

H1 2019 REVIEW

ABERDEEN

- Industrial take up across Aberdeen totalled just over 260,000 sq ft in H1 2019. This is down year on year where H1 2018 resulted in c. 330,000 sq ft of take up.
- Despite the challenging market, there is definitely more optimism as larger occupiers are beginning to appraise their property options in Aberdeen with a number of lettings concluding, or due to conclude imminently. Properties sub 10,000 sq ft are still in high demand with a number of lettings due to complete.
- The Aberdeen market is currently experiencing an oversupply of stock due to a surplus of industrial properties that are not in tenable condition. There are a number of speculative developments throughout the region, the majority involve smaller properties sub 2,500 sq ft.

GLASGOW

- In contrast, Glasgow has a limited development pipeline caused by a number of factors, widely ranging from political uncertainty to site viability. However, there are a number of industrial developments underway such as Clyde Gateway East, Glasgow Business Park and Hillington Park.

- Encouragingly the 120,400 sq ft pre-let at Westway Park, Renfrewshire is Scotland's largest industrial pre-let for five years.
- There is a growing concern of rising rents due to an uptick in demand when compared to good quality available accommodation, coupled with a large amount of properties over 40 years old.

EDINBURGH

- Similar to Aberdeen, Edinburgh has witnessed limited transaction activity for larger properties, despite reported demand.
- There are a number of good news stories elsewhere within the Edinburgh industrial market including low vacancy rates, steady rent levels and speculative development.
- Industrial estates in favourable locations across Edinburgh continue to experience a healthy number of transactions, with some boasting close to 100% in occupancy rates.
- A number of speculative developments are either under construction or have recently completed within Sighthill, West Edinburgh. A recently completed development at Bankhead Crossway North, Sighthill, West Edinburgh.

REGIONAL OUTLOOK



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In Aberdeen there appears to be a growing positive sentiment from the oil and gas sector and we expect to see further new property requirements that reflect this.

In Glasgow more speculative development is required to assist with low levels of available good quality industrial stock. The lack of suitable sites will likely result in the need for public sector support.

Low levels of well-located industrial accommodation in Edinburgh will result in landlords continuing to undertake refurbishments and developers undertaking more speculative development. The landlords and developers who are already doing this are being rewarded with new tenants and increased rental rates.



Wellheads, Dyce, Aberdeen

H1 2019 PRIME HEADLINE RENTS

(£ per sq ft) ▲/▼ - movement expected to H2 2019

Market	Under 20,000 sq ft	20,000-50,000 sq ft	50,000 sq ft
Aberdeen	£9.00 ◀	£8.50 ◀	£8.00 ▲
Edinburgh	£9.00 ▲	£6.50 ◀	£4.50 ◀
Glasgow	£9.00 ▲	£7.00 ◀	£4.50 ◀

SELECTED OCCUPIER TRANSACTIONS, H1 2019

Address	Occupier	Size sq ft	Rent / price (per sq ft)	Date
Westway Park, Renfrewshire	JW Filshill	120,000	Unknown	Jun-19 (Pre-let)
Oakbank Park, Livingston	Raytheon	130,000	Unknown	Mar-19
Unit F Queen Anne Drive, Newbridge	Drummond Distribution	27,491	Unknown	Jan-19
Units 2-3 Hub @ Hareness, Altens	Control Valve Solutions	20,986	£131,000 pa	Jan-19
Unit 7A ABZ, Dyce	Ethos Energy	20,645+ yard	£231,000 pa	Jun-19



Despite political and economic uncertainty of varying levels across the three major cities in Scotland the industrial property market remains resilient.