

The following summary is derived from analysis of the Scottish Property Network database of supply and take-up throughout the whole of Scotland. This differs from previous bulletins which were based on analysis of market activity in the 10 Scottish Enterprise LEC areas in Central and Northeast Scotland.

Industrial Availability

Despite a slight upturn in Q4 2004, industrial availability has continued the downward trend recorded during most of 2003 and 2004. Supply of floorspace fell by 5% in Q1 2005 to just over 2.19 million sq m.

At the end of March, available floorspace was 10% below the level recorded a year earlier and 8% below the 3-year average. The number of available units also declined, down by 2% in Q1 2005 and by 7% since March 2004.

Over the year to March 2005, only the Tayside and Highland areas recorded any significant increase in available industrial floorspace, up by 23% and 24% respectively. Lanarkshire saw a small increase in supply of 5% while both Glasgow and Edinburgh & Lothian recorded a fall in supply of around 9%.

The reduction in supply was steepest for older (pre-1980) space, which fell by 16% over the year. Supply of post-1990 floorspace decreased by just 3%, while post-2000 floorspace fell only marginally, by less than 1%.

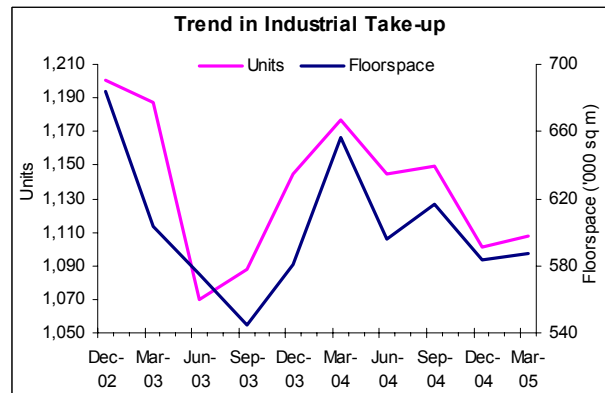
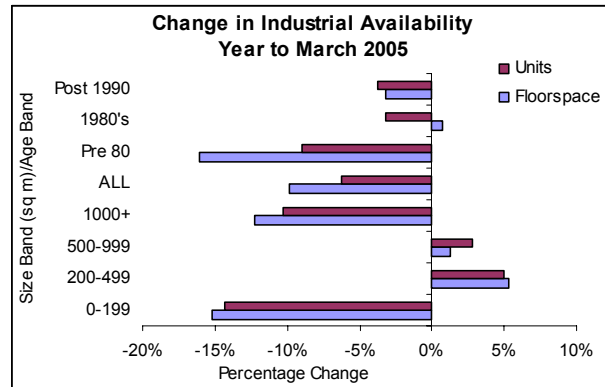
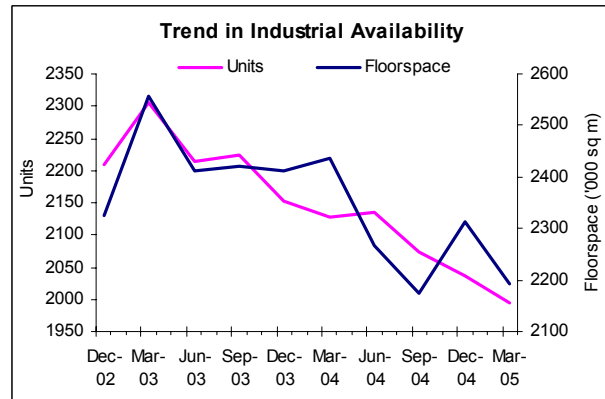
Supply of small units under 200 sq m fell by 14% over the year, while the number of large units over 999 sq m declined by 10%. Available supply increased slightly in mid-range sizes between 200 and 999 sq m.

Industrial Take-up

In the 12 months to end of March 2005, SPN recorded take-up of 587,000 sq m of industrial floorspace in Scotland in just over 1,100 transactions. Across Scotland as a whole, take-up of industrial floorspace fell in the 12 months to March 2005 by 10% and the number of transactions decreased by 6%. Take-up during Q1 2005, however, showed a marginal increase on the previous quarter, in terms of both floorspace and transactions.

A number of areas recorded increased take-up over the year including Ayrshire, Fife and Grampian where take-up of floorspace increased by 46%, 55% and 33% respectively. Take-up fell in Edinburgh & Lothian (-27%), Glasgow (-11%) Lanarkshire (-22%) and Tayside (-30%).

Significant lettings during the first quarter of 2005 included 6,503 sq m to Spring Distribution at Old Liston Road, Newbridge at £25.83 per sq m (£2.40 per sq ft). At M8 Central Business Park, Newhouse, Lynx Express Delivery has taken 4,273 sq m at a rent of £60.82 per sq m (£5.65 per sq ft). Leaseway Vehicle Rental has taken 5,479 sq m from Allied Dunbar Assurance at Clydebank Business Park.



Office Availability

The slow but steady rise in available office floorspace continued in Q1 2005, although with no change in the number of premises on offer. At the end of March 2005, SPN recorded 910,000 sq m of office floorspace immediately available across Scotland, just 2% above the level recorded at March 2004 and 5% above the 3-year average. The number of units on offer was 5% below the level recorded a year earlier.

Growth in supply was substantially in older (pre-1980) floorspace, which rose by 6% over the year, compared to a fall of 5% in the supply of post-2000 floorspace.

Edinburgh City recorded an increase in available office floorspace of 23% over the 12 months to March, although the number of units on offer fell slightly. By comparison, supply of office floorspace in Glasgow rose only marginally (2%) and the number of premises on offer fell by 14%.

Outwith the main office markets of Edinburgh & Glasgow, only Fife and Tayside recorded any significant growth in supply of 18% and 20% respectively.

Office Take-up

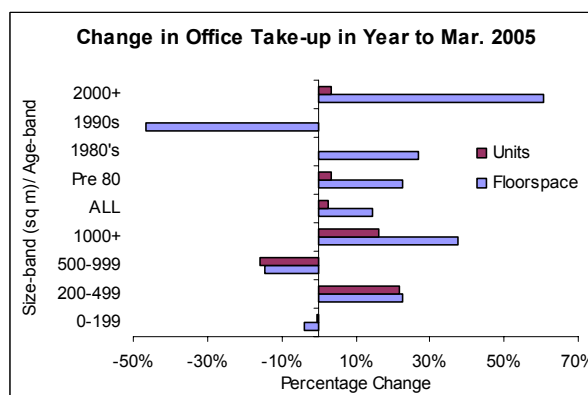
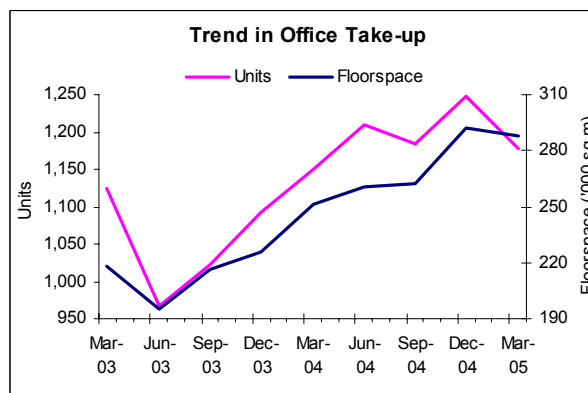
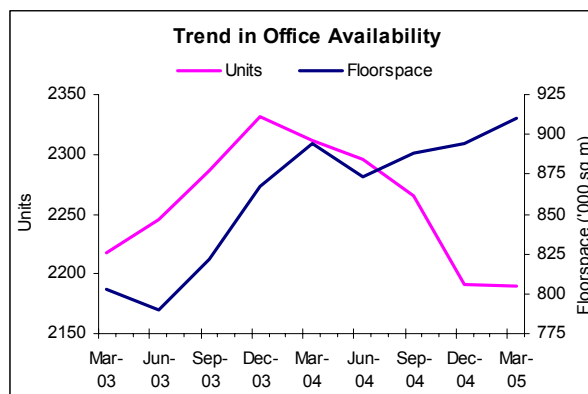
Despite falling by 2% in the first quarter of 2005, take-up of office floorspace in the year to the end of March across Scotland was 15% higher than in the previous 12 months and 14% above the 3-year average, at 288,000 sq m.

The number of transactions recorded during the year to March 2005 was 3% higher than the previous year at 1,178.

Take-up of floorspace built post-2000 increased over the year by 61%, although the number of transactions in this age-band rose only slightly (3%). Take-up of 1990s floorspace fell by 47%, but with no reduction in the number of transactions in this age-band.

Edinburgh and Glasgow cities both recorded significant increases in floorspace taken up, of 46% and 52% respectively. Forth Valley, Renfrewshire and Tayside also saw significant increases in take-up of floorspace, but Lanarkshire recorded a fall of 42%.

Major lettings during Q1 2005 included Visit Scotland taking 2,400 sq m at Ocean Point 1 in Leith at £231.42 per sq m (£21.50 per sq ft). At Hamilton International, ICM Computer Group has taken 2,890 sq m at Campsie House at £155.65 per sq m (£14.46 per sq ft). In Glasgow, Clydesdale Bank has taken 3,381 sq m from Cala Properties at Central Exchange (now known as Clydesdale Bank Exchange) and Dell UK has leased 9,104 sq m at Elphinstone's City Park.



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