

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 December 2005.

Industrial Availability

SPN recorded no change in the total volume of available industrial floorspace in Scotland between Q3 and Q4 of 2005. The supply of floorspace at December, of just over 2.2 million sq m, was 4% below the level recorded at the end of 2004 and 5% below the 3-year average.

The number of available units continued its recent downward trend in Q4 and is also 4% lower than at the end of 2004. The number of units on the market at December was 7% below the 3-year average.

The Highlands and Islands recorded a 6% rise in available floorspace, but supply in Central Scotland fell by 4%, despite a slight rise in Edinburgh & Lothian of 3% and an increase in Glasgow of 9%. There was a substantial decline in available industrial space in Scottish Borders and Dumfries & Galloway.

The number of new or recently built (post-2000) units on the market increased by 46% over the year, but mainly in small sizes and the volume of post-2000 floorspace decreased by 7%. Availability declined in all other age and size bands.

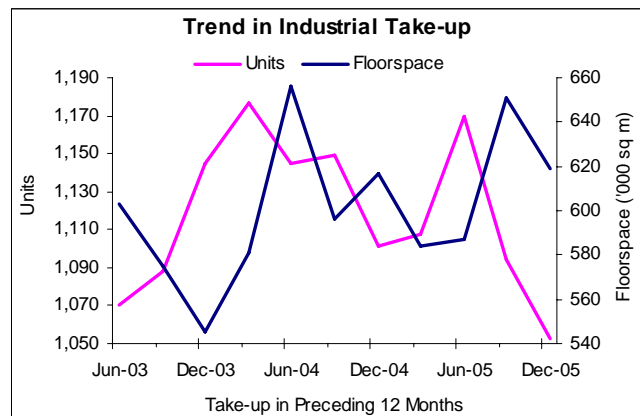
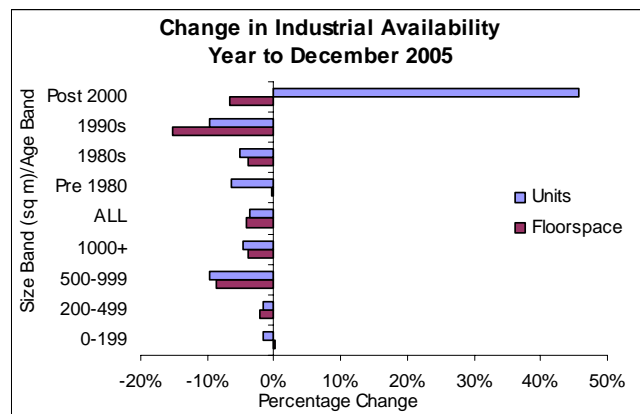
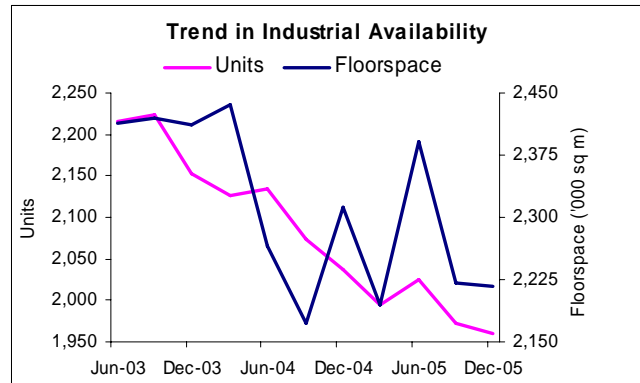
Industrial Take-up

In 2005, SPN recorded industrial take-up across Scotland of approximately 580,000 sq m in just over 1,050 transactions. Take-up of floorspace was substantially unchanged from the level recorded in 2004, but the number of transactions was down by 4% on the previous year.

Take-up of floorspace in Central Scotland increased by around 10%, with substantial increases in Glasgow (20%), Lanarkshire (20%) and Edinburgh & Lothian (30%). However take-up declined in Highlands & Islands by over 60% and in Tayside and Grampian.

Take-up of floorspace built post-2000 increased by over 30% in 2005, but take-up of 1990s floorspace declined by a similar percentage.

Significant lettings during the final quarter of 2005 included 6,578 sq m to TDG (UK) Ltd at College Milton Industrial Estate, East Kilbride and 5,110 sq m to Free Traders Ltd at Dixon Blazes Industrial Estate, Glasgow.



Office Availability

At the end of 2005, SPN recorded just over 917,000 sq m of available office floorspace in Scotland in 2,273 premises.

Following a slight decline in Q3, the supply of available office floorspace increased again in Q4 by just 2%. Supply at the end of 2005 was just 3% above the level recorded a year earlier and 5% above the 3-year average.

Edinburgh City recorded a rise of 14% in available floorspace, largely in accommodation built post 1990.

In Glasgow, by contrast, available office space increased by just 2% overall, but with a substantial decrease in the supply of modern (post-1990) floorspace and an increase in the supply of older accommodation.

Available office floorspace decreased marginally in both Aberdeen and Dundee.

Office Take-up

In 2005, SPN recorded take-up of approximately 293,000 sq m of office floorspace in Scotland in 1,160 transactions. In terms of floorspace, this was substantially unchanged from the level recorded in 2004, although the number of transactions was around 7% lower.

Take-up of office space in 2005 was 8% above the 3-year average.

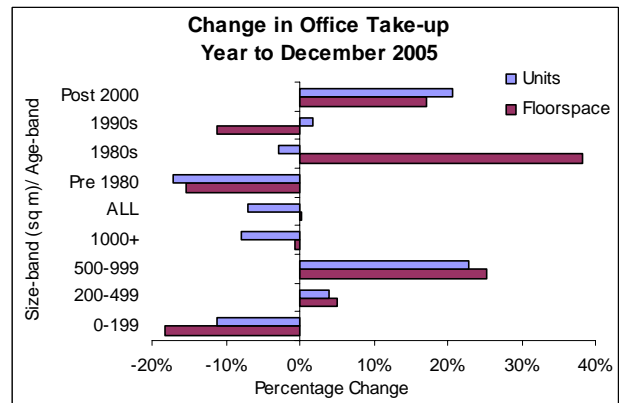
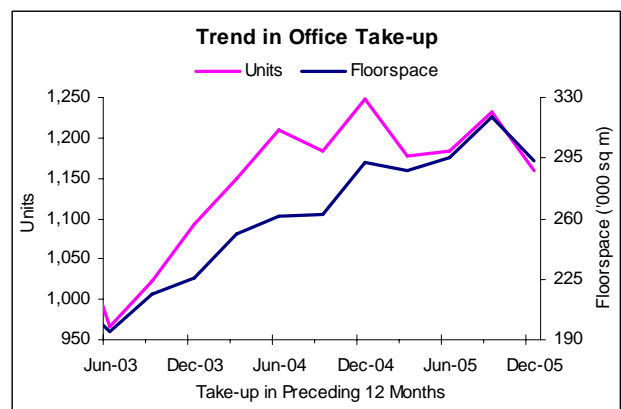
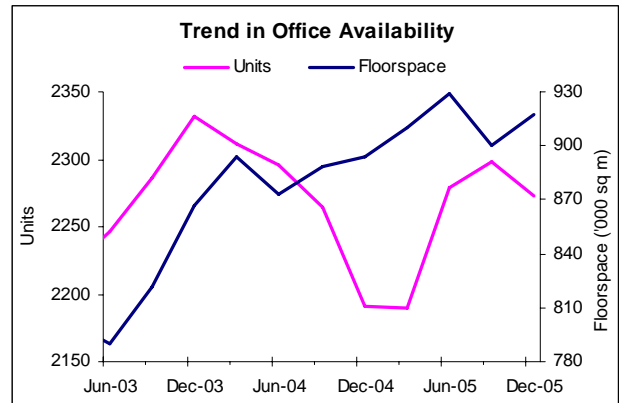
Take-up of floorspace built post-2000 increased by 17% in 2005, compared to a decrease of 15% in floorspace built pre-1980.

Glasgow recorded an increase of over 80% in take-up of floorspace, compared to the previous year, with the strongest growth in take-up of modern space. In Edinburgh, by contrast, there was an overall decrease of almost 50% in take-up, with the strongest decline in modern space.

Both Aberdeen and Dundee recorded substantial growth in take-up of office space in 2005.

Some of the more significant lettings recorded during Q4 2005 are listed below.

| Address | Sq Metres | Lessee |
|--|-----------|----------------------|
| Rubislaw 5 & 6, North Anderson Drive, Aberdeen | 7,534 | Talisker Corporation |
| Pyramids Business Park, Bathgate | 2,323 | Quintiles Ltd |
| Orbital House, Redwood Crescent, East Kilbride | 1,808 | Veolia Westgarth Ltd |
| Atrium Court, Waterloo Street, Glasgow | 3,063 | First Scotrail Ltd |



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