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The following summary is derived from Scottish Property Network's database of supply and take-up in the 10 Scottish Enterprise LEC areas in Central and Northeast Scotland.

Industrial Availability

The downward trend in available industrial floorspace recorded through most of 2003 and 2004 was reversed in Q4 2004 with a rise of 6%, to over 2.2 million sq m. Over 2004 as a whole, supply of floorspace fell by 3% to stand just marginally above the 3-year average.

The decline in the number of available units continued throughout 2004, reflecting a shift in supply towards larger units. The number of units under 200 sq m fell over the year by 21%, while supply of units in larger sizes increased by 8%.

Of all available units, 35% are in sizes less than 200 sq m and 25% in sizes over 999 sq m. Supply in Edinburgh & Lothian is more biased towards larger units with 34% over 999 sq m and only 23% under 200 sq m.

During 2004, the supply of modern (post-1990) floorspace increased by 6%, while pre-1980 space fell by 10%. However, the supply of new (post-2000) floorspace also fell by 12%, reflecting low levels of new development.

Industrial Take-up

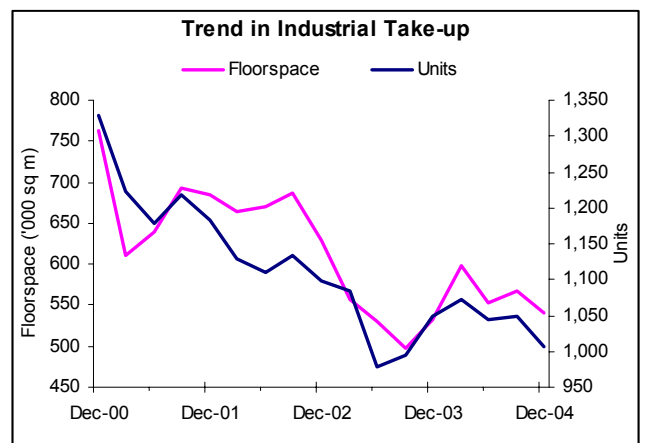
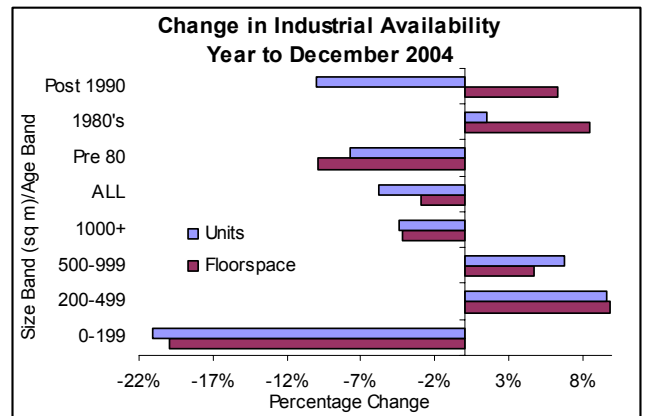
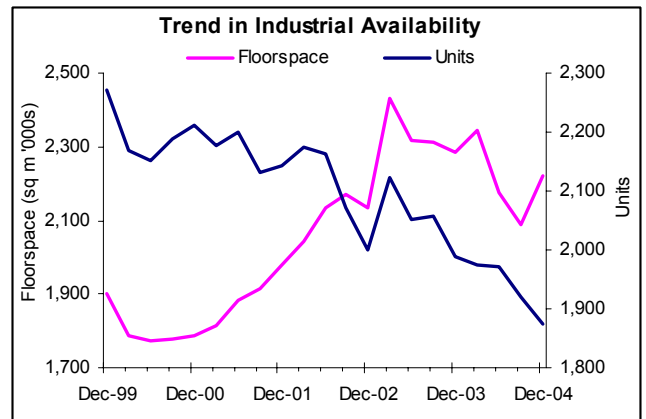
Industrial take-up recorded by SPN in 2004 totalled 541,000 sq m in just over 1,000 transactions.

Take-up over the year was fairly steady, increasing by just 2% in floorspace and falling by 4% in number of units, compared to 2003. The volume of floorspace taken up in 2004 was 5% below the 3-year average and the number of transactions was 4% below the 3-year average.

The modest growth in take-up in 2004 was due mainly to a few large lettings including 28,000 sq m to Amazon at Gourrock and 13,000 sq m to TDG Logistics at Eurocentral. Take up of units under 1,000 sq m fell over the year by 6%, compared to an increase of 11% in take up of units over 999 sq m.

The Fife and Grampian areas experienced substantial increases in take-up of floorspace over the year of 127% and 56% respectively. Take-up of floorspace fell in the Clyde Valley area by 9% and in Tayside by 21%, while Edinburgh & Lothian recorded an increase of 10%.

Significant lettings during the final quarter of 2004 included 7,826 sq m to Pilkington Glass at Cumbernauld's Ward Park South Industrial Estate at an undisclosed rent. Somerfield Stores has taken a 1,880 sq m distribution facility at Pitreavie Business Park, Dunfermline at £48.43 per sq m (£4.50 per sq ft). At Ingleston Park, Greenock, Inverclyde Council has taken 1,858 sq m from Scot Sheridan on a 10-year lease at £32.60 per sq m (£3.00 per sq ft).



Office Availability

Available office floorspace increased during 2004 by 5% continuing the steady increase recorded since the end of 2002. The number of premises on offer fell by 4% over the year.

The total floorspace immediately available, of just over 870,000 sq m, was 7% above the three-year average and 16% above the five-year average.

Most of the rise in available space was in 1980s accommodation, up by 48%, while the supply of post-1990 space fell by 3%.

Edinburgh recorded a rise in available floorspace of 19% over the year, but mainly in 1980s space, while availability of post-2000 space fell by 10%. Glasgow, by contrast, recorded an overall increase of just 2%, but with a rise of 36% in post-2000 space and a falling supply of older space. Available office space in Aberdeen increased by 31%, while Lanarkshire recorded a slight fall of 5%.

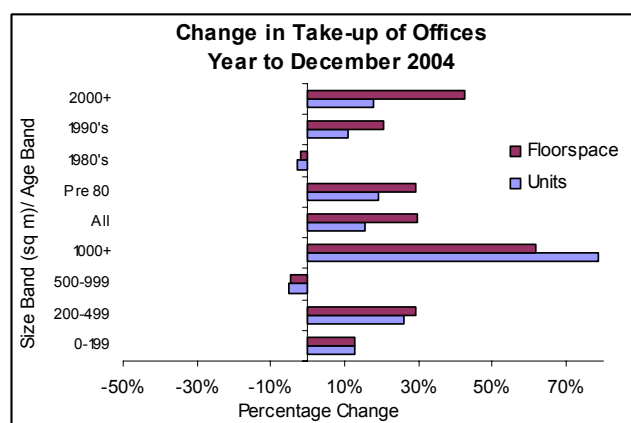
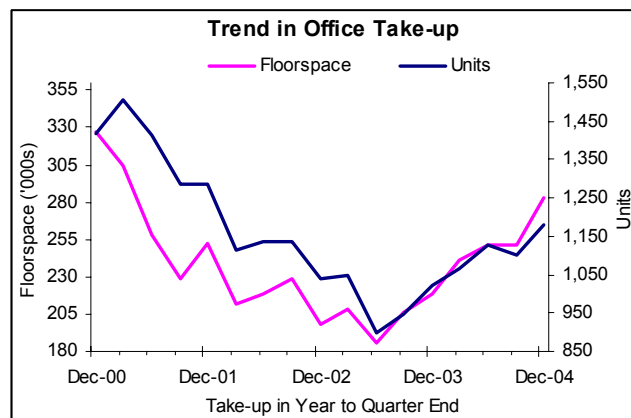
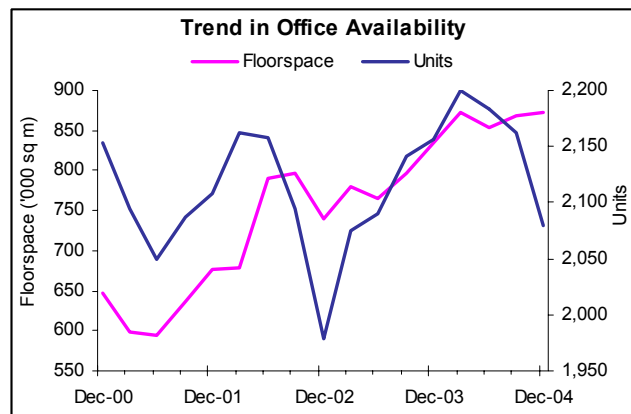
Office Take-up

Growth in take-up of office space continued throughout 2004, with an increase of 30% in take-up of floorspace over the year to just over 280,000 sq m. This was 22% above the three-year average and 11% above the five-year average.

Only the Grampian area recorded a significant fall in take-up of office floorspace in 2004, with take-up in Aberdeen down by 28%.

Take-up of floorspace in Edinburgh increased by 82%, with particularly strong growth in take-up of 1990s accommodation. Glasgow recorded more modest growth overall at 11%, but with strong growth in take-up of post-2000 floorspace (71%) and with declining take-up of 1990s and 1980s space.

Significant lettings recorded in Q4 of 2004 included the pre-let at Edinburgh Waverley by Morley Fund Managers and Network Rail of 18,580 sq m to City of Edinburgh Council at £269.10 per sq m (£25.00 per sq ft). Renfrewshire Council took 4,088 sq m at Gilmour House in Paisley on a short-term lease from Coal Pension Properties at £53.81 per sq m (£5.00 per sq ft). AXA Real Estate Investment Managers let 1,312 sq m at Glasgow Airport's Cirrus Building to Contact4 Partnership at £183.04 per sq m (£17.00 per sq ft). At Hamilton International, Scottish Power has taken 4,360 sq m at Aspect House from AWG Developments.



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