

**CENTRE FOR REAL ESTATE RESEARCH, UNIVERSITY OF ABERDEEN**

**ABERDEEN HOUSING MARKET TO 4TH QUARTER 2011  
KEY FACTS**

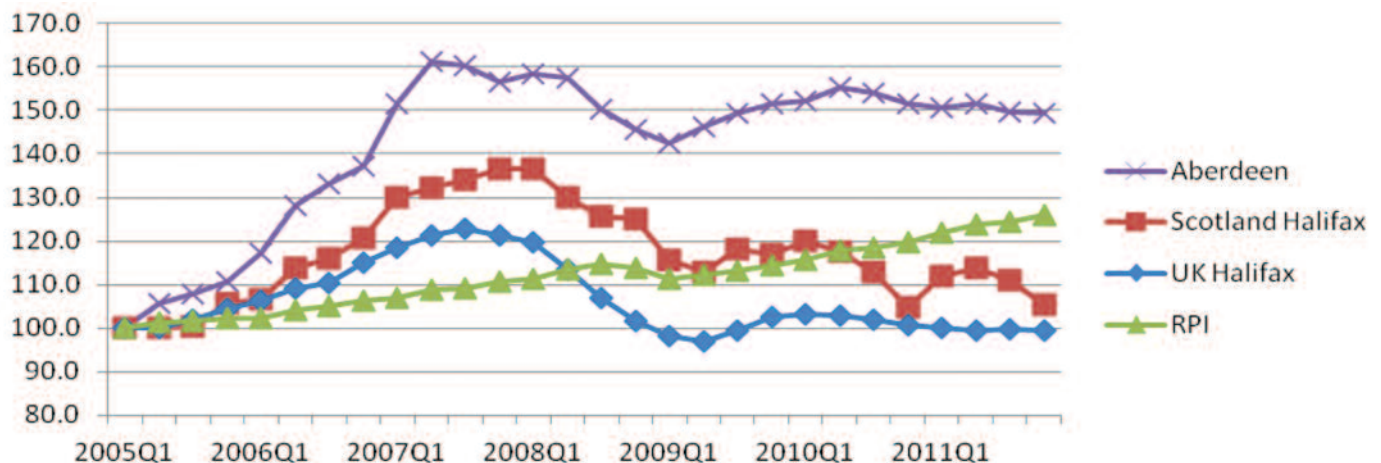
Table 1 shows changes in house prices in Aberdeen and Aberdeenshire to the fourth quarter of 2011. Growth rates are measured using constant-quality home price indices developed by the Centre for Real Estate Research at the University of Aberdeen. The note at the website, <http://www.abdn.ac.uk/business/cpr/>, explains how these indices are constructed. For comparison, Table 1 also reports the price growth rate for Scotland as a whole and the UK as measured by the Halifax constant-quality indices.

In the fourth quarter of 2011, house prices in Aberdeen fell by 0.1%. There was a decrease of 5.0% in Scotland overall while, over the same period, average prices fell by 0.1% in the UK as a whole. On an annual basis, the change in prices is shown to be negative in Aberdeen and the UK as a whole, but Scotland recorded a slight positive increase. The last row of the table gives the annualised price growth of a five year holding period, where Aberdeen prices increased by 1.7% p.a., a large positive figure compared to the negative Scotland figure of 2.6% and the UK overall, which also recorded a negative figure of 2.8%.

**Table 1: Rate of price changes in UK, Aberdeen and the surrounding areas for 2011Q4**

	Aberdeen	Ellon	Inverurie	Stonehaven	Other countryside <sup>1</sup>	Scotland (Halifax)	UK (Halifax)	RPI (ONS)
<b>Quarterly price change</b>	-0.1%	N/A	-5.5%	N/A <sup>2</sup>	-4.7%	-5.0%	-0.1%	1.0%
<b>Annual price change: 2011Q1 to 2011Q4</b>	-1.3%	4.5%	-5.4%	N/A	-6.2%	0.8%	-1.2%	5.1%
<b>Annualised price change over 5 year holding period: 2008Q1 to 2011Q4</b>	1.7%	2.4%	1.3%	2.4%	0.7%	-2.6%	-2.8%	3.5%

**Graph 1: A comparison of house price performance in Aberdeen, Scotland, UK and RPI from 2005Q1 – 2011Q4**



**NB: The index numbers are based on 2005Q1=100**

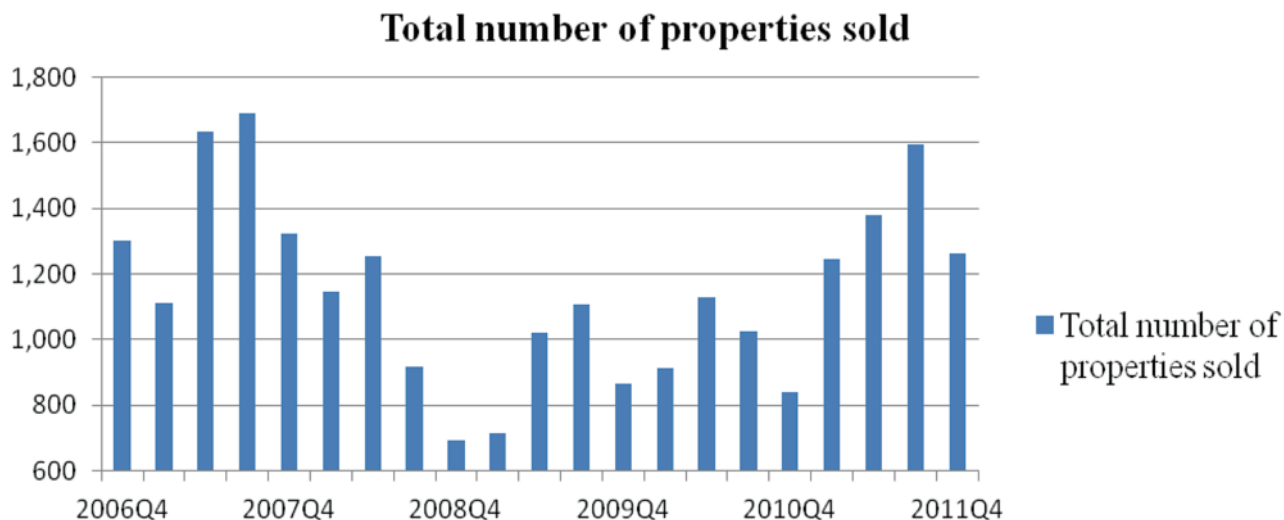
<sup>1</sup> The other countryside includes all the other surrounding areas in the Aberdeen region apart from Aberdeen, Ellon, Inverurie and Stonehaven.

<sup>2</sup> N/A means there was no statistically significant price change in the market during that period

**a) Volume of transactions in Aberdeen**

Total volume of transactions in Aberdeen in the fourth quarter of 2011 was 1,261, a decrease of 20.8% from the previous quarter's volume of 1,593, but 50.3% higher than the same quarter last year (2010Q4). Graph 2 shows changes in the volume of transactions over a five year period.

**Graph 2: Volume of property transactions in Aberdeen from 2006Q4 – 2011Q4**



**b) Constant quality house prices in Aberdeen and surrounding areas**

Based on the constant quality index, Table 2 compares average prices of properties in Aberdeen and surrounding locations.

**Table 2: Constant-Quality House Prices<sup>3</sup> in Aberdeen and the surrounding areas for 2011Q4**

	Aberdeen	Ellon	Inverurie	Stonehaven	Other countryside
<b>1 bedroom house price</b>	£76,398	£78,318	£71,308	£93,795	£76,705
<b>2 bedroom house price</b>	£119,560	£95,449	£97,393	£120,776	£101,075
<b>3 bedroom house price</b>	£222,077	£164,278	£171,242	£199,969	£161,380
<b>4 bedroom house price</b>	£307,360	£228,019	£248,182	£266,962	£247,577
<b>5 bedroom house price</b>	£409,071	£290,233	£368,248	£460,357	£319,898

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<sup>3</sup> The characteristics of these houses can be found on <http://www.abdn.ac.uk/business/cpr/>