

Scottish Property Federation Commercial Property Sales Update Q2 (April - June) 2019

Summary

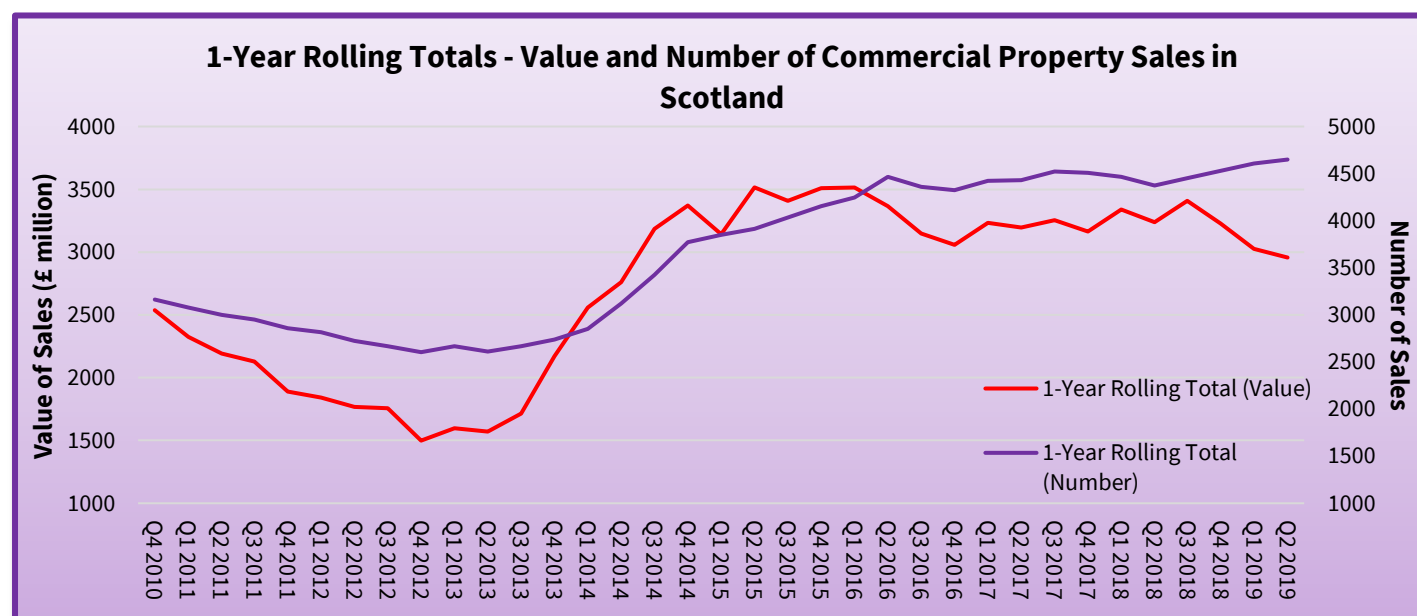
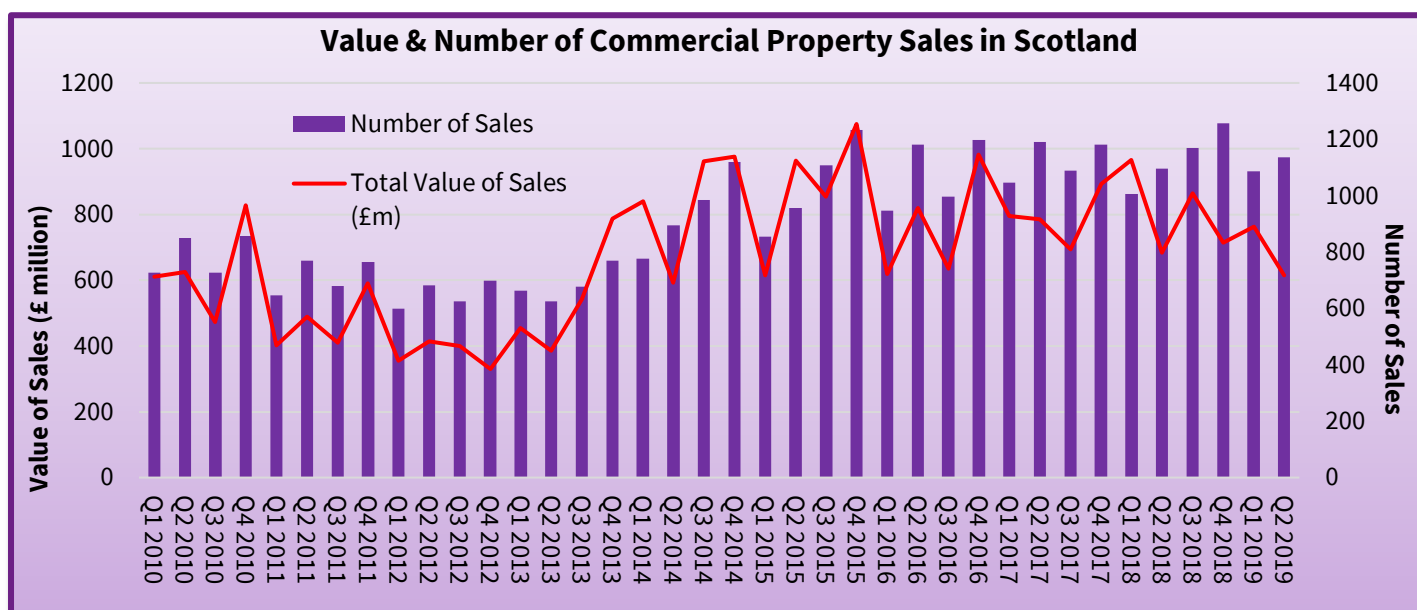
- **Total Value of Sales:** The total value of Scottish commercial property sales in Q2 (April to June) 2019 was **£614m**. This is **down £149 million (20%)** on Q1 (January to March) 2019 and **down £70 million (10%)** on the same quarter (Q2) in 2018.
- **Number of Sales:** The number of commercial property sales in Q2 2019 was **1,136**. This is **up 50 (5%)** on Q1 2019 and **up by 41 (4%)** on the same quarter (Q2) in 2018.
- **≥£5 Million Sales:** There were **19** commercial property transactions at or above £5 million in Q2 2019, with a combined value of **£217m**. The combined value of sales at this section of the market is **£177 million (45%) less** than Q1 2019 and **£53 million (20%) down** on the same quarter (Q2) in 2018.
- **Aberdeen:** The value of commercial property sales in Aberdeen **fell by £11 million (27%)** to **£30 million** in Q2 2019 against Q1 2019 and was also **down £93 million (76%)** against the same quarter (Q2) in 2018.
- **Edinburgh:** At **£108 million**, the total value of commercial property sales in the capital was **£156 million (59%) lower** than in Q1 2019 and **£14 million (11%) down** than on the same quarter (Q2) in 2018.
- **Glasgow:** The total value of commercial property sales **rose by £27 million (19%)** in Q2 2019 against the previous quarter and by **£68 million (65%)** on the same quarter in 2018. Commercial property sales totaled **£172 million**.
- **Costar Investment Data:** Costar UK has reported that **£574 million** was invested in Scottish commercial property in Q2 2019, this was predominantly driven by investment into the office sector.

Unless otherwise stated, all data is from Registers of Scotland. Figures may not sum due to rounding.

Commercial Property Sales in Q2 2019

Commercial property sales in Scotland continued to be subdued in Q2 2019, with the total value of sales falling to its lowest value for five years. In total, £614 million was transacted on commercial property in Scotland during Q2 2019, which was down £149 million (20%) on the previous quarter and £70 million (10%) on the same quarter (Q2) in 2018.

On a rolling one-year basis, there was £2.96 billion of commercial property sales in Scotland to the end of Q2 2019. This total is £70 million (2%) down on the rolling one-year total at the end of Q1 2019 and represents the third consecutive quarterly fall for this metric. Conversely, the number of commercial property sales on a rolling one-year basis, continued to rise to its highest levels in recent times, with 4,649 sales in the year to the end of Q2 2019, up 1% on the figure for Q1 2019.



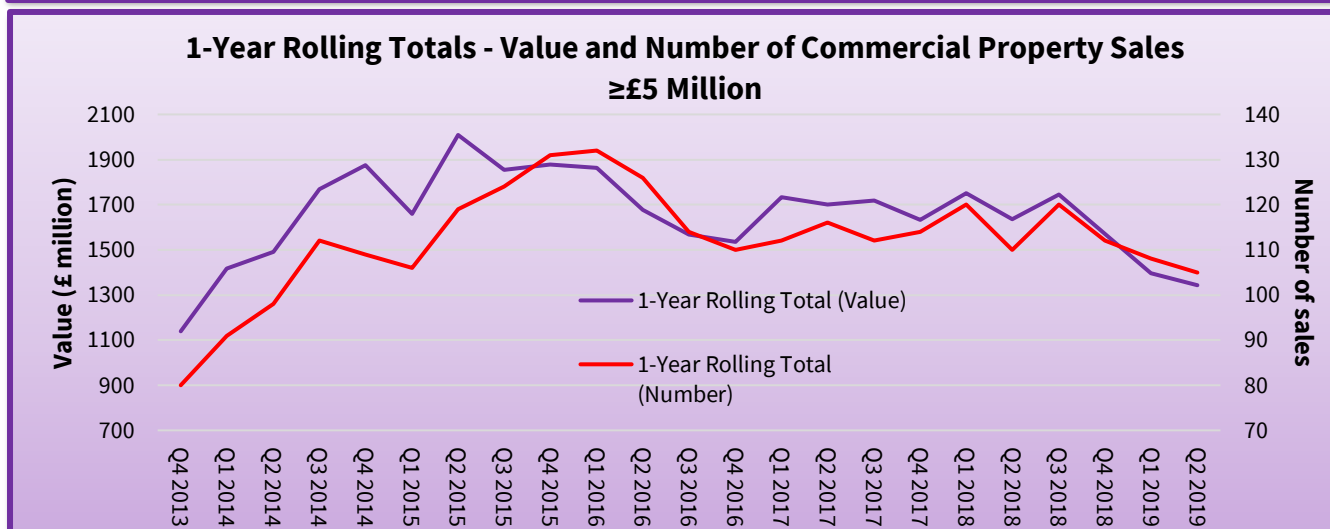
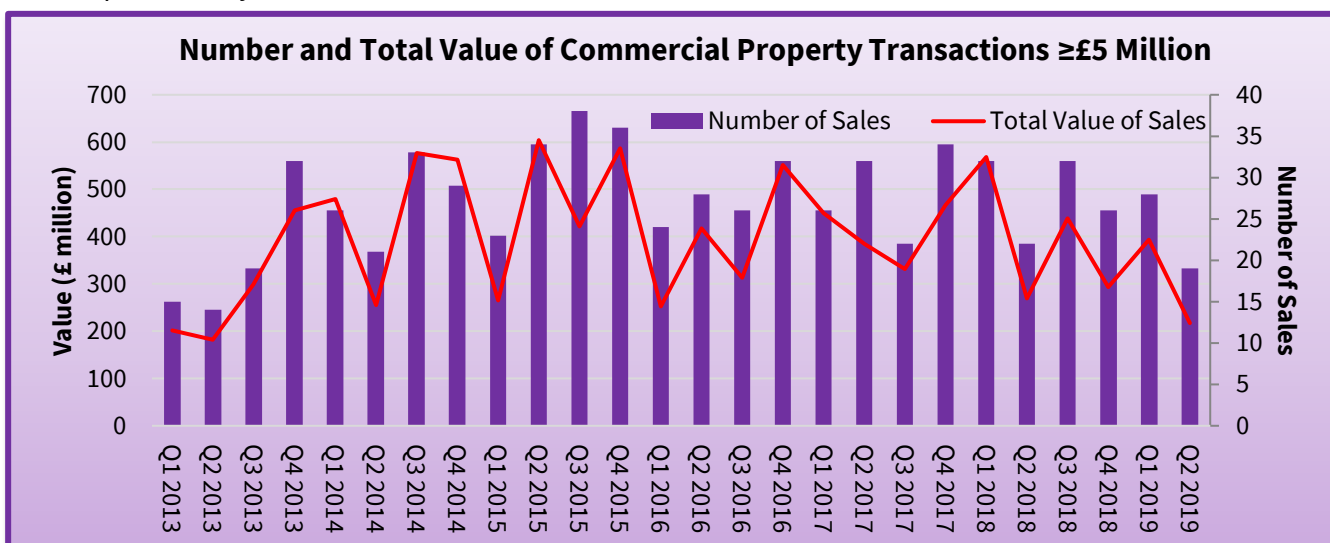
Commercial Property Sales ≥£5 Million

There were fewer sales of commercial property in Scotland in Q2 2019 that transacted at a value of ≥£5 million when compared to both the previous quarter, and the same quarter in 2018. There were 19 sales ≥£5 million, down nine sales on the previous quarter and down three on the same quarter in 2018.

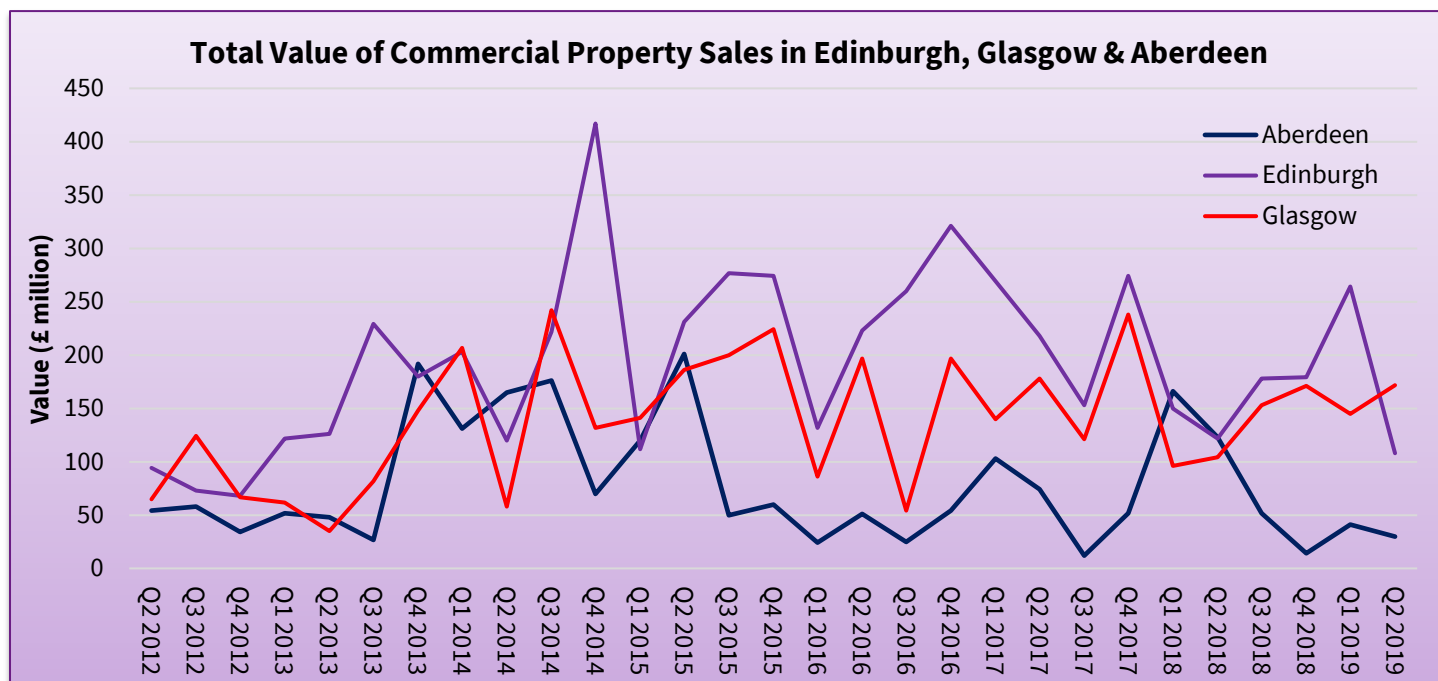
At £217m, the total value of commercial property sales ≥£5 million in Q2 2019 fell to its lowest level since 2013. The total value of sales was £177 million (45%) down on the previous quarter and £53 million (20%) down on the Q2 2018.

On a rolling one-year basis, the total value of commercial property sales ≥£5 million in Scotland fell for the third consecutive quarter. At £1.34 billion, the one-year rolling total in Q2 2019 was £294 million (18%) less than at the same period last year.

Local Authority	Number of Sales	Total Value of Sales (£ million)
Dundee City	1	7
East Renfrewshire	1	12
Edinburgh, City of	5	33
Fife	1	6
Glasgow City	7	129
North Lanarkshire	2	12
South Lanarkshire	2	19
Scotland	19	217



Commercial Property Sales in Aberdeen, Edinburgh & Glasgow



Aberdeen

The total value of commercial property transactions in Aberdeen dipped to £30 million in Q2 2019, falling £11 million (27%) compared to the first quarter of the year and £93 million (76%) on Q2 2018. The total value of commercial sales in Aberdeen in Q2 2019 was the lowest figure for a second quarter in over seven years.

Edinburgh

Edinburgh lost its dominance to Glasgow in Q2 2019 following a significant fall in the total value of commercial property sales. At £108 million, the city's sales were down £156 million (59%) on the previous quarter and £14 million (11%) on Q2 2018. Edinburgh's share of the total value of commercial property sales in Scotland fell from 35% in Q1 2019 to 18% in Q2 2019; however, its share of the market is relatively unchanged when compared to Q2 2018.

Glasgow

In Q2 2019, the total value of commercial property sales in Glasgow surpassed Edinburgh for the first time since 2015, with sales totaling £172 million. The total value of commercial property sales in Glasgow gained on the totals for the previous quarter and on the same quarter (Q2) last year, by £27 million (19%) and £68 million (65%) respectively.

Commercial Property Investment

Property data experts CoStar have found that investment into Scottish commercial real estate increased in Q2 2019, rising to £574 million in the quarter. This, it is reported, brings total investment for the first half of 2019 to £952 million.

Despite the slight increase in investment, volumes in Q2 2019 remained relatively flat on an annual basis and also fell below the five-year average. However, Scotland was still one of the best performing regions of the UK, indicating that subdued investment into commercial real estate is not just a Scottish issue.

On a sector basis, CoStar found that offices took the largest share of the total investment in Q2 2019 at 35%, followed by retail (26%), industrial (25%) and alternatives (14%).

It was highlighted that Asian capital was particularly important to investment into Scottish commercial property during Q2 2019, with CoStar noting that quarterly inflows from Asia topped £250 million for the first time on record.

