

ABERDEEN HOUSING MARKET REPORT

FIRST QUARTER 2022

Purpose and background

The report gives a summary of the activity in the housing market of Aberdeen and Aberdeenshire during the first quarter of 2022. The report is based on data supplied by the ASPC and has been compiled by the Centre for Real Estate Research (CRER) at the University of Aberdeen Business School.

The report uses the following breakdown by areas: Aberdeen stands for *Aberdeen City and suburbs* and Aberdeenshire is divided into the towns of *Ellon, Inverurie, Stonehaven*, and other *Countryside*. The report provides information for the three types of dwelling: *flat, semi-detached house, and detached house*. At times, the report uses the format *yyyyQq* as shorthand for a quarter in a particular year. For instance, *2022Q1* stands for the first quarter of 2022.

The prices in this report are quality-controlled, which means that the characteristics of the dwellings are assumed to be standard and are fixed over time. This control of dwelling quality allows the pure change of prices to be measured. This is achieved by a well-established statistical method. The note at the end of the report links to further information.

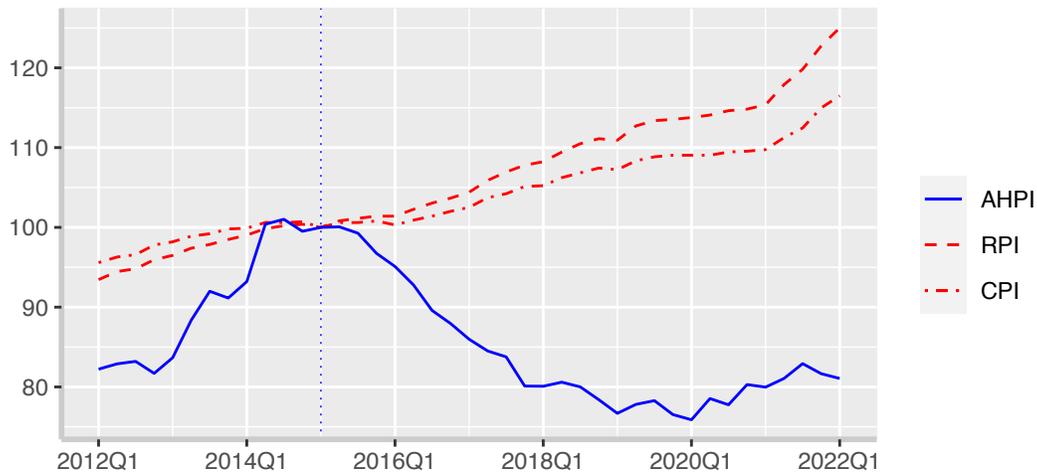
Aberdeen house price index

The index is based on the quality-controlled prices of a semi-detached house with standard characteristics. According to this index:

- The quarterly house price change in Aberdeen has been -0.7%.
- The annual house price change in Aberdeen has been 1.4%.
- The annualised house price change over five years in Aberdeen has been -1.2%.

Figure 1 shows the quarterly Aberdeen House Price Index (AHPI) jointly with the Retail Price Index (RPI all items, base year 1987) and the Consumer Price Index (CPI all items, base year 2015), the latter two are computed by the Office for National Statistics. The three price index series are each normalised to 100 in the base period 2015Q1. The base period is indicated by the dotted vertical blue line.

Figure 1: Price indices from 2012Q1 to 2022Q1



Change in prices

Table 1 collects the information on the change of house prices in Aberdeen and Aberdeenshire. The figures in the row *Quarterly* measure the house price change from the previous quarter 2021Q4 to the current quarter 2022Q1. The figures in the row *Yearly* measure the house price change from the same quarter a year ago 2021Q1 to the current quarter 2022Q1. The figures in the row *Five-yearly* measure the annualised house price change from the same quarter five years ago 2017Q1 to the current quarter 2022Q1. The last two columns of Table 1 give the change of the RPI and the CPI for the UK.

Table 1: Change of prices in percent. Five-yearly change is annualised.

	Aberdeen	Ellon	Inverurie	Stonehaven	Countryside	RPI	CPI
Quarterly	-0.7	2.8	0.1	-3.3	0.8	1.8	1.3
Yearly	1.4	1.9	1.0	-3.9	2.4	8.4	6.1
Five-yearly	-1.2	-1.1	-1.3	-2.1	1.7	3.7	2.6

Level of prices

Table 2 shows the imputed quality-controlled prices for the current and the previous quarter for the three dwelling types and the areas covered by the report.

Table 2: Prices by house type

	Date	Aberdeen	Ellon	Inverurie	Stonehaven	Countryside
Flats	2022Q1	126,576	114,859	123,591	133,564	117,815
	2021Q4	127,889	113,853	127,888	136,845	116,754
Semi-detached	2022Q1	187,863	158,492	182,914	180,771	178,013
	2021Q4	189,253	154,132	182,722	186,911	176,586
Detached	2022Q1	320,026	268,633	298,115	302,066	319,877
	2021Q4	317,653	266,902	299,404	308,763	318,031

Number of transactions and listings

Figure 2: Number of transactions from 2017Q1 to 2022Q1

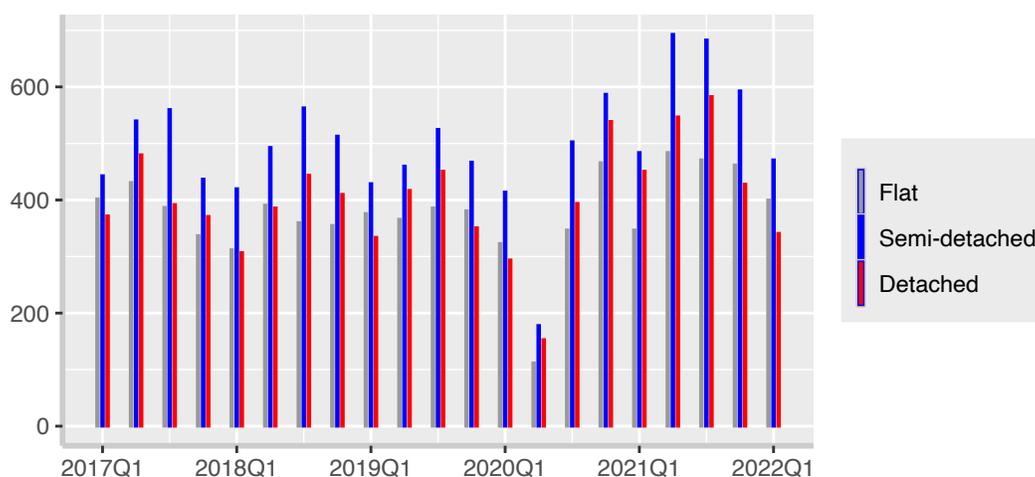


Figure 2 shows the number of residential transactions per quarter for the three dwelling types in Aberdeen and Aberdeenshire over the recent five-year period from 2017Q1 to 2022Q1.

In the first quarter of 2022, 1,212 residential dwellings were transacted, a change of -18.3% compared to the previous quarter 2021Q4 and a change of -5.5% compared to the same quarter a year ago 2021Q1. The transactions by dwelling type were:

- 400 flats, a change of -13.4% compared to the previous quarter 2021Q4 and of 15.3% compared to the same quarter a year ago 2021Q1.
- 471 semi-detached houses, a change of -20.6% compared to the previous quarter 2021Q4 and of -2.7% compared to the same quarter a year ago 2021Q1.
- 341 detached houses, a change of -20.3% compared to the previous quarter 2021Q4 and of -24.4% compared to the same quarter a year ago 2021Q1.

Figure 3: Activity and mark-up from 2017Q1 to 2022Q1

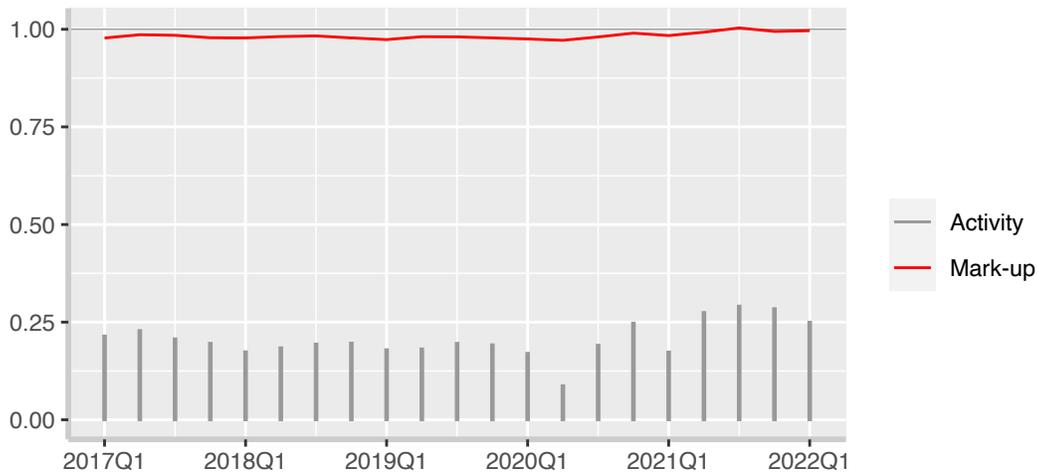


Figure 3 indicates the relative transaction and listing activity on the ASPC platform. Activity measures for each quarter the transactions as a share of all dwellings that were listed for sale on the ASPC platform. The share in the first quarter of 2022 is 24.97%. The share was 28.46% in the previous quarter 2021Q4 and 17.34% in the same quarter a year ago 2021Q1.

The mark-up in Figure 3 is the quality-controlled ratio of sale to ask price for properties. A mark-up of more than 1 means that properties sold for more than the ask price. A mark-up less than 1 shows that properties sold for less than the ask price. The mark-up ratio is 1.00 for the first quarter of 2022.

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 the year backs up anecdotal evidence that the market in our area is gathering momentum.

The main point of the report – the house price index – shows a small decrease, quarter to quarter, a modest increase, annually, and a diminishing level of decrease over 5 years. This last index is interesting, because it has been a negative figure for some years but in recent years has been diminishing – indicating that prices are slowly heading back to where they once were. In effect, losses are slowly being recovered.

For us at ASPC, however, situated as we are at the very start of the process of selling and buying property, things are picking up.

In our area, properties are, on average, selling for the asking price. (Figure 3 in the Report shows this.)

In some areas we are beginning to see demand greater than supply. We are seeing growing numbers of closing dates and more properties are selling in a competitive environment.

Flats are still a more problematical situation. We are seeing an increase in the number of flats selling, but the number of flats in stock does mean it will take time for the increase in activity to

become apparent.

It remains the case, that it is essential to maximise the sale price when you move. This is only achieved by advertising your property extensively and with the benefit of professional advice from an agent.

Note

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 Aberdeen has four rooms, one bathroom, and a garden. Full details of the statistical method and the standard dwelling characteristics are available under the following link:

[A local house price index for Aberdeen](#)

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