

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 September 2005.

Industrial Availability

The available supply of industrial floorspace in Scotland fell by 6% during Q3 of 2005, to just under 2.24 million sq m. At the end of September, available floorspace was 3% higher than the level recorded a year earlier, but 5% below the 3-year average.

The number of units on offer is now at the lowest level recorded in the past five years, having declined by 3% in Q3 and by 5% over the year to September.

Over the year to September 2005, available industrial floorspace increased by 4% across Central Scotland, with growth of 8% in Strathclyde and 11% in Edinburgh & Lothian. The Highland & Islands, Grampian and Tayside areas all recorded marginal increases of just 1% to 2% in supply of floorspace, while Fife saw a significant reduction in supply of 29%. In Borders and Dumfries & Galloway, available supply declined by 40%.

The number of available units in sizes under 999 sq m fell in the year to September, particularly in sizes less than 200 sq m (-9%) and in the 500-999 sq m band (-8%). The number of available units over 999 sq m was substantially unchanged.

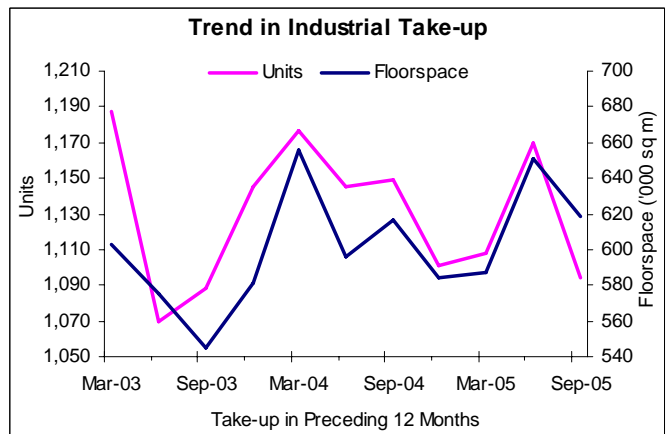
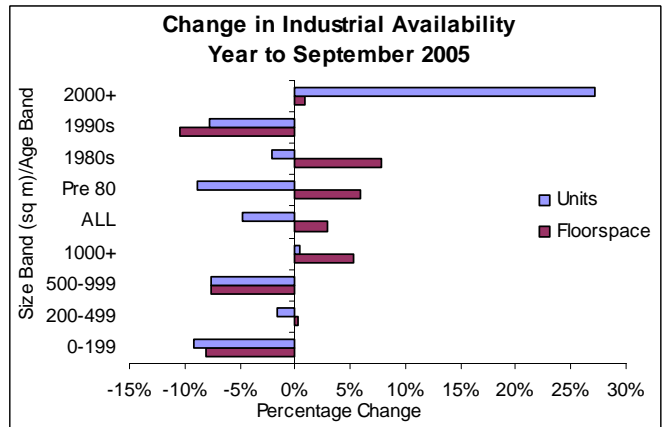
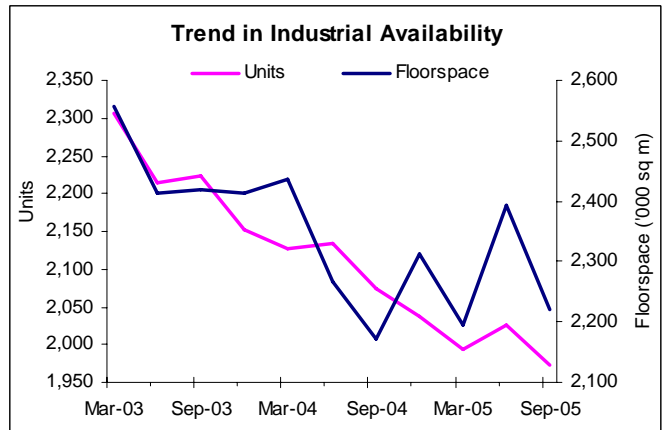
Industrial Take-up

In the 12 months to the end of Q3 2005, SPN recorded take-up of 619,000 sq m of industrial floorspace in Scotland in just under 1,100 transactions. In terms of floorspace, this level of take-up was substantially unchanged from the previous year, although the number of transactions decreased by 5%.

Take-up of floorspace in Central Scotland, increased by 7% over the year, with a rise of 30% in Glasgow, compared to just 6% in Edinburgh and Lothian. Take-up declined significantly in Tayside (-24%), Renfrewshire (-37%) and in Highlands & Islands (-51%).

Take-up of modern, post-2000 floorspace increased by 25% over the year to September, while take-up of older, pre-1980s space recorded a marginal fall. Take-up of small units under 200 sq m fell by 11%, while take up of larger units increased marginally.

One of the more significant lettings recorded in Q3 was of 19,509 sq m at Bankhead Park, Glenrothes to Amazon UK at a reported rent of £32 per sq m (£3 per sq ft).



Office Availability

Following a steady rise in the previous five quarters, available office floorspace fell by 2% during Q3 2005. At the end of September 2005, SPN recorded 907,000 sq m of available office floorspace across Scotland, just 2% above the level recorded in September 2004 and 4% above the 3-year average.

The growth in supply over the year was again largely in older (pre-1980) floorspace, which rose by 10% compared to a fall of 4% in modern (post-2000) space.

Edinburgh City recorded a rise of 19% in available floorspace, with an increase of nearly 50% in space built since 2000 and a 44% increase in post-1990 space. Glasgow, by contrast, recorded an overall decrease of 8% in available office space and a fall of 50% in post-2000 space.

In Aberdeen, overall supply increased marginally by 3% but the increase was in pre-1980 space, while supply of post-1990 space fell by 23%. Supply fell in Lanarkshire by 19%, with a decline of 34% in post-2000 floorspace.

Office Take-up

In the year to September 2005, SPN recorded take-up of over 319,000 sq m of office floorspace in Scotland. This was 22% higher than in the previous 12-month period and 20% above the 3-year average. The number of transactions recorded increased by just 4% over the year.

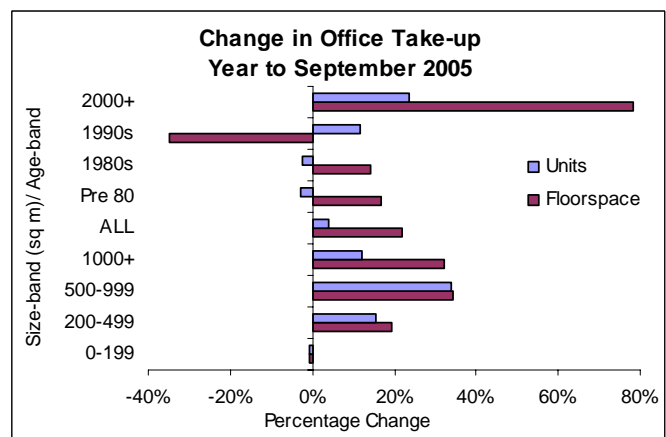
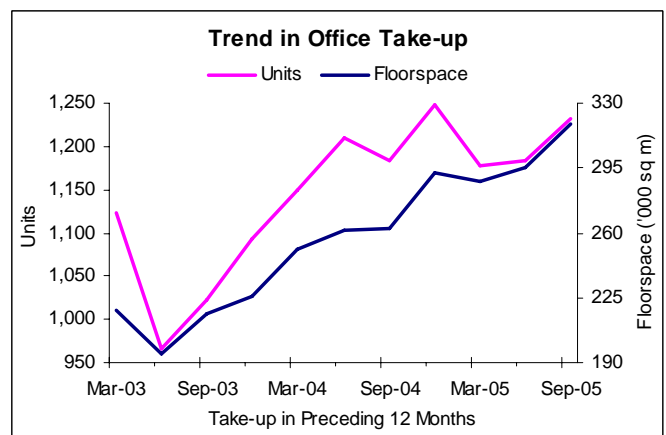
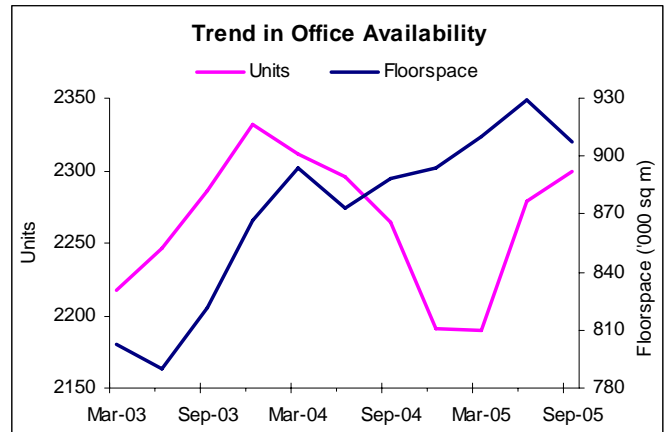
Growth in take-up was mainly in modern (post-2000) floorspace, up by 78% on the previous year. The number of transactions in this age-band rose by 24%.

Glasgow recorded an overall increase in take-up of 95% in the year to Q3 2005, with a rise of almost 200% in take-up of post-2000 floorspace. In Edinburgh City, take-up rose by 20% overall and by 34% for post-2000 space, but with falling take-up in the 1980-1999 age-bands.

Aberdeen saw a marginal fall in take-up (-3%), while in Lanarkshire take-up was 12% higher than in the previous year.

Some of the more significant lettings recorded during Q3 2005 are listed below.

Address	Sq Metres	Lessee
6 Atlantic Quay, Glasgow	7,186	Direct Line
Optima Glasgow	7,664	Scottish Ministers
Cirrus, Glasgow Airport	2,424	National Services Scotland
Buchanan House, Glasgow	3,759	Caledonian University
Fleming House, Strathclyde Business Park	3,159	PPD Inc



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