

The following summary is derived from analysis of the Scottish Property Network (SPN) database of supply and take-up of industrial and office property throughout Scotland at the end of December 2007. SPN is a product of CoStar Group, the leading provider of commercial real estate information.

**Industrial Availability**

The volume of available industrial floorspace in Scotland decreased by 8% in the 12 months to September 2007, to just under 2.1 million sq m. This was 4% below the 3-year average. The number of units on offer continued the long-term downward trend, falling by 17% over the year to 1,686, 13% below the 3 year average.

Supply of modern floorspace built since 2000 increased substantially by 53% over the year, while the supply of older floorspace continued to fall. The supply of small units in sizes of less than 200 sq m continued to decline, down by 27% over the year and now 22% below the 3-year average.

Most areas recorded a fall in supply over the year, with the biggest decline (41%) in Grampian. Available floorspace increased in Edinburgh & Lothian by 26% and in Highland region by 85%, while Glasgow recorded a small increase of just 5%.

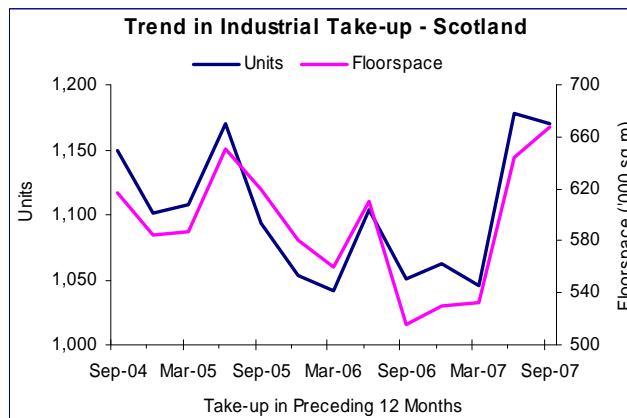
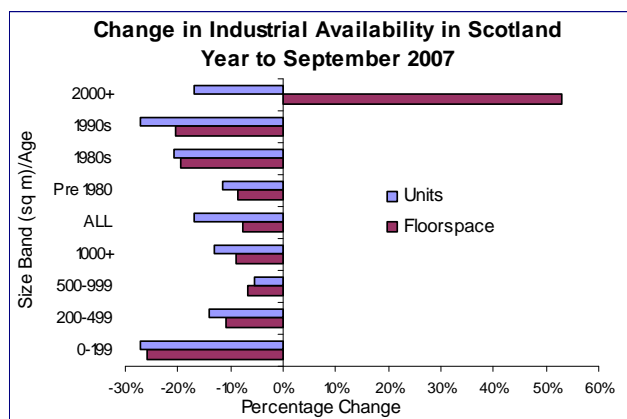
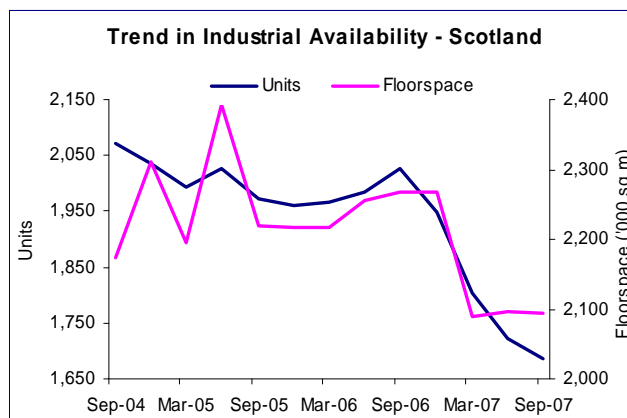
**Industrial Take-up**

In the 12 months to September 2007, SPN recorded take-up of 668,000 sq m of industrial floorspace across Scotland in 1,170 transactions. This represents an increase of 30% in floorspace taken up, compared to the previous 12 months, and was 11% above the 3-year average. The number of transactions increased by 11% from the previous year and was 6% above the 3-year average.

Growth in take-up was recorded in most areas, with particularly big rises in Renfrewshire (151%) and Edinburgh & Lothian (122%). Only Glasgow Grampian and Borders experienced a decline in take-up over the year.

Significant lettings recorded during Q3 2007 are shown in the table below.

Address	Sq M	Lessee
72-74 Napier Rd, Wardpark North Ind Est, Cumbernauld	14,804	Gist
Vantage Point, 3 Livingstone Boulevard, Hamilton Park, Blantyre	5,606	Field Packaging Group
Tannochside Drive, Tannochside Park, Uddingston	3,776	Geopost UK Ltd
Units 4,5 & 9 Cumbernauld Road, Stepps	4,494	British Energy
Unit K3 Starlaw Business Park, Livingston	3,587	DX Network Services



**Office Availability**

At the end of September 2007, SPN recorded over 843,000 sq m of available office and business floorspace in Scotland in 2,245 units. This is 4% below the level recorded a year earlier and 4% below the 3-year average. However available floorspace increased by 6% in Q3 after seven consecutive quarters of decline.

Available office space increased in Edinburgh by 6% over the year but declined in Glasgow by 15%. Supply in Glasgow fell in all age and size bands, with a decrease of 18% in post-2000 floorspace. By contrast, Edinburgh saw a rise of 35% in supply of floorspace built since 2000.

Lanarkshire recorded an increase of 7% in available office space, while Supply in Aberdeen fell by 42%.

**Office Take-up**

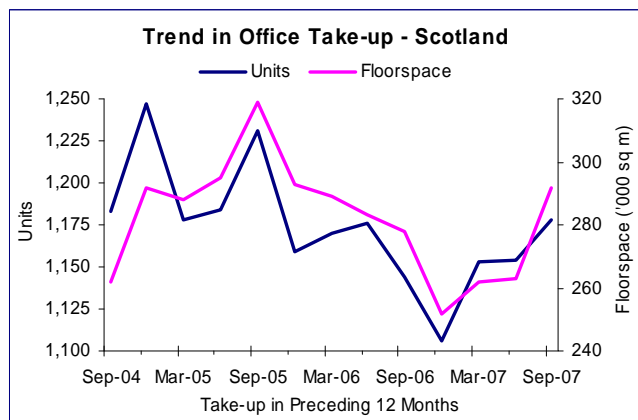
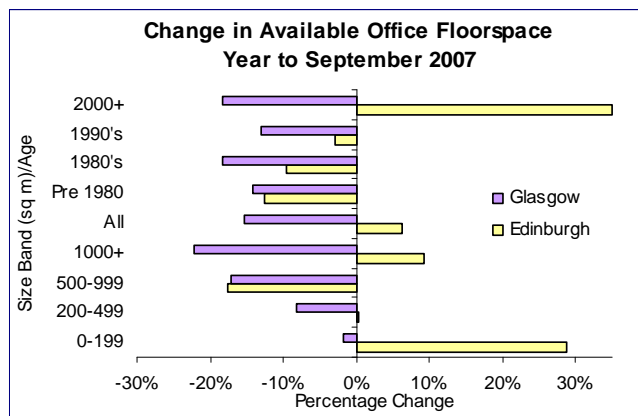
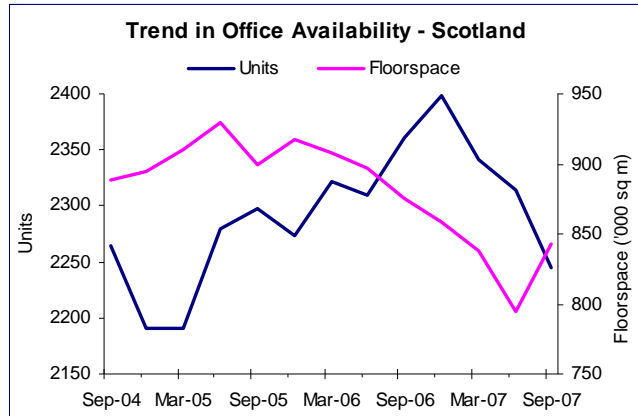
In the 12 months to September 2007, SPN recorded take-up of 292,000 sq m of office floorspace in 1,178 transactions across Scotland. This represents a 5% increase on take-up in the previous 12 months and is just 2% below the 3-year average.

In Glasgow, take-up of office space increased by 31% over the year and was at the highest level recorded by SPN. Take-up of floorspace built since 2000 increased in Glasgow by 63% and accounted for 45% of all take-up in the city.

Take-up of floorspace in Edinburgh rose by 24% overall in the year, following three quarters of little change. Take-up of post-2000 space increased in Edinburgh by 29% and accounted for 35% of all take-up.

Some of the more significant office lettings recorded in Q3 2007 are detailed below.

Address	Sq M	Lessee
Exchange House, 231 George Street Glasgow	10,684	Glasgow City Council
Ground - 7 <sup>th</sup> Floor, 110 St Vincent Street, Glasgow	8,734	HBOS
Lower Ground - 4 <sup>th</sup> Floor, Elphinstone House, West Regent Street, Glasgow	3,066	Undisclosed Government Agency
Building 1 GSO Business Park, East Kilbride	2,816	British Energy
3rd Floor, Atlantic Quay No1, 1 Robertson Street, Glasgow	2,311	Mott MacDonald



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