

CENTRE FOR REAL ESTATE RESEARCH, UNIVERSITY OF ABERDEEN

ABERDEEN HOUSING MARKET TO 1ST QUARTER 2011

KEY FACTS

Change of constant-quality home prices in Aberdeen and surrounding areas

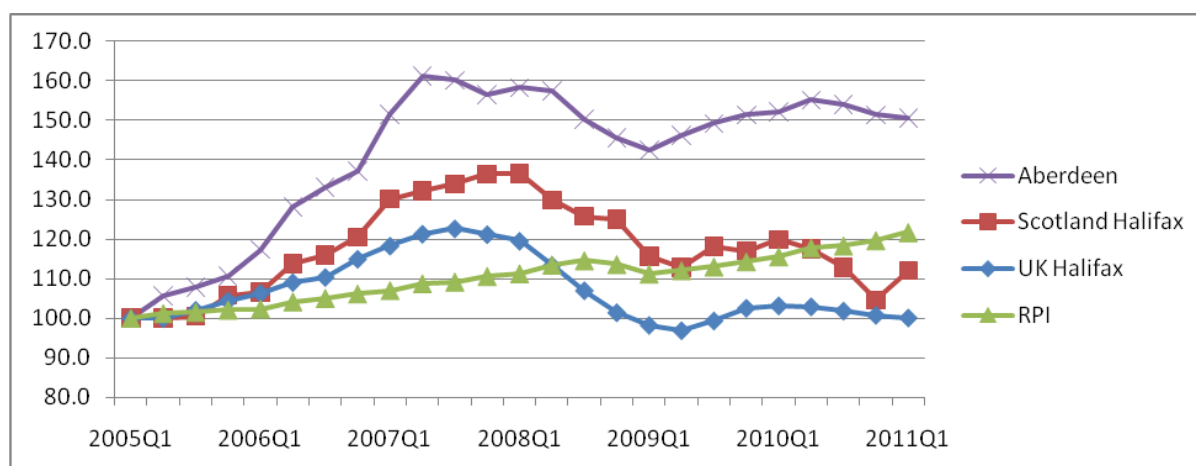
Table 1 shows changes in house prices in Aberdeen and Aberdeenshire to the first quarter of 2011. Growth rates are measured using constant-quality home price indices developed by the Centre for Real Estate Research at the University of Aberdeen. The note at the website, <http://www.abdn.ac.uk/business/cpr/>, 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 first quarter of 2011, house prices in Aberdeen fell by 0.6%. There was an increase of 7.1% in Scotland overall while, over the same period, average prices were falling in the UK as a whole. The annual change in prices is shown to be negative in Aberdeen, Scotland and UK as a whole. The last row of the table gives the annualised price growth of a five year holding period, where Aberdeen prices increased by 5.1% p.a., a large positive figure compared to Scotland figure of 1.0% and the UK overall, which recorded a negative figure.

Table 1: Rate of price changes in UK, Aberdeen and the surrounding areas for 2011Q1

	Aberdeen	Ellon	Inverurie	Stonehaven	Other countryside ¹	Scotland (Halifax)	UK (Halifax)	RPI (ONS)
Quarterly price change	-0.6%	3.0%	N/A	N/A ²	-2.5%	7.1%	-0.7%	1.7%
Annual price change: 2010Q2 to 2011Q1	-1.1%	N/A	N/A	N/A	N/A	-6.5%	-3.0%	5.3%
Annualised price change over 5 year holding period: 2006Q2 to 2011Q1	5.1%	4.8%	5.5%	4.8%	3.8%	1.0%	-1.2%	3.5%

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



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

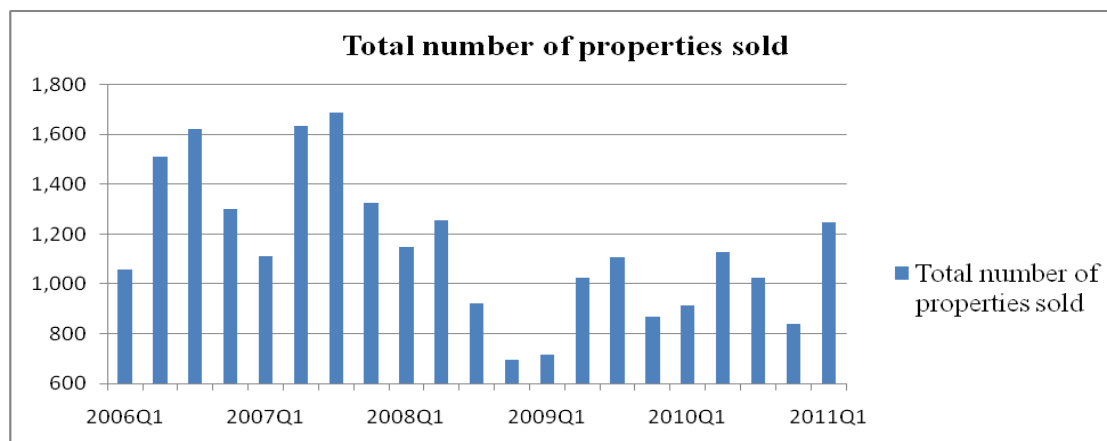
¹ The other countryside includes all the other surrounding areas in the Aberdeen region apart from Aberdeen, Ellon, Inverurie and Stonehaven.

² 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 first quarter of 2011 was 1,247, an increase of 48.6% from the previous quarter's volume of 839 and 36.7% higher than the same quarter last year (2010Q1). Graph 2 shows changes in the volume of transactions over a five year period.

Graph 2: Volume of property transactions in Aberdeen from 2006Q1 – 2011Q1



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 Prices³ in Aberdeen and the surrounding areas for 2011Q1

	Aberdeen	Ellon	Inverurie	Stonehaven	Other countryside
1 bedroom house	£76,966	£77,179	£74,923	£92,969	£79,704
2 bedroom house	£120,449	£94,061	£102,330	£119,712	£105,026
3 bedroom house	£223,729	£161,890	£179,923	£198,207	£167,688
4 bedroom house	£309,647	£218,791	£260,763	£264,609	£257,254
5 bedroom house	£412,114	£286,013	£386,915	£456,299	£332,402

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