

ABERDEEN HOUSING MARKET REPORT

FIRST QUARTER 2020

Change in house prices

Table 1 shows the change in house prices in Aberdeen and Aberdeenshire to the end of the first quarter of 2020. Figure 1 plots the house price indices for Aberdeen City and suburbs jointly with the Retail Price Index.

- The quarterly house price change in Aberdeen City and suburbs is -3.5%.
- The annual house price change in Aberdeen City and suburbs is -3.0%.
- The annualised house price change over five years in Aberdeen City and suburbs is -5.4%.

Table 1: Change in house prices and retail price index in percent.

	Quarterly price change 2020Q1	Annual price change 2019Q1 to 2020Q1	Annualised price change over five years 2015Q1 to 2020Q1
Aberdeen City and suburbs	-3.5	-3.0	-5.4
Ellon	-4.5	-0.6	-3.0
Inverurie	-3.4	-2.7	-4.3
Stonehaven	-4.2	-4.1	-4.7
Other country areas	-3.6	-0.4	-4.3
Retail Price Index (ONS)	0.2	2.6	2.6

Figure 1: Aberdeen City and suburbs house price index (API) and retail price index (RPI) from 2009Q1 to 2020Q1 (2009Q1=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 current and previous quarter

Dwelling type	Period	Aberdeen City and suburbs	Ellon	Inverurie	Stonehaven	Other country areas
Flat	2020Q1	116,839	110,731	127,960	122,462	105,974
	2019Q4	122,373	114,846	131,460	126,556	110,646
Semi-detached	2020Q1	175,422	155,955	175,468	178,110	150,493
	2019Q4	181,711	163,300	181,664	185,936	156,161
Detached	2020Q1	267,722	218,988	247,088	265,845	231,277
	2019Q4	275,260	225,990	257,719	277,204	239,200

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.

- In the first quarter of 2020, the volume of sales was 1,031, a decrease of 14.0% from the previous quarter and a decrease of 9.5% compared with the volume of sales a year ago (2019Q1).
- The sales volume of flats decreased by 15.2%, the sales volume of semi-detached houses decreased by 11.3%, and the sales volume of detached houses decreased by 16.2%.

Figure 2: Volume of sales from 2014Q4 to the current quarter

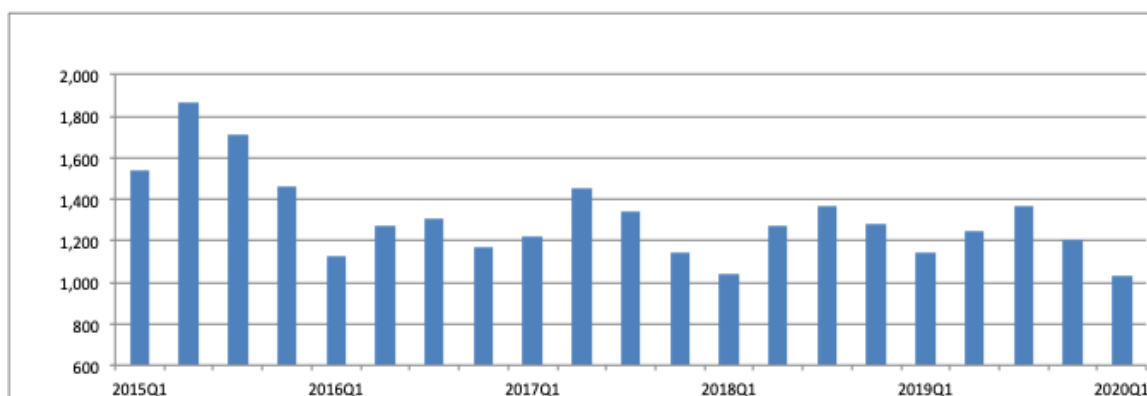


Table 3: Volume of sales by dwelling type for the current and the previous quarter

Period	Flat	Semi-Detached	Detached
2020Q1	323	414	294
2019Q4	381	467	351
Percentage change	-15.2	-11.3	-16.2

Comment by John MacRae

The report released by the Centre for Real Estate Research at the University of Aberdeen Business School, for the first quarter of 2020, based on data supplied by ASPC continues to show a depressed market in our area.

The first quarter of 2020 had led many of our member firms to feel that there were indications of a small increase in sales activity. There were hopes that having had Brexit reduced, to some extent, in the public consciousness and a Government with a workable majority, confidence would grow, and folks would feel more confident in the future.

Alas, that feeling was misconceived, and events have, once again, confounded our expectations. I will not dwell on the current pandemic, except to express the hope that everyone will come through, with as little loss as possible.

On top of the covid – 19 virus an unwelcome consequence has been a further deterioration in oil prices, adding considerably to the uncertainties affecting our area.

Because of the lockdown, residential sales have dropped, virtually, to zero and matters now become a question of endurance. It is very much the case that everyone will feel the effects of the current difficulties.

Is there any good news? Well there is some. Website traffic has reduced, somewhat, but active MyASPC account registrations are holding up and the number of automated emails sent out to users remains at a good level. Additionally, we are receiving, through the “contact us” button on the website, significant numbers of requests for viewings, once lockdown is reduced or done away with. What this demonstrates is that there is pent up demand and interest. People are continuing to look at properties on our website and I expect that when the restraints are removed, we may well see a rapid return to activity in our housing market.

Those with houses to sell, and those looking to buy can be reassured that ASPC continues to provide the best medium for bringing the two groups together in this area.

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.¹ 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/crer.php#-nbspaberndeen-house-price-indexnbsp->

Contacts for further details:

John MacRae
Chairman
ASPC
40 Chapel Street
Aberdeen
Telephone: 01224 632949
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 273126
www.abdn.ac.uk/business/research/crer.php
email: r.schulz@abdn.ac.uk

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¹ 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.