

**91<sup>ST</sup>**

**SCOTTISH  
PROPERTY  
REVIEW  
2026**

# Ryden

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# MARKETS STABILISED AS THE INFLATION-AND-INTEREST RATE CYCLE CONTINUES TO ABATE, SUPPORTED BY MODEST ECONOMIC GROWTH AND STEADY EMPLOYMENT.

Many occupiers remain cautious in the face of increased costs (including property costs). However, ageing stock and little development in many areas is squeezing demand and driving rental values (subject to affordability), bringing selective opportunities by (sub)sectors and (micro) locations.

New-build house completions and site starts declined in 2025, providing an unwelcome early challenge to the declared housing emergency. Positively however, the launch of More Homes Scotland will provide the first national housing agency since Scottish Homes was wound-up 20 years ago. Land values for short to medium term estate housing are supported by house builder demand for scarce sites, but the market for small brownfield housing sites is challenged by costs. The Purpose Built Student Accommodation (PBSA) sector has slowed due to weaker demand and higher development costs, although Glasgow and Edinburgh are showing some resilience. The anticipated exemption of Build to Rent

(BTR) from rent controls is renewing interest in Scotland, again particularly in Glasgow and Edinburgh, and is expanding into single family home BTR.

Office take up across Scotland's three largest cities is stable (Glasgow and Aberdeen) or below average (Edinburgh). Glasgow's Grade A office supply shortfall is expected to lead to further rental growth, dragging Grade B office rents upwards for quality stock, and triggering the announcement of new speculative development. Edinburgh occupiers unable to source the right space and 'staying put' did not prevent rents rising to a new high; a leap is now required by both developers and occupiers to commit to the next wave of development, again likely at a new rental high. Aberdeen's office market hit average take up despite offshore industry challenges; corporate activity may create further 'churn' rather than additional jobs, but may still create opportunities given the dearth of new development or refurbishment.

Across all cities the fitted-out and flexible office markets are attracting occupier demand and achieving good occupancy levels.

Industrial property demand remains strong from a wide range of occupiers including logistics, manufacturing, trade counters, last-mile distribution and the energy sector (particularly in Aberdeen). Rental growth has continued and persists due to a chronic shortage of modern supply and the costs of new development. Selective speculative development has resumed again alongside further refurbishments for more cost-sensitive occupiers. An increasing number of occupiers able to take a longer term view and tolerate high rentals are turning to design and build opportunities. These trends will continue to expose the functional obsolescence of much of the legacy industrial stock for modern occupiers, triggering further new developments and refurbishments.

Retail market restructuring is now well underway and - though still challenging and long term in some larger towns - offers a clearer pattern of super-prime strength in locations such as Edinburgh's St James Quarter and environs and Glasgow's Buchanan Street, resilient retail parks, a stable groceries sector, and steady rationalisation of outlets. Meanwhile, consumer expenditure

continues to grow, new formats emerge, and leisure and F&B remain very active.

Scotland's property investment sector fluctuated during 2025, but eventually delivered similar deal numbers and higher transactions volumes than 2024. Falling interest rates and market opportunities encouraged continued investor activity in the industrial and living sectors and improved interest in the (diverse) office and retail sectors. Edinburgh and Glasgow remain the favoured cities, while Aberdeen had a much improved year. Looking ahead, legislative clarity around residential rent controls should favour BTR (including single family) and possibly co-living. A weaker PBSA occupational market has affected asset pricing and brought focus onto affordable or prime opportunities; or for forward funding, super-prime.

Beyond the mainstream commercial and residential property sectors, land markets and planning activity are increasingly signalling rapid growth in land-hungry property and infrastructure for energy generation, storage and transmission, and data – these are expected to feature in future commentaries.

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**RESEARCH PARTNER**

# SUMMARY AND OUTLOOK

# ECONOMY

THE INFLATION-AND-INTEREST RATE CYCLE WHICH DROVE UP DEVELOPMENT COSTS AND DEPRESSED VALUES SINCE 2022 HAS EASED. THE PROPERTY MARKETS ARE SUPPORTED BY STEADY EMPLOYMENT, ECONOMIC GROWTH AND FORECASTS, ALTHOUGH CORPORATE ACTIVITY AND CONFIDENCE CONTINUE TO BE FINELY BALANCED.

## GROWTH

During the fourth quarter of 2025 Scotland's economy grew by a marginal 0.1%, following higher growth of 0.3% during the third quarter. In the fourth quarter output grew in the dominant services sector by a modest 0.1%, but by a notably higher 1.4% in the production sector, while output in the construction sector fell by -2.1%. Compared with the same quarter of 2024 Scotland's GDP grew by 1.2% while for the UK as a whole 1.0% growth was recorded. For 2025 GDP in Scotland grew by 1.4%, compared to 1.3% for the UK as a whole.

In January 2026 the rate of consumer price inflation in the UK fell to 3%, while this confirms a fall of 0.4% from December 2025 its still remains above the Bank of England's target of 2%. Expectations for further falls in inflation and interest rates have diminished due to conflict in the Middle East.

## EMPLOYMENT

Scotland had an unemployment rate of 3.8% for the three months to December 2025. This rate is up by a marginal 0.1% over the quarter, but down by a marginal -0.1% over the year,

and now sits well below the UK rate of 5.2% which has risen to its highest level in nearly 5 years. Scotland's overall employment rate was up 0.4% over the quarter to 74.8% and sits a little below the UK figure of 75%.

Notable job losses across the country continue in the financial services, manufacturing, retailing & leisure, higher education and the oil & gas sectors. Offsetting these losses to sustain the continuing low unemployment rate, job gains were recorded in areas of economic expansion including the green energy & net zero, construction and technology sectors.

## BUSINESS

According to Companies House, the total register of companies in Scotland rose to 273,506 at the end of December 2025, which is a 2.7% increase on December 2024. The effective register records 244,027 companies at the end of December 2025, a 1.8% increase.

The Accountant in Bankruptcy reports that during 2025 a total of 1,272 corporate insolvencies were recorded in Scotland, which is slightly up on the 1,236 recorded in 2024. Corporate insolvencies grew by 3.8% during the fourth quarter of 2025 compared with the same quarter in 2024, while in December

2025, there were 111 company insolvencies registered in Scotland, which is 35% higher than the number in December 2024.

## OUTLOOK

In terms of lead economic indicators, the RBS Regional Growth Tracker for Scotland in January 2026 rose marginally to 50.0 from 48.1 in December (a reading above 50 indicates net growth). This indicates a steadying of private sector output following a four-month period of decline.

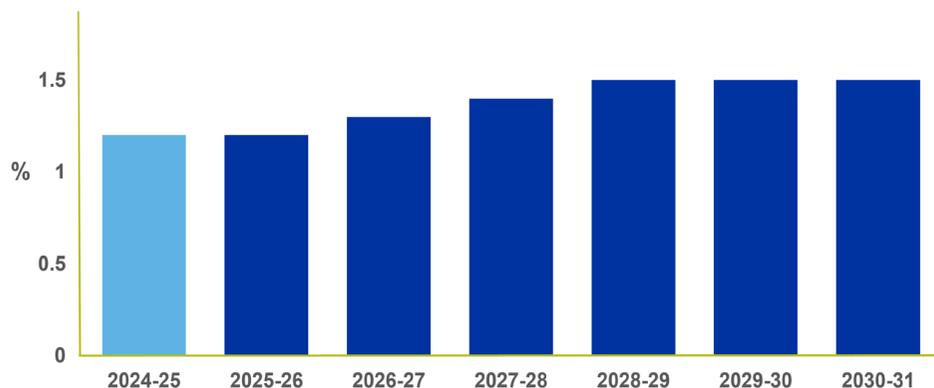
Bank of Scotland's Business Barometer for January 2026 reports that business confidence saw a marginal increase in Scotland by 1 point during the month to 37%, which is a negative reading and below the UK's 44%, although that reading did fall by 3 percentage points month-to-month.

The most recent Scottish Government Business Insights and Conditions Survey (BICS) notes that the primary concern for businesses is falling demand for goods and services. Operating costs have risen, forcing many businesses to increase their own prices. Furthermore, 18% of businesses expect to raise prices soon, driven in part by rising labour costs.

In February 2026 Fraser of Allander Institute published economic growth forecasts of 1.3% for 2025, 1.1% for 2026 and 1.2% for 2027 continuing the 'above 1% p.a.' growth trend. The Scottish Fiscal Commission anticipates similar growth, forecasting 1.2% for 2024/25, 1.2% for 2025/26 and 1.3% for 2026/27.

These forecasts are now less certain due to geopolitics. Higher development costs will continue to weigh on a number of sectors, while occupier market prospects are stable-but-cautious around modest but positive economic growth and low unemployment.

## SCOTTISH GDP GROWTH PREDICTIONS



# PLANNING

## DEVELOPMENT PLAN

Scotland's planning system in 2026 remains firmly anchored in a plan-led approach, with National Planning Framework 4 (NPF4) fully embedded as part of the statutory development plan.

NPF4 continues to reshape planning outcomes through its emphasis on climate change mitigation, nature recovery, infrastructure alignment and place-based design. Policy 16 – Quality Homes remains one of the most consequential policies for development, particularly the requirement that housing proposals are brought forward on allocated sites within LDPs, with Policy 16(f) providing only limited scope for unallocated sites to come forward. As a result, securing housing site allocations in emerging LDPs has become a critical focus for landowners and developers, with extensive representation work required at Call for Sites/Call for Ideas stages of plan preparation.

Environmental policies within NPF4 are also exerting growing influence. Requirements to demonstrate biodiversity enhancement (but not gain) to a demonstrably better state are now a material consideration for many developments, even in the absence of a biodiversity metric. While further consultation is anticipated, uncertainty around assessment methodologies is already shaping scheme design, land take and mitigation strategies, adding cost and complexity to development proposals.

The cumulative effect of NPF4's policy suite is a planning system that should be more holistic and outcomes-driven, but is also more demanding. Decision-making increasingly

turns on how proposals balance competing objectives — housing delivery, affordability, infrastructure provision, climate resilience and nature restoration. Notwithstanding this, there are common instances of Local Authorities refusing applications based on non-compliance with single policies. Appeal case reports tend to go into forensic detail and assessment against each clause and sub clause of the policies – but ultimately, NPF4 should always be considered as a whole, and consideration requires judgement and balance.

An emerging area of interest is Masterplan Consent Areas (MCAs), which continue to be promoted as a potential mechanism to accelerate development delivery by granting upfront consent. This is likely to require significant investment in masterplanning, infrastructure coordination and stakeholder engagement, but offers the prospect of greater certainty, quicker timescales and streamlined delivery.

## SECTORS

**Residential:** Housing delivery remains a national priority amid continued undersupply. Planning outcomes are increasingly shaped by allocation status, infrastructure availability, affordable housing policy and viability evidence including the challenges of delivering affordable housing quotas especially on complex urban sites.

**Purpose-Built Student Accommodation (PBSA):** PBSA continues to attract significant planning focus. In Edinburgh, non-statutory

planning guidance reinforces that PBSA is treated as a commercial use and does not contribute to mainstream housing supply. Although proposals for a city-wide moratorium were ultimately not progressed, PBSA remains subject to heightened scrutiny. In Glasgow, PBSA continues to feature prominently within city centre regeneration and mixed-use schemes, with planning decisions increasingly focused on design, placemaking and cumulative impacts. Nationally, the sector remains active but more selective, with planning policy playing a key role in shaping where and how schemes come forward.

**Office and workspace.** Planning policy continues to support town centre and sustainable locations, aligning with market trends towards refurbishment, repurposing and mixed-use development. Change-of-use proposals and hybrid workspace models require careful navigation of policy, particularly where proposals seek to balance employment retention with residential or leisure uses.

**Industrial and logistics.** Demand for new industrial and logistics space remains robust – see market commentaries – driven by e-commerce, manufacturing resilience and the energy transition.



# 44.4

WEEKS

Average decision time for major housing applications\*

\* Figures exclude major applications subject to processing agreements where timescales for decisions are agreed in advance.



**Leisure and hospitality.** Leisure-led development continues to play a role in town centre regeneration and tourism-driven locations where mixed uses, day to night activity and placemaking are key objectives.

**Energy.** Nationally significant applications (over 50MW) considered by the Energy Consents Unit can face longer timescales but high approval rate (around 97% for Section 36 applications). There has been strong interest in battery energy storage (BESS) and related consents, and dialogue around revisiting the 50 MW threshold to balance decision making efficiency with Local Plan-led approaches.

**Data centres.** Green data centres are a rapidly expanding sector of Scotland's digital and energy landscape, underpinned by strong demand for digital infrastructure, AI and cloud services and Scotland's credentials in renewable energy supply. Under NPF4, green data centres form part of National Development 6 — the Digital Fibre Network, which explicitly recognises digital infrastructure

in supporting net-zero ambitions and national connectivity goals. Assessment of proposals increasingly emphasises not just connectivity but energy efficiency, sustainability credentials, heat reuse potential and demonstrable linkage to renewable energy supply. Consideration of applications requires balancing national economic and digital ambitions with local environmental, infrastructure and community considerations, including grid capacity, substation proximity and reinforcement needs.

Local planning authorities are likely to push government for clearer guidance on definitions and key determining technical issues.

# 37.4

WEEKS

Major Development planning decisions on average 1 week slower than last year



# 11.8

WEEKS

Average decision time for Local Development planning decisions



# 296

DECISIONS

Total number of Major Development decisions



“

APPEAL CASE REPORTS TEND TO GO INTO FORENSIC DETAIL AND ASSESSMENT AGAINST EACH CLAUSE AND SUB CLAUSE OF THE POLICIES – BUT ULTIMATELY, NPF4 SHOULD ALWAYS BE CONSIDERED AS A WHOLE, AND CONSIDERATION REQUIRES JUDGEMENT AND BALANCE.

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# RESIDENTIAL DEVELOPMENT

## RESIDENTIAL DEVELOPMENT MARKET

Excluding 2020, new build house completions and starts were the lowest since 2017 and 2013 respectively. In comparison to 2024 new build house completions (private and affordable combined) decreased by 8% and starts decreased by 5%. The highest new build rates were in the Lothians which had a rate of more than 60 homes completed per 10,000 population which was three times higher than some locations.

While interest rates fell from 4.75% to 3.75% during 2025, procrastination around the Autumn Budget unquestionably affected home buyers' and developers' confidence. Many of the larger house builders reported significantly lower levels of viewings and reservations in the last quarter of 2025 even allowing for normal seasonal adjustments.

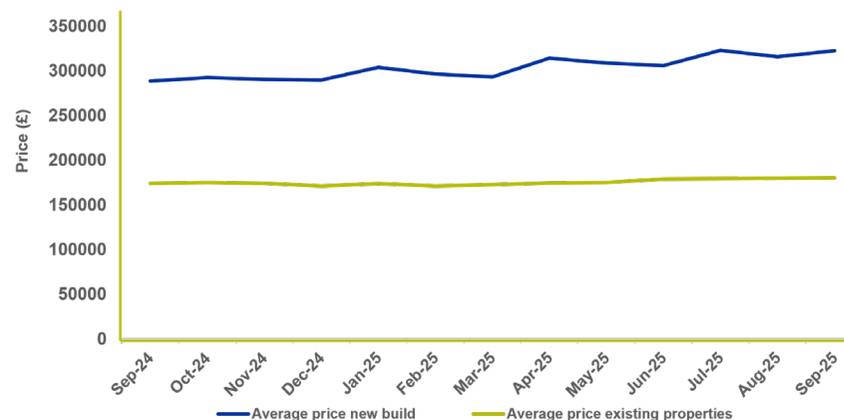
Delving into the statistics, the average price of a property in Scotland increased by 4.5% year-on-year. Five of the 32 Council areas reported a fall in average property prices while the three largest cities showed a 6.1% decrease in Aberdeen, an increase of 5.7% in Edinburgh and an increase of 5.8% in Glasgow. The highest increase (9.4%) was reported in South Lanarkshire.

In the new build sales market, the average price in September 2025 was £322,714 compared with £288,400 in September 2024.

However, the supply pipeline is particularly concerning against the backdrop of the national housing emergency declared in 2024. Private sector house building completions stood at 14,225 in the year to the end of September 2025, while 11,815 starts were recorded. This represents a decrease of 5% year-on-year in terms of completions and a 3.2% reduction in starts, reflecting a combination of various factors including consumer confidence, viability due to ever increasing build costs and a limited number of available sites ready to be developed. The limited supply is encouraging strong developer interest in estate housing sites including locations which they might not have considered a few years ago.

The affordable homes sector fared even worse which is probably more concerning in terms of addressing the housing emergency. Affordable completions were down 15% and starts were 10% down compared with the previous 12-month period. Part of this is explained by the drop in private homes being completed as those contribute significant amounts of

## HOUSE PRICES



Source : HM Land Registry

## SALES VOLUME NEW BUILD



Source : HM Land Registry

affordable housing through planning gain. There was also a significant decrease in the number of new affordable homes being completed and started by local authorities and particularly housing associations which is probably as a result of funding constraints.

Developer interest in providing private for sale/ rental apartments is virtually non-existent, particularly above four storeys in all but the highest value locations, principally due to viability reasons. This trend is unlikely to change in the short term as any increases in capital values are unlikely to offset the rapid rise in build costs over the last few years and expected further increases resulting from more stringent building regulations and proposed tax measures to help remediate historic cladding failings in the form of the Building Safety Levy.

### **PBSA**

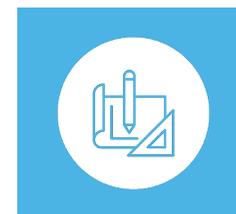
The Purpose Built Student Accommodation (PBSA) sector is an established asset class in Scotland, although 2025 presented notable headwinds. Across key university cities, including Glasgow, Edinburgh and Aberdeen, occupancy levels for the academic year 2025/26 have been mixed, with several schemes reporting material reductions compared to previous years. This trend is not unique to Scotland and is reflective of a broader UK pattern. Consequently, developer and investor sentiment within the PBSA market has become more cautious, particularly in relation to new development outside the most established and proven locations.

Prime PBSA locations in key Scottish cities have generally demonstrated some resilience. Build cost inflation and ongoing construction supply constraints are however undermining viability across a range of sites, particularly those considered peripheral or with more challenging micro-locations. As a result, the minimal live development activity remains heavily concentrated in locations with proven demand and strong delivery fundamentals.

A further significant shift in Edinburgh specifically has been the introduction of revised planning policy, including a cap limiting studio accommodation to a maximum of 10% of beds within new PBSA developments, with the remainder required to be cluster accommodation. While the policy is intended to support affordability and student wellbeing, the reduced provision of studios has adversely impacted achievable rental levels, further constraining scheme viability. This has fed through to land values and transaction activity, with investment appetite largely limited to prime, consented schemes in strong locations.

In Glasgow, the scale of the current PBSA supply pipeline - now exceeding 15,000 beds either under construction, consented, or subject to a live planning application - has materially dampened investor interest. There is increased nervousness around the volume of new supply scheduled to come forward, notwithstanding the widely held view that a proportion of consented schemes are unlikely to be delivered due to funding constraints and build cost pressures. Investor scrutiny of micro-location has intensified, with strong demand remaining for West End sites in close proximity to the University of Glasgow. However, opportunities in this area are limited, particularly within the West End moratorium zone.

There have been a number of notable PBSA transactions in Glasgow and Edinburgh during 2025. These include Old Wynd Road and the Met Tower in Glasgow; and Lanark Road, Dundee Terrace and the former Scottish Widows building on Dalkeith Road in Edinburgh.



## BTR

After more than three years of stalled new development activity in the Build to Rent (BTR) sector in Scotland, there is finally some positive news. In September 2025, it was announced by the Cabinet Secretary for Housing that exemptions would apply for BTR and Mid Market Rent (MMR) from rent control measures in the Housing (Scotland) Bill. The exemptions are being dealt with by secondary legislation and drafts were published on the 29th January 2026. For BTR, the draft provides that developments of six or more residential properties, in single (or joint) ownership, all covered by the same planning consent and completed on or after the 31st August 2021, would be exempt.

Renewed interest in BTR from both developers and investors is mainly focused on Glasgow and Edinburgh, where the success of recently completed schemes has demonstrated strong occupational demand and rental levels. More widely, there is a noticeable increase in appetite for Single Family Home BTR in

Scotland which has only seen three schemes totalling circa 450 units completed to date (Casa by Moda at Springboig, Glasgow and Simple Life/Sigma Capital Group at South Queensferry and in Perth).

The last of the developments that commenced prior to the emergency cost of living legislation coming into effect have reached or are reaching completion. These include Vastint's New Fountainbridge Development at Freer Street in Edinburgh city centre, comprising 236 apartments and townhouses. Rental levels start at £1,675 PCM for studios, £1950 PCM for 1 bed apartments, £2,050 PCM for 2 bed apartment and £3,900 PCM for 4 bedroom townhouses. In Leith, Goodstone Living's Dockside 338 unit scheme has commenced letting with studios from £1,495 PCM, 1 bed apartments from £1,600 PCM, 2 bed apartments from £1950 PCM and 3 bed apartments from £2,250 PCM.

It remains to be seen how quickly the BTR development pipeline returns to normal following the exemption being confirmed. Strong occupational demand for both multi-family and single family schemes that have been delivered will provide developer and investor confidence in the market for the finished product. The viability of multi-family, high density schemes has been impacted by rising construction costs, but there is a strong pipeline of consented schemes, particularly in Glasgow, which could be brought forward within relatively short timescales. Activity may well be strongest in the single family market, where viability is less challenged and delivery will be quicker.

An emerging sub-sector of the BTR market is Co-living. Co-living schemes are generally located in city centres and provide smaller living space, typically in studio style accommodation, with high levels of shared amenities such a dining/cooking areas, co-working and social space. While the bulk of

existing UK Co-living schemes are in London, a strong development pipeline is building in most major cities in England. The first dedicated Co-living development in Scotland secured planning consent in December 2025 at 100 Morrison Street, Glasgow and will comprise a 420 bed scheme over 19 storeys. The consent is the first under the recently adopted Glasgow City Council 'Large Scale Co-Living Planning Guidance'. Further planning applications for Co-living in Glasgow have been submitted by Downing and MRP which demonstrates the appetite for the sub-sector. At the present time, there is no specific planning policy for Co-living in Edinburgh, but it would only seem a matter of time until schemes come forward in the city.

PBSA TRANSACTIONS	DETAILS
<b>OLD WYND ROAD, GLASGOW</b>	UNDERSTOOD TO BE UNDER OFFER FOLLOWING A LENGTHY MARKETING PERIOD. THE ORIGINAL QUOTING PRICE WAS CIRCA £25,000 PER BED, WITH A DEAL REPORTEDLY AGREED AT APPROXIMATELY £15,000 PER BED.
<b>MET TOWER, GLASGOW</b>	AFTER INITIALLY SECURING PLANNING FOR A LIFE SCIENCES AND OFFICE CONSENT, VIABILITY PROVED TOO CHALLENGING AND THE SITE HAS BEEN SOLD TO VITA ON AN UNCONDITIONAL BASIS. THE PROPOSED USE IS UNDERSTOOD TO BE A MIX OF PBSA AND CO-LIVING. THIS IS A LANDMARK CITY CENTRE BUILDING AND WILL LIKELY RECEIVE STRONG SUPPORT FOR ITS REPURPOSING.
<b>LANARK ROAD, EDINBURGH</b>	ACQUIRED BY DONARD REAL ESTATE AT APPROXIMATELY £30,000 PER BED. THE DEVELOPER'S MODULAR CONSTRUCTION APPROACH PROVIDES EFFICIENCIES IN BOTH BUILD COST AND PROGRAMME, SUPPORTING SCHEME VIABILITY IN THE CURRENT COST ENVIRONMENT.
<b>DUNDEE TERRACE, EDINBURGH</b>	ORIGINALLY SECURED ON A SUBJECT-TO-PLANNING BASIS, WITH PURCHASE COMPLETING IN Q1 2026. THE SITE ACHIEVED CONSENT FOR 208 BEDS AT A PRICE OF APPROXIMATELY £41,000 PER BED. THE SCHEME BENEFITS FROM AN 80:20 STUDIO-TO-CLUSTER MIX AND OCCUPIES A PRIME, WELL-ESTABLISHED PBSA LOCATION.
<b>DALKEITH ROAD (FORMER SCOTTISH WIDOWS), EDINBURGH</b>	THE HIGH PROFILE SITE WAS ACQUIRED BY VITA GROUP, WITH THE BENEFIT OF A LIVE RESIDENTIAL AND OFFICE CONSENT IN PLACE. IT REMAINS TO BE SEEN WHETHER VITA GROUP INTENDS TO GO BACK INTO PLANNING TO INCORPORATE SOME PBSA INTO THE WIDER SCHEME.



## OUTLOOK

The scarcity of short to medium term traditional housing land will continue to drive demand from developers seeking to maintain and increase their number of outlets and house completions, which will help maintain land values for this type of product. Demand for many traditional housebuilder sites will be further increased during 2026 by those seeking to invest in the Single Family Home BTR sector (see commentary above). This sector of the market (new to Scotland) should help boost completions and expedite the build-out timeframe for larger sites as both rental and home ownership options will be available within the same location on a non-competing basis.

The supply of sites for sale for mid- to high-rise development is expected to remain confined to only prime suburban and city centre locations as viability issues continue to prevail. The Planning Policy aspirations for development of smaller brownfield sites in towns and cities will continue to be challenging due to higher build costs with this type of land, ever increasing financial contributions via Section 75 Agreements and the ratio of affordable housing requirements increasing. Consequently, it is anticipated that values for this type of land will fall as developer interest remains low and reducing.

While the housing emergency cannot be alleviated in the short term, the recent announcement of a new national housing agency, More Homes Scotland, due to begin operation in 2027-2028 - subject to the Parliamentary election in May - is positive. While previous aspirations and targets have not been met, at least the pressure – and hopefully the capacity - to deliver more housing is growing.

## CITY CENTRE DEALS

ADDRESS	SIZE (SQ.FT.)	OCCUPIER	SECTOR
AURORA, 120 BOTHWELL STREET	31,724	PINSENT MASONS LLP	LEGAL
55 DOUGLAS STREET	26,157	SKY	TMT
110 QUEEN STREET	18,558	WSP	ENGINEERING
110 QUEEN STREET	14,891	HITACHI ENERGY	RENEWABLES
151-155 ST VINCENT STREET	11,648	ADDLESHAW GODDARD LLP	LEGAL
CADWORKS, 41 WEST CAMPBELL STREET	10,157	SAVILLS	PROFESSIONAL
CADWORKS, 41 WEST CAMPBELL STREET	10,114	BARNETT WADDINGHAM	PROFESSIONAL

## DEMAND

Office take up for Glasgow city centre totalled 452,000 sq.ft. in 2025, fractionally down from the previous year but 3% above the 5-year average. The total number of new lettings for 2025 was 143.

Stable take up is supported by positive sentiment towards the city centre office market. Indeed, overall take up could have been significantly higher had a number of deals in legal hands concluded. Best in class supply is critically low and rental growth has been achieved.

Recognising the thinning supply, only 16% of the total take up was concluded within Grade A space and 27% of all take up was transacted in floor plates in excess of 10,000 sq.ft.

An established characteristic of the market is c. 73% of all take up transacted in sub 3,000 sq.ft. accommodation and 43% of all lettings were either fitted out by landlords or benefitted from existing, high quality fit out.

A new headline office rental for Glasgow city centre has been set at £41.50 per sq.ft.

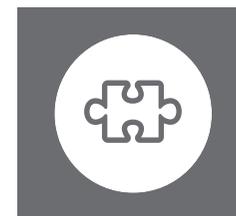
Quality of space is a key occupier requirement and buildings need to attract and retain staff through the delivery of 'hotel' style break out space in addition to common roof terraces and high quality end of journey facilities including showers and changing rooms. Linked to this, buildings must hit occupiers' increasingly high ESG targets.

Encouragingly, some occupiers who scaled back their occupation during the pandemic are now starting to outgrow existing offices and acquire additional space.

The second half of 2025 saw an increasing number of new occupier requirements launched, including some more restrictive occupational cost budgets which is renewing interest in well-positioned Grade B assets available within the city centre.

The previously highlighted demand for fitted out space at the smaller end of the market (typically sub 3,000 sq.ft.) is now extending to larger suites speculatively fitted out and capturing interest from occupiers needing to move quickly without incurring the significant fit-out outlay upfront. No change from occupiers embracing this model of space is anticipated, but there are increasing options available for them to choose from.

# OFFICES GLASGOW



## SUPPLY

The total office vacancy within Glasgow city centre stands at c. 2.25m sq.ft. (c 15%). However, there are many layers to this.

Grade A / best in class availability is critically low. At the time of writing c. 44,000 sq.ft. of Grade A space is under offer which will leave c. 115,000 sq.ft. of supply, the majority within Lucent, 50 Bothwell Street.

As reported in 2025, Grade B office supply has been bolstered by the delivery of The Bond, 57 Queen Street (128,000 sq.ft.) and 5 Cadogan Street (72,000 sq.ft.), both of which are attracting strong leasing interest. Take up during 2025 has reduced the overall supply of repositioned Grade B office space in the city centre.

In terms of pipeline supply, it is being reported that following the strip-out completing, works to commence RPG's full refurbishment of 45 Waterloo Street (91,000 sq.ft.) will start in March 2026, with an anticipated delivery date of March 2027. Linked to projected rental growth and the reduction of best in class supply, it is understood other speculative refurbishment projects are being reviewed.

IQ, Cadogan Street (CEG, 298,000 sq.ft.) and 150 St Vincent Street (Clearbell Capital, 146,000 sq.ft.) are actively pursuing pre-lets to kick start these significant new build schemes, while the latter is also rumoured to be considering a revised planning permission for an amended scheme.

In response to the continued demand for high quality fitted out office space, there remains a healthy number of options including new schemes at Argyle Works, 389 Argyle Street; Magwrx, 249 Sauchiehall Street and Spectrum, 76 Waterloo Street.

Conversion of existing office stock to alternative uses continues to be considered for a number of vacant buildings outwith the core city centre.

## CURRENT GRADE A AVAILABILITY

ADDRESS	TOTAL SIZE (SQ.FT.)	SIZE AVAILABLE (SQ.FT.)	DATE COMPLETED	DEVELOPER
2 ATLANTIC SQUARE	96,650	31,768*	Q3 2021	BAM PROPERTIES/ TAYLOR CLARK LTD
CADWORKS, 41 WEST CAMPBELL STREET	94,431	10,160	Q4 2021	FORE PARTNERSHIP
AURORA, 120 BOTHWELL STREET	174,000	6,202	Q3 2024	FORMA REAL ESTATE FUNDS
G1, GEORGE SQUARE	130,567	20,512**	Q4 2024	UNION INVESTMENT
LUCENT, 50 BOTHWELL STREET	90,170	90,170	Q3 2025	ORION CAPITAL MANAGERS

\* all under offer at the time of writing

\*\* 12,333 sq.ft. under offer at the time of writing

## SIGNIFICANT REFURBISHMENTS SCHEMES ON SITE

ADDRESS	TOTAL SIZE (SQ.FT.)	SIZE AVAILABLE (SQ.FT.)	ESTIMATED DELIVERY DATE	DEVELOPER
THE BOND, 57 QUEEN STREET	128,000	128,000	COMPLETE (2025)	MAYA CAPITAL LLP
5 CADOGAN STREET	72,000	66,000	COMPLETE (2025)	PRIVATE INDIVIDUAL
45 WATERLOO STREET	91,000	91,000	Q1 2027	RPG



CONVERSION OF EXISTING OFFICE STOCK TO ALTERNATIVE USES CONTINUES TO BE CONSIDERED FOR A NUMBER OF VACANT BUILDINGS OUTWITH THE CORE CITY CENTRE.



### PERIPHERAL MARKET

Take up in the peripheral Glasgow office market has dropped significantly in 2025 to 90,465 sq.ft. (24% reduction) in 11 deals, despite including the largest letting of the year to the University of Glasgow at Craftworks, 2 Central Quay (c. 60,000 sq.ft.).

There continues to be an evolution of the existing supply with alternative uses being considered for a number of fringe sites (100 Morrison Street for a Co-living development as an example) now reducing the stock as there has been no new peripheral office development over the past 15 years.

### OUT OF TOWN MARKET

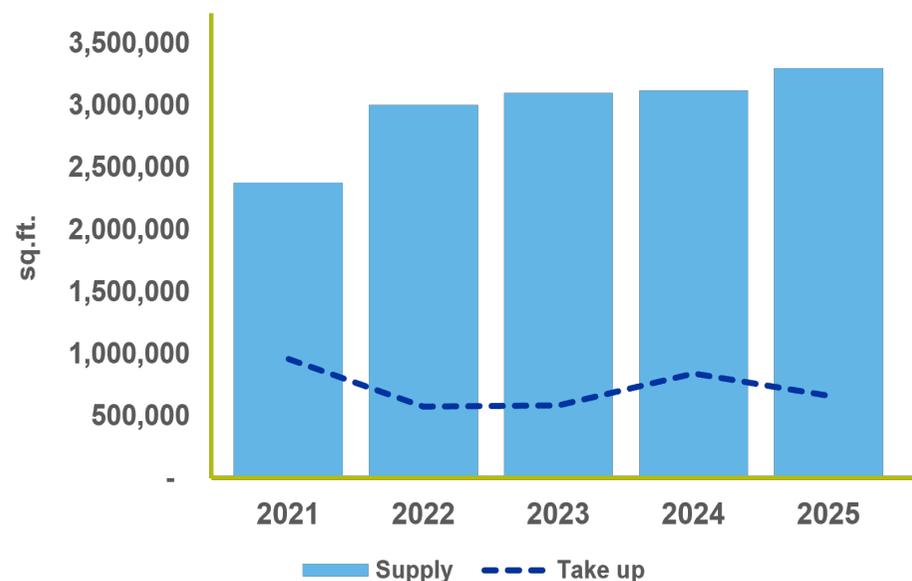
Take up in Glasgow's out of town office market in 2025 dropped to 119,548 sq.ft., which was a 54% reduction on the previous year but was aligned to 2023 levels. The number of deals dropped fractionally to 37, but 2024 was undoubtedly an exceptional year notably at Maxim Office Park with significant letting activity totalling over 100,000 sq.ft. This did not carry forwards into 2025, but there continues to be demand and a number of larger requirements are progressing in the out of town market.

The largest letting was delivered at Kadan Science Partner's new Life Science building HIH (Health Innovation Hub), Govan where Chemify has pre-let 41,000 sq.ft.

Some occupiers have relocated to the city centre from out of town/peripheral locations to provide greater access for staff to amenities and public transport and to retain/ attract staff, however others, such as Aviva at Maxim Office Park, have expanded operations in their existing location.

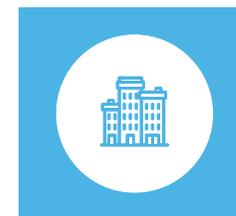
Clyde Gateway, who have been at the forefront of the majority of new office developments in the peripheral/ out of town market, launched their new £500 million Clyde Gateway Innovation Masterplan in May 2025 and on the back of this the speculative development of laboratory-enabled office space is anticipated.

### GLASGOW SUPPLY AND TAKE-UP (CITY-WIDE)



### PERIPHERAL AND OUT OF TOWN DEALS

ADDRESS	MARKET	SIZE (SQ.FT.)	OCCUPIER	SECTOR
CRAFTWORKS, 2 CENTRAL QUAY, HYDEPARK STREET	PERIPHERAL	59,705	UNIVERSITY OF GLASGOW	EDUCATION
HIH, GOVAN	OUT OF TOWN	41,024	CHEMIFY	LIFE SCIENCES
MERCURY HOUSE, STRATHCLYDE BUSINESS PARK	OUT OF TOWN	19,762	OTICON	HEALTH/ LIFE SCIENCES
MAXIM 8, MAXIM OFFICE PARK, EUROCENTRAL	OUT OF TOWN	7,410	AVIVA	FINANCIAL SERVICES



## OUTLOOK

Glasgow's critical Grade A office supply constraint and continued demand for best in class space is expected to further increase the headline rental for the city centre in 2026. Grade B rents are also expected to continue to grow.

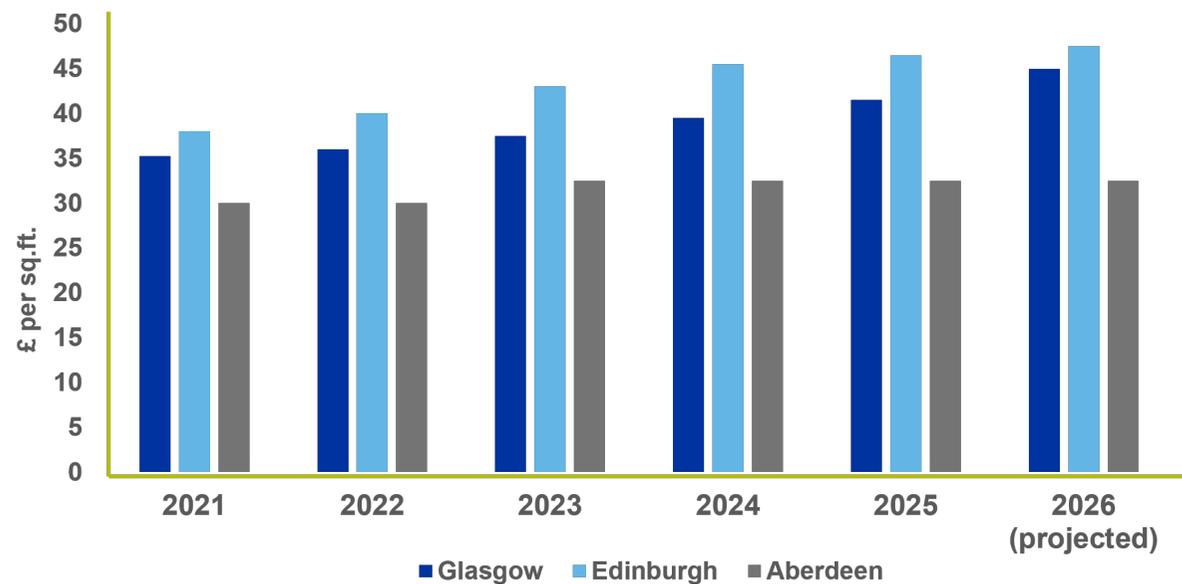
Linked to Grade A supply constraints the formal announcement is expected of new speculative office schemes. With the time lag for delivery of new supply, pre-lets are likely to be secured for schemes underway or seeking a pre-commitment to progress. To accommodate this some occupiers may take flexible lease extensions within their existing buildings to tide them over.

Existing supply of Grade B space will continue to be absorbed by the more budget-minded occupiers who still seek space that meets ESG and staff wellbeing targets. Buildings that dare to be different are securing good occupier engagement.

Demand for and the delivery of fitted out space will continue and it is anticipated that a growing number of landlords may consider speculatively fitted out larger suites (3,000 - 10,000 sq.ft.).



## PRIME OFFICE RENTS



# OFFICES EDINBURGH

## DEMAND

In 2025, Edinburgh's office market recorded a total of 415,690 sq.ft. of take up across 138 deals. Compared with 2024 this represents a 30% decrease in floorspace take up and a 9% decrease in the number of deals.

In addition to new take up of office space, 2025 delivered 265,610 sq.ft. of lease re-gear transactions as the trend for occupiers choosing to remain in existing space continues. Notable examples included: Cirrus Logic Inc at Quatermile (45,311 sq.ft.); Motorola Solutions at Caledonian Exchange (10,884 sq.ft.); and both Burges Salmon (9,422 sq.ft.) and the Law Society of Scotland (9,408 sq.ft.) at Atria One.

## CITY CENTRE

Edinburgh's city centre transacted a total of 293,861 sq.ft., (71% of total take up) which is a 37% decrease in new letting activity on the previous 12-month period.

The prime rental tone for Grade A accommodation has risen again to £46.50 per sq.ft. which is a new high for the city. This upward trend is expected to continue for best in class space due to the lack of new development combined with the increased cost of construction which has put upward pressure on the rental levels required to make new developments viable. Incentives sit at around 12-15 months for a 10-year lease commitment to the highest quality covenant but have continued to reduce slightly due to occupier competition for the best office space.

## PERIPHERAL

In 2024 office take up in West Edinburgh dropped off significantly. This downward trend continued through 2025 with only 78,733 sq.ft. (19% of total take up) transacted across 17 deals, a year-on-year decrease of 10%. Prime rents remain up to £30 per sq.ft. on Edinburgh Park with good quality refurbished CAT A+ space in South Gyle in the region of £25 per

## CITY CENTRE DEALS

ADDRESS	SIZE (SQ.FT.)	OCCUPIER	SECTOR
WAVERLEY GATE, 2-4 WATERLOO PLACE	29,690	WOOD MACKENZIE LTD	BUSINESS SERVICES / ENERGY
24-25 ST ANDREW SQUARE	29,079	ADDLESHAW GODDARD LLP	PROFESSIONAL SERVICES
QUARTERMILE ONE, LAURISTON PLACE	17,590	AVALOQ GROUP LTD	FINANCIAL SERVICES / TECH
SALTIRE COURT, 20 CASTLE TERRACE	11,381	CLYDE & CO LLP	PROFESSIONAL SERVICES

sq.ft. The most notable transaction in this market sector was the 30,441 sq.ft. acquisition of the heritable interest in Hermiston Quay on Cultins Road by Ivy Group who are set to offer the space on a leasehold basis. There was only one lease deal above 5,000 sq.ft. recorded – the letting of 5,530 sq.ft. at Verdant in South Gyle to Acteon.

In North Edinburgh, lettings held up year-on-year with 24,674 sq.ft. (6% of total take up) of space transacted across 17 deals versus 24,966 sq.ft. across 14 deals in 2024. Prime rents remain around £17-£18 per sq.ft. for best in class space, evidenced by creative agency Contagious' acquisition of 2,227 sq.ft. at Commercial Quay.

### SUPPLY

Total office supply across Edinburgh at end Q4 2025 was recorded as 2,138,108 sq.ft. which is a marginal 1% increase on end Q4 2024, and a vacancy rate of 11%. This is primarily made up of 1,171,558 sq.ft. in the city centre; 706,482 sq.ft. in West Edinburgh and 106,789 sq.ft. in Leith.

City centre supply remained constrained through 2025. SICORE Real Assets GmbH's refurbishment of The Cube on Leith Street is the only significant Grade A development / refurbishment project on-site and is planned to be ready for occupation in Q4 2026.

### OUTLOOK

2025 was without doubt one of the toughest years on record for Edinburgh's office market with no shortage of economic headwinds alongside very limited Grade A options. The office is evolving, and employers increasingly recognise that to attract and retain the best talent they must offer the right environment with a much greater focus on wellness / wellbeing facilities. If they are unable to source the right space, then the solution is simple –

### PERIPHERAL DEALS

ADDRESS	SIZE (SQ.FT.)	OCCUPIER	SECTOR
VERDANT, REDHEUGHS RIGG, SOUTH GYLE	5,530	ACETON	RENEWABLES
4-5 LOCHSIDE AVENUE, EDINBURGH PARK	4,835	ANCHORPOINT INTERIORS	BUSINESS SERVICES
COMMERCIAL QUAY, LEITH	2,227	CONTAGIOUS	CREATIVE AGENCY



stay put, hence the significant number of lease re-gears with businesses adopting a “stay vs go” appraisal of any proposed move.

With a chronic shortage of Grade A supply and increased emphasis from occupiers on quality of the workplace environment, developers need to be bold – in both design and risk-taking – to deliver the space that will unlock latent requirements and capture the next wave of tenant demand. Given current development economics, significant pre-lets will be needed to stimulate new development and these will likely see a new high watermark for rental levels in Edinburgh.

The flex space market continues to perform well across Edinburgh with most operators reporting solid occupancy levels throughout the year. Furthermore, with RPG’s new offer at Cornerstone on South Gyle Business Park, the lines between traditional and serviced space are becoming blurred with CAT A+ “easy in, easy out” deals offering furnished space on flexible terms now available.



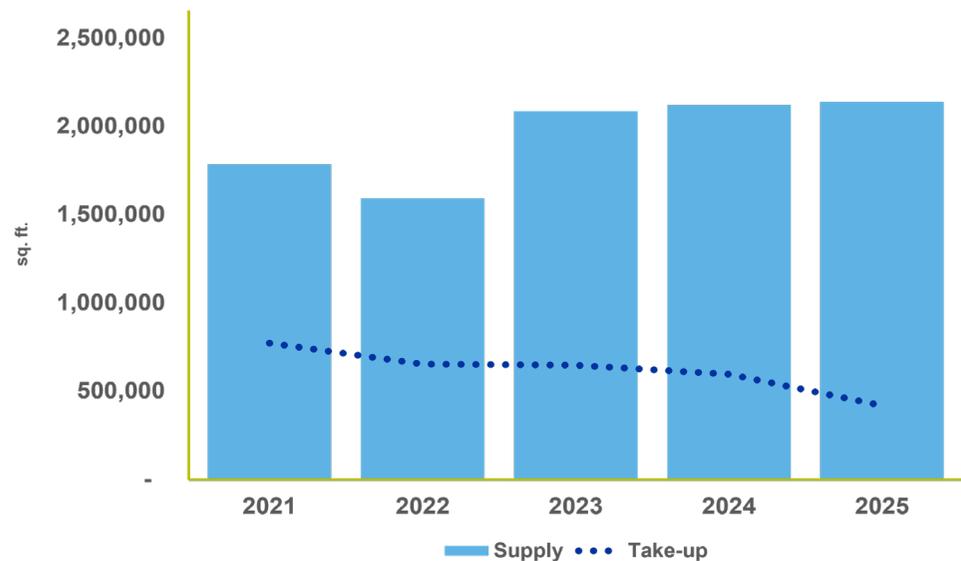
**DEVELOPERS NEED TO BE BOLD – IN BOTH DESIGN AND RISK-TAKING – TO DELIVER THE SPACE THAT WILL UNLOCK LATENT REQUIREMENTS AND CAPTURE THE NEXT WAVE OF TENANT DEMAND.**



### NOTABLE CITY CENTRE AVAILABLE SPACE

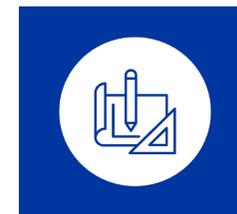
ADDRESS	SIZE AVAILABLE (SQ.FT.)	LANDLORD
THE CUBE, LEITH STREET	62,039	SICORE REAL ASSETS GMBH
SALTIRE COURT, 20 CASTLE TERRACE	61,343	TIGON (7) LTD
1-7 EXCHANGE CRESCENT, CONFERENCE SQUARE	56,257	ABRDN PLC (HEAD-TENANT)
RUTLAND COURT	38,712	AL DUWALIYA ASSET MANAGEMENT
QUARTERMILE TWO, LISTER SQUARE	37,135	CBRE IM
30 LOTHIAN ROAD	34,718	M & G PLC

### EDINBURGH SUPPLY AND TAKE-UP



## NOTABLE WEST EDINBURGH AVAILABLE SPACE

ADDRESS	SIZE AVAILABLE (SQ. FT.)	LANDLORD
BASE (FORMERLY ONE EDINBURGH GREEN)	89,863	SCARBOROUGH GROUP
3 LOCHSIDE AVENUE	81,322	CCLA
1-3 LOCHSIDE CRESCENT	65,413	AEGON UK
CALTON HOUSE, 5 REDHEUGHS RIGG	51,949	RR UK (SOUTH)
2 LOCHSIDE AVENUE	43,780	RR BRISTOL LTD



## PRIME CITY CENTRE NEW BUILDS AND PIPELINE OF KEY REFURBISHMENT SCHEMES

ADDRESS	SIZE (SQ.FT.)	DETAILS	DEVELOPER
THE NETWORK - NEW TOWN NORTH	82,000	CLEARED SITE. NO SITE START ANNOUNCED	ORION CAPITAL MANAGERS
EXCHANGE PLACE 4, SEMPLE STREET	20,000	APPROVED PLANNING. NO CONSTRUCTION DATE ANNOUNCED	EP3 DEVCO LTD
EXCHANGE PLACE 1, 1 SEMPLE STREET	120,000	PLANNING SECURED FOR REFURBISHMENT. NO SITE START ANNOUNCED	CBRE IM
EXCHANGE PLACE 2, 5 SEMPLE STREET	61,000	PROPOSED REFURBISHMENT	EP2 PROPCO LTD
ELGIN HOUSE (NEW YARDS), HAYMARKET	C.240,000 (INCLUDING HOTEL)	PLANNING SECURED AND SITE CLEARED. NO SITE START ANNOUNCED	STAMFORD PROPERTY HOLDINGS
ROSEBERY HOUSE, HAYMARKET	158,000	PLANNING SECURED. SITE CLEARED AND MARKETING FOR PRE-LET UNDERWAY	AVIVA INVESTORS
INDIA QUAY, FOUNTAINBRIDGE	150,000	SEEKING NEW BUILD PRE LETS	CRUDEN HOMES AND BUCCLEUCH PROPERTY
CALTON SQUARE, GREENSIDE ROW	200,000	PLANNING SECURED. NO REFURBISHMENT DATE ANNOUNCED	ARDSTONE CAPITAL UK MANAGED BY MCQUARIE ASSET MANAGEMENT

## DEALS

ADDRESS	SIZE (SQ.FT.)	OCCUPIER	SECTOR
16 NORTH ESPLANADE WEST	20,972	WORLEY	ENERGY
KINGSWELLS OFFICE, PRIMEFOUR BUSINESS PARK, KINGSWELLS	10,264	EQUINOR	ENERGY
PRIME VIEW, PRIMEFOUR BUSINESS PARK, KINGSWELLS	9,960	NORTH STAR	ENERGY
70 QUEEN'S ROAD	8,144	BALMORAL GROUP	ENERGY
18 CARDEN PLACE	7,797	PETROGAS E & P	ENERGY
BLenheim HOUSE, FOUNTAINHALL ROAD	6,031	ABERDEIN CONSIDINE	PROFESSIONAL SERVICES

## DEMAND

Total office take up in Aberdeen for 2025 was 280,080 sq.ft. over 67 deals. This represents a 20% increase of take up in floorspace but three fewer deals than were delivered in 2024. Floorspace take up is close to (-2%) the 5-year average of 285,708 sq.ft.

However, 2025 has once again been a very difficult year due to the reliance on offshore oil and gas. The continuation of the Energy Profits Levy until 2030 coupled with the ban on new exploration licences is resulting in a severe lack of activity and significant job losses.

43% of the deals were under 2,000 sq.ft. and only 12 transactions were above 5,000 sq.ft. A lack of confidence in the offshore industry has resulted in many tenants deciding to renegotiate existing leases and often on a relatively short term basis to afford flexibility moving forward. In terms of new lettings the majority are again on a relatively flexible basis with very few offering a term certain of over 5 years.

Headline rents have generally held up and although prime city centre rents are still being quoted at £32.50 per sq.ft. there were no deals done in any of the available space in 2025 to support this level. However, a deal concluded in January 2026 does back this prime rent level up.

In general, demand remains highest for offices that are at least partly fitted out as most occupiers try to avoid initial capex and high fit out costs. This has held back some of the Grade A accommodation that is available.

## SUPPLY

Office supply in Aberdeen is continuing to fall with the total at the end of the year being 1.67 million sq.ft. representing a 10% decrease from the end of 2024. There is a continuation of older stock becoming redundant and in some cases demolished and with a lack of new development this contraction is likely to continue.

A number of empty buildings have been purchased at low capital rates but many of these are not seeing the speculative investment required to attract tenants. Some have been purchased cheaply at auction only for the owners to decide against making the investment required for office tenants and try to look at alternative uses. Those prepared to invest the capital in the better buildings are slowly starting to see rewards, albeit the demand and take up dynamics mean that it is taking time to fill the buildings.

# OFFICES ABERDEEN

The largest recent speculative refurbishment at Aurora on Union Street completed in summer 2025 and at the end of the year was circa 30% let (with more space now under offer). The majority of the lettings were under 3,000 sq.ft. and the landlord has now committed to splitting another floor within the building to form smaller suites which are proving popular. They have been offering deals on both conventional terms and full plug-and-play options, demonstrating that a proactive approach and working with potential tenants can still prove fruitful. Another speculative scheme at 3-5 Albyn Place, offering a similar mix of deals, is also starting to fill up with only three suites out of seven remaining.

Both Marischal Square and The Capitol saw slow progress during the year, however the former has now concluded a deal with GB Energy for a floor in building 2 and The Capitol has a suite within the remaining two floors under offer.

Over a third of the deals by number were in the West End, however these only totalled circa 55,000 sq.ft. with just three over 5,000 sq.ft. There is a lack of good quality refurbished accommodation in the West End and a number of buildings have been sold for residential conversion with lower capital values for sales making this feasible. Work is underway on a comprehensive refurbishment at 9 Queens's Road where the developer is aiming to create a high end multi-occupancy facility totalling over 20,000 sq.ft. in various suites due to complete in Q3 2026. The better quality stock in the West End also saw rents holding up with the last suite at Blenheim House achieving a headline rate of £30 per sq.ft.

In terms of out of town locations, the western corridor including PrimeFour and Westhill Business Park continues to perform best with approximately 80,000 sq.ft. of take up over 15 deals. Headline rents for the best stock

remains solid with PrimeFour achieving up to £27.50 per sq.ft. and suites at Kingshill in Westhill remaining at £23 per sq.ft.

### OUTLOOK

2025 began as a year of high expectations but ended with little change as the city's office market continued to reflect the high cost / low investment offshore industry. Unless there is drastic change soon to support oil and gas during the transition to clean energy the slow office market is likely to continue. Some recent mergers and acquisitions in the offshore industry will likely stimulate some activity in the office market but will only mask a work force in decline and reducing overall requirements for office space.

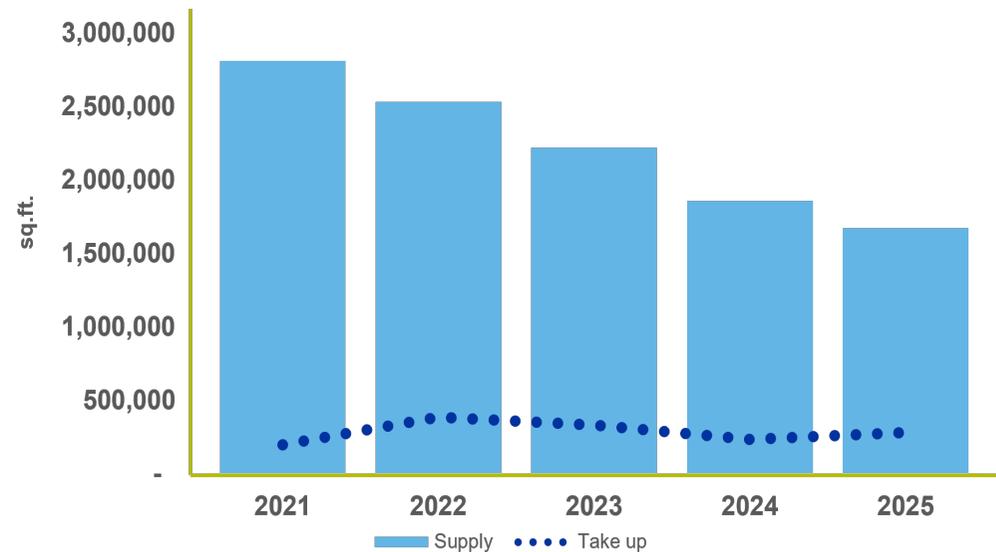
With a severe lack of office development and refurbishment in the pipeline, those brave enough to invest are likely to achieve decent rents and attract those occupiers looking to upgrade to better accommodation. And if support for the offshore industry does improve, then timing will have been everything.

### DUNDEE

The prime office market is also active in Dundee. Johnston Carmichael relocated to Dundee One, doubling the size of its Dundee office to 5,500 sq.ft. while BT's new 56,000 sq.ft. contact centre at 2 Greenmarket (76,000 sq.ft.) opened. Most recently, Thorntons announced a new Dundee HQ within the speculative new build 82,700 sq.ft. James Thomson House opposite the V&A on the city's waterfront, where they will occupy the top three floors.

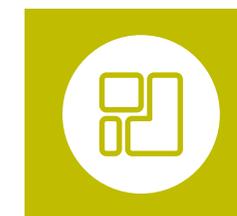


### ABERDEEN SUPPLY AND TAKE UP



# INDUSTRIAL

## GLASGOW AND WEST OF SCOTLAND



### DEMAND

The industrial market across Glasgow and the West of Scotland continued to demonstrate strong and resilient performance throughout 2025, despite an ongoing and well-documented shortage of available stock. Demand from occupiers has remained consistently high, driven by sustained activity across logistics, manufacturing, trade counters and last-mile distribution sectors.

Prime industrial rental values in Glasgow have increased to approximately £12.50 per sq.ft., reflecting continued occupier competition for the limited supply of high-quality, well-located industrial assets. Secondary accommodation has also experienced notable rental growth, now transacting at around £10 per sq.ft., as occupiers increasingly turn to older or less well-specified stock due to limited alternatives. This compression between prime and secondary rents highlights the depth of demand and the limited choice currently available in the market.

Despite strong demand, the tight market means that the leasing figure for Glasgow City Region for 2025 is c. 2 million sq.ft., which is below the 10-year average of 2.7 million sq.ft. (CoStar). In terms of number of transactions 2025 had 258 deals, which is much lower than the 10-year average of 388 deals.

### DEALS

ADDRESS	SIZE (SQ.FT.)	OCCUPIER	SECTOR
WESTWAY 200, WESTWAY INDUSTRIAL ESTATE, RENFREW	202,862	UK GOVERNMENT	DEFENCE
5 BRITAIN WAY, EUROCENTRAL	91,995	ROMAC LOGISTICS	LOGISTICS
WESTWAY 90, WESTWAY INDUSTRIAL ESTATE, RENFREW	88,017	PULPEX	PACKAGING/ MANUFACTURING
1 GRAYSHILL ROAD, WESTFIELD INDUSTRIAL ESTATE, CUMBERNAULD	77,479	AIT HOME DELIVERY	LOGISTICS
101 CENTRE STREET, GLASGOW	56,281	WHOLEFOODS GLASGOW LTD	DISTRIBUTION
3 TANNOCHSIDE DRIVE, UDDINGSTON	49,858	OLR HOLDINGS LTD/ DFYNE	CLOTHING MANUFACTURER
18 STATION ROAD, BAILLIESTON	43,372	MADE FOR TRADE WINDOWS	MANUFACTURING

Vacancy rates remain at historically low levels creating a landlord-favourable market across most established industrial locations. As a result, lease renewals have increased significantly as many occupiers opt to extend existing leases rather than attempt to secure alternative accommodation. This trend has reduced churn within the market and further restricted available supply.

In addition, the relatively low level of business failures during the period has further limited the volume of space being returned to the market. Combined with high occupier retention rates, this has contributed to a prolonged imbalance between supply and demand. Many occupiers with expansion requirements are therefore experiencing extended search periods, often settling for sub-optimal locations or specifications.

At Westway Industrial Estate in Renfrew, development owner Canmoor Asset Management secured landmark lettings on speculatively developed space totalling almost 300,000 sq.ft., including one very large long-lease by the UK Government on a 202,862 sq.ft. unit. This letting is widely reported as Scotland's largest speculative industrial and logistics letting in three decades, showcasing the depth of demand for prime, well-connected accommodation. Westway 90, a c. 88,000 sq.ft. unit, was let to Pulpex here.

Further large lettings such as Wholefoods Glasgow Ltd at 101 Centre Street in Glasgow (56,281 sq.ft.), AIT Home Delivery in Cumbernauld (77,479 sq.ft.) and Made for Trade Windows in Baillieston (43,372 sq.ft.) indicate ongoing occupier interest in such premises across the region.

## SUPPLY

Greater Glasgow continues to offer a low level of total industrial availability. The current vacancy rate is 4.4%, albeit this has risen from 3.1% a year ago.

While the future development pipeline is showing signs of improvement, it remains modest in scale when set against the substantial volume of unsatisfied requirements. Development activity continues to be constrained by elevated construction costs, funding challenges, and planning considerations. Consequently, speculative development remains limited, with most new schemes being delivered on a pre-let or forward-funded basis.

Recent development includes two highly specified speculative units by Clyde Gateway Developments at Southcroft Road in Rutherglen (23,917 sq.ft. and 8,370 sq.ft.) which completed during 2025. The smaller unit is already under offer, while the larger is available for lease at £11 per sq.ft. which is a competitive rent in the current market.

Phase 3 of Knight Property Group's Langlands Commercial Park in East Kilbride is now complete; the 31,949 sq.ft. standalone unit comprises 27,967 sq.ft. of industrial space with 3,982 sq.ft. of offices. This follows on from previous successful phases of multi-let and single let space.





IT IS ANTICIPATED FOR 2026 THAT SUPPLY OF HIGH QUALITY NEW BUILD AND REFURBISHED ACCOMMODATION WILL CONTINUE TO BE OF CRITICAL IMPORTANCE TO GLASGOW & THE WEST OF SCOTLAND INDUSTRIAL MARKET.



At Shawhead Point, the Shawhead Interchange in Coatbridge development is underway by a joint venture between Wemyss Properties and Westerwood Properties. 105,000 sq.ft. of speculative industrial space will be delivered in four modern units from 16,000 sq.ft. to 36,000 sq.ft. The scheme is expected to appeal strongly to logistics operators, trade occupiers, and light industrial users seeking high-specification accommodation in a prime location.

In Cambuslang, Harris Finance is currently on-site at Cambuslang Court, delivering a standalone 35,000 sq.ft. industrial unit, with practical completion scheduled for May 2026. The development will provide modern, energy-efficient accommodation and is anticipated to attract strong interest from both local and national occupiers, particularly given the limited availability of comparable stock in the immediate area.

## OUTLOOK

Following on from the strong occupier demand at the close of 2025, it is anticipated for 2026 that supply of high quality new build and refurbished accommodation will continue to be of critical importance to Glasgow and the West of Scotland industrial market. The positive news for occupiers is that some new build schemes are underway and will be available from H1 2026 to meet occupier demand from logistics, manufacturing and increasingly from renewable energy occupiers and the associated supply chain.

Rents continue to grow steadily with new build developments leading the way. Landlords are providing high quality options for occupiers who perhaps cannot justify paying prime rental levels. That said, rents for refurbished and new accommodation are also rising due to a continued lack of supply. Design & Build (D&B) opportunities are being considered more frequently by occupiers who can afford to take a slightly longer term view as this allows for a bespoke product to suit business needs for many years. These are however at the top end of the rental scale.

In the freehold sale market, two pricing benchmarks are beginning to emerge, with owner occupiers able and willing to pay significantly more to secure industrial accommodation, considering the ongoing scarcity of options in the market. This is compared to investors who must deploy cap-ex before securing an occupier and seeing a return on their investment and as such cannot match occupier prices.

## NEW DEVELOPMENTS

DEVELOPMENT	DEVELOPER/ LANDLORD	DESCRIPTION
SHAWHEAD POINT, SHAWHEAD INTERCHANGE, COATBRIDGE	WEMYSS PROPERTIES AND WESTERWOOD PROPERTIES	105,000 SQ.FT. OVER FOUR UNITS FROM 16,000 SQ.FT. TO 36,000 SQ.FT. DEVELOPMENT UNDERWAY
CAMBUSLANG COURT, CAMBUSLANG	HARRIS FINANCE	STANDALONE 35,000 SQ.FT. UNIT WITH PRACTICAL COMPLETION SCHEDULED FOR MAY 2026
PHASE 3, LANGLANDS COMMERCIAL PARK, EAST KILBRIDE	KNIGHT PROPERTY GROUP	STANDALONE 31,949 SQ.FT. UNIT NOW COMPLETE. COMPRISES 27,967 SQ.FT. OF INDUSTRIAL SPACE WITH 3,982 SQ.FT. OF OFFICES
SOUTHCROFT ROAD, RUTHERGLEN	CLYDE GATEWAY DEVELOPMENTS	TWO UNITS, 23,917 SQ.FT. AND 8,370 SQ.FT., COMPLETED DURING 2025



THERE REMAINS A CHRONIC SHORTAGE OF HIGH-SPECIFICATION INDUSTRIAL PROPERTY CAPABLE OF MEETING CONTEMPORARY REQUIREMENTS.



## EDINBURGH AND EAST OF SCOTLAND

# INDUSTRIAL

### DEMAND

The industrial property market in Edinburgh and the East of Scotland in 2025 was defined by a persistent mismatch between supply of units and the demands of modern occupiers. While levels of older supply are continuing to increase, there remains a chronic shortage of high-specification industrial property capable of meeting contemporary requirements. Modern businesses are increasingly seeking units with high eaves heights, expansive yards and robust ESG credentials to meet corporate sustainability targets.

Although still healthy, demand through 2025 has become more subdued as occupiers adopted a highly cautious approach, typically opting to remain in their current premises unless a move is deemed absolutely essential for operational survival or significant expansion.

Transaction volumes maintained a level of circa 1.1 million sq.ft over the course of 2025 in line with those of 2024 but still below the 1.7 million sq.ft. recorded in 2023. There was a further decrease in transaction numbers to 127 from the 141 achieved in 2024 and the 203 recorded in 2023.

In prime city locations average rents are now in excess of £9.25 per sq.ft. for secondary stock and £14.50 + per sq.ft. for Grade A industrial and trade counter units. The lack of “best-in-class” space has pushed prime rents for new-build developments to record highs, with figures now reaching as much as £17 per sq.ft. This growth is fuelled by the fact that when high-quality space does become available, competition remains fierce among the few firms with the capital to move.

Meanwhile, secondary rents have continued to grow achieving double figures across smaller well located mixed-use estates and in some cases on specialist larger units with key attributes (high eaves, large yard, accessible power, etc.); this has in turn allowed landlords to speculatively spend capital on property refurbishment, helping to maintain take up levels and rents in core markets.

One significant market change is in the speed of transactions. Void periods are stretching notably longer than in previous cycles. On average, landlords are seeing voids of 6 to 12 months, and in several instances, secondary, un-refurbished or stock located in inferior locations has remained on the market for even longer as tenants become more selective.

The slump in the construction and house-building sectors dragged on parts of the industrial market in 2025. A sluggish year for residential development led to a cooling in the trade counter and building supply markets, which historically underpin much of the small-to-mid-box industrial demand. With fewer new housing starts, the requirement for localised distribution of building materials remained low throughout the year.

Nevertheless, Edinburgh and the East of Scotland remains a resilient hub due to its diverse occupier base. While some sectors stalled, steady demand continued to flow from the food and drink industry, logistics, professional services and the motor trade. Additionally, the burgeoning renewable energy sector has become a vital driver of activity, requiring specialised space for supply chain operations and component storage.

## REFURBISHMENTS AND NEW DEVELOPMENTS

DEVELOPMENT	DEVELOPER/LANDLORD	DESCRIPTION
EDI APPROACH, NEWBRIDGE, EDINBURGH	GSS DEVELOPMENTS	750,000 SQ.FT. OF NEW BUILD INDUSTRIAL SPACE. UNDER CONSTRUCTION. PRE-LETTING
CAPITAL PARK, SIGHTHILL, EDINBURGH	CHANCERYGATE / BRIDGES FUND MANAGEMENT	120,000 SQ.FT. OF PRIME GRADE A INDUSTRIAL STOCK, ACHIEVED PRACTICAL COMPLETION IN AUGUST 2025. 55% LET
FORT KINNAIRD TRADE PARK, EDINBURGH	ABDRN LTD	27,000 SQ.FT. OF NEW BUILD TRADE COUNTER UNITS. CONSTRUCTION COMPLETE. TWO UNITS UNDER OFFER
MELVILLE GREEN, DALKEITH, MIDLOTHIAN	BUCCLEUCH PROPERTY	PERMISSION GRANTED FOR 40,000 SQ.FT. ACROSS A RANGE OF SMALL TO MEDIUM UNITS. DUE TO START ON SITE IN SPRING 2026
FIFE INTERCHANGE NORTH, DUNFERMLINE, FIFE	FIFE COUNCIL	25,000 SQ.FT. OVER NINE INDUSTRIAL UNITS. NOW COMPLETE. THREE UNITS REMAIN AVAILABLE
INCHMUIR PARK, WHITEHILL INDUSTRIAL ESTATE, BATHGATE, WEST LOTHIAN	J SMART & CO (CONTRACTORS) PLC	58,628 SQ.FT. OF NEW INDUSTRIAL UNITS FROM 3,231 SQ.FT. UPWARDS. NEARING COMPLETION. PRE-LETTING
A9 ESTATE, ABBOTSFORD INDUSTRIAL PARK, FALKIRK	ABBOTSFORD IP LIMITED	16 INDUSTRIAL UNITS RANGING FROM 1,000-2,000 SQ.FT. FINAL UNIT REMAINING

### SUPPLY

2025 continued in the theme of 2024 as construction and development levels continued to show signs of resurgence with good quality developments beginning to complete. However, while development activity had begun, the speculative pipeline remains constrained by elevated construction and finance costs as well as fundamental limitations on base infrastructure, such as utility supply and installation costs. Despite positive sentiment, for another year new build development remained under 1% of total supply in 2025, and on current trends, this does not seem likely to increase in the next 12 months.

The vacancy rate across the East region as a whole gradually increased during 2025 to above 6% on average outside of the main urban centres and c. 4% in and

around Edinburgh. This shift was largely driven by broader economic difficulties that saw some companies unfortunately fall into administration.

### DEVELOPMENTS

New developments are providing much-needed modern stock to the East of Scotland industrial market. Three of these developments are in Edinburgh.

Capital Park in Sighthill, the urban logistics and trade park by Chancerygate & Bridges Fund Management, achieved practical completion in August 2025. There has been successful take up including 8,014 sq.ft. to Building Finishing Services UK Ltd, and the development is circa 55% let to a variety of national and local occupiers.

The first phase (121,400 sq.ft.) of EDI Approach at Newbridge in Edinburgh is under construction by GSS Developments. This will be the largest speculative industrial estate built in the Lothians in the last decade and is designed to address the acute shortage of Grade A space. Strategically located near the M8/M9 intersection, it offers high ESG standards, including BREEAM 'Excellent' ratings.

In the east of the city Fort Kinnaird Trade Park recently completed and comprises six units totalling 27,000 sq.ft by ABDRN Ltd, two of which are under offer. This scheme adds essential trade counter capacity to a high-profile retail and commercial corridor, offering modern amenities such as EV charging and solar PV panels to attract quality tenants.



To the south east of the city, in Dalkeith, development is due to start at Buccleuch Property's Melville Green in the spring.

West of the city, units at Inchmuir Park in Bathgate by J Smart & Co (Contractors) Plc are under construction. This will comprise c. 60,000 sq.ft. of new build industrial accommodation, targeting a growing need for high quality stock in the West Lothian market. Meanwhile only one unit remains at A9 Estate, Abbotsford Park in Falkirk.

In Fife, nine high specification units by Fife Council at Fife Interchange in Dunfermline are now complete. These units provide space to the innovation, technology and growth sectors and only three units remain available. Meanwhile Thompsons (UK) Limited's own fabrication facility and offices is nearing completion on adjoining land here.

#### OUTLOOK

2026 has begun on a notably positive note with a visible uptick in occupational demand. Although house builders are still facing headwinds, likely keeping the trade counter sector subdued in the short term, the overall outlook is optimistic. The key themes are expected to remain.

Rental growth should persist throughout 2026 as supply remains constrained, ensuring that high-quality, sustainable assets remain the top priority for the market. Continued refurbishment of secondary stock will further drive rental growth and reduce the differential between prime and non-prime assets, particularly in established industrial

locations. However, occupier focus on quality, sustainability, and long-term efficiency will continue to expose functional obsolescence and accelerate market polarisation.

Development activity is likely to remain selective, constrained by cost pressures but supported by occupier acceptance of higher rents. Activity is predicted to increase this year as new schemes are announced.



**RENTAL GROWTH SHOULD PERSIST THROUGHOUT 2026 AS SUPPLY REMAINS CONSTRAINED, ENSURING THAT HIGH-QUALITY, SUSTAINABLE ASSETS REMAIN THE TOP PRIORITY FOR THE MARKET.**



#### DEALS

ADDRESS	SIZE (SQ.FT)	OCCUPIER	SECTOR
<b>1 SEAFIELD WAY, EDINBURGH</b>	31,123	BLAKE GROUP	FABRICATION
<b>22 HOUSTOUN ROAD, SHAIRPS BUSINESS PARK, LIVINGSTON</b>	29,500	DRUIDS	DISTRIBUTION HUB
<b>THE PRINTWORKS, EAST TELFERTON, EDINBURGH</b>	25,133	DANFOSS LTD	ENGINEERING
<b>FORT KINNAIRD TRADE PARK, NEWCRAIGHALL, EDINBURGH</b>	15,000 + 5,595 MEZ	MKM BUILDING SUPPLIES	BUILDERS' MERCHANT
<b>UNIT M, TELFORD ROAD, EASTFIELD INDUSTRIAL ESTATE, GLENROTHES</b>	14,650	EVRI LTD	LOGISTICS
<b>UNIT 10 LINDSAY SQUARE, DEANS INDUSTRIAL ESTATE, LIVINGSTON</b>	13,377	CMT GROUP LTD	CONSTRUCTION SUPPLIES
<b>FORT KINNAIRD TRADE PARK, NEWCRAIGHALL, EDINBURGH</b>	10,728	SYTNER GROUP	CAR DEALERSHIP
<b>CAPITAL PARK, SIGHTHILL EDINBURGH</b>	8,014	BUILDING FINISHING SERVICES UK LTD	BUILDING REPAIR AND MAINTENANCE

# INDUSTRIAL

## ABERDEEN

### DEMAND

The industrial market in Aberdeen performed robustly in 2025 despite wider factors. The energy sector in the North East of Scotland has faced very challenging market conditions due to the UK Government's energy profits levy as well as the ban on new oil and gas exploration. There have been a significant number of job losses. Notwithstanding this backdrop take up totalled 821,422 sq.ft. across 98 deals with the average deal size being 8,382 sq.ft. This was a 6% increase in take up over the same period in 2024 and the 5-year average for take up is now 810,676 sq.ft. per annum.

As usual, the vast majority of deals related to the energy sector, although there are an increasing number of active requirements in the marketplace from leisure use such as gym and padel operators that are seeking to repurpose older industrial buildings.

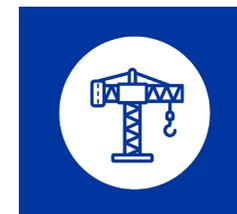
Demand for detached buildings in the 10,000 - 20,000 sq.ft. size range with cranes and secure yards remains strong and occupiers continue to gravitate toward good quality stock with strong environmental credentials. It is positive to note that demand for terraced industrial units from 2,500 - 7,500 sq.ft. has improved as this sector of the market has

struggled in recent years. Landlords that are carrying out extensive refurbishment works to properties which fall vacant are having success, but stock levels in this size range remain high with occupiers having an abundance of options to consider.

In general demand remains strong for industrial stock in Westhill and Dyce, however, due to availability issues, occupiers are having to consider other locations around the city.

### DEALS

ADDRESS	SIZE (SQ.FT.)	OCCUPIER	SECTOR
WALLACE FACILITY, BADENTOY AVENUE, PORTLETHEN	67,376	P & C (AN ENERGY COMPANY)	ENERGY
UNITS A-D, BROADFOLD ROAD, BRIDGE OF DON, ABERDEEN	27,841	GS HYDRO UK LTD	ENERGY
UNIT 16, BIRCHMOSS, WESTHILL	22,600	TECHNIQUE FMC UK LTD	ENERGY
UNIT 3, ABZ BUSINESS PARK, DYCE, ABERDEEN	18,986	OCEANSCAN LTD	RENEWABLES
UNIT A SOUTERHEAD ROAD, ABERDEEN	17,996	WÄRTSILÄ	MARINE





**SPECULATIVE DEVELOPMENTS**

DEVELOPMENT	DEVELOPER/LANDLORD	SIZE/NUMBER OF UNITS	ESTIMATED DELIVERY DATE
THE HUB @ KINGSHILL COMMERCIAL PARK, WESTHILL	KNIGHT PROPERTY GROUP	4 UNITS OF 2,200 SQ.FT. 4 UNITS OF 2,500 SQ.FT. AVAILABLE AS A WHOLE OR IN PART	Q4 2026
UNIT 9 KINGSHILL COMMERCIAL PARK, WESTHILL	KNIGHT PROPERTY GROUP	WORKSHOP 10,811 SQ.FT. OFFICE: 5,011 SQ.FT. TOTAL: 15,822 SQ.FT. YARD: 11,948 SQ.FT	Q3 2026

**SUPPLY**

Speculative development in Aberdeen stopped as increased costs and higher investment yields/reduced investment values means this is no longer viable for developers. The limited scale of new development is expected to adversely affect industrial property supply during 2026.

Total industrial property supply across the Aberdeen market has fallen from its peak of 3.2 million sq.ft. to around 2.0 million sq.ft., however a significant portion of this is older obsolete stock or smaller terraced premises where the market is less active at present.

**OUTLOOK**

Industrial rents have grown in Aberdeen in recent times which is positive news for landlords. Occupiers continue to seek premises with good EPC ratings and ESG credentials. It is these buildings that are transacting quickly and commanding premium rents and sale prices, particularly as the development cycle has been curtailed by recent market conditions.

Industrial supply in Aberdeen rose from c. 900,000 sq.ft. 10 years ago in 2016 at the onset of the oil price crash to a peak of just over 3.1 million sq.ft. in 2021/22 and has since fallen to c.1.7 million sq.ft.

A significant proportion of this supply is older, obsolete stock, or smaller terraced industrial units that have suffered from subdued market demand in recent years. There is a lack of supply of detached units in the 10,000 - 20,000 sq.ft. and the vast majority of the properties that are available are sitting vacant for reasons such as low eaves heights, high office contents or small yards.



FOOD SALES INCREASED BY 2% YEAR-ON-YEAR WHILE NON-FOOD SALES INCREASED BY 4.4% DRIVEN BY FURNITURE, TOYS, BEAUTY PRODUCTS AND PERSONAL ELECTRONICS.



### RETAIL SECTOR

The Scottish Retail Consortium reported a good start to 2026, as total sales grew by 3.3% in January 2026 when adjusted for inflation a real-term year-on-year increase of 1.7%. Food sales increased by 2% year-on-year while non-food sales increased by 4.4% driven by furniture, toys, beauty products and personal electronics.

Footfall figures for December 2025 reported by the Scottish Retail Consortium and Sensormatic did however show a modest decline of 1.5% in total footfall in Scotland year-on-year. Shopping centre footfall also showed a decline of 1.5% year on year. Scotland's largest two cities performed slightly better, as footfall decreased by 1.2% in Glasgow with a lower year-on-year decrease of 0.5% in Edinburgh.

Store closures continue. In the clothing sector these include River Island with store closures including units on Princes Street in Edinburgh and in Perth, Kilmarnock, Cumbernauld, Falkirk and Kirkcaldy. Quiz entered administration and New Look closed further stores including in Hamilton. All of Bodycare's remaining 30 stores closed including Scottish stores in Livingston, Dunfermline and Greenock. The balance has however shifted with fewer major administrations and more closures happening through planned rationalisation.

Expansions and new stores also continue. Superdrug plans 30 new stores in 2026 mainly in large-format and retail parks, including in Scotland at Gallagher Retail Park in Dundee, Strathkelvin Retail Park in Bellshill, Phoenix Retail Park in Paisley, Kilmarnock Retail Park and in East Kilbride Shopping Centre. MINISO has opened several stores including in Glasgow, Edinburgh, Livingston and Stirling.

The food & beverage (F & B) sector is dynamic and continually evolving. Closures include TGI Fridays closing 16 restaurants including in Edinburgh and Aberdeen. The Revel Collection closed 21 venues including Revolution in Glasgow and Revolucion de Cuba in Aberdeen. Positively, expanding food & beverage formats remain active. Wingstop opened new restaurants in Dunfermline, Livingston and Silverburn. Amber Taverns are expanding with The Angel in Leith (Former JD Wetherspoon Foot of the Walk), The Stirling in Airdrie and the Pig Iron in Motherwell. Sides plan 15 sites in the UK with restaurants in St Enoch Centre and in Livingston.

# RETAIL AND LEISURE



Food retailers also remain active. Tesco plans large sites and Express stores, including an Express store in Wallyford and two large stores in Pitlochry and Heartlands. Sainsbury's is opening supermarkets in former Homebase stores; in Scotland these include supermarkets at Saltire Retail Park in Glenrothes and at Cuckoo Bridge Retail Park in Dumfries. Across the UK Co-op plan 18 store openings and Lidl plan 19 stores in the first quarter of 2026, while Aldi plan 40 stores during 2026.

In the retail warehouse sector former Homebase stores are also being re-used by the likes of Wickes (Halbeath Retail Park in Dunfermline), B & M (Palace Grounds Retail Park in Hamilton), The Range (Craigleith Retail Park, Edinburgh and Auldhouse Retail Park, Pollockshaws), and Sainsbury's as noted above.

In Glasgow city centre, Praxis purchased the 800,000 sq.ft. St Enoch shopping centre and during 2025 clothing retailers Uniqlo and Restock3d opened along with F & B operators, Chopstix and Monterey Jack's. JD Sports, Mango and NARS Cosmetics all opened flagship stores on Buchanan Street. In Buchanan Galleries, Mango Teen and Bo Peep's opened; centre owner Landsec has plans for refurbishment and enhancement having shelved earlier concepts for full redevelopment.

At Braehead Shopping Centre, Superpark, an indoor leisure and recreation concept is due to open a 31,000 sq.ft. facility which will include trampolines and climbing areas.

Kings Pins opened a state-of-the-art bowling and immersive games experience in Silverburn Shopping Centre in Glasgow, and Tenpin opened an 18-lane bowling alley in Clyde Shopping Centre in Clydebank.

Unibail-Rodamco-Westfield acquired a 25% stake in the St James Quarter in Edinburgh and plans to rebrand this as a Westfield

destination. This dominant centre continues to attract new retailers with Schuh, Moleskin and Pret A Manger all joining in 2025. Superdry and Scamp & Dude did however close their doors during the Review period.

Waverley Mall is diversifying with the opening of a King Pins bowling and entertainment centre, while Avalanche Records relocated to a larger store and jeweller Warren James is due to open.

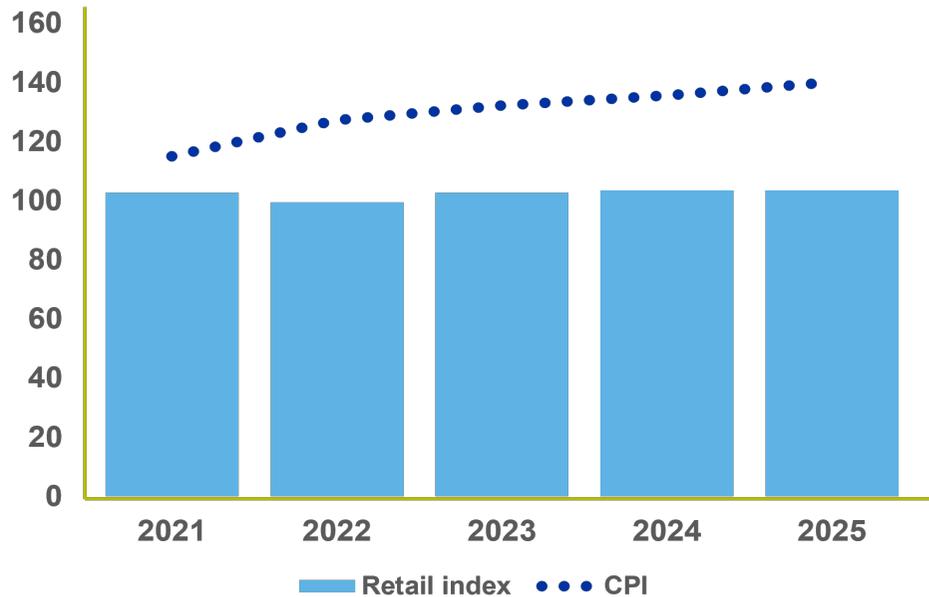
Accessorize returned to Princes Street at no 79 and Sketchers relocated to no 85. Sainsbury's convenience store opened at no 18-19. The former Next store at no 107-108 has been demolished as part of the plans for the development of the Ruby Hotel, leaving the unusual sight of a gap site on the street, which will incorporate the former Russell & Bromley and Zara units. On George Street Screwfix opened a new 'city format' DIY trades supply store at no 109.

Plans for a 109-bedroom hotel at Cameron Toll Shopping Centre in Edinburgh were approved in Spring 2025. By the end of 2025 a mixed-use redevelopment masterplan of the centre was produced which also includes residential, student accommodation, later living accommodation and office space.

At the Centre in Livingston new stores have opened by The Works, Flying Tiger, Wingstop, F Hinds jeweller and MINISO, with Hollywood Bowl, Cake Box and Pizza Dawgz due to open during 2026. However, Stack and Still, Bodycare, H Samuel and Poundland all closed due to wider failure. Hollywood Bowl also opened on the ground floor of the former Debenhams department store, while Flip Out is due to open a trampoline adventure park in Livingston Designer Outlet.



RETAIL INDEX (TOP 20 TOWNS)





In Stirling H & M has returned to the Thistles Shopping Centre, in part of the former Debenhams department store. MINISO and Søstrene Grene have opened along with Lovisa opening a jewellery shop in the former Pandora unit.

In Aberdeen's Union Square, The Entertainer toy store opened in November 2025. The clothing retailers Hobbs and Phase Eight (in TFG Brands House concept store), Crew Clothing, Mango and Victoria's Secret opened while Greggs took a larger unit. Closures in the centre include clothing retailers Superdry, Fat Face and Hollister, sports goods retailer Decathlon and restaurant Singh Street. Development of Flint, the new £40 million food and drink market on Union Street, is progressing.

In Dundee, a Frasers department store opened in the former Debenhams unit in the Overgate Centre - brands here include Sports Direct, USC and Game. Mango opened within the centre in the former Frankie & Bennys unit, and Clarks shoes and Søstrene Grene opened. Out-of-town restaurant Popeyes has opened at Kingsway West Retail Park.

Retail parks continue to diversify. This includes repurposing vacant units by adding gyms/ health and fitness, for example recent and planned openings by NRG Gym at St Rollox Business and Retail Park in Glasgow, PureGym at Westway Retail Park in Cumbernauld, with The Gym Group at Meadowbank Retail Park and JD Gyms at Edinburgh West Retail Park in Edinburgh.

Demolition of outdated shopping malls is now well underway. Callendar Square Shopping Centre in Falkirk has been demolished and the site will be used for the new Falkirk Town Hall. The demolition of around 40% of Oak Mall Shopping Centre in Greenock is

imminent as part of the regeneration of the town centre, while the demolition of Arran Mall in Ayr is also imminent. At EK in East Kilbride the ownership of Centre West has been transferred to South Lanarkshire Council which will allow demolition and redevelopment into a mixed-use area. New Cross Shopping Centre in Hamilton is to be demolished; a mixed-use masterplan for the town centre includes Regent Shopping Centre and redevelopment plans for the centre align with this.

## OUTLOOK

The post-pandemic shocks to the retail market are now easing and the roles of different centres and formats are clarifying: super-prime strength in locations such as Edinburgh's St James Quarter and environs and Glasgow's Buchanan Street, resilient prime retail parks, a stable groceries sector and essential adaptation and restructuring in mid-tier towns.

Underpinning this are steady growth in consumer expenditure and fewer corporate failures, but still high numbers of rationalisations and smaller independents closing. Expanding formats include new multiples, small chains, food & beverage, entertainment/ leisure and health & wellbeing.

**DEALS**

ADDRESS	SIZE (SQ.FT.)	OCCUPIER	SECTOR
500 HILLINGTON ROAD, HILLINGTON PARK, GLASGOW	71,180	FURNITURE VILLAGE	FURNITURE
ST ENOCH SHOPPING CENTRE, GLASGOW	3,490	THAI EXPRESS	F & B
BUCHANAN GALLERIES, GLASGOW	1,341 3,000	MINISO MANGO TEEN	LIFESTYLE FASHION
BRAEHEAD SHOPPING CENTRE, GLASGOW	17,695 1,750	JD SPORTS (EXPANSION) MINISO	SPORTS WEAR LIFESTYLE
EAST KILBRIDE SHOPPING CENTRE, EAST KILBRIDE	10,059	SUPERDRUG	HEALTH & BEAUTY
SILVERBURN, POLLOK	9,585 5,759 3,606 1,100	FOOTASYLUM OLIVER BONAS WINGSTOP JO MALONE	SPORTS WEAR FASHION F & B FRAGRANCE
THE CENTRE, LIVINGSTON	2,150 4,780	THE WORKS WINGSTOP	STATIONERY F & B
ST JAMES QUARTER, EDINBURGH	5,546 2,925 1,200 1,173	SCHUH PRET A MANGER OAKBERRY AÇAÍ NESPRESSO	FOOTWEAR F & B F & B COFFEE BRAND
PRINCES STREET, EDINBURGH	5,614 4,569 3,673	MINISO ACCESSORIZE POPEYES	LIFESTYLE JEWELLERS AND BAGS F & B
GEORGE STREET, EDINBURGH	3,433 1,609	SCREWFIX RM WILLIAMS	TRADE SUPPLIES FOOTWEAR
LANG STRACHT, ABERDEEN	30,332	B & M	DISCOUNT RETAIL
UNION SQUARE, ABERDEEN	6,000 2,000 800	SUPERDRY TFG BRANDS HOUSE GREGGS	FASHION FASHION BRANDS F & B
OVERGATE CENTRE, DUNDEE	16,000 5,000	SPORTS DIRECT USC	SPORTS WEAR FASHION
1 GLASGOW ROAD, CUCKOO BRIDGE RETAIL PARK, DUMFRIES	48,725	SAINSBURY'S	SUPERMARKET
THISTLES SHOPPING CENTRE, STIRLING	14,000 8,557 684	H & M SØSTRENE GREEN MINISO	FASHION HOMEWEAR LIFESTYLE

# INVESTMENT

## OVERVIEW

Capital markets activity in Scotland fluctuated somewhat throughout 2025, although by year end the volume of completed transactions was estimated to be in the order of £1.96 bn (source: Real Capital Analytics), approximately 9% up from 2024. Whilst there are still challenges to navigate it is encouraging to identify a resilience to the market with 2025 building on the relatively strong performance of the previous year. The four interest rate cuts made by the Bank of England during the year undoubtedly helped to encourage some of the previously dormant buyers back into the market.

Analysis of transactions points towards a significant uptick in activity in the office and retail sectors with several notable sales concluding during the year, although not to the detriment of industrial and the living sectors, which are still highly sought after by many investors. Locationally, whilst Edinburgh and Glasgow remain the favoured cities for investors, Aberdeen had a much improved year in terms of numbers of transactions with investors attracted to the generous yields on offer for good quality buildings in the industrial and office sectors. French SCPI (Société Civile de Placement Immobilier) Funds were particularly active and successful, capturing higher yielding opportunities in all three cities.

## ALTERNATIVES

Once again, investor interest in the beds and living sectors has dominated the alternative investment market over the review period. There has been a widening of the sector, growth in certain subsectors and increased investor appetite to participate, particularly

in the operational real estate market. Over the period, several nascent subsectors have continued to gain traction and, with legislative clarity around rent controls now emerging, activity is now expected in the single-family home, build to rent (BTR) and possibly co-living sectors—a welcome addition to the Scottish market. Increased activity can only help to address Scotland's critical housing shortage. It is hoped the next Review will be able to report on significant transactional activity.

Having outperformed the wider commercial markets in recent years, the Purpose Built Student Accommodation (PBSA) sector experienced a more challenging 12 months and consequently delivered lower returns compared with previous years and other market sectors. The weaker occupational market resulted in higher voids across the PBSA sector, which impacted net income and, in some instances, resulted in softer yields and asset pricing.

Despite this, significant capital remains allocated for investment in the sector. The weight of money, however, appears to have shifted towards pursuing affordable opportunities, addressing occupational needs and offering value-add returns. There has been considerable focus on older assets requiring upgrading and, in some instances, remediation. The ability to acquire at below replacement cost is a significant driver.

Recent PBSA transactions, including the sale of Mapletree Investments Pte Ltd's assets in Glasgow and Edinburgh, demonstrate appetite

for first-generation stock, particularly where universities have entered into nomination agreements over the accommodation.

Market demand remains highly selective in terms of location, focused on the stronger centres, particularly given the well-documented challenges confronting smaller and lower-ranked universities. However, several secondary centres still offer good opportunities, particularly where supply shortages exist and rental levels make new development unviable.

Forward funding of new PBSA development is limited to super-prime opportunities and schemes with a suitable accommodation mix. With limited appetite for funding transactions, there has been increased JV and site purchase activity, although some developers are showing conviction and taking advantage of an improving development debt market.

In the hotel and short-stay market, Edinburgh in particular continues to enjoy significant activity from both occupational and investor perspectives. Although the sector confronts viability issues—resulting in significant challenges for the traditional developer/lease model—this has not curtailed activity. Dalata Hotel Group is well underway with its Clayton Hotel development in St Andrew Square, as is Whitbread plc with the development of the former Capital House on Festival Square. The recent sale of the W Hotel in the St James Quarter underlines Edinburgh's worldwide appeal as a tourist destination.



**SEVERAL NASCENT SUBSECTORS HAVE CONTINUED TO GAIN TRACTION AND, WITH LEGISLATIVE CLARITY AROUND RENT CONTROLS NOW EMERGING, ACTIVITY IS NOW EXPECTED IN THE SINGLE-FAMILY HOME, BUILD TO RENT (BTR) AND POSSIBLY CO-LIVING SECTORS.**



## ALTERNATIVES DEALS

ADDRESS	PROPERTY	PURCHASER
MARTHA STREET APARTMENTS, LOVE LOAN, GLASGOW	OPENED IN 2025 AND COMPRISES 275 PBSA BEDS. DEVELOPED BY CHRIS STEWART GROUP	US INVESTOR, HARBERT MANAGEMENT CORPORATION FOR C. £58.5 MILLION (6%)
FOUNDRY COURTYARD, KENNEDY STREET, GLASGOW	536 PBSA BEDS. COMPLETED IN 2017, DEVELOPED AND SOLD BY BALFOUR BEATTY INVESTMENTS	ACQUIRED BY UNDISCLOSED BUYER. PRICE NOT VERIFIED
FIRHILL COURT, GLASGOW AND BEAVERBANK PLACE, EDINBURGH	756 PBSA BEDS ACROSS TWO ASSETS	OTTOWAY PORTFOLIO HOLDINGS (CVC DIF) AT A COMBINED PRICE OF C. £55.4 MILLION
THE KEEL HOUSES, LOWER GILMORE PLACE, EDINBURGH	151 BED ALL STUDIO PBSA DEVELOPMENT BY GLENCAIRN PROPERTIES	LEGAL & GENERAL MANAGED FUND FOR £35 MILLION
W HOTEL, ST JAMES, EDINBURGH	244 ROOM HOTEL WHICH OPENED IN 2023, INCLUDES AMENITY AND F&B	SCHRODERS CAPITAL. QUOTED PRICE C. £100 MILLION
STAYCITY APARTHOTEL, BRANDFIELD STREET, EDINBURGH	COMPRISES 60 ONE AND TWO BEDROOM APARTMENTS BUILT IN 2012. LET TO STAYCITY UNTIL 2037	CLIENT OF DTZ INVESTORS FOR £12 MILLION (5.9%)
FORBES PLACE, ABERDEEN	BTR DEVELOPMENT COMPRISING 292 APARTMENTS AND TOWNHOUSES WITH 1-4 BEDROOMS AND 413 CAR SPACES.	ECE GROUP FOR C. £30 MILLION
9 BRIDGE STREET, ABERDEEN	97-BED HOTEL LET TO TRAVELODGE WITH 25 YEARS UNEXPIRED	IROKO ZEN SCPI FOR £6.88 MILLION (8.45%)

The standout office investment transactions in Glasgow were at Central Exchange, 20 Waterloo Street where a 95,174 sq.ft. Grade A multi-let office building was acquired by Ediston on behalf of Clydebuilt II Limited Partnership for £22.15m, reflecting a net initial yield of 10.70%; and Atrium Court at 50 Waterloo Street, the 104,015 sq.ft. office was acquired by Longstock Capital on behalf of Time Equities from the US for £10.6 million, reflecting a net initial yield of 13.33% and a capital value of £102 per sq.ft.

Edinburgh remains the premium, low risk market that is resilient, supply constrained, and consistently attractive to institutions. The city's fundamentals remain exceptionally strong, driven by chronic supply shortages and a deep occupier base willing to pre-commit to best in class space. While Edinburgh has not been immune to the UK wide repricing cycle, the correction has been milder than in other Scottish cities. Pricing for prime assets has held up comparatively well, supported by the city's occupational strength and scarcity of investable stock. The challenge for investors is simply accessing opportunities. For many investors, the inability to deploy capital at scale in Edinburgh pushes them towards Glasgow, where, as above, higher yields and value add angles are more readily available.

Standout transactions in Edinburgh include the acquisition of Quartermile One at 15 Lauriston Place by KZN Real Estate and BauMont Real Estate Capital for £53.85 million reflecting a net initial yield of 7.1%. Henry Duncan House on George Street was sold to Corum XL for £18.9 million (7.36%); the 56,183 sq.ft. office is let to TSB Bank Plc to December 2031.

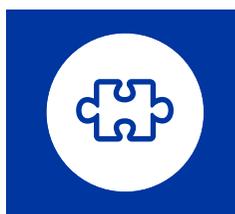


### OFFICES

Scotland's office investment landscape in 2025 was defined by three markedly different city narratives. Glasgow, Edinburgh and Aberdeen each present distinct risk: return profiles, shaped by their occupational fundamentals, investor sentiment, and development pipelines.

Glasgow offers the clearest value opportunity among Scotland's office markets, albeit with a more complex risk profile. The city presents a strengthening occupier market, a broad range of stock, a wide pricing spread, and a clear divergence between best in class assets

and everything else. Pricing has moved out materially, creating attractive entry points relative to other UK big six cities. Liquidity was extremely limited in the first half of the year, but sentiment has improved, and activity has begun to return at pricing levels that reflect genuine value-add potential. Investors willing to move up the risk curve - taking on assets with letting risk and committing significant capex to reposition them - are benefitting most. The medium term outlook seems compelling due to a constrained future supply pipeline and continued rental growth.



## OFFICE DEALS

ADDRESS	PROPERTY	PURCHASER
<b>ATRIUM COURT, 50 WATERLOO STREET, GLASGOW</b>	104,015 SQ.FT. OFFICE BEHIND A RETAINED FAÇADE, OVER GROUND AND FIVE UPPER FLOORS. TENANTS INCLUDE SCOTTISH ENTERPRISE, SCOTRAIL AND SEARCH	LONGSTOCK CAPITAL ON BEHALF OF TIME EQUITIES FROM THE US FOR £10.6 MILLION (13.33%)
<b>SENTINEL, 103 WATERLOO STREET, GLASGOW</b>	84,095 SQ.FT. MULTI-LET OFFICE OVER GROUND AND NINE UPPER FLOORS. TENANTS INCLUDE JONES LANG LASALLE LTD, CHUBB EUROPEAN GROUP AND SEDGWICK	EDISTON ON BEHALF OF THE STRATHCLYDE PENSION FUND FOR £19.6 MILLION (12.35%)
<b>CENTRAL EXCHANGE, 50 WATERLOO STREET, GLASGOW</b>	95,174 SQ.FT. TENANTS INCLUDE HYMANS ROBERTSON LLP, ASHURST LLP, ASSOCIATED NEWSPAPERS AND ABERDEIN CONSIDINE.	EDISTON ON BEHALF OF THE STRATHCLYDE PENSION FUND FOR £22.15 MILLION (10.7%)
<b>GRESHAM CHAMBERS, 49 WEST NILE STREET, GLASGOW</b>	21,741 SQ.FT. MULTI-LET OFFICE WITH TENANTS INCLUDING 3D REID, HARLEY HADDOW, INTELLIGENT CAPITAL HOLDINGS AND WHISKY MERCHANTS TRADING LTD	SAVA ESTATES LTD FOR £4.2 MILLION
<b>HENRY DUNCAN HOUSE, GEORGE STREET, EDINBURGH</b>	SINGLE LET OFFICE, PRIME LOCATION, EXTENDING TO 56,183 SQ.FT. LEASE TO TSB BANK PLC EXPIRING IN DECEMBER 2031	CORUM XL FOR £18.9 MILLION (7.36%)
<b>GREENSIDE, 12 BLENHEIM PLACE, EDINBURGH</b>	MULTI-LET OFFICE TOTALLING 37,478 SQ.FT. TENANTS INCLUDE EMPEROR, NUCLEUS FINANCIAL AND NADARA LTD. WAULT C. 2.68 YEARS	REMAKE ASSET MANAGEMENT FOR C. £14.5 MILLION (7.5%)
<b>4/5 LOCHSIDE AVENUE, EDINBURGH PARK, EDINBURGH</b>	REFURBISHED WEST EDINBURGH MULTI-LET OFFICE TOTALLING C. 42,519 SQ.FT. TENANTS INCLUDE, LUMACRON TECHNOLOGY LTD, PULSANT AND SP TRANSMISSION PLC	DS PROPERTIES FOR C. £9.75 MILLION (10.22%)
<b>QUARTERMILE ONE, 15 LAURISTON PLACE, EDINBURGH</b>	MULTI-LET OFFICE EXTENDING TO 123,576 SQ.FT. TENANTS INCLUDE SKYSCANNER, ADDEPAR UK LTD, PUREGYM AND OFCOM	KZN REAL ESTATE AND BAUMONT REAL ESTATE CAPITAL FOR £53.85 MILLION (7.1%)
<b>PRIME FOUR BUSINESS PARK, KINGSWELLS, ABERDEEN</b>	GRADE A OFFICE OF 25,392 SQ.FT. LET TO MAERSK TRAINING UK LTD WITH 8.75 YEARS UNEXPIRED	SCPI EDEN FOR £6.95 MILLION (8.95%)
<b>CITY SOUTH BUSINESS PARK, PORTLETHEN</b>	GRADE A OFFICE BUILDING OF 71,600 SQ.FT. WITH A WAULT OF C.6 YEARS. LET TO HELMERICH & PAYNE (H&P)	ALDERAN (SCPI COMETE) FOR £14.85 MILLION (10.99%)
<b>KINGSHILL PARK, WESTHILL</b>	MULTI-LET OFFICE PARK WITH 7 PAVILIONS EXTENDING TO 69,869 SQ.FT.	JV BETWEEN HAMILTON KELLY INVESTMENT PARTNERSHIP AND REVCAP FOR £10.75 MILLION (13.39%)



Aberdeen offers high office yields and secure income for those comfortable with a structurally smaller occupier & sector base. Investor appetite is concentrated almost exclusively on secure, long dated income, with pricing having reset to reflect both structural market vacancy and sector sentiment. Investor behaviour remains selective and price sensitive. Investor demand has been inconsistent for several years, but 2025 saw a noticeable uptick in activity, driven largely by property companies and French SCPI funds seeking yield.

The standout transactions in Aberdeen were SCPI Eden's acquisition of a building at Prime Four Business Park at Kingswells, a 25,392 sq.ft. Grade A office fully let to Maersk Training UK Ltd with 8.75 years unexpired which was acquired for £6.95 million, reflecting a net initial yield of 8.95%. At City South Business Park in Portlethen, the 71,600 sq.ft. Grade

A office building is fully let to Helmerich & Payne (H&P), with an unexpired lease term of 6 years and was acquired by Alderan (SCPI Comete) for £14.85 million reflecting a net initial yield of 10.99%.

Secondary office stock remains extremely challenging in Aberdeen, with much of it effectively redundant without significant repositioning.

### INDUSTRIAL

Throughout 2025, investor appetite for industrial assets remained consistent with 2024. Demand was particularly focused on prime, well-located estates and modern logistics units with strong tenant covenants, generating competitive tension. In contrast, secondary stock traded more selectively, with buyers taking asset management angles into account, namely lease length and reversionary potential.

A recurring theme across the year was constrained supply. A shortage of high-quality, modern units - exacerbated by stubbornly high construction costs - limited new development, subsequently supporting rental growth in established locations. Longer-term trends - particularly the continued growth of logistics networks - kept occupier demand steady. As a result, investors have remained confident that income from well-located industrial assets will prove reliable and sustainable over the long term.

Yields found firmer footing as the year progressed, with greater pricing clarity and more stable debt conditions helping to bridge the buyer/seller valuation gap. While transaction volumes were influenced by stock availability and broader capital market caution, industrial remained one of Scotland's most liquid and resilient sectors.

Glasgow's industrial investment market has remained liquid, supported by healthy occupational demand, a strong logistics sector and appetite for both single and multi-let estates. Investor focus has centred around modern assets in established locations, with pricing for prime income remaining robust.

Activity at key locations such as Eurocentral has continued to attract investor interest. A key example is the acquisition of a 37,900 sq.ft. single-let shed at 7 Woodside, Eurocentral let to Vestas Celtic Wind Technology Ltd completed for £4.5 million, reflecting a net initial yield of 6.72%. The buyer was Westerwood Properties Ltd. Another Eurocentral acquisition involved Harleyford Capital with the prime 71,700 sq.ft. single-let industrial unit let to Finsbury Food Group plc acquired off market for £10.25 million reflecting a yield of 3.84%, underpinning demand for institutional-grade logistics income.

Investors have also shown a willingness to accept tighter day-one yields where clear reversion and asset management upside are evident. Aberdeen Investments acquired three prime industrial units with one vacancy at

Clyde Gateway East for a sharp yield of 3.46% but with reversion to 6.18% upon letting up the vacant unit.

Edinburgh's industrial investment market mirrors the west to a certain extent, with a continued resilient performance, underpinned by constrained supply, strong occupational fundamentals and sustained investor appetite for well-let, high quality product. Pricing for prime and well-secured income has held firm, underscored by an active occupier market. Investors are showing keen interest in multi-let estates, particularly where income growth or asset management potential can be realised.

A key transaction was the sale of the 'Malt Portfolio', a multi-let, Scotland-wide asset holding to an overseas investor for £26.5 million. The deal underscores continued international investor interest in Scotland's industrial sector.

Prime, smaller-lot assets have also performed strongly. Notably, Queen Anne Park in Newbridge sold for £6.21 million, reflecting a yield of 6.07%, highlighting sustained demand for well-located estates with secure income profiles.

Overall, the Central Belt continues to attract a broad range of capital, from core investors targeting long-let logistics to those seeking shorter-income or part-vacant estates capable of delivering income growth through active management.

In Aberdeen, with occupational take up stabilised, supply levels falling and following a positive H2 2024, the market continued its improvement in 2025, with annualised volumes more than doubling year-on-year to £129 million. This uplift is particularly notable given ongoing headwinds linked to policy decisions affecting the North Sea energy sector.

**INDUSTRIAL DEALS**

ADDRESS	PROPERTY	PURCHASER
<b>7 WOODSIDE, EUROCENTRAL</b>	PRIME 37,900 SQ.FT. SINGLE-LET UNIT, LET TO VESTAS CELTIC WIND TECHNOLOGY LTD, WITH A WAULT OF 4.75 YEARS	WESTERWOOD PROPERTIES LTD FOR £4.5 MILLION (6.72%)
<b>UNIT 101, 202 AND 301 CLYDE GATEWAY EAST, GLASGOW</b>	THREE PRIME INDUSTRIAL UNITS EXTENDING TO 59,207 SQ.FT. UNITS 202 AND 301 WERE INCOME-PRODUCING AT THE TIME OF SALE, WITH UNIT 301 VACANT	ABERDEEN INVESTMENTS FOR £10 MILLION (3.46%, WITH REVERSION TO 6.18% UPON LETTING OF THE THIRD UNIT)
<b>1 GRAYSHILL ROAD, WESTFIELD, CUMBERNAULD</b>	77,575 SQ.FT. LET TO PANTHER LOGISTICS ON A 10-YEAR TERM, WITH AIT HOME DELIVERIES UK ACTING AS GUARANTOR, PRODUCING £640,000 PA, EQUATING TO £8.25 PER SQ.FT.	PRINCIPAL ASSET MANAGEMENT (FRENCH SCPI FUND) FOR £8 MILLION (7.5%)
<b>ARTEMIS, BRITAIN WAY, EUROCENTRAL</b>	PRIME LOGISTICS UNIT EXTENDING TO 71,700 SQ.FT. WAREHOUSE, LET TO FINSBURY FOOD GROUP LTD	HARLEYFORD CAPITAL LTD FOR £10.25 MILLION (3.84%)
<b>QUEEN ANNE PARK, QUEEN ANNE DRIVE, NEWBRIDGE, EDINBURGH</b>	SELF-CONTAINED MULTI-LET ESTATE EXTENDING TO 51,835 SQ.FT. WAULT OF 5.65 YEARS TO EXPIRY (4.64 YEARS TO BREAKS). TENANTS INCLUDE APC LTD, EDINBURGH BICYCLE COOPERATIVE AND COLIN PARKER FURNITURE	COLUMBIA THREADNEEDLE INVESTMENTS FOR £6.21 MILLION (6.07%)
<b>22 SEAFIELD ROAD EAST, EDINBURGH</b>	SINGLE LET CAR SHOWROOM EXTENDING TO C. 20,031 SQ.FT. LET TO VERTU MOTORS (PROPERTY) LTD	PRIVATE PURCHASER FOR £2.725 MILLION (6.87%)
<b>MALT PORTFOLIO (SCOTLAND WIDE)</b>	MULTI-LET INDUSTRIAL PORTFOLIO COMPRISING SIX ESTATES LOCATED ACROSS CENTRAL SCOTLAND AND EXTENDING TO APPROXIMATELY 300,000 SQ.FT.	OVERSEAS INVESTOR FOR C. £26 MILLION
<b>MOSS ROAD, ABERDEEN GATEWAY, ABERDEEN</b>	MODERN INDUSTRIAL/OFFICE FACILITY OF 60,448 SQ.FT. LET TO TETRA TECHNOLOGIES LTD WITH 9 YEARS UNEXPIRED	ALDERAN (SCPI COMETE) FOR £9.9 MILLION (8.6%)
<b>MOSS ROAD, ABERDEEN GATEWAY, ABERDEEN</b>	MODERN HIGH SPEC LOGISTICS WAREHOUSE OF 182,287 SQ.FT. LET TO TOTALENERGIES E&P UK LTD WITH 9 YEARS UNEXPIRED	ALDERAN (SCPI COMETE) FOR £28.55 MILLION (8.1%)
<b>UNIT 5A, ABZ BUSINESS PARK, DYCE</b>	MODERN INDUSTRIAL FACILITY OF 16,284 SQ.FT. LET TO CENTURION UK RENTALS & SERVICES LTD WITH 9 YEARS UNEXPIRED	SHAROX INVESTMENTS FOR £3.525 MILLION (8.81%)
<b>ALTENS GROUND LEASE PORTFOLIO, ABERDEEN</b>	17 INDUSTRIAL SITES EXTENDING TO 42.62 ACRES WITH A WAULT OF 78 YEARS	LCP UK FOR £15.9 MILLION (7.46%)
<b>ABZ TRADE PARK, DYCE</b>	MULTI-LET INDUSTRIAL ESTATE OF 39,273 SQ.FT. WITH 4 YEARS UNEXPIRED	LA FRANÇAISE REAL ESTATE MANAGERS FOR £5.41 MILLION (8.66%)
<b>DYCE AVENUE, DYCE</b>	90,640 SQ.FT. UNIT OCCUPIED BY 3T ENERGY GROUP'S OFFSHORE SURVIVAL FACILITY UNTIL 2041	REMAKE ASSET MANAGEMENT FOR £13.5 MILLION (8.11%)

French SCPI funds were central to market activity, targeting modern, long-income assets offering a yield premium over the wider UK market. Single-let investments were the main focus, with 14 transactions completing at an average yield of 8.07%. Key deals included Alderan SCPI Comete's £28.55 million acquisition of the TotalEnergies facility at Aberdeen Gateway, reflecting an 8.10% yield and Remake Asset Management's £13.5m purchase of 3T Energy Group's offshore survival facility in Dyce, reflecting a yield of 8.11%.

A number of multi-let estates have transacted to UK PropCos at double-digit yields, underpinned by asset management potential. The prime, fully let estate at ABZ Trade Park was acquired by French SCPI La Française Real Estate Managers at a yield of 8.66%, underscoring selective demand for high-quality product.

During 2026, prime, well-let industrial stock is expected to attract the majority of capital, while secondary stock will continue to offer pricing gaps to encourage increased liquidity.

## RETAIL AND LEISURE

Building on 2024's momentum, last year was once again a strong year for the retail investment market in Scotland.

There is growing belief among investors that the sector has now fundamentally re-based. Volumes were up again, the sector attracted over £700 million of investment (Knight Frank / Real Capital Analytics), propped up by a few major transactions such as Frasers acquisition of Braehead Shopping Centre and URWs purchase of a 25% stake in Edinburgh's St James Quarter.

Retail consolidated its position as the best performing asset class in the UK in 2025, achieving a total return of c. 9.6% (All retail - Knight Frank Research). Performance has been aided by an improved occupational story.

Vacancy rates are down and in some instances predicted to return to pre-covid levels, rental growth is returning, and there have been fewer incidences of occupier distress.

Much of the reported rental growth has been spearheaded by High Street shops. Prime retailing pitches such as Buchanan Street in Glasgow and George Street in Edinburgh are a case in point, with this positivity spilling over to surrounding streets and pitches.

This is facilitating renewed levels of investor appetite and greater depth of interest. Where in recent years opportunistic prop co's were arguably the most active in this sub sector French SCPIs are competing alongside pockets of institutional interest as well as those propcos and privates. Recent transactions on Buchanan Street are a good example of this trend; 2025 buyers have included Cervidae, Remake Asset Management and Triple B amongst others.

This increased demand has seen yields come under downward pressure with prime High Street yields generally trending between 6.5% - 7.5% depending on lease profile and lot size and in some cases keener.

Within other retail sub-sectors, retail warehousing continues to perform extremely well benefitting from continued occupier appetite and low vacancy rates. The sector attracted institutional activity by The Strathclyde Pension Fund at Gallagher Retail Park, Port Glasgow; French SCPI activity by Corum XL at Almondvale Retail Park South, Livingston, and further activity from Frasers Group acquiring Rose Street Retail Park in Inverness and Waterfront Retail Park in Greenock on top of their Braehead Shopping Centre acquisition.

Largely as a result of lack of stock / availability rather than investor demand there was limited activity in the foodstore sector particularly for larger format stores (over and above UK-wide sale and leaseback portfolios from the likes of Asda and Sainsbury's). Continued investor

demand has been witnessed and keen yields paid for convenience format stores from the private investor market, as witnessed by recent sales of Tesco Express on Dundas Street in Edinburgh and Co-op on King Street in Aberdeen. This can also be said for the drive thru market. One of the most notable transactions here was the purchase of Darnley Mains in Glasgow, a development of drive thru which was sold by Swiss Life to a private investor and franchise operator for c. £8.3m, c.5.65% following a competitive closing date in the summer.



**RETAIL AND LEISURE DEALS**

ADDRESS	PROPERTY	PURCHASER
<b>98 BUCHANAN STREET &amp; 31 ROYAL EXCHANGE SQUARE, GLASGOW</b>	ICONIC RETAIL FLAGSHIP AND RESTAURANT TOTTALLING 31,000 SQ.FT., LET TO LUSH AND VIVA ITALIA, PRODUCING £1.13M PER ANNUM WITH A WAULT OF 7.74 YEARS (11.83 YEARS TO EXPIRY)	CERVIDAE FOR £14.1 MILLION (7.5%)
<b>20-26 BUCHANAN STREET, GLASGOW</b>	27,163 SQ.FT. LET TO NIKE FOR ITS FLAGSHIP STORE, PRODUCING £875,000 PER ANNUM. LEASE EXPIRES NOVEMBER 2034, WITH A TENANT BREAK OPTION IN NOVEMBER 2029	REMAKE ASSET MANAGEMENT FOR £12.7 MILLION (6.90%)
<b>60-62 BUCHANAN STREET, GLASGOW</b>	TWO RETAIL UNITS LET TO NESPRESSO AND EE, TOTTALLING 6,398 SQ.FT., WITH A FURTHER 15,015 SQ.FT. OF REDEVELOPMENT SPACE ACROSS UPPER SIX FLOORS	LUJO PROPERTIES FOR £9.73 MILLION (6.35%)
<b>GALLAGHER RETAIL PARK, PORT GLASGOW</b>	EXTENDS TO C. 181,866 SQ.FT. WITH 639 PARKING SPACES. TENANTS INCLUDE B&Q, BOOTS, M&S FOOD, B&M, SUPERDRUG, FOOD WAREHOUSE, MATALAN, TK MAXX, ALDI AND COSTA	THE STRATHCLYDE PENSION FUND FOR £42.662 MILLION (7.4%)
<b>ST ENOCH SHOPPING CENTRE, GLASGOW</b>	OVER 800,000 SQ.FT. OF RETAIL AND LEISURE ACCOMMODATION ON A 12-ACRE SITE, COMPLEMENTED BY 900 CAR PARKING SPACES	PRAXIS FOR APPROXIMATELY £54 MILLION (12%)
<b>STOCK EXCHANGE COURT, 153-159 BUCHANAN STREET &amp; 6-11 NELSON MANDELA PLACE, GLASGOW</b>	72,195 SQ.FT. MULTI-LET, PREDOMINANTLY RETAIL INVESTMENT, WITH TENANTS INCLUDING THE SCOTTISH MINISTERS, URBAN OUTFITTERS, THE NORTH FACE AND DISHOOM	TRIPLE B FOR £23.6 MILLION (7.47%)
<b>BRAEHEAD SHOPPING CENTRE, GLASGOW</b>	C.800,000 SQ.FT. SHOPPING CENTRE, MAJOR RETAILERS INCLUDE M&S, TK MAXX, SAINSBURY'S, H&M, NEW LOOK, BOOTS AND PRIMARK	FRASERS GROUP FOR C. £220 MILLION (9.5%)
<b>DARNLEY MAINS, DARNLEY MAINS ROAD, DARNLEY, GLASGOW</b>	DEVELOPMENT OF DRIVE THRUS, INCLUDING OPERATORS KFC, DOMINOS AND MCDONALDS	OCO.EU FOR C. £8.3 MILLION (C.5.65%)
<b>TESCO EXPRESS, DUNDAS STREET, EDINBURGH</b>	PRIME, EXPRESS FORMAT CONVENIENCE STORE, TOTTALLING C. 5,731 SQ.FT. 9.75 YEARS UNEXPIRED. RPI LINKED RR 2030	PRIVATE INVESTOR FOR C.£1.525 MILLION (4.99%)
<b>99 &amp; 99A PRINCES STREET, EDINBURGH</b>	RETAIL UNITS LET TO SWATCH GROUP UK AND CHISHOLM HUNTER. WAULT OF 4.29 YEARS TO BREAKS. PROMINENT CORNER BLOCK EXTENDING TO C. 8,388 SQ.FT. INCLUDING UPPER FLOORS	THISTLE PROPERTIES FOR £4.868 MILLION (7.23%)
<b>ST JAMES QUARTER, EDINBURGH</b>	LANDMARK CITY CENTRE MIXED-USE DEVELOPMENT INCLUDING 864,242 SQ.FT. OF RETAIL AND LEISURE SPACE ACROSS 110 UNITS AND ANCHORED BY JOHN LEWIS	UNIBAIL-RODAMCO-WESTFIELD (URW) ACQUIRED A 25% STAKE FROM NUVEEN. ESTIMATED TO EQUATE TO £250 MILLION
<b>RETAIL PARK SOUTH, ALMONDVALE ROAD, LIVINGSTON</b>	RETAIL PARK OF 100,664 SQ.FT. FULLY LET TO B&Q, THE RANGE, AND MATALAN. WAULT OF 11.45 YEARS TO EXPIRY (NO BREAKS)	CORUM XL FOR £11.5 MILLION (7.38%)
<b>504 KING STREET, ABERDEEN</b>	CO-OP CONVENIENCE STORE OF 5,994 SQ.FT. WITH 12.5 YEARS UNEXPIRED	CASTLE CROWN PROPERTIES LTD FOR £1.525 MILLION (5.92%)

Other than a couple of eye catching shopping centre deals in Glasgow, the aforementioned Braehead at c. £220m and 9.5% net initial yield, and also the St Enoch Centre by Praxis at c.£54m and 12% net initial yield, there were a limited number of transactions last year. The market has largely been dominated by sector specialists including MCore LCP UK who acquired Newkirkgate Shopping Centre in Leith, Edinburgh from NewRiver earlier in the year. Once again the lack of deals is a function of availability rather than investor appetite.

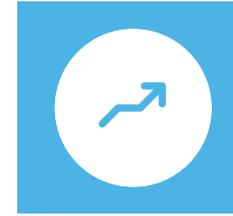
Looking forward, alongside the usual macro-economic uncertainty there are challenges for the sector including further rises to minimum wage, changes to the business rates system, creeping unemployment and subdued private consumption.

However, a continuation of the trends and performance levels seen over recent years is anticipated as momentum in the sector continues to gather and the mainstream investor market catches on.

### OUTLOOK

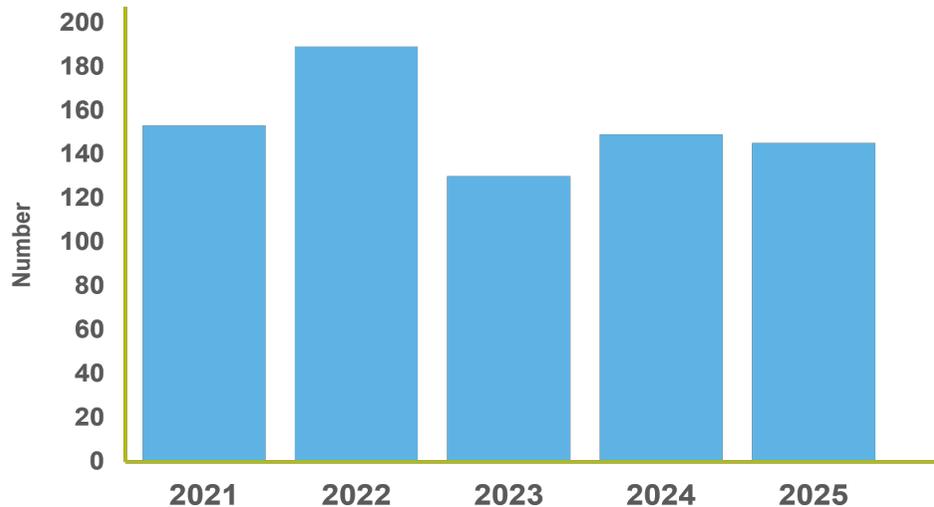
With the Scottish Parliament elections in May there is some domestic political uncertainty on the horizon, particularly as the outcome is potentially less certain due to the emergence of the Reform Party. However, it remains to be seen if this will have any influence on the demand for commercial property investments north of the border. There may be a lull in activity for a while either side of the election but this may well be short lived.

Overall, the resilience and stability in the market, which was evident in 2025, should continue with prime assets across all sectors predicted to attract good interest from UK and overseas investors seeking quality stock. The sectors and locations with proven rental growth prospects will be in greatest demand.



### INVESTMENT TRACKER

Number of investment transactions over £1 million in Scotland.



Source : Ryden



THE RESILIENCE AND STABILITY IN THE MARKET, WHICH WAS EVIDENT IN 2025, SHOULD CONTINUE WITH PRIME ASSETS ACROSS ALL SECTORS PREDICTED TO ATTRACT GOOD INTEREST FROM UK AND OVERSEAS INVESTORS SEEKING QUALITY STOCK.



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