

# INVEST

## EDINBURGH

### RENEWABLE ENERGY IN OUR HANDS

» HARNESING SUSTAINABLE ENERGY  
THROUGH TECHNICAL INNOVATION



  
**EDINBURGH**  
INSPIRING CAPITAL

VOTED EUROPE'S TOP SMALL CITY BY FDI MAGAZINE

INSIDE ISSUE 31 » PROF MARK SCHAFER ON EDINBURGH'S PROSPECTS » 10 QUESTIONS  
FOR STUART MEAD » A VIBRANT BIOSCIENCE INDUSTRY » COMING UP IN 2010

# THE FIRST WORD

Welcome to 2010, and to the latest issue of *Invest Edinburgh*, the quarterly investment promotion magazine of the City of Edinburgh.

It is only fitting that the first issue of the new decade should focus on the industries of tomorrow. As the world emerges from recession, leading economies will invariably look to emerging sectors to drive future growth. This issue of *Invest Edinburgh* considers the unique strengths of Edinburgh City Region in the fields of renewable energy and life sciences.

In our cover feature, "Renewable energy in our hands", we look at the massive opportunities that the Scottish Government's world-leading target of generating 50% of electricity from renewable sources by 2010 will create over the next ten years and beyond. With a history of ground-breaking innovation in the field of wind and wave power technologies and massive ongoing investment into enabling infrastructure, the Edinburgh City Region is the perfect location for businesses looking to capitalise on this huge demand.

Development of new products and entering new markets are frequently touted as pathways to success. A business that exemplifies both of these tactics is Touch Bionics, the medical devices company that gave the world the first commercially available bionic hand (named one of the best inventions of 2008 by TIME Magazine). CEO Stuart Mead explains his strategy for the future as he answers this issue's 10 Questions.

Mindful of future supply considerations in the city's office market, Ben Reed of Jones Lang LaSalle explains to businesses currently contemplating a relocation why now is the time to act in this issue's Making it Happen column.

Finally, our regular analysis piece explores the role of SMEs within the Edinburgh Science Triangle in driving forward animal bioscience and regenerative medicine.

Every subscriber to the next issue of *Invest Edinburgh* will receive a complementary copy of *Edinburgh by Numbers*, the annual booklet containing detailed statistical information on the city.

If you would like to discuss the opportunities for raising awareness of your business amongst the readers of *Invest Edinburgh*, please contact the editorial team at [editor@investedinburgh.com](mailto:editor@investedinburgh.com) for an informal discussion of the options.

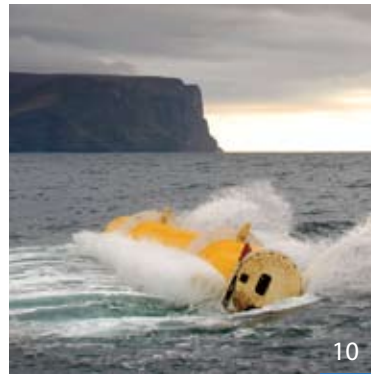
As always, I would be interested to hear any feedback you have on *Invest Edinburgh*.

**TOM BUCHANAN,**  
Convenor of the Economic  
Development Committee

*T. B. Buchanan*



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## THE VIEW FROM HERE

Professor Mark Schaffer of Heriot-Watt University argues for an optimistic view of Edinburgh's future economic prospects.

I cannot resist the temptation to begin with a quote from one of the few members of my profession who has done very well in the Great Recession. "In the long run we are all dead", John Maynard Keynes wrote in 1923. Keynes was, in fact, arguing that economic forecasting over the long run tells us little about what to expect, say, over the next few months and years. "Economists set themselves too easy, too useless a task," he continued, "if in tempestuous seasons they can only tell us that when the storm is long past the ocean is flat again."

Enough of the storm has passed for us to be able to see fairly clearly where the winds are now blowing the UK and Scottish economies. GDP may already have started growing again in the last quarter of 2009; if not, then positive – albeit slow – growth should resume sometime in 2010. Unemployment is another matter, and is likely to continue to rise even as the economy starts to grow. But within a year or so, unemployment should stabilise and then start to fall. In the very short run, we seem to have dodged the bullet.

Scotland is tracking the UK as a whole here. According to the Fraser of Allander Institute, the GDP fall in Scotland in 2009 will be slightly deeper than in the UK as a whole, and growth will be slightly lower in 2010 as well. In terms of unemployment, on the other hand, Scotland is perhaps doing a bit better. But these differences are small. We are in this together.

Where things get interesting is when we switch our attention to the medium term horizon. The driver here – no surprise – is the state of the public purse. The UK can sustain the fiscal deficits we see today for another couple of years but no more. The ratio of debt to GDP is large and growing, and a major

fiscal retrenchment is necessary in order to stabilize and then reduce it to safe levels. The good news here is that the public understands well that the government cannot live indefinitely beyond its means, perhaps because the UK household sector is itself re-learning – painfully – the merits of saving.

There are at least two dangers lurking in these turbulent waters. One is political promises to protect "front-line services", since these imply still deeper cuts in sectors that do not have the same electoral profile. The second is less likely to arise

but more worrisome if it does. Having dodged one bullet, we are not well equipped to have to dodge another should the world economy take a turn for the worse, or should the financial markets begin to doubt the ability of the UK to manage the fiscal retrenchment. Economics isn't known as the dismal science for nothing.

But if we turn our focus from the UK and Scotland to Edinburgh, the picture becomes much brighter. The capital of Scotland is well placed both to weather the recession in the short run and to grow in the long run. According to a recent report by the Centre for Cities, Edinburgh has seen one of the smallest increases in unemployment during the recession of any UK major city, has one of the lowest rates of youth unemployment, and has one of the most highly-skilled workforces – and it does not appear in the lists where we would rather not be, such as cities with the largest shares of employment in sectors most exposed to the recession. And here we have an exception to Keynes' dictum, because the strengths of the capital's economy are here for the long term. Perhaps this is "too easy" a forecast to make, but again the temptation – this time, to end on a note of optimism – is too difficult to resist.

"THE STRENGTHS OF THE CAPITAL'S ECONOMY ARE HERE FOR THE LONG TERM."

Mark Schaffer is Professor of Economics and Director of the Centre for Economic Reform and Transformation at Edinburgh's Heriot-Watt University.

# INSPIRING CONFERENCES

Edinburgh Convention Bureau  
Inspiring Conferences



**(ICCA) ranks Edinburgh second only to London in the UK and the 28th most popular destination in the world in terms of where to stage an international association meeting.**

At a time when cost is a key factor, Edinburgh was placed first in a recent value-for-money study of world-ranked international conference destination cities commissioned by VisitBritain, further reinforcing the city's reputation and helping provide an important edge in a very competitive market place.

It's a success story supported by the Edinburgh Convention Bureau (ECB), which works to raise Edinburgh's profile as an inspiring conference destination and acts as a catalyst between the conference industry and all the venues and services provided by its members.

According to figures released by the ECB, the organisation remains on target to hit its 2009/10 targets and deliver £73.9 million of economic benefits to the city region. It's testament to both Edinburgh's enduring appeal and the work of the ECB and partners such as the Edinburgh International Conference Centre (EICC) that the city has continued to attract an increasing number of major international events.

Among Edinburgh's many new conference wins, and underlining the city's reputation as a medical centre of excellence, is the International Congress of the European Hernia Society, which will be staged at the EICC in November 2011. It is anticipated the meeting will be attended by 1,500 delegates and be worth £1.6 million to the local economy.

**It is estimated that business tourism generates more than £300 million annually for the Edinburgh economy, thanks largely to the city's unrivalled and diverse range of premium conference venues. The International Congress and Convention Association**

## MARKETING EDINBURGH

**Building on Edinburgh's international profile, a number of activities over the next few months aim to promote the city to a wider audience.**

In celebration of its diamond jubilee, the Royal Edinburgh Military Tattoo will return to Sydney this February, five years after its first performance in Australia attracted 150,000 spectators. As well as the pipes and drums of the Royal Regiment of Scotland, the Tattoo will feature performers from around the world.

Among this year's entrants in the renowned Clipper Round the World Yacht Race is the Edinburgh Inspiring Capital. In March, the yacht will set sail from Qingdao, China, beginning its month-long journey across the Pacific Ocean to San Francisco, where potential investors will be invited to attend a reception and take part in sailing excursions.

Edinburgh will also be represented at MIPIM, the world's premiere real estate trade fair, in March. Taking place in the Palais des Festivals in Cannes, France, MIPIM attracted 18,000 delegates from 80 countries in 2009.

> **Further information:**

[www.edinburghattooinaustralia.com.au](http://www.edinburghattooinaustralia.com.au)

[www.clipperroundtheworld.com](http://www.clipperroundtheworld.com)

[www.mipim.com](http://www.mipim.com)



## EDINBURGH AIRPORT



**Edinburgh Airport's newest departure lounge opened to passengers on 19 November 2009, marking the completion of the first stage of an ongoing £40 million redevelopment. The 2,600 square metre lounge features 450 passenger seats and a number of retail and restaurant outlets.**

The second phase of the airport expansion will see the construction of a new central passenger search facility constructed within the terminal building, increasing the number of x-ray machines in the airport by 50%. Work is already underway, with a

scheduled completion date of spring 2011.

In 2008, 8.9 million passengers and 49,132 tonnes of freight moved through the airport. By 2013, this is projected to rise to 13.7 million passengers and 66,700 tonnes. Land has been allocated for the future growth of the airport, including the possible future construction of a second main runway.

The largest airport in Scotland, Edinburgh Airport was named the best performing UK airport in 2009 by RDC Aviation. The airport employs 2,500 people and contributes approximately £300 million to the Scottish economy each year.

> **Further information:** [www.edinburghairport.com](http://www.edinburghairport.com)

FACT:

92% of residents of Edinburgh are satisfied with the city as a place to live.

source: Edinburgh Residents Survey

## ETAG CUSTOMER CARE

Thanks to a new programme developed by the Edinburgh Tourism Action Group (ETAG), equipping tourism staff with vital customer care skills has never been more cost effective. The Customer Care Champions programme is aimed at tourism companies looking to enhance the quality of customer care they offer.

Subscribers gain access to training manuals that will help their staff to develop key communication, customer care, local knowledge, personal appearance and team player skills. Participants will also be given the opportunity to attend "train the trainer"

workshops and network with other tourism professionals. The programme enables tourism sector employers to equip their entire workforce with certificated customer care skills for as little as £20 per year.

ETAG is a public-private association representing over 1,000 tourism sector companies in Edinburgh. Its supporters include the City of Edinburgh Council, Destination Edinburgh Marketing Alliance, Scottish Enterprise, VisitScotland, Historic Scotland and BAA Edinburgh.

> **Further information:**  
[www.customerchampions.co.uk](http://www.customerchampions.co.uk)



## 1 TO WATCH SKYSCANNER



### WHAT DO THEY DO?

Skyscanner provides an instant flight price comparison service, encompassing more than 670,000 routes worldwide and more than 600 airlines. The site also enables travellers to search for the best deals on car hire and hotel accommodation. It now offers flight searches in 20 different languages and 64 different currencies.

### WHY ARE THEY WORTH WATCHING?

In today's cost conscious marketplace, consumers are becoming increasingly savvy when it comes to searching for cheap air fares and finding a bargain. Demand for international travel remains high, yet people want to do more for less. Skyscanner helps them to do just that. The business has witnessed rapid expansion in 2009, with projected revenue of £9 million in the year to May 2010 compared with £3.5 million in the previous 12 months. They have recorded growth of over 80 per cent year-on-year.

### WHERE HAVE THEY COME FROM?

Gareth Williams started the business in Edinburgh with fellow IT professionals Barry Smith and Bonamy Grimes in 2001. They had a vision to create a single website that could collect and compare prices for every commercial flight in the world. Year on year, via word of mouth, the business has established itself as a must-have in the travel planner's toolkit.

### WHAT DOES IT MEAN FOR THE AREA?

Today, Skyscanner employs 58 people, 48 of them based in Edinburgh. With plans to increase its activities in North America, the future looks bright for the business. It already receives more than seven million visits to its site each month, with a January TV campaign in Scotland helping to boost their profile even further.

> **Further information:** [www.skyscanner.net](http://www.skyscanner.net)

## Bite size

Think tank the Centre for Cities has named Edinburgh one of five cities best positioned to prosper once the UK exits recession. The report found that Edinburgh, with its highly skilled population and high proportion of knowledge intensive jobs, is well-placed to attract new jobs and investment.

A new rail service introduced by Transport Scotland has reduced journey times between Edinburgh and Glasgow to 33 minutes.

Scottish Enterprise and the Department of Business, Innovation and Skills have awarded £24 million towards the construction of a 10,000 square metre bio-incubator that will help create 200 new skilled biotechnology jobs in the Edinburgh BioQuarter over the next five years.

Figures published by Deloitte in November revealed that Edinburgh achieved the second highest hotel occupancy rate of any city in Europe in the first three quarters of 2009.

St Andrew Square has been awarded the prestigious President's Award in the Landscape Institute Awards 2009.

Stagecoach and the Bland Group have allotted £14 million for the provision of a hovercraft passenger service across the Firth of Forth between Kirkcaldy, Fife and Portobello, Edinburgh. The service, which would run twice an hour during peak crossing times, could carry up to 870,000 passengers annually.

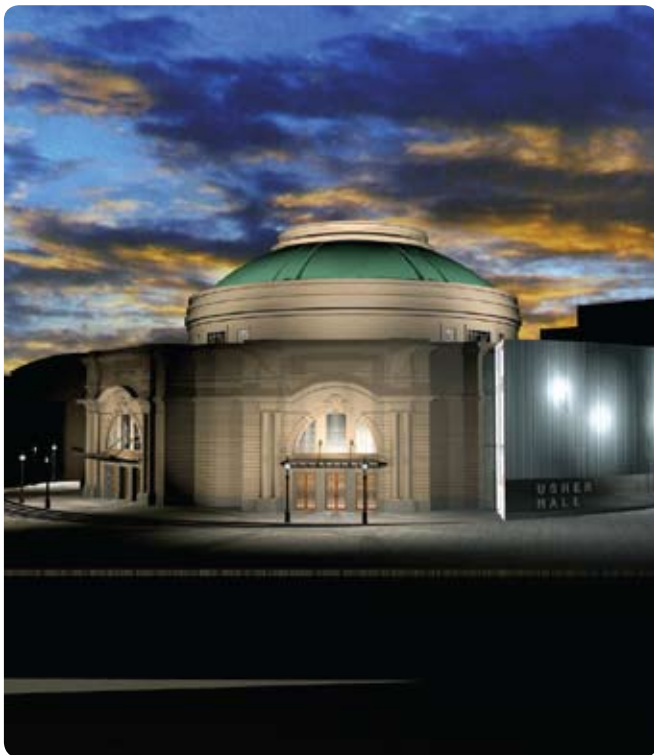
Budget airline Ryanair has unveiled a new direct flight between Edinburgh and Bordeaux, France.

The Edinburgh Technopole science park has attracted two new tenants: Genesis Scientific, the first marketing agency in Scotland catering exclusively to the life sciences sector, and SEE360, the first UK consultancy to offer an online carbon emissions calculator service.

The Edinburgh Chamber of Commerce has been named Best Chamber in the UK in the 2009 British Chambers of Commerce Awards.

The Scottish National Portrait Gallery has been awarded £2 million by the Monument Trust to help it double its floor space by 2011 as part of a £17.5 million renovation.

# REFURBISHMENT USHERS IN A NEW ERA



**Edinburgh's historic Usher Hall has recently completed a major programme of refurbishment, reinforcing its position as one of the world's most celebrated concert halls.**

The full programme of work has brought enhanced protection of the Hall's world-envied acoustics, a dedicated education space, improved access to all floors and a new glass wing housing a café/bar, a new box office area, extended office accommodation and additional hospitality space. The hospitality space can also be booked for meetings and corporate events during the day.

The Phase II works commenced in 2007 and required to be extended after unexpected rock formations were discovered beneath the Hall. This led structural engineers to order deeper pilings, to ensure the integrity of the building, and the foundations were reinforced to support the new glass wing.

The final phase of work to landscape and pedestrianise the area surrounding the Usher Hall is now under way. Due for completion in summer 2010, the public realm works will enhance the feel of the whole area as an 'arts quarter', creating a much more flexible, accessible and attractive space in which to spend time.

The Usher Hall is hosting a packed programme of prestigious events in its first season following completion of the works. Most events offer options for corporate hospitality, and the Usher Hall also resumes its role as the Edinburgh home of the Royal Scottish National Orchestra (RSNO).

> **Further information:** [www.usherhall.co.uk](http://www.usherhall.co.uk)

MADE IN EDINBURGH

## NO 22 ULOOP

**The theft of even a single piece of luggage can spoil even the best holiday or seriously disrupt an all-important business trip. While the true scale of airport crime is unknown, an eye-opening study by the Ponemon Institute has found that more than 800,000 laptops go missing in airports in Europe and the United States every year. The lack of an effective means of safeguarding against airport crime has inspired an Edinburgh-based entrepreneur to develop the ULoop, an innovative luggage security device for travellers.**

The ULoop is attached to a docking station worn on the wrist. A wire cable attached to the ULoop is looped through the handle of the piece of baggage being carried by the wearer. If the cable is severed, it will retract into the body of

the ULoop, triggering an 80 decibel alarm that alerts the wearer and passers-by and deters the would-be thief. The alarm will also sound if the ULoop is forcibly detached from the docking station. The ULoop protects travellers against theft and even enables them to sleep secure in the knowledge that the ULoop will warn them should someone attempt to steal their property.

The ULoop was devised by Isla McLean, a frequent traveller who founded her own business after realising that there was a gap in the market for an anti-theft device for luggage. With support from the Business Gateway and the Edinburgh Business Loan Fund (managed for the City of Edinburgh Council by Edinburgh Chamber of Commerce) she was able to



develop her idea and access assistance from Scottish Enterprise. This enabled her to bring the ULoop to market in November 2009.

Isla, a Scottish finalist for the Junior Chamber International's Creative Young Entrepreneur Award, now aims to expand the ULoop product range and market it globally.

> **Further information:** [www.uloop.it](http://www.uloop.it)

FACT:

The University of Edinburgh was ranked the 20th top university in the world in 2009.  
source: *Times Higher Education*

# US AMBASSADOR VISIT



**The new United States Ambassador to the United Kingdom has made his first official visit to Scotland. His Excellency Louis B. Susman arrived in Edinburgh on Thursday 29 October 2009, just 12 days into his posting.**

The Ambassador spent his first day in the capital, meeting with the First Minister and the Secretary of State for Scotland and observing a session of the Scottish Parliament. In the evening, he attended a reception hosted by the Lord Provost in

the Signet Library – once described as “the finest drawing room in Europe” by King George IV – before dining with some of the city’s business leaders. The Ambassador concluded his visit the next day by meeting with the Scottish North American Business Council in Glasgow.

During his visit, Ambassador Susman promoted the International Visitor Leadership Program (IVLP), a programme that sees 5,000 distinguished professionals from around the world visit America each year at the invitation of US diplomats.

Ambassador Susman’s visit reinforces the enduring relationship between Scotland and the United States, its largest international trading partner.

> **Further information:**  
[www.usembassy.org.uk](http://www.usembassy.org.uk)

## NEW ARRIVALS

CONTINUING OUR REGULAR FEATURE ABOUT THE LATEST COMPANIES INVESTING IN THE CAPITAL



**WHO'S ON THE MOVE?** Danish jewellery retailer PANDORA has recently opened a new outlet in Multrees Walk. Founded in 1982 by goldsmith Per Enevoldsen and his wife Winnie, the business has enjoyed rapid growth in recent years, first entering the UK marketplace in 2009. The innovative design-led company has now become an established high street brand.

**WHY THE MOVE?** Due to the global demand for PANDORA jewellery the Copenhagen-based business continues to invest in expanding its production and retail facilities. Since the launch of its popular charm bracelets to the Danish market in 1999, PANDORA’s iconic jewellery and distinct store layout has delivered a consistent customer experience in 28 countries, including the USA, Australia, China and the United Arab Emirates. Since arriving in the UK last year, the business has doubled its retail workforce here.

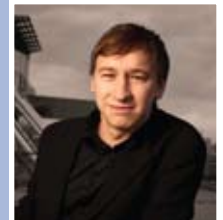
**WHY EDINBURGH?** The opening of PANDORA’s new store on 26 November reflects an ambition to increase awareness of the PANDORA brand and the move to Edinburgh fits with the business’ geographic expansion plans. It was felt Edinburgh shoppers would appreciate the distinctive product range and ability to custom-build their own bracelets and necklaces, using PANDORA’s handcrafted concept beads and spacers.



> **Further information:** [www.pandora-jewelry.com](http://www.pandora-jewelry.com)

## MY CITY VISION

**Martin Bates,  
Director for Broadway  
Malyan Edinburgh**



**WHAT SORT OF CITY WOULD YOU LIKE TO SEE?**

I want to see a city that demonstrates its cultural heritage and international connections by holding festivals throughout the year. Few other cities celebrate the arts in the same way as the Edinburgh International Festival. However, if the city can accommodate thousands of separate events all at once, there’s no reason why these spaces cannot be used effectively during the rest of the year. We should encourage new uses for city spaces and give exciting platforms for new ideas so that Edinburgh’s population feel a true and lasting connection to their city. The people living and working here want to make their mark within a social infrastructure which cuts through the indelible historical stamp of the city.

**HOW SUCCESSFULLY IS THE CITY MOVING TOWARDS THIS VISION?**

Last year we witnessed exciting events such as the Edinburgh International Science Festival and the stimulating proceedings associated with Homecoming Scotland. It would be great to develop Edinburgh as a city that “never rests” by stretching out all the individual festivals. This would mean arts groups aren’t fighting for a finite audience and each can showcase what it has to offer. The Edinburgh International Book Festival is a wonderful event in itself which could take place much later in the year than the main festival.

**WHAT MORE MUST THE CITY DO?**

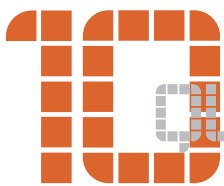
I’d like to see the city open up more green spaces, building on the success of St Andrew Square. In this particular space we’ve seen intimate open air classical concerts, art exhibitions and talks. I think that our huge student population would also benefit from more cycling paths, which could be linked to more green communal areas.

*Broadway Malyan is an award-winning international architectural practice.*

> **Further information:**  
[www.broadwaymalyan.com](http://www.broadwaymalyan.com)



The informal surroundings and relaxed atmosphere of Touch Bionics' facilities, just outside Livingston, belie the importance of a business with a global profile; one which has expanded rapidly in recent years as it strives to transform lives. *Invest Edinburgh* caught up with Stuart Mead, Touch Bionics' Chief Executive Officer.



QUESTIONS FOR...

# Stuart Mead

**IE> How did Touch Bionics come into being?**

**SM>** Touch Bionics was actually the first spin-out to emerge from the Scottish NHS, back in 2003. As with any 'first', especially from an organisation as large as the NHS, it had its challenges. It had never been done before, so there was no precedent on which to base the spin-out mechanism. As a result, it took over a year to complete.

**IE> When did you join the business?**

**SM>** When the spin-out was completed, Archangel Informal Investment, [NHS commercialisation vehicle] Scottish Health Innovations Ltd and the inventor David Gow, each shared a third of the equity at that time. As the business developed and there was a requirement for further investment it was decided that someone with experience in managing technology start-ups was needed to come in and help run the company.

**IE> What kind of products do you develop?**

**SM>** We develop and manufacture

advanced upper-limb prosthetics – namely our i-LIMB™ Hand, an artificial limb that represents a generational advance in bionics and patient care. We also recently launched our latest product, ProDigits™, which are individually powered and controlled artificial fingers for partial hand patients. Product support extends to clinical services as well, such as providing training for prosthetists to become accredited i-LIMB Hand Practitioners; equipping them with a complete understanding of the finer points of the i-LIMB Hand.

**IE> How big a role does R&D play in the future of Touch Bionics?**

**SM>** As we're a technology company, it plays a very significant role. Electromechanical R&D is vital to our continued success, which is why we work closely with universities all over the world. Whether it's working closely with patients, professionals involved in rehabilitation medicine or biomechanical departments, it's a continuous process of evolution and

refinement to improve the functionality of our products.

**IE> Does the business have plans to expand its product range?**

**SM>** We've developed and grown one of the most focused businesses in the world, serving a very niche market – a market we felt was underserved. Our products feature a far higher degree of design and functionality than anything previously available. They are very specialised, so we have no plans to move into other areas of prosthetics at this time.

**IE> In 2008, the business acquired its US partner, LIVINGSKIN™. What benefits did that bring?**

**SM>** LIVINGSKIN was already a well-established business supplying silicone prosthesis (highly accurate, non-powered false limbs). These devices closely resemble skin by mimicking the three dermal layers of natural human skin – we also add nails, vein and hair effects. Their product complemented our i-LIMB Hand and,

The i-LIMB Hand: named one of the top innovations of 2008 by TIME Magazine.



at that time, we were looking to create a firmer foothold in the US, so it was a good fit. LIVINGSKIN is colour-matched to each patient, and artists are employed to paint the finest detail onto the inside of the silicone cover, which significantly improves grip. It's a unique blend of the high tech with the traditional skills of the artist.

**IE> Where do you manufacture your products?**

**SM>** Here in Scotland. Each i-LIMB contains more than 500 working parts, most of which are manufactured through our supply chain with final assembly and testing taking place here at Mid Calder. All of our i-LIMB Hands and ProDigits are built, tested and repaired here. However, we also have other facilities in the US, with a further office in Ohio and production facility in New York, which supplies the silicone-based aesthetic covering for the i-LIMB.

**IE> How many people are employed across the Group?**

**SM>** We have approximately 40 US-based staff and 30 employees here in Scotland.

**IE> The US market is central to Touch Bionic's sales strategy. What differs in the US?**

**SM>** We see ourselves very much as an international business, with product sales in China, the US, Australia and across Europe. However, due to the technology involved our products are expensive and

therefore require sufficient medical insurance cover. The US, with its private medical care model allows us to help private individuals, although we do work with the military, which accounts for approximately 10% of our sales. We have a dedicated Reimbursement and Clinical Evaluation Team that works closely with insurance companies in what is a very specialised field.

**IE> How many customers benefit from Touch Bionics' prosthetics around the world?**

**SM>** We currently sell in the region of 1,000 units per year, of which 500 are i-LIMBs, and expect to turnover £8.5 million in just our second full year of trading. With the launch of ProDigits in December 2009, we're looking forward to transforming the lives of partial hand patients across the world and hopefully building on our 10% global market share.

**FURTHER INFORMATION**

[www.touchbionics.com](http://www.touchbionics.com)

**CV**

Stuart Mead has more than 23 years experience in the biotech sector, both from a sales and marketing and distribution perspective. Prior to joining Touch Bionics as CEO in 2004, Birmingham-born Stuart held senior management roles with both Kodak Clinical Diagnostics and Johnson and Johnson and was CEO of biopharmaceuticals manufacturer Excell Biotech.

Since starting out, as an 18-year-old, in the sales division of medical diagnostics group Amersham International, he has demonstrated his entrepreneurial pedigree with several small companies in the healthcare sector.

The fast paced development of Touch Bionics reflects a CEO who is used to life in the fast lane: in 1992 Stuart became European Champion in the tough motorsport of super-karting, in which he raced go-karts at speeds of up to 160mph.



# RENEWABLE ENERGY

The winds of change have made themselves felt in the first few weeks of the new decade; with a number of announcements highlighting exciting prospects for the renewable energy sector in Scotland. These decisions herald a period of promises fulfilled for a wide range of businesses within the Edinburgh City Region; businesses with established track records in bringing revolutionary new renewable energy technologies to market.



Aquamarine's Oyster system on display prior to installation.

The Scottish Government aims to generate 50 per cent of Scotland's electricity from renewable sources by 2020 (31 per cent by 2011), with all electricity suppliers in Scotland now under a statutory obligation to provide a set percentage of electricity sales from renewable sources. This guaranteed demand represents an unprecedented market opportunity for businesses engaged in the development, installation and operation of renewable energy technologies.

In a sector in which both Scotland and the Edinburgh City Region are rich in expertise, long-term strategic support from the public sector has been coupled to a position of real competitive advantage; thanks to the proven innovation, engineering and development skills of a wide range of businesses at the forefront of renewable energy technology including Pelamis Wave Power, Renewable Devices, Aquamarine Power, Artemis Intelligent Power and REpower UK.

Recent decisions – such as the approval of the upgrade of the Beaulieu to Denny power line and the announcement of nine new offshore wind farm zone licences around the UK – underline that the pace of development across the sector is set to soar.

Currently, Scotland generates some 3.6 gigawatts (GW) of energy from renewables, (approximately 17% of national electricity generation). This figure continues to rise year-on-year.

In the Firth of Forth alone, the offshore wind development awarded to a consortium of Scottish and Southern Energy Renewables and Fluor has the potential to generate up to 3.7GW – equivalent to at least two large coal or gas-fired power stations. More than a quarter of all Europe's wind energy crosses Scotland's land mass and surrounding seas, representing over 25% of Europe's offshore wind energy potential.

## INFRASTRUCTURE INVESTMENT

The public sector has long coordinated its support to provide the necessary infrastructure required for developments such as these; with the Scottish Government working with both Scottish Enterprise and Highlands and Islands Enterprise to provide port-side facilities at suitable locations around Scotland, and to both attract inward investment and support local indigenous business.

# IN OUR HANDS

“THE ENERGY PARK FIFE IS ONE ELEMENT OF A WIDER PUBLIC/ PRIVATE COLLABORATION TO REALISE THE POTENTIAL OF THE AREA.”



“The former 134-acre Kvaerner site at Methil came into public ownership some years ago,” explains Pamela Woodburn, Scottish Enterprise’s Director of Business Infrastructure for the East of Scotland. “Since then we’ve been developing the site for use by manufacturing, engineering and related supply chain companies.”

The result is a state-of-the-art location – the Energy Park Fife – which aims to position Fife as a global centre for the development of new renewable energy technologies, particularly in offshore wind. Companies in Fife have committed to investing nearly £400 million in renewable energy projects over the next three years alone.

Working in partnership with Fife Council, Scottish Enterprise has invested £10 million to improve site access, upgrade utilities and refurbish workshops. In August 2009, Minister for Enterprise, Energy and Tourism, Jim Mather MSP announced a further £13 million approval, to upgrade the Park and improve the quayside. The site is already home to a major player in the industry; Burntisland Fabrications Ltd (BiFab), which manufactures the jacket support structures for offshore wind turbines.

“Energy Park Fife is one element of a wider public/private collaboration to realise the potential of the area,” Pamela adds. “Part of the challenge is promoting the opportunities that exist within the renewable sector, and supporting businesses that have traditionally been involved in perhaps the oil and gas sector to diversify into renewable energy activities.”

RenewableUK (formerly the British Wind Energy Association) believes the renewables sector now has significant job creation potential, given the right support and infrastructure. If the UK was to install 20GW of offshore wind farm capacity by 2020, and two-thirds of that is built in the UK, it predicts more than 45,000 jobs could be created. However, in order to attract investment in turbine factories in the UK, and in particular Scotland, manufacturers require access to quayside facilities and ports such as those at the Energy Park Fife and Leith Docks.

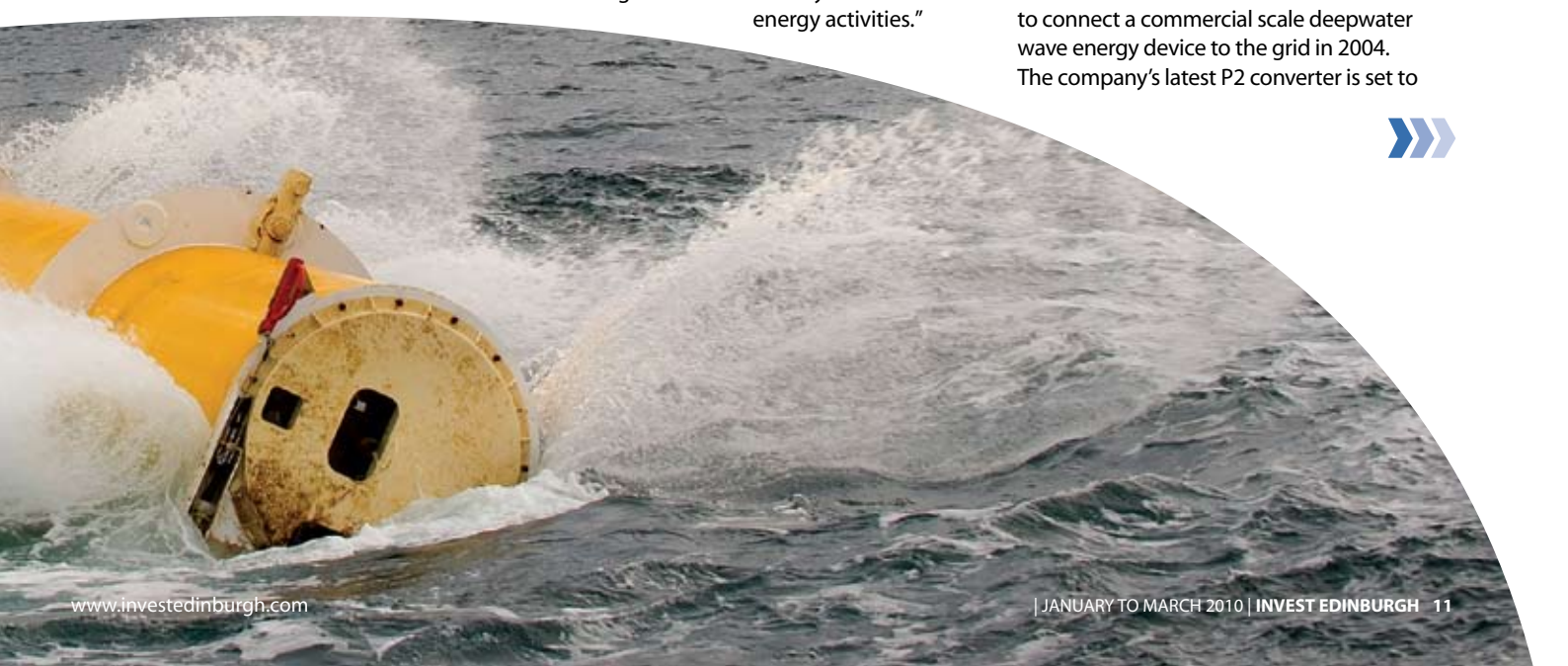
When it comes to offshore energy generation, wind is just one of a number of energy sources in which Scotland is resource-rich. Once again, Edinburgh-based businesses are at the forefront of developing these technologies.

## MARINE TECHNOLOGY

According to the Forum for Renewable Energy Development in Scotland the UK could install up to 2GW of marine energy projects by 2020, a figure supported by the renewable industry’s own Strategic Environmental Assessment, produced by Scottish Renewables.

Edinburgh-based Pelamis Wave Power has recently announced a joint venture with Swedish utility company Vattenfall to develop a wave power project off the Shetland Islands. This will be up to 20 megawatt (MW) in size, using around 25 Pelamis P2 wave energy converters.

Pelamis became the world’s first business to connect a commercial scale deepwater wave energy device to the grid in 2004. The company’s latest P2 converter is set to





Scotland's largest enclosed deepwater port, Leith Docks is in close proximity to the 3.7GW Firth of Forth offshore wind farm zone.

undergo testing this spring, once installed at the European Marine Energy Test Centre (EMEC) in Orkney. Each of the 180m-long P2 converters is capable of meeting the annual electricity demand for approximately 500 homes.

While these tests progress, work continues to bring forward a number of commercial projects using Pelamis machines, including ScottishPower Renewables' development of the 3MW Orcadian Wave Farm; one of nine projects to benefit from funding support through the Scottish Government's £13.5 million Wave and Tidal Energy Support Scheme (WATES).

In addition to its operations in the UK, Pelamis has been developing 2.25MW of wave energy capacity in Portuguese waters, after installing the world's first multi-unit wave farm in Agucadoura.

According to Renewable UK, there are currently 57.5MW of commercial-scale marine energy projects under development in UK waters, with 27MW already having planning consent. One such project is being developed by Edinburgh-based Aquamarine Power. Its first full-scale Oyster wave energy device was officially launched by First Minister Alex Salmond in Orkney in November 2009.

Aquamarine's Chief Executive Officer, Martin McAdam, an engineer by trade, brought extensive experience of the renewables sector from leading wind farm developer SSE Renewables (formerly Airtricity), when he joined the business in 2008.

"The Oyster technology was originally developed by Allan Thomson and Professor

Trevor Whittaker, head of the award-winning wave power research group at Queen's University Belfast," says Martin. "They established Aquamarine Power in Edinburgh due to the fantastic number of higher education institutions here in the city. This university connection is incredibly important. We have a commercial arrangement with Queen's, supporting a research fellowship as well as providing a commercial environment for PhD students.

"Professor Salter, Emeritus Professor at the University of Edinburgh, has been working in the wave sector since the 1970s and is widely recognised as the founding father of marine energy technology and works closely with us as a specialist advisor," adds Martin.

However, the technology is not without its challenges. "Costs per kilowatt/ hour are usually used as the basis for comparison against traditional generation methods, but these comparisons fail to factor in the real costs of waste management, which in the case of nuclear [power] are enormous. Marine energy has no waste, no emissions and isn't dependent on the wind. The total marine

potential for electricity generation across Europe is enormous; it probably outstrips European demand. Currently, no single business has a foothold in the marketplace. We've taken a big step towards delivering a commercially viable, cost effective solution."

#### EFFECTIVE KNOWLEDGE TRANSFER

At the forefront of this energy revolution are Edinburgh's universities, delivering a range of multi-disciplinary research projects, backed by considerable funding. The universities offer a number of courses relating to renewable energy: the University of Edinburgh offers an MSc in Electrical Engineering with Renewable Energy, while the University's Institute for Energy Systems conducts research into wave, tidal and offshore wind energy.

Heriot-Watt University offers an MSc in Renewable Energy Development and Edinburgh Napier University hosts the Scottish Energy Centre, a knowledge transfer vehicle conducting research into the development and integration of renewable energy sources, including solar and wind power. This focus on research has led to Edinburgh Napier partnering with the City University of Hong Kong in creating Hong Kong's first Biofuel Research Centre; focused on the development of second generation biofuels from non-food crops and waste matter.

#### BLOWIN' IN THE WIND

One area of focus for the universities is the potential for small-scale renewable energy, such as micro generation using rooftop wind generators. It's an area in which

Edinburgh Technopole-based Renewable Devices is excelling.

Founded in 2002 by Dr. David Anderson and Dr. Charlie Silverton, the company was developed on the global success of its revolutionary and multi-award winning Swift wind energy system. The Swift, unlike any other small scale wind turbine, was designed to draw energy from the turbulent winds experienced in the urban environment.

Thanks to its unique aerodynamic performance, the system is virtually inaudible, making it ideal for rooftop installations. "The industry believes that what we've achieved with the Swift is akin to breaking the sound barrier," describes Charlie Silverton, now Director of Renewable Devices.

"The attraction of small scale wind energy lies in its economy of scale." Rooftop generation not only provides on-site cheap renewable energy, but the Swift also allows businesses and households to offset energy costs by selling unused electricity back to the national grid.

Organic growth has seen global demand for the Swift product grow year-on-year, resulting in unit sales of up to 3,000 systems each year,

a figure Charlie hopes to double as the business strives to reduce the cost per unit.

In order to match demand, businesses such as Renewable Devices require access to an ever-growing pool of new engineering talent and Charlie has witnessed a transformation in the local skills base available to the sector. "Ten years ago I was ranting about the state of engineers and their ignorance of the renewable sector; now all that's changed in terms of skills, knowledge and new ideas. It's a trend I've not seen in any other country, including the US, China and Germany."

**"PART OF THE CHALLENGE IS PROMOTING THE OPPORTUNITIES THAT EXIST WITHIN THE RENEWABLE SECTOR."**

The scale and diversity of projects on which Scotland's innovators are making an impact reflects the established strengths of businesses and universities based in the Edinburgh City Region; strengths that continue to expand as they influence and

shape the future direction of the UK's renewable industry.

Scotland's potential renewable energy resource is significant; estimated at a staggering 60 gigawatts – enough to meet Scotland's current peak winter demand many times over. This figure represents approximately 75% of the entire UK renewable resource and a sizeable proportion of the European Union's.

If effectively harnessed, its unique endowment in terms of wind, tidal and wave power and capacity for technological innovation, can establish Scotland as a world leader in the field of renewable energy. These advantages ensure that the Edinburgh City Region is well-positioned as a key influencer in creating a greener, more sustainable world.

**FURTHER INFORMATION**

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 +44 (0) 131 529 6600  
[www.aquamarinepower.com](http://www.aquamarinepower.com)  
[www.renewabledevices.com](http://www.renewabledevices.com)

**OYSTER® CASE STUDY**



"IT'S A VERY INTERESTING TIME FOR THE MARINE INDUSTRY," MARTIN EXPLAINS. "I'M SURE THE WINNERS WILL BE CHOSEN IN THE NEXT MONTHS ALLOWING THE PACE OF DEVELOPMENT TO ACCELERATE FURTHER."

**When First Minister Alex Salmond 'switched on' Aquamarine Power's Oyster device, marine energy took a significant step towards delivering commercial scale energy generation.**

The launch of the Orkney pilot project, connecting the island to the National Grid for

the first time, coincided with the award of an additional £975,000 in funding to help deliver 'Oyster 2' – three combined next generation devices with a total capacity of 2.5MW – by 2011. It was the largest Scottish Enterprise R&D grant ever awarded to a marine renewables project: a measure

of the increasing importance and continuing emergence of the marine energy sector.

The secret of Oyster is its simplicity. A large hinged flap, fixed to the seabed, captures the motion of the waves at water depths of between 10 and 12 meters (generally between 500 -1,000m offshore) to drive two hydraulic pistons that pump high pressure water to an onshore hydro-electric turbine. "We have just seven moving parts in the sea," explains Martin McAdam. "All of the generating equipment is based onshore. We want the highest reliability for our end user, so even though the technology is relatively advanced, the actual operation of the system should be very straightforward. Less is more; simple is best."

Ensuring Oyster is also robust enough to cope with high sea states is key. "We've designed our machine with intrinsic survivability. As wave heights increase the hinged flap is

naturally forced open even further, allowing excess wave energy to wash over the top of the generator. As a result we can generate power from less than 1m wave heights right up to storm force conditions."

"With each Oyster 2 rated to 830kW, a commercial deployment would connect multiple devices to a shoreline hydro-electric generating station, with full-scale Oyster farms generating up to 200MW of clean energy. Before we get there however, ease of installation and manufacturing costs are both areas we need to address," adds Martin.

"It's a very interesting time for the marine industry. I'm sure the winners will be chosen in the next months allowing the pace of development to accelerate further."

**FURTHER INFORMATION**

[www.aquamarinepower.com](http://www.aquamarinepower.com)



# A BIOSCIENCE COMMUNITY WITH A DIFFERENCE

Food 2030 – the first UK Government consultation of its kind in 50 years – is considering how global food production can be increased in a sustainable way. This ambitious policy framework creates significant opportunities for businesses based in the Edinburgh Science Triangle region, many of which lead the world in genetics and genomics; opening up the possibility of new innovations in regenerative medicine and energising an already vibrant world-class cluster.

**A**t the Roslin Biocentre, located next to the renowned Roslin Institute, and the neighbouring Pentlands Science Park, owned by the Moredun Foundation, regional businesses are leveraging the potential of an increasingly integrated life science industry. It's an industry based around unrivalled strengths in primary research in animal health, where researchers share knowledge and best practice across established knowledge transfer networks and turn theory into practical applications: from improving the disease resistance of poultry, through monitoring the efficacy of small ruminant vaccination programmes, to developing new feeds to help reduce livestock methane production.

The Roslin BioCentre exemplifies how critical mass in a sector generates its own momentum. Originally developed to exploit the commercial possibilities emerging from the work of The Roslin Institute, the site has expanded and now hosts 17 tenant businesses. One example is Roslin

Cells, a spin out from The Roslin Institute, specialising in the isolation of high grade human stem cells for use in regenerative medicine therapies. There is also BigDNA Ltd, a spin out from Moredun Research Institute and a market leader in the development of bacteriophage vaccination technology, used vaccine delivery and the treatment of antibiotic resistant infections.

"Today, we have 100% occupancy levels and continue to receive regular expressions of interest from other businesses keen to locate here," says Malcolm Bateman, Chairman of the Edinburgh Science Triangle region partnership and Chief Executive of the Roslin Foundation, which manages the Roslin BioCentre.

The same is true two miles up the road, where to meet demand for tenant space, the Pentlands Science Park has secured outline planning consent from Midlothian Council for a further 20-acre multi-occupation development. "As a science park we're committed to adding value for our tenants through pooled resources and by

**"THERE'S A REAL BUZZ HERE. WORLD-CLASS SCIENCE, COMBINED WITH A UNIQUE CLUSTER OF INDUSTRY AND WORLD-CLASS RESEARCH INSTITUTIONS, ALL SET IN A BEAUTIFUL LOCALE."**



encouraging collaboration. For example, the availability of a bio-manufacturing facility on-site attracted Angel Biotechnology to relocate here. They specialise in the contract manufacture of stem cell and other product lines," says Pentlands Science Park Manager, George Walker.

"The life sciences and animal biosciences sectors are of critical importance to the ongoing development of the Midlothian economy," says Councillor Russell Imrie, Midlothian Council's Cabinet Spokesperson for Strategic Services. The local authority plays a vital role in supporting the continued growth of a sector seen as being vital to delivering the Midlothian Economic Development Framework and its headline ambition to create 10,000 new jobs in Midlothian by 2020. "In terms of animal biosciences in particular, there is no doubt in my mind that Midlothian has an evolving European and indeed world-class centre of excellence," adds Councillor Imrie.

"Through its key partnership role in the Edinburgh Science Triangle, Midlothian Council continues to work closely with its economic development partners such as Scottish Development International and Scottish Enterprise to direct inward investment enquiries to available sites and premises."

#### BIOSCIENCE COMMUNITY

Running parallel to this substantial public sector support, a vibrant scientific community is exploiting opportunities for knowledge transfer between the various business clusters found in the region and more widely across Scotland.

Nexus, launched in 2003, is one organisation working to bring together industry, academia and the public sector from across the central belt of Scotland. Initially focused on the west of Scotland, it expanded its network in summer 2008; thanks to a partnership with the Edinburgh Science Triangle that helped secure additional funding from the public sector and European Regional Development Fund.

"There are more than 650 businesses associated with the life science across Scotland; the vast majority, approximately 450, operating as SMEs. More than 200 of those small to medium-sized businesses are based in the Edinburgh City Region," explains Colin Robertson, Nexus Manager, east of Scotland.

"To develop any world-class cluster, you need a strong academic base with renowned research capabilities, a well developed business structure to develop the products that result and a supportive public

sector," adds Colin. "All three must be pulling in the same direction. That's our mission at Nexus; to facilitate that level of integration."

Nexus connects people and businesses through events, knowledge exchange audits and a flexible SME toolbox that includes support on issues such as clinical best practice, legal advice and sales and marketing guidance.

Other companies, such as Argentix Ltd – located in the Roslin BioCentre – have been advising organisations across the UK, Europe and now China and South America on the commercialisation of science and technology, knowledge transfer and enterprise development, for more than 15 years.

#### KNOWLEDGE TRANSFER

The Roslin BioCentre is also home to the UK's Bioscience Knowledge Transfer Network (KTN), one of 19 KTNs across the UK, each specialising in its own market sector. The Bioscience KTN evolved out of an earlier project supported by Argentix and involving the Roslin-based Genesis Faraday Genetic and Genomics Partnership. It now takes forward a national remit to improve the interaction between the research community, intermediate organisations and the animal health and animal breeding industries, in order to secure the UK's leading position in biosciences and support the industry.

"The Genesis Faraday Partnership was instrumental in helping The Roslin Institute engage with industry in different ways," explains Chris Harris, Director of Argentix. "For example, the ARK-Genomics centre provides SMEs with a unique point of access to cutting edge expertise and equipment, both of which are essential to their business development. One of five UK centres supporting new genetic and genomic-based technologies, ARK provides these services in an affordable manner, thereby helping SMEs to compete at a global level.

"Any business operating in this sector from Scotland has to export," adds Chris. "Business can do this with more certainty of success, thanks to the work of the centre."

Throughout the year, the Biosciences KTN also provides a wide range of networking events, seminars and regular newsletters. "We help drive innovation in UK companies by working to close the gap between industry and

academics," explains Dr. Huw Jones, Head of the KTN's Animal Sector Team. "We also help members secure additional funding and have been successful in putting forward applications for European Commission Framework 7 funding," he adds.

"One example is SABRE, a £23 million, four-year project to develop more environmentally sustainable production systems for dairy cattle, pigs and sheep, which involves 33 leading animal breeding research groups across 14 countries."

#### A VIBRANT WORLD-CLASS CLUSTER

Scotland's animal biosciences sector has come a long way in a relatively short space of time. It's a success story that shows no signs of slowing down, as Malcolm Bateman highlights: "There's a real buzz here. World-class science, combined with a unique cluster of industry and world-class research institutions, all set in a beautiful locale."

With the connectivity offered through Nexus and the Biosciences KTN, combined with the efforts of the Edinburgh Science Triangle to leverage the region's complementary strengths in micro and opto-electronics as well as informatics, Scotland and the Edinburgh City Region are ideally positioned to benefit from the commercial opportunities generated by partnerships between academia and industry. It's a case of strength in numbers for regional SMEs ideally located to capitalise on this unique competitive advantage.

#### FURTHER INFORMATION

[www.nexusscotland.com](http://www.nexusscotland.com)

[www.foodprocessingktn.com](http://www.foodprocessingktn.com)

[www.defra.gov.uk](http://www.defra.gov.uk)

[www.edinburghsciencetriangle.com](http://www.edinburghsciencetriangle.com)



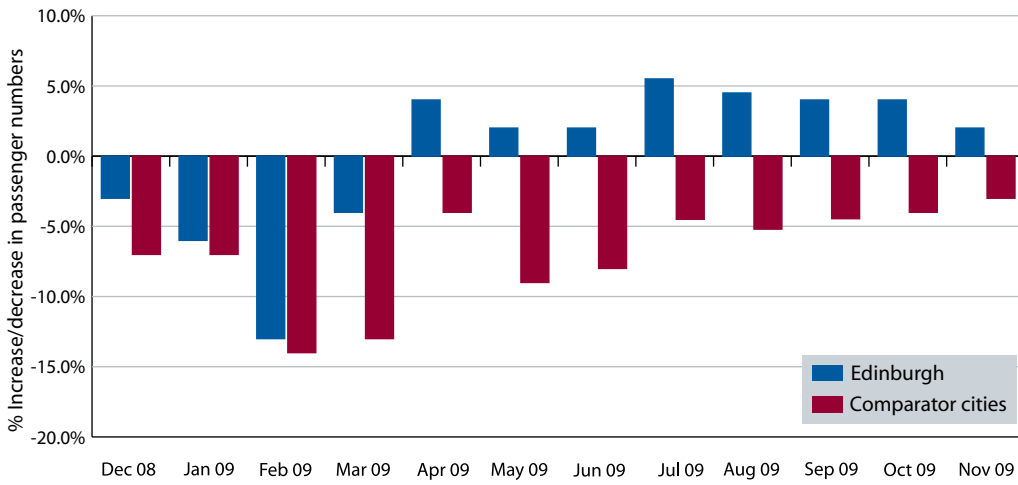
## EDINBURGH: KEY INDICATORS

	2004	LATEST	SOURCE	
<b>1) POPULATION &amp; HOUSEHOLDS</b>				
Population	453,670	471,650	1	<p>Population</p>
Households	209,094	217,654	1	
Average household size	2.12	2.10	1	
Population density (persons /km <sup>2</sup> )	1,730	1,788	1	
Natural change (births less deaths)	111	1,070	1	
Net migration	5,138	2,512	1	
% of population aged 16 to 64	69.6%	70.5%	1	
<b>2) LABOUR MARKET</b>				
Population aged 16+ in employment	228,800	251,300	2	<p>Long-term (≥1 yr) unemployment as % of all unemployment</p>
Economic activity rate (w/kg age)	79.7%	79.9%	2	
ILO unemployment rate	5.2%	4.7%	2	
Total employee jobs	312,773	308,791	3	
Claimant unemployment rate	2.4%	3.2%	3	
Long-term (≥1 yr) as % of all unemployment	13.9%	6.4%	3	
% of pop'n aged 16-64 educated to NVQ4+	43.3% (2005)	45.1%	4	
Students in higher education institutions	62,220	68,790	5	
<b>3) WEALTH &amp; PRODUCTIVITY</b>				
Mean gross annual earnings	£26,534	£33,004	6	<p>GVA per capita (resident population)</p>
Gross Value Added (GVA) (million)	£12,686	£15,304	3	
GVA per capita (resident population)	£28,019	£32,697	3	
Births of new enterprises	-	1,865	7	
Funds under management (all Scotland, £bn)	£325	£580	8	
<b>4) TRAVEL &amp; TOURISM</b>				
Airport passengers (arr + dep in millions)	7.99	8.99	9	<p>Rail passengers at Waverley Station (millions)</p>
Rail passengers at Waverley station (millions)	14.22	16.17	10	
UK tourist bednights (millions)	6.1 (2005)	5.6	11	
Overseas tourist bednights (million)	7.1 (2005)	7.5	11	
Hotel room occupancy	77.0%	73.0%	11	
Edinburgh's world ranking for conferences	24	28	12	
<b>5) HOUSING &amp; COMMERCIAL PROPERTY</b>				
Owner-occupation (% of households)	70%	66%	13	<p>CACI UK Retail Potential Ranking</p>
Housing completions	2,668	1,864	14	
Average annual house price	£166,207	£200,415	15	
Total number of house sales	14,893	7,409	15	
Prime city centre office rentals (£/m <sup>2</sup> )	£290.63	£312.15	16	
Office floorspace take-up (m <sup>2</sup> gross)	92,512	83,144	16	
City centre 'zone A' retail rentals (£/sq.ft. <sup>2</sup> )	£210	£220	16	
Retail potential UK ranking	25	18	17	

### SOURCE NOTES

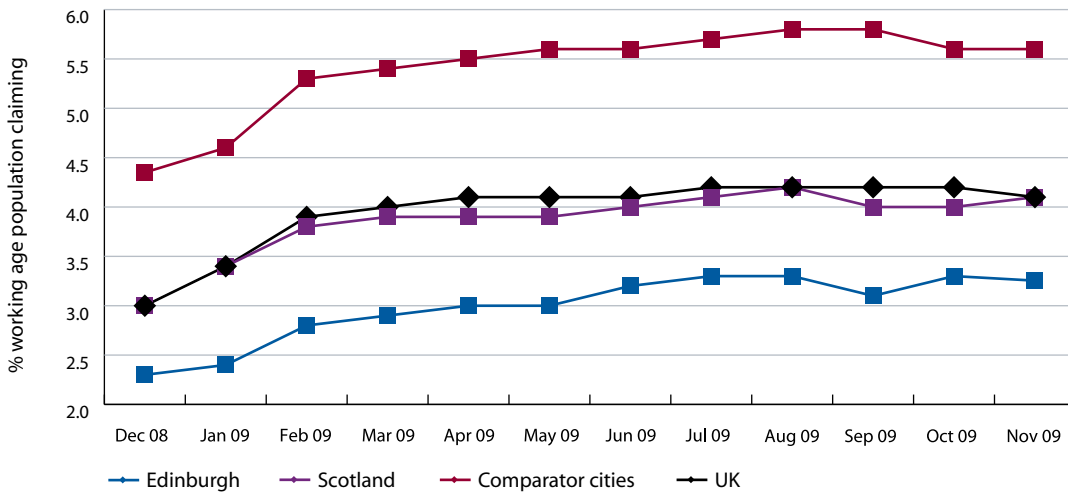
1 General Register Office for Scotland	10 Office of Rail Regulation
2 Annual Population Survey	11 VisitScotland
3 Office for National Statistics	12 International Congress and Convention Association
4 Annual Population Survey	13 Scottish Household Survey
5 Higher Education Statistics Agency	14 Scottish Government
6 Annual Survey of Hours and Earnings	15 Registers of Scotland
7 ONS Business Demography	16 Ryden
8 Scottish Financial Enterprise	17 CACI Retail footprint
9 Civil Aviation Authority	

### YEAR-ON-YEAR CHANGE IN AIRPORT PASSENGER NUMBERS



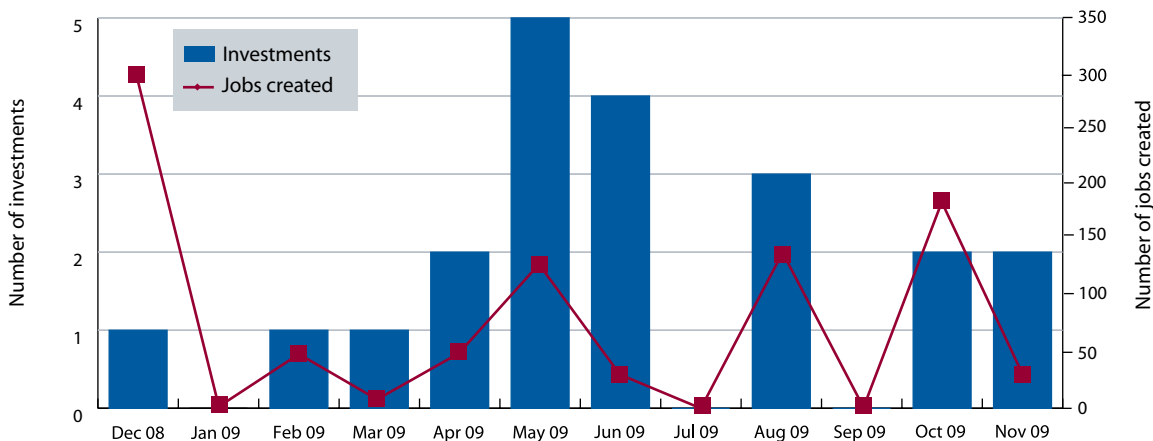
**Source:** Civil Aviation Authority. The months on the airport passenger graphs refer to the end of the three month rolling total period. The comparator cities figure is an average of year-on-year changes in passenger numbers at Birmingham, Bristol, Cardiff, Gatwick, Heathrow, Leeds, London City, Luton, Manchester, Newcastle and Stansted airports.

### JOBSEEKER'S ALLOWANCE CLAIMANT COUNT (%)



**Source:** NOMIS. The comparator cities figure is an average of Jobseeker's Allowance claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

### KNOWN LARGE-SCALE FOREIGN INVESTMENTS IN EDINBURGH



**Source:** FDI Markets.

# LESS PRESSURE ON THE BRAKES



**Ben Reed, Director of Office Agency for Jones Lang LaSalle in Edinburgh, predicts that occupier activity in Edinburgh is set to increase.**

The cautious improvement in business sentiment has served to create a more certain and stable backdrop against which corporate plans and strategies have been devised. This improving confidence has facilitated a more forward-looking stance amongst many businesses, with medium term planning replacing the short term survival strategies that were characteristic during the first half of 2009. Across Europe, we are seeing an increasing number of occupiers dusting off, revisiting and in many cases reformulating, their portfolio plans.

Until now, it has proved almost impossible to secure internal authorisation for capital expenditure. This has prevented occupiers from realising the undoubted opportunities that exist in the market due to the demand/supply imbalance and generous incentives on offer via willing landlords. Whilst future investment cases will need to be strong, robust and illustrate extensive benefits over a reasonably short payback period, they will be increasingly considered. So a fundamental brake on transactional activity is being lifted.

Jones Lang LaSalle forecast that market conditions will continue to favour the occupier for at least the next 12 months and many corporates are now in a better shape to realise these opportunities. Cost considerations will undoubtedly remain the number one consideration in most decision making, with the emphasis on cost avoidance and achieving value in the medium term. Occupiers will require buildings that are more conducive to modern working practices and offer up flexibility, as shown by the success of Exchange Place which is 35% let within nine months of completion.

Whilst reduced take-up figures in 2009 may suggest that the market remains firmly in the favour of occupiers, at least for the next 12 months, it is important that those with medium term requirements remain attentive to changing market dynamics and dig below the data. This is particularly relevant in view of future supply within the Edinburgh market, with a lack of new speculative development resulting in tightening supply and increased pre-letting activity. To highlight the issues faced, an occupier seeking 50,000 sq ft of Grade A offices across Edinburgh would currently only have six options in the city centre and one option in West Edinburgh.

So, there are reasons to be cheerful, but there are also reasons to be mindful. In our view the following factors will shape occupier activity over the next few years:

- A shift from defensive survival to planned opportunism in 2010 and 2011
- Requirements that will be predicated by the need to consolidate, integrate or upgrade space rather than through significant headcount growth
- Costs will remain the number one consideration although the focus will shift steadily from immediate short term cost saves to some targeted investment aimed at longer term cost avoidance.
- Playing the markets will not be enough to deliver the cost savings and occupiers

will have to make cultural changes in the utilisation of work space.

*Jones Lang LaSalle is a real estate services and investment management professional services firm active in 60 countries.*

### Top ten availability of grade A space in city centre

Address	Area (sqm)
Waverley Gate, Waterloo Place	18,493
Tanfield, Inverleith Row	16,639
Exchange Place 1-3, Semple Street	11,432
Westport 102	8,787
The Cube, Leith Street	5,963
Quartermile 1, Lauriston Place	5,335
28 St Andrew Square	3,995
Exchange Crescent	3,715
Saltire Court, Castle Terrace	3,714
Edinburgh House, 4 North St Andrew Street	3,647

### FURTHER INFORMATION

[www.joneslanglasalle.co.uk](http://www.joneslanglasalle.co.uk)

Exchange Place: a flagship headquarters building offering grade A accommodation.



# AND NOW FOR SOMETHING COMPLETELY DIFFERENT...



The festive celebrations are all over; Hogmanay seems a distant memory and the winter white-out of January 2010 has been confined to the photo album. It can sometimes feel as if all the excitement is behind us.

## How wrong we can be!

Edinburgh has worked hard to build an enviable reputation for delivering an unrivalled programme of international festivals and events, as diverse as the snowflakes that brought this year's Edinburgh Sparkles festival to life. The city justifiably holds a global reputation as a vibrant hub of cultural activity capable of entertaining all comers.

Upholding the finest traditions of Scotland's capital, 2010 promises to be yet another action and fun filled year of activities, major sporting events and festivals, including a number of firsts for the city.

Well-established events run alongside and overlap new highlights. In celebration of Her Majesty the Queen's Diamond Jubilee in 2010, the recently renamed Royal Edinburgh Military Tattoo – currently performing in Sydney, Australia – is once again expected to thrill and delight more than 200,000 people throughout August. The sacrifices and achievements of our servicemen and women will once again be recognised in June with Armed Forces Day, which will include a parade through the city and fun, interactive activities in Princes Street Gardens.

Those with a penchant for the culinary delights provided by the Taste of Edinburgh Festival will no doubt be whetting their appetites for three days of fine outdoor dining, starting on 28 May in Inverleith Park.

Others may want to feed their cultural souls by taking in some of this year's



## FURTHER INFORMATION

[www.eventsinedinburgh.org.uk](http://www.eventsinedinburgh.org.uk)  
[www.edinburghfestivals.co.uk](http://www.edinburghfestivals.co.uk)

Edinburgh Lectures series across the city. Now in its 19th year, the ever popular Lectures run through autumn and winter and are sure to attract the usual high calibre speakers and participants.

It's a packed year of sports too, with a number of high profile events.

The annual Six Nations programme is complemented by the return of the Rugby Football League Murrayfield Magic weekend on 1 May, attracting visitors from near and far to the capital. In fact the pace of the rugby action picks up in May, culminating in the international Emirates Sevens tournament on 29 May.

And there are plenty of new sporting highlights in the coming months, including three World Championships, after Edinburgh successfully bid to host several world class events in 2010.

September will see the Archery World Cup Final held in the UK for the first time, in a specially built arena within East Princes Street Gardens. The capital was again on target as it secured the World Duathlon Championships in Holyrood Park in early September, followed shortly after by the World Youth Climbing Championships, which will be held at the International Climbing Arena at Ratho on 6 September.

Whatever your tastes, passions or interests, there's something to peak everyone's interest and inspire minds, young and old, over the coming months. But don't take our word for it; just take a look for yourself.



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**HAPPY TO TRANSLATE**

ترجمے کے لئے حاضر آماندہوں کے ساتھ انبوابد کررر

بسعانا اوفیر اااااااااااا MOŻEMY PRZETŁUMACZYĆ 很樂意翻譯