

Employment Land Study

Land North East of
Junction 10 M42, Dordon

HPG
Developments
Ltd / Hodgetts
Estates

May 2024



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1. Introduction

- 1.1 This Employment Land Study (the “Study”) demonstrates that there is an immediate need and immediate demand for large scale strategic employment development land in the location of Junction 10 M42, an established key nodal point nationally in serving the wider UK’s supply chain logistics and manufacturing base. It has been prepared with consideration to the Employment Land Statement published in September 2021 and prepared by Jones Lang LaSalle (the “JLL Study”).
- 1.2 This Study updates but does not seek to repeat the contents of the JLL Study, albeit where necessary it does so, and adds additional insight and context.
- 1.3 In terms of structure, like the JLL Study, in turn this Study considers need for strategic employment sites, demand for strategic employment land for Big Box development, the supply of suitable land for Big Box development, and the ability and suitability of the Appeal Site (the “Site”) to meet the demonstrated need and demand.
- 1.4 It provides further information in relation to changes in market dynamics and structural trends which have developed since September 2021 and continue to drive need and demand into the future.
- 1.5 It then sets out that the identified need for large scale strategic employment land for logistics (and its immediate need) cannot be met via forecast supply or allocations in the North Warwickshire Local Plan (NWLP) and as such there is an unmet need for developments such as the Appeal Site in order to avoid further harm being caused to economic growth and productivity at the regional, sub-regional, and local levels.
- 1.6 The NWLP was adopted following a meeting of the Full Council on 29th September 2021.

Assessment of the Methodology and Approach Taken in the JLL Study, September 2021

- 1.7 Having reviewed the JLL Study it is our opinion that, where relevant to do so, it was prepared in line with the relevant parts of the National Planning Policy Framework (NPPF) (**CD-F11**) and Planning Practice Guidance (PPG) (**CD-F12**), most specifically:
 - Economic Need (paragraphs 2a-025 to 2a-032), published on 20th March 2015, with the latest revision to those paragraphs being on 22nd July 2019 and prior to the publication of the JLL Study; and
 - (The relevant paragraphs of) Housing and Economic Land Availability Assessment, published on 6th March 2014, with the latest revision also being on 22nd July 2019.

These paragraphs of the PPG provide guidance on how to assess economic need and set out a method for assessing economic land availability.

- 1.8 In breaking down the need, demand, and supply the JLL Study assists the reader by segmenting the different types of employment land requirements at a National, Regional, Sub-Regional, and Local level.

- 1.9 This segmented approach takes into account the understanding that Functional Economic Market Areas can overlap several administrative areas, and so strategic policy-making authorities may have to carry out assessments of need on a cross-boundary basis.
- 1.10 The JLL Study also takes into account both the quantitative and qualitative nature of supply.
- 1.11 Having reviewed the JLL Study, this Study endorses and validates its findings, albeit adding further up to date commentary and clarifications where deemed necessary. Notably the JLL Study concluded in September 2021 that:

“The [Appeal] Site is free of constraints. It is clearly suitable for the proposed development. It represents an obvious market opportunity which stands out locally, sub-regionally and regionally. We can think of no better site within the Borough, or the wider sub-region, much of which is constrained by Green Belt, to meet the immediate need and demand for this sector of the market in this location.”

Methodology and Data used in this Study

This assessment has been undertaken in accordance with the NPPF and PPG, most specifically:

- Economic Need (paragraphs 2a-025 to 2a-032), published on 20th March 2015, with the latest revision to those paragraphs being on 22nd July 2019; and
- (The relevant paragraphs of) Housing and Economic Land Availability Assessment, published on 6th March 2014, with the latest revision also being on 22nd July 2019

This Study provides more in depth commentary on PPG paragraphs at the relevant points.

Market data for this Study has been taken from Cushman & Wakefield’s (C&W) internal database. In relation to Need for Employment Land, Supply, and Demand, data is analysed in accordance with PPG (including on both a quantitative basis and qualitative basis).

Strategic Development Land and Big Box Focus

- 1.12 Given the strategic characteristics of the Site, particular consideration is given to the strategic employment land segment and the Big Box sector, both described below.
- 1.13 The Big Box sector is a specific market segment (a ‘certain type’) within the overall employment land market and is distinct from traditional forms of employment land, which generally but not exclusively caters for logistics and distribution, with unit sizes greater than 100,000 sq. ft. / 10,000 sqm.
- 1.14 Whilst there is no strict definition of strategic employment land it is generally accepted to be land parcels of significant size which through location, proximity to existing infrastructure and national/regional hubs, can meet wider than local need and lead to inward investment.

About the Author

- 1.15 Cushman & Wakefield (“C&W”) is one of the UK’s biggest commercial property agents, with offices throughout the UK, including Birmingham and London. It is a multi-disciplinary practice, which is particularly well known for its expertise and experience with industrial and logistics (“I&L”) property. It produces a

quarterly research report that tracks market sentiment on the demand and supply of industrial floor space throughout the UK, together with quarterly briefings, thought leadership and thematic insights.

1.16 C&W is an active agent in the sub-region in terms of employment property and land. Current and recent Big Box instructions along the M42 corridor and in proximity to the Site include:

- **Core 42 at Junction 10 M42**, Tamworth, for Hodgetts Estates/HPG Developments – now developed logistics scheme
- **Prologis Park, Hams Hall**, Junction 9 M42 for Prologis – now fully developed logistics scheme.
- **Mira Site South** – coming forward as a research and development/technology/advanced manufacturing type scheme, building on the existing facilities available at the Motor Industry Research Association Technology Park.
- **Magna Park**, Lutterworth – logistics scheme

Context

1.17 In its context section, the JLL Study sets out the planning history in relation to North Warwickshire and makes references to the L39 – Employment Allocations (previously referred to as LP40 in the submission version of the NWLP and the JLL Study) – identifying four sites totaling 57.35 hectares which would help meet the Local need in the Borough, along with extant planning permissions and allocations.

1.18 The JLL Study, correctly states that Policy LP5 paragraph 7.49 of the then submission version of the NWLP (**CD-F24**) made it clear that the 100 hectares of Employment Land allocated in the NWLP is to accommodate a “local” need and not wider than local, i.e. strategic need. This is also corroborated by analysing the methodology used to reach the 100 hectares of employment land, which notably the Inspector for the Local Plan examination required to become a “minimum” amount.

1.19 The NWLP examination Inspector understandably endorsed the proposed LP6a (LP6 in the adopted version) under MM40 (**CD-F20**) as a clear basis for decision making particularly in relation to the storage and distribution sector within the sub-region and it is now included within the adopted version.

1.20 Local Plan Policy LP6 is extracted below for ease of reference:

Figure 1: LP6 Policy taken from the NWLP.

LP6 Additional Employment Land

Significant weight will be given in decision taking to supporting economic growth and productivity, particularly where evidence demonstrates an immediate need for employment land, or a certain type of employment land, within Area A on Figure 4.10 of the West Midlands Strategic Employment Sites Study of September 2015 (or successor study) which cannot be met via forecast supply or allocations. The relevant scheme will be required to demonstrate:

- (i) access to the strategic highway network is achievable and appropriate,
- (ii) the site is reasonably accessible by a choice of modes of transport,
- (iii) it is otherwise acceptable, taking account of the living conditions of those nearby.

1.21 The supporting text at paragraph 7.46 present in the adopted Local Plan (**CD-F1**), confirms Area A encompasses land covered by a Strategic Gap, designated Green Belt, and land which is not in Categories 1,2,3, or 4 of Plan policy LP2. The text makes clear that interpretation of LP6 should recognise that there are specific locational requirements specific to certain employment uses and economic benefits to addressing those needs in those locations.

1.22 The LP6 Policy refers to ‘an immediate need’ or ‘a certain type of employment land’ (e.g. For example, strategic employment land) which cannot be met through allocations or forecasted supply in the plan.

1.23 The Appellant argued through the plan-making process of the now adopted Local Plan that the Borough Council should identify and allocate a quantum and quality of Employment Land that meets fully the overall needs of its area, **including wider need for large sites**, and make further allocations accordingly, beyond those listed in LP39 – Employment Allocation Sites.

1.24 However, in the absence of new allocations being identified, the Appellant supported in principle this new policy (LP6) and made representations through their planning agents WSP to that effect during the later stages of the plan making process, albeit suggesting some points of clarification.

Scope

1.25 **Section 2** sets out the wider context in which the appeal is being made - the current planning system's inability to deal with 'wider than local' strategic development issues.

1.26 **Section 3** considers both policy and studies evidence for the need for strategic employment land. This is undertaken at a national, regional, sub-regional and local level. It provides a substantial evidence base for the continuing and longstanding shortfall between the need for strategic employment land and its supply, particularly within Area A/Area 2 and the M42 Corridor as identified in NWLP Policy LP6 and two West Midlands regional studies.

1.27 It should be noted that Area A referred to in LP6 is derived from the West Midlands Strategic Employment Sites Study published in September 2015 ("WMSESS 2015") (**CD-i1**) and co-authored by Peter Brett Associates and JLL.

1.28 The "(successor study)" noted in LP6 is reference to the West Midlands Strategic Employment Sites Study – Final Report released in May 2021 ("WMSESS 2021") (**CD-i2**). This report makes reference to Area 2, which broadly corresponds with Area A in the predecessor Study from 2015 referred to above albeit it focuses on the M42 Corridor.

Both studies are referred to in greater detail in Section 3.

1.29 **Section 4** addresses the demand for Big Box development land and considers:

- National Trends
- Key market drivers
- Regional Market Trends with reference to the Golden Triangle
- Sub-regional trends, with reference to Area A / Area 2 and M42 Corridor (including analysis of local sites)

1.30 **Section 5** provides consideration of supply with reference to:

- The longstanding shortfall of development land and the effect on market signals (e.g. rent levels and land values).
- Supply of sites within the Golden Triangle – Regional
- Supply of sites within Area A/Area 2 – Sub-Regional
- Supply of sites within North Warwickshire - Local

1.31 **Section 6** considers the ability of the Site and the development proposals to meet both the immediate need and immediate demand for such sites. Particular consideration is given to the principal requirements for strategic employment land suitable for Big Box logistics and the principal attributes of the Site.

1.32 **Section 7** provides a summary and draws conclusions.

- 1.33 In addition to the JLL Study a parallel report assessing the need for employment land and assessing the socio-economic benefits was produced by Nicol Economics in November 2021 and submitted by the Appellant as part of the planning application. We understand that an update of that evidence has also been produced for the Appeal by Stephen Nicol and Jim Coleman.
- 1.34 Where reports and studies referred to in this Study state Use Class B1 it is because those documents were written before September 2020, when changes were made to the Use Classes Order creating a new Class E(g) covering offices, R&D, and light industrial.

2. The Failure of the Planning System to address Strategic Need (Regional & Sub-Regional Need)

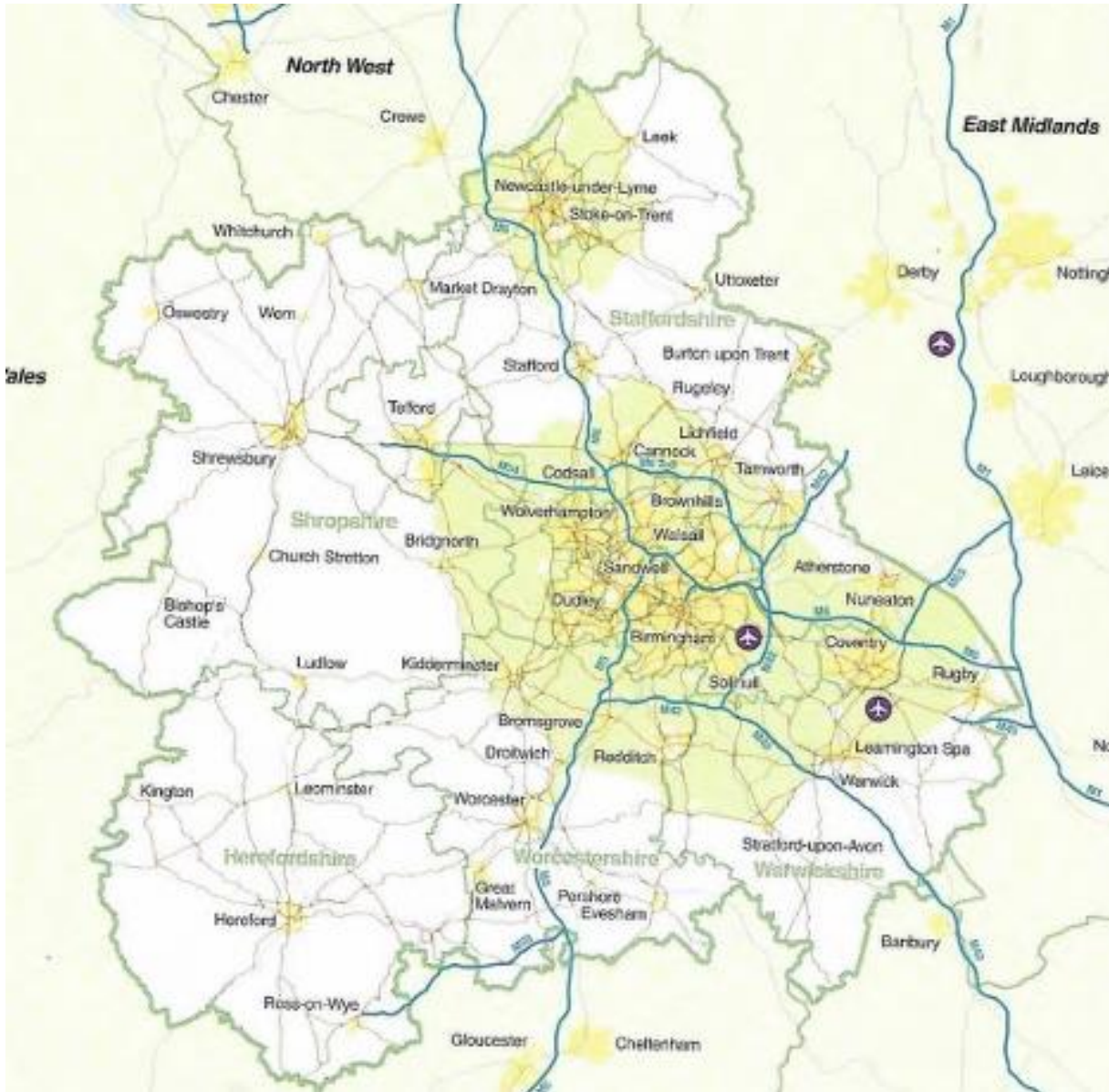
Introduction

- 2.1 A major weakness of the current planning system is its inability to deal with 'wider than local' strategic development issues. The removal of the regional tier of planning through revocation of Regional Spatial Strategies ("RSS") and the subsequent Localism Act 2011 has meant that there is no development plan document which addresses issues that demand consideration at the regional level, including major infrastructure projects and the need for strategic employment land. There is a void between NPPF guidance and local/neighbourhood plans, with local plans ignoring strategic land to meet local needs only. When all local plans in a region take the same approach, regional needs remain unmet.
- 2.2 The Localism Act introduced the current statutory 'duty to cooperate' between local authorities. This however in practice is not delivering strategic development, as clearly evidenced in the West Midlands, where authorities have passed the duty to cooperate at plan making stage, but most have progressed plans with nothing more than local employment land provided for.

Regional Planning History

- 2.3 RSS emerged from the Planning and Compulsory Purchase Act 2004, which abolished structure plans and replaced regional planning guidance. RSS then became the strategic level plan for all regions (except London) charged with informing local development frameworks ("LDF"), undertaken at a local level by district councils.
- 2.4 RSS covered multiple local planning authority areas and provided a broad development strategy for a region for a fifteen to twenty year period. This included considering strategic matters such as the identification of the scale and distribution of provision for new housing and economic development.
- 2.5 Planning Policy Statement 11: Regional Spatial Strategies ("PPS11") accompanied the introduction of RSS and set out the procedural policy on the nature of RSSs. Paragraph 1.7 of PPS11 stated that RSS should:
- articulate a spatial vision of what the region will look like at the end of the period of the strategy and show how this will contribute to achieving sustainable development objectives.
 - provide a concise spatial strategy for achieving that vision, defining its main aims and objectives; and
 - address regional or sub-regional issues that will often cross county or unitary authority and, on occasion, district boundaries, and take advantage of the range of development options that exist at that level. The RSS should not address local issues which should be the subject of a Local Development Document (LDDs) required by s.24(1)(a) of the 2004 Act to conform with the RSS.
- 2.6 This meant in practice, that under the plan led system, the determination of planning applications was made in accordance with the RSS and the relevant Development Plan Document (unless other material considerations indicated otherwise).
- 2.7 The Appeal Site sits within the West Midlands for which the West Midlands Regional Assembly was responsible for preparing the RSS. See West Midlands map below.

Figure 2A: Map of the West Midlands Region taken from Strategic Spatial Development in the West Midlands— a Long View Perspective, Dave Thew & Sandy Taylor Futures Network West Midlands, April 2019



2.8 RSS for the West Midlands (2008) set the regional vision, considering its locational context in the UK and Europe, as well as relationship to other regions (NW, E Midlands and South). It sought to create a competitive, thriving, and diverse economy. Policies PA6 to 9 set out that LPAs should aim to provide and maintain a range and choice of readily available employment sites to meet the needs of the Regional economy. It set out the need for Regional Investment Sites, Major Investment Sites and Regional Logistics Sites. Recurring guidance was for such sites to be located close to the strategic road network, rail/multi modal and public transport, and to be close to areas of deprivation. Whilst the RSS did not identify specific sites it did establish the locational criteria appropriate to regionally or sub-regionally significant housing, business, and major new inward investment sites, and provided a broad location (area of search) suitable for the development in question.

2.9 Importantly, RSS required the maintenance of an implementation plan which set out the output targets and indicators related to each policy so that progress could be monitored and if necessary remedial action undertaken or a revision triggered.

Since the Localism Act 2011

2.10 The Localism Act 2011 removed the regional planning tier (RSS) and replaced it with a 'duty to co-operate' between neighbouring local authorities in relation to strategic planning (i.e. wider than local needs). For example, this includes the provision for new housing across a wider housing market area or employment land across a functioning economic or travel to work area.

2.11 S. 110 of the Localism Act sets out the 'duty to co-operate', which:

- relates to sustainable development or use of land that would have a significant impact on at least two local planning areas or on a planning matter that falls within the remit of a county council
- requires that councils set out planning policies to address such issues
- requires that councils and public bodies 'engage constructively, actively and on an ongoing basis' to develop strategic policies
- requires councils to consider joint approaches to plan making.

2.12 NPPF paragraphs 20 to 23 concern 'Strategic Policies' stating that such policies should look ahead over a 15 year minimum period from adoption (and 30 years in the case of larger scale developments) to take into account likely timescales for delivery. Paragraph 23 states that strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate to address objectively assessed needs over the plan period, in line with the presumption in favour of sustainable development.

2.13 NPPF paragraphs 24 to 27 concern 'Maintaining effective cooperation' in relation to strategic planning matters. This includes direction that local planning authorities should cooperate on strategic matters that cross administrative borders (paragraph 24), collaborate to identify the relevant strategic matters which they need to address in their plans (paragraph 25), and in order to demonstrate effective and on-going joint working, authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these issues (paragraph 27).

2.14 **There is no recognised monitoring process for delivery of strategic planning matters in the current planning system process, save the examination process** – a clear distinction with the situation prior to the Localism Act 2011, where monitoring was undertaken by the RSS at the regional level (and remedial action taken, or revision triggered if necessary).

2.15 In short, whilst a duty to cooperate does exist, **it does not place an imperative on local authorities to provide for strategic issues (such as strategic employment land)**. There is no regional tier guidance (such as an RSS) directing quantum and broad location of development and monitoring implementation. In this system local authorities have been reluctant to plan for strategic issues. It is for this reason that strategic employment land has suffered from significant and long-standing under provision. Set out below is a review of how the need for Strategic Employment Land has not been addressed by the Local Plans of neighbouring planning authorities in the sub region.

Review of Local Plans approach to strategic employment need

2.16 The Local Plans, for the following Local Planning Authorities (LPA), have been researched to provide information about how those Local Plans are seeking (or not seeking) to address the wider than local need for strategic employment land. These Local Plans have been reviewed as they include where parts of the LPAs fall either within: i) Area A identified in WMSESS 2015 (M42 Belt) and Area 2 of WMSESS 2021 (M42 Corridor); or ii) within Area A identified in WMSESS 2015 but not Area 2 identified in WMSESS 2021 – this is considered the relevant study area in the context of Local Plan Policy LP6. A summary table in ‘traffic light’ style is found at Figure 3 below:

- North Warwickshire Borough Council
- Tamworth Borough Council (borders North Warwickshire to North-West A5/M42)
- Birmingham City Council (borders North Warwickshire to South-West)
- Coventry City Council (borders North Warwickshire to South-East)
- Solihull District Council (borders North Warwickshire to South)
- Lichfield District Council (borders North Warwickshire to North-West)

Figure 2B: Council boundaries plan showing Area A WMSESS 2015 (as referred to by LP6) overlaid and the M42 motorway (blue)

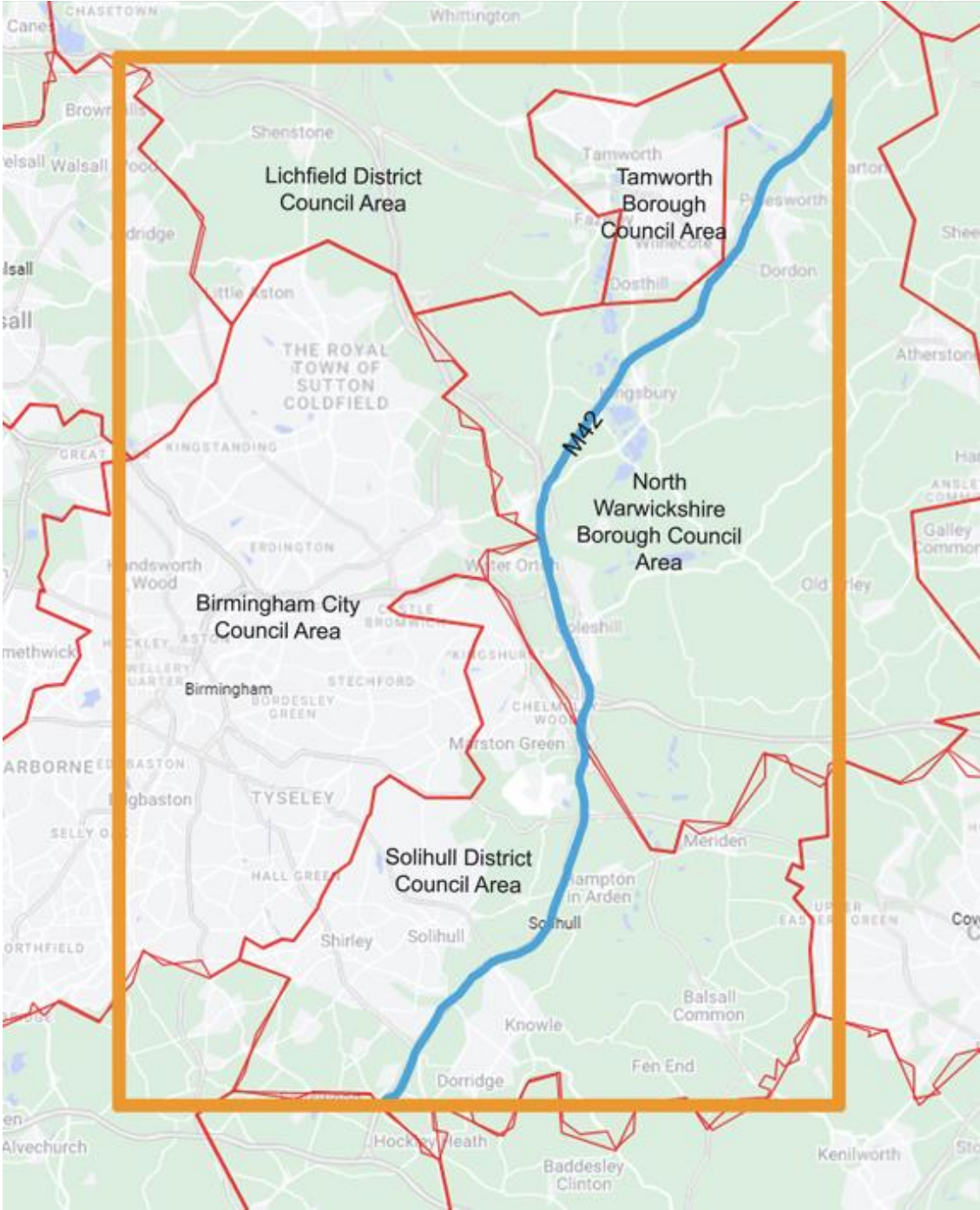


Figure 2C: Council boundaries plan showing Area 2 WMSESS 2021 overlaid and the M42 motorway (blue)

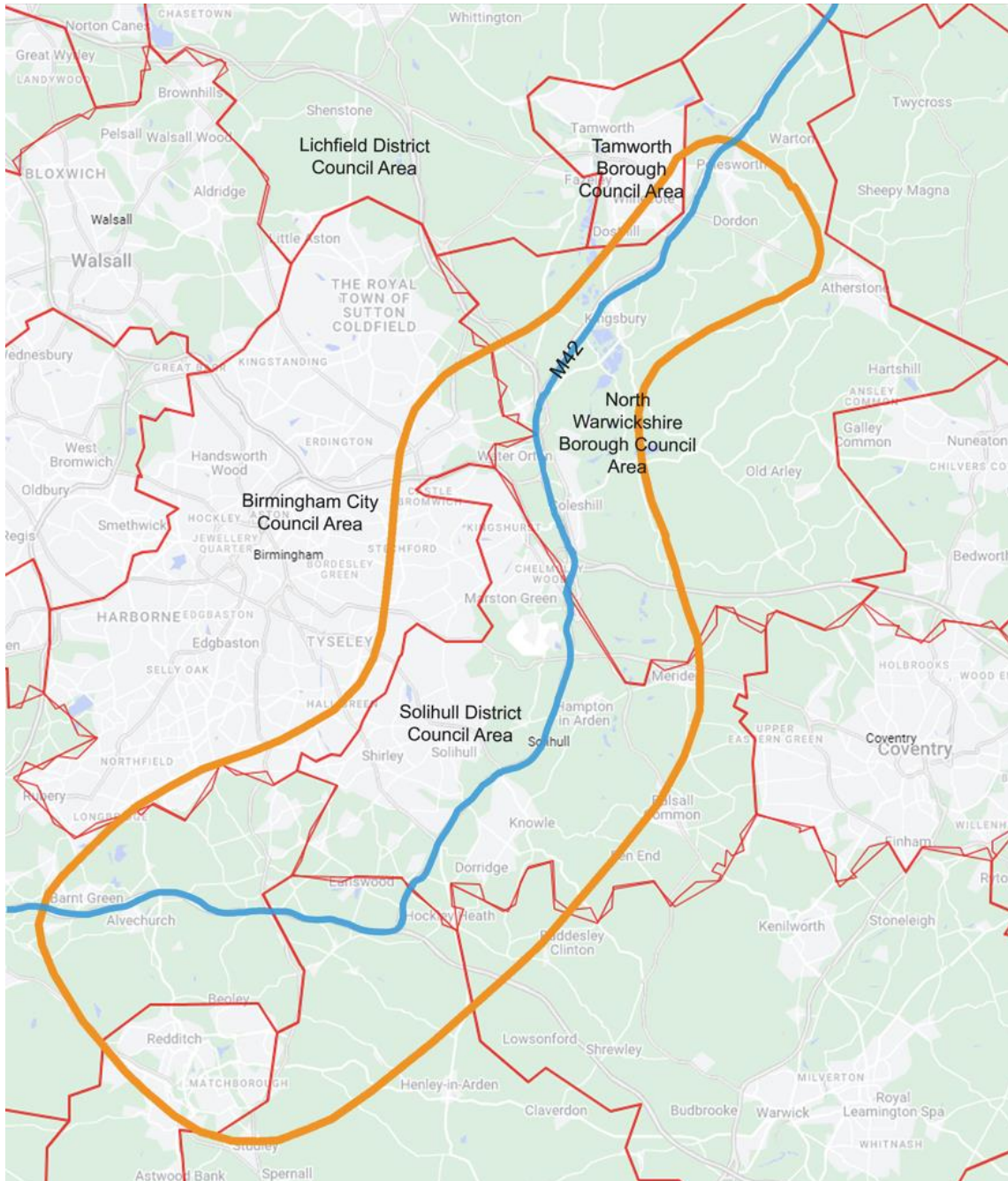


Figure 3: Traffic light summary of adopted and emerging Local Plan positions on Strategic Employment Need (Green = allocation for large scale B8, Amber = emerging allocations large scale B8, Red = No certainty)

| Local Authority | Current Local Plan Position (Strategic Employment Land B8) | Emerging Local Plan Position (Strategic Employment Land B8) |
|---|---|---|
| Parts within AREA A WMSESS 2015 AND Area 2 WMSESS 2021 | | |
| North Warwickshire Borough Council | Adopted 2021 with no allocation of B8 strategic employment land – LP6 decision making policy only | Reg 18 Draft DPD at Scopes, Issues, Options stage (CD-F7). Does not explicitly state that it will address strategic employment needs. |
| Tamworth Borough Council | Adopted 2016 – Local needs only. | Reg 18 Evidence gathering stage, with Issues and Options consultation document |

| | | |
|---|--|---|
| | | addressing local need only. Constrained by Green Belt and M42. |
| Birmingham City Council | Adopted 2017, local need only and still undersupply. | Reg 18 Issues and options Consultation stage makes clear that land released after construction of HS2 and WMI may meet strategic need. Notably B8 warehousing is discouraged at regional investment sites. No clear allocation. |
| Coventry City Council | Adopted 2017 Only 128 ha of its identified need of 369 ha able to be met within Coventry itself, primarily due to Green Belt constraints. | Reg 18 Issues and Options consultation closed 29 th September 2023 Stated to have an oversupply at local level but does not take into account the 551-735 ha of strategic need identified in HEDNA for C&W |
| Solihull District Council | Adopted Local Plan 2013 – Local needs only. | Reg 22 Draft Submission Plan submitted for Examination 2021 - Local need only. Plan at examination stage. Highspeed Interchange (HS2) has potential but at very early stage. |
| Parts within Area A WMSESS 2015 (M42 Belt) but not Area 2 WMSESS 2021 (M42 Corridor) | | |
| Lichfield District Council | Adopted Feb 2015. Local need only (based on labour supply via new dwellings). Only small southern portion of LDC is in Area A and not in Area 2 WMSESS 2021 and no M42 motorway junctions. | Local Plan to 2040 (with no strategic employment land provision) withdrawn from examination by Lichfield DC in October 2023. Call for sites undertaken early 2024. |

Council areas within Area 2 and Area A of the WMSESS 2021 and WMSESS 2015

North Warwickshire Borough Council (NWBC)

- 2.17 A large part of the western half of NWBC administrative area falls within Area A as defined by WMSESS 2015 & LP6 and also Area 2 as defined by WMSESS 2021. Along the M42 corridor this includes J10 (location of the Appeal Site) and J9 to J7 (located within the Green Belt).
- 2.18 Whilst no strategic employment land policy formed part of the submission version of the Local Plan, at examination, having given consideration to the extensive and long-standing evidence base, the Inspector was satisfied that a **minimum of 100 ha of employment land met local need**. It was directed by the Inspector to be a “minimum” figure and the inclusion of decision making policy LP6 – Additional Employment Land was required as a mechanism for decision makers to provide further employment land where there was evidence of an immediate need for employment land, or a certain type of employment land, within Area A of the West Midlands Strategic Employment Sites Study 2015.

Tamworth Borough Council (TBC)

- 2.19 A small part of the eastern part of Tamworth (where it borders North Warwickshire) falls within Area 2 as defined by WMSESS 2021. It broadly does fall within Area A as defined by WMSESS 2015 but does not include any M42 motorway junctions within its administrative area. It does benefit from easy access to M42 to the east along the A5, via J10 in North Warwickshire.

- 2.20 Policy EC6 allocated 18ha of new employment land to provide for the “assessed level of economic growth” “In order to meet the needs and aspirations of the town” anticipated over the local plan period, with a view to “retaining existing jobs and attracting new jobs to Tamworth which will support the reduction of high levels of out-commuting currently experienced”. The policy does not address wider than local need, indeed the allocated sites generally range from around 0.5 to just under 3 hectares, with the exception of Bitterscote South (9.8 hectares) - a site that has been allocated for a significant period of time – and where it is understood delivery is impeded by highways constraints. Issues and Options Document September 2024 is focused entirely on local need. Tamworth is constrained by the Green Belt and M42 motorway in any case.

Birmingham City Council (BCC)

- 2.21 Parts of BCC administrative areas fall within both Area 2 and Area A, but it does not include any motorway junctions along the M42.
- 2.22 Birmingham is taking an approach based on the recycling of existing sites in employment use (with the exception of the Peddimore allocation (Policy GA6)). The Birmingham Development Plan was approved despite an identified shortfall of employment land for the plan period to 2031 of 150 ha and the shortfall of Best Urban land of 69 ha. Notably, the Council's own advisors stated that the shortfall would not be wholly addressed through the recycling of old sites with only 35ha likely to come forward on that basis over the plan period. There is no clear draft allocation in the most recent Issues & Options Paper and BCC is constrained by the Green Belt.

Coventry City Council (CCC)

- 2.23 The very western part of CCC falls within Area 2 and Area A, but it does not include any motorway junctions along the M42.
- 2.24 Coventry 2017 Local Plan relied upon a Memorandum of Understanding signed by the seven Local Planning Authorities which make up Coventry and Warwickshire in July 2016, with only 128 ha of its identified need of 369 ha able to be met within Coventry itself, primarily due to Green Belt constraints .
- 2.25 The future review of the Coventry Local Plan is not be able to lean on large scale completions or new sites coming through the pipeline to anything like the same extent, and it is in this context that the Coventry Local Plan Review (to 2041) is taking place. Notably the Issues and Options Consultation was framed by the Council on the basis of the “labour demand” approach of the HEDNA contrary to the recommendation of the report’s authors who considered it appropriate to plan for future development to be in line with completions trends pointing to an undersupply (Refer also to Section 3).
- 2.26 Coventry City Council is not taking into account any of the large scale B8 strategic need identified by the Coventry & Warwickshire HEDNA 2022 (**CD-i4**) which concluded that there was a need for 551 ha for the period 2021-2031 and 735 ha for the period 2021-2050.

Solihull District Council (SDC)

- 2.27 SDC falls within Area 2 and Area A, including M42 J6 to J4 (all located within the Green Belt).
- 2.28 The Council identified two new allocations at the proposed HS2 Interchange (UK1) and Damson Park (UK2), which would represent removals from the Green Belt. Site UK2 has mostly already been committed to JLR, with the remainder identified as suitable for local, JLR or Airport employment needs. The Highspeed Interchange Site (UK1) is likely to have a strategic role.

Council areas within only Area A (and not Area 2) of the WMSESS 2015

Lichfield District Council (LDC)

- 2.29 LDC is not within Area 2 but a small section of the southern part of it of its administrative area falls within Area A. It does not have easy access to any motorway junctions of the M42. Any access to M42 involves passing through other administrative areas.
- 2.30 The current Local Plan (2008-2029) was adopted in 2015 and focuses only on local employment land need.
- 2.31 In October 2023, LDC withdrew their emerging Local Plan (to 2040). They undertook a Call for Sites in early 2024 in relation to a new local plan. It is unclear what the current timeline is for any new Local Plan. The 2019 HEDNA was undertaken with Tamworth Borough Council and heavily criticised (see paragraph 3.142-3.144 of this Study). Prior to being withdrawn the submitted Local Plan was criticised by North Warwickshire as not including a policy to deal with Strategic Employment Land (see paragraph 3.143 of this Study).

Junction 11 M42

North-West Leicestershire District Council (NWLDC)

- 2.32 NWLDC is not located within Area 2 or Area A but does have J11 M42 located to its very southern border.
- 2.33 The current NWLDC Local Plan was adopted in November 2017 and the second part of Policy Ec2 directs decision makers in relation to employment land need that cannot be met from land allocated in the plan. This policy is used to accommodate strategic employment land which addresses a wider than local need. It was by triggering this part of Policy Ec2 that the 2.9 million sq ft development at Appleby Magna for Unipart/JLR and DSV was deemed to comply with the Local Plan. This policy was used as the basis for LP6 in the North Warwickshire Local Plan and is extracted below in Figure 4.

Figure 4: Part 2 of Policy EC2 of the North-West Leicestershire Local Plan

- (2) Where evidence indicates an immediate need or demand for additional employment land (B1, B2 and B8) in North West Leicestershire that cannot be met from land allocated in this plan, the Council will consider favourably proposals that meet the identified need in appropriate locations subject to the proposal:**
 - (a) Being accessible or will be made accessible by a choice of means of transport, including sustainable transport modes, as a consequence of planning permission being granted for the development; and**
 - (b) Having good access to the strategic highway network (M1, M42/A42 and A50) and an acceptable impact on the capacity of that network, including any junctions; and**
 - (c) Not being detrimental to the amenities of any nearby residential properties or the wider environment.**

- 2.34 NWLDC are now in the process of preparing a new Local Plan for the period 2020-2040. In a February 2024 Topic Paper on Employment, in relation to “Strategic Distribution” (i.e. large scale logistics) reference is made to the Warehousing and Logistics in Leicester and Leicestershire Study 2021 which identified six areas of opportunity and an additional need for 307 ha at rail served sites and 117 ha at non-rail served sites from Leicester/Leicestershire.
- 2.35 It is understood this road/rail served need for Leicester/Leicestershire would largely be fulfilled through the proposed Hinckley National Rail Freight Interchange at M69 J2, if permitted. The Topic Paper states a decision is expected on that Site from September 2024. It also states that NWL agreed to work towards a provisional sum of 106,000 sqm of strategic warehousing for the new Local Plan, albeit that option was preliminary and did not signal the council’s commitment or agreement to take a particular share of any remaining Leicester and Leicestershire need.

Summary

- 2.36 The above analysis has clearly shown that there is no strategic planning guidance to provide for strategic and logistics land in the West Midlands, and therefore it has fallen to individual local authorities (under the duty to cooperate) to agree the strategic requirement and allocations to meet it. As shown above, North Warwickshire has not made a strategic provision of logistics land in its local plan, neither have Tamworth, Birmingham, Coventry, Solihull, Lichfield, or NW Leicestershire. This means there is no planning framework in place to deliver the strategic employment and logistics land the region needs. It is therefore left to planning applications and appeals to provide the land, relying on policies such as LP6 in North Warwickshire.

3. Need for Strategic Employment Sites

3.1. This Section looks at the relevant planning and economic policy, and the relevant evidence base that supports it, on the need for strategic employment sites at a national, regional, sub-regional, and local level.

National Context and Evidence

3.2. At a national level the JLL Study commented on the following documents:

- National Planning Policy Framework revisions 2018, 2019, 2020
- Planning Practice Guidance
- What Warehousing Where? Turley Consultants for the British Property Federation (BFP), March 2019
- Better Delivery: The Challenge for Freight, National Infrastructure Commission, April 2019

3.3. This Study makes further comments on those documents and provides comments on the following additional studies/statements at a national level:

- Decarbonising Transport: a better, greener Britain, July 2021
- Ministerial Statement on ‘Planning Reforms for Lorry Parking,’ November 2021
- Future of Freight: a long-term plan, Department for Transport, June 2022
- Levelling Up – The Logic of Logistics, British Property Federation and Savills, April 2022
- Powering the Superpower: Upgrading the UK’s Industrial Infrastructure to Unlock Technology Transformation for Growth, Demos, December 2023
- Future Gazing: Logistics for modern living, Knight Frank, January 2024

National Planning Policy Framework (NPPF) (CD-F11)

3.4. Since the JLL Study, there have been two revisions of the NPPF dated 5th September 2023 and 19th December 2023.

3.5. Section 6 of the current NPPF relates to building a strong, competitive economy and is contained within paragraphs 85 to 89.

3.6. Paragraph 85 introduces the section and reads:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand, and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should **allow each area to build on its strengths,** counter any weaknesses and **address the challenges of the future.** This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.” [Our emphasis]

3.7. Whilst the current NPPF provides limited guidance on employment land, it does include specific and helpful advice concerning the logistics sector in paragraph 87, which states:

“Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative, or high technology industries; and for **storage and distribution operations at a variety of scales and in suitably accessible locations.**” [Our emphasis]

- 3.8. Section 11 of the current NPPF is entitled “Making effective use of land” and states:
- 3.9. **Planning policies and decisions need to reflect changes in the demand for land.** They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan:
- (a) it should, as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and
- (b) **in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area.** [Our emphasis]

Planning Practice Guidance (CD-F12)

- 3.10. Within the current PPG, paragraphs 2a-025 to 2a-032 relating to economic need were last revised in February 2019.
- 3.11. The paragraphs provide advice to local planning authorities on how to determine the type of employment land that is needed (Paragraph 2a-025), how to prepare and maintain evidence about business needs (Paragraph 2a-026), and how employment land requirements can be derived (Paragraph 2a-027). Reference is made to analysis based on past take up of employment land and property and/or future property market requirements.
- 3.12. Advice contained in the PPG emphasises the importance of understanding business needs and consulting with the business community to understand current and potential future requirements.
- 3.13. Reference is made to the **assessment of market demand and market signals so that ‘gaps’ can be identified in employment land provision** to understand whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This is to **enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied** (Paragraph 2a-029).
- 3.14. Paragraph 2a-031 concerns how authorities assess need and allocate space for logistics. It notes that strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. Engagement with market participants (developers & occupiers), analysis of market signals and economic forecasts, and engagement with LEPs can inform this process.
- 3.15. For specific locational requirements of specialist sectors (including logistics), whose needs are more qualitative in nature, engagement with market participants (developers & occupiers) is advised (Paragraph 2a-032).

What Warehousing Where? Turley Consultants for the British Property Federation, March 2019 (CD-i95)

- 3.16. The JLL Study provided the following synopsis of that report, which is outlined below for ease of reference:
- The establishment of a clear link between the growth of new homes and the need for additional warehouse space, with presently 69 sq. ft. of warehouse space for every home in England.

- The report predicted an additional annual need of 21 million sq. ft. to match the Government’s annual target of 300,000 new homes. Albeit the report cautioned the figure of 21 million sq. ft. of additional warehouse space only reflects historic trends and would likely grow as a response to different trends, such as the growth in E-commerce.
- The report identified regional variations and specifically that the regions which play a predominant role in logistics nationally (such as the West and East Midlands) have ratios above 100 sq. ft. per home leading to greater proportionate need in those locations.

3.17. In addition to those comments, C&W add that:

- The report stated that new warehouse space should be **planned for positively to be delivered in parallel with delivery of new housing**, as well as to potentially facilitate new housing sites to maximise opportunities for sustainable growth. [Our emphasis]

3.18. This has pertinence to the Appeal Site, noting the NWLP allocations of housing growth to the east of Dordon (min. 2,000 new dwellings) and Atherstone (approximately 1,950 new dwellings) and the adjacent borough of Tamworth (approximately 1,270 new dwellings). Totalling approximately 5,220 new dwellings, which will generate a corresponding need to for logistics space, and are all within a 2km walking radius and 7km cycling radius of the Appeal Site, the accepted distance for sustainable modes of commuting by foot/cycling.

Better Delivery: The Challenge for Freight, National Infrastructure Commission, April 2019 (CD-i78)

3.19. The JLL Study provided the following synopsis of the report, which is outlined below for ease of reference:

- The report considered that freight is the forgotten element of spatial planning resulting in freight having sub-optimal located space from which to run efficient and low congestion operations.
- The report concluded that better planning was required to enable optimisation of freight and, specifically, that the availability of land for freight distribution centres is crucial for the efficient operation of the sector (and will become increasingly important in the future).
- There was a recommendation for new planning practice guidance on freight for strategic policy making authorities. With specific reference being made to:
 - providing sufficient land and floor space for storage based on population and economic need; and
 - supporting the clustering of related activities within a supply chain in order to minimise the distance that goods must be moved and maximise the potential for efficient operations.

3.20. In the opinion of C&W, the British Property Federation and National Infrastructure Commission reports above, are also both of note regarding the effects of two politically imperative structural drivers of demand (sustainable communities and the low carbon economy):

- What Warehousing Where (BPF) highlights demand drivers relating to the role of the sector in ensuring sustainable and well-functioning communities.

- Better Delivery: The Challenge for Freight (NIC) – highlights demand drivers relating to implementing an efficient low carbon freight system, including an examination of the effects on the demand for appropriate space.

Decarbonising Transport: a better, greener Britain, Dept. for Transport, July 2021 (CD-H10)

3.21. This Government Plan set out a vision to decarbonise the entire UK transport system, setting out the commitments and actions needed to reach net zero emissions, including:

- Introduction of a rail freight growth target, with support and measures such as fund grants that support the modal shift of freight to rail. With acknowledgement that rail freight trains currently emit around a quarter of the CO2 emissions of HGVs per tonne mile travelled.
- Incentivisation of early take up of low carbon traction for rail freight. Noting in 2019/2020, the rail freight industry resulted in around 6.5 million fewer lorry journeys.
- Support for the modal shift of freight from road to more sustainable alternatives such as rail, cargo bike, and inland waterways.
- Support for electrification of HGVs, including through financial and non-financial incentives, and creating manufacturing jobs. Also support for efficiency improvements and emissions reductions of existing fleets.
- Consultations for the end of sales of new non-zero emission HGVs under 26ft by 2035 and above 26ft by 2040 (LGVs under 3.5 tonnes by 2030).

Ministerial Statement on ‘Planning Reforms for Lorry Parking’, November 2021 (CD-i12)

3.22. Written statement to Parliament on addressing the strategic national need for more lorry parking and better services in lorry parks, emphasising the critical importance of the freight and logistics sector to shops, households, assembly lines, hospitals, and other public services across the country. This statement noted:

- The NPPF sets out that local planning policies and decisions should recognise the importance of providing adequate overnight lorry parking facilities, considering any local shortages, to reduce the risk of parking in locations that lack proper facilities or could cause a nuisance.
- Proposals for new or expanded distribution centres should make provision for sufficient lorry parking to cater for their anticipated use.
- In preparing local plans and deciding planning applications, the specific locational requirements of different industrial sectors should be recognised and addressed.
- Taken together the Government’s planning policies and wider measures will support our logistics and freight sectors and the people that work in them.

Future of Freight: a long-term plan, Department for Transport, June 2022 (CD-i13)

3.23. This Plan provides the Government’s long term cross modal policy for the UK’s freight and logistics sector. It focuses on the importance of freight and the need to properly plan for its infrastructure, giving clear weight and guidance to local planning authorities in considering freight and logistics development at application

(and plan preparation) stage. It noted the following:

- The importance of accessibility of multi-modal transport (including road and rail) to the large southern container ports of Felixstowe and Southampton, with 95% of UK imports by volume arriving by ship.
- Rail freight is on average 76% more greenhouse gas efficient per freight tonne/km compared to road freight.
- The Plan supports key levelling up standards by ensuring the planning system provides appropriate support to enable logistics developers seeking to grow operations in all regions of the country to locate them where they need to be – near to the strategic road and rail network and close to an employment market.

Levelling Up – The Logic of Logistics, British Property Federation and Savills, April 2022 (CD-i18)

3.24. This report demonstrated the wider economic, social, and environmental benefits of the industrial and logistics sector (I&L), advocating for a more responsive planning system to meet its needs. It noted that:

- The planning system remained a barrier and is restricting growth in the sector by not allocating enough land in appropriate locations, with proposals to remedy this issue including the introduction of an Employment Land Delivery Test.
- Over the last decade rents had increased by 61%, more than double the rate of inflation due to supply not keeping pace with demand.
- The sector is subject to continuing misconceptions about average pay and skills, and occupational use of the buildings. The average pay is higher than the UK average (+£4,600 for manufacturing and +£4,900 for logistics). I&L occupations are becoming more diverse, with a higher share of Professional and Associate Professional and Technical roles, typically associated with higher-skilled engineering and technological professions in response to increased automation and robotics.
- The sector is not only an economic powerhouse driving investment and productivity but also delivers significant social value and is embracing innovative ways to reduce carbon.
- At a national level, the market equilibrium level where supply and demand are broadly in balance and rents are more stable is around 8% availability. Since 2015, available supply has been well below the equilibrium rate of 8% which has suppressed overall demand as it could not all be accommodated.
- To quantify this suppressed demand, the report outlined a new methodology developed by Savills and St Modwen's to give a more accurate picture of the likely demand into the future, based on a market's equilibrium availability rate, availability of floorspace during the years of below equilibrium rate, and addition of suppressed demand to the historic trend. When applied to the Birmingham market the calculated suppressed demand uplift percentage is 29% (i.e., were supply to have been available at the market equilibrium then take up would have been 29% higher).

Powering the Superpower: Upgrading the UK's Industrial Infrastructure to Unlock Technology Transformation for Growth, Demos, December 2023 (CD-i21)

3.25. This recent report considered the effects of technology on demand supply dynamics and revealed the crucial role of industrial infrastructure in realising the UK Government's vision of making Britain a "science and

technology superpower” by 2030.

- 3.26. The report juxtaposes a failure of policy makers to understand what the push for technology means for the demand side of industrial infrastructure, with supply side weaknesses in the UK's commercial property stock:
- On the Demand Side: it states “the lessons from history and the latest economic literature is that to put technology into action the UK needs world-class industrial infrastructure. We need a growing logistics sector that can efficiently store and transport goods, easy access to electricity to power manufacturing and automation, and available data centres to store data, internet servers and computers. At the same time, this infrastructure will need to adopt new technology to make it effective and efficient.”
 - On the Supply Side: it states “39% of the UK's non-residential buildings were built before 1970, for example, meaning we have one of the oldest building stocks in Europe.”
- 3.27. The mismatch in the quality of property risks multifactor productivity (MFP). MFP captures drivers of productivity beyond increasing labour and capital inputs, like technological progress, better management, and more efficient ways of combining other inputs. These depend on innovating and adopting new technologies to produce more for less input, with the adoption of the right technologies being part related to the right premises- shortfalls in the UK's industrial infrastructure being identified as the physical constraint that limits the UK's ability to boost productivity, and **part of the most significant practical barrier to the UK becoming a technological superpower.**
- 3.28. In this context, the report notes that sectors such as transportation and warehousing (industrial space) and telecommunications have seen the overall stock of infrastructure *fall* since the financial crisis in 2008, inhibiting our ability to take up new technologies. This means that every year, we have *less* of the infrastructure that we need in key sectors, and this has directly affected the UK's readiness for advanced technology. The United Nations Conference on Trade and Development (UNCTAD) has found that over the same period, the UK's overall readiness for frontier technologies has reduced. In particular, the UK ranks poorly for industrial activity, where it is far below its G7 competitors.
- 3.29. Alongside suppressed future growth, and the constraining effect on the adoption of new technologies consistent with the 2030 vision, the report also reiterated **the lack of appropriate current supply is suppressing demand (and hence take up of technology) in the present** - citing research by Savills that found that the low supply of industrial and logistical space, was suppressing demand by in the order of 29%. In effect, at a national level, this means that if we were able to provide the facilities that businesses need, there would be nearly 10 million square feet in additional infrastructure compared to what is currently provided.
- 3.30. By way of example, the report noted the anomalous statistic that whilst the UK has twice as many E-commerce sales per capita than France, it has a similar amount of industrial space per capita, noting that the scarcity is a huge brake on the ability of the UK to develop and implement new technologies and create the jobs of the future.
- 3.31. Overall, **the report warns that policy makers risk underestimating demand for industrial space through under appreciating technological drivers on the demand side**, the same technological drivers that the Government is keen for businesses in the industrial infrastructure sector to harness for its 2030 vision to succeed.
- 3.32. The report warned that the Government's vision is at risk due to businesses lacking access to the right buildings and facilities, which serves as a drag on the development and adoption of new technologies,

estimating that over 350,000 businesses, employing 3.8m people and with a combined turnover of £666bn a year lack access to the right buildings and facilities for their businesses.

- 3.33. **Addressing this suppressed/latent demand for space in logistics space, just one part of the UK's industrial infrastructure, the report calculated could add £68bn in Gross Value Added to the UK economy - equivalent to 3% of UK economic output - and generate 1.1m jobs.**
- 3.34. The report notes that whilst Industrial Infrastructure is one of the ten pillars in the Government's Science and Technology Framework of its 2030 vision, and there remains a "worrying gap" in the knowledge of policy makers regarding the facilities or infrastructure required for new technologies to be developed, or whether existing facilities are fit for emerging technologies.
- 3.35. To put these demand drivers in context **Future Gazing: Logistics for modern living (Knight Frank, January 2024)** suggests *"An additional 111.6 m sq. ft of industrial and logistics floorspace is needed to service the growth of retail, manufacturing, and service sector activities over the next five years. If the rest of the sector experiences the same growth rate, industrial floorspace would need to rise by 225.7 m sq. ft."*
- 3.36. Overall, the report has several key points pertinent to the review and interpretation of the evidence base regarding employment land demand, including underestimating:
- the impact of technology on spatial requirements of businesses, the overall demand for space and, on the supply side, the pace of functional obsolescence of older stock.
 - the level of suppressed / latent demand for new space related to the above drivers.

National Summary

- 3.37. National policy and studies have recognised the changing needs and operational requirements for large scale logistics, which have evolved at pace over the past few years, reflecting changing structural economic drivers and conditions of demand, particularly regarding sustainability and the decarbonisation of the economy.
- 3.38. It has also recognised the crucial importance of strategic employment land to the UK economy and specifically the role the future of the large scale logistics market segment can play in economic growth and productivity.

Regional Context and Evidence

- 3.39. At the regional level there has been an increasing body of evidence supporting the need for strategic employment sites which has not been acted upon by local authorities because there is no strategic imperative to do so.
- 3.40. The studies are relevant, intended to inform the plan-making and decision-making process, and their recommendations remain unaddressed. They provide an additional layer of the long-standing evidence of unmet need and are considered below.
- 3.41. At a regional level the JLL Study commented on the following documents:
- Stage 2 Regional Logistics Study Update, MDS Transmodal and Savills for the West Midlands Employment Land Group, May 2009
 - RSS Panel Report, September 2009
 - West Midlands Interchange Examiner's report, November 2019
 - The Black Country and Southern Staffordshire Regional Logistics Site Study, April 2013

- The West Midlands Strategic Employment Site Study, September 2015
- West Midlands Land Commission's Land Report, February 2017
- The West Midlands Strategic Employment Sites Study, May 2021
- Leicester and Leicestershire Distribution Study, April 2021
- Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change, April 2021

3.42. Where relevant, this Study summarises the comments made in the JLL Study on the above identified evidence base, and where necessary provides additional comments. It also provides comments on the following additional studies at a regional level:

- Our Freight Route map for the Midlands, Midlands Connect, August 2022
- West Midlands Plan for Growth, West Midlands Combined Authority, December 2022
- West Midlands Rail Investment Strategy 2022-2050, West Midlands Rail Executive, 2023

Stage 2 Regional Logistics Study Update, MDS Transmodal and Savills for the West Midlands Employment Land Group, May 2009 (CD-i23)

3.43. The central purpose of this study was to identify the likely amount of land required to serve regional logistics and it recommended a gross land requirement of between 307 ha and 340 ha to serve new large-scale logistics sites (with capacity for units $\geq 25,000$ sqm.) in the period to 2026. However, in terms of supply, the study identified only approximately 25 ha of consented and available land at existing rail served regional logistics sites.

3.44. The three key locations identified for future growth for distribution space were:

- **M42/A5**
- M6/M69 Coventry, Nuneaton, Rugby
- M6 Birmingham and Solihull

3.45. **RSS Panel Report, September 2009 (CD-i24)** This report supported the findings of the Stage 2 Regional Logistics Study Update, identifying a need for a minimum of 200 ha to 250 ha of land at rail served regional logistics sites and at least four additional regional logistics sites.

3.46. Whilst the report considered that regional logistics sites should be well served to promote sustainable transport through use of rail, but recognised where that was not possible, noted that **the closer any warehousing to is to the rail terminal the better**. Specific reference was made to Birch Coppice (Birmingham Intermodal Freight Terminal) and Hams Hall (Hams Hall Rail Freight Terminal).

The Examiner's Report to the West Midlands Interchange (WMI) proposals, November 2019 (CD-i25)

3.47. In the Conclusions on Need (Paragraph 5.3.69), the Examiner's report noted the following:

- That the RSS Panel identified a requirement of at least 200-250 ha of land for Regional Logistics Sites in the period to 2018 and no new rail served RLS/SFRIs had been developed.
- Over that same period, the take up of large (i.e., $\geq 25,000$ sq. m) warehouses had far exceeded the level of demand envisaged in the 2009 Update with the large majority of this development being in locations with no rail access.

- Given past take up, the remaining balance of the original 200-250 ha requirement to 2026 should be regarded as an absolute minimum indication of the current requirement.
- There was strong market demand and severe shortage in the supply of buildings and sites for large warehouses within the WMI Market Area providing further evidence of need for the Proposed Development.

The Black Country and Southern Staffordshire Regional Logistics Site Study, April 2013 (CD-i26)

- 3.48. This study was prepared for the use of the Black Country and several southern Staffordshire local planning authorities by URS Infrastructure & Environment with input from CBRE and The Logistics Business.
- 3.49. The purpose of the study was to consider the need for regional logistics provision for a Regional Logistics Site to serve the Black Country and southern Staffordshire and, based on findings, make recommendations for a suitable location.
- 3.50. It concluded that there was a need for a regional logistics site that can serve the Black Country and South Staffordshire. However, this was only as far as this area formed part of the West Midlands, taken as a whole, concluding that in logistics terms it would be impractical to separate the needs of the Black Country from those of the wider West Midlands.
- 3.51. It was further noted, that although across the Midlands there were several large distribution sites being brought forward the current or planned supply of large-scale floorspace meant that there was a mismatch between demand and supply in the West Midlands.

The West Midlands Strategic Employment Sites Study, 2015 (CD-i1)

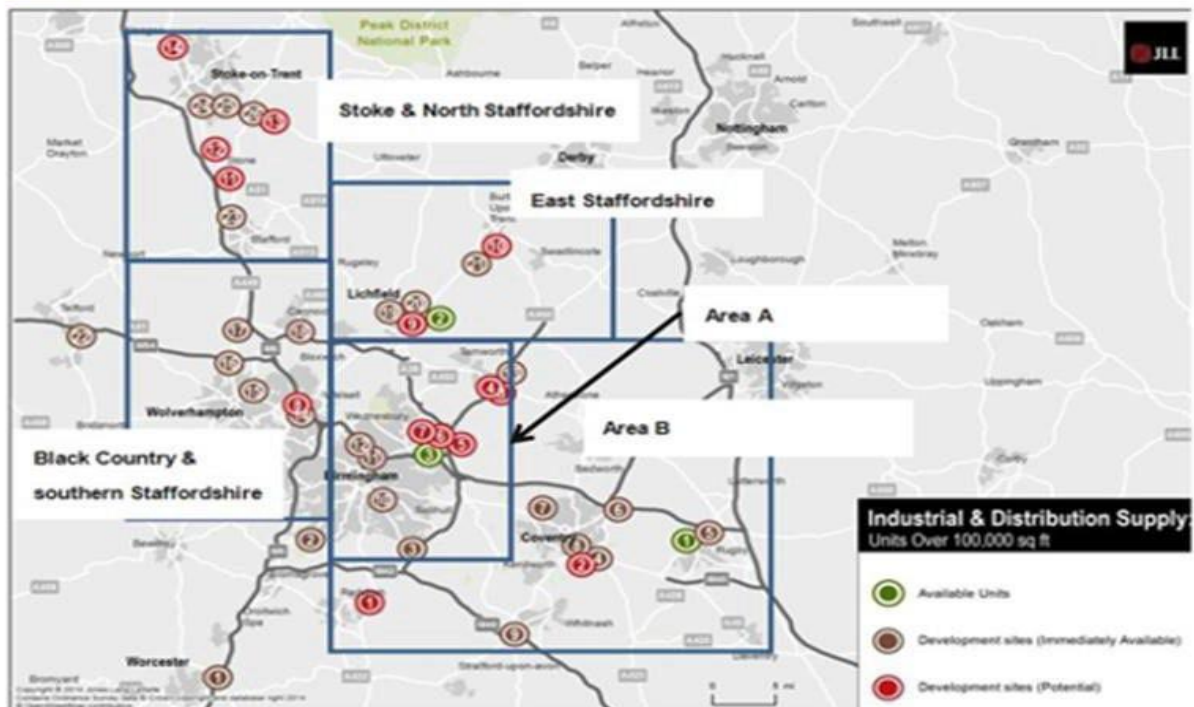
- 3.52. This West Midlands Strategic Employment Site Study 2015 (WMSESS 2015) was commissioned on behalf of the West Midlands Local Authority Chief Executives and the study brief was as follows:
- “West Midlands Local Authority Chief Executives recognise the value of having a reserve of strategic sites, which are attractive and able to accommodate internationally footloose businesses and very large-scale logistics facilities. A joint study is being commissioned...to understand whether there is a continuing need to provide and protect investment opportunities of this scale and nature in the future.”*
- 3.53. The Study was to be undertaken in two phases, the first of which was covered by the 2015 Study. The brief advised that this first stage should:
- “Consider objectively the continued relevance of providing strategic employment sites of the scale and nature of those set out in the former West Midlands Regional Spatial Strategy (RSS). Taking into account the National Planning Policy Framework including its requirements for realistic, justified, and deliverable proposals consideration will need to be given to past, current, and foreseeable future demand.”*
- 3.54. At the outset the WMSESS 2015 stated that the potential phase 2 would **only** be required if supply fell short.
- 3.55. JLL co-authored the WMSESS 2015 and for ease of reference we provide their synopsis below:
- Direct evidence was provided on the relative need in certain locations for strategic sites for both industry and warehousing. The review was grounded upon market-based evidence and did not rely upon data from local planning authorities. Unlike most other studies, it did not seek to project an employment land requirement over a fixed period. **Instead, it equated demand against supply in**

market terms.

- The Study highlighted a significant scale of demand. It demonstrated also that this had eroded the supply of large units (considered to be greater than 100,000sq ft) to a **critical level**, with vacancy rates in the UK at only 5% as of December 2014 and only 1% in the West Midlands.
- It noted that at the larger scale the Big Box market was driven by both manufacturing and distribution, with a clear distinction between the West and East Midlands, with the latter at only 6% manufacturing compared to 35% for the West Midlands. This resulted in both Class B2 and B8 uses at major employment developments.
- Through an analysis of the sub-regions Coventry and Warwickshire was identified as the dominant sub-region over recent years with 39% of all recorded take up.
- The Study assessed further where in the West Midlands were the greatest areas of stress – i.e., limited supply of deliverable strategic land against take-up. This assessment looked at land (i.e., sites greater than 20 acres (8 ha)) that was both immediately available and had reasonable potential (i.e., good sites but at a different stage of promotion) and then graded the availability in terms of years' supply based on recent take up in each sub-region and market area.
- These market areas assessed were depicted on Figures 4.10 and 4.11 of the Study (see Figure 5 below). Area A took in the eastern half of the Birmingham conurbation and the M42 corridor (including the Site), whilst Area B took in Coventry and the rest of Warwickshire.

Figure 5: Extracted figure 4.11 from WMSESS 2015

Figure 4.11 Immediate and potential industrial land supply, West Midlands, end 2014



Source: JLL

- Areas A and B were recorded to have the most activity, accounting for 33% and 26% of all floor space taken up respectively. The Study noted that demand for large scale industrial floor space in the West Midlands was most intense along the M42 belt, where the boundaries of Birmingham, Solihull, North

Warwickshire, and Tamworth converge (Paragraph 4.71). This resulted in Area A, which is referenced directly by Policy LP6, having the lowest level of immediate available supply measured by years' supply – 3.7 years against an average of 8.2 years for all other sub-regions.

- With regards to potential supply, Area A was recorded to have 12.1 years' (potential) supply, providing a total supply of 15.9 years (once account is taken of the 3.7 years of immediate supply). However, this figure was inflated by inclusion of a large potential release from the Green Belt (referred to as Birmingham International Gateway (BIG) – 92 ha (227 acres) at Junction 9, M42) and the Study considered that there was an element of risk in including this in the forward land supply. This speculative site has not been allocated. The Study considered the developable supply of land in Area A to be much shorter and, hence, the need much more pressing.

3.56. The Study concluded that the planned land supply fell “**severely short**” in three areas of highest demand: -

- **The M42 belt to the east of Birmingham (Area A).**
- Areas south and east of Coventry to Rugby (Area B).
- The Black Country and southern Staffordshire.

3.57. The conclusion is clear and directly relevant to the consideration of strategic employment land in North Warwickshire. Strategic employment land is required, both quantitatively and qualitatively, beyond the immediate supply for local needs allocated by the Local Plan. This study was published before the NWBC local plan examination, but the Inspector declined the request to address strategic needs evidenced by this report – instead deferring it to later decision taking (by way of a modification that led to policy LP6). There is and has been a real shortage of immediately available development land in the location of the Appeal Site which has been identified for almost a decade.

3.58. The Study recommended that a Phase 2 Study or Studies should be commissioned to consider how such shortfalls should be addressed. The Phase 2 Study is considered below.

West Midlands Strategic Employment Sites Study 2021 (WMSESS 2021) (CD-i2)

3.59. The phase 2 WMSESS 2021, was commissioned by Staffordshire County Council on behalf of the principal LEPs covering the West Midlands (Client Group) and prepared by Avison Young and Acardis to provide an update to the WMSESS 2015. The Study was informed by engagement with landowners, developers, promoters, 24 Local Authorities within the Study Area, 3 LEPs, the West Midlands Combined Authority and Staffordshire County Council.

3.60. The Study brief, fully endorsed by the public sector Client Group, included identifying an appropriate portfolio of potential locations where demand could be met should a shortfall in supply of strategic employment sites be found. There was a clear distinction between local level sites suited to meeting local needs identified by individual local authorities in their ELRs and not considered by the Study and, on the other hand, regionally important strategic employment sites.

3.61. The Study adopted a ‘policy off’ scenario that was not constrained by the alternative merits of brownfield, greenfield, and Green Belt locations.

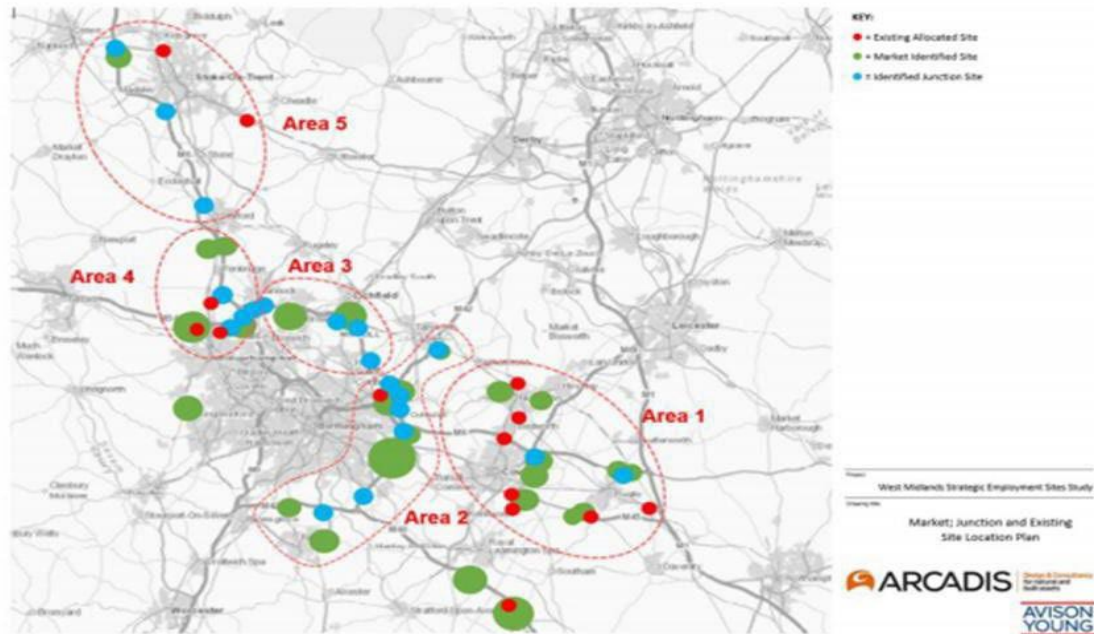
3.62. Its baseline review of policy concluded that since the revocation of the Regional Spatial Strategies, no clear or consistent approach to the delivery of strategic employment land has been adopted, or evident at a

regional or sub-regional level.

- 3.63. The Study therefore took a strategic approach to reviewing and assessing options for locating new strategic employment sites. A principal objective was to underline the needs for local planning authorities, developers, and landowners to work together to develop a deliverable supply and pipeline of “investor ready” strategic employment sites that can accommodate large scale development.
- 3.64. For the Region to meet its potential, the Study advocated that a good quality of supply needs to be maintained, increased, and recommended that a proactive approach is taken to identify a deliverable portfolio of sites.
- 3.65. The Study assessed existing and potential supply of sites against past take up rates. It identifies a limited portfolio of just 12 sites in the West Midlands region which are consented or allocated and meet the key 25 hectare plus size criteria. These sites provide a combined area of 741 ha. Based on an average regional take up rate of 400,000 sq. m per annum, these sites are considered to generate potentially 7.41 years’ supply, as of May 2021, or 4 years as of the date of this C&W Employment Land Study.
- 3.66. However, even this is considered to be a maximum figure as several sites are longstanding, having been allocated for many years but not delivered by the market due to site constraints or other issues, and are measured on a gross site area basis. The Study expects that the developable portion of a site would be between 60% and 80% of the gross site area. In addition, 2.5 years’ supply is accounted for by only one site the recently approved West Midlands Interchange in South Staffordshire.
- 3.67. Based on this assessment, the Study concluded (in Paragraph 7.25): -
- “...that there is a limited supply of available, allocated and/or committed sites across the Study Area that meet the definition of “strategic employment sites,” and an **urgent need** for additional sites to be brought forward to provide a deliverable pipeline, **noting the very substantial lead-in times for promoting and bringing forward such sites.**” [Our emphasis].*
- 3.68. Consideration was given by the Study to potential sites which could form part of any future deliverable pipeline. Principally, this was supported by a Call for Sites to developers and land promoters. The consultant team received responses providing details of 30 sites across the Region with a combined gross area of 2,370 ha.
- 3.69. Based on Analysis of the quantum of supply, market intelligence around areas witnessing considerable demand, and those areas achieving the highest land prices, the ‘prime market facing’ locations for Strategic Employment Sites were concluded to be:
- “...in an area from J2 M42 in the south to, north to J10 M42, southwest to J14 of the M40 and east to J1 M6.”
- 3.70. The Study identified five key clusters or ‘areas’ of sites and concluded that the focus for identifying strategic employment sites should be in the four of those areas known as ‘Key Locations’ (Areas 1,2,4,5 and excluding Area 3).
- 3.71. These areas are illustrated by Figure 6.4 extracted below. Area 2 takes in the M42 Corridor up to and including Junction 10 at Tamworth. In paragraph 6.52, this corridor, along with the associated M6 corridor, is described as **“the prime market facing location” in the West Midlands for Strategic Employment Sites.**

Figure 6: Extracted Figure 6.4 from WMSESS 2021

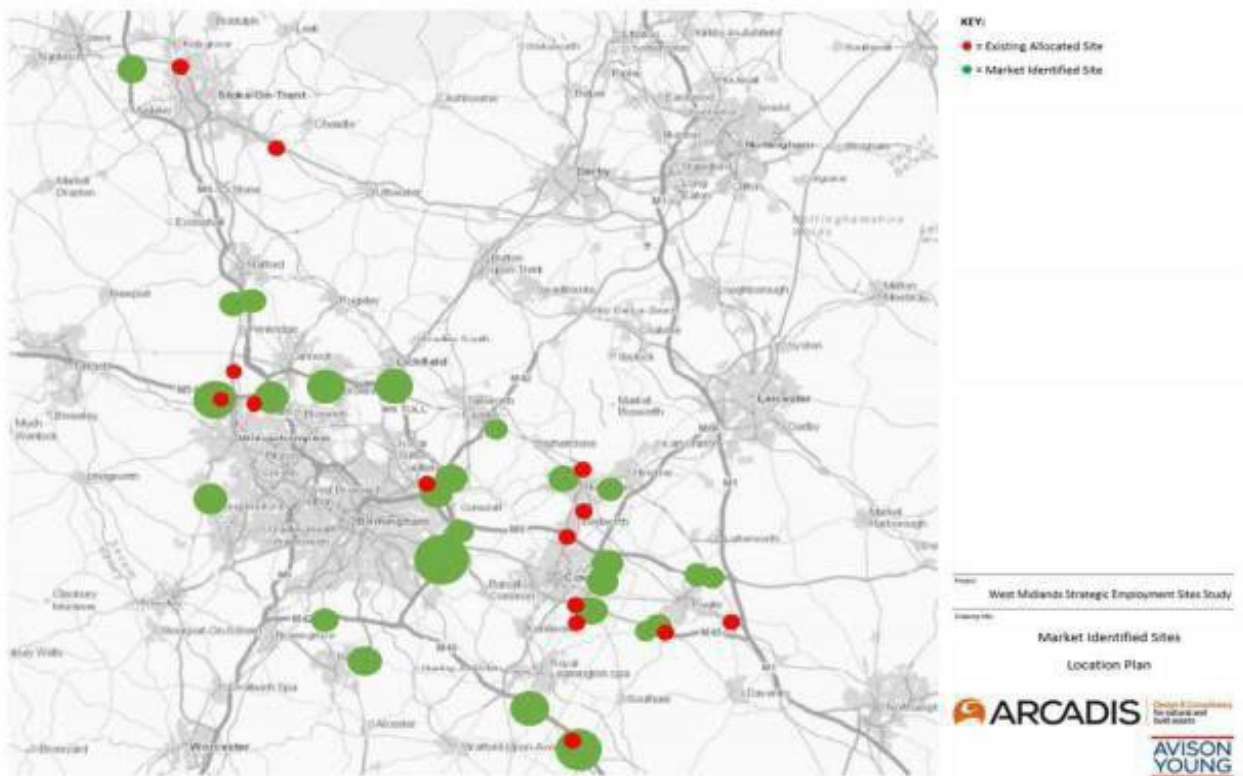
Figure 6.4 – Market Locations for future Strategic Employment Sites (Source: Avison Young & Arcadis 2019)



3.72. The location of the potential sites (green dots), as well as existing sites (red dots), is identified by Figure 6.1 of the Study. This is extracted and provided below. The Application Site is marked by a green dot to the southeast of Tamworth.

Figure 7: Extracted figure 6.1 from WMSESS 2021

Figure 6.1 – Sites promoted by the industry and allocated sites (Source: Avison Young 2019)



3.73. Table 6.8 extracted below in Figure 8 from the WMSESS 2021 provides a summary breakdown of supply, both existing and potential, by area and number of years. The latter calculated by applying the regional wide take up rate and did not apply sub-regional take up rates (unlike the earlier 2015 Study).

Figure 8: Extracted Table 6.8 from WMSESS 2021

Table 6.8 – Existing and Potential Supply in Key Locations (Source: Avison Young 2019)

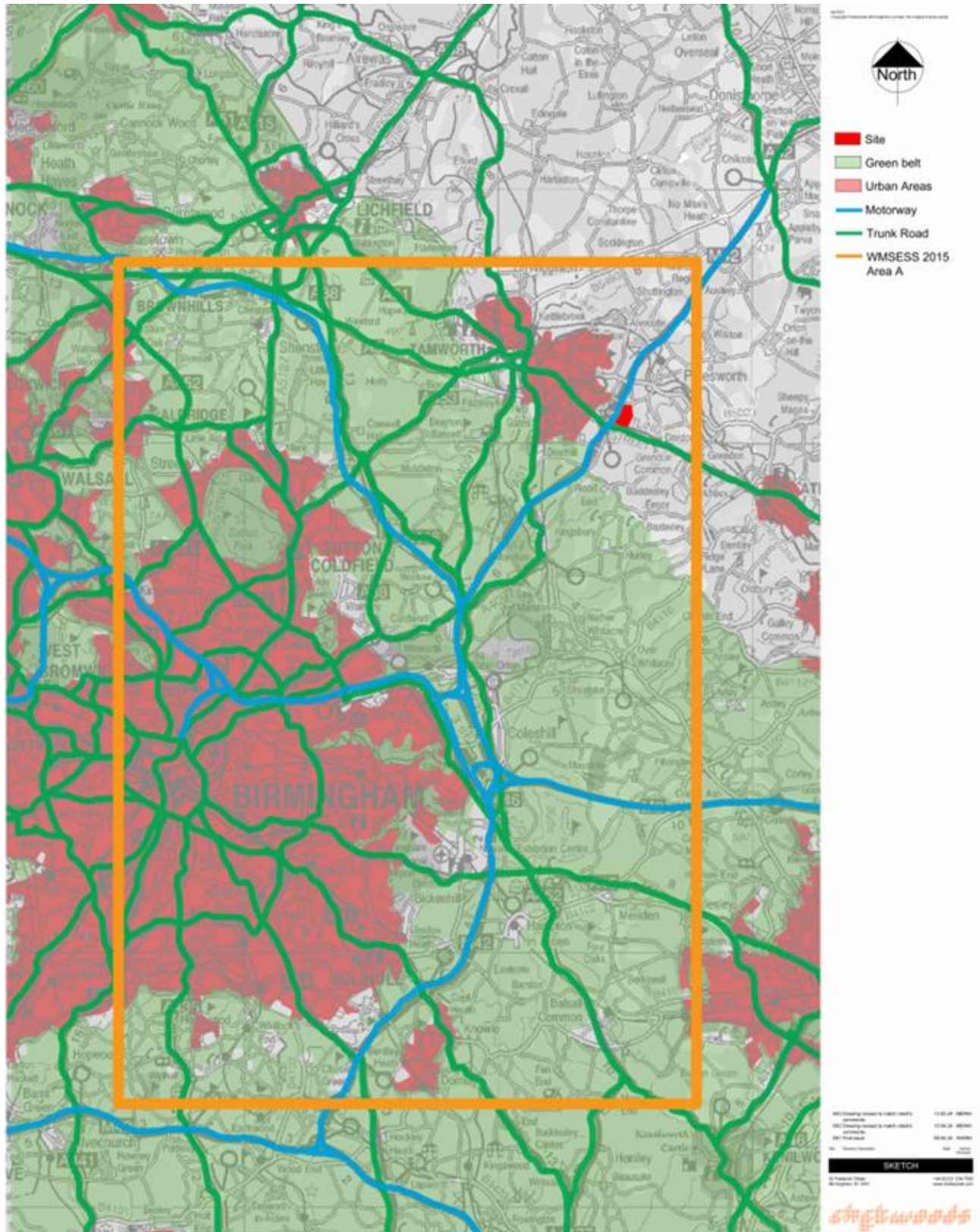
| | M42 Corridor | M6 East Corridor | M6 Toll | Black Country & South Staffs | Stoke & North Staffs | Years supply | Outside 5 clusters |
|----------------------------|---------------|------------------|---------------|------------------------------|----------------------|--------------|--------------------|
| Allocated/com mitted Sites | 71 ha | 264 ha | - | 323 ha | 83 ha | | 100 ha |
| Years supply | 0.71 | 2.64 | - | 3.23 | 0.83 | 7.41 | 1 |
| Industry Promoted Sites | 905 ha | 448 ha | 152 ha | 494 ha | 70 ha | | 301 ha |
| Years supply | 9.05 | 4.48 | 1.52 | 4.94 | 0.7 | 20.69 | 3 |
| TOTAL | 976 ha | 712 ha | 152 ha | 817 ha | 153 ha | | 401 ha |
| Years Supply | 9.76 | 7.12 | 1.52 | 8.17 | 1.53 | 28.1 | |

3.74. The Study found that the **M42 corridor had the lowest years' supply of existing sites – just 0.71 years - of the five/four areas/ key locations.** In addition, this supply consists of just one site – Peddimore –

which has restricted use class and represents a very limited choice or range of sites and has subsequently seen Amazon take a 2.3 million sq. ft. building, resulting in 2024 in a position where it now only has land capable of accommodating approximately 550,000 sq. ft. of large B8 logistics floorspace.

- 3.75. The supply of potential sites in the M42 corridor, at 905 ha and 9.05 years supply, is the largest of the key clusters/locations. To a certain extent, this reflects the findings of the Study that it is the prime market facing location for strategic employment sites in the Region along with the M6 east corridor.
- 3.76. The Study considers that the total capacity of the potential sites, at 2,370 hectares, should be treated with considerable caution for several reasons: -
- Not all the sites will be allocated in the future.
 - Several sites will take time to secure consent and enable the necessary infrastructure.
 - Recent levels of demand are likely to increase given the attraction of the Region as a location for investment.
 - This high-level analysis leads to two conclusions (in paragraph 7.31): -
 - An **urgent need** to identify a pipeline of new strategic employment sites to meet needs beyond the years' supply of committed sites.
 - The need to consider testing, through econometric forecasting, the level of demand that the sub-region should be seeking to meet, and **that the existing supply must be supplemented in the short term.**
 - The majority of developer promoted sites (and other potential motorway junction sites) are within the Green Belt.
- 3.77. This is particularly so in the M42 Corridor. **Of the 11 developer promoted sites, only 1 (the Appeal Site) lies outside the Green Belt.**
- 3.78. See plans below detailing Area A and Area 2 in relation to the Green Belt (light green), Urban Areas/Built Environment (pink), motorways (blue), and trunk/strategic roads (dark green), Appeal Site (red).

Figure 9: Area A from WMSESS 2015 positioned on OS Map with Green Belt and Urban Areas



3.79. The Study also undertook a high level of site assessment of both developer-promoted sites and additional sites at motorway junctions using the following criteria to support this assessment as follows: -

- Motorway/trunk road access.
- Local Plan allocations.
- Statutory designations.
- Public transport.
- Flood risk.
- Ground conditions.
- Ecology.
- Topography.
- Proximity to existing settlement.
- Air quality.

3.80. Scores were awarded to each site, with possible scores ranging between 10 and 24. The lower the score the better the rating with 10 indicating the best possible performance. The scores for the developer promoted sites range from 11 to 19 and are set out in Table 6.3, extracted below. **The Appellant’s site – Site Ref No. 1 – Corridor 42 Business Park, Junction 10, M42 – is given a score of 11. This is the top score of all assessed sites and is shared by only two other sites, both of which are located in the Green Belt.**

Figure 11: Table 6.3 of WMSESS 2021

| Table 6.3 – High Level Assessment of Sites being promoted by the industry (Source: Avison Young 2019) | | | |
|---|----------------|-------------------------|-------|
| Site Name/Location | Site Area (Ha) | Planning Status | Score |
| 1. Corridor 42 Business Park, J10, M42 | 73 | Promoted for Allocation | 11 |
| 2. Land at J13, M6 | 60 | Promoted for Allocation | 12 |
| 3. Birmingham International Gateway, J9, M42 | 129 | Promoted for Allocation | 11 |
| 4. Confidential | 25 | Opportunity | 11 |
| 5. Solihull Gateway, J5/6, M42 | 283 | Promoted for Allocation | 12 |
| 6. Hilton Park, J11, M6 | 89 | Promoted for Allocation | 12 |
| 7. Confidential | 127 | Opportunity | 12 |
| 8. Land at Great Coton, J1, M6 | 67 | Promoted for Allocation | 13 |
| 9. Land at Walsgrave J2, M6 | 61 | Opportunity | 12 |
| 10. Confidential | 45 | Promoted for Allocation | 13 |
| 11. Land at Hinckley, A5 | 58 | Opportunity | 16 |
| 12. Confidential | 100 | Opportunity | 13 |
| 13. Land at Gaydon, J12, M40 | 100 | Opportunity | 14 |
| 14. Confidential | 36 | Opportunity | 13 |
| 15. Land at Brandon lane, Toll Bar End A45/46 | 27 | Promoted for Allocation | 15 |
| 16. Confidential | 26 | Opportunity | 13 |
| 17. Land at Brickhill Farm/Stonebridge Road, J4, M6 | 70 | Promoted for Allocation | 14 |
| 18. Confidential | 25 | Opportunity | 15 |
| 19. Confidential | 51 | Opportunity | 15 |
| 20. Land at Acanthus Road, A435 | 43 | Promoted for Allocation | 14 |
| 21. Confidential | 43 | Opportunity | 17 |
| 22. Land at J16, M6 | 70 | Promoted for Allocation | 15 |
| 23. Land at Curdworth, J9, M42 | 28 | Opportunity | 15 |
| 24. Confidential | 100 | Opportunity | 18 |
| 25. Land at Ryton-on-Dunsmore, A45 | 50 | Opportunity | 17 |
| 26. Confidential | 92 | Opportunity | 16 |
| 27. Land north and east of Ansty Park, J2, M6 | 57 | Promoted for Allocation | 18 |

West Midlands Land Commission Land Report, February 2017 (CD-i27)

- 3.81. Prior to Phase 2 WMSESS 2021, the West Midlands Land Commission produced a Land Report in February 2017 to identify a means by which a stock of developable land, for both housing and employment sites could accommodate the levels of growth outlined in the West Midlands Strategic Economic Plan (SEP).
- 3.82. It anticipates and commits the region (taking in Greater Birmingham, the Black Country, Coventry, Warwickshire and parts of Staffordshire and Worcestershire) to achieving an increase of some 500,000 new jobs in the region by 2030.
- 3.83. To accommodate the planned new jobs, the West Midlands Strategic Economic Plan SEP anticipates that 1,600 ha of land within the SEP area is required by 2030. Remediation of brownfield land would be sought first, but it was recognised that this source was unlikely to satisfy the more pressing land availability requirements. Evidence received and accepted by the Commission revealed that there was already a considerable shortage of readily developable employment sites. **Reference was made to industrial companies providing evidence to the effect that the lack of sites precluded them from operating in the West Midlands.**
- 3.84. A section headlined 'The Role of Strategic Sites for Employment Use' provided further evidence of the shortage of large strategic employment sites and suggested that the shortfall in employment floor space in land was more pressing than the well documented regional shortage of land for new homes.
- 3.85. The Commission was particularly struck by evidence that there was no longer a single site within the West Midlands conurbation which met the needs of a potential major employer requiring development land of 25 ha or more.
- 3.86. The Commission concluded that a credible pipeline of strategic employment sites in excess of 25 ha was a pre-requisite for future growth for the West Midlands, and that this need was widely supported by evidence.
- 3.87. It recommended that a further study be undertaken of modern business requirements, including the urgent identification of modern logistics and just in time delivery sites for manufacturing plants.
- 3.88. The Commission recommended several actions to change and speed up the delivery of development land for both housing and employment. One of these concerned the establishment of Action Zones, identifying the potential of siting strategic employment sites along strategic transport corridors.

Spatial Investment and Delivery Plan (SIDP), West Midlands Combined Authority, February 2019 (CD-i19)

- 3.89. Following the receipt of the Land Commission's Report, the WMCA produced a SIDP, and reported it to the Housing and Land Delivery Board in February 2019.
- 3.90. The SIDP contained several objectives, including Objective 4 – The SIDP will support the delivery of a competitive portfolio of employment sites. Explanatory text to this objective referred to the 2015 West Midlands Strategic Employment Sites Study, including reference to **the severe shortage of land for large industrial units in the three areas of highest demand.**
- 3.91. The SIDP identified Growth Corridors and Strategic Opportunity Areas and identified the A5 Corridor as just such an opportunity. This included it noting:

“There are also strategic employment opportunities along the corridor including Tamworth at the A5/M42 junction.”

Our Freight Route map for the Midlands, Midlands Connect, August 2022 (CD-i14)

- 3.92. This report brings together the freight challenges and opportunities for the entire region and states that improving freight will contribute to the economy (by facilitating efficient movement of goods), environment (by supporting industry to meet its carbon targets), and people (by providing us with the goods and materials that we all need as well as improving air quality, reducing noise, and improving local road safety).
- 3.93. The document sets out a vision for the future of freight transport including exploiting the natural advantages of the region's location and encouraging the modal shift from road to rail for decarbonisation of freight.
- 3.94. A key opportunity for freight is detailed as 'Planning access to Strategic Rail Freight Interchanges' which states:

"One of the most powerful policies we can support in encouraging the decarbonisation of freight lies in planning effective access to SRFIs and associated warehouse clustering, as this can expand the proportion of total warehousing and industrial development with direct access to rail and high-capacity road for regional distribution. This is because rail can offer economies over road where at least one end of a journey is on a rail-connected site and distances exceed around 125 miles. This opportunity will attract warehousing and industry because the site occupiers will enjoy the benefits of these reduced costs." (Page 27) [Our emphasis]

The West Midlands Plan for Growth, West Midlands CA, December 2022 (CD-i7)

- 3.95. This Plan identified five of the seven clusters in the Region that are both a regional strength and have very high growth potential as manufacturing or distribution clusters one of which was 'logistics and distribution'.
- 3.96. It noted that the West Midlands was (and is) the UK's manufacturing heartland providing strong demand for logistics and distribution with UK headquarters of major logistics firms sited in the region. It identified an additional growth opportunity for a further £280m-£290m of output and 5,500 to 6,000 jobs by accelerating the already high growth prospects by an additional 1% per annum.

West Midlands Rail Investment Strategy 2022-2050, West Midlands Rail Executive, 2023 (CD-i65/H17)

- 3.97. The Strategy states that encouraging growth in rail's market share of freight is a vital component of a net zero strategy, with support for movement of goods by rail being one of its eight key objectives. Its notes the particular importance of importance of the intermodal logistics sector to the West Midlands economy.

REGIONAL SUMMARY

- 3.98. This sub-section has reviewed relevant evidence commissioned and gathered by local authorities (often working together) which refers to strategic employment land need, particularly for large scale logistics and distribution.
- 3.99. Unfortunately, very little of this evidence has been acted upon by local authorities within their local plans. That particularly includes authorities such as North Warwickshire, despite the compelling evidence that was available at the time of their local plan examination. It is presumed that the fundamental reason is that there is no strategic regional policy imperative to do so.
- 3.100. The consequence of this inaction being the lack of supply evidenced in Section 5 of this Study and resulting harm caused to economic growth and productivity.

Sub-Regional Context and Evidence

- 3.101. At the sub-regional level, the JLL Study commented on the following documents:

- Coventry & Warwickshire Employment Land Use Study, September 2015
- Coventry & Warwickshire Sub-Regional Employment Market Signals Study, July 2019
- Planning Housing Business Group of Coventry and Warwickshire LEP's paper titled Strategic Employment Land Supply 2021
- Birmingham Development Plan
- Tamworth Local Plan
- Coventry Local Plan

3.102. This Study summarises the comments made in the JLL Study on that identified evidence base, and where relevant adds to and updates those comments. It also provides comments on the following additional studies/documents at the sub-regional level:

- Birmingham HEDNA 2022, Iceni Projects, April 2022
- Coventry & Warwickshire HEDNA, Iceni Projects, November 2022
- Coventry & Warwickshire Employment Land Report, Coventry & Warwickshire Chamber of Commerce, July 2023

Coventry and Warwickshire Employment Land Use Study, CBRE for Coventry & Warwickshire LEP, August 2015 (referred to as the CBRE 2015 Study in the NWLP) (CD-i30)

3.103. The principal purpose of the Study was to provide an assessment of the objectively assessed need for employment land in the Coventry and Warwickshire LEP area and to provide up to date evidence on future land requirements, particularly for large sites. The key findings were:

- Like the WMSESS 2015, it pointed to a significant improvement in market conditions for both manufacturing and logistics and a resulting emerging shortfall of available floor space. This shortage was referred to as being “**acute**” and the need to address it as “**urgent**” [Our emphasis].
- It concluded that the **greatest weight should be given to market transactions (i.e., take up rates)** because the average take-up rates continued to be strong, accelerating in recent years, with market signals indicating that recent rates of take up were likely to continue and be sustained.
- Reference was also made to the actual supply being very limited.
- It recommended an appropriate range of between 500 and 660 ha for the period from 2011 to 2031 for the purposes of planning, with sites being identified that could achieve the higher end of this range and to provide an appropriate choice of flexibility in the marketplace.
- It addressed supply, both quantitatively and qualitatively, identifying a portfolio of core sites of current and future land to meet strategic land needs in the LEP area. This portfolio was split into three categories, as follows: -
 - Deliverable sites – 64 ha.
 - Secondary potential sites – 93 ha.
 - Potential new strategic sites – 162 ha.

3.104. These totalled 307 ha. The assessment of sites (undertaken in 2015) anticipated the subsequent allocation of Coventry and Warwickshire Gateway (105 ha) by Warwick District Council. However, it also assumed wrongly that Daw Mill Colliery (41 ha) in North Warwickshire would be consented. This site was refused on appeal. As such, the identified portfolio of 307 ha was an over estimation.

- 3.105. In any event, it concluded that the 307-ha identified was **insufficient to meet the objectively identified need in the Coventry and Warwickshire LEP area as it represented only half the land required to meet the assessed needs based on recent trends in the area**. It concluded further that it was, therefore, necessary to consider whether and when additional strategic sites could be identified.
- 3.106. The report advised that the evidence suggested that there was a need to identify at least one, if not two, additional large strategic sites. Any new sub-regional sites should meet criteria in terms of location, relative to local labour markets, supply chain and delivery markets, and strategic infrastructure.
- 3.107. In terms of timescale, it recommended that the need to address **this need was urgent and required addressing early in the plan period**. This was due to the surge in recent take up and reduction in available supply. It concluded that the lack of suitable space was having a **detrimental effect on the economic prospects of the LEP area**.

Coventry and Warwickshire Sub-Regional Employment Market Signals Study, July 2019 (CD-i15)

- 3.108. Commissioned by the six local planning authorities which make up the Coventry and Warwickshire Housing Market Area, Warwickshire County Council, and the Coventry & Warwickshire LEP, produced by consultants BBP Regeneration, with the purpose to assess current and future demand from business for employment land and premises across the sub-region. The Study was more qualitative than the 2015 Study and more wide reaching, considering all sectors of the employment premises and land market and addressing issues such as affordability and viability of certain market sectors. The key findings were:
- The Study identified **clear evidence of existing and future demand for both industrial land and premises beyond existing levels of supply**. This was particularly so for logistics/distribution, and advanced manufacturing, engineering, and automotive sectors, with take up of large units over the last three years averaging 5 m sq. ft per annum (Paragraph 9.25).
 - It noted, from consultations undertaken, that this demand had absorbed a lot of the spare land capacity that was available two/three years prior to the Study. This capacity had not been replaced on a like for like basis, with **key locations no longer having any “or very little” development capacity** (Paragraph 6.5).
 - It concluded by referring to analysis of potential supply. This analysis revealed that the overall quantum of land was barely meeting the levels forecast in 2015 Study and that there were **some significant gaps in certain Local Authority areas and in particular time periods** (Paragraph 9.27).
- 3.109. Figure 5.8 of the Study provided a table showing the trajectory of land delivery of major sites. It is extracted and provided below:

Figure 12: Figure 5.8 of Coventry & Warwickshire Employment Market Signals Study, July 2019

Figure 5.8 Site delivery trajectories (by LA) (excluding Gaydon & C&W Gateway)

| AUTHORITIES / SITE AREAS (hectares) | IMMEDIATE | 1 to 2 Yrs | 2 to 3 Yrs | 5 Yrs | 5 to 10 Yrs | TOTALS |
|-------------------------------------|-----------|------------|------------|-------|-------------|--------|
| COVENTRY | 12.00 | 3.00 | 0.00 | 48.00 | 0.00 | 63.00 |
| NORTH WARWICKSHIRE | 26.50 | 6.90 | 0.00 | 0.50 | 42.00 | 75.90 |
| NUNEATON & BEDWORTH | 0.81 | 0.00 | 2.60 | 27.00 | 52.00 | 82.41 |
| RUGBY | 96.20 | 18.20 | 0.00 | 7.50 | 35.00 | 156.90 |
| WARWICK | 4.10 | 17.50 | 0.00 | 0.00 | 5.00 | 26.60 |
| STRATFORD-UPON-AVON | 11.12 | 56.00 | 14.30 | 14.60 | 0.00 | 96.02 |
| TOTALS | 150.73 | 101.60 | 16.90 | 97.60 | 134.00 | 500.83 |

- 3.110. The Study noted that the overall total supply, at around 500 ha, fell short of the target range highlighted by the 2015 Study (i.e. up to 660 ha). It was felt that this indicated overall that there was a requirement for more land to be identified over the next ten years (Paragraph 5.39).
- 3.111. It is interesting to note that North Warwickshire had only very limited availability beyond 2020, particularly for large floor space B2/B8 buildings. The 6.9 ha (1-2 years) is the expansion land for Aldi at Atherstone, with the 42 ha (5-10 years) representing the proposed southern extension to MIRA which is primarily aimed at research and development. The immediate supply (26.5 ha) is covered by remaining development land at Hams Hall (18 ha) and Core 42 (8.5 ha), which have both now been developed and occupied (see Sections 4 and 5 of this Study for further details), **meaning there is no longer any immediate supply in North Warwickshire.**
- 3.112. The Study recommended that the levels of demand identified in the report suggested that a solution is to immediately allocate significantly more land to provide choice and reduce values. However, the Study is at pains to point out that this is not the only or total solution. Instead, a more nuanced approach is required, **with the land allocations prioritised and being more specific to the different sectors of the market. For example, B8 led developments should be promoted only in key transport corridors.**
- 3.113. In addition, a significant element of the Study considered the feasibility and viability of providing for all employment property sectors. It concluded that the development of much smaller industrial premises (i.e., below 25,000 sq. ft) has not proved to be viable and, therefore, has not been developed on a speculative basis. One of the **suggested recommendations is that larger developments**, particularly for the more feasible uses such as **large B8, enable the development of smaller units.**

Strategic Employment Land 2021, Planning and Housing Business Group of the erstwhile Coventry and Warwickshire LEP – Appendix 1 of this Study

- 3.114. The report provides an updated schedule of employment land and grades it by its availability, those being:
- Oven ready (consented and serviced sites)
 - Imminent – likely to be available in the next 12 months.
 - Advanced allocations – timing dependent on infrastructure and demand.
 - Other – may contribute to supply but with constraints.

3.115. Paragraph 3.6 concludes the analysis, with reference to accommodation of inward investment enquiries. It states:

*“The **declining supply of larger employment sites capable of accommodating larger buildings** has been one feature reported by colleagues dealing with inward investment enquiries into the sub- region. They report continuing high levels of interest from businesses wishing to either come to Coventry & Warwickshire or acquire larger premises. What is apparent from the latest “snapshot” set out is that **market choice of larger sites is low**. As the category of “available sites” clearly illustrate is the preponderance of smaller sites on part completed sites. It follows that at some point **unless more larger sites are allocated or come forward as “windfall” then inward investment into the sub region will be deterred by sites shortages.**” (Our Emphasis)*

A copy of this report is produced in **Appendix 1**

Coventry & Warwickshire HEDNA, for Coventry & Warwickshire Local Authorities by Icen Projects, November 2022 (CD-i4)

3.116. The pertinent findings are:

- In relation to Industrial & Logistics, paragraph 11.10 states that **completions data is likely to be the best representation of market needs for the next phase of plan making for industrial / warehousing floorspace** [their emphasis] and this is particularly so in the short/medium term.
- Consultations undertaken suggest that, whilst B8 demand is strong, there is a need for separate allocations for B1(c)/B2 where land is delineated from sites going for B8 to support the manufacturing sector. The strong manufacturing sector in the sub-region needs to be supported.
- The key potential corridors within the sub-region which could accommodate strategic B8 development were (paragraph 11.24):
 - M42/A446 Corridor
 - M6 Corridor
 - M45/A45 Corridor
 - A5 Corridor
- The ‘Use of Rail Freight’ section (page 219) states that consideration should be given to providing additional warehouse capacity in locations close to strategic rail freight interchanges (SRFI) to support and enable growth in use of rail in transporting goods. **It concludes, bringing forward capacity in locations close to existing SRFI, which could include as extensions to existing sites or new sites – as well as road-based locations elsewhere – is therefore appropriate.**
- Between **the 8 year period 2011 to 2019, Valuation Office data shows that 101 ha or 83% of total employment land completions in North Warwickshire were for large scale logistics sites in North Warwickshire, equating to 12.63 ha per annum.** Those figures do not include a further two sites in North Warwickshire being the open storage land of approximately 25 ha for JLR at the old Baddesley Colliery and the reduced plot for BMW at Hams Hall.
- In respect of strategic warehousing floorspace (units over 9,000 sq. m), the HEDNA concludes that it would be appropriate to plan for future development to be in line with recent completions trends over the initial 10-year period (2021-2031), with the subsequent decade then seeing potentially

slower growth in line with the traffic growth and replacement demand modelling.

- Using both completion data (2021-2031) and traffic growth and replacement demand models (2031-2041), the **HEDNA concludes on a need for 551 ha of land to meet needs to 2041, and 735 ha to 2050.**

Coventry & Warwickshire Chamber of Commerce response to HEDNA 2022 (CD-i5)

3.117. Whilst welcoming the recognition of the HEDNA that the existing Plans' targets (2011-2031) are inadequate in responding to real need and demand, the Chamber prepared evidence (Coventry & Warwickshire Employment Land Report) suggesting that the allocation recommendations still fell short of that required, with implications for both inward investment and the expansion potential of local businesses noting across all 'B' use classes:

- There is only 96 ha of "oven-ready" employment land available across the whole sub-region and only one site of strategic scale.
- There is only a further 47 ha likely to be available in the next 12 months, with 177 ha at the advanced stage along with 105 ha at Coventry Airport and Wellesbourne which are allocated but unlikely to proceed at this stage.
- Overall, there is a serious lack of serviced land, both qualitatively and quantitatively (i.e., with regard to the right land in the right location for the needs of inward investors and local businesses, the latter of which cannot compete with the former, whilst both are vulnerable to an erosion of supply of land and premises by competing pressure from residential development).

3.118. In summary key challenges identified by the Report include:

- Lack of adequate employment land supply and commercial premises: Companies operating in Coventry & Warwickshire are struggling with a shortage of suitable and affordable commercial space, hindering expansion plans, and subsequently causing a lag in local economic growth.
- Constraints on SME expansion: SME's face limited opportunities for expansion due to inability to afford high quality land, which is often acquired by larger businesses. Furthermore, large scale logistics companies have taken up many sites allocated through Local Authority Plans, due to the surge in demand for warehouse and storage facilities, driven partially by the rise of online shopping and direct deliveries during and following the Covid-19 pandemic.
- Scarcity of large-scale employment land: Coventry & Warwickshire does not have large-scale employment land available over 20 ha throughout the sub-region, potentially hindering the attraction of inward investment.
- Delayed development of allocated sites: Numerous sites designated for employment land, such as in Kenilworth, Stratford Road in Warwick, and Eastern Green in Coventry, remain unavailable for development due to significant infrastructure requirements and investments.
- Loss of employment land to higher value uses: Pressure to accommodate new housing across urban areas has resulted in the loss of employment land and premises to higher value uses, particularly housing. This shift impacts local businesses seeking cost-affordable premises or units with reasonable rents. The risk from these is that highly skilled jobs move to different parts of the country, creating longer-term competitive disadvantages for Coventry & Warwickshire.

3.119. To address these fundamental supply concerns, the report advised (with regard to the quantum and

presentation of allocations):

- Allocating at least 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land, which would enable the market to function more efficiently and allow a vacancy rate that will assist market mechanisms in all employment sectors as well as give greater choice for businesses.
- Developing a more disaggregated approach to the allocation of employment sites. This would include some allocations dedicated to a single use class, or in the case of warehousing and distribution (class B8) uses the identification of both rail served and non-rail served sites. This has been suggested by Stratford and Warwick in their new joint plan where they have allocated separate designations for warehousing and distribution.

3.120. To put the magnitude of inward investment pressures in context, research and analysis prepared and published by **CW Growth Hub (Coventry & Warwickshire Business Intelligence, July 2023)**, revealed the following:

- FDI Intelligence Magazine recognised the strength of the local inward investment offer, placing Coventry & Warwickshire in the top 10 for three categories in its annual FDI European Cities and Regions of the Future Awards 2023. The Coventry & Warwickshire area placed third for FDI Strategy, eighth for economic potential ninth for and business friendliness. The rankings benchmark European cities and regions according to their economic, financial, and business strengths.
- Over the last eight years, up to 2022, Coventry & Warwickshire has been a magnet for FDI successes, witnessing the creation of 19,519 jobs through 347 FDI projects. Notably, in the last year alone 56 FDI projects and 3,195 new jobs were secured.
- By sector, Coventry & Warwickshire has established itself as a particularly attractive location for investment in Automotive & Future Mobility, Digital, Creative and Software, E-commerce, and Logistics. For 2022/3, these sectors again performed well, with automotive and future mobility (17 projects) and digital creative and software (13 projects) and E-commerce and logistics (5 projects). The area also accounted for 17% of the total UK automotive projects. Investments included those from countries including Australia, China, Germany, India, Japan, the US, and Sweden
- On a population basis, Coventry & Warwickshire was the best performing LEP area of all 38 nationally, for the numbers of new jobs created through FDI investment per 100,000 working age people in 2022/23. The Coventry & Warwickshire area was well above other high performing areas including Tees Valley and London.

Birmingham Development Plan 2017 / Birmingham HEDNA 2022

- 3.121. North Warwickshire adjoins Birmingham to the southwest and forms part of the Greater Birmingham and Black Country Housing Market Area. The location around Junction 10 M42 has historically been seen as a location for business seeking expansion in the Birmingham area.
- 3.122. Employment land need and supply was considered at the examination of the Birmingham Development Plan and subsequently in the Inspector's Report (April 2016) before adoption in January 2017. This analysis revealed that there was insufficient supply both in terms of the full plan period (2012-2031) and also over a shorter 5-year period.

- 3.123. The total shortfall over the plan period amounted to 221 ha and a corresponding shortfall of Best Urban land of 140 ha. The shortfall of the 5-year supply was 17 ha for Best Urban land and 10 ha for Good Urban land.
- 3.124. These identified shortages justified the allocation of 71 ha at Peddimore. However, this only reduced the shortfall of employment land for the plan period to 2031 to 150 ha and the shortfall of Best Urban land to 69 ha.
- 3.125. The remaining shortfall was justified by Birmingham City Council on the basis that historically much of the previous employment land had come from recycling of old land (113 ha over the previous 10-year period). However, its adviser Warwick Economics & Development stated that only 35 ha was likely to come forward in the plan period from recycling of old sites. The Inspector accepted the Council’s approach but noted that the shortfall was a matter of concern (paragraph 126) which required careful monitoring if the situation persisted.
- 3.126. The Inspector’s report stressed the importance of maintaining a supply of large high-quality sites and considered it essential if Birmingham is to meet the requirements for future business investment and expansion (paragraph 109). The Inspector noted that restricting the availability of land for economic development would be likely to have negative consequences not just in Birmingham but also for the wider region.
- 3.127. The Birmingham HEDNA (ICENI Projects, April 2022) identified a shortfall of between 61.7 ha and 86.6 ha of unmet employment land and noted a significant rise in logistics take up over the previous 2 years.
- 3.128. It noted in Table 15.17 extracted below that vacancy rates were at 2.1% and 3% in the Birmingham market and West Midlands region, respectively. The Appeal Site sits within both of these.

Figure 13: Table 15.15 extracted from Birmingham HEDNA 2022 regarding vacancy rates.

Table 15.15 -Vacancy Rate

| | 2021 | 5-year average | 10-year average |
|----------------------|-------------|-----------------------|------------------------|
| Birmingham | 2.1% | 4.3% | 5.0% |
| West Midlands | 3.0% | 3.3% | 4.3% |
| UK | 3.2% | 3.3% | 4.7% |

Source: IcenI Analysis of CoStar data

- 3.129. It concluded that “agent engagement revealed a ‘massive demand’ for industrial space of all sized in Birmingham”.
- 3.130. Demand had been consistently strong over the last 5 years (and particularly over the last 2) leading to declining availability and hence very low vacancy rates.
- 3.131. Concluding, it was likely that **“delivery needs to be accelerated to keep up with strong levels of demand and to support employment growth and prosperity ambitions.”**

Tamworth Local Plan, adopted 2016 / HEDNA 2019

- 3.132. Tamworth borders North Warwickshire to the West and **Tamworth Borough Council has provided a letter of support for the Appellant’s Site proposals stating that it will assist with Tamworth’s Employment Land requirements (CD-B53).**

- 3.133. The Tamworth Local Plan (TLP) was adopted in February 2016 and runs from 2006-2031. Employment Land evidence by Nathaniel Lichfield & Partners assessed employment land needs ranging from 25 ha to 65 ha, with the latter based on previous take up in the Borough.
- 3.134. The TLP proposed a requirement of 32 ha based on a projection of labour demand (i.e., aligned to housing growth) which the Inspector considered to be cautious but appropriate on the basis that this was set as a **minimum** figure.
- 3.135. Of the 32 ha, the TLP proposed sites totalling 18 ha which left a shortfall of a minimum of 14 ha that was agreed to be taken by neighbouring authorities (Lichfield and North Warwickshire) under at Duty to Co-operate. This was apportioned 8.5 ha to North Warwickshire and 6.5 ha to Lichfield.
- 3.136. The 8.5 ha was initially considered to have been delivered by a planning permission (not allocation) to the southwest of Junction 10 M42, which was subsequently built out and then within the safeguarded area for HS2. Tamworth Logistics Park in North Warwickshire subsequently was considered to have replaced the overspill need affected by HS2.
- 3.137. This is a clear indication from North Warwickshire Borough Council and Tamworth Borough Council that the Junction 10 M42 location is suitable to meet the needs of any future overspill from Tamworth – also accepted in relation to housing need. Moreover, most of the land surrounding Tamworth is constrained by the Green Belt and from constrained access to the strategic road network. There are few obvious locations to locate overspill other than Junction 10 M42.
- 3.138. The supply of 18 ha in Tamworth is dependent on the allocations of 10 ha of employment land at Bitterscote South. This long-standing site was identified in previous iterations of the TLP and suffers from delivery issues. It is understood that the access design (a slipway from the A5) no longer meets National Highways design standards and no competent developer is involved with the scheme. As such delivery of the Site is unlikely to come forward in the short-medium term (next 5 years) and uncertainty remains over the longer term.
- 3.139. A new TLP is being prepared covering the period 2022-2043 and requiring the calculation of a further 12 years of growth to be identified and accommodated. An Issues and Options paper was issued for consultation in September 2022 referencing the 2019 HEDNA which projected an employment land requirement of 8.8 ha to 2031 of local employment need only. The I&O paper acknowledged this was an old figure and stated that this was only to be used as a starting point with an updated assessment to be carried out in the future.

Figure 14: Table 1 from Tamworth HEDNA 2019

| Use | Floorspace (sqm) | Land requirement (ha) |
|---------------------|------------------|-----------------------|
| B1a/b (now class E) | 8,000 | 2.0 |
| B1c/B2 | 12,400 | 3.1 |
| B8 | 13,500 | 2.7 |
| Total | 33,900 | 8.8 |

Table 1: HEDNA Employment Land Need

- 3.140. The I&O paper noted that 18 ha of employment land were currently allocated and therefore using the HEDNA 2019 figure of 8.8 ha there may be sufficient land. However, it did acknowledge that the Borough's employment needs continued to evolve, and, on that basis, a new employment needs assessment is required.

3.141. The September 2019 HEDNA however did recognise the following:

- That Tamworth Borough Council is constrained by Green Belt to the West and South and North Warwickshire to the East in terms of land available for large scale logistics, albeit benefitting in particular from its proximity to the M42 on the edge of the 'golden triangle' (Paragraph 11.53).
- In North Warwickshire, adjacent to Tamworth, gains were achieved of 78% more industrial stock (increasing from 821,000 sqm to 1,460,000 sqm), pointing to the strength of the artery motorway links driving industrial floorspace.

3.142. There was a robust response from developer/agent/landowner (as classed) stakeholders (URN 037 and 038) to the consultation (Representations and Officer Responses, Issues and Options Consultation, September 2023) including the following points being made:

- The age of the HEDNA (2019) and the significant structural changes in the market since this time – the latest HEDNA only accounts for the period to 2031 but the new plan period is to 2043, meaning 12 years have been unaccounted for and therefore reliance on this report would not be justified in NPPF terms. The structural changes in the economy since the pandemic have also not been considered.
- Variance with the notably higher rate of employment growth in the existing TLP – whilst this may be justified if supported by evidence, which is queried, it is contrary to the NPPF which requires Local Plans to be prepared positively.
- Reliance on the HEDNA for calculating employment requirement does not align with the NPPF requirement to plan positively or the Duty to Cooperate required by legislation. At this stage, with its reliance on an out-of-date need assessment, the emerging Tamworth Local Plan 2043 has not demonstrated constructive engagement with neighbouring authorities regarding employment need and the potential to accommodate overspill need, as required by the Duty to Cooperate. For instance, in response to the Lichfield District Council (LDC) Local Plan 2040 Submission Plan consultation.
- The projected requirement, at 8.8 ha for the whole plan period to 2043, is very low, compared to previous projections, and is based on incomplete data,
- No allowance has been made for future losses of employment land.
- No account has been made for suppressed /latent demand for employment development land within Tamworth, which has been suppressed by constraints on the principal allocated sites. The extent of suppressed demand has been illustrated by development just outside Tamworth and by other market signals.
- The HEDNA 2019 takes no account of identified need for strategic employment sites in this broad location and makes no express allowance for the accommodation and attraction of logistics and freight related industries, contrary to Central Government guidance and initiatives.

3.143. North Warwickshire Borough Council (NWBC) also submitted comments to the Lichfield District Council Local Plan 2040 Submission Plan, noting that (and that this position equally applies to the emerging Tamworth Local Plan given that Tamworth forms part of the same commercial market area as Lichfield and North Warwickshire):

'There are no identified employment, housing or logistics sites allocated or identified for areas adjoining North Warwickshire Borough area beyond those already existing and identified in Fazeley, Mile Oak &

Bonehill, which are not considered to have any significant adverse impacts on North Warwickshire Borough. Nevertheless, the Borough are concerned the issue of wider regional and national strategic employment needs may not be adequately addressed in the Local Plan 2040 and would encourage the inclusion of a strategic policy, either separate from or as an integral part of the Strategic policy 13, to address these wider needs as was included in the recent North Warwickshire Local Plan adopted in September 2021, following examination of the Issue at the local plan hearings.'

Coventry Local Plan, adopted December 2017/ HEDNA 2022

- 3.144. The C&W Local Plan (CWLP) identified a requirement of 369 ha of employment land to cover the period from 2011-2031. However, only 128 ha of this need could be met within Coventry, leaving an overspill need of 241 ha for neighbouring local authorities to accommodate over and above their own needs.
- 3.145. A Memorandum of Understanding relating to Employment Land Requirements and Distribution was agreed and signed by the seven Local Planning Authorities which make up Coventry and Warwickshire in July 2016. This distributed the overspill need as follows (in ha): -
Nuneaton & Bedworth 26, Rugby 98, Warwick 117, Total 241
- 3.146. The 26 ha was subsequently confirmed by allocations made by the Nuneaton and Bedworth Borough Local Plan (adopted June 2019). The 98 ha for Rugby was backward looking and covered completions at Ansty Park and Ryton, whilst the 117 ha for Warwick was represented by the then draft (but now adopted) allocation of Coventry and Warwickshire Gateway in the Warwick Local Plan.
- 3.147. This practical solution meant that North Warwickshire did not have to identify any additional land over and above its own needs to help meet Coventry’s needs. However, the evidence presented to inform the Memorandum of Understanding did identify a need of between 10 ha to 15 ha to North Warwickshire based on an indicative redistribution for commuting flows and housing growth.
- 3.148. Any future review of the Coventry Local Plan would not be able to lean on large scale completions or new sites coming through the pipeline to anything like the same extent. This places a greater pressure on all neighbouring local authorities to take a more equal share of any overspill need from Coventry, including North Warwickshire.
- 3.149. It is in this context that the Coventry Local Plan Review (to 2041) is taking place. The Issues and Options Consultation took place from July 18, 2023, to September 29, 2023, and drew on the need assessment made by the Coventry & Warwickshire HEDNA for the City of Coventry LPA area, juxtaposing this with existing supply, as follows.

Figure 15A: Table 5 of Coventry & Warwickshire HEDNA 2022

Table 5: Supply vs Need

| Land Type | Existing Supply (ha) | HEDNA Figure (ha) | Over/Under supply (ha) |
|--------------------------|----------------------|-------------------|------------------------|
| Office | 6.61 | 3.9 | 2.71 over supply |
| Industrial | 26.87 | -8.9 | 17.97 over supply |
| Warehousing/Distribution | 26.15 | 17.8 | 8.35 over supply |

Note: A number of sites are allocated for a combination of B1 (E, B2 and B8 uses have been included in the above chart. Given the uncertainty around their delivery and the mix of uses, these sites have been divided equally between B2 and B8, with an assumption that and B1 use is ancillary. This is based on the nature of the sites and their location and future uses.

3.150. It is notable, however, that the “HEDNA Figure” that the Issues and Options Consultation paper adopts is simply one of several need figures modelled, and in this case one based on labour demand. Notably, the HEDNA report specifically states that this modelling approach is “not considered reliable because of the weak relationship between employment trends and future floorspace needs in the manufacturing sector influenced by productivity changes and the need for modern floorspace” (paragraph 9.26). Instead, the report considered it appropriate to plan for future development to be in line with completions trends (para 10.43), and the actual recommendation of the HEDNA for Coventry, was as follows, pointing to an undersupply:-

- Office: 8.5 ha
- General Industrial: 147.6 ha

3.151. It is apparent then, that contrary to the Issues and Options Paper, there is significant evidenced need, by way of the Coventry & Warwickshire HEDNA, from Coventry that requires accommodating, and indeed according to the Coventry & Warwickshire Chamber of Commerce review of the HEDNA is itself underestimated by the order of 20%.

Coventry & Warwickshire HEDNA 2022, specific reference to North Warwickshire

3.152. The HEDNA concludes that North Warwickshire has a local need for 56.1 ha of General Industrial employment land from 2021-2041 and 81.4 ha from 2021-2050. This excludes strategic B8 as shown by Tables 15.2 & 15.3 of the HEDNA extracted in Figure 15B below. The HEDNA notes the importance and appropriateness of providing additional warehousing supply in locations close to the existing SRFI, noting that Coventry and Warwickshire is relatively well served by existing SRFI. See Figure 15C below extracted from the ‘Use of Rail Freight’ Section of the HEDNA found on page 219.

Figure 15B: Coventry & Warwickshire Employment Land Needs by local authority

Table 15.2 Employment Land Needs 2021-2041, ha

| | Office | General Industrial | Sub-Total | Strategic B8 |
|--------------------------|-------------|--------------------|--------------|--------------|
| N. Warwickshire | 5.3 | 56.1 | 61.4 | |
| N. and Bedworth | 2.2 | 45.5 | 47.7 | |
| Rugby | 5.2 | 150.5 | 155.7 | |
| Stratford-on-Avon | 5.2 | 166.1 | 171.3 | |
| Warwick | 11.4 | 56.2 | 67.6 | |
| Coventry | 8.5 | 147.6 | 156.1 | |
| Total | 37.7 | 621.9 | 659.6 | 551 |

Source: VOA / CE/ICeni

Table 15.3 Employment Land Needs 2021-2050, ha

| | Office | General Industrial | Sub-Total | Strategic B8 |
|--------------------------|-------------|--------------------|--------------|--------------|
| N. Warwickshire | 7.0 | 81.4 | 88.4 | |
| N. and Bedworth | 3.0 | 66.0 | 69.0 | |
| Rugby | 6.5 | 218.2 | 224.7 | |
| Stratford-on-Avon | 7.2 | 240.9 | 248.1 | |
| Warwick | 15.8 | 81.4 | 97.2 | |
| Coventry | 10.0 | 214.0 | 224.0 | |
| Total | 49.4 | 901.8 | 951.2 | 735 |

Source: VOA / CE/ICeni

Figure 15C: Extracted from ‘Use of Rail Freight’ section of the Coventry & Warwickshire HEDNA 2022

However to support the use of rail in transporting goods (with associated sustainability benefits), consideration should be given to the providing additional warehousing capacity in locations close to the SRFI to support and enable growth in the use of rail in transporting goods. Bringing forward capacity in locations close to existing SRFI, which could include as extensions to existing sites or new sites - as well as road-based locations elsewhere – is therefore appropriate.

Local Context & Evidence

3.153. At the local level the JLL Study commented on the following documents:

- North Warwickshire Core Strategy, adopted in October 2014
- Employment Land Review Update, GL Hearn for North Warwickshire, September 2013
- North Warwickshire Adopted Local Plan, September 2021
- Addendum to 2013 Employment Land Review, April 2016; and further Update, September 2017

3.154. This Study also analyses those same documents and with updates in relation to:

- NWBC Annual Monitoring Report to 31st March 2023

Employment Land Review 2013 (CD-i35); and North Warwickshire Core Strategy, adopted October 2014 (CD-F14)

3.155. The Core Strategy and its evidence base (whilst now almost 10 years since adoption) provides useful information in relation to employment land in terms of supply of sites, demand for large employment buildings, and the long-standing nature of need.

3.156. The Core Strategy identified a gross employment land requirement to meet local needs of a minimum of 60 ha over the period 2011-2029. Considering completions, extant planning permissions (but excluding those at Hams Hall and Birch Coppice due to their wider than local status) and Local Plan allocations were deducted meaning a remaining employment land requirement of at least 29 ha was established.

3.157. Core Strategy Policy NW9 (Employment Land) stated that allocations would be directed to market towns outside of the Green Belt, with a hierarchy of settlements found in Policy NW2. The two relevant market towns were ‘Atherstone (with Mancetter)’ and ‘Polesworth & Dordon.’ It noted that over the plan period more than 50% of the housing and employment land requirements will be provided in or adjacent to those settlements.

3.158. An Employment Land Review Update (ELR) was commissioned by NWBC in the summer of 2013. The reports principal scope was to provide a suitable evidence base to inform the Council’s planning policy documents, including the Core Strategy and Site Allocations documents. The analysis and conclusions made a distinction between local need and regional or strategic need. The latter was purposely not provided for in the employment land requirement of the Core Strategy.

3.159. The ELR assessed future land requirements for the Borough for the period from 2006-2028 by the use of two models – labour demand and historic trends. This provided a range of between 212 ha and 410 ha.

3.160. It was considered **that the need for warehouse and distribution land was the key driver for all employment land.** It generated an overall need of between 190.8 ha and 340.9 ha, depending on the model

used. **This equated to between 83% and 90% of the total employment land required for the Borough.**

- 3.161. However, **the ELR considered that between 164 and 330 ha, depending on the model used, of this need arose regionally rather than locally.** This was based on the arbitrary assumption that all take up of warehousing premises greater than 1,850 sq. m (i.e., 20,000 sq. ft) serves a regional, rather than local, market. This threshold seems to be very low. As referred to in the Introduction to this Study, Big Box units which cater for sub-regional, regional, and national requirements (i.e., more than local) are characterised by the market as being 100,000 sq. ft plus. In addition, the generalisation made by GL Hearn ignored the local characteristics of North Warwickshire, in terms of its location and communications, which have helped to attract to the Borough the scale and quality of development and investment of this sector of the market.
- 3.162. Employing this assumption, the locally arising needs from the two models used ranged from 47.9 ha to 96.3 ha.
- 3.163. GL Hearn recommended that the locally arising land requirements for the three principal Use Classes (B1a offices and R&D, B1c/B2 industrial and B8 warehousing and distribution) should total 70 ha, of which 40 ha was for B8 warehousing and distribution.
- 3.164. **The recommendation of GL Hearn deliberately ignored between 77.3% and 80.5% of the total identified land requirement for North Warwickshire, as it was considered this need arose regionally, rather than locally.** The soundness to this approach was questioned by the Inspector in his conclusions on employment policy in the examination to the Core Strategy. The Inspector concluded in his report that the ELR identified a significant requirement for additional land for logistics use – a requirement that the Core Strategy did nothing at all to meet. **The Inspector considered further that he saw no reason why taking a more positive approach to this unmet need would conflict with the aims of the Council to encourage a diverse economy but concluded that a regional perspective was required.** He recommended a modification to review the Core Strategy if further evidence produced at a regional level identified a need to increase the provision.
- 3.165. This modification imposed by the Inspector was interpreted by developers promoting employment land in North Warwickshire as anticipation to the Council moving in short order to agree the requisite provision with other local planning authorities in the West Midlands as part of the Duty to Co-operate. Sadly, despite the subsequent publication of the WMSESS 2015, which clearly signposted an imbalance of demand over supply in this area (i.e., Area A), and other sub-regional studies which pointed to the same conclusion, this process has simply not happened, and the unmet need remains unaddressed.
- 3.166. Notwithstanding this, the forecast for future land required for the Borough contained within the GL Hearn ELR does emphasise the potential growth for the logistics sector in this general location. The prescience of these forecasts has subsequently been borne out by the levels of take up experienced over the last 9-10 years. This is set out in greater detail in Section 4 of this Study.
- 3.167. Following adoption of the Core Strategy, the Borough Council embarked upon the production of a Site Allocations Plan. However, this was not completed, and the Borough Council decided to produce a new Local Plan which was submitted in March 2018 and adopted in September 2021, extending the plan period to 2033.

North Warwickshire Local Plan (CD-F1), adopted September 2021 (and Inspector's Report (CD-F15)); and Addendum to 2013 Employment Land Review, April 2016 and Update, September 2017 (CD-i36); and North Warwickshire Annual Monitoring Report to 31st March 2022 (CD-F5) ; and Annual Monitoring

Report to 31st March 2023. (CD-F6)

- 3.168. At examination, the Inspector recommended several modifications to be incorporated to make the draft plan sound, including policy LP6 for additional employment land.
- 3.169. The spatial portrait to the Local Plan recognises that there has been an increase in employment land, particularly for logistics. Reference is made to Hams Hall and Birch Coppice, both originally brownfield sites, benefitting from intermodal rail freight interchanges (Paragraph 2.5), with the Borough being seen as a good place for logistics due to its location. However, it has also identified broadening the employment base as being very important to the Borough Council (Paragraph 2.16).
- 3.170. For this reason, the growth of SMEs will continue to be supported (Paragraph 9.3). In addition, express reference is made to the opportunities which exist from the MIRA Technology Park, aimed at research and development, which is considered will change the local market and provide opportunities to diversify the local economy (Paragraph 9.4).
- 3.171. Policy LP5 sets out the amount of development. It states that between 2011 and 2033 the Council will make provision for a minimum of “100 ha of Employment Land (subject to Policy LP6)”. Policy LP6 is set out in full in Section 1 and sets out criteria against which proposals for additional employment land will be considered favourably.
- 3.172. The justification to Policy LP5 refers to the 2013 ELR (paragraph 7.38) and subsequent updates. This refers to the baseline need of 60 ha identified by the 2013 ELR and a total need of around 100 ha to accommodate the full provision of projected housing growth (i.e., 9,600 houses).
- 3.173. Neither the wording of Policy ‘LP5 – Amount of Development’ nor its justification expresses that the projected need of 100 ha is “local”, as proposed by the Core Strategy. However, this is implied strongly by Paragraph 7.41, and is confirmed from consideration of the evidence base of the plan. This states as follows:
- “In addition, since the preparation of the Core Strategy two studies [CBRE 2015 and WMSESS 2015] have made it clear that there is a wider than local need for large sites. This provision does not necessarily have to be provided for within North Warwickshire. The Borough Council will continue to work with other local planning authorities to see what opportunities there are around the East and West Midlands to deal with this need. There are large sites coming forward in other areas such as Daventry, Market Harborough, Northwest Leicestershire, and South Staffordshire. It is considered more important for the Borough to focus its attention on widening the employment base and to build on the opportunities that the Horiba MIRA Technology Park can provide and seek the provision of aspirational job opportunities within the Borough.”*
- 3.174. The local need for a minimum of 100 ha was derived by GL Hearn in an **Addendum** to its original Employment Land Review (2013), published in April 2016, with a subsequent **Update** in September 2017.
- 3.175. The Addendum’s principal purpose was to consider the scale of employment land provision necessary to deliver balanced growth in housing and employment in the Borough. As such, it took a labour supply approach. The 2013 ELR did not take this approach. Instead, it projected land requirements on the basis of labour demand and completions (i.e., take up) models.
- 3.176. Four scenarios were tested, based on a range of housing growth between 5,280 and 9,070 homes generating between 3,410 and 9,350 jobs. These generated an employment land requirement of between 35 ha and 91

ha over the period from 2011 to 2031. The Update extended the period by two years to 2033. This increased the employment land requirement for Scenario D (based on 9,070 new homes for the period 2011 to 2031) to 100 ha. The 100 ha was disaggregated by Use Class as follows: -

- B8 – 81 ha
- B1c/2 – 6 ha
- B1a/b – 13 ha

3.177. The Addendum also provided some marketing analysis (Section 5 – Property Market Dynamics). Under the heading of Implications, Paragraph 5.34 concluded: -

“The market analysis shows that there is a strong market of industrial warehouse/logistics space in the Borough. This reflects strong performance of the manufacturing component/supply chain firms’ segment of the region, as well as increased demand for storage/distribution space from retailers.”

3.178. Reference is made also in Paragraph 5.36 of the Addendum to only 1.3 years’ supply of industrial floor space currently available and being marketed in the Borough. GL Hearn concluded that: -

“This data suggests that in order to maintain the rates of take up seen in the Borough over the past decade there will need to be considerable increase in the available stock of industrial premises in the short term to meet strong demand.”

3.179. Whilst the Addendum’s methodology is based on a labour supply approach, it did include some evidence and analysis on past completion trends. Past take up (i.e., completed development) over four years from 2012/2013 to 2015/2016 was recorded by the Council at 26.9 ha per annum (Paragraph 6.43). The vast majority of take up was for B8 (Figure 21). Paragraph 6.44 of the Addendum stated that if this trend continued at the same rate to 2031, then the need for employment in the Borough would be 538 ha – over 5 times the provision being made in the plan.

3.180. However, GL Hearn removed large scale developments (Birch Coppice and the former Baddesley Colliery) from the take up figures in order to estimate the Borough’s “local” needs (Paragraph 6.46). Removing these resulted in an average annual take up of 5.5 ha. Again, the majority of take up is accounted for by B8 (Figure 22). Paragraph 6.48 notes that this trend: -

*“..... suggests that there will be a need for **110 ha** of employment land in the Borough to meet local needs.” [Our emphasis].*

3.181. It is clear from this analysis that no attempt by North Warwickshire has been made to expressly identify and accommodate wider than “local” needs.

3.182. The Local Plan Inspector accepted this position in his report (**CD-F15**), acknowledging that a significant portion of North Warwickshire falls within Area A (as defined by the 2015 West Midlands Strategic Employment Sites Study and referred to by Policy LP6). However, he considered that there was no clear evidence as to **what level of development** should be delivered in the Borough as opposed to elsewhere (paragraph 178). Nevertheless, this was an issue he considered the plan still had to address in order to be consistent with the NPPF and concluded that Policy LP6 would provide just such a basis.

3.183. Table 8 of the Local Plan provided a snapshot of supply of employment land in the Borough, albeit as of 31st March 2019. This table is extracted and provided below.

Figure 16: Table 8 of the North Warwickshire Local Plan

| | 1/42011 to 31/3/2019 | Hectares (Gross) |
|----------|--|---------------------|
| A | Total Completions- | 167.08 |
| B | Planning Permissions | 69.12 |
| C | Allocations E1 – 6.8 E2 – 5.1 E3 – 3.45 E4 – 42.0 | 57.35 |
| D | Total completions, permissions and forecast Supply | 293.55 |

- 3.184. It is acknowledged in the explanatory text to this table (paragraph 14.12) that this information includes the regional logistics sites at Hams Hall and Birch Coppice and the JLR vehicle storage facility at the former Baddesley Colliery. Data presented to the Local Plan examination revealed that virtually all the completions were due to take-up at these three developments. In addition, the vast majority of planning permissions were remaining plots at Hams Hall, Birch Coppice, Core 42, and Tamworth Logistics Park. Since 31st March 2019 – the cut off employed for data by Table 8 – most of this land has been developed. This is considered in greater detail in the next two sections of this Study.
- 3.185. The Annual Monitoring Report 2022/23 to 31st March 2023 provides an updated position in its Appendix C and extracted below for ease of reference.

Figure 17 – Total Land Supply as of 31st March 2023 from North Warwickshire Annual Monitoring Report

| | over 0.4 hectares | under 0.4 hectares | Total |
|--|-------------------|--------------------|---------------|
| <i>Total Completions Since 2019/20 – 2021/22</i> | | | |
| 2019/20 | 0 | 0.39 | 0.39 |
| 2020/21 | 24.25 | 0.47 | 24.72 |
| 2021/22 | 42.79 | 0.25 | 43.04 |
| 2022/23 | 0 | 0.25 | 0.25 |
| <i>Allocations In Local Plan</i> | 57.2 | 0 | 57.2 |
| <i>Outstanding Sites with Planning Permissions as at 2022/23</i> | | 0.70 | 23.84 |
| | 147.38 | 2.06 | 149.44 |
| <i>Loss of employment land</i> | 0 | 0-0.25 | -0.25 |
| Total minus losses | 147.38 | 1.81 | 149.19 |

- 3.186. Regarding the Local Plan Target of a minimum of 100 ha to be delivered in the plan period to 2033, as can be seen in the table above, the total remaining land supply (allocations + outstanding permissions) for employment land stands at 81ha, which represents a substantial fall from the position at 31st March 2019 of 127 ha - a reduction of 37%.
- 3.187. Whilst detailed consideration is given later in this Study on the supply of sites in the Borough, particularly their suitability for large scale Big Box development, several general conclusions can be drawn on the overall quantum of supply and need, based on take up. These are as follows:

- Take up (or completions) is running at around 17.55 ha to 35.1 ha per annum (upper if exclude apparently spurious zero take up in 2019/20 and 2022/23 when there was no supply of large-scale logistics land), an increase from the average of 20 ha per annum recorded in 2019.
- The remaining committed supply of land (permissions and allocations) provides 81.04 ha (compared to 126.47 as of April 2019)
- Taking a median figure of 26.4 ha for period 2019-2023 (17.55 ha to 35.1 ha) this equates to 3.06 years of land supply, falling from 6.3 years in April 2019. N.B. this 26.4 ha includes the 2022/2023 the period in which the available land supply for large scale logistics ended.

3.188. This is clearly insufficient in quantitative terms to provide a land supply which will last until the end of the plan period – i.e., another c.9.5 years away. However, there is an even bigger disconnect between demand and supply if a qualitative assessment is undertaken.

3.189. The ELR Addendum (2016) and subsequent Update (2017) identified that the vast majority of take up was for B8. This was corroborated by the assessment of completions in shared evidence presented to the examination (AD52B) as being approximately 19 ha per annum. This document is provided in **Appendix 2**.

3.190. Furthermore, the 2022/23 AMR records site completions of 68 ha over the period 2019/20 - 2022/23, most of which (62.78 ha) was accounted for by three logistics led sites (Hams Hall Power Station B, Core 42, and SE of Junction 10 of M42). See Figure 19 below showing completions of large-scale logistics from AMR period 2019-2023 and also including C&W HEDNA figures for years 2011-2019 from Figure 18 below.

Figure 18: Table 9 Completions Trend from Coventry & Warwickshire HEDNA 2022

Table 9.12 Completions Trend Forecast 2021-41, ha (gross)

| | Total 2011-19 | Average 2011-19 | 2021-41 need | %E(g)(i) | %B8 (strategic sites, est.) | Net as % gross |
|-------------------------------------|----------------------|------------------------|---------------------|-----------------|------------------------------------|-----------------------|
| North Warwickshire (2011-18) | 121.8* | 15.2 | 304.4 | 2% | 83%* | N/A |
| Nuneaton and Bedworth | 21.5 | 2.4 | 47.9 | 5% | 19% | 91% |
| Rugby** | 133.6 | 14.8 | 296.9 | 6% | 53%) | N/A |
| Stratford-on-Avon | 59.8 | 6.6 | 132.9 | | | 24% |
| Warwick | 20.2 | 2.2 | 44.9 | | | N/A |
| Coventry | 91.3 | 10.1 | 202.8 | 23% | 19% | N/A |
| Total | 448.2 | 51.5 | 1,029.8 | | | |

Source: LPA / AMR

*Excluding open storage at Baddesley Colliery for BMW and reduced plot for BMW at Hams Hall

** Inc Coventry's unmet need contributions at Ansty Park and Prologis Ryton

Figure 19: Table showing large scale B8 logistics completions as % of total completions in North Warwickshire

| Completion Year(s) | Site(s) | Size (ha) | Occupier Use Class | Comments | Total Completions in period (ha) | B8 Logistics as % of total completions |
|--|---|---|--------------------|--|--|--|
| 2011-2018 (taken from C&W HEDNA 2022) | Several | 101.1* *excluding open storage and reduced lot at BMW – see Figure 18 above. | B8 | - | 121.8* *excluding open storage and reduced plot at BMW – see Figure 18 above. | 83% |
| 2019-2020 | - | - | - | - | 0.39 | 0% |
| 2020/2021 | Power Station B Site – Hams Hall | 20 | B8 | Occupied by JLR, AMG Logistics, LTS Distribution | 24.72 | 80% |
| 2021/2022 | Core 42 & Land SE J10 M42 (Tamworth Logistics Park) | 17.42 & 25.37 Totaling 42.79 | B8 | Core 42 let to Maersk and Greencore for B8 use. TLP let to Winit, Super Smart Services, Box.com, Moonpig .com | 43.03 | 99.4% |
| 2022/2023 | No available supply of B8 sites. | | | | 0.25 | 0% |
| | 2011-2023 Total | 163.89 ha | | | 190.19 ha | 86.17% |
| | 2019-2023 Total | 62.79 ha | | | 68.39 ha | 91.81% |

- 3.191. Although the adoption of the plan took place part way through the monitoring year the AMR uses full monitoring year from 1st April 2019 as the data in the Local Plan is as of 31st March 2021.
- 3.192. The limited number of remaining sites with Planning Permission and/or allocated for B8 Use are summarised in the table below using the Borough Council’s agreed position at Local Plan examination as set out in AD52B in Appendix 2 of this Study.

Figure 21: Table showing analysis of North Warwickshire Employment Allocations or Permitted Sites

| Site | Status | Site Area (Ha) |
|---|--|----------------|
| Hockley Park, Dosthill | A 2010 extant application. The site has struggled with delivery issues for over 10 years. Not suitable for Big Box logistics. | 6.76 |
| Colehill Hall Hospital | The site is affected by HS2 and current position unknown. B1/B2/B8 in any case (mainly offices). Not suitable for Big Box logistics. | 16.38 |
| Phase 3, Birch Coppice (Hall End Farm/Core 42) | NOW COMPLETE | |
| Hams Hall Power Station B | NOW COMPLETE | |
| Southeast of Junction 10, M42 (Tamworth Logistics Park) | NOW COMPLETE | |
| Holly Lane, Atherstone | Proposal E1. Specifically allocated for Aldi expansion. Not market facing. | 6.6 |
| West of Birch Coppice | Proposal E2. Subject to land swap and the acceptance of a number of parties including allotment holders. | 5.1 |
| Total | | 35.26 |

3.193. The information above demonstrates that there have been no completions of large scale B8 sites since the completions in the AMR period ending 31st March 2022. This is entirely due to lack of supply of available sites. Moreover, the AMR shows large scale Big Box sites have dominated completions in the years where supply has been available, notably 2011-2019 (83%), 2020-2021 (80%), and 2021-2022 (over 99%).

3.194. Furthermore, as is detailed in Section 4 on Supply, none of the above B8 use class allocations are suitable for large scale Big Box logistics. There is no land supply in North Warwickshire suitable to accommodate large scale logistics – resulting in an astonishing **‘0’ years’ supply**.

LOCAL SUMMARY

3.195. The plan making process for North Warwickshire has explicitly and implicitly ignored the market (and evidenced regional) identified role of North Warwickshire, given its favourable geography, of meeting demand, instead favouring metrics relating to local needs. Whilst the Local Plan Inspector challenged this position, the assumption was made that this could be addressed through the Council agreeing provision with other LPAs as part of a Duty to Co-operate, which appears not to have happened.

3.196. Meanwhile, the total remaining land supply (allocations + outstanding permissions) for employment land stands at 81ha, **which represents a substantial fall from the position in April 2019 of 127 ha - a reduction of 37% since 1st April 2019**.

3.197. Likewise, with regard to large scale B8, referencing the AMR, shows that consented or allocated have fallen from 62.70 ha from 31st March 2020 (3.1 years’ supply using 20 ha figure) to ‘zero’ ha as of 31st March 2022 – **‘0’ years’ supply**.

OVERALL EVIDENCE & CONTEXTUAL SUMMARY

3.198. The need for new strategic employment development land, particularly for large scale logistics, is well

established at a national, regional, and sub-regional level.

- 3.199. National policy position has recognised the changing needs and operational requirements for large scale logistics, which have evolved at pace over the past few years, reflecting changing structural drivers and conditions of demand, particularly regarding sustainability and the low carbon economy.
- 3.200. The recognition of such drivers and their impacts on the spatial requirements of the sector is important as further demand side factors with an impact on spatial requirements emerge – notably those relating to the role of logistics and industrial development in the technological transformation of the UK, sustainability and decarbonisation, and the role and effect of technology on the spatial requirements of the sector.
- 3.201. Regionally, the findings of the 2009 RSS Panel Report regarding 250 ha of land at rail served logistics sites, and at least four additional regional sites, remain pertinent and evidence suggests the demand / supply imbalance has grown more acute since this time, with the 200-250ha now seen as the absolute minimum indication of the current requirement, reflecting unforeseen (in 2009) take up for very large (over 25,000sqm) warehouses, most of which have no rail access, juxtaposed with just 54 ha of supply coming forward over the period (Source: Examiners Report for WM Interchange 2015).
- 3.202. **There is significant latent demand for Big Box space, with the situation being most acute in the West Midlands, and most specifically the market area of the Appeal Site - “Area A/Area 2/M42 Corridor” - having the lowest level of supply.**
- 3.203. On this basis the West Midland Land Commissions Strategic Economic Plan states that a credible pipeline of Strategic Employment Sites in excess of 25ha per annum is a pre-requisite for future growth in the West Midlands, with recognition that this figure might be exceeded due to modern business requirements (for example, modern logistics and “just in time” delivery for manufacturing plants). Following receipt of this report, the WMCA commissioned a Spatial Investment & Delivery Plan, which then provided the context for the phase 2 West Midland Strategic Employment Sites Study 2021, which flagged the **urgent need** for additional sites, **noting that the key M42 corridor (Area 2) as the prime market facing location which has the lowest years supply** (and contained in just one site – representing 0.71 years), juxtaposed with persistent supply side issues with potential sites, and hence the urgent need for a new pipeline of sites. This serves to put considerable pressure on the sub region.
- 3.204. The Coventry and Warwickshire Employment Land Use Study (CWELU), **September 2015 (“CBRE Study”)**, **identified an urgent need to identify at least one, if not two, additional large strategic sites**, to respond to the surge in recent take up and reduction in available supply, and likewise the subsequent Market Signals study (2019) revealed that the overall quantum of land was barely meeting the levels forecast in the ‘CBRE 2015 Study’ and that there were some significant gaps in certain Local Authority areas and in particular time periods (Paragraph 9.27).
- 3.205. Notably, the 2019 Coventry & Warwickshire Sub-Regional Employment Market Signals Study revealed that North Warwickshire had only very limited availability beyond the immediate term, particularly for large floor space B2/B8 buildings, such that by 2021 the Strategic Employment Land Supply (prepared for The Planning and Housing Business Group of the erstwhile Coventry and Warwickshire LEP) found that market choice of larger sites is low, with “available sites” dominated by a preponderance of smaller plots on part completed sites, **warning that unless more larger sites are allocated or come forward as “windfall” then inward investment into the sub region will be deterred by sites shortages.”**

- 3.206. Recent evidence prepared by the subregion local planning authorities (The Coventry & Warwickshire HEDNA, November 2022), using completions data as a basis for assessment, has subsequently identified need for 551 ha of land (Strategic B8) to 2041, and 735 ha to 2050.
- 3.207. In response to this, Coventry & Warwickshire Chamber of Commerce, whilst welcoming the recognition of the HEDNA, that the existing Plans' targets (2011-2031) are inadequate in responding to real need and demand, prepared evidence (Coventry & Warwickshire Employment Land Report) suggesting that the allocation recommendations still fell short of that required, with implications for both inward investment and the expansion potential of local businesses.
- 3.208. As such it was argued that 20 per cent more land be allocated than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land, which would enable the market to function more efficiently and allow a vacancy rate that will assist market mechanisms in all employment sectors as well as give greater choice for businesses.
- 3.209. There continues to be overspill into North Warwickshire from neighbouring areas notably Tamworth, Birmingham, and Coventry & Warwickshire.
- 3.210. Successive Local Plans for North Warwickshire have explicitly or implicitly ignored the market (and evidenced regional studies) identified role of North Warwickshire, given its favourable geography, of meeting demand, instead favouring metrics relating to local needs.
- 3.211. Meanwhile, the **total remaining** (allocations and outstanding permissions) 'all uses classes' land supply for employment has fallen **by nearly 40%**, from **127** ha in 2019 to **81** ha according to the most recent Annual Monitoring Report, with completions over 0.4 ha at 24.259 ha (2020/21) and 42.79 ha (2021/2022). These figures are up from c.20 ha per annum in 2019.
- 3.212. Likewise, with regard to **large scale B8 (Big Box)**, referencing the AMR, shows that **North Warwickshire's consented or allocated sites have fallen from 62.70 ha on 31st March 2020 (3.1 years' supply using 20 ha figure) to 'zero' ha as of 31st March 2022 – '0' years' supply. I.e. from 62.70 hectares to '0' in 2 years.**
- 3.213. The conclusion of this section is that a substantial need for large scale employment land, particularly for Big Box logistics, for this area has been identified by numerous studies. These include those commissioned by the NWBC for the purposes of collating evidence to support its development plan making process, and those carried out by NWBC directly, such as the most recent Annual Monitoring Report.
- 3.214. NWBC has chosen not to take any direct responsibility in accommodating these development pressures by identifying and allocating sites. Instead, the sites identified and allocated by the North Warwickshire Local Plan are solely to accommodate and attract other sectors of the employment land market and to expressly diversify the economy (e.g., the allocation of land south of MIRA Technology Park of 42 ha).
- 3.215. Nevertheless, this does not diminish **the scale and immediacy** of the need to find new sites in this area (i.e., Area A/Area 2/M42 Corridor) to ensure and enable an efficient and productive supply chain and logistics network for this area, the wider region, and the UK as a whole.

4. Demand for Employment Land for Big Box Development

Introduction

4.1. In this section we consider the demand for large scale logistics property, but before doing so it is appropriate to provide a market-based definition of a Big Box building, and how it is different to the wider and more traditional market for industrial, distribution, and trade premises. The Big Box market is a specific segment to the overall employment market. The JLL Study noted its specific characteristics as follows:

- Built premises \geq 100,000 sq. ft but often much larger and up to 1 million sq. ft.
- Generally catering for the logistics sector, although not exclusively, with the manufacturing sector an essential element, particularly in the West Midlands.
- Occupiers often require new or modern premises with high building specifications (e.g. sustainability).
- Invariably location is all important with a particular focus on proximity to motorway junctions, trunk roads, and rail freight interchanges.
- More recently availability of workforce has risen in occupiers' requirements.
- Procurement of the units, due to the size of the premises, are often on a build to suit basis, which requires large scale serviced plots of development land.

To the above characteristics C&W add that in 2024:

- There is now intense focus on minimising and eradicating the carbon footprint both in the construction and operation of Big Box developments, on an embodied carbon and operational carbon basis. The building standard in this market is now becoming construction that meets Net Zero Carbon criteria.
- Another long-term market trend is one of increasing scale of Big Box developments, which is discussed in more depth later in this chapter.

The JLL Study also correctly states that because of these characteristics:

- Big Box occupiers can often be footloose and result in inward investment.
- The Big Box market is very distinct from traditional patterns of industrial development, whether that be standard traditional industrial estates, large manufacturing plants, or trading estates.
- Traditional forms of industrial development have tended to be embedded in the towns or markets in close proximity to dense residential areas which is not suitable for modern 24/7 industrial and logistics practices.
- Over the last 10 years and certainly since the 2009-2012 recession the Big Box market has been the dominant driver of development floorspace when compared to the Mid Box market (25,000 sq. ft. to 75,000 sq. ft.) and SME market (5,000 sq.ft. to 20,000 sq. ft.).

National Market Trends

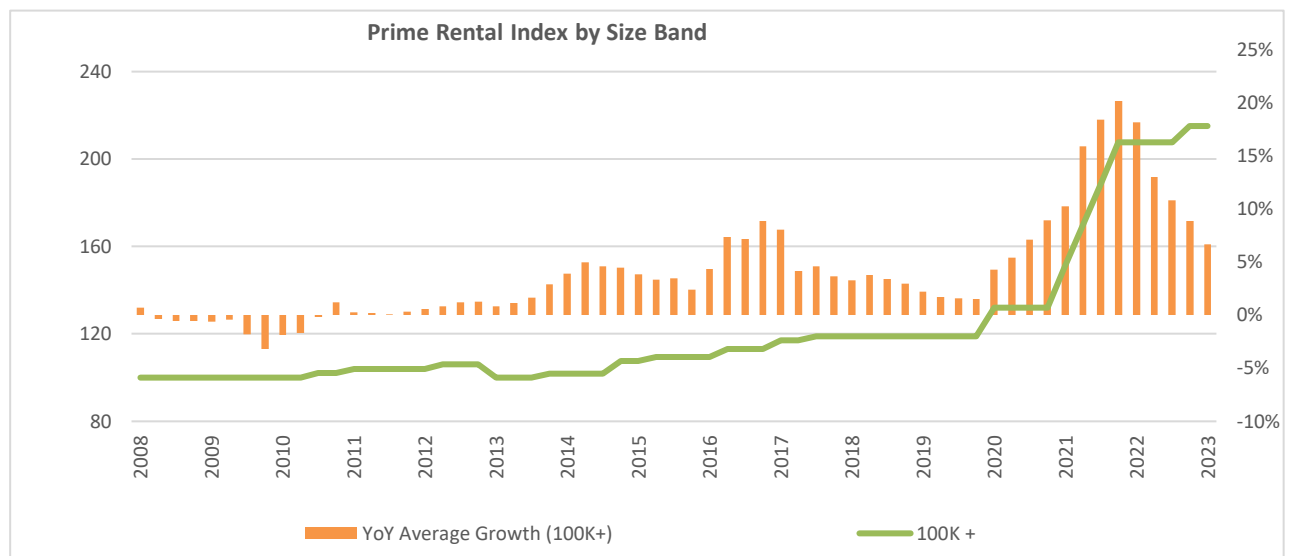
- 4.2. On an annual basis C&W produces several research papers considering the industrial market based on market data and market intelligence collated through various sources. This includes the UK Logistics and Industrial Outlook Report which is produced on a bi-annual basis with quarterly updates. The most recent edition was published in January 2023 and the Q4 2023 Update is provided in **Appendix 3**.
- 4.3. The report provides a comparison of market signals across the UK's market regions and, with the Midlands, separates the data and commentary on a West and East (Midlands) basis.
- 4.4. The Covid-19 pandemic and its immediate aftermath 2020-2022 saw an unprecedented demand and take up of employment space, with a particular focus on the Big Box market.

The take-up for that period is detailed below:

- 2020 take up was 44.14million sq. ft.
 - 2021 take up was 55.56 million sq. ft.
 - 2022 take up was 44.24 million sq. ft.
- 4.5. The strong level of demand for modern logistics floorspace during the Covid-19 pandemic and the global financial recessions illustrates the resilience of the logistics market particularly in the face of disruption and elevated business stress. It is to be noted that this resilience was also illustrated in a similar manner following the Brexit referendum in 2016, in which take-up amounted to 25.56m sq ft, surpassing the 2015 volume.
 - 4.6. The period demonstrated the importance of supply chain resilience to keep economies moving and highlighted the sector's role in enabling continued structural change that has taken place across all business types.
 - 4.7. Notably the growth of E-commerce consumer demand, and significant supply chain disruption both during and immediately after the pandemic has resulted in a broader approach to supply chain planning composition with a move to ensure greater resilience through the adoption of 'just in case' inventory principles, as opposed to 'just in time' inventories. In terms of 2023, taken as a whole, demand and take up has returned to pre-pandemic levels as supply chains have stabilised, despite the impacts of high inflation, business stress and a rising interest rate environment.
 - 4.8. In 2023, take up has returned to pre-pandemic levels, which the following data from our annual UK Logistics and Industrial Outlook data supports. Key findings of that report are provided below:
 - Overall take up of all Grades above 50,000sq ft was 32.43 million sq. ft. and 2% lower than the pre-pandemic 10 yr. average.
 - Overall take up of all Grades above 100,000sq ft was 24.74 million sq. ft. 5% below the 10-year pre-pandemic average of 25.98m sq. ft.
 - However, for units above 100,000 sq. ft 19.37 million sq. ft. or 78% of all take up was accounted for by Grade A space, which is 32% higher than the five-year pre-pandemic average of 14.63m sq. ft. Demonstrating a strong need for new Grade A space.

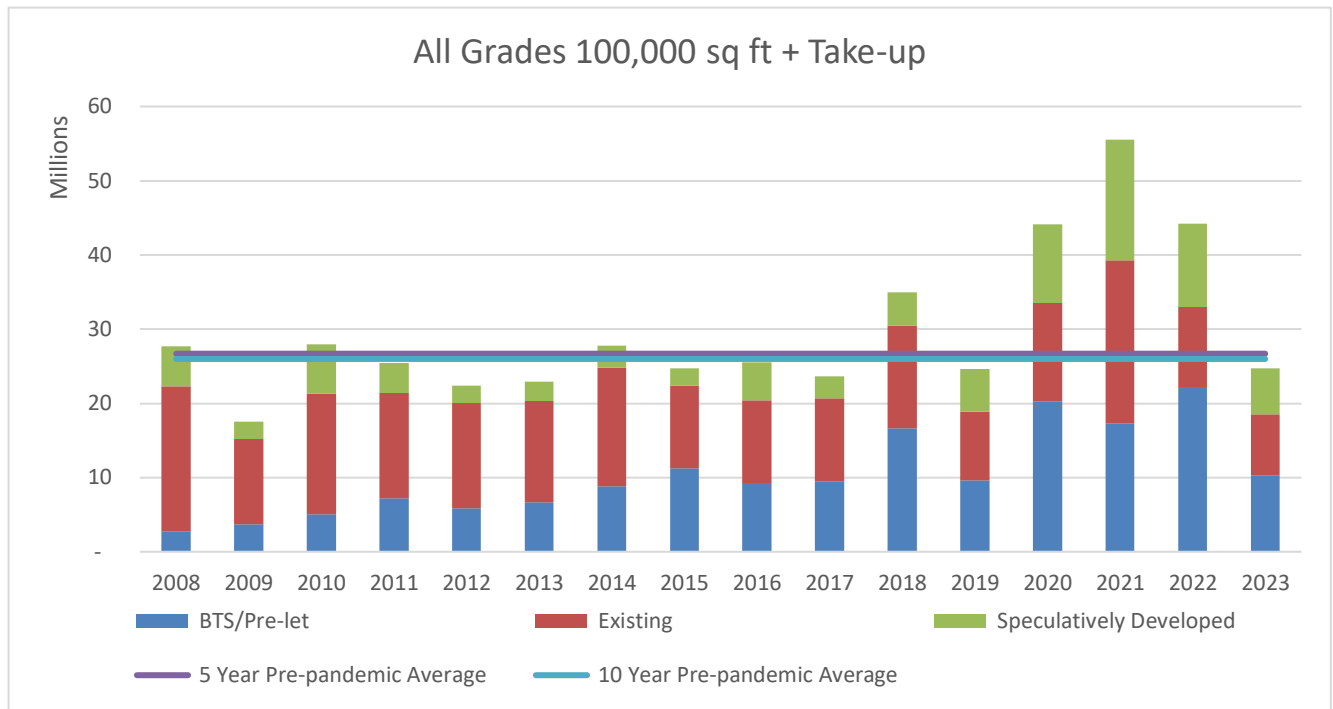
- Of total Grade A take up for units over 100,000 sq ft, 6.18 million sq. ft. was speculatively built accommodation accounting for a 25% share. This is in line with 2022 levels but surpasses the five years pre-pandemic where speculatively developed space accounted for an average share of 15.7% per annum.
- For buildings of all Grades over 100,000 sq. ft. 10.2 million sq. ft was accounted for by the pre-let or built to suit market (lease agreed prior to completion of construction) equating to a 41.5% share.
- An additional 10.55 million sq ft was speculatively under construction, and available with delivery scheduled to complete in 2024.
- Above 100,000sq ft headline average annual rents grew nationally by compound annual rate of 11.6% between the end of 2020 and 2023. C&W are forecasting average rents will grow by a further 4.1% across the country in 2024. See Figure 22 below.

Figure 22: National Prime Rental Index for 100,000 sq. ft. (2019 base date)



4.9. This recent snapshot should also be considered within the wider context of historic market performance, where the longer-term trend is of high demand outstripping supply. See take up Figure 23 below.

Figure 23: Take Up of all grades above 100,000 sq. ft.



- 4.10. As is shown in Figure 23 above, whilst overall take up has reduced in 2023 from historic peaks it is still in line with pre-pandemic levels based on 5-year (purple line) and 10-year (blue line) averages. The reduction in take up from the 2020-2022 period should not be interpreted as a lack of demand but a further demonstration of the resilience and robust nature of the demand, given the political and economic backdrop, and the increasing focus of occupiers on new Grade A space. It would be wholly wrong to conclude that the reduction from the peak in Covid will result in a continuing reduction, rather demand has stabilised.
- 4.11. A greater focus on sustainability has been seen as the logistics and industrial sector undergoes a drive to quality, resulting in elevated demand for Grade A high specification buildings and a reduction in demand for poorer quality Grade B and Grade C stock.
- 4.12. At a national level, availability of all Big Box space reached its lowest level during Q2 2022 at approximately 31 million sq. ft. Since that point availability has gradually increased to 51.6 million sq. ft. as at the end of Q4 2023, albeit at that point 9.8 million sq. ft. was under offer. This increase in supply has been predominantly driven by speculative development programs.
- 4.13. At a national level, availability of Grade A Big Box space was 36.8 million sq. ft. compared to 34.37 million sq. ft. at the end of 2022, an increase of 4%. Again this was as a result of strong investor appetite for speculative development, but also continued levels of take up.
- 4.14. At a national level, based on 2023 annual take up of 24.7 million (and removing the buildings under offer of 9.8 million sq. ft. as at the end of 2023), there is **1.4 years' supply** and based on the pre pandemic 5yr the average annual take up there is **1.23 years' supply**.
- 4.15. During the latter part of 2022, the economic disruption in the aftermaths of the Covid-19 pandemic, post Brexit effects and the war in Ukraine caused acute shortages in inventory across many sectors of the

economy. The consequential rise in inflation exacerbated by the aborted Kwarteng budget of September 2022 and subsequent interest rate hikes led to a tempering in the rate of take up and demand which has now returned to the 5- and 10-year averages. Those effects are now widely regarded to have largely stabilised.

- 4.16. The market fundamentals for this sector remain very robust, with demand and take up continuing to significantly outstrip supply. This is evidenced by other market signals such as rental growth, rising land values, and sustained demand for build to suit facilities, where no suitable speculatively developed or existing space is available.
- 4.17. In addition, there remains a series of easily identifiable and strong structural drivers of demand such as the continued rise in E-commerce, targets for decarbonisation of the built environment, and near(re) shoring / manufacturing which are considered in greater detail below.

Key Market Drivers

The JLL Study made reference to the following key market drivers which are also covered in this report:

- Covid Pandemic and E-commerce
- Near (Re) Shoring / Manufacturing
- Automotive Sector

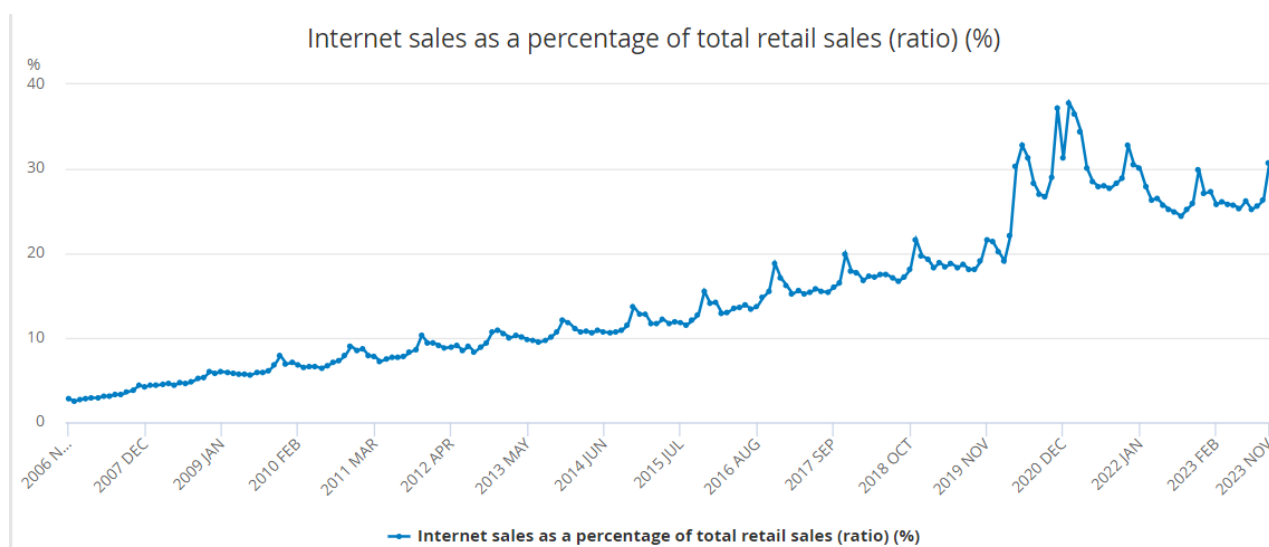
In addition in this Study consideration is also given to the additional market drivers:

- Future of Food Chains
- Sustainability, Decarbonisation of the Built Environment & Freight, and the rise of ESG standards.

Covid Pandemic and E-commerce

- 4.18. Prior to the Covid-19 pandemic, retailing was undergoing significant structural change due to way the consumers and businesses sourced and purchased goods – online. Using data from the Office of National Statistics (ONS), pre-pandemic internet sales as a percentage of total annual retail sales stood at 19.2% in 2019 and 26.6% in 2023. Analysed on a quarterly basis, for Q4 2019 and Q4 2023, the percentages were 20.8% and 28.3% respectively. In short, and dependent on the time of year, internet sales have risen between 35%-38.5% from pre-pandemic levels. Typically there is a pattern of higher proportional spend in the fourth quarter of each year a pattern illustrated in the chart below.

Figure 24: Internet sales as a % of total retail sales (source ONS)



- 4.19. The continued rise in E-commerce has had a big impact on the Big Box market, with internet related take up increasing steadily as a proportion of total take up. In 2023 approximately 25% of all logistics take-up was for dedicated internet fulfilment.
- 4.20. The Covid-19 pandemic was a profound political and economic shock. In relation to E-commerce it had a significant effect whereby in January 2021 internet sales peaked at 37.8% of total sales (ONS). Whilst reasons for that peak and the subsequent retraction is widely appreciated (lockdowns and medical guidance at the time), as detailed above, internet sales did not return to their 2019 levels. In relation to E-Commerce the long-term effect of Covid-19 has been an acceleration in online shopping.
- 4.21. The growth in online retail will continue to be a key driver of demand across a range of distribution facilities, both in terms of size and location. UK households with home internet access now stands at 98%, up from 93% in 2019 (ONS). Moreover, the consumers desire for same day/next day delivery of purchased goods is driving demand for more parcel/postal facilities and sorting/packing facilities. The requirement for space is further exacerbated by the trend in rising online returns rates, which are currently often between 15% and 25% (depending on the goods) and rising as consumers are becoming more aware and comfortable with return behaviors.
- 4.22. In the last five years C&W has identified retailers and E-commerce as the most active sector in terms of take up, representing between 44% and 70% of total market share.
- 4.23. Online grocery sales also saw a significant increase pre/post Covid-19, with ONS data showing online food sales as a proportion of all food retailing almost doubled from 5.4% in February 2020 to 10.4% in September 2020, sitting at 9% in November 2023, although predicted to grow by 10% per annum until 2028.

Near & Re Shoring / Manufacturing

- 4.24. Economically, Brexit, the effects of governments' responses to Covid-19 globally, and the war in Ukraine have resulted in supply shocks that hindered (and continue to do so) the UK's manufacturing base. The result of these events has been an increase in the trend of manufacturers towards increasing inventory levels and reshoring of their supply chains.
- 4.25. An example of this was noted in **Electric Vehicle Charging: Uncovering the real estate opportunity July 2023** by Savills which reported that:

"Supply chain issues are causing delay to electrified power unit production, mainly as a result of battery materials such as lithium as well as semi-conductor chip shortages plus manufacturing delays and problems arising from Covid-19 lockdowns."

- 4.26. In order to mitigate these supply chain issues, manufacturing businesses have been increasing their inventory, and sourcing more goods from critical parts in the UK, (i.e. increasing the domestic content of their supply chain).
- 4.27. Reshoring is the practice of transferring a business operations or sources of goods and raw materials currently undertaken or sourced overseas back to the UK. This is in contrast to the past 40 years where global trade boomed and developments in logistics (including containerisation) and widespread adoption of 'Just in Time' strategies prevailed. This reshoring trend is actively being encouraged by the UK Government as part of its industrial strategy.
- 4.28. C&W believe that a number of European based manufacturers which currently supply the UK's manufacturing base will look to also secure a UK logistics base to create more flexibility in their supply chains.
- 4.29. This is long term trend is evidenced by comparing take up of Grade A Big Box space for manufacturing in the 5-year periods of 2008-2012 and 2019-2023 where take up has nearly doubled from around 10% to 20%.
- 4.30. In relation to manufacturing, the JLL Study referred to Ernst & Young's Attractiveness Survey from November 2021 which identified new opportunities emerging with 32% of manufacturers planning to "re-shore" activity to the UK. In that survey Alison Key, Managing Partner for Client Services commented:

"There is a real opportunity here for the UK. An updated industrial strategy should identify the UK support for manufacturing and supply chain onshoring. Covid-19 may stimulate investment activity in the manufacturing sector by accelerating technology adoption and supply chain redesign."

Future of Food Chains

- 4.31. In May 2023, Cushman & Wakefield published a report titled "Future of Food Chains", exploring the future trends of that market and the real estate implications. The report was produced with collaborative input from several industry experts, and multi-national food retailers, and produced three key findings that are likely to impact the Logistics and Industrial real estate market and drive demand. These findings can be

broadly broken down as follows and are further elaborated on below:

- Dietary Change: Health and Sustainability
- Food Production: Re-shoring the UK's Food Supply
- Supply and Storage: Reshaping Food Chains

- 4.32. The Dietary Change analysis noted a need for logistics space to facilitate onboarding of new products and efficient and quick delivery of seasonal produce to help extend shelf life. It concluded that buildings along key supply routes in proximity to large numbers of the population would see an outperformance over the long term.
- 4.33. Food Production and reshoring concluded that high specification assets should be located around food production with the establishment of new clusters within the UK both necessary and likely.
- 4.34. Supply and Storage concluded that higher specification buildings would be required by the food sector going forward with improved energy efficiency, air permeability, and insulation. This would likely come as part of the drive to Net Zero Carbon as trends in consumer behaviour continued to evolve.

Sustainability, Decarbonisation of the Built Environment & Freight, and the rise of ESG Standards

- 4.35. Real estate globally contributes to over 40% of all energy consumption and 36% of carbon emissions (United Nations) and is a significant area of focus in the reduction of embodied and operational carbon. In the UK, legislation and ambitious corporate Net Zero Carbon targets are driving the decarbonisation of logistics supply chains.
- 4.36. In the UK Big Box market, BREEAM is the key certification of sustainability and Energy Performance Certificates (EPC) of energy performance. Whilst Net Zero Carbon accreditation is at a reasonably early stage the key bodies providing that certification service are the UK Green Building Council (UKGBC) and the Building Research Establishment (BRE).
- 4.37. BREEAM is a sustainability assessment method providing a rating for buildings based on their sustainable value across a range of categories: Energy, Land use and Ecology, Water, Health, Wellbeing, Pollution, Transport, Materials, and Waste Management. It is the most widely used green building certification in Europe. It is an important factor in determining green building standards and acts as an enhancement to standard building regulations. Like building regulations, it is subject to revisions as technologies and building practices develop.
- 4.38. EPCs are a rating scheme introduced in England and Wales in 2007 and provide certification of a building's energy performance – every newly constructed building requires an EPC. It rates energy efficiency of a property on a traffic light system of A+ to G, with A+ being the most efficient and equating to Net Zero Carbon. It provides an indication of the heating and powering of a property, as well as how much carbon dioxide it emits. It also includes recommendations of energy-efficiency improvements, the estimated cost of carrying them out, and the potential savings that each improvement could generate. Like BREEAM and buildings regulations, the assessment methodology is subject to revision over time.
- 4.39. Net Zero Carbon is an internationally agreed upon goal for mitigating climate change and refers to a position

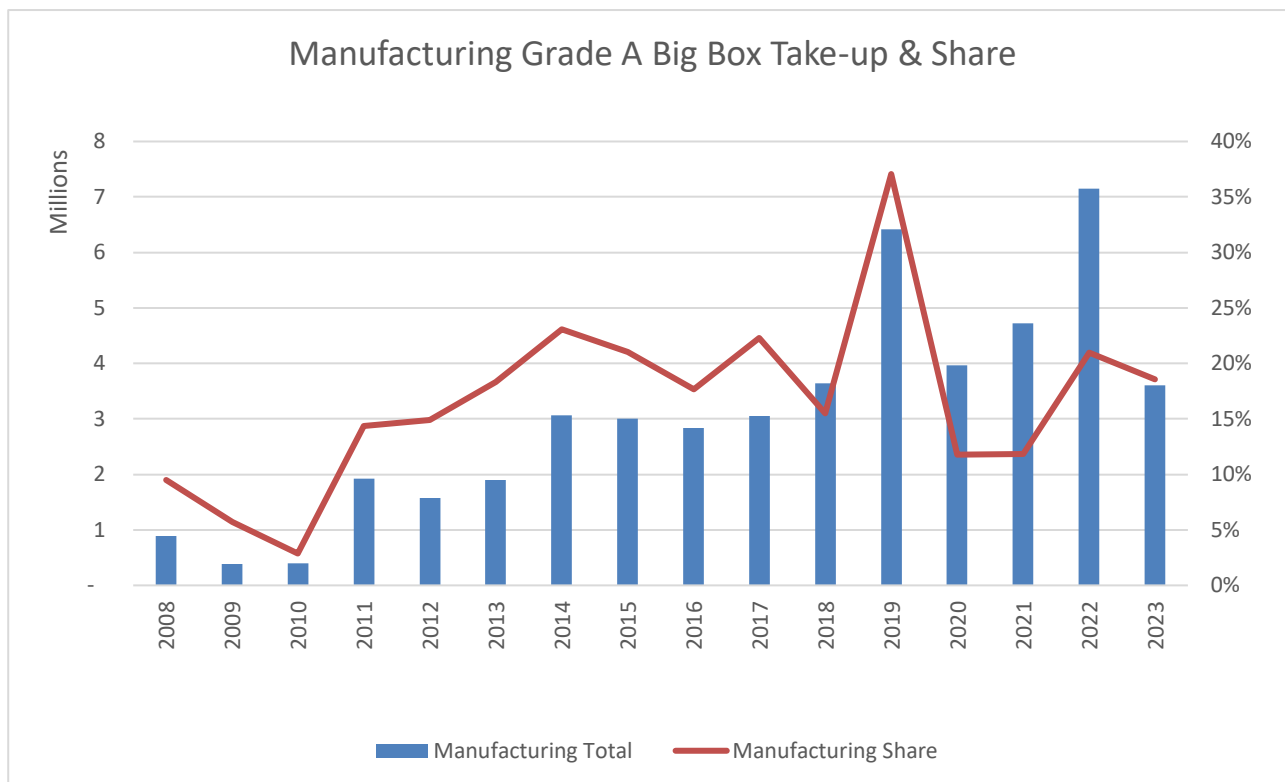
whereby greenhouses gases going into the atmosphere are balanced by removal of those gases out of the atmosphere. The primary focus of Net Zero Carbon requires reduction of emissions and where that is not reasonably possible offsetting takes places to neutralise the residual impact.

- 4.40. In the built environment, UK legislation has provided for a set of Minimum Energy Efficiency Standards (MEES) regulations based on EPC certification. In Avison Young's 2023 report on the matter titled **Building Net Zero: the road to zero carbon logistics** they calculated that 90% of the current logistics stock was EPC C or below. The MEES regulations require a minimum EPC B rating by 2030 and whilst refurbishment in occupation is possible it is more likely that occupiers in buildings needing significant works will seek alternative buildings.
- 4.41. By way of example at the occupier level, in 2023 DHL (one of the largest logistics operators in the UK with over 88 million sq. ft.) has explicitly stated that all new acquisitions of warehouse accommodation must have a minimum BREEAM rating of excellent and an EPC of A+ and all newly built warehouse accommodation must be Net Zero Carbon. This is to meet their stated global goal of achieving 100% net zero-carbon warehousing in the DHL supply chain by 2025.
- 4.42. C&W monitoring of leasing activity and acquisitions for warehouse accommodation for corporate clients further supports the indications that this trend is growing, with 78% of all warehouse transactions now being undertaken on Grade A accommodation which has a BREEAM minimum rating of 'Very Good' to 'Outstanding' and an EPC rating of A or A+.

Automotive Sector

- 4.43. In the West Midlands, the automotive sector has historically and looking forward will continue to be an important part of economic growth. For example, Jaguar Land Rover (JLR) has invested hugely in the region particularly over the last 10 years. Examples of investment from JLR include a new engine plant at i54 in South Staffordshire, and a battery production facility at Hams Hall of 415,000 sq. ft.
- 4.44. These large-scale automotive operators sustain a supply chain network across the region and investment by the manufacturers translates directly into demand for large scale logistics. In the case of JLR alone, in the recent past this has translated into a 1 million sq. ft. Logistics Operating Centre at Solihull, and although out of region (in close proximity to it) a 2.6 million sq. ft. Global Afterparts Campus at Junction 11 M42/A42 in the East Midlands county of Leicestershire.
- 4.45. These investments and corresponding improvements in the supply chain network for JLR have translated into demand for large scale logistics sites. As a sector automotive manufacturers and their supply chains have accounted for 10.9 million sq. ft. per year over the last 10 yrs., this is starker when considered over the last 5 years in which take up accounted for 6.3msq. ft, when approximately 25% of all take-up was manufacturing related. See Figure 25 below.

Figure 25: Manufacturing sector as a % of Grade A Big Box Total Take up & the sector’s Total Take up.



- 4.46. JLR is not the only manufacturer in the region with BMW, Geely (London Taxi) and Toyota all having large manufacturing plants which can generate additional demand for manufacturing space, and associated logistics space.
- 4.47. Overall, despite the current uncertain outlook to the national economy posed by the fall-out from the Covid-19 pandemic and Brexit, C&W remains confident that the positive dynamics of the identified key market drivers will continue to drive demand for new industrial and warehousing floorspace, both nationally and in the Midlands. We believe this growth still has a way to go and will support industrial and logistics property demand in the region in both the short and medium term.

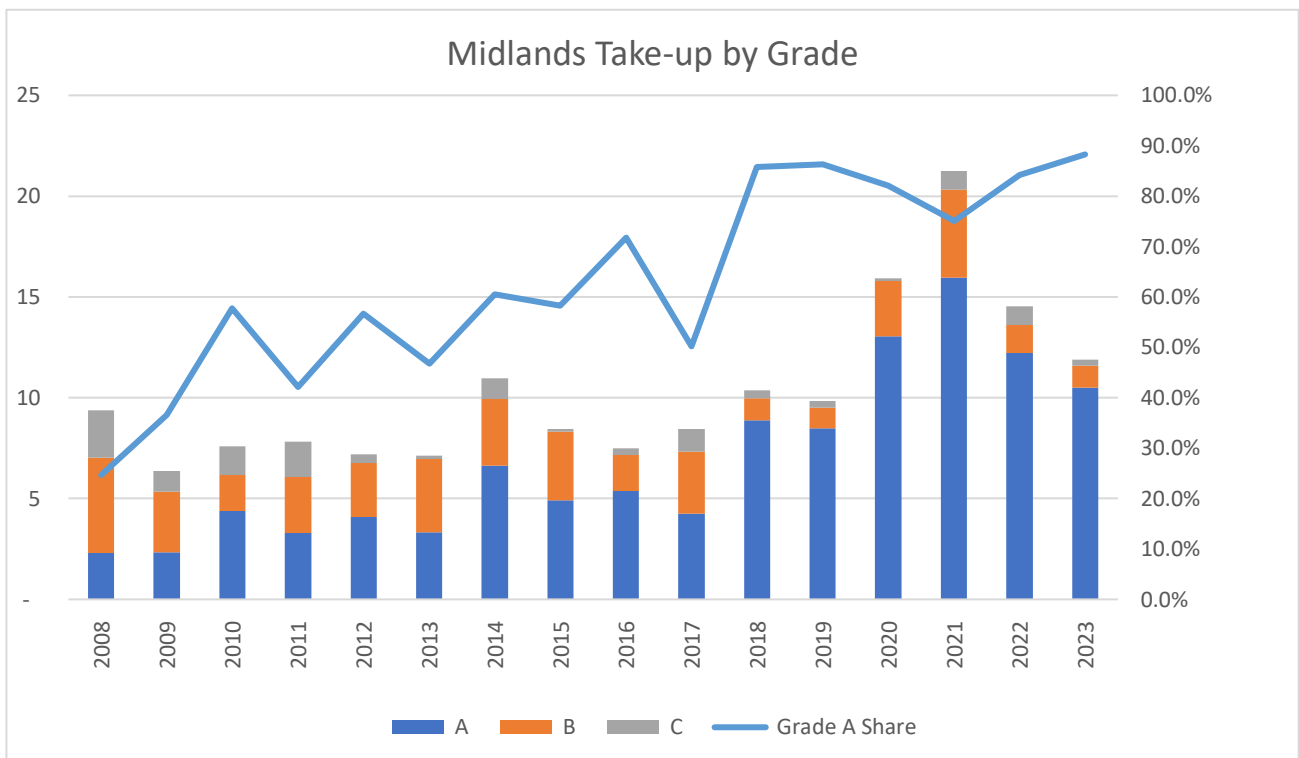
Regional Market Trends

- 4.48. As noted in the JLL Study, the Midlands accounted for 36% of all Big Box floorspace in 2020, which in 2023 has risen to 48.9% equating to 11.58 million sq. ft. Of that total take up the West Midlands accounted for 3.64 million sq. ft and the East Midlands 7.9 million sq. ft.
- 4.49. The key difference between the West Midlands and East Midlands being a more restricted land supply for such developments in the West Midlands, rather than lack of demand. Consideration will be given to the ‘leakage’ of West Midlands occupiers into the East Midlands where supply of suitable sites is unavailable in the West Midlands later in this Study.
- 4.50. Being by definition, the centrally located Midlands has seen continued and sustained transactional activity for Big Box logistics, with the Golden Triangle the focus of national demand. The Golden

Triangle describes a subsection of the Midlands market, which benefits from unique connectivity making it the area of strategic importance for many occupiers. It is generally understood to be an area defined by the M42 motorway corridors to the West, the M1 to the East, and M6 to the South. In terms of the strategic road network (SRN) and in addition those motorways the Golden Triangle is further dissected by the A5 (a designated trunk road), A444, A511, and the M69.

- 4.51. Connectivity to the SRN allows occupiers within the Golden Triangle to reach large proportions of the country’s population within a 4.5-hour drive time for Heavy Goods Vehicles (HGV). This measure is important because HGV drivers are limited by regulations regarding how long they can drive without taking a substantial break.
- 4.52. These factors make the Golden Triangle uniquely suitable for national distribution centres (NDC). NDCs are often very large and increasingly more than 500,000 sq. ft. In addition to NDCs, proximity to a number the major cities in both the West and East Midlands (Coventry, Birmingham, Leicester, Derby, Nottingham) makes the Golden Triangle suitable for regional distribution centres (RDC).

Figure 26: Midlands Take-Up by Grade – showing the rise in requirement for Grade A space.



- 4.53. Considering Grade A space alone, in 2023, take up across the Midlands was 10.5 million sq. ft. or 88.3% of total take up, on speculative or build to suit developments on serviced land. This was split with 2.8 million sq. ft. in the West Midlands and 7.6m sq. ft. in the East Midlands. This contrasts with the period 2008 to 2013 during which Grade A take up ranged between 25%-50%.
- 4.54. Rents can be used as an indicator of demand across the region. In 2023, rents grew by 11.2% in the West Midlands and 11.9% in the East Midlands, with rents being 37.4% and 39.3% higher than in 2020 for the respective locations. This is a clear indication of the imbalance between demand and the ongoing shortage of supply of quality sites for such operations, with rental growth signalling the extent of competitive tension

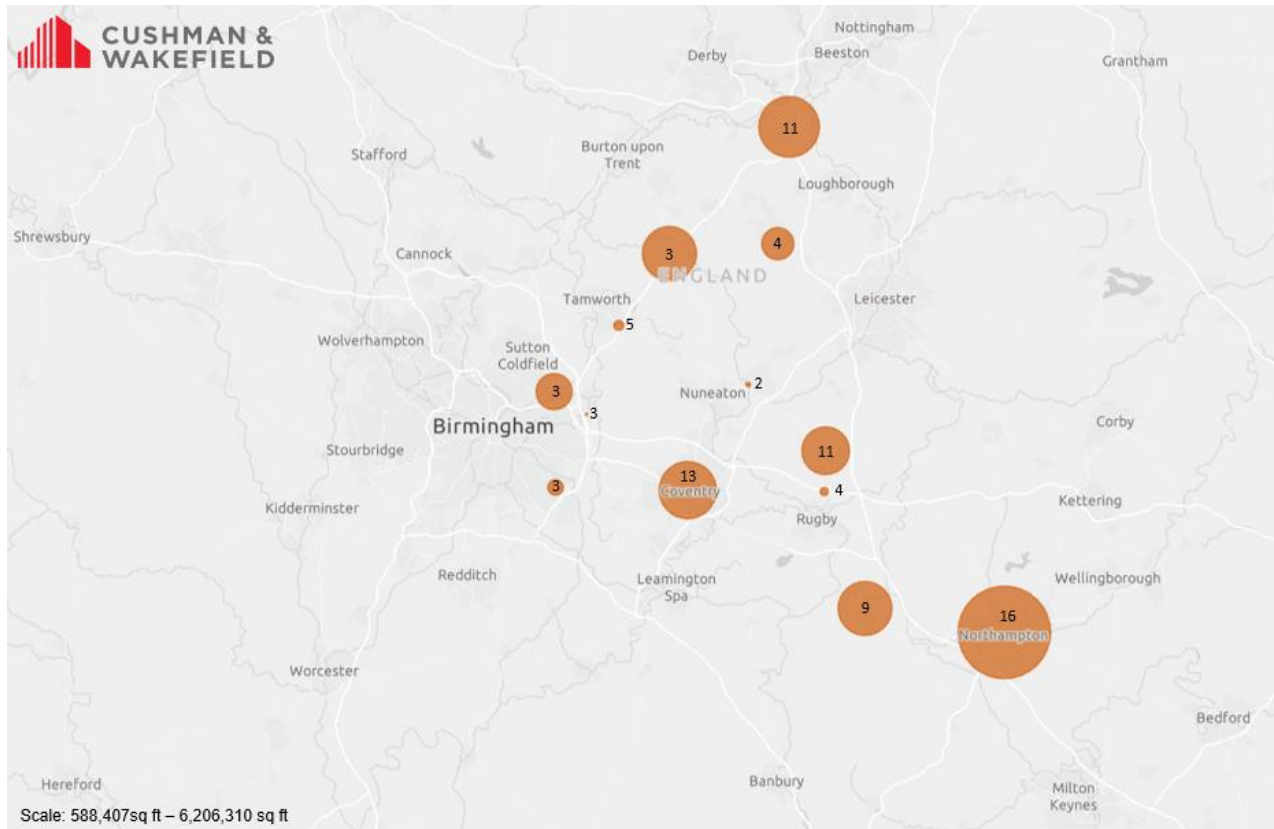
as a result.

4.55. A table of principal transactions for new space (Grade A speculatively developed and build to suit/pre-let premises) in the Golden Triangle over the last five years (2019-2023 inclusive) is provided in **Appendix 4**, with Figure 27 below analysing take up by motorway junction / trunk road location.

| Motorway/Trunk Road | Location | No of Deals 2019 – 2023 | Floorspace (ft ²) 2019 - 2023 |
|---------------------|------------------|-------------------------|---|
| M1 | Daventry | 9 | 3,812,404 |
| | Bardon | 4 | 2,463,995 |
| | Northampton | 16 | 6,206,310 |
| | Leicester | 3 | 588,407 |
| | Castle Donington | 11 | 4,233,992 |
| A5 | Lutterworth | 11 | 3,424,807 |
| | Hinckley | 2 | 742,500 |
| M6 | Coventry | 13 | 4,021,177 |
| | Rugby | 4 | 963,952 |
| M42/A42 | Appleby Magna | 3 | 3,828,254 |
| | Solihull | 3 | 1,430,595 |
| | Coleshill | 3 | 622,535 |
| | Tamworth | 5 | 1,080,624 |
| | Minworth | 3 | 2,709,064 |
| Total | | 90 | 36,128,616 |

Figure 27: Analysis of New Big Box Deals in the Golden Triangle Over the Last Five Years by Motorway/Trunk Road and Location.

Figure 28: Data from Figure 27 grouped by location and plotted on a map of the Golden Triangle.

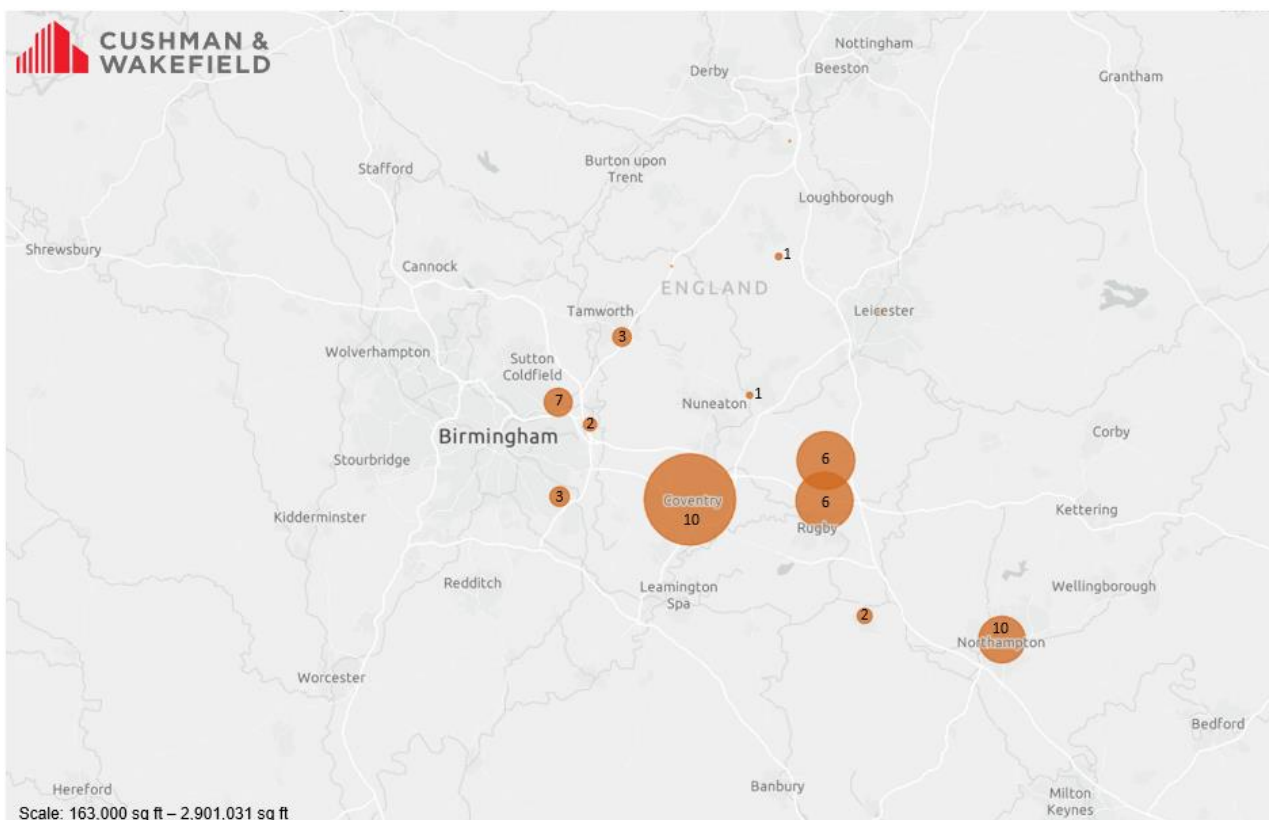


- 4.56. Figure 28 shows clearly the take up over the last 5 years along the M42 Corridor location which is to be expected as this is a key transport corridor at a national, regional, and sub-regional level in logistics terms.
- 4.57. Since the JLL Study was published, in the three years of 2021-2023, there have been 62 deals for new (Grade A speculatively developed and build to suit/pre-let premises) floorspace totaling 23.58 million sq. ft. Over the full 5-year period (2019-2023), that has resulted in 36.12 million sq. ft of take up across 90 deals for new (Grade A speculatively developed and build to suite / pre-let) space.
- 4.58. The same exercise has been applied for existing premises, for which a schedule of transactions is provided in **Appendix 5 of this Study**, with Figure 29 & 30 below again analysing that take up by motorway junction/trunk road location below.

Figure 29: Take up of existing premises (second hand) in the Golden Triangle Over the Last Five Years by Motorway/Trunk Road and Location.

| Motorway/Trunk Road | Location | No of Deals 2019 – 2023 | Floorspace (ft ²) 2019 - 2023 |
|---------------------|------------------|-------------------------|---|
| M1 | Daventry | 2 | 424,100 |
| | Bardon | 1 | 145,000 |
| | Northampton | 10 | 1,450,923 |
| | Leicester | 1 | 163,000 |
| | Castle Donington | 0 | 0 |
| A5 | Lutterworth | 6 | 1,820,238 |
| | Hinckley | 1 | 132,123 |
| M6 | Coventry | 10 | 2,901,031 |
| | Rugby | 6 | 1,795,846 |
| M42/A42 | Appleby Magna | 0 | 0 |
| | Solihull | 3 | 572,614 |
| | Coleshill | 2 | 364,108 |
| | Tamworth | 3 | 538,116 |
| | Minworth | 7 | 847,833 |
| Total | | 52 | 11,154,932 |

Figure 30: Data from Figure 29 grouped by location and plotted on a map of the Golden Triangle



- 4.59. The take up noted above therefore clearly demonstrates that the take up / demand for high specification new warehousing is significantly greater than the market for second hand existing premises. Over 36.12 million sq. ft. (in 90 deals) of new (Grade A) space has been occupied over the last five years, compared to 11.15 million of second-hand space, meaning new build space (Grade A speculatively developed or build to suit/pre-let) accounted for 76% of all take up over that period.
- 4.60. Another noticeable trend has been the increasing demand for new build (Grade A) buildings to be larger in size. C&W calculate that the average size for new (Grade A) premises taken over the last five years is just over 325,000 sq. ft., compared with the 10-year pre-pandemic average of 300,000 sq. ft. This contrasts with

second hand units where average size over the same periods was 193,000 sq. ft and 195,000 sq. ft respectively.

Figure 31: Table of Take up by Size of Building for all Grades.

| Region | Building Type | 2010-2019 | 2019-2023 | 2023 |
|---------------|------------------------|-----------|-----------|---------|
| East Midlands | BTS/Pre-let | 508,026 | 539,860 | 697,123 |
| | Existing | 211,742 | 203,602 | 236,337 |
| | Spec (Newly completed) | 249,141 | 288,287 | 223,223 |
| West Midlands | BTS/Pre-let | 251,205 | 456,373 | 492,333 |
| | Existing | 171,760 | 181,925 | 167,095 |
| | Spec (Newly completed) | 241,288 | 198,070 | 165,697 |

Figure 32: East Midlands Average Size Chart

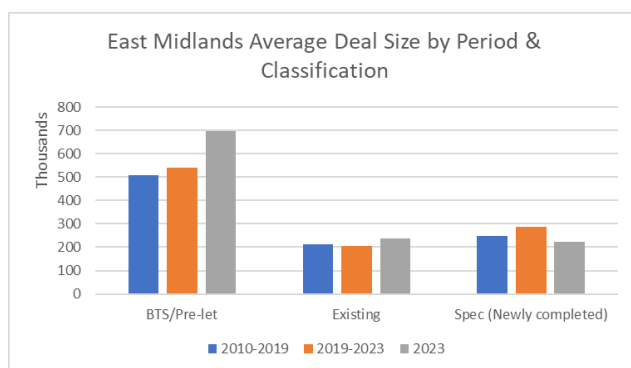
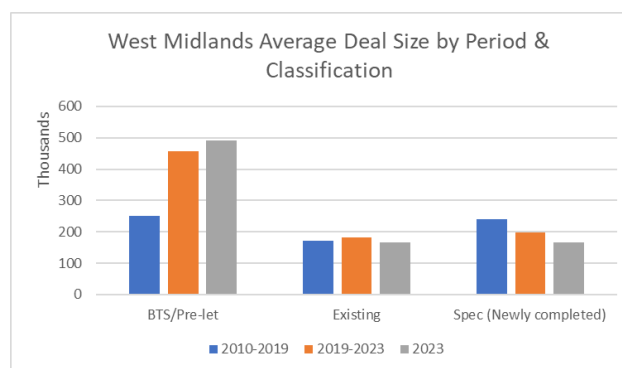


Figure 33: West Midlands Average Size Chart



4.61. The above table and graphs shows the implications of an imbalance between supply and demand on the average unit size for deals between the East Midlands (where land is available) and the West Midlands (where land availability is poorest). In the East Midlands, the average unit size taken for build to suit, and pre-let facilities has risen consistently in recent years, in line with appetite for larger facilities. Conversely in the West Midlands the average unit size taken for both new speculatively developed space and that within existing buildings has consistently decreased simultaneous to a rise in the average size taken within build to suit and pre-let facilities. Highlighting the land constraints on the markets ability to facilitate market demand through speculative development of large scale facilities

4.62. The key areas of take up for the Golden Triangle over the last five years have been:

- **M42 Corridor**
- Northampton
- Daventry
- Coventry
- East Midlands Gateway
- Bardon
- Appleby Magna (albeit this a new location and resulted from a two occupier transaction)

4.63. As noted in relation to the take up split between the West and East Midlands, one of the factors in determining take up levels is the on the supply side with the well-known lack in availability of marketable and deliverable sites. This is a particularly inhibiting factor on the western side of the Golden Triangle –

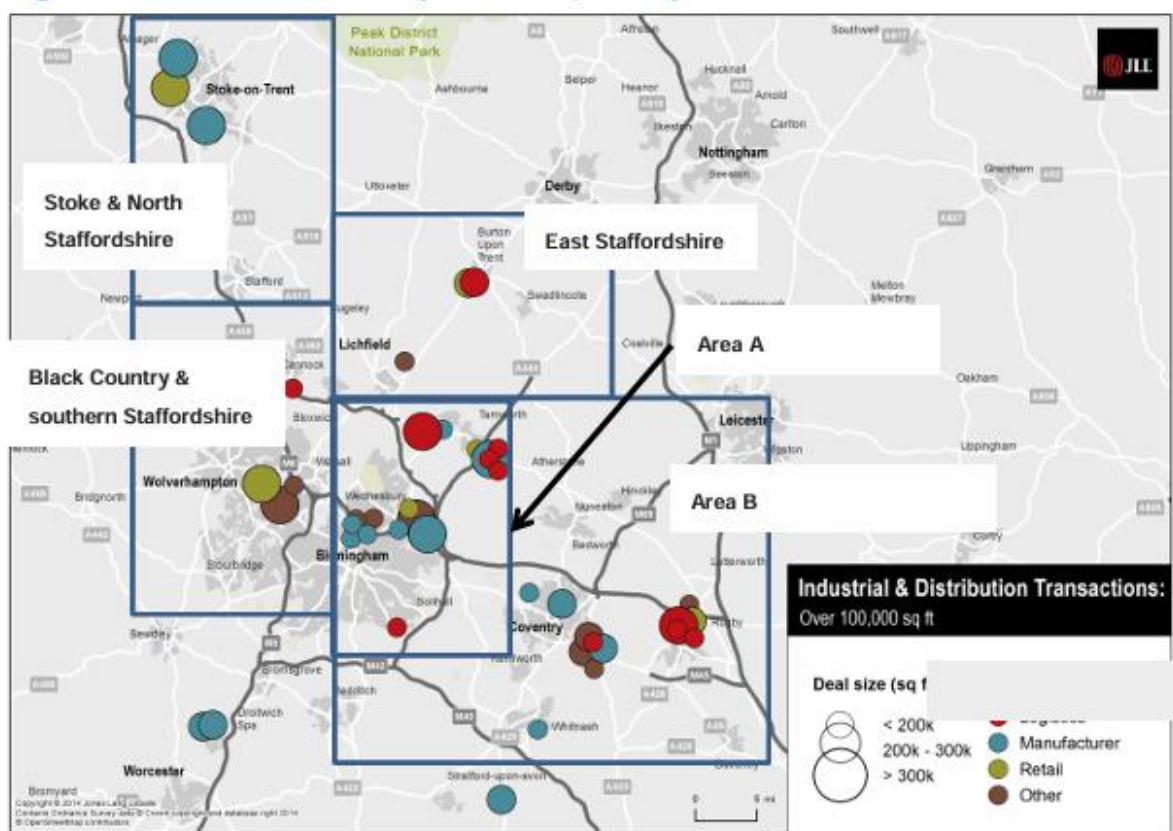
particularly M42 Corridor (Junction 3 to Junction 10 M42) - a point that was picked up by both the West Midlands Strategic Employment Sites Study of September 2015 (WMSESS 2015) (CD-i1) and its successor study the West Midlands Strategic Employment Sites Study of May 2021 (WMSESS 2021) (CD-i2).

4.64. WMSESS 2015 split the West Midlands into several market sub-areas. Of those areas the report stated that:

- “Demand for large-scale industrial space in the West Midlands is most intense along an ‘M42 belt’ that lies at the boundary between the Birmingham & Solihull LEP, Coventry & Warwickshire, and Staffordshire (more specifically, where the boundaries of Birmingham, Solihull, North Warwickshire, and Tamworth converge).” [Our emphasis]

Figure 34: The WMSESS 2015 referred to this as ‘Area A’ for which the relevant Figure 4.10 of that study is provided below.

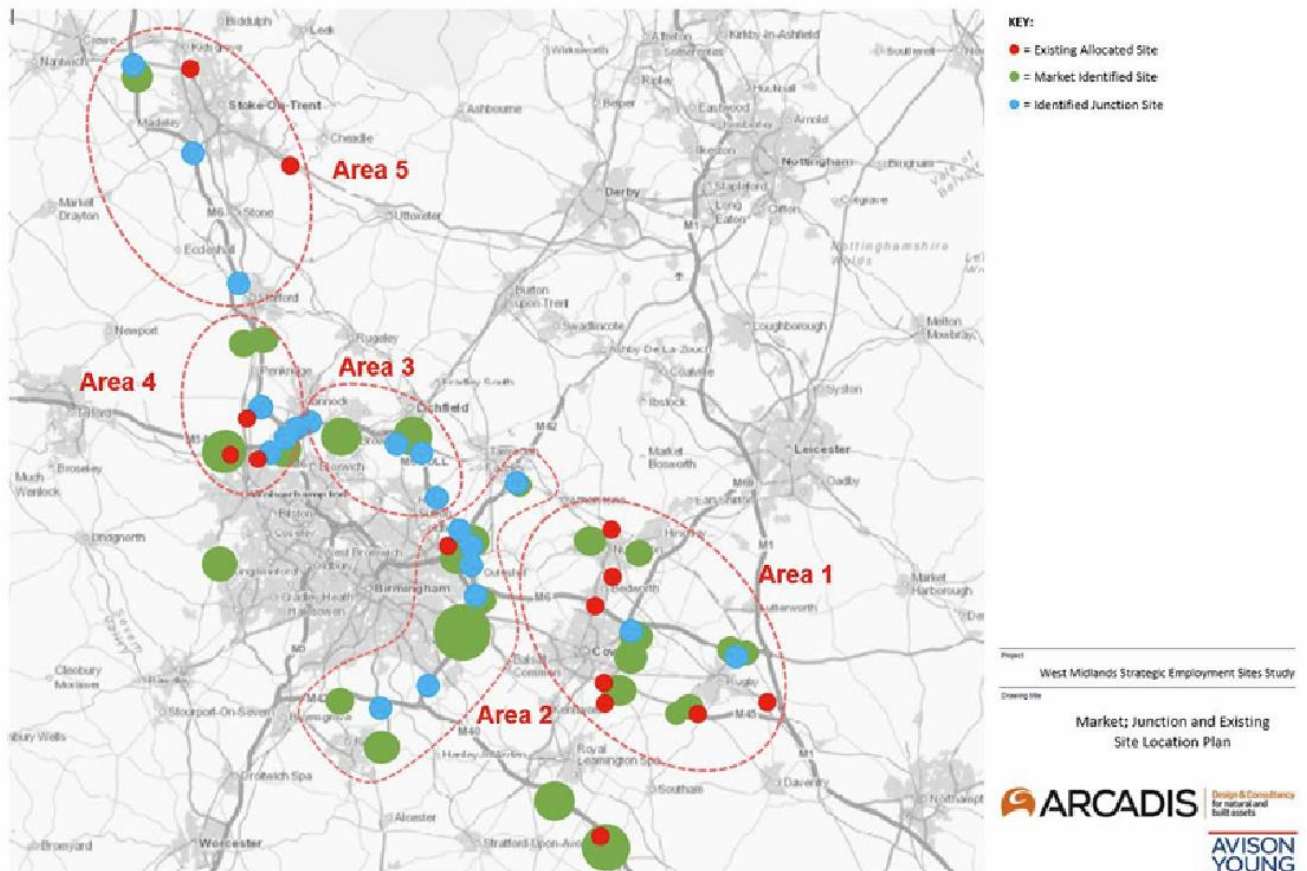
Figure 4.10 Industrial take-up over 100,000 sq ft in the West Midlands 2012-14



Source: JLL

4.65. The successor study titled the West Midlands Strategic Employment Sites Study and published by Arcadis and Avison Young in May 2021 took forward the work undertaken by the WMSESS 2015 and again provided geographical references, focusing on the strategic road network to provide five key locations for supply of strategic employment sites. Of those key locations, WMSESS 2021 study Area 2 is the corresponding reference for Area A in the WMSESS 2015 report. (See Figures 9 & 10 on pages 30 and 31 of this Study).

Figure 35: The WMSESS 2021 referred to 'Area 2' for which the relevant Figure 4.10 of that study is provided below.



- 4.66. Area 2 of the WMSESS 2021 covers an area from the north of Junction 10 of the M42 travelling southwards and then westwards along the M42 and ending to the west of Junction 3 of M42. This is referred to in the report as the **'M42 Corridor'**.
- 4.67. As a point of clarification, it should be noted that WMSESS 2021 was not published at the time of the examination of the submitted NWLP in 2021, although iterations of the draft report had been confidentially circulated to stakeholders. At examination, the inspector recognised that the publication of the WMSESS 2021 was imminent and as such the reference to 'Area A' from the WMSESS 2015 or its 'successor study' were made in NWLP Policy LP6.

Sub-Regional Trends

- 4.68. The M42 Corridor is a key strategic corridor both at a national, regional, and sub-regional level. Its importance is summarised as being:
- The most direct and fastest link between the principal conurbations of the West Midlands – Birmingham, Solihull, and the Black Country – to the three major cities of the East Midlands – Leicester, Nottingham, and Derby.
 - It is the principal connection from South and East Staffordshire and Leicestershire to the largest economy of the West Midlands, Birmingham, and Solihull, for goods, raw materials, and labour.
 - It is best placed to take advantage of continued investment in advanced manufacturing, such as the automotive and aviation sectors in the West Midlands.
 - It is a key transport nodal point for freight travelling by air (notably from East Midlands Airport) and through the strategic rail freight interchanges (SRFI) at Birch Coppice (Junction 10 M42), Hams Hall (Junction 9 M42), and East Midlands Gateway (Junction 24 M1).
- 4.69. The M42 Corridor (and Area A/Area 2) has witnessed substantial levels of demand. This is evidenced by recent transactions and development activity, quantity, and quality of enquiries/requirements from businesses, and a lack of available and suitable sites to serve this market. Please see **Appendix 6**, which catalogues the transactions for large scale industrial and distribution units over the last 5 years (2019 to 2023).
- 4.70. The strength of demand is further illustrated by take up in the areas slightly further north west in the East Midlands at Junction 11 M42/A42 at Appleby Magna. The construction of a 2.6 million sq. ft. global aftermarket parts hub at Junction 11 M42/A42 is an obvious example of this demand generated along the M42 Corridor. Although the site is located in the East Midlands, and outside of the M42 Corridor (and Area A /Area 2) as defined by the WMSESS 2015 & WMSESS 2021.
- 4.71. It should be noted that the evidenced demand at the sub-regional level is illustrated by take up. With the exception of Junction 10 M42, every motorway junction along the M42 Corridor is located within the Green Belt, constraining supply. C&W's view, as supported by Savills/British Property Federation research, is that this has created 'suppressed demand' along the M42 Corridor and forced businesses to either curtail expansion plans or (if at all possible, within their specialist supply chain requirements) seek alternative sub-optimal locations in the East Midlands – a 'leakage' from the West Midlands. A recent example of this is the Pallet Network undertaking a multi-year review of relocation sites within the West Midlands (having been originally located in Coleshill, Junction 8 M42) and without finding a suitable site after a 5+ year search eventually settling on site in Swadlincote in the East Midlands.
- 4.72. In addition to the M42, North Warwickshire is dissected by the A5 Holyhead to London trunk road, also part of the strategic road network and a key east to west route linking the M42 to the M1 and M69. Figure 36 below provides the qualitative breakdown of take up across the Area A/Area 2 including the M42 Corridor, and in the East Midlands at Junction 11 M42/A42.

Figure 36: Table showing the Qualitative breakdown of take-up along the M42 Corridor from 2019 to 2023

| | Area A | JN 11 | Total |
|---|---------------|-------------------------|---------------|
| No of deals | 25 | 2 (occupiers) | 27 |
| Total Floorspace Taken Up | 7,600,562 | 3,428,223 (2 occupiers) | 11,082,785 |
| Grade A % | 96.55% | 100% | 97.6% |
| Speculative or Built to Suit | 88.3% | 100% | 92% |
| Logistics Use Class (B8) | 89.4% | 100% | 92.7% |
| Manufacturing Use Class (B2) | 10.6% | 0% | 0% |
| Manufacturers taking logistics space for B8 Use | 29.4% | 67.35% | 41% |
| Average deal size | 304,022 sq ft | 489,746 sq ft | 346,337 sq ft |

- 4.73. Along the M42 Corridor and including Junction 11 M42/A42 in the East Midlands (extended area) 27 transactions were recorded in the 5-year period 2019-2023, averaging 2.2 million sq. ft. per annum, with the average size of 346,337. ft. Of that total take up 92.7% has been for B8 logistics use, and 92% has been for space within speculatively developed or build to suit / pre-let facilities.
- 4.74. Excluding the pandemic years (2020 – 2022) 5 year take up within Area A /M42 was 9.25m sq. ft averaging 1.85 million sq. ft per annum. These figures exclude any take up north of Junction 11 of the M42.
- 4.75. In terms of rents along M42 Corridor, in 2023 the average annual rental growth was 8.6% over the past 5 years and 13.4% over the past 3 years, now being 46.3% higher than they were in 2020.
- 4.76. The most recent market deal within Area A/Area 2 has been Gravelly Point Birmingham of 285,000 sq. ft. in December 2023 which was let to Alliance Healthcare at £9.65 / sq.ft.

East Midlands / A42

- 4.77. Junction 11 M42/A42 is where the M42 merges onto the A42 in North West Leicestershire approximately 8 miles north-west of Junction 10 M42. Until recently this location had no previous history of development. However, planning permission for 2.9 million sq. ft. was granted in 2019, and it is now occupied by Unipart Logistics (undertaking logistics for Jaguar Land Rover) and separately global transport and logistics operator DSV. Both of these occupiers had sites in North Warwickshire/Tamworth (Unipart at Birch Coppice and DSV at Kingsbury Link).
- 4.78. Due to the scale of development for Unipart/Jaguar Land Rover, and the lack of available land in the West Midlands, Junction 11 M42/A42 was deemed to be the only potential location. Prior to their move to Junction 11 M42/A42, DSV had occupied space within Tamworth/North Warwickshire for over 15 years and

required expansion space. In a 2016 search for land, their main criteria was to be as close as possible to their existing site in North Warwickshire/Tamworth. A second search in 2018 was undertaken with Tamworth Logistics Park and the Appeal Site (both within in North Warwickshire) considered and meetings held. However, due to the Appeal Site not being actively promoted through the planning process at that stage, it was not considered able to meet DSV's operational timescales noting that their search had begun in 2016.

North Warwickshire & Tamworth

- 4.79. In Big Box logistics market terms, the cluster of developments at Junction 10 M42 (Birch Coppice, Tamworth Logistics Park, and Core 42), that all lie in North Warwickshire are generally classed as the 'Tamworth' location.
- 4.80. At Junction 10 M42, over the last 5 years there has been 1.08 million sq. ft. of take up with the developments of Core 42, ACE 135, and St Modwen's Tamworth Logistics Park. Notably in relation to Big Box demand, the larger units of 318,000 sq. ft. at Tamworth Logistics Park (TLP) and Core 1 of 345,414 sq. ft. at Core 42 were both speculatively developed (indicating the market's conviction in the location). The 318,000 sq. ft. at TLP was let to an occupier within 12 months of practical completion, and the 345,414 sq. ft. at Core 42 completing an agreement to lease at least 5 months prior to practical completion of construction.

Junction 10 M42 – Case Studies

Birch Coppice - (0.5 miles of Junction 10 M42)

- 4.81. Birch Coppice is located 0.5 miles along the A5 from Junction 10 M42. It has been an extremely successful industrial and logistics park developed by IM Properties. Its specific attributes include direct access to the A5 trunk road (east to west freight route), close proximity to Junction 10 M42 (0.5 miles), access to Birmingham Intermodal Freight Terminal (BIFT), availability of land and labour.
- 4.82. Birch Coppice is home to over 21 occupiers including Ocado, UPS, Euro Car Parts with (according to the scheme website) approximately 38% of employees living within 5 miles of the scheme and 4.4 million sq. ft. of occupied floorspace.
- 4.83. The business park has been delivered across 3 phases. Phase 1 of the scheme was originally granted outline consent in 2000. In 2004, full permission, subject to a s.106 Agreement was granted for the establishment of a rail freight terminal – BIFT, which was operational by 2006. Phase 1 was characterized by what would be understood in today's market as, smaller units ranging from 5,000 sq. ft to 120,000 sq. ft.
- 4.84. Phase 2 was granted planning permission in 2010 which allowed up to 2 million sq. ft. across 50 hectares of land. Phase 2 was subsequently developed and occupied as follows:
- 575,000 sq. ft distribution depot for Ocado
 - 165,000 sq. ft distribution unit let to Bunzl.
 - 160,000 sq. ft industrial unit let to Draxlmaier.
 - 788,000 sq. ft distribution unit let to Euro Car Parts
- 4.85. The units let to Draxlmaier, and Bunzl were speculatively built in 2013 – the first speculative developments within the West Midlands since the global crash of 2008, demonstrating the strength

of the location in relation to the wider market. In November 2014, the pre-let and subsequent construction of the 788,000 sq. ft. Euro Car Parts unit was announced.

- 4.86. In February 2013, North Warwickshire Borough Council resolved to grant planning permission for Phase 3, across 13.6 hectares of which 63,000 sq. ft. and 282,000 sq. ft. was speculatively developed and let to Beko and a further 80,000 sq. ft. pre-let and constructed for an existing Birch Coppice occupier HiB, as a new logistics and head office facility.
- 4.87. Since 2001, 17 companies have taken or agreed to take space in 21 different buildings at Birch Coppice. Details, ordered chronologically, are provided below in Figure 37 below.

Figure 37: Schedule of Occupiers at Birch Coppice

| Ref No | Occupier | Phase | Floorspace (sq ft) |
|--------|--------------------------|-------|--------------------|
| 1 | Severn Trent | 1 | 19,000 |
| 2 | Petit Forestier | 1 | 5,000 |
| 3 | Instarmac Group | 1 | 120,000 |
| 4 | PHS | 1 | 40,000 |
| 5 | UPS | 1 | 390,000 |
| 6 | Volkswagen/TNT | 1 | 733,000 |
| 7 | SS Gears Limited | 1 | 30,000 |
| 8 | Ceva Logistics | 1 | 55,000 |
| 9 | HiB | 1 | 40,000 |
| 10 | Bristan | 1 | 230,000 |
| 11 | Euro Car Parks | 1 | 256,000 |
| 12 | Ocado | 2 | 575,000 |
| 13 | Mobis | 1 | 220,000 |
| 14 | Bunzl | 2 | 165,000 |
| 15 | Draxlmaier | 2 | 160,000 |
| 16 | UPS | 1 | 152,000 |
| 17 | Euro Car Parts | 2 | 778,000 |
| 18 | Solar Non-Woven Products | 1 | 47,250 |
| 19 | HiB | 3 | 80,000 |
| 20 | Beko | 3 | 63,000 |
| 21 | Beko | 3 | 282,000 |
| | | Total | 4,440,250 |

Source: C&W

- 4.88. Since 2001 this take-up equates to 4.4 million sq. ft. of new developed and let floorspace. However, it should be noted that development significantly accelerated over Phases 2 & 3. These two phases provided seven buildings totaling 2.1 million sq. ft. and were constructed and let over the years from 2012 to 2017 equating to 425,000 sq. ft. per annum all of which is within NWBC.
- 4.89. It is salient to note that J10 M42 and the Birmingham Intermodal Freight Terminal has proved an especially attractive opportunity for previous Birmingham conurbation based occupiers. Examples of previously Birmingham based occupiers taking space at Birch Coppice include Euro Car Parts national headquarters of over 700,000 sq. ft. in 2010 and Beko in 2017 taking 282,000 sq. ft. and 63,000 sq. ft. (moving from their Hams Hall location).

Tamworth Logistics Park & Centurion Park in North Warwickshire (at Junction 10 M42)

- 4.90. Following the success of the Centurion Park scheme West of J10 M42 in North Warwickshire, an application was submitted to NWBC in relation to land to the South-East of J10 M42, on the South East quadrant opposite the Appeal Site. Consent was granted by an appeal decision for this scheme named Tamworth Logistics Park in September 2016. It is worth noting that the Inspector allowed the appeal even whilst in close proximity the Core 42 scheme of 43.29 acres (referred to below) had been granted consent in 2014 (but had yet to be developed) totaling just over 678,000 sq. ft. of consented supply.
- 4.91. The Tamworth Logistics Park scheme sits directly to the south of the subject Site and is an excellent example of Big Box development that demonstrates the demand for development of scale. The scheme was commenced by St Modwen in 2019. It comprised the development of 7 buildings across 3 phases.
- 4.92. Phase I consisted of three smaller buildings of 12,000 sq. ft., 28,000 sq. ft., and 49,000 sq. ft. speculatively developed and subsequently let to SMUK, ITG, and Europool.
- 4.93. Phase 2 commenced with the speculative development and construction of a 318,500 sq. ft. unit which was let to global shipping and logistics operator Winnit. The conviction by the developer St Modwens to speculatively develop the unit and the speed of the letting is clear evidence demonstrating the demand/supply imbalance in the location and also clearly evidencing the extent of suppressed demand.
- 4.94. For Phase 3, the developer continued with speculative delivery of the development and constructed a further 3 buildings of 118,000 sq. ft., 95,000 sq. ft., and 63,000 sq. ft. During a successful leasing period between 2019 and 2022 all three of these units let to Box.Com, Moonpig.Com, and Super Smart Services.
- 4.95. Across this scheme, some 683,500 sq. ft. was constructed and let within a 3-year period representing 227,800 sq. ft. per annum alone and providing further corroboration to the demand for space at Junction 10 M42. It is worth noting that the Big Box building sizes brought forward were of the maximum scale to correspond with a parameters plan submitted as part of the original application.
- 4.96. Again, it is worth noting that there was strong interest from Birmingham based occupiers in this scheme, with Box.Com taking a 118,000 sq. ft.

Core 42 in North Warwickshire (0.5 miles of Junction 10 M42)

- 4.97. Core 42 of just over 678,000 sq. ft. was granted planning permission in 2014 following a unanimous approval decision from NWBC.
- 4.98. In terms of the three Big Box units on the scheme, a reserve matters submission for Core 1 of 345,400 sq. ft. was granted in May 2016, with an institutional funder in place ready for immediate construction later that year. However, due to the market fallout from Brexit and subsequent focus of the developer on the Core 2 (105,000 sq ft) and Core 3 (160,500 sq. ft.) units, Core 1 commenced construction in May 2021. Core 1 was let to global shipping and logistics provider Maersk 5 months prior to practical completion.
- 4.99. Core 2 of 105,000 sq. ft. was pre-sold to Bond International, and construction began in 2017. Core 3 of 160,562 sq. ft. was speculatively developed with construction commencing in mid-2018 and letting within 5 months of practical completion of construction.

- 4.100. It is worth noting that the average vacancy period for the Big Box units at Core 42 totaling 610,976 sq ft was ‘zero’ months, testament to the location, and a clear demonstration of ‘immediate need’.
- 4.101. In addition to Big Box development at the site a further 14,500 sq. ft., 31,300 sq. ft., and 25,100 sq. ft. was constructed and let to Grafton Group Plc, Alpi UK, and Marshall Fleet Solutions.
- 4.102. Core 42 was developed to Grade A standards of BREEAM ‘Very Good’ and EPC ‘A’, with solar photovoltaic now being used by occupiers at the business park and brought forward at the same time as St Modwen’s Tamworth Logistics Park within 0.5 miles.
- 4.103. Again, strong interest was received in relation to this scheme from Birmingham based occupiers with Core 2 of 105,000 sq. ft. being occupied by Bond International, previously based at Coleshill.
- 4.104. Other notable take up in the area during this period includes:
- XPO Logistics taking 650,000 sq. ft., which saw Premier Foods moving its multi-site warehousing to a single national distribution centre, in Tamworth in 2017.
 - Movianto taking 135,000 sq. ft. at Junction 10 M42 Tamworth in 2020/21.

Current Active Requirements

- 4.105. Enquiries and requirements relate to actions from businesses looking for accommodation of a particular size and location. As such the quantity of these enquiries in both numbers and quantum of space required are a leading indicator of demand and future take up, given the time to execute transactions.
- 4.106. The number of requirements received for Big Box distribution and industrial premises remains high both nationally and in the Midlands. In 2023, nationally C&W recorded 80 active requirements across the West and East Midlands seeking buildings larger than 100,000 sq. ft. and totaling 25 million sq. ft. equating to an approximate average size of 312,500 sq. ft.
- 4.107. Of that regional quantum, 49 requirements totaling c. 13.7 million sq. ft. had Tamworth directly mentioned or covered within a regional description. The table below provides a breakdown of the 49 requirements below.

Figure 38: Analysis of Active Current Requirements for the M42 Corridor as at Q4 2023 specifically referencing Tamworth

| Size Range (sq ft) | Number of requirements |
|---------------------|------------------------|
| 100,000 - 200,000 | 25 |
| 200,000 - 300,000 | 6 |
| 300,000 - 500,000 | 14 |
| 500,000 - 1,000,000 | 4 |
| Total | 49 |

Source: C&W

- 4.108. The table shows a very 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 particular note is the scale of the buildings demanded, with 36.7% for buildings in excess of 300,000 sq. ft. and over 8% for buildings in excess of 500,000 sq. ft, hard evidence of the increasing demand for larger

buildings.

- 4.109. If a mid-point is taken, then this suggests active unmet requirements in 2023 for 13,850,000 sq ft of space in the M42 corridor. The scale of immediate need is very large indeed.

Summary

- 4.110. The Big Box market is a distinct market sector which has its own unique requirements in terms of location, proximity to multi-modal transport, and scale of development.
- 4.111. E-commerce remains the key driver of demand, but that demand is being increasingly added to by reshoring, manufacturing, the automotive sector, future of food chains, sustainability including decarbonisation and net zero targets.
- 4.112. Covid-19 drove records levels of take up by accelerating trends in online shopping, occupier supply chain strategies, and inventory levels which have remained after the pandemic mitigation measures such as lockdowns have ended.
- 4.113. Demand has been resilient and returned to the high levels seen pre-pandemic.
- 4.114. At the heart of Big Box demand in the Midlands lies the Golden Triangle defined by the motorways (M42, M6, M1) and dissected by the A5 trunk road and other major roads (M69, A444, A511).
- 4.115. Along the M42 Corridor, Junction 10 M42 has been a hotspot for take up over the last 20 years and especially over the last 5-10 years with the Birch Coppice Phase 3, Core 42, St Modwen's Tamworth Logistics Park, and Ace 135 schemes all being highly successful.
- 4.116. Demand from the M42 Corridor and lack of suitable sites has resulted in (where at all possible) 'leakage' to sub-optimal and less sustainable locations in the East Midlands, after an exhaustive search for sites.
- 4.117. Enquiry levels remain very high, particularly at key transport nodal points along the M42 Corridor, such as J10 M42.
- 4.118. The demand data supports the regional studies from 2015 (CBRE Study & West Midlands Strategic Employment Sites Study 2015) and 2021 (West Midlands Strategic Employment Sites Study 2021) which identified the M42 Belt / M42 Corridor as the area with most acute need.

5. Supply of Suitable Land for Big Box Development

Introduction

- 5.1. In this section we consider the supply of suitable strategic land for Big Box Development at the national level, across the logistics Golden Triangle (regional), Area A/2/M42 Corridor (sub-regional), and North Warwickshire (local) in turn.

Shortfall of Development Land

- 5.2. There is a long standing well-publicised and accepted shortfall of suitable development land for Big Box industrial and distribution across the Midlands. This shortfall has been documented and commented on by a number of public authority and private sector reports and studies. The purpose of those reports and studies has been to understand the scale of the shortfall and identify solutions so as to increase economic capacity and productivity.
- 5.3. Within the Midlands, the historic supply of large brownfield sites such as old coal mines, power stations, car plants, and airfields have, particularly in the West Midlands, already been redeveloped. Therefore, this historic source of land supply is no longer able to provide development opportunities of the same scale and quality as has in the past. Examples of these historic brownfield sites in the West Midlands includes the development around the strategic rail freight interchanges at Birch Coppice/J10 M42 (former coal mine), Hams Hall (former power station), and in the East Midlands Magna Park (former airfield) and East Midlands Distribution Centre (former power station).
- 5.4. Brownfield sites formerly used for industry such as old factories and other industrial sites have also been redeveloped for housing (and other use classes where relevant). This has occurred over a long-standing period largely due to the pressure of locating housing on former brownfield sites, particularly for sites close to existing residential areas.
- 5.5. The shortage of obvious brownfield opportunities and the competition from other uses (most notably housing), has resulted in developers' promotion of greenfield opportunities. Often the later phases of developments close to former brownfield sites have been on greenfield land adjacent to the original brownfield site, for example, Phases 2 and 3 of Birch Coppice, Tamworth Logistics Park, and Core 42 all at Junction 10 M42.
- 5.6. A strong market indicator of a shortage of stock has been the increasing amount of Big Box speculative development of buildings in recent years, especially since 2013 at J10 M42 locations.
- 5.7. Big Box speculative development of buildings is most desirable in locations where the available supply of building stock is either very low or non-existent, and the demand is strong. In that market environment developers and investors have the confidence to fund construction with the strength of demand in the market supporting the likelihood of a swift disposal (leasing or sale). The aftermath of the pandemic saw of raft of speculative construction nationally with around 16.1million sq. ft. delivered in each year of 2022 and 2023. Due to wider economic and political uncertainty, more recently speculative development announcements have moderated to 10.4 million sq. ft. of speculative development under construction and

available. This is still well above historic levels, however.

5.8. **At a national level**, C&W’s annual Logistics and Industrial Outlook Report 2023 compared the average level of take up over the last 5 years with Grade A supply. At the end of 2023 Grade A supply stood at about 36.8 million sq. ft. of which about 30.3 million sq. ft. was new. Average take up over the last 5 years has been about 28.9 million sq. ft. meaning that, despite the recent spike in Big Box speculative development of buildings, **at the end of the December 2023 supply of built stock represented only 1.2 years of demand**. This strongly suggests that the market is still balanced in favour of landlords and investors rather than occupiers, which whilst favourable to those parties, creates issues for occupiers seeking to expand or modernise.

5.9. At a sub-regional level, further evidence of this imbalance is signalled by significant increases in rents, land values, and yields for larger Grade A units over the last 10 years.

Figure 39 - Table of Rents, Land Values and Yields for Big Box Units in the ‘Birmingham’ market area, source: C&W

| | Quarter 1 2013 | Quarter 4 2023 |
|--------------------------|---------------------|----------------|
| Rents (£ per sq ft) | £5.50 - £5.75 | £9.50 |
| Land Values (£ per acre) | £300,000 - £350,000 | £1,000,000 |
| Yields (%) | 6.5 | 5.50 |

5.10. Of the three signals above, land values and rents are the most telling indicators of the direct imbalances between supply and demand. (Investment) yields also provide an indirect indicator, as explained below.

5.11. In terms of land values, as can be seen in Figure 39, over the 10 years from Q1 2013 to Q1 2023 have risen between 287% and 333%.

5.12. (Investment) Yields are a measure of the annual income of a property as a percentage of its market value. They are normally used as an indication of the strength of the property investment market rather than occupational market (demand) per se and largely influenced by global and domestic interest rate markets. However, they do provide a useful indication of investors perceived strength of the demand vs supply position of a market when viewed comparatively. For instance, yields are lower for property sectors with strong demand vs low/under supply in comparison to sectors with low demand and high/oversupply.

5.13. When the yield for the Big Box sector is compared to the average UK prime yield, they are an indicator of investor’s perceived strength of a single commercial property sector in relation to the broader commercial property market. In terms of Big Box yields vs UK all prime property sector, according to MSCI in 2013 yields were 5.9% for UK Prime Property vs 6.7% for Industrial property, in 2019 5% vs 4%, and at the end of 2023 5.5% vs 4.8%. Yield compression relative to UK Prime Property has been driven by investor sentiment and the weight of capital allocated to the industrial and logistics sectors, particularly driven by the easily identifiable demand drivers discussed in Section 4 (Demand) and supply constraints discussed in this Section.

5.14. The pace of development land taken up has not been replaced by land in the pipeline through the development plan process (i.e. allocated, but not consented or being marketed). **Put simply, the development plan process has not been able to respond quickly enough to the growth of demand in the market, exacerbated by the Covid-19 pandemic**. This means that in many places in the region and sub-region, the next generation of sites has yet to be identified. The market for suitable and available

development land is chronically undersupplied and grossly under-planned, particularly along the M42 corridor.

Supply of Sites in the Golden Triangle

- 5.15. Provided below are the identified development sites within the Golden Triangle which have capacity to accommodate over 1 million sq. ft across multiple buildings and in some rare cases single buildings. These sites are large in scale and generally over 50 - 60 acres (20-25 hectares) on a gross basis (including all features such as landscaping and bunding, estate roads, tree belts etc.). These sites are either consented or allocated and are set out in Figure 40 below.
- 5.16. Since the JLL Study was produced in 2021, the supply of sites for large scale logistics in the Golden Triangle has reduced dramatically from 10 schemes with land capable of accommodating approximately 30 million sq. ft. to 7 schemes with land capable of accommodating 13.9 million sq. ft. The key changes include Panattoni Park Northampton, East Midlands Gateway, Prospero Ansty, Faultlands Farm all being leased or speculatively developed.

Figure 40: Major Consented or Allocated Big Box Sites for Logistics in the Golden Triangle, source C&W

| Ref | Scheme | Developer | LPA | Total Size (ha) | Consented Floorspace (sq. ft.) | Remaining Floorspace (sq. ft.) | Comments |
|-----|-------------------------------|-----------|--|-----------------|--|---|--|
| 1 | Northampton Gateway | Segro | South Northamptonshire – East Midlands | 290 | 5.02m | 2.8m | Achieved pre-let to Selfridges and sold land for 1, sq. ft. to Amazon. |
| 2 | DIRFT III, Daventry | Prologis | Daventry – East Midlands | 345 | 7.5m | 3.2m | Lettings to Royal Mail, Stobarts, Inditex, Boohoo, Dunelm, Warrens Transport. |
| 3 | Symmetry Park, Rugby | Tritax | Rugby | 35 | 0.9m | 0.9m | 1m sq. ft. across units 1-4 pre-let to Iron Mountain |
| 4 | Magna Park South, Lutterworth | GLP | Harborough – East Midlands | 325 | c.3.6m (Magna Park North) c.2.2m (Magna Park South) | Magna Park North: 2m sq ft Magna Park South: 0.83m | All land has now been speculatively developed. Availability is across 7 buildings ranging from 119,000 sq ft to 863,000 sq ft. |
| 5 | Coventry Gateway | Segro | Warwick – West Midlands | 87 | 3.7m | 2.979 m | Northern plot taken by £108m UK Battery Industrialisation |

| | | | | | | | |
|---|-----------------------|------------------------|---|----|-------|---|---|
| | | | | | | | Centre. Pre-lets to Syncreon (600,00 sq ft) and DHL (300,000 sq ft). 2 further spec buildings of 135,000 and 215,000. |
| 6 | Peddimore, Birmingham | IM / Bham City Council | Birmingham City Council – West Midlands | 71 | 4.16m | 0.55m sq ft of B8 and understood to be further 1m sq ft of B2 | Amazon taken 2.3m sq ft in 1 building. Remaining land is restricted to B2 use other than c. 180,000 sq. ft. |
| 7 | Wilsons Lane | TBC | Coventry | 21 | 0.66m | 0.66m | Recently purchased by developer for speculative development. |
| | | | Total remaining floorspace | | | 13.9m | |

5.17. In addition to the consented or allocated sites above, in Figure 41 below are sites which meet the same criteria in terms of potential for strategic employment land supply in the Golden Triangle but which have no definitive timescales attached and no planning certainty.

Refs 1 & 2 are Development Consent Order (DCO) applications for strategic rail freight interchanges and as such the principle of the development (i.e. their need) is, to a larger extent, accepted through support from the relevant National Policy Statements (NPS). The main factors for determination on those schemes will therefore concern mitigation of environmental impacts.

Refs 3 & 4 are located in the Green Belt with no status in the development plan and no applications submitted.

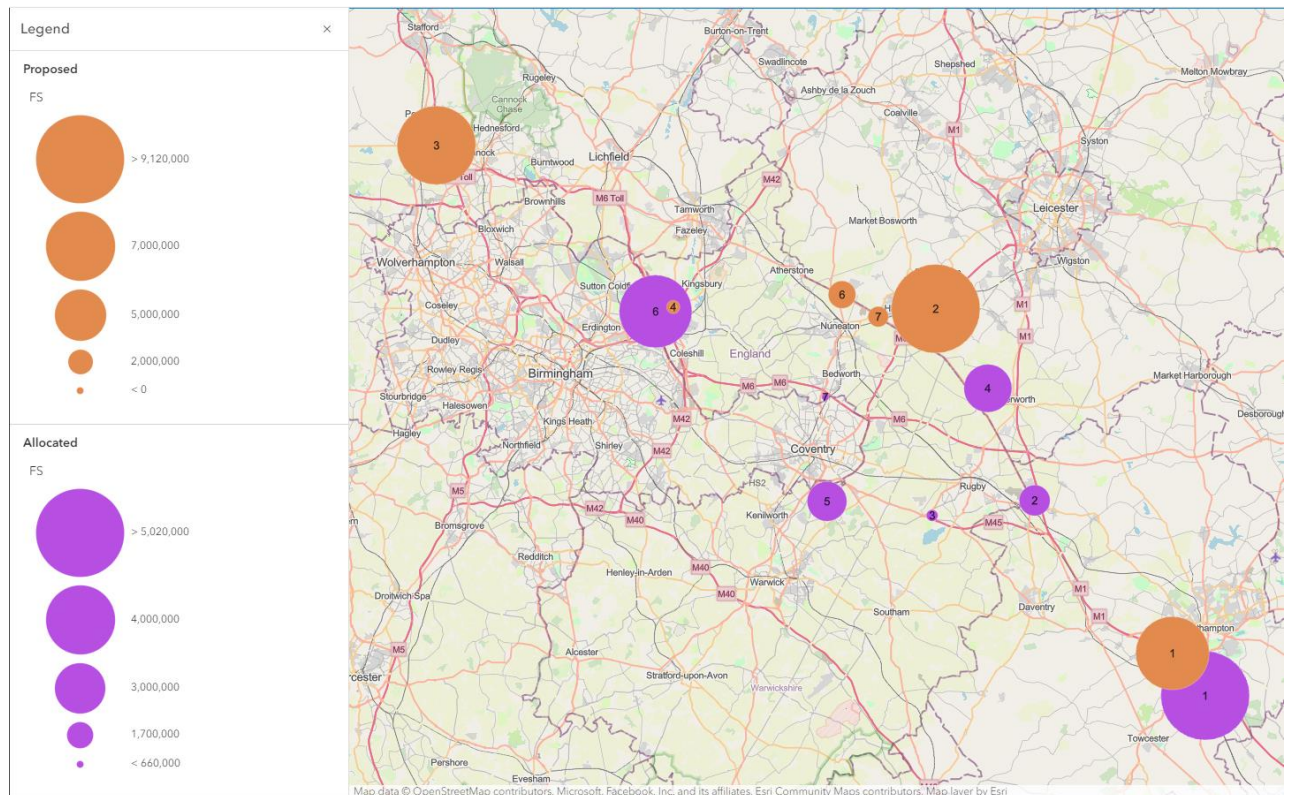
Figure 41: Market Proposed Big Box Sites in the Golden Triangle (neither allocated or consented, i.e. no planning certainty).

| Ref No. | Scheme | Developer | LPA | Total Size (ha) | Potential Floorspace (sq. ft.) | Comments |
|---------|---------------|----------------|-------------------------------------|-----------------|--------------------------------|--|
| 1 | Rail Central | GLP / Ashfield | Soth Northamptonshire East Midlands | Unknown | 7.5m | DCO submitted in Oct 2019 Not in Area A. |
| 2 | Hinckley SFRI | Tritax | Blaby East Midlands | 225 | 9.12m | DCO accepted for examination in April 2023. Examination was completed. In March 2024. Inspectors Decision awaited. |

| | | | | | | |
|---|--------------------|---------------|---|----|---------------------------------|--|
| | | | | | | Not in Area A. |
| 3 | J9 M42 | Richborough | North Warwickshire West Midlands | 27 | Understood to be 700,000 sq.ft. | Green Belt constrained and only at consultation stage. In Area A. |
| 4 | J9 M42 | IM | North Warwickshire West Midlands | 69 | Unknown | Green Belt constrained and understood to be undertaking initial consultations. In Area A. |
| 5 | MIRA South Site | Evans Randall | Nuneaton & Bedworth West Midlands | 97 | 2.294m | Allocated for majority B2 uses. 40% capable of being used for B8. Seeking outline consent in Q1 2024 Not in Area A. |
| 6 | Mountpark Nuneaton | Mountpark | Nuneaton & Bedworth | 65 | 0.7m | Consent for B2 / B8 uses but no outline. It is understood that part of the site is in advanced discussions with a cold store operator for approximately 50% of the site. Not in Area A. |

5.18. The location of these potential sites are shown on the map below, with purple indicating allocated sites and orange circles indicating proposed sites with no planning certainty. The extent of the speculatively proposed sites (i.e. those without any plan-made allocation, particularly along M42 Corridor) illustrates that the market is stepping into the 'gap' created by the development plan making process not keeping pace with demand.

Figure 42: Committed and Proposed Big Box Sites in the Golden Triangle



- 5.19. Moreover, in terms of future supply, caution must be used when considering the proposed sites (with no planning certainty) especially where no planning applications have yet been submitted and where the sites are within the Green Belt. In short, they may never be realised.
- 5.20. Over the last 5 years, the extent of the consented and allocated land supply has reduced substantially. As stated, in terms of a comparison with the position identified in the 2021 JLL Study, in 2 years to year end 2023, supply of consented or allocated sites has fallen from land capable of accommodating approximately 30 million sq. ft. to land capable of accommodating approximately 13.9 million sq. ft.
- 5.21. Take up of Grade A Big Box floor space over the 5 years 2019-2023 in the Golden Triangle was approximately 75.5 million sq. ft, equating to an average take up of 15.1 million sq.ft. per annum. Applying this take up figure to the allocated or consented supply of sites **generates as a future land supply of 11 months.**
- 5.22. Whilst outside of the Golden Triangle, West Midlands Interchange adds a further 7m sq. ft. to supply or in land supply terms this would add an additional 700 acres. Not all will be delivered at the same time, and it will be phased over a significant number of years.
- 5.23. Of course, the land supply figure of 11 months assumes that all take up in the Golden Triangle would be restricted to these sites. However, it is likely that other sites that cannot accommodate greater than 1 million sq. ft. will also come forward and accommodate smaller Big Box units in the meantime. Nevertheless, given the limitations and time scales involved in bringing forward new sites, it is likely that the sites noted in Figure 40 of consented or allocated land, will provide the lion’s share of future take up.
- 5.24. Figure 42 above shows that the majority of the committed and proposed floorspace on large sites are located to the south-eastern and eastern section of the Golden Triangle. Of the 7 consented or allocated

sites only 1 is located on the western side (Peddimore with 550,000 sq ft of B8 logistics space remaining).

5.25. As the information above shows and the JLL Study noted in 2021, there is a dearth of large, consented sites in the following locations:

- M42 corridor
- M6 corridor west of Coventry
- M1 corridor from Leicester to East Midlands Gateway

5.26. The high level of take up and demand in these locations suggests that these locations represent obvious gaps in the market in terms of supply. The current extent of supply is an acute shortfall with significant economic consequences.

Supply of land and buildings along the M42 Corridor (Area A/Area 2) + J11 M42/A42

Big Box Development Land Supply

5.27. Figure 43 below provides a schedule of land with planning certainty (allocated or consented), excluding available buildings, in Area A/Area 2 (including the M42 Corridor) of the WMSESS 2015 & 2021 which are suitable for Big Box development.

5.28. In short, it provides a schedule of deliverable sites in this area which are suitable for logistics Big Box development.

Figure 43: Deliverable floor space for Big Box occupiers in Area A/Area 2 and the wider M42/A42 Corridor

| Scheme | Developer | Total Floor Space Available (sq ft) | Largest Unit Available (sq ft) | Comments |
|--------|-----------|---|--------------------------------|--|
| 1 | Peddimore | IM Properties B8 550,000sq ft B2 (1.2m sq ft) | Not known | Outline planning permission granted in September 2019. This was varied in July 2021 to extend capacity to 4.16 m sq. ft. A single unit of 2.33 m sq. ft has been let to Amazon. Second phase of 1.28 m sq. ft is allocated for B1 and B2 uses primarily and is owned principally by Birmingham City Council. The city council is expected to sell this site in 2024. |
| | TOTAL | 1,750,000 | | |

Source: C&W

5.29. Within Area A of WMSESS 2015, the available land with planning certainty (allocated or consented) has therefore fallen in the period 2021 – 2023 from a potential 0.95 m sq. ft. to 0.55 million sq, ft for large scale logistics. Using the 5-year average annual take-up of 2.2 million sq ft per annum (5 years 2019-2023) for all Grades from Section 4 this equates to **3 month's land supply** of logistics land. Using the 5-year average annual take-up of 1.85 million sq ft per annum (5 years ex 2020-2022) for all Grades from Section 4 this equates to **3.5 month's land supply**

5.30. This is far less than the 3.7 years' supply identified for Area A by the West Midlands Employment Sites Study 2015 which led to the conclusion that planned land supply that was immediately available in this location fell **"severely short"**. It is also less than a measure used by the previous **Regional Spatial Strategy and Birmingham Development Plan of 5 years being the minimum threshold for the supply**

of immediately available land.

- 5.31. Purely looking at Area 2 from the WMSESS 2021 - the M42 Corridor -, the availability of sites with planning certainty (allocated or consented) has fallen in the period 2021 – 2023 from a potential 5.67 million sq. ft. to 1.53 million sq. ft., of which only 0.55 million sq. ft. is consented for B8 logistics. The supply is therefore the same as Area A, being **3 to 3.5 months’ land supply** of logistics land.

Existing Big Box buildings supply

Figure 44: Schedule of existing Grade A floorspace in Area A/Area 2 including M42 Corridor, and in the East Midlands at Junction 11 M42/A42.

| Scheme | Developer | Total Remaining (sq ft) | Largest Unit Available (sq ft) | Comments | |
|--------|-------------------------|-------------------------|--------------------------------|----------|---|
| 1 | Hams Hall | Prologis | 260,000 | 260,000 | 1 remaining unit now available (Unit previously let to battery manufacturer British Volt which went into administration). |
| 2 | Midpoint | Prologis | 160,712 | 160,712 | Grade A new speculative development. Two parties competing for the unit. |
| 3 | Prologis Park, Midpoint | Prologis | 533,000 | 370,000 | Two units available, one new 160,000 ft2 and a 370,000 ft2 by sublease. |
| 4 | Redditch Gateway | Stoford/Blackrock | 160,208 286,328 | 286,328 | Speculatively developed. Building currently available |
| 5 | Mercia Park J11 M42 | ICG | 215,000 | 215,000 | Built for JLR but not yet occupied |
| | TOTAL | | 1,615,248 | | |

- 5.32. It is worth noting that since the JLL Study in 2021, Hams Hall (458,000 sq. ft. and 144,916 sq. ft.), Core 42 (345,000 sq. ft.), St Modwen’s Logistics Park (307,658 sq. ft.), Peddimore 2,500,000sq ft have been developed and let. All are located at Junction 10 M42 along the M42 Corridor in North Warwickshire except Peddimore which is within the Birmingham City Council administrative area.
- 5.33. **In Area A/Area 2 + J11** the availability of total new/Grade A buildings is 1.6 million sq. ft. Using the 5-year average annual take-up of 2.2 million per annum (2019-2023) and 1.85 million sq ft per annum (ex-pandemic years) from Section 4 **this equates to between 8 and 10.5 months** of existing Grade A supply respectively. It is worth noting that many requirements originated along the M42 Corridor will not see junction 11 of the M42 as a viable option for relocation. Moreover, many requirements will not fit the speculative building layout or design, requiring specialist yard areas, docking standards, and parking/circulation space. For example, pallet network operators or parcel delivery occupiers. For those occupiers build to suit opportunities on serviced land is necessary.
- 5.34. We are also aware of the recent consent approved at Lichfield Road Industrial Estate in Tamworth, which approves the development of 10 units in class B2, B8 and E(g). This totals 20,750 sq.ft. The development provides units for small SMEs in Tamworth but does not deliver against the need for strategic employment land.
- 5.35. Besides Peddimore, there are no other sites along the M42 Corridor which have any planning certainty. Of

the sites understood to be being promoted through various stages of the planning process (pre-submission to pre-determination) all of the Sites are located within the Green Belt except the Appeal Site.

- 5.36. The lack of supply and demand evidenced in Sections 4 & 5 of this Study **constitutes an immediate need for strategic employment land in the sub-region.**

Supply of Sites within North Warwickshire

- 5.37. The supply of sites with planning consent or allocated within the North Warwickshire Local Plan (NWLP) is limited and their suitability for employment development was questioned by representors at the Local Plan examination. This debate is evidenced by Examination Document AD52B, which can be found at **Appendix 2 of this Study.**
- 5.38. Figure 45 below details the principal employment sites in North Warwickshire. Comments are provided and to their suitability for Big Box developments is assessed.

Figure 45: Principal Employment Sites in North Warwickshire

| Ref No. | Site Name Local Plan Reference. | Gross Site Area (ha) | Comments | Suitability for Big Box development in the immediate future |
|---------|--|----------------------|---|---|
| 1 | Land south of Rowlands Way east of Aldi – E1 | 6.8 | Owned by Aldi and to be used for expansion space for that specific operator, or research and development use. | Not suitable |
| 2 | Land to the west of Birch Coppice, Dordon – E2 | 5.1 | Allocated for B1, B2, and B8 and well located. The proposal requires relocation of allotments to the north of the A5. | Not suitable |
| 3 | Land including site of playing fields south of A5 Dordon, adjacent to Hall End Farm – E3 | 3.45 | Allocated for small scale uses. The proposal requires relocation of the playing fields to the north of the A5. | Not suitable |
| 4 | Land to the south of Horiba MIRA Technology Park – E4 | 42 | Site allocated primarily for B1 (research and development), and B2 uses, with B8 uses only permissible where ancillary to the primary B1/B2 use. | Not suitable (Not in Area A) |
| 5 | Coleshill Hall Hospital | 16.38 | Located within the Green Belt. Site granted consent for 110,000 sq. ft. of offices in 1994. Only 35,000 sq.ft. of the offices has subsequently been built. Site was blighted by HS2 with principal occupier relocating in 2019. | Not suitable. |

- 5.39. As the table above shows, there is no available and suitable land to meet Big Box development demand in North Warwickshire. Clearly with no suitable supply of sites in North Warwickshire suitable Big Box logistics development land (i.e. zero supply) **there is ‘0’ (zero) years of supply.**
- 5.40. In relation to the Ref 4 Land to the south of Horiba MIRA Technology it is worth noting that a NWBC board report on the Junction 11 M42 large scale logistics B8 development in the East Midlands stated:

*“The Development is unlikely to prejudice the content of the submitted North Warwickshire Local Plan as **the proposals are materially different** to the scope of the proposed B2 allocation at the MIRA site*

*(and could potentially remove some of the **immediate pressure on North Warwickshire Borough Council to promote large scale distribution sites**)." [Our emphasis]*

- 5.41. It is worth noting the JLL Study in September 2021 concluded that there were only two available and suitable development sites in North Warwickshire being the remaining land at Core 42 (6.91 ha net developable) and Hams Hall (8.91 net developable) totaling 15.8 hectares. Since that time both of these sites have been developed and occupied.
- 5.42. In Section 3 the average annual take up rate in North Warwickshire was identified as 49 acres (20 hectares) This figure is corroborated by GL Hearn Employment Land Review Update, and Savills and North Warwickshire Borough Council in AD528 of the NWLP examination provided **at Appendix 2**.
- 5.43. Even if the speculative application (PAP/2023/0188 on the Dosthill site is included), which has yet to receive planning consent, the 140,000 sq. ft. unit shown on the application's illustrative masterplan would equate to approximately just over 2 hectares on a net developable basis. If permitted, that site would increase the availability of suitable land to approximately 44 days. Qualitatively however, that site does not provide the specific characteristics associated with or required by Big Box logistics operators.
- 5.44. Quantitatively this is clearly an exceptionally low supply. There is no new site or sites either with planning consent or allocated that can meet demand and need on an immediate basis or provide a longer-term supply.

Summary

- 5.45. There is a long standing well-publicised and accepted shortfall of suitable development land for Big Box industrial and distribution across the Midlands.
- 5.46. At the end of 2023 **nationally Grade A supply** stood at about 36.8 million sq. ft. of which about 30.3 million sq. ft. was new. Average take up over the last 5 years has been about 28.9 million sq. ft. meaning that, despite the recent spike in Big Box speculative construction, current supply of built stock represents **only 1.2 years supply**.
- 5.47. The market signals of land values and rents are the most telling indicators of the direct imbalances between supply and demand. Rents and land values along the M42 corridor including North Warwickshire have risen significantly. In terms of rents along M42 Corridor, in 2023 the average annual rental growth was 8.6% over the past 5 years and 13.4% over the past 3 years, now being 46.3% higher than they were in 2020. Land values over the 10 year period to Q4 2023 have risen between 287%-333%.
- 5.48. The pace of development land taken up has not been replaced by land in the pipeline through the development plan. The **market is stepping into the gap** created by the **development plan making process not being able to responds quickly enough** and keeping pace with demand in the only way possible, **speculative applications on unallocated land in appropriate locations**.
- 5.49. Besides Peddimore, which has inflexibility in use classes on part, there are no other sites with Area A, Area 2 or along the M42 Corridor which have any planning certainty. **The availability at Peddimore equates to 3 to 3.5 months' supply of large scale logistics land**.
- 5.50. The lack of supply and demand evidenced in Sections 4 (Demand) & 5 (Supply) constitutes an **immediate need** for employment land in the sub-region.
- 5.51. **There is no available and suitable land to meet Big Box logistics development demand in North**

Warwickshire, '0' (zero) years' supply.

6. Appropriateness of Site to Meet Demand/Need

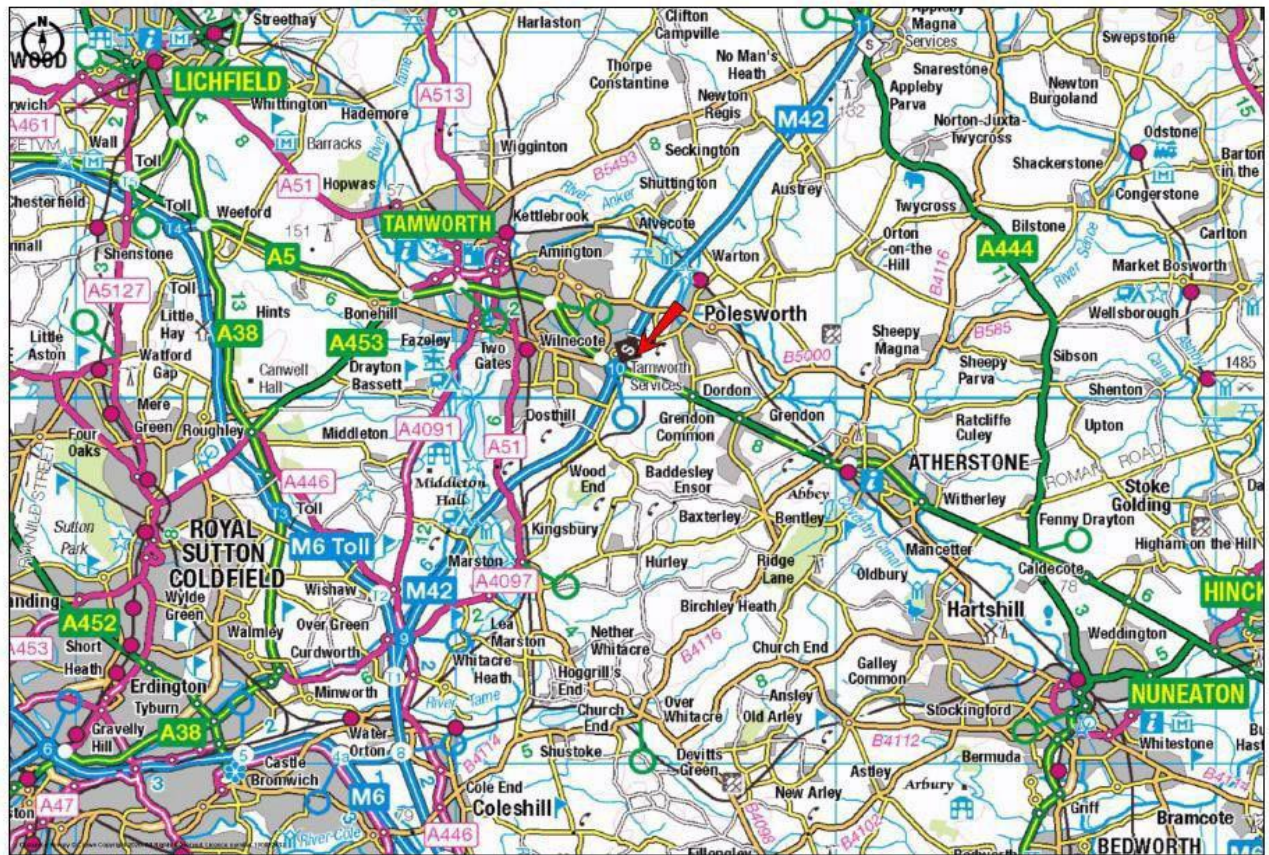
Principal Requirements for Development Land for Big Box Development

- 6.1. The JLL study identified three basic criteria for development land to meet the principal requirements of occupiers of large modern industrial and warehousing premises (i.e. Big Boxes). These are: -
- Location
 - Land
 - Labour
- 6.2. In addition, Power is now a fourth requirement. These four requirements are elaborated on below in relation to Big Box occupiers.
- 6.3. Location means quick and easy access to the national motorway network and trunk roads, which is fundamental to provide certainty in the movement of goods. In addition proximity to alternative modes of transportation such as ports, rail freight interchanges, and airports is of particular importance to certain categories of occupier. Rail Freight transportation is increasingly being seen as a method to decarbonise freight in supply chains and can reduce CO2 emissions by close to 80% per tonne carried. Conversely, minor roads and particularly those which must route through built up areas are avoided by occupiers.
- 6.4. Land means available and serviceable sites that can accommodate large scale buildings (100,000 sq. ft.+) or a cluster of several different size and types of buildings in a campus style arrangement. Land on which an occupier has sufficient scale to masterplan a specialised and optimised scheme is very rare and in particularly high demand. This usually requires flat or level sites, which can accommodate high eaves heights (12m+) with additional features sought such as sufficient yard space and depth, and increasingly landscaping and amenity space for employees, an important factor in staff retention.
- 6.5. Labour means access to built and proposed settlements to ensure availability of employees. This can be assisted by incorporating a range of modes of transport and interconnectivity with residential areas. More recently, with the changing nature of logistics operation, access to a more skilled and experienced workforce is also becoming more important.
- 6.6. Power means access to sufficient electricity supply to facilitate the operations of the occupiers. The trend of increasing office provision and automation has resulted in occupiers becoming more focused on power supply. Power also relates to the occupier's ability to generate electricity at the point of need, in practice meaning buildings that are constructed with sufficient roof loading capacity to accommodate large scale solar arrays.

Principal Characteristics of the Site

6.7. The location of the Site is shown on the plan below (Figure 46) with a red arrow pointing towards the Site.

Figure 46 – Appeal Site Location Plan



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 License number: 10002012
 File/Sheet: 13/00000 Page Size: A3

6.8. The Site is located at Junction 10 M42, where the A5 trunk road intersects with the motorway. Junction 10 M42 acts the principal connection of Tamworth in South Staffordshire to the motorway network, which is also the case for the North Warwickshire market towns of ‘Atherstone and Mancetter’, and ‘Polesworth and Dordon’, as defined by the NWLP.

6.9. The city centres of Birmingham, Coventry, Leicester, Nottingham, and Derby are 15 miles, 22 miles, 27 miles, 35 miles, and 36 miles, respectively.

6.10. Birmingham International Freight Terminal is located c. 1 miles away at Birch Coppice. Hams Hall Regional Freight Interchange, which is located on a different railway line, is located just over 7 miles to the south west, with East Midlands Gateway Rail Freight Terminal 25 miles to the north east. All are within 30 minutes’ drive time of the Site.

6.11. Junction 10 M42 provides ease of access to the following motorways:

M42: Running north east from Bromsgrove in Worcestershire to Appleby Magna in Leicestershire, passing Redditch, Solihull, Birmingham Airport, and Tamworth on the way, and serving the east of Birmingham metropolitan area.

M6/M6 Toll: The longest motorway in the UK running west then north-west starting at the Catthorpe Interchange near Rugby, passing Coventry, eastern Birmingham, Wolverhampton, Stoke-on-Trent, Greater Manchester, Lancaster, and Carlisle before terminating near Gretna.

M5: Linking the Midlands with the south-west, starting at West Bromwich near Birmingham, and passing Bromsgrove, Worcester, Cheltenham, Gloucester, Bristol, and Taunton before terminating near Exeter.

M1: Running south to north across the country, beginning in north London and passing Watford, Luton, Northampton, Leicester, Nottingham, Sheffield, and terminating near Leeds.

It also provides ease of access to several major trunk roads, including:

A5 trunk road: Travelling north-west across the country, starting in London, and terminating near the container port of Holyhead in Anglesea, Wales. A major freight route from the Port of Holyhead and crossing the Golden Triangle.

A45: trunk road: A major road running east from Birmingham passing Coventry, Rugby, Daventry, Northampton, and Wellingborough, before terminating in Thrapston. Prior to construction of the M6, the A45 was the main route from the Midlands to the Haven Ports including Felixstowe, the UK's largest container port (and one of the largest in the UK). It remains a critical route for freight today.

A38 trunk road: a major trunk road running from Cornwall to Nottinghamshire.

- 6.12. In terms of rail connectivity by road, Birmingham Intermodal Freight Terminal (BIFT) is c. 1 mile away, Hams Hall Rail Freight Terminal, which is located on a different railway line, is approximately 8 miles away, and East Midlands Gateway is approximately 25 miles away. All three are within a 30-minute drive time.
- 6.13. In terms of air connectivity by road, Birmingham airport is 14.8 miles away and East Midlands (a major freight airport) is 23.2 miles away. Both are within a 30-minute drive time.
- 6.14. The Site is exceptionally well located in terms of labour supply within a 30 minutes' drive time taking in large parts of the greater Birmingham and Coventry conurbations as well as being in close proximity to large towns of Tamworth and Lichfield in South Staffordshire and the market towns (as defined by NWLP) of 'Polesworth & Dordon' and 'Atherstone & Mancetter' in North Warwickshire.

6.15. The Site's immediate situation is shown in more detail in Figure 47 below. The extent of the Site is edged in Red.

Figure 47– Appeal Site Situation Plan



6.16. The Site is situated in an established location for Big Box development with Junction 10 M42 being home for the following major schemes and the rail freight terminal (marked on Figure 47 above):

1. Birch Coppice – 4.4 million sq. ft logistics development and Regional Logistics Site
2. Core42 – 680,000 sq. ft logistics development
3. Tamworth Logistics Park – 650,000 sq. ft logistics development
4. Centurion Park – 690,000 sq. ft logistics development
5. Relay Park – 700,000 logistics development
6. Birmingham Intermodal Freight Terminal (SFRI)

6.17. In terms of size, the Site measures approximately 32.36 ha (80.63 acres).

6.18. Topographically it is relatively flat and featureless, currently used for agriculture with little intrinsic ecological value.

6.19. The Site lies outside of the Green Belt which constrains all the periphery to the West Midlands conurbation (i.e. Birmingham, Solihull, the Black Country, and Coventry) and much of North Warwickshire. The Site is not designated for landscape or conservation purposes.

Proposed Development

- 6.20. The application proposes just under 1.1 million sq. ft. of use classes B2, B8, and E(g)(iii) floor space, with the vast majority for B8 Big Box development.
- 6.21. An illustrative master plan, to inform the application, is provided below (Figure 48).

Figure 48: Illustrative Masterplan



- 6.22. Whilst the masterplan is illustrative, it is reflective of the market requirements should the permission be granted. Unit sizes ranging between 270,000-338,000 sq.ft. reflect demand (take up) patterns in the Appeal Site's market area in the recent past. However, unit sizes could range from 100,000 sq. ft. to 1 million sq. ft given the Site's characteristics.

- 6.23. In addition to the Big Box element, a minimum of 5,000 sqm. of much smaller units, ranging from approximately 500 sqm to 2000 sqm will provide for the needs of local SMEs. This is a direct response to the recommendations of the Coventry & Warwickshire Sub Regional Employment Market Signals Study 2019, which considers that large scale developments should enable the development of smaller units (as referred to in Section 3 of this Study).
- 6.24. A secure overnight HGV parking area will also be provided, serviced by an administrative building.
- 6.25. The scheme will be directly accessed from the A5 trunk road, providing almost instant access onto Junction 10 M42.

Principal Attributes of the Site

- 6.26. In market terms, the Site enjoys an almost unique combination of advantages for this area. These include:
- A regular shaped flat site.
 - Proximity to Junction 10 M42, a logistics hotspot in the West Midlands .
 - Direct access onto the A5 trunk road, a key growth corridor and strategic east to west route which serves major ports for UK trade and industry.
 - Clear and easy access to BIFT and in close proximity to other rail freight interchanges.
 - Close proximity and easy access to established parcel hubs at Birch Coppice (UPS –0.6 miles), Kingsbury Link/Atherstone (FEDEX/TNT - 1.7/3.89 miles), and at the A5/M69 Hinckley intersection (DPD - 13.3 miles).
 - Accessibility to the principal settlements of the area, giving good reach to local and more wider supplies of labour, but sufficiently distant from residential development to allow 24/7 operations without an adverse effect on residential amenity.
 - A close and complimentary relationship to existing industrial and distribution property in the area (e.g. Tamworth Logistics Park, Centurion Park, and Birch Coppice).
 - Significant scale to accommodate very large floorplate buildings of up to 1 million sq, ft.
 - Excellently located to meet the needs of Tamworth, Coventry & Warwickshire, and the M42 corridor.
 - Under the full control of an experienced and competent developer of industrial and distribution property.
 - It is outside of the Green Belt.
- 6.27. The Site is clearly suitable for the development proposals. It represents an obvious market opportunity which stands out locally, sub-regionally, and regionally.
- 6.28. WMSESS 2021 (**CD-i2**) agreed with the analysis detailed above in their assessment of industry promoted sites across the West Midlands. The WMSESS 2021 ranked the Appeal Site top against sites being considered/promoted by the property industry for large scale strategic employment land in the West Midlands using a basket of criteria. The Site is detailed as ‘Corridor 42 Business Park, J10 M42’ on page 60 of that regional study which considered sub-regional requirements.

7. Conclusions and Summary

Documents Referenced

7.1. The policy documents and associated studies referred to are as follows:

- NPPF (as revised)
- PPG (as revised)
- North Warwickshire Local Plan
- Tamworth Local Plan
- Birmingham City Plan
- Coventry City Plan
- Solihull Local Plan
- Nuneaton and Bedworth Local Plan
- North-West Leicestershire Local Plan
- What Warehousing Where?, Turley Consultants for the British Property Federation, March 2019
- Better Delivery: The Challenge for Freight, National Infrastructure Commission, April 2019
- Decarbonising Transport: a better, greener Britain, July 2021
- Ministerial Statement on 'Planning Reforms for Lorry Parking, November 2021
- Future of Freight: a long-term plan, Department for Transport, June 2022
- Levelling Up – The Logic of Logistics, British Property Federation and Savills, April 2022
- Powering the Superpower: Upgrading the UK's Industrial Infrastructure to Unlock Technology Transformation for Growth, Demos, December 2023
- Future Gazing: Logistics for modern living, Knight Frank, January 2024
- Stage 2 Regional Logistics Study Update, MDS Transmodal and Savills for the West Midlands Employment Land Group, May 2009
- RSS Panel Report, September 2009
- West Midlands Interchange Examiner's report, November 2019
- The Black Country and Southern Staffordshire Regional Logistics Site Study, April 2013
- The West Midlands Strategic Employment Site Study, September 2015
- West Midlands Land Commission's Land Report, February 2017
- The West Midlands Strategic Employment Sites Study, May 2021
- Leicester and Leicestershire Distribution Study
- Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change, April 2021
- West Midlands Plan for Growth, West Midlands Combined Authority, December 2022
- Coventry & Warwickshire Employment Land Use Study, September 2015
- Coventry & Warwickshire Sub-Regional Employment Market Signals Study, July 2019
- Birmingham Development Plan & HEDNA
- Tamworth Local Plan & HEDNA
- Coventry Local Plan & HEDNA
- Coventry & Warwickshire HEDNA, Iceni Projects, November 2022
- Coventry & Warwickshire Employment Land Report, Coventry & Warwickshire Chamber of Commerce, July 2023

- North Warwickshire Core Strategy, adopted in October 2014
- Employment Land Review Update, GL Hearn for North Warwickshire, September 2013
- North Warwickshire Adopted Local Plan, September 2021
- Addendum to 2013 Employment Land Review, April 2016; and further Update, September 2017
- NWBC Annual Monitoring Report to 31st March 2023
- Electric Vehicle Charging: Uncovering the real estate opportunity July 2023
- Building Net Zero: the road to zero carbon logistics
- Our Freight Routemap for the Midlands, August 2022

- West Midlands Rail Investment Strategy 2022-2050, 2023

Conclusions and Summary

- 7.2. NWLP Policy LP6 places a positive presumption (with significant weight) in favour of development proposals within Area A/Area2 (i.e. M42 Corridor) which cannot be met through forecasted supply or allocations. This Study provides clear evidence of LP6 being triggered.
- 7.3. Strategic employment land for industrial and logistics is a distinct market segment of employment land with special characteristics including significant size, proximity to infrastructure and national/regional hubs which can meet a wider than local need.
- 7.4. This Study referenced various documents which shared several important themes:
- The importance of the freight and logistics sector and its specific operational requirements (and how these differ from traditional industrial land).
 - The increasing focus of market participants on decarbonisation of the supply chain and action being taken on that matter from by the UK Government.
 - The ability of modern industrial and logistics buildings to provide a diversity of jobs including higher skilled employment opportunities, increasing productivity and economic growth at a higher rate than the national trend, and facilitating the adoption of technology.
 - The long standing and well evidenced imbalance between demand and supply particularly at the sub-regional level (i.e. M42 Corridor) has led to an “acute” and “urgent” need.
 - The various regional studies identifying this need have not been acted upon by Local Authorities, despite the evidence to do so.
 - Key market drivers and structural changes such as E-commerce, supply chain decarbonisation, re-shoring are having a major effect of the requirements of occupiers.
- 7.5. Analysis of the various policy documents and studies demonstrates that the need is established in the North Warwickshire, Birmingham, Tamworth, and Coventry & Warwickshire and that Junction 10 M42 is the appropriate location to meet that need, especially given its historic attraction for occupiers, proximity to the Birmingham Intermodal Freight Terminal and motorway network, and being situated outside of the Green Belt.
- 7.6. North Warwickshire’s principal evidence base for the Local Plan adopted in October 2021 was the 2013

Employment Land Review updated through Addendum in 2016 and again in 2017. The Addendum removed the strategic take up figures seen at the large scale developments of Birch Coppice and former Baddesley Colliery so as to estimate the Borough's local need only. North Warwickshire has made no attempt to expressly identify and accommodate the wider than local need despite it being a major driver of economic growth in the Borough and at the sub-regional and regional levels.

- 7.7. Accepting this, the Inspector of the Local Plan required Policy LP6 to be added to the Local Plan and the figure of 100 ha of employment land to become a 'minimum' figure in order to make the plan sound and cater for the identified need for wider than local employment land, i.e. strategic employment land.
- 7.8. North Warwickshire's own annual monitoring report (**CD-F6**) shows that large scale B8 completions for logistics has accounted for 91.81% of completions since April 2019, without which completions of employment land would stand at just 5.6 ha, equating to 1.4 ha per year against the identified local need of 100 ha. This is in spite of large scale Big Box development schemes being fully developed and providing no land supply in NWBC's Annual Monitoring Review since March 2022, i.e. 0 (zero) years' supply since that time.
- 7.9. The M42 Corridor is a key strategic corridor at a national, regional, and sub-regional level witnessing substantial levels of demand. The lack of available and suitable land supply along the corridor (currently standing at just 0.55m sq ft at only 1 site for B8 logistics) is curtailing businesses expanding and modernising; suppressing demand.
- 7.10. The M42 Corridor supply is heavily constrained by the Green Belt, which covers all junctions along its route (Junctions 3 to 9 are within the Green Belt) except Junction 10 – see paragraph 3.77 and Figures 9 & 10 of this Study.
- 7.11. Junction 10 M42 and North Warwickshire has been a long standing supplier of strategic employment land of scale with the developments of Birch Coppice (commencing in the late 1990's and 'completing' in 2014), Core 42 (commencing in 2015 and 'completing' in 2022), Centurion Park (2014-2016) and Tamworth Logistics Park (commencing in 2017 and 'completing in 2021'). The Borough has avoided replacing this land by not allocating any large scale employment land for B8 logistics use for a long standing period.
- 7.12. The Site is suitable, available, and deliverable to meet the immediate need and immediate demand that this Study demonstrates. It meets the established criteria for Big Box development notably:
 - It is located at a motorway junction in a logistics hotspot nationally.
 - It has direct access onto the A5 trunk road, a key growth corridor and strategic east to west route.
 - It has easy access to the Birmingham Intermodal Freight Terminal and Hams Hall Rail Freight Interchange
 - It is within a strong and large labour catchment both locally and regionally, but sufficiently distanced from housing so that it does not cause issues with amenity.
 - It is complementary to the cluster of Big Box development at this location.
 - It is controlled by a competent and experienced developer.
 - It has sufficient scale to accommodate very large floorplate buildings.
- 7.13. The immediate need for an additional new site in this location is acute. In the view of C&W, the Site

represents an outstanding and obvious opportunity which stands out regionally, sub-regionally, and locally. In turn we therefore agree with the conclusions of the JLL Study in that there is no better site within the Borough or the wider sub-region to meet the immediate need and immediate demand for strategic employment land - the specific market segment for which it is proposed.

Appendix 1 – Report on Strategic Employment Land Supply to Planning and Housing Business Group of Coventry and Warwickshire LEP



Date: 25 February 2021

Planning and Housing Business Group

Agenda Item 8. Strategic Employment Land Supply 2021 -Updated Schedule re Availability

1. Purpose of Paper

1.1 This item provides an update and summary of the availability of “strategic” (sites over 5 Ha) employment land across the sub-region. The supply of employment land remains a central focus of the work of the Business Group.

2. Background

2.1 A key focus of the Business Group remains the supply of employment land across Coventry and Warwickshire. The attached schedule at Appendix 1 which has formed the basis for previous reporting gives an updated “snapshot” of the overall supply position based on larger sites (over 5 Ha).

2.2 The schedule categorises the employment land supply based on estimated availability and timing. The employment sites in the first category are those that are currently readily available. Many comprise allocated employment sites which have been part implemented.

2.3 In the next category are sites that are close to being readily available, for example where infrastructure is currently being put in and there are relatively clear timescales about when the site will be available for occupation. The first two categories taken together provide a broad estimate of the immediately available supply of strategic employment sites.

2.4 The third category of land at what are termed “Advanced Allocated Sites” - mainly sites brought through adopted local plans but recognising that the land is not “immediately” available to accommodate commercial development. (This may be because infrastructure is required or because the landowner/developer has not yet brought the allocation forward). The fourth category of land recognises that until a local plan is adopted, sites cannot technically be regarded as available. On this basis the sites identified in the north Warwickshire Local Plan review are listed and will shortly move into the “advanced” category.

2.5 The final category in the schedule contains a varied group of sites where sites are allocated in plans or policy documents, but more clarity is needed to confirm the status, timing, or availability of the employment land. It cannot be regarded as readily available to the general market but may have potential in future.

2.6 The picture painted by the schedule has altered significantly in the past year. Between 2017-2020 there was considerable progress in the adoption of local plans, and this has brought forward several significant strategic employment sites, including the release from the Green Belt, notably in Coventry City, Nuneaton

& Bedworth, Warwick, and Rugby borough/districts.

- 2.7 Once allocated, many of these sites have been brought “straight to market,” with landowners and developers putting in infrastructure and some occupiers being found. This is particularly the case with sites located along transport corridors.
- 2.8 A central influence on this picture has been the sustained high performance of certain sectors of the sub regional economy and the levels of new build development. This has resulted in very high completion/take-up rates which have remained high, particularly in the last 4 years. By way of illustration, a recent report by Coventry City Council showed that over the period 2011-2019 outside the city boundary some 360ha of employment land was consented against a target/assumed “target” rate of around 200ha. In Coventry itself over a slightly longer period 147ha were completed in the period 2011-2020, against a target for the city of 51 Ha. This reflects a buoyant and active sub regional market.
- 2.9 This was highlighted in much greater detail in the C&W Market Signals Study (2019). Warehousing and distribution sites or those with a strong logistics component have driven a number of allocations. This sector continues to hold up well through the current Coronavirus pandemic and local agents report continuing high levels of demand. Earlier this year it was announced that a single building of over 300,000 sq ft had been let to a European distribution company.
- 2.10 Land consumption by these uses appears to be well above that originally anticipated and this is both due to greater performance of key sectors, but also to the consumption of land by individual buildings. Large scale warehousing and distribution development has continued apace with buildings up to 1m sq ft now becoming more commonplace in regional and national centres. The land consumption for such a building is around 75 acres (sometimes more) and a high-quality landscape scheme is required to mitigate landscape impacts. However, growth and land consumption are not confined to logistics sectors – the sub region has seen large industrial/manufacturing developments. A good example being the building developed for Meggitt in 2019 which is over 333,000 sq.ft located at “Prospero” Ansty.
- 2.11 The declining supply of larger employment sites capable of accommodating larger buildings has been one feature reported by colleagues dealing with Inward Investment enquiries into the sub-region. They report continuing high levels of interest from businesses wishing to either come to Coventry & Warwickshire or acquire larger premises. What is apparent from the latest “snapshot” set out is that market choice of larger sites is low. As the category of “available sites clearly illustrate is the preponderance of smaller sites on part completed sites. It follows that at some point unless more larger sites are allocated or come forward as “windfall” then inward investment into the sub region will be deterred by sites shortages.
- 2.12 In order to address the issue of employment land supply, as the Group has discussed on a number of occasions, development plan reviews looking beyond 2031 are needed. These will take time to process and adopt even with proposed government reforms to the plan preparation process. The political profile of employment land remains overshadowed by the provision of housing and indeed the loss of employment land albeit generally on small “non -strategic” sites continue to erode supply and fuel employment land price rises.

3. For discussion

3.1 The Business Group is asked to consider the snapshot of the employment land and consider the messages the analysis provides.

Appendix 2 – North Warwickshire Examination Document AD52B

EMPLOYMENT LAND 2011/12 – 2017/18 COMPLETIONS, ALLOCATIONS & SITES WITH PLANNING PERMISSION

Introduction

The tables for completions below are divided into Birch Coppice Phases 1 and 2; Birch Coppice Phase 3; Hams Hall and then all other sites. The reason for this is the legacy of the RSS and to show the split between the various sites. Moving forward, however, sites will be brought together into one table.

Black text – Original figures

red text – Savill's submission

Blue text – NWBC's updated figures

Completions

Table 1: Birch Coppice (Phases 1&2) - Completions

| YEAR | SITE NAME | Original AREA – Ha's | AD52 Savills Submission | NWBC's update |
|---------|--|----------------------|---|---|
| 2011/12 | Birch Coppice Business Park Subsite 11:10 | 0.19 | | 0.19 |
| | Birch Coppice Business Park Plot 1, Phase 2, Ocado | 49.35 | 49.35 14.4 49.35 ha relates to the whole of phase 2 (outline permission PAP/2010/102. Site area for Plot 1 is 35.5 acres (14.4 ha) - permission PAP/2010/0514. | 14.25 (Agree 49.35 was the whole phase 2 this was later amended) |
| 2012/13 | NO RELEVANT SITES COMPLETED THIS YEAR | | | |
| 2013/14 | Birch Coppice Business Park Plot 4, Phase 2 | 8.26 | 8.26 6.53 As per officer's report. | PAP/2012/0620 – 8.26 |
| 2014/15 | Birch Coppice Business Park Plot E2, Phase 2 | 2.35 | | 2.35 |
| | Volkswagon Group UK Ltd, Plots W5 & W6 | 0.12 | | 0.12 |

| | | | | |
|---------|---|----------------|--|------------------------------------|
| 2015/16 | Birch Coppice Business Park Danny Morson Way | 0.98 | 0.98 1.15 Application No PAP/2015/0166 | Agree with 1.15 |
| | Birch Coppice Business Park Unit 6:03 | 1.8 | remove | Site completed 15/16 so keep in |
| | Birch Coppice Business Park Phase 2, Plot 3 | 6.27 | 6.27 14.34 Application No PAP/2014/0442 | Agree with 14.34 |
| 2016/17 | Birch Coppice Business Park Plots 5 & 6 | 2.8 | 2.8 6.95 The outline permission for these two plots indicates a site area of 13.06ha | Amended to 6.86 |
| 2017/18 | Birch Coppice Business Park Phase 2, Dau Draexlmaier Automotive | 0.18 | | 0.18 |
| | TOTAL | 72.30 | 46.02 | 49.50 ha |

Table 2: Birch Coppice (Phase 3) - Completions

| YEAR | SITE NAME | Original AREA – Ha's | AD52 Savills Submission | |
|---------|---|----------------------|--|--|
| 2017/18 | Birch Coppice Business Park Plot 3 Zone E Phase 3 | 1.97 | 1.97 This is the plot developed on Core 42 for Bond International (see below) | Agree – to be removed from this table – see table below |
| | Birch Coppice Business Park Phase 3, Plot 7, Land north east of the Beanstalk | 2.2 | 2.2 | 2.2 |
| | TOTAL | 4.17 | 2.2 | 2.2 ha |

Table 2a: Core 42 Business Park – Completions

| YEAR | SITE NAME | Original AREA – Ha's | AD52 Savills Submission | NWBC's update |
|---------|---|----------------------|---|---|
| 2017/18 | Core 2 (Zone E), Core 42 Business Park | 0 | 1.97 Developed for Bond International Ltd in May 2018. | 1.97 |
| 2018/19 | Core 3 (Zone F), Core 42 Business Park | 0 | 2.73 Developed for M&G in Jan 2019. | Not to be counted as in the 2018/19 year |

| | | | | |
|--------------|--|----------|------------|----------------|
| TOTAL | | 0 | 4.7 | 1.97 Ha |
|--------------|--|----------|------------|----------------|

Table 3: Hams Hall - Completions

| YEAR | SITE NAME | Original AREA – ha's | AD52 Savills Submission | NWBC's update |
|----------------|---------------------------------------|-----------------------------|--|---|
| 2011/12 | NO RELEVANT SITES COMPLETED THIS YEAR | | | |
| 2012/12 | NO RELEVANT SITES COMPLETED THIS YEAR | | | |
| 2013/14 | NO RELEVANT SITES COMPLETED THIS YEAR | | | |
| 2014/15 | BMW, Hams Hall | 33.08 | | 33.08 |
| | Hams Hall, Plot 6, Unit 8 | 2.3 | | 2.3 |
| 2015/16 | Hams Hall | 2.9 | | 2.9 |
| 2016/17 | NO RELEVANT SITES COMPLETED THIS YEAR | | | |
| 2017/18 | NO RELEVANT SITES COMPLETED THIS YEAR | | | |
| 2018/19 | JLR, DC1 Hams Hall | | 7.26 Total Gross Developable Area is 20.9 ha. The Net Developable Area is 15.74 ha (inclusive of DC1). Net Developable remaining is therefore 8.9 ha (See Table 7). | Not counted as in the 2018/19 year |
| TOTAL | | 38.28 | 7.26 | 38.28 ha |

Table 4: Other Sites - Completions

| YEAR | SITE NAME | Original AREA – ha's | AD52 Savills Submission | |
|-------------|---------------------------------------|-----------------------------|--------------------------------|--|
| 2011/12 | IAC Group, Highway Point, Coleshill | 0.04 | | |
| 2012/13 | NO RELEVANT SITES COMPLETED THIS YEAR | | | |
| 2013/14 | Kingsbury Link | 0.25 | | |

| | | | | |
|----------------|---|--------------|--|---|
| | Fourways, Carlyon Road Industrial Estate, Atherstone | 0.15 | | |
| 2014/15 | SERTEC Ltd, Station Road Industrial Estate, Coleshill | 2.66 | | |
| 2015/16 | Former Baddesley Colliery (JLR) | 36.33 | | |
| 2016/17 | Land south west of J10, M42 | 8.46 | | |
| 2017/18 | Tameview, Kingsbury | 1.6 | | |
| | Phase 3, Forge Mills Park, Coleshill | 0.33 | | |
| | Unit 25, Station Road, Coleshill | 0.08 | | |
| | Unit 7, Carlyon Road, Atherstone | 0.006 | | |
| | Greenacres, Grendon | 0.01 | | |
| | Mallard Lodge Site, Water Orton | 0.13 | | |
| 2018/19 | St Modwen – Tamworth Logistics Park | | 8.8 ha Total Gross Developable Area is 25.4 ha. The Net Developable Area is approximately 16.6 ha. Net Developable remaining is therefore 7.8 ha. | Not counted as in the 2018/19 year |
| 2018/19 | | | 5.26 ha excluding land south west of J10, Baddesley Colliery and Tamworth Logistics Park. | Not counted as in the 2018/19 year |
| TOTAL | | 50.05 | 58.85 | 50.05 ha |

Table 5: Total Completions on all sites from 2011/12 – 2017/18 2018/19 Figures up to 2017/18 only are included

| | Original figures | AD52 Savills Submission | NWBC's update |
|------------------------------|--|--|----------------------|
| | Total completions 2011/12 – 2017/18 | Total Completions 2011/12 - 2018/19 | |
| HAMS HALL | 38.28 | 45.54 | 38.28 |
| BIRCH COPPICE PHASE 1&2 | 73.75 | 46.02 | 49.50 |
| BIRCH COPPICE PHASE 3 | 4.17 | 2.2 | 2.2 |
| CORE 42 BUSINESS PARK | 0 | 1.97 | 1.97 |

| | | | |
|--------------------------|--------|-----------|--------|
| OTHER SITES | 50.05 | 58.85 | 50.05 |
| TOTAL COMPLETIONS | 166.25 | 154.58 ha | 142 ha |

Allocations

Table 6: Allocations in Draft Local Plan

| SITE | USE CLASS | SITE AREA | AD52 Savills Submission | NWBC's update |
|---------------------------------|----------------------|-----------|---|---|
| E1 - Holly Lane, Atherstone | B1/B2/ B8 | 6.6 | Remove the B8 element – Site specifically allocated for the future expansion of Aldi. Not available as part of general employment land supply. Policy text specifies B1 and B2 only. | Disagree Current application for Aldi is B8 & it is indicated in the policy that if the site E1 does not develop we would seek B1, B2 and the reasoning for this is due to highways considerations |
| E2 - West of Birch Coppice | B1/B2/B8 | 5.1 | | |
| E3 - Playing fields south of A5 | B1/ B2/B8 | 3.5 | Remove B2, B8 - Policy text specifies "low intensity, small scale, primarily B1, research and development uses". | Agree |
| E4 - MIRA | B1 /B2 | 42 | Restricted use to align with MIRA as specialist research and teaching facility primarily for automotive but more generally for transport technologies. Policy text specifies no B8. | Disagree site is restricted as suggested See modification MM116 Area to be increased to 58 ha. |
| TOTAL | | 57.20 ha | 57.20 | 73.2ha |

Sites with Planning Permission

Table 7: Outstanding Sites with Planning Permission as of 31 March 2018 as of 31 March 2019

| SITE | USE CLASS | ORIGINAL SITE AREA (Ha's) | Stage of development | AD52 Savills Submission | NWBC's update |
|--|--|--------------------------------------|------------------------------|---|---|
| Coleshill Hall Hospital | B1/2/8 | 16.38 | U/C | The site is affected by HS2. Permission was granted to redevelop the former hospital in 1996 for up to 10,627 sq m of B1 office floorspace and refurbish the hall. Following IM's acquisition of the site in 2002, an HQ office was built, implementing the consent. IM will relocate to Solihull in 2019 as HS2 commences pre- construction which will involve demolishing IM House and providing an alternative access to the hall. All of the consented floorspace is affected by HS2. The remainder of the site lies within the Green Belt and does not benefit from any allocation or permission. | The Council refers to MM122 and feels this should remain 16.38 |
| Hockley Park, Dosthill | B1/2/8 | 6.76 | U/C | Outline planning for B1, B2 and B8, formation of new access & associated engineering works. | 6.76 |
| Business Park, Hall End Farm, Phase 3. Birch Coppice | Zone A Zone B Zone C Zone D Zone F | 0.60 0.36 0.52 5.42 2.73 | N/S (Zone E complete) | | 9.63 (total for the 5 sites) Completion not counted as in the 2018/19 year |
| Hams Hall Power Station B site | B1/2/8 | 20.00 | U/C | 8.9 Partly developed. | 20.0 Completion not counted as in the 2018/19 year |
| South east of Junction 10 M42 | B1/2/8 | 25.00 | N/S | 8 Partly developed. | 25.0 Completion not counted as in |

| | | | | | the 2018/19 year |
|---|--------|-----------------|-----|--|------------------|
| 3 Springhill, Arley | B8 | 0.05 | N/S | 0.05* Former Car Park, now accommodates 565.9m industrial unit to store caravans. | 0.05 |
| Lanes Yard, Lea Marston | B2 | 0.02 | N/S | 0.02* Factory to replace building due to fire damage. | 0.02 |
| Units 7A, 8A, 9A Carlyon Road Industrial Estate, Atherstone | B2 | 0.05 | U/C | 0.05* | 0.05 |
| Little Chef, Meriden | B1/2/8 | 0.05 | U/C | 0.05* Redevelopment of site for warehouse and showroom. PAP/2018/0028 | 0.05 |
| Unit 11 Carlyon Road Industrial Estate, Atherstone | B1/2/8 | 0.06 | U/C | 0.06* | 0.06 |
| TOTAL | | 78.00 ha | | 30.56ha | 78 ha |

***These sites may, in part, have been taken up - but are de minimis.**

Table 8: Total Land Supply

| | Original figures to 31/3/18 | AD52 Savills Submission Updated to 31 st March 2019 | NWBC's update |
|--|-----------------------------|--|------------------|
| <i>Total Completions Since 2011/12 – 2017/18 (Table 5)</i> | 166.25 Ha | 154.58 ha | 142.0 |
| <i>Allocations In Draft Local Plan (Table 6)</i> | 57.20 Ha | 57.20Ha | 73.2 |
| <i>Outstanding Sites with Planning Permissions (Table 7)</i> | 78.00 Ha | 30.56Ha | 78.0 |
| Total | 301.45 ha | 242.34 ha | 293.20 ha |

UK LOGISTICS & INDUSTRIAL OUTLOOK

Q4 2023

Key Findings:

- **Take-up** totalled 10.25m sq ft during Q4 2023, taking the full year volume to 32.5m sq ft throughout 2023, just 2% below the five year pre-pandemic average.
- Despite the number of units under offer falling, the total volume of space **under offer rose** during Q4, now accounting for 9.7m sq ft, pointing to a potential recovery in the occupational market during 2024.
- **Availability has continued to increase** rising to 66.4m sq ft, although Q4 stats continue to show a **deceleration in the volume of stock coming to market**. Availability had previously been growing by circa 4m sq ft a quarter since Q2 2022.
- The **volume of grey space available contracted during Q4 2023**, with total space available by way of sub lease now standing at 7.3m down from 7.7m sq ft during Q3.
- **Investment volumes remain muted** totalling £6.4bn during 2023, following £1.2bn transacting during the final quarter of 2023.

NATIONAL OVERVIEW

Occupier Market



“Our Q4 take-up figures and the breadth of demand across all markets highlights just how robust and resilient the market can be in the face of economic pressures. Early signs of economic recovery during 2024 will enable businesses to once again invest in their supply chains with confidence.”

Richard Evans, International Partner, Head of UK Logistics & Industrial

| Take-up | Take-up | Availability | Under offer |
|-------------------------|----------------------------|----------------------------|-----------------------------|
| 10.3m sq ft Q4 2023 | 32.5m sq ft Q1-Q4 2023 | 66.5m sq ft Q4 2023 | 9.8m sq ft Q4 2023 |
| +52.8% Q-o-Q | 55.3m sq ft Q1-Q4 2022 | +2.0% Q-o-Q | 8.6m sq ft Built stock |
| +2.4% Q4 23 vs Q4 22 | -41% change vs Q1-Q4 22 | +19.1% Q4 23 vs Q4 22 | 1.2m sq ft Under Constr. |
| +26.2% vs 10yr Q4 Av | | +11.0% Q4 23 vs 10yr av | |

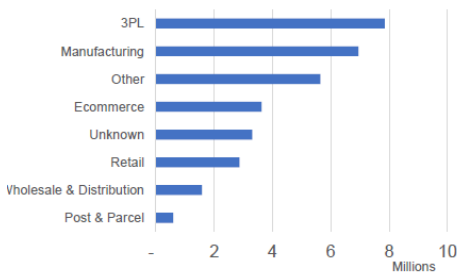
DEMAND

Occupational demand amounted to 10.2m sq ft during the final quarter of 2023, taking the full year volume to 32.5m sq ft. A strong final quarter means that total demand in 2023 fell firmly back in line with pre-pandemic norms, at just 2% below the 2015-2019 average. In contrast to previous market phases however, both the share of grade A take-up and take-up within units speculatively developed stands at much higher levels than the five years preceding the pandemic +20% and +62% respectively. Geographically demand continues to be focussed around key industrial clusters with the Midlands accounting for over 40% of national take-up, whilst growing demand relative to pre-pandemic levels was recorded in the East Midlands, Yorkshire and Humberside, and Scotland, where markets are rapidly modernising and as such bringing renewed demand, for occupiers searching for high specification space with a degree of affordability. Take-up for Grade C space sits near its record low, as the market transitions towards ESG compliance.

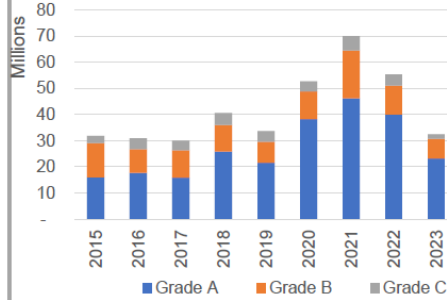
PIPELINE & AVAILABILITY

Q4 2023 saw a second consecutive quarter of deceleration in the rate at which supply had been increasing. Total availability rose by just 2% to 66.4m sq ft. Of the 66.4m sq ft available, 44m sq ft is comprised of Grade A space, of which 36.1m sq ft is under construction or has recently completed. Supply continues to be bottom heavy, with 350 of the available 464 units being of 50,000-200,000 sq ft, limiting occupier choice for modern large warehousing solutions. The volume of grey space available reduced during the quarter, now standing at 7.3m sq ft down from 7.7m sq ft at the end of Q3 2023, a potential signal of slowing rationalisation. The volume of space under offer increased during the quarter from 8.5m sq ft to 9.7m sq ft, despite the number of units under offer falling slightly. 12m sq ft of space was speculatively under construction at the end of 2023 of which 10.9m sq ft is expected to deliver to market during 2024. Taking into account speculative announcements we expect the spec pipeline to total 17.8m during 2024.

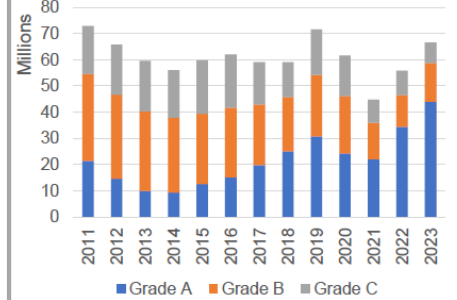
Take-up by Sector 2023



Take-up by Grade (m sq ft)



Availability by Grade (m sq ft)

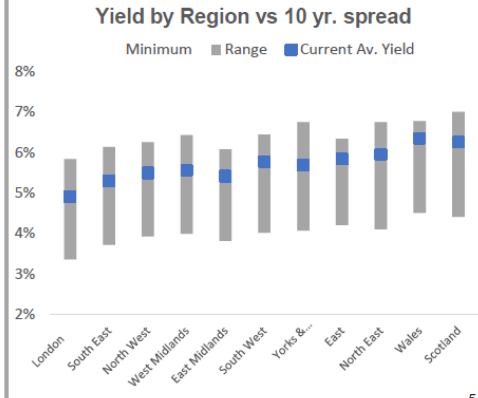
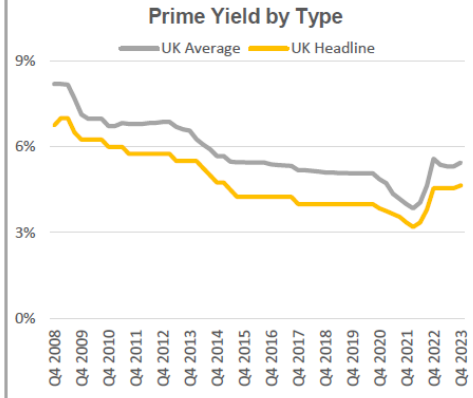
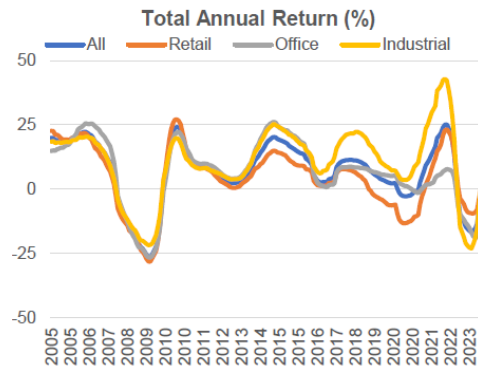
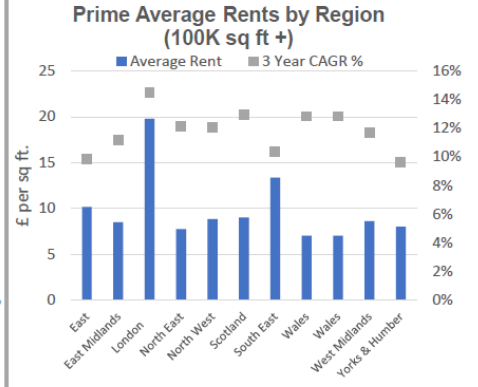
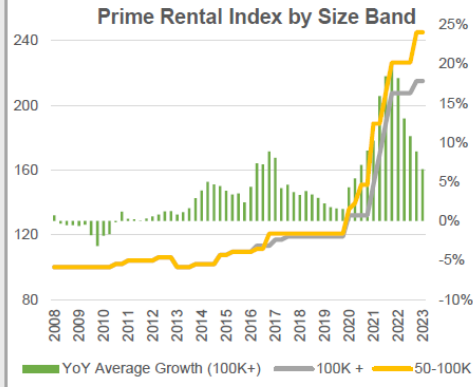


Source: C&W 2023

NATIONAL OVERVIEW

Rents & Yields Trends, Performance

| C&W Prime Rent 100+ | C&W Prime Rent 50-100k |
|-------------------------------------|-----------------------------------|
| £11.35 Average | £12.11 Average |
| 0.8% Q-o-Q | 1.1% Q-o-Q |
| 6.6% Y-o-Y | 8.7% Y-o-Y |
| C&W Prime Yield | MSCI Total Return (MI%) |
| 4.65% Headline | -23.2% Annualised to June 2023 |
| 5.45% Average | -15.7% Annualised to Sept 2023 |
| 13.94bps QoQ Average Yield Shift | +5.1% Annualised to Dec 2023 |



Source: C&W 2023, MSCI 2024

WEST MIDLANDS

C&W Prime Rent 100k+

£11.00 Latest
0% Q-o-Q
+10.0% Y-o-Y

C&W Prime Rent 50-100k

£12.00 Latest
0% Q-o-Q
+11.6% Y-o-Y

C&W Prime Yield

5.10% Latest
+10bp Q-o-Q
+15bp Y-o-Y

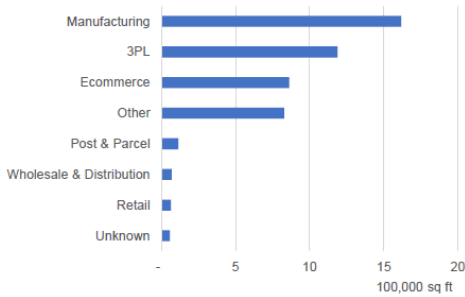


"2023 was a challenging year for the West Midlands, with the region affected by macroeconomic conditions. Despite this we expect 2024 to see a significant improvement in demand, particularly as the consumer market improves and 3PL sector becomes more active."

David Binks, International Partner, Birmingham

| Take-up | Take-up | Availability | Under offer |
|----------------------------|------------------------|-----------------------------|----------------------|
| 691k sqft Q4 2023 | 4.8m sq ft 2023 YTD | 9.6m sqft Q4 2023 | 1.1m sqft Q4 2023 |
| -51% Q-o-Q | 9.1m sq ft 2022 YTD | +7% Q-o-Q | |
| -74% Q4 23 vs Q4 22 | -48% Change | +29% Q4 23 vs Q4 22 | |
| -51.7% Q4 23 vs 10yr av | | +15.94% Q4 23 vs 10yr av | |

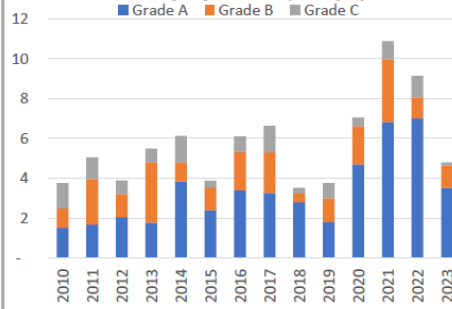
Take-up by Sector 2023



DEMAND

Occupational demand in the West Midlands remained muted throughout 2023. 700,000 sq ft of take-up in Q4 taking the full year value to 4.7m sq ft. 2023's total take-up volume takes the region firmly back in line with the pre-pandemic average, although a much greater proportion of demand is now attributable to Grade A quality space. A reversion towards lean inventories, and muted consumer market owed to the cost of living crisis saw take-up from retailers and 3PL operators reduce nationally, which had a disproportionate affect on the West Midlands, given its strategic location. Take-up in 2023 as such drew from a wider mix of occupiers than had been seen in previous years, with the manufacturing sector accounting for over a third of demand, an increase in pre-pandemic levels. As such preference for smaller sized units was also noted during 2023 with demand for units of 50,000-100,000 sq ft accounting for 50% of total demand in the region. The share of space taken within new build facilities also increased, mirroring the drive to quality seen nationally.

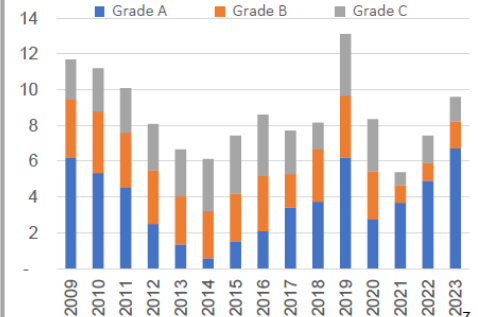
Take-up by Grade (m sq ft)



PIPELINE & AVAILABILITY

Availability continued to rise in the West Midlands, an increase of 5% quarter on quarter sees availability now stand at 9.6m sq ft. The quarters increase was solely driven by a rise in the volume of Grade A space available which currently accounts for 70% of total supply in the region. Supply has continued to tick up gradually since, reaching lows of 4.5m sq ft during Q2 2022, and availability now stands at its highest level since Q3 2020. The rise in available space is partially attributable a strong developer response to market conditions over recent years, which has meant that 5.5m sq ft of current supply is available in units currently under construction, or within those that have recently complete. Despite this, occupier choice for larger units remains limited with a notable absence of units of 500,000 sq ft and above. Although the development pipeline has cooled relative to the last 12 months, further deliveries are expected at Ansty Park, Redditch Gateway, and Total Park Telford in 2024, which will help to aid the current lack of occupier choice in the region.

Availability by grade (m sq ft)



EAST MIDLANDS

C&W Prime Rent 100k+

| | | |
|--------|-------|--------|
| £10.00 | +2.6% | +11.1% |
| Latest | Q-o-Q | Y-o-Y |

C&W Prime Rent 50-100k

| | | |
|--------|-------|--------|
| £10.25 | +2.5% | +13.9% |
| Latest | Q-o-Q | Y-o-Y |

C&W Prime Yield

| | | |
|--------|-------|-------|
| 5.05% | +10bp | +10bp |
| Latest | Q-o-Q | Y-o-Y |

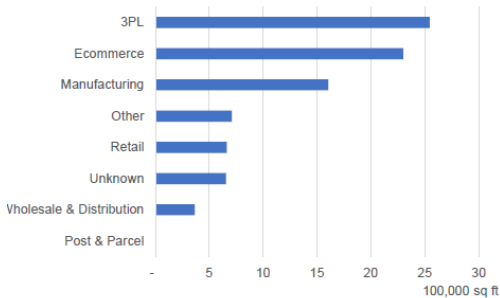


“The occupational market in the East Midlands continued to prove its resilience during 2023. The region has seen occupiers continue to target the region in order to access well connected best in class spaces at relative affordability”

Tom Kimbell, International Partner, Northampton

| Take-up | Take-up | Availability | Under offer |
|------------------|------------|------------------|-------------|
| 3.4m sqft | 8.8m sq ft | 11.1m sqft | 1.2m sqft |
| Q4 2023 | 2023 YTD | Q4 2023 | Q4 2022 |
| +84% | 9.2m sq ft | +1% | |
| Q-o-Q | 2022 YTD | Q-o-Q | |
| +74% | -3% | +67% | |
| Q4 23 vs Q4 22 | Change | Q4 24 vs Q4 22 | |
| +100% | | +25.7% | |
| Q4 23 vs 10yr av | | Q4 23 vs 10yr av | |

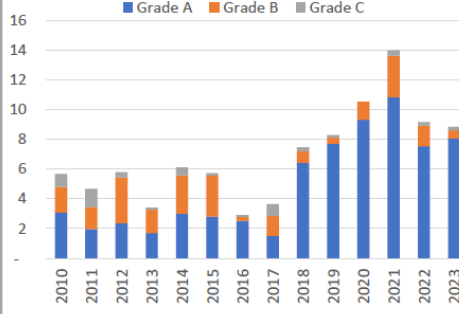
Take-up by Sector 2023



DEMAND

Occupier demand in the East Midlands amounted to 3.3m sq ft during the final quarter of 2023, the highest volume on record since Q4 2021. However, a significant portion of this was attributable to a large freehold development purchase that was recorded in Northamptonshire, which account for well over 50% of the quarters volume. The Q4 volume takes total demand in the region to 8.8m sq ft, which despite being a reduction on the 2022 full year value sits well ahead of the pre-pandemic five year average of 5.6m sq ft. The region has benefited from the modernisation of its stock, with demand in for Grade A space accounting for circa 90% of total activity when excluding the large build to suit deal, up from 75% prior to the pandemic. Demand has proven particularly resilient for smaller sized units, mirroring the national trend, with units of 50,000 sq ft to 200,000 sq ft almost doubling. In contrast to the West Midlands, 3PL activity continued in the region accounting for over 2.5m sq ft during the year.

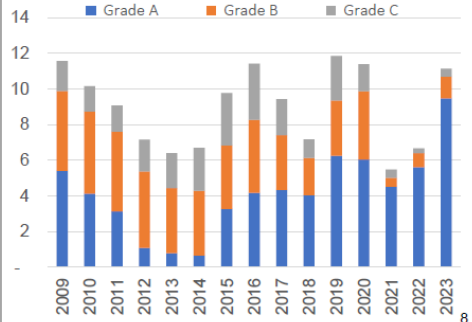
Take-up by Grade (m sq ft)



PIPELINE & AVAILABILITY

Supply in the East Midlands contracted during the final quarter of 2023, due to a significant reduction in the supply of Grade A space. Total availability in the region stands at 11.1m sq ft, but had peaked at 13.2m sq ft during Q3. Similar to its neighbouring West Midlands the market has seen a significant developer response following elevated levels of demand and strong rental growth in recent years, as such the lions share of current availability sits within buildings currently under construction (4.1m sq ft) or those recently completed (4.4m sq ft). Owing to the regions location, a greater availability of land has enabled the market to deliver a range of unit sizes, which has resulted in a relatively well balanced supply of units across the size spectrum. Looking forward to 2024 further supply of big box space is expected at Magna Park Lutterworth, Hinkley Park, and Horizon Bolsover, whilst Phase II of St Modwen's Derby scheme is expected to deliver additional mid box accommodation.

Availability by grade (m sq ft)



Appendix 4 – Schedule of Big Box Deals for New Floorspace in the Golden Triangle over the Last 5 Years

NEW BIG BOX DEALS IN THE GOLDEN TRIANGLE OVER THE LAST 5 YEARS

| Motorway | Location | Scheme | Developer | Tenant | Size (sqft) | Date | |
|-----------------------------|---------------------|---------------------------|-----------------------|---------------------------------|-------------|------------------|------------------|
| M1 | Daventry | Apex Park | Prologis | Cummings | 430,000 | Q2 2019 | |
| | | | | Hankook Tyres | 357,000 | Q1 2023 | |
| | | DIRFT III | Prologis | Royal Mail | 850,000 | Q3 2020 | |
| | | | | NHS | 536,991 | Q3 2020 | |
| | | | | Dunelm | 189,330 | Q2 2021 | |
| | | | | Eddie Stobart | 538,000 | Q4 2021 | |
| | | | | Inditex/ GXO | 627,707 | Q3 2023 | |
| | | Mustang Park | Canmoor/ Aviva | Fidelity Supply Chain Solutions | 109,730 | Q2 2021 | |
| | | | | Super Smart Services | 173,646 | Q2 2021 | |
| | | Subtotal | | | | | 3,812,404 |
| | Bardon | Interlink South, Midas 22 | Curtis Land | Aldi | 1,301,658 | Q3 2020 | |
| | | | | Oakland Foods | 225,690 | Q3 2020 | |
| | | Mountpark Bardon | Mountpark | Countryside | 359,305 | Q2 2020 | |
| | | | | VF Corporation | 579,000 | Q2 2019 | |
| | Subtotal | | | | | 2,465,653 | |
| | Northampton | G Park | Gazeley | Whistl | 155,277 | Q4 2020 | |
| | | | | | 132,698 | Q1 2021 | |
| | | Liberty 196 | Liberty/Equation | James & James | 196,000 | Q2 2020 | |
| | | Panattoni Park | Panattoni | Eddie Stobart | 221,517 | Q2 2019 | |
| | | | | Eddie Stobart | 310,001 | Q2 2019 | |
| | | | | 4PX | 249,579 | Q4 2021 | |
| | | | | iForce | 380,000 | Q1 2022 | |
| | | | | Hotel Chocolate | 430,000 | Q1 2022 | |
| | | Brackmills Gateway | Newlands/ M&G | Active Ant | 252,000 | Q4 2021 | |
| | | | | DSV | 387,500 | Q2 2022 | |
| | | Northampton Cross | Firethorn Trust | MH Star | 104,000 | Q3 2021 | |
| | | | | MH Star | 250,000 | Q3 2021 | |
| | | Prologis Park Pineham | Prologis | Cygnia | 211,304 | Q3 2020 | |
| | | | | Toolstation | 493,000 | Q3 2021 | |
| | | Swan Valley | Prologis | WT Transport | 133,430 | Q4 2022 | |
| | Northampton Gateway | Segro | Amazon | 2,300,000 | Q4 2023 | | |
| | Subtotal | | | | | 6,206,306 | |
| | Leicester | Commercial Park | Goodman/Wilson Bowden | 4PX for Alibaba | 335,000 | Q1 2019 | |
| Leicester Distribution Park | | Blackrock/ Graftongate | Power Towers | 100,837 | Q3 2020 | | |
| | | | XPO | 150,935 | Q4 2022 | | |

| | | | | | | |
|------------------|--|-------------------------|--------------------|----------------------|---------|---------|
| | Subtotal | | | 586,772 | | |
| | East Midlands Gateway/Castle Donington | Logistics Park EMG | SEGRO/Roxhill | Games Workshop | 177,000 | Q4 2019 |
| | | | | DHL | 649,000 | Q3 2020 |
| | | | | DHL | 192,000 | Q4 2020 |
| | | | | Amazon | 150,000 | Q2 2021 |
| | | | | Arvarto | 220,300 | Q4 2021 |
| | | | | Ceva | 640,000 | Q4 2021 |
| | | Maersk | 686,869 | Q1 2022 | | |
| | East Midlands Distribution Centre | | Clowes | The Very Group | 521,520 | Q2 2021 |
| | | | | Mediq | 279,418 | Q4 2023 |
| Subtotal | | | 3,516,107 | | | |
| M1 Total | | | 16,587,242 | | | |
| A5 | Lutterworth | Magna Park | GLP | JD.com | 126,280 | Q2 2021 |
| | | | | Whistl | 300,325 | Q2 2021 |
| | | | | Amazon | 746,188 | Q3 2021 |
| | | | | Bleckmann | 200,102 | Q4 2021 |
| | | | | Iron Mountain | 297,184 | Q4 2021 |
| | | | | Pantos Logistics | 300,000 | Q4 2021 |
| | | | | Iron Mountain | 503,216 | Q1 2022 |
| | | | | Unipart Logistics | 355,000 | Q1 2022 |
| | | | | TVS | 211,518 | Q4 2022 |
| | TVS | 256,384 | Q4 2022 | | | |
| | M! Access J20 | | Tungsten/Schroders | Nippon Express | 128,600 | Q4 2022 |
| Subtotal | | | 3,424,797 | | | |
| Hinckley | Hinckley Park | IM Properties | Amazon | 532,500 | Q3 2020 | |
| | | | | Subtotal | | |
| A5 Total | | | 3,957,297 | | | |
| A38 | Lichfield | Fradley Park | Evans | ASOS | 431,700 | Q4 2020 |
| | | Liberty Park | Stoford | Cotswold Company | 137,500 | Q1 2022 |
| | | | | Super Smart Services | 117,000 | Q3 2021 |
| Subtotal | | | 686,200 | | | |
| A38 Total | | | 686,200 | | | |
| M6 | Coventry | Nuneaton 230 | Goodman | Hello Fresh | 230,000 | Q3 2020 |
| | | Baytree Nuneaton | Baytree | Rhenus | 771,000 | Q3 2022 |
| | | Imperial Park | Ostrava Properties | Funko | 340,859 | Q3 2019 |
| | | | | Menzies | 169,306 | Q2 2019 |
| | | Coventry Logistics Park | Bericote | DHL | 484,000 | Q3 2022 |
| | | | | Geodis | 251,488 | Q3 2022 |
| | | Puma Park | Canmoor | Kite Packaging | 120,624 | Q4 2021 |
| | | Apollo 2, Ansty Park | Canmoor | Staircraft | 169,747 | Q2 2023 |
| Lyons 106 | Goodman | Guenther Bakeries | 105,699 | Q4 2021 | | |

| | | | | | | |
|--------------------|------------------|-------------------------|----------------------|-----------------------|------------------|---------|
| | Coventry Gateway | Segro | DHL | 300,000 | Q2 2022 | |
| | | | Syncreon | 600,000 | Q1 2023 | |
| | | Prologis Park Ryton | Prologis | Furnolic | 147,300 | Q4 2021 |
| | | | | Ceva | 330,770 | Q1 2022 |
| | Subtotal | | | 4,020,793 | | |
| | Rugby | Symmetry Park | Tritax | Iron Mountain | 420,000 | Q2 2022 |
| | | | | Iron Mountain | 223,000 | Q2 2022 |
| | | | | Iron Mountain | 186,262 | Q2 2022 |
| | | | | Iron Mountain | 134,690 | Q2 2022 |
| | | Subtotal | | | 963,952 | |
| M6 Total | | | 4,984,745 | | | |
| M42 | Appleby Magna | Mercia Park | IM Properties | Jaguar Land Rover | 2,940,000 | Q3 2019 |
| | | | | DSV | 573,254 | Q3 2019 |
| | | | | DSV | 315,000 | Q1 2023 |
| | | Subtotal | | | 3,828,254 | |
| | Solihull | Birmingham Interchange | Prologis | Automotive Components | 310,000 | Q3 2019 |
| | | Damson Parkway | Prologis | JLR | 1,000,000 | Q4 2021 |
| | | Kingpin Industrial Park | Ropemaker Properties | Kuehne & Nagel | 120,595 | Q4 2020 |
| | | Subtotal | | | 1,430,595 | |
| | Redditch | Redditch Gateway | Stoford | Amazon | 366,414 | Q3 2020 |
| | | Subtotal | | | 366,414 | |
| | Longbridge | Longbridge 155 | St Modwen | Tesla | 160,280 | Q4 2023 |
| | | Subtotal | | | 160,280 | |
| | Coleshill | Hams Hall | Prologis | JLR | 414,350 | Q4 2019 |
| | | | | Britishvolt | 259,510 | Q2 2022 |
| | | | | LTS Global Solutions | 130,000 | Q2 2022 |
| | | Subtotal | | | 803,860 | |
| | Tamworth | Tamworth Logistics Park | St Modwen | Winit | 321,204 | Q4 2020 |
| | | | | Box Group | 118,000 | Q1 2022 |
| | | Relay Park | Opus | Movitano | 135,000 | Q4 2021 |
| | | Core 42 | Hodgetts Estates | Greencore | 160,825 | Q4 2019 |
| | | Tamworth 345 | Pannattoni | Maersk | 345,000 | Q1 2022 |
| | Subtotal | | | 1,080,029 | | |
| Minworth | Gravelly Point | Aberdeen | Alliance | 285,158 | Q4 2023 | |
| | Peddimore | IM Properties | Amazon | 2,323,377 | Q4 2021 | |
| | The Hub 100 | IM Properties | Polar Speed | 100,529 | Q3 2020 | |
| | Subtotal | | | 2,709,064 | | |
| M42 Total | | | 10,378,496 | | | |
| Grand Total | | | 36,593,980 | | | |

Source: C&W

Appendix 5 – Schedule of Big Box Deals for Secondhand Floorspace in the Golden Triangle over the Last 5 Years

| Motorway | Location | Scheme | Tenant | Size (sqft) | Date | |
|-----------------|-----------------|--------------------------|-----------------------------|---------------------|------------------|----------------|
| M1 | Daventry | DIRFT | Clipper Logistics (for NHS) | 240,600 | Q2 2020 | |
| | | | Boohoo | 403,991 | Q2 2021 | |
| | | | M&S | 224,000 | Q4 2022 | |
| | | | Lloyd Fraser | 450,000 | Q3 2023 | |
| | | Mustang Park | Resource Insects | 173,059 | Q1 2023 | |
| | Subtotal | | | | 1,491,650 | |
| | Bardon | Mountpark, Bardon | Clipper Logistics (for NHS) | 311,725 | Q3 2020 | |
| | | Interlink 145 | Laufen Ltd | 145,000 | Q4 2020 | |
| | | Subtotal | | | | 456,725 |
| | Northampton | Panattoni Park | Royal Mail | 309,631 | Q4 2020 | |
| | | Lilliput 133 | Walkerpack | 133,052 | Q1 2021 | |
| | | Hampton Gate, Brackmills | Cygnia Logistics | 195,786 | Q2 2020 | |
| | | Brackmills 320 | Refresco | 320,041 | Q3 2019 | |
| | | Brackmills 163 | The Pallet Network | 163,907 | Q2 2019 | |
| | | | Fast Logistics | 163,907 | Q4 2023 | |
| | | Brackmills 112 | Medicom (for NHS) | 112,500 | Q4 2020 | |
| | | | Dachser | 112,000 | Q2 2023 | |
| | Subtotal | | | | 1,510,824 | |
| | M1 Total | | | | 3,459,199 | |
| | A5 | Lutterworth | Magna Park | Armstrong Logistics | 377,070 | Q3 2020 |
| Bleckmann | | | | 186,695 | Q2 2020 | |
| Primark | | | | 422,784 | Q1 2021 | |
| Amazon | | | | 411,393 | Q2 2021 | |
| Bleckmann | | | | 163,000 | Q3 2021 | |
| Rhenus | | | | 258,000 | Q4 2021 | |
| Subtotal | | | | 1,818,942 | | |
| A5 Total | | | | 1,818,942 | | |
| A38 | Lichfield | Fradley Park | S&F Services | 108,000 | Q1 2021 | |

| | | | | | |
|------------------|-----------------|------------------------------|------------------------|------------------|------------------|
| | | | Hawkins Logistics | 102,000 | Q3 2023 |
| | | Liberty Park | NTG Ebrex | 117,000 | Q2 2023 |
| | Subtotal | | | 327,000 | |
| A38 Total | | | | 327,000 | |
| M6 | Coventry | Godiva 170, Blue Ribbon Park | Neovia Logistics | 171,513 | Q2 2019 |
| | | Nuneaton 132 | Co-Fresh | 132,123 | Q2 2019 |
| | | Cross Point | Clippers | 666,000 | Q4 2020 |
| | | Coventry BP | DCG Logistics | 295,793 | Q4 2021 |
| | | Prologis Park | DHL | 302,038 | Q1 2021 |
| | | | LEVC | 170,500 | Q1 2021 |
| | | | IFCO | 326,000 | Q2 2023 |
| | | Ryton | DHL | 302,000 | Q1 2022 |
| | | North View | Modpods | 311,261 | Q3 2023 |
| | Subtotal | | | 2,677,228 | |
| | Rugby | Swift Point | BTM Travel and Trading | 122,020 | Q3 2020 |
| | | DC1, Central Park | XPO (for Amazon) | 334,670 | Q3 2020 |
| | | Mill Road | Royal Mail | 173,639 | Q4 2021 |
| | | Rugby 661 | Sainsburys | 661,000 | Q2 2023 |
| | | Subtotal | | | 1,291,329 |
| M6 Total | | | | 3,968,557 | |
| M42 | Solihull | Solihull 262 | Farm Foods | 262,114 | Q3 2020 |
| | | Birmingham Airport | STS Aviation | 145,996 | Q1 2020 |
| | | Subtotal | | | 408,110 |
| | Tamworth | Centurion Point | DB Schenker | 153,000 | Q1 2021 |
| | | Tamworth 195 | Paack Logistics | 195,000 | Q4 2021 |
| | | Subtotal | | | 348,000 |
| | Redditch | Redditch 112 | DS Smith | 111,729 | Q3 2020 |
| | | Subtotal | | | 111,729 |
| | Minworth | Minworth Central | Ricoh Logistics | 164,311 | Q2 2019 |
| | | Midpoint | Amazon | 110,128 | Q1 2021 |
| Subtotal | | | 274,439 | | |

| | | | | | |
|--------------------|-----------------|-----------|-----------------|-------------------|---------|
| | Coleshill | Hams Hall | DHL | 219,112 | Q22021 |
| | | Hams Hall | NCF Furnishings | 144,967 | Q3 2022 |
| | Subtotal | | | 364,079 | |
| M42 Total | | | | 1,506,357 | |
| Grand Total | | | | 11,080,055 | |

Source: C&W

Appendix 6 – Schedule of Big Box Deals along the M42/A42 Corridor over the last 5 Years

LARGE SCALE TRANSACTIONS ALONG THE M42/A42 CORRIDOR OVER THE LAST 5 YEARS

| Ref | Scheme | Developer | Occupier | Sector | Floorspace (sq ft) | Date |
|-----|---|----------------------------|-----------------------------|--------------|--------------------|---------|
| 1 | Birmingham 100, Walsall Road, Birmingham | First Industrial & Barwood | Primeflow | Retailer | 100,511 | Q1 2019 |
| 2 | Minworth Central, Minworth | Secondhand | Rico Logistics | Logistics | 164,311 | Q2 2019 |
| 3 | Prologis Birmingham, Interchange | Prologis | International Automobile Co | Manufacturer | 234,718 | Q3 2019 |
| 4 | Mercia Park, Appleby Magna | IM Properties | JLR | Manufacturer | 2,900,000 | Q3 2019 |
| 5 | Mercia Park, Appleby Magna | IM Properties | DSV | Logistics | 573,254 | Q3 2019 |
| 6 | Birmingham Interchange | Prologis | Automotive Components | Manufacturer | 310,000 | Q3 2019 |
| 7 | Logistics Park, East Mids Gateway, Castle Donington | SEGRO | Games Workshop | Retailer | 177,399 | Q4 2019 |
| 8 | Tamworth CLX, Core 42, Dordon | Hodgetts Estates & M&G | Greencore | Retailer | 160,562 | Q4 2019 |
| 9 | Hams Hall, Coleshill | Prologis | JLR | Logistics | 400,000 | Q4 2019 |
| 10 | Birmingham Airport | Secondhand | STS Aviation | Logistics | 145,996 | Q1 2020 |
| 11 | Hub 120, Birmingham | Secondhand | Bee Swift | Manufacturer | 119,499 | Q2 2020 |
| 12 | Solihull 262, Solihull | Secondhand | Farm Foods | Retailer | 262,114 | Q3 2020 |
| 13 | The Hub 100, Witton | IM Properties | UPS (for Polar Speed) | Logistics | 100,000 | Q3 2020 |
| 14 | Logistics Park, East Mids, Castle Donnington | SEGRO | DHL | Logistics | 670,000 | Q3 2020 |
| 15 | Redditch 112 | St Modwen | DS Smith | Logistics | 111,729 | Q3 2020 |
| 16 | Logistics Park, East Mids, Castle Donington | SEGRO | DHL | Logistics | 192,000 | Q4 2020 |
| 17 | Tamworth Logistics Park | St Modwen | Winit | Logistics | 318,500 | Q4 2020 |
| 18 | Redditch Gateway | Stoford | Amazon | Logistics | 366,414 | Q4 2020 |
| 19 | Midpoint | Prologis | Amazon | Logistics | 110,128 | Q1 2021 |

| | | | | | | |
|--------------|--|---------------|-----------------|-----------|-------------------|---------|
| 20 | Centurian Point, Tamworth | St Modwen | DB Schenker | Logistics | 153,000 | Q1 2021 |
| 21 | East Midlands Distribution Centre | Clowes | The Very Group | Logistics | 521,520 | Q2 2021 |
| 22 | Logistics Park, East Mids, Castle Donnington | SEGRO | Amazon | Logistics | 150,000 | Q2 2021 |
| 23 | Hams Hall, Coleshill | Prologis | DHL | Logistics | 144,967 | Q2 2021 |
| 24 | Hams Hall, Coleshill | Prologis | NCF Furnishings | Logistics | 144,966 | Q3 2021 |
| 25 | Logistics Park, East Mids, Castle Donnington | SEGRO | Arvarto | Logistics | 220,300 | Q4 2021 |
| 26 | Logistics Park, East Mids, Castle Donnington | SEGRO | Ceva | Logistics | 640,000 | Q4 2021 |
| 27 | Damson Parkway | Prologis | JLR | Logistics | 1,000,000 | Q4 2021 |
| 28 | Peddimore | IM Properties | Amazon | Logistics | 2,323,377 | Q4 2021 |
| 29 | Tamworth 195 | Mileway | Paack Logistics | Logistics | 195,000 | Q4 2021 |
| 30 | Relay Park | Opus | Movitano | Logistics | 135,000 | Q4 2021 |
| 31 | Logistics Park, East Mids, Castle Donnington | SEGRO | Maersk | Logistics | 686,869 | Q1 2022 |
| 32 | Tamworth Logistics Park | St Modwen | Box Group | Logistics | 118,000 | Q1 2022 |
| 33 | Tamworth 345 | Pannattoni | Maesrk | Logistics | 345,000 | Q1 2022 |
| 34 | Hams Hall, Coleshill | Prologis | Britishvolt | Logistics | 260,000 | Q2 2022 |
| 35 | Hams Hall, Coleshill | Prologis | LTS Global | Logistics | 130,000 | Q2 2022 |
| 36 | Mercia Park, Appleby Magna | IM Properties | DSV | Logistics | 315,000 | Q1 2023 |
| 37 | East Midlands Distribution Centre | Clowes | Mediq | Logistics | 279,418 | Q4 2023 |
| 38 | Longbridge 155 | St Modwen | Tesla | Logistics | 155,000 | Q4 2023 |
| Total | | | | | 15,334,552 | |

Source: C&W

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