

# ABERDEEN HOUSING MARKET REPORT

## THIRD QUARTER 2024

### **Purpose and background**

The report gives a summary of the activity in the housing market of Aberdeen and Aberdeenshire during the third 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, *2024Q3* stands for the third 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.

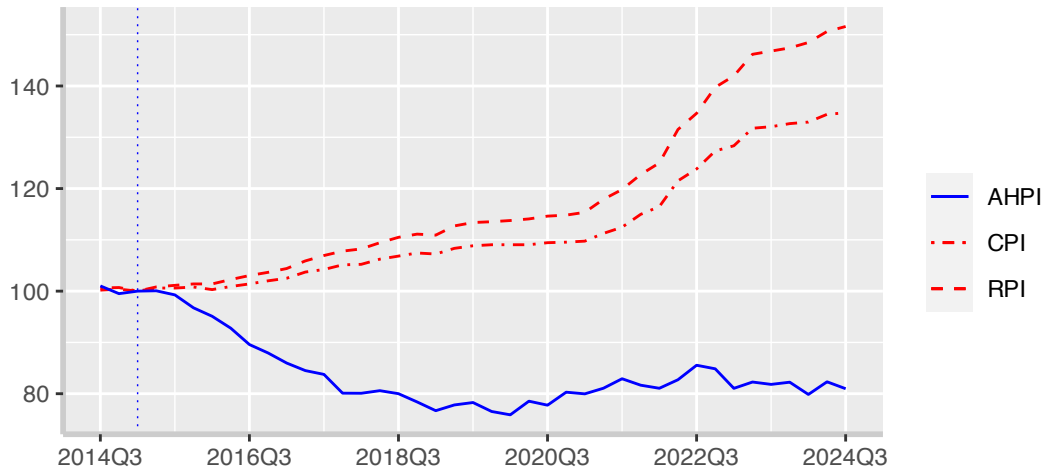
### **Aberdeen house price index**

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 -1.6%.
- The annual house price change in Aberdeen has been -1.0%.
- The annualised house price change over five years in Aberdeen has been 0.7%.

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 2014Q3 to 2024Q3



## 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 2024Q2 to the current quarter 2024Q3. The figures in the row *Yearly* measure the house price change from the same quarter a year ago 2023Q3 to the current quarter 2024Q3. The figures in the row *Five-yearly* measure the annualised house price change from the same quarter five years ago 2019Q3 to the current quarter 2024Q3. 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	-1.6	1.2	0.9	-1.4	-1.3	0.6	0.2
Yearly	-1.0	2.6	2.9	2.2	-0.5	3.3	2.1
Five-yearly	0.7	-0.1	1.6	-0.4	-0.7	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	2024Q3	123,329	103,733	129,597	132,368	111,950
	2024Q2	123,761	103,152	131,814	129,388	115,064
Semi-detached	2024Q3	187,667	165,108	185,898	180,592	184,425
	2024Q2	190,792	163,229	184,287	183,178	186,793
Detached	2024Q3	320,715	274,687	327,242	325,005	349,518
	2024Q2	325,534	274,215	322,178	330,931	356,901

## Number of transactions and listings

Figure 2: Number of transactions from 2019Q3 to 2024Q3

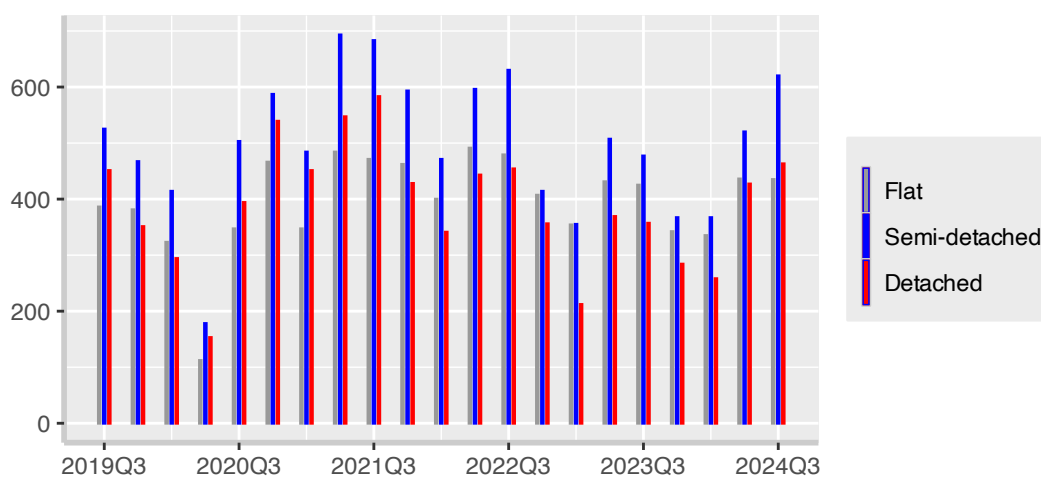


Figure 2 shows the number of residential transactions per quarter for the three dwelling types in Aberdeen and Aberdeenshire over the recent five-year period from 2019Q3 to 2024Q3.

In the third quarter of 2024, 1,518 residential dwellings were transacted, a change of 9.8% compared to the previous quarter 2024Q2 and a change of 20.6% compared to the same quarter a year ago 2023Q3. The transactions by dwelling type were:

- 435 flats, a change of -0.2% compared to the previous quarter 2024Q2 and of 2.4% compared to the same quarter a year ago 2023Q3.
- 620 semi-detached houses, a change of 19.2% compared to the previous quarter 2024Q2 and of 30.0% compared to the same quarter a year ago 2023Q3.
- 463 detached houses, a change of 8.4% compared to the previous quarter 2024Q2 and of 29.7% compared to the same quarter a year ago 2023Q3.

Figure 3: Activity and mark-up from 2019Q3 to 2024Q3

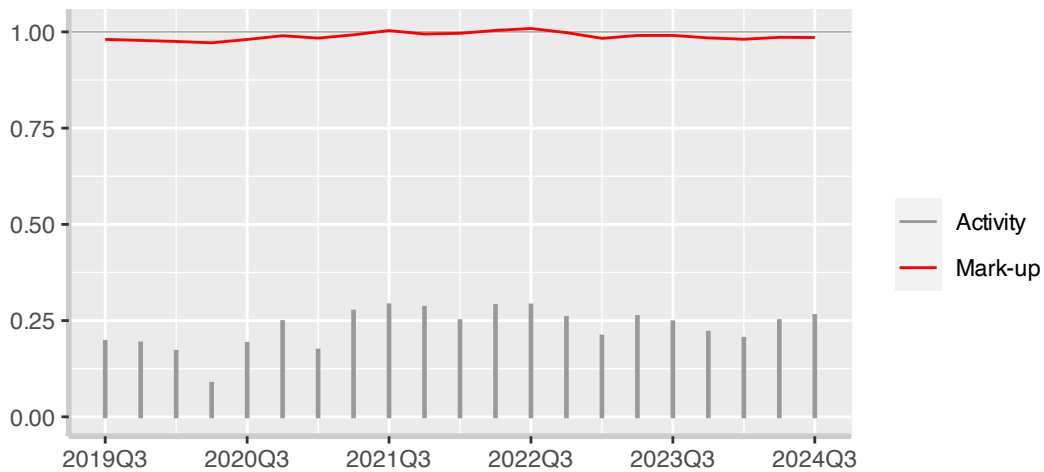


Figure 3 indicates the relative transaction and listing activity on the ASPC platform. Activity measures for each quarter the transactions as a share of all dwellings that were listed for sale on the ASPC platform. The share in the third quarter of 2024 is 26.31%. The share was 25.00% in the previous quarter 2024Q2 and 24.69% in the same quarter a year ago 2023Q3.

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 third 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 third quarter of 2024 has just been released.

The report discloses that 2 out of 3 price indices show negative numbers

- The quarterly house price change in Aberdeen is -1.6%
- The annual house price change in Aberdeen is -1.0%
- The annualised house price change over 5 years in Aberdeen is 0.7%

These figures, coming after 2 quarters that had been characterised as having some encouraging features seem, at first glance, to be disappointing. Reading beyond the headline figures, however, a more positive situation is revealed.

We normally expect the third quarter to be less active than the second quarter – the quarter usually the most active in each year. The report, however, shows that the number of transactions in the third quarter is greater than those in the second quarter. That is encouraging, in itself, but the scale of the increase is notable. Overall 1,518 residential transactions took place – an increase of 9.8% compared to the second quarter. Compared to the third quarter of 2023, the increase is 20.6%.

Although the price indices are mostly negative, not all areas are in negative positions. Ellon and Inverurie, and to some extent, Stonehaven are showing some positive indices for price.

Lastly, the activity and mark up figure is 0.99%.

All well and good, but what does it all mean?

I think the third quarter figures are still encouraging. The number of transactions has risen in the third quarter, both in comparison to the second quarter and markedly so comparing year on year. If asked, I would say our market is more in need of increased activity than increased prices, and if activity is maintained, prices will respond more positively, in due course. At the moment, I think it is fair to say that the majority of transactions are taking place at a price close to, and mainly slightly below, asking price, with “special” properties doing slightly better.

Our local housing market has been challenging and difficult to interpret for some time now. This year, so far, the position in our market has been a slowly improving one, characterised by a steady rise in the number of transactions. I would expect the fourth quarter of this year, and the first quarter of 2025 to show some regression in levels of activity. That would be understandable, and is normal. What I am looking to see, thereafter, is a continuation of the trend seen, so far, this year.

## 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](#)

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.

## Contacts

John MacRae, Chairman ASPC, 2-10 Holburn Street, Aberdeen, AB10 6BT, Telephone: 01224 632949, [contact information](#)

Dr Rainer Schulz, University of Aberdeen Business School, Edward Wright Building, Aberdeen, AB24 3QY, Telephone: 01224 273126, [contact information](#)