GLASGOW CITY REGION EMPLOYMENT LAND & PROPERTY MARKETS

SEPTEMBER 2024

Ryden

EXECUTIVE SUMMARY

Ryden was appointed by the Glasgow City Region Programme Management Office to provide a market intelligence report on employment land and property in the Region. The work will inform emerging Local Development Plans, the future Regional Spatial Strategy and potentially support other development and regeneration initiatives around the Region.

Planning in Scotland is currently going through a period of reform with the statutory development plan now consisting of the NPF and the relevant LDP. NPF4 is the national spatial strategy for Scotland and provides a blueprint for managing spatial development and seeks to create sustainable, liveable and productive places. RSSs are also required to be prepared however these do not form part of the statutory development plan. Eight separate LDPs operate within the GCR and each is at various stages in terms of its update in order to take account of NPF4.

Post-Brexit, the UK Government has become more directly involved in supporting the Scottish economy via its Levelling Up ambitions. At a Scottish Government level, there is an increased focus on the creation of a wellbeing economy with the provision of business space particularly important not just for the overall economy but also the provision of fair work and business. Scotland needs to improve productivity levels across the country and property is a key factor in enabling businesses to start or scale up. The transition to becoming a net zero economy also offers new market opportunities for Scottish businesses. These priorities align with the Regional Economic Strategy as well as regional initiatives such as the Glasgow City Region Deal and Clyde Mission, which offer substantial opportunities for regional economic growth and job creation.

Public sector intervention in the property market is often required in areas where market failure exists, in order to support economic development. However, funding streams are not exclusively available for employment land and property and therefore there is a requirement to prioritise a wide range of potentially applicable projects within the Region. These fluid funding conditions create a cost to monitoring, targeting and securing support to overcome property market failure.

Businesses and working patterns are also changing and with the Region accounting for a significant share of Scotland's output there is a need to ensure continuous business activity and innovation supported by the required employment land and property.

The industrial property market is performing well across Scotland with strong demand, low vacancy rates and high rents. The Region's very large industrial stock of 106 million sq.ft. supports major employment and economic activity. The built stock is concentrated around the core city area, large towns and the trunk road network, and also in local estates, terraces and buildings across the Region.

This ongoing demand is delivering annual average industrial property take-up of 3.7 million sq.ft. and a falling vacancy rate which has reached 4%. The choice of industrial buildings for discerning businesses can be very limited, leading to frustrated and potentially lost demand. Medium-sized modern units appear to be in particularly short supply. Live demand for medium and larger industrial / warehouse sites and modern buildings is high.

Compounding this tight supply, new industrial development peaked during the 1980s prior to the cessation of public sector direct delivery (other than in instances of market failure – see the *paper apart*). Age-related attrition of buildings is well underway and will continue. A new development wave had commenced but was short-lived due to rising costs and higher interest rates; this constrained development market is projected to continue into the medium term.

The question is not simply one of restarting the new-build cycle. The standing industrial stock requires refurbishment to extend its physical and functional lifespan, to support occupier choice and to achieve energy efficiency in use and through reuse. Refurbishment is happening, but typically in prime locations courtesy of major landlords. Refurbishment is not viable and is much less likely to happen where demand is weaker and rents lower. Market failure and the persistence of poorer quality buildings is the outcome.

The regional office market is active, but has suffered a substantial shock due to the post-pandemic persistence of hybrid working. While the degree of hybrid working varies by activity and location, the trend is market-wide and has only solidified as better office environments and hybrid working policies emerge. Office occupiers are taking less, but better quality, accommodation; or extending in their current premises to avoid the change and costs. Employment numbers currently do not show any offsetting growth to counteract the effects of hybrid working. Obviously however, individual occupiers can and do expand and thus require additional office space even while hybrid working and particularly if allowing more break-out, meeting and amenity space.

The effects of this occupational shift are most noticeable in Glasgow city centre which has around 42% of the stock and a large concentration of higher value activity such as corporate head offices, national agencies *et cetera*. As leases end or through other drivers, occupiers are moving away from older offices to an increasing choice of high quality and serviced options including Cat A+ fitted options for SMEs. This is a long term trend which is expected to continue. Steady take-up of 0.5 million sq.ft. of office space annually is outweighed by the older space being left behind, leading to rising vacancy which has doubled since 2020.

A refurbishment cycle to create the next Grade A office space is well underway in the city centre, supported by live demand for medium to larger offices from public and private sector occupiers as well as from further flexible business space operators. Prime city centre office rents have increased and form part of the consideration of whether new-build speculative office development will resume.

For the Region as a whole, the office vacancy rate has risen to 12%. It is possible that further un-occupied 'grey space' is being held by occupiers during this market transition. The regional annual average office take-up is 1.26 million sq.ft.

The principal office market requirement is that the market continues to refurbish existing office buildings where feasible to meet Grade A demand in the city centre and demand for flexible, modern space in other regional centres. Office rents across the Region as a whole have increased by less that inflation over the past 5 years (13% in total), compared with 53% for industrial property, clearly illustrating the very different positions of these markets. Development of new offices is not close to being financially viable at these rental levels and would be further hampered by investor attitude to changing occupier needs, skewing the market towards refurbishment particularly at modern, well-located business parks, and some selective public sector developments.

A steady supply of developable employment land is essential to support market activity. NPF4 requires a choice of sites to meet market demand. Available (Category A) employment land supply in the Region in 2022/23 was 797 hectares across 263 sites. Supply has fallen steadily from 905 hectares in 2019/20. Much of the available employment land supply is large regeneration sites requiring upfront investment. Related to this, around two-thirds of sites are brownfield, providing a strong focus on recycling of land.

Over the last 5 years, employment land take-up has averaged 29 hectares per annum or 32 sites. Not all major investment takes large sites and some of the largest are high density offices in Glasgow city centre. Crucially for land supply, nearly three-quarters of take-up concerns sites smaller than 1 hectare and the median site taken is 0.49 hectares. This general market requires a steady supply of plots capable of occupation within 24-36 months without abnormal costs; allowing for a build period, effective land should therefore be free of major constraints and developable within 12-24 months.

Strategic sites commenced by public agencies during the 1980s and 1990s are nearing completion. Meanwhile, many of the aforementioned large regeneration sites are not ready for immediate development. City Deal projects are delivering 176 hectares of serviced land at 5 strategic regeneration sites available from 2025/25 to 2072//28 onwards, plus the release of wider infrastructure constraints in some urban areas. This delivers roughly 5 years' effective regional land supply. The private sector is highly unlikely to front-fund strategic employment land and the proportion of the employment land supply actually on the market is low.

Given that the gestation period to deliver developable strategic land is at least medium term, the next round of site identification and planning for remediation and servicing should begin now. The strongest candidate sites will be highly accessible on the urban fringes. Recycling of medium-sized sites in established industrial areas is expected to continue via private landowners and developers as market conditions and any funding support dictate.

Finally, on employment land, some 'land hungry' uses have very large requirements and may target serviced employment land, but bring very little permanent employment. These include battery storage, whisky maturation, data centres and, potentially, open storage. They should be considered strategically to allow LDPs to plan for them to avoid them displacing mainstream employment uses.

The market needs for employment land and property in the Glasgow City Region over 2025-2029 inclusive and 2030-2034 inclusive are built up from the detailed research presented in this report, supported by the local market analyses in the Appendix, and additionally informed by Ryden's market knowledge and experience.

The options / scenarios which apply to the identified market needs are:

- There is no do nothing / **policy off** scenario. Market intervention is already happening.

- The business as usual scenario is **policy on**. In addition to market-led activity, the Region benefits from extensive support and intervention from local authorities, the Growth Deal, UK and Scottish Governments. However, this funding pot *pourri* target themes, sites and sectors, often competitive and short term, rather than offering programmatic property market responses. Funding is also more fragile than usual in the context of rising costs and capital constraints. The private sector invests in the best, viable locations in the city and larger towns. In the face of market-wide challenges of undersupply and obsolescence, this will entrench market failure in weaker areas in small towns and secondary areas.

- The interventions summarised in the table below respond to the market conditions exposed in this report. This market-wide, long run approach is framed as **policy plus**. The gain from this is market-wide fitness-for-purpose of employment land and property, including timely supply of the appropriate quality in the right location. The total industrial floorspace in scope for replacement or refurbishment each year is 1 million sq.ft., which is just under 1% of the full regional stock. The loss from not moving to this approach would be frustrated and lost demand as the supply of modern industrial buildings winds ever-tighter and serviced land is not brought forward. For the office market these risks are masked by net contraction, but the requirement for modern, flexible property has momentum and needs to be met.

GLASGOW CITY REGION EMPLOYMENT LAND & PROPERTY MARKET NEEDS

MARKET NEEDS	LOCATIONS AND MIX	DELIVERY
10-year **industrial property new-build development programme** to replace obsolete stock being lost, in the context of high demand and occupancy rates: Large manufacturing or logistics projects may skew annual development. *Excluding ultra-low jobs density land hungry energy and storage projects.*	Target spatial programme for new industrial development to be determined by local market needs and opportunities. Indicative development programme 0.5 million sq.ft. per annum. Development mix to be confirmed, likely to range from terraced start-up units to medium-sized (15,000 – 30,000 sq.ft.) stand-alone industrial / warehouse units.	A regional programme cascaded to local prioritisation and delivery would be required to achieve this scale of property market intervention. Intervention types may range from site remediation through servicing and platforming to new-build development. Intervention rates by location may range from sites for private developers, through grant support, to finance support to developers with payback, to joint ventures and direct public sector development.
10-year **industrial property refurbishment programme** to modernise stock which risks becoming physically life-expired. The programme balances refurbishment of industrial property with development. The actual balance will vary when fully investigated.	The spatial programme will focus on where the industrial stock was built: formal industrial estates in Glasgow, larger towns and former New Towns. Target 0.5 million sq.ft. per annum. A separate economic development estates programme may be required for typically small, local market units held in local authority investment portfolios.	A market engagement strategy will be required to support refurbishment by private sector owners, most likely at the point of remarketing when they are considering investing their own capital and any dilapidations monies. The funding gap and intervention will vary according to the types of owners and viability of the stock and market area. Potentially, a test of refurbishment

	Centred on 1970s stock as a guide to the target development wave, but the actual focus should be on adaptable buildings in areas of identifiable market need. Some obsolete stock may not be adaptable or in areas of market need which will require transition of these locations to other uses and identification of new sites.	potential could be developed where alternative uses are being proposed. The aim is to roll-out mainstream solutions for standard buildings. Demonstration project/s could also be considered using Council leased-out industrial property in weaker market areas.
Support Glasgow city centre and regional **office** market adaptation to (typically) smaller, flexible and highly ESG-specified options.	New-build Grade A city centre offices. Refurbished Grade A city centre offices. Flexible SME options across region. Diversification of stalled business parks to alternative employment uses. *Repurposing of stranded offices (out of scope here)* No target volumes are calculated at this point as the market is still adapting (see market intelligence, below). As a rough guide, the attrition rate may be around 20-25% of office stock however this varies by location and user, is evolving, and can be offset by growth.	Continued support for development and conversion of office space (effectively no change to current policy or support). *Policy support to repurpose to acceptable alternative uses* Continuing market evolution could lead to the requirement for intervention for example in regional towns to promote quality supply, to gap-fund reuse of appropriate regional buildings, or to secure energy efficiency standards.
Maintain 10-year, 400-hectare **available employment land supply**. Ensure Category A sites are being brought forward: • Firstly, to within a developable period of 1-2 years. This will mean attributing phasing to the current supply using site constraints. • Secondly, for development phasing and SME occupiers, to offer a range of immediately developable plots.	Spatial allocation should be guided by the emerging Regional Spatial Strategy and determined by LDPs. Local employment land audits and LDP Action Programmes should inform the developability, constraints and requirements to render site 'oven ready'.	Some medium and larger sites require remediation and servicing. This is complex and site-specific involving owners, infrastructure agencies and planning authorities. As opposite, substantial information is already available. Identification and delivery of future employment land is flagged here for emerging new initiatives in association with development planning.

Further market intelligence needs:

1. Continue regional and local market monitoring of employment land supply, take-up and development through annual local audits and Clydeplan coordination.
2. Establish an approach to Category A employment land which differentiates sites by developability and constraints.
3. Develop a monitoring programme for comprehensive industrial refurbishment using available data and intelligence.
4. In preparation for the RSS, assess the 5-year office market trend using occupier preferences and 'true' occupancy.

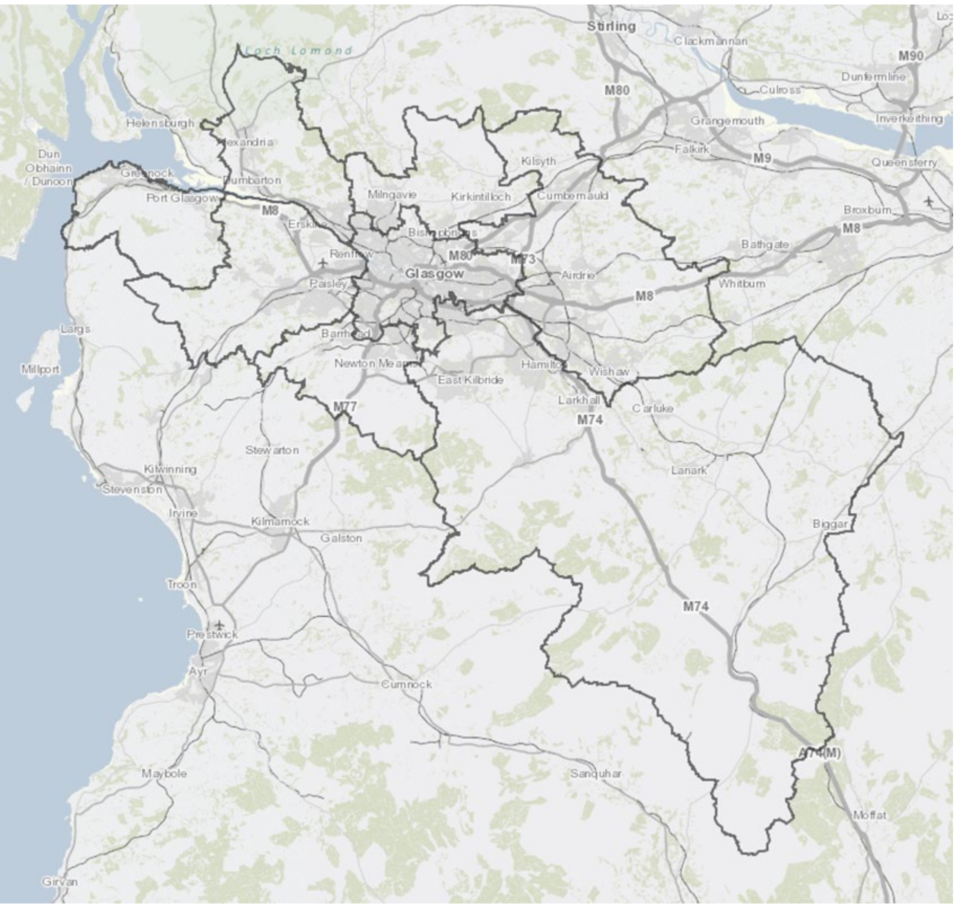
01
INTRODUCTION

1.1 Ryden was appointed by the Glasgow City Region Programme Management Office to undertake a study of the supply and condition of commercial and industrial buildings and land in Glasgow City Region (the Region). This work includes five separate study outputs[1].

1.2 This report covers Output A2 which is a study of the market for employment land and property in the Region. Employment land and property are Use Classes 4, 5 and 6. The report will inform the Evidence Report requirements for Local Development Plans (LDPs) within the Region as well as the future Regional Spatial Strategy.

1.3 The Region is Scotland's only metropolitan area. It is home to one third of Scotland's population and generates one third of its economic output. It comprises the 8 local authorities (Figure 1) of East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire Councils. The region has a long history of strategic planning collaboration, including the Strategic Development Plan approved in 2017. Following changes in planning legislation, a new Regional Spatial Planning Sub-committee has been established to oversee the development of the Regional Spatial Strategy.

FIGURE 1 – THE GLASGOW CITY REGION



Source: Clydeplan

1.4 This reports covers the regional employment land and property markets. It also provides summary reviews of the local authority area markets, consistent with the overall regional report. It explores whether the areas'

[1] The other workstreams are retail (A1), City Deal projects (B), property energy efficiency (C) and vacant & derelict land (D).

employment land and property is fit-for-purpose to meet anticipated market needs over the next 10 years (2025-2034 inclusive).

1.5 The report sections presented in this main regional report cover:

- National and regional policy and strategy (Section 2)
- The regional economy – *section provided by sub-consultants BiGGAR Economics* (Section 3)
- The industrial property market (Section 4)
- The office property market (Section 5)
- Employment land (Section 6)
- Consultations undertaken to inform the study (Section 7)
- Summary and market needs (Section 8)

Appended to the main regional report are eight reports covering each local authority area:

A: East Dunbartonshire

B: East Renfrewshire

C: Glasgow City

D: Inverclyde

E: North Lanarkshire

F: Renfrewshire

G: South Lanarkshire

H: West Dunbartonshire

The list of consultees is provided at Appendix I and the *paper apart* provides a concise summary of property market intervention in Scotland and the Glasgow City Region, which is relevant to the analysis of market needs in this report

02

POLICY AND STRATEGY

INTRODUCTION

2.1 This section considers the regional planning background, current planning and economic policy as well as an overview of funding sources applicable to the Glasgow City Region.

PLANNING BACKGROUND

2.2 Following the abolition of Strathclyde Region in 1996, the **Glasgow and Clyde Valley Joint Structure Plan** *(2000 and later alterations)* was prepared to cover the eight local authority areas which now make up the Glasgow City Region. The Plan aimed to increase economic development including accommodating growth in locations with the potential to be closely integrated into the public transport system, the network of town centres and areas of employment need. Planning for employment land sought to improve attractiveness for investment around a framework of development opportunities for new and expanding businesses. Employment uses were included at the identified regional spatial priorities of Glasgow City Centre, Clyde Gateway, Clyde Waterfront and Ravenscraig. A network of Strategic Economic Locations consisted of Strategic Business Centres (SBCs), Strategic Industry and Business Locations (SIBLs); Core Economic Development Areas (CEDAs) and Safeguarded High Amenity Locations (SHALs). The Structure Plan sought the maintenance of a minimum 10-year potentially marketable and serviceable land supply of the quality and quantity to support economic growth and productivity.

2.3 The Structure Plan was superseded by the **Strategic Development Plan for the Glasgow and the Clyde Valley Area** *(2012).* The Plan's vision sought a re-balanced economy and a move towards a low carbon economy by 2035, and a continuation of key spatial elements from the Structure Plan, but in a more difficult, post-Global Financial Crash economic context. **Background Report 05: Strategic Economic Locations** *(June 2011)* identifies a mean employment land take-up of 58.2 hectares 2000-09. Up to 80% of all marketable land was concentrated in SIBLs and CEDAs. Marketable employment land equated to 16.6 years' supply. Twenty Strategic Economic Investment Locations (SEILs) plus 5 freight hubs were identified.

2.4 The replacement **Clydeplan Strategic Development Plan** *(2017)* was supported by **Background Report January 2016 Strategic Economic Investment Locations.** An increase to 22 SEILs and 7 freight hubs was included. Glasgow City Centre was recognised as the primary regional SEIL due to its dominant roles and embedded employment, education and cultural assets and sustainable transport. The city centre cluster extended out to the Hydro/SECC and Pacific Quay for creative industries and the visitor economy. An emerging life sciences cluster was noted east of Glasgow at BioCity (Newhouse) and in the western city at the new Queen Elizabeth University Hospital, and a general science location at West of Scotland Science Park. The Glasgow Airport Investment area cluster included a number of strategic employment locations and sites. Specific SEILs were also identified at Clyde Gateway, Clydebank Riverside, Eurocentral, Gartcosh, Hamilton International Technology Park, Inverclyde Waterfront, Hillington/ Renfrew North, Lomondgate, Peel Park North, Poniel, Ravenscraig and Robroyston. To a large degree these locations are still relevant seven years on, although some have seen significant land taken-up in the interim period (see Section 6 and local market area appendices).

2.5 Employment forecasts undertaken by Oxford Economics at the time for the 2017 SDP showed strong regional jobs gains 1998-2008 followed by severe losses 2008-13, partial recovery 2013-23 then, notably for this report, 29,600 net new jobs (equivalent to around 0.2% pa.) 2023-38. Employment growth post-2023 forecast at the time was anticipated in: human health and social work; construction and real estate; professional, scientific and technical; and administrative and support activities. While business services were forecast to grow, financial services were not. Manufacturing employment was forecast to continue to fall. The drivers of employment growth were expected to remain "city-centric" due to the mix of knowledge–based activities and their inter-relations. Employment land take-up for 2013/14 was 52 ha.

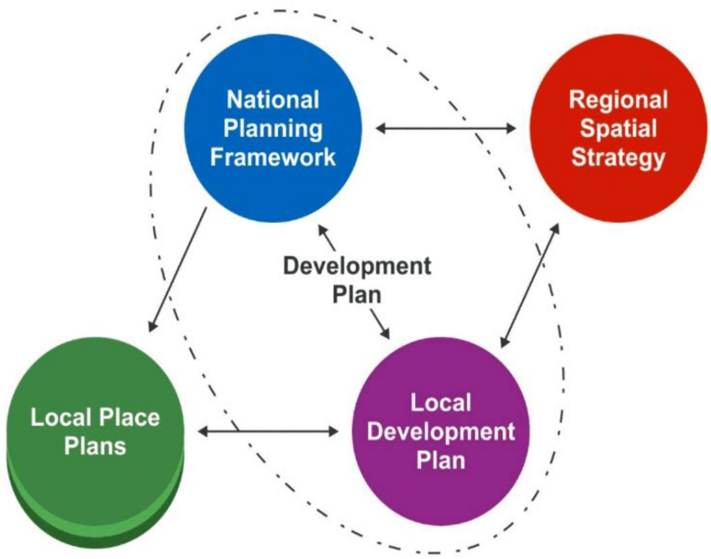
PLANNING REFORM

2.6 Planning in Scotland is currently going through a period of reform following the appointment of an independent panel in 2015 who conducted a review of Scotland's planning system. The panel concluded that for the potential of planning to be realised, a strong commitment to change practices, culture, and to re-focus the profession's improvement agenda would be required. The review identified 6 key outcomes to guide this planning reform: strong and flexible development plans; the delivery of more high quality homes; an infrastructure first approach to planning and development; efficient and transparent development management; stronger leadership, smarter resourcing and sharing of skills and; collaboration rather than conflict – inclusion and empowerment.

2.7 In June 2019, the Planning (Scotland) Act 2019 was passed which sets the future structure of the modernised planning system. Implementation of the Act runs alongside other planning reform workstreams, including: National Planning Framework 4 (NPF4); review of permitted development rights; digital transformation of planning and; the promotion of place.

2.8 NPF4 is the national spatial strategy for Scotland and on 13 February 2023 it was adopted by Scottish Ministers. The statutory development plan for any given area of Scotland now consists of the National Planning Framework and the relevant Local Development Plan(s) (LDPs). Strategic Development Plans will be replaced with Regional Spatial Strategies (RSS) however unlike its predecessor it will not form part of the statutory Development Plan system. Local Place Plans are community-led plans setting out proposals for the development and use of land and have a role to play in informing LDPs however they are also not a part of the statutory Development Plan. A summary of the new statutory development plan and its related plans is shown in Figure 2.

FIGURE 2: STATUTORY DEVELOPMENT PLAN AND RELATED PLANS



Source: Scottish Government

NATIONAL PLANNING FRAMEWORK 4

2.9 Scotland's fourth National Planning Framework (NPF4) provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level.

2.10 NPF4 is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation. Through the Planning Framework, these principles are applied to achieve:

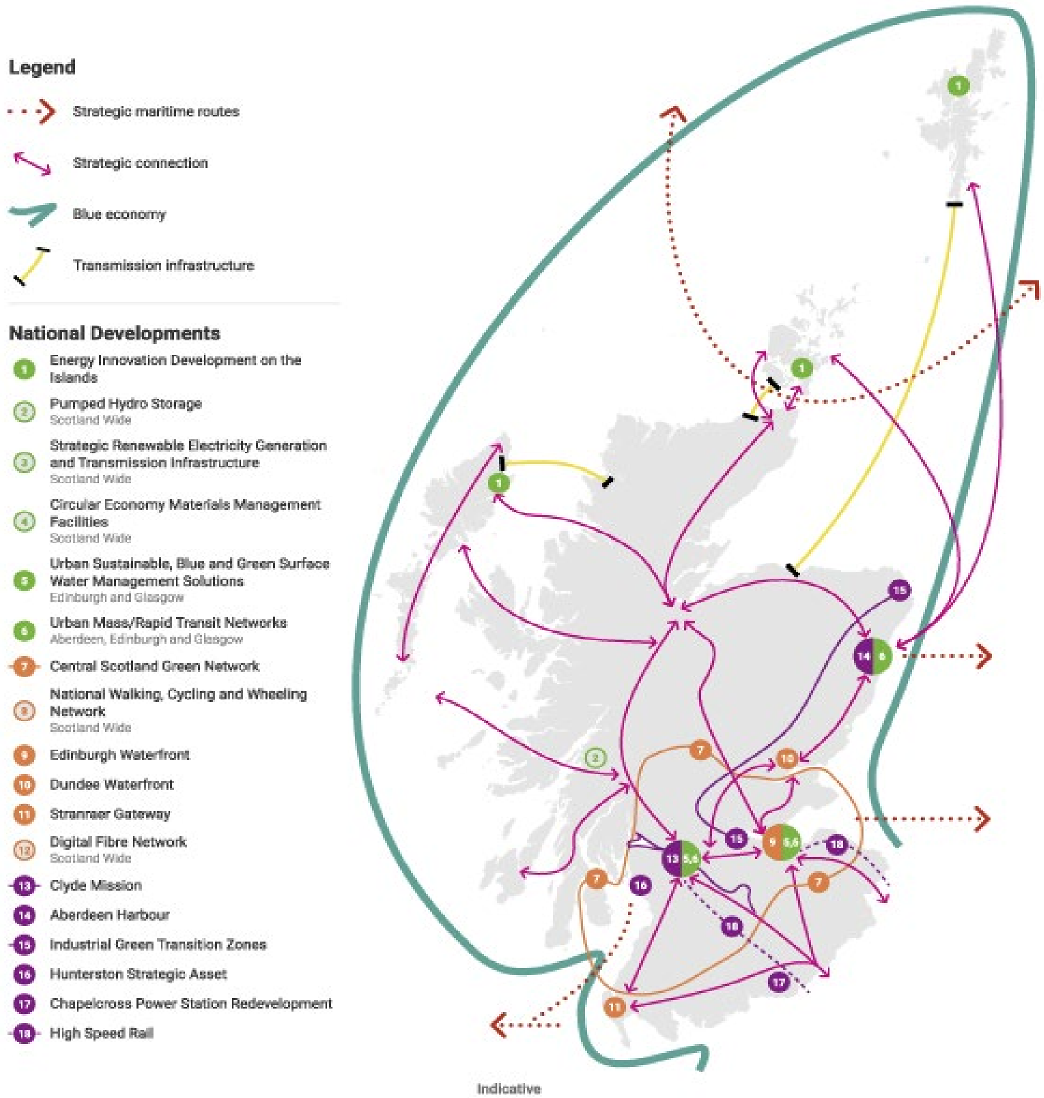
- Sustainable places, with reduced emissions, restored and better-connected biodiversity;
- Liveable places, capable of supporting better and healthier lives; and
- Productive places, supporting a greener, fairer and more inclusive wellbeing economy.

2.11 Eighteen national developments support the strategy, including single large scale projects and networks of several smaller scale proposals that are collectively nationally significant. These national developments will be a focus for delivery, as well as exemplars of the Place Principle, placemaking and a Community Wealth

Building approach to economic development. It is a requirement of RSSs and LDPs to identify and support national developments which are relevant to their areas.

2.12 The National Spatial Strategy is shown in Figure 3 alongside the 18 national developments.

FIGURE 3: NPF4 NATIONAL SPATIAL STRATEGY



Source: NPF4

2.13 For the purposes of delivery, the Glasgow City Region falls into NPF4's Central area. The focus for this area is a strategy that focuses on climate change and responds to the challenges of the pandemic to drive forward change to tackle inequalities and build a new, greener, future for this part of the country.

2.14 By guiding RSS and LDPs in the Central area, NPF4 aims to:

- Provide net zero energy solutions including extended heat networks and improved energy efficiency, together with urban greening and improved low carbon transport.
- Pioneer low carbon, resilient urban living by rolling out networks of 20 minute neighbourhoods, future proofing city and town centres, accelerating urban greening, investing in net zero homes, and managing development on the edge of settlements.
- Target economic investment and build community wealth to overcome disadvantage and support a greener wellbeing economy. The following national developments will also support delivery of the spatial strategy for this area:

2.15 Clyde Mission is a place-based national development which seeks to make the River Clyde an engine of economic success for Glasgow, the City Region and Scotland. It stretches from South Lanarkshire in the east to Inverclyde (and Argyll and Bute) in the west and focuses on an area up to c. 500m from the river edge. This footprint includes parts of Clyde Gateway, River Clyde Waterfront, North Clyde Riverbank and the River Clyde Corridor frameworks, and Glasgow Riverside Innovation District. It is considered that the land assets in this area are under-utilised and that redevelopment will bring investment to the area and re-use brownfield land in west central Scotland to improve quality of place, generate employment and support disadvantaged communities. It will also support adaptation to climate risks. Since its inception, project activity has been supported by more than £40 million from the Scottish Government.

2.16 Urban Mass/Rapid Transit Networks is a further national development which supports low carbon projects for Aberdeen, Edinburgh and Glasgow. As such, NPF4 supports the Glasgow Metro project which will support placemaking and deliver transport equity across the densely populated area thereby improving access to employment and supporting sustainable investment in the longer term.

2.17 The Region will also be expected to contribute to other Scotland wide national developments including pumped hydro storage, strategic renewable electricity generation and transmission infrastructure, circular economy materials management facilities, Central Scotland green network and the national walking, wheeling and cycling network. Urban Sustainable, Blue and Green Surface Water Management Solutions are also applicable to Glasgow.

2.18 With regard to specific policies associated with employment, the business and industry policy (policy 26) states that LDPs should allocate sufficient land for business and industry, taking into account business and industry land audits, in particular ensuring that there is a suitable range of sites that meet current market demand, location, size and quality in terms of accessibility and services. This allocation should take account of local economic strategies and support broader objectives of delivering a low carbon and net zero economic recovery, and a fairer and more inclusive wellbeing economy. The policy detail includes acknowledgement of home working, live-work units and micro-businesses which will be supported where it is demonstrated that the scale and nature of the proposed business and building will be compatible with the surrounding area.

2.19 Local living and 20 minute neighbourhoods are referred to in Policy 15 in order to encourage the application of the Place Principle and create connected and compact neighbourhoods where people can meet the majority of their daily needs within a reasonable walking distance of their homes, preferably by walking, wheeling or cycling or using sustainable transport options. Local access to employment is part of this concept.

2.20 In addition, Policy 27 covering city, town, local and commercial centres applies the ‘town centre first’ approach and seeks to increase the mix of uses and encourage town centre living. This could include the provision of or conversion to offices/retail in town centres.

2.21 With regard to rural development Policy 29 seeks to encourage rural economic activity, innovation and diversification whilst ensuring the distinctive character of rural areas is safeguarded and enhanced.

2.22 The planning principles and their application intersect with the goals of Glasgow City Region, ensuring coherence and collaboration between local and national planning efforts to support sustainable growth and address key challenges. In particular, a fit-for-purpose stock of commercial and industrial employment land in the region will be crucial towards supporting the NPF4’s priority around productive places.

REGIONAL SPATIAL STRATEGY

2.23 As noted, the Planning (Scotland) Act 2019 introduced a new duty requiring local authorities to prepare a RSS. The RSS is a long-term spatial strategy for the strategic development of an area. Although not part of the statutory development plan, the RSS will have an important role to play in informing future versions of the NPF and LDPs. RSSs will enable planning authorities to work together with others to guide future long-term strategic development and use of land in the long-term public interest. They can provide a place-based strategy that guides future development across an area. Key aspects could include identification of networks of regionally significant centres, and ensuring the spatial strategy identifies and responds to nationally and regionally recognised natural and historic areas and assets.

2.24 The eight local authorities in the region have agreed to work together with the GCR Place team to develop the RSS through the new Regional Spatial Planning Sub-Committee.

LOCAL DEVELOPMENT PLANS

2.25 Planning authorities must prepare an LDP for their area at intervals of no more than 10 years. This shows how local places will change into the future, including where development should and should not happen. It should take into account NPF4 and any registered Local Place Plans for the area. It should also have regard to its adopted RSS and is part of the statutory development plan.

2.26 Eight separate LDPs operate within the GCR and each is at various stages in terms of its update in order to take account of NPF4. Local development planning guidance was published by the Scottish Government in May 2023 which provides greater detail around the implementation the policies contained within NPF4. The considerations with regard to business and industry are that:

- Business and Industry Land Audits can monitor the location, size, planning status, existing use, neighbouring land uses and any significant land use issues (e.g. underused, vacant, derelict) of sites within the existing business and industry land supply.
- Identifying the principle economic characteristics of the area is likely to require use of the up-to-date market intelligence and demand forecasting that also informs local economic strategies.
- The Evidence Report may refer to analysis of employment need, local poverty, disadvantage and inequality, to identify where future business and industry development may provide most benefit.

ECONOMIC POLICY

LEVELLING UP

2.27 In early 2022, the previous UK Government published its Levelling Up strategy which acknowledged inequalities between parts of the UK and established a set of missions to address these. The objective was to allow everyone the same opportunities in regard to health, education, work, and life chances no matter which part of the UK they live in. A common theme across several of these missions was the need to create more 'high quality' jobs outside London. To achieve this the strategy recognised a need to attract business investment to other parts of the UK.

2.28 As part of the levelling up agenda, the previous UK Government invested almost £5 billion in infrastructure through the Levelling Up Fund. The aims of this fund were to support the regeneration of town centres and high streets, upgrade local transport, and invest in cultural and heritage assets. By helping to make areas more attractive to businesses the Levelling Up Fund was intended to lead to the creation of new employment opportunities, some of which would require employment land. The Glasgow City Region received a number of awards (see Table 1 on page 13). Following the change of UK Government, as a result of the July 2024 general election, more details are awaited in terms of what mechanism(s) will replace Levelling Up.

NATIONAL STRATEGY FOR ECONOMIC TRANSFORMATION (NSET)

2.29 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the NSET sets out a 10-year vision for Scotland to be a wellbeing economy – a society where economic, social, and environmental decisions deliver prosperity for Scotland.

2.30 The strategy outlines five new policy programmes of action (and a sixth priority centred around delivery) for working collaboratively across government, public sector, business, trade unions, third sector and social enterprises. These include:

- Entrepreneurial people and culture: establishing, encouraging, and promoting entrepreneurial activity in every sector of the economy;
- New market opportunities: generating new, well-paid jobs in emerging industries, including from a just transition to net zero;
- Productive business and region: making Scotland's businesses, industries, regions, communities, and public services more productive and innovative;
- Skilled workforce: ensuring people have the right skills and businesses invest in a skilled workforce; and
- A fairer and more equal society: reorient the economy towards wellbeing and fair work, reduce structural poverty and improve health, cultural and social outcomes for disadvantaged families and communities.

2.31 The strategy's aims for increased entrepreneurship, a focus on emerging and green sectors, skills and productivity are all likely to influence the demand for business spaces.

REGIONAL ECONOMIC STRATEGY

2.32 Launched in December 2021, the Regional Economic Strategy (RES) was developed in partnership with the eight local authorities in the Glasgow City Region and the Scottish and UK Governments. The RES accounts for the existing context of the climate emergency, recovery from COVID-19, Brexit, AI, and demographic shifts. In doing so, it identifies three Grand Challenges:

- Addressing the climate emergency;
- Creating a more inclusive economy; and
- Tackling the issue of low productivity.

2.33 By 2030 the vision for Glasgow City Region is to be the most innovative, inclusive, and resilient economy in the UK. This will be realised through prioritisation and detailed plans, innovative delivery approaches, community wealth building and work with investors. A total of 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Future Skills Programme, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

2.34 It is expected the economic activity supported by these work programmes will affect demand for employment land and property in the region over the next 20 years. It will also open up land for to allow for development for employment purposes.

RES ACTION PLAN

2.35 Following on from the Regional Economic Strategy (RES), the RES Action Plan was launched in August 2022. This Action Plan accounted for the rapidly changing socio-economic and environmental landscape since the publication of the RES the preceding year.

2.36 While the RES accounted for the COVID-19 pandemic as the main influencing factor in the economy, the Action Plan considers the macroeconomic factors leading to the cost-of-living crisis. Analysis supporting the Action Plan finds the Glasgow City Region continues to experience high levels of economic inactivity and a gap in labour market participation by its residents. This is identified as being a result of long-term sickness and a lack of skills. Additionally, in the last five years there has been a reduction in net migration to the region. These factors, compounded by limited levels of available labour and skills under-utilisation, have led to low levels of productivity in the region.

2.37 A list of 12 projects were approved following on from the RES, the creation of Innovation Districts and development of the Clyde Green Freeport Bid (ultimately unsuccessful) which focused on supporting the attraction of private sector/follow-on investment to sites around the existing innovation districts in Glasgow, Renfrewshire and North Lanarkshire.

2.38 Among these, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. This project will have implications for employment land.

2.39 Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan. Given the Region has some of the largest levels of vacant and derelict land in Scotland, often closest to some of its most deprived communities, this intervention could improve wellbeing and productivity. Collaboration and strategic investment between local communities and the private sector to find new uses for these underutilised assets is identified as a future action. Any decisions on the re-use of vacant and derelict sites is expected to interact with developments in demand for employment land. Output D of this study will support a business case for the reuse of vacant and derelict sites across the Region.

GLASGOW CITY REGION DEAL

2.40 The Glasgow City Region Deal was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to:

- Improve public transport and the transport network across Glasgow and the Clyde Valley; and
- Unlock key development and regeneration sites across the City Region.

2.41 The City Deal is built around supporting the long-term vision for the regional economy by: improving infrastructure; supporting business innovation for entrepreneurs and small and medium enterprises; expanding research and development in life sciences; tackling unemployment; and supporting young and vulnerable residents. Through these activities, it was estimated the programme could support over 75,000 jobs and generate £4.4 billion in Gross Value Added (GVA) over a 20-year period.

2.42 Community benefits are also a key element in maximising the social, economic, and environmental benefits of the City Deal. Since its launch in June 2021, the Sustainable Procurement Strategy has been a key driver in securing these wider benefits.

2.43 By unlocking key development and regeneration sites, the Glasgow City Region Deal is expected to support the region's economic development and increase the supply of commercial and industrial land. Specific projects will unlock or support employment land are in Section 7. Furthermore, the economic activity supported by the Deal will have temporary and long-term effects on sectoral employment, which, in turn, will affect land uses.

GLASGOW CITY REGION INVESTMENT ZONE

2.44 In June 2023, Glasgow City Region was announced as one of two new Investment Zones in Scotland following a joint selection process by the UK and Scottish Governments. The Investment Zone is supported by an overall funding envelope of up to £160 million[2] in targeted investment, tax reliefs and other incentives over five years.

2.45 In January 2024, an open call was launched for project funding bids from eligible businesses. To be eligible

[2] In June, the Investment Zones were announced with £80 million funding. This was increased to £160 million support in the Chancellor's Autumn Statement in November 2023.

to bid for funding through the open call, businesses must fall within three key sectors: Life Sciences; Advanced Manufacturing and Precision Engineering; Digital and Enabling Technologies. It is estimated that there are around 500 businesses in these sectors within the Region's eight council areas.

2.46 The closing date for bids was 31 March 2024 and bids are currently being reviewed and assessed. The final phase will involve the Region's formal proposal, including the package of projects, for consideration and approval by the UK and Scottish Governments.

FUNDING RAG

2.47 Public sector intervention in the property market is often required in areas where market failure exists, in order to support economic development. Market failure is common in Scotland outside of city centres and strategic transport corridors. Public sector intervention has moved from large scale development in the 20th Century to selective support for target locations and sectors, aligned to economic strategies.

2.48 Most notably, in recent years the landscape and the funds available have altered as a result of Brexit and the Covid-19 pandemic. Britain's exit from the European Union in January 2020 means it cannot participate in the next round of European Union Structural Funds for which the Scottish Government was the managing authority. This has affected funds such as SPRUCE and LEADER with SPRUCE in particular being a previously important funding source for the refurbishment or conversion of employment space. In its commitment to fully replacing European funding levels, the UK Government has introduced several new funding streams as part of its Levelling Up agenda which are applicable to the whole of the UK. This means that the UK Government is now more actively involved in economic development in Scotland than was the case previously. There are also new area-based approaches emerging via the Green Freeports and Investment Zones.

2.49 The policy landscape has also moved on. In Scotland, in addition to enabling economic activity there is an increased focus on net zero and other agendas including a greater focus on place, CWB and natural capital which has resulted in a number of funders reviewing their objectives and re-casting funding programmes. The recovery from the pandemic has also had an impact on funding streams.

2.50 Ryden has placed the key funding sources into a RAG (Red, Amber, Green) summary shown at Table 1 on the next page:

- Red indicates that it is unlikely that the GCR (or its constituent local authorities) could attract this funding
- Amber indicates that there is some potential although there may be constraints
- Green indicates that it is eligible and could pursue this funding source

2.51 This is primarily based on current eligibility and whether a partnering arrangement would be required, but some of the funds are time limited so this is also considered where relevant. Of further note there are some Scottish Government funds which are currently suspended and the uncertainty around these funds is noted in the table.

2.52 The Region has benefitted from a number of these funds to date and is adept at managing the 'cocktail' of funding sources and applications required to bring employment land and property projects to fruition. However, funding streams are not exclusively available for employment land and property and therefore there is a requirement to prioritise a wide range of potentially applicable projects within the Region.

2.53 The purpose of the RAG is to help summarise the various funding sources available and how they could be prioritised against the market needs identified in this report.

TABLE 1: EMPLOYMENT LAND AND PROPERTY-RELATED FUNDING SOURCES

RAG	FUNDING SOURCE	SUMMARY
	UK Government's Levelling Up Fund	Does not specifically target employment land however it does support regeneration, local transport upgrades and invest in cultural and heritage assets. £800m ring-fenced for Scotland. Relevant awards to date include £38.7m for Renfrewshire Council to improve travel links between the Advanced Manufacturing Innovation District (AMIDS), the towns or Paisley, Renfrew and the wider local authority and £14.6m for Clyde Gateway to decontaminate Shawfield and create a new business district.
	UK Government's Shared Prosperity Fund	All areas of the UK receive a share via a funding formula rather than a competition. Supporting local businesses is one of the investment priorities. The GCR will receive £61.1m in core UK Shared Prosperity Funding distributed amongst the member authorities of which the GCR Investment Plan proposes that 24% is spent on supporting local businesses. Specifically, in Glasgow City, monies will be provided to strengthen early stage tech businesses with grants for accommodation and in South Lanarkshire funding will be used to upgrade industrial units and business premises to aid the transition to net zero.
	Scottish Government Place Based Investment Programme	This fund aims to support community-led regeneration, town centres and 20 minute neighbourhoods. A number of local authorities in the GCR are using this funding to operate their own grant programmes available to local communities, businesses and organisations. Eligible activities include bringing land and buildings back into effective use, encouraging economic development and providing employment.
	Scottish Government Vacant and Derelict Land Fund	Aims to tackle the presence of long term (15 years +) vacant and derelict land in Scotland. GCR contains 3/5 eligible local authorities: Glasgow City, North Lanarkshire and South Lanarkshire. The Fund has been used to good effect by Fusion Assets (North Lanarkshire Council's property development and regeneration company) who have used monies to remediate land which they have then been able to develop for employment purposes. This includes Link Park, Newhouse and Gartcosh Industrial Park.
	Growth/City Deals	The GCR City Deal will fund major infrastructure projects, create jobs, improve public transport and connectivity and drive business innovation and growth. The Deal includes a 20-year £1.13bn Infrastructure Fund which will enable employment land and property. Examples include West Dunbartonshire Council's proposals to create a major industrial and commercial development in Bowling on the site of the former ExxonMobil terminal, East Renfrewshire's development of flexible workspace at Greenlaw Works and construction of new commercial units at Crossmill Business Park, Barrhead and the preparation of a 17-acre former factory site for business opportunities.
	Investment Zones	Announced in June 2023, the £160 million GCR Investment Zone is focused around the Region's research institutions with a focus on driving growth in priority sectors which have been agreed as life sciences, advanced manufacturing and precision engineering, digital and enabling technologies and services. The Investment Zone will be a programme of interlinked projects and an open call for eligible applications from businesses and organisations took place between January – March 2024. A strategic assessment of these applications is now taking place and the shortlisted projects will be announced in due course. Funding will include targeted investment, tax reliefs and other incentives over 5 years.
	Enterprise Agencies (Scottish Enterprise)	Scottish Enterprise has a number of significant employment property assets in the GCR including at Broomielaw. More recently SE has become more active in property again and has recently launched its HVM property challenge fund to create accommodation/land for this sector as well as strategic land acquisitions. SE is also working in partnership with local authorities, universities and Clyde Gateway.
	Clyde Gateway URC	Clyde Gateway is a partnership between South Lanarkshire Council, Glasgow City Council and Scottish Enterprise with financial backing from the Scottish Government. The urban regeneration company has been operating since 2008 and seeks to drive inward investment and improvements in the area. Operating within a defined geography, Clyde Gateway has enabled a number of employment sites including EastWorks, Red Tree Business Suites, Clyde Gateway East and Rutherglen Links and since 2012 has developed 500,000 sq.ft. of industrial and 460,000 sq.ft. of office space. It has significant land and property in the pipeline for future development including Shawfield. Clyde Gateway has a 20-year lifespan and will therefore conclude in 2028. Following budgetary pressures its capital budget has been reduced for the financial year 2024/25.
	Joint Ventures/partnerships with the public and private sector	There are a number of instances of JVs being set up across Scotland to enable property development for specific sectors or sites. This is a model which has been used by Enterprise Agencies as well as a number of local authorities as a way of furthering their employment land and property ambitions. As well as the public sector, JV arrangements can also incorporate universities and the private sector. Examples include: • Fusion Assets Ltd works with private sector partners via JVs for the delivery of property development and land reclamation initiatives, e.g. JV with J Smart & Co in relation to Gartcosh Industrial Park

		• The University of Glasgow, Scottish Enterprise and Glasgow City Council are working together on the Glasgow Riverside Innovation District including the Living Laboratory and Health Innovation Hub (in partnership with Kadans) • Clyde Gateway and Scottish Enterprise are working in partnership to deliver accommodation for high value manufacturing at Clyde Gateway East
	Scottish Government Vacant & Derelict Land Investment Programme	Funding to tackle persistent VDL sites. The Fund is competitive and available to all local authorities and Clyde Gateway URC. Aligns with the Place Based Investment Programme. Awards include funding for Shawfield remediation and district heating works within Clyde Gateway. Other local authorities within GCR have accessed the fund but not to create employment space. Due to budgetary constraints this fund is currently suspended.
	Scottish Government Regeneration Capital Grant Fund	All local authorities and Clyde Gateway URC are eligible however it is competitive and primarily focuses on areas that suffer high levels of deprivation. It supports locally developed place-based regeneration projects. This fund has been utilised by all of the GCR local authorities and specific employment space projects include new workshop space at the Vale of Leven Industrial Estate (West Dunbartonshire Council), restoration of Custom House (Inverclyde Council), construction of new enterprise workspaces at Newhouse (North Lanarkshire Council/Fusion Assets) and Shawfield GRID Campus (Clyde Gateway). Due to budgetary constraints this fund is currently suspended.
	Public Works Loan Board	Available to every local authority for a range of capital projects
	Council capital and portfolio	Councils have access to their own capital and portfolio subject to internal approval/discussions. Drawdowns require to be balanced with other Council priorities.
	Commuted Sums	A number of local authorities in Scotland have a policy within their LDP that where employment land is lost to alternative land uses it is required to be either replaced in an appropriate location or, where this is not possible, a commuted sum payment is often required. The commuted sum is ring-fenced and used only for bringing forward the implementation, or upgrade, of existing and planned employment sites. These policies tend to be used on a limited and discretionary basis where a notable loss has to be compensated for. Employment land loss does happen in the GCR and using commuted sums to compensate for this could be considered within local authorities' next LDPs.
	Green Growth Accelerator	Allows for the delivery of public sector enabling (emissions reducing) infrastructure in order to stimulate private sector investment and the wider economy. Six pilot projects are currently underway. North Lanarkshire Council has a pilot project which focuses on the retrofit of the Watersports Centre at Strathclyde Park, water source heat pump and installation of solar PV canopies. Further roll out of the model could occur and it can be used in connection with employment property. The previous incarnation, Growth Accelerator, was used to support the Dundee Waterfront project which including the provision of employment floorspace.
	Tax Incremental Funding	All pilot projects have been awarded. Focus on infrastructure investment primarily on vacant and derelict land. Potential to use TIF funding for the re-development of Buchanan Galleries which may include some provision of employment space as part of a mixed use development.
	Green Freeports	Opportunity Cromarty Firth and Forth Green Freeport have secured Green Freeport status in Scotland. Given the awarded locations there are unlikely to be supply chain opportunities for the GCR which will result in a demand for land and property.
	Scottish National Investment Bank	Available across Scotland with a focus on green investment, placemaking and innovation. Focus is on SMEs and targets the demand side through organisations and projects rather than direct provision. In order to be eligible Councils would need to partner with private sector. However, the bank operates commercially and therefore likely the Council would achieve better interest rates elsewhere, e.g. PWLB.

SUMMARY

2.54 Planning in Scotland is currently going through a period of reform with the statutory development plan now consisting of the NPF and the relevant LDP. Adopted in February 2023, NPF4 is the national spatial strategy for Scotland and provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. It seeks to create sustainable, liveable and productive places. RSSs are also required to be prepared however these do not form part of the statutory development plan. Eight separate LDPs operate within the GCR and each is at various stages in terms of its update in order to take account of NPF4.

2.55 Post-Brexit, the UK Government has become more directly involved in supporting the Scottish economy via its Levelling Up ambitions. At a Scottish Government level, there is an increased focus on the creation of a wellbeing economy with the provision of business space particularly important not just for the overall economy but also the provision of fair work and business. Scotland needs to improve productivity levels across the country and property is a key factor in enabling businesses to start or scale up. The transition to becoming a net zero economy also offers new market opportunities for Scottish businesses. These themes are echoed by the Regional Economic Strategy.

2.56 Regionally, the Glasgow City Region Deal, the Investment Zone and Clyde Mission offers key opportunities for the area and can help generate positive outcomes for people and businesses over the longer term. A number of the proposed Deal projects have a direct impact on employment land and property.

2.57 Public sector intervention in the property market is often required in areas where market failure exists, in order to support economic development. The Region, and its individual local authorities, have benefitted from a number of external funds to date and many are adept at managing the ‘cocktail’ of funding sources and applications required to bring employment land and property projects to fruition. However, funding streams are not exclusively available for employment land and property and therefore there is a requirement to prioritise a wide range of potentially applicable projects within the Region.

03

REGIONAL ECONOMY

INTRODUCTION

3.1 This section assesses economic and business trends within the Glasgow City Region to inform property market activity and potential. Local economic analysis is included with the area reports in the Appendix.

GLASGOW CITY REGION

3.2 Glasgow City Region has a population of circa 1.85 million, representing around a third of the total population of Scotland. Since 2011, the population has risen by 3% and the region has seen a 1.6% increase in its working age population (those aged 16-64 years old), which now accounts for around 65% of the regional population.

3.3 Over the next twenty years, the number of people living in the region is projected to rise by a further 2.8%, to around 1.89 million people. This growth rate is slightly higher than that expected for Scotland as a whole, indicating that the Region is better placed to attract and retain people of working age, than many other areas of the country. This has implications for employment land as an expansion in the labour force is likely to result in greater demand for business space.

BUSINESS GROWTH AND SURVIVAL RATES

3.4 As of 2023, the Region was home to 49,345 businesses. Based on the definition of business categories, and the purpose of this analysis of Use Classes 4, 5 and 6, the sectors relating to employment land class categories in have been assessed as including:

- Manufacturing (C);
- Construction (F);
- Wholesale (Part G);
- Transport and storage (incl. postal) (H);
- Information and communication (J);
- Financial and insurance (K);
- Professional, scientific, and technical (M); and
- Business administration and support services (N).

Table 2A on the next page shows that the businesses in these sectors total 27,680, which is 56% of all businesses in the Region. For the purpose of this analysis, retail has been excluded and is shown separately.

3.5 Whilst the overall number of businesses in the Region has remained relatively stable over the past few years, the number relating to employment land categories has reduced by 5% since 2019. Between 2015 and 2019, growth across all business types was 10%, and across employment land category types specifically the rate was 13%. This shows a sharp reversal from growth in business numbers to contraction.

TABLE 2A: BUSINESSES BY SECTOR, GLASGOW CITY REGION

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES
Manufacturing (C)	2,690	5%
Construction (F)	6,680	14%
Wholesale (Part G)	1,795	4%
Transport & storage (inc. postal) (H)	2,305	5%
Information & communication (J)	2,705	5%
Financial & insurance (K)	950	2%
Professional, scientific & technical (M)	6,905	14%
Business administration & support services (N)	3,650	7%
Total Business Count	**27,680**	**56%**
Retail (Part G)	*4,885*	*10%*
Total Incl. Retail	**32,565**	**66%**

Source: ONS, UK Business Count

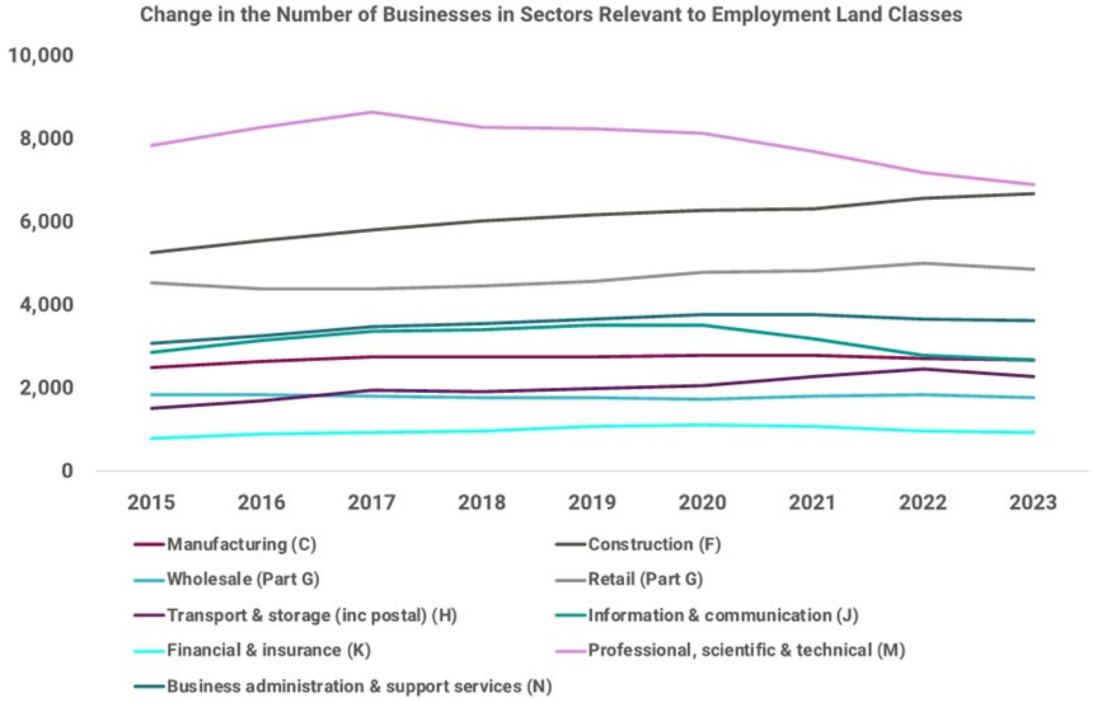
TABLE 2B: BUSINESSES BY SECTOR : CHANGE OVER TIME , GLASGOW CITY REGION

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	2,690	2,520	7%
Construction (F)	6,680	5,285	26%
Wholesale (Part G)	1,795	1,850	-3%
Transport & storage (inc. postal) (H)	2,305	1,540	50%
Information & communication (J)	2,705	2,855	-5%
Financial & insurance (K)	950	815	17%
Professional, scientific & technical (M)	6,905	7,835	-12%
Business administration & support services (N)	3,650	3,100	18%
Total Business Count	**27,680**	**25,800**	**7%**
Retail (Part G)	*4,885*	*4,525*	*8%*
Total Incl. Retail	**32,565**	**30,325**	**7%**

Source: ONS, UK Business Count

3.6 As shown in Table 2B above and on Figure 4 overleaf, the most pronounced decrease in the number of businesses is in relation to those involved in professional, scientific, and technical activities. This sector was experiencing a slight decline prior to 2020 but its decline has been further pronounced since the Covid-19 pandemic. If the reduction in business units in this sector is the result of reduced demand for its services, this could have implications for the level of office space required by this type of businesses.

FIGURE 4: CHANGES IN NUMBERS OF BUSINESSES, GLASGOW CITY REGION



Source: ONS, UK Business Count

3.7 Based on information produced by the ONS on business demography across the UK, businesses in Glasgow City Region have a one-year survival rate of 94.8%. The two-year survival rate is 75.5% and the three-year survival rate is 56.2%. All of these rates are largely in line with the Scottish averages.

BUSINESS SIZE

3.8 The size of a business, in terms of the number of employees it has, influences how much space it is likely to need to operate. Most businesses (87%) in the Region are micro businesses, with up to nine employees. For those businesses which relate to employment land class categories, 71% are micro in size.

3.9 Between 2015 and 2019, the number of micro businesses in the Region increased by 11%. From 2019 to 2023, the number remained stable. However, for those businesses relating to employment land class categories, the number of micro businesses reduced by 6% between 2019 and 2023. On the other hand, the number of small businesses (10 – 49 employees) increased by 3%. This could suggest there has been employment growth in companies across the Region, resulting in several micro businesses becoming small businesses, which could lead to increased demand for physical space to accommodate more employees.

3.10 Large businesses (greater than 250 employees) account for 190 businesses in the Region, 100 of which are in sectors relating to employment land classes. The number of businesses of this size had increased by 11% between 2015 and 2019 and has declined by 4% between 2019 and 2023.

EMPLOYMENT

3.11 As of 2022, approximately 884,000 people were in employment within the Region. Of this total, 44% (390,750) were in sectors relating to employment land class categories. Employment within these sectors varies, with business administration and support service activities being the largest employer (97,000).

3.12 Between 2015 and 2019, employment in sectors relating to employment land increased by 4%. Between 2019 and 2022, employment grew, but at a lower rate (2%). There have been significant variations in the levels of employment experienced across sectors over time, with pre- and post-pandemic trends highlighting changes in the level of labour supply across sectors.

3.13 Table 3 shows sectoral variation over time regarding employment levels. The impact of the pandemic years led to increases in employment in sectors which were previously declining, such as manufacturing, wholesale, and business administration and support activities, and a decline in employment in sectors which had previously been increasing, such as information and communication and finance and insurance. This suggests employment in relevant employment land class sectors is particularly varied and changing. Employment in sectors traditionally associated with office-based locations has declined, whereas those which require larger operating spaces, such as wholesale, have increased. The construction industry continues to be a growing source of employment in GCR.

TABLE 3: CHANGES IN EMPLOYMENT BY SECTOR, GLASGOW CITY REGION

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 – 2022
Manufacturing	-6%	4%
Construction	8%	6%
Wholesale	-26%	5%
Transport & storage	-2%	-2%
Information and communication	36%	-4%
Finance and insurance	4%	-20%
Professional, scientific and technical	22%	11%
Business administration and support activities	3%	5%
Employment Land Class Categories (Total)	**4%**	**2%**
Retail	*-2%*	*-3%*
Total Employment GCR	2%	1%

Source: ONS, Business Register and Employment Survey

PRODUCTIVITY

3.14 Future Regional prosperity depends on the health of its business base. This can be captured by considering Gross Value Added (GVA) as a measure of the level of economic activity. Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of Glasgow City Region in 2023 was around £47,235m, with a GVA per job of £49,700[3]. This level of economic activity represented around 32% of all Scottish output in 2023. GVA varied across the local authority areas within the Region, with Glasgow City accounting for around £23.4 million GVA (16% of Scottish output).

3.15 A breakdown of the GVA per job (a commonly used measure of productivity) for the Region and its constituent local authority areas is shown in Table 4. GVA per job is highest in North Lanarkshire, followed by Glasgow City and West Dunbartonshire. The Region has a lower GVA per job than Scotland as a whole. To increase productivity, GCR is likely to require innovative, high-productivity businesses with the capacity to grow. The provision of suitable business space is likely to underpin this.

[3] Skills Development Scotland. Data Matrix. Available at:
https://app.powerbi.com/view?r=eyJrIjoiMjMxZTRhMGYtZGY2MC00ZDUyLWI1YTAtMjE4ZDdlMGMzMmJlIiwidCI6IjMzY2E2ZDQ3LTVlNGYtNDc3NC04NGYxLTY5NmNiYjUwOGNiZSIsImMiOjh9

TABLE 4: GVA PER JOB, GLASGOW CITY REGION AND LOCAL AUTHORITY AREAS

GVA PER JOB	2023 ESTIMATE
East Dunbartonshire	£44,200
East Renfrewshire	£42,800
Glasgow City	£50,900
Inverclyde	£40,100
North Lanarkshire	£53,000
Renfrewshire	£46,900
South Lanarkshire	£48,400
West Dunbartonshire	£50,700
Glasgow City Region	**£49,700**
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

FUTURE PROJECTIONS/MACRO TRENDS

3.16 Whilst the recent economic data provide an indication of how activity across sectors relating to employment land, and regional productivity, have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

3.17 The most recent Future of Jobs report published by the World Economic Forum[4] indicates the macro trends that are likely to have the most impact on the workplace and employment over coming years are:

- Increased adoption of technology and digital transformations of organisations;
- Rising cost of living and slow economic growth;
- Investments in the green transition;
- Supply chain shortages; and
- The rise of local supply chains.

3.18 Additionally, the rise of hybrid working has changed the requirements for office spaces. These are adapting to provide amenities and technology with workers do not have at home, to encourage office attendance. The impacts of hybrid working on the city centre and regional office markets are considered in Section 5.

3.19 The World Economic Forum found that more than 75% of companies surveyed are looking to adopt more technology in coming years, as well as increasing their use of e-commerce and digital trade. In terms of employment land, this indicates that connectivity is likely to be a key feature in the attractiveness of suitable locations for businesses to operate from. Additionally, the impact of technology on jobs is expected to be net positive, therefore increased jobs requirements could impact the demand for employment land.

3.20 The threat of AI technology on jobs that are susceptible to automation, such as retail/warehousing and administration roles, is still an unknown. The World Economic Forum report finds that businesses are introducing automation at a slower pace than expected and that most new job roles in coming years will be in sectors related to AI and renewable energy. Additionally, the adoption of robots and power storage was ranked lower on the list of priorities for companies. Therefore, traditional operating spaces and features are likely to still be required in the near future, such as those supporting warehousing activity and employment, which has increased in the Region over recent years.

3.21 Forecasts produced by Oxford Economics for SDS estimate that employment in the Glasgow City Region will increase by 2.4% over the next three years, and then by 1.8% up to 2033. The population of GCR is expected to increase by 2.8% over the next 20 years. This is higher than the employment growth rate expected across Scotland as a whole, suggesting that the Region is attracting more businesses and

[4] World Economic Forum (2023), The future of Jobs Report 2023, available at: https://www.weforum.org/publications/the-future-of-jobs-report-2023/digest/

employees to relocate. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 3% by 2026, equivalent to an additional 11,700 workers. Employment growth is expected across each relevant industry apart from manufacturing, which is expected to see a decline in the number of workers between 2023 and 2026. While employment in administrative occupations is expected to remain the largest source of occupation for workers in GCR over the next decade, the total number employed in this sector is expected to decline by around 1,000 workers.

SUMMARY

3.22 Over half of businesses located in the Glasgow City Region are in industries relating to employment land classes. Prior to the pandemic, the number of businesses had been increasing, however, collectively, there has been a decline in businesses within these industries over recent years. Trends vary between industries and suggest that demand for retail space (not part of this study) is growing in the Region whilst that for industries that would typically require office space is declining.

3.23 In contrast, over the same period there has been an increase in the number of people employed in the GCR. In 2022, approximately 884,000 people were employed within GCR. Of this total, 44% (390,750) were in sectors relating to employment land class categories. Between 2015 and 2019, employment in these sectors increased by 4%. Between 2019 and 2022, the rate of growth slowed to 2%.

3.24 The fact that the number of people employed has increased while the number of businesses has declined suggests there may have been a change in the size of businesses may have changed over this period. This is confirmed by the data, which shows that there has been a slight decline in micro businesses. This is likely to result in demand for larger spaces to accommodate more staff. The Region accounts for a significant share of Scotland’s output and requires continuous business activity and innovation to retain and grow productivity levels.

3.25 The requirements for the type of space that businesses are looking for is changing, with demand requirements for spaces that have strong internet connections and facilitate AI technology. Ensuring that these facilities are available within the region will be important for growing the regional economy and supporting local employment.

04

INDUSTRIAL PROPERTY

INTRODUCTION

4.1 This section of the report assesses the Glasgow City Region's industrial property market. Beginning with the total stock of all occupied and vacant property, it then analyses the supply and take-up, demand trends and development including viability and market failure. Further market breakdowns and commentaries for individual local authority areas are included in the Appendix.

4.2 West Central Scotland's industrial property market is performing well. Occupancy rates are high and decent properties in established market locations are sought-after. While distribution users continue to be important, the occupier profile has been widening. Economic changes favouring the industrial market include modernisation, online shopping and shorter supply chains. Despite this occupier demand, new industrial development has slowed due to higher costs and weaker investment, at a time when more occupiers are demanding energy efficient, modern premises and the existing stock is beginning to age.

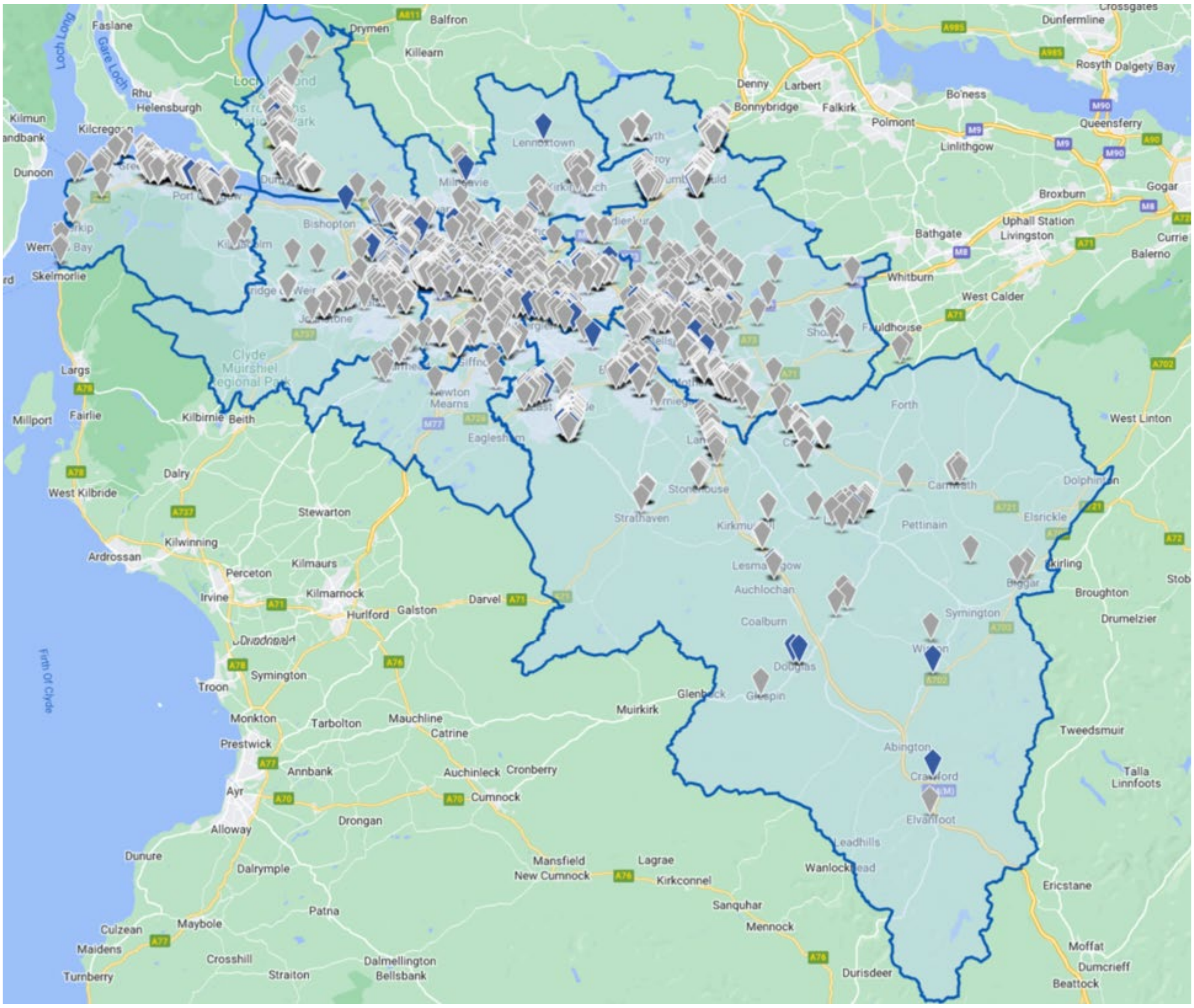
INDUSTRIAL PROPERTY STOCK

4.3 The total stock of industrial property across the Glasgow City Region is 106 million sq.ft. (9.85 million sq.m.). While employment densities vary, a mix of industrial, manufacturing and storage/distribution space on this scale could accommodate around 200,000 jobs. Figure 5 overleaf illustrates the distribution of this industrial floorspace across the Region; grey pins show occupied properties while blue pins show vacant property.

4.4 The industrial property stock shown on Figure 5 on the next page correlates with areas of population and employment, as would be expected. The stock also shows some alignment with the River Clyde, and at a more localised level with the motorway and trunk road network. Improvements to the motorway network around Glasgow in recent years have supported industrial market activity. Particular clusters are evident in Cumbernauld and East Kilbride, as former New Towns where large volumes of industrial space were built.

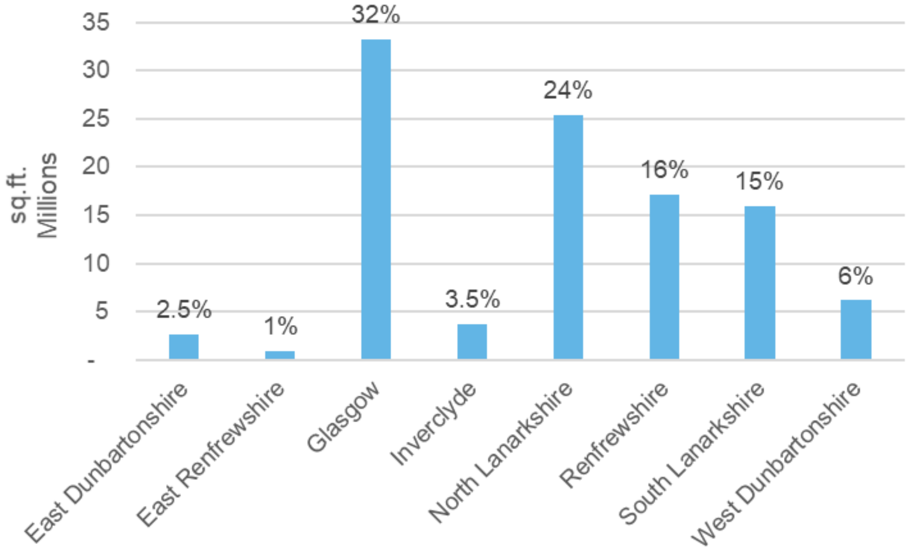
4.5 Figure 6 overleaf shows the distribution of this stock by local authority area. The stock concentration is evident here, with four areas - Glasgow, North and South Lanarkshire and Renfrewshire - accounting for 87% of the Region's industrial floorspace. Glasgow City plus the largest towns such as Paisley and East Kilbride and Cumbernauld contain a large proportion of the stock. In recent market cycles there have been concentrations of market activity, often distribution-led which are less focused on towns than around primarily the eastern M8 motorway (new-build) and also the west M8 (new-build and refurbishment). East and West Dunbartonshire, Inverclyde and East Renfrewshire each contains between 1% and 6% of the regional industrial stock. Stock mapping and analysis for each local authority is included in the Appendix.

FIGURE 5: REGIONAL DISTRIBUTION OF INDUSTRIAL PROPERTY



Source: Ryden/ CoStar
The grey markers indicate industrial unit(s), blue markers indicate availability

FIGURE 6: REGIONAL INDUSTRIAL STOCK BY LOCAL AUTHORITY AREA

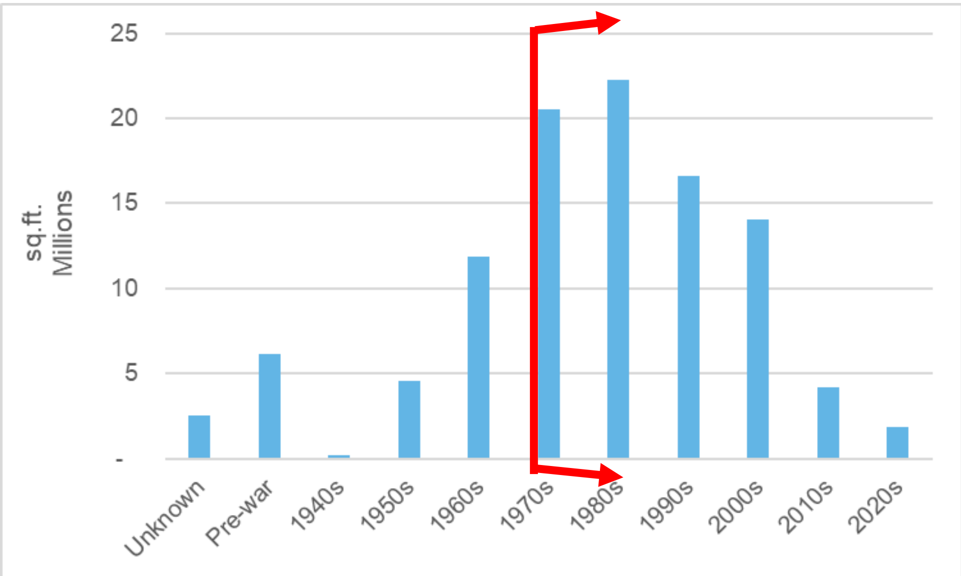


Source: Ryden/ CoStar

4.6 While property age is not a definitive guide to obsolescence, it provides an important indicator of possible physical obsolescence and may also signal the potential for functional obsolescence where a property's height, layout, external spaces, construction type and (increasingly) energy efficiency do not meet market needs.

4.7 Figure 7 analyses the Region's industrial stock by decade of construction. A high proportion of this existing stock was developed by the Scottish Development Agency (pre-1990), the East Kilbride and Cumbernauld New Town Development Corporation, the Regional (pre-1996) and Local Authorities, Urban Regeneration Companies (since around 2002/0)3 and Scottish Enterprise and Local Enterprise Companies (post-1990). As this legacy stock is critical for the regional economy and property market, its genesis is summarised in the ***paper apart*** at the end of this report after the local authority market area Appendix.

FIGURE 7: REGIONAL INDUSTRIAL STOCK BY DECADE BUILT



Source: Ryden/ CoStar

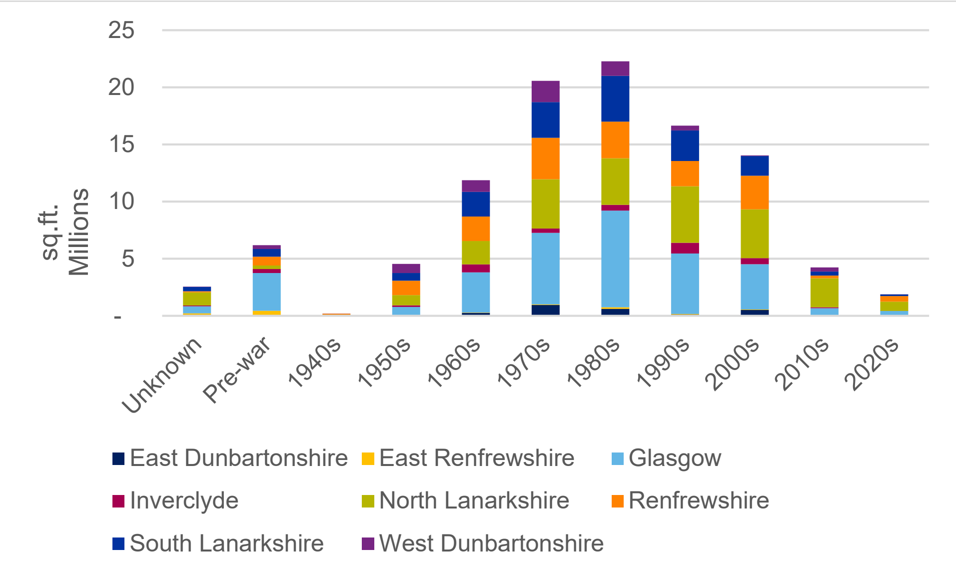
4.8 The watershed moment for the bulk of this industrial stock was around 1990, when public sector industrial estates were privatised (along with other public assets such as local authority housing). The public sector focus moved to market intervention rather than direct development. Public sector direct development is now very limited, for example small terraced units by local authorities using grant funding, City Deal developments or at a programme level North Lanarkshire Council's subsidiary Fusion Assets or via Clyde Gateway URC.

4.9 Private sector development is also significant within the Region's large-scale industrial stock. These are typically either bespoke buildings for logistics or manufacturing businesses, or small to medium units in prime locations where demand and rents can support speculative development (see for example the current development review at the end of this section).

4.10 Industrial development in the Glasgow City Region peaked in the 1980s. The average industrial building in the Region is around 40 years old. Assuming that buildings may approach the end of their useful lives or require comprehensive refurbishment after say 50 years, then the red line on Figure 7 shows how this will wash across the majority of the Region's industrial stock over the next 10 years and beyond. It is not known how much of this stock has already been fully refurbished. However, market knowledge of examples suggests that this happens where there is an investment case for doing so, such as increased value and/or extending asset life. Output C will approach this topic through the lens of energy performance.

4.11 Figure 8 repeats the above industrial stock analysis, this time showing the volume of industrial floorspace built in each decade by local authority area.

FIGURE 8: REGIONAL INDUSTRIAL STOCK BY DECADE BUILT IN LOCAL AUTHORITY AREAS



Source: Ryden/ CoStar

4.12 At a macro level the pattern on Figure 8 is clear: most industrial stock in most local authority areas was developed a number of decades ago. This region-wide picture is due to the historic public sector development described above and in the attached *paper apart*. Notable local trends outside of this general position include:

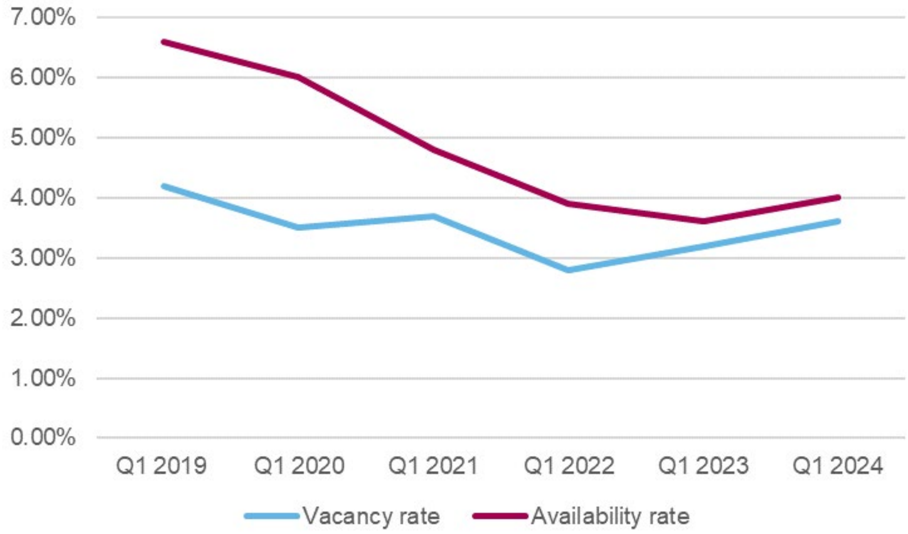
- Glasgow City has a notable volume of pre-war industrial floorspace (light blue bars).
- North Lanarkshire has continued to attract development in recent decades, for example at Eurocentral (green bars).

4.13 The implications of this stock analysis are that the Region should plan for the continuing loss of the oldest, obsolete large manufacturing buildings if these are not capable of modern reuse. In addition, local market analysis here (see Appendix) and in other studies around the Region highlights the lack of ability to modernise some 1950s/60s buildings and estates due to life-expired materials, low eaves heights, poor circulation space and (very) poor energy efficiency. These are expected to be redeveloped.

INDUSTRIAL PROPERTY SUPPLY

4.14 The supply of industrial properties in the Glasgow City Region has been falling over the long term. Figure 9 overleaf shows the trend over the past 5 years. The supply line (blue) shows existing buildings which are on the market. The availability line (red) includes that supply and also available occupied buildings and new development under construction. The supply of industrial property has been falling since 2013 due principally to continuing take-up of available properties (to the point where the quality of many still left on the market is now questionable). This reduction in available supply has been exacerbated by removal of obsolete industrial buildings and by limited new development.

FIGURE 9: REGIONAL INDUSTRIAL VACANCY AND AVAILABILITY RATES



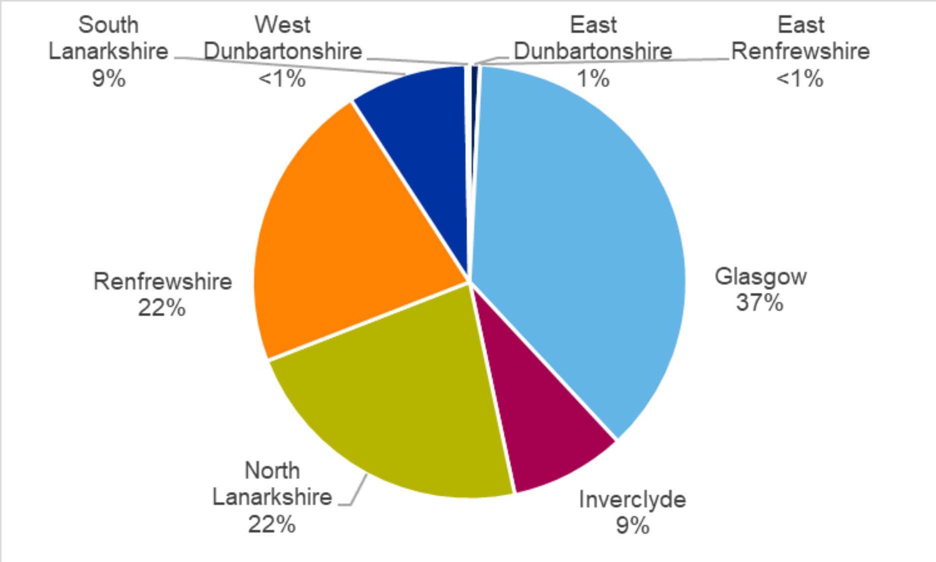
Source: Ryden/ CoStar

4.15 The current industrial availability across the Region is 4.17 million sq.ft. in 321 buildings. While this may seem substantial, when measured against the total stock of 106 million sq.ft. it indicates a vacancy rate of 3.7% and an availability rate including occupied and under-construction properties of 4%. At these low levels, occupier choice of buildings of the right type, size, quality and location may be constrained. What compounds this market constraint is the poor quality of many of the buildings which are available.

4.16 Figure 10 shows how much of the 4.17 million sq.ft. available industrial property is in each local authority area. Glasgow provides 37% of the currently-available industrial floorspace across the Region. This followed by Renfrewshire, then North Lanarkshire and at lower level of supply, South Lanarkshire. Notably, West Dunbartonshire, East Renfrewshire and East Dunbartonshire make only marginal contributions to Regional industrial property supply.

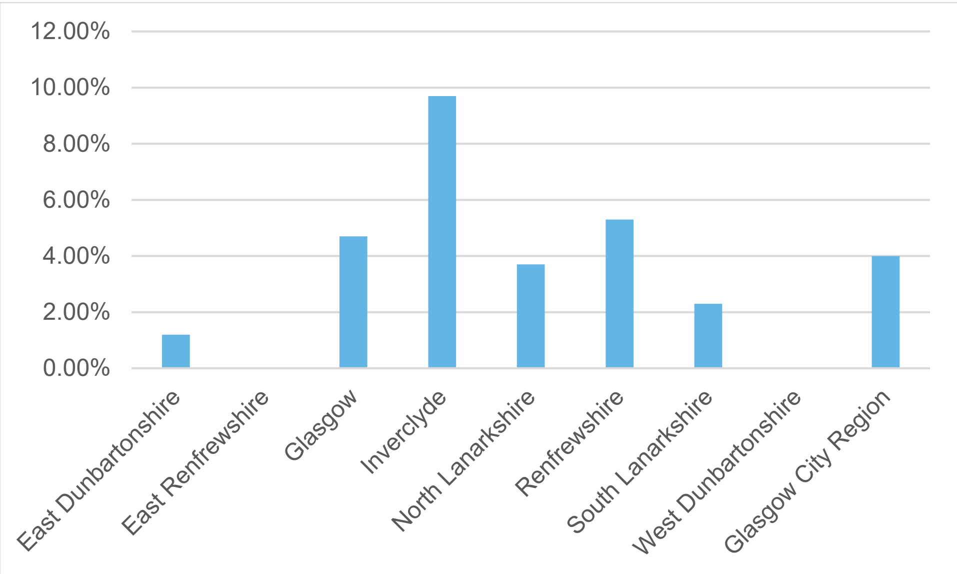
4.17 Accordingly, the industrial property availability rates vary markedly around the Region. While the mean rate as above is 4%, the local rates shown on Figure 11 on the next page range from East Renfrewshire with very few industrial properties, up to Inverclyde where the availability rate is 9.7% due in part to the availability of a large former Amazon distribution warehouse which extends to 0.296 million sq.ft. Local industrial vacancy rates and current supply are discussed in the Appendix.

FIGURE 10: LOCAL AREA SHARES OF REGIONAL INDUSTRIAL SUPPLY



Source: Ryden/ CoStar

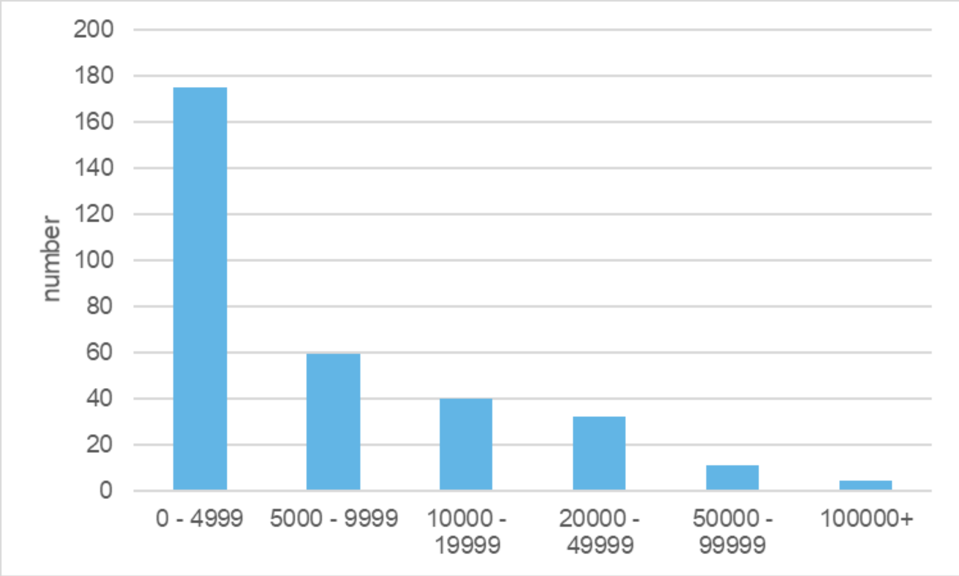
FIGURE 11: INDUSTRIAL AVAILABILITY RATE BY AREA



Source: Ryden/ CoStar

4.18 The size mix of the current supply is shown on Figure 12. Of the 321 industrial properties on the market, 175 (54%) are smaller than 5,000 sq.ft. (a property size which would capable of accommodating around 10-15 employees at standard occupational densities). The numbers of available properties drop sharply at 5,000 sq.ft. and above; this is to be expected but the comparatively limited availability of medium-sized properties, where associated with concerns over the quality of those properties that are available, could potentially be a pinch-point for expanding and relocating businesses.

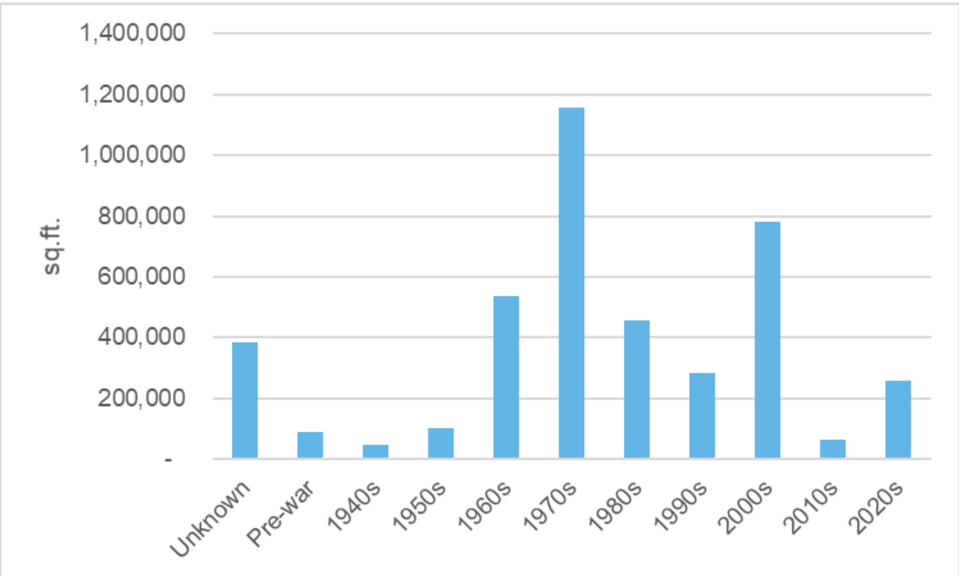
FIGURE 12: NUMBER OF AVAILABLE INDUSTRIAL PROPERTIES BY SIZEBAND



Source: Ryden/ CoStar

4.19 Figure 7 above showed the age of the Region's full stock of industrial property, including both occupied and vacant buildings. Figure 13 overleaf repeats this analysis for the 4.17 million sq.ft. which is currently available. The pattern is not as clear as the earlier stock analysis with its neat build-up and wind-down. A cluster of available floorspace was built in the 1970s and could be of questionable quality depending upon whether or not it has been refurbished. There is also a notable element of modern industrial supply which is located at active development locations such as Westway (Renfrewshire), Cambuslang (Glasgow / South Lanarkshire) and Hillington (Glasgow / Renfrewshire) (see development section below).

FIGURE 13: AGE PROFILE OF AVAILABLE INDUSTRIAL FLOORSPACE



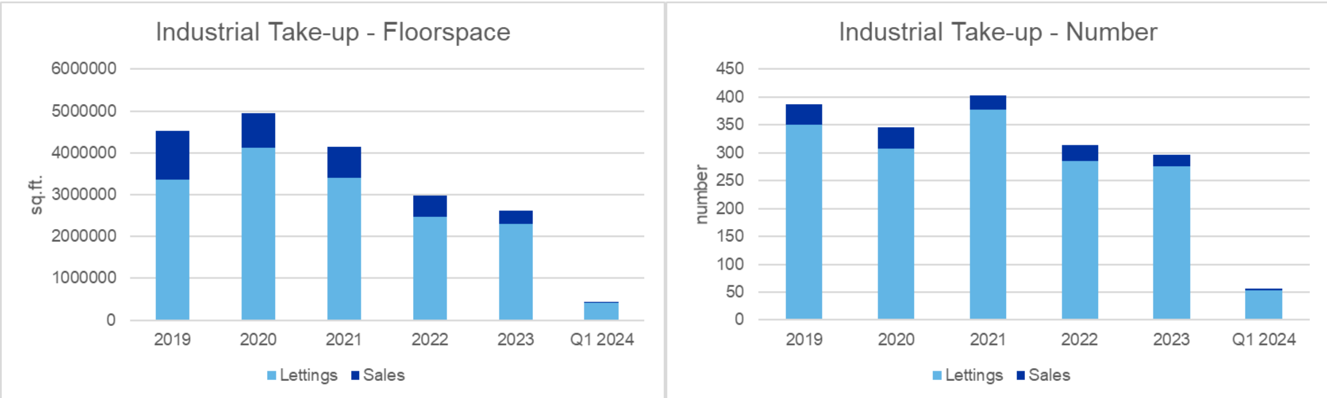
Source: Ryden/ CoStar

INDUSTRIAL PROPERTY TAKE-UP

4.20 Take-up of property comprises lettings, sales and lease renewals. A total of 19.6 million sq.ft. of industrial property in 1,801 units was taken-up for occupation in the Glasgow City Region between January 2019 and March 2024. The annual average industrial take-up is 3.7 million sq.ft. in 340 properties. The mean industrial transaction size is approximately 10,895 sq.ft., however this will be skewed upwards by the largest properties. Some owner-occupied development is not included in property market take-up but should be included in employment land take-up.

4.21 This take-up rate indicates that the current availability of 4.17 million sq.ft. provides just over one year's supply of industrial property. However, that only applies *if* the available buildings match occupier requirements in terms of size, location and specification. If a significant proportion is unsuitable then there may be less than one year's supply of industrial property on the market. Figure 14 shows the regional take-up trend over the past 5 years. The largest proportion of industrial transactions by number (87%) were new lettings, 9% were sales and 4% were lease renewals. By floorspace, 72% of industrial transactions were new lettings, 18% were sales and 10% were lease renewals.

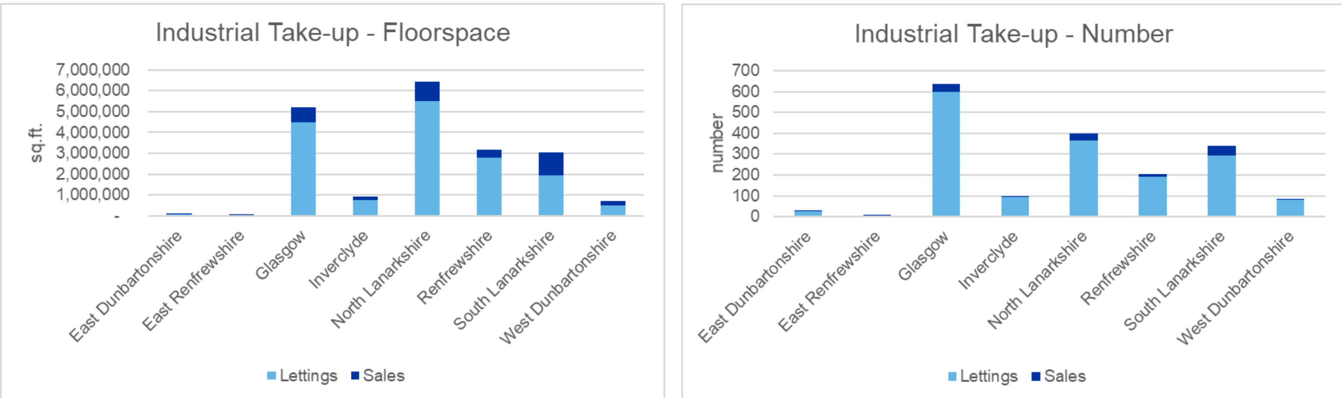
FIGURE 14: REGIONAL INDUSTRIAL PROPERTY TAKE-UP (January 2019 to March 2024)



Source: Ryden/ CoStar

4.22 Industrial take-up by local authority area from January 2019 to March 2024 is shown on Figure 15. The first chart shows take-up measured by floorspace and the second shows take-up of numbers of industrial units.

FIGURE 15: INDUSTRIAL PROPERTY TAKE-UP BY LOCALITY (January 2019 to March 2024)



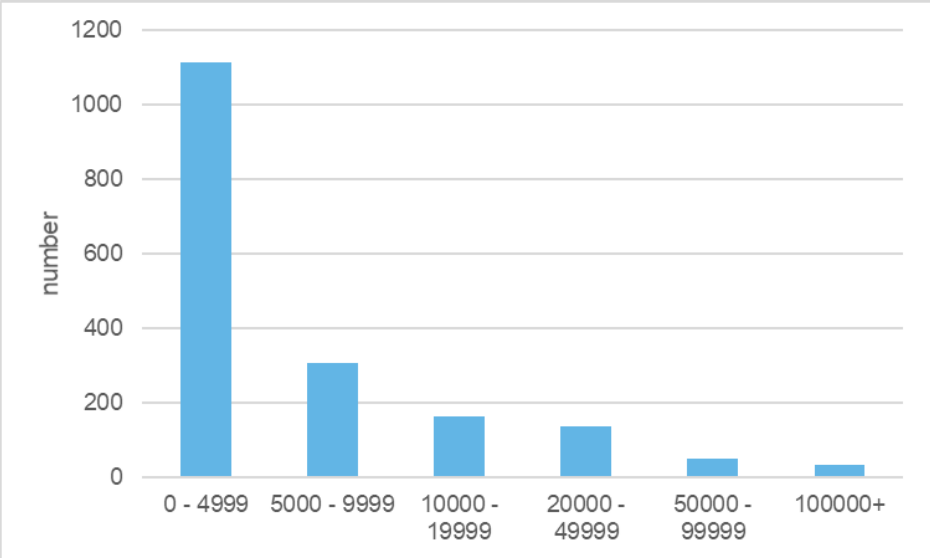
Source: Ryden/ CoStar

4.23 North Lanarkshire has the highest floorspace take-up (first chart) due to the area attracting large occupiers, particularly distribution companies locating along the M8 motorway, delivering a mean unit take-up of 15,000 sq.ft. Glasgow City though is the most active market with 37% of all industrial transactions and almost double the numbers (second chart) recorded in either North or South Lanarkshire. Renfrewshire, Inverclyde and West Dunbartonshire also have active industrial property markets on Figure 15. East Renfrewshire and East Dunbartonshire by comparison are much smaller and mainly local markets.

4.24 Industrial property take-up by sizeband is shown on Figure 16. The market is dominated by take-up of smaller industrial units below 5,000 sq.ft., although it is possible that shorter leases for smaller properties may lead to lettings being recorded more frequently. Smaller occupiers may benefit from paying zero or reduced non-domestic business rates under the small business bonus scheme; at say the regional mean industrial rent of £6.30 per sq.ft., occupiers with combined rateable values of less than £35,000 across all of their properties *could* pay no NDR on units of up to 1,900 sq.ft., and reduced NDR up to 3,175 sq.ft.

4.25 Comparison with available properties by sizeband on Figure 12 above shows a similar overall distribution, but proportionally fewer taken-up in medium to larger sizebands, although again that could also be a reflection of more regular 'churn' of smaller industrial units.

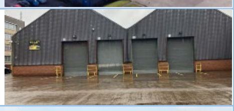
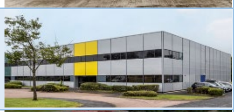
FIGURE 16: INDUSTRIAL PROPERTY TAKE-UP BY SIZEBAND (January 2019 to March 2024)



Source: Ryden/ CoStar

4.26 Table 5 lists examples of notable recent industrial property transactions across the Region. Further industrial property transactions are listed in each of the local planning authority area reports in the Appendix. A broad mix of occupiers across the automotive, logistics, food & drink and technical services have taken units. Rents range widely for these medium to larger units (smaller units may attract slightly higher rents).

TABLE 5: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Connect 70, Bellshill		72,733	Let to Micheldever Tyre and Auto Services on a 15-year lease at £10 per sq.ft. Occupied January 2024.
Colvilles Road, Kelvin Industrial Estate, East Kilbride		11,935	Let to Lighting Online Group Ltd on a 5-year lease at £5 per sq.ft.
1 Sholto Crescent, Bellshill		19,263	Let to Tait Logistics on a 5-year lease at £7 per sq.ft. December 2023.
Kinning Park, Glasgow		12,000	Let to Vehicle Solutions (Scotland) Ltd on a 10-year lease at £5.50 per sq.ft. December 2023.
Langlands Place, Langlands Business Park, East Kilbride		18,423	Let to GDC Design Ltd on a 5-year lease at £6 per sq.ft, December 2023.
528A Blochairn Road, Glasgow		16,653	Let to Evri on a 10-year lease. November 2023.

Albion Trading Estate, Glasgow		14,112	Let to Agmors Coachworks Ltd on a 5-year lease at £7.50 per sq.ft. October 2023.
Block L Porterfield Road, Westway Park, Renfrew		56,883	Let to WH Malcolm on a 1-year lease at £7 per sq.ft. May 2024.
2 Ellismuir Way, Tannochside Business Park, Uddingston		42,345	Let in February 2024 to OLR Holdings Ltd on a 10-year lease at £9.25 per sq.ft.
851 London Road, Dalmarnock		10,000	Let to Spice Direct Ltd on a 10-year lease at £7.50 per sq.ft. New build speculative unit
Unit 5 Belgrave Street, Belgrave Logistics Park, Bellshill		127,242	Let to Wincanton on a 15-year lease at £8.50 per sq.ft.
Unit 1 Excelsior Park, Wishaw		20,195	Let to Roylance Stability Storage Ltd on a 7-year lease at £6.25 per sq.ft.
64 Grayshill Road, Westfield North Courtyard, Cumbernauld		14,198	Let S & S Timber on a 5-year lease at £5.50 per sq.ft.
Bedlay View, Tannochside Park, Uddingston		24,512	Let to Belgrade Insulations on a 10-year lease at £7 per sq.ft.
Block F, Porterfield Road, Westway Park, Renfrew		40,637	Lease renewal to Caley Ocean Systems at £2.50 per sq.ft.

Source: Ryden / CoStar

4.27 Ryden records interest from industrial occupiers seeking property. This provides a short to medium term view of potential market activity.

4.28 Table 6 lists live industrial enquiries/requirements in the Region. Business names have been removed for confidentiality reasons. The list is substantial with requirements ranging from 15,000 – 1 million sq.ft. for property and 4 – 200 acres for land. In total there are 58 live requirements seeking medium to larger industrial property or sites. The total volume sought is approximately 5.1 – 7.4 million sq.ft., *plus* between c.360 – 580 acres (c.145 – 235 hectares). This substantially exceeds the available supply of medium to larger buildings shown above, particularly modern buildings of any quality. That in turn will push some pressing requirements onto new-build options and land, typically with a horizon of up to 2 years.

4.29 Requirements are from a large variety of sectors including food and drink, energy, manufacturing, logistics and storage reinforcing the attraction of the Central Belt and M8 corridor (including to the east outside of the Region) to a wide range of businesses. Where more specific locations have been mentioned these include Eurocentral and Bellshill. The majority of requirements do appear to be for existing properties where businesses can move with minimal downtime, however there are also requirements for design and build options or site purchase where the requirement cannot be satisfied with existing stock. While there are numerous specific requirements for example for manufacturing or chilled storage, the core need within each in Table 6 is for modern, medium to larger industrial/warehouse space.

TABLE 6: INDUSTRIAL ENQUIRIES

SIZE	TIMING	LOCATION	COMMENTS
>150,000 sq.ft.	2024	Central Belt	Bespoke nature (chill / ambient) requires land purchase or turnkey freehold.
4-5 acres	2024	East Glasgow	Requirement to purchase land to relocate from existing facility in Glasgow.
200 acres	ASAP	Scotland Wide	Industrial site purchase. Delivery within 1 – 2 years.
50,000 – 250,000 sq.ft.	Q3/4 2024	3 for Scotland	Requirements for an owner occupier to purchase secondhand properties.
200,00 – 350,000 sq.ft.	2026	Edinburgh/Glasgow	Occupier for purchase. Not location sensitive but reasonable specification..
30,000 – 45,000 sq.ft.	ASAP	Glasgow East	Existing / Design & Build to locate close to Cambuslang.
70,000 sq.ft.	2026	Bellshill/ Eurocentral	Lease/purchase.
120,000 sq.ft.	Q1 2025	Central Scotland	Lease. Industrial / manufacturing with power, cranage and office content.
30,000 – 70,000 sq.ft.	2024 /25	M8 Corridor	Leasehold. Modern detached warehouse for manufacturing.
50,000 – 100,000 sq.ft.	ASAP	Central Belt	Corporate file storage facility. Leasehold.
49 – 111 acres	ASAP	Scotland	Consented, cleared / developable for a data centre. Freehold.
20,000 sq.ft.	Q1 2026	Central Belt	Warehouse, offices, yard, training area, parking and proximity to a hotel.
40,000-60,000 sq.ft.	ASAP	M8/M74 corridors.	Warehouse and logistics with large scale parking. Leasehold.
250,000 – 500,000 sq.ft.	24 mths	Central Belt	To consolidate warehouse sites into one location. Leasehold/Freehold.
75,000 – 100,000 sq.ft.	Q4 2024	M8 Corridor	10% office content. Leasehold preferred. Existing and new build considered.
50,000 – 300,000 sq.ft.	Q1 2024	40 miles of Glasgow	Modern existing buildings, would consider Design & Build. Lease/purchase.
150,000 sq.ft.	Ongoing	Central belt	
200,000 sq.ft.	Ongoing	West of Glasgow	
10,000-30,000 sq.ft.	Ongoing	Glasgow East / Lanarkshire	
30,000 – 70,000 sq.ft.	Ongoing	Paisley & West	
40 – 150 acres	Ongoing	Scotland	
20,000 – 60,000	Ongoing	East Glasgow area -Bellshill/ Hamilton/ East Kilbride	
50,000-75,000 sq.ft.	Ongoing	East Kilbride / Lanarkshire - Existing	
20,000 sq.ft.	Ongoing	Glasgow	
15,000-55,000 sq.ft.	Ongoing	Bellshill -– Large yard	
60,00-100,000 sq.ft.	Ongoing	Central Belt	
50,000 – 60,000 sq.ft.	Ongoing	Central Belt	
25 – 50 acres	Ongoing	Central Belt / North East / Borders	
100,000-150,000 sq.ft.	Ongoing	Central Belt	
50,000-60,000 sq.ft.	Ongoing	Glasgow and surrounds	
500,000 – 1m sq.ft.	Ongoing	Scotland / UK	
60,000 – 90,000 sq.ft.	Ongoing	Central Belt (focusing of freeport locations)	
70,000 sq.ft.	Ongoing	Requirement no longer live.	
400,000 – 500,000 sq.ft.	Ongoing	Glasgow	
100,000 sq.ft.+	Ongoing	Scotland	
100,000 sq.ft.	Ongoing	Glasgow	

80,000 – 100,000 sq.ft.	Ongoing	Glasgow
50,000 – 100,000 sq.ft.	Ongoing	Glasgow
35,000 – 100,000 sq.ft.	Ongoing	Glasgow
15,000 – 35,000 sq.ft.	Ongoing	Edinburgh (40 min drive time)
40,000-50,000 sq.ft.	Ongoing	Glasgow
500,000 +25-35 acres	Ongoing	Glasgow – Edinburgh
60,000 sq.ft.	Ongoing	Glasgow – Livingston
200,000 sq.ft.	Ongoing	North Lanarkshire
65,000 – 70,000 sq.ft.	Ongoing	M8 Corridor
30,000 sq.ft.	Ongoing	North Lanarkshire
30,000 sq.ft.	Ongoing	Eurocentral
25,000 – 40,000 /	Ongoing	Glasgow
100,000 – 300,000 sq.ft.	*As above*	*As above*
40,000 – 50,000 sq.ft.	Ongoing	Lanarkshire
55,000 – 65,000 sq.ft.	Ongoing	Glasgow
15 – 30 acres	Ongoing	Central Belt
300,000 sq.ft.	Ongoing	East of Glasgow / M8 corridor
4 – 8 acres	Ongoing	Bellshill
20 acres / 300,000 sq.ft.	Ongoing	Eurocentral
125,000 sq.ft.	Ongoing	Glasgow
40,000 – 120,000 sq.ft.	Ongoing	Livingston & Glasgow
10,000 – 50,000 sq.ft.	Ongoing	M8 Corridor

Source: Ryden

4.30 Some of the formal requirements in Table 6 and some known potential projects require manufacturing properties. In 2023, Ryden completed its analysis into market failure associated with the provision of industrial land and property to support the growth of high value manufacturing across Scotland[5]. This demonstrated that property development and support will be required to meet the needs of Scotland's high value manufacturing sector. The market provides a limited supply of second-hand buildings, new shell buildings for general uses and potentially design-and-build solutions for established manufacturers. However, private developers are unlikely to meet the sector's full needs for productive modern properties and Scottish Enterprise has since launched its Manufacturing Property Challenge Programme. The report noted that the Glasgow City Region has around half of the country's manufacturing property market activity and a tight market for supply.

INDUSTRIAL PROPERTY DEVELOPMENT, REFURBISHMENT AND INVESTMENT

4.31 Development of new industrial property is now largely undertaken by the private sector, although as noted above some public sector agencies do deliver new industrial development to support economic activity.

4.32 The development industry is highly susceptible to prevailing investment yields (the multiplier applied to the rent to create the capital value) which are determined by investment returns in the wider economy. Even in

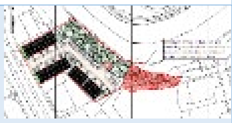
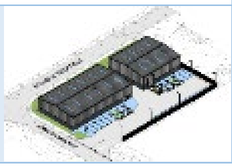
[5] High Value Manufacturing Property Needs in Scotland, March 2023, Ryden on behalf of Scottish Enterprise, Highlands and Islands Enterprise and the South of Scotland Development Agency

an active occupational market with rising rents, it may not be financially viable to build new industrial units on a speculative basis. It may also be challenging to build a new industrial property for an occupier unless they offer a strong covenant and a long lease to provide security of income. This financial market interaction with occupational property markets creates a cyclical sector, which builds in fits and starts.

4.33 Table 7 presents speculative industrial developments in the Region recently completed or underway. Given the scale of the Region, there is significant number of developments (23) listed, and the local area Appendix provides some further examples. A wide range from small local nest units up to major regional warehouses is shown. Speculative development is mainly by the private sector with some public sector activity in regeneration areas. The total industrial floorspace is c.1.4 million sq.ft. While this is a major market investment, it equates to a modest 1.3% of the regional industrial stock being added or replaced over a multi-year development phase. These developments are mapped on Figure 17.

TABLE 7: SPECULATIVE DEVELOPMENTS AND PROPOSALS

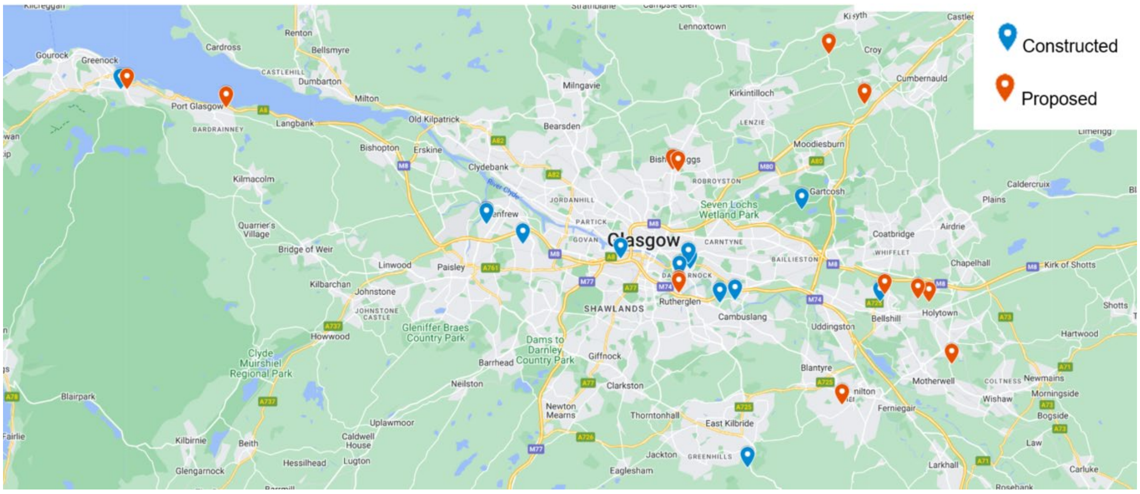
ADDRESS		DEVELOPMENT DETAILS
Dunn Street, Dalmarnock		Two new speculative detached industrial units, of 5,000 sq.ft. and 10,000 sq.ft. Were ready for occupation in 2023.
851 London Road, Dalmarnock		Two speculative units built in 2022 by Harris Finance. 10,000 sq.ft. and 20,000 sq.ft. which can be sub-divided into units from 5,000 sq.ft. For lease at £9.50 per sq.ft., may sell.
Reid Street, Dalmarnock		7 new build light industrial units. Under construction and available summer 2024. Units from 1,475 to a combined total of 11,785 sq.ft.
The Foundry, Cambuslang		High-specification warehouse facility (31,600 sq.ft.) and office accommodation (3,200 sq.ft.) and a 30m depth logistics yard. Under construction by CCG Scotland. For lease may sell.
75 Stanley Street		A 55,700 sq.ft. standalone purpose built unit constructed in 2023. Available for lease.
Baker Street Food and Drink Hub, 18 Baker Street, Greenock		Built by Riverside Inverclyde in 2022. Comprises c. 2,905 sq.ft. of light industrial space in 6 high quality kitchen workshops. Units range from 344 to 785 sq.ft. £1.8 million facility. 2 of the kitchen units are currently available to let.
Orchard Street, Greenock		Planning application (23/0074/IC) for the proposed development of building comprising nine units for industrial and storage uses (Class 5 and 6) and building comprising five garages for industrial and storage uses (Class 5 and 6), with associated infrastructure and parking. Permission granted subject to conditions in August 2023. Applicant Dalglen (no1810) Ltd.
1 Kelburn Business Park, Port Glasgow		Planning application (22/0034/IC) for the development of Class 5 and 6 industrial Units. Seven units to total 6,374 sq.ft. Granted subject to conditions in September 2023. Applicant Helco Developments Ltd
Belgrave Logistics Park, Bellshill		Development by Knight Property Group of 261,200 sq.ft. across five buildings from 19,000 sq.ft. up to 125,000 sq.ft. with EPC ratings A. Only one unit remains available following a recent transactions to Bunzl UK Ltd and Wincanton.
Delta 70, Belgowan Street, Bellshill		Knight Property Group plan to speculatively develop a 70,000 sq.ft. high spec industrial / logistics warehouse.
Gartcosh Industrial Park, Gartcosh		Development by Fusion Assets. Phase 1 New build Class 4, 5 and 6 business and industrial floorspace, let to DX Networks, Vision Vehicles and Dreams. Totalling c. 62,000 sq.ft. Further phases proposed.

Westfield Industrial Estate, Greyshill Road, Cumbernauld		Two adjoining units of 10,110 sq.ft. and 10,979 sq.ft. by Carnethy Developments Ltd. For lease at £11 per sq.ft. or for sale.
SevenFourEight, Ravenscraig		Planning application in April 2024 by Fusion Assets for flexible industrial buildings with three single occupier units for larger businesses, and a fourth building which will be sub-divisible into seven units totalling 62,000 sq.ft. on a 6.4 acre plot
Condor Park, Eurocentral		New, highly specified industrial and warehouse space for Use Classes 4, 5 & 6 by Fusion Assets. To comprise 40,623 sq.ft. in 6 units, two of which are sub-divisible.
51 McNeil Drive, Eurocentral		Hermiston Securities plan four industrial units totalling c. 152,400 sq.ft.
West 100 and West 200, Hillington Park		Recent speculative development by Frasers Property Group. West 100 comprises four units from 12,610 to 25,467 sq.ft. and is fully let West 200 comprises nine units, with two remaining for lease (8,540 sq.ft. and 10,234 sq.ft.
Block N, Porterfield Road, Westway, Renfrew		A development by Canmoor of 9 high specification warehouse / industrial units and are available Q1 2024. The units total 139,520 sq.ft. in sizes from 6,430 sq.ft., up to 52,640 sq.ft. The development is BREEAM Excellent and targeting EPC A ratings.
Westway 200, Glasgow Airport, Renfrew		A 202,230 sq.ft. industrial / warehouse unit by Canmoor. Can be split into two units 91,110 sq.ft. and 118,140 sq.ft. Available Q4 2024. The development is targeting BREEAM Excellent and EPC A ratings. Located beside Westway 90.
Westway 90, Glasgow Airport, Renfrew		A 87,630 sq.ft. industrial / logistics warehouse unit by Canmoor. Available Q4 2024. The development is targeting BREEAM Excellent and EPC A ratings. Located beside Westway 200.
Langlands Commercial Park, East Kilbride		By Knight Property Group. Phase 1 : 10 industrial units of 2,500 sq.ft. each completed in 2020, sold to Northern Trust in February 2024. Phase 4 : speculative industrial unit of 24,000 sq.ft. completed 2022 and sold to Corney & Barrow Bars Ltd in August 2022. Phase 2, a 28,000 sq.ft. industrial unit due for completion April 2024, comprises a 26,250 sq.ft. warehouse and 1,760 sq.ft. office.
110 Glasgow Road, Rutherglen		Site sold in December 2019, with a steel portal frame of a derelict warehouse (13,885 sq.ft.). Planning application for the Erection of 12 light industrial units and associated works (P/22/0516). Spectrum Properties. Application registered
Southcroft Road, Shawfield GRID (Green Regeneration Innovation District), Rutherglen		Proposals by Clyde Gateway for two Class 5 and 6 flexible industrial units totalling 29,000 sq.ft. in units of 20,900 sq.ft. and 8,100 sq.ft. Erection of two Class 5, 6 and sui generis (Business, General Industrial, Storage or distribution and building merchant) commercial units with ancillary Class 4 office space, parking, landscaping and associated works. P/23/0994 approved March 2024.
1 Argyle Crescent (5 Pollock Avenue), Hillhouse Industrial Estate, Hamilton		George Taylor (Holdings) Ltd plans a speculative high quality trade counter / industrial units totalling c. 9,800 sq.ft. (Planning application P/23/0617) Application approved September 2023

Source: Ryden/ CoStar/ Developers/ Local Authority planning portal

4.34 The developments in Table 7 are, to some extent, the later stage of an active development phase. That phase was supported by strong occupier demand, rising rents, manageable development costs, and low interest rates leading to high investment values. This positive market was weakened by post-pandemic cost inflation and interest rate rises from 0.1% in December 2021, to 5.25% at the time of writing.

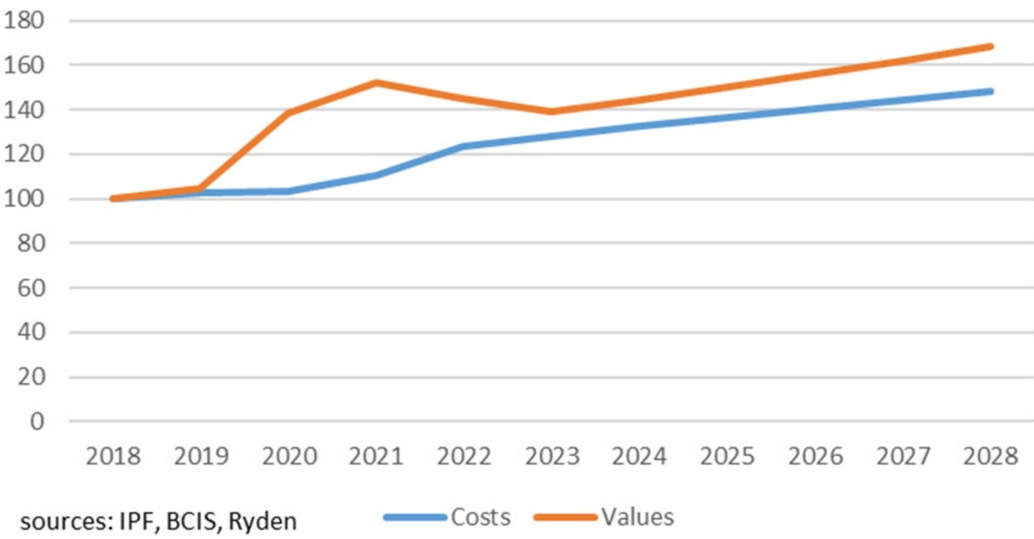
FIGURE 17: SPECULATIVE INDUSTRIAL DEVELOPMENTS AND PROPOSALS



Source: Ryden/ Google Maps

4.35 To assess the impacts of this, Figure 18 shows the notional viability of industrial development using a blend of published data. From 2019 to 2021, industrial property investment values rose faster than building costs. A fall in values 2021 to 2023 was then met with continuing cost rises, creating a pincer movement. The viability position is actually weaker than illustrated on Figure 18, as the costs of and access to debt finance also increased, meaning that only well-capitalised developers and public agencies continue to build.

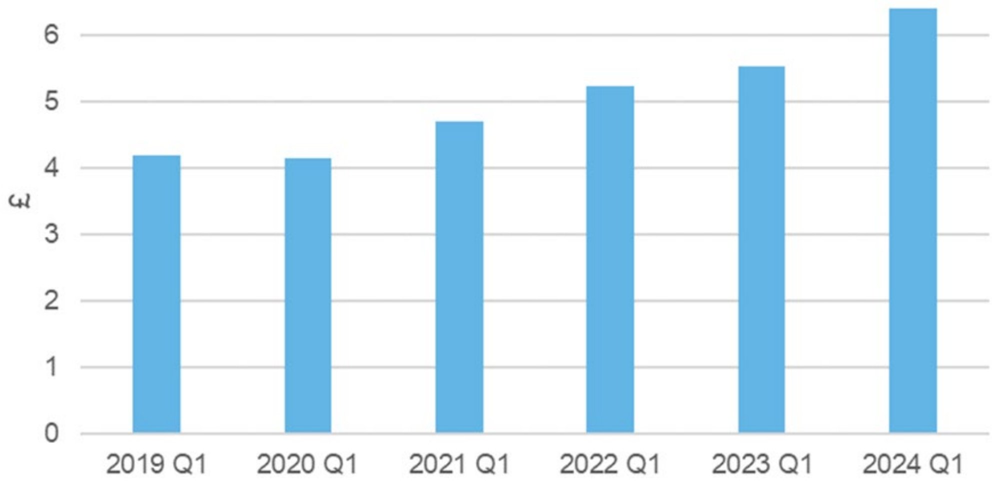
FIGURE 18: INDICATIVE INDUSTRIAL DEVELOPMENT VIABILITY



4.36 Costs and values on Figure 18 move in lockstep through to 2028. This implies that the present level of development viability – which is delivering highly selective rather than widespread new development – may persist. That in turn could (potentially) push investment into refurbishment, or force more occupiers into build-to-suit solutions properties. However, development viability is cyclical and sensitive to demand and rents, and any fall in interest rates could help to support an upturn in activity.

4.37 New-build industrial development by the private sector is normally based upon prime rents, typically now £10 per sq.ft. and above. Second-hand properties and secondary market areas attract lower rents. Average industrial rents across the Region are shown on Figure 19.

FIGURE 19: REGIONAL AVERAGE INDUSTRIAL RENTS

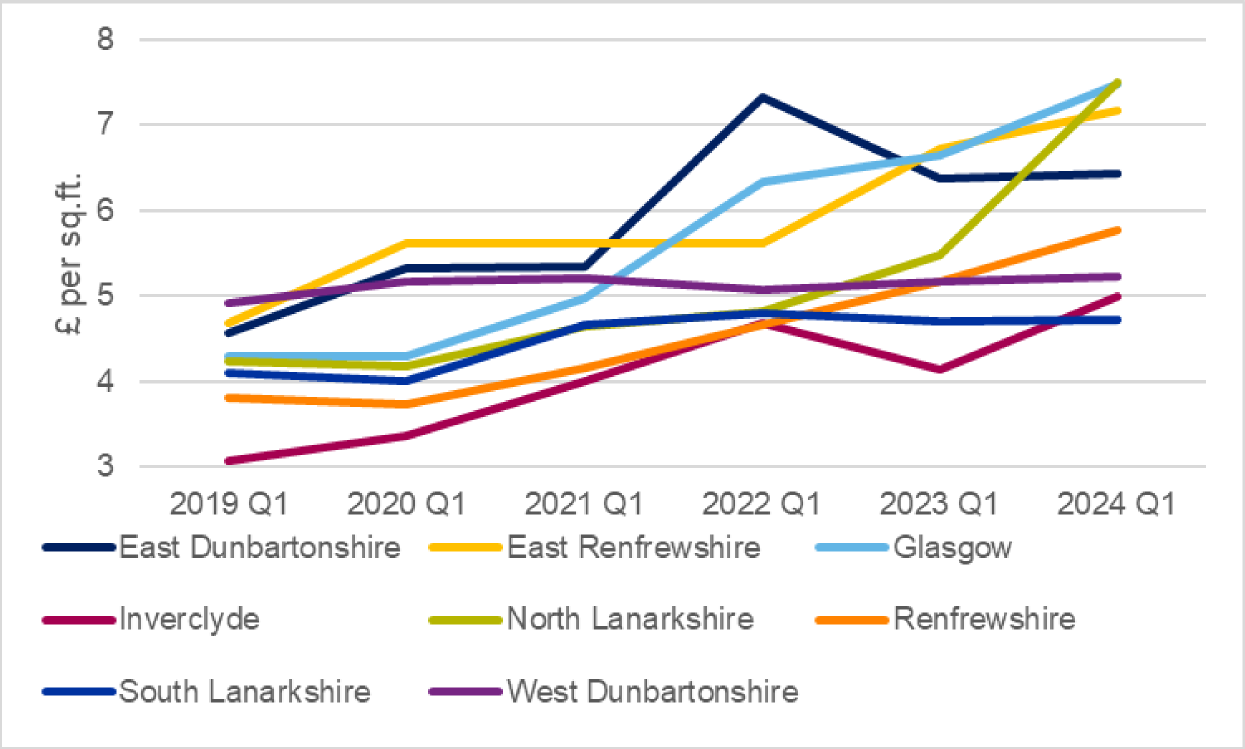


Source: Ryden/ CoStar

4.38 Over the 5-year period from Q1 2019 to Q1 2024 industrial rents have increased on average by 53% from £4.20 per sq.ft. to £6.40 per sq.ft., a compound growth rate of around 9% per annum. While this is positive for landlords and for attracting investment into buying and improving properties, it is nonetheless a significant cost increase for occupiers at a time of wider price inflation for businesses. CPI price inflation over the period was 25%, meaning that just over half of the increase in rents is explained by continuing demand and lack of supply (while improvements to marketed properties and the influence of new developments could also be factors, detailed analysis of supply does not lend much weight to those).

4.39 Figure 20 shows the average rents achieved for each of the 8 local planning authority areas. Two clear trends are evident on the chart: industrial rents in all areas have been rising; but, the rental hierarchy of locations persists. This has been noted in the past as a ripple effect, whereby prime areas around Glasgow see rental growth which then spreads out to the regional towns. Some peaks and troughs can occur within local areas depending upon the properties being marketed, for example the more rapid growth 2023-24 in North Lanarkshire is due to new development in that market area skewing the average rent upwards.

FIGURE 20: LOCAL AREA AVERAGE INDUSTRIAL RENTS



Source: Ryden/ CoStar

4.40 In those locations with lower demand and rents, market failure can be present. Market failure is where unsubsidised private development market does not take into account the wider economic benefits of new property, and either fails to deliver or under-provides new development. Market failure is common in lower-rented locations, in growing locations and newer / specialist industries and during the fallow periods of development cycles as described above. This leads to continuing market interventions such as local authorities continuing to hold small unit portfolios offered on flexible terms, Scottish Enterprise continuing to own some technology buildings, and new interventions highlighted here for example in high value manufacturing, emerging Growth Deal projects and in regeneration areas such as Clyde Gateway.

4.41 Refurbishment of industrial property is increasing. Continuing occupier demand, weaker development economics, an ageing industrial stock and a fabric-first approach to reuse is encouraging this. It is not yet a market-wide trend, rather it is tending to emerge where portfolios are owned by well-capitalised investors seeking to re-present properties to more discerning occupiers, in locations where refurbishment costs can be recouped in higher rents and increased asset values with long future lifespans. Some examples are provided in Table 8. Output C Energy Efficiency will consider this trend in more detail.

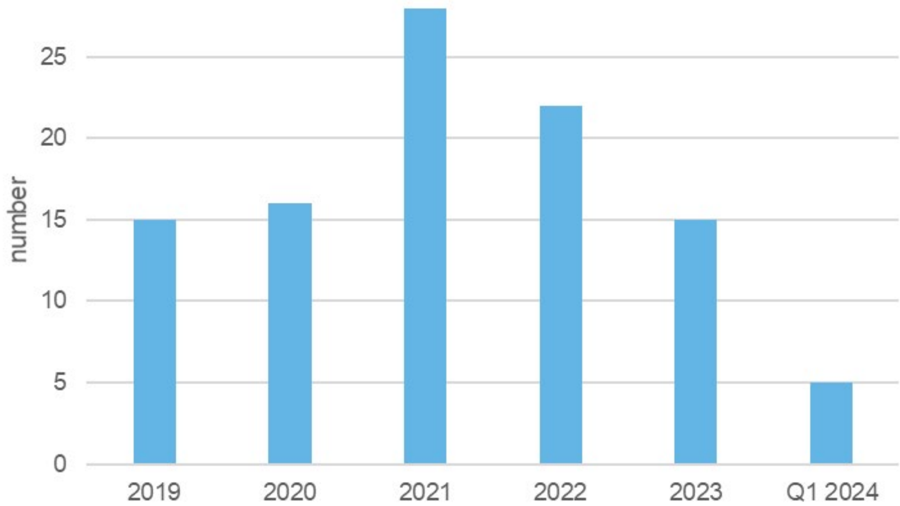
TABLE 8: EXAMPLES OF INDUSTRIAL REFURBISHMENTS

ADDRESS		DEVELOPMENT
Grayshill Road, Westfield Industrial Estate, Cumbernauld		Refurbishment of units on the estate by CEG.
Blanytre Industrial Estate, Blantyre		Programme of refurbishment is underway on the estate by EP Properties
Hillington Park., Hillington		A programme of refurbishment and modernisation works of industrial units on the estate by Frasers Property Group. Redeveloping buildings into energy efficient modern units.
Westway Park, Renfrew, Renfrewshire		Major refurbishment of units on the estate by Canmoor.

Source: Ryden

4.42 Since January 2019 a total of 101 industrial investment deals over £1 million have been transacted. The year 2021 had the most with 28 deals (Figure 21). Examples of recent transactions are in Table 9 on the next page and mapped on Figure 22.

FIGURE 21: INDUSTRIAL INVESTMENT DEALS OVER £1 MILLION



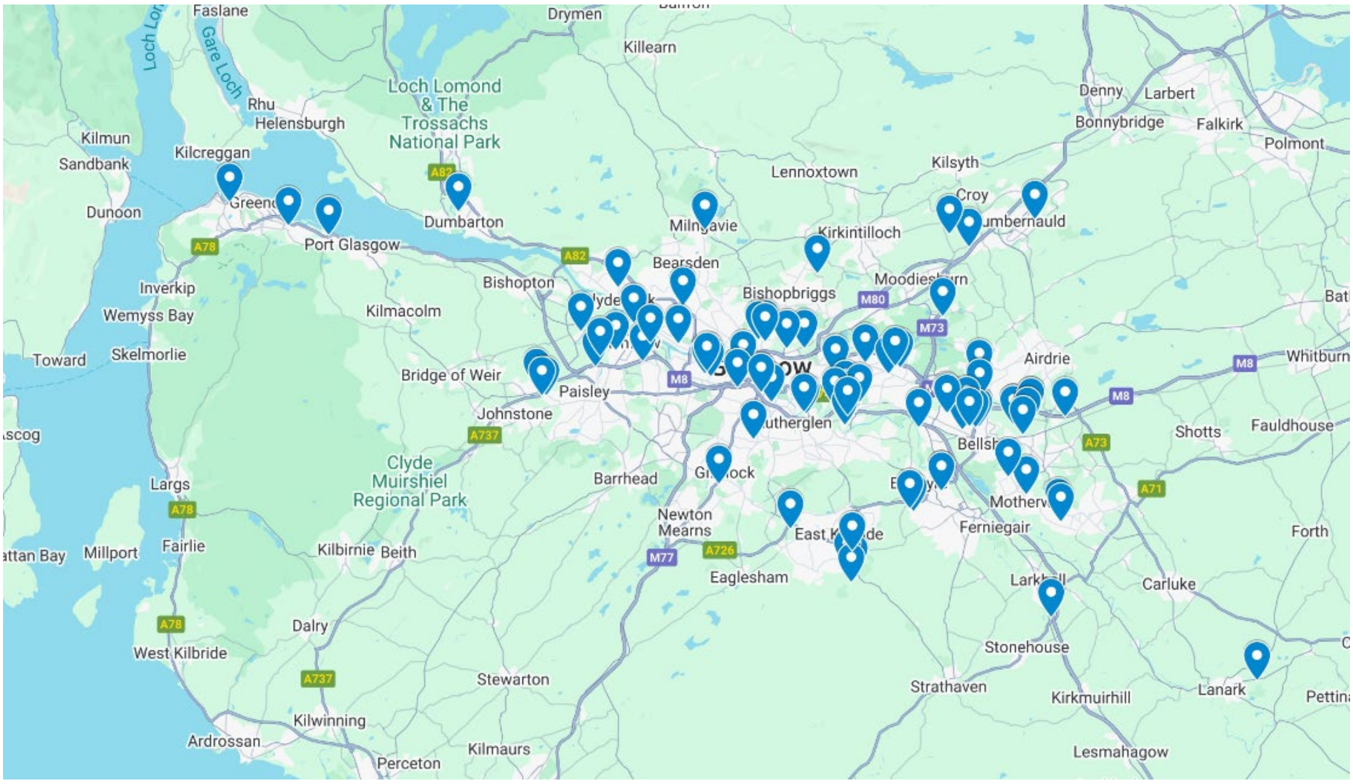
Source: Ryden/ CoStar/ Agents

TABLE 9: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Units 1-3 Auldyards Road, Phase One, Gartcosh Industrial Park, Gartcosh		Sold in March April 2024 to Wesleyan Assurance Society for £6.87 million (6.79%). Prime multi-let mid-box industrial park. Comprises 3 detached units totalling 58,998 sq.ft. Let to DX Networks, Vision Vehicles and Dreams. All have EPC rating A.
120 Springhill Parkway, Glasgow Business Park		Sold in February 2024 to Shed5 Ltd for £4 million. A 65,879 sq.ft. industrial unit fully let to DFS until March 2025 at £164,697 pa
259 Summerlee Street, Queenslie Park, Queenslie		Sold in February 2024 to Kensington Investments 1 Ltd for £2.7 million (12%). Multi-let two-storey building with yard, occupiers include Johnsons Textile Services, Tots Bots and Aabsolute Storage.
Phase 1, Langlands Commercial Park, East Kilbride		25,000 sq.ft. Sold in February 2024 to Northern Trust for £2.9 million (7.6%). Comprises 10 units of 2,500 sq.ft. each built in 2020 by Knight Property Group. Tenants include Munro EV, RGM Vent and ETS
Block 8 & 9, Rosehall Industrial Estate, Bellshill		Sold in January 2024 to Heron Bros for £1.183 m (6.03%). Two multi-let terraces totalling 14,073 sq.ft,. and let to Scottish Shellfish, JM Roofing, AD Building Maintenance and Bakery Maintenance Services Ltd. The units are subject to reversionary rents.
Unit 6, Tannochside Park, Uddingston		Sold in December 2023 to Lochay West Properties for £2.56 million. Detached unit of 31,102 sq.ft. fully let to Clipper Logistics Ltd at £163,285 pa until June 2026.
100 Cambuslang Road, Gateway Glasgow		Sold in November 2023 to a private investor for £6.35 million (6%). 49,150 sq.ft. unit fully let to Royal Mail Group as a Parcelforce delivery hub, at £406,000 pa (£8.30 per sq.ft.).
120 Cambuslang Road, Gateway Glasgow		Sold in November 2023 to a private investor for £3.4 million (5.66%). 29,287 sq.ft. unit let to Ferraris Piston Service Ltd on a lease expiring October 2030 at £205,000 pa (£7 per sq.ft.)
Kingston Industrial Estate, Port Glasgow		Sold in November 2023 to Dalglen 180/ McGills Bus Service / Easdale Brothers. Two multi-let terraces totalling 22,834 sq.ft. with 19 industrial units in total, with 95% occupation
51 McNeil Drive, Eurocentral		Sold in August 2023 to Wesleyan Assurance Society for £6.745 million (6.2%). 52,439 sq.ft. industrial unit let to Biffa Waste Services Limited
11 Nasmyth Road South, Hillington Park		Sold in August 2023 to Moray Place Ltd for £2.04 million (7.15%). 22,288 sq.ft. bonded industrial warehouse, let to Blackadder International at £155,000 pa (£6.95 per sq.ft.)
Unit 25 Whistleberry Park, Whistleberry Industrial Estate, Blantyre, Hamilton		Sold in June 2023 to Barwood Capital Ltd for £4.55 million (6.25%). 59,185 sq.ft. standalone distribution warehouse built in the 1990s. Let to Stanford Group
Unit 17 Birch Road, Broadmeadow Industrial Estate, Dumbarton		Sold in June 2023 as part of a wider portfolio to Ares Management Corp. No price recorded but an initial yield of 8.1%. 8,074 sq.ft. industrial unit let to Homes in the Garden.
Units 10 and 11, Block 8, Spiersbridge Terrace, Thornliebank Industrial Estate, Thornliebank		Sold in June 2023 to a Private pension fund for £1.575 million (8.6%). Comprises a warehouse unit with offices totalling 28,704 sq.ft. over ground and first floors. Single-let to Pagazzi Lighting (Services) Ltd at a topped up base rent of £130,000 pa.

Source: Ryden/ CoStar

FIGURE 22: LOCATION OF INDUSTRIAL INVESTMENT DEALS OVER £1 MILLION



Source: Ryden/ Google Maps

SUMMARY

4.43 The Region benefits from a large, well-occupied industrial stock which is in demand from a wide range of occupier sectors. Annual take-up averaging 3.7 million sq.ft. of industrial floorspace has eroded supply down to an availability rate of only 4%. The combination of this low supply and the age and condition of much of the built industrial stock acts to limit choice for discerning businesses, leading to frustrated and potentially lost demand. Medium-sized modern units appear to be in particularly short supply, as evidenced by the scale of active and emerging occupier requirements for modern industrial property.

4.44 Compounding this short supply, new industrial development peaked decades ago during the 1980s. Age-related attrition of buildings is a structural issue for the region, is well underway, and will continue. A recent increase in development has ebbed out due to higher costs and interest rates, which are likely to persist. Exceptions may include large logistics companies and manufacturers building-to-suit, self-financed developers capitalising on limited competition in attractive locations, and public agencies investing in new buildings to support economic development and address market failure. Meanwhile, much of the ageing stock requires refurbishment to extend its lifespan and meet occupier needs, but this is typically only happening selectively or where major landlords are investing commercially to increase and sustain their asset values.

05
OFFICE PROPERTY

INTRODUCTION AND CHANGED CONTEXT

5.1 This section covers both the regional office market and the Glasgow city centre market which is of strategic significance to the Region. The city-wide Glasgow office market is also assessed in Appendix C.

5.2 Since the emergence of the modern office building in New York during the 1870s, economic output in professional, financial, public and similar services has relied upon employees working at desks in offices. Although by the early 2000s, mobile technology linked to servers and the internet permitted agile working, few companies worked flexibly and the large majority resisted the trend.

5.3 Since March 2020 and pandemic lockdown home-working, the link between these services and office working is weakened. This is not dissimilar to retail moving partly online, but with a jolt rather than as a trend. Industrial property, meanwhile, makes, assembles, stores, distributes and services physical goods and has been less susceptible to digitisation, indeed benefiting from online shopping and related logistics.

5.4 There are still competing views over whether the office-based model has "*gone completely*" (Demos) or working from home is an "*aberration*" (David Solomon, CEO Goldman Sachs). From a property market perspective though, office demand over the past four years has consistently sought smaller, better space, to support productivity, ESG and hybrid working. The degree of hybrid working can vary by type of occupier, with collaborative trading or design functions more likely to be office-based than general professional services. Public sector and support functions seem to be the most likely to utilise hybrid and home-working.

5.5 A modest shift back towards office-based working has been discernible. Remit Consulting monitors UK office occupancy[6] and has reported this at 30-35% over the past year, compared with 60-80% pre-pandemic. Occupancy levels have solidified through hybrid working policies and increasingly supportive office environments based around both agile working and collaboration, and indeed one of the stated objectives of better quality environments for many occupiers is to encourage office attendance. Occupancy levels are not uniform however and some locations such as the City of London show higher levels, while others including Glasgow city centre have recorded lower levels.

5.6 Notwithstanding hybrid working, occupiers may still plan for peak occupancy - typically Tuesday, Wednesday and Thursday - and may also allow more floorspace per employee for additional meeting, social and welfare/amenity space. Major office landlord British Land recently announced that their occupiers are taking on average 150 sq.ft. per employee rather than the 115 sq.ft. pre-pandemic. The net result in the Regional office market continues to be occupiers tending to take less but higher quality office space, or extending in their current office space for cost certainty and to avoid relocation decisions and costs.

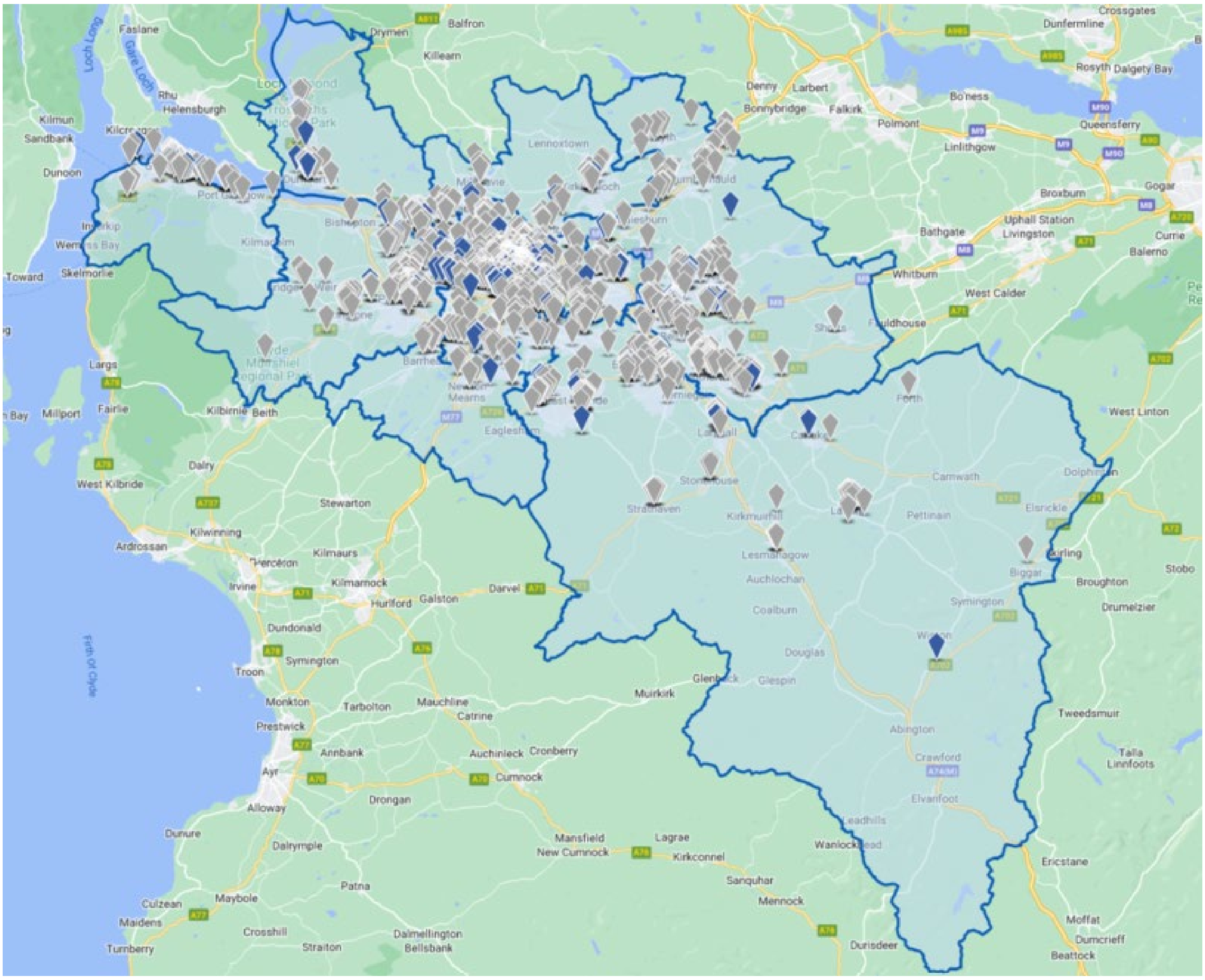
OFFICE STOCK

5.7 The total stock of office property across the Glasgow City Region is 43 million sq.ft. (4.0 million sq.m.). At typical employment densities this could accommodate around 330,000 jobs. Figure 23 illustrates the regional distribution of offices; grey pins show occupied offices while blue pins show vacant offices.

5.8 While there is widespread office provision across the Region, it is concentrated in particular locations. The stock of office floorspace by local planning authority area shown on Figure 24A and 24B below the map confirms that Glasgow has two-thirds of the regional office stock. Most of this is in the city centre with an estimated stock of 17 million sq.ft. which is changing as buildings adapt. This is 40% of the regional total. Glasgow has a further 26% of regional office stock outside of the city centre, meaning that the city as a whole has approximately two-thirds (66%) of the stock. North and South Lanarkshire together account for 20% of the regional office stock and Renfrewshire 8%. Notably, while the office market is much more concentrated, these are the same four local authority areas as dominate the industrial property stock.

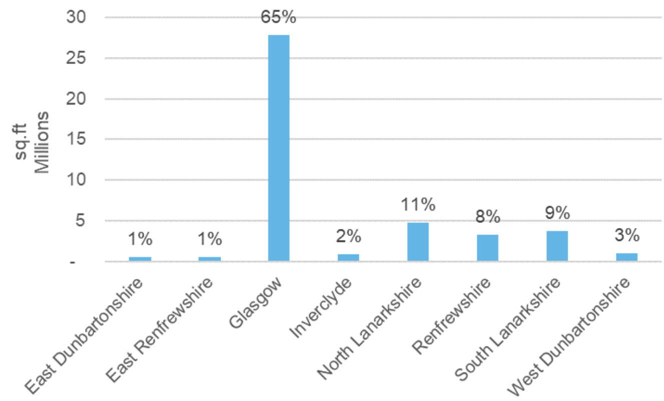
[6] The cities surveyed are Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, London, Manchester, Newcastle.

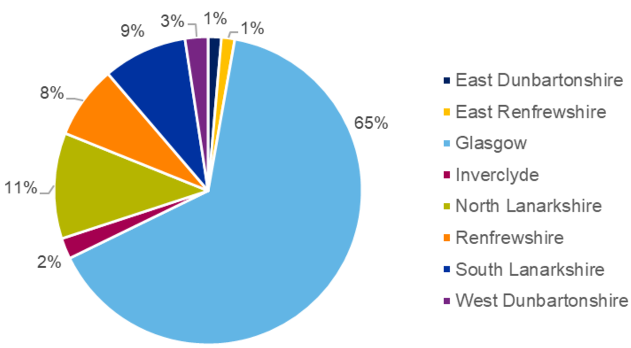
FIGURE 23: REGIONAL DISTRIBUTION OF OFFICE PROPERTY



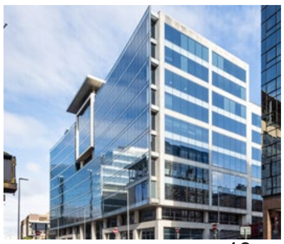
Source: Ryden/ CoStar
The grey markers indicate offices, blue markers indicate availability

FIGURE 24A and 24B: REGIONAL OFFICE STOCK BY LOCAL AUTHORITY AREA





Source: Ryden/ CoStar



GLASGOW CITY CENTRE

5.9 Glasgow city centre contains 40% of the Region's office stock within only one square mile. The city centre office stock ranges from traditional upper floors and townhouses through older purpose-built 1960s/70s offices to modern, mid- and high-rise office blocks. A high proportion of the stock is located west of George Square close to public transport hubs including the main railway and bus stations, city centre amenities and business networks within the CBD.

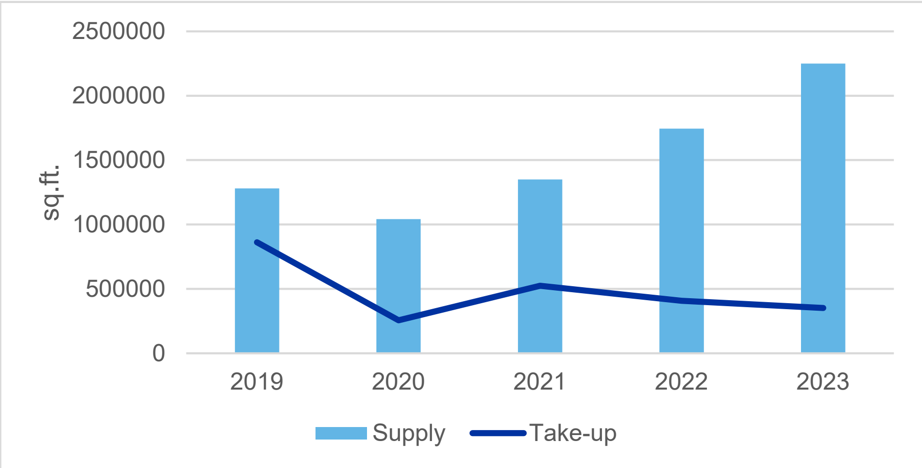
5.10 In terms of demand, the market is currently characterised by office occupiers either 're-gearing' to remain in their existing premises, or moving to typically smaller and better quality offices to support hybrid working[7]. This much-cited 'flight to quality' in the office market can be unpacked to mean exceptional building facilities and staff amenities, the highest specification of office space, with excellent environmental performance, predominantly in the core city centre.

5.11 This demand trend applies not only to larger corporate and public sector occupiers seeking best-in-class offices, but also to SMEs, with the added requirement of flexibility of leases and perhaps footprint. In response to this, the growing fitted-out 'Cat A+' market is increasing actively in the city centre. This is particularly true in the most active market sub-sector for office suites up to 3,000 sq.ft. (which could directly accommodate up to 20-25 employees and more if hybrid working). Accordingly, more landlords are including some fitted-out office space ready to occupy with supporting amenities. These include Onyx (Bothwell Street) and Tailor Made Suites at The Garment Factory (Montrose Street). Examples such as Clockwise @ Renfrew Street straddle the mirco- to medium- business markets by offering from single desks to full floors. Major business centre operators including Spaces and Orega are also active, alongside independents such as Centrum and Nexus.

5.12 In this way, demand for high quality, typically smaller, flexible office is percolating down through the market. Ryden's assessment based upon the city centre's occupier base and office stock is that this is a long term trend which will continue to require (somewhat) less but (often much) better quality city centre offices. This is a process rather than an event, governed by occupier needs and existing property commitments. Potentially, growth in office-type employment could help to offset this contraction, however economic analysis in Section 3 showed reducing employment, albeit at a marginal annual rate.

5.13 Inevitably, supply of offices in the city is rising as occupiers leave behind more office space than they take. The vacated office space is a mix of obsolete older buildings which will require probably residential-led solutions, and purpose-built offices which are more readily suited to upgrade, alternative use or redevelopment. Figure 25 shows city office supply (blue bars) more than doubling since 2020.

FIGURE 25: GLASGOW CITY CENTRE OFFICES SUPPLY AND TAKE-UP



Source: Ryden

[7] Discussed in more detail in Glasgow City Centre Property Market Recovery and Support Interventions by Ryden on behalf of Glasgow City Council and Glasgow Chamber of Commerce (2022)

5.14 Larger office buildings coming onto the market include Alhambra House, Waterloo Street (95,000 sq.ft.), Granite House, Stockwell Street (82,400 sq.ft.) and 14/18 Cadogan Street (67,000 sq.ft.).

5.15 City centre office take-up for 2023 totalled 0.35 million sq.ft. This is a 30% reduction against a 5-year average of 0.50 million sq.ft. It is notable however that occupiers re-geared (renegotiated) a further 0.29 million sq.ft. of offices leases during 2023, thereby avoiding exit and relocation costs and in some cases reducing their office size. This may signal pent-up demand in the office market as future lease events leave occupiers with no option but to move from properties which no longer meet their needs. Quarter 1 2024 city centre office take-up was slightly above the 2023 rate, at 103,600 sq.ft.

5.16 Table 10 confirms that live demand for office space in Glasgow is at a comparatively high level. There are 26 medium to larger requirements which will be seeking quality modern office space. Government, professional and technical services and business centres are all notably active in the market. Organisation names and short listed buildings are redacted. The total volume of office space required is between 0.7925 million sq.ft. and 0.884 million sq.ft. This is positive for the remaining new-build space and for the increasing number of office refurbishments in the city centre. There is no lack of current demand for office space, and indeed changing occupier needs are expected to continue to drive future demand, but this is leaving behind a growing volume of vacated buildings requiring to be upgraded or repurposed, often at substantial cost. The aggregate impact is that many of these older former offices will require alternative, more viable uses.

TABLE 10: CURRENT OFFICE REQUIREMENTS FOR GLASGOW

SECTOR	SIZE (SQ FT)	STATUS COMMENT
Government	200,000	Short list of 2 options.
Government	100,000	Relocation. Reviewing short list of options.
Government	80,000 – 100,000	Very early stages of requirement
Banking	65,000 – 70,000	Re-issued back to the market.
Energy	60,000	Believed to have a preferred option
IT	30,000	Short listed initial option. On pause, could grow.
Accountancy	22,500	Reviewing a short list of options.
Insurance	20,000	Reviewing a short list of options.
Legal	20,000	Reviewing a short list of options.
Engineering	20,000	Not yet fully active.
Business Centre	15,000 – 20,000	Actively seeking a new centre.
Business Centre	15,000 – 20,000	New centre requirement.
Business Centre	15,000 – 20,000	Seeking first operation in Scotland.
Legal	15,000	New back office function, preferred option identified.
Financial	10,000 – 15,000	Likely to relocate from current property.
Recruitment	12,000	Reviewing a short list of options.
Transport	10,000 – 12,000	Reviewing options.
Legal	12,000	Preferred option identified.
IT	10,000	Initial options have been viewed.
Professional Services	10,000	Preferred short list of options.
Legal	10,000	Preferred option identified.
Business Services	10,000 – 12,000	Requirement being established.
Professional Services	10,000	Shortlist of options.
Accountancy	7,500 – 10,000	Preferred short list of options.
Consultancy	7,500	Preferred option identified.
Engineers	6,000	Preferred option identified.
TOTAL	**792,500 – 844,000 sq.ft.**	

Source: Ryden

5.17 Prime city centre offices rents now exceed £37.50 sq.ft. at Aurora,120 Bothwell Street and Lucent, 50 Bothwell Street. There are both cost-push and demand-pull elements to these higher rents. The potential for further rental growth is being modelled as part of the consideration of the future development pipeline, and the extent to which it could support new development as well as refurbishment in the prime city centre.

5.18 The city centre office development cycle has moved through three distinct phases in recent years:

- Speculative office developments which commenced pre-pandemic, attracted occupiers during construction and are now largely full: 2 Atlantic Square (96,650 sq.ft.); Cadworks, 20 Cadogan Street (94,500 sq.ft.); and 177 Bothwell Street (305,000 sq.ft.), and a possible start on IQ (33 Cadogan Street). (Table 11)

- Offices built for occupiers during and in the later stages of that speculative phase: Barclays Campus (470,000 sq.ft., Tradeston); Student Loans (75,000 sq.ft., Clyde Place); JPMorgan Chase (270,000 sq.ft., Argyle Street); and HMRC (198,000 sq.ft., 1 Atlantic Square).

- Stalling of new speculative development in favour of major refurbishments. The current development pipeline includes the completion of the Aurora and Lucent refurbishments, and the repositioned Bond (former Guildhall, 57 Queen Street.) (see Table 12).

Currently, the combination of challenging development economics due to higher costs and lower values as described in Section 4 also applies to offices. That and the uncertainty over aggregate market demand created by hybrid working has curtailed speculative development. The current exception is Central London where the market does support large scale, speculative new office development.

5.19 City centre market trends are encapsulated in the proposals for 301 St Vincent Street, where Osborne & Co plans a retrofit to create an office complex with exceptional sustainability, with occupier Santander downsizing to 100,000 sq.ft. releasing 200,000 sq.ft. for new tenants.



TABLE 11: CITY CENTRE OFFICE DEVELOPMENTS

ADDRESS	SIZE (AVAILABLE)	DEVELOPER
2 Atlantic Square	96,650 sq.ft. (31,768 sq.ft.)	BAM Properties / Taylor Clark
Cadworks	94,500 sq.ft. (34,156 sq.ft.)	Fore Partnership
177 Bothwell Street	305,000 sq.ft. (75,000 sq.ft. for sublease)	HFD (Now owned by Pontegadea)
1Q, 33 Cadogan Street	284,172 sq.ft. To commence 2024	Commercial Estates Group

Source: Ryden/ CoStar/ Developers



TABLE 12: CITY CENTRE OFFICE REFURBISHMENTS

ADDRESS	SIZE (AVAILABLE)	DEVELOPER
55 Douglas Street	70,816 sq.ft.	Signal Investments
6 Atlantic Quay	47,906 sq.ft.	Solutino
200 Broomielaw	76,675 sq.ft.	AM Alpha
Sentinel, 103 Waterloo Street	24,412 sq.ft.	Ardstone
300 Bath Street	78,000 sq.ft.	London & Scottish Property Investment Management Ltd
Lucent, 50 Bothwell Street	48,713 sq.ft.	Orion Capital Managers
Aurora, 120 Bothwell Street	142,796 sq.ft.	Forma Real Estate Fund
The Bond, 57 Queen Street	128,000 sq.ft.	Maya Capital
Eastworks, Gateway Court	24,870 sq.ft.	Clyde Gateway

Source: Ryden/ CoStar/ Developers

REGIONAL OFFICE MARKET

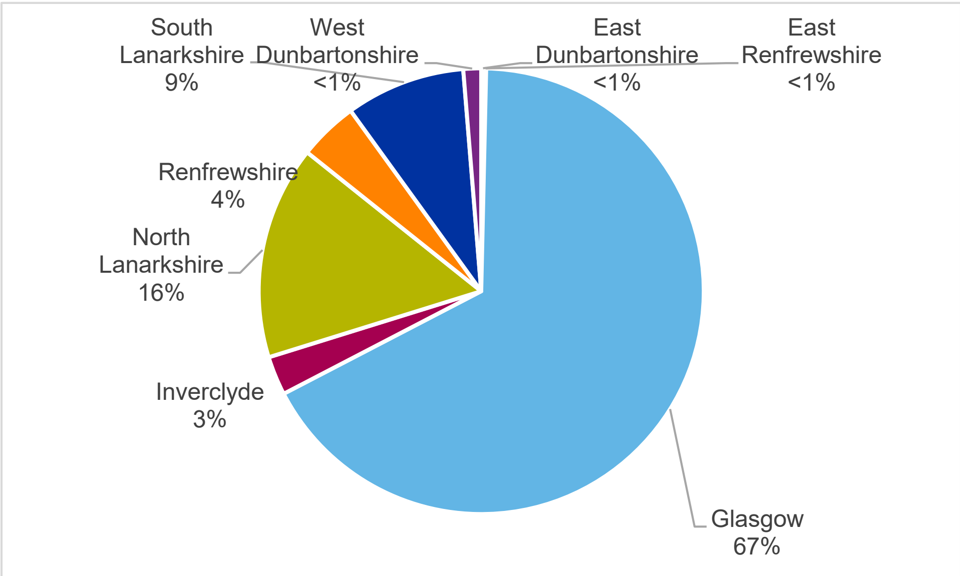
5.20 The total stock of all occupied and vacant office space in each local authority area was indicated on Figure 24 above. More detailed reviews of each local office market are provided in the Appendix.

OFFICE PROPERTY SUPPLY

5.21 The regional office vacancy rate is 12%, totalling 5 million sq.ft. of floorspace. Many are capable of sub-division and in the current market adapting to hybrid working they may offer a high degree of flexibility.

5.22 Figure 26 shows the breakdown of the current office supply by local planning authority area. Glasgow has two-thirds of the region's office space on the market. North Lanarkshire has 16% of office supply due to high vacancies within some out-of-town business parks, partly as these adapt (quite well in some instances) to new office occupational patterns but also the long term overhang of Maxim Park which has been filling up slowly since it was developed speculatively on Enterprise Zone land around 2010 and to isolated large vacancies such as Duart House at Strathclyde Business Park, Bellshill (77,000 sq.ft.). South Lanarkshire accounts for 9% of regional office vacancy. Together the City and two Lanarkshires account for 92% of current office supply.

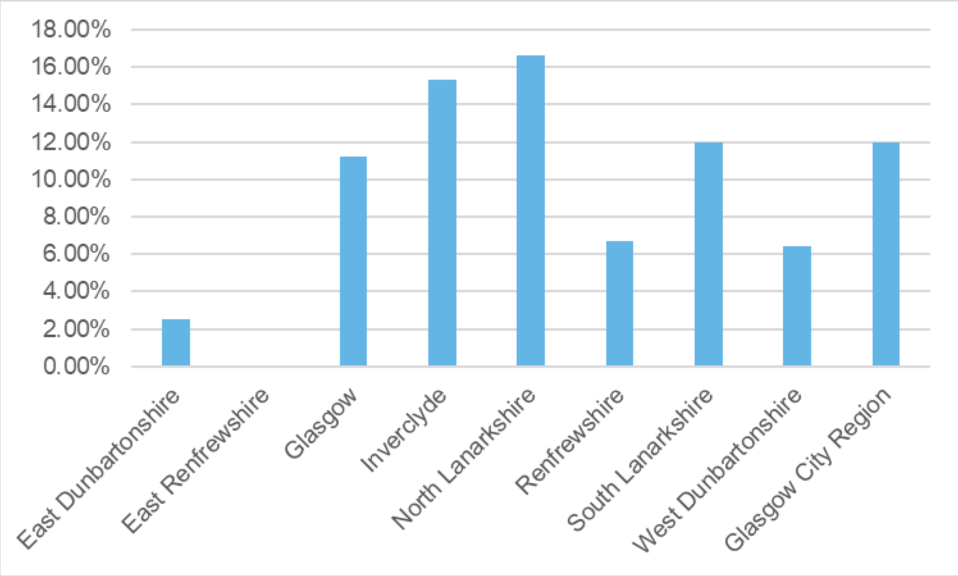
FIGURE 26: LOCAL AREAS' SHARES OF REGIONAL OFFICE SUPPLY



Source: Ryden/ CoStar

5.23 The actual volume of office supply varies significantly by local authority area (Figure 27). As noted above the regional average office availability rate is 12%. East Renfrewshire and East Dunbartonshire have only marginal vacancy within their small office markets. Renfrewshire and West Dunbartonshire also have comparatively low office vacancy rates of 6.7% and 6.4% respectively. Both Glasgow and South Lanarkshire sit close to the average regional office vacancy rate of 12%, although as noted for Glasgow this is a very large volume of office space as that apex centre adapts to the changing needs of its office occupiers. Inverclyde has a higher vacancy rate at 15% For the reasons noted above North Lanarkshire has the highest office availability rate at over 16% - this is considered to be a structural level of vacancy which requires further market adjustment rather a frictional rate seen in a normal market. In some areas the potentially largest vendors of surplus office space for sale or sub-lettings are local authorities adopting a range of home and hybrid working approaches.

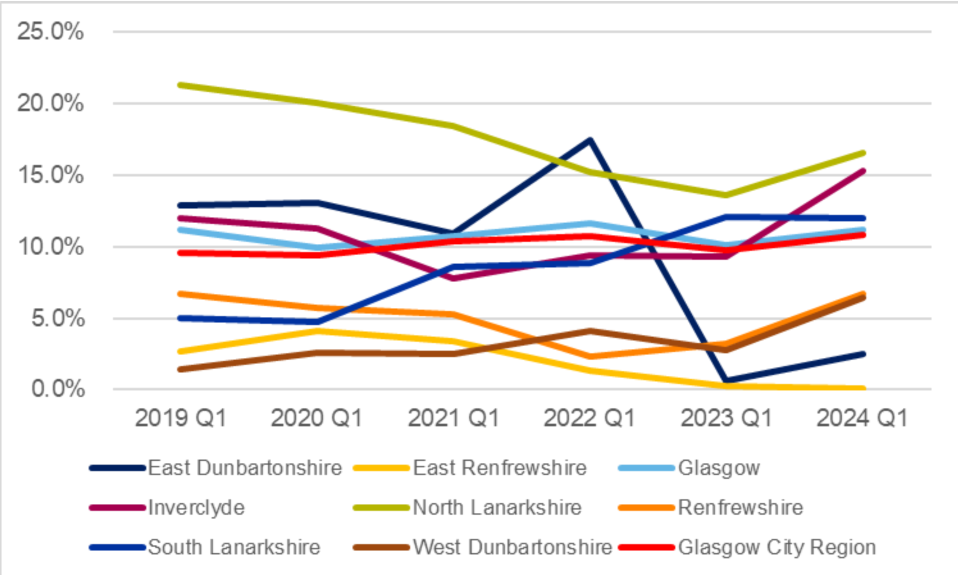
FIGURE 27: OFFICE AVAILABILITY RATE BY LOCAL AREA



Source: Ryden/ CoStar

5.24 In the current, changing office market it is also possible that further 'grey' space is available, that is offices which are under-occupied and could be available or may become available in future for sub-let. The availability rate over time includes grey space (Figure 28).

FIGURE 28: OFFICE AVAILABILITY RATE BY LOCAL AREA



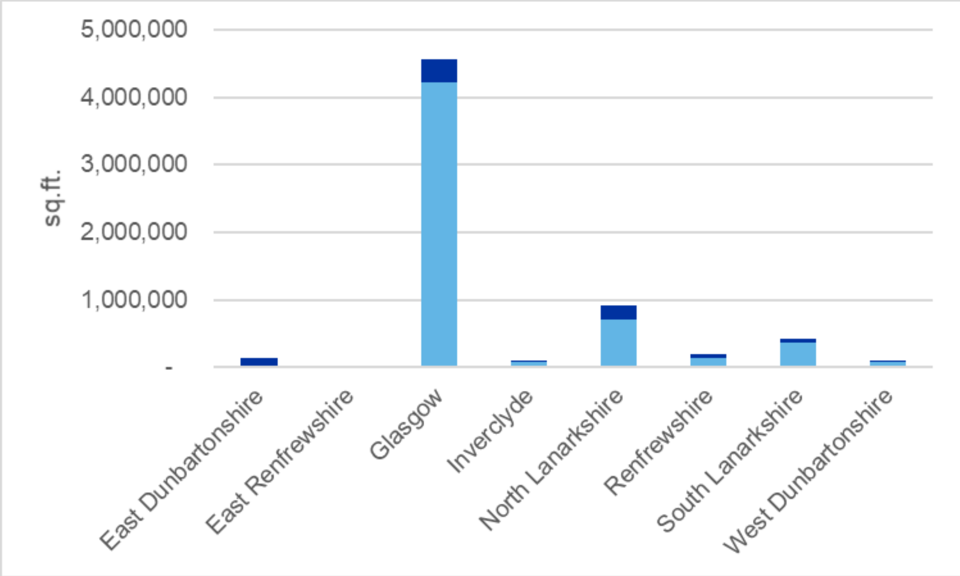
Source: Ryden/ CoStar

OFFICE PROPERTY TAKE-UP

5.25 Take-up of offices comprises lettings and sales to occupiers. Figure 29 indicates office market take-up for the past 5 years across the constituent local authority areas. A total of 6.42 million sq.ft. was taken-up in 1,752 transactions. This is equivalent to annual take-up of 1.21 million sq.ft. in 331 transactions. By coincidence, this is virtually the same average as the 340 industrial properties taken-up annually in Section 4. 92% of the office property transactions are lettings and the balance are sales.

5.26 Spatially, the office take-up pattern is not dissimilar to supply. Glasgow accounts for 69% of offices and 73% of floorspace taken-up over the 5-year period. Other active locations include business parks and managed business centres across the region. Further local detail is provided in the Appendix.

FIGURE 29: OFFICE TAKE-UP BY LOCAL AREA (floorspace) (January 2019 to March 2024)

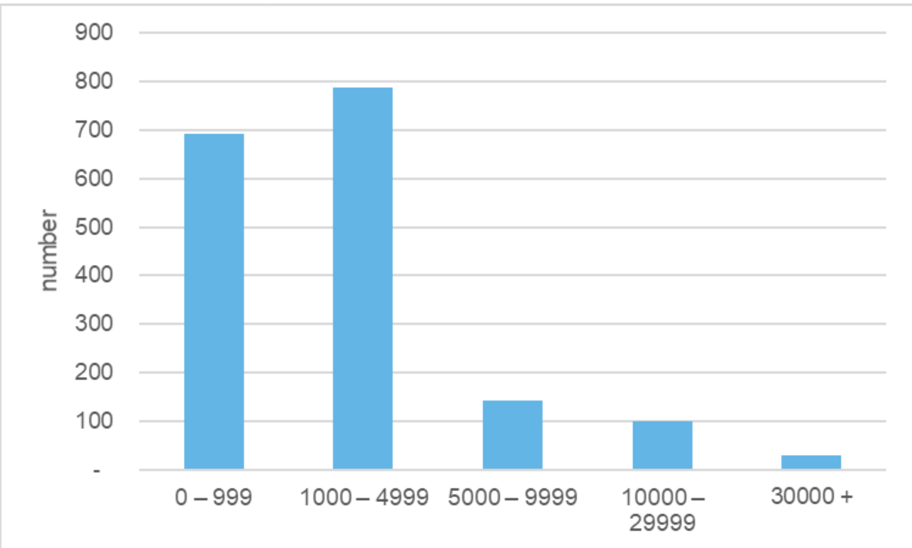


Source: Ryden/ CoStar

5.27 The mean office size taken-up across the region is 3,700 sq.ft. In the past this could have accommodated around 30 employees at typical densities, however hybrid working makes this a less accurate guide where new take-up of offices is concerned and on the one hand employers may offer more space per person, but with fewer working in the office each day meaning that the overall requirement may be 20-25% smaller on average (unless growth or contraction is also built in). For example, if an office is designed to accommodate 75% of employees on peak occupancy days, then 40 could be employed 'in' that office. The mean size of office taken across the Region is also skewed upwards by Glasgow city centre. Most lettings will be much smaller than this, to micro- and smaller businesses, public and third sector organisations.

5.28 Figure 30 illustrates this and confirms that 39% of regional office transactions are smaller than 1,000 sq.ft., while the large majority of 84% are smaller than 5,000 sq.ft. The local areas market reviews in the Appendix explore this in more detail using both market analysis and examples of office transactions are in Table 13.

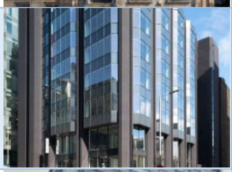
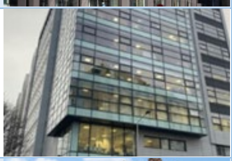
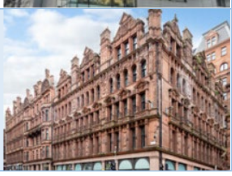
FIGURE 30: REGIONAL OFFICE TAKE-UP BY SIZEBAND (numbers of offices) (January 2019 to March 2024)



Source: Ryden/ CoStar

5.29 Examples of recent office transactions during 2024 to date drawn from across the region to reflect a mix of office and occupier types are shown in Table 13 These range in size from small offices suites from c 100 sq.ft. up to offices of over 50,000 sq.ft. They comprise suites in older business centres, out of town business parks and within refurbished buildings. Lease lengths range from 1 year up to 10-years at rents from £6.30 per sq.ft. up to prime rent of £37.50 per sq.ft.

TABLE 13: RECENT OFFICE TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Scarlow House Business Centre, Port Glasgow		102	Let in January 2024 to an existing expanding tenant on a 1-year lease
Millworks, 28 Field Road, Busby		270 446	Let in March 2024 at £14 per sq.ft. Suite 3 on the first floor. Let in March 2024 at £14 per sq.ft. Suites 6 & 7 on the first floor.
30 Gordon Street		374	Let in March 2024 to Distilled Beverages at £10 per sq.ft.
Suite 1, 5 Kirk Road, Bearsden		1,016	Let in January 2024 on a 3-year lease at £14 per sq.ft.
99 High Street, Lanark		1,596	First floor let in March 2024 on a 1-year lease at £6.30 per sq.ft.
Minerva Way, Finnieston Business Park		1,634	Let in March 2024 to Gas Care Heating Services Ltd on a 5-year lease at £16.50 per sq.ft.
Suite 1-2, Blair Court Clydebank Business Park Clydebank		2,352	Let in March 2024 to Alltogether Care Services Ltd at £7.50 per sq.ft.
250 West George Street		2,625	Let in March 2024 to McLaren Group Glasgow Ltd on a 10-year lease at £11 per sq.ft. Lower ground floor.
The Ink Building, 24 Douglas Street		4,520	Let in March 2024 to Weightmans on a 10-year lease at £25 per sq.ft.
133 Finnieston		6,610	Let in March 2024 to Kibble Education and Care Centre on a 10-year lease at £17 per sq.ft.
Lucent, 50 Bothwell Street		6,937 6,964	Let in March 2024 to RSM Tenon Ltd on a 10-year lease at £27.50 per sq.ft. Let in March 2024 to Edrington Beam Suntory UK Distribution on a 10-year lease at £37.50 per sq.ft.

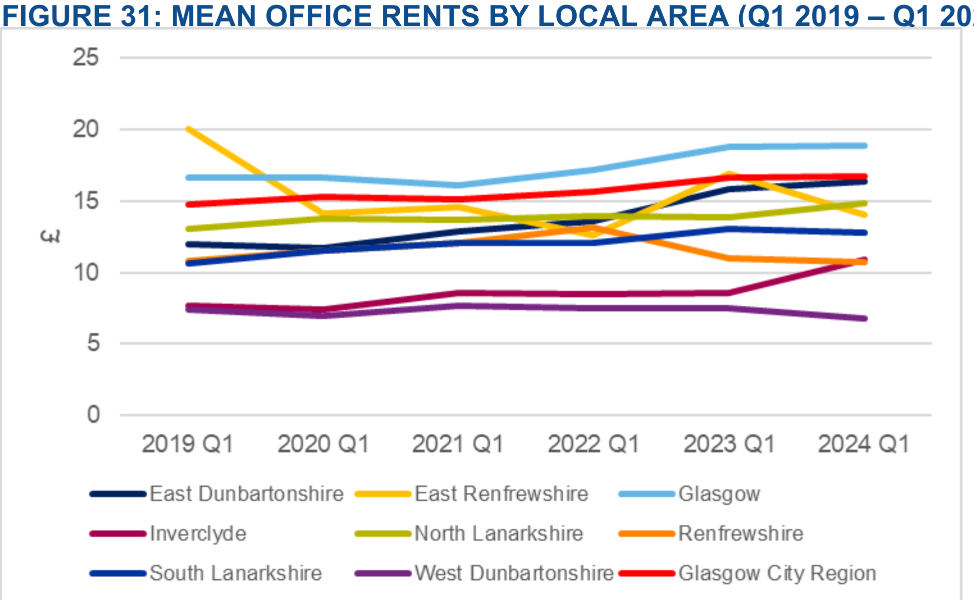
Aurora, 120 Bothwell Street		25,887	Let in March 2024 to PWC on a 15-year lease at £37.50 per sq.ft. Suites on 8th and 9th floors
Maxim Business Park		14,636 17,399 52,056	Let in March 2024 to Aviva on a 10-year lease at £15.50 per sq.ft. Lease renewal in March 2024 to IWG for 10-years at £15.50 per sq.ft. Let in February 2024 to HSBC Bank on a 10-year lease at £17 per sq.ft.

Source: Ryden / CoStar

OFFICE PROPERTY DEVELOPMENT, REFURBISHMENT AND INVESTMENT

5.30 The prime office rents of £37.50 per sq.ft. for Glasgow city centre represent the apex of the regional market and are broadly comparable to other large UK city office markets outside of London. The large majority of offices across the Region achieve much lower rents, in fact typically less than half of that level. Figure 31 show average office rents across all office lettings since Quarter 1 2019 for each local authority area.

FIGURE 31: MEAN OFFICE RENTS BY LOCAL AREA (Q1 2019 – Q1 2024)



Source: Ryden/ CoStar

5.31 The regional average office rent (red line) has increased from £15 per sq.ft. in 2019 to £17 per sq.ft. in 2024. This is a 13% rise compared with consumer price inflation over the period of 25%, indicating a fall in office rents in real terms. As a market demand signal, this compares with the 53% rise in average industrial rents over the same period, meaning that in relative terms industrial rents have increased by 40% more than office rents. The rents and inflation noted for prime Glasgow city centre offices do not apply to the wider regional office market.

5.32 Glasgow is at the top of the regional rental hierarchy with mean office rents rising from £17 per sq.ft. in 2019 to £19 per sq.ft. in 2024 (again the wider market is distinct from the city centre). North and South Lanarkshire also currently achieve average office rents of £15 per sq.ft. or above. The market is then much more variable with rents moving in different directions and ranging from £13 per sq.ft. on average in East Renfrewshire down to £7 per sq.ft. in West Dunbartonshire.

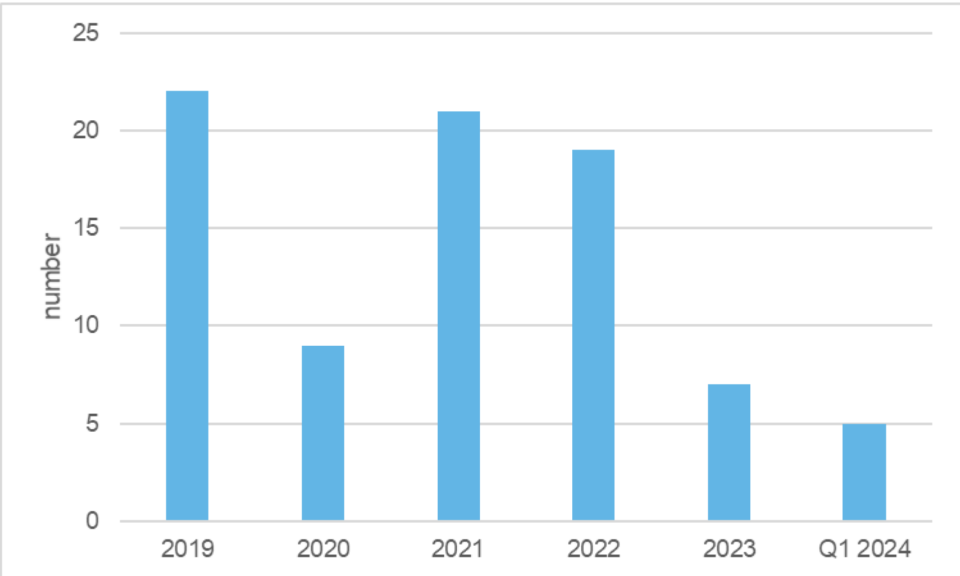
5.33 Development of new offices is not close to being financially viable at these levels. Construction costs would require, indicatively, rents of £25 per sq.ft. or above, while prevailing investment yields and funding appetite would be unlikely to support development at all unless built-to-suit for a financially strong occupier on a long lease. Large parts of the regional office markets are instead composed of micro- and small occupiers seeking flexible and affordable options. The office development market is therefore strongly skewed towards refurbishment rather than new-build based upon economics alone, which also aligns with environmental preferences for reuse of buildings. Where new-build offices are being delivered in 2024 that is public sector-led such as the new Eastworks in Glasgow.

5.34 The most recent office development cycle and now the refurbishment cycle have favoured the core city centre. In other locations the stock comprises traditional offices and purpose-built business parks. The peak of business park development was during the 1990s and early 2000s[8]. Those modern pavilions and blocks at business parks with good amenities and access can be adaptable to changing occupier needs favouring smaller, better and more flexible offices. The local appendices show the extent to which existing rather than new buildings are adapting to the market.

5.35 A combination of contracting office needs and increasing life sciences needs is bringing the two markets into contact. In early 2024, Ryden completed a market investigation into laboratories for the Glasgow City Region[9]. Labs are a specialist form of commercial property with strictly defined uses and specifications, can be location-sensitive, and are typically expensive to create. The investigation estimated the existing regional stock of labs at 45 buildings with virtually no lab space being marketed. As a result, any mobile or scale-up company requiring modern space with a lab component for early entry would not find any available. Medium-sized moves and scale-ups appear to be particularly constrained in the Region's lab market – many will not be large enough for their own building so will require provision of multi-occupied space to lease. Potential obsolescence of older buildings may also create replacement demand for properties with lab space. Alongside new development in Govan and innovative building conversions, some existing office locations, most notably Maxim, are adapting to accommodate this market.

5.36 Since January 2019, a total of 83 office investment deals over £1 million have been transacted. The years 2019 and 2021 had the most with 22 and 21 deals respectively (Figure 32). Examples of recent investment transactions are in Table 14 and mapped on Figure 33.

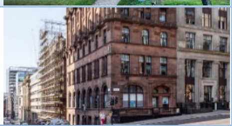
FIGURE 32: OFFICE INVESTMENT DEALS OVER £1 MILLION



Source: Ryden/ CoStar/ Agents

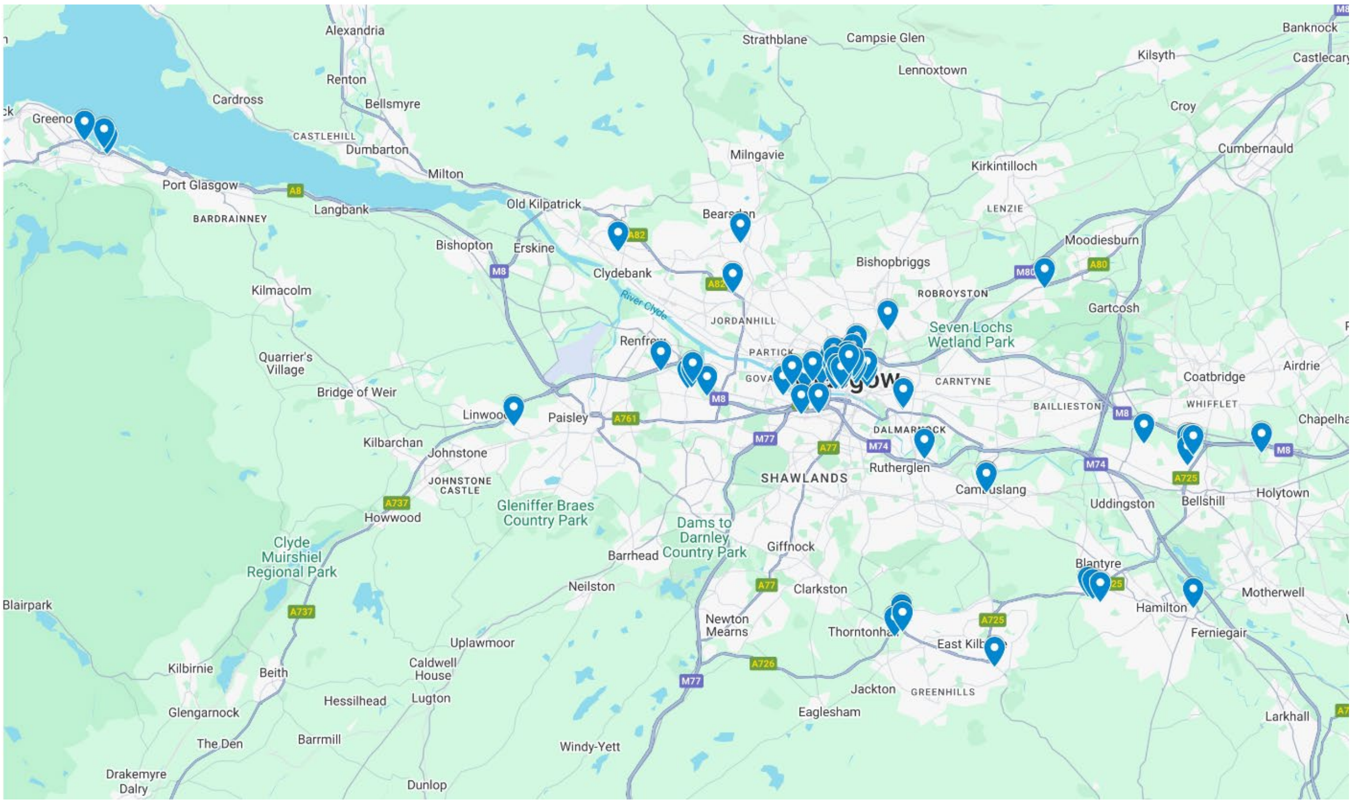
[8] Planning policy changed in 1989 to allow office development on industrial land.
[9] Glasgow City Region Laboratories: A Market Investigation, January 2024, Ryden on behalf of Invest Glasgow

TABLE 14: OFFICE INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
The Cornerstone Building, 107 West Regent Street		Sold in March 2024 to RGH Holdings Ltd for £2.2 million (11.45%). The 20,627 sq.ft. is let to J & P Coats Ltd and Addleshaw Goddard LLP, with some vacant space.
The Garment Factory, 10 Montrose Street		Sold in January 2024 to PP Asset Management for £15.7 million (9%). The 55,800 sq.ft. building was fully refurbished in 2017 and offers seven storeys of office space and retail on the ground floor. Current tenants are Tailor Made Suites & Amenities, Channel 4, Wallace Whittle and Statkraft.
6 – 10 Bell Street		Sold in October 2023 to Keystone MHD (General Partnership) Ltd for £3.85 million (9%). C. 24,000 sq.ft. office building, tenants include Scottish Children's Reports Unit and MND Scotland.
Orbital House, Peel Park		Sold in September 2023 to Hamilton Kelly Investment Partnership for £4.3 million (15%) 69,359 sq.ft. office pavilion multi-let to VWS Westgarth Ltd, Opus Workspace and Claremont Office Furniture.
1 and 3 Nasmyth Place, Centura Court, Hillington Park		Sold in July 2023 to MIMA Investments Ltd for £1.55 million (12.22%). Two multi-let two storey office pavilions totalling 18,364 sq.ft.
191 West George Street		Sold in June 2023 to Corum Asset Management for £36.2 million (6.5%). 85,472 sq.ft. multi-let office , tenants include Edrington UK and RSA Group.
Mercury House, 1 Dove Wynd, Strathclyde Business Park, Bellshill		Sold in May 2023 to LondonMetric Property Plc for £7.1 million (as part of a wider portfolio). Comprises a 62,250 sq.ft. pavilion office let in part to Virgin Media Group.
Sutherland House, 149 St Vincent Street		Sold in May 2023 to New Amsterdam Invest NV for £9.05 million (7.57%). 39,378 sq.ft. multi-let office, tenants include DAC Beachcrift, AIG and Avison Young
Grove House, Kilmartin Place, Tannochside Park, Uddingston		Sold in January 2023 to a private individual for £540,000 (16.92%). Mixed use office pavilion totalling c. 16,680 sq.ft., tenants include MacDonald Group, Happy Days and IT Dimensions (Scotland) Ltd.
20 Union Street, Greenock		Sold in December 2022 for £230,000 (9.6%). 2,600 sq.ft. two-storey traditional office building. Ground floor is let on a long-term lease to a charity a £12,000 pa
Redwood House, 5 Redwood Crescent, East Kilbride		20,978 sq.ft. Sold in August 2022 to Murphy Young for £1.9 million (9.84%). Clyde Blowers will remain in the property
Osprey House One and Two, and Vigilant House, Paisley		Portfolio of three office pavilions totalling 37,176 sq.ft. sold in July 2022 to Waypoint Asset Management for £6.5 million.
Cigna House, 1 Knowe Road, Greenock		Sold in March 2022 to HKIP (Cigna House) Ltd for £2.24 million (17.10%). The building totals 30,834 sq.ft. let to Cigna Health Care at £405,000 pa

Source: Ryden/ CoStar

FIGURE 33: LOCATION OF OFFICE INVESTMENT DEALS OVER £1 MILLION



Source: Ryden/ Google Maps

SUMMARY

5.37 The regional office market is active, but has suffered a substantial shock due to the post-pandemic persistence of hybrid working. Hybrid working can vary but is market-wide and has solidified as better office environments and hybrid working policies emerge. Office occupiers are taking less, but better quality, accommodation; or extending in their current premises to avoid the change and costs.

5.38 The effects are most noticeable in Glasgow city centre given its market share and prime office market. Occupiers moving to better offices and leaving behind older offices is a long term trend which is expected to continue and is driving up vacancy rates. Refurbishment of the best of that vacated stock is well underway and is supported by live demand for medium to larger offices.

5.39 The regional office vacancy rate has risen to 12%, although much of that is adaptable and highly flexible. Further un-occupied 'grey space' is potentially being held by occupiers during this market transition. There are some interesting signs of demand for modern offices in outer urban locations.

5.40 Prime city centre office rents have increased and form part of the consideration of whether new-build speculative office development will resume. Office rents across the Region as a whole are much lower and have fallen in real terms making new development unviable and favouring refurbishment particularly at modern, well-located business parks, alongside some selective public sector developments.

5.41 The scale of office vacancy and the continuing trend indicate a significant proportion will need to move to its next best use. That may potentially be residential in the city centre or town centre upper floors, or alternative employment uses such as life sciences or clean industry at sub-regional business parks.

06

EMPLOYMENT LAND

INTRODUCTION

6.1 This section assesses employment land in the Glasgow City Region. A steady supply of developable employment land is essential to enable the employment property markets to function and to accommodate new investment and growth. As indicated in NPF4, local authorities through their LDPs are required "*to allocate sufficient land for business and industry… ensuring that there is a suitable range of sites that meet current market demand, location, size and quality in terms of accessibility and services*".

6.2 The analysis below is undertaken at a regional level with local planning authority area breakdowns also shown. The underlying data has kindly been provided by the Clydeplan team which continues to monitor employment land supply and take-up as part of its planning coordination role for the Region. Further detail on local authority area employment land is provided in the Appendix.

REGIONAL EMPLOYMENT LAND SUPPLY

6.3 Employment land supply is land which is allocated in a development plan for industry and business purposes (Use Classes 4, 5 and 6). The active employment land supply[10] is classified and analysed by Clydeplan and its constituent local planning authorities as:

- **Category A**: Land which is **available** for business and industry purposes. Available land must be:
    - designated in or agreed in principle for allocation in a development plan;
    - fully serviced or serviceable at short notice with no significant constraints to development;
    - available with 1 year or 1-5 years;
    - connected or planned to be connected to the transport network with good access for sustainable modes of transport;
    - and (normally) be capable of accommodating a wide range of development without significant adverse environmental impact.
- **Category B**: **specialist** sites which have unique circumstances and/ or specific need at a location. For example, port-related land and expansion land restricted to particular industries or occupiers. The most recent regional employment land analysis for 2022/23 contains 17 Category B specialist sites.
- **Category C**: **land in use** where no development has taken place. For example, storage uses. The most recent regional employment land analysis for 2022/23 contains 56 sites which are in use.

Local planning authorities undertake annual employment land audits within their constituent areas and sites which secure planning permission are often added to the supply as part of that process.

6.4 Category A, available employment land, is the focus for this study. Although a Category A classification indicates no significant constraints, it does not fully distinguish between sites with no constraints and those which still require investment for example in transport connections and potentially in other services too. A former classification method which did make that distinction is no longer used, and of the 263 employment sites in the 2022/23 register, 164 do not show their former classification.

[10] Further categories are:
D – sites to be reviewed for potential deallocation
E – sites developed for business or industry
F – sites developed for alternative uses
G – sites deallocated

6.5 Clydeplan provided Ryden with the base sites data for the most recent monitoring year, 2022/23. The total Category A available employment land supply is 796.7 ha. (Table 15 on the next page) across 263 sites.

TABLE 15: REGIONAL EMPLOYMENT LAND SUPPLY (Category A, 2022/23)

Local authority	Land Area (hectares)	No. of Sites	Mean site size (hectares)
East Dunbartonshire	16.7	8	2..09
East Renfrewshire	12.2	9	1.36
Glasgow City	87.8	50	1.76
Inverclyde	29.9	17	1.76
North Lanarkshire	462	91	5.08
Renfrewshire	56.1	28	2.00
South Lanarkshire	71.5	42	1.70
West Dunbartonshire	61.2	18	3.4
Totals	**797.6 ha.**	**263 sites**	**3.03 ha.**

Source: Clydeplan / Ryden

6.6 North Lanarkshire has the majority of the Region's employment land (58%) and also the highest proportion of its sites (35%). North Lanarkshire's average employment site size of 5.08 ha. is an outlier which inflates the overall mean site size to 3.03 ha. Excluding North Lanarkshire, the average site size is 1.95 ha. Glasgow City then South Lanarkshire have the next largest shares of employment land and sites in the Region. Further comment and analysis on local area employment land is provided in the Appendix.

6.7 The five largest available employment sites in the region are all in North Lanarkshire and together account for 30% of regional employment land supply:

- Mossend International Railfreight Park, Bellshill (102.05 ha.);
- Site of Proposed Potato Processing Factory, Greengairs (42.68 ha.);
- Ravenscraig Employment Area West, Motherwell (41.84 ha.);
- Eurocentral Site X, Holytown (24.95 ha.); and
- Gartcosh Business Interchange Site 1 & 2a/b (24.82 ha.).

A further 27 sites are in the range 5 – 22 hectares. Ten of these are also in North Lanarkshire at locations including further sites at Eurocentral and further land at Reema Road/Mossend. Major regeneration sites include Spango Valley (Inverclyde), parts of Ravenscraig (North Lanarkshire), land at former petrochemicals sites at Carless and Bowling (West Dunbartonshire) and at Westerhill, Bishopbriggs (East Dunbartonshire), Clydesmill (South Lanarkshire, currently on the market). Larger plots in established employment estates are noted at Hillington (Renfrewshire), Gartcosh (North Lanarkshire), Vale of Leven (West Dunbartonshire), Woodilee Kirkintilloch (East Dunbartonshire), Westfield Cumbernauld (North Lanarkshire) and AMIDS (Renfrewshire) as an emerging location. Overall, these larger sites account for 500 hectares (63%) of the 797 hectares available employment land supply. Many still have constraints still to be overcome, some of which are significant around remediation, access, servicing and particularly the creation of developable plots rather than simply large vacant areas.

6.8 In terms of reuse of formerly developed land, it is notable that 178 sites are brownfield while 83 are greenfield and 2 are mixed/other. This provides a strong potential focus on recycling of land for employment uses.

6.9 Eighty-two (31%) of the 263 available employment sites are in public sector ownership, indicating some control over any required site investment. A few sites are in joint public / private ownership, a few have unconfirmed ownership and the majority (174) are privately owned.

6.10 The total available employment land supply across the Region has steadily fallen from 905 ha. in 293 sites in 2019/20 to 798 ha. in 263 sites in 2022/23, as shown in Table 15. Over the 3-year period there has been a 12% fall in available employment land and a 10% reduction in the number of sites.

6.11 In terms of reuse of formerly developed land, is notable that 178 sites are brownfield while 83 are greenfield and 2 are mixed/other. This provide a strong potential focus on recycling of land for employment uses.

6.12 Within the overall available employment land supply there are a number of strategic locations which are now approaching completion. Like the industrial stock, these sites were largely launched by the public sector to support economic development. Sites which formed parts of EZs or SE Network sites which are completed, committed or have a limited number of plots left include Nova Technology Park (Robroyston),

6.13 Table 16 sets out the available land at strategic employment sites around the Region. Most sites which are serviced and capable of taking new development are approaching completion, while emerging sites require remediation and servicing. The employment land in Table 16 is skewed to the east and south of the region. Table 6 in Section 4 showed the scale of occupier demand which is either requiring medium to larger sites, or could be displaced onto sites due to lack of suitable secondhand industrial/warehouse buildings.

TABLE 16: REGIONAL EMPLOYMENT SITES

SITE	OWNER	TOTAL AVAILABLE	LARGEST PLOT	
Cambuslang	Various	8 ha (20 acres)	4 ha (10 acres)	Various small development plots.
Eurocentral	SE, Muir Group, Carnbroe Estates	49 ha (c.120 acres)	16 ha (40 acres)	Plots from 1.6 ha (4 acres). Carnbroe Estates land requires servicing. Land next to Lidl poor site conditions.
Ravenscraig	North Lanarkshire Council, Liberty, Wilson Bowden, SE	32 ha (80 acres)	8 ha (20 acres)	Site remediation and platforming required. City Deal project is investing in transport infrastructure.
Gartcosh Business Interchange	Scottish Enterprise	24 ha (60 acres)	10 ha (25 acres)	Distributor roads built and some plots remediated. National Crime Agency HQ, Fusion Assets units. If land under offer concludes then 8.5 ha (21 acres) remaining.
Hillington Park	Frasers	8 ha (20 acres)	2 ha (6 acres)	Development of frontage land for motor trade and industrial. Maximum 50,000 sq.ft. single occupier.
Link Park, Newhouse	Fusion Assets	3 ha (8 acres)	1 ha (2 acres)	To the immediate East of Eurocentral. Small balance of land capable of taking smaller units.
Mossend International Rail Freight Park	Federated Trust Plc	57 ha (140 acres)	18 ha (44 acres)	Site will benefit from improved access to M8. A possible multi-modal offer. Extensive ground levelling and infrastructure required.
Carnbroe	Rossco Properties	11 ha (26 acres)	3 ha (8 acres)	Former Shanks recycling site. Ground issues to be overcome. Promotion about to commence.
Nova Technology Park	Scottish Enterprise	3 ha (7 acres)	3 ha (7 acres)	Land adjacent to initial phases of a business park and Harper Collins new 550,000 sq.ft. facility.
Provan Works, Glasgow	National Grid Properties & Scottish Gas Networks	36 ha (88 acres)	TBC	Remediation of former gasworks nearing completion. New junctions required to improve development prospects. Highly prominent site on M80.
Badenheath, Cumbernauld	TBC	49 ha (121 acres)	12 ha (30 acres)	Farmland at Junction 4 of the M80. A large section of the site is affected by a flood plain.
Conexus, Poniel	3R Energy and Hargreaves	81 ha (200 acres)	40 ha (100 acres)	Former open cast mine. Bonded warehouses created for Dewars/Bacardi. Largely farmland with access road. Energy and storage use most likely.

Source: Ryden

6.14 The private sector is unlikely to bring forward any further new strategic employment locations of scale due to the requirement for front-funding servicing and any remediation and the inability to recoup that investment through resultant land values.

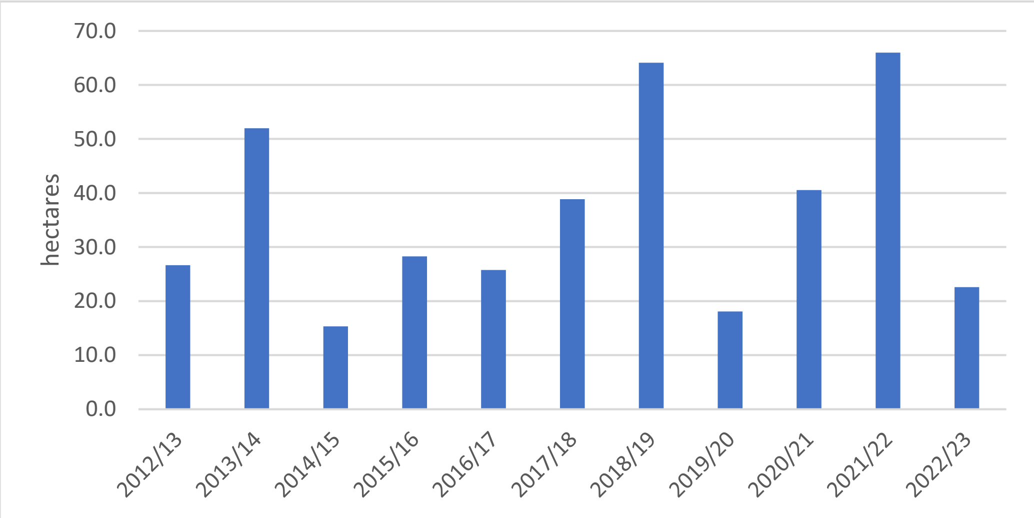
REGIONAL EMPLOYMENT LAND TAKE-UP

6.15 Take-up of employment land confirms demand for new development. Take-up of the most readily-developed land without any replenishment also erodes the remaining supply in terms of locations, sizes and quality of available sites. This is considered further at the local level in the Appendix.

6.16 Figure 34 shows total regional employment land take-up for the 11-year period from 2012/13 to the most recent audit period of 2022/23. Total take-up of 398 hectares over 11 years indicates a mean annual take-up of 36.2 hectares. Mean take-up over the past 5 years is 29 hectares per annum.

6.17 Comparison of land take-up with economic growth data is inconclusive. It is more likely that the volumes of land taken-up in a given year reflect a combination of demand-side factors comprising large developments plus general market activity, and supply-side factors as serviced sites come on-stream. While the mean annual take-up is 36.2 hectares, the range is wide from 15 hectares in 2014/15 up to 66 hectares in 2021/22.

FIGURE 34: EMPLOYMENT LAND TAKE-UP 2011/12 – 2022/23 (HECTARES)

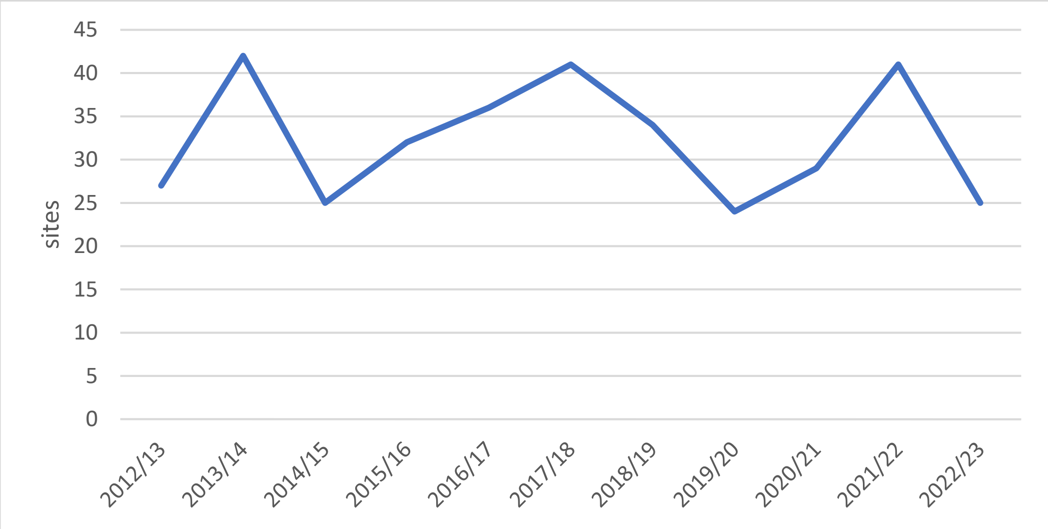


Source: Clydeplan/ Ryden

6.18 Figure 35 on the next page indicates the numbers of sites taken-up each year. This removes the effects of very large projects and shows a smoother annual take-up trend than the land area chart above. A total of 352 sites have been taken-up over 11 years, indicating a mean of 32 sites per annum. Annual totals range from 24 in 2019/20 to 41 in 2017/18 and again in 2021/22.

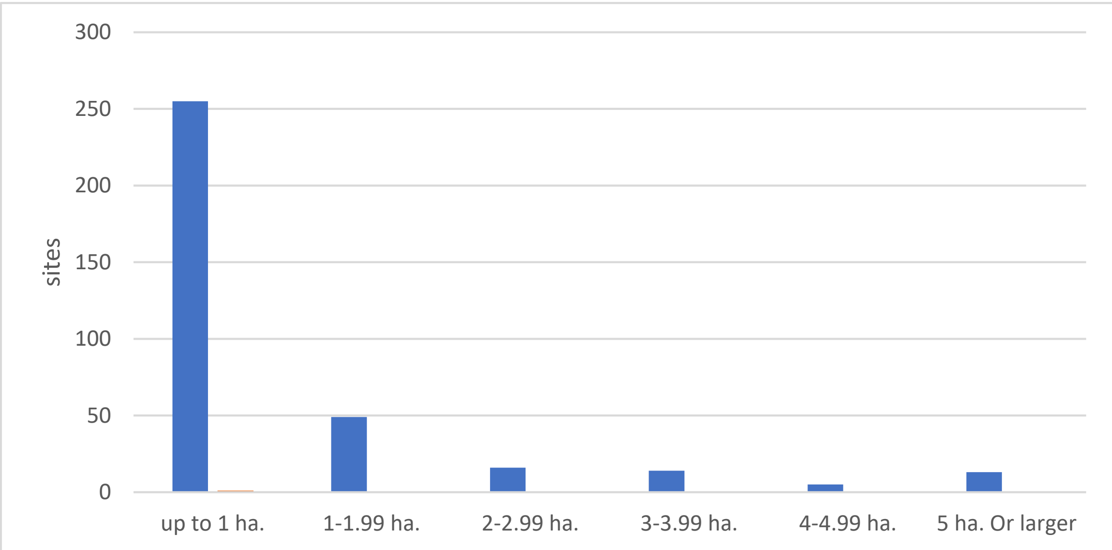
6.19 The mean employment site taken-up is 1.12 hectares (2.77 acres). This is skewed upwards by larger developments (Figure 36). The majority of 255 (72%) of sites taken-up were smaller than 1 hectare. The large majority of sites developed are therefore 'plots' for an occupier or phase of a development, rather than full industrial/ business areas. The median (178th/179th site by size) is 0.49 ha. (1.21 acres) which could accommodate around 1,500 sq.m. / 16,000 sq.ft. of development at a typical plot ratio.

FIGURE 35: EMPLOYMENT LAND TAKE-UP 2012/13 – 2022/23 (SITES)



Source: Clydeplan/ Ryden

FIGURE 36: EMPLOYMENT LAND TAKE-UP BY SIZEBAND 2012/13 – 2022/23 (SITES)



Source: Clydeplan/ Ryden

6.20 Examples of employment land take-up larger than 5 hectares are typically logistics development around the trunk road or motorway network. Recent, very large examples include:

- Lidl taking 16.43 hectares for 58,529 sq.m. (630,000 sq.ft.) of Class 6 space in 2018/19
- Harper Collins / Tritax taking 13.70 hectares at Nova Technology Park, Robroyston for 46,428 sq.m. (499,750 sq.ft.) logistics and 4,877 sq.m. (52,500 sq.ft.) ancillary office in 2021/22
- Saltire Developments taking 10.98 hectares at Eurocentral in 2013/14
- Poniel Holdings taking up 9.38 hectares at Poniel in 2013/14

6.21 Further locations attracting larger site take-up of 5-10 hectares include Wardpark and Orchardton in Cumbernauld, AMIDS, Glasgow Business Park and Eurocentral again. While larger sites taken-up on Figure 33 are much fewer in number than individual plots, they are critical for sectors such as logistics and manufacturing. The local area Appendix contains numerous further examples of general site take-up.

6.22 The total floorspace shown against these employment sites is 10.45 million sq.ft.[11] (971,000 sq.m.). In very approximate terms this indicates that the known new development on land taken-up averages just under 1 million sq.ft. (92,900 sq.m.) per annum. In comparison with the total Regional industrial and office stock of 149 million sq.ft. (13.8 million sq.m.) the development rate would indicate that the stock is being replaced or expanded at a rate of two-thirds of 1 per cent each year. Crudely, for this to continually replenish, the stock would require that buildings last for 150 years on average.

6.23 Employment land take-up will however underestimate total new development across the Region as some buildings will be demolished and their sites redeveloped – in Glasgow city centre for example – without becoming part of the formal employment land supply. Similarly, developments which expand existing operations within their own curtilage will not be recorded as take-up of employment land.

6.24 Analysing take-up by floorspace rather than land area introduces further large projects alongside the logistics examples shown above. Developments also at the top of the floorspace list over the past 10 years, but requiring less than 1 hectare of land each, are high density office schemes in Glasgow city centre:

- HFD Developments building 37,900 sq.m. (407,000 sq.ft.) of speculative office development commencing 2018/19 at 177 Bothwell Street which has been completed, occupied and the investment sold.
- BAM Properties building a 37,500 sq.m. (403,650 sq.ft.) mixed-use development in Glasgow city centre commencing 2017/18 including two major office blocks at Atlantic Square.

6.25 The next largest city centre developments formed an earlier phase, namely University of Strathclyde Technology and Innovation Centre (27,500 sq.m./ 296,000 sq.ft., 2012/13) and Scottish Power (27,360 sq.m./ 294,500 sq.ft. in 2013/14). Although it is too early to state definitely that these major new-builds for occupiers and speculatively are a historic wave, the medium term pipeline in Section 5 does show more of a tilt towards refurbishment.

6.26 Employment land taken-up over the 11-year period was 60% brownfield (previously developed land) and 40% greenfield[12]. This is a similar balance to the employment land supply. In economic development terms, however, the balance is likely to be further towards brownfield given the high density service sector and knowledge economy buildings on small, previously developed parcels and blocks in Glasgow city centre.

REGIONAL EMPLOYMENT LAND MARKET

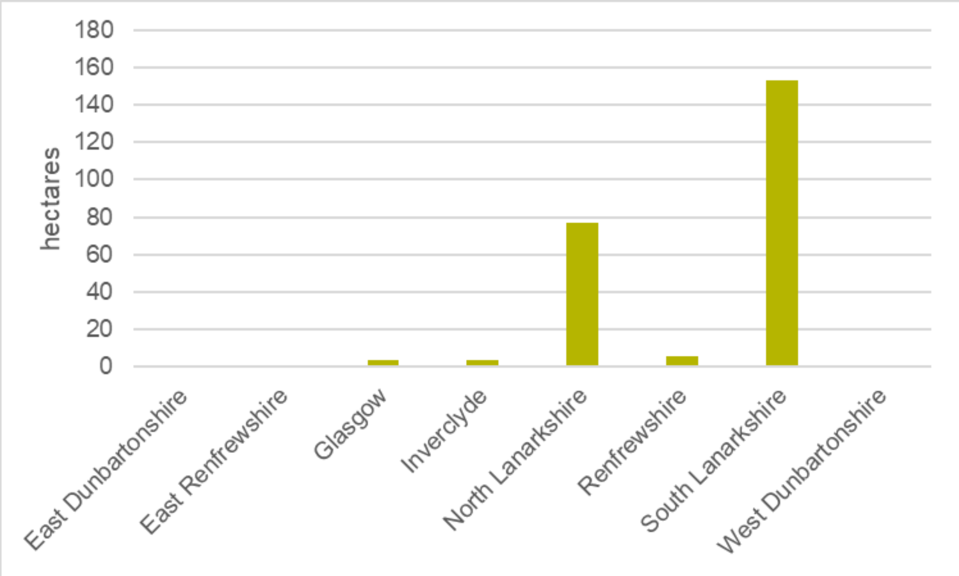
6.27 The analysis above reviews all allocated employment land and sites taken-up across the Region. The market for employment land provides a further means of assessment, in particular whether a portion of the allocated land is being made available to prospective developers and occupiers.

6.28 Figure 37 on the next page analyses the volume of employment currently marketed by local authority area. A total of 243 ha (600 acres) is currently being marketed. Only 8 of the sites are smaller than 0.5 ha, therefore a lack of medium to small serviced plots.

6.29 Figure 38 overleaf shows sales for employment land, this totals 71.5 ha (176 acres) taken-up over 5 years, so around 13 hectares purchased on average each year. Further details on employment land marketed and sold are in the local area Appendix.

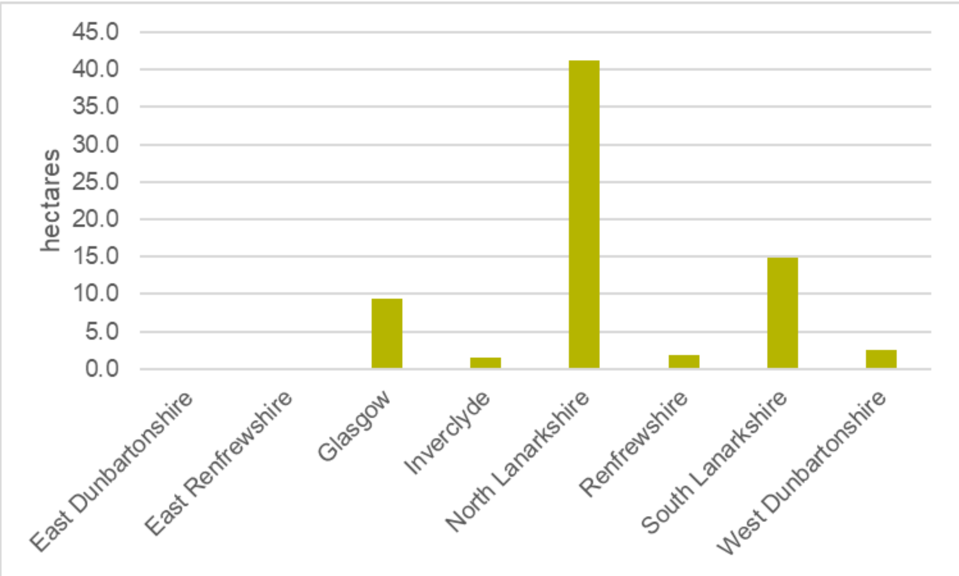
[11] Most sites have a development with associated floorspace indicated however some do not.
[12] Again, most but not all sites have either a greenfield or brownfield designation shown.

FIGURE 37: MARKETED EMPLOYMENT LAND SUPPLY



Source: Ryden/ CoStar/ Agents

FIGURE 38: MARKETED EMPLOYMENT LAND SALES



Source: Ryden/ CoStar/ Agents

EMERGING REGIONAL EMPLOYMENT LAND LOCATIONS

6.30 The supply of strategic employment sites which was commenced during the 1990s is drying-up. Assessing the future pipeline of 'new' Category A employment land to replenish this strategic supply is not straightforward. Some will come from removal of existing uses to release developable brownfield sites, and some from the improvement of currently un-remediated or un-serviced sites. The regional Clydeplan and local employment land audits which monitor this in detail remain the correct fora for monitoring and action.

6.31 A pipeline of new or improved employment land is coming via the Glasgow City Region Deal. These have been assessed using information collated for Output B of this regional market study. Table 17 lists the sites and their estimated employment land, any target markets and currently anticipated timing.

6.32 The projects listed in Table 17 are those where City Deal investment is directing delivering or indirectly enabling the provision of employment land[13]. The former are defined areas which are being remediated and serviced for employment uses. The latter are large-scale area-wide regeneration projects where the business cases indicate that employment land across a number of sites form part of the outputs.

6.33 The employment land associated with the first 5 projects in Table 17 totals 176 hectares. This equates to 4.9 years' historic take-up and will be delivered over the short to medium term. Projects such as AMIDS are bringing new locations, Ravenscraig, Exxon and Inchgreen are recycling land formerly used for heavy industry and Langlands is unlocking a transport constraint to support a long-allocated site.

6.34 The 4 area-wide interventions contain potentially a large volume of employment land which will emerge as these projects progress and development proposals are attracted to what are largely urban area and in a number of cases inner-city opportunities typically suited to Class 4 business or alternative urban uses.

TABLE 17: EMERGING STRATEGIC EMPLOYMENT LAND SUPPLY (CITY DEAL SITES)

Project	Local Authority	Area	
Employment sites			**Comments**
Inchgreen, Greenock	Inverclyde	11.5 hectares	2.99 ha. is Category A land in 2022/23 audit. Between A8 trunk road and River Clyde. Has dry dock. Land assembly, remediation and servicing completed. Site is on the market. Potential for industrial development from 2025/26.
Pan Lanarkshire Orbital Transport Corridor	North Lanarkshire	64 hectares	Project supports reuse of general industrial employment land at the nationally important Ravenscraig site which has been identified as a priority since the 1990s.
Glasgow Airport Investment Area	Renfrewshire	52 hectares	Project spans area around Glasgow Airport including a core major new site at AMIDS as well as brownfield land at Inchinnan and Westway. Total capacity 75,000 sq.m. of Class 4, 5 and 6 development. Existing national institutes have invested. Some current site availability and programme of sites available at AMIDS from 2025/26.
Greenhills Road	South Lanarkshire	31 hectares	Trunk roads improvement to support development of 18.8 hectares industrial land and 12.2 hectares business land.
Former Exxon Mobil Site	West Dunbartonshire	17.8 hectares	Project will service a remediated site to bring to market 7.9 hectares of business land and 9.9 hectares of general industrial land from 2027/28.
Area Interventions		**Comments**	
Canal and North Glasgow Gateway	Glasgow City	5.4 hectares of Class 4 business land supported across large area of city.	
Clyde Waterfront and West End Innovation Quarter	Glasgow City	11.4 hectares of Class 4 business land supported across large area of city.	
Collegelands Calton Barras	Glasgow City	4.5 hectares of Class 4 business land supported across large area of city.	
Clyde Waterfront and Renfrew Riverside	Renfrewshire	2.4 hectares of general industrial land within wider riverside regeneration.	

Source: Ryden/ BiGGAR Economics

[13] In a regional context the following employment land elements within Growth Deal projects are treated as *de minimus*:

- 0.84 hectares within the M77 Strategic Corridor project
- 0.55 hectares within the Gartcosh / Glenboig Community Growth Area project

LAND-HUNGRY USES

6.35 A notable feature of the current employment market is the increase in what might be termed ‘land hungry’ uses. While some of these are logistics hubs or major manufacturers, i.e. employment land uses, some have very large land requirements but following construction will bring very little direct long run employment.

6.36 Table 18 does not attempt a planning use classification of these, but offers a market perspective on the types of sites being sought. The important point about each of these land uses is that they are growing and may target employment land as that is usually accessible and serviced, particularly with power. The drivers behind these sectors are industry-specific and the table focuses on the land and property implications.

6.37 Logistics and large-scale manufacturing are also land-hungry uses however these are standard employment uses (Classes 5 and 6 respectively) which also generate notable on-site employment. There are currently distribution searches underway in the Region for distribution sites of 40-80 hectares. In coastal locations, wind turbine manufacture, assembly and load-out can have very large land requirements.

6.38 One further active sector which can require from a large industrial unit up to tens of hectares is film studios, although again those generate direct and support additional employment whereas the examples in tables once built require low-employment maintenance only.

6.39 The implication is that the Region should not only provide for standard land-hungry uses which fall within employment use classes, but also anticipate continuing interest from low-employment uses which are closer to supporting infrastructure but may target the same, serviced locations. In a stark example of this, London may lose a 34-acre industrial estate to redevelopment for a data centre. Energy generation from waste may also seek similarly serviced, edge-urban locations. Local authority depots rationalisations may also feature.

TABLE 18: LAND-HUNGRY USES

Land Use	Typical Requirements	Comments
Battery storage	Typically 2 hectares but can be 8-12 hectares	A significant rise in site enquiries is being recorded by public and private agencies, driven by the shift to renewable energy.
Whisky maturation	Independents 4-8 hectares Major distillers 40 hectares+	Growth in the whisky industry and the duration required for maturation are increasing the demand for large sites.
Data Centres	From small local sites up to 40-60 hectares	Rapid growth due to digitisation and forecast to accelerate alongside the growth of artificial intelligence. Proximity to power generation is an advantage. Latency, or the delay in receiving and transmitting data, is less of a concern now which widens the choice of potential locations. These can be very high value.
Open Storage	Emerging sector	Many industrial locations and complexes have storage yards. Investors are now targeting this sector although requirements in the Region are sporadic to date.

SUMMARY

6.40 A steady supply of developable employment land is essential to support market activity. NPF4 requires a choice of sites to meet market demand. Available (Category A) employment land supply in the Region in 2022/23 was 797 hectares across 263 sites. Supply has fallen steadily from 905 hectares in 2019/20.

6.41 More than half of the available employment land is in North Lanarkshire. Sites of 5 hectares or larger account for 63% of land supply. Many of these are large regeneration sites requiring upfront investment. Related to this, around two-thirds of sites are brownfield, providing a strong focus on recycling of land. Similarly, 60% of take-up has been on brownfield sites.

6.42 Take-up averaging 36.2 hectares per annum varies widely due to large projects such as logistics. The average of 32 sites taken-up each year is more consistent. Not all major investment takes large sites and some of the largest are high density offices in Glasgow city centre. Nearly three-quarters of take-up concerns sites smaller than 1 hectare and the median site taken is 0.49 hectares.

6.43 Strategic sites commenced by public agencies during the 1980s and 1990s are nearing completion. Meanwhile, many of the aforementioned regeneration sites are not ready for immediate development. City Deal projects are delivering 176 hectares of serviced land at 5 strategic regeneration sites available from 2025/25 to 2072//28 onwards, plus the release of wider infrastructure constraints in some urban areas. This delivers roughly 5 years' effective regional land supply. The proportion of the employment land supply actually on the market is low in comparison with the overall allocation, constraining choice.

6.44 Some 'land hungry' uses have very large requirements and may target serviced employment land, but bring very little permanent employment. These include battery storage, whisky maturation, data centres and potentially open storage.

07

CONSULTATIONS

INTRODUCTION

7.1 In order to inform employment land and property market challenges and potential across the Glasgow City Region, Ryden undertook a wide-ranging consultation exercise which included:

- Workshops with property, planning and economic development officers within the 8 local authorities
- Interviews with other public sector bodies including Scottish Enterprise, City Property Glasgow, Clyde Gateway and those responsible for delivering the Shared Prosperity Fund and Clyde Mission
- Interviews with key developers and landlords/landowners in the area including CEG, HFD, Kadans, Knight Property Group and Stelmain

7.2 The consultation exercise was undertaken in March-May 2024 and was based around an agreed topic guide. The topic guide sought to understand views in relation to strategic employment locations, key sectors, demand/opportunities, market failure/constraints and future investment intentions. This section summarises the consultation exercise under key themes in the same order as the preceding chapters: industrial property, office property and employment land. A full list of consultees is provided at Appendix I.

INDUSTRIAL

7.3 In general terms, the industrial property market was considered by consultees to be performing well across the Region, with high levels of occupancy. A consultee noted that there has been a particular *"uptick in industrial activity"* since the Covid-19 pandemic with consistent industrial enquiries and demand. Another consultee commented that *"people are crawling all over some [industrial] estates and we often have to set closing dates on our leased properties"* often leading to rental growth as a result. *[demand-pull inflation]*

7.4 At a regional level, particularly popular industrial locations noted by consultees include Glasgow North, Bellshill and Hillington, however the importance of local industrial estates serving local businesses was also emphasised. There was considered to be demand for small industrial units (under 5,000 sq.ft.) in all key locations across the Region with unmet demand impacting economic growth. It was considered that this unmet demand is currently being exacerbated in the Region by poor quality stock in some locations and a lack of new industrial units being built.

7.5 All local authorities reported issues with poor quality stock in their areas. Whilst some of this stock is being let as cheap space it was generally recognised that there is a requirement for new, energy efficient stock across the Region. One consultee commented that occupiers are *"paying not ideal prices for not ideal properties"* which are beyond their useful lives and have poor energy efficiency. Whilst consultees cited examples of refurbishment taking place, this was generally associated with key locations in which landlords could attract higher rentals by upgrading stock. Consultees recognised that progress in this area needs to be accelerated if Scottish Government net zero ambitions are to be achieved. One noted that *"corporate governance and ESG is moving down the supply chain and, creating a flight to quality in industrial properties [as well as offices]".* Another consultee considered however that *"energy efficiency in industrial buildings is about bills, not occupiers being green".* There was noted to be a greater focus on heat networks in recent years particularly in establishing new employment locations such as AMIDS and Clyde Gateway's EastWorks which can serve as attractors for future users.

7.6 It was considered that pockets of poorer quality stock within the Region are now attracting non-employment uses as there is limited business demand for these units. This is particularly true for local leisure, e.g. gyms, soft play/trampoline parks etc. and also motor trades but it was also stated that these pockets of poor quality stock were vulnerable to re-development, most often for housing, resulting in employment space being lost. These change of use requests can be challenging for Council planning teams who seek to *"make pragmatic* *decisions"* on the applications. Industrial estates pepper-potted with different uses was noted to make it more challenging to implement industrial estate regeneration action plans. Consultees also noted that within Glasgow some edge of centre industrial areas have been reduced by changes to the road network as part of the Low Emission Zone.

7.7 With regards to the lack of new industrial units being built all consultees recognised the currently very difficult speculative development market. Access to debt financing was noted to be a particular issue for (some) developers. One developer commented that *"we have equity but we need to be able to leverage that against something or we can't build"*. Another noted that they are only able to develop because they own the land, can develop without borrowing money and can then hold the completed properties for the long term so it works for them rather than the wider market. The consultee went on to state that developer-traders (building and letting industrial units to then sell on to investors) are now *"out of the game"* due to these changing development economics.

7.8 A small number of local authorities have been able to develop their own speculative industrial units in recent years, however this has also reduced as public sector finances and grants have tightened across the board. For those authorities which have been able to develop recently this was largely the result of City Deal or Clyde Gateway funding, however grants such as the Vacant and Derelict Land Fund, the Regeneration Capital Grant Fund (both currently paused) and the Levelling Up Fund have also played a role. One local authority has also developed innovative joint ventures with private sector partners in order to secure new accommodation for their area.

7.9 Consultees were aware of potential new funding coming forward via the Glasgow City Region Investment Zone and the Scottish Enterprise Property Challenge Fund, however noted this funding was likely to be restricted to particular sectors and locations. Clyde Gateway has also developed recently with speculative units at Clyde Gateway East however they are also being impacted by restricted Scottish Government budgets. The rising importance of Universities in terms of the funding mix was also discussed. Many consultees considered that in order to provide speculative industrial stock of any scale, public sector intervention is required as a result of market failure.

7.10 Consultees reported that for many businesses looking to scale up the industrial accommodation simply isn't available to do so. One consultee commented, with examples, that they have a number of key employers who are seeking to 'do more' but are constrained by their current property and/or location.

7.11 The development economics can be even more challenging for some of the sectors which require bespoke space such as life sciences or high value manufacturing. These were noted to be key growth sectors by consultees where more needed to be done to capture growth.

7.12 In the mainstream industrial market, demand was reported to be particularly strong from the logistics and construction sectors as well as general trades activity. The road transport connections within Region were considered to be particularly attractive to these sectors.

7.13 A Council consultee reported that they were rationalising their own estate, in particular their depots, to help create space for those businesses which require larger units and yards. All local authorities had a desire to create more accommodation for local businesses and inward investors.

7.14 It was also reported that a number of companies in the area are keen to own their own accommodation but with no real option for this at present as the *"industrial market is so hot".* It was considered that some companies perhaps under-estimate construction costs or believe their local Council has land which they can sell to them, which for the majority of local authorities in the Glasgow City Region is not the case.

OFFICE

7.15 The office market was considered by consultees to focus predominantly on Glasgow city centre. However, the market has experienced structural change since the Covid-19 pandemic with an increase in hybrid working and a decrease in requirements for larger floorplates. There was reported demand for *"smaller but better"* space particularly with reference to Grade A accommodation. A consultee noted that occupiers are *"typically taking 20-25% less space than they are vacating"* with another stating that this is releasing *"grey space"* to the market.

7.16 Refurbishment of some of the vacated office space is occurring in Glasgow city centre, led by private developers, however several factors were noted to be impeding progress in this area. Difficulties associated with development finance are the same as those being experienced in the industrial sector however one consultee commented that lenders are even less predisposed to the refurbishment of office stock and that as a result cashflow or new equity is often required. It was further noted by consultees that the refurbishment of office stock can be more time consuming than the refurbishment of industrial and that *"aggressive"* taxes on empty and listed buildings are making it harder for developers to re-invest. There was considered to be good demand for refurbished office suites under 3,000 sq.ft. in the city centre with a number of landlords offering flexible, fitted out space as a "*ready to occupy"* option.

7.17 It was commented that despite having the ability to be refurbished and sub-divided, a number of former office buildings lie empty as *"ghost buildings"*. Beyond the scope of this study, the requirement for repurposing of surplus city centre offices to residential and other uses was noted by consultees. However, progress in this regard was considered to be slow with the time taken to obtain planning permission and a lack of city centre community infrastructure such as schools and healthcare cited as issues. There was also considered to be a greater requirement to invest in the public realm.

7.18 Consultees were aware that large development sites across the city are now far more likely to be mixed use rather than office led. This includes the Buchanan Galleries redevelopment (no offices proposed) and Broomielaw and St Enoch/King Street which are not office-led. This has the potential to offer more of place-based planning solution on these sites, a consultee noted.

7.19 With the city centre office market no longer being at capacity, consultees reported demand being affected elsewhere, leading to uncertainty over the types of office product required across the wider Region. Large floorplate offices have been vacated in some local authority areas, by both the private and public sector, as organisations seek to rationalise their space. As with the city centre, it was recognised that vacant, larger floorplate office buildings will require re-purposing with many local authorities pursuing residential and other uses for their own vacant offices. Local authorities also reported sharing space with other public sector partners in order to make best use of remaining properties. Consultees reported that some of the major edge of town office parks including Maxim and Strathclyde Business Park are reportedly considering alternative uses as part of their future plans. Others such as Inchinnan have already transitioned to a different mix. Consultees also noted that Clyde Gateway is potentially amending its office development plans at Shawfield and considering high value manufacturing and life sciences accommodation as an alternative.

7.20 With regard to town centres, business centres offering flexible managed space were generally reported to be well occupied, and that offices on high streets and upper floors were *"often performing better than what might be expected"*. This type of smaller scale accommodation was still considered to be popular with local office services such as lawyers, accountants etc. The ability of businesses to qualify for small business rates relief (which is linked to the rateable value of the premises) was seen as critical for this market.

7.21 In general terms, there was not considered to be any requirement for additional office space outwith Glasgow city centre and challenging viability was reported for any new build office accommodation.

EMPLOYMENT LAND

7.22 Consultees noted that there is a lack of effective employment land supply in many areas. One local authority consultee noted that they have a number of large, allocated employment sites but that these are not serviced and due to their large scale are not attracting market interest. Another commented that the majority of their allocated land is brownfield and has been *"sitting for a while"* due to ground or contamination issues with tackling vacant and derelict land in the Region a noted priority. Others reported requirements for infrastructure or power in order to make sites effective. Consultees were of the opinion that these sites with constraints will not be made effective by local businesses and as they require *"small, developable serviced plots"*. Conversely in Glasgow City Centre there were considered to be *"no sites of scale"* and a need to recycle more land for future use.

7.23 It was noted that historically there had been some greenfield allocations for employment land, e.g. West of Scotland Science Park on the western side of Glasgow, however such greenfield allocations are now less evident as policy has tightened around this issue.

7.24 Many consultees stated there is a requirement for a future pipeline of sites which are serviceable and deliverable. All developers reported access to land as a major issue. One consultee commented that they are not seeing strategic employment land supply being brought forward by the public sector and consider that *"was a point in time 25 years ago";* rather *"the land market is private owners buying and selling individual sites".*

7.25 It was considered by consultees that public sector funding should be made available to bring sites forward, albeit it was acknowledged that in some areas there are a lack of sites in public sector control/ownership. Improved partnership working between the public and private sectors in order to bring sites forward was therefore recommended by several consultees.

7.26 It was noted by consultees that a number of the Glasgow City Region City Deal projects (as well as Clyde Gateway's work) will help to make employment land more effective either directly by remediating land and servicing plots, e.g. the former Exxon site at Bowling, West Dunbartonshire, or indirectly such as the Yoker-Renfrew bridge which will help to 'open-up' employment sites. Infrastructure projects such as these were seen as vital for the regional economy by consultees. Others also questioned what would come after the City Deal in terms of funding for future infrastructure requirements.

7.27 Tightening policy on climate change and flood alleviation was seen as potentially challenging for some proposed employment land locations.

7.28 A number of local authorities noted an increase in enquiries for *"land hungry uses"* such as energy (renewables), battery storage, whisky storage and data centres however despite their substantial land requirements often don't attract much employment to the area. It was considered by consultees that these types of uses require more consideration in future LDPs in terms of how they can be accommodated and to what extent. A consultee stated that data centres in particular also generally have a large power requirement but other locational metrics such as latency (proximity to users) are now less crucial.

7.29 House builder interest in sites was considered by some consultees to be "perennial" and the brownfield first policy supports that, also diminishing employment land supply.

7.30 Finally, it was noted during consultations that deprivation still affects the Region, and that this impacts property markets. It was considered that part of this was due to transport inequality (which the Metro proposals will help address) and part of this was a need to match land opportunities to the places which need them.

CONSULTATIONS CONCLUSION

7.31 Overall, there is a strong alignment between the issues raised by consultees across wide-ranging land and property market discussions, and the policy, economic and market analyses set out in Sections 2 to 6, providing a further foundation for the summary and conclusions in the next section.

08

SUMMARY AND MARKET NEEDS

INTRODUCTION

8.1 Ryden was appointed by the Glasgow City Region Programme Management Office to provide a market intelligence report on employment land and property in the Region. The work will inform emerging Local Development Plans, the future Regional Spatial Strategy and potentially support other development and regeneration initiatives around the Region. This section summarises the research and presents the projected market needs for the next 10 years.

SUMMARY

8.2 **Planning** in Scotland is currently going through a period of reform with the statutory development plan now consisting of the NPF and the relevant LDP. Adopted in February 2023, NPF4 is the national spatial strategy for Scotland and provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. It seeks to create sustainable, liveable and productive places. RSSs are also required to be prepared however these do not form part of the statutory development plan. Eight separate LDPs operate within the GCR and each is at various stages in terms of its update in order to take account of NPF4.

8.3 Post-Brexit, the UK Government has become more directly involved in **supporting** the Scottish economy via its Levelling Up ambitions. At a Scottish Government level, there is an increased focus on the creation of a wellbeing economy with the provision of business space particularly important not just for the overall economy but also the provision of fair work and business. Scotland needs to improve productivity levels across the country and property is a key factor in enabling businesses to start or scale up. The transition to becoming a net zero economy also offers new market opportunities for Scottish businesses. These themes are echoed by the Regional Economic Strategy.

8.4 Regionally, the Glasgow City Region Deal, the Investment Zone and Clyde Mission offers key opportunities for the area and can help generate positive outcomes for people and businesses over the longer term. A number of the City Deal projects have a direct impact on employment land and property.

8.5 Public sector intervention in the property market is often required in areas where market failure exists, in order to support economic development. The Region, and its individual local authorities, have benefitted from a number of external funds to date and many are adept at managing the ‘cocktail’ of funding sources and applications required to bring employment land and property projects to fruition. However, funding streams are not exclusively available for employment land and property and therefore there is a requirement to prioritise a wide range of potentially applicable projects within the Region. These fluid funding conditions create a cost to monitoring, targeting and securing support to overcome property market failure.

8.6 Over half of **businesses** located in the Glasgow City Region are in industries relating to employment land classes. Prior to the pandemic, the number of businesses had been increasing, however, collectively, there has been a decline in businesses within these industries over recent years. A decline in industries that would typically require office space could compound the negative market effects of hybrid working.

8.7 The size of businesses within the Region has also changed in recent years, with a slight decline in micro businesses and growth in smaller businesses, potentially suggesting that companies are recruiting more employees. This is likely to result in demand for larger spaces to accommodate more staff. The Region accounts for a significant share of Scotland’s output and requires continuous business activity and innovation to retain and grow productivity levels.

8.8 The requirements for the type of space that businesses are looking for is changing, with demand requirements for spaces that have strong internet connections and facilitate AI technology. Ensuring that these facilities are available within the region will be important for growing the regional economy and supporting local employment.

8.9 The **industrial** property market is performing well across Scotland with strong demand, low vacancy rates and high rents. Demand for industrial property comes from a very broad range of economic sectors – it is the workhorse of the property market suited to making, storing, distributing, administering and servicing. The digital economy which has weakened retail and office markets has supported rather than undermined the physical nature of industrial property.

8.10 The Glasgow City Region is at the epicentre of the country's industrial property market and mirrors these national trends. The Region's very large industrial stock of 106 million sq.ft. benefits from high demand and occupancy, supporting major employment economic activity. The built stock is concentrated around the core city area, large towns and the trunk road network, and also in local estates, terraces and buildings across the Region.

8.11 This ongoing demand is delivering annual average take-up of 3.7 million sq.ft. and a falling vacancy rate which has reached 4% currently available. North Lanarkshire delivers the highest volume of industrial floorspace taken-up due to distribution users around the motorway network and Glasgow City the highest number of transactions. The choice of industrial buildings for discerning businesses can be very limited, leading to frustrated and potentially lost demand. Medium-sized modern units appear to be in particularly short supply. Live demand for medium and larger industrial / warehouse sites and modern buildings is high.

8.12 Compounding this tight supply, new industrial development peaked during the 1980s prior to the cessation of public sector direct delivery (other than in instances of market failure – see the *paper apart*). Age-related attrition of buildings is well underway and will continue. While this a Region-wide issue due to the provenance of most of the industrial stock, Glasgow exhibits the oldest stock and North Lanarkshire the newest.

8.13 A new development wave had commenced but was short-lived due to rising costs and higher interest rates; this constrained development market is projected to continue into the medium term, despite strong and consistent rental growth. There are always exceptions of course, in the forms of larger occupiers such as logistics and manufacturers requiring build-to-suit solutions, self-financed developers capitalising on limited competition in attractive locations, and public agencies investing in new buildings to support economic development. In other situations, market failure can occur.

8.14 The question is not simply one of restarting the new-build cycle. The standing industrial stock requires refurbishment to extend its physical and functional lifespan, and support occupier choice and to achieve energy efficiency in use and through reuse. Refurbishment is happening, but typically in prime locations courtesy of major landlords. Refurbishment is not viable and is much less likely to happen where demand is weaker and rents lower. Market failure and the persistence of poorer quality buildings is the outcome.

8.15 The regional **office** market is active, but has suffered a substantial shock due to the post-pandemic persistence of hybrid working. Digitisation of office working happened some time ago but the potential effects were latent until 2020. The relationship between service sector output and office space has weakened.

8.16 While the degree of hybrid working varies by activity and location, the trend is market-wide and has only solidified as better office environments and hybrid working policies emerge. Office occupiers are taking less, but better quality, accommodation; or extending in their current premises to avoid the change and costs. Employment numbers currently do not show any offsetting growth to counteract the effects of hybrid working. Obviously however, individual occupiers can and do expand and thus require additional office space even while hybrid working and particularly if allowing more break-out, meeting and amenity space.

8.17 The effects of this occupational shift are most noticeable in Region's apex office location, Glasgow city centre. The city centre has around 42% of the stock and a large concentration of higher value activity such as corporate head offices, national agencies and technical and development functions. As leases end or through other drivers, occupiers are moving away from older offices to an increasing choice of high quality and serviced options including Cat A+ fitted options for SMEs. This is a long term trend which is expected to continue. Steady take-up of 0.5 million sq.ft. of office space annually is outweighed by the older space being left behind, leading to rising vacancy which has doubled since 2020.

8.18 A refurbishment cycle to create the next Grade A office space is well underway in the city centre, supported by live demand for medium to larger offices from public and private sector occupiers as well as from further flexible business space operators. Prime city centre office rents have increased and form part of the consideration of whether new-build speculative office development will resume.

8.19 For the Region as a whole, the office vacancy rate has risen to 12%. Much of the available office space is adaptable to hybrid working and highly flexible. The most prominent vacancies are in Glasgow and in North Lanarkshire's business parks, with the latter indicating a structural challenge to be met. It is possible that further un-occupied 'grey space' is being held by occupiers during this market transition. The regional annual average office take-up is 1.26 million sq.ft.

8.20 The principal requirement is that the market continues to refurbish existing office buildings where feasible to meet Grade A demand in the city centre and demand for flexible, modern space in other regional centres. The market shift is not yet played out and there are some interesting early signs of good demand for modern space in outer urban locations around the edge-city areas of Glasgow, the Lanarkshires and in East Renfrewshire – perhaps working closer to home, rather than from home. Office rents across the Region as a whole have increased by less that inflation over the past 5 years (13% in total), compared with 53% for industrial property, clearly illustrating the very different positions of these markets. Development of new offices is not close to being financially viable at current rental levels and would be further hampered by investor attitude to changing occupier needs, skewing the market towards refurbishment particularly at modern, well-located business parks, and some selective public sector developments.

8.21 While not a core requirement of this study, it is important for the Region that vacated office space moves to its next best use – if that is not better, flexible offices – which may be residential in the city centre or town centre upper floors, or alternative employment uses such as life sciences or clean industry at sub-regional business parks.

8.22 A steady supply of developable **employment land** is essential to support market activity. NPF4 requires a choice of sites to meet market demand. Available (Category A) employment land supply in the Region in 2022/23 was 797 hectares across 263 sites. Supply has fallen steadily from 905 hectares in 2019/20.

8.23 More than half of the available employment land is in North Lanarkshire. Sites of 5 hectares or larger account for 63% of land supply. Many of these are large regeneration sites requiring upfront investment. Related to this, around two-thirds of sites are brownfield, providing a strong focus on recycling of land. Similarly, 60% of take-up has been on brownfield sites. A review of current strategic employment sites identifies a comparatively limited supply, mainly to the south and east of the Region, and some with remediation and infrastructure requirements.

8.24 Take-up averaging 36.2 hectares per annum over the past 10 years varies widely due to the effects of large projects such as logistics. Over the most recent 5-year period, during which monitoring has been more consistent, the mean annual employment land take-up is 29 hectares. The average of 32 sites taken-up each year is reasonably consistent within a narrow range. Not all major investment takes large sites and some of the largest are high density offices in Glasgow city centre.

8.25 Crucially for land supply, nearly three-quarters of take-up concerns sites smaller than 1 hectare and the median site taken is 0.49 hectares. This general market requires a steady supply of plots capable of occupation within 24-36 months without abnormal costs; allowing for a build period, effective land should therefore be free of major constraints and developable within 12-24 months. Clydeplan should differentiate this within the Category A employment land supply.

8.26 Strategic sites commenced by public agencies during the 1980s and 1990s are nearing completion. Meanwhile, many of the aforementioned regeneration sites are not ready for immediate development. City Deal projects are delivering 176 hectares of serviced land at 5 strategic regeneration sites available from 2025/25 to 2072//28 onwards, plus the release of wider infrastructure constraints in some urban areas. This delivers roughly 5 years' effective regional land supply. The private sector is highly unlikely to front-fund strategic employment land and the proportion of the employment land supply actually on the market is low.

8.27 Given that the gestation period to deliver developable strategic land is at least medium term, the next round of site identification and planning for remediation and servicing should begin now. The strongest candidate sites will be highly accessible on the urban fringes. Recycling of medium-sized sites in established industrial areas is expected to continue via private landowners and developers as market conditions and any funding support dictate.

8.28 Finally, on employment land, some 'land hungry' uses have very large requirements and may target serviced employment land, but bring very little permanent employment. These include battery storage, whisky maturation, data centres and, potentially, open storage. They should be considered strategically to allow LDPs to plan for them to avoid them displacing mainstream employment uses.

MARKET NEEDS

8.29 The market needs for employment land and property in the Glasgow City Region over 2025-2029 inclusive and 2030-2034 inclusive are built up from the detailed research presented above, supported by the local market analyses in the Appendix, and additionally informed by Ryden's market knowledge and experience.

8.30 For the **industrial** sector, it is assumed that high occupancy persists over the forecast period. Although total activity may increase, floorspace efficiency may offset set this as occupiers invest in the most effective means of production, assembly, storage, *et cetera*. At the upper and higher added value end of the market this may extend to investment in industry 4.0 digitisation of operations. However, the large majority of the industrial market is micro and small businesses providing goods and services which are assumed to continue operating as currently, at least in terms of their demand for physical premises.

8.31 Against this continuing demand, the Region's industrial stock is ageing. The oldest single factories and terraced units are physically, functionally and environmentally obsolete. Typically, this industrial stock is older purpose-built factories and in 1950s/60s terraces unsuited to adaption due to their siting, construction type and age. Loss of the oldest factory stock has happened and will continue. Based upon this:

- From Section 4 Figure 7, 16.51 million sq.ft. of industrial stock was built 1950-1969 inclusive
- Say 40% is lost to redevelopment and 30% replaced by private developers/occupiers where viable
- The remaining 30% to be replaced by a **new-build industrial development programme** =
    - 4.95 million sq.ft., or
    - Say **0.5 million sq.ft. per annum**, or
    - 2.5 million sq.ft. over each 5-year period 2025-2029 inclusive and 2030-2034 inclusive

8.32 This would replace 60% of the 1950s and 1960s stock with effective modern property. Older buildings and other stock would continue until it is lost or otherwise redeveloped, continuing a long run trend. The industrial new-build programme would focus on areas of market weakness and market failure, to support economic development. Interventions could range from site provision to grant support up to direct build.

8.33 Moving on the 1970s, that development phase undertaken largely by the public sector is 45-54 years old. Age is not an exact guide to obsolescence but construction type and condition can signal a refurbishment requirement. That may involve, *inter alia*, cladding, roofing, heating and lighting and staff welfare improvements. Examples were highlighted in Table 8 in Section 4. The market appeal and lifespans of these existing buildings are improved by reusing their sites, services and building frames. Based upon this:

- The 1970s delivered 20.83 million sq.ft. of new industrial development
- Say 50% continues in a largely un-refurbished state (e.g. energy equipment and dilapidations spend only) and a further 25% is fully refurbished by private landlords in viable market locations
- The remaining 25% to be improved by an **industrial property refurbishment programme** =
    - (say) 5.0 million sq.ft., or
    - **0.5 million sq.ft. per annum,** or
    - 2.5 million sq.ft. over each 5-year period 2025-2029 inclusive and 2030-2034 inclusive

8.34 Supporting refurbishment at an appropriate intervention rate will cost much less per sq.ft. than the new-build programme indicated at 8.31 (which also requires land). Markets adapt and innovate and support for reuse of buildings could come in many ways, for example through energy efficiency grants or networks, incentives via business rates, dilapidations monies if provided for in leases, direct grants for refurbishment or directly undertaking works. The greater challenge for refurbishment may be that most of the industrial stock is now privately owned by landlords or in some cases occupiers, meaning that a route to market is required not only to create an intervention programme but also to ensure its uptake. Market adjustment to lower intervention rates would be anticipated over time as the market innovates and directs resources.

8.35 The refurbishment modelling could be extrapolated into the 1980s. However, stock and markets vary, the age bands are in reality porous and some 1970s and 1980s buildings are already being refurbished. The potential to refurbish that next wave of stock would depend upon lessons learned from the first wave.

8.36 The **office market** shift to hybrid working requiring (typically) smaller and higher quality space has long run momentum. Only a minority of occupiers have committed to new space since the initial impetus in 2020. Any service sector growth is more than offset by this reduced space requirement. The property market has been responsive to date but is still adapting; there is a need to plan for continuing change, in the forms of:

- A steady supply of ESG-compliant **Grade A city centre space** to meet continuing demand as exhibited in Section 5; some may be new-build if viable but much may be recycling of improved offices back into the market, including elements of buildings on more flexible and as fitted-out options.

- Flexible, modern **office solutions in the wider Region**, to meet the changed needs of SMEs. Some are already evident in private sector conversions and public sector developments (such as Greenlaw, Eastworks and Rutherglen Links). The spatial pattern is still evolving some locations with evidence of some locations and high quality offers being more in-demand than others where vacancies are rising. In some towns local authority office contraction and sub-letting is an important market dimension.

- Where **business parks** have stalled without full occupation or completion, they may offer well-located, modern options with infrastructure and amenities for growing life sciences (where buildings can be adapted) or indeed industrial uses from hybrid through high amenity to clean manufacturing, subject to planning. Some have begun this process of diversification.

- Outwith the scope of this study, planning for stranded city centre office buildings not capable of office reuse. This is the subject of separate work by Glasgow City Council, supported by Ryden's analysis. Similarly, ongoing trends could affect upper floor and townhouse office markets in regional towns.

8.37 **Employment land** underpins the new-build employment property markets. The proven employment land take-up rate is 29 hectares per annum. However, on a cyclical basis this can spike, driven by the types of uses currently requiring sites as seen in Table 6, Section 4. Based upon this consideration, the requirement is inflated to:

- 400 hectares employment land over 10 years, or
- **40 hectares employment land per annum**, or
- 200 hectares employment land over each 5-year period 2025-2029 inclusive and 2030-2034 inclusive

While this is a notable generosity allowance, when latent demand is added to the risk of losing some sites to employment-generating ancillary uses in employment areas – hotels, leisure, food & beverage (see Table

19 market needs) - and the further risks of the land-hungry uses set out in Table 18, Section 6, it is clear that a generosity allowance is required on top of the proven employment land take-up rate.

8.38 Notionally, the 798 hectares of Category A land provides 20 years' supply at this land requirement rate. However, Category A does not distinguish between sites which are available and deliverable within a normal market period, and those which are not. The live requirements in Table 10 earlier target the next 2 years; more generally, occupiers or developers might seek completion within 24-36 months, meaning a site start within 1-2 years. Medium to larger regeneration sites requiring a development plan allocation, and/or travel and/or transport connections, and/or remediation, and/or platforming, and/or utilities connections may not be effective within 1-2 years. Those requiring public sector funding or offsite transport or utilities upgrades have significantly more uncertainty. The Category A land supply would benefit from closer assessment to identify and maintain an early, immediate supply, as distinct from medium term land which is not readily developable. The relevant information to support this distinction may be contained in local employment land audits and LDP action plans. The risk here is that employment land supply is winding tighter in the face of continuing large-scale demand, yet at a planning level it superficially looks adequate for the long term.

8.39 Recognising this *potential* employment land supply embedded within the Category A sites, and noting that the true gestation period for many of these will be 5+ years, there is a requirement to bring forward the next round of strategic sites to follow the legacy SE / EZ portfolio and emerging City Deal portfolio (Table 17, Section 6). It is beyond the scope of this report to conduct a sites search however, without prejudice to other locations, interesting candidates could: include (north) Westerhill; (east) the Mossend / Carnbroe / Eurocentral / Newhouse area including recycling existing land; (city south) the marketed Clydesmill asset; (city south) Shawfield represented with a wider use mix, and (south) further phases to unlock through infrastructure investment at Ravenscraig. West of Glasgow has the emerging AMIDS (south of the river) and Exxon sites (north of the river). Further, initiative-led options may come from the emerging Investment Zone, Innovation Zones or from Clyde Mission's masterplanning later in 2024; these in particular may focus on the next generation sites for scientific and research-led activities.

8.40 The **options / scenarios** which apply to the identified market needs are:

- There is no do nothing / **policy off** scenario. Market intervention is already happening.

- The business as usual scenario is **policy on**. In addition to market-led activity, the Region benefits from extensive support and intervention from local authorities, the Growth Deal, UK and Scottish Governments. However, this funding pot *pourri* target themes, sites and sectors, often competitive and short term, rather than offering programmatic property market responses. Funding is also more fragile than usual in the context of rising costs and capital constraints. The private sector invests in the best, viable locations in the city and larger towns. In the face of market-wide challenges of undersupply and obsolescence, this will entrench market failure in weaker areas in small towns and secondary areas.

- The interventions summarised in Table 19 respond to the market conditions exposed in this report. This market-wide, long run approach is framed as **policy plus**. The gain from this is market-wide fitness-for-purpose of employment land and property, including timely supply of the appropriate quality in the right location. The total industrial floorspace in scope for replacement or refurbishment each year is 1 million sq.ft., which is just under 1% of the full regional stock. The loss from not moving to this approach would be frustrated and lost demand as the supply of modern industrial buildings winds ever-tighter and serviced land is not brought forward. For the office market these risks are masked by net contraction, but the requirement for modern, flexible property has momentum and needs to be met.

TABLE 19:
GLASGOW CITY REGION EMPLOYMENT LAND & PROPERTY MARKET NEEDS

MARKET NEEDS	LOCATIONS AND MIX	DELIVERY
10-year **industrial property new-build development programme** to replace obsolete stock being lost, in the context of high demand and occupancy rates: Large manufacturing or logistics projects may skew annual development. *Excluding ultra-low jobs density land hungry energy and storage projects.*	Target spatial programme for new industrial development to be determined by local market needs and opportunities. Indicative development programme 0.5 million sq.ft. per annum. Development mix to be confirmed, likely to range from terraced start-up units to medium-sized (15,000 – 30,000 sq.ft.) stand-alone industrial / warehouse units.	A regional programme cascaded to local prioritisation and delivery would be required to achieve this scale of property market intervention. Intervention types may range from site remediation through servicing and platforming to new-build development. Intervention rates by location may range from sites for private developers, through grant support, to finance support to developers with payback, to joint ventures and direct public sector development.
10-year **industrial property refurbishment programme** to modernise stock which risks becoming physically life-expired. The programme balances refurbishment of industrial property with development. The actual balance will vary when fully investigated.	The spatial programme will focus on where the industrial stock was built: formal industrial estates in Glasgow, larger towns and former New Towns. Target 0.5 million sq.ft. per annum. A separate economic development estates programme may be required for typically small, local market units held in local authority investment portfolios. Centred on 1970s stock as a guide to the target development wave, but the actual focus should be on adaptable buildings in areas of identifiable market need. Some obsolete stock may not be adaptable or in areas of market need which will require transition of these locations to other uses and identification of new sites.	A market engagement strategy will be required to support refurbishment by private sector owners, most likely at the point of remarketing when they are considering investing their own capital and any dilapidations monies. The funding gap and intervention will vary according to the types of owners and viability of the stock and market area. Potentially, a test of refurbishment potential could be developed where alternative uses are being proposed. The aim is to roll-out mainstream solutions for standard buildings. Demonstration project/s could also be considered using Council leased-out industrial property in weaker market areas.
Support Glasgow city centre and regional **office** market adaptation to (typically) smaller, flexible and highly ESG-specified options.	New-build Grade A city centre offices. Refurbished Grade A city centre offices. Flexible SME options across region. Diversification of stalled business parks to alternative employment uses. *Repurposing of stranded offices (out of scope here)* No target volumes are calculated at this point as the market is still adapting (see market intelligence, below). As a rough guide, the attrition rate may be around 20-25% of office stock however this varies by location and user, is evolving, and can be offset by growth.	Continued support for development and conversion of office space (effectively no change to current policy or support). *Policy support to repurpose to acceptable alternative uses* Continuing market evolution could lead to the requirement for intervention for example in regional towns to promote quality supply, to gap-fund reuse of appropriate regional buildings, or to secure energy efficiency standards.

Maintain 10-year, 400-hectare **available employment land supply**. Ensure Category A sites are being brought forward: • Firstly, to within a developable period of 1-2 years. This will mean attributing phasing to the current supply using site constraints. • Secondly, for development phasing and SME occupiers, to offer a range of immediately developable plots.	Spatial allocation should be guided by the emerging Regional Spatial Strategy and determined by LDPs. Local employment land audits and LDP Action Programmes should inform the developability, constraints and requirements to render site 'oven ready'.	Some medium and larger sites require remediation and servicing. This is complex and site-specific involving owners, infrastructure agencies and planning authorities. As opposite, substantial information is already available. Identification and delivery of future employment land is flagged here for emerging new initiatives in association with development planning.
Further market intelligence needs: 1. Continue regional and local market monitoring of employment land supply, take-up and development through annual local audits and Clydeplan coordination. 2. Establish an approach to Category A employment land which differentiates sites by developability and constraints. 3. Develop a monitoring programme for comprehensive industrial refurbishment using available data and intelligence. 4. In preparation for the RSS, assess the 5-year office market trend using occupier preferences and 'true' occupancy.		

Ryden LLP
September 2024

APPENDIX

LOCAL PLANNING AUTHORITY AREA MARKET REVIEWS:

A East Dunbartonshire
B East Renfrewshire
C Glasgow City
D Inverclyde
E North Lanarkshire
F Renfrewshire
G South Lanarkshire
H West Dunbartonshire

I Consultee List

APPENDIX A

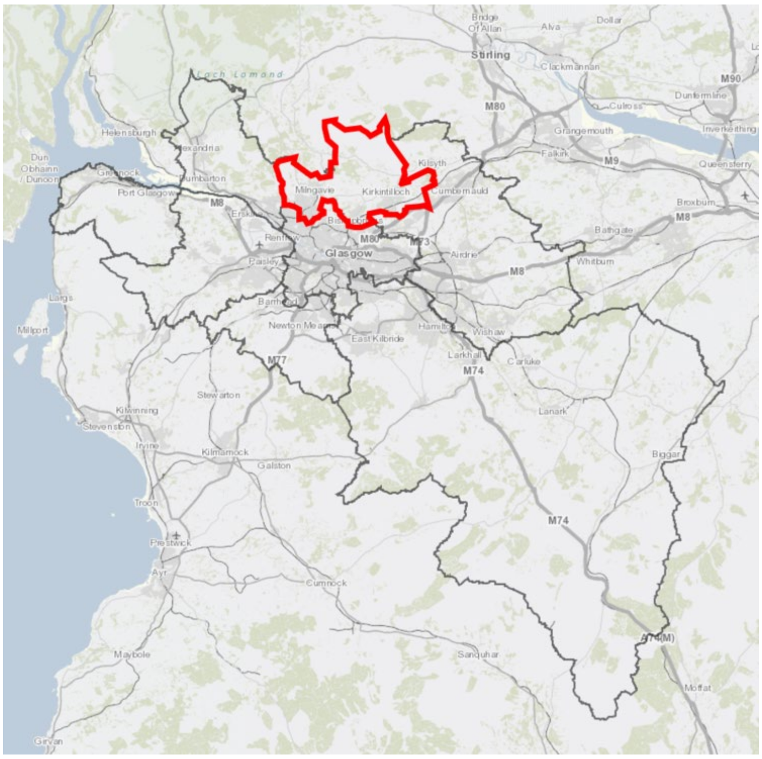
EAST DUNBARTONSHIRE

Ryden

A1
INTRODUCTION

1.1 East Dunbartonshire is one of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. The local authority area is highlighted on the Glasgow City Region map at Figure A1.

FIGURE A1: EAST DUNBARTONSHIRE: LOCATION WITHIN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

1.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

1.3 The contents of this East Dunbartonshire report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

1.4 Analyses and summaries presented here are specific to East Dunbartonshire. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

A2

ECONOMY AND POLICY

2.1 This section outlines economic and planning policy and provides an economic overview of East Dunbartonshire. It also provides an overview of funding eligibility.

REGIONAL POLICY

2.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

2.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

2.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

2.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. City Region Deal projects in East Dunbartonshire focus around Westerhill and include the delivery of phase 5 of the Bishopbriggs relief road, investment in sustainable transport on the A803 corridor and town centre regeneration in Bishopbriggs. This project will open up additional employment land in the area.

2.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

2.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

2.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects were approved following the RES including the creation of Innovation Districts and development of the

Clyde Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

2.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

2.10 Planning and land uses in East Dunbartonshire are guided by the **Local Development Plan 2** (LDP2), which was adopted in 2022 and sets out Council strategy, policies and proposals for the use of land and buildings. It includes a focus on its most pressing land use issues with actions including addressing climate change, the delivery of high quality places to live, town centre regeneration, attracting new jobs and investment and the protection of the historic and natural environment.

2.11 The Council aims to create a supportive business environment, and encourages development that will generate sustainable and permanent employment opportunities. Development proposals which support start-ups and small businesses will be particularly supported, as will a focus on tourism and town centre development. Sites currently in use by businesses or allocated for such are safeguarded in order to maintain an adequate business and employment land supply and to provide flexibility for growth and change in the local economy. It includes sites which have been fully developed and also those which have remaining space to accommodate new build.

2.12 Sites with further development opportunities include Garscadden Depot and Garscube Estate in Bearsden, Bishopbriggs Industrial Estate, Low Moss Industrial Estate and Westerhill Industrial Estate in Bishopbriggs, Kirkintilloch Industrial Estate East, Milton Road and Woodilee Industrial Estate in Kirkintilloch. The Council will also support Class 4 uses in town centres.

2.13 The Council has recently commenced work on preparing its LDP3 which will take account on NPF4 and changes implemented under the Planning (Scotland) Act 2019. The Council's Evidence Report will be completed this year with adopted scheduled for 2028.

2.14 East Dunbartonshire covers an area which is home to some of the highest resident earners in Scotland and features above average life expectancy. Activity within the local authority is driven by the **Local Outcomes Improvement Plan 2017-2027**. This plan sets out activities for organising and providing services that tackle inequalities as well as outlining 10-year goals in the domains of employment and health.

2.15 The Plan is built around six Local Outcomes covering the economy, skills development, learning, safety, health and wellbeing and support for an ageing population. It highlights priorities and indicators for each defined local outcome and names key partners in delivering on aims. Local priorities, in particular, on the economy and skills development are likely to affect employment land uses.

2.16 The Council refreshed priorities for East Dunbartonshire in June 2022 following on from the Covid-19 pandemic with the aim of addressing the challenges communities face with the cost-of-living crisis and the urgent need to tackle climate change. On this basis, activity over the period to 2027 is to focus on health & wellbeing, access to services, finance, employment, community, and the environment. These priorities include meaningful engagement with residents to ensure their views shape town centre regeneration, promoting growth in the local business base and improving access to local services to develop vibrant town centres.

FUNDING

2.17 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. It is noted that East Dunbartonshire is often considered comparatively affluent next to other regeneration candidates in the region and thus will need to compete hard and often to secure funding success. City Region Deal funding is planned to open up additional development land in the area including for employment uses. The Council has also previously benefited from the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund although these awards were for community and leisure projects rather than employment land uses. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. As with all Councils currently, capital or matched funding for projects is challenging given budgetary pressures. Specific projects for East Dunbartonshire may come forward as part of the Investment Zone proposals.

ECONOMIC OVERVIEW

Business Growth and Survival Rates

2.18 There was a total of 2,790 active businesses in East Dunbartonshire in 2023, 18% of those businesses were in the professional, scientific, and technical enterprise sector (Table A1). This was followed on by construction (16%), and wholesale and retail trade including repair of motor vehicles and motorcycles (13%). The sectors that relate to employment land class categories collectively accounted for 1,815 businesses (65% all businesses) in 2023.

TABLE A1: BUSINESSES IN EAST DUNBARTONSHIRE

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN EAST DUNBARTONSHIRE BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN EAST DUNBARTONSHIRE
Manufacturing (C)	135	5%	5%
Construction (F)	435	16%	14%
Wholesale (Part G)	85	3%	4%
Transport & storage (inc. postal) (H)	95	3%	5%
Information & communication (J)	190	7%	5%
Financial & insurance (K)	65	2%	2%
Professional, scientific & technical (M)	500	18%	14%
Business administration & support services (N)	195	7%	7%
Total Business Count	**1,815**	**65%**	**56%**
Retail (Part G)	210	8%	10%
Total Incl. Retail	**2,025**	**73%**	**66%**

Source: ONS, UK Business Count 2023

2.19 There was a 6% decrease in new enterprises in 2022 compared to 2017 however there was a 13% increase since 2020 which is important to note and a positive direction in terms of post-pandemic recovery.

2.20 The overall number of businesses in East Dunbartonshire has declined by over the past few years, as has those relating specifically to employment land categories. Between 2015 and 2023, the number relating to employment land categories reduced by 5%.

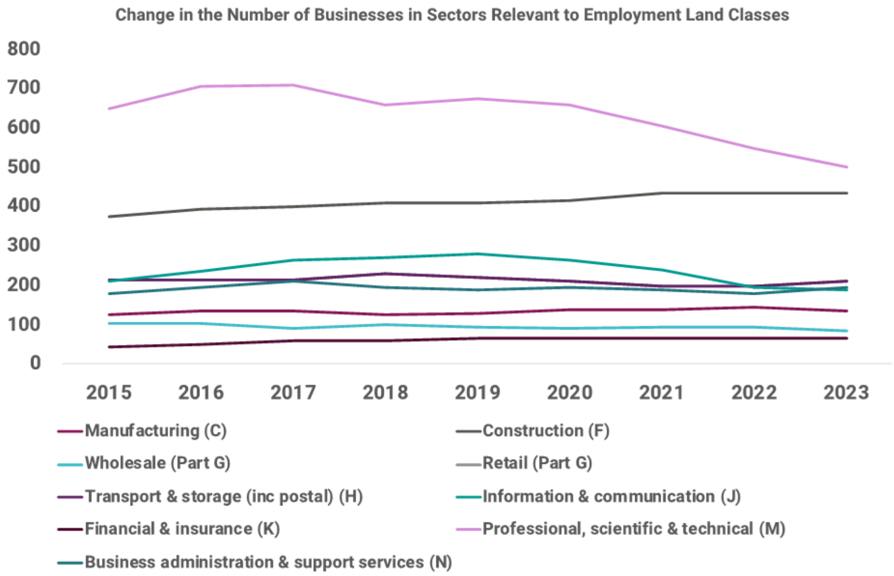
2.21 Table A2 and Figure A2 below shows changes in the number of businesses over the period 2015-2023. Over this period, the number of businesses in Professional services and Wholesale has fallen by 23% and 19% respectively. Financial and insurance businesses have increased in number, albeit from a lower base (+44%)

TABLE A2: BUSINESSES IN EAST DUNBARTONSHIRE

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	135	125	8%
Construction (F)	435	375	16%
Wholesale (Part G)	85	105	-19%
Transport & Storage (incl postal) (H)	210	215	-2%
Information & communication (J)	190	210	-10%
Financial & insurance (K)	65	45	44%
Professional, scientific & technical (M)	500	650	-23%
Business administration & support services (N)	195	180	8%
Total Business Count	**1,815**	**1,905**	**-5%**
Retail (Part G)	210	215	-2%
Total Incl. Retail	**2,025**	**2,120**	**-4%**

Source: ONS, UK Business Count 2023

FIGURE A2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

2.22 Since 2019 there has been an 8% decrease in the number of micro businesses in East Dunbartonshire. Similarly, over the same period there has been a 2% decrease in the number of small business. This contrasts with the period before the pandemic when there was an upward trend in the number of small businesses, which were up by 7% between 2015 and 2019. Medium and large businesses have remained largely the same since 2019 to 2022. This suggests a recent fall in the demand for business space catering to the needs of small businesses.

Employment

2.23 As of 2022, there were a total 27,075 people in employment across East Dunbartonshire. Of this total, sectors relating to employment land class categories accounted for approximately 33% of employment (Table A3).

TABLE A3: EMPLOYMENT IN EAST DUNBARTONSHIRE

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	0%	0%
Construction	0%	0%
Wholesale	-29%	-20%
Transport & storage	-10%	-11%
Information and communication	108%	-20%
Finance and insurance	0%	0%
Professional, scientific and technical	0%	29%
Business administration and support activities	0%	0%
Employment Land Class Categories (Total)	5%	1%
Retail	-13%	0%
Total Employment	-2%	1%

Source: ONS, Business Register and Employment Survey

2.24 Over the period between 2015 and 2022, there has not been any significant change in employment across land use categories. Employment increased by 29% from 2015 to 2022 in the professional, scientific & technical sector to a total of 2,250 jobs in 2022 in East Dunbartonshire. While employment in wholesale and transport and storage has fallen during this period; some sectors such as information and communication display clear pre- and post-pandemic trends.

Productivity

2.25 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of East Dunbartonshire in 2023 was around £1,343m, with a GVA per job of £44,200. This is lower than the GVA per job across GCR, suggesting lower levels of productivity compared to the rest of the region (Table A4).

TABLE A4: GVA

GVA PER JOB	2023 ESTIMATE
East Dunbartonshire	£44,200
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

2.26 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

2.27 The most recent Future of Jobs report published by the World Economic Forum indicates the macrotrends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

2.28 Forecasts produced by Oxford Economics for SDS estimate that employment in East Dunbartonshire will increase by 3% over the next three years, and then by 2% up to 2033. This is greater than the growth expected across Scotland as a whole. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 3% by 2026, equivalent to an additional 300 workers. The expected increase in employment is likely to affect demand for employment land. It is also expected trends in technology and digital transformation; and changes in working practices will affect the type and structure of spaces required by businesses.

SUMMARY

2.29 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. East Dunbartonshire Council's priorities recognise similar themes and are they are keen to promote growth in the local business base.

2.30 NPF4 and East Dunbartonshire's LDP2 make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. East Dunbartonshire's LDP includes a focus on its most pressing land use issues with actions including addressing climate change, the delivery of high quality places to live, town centre regeneration, attracting new jobs and investment and the protection of the historic and natural environment. It encourages development that will generate sustainable and permanent employment opportunities. The Council has safeguarded a number of sites for employment uses. The Council has commenced work on LDP3 with adopted scheduled for 2028.

2.31 From a funding perspective, East Dunbartonshire is often considered comparatively affluent next to other regeneration candidates in the region and thus will need to compete hard and often to secure funding success. The City Region Deal funding will open up additional development land in the area. As with all Councils currently, capital or matched funding for projects is challenging given budgetary pressures. Specific projects for East Dunbartonshire may come forward as part of the Investment Zone proposals.

2.32 Over half of businesses located in East Dunbartonshire are in industries relating to employment land classes. In recent years there has been a collective decline of 5% in sectors relating to employment land. Trends vary between industries and suggest that demand for finance and insurance is growing whilst that for industries such as professional services and wholesale is declining.

2.33 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

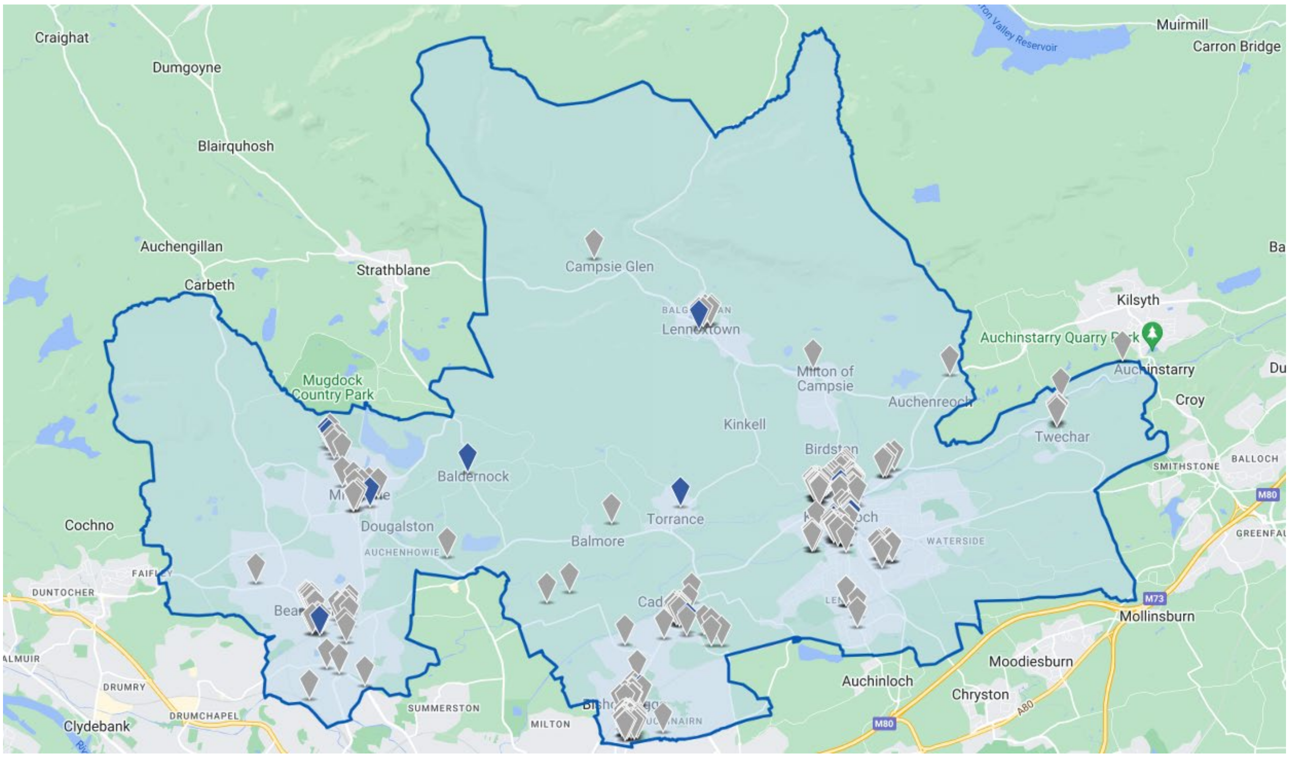
A3

INDUSTRIAL PROPERTY MARKET

3.1 This section considers the industrial property market in East Dunbartonshire.

3.2 Employment properties are clustered around the main towns of Bishopbriggs, Kirkintilloch, Milngavie and Bearsden (Figure A3) which are generally located in the south of the local authority area which borders north Glasgow.

FIGURE A3: EAST DUNBARTONSHIRE EMPLOYMENT LOCATIONS



Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

3.3 Principal locations in East Dunbartonshire are described in Table A5 on the next page.

3.4 East Dunbartonshire has had some high profile business closures with the Aviva call centre at Westerhill relocating to Maxim Business Park and Saica Pack consolidating in Livingston from Milngavie and Edinburgh, both in 2021. In addition, Guala Closures will close in Kirkintilloch when they consolidate in Gartcosh during 2024 and the Harper Collins factory at Westerhill will close when the move to a new facility in Robroyston in 2025. This will bring significant vacant space to the market and/or potential opportunities for re-development.

TABLE A5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Westerhill Business Park, Bishopbriggs	Range of established employment sites and uses, as well as vacant and derelict land. Totals c. 1.1 million sq.ft. Occupiers are Harper Collins (873,000 sq.ft.) who are relocating in 2025. Multi let Omnia Business Centre, (9,715 sq.ft.); John McGavigan Ltd (112,000 sq.ft. on 7.3 acres); and former Aviva call centre (98,120 sq.ft.); Environmental Reclamation Services (ERS) (c. 7,500 sq.ft.). The estate is part of the Westerhill masterplan.
Low Moss Industrial Estate, Bishopbriggs	Located beside Strathkelvin Retail Park and at the entrance to Westerhill Road. c. 110,000 sq.ft. of floorspace in mainly workshop and warehousing properties. Around 9,000 sq.ft. of yard space. Occupiers include Bishopbriggs MOT and Tyre Centre, Greenroof UK Ltd and Energy Efficient Cooling.
Southbank Business Park, Kirkintilloch	Around 151,000 sq.ft. of industrial and office floorspace. Includes modern office pavilions e.g. Enterprise House, Southbank Marina Office space here. All built during the 1990s and 2000s. Occupiers include East Dunbartonshire Council, Edmunson Electrical, Kenwil and Marine Electrical Installations Ltd.
Kirkintilloch Industrial Estate and Area, Kirkintilloch	Industrial area to the north of the town, totals c. 526,000 sq.ft. of predominantly industrial floorspace. Units built from the 1960s to 2000s, but the 1980s and 1990s being the main development period. Includes Old Mill Park, Kilsyth Road Workspace. Occupiers include Guala Closures (who will be moving out), McNairs Building Supplies, Abba Blinds and Pawling Systems.
Woodilee Industrial Estate, Lenzie, Kirkintilloch	Around 164,000 sq.ft. of industrial floorspace. Units built from 1950s to the 980s, with majority of development in the 1970s. Occupiers include PW Hall, JMC Scotland and CCS Commercial Cleaning. Two units totalling c. 24,000 sq.ft. demolished here in the late 2010s, and a supermarket is proposed on here. Site is part of the Kirkintilloch Business Gateway Masterplan
Cloberfield Industrial Estate, Milngavie	Around 507,000 sq.ft. of predominantly industrial floorspace. With around 226,500 sq.ft. in the former Saica factory. Units built from the 1950s until early 2000s. Cadder House (c. 200,000 sq.ft.) has been redeveloped and sub-divided. Occupiers include Alexandra Park Interiors, Allander Coaches and Belting & Mechanical Leather Co Ltd.
Twecher Enterprise Park, Twechar	Modern units built in the 1990s and 2000s totalling c. 43,500 sq.ft. Occupiers include Charcuterie Continental Ltd, Strathclyde Vulcanising Services Ltd and Simpson Timber Systems
Garscube Estate, Bearsden	The University of Glasgow's research campus. Includes the Beatson Institutes cancer research facility (Use Class 4) which was built for the University of Glasgow and Cancer Research UK in the mid-2000s and total c. 75,000 sq.ft., the major research laboratory building includes a directorate, seminar rooms, lecture theatre, social areas and laboratory with support spaces for 250 staff. The Small Animal Hospital and the Glasgow Equine Hospital (Weipers) are located here as are the University Sports Facilities. Part of this Campus lies within the Glasgow City Council boundary.

Source: Ryden / CoStar/ Websites

INDUSTRIAL STOCK

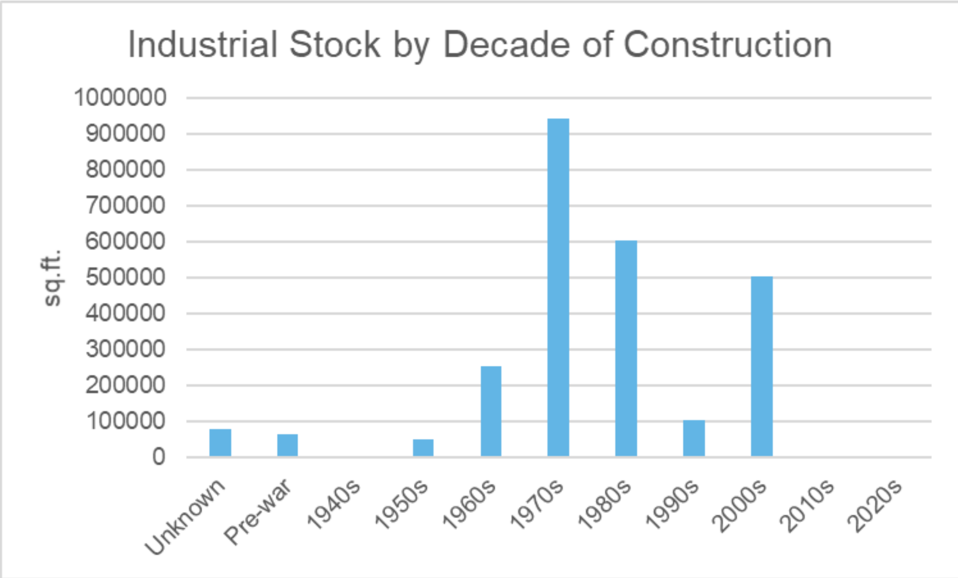
3.5 The local authority area's current stock of industrial property is estimated at 2.6 million sq.ft. This is 2.4% of Glasgow City Region's industrial stock.

3.6 Industrial stock is located mainly on industrial estates in the main towns of Bishopbriggs and Kirkintilloch (Table A4 above).

3.7 East Dunbartonshire has very low industrial property availability, currently sitting at 1.2% which is below the 4% for Glasgow City Region. This rate had been falling in recent years but rose slightly into 2024 due to a c. 26,000 sq.ft. unit at Cloberfield Industrial Estate coming onto the market. At this particular low level of industrial vacancy, occupiers will experience very limited choice of premises.

3.8 The principal development eras were the 1970s (36% of floorspace) and 1980s (23%), and again in the 2000s (19%). No industrial units have been built since the 2000s. Figure A4 shows industrial stock by decade in which it was constructed. Around half of the industrial stock is 40 years or older.

FIGURE A4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION

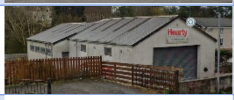
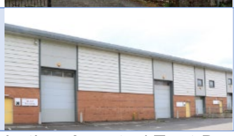


Source: Ryden / CoStar

INDUSTRIAL SUPPLY

3.9 The current supply of available industrial space in East Dunbartonshire is limited and totals 31,372 sq.ft. in only 3 units, with a further 3,064 sq.ft. in 1 unit under offer. As above this gives an industrial availability rate of just 1.2%. Most of this space is within one unit at Cloberfield Industrial Estate, Milngavie. Industrial units currently on the market are in Table A6. Practically, a typical occupier would have the current choice of two units of just under 3,000 sq.ft. in two of the local villages. There is no marketed industrial supply in the larger towns.

TABLE A6: CURRENT INDUSTRIAL SUPPLY

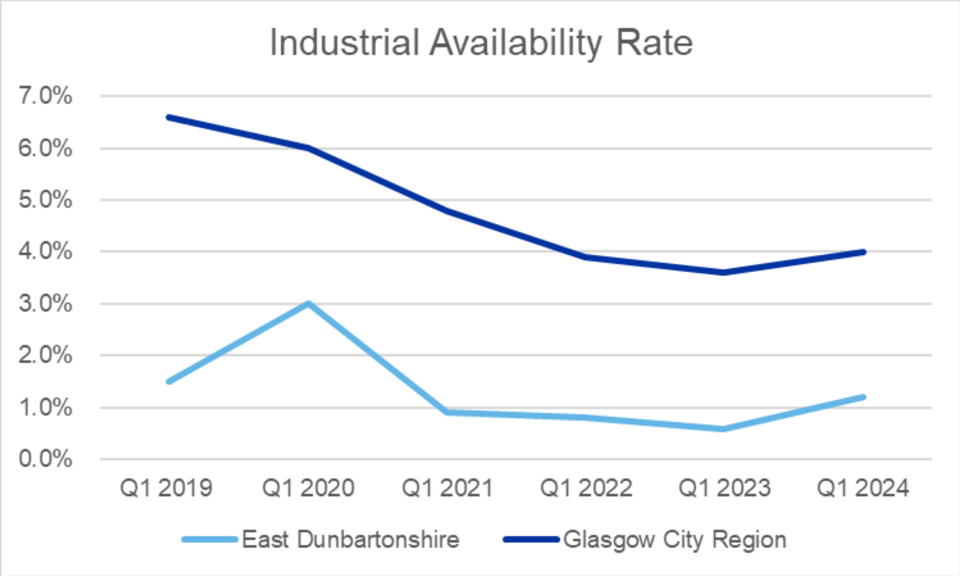
ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 17 Cloberfield Industrial Estate, Cloberfeild Road, Milngavie		26,473	Detached industrial warehouse with yard, and offices on first floor. Built in 1980s For lease
22 Campsie Road, Torrance		2,800	Single storey workshop for lease at £5 per sq.ft. EPC rating C
Twechar Green, Twechar		2,099	Modern workshop, for lease at £5.50 per sq.ft. EPC rating G (2013)

Source: Ryden / CoStar / Marketing Agents / East Dunbartonshire Council

3.10 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Two of the available properties in Table A6 have a registered EPC rating, one has a mid-range EPC rating of C, while the other has a poor EPC rating of G (albeit this is from 2013), this building could be termed ‘environmentally obsolete’ without appropriate improvements.

3.11 The industrial availability rate for East Dunbartonshire is 1.2% as noted above. This has fallen from 3% in 2020, and is lower than the rate for Glasgow City Region. Figure A5 below illustrates how the industrial property availability rate had fallen to <1% in 2023 but has risen slightly into 2024 due to the one larger unit on the market, while the wider regional industrial availability has stabilised then edged up again.

FIGURE A5: INDUSTRIAL AVAILABILITY RATE

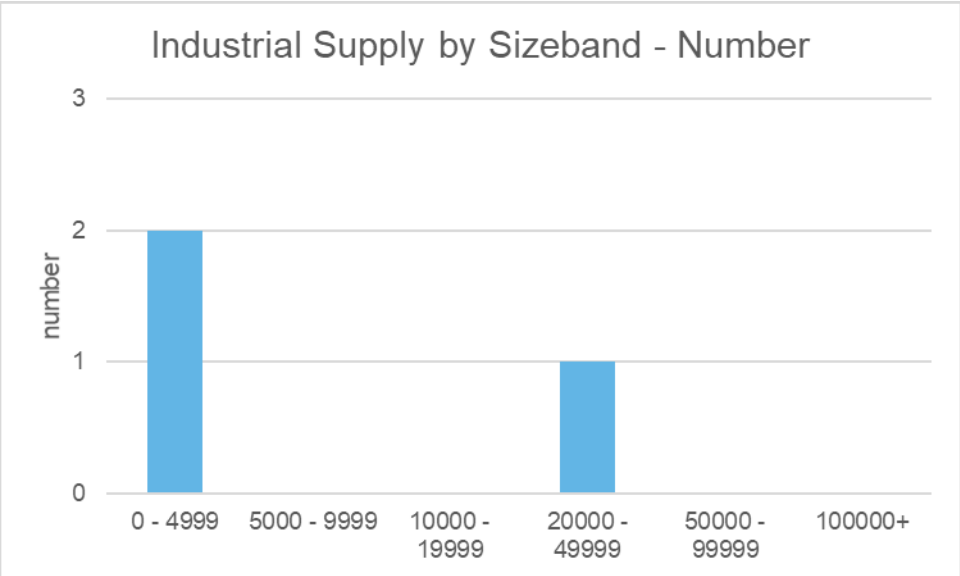


Source: Ryden / CoStar

3.12 The supply of industrial units by decade of construction comprises one unit built in the 1970s, one in the 1980s and the remaining unit in the 2000s.

3.13 Of the 3 available units, two are smaller than 5,000 sq.ft. and one is in the range of 20,000-49,000 sq.ft. This is shown in Figure A6.

FIGURE A6: INDUSTRIAL SUPPLY BY SIZEBAND



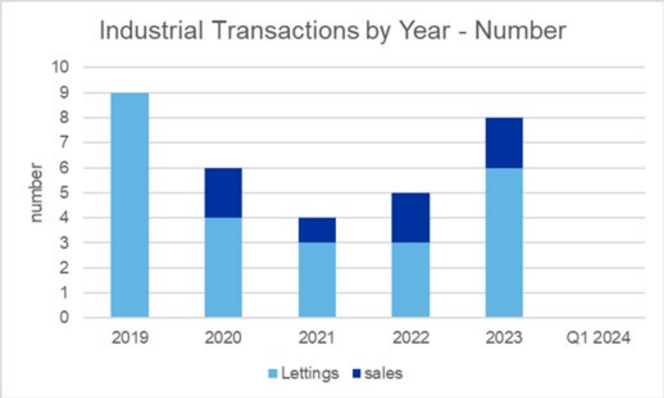
Source: Ryden / CoStar

INDUSTRIAL TAKE-UP

3.14 Across East Dunbartonshire a total of 104,021 sq.ft. of industrial property in 32 units has been taken-up (sales, lettings and lease renewals) between January 2019 to March 2024 inclusive. This is an annual average of 19,627 sq.ft. in 6 units. 78% of the area's industrial property transactions are lettings and the balance are sales.

3.15 The year 2020 had the highest volume of floorspace take up at 42,564 sq.ft., while 2019 had the greatest by number at 9 units (Figure A7). Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

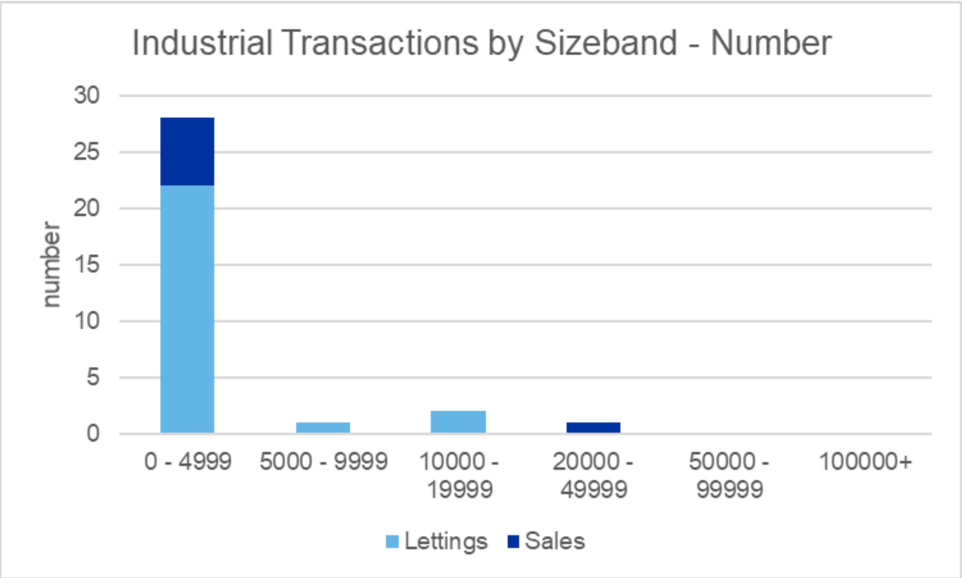
FIGURE A7: INDUSTRIAL TAKE-UP PER YEAR



Source: Ryden / CoStar

3.16 Looking at industrial transactions by sizeband, the smallest range had the most activity (Figure A8). Properties up to 5,000 sq.ft. account for 88% of market activity. Again, with very limited supply available currently there will be lack of choice for occupiers and specific pinch-points in local areas and for types and sizes of industrial property. The majority (78%) of transactions were lettings rather than sales to owner occupiers.

FIGURE A8: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

3.17 A selection of recent transactions is presented in Table A7 on the next page, reflecting the typical size range and type of properties taken-up in East Dunbartonshire. Achieved rents vary from £5.40 per sq.ft. for basic older buildings up to £9.00 per sq.ft. for better quality industrial units.

TABLE A7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 6, Old Mill Industrial Estate, Kirkintilloch		2,731	Sold in December 2023 to PFGS Property Group for £85,000 for occupation.
Unit 14, 17 Old Mill Park, Kirkintilloch		1,961	Sold in October 2023 to Clyde Ground Investigations Limited for £130,000
Unit 30 Twechar Green Business Workspace, Twechar		2,099	Let in August 2023 on a 2-year lease at £5.50 per sq.ft.
Cloberfield Business Centre, Cloberfield Industrial Estate, Milngavie		1,281 1,206 1,001 958	Let during 2023. 4 refurbished hybrid units.
5 Canal Street, Kirkintilloch		4,257	Let in May 2023 to Roadside Technologies on a 5-year lease at £6 per sq.ft. Warehouse unit with yard.
Unit 1 Old Mill Trade Park, Kirkintilloch		9,219	Let in July 2022 at £5.40 per sq.ft.
Unit 24 Crossveggate Business Park, Milngavie		3,064	Let in October 2021 at c. £9 per sq.ft.

Source: Ryden / CoStar

3.18 Examples of transactions of industrial units sold for investment purposes rather than occupational are limited but one is noted in Table A8. The yield in this instance is noted at 6.75% which is generally considered to reflect prime property but was however prior to the higher interest rates which have depressed property investment values.

TABLE A8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
111 Westerhill Road, Bishopbriggs		Sold in May 2022 to M7 Real Estate Ltd for £4.687 million (6.75%). Comprises a 112,000 sq.ft. industrial unit built in 2000 and let to John McGavigan Ltd.

Source: Ryden / CoStar

SUMMARY

3.19 East Dunbartonshire has an estimated current stock of industrial property totalling 2.6 million sq.ft. Units tend to be located in the around the main towns of Bishopbriggs, Kirkintilloch, Milngavie and Bearsden which are generally located in the south of the local authority area which borders north Glasgow.

3.20 East Dunbartonshire has had some high profile business closures in recent years including Aviva and Saica Pack. In addition, Guala Closures and Harper Collins in 2024 and 2025 respectively will move out of the area when these businesses will relocate. All are relocations to other parts of Central Scotland.

3.21 Around half of the industrial stock in the area is 40 years or older. East Dunbartonshire has very low industrial property availability, currently sitting at only 1.2% (most of which is in a single larger unit). There are only 3 units available on the market which means there is very limited choice for occupiers.

3.22 The average industrial take-up is 19,627 sq.ft. per annum with the vast majority lettings as opposed to sales. Properties up to 5,000 sq.ft. account for 88% of market activity. Achieved rents vary from £5.40 per sq.ft. for basic older buildings up to £9.00 per sq.ft. for better quality industrial buildings.

A4

OFFICE PROPERTY MARKET

4.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements.

OFFICE STOCK

4.2 East Dunbartonshire's stock of office property is estimated at 594,600 sq.ft., with offices located mainly in the town centres of Kirkintilloch, Bishopbriggs, Milngavie and Bearsden and in office buildings on industrial estates. Modern purpose built offices in town centres include Milngavie Enterprise Centre and Exchange House and Tribune Court both in Bearsden. Some of the purpose-built office stock on estates was highlighted on Table A4 above. This is 1.4% of Glasgow City Region's office stock.

4.3 Over half of the office floorspace was constructed in the 1970s and 2000s, with c.30% of office floorspace built in each decade. Offices built at Westerhill Business Park in Bishopbriggs account for 63% of floorspace built in the 1970s (103 Westerhill Road) and 51% of floorspace built in the 2000s (call centre at 123 Westerhill Road).

OFFICE SUPPLY

4.4 The current office supply of c. 13,517 sq.ft. is in 22 offices, the majority of these in small suites or serviced offices offering flexible terms. A further two offices totalling 1,966 sq.ft. are under offer.

4.5 Examples of current supply are provided in Table A9 below. All available offices are for lease only.

TABLE A9: EXAMPLES OF CURRENT OFFICE SUPPLY

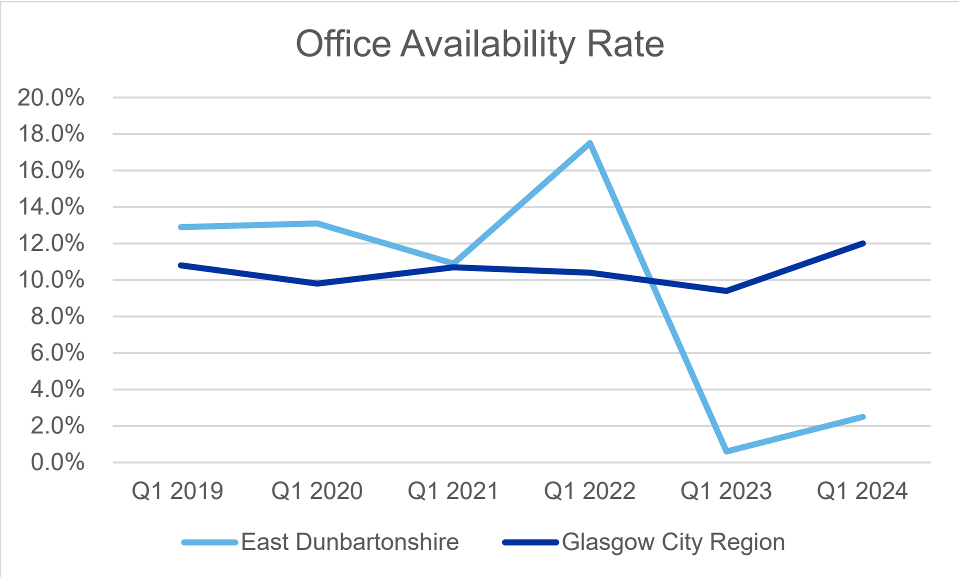
ADDRESS	SIZE (SQ.FT.)	DETAILS
Milngavie House, 13 Main Street, Milngavie 	200 257	Office suites available for lease on an all-inclusive rent. EPC rating C (2016)
Enterprise House, Strathkelvin Place, Southbank Business Park, Kirkintilloch 	1,745	Six serviced offices available for lease from 235 sq.ft. in modern business centre. EPC ratings C – G
Omnia Business Centre, Westerhill Road, Bishopbriggs 	1,301	Office in modern business centre available for lease on flexible licence agreement. EPC rating D
Exchange House, Drymen Road, Bearsden 	2,559	Serviced offices available for lease from 143 sq.ft. Available on a monthly basis. EPC rating C
Cloberfield Business Centre, Cloberfield Industrial Estate, Milngavie 	258 334 1,776	Three office suites available for lease on the first floor. EPC ratings B

Source: Ryden / CoStar / Marketing Agents / East Dunbartonshire Council

4.6 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. Thirteen of the available offices in Table A9 have registered EPC ratings. Three offices achieve a good EPC rating of B, 9 achieve mid-range EPC ratings of C or D rating, while one has a range of offices from ranging from C to G EPC ratings. These, apart from, the G, would generally be considered as acceptable EPC ratings.

4.7 East Dunbartonshire has a low office availability rate of 2.5%. This is below the 12% office availability rate for Glasgow City Region and has been rising recently. (Figure A9). The spike up into 2022 was due to the c. 98,000 sq.ft. Aviva call centre at 123 Westerhill Road, Bishopbriggs coming to the market for sale.

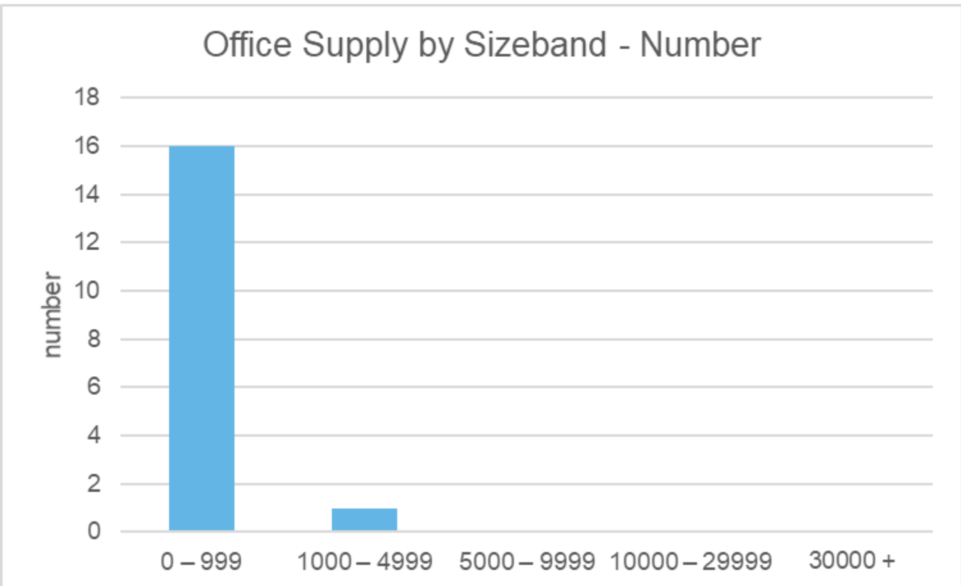
FIGURE A9: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

4.8 With regard to the size of offices available, virtually all are less than 1,000 sq.ft. (Figure A9) again indicating a market made up of office suites. Examples were provided in Table A8 above.

FIGURE A9: OFFICE SUPPLY BY SIZEBAND



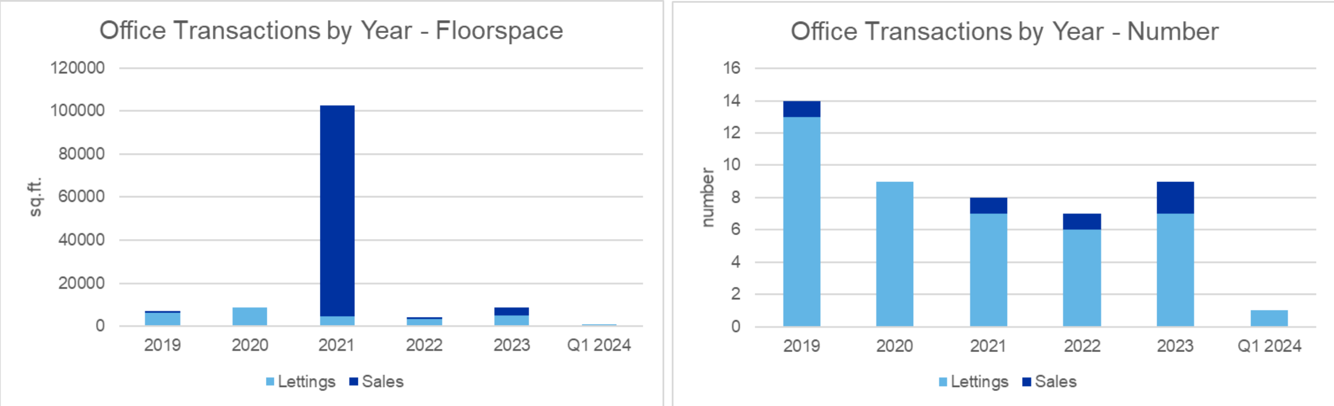
Source: Ryden / CoStar

OFFICE TAKE-UP

4.9 Demand for offices in East Dunbartonshire is demonstrated by 131,842 sq.ft. in 48 offices of take-up (sales, lettings and lease renewals) from January 2019 to March 2024 inclusive. This is an annual average of 24,876 sq.ft. in 9 offices. The large majority (90%) of transactions are lettings while the balance are sales. A notable 74% of this floorspace take up was the sale in 2021 to Moulsdale Properties of c. 98,000 sq.ft. at the former Aviva call centre buildings at 123 Westerhill Business Park in Bishopbriggs for its head office. It also provides space for charitable events within the building. If this large transaction is not included, then average annual take-up falls to 6,350 sq.ft.

4.10 The year 2021 had by far the highest floorspace take up but this was due to this one large transaction. Discounting 2021, the years 2020 and 2023 had the highest volumes of floorspace take up, with c. 8,500 sq.ft. each year. While 2019 had the highest by number of offices taken-up at 14 offices. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions (Figure A10).

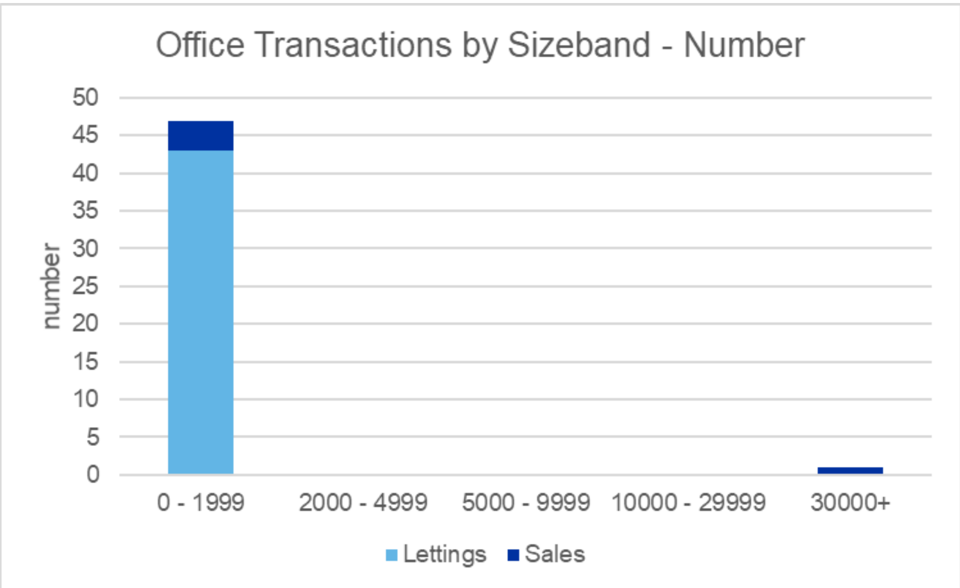
FIGURE A10: OFFICE TAKE-UP PER YEAR



Source: Ryden / CoStar

4.11 Looking at office transactions by sizeband, the sizeband up to 1,000 sq.ft. had all but one of the transactions (Figure A11). This signals a market composed predominately of micro businesses, as indicated by the examples of transactions in Table A9 on the next page.

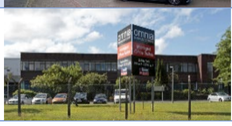
FIGURE A11: OFFICE TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

4.12 Recent office transactions in Table A10 tend to be in modern buildings and in business centres. Office rents achieved range up to £17 per sq.ft. for modern office space in a business centre.

TABLE A10: RECENT OFFICE TRANSACTIONS

ADDRESS	SIZE (SQ.FT.)	DETAILS
Suite 1, 5 Kirk Road, Bearsden 	1,016	Let in January 2024 on a 3-year lease at £14 per sq.ft.
3 – 11 Cowgate, Kirkintilloch 	1,768	Sold at auction in December 2023 for £110,000. Office space over ground and first floors.
1 Hillfoot Court, Bearsden 	443	Let in October 2023 to Pargrove Counselling. Ground floor office suite in a modern office building
12 Donaldson Place, Kirkintilloch 	1,829	Sold in August 2023 to Stokes Building Services Ltd for £174,360
Cloberfield Business Centre, Cloberfield Industrial Estate, Milngavie 	258 310 527 549 1,776	Refurbished offices let during 2022 and 2023
Milngavie Enterprise Centre, Milngavie 	1,184	Let in April 2023 at £17 per sq.ft. Modern office business centre
Suite 7, Tribune Court, Roman Road, Bearsden 	770	Let in September 2022 to HR Bank Ltd on a 5-year lease at £15 per sq.ft.
Omnia Business Centre, Westerhill Road, Bishopbriggs 	110 341	Let in March 2022 to SJ Partnership and Sibcas at £12.50 per sq.ft. (All inclusive)

Source: Ryden / CoStar

4.13 There is little evidence of offices sold for investment purposes rather than occupational purposes. One sale of an office which was let to a single occupier was recorded in 2019 (Table A11 on the next page). The transaction is from 5 years ago and pre-dates the rise in interest rates which has depressed property investment values.

4.14 More recently, Exchange House on Drymen Road in Bearsden has just been brought to the market for sale at offers over £1.35 million, the 6,700 sq.ft. building includes an office, business centre and nursery with a rental income of £122,000 pa.

TABLE A11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Canniesburn Gate, 10 Canniesburn Drive, Bearsden		Single let office investment sold in November 2019 for £2.23 million (8.71%) to Laurel Properties Ltd. Purpose-built office building of 13,469 sq.ft. Let to Golden Charter Limited on three separate FRI leases all of which expire on 31st May 2025.

Source: Ryden / CoStar

SUMMARY

4.15 East Dunbartonshire's stock of office property is estimated at 594,600 sq.ft., with offices located mainly in the town centres of Kirkintilloch, Bishopbriggs, Milngavie and Bearsden and in office buildings on industrial estates.

4.16 There is current supply of c. 13,517 sq.ft. contained within 22 offices. The majority of these offices are small suites or serviced offices offering flexible terms. For those seeking small suites there appears to be a good choice however compared to the region as whole office availability is lower than average. The closure of the Aviva call centre in 2022 was significant for the area and brought 98,000 sq.ft. to the market which has since been sold.

4.17 Average office take-up is 24,876 sq.ft. per annum however this is skewed by the significant transaction in 2021 and if this removed then the average annual take-up is 6,350 sq.ft. The majority of activity is in relation to office suites under 1,000 sq.ft. signalling a market composed predominately of micro businesses. Achieved rents range from £12.50-17 per sq.ft. depending on the quality of the office space and services provided.

A5

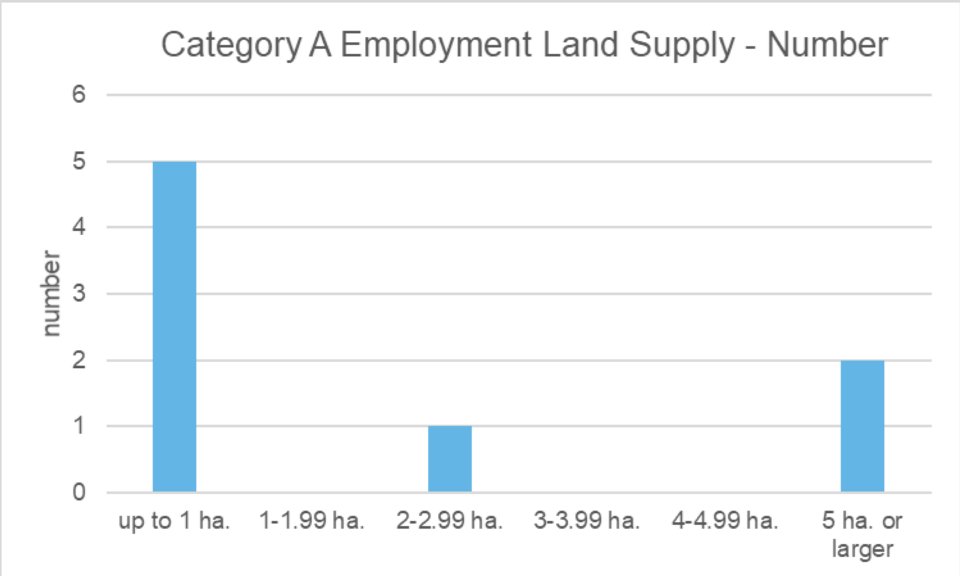
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

5.1 Clydeplan's 2022/2023 audit of Employment Land identifies that East Dunbartonshire has an employment land supply of 8 Category A sites totalling 16.7 hectares. Category A sites are those available for industry and business purposes and free of significant constraints.

5.2 The majority of these sites - 5 sites totalling 2.4 ha - are smaller than 1 hectare (Figure A12).

FIGURE A12: EMPLOYMENT LAND SUPPY



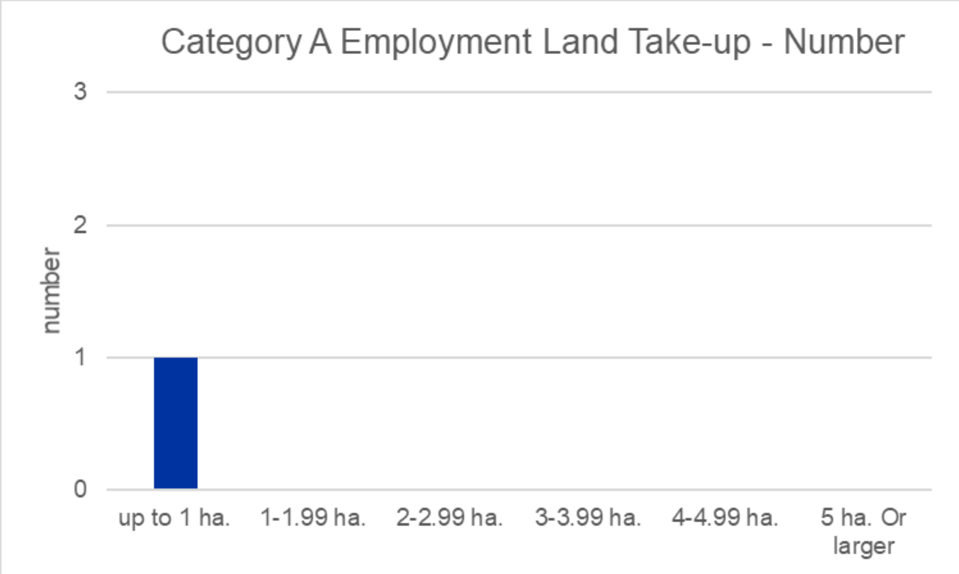
Source: Clydeplan / Ryden

5.3 Assessing the mix of sites within this employment land supply:

- Kirkintilloch has most of the supply with 3 sites totalling 8 ha; followed by Bishopbriggs also with 3 sites but totalling 7.6 ha; Milngavie has the final 2 sites totalling 1.1ha.
- All of the sites are brownfield
- All of the sites are privately owned
- The largest two sites are the former Gas Works at Woodielee Road in Kirkintilloch (5 ha), and the ex-oil terminal at Westerhill Road in Bishopbriggs (6.8 ha). Both are subject to regeneration masterplans which include provision of employment space.

5.4 Take-up of employment land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies one site totalling 0.10 ha as being taken up in the area for employment uses. This is smaller than one hectare (Figure A13). This is an annual average of <1 ha and <1 site per annum.

FIGURE A13: EMPLOYMENT LAND TAKE-UP



Source: Clydeplan / Ryden

5.5 Assessing the site within this employment land take-up:

- The one site taken-up was a brownfield site in Bishopbriggs
- The site was for a bespoke Class 4 private development.

5.6 The analysis above confirms that there is a limited number of employment sites across East Dunbartonshire allocated through planning policy, although those are mainly plots in the main towns. There are no actively marketed development sites for sale.

5.7 Market evidence of employment land transactions confirms that there have been no sites sold for development. However, two sites have sold: 1 was not employment but was a facility with 11 acres (4.45 ha) of land, and the other was sold with Class 4 planning consent however a recent application for a care home has been approved and if this is developed then the take-up will not be for employment use (Table A12). Notably the 121 acre (49 ha) Badenheath Farm, located close to Junction 4 (Mollinsburn) of the M80 and located in East Dunbartonshire, is under offer which is a strategic site being promoted for distribution and industrial uses.

TABLE A12: EMPLOYMENT LAND TRANSACTIONS

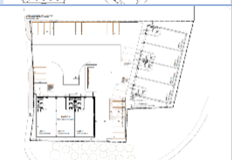
ADDRESS		SIZE ACRES (HECTARES)	DETAILS
Balmore Road, Balmore, Torrance		11 (4.45 ha)	Sold to Synetiq Ltd in July 2020 for £1.075 million. Plans for a vehicle storage and recycling facility. Former Balfour Beatty facility rather than vacant employment land.
Woodilee Road, Woodilee Village, Lenzie		2.48 (1 ha)	Sold in November 2019 with Class 4 Business Consent. Planning application TP/ED/22/0777 granted March 2024 for Erection of care home (Class 8) and associated development

Source: Ryden/ CoStar

DEVELOPMENT

5.8 Recent speculative employment property developments and proposals in East Dunbartonshire are presented in Table A13. Masterplans for Westerhill and Kirkintilloch offer particular opportunities to open up land for employment purposes. It is also understood that landlord CoVault has refurbished industrial properties at Bishopbriggs Industrial Estate.

TABLE A13: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
Hillcroft Terrace, Bishopbriggs		There is a live planning application for a former builder's merchants on Hillcroft Terrace, Bishopbriggs for a proposed mixed use development (Use Classes 1, 2, 4, 5 and 6) with the alteration and extension of the existing building plus 3 new buildings.
Land Adjacent To Crowhill Road, Crowhill Road, Bishopbriggs		RRB Developments (Scotland) received planning consent in 2021 for seven industrial units over 2 blocks totalling c. 7,500 sq.ft. Development does not appear to have begun.
Gavell Road Garage, Gavell Road, Twechar		In Twechar planning consent was granted in 2022 for the erection of 19 industrial business starter units totalling c. 13,000 sq.ft. at Gavell Road Garage on Gavell Road. Development does not appear to have begun.
Former garage/ site, 1 St Mungo Street, Bishopbriggs		A planning application is awaiting a decision for the development of four homes and an office
Westerhill Masterplan		The Westerhill Development Road will unlock strategic sites to provide space for businesses. The masterplan objectives for the area : Supporting and enabling investment to create jobs; The creation of a high-quality commercial land use area which capitalises on its natural assets and is well connected; The protection and enhancement of the High and Low Moss areas, and peat soil; The creation of green links, and health and wellbeing improvements via path accessibility, active travel, public transport and open spaces; Road improvements; and The refurbishment of vacant buildings and improvements to the existing Westerhill Industrial Estate
Kirkintilloch Business Gateway Masterplan		Located between the A806 Initiative Road and Woodilee Road and identified in LDP2 as key regeneration site. Comprises a mix of existing businesses and vacant/derelict sites. The masterplan has been prepared to support existing businesses and encourage the development of vacant and derelict land. The masterplan includes the provision of property and land for employment uses.

Source: Ryden/ CoStar/ Websites/ East Dunbartonshire Council

SUMMARY

5.9 East Dunbartonshire has an employment land supply of 8 Category A sites totalling 16.7 hectares. Most sites are smaller than 1 hectare however there are two large sites at the former Gas Works at Woodielee Road in Kirkintilloch (5 ha), and the ex-oil terminal at Westerhill Road in Bishopbriggs (6.8 ha). Both are subject to regeneration masterplans which include provision of employment space.

5.10 Average employment land take-up in the area is <1 ha and <1 site per annum which indicates that the market is not very dynamic. In addition, despite there being a number of sites allocated via planning policy none is on the open market. Some employment sites have been taken up for alternative uses.

5.11 In terms of new development there are live planning permissions for new employment space however the development of these does not appear to have commenced on site. Again, the Westerhill Masterplan and the Kirkintilloch Gateway masterplan offer major opportunities to open up more employment land in the area.

A6

SUMMARY AND MARKET NEEDS

6.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. East Dunbartonshire Council's priorities recognise similar themes and are they are keen to promote growth in the local business base.

6.2 NPF4 and East Dunbartonshire's LDP2 make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. East Dunbartonshire's LDP includes a focus on its most pressing land use issues with actions including addressing climate change, the delivery of high quality places to live, town centre regeneration, attracting new jobs and investment and the protection of the historic and natural environment. It encourages development that will generate sustainable and permanent employment opportunities. The Council has safeguarded a number of sites for employment uses. The Council has commenced work on LDP3 with adopted scheduled for 2028.

6.3 From a funding perspective, East Dunbartonshire is often considered comparatively affluent next to other regeneration candidates in the region and thus will need to compete hard and often to secure funding success. The City Region Deal funding will open up additional development land in the area. As with all Councils currently, capital or matched funding for projects is challenging given budgetary pressures. Specific projects for East Dunbartonshire may come forward as part of the Investment Zone proposals.

6.4 Over half of businesses located in East Dunbartonshire are in industries relating to employment land classes. In recent years there has been a collective decline of 5% in sectors relating to employment land. Trends vary between industries and suggest that demand for finance and insurance is growing whilst that for industries such as professional services and wholesale is declining.

6.5 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

6.6 East Dunbartonshire has an estimated stock of industrial property totalling 2.6 million sq.ft. Units tend to be located in the around the main towns of Bishopbriggs, Kirkintilloch, Milngavie and Bearsden which are generally located in the south of the local authority area which borders north Glasgow.

6.7 East Dunbartonshire has had some high profile business closures in recent years including Aviva and Saica Pack. In addition, Guala Closures and Harper Collins in 2024 and 2025 respectively will close when these businesses relocate.

6.8 Around half of the industrial stock in the area is 40 years or older. East Dunbartonshire has very low industrial property availability, currently sitting at 1.2%. There are only 3 units available on the market which means there is very limited choice for occupiers.

6.9 The average industrial take-up is 19,627 sq.ft. per annum with the vast majority lettings. Properties up to 5,000 sq.ft. account for 88% of market activity. Achieved rents vary from £5.40 per sq.ft. for basic older buildings up to £9.00 per sq.ft.

6.10 East Dunbartonshire's stock of office property is estimated at 594,600 sq.ft., with offices located mainly in the town centres of Kirkintilloch, Bishopbriggs, Milngavie and Bearsden and in office buildings on industrial estates.

6.11 There is current supply of c. 13,517 sq.ft. contained within 22 offices, with the majority of these offices small suites or serviced offices offering flexible terms. For those seeking small suites there appears to be a good choice however compared to the region as whole office availability is lower than average. The closure of the Aviva call centre in 2022 was significant for the area and brought 98,000 sq.ft. to the market which was subsequently taken-up again.

6.12 Average office take-up is 24,876 sq.ft. per annum however this is skewed by the former Aviva building transaction in 2021 and if this is removed then the average annual take-up is 6,350 sq.ft. The majority of activity is in relation to office suites under 1,000 sq.ft. signalling a market composed predominately of micro businesses.

6.13 Achieved rents range from £12.50-17 per sq.ft depending on the quality of the space and services offered. Office rents at this level are not sufficient to support new development and in conjunction with hybrid working and changing occupier needs it is more likely that refurbishment to provide further flexible space would be appropriate where justified by market needs.

6.14 East Dunbartonshire has an employment land supply of 8 Category A sites totalling 16.7 hectares. The majority of these sites are smaller than 1 hectare. There are two large sites at the former Gas Works at Woodielee Road in Kirkintilloch (5 ha), and the ex-oil terminal at Westerhill Road in Bishopbriggs (6.8 ha).

6.15 Average employment land take-up in the area is <1 ha and <1 site per annum which indicates that the market is not very dynamic. In addition, despite sites allocated via planning policy there do not appear to be any on the open market. Some employment sites have been taken up for alternative uses.

6.16 In terms of new development there are live planning permissions for new employment space however development does not appear to have commenced on site. While this has not been investigated for specific sites, the recent increases in development costs and falls in investment values could be discouraging development. The Westerhill Masterplan and the Kirkintilloch Gateway masterplan offer major opportunities to open up more employment land in the area, although under current market conditions any development other than occupied-led could require public sector intervention. These market conditions could encourage refurbishments such as those at Bishopbriggs Industrial Estate, although given low vacancies this could only be incremental.

MARKET NEEDS

6.17 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for East Dunbartonshire based upon the regional priorities and the research in this appendix are set out in Table A14 on the next page. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table A14 should be read in conjunction with that.

TABLE A14: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to supplement the exceptionally low vacancy rate. Market proposals exist but have stalled. New development may require public sector support and grant assistance here is limited. Targets could include further terraced units in the main towns where there is no current supply.
Refurbished industrial property	The opportunity to refurbish is limited by high occupancy and in some instances full obsolescence. The Council is in control of the upgrade of its own portfolio. Some estates in larger towns have older stock which could be suited to refurbishment and an example of that is noted.
Office / business space	Serviced offices are performing well but relocations and hybrid working are releasing older office space. A reasonable supply of suites is currently on the market and should be tracked for any tightening of supply and unmet market needs which could justify further provision of flexible office options.
Serviced employment land	A number of small plots are allocated but there are none on the market and no medium-sized serviced sites, while the area's larger employment sites are pre-development regeneration projects. A pipeline of serviced sites in the larger towns is required.
Market intelligence	Coordination of market demand information would support the regeneration of existing estates and delivery of new employment locations.

APPENDIX B

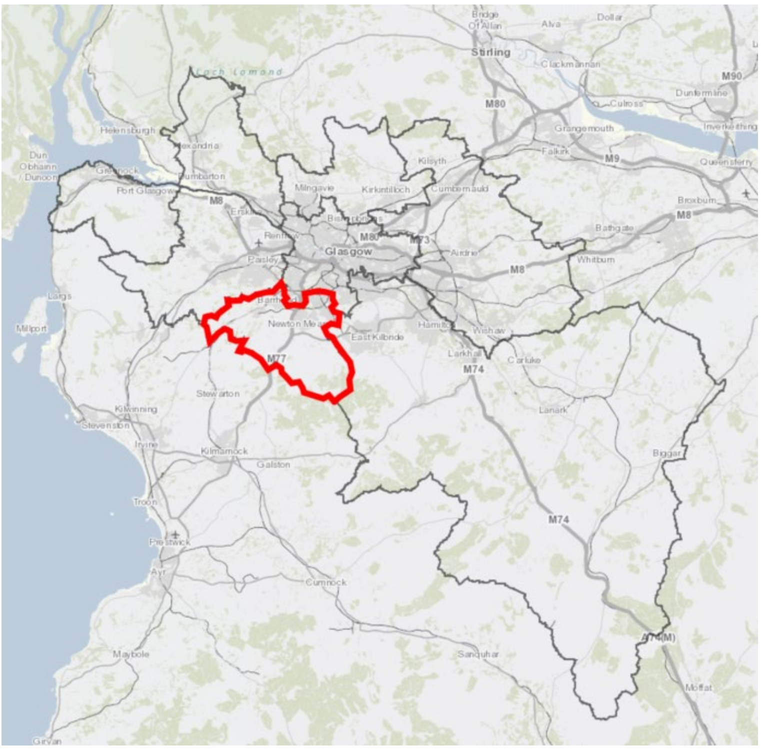
EAST RENFREWSHIRE

B1

INTRODUCTION

7.1 East Renfrewshire is one of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. The local authority area is highlighted on the Glasgow City Region map at Figure B1.

FIGURE B1: EAST RENFREWSHIRE: LOCATION WITHIN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

7.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

7.3 The contents of this East Renfrewshire report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

7.4 Analyses and summaries presented here are specific to East Renfrewshire. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

B2

ECONOMY AND POLICY

7.1 This section outlines economic and planning policy and provides an economic overview of East Renfrewshire. It also provides an overview of funding eligibility.

REGIONAL POLICY

7.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

7.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

7.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

7.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. City Region Deal projects in East Renfrewshire include infrastructure projects totalling £44 million. This included the provision of new employment space at Levern Works in Barrhead and Greenlaw Works in Newton Mearns. Transport connections are also being improved at Aurs Road and Balgraystone Road and a new railway station at Barrhead South. Improvements are also being made to visitor facilities at the Dams to Darnley Country Park.

7.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

7.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

7.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects were approved following the RES including the creation of Innovation Districts and development of the Clyde

Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

7.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

7.10 Planning and land uses within East Renfrewshire are guided by **Local Development Plan 2**. LDP2 was adopted in March 2022 and sets out Council strategy, policies and proposals for the use of land and buildings. The overall development strategy aims to create sustainable places and communities, promote sustainable and inclusive economic growth and promote a net zero carbon place.

7.11 LDP2 seeks to create a more positive business climate and build on existing strengths including its high performing schools, highly skilled workforce and well-educated population and seeks to reduce out-commuting by creating more local employment opportunities. The LDP safeguards existing employment locations and seeks to focus new employment and investment primarily into these locations. The safeguarded business and employment areas include:

- Barrhead: Crossmill Business Park, Glasgow Road East, Glasgow Road West, Muriel Street
- Busby: Field Road
- Giffnock: Burnfield Road
- Neilston: Crofthead Mill
- Newton Mearns: Greenlaw Business Park, Kirkhill House, Netherplace Works
- Thornliebank: Spiersbridge Business Park

7.12 It is also important that land with continued potential for employment use is not lost to other forms of development.

7.13 In terms of town centres, Barrhead and Newton Mearns are Strategic Centres within Clydeplan.

7.14 The Council has started preparing its LDP3 and is currently working on its first stage which is to produce an Evidence Report. It is hoped that LDP3 will be adopted in 2027.

7.15 A shared vision for East Renfrewshire is articulated within two documents: the **East Renfrewshire Community Plan**, a 10-year high level plan, and **Fairer East Ren**, the Local Outcomes Improvement Plan. Following on from the effects of the Covid-19 pandemic on economic activity, the Council also published an **Economic Recovery Plan**, which includes employability and skills initiatives with a focus on young people experiencing barriers to access employment. Within these key documents five priority areas have been identified:

- Early years and vulnerable young people;
- Learning, life, and work;
- Economy and environment;
- Safe, supportive communities; and
- Older people and people with long term conditions.

7.16 The priorities around the economy include a focus on making the area a thriving place to invest and for businesses to grow; and on improving transport links. Activity on these areas could have an impact on future employment land uses as better connectivity may facilitate take-up of existing employment land and creating a favourable business environment may increase demand for business space. Progress towards these ambitions is measured through Community Plan Indicators, which cover a range of measures such as GVA per head and median earnings for employed residents.

FUNDING

7.17 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. It is noted that East Renfrewshire is often considered comparatively affluent next to other regeneration candidates in the region and thus will need to compete hard and often to secure funding success. The main source of funding for employment property projects to date has been via the City Deal which Levern Works and Greenlaw Works. Additional funding for Levern Works was also received from the Regeneration Capital Grant Fund. East Renfrewshire is not eligible for the Vacant and Derelict Land Fund however it did receive funding from the Vacant and Derelict Land Investment Programme for improvements associated with Levern Water in Barrhead. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. As with all Councils currently, capital or matched funding for projects is challenging given budgetary pressures. Specific projects for East Renfrewshire may come forward as part of the Investment Zone proposals.

ECONOMIC OVERVIEW

Business Growth and Survival Rates

7.18 In 2023, East Renfrewshire was home to 2,615 businesses. Of this total, 1,480 (57%) were in sectors relating to employment land class categories. In 2022, there were 6% more deaths of enterprises in East Renfrewshire than in 2017 and only a 2% increase in birth of new enterprises when compared with the same period. There were 65 new businesses in the professional, scientific, and technical sector in 2022. (Table B1)

TABLE B1: BUSINESSES IN EAST RENFREWSHIRE

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN EAST RENFREWSHIRE BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN EAST RENFREWSHIRE
Manufacturing (C)	105	4%	5%
Construction (F)	325	12%	14%
Wholesale (Part G)	75	3%	4%
Transport & storage (inc. postal) (H)	65	2%	5%
Information & communication (J)	165	6%	5%
Financial & insurance (K)	40	2%	2%
Professional, scientific & technical (M)	495	19%	14%
Business administration & support services (N)	201	8%	7%
Total Business Count	**1,480**	**57%**	**56%**
Retail (Part G)	*205*	*8%*	*10%*
Total Incl. Retail	**1,685**	**65%**	**66%**

Source: ONS, UK Business Count 2023

7.19 The overall number of businesses in East Renfrewshire has declined over the past few years, as has those relating specifically to employment land categories. Between 2015 and 2023, the number relating to employment land categories reduced by 3%.

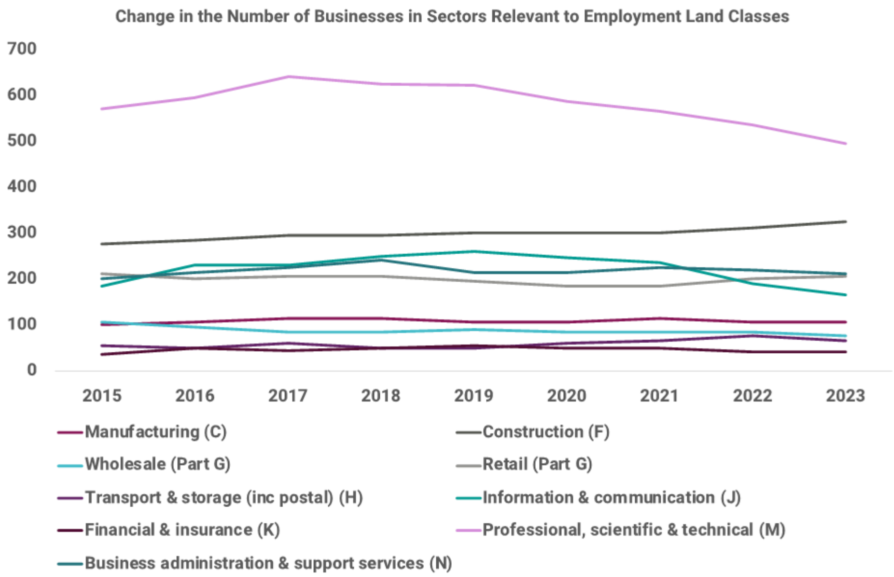
7.20 As shown in Table B2 and Figure B2 below, between 2015 and 2023 there was a, 18% increase in number of businesses in transportation and storage. However, there was also a 29% decrease in wholesale businesses and a 13% decrease in professional, scientific & technical businesses.

TABLE B2: BUSINESSES IN EAST RENFREWSHIRE

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	105	100	5%
Construction (F)	325	275	18%
Wholesale (Part G)	75	105	-29%
Transport & Storage (incl postal) (H)	65	55	18%
Information & communication (J)	165	185	-11%
Financial & insurance (K)	40	35	14%
Professional, scientific & technical (M)	495	570	-13%
Business administration & support services (N)	210	200	5%
Total Business Count	**1,480**	**1,525**	**-3%**
Retail (Part G)	*205*	*210*	*-2%*
Total Incl. Retail	**1,685**	**1,735**	**-3%**

Source: ONS, UK Business Count 2023

FIGURE B2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

7.21 The number of micro businesses in East Renfrewshire increased by 4% between 2015 and 2023 while the number of small enterprises increased by 11% and the number of medium sized enterprises increased by 25%. Large enterprise numbers stayed the same.

Employment

7.22 Total employment in East Renfrewshire in 2022 was approximately 21,950. Of this total, sectors relating to employment land class categories accounted for approximately 32% of employment. Employment in the wholesale industry decreased by 40% between 2015 and 2022 while employment in the business administration and support services increased by 40% for East Renfrewshire. Construction employment increased by 8% between 2019 and 2022 whilst employment over time for all other sectors did not change significantly (Table B3).

TABLE B3: EMPLOYMENT IN EAST RENFREWSHIRE

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	0%	0%
Construction	0%	8%
Wholesale	-40%	0%
Transport & storage	-44%	33%
Information and communication	67%	-20%
Finance and insurance	0%	33%
Professional, scientific and technical	0%	0%
Business administration and support activities	20%	17%
Employment Land Class Categories (Total)	2%	6%
Retail	*0%*	*0%*
Total Employment	2%	0%

Source: ONS, Business Register and Employment Survey

Productivity

7.23 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of East Renfrewshire in 2023 was around £1,126m, with a GVA per job of £42,800. This is lower than the GVA per job across GCR, with employment largely concentrated in public services such as health and education, followed by retail, which tend to be relatively low-paying occupations (Table B4).

TABLE B4: GVA

GVA PER JOB	2023 ESTIMATE
East Renfrewshire	£42,800
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

7.24 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

7.25 The most recent Future of Jobs report published by the World Economic Forum indicates that the macrotrends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

7.26 Forecasts produced by Oxford Economics for SDS estimate that employment in East Renfrewshire will increase by 7% over the next three years, and then by 7% up to 2033. This is significantly greater than that expected across Scotland as a whole. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 7% by 2026, equivalent to an additional 300 workers. The expected increase in employment is likely to affect demand for employment land. It is also expected trends in technology and digital transformation; and changes in working practices will affect the type and structure of spaces required by businesses.

SUMMARY

7.27 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. Priorities within the East Renfrewshire Economic Recovery Plan include a focus on making the area a thriving place to invest and for businesses to grow.

7.28 NPF4 and East Renfrewshire's LDP2 make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. East Renfrewshire's LDP aims to create sustainable places and communities, promote sustainable and inclusive economic growth and promote a net zero carbon place. It also seeks to create a more positive business climate based on existing strengths in the area and reduce out-commuting by creating more local employment solutions. The LDP safeguards existing employment locations and seeks to focus new employment and investment primarily into these locations. The Council has started preparing its LDP3.

7.29 From a funding perspective, East Renfrewshire may be considered comparatively affluent next to other regeneration candidates in the region and thus will need to compete hard and often to secure funding success. The main source of funding for employment property projects to date has been via the City Deal which Levern Works and Greenlaw Works. Additional funding for Levern Works was also received from the Regeneration Capital Grant Fund. East Renfrewshire is not eligible for the Vacant and Derelict Land Fund. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. As with all Councils currently, capital or matched funding for projects is challenging given budgetary pressures. Specific projects for East Renfrewshire may come forward as part of the Investment Zone proposals.

7.30 Over half of businesses located in East Renfrewshire are in industries relating to employment land classes. In recent years there has been a collective decline of 3% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

7.31 The size of businesses within East Renfrewshire has also changed in recent years, with a slight decline in micro businesses and growth in smaller businesses, suggesting that companies are recruiting more employees. This is likely to result in demand for larger spaces to accommodate more staff.

7.32 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

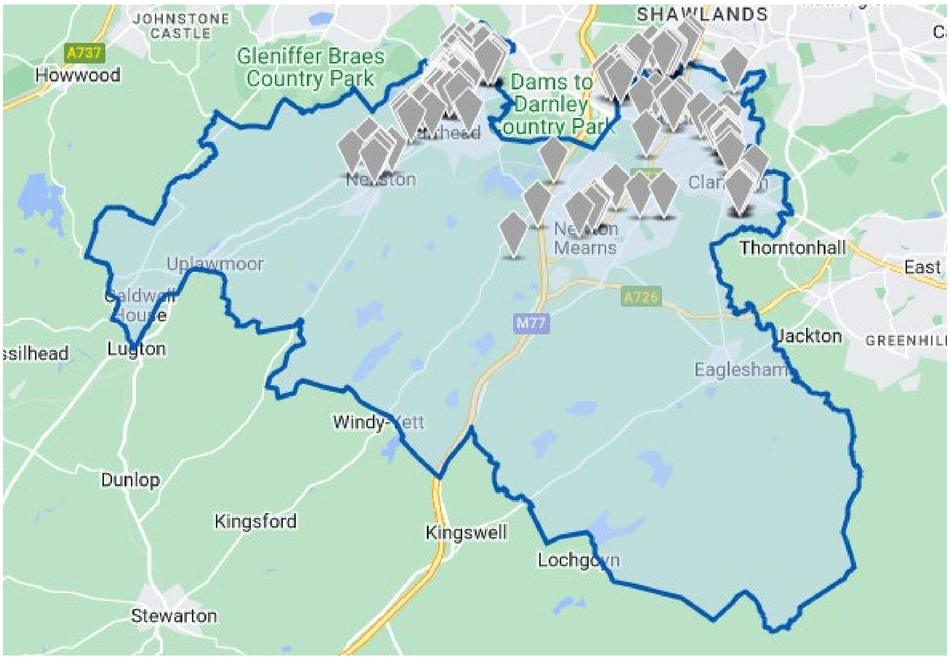
B3

INDUSTRIAL PROPERTY MARKET

9.1 This section considers the industrial property market in East Renfrewshire.

9.2 Employment properties are mainly located in the north of the Region, closer to Glasgow and main transport routes of the M77 and A77. They are in the main towns of Barrhead and Thornliebank, with some representation in Giffnock, Clarkston and Newton Mearns (Figure B3).

FIGURE B3: EAST RENFREWSHIRE EMPLOYMENT LOCATIONS



Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

9.3 Principal employment locations in East Renfrewshire are described in Table B4 on the next page.

INDUSTRIAL STOCK

9.4 The local authority area's current stock of industrial property is estimated at 857,000 sq.ft. This is 0.8% of Glasgow City Region's industrial stock.

9.5 Industrial stock is located mainly on industrial estates in the main towns of Barrhead, Thornliebank and Giffnock (Table B4).

9.6 East Renfrewshire has very low industrial property availability, currently sitting at <1%, which is below the 4% for the Glasgow City Region. Rates have been low in recent years which means that occupiers may be experiencing a very limited choice of premises.

9.7 The principal development era for industrial stock was pre-war with 42% of floorspace built, although three-quarters of that floorspace is within one building (the 258,000 sq.ft. former Crofthead Mill which was sold as a redevelopment opportunity in 2020 but still has an occupier in situ). In more recent years the 1980s saw the most development with 16% of floorspace built, this includes units at Robertson Street Industrial Estate in Barrhead by East Renfrewshire Council. There has been little new industrial development in the past 20 years. This is summarised in Figure B4 below Table B5.

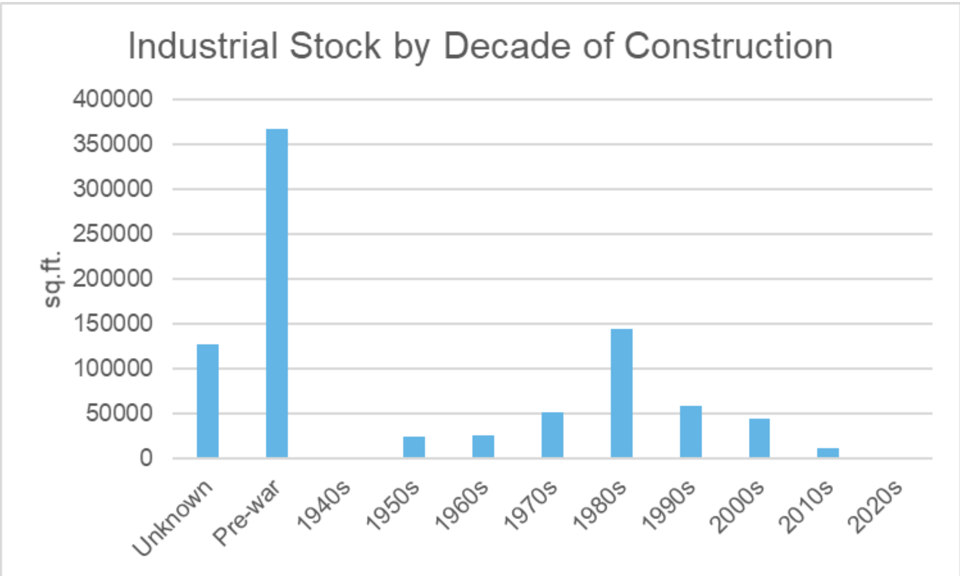
Around 54% of the industrial stock is 40 years old or older.

TABLE B5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Crossmill Business Park, Barrhead	Modern estate with the majority of units built in the 2000s and 2010s. Totals c. 38,000 sq.ft. Units built by East Renfrewshire Council. Mix of standalone buildings and multi-let terraces. Includes Levern Works, a City Deal Project of 10 industrial units built in 2016. Occupiers include Aerial Services Scotland Ltd, AC Whyte, Corkerhill Construction and Glengarry Kitchens. Located beside Barrhead Retail Park.
Muriel Street area, Barrhead	An area with a mix of industrial units built between the 1950s and 1990s totalling c. 139,000 sq.ft. East Renfrewshire Council own units here along with owner occupiers and private investors. Occupiers include Muirgroup Interiors, Barrhead Timber and Paterson Safety Anchors.
Robertson Street / Cogan Street Barrhead	Comprises Robertson Street Industrial Estate, 3 terraces of multi-let industrial units built by East Renfrewshire Council in the 1980s, and standalone older units on Cogan Street. Totals c. 47,000 sq.ft. of floorspace. Occupiers include Barrhead Men's Shed, The Power Service, Adams Roller Shutters & Garage Doors, Bryers & Mulholland and Adcal Dental Laboratories.
Spiersbridge Industrial Estate/ Business Park, Thornliebank	Part of this estates lies in East Renfrewshire and the other part in Glasgow City Council. The units in East Renfrewshire total c. 274,000 sq.ft. and were built mainly in the 1970s to 2000s in a mix of office and industrial accommodation. Includes the c. 22,000 sq.ft. Spiersbridge House and c. 14,000 sq.ft. 2 Spiersbridge Way, two-storey office pavilions built in the 2000s. Industrial units also built in the 2000s. Occupiers include East Renfrewshire Council, Glasgow Southside Orthodontics, Urban Electrical and Redpath Construction.
Burnfield Road, Giffnock	Estate of c. 74,000 sq.ft. comprising mainly industrial units but also offices built mainly in the 1980s, 1990s and 2000s. Occupiers include Aldomak, Zippy Gymnastics, John Millar Engineering and Thomsons Coffee Roasters.
The Greenlaw Works, Newton Mearns	Purpose built modern business centre by East Dunbartonshire Council using City Deal funding, officially opened in 2023. Comprises c. 14,000 sq.ft. of flexible office space available on all inclusive rents. Occupiers include MJS Financial, Eco Light Systems and GRM Marketing.

Source: Ryden / CoStar/ Websites

FIGURE B4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION



Source: Ryden / CoStar

INDUSTRIAL SUPPLY

9.8 There are only 3 industrial units in one refurbished building actively being marketed for lease or sale in East Renfrewshire. This gives an industrial availability rate of <1%. However, it may be possible that some units are being marketed informally. The industrial units currently on the market are shown in Table B6. There is known appetite from larger employers in the area to re-locate from older industrial properties to new modern facilities but a lack of options available for this purpose.

TABLE B6: EXAMPLES OF CURRENT INDUSTRIAL SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
157 Burnfield Road, Giffnock		521 521 522 + 370	Part refurbished office and warehouse unit for lease. Recently refurbished to provide 3 starter units with a shared tarmac yard. One of the units has a 370 sq.ft. office. Rents £19 per sq.ft.

Source: Ryden / CoStar / Marketing Agents /East Renfrewshire Council

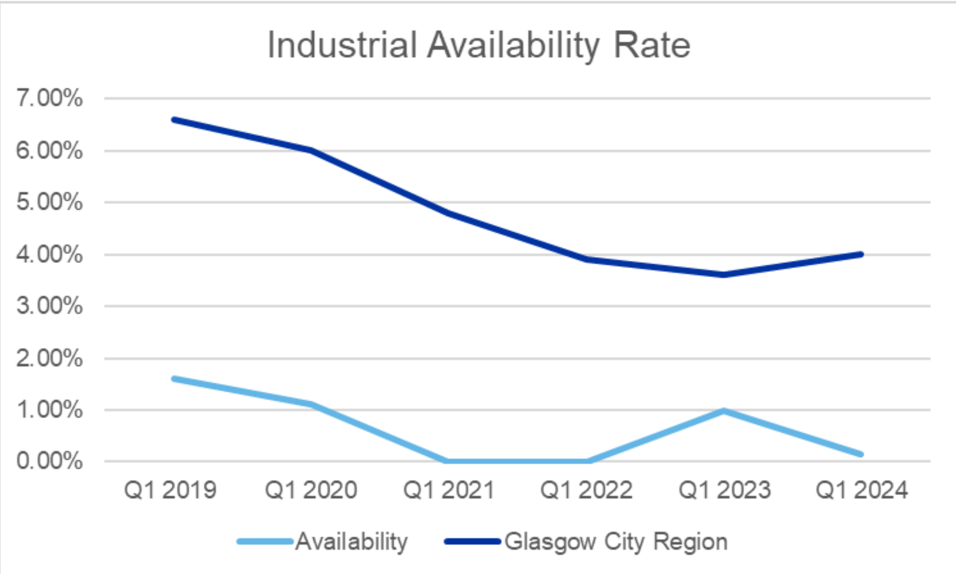
9.9 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Unfortunately, the available units have no registered EPC ratings.

9.10 The supply of industrial units by decade of construction notes that the three units were built in the 1960s, but have recently undergone refurbishment.

9.11 By sizeband the current supply of the 3 units notes they are all smaller than 5,000 sq.ft. As a result, there is a lack of industrial supply for larger or expanding businesses.

9.12 As noted above, the industrial availability rate for East Renfrewshire is very low at <1%. This has fallen from a previous low 1.6% in 2019, and is much lower than the 4% rate for Glasgow City Region. Figure B5 below illustrates that critically low industrial availability in East Renfrewshire has been a trend of the last few years.

FIGURE B5: INDUSTRIAL AVAILABILITY RATE



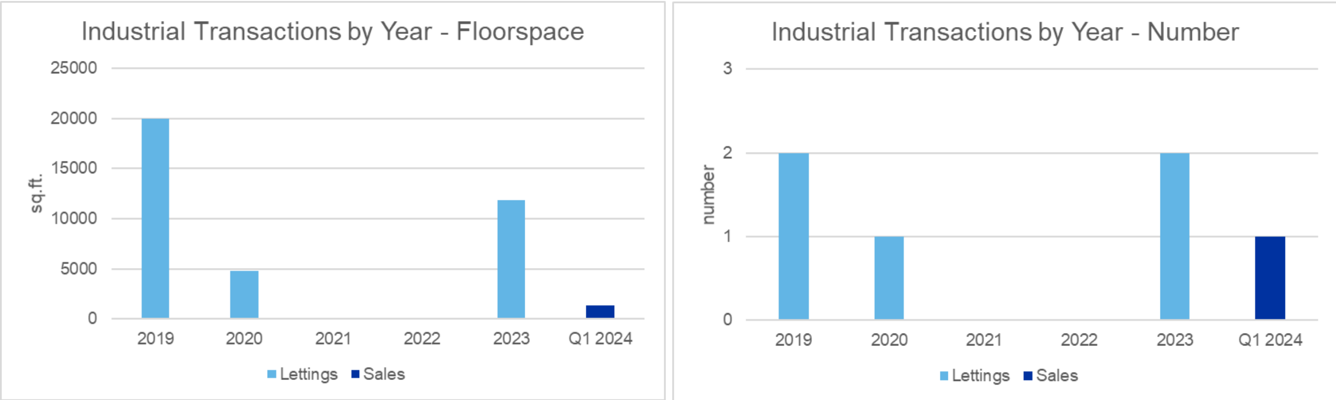
Source: Ryden / CoStar

INDUSTRIAL TAKE-UP

9.13 A total of 38,071 sq.ft. in 6 units has been taken-up (sales, lettings and lease renewals) since January 2019 to March 2024. This is an annual average of 7,614 sq.ft. in 1 unit. The majority of transactions (5) are lettings.

9.14 The year 2019 had the highest volume of floorspace take up at 20,000 sq.ft., due to two lettings of 10,000 sq.ft. at Thornliebank Industrial Estate in Thornliebank (Figure B6). The years 2019 and 2023 each had two transactions.

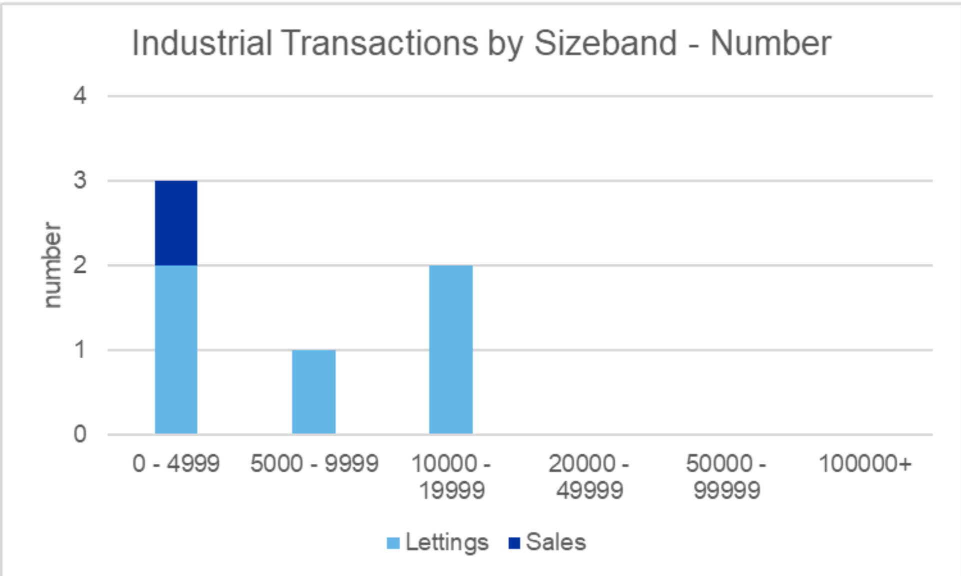
FIGURE B6: INDUSTRIAL TAKE-UP PER YEAR



Source: Ryden / CoStar

9.15 Looking at industrial transactions by sizeband, the smallest range had the most activity (Figure B7). Properties up to 5,000 sq.ft. account for 50% of market activity. This is difficult to measure meaningfully against supply given the limited number of units being marketed.

FIGURE B7: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

9.16 A selection of recent transactions is provided in Table B7. These reflect the size range and type of properties taken-up. Achieved rents are £5 - £6 per sq.ft.

TABLE B7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
3 Burnfield Avenue, Giffnock		1,350	Sold in January 2024 to Romney Estates Ltd for £175,000. The unit was vacant at the time of sale
Unit 14 Muriel Street, Barrhead		7,081	Let in August 2023 to Caprican Homeware Solutions Ltd on a 10-year lease at £5 per sq.ft.
Unit 3 Spiersbridge Business Park, Thornliebank		4,820	Let in June 2023 to Elite Furniture Ltd on a 10-year lease. Comprises 2,925 sq.ft. warehouse and 1,895 sq.ft. office space on the first floor. Let in April 2020 to C Hanlon All Trades on a 10-year lease at £6 per sq.ft.

Source: Ryden / CoStar

9.17 An example of a transaction of an industrial unit sold for investment purposes rather than occupational is in Table B8. This is a single-let unit which was purchased by a pension fund.

TABLE B8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Units 10 and 11, Block 8, Spiersbridge Terrace, Thornliebank Industrial Estate, Thornliebank		Sold in June 2023 to a Private pension fund for £1.575 million (8.6%). Comprises a warehouse unit with offices totalling 28,704 sq.ft. over ground and first floors. Single-let to Pagazzi Lighting (Services) Ltd at a topped up base rent of £130,000 pa.

Source: Ryden / CoStar

SUMMARY

9.18 In East Renfrewshire, employment properties are mainly located in the north of the Region, closer to Glasgow and main transport routes of the M77 and A77. They are in the main towns of Barrhead and Thornliebank, with some representation in Giffnock, Clarkston and Newton Mearns. The area's stock of industrial property is estimated at 857,000 sq.ft and is located mainly on industrial estates in the main towns of Barrhead, Thornliebank and Giffnock. More than half of the industrial stock is 40 years or older and there has been little new industrial development in the past 20 years.

9.19 East Renfrewshire has very low industrial property availability, currently sitting at <1%, which is below the regional 4% rate. Critically low industrial availability in East Renfrewshire has been a trend of the last few years and there are currently only 3 small units on the market. Occupiers face a very limited choice of premises and that larger or growing businesses may need to look elsewhere.

9.20 On average 1 industrial unit is taken-up each year, typically smaller, although as above supply is very limited. The rents achieved for recent transactions were £5 - £6 per sq.ft.

B4

OFFICE PROPERTY MARKET

10.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements. This section considers the office property market in East Renfrewshire.

OFFICE STOCK

10.2 East Renfrew shire's stock of office property is estimated at 595,600 sq.ft., which is scattered throughout the Region in town centres and upper floors in town centres, and in offices and business centres in industrial areas. This is 1.4% of Glasgow City Region's office stock. Some of the purpose-built office stock was highlighted in Table B4 above.

10.3 East Renfrewshire Council is a major occupier in the region with its three main offices accounting for c. 20% of office stock in the area. However, due to the changes in working patterns the c. 14,000 sq.ft. office which the Council occupies at Spiersbridge Way in Thornliebank is surplus to requirements and will be vacated in 2026. This office is currently leased by the Council whereas its other premises at Eastwood Park, Giffnock and Main Street, Barrhead are owned.

10.4 Around 30% of the office stock in East Renfrewshire is 40 years or older. In the 2000s – 2020s around one-quarter of the overall office floorspace was developed providing modern space including at Spiersbridge Business Park in Thornliebank and Greenlaw Works in Newton Mearns.

OFFICE SUPPLY

10.5 There is current office supply of c. 4,612 sq.ft. contained within 9 offices in 3 buildings. All spaces are flexible options in serviced offices/ business centres. More details are provided in Table B9 below. As noted, the East Renfrewshire Council office at Spiersbridge is closing in 2026 (see 4.3 above) and this c. 14,000 sq.ft. office will likely come to the market in future, increasing supply.

TABLE B9: EXAMPLES OF CURRENT OFFICE SUPPLY

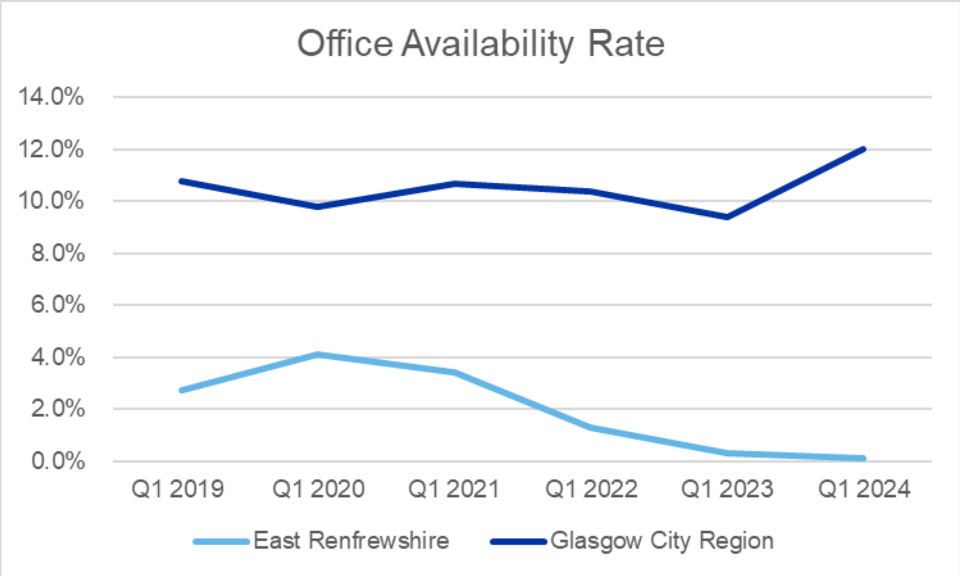
ADDRESS		SIZE (SQ.FT.)	DETAILS
Millworks, 28 Field Road, Busby		120 260 592 800	Four office suites available in refurbished building. For lease at £14 per sq.ft. EPC rating D+
The Greenlaw Works, 6 Greenlaw Way, Newton Mearns		From 162	Flexible space with dedicated office suites from 162 sq.ft. to 664 sq.ft. All inclusive rental package
Spiersbridge House, 1 Spiersbridge Business Park		365 475 700 636	Office suites for lease in modern two storey business pavilion. For lease on all inclusive rents for a minimum of 12 months.

Source: Ryden / CoStar / Marketing Agents / East Renfrewshire Council

10.6 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. Only one of the available office buildings has an EPC rating, this is a mid-range rating of D+. Greenlaw Works will likely have a good rating as it is a new-build office.

10.7 East Renfrewshire has an office availability rate of <1%, which has fallen from c 4% in 2023 and is the same marginal rate of supply as for its industrial property market. This is well below the 12% office availability rate for Glasgow City Region (Figure B8). Again, this signifies that occupiers have a limited choice of premises in the area with accommodation more suited to small businesses.

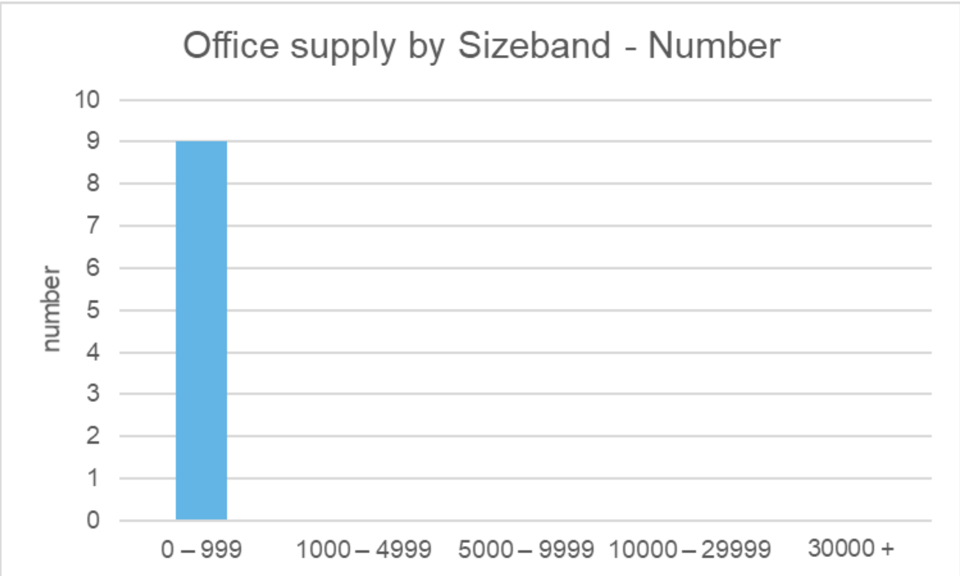
FIGURE B8: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

10.8 All of the available offices are less than 1,000 sq.ft. (Figure B9).

FIGURE B9: OFFICE SUPPLY BY SIZEBAND



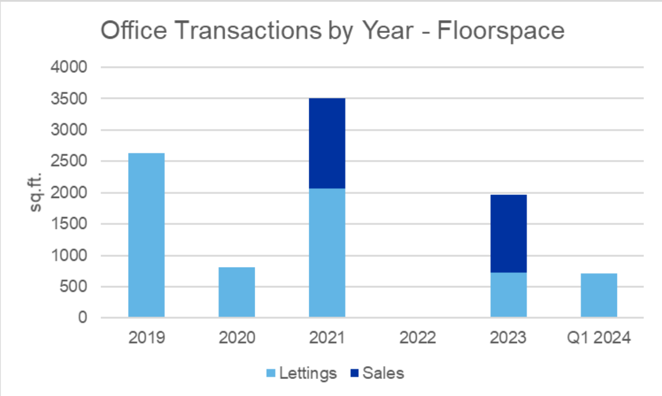
Source: Ryden / CoStar

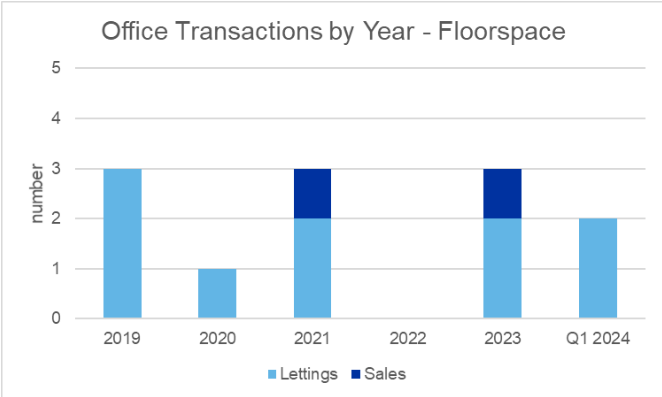
OFFICE TAKE-UP

10.9 Demand for offices in East Renfrewshire is demonstrated by 9,646 sq.ft. taken-up in (sales, lettings and lease renewals) 12 offices from January 2019 to March 2024. This is a comparatively low annual average of 1,820 sq.ft. in 2 offices. The large majority (83%) of transactions are lettings while the balance are sales.

10.10 The year 2021 had the highest volumes of floorspace take up, with c. 3,512 sq.ft. Floorspace take-up ranged from zero to 3,512 sq.ft. per annum (Figure B10). The years 2019, 2021 and 2023 all had 3 offices taken-up. Q1 2024 final volumes may be higher due to a time lag in reporting of transactions.

FIGURE B10 OFFICE TAKE-UP PER YEAR

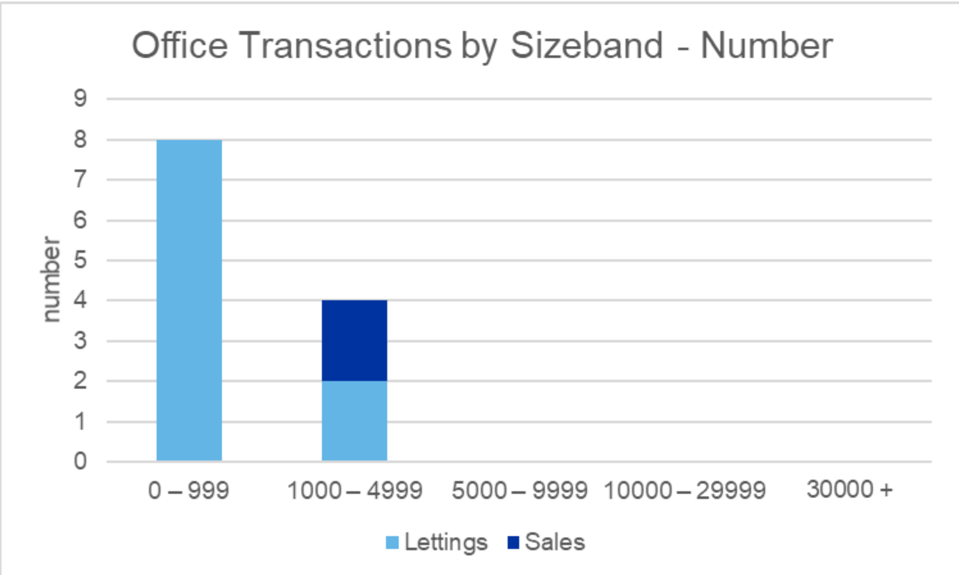




Source: Ryden / CoStar

10.11 Looking at office transactions by sizeband, offices under 1,000 sq.ft. delivered the majority (67%) of transactions while all deals were below 5,000 sq.ft. (Figure B11). This signals a market composed entirely of micro and small businesses.

FIGURE B11: OFFICE TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

10.12 A selection of recent transactions in Table B10 confirms the micro to small business market composition. These are all small scale and achieved rents noted are £14 per sq.ft. for space in a business centre.

TABLE B10: RECENT OFFICE TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Millworks, 28 Field Road, Busby		446 270 470	Let in March 2024 at £14 per sq.ft. Suites 6 & 7 on the first floor. Let in March 2024 at £14 per sq.ft. Suite 3 on the first floor. Let in September 2023 to Novabytes at £14 per sq.ft., suite 1.
Rushbrook House, 220 Ayr Road, Newton Mearns		337	Sold in April 2023 for £370,000.

Source: Ryden / CoStar

10.13 One office has been sold for investment purposes rather than occupational, this is a multi-let office. The office investment transaction is in Table B11.

TABLE B11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Burnfield House, Burnfield Avenue, Thornliebank		Sold in August 2022 to Torah Capital Ltd / D Lovat Ltd for £390,000. Comprises a 4,141 sq.ft. multi-let office

Source: Ryden / CoStar

SUMMARY

10.14 East Renfrewshire's estimated 595,600 sq.ft. stock of office property is dispersed across its town centres and in offices and business centres in industrial areas. The Council is a major office occupier in the area with its 3 main offices accounting for c. 20% of office stock and will vacate one building in 2026.

10.15 Within East Renfrewshire, around 35% of the office stock is 40 years or older however there has been some more modern development recently including Greenlaw Works at Newton Mearns.

10.16 There is current office supply of c. 4,612 sq.ft. contained within 9 offices smaller than 1,000 sq.ft. in 3 buildings. All spaces are flexible options in serviced offices/ business centres. As such, East Renfrewshire has an office availability rate of <1%, which has fallen from c 4% in 2023 and is the same as for industrial property, well below the respective regional rates.

10.17 Average annual office take-up is very low at 1,820 sq.ft. The majority of offices taken up were under 1,000 sq.ft. Business centre accommodation is popular as it meets the needs of a market composed of micro and small businesses. Rents of c. £14 per sq.ft. are regionally competitive but too low to support new development.

B5

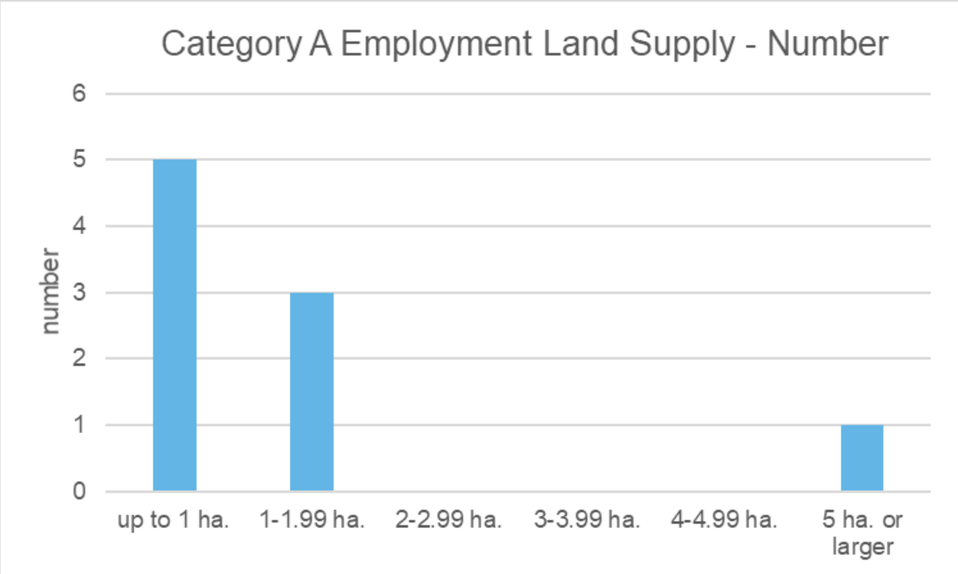
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

11.1 Clydeplan's 2022/2023 audit of employment land identifies that East Renfrewshire has a current employment land supply of 9 Category A sites totalling 12.24 hectares. Category A sites are those available for industry and business purposes and free of significant constraints.

11.2 The majority of these sites - 5 sites totalling 2.21 ha - are smaller than 1 hectare (Figure B12).

FIGURE B12: EMPLOYMENT LAND SUPPY



Source: Clydeplan / Ryden

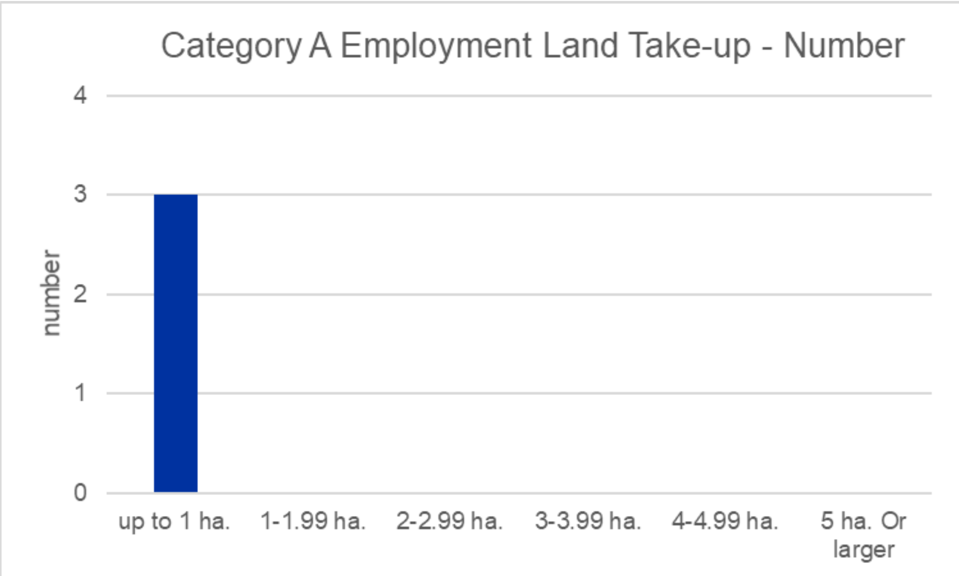
11.3 Assessing the mix of sites within this employment land supply:

- Barrhead has most of the supply with 5 sites totalling 9.37 ha; Thornliebank has 2 sites totalling 2.19 ha; Busby and Giffnock have 1 site each of 0.26 ha and 0.42 ha respectively.
- Six of the sites are brownfield, 2 are greenfield, with one mixed.
- Five of the sites are Privately owned, 3 are publicly owned, and ownership is mixed for 1 site.
- The largest site is on Glasgow Road (East) in Barrhead and is 5.45 ha and was formerly the Spillers facility (*Nestlé Purina).* A range of new development is occurring in this area including the new c.70,000 sq.ft. Barrhead Retail Park developed by London & Scottish.

11.4 In previous years, a number of allocated employment sites have been re-allocated to residential use. This includes sites at Shanks Park and Blackbyres Road in Barrhead. This has reduced the level of supply in the area and it is understood that the employment land supply continues to come under pressure from non-employment uses.

11.5 **Take-up** of Employment Land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies 3 sites totalling 1.42 ha as being taken up in the area for employment uses. All were smaller than 1 hectare (Figure B13). This is an annual average of <1 ha and <1 site per annum.

FIGURE B13: EMPLOYMENT LAND TAKE-UP



Source: Clydeplan / Ryden

11.6 Assessing the mix of sites within this employment land take-up:

- All 3 of the sites totalling 1.42 ha were taken-up in Barrhead.
- One site totalling 0.32 ha was taken-up for bespoke development (Class 6). The remaining 2 sites were taken-up for speculative development: Class 6 0.22 ha, and Class 4/6 0.88 ha.
- All of the sites were brownfield.

11.7 While the analysis above confirms that employment sites across East Renfrewshire are allocated through planning policy, there are no development sites for sale being actively marketed.

11.8 Market evidence of employment land transactions confirms that there has been one site sold for development totalling 0.466 acres (0.188 ha). This is in Table B12 and it has an associated planning consent.

TABLE B12: EMPLOYMENT LAND TRANSACTIONS

ADDRESS		SIZE ACRES (HECTARES)	DETAILS
9 Gladstone Avenue, Barrhead		0.466 (0.188 ha)	Sold in January 2023. Redevelopment site. Used as a plastic factory with a dilapidated building on the site. Industrial use but previously had consent for other uses including residential and children's nursery. A planning application was approved in December 2022 for the proposed change of use incorporating subdivision of industrial unit (class 5) into 3No light industrial units (class 4) and re-roofing of property (2022/0402/TP)

Source: Ryden/ CoStar

DEVELOPMENT

11.9 Recent speculative employment property developments and proposals in East Renfrewshire are limited to one office, presented in Table B13. East Renfrewshire Council also developed terraced small industrial units in 2017 at Crosshill Industrial Estate, Barrhead, which falls outwith our review period but is worth noting as a successful scheme let to small businesses at around £6 per sq.ft.

TABLE B13: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
The Greenlaw Works, Newton Mearns		Purpose built modern business centre by East Dunbartonshire Council using City Deal funding, officially opened in 2023. Comprises c. 14,000 sq.ft. of flexible office space. Let to 1-5 person businesses, typically consultants, media, technology and professional services. Rentals of £15-19 per sq.ft. gross up to £20-30 with additional servicing charges.

Source: Ryden/ CoStar/ Websites

SUMMARY

11.10 East Renfrewshire has a Category A employment land supply of 12.24 hectares across 9 sites. Barrhead has most of the supply (9.37 ha) and the majority of sites are privately owned. Employment land supply in the area is under pressure from non-employment uses, particularly residential, which has led to a loss of sites in recent years.

11.11 Average employment land take-up for employment uses is <1 ha and <1 site per annum. No employment land development sites are currently being actively marketed in the area. A recent employment land transaction at Gladstone Avenue, Barrhead has an associated planning consent which may lead to an increase in industrial supply.

11.12 Recent speculative employment property developments and proposals in East Renfrewshire are limited to Greenlaw Works, Newton Mearns which was enabled by City Deal grant assistance.

B6

SUMMARY AND MARKET NEEDS

SUMMARY

12.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. Priorities within the East Renfrewshire Economic Recovery Plan include a focus on making the area a thriving place to invest and for businesses to grow.

12.2 NPF4 and East Renfrewshire's LDP2 make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. East Renfrewshire's LDP aims to create sustainable places and communities, promote sustainable and inclusive economic growth and promote a net zero carbon place. It also seeks to create a more positive business climate based on existing strengths in the area and reduce out-commuting by creating more local employment solutions. The LDP safeguards existing employment locations and seeks to focus new employment and investment primarily into these locations. The Council has started preparing its LDP3.

12.3 From a funding perspective, East Renfrewshire is comparatively affluent next to other regeneration candidates in the region and thus will need to compete hard and often to secure funding success. The main source of funding for employment property projects to date has been via the City Deal for Levern Works and Greenlaw Works. Additional funding for Levern Works was also received from the Regeneration Capital Grant Fund. East Renfrewshire is not eligible for the Vacant and Derelict Land Fund. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. As with all Councils currently, capital or matched funding for projects is challenging given budgetary pressures. Specific projects for East Renfrewshire may come forward as part of the Investment Zone proposals.

12.4 Over half of businesses located in East Renfrewshire are in industries relating to employment land use classes. In recent years there has been a collective decline of 3% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

12.5 The size of businesses within East Renfrewshire has also changed in recent years, with a slight decline in micro businesses and growth in smaller businesses, suggesting that companies are recruiting more employees. This is likely to result in demand for larger spaces to accommodate more staff.

12.6 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

12.7 In East Renfrewshire, employment properties are mainly located in the north of the Region, closer to Glasgow and main transport routes of the M77 and A77. They are situated in the main towns of Barrhead and Thornliebank, with some representation in Giffnock, Clarkston and Newton Mearns.

12.8 The local authority area's current stock of industrial property is estimated at 857,000 sq.ft and is located mainly on industrial estates in the main towns of Barrhead, Thornliebank and Giffnock.

12.9 East Renfrewshire has very low industrial property availability, currently sitting at <1%. Critically low industrial availability in East Renfrewshire has been a trend of the last few years and there are currently only 3 units on the market all of which are below 5,000 sq.ft. This means that occupiers may be experiencing a very limited choice of premises in the area and that larger or growing businesses may need to look out with the area to find suitable industrial property.

12.10 Around 54% of the industrial stock is 40 years or older and there has been little new industrial development in the past 20 years. Property age is not the only factor when considering obsolescence but it can be a useful indicator signifying a need for wide scale refurbishment or property replacement.

12.11 There is annual average industrial take-up of 7,614 sq.ft. in 1 unit. The majority of transactions were lettings. Properties up to 5,000 sq.ft. account for 50% of market activity. This is broadly aligned with supply in terms of the overall shape of the market, although given how limited that supply is there will be specific pinch-points in local areas and for types and sizes of industrial property. The rents achieved for recent transactions were £5 - £6 per sq.ft.

12.12 Given the recent rises in development costs and reduced investment values, even the prime industrial rents in the area could struggle to support speculative development other than in very specific circumstances. The continuing provision of modern industrial stock for occupiers over the short to medium term will thus fall more onto refurbishment of suitable existing stock and occupier-led and public sector-led development.

12.13 East Renfrewshire's stock of office property is estimated at 505,000 sq.ft., dispersed throughout the Region in town centres and upper floors in town centres, and in offices and business centres in industrial areas. The Council itself is a major office occupier in the area with its 3 main offices accounting for c. 20% of office stock in the region.

12.14 Within East Renfrewshire, around 35% of the office stock is 40 years or older however there has been some more modern development recently including Greenlaw Works at Newton Mearns.

12.15 There is current office supply of c. 4,612 sq.ft. contained within 9 offices in 3 buildings. All spaces are flexible options in serviced offices/ business centres. As such, East Renfrewshire has an office availability rate of <1%, which has fallen from c 4% in 2023 and is the same as for industrial property. This is well below the 12% office availability rate for Glasgow City Region. All of the available offices are smaller than 1,000 sq.ft. This signifies that occupiers have a limited choice of premises in the area with accommodation more suited to small businesses only. The Council will vacate its premises at Spiersbridge in 2026 and this will increase supply if it is retained as office space by the owner.

12.16 Average annual office take-up is very low at 1,820 sq.ft. The majority of offices taken up were under 1,000 sq.ft. with all under 5,000 sq.ft. Business centre accommodation appears particularly popular and deals at this end of the market signals a market largely composed of micro and small businesses. Rents are c. £14 per sq.ft.

12.17 Office rents at this level are not sufficient to support new development without intervention. New office development is not anticipated other than to meet a specific occupier requirement. Refurbishment may be a more appropriate alternative in areas of demand.

12.18 East Renfrewshire has a Category A employment land supply of 12.24 hectares across 9 sites. Barrhead has the majority of the supply (9.37 ha) and the majority of sites in the area are privately owned. Employment land supply in the area is under pressure from non-employment uses, particularly residential, which has led to a loss of employment sites in recent years.

12.19 Average employment land take-up for employment uses is <1 ha and <1 site per annum. No employment land development sites are currently being actively marketed in the area. A recent employment land transaction at Gladstone Avenue, Barrhead may lead to an increase in industrial supply.

12.20 Recent speculative employment property developments and proposals in East Renfrewshire are limited to Greenlaw Works, Newton Mearns which was enabled by grant assistance. An earlier, successful development of terraced industrial units in Barrhead completed in 2017.

MARKET NEEDS

12.21 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for East Renfrewshire based upon the regional priorities and the research in this appendix are set out in Table B14. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table B14 should be read in conjunction with that.

TABLE B14: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to supplement the exceptionally low vacancy rate. Market proposals are currently very limited. New development may require public sector support and grant assistance here is limited. Targets could include further terraced units in under-supplied areas.
Refurbished industrial property	The opportunity to refurbish is limited by high occupancy and in some instances full obsolescence. The Council is in control of the upgrade of its own portfolio. Some local estates have older stock which could be suited to refurbishment.
Office / business space	New serviced offices are performing well, but market signals are mixed in terms of growing employment but fewer businesses, and hybrid working which is releasing older office space. A reasonable supply of suites is currently on the market and should be tracked for any tightening of supply and unmet needs.
Serviced employment land	Serviced employment land is a high priority. A number of small plots are allocated but no medium-sized higher amenity serviced sites, while the area has known local demand to relocate and future potential for example last mile distribution.
Market intelligence	The market is not large and knowledge of the effectiveness of sites, market trends and occupier demand is coordinated with the Council and its partner organisations.

APPENDIX C

GLASGOW CITY

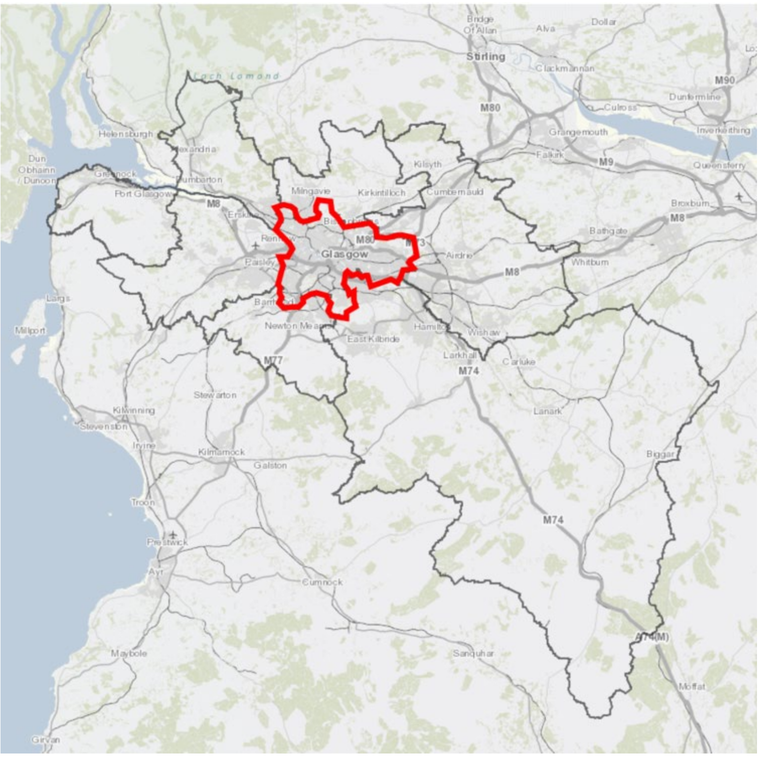
Ryden

C1

INTRODUCTION

13.1 Glasgow City sits at the core of the of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. The city area is highlighted on the Glasgow City Region map at Figure C1.

FIGURE C1: GLASGOW: LOCATION WITHIN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

13.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

13.3 The contents of this Glasgow City report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

13.4 Analyses and summaries presented here are specific to Glasgow City. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

C2

ECONOMY AND POLICY

13.1 This section outlines economic and planning policy and provides an economic overview of Glasgow City. It also provides an overview of funding eligibility.

REGIONAL POLICY

13.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

13.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

13.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

13.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. Glasgow City has five infrastructure projects totalling £385.8 million investment and the £4 million Tontine centre for business innovation and growth.

13.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

13.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

13.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects were approved following the RES including the creation of Innovation Districts and development of the Clyde Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors:

retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

13.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

13.10 Planning and land uses within Glasgow are guided by the **City Development Plan**, which was adopted in March 2017 and outlines policy guidance on planning applications and includes reference to key sites across the region. The City Development Plan also sets out the development and land use strategy for Glasgow acknowledging the City's economy is diverse and increasingly service based with financial/business services, retail, healthcare, higher education and the creative industries all being major sources of employment. It acknowledges a need to focus on key economic sectors and associated actions in order to grow the City's economy. These are:

- Low carbon industries
- Energy, engineering and manufacturing
- Life sciences
- Financial and business services
- Tourism and events
- Higher and further education

13.11 The Policy and supporting Supplementary Guidance set out a spatial framework that accommodates these priorities by directing development to appropriate locations and identifying where in the City economic development will be encouraged. In recent years, investment has been focussed on the City Centre, other major town centres, Clyde Waterfront and Clyde Gateway and growth shall continue to be directed towards these areas.

13.12 A key priority of the Plan is to maintain the attractiveness of the City Centre as an investment location which includes the provision of physical infrastructure to build on areas of success and support expansion ambitions.

13.13 While growth will be focussed on the key economic sectors, the City also faces a number of challenges if it is to fulfil its economic potential. One such obstacle is the amount of vacant and derelict land across the City and the remediation and infrastructural cost involved in bringing this land back into productive use.

13.14 The Plan also states there will be a review of the City's traditional industry and business areas to identify those which can help achieve the City's economic objectives.

13.15 Strategic Economic Investment Locations and Areas of City Wide Economic Importance are identified below.

- Glasgow city centre
- International Financial Services District
- International Technology and Renewable Energy Zone
- West of Scotland Science
- Robroyston (Nova Technology Park)
- Swanston Street/Dalmarnock (Clyde Gateway)
- Pacific Quay/Creative Clyde Enterprise Area

- QE University Hospital
- Drumchapel
- Blochairn
- Queenslie
- Glasgow Business
- Cambuslang
- Tollcross
- Westhorn/London Road
- Hillington

13.16 The Council has commenced work on City Development Plan 2 and in June 2024 its Evidence Report was approved by Council Committee. It is currently anticipated that the City Development Plan 2 will be adopted in 2027. **Local Place Plans** will have a role to play in informing the City Development Plan 2 however, they are also not a part of the statutory Development Plan.

13.17 Glasgow is a global leader in industries such as precision medicine, quantum technologies, and advanced manufacturing and features a large business base. The **Glasgow City Strategic Plan 2022-2027** outlines four Grand Challenges:

- reducing poverty and inequality;
- increasing opportunities and prosperity for citizens;
- combating the climate emergency with a just transition to a net zero Glasgow; and
- enabling staff to deliver essential services in a sustainable, innovative, and efficient way.

13.18 Addressing these grand challenges is a central part of local development initiatives. In doing so, Glasgow City Council is committed to supporting Business Improvement Districts, implement the City Centre Recovery Plan and the development of a new City Centre Strategy (see below). The commitments under each Grand Challenge also include building a Community Wealth Building Strategy for Glasgow that ensures all social, economic and sustainability benefits are realised across all communities.

13.19 The **Glasgow Economic Strategy 2022-2030** outlines the strengths, challenges, and opportunities for the city. It is structured around a series of themes including:

- Developing a green economy;
- Growing the economy and key sectors;
- Inward investment and internationalisation;
- Innovation;
- City investment and financing;
- Employment and skills;
- A fairer Glasgow;
- Infrastructure and place; and
- Supporting key city assets/adapting and supporting infrastructure.

13.20 Most of these areas of activity are expected to have an impact on employment land, directly, for instance, through city centre investment, as well as, indirectly, through the provision of infrastructure and growth of the economy.

13.21 The **Glasgow City Centre Strategy 2024-2030** was published earlier this year and revolves around 3 thematic pillars: magnetic experience; front door to innovation; and a place to live. These 3 pillars each include a number of key moves or calls to action including:

- Business economy - A new Development Team in the Council will target blight sites and buildings as a matter of priority.
- Innovation & digital – Continue to support the Glasgow City Innovation District to accelerate its developments
- Property – tackle vacant and derelict properties, encourage meanwhile uses and identify stalled developments and work collaboratively to revive or re-work plans

- City centre living - enabling large-scale residential development that include a mix of affordable housing and build-to-rent developments, retrofitted homes and offices, quality public realm, green networks and clean infrastructure

13.22 The proposals included in this strategy set a programme of activity for the next six years

FUNDING

13.23 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. Glasgow is high priority for public sector funding and has been awarded £100 million from the UK government's Levelling Up fund for 11 ambitious local projects to further accelerate the Region's booming innovation economy. Glasgow’s Innovation Accelerator will support a range of transformative Research and Development projects which address local economic challenges as well as national and global societal and environmental issues. In addition, monies from the UK Government’s Shared Prosperity Fund will be used to provide grants for accommodation for early stage tech businesses in Glasgow and the City Region Deal will open up a number of areas of vacant and derelict land for employment and other purposes including at Clyde Waterfront/West End Innovation Quarter and Tontine, the innovation hub located in Merchant City.

13.24 Glasgow City Council is eligible for the Vacant and Derelict Land Fund and has also received funding from the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund. This has included funding via Clyde Gateway to create a manufacturing and engineering hub at Clyde Gateway East. Grant funding allowed for the speculative development of c. 27,000 sq.ft. of industrial floorspace. Funding has also been provided for a number of business/social enterprise initiatives including at Sighthill Enterprise Wharf, Kinning Park Complex and the Meat Market Sheds.

13.25 The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

13.26 The specific projects which will form part of the Investment Zone are due to be announced later in 2024. Universities and Scottish Enterprise are further enablers of employment land and property in Glasgow including at the Glasgow Riverside Innovation District which includes the Living Laboratory and Health Innovation Hub (in partnership with Kadans).

ECONOMIC OVERVIEW

Business Growth and Survival Rates

13.27 In 2023, Glasgow City was home to 19,435 business, of which 43% were in sectors relating to employment land class categories.

13.28 Since 2017 there has been an increase of 6% of all active businesses in Glasgow City. It is important to note, in 2020 at the height of the COVID-19 pandemic and lockdown restrictions, there was a 21% decrease in the count of births of new enterprises since 2019. This has bounced back and since then there has been an 18% increase in the count of new enterprises since 2020 in 2022.

TABLE C1: BUSINESSES IN GLASGOW CITY

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN GLASGOW CITY BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN GLASGOW CITY
Manufacturing (C)	870	4%	5%
Construction (F)	1,865	10%	14%
Wholesale (Part G)	700	4%	4%
Transport & storage (inc. postal) (H)	665	3%	5%
Information & communication (J)	1,425	7%	5%
Financial & insurance (K)	475	2%	2%
Professional, scientific & technical (M)	2,915	15%	14%
Business administration & support services (N)	1,400	7%	7%
Total Business Count	**10,315**	**53%**	**56%**
Retail (Part G)	*2,295*	*12%*	*10%*
Total Incl. Retail	**12,610**	**65%**	**66%**

Source: ONS, UK Business Count 2023

13.29 The overall number of businesses in Glasgow City has increased over the past few years, between 2019 and 2023, the number relating to employment land categories increased by 13%.

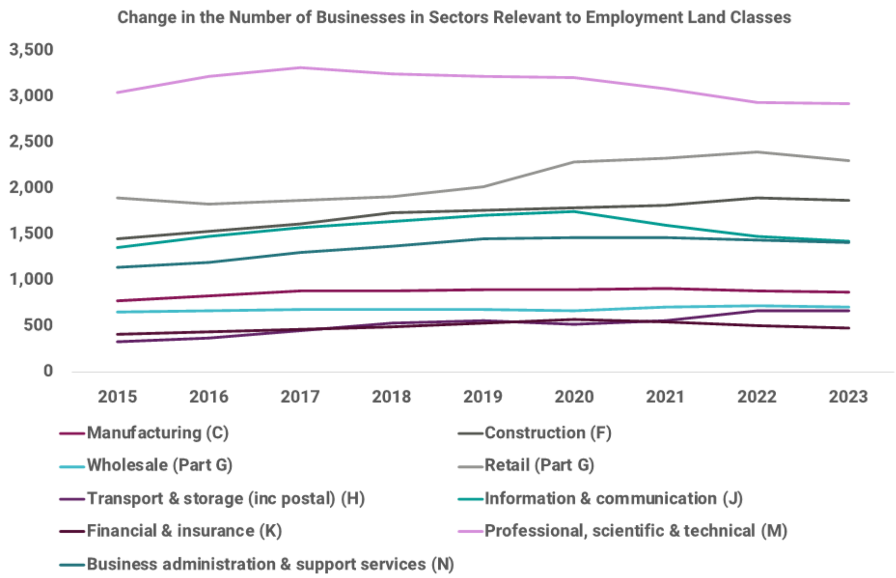
13.30 As shown in Table C2 and Figure C2 below, business counts for the transportation and storage industry increased by 105% between 2015 and 2023. Over the same period the number of professional, scientific & technical enterprises fell by 4%.

TABLE C2: BUSINESSES IN GLASGOW CITY

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	870	770	13%
Construction (F)	1,865	1,445	29%
Wholesale (Part G)	700	655	7%
Transport & Storage (incl postal) (H)	665	325	105%
Information & communication (J)	1,425	1,350	6%
Financial & insurance (K)	475	405	17%
Professional, scientific & technical (M)	2,915	3,035	-4%
Business administration & support services (N)	1,400	1,135	23%
Total Business Count	**10,315**	**9,120**	**13%**
Retail (Part G)	*2,295*	*1,890*	*21%*
Total Incl. Retail	**12,610**	**11,010**	**15%**

Source: ONS, UK Business Count 2023

FIGURE C2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

13.31 There was a 19% increase in the count of micro enterprises between 2015 and 2023. The largest number (15%) of these micro enterprises were in the professional, scientific & technical sector in 2023, however there has been a steady decrease (12%) in the count of these businesses since 2018.

13.32 There was a 6% increase in the count of small enterprises in the period between 2015 and 2023. This was largely driven by the growth in the accommodation & food services sector which makes up 22% of all small businesses in Glasgow City.

13.33 There was also a 5% increase in the count of medium sized enterprises since 2013. However, there were 4% more medium sized enterprises in 2020 than in 2023. The number of large enterprises also increased by 13% since 2015.

Employment

13.34 Total employment in Glasgow City in 2022 was approximately 437,000. Of this total, sectors relating to employment land class categories accounted for 41% of employment.

13.35 Since 2015, employment in the information and communications sector increased by 44% and by 37% in the professional, scientific & technical sector. However, during the same time period (2015-2022) there was a 17% decrease in the number of individuals employed in the financial and insurance sector which was growing at a steady rate up to 2019 with 25,000 people employed in the sector before the COVID-19 pandemic which declined to 19,000 people in 2022 (Table C3).

TABLE C3: EMPLOYMENT IN GLASGOW CITY

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	-6%	6%
Construction	13%	6%
Wholesale	-20%	13%
Transport & storage	-8%	0%
Information and communication	31%	10%

Finance and insurance	9%	-24%
Professional, scientific and technical	17%	17%
Business administration and support activities	0%	9%
Employment Land Class Categories (Total)	6%	5%
Retail	*0%*	*-9%*
Total Employment	3%	4%

Source: ONS, Business Register and Employment Survey

Productivity

13.36 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of Glasgow City in 2023 was around £23,435m, with a GVA per job of £50,900. This makes Glasgow City the largest source of output in GCR, accounting for around 50% of the region's total economic output in 2023. GVA per head is higher than the average across the region, although still lower than the Scottish average (Table C4).

TABLE C4: GVA

GVA PER JOB	2023 ESTIMATE
Glasgow City	£50,900
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

13.37 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

13.38 The most recent Future of Jobs report published by the World Economic Forum[1] indicates that the macrotrends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

13.39 Forecasts produced by Oxford Economics for SDS estimate that employment in Glasgow City will increase by 3% over the next three years, and then by 3% up to 2033. This is greater than that expected across Scotland as a whole and suggests Glasgow City will continue to be an attractive employment destination. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 3% by 2026, equivalent to an additional 7,700 workers. Business administration and support services activities is expected to continue to be the second largest source of employment after healthcare and is expected to increase by almost 3,000 workers over the next three years. This will have implications for future land and employment demand.

SUMMARY

13.40 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment

[1] World Economic Forum (2023), The future of Jobs Report 2023, available at: https://www.weforum.org/publications/the-future-of-jobs-report-2023/digest/

land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The Glasgow Local Economic Strategy includes themes such as growing the economy, inward investment, innovation and infrastructure. Key moves within the City Centre Strategy include a focus on blight sites and buildings, tackling vacant and derelict properties and retrofitting offices for residential in the city centre. Many of these areas will have an impact on employment land and property.

13.41 NPF4 and the City Development Plan make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. Local Development Plans are directed to allocate sufficient land for business and industry across a suitable range of sites. The City Development Plan acknowledges a need to focus on key economic sectors and associated actions in order to grow the City's economy. These sectors include low carbon industries, energy, engineering and manufacturing, life sciences and financial and business services. The Policy and supporting Supplementary Guidance set out a spatial framework that accommodates these priorities by directing development to appropriate locations and identifying where in the City economic development will be encouraged. In recent years, investment has been focussed on the City Centre, other major town centres, Clyde Waterfront and Clyde Gateway and growth shall continue to be directed towards these areas. The Council has recently commenced work on City Development Plan 2 and recently approved its Evidence Report. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

13.42 From a funding perspective, Glasgow is considered high priority for funding and has received a substantial award from the UK Levelling Up fund for its Innovation Accelerator. Shared Prosperity Fund monies are also being made available as grants for early stage tech businesses for accommodation and the City Region Deal will open up a number of areas of vacant and derelict land for employment and other purposes including at Clyde Waterfront/West End Innovation Quarter and Tontine, the innovation hub located in Merchant City.

13.43 Glasgow City Council is eligible for the Vacant and Derelict Land Fund and has also received funding from the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund. This has included funding via Clyde Gateway to create a manufacturing and engineering hub at Clyde Gateway East. Funding has also been provided for a number of business/social enterprise initiatives.

13.44 The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

13.45 The specific projects which will form part of the Investment Zone are due to be announced later in 2024. Universities and Scottish Enterprise are further enablers of employment land and property in Glasgow including at the Glasgow Riverside Innovation District.

13.46 Around two thirds of businesses located in Glasgow City are in industries relating to employment land classes. In recent years there has been a collective increase of 13% in sectors relating to employment land.

13.47 Employment in sectors relating to employment land accounts for almost half of all employment in the City and has grown in recent years, most notable in wholesale and professional services. The rise in employment in professional services despite the decline in number of businesses may reflect the increased trend of homeworking and the impacts of this on firms and the labour market.

13.48 Productivity in the area is greater than that of the regional economy. Ensuring adequate employment land is available for businesses to continue to invest in will play an important role in ensuring this continues.

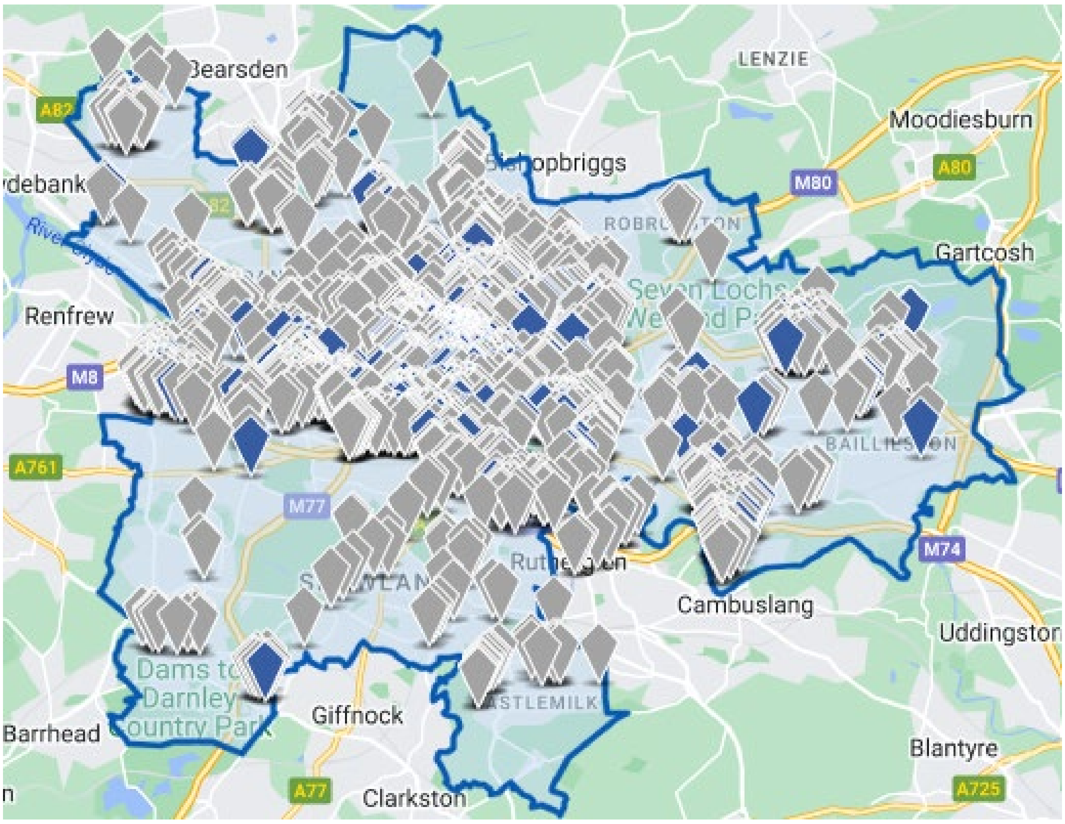
C3

INDUSTRIAL PROPERTY MARKET

14.1 This section considers the industrial property market in Glasgow City.

14.2 Employment properties are located throughout the local authority area, mainly stretching between east to west following the main transport routes of the M8 and the M74 and local trunk roads, while offices are mainly in the City centre (Figure C3). The density of employment locations across most of the city is noticeable from the plan.

FIGURE C3: GLASGOW CITY EMPLOYMENT LOCATIONS



Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

14.3 Principal locations in Glasgow City are described in Table C5.

TABLE C5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Hillington Park	Scotland's largest business park with c. 4 million sq.ft. of floorspace. Spans Glasgow City and Renfrewshire Council's areas, with c. 1.4 million sq.ft. within Glasgow City. Occupiers include Graham Plumbers Merchant, West Rock, Sally Salon Services, John G Russell Transport and Glasgow Kitchen & Bathroom Centre. Simplified Planning Zone ends in August 2024.
West of Scotland Science Park	Located over Todd Campus and Kelvin Campus, totalling c. 338,000 sq.ft. in business units and pavilions built from the 1980s to 2000s. The park sits on a 61 acre site. Occupiers tend to be science related and include Coherent, Bioreliance, R Biopharm and Merck.
Glasgow Business Park, Baillieston	Comprises 448,000 sq.ft. of industrial floorspace and 170,000 sq.ft. of office space in pavilions built 1990s and 2000s. Includes the c. 145,000 Amazon facility built in 2021. Occupiers on the

	estate include DFS, Flanagan Flooring Distributors, Zenith Commercial Fleet, First Mortgage, Kone GB and TK Elevator.
Govan	The area in and around Govan and Ibrox has several smaller estates and industrial buildings, and is a seen as a mixed-use trade and industrial hub for the city. These units total c. 2 million sq.ft. Estates/ locations include Festival Court, Harmony Row, Loanbank Quadrant, Robert Drive, Helen Street, Festival Court, Rowan Court, Warermark Business Park, Citylink Industrial Estate, Moorpark Industrial Estate and Ibrox Business Park. These units range in age, size and condition. Occupiers include Travis Perkins, Howdens, Jewson, Saint Gobain, Iron Mountain, Rearo Laminates, Merkland Tank, Orb Group and Paper Shredding Services.
Clydesmill Industrial Estate, Cambuslang	Around 895,000 sq.ft. of industrial floorspace constructed mainly in the 1980s to early 2000s and 80,000 sq.ft. of office floorspace in pavilions constructed in the 2000s. Occupiers include Bestway, Norit UK, UIN Foods, CCG Scotland, Yaffy and Arc Tec. An additional part of this estate sits within South Lanarkshire.
Cambuslang Investment Park, Cambuslang	Around 970,000 sq.ft. of primarily industrial floorspace built mainly in the 1990s and 2000s. A c. 25,000 sq.ft. unit built in 2022 and let to MPC Embroidery. Occupiers include Walter Black Foods, Royal Mail, DPD and Siemens.
Queenslie Industrial Estate, Queeslie	Around 1.7 m sq.ft. of industrial floorspace built mainly from the 1970s to 2000s, occupiers include Swinton Vehicle Centre, Soapworks, Cloud Nine and ARR Craib Transport. Along with c. 178,000 sq.ft. of office floorspace, mainly in Panorama Business Village office which is a development of c. 43 semi-detached office pavilions were developed in the 2000s, occupiers include Barronwood, Alba Facilities Services, Lochwynd and Commsworld. Wright Business Centre is c. 24,000 sq.ft.
Nova Business Park, Robroyston	Comprises 5 office pavilions built in the 2000s totalling c. 100,000 sq.ft. Occupiers include Systal Technology Solutions, BluTest, Bruker UK and Collagen Solutions. Harpers Collins new c. 500,000 sq.ft,. facility is under construction.
Glasgow City Centre offices	The city centre is the principal office location. Office stock here totals c. 17m sq.ft. in units constructed pre-war up to the current day, in a wide range of sizes and condition. Larger schemes are the recently opened Barclays Campus (c. 470,000 sq.ft.), new build 177 Bothwell Street (313,000 sq.ft.), Buchanan House (310,600 sq.ft.), recently opened JP Morgan on Argyle Street (270,000 sq.ft.) and Kentigern House (223,000 sq.ft.).

Source: Ryden / CoStar/ Websites

INDUSTRIAL STOCK

14.4 The local authority area's current stock of industrial property is estimated at 33.2 million sq.ft., indicating the importance of the area's industrial activity across the city. This is 31.7% of Glasgow City Region's industrial stock and accounts for the single largest proportion within the 8 local authorities.

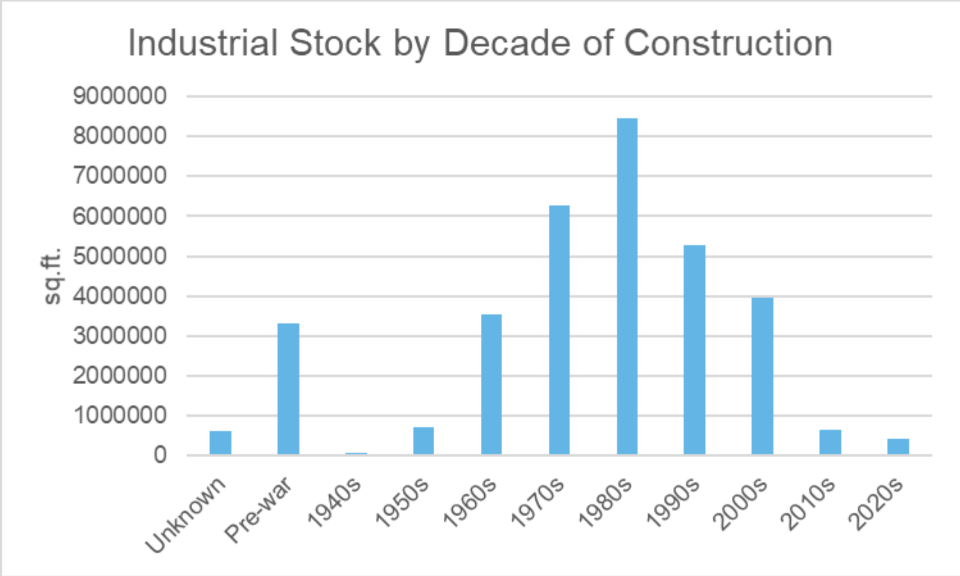
14.5 Glasgow City has a current industrial property availability, of 4.7% which is slightly above the 4% for Glasgow City Region and has risen recently. At this level of vacancy occupiers may have a choice of premises but may find restrictions on size, specification and condition varying across the City.

14.6 The principal industrial property development eras were the 1970s to the 1990s: the 1970s with 19%, 1980s with 25% and 1990s with 16% of floorspace. Figure C4 shows industrial stock by decade in which it was constructed. Approximately 42% of the industrial stock is 40 years or older. In the 2000s 15% of overall floorspace was developed providing more modern space. Development continues at locations such as Clyde Gateway East.

14.7 Forthcoming large scale changes to stock will include the closure of McVities factory (c. 520,000 sq.ft.)

which is currently on the market for sale as a development opportunity. However, in the pipeline is the development of c. 500,000 sq.ft. for Harper Collins at Nova Business Park in Robroyston, (a relocation from East Dunbartonshire) and a 145,000 sq.ft. unit at Glasgow Business Park, Baillieston for Amazon.

FIGURE C4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION

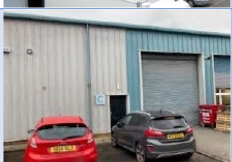


Source: Ryden / CoStar

INDUSTRIAL SUPPLY

14.8 The supply of available industrial space in April 2024 totals 1,555,453 sq.ft. in 133 units. As above, this gives an industrial availability rate of 4.7%. A further 69,404 sq.ft. in 19 units are under offer. Examples of industrial units currently on the market are in Table C6.

TABLE C6: EXAMPLES OF CURRENT INDUSTRIAL SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 12, 95 Boden Street, Boden Street Industrial Estate		434	End terraced light industrial unit built in the 1990s. For lease at £11.50 per sq.ft. EPC rating C+
Unit 5 Tollcross Industrial Estate, Causewayside Crescent		1,150	Terraced unit built in the 1980s. For lease at £8.50 per sq.ft. EPC rating G
Unit C, Woodville Court, Woodville Street, Ibrox		1,541	Terraced industrial unit built in the 2000s. For lease c. £8 per sq.ft.
Unit 1 Port Dundas Trading Estate, North Canal Bank Street		3,200	Refurbished end-terraced light industrial with ancillary office accommodation. For lease.

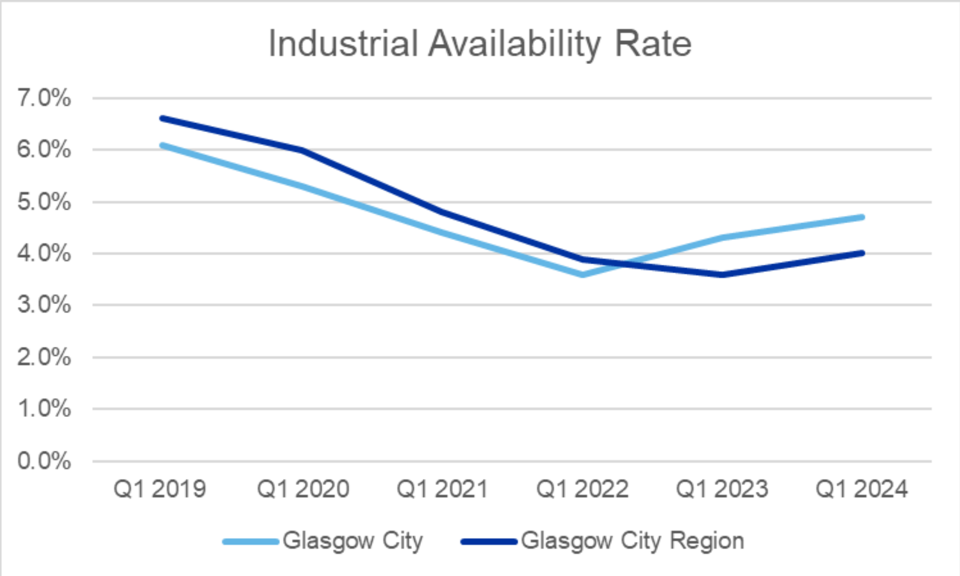
Unit 3, 54 Helen Street, Govan		5,040	Mid-terrace industrial unit with warehouse space and offices. For lease £6 per sq.ft. EPC rating F+
Unit 6 IO Centre, Springhill Drive South, Glasgow Business Park		5,242	Terrace industrial unit to undergo refurbishment. For lease
16 – 28 Bogmoor Place, Shieldhall Industrial Park		6,880	Mid-terraced ground floor workshop / warehouse / studio space forming part of a larger two storey industrial building. Sub-divisible from 2,300 sq.ft. For lease
13 Colquhoun Avenue, Hillington Park		8,834	Fully refurbished mid terraced unit with two-storey office accommodation. For sale. EPC rating D
Block 23 Unit 9, Weardale Lane, Queenslie Park		8,811	Storage and distribution space, built in 2000s, refurbished in 2021. For lease. EPC rating D
Unit 69 Camelon Street, Carntyne Industrial Estate		10,000	Refurbished terraced industrial unit built in the 1960s. with yard. For lease. EPC rating B
Units 27/28 Bailliston Distribution Centre		10,609	Distribution / Trade / Industrial Unit built in the 1980s. For lease at c. £4 per sq.ft.
851 London Road, Dalmarnock		20,000	Speculative units built in the 2020s. Unit can be sub-divided into two 10,000 sq.ft. units For lease at £9.50 per sq.ft., may sell.
23 Robert Street, Govan		27,792	Modern detached industrial/trade counter unit built in the early 2000s and extended around 2007. For lease £8 per sq.ft. or for sale EPC rating C
Centrum-55, 75 Stanley Street, Kinning Park		55,707	New build speculative warehouse unit with yard. For lease £9 per sq.ft. EPC rating, targeting A
190 Helen Street, Govan		72,055	Two modern industrial units built in the 2000s. Suitable for trade counter, warehousing, logistics and manufacturing. To be refurbished. EPC rating D

Source: Ryden / CoStar / Marketing Agents / Glasgow City Council

14.9 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Nine of the available industrial units in Table C6 have a registered EPC rating: 2 achieve very efficient A/ B ratings and 5 have mid-range EPC ratings of C, D or E. One building has a poor EPC rating of F, and one is rated G which is the worst performing, these buildings could be classed as environmentally obsolete without appropriate improvements.

14.10 The industrial availability rate of 4.7% has fallen from 6.1% in 2019. Figure C5 illustrates how sharply the industrial property availability rate fell until 2022, but is beginning to edge back up again.

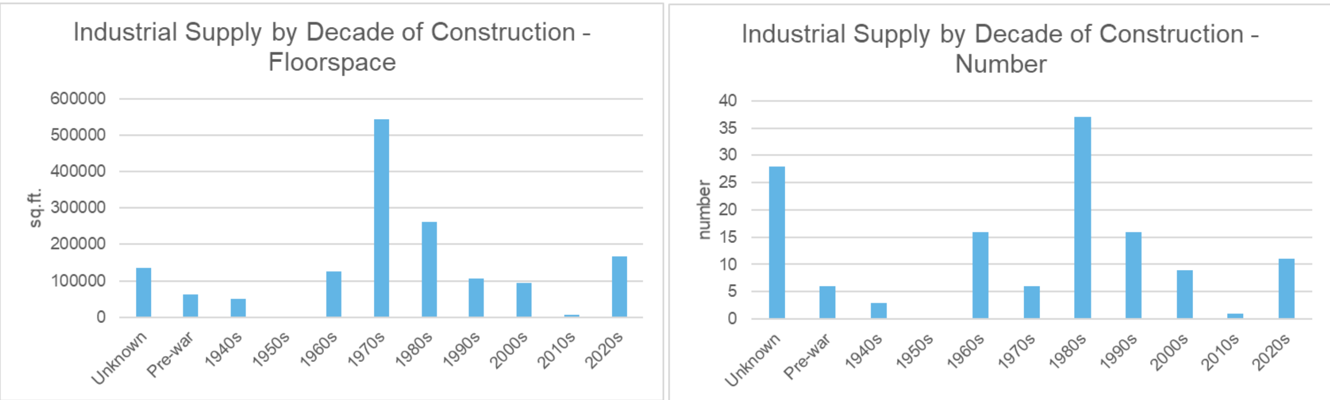
FIGURE C5: INDUSTRIAL AVAILABILITY RATE



Source: Ryden / CoStar

14.11 As above, there are 133 industrial units on the market. This supply of industrial units by decade of construction indicates that 35% of available floorspace (the first chart) was built in the 1970s but this is primarily due to the large 520,000 sq.ft. former McVities production facility, the 1980s follows with 16%. By number of units on the market, 27% were built in the 1980s (Figure C6).

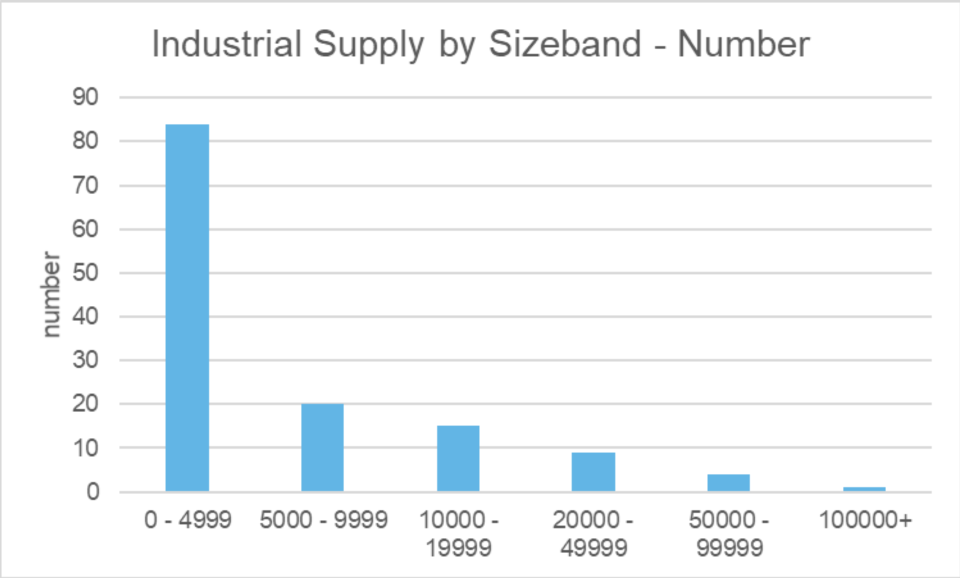
FIGURE C6: INDUSTRIAL SUPPLY



Source: Ryden / CoStar

14.12 By sizeband the current supply of 133 industrial units is skewed towards the smaller ranges, principally smaller than 5,000 sq.ft. but also with some supply in each of the other sizebands (Figure C7).

FIGURE C7: INDUSTRIAL SUPPLY BY SIZEBAND



Source: Ryden / CoStar

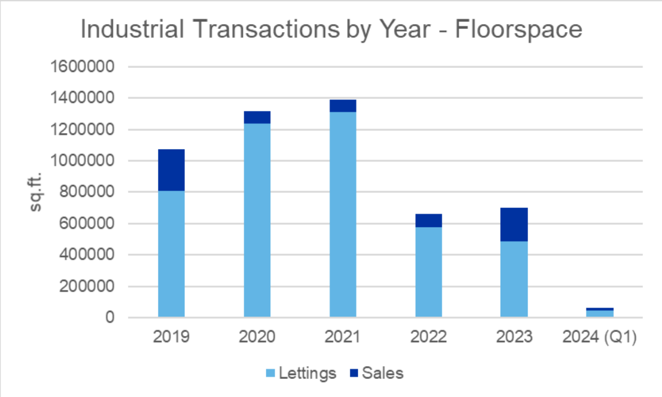
INDUSTRIAL TAKE-UP

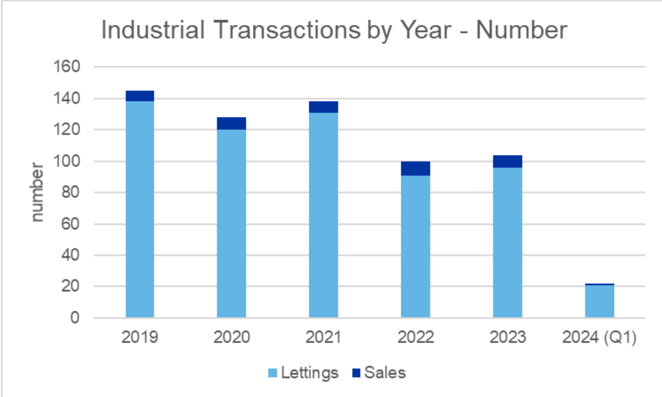
14.13 Across Glasgow City a total of 5,201,440 sq.ft. of industrial property in 637 units has been taken-up (sales, lettings and lease renewals) between January 2019 and March 2024 inclusive. This is an annual average of 981,400 sq.ft. in 120 units. 94% of the area's industrial property transactions are lettings and the balance are sales.

14.14 The years 2019 to 2021 had the highest volumes of floorspace take up at between 1 million and 1.38 million sq.ft. (Figure C8). Examples of larger units taken-up in these years include the pre-let to Harper Collins at Nova Business Park (c. 500,000 sq.ft.), Amazon in Baillieston (c. 145,000 sq.ft.), Premier Housewares on South Street (127,000 sq.ft.) and SGN at Cambuslang Investment Park (74,560 sq.ft.). Take-up fell to c. 700,000 sq.ft. in 2022 and 2023; it may be that very limited supply was a factor in that drop-off. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

14.15 The years 2019 to 2021 had the highest number of transactions of between 130 – 145 units taken-up in each year, falling to c. 100 transactions each for 2022 and 2023. As noted above final numbers for Q1 2024 will likely be higher.

FIGURE C8: INDUSTRIAL TAKE-UP PER YEAR

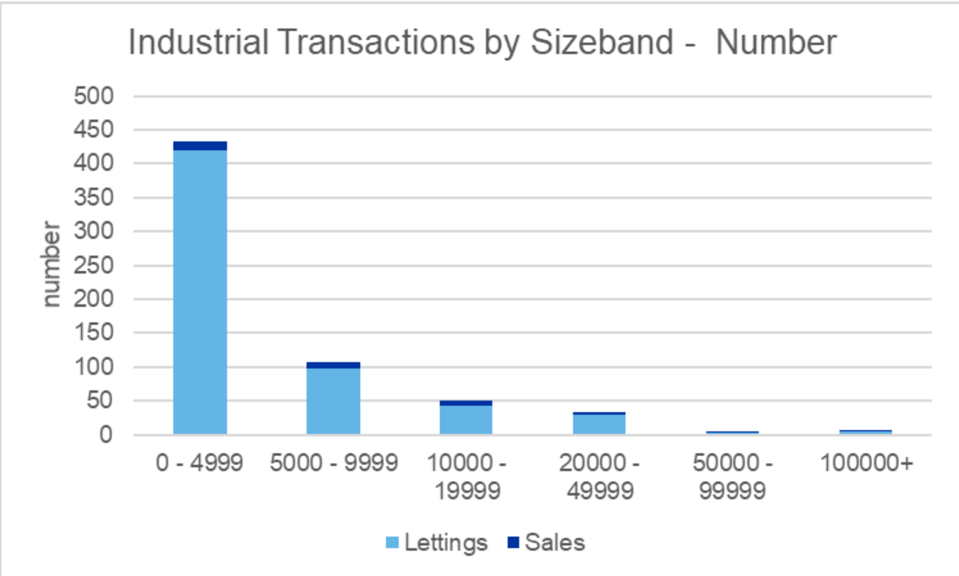




Source: Ryden / CoStar

14.16 Looking at industrial transactions by sizeband, the smallest ranges had the most activity (Figure C9). Properties up to 5,000 sq.ft. account for 68% of market activity. This is broadly aligned with supply in terms of the overall shape of the market, although given that the vacancy rate is low there will be specific pinch-points in local areas and for types and sizes of industrial property.

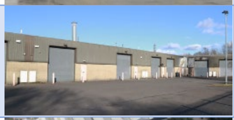
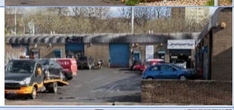
FIGURE C9: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

14.17 A selection of recent industrial property transactions is presented in Table C7. Achieved rents vary widely from £5 per sq.ft. for older mid-terraced buildings up to £7.50 for a medium-sized new build unit. However, there are some outliers and it is noted that units within Alexandra Parade Business Park recently transacted at £11.60 per sq.ft for small trades units close to Junction 15 of the M8, 1 mile east of Glasgow city centre.

TABLE C7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 26, New Albion Industrial Estate		4,882	Let in March 2024 to New Circut Engineering Ltd on a 5-year lease at £5 per sq.ft.
Tollcross Industrial Estate, Causewayside Crescent		2,123 2,066	Unit 3 Let in March 2024 at £8 per sq.ft. Unit 6 Let in March 2024 at £8 per sq.ft.
Unit 19, 40 Chapel Street		475	Let in March 2024 to Total Cleaning Facilities Ltd on a 5-year lease
851 London Road, Dalmarnock		10,000	Let in March 2024 to Spice Direct Ltd on a 10-year lease at £7.50 per sq.ft. New build speculative unit
Drynoch Place, Balmore Industrial Estate		1,199 918	Unit 2 Let in March 2024 to Pars Balery on a 3-year lease at £6.70 per sq.ft. Unit 8 Let in February 2024 on a 5-year lease at £6.50 per sq.ft.
Camelon Street, Carntyne Industrial Estate		4,847 4,974	Unit 38 Let in February 2024 to Innovative Aim Trading Limited on a 5-year lease Unit 70 Let in December 2023 to How Energy Group on a 5-year lease at £7.75 per sq.ft.
Unit 2 St Lukes Business Estate		2,117	Let in February 2024 to Glasgow Dance Studio on an annual rolling lease at £7 per sq.ft.
Unit 7, Alexandra Parade Business Park		775	Let in January 2024 to Procast Ltd on a 5-year lease at £11.60 per sq.ft.
Unit 1B Lambhill Quadrant, Milnpark Trading Estate		1,696	Let in January 2024 to Seaweed Generation on a 3-year lease at £9.70 per sq.ft.
Unit 3B, 34 Baird Street Business Park		7,028	Let in January 2024 on a 1-year lease
7 Robert Drive, Govan		9,050	Lease renewal in December 2023 to Edmunson Electrical on a 5-year lease at £6.90 per sq.ft.
Unit 1 Claremont Centre, Kinning Park		12,000	Let in December 2023 to Vehicle Solutions (Scotland) Limited on a 10-year lease at £5.50 per sq.ft.
31 Weardale Lane, Queenslie Industrial Estate		6,852	Sold in June 2023 to Lin's Brothers Trading for £340,000

Source: Ryden / CoStar

14.18 Industrial units sold for investment purposes rather than occupational achieved yields of 6% to 12% depending upon the quality of the asset. Examples of recent transactions are in Table C8. All are recent deals since August 2023, indicating an active market for industrial investments in the city.

TABLE C8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
120 Springhill Parkway, Glasgow Business Park		Sold in February 2024 to Shed5 Ltd for £4 million. A 65,879 sq.ft. industrial unit fully let to DFS until March 2025 at £164,697 pa
259 Summerlee Street, Queenslie Park, Queenslie		Sold in February 2024 to Kensington Investments 1 Ltd for £2.7 million (12%). Multi-let two-storey building with yard, occupiers include Johnsons Textile Services, Tots Bots and Aabsolute Storage.
100 Cambuslang Road, Gateway Glasgow		Sold in November 2023 to a private investor for £6.35 million (6%). 49,150 sq.ft. unit fully let to Royal Mail Group as a Parcelforce delivery hub, at £406,000 pa (£8.30 per sq.ft.).
120 Cambuslang Road, Gateway Glasgow		Sold in November 2023 to a private investor for £3.4 million (5.66%). 29,287 sq.ft. unit let to Ferraris Piston Service Ltd on a lease expiring October 2030 at £205,000 pa (£7 per sq.ft.)
11 Nasmyth Road South, Hillington Park		Sold in August 2023 to Moray Place Ltd for £2.04 million (7.15%). 22,288 sq.ft. bonded industrial warehouse, let to Blackadder International at £155,000 pa (£6.95 per sq.ft.)

Source: Ryden / CoStar

SUMMARY

14.19 Glasgow City's current stock of industrial property is estimated at 33.2 million sq.ft. which is 31.7% of Glasgow City Region's industrial stock. This is the largest proportion for a local authority in the Region and indicates the importance of industrial activity across the City. In terms of locations, industrial properties are located in a dense pattern throughout the local authority area however they generally reflect road connections across the City including the M8 and M74 and local trunk roads. Around 42% of the industrial stock is 40 years or older and the property availability is currently 4.7%. At this level of vacancy occupiers may experience a choice of premises although that can vary across the City.

14.20 The supply of available industrial space in April 2024 totals 1,555,453 sq.ft. in 133 units. The majority of properties available are in the smaller sizebands however there is representation across all sizes.

14.21 Industrial take-up in Glasgow City is 981,400 sq.ft per annum in 120 units. The vast majority of these transactions are lettings rather than sales. Again, the majority of activity is in the smaller sizebands which is broadly aligned with the supply. However, with the vacancy rate low there will be specific pinch-points in local areas and for types and sizes of industrial property. Rents generally range from £5-£7.50 per sq.ft. depending on the quality of the unit however there are properties achieving higher rentals in particular situations. Investment transactions are noted including in recent months.

C4

OFFICE PROPERTY MARKET

16.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements.

OFFICE STOCK AND CITY CENTRE

16.2 Glasgow City's stock of office property is estimated at 27.8 million sq.ft., with the majority in the city centre. This is two-thirds (65%) of the regional office stock. The principal development era was pre-war which delivered 37% of all stock, particularly in the city centre. In more recent years the 1980s – 2000s have been the principal eras: the 1980s and 1990s had c. 10% of all stock developed each and 2000s had 17%.

16.3 Modern office developments in Glasgow have been both on business parks and in the city centre. Examples include pavilions at Academy Office Park, Gower Street; Finnieston Business Park, Minvera Street; and at the West of Scotland Science Park on Maryhill Road. Examples in the city centre include 300 Bath Street (c. 159,000 sq.ft.); Alhambra House, Waterloo Street (95,240 sq.ft.); 310 St Vincent Street (c. 70,000 sq.ft.) and Pacific House, Wellington Street (c. 53,000 sq.ft.).

16.4 Glasgow city centre contains almost half of the Region's office stock within only one square mile. The main regional report contains a section on the Glasgow city centre which is summarised below:

16.4.1 For four years now, office demand has consistently sought smaller, better space, to support productivity, ESG and hybrid working. New occupancy levels have solidified through hybrid working policies and increasingly supportive office environments. Occupancy levels do vary though and Glasgow city centre has tended to record lower levels than some cities.

16.4.2 Glasgow's city centre offices comprise traditional upper floors and townhouses, older purpose-built 1960s/70s offices and modern, mid- and high-rise blocks. A high proportion of the stock is located west of George Square close to public transport hubs including the main railway and bus stations, city centre amenities and business networks within the CBD.

16.4.3 The market is currently characterised by office occupiers either 're-gearing' to remain in their existing premises, or moving to (typically) smaller, higher specification offices. SMEs are increasingly taking flexible, fitted-out space while managed business centres also expanding. Demand for smaller and better offices is percolating down through the market. This long term process is expected to continue, governed by occupier needs and property commitments including future decision-making by the volume of occupiers who have so far re-geared in situ.

16.4.4 Inevitably, supply of offices in the city centre is rising as occupiers leave behind more office space than they take. The vacated office space includes larger buildings and is a mix of obsolete older stock which will require probably residential-led solutions, and purpose-built offices which are more readily suited to upgrade, alternative use or redevelopment.

16.4.5 Live demand for office space in Glasgow is at a comparatively high level. Twenty-six medium to larger government, professional and technical services and business centres are active in the market seeking modern offices. Prime city centre offices rents have increased due to both cost-push and demand-pull elements.

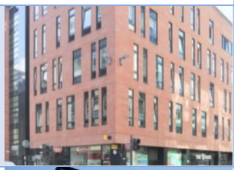
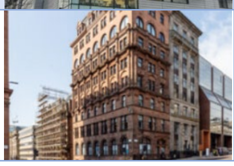
16.4.6 Following waves of speculative and occupier-led development, the office development industry is currently focused on refurbishment of those larger office buildings coming back to the market. These can be quicker to deliver and risk less capital in the new market than new speculative development.

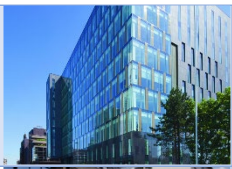
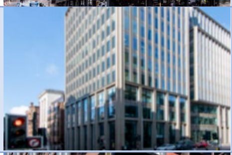
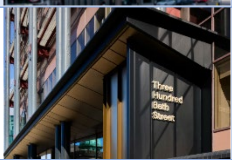
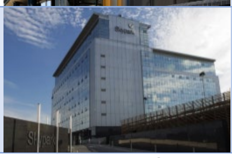
OFFICE SUPPLY

16.5 The current city-wide office supply of c. 3.42 million sq.ft. is contained within 496 offices. This supply is very adaptable to provide sub-divisible and flexible options in serviced offices/ business centres.

16.6 Examples of current supply are in Table C9 below. These comprise a mix of refurbished, modern and older offices, modern office pavilions some of which are sub-divisible and serviced. The majority are available for lease.

TABLE C9: EXAMPLES OF CURRENT OFFICE SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
160 West George Street		651	Furnished office suite on 3rd floor. Suitable for 6 – 8 people. For lease on an all inclusive rent at £24.50 per sq.ft.
200 Bath Street		1,035	Four refurbished office suites on the second floor available together or individually from 143 sq.ft. Flexible lease terms from £300 pcm. EPC ratings D, E and E+
77 St Vincent Street		1,144	First floor office available for sale.
Minerva Way, Finnieston Business Park		1,634 1,641	Ground floor office suite in modern pavilion. For lease at £16.50 per sq.ft. EPC rating B+ First floor office suite in modern pavilion. For lease at £16.50 per sq.ft. EPC rating B+
Cadell House, 27-29 Waterloo Street		1,779	Fully fitted office space on the third floor of modern office building. All-inclusive rent on flexible terms. EPC rating D
Pavilion 5, Moorpark Court, Govan		1,875	Office suite on first floor of modern pavilion with high quality fit out. For lease at £13.50 per sq.ft. EPC rating B
133 Finnieston		2,574	Office suite on the sixth floor in modern building. For lease at £18.50 per sq.ft. EPC rating D+
Sutherland House, 149 St Vincent Street		4,821	Refurbished to a Grade A specification. Suite for lease on the 7th floor at £24.50 per sq.ft. EPC rating B+

St Vincent Plaza, 319 St Vincent Street		8,100 14,902	Office suite on first floor of Grade A office. For lease at £27.50 per sq.ft. Office suite on first floor for assignation at £25 per sq.ft. EPC rating A
Berkeley House, 285 Bath Street		9,880	Offices over ground and first floor. For lease. EPC rating C
55 Renfrew Street		14,028	Offices on first, second and third floors, available to lease from 2,810 sq.ft. Mix of open plan and cellular offices. Rent £10 per sq.ft.
Sentinel, 103 Waterloo Street		24,983	Comprehensively refurbished offices to Grade A standard. Offices on ground (6,721 sq.ft.), third (18,262 sq.ft.) and fourth (18,262 sq.ft.) floors for lease. EPC rating B+
1 West Regent Street		31,502	Serviced offices/ co-working space on ground, first and second floors. From 50 sq.ft. on flexible hourly and monthly terms
300 Bath Street		78,029	Refurbished offices, with offices available on ground, third, fourth and fifth floors. In suites from 9,206 sq.ft. For lease at £21.50 per sq.ft. ERP rating B
Skypark		65,666	Various suites available from 1,034 sq.ft. serviced offices up to 19,763 sq.ft. Rents from £15 - £21.50 per sq.ft. EPC rating B

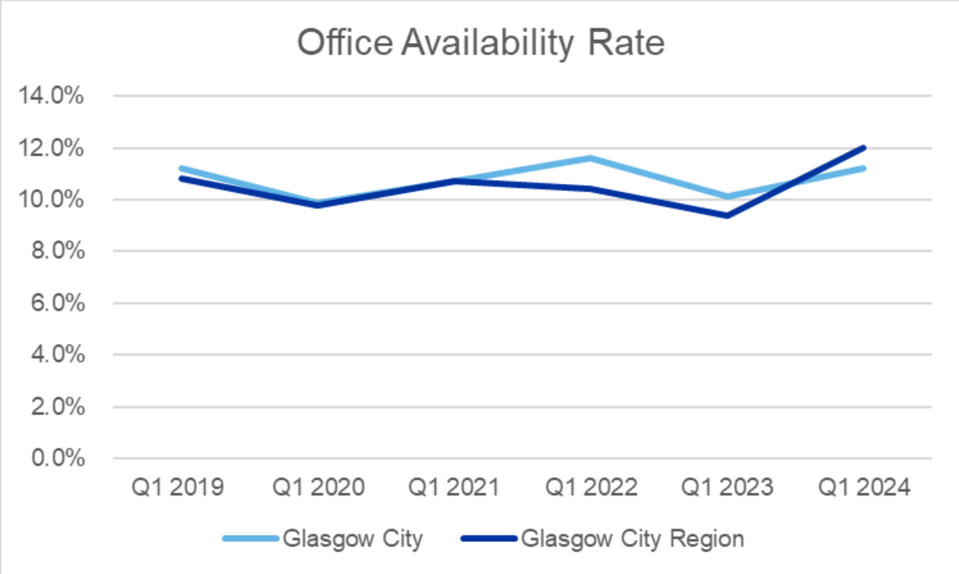
Source: Ryden / CoStar / Marketing Agents / Glasgow City Council

16.7 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. Seventeen of the available office suites in Table C9 have a registered EPC rating. Nine achieve A/ B ratings and are very energy efficient. Four have mid-range EPC ratings of C, D or E. No suites have poor EPC rating of F or G.

16.8 Glasgow City has an office availability rate of 11%. This is slightly below the 12% office availability rate for Glasgow City Region and has been rising recently (Figure C10 on the next page).

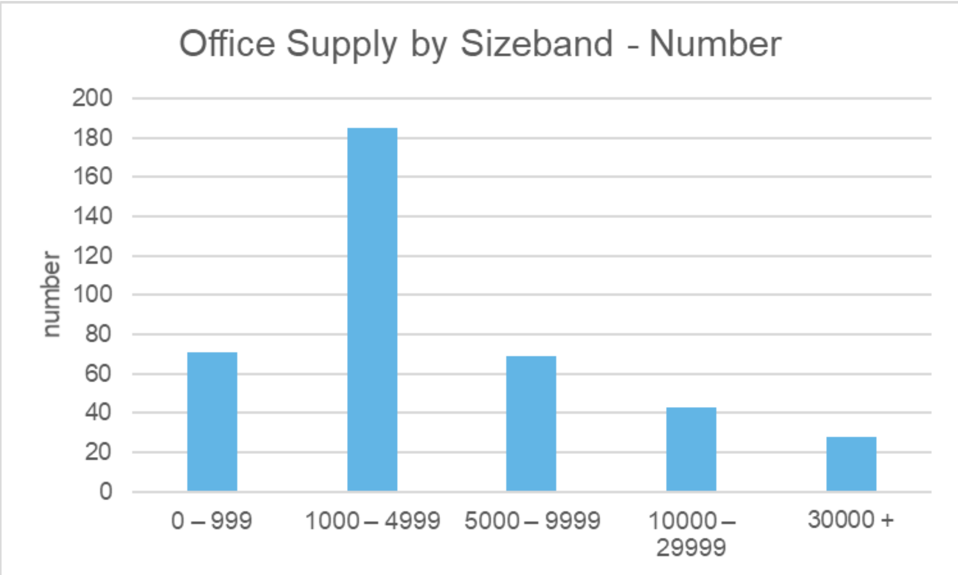
16.9 In terms of the sizes of available offices, the spread (Figure C11 below Figure C10) looks very wide and moreover as noted many of these offices are available on a flexible, sub-divisible basis. Almost half of available offices are between 1,000 – 4,999 sq.ft. Examples were provided in Table C8 above.

FIGURE C10: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

FIGURE C11: OFFICE SUPPLY BY SIZEBAND



Source: Ryden / CoStar

OFFICE TAKE-UP

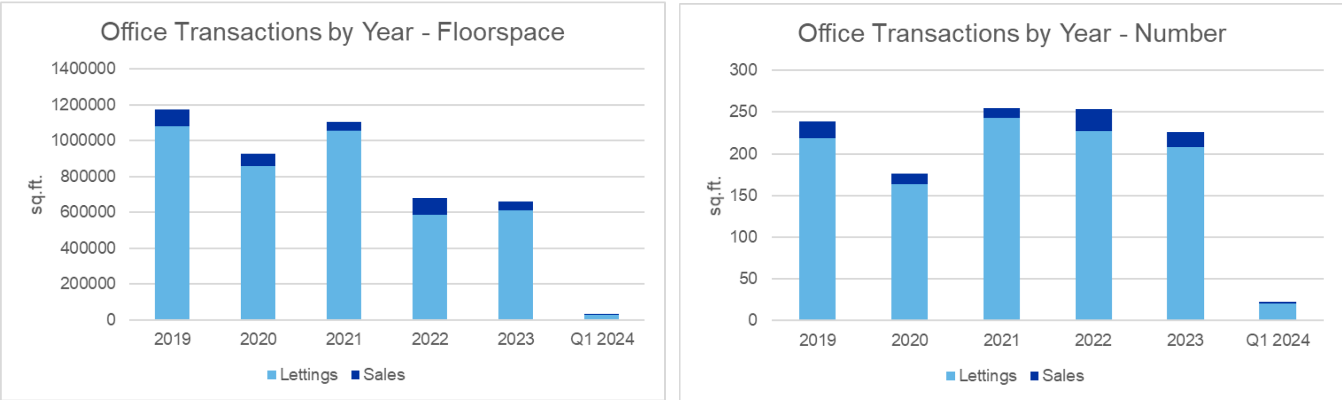
16.10 Demand for offices in Glasgow City is demonstrated by 4,575,100 sq.ft. in 1,173 offices taken-up (sales, lettings and lease renewals) from January 2019 to March 2024 inclusive. This is an annual average of 863,230 sq.ft. in 221 offices. The large majority (92%) of transactions are lettings while the balance are sales. Lease renewals are a notable current trend in the market with an estimated 770,000 sq.ft. renewed during the time period as occupiers extend their tenure in their current premises.

16.11 The year 2019 had the highest volume of floorspace take up, with c. 1.17 m sq.ft. in 239 offices (Figure C12), including the pre-let of c. 270,000 sq.ft. to JP Morgan Chase on Argyle Street. Floorspace take-up fell during 2020 as the pandemic struck, but rose again into 2021 due in part to two lease renewals to JP Morgan at 45 Waterloo Street (95,200 sq.ft.) and to NHS 24 at 140 Fifty Pitches Road, Cardonald

Park (c 66,000 sq.ft.). There was also a letting of 75,000 sq.ft. to Student Loans Company at 10 Clyde Place. Take-up fell to c. 665,000 sq.ft. pa for the years 2022 and 2023. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

16.12 Similar to floorspace take-up, the numbers of office transactions fell in 2020 to 176, then increased again to between 230 and 255 for the years 2021 to 2023. This reflects a higher number of smaller offices being taken up, as can be seen in the differing volumes on Figure C12 after 2020.

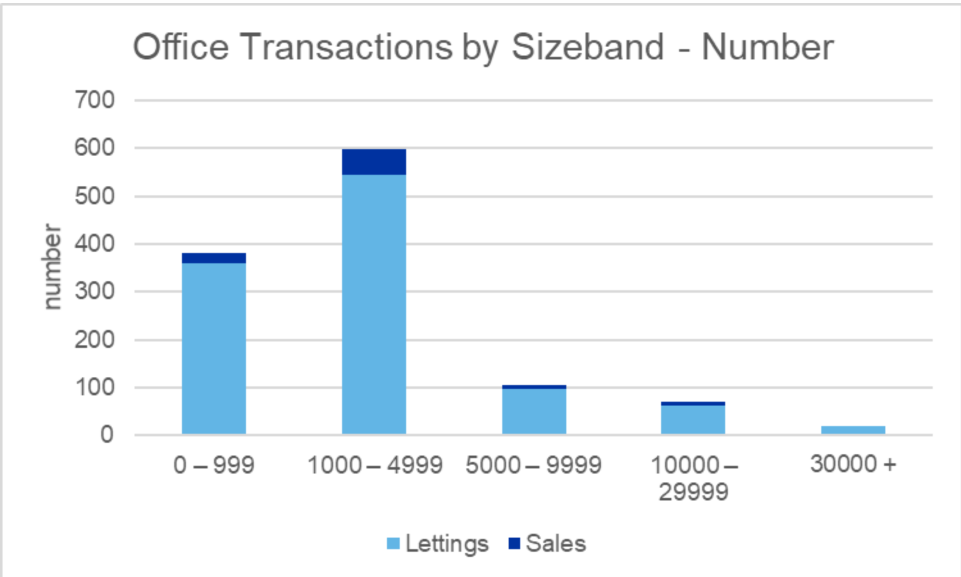
FIGURE C12: OFFICE TAKE-UP PER YEAR



Source: Ryden / CoStar

16.13 Looking at office transactions by sizeband, the majority (51%) of transactions were below 5,000 sq.ft. In the most recent market, office suites of up to 3,000 sq.ft. have been most popular as part of the shift towards 'smaller but better' offices. The transactions in the medium to larger sizebands are however substantial too: around 70 since January 2019 in the 10,000 – 29,999 sq.ft. bracket where typical employee numbers would be around 75-225 people, plus any hybrid working. With 18 deals larger than 30,000 sq.ft.

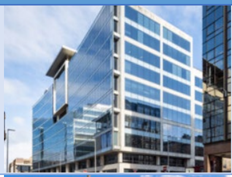
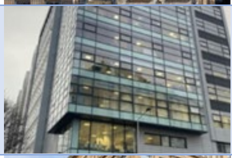
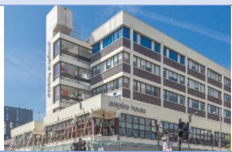
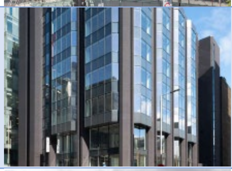
FIGURE C13: OFFICE TAKE-UP BY SIZEBAND

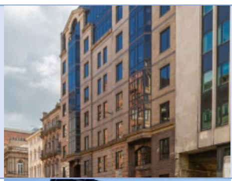


Source: Ryden / CoStar

16.14 A selection of recent office transactions across Glasgow is in Table C10 overleaf. Achieved rents vary widely from £10 per sq.ft. for older buildings up to £37.50 per sq.ft. for Grade A office space. A broad range of occupier types is evident among the office market transactions.

TABLE C10: RECENT OFFICE TRANSACTIONS

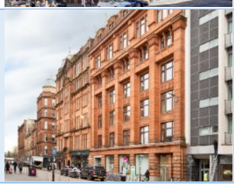
ADDRESS		SIZE (SQ.FT.)	DETAILS
Aurora, 120 Bothwell Street		25,887 11,571 19,375	Let in March 2024 to PWC on a 15-year lease at £37.50 per sq.ft. Suites on 8th and 9th floors Let in October 2023 to News Uk Let in October 2023 to Cubo Works
250 West George Street		2,625	Let in March 2024 to McLaren Group Glasgow Ltd on a 10-year lease at £11 per sq.ft. Lower ground floor.
133 Finnieston		6,610 2,026	Let in March 2024 to Kibble Education and Care Centre on a 10-year lease at £17 per sq.ft. Lease assignment in October 2023 to French Duncan for 2 years and 4 months at £17 per sq.ft.
30 Gordon Street		374 739	Let in March 2024 to Distilled Beverages at £10 per sq.ft. Let in June 2023 to Thistle Group Ltd
Lucent, 50 Bothwell Street		6,937 6,964 27,561	Let in March 2024 to RSM Tenon Ltd on a 10-year lease at £27.50 per sq.ft. Let in March 2024 to Edrington Beam Suntory UK Distribution on a 10-year lease at £37.50 per sq.ft. Let in July 2023 to Pinsent Masons on a 15-year lease at £39.50 per sq.ft.
131 West Nile Street		1,830 2,818	Let in March 2024 to Huntswood at £12 per sq.ft. Lease renewal in December 2023 to British Transport Police on a 2-year lease at £15.75 per sq.ft.
The Ink Building, 24 Douglas Street		4,520 1,450	Let in March 2024 to Weightmans on a 10-year lease at £25 per sq.ft. Let in October 2023 to Energy Law Unlimited LLP At £30 per sq.ft.
Minerva Way, Finnieston Business Park		1,634	Let in March 2024 to Gas Care Heating Services Ltd on a 5-year lease at £16.50 per sq.ft.
24 Blythswood Square		768 453 653	Let in March 2024 to Wallace Whittle To Restore Pharma Aesthetics at £12.50 per sq.ft. To Lomond Travel
Onyx, 215 Bothwell Street		3,089 1,485 1,339 2,500 10,424	Let in March 2024 to Arch Insurance Let in December 2023 to FSP Consulting Let in November 2023 to Yo Telecom Let in August 2023 to Doig and Smith Ltd Let in June 2023 to AND Digital

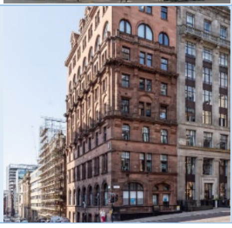
Delta House, West Nile Street		3,793	Lease renewal in March 2024 to Quilter Chevoit
Moorpark Court, Govan		1,875	Let in January 2024 to Volker Fitzpatrick at £13.50 per sq.ft.
Pavilion 7 Centurion Business Park, Seaward Place		1,311	Let in December 2023 to Matchless Gas at £15 per sq.ft.
147 Blythswood Street		2,059	Sold in September 2023 to Astute Fire Engineering Ltd for £240,000. First floor office
2 Central Quay, Hydpark Street		28,514	Lease renewal in August 2023 to NHS Education for Scotland for 3-years at £18.50 per sq.ft.
Eastworks, Clyde Gateway		6,756	Let in August 2023 to Utopi Ltd on a 5-year lease at £16 per sq.ft.

Source: Ryden / CoStar

16.15 Examples of offices sold for investment purposes rather than occupational use are in Table C11. The achieved investment yields of 6.5% to 15%, indicating a wide range from prime city centre to weaker secondary office assets. The examples are all multi-let office buildings which transacted during 2023 and 2024 to date.

TABLE C11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
The Cornerstone Building, 107 West Regent Street		Sold in March 2024 to RGH Holdings Ltd for £2.2 million (11.45%). The 20,627 sq.ft. is let to J & P Coats Ltd and Addleshaw Goddard LLP, with some vacant space.
The Garment Factory, 10 Montrose Street		Sold in January 2024 to PP Asset Management for £15.7 million (9%). The 55,800 sq.ft. building was fully refurbished in 2017 and offers seven storeys of office space and retail on the ground floor. Current tenants are Tailor Made Suites & Amenities, Channel 4, Wallace Whittle and Statkraft.
6 – 10 Bell Street		Sold in October 2023 to Keystone MHD (General Partnership) Ltd for £3.85 million (9%). C. 24,000 sq.ft. office building, tenants include Scottish Children's Reports Unit and MND Scotland.

Orbital House, Peel Park		Sold in September 2023 to Hamilton Kelly Investment Partnership for £4.3 million (15%) 69,359 sq.ft. office pavilion multi-let to VWS Westgarth Ltd, Opus Workspace and Claremont Office Furniture.
1 and 3 Nasmyth Place, Centura Court, Hillington Park		Sold in July 2023 to MIMA Investments Ltd for £1.55 million (12.22%). Two multi-let two storey office pavilions totalling 18,364 sq.ft.
191 West George Street		Sold in June 2023 to Corum Asset Management for £36.2 million (6.5%). 85,472 sq.ft. multi-let office , tenants include Edrington UK and RSA Group.
Sutherland House, 149 St Vincent Street		Sold in May 2023 to New Amsterdam Invest NV for £9.05 million (7.57%). 39,378 sq.ft. multi-let office, tenants include DAC Beachcrift, AIG and Avison Young

Source: Ryden / CoStar

SUMMARY

16.16 Glasgow City's stock of office property is estimated at 27.8 million sq.ft., with the majority in the city centre. This is two-thirds (65%) of the regional office stock. Glasgow city centre contains almost half of the Region's office stock within only one square mile

16.17 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements. The city centre has moved into a refurbishment cycle as occupiers leave behind more space than they take, in a process which is expected to continue over the long term.

16.18 The current office supply of c. 3.42 million sq.ft. is contained within 496 offices. This supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. The office availability rate within Glasgow City has risen to 11%.

16.19 Average annual office take-up is 863,230 sq.ft. in 221 offices. Lease renewals are a notable current trend. The majority of office transactions were for suites below 5,000 sq.ft. Rents range from £10 per sq.ft for older buildings to £37.50 per sq.ft for Grade A stock. Yields of 6.5-15% have been achieved.

C5

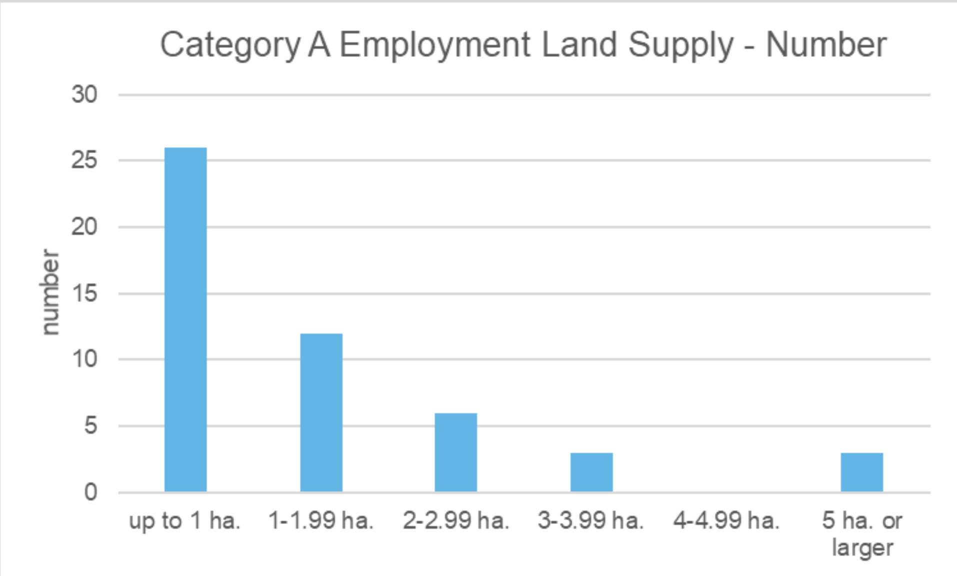
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

17.1 Clydeplan's 2022/2023 audit of employment land identifies that Glasgow City has a current employment land supply of 50 Category A sites totalling 87.82 hectares. Category A sites are those available for industry and business purposes and free of significant constraints.

17.2 The majority (52%) of these sites – 26 sites totalling 15 ha – are smaller than 1 hectare. Three sites totalling 33.65 ha, or almost 40% of all land supply, are 5 ha or larger (Figure C14).

FIGURE C14: EMPLOYMENT LAND SUPPY



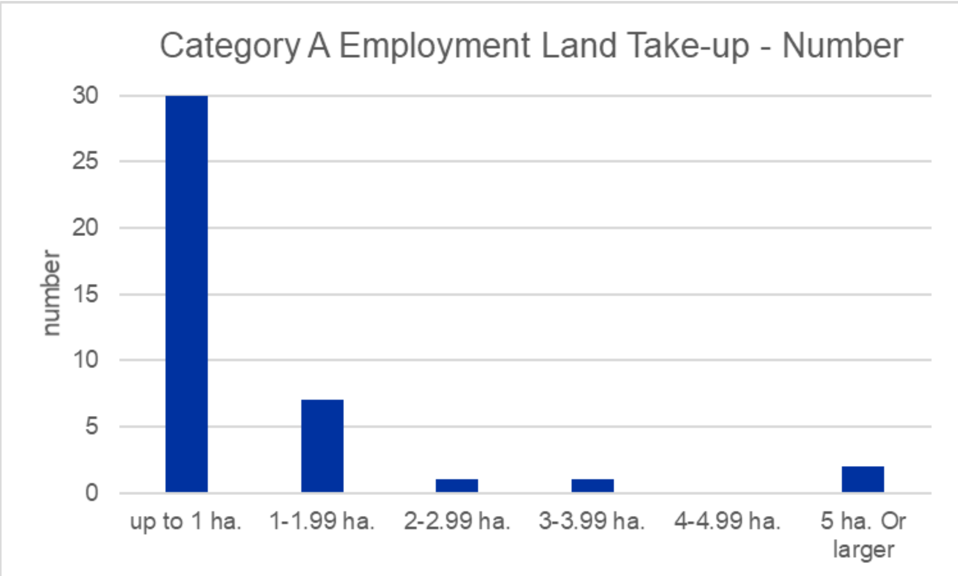
Source: Clydeplan / Ryden

17.3 Assessing the mix of sites within this employment land supply:

- Sites are spread across the city; notable locations with 3 or more sites are: Royston (3 sites totalling 23.53 ha); Mount Vernon (3 sites totalling 9.05 ha); Queenslie (6 sites at 5.51 ha); Hillington (3 sites totalling 4.36 ha); Craigton (5 sites totalling 4.32 ha); and Dalmarnock (3 sites totalling 4.12 ha).
- The majority of sites, 42 sites, are brownfield, 7 are greenfield and 1 is classed as other.
- Over half of the sites are privately owned (29), while 15 are publicly owned, 6 are in mixed ownership.
- The sites larger than 5 ha are: Provan Gas Works on Blochairn Industrial Estate, Royston (21.66 ha); site on Kenmuir Road in Mount Vernon (6.59 ha); and Carlisle Street, Cowlairs Industrial Estate in Possil (5.39 ha).

17.4 Take-up of employment land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies 41 sites totalling 46.9 ha as being taken up in the area for employment uses, indicating an annual average of 8 sites and 9 ha per annum. The majority were smaller than 1 ha (30 sites), with only 2 sites larger than 5 ha (Figure C15).

FIGURE C15: EMPLOYMENT LAND TAKE-UP



Source: Clydeplan / Ryden

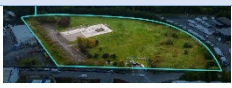
17.5 Assessing the mix of sites within this employment land take-up:

- By number the majority of sites taken-up (35) were brownfield, while 6 were greenfield. By site area both had a similar volume of take-up at brownfield (23.8 ha) and greenfield (23.2 ha). The largest greenfield site was 13.7 ha at Nova Business Park, Robroyston (for Harper Collins).
- Thirty-seven sites totalling 45.93 ha were taken-up for development by a private developer, with 4 sites totalling 0.97 ha for public sector development.
- Nineteen sites, totalling 36.15 ha, were for bespoke development, 18 sites totalling 9.78 ha were for speculative development.

17.6 While the analysis above confirms that there is a good supply of employment sites across Glasgow City allocated through planning policy, there are only 4 development sites which are being actively marketed. These 4 sites total 8.44 acres (3.4 ha) and are shown in Table C12. In addition, 3 sites totalling 8.86 acres (3.6 ha) are under offer.

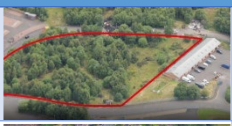
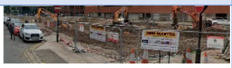
17.7 Despite this modest marketed land supply, market evidence of employment land transactions confirms that there has been an active market in Glasgow. According to CoStar, 11 sites totalling 23.12 acres (9.36 ha) have been sold for employment use since January 2019, so typically around 2 sites are purchased for employment use on average each year. These are in Table C13.

TABLE C12: MARKETED EMPLOYMENT LAND

ADDRESS	SIZE ACRES (HECTARES)	DETAILS
Broomielaw Mills, 10 Anderston Quay 	0.73 (0.29 ha)	Cleared site, used as a car park with advertising hoardings. Development potential for PBSA, BTR, Co-Living, Residential for sale, Hotel, Office and leisure uses. For sale
95 Kilbirnie Street 	6.55 (2.65 ha)	Fully serviced site. Suitable for a variety of uses including industrial, trade counter, residential, office, warehouse, etc. subject to planning. Located in an industrial and business area which is transitioning to mixed use. Development Plan allocates the site for Class 4, 5 and/or 6 business, industrial and warehousing uses. For sale
Brown Street 	0.76 (0.3 ha)	Largely flat plot of land at Carrick Square which has been cleared for development. Has planning permission for a 14 storey new build office, but has potential for alternative uses. For sale
Garscadden Road, Drumchapel 	0.4 (0.16)	Potential for storage or retail development. Beside Drumchapel train station. For sale at Auction, guide price £89,000

Source: Ryden / CoStar/ Marketing agents

TABLE C13: EMPLOYMENT LAND TRANSACTIONS

ADDRESS	SIZE ACRES (HECTARES)	DETAILS
Site B Dalsetter Avenue, Dalsetter Business Village 	2.52 (1.01 ha)	Sold in September 2023 along with Site C for £166,000. Office/industrial/storage & distribution development opportunity.
Site C Dalsetter Avenue, Dalsetter Business Village 	2.84 (1.14)	Sold in September 2023 along with Site B for £166,000. Office/industrial/storage & distribution development opportunity.
Carnegie Road, Hillington 	0.38 (0.154 ha)	Sold in May 2023 for £100,000. Planning application in April 2024 for the siting of containers for storage business and associated works, pending consideration (24/00948/FUL)
Plot A Todd Campus, West of Scotland Science Park 	2.05 (0.829 ha)	Sold in March 2023 with the opportunity to develop bespoke facility on popular science park. Planning application in January 2024 for development of business /office facilities (Class 4) with associated car parking by Speyroc. Pending consideration (24/00227/FUL). Development totals 30,000 sq.ft. laboratory and office space.
Broad Street 	1.8 (0.729 ha)	Sold in January 2022 for £301,000. Suitable for industrial uses. Planning application in October 2019 for Erection of business park - (Class 4) - Business, (Class 5) - General Industry, (Class 6) - Storage or Distribution - with associated parking and yard space. C. 25,000 sq.ft. For Clyde Gateway. This was approved in February 2021. (19/03183/FUL).
33 Cadogan Street, site of the former Corruna House 	0.7 (0.28 ha)	Sold in December 2021 to Commercial Estates Group for £20.1 million. The site was the location of Corunna House which was demolished in 2018/19. Groundworks for IQ a 297,600 sq.ft. office are complete (see Table C13).

Fullarton Drive, Clydesmill Industrial Estate		1.48 (0.59 ha)	Sold in August 2021, with an asking price of £275,000. No planning applications yet
Cambuslang Road, Clydesmill Industrial Estate		1.93 (0.78 ha)	Sold in July 2019 with consent for industrial development. An industrial unit for CCG Manufacturing has been constructed.
Plot 11 Clydesmill Drive / Road, Cambuslang		3.69 (1.49 ha)	Sold in May 2020 to CGC Scotland for £500,000. Comprises a cleared relatively flat site suitable for a variety of uses, subject to planning. The Foundry is currently under construction here, with land for a future phase, see Table C13
Candleriggs Square		3.6 (1.45 ha)	Sold in March 2019 to Drum Property Group for £26.2 million. Mixed-use development underway (BTR/ hotel), in future will include office accommodation.
Springhill Parkway, Glasgow Business Park		2.13 (0.86 ha)	Sold in March 2019 to Zion Security Ltd for £210,000. The site is used for vehicle storage

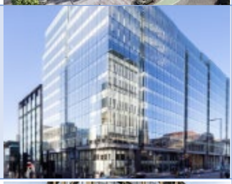
Source: Ryden/ CoStar

DEVELOPMENT

17.8 Recent speculative employment property developments and proposals in Glasgow City are presented in Table C14. The developments split into 4 city centre major speculative office developments (3 of which were completed in the most recent development cycle), and 5 industrial developments 4 of which are in the east of the city and 1 immediately south-west of the city centre.

TABLE C14: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
Dunn Street, Dalmarnock		Two new speculative detached industrial units, of 5,000 sq.ft. and 10,000 sq.ft. Were ready occupation in 2023.
851 London Road, Dalmarnock		Two speculative units built in 2022 by Harris Finance. 10,000 sq.ft. and 20,000 sq.ft. which can be sub-divided into units from 5,000 sq.ft. For lease at £9.50 per sq.ft., may sell.
Reid Street, Dalmarnock		7 new build light industrial units. Under construction and available summer 2024. Units from 1,475 to a combined total of 11,785 sq.ft.
The Foundry, Cambuslang		High-specification warehouse facility (31,600 sq.ft.) and office accommodation (3,200 sq.ft.) and a 30m depth logistics yard. Under construction by CCG Scotland. For lease may sell.
75 Stanley Street		A 55,700 sq.ft. standalone purpose built unit constructed in 2023. Available for lease

IQ, Cadogan Street		Groundworks are complete for a 297,600 sq.ft. Grade A office development by Commercial Estates Group.
177 Bothwell Street		313,000 sq.ft. Grade A office, complete. Developed by HFD but now owned by Pontegadea. Around 74,500 sq.ft, available for lease. Occupiers include Virgin Money, Transport Scotland, Evelyn Partners and Aecom
2 Atlantic Square		96,650 sq.ft., Grade A office, complete. Developed by BAM Properties / Taylor Clark. Around 46,000 sq.ft. available for lease at £35 per sq.ft. Occupiers include BDO, Siemens Mobility, Burness Paull and Atkins.
Cadworks		94,430 sq.ft. Grade A office, complete. Developed by Fore Partnership. Around 34,000 sq.ft. available for lease. Occupiers include OVO Energy, SThree Management, TLT and RBC Brewin Dolphin.

Source: Ryden/ CoStar/ Websites

SUMMARY

17.9 Clydeplan's 2022/2023 audit of employment land identifies that Glasgow City has a current employment land supply of 50 Category A sites totalling 87.82 hectares. The majority (52%) of these sites – 26 sites totalling 15 ha – are smaller than 1 ha. The majority are brownfield and in private ownership. Sites larger than 5 ha are available at Provan Gas Works on Blochairn Industrial Estate, Royston, Kenmuir Road in Mount Vernon and Carlisle Street, Cowlairs Industrial Estate in Possil.

17.10 Average employment land take-up per annum is 9 ha across 8 sites. The majority of sites taken-up were smaller than 1 ha. Around 2 sites are purchased each on the market for employment use; a number of these have subsequently come forward through the planning system.

17.11 Whilst there is a good supply of employment sites across Glasgow City allocated through planning policy, there are only 4 development sites which are being actively marketed. These 4 sites total 8.44 acres (3.4 ha).

17.12 Industrial units are being built on a speculative basis although the numbers concerned are not large. One Grade A office building is currently in the pipeline with a number of others recently completed with space still available for lease.

C6

SUMMARY AND MARKET NEEDS

18.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The Glasgow Local Economic Strategy includes themes such as growing the economy, inward investment, innovation and infrastructure. Key moves within the City Centre Strategy include a focus on blight sites and buildings, tackling vacant and derelict properties and retrofitting offices for residential in the city centre. Many of these areas will have an impact on employment land and property.

18.2 NPF4 and the City Development Plan make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. Local Development Plans are directed to allocate sufficient land for business and industry across a suitable range of sites. The City Development Plan acknowledges a need to focus on key economic sectors and associated actions in order to grow the City's economy. These sectors include low carbon industries, energy, engineering and manufacturing, life sciences and financial and business services. The Policy and supporting Supplementary Guidance set out a spatial framework that accommodates these priorities by directing development to appropriate locations and identifying where in the City economic development will be encouraged. In recent years, investment has been focussed on the City Centre, other major town centres, Clyde Waterfront and Clyde Gateway and growth shall continue to be directed towards these areas. The Council has recently commenced work on City Development Plan 2 and recently approved its Evidence Report. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

18.3 From a funding perspective, Glasgow is considered high priority for funding and has received a substantial award from the UK Levelling Up fund for its Innovation Accelerator. Shared Prosperity Fund monies are also being made available as grants for early stage tech businesses for accommodation and the City Region Deal will open up a number of areas of vacant and derelict land for employment and other purposes including at Clyde Waterfront/West End Innovation Quarter and Tontine, the innovation hub located in Merchant City.

18.4 Glasgow City Council is eligible for the Vacant and Derelict Land Fund and has also received funding from the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund. This has included funding via Clyde Gateway to create a manufacturing and engineering hub at Clyde Gateway East. Funding has also been provided for a number of business/social enterprise initiatives.

18.5 The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

18.6 The specific projects which will form part of the Investment Zone are due to be announced later in 2024. Universities and Scottish Enterprise are further enablers of employment land and property in Glasgow including at the Glasgow Riverside Innovation District.

18.7 Around two thirds of businesses located in Glasgow City are in industries relating to employment land classes. In recent years there has been a collective increase of 13% in sectors relating to employment land.

18.8 Employment in sectors relating to employment land accounts for almost half of all employment in the

City and has grown in recent years, most notable in wholesale and professional services. The rise in employment in professional services despite the decline in number of businesses may reflect the increased trend of homeworking and the impacts of this on firms and the labour market.

18.9 Productivity in Glasgow City is greater than that of the regional economy. Ensuring adequate employment land is available for businesses to continue to invest in will play an important role in ensuring this continues.

18.10 Glasgow City's current stock of industrial property is estimated at 33.2 million sq.ft., which is 31.7% of Glasgow City Region's industrial stock. This is the largest proportion by local authority in the Region and indicates the importance of industrial activity across the City. In terms of locations, industrial properties are located throughout the local authority area in a dense pattern however they generally reflect road connections across the City including the M8 and M74 and local trunk roads. Around 42% of the industrial stock is 40 years or older and the property availability is currently 4.7%. At this level of vacancy occupiers may experience a choice of premises although that can vary across the City.

18.11 The supply of available industrial space in April 2024 totals 1,555,453 sq.ft. in 133 units. The majority of properties available are in the smaller sizebands however there is representation across all sizes.

18.12 Industrial take-up in Glasgow City is 981,400 sq.ft per annum in 120 units. The vast majority of these transactions are lettings rather than sales. Again, the majority of activity is in the smaller sizebands which is broadly aligned with the supply. However, with the vacancy rate low there will be specific pinch-points in local areas and for types and sizes of industrial property. Rents generally range from £5-£7.50 per sq.ft. depending on the quality of the unit however there are properties achieving higher rentals in particularly desirable locations. An active industrial investment market is identified.

18.13 Glasgow City's stock of office property is estimated at 27.8 million sq.ft., with the majority in the city centre. This is two-thirds (65%) of the regional office stock. Glasgow city centre contains almost half of the Region's office stock within only one square mile.

18.14 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements. The city centre has moved into a refurbishment cycle as occupiers leave behind more space than they take, in a process which is expected to continue over the long term.

18.15 The current office supply of c. 3.42 million sq.ft. is contained within 496 offices. This supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. The office availability rate within Glasgow City has risen to 11%.

18.16 Average annual office take-up is 863,230 sq.ft. in 221 offices. Lease renewals are a notable current trend in the market with an estimated 770,000 sq.ft. renewed during the time period. The majority of office transactions were for suites below 5,000 sq.ft reflecting the 'smaller but better' trend for. Rents achieved range from £10 per sq.ft. for older buildings to £37.50 per sq.ft. for Grade A stock. Investment yields of 6.5-12% have been achieved.

18.17 Clydeplan's 2022/2023 audit of employment land identifies that Glasgow City has a current employment land supply of 50 Category A sites totalling 87.82 hectares. The majority (52%) of these sites – 26 sites totalling 15 ha – are smaller than 1 ha. The majority are brownfield and in private ownership. Sites larger than 5 ha are available at Provan Gas Works on Blochairn Industrial Estate, Royston, Kenmuir Road in Mount Vernon and Carlisle Street, Cowlairs Industrial Estate in Possil.

18.18 Whilst there is a good supply of employment sites across the City allocated through planning, only 4 development sites are actively being marketed. These 4 sites total 8.44 acres (3.4 ha).

18.19 Average employment land take-up per annum is 9 ha across 8 sites. The majority of sites taken-up were smaller than 1 ha. Around 2 sites are purchased each on the market for employment use; a number of these have subsequently come forward through the planning system.

18.20 Industrial units are being built on a speculative basis however these are comparatively small in number. One Grade A office building is currently in the pipeline with a number of others recently completed with space still available for lease.

MARKET NEEDS

18.21 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for Glasgow City based upon the regional priorities and the research in this appendix are set out in Table C15. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table C15 should be read in conjunction with that.

TABLE C15: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to meet forecast employment growth and market demand including engineering and manufacturing, as well as trades and urban logistics, and to replace areas of local stock ageing towards obsolescence within the city urban area. Both the scale and proportion of older industrial stock are significant and some stock may also be co-located with vacant and derelict land and with lower value and density land uses. Prime market areas around arterial roads are attracting private sector development. Secondary and regeneration areas will require interventions potentially from grant support through joint ventures to direct development.
Refurbished industrial property	Refurbishment is already underway at some privately-owned estates, extending the lives and delivering energy efficiency at ageing buildings. In less strong secondary and regeneration areas of the City, public sector intervention may be required to deliver refurbishment. The Council and City Property LLP are in control of the upgrade of their own portfolio.
Office / business space	Office vacancies have increased as occupiers migrate to smaller, better offices. The city centre office market need as set out in the main regional report is for a steady supply of ESG-compliant Grade A city centre office space to meet continuing demand, including fitted-out and flexible occupation options. New-build if viable, otherwise continued recycling of improved offices back into the market. Additionally, the peripheral market should continue to be monitored for intervention opportunities, such as was recently delivered at Eastworks. Undeveloped or under-utilised business parks may offer potential for diversification to high amenity industrial, high value manufacturing and/or life sciences. The requirement to repurpose stranded city centre offices for residential-led reuse is outwith this study but is noted as a separate priority for the City.
Serviced employment land	Allocated employment sites and areas of vacant and derelict land are peppered across the City. Sites are taken-up regularly and maintaining a developable supply of plots for SMEs and local developers is a priority, as is identifying larger sites for built-to-suit options in strategic locations. The emerging Investment Zone and Clyde Mission may assist in identifying further locations.
Market intelligence	Demand intelligence is spread across the Council, economic development partners and major landlords, and should be coordinated where this is feasible.

APPENDIX D

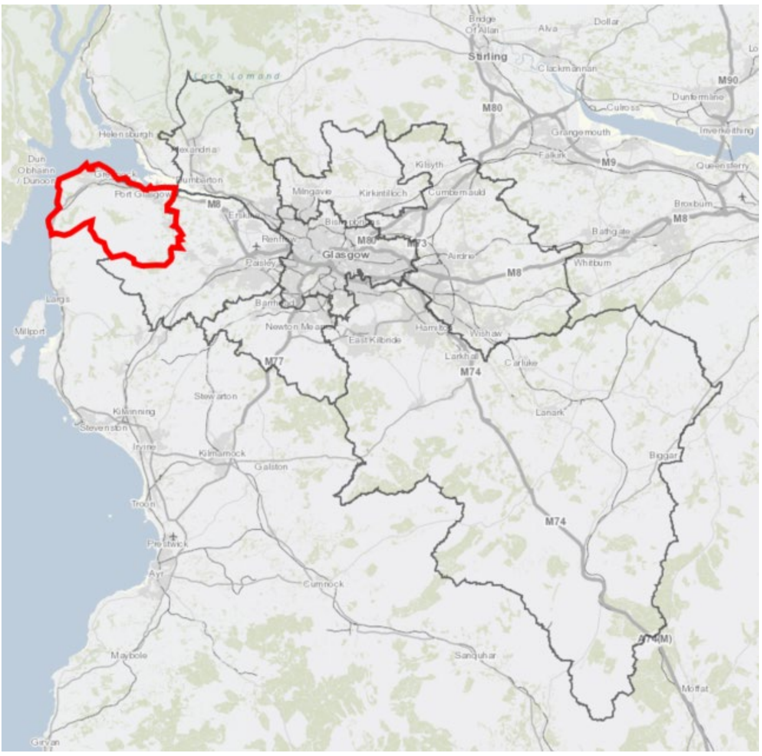
INVERCLYDE

Ryden

D1
INTRODUCTION

19.1 Inverclyde is one of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. The local authority area is highlighted on the Glasgow City Region map at Figure D1.

FIGURE D1: INVERCLYDE: LOCATION WITHIN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

19.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

19.3 The contents of this Inverclyde report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

19.4 Analyses and summaries presented here are specific to Inverclyde. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

D2

ECONOMY AND POLICY

19.1 This section outlines economic and planning policy and provides an economic overview of Inverclyde. It also provides an overview of funding eligibility.

REGIONAL POLICY

19.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

19.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

19.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

19.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. City Region Deal projects in Inverclyde include infrastructure projects totalling £26.75 million. This includes infrastructure and development works around the former Inverkip Power Station site which will create land for housing and commercial uses, the redevelopment of Inchgreen to create a dedicated on shore marine hub and works at Greenock Ocean Terminal to improve its facilities for the cruise ship market.

19.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

19.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

19.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects were approved following the RES including the creation of Innovation Districts and development of the Clyde

Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

19.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

19.10 Planning and land uses within Inverclyde are guided by the **Local Development Plan** (LDP), which was adopted in August 2019 and sets out Council strategy, policies and proposals for the use of land and buildings. The overall aim of the plan is to contribute towards Inverclyde being an attractive and inclusive place to live, work, study and invest, now and in the future particularly through encouraging investment and new development, which is sustainably designed and located and contributes to the creation of successful places, and by protecting and enhancing the natural environment of Inverclyde.

19.11 The Council supports comprehensive redevelopment proposals of priority places including the former Inverkip Power Station, Spango Valley (former IBM site), the Harbours and James Watt Dock/Garvel Island. It also takes a sequential approach to its town and local centres with each serving a specific purpose and community. The Plan recognises and seeks to safeguard Greenock as the main town centre within Inverclyde.

19.12 Inverclyde's varied economy is served by a range of industrial locations, including waterside locations that have long served maritime-related industry, postwar industrial estates, and the former Enterprise Zones where the area's service industries have located. Inverclyde Waterfront is identified as a Strategic Economic Investment Location and this includes Inchgreen in Greenock (a City Deal site) for renewable and specialist marine services and Cartsdyke for business and financial services. Greenock Ocean Terminal (City Deal site) is identified as a Strategic Freight Transport Hub. The Council continues to recognise the economic value of its ports, harbours and docks, and seeks to retain the existing or potential value of these areas for maritime-related industry except where a masterplan associated with this Plan has identified an alternative use.

19.13 The Plan recognises that as Inverclyde's economy has changed, so too has demand for the type and location of business and industrial premises. In older industrial estates there are clusters of underused properties and vacant land. The Plan identifies these areas for economic mixed use where uses that would either contribute to permanent employment creation or clearly support the operation of existing businesses are supported.

19.14 The Plan also notes the need to attract new businesses and investment to the area, as well as supporting existing businesses to grow and new small and medium-sized businesses to set up. The Plan identifies a generous and varied supply of development land; including large scale sites such as Spango Valley and Inchgreen, medium sized sites at Main Street, and smaller sites such as Baker Street (all Greenock). This supply is intended to meet the aspirations of different sectors and business sizes.

19.15 In May 2021, Inverclyde Council published its new **Proposed Local Development Plan**. It was hoped to take the Proposed LDP 2021 through to adoption under the 2006 Planning (Scotland) Act but the cut-off point to continue the plan through this Act was missed. The document is, however, still a material consideration in determining planning applications. From 2024 work will be carried out on preparing a new LDP.

19.16 Following on from the impacts of the COVID-19 pandemic and Brexit, Inverclyde Council published an **Economic Regeneration Strategy** and an associated action plan. The strategy focuses on 5 priorities to boost skills, accelerate the regeneration of strategic employment sites and town centres, support the renewal and economic regeneration its most disadvantaged areas, increase capacity to accommodate jobs particularly in the private sector; and to grow and diversity the business base.

19.17 Inverclyde has a longstanding history of manufacturing and heavy engineering, especially marine engineering. The strategy seeks to build on existing strengths and identifies three key sectors for potential growth: marine engineering, financial and business services and leisure and tourism related. Focus on these areas of activity is likely to affect relative demand for employment land within the local authority.

19.18 The City Deal infrastructure projects such as Inchgreen and Ocean Terminal have already stimulated and helped to create long term local employment opportunities and production, especially for Inverclyde's leisure and tourism sector. Additionally, the Business Gateway provides opportunities for start-ups and supports small and medium sized businesses.

19.19 Alongside the Economic Regeneration Strategy, the **Inverclyde Council Plan** guides local economic development with its focus on the three themes of people, place, and performance. Within the theme of 'place', the need for a sufficient supply of business premises is identified to support economic regeneration.

FUNDING

19.20 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. Inverclyde is high priority for public sector funding and recently received an award from the UK Government's Levelling Up Fund to help transform Greenock Town Centre. Inverclyde is not eligible for the Scottish Government's Vacant and Derelict Land Fund however it has received funding from the Vacant and Derelict Investment Programme for a new learning disability hub and from the Regeneration Capital Grant Fund for the restoration of office space at Custom House. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. The previous URC in the area, Riverside Inverclyde, was also responsible for the creation of employment space including Riverside Business Park, James Watt Dock Marina and several business centres. Capital or matched funding from the Council is currently challenging given budgetary pressures. City Region Deal funding will improve the viability of employment land at the former Inverkip Power Station site and Inchgreen. There is also the possibility that City Deal funding will be used to create a public sector led commercial property fund for the area. Projects may also come forward to be included in the Innovation Zone.

ECONOMIC OVERVIEW

Business Growth and Survival Rates

19.21 In 2023, Inverclyde was home to 1,520 business, of which 50% were in sectors relating to employment land class categories. Of all the enterprises in Inverclyde, the highest percentage (16%) operated in the professional, scientific and technical sector (Table D1).

19.22 Overall, the number of enterprises has gone down by 5% compared to 2015, with those associated with commercial and employment land falling even further (-15%). In 2022 there was an 11% increase in the count of new enterprises since 2020 but an overall decrease of 7% since 2019. This suggests that the COVID-19 economic recovery has been steady but economic activity in Inverclyde has not yet reached the same level as before the pandemic. There has also been a 6% decrease in the count of active enterprises in 2022 when compared to 2017.

TABLE D1: BUSINESSES IN INVERCLYDE

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN INVERCLYDE BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN INVERCLYDE
Manufacturing (C)	85	6%	5%
Construction (F)	145	10%	14%
Wholesale (Part G)	50	3%	4%
Transport & storage (inc. postal) (H)	50	3%	5%
Information & communication (J)	60	4%	5%
Financial & insurance (K)	15	1%	2%
Professional, scientific & technical (M)	240	16%	14%
Business administration & support services (N)	120	8%	7%
Total Business Count	**765**	**50%**	**56%**
Retail (Part G)	*175*	*12%*	*10%*
Total Incl. Retail	**940**	**62%**	**66%**

Source: ONS, UK Business Count 2023

19.23 The overall number of businesses in Inverclyde has declined over the past few years, as has those relating specifically to employment land categories. Between 2015 and 2023, the number relating to employment land categories reduced by 11%.

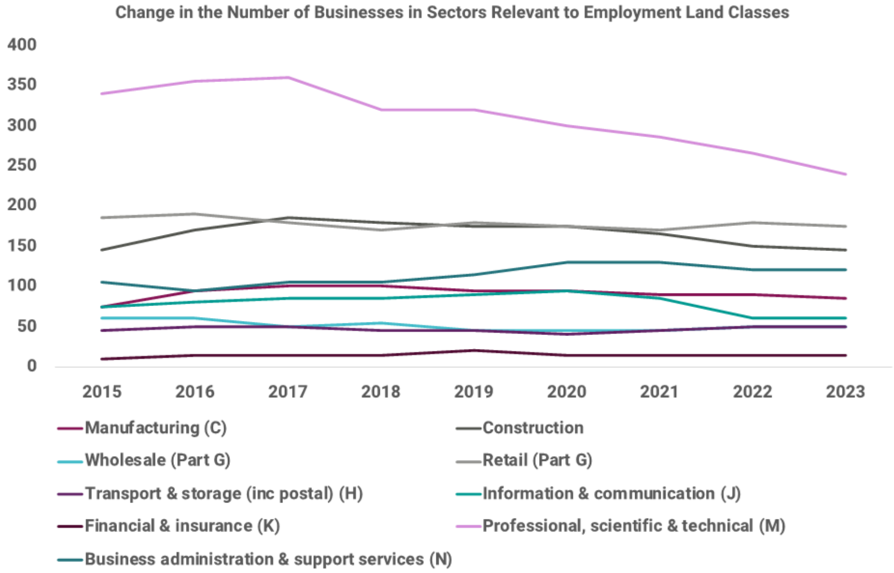
19.24 As shown in Table D2 and Figure D2 below, there has been a decrease in the business counts of enterprises in Inverclyde for professional, scientific, and technical activities (-29%) and information and communication (-20%) sectors between 2015 and 2023. The main increase regarding employment and commercial land sectors was in the financial and insurance (+50%), manufacturing (+13%) and transportation and storage sectors (+11% in business counts).

TABLE D2: BUSINESSES IN INVERCLYDE

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	85	75	13%
Construction (F)	145	145	0%
Wholesale (Part G)	50	60	-17%
Transport & Storage (incl postal) (H)	50	45	11%
Information & communication (J)	60	75	-20%
Financial & insurance (K)	15	10	50%
Professional, scientific & technical (M)	240	340	-29%
Business administration & support services (N)	120	105	14%
Total Business Count	**765**	**855**	**-11%**
Retail (Part G)	*175*	*185*	*-5%*
Total Incl. Retail	**940**	**1,040**	**-10%**

Source: ONS, UK Business Count 2023

FIGURE D2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

19.25 There was a 5% fall in the number of micro sized enterprises in Inverclyde between 2015 and 2023. There was a large shift in the number of micro enterprises by industry over the same period, including a 17% increase in business administration & support services enterprises and a 17% increase in counts of micro enterprises in the manufacturing sector. On the contrary, there was a decrease of 21% in the information & communication sector and a 29% decrease in the professional, scientific & technical sector for micro enterprises.

19.26 Small sized enterprises only decreased by 3% and the count of medium and large enterprises in the last decade stayed the same.

Employment

19.27 Total employment in Inverclyde in 2022 was approximately 25,500. Of this total, sectors relating to employment land class categories accounted for approximately 37% of employment.

19.28 Total employment in 2022 when compared to numbers from 2015 decreased by 15% in Inverclyde. The most significant sector which accounted for this decrease was the wholesale sector where there was a 36% decrease during the same period. Employment in construction fell 29% between 2019 and 2022 (Table D3).

TABLE D3: EMPLOYMENT IN INVERCLYDE

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	0%	0%
Construction	0%	-29%
Wholesale	-43%	13%
Transport & storage	50%	-17%
Information and communication	20%	-17%
Finance and insurance	-17%	0%
Professional, scientific and technical	0%	-20%
Business administration and support activities	-33%	0%
Employment Land Class Categories (Total)	**-7%**	**-9%**

Retail	*-14%*	*0%*
Total Employment	-12%	-3%

Source: ONS, Business Register and Employment Survey

Productivity

19.29 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of Inverclyde in 2023 was around £1,142m, with a GVA per job of £40,100. This is considerably lower than the GVA per job across GCR (£49,700) (Table D4)

TABLE D4: GVA

GVA PER JOB	2023 ESTIMATE
Inverclyde	£40,100
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

19.30 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

19.31 The most recent Future of Jobs report published by the World Economic Forum indicates that the macrotrends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

19.32 Forecasts produced by Oxford Economics for SDS estimate that employment in Inverclyde will increase by 1% over the next three years, and then decrease by almost 2% up to 2033, representing an overall decline over the next ten years. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 1% by 2026, equivalent to an additional 200 workers.

SUMMARY

19.33 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The Inverclyde Economic Regeneration Strategy recognises the area's historical strengths whilst identifying key sectors for potential growth.

19.34 NPF4 and Inverclyde's LDP make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. Inverclyde's LDP recognises the economic value of its ports, harbours and docks and seeks to retain these where possible for maritime related use where possible but also accepts that in some cases comprehensive redevelopment will be required. The LDP takes a sequential approach to its town and local centres with each serving a specific purpose and community with Greenock safeguarded as the main town centre within Inverclyde.

19.35 There is a desire to attract new employment to the area and the Plan identifies a generous supply of development land; including large scale sites such as Spango Valley and Inchgreen, medium sized sites at Main Street, and smaller sites such as Baker Street (all Greenock). This supply is intended to meet the aspirations of different sectors and business sizes.

19.36 In May 2021, Inverclyde Council published a new Proposed Local Development Plan however this did not progress and in 2024 work commenced on a new LDP for the area. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

19.37 From a funding perspective, Inverclyde is considered high priority for public sector funding and recently received an award from the UK Government's Levelling Up Fund to help transform Greenock Town Centre. From an employment perspective it has also created new employment space via its previous URC and the Regeneration Capital Grant Fund for example at Custom House. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects as could the ability of the Council to provide any match funding given the pressure of budgets currently. City Region Deal funding will improve the viability of employment land at the former Inverkip Power Station site and Inchgreen. There is also the possibility that City Deal funding will be used to create a public sector led commercial property fund for the area.

19.38 Half of businesses located in Inverclyde are in industries relating to employment land classes. In recent years there has been a collective decline of 11% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining in some sectors.

19.39 Employment in wholesale sectors has also been the largest source of employment increase in recent years, whilst that associated with other employment land class categories has declined.

19.40 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

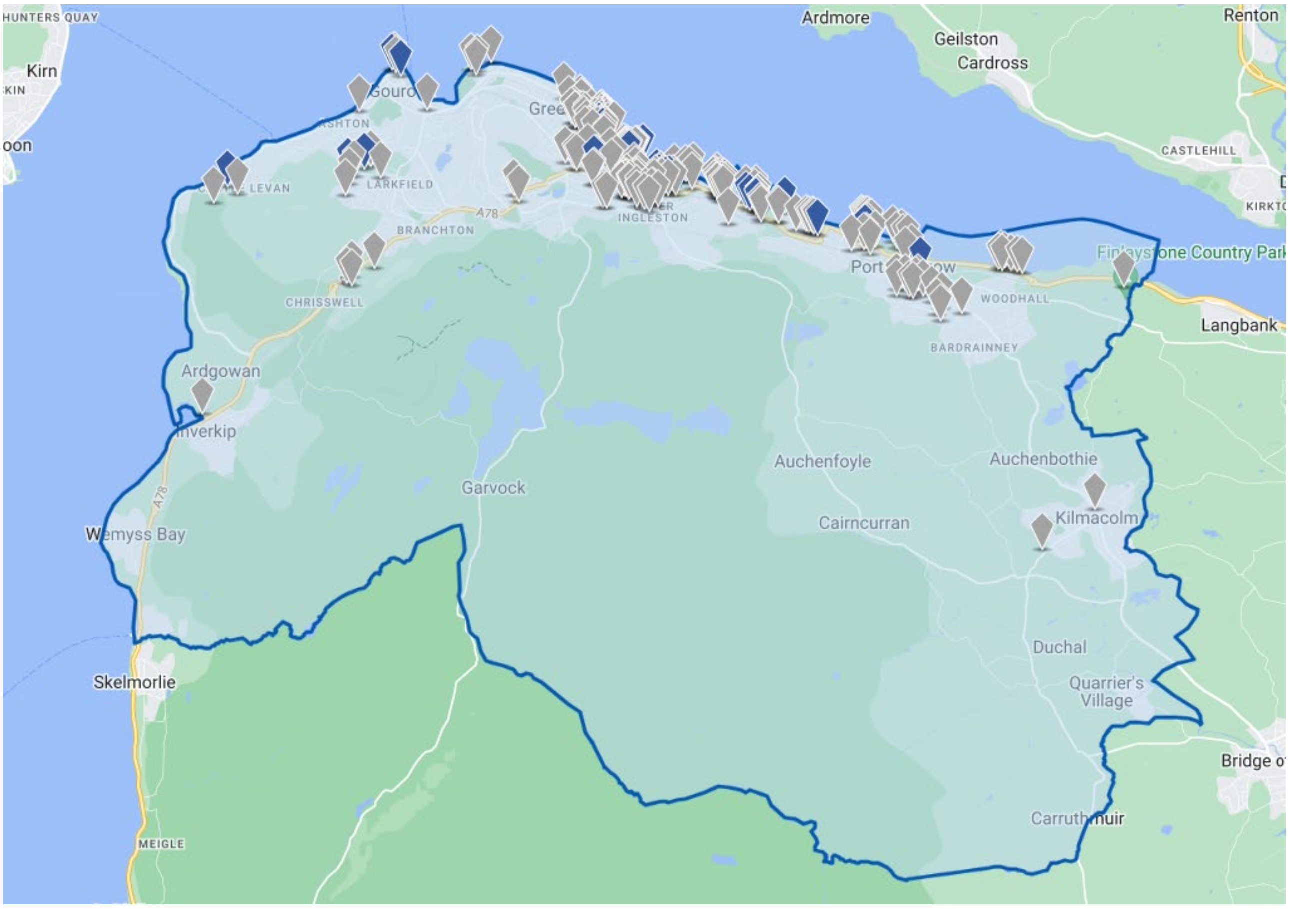
D3

INDUSTRIAL PROPERTY MARKET

21.1 This section considers the industrial property market in Inverclyde.

21.2 Employment properties are mainly located in the north of the Region, in close proximity to the ports and main transport routes of the A8 / A78. They are in the main towns of Port Glasgow, Greenock and Gourock (Figure D3).

FIGURE D3: INVERCLYDE EMPLOYMENT LOCATIONS



Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

21.3 Principal locations in Inverclyde are described in Table D5 on the next page.

21.4 In recent years, Inverclyde has had some high profile business closures including the IBM facility at Spango Valley (now demolished), offices on Riverside Business Park in Greenock, and the Amazon distribution facility at Faulds Road in Gourock. In addition, Berry BPI announced its manufacturing plant on Port Glasgow Road in Greenock is to close, and the EE contact centre in Greenock is closing and will relocate to Glasgow. These closures will increase property availability in the area.

TABLE D5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Lynedoch Industrial Estate, Greenock	Comprises 21 standalone and terraced industrial units totalling c. 74,000 sq.ft. of units built in the 1970s. Fully occupied. Owned by Riverside Inverclyde Property Holdings. Occupiers include Bathroom Elegance, Trade Right International and Online Furnace Services.
Larkfield Industrial Estate, Larkfield, Greenock	Units total c. 439,000 sq.ft. and built from the 1970s to 1990s. The 90,000 sq.ft. McGills Bus Depot and the c. 280,00 sq.ft. Diodes Semiconductors are located here. Also includes terraces of smaller units, some available for lease.
Kelburn Business Park, Port Glasgow	41,983 sq. ft of modern light-industrial and business accommodation within four separate terraces. Units range from 2,120 sq.ft. to 15,500 sq.ft. Fully let. Riverside Inverclyde Property Holdings. 4 blocks with 20 units from 2,120 sq.ft.
Riverside Business Park, Greenock	Comprises multi-let Ladyburn Business Centre, a renovated former school (25,300 sq.ft.); Clydeview built in 2000s (20,700 sq.ft.) and multi-let; and Ben Lomond View built in the 2010s (21,230 sq.ft.) and currently vacant (former IBM). Riverside Inverclyde Property Holdings.
Cartsburn Enterprise Zone, Greenock	Part of Inverclyde SEIL. Comprises a mix of office space totalling c. 210,000 sq.ft. and industrial space totalling c. 174,000 sq.ft. Offices built in the 1990s and 2000s and includes EE contact centre, RBS and Cigna UK, along with multi-let office pavilions. Industrial units built in 1990s and 2000s, occupiers include Home Fix Scotland and Tool Station. Sites on Employment Land audit here.
Inchgreen Marine Park, Greenock	Part of Inverclyde SEIL. £11m has been invested here as part of Glasgow City Region Deal. Partners are Peel Ports, Clydeport and Inverclyde Council. The Platers' Shed (28,000 sq.ft.) been refurbished and is available for lease. Sits beside Inchgreen Dry Dock. Sites on Employment Land audit here.
Kingston Industrial Estate and Kingston Business Park, Port Glasgow	Kingston Industrial Estate comprises 19 industrial units over two multi-let terraces totalling 22,834 sq.ft. Owned by Dalglen/ Easdale Brothers. Occupiers include Clyde Outboard Services and Wright Recovery Services. Kingston Business Park is a terrace of 9 units built in the 1990s of up to 10,000 sq.ft. each. Occupiers include Sanmina and Wiltshire Farm Foods
Port Glasgow Industrial Estate	Totals c. 557,000 sq.ft of industrial floorspace. Large units built mainly in the 1960s and 1970s with some in poor condition. Inverclyde Community Development Trust owns and leases units here. Occupiers include McLaren Packaging, Sangamo and Promedics Orthopaedics Ltd

Source: Ryden / CoStar/ Websites

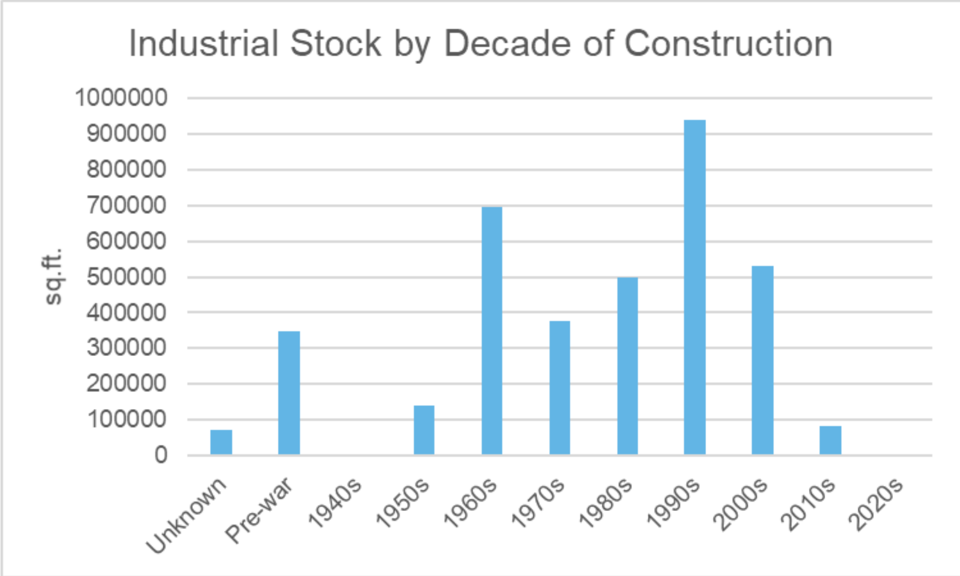
INDUSTRIAL STOCK

21.5 The local authority area's current stock of industrial property is estimated at 3.7 million sq.ft. This is 3.5% of Glasgow City Region's industrial stock.

21.6 Inverclyde has high industrial property availability, currently sitting at 9%, which is above the 4% for Glasgow City Region. Availability rates had been falling in recent years but rose into 2024 due to a large unit, the former c. 300,000 sq.ft. Amazon facility in Gourock, coming onto the market in Summer 2023.

21.7 The principal industrial property development eras were the 1960s to the 1990s: 1960s with 18%, 1970s with 10%; 1980s with 13%; and the 1990s with 25% of floorspace. Figure D4 shows industrial stock by decade in which it was constructed. Around 40% of the industrial stock is 40 years or older. In the 2000s, 12% of overall floorspace was developed providing more modern space, although nearly half of this space (c. 300,000 sq.ft.) is in the vacant former Amazon unit in Gourock.

FIGURE D4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION



Source: Ryden / CoStar

INDUSTRIAL SUPPLY

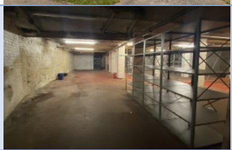
21.8 The supply of available industrial space in April 2024 totals 358,420 sq.ft. in 12 units, with a further 13,964 sq.ft. in 4 units under offer. This gives an industrial availability rate of 9% as noted above. However, nearly 300,000 sq.ft. is within one unit (former Amazon facility, Faulds Road in Gourock). Examples of industrial units currently on the market are in Table D5 on the next page. Although there are industrial properties available, the options in any particular size or location are not extensive and occupiers may still experience limited choice of premises suited to their requirements.

21.9 As noted above, Berry BPI announced its manufacturing plant on Port Glasgow Road in Greenock is to close (c. 120,000 sq.ft.) and it is likely this large unit will come to the market in the future.

21.10 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Nine of the available industrial units in Table D6 have a registered EPC rating. 5 buildings have mid-range EPC ratings of C, D or E and 4 have G, which is the worst. These building could be termed ‘environmentally obsolete’ without appropriate improvements.

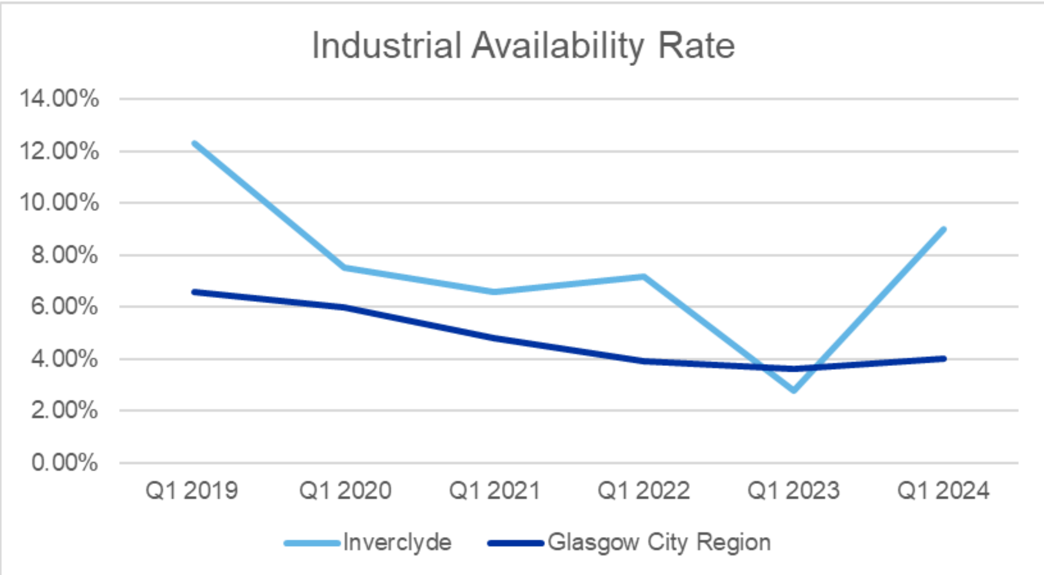
21.11 The industrial availability rate for Inverclyde is 9% as noted above. This has fallen from 12.3% in 2019, and is higher than the rate for Glasgow City Region. Figure D6 on the next page illustrates how the industrial property availability rate had fallen to c. 3% in 2023 but has risen into 2024.

TABLE D6: EXAMPLES OF CURRENT INDUSTRIAL SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 1, Faulds Road, Gourock		296,273	Substantial modern warehouse built in the 2000s on a 30.15 acre site. For lease. EPC rating D+
The Platers' Shed, Inchgreen, Port Glasgow Road, Greenock		28,066	Extensively refurbished marine engineering shed with cranage. For lease to marine related businesses. No EPC rating but fully refurbished
Unit 34, Larkfield Industrial Estate, Greenock		10,000	Warehouse unit with yard area. For lease at £4 per sq.ft. EPC rating G
Block 44 Muirshiel Road, Port Glasgow		6,000	Single storey refurbished unit with office space. Suitable for Class 4,5 and 6 uses. For lease at £4.50 per sq.ft. EPC rating G
Roxburgh House, 102 Roxburgh Street, Greenock		4,670	Basement storage space. For lease at £3.85 per sq.ft.
Unit 15, Earnhill Road, Larkfield Industrial Estate, Greenock		3,870	Mid-terrace warehouse unit built in the 1970s. Most recently used for storage purposes. For lease for a minimum of 1-year, at £5 per sq.ft. EPC rating G
The Trust, Muirshiel Road, Port Glasgow		356 609 610 616	Four rooms available for lease. Suitable for a range of uses, including manufacturing, storage, office, and training. Ideal starter or development space. EPC rating E

Source: Ryden / CoStar / Marketing Agents / Inverclyde Council

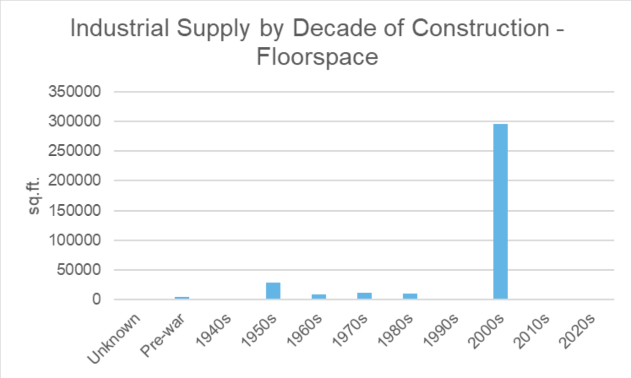
FIGURE D5: INDUSTRIAL AVAILABILITY RATE

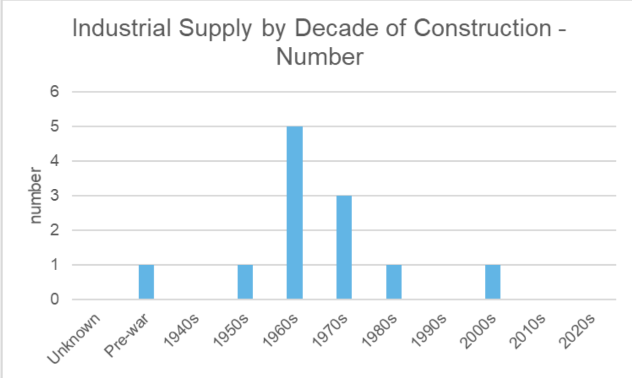


Source: Ryden / CoStar

21.12 Supply of industrial units by decade of construction indicate that 83% of available floorspace (the first chart) was built in the 2000s, again due to the former Amazon unit, but by number the 1980s saw the highest figure with 5 units (Figure D6).

FIGURE D6: INDUSTRIAL SUPPLY

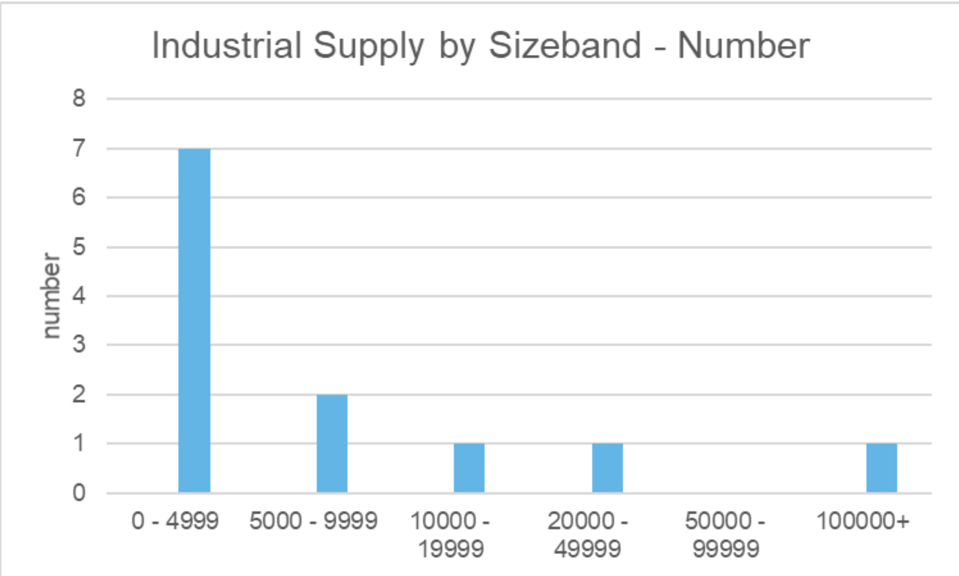




Source: Ryden / CoStar

21.13 By sizeband, the current supply of 12 industrial units is skewed towards the smaller ranges, principally smaller than 5,000 sq.ft. then also 5,000 – 9,999 sq.ft., with few available properties larger than 10,000 sq.ft. (Figure D7)

FIGURE D7: INDUSTRIAL SUPPLY BY SIZEBAND



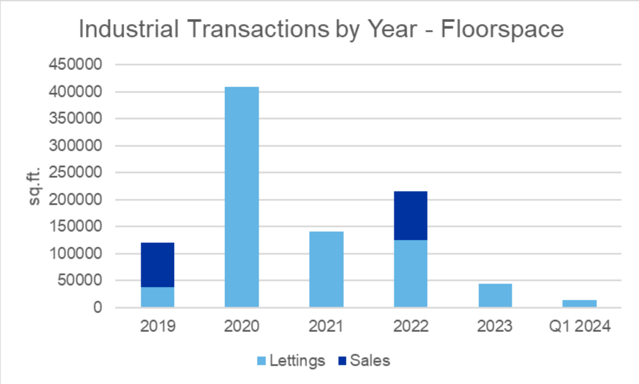
Source: Ryden / CoStar

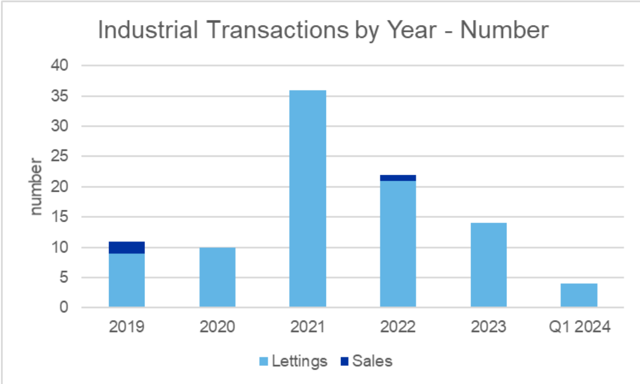
INDUSTRIAL TAKE-UP

21.14 Across Inverclyde, a total of 941,329 sq.ft. in 97 units has been taken-up (sales, lettings and lease renewals) since January 2019 to March 2024. This is an annual average of 177,609 sq.ft. in 18 units. 97% of transactions are lettings with the balance being industrial property sales.

21.15 The year 2020 had the highest volume of floorspace take up at 409,000 sq.ft., primarily due to a lease renewal to Amazon at Faulds Road in Gourock of c. 300,000 sq.ft. (Figure D8), while 2021 had the greatest by number at 36 units per annum, with almost half of these at 11 Dellingburn Street in Greenock. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

FIGURE D8: INDUSTRIAL TAKE-UP PER YEAR

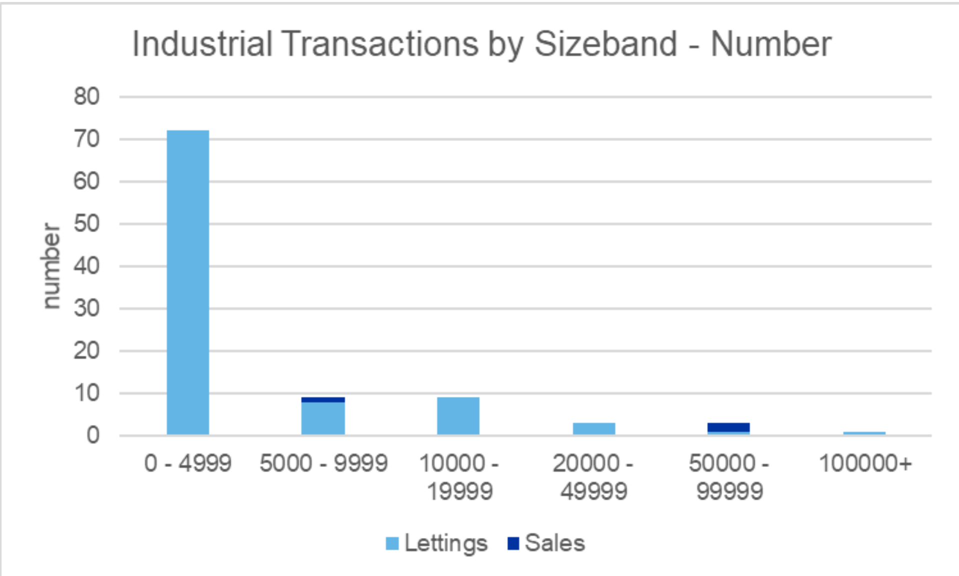




Source: Ryden / CoStar

21.16 Looking at industrial transactions by sizeband, the smallest range had the most activity (Figure D9). Properties up to 5,000 sq.ft. account for 74% of market activity. This is broadly aligned with supply in terms of the overall shape of the market, although given how limited that supply is there will be specific pinch-points in local areas and for types and sizes of industrial property.

FIGURE D9: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

21.17 A selection of recent transactions is presented in Table D7 on the next page. These reflect the size range and type of properties typically taken-up in Inverclyde. Achieved rents vary widely from £1.15 per sq.ft. for very basic older buildings up to £9.60 per sq.ft. for newer trade counter units.

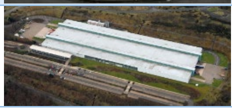
TABLE D7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS	SIZE (SQ.FT.)	DETAILS
Cappielow Industrial Estate, Greenock 	3,918	Let in March 2024 to Bathroom and Kitchen Universe on a 3-year lease at £5.10 per sq.ft.
Unit 1, Cappielow Trade Park, Greenock 	2,003	Let in January 2024 to Impressive Designs on a 5-year lease at £5.50 per sq.ft.
Unit 2, Drumfrochar Industrial Estate, Greenock 	2,690	Let in November 2023 to Radical Marine on a 5-year lease at £5 per sq.ft.
Unit 12, Kelburn Business Park, Port Glasgow 	1,175	Let in November 2023 to Downriver Coffee Roasters Ltd on a 3-year lease at £8 per sq.ft. Recently refurbished mid-terrace unit.
The Trust, Muirshiel Road, Port Glasgow 	6,000 1,216	Let in October 2023 to Adil Shahzad on a 5-year lease at £4.50 per sq.ft. Let in July 2023 to McGowan Fitness Ltd on a 3-year lease at £6.40 per sq.ft.
Units 5 & 6 Lynedoch Street, Lynedoch Industrial Estate, Greenock 	3,200	Let in August 2023 to Cleaning Services For You on a 1-year lease at c £2 per sq.ft., which reflects the condition of the building.
Unit 1 Empress Court, Greenock 	1,044	Let in July 2023 to James Frew Ltd at £9.60 per sq.ft. End terrace trade park unit.
15 Dellingburn Street, Dellingburn Industrial Estate, Greenock 	11,000	Let in June 2023 to B.Positive MOT & Repair Centre Ltd on a 20-year lease at £1.15 per sq.ft.
Block 5, Earnhill Road, Larkfield Industrial Estate, Greenock 	1,870 3,870	Let in February 2023 to Serca Tours Ltd on a 2-year lease at £4 per sq.ft. Let in February 2023 to Go Trek Roof Tent Hire Limited on a 2-year lease at £5 per sq.ft.

Source: Ryden / CoStar

21.18 Examples of transactions of industrial units sold for investment purposes rather than occupational are in Table D8 overleaf. One is a multi-let estate, while the others are single-let standalone units. Two investment yields are noted at 6.77% and 7.94% although those were in 2021 before the recent interest rate rises which depressed property investment values.

TABLE D8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Kingston Industrial Estate, Port Glasgow		Sold in November 2023 to Dalglen 180/ McGills Bus Service / Easdale Brothers. Two multi-let terraces totalling 22,834 sq.ft. with 19 industrial units in total, with 95% occupation
3 & 4 Anderson Street, Port Glasgow		Sold in June 2022 to Storage Vault with an asking price of £150,000. 11,020 sq.ft. unit. Let to a private individual for £5,000 pa on a FRI lease which expires in 2028.
2 Kelburn Terrace, Kelburn Business Park		Sold in December 2021 to Vardy Property Group for £2.9 million (6.77%), as part of a portfolio of two properties. Let to AMG Group Ltd
GLA1, Cloch Road, Gourock		Sold in March 2021 to The Ardent Companies for £12.19 million (7.94%) as part of a wider portfolio. 296,273 sq.ft. distribution unit let to Amazon at the time of sale.

Source: Ryden / CoStar

SUMMARY

21.19 Inverclyde has an estimated current stock of industrial property totalling 3.7 million sq.ft. Units tend to be located in the north of the region in close proximity to the ports, main transport routes and main towns of Port Glasgow, Greenock and Gourock.

21.20 Industrial property availability is currently 9% which is above average levels across the City Region. The majority of industrial supply is under 5,000 sq.ft. however occupiers may still experience limited choice of premises as most of the available supply is in one large building. EPC ratings of available properties are mid-range or lower.

21.21 Annual average industrial property take-up in Inverclyde is 177,609 sq.ft. across 18 units with the vast majority lettings rather than sales. The floorspace take-up rate is skewed by some particularly large units such as Amazon at Faulds Road, Greenock (c. 300,000 sq.ft., now closed).

21.22 Most industrial transactions concern properties up to 5,000 sq.ft. This is broadly aligned current supply. Achieved rents vary widely from £1.15 per sq.ft. for very basic older buildings up to £9.60 per sq.ft. for newer trade counter units.

D4

OFFICE PROPERTY MARKET

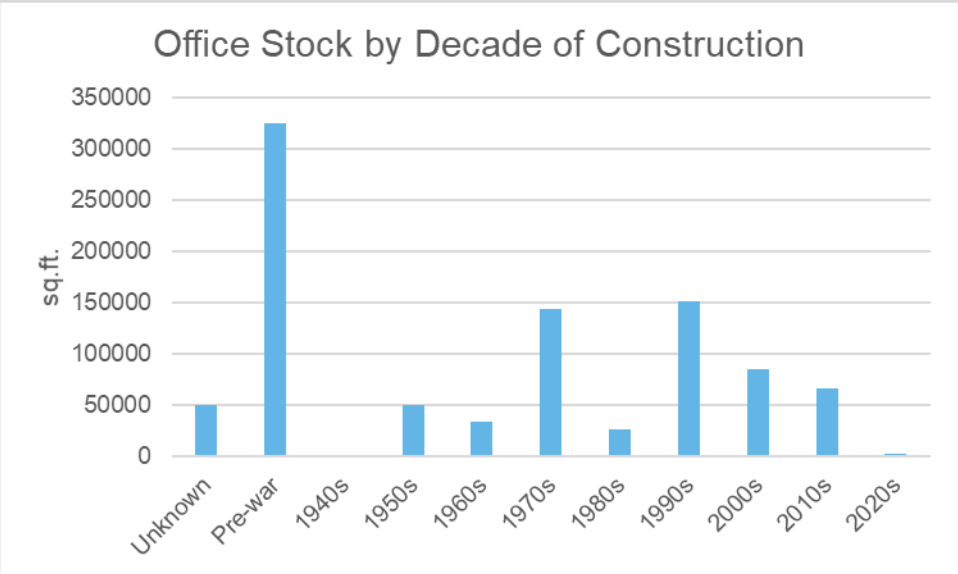
22.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements. This section considers the office property market in Inverclyde.

OFFICE STOCK

22.2 Inverclyde's stock of office property is estimated at 940,000 sq.ft., which are scattered throughout the Region in town centres and upper floors in town centres, on business parks and in business centres. Some of the purpose-built office stock was highlighted on Table D4 above. This is 2.2% of Glasgow City Region's office stock.

22.3 Around 35% of the office stock was constructed pre-war. The principal development era was the 1990s with the development of office pavilions primarily at Cartsburn in Greenock. Figure D10 shows office stock by decade in which it was constructed. Around 60% of the office stock is 30 years or older. In the 2000s 17% of overall office floorspace was developed providing a further wave of modern space.

FIGURE D10: OFFICE STOCK BY DECADE OF CONSTRUCTION



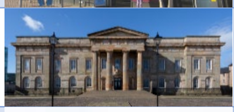
Source: Ryden / CoStar

OFFICE SUPPLY

22.4 The current office supply of c. 143,995 sq.ft. is contained within 31 offices, however the supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres.

22.5 Examples of current supply are in Table D9 below. A notable proportion of the offices currently on the market are modern. As noted above the EE contact centre (61,740 sq.ft.) in Greenock is closing and will be likely to come to the market in the future.

TABLE D9: EXAMPLES OF CURRENT OFFICE SUPPLY

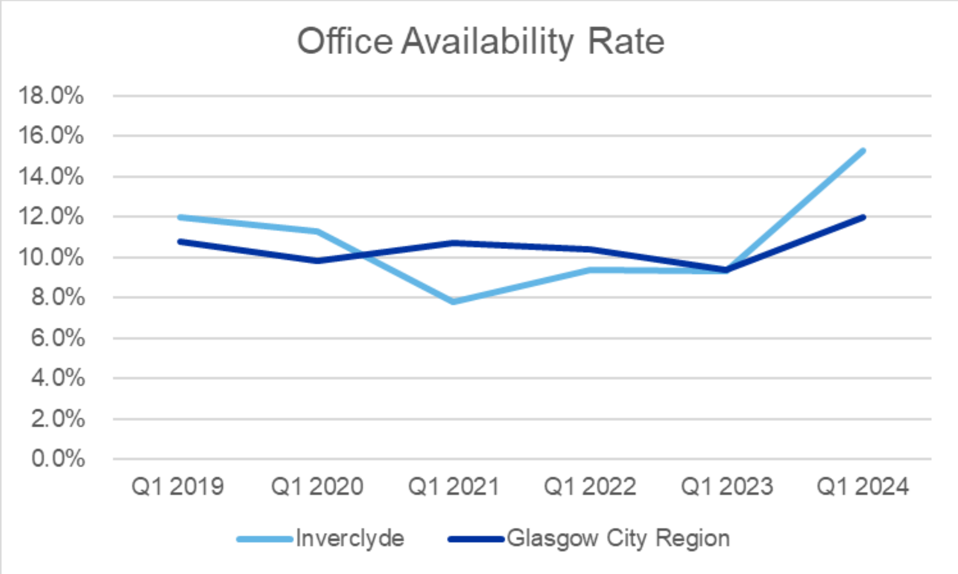
ADDRESS	SIZE (SQ.FT.)	DETAILS
Ben Lomond View, Pottery Street, Riverside Business Park, Greenock 	21,230	Modern two storey open-plan office pavilion built in 2013. Former IBM offices. For lease on a floor by floor basis at £14 per sq.ft. Current EPC rating D but a target of B post refurbishment.
128 Cathcart Street, Greenock 	18,890	Four storey plus basement former bank, constructed in the 1970s. For sale at offers over £500,000
Cathcart House, 6 Cathcart Square Greenock 	15,324	Grade B listed five storey and basement office building in Greenock town centre. Mix of open plan and cellualr offices. The ground floor and basement has Class 3 consent. For lease at £7.50 per sq.ft. as a whole or on a floor by floor basis. May sell. EPC rating D
Holt Court, 1 Arthur Street, Cartsburn, Greenock 	10,762	Three storey modern open plan office pavilion. Sub-divisible into smaller suites. For lease for a minimum of 2-years at c. £13 per sq.ft. EPC rating B
Victory Court, 2 Arthur Street, Cartsburn, Greenock 	2,403	First floor open plan office within modern office pavilion. For lease at £12.50 per sq.ft. EPC rating B
Clydeview, 22 Pottery Street, Riverside Business Park, Greenock 	1,095	Modern open plan office space on first floor. For lease at £12 per sq.ft.
32 Kempock Street, Gourock 	807	Office suite on second floor of modern building, above retail unit. For lease at £10 per sq.ft. EPC rating D+
Custom House, Custom House Quay, Greenock 	From 289	Open plan office suites available in redeveloped Grade A listed building. For lease at £13 per sq.ft. EPC rating C
Ladyburn Business Centre, Pottery Street, Riverside Business Park, Greenock 	From 226	Office suites in modernised building. For lease for a minimum of 1-year at £8 per sq.ft.

Source: Ryden / CoStar / Marketing Agents / Inverclyde Council

22.6 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. 18 of the available offices have an EPC rating. Two office achieve a good rating of B; 12 have mid-range ratings of C, D, D+ or E; while 4 have poor ratings or E or F, which is the worst.

22.7 Inverclyde has an office availability rate of 15.3%. This is above the 12% office availability rate for Glasgow City Region and has been rising recently (Figure D11). If the EE contact centre is added to this, it would take office availability to 21.8% which is structural market challenge rather than normal.

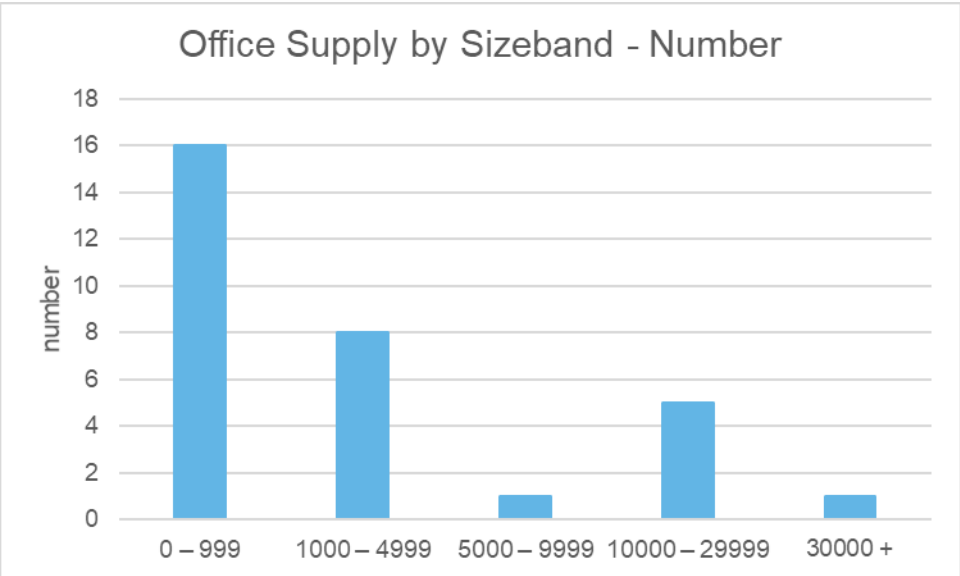
FIGURE D11: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

22.8 In terms of the sizes of available offices, the smallest sizeband of less than 1,000 sq.ft. has half of available office suites (Figure D12) and many of the medium to larger offices are also available on a flexible, sub-divisible basis. Examples are provided in Table D8 above.

FIGURE D12: OFFICE SUPPLY BY SIZEBAND



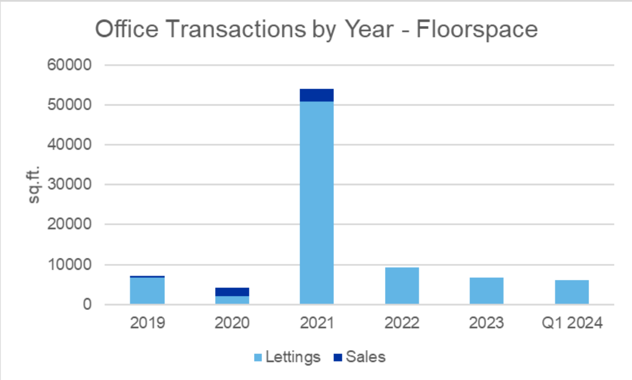
Source: Ryden / CoStar

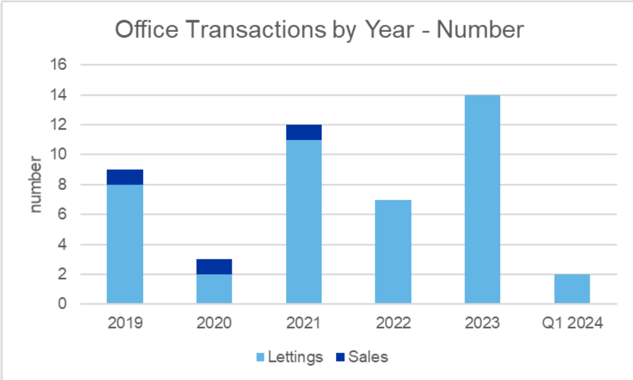
OFFICE TAKE-UP

22.9 Demand for offices in Inverclyde is demonstrated by 87,452 sq.ft. in 47 offices of take-up (sales, lettings and lease renewals) from January 2019 to March 2024. This is an annual average of 16,500 sq.ft. in 9 offices. The large majority (93%) of transactions are lettings while the balance are sales.

22.10 The year 2021 had the highest volumes of floorspace take up, with c. 56,000 sq.ft., although c 31,000 sq.ft. of this was within one office. Floorspace take-up has fallen to c 8,800 sq.ft. in 2023 (Figure D13). Although 2023 had lower floorspace take-up it had the highest by number of office taken-up at 14. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

FIGURE D13: OFFICE TAKE-UP PER YEAR

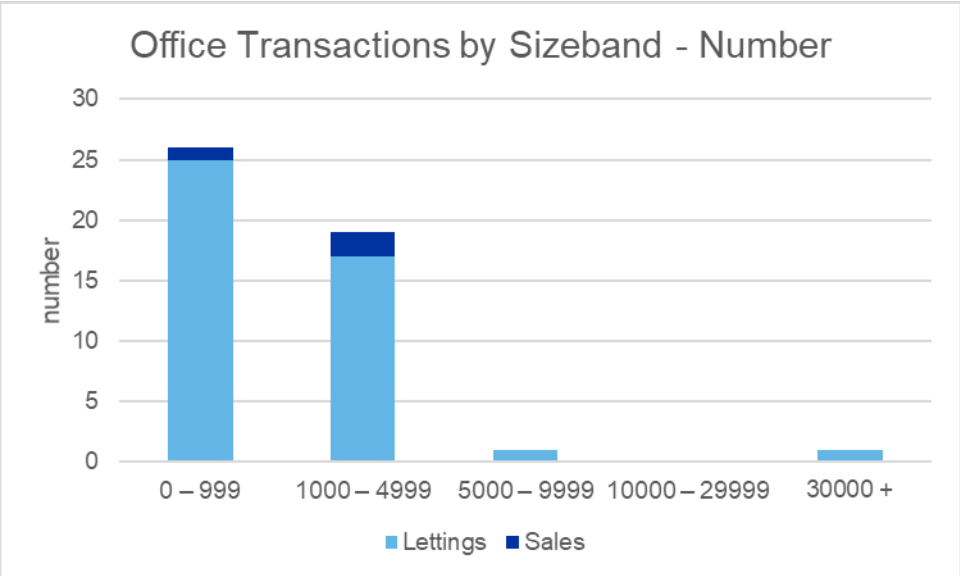




Source: Ryden / CoStar

22.11 Looking at office transactions by sizeband, the sizeband up to 1,000 sq.ft. had the majority (55%) of transactions while almost all deals were below 5,000 sq.ft. (Figure D14). This signals a market composed largely of micro and small businesses, as indicated by the examples of transactions in Table D9.

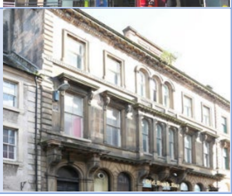
FIGURE D14: OFFICE TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

22.12 A selection of recent transactions is provided in Table D10 on the next page. The majority are smaller offices and achieved rents vary widely from £4.80 per sq.ft. for basic older buildings up to £12 per sq.ft. for modern office space.

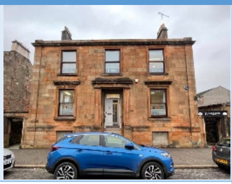
TABLE D10: RECENT OFFICE TRANSACTIONS

ADDRESS	SIZE (SQ.FT.)	DETAILS
Scarlow House Business Centre, Port Glasgow 	102 123 120	Let in January 2024 to an existing expanding tenant on a 1-year lease Let in August 2023 to Donnachie Advertising Ltd on a 1-year lease Let in August 2023 to Wescott Industrial Services on a 1-year lease
Ladyburn Business Centre, Pottery Street, Riverside Business Park, Greenock 	355 830 420	Let in November 2023 to Digit-AI on a 1-year lease at £8 per sq.ft. additional space in the business centre Let in June 2023 to Morrison Energy Services on a 1-year lease Let in May 2023 to Emma Davis Artists on a 1-year lease at £8 per sq.ft.
33 Nicolson Street, Greenock 	788	Let in July 2023 to PixelPunks Ltd on a 2-year lease at c. £9 per sq.ft. Office suite on first floor above retail unit
Westburn Centre, Dalrymple Street, Greenock 	600 2,100	Let in March 2023 to Action for Children on a 1-year lease Let in February 2023 to CVS Inverclyde on a 1-year lease
Duff Street, Greenock 	150 150 150	Let in January 2023 to Michelle Gillespie Let in January 2023 to Liam Martin Gas Let in January 2023 to CBT Inverclyde All on 1-year leases at rents between £11 - £14 per sq.ft.
Kempock Street, Gourock 	925	Let in October 2022 to Murray & Henderson CA on a 5-year lease at £12 per sq.ft. Offices on 2nd floor
11 William Street, Greenock 	2,000	Let in October 2022 to Afro-European Language Services Limited on a 3-year lease at £4.80 per sq.ft.

Source: Ryden / CoStar

22.13 Examples of offices sold for investment purposes rather than occupation are shown in Table D11 on the next page. All are let to a single occupier. These achieved yields of 8.25% (prior to rising interest rates) up to 18.46%. Double-digit investment yields for offices underscore the challenges of the market transition currently underway.

TABLE D11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
20 Union Street, Greenock		Sold in December 2022 for £230,000 (9.6%). 2,600 sq.ft. two-storey traditional office building. Ground floor is let on a long-term lease to a charity a £12,000 pa
Cigna House, 1 Knowe Road, Greenock		Sold in March 2022 to HKIP (Cigna House) Ltd for £2.24 million (17.10%). The building totals 30,834 sq.ft. let to Cigna Health Care at £405,000 pa
4 Main Street, Greenock		Sold in May 2021 to Hardington Capital for £9.25 million (8.25%). 61,740 sq.ft. office let to EE as a call centre
99-101 Dalrymple Street, Greenock		Sold in January 2020 to Arrowmere Capital 7 Ltd for £3.05 million (18.46%). Had an asking price of £4.7 million. 1970s office building of 59,395 sq ft let to Job Centre with rental income of £600,000 pa, equating to £10.10 per sq.ft. Lease expires on 1st April 2026

Source: Ryden / CoStar

SUMMARY

22.14 Inverclyde's stock of office property is estimated at 940,000 sq.ft. It is dispersed across the area in town centres and upper floors in town centres, on business parks and in business centres. Around 60% of the office stock is 30 years or older although waves of modern development have been delivered too.

22.15 The current office supply of c. 143,995 sq.ft. is contained within 31 offices. Much the supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. The majority of available offices have a mid-range EPC rating. Inverclyde has an office availability rate of 15.3% which is above the rate for Glasgow City Region and has been rising recently and may rise again.

22.16 The annual average office property take-up rate in Inverclyde is 16,500 sq.ft. in 9 offices. The majority of transactions are lettings rather than sales and for 1,000 sq.ft. or less. This signals an office market composed largely of micro and small businesses. Rents vary widely from £4.80 per sq.ft. for basic older buildings up to £12 per sq.ft. for modern office space.

D5

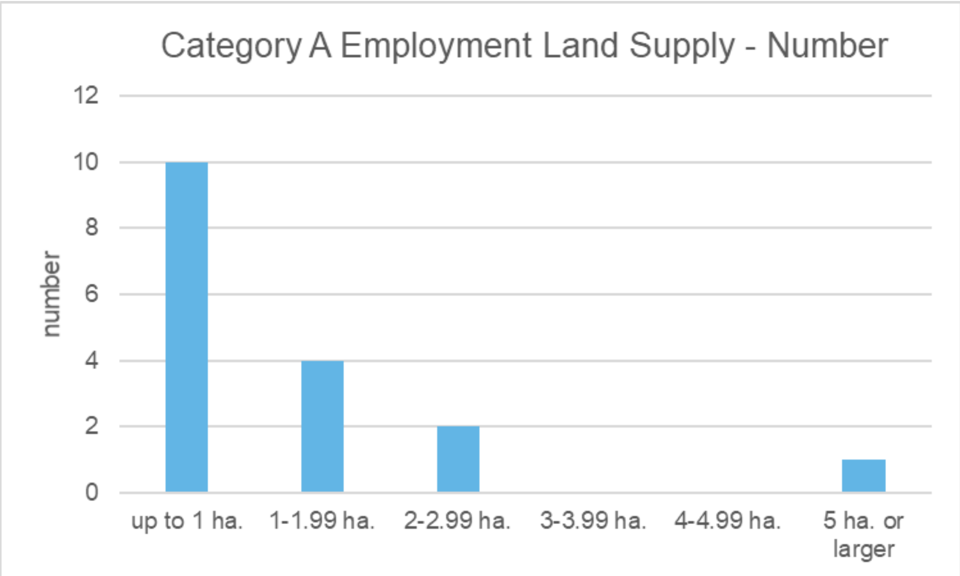
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

23.1 Clydeplan's 2022/2023 audit of employment land identifies that Inverclyde has a current supply of 17 Category A sites totalling 29.92 hectares. Category A sites are those available for industry and business purposes and free of significant constraints.

23.2 The majority of these sites - 10 sites totalling 5.04 ha - are smaller than 1 hectare (Figure D15).

FIGURE D15: EMPLOYMENT LAND SUPPY



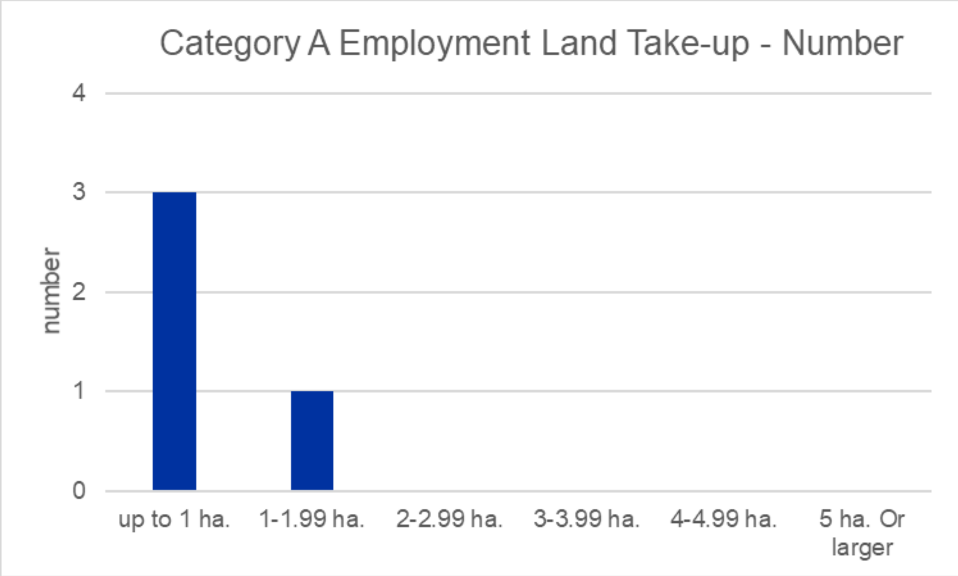
Source: Clydeplan / Ryden

23.3 Assessing the mix of sites within this employment land supply:

- Greenock has most of the supply with 12 sites totalling 26.31 ha; Port Glasgow has the remaining 5 sites totalling 3.61 ha.
- All of the sites are brownfield.
- Seven of the sites are privately owned, 6 are publicly owned, and ownership is unknown for 4 sites.
- The largest site is the former IBM site at Spango Valley in Greenock which is 13.72 ha.

23.4 Take-up of Employment Land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies 4 sites totalling 2.81 ha as being taken up in the area for employment uses. All were smaller than 2 hectares (Figure D16). This is an annual average of <1 ha and <1 site per annum which suggests the employment land market is not particularly vibrant.

FIGURE D16: EMPLOYMENT LAND TAKE-UP



Source: Clydeplan / Ryden

23.5 Assessing the mix of sites within this employment land take-up:

- All 4 of the sites totalling 2.81 ha were taken-up in Greenock.
- Three sites totalling 2.6 ha were taken-up for bespoke development : 1 class 4, 1 class 6 and 1 sui generis. The remaining site (0.21 ha) was taken-up for speculative development.
- All of the sites were brownfield.

23.6 Despite the allocated levels of employment land in Inverclyde there is only one development site being actively marketed for sale, as detailed in Table D12. This is a very large brownfield site which is being marketed for a residential led mixed-use development. Employment land would be required as part of a wider masterplan for the site. The site is not currently suitable for small local businesses.

TABLE D12: MARKETED EMPLOYMENT LAND

ADDRESS	SIZE	DETAILS
Valley Park, Inverkip Road, Spango Valley, Greenock 	Whole site 71.2 acres (28.8 ha) Employment uses 8.4 acres (3.4 ha)	Significant brownfield site. The site of the former IBM electronics manufacturing facility, which has been demolished. For sale for a residential led mixed-use development. The strategy identifies the land as being suitable for a mixed use development: - Business, Industrial, Storage, Distribution (no less than 35% of developable area) - Housing (no more than 50% of the developable area) - Residential institutions - Non-residential institutions - Neighbourhood retail - Leisure and recreation - Park and ride **Planning Permission in Principle 20/0021/IC** Proposed mixed-use development comprising residential, industrial/business use, retail & leisure use and park & ride with associated roads infrastructure, access, open space, landscaping and drainage. The Planning Statement notes up to 8.4 acres (3.4 ha) proposed for employment uses in the north east of the site.

Source: Ryden / CoStar/ Marketing agents

23.7 Market evidence of employment land transactions from CoStar confirm that 4 sites totalling 3.65 acres (1.48 hectares) have been sold for employment use since January 2019. These are provided in Table D13. Two have known planning applications for industrial units, neither has been constructed yet.

TABLE D13: EMPLOYMENT LAND TRANSACTIONS

ADDRESS		SIZE ACRES (HECTARES)	DETAILS
Prospecthill Road, Greenock		1.3 (0.54 ha)	Sold November 2023. Large secure self-contained storage yard, for light industrial storage purposes. Asking price offers over £25,000
Fyfe Shore Road, Port Glasgow		0.75 (0.3 ha)	Sold September 2021 for £45,000. Former gas works site. No planning application.
Orchard Street, Greenock		1.1 (0.44 ha)	Sold in October 2020 for £125,500. Former concrete batching plant site with a usable / developable area of approximately 0.65 acres. Application for nine industrial and storage units and five garages. See Table D13 below
1 Kelburn Business Park, Port Glasgow		0.5 (0.2 ha)	Sold in July 2019 to a private individual for £45,000. Undeveloped parcel of land. Application for the erection of Class 5 and 6 industrial units. See Table D13 below

Source: Ryden/ CoStar

DEVELOPMENT

23.8 Recent speculative employment property developments and proposals in Inverclyde are presented in Table D13 on the next. The Baker Street Food and Drink Hub has already been built out. Some of the larger regeneration projects are at a pre-development stage.

23.9 In addition to the speculative proposals in Table D14, Inverweld Ltd has been granted permission to construct two buildings, c. 6,500 sq.ft. and c 1,700 sq.ft. at Upper Cartsburn Street in Greenock for the relocation of its operations.

23.10 As noted earlier in the funding section, the Platers' Shed at Inchgreen Drydock in Greenock, has undergone extensive refurbishment with new cladding and roofing. It is currently on the market for lease to marine related businesses.

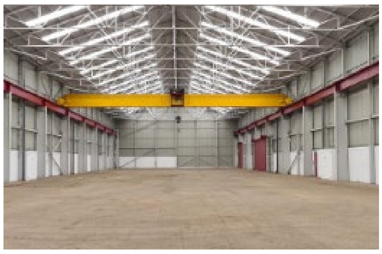
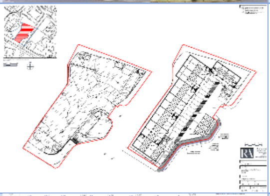


TABLE D14: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
Baker Street Food and Drink Hub, 18 Baker Street, Greenock		Built by Riverside Inverclyde in 2022. Comprises c. 2,905 sq.ft. of **light industrial** space in 6 high quality kitchen workshops. Units range from 344 to 785 sq.ft. £1.8 million facility. 2 of the kitchen units are currently available to let.
Orchard Street, Greenock		Planning application (23/0074/IC) for the proposed development of building comprising nine units for **industrial and storage** uses (Class 5 and 6) and building comprising five garages for industrial and storage uses (Class 5 and 6), with associated infrastructure and parking. Permission granted subject to conditions in August 2023. Applicant Dalglen (no1810) Ltd.
1 Kelburn Business Park, Port Glasgow		Planning application (22/0034/IC) for the development of **Class 5 and 6 industrial** Units. Seven units to total 6,374 sq.ft. Granted subject to conditions in September 2023. Applicant Helco Developments Ltd
Former IBM site, Spango Valley, Greenock		**Industrial** development proposed here as part of a residential led mixed-use proposals. Proposed by Easdale Brothers.
Former Police Station, Kempock Place, Gourock		A change of use of the ground floor of the former police station to a Class 4 **business centre** was granted in July 2023. Former cells as well as four other rooms will become offices. Applicant Tony Dhesi. The building is Grade C listed. The building is currently under offer.
Cartsdkye Avenue, Greenock		Planning application (21/0174/IC) for the development of a two storey **office** building (Class 4) and drive thru coffee shop (Class 3) granted in April 2022. Applicant LGO4 Ltd. The two storey office will total c. 9,000 sq.ft. The drive thru, Starbucks, opened in March 2024.
Inverkip Power Station, Inverkip		City Deal Project. Infrastructure and development works around the former Inverkip Power Station site will create land for housing and commercial uses
Inchgreen Marine Park, Greenock		City Deal Project. The redevelopment of Inchgreen to create a dedicated on shore marine hub. Also see tables D4 and D5 above.

Source: Ryden/ CoStar/ Websites

SUMMARY

23.11 Inverclyde has a current allocated employment land supply of 17 Category A sites totalling 29.92 hectares. Category A sites are those available for industry and business purposes and free of significant constraints. The majority of sites are brownfield and less than 1 hectare. The largest site is 13.72 ha comprising the former IBM site at Spango Valley, Greenock.

23.12 Average annual employment land take up is <1 ha and <1 site per annum. Despite the allocated levels of employment land in Inverclyde only the Spango Valley site is currently on the market. This very large brownfield site is being marketed for a residential led mixed-use development of which employment land would be no less than 35% of the developable area. It is not currently a site suitable for local businesses.

23.13 In terms of employment land transactions, 4 sites totalling 3.65 acres have been sold for employment use since January 2019. Two have known planning applications for industrial units.

23.14 Recent speculative development in the area includes the Baker Street Food and Drink Hub which was completed in 2022. This comprises 6 specialist kitchen workshop units, of which 2 are currently on the market. Planning applications have been granted for other speculative employment space however these have yet to come to fruition. Some larger regeneration sites are still at the pre-development stage. Some expansion and refurbishment by existing businesses is also occurring.

D6

SUMMARY AND MARKET NEEDS

24.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The Inverclyde Economic Regeneration Strategy recognises the area's historical strengths whilst identifying key sectors for potential growth.

24.2 NPF4 and Inverclyde's LDP make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. Inverclyde's LDP recognises the economic value of its ports, harbours and docks and seeks to retain these where possible for maritime related use where possible but also accepts that in some cases comprehensive redevelopment will be required. The LDP takes a sequential approach to its town and local centres with each serving a specific purpose and community with Greenock safeguarded as the main town centre within Inverclyde.

24.3 There is a need to attract new employment to the area and the Plan identifies a generous supply of development land; including large scale sites such as Spango Valley and Inchgreen, medium sized sites at Main Street, and smaller sites such as Baker Street (all Greenock). This supply is intended to meet the aspirations of different sectors and business sizes.

24.4 In May 2021, Inverclyde Council published a new Proposed Local Development Plan however this did not progress and in 2024 work commenced on a new LDP for the area. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

24.5 From a funding perspective, Inverclyde is considered high priority for public sector funding and recently received an award from the UK Government's Levelling Up Fund to help transform Greenock Town Centre. From an employment perspective it has also created new employment space via its previous URC and the Regeneration Capital Grant Fund for example at Custom House. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects as could the ability of the Council to provide any match funding given the pressure of budgets currently. City Region Deal funding will improve the viability of employment land at the former Inverkip Power Station site and Inchgreen. There is a possibility that City Deal funding will be used to create a public sector led commercial property fund for the area. Projects may also come forward to be included in the Innovation Zone.

24.6 Half of businesses located in Inverclyde are in industries relating to employment land classes. In recent years there has been a collective decline of 11% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining in some sectors.

24.7 Employment in wholesale sectors has also been the largest source of employment increase in recent years, whilst that associated with other employment land class categories has declined.

24.8 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

24.9 Inverclyde has an estimated current stock of industrial property totalling 3.7 million sq.ft. Units tend to be located in the north of the region in close proximity to the ports, main transport routes and main towns of Port Glasgow, Greenock and Gourock.

24.10 Industrial property availability is currently 9% which is above the regional average levels. Despite this however occupiers may still be experiencing limited choice of premises as much of the space available is within one very large unit. EPC ratings of available properties are mid-range or lower.

24.11 The supply of industrial units by decade of construction indicate that 83% of available floorspace was built in the 2000s but that is due again to one marketed unit. The majority of industrial supply is under 5,000 sq.ft. with a distinct lack of properties available above 10,000 sq.ft.

24.12 Annual average industrial property take-up in Inverclyde is 177,609 sq.ft. across 18 units with the vast majority being lettings rather than sales. The floorspace take-up rate is skewed by some particularly large units such as Amazon at Faulds Road, Greenock (c. 300,000 sq.ft., now closed).

24.13 Most transactions concern smaller properties of up to 5,000 sq.ft. This is broadly aligned with supply. Achieved rents vary widely from £1.15 per sq.ft. for very basic older buildings up to £9.60 per sq.ft. for newer trade counter units

24.14 Even before the recent rises in development costs and reduced investment values, Inverclyde struggled to support speculative development. Provision of modern industrial stock will thus fall to refurbishment of suitable existing stock, occupier-led development, public sector development and (potentially) cross-funding through higher value land uses.

24.15 Inverclyde’s stock of office property is estimated at 940,000 sq.ft., dispersed across town centres, on business parks and in business centres. Around 60% of the office stock is 30 years or older.

24.16 The current office supply of c. 143,995 sq.ft. is contained within 31 offices and is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. The majority of available offices have a mid-range EPC rating. Inverclyde has an office availability rate of 15.3% which is above the rate for Glasgow City Region and has been rising recently and may rise again.

24.17 The annual average office property take-up rate in Inverclyde is 16,500 sq.ft. in 9 offices. The majority of transactions are lettings rather than sales and for 1,000 sq.ft. or less. This signals an office market composed largely of micro and small businesses. Rents vary widely from £4.80 per sq.ft. for basic older buildings up to £12 per sq.ft. for modern office space.

24.18 Office rents at this level are not sufficient to support new development. Refurbishment and sub-division may be a selective option for currently vacant office buildings, on a case-by-case basis if a market and economic rationale can be developed.

24.19 Inverclyde has a current allocated employment land supply of 17 Category A sites totalling 29.92 hectares. Category A sites are those available for industry and business purposes and free of significant constraints. The majority of sites are brownfield and under 1 hectare. The largest site is 13.72 ha at the former IBM site at Spango Valley, Greenock.

24.20 Average annual employment land take up is <1 ha and <1 site per annum which suggests the employment land market is not particularly vibrant. Despite the allocated levels of employment land in Inverclyde there is only the Spango Valley site is currently on the market. This very large brownfield site is being marketed for a residential led mixed-use development of which employment land would be no less than 35% of the developable area. It is not currently a site suitable for local businesses.

24.21 In terms of employment land transactions, 4 sites totalling 3.65 acres have been sold for employment use since January 2019. Two have known planning applications for industrial units.

24.22 Recent speculative development in the area includes the Baker Street Food and Drink Hub which was completed in 2022. This comprises 6 specialist kitchen workshop units, of which 2 are currently on the market. Planning applications have been granted for other speculative employment space however these have yet to come to fruition. Some expansion and refurbishment by existing businesses is also occurring.

MARKET NEEDS

24.23 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for Inverclyde based upon the regional priorities and the research in this appendix are set out in Table D15. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table D15 should be read in conjunction with that.

TABLE D15: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to replace stock in tertiary areas which is ageing towards obsolescence. The strongest market is for smaller units. New development is likely to require public sector support (potentially direct development) unless occupier-led or cross-funded by higher value land uses.
Refurbished industrial property	There is scope to refurbish older stock on well-located estates to prolong their lives and deliver energy efficiency. Market failure would indicate that public sector support is required. The Council is in control of the upgrade of its own portfolio.
Office / business space	Hybrid working is compounding closures and reduced employment to drive rising vacancies, including of modern buildings. While there is no current shortage of flexible office suites, vacated buildings should be tracked in case a specific opportunity to adapt arises support by market needs and an economic case.
Serviced employment land	Sites are allocated but market failure can mean that even minor constraints are a barrier to investment, while larger regeneration sites are still to be opened-up. Serviced employment land for local expansions and relocations and for mobile investment, including in target sectors such as marine, is therefore a priority.
Market intelligence[2]	The Council has a detailed understanding of property demand in its market area.

[2] In response to a request made by Ryden for this study, Inverclyde Council provided a comprehensive analysis of the property enquiries which it has received including the types of property sought, current location and type of business. Only one other local authority provided some partial enquiry so Inverclyde's analysis is not included here.

APPENDIX E

NORTH LANARKSHIRE

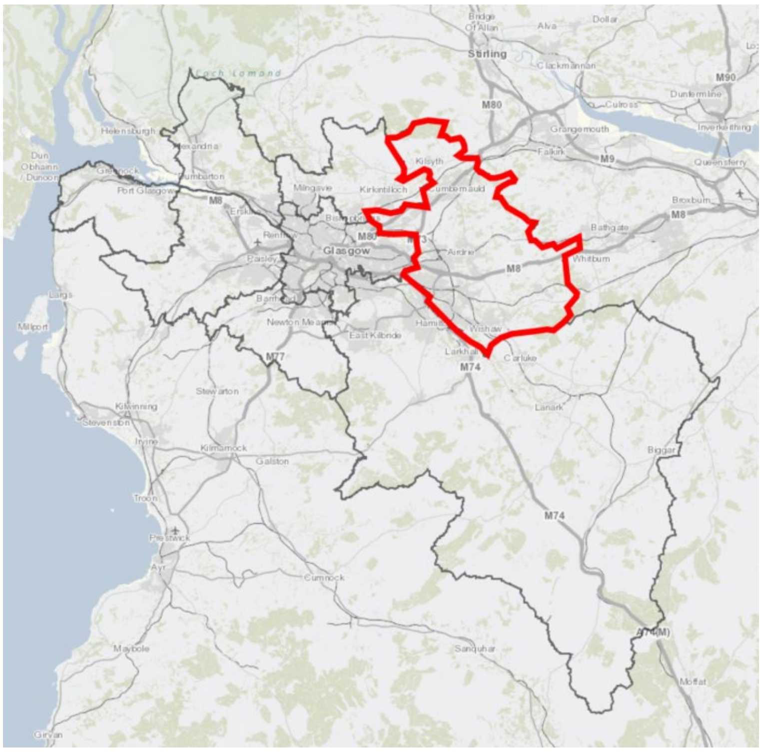
Ryden

E1

INTRODUCTION

25.1 North Lanarkshire is one of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. Highlighted on the Glasgow City Region map at Figure E1.

FIGURE E1: NORTH LANARKSHIRE: LOCATION WITHIN IN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

25.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

25.3 The contents of this North Lanarkshire report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

25.4 Analyses and summaries presented here are specific to North Lanarkshire. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

E2

ECONOMY AND POLICY

25.1 This section outlines economic and planning policy and provides an economic overview of North Lanarkshire. It also provides an overview of funding eligibility.

REGIONAL POLICY

25.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

25.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

25.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

25.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. City Region Deal projects in North Lanarkshire include a substantial access infrastructure project at Ravenscraig. This will include improving connections to the M8 and M74 allowing the future potential of Ravenscraig to be unlocked by improving access for new housing, businesses, schools, retail and leisure facilities. In addition, the East Airdrie Link Road will create a direct north south route from the M8 at the A73 Newhouse Interchange to the A73, north of Stand, improving traffic flow across the area and reducing journey times.

25.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

25.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

25.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects were approved following the RES including the creation of Innovation Districts and development of the Clyde Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

25.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

25.10 The **Plan for North Lanarkshire** sets the direction for the council and partners. Its purpose is to communicate the shared priorities and provide a focus for activities and resources. It presents a long-term vision for North Lanarkshire with 25 high level ambition statements which are aligned with five priorities:

- Improve economic opportunities and outcomes
- Support all children and young people to realise their full potential
- Improve the health and wellbeing of our communities
- Enhance participation, capacity and empowerment across our communities
- Improve North Lanarkshire's resource base

25.11 Key ambition statements directly relevant to this paper include a need to maximise the use of marketable land and assets through improved development in business and industrial infrastructure, market and promote North Lanarkshire as the place to live, learn, work, invest, and visit and to grow and improve the sustainability and diversity of North Lanarkshire's economy.

25.12 Planning and land uses within North Lanarkshire are guided by the **North Lanarkshire Local Development Plan** (NLLDP), which was adopted in July 2022 and outlines policy guidance on planning applications and includes reference to key sites across the region. The Council has the ambition for North Lanarkshire to be the place to live, learn, work, invest and visit. The regeneration of North Lanarkshire's economy and physical fabric is ongoing and the LDP aims to increase sustainable growth and regeneration to improve places.

25.13 Clydeplan identifies three Strategic Economic Investment Locations in North Lanarkshire, at Eurocentral, Gartcosh and Ravenscraig. They also identify Strategic Freight Transport Hubs at Eurocentral/Mossend and Gartsherrie. North Lanarkshire Council has identified 5 large-scale business investment centres incorporating the Strategic sites within wider areas that provide good locations for major rail/motorway connections and a number of planned industrial estates across urban North Lanarkshire to meet the needs of small and medium sized enterprises. There is also a focus on Newhouse Industrial Estate, Blairlinn Industrial Estate, Cumbernauld, and Braidhurst Industrial Estate, Motherwell for industrial provision.

25.14 The Council has recently commenced work on **NLLDP2.** It is anticipated that this will be adopted in 2028. **Local Place Plans** have a role to play in informing LDPs however they are also not a part of the statutory Development Plan.

25.15 North Lanarkshire measures performance through its strategic performance framework, which is supported by the five-year **Programme of Work to 2028**. There are seven main priorities for delivery with transforming places to better plan and co-ordinate public and private sector investment to deliver transformational change across town centres and local communities being the most significant from a commercial and employment land perspective.

25.16 Economic activity in North Lanarkshire is influenced by the **Economic Regeneration Delivery Plan 2023-2028**. It builds on the plan for the period 2019-23 and remains linked to the same four strategic priorities:

- Developing housing that promotes improved quality of life and creates a better place to live;
- Reshaping town centres to ensure they provide modern and attractive centres meeting community needs;
- Improving business and industrial infrastructure, creating opportunities for investment and for companies to start-up and relocate; and
- Improving connectivity and developing new opportunities by transforming road, rail, and digital infrastructure.

25.17 Recommendations around improving business and industrial infrastructure focus upon enabling investment to bring back to use vacant and derelict land, mixed-use development across the motorway corridors and investment support. These initiatives alongside investment in transport links are likely to affect the demand for employment and commercial land by making North Lanarkshire a more attractive location for business to invest in.

FUNDING

25.18 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. North Lanarkshire is high priority for public sector funding and received a substantial award from the Levelling Up Fund to establish Cumbernauld as a 21st Century town. The money has allowed the Council to acquire two failing, adjoining shopping centres for redevelopment into a mixed use town hub along with an adjacent office block. The town hub will provide business space in the redeveloped town centre. In addition, Coatbridge has been awarded £19.5m in UK Government funding over a 10-year period to develop and deliver a long-term vision for its regeneration.

25.19 The Council is one of the authorities eligible for the Vacant and Derelict Land Fund and it has made good use of this fund, as well as the Regeneration Capital Grant Fund to help pump prime the development of various sites for employment purposes, e.g. Newhouse and Gartcosh. This has generally been through its Special Purpose Vehicle, Fusion Assets, which works together with private sector partners via Joint Ventures for the delivery of property development and land reclamation initiatives. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

25.20 A focus of the City Region Deal funding in North Lanarkshire is on the regeneration of Ravenscraig which will also create new space for employment.

ECONOMIC OVERVIEW

Business Growth and Survival Rates

25.21 In 2023, North Lanarkshire was home to 7,575 business, of which 41% were in sectors relating to employment land class categories. The highest proportion of businesses in 2023 belonged to the construction sector (19%), followed on by wholesale and retail (13%) and professional, scientific, and technical sectors (10%).

TABLE E1: BUSINESSES IN NORTH LANARKSHIRE

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN NORTH LANARKSHIRE BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN NORTH LANARKSHIRE
Manufacturing (C)	485	6%	5%
Construction (F)	1,475	19%	14%
Wholesale (Part G)	275	4%	4%
Transport & storage (inc. postal) (H)	595	8%	5%
Information & communication (J)	255	3%	5%
Financial & insurance (K)	115	2%	2%
Professional, scientific & technical (M)	795	10%	14%
Business administration & support services (N)	590	8%	7%
Total Business Count	4,585	61%	**56%**
Retail (Part G)	*680*	*9%*	*10%*
Total Incl. Retail	5,265	70%	**66%**

Source: ONS, UK Business Count 2023

25.22 The overall number of businesses in North Lanarkshire has increased over the past few years, whilst those relating specifically to employment land categories have also increased. Between 2015 and 2023, the number relating to employment land categories increased by 10%.

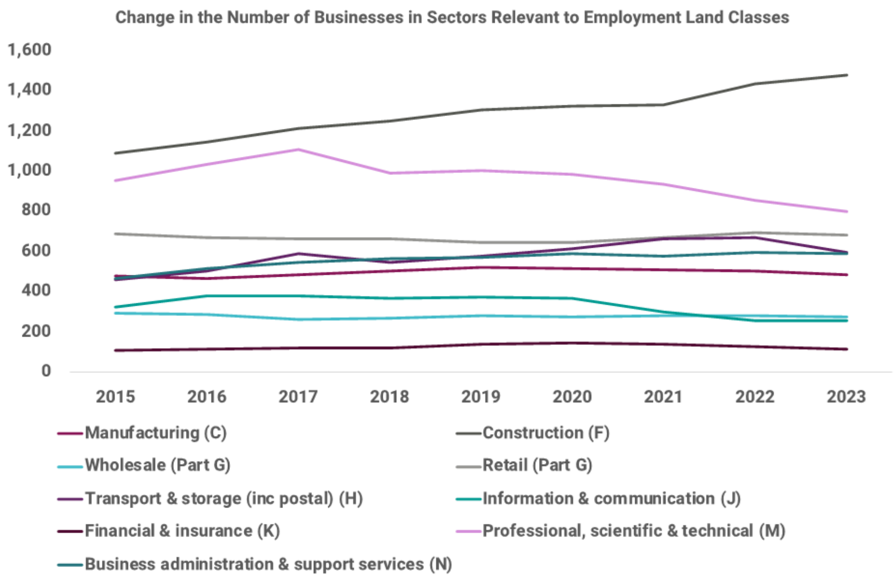
25.23 As shown Table E2 and Figure E2 below, since 2015, the count of businesses in North Lanarkshire in the information and communications sector decreased by 22%, professional, scientific, and technical activities decreased by 16% when compared to 2023. While businesses in the transport and storage sector increased by 31%. There were 13% more counts of deaths of enterprises recorded in 2022 than in 2017 and only a 4% increase in the count of births of new enterprises for the same period.

TABLE E2: BUSINESSES IN NORTH LANARKSHIRE

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	485	475	2%
Construction (F)	1,475	1,090	35%
Wholesale (Part G)	275	290	-5%
Transport & Storage (incl postal) (H)	595	455	31%
Information & communication (J)	255	325	-22%
Financial & insurance (K)	115	105	10%
Professional, scientific & technical (M)	795	950	-16%
Business administration & support services (N)	590	465	27%
Total Business Count	**4,585**	**4,155**	**10%**
Retail (Part G)	*680*	*685*	*-1%*
Total Incl. Retail	5,265	4,840	9%

Source: ONS, UK Business Count 2023

FIGURE E2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

25.24 There was a 11% increase in the count of micro businesses in North Lanarkshire in 2023 compared to 2015. The transport & storage (including postal) sector had the highest increases in micro business counts at almost 35%. The business administration & support services sector also increased by 27% between 2015 and 2023.

25.25 The count of small enterprises increased by 7% and medium sized enterprises by 4%. The count of large enterprises in North Lanarkshire stayed the same since 2015 with 30 such enterprises employing more than 250 people.

Employment

25.26 Total employment in North Lanarkshire in 2022 was approximately 132,850. Of this total, sectors relating to employment land class categories accounted for approximately 37% of employment.

25.27 Overall, total employment figures in North Lanarkshire over the period 2015-2023 stayed relatively constant (+1%), however, there was a decrease in 5% of employment in 2023 when compared to figures, before the COVID-19 pandemic, in 2019. Employment in the wholesale sectors decreased by 29% and employment in the professional, scientific & technical sector increased by 40% in the same period between 2015 and 2023 (Table E3).

TABLE E3: EMPLOYMENT IN NORTH LANARKSHIRE

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	0%	9%
Construction	17%	14%
Wholesale	-29%	0%
Transport & storage	10%	0%
Information and communication	40%	-29%
Finance and insurance	-25%	-17%
Professional, scientific and technical	60%	-13%

Business administration and support activities	-8%	0%
Employment Land Class Categories (Total)	6%	1%
Retail	*0%*	*0%*
Total Employment	6%	-5%

Source: ONS, Business Register and Employment Survey

Productivity

25.28 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of North Lanarkshire in 2023 was around £7,723 m, with a GVA per job of £53,000. This makes North Lanarkshire the local authority with the highest GVA per job within GCR, with the figure also higher than the total across Scotland. The area has a significantly higher share of employment in activities associated with public administration and defence than elsewhere in the GCR. (Table E4).

TABLE E4: GVA

GVA PER JOB	2023 ESTIMATE
North Lanarkshire	£53,000
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

25.29 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

25.30 The most recent Future of Jobs report published by the World Economic Forum indicates that the macro trends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

25.31 Forecasts produced by Oxford Economics for SDS estimate that employment in North Lanarkshire will increase by 2% over the next three years, and then by 1% up to 2033. This is in line with that expected across Scotland as a whole. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 2% by 2026, equivalent to an additional 900 workers. The increase in expected demand across these sectors will have implications for the supply of commercial and employment land.

SUMMARY

25.32 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The need to improve business and industrial infrastructure, creating opportunities for investment and for companies to start-up and relocate is one of the priorities of the North Lanarkshire Economic Regeneration Delivery Plan.

25.33 NPF4 and North Lanarkshire's LDP make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites.

North Lanarkshire's LDP aims to increase sustainable growth and regeneration to improve places. The Council has identified 5 large-scale business investment centres and a number of planned industrial estates across urban North Lanarkshire to meet the needs of small and medium sized enterprises. The Council has recently commenced work on LDP2. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

25.34 From a funding perspective, North Lanarkshire is high priority for public sector funding and received a substantial award from the Levelling Up Fund to establish Cumbernauld as a 21st Century town including the provision of business space as well as funding for the regeneration of Coatbridge. The Council is one of the authorities eligible for the Vacant and Derelict Land Fund and it has made good use of this fund, as well as the Regeneration Capital Grant Fund to help pump prime the development of various sites for employment purposes, e.g. Newhouse and Gartcosh. This has generally been through its Special Purpose Vehicle, Fusion Assets, which works together with private sector partners via Joint Ventures for the delivery of property development and land reclamation initiatives. City Region Deal funding in North Lanarkshire is focussed on the regeneration of Ravenscraig which will also create new space for employment. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

25.35 Over half of businesses located in North Lanarkshire are in industries relating to employment land classes. In recent years there has been a collective increase of 10% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

25.36 Overall employment within employment land classes has remained stable over recent years, with growth in construction and manufacturing employment replacing declined in professional services and IT employment.

25.37 Productivity in the area is greater than that of the regional and national economy. Ensuring adequate employment land is available for businesses to continue to invest in will play an important role in ensuring this continues.

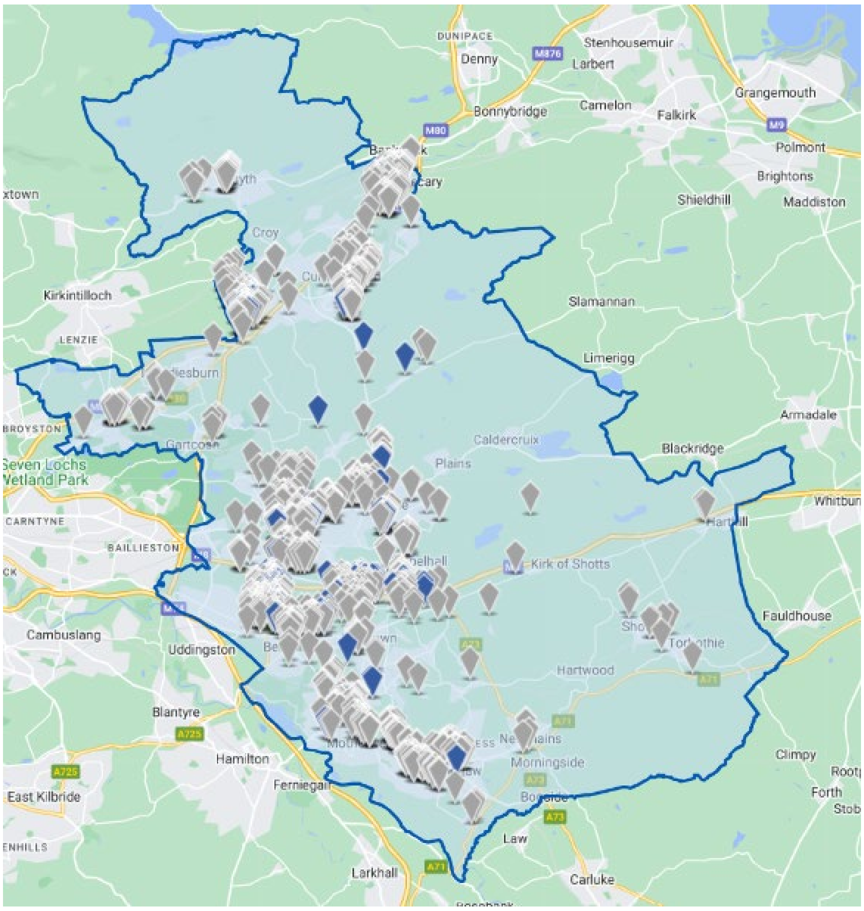
E3

INDUSTRIAL PROPERTY MARKET

26.1 This section considers the industrial property market in North Lanarkshire.

26.2 Employment properties are located throughout the local authority area, mainly alongside the M8 motorway, the M80 corridor and in and around the main towns of Cumbernauld, Airdrie, Coatbridge, Bellshill, Motherwell and at Eurocentral (Figure E3).

FIGURE E3: NORTH LANARKSHIRE EMPLOYMENT LOCATIONS



Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

26.3 Principal employment locations[3] in North Lanarkshire are described in Table E5 on the next page.

INDUSTRIAL STOCK

26.4 The local authority area's current stock of industrial property is estimated at 25.4 million sq.ft. indicating the importance of the area's industrial activity in Glasgow City Region. The importance of the former new town of Cumbernauld for the past 70 years has been complemented by newer locations, in particular Eurocentral. North Lanarkshire has 24% of Glasgow City Region's industrial stock.

26.5 North Lanarkshire has a low industrial property availability, currently sitting at 3.7% which is slightly below the 4% for Glasgow City Region and has been falling for 10 years. At this level of vacancy

[3] the Clydeplan SEILs were the basis of the Principal Employment Locations within North Lanarkshire Council area

occupiers may experience limited choice of premises depending upon their preferred location, type and specification of property.

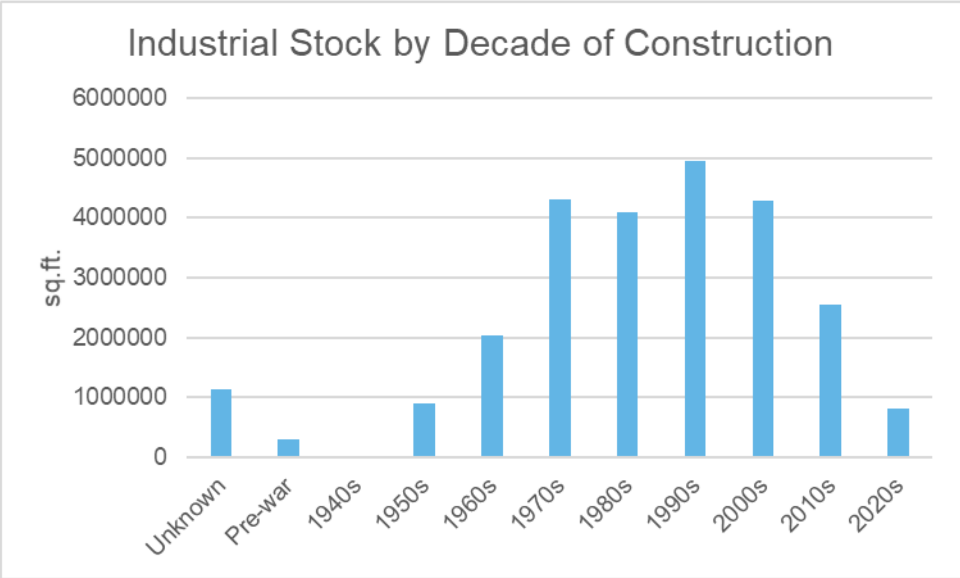
TABLE E5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Eurocentral	Major industrial and logistics located beside the M8. Includes adjoining Maxim Office Park (built in 2010) and Trilogy Business Park. Has c. 3.8 million sq.ft. of industrial floorspace built from the 1990s and construction is still underway. With c. 1 million sq.ft. of office space in modern pavilions. Industrial occupiers include Board 24, NHS, Wincanton, DPD. Office occupiers include Aviva, Barratt Homes and Balfour Beatty. Vacant sites. Dakota Hotel in site. This area extends across a wider area including Newhouse Industrial Estate and Biocity to the East, and the site of the proposed Europark Freight Terminal to the west.
Strathclyde Business Park, Bellshill	Around 1.4 million sq.ft. of floorspace. Comprises office pavilions and modern buildings constructed from the 1980s to 2010s. A Doubletree by Hilton Hotel is on site. Occupiers include PPD, Regus, Andersen Caledonia, Advance Construction and Tarmac.
Westfield, Cumbernauld	This area of Cumbernauld has c. 3.5 million sq.ft of floorspace. Includes the major Westfield Industrial Estate and adjoining Drum Mains Park and Orchardton Woods Industrial Estate. Units constructed from the 1970s to the 2010s, with proposals for speculative development. Areas of vacant land on this estate. Mixed-use development, including employment uses is proposed at Drum Mains Park. Occupiers include Marks & Spencer distribution depot, AG Barr, Scotframe, Gregory Distribution, B-Spoke Kitchens, Skyrora and Optical Express. Additionally employment land at Badenheath Farm which adjoins the site but is located in East Dunbartonshire (121 acres /49 ha) is under offer.
Wardpark Industrial Estate, Cumbernauld	North and South estates total c. 2.4 million sq.ft. of industrial floorspace in units built from the 1970s to date. Vacant land here. Occupiers include John G Russell Transport, Contraflow, Bunzl and MCD Electrical Services.
Bellshill Industrial Estate, Bellshill	Around 1.8 million sq.ft. of industrial floorspace. Has been demolitions of older units and new-build speculative unit development. Units developed from the 1970s to the current day. Occupiers include Timberpak, Dr Schaer UK Ltd, Jewson and Dalziel Ltd.
Righead Industrial Estate, Bellshill	Around 1.9 million sq.ft. of industrial floorspace, built in the 1970s to 2010s. Occupiers include DFDS Logistics, Warburtons, Salmo Salar Ltd, TNT UK and HSS Hire.

Source: Ryden / CoStar/ Websites

26.6 The area's principal industrial property development eras were the 1970s to the 2000s: the 1970s with 17%, 1980s with 16%, 1990s with 20% and 2000s with 17% of floorspace. Figure E4 shows industrial stock by the decade in which it was constructed. Around 30% of the industrial stock is 40 years or older. In the 2000s 30% of overall floorspace was developed providing more modern space. Unlike many other areas in the Glasgow City Region a high level of industrial development continued into the 21st Century, primarily in large units at Eurocentral.

FIGURE E4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION



Source: Ryden / CoStar

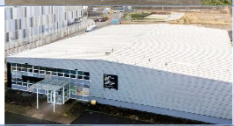
26.7 Notable changes to stock include at Belgrave Street, on Bellshill Industrial Estate where a c. 156,325 sq.ft. unit was demolished and Knight Property Group have since constructed five units totalling 261,200 sq.ft. on the site. A 38,000 sq.ft. unit was demolished and Connect 70 a 72,733 sq.ft. unit has been built and is let to Micheldever Tyre & Auto Services. A 46,000 sq.ft. unit was also demolished on this estate and a Lidl supermarket has been constructed. At Eurocentral, Scania opened a 43,600 sq.ft. sales and service centre unit here in 2021 and Lidl opened a 630,000 sq.ft. distribution centre in 2019. A new facility for Guala Closures of c. 220,000 sq.ft. is under construction and expected to open later in 2024.

INDUSTRIAL SUPPLY

26.8 The supply of available industrial space in April 2024 totals 935,918 sq.ft. in 52 units. This gives an industrial availability rate of only 3.7%. A further 142,905 sq.ft. in 16 units are under offer. Examples of industrial units currently on the market are in Table E6.

TABLE E6: EXAMPLES OF CURRENT INDUSTRIAL SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit C Dundyvan Enterprise Park, Coatbridge		1,964	Modern mid-terrace units for lease at £8.60 per sq.ft. EPC rating B.
7 Mollins Court, Westfield Park, Cumbernauld		2,000	Ground floor of a two-storey terraced unit. To be refurbished. For lease. EPC rating C (2018)
Piper Road, Brownsburn Industrial Estate, Airdrie		2,373 3,700 5,387	New build units, available examples include Unit 7 Terraced industrial unit for lease. Unit 1 Semi-detached unit for lease £7 per sq.ft. Unit 5 Standalone unit for lease EPC ratings A+ and B

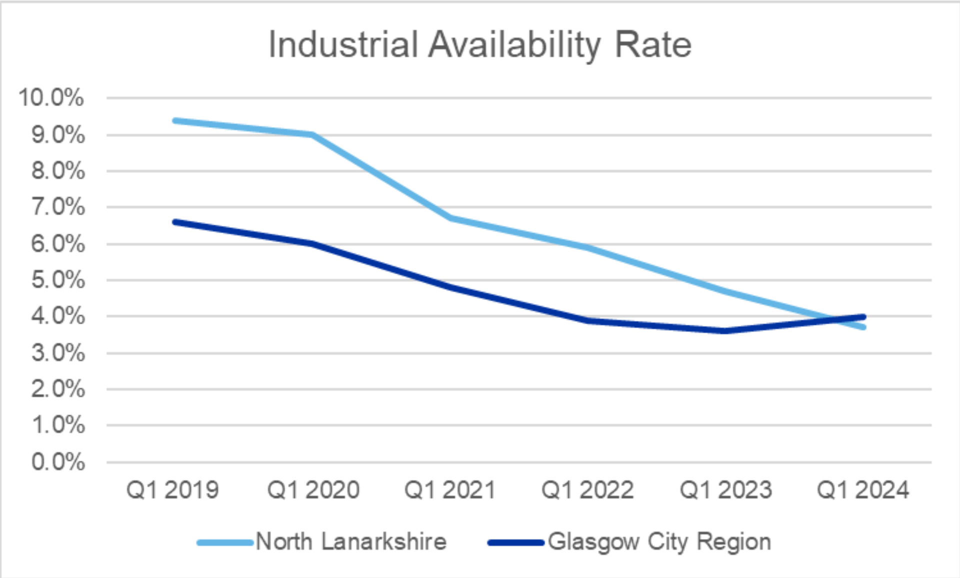
Unit E3 North Caldeen Road, Coatbridge		5,005	Modern industrial unit with offices. For lease
Craigneuk Street, Flemington Industrial Park, Motherwell		6,225 16,846	Unit 14 and unit 20 available for lease on self-contained site. Low rents of £2.50 - £3.25 per sq.ft.
57 Napier Road, Wardpark Industrial Estate, Cumbernauld		9,399	End terrace industrial unit with offices for lease. EPC rating F
Unit 7/8, Osprey Trade Park, Watt Street, Airdrie		10,434	End terraced trade counter unit for lease. EPC rating A
6 Belgrave Street, Bellshill		10,603	Self-contained industrial unit. Lease for assignation to June 2026 at £6.95 per sq.ft.
9 Melford Road, Righead Industrial Estate, Bellshill		16,331	Newly refurbished detached industrial unit for lease at £7.50 per sq.ft. EPC rating A+
1 York Road, Newhouse		29,795	Modern detached industrial unit currently undergoing refurbishment. For lease at £8.50 per sq.ft. A new EPC rating will be issued on completion of refurbishment works.
24 Glasgow & Edinburgh Road, Link Park, Newhouse		47,565	Prime industrial and logistics facility built in 2023. Available for sub-lease. EPC rating A+
51 McNeil Drive, Eurocentral		52,439	Fully refurbished high specification modern industrial facility with offices on a 5.80 acre site. Lease for assignation, to February 2044. EPC rating B
26 Netherhall Road, Netherton Industrial Estate, Wishaw		60,715	Self-contained standalone industrial facility with offices on a 4.73 acre site. For lease. EPC rating F+ (2017)
Mossend Engineering Works, Bellshill		214,019	Comprises high bay heavy engineering building over 3 bays (54,530 sq.ft, 71,777 sq.ft. and 76,916 sq.ft.) plus office space . Available on a sublease or by assignation. Budget space on flexible terms

Source: Ryden / CoStar / Marketing Agents / North Lanarkshire Council

26.9 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Nine of the available industrial units in Table E6 have a registered EPC rating. Six buildings achieve A/ B ratings, indicating that these buildings are very energy efficient. Two buildings have mid-range EPC ratings of C, D or E. One has a poor EPC rating of F+, (albeit this is from 2017), this building could be termed 'environmentally obsolete' without appropriate improvements.

26.10 The industrial availability rate for North Lanarkshire is 3.7% as noted above. This has fallen from 9.4% in 2019, and is slightly lower than the rate for Glasgow City Region. Figure E5 below illustrates how sharply the industrial property availability rate has fallen then continued to fall as the wider regional rate has edged up again.

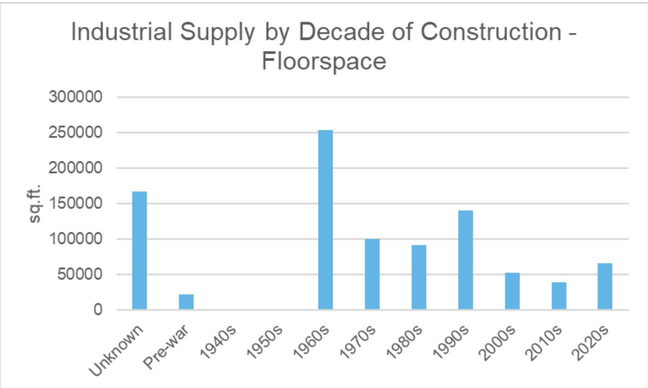
FIGURE E5: INDUSTRIAL AVAILABILITY RATE

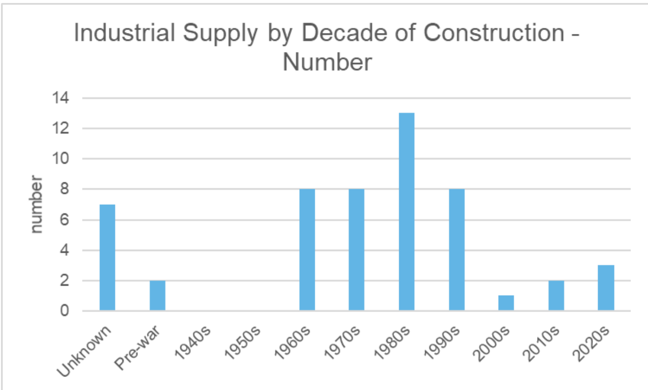


Source: Ryden / CoStar

26.11 As above, there are 52 industrial units on the market. This supply of industrial units by decade of construction indicates that 27% of available floorspace (the first chart) was built in the 1960s but this is primarily due to the large 214,000 sq.ft. Mossend Engineering Works in Bellshill; the 1990s is next with 15% (albeit unknown has 17%). By number of units on the market, 25% were built in the 1980s, with the 1960s, 1970s and 1990s with 15% each (Figure E6).

FIGURE E6: INDUSTRIAL SUPPLY

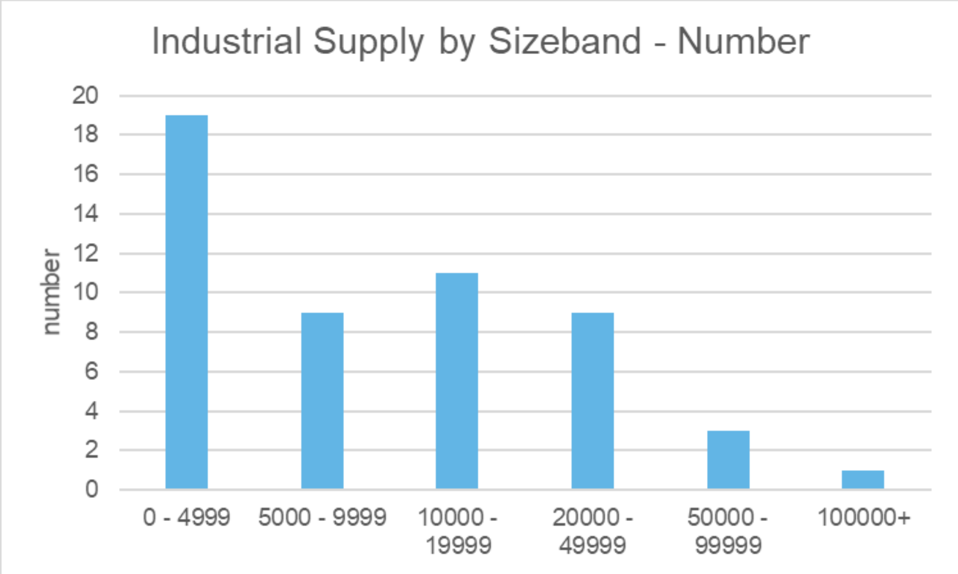




Source: Ryden / CoStar

26.12 The highest current supply of industrial units is in the smallest sizeband of less than 5,000 sq.ft., although it is notable that the area has a number of properties available in all sizebands up to 50,000 sq.ft. (Figure E7).

FIGURE E7: INDUSTRIAL SUPPLY BY SIZEBAND



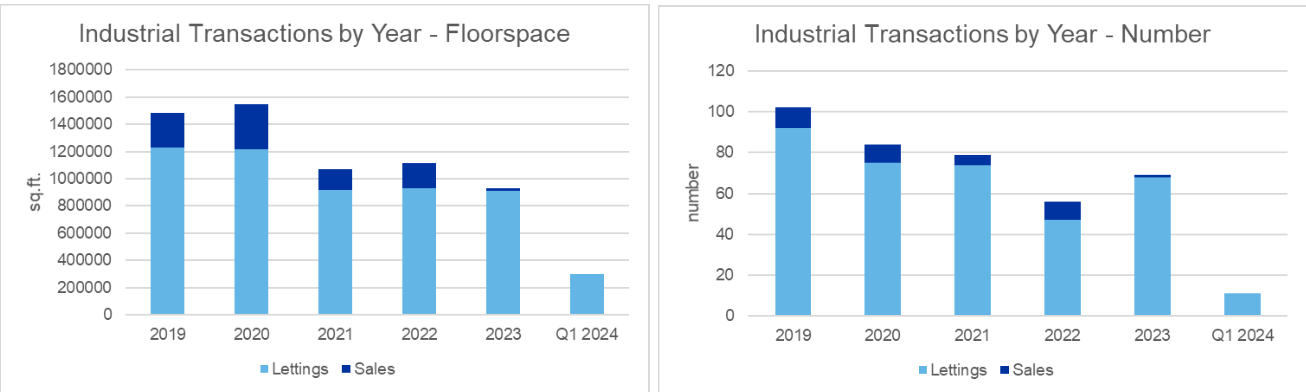
Source: Ryden / CoStar

INDUSTRIAL TAKE-UP

26.13 Across North Lanarkshire a total of 6,441,796 sq.ft. of industrial property in 401 units has been taken-up (sales, lettings and lease renewals) between January 2019 and March 2024 inclusive. This is an annual average of 1,215,400 sq.ft. in 76 units. 91% of the area's industrial property transactions are lettings and the balance are sales.

26.14 The years 2019 to 2020 had the highest volumes of floorspace take up at around 1.5 million sq.ft. (Figure E8 on the next page). Examples of larger units taken-up in those years include 21 Coddington Crescent, Eurocentral to Scottish Ministers for NHS Distribution Centre (164,782 sq.ft.); 10 Condor Glen, Eurocentral to Brewdog (129,183 sq.ft.); Titan, 7 Dovecote Road, Eurocentral to Scottish Ministers, again for the NHS (122,483 sq.ft.). Take-up fell again to c. 930,000 sq.ft. in 2023. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions. 2019 not only had larger buildings taken-up but also the highest number of units, at 102.

FIGURE E8: INDUSTRIAL TAKE-UP PER YEAR

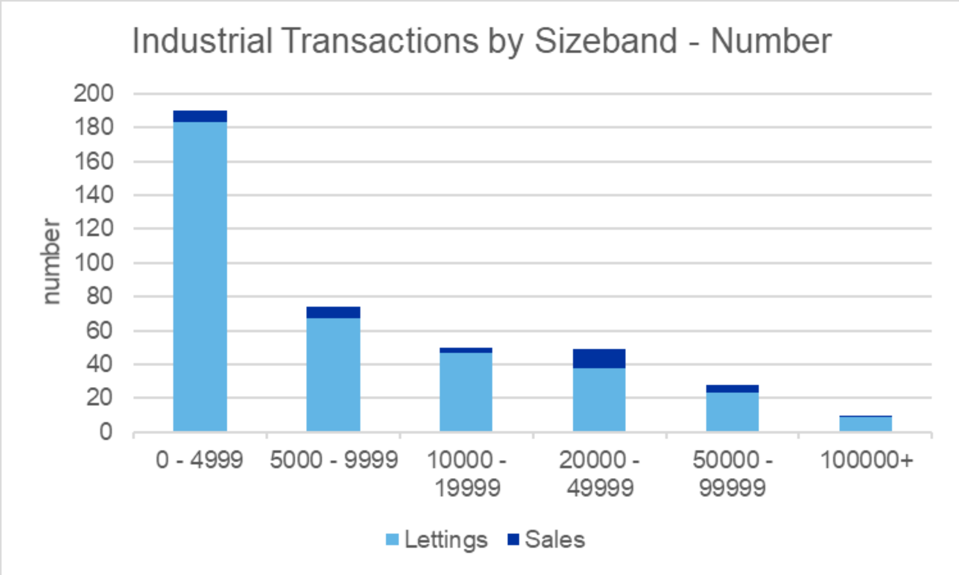


Source: Ryden / CoStar

26.15 Looking at industrial transactions by sizeband, the smallest ranges had the most activity (Figure E9).

Properties up to 5,000 sq.ft. account for 47% of market activity. This is broadly aligned with the supply position noted above where there are also a number of units available in each sizeband up to 50,000 sq.ft.

FIGURE E9: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

26.16 A selection of recent industrial property transactions is presented in Table E7 on the next page. Achieved rents vary widely from £4 sq.ft. up to £11 per sq.ft. for more modern units in prime areas. Average industrial rents in the Region are £7.50 per sq.ft.

TABLE E7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 5 Belgrave Street, Belgrave Logistics Park, Bellshill		127,242	Let in March 2024 to Wincanton on a 15-year lease at £8.50 per sq.ft.
Unit 1 Excelsior Park, Wishaw		20,195	Let in March 2024 to Roylance Stability Storage Ltd on a 7-year lease at £6.25 per sq.ft.
Deerdykes View, Westfield Industrial Estate, Cumbernauld		592 501	Unit 93 - Let in March 2024 to Millcast Models Ltd on a 5-year lease Unit 113 – Let in October 2023 to P MacFarlane Joiners and Building Contractors Ltd on a 3-year lease at £11 per sq.ft.
64 Grayshill Road, Westfield North Courtyard, Cumbernauld		14,198	Unit 64 - Let in February 2024 to S & S Timber on a 5-year lease at £5.50 per sq.ft. Unit 66 – Let in October 2023 to ILH Groundcare Machinery on a 5-year lease at £7 per sq.ft.
Bedlay View, Tannochside Park, Uddingston		24,512 11,259	Unit 5 - Let in February 2024 to Belgrade Insulations on a 10-year lease at £7 per sq.ft. Unit 3A – Lease renewal in August 2023 to Scottish Environmental Protection Agency for a further 8-years at £5 per sq.ft.
Unit E3, North Caldeen Road, Calder Park Industrial Estate, Coatbridge		5,005	Let in December 2023 to Mackintosh on a 10-year lease at £7 per sq.ft.
1 Sholto Crescent, Righead Industrial Estate, Bellshill		19,263	Let in December 2023 to Tait Logistics on a 5-year lease at £7 per sq.ft.

Tannoch Drive, Lenziemill Industrial Estate, Cumbernauld		2,099 2,016 4,150	Unit 52 – Let in December 2023 to RCI Technical Services Ltd on a 3-year lease at £7.25 per sq.ft. Unit 28 – Let November 2023 on a 10-year lease at £7.40 per sq.ft. Unit 58/60 - Let in October 2023 to Keal Contracts Ltd on a 5-year lease at £6.30 per sq.ft.
Unit 19A Carfin Industrial Estate, Carfin, Motherwell		4,935	Let in November 2023 to Get Fnkd on 10-year lease at £4 per sq.ft.
30 Cottingdon Crescent, Eurocentral		72,422	Lease renewal in August 2023 to SiG Trading for a further 10-years
Connect 70, Bellshill		72,733	Let in June 2023 to Micheldever Tyre and Auto Services on a 15-year lease at £10 per sq.ft.
7 Deerdykes Road, Westfield Park, Cumbernauld		21,579	Sold in February 2023 to Ovec Systems for occupation for £1.46 million

Source: Ryden / CoStar

26.17 Examples of industrial units sold for investment purposes rather than occupational use are presented in Table E8 overleaf. The investment transactions listed achieved yields in the range 6-7%. These are prime yields for industrial property all achieved after the increases in interest rates which depressed investment values.

TABLE E8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Units 1-3 Auldyards Road, Phase One, Gartcosh Industrial Park, Gartcosh		Sold in March April 2024 to Wesleyan Assurance Society for £6.87 million (6.79%). Prime multi-let mid-box industrial park. Comprises 3 detached units totalling 58,998 sq.ft. Let to DX Networks, Vision Vehicles and Dreams. All have EPC rating A.
Block 8 & 9, Rosehall Industrial Estate, Bellshill		Sold in January 2024 to Heron Bros for £1.183 m (6.03%). Two multi-let terraces totalling 14,073 sq.ft,. and let to Scottish Shellfish, JM Roofing, AD Building Maintenance and Bakery Maintenance Services Ltd. The units are subject to reversionary rents.
Unit 6, Tannochside Park, Uddingston		Sold in December 2023 to Lochay West Properties for £2.56 million. Detached unit of 31,102 sq.ft. fully let to Clipper Logistics Ltd at £163,285 pa until June 2026.
51 McNeil Drive, Eurocentral		Sold in August 2023 to Wesleyan Assurance Society for £6.745 million (6.2%). 52,439 sq.ft. industrial unit let to Biffa Waste Services Limited
UPS Rowantree Avenue, Newhouse Industrial Estate,. Motherwell		Sold in June 2023 to ARA Asset Management for £5.3 million. Detached distribution warehouse totalling 50,000 sq.ft. on a 6.69 acre site is let to UPS.

Source: Ryden / CoStar

SUMMARY

26.18 Employment properties are located throughout the local authority area, mainly alongside the M8 motorway, the M80 corridor and in and around the main towns of Cumbernauld, Airdrie, Coatbridge, Bellshill, Motherwell and at Eurocentral. The area has one-quarter of the regional stock (25.4 million sq.ft.) comprising both long-established estates such as in Cumbernauld and modern locations such as Eurocentral. New development and redevelopment has continued at scale into the 21st Century.

26.19 North Lanarkshire has a low industrial property availability of 3.7%, below the regional rate of 4%. At this level of vacancy occupiers may experience limited choice of premises depending upon their requirements. Current supply is 935,918 sq.ft. in 52 units across a range of property sizes.

26.20 The average annual industrial property take-up in North Lanarkshire is 1.215 million sq.ft. While take-up is highest for smaller units there is market activity across the size ranges, including major owner-occupied and large speculative developments. Achieved rents vary widely from £4 per sq.ft. for older buildings up to £11 per sq.ft. in prime areas. Recent investment yields of 6-7% happened after interest rates rose and investment prices fell, indicating a comparatively strong investment market in the area.

E4

OFFICE PROPERTY MARKET

28.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements.

OFFICE STOCK

28.2 North Lanarkshire's stock of office property is estimated at 4.8 million sq.ft., spread across the town centres, business parks and employment estates. Some of the purpose-built office stock was highlighted on Table E4 above. This is 11.1% of Glasgow City Region's office stock.

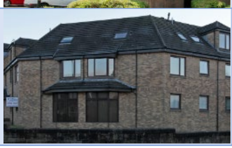
28.3 The principal office development era was the 1990s and 2000s with 61% of all stock built during that time – after the relaxation of planning policy to allow offices on industrial land in 1989 and before the Global Financial Crash in 2008. This era saw the development of large business parks including Strathclyde Business Park, Maxim Business Park and Buchanan Gate. In particular, Maxim Park which opened in 2010 features 10 modern office buildings, constructed in a single phase, totalling over 756,000 sq.ft.

OFFICE SUPPLY

28.4 The office supply in April 2024 of 790,341 sq.ft. is contained within 52 offices. This supply is very adaptable to sub-divisible and flexible options. A further 5 offices totalling 29,234 sq.ft. are under offer

28.5 Examples of current supply are in Table E9. These comprise mainly modern office pavilions some of which are sub-divisible and serviced offices. All are available for lease, while one may also sell.

TABLE E9: EXAMPLES OF CURRENT OFFICE SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
New Alderston House, Dove Wynd, Strathclyde Business Park		From 50	Fully serviced offices by Citibase. In suites from 50 to 310 sq.ft. EPC rating B
Maxim 1, Parklands Way, Maxim Park		From 50 1,776	Serviced offices on first floor in suites from 50 sq.ft. Office on second floor of modern business pavilion, for lease at £16.50 per sq.ft. EPC rating B
Atrium Business Centre, North Caldeen Road, Coatbridge		From 130 – 1,120	Fully serviced 'plug & play' office accommodation. For lease on flexible all-inclusive terms. EPC rating B
Coatbridge Business Centre , 204 Main Street, Coatbridge		From 150	Newly refurbished office accommodation on flexible licence agreements on an all-inclusive basis. EPC rating G
Unit 2, Avon Court, 51 Hamilton Road, Motherwell		1,840	Ground floor of a modern, purpose built, two storey building with residential above. For lease £9.80 per sq.ft. EPC rating D

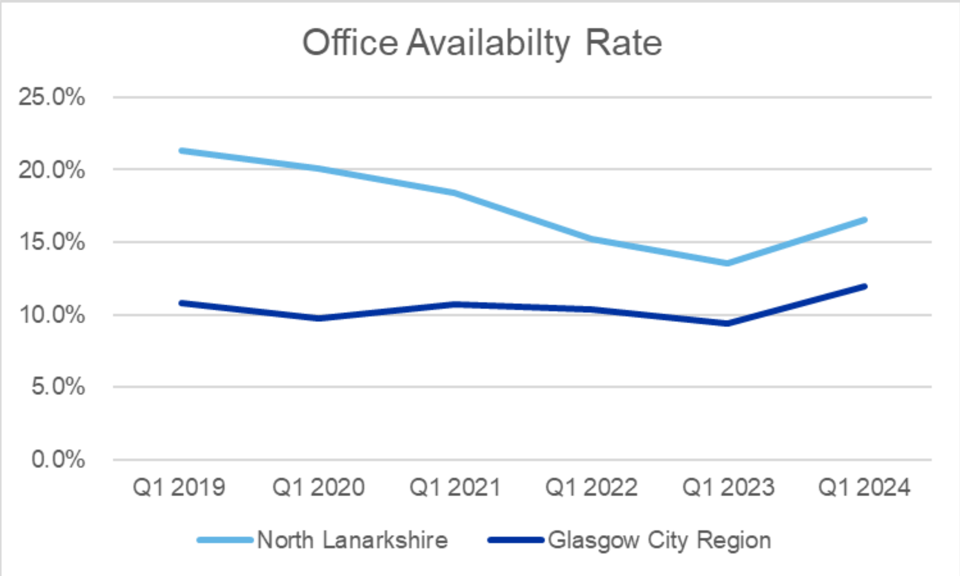
15 Bank Street, Airdrie		2,225	First floor of modern building, two suites, 1,212 sq.ft. and 1,013 sq.ft. available together or separately. For lease on all-inclusive rents of c. £12 per sq.ft. or May sell. EPC rating D
Campbell House, Greenside Road, Newhouse		3,000 2,700	Ground floor suite for lease First floor suite for assignation Refurbished two storey office pavilion. Office suites for lease at £8 per sq.ft. EPC D+
Maxim 7, Parklands Way, Maxim Park		5,863	Two suites, 3,328 sq.ft. and 2,535 sq.ft. on the third floor of modern 4-storey office pavilion. Available together or separately at £17.50 per sq.ft. EPC rating B
Murdostoun House, 5 Linnet Way, Strathclyde Business Park		5,997	Ground floor suite in modern two storey office pavilion. For lease at £14.50 per sq.ft.
21 Melford Road, Righead Industrial Estate, Bellshill		8,200	Modern two storey office pavilion. Available as a whole or in part.
Maxim 10, Parklands Avenue, Maxim Park		15,160	Office suite on third floor of modern four storey office pavilion. For lease £15.50 per sq.ft. EPC rating B
Trilogy 3, Trilogy Business Park, Eurocentral		15,700	Office on third floor of modern office pavilion. For lease £13.50 per sq.ft. EPC rating A
Airbles House, Airbles Road, Motherwell		17,518	Modern three storey office pavilion, For lease at £10 per sq.ft. or may sell. EPC rating A
1 Forrest Gate, Tannochside Business Park		34,090	Modern open plan office accommodation. For lease at £12.50 per sq.ft. EPC rating C+

Source: Ryden / CoStar / Marketing Agents / North Lanarkshire Council

28.6 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. Thirteen of the available offices in Table E9 have a registered EPC rating. Seven offices achieve A/ B ratings and are thus very energy efficient. Five offices have mid-range EPC ratings of C, D or E. One has a poor EPC rating of G, which is the which is the worst and may signal environmental obsolescence without appropriate improvements.

28.7 North Lanarkshire has an office availability rate of 16.6%. This is above the 12% office availability rate for Glasgow City Region but has fallen recently (Figure E10). This is likely a result of the recent transactions at Maxim Park noted in Table E10.

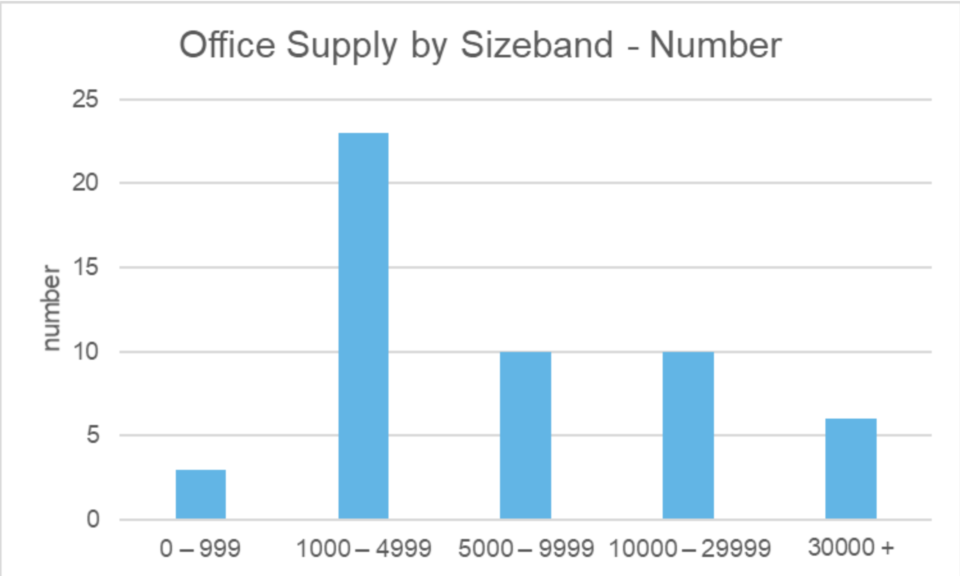
FIGURE E10: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

28.8 In terms of the sizes of available offices, there is a wide range available (Figure E11), however as noted many of these offices are available on a flexible, sub-divisible basis. Almost half of the available offices are between 1,000 – 4,999 sq.ft. Examples were provided in Table E8 above.

FIGURE E11: OFFICE SUPPLY BY SIZEBAND



Source: Ryden / CoStar

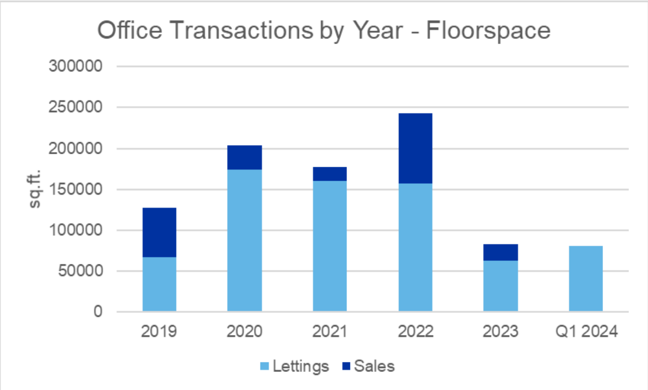
OFFICE TAKE-UP

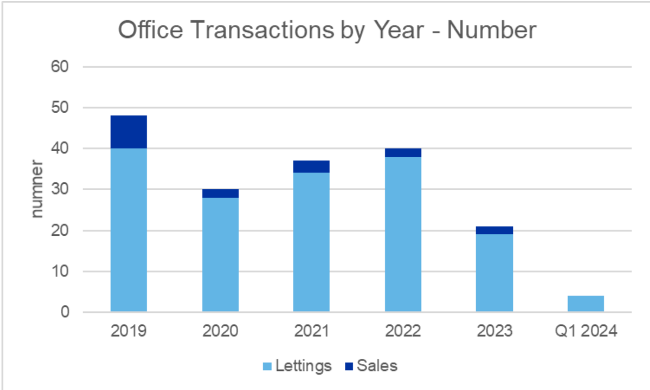
28.9 Demand for offices in North Lanarkshire is demonstrated by 915,364 sq.ft. in 180 offices taken-up (sales, lettings and lease renewals) from January 2019 to March 2024 inclusive. This is an annual average of 172,710 sq.ft. in 34 offices. The large majority (90%) of transactions are lettings while the balance are sales.

28.10 The year 2022 had the highest volume of office floorspace take up, with c. 243,000 sq.ft., Next most active was 2020 with 203,000 sq.ft. taken-up. Large transactions in these years include at Maxim Business Park to Balfour Beatty (34,507 sq.ft. lease renewal), Aviva (30,0123 sq.ft.) and Lumira DX (28,485 sq.ft.); and Mercury House, Strathclyde Business Park to Virgin Media Group (45,000 sq.ft.).

28.11 By number of offices, 2019 had the highest take-up with 48 transactions, followed by 2022 with 40 (Figure E12). Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

FIGURE E12: OFFICE TAKE-UP PER YEAR

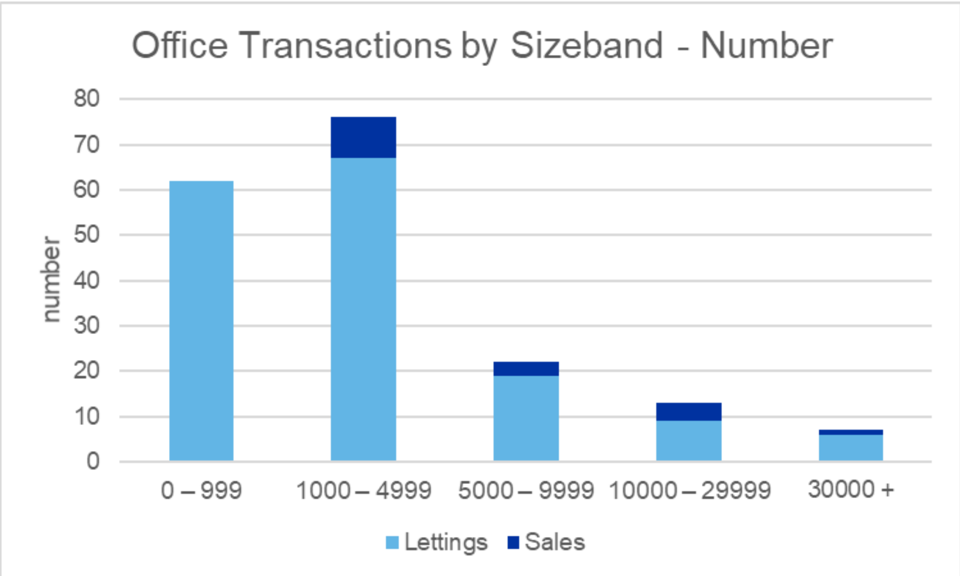




Source: Ryden / CoStar

28.12 Looking at office transactions by sizeband, the largest proportion of transactions (42%) was for offices of 1,000 – 4,999 sq.ft. (Figure E13) which shows that the majority of office activity can be attributed to smaller businesses. Micro businesses are also important to the local market as shown by activity among offices smaller than 1,000 sq.ft. In recent years as noted above there have also been a number of larger transactions over 10,000 sq.ft. concerning corporate occupiers.

FIGURE E13: OFFICE TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

28.13 A selection of recent transactions is provided in Table E10. Achieved rents vary widely from £8.50 per sq.ft. up to £17 per sq.ft. for modern office space. The vast majority of recorded transactions are within modern office pavilions on the area's major business parks. Lease lengths range from 3-months to 10-years.

TABLE E10: RECENT OFFICE TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Maxim 8, Maxim Business Park		14,636 3,543	Let in March 2024 to Aviva on a 10-year lease at £15.50 per sq.ft., additional space. Let in November 2023 to Doble Engineering on a 10-year lease at £17 per sq.ft.
Maxim 1, Maxim Business Park		17,399 3,035	Lease renewal in March 2024 to IWG for 10-years at £15.50 per sq.ft. Let in October 2023 to SSE Digital Services Ltd
Maxim 4, Maxim Business Park		52,056	Let in February 2024 to HSBC Bank on a 10-year lease at £17 per sq.ft.
Belgrave Court, Rosehall Industrial Estate, Bellshill		3,000 2,500 2,500	Let in December 2023 to Morrison Energy Services on a 3-year lease at £13 per sq.ft. Let in March 2023 to Love@Care Ltd on a 5-year lease at £10 per sq.ft. Let in February 2023 to Benson Wood & Co. (Scotland) Ltd on a 5-year lease at £8.50 per sq.ft.
Grovewood Business Centre, Strathclyde Business Park, Bellshill		490 707	Let in December 2023 to Envirocure Ltd on a 3-month lease Let in November 2023 to Dodgy GT Ltd
Maxim 7, Maxim Business Park		8,933	Let in December 2023 to BDW Trading Ltd (Barratt Developments) on a 10-year lease
Duart House, Finch Way, Strathclyde Business Park, Bellshill		7,212	Let in November 2023 to Kwik Fit
New Lanarkshire House, Strathclyde Business Park, Bellshill		12,934	Let in November 2023 to Envevo Ltd on a 10-year lease at £12 per sq.ft.
Dalziel House, Strathclyde Business Park, Bellshill		1,257	Let in June 2023 to People Solutions at £12.50 per sq.ft.
61/63 Manse Road, Motherwell		882	Let in May 2023 to DBM Consultants. First floor above a town centre retail unit

Source: Ryden / CoStar

28.14 Offices sold for investment purposes rather than occupational purposes attract fewer transactions in North Lanarkshire than the area's industrial sector. Most are multi-let office buildings. Examples of office investment transactions are in Table E11. One yield of 16.92% is recorded which indicates a very low value for a modern building.

TABLE E11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS	DETAILS
Mercury House, 1 Dove Wynd, Strathclyde Business Park, Bellshill 	Sold in May 2023 to LondonMetric Property Plc for £7.1 million (as part of a wider portfolio). Comprises a 62,250 sq.ft. pavilion office let in part to Virgin Media Group.
Grove House, Kilmartin Place, Tannochside Park, Uddingston 	Sold in January 2023 to a private individual for £540,000 (16.92%). Mixed use office pavilion totalling c. 16,680 sq.ft., tenants include MacDonald Group, Happy Days and IT Dimensions (Scotland) Ltd.
Cambusnethan House, Hamilton House and Bothwell House, Strathclyde Business Park 	Sold in February 2022 to Advance Training (Scotland) Ltd for £2.1 million. Comprises three standalone office pavilions totalling 27,850 sq.ft. Tenants include Securitas Security Services and Tarnac

Source: Ryden / CoStar

SUMMARY

28.15 North Lanarkshire's stock of office property is estimated at 4.8 million sq.ft., spread across the town centres, business parks and employment estates. This represents 11.1% of Glasgow City Region's office stock and confirms the area as a major office location. The principal office development era was the 1990s and 2000s with 61% of all stock built during that time including Strathclyde Business Park, Maxim Business Park and Buchanan Gate.

28.16 Current office supply of 790,341 sq.ft. is contained within 52 offices. This mainly comprises office pavilion-type business park accommodation and many marketed suites are sub-divisible. EPCs on current office supply (where available) are generally of a good standard. North Lanarkshire has an office availability rate of 16.6%. This is above the 12% office availability rate for Glasgow City Region but has fallen recently, most likely a result of the recent occupier transactions at Maxim Park.

28.17 Annual office take-up in the area is 172,710 sq.ft. in 34 offices per annum. The largest proportion of transactions (42%) was for offices of 1,000 – 4,999 sq.ft. which shows that the majority of office activity can be attributed to smaller businesses, while the market is active for suites smaller than 1,000 sq.ft. too. More recently there have been a number of larger, corporate office transactions over 10,000 sq.ft. Achieved rents vary widely from £8.50 per sq.ft. up to £17 per sq.ft. for modern office space.

E5

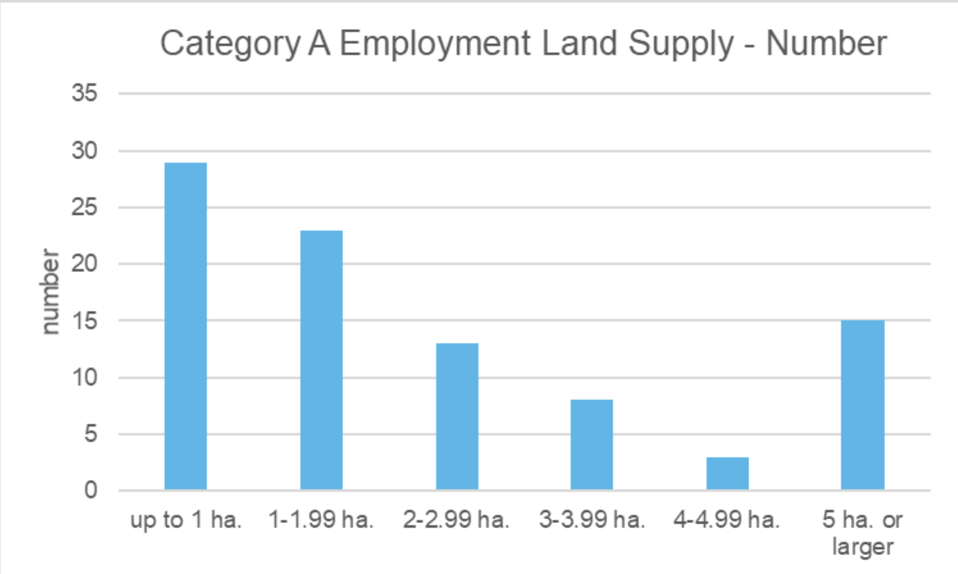
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

29.1 Clydeplan's 2022/2023 audit of employment land identifies that North Lanarkshire has an employment land supply of 91 Category A sites totalling 462.12 hectares. Category A sites are those available for industry and business purposes and free of significant constraints.

29.2 The largest proportion of these sites (by number) are under 1 ha (29 sites). The 15 sites above 5 ha total 345.18 ha, or 75% of all land supply in North Lanarkshire (Figure E14).

FIGURE E14: EMPLOYMENT LAND SUPPY



Source: Clydeplan / Ryden

29.3 Assessing the mix of sites within this employment land supply:

- Sites are spread throughout North Lanarkshire with the greatest number in Bellshill (16 sites totalling 132.11 ha); Holytown (13 sites totalling 90.01 ha); Motherwell (4 sites totalling 51.52 ha); Cumbernauld (with the most sites at 23 totalling 51.04 ha); Gartcosh (3 sites totalling 44.18 ha); Greengairs (42.68 ha in only 1 site); Coatbridge (11 sites totalling 27.39 ha); and Newhouse (6 sites totalling 11.51 ha). Kilsyth, Chryston, Chapelhall, Airdrie, Wishaw, Stepps and Uddingston all have between 1 and 4 sites each with a combined total of 11.68 ha.

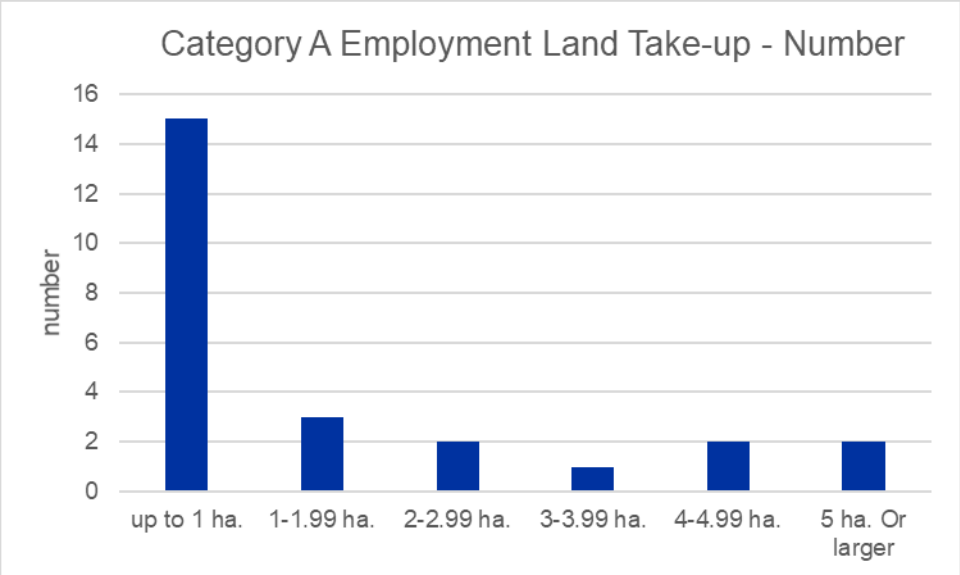
- Land type has a fairly even split: Brownfield 48 sites totalling 212 ha; and Greenfield 43 sites totalling 249.48 ha.

- Around three quarters of the sites by number and size are privately owned (61 sites totalling 322.5 ha). Scottish Enterprise owns 11 sites totalling 106.75 ha; North Lanarkshire Council has 18 sites totalling 31.63 ha; another public sector owner has 1 site of 1.24 ha.

- The sites larger than 20 ha are: Reema Road in Bellshill (102.05 ha); Greengairs Road in Greengairs (42.68 ha); Prospecthill Road, Ravenscraig Industrial Estate, Motherwell (41.84 ha); McNeil Drive, Eurocentral, Holytown (24.95 ha); and Auldyards Road, Gartcosh Business Park, Gartcosh (24.82 ha). These are the largest employment sites in the Glasgow City Region.

29.4 Take-up of employment land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies 25 sites totalling 66.66 ha as being taken up in the area for employment uses. This is an annual average of 5 sites and 13 ha per annum. The majority were smaller than 1 ha (15 sites), with 2 sites larger than 5 ha taken-up (Figure E15).

FIGURE E15: EMPLOYMENT LAND TAKE-UP



Source: Clydeplan / Ryden

29.5 Assessing the mix of sites within this employment land take-up:

- By number most of the sites taken-up (17 sites) were Brownfield, with 8 Greenfield. By land area both had a similar volume of take-up at Brownfield (36.46 ha) and Greenfield (30.20 ha).

- The largest sites taken up were a 21.79 ha brownfield site at Ravenscraig and 16.43 ha Greenfield site at Eurocentral for a Lidl storage & distribution facility.

- Twenty sites totalling 62.8 ha were for private development, 3 sites totalling 03.1 ha for public sector development, while on 2 sites totalling 0.75 ha the type of developer was unknown.

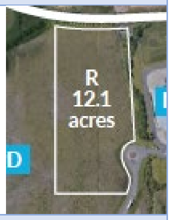
- Notably, 17 sites totalling 32.28 ha were taken up for bespoke development for occupiers, while 4 sites totalling 7.05 ha were taken for speculative development, development on 4 sites totalling 27.32 not confirmed.

29.6 With regard to employment land sites being actively marketed, these total 189.94 acres. These sites are shown in Table E11. Four of the 6 marketed employment sites are at Eurocentral. In addition two sites are under offer : 7 acres (2.8 ha) at Carbrain Industrial Estate in Cumbernauld and 8.2 acres (3.3 ha) at Westfield Pitches, Deerdkykes Place, Westfield Industrial Estate also in Cumbernauld.

29.7 Notably in addition to the sites in Table E12, the 121 acre (49 ha) Badenheath Farm, located close to Junction 4 (Mollinsburn) of the M80 but located in East Dunbartonshire, is under offer which is a strategic site being promoted for distribution and industrial uses.

29.8 A number of these marketed sites are very large and are suited to single large occupation. It may be difficult for local businesses or developers to invest in these marketed sites without a lead developer firstly servicing the land and creating plots (such as indicated by the masterplan for SevenFourEight at Ravenscraig).

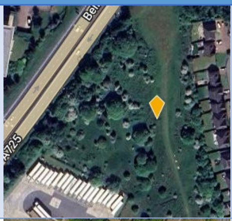
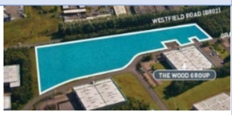
TABLE E12: MARKETED EMPLOYMENT LAND

ADDRESS		SIZE ACRES (HECTARES)	DETAILS
Plot H, Eurocentral		8.3 (3.3 ha)	Industrial land for sale, a level and regular shaped site in a prominent position. Can accommodate buildings of 15,000 sq.ft. to 200,000 sq.ft
Plot R, Eurocentral		10 (4.04 ha)	Vacant development site. Proposed for industrial use. Adjacent to the Eurocentral Junction 
Plot T, Condor Glen, Eurocentral		5.74 (2.23 ha)	Vacant development site. Proposed for industrial use.
Plot Z, Coddington Crescent, Eurocentral		70.7 (28.6 ha)	Vacant development site
SevenFourEight, Ravenscraig		80 (32.3 ha)	Part of the wider Ravenscraig development. A production and logistics location which can provide up to 1.15 million sq.ft. of industrial and business space. The Masterplan provides plots from 4 acres up to 18.2 acres. A first plot has been sold
Wardpark Road, Cumbernauld		15.2 (6.2 ha)	L shaped plot of industrial development land which has been cleared and levelled ready for development. Zoned for use Classes 4, 5 and 6

Source: Ryden / CoStar/ Marketing agents

29.9 Market evidence of employment land transactions confirms an active market in North Lanarkshire. According to CoStar, 9 sites totalling 101.64 acres (41 ha) have been sold for employment use since January 2019, averaging approximately 2 each year. These are shown in Table E13.

TABLE E13: EMPLOYMENT LAND TRANSACTIONS

ADDRESS	SIZE ACRES (HECTARES)	DETAILS
Belgowan Street, Bellshill 	6 (2.4 ha)	Site sold to Knight Property Group in February 2024 for £1.15 million for the speculative development Delta 70. Subject to planning consent, will offer 70,000 sq.ft. of high specification industrial/logistics warehouse space.
SevenFourEight, Ravenscraig 	6.4 (2.58 ha)	First plot of land sold in Autumn 2023 to Fusion Assets for a speculative industrial development.
Plot 1 Little Drum Road, Orchardton Woods Industrial Estate, Cumbernauld 	4.82 (1.95 ha)	Site sold in September 2023 to Opalion Plastics Limited from Scottish Enterprise for £563,000. For a new warehouse.
Plots 1 - 5 Grayshill Road, Westfield One Industrial Park, Cumbernauld 	7.25 (2.93 ha)	Site sold in April 2022 to Carnethy Developments Limited for £850,000. Speculative industrial development underway.
Renshaw Place, Eurocentral 	4.64 (1.87 ha)	Sold in March 2022 to R6 Ventures, a joint venture between West Ranga Developments Limited and Jack Property Holdings
Byramsmuir Road, Eurocentral 	42.13 (17 ha)	Sold in October 2021. Planning application approved for Orchard Park by Tulchan Developments LLP and Lumonics Developments LLP. A development of 5 units suitable for Class 5 and 6 Use with ancillary Class 4 Use on 17.1 ha
Plots H, J and K, Eurocentral   	18.6 (7.5 ha)	Sold in December 2020 to JW Muir Group / Hermiston Securities for £4.5 million. Prime industrial / distribution land. Plot J sold to Board 24 in October 2022 for £1.9 million, where JW Muir Group have since constructed a 108,000 sq.ft. facility for the company. Plot K used for parking
Hagmill Road, Centrum Business Park 	4 (1.6 ha)	Sold in October 2020 to Wemyss Properties Ltd for £627,000 with plans to speculatively build a 53,216 sq.ft. sub-divisible industrial unit.

Plot I , Eurocentral		7.8 (3.15 ha)	Sold in March 2020 to West Ranga for £1.87 million. 43,600 sq.ft. unit pre-let to Scania GB Ltd, now complete

Source: Ryden/ CoStar

DEVELOPMENT

29.10 A notable number of the site sales in Table E13 above are to developers for speculative industrial schemes. Examples of recent speculative employment property developments and proposals in North Lanarkshire are presented in Table E14. In a regional context this is a very active market.

TABLE E14: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
Belgrave Logistics Park, Bellshill		Development by Knight Property Group of 261,200 sq.ft. across five buildings from 19,000 sq.ft. up to 127,242 sq.ft. with EPC ratings A. Only one unit remains available following a recent transactions to Bunzl UK Ltd and Wincanton.
Delta 70, Belgowan Street, Bellshill		Knight Property Group plan to speculatively develop a 70,000 sq.ft. high spec industrial / logistics warehouse.
Gartcosh Industrial Park, Gartcosh		Development by Fusion Assets. Phase 1 New build Class 4, 5 and 6 business and industrial floorspace, let to DX Networks, Vision Vehicles and Dreams. Totalling c. 62,000 sq.ft. Further phases proposed.
Westfield Industrial Estate, Greyshill Road, Cumbernauld		Two adjoining units of 10,110 sq.ft. and 10,979 sq.ft. by Carnethy Developments Ltd. For lease at £11 per sq.ft. or for sale.
SevenFourEight, Ravenscraig		Planning application in April 2024 by Fusion Assets for flexible industrial buildings with three single occupier units for larger businesses, and a fourth building which will be sub-divisible into seven units totalling 62,000 sq.ft. on a 6.4 acre plot
Condor Park, Eurocentral		New, highly specified industrial and warehouse space for Use Classes 4, 5 & 6 by Fusion Assets. To comprise 40,623 sq.ft. in 6 units, two of which are sub-divisible.
51 McNeil Drive, Eurocentral		Hermiston Securities plan four industrial units totalling c. 152,400 sq.ft.
BioCity, Glasgow Campus		Pioneer Group has planning permission for 72,800 sq.ft. of high quality purpose built laboratory space. This will be delivered in two phases, phase one will comprise a 33,300 sq.ft and phase two 39,500 sq.ft.

Source: Ryden/ CoStar/ Websites. North Lanarkshire Council Planning

29.11 Although not speculative development, of interest to the employment land market is the film studio campus at Gartcosh proposed by Edinburgh Caledonia Film Studios Ltd on a 44 acre site. The facility will comprise 305,000 sq.ft. of stage space along with 168,000 sq.ft. of workshop space and 10,000 sq.ft. of production offices.

SUMMARY

29.12 North Lanarkshire has a current allocated employment land supply of 91 Category A sites totalling 462.12 hectares. The largest proportion of these sites (by number) are under 1 ha (29 sites) however the 15 sites above 5 ha total 345.18 ha, or 75% of all land supply in North Lanarkshire. The majority of sites are in private ownership.

29.13 Average annual employment land take up is 13 ha in 5 sites per annum. The majority of this take-up was for bespoke development.

29.14 With regard to employment land sites being actively marketed, these amount to development sites totalling 189.94 acres. An additional 2 sites in Cumbernauld are under offer. It is notable that a number of these sites are very large and therefore may be difficult for local businesses to develop.

29.15 In terms of employment land transactions, 9 sites totalling 101.64 acres have been sold for employment use since January 2019. A number of new speculative and bespoke units are planned by private developers and Fusion Assets. This includes locations in Bellshill, Gartcosh, Ravenscraig and Eurocentral.

E6

SUMMARY AND MARKET NEEDS

30.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The need to improve business and industrial infrastructure, creating opportunities for investment and for companies to start-up and relocate is one of the priorities of the North Lanarkshire Economic Regeneration Delivery Plan.

30.2 NPF4 and North Lanarkshire's LDP make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. North Lanarkshire's LDP aims to increase sustainable growth and regeneration to improve places. The Council has identified 5 large-scale business investment centres and a number of planned industrial estates across urban North Lanarkshire to meet the needs of small and medium sized enterprises. The Council has recently commenced work on LDP2. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

30.3 From a funding perspective, North Lanarkshire is high priority for public sector funding and received a substantial award from the Levelling Up Fund to establish Cumbernauld as a 21st Century town including the provision of business space. The Council is one of the authorities eligible for the Vacant and Derelict Land Fund and it has made good use of this fund, as well as the Regeneration Capital Grant Fund to help pump prime the development of various sites for employment purposes, e.g. Newhouse and Gartcosh. This has generally been through its Special Purpose Vehicle, Fusion Assets, which works together with private sector partners via Joint Ventures for the delivery of property development and land reclamation initiatives. City Region Deal funding in North Lanarkshire is focussed on the regeneration of Ravenscraig which will also create new space for employment. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

30.4 Over half of businesses located in North Lanarkshire are in industries relating to employment land classes. In recent years there has been a collective increase of 10% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

30.5 Overall employment within employment land classes has remained stable over recent years, with growth in construction and manufacturing employment replacing declines in professional services and IT employment.

30.6 Productivity in the area is greater than that of the regional and national economy. Ensuring adequate employment land is available for businesses to continue to invest in will play an important role in ensuring this continues.

30.7 Employment properties are distributed across North Lanarkshire's principal towns and around the strategic road network. The area has one-quarter of the regional stock (25.4 million sq.ft.) comprising both long-established estates and modern locations. New development and redevelopment has continued at scale into the 21st Century. The area has a low industrial property availability of 3.7%, which may restrict occupier choice, although a range of property locations and sizes is available.

30.8 Average annual industrial property take-up is 1.215 million sq.ft. While take-up is highest for smaller units there is market activity across the size ranges, including major owner-occupied and large speculative developments. Achieved rents vary widely from £4 per sq.ft. for older buildings up to £11 per sq.ft. in prime areas. Recent yields of 6-7% indicate a comparatively strong investment market.

30.9 North Lanarkshire's stock of office property is estimated at 4.8 million sq.ft., spread across the town centres, business parks and employment estates. This represents 11.1% of Glasgow City Region's office stock and confirms the area as a major office location. The principal office development era was the 1990s and 2000s with 61% of all stock built during that time including Strathclyde Business Park, Maxim Business Park and Buchanan Gate.

30.10 Current office supply of 790,341 sq.ft. is contained within 52 offices. This mainly comprises office pavilion-type business park accommodation and many marketed suites are sub-divisible. EPCs on current office supply (where available) are generally of a good standard. North Lanarkshire has an office availability rate of 16.6%. This is above the 12% office availability rate for Glasgow City Region but has fallen recently, most likely a result of the recent occupier transactions at Maxim Park.

30.11 Annual office take-up in the area is 183,000 sq.ft. in 36 offices per annum. The largest proportion of transactions (42%) was for offices of 1,000 – 4,999 sq.ft. which shows that the majority of office activity can be attributed to smaller businesses, while the market is active for suites smaller than 1,000 sq.ft. too. More recently there have been a number of larger, corporate office transactions over 10,000 sq.ft. Achieved rents vary widely from £8.50 per sq.ft. up to £17 per sq.ft. for modern office space.

30.12 North Lanarkshire has a current allocated employment land supply of 91 Category A sites totalling 462.12 hectares. The largest proportion of these sites (by number) are under 1 ha (29 sites) however the 15 sites above 5 ha total 345.18 ha, or 75% of all land supply in North Lanarkshire. The majority of sites are in private ownership.

30.13 Average annual employment land take up is 13 ha in 5 sites per annum. The majority of this take-up was for bespoke development.

30.14 With regard to employment land sites being actively marketed, these amount to development sites totalling 189.94 acres. An additional 121-acre site in Cumbernauld is under offer. It is notable that a number of these sites are very large and therefore may be difficult for local businesses to develop.

30.15 In terms of employment land transactions, 9 sites totalling 101.64 acres have been sold for employment use since January 2019. A number of new speculative and bespoke units are planned by private developers and Fusion Assets. This includes locations in Bellshill, Gartcosh, Ravenscraig and Eurocentral.

MARKET NEEDS

30.16 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for North Lanarkshire based upon the regional priorities and the research in this appendix are set out in Table E15 on the next page. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table E15 should be read in conjunction with that.

TABLE E15: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to meet market demand including manufacturing and logistics, and to replace areas of local stock ageing towards obsolescence typically in the area's traditional towns, particularly to meet the needs of local SMEs. While the proportion of old stock is comparatively low in regional terms, the scale is substantial. Prime areas around the motorways and trunk road network are attracting a range of private developers. Secondary areas will require intervention including a continuation of direct delivery of new development by the local authority's subsidiary development company.
Refurbished industrial property	Refurbishment is already underway at major private estates for example in the former New Town at Cumbernauld, extending the lives and delivering energy efficiency at ageing buildings. Based upon applications received, the appetite to upgrade industrial premises across the local authority area is substantial. In less strong markets however and given the scale of the challenge, public sector intervention may be required to deliver refurbishment, particularly in the traditional towns. The Council is in control of the upgrade of its own portfolio. The Council could also consider whether its development company could diversify concentrically to offer refurbishment solutions or acquire buildings to refurbish.
Office / business space	Vacancies were already high due to oversupply during the 2010s. Market change had driven these higher still, although some market adaptation is now occurring to attract flexible office users, mobile corporates and alternative employment uses. This adjustment will require to continue if vacancy rates are to keep recovering. The market should continue to be monitored for intervention requirements. While not signalled at present at a market level, this could include modern flexible provision within local town centre regeneration projects.
Serviced employment land	A large number of sites and extensive land area are allocated through planning. There is some market supply of readily developable plots larger plots but limited local supply for SMEs. Sites are taken-up regularly in the area and pipeline supply for both the local market and sectors with larger requirements are priorities. There is also a regional priority to assess capacity for the next strategic opportunity east of Glasgow along the M8 corridor, building upon existing locations and sites.
Market intelligence	Demand intelligence is spread across the Council, it development subsidiary, economic development partners and major landlords, and should be coordinated where this is feasible.

APPENDIX F

RENFREWSHIRE

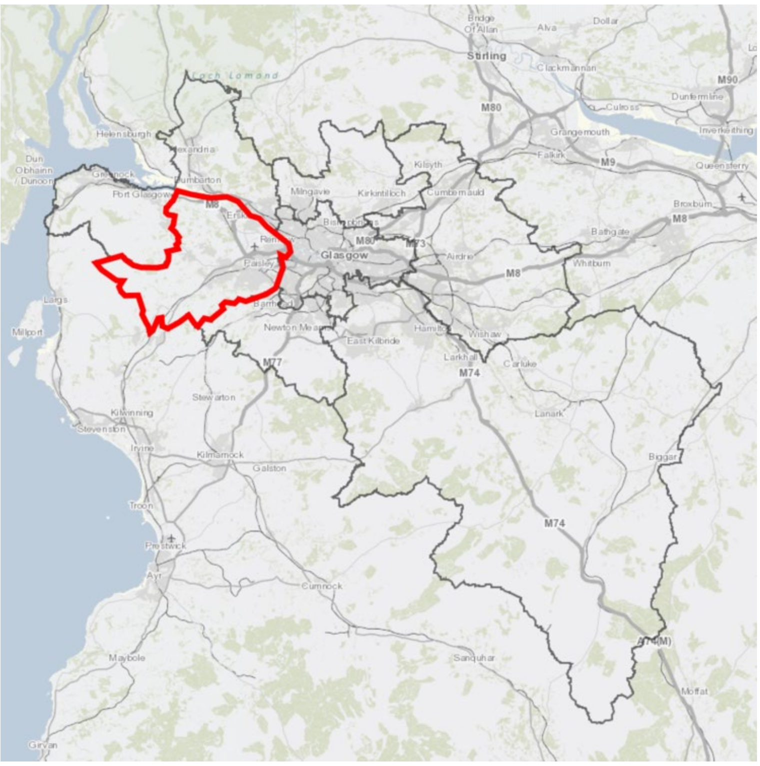
Ryden

F1

INTRODUCTION

31.1 Renfrewshire is one of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. The local authority area is highlighted on the Glasgow City Region map at Figure F1.

FIGURE F1: RENFREWSHIRE: LOCATION WITHIN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

31.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

31.3 The contents of this Renfrewshire report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

31.4 Analyses and summaries presented here are specific to Renfrewshire. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

F2

ECONOMY AND POLICY

31.1 This section outlines economic and planning policy and provides an economic overview of Renfrewshire. It also provides an overview of funding eligibility.

REGIONAL POLICY

31.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

31.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

31.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

31.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. City Region Deal projects in Renfrewshire focus on enabling infrastructure at the Advanced Manufacturing Innovation District (AMIDS), public transport links to Glasgow Airport and regenerating the Clyde waterfront with a new bridge and active travel routes. This will improve access to key development sites.

31.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

31.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

31.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects was approved following the RES including the creation of Innovation Districts and development of the Clyde Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

31.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

31.10 Planning and land uses within Renfrewshire are guided by the **Local Development Plan 2** (LDP2), which was adopted in 2021 and outlines policy guidance on planning applications and includes reference to key sites across the region. The LDP directs economic investment to particular locations including the strategic economic investment locations at AMIDS, Inchinnan Business Park and Hillington as well as other established industrial areas. The LDP also identifies a number of Transition Areas which includes a number of brownfield sites that had previous uses and are now vacant and derelict where change is anticipated and encouraged. This could include employment land zoning where appropriate. With regard to town centres, Paisley and Braehead are Renfrewshire's strategic centres.

31.11 The Council has recently commenced work on a new LDP for Renfrewshire. This will be the area's third LDP and set out the long-term vision for the area up to 2037 and beyond. It is anticipated that the new plan will be adopted in late 2027. **Local Place Plans** have a role to play in informing LDPs however they are also not a part of the statutory Development Plan.

31.12 The **Renfrewshire Council Plan 2022-2027** outlines five strategic outcomes to create a fairer Renfrewshire built on innovation, wellbeing, and opportunity. The Plan builds on the area's long-standing strengths in retail, construction, transport, storage, and the creative industries. In particular, Renfrewshire is home to AMIDS, a sector-leading flagship development establishing this local authority as a key player in manufacturing research, development, and innovation.

31.13 **Renfrewshire's Economic Strategy 2020-2030** sets out a ten-year plan to achieve sustained inclusive growth. The plan sets out six strategic ambitions:

- Add more than 9,000 jobs to the economy;
- Increase GVA per annum by £400 million;
- Increase the working age population by 5,000 people;
- Reduce economic inactivity by 15% by bringing 3,000 people back into the labour force;
- Reduce by 60% the businesses reporting skills gaps and shortages; and
- Grow manufacturing GVA by 30%.

31.14 The strategic priorities for local economic development are likely to affect future demand for commercial and employment land. This will be driven by an increase in the number of jobs supported within the local economy as well as by sectoral needs, for instance, in the case of manufacturing, a key sector of expansion within the economic strategy.

FUNDING

31.15 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. Renfrewshire is high priority for public sector funding and has attracted £38.7m from the Levelling Up Fund to improve travel links between AMIDS and the towns of Paisley, Renfrew and across the wider local authority area. This will improve connections to employment in the area as well as creating new job opportunities and boost the local economy. City Region Deal projects, as mentioned early, will also open up access to development and employment locations.

31.16 Renfrewshire is not eligible for the Vacant and Derelict Land Fund and to date it has not benefited from the Vacant and Derelict Land Investment Programme. However, Renfrewshire Council was successful with an award from the Regeneration Capital Grant Fund for the restoration of the Russell Institute, Paisley which brought the building back into use as an employability hub as well as a range of other cultural and community projects. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

ECONOMIC OVERVIEW

Business Growth and Survival Rates

31.17 In 2023, Renfrewshire was home to 4,630 business, of which 58% were in sectors relating to employment land class categories (Table F1).

31.18 There was an increase of 9% in the count of death of enterprises in 2022 compared to 2017 and an 8% decrease in the birth of new enterprises over the same period. These statistics for Renfrewshire show a business landscape still recovering from the effects of the COVID-19 pandemic.

31.19 Of all businesses operating in Renfrewshire in 2023, the largest proportion were in the construction sector (15%). Among the commercial and employment land sectors, the largest share of businesses (14% of the total number of businesses in Renfrewshire) was in professional, scientific and technical activities

TABLE F1: BUSINESSES IN RENFREWSHIRE

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN RENFREWSHIRE BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN RENFREWSHIRE
Manufacturing (C)	295	6%	5%
Construction (F)	695	15%	14%
Wholesale (Part G)	185	4%	4%
Transport & storage (inc. postal) (H)	245	5%	5%
Information & communication (J)	180	4%	5%
Financial & insurance (K)	85	2%	2%
Professional, scientific & technical (M)	655	14%	14%
Business administration & support services (N)	365	8%	7%
Total Business Count	**2,705**	**58%**	**56%**
Retail (Part G)	*410*	*9%*	*10%*
Total Incl. Retail	**3,115**	**67%**	**66%**

Source: ONS, UK Business Count 2023

31.20 While the overall number of businesses in Renfrewshire has remained relatively stable over recent years, those relating specifically to employment land categories have increased by 5%.

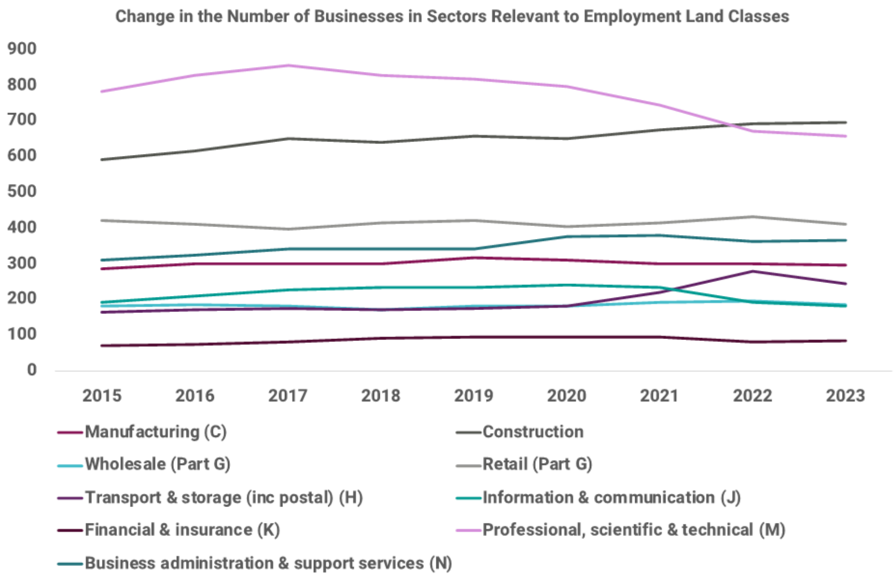
31.21 As shown in Table F2 and Figure F2 below, between 2015 (pre-Covid) and 2023 there was a 48% increase in number of businesses in the transportation and storage industry in Renfrewshire. However, over the same period there was also a 16% decrease in professional, scientific, and technical activities. This could be linked to the broader slowdown in technology industries following the pandemic.

TABLE F2: BUSINESSES IN RENFREWSHIRE

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	295	285	4%
Construction (F)	695	590	18%
Wholesale (Part G)	185	180	3%
Transport & Storage (incl postal) (H)	245	165	48%
Information & communication (J)	180	190	-5%
Financial & insurance (K)	85	70	21%
Professional, scientific & technical (M)	655	780	-16%
Business administration & support services (N)	365	310	18%
Total Business Count	**2,705**	**2,570**	**5%**
Retail (Part G)	*410*	*420*	*-2%*
Total Incl. Retail	**3,115**	**2,990**	**4%**

Source: ONS, UK Business Count 2023

FIGURE F2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

31.22 There was an 8% increase in the number of micro enterprises and in that of small enterprises in Renfrewshire between 2015 and 2023. Medium sized enterprises employing between 50 to 249 employees decreased by 12% in the same period. This suggests an overall decrease in the size of businesses operating in the area. The count of large enterprises in Renfrewshire stayed the same over the last decade with 30 such enterprises employing more than 250 people.

Employment

31.23 Total employment in Renfrewshire in 2022 was approximately 86,200. Of this total, sectors relating to employment land class categories accounted for approximately 47% of employment.

31.24 Employment in Renfrewshire largely stayed the same between 2015 and 2022. There was, however, a change in the distribution of sectors where individuals were employed. The business administration & support services sector saw an increase in employment by 38% in 2022 when compared to 2015. Similarly, the professional, scientific & technical sector and the public administration & defence sector each had a 33% increase in total employment. As such, demand for business spaces to accommodate these sectors has likely risen over the period.

31.25 The property sector had a 22% decrease in employment and the information & communication sector also had a decrease by 20% in employment. These figures suggest a fall in demand in some sectors and a substitution of demand through others, which maintained overall employment figures but altered the distribution of employment in Renfrewshire (Table F3).

TABLE F3: EMPLOYMENT IN RENFREWSHIRE

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	0%	0%
Construction	-10%	11%
Wholesale	-17%	0%
Transport & storage	-14%	0%
Information and communication	80%	-56%
Finance and insurance	-14%	0%
Professional, scientific and technical	11%	20%
Business administration and support activities	50%	-8%
Employment Land Class Categories (Total)	**9%**	**-2%**
Retail	*0%*	*0%*
Total Employment	1%	0%

Source: ONS, Business Register and Employment Survey

Productivity

31.26 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of Renfrewshire in 2023 was around £4,208m, with a GVA per job of £46,900. This is lower than the GVA per job across GCR and may be explained by a larger concentration of employment in healthcare and retail services (Table F4).

TABLE F4: GVA

GVA PER JOB	2023 ESTIMATE
Renfrewshire	£46,900
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

31.27 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

31.28 The most recent Future of Jobs report published by the World Economic Forum indicates that the macrotrends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

31.29 Forecasts produced by Oxford Economics for SDS estimate that employment in Renfrewshire will increase by 2% over the next three years, and then by 0.3% up to 2033. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 3% by 2026, equivalent to an additional 900 workers. This increase in employment will affect demand for commercial and employment land.

SUMMARY

31.30 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The Renfrewshire Council Plan builds on the area's long-standing strengths in retail, construction, transport, storage, and the creative industries. There is also a particular focus on AMIDS and the Renfrewshire Economic Strategy highlights manufacturing as a key area for economic expansion.

31.31 NPF4 and Renfrewshire's LDP make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. Renfrewshire's LDP2 also highlights particular locations for economic investment including AMIDS, Inchinnan Business Park and Hillington as well as other established industrial areas. The LDP also identifies a number of Transition Areas which includes a number of brownfield sites that had previous uses and are now vacant and derelict where change is anticipated and encouraged. The Council has recently commenced work on LDP3. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

31.32 Renfrewshire is considered a high priority for public sector funding and has attracted a significant sum from the Levelling Up Fund to improve travel links between AMIDS and the towns of Paisley, Renfrew and across the wider local authority area. City Region Deal projects will also open up access to development and employment locations. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

31.33 Over half of businesses located in Renfrewshire are in industries relating to employment land classes. In recent years there has been a collective increase of 5% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

31.34 Overall employment in employment land classes has declined slightly in recent years, driven by reducing in IT employment.

31.35 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

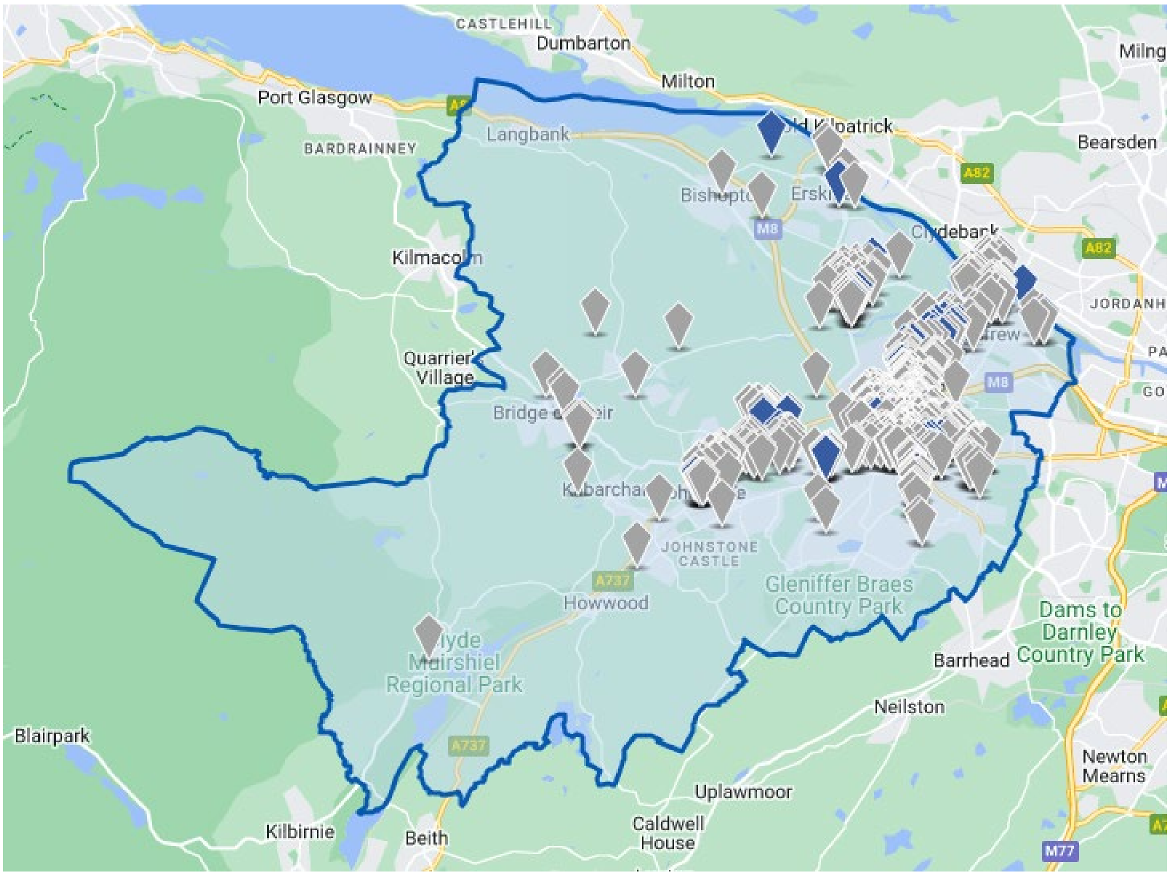
F3

INDUSTRIAL PROPERTY MARKET

32.1 This section considers the industrial property market in Renfrewshire.

32.2 Employment properties are mainly located in the east of the local authority area, close to the boundary with Glasgow and in and around Paisley and Glasgow Airport. The principal locations are in the main towns of Paisley, Renfrew and Linwood, and along the main transport routes of the M8 and A737 (Figure F3).

FIGURE F3: RENFREWSHIRE EMPLOYMENT LOCATIONS



Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

32.3 Principal employment locations in Renfrewshire are described in Table F5 on the next page. Westway, Inchinnan Business Park and Netherton combine to create AMIDS, the development of which is planned to provide a major boost to Scotland's manufacturing sector.

TABLE F5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Hillington Business Park, Renfrew	Scotland's largest business park with c. 4 million sq.ft. of floorspace. Spans Renfrewshire and Glasgow City Council's areas with c. 2.6 million sq.ft. within Renfrewshire. Recent development by Frasers Property Group of industrial terraces West 100 and West 200. High quality refurbishments being undertaken, most recently of 5,000 sq.ft. units at 24 and 26 Earl Haig Road. Occupiers include Scope Bathrooms, TrustFord, Kayfoam, J & E Hall, DB Schenker and T Quality Foodservice. Simplified Planning Zone ends in August 2024.
Westway Park, Renfrew	Comprises c. 1.6 million sq.ft. of industrial and logistics space on a 130-acre estate located near Glasgow International Airport. Comprised mainly of refurbished units which were originally built in the 1960/70s. Speculative development of two large industrial / warehouse units (see Table F13 below). Occupiers include Filshill, Malin Fabrication, Star Refrigeration, DSV, Caley Ocean Systems and Altrad. Canmoor sold the estate to Ares Management but Canmoor continue as asset manager.
Inchinnan Business Park, Inchinnan	Comprises c. 2.3 million sq.ft. of floorspace, built mainly in the 1980s to 2000s. Occupiers include Rolls Royce, Peak Scientific, Thermo Fisher Scientific, Eclipse Blinds and the National Construction College.
Netherton Campus	The new build National Manufacturing Institute Scotland (NMIS) and the Medicines Manufacturing Innovation Centre are located here.
Glasgow Airport Business Park, Paisley	Located adjacent to Glasgow Airport, comprises c. 195,000 sq.ft. of modern office pavilions, built in 1990s and 2000s. Occupiers include Loganair, Heathrow Airport Ltd and Rolls Royce Submarines. Premier Inn, Travelodge and Courtyard by Marriott hotels also located here.
Gateway International, Airlink and Nethercommon Industrial Estates and Westpoint Business Park, Paisley	Area located beside Glasgow Airport Business Park. The area has c. 150,000 sq.ft of industrial and 93,000 sq.ft. of office floorspace. The offices were built in the 1990s and 2000s, with industrial units constructed 1970s to 2000s. Occupiers include Optimus Decorating Services Ltd, Angelwax Ltd, Flavourly, Farmer Autocare, Alternative Heat and Songa Ship Management.
Phoenix Business Park/ St James Business Park, Paisley	Comprises c. 950,000 sq.ft. and is located beside Phoenix Retail Park. Mainly industrial floorspace with modern office pavilions. Occupiers include A & D Logistics, Malcolm Group, Roskel Contracts, FedEx and Bunzl.

Source: Ryden / CoStar/ Websites

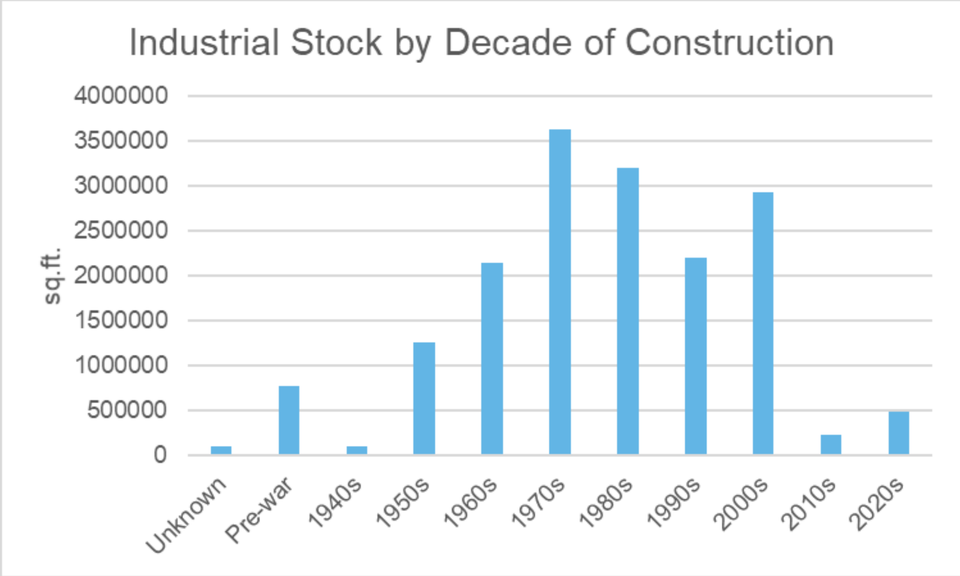
INDUSTRIAL STOCK

32.4 The local authority area's current stock of industrial property is estimated at 17.1 million sq.ft., indicating the importance of the area's industrial activity, particularly Hillington Park and Westway in Renfrew. This is 16.1% of Glasgow City Region's industrial stock.

32.5 Renfrewshire has a normal rate of industrial property availability, currently sitting at 5.3% which is nonetheless above the 4% for Glasgow City Region. With this level of availability, vacancy is not high, but occupiers should have a reasonable choice of premises in the area.

32.6 Renfrewshire's principal industrial property development eras were the 1970s to the 2000s the largest proportion of floorspace built in the 1970s. This is shown in Figure F4 on the next page. As a result, approximately 46% of the industrial stock in the area is 40 years or older.

FIGURE F4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION



Source: Ryden / CoStar

INDUSTRIAL SUPPLY

32.7 The supply of available industrial space in April 2024 totals 905,623 sq.ft. in 52 units. As noted, this gives an industrial availability rate of 5.3%. A further 74,009 sq.ft. in 9 units are under offer, and 4 units totalling 293,860 sq.ft. are under construction. Examples of industrial units currently on the market are provided in Table F6.

TABLE F6: EXAMPLES OF CURRENT INDUSTRIAL SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
Abercorn Industrial Estate, Paisley		500 500 500 500 1000	Four units of 500 sq.ft. and one of 1,000 sq.ft. For lease at £8 per sq.ft. EPC ratings E+, 2 x F and 2 x G
Unit E & F Floors Street, Johnstone		1,011	Ground floor double industrial unit. Unit E is current split into 2 rooms with stairs that access a mezzanine storage area. Unit F is open plan with a large kitchen. Use Class 4 (Business), 5 (General industrial) and 6 (Storage or distribution) use consent. New FRI lease, offers in excess of £8,000 pa.
15 North Street, North Street Business Park, Paisley		684 1,220	Unit 10 and Unit 11, Starter units and studio space. Workshop / storage space. Available on short-term licence agreements. EPC rating G
Unit 9 Murray Street, Baltic Business Park, Paisley		2,945	Mid-terrace trade counter unit. For lease £9 per sq.ft.
Unit 3 Cartside Avenue, Maritime Court, Inchinnan		4,863	Modern two storey industrial unit with office space. For lease. EPC rating B+

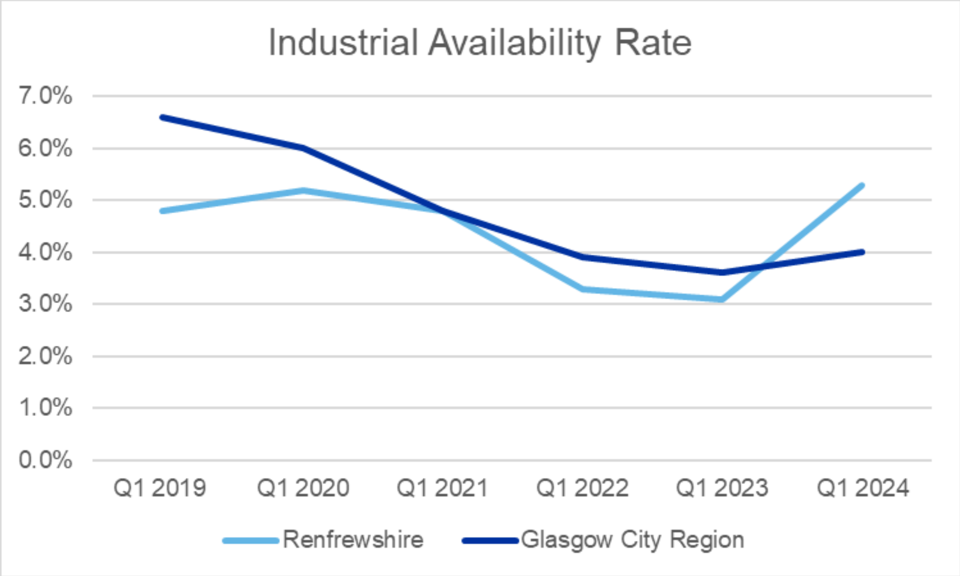
Block L Porterfield Road, Westway, Renfrew		4,662 5,663	Unit L7C and L7D available for lease on flexible terms from £6.75 per sq.ft.
Unit 6 Glasgow Airport, Campsie Drive, Paisley		5,681	Mid-terraced modern industrial unit with office / welfare accommodation
Unit C Air Cargo Centre, Arran Avenue, Glasgow Airport, Paisley		9,956	Mid terraced refurbished unit constructed in 2000s. For lease
West 200, Hillington Park		8,540 10,234	Unit 201 and Unit 205. Brand new high spec industrial & logistics units. For lease £9.50 per sq.ft. EPC rating B
Block A Westway, Renfrew		27,809	Undergoing refurbishment. Warehouse, includes offices on the ground and first floors. For lease.
15 McFarlane Street, Paisley		52,800	Substantial industrial unit with secure 0.5 acre yard for assignation or sub-lease. Warehouse unit with small office. Current rent is £246,462 per annum. EPC rating G
Caledonia House, 5 Inchinnan Drive, Inchinnan		173,715	Landmark HQ industrial/distribution facility on a 13.8 acre site. Built for Compaq in 2000, and more recently as M & Co's HQ from 2007. Use Class 4 (Business), 5 (General industrial) and 6 (Storage or distribution) consent. The property is held on a ground lease with option to buy.

Source: Ryden / CoStar / Marketing Agents / Renfrewshire Council

32.8 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Ten of the available industrial units in Table F6 have a registered EPC rating. 2 buildings achieve B ratings; these buildings are very energy efficient. 2 buildings have mid-range EPC ratings of C, D or E. 2 buildings have a poor EPC rating of F, and 4 have G, which is the worst. These building could be termed 'environmentally obsolete' without appropriate improvements

32.9 The industrial availability rate for Renfrewshire is 5.3% as noted above. This has risen from 3.1% in 2023, and is above the 4% rate for Glasgow City Region. Figure F5 on the next page illustrates how the industrial property availability rate fell into 2023 from 5.2% in 2020, and has edged up again. This rise into 2024 is primarily due to the c. 174,000 sq.ft. former M & Co distribution unit at Inchinnan Business Park coming onto the market.

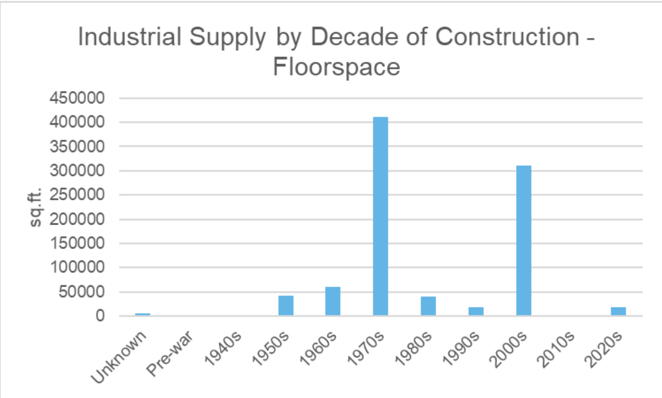
FIGURE F5: INDUSTRIAL AVAILABILITY RATE

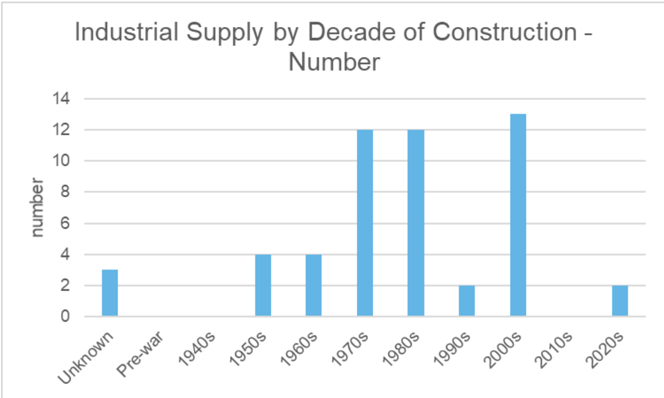


Source: Ryden / CoStar

32.10 As noted above, there are 52 industrial units on the market. This supply of industrial units by decade of construction indicates that 45% of available floorspace (the first chart) was built in the 1970s (mainly at Westway, Renfrew) and 34% was built in the 2000s (mainly in the former M & Co unit at Inchinnan). By number of units on the market, 23% were built in each of the 1970s, 1980s and 2000s (Figure F6).

FIGURE F6: INDUSTRIAL SUPPLY

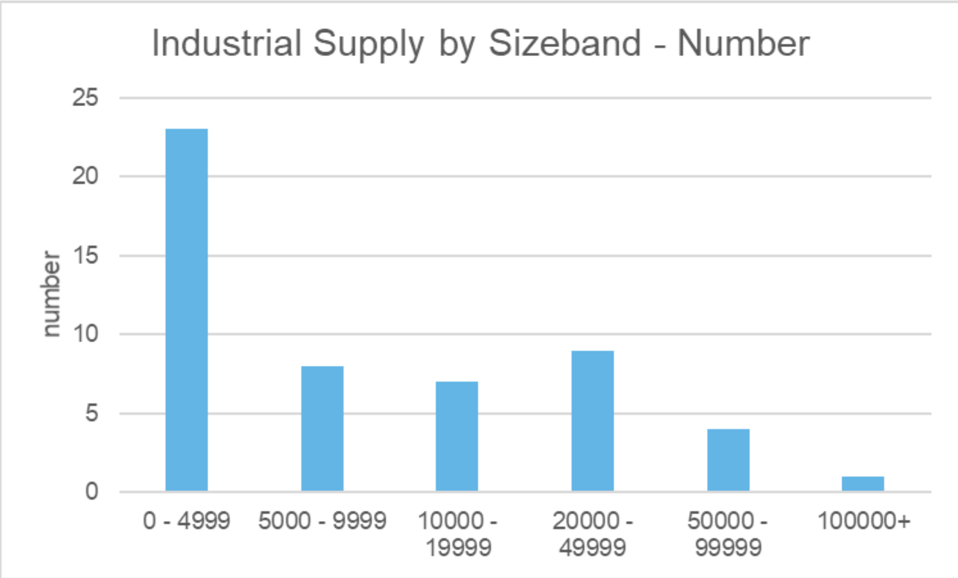




Source: Ryden / CoStar

32.11 By sizeband the current supply of 52 industrial units is skewed towards the smaller ranges, principally smaller than 5,000 sq.ft., although there is availability in all size ranges (Figure F7 overleaf).

FIGURE F7: INDUSTRIAL SUPPLY BY SIZEBAND



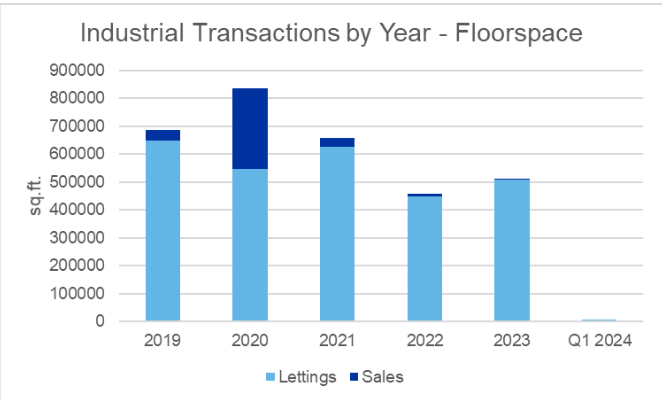
Source: Ryden / CoStar

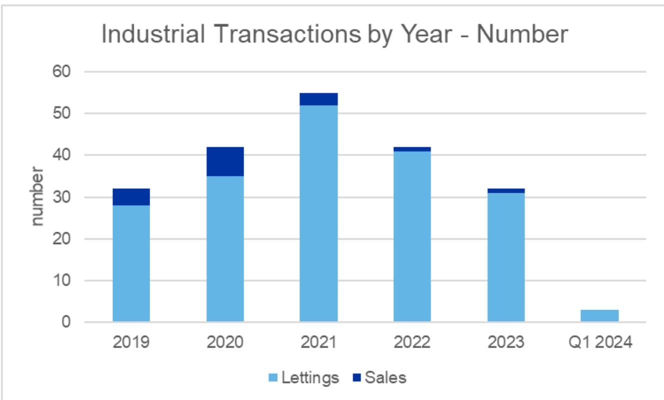
INDUSTRIAL TAKE-UP

32.12 Across Renfrewshire a total of 3,109 667 sq.ft. of industrial property in 206 units has been taken-up (sales, lettings and lease renewals) between January 2019 and March 2024 inclusive. This is an annual average of 586,730 sq.ft. in 39 units. 92% of the area's industrial property transactions are lettings and the balance are sales.

32.13 The years 2019, 2020 and 2021 had the highest volumes of floorspace take up at between 660,000 and 838,000 sq.ft. (Figure F8). Examples of larger units taken-up in these years include a lease renewal of c. 171,000 sq.ft. to Hewlett Packard Enterprise at Bishopton Campus in Bishopton; and 8 lettings at Porterfield Road, Westway in Renfrew including to Filshill Ltd (58,061 sq.ft.), Altrad Babcock (114,000 sq.ft. and 149,205 sq.ft.) and Malcolm Group (66,643 sq.ft.). 2021 had the greatest number of units taken up in a single year, with 55 industrial property transactions recorded. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

FIGURE F8: INDUSTRIAL TAKE-UP PER YEAR

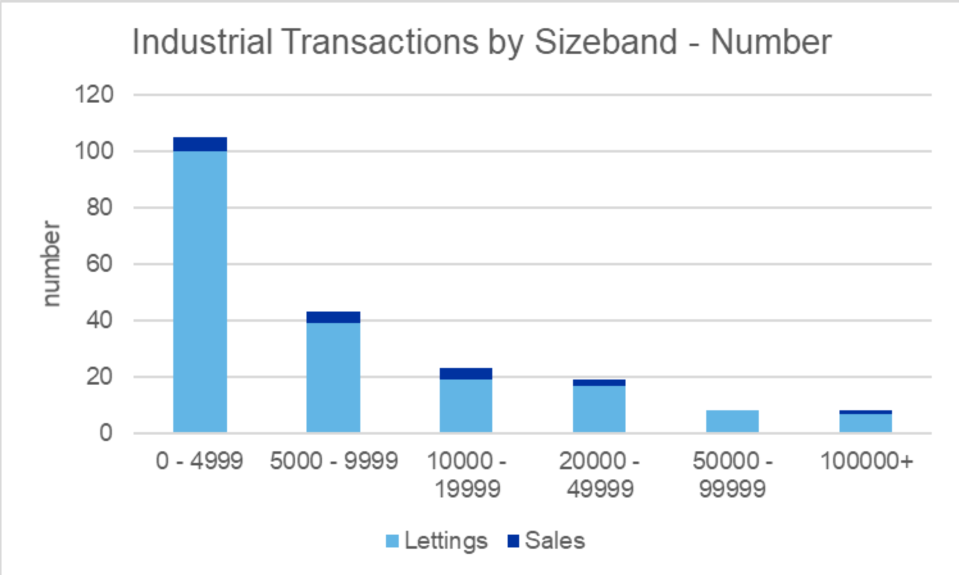




Source: Ryden / CoStar

32.14 Looking at industrial transactions by sizeband, the smallest ranges had the most activity (Figure F9). Properties up to 5,000 sq.ft. account for 51% of market activity; in comparison with other local authority areas however this is quite low, and medium to larger property transactions are also prevalent in Renfrewshire. This is broadly aligned with supply in terms of the overall shape of the market.

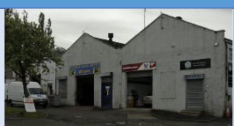
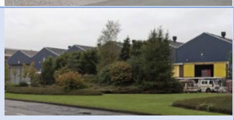
FIGURE F9: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

32.15 A selection of recent industrial property transactions is presented in Table F7. Achieved rents vary widely from £2.30 per sq.ft. for older buildings up to £9.50 per sq.ft. for new-build units in prime areas (for example West 100 at Hillington Business Park).

TABLE F7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
42 Queen Elizabeth Avenue, Hillington Park, Paisley		1,380	Let in March 2024 to Christian Andrews Ltd on a 1-year lease at £10 per sq.ft.
Unit 7A Block L, Porterfield Road, Westway, Renfrew		5,300	Let in January 2024 to Westway Cooperage Ltd on a 10-year lease at £7 per sq.ft.
Block F, Porterfield Road, Westway Park, Renfrew		40,637 17,183	Unit 6 - Lease renewal in December 2023 to Caley Ocean Systems at £2.50 per sq.ft. Unit 3B – Let in July 2023 to Lodge Cottrell on a 6-month lease at £2.30 per sq.ft.
Northpoint, Stephenson Street, Hillington Park, Paisley		9,580 6,241	Unit 8 Let in December 2023 to Pretty Scenic Ltd on a 5-year lease at £6.30 per sq.ft. Unit 15 Let in June 2023
43 Back Sneddon Street, Paisley		2,320	Let in November 2023 to Just Dive on a 3-year lease at £4.95 per sq.ft.
16-18 Earl Haig Road, Hillington Business Park, Paisley		9,929	Let in November 2023 to Snow Line Ltd on a 10-year lease at £6.55 per sq.ft.

33 Watt Road, Hillington Business Park, Paisley		4,984	Let in October 2023 to Alba Orbital on a 5-year lease at £5.40 per sq.ft.
45 McKenzie Street, Paisley		10,403	Let in September 2023 to Galliford Try Construction Ltd on a 10-year lease at £9 per sq.ft.
Unit 3, Block G, Porterfield Road, Westway Park, Renfrew		15,113	Let in September 2023 to Spirit Label Solutions on a 5-year lease at £6.60 per sq.ft.
West 100, 100 Buccleuch Avenue, Hillington Business Park		12,562 12,610	Unit 103 Let in August 2023 to Swarco on a 10-year lease at £9.50 per sq.ft. Unit 102 Let in May 2023 to Primaflow on a 10-year lease at £9.40 per sq.ft.
Unit 14 Murray Road, Baltic Business Park, Paisley		2,897	Let in May 2023 to PT Plastics Scotland Ltd
Unit 23 Scotts Road, Paisley		4,432	Let in February 2023 to Door Store Direct Ltd
9 McKenzie Street, Paisley		2,627	Sold in January 2023 for £140,000

Source: Ryden / CoStar

32.16 Industrial units sold for investment purposes rather than occupational use achieved yields of 5.5% to 7.33% which indicate comparatively high prices for industrial investments. The deals did however fall before the sharpest acceleration in interest rates and related falls in investment values. The examples of recent transactions in Table F8 are mainly single-let units with one example of a multi-let estate.

TABLE F8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Westway Park, Renfrew		Sold in September 2022 to Ares Management for £109. 5 million (5.5%). Canmoor and joint venture partner JCAM agreed an off-market deal to sell the estate. Industrial and logistics park with c. 1.6 million sq.ft. of floorspace which has undergone refurbishment
28-32 Fountain Drive, Renfrew		Sold in May 2022 to Kennedy Wilson and GIC Real Estate (Alpha Trustee) as part of a 24 property portfolio. Comprises a 67,091 sq.ft. warehouse. Let to Elis UK
Old Govan Road, Renfrew		Sold in March 2022 to ARA Dunedin for £13 million (5.97%). The 204,414 sq.ft. unit is let to Howden
Units 4 & 5, Airlink Industrial Estate, Paisley		Sold in March 2022 for £685,000 (7.33%). Mid-terrace modern units let to Toby Webster Ltd

Source: Ryden / CoStar

SUMMARY

32.17 Employment properties in Renfrewshire are mainly located in the east of the local authority area in the main towns of Paisley, Renfrew and Linwood, and along the main transport routes of the M8 and A737 and around Glasgow Airport. The local authority area's current stock of industrial property is estimated at 17.1 million sq.ft., indicating the importance of the area's industrial activity, particularly Hillington Park and Westway in Renfrew and its link to the wider AMIDS development.

32.18 Industrial property availability is currently 5.3% which is above the 4% for Glasgow City Region. With this level of availability, vacancy is not high but occupiers should have a reasonable choice of premises in the area. Approximately 46% of the industrial stock in the area is 40 years or older.

32.19 Current supply in the area is 905,623 sq.ft. in 52 units. The largest proportion are under 5,000 sq.ft. however there is availability across all size ranges.

32.20 The average annual industrial property take-up in Renfrewshire is 586,730 sq.ft. The majority of take-up activity is on properties under 5,000 sq.ft. which is broadly aligned with supply in terms of the overall shape of the market. Achieved rents vary widely from £2.30 per sq.ft. for older buildings up to £9.50 per sq.ft. for new-build units in prime areas. Recent investment yields have been between 5.5-7.33% however those happened before interest rates rose and investment prices fell.

F4

OFFICE PROPERTY MARKET

34.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements.

OFFICE STOCK

34.2 Renfrewshire's stock of office property is estimated at 3.3 million sq.ft., spread across town centres, business parks and employment estates. Some of the purpose-built office stock was highlighted on Table F4 above. This is 7.6% of Glasgow City Region's office stock.

34.3 The principal development eras were the 1980s and 1990s with the development of office pavilions at for example at Phoenix Business Park in Paisley and Inchinnan Business Park in Renfrew, while town centre offices were built for the public sector. Around 37% of the office stock is 30 years or older. In the 2000s 18% of overall office floorspace was developed, providing additional modern space.

OFFICE SUPPLY

34.4 The current office supply of c. 220,000 sq.ft. is contained within 29 offices, however the supply is very adaptable to sub-divisible and flexible options are available in serviced offices/ business centres.

34.5 Examples of current supply are in Table F9 below. These comprise a mix of modern office pavilions some of which are sub-divisible, and serviced offices in both modern and older buildings. All are available for lease.

TABLE F9: EXAMPLES OF CURRENT OFFICE SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
Wilson Business Park, Hillington Park		-	Business centre with office suites from 96 sq.ft. with short term licences available.
The Embroidery Mill, Seedhill Road, Paisley		-	Abbeymill Business Centre with serviced offices from 150 sq.ft. available. EPC rating B+
Glasgow Business Centre, Burnbrae Road, Linwood Industrial Estate, Linwood		-	Fully managed (Business First) serviced offices range from 375 to 3,000 sq.ft. With self-storage on the ground floor.
30 Gordon Street, Paisley		530	Office on second floor within 2-storey detached office building. For lease £13,200 pa.
Hunter House, 7 Hunter Street, Paisley		571	Self-contained office on the first floor of a mixed use building. For lease at £6,500 pa (£11.40 per sq.ft.). EPC rating D+
Phoenix House, Trojan House and Chiron House, Phoenix Business Park, Paisley		2,402 2,498 4,291 4,694	Refurbished office suites in modern 2-storey standalone office pavilion. For lease £12 per sq.ft. EPC ratings B, C and C+

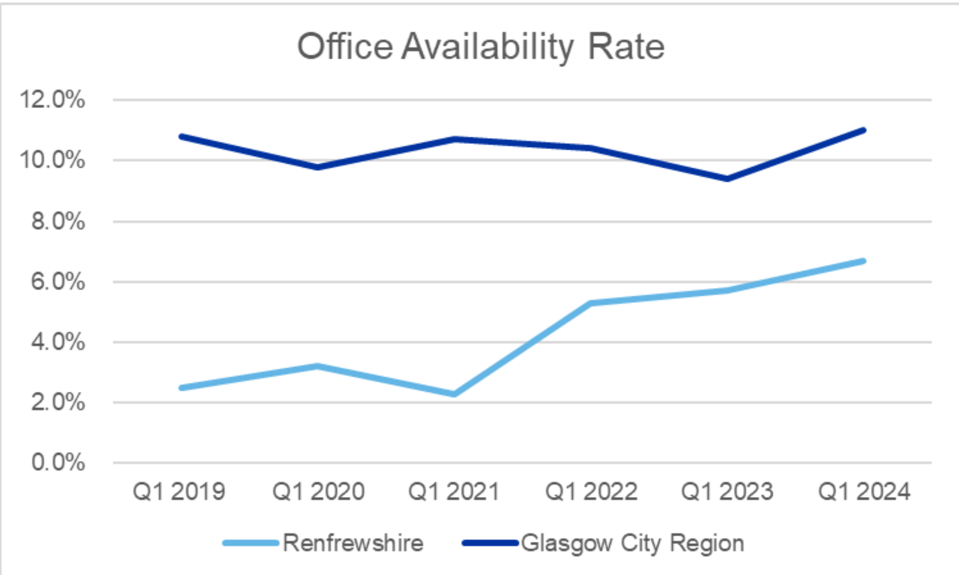
64 Espedair Street, Paisley		2,149	Three office suites available in 1950s office building. For lease together or separately.
Pavilion 4, Glasgow Airport Business Park, Paisley		2,891	Ground floor suite in modern 2-storey standalone office pavilion. For lease £10 per sq.ft. EPC rating D
Bridgewater Shopping Centre, Erskine		3,850 sub divisible	Modern office on first floor of the two storey section of the shopping centre. Although the office is larger in its entirety than the 3,000 sq.ft. threshold it is marketed as being sub-divisible. For lease £20,000 pa (£5 per sq.ft.)
Riverside Way, 2 Kings Inch Way, Braehead		4,040	Modern open plan office on the second floor available for lease. EPC rating C
Piazza Shopping Centre, Central Way, Paisley		1,326 6,880 16,299	Three office suites available within shopping centre. On Ground, first and fourth floors.
India of Inchinnan, Greenock Road, Inchinnan		c. 13,000 from 500	Business centre with self-contained offices from 500 sq.ft. For lease. EPC rating C
Bishopton Campus, Erksine Ferry Road, Bishopton		22,000	Modern open plan offices within the Hewlett Packard Enterprise facility which was built in 1987. Two suites of 11,000 sq.ft. are available for lease at £7.50 per sq.ft.

Source: Ryden / CoStar / Marketing Agents / Renfrewshire Council

34.6 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. Only 8 of the available offices in Table F9 have a registered EPC rating. Two buildings achieve B/B+ ratings indicating good energy efficiency, while 6 buildings have mid-range EPC ratings of C, D or E.

34.7 Renfrewshire has an office availability rate of 6.7%. This is below the 12% office availability rate for Glasgow City Region although it has been rising recently as shown in Figure F10.

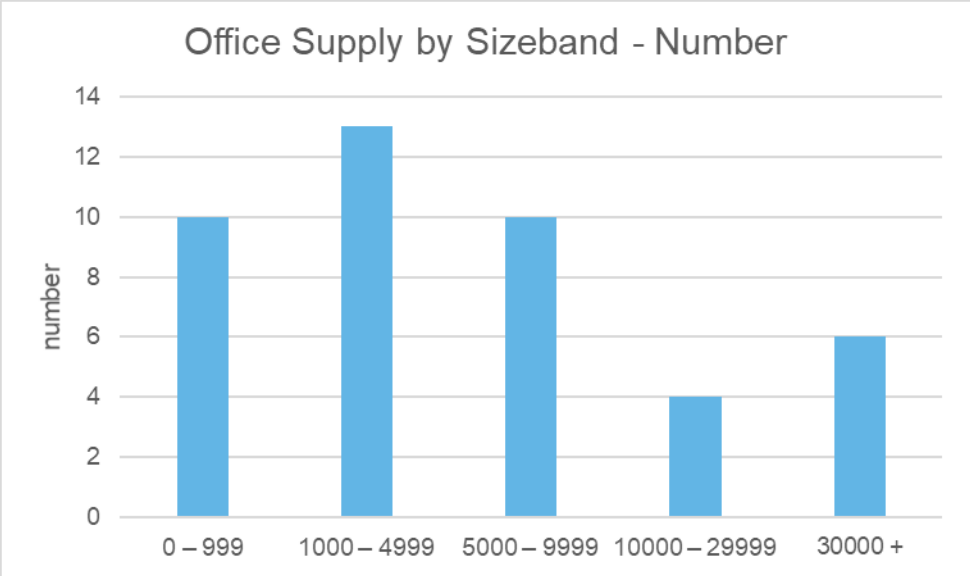
FIGURE F10: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

34.8 In terms of the sizes of available offices, the spread (Figure F11) is very wide across size ranges, and as noted many of these offices are available on a flexible, sub-divisible basis. Examples were provided in Table F8 above.

FIGURE F11: OFFICE SUPPLY BY SIZEBAND



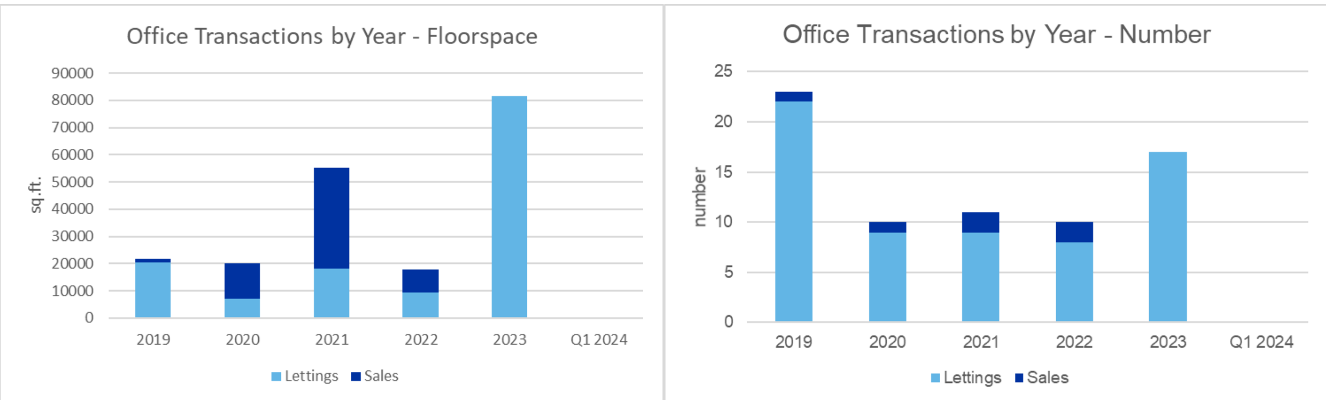
Source: Ryden / CoStar

OFFICE TAKE-UP

34.9 Demand for offices in Renfrewshire is demonstrated by 196,488 sq.ft. in 71 offices taken-up (sales, lettings and lease renewals) from January 2019 to March 2024 inclusive. This is an annual average of 37,000 sq.ft. in 13 offices. The large majority (92%) of transactions are lettings while the balance are sales.

34.10 The year 2023 had the highest volume of floorspace take up, with c. 81,700 sq.ft. (Figure F12) including two lettings (14,330 sq.ft. and 15,106 sq.ft.) at Glasgow Airport Business Park. No transactions were recorded during the first quarter of 2024 although Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions. The year 2019 had the greatest number of office transactions with 23, followed by 2023 with 17 transactions.

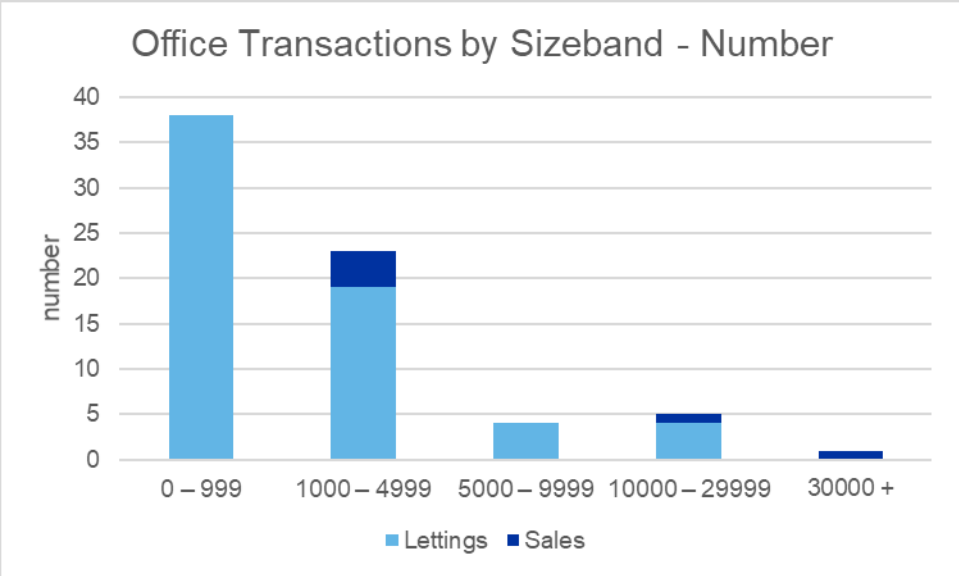
FIGURE F12: OFFICE TAKE-UP PER YEAR



Source: Ryden / CoStar

34.11 The office sizeband up to 1,000 sq.ft. had the majority (53%) of transactions while almost all deals were below 5,000 sq.ft. (Figure F13). This signals an office market composed largely of micro and small businesses. The largest transaction was the sale of c. 34,000 sq.ft. to Beeks Financial at Kings Inch Way at Braehead in 2021

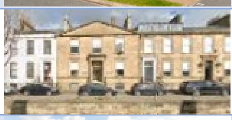
FIGURE F13: OFFICE TAKE-UP BY SIZEBAND

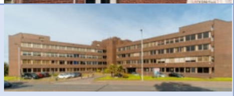


Source: Ryden / CoStar

34.12 A selection of recent transactions is provided in Table F10. Achieved rents vary widely from £8.70 per sq.ft. for older buildings up to £18 per sq.ft. for modern office space.

TABLE F10: RECENT OFFICE TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Brown Egg Farm, Houston Road, Inchinnan		1,425	Let in November 2023 to ZFR Holdings on a 10-year lease at £10.50 per sq.ft.
India of Inchinnan, Inchinnan		237 -	Insight Projects opened an office here in 2023 Bridgewater Housing Association opened an office here in 2023
Cirrus, 9 Marchburn Drive, Glasgow Airport Business Park, Paisley		14,330 15,106	Lease renewal in November 2023 to Loganair for a further 10-years at £16.50 per sq.ft. Let in November 2023 to Heathrow Airport Ltd on a 15-year lease at £18 per sq.ft.
11 Glasgow Road, Paisley		914	Let in September 2023 on a 5-year lease at £8.75 per sq.ft. First floor office
Seaforth House, Seaforth Road South, Hillington Park		15,528	Let in August 2023 to Atalian Servest at £13.50 per sq.ft.
Lightyear, 9 Marchburn Drive, Glasgow Airport Business Park, Paisley		7,853	Let in August 2023 to Rolls Royce Submarines Limited on a 10-year lease at £18 per sq.ft.

Pavilion 2, St James Business Park, Linwood 	6,500	Let in June 2023 to GMB Union at £10 per sq.ft.
Carlton House, 62 Espedair Street, Paisley 	1,720	Let in May 2023 to Excel Environmental on a 5-year lease at £8.70 per sq.ft.
Trident House, Renfrew Road, Paisley 	324 169 478	Let in May 2023 to Eventsy on a 2-year lease at £10 per sq.ft. Let in February 2023 to CR Beauty on a 2-year lease at £10 per sq.ft. Let in February 2023 to Elite Ultrasound on a 2-year lease at £9.50 per sq.ft.

Source: Ryden / CoStar

34.13 Examples of offices sold for investment purposes rather than occupational use are provided in Table F11. Additionally, Phoenix Business Park in Linwood, comprising three modern multi-let office pavilions totalling 26,813 sq.ft. is currently for sale for £19 million (which would give a yield of 9.21%).

TABLE F11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS	DETAILS
64 Espedair Street, Paisley 	Two-story office built in the 1950s and totals 2,149 sq.ft. Sold in April 2024 for £185,000
Osprey House One and Two, and Vigilant House, Paisley 	Portfolio of three office pavilions totalling 37,176 sq.ft. sold in July 2022 to Waypoint Asset Management for £6.5 million.

Source: Ryden / CoStar

SUMMARY

34.14 Renfrewshire's stock of office property is estimated at 53.3 million sq.ft., spread across town centres, business parks and employment estates. The majority of this office stock was built in the 1980-90s.

34.15 The office supply of c. 220,000 sq.ft. is contained within 29 offices and is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. Renfrewshire has a normal office availability rate of 6.7%, which in the current market is significantly lower than most areas.

34.16 Average annual office take-up is 37,000 sq.ft. with the majority of transactions under 5,000 sq.ft. This signals an office market composed largely of micro and small businesses, as opposed to previous years (pre-Covid) when a number of larger office occupiers were active. Rents vary widely from £8.70 per sq.ft. for older buildings up to £18 per sq.ft. for modern office space.

F5

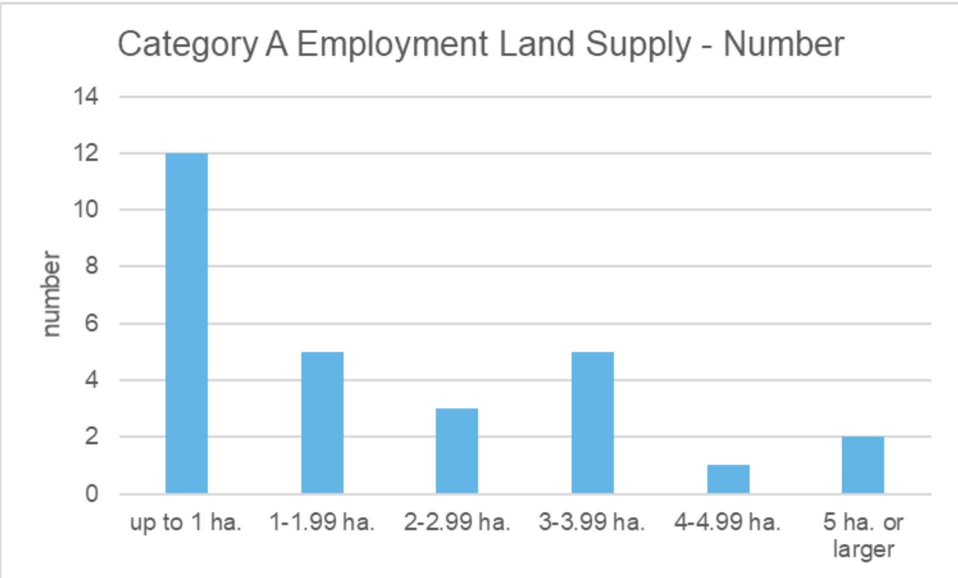
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

35.1 Clydeplan's 2022/2023 audit of employment land identifies that Renfrewshire has a current employment land supply of 28 Category A sites totalling 56.1 hectares. Category A sites are those available for industry and business purposes and free of significant constraints.

35.2 The largest proportion of these sites are under 1ha with 12 sites (43%) totalling 7.11 ha. Two sites are 5 ha or larger (totalling 13.38 ha) and these are located at Abercorn Avenue in Hillington Business Park and Babcocks South, Porterfield Road at Westway (Figure F14).

FIGURE F14: EMPLOYMENT LAND SUPPY



Source: Clydeplan / Ryden

35.3 Assessing the mix of sites within this employment land supply:

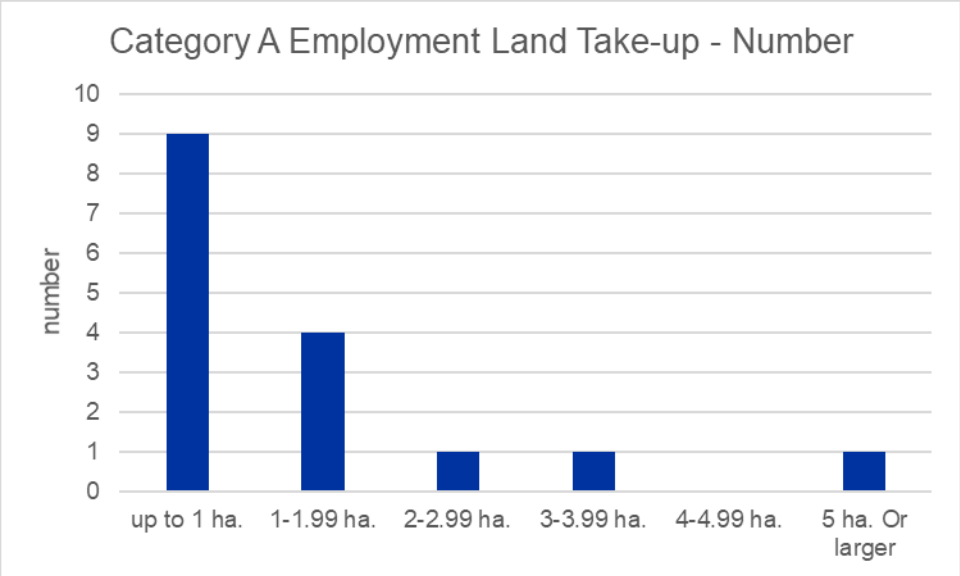
- Hillington has the greatest supply with 17.21 ha in 8 sites. Linwood follows by area with 11.2 ha but in only 3 sites. Inchinnan and Renfrew have a similar area of land with 9.87 ha (6 sites) and 9.58 ha (4 sites) respectively, while Paisley has the least with 8.24 ha (but in 7 sites).

- Over half of the sites by area and number are brownfield (35.35 ha and 18 sites), with the remainder greenfield (20.75 ha in 10 sites).

- 23 sites (the majority) are privately owned. Just 4 sites are owned by the public sector (SE), with one having mixed use ownership.

35.4 Take-up of employment land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies 16 sites totalling 20.20 ha as being taken up in the area for employment uses. This is an annual average of 3 sites and 4 ha per annum. The majority were smaller than 1 ha, and all but one was smaller than 4 ha. (Figure F15).

FIGURE F15: EMPLOYMENT LAND TAKE-UP



Source: Clydeplan / Ryden

35.5 Assessing the mix of sites within this employment land take-up:

- Renfrew had the most take-up with 10.04 ha in 4 sites, followed by Hillington with 3.72 ha in 3 sites. Paisley was next with 3.09 ha but with the most sites (5), while Linwood and Johnstone had one site taken-up each of 1.16 ha and 1.11 ha each respectively, and Inchinnan had 2 sites totalling 1.09 ha taken-up.

- The majority (14) of the sites taken-up were brownfield, with the remainder greenfield.

- All of the sites were for private development.

- Fourteen sites, totalling 17.03 ha, were for bespoke development, with the remaining 2 sites in 3.18 ha for speculative development.

- The largest sites taken-up were a 5.10 ha greenfield site at AMIDS, Netherton for the National Manufacturing Institute, and 3 ha at Hillington for the speculative development of 13 industrial units (in addition but not included within this employment land analysis is the take-up of 3.42 ha at Hillington for a motor vehicle dealership).

35.6 While the analysis above confirms that there is a good supply of employment sites across Renfrewshire allocated through planning policy, including options at major established employment locations, there are only 5 development sites which are currently being actively marketed. The sites currently on the market are shown in Table F12 on the next page.

TABLE F12: MARKETED EMPLOYMENT LAND

ADDRESS	SIZE ACRES (HECTARES)	DETAILS
Kilpatrick Drive, Erskine 	1.2 (0.48 ha)	Commercial development opportunity. Site is partially cleared ready for immediate development, while the remainder is woodland. Suitable for a range of potential uses including, industrial or commercial development, with the necessary consents. Located within an LDP "Transition Area". This site is Under offer.
Inchinnan Drive, Inchinnan 	3.23 (1.31 ha)	Highly prominent site within Inchinnan Business Park. Previously had planning permission for two office pavilions (40,000 sq.ft.) (consent has lapsed). Suitable for a range of commercial uses, subject to planning.
Beith Road, Johnstone 	2.25 (0.91 ha)	Industrial development opportunity with full planning consent for 13 light industrial units. Historically benefitted from planning for 26 residential units
Rowan Street, Paisley 	0.46 (0.18 ha)	Surrounding land uses include industrial/commercial operators. More recently the area has had residential development. Identified in the LDP as an area for potential residential development. The site falls within the Neilston Road Transitional Area covered by Planning Policy E3.
Land at Greenock Road, Inchinnan 	7 (2.85 ha)	Located close to Inchinnan Business Park, and in the Local Development Plan, is zoned within the wider Green Belt, and out with the defined settlement boundary.

Source: Ryden / CoStar/ Marketing agents

35.7 Market evidence of employment land transactions in the area is low with only 3 sites totalling 4.73 acres sold for employment use since January 2019, according to CoStar. These are shown in Table F13.

TABLE F13: EMPLOYMENT LAND TRANSACTIONS

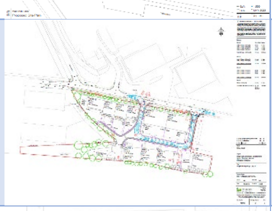
ADDRESS	SIZE ACRES (HECTARES)	DETAILS
Newmains Avenue, Inchinnan Business Park, Renfrew 	1.6 (0.6 ha)	Sold in March 2023 to Professional Beauty Systems Ltd for £200,000.
12 Sandyford Road, Paisley 	0.63 (0.25 ha)	Sold in March 2023 to Jackson Lift Group for £200,000. Planning consent October 2022 for Erection of building for use within Class 4, 5 and 6 with associated Class 1 (Retail).
Wallneuk Road, Paisley 	2.5 (1 ha)	Sold October 2021 for £250,000. Was for sale as a residential development site. But part of the site is awaiting a planning decision for the Erection of ten industrial units with associated parking and landscaping (23/0710/PP).

Source: Ryden/ CoStar

DEVELOPMENT

35.8 Recent speculative employment property developments and proposals in Renfrewshire are presented in Table F14. The private sector developer market is active at prime sites in Renfrewshire.

TABLE F14: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
West 100 and West 200, Hillington Park		Recent speculative development by Frasers Property Group. West 100 comprises four units from 12,610 to 25,467 sq.ft. and is fully let West 200 comprises nine units, with two remaining for lease (8,540 sq.ft. and 10,234 sq.ft.
Block N, Porterfield Road, Westway, Renfrew		A development by Canmoor of 9 high specification warehouse / industrial units and are available Q1 2024. The units total 139,520 sq.ft. in sizes from 6,430 sq.ft., up to 52,640 sq.ft. The development is BREEAM Excellent and targeting EPC A ratings.
Westway 200, Glasgow Airport, Renfrew		A 202,230 sq.ft. industrial / warehouse unit by Canmoor. Can be split into two units 91,110 sq.ft. and 118,140 sq.ft. Available Q4 2024. The development is targeting BREEAM Excellent and EPC A ratings. Located beside Westway 90.
Westway 90, Glasgow Airport, Renfrew		A 87,630 sq.ft. industrial / logistics warehouse unit by Canmoor. Available Q4 2024. The development is targeting BREEAM Excellent and EPC A ratings. Located beside Westway 200.
439 Hillington Road, Hillington Park, Paisley		Two new-build trade counter units of 2,000 sq.ft. each. Available to lease together or separately.
Blackhall Street, Paisley		Planning application awaiting a decision (23/0300/PP) for the erection of industrial development comprising of nineteen units for use within Class 4 (Business) and Class 6 (Storage or Distribution)
Between Lovat Place and 22 Queen Elizabeth Avenue, Hillington Park		Planning application awaiting a decision (22/0610/PP) for the erection of four industrial units for Business (Class 4) and General Industrial (Class 5) use
Wallneuk Road, Paisley		Awaiting a planning decision for the Erection of ten industrial units with associated parking and landscaping (23/0710/PP).
78 Greenock Road, Bishopton		Completed in 2021 this two storey new-build office development comprises 8 part-serviced offices of c. 225 sq.ft. each. Currently fully let

Source: Ryden/ CoStar/ Websites

SUMMARY

35.9 Renfrewshire has a Category A employment land supply of 56.1 hectares across 28 sites. The largest proportion of sites are below 1ha and the majority are located in Hillington. Over half of the sites are brownfield and vast majority are privately owned.

35.10 Average employment land take-up for employment uses is 4 ha per annum. Renfrew and Hillington have been the most popular locations as have sites below 1 ha. All sites have been taken up for private development, with speculative development occurring on some.

35.11 Despite the level of employment land allocated within planning policy, just 5 development sites are currently on the market. This includes land an Inchinnan, Erskine, Paisley and Johnstone. According to CoStar, just 3 sites have been sold since January 2019.

35.12 Speculative employment property developments and proposals for the area are positive with Canmoor and Frasers Property Group particularly active in the area.

F6

SUMMARY AND MARKET NEEDS

36.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The Renfrewshire Council Plan builds on the area's long-standing strengths in retail, construction, transport, storage, and the creative industries. There is also a particular focus on AMIDS and the Renfrewshire Economic Strategy highlights manufacturing as a key area for economic expansion.

36.2 NPF4 and Renfrewshire's LDP make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. Renfrewshire's LDP2 also highlights particular locations for economic investment including AMIDS, Inchinnan Business Park and Hillington as well as other established industrial areas. The LDP also identifies a number of Transition Areas which includes a number of brownfield sites that had previous uses and are now vacant and derelict where change is anticipated and encouraged. The Council has recently commenced work on LDP3. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

36.3 From a funding perspective, Renfrewshire is considered high priority for public sector funding and has attracted a significant sum from the Levelling Up Fund to improve travel links between AMIDS and the towns of Paisley, Renfrew and across the wider local authority area. City Region Deal projects will also open up access to development and employment locations. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

36.4 Over half of businesses located in Renfrewshire are in industries relating to employment land classes. In recent years there has been a collective increase of 5% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining. Overall employment in employment land classes has declined slightly in recent years, driven by reducing IT employment.

36.5 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

36.6 Employment properties in Renfrewshire are mainly located in the east of the local authority area in the main towns of Paisley, Renfrew and Linwood, and along the main transport routes of the M8 and A737. The local authority area's current stock of industrial property is estimated at 17.1 million sq.ft., indicating the importance of the area's industrial activity, particularly Hillington Park and Westway in Renfrew and its link to the wider AMIDS development.

36.7 Industrial property availability is currently 5.3%. Current supply in the area is 905,623 sq.ft. in 52 units. The largest proportion are under 5,000 sq.ft. however there is availability in all size ranges. With this level of availability, occupiers should have a reasonable choice of premises in the area. Approximately 46% of the industrial stock in the area is 40 years or older.

36.8 Average annual industrial property take-up in Renfrewshire is 586,730 sq.ft. The majority of take-up activity concerns properties under 5,000 sq.ft. which is broadly aligned with supply. Achieved rents vary widely from £2.30 per sq.ft. for older buildings up to £9.50 per sq.ft. for new-build units in prime areas.

36.9 East Renfrewshire's stock of office property is estimated at 53.3 million sq.ft., spread across town centres, business parks and employment estates. The majority of this office stock was built in the 1980-90s. Supply of c. 220,000 sq.ft. is contained within 29 offices and is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. Renfrewshire has a normal office availability rate of 6.7%, although it has been rising recently.

36.10 Average annual office take-up is 37,000 sq.ft. with the majority of transactions under 5,000 sq.ft. This signals an office market composed largely of micro and small businesses, as opposed to previous years (pre-Covid) when a number of larger office occupiers were based in the area. Rents vary widely from £8.70 per sq.ft. for older buildings up to £18 per sq.ft. for modern office space. Office rents at these levels will not support new development without funding support.

36.11 Renfrewshire has a Category A employment land supply of 56.1 hectares across 28 sites. The largest proportion of sites are below 1ha and the majority are located in Hillington. Over half of the sites are brownfield and vast majority are privately owned. This can limit the Council's influence in bringing employment sites forward for development.

36.12 Average employment land take-up for employment uses is 5.25 ha per annum. Renfrew and Hillington have been the most popular locations as have sites below 1ha. All sites have been taken up for private development, with speculative development occurring on some.

36.13 Despite the level of employment land allocated within planning policy, just 5 development sites are currently on the market. This includes land an Inchinnan, Erskine, Paisley and Johnstone. According to CoStar, just 3 sites have been sold since January 2019.

36.14 Speculative developments and proposals for the area are positive with Canmoor and Frasers Property Group particularly active, including in refurbishing older existing industrial buildings.

MARKET NEEDS

36.15 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for Renfrewshire based upon the regional priorities and the research in this appendix are set out in Table F15 on the next page. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table F15 should be read in conjunction with that.

TABLE F15: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to meet growing and specialist market demand including manufacturing and logistics, and to replace areas of local stock ageing towards obsolescence in transition zones. Prime areas are attracting private developers, while secondary areas will require intervention.
Refurbished industrial property	Refurbishment is already underway at major private estates, extending the lives and delivering energy efficiency at typically 1970s buildings. In less strong markets public sector intervention may be required to deliver refurbishment given the extent of older stock in the area. The Council is in control of the upgrade of its own portfolio and also has good planning records of refurbishments across its area.
Office / business space	Hybrid working and some closures are increasing vacancy rates including at older managed spaces, although vacancy is not yet high. The market should continue to be monitored through this adjustment to ensure that vacancy does not become a structural challenge.
Serviced employment land	Sites are allocated through planning but the market supply of readily developable plots is lower than the notional total would suggest. Sites are taken-up regularly in the area and pipeline supply for both the local market and sectors with larger requirements is a priority.
Market intelligence	Demand intelligence is spread across the Council, economic development partners and major landlords, and should be coordinated where this is feasible.

APPENDIX G

SOUTH LANARKSHIRE

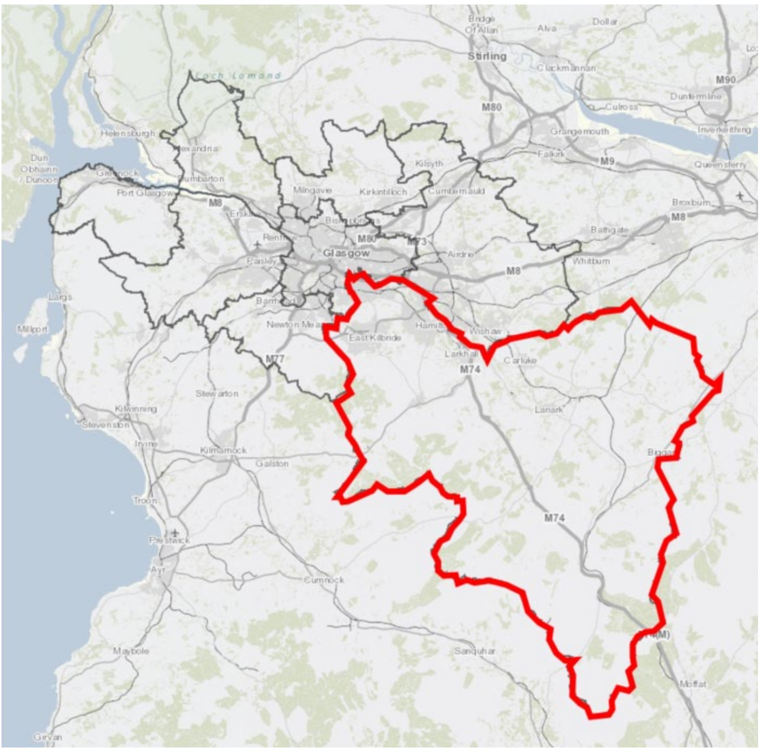
Ryden

G1

INTRODUCTION

37.1 South Lanarkshire is one of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. The large geographic area is highlighted on the Glasgow City Region map at Figure G1.

FIGURE G1: SOUTH LANARKSHIRE: LOCATION WITHIN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

37.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

37.3 The contents of this South Lanarkshire report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

37.4 Analyses and summaries presented here are specific to South Lanarkshire. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

G2

ECONOMY AND POLICY

37.1 This section outlines economic and planning policy and provides an economic overview of South Lanarkshire. It also provides an overview of funding eligibility.

REGIONAL POLICY

37.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

37.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

37.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

37.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. City Region Deal projects in South Lanarkshire include infrastructure works at Cathkin Relief Road, Stewartfield Way and Greenhills Road. These will improve transport connections across the area. It also includes infrastructure improvements at the 4 community growth areas in Hamilton, Newton, Larkhall and East Kilbride.

37.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

37.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

37.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects were approved following the RES including the creation of Innovation Districts and development of the Clyde

Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

37.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

37.10 Planning and land uses within South Lanarkshire are guided by the **Local Development Plan 2** (LDP2), which was adopted in December 2020 and outlines policy guidance on planning applications and includes reference to key sites across the region. LDP2 also sets out the development and land use strategy for South Lanarkshire, with the area featuring sectoral strengths in information and communication, and professional, scientific, and technical activities. The plan seeks to *"promote the continued growth and regeneration of South Lanarkshire by seeking sustainable economic and social development within a low carbon economy whilst protecting and enhancing the environment".*

37.11 The LDP's spatial strategy directs larger developments to sustainable urban locations, supports the regeneration and redevelopment of brownfield sites, safeguards and protects town, neighbourhood and village centres and aims to ensure an adequate supply of land for housing, industry and business in appropriate locations. The employment land supply is considered by the LDP as adequate for the plan period.

37.12 The LDP does recognise that some lower demand employment areas require a more flexible approach to land use, subject to specific criteria.

37.13 Strategic development priorities include the Strategic Economic Investment Locations (SEILs) such as Hamilton International Park. Additionally, the LDP recognises a wide range of other industrial estates and business locations, from large modern estates, to low amenity, local yard spaces. These provide local employment opportunities and the majority continue to function well.

37.14 The office/service sector is supported as an important part of the local economy. There may be potential for ancillary office use within development framework sites at the former University of the West of Scotland in Hamilton and in Clyde Gateway, and within existing town centre strategies in Cambuslang and Rutherglen, and emerging comprehensive masterplans for Hamilton and East Kilbride.

37.15 The Council has recently commenced work on **LDP3**. **Local Place Plans** have a role to play in informing LDPs however they are also not a part of the statutory Development Plan.

37.16 The **South Lanarkshire Economic Strategy 2022-2027** seeks to fulfil the vision 'to make South Lanarkshire a flourishing, green, dynamic and equitable place for all'. In this way, it seeks to promote inclusive growth and maximise opportunities associated with the transition to net zero. The economic strategy sets activity into the local context and considers the area's strengths (e.g. transport links, good quality affordable housing) before identifying three themes: people, place and business.

FUNDING

37.17 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. South Lanarkshire is high priority for public sector funding and includes Clyde Gateway URC with covers part of the local authority area which has attracted an award from the Levelling Up Fund for the remediation of Shawfield. South Lanarkshire is also one of the five eligible authorities for the Vacant and Derelict Land Fund with funding used for employment land and property at Langlands, East Kilbride and the provision of a business hub in Carnwath. The City Region Deal, the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund have also funded projects. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

ECONOMIC OVERVIEW

Business Growth and Survival Rates

37.18 In 2023, South Lanarkshire was home to 9,010 businesses, of which 58% were in sectors relating to employment land class categories (Table G1).

37.19 In 2022, there were 8% more deaths of enterprises in South Lanarkshire than in 2017 and only a 4% increase in birth of new enterprises when compared with the same time frame.

TABLE G1: BUSINESSES IN SOUTH LANARKSHIRE

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN SL BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN SL
Manufacturing (C)	580	6%	5%
Construction (F)	1,460	16%	14%
Wholesale (Part G)	375	4%	4%
Transport & storage (inc. postal) (H)	515	6%	5%
Information & communication (J)	365	4%	5%
Financial & insurance (K)	135	1%	2%
Professional, scientific & technical (M)	1,120	12%	14%
Business administration & support services (N)	635	7%	7%
Total Business Count	**5,185**	**58%**	**56%**
Retail (Part G)	*740*	*8%*	*10%*
Total Incl. Retail	**5,925**	**66%**	**66%**

Source: ONS, UK Business Count 2023

37.20 As shown in Table G2 and Figure G2 below, between 2015 and 2023 there was a 6% fall in the number of businesses associated with employment land class categories. This included a 19% decrease in the number of businesses in the information and communication industry, and a 12% decrease in professional, scientific, and technical activities related businesses. Over this period, the number of businesses in transport and storage increased by 41%.

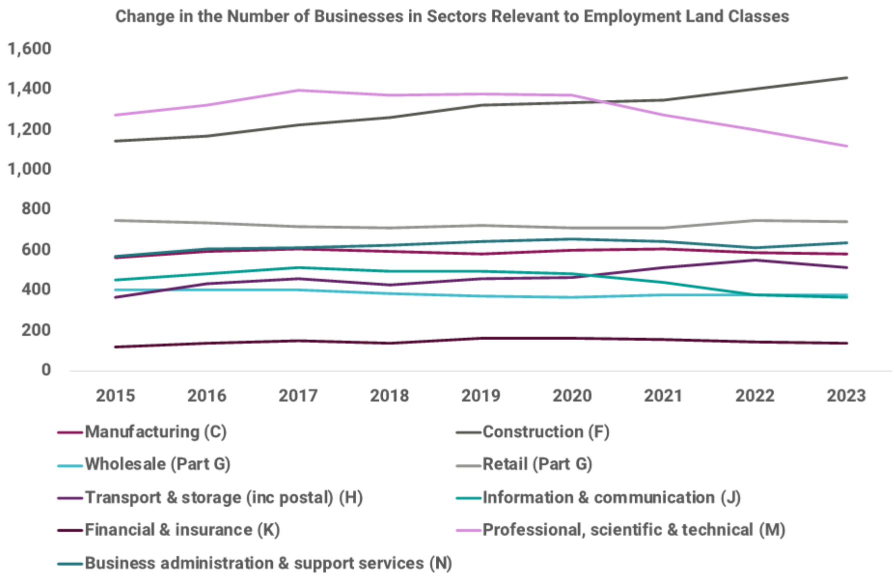
TABLE G2: BUSINESSES IN SOUTH LANARKSHIRE

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	580	560	4%
Construction (F)	1,460	1,140	28%

Wholesale (Part G)	375	400	-6%
Transport & Storage (incl postal) (H)	515	365	41%
Information & communication (J)	365	450	-19%
Financial & insurance (K)	135	120	13%
Professional, scientific & technical (M)	1,120	1,270	-12%
Business administration & support services (N)	635	570	11%
Total Business Count	**5,185**	**4,875**	**6%**
Retail (Part G)	*740*	*750*	*-1%*
Total Incl. Retail	5,925	5,625	5%

Source: ONS, UK Business Count 2023

FIGURE G2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

37.21 There was a 7% increase in the number of micro enterprises and a 5% increase in small enterprises in South Lanarkshire between 2015 and 2023. Medium sized enterprises employing between 50 to 249 employees increased by 8% in the same period.

37.22 The count of large enterprises in South Lanarkshire stayed the same over the last decade with 25 such enterprises employing more than 250 people.

Employment

37.23 Total employment in South Lanarkshire in 2022 was approximately 119,500. Of this total, sectors relating to employment land class categories accounted for approximately 32% of employment.

37.24 Employment decreased by 2% in South Lanarkshire between 2015 and 2023, with activity in employment land sectors down by 6%. The finance and insurance sector as well as the wholesale sector saw a decrease in employment by 33%. The professional, scientific & technical sector, however, saw an increase in 40% of employment figures for the same period (Table G3).

TABLE G3: EMPLOYMENT IN SOUTH LANARKSHIRE

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	-17%	0%
Construction	0%	0%
Wholesale	-33%	0%

Transport & storage	0%	-10%
Information and communication	29%	11%
Finance and insurance	0%	-33%
Professional, scientific and technical	40%	0%
Business administration and support activities	0%	0%
Employment Land Class Categories (Total)	**-3%**	**-3%**
Retail	0%	0%
Total Employment	-2%	0%

Source: ONS, Business Register and Employment Survey

Productivity

37.25 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of South Lanarkshire in 2023 was around £6,433m, with a GVA per job of £48,400. This is slightly lower than the GVA per job across GCR (Table G4).

TABLE G4: GVA

GVA PER JOB	2023 ESTIMATE
South Lanarkshire	£48,400
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

37.26 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

37.27 The most recent Future of Jobs report published by the World Economic Forum indicates that the macrotrends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

37.28 Forecasts produced by Oxford Economics for SDS estimate that employment in South Lanarkshire will increase by 2% over the next three years, and then decline by around 0.4% up to 2033. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 2% by 2026, equivalent to an additional 1,000 workers. This increase in employment will affect demand for commercial and employment land.

SUMMARY

37.29 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The South Lanarkshire Local Economic Strategy recognises its potential as a central location with excellent transport links and identifies a wide range of sectoral strengths and support for business locations including actions to maximise sustainable development opportunities.

37.30 NPF4 and South Lanarkshire's LDP2 make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. South Lanarkshire's LDP2 seeks to promote the continued growth of the area but in a sustainable way. The Plan directs larger developments to sustainable urban locations, supports the regeneration and redevelopment of brownfield sites, safeguards and protects town, neighbourhood and village centres and aims to ensure an adequate supply of land for housing, industry and business in appropriate locations. The Council has recently commenced work on LDP3. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

37.31 From a funding perspective, South Lanarkshire is considered a high priority. Clyde Gateway URC with covers part of the local authority area and has attracted an award from the Levelling Up Fund for the remediation of Shawfield. As a local authority eligible for the Vacant and Derelict Land Fund the Council has also been able to attract funding for Langlands in East Kilbride amongst other projects. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given budgetary pressures. City Region Deal funding is helping to improve transport connections in the area.

37.32 Over half of businesses located in South Lanarkshire are in industries relating to employment land use classes. In recent years there has been a collective decline of 6% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

37.33 Overall employment in sectors relating to employment land has decreased slightly in recent years, driven by reduced employment in sectors relating to IT and professional services.

37.34 Productivity in the area is a little lower than that of the regional and national economies. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

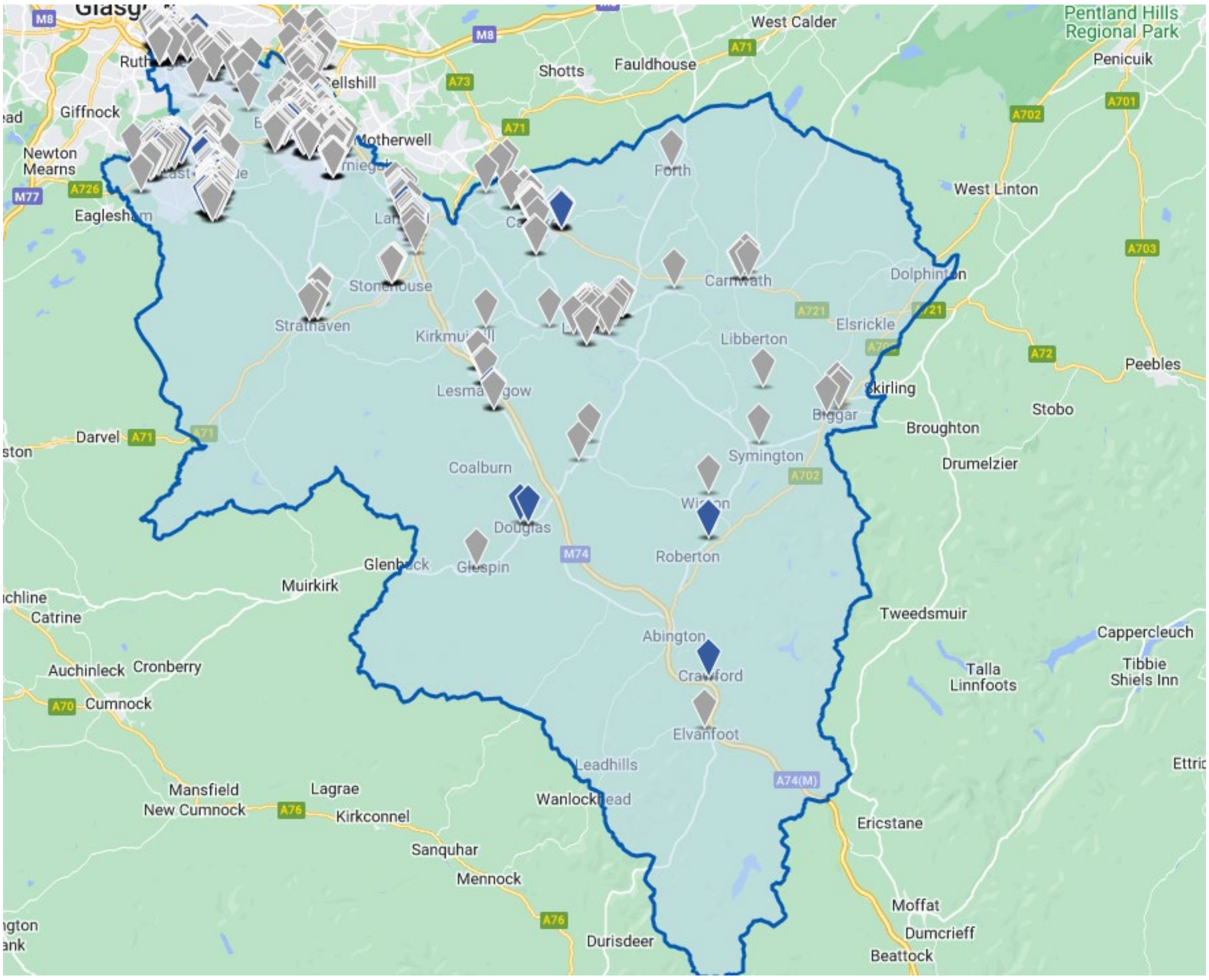
G3

INDUSTRIAL PROPERTY MARKET

38.1 This section considers the industrial property market in South Lanarkshire.

38.2 Employment properties are mainly located in the north of the local authority area, close to the boundary with Glasgow and North Lanarkshire. The principal locations are in the main towns of Rutherglen, Cambuslang, East Kilbride and Hamilton, along the main transport routes of the M74 and A725, and along the A721 to a lesser extent (Figure G3).

FIGURE G3: SOUTH LANARKSHIRE EMPLOYMENT LOCATIONS



Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

38.3 Principal locations in South Lanarkshire are described in Table G5 on the next page.

TABLE G5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Hamilton International Park, Blantyre	Fully developed business park totalling c. 1.4 million sq.ft. developed in the 2000s. Industrial space totals 639,000 sq.ft. and occupiers include Galaxy Insulation & Dry Lining, Ichor Systems, WestRock, Eden Springs and Babcock. Office space c. 700,000 sq.ft. in high quality modern business pavilions. Occupiers include Scottish Power, Energetics, Daisy IT and John Lewis call centre. In addition, there is the University of the West of Scotland Campus which opened in 2018. Office rents are c. £12.50 to £14 per sq.ft. Former HSBC office building currently on the market. Strategic Economic Investment Location (SEIL)
Blantyre Industrial Estate, Blantyre	715,000 sq.ft. Mixed ownership built 1950s – 2010s. WLS Manufacturing, PMK Civil Engineering and The Electric Heating Company. Some refurbishment and some alternative uses.
Whistleberry Industrial Estate, Blantyre	340,000 sq.ft., Large industrial estate with mixed ownership built 1980s-90s. Occupiers include James Cowie Group, Hodge Plant, Yuill & Dodds, Parkburn Controls and Stanford Logistics.
Poniel, Douglas	Strategic Economic Investment Location (SEIL) – whisky storage and blending is operational on part of the site and the remainder is considered by the Council to be a strategic location for distribution and logistics.
Rutherglen Links Business Park, Rutherglen	Industrial and office development by Clyde Gateway. 5.6 acre brownfield site. Development led by Harris Finance. Comprises 83,000 sq.ft. of industrial space developed 2017 – 2021, along with two modern office pavilions totalling 15,000 sq.ft. completed in 2020. Industrial occupiers include Transcanada Turbines, Equi Ice Cream, and Mallatite. Office occupiers include Verastar, SPIE and Fitshop
Clyde Gateway Trade Park, Dalmarnock Road, Rutherglen	Eight units over two terraces totalling 46,200 sq.ft. Built in 2008/2010 with units in sizes from 5,000 - 7,000 sq.ft. Occupiers include Evolution Fasteners, Powerlight Lighting Solutions, Emtec, James Young Engineering and New Circuit Test. Mix private ownership and owner occupiers. Sits beside Tesco and the Trading Estate which includes Starbucks, McDonalds and KFC.
Shawfield /Southcroft Road area, Rutherglen	724,000 sq.ft. Lies to the west of the town. Includes Shawfield Retail & Trade Park (part of) and units on Glasgow Road. Mix of unit sizes, ages and ownership. Vacant sites / development land here. Occupiers in the area include South West Paint Supplies, AMR Wholesale, Spiceway, Flip Out Glasgow, Halfords, D & G Autocare. Land on the Industrial and Business Land Register and Vacant and Derelict Land Register.
Magenta, Shawfield, Rutherglen	Key location in Rutherglen. When fully developed this will comprise c. 753,000 sq.ft. and will be Scotland's largest urban office park over 27 acres (11 hectares). To date the 40,000 sq.ft. Red Tree Magenta business centre
Clydesmill Industrial Estate, Westburn Road, Cambuslang	Main estate in Cambuslang. Industrial occupiers include Greggs Bakery, Unique Wholesale Agencies, Strathcona Conveyors, SIG Distribution and Brenntag UK. Includes Scottish Fire & Rescue Service training centre (c. 65,000 sq.ft.) and Asset Resource Centre. An additional part of this estate sits within Glasgow City Council
Kelvin South Business Park, including Langlands, East Kilbride	Around 3.1 million sq,ft. of mainly industrial floorspace. Built from the 1990s to current day. Recent development at Langlands by Knight Property Group. Occupiers include Advanced Tooling Services, Sainsbury's Distribution Centre, Q-Mass Ltd, Novograf, Multi-Lab, Triogen, Busch Vacuum Solutions and Nabco.
Kelvin Industrial Estate, East Kilbride	Around 2.1 million sq.ft. of industrial floorspace. Built mainly from the 1970s to 2000s. Occupiers include Dimensions, Klinge Chemicals, Prestige Fabrications, Kelvin Body Repairs, Zenith Hygiene Systems, Scobies Direct Iods Pipe Clad and i2 Analytical.
College Milton Industrial Estate, East Kilbride	Large estate located on both sides of the A726 Queensway, the majority to the north. Totals c 3.5 million sq.ft. of floorspace, primarily industrial space. Units developed from the 1960s to 2010s. Occupiers include Scotbeef Ltd, Hayward Tyler, Clyde Fastners, Howdens, Valmar and Tooltime.
Peel Park, East Kilbride	Modern estate with a stock of around 415,000 sq.ft. in a mix of office and industrial buildings. Built 1990s to 2000s. Vacant land. Occupiers include Veolia Westgarth Ltd, Ferring Global, Worldmark, Target Healthcare and GDK Ltd. Strategic Economic Investment Location (SEIL)
Scottish Enterprise Technology Park, East Kilbride	Around 550,000 sq.ft. of mainly office with some industrial space on a campus setting. Built primarily in the 1990s and 2000s. Aimed at technology companies. Occupiers include Schneider Electric, Smart Modular Technologies, Clansman Dynamics, NXP Semi-conductor and Caledonian Financial Management. Strategic Economic Investment Location (SEIL)

Source: Ryden / CoStar/ Websites

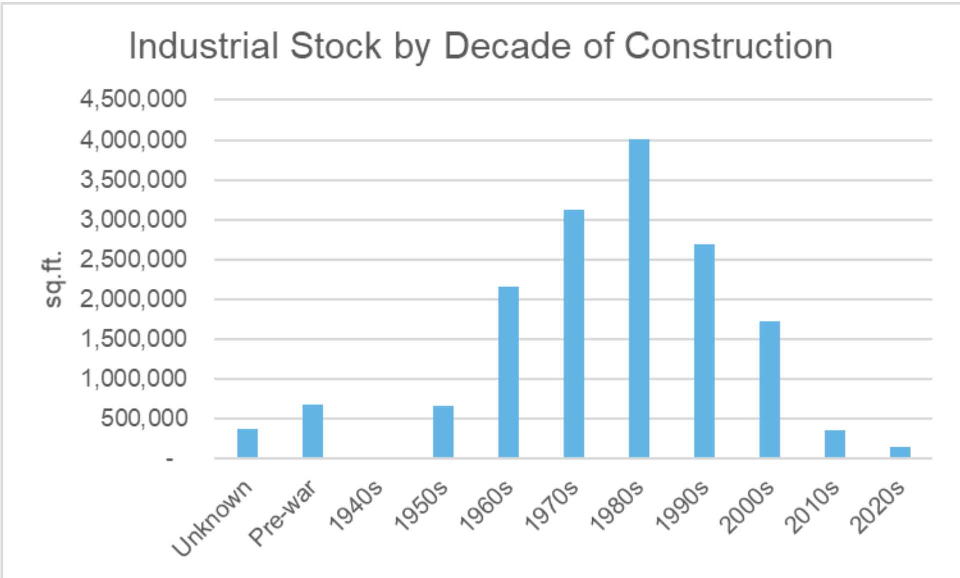
INDUSTRIAL STOCK

38.4 The local authority area's current stock of industrial property is estimated at 15.9 million sq.ft., indicating the importance of the area's industrial activity and in particular the legacy New Town stock in East Kilbride. This is 15% of Glasgow City Region's industrial stock.

38.5 South Lanarkshire has low industrial property availability, currently sitting at 2.3% which is the below the 4% for Glasgow City Region as and has been falling for 10 years. At this level of vacancy occupiers may experience very limited choice of premises.

38.6 The principal industrial property development eras were the 1970s to the 1990s: the 1970s with 20%, 1980s with 25% and 1990s with 17% of floorspace. Figure G4 shows industrial stock by decade in which it was constructed. Around 40% of the industrial stock is 40 years or older. In the 2000s 14% of floorspace was developed, providing more modern space. There have been several demolitions of older industrial buildings including DAKS Simpson in Larkhall, The Philips Electronics Factory in Hamilton and Motorola in East Kilbride.

FIGURE G4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION



Source: Ryden / CoStar

INDUSTRIAL SUPPLY

38.7 The supply of available industrial space in April 2024 totals 372,257 sq.ft. in 59 units. As noted above this gives an industrial availability rate of only 2.3%. A further 195,829 sq.ft. in 30 units are under offer, which is a high number of properties under offer indicating significant demand and a dynamic market. Examples of industrial units currently on the market are in Table G6 on the next page.

38.8 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Seven of the available industrial units in Table G6 have a registered EPC rating. One building achieves an A+ rating, indicating that this building is very energy efficient. Four buildings have mid-range EPC ratings of C, D or E. One building has a poor EPC rating of F.

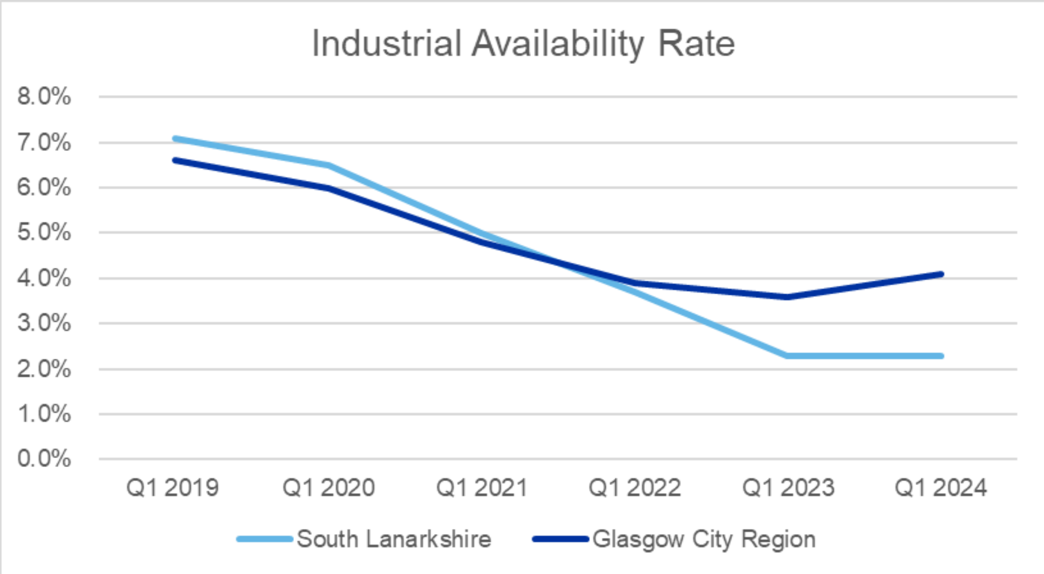
TABLE G6: EXAMPLES OF CURRENT INDUSTRIAL SUPPLY

ADDRESS	SIZE (SQ.FT.)	DETAILS
10-14 Hawbank Road, College Milton Industrial Estate, East Kilbride 	40,416	Warehouse unit with 3 large bays with associated offices on the first floor. For lease at £4.50 per sq.ft. EPC rating E+
Fairfield Place, College Milton Industrial Estate, East Kilbride 	18,927	Three units available for lease. Unit 31 6,342 sq.ft. Unit 35 6,299 sq.ft. and Unit 43 6,286 sq.ft. al c £4.30 per sq.ft. EPC Ratings of E and E+
Clydeside Farm, Lamington, Biggar 	15,338 in total	Over 4 separate buildings for lease from 1,800 sq.ft.
2 Burnside Lane, Hamilton 	5,789	Standalone industrial unit. Built in 1990s For lease at £6.50 per sq.ft.
Unit 25-27 Langlands Place, Langlands Business Park, East Kilbride 	4,624	Detached industrial unit built in 1990 and was extensively refurbished in 2022. Available for lease. EPC rating C+ An adjoining unit of 2,203 sq.ft. is under offer.
Baird Avenue, Strutherhill Industrial Estate, Larkhall 	4,500	Modern unit, can be sub-divided into two units of 1,500 sq.ft. and 3,000 sq.ft. For lease at £6 per sq.ft. EPC rating A+
Unit 18 Colvilles Park, Kelvin Industrial Estate, East Kilbride 	2,061	Modern end terraced unit for lease at c. £11 per sq.ft. EPC rating F
Unit 4 Block 2 Threave Court, Carluke 	1,000	Mid terraced unit for lease
Unit 2 Gateside Industrial Estate, Lanark 	560	Mid-terrace unit built in 1980s. For lease

Source: Ryden / CoStar / Marketing Agents / South Lanarkshire Council

38.9 The industrial availability rate for South Lanarkshire is 2.3% as noted above. This has fallen from 7.1% in 2019, and is lower than the 4% rate for Glasgow City Region. Figure G5 on the next page illustrates how sharply the industrial property availability rate has fallen, from 7% in 2019, and has kept falling while the wider regional industrial availability has stabilised then edged up again. Part of this fall is explained by the large number of units currently under offer as noted above.

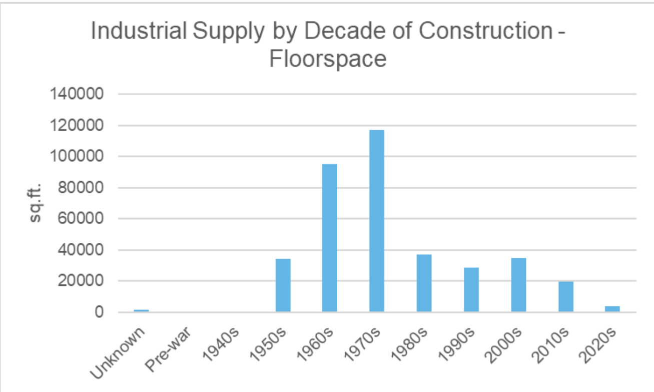
FIGURE G5: INDUSTRIAL AVAILABILITY RATE

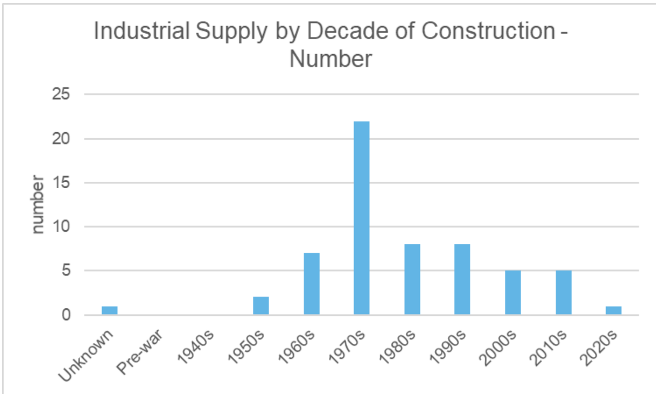


Source: Ryden / CoStar

38.10 As above, there are 59 industrial units on the market. The supply of industrial units by decade of construction indicates that 57% of available floorspace (the first chart) was built in the 1960s and 1970s units. By number of units on the market, 37% were built in the 1970s (Figure G6). This is an older portfolio of buildings being offered to the industrial occupier market.

FIGURE G6: INDUSTRIAL SUPPLY

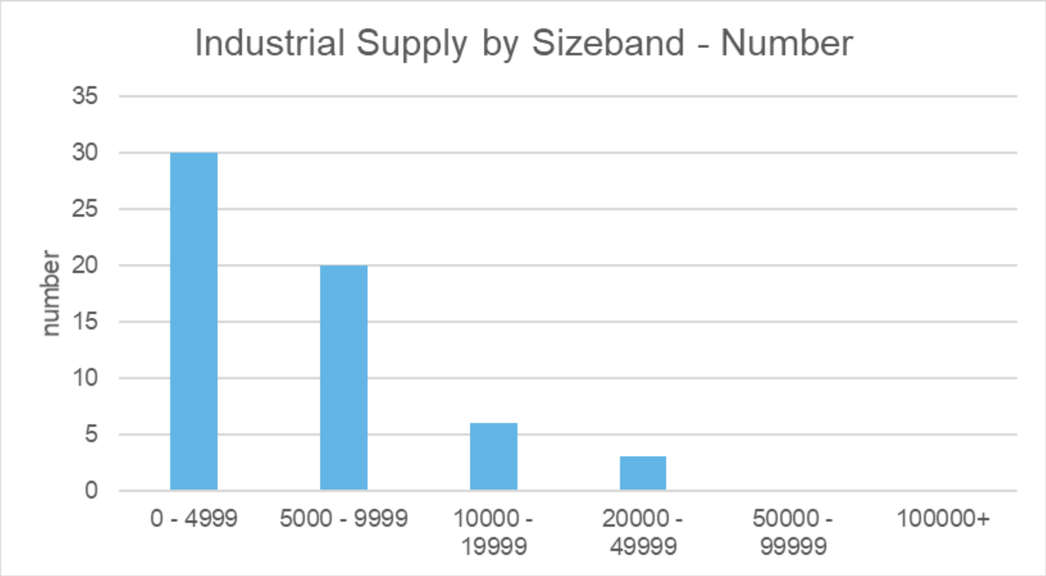




Source: Ryden / CoStar

38.11 By sizeband the current supply of 59 industrial units is skewed towards the smaller ranges, principally smaller than 5,000 sq.ft. then also 5,000 – 9,999 sq.ft., with few available properties larger than 10,000 sq.ft. (Figure G7 on the next page).

FIGURE G7: INDUSTRIAL SUPPLY BY SIZEBAND



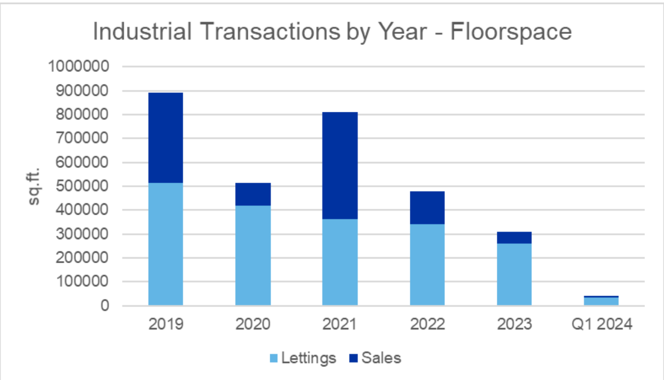
Source: Ryden / CoStar

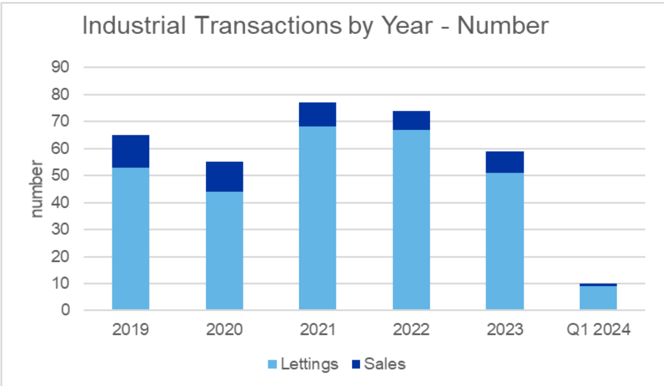
INDUSTRIAL TAKE-UP

38.12 Across South Lanarkshire a total of 3,048,101 sq.ft. of industrial property in 340 units has been taken-up (sales, lettings and lease renewals) between January 2019 and March 2024 inclusive. This is an annual average of 575,110 sq.ft. in 64 units. 86% of the area's industrial property transactions are lettings and the balance are sales.

38.13 The years 2019 and 2021 had the highest volumes of floorspace take up at between 800,000 and 900,000 sq.ft. (Figure G8). Examples of larger units taken-up in these years include the lease renewal of Sainsbury's distribution centre (c. 274,000 sq.ft.) in East Kilbride and the sale of c. 238,000 sq.ft. to JD Pierce (Contracts) Ltd at College Milton Industrial Estate in East Kilbride. The years 2021 and 2022 had the greatest by number at c. 75 units per annum. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

FIGURE G8: INDUSTRIAL TAKE-UP PER YEAR

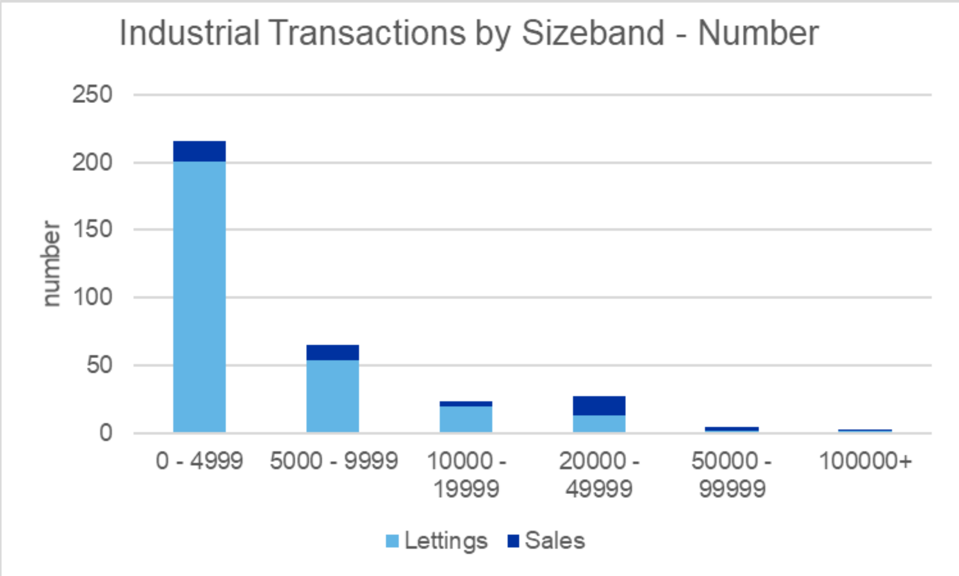




Source: Ryden / CoStar

38.14 Looking at industrial transactions by sizeband, the smallest ranges had the most activity (Figure G9). Properties up to 5,000 sq.ft. account for 63% of market activity. This is broadly aligned with supply in terms of the overall shape of the market, although given that the vacancy rate is very low there will be specific pinch-points in local areas and for types and sizes of industrial property.

FIGURE G9: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

38.15 A selection of recent industrial property transactions is presented in Table G7. Achieved rents vary widely from £1.75 per sq.ft. for very basic older buildings in the rural area up to £11 per sq.ft. for new-build units in prime areas (for example £10 per sq.ft. at Langlands Square, East Kilbride).

TABLE G7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 17 Langlands Avenue, South Kelvin Industrial Estate, East Kilbride		3,230	Let in March 2024 to APC Home Improvements on a 1-year lease at £4 per sq.ft.
Unit 29 Carron Place, Kelvin Industrial Estate, East Kilbride		1,020	Let in March 2024 to Plover Hygiene Services Ltd
Unit 4 Low Waters Road, Cadzow Industrial Estate, Hamilton		6,036	Sold March 2024 for £400,000 to an owner occupier
Colvilles Road, Kelvin Industrial Estate, East Kilbride		11,836 5,129	Units 11/13 let in February 2024 to Lighting Online Group Ltd, 5-year lease at £5 per sq.ft. Unit 7 let October 2023 to Concept Metals Ltd at £5.50 per sq.ft.
West Faulds Road, Caldwellside, Lanark		9,812	Let in February 2024 to Ikards Ltd on a 5-year lease at £7 per sq.ft.
Unit 5 Hamilton Road Industrial Estate, Strathaven		1,072	Let in December 2023 to Clever Energy Solutions on a 3-year lease at £8.60 per sq.ft.

17 Seath Road, Rutherglen Industrial Estate, Rutherglen		8,250	Let in December 2023 to Sustainable Packaging Scotland Ltd on a 5-year lease.
Unit 3 James Watt Place, College Milton Industrial Estate, East Kilbride		1,908	Let in December 2023 to Sams Carpet and Flooring on a 3-year lease
Unit 17 Springburn Place, College Milton Industrial Estate, East Kilbride		5,633 sq.ft.	Let in November 2023 to Keith Elkington Transport Limited
Langlands Place, Kelvin South Business Park, East Kilbride		16,423 6,930	Let in November Unit 1 (16,423 sq.ft.) let to GDC Design Ltd on a 5-year lease at £6 per sq.ft. Let in August 2023 Unit 9 (6,930 sq.ft) let to i2 Analytical, 10-year lease, £6 per sq.ft.
Unit 4 Sievewright Street, Rutherglen		4,569	Sold in August 2023 to Crown Marquee Hire for £250,000.
Threave Court, Castlehill Industrial Estate, Carluke		4,011	Let in August 2023 to Screwfix at £7.50 per sq.ft.
15-19 Hadow Street, Hamilton		8,775	Let in July 2023 to Best Décor Ltd on a 5-year lease at £2.50 per sq.ft.

Source: Ryden / CoStar

38.16 Industrial units sold for investment purposes rather than occupational use achieved yields of 6.05% to 7.6% (Table G8). All of the sales listed happened after the upward shift in interest rates which depressed investment values.

TABLE G8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Phase 1, Langlands Commercial Park, East Kilbride		25,000 sq.ft. Sold in February 2024 to Northern Trust for £2.9 million (7.6%). Comprises 10 units of 2,500 sq.ft. each built in 2020 by Knight Property Group. Tenants include Munro EV, RGM Vent and ETS
17 Seath Road, Rutherglen		6,426 sq.ft. Sold in June 2023 to SRM Commercial Ltd for £325,000. The unit is let to Concept Metals ltd on a month-to-month lease.
Unit 25 Whistleberry Park, Whistleberry Industrial Estate, Blantyre, Hamilton		59,185 sq.ft. Sold in June 2023 to Barwood Capital Ltd for £4.55 million (6.25%). Standalone distribution warehouse built in the 1990s. Let to Stanford Group
4 Bell Drive, Hamilton International Park, Blantyre		64,723 sq.ft. Sold in April 2023 to HFD Group for £4.5 million (6.05%). Modern unit built in the 2000s with warehouse, offices and yard space. Let to Galaxy Insulation and Dry Lining until 2037 at £8.50 per sq.ft.
Bogleshole Road, Rutherglen		135,540 sq.ft. Sold in March 2023 to Wittington Investments for £14.2 million (6.71%). The distribution warehouse is let to Tennent Caledonian Breweries UK Ltd at a current passing rent is £813,000 pa, the lease will expire on the 9th of May 2027

Source: Ryden / CoStar

INDUSTRIAL SUMMARY

38.17 South Lanarkshire has an estimated current stock of industrial property totalling 15.9 million sq.ft. Properties tend to be in the north of the local authority area around the motorway and trunk road network close to Glasgow and in East Kilbride and Hamilton. Around 40% of the industrial stock is 40 years or older.

38.18 Industrial property availability has fallen steadily to 2.3%, which is very low and well below the regional average. At this level of vacancy occupiers may experience very limited choice of premises, although a range of units is on the market and under offer in what is a dynamic market. EPC ratings of available properties, where available, are mixed.

38.19 Annual average industrial property take-up in South Lanarkshire is 575,110 sq.ft. across 64 units, with the vast majority of these transactions being lettings rather than sales. Floorspace take-up is inflated by very large logistics and construction occupiers.

38.20 Most industrial transactions concern properties up to 5,000 sq.ft. This is broadly aligned with current supply although given the low vacancy rate there will be market pinch-points. Achieved rents vary widely from £1.75 per sq.ft. for very basic older buildings in the rural southern area, up to £11 per sq.ft. for new-build industrial units in prime locations.

G4

OFFICE PROPERTY MARKET

40.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements.

OFFICE STOCK

40.2 South Lanarkshire's stock of office property is estimated at 3.8 million sq.ft., spread across town centres, business parks and employment estates. Some of the purpose-built office stock was highlighted on Table G4 above. This is 8.9% of Glasgow City Region's office stock.

40.3 The principal development era was the 2000s with the development of office pavilions primarily at Hamilton International and Scottish Enterprise Technology Park in East Kilbride. Around 40% of the office stock is 30 years or older. In the 2000s 40% of overall office floorspace was developed providing more modern space.

OFFICE SUPPLY

40.4 The current office supply of c. 443,000 sq.ft. is contained within 43 offices, however the supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres.

40.5 Examples of current supply are in Table G9 below. These comprise a mix of modern office pavilions some of which are sub-divisible, serviced offices in both modern and older buildings. Most are available for lease.

TABLE G9: EXAMPLES OF CURRENT OFFICE SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
Ochil House, Hamilton International Park, Hamilton		80,416	Modern 4-storey office. Sub-divisible into space from 19,805 sq.ft. For lease at £14.50 per sq.ft.
Atholl House, Bannatyne Street, Lanark		9,058	1970s 3-storey office for lease, may sell.
Napier Building, Scottish Enterprise Technology Park, East Kilbride		5,021	1st floor in modern office building. For lease at £11 per sq.ft. EPC rating B
1 Langlands Gate, Langlands Business Park, East Kilbride		5,000	Modern ground floor offices. Can be sub-divided. For lease at £8 per sq.ft.
2 Candymill Lane, Bothwell Bridge Business Park, Hamilton		3,305	Modern two story office for lease at £5 per sq.ft. EPC rating B
Waverley House, Hamilton Business Park, Hamilton		From 1,000	2-storey modern office pavilion. For lease at £10 per sq.ft. EPC rating E+

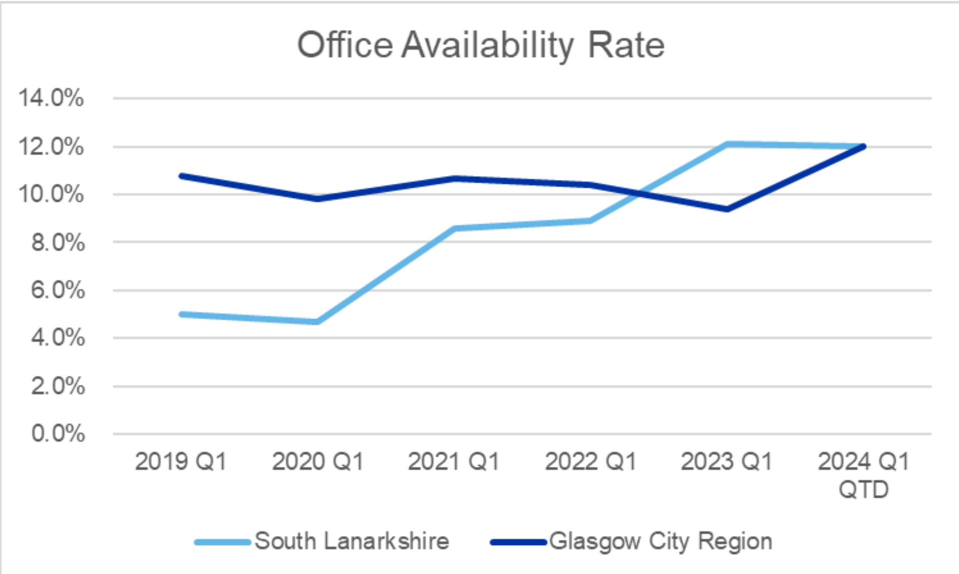
Burgh Business Centre, King Street, Rutherglen		611 614 625	Three office suites in managed business centre (Units 16, 12 and 3). For lease c. £13 per sq.ft. EPC rating B.
Aspire Business Centre, Farmeloan Road, Rutherglen		From 807	Modern open plan space adjoining the former Rutherglen Parish Church. For lease £6 per sq.ft. EPC rating D.
Carluke Business Centre, Carluke		From 150	Serviced office space available from 150 sq.ft.
Brandon Business Centre, Hamilton		From 150	Serviced offices from 150 sq.ft. in modern office building. For lease
Red Tree Magenta, Magenta Business Park, Rutherglen		From 113	Office suites available on flexible terms and desk rental in co working space. EPC rating A.

Source: Ryden / CoStar / Marketing Agents / South Lanarkshire Council

40.6 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. Six of the available offices in Table G9 have a registered EPC rating. Four building achieve A/B ratings, which means they are very energy efficient. While 2 buildings have mid-range EPC ratings of C, D or E.

40.7 South Lanarkshire has an office availability rate of 12%. This is the same as the 12% office availability rate for Glasgow City Region and has been rising recently (Figure G10).

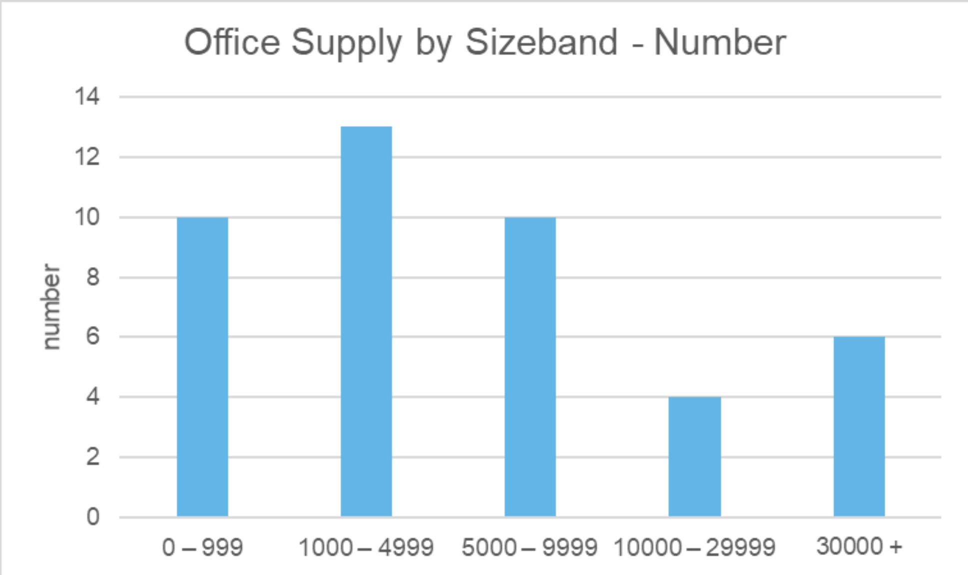
FIGURE G10: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

40.8 In terms of the sizes of available offices, the spread (Figure G11) looks very wide, however as noted many of these offices are available on a flexible, sub-divisible basis. Examples were provided in Table G8 above.

FIGURE G11: OFFICE SUPPLY BY SIZEBAND



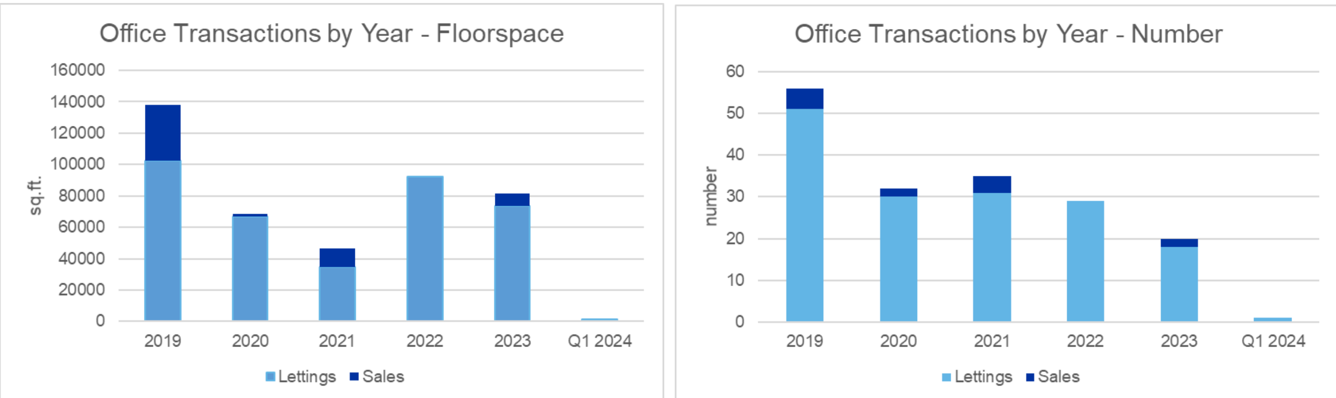
Source: Ryden / CoStar

OFFICE TAKE-UP

40.9 Demand for offices in South Lanarkshire is demonstrated by 428,692 sq.ft. in 173 offices of take-up (sales, lettings and lease renewals) from January 2019 to March 2024 inclusive. This is an annual average of 80,885 sq.ft. in 32 offices. The large majority (92%) of transactions are lettings while the balance are sales.

40.10 The year 2019 had the highest volumes of floorspace and number take up, with c. 138,000 sq.ft. in 56 offices (Figure G12), this includes the lease renewal of c. 36,000 sq.ft. to South Lanarkshire Council at Cambuslang Gate in Cambuslang and the letting of 15,750 sq.ft. to Verastar Ltd at Rutherglen Links in Rutherglen. Floorspace take-up fell over the next two years and rose into 2022 and 2023. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

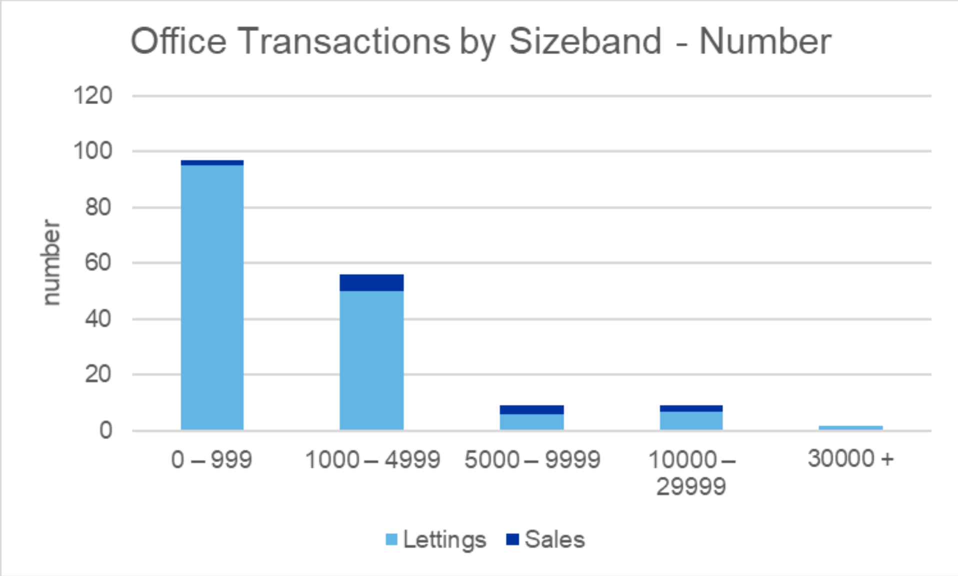
FIGURE G12: OFFICE TAKE-UP PER YEAR



Source: Ryden / CoStar

40.11 Looking at office transactions by sizeband, offices up to 1,000 sq.ft. had the majority (56%) of transactions while almost all deals were below 5,000 sq.ft. (Figure G13). This signals a market composed largely of micro and small businesses.

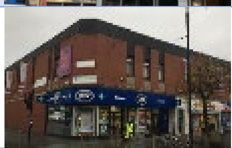
FIGURE G13: OFFICE TAKE-UP BY SIZEBAND

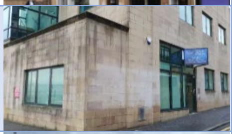


Source: Ryden / CoStar

40.12 A selection of recent transactions is provided in Table G10. Achieved rents vary widely from £6.30 per sq.ft. for very basis older buildings up to £15 per sq.ft. for modern office space. Office space in business centres/ serviced offices can achieving higher rents if some services are also included.

TABLE G10: RECENT OFFICE TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
99 High Street, Lanark		1,596	First floor let in March 2024 on a 1-year lease at £6.30 per sq.ft.
238 Main Street, Rutherglen		1,618	Let in December 2023 to Northern Networking at £15 per sq.ft. Self-contained first floor office
Torus Building, Scottish Enterprise Technology Park, East Kilbride		1,200 3,450	Let December 2023 to Evo Enterprises, on a 5-year lease at £11.50 per sq.ft. Let in January 2023 to SPeyroc Ltd on a 5-year lease at £11 per sq.ft.
Prospect House, Hamilton International Park, Hamilton		 484 3,143 2,379 570	In December 2023 at £8 - £12 per sq.ft. To EP Ecology; To Powerteam Electrical Services; To Greenwood Moreland; To Kilbryde Consulting Engineers
238 Main Street, Rutherglen		1,618	Let in November 2023 to Northern Networking at £15 per sq.ft.
Napier Building, Scottish Enterprise Technology Park, East Kilbride		5,021	Let in May 2023 to McCrae Training at £11 per sq.ft. 4,975 sq.ft. Let in June 2022 to TUV SUD Ltd at £11 per sq.ft.
Prism House, Scottish Enterprise Technology Park, East Kilbride		1,162	Let April 2023 to Clearview Intelligence Limited at £12 per sq.ft.

Brandon Chambers, Brandon Street, Hamilton		1,180	Sold in April 2023. First floor office suite
1A Princes Gate, Castle Street, Hamilton		992	Let in March 2023. Ground floor self-contained office, asking rent £10,500 pa (£10.60 per sq.ft.)
1, Candymill Lane, Bothwell Bridge Business Park, Hamilton		3,461	Let in February 2023 to Trustmarque Solutions Limited on a 5-year lease at £10 per sq.ft. Modern 2-storey office building.
Orbital House, 3 Redwood Crescent, Peel Park, East Kilbride		9,063 10,801 8,496 2,682	Let in February 2023 to Target Healthcare Let in December 2022 to Opus Let in November 2022 to Qualitrol / DMS all at £10.50 per sq.ft. Let in April 2022 to Claremont Office Furniture at £10 per sq.ft.

Source: Ryden / CoStar

40.13 Offices sold for investment purposes rather than occupation achieved a wide range of yields of 4.2% to 10.29%. Examples of office investment transactions are in Table G11. It is important to note that there haven't been any recent sales and those transactions provided were all pre- the 2022 market shift.

TABLE G11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Redwood House, 5 Redwood Crescent, East Kilbride		20,978 sq.ft. Sold in August 2022 to Murphy Young for £1.9 million (9.84%). Clyde Blowers will remain in the property
One Rutherglen Links, Rutherglen Links Business Park, Rutherglen		33,460 sq.ft. Sold in December 2021 to M7 Real Estate Ltd for £6 million (10.29%), together with The Albus, Bridgeton. Both properties fully tenanted with an annual rent of £656,630. Tenants at One Rutherglen Links are SPIE and Clear Business.
Westpoint House, 5 Redwood Place, East Kilbride		47,506 sq.ft. Sold in December 2021 to United Wholesale (Scotland) Ltd for £1.4 million. Occupiers include Trillium Flow Services, Orli Designs and Luma IT.
Queensway House, East Kilbride		236,720 sq.ft. Sold in June 2021 as part of a wider portfolio to Elite Partners Capital. Occuped by HM Revenue and Customs
Fenick House, 1 Lister Way, Hamilton International Park, Hamilton		23,776 sq.ft. Sold in May 2021 to Somerset Council for £4.78 million (7.62%). Let to Energetics UK
David Dale House, 45 John Street, Blantyre		Sold in March 2021 to WGIF (Jersey) Trustee I Limited for £3.5 million (7%). Modern office building. Let to South Lanarkshire Council until 2030
27 Main Street, Cambuslang Gate, Cambuslang		36,020 sq.ft. Sold in October 2020 to Assura Aspire Ltd for £7.94 million (4.2%). Purpose built office property let to South Lanarkshire Council on a 20 year lease without break and fixed uplifts of 2.5% pa. Previously sold in January 2019 to LXi REIT plc for £6.8 million (5%).

Source: Ryden / CoStar

OFFICES SUMMARY

40.14 South Lanarkshire's stock of office property is estimated at 3.8 million sq.ft. It is dispersed across the area in town centres, and notably in modern business parks and in business centres.

40.15 South Lanarkshire has an office availability rate of 12% which has been rising recently. The area's current office supply of c. 443,000 sq.ft. is contained within 43 offices. Much of this office supply is very adaptable to accommodate sub-division and flexible options in serviced offices/ business centres. Where EPC ratings are available these are average to good.

40.16 The annual average office property take-up rate in South Lanarkshire is 80,885 sq.ft. in 32 offices. The majority of transactions are lettings rather than sales and just over half are for 1,000 sq.ft. or less. This signals an office market composed largely of micro and small businesses. Rents vary widely from £6.30 per sq.ft. for very basic older buildings up to £15 per sq.ft. for modern office space. Office space in business centres/ serviced offices can achieving higher rents if some services are also included.

G5

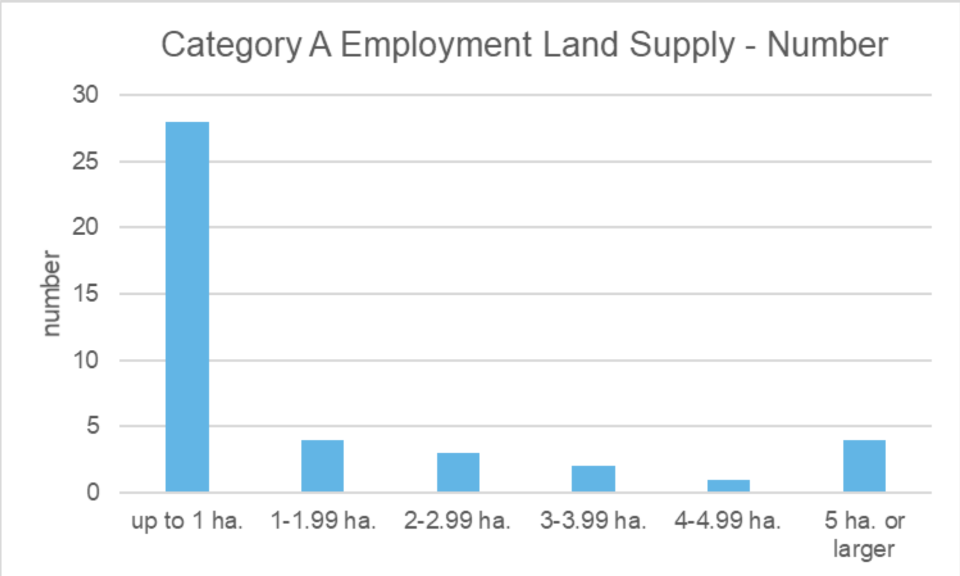
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

41.1 Clydeplan's 2022/2023 audit of Employment Land identifies that South Lanarkshire has a supply of 42 Category A sites totalling 71.48 hectares. Un-serviced land, for example at Poniel, is not included in this supply.

41.2 The majority (67%) of these sites – 28 sites totalling 14.23 ha – are smaller than 1 ha. Four sites totalling 33.75 ha, or almost half of all land supply, are 5 ha or larger (Figure G14).

FIGURE G14: EMPLOYMENT LAND SUPPY



Source: Clydeplan / Ryden

41.3 Assessing the mix of sites within this employment land supply:

- East Kilbride has almost half of land supply with 43%, or 30.75 ha, followed by Cambuslang with 28% and 20.21 ha. Larkhall has 11% of available land, and Rutherglen has 9%. Strathaven and Lanark have 4% each, Biggar has 1% while Hamilton has the least with <1%, or 0.26 ha.

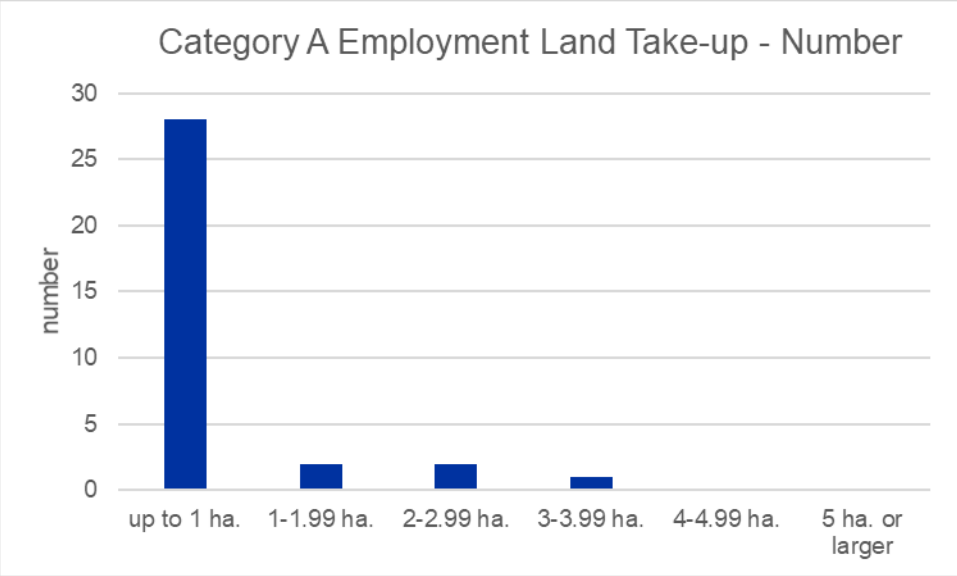
- Over half, 57%, of the sites are Brownfield, with the remainder Greenfield.

- Over half of the sites are Privately owned (26), while 14 are Publicly owned, one is a mix of ownerships and one site has unknown ownership.

- The sites larger than 5 ha are: the Freescale site on Singer Road, East Kilbride (10.19 ha); Clydebridge Steelworks in Cambuslang (9.95 ha); Clydesmill, Westburn also in Cambuslang (7.5 ha); and Canderside in South Larkhall (6.11 ha).

41.4 Take-up of Employment Land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies 33 sites totalling 19.14 ha as being taken up in the area for employment uses, this is an annual average of 7 sites and 3.8 ha per annum. The majority were smaller than 1 ha, and all were smaller than 4 ha. (Figure G15).

FIGURE G15: EMPLOYMENT LAND TAKE-UP



Source: Clydeplan / Ryden

41.5 Assessing the mix of sites within this employment land take-up:

- Douglas had the most area take-up with 5.57 ha in 2 sites, followed by East Kilbride with 5.51 ha but in a higher 11 sites. Cambuslang had 2 sites taken-up totalling 3.1 ha, followed by Rutherglen with 6 sites totalling 2.17 ha. Lanark has 3 sites totalling 1.01 ha. Other areas, Blanytre, Forth, Strathaven, Hamilton and Larkhall all had less than 1 ha of take-up.
- Over half, 64%, of the sites were Brownfield, with the remainder Greenfield.
- All, bar two, of the sites were for development by a Private developer.
- Nineteen sites, totalling 13.31 ha, were for Bespoke development, with the remaining 14 sites in 5.83 ha for speculative development.
- The largest sites taken-up were: a 3.25 ha site at Poniel, Douglas by Dewars for bonded warehousing; a 2.38 ha site in East Kilbride for a bespoke Class 5 development; and another site at Poniel totalling 2.32 ha for a bespoke Class 6 development.

41.6 While the analysis above confirms that there is a good supply of employment sites across South Lanarkshire allocated through planning policy, there are only 6 development sites are being actively marketed, these are in Table G12 on the next page.

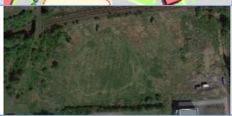
TABLE G12: MARKETED EMPLOYMENT LAND

ADDRESS	SIZE ACRES (HECTARES)	DETAILS
Land at Former Liberty Steel Site, Cambuslang 	103 (41.70 ha)	Brownfield land extending to approximately 103 acres (41.70 hectares) across a Northern and Southern site dissected by the M74 motorway and connected via an underpass. The northern section of the site totals c.27 acres. The southern section extends to c.76 acres, the former steel works buildings (c.412,000 sq.ft.), remain in-situ and comprise the main steelworks facility, a small single storey workshop, two storey office and a security office. The South Lanarkshire LDP identifies the full site as forming part of a wider area that is allocated as a 'Core Industrial and Business Area', where LDP Policy 8 'Employment' offers support for Class 4 (Business), Class 5 (General Industrial) and Class 6 (Storage & Distribution) uses. Potential uses subject to Planning include: industrial, open storage, alternatives/renewables, residential and leisure.
Quay Road, Rutherglen 	2 (0.8 ha)	Redevelopment project. No live planning applications.
Conexus North, Poniel 	200 (80 ha)	Conexus North offers in excess of 200 acres for sale / to let with planning permission in principle for a range of uses including 4, 5, 6 and energy. Divisible into 9 smaller zones. Conexus South has developed as Dewars (Bacardi) Poniel maturation and blending facility. Conexus East will follow.
M74 Heat & Power Park, Poniel 	69 (28 ha)	69 acres (28 hectares) of industrial/development land strategically located at junction of M74 / A70. Design and build opportunities on plots of 2 acres upwards. Suitable for manufacturing processes requiring heat & power; refrigerated storage & distribution; food & drinks industry; digital media/data centres and green energy related uses/energy storage. This is a large site in single ownership which is already serviced with water, power and telecommunications.
Caldwellside Industrial Estate, Lanark 	1 – 2.37 (0.4 – 0.8)	South Lanarkshire Council have two yards here for lease. Yard 1 of 45,424 - 92,037 sq.ft. (1 – 2 acres) and the smaller Yard 2 of 1,615 – 16,145 sq.ft. (0.03 – 0.37 acres)
Elvanfoot Yard, Glengeith Farm 	1 (0.4 ha)	Area of hardstanding extending to 45,845 sq.ft. (1 acre) suitable for lay down and storage available for lease.

Source: Ryden / CoStar/ Marketing agents

41.7 Market evidence of employment land transactions confirms that there has been an active market in the local area. According to CoStar 10 sites totalling 36.9 acres (14.9 ha) have been sold for employment use since January 2019. These are in Table G13 overleaf.

TABLE G13: EMPLOYMENT LAND TRANSACTIONS

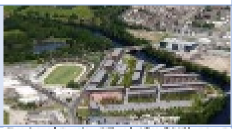
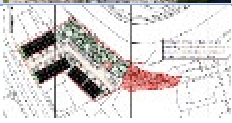
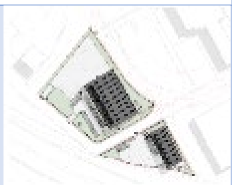
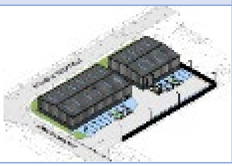
ADDRESS		SIZE ACRES (HECTARES)	DETAILS
1 Whistleberry Road, Whistleberry Industrial Estate, Blanytre, Hamilton		11 (4.45 ha)	Sold in November 2022 to Leisure Management (Scotland) Ltd for £1 million. Previously sold in 2015 to Clean Power Energy Ltd. Site of the former Craighead School, the site has been considered for a number of different uses, including a waste processing plant, and Use Classes 4, 5 and 6. Currently zoned for 'Other Employment Land Use Area' and 'Green Network'.
Land North Clyde Gateway Trade Park, Dalmarnock Road, Rutherglen		3.38 (1.36 ha)	Sold in August 2022 to Harris Finance for £755,000. The buyer intends to build industrial units on the land.
Fairbairn Development Plot, Scottish Enterprise Technology Park, East Kilbride		1.4 (0.56 ha)	Sold in July 2021 to Epoch Properties.
Plot 11 St James Avenue, East Kilbride		5.44 (2.2 ha)	Sold in April 2021 to Network Rail Infrastructure for £3 million. It is unknown what they plan with the site but it is beside the railway line.
110 Glasgow Road, Rutherglen		1.23 (0.5 ha)	13,885 sq.ft. sold in December 2019 at auction for £500,000. Site with a steel portal frame of a derelict warehouse. Planning application for Erection of 12 light industrial units in 2022.
Site of Former Auchinraith Garden Centre, Whistleberry Road, Blantyre, Hamilton		3.68 (1.49 ha)	Sold in October 2019 to JWR Holdings Ltd for £70,000. An irregular shaped industrial site previously occupied by a Garden Centre. Most recent planning application P/22/1743 for the Demolition of existing outbuildings and erection of workshop building (Class 5) by DM Haulage (Mixer Hire) Ltd was approved in August 2023.
Queensway/ Linwood Avenue, Peel Park, East Kilbride		2.63 (1.06 ha)	Sold in August 2019 to Arnold Clark Automobiles for £750,000. Site previously had permission for an 80-bed hotel, unknown.
Fairfield Place, College Milton Industrial Estate, East Kilbride		0.83 (0.33 ha)	Sold in June 2019 to a private individual for the construction of an industrial unit.
Balgray Road, Lesmahagow		6.67 (2.69 ha)	Sold in June 2019 at Auction for £57,000. A planning application for the erection of nine business units (Classes 4, 5 and 6) was submitted in May 2020 and is still in the planning process.
Plot 6, Langlands Drive, Langlands Park Industrial Estate, East Kilbride		0.657 (0.266 ha)	Sold in January 2019 for £87,000.

Source: Ryden/ CoStar

DEVELOPMENT

41.8 Recent speculative employment property developments and proposals in South Lanarkshire are presented in Table G14.

TABLE G14: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
Langlands Commercial Park, East Kilbride		Phase 1: 10 industrial units of 2,500 sq.ft. each completed in 2020, sold to Northern Trust in February 2024. Phase 4: speculative industrial unit of 24,000 sq.ft. completed 2022 and sold to Corney & Barrow Bars Ltd in August 2022. Phase 2, a 28,000 sq.ft. **industrial** unit due for completion April 2024, comprises a 26,250 sq.ft. warehouse and 1,760 sq.ft. office.
Rutherglen Links Business Park, Rutherglen		**Industrial and office** development by Clyde Gateway on a 5.6 acre brownfield site. Development led by Harris Finance. Two modern office pavilions (No's 1 & 2) totalling 15,000 sq.ft. which completed in 2020, and No 1, 33,500 sq.ft. completed in 2015.
Magenta (Shawfield), Rutherglen		11 hectare site with a masterplan for to provide 750,000 sq.ft. of Grade A **office** accommodation. The flagship 23,660 sq.ft. building Red Tree Magenta completed in 2018, split into a range of office suites.
110 Glasgow Road, Rutherglen		Site sold in December 2019, with a steel portal frame of a derelict warehouse (13,885 sq.ft.). Planning application for the Erection of 12 **light industrial units** and associated works (P/22/0516). Spectrum Properties. Application registered
Southcroft Road, Shawfield GRID (Green Regeneration Innovation District), Rutherglen		Proposals by Clyde Gateway for two Class 5 and 6 **flexible industrial units** totalling 29,000 sq.ft. in units of 20,900 sq.ft. and 8,100 sq.ft. Erection of two Class 5, 6 and sui generis (Business, General Industrial, Storage or distribution and building merchant) commercial units with ancillary **Class 4 office** space, parking, landscaping and associated works. P/23/0994 approved March 2024.
1 Argyle Crescent (5 Pollock Avenue), Hillhouse Industrial Estate, Hamilton		George Taylor (Holdings) Ltd plans a speculative high quality **trade counter / industrial** units totalling c. 9,800 sq.ft. (Planning application P/23/0617) Application approved September 2023

Source: Ryden/ CoStar/ Websites

EMPLOYMENT LAND SUMMARY

41.9 South Lanarkshire has a current allocated employment land supply of 42 Category A sites totalling 71.48 hectares. Category A sites are those available for industry and business purposes and free of significant constraints. Two-thirds of sites are smaller than 1 hectare. Almost half of the available employment land supply is in East Kilbride (the largest at 10.19 hectares is the former Freescale site). Only 6 sites however are being actively marketed.

41.10 Annual average employment land take-up is 7 sites and 3.8 hectares per annum. The majority of sites taken up were smaller than 1 hectare. Take up was recorded across 10 settlements. Notably, the majority of sites were used for bespoke development for occupiers, with the balance being speculative.

41.11 Speculative development activity has happened primarily around Rutherglen across a number of office and industrial projects due to public sector investment and also through private development in East Kilbride and (proposed) in Hamilton.

G6

SUMMARY AND MARKET NEEDS

42.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The South Lanarkshire Local Economic Strategy recognises its potential as a central location with excellent transport links and identifies a wide range of sectoral strengths and support for business locations including actions to maximise sustainable development opportunities. City Region Deal projects in the area will help improve transport connections in the area putting in place key infrastructure for growth.

42.2 NPF4 and South Lanarkshire's LDP2 make up the statutory development plan for the area. NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. South Lanarkshire's LDP2 seeks to promote the continued growth of the area in a sustainable way. The Plan directs larger developments to sustainable urban locations, supports the regeneration and redevelopment of brownfield sites, safeguards and protects town, neighbourhood and village centres and aims to ensure an adequate supply of land for housing, industry and business in appropriate locations. The Council has recently commenced work on LDP3. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

42.3 The area is a high funding priority and recently attracted an award from the UK Government's Levelling Up Fund for the remediation of Shawfield. As a local authority eligible for the Vacant and Derelict Land Fund it has also attracted funding for Langlands in East Kilbride amongst other projects. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund affects all local authorities and could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

42.4 Over half of businesses located in South Lanarkshire are in industries relating to employment land use classes. In recent years there has been a collective decline of 6% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining. Overall employment in sectors relating to employment land has also decreased slightly in recent years, driven by reduced employment in sectors relating to IT and professional services.

42.5 Productivity in the area is lower than that of the regional and national economy. Ensuring adequate employment land is available for businesses to locate to and invest in the area will play an important role in boosting local productivity.

42.6 South Lanarkshire has an estimated 15.9 million sq.ft. of industrial property, mainly in the north of the local authority area around the motorway and trunk road network close to Glasgow and in East Kilbride and Hamilton. Around 40% of the industrial stock is 40 years or older. Industrial property availability has fallen steadily to a very low 2.3%, although a range of units is available and under offer. EPC ratings of available properties, where available, are mixed.

42.7 Annual average industrial property take-up is 575,110 sq.ft. across 64 units. The vast majority are lettings. Floorspace take-up is inflated by very large logistics and construction occupiers. Most industrial transactions concern properties up to 5,000 sq.ft. This is broadly aligned with current supply although given the low vacancy rate there will be market pinch-points. Achieved rents vary widely from

£1.75 per sq.ft. for very basic older buildings in the rural southern area, up to £11 per sq.ft. for new-build industrial units in prime locations.

42.8 Given the recent rises in development costs and reduced investment values, even these prime industrial rents may struggle to support speculative development. The continuing provision of modern industrial stock for occupiers over the short to medium term will thus fall more onto refurbishment of suitable existing stock, occupier-led development and self-financed developers.

42.9 South Lanarkshire's 3.8 million sq.ft. stock of office property is dispersed across the area in town centres, and notably in modern business parks and in business centres. The office availability rate of 12% has been rising recently to comprise 443,000 sq.ft. within 43 offices. Much of this office supply is flexible and in serviced offices/ business centres.

42.10 Annual average office property take-up rate is 80,885 sq.ft. in 32 offices. The majority of transactions are lettings. The market is composed largely of micro and small businesses. Office rents vary widely from £6.30 per sq.ft. for very basic older buildings up to £15 per sq.ft. for modern office space. These rents would not support new development and provision of 'new' offices will be limited to adaptions of modern pavilions, a number of community hubs and any occupier-led requirements.

42.11 South Lanarkshire has a current allocated employment land supply of 42 Category A sites totalling 71.48 hectares. Two-thirds are smaller than 1 hectare. Only 6 sites are being actively marketed.

42.12 Annual average employment land take-up is 7 sites and 3.8 hectares. The majority of sites taken are smaller than 1 hectare, mainly for bespoke development. Speculative development activity has happened primarily around Rutherglen across a number of office and industrial projects due to public sector investment and also through private development in East Kilbride and (proposed) in Hamilton.

MARKET NEEDS

42.13 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for South Lanarkshire based upon the regional priorities and the research in this appendix are set out in Table G15. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table G15 should be read in conjunction with that.

TABLE G15: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to replace some of the most obsolete stock. Prime areas may attract private developers, others will require intervention.
Refurbished industrial property	There is a need to refurbish older stock on major, in-demand estates to prolong their lives and deliver energy efficiency. Any market failure would indicate a need for public sector support. The Council controls of the upgrade of its own portfolio.
Office / business space	Hybrid working and some public and private sector disinvestments are increasing the supply of modern office buildings. Some of these are being adapted to flexible use. The market should continue to be monitored through this adjustment, particularly on the city edge where vacancy rates are lowest.
Serviced employment land	Sites are allocated but few readily developable plots are available. Serviced employment land for the proven market for local expansions/ relocations and for mobile investment is a priority.
Market intelligence	Demand information is fragmented across this large, polycentric area and should be coordinated by the Council and its partners.

APPENDIX H

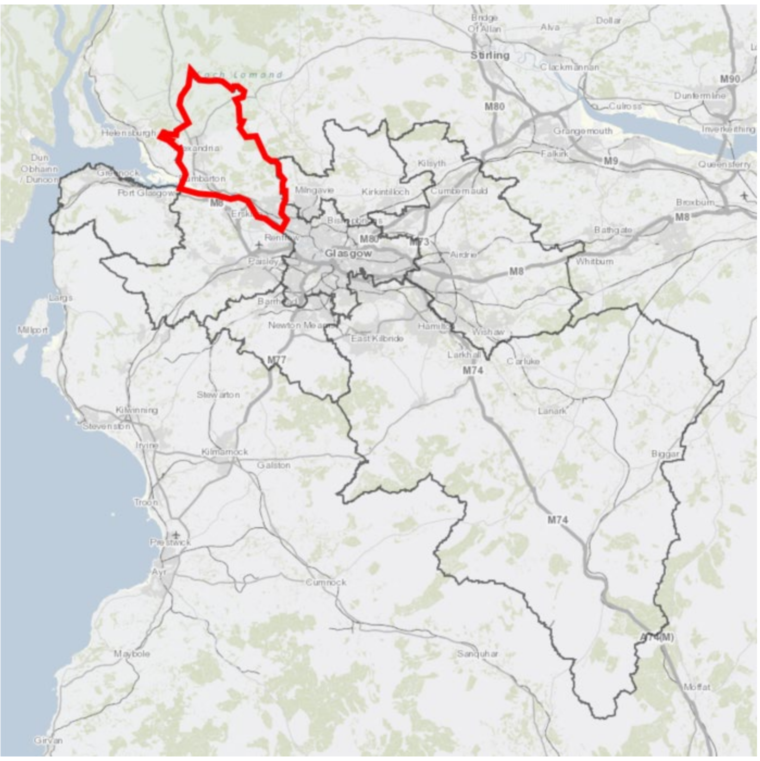
WEST DUNBARTONSHIRE

H1

INTRODUCTION

43.1 West Dunbartonshire is one of eight local planning authority areas which form part of the Supply of Commercial and Industrial Buildings and Land in Glasgow City Region project. The local authority area is highlighted on the Glasgow City Region map at Figure H1.

FIGURE H1: WEST DUNBARTONSHIRE: LOCATION WITHIN GLASGOW CITY REGION



Source: Clydeplan/ Ryden

43.2 The study is part of a suite of reports undertaken by Ryden for the Glasgow City Region Programme Management Office. The other land and property market workstreams cover retail, City Deal projects, energy efficiency and vacant & derelict land.

43.3 The contents of this West Dunbartonshire report are:

- Economy and policy are reviewed in Section 2
- The industrial property market is reviewed in Section 3
- Office property is covered in Section 4
- Employment land is reviewed in Section 5
- The summary and market needs are presented in Section 6.

43.4 Analyses and summaries presented here are specific to West Dunbartonshire. Further research and findings covering the other seven local authorities and the regional markets are presented in the accompanying appendices and regional report respectively.

H2

ECONOMY AND POLICY

43.1 This section outlines economic and planning policy and provides an economic overview of Glasgow City. It also provides an overview of funding eligibility.

REGIONAL POLICY

43.2 **NPF4** was adopted in February 2023 and is part of the statutory development plan for any given area of Scotland. It provides a blueprint for managing spatial development, outlining national planning policies, allocating significant national projects, and emphasising key spatial objectives and responsibilities at the regional level. The Framework is built around six spatial principles: just transition; conserving and recycling assets; local living; compact urban growth; rebalanced development and rural revitalisation which are applied to achieve sustainable, liveable and productive places.

43.3 Although not part of the statutory development plan, the forthcoming **Regional Spatial Strategy** (RSS) for the Clydeplan area will also inform wider strategic development.

43.4 Alongside planning policy, national economic policy and priorities will affect economic activity and future demand for commercial and industrial employment land across Scotland. Published in 2023, the **National Strategy for Economic Transformation** (NSET) sets out a 10-year vision for Scotland to be a wellbeing economy. Policy programmes include entrepreneurial activity, new jobs in emerging and green sectors and skills and productivity. These are likely to influence demand, composition and make-up of business spaces.

43.5 The **Glasgow City Region Deal** was formally approved in 2014 with the intention of funding major infrastructure projects and create jobs; improving public transport and connectivity; driving business growth and innovation; and generating private sector investment. The Deal includes a 20-year £1.13bn Infrastructure Fund seeking to improve transport networks and unlock key development and regeneration sites. City Region Deal projects in West Dunbartonshire include proposals to create a major industrial and commercial development in Bowling on the site of the former ExxonMobil terminal. The project will see the area transformed into a mixed-use development, comprising storage, distribution, industrial, business and office space.

43.6 The **Regional Economic Strategy** was launched in 2021 and identifies three Grand Challenges: addressing the climate emergency; creating a more inclusive economy; and tackling the issue of low productivity. A total 19 overarching action areas have been identified, with activity centred around three work programmes:

- Three existing programmes: City Deal, Innovation Districts, and the Clyde Mission;
- Two programmes under development: Metro and Retrofit; and
- Seven emerging programmes: Future Skills Programme, Foundational Economy Pilot, Fair and Healthy work, Green Business Support, Green Demonstrator, City and Town Centres and Vacant and Derelict Land.

43.7 It is expected the economic activity supported by these work programmes will affect demand for commercial and industrial employment in the region over the next ten years.

43.8 Following on from the RES, the **RES Action Plan** was launched in 2022. A list of 12 projects were approved following the RES including the creation of Innovation Districts and development of the Clyde

Green Freeport Bid. In addition, the development of the Foundational Economy pilot project considers interventions to improve business support to meet the needs of businesses across six priority sectors: retail, accommodation and food services, health and social care, construction, arts and recreation and transport and storage. Similarly, developing a systematic programme approach to address the long-standing issue of vacant and derelict land across the region is another focus area in the Action Plan.

43.9 **Clyde Mission** is a national development which seeks to use the River Clyde to generate and drive sustainable and inclusive growth for the city of Glasgow, the region and Scotland. Since the project's inception, it has been supported by more than £40 million from the Scottish Government. Clyde Mission seeks to revitalise vacant and neglected land for productive purposes, mitigate any potential threat posed by tidal flooding and examine the use of the river as a source of heat and energy for businesses and communities. This may help unlock additional sites for employment purposes.

LOCAL POLICY

43.10 The development plan for the West Dunbartonshire area consists of NPF4 and the adopted West Dunbartonshire Local Plan (2010). The Proposed Local Development Plan (2020, as modified) is not part of the statutory development plan for West Dunbartonshire but is a material consideration in the determination of planning applications. The spatial strategy focuses on the delivery of regeneration areas and other key sites; the reuse of previously developed land; and minimising any extension of the urban area into the greenbelt. Key assets/locations are noted to be:

- Queens Quay, Clydebank
- City Deal Project, Esso and Scott's Yard, Bowling
- Carless, Clydebank
- Dumbarton Town Centre and Waterfront
- Clydebank Town Centre
- Alexandria Town Centre
- Bowling Basin
- Lomondgate
- Vale of Level Industrial Estate

43.11 Lomondgate and Clydebank Riverside are identified as Strategic Economic Investment Locations by Clydeplan. Clydebank and Dumbarton are also identified as Strategic Town Centres.

43.12 West Dunbartonshire has a mixed economy where a previous dominance of heavy industry and engineering is evolving into a more diversified economy. LDP policies seek to support existing businesses, as well as provide an environment of new businesses to grow and flourish.

43.13 The Council is in the early stages of preparing its new LDP3 which will consider the ambitions and outcomes for the area for the next 20 years. It is currently preparing its Evidence Report.

43.14 The West Dunbartonshire **Strategic Plan** published in 2022 highlighted the challenges the local authority faces from Brexit, the pandemic and unprecedented financial instability. The compounded effects of the fallout from COVID-19; budget constraints; increases in the cost of living; increased unemployment; ageing demographics; Brexit; climate change; and managing public expectations with diminishing resources have required the Council to stretch its capacity. Within this challenging context, the Strategic Plan 2022-2027 identifies three strategic priorities underpinned by an inclusive and adaptable Council:

- Our communities are resilient and thriving;
- Our environment promotes a greener future; and
- Our economy is strong and flourishing.

43.15 The priority centred on the economy has implications for employment and commercial land, since it seeks to ensure the area has the right infrastructure for businesses to flourish. These activities aim to build resilience to counter the effects of the pandemic and changes in working patterns, increase in home working and the corresponding effect on retail and hospitality sectors. To measure progress towards meeting the priorities identified within the strategy, a number of indicators are compiled and monitored, including immediately available employment land as a percentage of total land allocated for employment purposes.

43.16 Alongside the Strategic Plan, West Dunbartonshire Council developed the **Economic Development Strategy 2022-2027**. The strategy identifies five priorities:

- Stimulating economic investment and growing the business base;
- Establishing an inclusive economy by improving skills and supporting people into work;
- Creating a prosperous place where people choose to live, work, visit and invest;
- Addressing climate change and supporting a green recovery; and
- Building stronger partnerships and new approaches to delivery.

43.17 These priorities have the potential to affect employment and commercial land demand through the creation of new businesses as well as supply, since there is a focus on bringing back to productive use vacant and derelict land sites.

FUNDING

43.18 A full funding RAG has been prepared for the GCR as part of the main report and whilst there is no source which purely supports provision of employment sites and property, the Region is eligible for a wide range of UK and Scottish Government support via place-making and regeneration funding streams in particular. West Dunbartonshire is high priority for public sector funding and the Council secured £19.9m from the first round of the Levelling Up Fund for the regeneration of Dumbarton. Specific projects include the redevelopment of Glencairn House for community purposes, refurbishing the Artisan shopping centre and improving road connections. Clydebank will also benefit from a £20m UK Government investment over the next 10 years with a focus on the town's regeneration. In terms of employment space, West Dunbartonshire is benefiting from City Region Deal monies for the re-development of the former Exxon Mobil terminal as a major industrial and commercial development. It has also previously received funding from the Regeneration Capital Grant Fund to provide new workshop space at the Vale of Leven Industrial Estate. West Dunbartonshire Council has also previously accessed funding from the Vacant and Derelict Land Investment Programme however these focus on community projects. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

ECONOMIC OVERVIEW

Business Growth and Survival Rates

43.19 In 2023, West Dunbartonshire was home to 1,175 business, of which 53% were in sectors relating to employment land class categories.

43.20 In 2023, 16% of businesses in West Dunbartonshire were in construction and 13% in employment were in wholesale and retail trade (Table H1 overleaf).

TABLE H1: BUSINESSES IN WEST DUNBARTONSHIRE

SECTOR	TOTAL BUSINESSES	SHARE OF ALL BUSINESSES IN WEST DUNBARTONSHIRE BY SECTOR	SHARE OF BUSINESSES IN EACH SECTOR IN GCR LOCATED IN WEST DUNBRTONSHIRE
Manufacturing (C)	105	8%	5%
Construction (F)	280	16%	14%
Wholesale (Part G)	40	3%	4%
Transport & storage (inc. postal) (H)	65	4%	5%
Information & communication (J)	60	4%	5%
Financial & insurance (K)	20	1%	2%
Professional, scientific & technical (M)	165	11%	14%
Business administration & support services (N)	120	8%	7%
Total Business Count	**945**	**53%**	**56%**
Retail (Part G)	*155*	*10%*	*10%*
Total Incl. Retail	**1,115**	**63%**	**66%**

Source: ONS, UK Business Count 2023

43.21 The overall number of businesses in West Dunbartonshire has remained relatively stable over the past few years, as has those relating specifically to employment land categories. Between 2015 and 2023, the number relating to employment land categories increased by 1%.

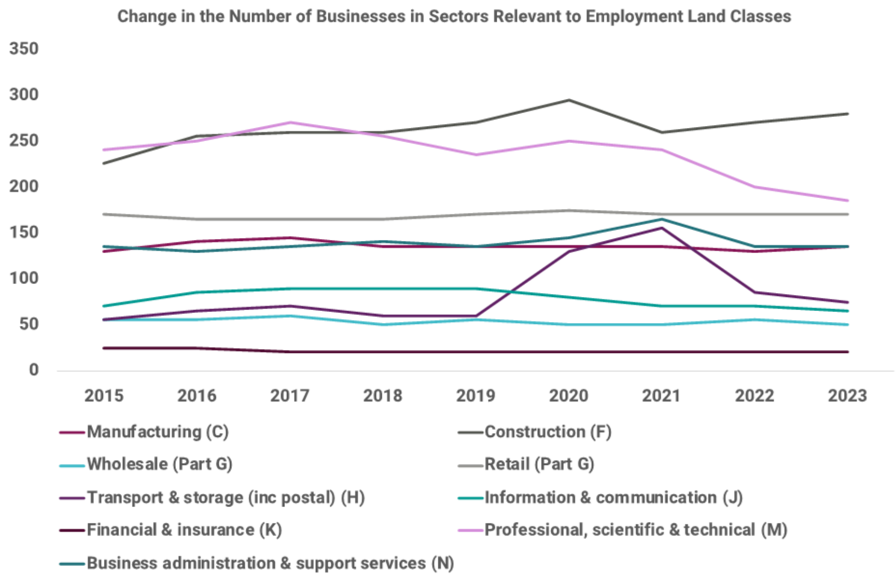
43.22 As shown in Table H2 and Figure H2 below, between 2015 and 2023 there was a 23% decrease in professional, scientific and technical activities related businesses, and a 20% decrease in financial and insurance businesses in West Dunbartonshire. However, there was a 36% increase in business counts for the transport and storage sector within the same time frame.

TABLE H2: BUSINESSES IN WEST DUNBARTONSHIRE

SECTOR	2023	2015	% CHANGE
Manufacturing (C)	135	130	4%
Construction (F)	280	225	24%
Wholesale (Part G)	50	55	-9%
Transport & Storage (incl postal) (H)	75	55	36%
Information & communication (J)	65	70	-7%
Financial & insurance (K)	20	25	-20%
Professional, scientific & technical (M)	185	240	-23%
Business administration & support services (N)	135	135	0%
Total Business Count	**945**	**935**	**1%**
Retail (Part G)	*170*	*170*	*0%*
Total Incl. Retail	**1,115**	**1,105**	**1%**

Source: ONS, UK Business Count 2023

FIGURE H2: CHANGE IN NUMBER OF BUSINESSES



Source: ONS, UK Business Count

Business Size

43.23 The total number of businesses in West Dunbartonshire increased by 5% in the time between 2015 and 2023. However, since 2020 there was an 8% decrease in the total business count, which suggests that the overall COVID-19 recovery has not brought back the local economy to pre-pandemic levels.

43.24 There was a 5% increase in the number of micro enterprises and no change in small enterprises in West Dunbartonshire between 2015 and 2023. Medium sized enterprises employing between 50 to 249 employees decreased by 29% in the same period.

43.25 The count of large enterprises in West Dunbartonshire has increased from 5 to 10 such enterprises employing more than 250 people.

Employment

43.26 Total employment in West Dunbartonshire in 2022 was approximately 33,775. Of this total, sectors relating to employment land class categories accounted for approximately 33% of employment.

43.27 Employment across the period between 2015 and 2022 increased by 6% in West Dunbartonshire. However, the distribution of employment changed considerably between different industries. Employment in the wholesale sector decreased by 56%. Demand for employment in the business administration & support services sector increased by 38% and so did employment in the professional, scientific & technical sector by 36% in 2023 compared to 2015 (Table H3).

TABLE H3: EMPLOYMENT IN WEST DUNBARTONSHIRE

SECTOR	CHANGE IN EMPLOYMENT 2015 – 2019	CHANGE IN EMPLOYMENT 2019 - 2022
Manufacturing	-11%	-13%
Construction	0%	0%
Wholesale	-50%	29%
Transport & storage	11%	-10%
Information and communication	11%	-20%
Finance and insurance	13%	11%

Professional, scientific and technical	25%	25%
Business administration and support activities	40%	14%
Employment Land Class Categories (Total)	**5%**	**9%**
Retail	*-14%*	*17%*
Total Employment	-2%	9%

Source: ONS, Business Register and Employment Survey

Productivity

43.28 Analysis produced by Skills Development Scotland (SDS) and Oxford Economics estimates that the GVA of West Dunbartonshire in 2023 was around £1,824m, with a GVA per job of £50,700 (Table H4).

TABLE H4: GVA

GVA PER JOB	2023 ESTIMATE
West Dunbartonshire	£50,700
Glasgow City Region	£49,700
Scotland	£52,600

Source: Oxford Economics for Skills Development Scotland (2023)

Future Projects / Macro Trends

43.29 Whilst the data provides an indication of how sectors relating to employment land have changed over time, it is important to consider potential future activity and how it may alter demand for business space. Such changes are influenced by wider macro trends in the economy.

43.30 The most recent Future of Jobs report published by the World Economic Forum indicates that the macrotrends that are likely to have the most impact on the workplace and employment over coming years are: increased adoption of technology and digital transformations of organisations; rising cost of living and slow economic growth; investments in the green transition; supply chain shortages; and the rise of local supply chains.

43.31 Forecasts produced by Oxford Economics for SDS estimate that employment in West Dunbartonshire will increase by 1% over the next three years, and then by 0.1% up to 2033. The forecasts also estimate that employment in industries associated with land use classes is expected to grow by 3% by 2026, equivalent to an additional 500 workers. This increase in employment will affect demand for commercial and employment land.

SUMMARY

43.32 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The West Dunbartonshire Strategic Plan prioritises a strong and flourishing economy with the Economic Development Strategy seeking to stimulate economic investment and grow the business base.

43.33 NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. NPF4 and the adopted West Dunbartonshire Local Plan (2010) make up the statutory development plan for the area. The Proposed Local Development Plan (2020, as modified) is not part of the statutory development plan for West Dunbartonshire but is a material consideration in the determination of planning applications. The spatial strategy focuses on the delivery of regeneration areas and other key sites; the reuse of previously developed land; and minimising any extension of the urban area into the greenbelt. A number of key assets and locations are noted.

43.34 West Dunbartonshire has a mixed economy where a previous dominance of heavy industry and engineering is evolving into a more diversified economy. LDP policies seek to support existing businesses, as well as provide an environment of new businesses to grow and flourish.

43.35 The Council is in the early stages of preparing its LDP3. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

43.36 From a funding perspective, West Dunbartonshire is considered high priority for funding and has received significant awards from the UK Government for the regeneration of Dumbarton town centre and Clydebank. In terms of employment space, West Dunbartonshire is benefiting from City Region Deal monies for the re-development of the former Exxon Mobil terminal as a major industrial and commercial development. It has also previously received funding from the Regeneration Capital Grant Fund to provide new workshop space at the Vale of Leven Industrial Estate. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

43.37 Over half of businesses located in West Dunbartonshire are in industries relating to employment land classes. In recent years there has been a collective increase of 1% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

43.38 Overall employment in employment land classes has increased in recent years, driven by increased employment in wholesale and retail sectors.

43.39 Productivity in the area is greater than that of the regional economy. Ensuring adequate employment land is available for businesses to continue to invest in will play an important role in ensuring this continues.

H3

INDUSTRIAL PROPERTY MARKET

44.1 This section considers the industrial property market in West Dunbartonshire.

44.2 Employment properties are located in an arc through the trunk road network local from Clydebank adjacent to Glasgow City through Dumbarton to Renton and Alexandria (Figure H3).

FIGURE H3: WEST DUNBARTONSHIRE EMPLOYMENT LOCATIONS

Source: CoStar. The grey markers indicate industrial unit(s)/ offices, blue markers indicate availability

44.3 Principal locations in West Dunbartonshire are described in Table H5.

TABLE H5: PRINCIPAL EMPLOYMENT LOCATIONS

ADDRESS	STOCK & USES
Clydebank Business Park	Located within Clydebank town centre. The major industrial estate located in the Region. Comprises c. 598,000 sq.ft. of industrial floorspace, along with c. 547,000 sq.ft. of office space in modern office pavilions. Floorspace on the estate was built mainly in the 1980s and 1990s. Occupiers include Bauer, SGS Vitrology, Clydesdale Bank, MGM Timber, Ascensos, Enviro Windows and Doors and Northern Marine Group. Well occupied.
Clydebank Industrial Estate	Around 376,000 sq.ft. of industrial floorspace in units built from the 1970s to 1990s. Occupiers include Terasaki UK, Clanmill and NCE Switchgear. Located beside Dalmuir Bond.

Queens Quay Clydebank	Comprises two modern office pavilions, Titan Business Centre and Aurora House, built in 2007 and 2009. Around c. 25,000 sq.ft. each. Occupiers include NHS24, Educational Institute of Scotland (EIS), New Acoustics and Total Recruitment Group.
Vale of Leven Industrial Estate / Lomondgate, Dumbarton	Has a stock of c. 1.7 million sq.ft. comprises a mix of units built in the early 1900's, 1960s and 1970s up to modern units built in the 2010's. Major occupiers are Chivas Brothers, Houston Bottling & Co-Pack and Aggreko.
Broadmeadow Industrial Estate, Dumbarton	Around 519,000 sq.ft. of primarily industrial floorspace. Developed mainly in the 1980s and 1980s with some development in the 1990s. Occupiers include Scotserve Bottling Services, Dingbro, Howdens and Screwfix.

Source: Ryden / CoStar/ Websites

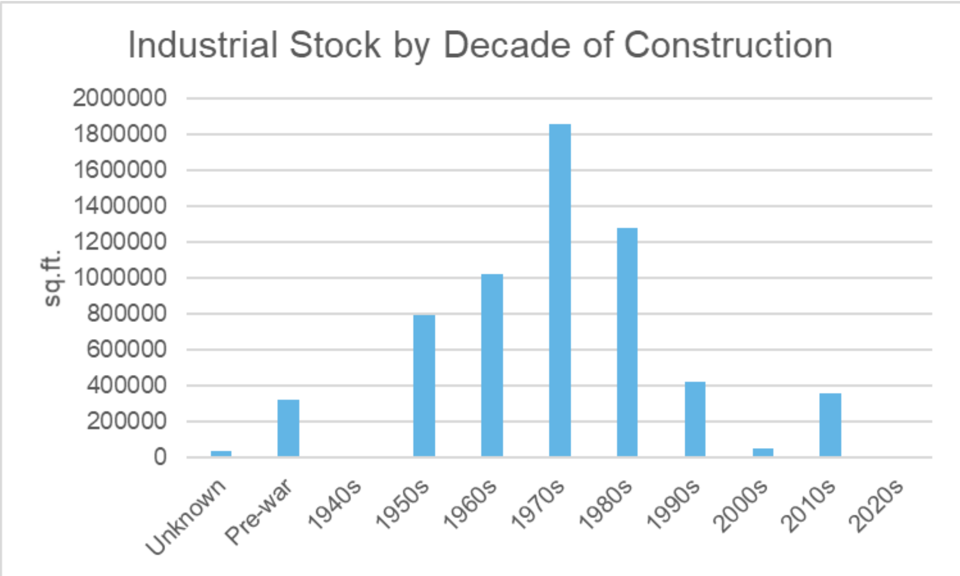
INDUSTRIAL STOCK

44.4 The local authority area's current stock of industrial property is estimated at 6.16 million sq.ft. This figure includes c. 1.6 million sq.ft. of bonded warehousing and a 430,000 sq.ft. bottling site (Chivas Brothers), indicating the importance of the distilling industry to the area. Industrial stock in West Dunbartonshire including these large assets is 5.9% of Glasgow City Region's industrial stock.

44.5 West Dunbartonshire has very low industrial property availability rate, currently sitting at <1% which is well below the 4% for Glasgow City Region and has been falling for 10 years. At this level of vacancy occupiers experience very limited or indeed no choice of premises.

44.6 The principal industrial property development eras were the 1960s to the 1980s: 1960's with 17% (includes the bottling site noted at 3.4), 1970s with 30% (around half of the bonded warehousing was built during this decade), and 1980s with 21%. Figure H4 shows industrial stock by decade in which it was constructed. Approximately 65% of the industrial stock is 40 years or older. Very little space has been constructed since 2000 however a small number of developments were undertaken by Clydebank Rebuilt/Clydebank Property Company including the Clydebank East Workshops and John Knox Workshops in the late 2000's/early 2010s.

FIGURE H4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION



Source: Ryden / CoStar

INDUSTRIAL SUPPLY

44.7 The supply of available industrial space totals 11,378 sq.ft. in 7 units. This gives an industrial availability rate of <1%. A further 4,612 sq.ft. in 4 units are under offer. Industrial units currently on the market are detailed in Table H6 overleaf.

TABLE H6: CURRENT INDUSTRIAL SUPPLY

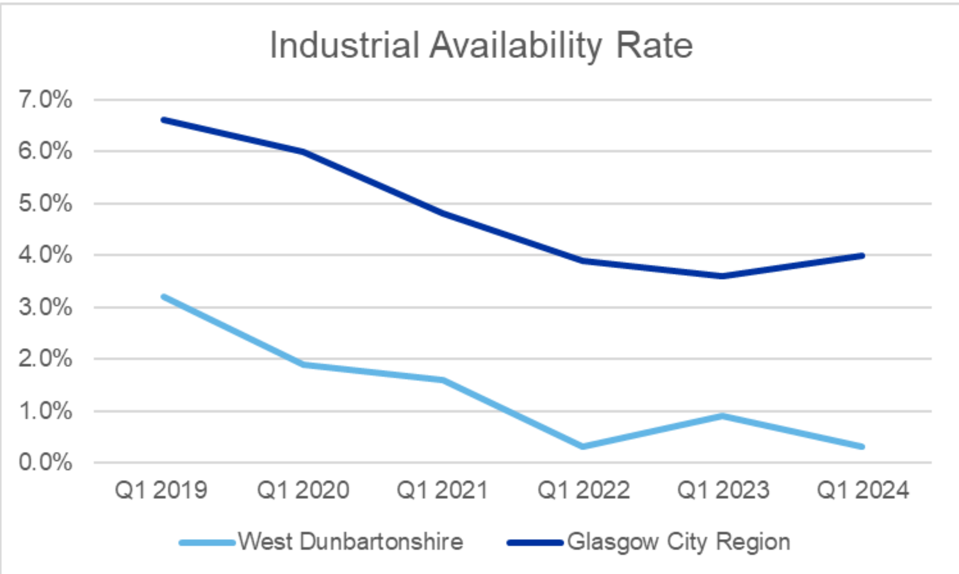
ADDRESS		SIZE (SQ.FT.)	DETAILS
Unit 5 John Knox Street, Clydebank East Workshops, Clydebank		450	Terraced light industrial unit for lease
Block 9, Unit 1, 18 Beardmore Way, Clydebank Industrial Estate, Clydebank		2,300	End terrace unit for lease at £6 per sq.ft. EPC rating E
Block 7, Unit 3, 70 Beardmore Way, Clydebank Industrial Estate, Clydebank		2,300	End terrace unit for lease at £6 per sq.ft. EPC rating E
B2 , B4 and B5, JKS Workshops, North Elgin Street, Clydenbank		469 469 469	Three units of 469 sq.ft. each available for lease.
582 Glasgow Road, Clydebank		4,921	Single storey industrial warehouse/ showroom. For sale offers over £300,000. EPC rating E+

Source: Ryden / CoStar / Marketing Agents / West Dunbartonshire Council

44.8 Energy performance is an increasingly important feature of industrial buildings, both in terms of carbon emissions and energy costs. Three of the available properties in Table H6 have a registered EPC rating, all with lower to mid-range ratings of E/ E+.

44.9 The industrial availability rate for West Dunbartonshire is <1% as noted above. This has fallen from 3.2% in 2019, and is below the rate for Glasgow City Region. Figure H5 below illustrates how the industrial property availability rate has fallen into 2024.

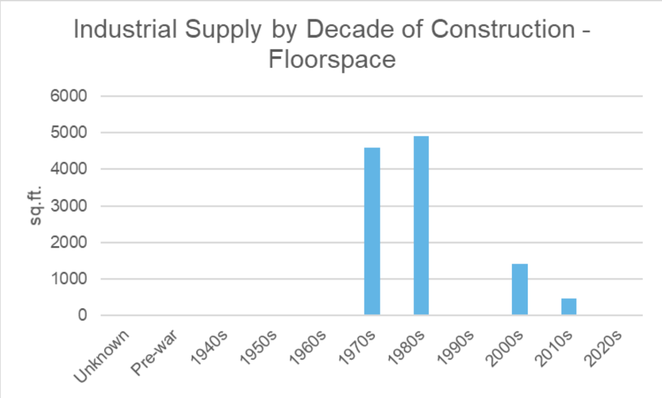
FIGURE H5: INDUSTRIAL AVAILABILITY RATE

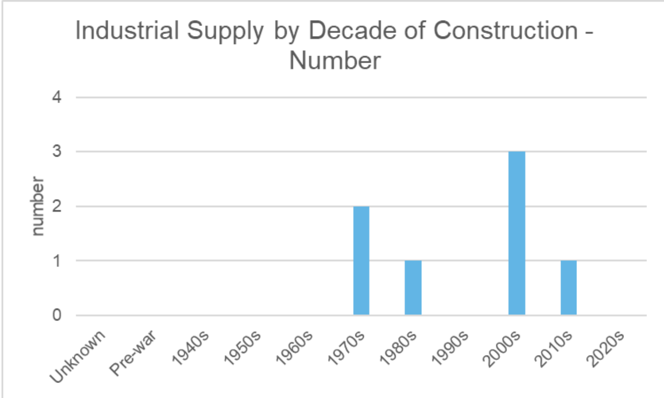


Source: Ryden / CoStar

44.10 As above, there are 7 industrial units on the market. This supply of industrial units by decade of construction indicates that 43% of available floorspace (the first chart) was built in the 1980s but this is within one unit. By number of units on the market, 3 were built in the 2000s (Figure H6).

FIGURE H6: INDUSTRIAL SUPPLY

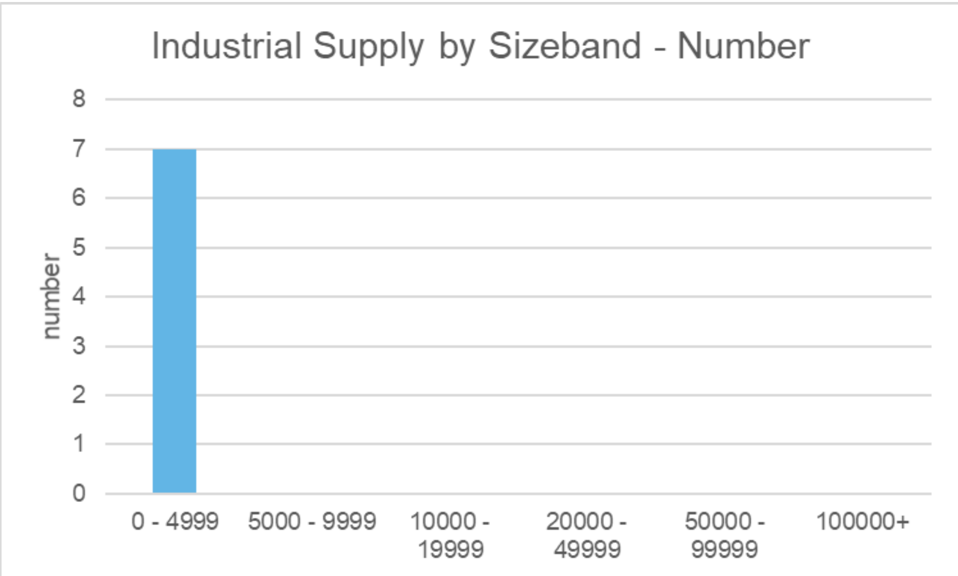




Source: Ryden / CoStar

44.11 By sizeband, all of the current supply is within units smaller than 5,000 sq.ft. (Figure H7). This means there is no accommodation available for medium to large sized businesses in the area.

FIGURE H7: INDUSTRIAL SUPPLY BY SIZEBAND



Source: Ryden / CoStar

INDUSTRIAL TAKE-UP

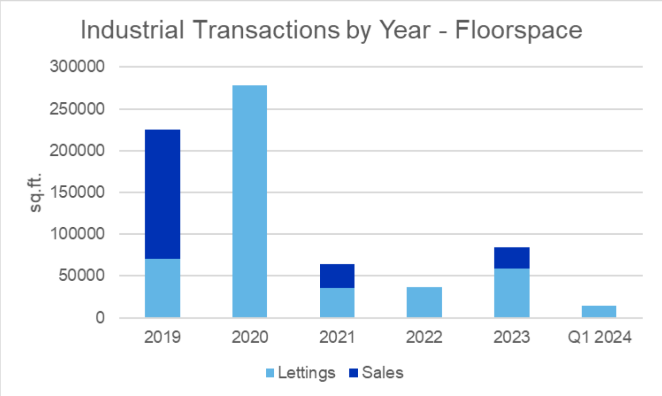
44.12 Across West Dunbartonshire a total of 701,681 sq.ft. of industrial property in 82 units has been taken-up (sales, lettings and lease renewals) between January 2019 and March 2024 inclusive. This is an annual average of 132,390 sq.ft. in 15 units. 96% of the area's industrial property transactions are lettings and the balance are sales.

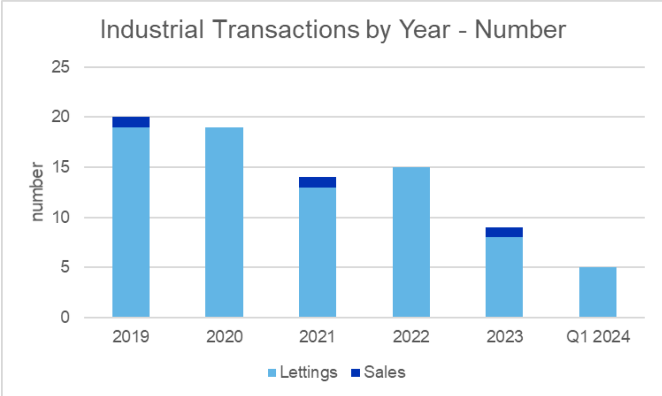
44.13 The years 2019 to 2021 had the highest volumes of floorspace take up at between 225,000 and 278,000 sq.ft. (Figure H8). This is due to two larger transactions, in 2019 the sale of 154,084 sq.ft. at Dillichip Loan in Alexandria to John G Russell, and in 2020 the letting of 213,659 sq.ft. to Aggreko at Lomondgate in Dumbarton. Take-up has since fallen to between 40,000 sq.ft. and 85,000 sq.ft. Q1

2024 final volumes will likely be higher due to a time lag in reporting of transactions.

44.14 The years 2019 to 2021 had c. 20 units taken-up in each year, falling to 9 for 2023. The falling take-up trends on Figure 8, particularly the numbers of units transacted on the second chart, are consistent with the falling supply above and probably indicate a constrained market.

FIGURE H8: INDUSTRIAL TAKE-UP PER YEAR

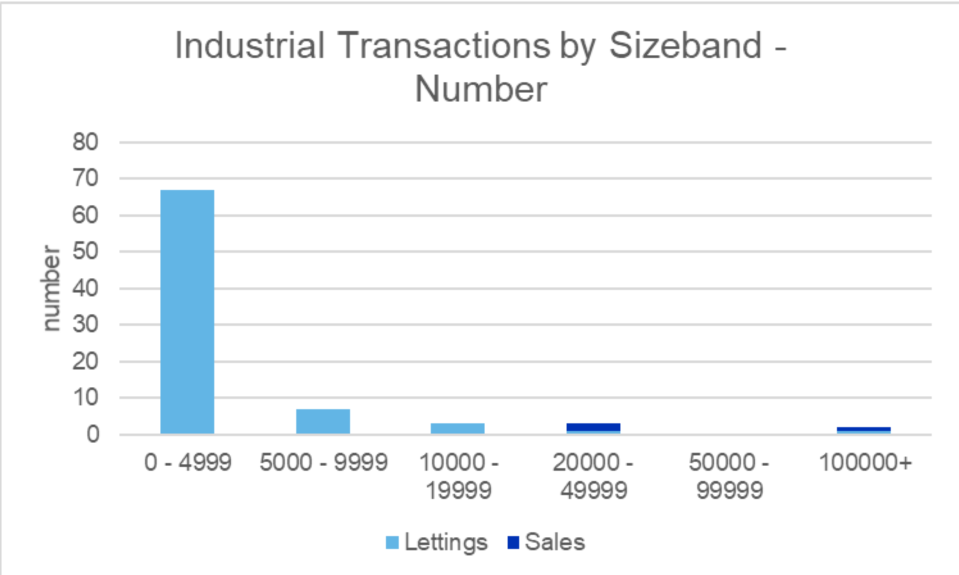




Source: Ryden / CoStar

44.15 Looking at industrial transactions by sizeband, the smallest ranges had the most activity (Figure H9). Properties up to 5,000 sq.ft. account for 85% of market activity. This is aligned with supply in terms of the overall shape of the market, however the vacancy rate is very low and there will be specific pinch-points in local areas and for types and sizes of industrial property.

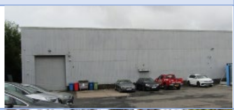
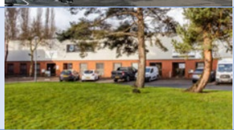
FIGURE H9: INDUSTRIAL TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

44.16 A selection of recent industrial property transactions is presented in Table H7 on the next page. Achieved rents vary widely from £2 per sq.ft. for very basic older buildings up to £7.65 per sq.ft. for modern units prime areas. Clydebank appears to be the most active market area.

TABLE H7: RECENT INDUSTRIAL TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
B1, JKS Workshops, North Elgin Street, Clydenbank		950	Let in March 2024 on a 3-year lease
Unit 16, Andrew Court, South Douglas Street, Clydebank Business Park, Clydebank		1,292	Let in March 2024 on a 3-year lease at £7.50 per sq.ft.
Fleming Court, North Avenue, Clydebank Business Park, Clydebank		3,986 3,986 648	Let in February 2024 to Envision Signs at £4.80 per sq.ft. Let in December 2023 to Athletic Training Centre Ltd on a 5-year lease at £5.30 per sq.ft. Let in October 2023 to Demon Campers Ltd on a 3-year lease at £7.65 per sq.ft.
Unit 3 Baird Court, 10 North Avenue, Clydebank Business Park, Clydebank		2,760	Let in February 2024 to Villa Bakery Ltd on a 5-year lease at £6 per sq.ft.
Unit 9, The Alpha Centre, South Douglas Street, Clydebank Business Park, Clydebank		5,033	Lease renewal in January 2024 to Smart Graphics at £5 per sq.ft.
42 Glasgow Road, Clydebank		7,270	Let in August 2023 to EVRI on a 10-year lease at £6 per sq.ft.
Telford Court, South Avenue, Clydebank Business Park, Clydebank		2,045	Let in April 2023 to Energy Control Analysis Ltd on a 3-year lease at £7 per sq.ft.
Andrew Court, South Douglas Street, Clydebank Business Park, Clydebank		1,293	Let in February 2023 to Clydebank Units Limited on a 10-year lease at £7.40 per sq.ft.
Block 15, Vale of Leven Industrial Estate, Dumbarton		25,343	Sold in October 2023 to Innova Nanojet Technologies Ltd for £1.4 million
Block 14, Units 1 & 2, 7 South Avenue, Clydebank Business Park, Clydebank		42,182	Let in September 2023 at £4 per sq.ft.
Griffon Centre, Vale of Leven Industrial Estate, Dumbarton		860	Let in August 2023 on a 3-year lease at £2 per sq.ft.
Unit 1B, Cable Depot Trading Estate, Clydebank		5,235	Let in December 2022 to MPC Energy

Source: Ryden / CoStar

44.17 An example of a single-let mid-terraced industrial unit sold for investment purposes rather than for occupational is shown on Table H8 overleaf. The transaction in 2023 was part of a wider portfolio sale which achieved an investment yield of 8.1%.

TABLE H8: INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
Unit 17 Birch Road, Broadmeadow Industrial Estate, Dumbarton		Sold in June 2023 as part of a wider portfolio to Ares Management Corp. No price recorded but an initial yield of 8.1%. 8,074 sq.ft. industrial unit let to Homes in the Garden.

Source: Ryden / CoStar

SUMMARY

44.18 West Dunbartonshire's current stock of industrial property is estimated at 6.16 million sq.ft. However, one-third of this is in bonded warehouses and bottling plant. Due in part to this large facility, around 65% of the overall industrial stock is 40 years or older.

44.19 West Dunbartonshire has a very low industrial property availability rate, currently sitting at <1% which is well below the 4% for Glasgow City Region and has been falling gradually for 10 years. At this level of vacancy occupiers will experience very limited or indeed no choice of premises.

44.20 The supply of available industrial space totals 11,378 sq.ft. in 7 units. Energy performance does not appear to be particularly good within the units available. The majority of units on the market were built in the 1970/80s. All of the current supply is under 5,000 sq.ft. which means there is currently no accommodation available for medium to large sized businesses in the area.

44.21 Average annual industrial take-up is 132,390 sq.ft. in 15 units however it has fallen markedly since 2021, which may reflect lack of supply. The majority of market activity is again in relation to smaller units under 5,000 sq.ft. Achieved rents vary widely from £2 per sq.ft. for very basic older buildings up to £7.65 per sq.ft. for modern units prime areas. Clydebank appears to be the most active market area.

H4

OFFICE PROPERTY MARKET

45.1 The office market is in the post-pandemic process of moving to smaller, better quality offices to meet ESG requirements and hybrid and home working requirements.

OFFICE STOCK

45.2 West Dunbartonshire's stock of office property is estimated at 1 million sq.ft., located mainly in Clydebank and Dumbarton in the town centres, business parks and employment estates. Some of the purpose-built office stock was highlighted on Table H4 above. West Dunbartonshire's stock of office property represents just 2.4% of Glasgow City Region's office stock.

45.3 West Dunbartonshire Council is one of the largest office occupiers in the area and have been rationalising their footprint for a number of years. This has included vacating their office premises at Bridge Street in Dumbarton (c. 20,500 sq.ft.) amongst others. The Council has also sought to share office premises with its partners including NHS24 and Police Scotland.

45.4 The principal office development era was the 1990s with 37% of all stock and the 1980s with 20% of all stock. This is due to business park development in 1980s and 1990s, for example in West Dunbartonshire at Clydebank Business Park.

45.5 Changes to stock include the demolition of West Dunbartonshire Council's 326,700 sq.ft. former headquarters office at Garshake Road in Dumbarton in 2019 where Miller Homes is currently developing housing. There has been no speculative office development in the area since the late 2000's/early 2010s with the development of Titan Enterprise Business Centre (c. 25,000 sq.ft.) and Aurora House (c. 24,000 sq.ft.) at Queens Quay in Clydebank; Change House, Cable Depot Road (c. 10,500 sq.ft.) at Clyde Gate by Clydebank Rebuilt /Clydebank Property Company Ltd; and Carus House (28,500 sq.ft.) in Clydebank by Speyroc.

OFFICE SUPPLY

45.6 The current office supply is c. 65,900 sq.ft. contained within 21 offices. This supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. There are a further 2,069 sq.ft. in 3 offices under offer. This is an office availability rate of 6.4%.

45.7 Examples of current supply are in Table H9 below. These comprise a mix of modern office pavilions some of which are sub-divisible, and serviced offices in both modern and older buildings. All are available for lease.

TABLE H9: EXAMPLES OF CURRENT OFFICE SUPPLY

ADDRESS		SIZE (SQ.FT.)	DETAILS
Titan Enterprise Centre, Clydebank		3,342 from 265	Serviced offices available in modern business centre. Targeting start-up businesses.
Erksine House, Clydebank Business Park, Clydebank		4185 from 50 2,570	Serviced offices available from 50 sq.ft. Suite on the second floor available to lease at £10 per sq.ft.

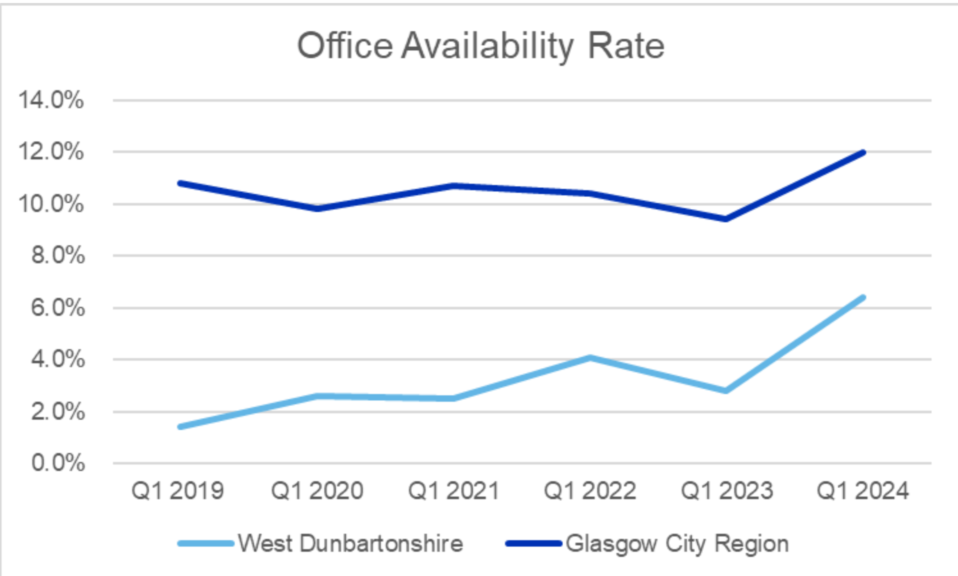
Leven Valley Enterprise Centre, Dumbarton		22,529 From 691	Serviced offices. 10 suites available for lease from 691 sq.ft. for c £8.50 sq.ft. Former school annext which was converted to commercial use in the early 1990s.
31 Clyde Street, Clyde Street Business Centre, Clydebank		133 420 420	Suite 26 First floor office available for lease Suite 9a Ground floor office available for lease Suite 12 First floor office available for lease
Suite A1, Strathleven House, Strathleven Road, Dumbarton		421	Office suite for lease in business centre at £22 per sq.ft.
Tasman House, Mariner Court, Clydebank Business Park, Clydebank		2,153	Modern office pavilion with suite on first floor for lease at £7 per sq.ft. EPC rating D
Unit 7, Blair Court, North Avenue, Clydebank Business Park, Clydebank		1,066 1,528 2,352	Three suites available in this modern office pavilion. 1,066 sq.ft., 1,528 sq.ft. and 2,352 sq.ft. For lease at £7.50 per sq.ft. EPC rating C
22 High Street, Dumbarton		2,440	Offices on first and attic floors above retail unit. Five office rooms. For lease at £4 per sq.ft. EPC rating C+
4-14 Bridge Street, Dumbarton		22,258	Former Council office. Refurbished three-storey 1990s office building. For lease with a preference to lease the building as a whole, but may consider lettings on a floor by floor basis. £5 per sq.ft. EPC rating B+

Source: Ryden / CoStar / Marketing Agents / West Dunbartonshire Council

45.8 While energy performance is not necessarily as acute a consideration as it is for industrial property, energy cost efficiency and EPC requirements also apply to offices. Six of the available properties in Table H9 have a registered EPC rating, one (the large former Council office which has been refurbished) has a good rating of B+, while the other 5 have mid mid-range ratings of C, C+ and D.

45.9 West Dunbartonshire has an office availability rate of 6.4%. This is below the 12% office availability rate for the Region but did increase when the Council's former office came to the market (Figure H10).

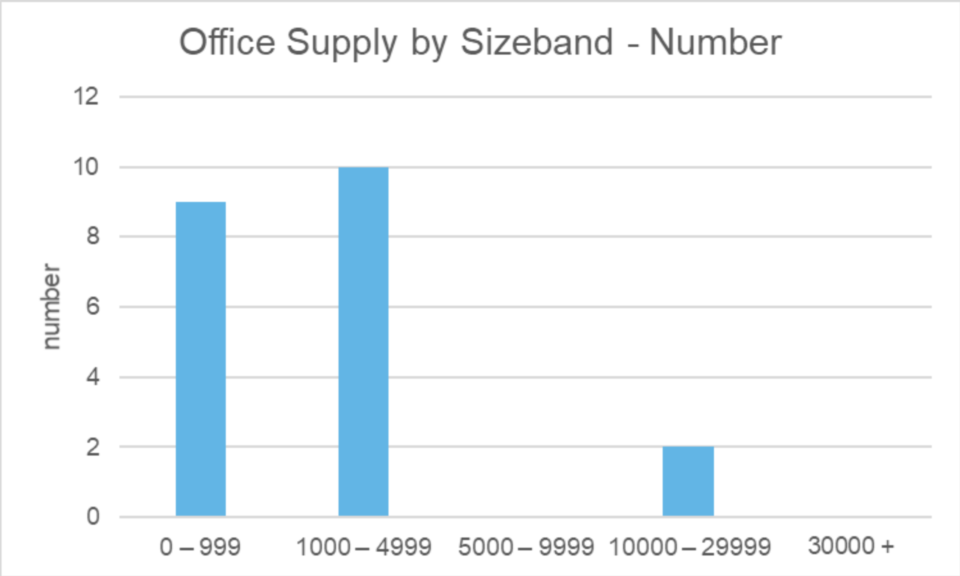
FIGURE H10: OFFICE AVAILABILITY RATE



Source: Ryden / CoStar

45.10 In terms of the sizes of available offices (Figure H11) the majority are smaller than 5,000 sq.ft, and as above many are available on a flexible serviced basis or are sub-divisible.

FIGURE H11: OFFICE SUPPLY BY SIZEBAND



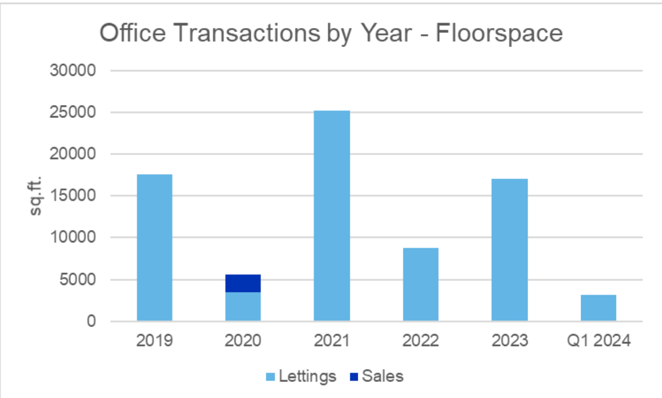
Source: Ryden / CoStar

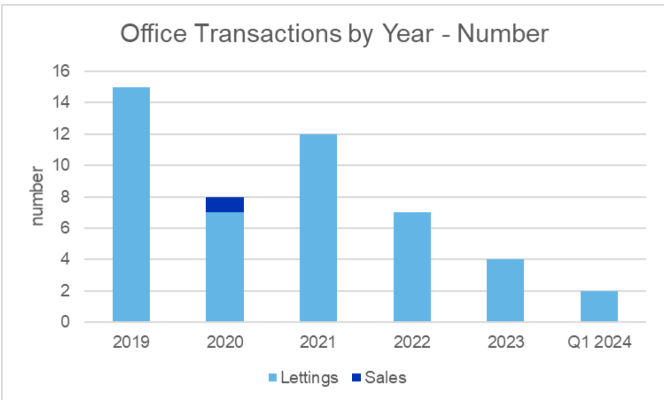
OFFICE TAKE-UP

45.11 Demand for offices in West Dunbartonshire is demonstrated by 77,440 sq.ft. in 48 offices of take-up (sales, lettings and lease renewals) from January 2019 to March 2024 inclusive. This is an annual average of 14,611 sq.ft. in 9 offices. The large majority (97%) of transactions are lettings while the balance are sales.

45.12 The year 2021 had the highest volume of floorspace take up, with 25,329 sq.ft. in 12 offices (Figure H12), including the letting of 10,293 sq.ft. at Aurora House at Queens Quay in Clydebank to NHS24. While 2019 had the greatest number of deals at 15, this fell in 2020 during the pandemic, then rose again to 12 in 2021. However, office transaction numbers have fallen since then to only 4 in 2023. Q1 2024 final volumes will likely be higher due to a time lag in reporting of transactions.

FIGURE H12: OFFICE TAKE-UP PER YEAR

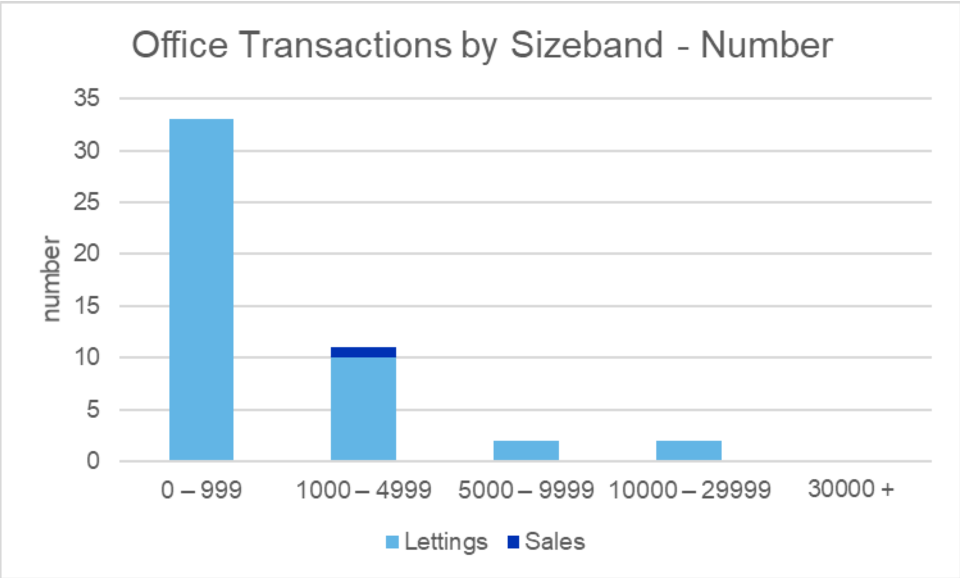




Source: Ryden / CoStar

45.13 Looking at office transactions by sizeband, the 0 – 999 sq.ft. bracket had the majority (69%) of transactions while almost all deals were below 5,000 sq.ft. (Figure H13). This signals a market composed largely of micro and small businesses, as indicated by the examples of transactions in Table H9.

FIGURE H13: OFFICE TAKE-UP BY SIZEBAND



Source: Ryden / CoStar

45.14 A selection of recent transactions is in Table H10. Achieved rents vary from £5 per sq.ft. for upper floors above retail units up to £13 per sq.ft. for modern office space. Space in business centres/ serviced offices will achieve slightly higher rents where services are also included.

TABLE H10: RECENT OFFICE TRANSACTIONS

ADDRESS		SIZE (SQ.FT.)	DETAILS
Suite 1-2, Blair Court Clydebank Business Park Clydebank		2,352	Let in March 2024 to Alltogether Care Services Ltd at £7.50 per sq.ft.
Unit 32, Artizan Shopping Centre, High Street, Dumbarton		3,390	Let in December 2023 to Sew Shire on a 5-year lease at £5 per sq.ft.
Carus House, 201 Dumbartons Road, Clydebank		1,421 6,300	Let in August 2023 to CuanTec on a 10-year lease at £11 per sq.ft. Let in March 2022 to Bioclavis Ltd on a 5-year lease at £13 per sq.ft.
Clyde Street Business Centre, 31 Clyde Street, Clydebank		420 420	Let in March 2023 Let in June 2022
Erskine House, 1 North Avenue, Clydebank Business Park, Clydebank		1,000	Let in November 2022 to Sense Scotland. Suite on third floor

Titan Enterprise Centre, Clydebank		657 355	Let in September 2022 to Bruach Design & Consultancy Ltd on a 1-year lease Lease renewal in September 2022 to Five Areas for 1-year
Strathleven House, Strathleven Road, Dumbarton		172 725 167	Let in April 2022 Let in March 2022 Let in January 2022

Source: Ryden / CoStar

45.15 There have been no recent examples of offices sold for investment purposes rather than occupational use. Two earlier examples from 2020 and 2021 are in Table H11. Both are multi-let office buildings with development potential.

TABLE H11: OFFICE INVESTMENT TRANSACTIONS

ADDRESS		DETAILS
15 Meadowbank Street, Dumbarton		Sold in June 2021 for £400,000. Town centre office of 15,166 sq.ft. over four floors. Fully let to the Secretary of State for Housing, Communities and Local Government (SoS) and OPOS Limited. The building has long term redevelopment potential
8 North Avenue, Clydebank Business Park, Clydebank		Sold in April 2020 to LSPIM for £1.95 million. Let to Clydesdale Bank and Aramark Northern Europe. Redevelopment project with proposals to sub-divide.

Source: Ryden / CoStar

SUMMARY

45.16 West Dunbartonshire's stock of office property is estimated at 1 million sq.ft. and represents just 2.4% of Glasgow City Region's office stock. West Dunbartonshire Council is one of the largest office occupiers in the area and have been rationalising its footprint for a number of years. There has been no speculative office development in the area since the late 2000's/early 2010s

45.17 The current office supply is c. 65,900 sq.ft. contained within 21 offices. This supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. The office availability rate of 6.4% is below the 12% regional office availability rate although it has risen recently with a refurbished large former Council coming onto the market.

45.18 Average annual office take-up in West Dunbartonshire is 14,611 sq.ft. in 9 offices. The majority of transactions were below 5,000 sq.ft. which signals a market rooted in micro and small businesses. Achieved rents vary from £5 per sq.ft. for upper floors above retail units up to £13 per sq.ft. for modern office space.

H5

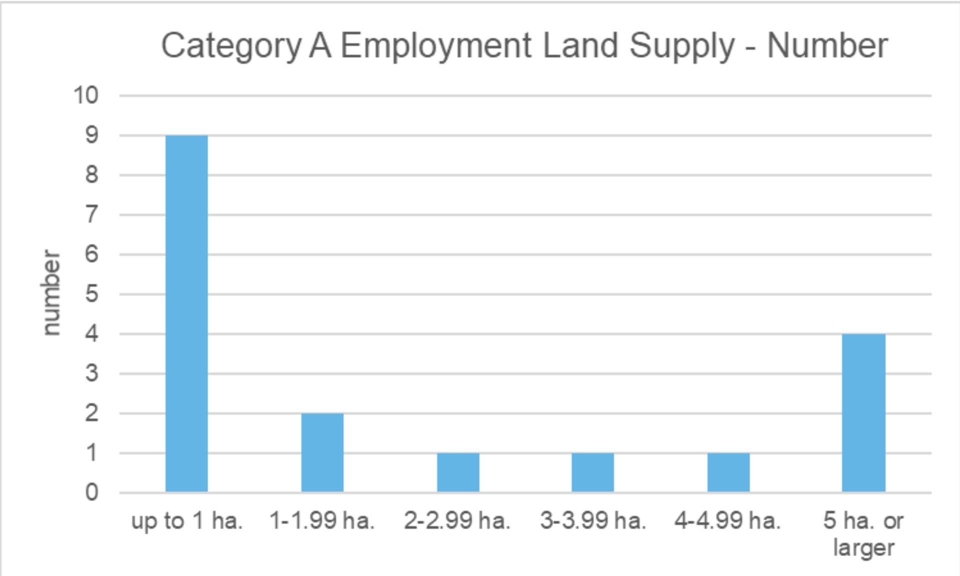
EMPLOYMENT LAND AND DEVELOPMENT

EMPLOYMENT LAND

46.1 Clydeplan's 2022/2023 audit of Employment Land identifies that West Dunbartonshire has a current employment land supply of 18 Category A sites totalling 61.25 hectares.

46.2 Half of these sites– 9 sites totalling 4.32 ha – are smaller than 1 ha. Four sites totalling 43.36 ha, or 70% of all land supply, are 5 ha or larger (Figure H14).

FIGURE H14: EMPLOYMENT LAND SUPPY



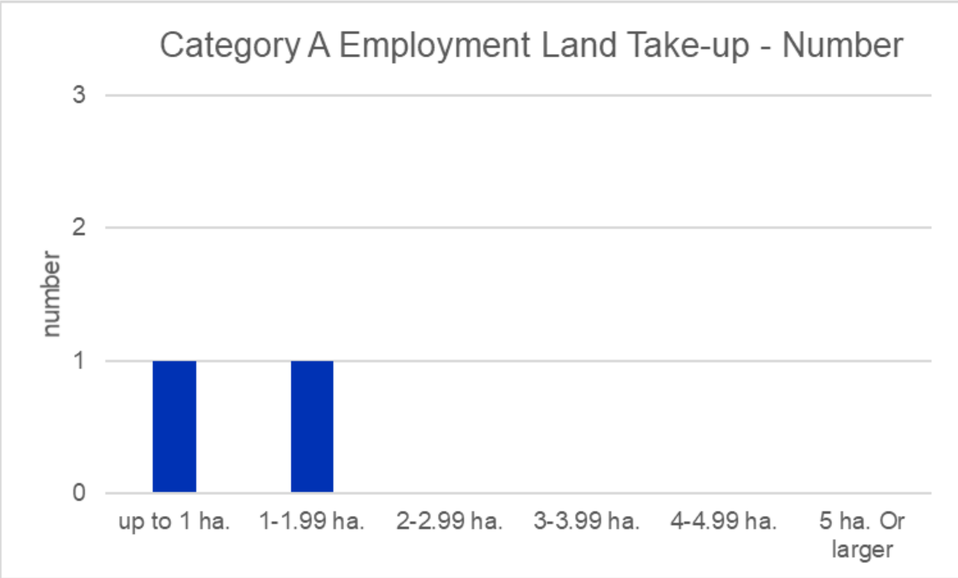
Source: Clydeplan / Ryden

46.3 Assessing the mix of sites within this employment land supply:

- Sites are located mainly in the south of the area. Bowling has the most land with 20.63 ha in 1 site; followed by Dumbarton with 18.43 ha in 4 sites; Old Kilpatrick with 11.76 ha in 2 sites (at the same location); Clydebank with 6.38 ha but over 8 sites; and Alexandria with 4.05 ha in 3 sites.
- The majority of the sites are brownfield, 15 sites (45.691 ha), while 3 (15.34 ha) are greenfield.
- Eight of the sites with 73% of the area (44.45 ha) are privately owned; four sites totalling 3.26 ha are owned by the local authority; 2 sites totalling 11.45 ha are owned by Scottish Enterprise; while other public sector, mixed ownership and unknown have 1 site each all with <1 ha.
- The sites larger than 5 ha are: Esso Terminal in Bowling (20.63 ha); Carless Oil Depot in Old Kilpatrick 9.12 ha, with a further 2.63 ha site here; a 7.25 ha site on Vale of Leven Industrial Estate in Dumbarton; and a 6.35 ha site at Kilmalid, Lomondgate, Dumbarton.

46.4 Take-up of employment land is recorded by Clydeplan. Analysis of the five-year period, from 2018/2019 to 2022/2023 inclusive, identifies 2 sites totalling 1.79 ha as being taken up in the area for employment uses. This is an annual average of <1 site in <1 ha per annum. One site was smaller than 1 ha, with the other between 1 – 1.99 ha (Figure H15).

FIGURE H15: EMPLOYMENT LAND TAKE-UP



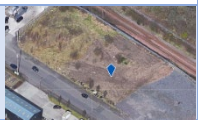
Source: Clydeplan / Ryden

46.5 Assessing the mix of sites within this employment land take-up:

- Both of the sites were brownfield
- One was at Lomondgate in Dumbarton (1.04 ha), with the other in Clydebank (0.75 ha)
- One was taken by a private developer and the other by the public sector
- One site was for development at Burroughs Way, Vale of Leven Industrial Estate, with no identified use for the other.

46.6 The analysis above confirms that a mix employment sites across West Dunbartonshire is allocated through planning policy, however, there is only 1 development site currently being actively marketed. Two further sites are under offer (Table H12).

TABLE H12: MARKETED EMPLOYMENT LAND

ADDRESS		SIZE ACRES (HECTARES)	DETAILS
Clydebank East, Clydebank		Up to 1.1 (0.44 ha)	Ground works undertaken here. Up to 6 potential plots for industrial buildings from 2,300 sq.ft. up to 20,000 sq.ft. For sale to businesses and developers. Plots from 0.05 acres to 1.1 acre.
UNDER OFFER			
Plot 1, John Knox Street, Clydebank East, Clydebank		0.93 (0.37 ha)	Plot is under offer
Burroughs Way Vale of Leven Industrial Estate, Dumbarton		10.25 (4.15 ha)	Industrial development site at Vale of Leven Industrial Estate which is part of a Strategic Economic Investment Location (SEIL).

Source: Ryden / CoStar/ Marketing agents

46.7 Market evidence of employment land transactions confirms that there has been a limited market in the local area. According to CoStar, 2 sites totalling 6.16 acres (2.49 ha) have been sold for employment use since January 2019. These are in Table H13.

TABLE H13: EMPLOYMENT LAND TRANSACTIONS

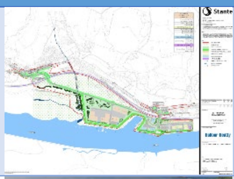
ADDRESS		SIZE ACRES (HECTARES)	DETAILS
Levenside Road, Vale Of Leven Industrial Estate, Dumbarton		0.16 (0.06 ha)	Sold in March 2024. Regular shaped level site. The buyer intends to develop the land and construct an industrial building of c. 1,000 sq.ft.
Rothesay Dock, Clydebank		6 (2.4 ha)	Sold in May 2021 to Peel Port Estates for £1.67 million. Had plans for green energy development here.

Source: Ryden/ CoStar

DEVELOPMENT

46.8 There have been no recent speculative employment property developments in West Dunbartonshire. Proposals in West Dunbartonshire are presented in Table H14.

TABLE H14: SPECULATIVE DEVELOPMENTS AND PROPOSALS

ADDRESS		DEVELOPMENT DETAILS
Former ExxonMobil site, Bowling		This City Deal Project will service a remediated site to create a mixed-use development with storage, distribution, industrial, business and office space. Totals of 7.9 hectares of business land and 9.9 hectares of general industrial land anticipated to be available from 2027/28.
Scottish Marine Technology Park, Carless, near Old Kilpatrick		The Malin Group plan development of the Scottish Marine Techonology Park on a c. 50 acre site. The masterplan allows for up to 323,000 sq.ft. of commercial floorspace. Land here is in the employment land audit.

Source: Ryden/ CoStar/ Websites

SUMMARY

46.9 Clydeplan's 2022/2023 audit of Employment Land identifies that West Dunbartonshire has a current employment land supply of 18 Category A sites totalling 61.25 hectares. The largest site is at Bowling which is 20.63 ha and is being serviced using City Deal funding.

46.10 In terms of employment land take-up with average annual levels are very low at <1 site in <1 ha per annum.

46.11 While a mix of employment sites is allocated across West Dunbartonshire, only 1 development site is being actively marketed, at Clydebank East (up to 1.1 ha with plots available).

46.12 There have been no recent speculative employment property developments in West Dunbartonshire however it is hoped that new employment land will be made available at Bowling and Carless.

H6

SUMMARY AND MARKET NEEDS

47.1 Scotland's strategic priorities have begun to focus on going beyond traditional measures of economic success by transitioning to a wellbeing economy. This focus on generating economic prosperity for all, while ensuring a just transition to net zero, will drive current and potential demand for employment land in the correct locations for start-up and scale-up businesses. The regional strategy also focuses on an inclusive economy, enhanced productivity and the climate emergency. The West Dunbartonshire Strategic Plan prioritises a strong and flourishing economy with the Economic Development Strategy seeking to stimulate economic investment and grow the business base.

47.2 NPF4 is built around 6 spatial principles and seeks to achieve sustainable, liveable and productive places. LDPs are directed to allocate sufficient land for business and industry across a suitable range of sites. NPF4 and the adopted West Dunbartonshire Local Plan (2010) make up the statutory development plan for the area. The Proposed Local Development Plan (2020, as modified) is not part of the statutory development plan for West Dunbartonshire but is a material consideration in the determination of planning applications. The spatial strategy focuses on the delivery of regeneration areas and other key sites; the reuse of previously developed land; and minimising any extension of the urban area into the greenbelt. A number of key assets and locations are noted.

47.3 West Dunbartonshire has a mixed economy where a previous dominance of heavy industry and engineering is evolving into a more diversified economy. LDP policies seek to support existing businesses, as well as provide an environment of new businesses to grow and flourish.

47.4 The Council is in the early stages of preparing its LDP3. The Regional Spatial Strategy and Local Place Plans also play a non-statutory role in informing LDPs.

47.5 West Dunbartonshire is considered high priority for funding and has received a significant award from the Levelling Up Fund for the regeneration of Dumbarton town centre. In terms of employment space, West Dunbartonshire is benefiting from City Region Deal monies for the re-development of the former Exxon Mobil terminal as a major industrial and commercial development. It has also previously received funding from the Regeneration Capital Grant Fund to provide new workshop space at the Vale of Leven Industrial Estate. The current postponement of the Vacant and Derelict Land Investment Programme and the Regeneration Capital Grant Fund could impede the progress of pipeline projects. Capital or matched funding from the Council is also challenging given similar budgetary pressures.

47.6 Over half of businesses located in West Dunbartonshire are in industries relating to employment land classes. In recent years there has been a collective increase of 1% in sectors relating to employment land. Trends vary between industries and suggest that demand for transport and storage is growing whilst that for industries that would typically require office space is declining.

47.7 Overall employment in employment land classes has increased in recent years, driven by increased employment in wholesale and retail sectors.

47.8 Productivity in the area is greater than that of the regional economy. Ensuring adequate employment land is available for businesses to continue to invest in will play an important role in ensuring this continues.

47.9 West Dunbartonshire's current stock of industrial property is estimated at 6.16 million sq.ft. One-third is bonded warehousing and a bottling plant. Due in part to those large facilities, around 65% of the overall industrial stock is 40 years or older.

47.10 West Dunbartonshire has a very low industrial property availability rate, currently sitting at <1% which is well below the 4% for Glasgow City Region and has been falling gradually for 10 years. At this level of vacancy occupiers will experience very limited or no choice of premises.

47.11 The supply of available industrial space totals 11,378 sq.ft. in 7 units. Energy performance does not appear to be particularly good within the units available. The majority of units on the market were built in the 1970/80s. All of the current supply is under 5,000 sq.ft. which means there is currently no accommodation available for medium to large sized businesses in the area.

47.12 Average annual industrial take-up is 132,390 sq.ft. in 15 units however this has fallen markedly since 2021, likely due to undersupply. The majority of market activity is again in relation to smaller units under 5,000 sq.ft. Achieved rents vary widely from £2 per sq.ft. for very basic older buildings up to £7.65 per sq.ft. for modern units prime areas. Clydebank appears to be the most active market area.

47.13 West Dunbartonshire’s stock of office property is estimated at 1 million sq.ft. and represents just 2.4% of Glasgow City Region’s office stock. West Dunbartonshire Council is one of the largest office occupiers in the area and has been rationalising its footprint for a number of years. There has been no speculative office development in the area since the late 2000’s/early 2010s

47.14 The current office supply is c. 65,900 sq.ft. contained within 21 offices. This supply is very adaptable to sub-divisible and flexible options in serviced offices/ business centres. The office availability rate of 6.4% is below the 12% office availability rate for Glasgow City Region but has risen recently as a large former Council former office has come onto the market.

47.15 Average annual office take-up in West Dunbartonshire is 14,611 sq.ft. in 9 offices. The majority of transactions were below 5,000 sq.ft. which signals a market activity mainly associated with micro and small businesses. Achieved rents vary from £5 per sq.ft. for upper floors above retail units up to £13 per sq.ft. for modern office space.

47.16 Clydeplan’s 2022/2023 audit of Employment Land identifies that West Dunbartonshire has a current employment land supply of 18 Category A sites totalling 61.25 hectares. The largest site is at Bowling which is 20.63 ha and is being redeveloped via City Deal funding. The majority of employment land sites in the area are brownfield. Despite these allocations only 1 development site is being marketed.

47.17 In terms of employment land take-up with average annual levels are very low at <1 site in <1 ha per annum. There have been no recent speculative employment property developments in West Dunbartonshire however it is hoped that new employment land will be made available at Bowling and Carlees.

MARKET NEEDS

47.18 The regional market report sets out employment land and property market needs for the Glasgow City Region. The market needs for West Dunbartonshire based upon the regional priorities and the research in this appendix are set out in Table H15 on the next page. The rationale behind each of the market needs is set out in Section 8 of the main regional report and Table H15 should be read in conjunction with that.

TABLE H15: MARKET NEEDS

Market Need	Comments
New-build industrial property	New-build industrial property is required to service unmet demand from SMEs in a very tight undersupplied market, growing industries including manufacturing, logistics, energy and marine-related, and generally to replace traditional industrial stock ageing towards obsolescence. Market intervention will be required in regeneration areas, and potentially for demonstration projects at new land releases and for specialist sectors.
Refurbished industrial property	Refurbishment should target viable industrial stock to extend its life and delivering energy efficiency at typically 1970s buildings. Public sector intervention may be required to deliver refurbishment given the extent of older stock in the area. The Council is in control of the upgrade of its own portfolio and reinvests regularly.
Office / business space	Hybrid working increased vacancy rates although some locations may be stabilising and in comparative terms office vacancies are not high. The market should continue to be monitored through this adjustment to ensure that vacancy does not become a structural challenge for example at older town centre stock. Diversification of earlier generation business park stock is already underway.
Serviced employment land	Sites are allocated through planning but the market supply of readily developable plots is limited. Sites are taken-up regularly in the area. The need for higher quality new employment land supply is being met by City Deal and private investment at the former Exxon Mobil site and the Scottish Marine Technology Park respectively.
Market intelligence	Demand intelligence tends to be agent-led and is coordinated and directed to appropriate locations.

APPENDIX I

CONSULTEE LIST

Ryden

NAME	TITLE	ORGANISATION
Peter Atkinson	Policy Planner	East Dunbartonshire Council
Stewart McNally	Team Leader – Land Planning Policy	East Dunbartonshire Council
Richard Greenwood	Principal Strategy Officer (LDP Lead)	East Renfrewshire Council
John Wilson	Senior Estates Surveyor	East Renfrewshire Council
Michael McKernan	Economic Development Manager	East Renfrewshire Council
Lorna Wallace	Economic Development Assistant	East Renfrewshire Council
Chris Burrows	Principal Offcer City Deal/GRID	Glasgow City Council
Ian Elder	Project Manager, City Centre Regeneration	Glasgow City Council
Sean Kelly	Planner, City Centre Regeneration	Glasgow City Council
Kevin McCormack	Group Leader, City Development Plan	Glasgow City Council
Chris McNey	Planner in Development Plans	Glasgow City Council
Michael Ward	Spatial Strategy (Neighbourhoods)	Glasgow City Council
Elizabeth Baird	Regeneration Manager	Inverclyde Council
Gary Campbell	Property Development Team Leader	Inverclyde Council
Daniel Henderson	Planning and Building Standards Service Manager	Inverclyde Council
Neale McIlvaney	Head of Regeneration, Planning and Public Protection	Inverclyde Council
Stevan Gilchrist	Planner	North Lanarkshire Council
Gordon Laing	Planning Manager (Strategy & Policy)	North Lanarkshire Council
Rosaleen Toal	Planner	North Lanarkshire Council
Yvonne Weir	Enterprise Manager	North Lanarkshire Council
Allan Conry	Enterprise Development Manager	North Lanarkshire Council
Ian Martin	Group Manager (Estates)	North Lanarkshire Council
Alan Williamson	Strategy & Place Manager	Renfrewshire Council
Andrew Hannah	Assistant Planner	Renfrewshire Council
Kevin Dalrymple	Development Plans & Housing Strategy Team Leader	Renfrewshire Council
Lauren Love	Graduate Planning Officer	South Lanarkshire Council
Ken Meek	Project Manager, Community & Enterprise Resources	South Lanarkshire Council
Michael O'Sullivan	Senior Planner (Policy)	South Lanarkshire Council
Tony Finn	Planning and Building Standards Manager	South Lanarkshire Council
Matthew Spurway	Lead Planning Officer	West Dunbartonshire Council
Cameron Clow	Development Planning & Place Officer	West Dunbartonshire Council
Craig Maxwell	Estates Surveyor	West Dunbartonshire Council
Michelle Lynn	Assets Coordinator	West Dunbartonshire Council
Laura Brown	Asset Management	West Dunbartonshire Council
Magda Swider	Regeneration Coordinator	West Dunbartonshire Council
Gillian McNamara	Economic Development Manager	West Dunbartonshire Council
Gillian Scholes	Business Support Coordinator & Business Gateway Manager	West Dunbartonshire Council
Tom Gaynor	Director, Investment Management	CEG
Allan McDonald	Asset Maximisation Manager	City Property
Angela Rowley	Head of Property & Development	Clyde Gateway
Martin Joyce	Executive Director of Regeneration	Clyde Gateway
Niki Spence	Head of Sustainable Communities	Clyde Gateway
Murray Collins	Managing Director	Fusion Assets
Ross Nimmo	Head of Place	Glasgow City Region
Mike McNally	Head of Shared Prosperity Fund	Glasgow City Region
Stephen Lewis	Managing Director	HFD Property Group

Katie Nelson	Head of Leasing – UK & Ireland	Kadans Science Partner
Howard Crawshaw	Managing Director	Knight Property Group
Craig Watt	Team Leader, Innovation & Place Team	Scottish Enterprise
Garry Williamson	Interim Head of Property & Growth Infrastructure	Scottish Enterprise
Harvey Freeman	Managing Director	Stelmain

PAPER APART:

PROPERTY MARKET INTERVENTION

Paper Apart: Property Market Intervention

The Glasgow City Region exhibits a mix of viable property markets where private sector developer operate, and areas of market failure[1]. The former are deeper markets with higher values attracting larger occupiers with stronger financial covenants – for example the Glasgow City Centre office market. The latter tend towards lower values, more local businesses with weaker financial covenants, and thin demand across for example smaller towns and regeneration areas. Sectors requiring specialist properties can also experience market failure, such as life sciences. As shown in Sections 4 and 5, even viable markets can cycle in and out of favour.

Historically, much of the Region's employment land and property was provided by the public sector. Market intervention can be traced back to the Special Areas Act 1934[2]. Employment premises – mainly industrial units – were built by government agencies in the assisted areas of the UK. In Scotland this was initially through the Scottish Industrial Estates Corporation, then from 1965 the Highlands & Islands Development Board and in lowland Scotland from 1975 the Scottish Development Agency (SDA) and Scotland's five New Town Development Corporations - in the Region these were East Kilbride (1949) and Cumbernauld (1956). These agencies acquired, serviced and developed land for employment uses, and held and managed the portfolios for economic development purposes. They also played a wider role in supporting new and existing businesses and attracting inward investment.

The table on the next page summarises these and later agencies. There is a clear and consistent focus on delivering employment land and property in the Glasgow City Region through the SDA, two New Towns, SE, EZs, the former (Strathclyde) regional authority, former and current local authorities and former LEDCs in Glasgow. The large legacy portfolios built-up by these agencies continue to support the markets and are thus important for this 2024 study. Clyde Gateway and Fusion Assets are still actively developing employment property.

Most of the portfolios were sold during the later years of the 1979-1997 Conservative Governments' privatisations which also included Council housing and utilities. Aligned with this, public policy shifted to stimulating market adjustment by supporting private developers. Mass public ownership was seen to 'crowd out' private investment and suppress value. New interventions included Scottish Enterprise's RAPID[3] programme of grants and rental guarantees to private developers, loans and loan guarantees, joint ventures, matched public sector funding such as the European Regional Development Fund, and direct development in key sectors such as biosciences. Enterprise Zones (EZs) straddled the 1980s-90s market shift in areas of economic stress, for example Lanarkshire during deindustrialisation including the closure of the Ravenscraig steel plant, Clydebank due to shipbuilding decline and the loss of the Singer sewing machine factory, and Inverclyde due also to shipbuilding decline. Public agencies did continue to provide serviced sites, most notably via the EZs, Glasgow Development Agency and a new wave of business parks which emerged through service sector growth facilitated by a planning policy relaxation in 1989.

The retrenchment of SE and wind-down of URCs since the noughties have left a fragmented public sector employment land and property landscape in Scotland and the Glasgow City Centre – a funding

---

[1] "*Market failure refers to where the market has not and cannot of itself be expected to deliver an efficient outcome.*" (HM Treasury Green Book). Practically in the employment property markets, market failure means not meeting occupier demand and thus failing to deliver or under-delivering economic benefits.

[2] Jones C (2004*), A regional perspective on the impact of the privatisation of the UK public industrial property stock*. This section blends Professor Jones' detailed publication and Ryden's market knowledge and data.

[3] Resources and Action for Private Industrial Development

pot-pourri which is covered in Section 2. More consistent support has come from local authorities' ownership of smaller economic premises and sites, and their focal role in initiatives such as New Towns' wind-ups, URCs and their wind-ups, JVs and Growth Deals. The latter are the closest to the historic position in terms of delivering regional policy through employment land and property, but are not included in the table overleaf as they are funders rather than agencies which build and own property.

In terms of the market adjustment promoted in the early 1990s, it has been partial – in both senses. Economic activity and low vacancies have driven up rents to the points where 'prime' - a mutable term – properties in the mainstream office and industrial sectors can attract private sector investment. However, this investment viability is focused rather than widespread and as shown in Sections 4 and 5 it can be cyclical, particularly when capital markets are taking a risk-averse stance towards property.

Scotland's Property Development Agencies

Agency	Interventions and Portfolio
Scottish Industrial Estates Corporation (1930s-1975)	Developed major industrial portfolio (see SDA below).
Scottish Development Agency (SDA) (successor to SEIC) (1975 – 1991)	Inherited[4] 25 million sq.ft. portfolio mainly from SEIC to become Scotland's largest industrial landlord. Also inherited property from the Small Industries Council for the Rural Areas of Scotland. Initially funded for 5 years. Financial powers to invest, provide loans, guarantees, and acquire shares. 28 investments in the first year were all into existing businesses such as Thistle Knitwear (Shotts), Highland Metals (Elgin) and British Carpets (Glasgow and Cumnock). Continued to build advance and purpose-built factories. 80% of the SDA property portfolio was sold in 1990/91. This would imply around 20 million sq.ft. or more, although available transactions show c.12 million sq.ft. Principal purchasers were Caledonian Land (7 million sq.ft. and 365 acres of development land), Rutland Group (13 estates and 67 acres, notably in Glasgow) and Ashtenne Holdings. The new landlords often broke up these large portfolios through onward sales. The residual 3.75 million sq.ft. of business centres and science & technology was distributed along with strategic sites to the new Scottish Enterprise Network (see below) in 1991.
New Town Development Corporations (1949 – 1995/96)	Substantial powers to acquire, service and develop land for all land uses including employment property. Total sale value mid-90s c£200 million. Very rough assumptions[5] would imply between 7 – 11 million sq.ft. of employment property across 5 towns.
Highlands & Islands Development Board (1965-1991)	HIDB was set up to address depopulation and economic decline across the Highlands and Islands of Scotland. No portfolio information has been identified.
Scottish Enterprise (successor to SDA) (1991 – date)	Inherited SDA's strategic sites, business centres, science & technology parks. Operating through a network of Local Enterprise Agencies (LECs), SE continued to promote provision of strategic sites and property development largely through intervention rather than direct development. The LECs were wound up in 2008. SE moved to a sectoral economic approach and property interventions in those key economic areas only. Steadily disposing of land and property assets as well as investing in new priority sectors on a missions-led basis. Assets in the south of Scotland were transferred to South of Scotland Enterprise when it was set up in 2020.

[4] Dr Lewis Robertson, Deputy Chairman and Chief Executive, SDA, writing in 1978

[5] Assuming 12% yield, 90% occupancy and £2 - 3 per sq.ft. rent

Highlands and Islands Enterprise (successor to HIDB) (1991 – date)	HIE continues to manage a significant land and property portfolio and to intervene in the market, in a context of market failure in rural and remote regions.
Enterprise Zones*: • Lanarkshire • Clydebank • Tayside • Inverclyde • Invergordon 1983-99 (each 10 years)	EZs undertook some site assembly and infrastructure investment. Principal benefits: simplified planning (automatic consent for specific employment uses) business rates holidays (free for an initial period of time) 100% capital allowances incentive to offset against tax. In some case these were extended by 'Golden Contracts' to preserve local incentives.
Urban Regeneration Companies (URCs): • Clyde Gateway • Clydebank ReBuilt • Irvine Bay • PARC • Raploch URC (Started 2002–07)	Six URCs were established by local authorities with the Scottish Executive and Scottish Enterprise, to lead regeneration in locations with complex challenges. Over time the URCs directly developed and provided support to new property. HALO in Kilmarnock was not one of the six but positions itself as a URC. The largest, Clyde Gateway, runs 2008-2028. It has remediated and serviced land for employment uses and delivered direct development at Clyde Gateway East, the Albus, Rutherglen Links and Red Tree Rutherglen, Bridgeton, Magenta and Eastworks. Additional grant funding has been used. The URC's activity has led to private sector development by Harris Finance and MEPC. These successful developments are well-occupied by a wide range of organisations.
Local and Regional Authorities	Local and regional (pre-1996) authorities developed and own a large portfolio of typically smaller employment premises. Ryden estimated in 2015 that Scotland's 32 local authorities may own around 15,000 tenanted properties. Arms-length property development vehicles operated by local authorities include (former) EDI in Edinburgh, Fusion Assets in North Lanarkshire and Stirling Ventures. Additionally, many local authorities participate in property joint ventures. For example, the transformation of Dundee Waterfront is being led by Dundee City Council alongside public and private sector partners. One historic example to note is Glasgow's eight Local Economic Development Agencies, which each provided business centres and industrial units in areas such as Glasgow North, Castlemilk and Govan. These were merged in to form Glasgow Regeneration Agency (Jobs & Business Glasgow, a Council ALEO since 2011).