

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, and from the Royal Institution of Chartered Surveyors in Scotland's Commercial Property Survey. In this bulletin we have focussed on the Lanarkshire industrial market with additional commentary provided by Scottish Enterprise Lanarkshire.

Industrial Availability

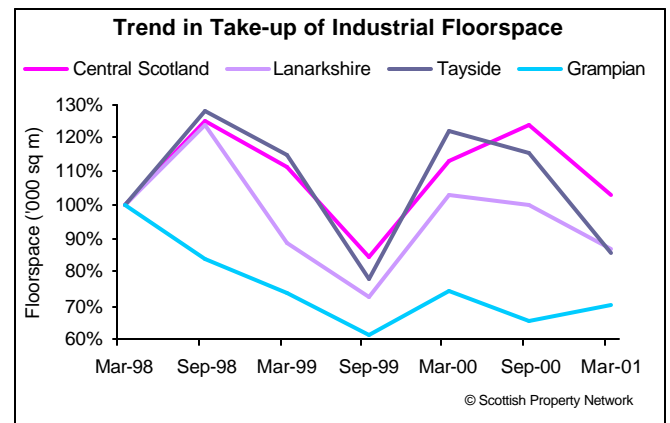
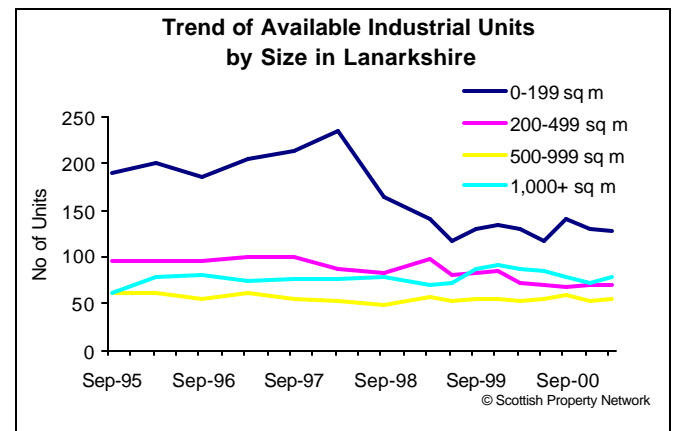
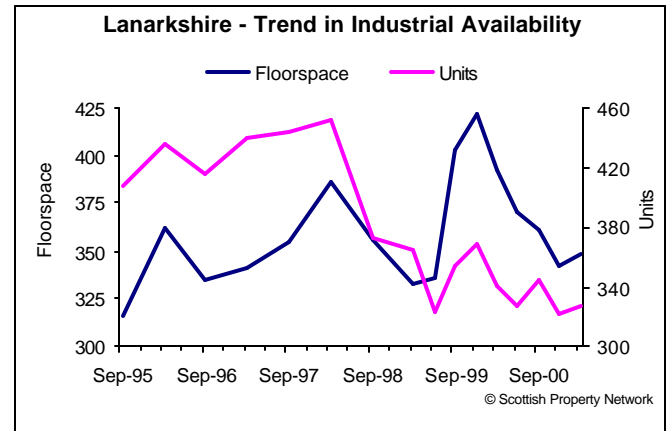
- There was a marginal decline in the volume of available floorspace and the number of units across Central and Northeast Scotland in the year to March 2001.

Industrial Take-up

- Take-up of floorspace declined by 8% over the year to March with unit transactions also falling, by 19%, mainly in sizes under 200 sq m.
- Both Central Scotland and Tayside recorded steep declines in floorspace taken up in the second half of the year while a small increase was recorded in Grampian.

Lanarkshire Focus

- Despite a small increase in the first quarter of 2001, the volume of available floorspace in Lanarkshire declined by 11% in the year to March.
- The fall in the number of available units over the year was only 4%. Since March 1998 there has been a decline of 27% in the supply of units, mainly accounted for in sizes under 200 sq m.
- There has been development on around 75% of the net developable area in the Lanarkshire Enterprise Zone, which has less than 2 years left to run.
- New developments across Lanarkshire include AMEC's Colossus 8,735 sq m building at Eurocentral, the largest speculative industrial building in the west of Scotland, 5 new buildings, totalling 13,550 sq m, at Hamilton International Technology Park and a 1,858 sq m unit at Scottish Enterprise Technology Park, East Kilbride.
- Demand, measured by the number of enquiries, is strongest for accommodation in the 2,000 – 5,000 sq m size band with hi-tech and distribution companies particularly evident.
- Over the year to March 2001, take-up of industrial floorspace across Lanarkshire fell by 16%, mainly in sizes under 1,000 sq m, with the decline being steeper in the second half of the year.
- The RICS in Scotland report that average rentals in the former new town of East Kilbride have increased by 3% in the year to March 2001, a similar increase to Livingston and higher than the average growth rate for Edinburgh.



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Office Availability

- In the year to March 2001, SPN recorded a decline of 14% in the volume of available floorspace across Central Scotland¹. Since March 1998 the fall has been steeper at 33%, mainly in sizes over 999 sq m.
- Despite a fall in the first quarter of 2001, floorspace availability increased by 10% in Tayside over the year to March while there was no change in Grampian. There have been small increases in availability since March 1998 in both Grampian (8%) and Tayside (3%).

Office Take-up

- In the first quarter of 2001, SPN recorded 412 unit transactions across Central and Northeast Scotland, a marginal fall, of 2%, on the same period in 2000.
- Over the year to March 2001, the volume of floorspace transacted also fell, by 13%, mainly in mid range sizes (200–999 sq m).
- Both Edinburgh and Glasgow experienced falls in take-up of floorspace over the year to March, of 26% and 6%, while there was a 30% increase recorded in Grampian.

Retail Overview – Average Rent and Yield

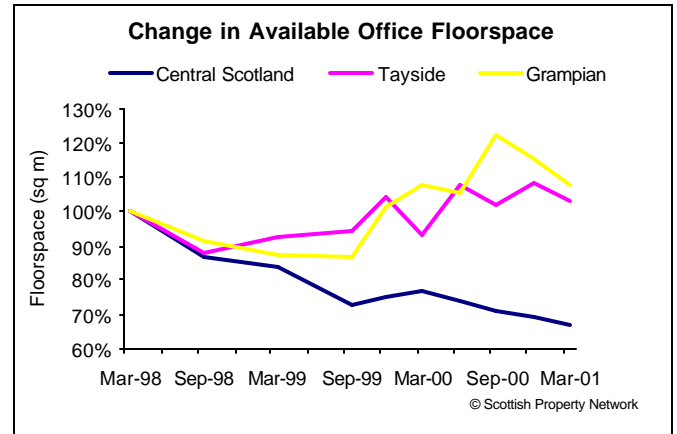
- A lack of retailer demand for smaller units in prime positions has led to average rentals remaining largely unchanged in the year to March 2001. The RICS in Scotland also report that general uncertainty in the sector has caused average yields in many prime retail areas to rise over the same period.

Retail – Average Rent and Yield					
2,000 sq ft unit in prime position.	Rent £/psm (£/psf)		Average Growth (p.a.) Mar 96 – Mar 01	Yield	
	March 2000	March 2001		March 2000	March 2001
Plaza, East Kilbride	£1,086.73 (£100.96)	£1,071.88 (£99.58)	5.9%	6.1%	6.5%
High Street, Inverness	£799 (£74.23)	£799.23 (£74.25)	2.8%	6%	6.6%
High Street, Perth	£718.17 (£66.72)	746.38 (£69.34)	3.7%	6%	6.6%
Thistle Centre, Stirling	£926.13 (£86.04)	£950.14 (£88.27)	3.4%	6.3%	6.7%

Source: Royal Institution of Chartered Surveyors in Scotland

¹ Central Scotland figures are derived from the following LEC areas: Scottish Enterprise – Ayrshire, Dunbartonshire, Edinburgh & Lothian, Fife, Forth Valley, Glasgow, Lanarkshire and Renfrewshire.

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Offices - Average Rent and Yield					
Modern open plan offices of 20,000 sq ft on Business Park	Rent £/psm (£/psf)		Average Growth (p.a.) Mar 96 – Mar 01	Yield	
	March 2000	March 2001		March 2000	March 2001
Central	£128.95 (£11.98)	£132.72 (£12.33)	3.1%	8.50%	8.54%
Dundee	£118.40 (£11.00)	£120.34 (£11.18)	1.3%	8.68%	8.81%
Edinburgh	£247.14 (£22.96)	£258.34 (£24.00)	9.7%	5.84%	5.96%
Glasgow	£154.36 (£14.34)	£163.94 (£15.23)	3.1%	6.98%	6.96%

Source: Royal Institution of Chartered Surveyors in Scotland

Key Letting deals : Offices - Q1 2001			
Property	Size. sq m (sq ft)	Occupier.	Headline rental rate. £/per sq m (£ per sq ft)
Calton Square, Edinburgh.	9,847 sq m (106,000 sq ft)	Baillie Gifford & Co.	£291psm (£27 psf.)
The Gemini Building, 24/25 St Andrew's Square, Edinburgh.	4,506 sq m (48,500 sq ft)	Royal Bank of Scotland.	£266 psm (£24.70 psf.)
The Forthstone, South Gyle Crescent, Edinburgh.	3,298 sq m (35,500 sq ft)	Royal Bank of Scotland.	£253 psm (£23.50 psf.)
Westpoint, Edinburgh West, Edinburgh.	3,263 sq m (35,125 sq ft)	MWB Business Exchange.	£226 psm (£21 psf.)
123 St Vincent Street, Glasgow.	1,454 sq m (15,650 sq ft)	Aberdeen Asset Management	£248 psm (£23 psf.)
1 Bain Square, Livingston.	1,092 sq m (11,750 sq ft)	Russell Europe Ltd.	£129 psm (£12 psf.)

Source: SPN Survey of Agents