

ABERDEEN HOUSING MARKET REPORT

FIRST QUARTER 2013

Change in house prices

Table 1 shows the change in house prices in Aberdeen and Aberdeenshire to the first quarter of 2013. It also shows the change in house prices for Scotland and the UK as measured by the Halifax house price indices.¹ Figure 1 plots the house price indices for Aberdeen City and suburbs, Scotland, and the UK jointly with the Retail Price Index.

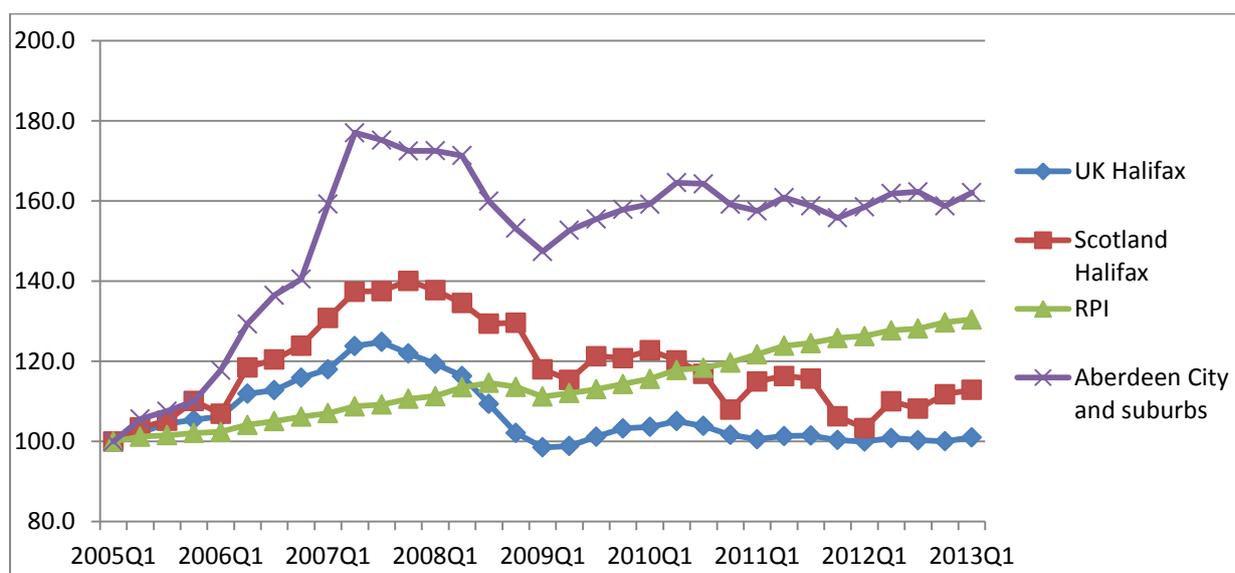
- In the first quarter of 2013, house prices in Aberdeen City and suburbs increased by 2.1%. Over the same period, house prices in Scotland decreased by 0.1% and increased by 1.2% in the UK.
- The annual house price change in Aberdeen City and suburbs is 2.3%. The annual house price change is 9.3% in Scotland and 1.1% in the UK.
- The annualised house price change over five years in Aberdeen City and suburbs is -1.2%. The annualised house price change over the same period is -3.9% in Scotland and -3.3% in the UK.

Table 1: Change in house prices for different areas

	Quarterly price change 2013Q1	Annual price change 2012Q1 to 2013Q1	Annualised price change over 5 years 2008Q1 to 2013Q1
Aberdeen City and suburbs	2.1%	2.3%	-1.2%
Ellon	1.1%	0.6%	-1.0%
Inverurie	3.4%	2.2%	-1.0%
Stonehaven	1.9%	0.1%	-2.5%
Other country areas	1.5%	0.1%	-2.7%
Scotland (Halifax)¹	-0.1%	9.3%	-3.9%
UK (Halifax)¹	1.2%	1.1%	-3.3%
Retail Price Index (ONS)	0.6%	3.3%	3.2%

¹http://www.lloydsbankinggroup.com/media1/economic_insight/halifax_house_price_index_page.asp. The quarterly price change is seasonally adjusted.

Figure 1: House price indices for Aberdeen City and suburbs, Scotland, UK, and Retail Price Index from 2005Q1 to 2013Q1 (2005Q1=100).



Level of prices

Table 2 gives estimated constant-quality prices for three dwelling types in different areas. Constant-quality means that standard characteristics for the different dwelling types are assumed.

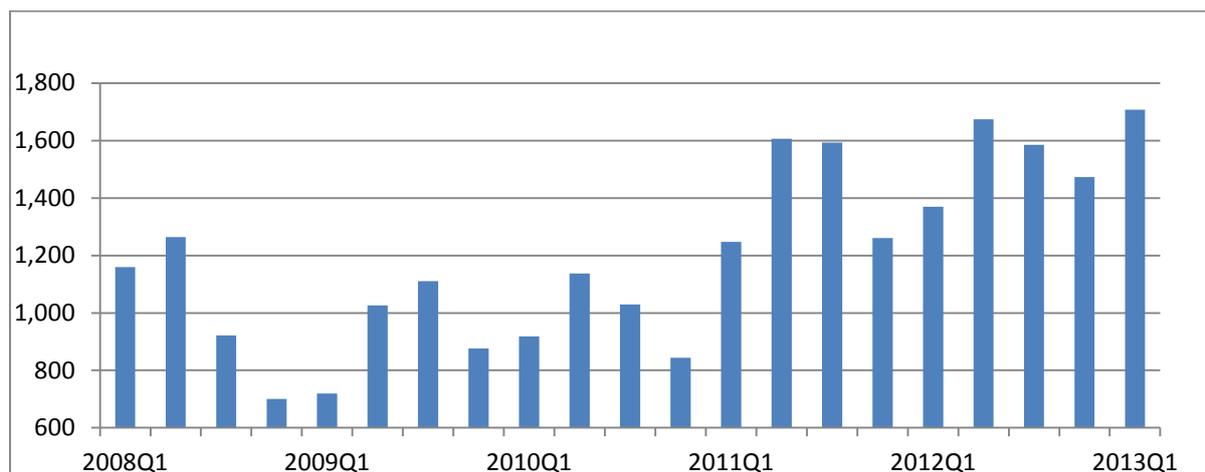
Table 2: Estimated prices for different dwelling types for the current and the previous quarter

Dwelling type	Period	Aberdeen City and suburbs	Ellon	Inverurie	Stonehaven	Other country areas
Flat	2013Q1	£145,640	£132,540	£130,088	£136,099	£121,736
	2012Q4	£142,289	£125,557	£126,018	£133,172	£121,487
Semi-detached	2013Q1	£193,623	£161,276	£186,000	£176,168	£170,040
	2012Q4	£189,594	£159,513	£179,951	£172,968	£167,502
Detached	2013Q1	£313,297	£246,703	£267,122	£286,227	£291,531
	2012Q4	£306,290	£240,278	£263,159	£279,305	£286,376

Volume of sales

Figure 2 shows the volume of sales per quarter in Aberdeen and Aberdeenshire over the recent five year period. Table 3 shows the change in the volume of sales for different dwelling types.

Figure 2: Volume of sales from 2008Q1 to the current quarter



- In the first quarter of 2013, the volume of sales was 1707, an increase of 15.9% from the previous quarter and an increase of 24.7% compared with the volume of sales a year ago (2012Q1).
- The sales volume of flats decreased by 10.8%, the sales volume of semi-detached houses increased by 13.4%, and the sales volume of detached houses increased by 54.1%.

Table 3: Volume of sales by dwelling type for the current and the previous quarter

Period	Flat	Semi-Detached	Detached
2013Q1	489	577	641
2012Q4	548	509	416
Percentage change	-10.8%	13.4%	54.1%

Comment by John MacRae

The first quarter figures for 2013 demonstrate a reassuring consistency in the general trend of the local market over the last three to four years. That trend can be summarised as a general, though gradual, recovery in the local housing market characterised not so much by price increases, which are in line with the level of inflation, but, more significantly, by a return to levels of activity, in the middle range of properties, approaching normality.

The first quarter of 2013 has shown a significant increase in volume across the board compared with the last quarter of 2012 and, more significantly, the sales volume of detached houses increased by just over 50%. I think this demonstrates that the increased activity at the lower end of the market, seen in the last year, is now beginning to filter up through the remainder of the housing stock and, if that continues, albeit not at such a high rate of increase, that will reflect in increased activity in other sectors of the market.

Note on methods

The information in this report is based on data provided by the Aberdeen Solicitors' Property Centre (ASPC) to the Centre for Real Estate Research, University of Aberdeen.

The price changes shown in Table 1 are calculated after having controlled for the quality of houses that are sold, thereby providing a reliable indication of the underlying market trend.² Three price changes are reported: The quarterly price change shows the percentage change in house prices over the past three months; the annual price change shows the percentage change in house prices measured over the most recent twelve month period; and the annualised price change over five years shows the average annual change in house prices calculated over a five year holding period. Table 1 also includes the Retail Price Index to show how the prices of goods and services in the economy have changed over the same time period.

The estimated price levels in Table 2 assume characteristics that are "standard" for the dwelling type in the respective area. For example, the standard semi-detached house in the Aberdeen City and suburb area has three bedrooms, two public rooms, one bathroom. Full details of the characteristics are available on the link below.

<http://www.abdn.ac.uk/business/research/aberdeen-house-price-index-156.php>

Contacts for further details:

John MacRae

Chairman

ASPC

18 Bon Accord Square

Aberdeen

Telephone: 01224 596341

<http://www.aspc.co.uk>

Dr Rainer Schulz

Centre for Real Estate Research

University of Aberdeen Business School

Edward Wright Building

Dunbar Street, Aberdeen , AB24 3QY

Telephone: 01224 273555

<http://www.abdn.ac.uk/business/crer/>

email: r.schulz@abdn.ac.uk

The University of Aberdeen makes no representation or warranty of any kind in relation to the information and/or data provided in this report, and all such representations or warranties, whether express or implied, including but not limited to warranties of accuracy, completeness, fitness for any particular purpose and non-infringement, are hereby, to the maximum extent permitted by law, excluded and extinguished.

² This differs from the information reported in previous Aberdeen House Price Reports where price changes were calculated as the differences in the average prices between two periods.