

ABERDEEN HOUSING MARKET REPORT

SECOND QUARTER 2024

Purpose and background

The report gives a summary of the activity in the housing market of Aberdeen and Aberdeenshire during the second quarter of 2024. 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, *2024Q2* stands for the second quarter of 2024.

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.

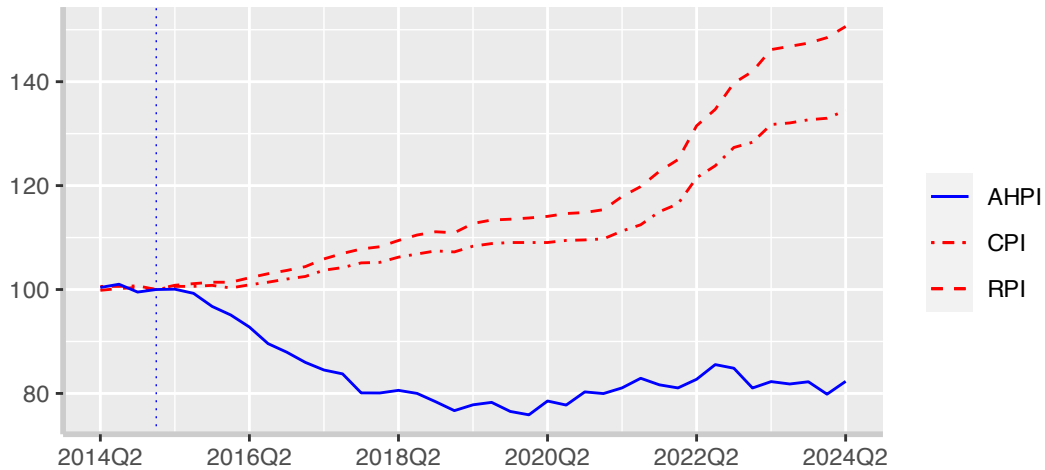
Aberdeen house price index

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 3.1%.
- The annual house price change in Aberdeen has been 0.1%.
- The annualised house price change over five years in Aberdeen has been 1.1%.

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 2014Q2 to 2024Q2



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 2024Q1 to the current quarter 2024Q2. The figures in the row *Yearly* measure the house price change from the same quarter a year ago 2023Q2 to the current quarter 2024Q2. The figures in the row *Five-yearly* measure the annualised house price change from the same quarter five years ago 2019Q2 to the current quarter 2024Q2. 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 | 3.1 | 2.6 | 4.3 | 2.3 | 3.7 | 1.4 | 1.1 |
| Yearly | 0.1 | 2.2 | 2.4 | 4.4 | -1.9 | 3.0 | 2.1 |
| Five-yearly | 1.1 | 0.2 | 1.6 | 0.3 | 0.0 | 6.0 | 4.4 |

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 | 2024Q2 | 123,761 | 103,152 | 131,814 | 129,388 | 115,064 |
| | 2024Q1 | 122,235 | 101,483 | 127,427 | 129,152 | 112,898 |
| Semi-detached | 2024Q2 | 190,792 | 163,229 | 184,287 | 183,178 | 186,793 |
| | 2024Q1 | 185,072 | 159,103 | 176,764 | 179,061 | 180,072 |
| Detached | 2024Q2 | 325,534 | 274,215 | 322,178 | 330,931 | 356,901 |
| | 2024Q1 | 315,690 | 261,607 | 314,994 | 319,063 | 341,214 |

Number of transactions and listings

Figure 2: Number of transactions from 2019Q2 to 2024Q2

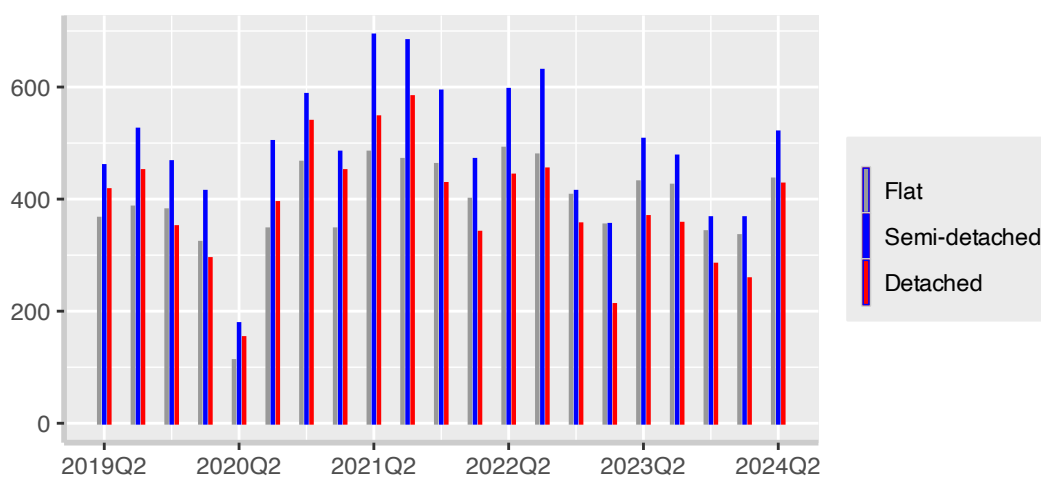


Figure 2 shows the number of residential transactions per quarter for the three dwelling types in Aberdeen and Aberdeenshire over the recent five-year period from 2019Q2 to 2024Q2.

In the second quarter of 2024, 1,383 residential dwellings were transacted, a change of 44.1% compared to the previous quarter 2024Q1 and a change of 5.8% compared to the same quarter a year ago 2023Q2. The transactions by dwelling type were:

- 436 flats, a change of 30.1% compared to the previous quarter 2024Q1 and of 1.2% compared to the same quarter a year ago 2023Q2.
- 520 semi-detached houses, a change of 41.7% compared to the previous quarter 2024Q1 and of 2.6% compared to the same quarter a year ago 2023Q2.
- 427 detached houses, a change of 65.5% compared to the previous quarter 2024Q1 and of 15.7% compared to the same quarter a year ago 2023Q2.

Figure 3: Activity and mark-up from 2019Q2 to 2024Q2

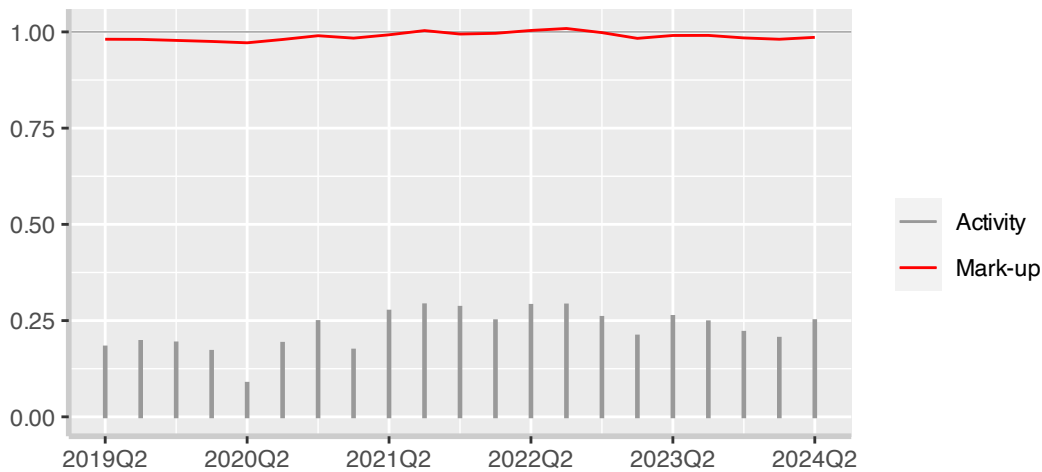


Figure 3 indicates the relative transaction and listing activity on the ASPC platform. Activity measures for each quarter the transactions as a share of all dwellings that were listed for sale on the ASPC platform. The share in the second quarter of 2024 is 25.00%. The share was 20.42% in the previous quarter 2024Q1 and 26.08% in the same quarter a year ago 2023Q2.

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 0.99 for the second quarter of 2024.

Comment by John MacRae

The report released by the Centre for Real Estate Research at the University of Aberdeen Business School, for the second quarter of 2024 makes for interesting, possibly encouraging, reading.

I had confessed in our first quarter report that I was finding it difficult to categorise our local housing market, due to variations in data in different areas of our market, and types of housing. I had also referred to some degree of hope, however, because of encouraging signs of increased activity that we could see in the early part of the second quarter.

The 2nd quarter report from Aberdeen University Centre for Real Estate Research has confirmed that those signs were not false prophets.

The three main indices all show increases.

This is the first time this has been the case since 2022. This information, coming at the same time as we at aspc are finding levels of activity remaining high, encourages us to think our local market may be starting a gradual recovery towards pre covid levels.

We need to be cautious in our view as the second quarter of the year is, normally, the most active. External factors, however, may be more helpful than they have been for some time – particularly as there is a new Government and there may be a feeling of renewed optimism that things will change for the better. Other factors include inflation seeming to be easing down, the (distant) prospect of interest rates moving downward, and a general feeling of optimism.

I would like to see the second half of the year echo the first. While not expecting activity to match the level of the second quarter, we will have further proof of a market in recovery if the second half is correspondingly encouraging.

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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