

Part II: Proof of Evidence on
Employment Need from a Market
Perspective for Land North East of
Junction 10 M42, Tamworth

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1. Introduction

- 1.1. To fully understand the strategic employment land position that is relevant to the Appeal Site the accompanying Cushman & Wakefield Employment Land May 2024 (“C&WELS”) is provided at Appendix 1 and should be read. That Study updates the previous JLL Study and provides the most up to date evidence base for strategic employment land in the location of the Appeal Site. Unless otherwise indicated references to paragraphs and figures in this proof relate to that Study. Section 3 was authored by Jonathan Turner MRICS and Sections 4,5 & 6 by me. This proof of evidence specifically refers to Sections 4,5 & 6 and I strongly advise the Inspector (and other interested parties) to read the C&WELS to fully understand this proof of evidence.
- 1.2. From a market perspective the C&WELS evidences the widespread and accepted position within the sector (from developers and occupiers) that there is very strong demand at a regional, sub-regional, and local level for ‘Big Box’ developments, which are defined at paragraph 4.1 of the C&WELS, and an astonishingly low supply of sites, particularly at the sub-regional and local level.
- 1.3. This proof provides an explanation of how large-scale strategic employment sites would ‘normally’ be delivered following planning consent in order that the immediacy of need is understood within the context of this specific market segment. It then provides a very brief summary of the findings of the C&WELS on Demand and Supply in relation to the Big Box development market and the immediate need for large scale employment land. Finally, it assesses the appropriateness of the Appeal Site to meet the evidenced immediate need.

About the Author

- 1.4. I, David Binks MRICS, am a chartered surveyor specialising in Industrial & Logistics (“I&L”) agency with over 30 years’ experience in this sector. I am an International Partner and Head of Industrial and Logistics agency for the Midlands at Cushman & Wakefield (C&W) and currently based in their Birmingham office.
- 1.5. I hold extensive experience from a market perspective in demand and supply of I&L property. In the sector I advise private sector investors, occupiers, and developers. My clients have included Prologis Developments, GLP Developments, B&Q, Hello Fresh, Wincanton Logistics, and Unipart Logistics.
- 1.6. C&W is one of the largest commercial property consultancies serving the UK with offices throughout the country including Birmingham, Leeds, Manchester, Bristol, and London. It is a multi-disciplinary practice, but it is particularly well known for its expertise and experience with I&L and office property.
- 1.7. C&W produces a bi-annual research report entitled ‘UK Industrial and Logistics Outlook’ which considers the market demand and supply and other influencing themes in the sector. In addition, we produce a quarterly ‘Market Snapshot’. Both are respected monitors within the property industry on the I&L sectors. In addition, we also produce regular ‘thought leadership’, papers considering key themes. Recent reports include Future of Food, City Logistics, and our annual Manufacturing Location Index.
- 1.8. C&W is an active agent in the Warwickshire, Staffordshire, and the wider West Midlands. Current instructions include:
- 1.9. North & South sites MIRA Technology Park Nuneaton which consist of the North site of 1 million sq. ft of manufacturing / research and development space and the south site, an emerging 2.1million sq. ft manufacturing site on behalf of Evans Randall Investors.

- 1.10. Apollo Ansty Park Coventry - a new speculative development of 4 buildings extending to 800,000sq ft. on behalf of JD.com.
- 1.11. SPARK Walsall a 40 acre, 600,000sq ft logistics development in Walsall on behalf of Henry Boot Developments.
- 1.12. Prologis Hams Hall – 40 acres development totalling 700,000sq ft. On behalf of Prologis Developments
- 1.13. In this context, I consider that I am well placed to comment on the demand and supply and suitability of the Appeal Site from a market perspective and employment land issues surrounding this Appeal.
- 1.14. The content of this proof of evidence contains my professional opinion and is produced in full accordance with my professional code of conduct. I am aware of my duties to the Inquiry to provide my opinion irrespective of by whom I am instructed. I can therefore confirm that the content of this proof is true to the best of my knowledge or belief.
- 1.15. Information in relation to maximum building heights is included at Appendix 2 to this proof, and I understand that it will be referred to by Mr Smith in his evidence on landscaping and visual impact.

2. Scope of Evidence

- 2.1. The area around J10 M42 in North Warwickshire has been a long-standing supplier of strategic scale employment land with the redevelopment of the large coal mining site at Birch Coppice (commencing in the late 1990s and completing in 2014), Core 42 (commencing in 2015 and completing in 2022), recent developments at Centurion Park (2014-2016) and St Modwen's Tamworth Logistics Park (commencing in 2017 and completing in 2022). All of those developments have been very successful with large scale logistics facilities (B8 Use Class) being by far the predominant use.
- 2.2. North Warwickshire is superbly well and strategically located for the uses proposed in relation to rest of the UK with readily available access to the strategic road network (and subsequently major freight ports) and within its borders are the only two operational strategic rail freight terminals (SRFI) in the West Midlands (Birmingham Intermodal Freight Terminal known as "BIFT" at Birch Coppice and Hams Hall SRFI).
- 2.3. These unique characteristics have encouraged major European and Global corporates to base their UK and European headquarters in the Borough (including Aldi and FedEx/TNT in Atherstone and UPS and Euro Car Parts at Birch Coppice).

Section 3 provides an explanation of how large-scale strategic sites are delivered.

Section 4 provides a brief summary of the strong demand and severe lack of supply at the regional, sub-regional, and local level as established in the C&WELS May 2024.

Section 5 provides evidence on the consequences of not meeting the immediate need for strategic employment land from a market perspective.

Section 6 details the appropriateness of the Appeal Site to meet the unmet immediate need for strategic employment land.

Section 6 draws conclusions on the evidence.

3. Explanation of how large-scale strategic sites are delivered.

- 3.1. This section provides clarity on how large strategic employment sites are delivered, and therefore gives a context in which to understand the proposals within the specific market segment in which they sit.
- 3.2. The nature of large-scale strategic employment sites is that they typically require a significant level of infrastructure or 'offsite' works to be delivered once planning is received to unlock the development scheme separate to commencement of 'onsite' works which deliver serviced plots for consideration by occupiers. This can include, for example, the construction of major highway improvements such as bypasses and new bridges, and new rail freight interchanges, all which require significant timeframes for detailed design, stakeholder/technical approval, and only thereafter subsequent implementation/construction. This often results in strategic employment sites receiving outline planning consent but not actually being able to deliver serviced plots to engage in discussions with occupiers and meet demand for 4-5+ years.
- 3.3. Recent examples of this include the West Midlands Rail Freight Interchange scheme at J12 M6 near Cannock. The development proposals include the construction of a new strategic rail freight terminal and infrastructure works package with an estimated cost of £250 million and understood to be taking a minimum of 5+ years from receipt of planning to provision of readily available serviced plots. The Development Consent Order was made on 4th May 2020, but no occupiers have yet been secured by the scheme, and delivery still seems a long way off. That may be unfavourably contrasted with the potential of the Appeal Site to immediately take advantage of the strategic rail freight interchanges (SRFI) of BIFT at Birch Coppice and Hams Hall.
- 3.4. Another example is the East Midlands Gateway development (where a new bridge was required to be constructed across the M1 motorway, a bypass road constructed around Kegworth, and a new strategic rail freight interchange with 5 km of railway line constructed). The application was granted on 12th January 2016, with the opening of the rail freight terminal not until March 2020.
- 3.5. In comparison, the Appeal Site benefits from the existing cluster of freight, logistics and distribution facilities that have been developed over the last 20+ years in close proximity, following the closure of the Birch Coppice Coal Mine in the 1990s. It is effectively a satellite development to a larger cluster of over 7 million sq. ft of I&L space already developed at J10 M42, including at Birch Coppice (c. 4.3 million sq. ft.), Core 42 (c.680,000 sq. ft.), Tamworth Logistics Park (c.650,000 sq. ft.) and Centurion Park (c. 690,000 sq. ft.), and Relay Park (c. 700,000 sq. ft).
- 3.6. In contrast to the 'normal' long lead times associated with delivery of strategic employment land the Appeal Site can be delivered in rapid speed in market terms (2-3 years) with all the benefits that exist in its location. This is due to its proximity to existing infrastructure and businesses already associated with the Big Box logistics supply chain.
- 3.7. From an infrastructure perspective, the historic growth of Big Box focused development at J10 M42 benefits the Appeal Site in terms of easy access to BIFT (c.1 mile) and Hams Hall SRFI (c. 8 miles), the relatively minor works required to be undertaken to the strategic road network, and the easy access to an existing network of main services (fibre, power, water, gas, foul) that have been installed as the area has been developed over the past 20+ years.

- 3.8. From an operational perspective, the Appeal Site benefits from the support businesses that have located in proximity to the Big Box developments at J10 M42. Examples of this include networks of specialist logistics training providers, a knowledge and experienced labour pool, facilities management and vehicle maintenance providers which have all grown around the cluster of development around J10 M42. This also includes readily available access to major parcel hubs near the Appeal Site (UPS 0.6 miles – Midlands HQ, Fedex/TNT (1.7 miles & 3.89 miles – National HQ), and DPD (13.3 miles), which has become increasingly important for occupiers particularly since the rise of E-Commerce in recent years.
- 3.9. Specific locational requirements of occupiers (particularly E-Commerce but other sectors including automotive parts distributors/manufacturers) often focus on proximity to parcel hub facilities. This is due to the use of those facilities for short term delivery requirements of less bulky goods (same day/next day delivery) such as those that have become a function of modern online retail. The parcel hub operators such as Fedex/UPS/DPD often enforce cut off times for delivery of products to their sorting hub facilities in order to guarantee their service level for deliveries. Therefore, easy access to these facilities is critical to those occupiers in undertaking their operations in the most efficient and sustainable manner possible. For those occupiers, the proximity reduces travel distances and road time to their preferred carriers and allows them to reduce their carbon footprint.
- 3.10. It is also worth noting that parcel hub operators themselves undertake a significant amount of analysis on a location. Their proximity to a proposed scheme is therefore a very strong indicator of the strength of a location in terms of facilitation of logistics in the most efficient manner.
- 3.11. In summary, the proposed development can be delivered very quickly (within a 2–3-year timeframe) which is considered ‘immediate’ in both market terms and the context of delivery of large-scale strategic employment sites. It would be difficult in market terms to find a more ideally located site, geographically within the heart of the Golden Triangle, adjacent to the M42 and the A5 corridors, close to the SRFI at Birch Coppice and Hams Hall, and within easy reach of an existing appropriately skilled and experienced labour force.

4. Demand & Supply Data from C&WELS at Regional, Sub-Regional & Local Level

- 4.1. The C&WELS demonstrates that the high level of market demand for I&L has significantly reduced the availability of strategic employment land at a regional, sub-regional, and local level leading to an unprecedented and acute shortage of supply and an immediate need for new sites to be brought forward to fill the market ‘gap.’
- 4.2. At the outset, the C&WELS states that large scale I&L developments are a specific market segment – “a certain type” - of the overall employment land market, with a distinct set of characteristics (paragraphs 1.12 to 1.14). The C&WELS lists these particular characteristics of ‘Big Box’ developments with $\geq 100,000$ sq. ft. buildings including their specific locational requirements, the increasing scale of the buildings, and the more recent intense focus on decarbonisation in both operation and construction (paragraph 4.1).

Since the Pandemic

- 4.3. Whilst accepting that the pandemic years of 2020-2022 inclusive saw historic market highs in terms of take-up of Big Box buildings, the C&WELS recognises that the market has returned to a very healthy position of being in line with pre-pandemic levels (paragraphs 4.8 to 4.10) (Figure 23).

- 4.4. This position is despite the macro-economic and political shocks seen since the pandemic and demonstrates the resilience and strength of the demand for I&L. It would be wholly wrong to suggest that the reduction from the peak take up in Covid of 2022 will result in a continuing reduction.
- 4.5. Indeed, since the beginning of 2024, there has been examples of major occupiers who took space during 2020-2022 (but 'paused' in 2023) returning to the market with major acquisitions. In part that was because of the shock of the UK briefly appearing to have become economically unstable following the Financial Statement of Kwazé Kwartang. This includes Amazon who at one point during the 2020-2022 period accounted for almost 30% of all take up across the country.

National Level Demand & Supply

- 4.6. At the national level, in terms of buildings available or under construction presently the supply position represents 1.4 years based on 2023 take up figures or 1.23 years based on the pre pandemic 5-year annual average (paragraph 4.14). Other market signals such as rents and land values are also rising strongly.
- 4.7. The pre pandemic structural/key market drivers of E-commerce, near/re shoring (particularly since Brexit & Covid) and the changes such as electrification in the automotive sector remain strong. In addition, since the pandemic, new drivers have emerged such as the intense focus from occupiers to upgrade their property portfolios especially given ambitious Net Zero targets, the rise of Environmental, Social, and Governance standards, and UK energy efficiency legislation (paragraphs 4.18 – 4.47).

Regional Level Demand & Supply

- 4.8. The Appeal Site is located at a key location within the heart of the 'Golden Triangle' for logistics.
- 4.9. Within the UK, the logistics 'Golden Triangle' accounted for 11.58 million sq. ft. or 48.9% of the national take up in 2023. Of that quantum, the West Midlands (which has the more restricted land supply) accounted for 3.64 million sq. ft (paragraph 4.48).
- 4.10. The East Midlands' key logistics locations of Northampton, Castle Donington, Leicester, and Daventry do not have Green Belt restrictions whereas the key locations in the West Midlands of Coventry and Birmingham are both heavily constrained by Green Belt.
- 4.11. This imbalance in land supply between the East and West Midlands is also evidenced by average deal size rising in the East Midlands but decreasing in the West Midlands (paragraph 4.61) (See Figure 31).
- 4.12. Grade A space, defined as newly constructed or buildings with very high-level sustainability credentials, has dominated take up with 88.3% of the total take up in 2023 within the Golden Triangle (paragraph 4.53) (See Figure 26). This speaks directly to the decarbonisation of property portfolios now being a key driver of demand (paragraphs 4.35 to 4.42).
- 4.13. The West Midlands has long been associated with the automotive sector with Jaguar Land Rover, BMW and Geely (London Taxi) all having large manufacturing plants which increases manufacturing demand for Big Box developments for both manufacturing and logistic in the region. Along the M42 Corridor, examples of recent automotive take up includes JLR's 2.3 million sq. ft for a Global Aftermarket Parts hub at J11 M42 approximately and a 1 million sq. ft Logistics Operating Centre at Damson Parkway near J6 M42, approximately 8 and 15 miles from the Appeal Site respectively.

4.14. The C&WELS details the Golden Triangle's supply of strategic sites on both a (consented or allocated) and potential (industry promoted sites) basis and notes that since the JLL Study of 2021 the supply of allocated or consented sites has fallen from approximately 30 million to 13.9 million sq. ft. (paragraphs 5.15 and 5.16) (See Figure 40). The average annual take up of the Golden Triangle over the last 5 years was approximately 15.1 million sq. ft. meaning, comparing this to the current availability of sites in the Golden Triangle of 13.9 million sq. ft there is approximately 0.92 years (11 months) supply remaining of large-scale strategic sites (paragraph 5.21).

4.15. This is an astonishingly low supply level for this specific market, albeit at the sub-regional and local levels supply is even lower.

Sub-Regional Demand & Supply

4.16. Within the Golden Triangle the M42 motorway and A5 trunk road are key take up locations, and over the last 5 years and have accounted for 38.3% of the take up or 50% if Castle Donington is included (located at the top of the Golden Triangle where A42 meets M1) (paragraph 4.55 and Figure 27) of New / Grade A space.

4.17. The M42 Corridor (as defined by the WMSESS 2021 as J3 to J10 – see Figure 9 and Figure 10 on pages 33 and 34) has experienced significant levels of demand over the last 5-year period 2019-2023, with all of that take up detailed in Appendix 6 of the C&WELS.

4.18. The M42 Corridor benefits from easy access to the motorway network and the only two operational SRFI in the West Midlands, Birmingham Intermodal Freight Terminal at J10 M42 and Hams Hall SRFI at J9 M42. The strong take up along the M42 Corridor has been seen despite every motorway junction except J10 M42 (the location of the Appeal Site) being within the Green Belt and restricting land supply (See Figures 9 on page 33 and 10 on page 34).

4.19. Within Area A as detailed by LP6, take up over the last 5-year period 2019-2023 has reached 7.6 million sq. ft, and 11 million sq. ft. if J11 M42 is included, averaging 2.2 million sq. ft per year. If the pandemic years 2020-2022 are excluded the 5 years take up was 9.25 million sq. ft or 1.85 million annually (paragraph 4.74). Of Area A's total take up, 89.4% was for B8 logistics use class and 96.55% for Grade A space (see Figure 36 on page 77) (paragraphs 4.68 to 4.76).

4.20. Current supply of logistics (B8) Big Box development land along the M42 Corridor is limited to one site capable of accommodating a single 550,000 sq. ft building at Peddimore (and up to 1.2 million sq. ft of B2) (See Figure 43). For Big Box logistics land, that equates to 3 to 3.5 month's land supply at the 5-year average take up rates. This represents a critical level and is causing ongoing harm to economic growth and productivity of businesses in the region such as JLR which operate within a global marketplace. Whilst buildings are not the focus of policy LP6, within Area A Big Box building supply stands at between 8.5 months' and 10 months' supply. (See Figure 44 on page 90).

4.21. Rents along the M42 Corridor have risen 46.3% since 2020, averaging 13.4% and 8.6% over the last three and five years to Q4 2023 respectively (paragraph 4.75).

4.22. Serviced land values have also seen strong growth of between 287%-333% in the 10 years since Q1 2013 to over £1 million per acre as at Q1 2023 (See Figure 39 on page 84). More recent evidence in 2024 suggests land values have now reached £1.3 -£1.5 million per acre primarily due to scarcity of supply and the stabilised economic environment.

- 4.23. The level of demand and lack of supply constitutes an immediate need for strategic employment land in the sub-region.

Local Level Supply

- 4.24. The supply of sites at the local level stands at '0' (zero) years' supply in terms of large scale B8 logistics space capable of accommodating the immediate need (paragraph 5.39).
- 4.25. Of the North Warwickshire Local Plan Employment Allocations, the only allocation potentially for market facing large scale B8 development is E2 – Land to the West of Birch Coppice of 5.1 hectares on a gross area basis. The allocation requires landscaping along the A5 (which will reduce the area available for development), a diversion of a public right of way, and the relocation of the allotments (which form 1.5 hectares of the allocation) to an alternative location to the north of the A5 prior to start of construction. I understand that access to the land is likely to be via the private estate of Birch Coppice and therefore controlled by a third party. (See paragraph 14.43 and Policy E2 on p.93 of the Local Plan **CD-F1**). From the gross area, removing land for landscaping, estate roads, and drainage features is estimated to leave a maximum of 3-3.5 hectares available for construction of buildings and associated car parking and yard space.
- 4.26. The EC2 employment allocation is not suitable to meet the immediate need for large scale strategic employment land for logistics for which the Appeal Site is proposed. This is also the case for all other remaining allocations and available land in North Warwickshire (paragraphs 5.37 to 5.44).

Specific Interest in the Appeal Site

- 4.27. Despite not currently being actively market, occupier interest in the Appeal Site has been very strong indeed including prior to it being promoted through the planning process, during the promotion period, and specifically at present.
- 4.28. When engaging in discussions on a potential site, normal market practice dictates occupiers will often (but not always) require the relevant developer and associated professional team to enter into non-disclosure agreements (often lasting 2-3 years from discussions concluding). This is to avoid knowledge of the requirement becoming available for commercially sensitive reasons, such as concern over competitors or employees of existing facilities becoming aware of the expansion or relocation plans. This has taken place in this instance in respect of the Appeal Site.
- 4.29. Therefore, there is only so much that can be revealed in this proof of evidence. However, where allowable under commercial arrangements, discussions with specific occupiers are detailed below.
- 4.30. For example: DSV (previously based at Kingsbury Link in North Warwickshire for 15+yrs). In 2018 the Appellant was contacted by the agent of an occupier with a requirement for 25-30 acres of employment land within a 20-minute drive time of J10 M42 specifically in relation to the Appeal Site.
- 4.31. Subsequent meetings with the occupier and their agents revealed this to be DSV, at the time located 0.5 miles from J10 M42 at Kingsbury Link. Following that contact a meeting was held with a North Warwickshire planning officer and a councillor and member of the North Warwickshire Planning & Development board at the council's offices in Atherstone.
- 4.32. At the time, the Appeal Site was not being actively promoted by the Appellant through the planning process and therefore discussions did not continue. After a lengthy search DSV eventually took a site in the East Midlands at J11 M42.

- 4.33. In a letter to the determining local authority, DSV made it clear that they had undertaken an extensive search dating back to 2016 and that they had only be able to find 3 potential sites (2 of which were at J10 M42 and 1 at J11 M42) those being St Modwen's Tamworth Logistics Park which at that point had decided to speculatively develop the scheme meaning it was no longer a viable option, J11 M42 for which an application had been submitted for the Unipart/JLR facility and was due to be determined in short order (but that would require a move away from North Warwickshire to the East Midlands), and the Appeal Site which given the timescales and lack of commencement of any planning proposals was deemed to not meet DSVs timing requirements.
- 4.34. It is worth noting that the building that DSV vacated at Kingsbury Link is not occupied and DSV relocated in 2020/21 meaning in quantitative terms the jobs have not been replaced in North Warwickshire. In qualitative terms, the broader mix and more highly skilled jobs generated by DSV's new facility at J11 M42, which are characteristic of a campus style development, have been an opportunity lost for North Warwickshire.
- 4.35. For example, the Pallet Network was located at Coleshill (approximately 8 miles from the Appeal Site and on the M42 Corridor) and undertook a 5+ year search for a large site capable of accommodating a long thin cross-docked building from which to operate their pallet sortation centre. The requirement focused for 5+ years on finding a suitable site in the West Midlands close to Coleshill in North Warwickshire and discussions were held regarding the Appeal Site up to 2021. However, given the Appeal Site was not being actively promoted at that stage and the long-standing nature of the search the Pallet Network settled on an available site in Swadlincote, a sub-optimal location for the business needs.
- 4.36. For example, a number of rounds of discussions have been held with a major European Logistics operator seeking a 450,000 sq. ft. building north of Birmingham since 2021. We understand the requirement has not yet been satisfied.
- 4.37. In early 2017, the Appellant met Aldi at their UK headquarters in Atherstone in close proximity to the Appeal Site. The requirement was for a new state of the art logistics facility to improve productivity. At this point in time the Appellant's focus was on their Core 42 development scheme 0.5 miles from the Appeal Site. The Appeal Site was not then being actively promoted and therefore could not meet the timing requirements. Aldi subsequently opened the new facility in Leicestershire in 2022.
- 4.38. Finally, I am aware that there are specific and ongoing commercial discussions with a major employer in North Warwickshire with an interest in taking up to 75% of the proposed scheme by land area. Discussions have been long standing (since 2020/21) in relation to this scheme with meetings held with professional advisers, occupier corporate technical specifications provided, and drawings at tender stage. Given the commercially sensitive nature of these discussions I can provide no further information. Nonetheless I can confirm that if permission is granted that this interest is very likely to result in an immediate take up of employment land.

JLL Letter dated 18 November 2022

- 4.39. In addition to the above market interest information, we also note the letter of support provided by I&L property agents JLL dated 18th November 2022 which confirmed that JLL were tracking up to 15 million sq. ft. of requirements along the M42 Corridor in sizes ranging from 100,000 sq. ft. to 1 million sq. ft which would be suitable for the Site.
- 4.40. Of that figure they noted two requirements alone equated to 100 acres (net developable area), which is double the proposed total development plot size (net developable area) of around 50 acres. The letter also provided information on ongoing discussions with a major corporate occupier based in North Warwickshire. I understand the discussions on the Site are still ongoing – see Appendix 4.

Market Enquiries

- 4.41. In terms of market enquiries data paragraphs 4.105 to 4.109 and Figure 38 of the C&WELS details the number of requirements being tracked by C&W for Big Box I&L premises, which are high both in the Midlands and in the specific location of the Appeal Site. In 2023, in the Midlands C&W recorded 80 requirements across the West and East Midlands seeking buildings larger than 100,000 sq. ft. and totalling 25 million sq. ft., equating to an approximate average size of 312,500 sq. ft.
- 4.42. Of that regional quantum, 49 requirements totalling 13.7 million sq. ft. had Tamworth mentioned or covered within a regional description (See Figure 38 on page 81).
- 4.43. Figure 38 on page 81 shows a remarkably high number of enquiries spread across the different size ranges. This is indicative of both strong market conditions and the attractiveness of the location. Of note is the scale of the demand, with 36.7% for buildings more than 300,000 sq. ft. and over 8% for buildings more than 500,000 sq. ft.
- 4.44. There is also compelling evidence to support speculative development, with recent the large-scale developments of T318 (318,500 sq. ft) at St Modwen's Tamworth Logistics Park and Tamworth 345,414 sq. ft at Core 42 both at/close to J10 M42 and within North Warwickshire letting within 1 year after, and 5 months prior to practical completion of construction, respectively. This is strong evidence of the immediacy of demand and immediacy of need for more development land in this specific location.

5. Consequences of not meeting the evidenced immediate need for strategic employment land.

- 5.1. In market terms the consequence of the current position where land supply is critically low with strong demand is that it has created an immediate need for large new scale employment sites. This imbalanced supply/demand dynamic has created suppressed demand and, occupiers, if at all possible, are required to find alternative solutions leading to leakage to sub-optimal locations.
- 5.2. In relation to the Big Box sector, suppressed demand is when there is demand for large scale employment land, but the supply of such land is not available. According to research undertaken by Savills for the British Property Federation, the Birmingham market in which the Appeal Site sits has experienced 29% suppressed demand, i.e. take up would be 29% higher had suitable Big Box land been available. The disbenefits of suppressed demand is that occupiers, who invariably have extremely specific locational requirements, are prevented from investing and developing the right building in the right location, the most sustainable form of development.
- 5.3. In addition to suppressed demand, those businesses which are able to relocate away from the West Midlands (within the parameters of their specific locational requirements) have been forced into taking space in sub-optimal locations.
- 5.4. A key disbenefit of the suppressed demand and leakage to sub-optimal locations is that West Midlands' based businesses operating in European and Global markets are becoming less efficient, less productive, and less competitive against their competitors. When considered on a wider European and Global scale organisations assess the productivity and competitiveness of their operations relative to other operations across the world. Where better productivity and competitiveness can be found, organisations will seek to capture these betterments by closing less competitive locations and relocating them. This can often involve the loss of operations, investment, and jobs to other countries. During my 30 years in this market I have seen this on many occasions. Indeed I am involved in two such disposals of accommodation across the Midlands which are actively relocating operations overseas.
- 5.5. Relocations of the Big Box scale can take many years to complete. Finding the correct location undertaking design, executing the transaction, securing planning, and constructing. Most occupiers often do not give themselves enough time to undertake this process. Furthermore, many occupiers are extremely risk averse and will not commit to locations where there is risk that developments will not be delivered or there is no certainty of timescale.
- 5.6. Occupiers prefer to focus on development where speed and risk are reduced and minimised, typically seeking delivery of a development within a 2-year time period. This time period can often be dictated to some extent by procurement and installation times associated with complex building fit-out, such as mechanical racking solutions, automation machinery, and sortation systems. Only a minority of requirements will wait longer. They, therefore, will in most requirements focus on development where planning and infrastructure has already been secured and provided, the majority will not accept an uncertain planning environment or extended delivery timescales whilst planning is granted.
- 5.7. The development community is aware of this risk that occupiers seek to mitigate. Part of their response is to present sites to occupiers that have planning approval and where the site has been prepared and serviced for development. Their other response is to provide existing 'speculative buildings.' Our market research confirms this approach where Midlands Grade A speculative space and build to suit on serviced development plots in 2023 accounted for 88.3% of total take up (paragraph 4.53).
- 5.8. Consequently, sites where the planning process and timing is uncertain or not clear or where sites are not serviced will not be considered by occupiers. This generates a false impression that there is no immediate demand or need.

- 5.9. The reticence of occupiers to commit to sites which are not readily available forces them to identify sites which are. This can force them to locations outside their preferred area of location and significant competition for prime market facing locations.
- 5.10. Occupiers when identifying sites will often undertake a considerable amount of location planning to identify the preferred area for an operation. This includes assessment of access to markets and customers and the transport costs of accessing them. Availability and cost of labour are also major considerations. Frequently a considerable amount of this demographic assessment is undertaken before selecting a location and before the search for a site commences.
- 5.11. If an occupier is, then forced to locate to areas away from their identified preferred location (a sub-optimal solution) this can have significant consequences for their operations. Additional transport time reaching their customers generates longer journey times, drives costs adds additional mileage and generates large CO2 emissions, creating less sustainable development. The specific locational benefits of being located in close proximity to customers and existing operations are lost.
- 5.12. Moreover, the locations from where the occupiers are forced to move away from are left with an old stock of property which is not suitable for the requirements of modern logistics. This older stock typically takes more time to find an occupier who when found will seek short lease terms due to the buildings not meeting forward looking environmental standards. Temporary solutions will lead to lower levels of investment in premises, employees, and the local community. Occupiers will use manual systems rather than investing in mechanical handling systems, as the cost of the systems cannot be amortized over a longer occupational term. Manual systems can be achieved with lower skilled staff, whilst investment in equipment needs higher skilled jobs to operate and maintain them. In short, the area from which an occupier relocates will not benefit from the changes in the use of modern logistics facilities.

6. Appropriateness of site to meet the identified immediate strategic need for employment land.

Characteristics of Strategic Big Box Sites

- 6.1. The four principal requirements for Big Box developments of location, land, labour, and power are detailed in the C&WELS (paragraphs 6.1 to 6.6). On all four of these items the Site performs extremely strongly.
- 6.2. In market terms, the location with easy access to the strategic road network (motorways and trunk roads) and the only two operational rail freight terminals in the West Midlands is unquestionable. It is established and evidenced by the pace of take up of space in the location over an extended period of 20+ years. It is frankly the ideal site in market terms.
- 6.3. The Site at 32.36 ha is of significant scale, relatively flat and regular in shape and able to accommodate a range of requirements demanded by the Big Box sector, for buildings $\geq 100,000$ sq. ft.
- 6.4. The Site benefits from an existing network of infrastructure developed over the last 20+ years to accommodate major developments in this location. This includes significant utility investment and provision as well as private investment in the area. As such a large power supply is available in close proximity to the Site meaning a reduced impact and disruption on local communities.

- 6.5. The Site is very well located in terms of labour supply, with close proximity and proposed sustainable modes of transport to the more deprived areas of eastern Tamworth and North Warwickshire. The location also benefits from being in close proximity to a number of recent major housing developments in Tamworth and immediate term housing allocations within the adopted North Warwickshire Local Plan (including submitted applications very close to determination). More widely, the Site benefits from being within a 30 minute 'commuter distance' of the large conurbations of Birmingham, Coventry, Lichfield, Nuneaton, and Hinckley.
- 6.6. My analysis detailed above, is also supported by the West Midlands Strategic Employment Sites Study 2021, which ranked the Site as top against 30 other sites being promoted by developers/promoters in the sector using basket of criteria detailed in the C&WELS (paragraphs 3.79 to 3.80 and Figure 11 on page 35).
- 6.7. The Appeal Site and offsite mitigation measures are within the control and ownership of the promoting party, Hodgetts Estates/HPG Developments, a competent and experienced developer in this sector and location.
- 6.8. Importantly, the Appeal Site can be delivered in the immediate term as the market would understand in relation to strategic employment sites of this scale – see Occupier Programme dated 1st March 2024 in Appendix 3.

7. Conclusion

- 7.1. The Appeal Site is located on the final remaining quadrant of an established I&L Big Box location at Junction 10 of the M42 outside the Green Belt.
- 7.2. From a market perspective, the immediate need for strategic employment land is established by the C&WELS at a regional, sub-regional, and local level. It is readily available, easily serviceable, with specific and ongoing strong interest in the scheme from a number of occupiers.
- 7.3. The Site enjoys an almost unique set of attributes which are detailed in the C&WELS. It is clearly suitable for the specific market segment for which it is proposed and represents an outstanding opportunity which stands out regionally, sub-regionally, and locally.
- 7.4. I expect take-up of the scheme to be extremely rapid. My expectation, considering the speed of delivery of similar developments in close proximity, is that the development will be completed, and generating employment, within 12-18 months of the start of construction.
- 7.5. I can think of no better Site within North Warwickshire or the wider sub-region to meet the immediate need and immediate demand for strategic employment land.

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