Table 2: Claimant count unemployment

	March 2025		February 2026		March 2026		Monthly change	Annual change
	Number	%	Number	%	Number	%		
Bowthorpe	285	4.4	305	4.3	**300**	**4.2**	- 0.1%	- 0.2%
Catton Grove	350	4.9	355	4.9	**355**	**4.9**	0	0
Crome	335	4.7	385	5.2	**395**	**5.3**	+ 0.1%	+ 0.6%
Eaton	115	2.2	120	2.1	**130**	**2.3**	+ 0.2%	+ 0.1%
Lakenham	340	5.7	350	5.1	**375**	**5.4**	+ 0.3%	- 0.3%
Mancroft	435	6.0	460	5.1	**470**	**5.3**	+ 0.2%	- 0.7%
Mile Cross	435	6.0	465	6.1	**495**	**6.5**	+ 0.4%	+ 0.5%
Nelson	205	2.6	215	2.8	**215**	**2.8**	0	+ 0.2%
Sewell	285	4.0	265	3.4	**265**	**3.4**	0	- 0.6%
Thorpe Hamlet	305	4.3	340	4.4	**330**	**4.3**	- 0.1%	0
Town Close	260	3.7	255	3.5	**280**	**3.9**	+ 0.4%	+ 0.2%
University	280	2.1	295	2.5	**305**	**2.6**	+ 0.1%	+ 0.5%
Wensum	465	5.7	430	4.9	**435**	**4.9**	0	- 0.8%

Note the wide variation in ward claimant count rates across the city council area. The differential between the lowest rate (Eaton ward) and the highest rate (Mancroft ward) currently stands at 4.1 percentage points.

Claimant count unemployment: male/female

Within the Norwich City Council area, women make up 41% of out-of-work benefit claimants. In March, the female unemployment rate in Norwich rose to 3.5%, while the rate across Great Britain remained unchanged at 3.4%. Female unemployment also increased slightly in Norfolk, to 2.8% and across the East of England, to 3.0%.

Over the same period, male unemployment rates edged up across all areas. In Norwich, 5.0% of working-age men are unemployed, compared with lower rates nationally (4.6%), in Norfolk (3.6%) and across the East of England (3.7%).

Since 1992, Norwich has consistently recorded higher unemployment rates for both men and women than Norfolk and the wider region, although local trends broadly mirror national patterns. The city’s relatively elevated unemployment levels reflect long-term structural change, particularly the decline of large-scale manufacturing and the growing dominance of service-sector employment.

Housing benefit.

Norwich City Council housing benefit claimants

	Claimant numbers	Monthly change
March 2025	13,320	- 41
April 2025	13,224	- 96
May 2025	13,246	+ 22
June 2025	13,255	+ 9
July 2025	13,263	+ 8
August 2025	13,258	- 5
September 2025	13,258	0
October 2025	13,224	+ 34
November 2025	13,238	+ 14
December 2025	13,156	- 172
January 2026	13,095	- 61
February 2026	13,123	+ 28
March 2026	12,956	- 167

Housing Benefit is a means-tested scheme designed to help people on low incomes - whether they are in or out of work - meet the cost of rented housing. The figures also include claimants who receive Council Tax Benefit only. A significant share of recipients are pensioners, disabled people, carers and individuals in low-paid work. Norwich's comparatively low average wage is a key factor contributing to the relatively high number of residents who rely on this support.

As shown in Table 3, the number of Housing Benefit claimants in the Norwich local authority area decreased by 167 in March compared with the previous month. Over the last year, the total number of claims has fallen by 2.7%. Equivalent national data is not currently available due to delays in data collection.

Average house prices and rents

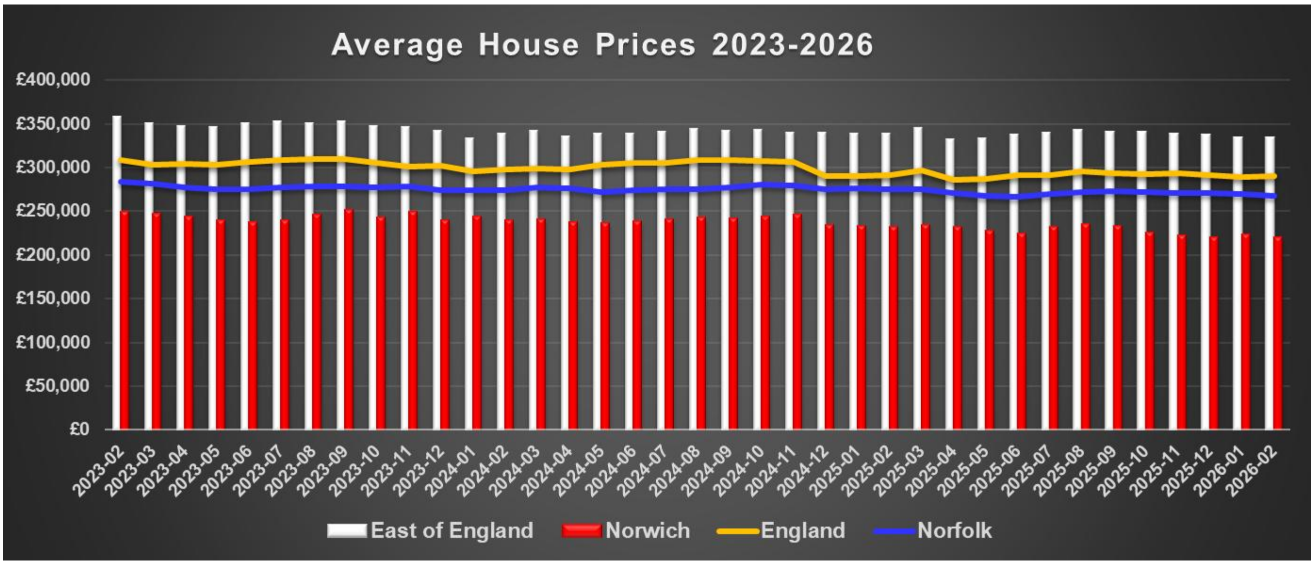

Figure 5: HM Land Registry average house prices 2023- 2026

The House Price Index (HPI) produced by HM Land Registry is widely regarded as the most accurate and independent measure of house price trends in England. It is based on completed sales data from HM Land Registry, Registers of Scotland, and Land and Property Services Northern Ireland, with the index itself calculated by the Office for National Statistics.

According to HM Land Registry's HPI (Crown copyright), average house prices over the year to November fell by 3.2% in Norwich and by 0.4% in Norfolk. In contrast, prices increased by 0.9% across the East of England and by 0.8% across England as a whole. Figure 5 illustrates changes in average house prices since February 2023.

On a monthly basis, average prices in February declined by 1.7% in Norwich and by 0.8% in Norfolk. Over the same period, prices rose by 0.2% across England and by 0.1% in the East of England.

The latest data show that average house prices stand at £219,766 in Norwich, compared with £267,884 in Norfolk, £334,905 across the East of England and £290,001 nationally.

In the private rental market, the average monthly rent in Norwich was £1,146 in March 2026, up from £1,119 in March 2025 - an annual increase of 2.4%. Across the East of England, average rents rose from £1,223 to £1,274 over the same period. Across the UK as a whole, average monthly rents increased from £1,332 in March 2025 to £1,377 in March 2026.

City centre vitality

Footfall data is provided by the Norwich BID (Business Improvement District).

Monthly Footfall Counts

	Year to date % YoY		This month % YoY		This month % MoM	
	2026	2025	2026	2025	2026	2025
Norwich	-2.0%	-2.0%	-3.1%	2.2%	2.7%	5.0%
East	-3.8%	-1.0%	-4.3%	4.8%	8.3%	9.8%
High Street Index - BDSU (BDSU - Comparison)	0.0%	2.0%	0.2%	4.4%	4.8%	4.5%
UK	-2.6%	0.7%	-2.4%	3.5%	7.0%	7.2%

Benchmark calculations (Year on Year and Month on Month) have been calculated using like for like data sets (only those counters available in both comparison periods) to ensure statistical accuracy

Figure 6: Monthly footfall counts

Year-to-date visitor numbers to Norwich city centre total 3,815,607, representing a 2% decrease compared with the same period last year.

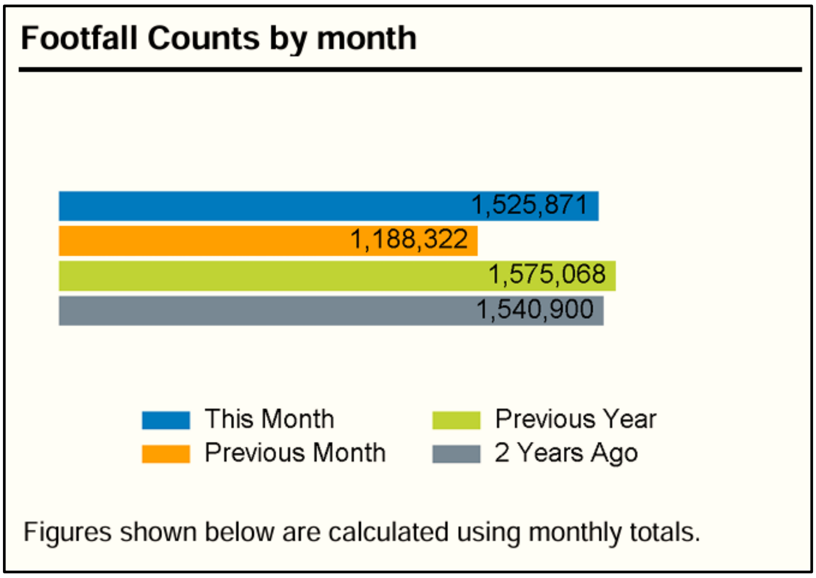

Figure 7: Comparison of monthly footfall

As shown in Figure 7, visitor numbers to Norwich totalled 1,525,871 in the month commencing 2 March 2026.

Figure 8 (overleaf) indicates that Saturday 14 March was the busiest day of the month, recording 60,301 visitors, a 1.2% increase on the equivalent peak day in March last year.

The peak hour of the month was 13:00 on Thursday 5 March 2026 with footfall of 9,045.

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Footfall Counts by day

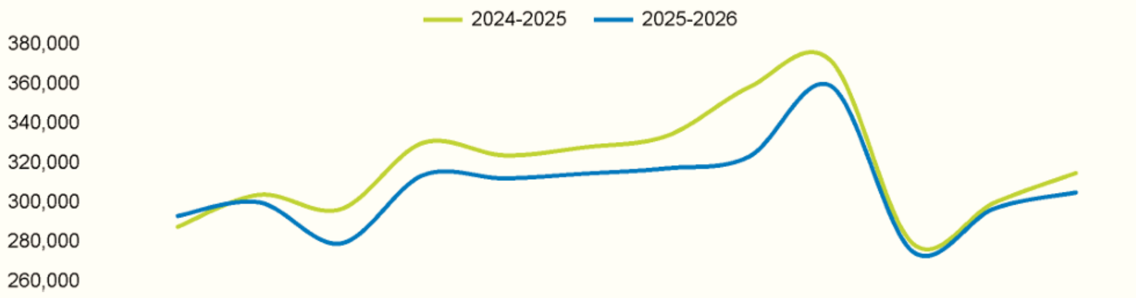
The figures shown below are calculated using weekly averages.

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Monthly totals
This Month	42,983	40,255	50,024	46,850	42,933	56,710	25,419	305,174
Previous Month	37,924	40,505	46,743	42,826	45,862	56,932	26,288	297,080
Previous Year	43,612	40,740	51,384	47,063	44,882	56,029	31,303	315,013
2 Years Ago	45,407	39,367	50,565	46,814	46,939	55,083	24,005	308,180
Month on month %	13.3%	-0.6%	7.0%	9.4%	-6.4%	-0.4%	-3.3%	
Year on year %	-1.4%	-1.2%	-2.6%	-0.5%	-4.3%	1.2%	-18.8%	

Figure 8: Footfall counts by day

Footfall Counts - rolling 12 months

The figures shown below are calculated using weekly averages.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2025-2026	293,281	300,201	279,406	313,860	312,332	314,776	317,448	323,393	359,147	275,353	297,080	305,174
2024-2025	287,740	304,068	296,796	330,268	323,979	328,156	333,987	358,515	371,876	279,432	299,989	315,013
Year on Year %	1.9%	-1.3%	-5.9%	-5.0%	-3.6%	-4.1%	-5.0%	-9.8%	-3.4%	-1.5%	-1.0%	-3.1%

Year on year % is calculated by comparing the 2025-2026 period with the 2024-2025 period i.e the figure for March compares March 2026 to March 2025

Figure 9: Rolling 12 months footfall counts

Figure 9 presents rolling 12-month footfall totals from 2024 onwards. In each month during this period, footfall was lower than in the preceding 12-month period.

Appendix

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Sources:

Figure 1: S&P Global/CIPS UK Services Business Activity Index

Figure 2: S&P Global/CIPS UK Manufacturing PMI

Figure 3: S&P Global/CIPS UK Construction PMI

Figure 4: Claimant count – NOMIS, Crown copyright

Figure 5: House Price Index - HM Land Registry, Crown copyright

Figure 6: Monthly footfall counts, Norwich BID

Figure 7: Comparison of monthly footfall, Norwich BID

Figure 8: Footfall counts by day, Norwich BID

Figure 9: Rolling 12 month footfall counts, Norwich BID

Table 1: Claimant count – NOMIS, Crown copyright

Table 2: Claimant count – NOMIS, Crown copyright

Table 3: Housing benefit claimants - Norwich City Council

News stories from a variety of sources including EDP/Evening News; Business in East Anglia; Office of National Statistics; Reuters; BBC; Markit/CIPS PMI; Markit Monthly Economic Overview: University of East Anglia; Norwich University of the Arts; City College Norwich.

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