

## Key Changes




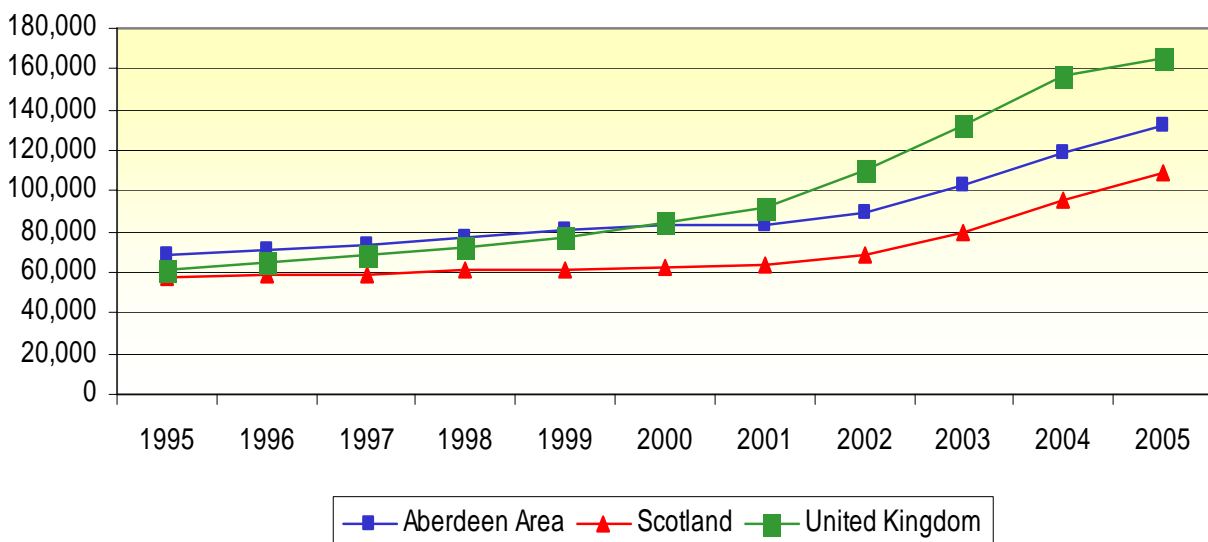
-  From 2004 to 2005 the average house price in the Aberdeen Housing Market Area for the whole year increased by 10%, from £118,786 to £131,685.
-  In Scotland house prices increased by 10% during 2005, rising from £95,637 to £108,671.
-  In the UK house prices increased by 5% during 2005, rising from £156,831 to £165,807.

Figure 1 - Average House Price (£) 1995 - 2005



### • Local House Prices

In order to give an indication of house price differences across the Aberdeen Housing Market Area, data has been analysed for 24 sub areas. The average house price at the local level is largely determined by the size and type of house being sold.

In The Former City, the average property price is £115,831, which is an increase of 15% on 2004 when the average was £100,925. The largest percentage increase over the year was in Dyce where the average price increased by 28% from £110,942 to £142,420. Banchory was the only area to experience a decrease over the year from £216,370 to £205,263.

## • Houses for Sale

Throughout the year 7,091 properties were added to the Register in the Aberdeen Housing Market Area with 6,863 sold and 419 withdrawn. At the end of 2005, there were 534 properties on the Aberdeen Solicitors' Property Centre Register for the Aberdeen Area. As can be seen from figure 2, there is a trend developing indicating a continued drop in properties on the register. However, figure 3 indicates the trends relating to the number of properties sold remains fairly stable.

Figure 2 - Number of Properties on the Register at End of Year, 1995-2005

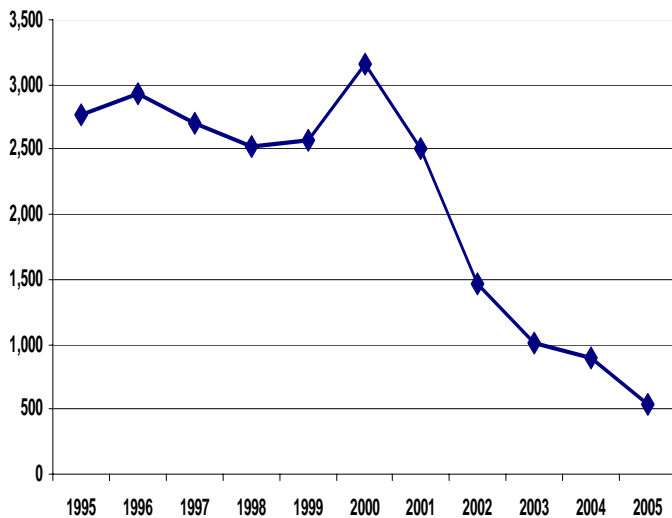
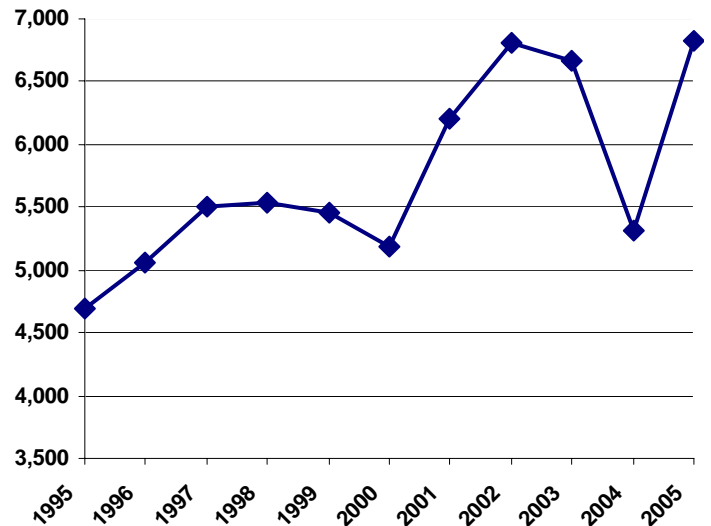


Figure 3 - Secondhand Properties Sold Annually in Aberdeen Housing Market Area, 1995-2005



## • Local Market Trends

Figure 4 displays the average weekly number of properties on the register and the average weekly sales throughout the year. 54% of properties on the register and 55% of houses sold each week were within Aberdeen City itself.

A comparison of sales and properties on the market gives an indication of turnover. In the Aberdeen Housing Market Area, 1 in 7 houses were sold each week in 2005, compared to 1 in 12 in 2004.

Weekly turnover within Aberdeen City was highest in both Kingswells and Bridge of Don/Danestone with 1 in 6 houses sold on average. The lowest turnover was displayed in Bucksburn/Bankhead/Stoneywood, where on average 1 in 10 houses were sold each week. Outwith the City, Stonehaven/Portlethen/Newtonhill/Muchalls recorded the highest turnover with 1 in 4 properties sold weekly.

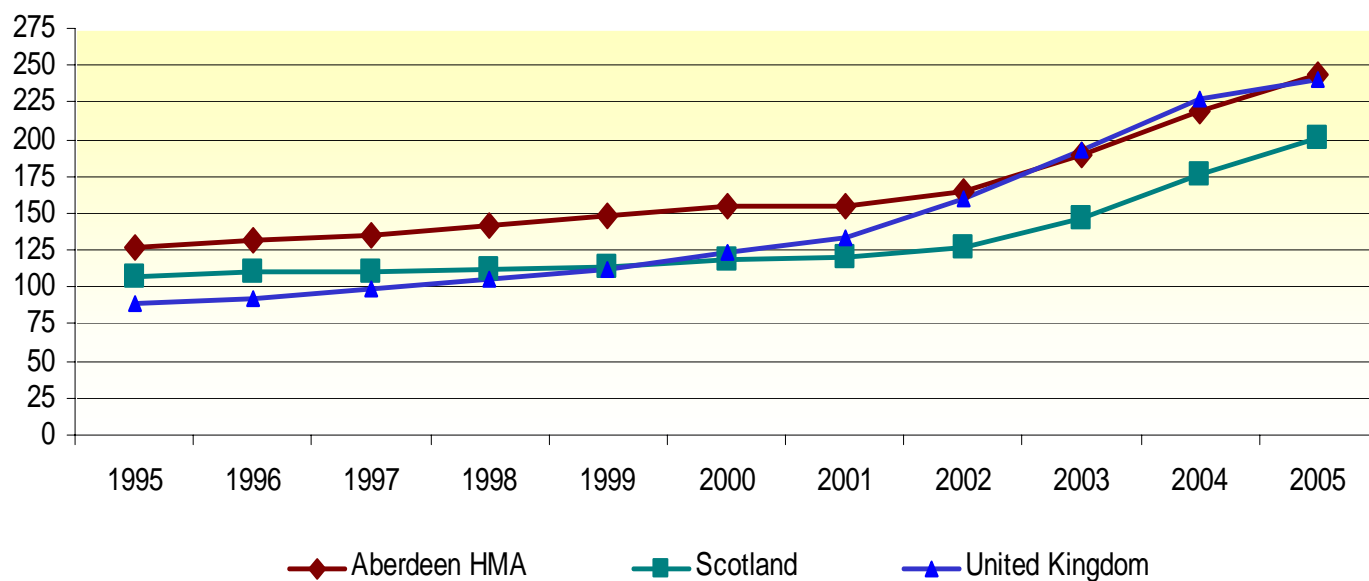
Figure 4 - Turnover

Area	Weekly Average on Register	Weekly Average Sold
Former City	506	72
Bridge of Don/Danestone	54	9
Bucksburn/Bankhead/Stoneywood	20	2
Kingswells	12	2
Lower Deeside	51	6
Nigg/Cove	33	4
<b>Aberdeen City Total</b>	<b>676</b>	<b>95</b>
Westhill/Skene/Kintore/Blackburn/Kenmay/Monymusk	57	8
Ellon/Tarves/Methlick/Newburgh/Collieston/Balmedie	56	6
Inverurie/Oldmeldrum/Udny/Pitmedden	53	7
Newmachar	29	2
Banchory/Drumoak/Durris/Torphins	19	3
Stonehaven/Portlethen/Newtonhill/Muchalls	40	9
<b>Aberdeen Area Total</b>	<b>930</b>	<b>130</b>

## • House Price Index

The House Price Index allows house price trends to be compared over a fixed period of time. Figure 5 charts house price movements for Aberdeen, Scotland and the UK since 1995. There have been a number of distinct trends since 1995 in house price movements. From 1995 to 2000, local prices improved in line with UK prices while the rate of increase over Scotland as a whole remained moderate. From 2002 onwards a more distinct increase is shown, and is the beginning of a defined period of house price increase. In 2005, all three areas saw a further increase in house prices, with Scotland and the Aberdeen Housing Market Area experiencing the largest increase. ( Figure 5)

**Figure 5 - House Price Index 1995-2005 (Index = 100 (1990))**



## • Affordability

An affordability ratio relates the average house price with average earnings. For example, an affordability ratio of 4 indicates that the average house price is equivalent to four times the average earnings in an area. Earnings data is derived from table 7.7a of the Annual Survey of Hours and Earnings ( ASHE ), this data relates to full time employees.

From 2002 onwards, Aberdeen, Scotland and the UK have all experienced a continual increase in affordability. Within the UK, affordability has risen above a ratio of 7, while the Aberdeen HMA and Scotland have seen affordability rise above 5. In 2005, Aberdeen still remains less affordable than Scotland as a whole, but more affordable than the UK. ( Figure 6 )

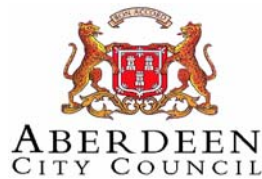
**Figure 6 - Affordability Ratio**

Year	Aberdeen Area	Scotland	United Kingdom
1995	3.82	3.54	3.53
1996	3.79	3.41	3.52
1997	3.72	3.38	3.58
1998	3.80	3.42	3.69
1999	4.19	3.63	4.34
2000	4.03	3.43	4.51
2001	3.90	3.41	4.67
2002	3.93	3.57	4.57
2003	4.78	4.01	6.27
2004	5.09	4.64	7.10
2005	5.30	5.08	7.24



Figure 7 - Local House Prices

Aberdeen City District	2005 (£ )	% Change
Former City	£115,831	15 %
Bridge of Don	£115,514	12 %
Danestone	£114,908	23 %
Dyce	£142,420	28 %
Bucksburn	£86,494	14 %
Lower Deeside	£234,949	13 %
Nigg/Cove	£112,220	16 %
Kingswells	£183,633	4 %
<b>East Gordon</b>		
Westhill	£166,916	9 %
Ellon	£136,146	4 %
Newburgh	£152,251	13 %
Inverurie	£143,075	13 %
Kintore	£160,707	2 %
Oldmeldrum/Pitmedden	£148,149	3 %
Blackburn	£159,169	11 %
Kemnay	£156,597	1 %
Newmachar	£157,106	21 %
Balmedie	£143,634	5 %
<b>Kincardine</b>		
Banchory	£205,263	- 5 %
Durris/Drumoak	£275,608	8 %
Stonehaven	£159,035	17 %
Portlethen	£115,272	16 %
Newtonhill/Muchalls	£154,856	24 %



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( All analysis in this bulletin with the exception of the national house price figures, relate to the Aberdeen Solicitors' Property Centre statistics for the Aberdeen Housing Market Area. )