

The background of the entire page is a dark blue gradient. Overlaid on this is a white silhouette of the Edinburgh skyline. On the left side, the prominent silhouette of the Scott Monument is visible. To the right, the silhouette of the Edinburgh Castle sits atop a hill, with various other buildings and a church spire with a cross visible in the distance.

**Ryden**

**EDINBURGH  
ECONOMIC  
NEEDS STUDY:  
INDUSTRIAL**

**A REPORT TO THE CITY OF  
EDINBURGH COUNCIL**

**SEPTEMBER 2025**

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# EXECUTIVE SUMMARY

1. The **Edinburgh Economic Needs Study** suite of reports supports City of Edinburgh Council's City Plan 2030 and the evidence base for City Plan 2040. This report covers the city's **industrial market**. Others in the suite assess the city's economy and its retail, visitor accommodation, office and leisure markets.
2. Recent changes in **planning policy** should focus industrial demand upon modern facilities in peripheral locations with good transport links. This is concentrating industrial development on the outskirts of Edinburgh while supporting the repurposing of older inner-city industrial areas for alternative uses. Policies supporting sustainable development and innovation are expected to contribute towards high quality developments and high value industries. Policy also increasingly supports flexible and incubator spaces. The spatial approach to industry is tiered, promoting and protecting key areas while adopting a more flexible approach elsewhere.
3. Edinburgh is benefiting from **good demand and occupancy rates** for industrial property. Despite long run de-industrialisation and a comparatively low *per capita* industrial stock, the occupier base is broad and includes many activities fundamental to the functioning of the city as well as newer green and digital economy occupiers.
4. The city is maintaining a fairly stable industrial property **stock** of around 11.8 million sq.ft. (c.1.10 million sq.m.). The steady loss of older, obsolete inner-city buildings to alternative use redevelopment is being partially offset by new industrial units suited to modern occupier needs, mainly on the accessible western edge of the city. An estimated 47,300 sq.ft. per annum of new industrial development since 2019 has not kept pace with c.73,000 per annum lost to alternative uses since 2020, although over a longer period since 2010 the gains and losses are more balanced hence the stable industrial stock. A notable proportion of the remaining industrial stock is older and of basic quality, at a time when occupier expectations are rising, particularly for energy efficiency.
5. The next wave of new industrial **development** is potentially large, however it is dominated by EDI Approach at Newbridge (up to 693,000 sq.ft.). This makes the future pipeline particularly reliant on one scheme rather than continuing the recent trends of multi-site development at locations which have included Sighthill, Turnhouse and South Gyle in the west of the city and Fort Kinnaird in the east.
6. The city's allocated **employment land** supply to accommodate future development is superficially extensive at 292.38 hectares, of which 92.28 hectares is Category 1 marketable land. However, only four marketable sites are suitable for industrial uses. The majority of allocated land is for office/business or science park use, or has constraints to overcome (of which a large proportion will be taken by the West Town development). Long run take-up of employment land is 3.64 hectares per annum, although that has been lower in recent years.
7. In terms of **demand**, long run take-up in Edinburgh has averaged 0.37 million sq.ft. (0.343 million sq.m.) of floorspace in 52 units per annum. Take-up over the medium term since 2019 has been 12-13% lower than this at an average of 0.323 million sq.ft. in 45 units. Letting dominates the market, with comparatively few sales of industrial properties. In terms of property sizes, small lettings (up to 5,000 sq.ft.) account for more than half of the market, confirming the importance of micro and small occupiers, although the largest size range above 20,000 sq.ft. does account for 35% of floorspace take-up. West Edinburgh is the most active location with half (52%) of industrial unit take-up and a higher three-quarters (76%) of floorspace take-up due to larger units being located here. Notably, industrial property take-up in the city is not particularly aligned with economic cycles and continues to be relatively stable even during downturns.
8. Industrial property transactions and occupier enquiries received by Ryden reveal a very wide **occupier base** in Edinburgh. Sectors seeking or taking industrial property include construction, technology, manufacturing, engineering, food & drink, arts & culture, motor vehicle repairs and sales, trades, travel, charity, tool hire, storage, distribution/ logistics, studio space, dog day-care, online trading and leisure.
9. Edinburgh's industrial property **supply** is 0.632 million sq.ft. (58,722 sq.m.) in 68 units. Approximately half (49%) of the available floorspace is in West Edinburgh. Almost half (47%) comprises smaller units of up to 5,000 sq.ft.; however, supply of the smallest properties up to 2,000 sq.ft. is very low for an active market sector, at only 4 units currently. There is a more plentiful supply of medium-sized industrial units (5,001 – 20,000 sq.ft.) including new development. A wide range of property types and sizes from mid-20<sup>th</sup> Century through to new-build is available on the market.

10. The current industrial floorspace **vacancy rate** is 5%. While this is low in a historic context, it has increased recently due to new-build industrial development which will take time to become occupied. The low vacancy rate is a result not only of continuing demand for industrial property, but also the steady removal of older industrial buildings and sites as noted at paragraph 4.
11. Prime industrial **rents** in Edinburgh have increased to £13 - £14 per sq.ft. (£140 - £150 per sq.m.). Higher rents of £14- £18 per sq.ft. (£150 - £194 per sq.m.) may be achievable for premium small to medium-sized units, and one recent deal achieved a peak rent of £20 per sq.ft. (£215 per sq.m.). Average rents city-wide are lower at £9.30 per sq.ft. (£100 per sq.m.). While the highest rents can support new development and refurbishment, they can also present significant cost implications for businesses operating or seeking to operate in Edinburgh.
12. Edinburgh typically accounts for 12% of Scotland's industrial **property investment** (trading of assets) market. The national market is recovering following the challenges of the 2022-25 inflation and interest rate cycle, however Edinburgh's industrial market strengths are not necessarily reflected in current deal activity, as landlords focus on holding and managing existing assets rather than trading these.
13. Industrial locations also attract demand from **employment-generating uses** which can be complementary but are not themselves Use Classes 4, 5 or 6, such as small community and commercial uses. More significantly, competition for sites can also come from larger, **land-hungry** uses such as storage, energy and data centres. These are less likely in Edinburgh than in lower cost locations with ample land supply elsewhere. **Motor sales** are an exception which often locate on accessible employment sites or estates; Edinburgh has around fifty dealerships and four main clusters at Seafield Road (now master-planned for mixed-use regeneration), Sighthill and the prime locations of Fort Kinnaird and Newbridge; the long term trend is for consolidation into these highly-accessible edge-city locations and for showrooms to continue to reduce in size due to online sales. The Leith Renewables Hub's proposed **offshore wind** turbine blade factory would be a notable exception to land-hungry uses locating outside Edinburgh.
14. As above, Edinburgh's industrial stock attracts a wider range of occupier types and thus should also benefit from the general expansion associated with the very positive forecast growth in the city's population and economy. The industrial development **scenarios** based upon the research presented in this report are:
  - The **business-as-usual** scenario would see Edinburgh continue to lose obsolete inner city industrial stock (the recent annual redevelopment rate is estimated at 73,000 sq.ft. / 6,780 sq.m.) and replenish that with new development on the periphery and within existing estates. While the overall stock may not change much in quantitative terms, it should steadily become more efficient for occupiers, although some would continue to locate outside of the city. Assuming an even split between new development and refurbishment would require **98,000 sq.ft. (9,135 sq.m.) per annum** for each – around double the current development rate. The related serviced land requirement would be around **3 hectares per annum**.
  - Under the **growth** scenario Edinburgh would retain more of its industrial market through urban growth and/ or lower dispersal of market activity to the wider region, through offering more new sites and premises. Assuming a marginal 1% p.a. physical stock expansion each year would take the development rate to **216,000 sq.ft. (20,000 sq.m.) per annum** - around four times the current rate. Over 10 years for example the industrial stock would expand to around 13 million sq.ft. (c.1.21 million sq.m.). The related serviced employment land requirement would be around **6.67 hectares per annum**.

These are general industrial property market scenarios. The proposed Port of Leith turbine blade factory and supply chain could potentially be a largely net additional 'wind'-fall employment site.

The employment land requirements could be delivered across: EDI Approach; the remaining marketable allocated industrial sites; potential further regeneration of obsolete employment sites in existing estates; land brought forward (for example through site servicing) from the constrained allocated supply; and, potentially, selective relaxation of use classes on the city's large volume of Class 4 business land.

**Ryden LLP**  
**September 2025**

# 01 INTRODUCTION

- 1.1 The Edinburgh Economic Needs Study forms part of the evidence base for Edinburgh's Local Development Plan. The Study is divided into five sector reports: offices, retail, leisure, industrial and visitor accommodation. The reports are to support implementation of the City Plan 2030 and preparation of the upcoming City Plan 2040, ensuring alignment with the requirements of National Planning Framework 4.
- 1.2 This industrial property market report by Ryden assesses planning policy, market trends, analysis of Edinburgh's industrial property stock and market, and projected scenarios for industrial property development to meet market needs.
- 1.3 The report is provided in the following sections:
  - This introduction
  - A review of planning policy with a focus on Edinburgh and the industrial property sector (Section 2)
  - A summary of current market trends and an analysis of Edinburgh's industrial property stock including employment land and development (Section 3)
  - A market analysis covering current industrial property market activity and trends over the past 6 years (Section 4)
  - A summary of the research and scenarios for Edinburgh's industrial property market needs (Section 5)
- 1.4 The report makes some specific references to the *City of Edinburgh Economic Overview* (February 2025) which was produced by BiGGAR Economics to inform this suite of property market studies.
- 1.5 This report also refers to Ryden's previous report for City of Edinburgh Council, *Edinburgh City Plan 2030 Commercial Needs Study: Industrial Property Market* (November 2018) which was produced to inform the current Edinburgh City Plan 2030 and is a reference point for this new market assessment.

# 02 PLANNING POLICY

## INTRODUCTION

2.1 This section outlines the planning policy framework relevant to the industrial property market in Edinburgh, beginning with planning reform and the national and regional policy contexts.

## PLANNING REFORM

2.2 Planning in Scotland has been through a period of reform following the commissioning of an independent review of Scotland's planning system in 2015. The review concluded that reforms needed to be made in order to realise the potential of the planning system. Subsequently in June 2019, the Planning (Scotland) Act 2019 was passed which set the future structure of a modernised planning system.

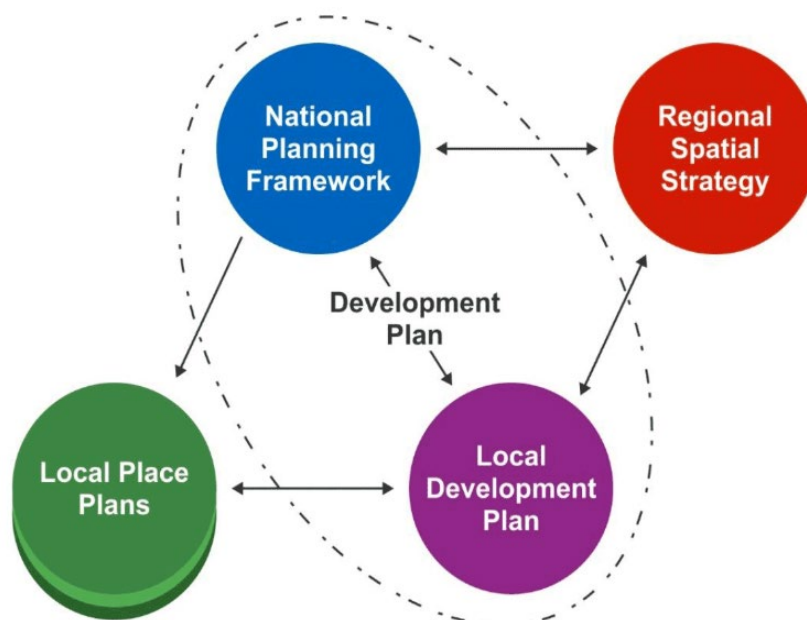
2.3 NPF4 is the national spatial strategy for Scotland and was adopted by Scottish Ministers on 13 February 2023. The statutory development plan for any given area of Scotland now consists of the National Planning Framework and the relevant Local Development Plan (LDP).

2.4 Strategic Development Plans will be replaced by Regional Spatial Strategies (RSS) but these will not form part of the statutory Development Plan system.

2.5 Local Place Plans are community-led plans setting out proposals for the development and use of land. Although they have a role to play in shaping new LDPs, they do not form part of the statutory Development Plan and are standalone documents.

2.6 A summary of the new statutory development plan and its related plans is shown in Figure 2.1.

FIGURE 2.1: STATUTORY DEVELOPMENT PLAN AND RELATED PLANS



Source: Scottish Government

## National Planning Framework 4

- 2.7 Scotland's fourth National Planning Framework (NPF4) provides a blueprint for managing spatial development. It outlines national planning policies, designates significant national developments and emphasises key spatial objectives at the regional level.
- 2.8 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.
- 2.9 Priorities for the central region, which includes Edinburgh, Glasgow, Stirling, Dundee and Perth city regions are also identified. A strategy focused on climate change and responding to the Covid-19 pandemic is intended to drive forward change in tackling inequalities and building a greener, more prosperous future for the region. Key economic sectors to be supported in the city region include financial services, life sciences and universities, food and drink, tourism and energy-related development.
- 2.10 National developments are also identified in the spatial strategy of NPF4. The following are relevant to Edinburgh:
- Edinburgh Waterfront;
  - Central Scotland Green Network;
  - Urban Mass/Rapid Transport Networks;
  - Urban Sustainable, Blue and Green Surface Water Management Solutions;
  - Circular Economy Materials Management Facilities;
  - National Walking, Cycling and Wheeling Network;
  - Digital Fibre Network;
  - High Speed Rail;
  - Strategic Renewable Electricity Generation; and
  - Transmission Infrastructure.

Other than Edinburgh Waterfront these are largely concerned with transport and infrastructure.

- 2.11 **Policy 26 – Business and Industry** – aims to ensure that recovery within the business and industry sector is sustainable and that investment in the business and industrial sector contributes to community wealth building:
- 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 industrial property market report will contribute evidence to that local development planning process. 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.
  - Development proposals for business and industry uses on sites allocated for those uses in the LDP will be supported in principle. Other employment uses will be supported where they will not prejudice the primary function of the area and are compatible with the business/industrial character of the area.
  - Development proposals for business, general industrial and storage and distribution uses outwith areas identified for those uses in the LDP will only be supported where no suitable alternative allocated sites have been identified and the use is compatible with the surrounding area.
  - Major developments for manufacturing or industry will be accompanied by a decarbonisation strategy to demonstrate how greenhouse gas emissions from the process are mitigated. The strategy may include carbon capture and storage.
- 2.12 **Policy 19 – Heating and Cooling** – aims to encourage, promote and facilitate development that supports decarbonised solutions to heat and cooling demand and ensure adaptation to more extreme temperatures.
- Policy 19 states that LDPs should consider the area's Local Heat & Energy Efficiency Strategy (LHEES). The spatial strategy should take into account areas of heat network potential and any designated Heat Network Zones (HNZ).
  - National and major developments that will generate waste or surplus heat and which are located in areas of heat demand, will be supported providing wider considerations, including residential amenity, are not

adversely impacted. A Heat and Power Plan should demonstrate how energy recovered from the development will be used to produce electricity and heat. This will be relevant for some industrial developments.

- 2.13 There are references to Edinburgh and the Lothians aimed at prioritising delivery of sustainable places and supporting net zero and low carbon initiatives. This includes mass/rapid transit systems for Edinburgh through plans to extend the tram network which provides an opportunity to substantially reduce levels of car-based commuting, congestion and emissions from transport at scale.
- 2.14 NPF4 states that Edinburgh's waterfront regeneration is ongoing, with Granton benefiting from an ambitious masterplan, the tram extension to Leith progressing and potential development at Seafield helping to redefine the city's relationship with its coastline. A masterplanned approach to regenerating the Edinburgh Waterfront can consider opportunities for the Port of Leith to service the offshore energy sector. More broadly, port facilities should continue to be capable of servicing freight traffic within the Firth of Forth given the importance of east coast freight links.

## Regional Spatial Strategy

- 2.15 As outlined above, the Planning (Scotland) Act 2019 removes the need for the preparation of Strategic Development Plans and introduces the new concept of Regional Spatial Strategies. These are non-statutory documents which provide a spatial representation of the key regional land use issues across the region. Annex C of NPF4 contains guidance and information intended to guide the preparation of Regional Spatial Strategies and LDPs to help deliver Scotland's national spatial strategy.
- 2.16 Although non-statutory in nature (they do not form part of the development plan and will not hold status in planning decisions), their purpose is to guide the development of National Planning Frameworks and Local Development Plans.
- 2.17 'Central' Scotland in NPF4 is a region that broadly covers central Scotland from the Glasgow city region and the Ayrshires in the west to Edinburgh city region in the east, including the Tay cities, the Forth Valley and Loch Lomond and The Trossachs National Park.
- 2.18 An interim Regional Spatial Strategy for Edinburgh and South East Scotland City Region, approved by SESplan, the City Region Deal Directors and the constituent SESplan authorities, was submitted to Scottish Government for consideration as part of the engagement process for NPF4.
- 2.19 The interim Regional Spatial Strategy is based on the Strategic Development Plan 2 spatial principles, City Region Deal projects, the latest Local Development Plan from each SESplan authority and recognition of the need for cross boundary sustainable transport initiatives and infrastructure to address connectivity and capacity issues which are too heavily dependent on private car usage.
- 2.20 Committed and potential opportunities are identified which provide sufficient employment land for economic renewal, regeneration and redevelopment. The region includes a number of significant business clusters. Some of the largest are around west and southeast Edinburgh (as well as Mid Fife, Dunfermline, and Guardbridge/St Andrews, Galashiels, Midlothian and the M8 corridor including Livingston). West Edinburgh remains an area of significant strategic potential of national and regional importance.
- 2.21 The region has a competitive advantage of data driven innovation in the development sector. Several innovation hubs and new assets are coming on stream through City Region Deal funding. Local Authorities and partners will work on how best to link them to strategic business clusters so that there is greater regional impact. Support for investment along key transport corridors – M8, M9, M90 and existing rail corridors – is important for economic development and growth in business clusters, for example Newbridge.
- 2.22 Links between economic clusters could be improved by cross boundary tram connectivity, e.g. from Edinburgh BioQuarter to the Bush in Midlothian. In addition, existing innovation projects will continue to be delivered at economic clusters just outside of Edinburgh at Queen Margaret University and Easter Bush. Mixed-use economic regeneration through low carbon development at Granton Waterfront will also be important.

## Local Planning Policy

- 2.23 City of Edinburgh Council's Local Development Plan, *City Plan 2030*, was adopted on 7 November 2024. City Plan reflects the national and strategic economic priorities set out within the NPF4 and the interim Regional Spatial Strategy.
- 2.24 City Plan aims to ensure that the planning of housing, employment and services addresses the need for quality, connected, net-zero developments which are resilient to climate change and provide access to green space. Delivery of community infrastructure and job opportunities where people live will also be important. The Plan intends to meet these aims by:
- Taking a Place-based Approach to the delivery of 20-minute neighbourhoods;
  - Directing development to brownfield sites;
  - Setting Place Briefs;
  - Requiring new buildings to be net-zero;
  - Delivering heat networks;
  - Promoting climate change adaptation and mitigation;
  - Meeting local housing needs by securing a minimum 35% affordable housing contribution from new developments in Edinburgh;
  - Taking an infrastructure-first approach; and
  - Delivering Edinburgh's key economic land use needs.
- 2.25 The economic strategy seeks sustainable growth through investment in jobs – focussing on development and regeneration, inward investment, support for businesses and helping unemployed people into work or learning.
- 2.26 The plan recognises that the strength of Edinburgh's economy is based on a range of key sectors, for example tourism, financial services, life sciences and higher education. Edinburgh also has a wide range of cultural, arts and sports venues which bring economic benefits as well as enhancing the wellbeing of residents and visitors. The LDP supports existing businesses, continues to promote previously identified economic proposals and highlights new investment opportunities.
- 2.27 The plan identifies 1,675 hectares of land with potential for employment purposes as part of a mixed-use housing or business-led approach across a range of sites and locations. Edinburgh's allocated employment land supply by individual site and take-up for development are assessed in Section 3 of this report.
- 2.28 The plan will provide land for all types of businesses including provision for offices, industrial units and mixed-use developments. It aims to support developments which are a catalyst for inclusive growth, including community and social enterprises, start-ups, culture, innovation and learning, and the low carbon sector.
- 2.29 The spatial strategy identifies the City Centre, the Waterfront, West Edinburgh and the South East of Edinburgh as major development areas whilst recognising the importance of existing employment centres.
- 2.30 Within these areas the following place-based policies are introduced:
- Strategic Office Locations in the City Centre, Leith and Edinburgh Park/ South Gyle (Place 1, Place 19);
  - Areas of Economic Importance at (Edinburgh BioQuarter, Riccarton University Campus and Business Park, Edinburgh Airport, West Edinburgh, Royal Highland Centre, RBS Headquarters at Gogarburn and Leith Docks (Place 17, 18, 20, 21, 31); and
  - Business and Industry Areas, such as Newbridge and Sighthill (Econ 4).
- 2.31 City Plan 2030 also includes a number of specific economic policies relevant to the industrial market:
- 2.31.1 **Policy Econ 1 - Supporting Inclusive Growth, Innovation and Culture** – states that proposals for development associated with social enterprises, business start-ups, university linked education, research and innovation, and culture will be supported in principle, where they are associated with addressing poverty and inequality, Edinburgh City Centre Transformation, Edinburgh's cultural festivals, Edinburgh's universities and colleges; or life science research. This policy seeks to support development proposals that help to address the need for inclusive growth, innovation and culture. Industrial land allocation will form a key part of this ambition.
- 2.31.2 **Policy Econ 2 – Commercial Development** – states that proposals for commercial uses within the urban area on sites 0.25ha or larger, should where compatible and appropriate within the site context, provide at

least 50% of the site for housing. This policy aims to create mixed-use communities and maximise opportunities for new housing.

2.31.4 **Policy Econ 4 – Business and Industry Areas** – states that planning permission will be granted for business, industrial or storage development on sites identified on the Proposals Map as part of a *Business and Industry Area* and that development, including change of use, which results in the loss of business, industrial for storage floorspace or potential will not be permitted in these areas. Small-scale proposals for ancillary uses which support local businesses and provide services for their employees may be supported as an exception to this policy.

2.31.5 **Policy Econ 5 – Employment Sites and Premises** – covers proposals to redevelop employment sites or premises in the urban area for uses other than business, industry or storage. It states that such proposals will be permitted, provided: they will not prejudice or inhibit the activities of any nearby employment use; they will contribute to the comprehensive regeneration and improvement of the wider area; and the proposal forms part of a mixed-use development and includes floorspace designed to provide for a range of business and commercial users.

2.31.6 **Policy Inf 5 – Location of Major Travel Generating Development** – states that proposals for major development, including industrial and employment sites, which would generate significant travel demand will not be supported where there is a reliance on private car use. Such uses will only be permitted on suitable sites with very good accessibility by sustainable transport.

2.32 A total of 72 *Housing Proposal* sites have been allocated in City Plan 2030 including a number of undesignated industrial and employment sites. This includes former industrial sites such as Granton Harbour which has an allocation for 1546 residential units as part of a housing-led mixed-use development on former industrial land.

2.33 A further 44 *Housing Opportunity* sites have also been allocated in City Plan 2030 in addition to the Housing Land Supply sites. These sites within the urban area are in industrial or employment use and assessed as constrained. However, they may present a future opportunity to deliver housing in accordance with the capacities and development principles set out in the plan. These sites vary in size but including a number of significant industrial and employment areas such as Seafield where a variety of car dealerships currently operate. The Council will prepare a Place Brief for larger sites such as this which will establish high level principles to inform future master planning. Once approved, a Place Brief will become non-statutory planning guidance. Section 3 of this report updates previous research into redevelopment of former industrial site for alternative, typically residential-led uses.

## City Plan 2040

2.34 A new legislative framework for development planning was provided by the Planning (Scotland) Act 2019 for 'New Style' development plans. New regulations and new local development planning guidance came into force in May 2023. LDPs will have more limited policies than they had previously, as many policies are now within the National Planning Framework. NPF4 will therefore be used alongside the LDP to determine planning applications with the latter expected to focus on context-specific policies of particular relevance to their jurisdiction. There is an expectation that these new style LDPs will be in place 5 years after the new regulations were published. LDPs will be accompanied by a statutory Delivery Programme to ensure delivery of the plan.

2.35 Going forward, Edinburgh's next LDP will be known as City Plan 2040. It will be prepared as a new style plan under the new legislative framework and guidance, including NPF4, the Regional Spatial Strategy, Local Place Plans and other Council strategies and plans. As well as a new process, the expectation is that the new style plans will be more place based, people-centred and delivery-focused.

2.36 It is expected that City Plan 2040 will reinforce a Place-Based and Infrastructure-First approach which is likely to concentrate industrial development in existing and emerging employment locations.

## Summary

2.37 Recent changes in planning policy have the potential to influence and shape the Edinburgh industrial property market in a number of ways:

- **Shift towards peripheral locations:** Driven by demand for modern facilities and good transport links, industrial development is increasingly concentrated on the outskirts of Edinburgh. This trend is supported by planning policies that prioritise strategic sites with good connectivity.
- **Redevelopment of older industrial areas:** Inner-city industrial areas are being repurposed for alternative uses including residential and mixed-use developments. This will be further facilitated by allocated housing sites in City Plan 2030. This strategy is expected to encourage the relocation of industrial businesses to peripheral allocated areas and is partially compensated by new industrial allocations.
- **Focus on high-quality developments:** There is a growing emphasis on attracting high-value industries and businesses to Edinburgh. This is reflected in planning policies that promote sustainable development and innovation.
- **Support for small businesses and start-ups:** Recognising the importance of small businesses to the local economy, planning policies are increasingly supportive of flexible workspace solutions and incubator spaces.
- **Emphasis on Sustainability:** Planning policies are increasingly promoting sustainable development, influencing the design and construction of new industrial units including the NPF4 requirement for Heat and Power Plans. This – along with energy costs - can drive demand for energy-efficient buildings but also impact on the viability of development or refurbishment.
- **Impact on Investment:** Changes in planning policy can influence investor confidence and decision-making in the industrial market. Clear and supportive policies can attract investment, while uncertainty or overly restrictive policies may deter it.
- **Spatially,** City Plan 2030's tiered approach promotes Strategic Economic Areas and protects core Business and Industry Areas as the key locations for industrial activity across the city. Elsewhere there is a more flexible approach to employment land which aims to support changing requirements of key sectors but also allows for the realisation of new opportunities and urban renewal for alternative uses.

# 03 INDUSTRIAL PROPERTY MARKET TRENDS AND EDINBURGH STOCK

## INTRODUCTION

- 3.1 This section summarises high level industrial property market trends and reports on consultations undertaken for this project. It then analyses the stock of all industrial floorspace in Edinburgh – both occupied and vacant - and identifies changes to that through new industrial development and losses to alternative uses. It concludes with the employment land supply position as that underpins new development.

## MARKET TRENDS

- 3.2 **Scotland's** industrial property market is performing well. Occupancy rates are high and good quality 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.

- 3.3 Over the long term, **Edinburgh's** industrial property market has shifted away from urban sites towards a more dispersed pattern across both the city and the wider region. Older industrial facilities lost or relocated have included chemicals, pharmaceuticals, food and drink, printers, distilleries, port-related uses, electronics and breweries. Many were built in urban Edinburgh between the early 19th and mid-20<sup>th</sup> Centuries. The 1966 OS map opposite illustrates the extent of works, mills, bonds, warehouses, factories, breweries and distilleries across east Gorgie, Dalry, Roseburn and north Viewforth at the nexus of roads, railways and the Union Canal at that time.



- 3.4 As the City economy has shifted towards services many of these former sites have been redeveloped, typically for housing but also for other commercial uses such as offices and car showrooms. In recent years this trend has also encompassed older terraced industrial units. Areas which have lost such industrial uses include Leith, Bonnington, South Gyle, Gorgie/Dalry and Sighthill. Recent redevelopment activity is assessed later in this section.
- 3.5 Employment in relevant industry sectors provides a guide to the current scale of activity in the city. Table 3.1 overleaf uses detailed sector breakdowns to estimate total employment of 28,665 in 2023. Based upon standard employment densities<sup>1</sup>, 28,665 jobs in industrial property would require 11.1 million sq.ft., which is a reasonably close to the 11.86 million sq.ft. of Edinburgh's industrial stock in Section 4.

<sup>1</sup> 1 job per 36 sq.m. (384 sq.ft.), Employment Density Guide, 3<sup>rd</sup> Edition (Homes and Communities Agency, November 2015)

TABLE 3.1: EDINBURGH EMPLOYMENT IN INDUSTRIAL SECTORS (2023)

SECTOR	JOB NUMBERS
Manufacturing	9,165
Services to buildings and landscape activities	4,000
Wholesale trade, except motor vehicles and motorcycles	5,000
Construction of buildings	4,000
Warehousing and support activities for transportation	3,500
Electricity, gas, steam and air conditioning supply	1,750
Waste collection, treatment and disposal activities, materials recovery	700
Repair and installation of machinery and equipment	500
Mining and quarrying	50
<b>Total</b>	<b>28,665</b>

Source: NOMIS

- 3.6 Although they are good match with the city's industrial floorspace, these sectors and employment numbers can only be approximate, as the modern 'industrial' property market accommodates a wide range of activities across urban industry, trades, distribution and local services. The Council's 2015 description of this sector in the city including *"manufacturing, trades, storage, logistics, property services, food and drink production, power generation, waste management, extraction, and cleaning/ maintenance.... many play a fundamental role in the functioning of the city"*<sup>2</sup> remains valid. Some of these *"territorially distributed goods and services"* based around local populations form part of what has been termed the *"foundational economy"*<sup>3</sup>.
- 3.7 This wide appeal and adaptability of industrial properties, in a city with a growing population and economy, explains why demand and occupancy can remain high in the face of long run deindustrialisation.
- 3.8 Further sectors locating in industrial areas include motor trades (reviewed in Section 4) and repair, self-storage, data centres, energy and quasi-retail; however, these employment-adjacent uses are not included in the market analysis which follows.

## CONSULTATIONS

- 3.9 A series of consultations was undertaken with a range of stakeholders, including Council officers, business support organisations, economic development agencies, property developers and property agents regarding the industrial property market in Edinburgh. Organisations consulted included:
- City of Edinburgh Council
  - Scottish Enterprise
  - Scottish Futures Trust
  - Edinburgh Chamber of Commerce
  - Federation of Small Businesses
  - Forth Green Freeport
  - GSS Developments
  - Ryden Edinburgh Industrial Agents
- 3.10 The consultations aimed to understand current and future needs and demands for industrial space in the area. The discussions revealed critical themes related to the availability and quality of industrial stock, the impact of competing land uses, the emergence of new industrial demands, and the challenges in delivering new supply. These themes are discussed below.
- 3.11 **Evolving availability but persistent demand for modern industrial space:** Consultees highlighted a dynamic situation in Edinburgh's industrial market. While there is now more industrial availability than previously observed, there remains a strong and consistent demand across all property sizes, particularly for quality space. This indicates a shift from the near full occupancy previously reported for some existing stock, suggesting that while more units might be on the market, the specific need for modern, well-located, and high-quality industrial premises persists. Current demand is particularly in relation to:
- **Small and 'Nest' Units:** There is a strong need for smaller, flexible 'nest units' (e.g. c. 1,000 sq.ft./ 100 sq.m.), especially for start-ups and early-stage businesses, particularly in sectors such as food and drink. However, the market rarely delivers space at this scale, as landlords often find that the higher administrative burden and greater financial risk of managing smaller, less established tenants make larger units more economically

<sup>2</sup> Industrial Supply and Demand in Edinburgh, City of Edinburgh Council Economy Committee, 15 September 2015

<sup>3</sup> Manifesto for the Foundational Economy (CRESC, November 2013)

viable.

- **'Next Step' Accommodation:** There is a noted gap in 'next step' or "growth and progression space" for businesses that have outgrown start-up incubation units but are not yet ready for large premises. This includes a shortage of lab space for spin-outs and early-stage scientific companies, with current provision at places like Heriot-Watt and BioQuarter having a ceiling on scale.
- **Quality of Existing Stock:** Much of Edinburgh's existing industrial stock was built in the 1970/80s with consultees noting that a lot of the stock is of poor quality and reaching the end of its life. There is limited new stock coming to the market, although an increase in the number of landlords refurbishing stock was reported. However, there is still a requirement for higher quality stock across the city.
- **Specialised Requirements:** Businesses with specialised needs struggle to find suitable space within Edinburgh. As an example consultees noted there has been a craft beer boom in Edinburgh but that a number had struggled to find suitable space which included level concrete flooring. This has resulted in some businesses having to relocate outwith the area.

3.12 **Competing Land Uses and Policy Conflicts:** a major challenge for the industrial market is the intense competition for land in Edinburgh, primarily for residential development. According to consultees this has led to policy conflicts and the displacement of industrial uses:

- **Residential Pressure:** Edinburgh's acute housing shortage is leading to industrial sites being re-positioned for residential use, effectively "pushing industry out". Consultees referred to Russell Road (Gorgie), the former Saica Pack site (Maybury) and West Bowling Green Street (Leith) as examples. One consultee noted that "housing cannot come at the expense of everything else in the city, we need mixed use communities and people need places to work".
- **Disappearing City Centre Car Showrooms:** Consultees noted that car showrooms are increasingly disappearing from city centre locations including Honda at Abbeyhill which became student accommodation and the Land Rover site at Craiglockhart, now flats. This reflects the (reportedly) broader trend of reducing visitor numbers to traditional car dealers.
- **Land Availability:** Consultees noted the lack of available land for building new industrial stock in Edinburgh. It was also noted that the Council itself does not own a lot of land either and therefore has limited control over the provision of new stock. Some industrial areas have masterplans for new industrial space but that these have failed to move forward significantly. It was considered that some owners may be "holding out for residential values". The high costs of servicing land were highlighted.
- **Policy Conflict:** Consultees noted that it has a policy to support existing and new businesses and to maximise income from its own property portfolio yet the Council has also zoned a number of industrial estates for residential.

3.13 **Emerging Industrial Demands and Strategic Opportunities:** Despite these challenges, new and evolving industrial demands may present significant opportunities for the city:

- **Forth Green Freeport (FGF):** Consultees commented that this could be a major driver for new industrial activity, particularly in offshore wind, port logistics, transportation and storage in areas like Leith. It was noted that Vestas has submitted a planning application for blade manufacturing in Leith, contingent on offshore wind consent. The Freeport aims to create 16,000 net additional jobs with 4,750 to be located in the Mid Forth area. Landowners are reporting an "uptick" in demand since the Freeport designation. More generally the broader green economy is also seen as a significant job generator.
- **Increased Enquiries for Manufacturing and Life Sciences:** Industrial agents report an increase in enquiries for both manufacturing and life sciences space. However, there is some uncertainty within the market about whether the increased demand for life sciences represents a long-term trend or "just market buzz," with some questioning the "depth to the market" for large-scale commercial uptake.
- **Data Centres:** Consultees report "huge interest" and "big opportunity" in data centres, which ties in with the City Deal's Data Driven Innovation programme. The primary challenge for these facilities is meeting "heavy power demands", with substantial power infrastructure which can exist at former large scale industrial sites. Questions were raised however about the amount of employment this actually brings with it however it was acknowledged data centres can contribute to local GVA and are currently being backed by Government and Scottish Enterprise.
- **Last-Mile Logistics:** Consultees considered that larger industrial uses may be better suited to areas along the motorway corridors where wages in the local economies are lower, and that Edinburgh's industrial market is increasingly focused on 'last mile logistics'<sup>4</sup>.

<sup>4</sup> The final leg of the delivery process, where goods are transported from a local distribution centre/warehouse to the customer's final destination, such as a home or business.

- **Adaptation and Evolution of the Motor Trade Sector:** Consultees noted that car showrooms in general getting smaller however there is still reported to be good demand for prime pitches at Newbridge and Fort Kinnaird with their accessible locations being key. Sighthill and Seafield are considered to be secondary locations for this sector. The appearance of showrooms, such as Genesis at Multrees Walk, were cited as a good example of how car brands are integrating with retail environments and adapting to new ways of engaging customers without needing full, large showrooms.
- **Food and Drink Sector:** The food and drink sector continues to be an important early-stage industrial demand. The Edinburgh Innovation Food and Drink Hub (in East Lothian on the edge of Edinburgh) is also being developed and could provide spin-out opportunities.

3.14 Challenges in Delivery and Funding: Delivering new industrial stock and regenerating existing estates faces significant hurdles:

- **Rising Costs:** Construction costs for new build industrial units are reported to have escalated dramatically in recent years. The Council noted its own costs for a 27-unit industrial development in Craigmillar had risen from £6 million to £11 million due to inflation. Unfortunately, with costs at this level it is no longer viable for the Council (see Section 4).
- **Reduced Grant Funding:** Sources of regeneration grant funding, such as the Scottish Government's Regeneration Capital Grant Fund (RCGF), have "dried up" making it difficult for some schemes to stack up as they are unable to access external financial assistance.
- **Protracted Planning Processes:** The planning process is described by some consultees as "hugely protracted" creating long lead-in times and substantial upfront costs for developers before any return on investment. This involves not only Council services but also other infrastructure bodies such as ScottishPower and Scottish Gas. There is a perceived need for greater alignment and efficiency across these functions to fully support and enable economic development. A consultee noted the Green Freeport planning protocol which has been agreed to foster better working relationships and a more joined-up approach for development in this area. However, how this will operate going forward is still to be tested.
- **Council Land Ownership and Reinvestment:** The Council does not own a significant amount of land suitable for new industrial development, particularly in key growth areas like West Edinburgh and Shawfair. While dilapidation monies are now retained by the Council for reinvestment, it can be challenging to secure these funds from less established organisations. The Council noted it would be keen to consider a retrofit programme for its own industrial stock but lacks the funding to do so.

3.15 In summary, consultations signal that Edinburgh's industrial property market is in a state of flux. While there is a recent increase in overall availability, there remains a persistent and strong demand across all property sizes, particularly for modern, high-quality units. The market challenges of this are exacerbated by intense competition for land from residential development, creating a policy conflict. Despite these challenges, significant opportunities exist within emerging sectors such as the green economy, data centres, and increased enquiries for manufacturing and life sciences. However, to realise this potential there is a requirement to consider substantial hurdles including increased construction costs, a constrained funding landscape and the complexities of the planning system. Collaborative efforts between local government, Scottish Government, and investors are crucial to safeguarding existing industrial land and to proactively deliver the diverse and high-quality industrial space essential for Edinburgh's continued economic development and job creation. Protecting employment land is also key, both in terms of unlocking the pipeline and helping to ease rising land costs.

## EDINBURGH INDUSTRIAL STOCK

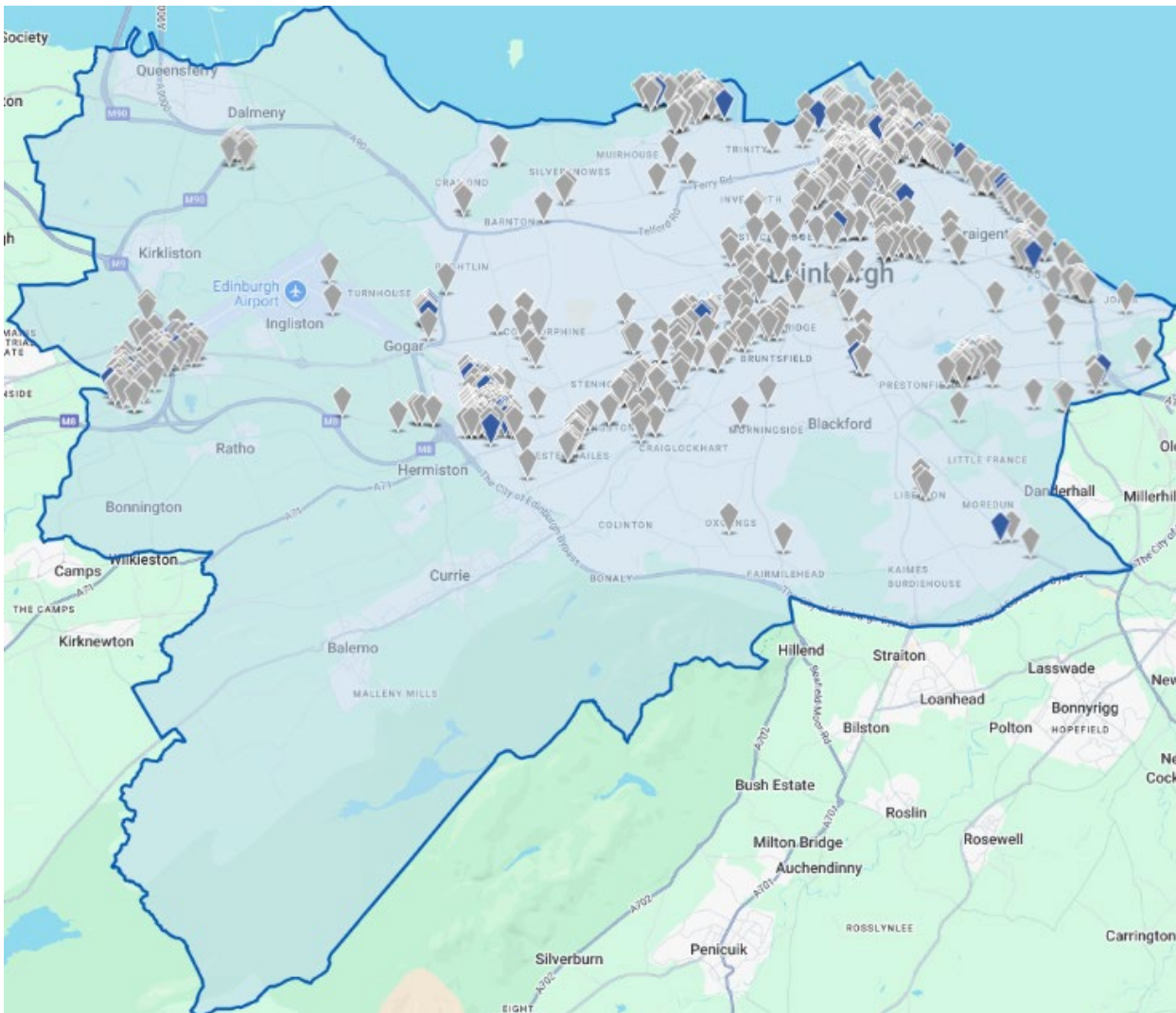
### Overview

3.16 Figure 3.1 shows the distribution of industrial locations across Edinburgh (grey flags indicate occupied properties while blue flags show vacant properties). Industrial properties are located around the city's internal arterial roads (Gorgie Road, Easter Road and Leith/ Seafield), with major clusters in the west around Newbridge and Sighthill, and the major road network of the M8 and the A720 City Bypass. Further notable clusters lie in the north of the city around Leith and Granton at the waterfront and in the east at Newcraighall.

3.17 The estimated current stock of industrial floorspace in Edinburgh is 11.86 million sq.ft. (1.1 million sq.m.)<sup>5</sup>. The breakdown of this is assessed below.

<sup>5</sup> Ryden has removed a range of specialist facilities which are not useable industrial buildings from database registers to reach this total, including for example flour mills, museums storage, breweries and distilleries and recycling centres.

FIGURE 3.1: EDINBURGH'S INDUSTRIAL STOCK



Source: CoStar

3.18 Table 3.2 shows the stock of industrial floorspace against population for Scotland and the six local authority areas within the Edinburgh city region. Scotland is taken as the baseline and allocated a 100% quotient. The Edinburgh city region has slightly less (a 90% 'LQ') industrial stock per head than Scotland, probably because there is proportionally more industry in the West of Scotland and also in the north-east supporting Aberdeen's energy sector. West Lothian's LQ is 218%, reflecting the major distribution and manufacturing activity around Livingston. Edinburgh has the lowest LQ among the local authority areas, at 43%, reflecting the long run trend away from industry towards services noted above; and supporting a view that some of the businesses serving the city's population and economy are based outside of it in the Lothians.

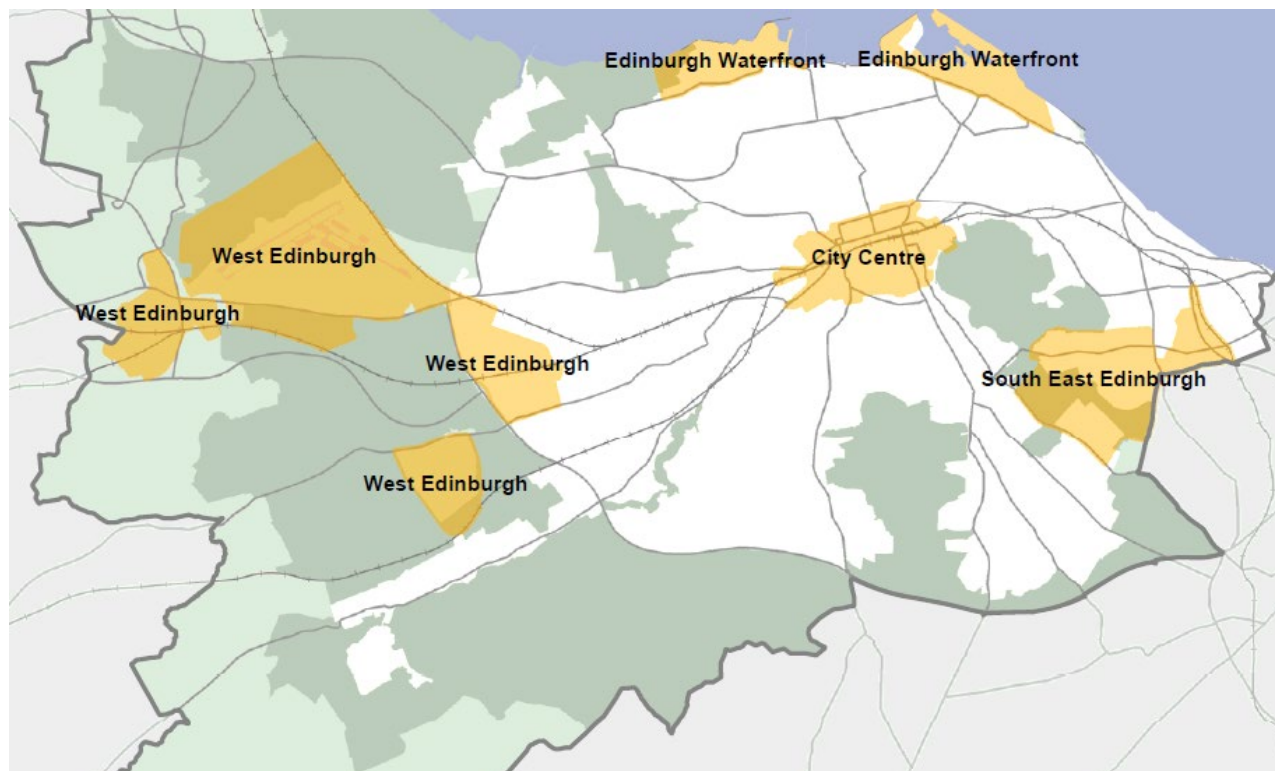
TABLE 3.2: INDUSTRIAL STOCK: LOCATION QUOTIENTS

LOCATION	INDUSTRIAL STOCK (MILLION SQ.FT.)	POPULATION (2003)	STOCK PER HEAD (SQ.FT.)	QUOTIENT
Scotland	287.591	5,490,100	52	100%
Edinburgh	11.86	523,250	22	43%
East Lothian	3.131	113,740	28	54%
Fife	21.341	373,210	57	110%
Midlothian	3.801	98,260	39	75%
Scottish Borders	3.992	116,630	34	65%
West Lothian	21.021	183,810	114	218%
<b>Edinburgh City Region (total of 6 local authorities)</b>	<b>66.779</b>	<b>1,408,900</b>	<b>47</b>	<b>90%</b>

Sources: NRS/ CoStar/ Ryden

3.19 Figure 3.2 from the *City of Edinburgh Council Industrial Development Schedule* indicates the major development areas in the City including those noted above and providing a reasonable match with the stock map on Figure 3.1. The notable exception is the ribbon of industrial properties on Figure 3.1 which runs from the waterfront through the city centre to the south-west of the city following the Water of Leith and Union Canal, reflecting historic industrial development patterns rather than current planning policy.

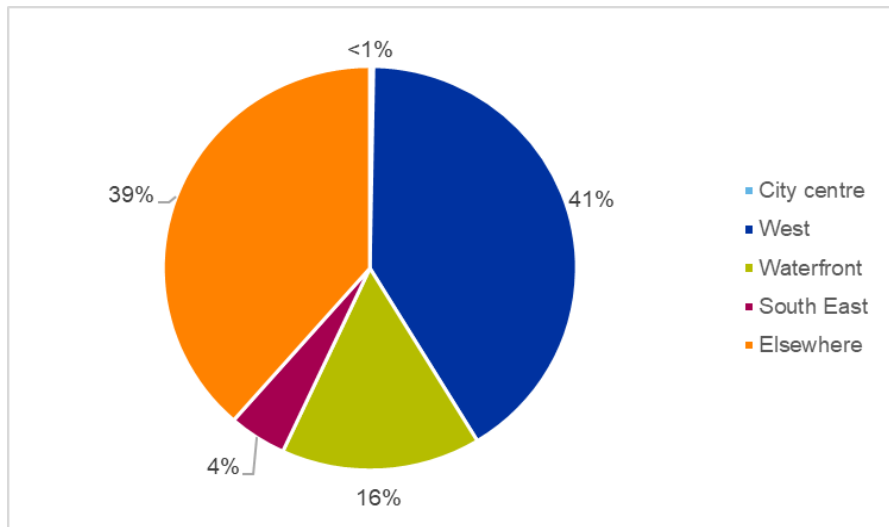
FIGURE 3.2: MAJOR DEVELOPMENT AREAS



Source: City of Edinburgh Council City of Edinburgh Industrial Development Schedule 2019 (cropped to remove SW).

3.20 Figure 3.3 shows the share of industrial stock in each major development area. West Edinburgh has the most with 41% of all floorspace, followed by the 'elsewhere' urban industrial areas (39%) including the urban ribbon noted above. The Waterfront has 16% and the South East 4%, while the city centre has <1% of floorspace.

FIGURE 3.3: INDUSTRIAL STOCK BY LOCATION (FLOORSPACE)



Source: Ryden/ CoStar

### Industrial Stock Age and Quality

3.21 Figure 3.4 presents Edinburgh's 11.86 million sq.ft. industrial stock by the **decade** in which it was built. The peak development era for industrial stock which is still standing was the 1980s, with a broad shoulder period from the 1960s to the 2000s. The development rate fell in the 2010s; based upon the half-decade of the 2020s that may now have stabilised and is analysed further below. The majority of the city's industrial stock is at least 40 years old and much of it was built by the public sector to stimulate economic development. Older stock can have a significant risk of physical and/or functional obsolescence unless a refurbishment has been undertaken (or of course if the stock is demolished to accommodate new development).

FIGURE 3.4: INDUSTRIAL STOCK BY DECADE OF CONSTRUCTION



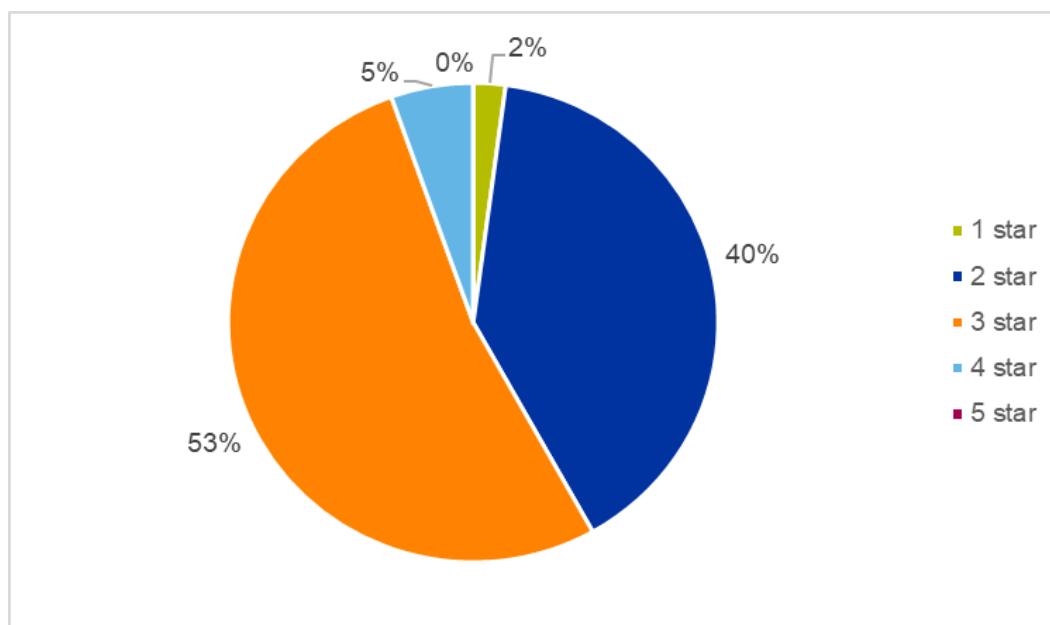
Source: Ryden/ CoStar

3.22 Data provider CoStar allocates **star ratings** to industrial properties to reflect their quality (the ratings refer to the property only and not its location, which can also be a major factor). Industrial building ratings<sup>6</sup> range from 5-star, providing “*state-of-the-art functionality for a particular industrial use and/or the flexibility to accommodate a range of uses*” - down to 1-star, which is “*practically uncompetitive with respects to the need of a typical industrial tenants, may require significant renovation, possibly functionally obsolete*”.

3.23 Ryden has analysed this data against the industrial stock in Edinburgh, the results are shown in Figure 3.5 and in summary:

- No industrial properties in Edinburgh are classed as 5-star.
- Only 5% of industrial properties are classed as 4-star. These are:
  - Leonardo Innovation Hub on Crewe Road North.
  - Menzies Distribution on Claylands Road and DPD unit at Cliftonhall Road (at Newbridge One).
  - New build units at Capital Park, Newcraighall and on Glasgow Road.
- The vast majority of Edinburgh’s industrial stock is classed as either 3-star (53%) or 2-star (40%).
- The lowest rating of 1-star accounts for only 2% of stock.

FIGURE 3.5: INDUSTRIAL STOCK BY STAR RATING



Source: Ryden/ CoStar

3.24 See Table in the separate Appendix for analysis of this stock by area, age and quality.

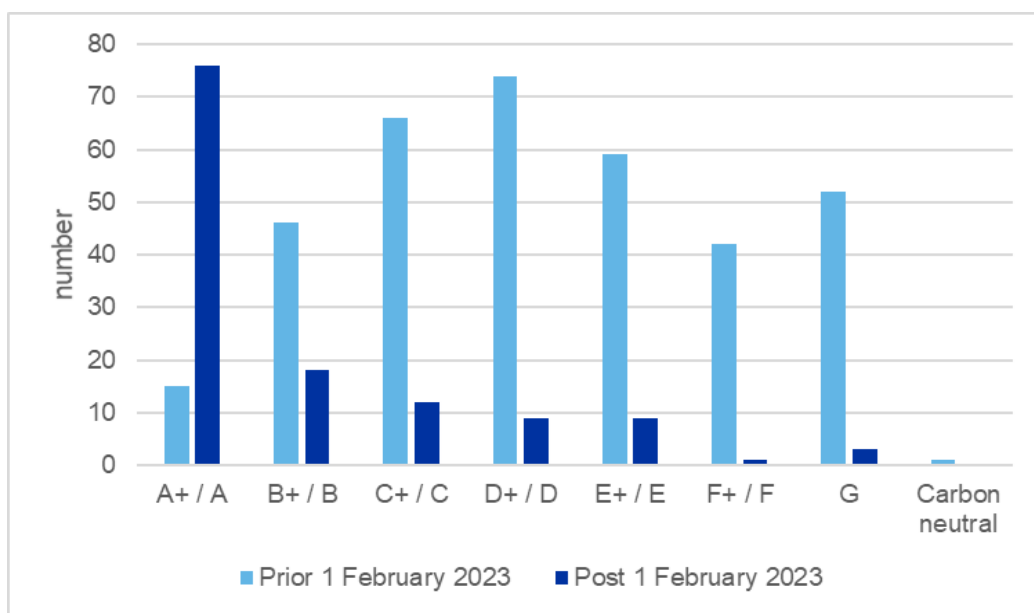
3.25 A further indicator of quality of a property is the **EPC** rating of a property’s energy efficiency and environmental impact. Energy efficiency in particular has become more important to industrial occupiers in recent years. Properties are graded A - G, with A being the most efficient and G the least efficient. EPCs are a measure of property energy consumption only and do not take into account of any processes within a building. The Scottish EPC Register holds EPCs for non-domestic properties built, sold or leased over the 10 years from Q2 2015 to Q1 2025. The analysis segregated here into pre- and post- 1 February 2023 when the assessment changed to reflect the increased use of renewable electricity within the grid.

<sup>6</sup> The four categories used to rate industrial buildings by CoStar are: architectural design, structure/ systems, site/ landscaping/ exterior spaces and certifications.

3.26 The Register has 225 general industrial and 258 storage / distribution properties in Edinburgh<sup>7</sup>. Seventy-three percent of these (355 properties) were inspected prior to 1 February 2023, while the remaining 27% (128 properties) were inspected after this date. The properties inspected before the change could have improved EPCs if reassessed now, if they use electricity for heating, cooling and electrical demands. The assessments are summarised on Figure 3.6 and Figures 3.7(A) and 3.7(B). and show:

- Properties assessed prior to 1 February 2023 show a very broad spread of EPCs, with all ratings from B down to G containing a substantial number of properties. Only 4% of those have Band A+ / A rating. Where minimum EPC standards are proposed these tend to be at B or perhaps C level, meaning that the majority (65%) of those Edinburgh industrial properties currently on the Register would fail, due to their age and condition as above leading to a poor energy performance.
- However, of those properties assessed post- 1 February 2023, 60% are rated Band A+ / A, followed by 14% with Band B+ / B. There is likely to be some self-selection in this sample with new-build and recently refurbished (including any changed energy mix) properties put forward for assessment, however with 128 properties included it is also likely that the recognition of renewable electricity in the assessment is promoting the EPC ratings of properties with no investment, some of which may still have age and condition challenges.

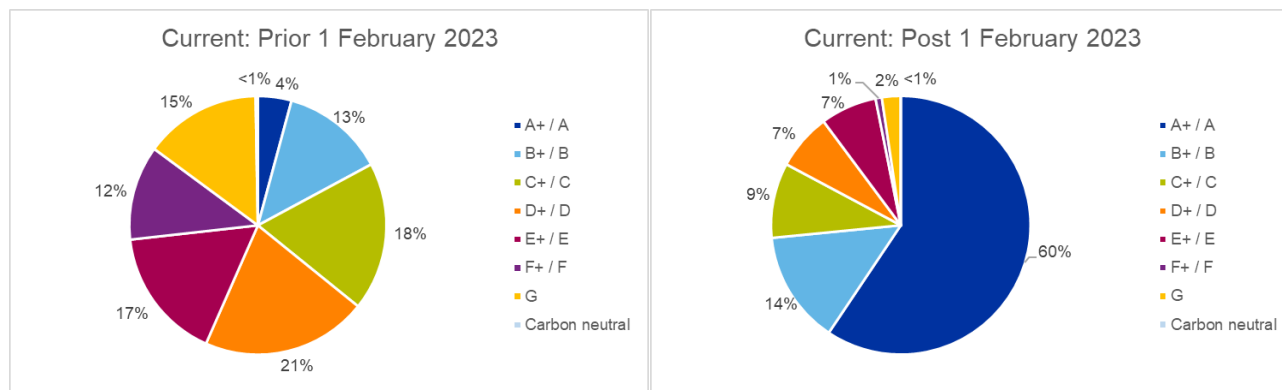
FIGURE 3.6: INDUSTRIAL AND STORAGE/ DISTRIBUTION CURRENT EPC RATINGS



Source: Ryden/ Scottish EPC Register, Energy Savings Trust

<sup>7</sup> A further 1,928 are classed as office/workshops which is not a good fit with the city's industrial property stock.

FIGURE 3.7 A AND B: INDUSTRIAL AND STORAGE / DISTRIBUTION CURRENT EPC RATINGS



Source: Ryden/ Scottish EPC Register, Energy Savings Trust

3.27 As well as the current EPC building energy performance rating, in Scotland an EPC also includes a potential rating which can be obtained if works recommended by the EPC Assessor are completed. The potential future energy performance bands for general industrial and storage/ distribution properties in Edinburgh on the EPC Register in Scotland are:




- For properties inspected prior to 1 February 2023: 56% could obtain an EPC rating in the top three bands A – C (including carbon neutral) if suggested works were undertaken. This is in comparison with the 35% which currently achieve an EPC in these bands (see Figure 3.7A). Meanwhile 42% would remain in the lower bands of D – G compared with 65% which are currently contained within these bands.
- For properties inspected post 1 February 2023: 87% could obtain an EPC rating in the top three bands A – C (including carbon neutral) if suggested works are undertaken. This is in comparison with the 83% who currently achieve an EPC in these bands (see Figure 3.7B). Meanwhile 7% would remain in the lower bands of D – G compared with 17% which are currently contained within these bands.

### Stock Additions: New Development

3.28 Table 3.3 identifies new industrial development in Edinburgh since 2019. Nine new developments<sup>8</sup> are listed, totalling 335,300 sq.ft. (30,750 sq.m.). All except one of the new developments are in the accessible west of Edinburgh from Sighthill through South Gyle and Turnhouse out to Newbridge on the western periphery of the city, close to trunk roads, mainline and local rail networks, the tram line and Edinburgh Airport. The first three developments listed in Table 3.3 are either very recently completed or still under construction.

<sup>8</sup> A new vertical distillery in Leith is not included as it is a specialist production facility rather than a general industrial property.

TABLE 3.3: EDINBURGH NEW BUILD INDUSTRIAL DEVELOPMENTS SINCE 2019

ADDRESS		SIZE (SQ.FT.)	DETAILS
Fort Kinnard Trade Park		27,000	Purpose built trade units located beside Fort Kinnard Retail Park by South Yorkshire Pension Authority (a Fund managed by Aberdeen). Currently under construction and due for completion late 2025. Comprises a terrace of 6 units of 4,500 sq.ft. each, totalling 27,000 sq.ft. of steel portal frame construction. Two units are already under offer.
45 Turnhouse Road		11,000	Units currently under construction and nearing completion. Comprises 11 x 1,000 sq.ft. units. Development by a private developer.
Capital Park, Bankhead Avenue, Sighthill Industrial Estate		120,000	Grade A urban logistics and trade counter by Chancerygate / Bridges Fund Management/ Westbrook Partners. The city's largest speculative industrial development extending to c. 120,000 sq.ft. in 18 industrial/ warehouse/ trade units of steel portal frame construction. Completed summer 2025. Units range from 2,770 – 27,675 sq.ft. Currently has 3 units let to Travis Perkins, Zavi Tech Ltd and Agilico Group, 3 units under offer and 12 units available for lease.
9 Bankhead Crossway North, Sighthill Industrial Estate		8,000	New industrial units built in 2024. 50% is owner occupied and the other 50% is occupied by tenants.
Turnhouse Court, Brownrigg Road, Newbridge		29,044	14 new workshop units in various unit sizes from 1,090 sq.ft. over three terraces of steel portal frame construction. Built in 2021 by Northern Trust. Twelve of the units have been let and tenants include Allied Vehicles Ltd, Toolbox Hire Ltd, Blaikie Tree Services Ltd, Trotec Laser Limited, Grove Bedding and Cult Roasters Ltd. A second phase of 48,000 sq.ft. could be developed.
14 Glasgow Road, Edinburgh		33,271	Purpose built unit for Specialized Signs & Wraps in 2024
East Telferton Industrial Estate		8,070	Three new build speculative purpose built industrial / storage / distribution units, of c. 960, 3,120, and 3,990 sq.ft. built in 2023.
West Edinburgh Business Park, South Gyle		22,906	Development by C & W Assets. Built over three phases between 2014 and 2021 and of steel portal frame construction. Phase One, 25,400 sq.ft. (2014); Phase Two, 14,000 sq.ft. (2018); only Phase Three (22,906 sq.ft.) (2020) has been built since 2019.
Seven Hills Business Park, Sighthill Business Park		76,000	Prime speculative development on Sighthill Industrial Estate by Peveril Securities in a joint venture with Citivale. Units range in size from 3,360 - 14,700 sq.ft. of steel portal frame construction. Completed 2019.

Source: Ryden/ CoStar

3.29 As noted, development in the table totals 335,300 sq.ft. Taken over say 7 years to completion this indicates 47,900 sq.ft. per annum, which is slightly higher than the c.44,000 sq.ft. pa 2010-19 historic development rate which was identified in Ryden's mixed-use development report for City Plan 2030.

3.30 One-and-a-half schemes are for owner-occupation while all of the other developments totalling c.298,000 sq.ft., or 89% of the new industrial space, is speculative for the market by private developers.

3.31 The Edinburgh industrial development market is currently the most active in the region, benefiting from private sector investment as above based upon high rents and strong demand. Current, speculative multi-unit industrial developments outside of the city include:

- Fife Interchange, Dunfermline (25,000 sq.ft. by Fife Council)
- Pinnacle Business Park, Dalgety Bay (20,000 sq.ft.)
- Melville Green, Lasswade (42,000 sq.ft. by Buccleuch Property, pictured),
- Inchmuir Park, Bathgate (56,630 sq.ft. by J Smart & Co (Contractors) Plc).



### Stock Changes: Refurbishments

3.32 The city's industrial stock can also change positively, but in a qualitative rather than quantitative sense, by the refurbishment of older premises to meet modern requirements for specification (and possibly flexibility) and to extend the functional lifespan of older properties (of which Edinburgh has a considerable number as shown above). In comprehensive examples, older industrial units can be stripped back to the frame and be refurbished to provide what is effectively a 'new' unit with full replacements of roofing, cladding, and services potentially including the installation of solar panels and removal of gas heating. A wide range of intermediate refurbishment options exists depending upon the building condition, landlord asset strategy, and the ability to recoup such investment via improved occupational terms (occupier covenant, lease and rental).

3.33 Some examples of recent Edinburgh industrial refurbishments are noted in Table 3.4. There is no formal register of refurbishments and these are simply some of the more prominent examples in the market, tending to be undertaken by major landlords in proven industrial locations.

TABLE 3.4: EDINBURGH INDUSTRIAL REFURBISHMENTS EXAMPLES




ADDRESS		SIZE (SQ.FT.)	DETAILS
Bankhead Industrial Estate		31,620	Vacant units have undergone a comprehensive refurbishment by Aberdeen to include new roofs with solar panels and the removal of the gas supply. This has taken the EPC Ratings to A+.  Includes new roof incorporating photovoltaic panels, new roller shutter and pedestrian doors, new LED lighting, refurbished open plan office space, new WC facilities and general redecoration throughout.
Newbridge Link, Newbridge Industrial Estate		c.150,000	High quality refurbishment by JCAM Property of a dilapidated ex-steel storage and engineering warehouse. Has been fully refurbished and achieved a pre-let of 100,000 sq.ft. to Kloeckner Metals UK. 50,000 sq.ft. is on the market for lease.
Seafield Industrial Estate, Seafield Way		15,000	Three prime industrial/ trade units of 5,000 sq.ft. each are being extensively refurbished by Royal London Group. 1 Seafield Way (31,123 sq.ft.) was also extensively refurbished.
Causewayside		2,475	Extensive refurbishment of some units here by Ribston. A 2,475 sq.ft. is currently undergoing refurbishment which includes new roof, LED lighting and an electrical re-wire, with an expected EPC 'A' rating on completion.
Mandale Park, Russell Road, Roseburn		30,000	Six industrial units undergoing a high-quality refurbishment by Mandale Group. Units ranging from 3,000 - 6,500 sq.ft.  The comprehensive refurbishment includes LED lighting, upgraded cladding for the walls and roofs, new amenity blocks and redecoration.

Source: Ryden/ CoStar

## Pipeline Industrial Development

- 3.34 As noted above, Edinburgh has a steady provision of new industrial development, typically now on the accessible western side of the city, although in some instances reusing existing industrial land elsewhere in the urban area. Table 3.5 presents pipeline industrial development proposals.
- 3.35 The pipeline is dominated by EDI Approach, the former Continental Tyres site at Newbridge which had a period as housing land supply before gaining planning consent for employment use in 2023. The proposed Phase 1 development extends to 122,650 sq.ft. Infrastructure works are due to complete in August 2025 and construction is proposed to commence thereafter. The total capacity of the site is 693,000 sq.ft. with a maximum single development of 350,000 sq.ft.

TABLE 3.5: PIPELINE EDINBURGH INDUSTRIAL DEVELOPMENTS

ADDRESS		SIZE (SQ.FT.)	DETAILS
<p><b>EDI Approach, Cliftonhall Road, Newbridge</b></p>		<p>Phase 1: 122,650</p>	<p>Urban logistics hub by GSS Developments. Phase 1 to comprise 122,650 sq.ft. in multi-let units from 4,000 sq.ft. to 20,675 sq.ft. The development also proposes build-to-suit units from 20,000 – 350,000 sq.ft., and serviced plots from 2 acres. Total capacity is 693,000 sq.ft.</p> <p>Infrastructure works underway and due to complete August 2025. Construction of Phase 1 to commence August 2025 with completion August 2026.</p>
<p><b>Peffer Place Business Park, Craigmillar</b></p>		<p>c. 47,400</p>	<p>Land adjacent to Castlebrae Business Centre. 27 new-build light industrial buildings.</p> <p>To comprise 27 Class 4, 5 &amp; 6 units in sizes of 1,000 and 2,150 sq.ft. Planning approved June 2024.</p>
<p><b>Gilmerton Gateway, Gilmerton Station Road</b></p>		<p>29,493</p>	<p>Mixed-use development by Bernard Hunter Ltd to include Class 4, 5 and 6 business units. The land is part of the employment land supply (see Table 3.8 below)</p>









Source: Ryden

- 3.36 The second scheme in Table 3.5 at Peffer Place in Craigmillar had been proposed for speculative development of 27 small units. As noted in the consultations section earlier, the development was to be funded by the Council and also had the benefit of a Scottish Government regeneration grant, however it is reported that cost inflation means the scheme is no longer viable and the Council is considering a site sale to a private developer with the benefit of the planning consent. The third is the development of business units as part of a larger mixed-use development on Gilmerton Station Road.
- 3.37 In comparison with the recent industrial development wave across 9 sites which was set out in Table 3.3, the emerging development pipeline is larger but is almost entirely concentrated in a single site.

### Stock Losses: Demolition and Change of Use

- 3.38 Since 2020 there are several examples of industrial properties which have been demolished (or had a change of use) and have been redeveloped. The majority of new uses are residential but there are also examples of Purpose-Built Student Accommodation (PBSA) and retail. Residential developments range from small sites with 1 or 2 new homes up to larger scale demolition and re-developments. Table 3.6 over the following two pages provides details of these redevelopments. There are thirteen in total yielding 329,440 sq.ft. (30,605 sq.m.) of previous industrial floorspace. Six are in the north-east of the city, four in the inner west Gorgie/Dalry and three are elsewhere. The mean size of 25,340 sq.ft. (2,354 sq.m.) reflects mainly smaller workshops and terraces and fewer larger blocks. This loss of industrial stock over 2020 to mid-2025 inclusive indicates an annual redevelopment rate of c.73,000 sq.ft. (6,782sq.m.), which given the mix of stock is higher than the established rate of c.50,000 sq.ft. during the 2010s.

TABLE 3.6: EDINBURGH INDUSTRIAL DEMOLITIONS FOR ALTERNATIVE USE SINCE 2020

ADDRESS	SIZE (SQ.FT.)	DETAILS		NEW USE	
69-71 Marionville Road	47,253	0.8 hectare site with two vacant business units and former factory. Demolished in 2020		BTR development of 162 homes (148 apartments and 14 mews houses) is underway by Dandara	
6-10 Lower Gilmore Place	7,030	Light industrial units demolished in 2022.		On completion Lower Gilmore Place will comprise 151 student beds.  The first phase completed in 2023 and comprises 69 beds. Development of the second phase by Thomas Johnstone Ltd (TJL), began in Spring 2025, and will comprise 82 student beds.	
57 Tower Street, Baltic Street and 1 Bath Road	1,550 3,445 38,522	Three separate buildings, demolished between 2020 and 2023		Merchant Quay, a residential development by Barratt Developments.  Phase 1 comprises 212 homes. Phase 2 comprises 82 homes and is under construction. Includes private and affordable homes.	
4B East Newington Place	8,132	Commercial unit sold in 2021 to S Harrison Developments Ltd for £1.2 million. Unit demolished.		In 2024 work began on a 65-unit PBSA development.	
Steads Place, Leith	46,653	Ageing industrial estate comprising industrial and office space. Two-storey 1930s' sandstone building. Industrial units demolished 2021.  Redevelopment of 2.9 acre site by Drum Property Group.		110 build to rent apartments were completed in June 2025.  The red sandstone building retained and refurbished for commercial tenants and retailers.	
Bonnington Road Lane	58,000	Former John Lewis Depot on a 4.8 acre site.  Built in 1949. Sold in 2019 to PLATFORM_ for c. £9 million for a build-to-rent development and four commercial spaces comprising retail and offices. Buildings demolished in 2020.		464-home BTR development for PLATFORM_ forward-funded by Heimstaden Bostad, and delivered by GRAHAM.  The first phase of 365 apartments was handed over to PLATFORM_ at the end of 2024.	
67 Logie Green Road	16,630	Located at the edge of Beaverbank Business Park, the former Edinburgh Furniture Initiative warehouse was demolished in 2022.		Residential development by Kelvin Properties, comprises 36 apartments known as 67 St. Bernards. Completed 2024.	
30 South Fort Street	34,000	Industrial warehouse built in 1965. Was occupied by James Blake & Co Engineers. Demolished in 2020.		Development of Heron Bank by Barratt Developments. 115 homes completed in 2024.	

<b>48 - 50 Iona Street</b>	47,845	Class 6 storage and distribution warehouse, owned by Walker Commercial and occupied by Walker Woodstock Building Centres.  Built in 1983, sold in 2021, building demolished.		The Watkin Jones development has been forward funded by Vita Group. Comprises 199 PBSA and 60 BTR units operated by VITA, and 20 social flats operated by the Port of Leith Housing Association. Opened 2023	
<b>96 Temple Park Crescent</b>	17,879	Former Jewson trade unit. Sold in December 2020 to S1 Developments.		45 private residential apartments developed by S1 Homes. Completed Summer 2023	
<b>Saughton Road North</b>	-	0.075 acre builders yard (Class 4), sold in August 2021. Had consent for redevelopment to 2 townhouses.		Development by Dovecot Residencies on 2023.	
<b>65 London Road</b>	-	Former Arc Car wash, triangular site of 0.3 acres.  Had permission for demolition of existing single storey car-wash unit and erection of new residential flatted development rising up to 5 storeys, comprising 30 flats.		Sold in April 2021 to HG Developments for £1.9 million and now student accommodation - Straits Meadow, 76 units.	
<b>Simon Court, 3 Simon Square</b>	2,500	Workshop was owned by JR Mill Roofing Services. Sold in 2018 for £350,000. Demolished 2020		Fraser/Livingstone Architects on behalf of Seven Hills Property. Six residential apartments in a three and four story 'tenement'. Completed c 2022.	

Source: Ryden/ CoStar/ Google Maps/ Google Earth/ Development websites

3.39 Current proposals for demolition and alternative use developments are provided in Table 3.7. Again, the majority are for residential use, along with PBSA and a care home. As previous, most are in the north-east of the city although there are also notable industrial buildings proposed for alternative use redevelopment in other locations. The total in the table is c.372,000 sq.ft. (34,560 sq.m.) across eight sites, yielding a similar average loss to those in Table 3.6 and also comprising a number of smaller workshop/ industrial buildings plus larger sites.

TABLE 3.7: PROPOSED INDUSTRIAL DEMOLITIONS FOR ALTERNATIVE USE

ADDRESS	FLOOR-SPACE TO BE LOST (SQ.FT.)	DETAILS		NEW USE	
<b>Caledonian Brewery, Slateford Road</b>	69,500	Site of c. 1.91 acres. Includes 2-4 storey red brick structures with largely pitched roofs linked via connecting buildings. A modern purpose-built storage / production building and the Keg Hall, an original single storey storage building.		Proposals for a low-carbon residential neighbourhood delivering 168 new high-quality private and affordable homes by Artisan Real Estate. Ref. No: 24/02048/FUL. Application Granted 8 August 2025	
<b>254 Leith Walk</b>	3,175	Warehouse to rear of tenements. Site area c. 12,800 sq.ft. with a warehouse building of 3,175 sq.ft. Owned and occupied by George Duff Antiques.		Proposals for a new 11 unit 29-bed aparthotel by Eren Properties Scotland Ltd. Ref. No: 25/02806/FUL. Application awaiting assessment	
<b>Granton Square</b>	38,251	38,251 sq.ft. on 1.1 acres. comprise a prominent corner site fronting onto Granton Square which include a mix of office space, meeting rooms, studios, former church, industrial and residential accommodation.		For sale, suitable for alternative uses such as residential, subject to obtaining the necessary planning consents. For sale o/o £1 million	
<b>43 Main Street, Davidson Mains</b>	4,545	Former car garage with large yard. Sold in 2021 for £625,000		Plans for a 48 bed care home by Lindermann Healthcare. Ref. No: 22/04940/FUL. Application Granted 17 May 2023	
<b>52-66 Salamander Street</b>	7,000	Workshop built in the 1970s		Stephen G Dalton & Son propose to construct 62 build-to-rent flats, and student accommodation that would provide 279 student beds. Ref. No: 23/06745/FUL. Appeal decision refused 17 June 2025.	
<b>27-29 and 31 Ratcliffe Terrace</b>	4,000	Motor repair workshop and a laser imaging equipment shop. Would be demolished.		SDR Property Developments Ltd plan a total of 66 student flats comprising a mix of 8 per cent studios and 92 per cent cluster units. Four of those would be accessible and the cluster units range from four-six bedrooms. Ref. No: 25/02904/FUL. Application awaiting assessment.	
<b>Saica Pack, 1 Turnhouse Road</b>	226,000	15.4 acre site. Former paper and cardboard manufacturing plant operated by Saica Pack who relocated to Livingston.		Sold to Summix Capital in 2024 who plan a low carbon residential-led mixed-use neighbourhood including 957 homes (including BTR and affordable), 172-bed hotel, commercial and retail uses. Ref. No: 25/03874/FUL. Application awaiting assessment.	
<b>1-5 Baltic Street and 7-27 Constitution Street</b>	20,000	B-listed former gasworks at 1-5 Baltic Street and scrapyards at 7-27 Constitution Street. Much of the site has been unused for over 10 years and is in increasingly derelict condition.		622-unit development, comprising 604 Purpose-Built Student Accommodation (PBSA) rooms and 18 apartments. Ref. No: 20/00465/FUL. Application Granted 6 August 2021.	

Source: Ryden/ CoStar/ Google Maps/ Google Earth/ Development websites



3.43 Looking at the mix of sites and land:

- 92.28 hectares in 14 employment sites are classed as **Category 1 (marketable)**. These are sites with planning consent and/or allocated in the LDP; readily available and serviced:
  - Only 4 of these totalling 24.4 hectares are suitable for industry with Class 4, 5 or 6 uses. This includes two sites at Newbridge (A and B) totalling 22.7 hectares, Turnhouse Road, 39 and Gilmerton Station Road.
  - The majority of 10 sites totalling 67.88 hectares are office/ business sites rather than industrial: Edinburgh Park, Newbridge C, Gogarburn, Newcraighall and Fountainbridge. BioQuarter (A) and Riccarton are science park sites.
- **Category 2 (requires servicing)** sites are consented and/or allocated in the LDP but with restrictions or servicing required. The only site in this Category is BioQuarter B (13.7 hectares) which is as above is a science park site with a use class 4 allocation and no industrial potential.
- **Category 3 (potential land)** has planning support but with planning issues still to be resolved, i.e. restrictions/constraints/ownership issues. Four sites totalling 186.4 hectares are in this category. Three of these totalling 75.9 hectares are for Class 4, 5 or 6 uses, at Newbridge D, Niddrie Junction and Leith Docks. The largest site is City Plan 2030's proposed International Business Gateway (IBG, 110.5 hectares, Use Class 4) the majority of which (83 hectares) now forms the West Town homes-led initiative to establish a new neighbourhood for Edinburgh rather than employment uses.

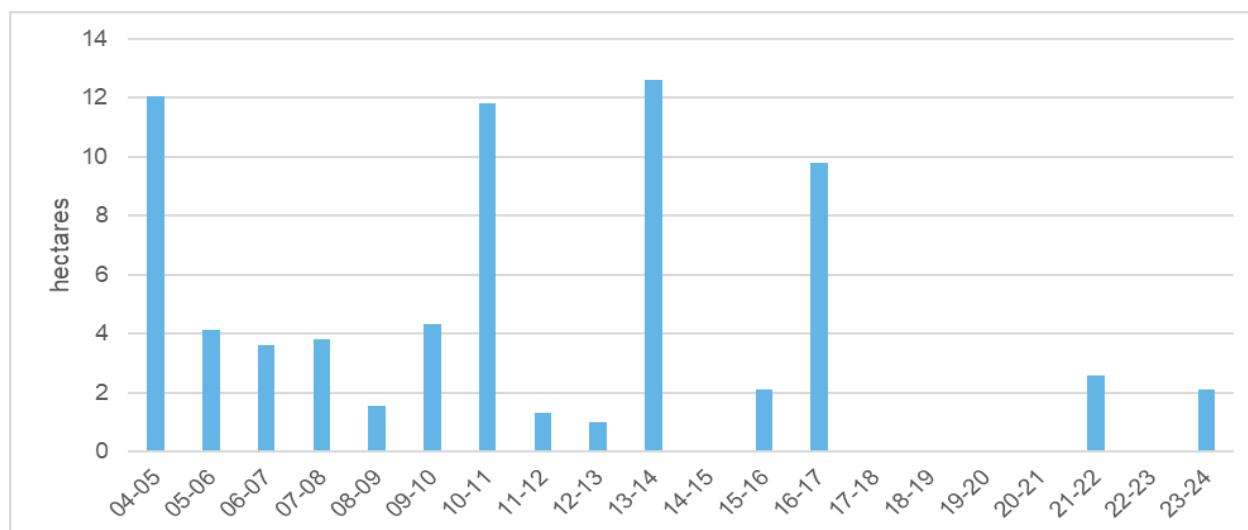
3.44 Overall, only a minority of the allocated employment land is marketable and for industrial use: three sites in West Edinburgh and one in the South-East of the city, with one having development proposals.

3.45 Long run take-up of employment land (Figure 3.8) for development in Edinburgh is 72.75 hectares since 2004/05. This yields an average employment land take-up rate of 3.64 hectares per annum.

3.46 Take-up of employment land for development in Edinburgh has been low in recent years with only 4.7 ha taken up since 2019, equating to 0.78 hectares per annum. In 2017/18, 2018/19, 2019/20, 2020/21 and 2022/23 there was no take-up.

3.47 In 2021/22, three sites totalling 2.6 hectares were taken-up to develop research and development facility at Riccarton, a car dealership at Newbridge and a vehicle inspection area and car park at Newbridge. In 2023/24, 2.1 hectares was also taken-up at Newbridge for a car dealership. Whilst these uses are all employment generating, they are not classified as industrial uses.




FIGURE 3.8: EDINBURGH EMPLOYMENT LAND TAKE-UP



Source: City of Edinburgh Council

3.48 Table 3.9 shows actively marketed employment land in Edinburgh which includes 3 sites totalling 2.19 hectares. Two sites are former builder's yards: one has planning consent for industrial units, the other is under offer and has the potential for alternative uses (no planning application to date). The remaining site is Council owned and has planning consent for industrial units. A sale is being considered to a private developer with the benefit of the planning consent.



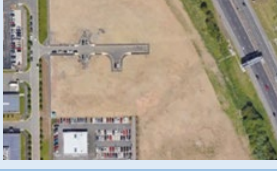
TABLE 3.9: ACTIVELY MARKETED EMPLOYMENT LAND IN EDINBURGH

ADDRESS		SIZE ACRES (HECTARES)	DETAILS
39 Turnhouse Road		1.17 acres (0.47 ha)	Builders yard with buildings. Currently for sale with permission for the development of 15,000 sq.ft. of industrial development comprising 15 x 1,000 sq.ft. units
Peffer Place Business Park, Craigmillar		3.33 acres (1.35 ha)	Land within the grounds of Castlebrae Business Centre. 27 new-build light industrial buildings.  To comprise 27 Class 4, 5 & 6 units in sizes of 1,000 and 2,150 sq.ft. totalling c. 47,400. Planning approved June 2024.
62-64 Longstone Road		0.93 acres (0.37 ha)	Industrial yard and buildings, suitable for a variety of industrial uses. Workshop buildings which with corrugated asbestos sheeted roof total c. 5,214 sq.ft.  In addition a ground lease over the adjoining land (blue line). Sale is pending.

Source: Ryden/ CoStar

3.49 Recent sales of employment land are detailed in Table 3.10 with all located in West Edinburgh. One is a large site which now has consent for employment uses, one is masterplanned for employment purposes but has possible alternative uses, and the third site was sold for car dealership uses.

TABLE 3.10: SALES OF ACTIVELY MARKETED EMPLOYMENT LAND IN EDINBURGH

ADDRESS	SIZE ACRES (HECTARES)	DETAILS	
Old Liston Road, Newbridge	61.5 acres (24.9 ha)	Sold in September 2022 to GSS Newbridge for £14 million. For employment purposes. The developable area is 50 acres (20.28 ha)	
Turnhouse Road	18.68 acres (7.56 ha)	Sold to Miller Developments in August 2022 for £5.65 million. Masterplanned for up to 205,000 sq.ft. comprising 7 industrial units with 190 car parking spaces and Servicing /yard areas. Possible alternative uses.	
7B, D & E Marjoriebanks Road, Newbridge	2.16 acres (0.87 ha)	Sold in November 2020 to John Clark (Properties) for £2.3 million. Part of the Luxury Car Village.	

Source: Ryden/ CoStar

## SUMMARY

- 3.50 Scotland and Edinburgh are benefiting from good demand and occupancy rates for industrial property. Despite long run de-industrialisation and the loss of older factories, economic trends support a broad industrial occupier base including in Edinburgh many activities fundamental to the functioning of the (growing) city as well as newer green and digital economy occupiers.
- 3.51 The city is maintaining a stable industrial property stock of around 11.86 million sq.ft. (c.1.10 million sq.m.) around a steady process of losing older, obsolete inner city buildings and gaining new industrial units suited to modern occupier needs, mainly on the accessible western edge of the city. The next wave of industrial development is potentially large, however it is dominated by EDI Approach at Newbridge (up to 693,000 sq.ft.). This contrasts with the multi-site delivery of new industrial space in recent years and makes the development pipeline particularly reliant on one scheme and subject to the risk of that stalling at any point.
- 3.52 This gain/loss process is broadly in balance. The estimated 47,300 sq.ft. per annum of new development since 2019 is higher than the 2010s rate. Estimated stock losses to alternative use of c.73,000 sq.ft. pa since 2020 are higher than the c.50,000 sq.ft. per annum identified previously for the 2010s.
- 3.53 Despite this balance and a steady industrial stock, the historic loss of industrial buildings means that Edinburgh has less industrial floorspace per capita than neighbouring local authority areas or Scotland as a whole. Moreover, much of the stock is now older and of a basic quality, at a time when occupier expectations are rising, particularly for energy efficiency. This occupier demand (and associated rents) is also supporting the refurbishment of some of the city's prime industrial stock.
- 3.54 The city's allocated employment land supply to accommodate future industrial development is superficially extensive, at 19 sites totaling 292.38 hectares, of which 14 sites totaling 92.28 hectares is Category 1 marketable land. However, only 4 of these marketable sites are suitable for industrial uses (two sites at Newbridge (A and B), Turnhouse Road, 39 and Gilmerton Station Road.). The majority of employment land is office/business rather than industrial, or restricted to science park use, with constraints to overcome. Of that constrained land, 110.5 hectares at the IBG (37.5% of total employment land supply) will be substantially reduced by the West Town development. Long run take-up of employment land is 3.64 hectares per annum, although that has been lower in recent years.

# 04 EDINBURGH INDUSTRIAL PROPERTY MARKET

## INTRODUCTION

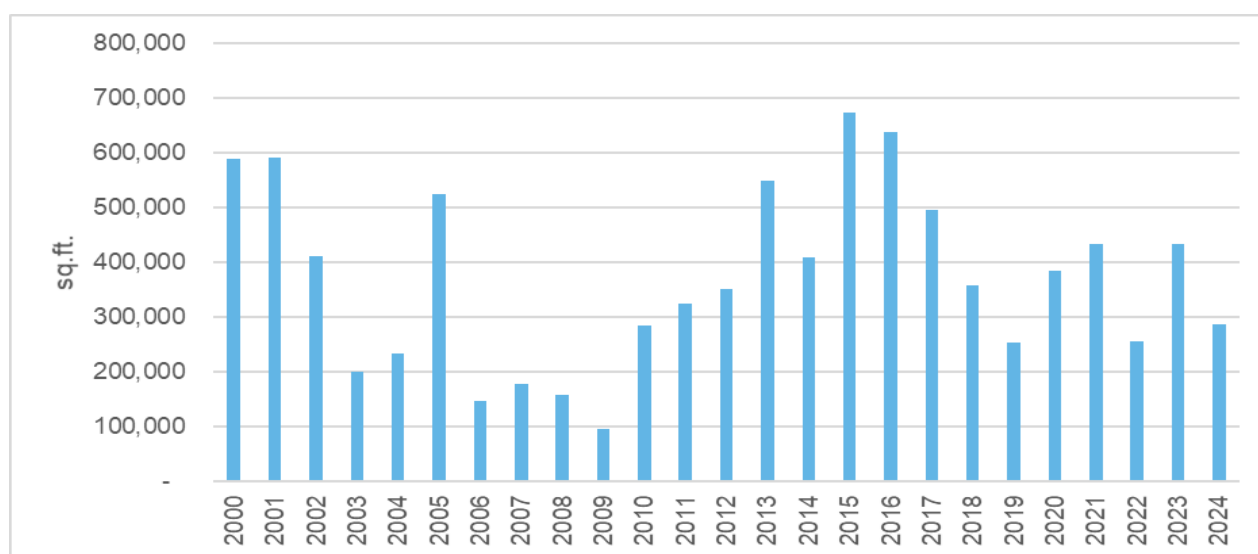
4.1 This section analyses the Edinburgh industrial property market. It opens with long-term analysis then considers medium term trends and then assesses the current market position and competing land uses.

## EDINBURGH INDUSTRIAL MARKET – LONG RUN

4.2 Figure 4.1 shows Edinburgh’s long run industrial take-up from 2000 (24 years). Over these 24 years, 9.2 million sq.ft. (859,000 sq.m.) of industrial floorspace has been taken up (sold or leased) in 1,300 units. This is an annual average of 369,860 sq.ft. (34,360 sq.m.) of floorspace taken-up in 52 units.

4.3 Notably, industrial property take-up in the city is not particularly aligned with economic cycles. Take-up was high during the dot-com crash in 2000/01, low during the strong economic growth of 2006/07 and recovered well during the challenging years following the 2008 Global Financial Crisis in 2008. A tenuous link to declining take-up could be made following the 2016 Brexit vote, but the pandemic during 2020/21 is not discernible on Figure 4.1. It is more likely that the market is driven by supply and by any larger occupiers.

FIGURE 4.1: EDINBURGH LONG RUN INDUSTRIAL TAKE-UP



Source: Ryden/ CoStar

## EDINBURGH INDUSTRIAL MARKET – MEDIUM TERM

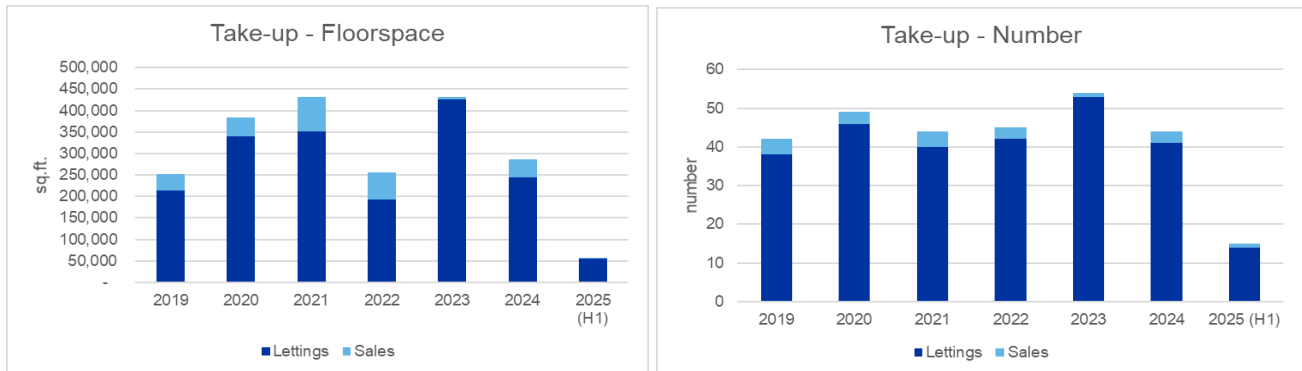
4.4 Figure 4.2 on the next page depicts take-up of industrial space in Edinburgh since 2019 (effectively the final 6 bars on the long run Figure 4.1 above plus the first half of 2025). The time period is chosen to reflect medium term market trends since Ryden’s 2018 commercial needs report for the City Plan 2030.

4.5 Over the 6.5-year period, a total of c. 2.1 million sq.ft. (195,020 sq.m.) of industrial floorspace has been taken-up in 293 units. This is a provisional<sup>10</sup> average of 323,077 sq.ft. in 45 units, which is 12-13% lower than the long run average at paragraph 4.2 above.

<sup>10</sup> There may be a time delay in the reporting of some transactions during the first half of 2025.

4.6 Take-up on Figure 4.2 is split into lettings and sales. Lettings (in dark blue) are clearly the most active sector and accounts for 87% of floorspace and 93% of units taken-up. The second chart showing numbers of units taken-up each year is particularly stable, with take-up in the low 40s to low 50s every year.

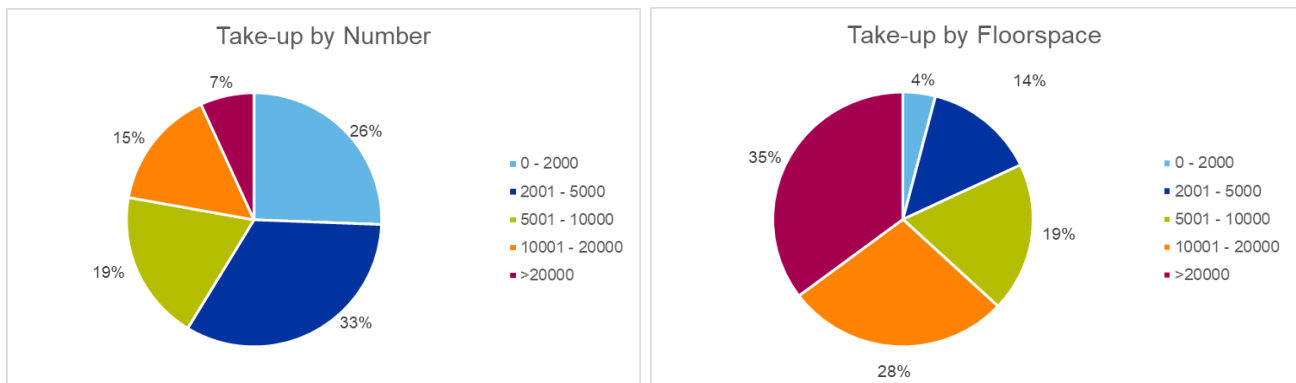
FIGURE 4.2: EDINBURGH INDUSTRIAL TAKE-UP – MEDIUM TERM



Source: Ryden/ CoStar

4.7 The next analysis on Figure 4.3 shows take-up of industrial units in Edinburgh by size range since 2019, firstly by number of units and then by floorspace. The two smaller size ranges account for 59% of all industrial units taken up, comprising the smallest range of 0 – 2,000 sq.ft. having 26% and the size range 2,001 - 5,000 sq.ft. having 33%. In broad terms an industrial unit of 5,000 sq.ft. could accommodate on average 10-15 employees, so the majority of the market is micro and small organisations. The largest size range of >20,000 sq.ft. has 7% of all units taken-up. By floorspace the larger the size range the greater the amount of floorspace taken-up; the size range 0 – 2000 sq.ft. has 4% of floorspace taken-up while the largest range of >20,000 sq.ft. has 35%.

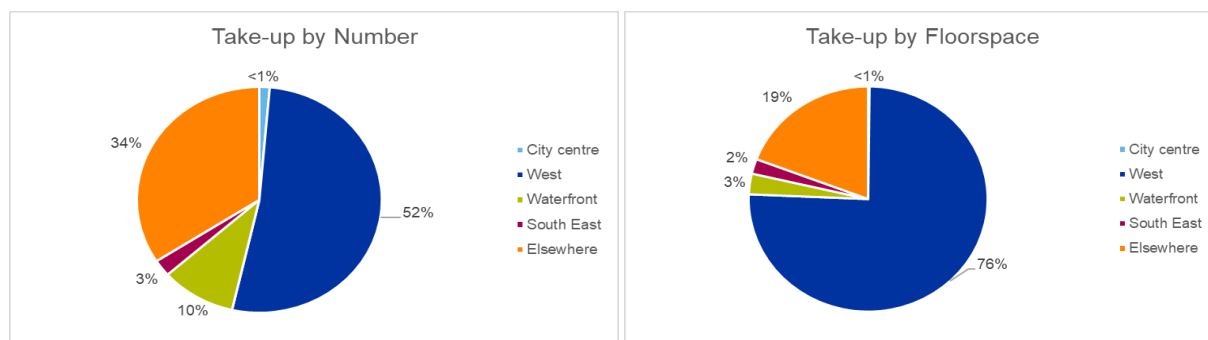
FIGURE 4.3: EDINBURGH INDUSTRIAL TAKE-UP SINCE 2019 BY SIZE RANGE



Source: Ryden/ CoStar

4.8 Figure 4.4 shows industrial take-up since 2019 by area - firstly by number of units and then by floorspace. West Edinburgh had the majority of market activity both by number and floorspace, at 52% and 76% respectively. 'Elsewhere' urban industrial areas had 34% of take-up by number with 19% of floorspace. The Waterfront had a lower 10% of take-up by number with 3% of floorspace, the South East had 3% by number with 2% of floorspace. The City centre had less than 1% of both number and floorspace.

FIGURE 4.4: EDINBURGH INDUSTRIAL TAKE-UP SINCE 2019 BY AREA



Source: Ryden/ CoStar

4.9 Table 4.1 shows industrial take-up since 2019 by size range and area:

TABLE 4.1: EDINBURGH INDUSTRIAL TAKE-UP SINCE 2019 BY AREA

	CITY CENTRE	WEST	WATERFRONT	SOUTH EAST	ELSEWHERE	CITY WIDE
<b>Take-up Totals</b>						
Floorspace sq.ft.	3,978	1,584,405	62,233	44,709	403,861	2,099,186
Floorspace sq.m.	370	147,195	5,782	4,154	37,520	195,019
Number	4	153	29	7	100	293
% Floorspace	<1%	75%	3%	2%	19%	100%
% Number	1%	52%	10%	2%	34%	100%
<b>Size range by area: Number</b>						
0 – 2,000	3	17	19	0	36	75
2,001 – 5,000	1	50	8	4	34	97
5,001 – 10,000	0	32	1	1	22	56
10,001 – 20,000	0	34	1	2	8	45
>20,000	0	20	0	0	0	20
0 – 2,000	75%	11%	66%	0%	36%	26%
2,001 – 5,000	25%	33%	28%	57%	34%	33%
5,001 – 10,000	0%	21%	3%	14%	22%	19%
10,001 – 20,000	0%	22%	3%	29%	8%	15%
>20,000	0%	13%	0%	0%	0%	7%
<b>Size range by area: Floorspace (sq.ft.)</b>						
0 – 2,000	1,249	22,595	18,104	0	42,612	84,560
2,001 – 5,000	2,729	152,712	22,903	12,959	101,321	292,624
5,001 – 10,000	0	230,225	9,974	10,000	148,499	398,698
10,001 – 20,000	0	438,793	11,252	21,750	111,429	583,224
>20,000	0	740,080	0	0	0	740,080
0 – 2,000	31%	1%	29%	0%	11%	4%
2,001 – 5,000	69%	10%	37%	29%	25%	14%
5,001 – 10,000	0%	15%	16%	22%	37%	19%
10,001 – 20,000	0%	28%	18%	49%	28%	28%
>20,000	0%	47%	0%	0%	0%	35%

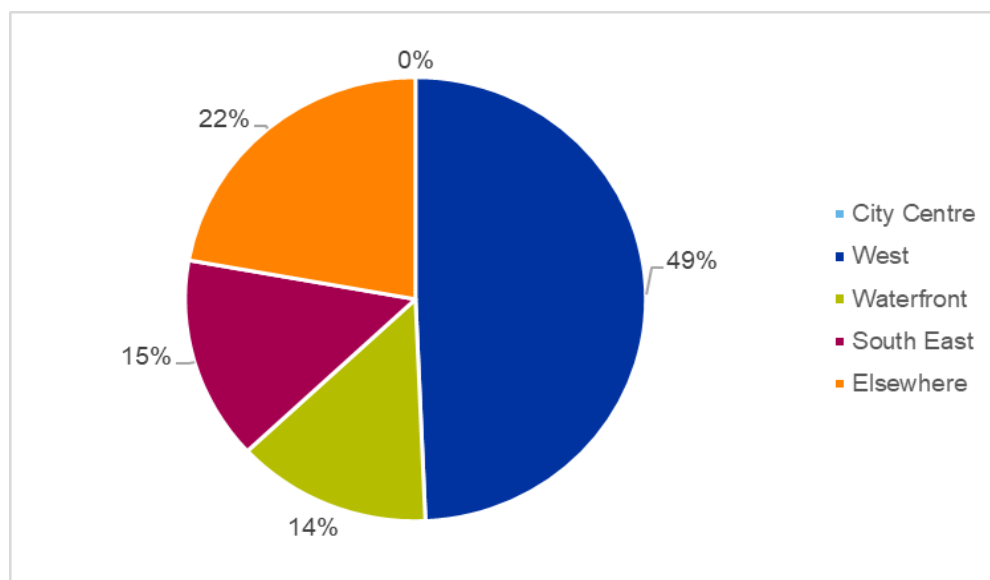
Source: Ryden

- Three-quarters of floorspace taken-up was in West Edinburgh, while 19% was in ‘elsewhere’ urban industrial areas.
- Just over half (52%) of units taken-up were in West Edinburgh, with a third (34%) of units taken-up in ‘elsewhere’ urban industrial areas.
- West Edinburgh saw activity in all size ranges while ‘elsewhere’ urban industrial areas had transactions in all size ranges apart from the largest range. The city centre only had transactions in the smaller size-ranges and the majority of transactions in the Waterfront were in the smaller size ranges. The South East had transactions in the small to medium size ranges.

## CURRENT EDINBURGH INDUSTRIAL MARKET

- 4.10 Reflecting national trends, the industrial property market in and around Edinburgh continues to perform well, with continuing occupier demand and high occupancy rates. Occupier requirements have become more demanding around energy and building performance, while higher rents also provide a motivation to seek good quality, long term solutions. As a result, many occupier requirements have remained unfulfilled due to lack of modern industrial property supply, which in turn is encouraging pre-let interest in those modern developments which are currently completing or under construction (see Section 3).
- 4.11 Total industrial **supply** across Edinburgh in June 2025 is 632,000 sq.ft. (58,722 sq.m.). By city market area, almost half (49%) of current industrial floorspace supply is in the West of Edinburgh, followed by ‘elsewhere’ urban industrial areas with 22%. The South East has 15% and the Waterfront has 14%, while there is no industrial supply in the city centre. The supply by market area is shown on Figure 4.5 and examples of industrial properties currently on the market are in Table 4.2. The examples show a wide range of property types and sizes from the 1970s – although one is 1940s – through to new-build.

FIGURE 4.5: EDINBURGH INDUSTRIAL SUPPLY BY LOCATION (BY FLOORSPACE)



Source: Ryden / Agents, June 2025

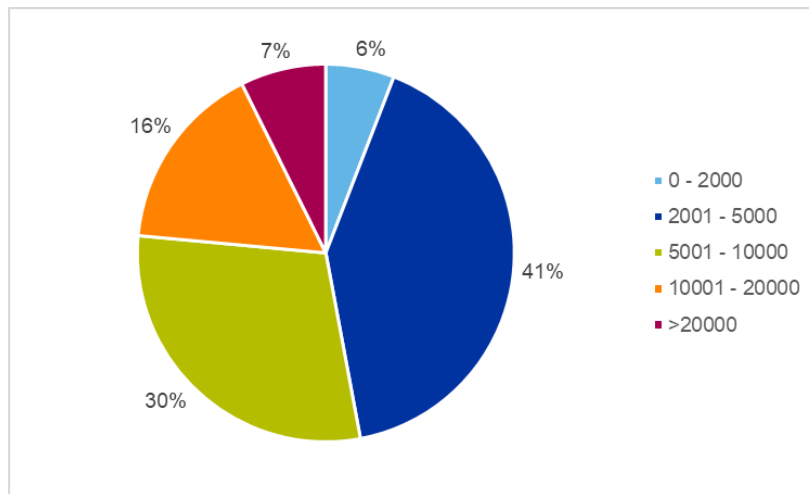
TABLE 4.2: EXAMPLES OF CURRENT INDUSTRIAL SUPPLY IN EDINBURGH

ADDRESS		SIZE	DETAILS
<b>WEST</b>			
Unit 3 Catalyst Trade Park, Sighthill Industrial Estate		3,776	Modern industrial trade unit built in the 1990s. For lease £11 per sq.ft.
Unit 2 Turnhouse Court, Brownrigg Yards, Newbridge		4,175	Speculative unit built in 2022. For lease £10.25 per sq.ft. EPC rating B
Capital Park, Sighthill		2,770 – 12,966	Recently completed trade counter units. 12 units available from 2,770 – 12,966 sq.ft. For lease. EPC rating targeting A
<b>WATERFRONT</b>			
Unit 26 New Broompark Business Park, Granton		835	End terrace unit built in the 1980s. For lease £14 per sq.ft.
3 Marine Esplanade		61,256	High bay warehouse sub-divisible into units from 5,000 sq.ft. Built 1940s. For lease
<b>SOUTH EAST</b>			
Block 6, Units 1-4, Peffermill Industrial Estate		8,703	Standalone unit with yard built in the 2000s. For lease at £6.50 per sq.ft. EPC rating E
Kings Haugh, Prestonfield Park		3,252 4,920	Two modern units available together or separately. Built in the 2000s. For lease. EPC rating C
<b>ELSEWHERE</b>			
41 West Bowling Green Street		2,566	End terrace unit built in the 1980s. For lease
Unit 28 Stenhouse Mill Wynd, Chesser		2,886	End terrace industrial warehouse built in the 1980s. For lease at £12 per sq.ft. EPC rating C
254-256 Causewayside, Newington		9,184	Industrial storage unit built in the 1970s. For lease at £8 per sq.ft.
1 Seafield Way		31,123	Modern detached warehouse built in the 1980s. For lease

Source: Ryden/ Agents/ CoStar

- 4.12 In June 2025, there were 68 industrial units available across Edinburgh. Supply by size range is shown on Figure 4.6 and shows that:
- The largest proportion of units on the market are of the size range 2,001 – 5,000 sq.ft., representing 41% of current supply
  - This is followed by units of the size range 5,001 – 10,000 sq.ft., representing 30% of current supply
  - The size range 10,001 – 20,000 sq.ft. has 16% of supply.
  - The smallest 0 – 2,000 sq.ft. and largest >20,000 sq.ft. size ranges have the least at 6% and 7% respectively.
- 4.13 In comparison with take-up and demand trends, current supply of industrial property in Edinburgh is very low in the smallest size range of 2,000 sq.ft. or below, which is normally a very active market segment in the city. By contrast, small to medium units of 5,001 – 20,000 sq.ft. are more plentiful than is often the case in the city at 41% of current supply (31 units), or indeed in wider industrial markets where trade-on space is often the most squeezed part of the market, due in part to recent new developments in the city.

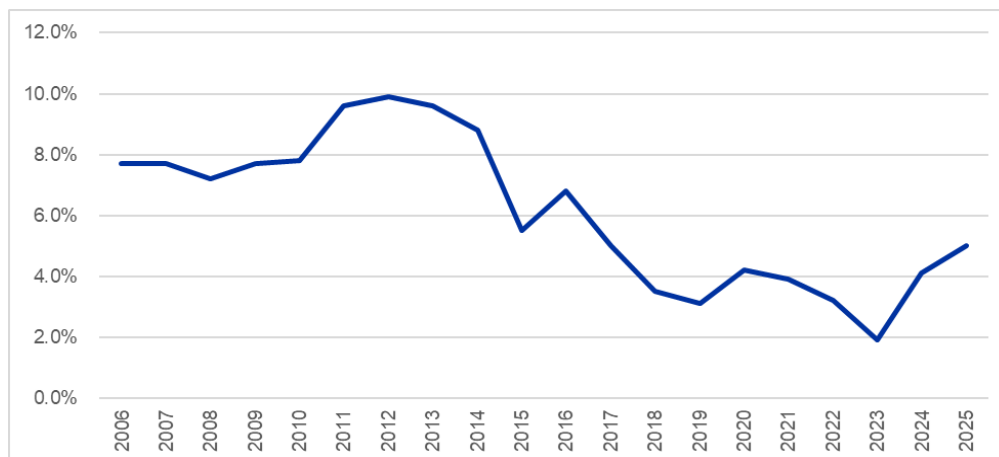
FIGURE 4.6: EDINBURGH INDUSTRIAL SUPPLY BY SIZE RANGE BY NUMBER



Source: Ryden/ Agents, June 2025

- 4.14 The current industrial floorspace vacancy rate is 5%. While this is a low vacancy rate, it has increased recently due to new-build industrial development which will take time to become occupied. Figure 4.7 illustrates that vacancy of just under 8% in 2006 rose to 9.9% during the aftermath of the 2008 financial crisis. Vacancy fell steadily thereafter – bar two upward blips in 2016 and 2020/21 – to sit at an exceptionally low 1.9% in 2023. This is not just a result of continuing demand for industrial property, but also the steady removal of older industrial buildings and sites from the city.

FIGURE 4.7: EDINBURGH INDUSTRIAL VACANCY RATES



Source: Ryden/ CoStar

4.15 Table 4.3 provides a more detailed breakdown of current industrial property supply by size ranges in local market areas. There is supply in all size ranges in the West, Waterfront and 'elsewhere' urban areas, while the South East has no supply in the smallest or largest size ranges.

TABLE 4.3: EDINBURGH INDUSTRIAL SUPPLY BY AREA BY SIZE RANGE (JUNE 2025)

	CITY CENTRE	WEST	WATERFRONT	SOUTH EAST	ELSEWHERE	CITY WIDE
<b>Take-up Totals</b>						
Floorspace sq.ft.	0	311,704	86,621	93,509	140,253	632,087
Floorspace sq.m.	0	28,958	8,047	8,687	13,030	58,722
Number	0	29	6	11	22	68
% Floorspace	0%	49%	14%	15%	22%	100%
% Number	0%	43%	9%	16%	32%	100%
<b>Size range by area: Number</b>						
0 – 2,000	0	2	1	0	1	4
2,001 – 5,000	0	10	2	6	10	28
5,001 – 10,000	0	10	1	1	8	20
10,001 – 20,000	0	4	1	4	2	11
>20,000	0	3	1	0	1	5
0 – 2,000	0%	7%	17%	0%	5%	6%
2,001 – 5,000	0%	34%	33%	55%	45%	41%
5,001 – 10,000	0%	34%	17%	9%	36%	30%
10,001 – 20,000	0%	14%	17%	36%	9%	16%
>20,000	0%	10%	17%	0%	5%	7%
<b>Size range by area: Floorspace (sq.ft.)</b>						
0 – 2,000	0	3,000	835	0	901	4,736
2,001 – 5,000	0	37,681	6,031	26,172	35,708	105,592
5,001 – 10,000	0	65,620	6,749	6,548	50,296	129,213
10,001 – 20,000	0	59,188	11,750	60,789	22,225	153,952
>20,000	0	146,215	61,256	0	31,123	238,594
0 – 2,000	0%	1%	1%	0%	1%	1%
2,001 – 5,000	0%	12%	7%	28%	25%	17%
5,001 – 10,000	0%	21%	8%	7%	36%	20%
10,001 – 20,000	0%	19%	14%	65%	16%	24%
>20,000	0%	47%	71%	0%	22%	38%

Source: Ryden

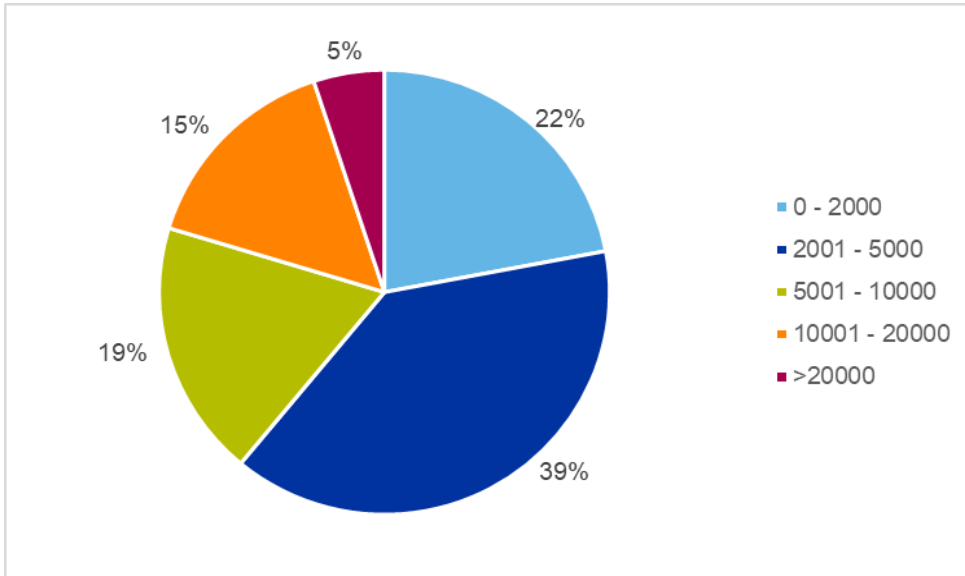
4.16 Industrial take-up for the most recent full calendar year of 2024 and the first half of 2025 records 59 industrial transactions across Edinburgh totalling 343,942 sq.ft. This is not dissimilar to the medium term average take-up of 45 industrial property transactions totalling 323,077 sq.ft. reported at paragraph 4.7 above, although it continues to be a little below the long run market average

4.17 Figure 4.8 splits this take-up down by size range showing that:

- The two smallest size ranges (0 – 2,000 sq.ft. and 2,001 – 5,000 sq.ft.) recorded the majority of units – 61% – taken-up (by number, in 35 units). Within this, the smallest range had 22% of overall take-up, with the 2,001 – 5,000 sq.ft. size range having the largest share of all at 39%.
- For the medium sized ranges, units of 5,001 – 10,000 sq.ft. had 19% of take-up and units of 10,001 – 20,000 sq.ft. had 15% of take-up.
- The largest size range of >20,000 sq.ft. had 5% of 2024/H1 2025 unit take-up (3 units)

4.18 A further 12 units totalling 120,425 sq.ft. are under offer which may lead to take-up. Three of these units under offer are newly constructed units at Capital Park, and two are units currently under construction at Fort Kinnaird Trade Park. The fact that 5 of 12 units currently under offer are new-build supports the comment made above that discerning occupiers are focusing upon the best quality industrial buildings.

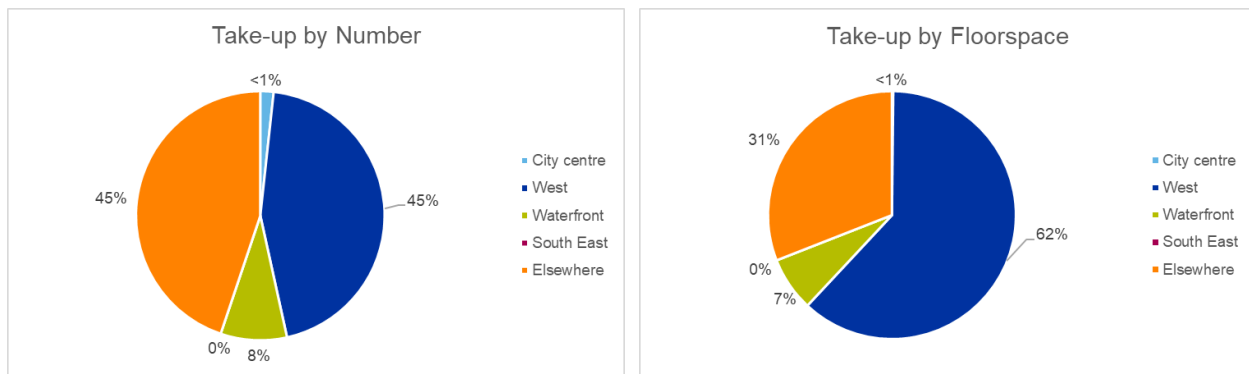
FIGURE 4.8: EDINBURGH INDUSTRIAL TAKE-UP BY SIZE RANGE IN 2024 AND H1 2025 BY NUMBER



Source: Ryden / Agents

4.19 Figure 4.9 shows industrial take-up in 2024 and the first half of 2025 firstly by number of units and then by floorspace. West Edinburgh had the majority of market activity by floorspace at 62% while 'elsewhere' urban industrial areas had 31% of floorspace take-up, however by number these areas had 45% of unit take-up each. The Waterfront had a lower 8% of take-up by number with 7% of floorspace, the City centre had less than 1% of take-up by both number and floorspace. The South East recorded no take-up.

FIGURE 4.9: EDINBURGH INDUSTRIAL TAKE-UP IN 2024 AND H1 2025 BY AREA



Source: Ryden/ CoStar

4.20 Examples of recent industrial transactions across Edinburgh are in Table 4.4. Active sectors include construction, technology, food & drink, arts & culture, motor vehicles, trades, travel and charity – confirming the very broad spread of economic activity taking place in the city's industrial stock. Lease lengths range from 3- years to 10- years, at rents of £6 - £14.25 per sq.ft. reflecting older accommodation up to modern industrial units.

TABLE 4.4: EXAMPLE OF RECENT INDUSTRIAL TRANSACTIONS IN EDINBURGH

ADDRESS		SIZE (SQ.FT.)	DETAILS
<b>WEST</b>			
Capital Park, Bankhead Avenue		4,666	Unit 3B - Let in June 2025 to Zavi Tech Unit 81 - Let in February 2025 to Agilico
Unit 5D Bankhead Business Parc, Bankhead Medway		7,939	Let in December 2024 to Central Roofing and Building Services Limited on a 3-year lease at £14.25 per sq.ft.
Block 15 Unit 9, 15/9 South Gyle Trade Park, South Gyle Crescent		3,940	Let in December 2024 to Royal Scottish Academy on a 10-year lease at £11.40 per sq.ft.
Unit D, 4 Harvest Drive, Newbridge		26,810	Let in November 2024 to Henshaw Facades Ltd on a 4-year lease at £6 per sq.ft.
Unit 2 Bankhead Drive, Catalyst Trade Park		5,732	Let in August 2024 to Vapours Ltd on a 5-year lease at £9.70 per sq.ft.
Cliftonhall Road, Newbridge		21,020 10,530	Units A3 & A4 - Let in August 2024 to SCB Vehicle Dismantlers on a sub-lease at £7.25 per sq.ft. Unit 2, Block C – Let in June 2024 to Thistle Gem on a 5-year lease at £9 per sq.ft.
Turnhouse Court		2,070 2,080	Unit 13 - Let in May 2024 to Cult Roasters Unit 14 – Let in May 2024 to Quate & Co
Block 6, Units 1-4, Peffermill Industrial Estate		8,703	Standalone unit with yard built in the 2000s. For lease at £6.50 per sq.ft. EPC rating E
Kings Haugh, Prestonfield Park		3,252 4,920	Two modern units available together or separately. Built in the 2000s. For lease. EPC rating C

<b>WATERFRONT</b>			
<b>21 Albert Road</b>		11,252	Let in March 2025 to Free the Coo Ltd on a 10-year lease at £8 per sq.ft.
<b>New Broompark, Broompark Business Park</b>		819 1,063	Unit 12 - Let in March 2025 to Liggy's Cake Company on a 5-year lease Unit 25 - Lease renewal in March 2025 to Lorne Properties Ltd for a further 5-years
<b>Units 6 &amp; 8 Sealcarr Street, Forth Industrial Estate, Granton</b>		9,974	Let in August 2024 to Radical Travel Group Ltd on a 10-year lease
<b>SOUTH EAST</b>			
<i>None recorded in 2024 although properties are under offer here</i>			
<b>ELSEWHERE</b>			
<b>Norton Park</b>		3,409 1,297	Unit 1B - Let in March 2025 to Edgewater Contracts & Specialist Joinery Ltd on a 3-year lease Unit 1D - Let in September 2024 to EDLL Investment Limited on a 4-year lease at £13 per sq.ft.
<b>Block 2, Unit 1 (unit 15), West Telferton Industrial Estate</b>		1,895	Let in January 2025 to The Royal Scotsman on a 5-year lease at £13 per sq.ft.
<b>Elizafield, Bonnington Industrial Estate</b>		4,201	Unit 4B - Let in January 2025 to Siemens Mobility Ltd on a 10-year lease Unit 4A - Let in November 2024 to St Columba's Hospice on a 10-year lease at £10.65 per sq.ft.
<b>Unit 1 Sir Harry Lauder Road, A1 Industrial Park</b>		5,048	Let in September 2024 to Lifecycle Oils Ltd on a 10-year lease
<b>246 Causeway side</b>		2,475	Let in September 2024 to Armour Edge on a 5-year lease
<b>7 Jane Street, off Leith Walk</b>		2,243	Let in September 2024 to Lovecrumbs Ltd on a 10-year lease at £12.80 per sq.ft.

Unit 5A Seafield Way		14,634	Let in July 2024 to Cyrenians on a 4-year lease at £7.50 per sq.ft.
Unit 15-17 Salamander Yards		32,826	Sold in July 2024 to Bookspeed for £1.2 million

Source: Ryden/ CoStar

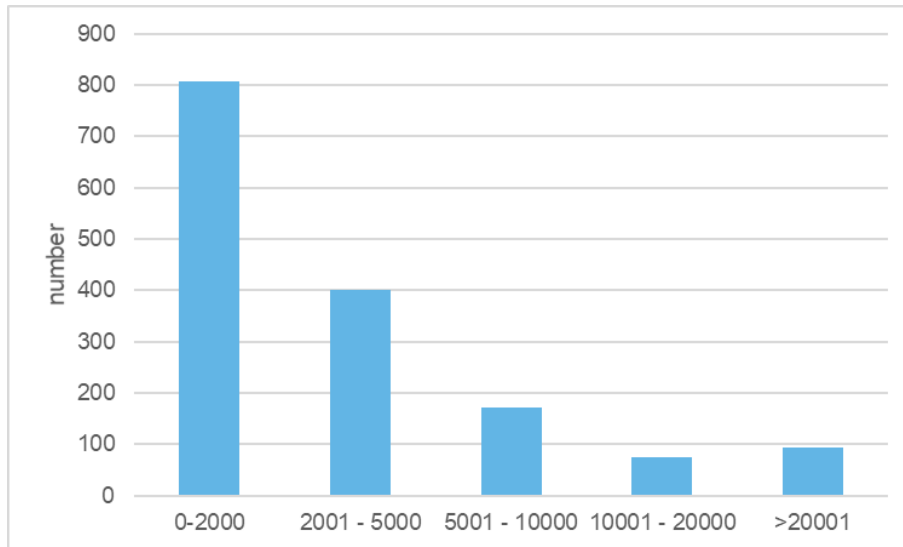
## RENTS

- 4.21 Prime industrial property rents in Edinburgh have increased and are currently £13 - £14 per sq.ft. (£140 - £150 per sq.m.), while average rents city-wide are £9.30 per sq.ft. (£100 per sq.m.). Higher rents of £14- £18 per sq.ft. (£150 - £194 per sq.m.) may be achievable for premium small to medium sized units, and one recent deal for a refurbished unit at Causewayside achieved a peak rent of £20 per sq.ft. (£215 per sq.m.)
- 4.22 Average rents in areas across the city are currently £8.60 per sq.ft. in West Edinburgh (£92.50 per sq.m.), £13.80 per sq.ft. (£148.50 per sq.m.) in the City Centre and £7.90 per sq.ft. (£85 per sq.ft.) at the Waterfront.
- 4.23 These industrial rents are very high both in a historic context and in comparison with other locations outside of Edinburgh. This has significant implications for businesses operating or seeking to operate in Edinburgh.

## ENQUIRIES

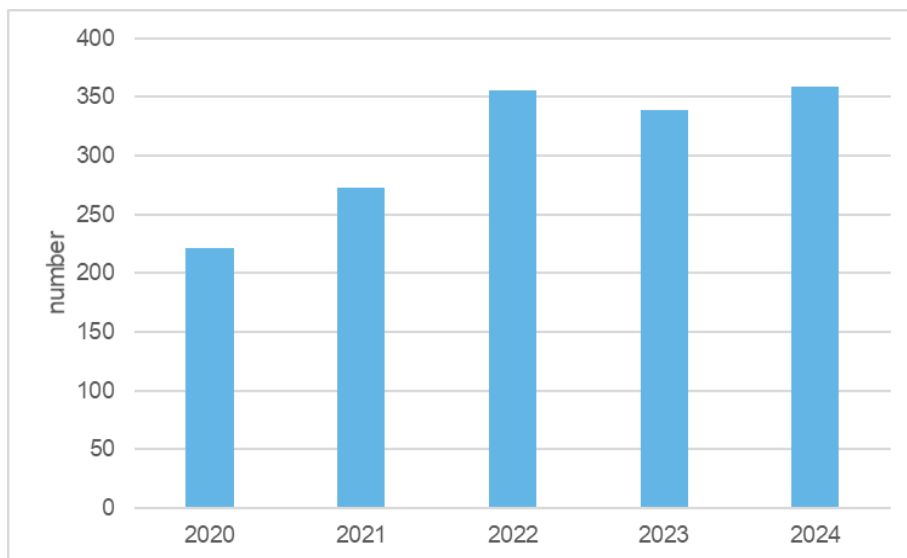
- 4.24 Occupier enquiries can help to expose underlying trends in demand for property. A total of 1,548 enquiries for industrial space in Edinburgh have been received by Ryden since January 2020. The enquires total 8-15 million sq.ft. (743,200 – 1.4 million sq.m.) of floorspace as some indicate ranges rather than specific sizes. Analysing these:
- The smallest size range of 0 – 2,000 sq.ft. has over half (52%) of all enquiries, followed by 26% for units of 2,001 – 5,000 sq.ft. (Figure 4.10). This reconfirms the importance of micro to small occupiers.
  - There were also 339 enquiries for medium to larger units (those of 5,001 sq.ft. +). Forty-one percent of medium to larger enquiries sought a unit in the West of Edinburgh/ Newbridge area; 9% in the South, 8% in the East and 5% in the North / Leith. The remaining 37% are city wide.
  - Active sectors include motor trades, coach works, tool hire, storage, distribution, studio space, car sales, manufacturing, construction, dog day-care, online trading, engineering, bottling, and leisure.
  - The number of enquiries has increased from 221 in 2020 to 359 in 2024 (Figure 4.11). This emphasises the continuing importance of the city's stock of industrial units for the local economy.

FIGURE 4.10: EDINBURGH INDUSTRIAL ENQUIRES BY SIZE RANGE



Source: Ryden

FIGURE 4.11: EDINBURGH INDUSTRIAL ENQUIRES BY YEAR

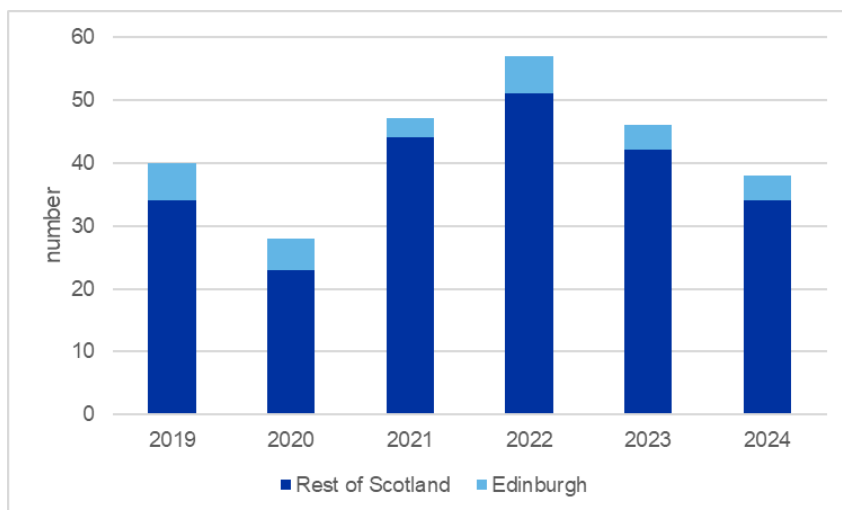


Source: Ryden

## INVESTMENT

- 4.25 The industrial property investment market softened during the 2022-25 inflation-and-interest rate cycle which depressed values. Constrained supply driving rental growth is however attracting investors back into the market. Edinburgh’s industrial market strengths are not necessarily reflected in current deal activity, as landlords focus on holding and managing existing assets rather than trading these.
- 4.26 Ryden monitors all commercial property investments in Scotland of £1 million value or above. For the six years from 2019 to 2024 (inclusive) a total of 256 industrial investment properties over £1 million were sold in Scotland. These total c.17.7 million sq.ft. of floorspace with a value of c. £1.58 billion. The light blue blocks on Figure 4.12 show Edinburgh’s share of the Scottish industrial investment market, which is:
- 11% of Scotland’s industrial property investment market activity by deals numbers (28 across 6 years)
  - 12% by value (£0.19 billion), with a mean industrial investment lot size of £6.8 million.

FIGURE 4.12: INDUSTRIAL INVESTMENT TRANSACTIONS BY YEAR



Source: Ryden

4.27 Table 4.5 provides some recent examples of industrial investment deals in Edinburgh. All are in the west of the city and concern larger industrial assets of c.39,000 – 140,000 sq.ft. and prices of c.£2.4 - £14 million. Investment yields of c.5-7% are low, indicating high pricing for good quality assets.

TABLE 4.5: EXAMPLES OF RECENT EDINBURGH INDUSTRIAL INVESTMENT TRANSACTIONS

ADDRESS	DETAILS	PURCHASER
<b>South Gyle Trade Park, Edinburgh</b>	Multi-let trade park of 18 terraced and solus trade counter units, three light industrial units totalling 139,650 sq.ft. and an office of 4,172 sq.ft.	Roscco Properties for £13.96 million (6.8%)
<b>West Craigs Industrial Estate, Turnhouse Road</b>	Multi-let urban industrial estate off c.66,000 sq.ft. across 21 units. Tenants include Euro Car Parts, Jewson, Dulux and Sky.	William Pears Group/ Pioneer Real Estate. Quoting £6 million (7.3%)
<b>Newbridge Industrial Estate</b>	Three individual mid box units, ranging from 23,201 sq.ft. to 48,650 sq.ft., totalling 116,629 sq.ft. Let to Lothian Buses Ltd, Cereform Ltd and Tennent Caledonian Breweries.	Sold to Northwood as part of a portfolio. Allocated £2.42 million (5.99%)
<b>Queen Anne Drive, Lochend Industrial Estate, Newbridge</b>	51,520 sq.ft. unit let to Honeywell until 2030 at £290,000 p.a.	Arnold Clark Automobiles Ltd for £5.5 million (4.95%)
<b>171 Turnhouse Road</b>	Long leasehold interest sold. The long leasehold expires in 2180 with a ground rent £1,000 till 2030 then peppercorn. The 38,912 sq.ft. unit is let to FedEx on a 25-year lease expiring in 2026 at £550,000 p.a	ICG Plc for £8.5 million (6%)

Source: Ryden / CoStar

## COMPETING LAND USES

4.28 Section 3 provided a wide range of examples of situations in Edinburgh where older industrial properties have been, or are proposed to be, demolished for redevelopment. The new development is typically a higher density residential format, although sometimes it may be a commercial use such as a hotel or retail. The situation is more nuanced where land uses are employment-generating and operate well alongside employment uses, but are not within Use Classes 4, 5 or 6. This may include ancillary estate services such as cafes, small shops, nurseries or medical practices (GPs, dentists, vets). The examples below are employment-generating uses that can compete with industrial due to their scale and sometimes the associated commercial value. The examples are motor sales specifically, and land-hungry uses generally.

4.29 **Motor sales** are a separate planning use [Class 1 Sui generis] which often locate on accessible employment sites or estates. These were identified by the study brief and confirmed by the consultations reported in Section 3 as a sub-market of interest.

4.30 There are four main clusters of car dealerships around the city: Seafield Road and Fort Kinnaid in the east, and on Sighthill Industrial Estate and at the more recently developed Luxury Car Village at Newbridge in the west. There are c. 50 major dealerships with c. 798,000 sq.ft. of floorspace, with those areas in the West having the largest floorspace at c. 250,000 sq.ft. each. Trading brands include Lexus, Landrover, Volvo, Skoda, Hyundai, BMW, Mercedes Benz and Porsche. Fort Kinnaid and Newbridge are seen as 'prime' locations, particularly due to accessibility. Eastern Western Group is reportedly taking land for a new showroom at Fort Kinnaid building on its existing presence at Newbridge.



4.31 In addition, there are around 20 standalone car dealerships across the city, many being for the sale of used cars. These total around 79,000 sq.ft. of floorspace. Many are in units with large yard areas. Of note are the single units occupied by Aston Martin showroom at 1 Corstorphine Road, the Genesis showroom located on the prime retail pitch of Multrees Walk and Howard Johnston on Ferry Road which is located within a ground floor traditional retail unit.



Sources: Grange.co.uk / Genesis/ Google maps

4.32 The Seafield area has a Masterplan for a mixed-use regeneration of the area, this will include the redevelopment of the areas where the car showrooms are located, potentially displacing these operators.

4.33 Over the long term, Edinburgh has lost inner city car showrooms. For example, the former Landrover garage at Craiglockhart Avenue and Lanark Road was recently redeveloped as private flats for sale. A standalone Toyota garage a close to Cameron Toll is for sale as an investment but also has a development opportunity with potential for residential and student accommodation.

4.34 The overall motor sales trend is of market concentration by multiple leading brands into highly accessible edge-city locations, with secondary / second-hand dealerships and lower cost brands remaining in traditional 'motor mile' locations. Showrooms are expected to continue to reduce in size due to online sales.

4.35 There is a growing market for 'land-hungry' uses in Scotland. 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.

4.36 Table 4.6 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.

TABLE 4.6: LAND-HUNGRY USES

LAND USE	TYPICAL REQUIREMENTS	COMMENTS
<b>Battery storage</b>	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.
<b>Whisky maturation</b>	Independents 4-8 hectares Major distillers 40 hectares+ Preference for rural locations	Growth in the whisky industry and the duration required for maturation are increasing the demand for large sites.
<b>Data Centres</b>	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.
<b>Open Storage</b>	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.
<b>Wind turbine manufacture</b>	Preference for coastal locations with port infrastructure and deepwater access	Wind turbine manufacture, assembly and load-out can have very large land requirements. Tend to have close proximity to offshore wind developments thus reducing transport costs and time.

- 4.37 Land-hungry uses tend to favour sites where land is extensive and inexpensive. It is not possible to fully exclude them from consideration, as for example Edinburgh has smaller data centres while a major proposal is currently underway on urban regeneration land at Ravenscraig in North Lanarkshire. However, the city's constrained and expensive land supply means such investments are often more likely to happen elsewhere.
- 4.38 A clear exception is the proposed Vestas offshore wind turbine factory as a part of the Forth Green Freeport at Port of Leith. Details have yet to emerge but the Leith Renewables Hub full site extends to 175 acres and the UK's current facility operated by Siemens Gamesa in Hull plans to double in size to 835,000 sq.ft. (77,600 sq.m.). A comparable facility plus supply chain in Leith would be a major addition to the industrial stock.
- 4.39 A further sector worth noting is aquaculture, which although takes place in water can require significant supporting space. However, in Edinburgh, this sector is primarily concentrated on research and supporting administrative functions. Major aquaculture facilities tend to be located on the West coast and Islands.
- 4.40 Existing land hungry uses which are generating significant employment in Edinburgh include logistics and parcel hubs. This includes Royal Mail and Parcelforce at Sighthill, DHL and DPD at Newbridge and FedEx and Royal Mail at Edinburgh Airport. Some manufacturing also continues to operate in the City including the remaining Burton's Biscuits factory at Sighthill. There is a growing recognition of the importance of high value manufacturing as one of Scotland's growth sectors with Scottish Enterprise offering grants to developers via their manufacturing Property Challenge Programme to build dedicated space to service this sector. The Glasgow City Region in particular has a large manufacturing occupier base but in Edinburgh there may also be some established and growth companies and sub-sectors to accommodate.

## SUMMARY

- 4.41 Long run take-up of industrial property in Edinburgh has averaged 0.37 million sq.ft. (0.343 million sq.m.) of floorspace in 52 units per year. Take-up over the medium term since 2019 has been 12-13% lower than this. Letting dominate the market, with some but comparatively few sales of industrial properties. Small lettings (up to 5,000 sq.ft.) account for more than half of the market.
- 4.42 The current market continues to perform well, with continuing occupier demand, high occupancy rates, increased rents across property types, and rising enquiry levels. Investment (trading of assets) does not necessarily reflect that currently, as investors are attracted but current landlords hold onto their industrial stock.
- 4.43 Occupiers have become more demanding in terms of building performance and new developments (and refurbishment) and increased rents are emerging to meet that market need. Due in part to that new development, vacancy has risen from 2% to 5%, which is still comparatively low. While 68 industrial units are currently on the market, supply of small units (up to 2,000 sq.ft.) is very low in relation to proven demand, while there is a more plentiful supply of medium-sized industrial units (5,001 – 20,000 sq.ft.) including new development.
- 4.44 Transactions and enquiries reveal a very wide occupational base, including: construction, technology, manufacturing, engineering, food & drink, arts & culture, motor vehicle repairs and sales, trades, travel, charity, tool hire, storage, distribution, studio space, dog day-care, online trading and leisure; reconfirming the very broad spread of economic activity which continues to take place within the city's industrial stock.
- 4.45 Land-hungry storage, energy and data projects are less likely in Edinburgh than in lower cost locations with ample land supply. The Leith Renewables Hub's proposed offshore wind turbine blade factory would be a notable exception.

# 05 SUMMARY AND SCENARIOS

## INTRODUCTION

- 5.1 City of Edinburgh Council commissioned Ryden to deliver the Edinburgh Economic Needs Study to support the implementation of City Plan 2030 and the Evidence Report for the forthcoming City Plan 2040.
- 5.2 The Edinburgh Economics Needs Study forms part of the evidence base for Edinburgh's City Plan. The Study is divided into five sector reports: offices, retail, leisure, industrial and visitor accommodation. The reports are to support implementation of the City Plan 2030 and preparation of the upcoming City Plan 2040, ensuring alignment with the requirements of National Planning Framework 4.
- 5.3 This industrial property market report by Ryden assesses planning policy, market trends and Edinburgh's industrial property stock and market. This concluding section summarises those analyses and presents scenarios for the city's future office market.

## SUMMARY

- 5.4 The **economic** background report produced by BiGGAR Economics to support this suite of studies identified that employment in Edinburgh grew substantially between 2015 and 2023, adding 44,800 jobs. Looking forwards, Edinburgh's working age population is predicted to increase by 32,680 between 2024 and 2043. The city's employment base is concentrated in services. There is a correspondingly smaller share of employment in traditional industrial uses such as manufacturing, construction, transport and storage, which together account for 8.3% of Edinburgh's employment compared with 16.3% in Scotland as a whole, although Edinburgh's jobs and businesses in these sectors have increased since 2015. Estimates using industrial sub-sectors suggest that these account for around 30,000 jobs in Edinburgh, however this is only a proxy for the city's industrial stock which attracts a wide range of occupier types.
- 5.5 The city has significant and positive **growth forecasts** from a range of sources: a 10.5% population increase to 2043<sup>11</sup>; additional regional employment of 21,200 jobs to 2032<sup>12</sup>; a City Deal which is well underway and proposed to create 21,000 jobs; and the emerging Forth Green Freeport (including Port of Leith) which proposes 16,000 jobs<sup>13</sup>. The Edinburgh industrial property market should benefit from the general expansion associated with this population and economic growth. Larger new uses may however locate around the city rather than immediately in it (the exception being renewables at the Port of Leith).
- 5.6 Recent changes in **planning** policy have the potential to influence and shape the Edinburgh industrial property market in a number of ways, including: a shift towards strategic sites with good transport connectivity in peripheral locations; continued redevelopment of inner-city industrial areas for alternative uses; a focus on high quality developments for sustainable and innovation businesses as well as support for small businesses and start-ups through flexible and incubation spaces; an emphasis on energy and sustainability; and a tiered approach through having both protected and more flexible employment locations. Clear and supportive policies can attract investment, while uncertainty or overly restrictive policies may deter it.
- 5.7 Scotland and Edinburgh are benefiting from good **demand** and occupancy rates for industrial property. Despite long run de-industrialisation and the loss of older factories, economic trends support a broad industrial occupier base including in Edinburgh many activities fundamental to the functioning of the (growing) city as well as newer green and digital economy occupiers.

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<sup>11</sup> National Records of Scotland

<sup>12</sup> Skills Development Scotland / Oxford Economics

<sup>13</sup> At the time of writing the Full Business Case for the Freeport is reportedly pending; once approved £25 million of seed funding will be released which can help ensure the delivery of serviced sites, and may include some relevant to this report.

- 5.8 The city is maintaining a fairly stable industrial property **stock** of around 11.8 million sq.ft. (c.1.10 million sq.m.). The steady loss of older, obsolete inner city buildings is being offset by new industrial units suited to modern occupier needs, mainly on the accessible western edge of the city. An estimated 47,300 sq.ft. per annum of new development since 2019 sits above the 2010s rate of 44,000 sq.ft. Estimated stock losses to alternative use of c.73,000 p.a. since 2020 sits above the c.50,000 sq.ft. during the 2010s. A notable proportion of the remaining industrial stock is still older and of a basic quality, at a time when occupier expectations are rising, particularly for energy efficiency.
- 5.9 **Vacancy** within this stock has risen to 5%. While there are 68 units on the market, supply of small units (up to 2,000 sq.ft.) is very low in relation to proven demand, while there a more plentiful supply of medium-sized industrial units (5,001 – 20,000 sq.ft.) including new development which is contributing to the increased vacancy rate.
- 5.10 Long run **take-up** of industrial property in Edinburgh has averaged 0.37 million sq.ft. (0.343 million sq.m.) of floorspace in 52 units per year. Take-up over the medium term since 2019 has been 12-13% lower than this. Small lettings (up to 5,000 sq.ft.) account for more than half of the market. The current market continues to perform well, with continuing occupier demand, high occupancy rates, increased rents across property types, and rising enquiry levels. Occupiers have become more demanding in terms of building performance and new developments (and refurbishment) at increased rents are emerging to meet that market. Transactions and enquiries reveal a very wide occupational base, reconfirming the very broad spread of economic activity which continues to take place within the city's industrial stock.
- 5.11 Key industrial stock, supply, vacancy rate and take-up statistics are summarised by area in Table 5.1.

TABLE 5.1: INDUSTRIAL STOCK, SUPPLY AND TAKE-UP BY AREA

	CITY CENTRE	WEST	WATERFRONT	SOUTH EAST	ELSEWHERE	CITY WIDE
<b>Stock sq.ft.</b>	33,244	4,868,138	1,853,473	537,286	4,574,037	11,866,178
<b>Stock sq.m.</b>	3,008	452,261	172,192	49,915	424,938	1,102,395
<b>% of stock</b>	<1%	41%	16%	4%	39%	100%
<b>Current supply (sq.ft.)</b>	0	311,704	86,621	93,509	140,253	632,087
<b>% of supply</b>	0%	49%	14%	15%	22%	100%
<b>Vacancy rate</b>	0%	6%	5%	17%	3%	5%
<b>Share of take-up 2019 to H1 2025</b>	<1%	75%	3%	2%	19%	100%

Source: Ryden/ CoStar/ Agents

- 5.12 The city's allocated **employment land** supply to accommodate future industrial development is superficially extensive, at 19 sites totaling 292.38 hectares, of which 14 sites totaling 92.28 hectares is Category 1 marketable land. The majority of employment land is office/business rather than industrial, or restricted to science park use, with constraints to overcome including a major land area at IBG which is being progressed as West Town. Long run take-up of employment land is 3.64 hectares per annum, although that has been lower in recent years. The next wave of industrial development is potentially large but is dominated by EDI Approach at Newbridge (up to 693,000 sq.ft.) which will provide an initial mixed occupancy phase alongside larger single user sites to meet a range of occupier needs, in contrast with the multi-site delivery of new industrial space in recent years.

## SCENARIOS

- 5.13 Ryden's 2018 report for City Plan 2030 anticipated the need to both replace lost industrial floorspace and modernise the stock. The estimated future annual requirement was for 72,700 sq.ft. (6,750 sq.m.) of new development on 2.25 hectares of employment land each year, plus 72,700 sq.ft. (6,750 sq.m.) of refurbishment. Market demand in 2018 was anticipated from urban services and trades, e-commerce, modernising industry and urban logistics. Loss of further and new activity to the wider region was included.
- 5.14 The 2020 mixed-use report identified 40 short-medium term industrial assets totalling 2.45 million sq.ft. which were vulnerable to redevelopment for alternative uses, mainly in the north-east of the city around Leith, Bonnington and Seafield. The scale of this stock measured against the proven rate of redevelopment suggests that this could take decades, even with permissive policy, while it may be that robust demand for industrial property will encourage some assets to be reinvested for that use rather than redeveloped.
- 5.15 The 2025 core scenario remains unchanged from 2018: Edinburgh is reusing the majority of its industrial stock alongside the steady loss of older, obsolete inner urban assets – supported by City Plan 2030 Housing Proposals sites and Policy Econ 5 - while new development continues to happen on accessible peripheral sites or occupiers may be lost to regional locations. The scenarios in this 2025 report are presented in Table 5.2:
- The **business-as-usual** scenario would see Edinburgh continue to lose obsolete inner city industrial stock and replenish that with new development on the periphery and within existing estates. While the overall stock may not change much in quantitative term, it should steadily become more efficient for occupiers in terms of location, energy efficiency, layouts, amenities, processes and volumes (due to higher eaves heights). Under this scenario a proportion of new or displaced occupiers would continue to move to other regional locations outside of Edinburgh:
    - Based upon ongoing market evidence, a lifespan of 60 years for the city's 11.86 million sq.ft. (c.1.10 million sq.m.) industrial stock indicates a requirement to renew 0.197 million sq.ft. (18,270 sq.m.) per annum. Assuming this is split evenly between new development and refurbishment then the annual requirement would be 98,000 sq.ft. (9,135 sq.m.) for each activity. At the moment both replacement and refurbishment are happening at somewhat below these rates – around half based upon activity 2010-25. This implies that a significant proportion of the older stock is simply continuing year-to-year in a very basic and potentially declining state. The related serviced land requirement would be around 3 hectares<sup>14</sup> per annum, which is not inconsistent with past take-up rates.
  - Under the **growth** scenario Edinburgh would retain more of its industrial market through urban growth and/or lower dispersal of activity to the wider region through offering more new sites and premises. This is in addition to the growth within an improving stock under-the-business as usual scenario:
    - Assuming a marginal 1% p.a. physical stock expansion each year, a further 118,000 sq.ft. (c.11,000 sq.m.) of new industrial development would be required, bringing the annual rate to 216,000 sq.ft. (20,000 sq.m.). This is around four times the current rate of new development. Over 10 years for example the industrial stock would expand to around 13 million sq.ft. (c.1.21 million sq.m.). The related annual serviced employment land requirement would be 6.67 hectares.
- These are general industrial market scenarios. The proposed Port of Leith turbine blade factory and supply chain could potentially be a largely net additional 'wind'-fall employment site. This is not shown in Table 5.1.
- 5.16 The employment land requirements could be delivered at EDI Approach, the remaining marketable allocated industrial sites, potential further regeneration of obsolete employment sites in existing estates, land brought forward (for example through site servicing) from the constrained allocated supply and, potentially, selective relaxation of use classes on the city's large volume of Class 4 business land.

<sup>14</sup> Assuming modern planned estates with typically 30% site coverage (the balance being roads, footpaths, landscaping/ amenity space, car-parking, drainage etc.).

TABLE 5.2 EDINBURGH INDUSTRIAL MARKET NEEDS (ANNUAL)

MARKET DRIVER	BUSINESS-AS-USUAL SCENARIO	GROWTH SCENARIO
Population and economy	Steady forecast expansion of city population and economy	
Productivity	Steady marginal gains from modernising industrial property stock	
Industrial sector growth	Marginal gains as above but no net expansion of city industrial stock	Marginal gains plus impacts of urban growth and/or lower market dispersal.
<b>EDINBURGH INDUSTRIAL MARKET NEEDS</b>		
New-build industrial property	98,000 sq.ft. (9,135 sq.m.)	216,000 sq.ft. (20,000 sq.m.)
Refurbished industrial property	98,000 sq.ft. (9,135 sq.m.)	197,000 sq.ft. (18,270 sq.m.)
Serviced employment land	3 hectares	6.67 hectares

Source: Ryden

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**September 2025**

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# Ryden

# APPENDIX

## INDUSTRIAL FLOORSPACE BY AREA BY SIZE AND QUALITY

This Table presents data by area which underpins the charts and commentary in Section 3 on industrial floorspace, industrial size ranges, industrial quality and decade of construction by location.

	CITY CENTRE	WEST	WATERFRONT	SOUTH EAST	ELSEWHERE	CITY WIDE
<b>Floorspace by area</b>						
sq.ft.	33,244	4,868,138	1,853,473	537,286	4,574,037	11,866,178
sq.m.	3,088	452,261	172,192	49,915	424,938	1,102,395
% of stock	<1%	41%	16%	4%	39%	100%
<b>Star rating by area: Floorspace (sq.ft.)</b>						
1*	8,544	7,864	101,714	0	133,956	252,078
2*	24,293	1,089,736	999,222	156,768	2,447,981	4,718,000
3*	407	3,490,280	752,537	353,518	1,654,482	6,251,224
4*	0	280,258	0	27,000	337,618	644,876
5*	0	0	0	0	0	0
1*	26%	0%	5%	0%	3%	2%
2*	73%	22%	54%	29%	54%	40%
3*	1%	72%	41%	66%	36%	53%
4*	0%	6%	0%	5%	7%	5%
5*	0%	0%	0%	0%	0%	0%

	CITY CENTRE	WEST	WATERFRONT	SOUTH EAST	ELSEWHERE	CITY WIDE
<b>Decade of Construction by area: Floorspace (sq.ft.)</b>						
Pre war	9,909	48,745	6,998	7,325	113,094	186,071
1940s	4,173	149,978	95,871	0	394,387	644,409
1950s	0	0	61,256	0	151,375	212,631
1960s	1,200	4,080	101,600	0	184,796	291,676
1970s	3,621	362,412	93,078	7,815	766,308	1,233,234
1980s	13,934	600,413	421,005	110,139	868,226	2,013,717
1990s	0	754,413	599,083	172,131	1,004,745	2,530,372
2000s	407	1,230,852	173,566	33,879	743,909	2,182,613
2010s	0	1,094,832	301,016	158,455	276,802	1,831,105
2020s	0	389,192	0	20,542	70,395	480,129
Unknown	0	233,221	0	27,000	0	260,221
Pre war	30%	1%	0%	1%	2%	2%
1940s	13%	3%	5%	0%	9%	5%
1950s	0%	0%	3%	0%	3%	2%
1960s	4%	0%	5%	0%	4%	2%
1970s	11%	7%	5%	1%	17%	10%
1980s	42%	12%	23%	20%	19%	17%
1990s	0%	15%	32%	32%	22%	21%
2000s	1%	25%	9%	6%	16%	18%
2010s	0%	22%	16%	29%	6%	15%
2020s	0%	8%	0%	4%	2%	4%
Unknown	0%	5%	0%	5%	0%	2%

Source: Ryden