



The following summary is derived from analysis of the Scottish Property Network database of supply and take-up of industrial and office markets throughout Scotland as at September 2006.

Industrial Availability

The supply of available industrial floorspace in Scotland increased marginally during Q3 2006 to 2.27 million square metres. Available floorspace at the end of September was just 2% higher than the level recorded a year earlier, and was close to the 3-year average.

The number of available units (2,027) is now also close to the 3-year average, having increased from the low level recorded towards the end of 2005.

Growth in supply in the year to Q3 2006 was mainly in floorspace built post-1990, up by 19%. Available post-2000 floorspace increased by 11%, but mostly in small sizes, so that the number of post-2000 units on the market was 60% higher. Supply of pre-1980 floorspace fell by 5%.

Against this general trend, available floorspace in Lanarkshire fell over the 12 months by 22% from the relatively high level recorded in 2005. A significant increase in supply was recorded in the Highlands & Islands (69%) and also in Fife (66%) and in the Forth Valley area (54%).

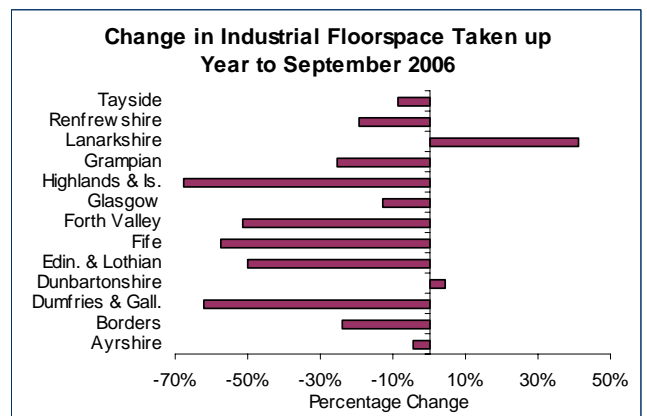
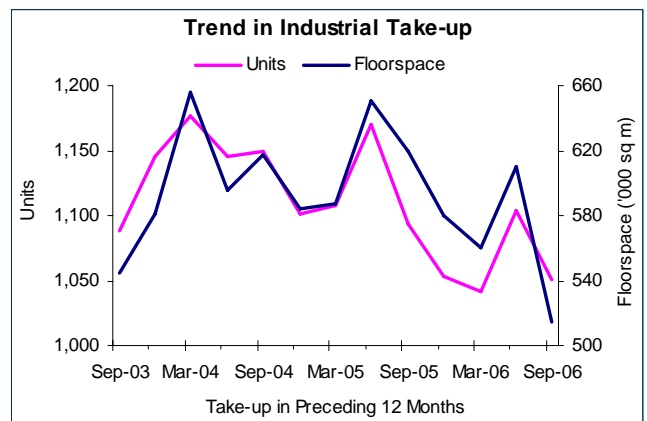
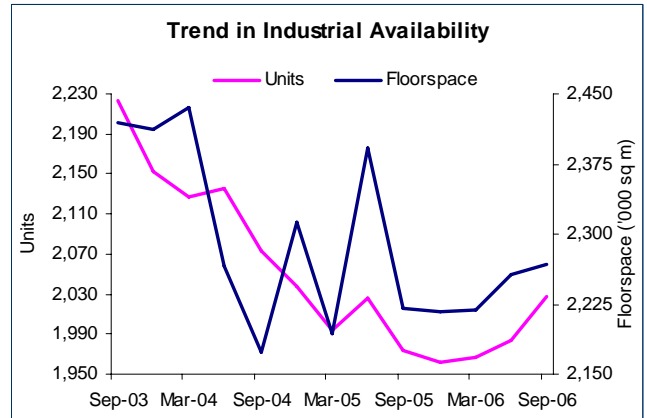
Industrial Take-up

The annual rate of take-up to the end of Q3 was 16% lower than in the previous quarter. In the 12 months to the end of September, SPN recorded take-up of over 515,000 sq m of industrial floorspace across Scotland, in 1,051 transactions. This was 16% below the level recorded in the previous year and 12% below the 3-year average.

The only area to record any significant growth in take-up over the year was Lanarkshire, where take-up of floorspace increased by 41%. Dunbartonshire recorded a modest increase of 4%, but take up declined in all other areas.

Significant lettings recorded during Q3 2006 are shown below:

Address	Sq Metres	Lessee
Big Blue Shed, Bellgowan St, Bellshill	13,099	Exel Europe Ltd.
5 Kelvin Park South, East Kilbride	5,450	Valve Components Ltd.
Pegasus Business Park, Hillington	3,760	Kayfoam Ltd.
Centrelink 5, Phoenix Business Park, Shotts	2,787	Antel Plastics Ltd.



Office Availability

At the end of September 2006, SPN recorded just over 875,000 sq m of available office and business floorspace in Scotland in 2,361 units. Available floorspace was 3% below the level recorded at September 2005, and just 2% below the 3-year average.

There was a small increase of just 3% in post-2000 floorspace, while the supply of older (pre-1980) floorspace fell by 11%.

Edinburgh and Glasgow cities recorded more significant decreases in office availability of 11% and 12% respectively. In Glasgow, the decline in supply was mainly in pre-1980 space (-29%), while post-2000 floorspace increased by 11%. By contrast, Edinburgh recorded a decrease of 27% in post-2000 space on the market.

While Glasgow recorded declining supply across all size-bands, the decrease in Edinburgh was confined to sizes above 500 sq m, with increased supply of smaller premises.

Significant increases in available office space were recorded in Lanarkshire (19%) and Renfrewshire (49%).

Office Take-up

In the year to September 2006, SPN recorded take-up of 278,000 sq m of office floorspace in 1,144 transactions across Scotland. This was 13% below the level recorded in the previous 12 months, but just 3% below the 3-year average. The reduction in take-up was most significant in post-2000 space (-29%), although the number of transactions in this age-band was marginally higher (3%).

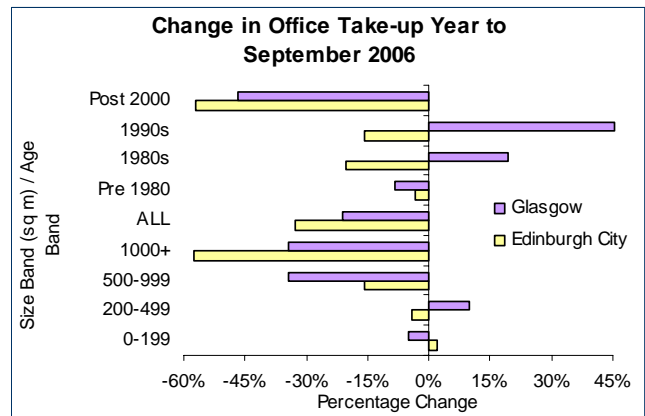
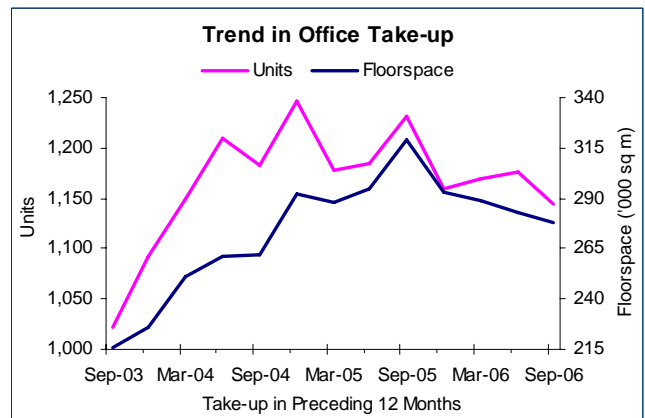
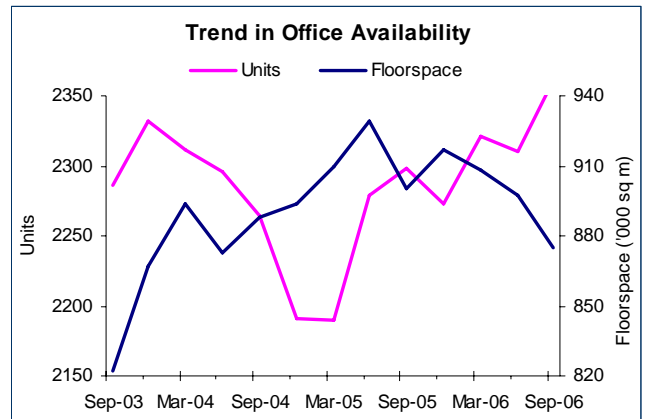
In Glasgow, take-up of office floorspace fell by 21% over the year, mainly in take-up of post-2000 floorspace (-47%) and in sizes over 500 sq m (-34%).

Edinburgh City recorded an overall reduction of 33% in floorspace taken up, with most of the decrease being also in post-2000 space (-57%) and in sizes over 1,000 sq m (-58%).

Substantial growth in take-up was recorded in Grampian (78%), Fife (68%), Ayrshire (61%) and Forth Valley (54%). Both Lanarkshire and Tayside recorded a decline in office take-up of over 30%.

Some of the more significant office lettings recorded during Q3 2006 are detailed below.

Address	Sq Metres	Lessee
9th Floor, Aurora, Bothwell St, Glasgow	1,619	Burness LLP
2nd Floor, 2 Lochside Way, Edinburgh Park	1,556	HSBC
London House, 20-22 East London St, Edinburgh	1,155	Reed Elsevier Science Ltd
1st Floor, Clydesdale Bank Exchange, Glasgow	978	Daily Mail Group



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