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Expanding firms face shortage of office space

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By **SCOTT REID**

Scottish businesses are overwhelmingly positive about their growth prospects for the next five years, but may struggle to secure space to expand into, a major survey suggests.

Just 9 per cent of firms believe they will stay the same or downsize in the near term, according to the poll of more than 200 of the country's top 500 businesses.

The survey, undertaken during March by Yolo Comms and commissioned by The Haymarket development in Edinburgh, quizzed bosses on a series of key property issues.

It found that manufacturing and utility companies were most likely to expand, closely followed by IT/telecoms and finance sector firms.

The generally optimistic outlook chimes with the findings of the inaugural Royal Bank of Scotland Business Monitor – published on Friday – which showed growth had eased during the first quarter of this year but predicted a modest rebound in turnover and business activity in the medium-term.

David Westwater, development director at The Haymarket Edinburgh, said: "Our research paints a very clear picture of optimism which is heartening for Scottish business and the economy."

The survey identified that of the 91 per cent of businesses looking to expand, more than a third would need new office premises within the next five years.

Proximity to public transport was the key determinate when deciding on a new office location, particularly among professional services firms. Good transport connectivity was deemed more important than price, though cost per square metre was the second most important factor.

Having the "right" business postcode was third in the list of must-haves, with 94 per cent rating this as an important determining factor. This was

particularly evident in the professional services and finance sectors.

Westwater said: "There is a

clear demand for quality office accommodation, particularly in the capital, and while this is good news for The Haymarket, which is in advance discussions with a number of occupiers, it does point to a scarcity of prime office accommodation in the right location."

Detailed planning approval for the gap site development was granted in 2011 following an extensive consultation programme. When complete, it will

When completed, The Haymarket development will include 340,000 square feet of much-needed office space, as well as a mix of retail, food and leisure outlets

include three office buildings providing some 340,000 square feet of space, as well as a mix of retail, food and leisure provision. There will also be a 165-bedroom hotel and underground car park.

The Haymarket Edinburgh joint office agent, Cameron Stott from JLL, added: "We know that ease of travel is essential to businesses who not only count the cost of billable hours travelling between meetings, but also when factoring in the ease of commuting at the beginning and end of the day.

"With sustainability higher up on the business agenda, we also see a move towards the use of public transport, particularly in cities such as Edinburgh, which are highly congested."

Access to amenities such as good coffee shops and restaurants also scored highly in the research, with three-quarters of all respondents believing it was important or very important in their decision-making.



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