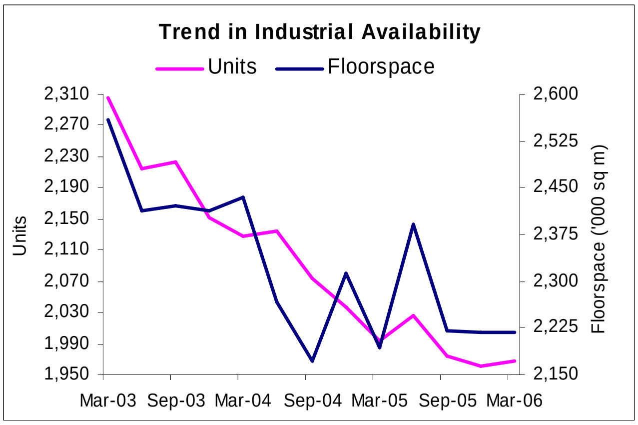
BULLETIN No.20
June 2006

The following summary is derived from analysis of the Scottish Property Network database of supply and take-up in industrial and office markets throughout Scotland as at March 2006.

Industrial Availability

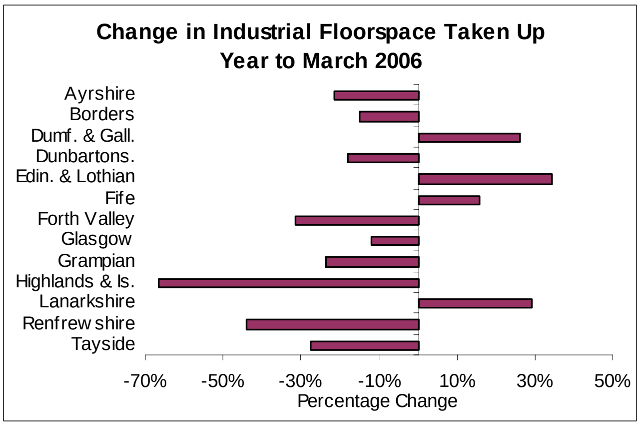
Supply of available industrial floorspace in Scotland at the end of Q1 2006 was unchanged from Q4 2005, at just over 2.2 million sq m. At the end of March, supply of available floorspace was just 1% higher than the level recorded a year earlier and 4% below the 3-year average.



The recent downward trend in the number of available units halted at the end of 2005 and showed a marginal increase in Q1 2006. The number of premises on offer has fallen by 15% over the last 3 years.

In the year to March, the supply of floorspace in Central Scotland increased marginally by just 1%, although both Lanarkshire and Renfrewshire recorded a slight fall in supply of 6%. By contrast, available floorspace in Highlands & Islands increased in the same period by 31%. Ayrshire and Fife also recorded increases of 20% and 18% respectively. There was a substantial decline in supply in Borders and Dumfries & Galloway, where available floorspace fell by 30%.

Supply of modern (post-2000) floorspace fell overall by 8%, although the number of post-2000 units on the market increased by 36% over the year.

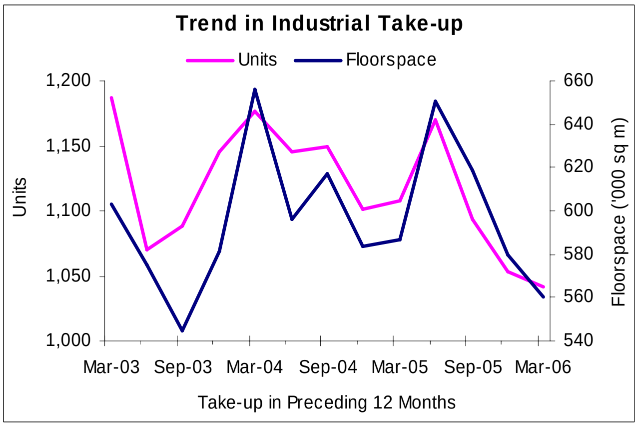


Industrial Take-up

In the 12 months to the end of March 2006, SPN recorded take-up of almost 560,000 sq m of industrial floorspace across Scotland in 1,042 transactions. This represents a fall from the previous year, of 5% in terms of floorspace and of 6% in the number of transactions.

Take-up of floorspace in Central Scotland was substantially unchanged over the year, although increases were recorded in Edinburgh & Lothian (34%), Lanarkshire (29%) and Fife (16%), with declining take-up elsewhere. Take-up in Highlands & Islands declined by 66%.

Over the year to March, take-up of modern (post-2000) floorspace increased by 38%, but with falling take-up of space built in the 1980s and 1990s.



Two of the most significant deals recorded in Q1 2006 were the lease of 6,680 sq m at Eurocentral by Eurocentral Partnership Ltd. to SIG plc. and the letting by HBOS of 9,732 sq m to Lidl (UK) at Area 2, 1B Baird Road, Kirkton Campus, Livingston.

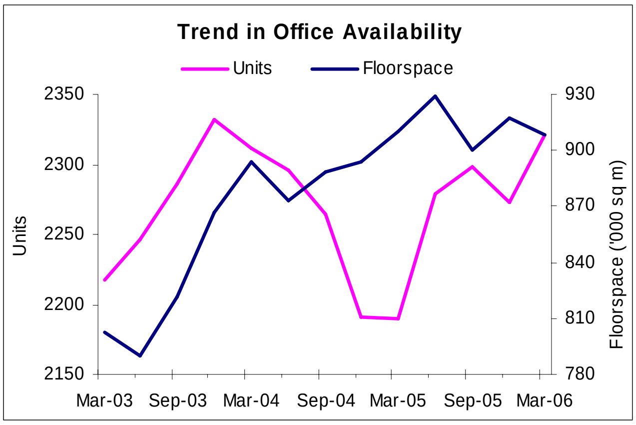
Office Availability

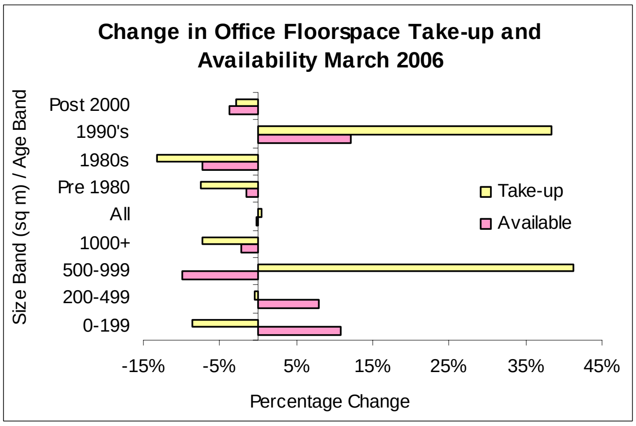
At the end of March 2006, SPN recorded just over 908,000 sq m of available office floorspace in Scotland in 2,321 units. Overall, supply of floorspace was substantially unchanged over the previous 12 months, although the number of premises on offer has increased slightly.

Supply of space built post-2000 declined slightly over the year by just 4%, while there was an increase of 12% in available 1990s floorspace. There was increased availability in small sizes, with reduced supply in premises over 500 sq m.

Glasgow recorded a fall of 12% in available office floorspace in the year to March, reflecting strong take-up over the period. The fall in available supply was was mainly in modern (post-2000) space (-38%) and in large sizes over 1,000 sq m (-31%).

In Edinburgh City, available office space was substantially unchanged overall, but there was a significant increase in supply of 1990s and 1980s floorspace.





Office Take-up

In the year to March 2006, SPN recorded take-up of approximately 290,000 sq m of office floorspace in Scotland. This was substantially unchanged from the level recorded in the previous 12 months, but remains 5% above the 3-year average.

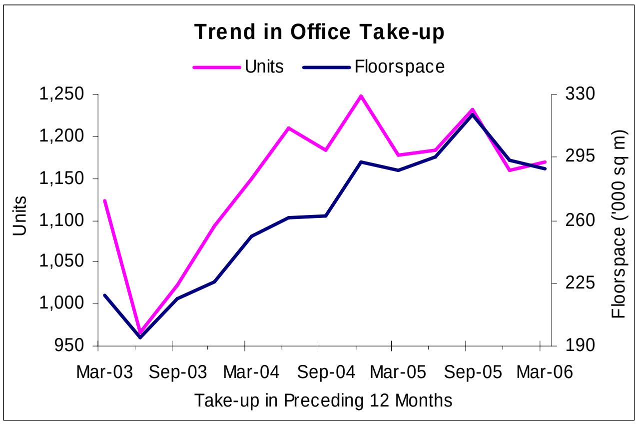
There was significant growth in take-up of 1990s floorspace (38%), while take-up of post-2000 space fell only marginally by just 3%.

Take-up of office floorspace in Glasgow was 27% higher than in the previous 12-month period, with strong growth in take-up of large sizes and of accommodation built post-1990. By contrast, Edinburgh City recorded an overall decrease of 41% in take-up over the year, with a fall of 73% in take-up of sizes of 1,000 sq m and above. Take-up in Edinburgh fell in all age-bands, with the biggest percentage decline in post-2000 space (-63%).

Substantial growth in take-up of office floorspace was recorded in both Grampian and Tayside at 94% and 91% respectively.

Some of the more significant office lettings recorded during Q1 2006 are listed below.

Address	Sq Metres	Lessee
City Point, Haymarket Terrace, Edinburgh	1,337	HBOS
5th - 8th Floors, 200 Broomielaw, Glasgow	3,298	WS Atkins
4th & 5th Floors, Sentinel, Waterloo Street, Glasgow	1,679	Morgan Stanley
1st Floor, Cirrus, Glasgow Airport	1,394	First Milk Ltd



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