United Kingdom | September 2021

Research Report

Employment Land Statement

Land North East of Junction 10, M42, Dordon

Hodgetts Estates

September 2021

Contents

1. Introduction

Context

1.1. The North Warwickshire Local Plan (NWLP) was adopted following the meeting of the Full Council on 29 September 2021. Previously, in July, the Inspector's report was received by North Warwickshire Borough Council (the Council). This report concluded that the plan submitted by the Council in March 2018 provided an appropriate basis for planning for the Borough, subject to a number of modifications set out in a separate report.

1.2. The Local Plan identifies a need of a minimum of 100 hectares of Employment Land (Policy LP6). Policy LP40 – Employment Allocations – identifies four sites totalling 57.35 hectares which would help meet this need, along with extant planning permissions and allocations. The largest of these allocations is 42 hectares at land to the south of Horiba MIRA Technology Park and Enterprise Zone, with this site promoted for E(g)(ii) (Research and Development) and B2 uses.

1.3. However, explanatory text to Policy LP5 acknowledges that the proposed allocations are to accommodate just "local" need. Evidence, in the form of regional and sub-regional Employment Land studies, is referred to showing clearly a wider than "local" need for large sites taking in the Borough and the wider area (Paragraph 7.49).

1.4. For these reasons, the Council introduced and consulted on a new policy – Policy LP6a (LP6 in the adopted version) – prior to the examination held in December 2020. This modification (MM40 in the Inspector's recommended modifications) was endorsed by the Inspector as a clear basis for decision-taking where there is evidence of immediate need for employment land particularly to serve the storage and distribution sector, within the sub-region taking in North Warwickshire and is now included within the new adopted Local Plan. Policy LP6 is entitled Additional Employment Land and reads: -

> *"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; and,*
>
> *iii) it is otherwise acceptable, taking account of the living conditions of those nearby."*

1.5. In addition, MM40 added a paragraph of explanatory text. This paragraph (paragraph 7.55) of the adopted Local Plan reads: -

> *"Area A encompasses land covered by the Strategic Gap, designated Green Belt, and land which is not in Categories 1, 2, 3 or 4 of plan policy LP2. This policy does not automatically override other policies, but recognises that there are particular locational requirements specific to certain employment uses and economic benefits to addressing needs in these locations. As such, any weight*

accorded to proposed employment provisions by virtue of this policy will be considered in the context of the policies in the plan as a whole in arriving at a balanced assessment."

1.6. The Applicant, Hodgetts Estates, argued consistently through the review of the now adopted Local Plan that the Borough Council should identify a quantum and quality of Employment Land that meets fully the overall needs of its area, including the wider need for large sites, and make further allocations accordingly (i.e. beyond those listed by Policy LP40). However, in the absence of new allocations being identified, Hodgetts Estates supported in principle this new policy, and made representations through their planning agents, WSP, to that effect during the latter stages of the plan-making process, albeit suggesting some minor points of clarification.

Purpose

1.7. Within this context, this Statement seeks to demonstrates that there is immediate demand and a clear need for new strategic employment development land in this area. In addition, it will seek to show that no other consented or allocated sites in the Borough can accommodate the development proposals and that there is a general lack of choice of strategic sites in the wider area, relative to demand.

1.8. Particular consideration is given to the Big Box sector. This sector of the market is a specific segment to the overall employment market and is different to traditional forms of industrial development. It generally caters for logistics, although not exclusively, with units greater than 9,290 sq. m (100,000 sq. ft) and often accommodating national or regional hubs, leading to inward investment.

Scope

1.9. Section 2 addresses the need for strategic employment sites and provides a wider context for Sections 3 and 4, which consider the demand and supply respectively for Big Box development.

1.10. Section 2 considers both policy and evidence for the need for employment land. This is undertaken at a national, regional, sub-regional and local level. It provides substantial evidence of a continuing and longstanding shortfall between the need for strategic employment land and its supply, particularly along the M42 corridor (which takes in much of Area A as referred to by Policy LP6).

1.11. It is to be noted that Area A is a reference to the M42 corridor in the West Midlands Strategic Employment Sites Study of 2015. The successor Study – The West Midlands Strategic Employment Sites Study of 2021 – refers to the M42 corridor as Area 2. Both studies are considered in greater detail below in Section 2.

1.12. Section 3 of this Statement addresses the demand for Big Box development land. It considers: -

- National trends.
- Key market drivers, such as e-commerce.
- The impact of the COVID-19 pandemic and Brexit.
- Regional market trends, with reference to the Golden Triangle.
- Sub-regional trends, with reference to Area A/Area 2.

1.13. Section 4 considers supply. This includes: -

- An overview of the longstanding shortfall of development land and the effect on market signals (e.g. land values).
- Supply of sites within the Golden Triangle.
- Supply of sites within Area A/Area 2.
- Supply of sites within North Warwickshire.

1.14. Section 5 considers the ability of the application site (the Site), and the development proposals, to meet both the need and demand for sites. Consideration is given to the principal requirements for Big Box development land and the principal attributes of the Site.

1.15. Section 6 provides a summary and draws conclusions.

1.16. This Statement has been produced in parallel with a report produced by Nicol Economics, which looks specifically at the need for employment land and the socio-economic benefits of the proposals.

1.17. A number of the reports and studies referred to, particularly in Section 2, may make reference to Use Class B1. This is because these reports were written prior to September 2020, when charges were made to the Use Classes Order creating a new Class E(g) to cover offices, R&D and light industrial.

JLL

1.18. JLL is the biggest commercial property agent serving the UK, with offices throughout the UK, including Birmingham, Nottingham and London. It is a multi-disciplinary practice, which is particularly well known for its expertise and experience with industrial, distribution and office property. It produces a quarterly research report entitled UK Big Box Industrial and Logistics Market. It also produces an annual report that tracks market sentiment on the demand and supply of industrial floor space throughout the UK.

1.19. JLL is an active agent in the sub-region in terms of employment property and land. Current and recent Big Box instructions in the M42 corridor include: -

- Prologis Park, Hams Hall, Junction 9, M42 for Prologis.
- Core 42, Junction 10, M42, For Hodgetts Estates.
- ACE 135, Relay Park, Tamworth for Opus Land and Aberdeen Standard.
- Radial Park, Birmingham Business Park, Solihull for IPIF and Canmoor.
- Zorro, Junction 13, A42 for Canmoor.

1.20. The author of this report was involved in the collation of market data and evidence to support the findings of the West Midlands Strategic Employment Sites Study produced jointly by Peter Brett Associates and JLL on behalf of the West Midlands Local Authority Chief Executives, published in September 2015. In addition, the author has provided evidence that was quoted extensively by the West Midlands Combined Authority Land Commission Report of February 2017. Both of these reports are referred to in greater detail in Section 2. The author is also a member of the Coventry and Warwickshire LEP Planning and Housing Business Group – a group of both public and private sector individuals who meet on a regular basis to discuss current planning and economic policy and evidence, particularly employment land need and supply.

2. Need for Strategic Employment Sites

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

National

2.2. The **National Planning Policy Framework (NPPF)** has been revised 3 times since it was first published in 2012. The revisions took place in July 2018, February 2019 and July 2021.

2.3. The revised NPPF contains only five paragraphs on the economy. Paragraph 81 introduces Section 6 – Building a strong, competitive economy. It reads: -

> *"**Planning** policies and **decisions should help create the conditions in which business can invest, expand and adjust. 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]

2.4. Whilst the NPPF provides only limited guidance on employment land, it does include specific and helpful advice concerning the logistics sector. This advice was added by revisions to the NPPF made in February 2019. Paragraph 82 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].

2.5. Under the heading of "Making effective use of land", the NPPF advises that planning policies and decisions should reflect changes in the demand for land (Paragraph 120). In addition, it urges local planning authorities to take a positive approach to applications proposing an alternative use of land to meet identified development needs (Paragraph 121).

2.6. In February 2019, Central Government updated also the **Planning Practice Guidance (PPG)** on economic need. It provides advice to local planning authorities on how to determine the type of employment land that is needed, how to prepare and maintain evidence for economic uses, and how employment land requirements can be derived. Reference is made in Paragraph 2a-027 to analysis based on past take up of employment land to develop an idea of future needs, as well as employment of labour demand and supply models.

2.7. The advice contained in the PPG emphasises the importance of understanding existing business needs and consulting with the business community to understand current and potential future requirements. Reference is made to the assessment of market demand and market signals, so as to identify "gaps" in employment land provision for different market sectors on both a quantitative and qualitative basis.

2.8. Paragraph 2a – 029 stresses the importance of considering land take-up and projections (based on past trends) and to identify instances where sites have been developed for specialist economic uses. It states further that analysing supply and demand will enable policy makers to identify mismatches between the quantitative and qualitative supply and demand of employment sites.

2.9. Specific advice is provided on how local planning authorities can assess the need and allocate space for logistics (Paragraph 2a-031). This acknowledges: -

- the critical role the logistics industry plays in enabling an efficient, sustainable and effective supply of goods for consumers and businesses;
- its contribution to local employment opportunities; and
- its distinct locational requirements (compared to general industrial land).

2.10. With the latter, it notes that strategic facilities serving national and 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.

2.11. The revisions to the NPPF and PPG, to recognise to a greater extent the need and operational requirements for large scale logistics, was supported by the production of two studies in 2019. These were: -

- What Warehousing Where? March 2019
- Better Delivery: The Challenge for Freight, April 2019

2.12. **What Warehousing Where?** was produced by consultants Turley for the British Property Federation (BFP). Its principal purpose was to examine and understand better the relationship between the growth of new homes and warehousing.

2.13. It established a clear link between the growth of new homes and the need for additional warehouse space, with presently 69 sq. ft of warehouse floor space for every home in England. It projected an additional annual need of 21 million sq. ft of warehousing to match the Government's annual target of 300,000 new homes.

2.14. However, it cautioned that the need for 21 million sq. ft per annum reflected only historic trends. It noted that the ratio is not static and would likely grow as a response to different trends, such as the growth of e-commerce. This would actively increase the annual need to greater than 21 million sq. ft of additional floor space. This has been borne out by the increased take up of warehouse units by e-commerce associated companies as a response to the COVID-19 pandemic lockdown. This is considered further in the next section.

2.15. The report also identified regional variations in the ratio. Specifically, it established that regions which play a predominately national logistics roles, such as the West and East Midlands, have ratios above 100 sq. ft per home. This will lead to a greater proportionate need for additional floor space in these two regions, particularly in the Golden Triangle.

2.16. The BFP has since made other statements on the logistics sector, with specific reference to its rapid growth over recent years, and particularly since the start of the Covid-19 pandemic, due to structural changes to retailing and e-commerce. This phenomenon is addressed in greater detail in Section 3 of this report.

2.17. **Better Delivery: The Challenge for Freight** was produced by the National Infrastructure Commission, by invitation from the Government, to advise on how to ensure an efficient low carbon freight system. Its central finding was that it is possible to decarbonise road and rail freight by 2050 through adoption of new technologies and recognition of freight's need by the planning system.

2.18. With regards to the latter, it considered that freight is a forgotten element of spatial planning. The result being a freight system having insufficient or sub-optimal located space from which to run efficient and low congestion operations.

2.19. It concluded that better planning was required to enable optimisation. Specifically, it considered that the availability of land for freight distribution centres is crucial for the efficient operation of the sector and will be even more important in future.

2.20. It recommended that the Government should produce new planning practice guidance on freight for strategic policy making authorities. This guidance should give further detail on relevant considerations. Specific reference was 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.

Regional

2.21. This sub-section summarises relevant evidence commissioned and gathered by local authorities (often working together) which refers to employment land need, particularly for logistics, from a regional perspective. Unfortunately, very little of this evidence has been acted upon by local authorities, such as North Warwickshire, as there is no strategic imperative to do so. This does not mean that the studies are irrelevant. They are all intended to inform the plan-making and decision-making process and their recommendations remain outstanding. In addition, they provide another layer of evidence of the longstanding and unmet need for employment land and are consistent with the broad conclusions and recommendations of the studies produced at a sub-regional level (see below for details).

2.22. Further evidence of their relevance is referenced to them by the Examiner's Report to the West Midlands Interchange proposals for a strategic rail freight interchange at Four Ashes, Staffordshire, which received a Development Consent Order in May 2020. Need was an issue under examination as the proposals were located in the Green Belt. Under the heading of Need for the Proposed Development, specific reference was drawn to: -

- Stage 2 Regional Logistics Study Update, May 2009.
- RSS Panel Report, September 2009.
- Black Country and Southern Staffordshire Regional Logistics Site Study, April 2013.

- West Midlands Strategic Employment Sites Study, September 2015.

2.23. These are considered in turn.

2.24. **The Stage 2 Regional Logistics Study Update** was prepared for the West Midlands Employment Land Advisory Group by MDS Transmodal and Savills. Its principal remit was to identify the likely quantum of land required to serve regional logistics sites. It recommended a gross land requirement of between 307 hectares and 340 hectares to serve new large-scale warehousing (assumed to be units greater than 25,000 sq. m) in the period to 2026.

2.25. In terms of supply, the Study Update identified only circa 25 hectares of consented land available at existing rail served regional logistics sites. This left a shortfall of between 282 hectares and 430 hectares for the period to 2026.

2.26. The Study Update identified three key locations for distribution space. These were: -

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

2.27. **The RSS Panel Report** endorsed largely the findings of the Study Update. It identified a net minimum requirement of 200 to 250 hectares of land at rail served regional logistics sites and at least four additional regional logistics sites.

2.28. In addition, the Panel Report considered that regional logistics sites should be well served so as to promote sustainable transport. However, it recognised that full provision of a single site may not be necessary or realistic. In such cases, it considered that the closer any satellite or related warehousing or industry can be to an intermodal terminal the better (Paragraph 5.25).

2.29. Specific reference was made by the Panel Report to Birch Coppice (then at a relatively early stage of its development). It advocated the realisation of the full potential of this intermodal terminal, as well as the one at Hams Hall (Paragraph 5.26).

2.30. The Examiner's Report to the West Midlands Interchange proposals accepted that there was a longstanding need for regional logistics facilities at a regional, sub-regional and local level to serve the needs of the Black Country and South Staffordshire, with this need helping to overcome the release of the West Midlands Interchange site from the Green Belt. In coming to this conclusion, the Examiner's Report made some interesting observations: -

- Of the minimum 200 – 250 hectares requirement recommended by the RSS Panel, only 54 hectares of rail served regional logistics sites had been brought forward in the period to 2018 and no new rail served regional logistics sites/strategic rail freight interchanges have been developed.
- Over the same period, the take up of very large warehouses (over 25,000 sq. m) had exceeded the level of demand envisaged by the 2009 Update, with the large majority in locations which have no rail access.
- Given past take up, the remaining balance of the original 200 to 250 hectares requirement to 2026 should be required as an absolute minimum indication of the current requirement.

- Strong market demand and severe shortage in the supply of buildings and sites for large warehouses within the West Midlands Interchange market area (Paragraph 5.3.69 of the Examiner's Report).

2.31. **The Black Country and Southern Staffordshire Regional Logistics Site Study** was prepared for the four Black Country planning authorities, Staffordshire County Council, a number of Staffordshire local planning authorities and CENTRO. The authors of the report were URS Scott Wilson, the Logistics Business and CBRE. The principal purpose of the study was to consider the need for regional logistics provision or a regional logistics site to serve the Black Country and Southern Staffordshire and, based on findings, make recommendations for a suitable location. This was a direct response to the recommendation of the Panel Report to the Regional Spatial Strategy Review, referred to above.

2.32. The Study concluded that there was a need for a regional logistics site facility that can serve the Black Country and Southern Staffordshire. However, this was only insofar as this area formed part of the West Midlands, taken as a whole. Essentially, it concluded that it would be impractical to separate the needs of the Black Country from those of the wider West Midlands.

2.33. The Study concluded also that the findings of the Regional Logistics Study Update 2009 and the RSS Panel Report 2009 remained valid for several reasons. The Study supported the view that there was a continuing need and demand for regional logistics space and endorsed the overall requirement to find 200 to 250 hectares of new land at rail served regional logistics sites as previously identified by the RSS Phase 2 Panel Report. In addition, it noted that no new regional logistics sites have been brought forward other than the expansion of Birch Coppice.

2.34. The Study noted further that although there was a number of large scale distribution sites in and adjacent to the Midlands being brought forward (e.g. DIRFT), the logistics property review undertaken found that there was only limited current or planned supply of large scale distribution floor space. Overall, it considered that there was a mismatch between demand and supply in the West Midlands.

2.35. **The West Midlands Strategic Employment Sites Study** (2015) was commissioned by the West Midlands Local Authority Chief Executives and produced by PBA and JLL. Its principal purpose was to consider objectively the continued relevance of promoting strategic employment sites of the scale and nature set out in the former West Midlands Regional Spatial Strategy and assess demand against identified provision (i.e. supply).

2.36. This study provided direct evidence 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.

2.37. The review of the market highlighted a significant scale of demand. It demonstrated also that this had eroded the supply of large units (considered to be greater than 10,000 sq. m) to a critical level, with vacancy rates in the UK at only 5% as of December 2014 and only 1% in the West Midlands.

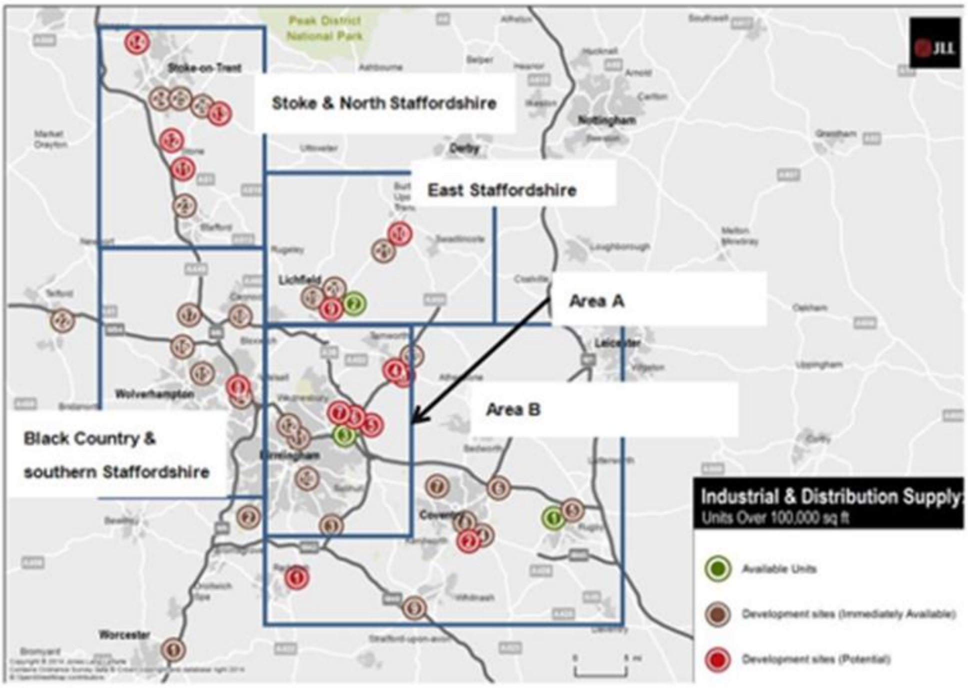
2.38. Analysis of take up of large units in the West Midlands illustrated that the market was driven by both manufacturing and distribution, with a clear distinction between the West and East Midlands, with the latter at only 6% manufacturing compared to 35% for the West Midlands. This resulted in both Class B2 and B8 uses at major employment developments.

2.39. The Study provided an analysis of take up by sub-region. This identified Coventry and Warwickshire as the dominant sub-region over recent years (with 39% of all recorded take up).

2.40. The report 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 hectares)) 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.

2.41. These market areas assessed were depicted on Figures 4.10 and 4.11 of the Study (see Figure 4.11 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 4.11 Immediate and potential industrial land supply, West Midlands, end 2014



Source: JLL

2.42. Areas A and B were recorded to have the most activity, accounting for 33% and 26% of all floor space taken up. 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 LP6a, 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.

2.43. With regards to potential supply, Area A was recorded to have 12.1 years' 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 hectares (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 site has yet to be allocated and is not allocated in the draft Local Plan. The Study considered the real developable supply of land in Area A to be much shorter and, hence, the need much more pressing.

2.44. 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.

2.45. The former was considered to offer to: -

- logistics operators, the best travel times to the UK population, as well as access to multimodal facilities; and to
- manufacturers and their suppliers, proximity to the main automotive facilities.

2.46. This conclusion is clear and directly relevant to the consideration of strategic employment land in North Warwickshire. Strategic employment land is required, both quantitively and qualitatively, beyond the immediate supply referenced by the draft Local Plan, and there is a real shortage of immediate available development land in the general location of the Site.

2.47. The Study recommended that a Phase 2 Study or Studies should be commissioned to consider how such shortfalls be addressed. This included the commissioning of local studies to identify specific opportunities and assess policy implications.

2.48. A Stage 2 Study has been produced and published relatively recently (see below for details). However, prior to this, the **West Midlands Land Commission** produced a **Land Report** in February 2017. This report was produced to identify a means by which a stock of developable land, for both housing and employment sites, to accommodate the levels of growth outlined in the West Midlands Strategic Economic Plan (SEP). The SEP has ambitious goals. 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.

2.49. To accommodate the planned new jobs, the SEP anticipates that 1,600 hectares of land within the SEP area is required. 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.

2.50. A section of the report – headlined The Role of Strategic Sites for Employment Use – provided further evidence of the shortage of large strategic employment sites. This evidence suggested to the Commission that the shortfall in employment floor space in land was possibly more pressing than the well documented shortage of land for new homes. 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 hectares or more.

2.51. The Commission concluded that a credible pipeline of strategic employment sites in excess of 25 hectares was a pre-requisite for future growth for the West Midlands. It added that this need was widely supported by evidence received by the Commission. It also recommended that a further study be undertaken of modern business requirements, including the urgent identification of modern logistics and just in time delivery for manufacturing plants.

2.52. The Commission recommended a number of actions to change and speeding 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.

2.53. Following the receipt of the Land Commission's Report, the WMCA produced a **Spatial Investment and Delivery Plan (SIDP)**. This was reported to the Housing and Land Delivery Board on 21 February 2019.

2.54. The SIDP contained a number of objectives. This included 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 (which included the M42 Corridor to the east of Birmingham).

2.55. Figure 10 of the SIDP identified Growth Corridors and Strategic Opportunity Areas in Local Plans. This identified the A5 Corridor as just such an opportunity. Appendix B provided justification. This included reference to: -

> *"There are also strategic employment opportunities along the corridor including Tamworth at the A5/M42 junction."*

2.56. A second **West Midlands Strategic Employment Sites Study** was commissioned by Staffordshire County Council on behalf of the principal LEPs covering the West Midlands – i.e. Greater Birmingham and Solihull, Coventry and Warwickshire, the Black Country and Stoke-on-Trent and Staffordshire. It has been prepared by Avison Young and Arcadis and was finally published in May 2021.

2.57. The Study has taken a strategic approach to reviewing and assessing options for locating new strategic employment sites. A principal objective is 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 are capable of accommodating large scale development. For the Region to meet its potential, the Study advocates that a good quality of supply needs to be maintained and increased and recommends that a proactive approach is taken to identify a deliverable portfolio of sites.

2.58. The Study assesses 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 hectares. 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.

2.59. However, this is considered to be a maximum figure as a number of 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 one site –

the recently approved West Midlands Interchange in South Staffordshire – which is targeted at rail freight related development.

2.60. Based on this assessment, the Study concludes (in Paragraph7.25): -

> "……*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].

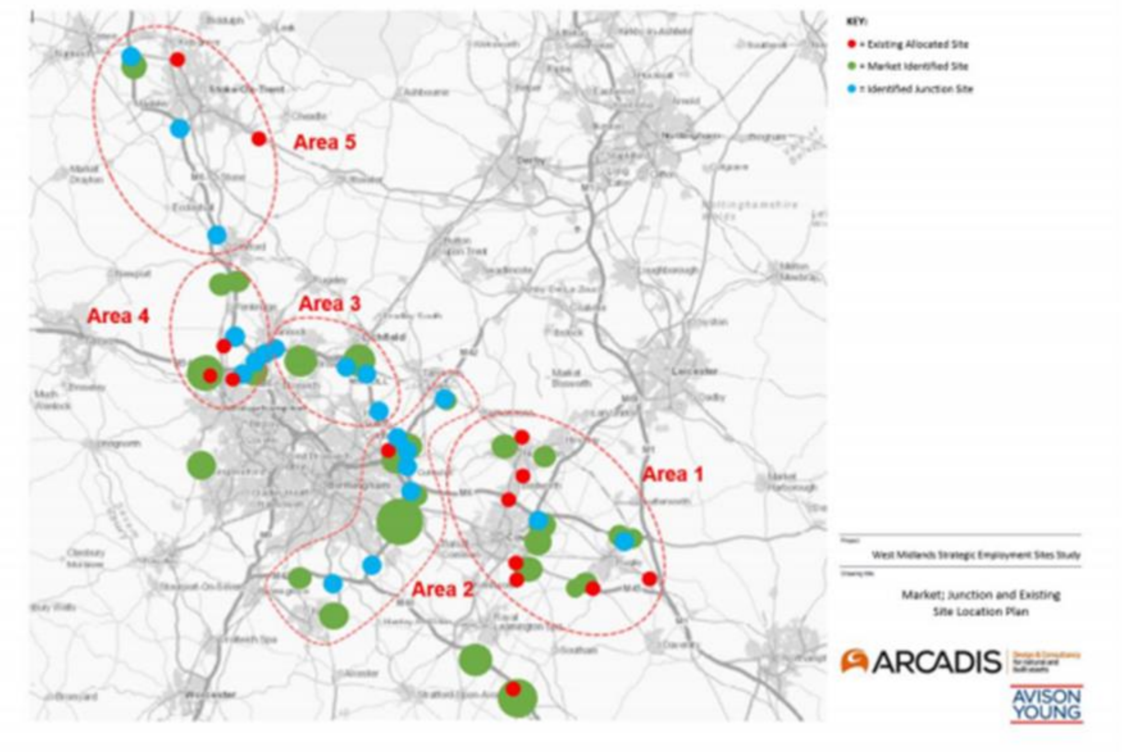
2.61. Consideration has been given by the Study to potential sites which could form part of any future deliverable pipeline. Principally, this was supported by a Call for Sites to developers and land promoters. The consultant team received responses providing details of 30 sites across the Region with a combined gross area of 2,370 hectares. At current take up rates these could potentially provide a further 20.69 years supply.

2.62. The location of these 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 south east of Tamworth.

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

2.63. The Study identifies 5 areas which it considers are the principal market locations. These are illustrated by Figure 6.4. This is also extracted and provided 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 6.4 – Market Locations for future Strategic Employment Sites (Source: Avison Young & Arcadis 2019)



2.64. Table 6.8 (and replicated by Table 7.1) provides a summary breakdown of supply, both existing and potential, by area and number of years. The latter is computed by applying the regional wide take up rate and does not apply sub-regional take up rates (unlike the earlier 2015 Study). This table is extracted and provided below.

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/committed 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**	

2.65. The M42 corridor has the lowest years' supply of existing sites – just 0.71 years – for the five key clusters/locations. In addition, this supply consists of just one site – Peddimore – which represents a very restricted choice or range of sites.

2.66. The supply of potential sites in the M42 corridor, at 905 hectares 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.

2.67. The Study considers that the total capacity of the potential sites, at 20.69 years, should be treated with caution for a number of reasons: -

- Not all the sites will be allocated in the future.
- A number of 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.

2.68. 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 7.41 years' supply of committed sites.
- Consideration of testing the level of demand that the sub-region should be seeking to meet, and the existing supply should be supplemented in the short term.

2.69. A particular issue is the number of developer-promoted sites which are located in the Green Belt. The majority of developer promoted sites (and other potential motorway junction sites) are within the Green Belt. This is particularly so in the M42 corridor. Of the 11 developer promoted sites, only one site lies outside the Green Belt. This is the Application Site.

2.70. The Study has undertaken a high level of site assessment of both developer-promoted sites and additional sites at motorway junctions. The criteria used to support this assessment are as follow: -

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

2.71. Scores are 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.

2.72. The scores for the developer permitted sites range from 11 to 19 and are set out in Table 6.3 of the Study. The application 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.

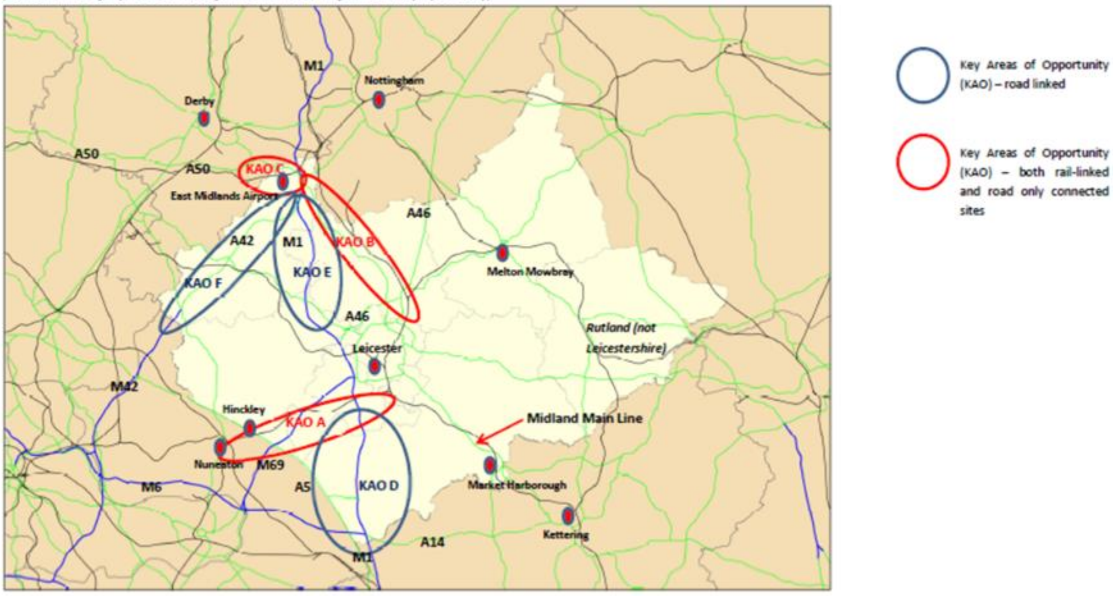
2.73. Finally, in the regional context, the **Leicester and Leicestershire Strategic Distribution Study** does hold some relevance given the strategic nature of the sector and that North Warwickshire abuts Leicestershire. This report was commissioned by the Leicestershire local planning authorities and LEP and produced by Savills and MDS Transmodal in November 2014. It was subsequently updated in 2017.

2.74. The principal objective of this study was to gain a better understanding of the distribution sector and objectively determine future need. It concluded that the continued development of new commercially attractive sites across Leicestershire was key to maintaining an established commercial advantage.

2.75. Part of the Study's role was to develop a strategy for the location of new sites, with a distinction drawn between rail-based sites and road-based sites. With the former, reference is made to where rail sites cannot be extended. In these circumstances, consideration should be given to satellite sites which meet the site selection criteria and could use the existing rail infrastructure at the core site.

2.76. The report identifies also "Key Areas of Opportunity" where individual sites commercially attractive to the logistics market might be located. Map 4.1 displays these areas, and this map is provided below: -

Map 4.1: Key Areas of Opportunity
(NB: Boundaries of key areas are not definitive and are shown for indicative purposes only)



2.77. These are considered the key areas where a strategy for growth should be allocating or permitting new sites. The report identifies three rail-based and three road-based Key Areas of Opportunity. One of the three road-based Key Areas for Opportunity is the A42/M42 corridor, with this extending into the West Midlands.

2.78. In April 2021, an update to this Study was published. It is entitled **Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change**. It was produced by GL Hearn and MDS Transmodal.

2.79. This Study identified a shortfall of land to 2041 for both rail and road based large warehouse sites. It also identified the same Areas of Opportunity as the previous Study, including the A42/M42 Corridor as a road linked opportunity.

2.80. The Study also provided criteria for the selection of sites for strategic warehousing. These are: -

- Good connections with the strategic highway network.
- Appropriately located relative to the markets to be served.
- Offers modal choice.
- Is sufficiently large and flexible.
- Is served from an electricity supply grid and the sufficient capacity.
- Is accessible to labour.
- Is located away from incompatible land uses.

Sub-Regional

2.81. Two Studies have been produced which assess directly the need for employment land and premises in Coventry and Warwickshire. These are: -

- Coventry and Warwickshire Employment Land Use Study, September 2015.
- Coventry and Warwickshire Sub-Regional Employment Market Signals Study, July 2019.

2.82. The **Coventry and Warwickshire Employment Land Use Study** was commissioned by the Coventry and Warwickshire LEP and produced by CBRE in August 2015. It was published by the LEP in September 2015. 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.

2.83. Like the West Midlands Strategic Employment Sites Study 2015, CBRE 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 by CBRE as being “acute” and the need to address it as “urgent”.

2.84. CBRE provided four different projections for future Employment Land need, based on sectorial, demographic and take up scenarios. CBRE concluded that the greatest weight should be given to market transactions (i.e. take up rates). This was 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. On this basis, CBRE recommended an appropriate range of between 500 and 660 hectares 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.

2.85. CBRE also addressed supply, both quantitatively and qualitatively. It identified 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 hectares.
- Secondary potential sites – 93 hectares.
- Potential new strategic sites – 162 hectares.

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

2.87. In any event, CBRE concluded that the 307 hectares 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. CBRE advised that this suggests 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.

2.88. In terms of timescale, CBRE 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. They concluded that the lack of suitable space was having a detrimental effect on the economic prospects of the LEP area.

2.89. The **Coventry and Warwickshire Sub-Regional Employment Market Signals Study** was 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. It was produced by consultants BBP Regeneration. Its purpose was to assess current and future demand for business for employment land and premises across the sub-region. The Study was more qualitative than the 2015 CBRE 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.

2.90. The Study identified clear evidence of existing and future demand for both industrial land and premises above and 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 million sq. ft per annum (Paragraph 9.25).

2.91. It was 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).

2.92. The conclusion to the Study referred to analysis of potential supply. This analysis revealed that the overall quantum of land was barely meeting the levels forecast in 2015 (CBRE Study) and that there were some significant gaps in certain Local Authority areas and in particular time periods (Paragraph 9.27).

2.93. 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 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

2.94. The Study noted that the overall total supply, at around 500 hectares, falls short of the target range highlighted by the CBRE Study (i.e. up to 660 hectares). 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).

2.95. The current land supply for North Warwickshire, and the wider market area, is considered in Section 4 of this Statement. However, it is interesting to note that North Warwickshire had only very limited availability beyond the immediate term, particularly for large floor space B2/B8 buildings. The 6.9 hectares (1-2 years) is the expansion land for Aldi at Atherstone, with the 42 hectares (5-10 years) representing the proposed southern extension to MIRA which is primarily aimed at research and development. The immediate supply (26.5 hectares) is covered by remaining development land at Hams Hall (18 hectares) and Core 42 (8.5 hectares), which have both been partially taken up (see Sections 3 and 4 of this Statement for further details).

2.96. The Study recommended that the levels of demand identified in the report suggested that a solution is to allocate significantly more land in order 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 more specific to the different sectors of the market. For example, B8 led developments should be promoted only in key transport corridors.

2.97. 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.

2.98. The **Planning and Housing Business Group of Coventry and Warwickshire LEP** regularly considers and discusses the supply of strategic employment sites. A paper entitled **Strategic Employment Land Supply 2021** - was tabled at a meeting of the Group on 25 February 2021. A copy of this report is produced in **Appendix 1**.

2.99. The report provides an updated schedule of employment land and grades it by its availability. The categories of availability are: -

- Oven ready – immediately available.
- Imminent – likely to be available in the next 12 months.
- Advanced allocations – timing dependant on infrastructure and demand.
- Other – may contribute to supply but constraints.

2.100. The analysis in Section 3 of the paper highlights very high completion/take-up rates with land consumption appearing to be well above that originally anticipated. Particular reference is drawn to large scale warehousing and distribution development, with buildings up to 1 million sq. ft becoming more common place. However, it notes also that growth and land consumption are not confined to just the logistics sector, with the sub-region seeing also large industrial/manufacturing developments (e.g. Meggitt taking 330,000 sq. ft at Ansty).

2.101. Paragraph 3.6 concludes the analysis, with reference to accommodation of inward investment enquiries. It reads: -

> *"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)

2.102. In addition to evidence of need directly from within the sub-region, there is indirect overspill need from adjoining areas. These include: -

- Birmingham
- Tamworth
- Coventry

2.103. **Birmingham** adjoins North Warwickshire to the south west and takes in Sutton Coldfield, Minworth, land to the west of Birmingham Airport and the M6 corridor from just west of the intersection of the M42 motorway. The balance between its need and supply of employment land is of obvious relevance.

2.104. The balance between employment land need and supply was considered at the examination of the Birmingham Development Plan and subsequently in the Inspector's Report (April 2016) prior to adoption in January 2017. This revealed that there was insufficient supply both in terms of the full plan period (2012-2031) and over the shorter term – five years.

2.105. The total shortfall over the plan period amounted to 221 hectares and a corresponding shortfall in Best Urban land of 140 hectares. In addition, there were shortfalls in the five-year reservoir for both Best Urban land (17 hectares) and Good Urban land (of 10 hectares).

2.106. These shortages justified the allocation of 71 hectares at Peddimore and the release of Green Belt land. However, this only reduced the total shortfall of employment land for the plan period to 150 hectares and the shortfall for Best Urban land to 69 hectares.

2.107. The remainder of this still substantial shortfall was justified by Birmingham City Council on the basis of much of the previous employment land development was achieved through the recycling of old employment land. The Council referred to 133 hectares being procured in this fashion over the previous ten years, although its own advisers, WECD, gave evidence to the examination that only 35 hectares was likely to come forward in the plan period through this source. The Inspector accepted this approach but noted that the present shortfall was a matter of concern (Paragraph 126) which would require careful monitoring and remedial action if the situation persisted.

2.108. The Inspector was careful to stress the importance of maintaining the supply of large high-quality sites. In Paragraph 109 of this report, he considered this to be essential if Birmingham was to meet locational requirements for future business investment and expansion. In addition, in Paragraph 115, he advised that restricting the availability land for economic development would be likely to have negative consequences not just in Birmingham but also over the wider region.

2.109. Finally, in the same paragraph (i.e. Paragraph 115), the Inspector made an interesting observation about whether any of the employment requirements should be taken on by other local planning authorities in Birmingham's Housing Market Area to complement any displaced housing. The Inspector considered that such an approach should not lead to any reduction in the employment land requirement for Birmingham but was at the discretion of other local planning authorities concerned.

2.110. The **Tamworth Local Plan** was adopted in February 2016, following an examination in June 2015. The plan period runs from 2006-2031.

2.111. The principal evidence on employment land need was provided by the Employment Land Report, produced for Tamworth Borough Council by Nathaniel Lichfield & Partners in December 2013. This provided six different projections for employment land needs, ranging from 25 hectares to 65 hectares. The latter corresponded with the previous take up of employment land in the Borough.

2.112. The Local Plan proposed a requirement of 32 hectares, being based on a projection of labour demand (i.e. closely aligned to housing growth). The Inspector considered this to be a cautious and appropriate approach, but only on the basis that was set as a minimum.

2.113. The Local Plan identified eight sites which could deliver the employment land requirement. However, these sites provided only a total of 18 hectares. This left a shortfall of at least 14 hectares that could not be delivered in Tamworth.

2.114. It was agreed, through the Duty to Co-operate, that the minimum 14 hectares would be accommodated within neighbouring authorities, North Warwickshire and Lichfield. Further details of how the overspill of 14 hectares would be split between North Warwickshire and Lichfield were provided in a Statement of Common Ground signed by Tamworth Borough Council, North Warwickshire Borough Council and Lichfield District Council in September 2018. This apportioned 8.5 hectares to North Warwickshire and 6.5 hectares to Lichfield.

2.115. The 8.5 hectares apportioned to North Warwickshire was considered initially to have been delivered by a planning permission directly to the south west of Junction 10, M42. However, this site is impacted upon directly by the safeguarding of HS2 Phase 2B. As such, land the other side of Junction 10, M42 (i.e. Tamworth Logistics Park) was considered to have replaced this site in contributing in full to the 8.5 hectares overspill need (Paragraph 4.13 of the Statement of Common Ground).

2.116. This is a clear indication from both North Warwickshire Borough Council and Tamworth Borough Council that this general location (i.e. around Junction 10, M42) is suitable for meeting the needs of any future overspill from Tamworth. In addition, there are few obvious locations to accommodate the pressure for employment land just outside Tamworth's boundaries but to serve Tamworth's needs. Most of the land surrounding Tamworth is constrained due to the Green Belt, accessibility to the strategic road network and other factors. No obvious options are contained within Lichfield District that borders Tamworth Borough to the north and west.

2.117. The supply of 18 hectares in Tamworth is dependent largely on the allocation of 10 hectares of employment land at Bitterscote South. This site is a longstanding site, identified by previous iterations of the Tamworth Local Plan, with development delivery issues. The site has planning permission, but this is conditional on a new access from the slip road of the A5. We understand that the design of this access no longer conforms with Highways England's design standards and discussions are ongoing between Highways England and the landowner on a revised design. In addition, no competent developer is involved. As such, the delivery of this site within the medium to short term (i.e. next 5 years) is unlikely, and there must be some uncertainty of its delivery even over the longer term (10 years).

2.118. As its Local Plan only runs to 2031, Tamworth Borough Council will need to review it in the next few years. We understand that it is likely that the Local Plan will be extended to 2041, requiring another ten years of growth to be identified and accommodated. Tamworth has very limited land capacity to accommodate either further housing or employment growth and, almost certainly, this will lead to additional overspill need for North Warwickshire.

2.119. The **Coventry Local Plan**, adopted in December 2017, identified a requirement of 369 hectares of employment land to cover the period from 2011-2031. However, only 128 hectares of this need could be met within Coventry, leaving an overspill need of 241 hectares for neighbouring local authorities to accommodate over and above their own needs.

2.120. 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 hectares):-

Nuneaton and Bedworth	26
Rugby	98
Warwick	117
Total	**241**

2.121. The 26 hectares was subsequently confirmed by allocations made by the Nuneaton and Bedworth Borough Local Plan (adopted June 2019). The 98 hectares for Rugby was backward looking and covered completions at Ansty Park and Ryton, whilst the 117 hectares for Warwick was represented by the then draft (but now adopted) allocation of Coventry and Warwickshire Gateway in the Warwick Local Plan.

2.122. 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 hectares to 15 hectares to North Warwickshire based on an indicative redistribution for commuting flows and housing growth.

2.123. 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 will place greater pressure on all neighbouring local authorities to take a more equal share of any overspill need from Coventry, including North Warwickshire.

Local

2.124. The need for employment land for North Warwickshire is set out by both an adopted Core Strategy and the recently adopted Local Plan. Whilst the Local Plan has just been adopted, the production of the Core Strategy and its associated evidence base do provide some useful pointers on need and demand for large employment buildings in this area and the longstanding nature of this need.

2.125. The **Core Strategy** was adopted in October 2014. The principal evidence base was the **Employment Land Review Update** produced for North Warwickshire Borough Council by GL Hearn in September 2013.

2.126. The Core Strategy identified a gross employment land requirement to meet local needs of a minimum of 60 hectares over the period from 2011-2029. Once completions, outstanding planning permissions (but excluding those at Hams Hall and Birch Coppice which were considered to cater for wider than local needs), and adopted Local Plan allocations were deducted, a remaining employment land requirement of at least 29 hectares was established.

2.127. Core Strategy Policy NW9 concerns the location of employment land. It states that employment land allocations will be directed towards settlements appropriate to their size and position of the settlement hierarchy of the Borough. The hierarchy is provided by Policy NW2. Category 1 refers to market towns outside of the Green Belt, with specific reference to Atherstone (with Mancetter) and Polesworth (with Dordon). It notes that it is expected that over the plan period more than 50% of the housing and employment land requirements will be provided in or adjacent to the market towns and their associated settlements.

2.128. The **Employment Land Review (ELR) Update** was commissioned by North Warwickshire Borough Council in summer 2013. This report's principal scope was to advise on the need for a local employment land requirement. However, the analysis and conclusions made an important distinction between the local requirement and what would be considered to be more regional. The latter was purposely not provided for in the employment land requirement of the Core Strategy (i.e. 60 hectares).

2.129. The ELR contained a number of references that illustrated the importance of the logistics sector to the local economy and job market (e.g. Paragraph 3.37). In addition, it accepted that this sector had enabled the local economy to make a successful transition from declining industries that previously had predominated, such as coal mining.

2.130. 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 provides a range of between 212 hectares and 410 hectares.

2.131. It was considered that the need for B8 warehouse and distribution land was the key driver for all employment land. It generated an overall need of between 190.8 hectares and 340.9 hectares, depending on the model used. This equated to between 83% and 90% of the total employment land required for the Borough.

2.132. However, the ELR considered that between 164 and 330 hectares, 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 Statement, 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.

2.133. Employing this assumption, the locally arising needs from the two models used ranged from 47.9 hectares to 96.3 hectares.

2.134. 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 hectares, of which 40 hectares was for B8 warehousing and distribution.

2.135. In essence, 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.

2.136. This modification imposed by the Inspector has been 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 West Midlands Strategic Employment Site Study 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 (see above), this process has simply not happened and the unmet need remains unaddressed.

2.137. 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 five years. This is set out in greater detail in the next section of this Statement.

2.138. 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 with the plan period extended to 2033.

2.139. The **adopted Local Plan** was submitted for examination in March 2018. In July 2021 the report of the Inspector was received by the Borough Council. The Inspector recommended a number of modifications to be incorporated to make the draft plan sound. The adopted Local Plan has included these modifications.

2.140. 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 large 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).

2.141. 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, which is aimed at research and development, which is considered will change the local market and provide opportunities to diversify the local economy (Paragraph 9.4).

2.142. 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 hectares of Employment Land (subject to Policy LP6a)". 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.

2.143. The justification to Policy LP5 refers to the 2013 ELR (paragraph 7.45) and subsequent updates (paragraph 7.46) (see below for further details). This refers to the baseline need of 60 hectares identified by the 2013 ELR and a total need of around 100 hectares to accommodate the full provision of projected housing growth (i.e. 9,600 houses).

2.144. Neither the wording of Policy LP5 nor its justification expresses that the projected need of 100 hectares is "local", as proposed by the Core Strategy. However, this is implied strongly by Paragraph 7.49. 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, North West 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.*"

2.145. The local need for a minimum of 100 hectares was derived by GL Hearn in an **Addendum** to its original Employment Land Review (2013), published in April 2016, and a subsequent **Update** in September 2017.

2.146. 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.

2.147. 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 hectares and 91 hectares 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 hectares. The 100 hectares was disaggregated by Use Class as follows: -

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

2.148. The Addendum provided also 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."*

2.149. 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."*

2.150. 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 hectares 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 as 2031, then the need for employment in the Borough would be 538 hectares.

2.151. However, GL Hearn removed large scale developments (Birch Coppice and the former Baddersley 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 hectares. 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 hectares** of employment land in the Borough to meet local needs."* [Our emphasis].

2.152. It is clear from this analysis that no attempt by North Warwickshire has been made to expressly identify and accommodate wider than "local" needs. This is evidenced by the approach of GL Hearn and its

Addendum (as referred to above) and the justification provided by Paragraph 7.49 of the Local Plan. In addition, whilst seeking to accommodate a much greater level of housing, the actual provision of employment land (100 hectares) will be less than required to equal the existing development rate of "local" needs of 110 hectares. Finally, the requirement for Tamworth overspill (8.5 hectares) is not expressly added, but instead absorbed within the wider requirement from Greater Birmingham. For these reasons, it would seem clear that the need for employment land for North Warwickshire remains significantly underestimated.

2.153. The Inspector accepted this position in this report, 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 had to address in order to be consistent with the NPFF (2012) and concluded that Policy LP6a (is proposed to be modified, but Policy LP6 in the adopted version) would provide just such a basis.

2.154. Table 8 of the Local Plan provides a snapshot of supply of employment land in the Borough, albeit as at April 2019. This table is extracted and provided below.

	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

2.155. 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 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 April 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 the report.

2.156. Specifically, detailed consideration is given in Section 4 of this Statement on the supply of sites in the Borough, particularly their suitability for large scale Big Box development. However, a couple of 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 over 20 hectares per annum.
- The remaining committed supply of land (permissions and allocations) provided 126 hectares as at April 2019.
- This equates to 6.3 hectares? of land supply assuming take up rates continue at their current rate (i.e. circa 20 hectares per annum).

2.157. This is clearly insufficient in quantitative terms to providing a land supply which will last until the end of the plan period – i.e. another 14 years away. However, there is an even bigger disconnect between demand and supply if a qualitative assessment is undertaken. The ELR Addendum (2016) and subsequent Update (2017) identified that the vast majority of take up was for B8. This has been corroborated by the assessment of completions in shared evidence presented to the examination (AD52B) as being approximately 19 hectares per annum. This document is provided in **Appendix 2**.

2.158. A limited number of the larger sites with planning permission and/or allocated are promoted for B8 uses. These are summarised in Table 1 below using the Borough Council's figures in AD52B.

Table 1: Sites with Planning Permission and/or Allocated for B8 Use

Site	Status	Site Area (Hectares)
Hockley Park, Dosthill	Outline planning permission and under construction.	6.76
Phase 3, Birch Coppice (Hall End Farm)	Outline planning permission.	9.63
Hams Hall Power Station B	Under construction in part.	20
South East of Junction 10, M42 (Tamworth Logistics Park)	Under construction.	25
Holly Lane, Atherstone	Proposal E1.	6.6
West of Birch Coppice	Proposal E2.	5.1
Total		**73.09**

2.159. If we assume an annual take up rate for large B8 to be 19 hectares per annum, then the supply of sites which can provide large B8 units falls to 3.8 years

2.160. This analysis assumes that the entirety of the St Modwen development either side of Junction 10, M42 should count as forming part of North Warwickshire supply. As referred to above, when considering overspill need from Tamworth, this is not the case. The Statement of Common Ground signed by Tamworth Borough Council, North Warwickshire Borough Council and Lichfield District Council states that 8.5 hectares of this overspill should be assigned to Tamworth Logistics Park, which is located south east of Junction 10. The St Modwen development south west of Junction 10 (8.46 hectares) was ruled out as it is blighted by HS2.

Summary

2.161. The need for new strategic employment development land, particularly for large scale logistics, is well established at a national, regional, and sub-regional level. This Statement refers to many of these policy documents and associated studies which point to the different characteristics of large-scale logistics and the importance of planning effectively to ensure a continuous pipeline of sites to meet the needs of this increasingly important sector of the economy.

2.162. The policy documents and associated studies we refer to include: -

- NPPF (as revised)
- PPG (as revised)
- What Warehousing Where?
- Better Delivery: The Challenge for Freight
- Stage 2 Regional Logistics Study Update
- Regional Spatial Strategy Panel Report
- Black Country and Southern Staffordshire Regional Logistics Sites Study
- West Midlands Strategic Employment Sites Study
- West Midlands Land Commission Land Report
- WMCA Spatial Investment and Delivery Plan
- West Midlands Strategic Employment Sites Study, Stage 2
- Leicester and Leicestershire Strategic Distribution Study
- Coventry and Warwickshire Employment Land Use Study
- Coventry and Warwickshire Sub Regional Market Signals Study.
- Report to Coventry and Warwickshire LEP Planning and Housing Business Group on Strategic Employment Land Supply.

2.163. These documents share a number of important themes, as follows: -

- The growing importance of the freight and logistics sector, the sector's particular operational requirements, and how these differ from traditional industrial land, especially with reference to location and scale.
- The imbalance between demand and supply for large strategic sites, particularly in logistic hotspots such as Area A/Area 2.
- The pressing and urgent need to identify and bring forward new sites in this area to replenish the existing and established sites which are complete or close to completion.

2.164. In addition, at a sub-regional level, it is acknowledged from the Local Plan process that Birmingham, Coventry and Tamworth do not contain sufficient urban capacity to accommodate their own development land needs for employment land. Instead, they must rely on neighbouring local planning authorities to help them meet their needs. Tamworth has agreed with North Warwickshire Borough Council that 8.5 hectares of its minimum shortfall will be located in North Warwickshire.

2.165. At a local level, the North Warwickshire Local Plan's principal evidence base is the 2013 Employment Land Review Update produced by G L Hearn. This study identified a need of between 190 hectares and 340 hectares for the Borough, based on labour demand and completions models respectively. Subsequently, in an Addendum to the Employment Land Review Update (April 2016), G L Hearn identified the need for employment land in the Borough would be 538 hectares (to 2031) based on past completions.

2.166. The Borough Council does not plan to accommodate this scale of need through defined allocations. Instead, it seeks to accommodate only 'locally' arising need, based on an updated labour supply model. For the purposes of the current draft Local Plan, the local derived need is 100 hectares, of which 81 hectares is for B8 development.

2.167. This overall approach (i.e. of just planning for 'local' need) was accepted by the Inspector to the 2014 adopted Core Strategy, but only on the basis that the Core Strategy contained a clause requiring its review if further evidence produced at a regional level indicated a need to increase the provision. The Inspector concluded that the Employment Land Review Update identified a significant requirement for additional land for logistics use – a requirement that the Core Strategy did nothing at all to meet – and that taking a more positive approach to this unmet need would not conflict with the Council's aim to diversify its economy.

2.168. The Inspector for the recently adopted Local Plan has taken a similar position. He has concluded that, whilst there is no clear evidence as to what level of wider than local need should be delivered in the Borough, there is a clear requirement for the Local Plan to address this issue – hence, the incorporation of Policy LP6a as a Main Modification (Policy LP6 in the adopted version).

2.169. Since the Core Strategy was adopted, the West Midlands Strategic Employment Sites Study (Stage 1) has been published. This clearly signposts an imbalance of demand over supply in this area (i.e. Area A). This finding has been corroborated by other subsequent sub-regional studies and the Stage 2 West Midlands Strategic Employment Sites Study. The latter was published in May 2021 and was not considered as part of the evidence base to the Draft Local Plan. This Study concludes that there is a limited supply of available land and an urgent need for additional sites to be bought forward. It also identifies the M42 Corridor (Area 2) as the prime market facing location for strategic employment sites in the West Midlands and with the shortest supply in terms of available land as a factor of take-up (i.e. only 0.71 years).

2.170. The essential position is that a substantial need for large scale employment land, particularly for big box logistics, for this area has been identified by a number of studies. These include those commissioned by the Council for the purposes of collating evidence to support its development plan making process. The Borough Council 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 draft Local Plan are 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 hectares). Nevertheless, this does not diminish the scale and urgency of the need to find new sites in this area (i.e. Area A/Area 2) in order 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.

3. Demand for Employment Land for Big Box Development

Introduction

3.1. What is the Big Box market? And how is it different to the wider market for industrial, distribution and trade premises?

3.2. The Big Box market is a specific segment to the overall employment market. It has a number of characteristics as follows: -

- Built premises over 9,290 sq. m (100,000 sq. ft), but often much larger (up to 92,900 sq. m (1 million sq. ft)).
- Generally catering for the logistics sector, but not exclusively, with the manufacturing sector an important element, particularly in the West Midlands.
- Often accommodating a national or regional hub in a wider network for an international or national company.
- Usually requiring new or modern premises with high build standards (e.g. high eaves height).
- Location is frequently all important, particularly motorway or trunk road access, but also increasingly the availability of labour has come to the fore.
- Procurement of the units, due to the size of the premises, are often on a build to suit basis, which requires large, serviced plots of development land.

3.3. These characteristics are discussed in greater detail in the remaining sections of this statement, particularly as they apply to the proposed development. However, it is worth noting at this stage, that because of these characteristics, Big Box occupiers can often be footloose and, if attracted, result in inward investment.

3.4. The market for Big Boxes is very distinct to traditional patterns of industrial development, whether they be long established, large manufacturing plants or institutional standard industrial or trading estates. The former is often an accident of industry, located in dense residential areas and no longer suitable for modern 24/7 industrial and logistics practices. The latter is a local resource (as opposed to the national or regional draw of Big Boxes) and tends to be embedded to a much greater extent in the towns or markets that they serve.

3.5. Over the last 10 years, and certainly, since the recession of 2009 – 2012, the Big Box market has been easily the dominant driver of development of new industrial and warehouse floorspace, 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). This trend has been exaggerated in the logistics hotspots such as the Midlands.

National Market Trends

3.6. JLL produces a number of research summaries of the industrial and distribution market. This includes the UK Big Box Industrial and Logistics Market, which is produced on an annual basis with quarterly updates. It provides a comparison of market signals for industrial and distribution units over 9,290 sqm (100,000 sq.

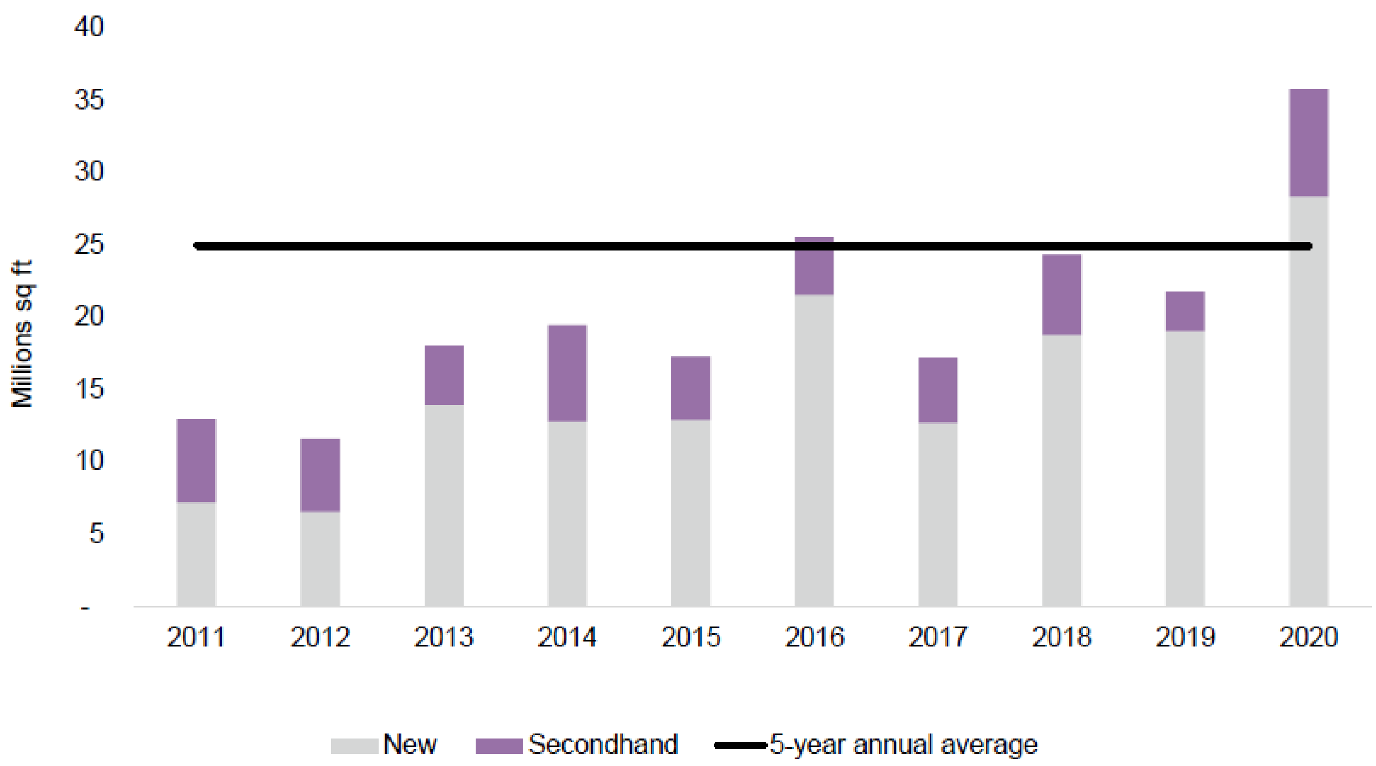
ft) in the UK. The most recent annual summary was published in January 2021. It is provided in **Appendix 3**.

3.7. The key take-aways from this research report are as follows: -

- Occupier take-up in 2020 for big box units (i.e. 100,000 sq. ft plus) was 35.8 million sq. ft (3.3 million sq. m).
- This was 64% up on 2019 and 43% higher than the five-year annual average.
- A further 3.6 million sq. ft (330,000 sq. m) of Grade A floor space was taken up on short term leases (i.e. less than 12 months).
- Almost two thirds of the floor space was taken up in the second half of the year, with companies seeking to bolster their network capacity to meet the explosion in online shopping (see next section for further details).
- 79% of the total floor space (i.e. 28.3 million sq. ft (2.6 million sq. m)) of take-up was for new space.
- Of the 28.3 million sq. ft (2.6 million sq. m) of new space occupied, 9.7 million sq. ft (900,000 sq. m) was speculatively developed - a significant increase compared to the previous three years.
- Just under 60% of the 6.9 million sq. ft (640,000 sq. m) of speculatively developed floor space completed in 2020 had already been let or placed under offer by the year end.
- The average size of unit taken up in 2020 was 378,000 sq. ft – a large increase on the 10-year average of 300,000 sq. ft.
- Availability of Grade A floor space decreased by 15% over the course of 2020.
- Despite the increased level of speculative development of new space, the vacancy rate of big box Grade A space fell to 7% of total stock across the UK.
- Headline rents grew 1% on an unweighted basis across 32 locations, with JLL forecasting rents will grow by 0.8% in 2021.
- Investment volumes reached £7.5 billion in 2020 – 29% up on 2019 – with prime regional yields moving to an all-time low of 4.5%.

3.8. 2020 saw an unprecedented level of demand for big box logistics floorspace, recording the highest annual level of take-up on record. The strong level of demand for modern logistics floorspace during the COVID pandemic, and a global financial recession, illustrates the resilience of the logistics market. This period has demonstrated the importance of supply chains to keep countries moving and the continued structural changes that have taken place in the market with the growth of e-commerce consumer demand.

3.9. This snapshot also needs to be considered in context. The take-up in 2020 represents part of a longer trend, since 2012/2013, where demand has been high and outstripped supply. However, 2020 witnessed a quantum leap in demand. This is illustrated by the chart below, which depicts take-up for 2020 relative to the last decade.



3.10. The overall economic outlook at a national level remains uncertain because of the continuing restrictions imposed by the Covid-19 pandemic crisis, albeit the UK seems to be emerging ahead of many of its competitors because of its successful vaccination roll-out. Concerns have been raised also by some commentators about the consequences of trade restrictions and additional administration imposed by the Brexit withdrawal. This suggests that market conditions may be still challenging to the major corporates who occupy space and drive the logistics markets, albeit that this has not been evidenced by recent trends in demand.

3.11. Indeed, JLL's latest quarterly update on the Big Box Market (July 2021) shows that H1 2021 witnessed occupier activity for big box floorspace at even greater levels than 2020, which itself was a record year. Take-up in the UK for H1 exceeded 21 million ft^2, involved 70 units and was almost 60% higher than the 5-yearaverage.

3.12. Despite the economic uncertainty, the market fundamentals for this sector were very robust prior to March 2020, with demand outstripping supply. This is evidenced by other market signals such as rental growth and compressed yields.

3.13. In addition, there still remains strong positive structural drivers of demand (e.g. such as increasing e-commerce) and other potential consequences of Covid-19 and Brexit, which could have a positive impact on demand. These are considered in greater detail below.

Key Market Drivers

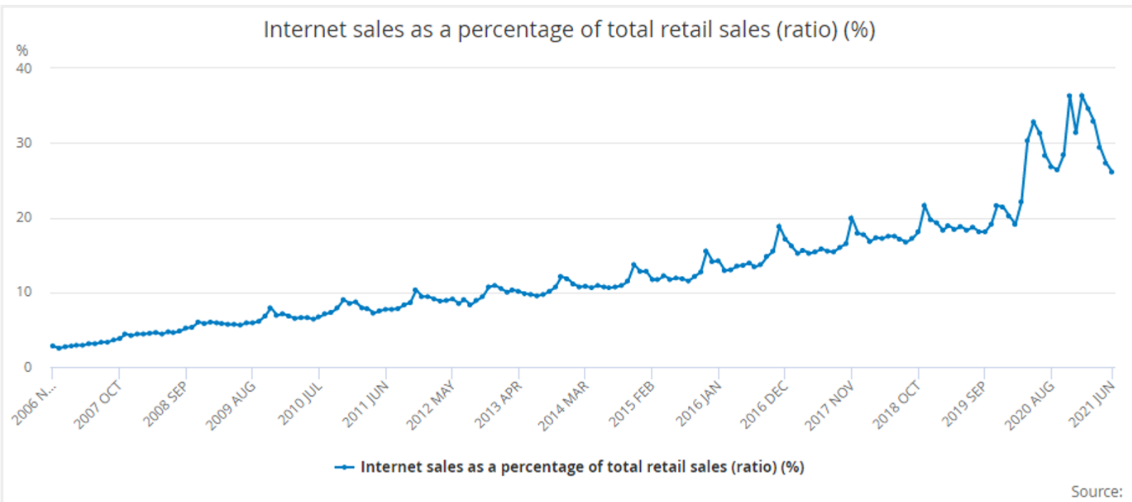
3.14. Overall demand for logistics space is driven not just by growth, but also by change. It is a very dynamic sector, and this is one of the key reasons why there has been strong demand over a long period of time. It also serves and links several key sectors of the economy – manufacturing, logistics and retailing.

3.15. The growth of online retail will continue to be a key driver of demand across a range of distribution facilities, both in terms of size and location. More people than ever are now online with 93% of all UK households having access to the internet (ONS). The public's desire for same day or next day delivery of purchased online goods will drive the demand for more parcel/postal facilities, and the local distribution depots that can serve the main conurbations.

3.16. In the last five years, JLL has identified retailers as the most active sector in terms of take up, representing between 37% and 58% of total market share respectively for these years. Amazon has been particularly acquisitive of national and regional distribution centres over this period, including taking 51,000 sq. m (550,000 sq. ft) at SEGRO's Logistics Park East Midlands Gateway, Castle Donington in 2018. More recently, Amazon had stated to take much larger units. In July 2021, Amazon agreed a lease for a new unit of 216,000 m^2 (2.33 million ft^2) at IM Properties' Peddimore scheme. This unit will be purpose built on 4 storeys.

3.17. Before the Covid-19 pandemic, retailing was undergoing huge structural change because of the different way that people and businesses source and buy goods (i.e. through the internet). Internet sales as a percentage of total retail sales continue to rise. By the end of 2019, online sales as a percentage of retail sales exceeded 20% (compared with just 5% over 10 years ago). This has had a direct impact on the Big Box market, with internet related take-up increasing steadily as a proportion of total take-up. In 2019, approximately 24% of all Grade A logistics take-up was for dedicated internet fulfilment.

3.18. The Covid-19 pandemic has been a profound political and economic shock. Its long-term effect on the country's economy has yet to be fully understood. However, certain clear trends have emerged. One of these is the acceleration in online shopping. The latest release of official data from the ONS (July 2021) shows a strong growth in online retail spending and in the share of total retail sales accounted for by online from February 2020 to June 2021. Over this 16-month period, the share of online sales as a proportion of retailing grew from 20% to 26%. This has decreased from a peak in January 2021, where 36% of all sales were online. A graph from the ONS represents the proportion of spend on online goods from November 2006 and is extracted and provided below.



3.19. Following the opening of non-essential shops earlier this year, it was to be expected that traditional forms of retailing would claw back some of the growth, particularly for non-food items. However, the general consensus amongst retailers, developers, investors, and industry commentators (including JLL) is that the pandemic has accelerated the long-term growth of e-commerce and this has already had a positive impact on demand for Big Box units. In 2020, JLL estimates that 42% of take-up of all Grade A floorspace was directly e-commerce related. This represents a jump from 25% from the last 3 years (i.e. 2017-2019).

3.20. Online grocery spending has seen a significant proportional spike in growth. The ONS data records found online food sales as a proportion of all food retailing, has almost doubled from 5.4% in February 2020 to 10.4% in September 2020. Of particular significance, is the growth of new online food shoppers. According to Nielson Home Scan Online FMCG, the number of UK households ordering food online grew from 4.8 million to 10.6 million from May 2019 to May 2020, with 6.5 million new online food shoppers since the pandemic started.

3.21. In addition, JLL considers the pandemic may hold two further implications for the Big Box sector. These are: -

- "Reshoring" and greater sourcing of goods and raw materials closer to the market at the point of consumption in order to reduce supply chain risk.
- Companies holding more buffer stock (inventory) to cover for elevated supply chain risks and uncertainties. Recent surveys suggest COVID 19 could lead to a 5% to 10% increase in inventory levels.

3.22. This position is likely to be compounded further by any consequences of Brexit, if this results in inbound UK supply chains becoming less productive or slower, due to border issues. This could lead to manufacturing companies holding more inventory or critical parts in the UK or to source more goods from the UK (e.g. increase the domestic content of their supply chain). We also anticipate a number of European businesses will look also to secure a logistics base in the UK to create more flexibility in their supply chains.

3.23. Ernest Young (EY)'s latest UK Attractiveness Survey - released on 19 November 2020 - identified new opportunities emerging with 32% of manufacturers planning to "re-shore" activity to the UK. This activity is due to disruption of global supply chains. Alison Key, EY's UK Investment Management 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 on-shoring. Covid-19 may actually stimulate investment activity in the manufacturing sector by accelerating technology adoption and supply chain re-design.*"

3.24. In the West Midlands, the manufacturing sector has been an important source of economic growth. This is particularly so with the automotive sector. JLR has invested hugely in the region, particularly over the last 7/8 years. This has included the 2 million sq. ft new engine plant at i54, in South Staffordshire, a battery production facility at Hams Hall (415,000 ft^2), a 1 million sq. ft Logistics Operating Centre at Solihull, and the 2.9 million ft^2 global aftermarket parts hub currently being built at Mercia Park at Jn 12, M42.

3.25. This investment, and corresponding improvements in the component supply network for JLR and other vehicular manufacturers, has translated into demand for large scale units. In 2017 and 2018, half of the deals for big boxes in the West Midlands involved a manufacturing company. More details of the prevalence of this sector are provided below.

3.26. These consequences are likely to have a positive effect on the demand for large industrial and warehouse accommodation, particularly at sites which have direct access to the country's motorway and trunk road network.

3.27. Overall, despite the current uncertain outlook to the national economy posed by the fall-out from the Covid-19 pandemic and Brexit, JLL remains confident that the positive dynamics of e-commerce, and the opportunities for re-shoring of industry, will continue to drive demand for new industrial and warehousing floorspace, both nationally and in the Midlands. At the beginning of 2021, JLL predicted 2021 would be another strong year of demand with a healthy level of active requirements already in the market and a number of buildings already taken or under offer. From the data on take-up for H1 2021, this has proved to be the case. 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

3.28. The Midlands accounted for 35% of all big box floorspace taken up in the UK in 2020. This is down slightly on previous years. Between 2017 to 2019, the share for the Midlands ranged from 46% to 54% of all take-up.

3.29. The Midlands has been the focus of continued and sustained transactional activity over recent years. This is due principally to its central location within the UK. At its heart lies the Golden Triangle.

3.30. The Golden Triangle describes the sweet spot for Big Box logistics in the UK. This area is generally defined by the M1, M6 and M42 motorway corridors and takes in Northampton, Leicester, Coventry and the eastern edge of the Birmingham Conurbation.

3.31. From this area, it is possible to reach a large proportion of the country's population within a 4.5-hour HGV drive time. This measure is used due to the regulations governing the time HGV drivers can spend at the wheel without taking a substantial break.

3.32. This reach makes the Golden Triangle uniquely suitable for national distribution centres. National distribution centres are often very large, often now greater than 500,000 sq. ft. In addition, the Golden Triangle is well connected to the major cities of both the East and West Midlands, including Birmingham, Derby and Nottingham. This makes the Golden Triangle suitable also for regional distribution centres.

3.33. JLL log all transactions of Big Boxes (i.e. over 100,000 sq. ft), both for new space and second hand, in the UK and have done so since 1996. We supplement this information with intelligence gained by agents in our Birmingham and Nottingham offices.

3.34. A schedule of the principal transactions for new space in the Golden Triangle over the last five complete calendar years (i.e. 2016 to 2020 inclusive) is provided in **Appendix 4**. Table 2 below analyses the activity by motorway/trunk road and location.

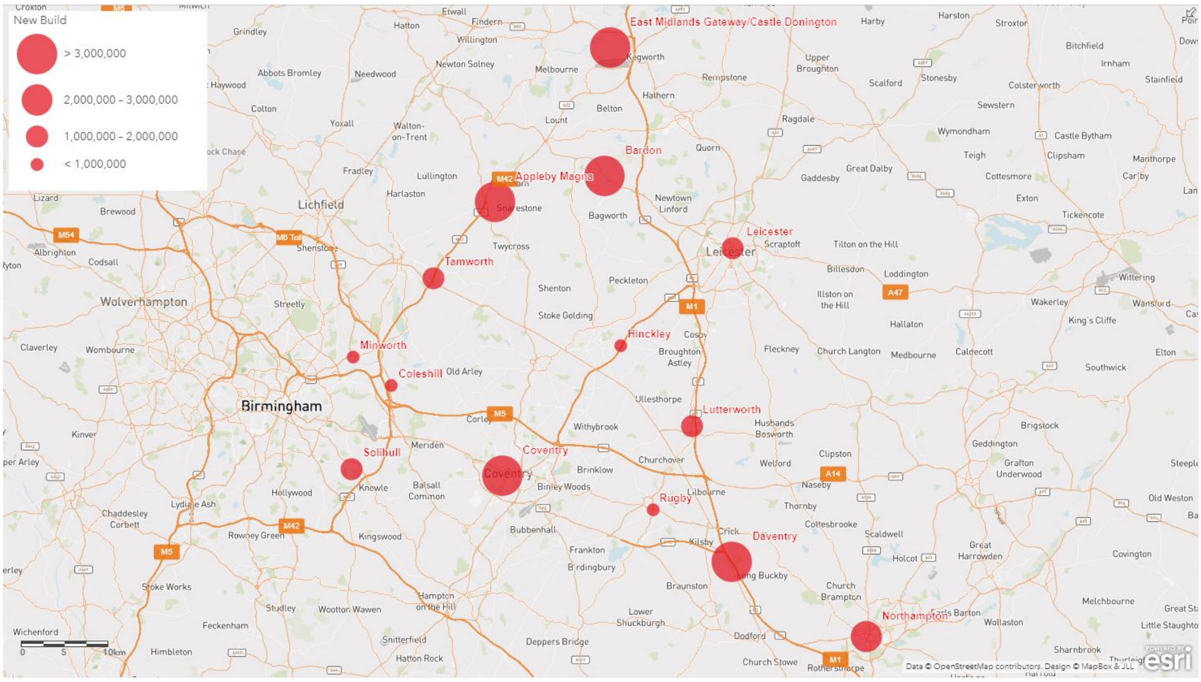
Table 2 Analysis of New Big Box Deals in the Golden Triangle Over the Last Five Years by Motorway/Trunk Road and Location

Motorway/Trunk Road	Location	No of Deals	Floorspace (ft²)
M1	Daventry	10	3,670,971
	Bardon	7	3,909,023
	Northampton	10	2,177,677
	Leicester	6	1,327,646
	Castle Donington	9	3,567,420
A5	Lutterworth	2	1,186,097
	Hinckley	2	808,500
M6	Coventry	13	3,587,595
	Rugby	3	628,000
M42/A42	Appleby Magna	2	3,473,254
	Solihull	2	1,222,844
	Coleshill	3	725,215
	Tamworth	5	1,014,062
	Minworth	1	102,750
Total		**75**	**27,401,054**

Source: JLL

3.35. We have grouped transactions by location and then plotted the extent of take up on a map of the Golden Triangle. This map is provided below in Figure 1.

Figure 1 – Take-up by Location for New Build Big Boxes in the Golden Triangle Over the Last Five Years



3.36. H1 2021 has witnessed a further 7 deals for new floorspace, totalling 1.63 million sq. ft. These deals have taken place in Daventry, Lutterworth, Castle Donington and Ashby-de-la-Zouch.

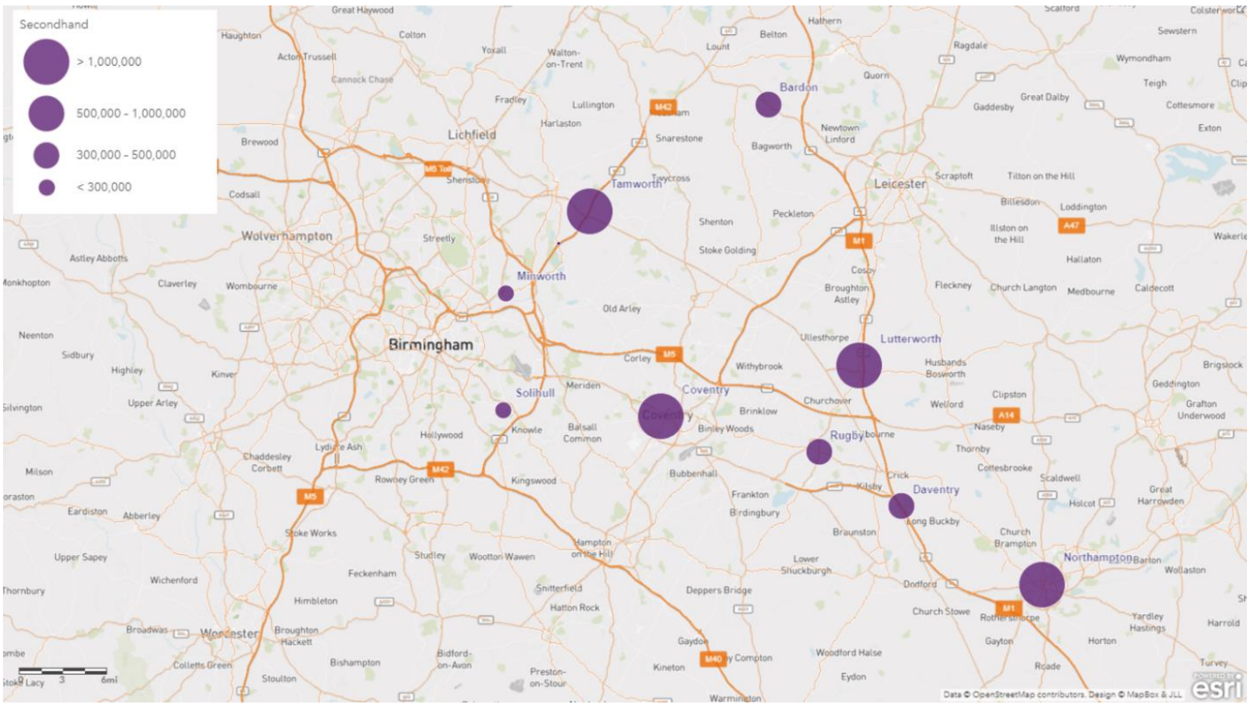
3.37. We have undertaken the same exercise for modern second-hand premises. A schedule of transactions is provided in **Appendix 5**. An analysis is presented by Table 3 and Figure 2.

Table 3 – Analysis of Second-Hand Big Box Deals in the Golden Triangle over the last 5 Years by Motorway/Trunk Road and Location

Motorway/Trunk Road	Location	No of Deals	Floorspace (ft^2)
M1	Daventry	2	445,600
	Bardon	2	461,725
	Northampton	7	1,584,005
A5	Lutterworth	6	1,272,978
M6	Coventry	6	1,107,363
	Rugby	2	498,889
M42/A42	Solihull	1	262,114
	Tamworth	3	1,166,770
	Minworth	2	269,817
Total		**31**	**6,897,748**

Source: JLL

Figure 2 – Take-up by Location for Second Hand Big Box in the Golden Triangle Over the Last Five Years



3.38. H1 2021 has seen particularly strong activity for second-hand units. There have been 10 deals totalling 2.68 million ft^2. These deals have taken place in Daventry, Lutterworth, Coventry, Tamworth and Minworth.

3.39. It is to be noted that the scale for second-hand premises is different than that for new premises. The sizes of the circles for the new premises range from less than 1 million sq. ft to over 3 million sq. ft. The size of the circles for the second-hand premises ranges from less than 300,000 sq. ft to 1 million sq. ft.

3.40. This demonstrates that the market for new premises is significantly greater than the market for second-hand premises. Over 27.4 million sq. ft (in 75 deals) of new space has been occupied over the last five full years. This contrasts to just under 6.9 million sq. ft (in 31 deals) of second-hand space being occupied over the last five full years. The new build represents 80% of all take-up over this period.

3.41. The market for Big Boxes is now relatively mature. Magna Park - the first purpose built national distribution park - was opened over 30 years ago. However, it is noticeable that many units are still occupied by the companies who took the units when first built (whether built to suit, pre-let or speculatively built). This, along with the high proportion of take-up being new build, demonstrates the strength of the market and its continued growth. Essentially, demand levels have been, and are, running significantly higher than existing built supply.

3.42. Another noticeable trend is that the take up of new build units tends to be often for larger size premises. The average size unit for new premises taken over the last five full years is just over 365,000 sq. ft. This contrasts with the average size for second-hand units of just under 225,000 sq. ft. and the 10-year national average of 300,000 ft^2 for new units.

3.43. The hot spots for new premises in the Golden Triangle over the last five years are as follows: -

- Northampton
- Daventry
- Coventry
- Appleby Magna (Jn 11, M42)
- East Midland Gateway (Castle Donnington)
- Bardon

3.44. It should be noted that one of the factors determining take-up levels of new floorspace is the availability of marketable and deliverable sites. This has been a particularly inhibiting factor for the western point of the Golden Triangle – particularly Area A, as referenced by the West Midlands Strategic Employment Sites Study 2015 and Policy LP6 of the Local Plan (i.e. M42 corridor and Area 2 as referenced by 2021 successor Study). This is considered in greater detail in the next section of this Statement.

3.45. The hot spots for the second-hand market are: -

- Northampton
- Lutterworth
- Coventry
- Tamworth

3.46. The next section of this statement considers the supply of large sites in the Golden Triangle. The analysis that follows will identify the pressure points where demand, based on past take-up, clearly outstrips supply of consented and allocated sites.

Sub-Regional Trends

3.47. The West Midlands Strategic Employment Sites Study 2015 split the West Midlands into a number of market sub-areas. One of these (referred to as Area A) took in the eastern half of the greater Birmingham conurbation and the M42 corridor from Solihull to Tamworth. The successor study (published in May 2021) takes a similar approach, referring to the M42 corridor as a key location.

3.48. The M42/A42 motorway is a key strategic road at both a national and regional level. Its importance to the regional economy can be summarised as follows: -

- It is the most direct and fastest link between the principal conurbation 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 Leicestershire to the largest economy of the 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 sector, in the West Midlands.

3.49. The influence of the automated sector, particularly given the investment made in recent years by JLR in its plants at Castle Bromwich and Solihull, is a notable factor that has led to significant levels of demand from this company, and its related components supply network, for new premises and land along the M42 corridor. The current construction of its global aftermarket parts hub (2.9 million ft^2) at Mercia Park, Appleby Magna (Jn 11, M42) is an obvious example.

3.50. In addition, the M42 benefits from: -

- being a vital element to the golden triangle, providing 360° coverage to the UK;
- its accessibility to existing operational strategic rail freight interchanges at Hams Hall (Junction 9), Birch Coppice (Junction 10) and at East Midlands Gateway (Junction 24 of the M1), all of which have further capacity to increase freight throughput; and
- the availability of unconstrained land at key junctions outside the Green Belt, from Junction 10 at Tamworth through to Junction 23A M1 motorway at Kegworth.

3.51. For these reasons, the M42/A42 has witnessed substantial levels of demand. This is evidenced by recent transactions and development activity, a continuing high level of enquiries and requirements, and an increasing scarcity of available or suitable development land to serve this market. The first two points are considered below in this section. The latter is considered further in the next section.

3.52. The M42/A42 corridor, especially the section within the West Midlands and the nodal point where the A42, M1 and A50 meet, has attracted and captured a significant proportion of this market. This is illustrated by the schedule in **Appendix 6**, which catalogues the transactions for large scale industrial and distribution units over the last 5 full calendar years (i.e. 2016 to 2020) along the M42/A42 corridor from Birmingham to Castle Donington.

3.53. In total, there have been 36 transactions totalling almost 13.3 million sq. ft, averaging 2.66 million sq. ft per annum. This represents a significant proportion of recent transactional activity in the Midlands. Tables 2 and 3 identified 106 transactions, totalling just under 34.3 million sq. ft, over the last 5 years in the Golden Triangle. The activity in the M42/A42 corridor over the same period equates to roughly 39%, in terms of floor space, of all transactions. Given the geographical extent of the Golden Triangle, stretching from Northampton to Birmingham to Castle Donington, and taking in the M1, M6, M42 and M69 motorways, this is a very significant slice of the market.

3.54. Of the 36 transactions, 26 were for new units totalling 10.35 million ft^2 and accounting for close to 80% of the market. This is in line with the wider Golden Triangle, but ahead of recent national trends, and is a demonstration of the strength of the sub-regional market.

3.55. The average size of the unit taken up over the last 5 years is 369,000 ft^2. However, there is a marked difference between the average size unit for new premises. The average size for new units is close to 400,000 ft^2. For second-hand units it is 250,000 ft^2. Both are larger than the wider Golden Triangle (c 365,000 ft^2 and 225,000 ft^2 respectively) and illustrate the importance of new sites being able to accommodate large floorplate buildings.

3.56. The recent transactional activity has been clustered in four principal locations: -

- The eastern edge of Birmingham and Solihull.
- Junction 10, M42, Tamworth and Dordon.
- Jn 11, M42, Appleby Magna
- Castle Donington.

3.57. Table 4 below summarises some of the key points covering this take-up. Area A, as referenced by the West Midlands Strategic Employment Sites Study and Policy LP6 of the adopted Local Plan, is represented by Birmingham/Solihull and Junction 10.

Table 4 – Qualitative breakdown of take-up along the M42 corridor from 2016 to 2020

	Bham/Solihull	Jn 10	Jn 11	Castle Donington	Total
No of deals	16	8	3	9	36
Floorspace	3,930,750	2,180,832	3,614,713	3,565,146	13,291,441
Number of SH units	6	3	1	-	10
Floorspace of SH units	1,305,430	1,166,770	141,459	-	2,613,659
SH floorspace as a % of total floorspace	33.21	53.5	3.9	-	19.7
No. of units taken by manufacturers	9	2	1	-	12
Floorspace taken by manufacturers	3,023,343	435,000	2,900,000	-	6,358,343
Floorspace taken by manufacturers as a % of total floorspace	76.9	19.9	80.2	-	47.8

Source: JLL

3.58. The Birmingham/Solihull area covers a large part of the conurbation, taking in established employment areas in Aston, Witton, Minworth, Solihull and Coleshill, and the principal motorway junctions – Jns 4-7 of the M6 and Jns 4 to 9 of the M42. It is a big catchment area and has accommodated just under half of the deals and 30% of the total floorspace for the M42 corridor.

3.59. In Birmingham/Solihull, there is a relatively high incidence of second-hand units (6 out of 16) and much of the new floorspace has been constructed on the latter phases of established development sites. There is also a high proportion of deals (9 out of 16) and floorspace (76.9%) taken by manufacturing companies, albeit many of these units are used for distribution (i.e. Class B8).

3.60. Eight deals have been recorded around Junction 10 M42, totalling 2.18 million ft^2. This represents the smallest total take-up of the four locations. However, it is a reasonably limited geographical area and most of the consented development land has been developed out. 3 of the 4 new builds are at Birch Coppice and the neighbouring Core 42, at Dordon. The 282,000 sq. ft unit taken by Beko represents the last plot at Birch Coppice, with this scheme now completed and fully occupied. This scheme is considered in greater detail below as a case study. The high proportion of second-hand floorspace taken-up – over 50% - demonstrates that despite the lack of development land it remains a high demand location.

3.61. Jn 11 is a new location, following the grant of planning permission for IM Properties' Mercia Park scheme in October 2019. The entirety of this scheme has been pre-let to JLR (2.9 million ft^2) and DSV (573,250 ft^2) and is already being constructed. Neither of these operators could satisfy their requirements closer to their existing operations (i.e. Solihull and Tamworth respectively) because of the size of their operations and the lack of consented land available. In DSV's case, it has had to relocate from Kingsbury Link because of the lack of options closer to Tamworth.

3.62. 12 of the 27 deals in the western section of the M42/A42 corridor (i.e. Birmingham/Solihull and Jn 10 and 11) in the last 5 years, were to manufacturers. This accounted for 6.36 million ft^2 of take-up. Again, this helps to illustrate the significance of this sector to the West Midlands Big Box market, particularly for this sub-region.

3.63. Conversely, none of the 8 deals at the Castle Donington end of the M42/A42 corridor involved a manufacturer and all represented new floorspace. Instead, all deals were either to a retailer or a specialist logistics operator. Generally, the eastern end of the M42/A42 has a different market profile to the Birmingham conurbation and Tamworth/Dordon. Its principal market is driven by its nodal location, serving the M1 and the A50.

3.64. SEGRO's Logistics Park East Midlands Gateway is now fully operational with four occupiers already well established - Amazon, Shop Direct, Kuehne & Nagel and XPO Logistics (for Nestle). A further three deals to Games Workshop and DHL have been struck over the last 12 months, with these units under construction, leading to a total of 2.97 million ft^2 transacted. This represents just under a half of the consented scheme of 6 million sq. ft.

3.65. In H1 2021, a further 5 deals have occurred along the M42/A42 corridor, totalling 1.17 million sq ft. These deals took place in Castle Donington (x2), Ashby-de-la-Zouch, Tamworth and Minworth. Three of the deals were for new units, with the other two taking existing second-hand units. All occupiers were either retailers or specialist logistics operators.

3.66. As referred to earlier in this section, Amazon agreed in July to lease a 4 storey unit of 2.33 million sq. ft at Peddimore, Minworth. In addition, ACE 134 at Relay Park, Tamworth – a new speculatively built unit of 136,391 ft^2 – was let in July 2021 to Movianto. JLL understands also that a unit of 118,000 ft^2 being speculatively built at Tamworth Logistics Park by St Modwen is under offer to Chinese internet retailer Supersmart.

3.67. These deals total close on 4 million sq. ft and exceed significantly the annual 5 year average of 2.66 million sq. ft with still much of the year to come.

Birch Coppice - Case Study

3.68. Birch Coppice has been an extraordinarily successful industrial and distribution park developed by IM Properties. Its specific attributes include its central location, its direct access to the national motorway network (Junction 10 of the M42), access to the Birmingham Intermodal Freight Terminal (BIFT), available labour (historically used to work in shift patterns), and an availability of land. A set of marketing particulars for Plot 6, Phase 3 of the scheme can be found in **Appendix 7.** These particulars provide a good overview of the scheme.

3.69. Phase 1 and BIFT were allocated in the adopted North Warwickshire Local Plan of 2006. Phase 1 was originally granted outline planning permission in August 2000, with an engineering works application approved in November 2004. In December 2004, full permission, subject to a Section 106 Agreement, was granted for the establishment of a rail freight terminal, container goods yard and associated distribution warehouse. This permission covered the intermodal rail freight terminal (BIFT), with this being developed and operational by the end of 2006.

3.70. Phase 1, like Phases 2 and 3, has been developed and is fully occupied. It accommodates 14 different operators, with buildings ranging from 5,000 sq. ft to 733,000 sq. ft, and totals 2.6 million sq. ft. The last unit was completed in 2016 following a pre-let to Solar Non-Woven Products of 47,250 sq. ft, who are using the premises for the manufacture of microfibre insulation.

3.71. In August 2010, planning permission was granted for Phase 2. This proposed a development of up to 2 million sq. ft on 50 hectares (120 acres) 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

3.72. The units let to Bunzl and Draxlmaier were speculatively built in 2013 - the first such developments procured in this fashion in the West Midlands since the 2008 downturn. This was a demonstration of the strength of the market and the confidence of IM Properties in this location. In November 2014, IM Properties announced that Plot 3 had attracted a pre-let of 788,000 sq. ft to Euro Car Parts, an existing occupier at Birch Coppice.

3.73. On 11th February 2013, the Planning and Development Board to North Warwickshire Borough Council resolved to grant planning permission for Phase 3. This phase was substantially built out on a site of 13.6 hectares (33.6 acres) and has been subsequently let as follows: -

- 63,000 sq. ft and 282,000 sq. ft to Beko
- 80,000 sq. ft let to HiB

3.74. 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 Table 5.

Table 5 – 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

Ref No	Occupier	Phase	Floorspace (sq ft)
19	HiB	3	80,000
20	Beko	3	63,000
21	Beko	3	282,000
		Total	**4,440,250**

Source: JLL

3.75. Over the full life of the development (i.e. from 2001), this equates to 275,000 sq. ft of contracted and developed floor space per annum. However, the rate of development significantly accelerated over the life of Phases 2 and 3. These two phases provided seven buildings totalling 2.1 million sq. ft and were built and let over a period of five years (from 2012 to 2017). This equates to 425,000 sq. ft per annum. Even in the healthy market conditions that have been experienced over the past 8/9 years, this is a very substantial level of development and is a further pointer towards the strength of this location for the Big Box market.

3.76. It is to be noted that other development and letting activity was occurring at this location over the same period at competing sites. This included: -

- 100,000 sq. ft for Bond International at Core 42, Dordon
- 645,000 sq. ft for XPO Logistics at Tamworth 594
- 141,770 sq. ft for BD Schenker at Centurion Point
- 52,496 sq. ft for DFS at Centurion Park
- 180,000 sq. ft for Speedy Hire at Emperor Point, Centurion Park
- 120,000 sq. ft for Aldi at Centurion Point.

Current Active Requirements

3.77. Enquiry levels for both industrial and distribution premises remain high both nationally and in the Midlands. There is a healthy level of active requirements already in 2021 in the market and a number of buildings currently under offer.

3.78. Enquiry rates are particularly high for available floorspace in the M42/A42 corridor in the location of the Application Site. This is illustrated by the requirements JLL are aware of through acting as letting agents on Core 42, Prologis Park, Hams Hall, ACE 135 and Zorro (Jn 13, M42, Ashby-de-la-Zouch).

3.79. Core 42 is a three-unit scheme at Junction 10, M42, Dordon, adjacent to Birch Coppice. One unit of up to 345,000 ft^2 is available on a build to suit basis. Prologis Park, Hams Hall can accommodate a single building of 497,000 sq. ft or 3 units ranging from 85,000 sq. ft to 265,000sq ft. ACE is a speculatively built unit of 135,000 sq. ft the other side of Junction 10 in Relay Park, Tamworth and is now let (July 2021). Zorro is a speculatively built unit of 237,565 sq. ft, located in Coalfield Way, Ashby-de-la-Zouch, close to Junction 13 A42 and was let in Q1 2021. Because of their location and size range, these three schemes are a good gauge of the likely interest for a similar type of scale development at the proposed site, albeit the proposed site can accommodate significant larger floor space buildings of up to 1 million sq. ft.

3.80. The profile of requirements that have been logged by JLL and other retained agents for these three schemes in 2020 are set out below in Table 6.

Table 6 – Analysis of Active Current Requirements for the M42/A42 corridor

Size Range (sq ft)	Number of requirements
100,000 - 200,000	98
200,000 - 300,000	28
300,000 - 500,000	19
500,000 - 1,000,000	7
Total	152

Source: JLL

3.81. This is a very high level of enquiries. In addition, the enquiries are well spread over the different size ranges. Both are indicative of strong market conditions, as referred to earlier in this Section 3, and the attractiveness of this location. Both of these factors have encouraged developers to speculatively build on a number of occasions, with Phases 2 and 3 of Birch Coppice, Core 42 and ACE 135 and Zorro all examples of this.

3.82. As referred to already in this section, there has been significant letting activity in 2021 along the M42/A42 Corridor, with the volume of floorspace taken already exceeding the 5-year annual average for this sub-market. Enquiry levels in 2021 have remained strong and this has supported the take-up accordingly.

3.83. However, JLL has noticed two shifts in enquiries for 2021. These are: -

- More enquiries for larger units, particularly for buildings greater than 350,000 ft^2 and
- Re-emergence of enquiries from manufacturers who are now starting to follow through on investment plans stalled by the Covid 19 pandemic.

3.84. The Site has not been formerly marketed as it does not have planning permission. However, JLL has undertaken some soft market testing. This exercise has revealed good interest for the Site, with a couple of enquires for units in excess of 500,000 ft^2 being received.

Summary

3.85. The Big Box market is a distinct sector. It caters principally for logistics and has its own requirements in terms of location, situation and siting of development land. It is a mature, but still growing and dynamic market. Particular growth has been witnessed over the last 8/9 years, with e-commerce a key market driver.

3.86. 2020 has seen record take-up levels. This is due to the strength of the market and as a response to the Covid-19 pandemic and resulting lockdown. The lockdown has accelerated trends in online shopping, increasing the proportion of goods purchased online from 20% in February 2020 to 26% in June 2021. There has been a particular spike in online grocery shopping.

3.87. This has translated into greater demand for big box logistics, and we see this trend continuing into the foreseeable future. In addition, the pandemic and the uncertainties caused to the movement of goods from abroad by Brexit is likely to lead to reshoring of industry and companies holding a greater inventory of buffer stock in order to mitigate supply chain risks.

3.88. The Midlands is the prime location for big box developments, accounting for between 35% to 54% of all UK take-up over the last five years. This is principally due to its centrality.

3.89. At its heart lies the Golden Triangle – the sweet spot for big box logistics in the UK. This area is generally defined by the M1, M6 and M42 motorways and takes in Northampton, Leicester, Coventry and the eastern edge of the Birmingham conurbation. The application site is located within this area.

3.90. Over the last five years, the Golden Triangle has seen 75 transactions for new space of 27.4 million sq. ft and 31 transactions for second-hand floor space of 6.9 million sq. ft. The high proportion of new units taken up (close to 80% of all floor space) is a further illustration of the strength of the market demand, relative to supply, and its continued growth.

3.91. A number of hotspots for new and existing premises have emerged over the last five years. These include Junction 11 M42 for new premises and Junction 10, M42 for existing premises. The latter is due to a lack of available sites.

3.92. The M42 is a key strategic road. It connects the principal conurbations in the West and East Midlands, is a vital element to the Golden Triangle providing 360° coverage to the UK and is served by three strategic rail freight interchanges. For these reasons, it has experienced substantial levels of demand.

3.93. Over the last five full calendar years (2016 to 2020), there have been 36 transactions totalling 13.3 million sq. ft along the M42/A42 Corridor, of which 10.35 million sq. ft was for new floor space. Transactional activity has clustered around four principal locations: -

- Eastern edge of Birmingham/Solihull
- Junction 10, M42, Tamworth
- Junction 11, M42, Appleby Magna
- Castle Donington.

3.94. Enquiry levels remain high. JLL logged over 100 active requirements for big boxes in 2020 for the M42/A42 corridor. This is a very high level and has encouraged developers to speculatively build at nodal points along this motorway.

3.95. Active requirements for space along the M42/A42 Corridor have continued into 2021. This has led already to almost 4 million sq. ft being let in the first 7 months of this year, comfortably exceeding the annual 5 year average of 2.66 million sq. ft.

4. Supply of Suitable Land for Big Box Development

Shortfall of Development Land

4.1. There is a significant shortage of suitable development land for industrial and distribution premises, particularly serving the Big Box sector in the Midlands. This has been well documented and commented on by a number of agencies, both public and private, and has led to the commissioning of reports to identify solutions so as to increase the economic capacity and productivity of the region. Section 2 of this Statement refers to and summarises the evidence base that points to this conclusion. It is important that this shortfall is made up to optimise the economic potential of the region.

4.2. One of the reasons there is a shortage of development land is due to the redevelopment of old factories and other industrial sites for housing and other uses and the relative lack of large new sites coming forward to fill the void. The former has occurred over a long period of time, due largely to the pressure of housing on sustainably located brownfield sites. This recycling of land has been largely at the expense of industrial development. No longer is there a significant reserve of old disused industrial land to fall back on.

4.3. Virtually all the obvious large brownfield windfall sites in the region, such as old coal mines, power stations, car plants and airfields have been successfully developed, with this source no longer able to provide development opportunities of the same scale, quality and pace, as in the past. Examples of these include the strategic rail freight interchanges at Birch Coppice (former coal mine) and Hams Hall (former power station), and road-based schemes at Markham Vale (former coal mine), Magna Park (former airfield) and East Midlands Distribution Centre, Castle Donington (former power station).

4.4. This shortage of obvious development opportunities, and the competition from other uses (most notably housing), has resulted in developers being forced to promote greenfield opportunities which, due to the need to serve the principal cities and towns of the region, are often located within the Green Belt. This has led to a further brake on the procurement and delivery of suitable strategic development land, having a direct bearing on the pace of delivery of new floor space coming to the market.

4.5. A strong market indicator of a shortage of stock has been the level of speculative development for Big Boxes in the UK over the last eight years. 3.6 million sq. m (39.2 million sq. ft) of speculative floor space has been developed since the 2009 to 2012 recession. At the end of 2020, 55,750 sq. m (6 million sq. ft) was speculatively under construction in the UK and available. This has been a direct response to a significantly reduced inventory of available modern premises and continuing high levels of demand. This surge in speculative development shows a manifest confidence by developers and investors in the strength of the market.

4.6. The latest annual JLL UK Big Box Industrial and Logistics Report (2020) compares the average level of take up over the last 5 years with Grade A supply. At the end of 2020, Grade A supply of premises stood at about 2.2 million sq. m (23.2 million sq. ft), of which about 1.4 million sq. m (15.1 million sq. ft) was new. Average take-up of Big Boxes over the last 5 years has been about 2.3 million sq. m (25 million sq. ft) per annum. Despite a recent spike in speculative development over the last few years, the current supply represents only 11 months of demand. This suggests strongly that the market is still balanced in favour of investors and developers, rather than occupiers.

4.7. Further evidence of this imbalance, at a regional level, is signalled by significant changes in rents, land values and yields for larger units. JLL's analysis on difference in rents, land values and yields from Quarter 1 2013 to Quarter 4 2020 in Birmingham for new stock is represented below in Table 7:

Table 7: Rents, Land Values and Yields for Big Box Units in Birmingham

	Quarter 1 2013	Quarter 4 2020
Rents (£ per sq ft)	£5.50 - £5.75	£7.25
Land Values (£ per acre)	£300,000 - £350,000	£800,000
Yields (%)	6.5	4.25

Source: JLL

4.8. Of the three variables, the most significant change is in land values. Land values have more than doubled over the seven-year period. Similar trends in land values have been experienced elsewhere in the Midlands. This signal is very relevant in terms of illustrating the imbalance between demand and supply and the shortage of suitable available land at a regional and sub-regional level.

4.9. It is clear that the pace of development has been such that development land taken up has not been replaced by land in the pipeline (i.e. allocated, but not consented or being marketed). Simply put, the development plan process has not been able to respond quickly enough to the turnaround in the market and its subsequent growth. This means that in many places in the region and sub-region, the next generation of sites has yet to be identified. This is a real concern as the inventory of available development land is now running short.

4.10. The rest of this section of the Statement considers in more detail the supply of sites at a regional (i.e. Golden Triangle), sub-regional (i.e. Area A/Area 2) and local (i.e. North Warwickshire) level. These are addressed in turn.

Supply of Sites in the Golden Triangle

4.11. We have researched and identified development sites in the Golden Triangle which have the capacity to accommodate over 1 million sq. ft. These sites are large and generally greater than 25 hectares (and often much larger). These sites are either consented or allocated and are set out in Table 8 below.

Table 8 – Major Consented or Allocated Big Box Sites in the Golden Triangle

Ref No	Scheme	Developer	LPA	Site Size ha (acres)	Proposed Floorspace m^2 (ft^2)	Comments
1.	Northampton Gateway	SEGRO	South Northamptonshire	219 (540)	623,000 (6.7 million)	SRFI scheme at Jn 15 M1. DCO approved by SoS on 9 October 2019. 155,000 m2 (1.67 million ft2) to be provided by mezzanine. SEGRO now on site.
2.	Panattoni Park, Northampton	Panattoni	South Northamptonshire	36 (90)	151,000 (1.6 million)	3 units totalling 620,000 ft^2 pre-let to Eddie Stobart. Over 1 million ft^2 on 54 acres remaining on a build to suit basis.
3.	DIRFT III	Prologis	Daventry	345 (850)	731,000 (7.87 million)	DCO approved in 2014. SRFI and principal infrastructure built. 5 units over 2 million ft^2 let.
4.	Symmetry Park, Rugby	Tritax Symmetry	Rugby	35 (86)	186,000 (1.9 million)	Allocated in the Rugby Local Plan (adopted June 2019). Planning

Ref No	Scheme	Developer	LPA	Site Size ha (acres)	Proposed Floorspace m² (ft²)	Comments
						application submitted in November 2017 with Rugby BC resolving to grant permission in November 2020.
5.	Magna Park	GLP	Harborough	325 (800)	700,000 (7.5 million)	Outline planning permission granted in April 2019 for a northern (4.5 million ft²) and southern extension (3 million ft²). Wayfair have taken 1.2 million ft² of the northern extension. In addition, GLP has built speculatively a further 1.2 million ft² in 4 units (the largest being 750,000 ft²). Two of these units – 126,300 ft² and 300,300 ft² – have already been let.
6.	Prospero, Ansty	Opus Manse	Rugby	79 (196)	214,000 (2.3 million)	Redevelopment of surplus land at Rolls Royce, just south of Ansty Park. Meggitt have taken 490,000 ft² as a pre-let and a build to suit of 300,000 ft² is reported to be under offer to Kite Packaging.
ft27.	Coventry Gateway, Coventry	SEGRO	Warwick	87 (215)	340,000 (3.7 million)	Development of the northern plot underway with the £108 million UK Battery Industrialisation Centre now complete and operational. The southern plot is currently being serviced.
8.	Faultlands Farm, Nuneaton	Arbury Estate	Nuneaton & Bedworth	26 (64)	93,000 (1 million)	Allocation in recently adopted Nuneaton and Bedworth Local Plan. Resolution to grant planning permission, subject to a S106.
9.	Peddimore	IM Properties and Birmingham City Council	Birmingham	71 (175)	386,809 (4.16 million)	IM Properties secured outline permission in September 2019. In July 2021, a variation to this consent was obtained to extend capacity to 4.16 million sq. ft. Amazon are taking 2.33 million sq. ft in one building. The second phase is in the control of BCC.
10.	East Midlands Gateway	SEGRO	North West Leicestershire	225 (555)	557,000 (6 million)	DCO issued by SoS in January 2016. Since then, 8 deals totalling 3.12 million ft² have been transacted. Rail terminal became operational in Autumn 2019. Only two plots now remaining.
	Total			**1,448 (3,571)**	**4,025,809 (43.3million)**	

Source: JLL

4.12. We have identified also two sites, which meet the same criteria, but do not have any planning certainty (but form firm proposals). Details of these are provided in Table 9 below.

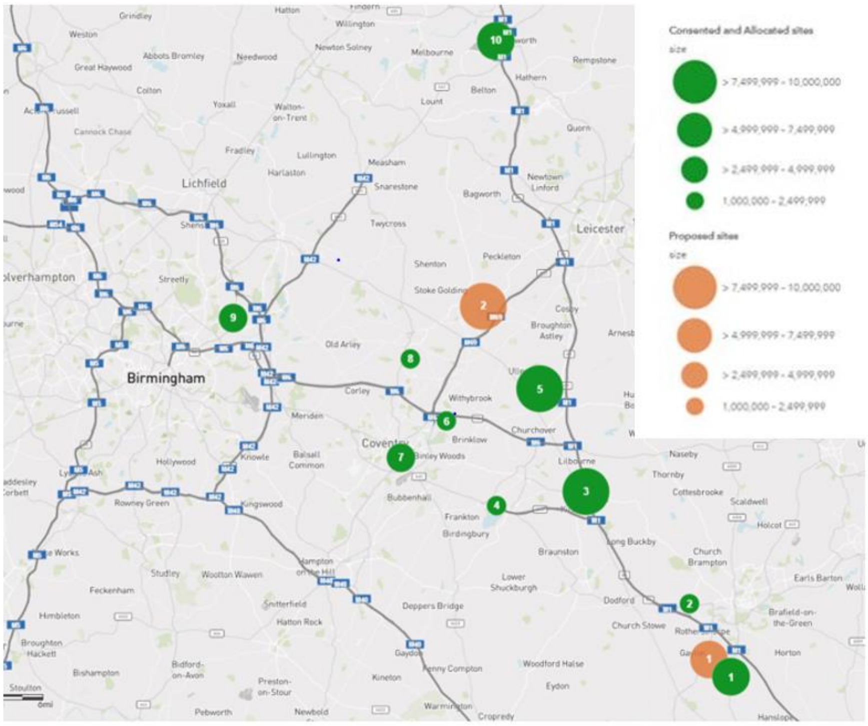
Table 9 – Proposed Big Box Sites in the Golden Triangle

Ref No	Scheme	Developer	LPA	Site Size ha (acres)	Proposed Floorspace m2 (ft2)	Comments
1.	Rail Central	GLP and Ashfield Land	South Northamptonshire	Not known	687,000 (7.4 million)	SRFI scheme close to Jn 15a of M1. DCO application submitted but withdrawn on 23 October 2019 at the request of PINS for clarification on highways mitigation works.
2.	Hinckley SRFI	Tritax Symmetry	Blaby	225 (557)	850,000 (9.12 million)	SFRI scheme with access from Jn 2 of the M69. 200,000 sqm (2.15 million ft^2) to be provided by mezzanine. Pre-submission informal consultation held in Autumn 2018 and Summer 2019. Scoping opinion adopted by the Planning Inspectorate in December 2020.
	Total				**1,537,000 (16.52 million)**	

Source: JLL

4.13. Both proposals are DCO applications for strategic rail freight interchanges. As such, the principle of the development (i.e. their need) to a larger extent is accepted (through support from the relevant NPS), with the main factors for determination concerning mitigation of any environmental impacts. However, the Rail Central proposals are likely to come under greater scrutiny as Northampton Gateway, which is located close by, has been recently consented. The location of the sites listed in Tables 8 and 9 are marked on the map in Figure 3 below. The green circles denote committed sites whilst the orange circles denote proposed sites.

Figure 3 – Committed and Proposed Big Box Sites in the Golden Triangle



4.14. The extent of consented and allocated supply in the Golden Triangle has been added to particularly over the last three/four years with consents granted for East Midlands Gateway, Northampton Gateway, and Magna Park. The gross level of floor space is 43.3 million sq. ft. Of this, we estimate that over 10 million sq. ft has been let, leaving a maximum net supply of circa 33 million sq. ft. In reality, the net supply will be less as the Proposed Floorspace column for each table gives a maximum floorspace. For example, the consent for East Midlands Gateway was for 6 million sq. ft. So far 3.2 million sq. ft has been let. The two remaining plots have a capacity of 1.55 million sq. ft. Therefore, out of a potential capacity of 6 million sq. ft, the end development will realise about 4.75 million sq. ft.

4.15. Take up of new Big Box floor space over the last five full years has totalled just under 27.4 million sq. ft in the Golden Triangle. This equates to an average annual take up of 5.48 million sq. ft. If this average figure was applied to the net maximum supply of 33 million sq. ft, this would generate at most 6 years' supply.

4.16. This assumes, of course, that all take up in the Golden Triangle would be restricted to these 10 principal sites. Obviously, this will not happen. Other sites which cannot accommodate 1 million sq. ft but can accommodate Big Boxes are available and other sites will come forward in the meantime. However, given the limitations in bringing forward new sites, as referred to earlier in this section, these principal sites will take the lion's shares of future take-up.

4.17. The proposed sites at Rail Central and Hinckley Strategic Rail Freight Interchange, if consented, will add a further 16.5 million sq. ft to supply. Subject to the save caveats as above, this will generate a further 3 years of supply.

4.18. Figure 3 reveals that a disproportionate amount of the committed and proposed floor space on large sites is located in the south-eastern section of the Golden Triangle. Eight out of the ten sites are located in a corridor stretching from Northampton to Coventry/Nuneaton. This accounts for over 27 million sq. ft of the identified net supply of 33 million sq. ft.

4.19. In addition, the two proposed sites – Rail Central and Hinckley SRFI are also located within this general area. This could increase supply in this part of the Golden Triangle to 47 million sq. ft.

4.20. Conversely, there would appear a real paucity of larger consented sites in the following locations: -

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

4.21. These areas have all experienced good levels of take up and healthy demand over the last five years. As such, they represent obvious gaps in the market in terms of supply. The extent of the gap in the M42 corridor, particularly that part which falls in the West Midlands, is considered now below.

Supply of Sites within Area A/Area 2

4.23. Policy LP6 requires evidence demonstrating an immediate need for employment land within Area A on Figure 4.10 of the West Midlands Strategic Employment Sites Study which cannot be met via forecast supply or allocations. This sub-section of the Statement considers both Area A/Area 2 and the wider supply along the M42/A42 corridor.

4.24. Table 10 below provides a schedule of deliverable sites, including available buildings, in this area which are suitable for Big Box development. The first five sites are located in Area A/Area 2.

Table 10 – Deliverable floor space for Big Box occupiers in Area A/Area 2 and the wider M42/A42 Corridor

Ref No.	Scheme	Developer	Total Floor Space Available (sq ft)	Largest Unit Available (sq ft)	Comments
1	Hams Hall	Prologis	458,000	260,000	A 3 unit scheme comprising unit sizes of 85,000 ft^2, 113,000 ft^2 and 260,000 ft^2 will be built speculatively, with construction to start in September 2021.
2	Hams Hall	-	144,916	144,916	Second-hand unit formerly occupied by Sertec. Currently under offer.
3	Core 42, Dordon	Panattoni	345,000	345,000	Under construction. PC due March 2022.
4	Peddimore	IM Properties	1.83 million	Not known	Outline planning permission granted in September 2019. This was varied in July 2021 to extend capacity to 4.16 million sq. ft. A single unit of 2.33 million sq. ft has been let to Amazon. Second phase of 1.28 million sq. ft is allocated for B1 and B2 uses primarily and is owned principally by Birmingham City Council.

Ref No.	Scheme	Developer	Total Floor Space Available (sq ft)	Largest Unit Available (sq ft)	Comments
5	Tamworth Logistics Park, Dordon	St Modwen	307,658	118,750	4 completed units are available ranging from 28,708 ft^2 to 63,000ft^2. One of these units – 48,6000 ft^2 – is under offer. A unit of 118,750 ft^2 is currently under construction and is under offer to Supersmart.
6	G Park, Ashby-de-la-Zouch	GLP	736,487	736,487	Previous consented scheme blighted by HS2. Revised scheme for up to 736,487 sq. ft submitted for planning, but are yet to be determined
7	East Midlands Gateway Logistics Park, Castle Donington	SEGRO	1.55 million	690,000	DCO for 6 million sq. ft issued by Secretary of State in January 2016. 8 deals totalling 3.12 million sq. ft transacted. SEGRO are proposing to speculatively build a unit of 220,000 ft^2. Two development plots remain, with capacity for 1.33 million ft^2.
8	East Midlands Distribution Centre, Castle Donington	Clowes & Panattoni	300,000	300,00	The 525,000 sq. ft speculatively built unit was let to Buy it Direct in Q2 2021. Plot 3 available for build to suit options up to 300,000 sq. ft.
	TOTAL		5,672,061		

Source: JLL

4.25. Table 4 in Section 3 identified just over 13.3 million sq. ft of take-up along the M42 corridor over the last five full calendar years. This equates to an average of 2.66 million sq. ft per full calendar year. As such, the total supply of deliverable floor space of 5.67 million sq. ft equates to 2.13 years' supply at current take-up rates.

4.26. Of the 5.67 million sq. ft of deliverable floorspace, 3.08 million sq. ft is situated within Area A/Area 2, as defined by the West Midlands Strategic Employment Sites Studies and referred to by Policy LP6a - i.e. Site Ref Nos. 1-5. Take-up for Area A/Area 2 in the last five full calendar years has totaled 6.11 million sq. ft (i.e. Birmingham/Solihull and Junction 10 columns in Table 4) averaging 1.22 million sq ft per annum. The supply of deliverable floor space in Area A/Area 2 of 3.08 million sq. ft therefore equates to 2.52 years.

4.27. This is less than the 3.7 years' supply identified for Area A/Area 2 by the 2015 West Midlands Strategic Employment Sites Study and which led to the conclusion that planned land supply that was immediately available in this area fell "severely short". It is also less than the measure used by the previous Regional Spatial Strategy and Birmingham Development Plan of five years being the minimum threshold for the supply of immediately available land.

4.28. It is to be noted that the 2015 West Midlands Strategic Employment Sites Study did not include available second-hand or recently speculatively built units in its analysis. Instead, it just considered unbuilt land. In the case of Area A/Area 2, there are five schemes listed in Table 10 (Ref Nos: 1-5). Of these, two are principally made up of existing buildings. Only three sites provide land – Prologis's Hams Hall, IM Properties' Peddimore and Panettoni's Core 42, albeit the latter is currently being built out speculatively.

Available development land at these three schemes can deliver 1.35 million sq. ft of new premises. This equates to only 1.1 years' supply at the average take-up rate of 1.22 million sq. ft per annum.

4.29. Another factor which is different from the 2015 West Midlands Strategic Employment Sites Study is the potential level of land in the pipeline – i.e. land which has a reasonable degree of planning certainty through allocation in adopted or advanced draft local plans but is not immediately available. The only site that we can identify which fulfils these criteria in Area A/Area 2 is the second phase of Peddimore. This phase does not form part of the Development Agreement between Birmingham City Council, the landowner, and IM Properties, the developer of the first phase. The City Council has made no decision on how the second phase will be procured or its timescale. The second phase has the potential to deliver a further 1.28 million sq. ft. This would equate to another 1.0 years' supply at current take-up rates. This is significantly less than the level projected by the 2015 Study.

4.30. Besides Peddimore, there are no other sites in Area A/Area 2 suitable for big box development which have any planning certainty. A number of large sites are being promoted through the Local Plan process. However, as referenced in Section 2 of this Statement all of these sites, with the exception of the Application Site, are situated in the Green Belt.

4.31. Qualitatively, there is an issue of scale of available units in land in Area A/Area 2. The average sized unit taken up along the M42/A42 corridor over the last five full calendar years is 369,000 sq. ft, with new units at 400,000 sq. ft. Of the five sites in Area A/Area 2, only IM Properties' scheme at Peddimore can provide new units larger than this average size.

Supply of Sites within North Warwickshire

4.32. The supply of sites with planning permission or allocated in the draft Local Plan 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 in **Appendix 2** to this Statement and is referred to earlier in Section 2.

4.33. Table 11 below considers the principal sites in North Warwickshire, with particular reference to their suitability for Big Box development in the immediate term.

Table 11 – Review of Principal Sites in North Warwickshire

Ref No.	Site	Site Area (hectares)	Comments	Suitable for big box development in immediate future?
1	Holly Lane, Atherstone	6.8	Proposal E1. Site is allocated for just B1 and B2 uses and is safeguarded for Aldi. The site is not being marketed and is not in the hands of a competent developer.	No.
2	West of Birch Coppice, Dordon	5.1	Proposal E2. Site is allocated for B1, B2 and B8 and is well located. However, the proposal requires the relocation of allotments prior to starting construction.	No.

Ref No.	Site	Site Area (hectares)	Comments	Suitable for big box development in immediate future?
3	Playing Fields south of A5, Dordon	3.5	Proposal E3. Site allocated for small scale B1 uses. Proposal requires the relocation of playing fields prior to the start of construction.	No.
4	Land to the south of MIRA Technology Park	42	Proposal E4. Site allocated principally for B1 (research and development) and B2 uses, with B8 uses only permissible where ancillary or secondary.	No.
5	Coleshill Hall Hospital	16.38	Site granted planning permission for 110,000 sq. ft of offices in 1994. Only 35,000 sq. ft of offices has subsequently been built. Site is now blighted by HS2, with principal occupier – IM Group – relocating in 2019.	No.
6	Hockley Park, Dosthill	6.76	Site granted planning permission in 1994 and extended on a number of occasions since. Site now being promoted for residential development (Application Ref No: 2017/0340) and not being marketed for employment development.	No.
7	Hall End Farm, Phase 3, Birch Coppice	6.91[1]	Core 42. Remaining plots undeveloped are Zones A, B, C and D. Only Zone D (5.42 hectares) is suitable for big box. Currently being developed by Panattoni for a unit of 345,000 ft^2.	Yes
8	Hams Hall Power Station	8.91[1]	Remaining plot available at Prologis's scheme. A 3-unit speculative scheme will start construction in September 2021.	Yes

4.34. The essential position is that only remaining land at Core 42 and Hams Hall is available and suitable to meet immediate demand for Big Box development in North Warwickshire. The available development land at these two sites totals 15.8 hectares and is being marketed for 800,000 sq. ft.

4.35. In Section 3, we identify that the take-up of Big Box B8 development in North Warwickshire, according to data provided by GL Hearn in its Employment Land Review Update and corroborated by completions data used by Savills and the Council in producing Examination Document AD52B, has been around 19 hectares per annum. On this basis, the current supply of suitable and immediately available Big Box development land of 15.8 hectares represents less than 1 year based on long term take-up trends for the Borough.

4.36. Quantitatively, this is clearly a very low supply. In addition, there is no land in the pipeline to replace this supply when taken up. Hams Hall and Core 42 are both at an advanced stage with the final phases of the development being constructed or about to start to construction. There is no new site (or sites) either with planning permission or allocated that can meet demand in the immediate future and/or provide a longer-term supply.

[1] Net developable area

Summary

4.37. Average take-up of Big Box floor space across the UK over the last five full calendar years has averaged 2.3 million sq. m (25 million sq. ft). At the end of 2020, supply of Grade A premises stood at 2.2 million sq. m (23.2 million sq. ft), of which about 1.4 million sq. m (15.1 million sq. ft) was new. Despite a real spike in speculative development over the last few years, the current supply at a national level represents only 11 months of demand.

4.38. Over the last 3-4 years, the extent of permitted and allocated supply in the Golden Triangle has been added to with large consents at Magna Park, Northampton Gateway and East Midlands Gateway. These are all situated in the eastern and southern points of the Golden Triangle. Conversely, there have been very few consents granted recently in the western point of the Golden Triangle (see Figure 3).

4.39. As a result, there is a real paucity of larger consented sites along the principal motorway corridors within the West Midlands – i.e. the M42 south of junction 11 and the M6 west of Coventry. Both of these areas have experienced good levels of take-up over the last five years and represent obvious gaps in the market in terms of supply.

4.40. We have identified 8 schemes along the M42/A42 corridor, including existing second-hand big box units, which can deliver around 5.67 million sq. ft. This equates to 2.13 years' supply at current take-up levels (averaged over the last five years).

4.41. In Area A/Area 2 (i.e. that part of the M42 corridor which is situated within the West Midlands) we have identified a supply of 3.08 million sq. ft. Annual take-up in Area A/Area 2 in the last five years has averaged 1.22 million sq. ft. At this take-up rate, the current supply represents 2.52 years.

4.42. This is less than the 3.7 years' supply identified for Area A/Area 2 by the 2015 West Midlands Strategic Employment Sites Study, and which led to the conclusion that planned supply of immediately available land in this area fell "severely short". It is to be noted that the 2015 West Midlands Strategic Employment Sites Study only included development land in its calculation. Taking the same approach, only 1.35 million sq. ft is available immediately at Hams Hall, Core 42 and Peddimore. At current take-up rates, this represents only 1.1 years' supply.

4.43. This illustrates the shortage of development land in Area A/Area 2 capable of accommodating the increasing demand for Big Box development. It is evident proof backing the conclusions of a number of studies commissioned by local planning authorities and LEPs that there is an 'urgent' and 'pressing' need to identify more development land. This is particularly important as there is no land within the pipeline to accommodate future development pressures in Area A/Area 2 apart from the second phase of Peddimore.

4.44. A further demonstration of the imbalance of demand over supply are market signals such as rents and land values. Since 2013, land values for big box units in the Birmingham area have doubled.

4.45. Given the time lag in bringing forward big sites, a range and choice of additional sites need to be immediately identified. Already, the options available are limited, with most schemes either completed (i.e. Birch Coppice), or building out last phases (e.g. Ham Hall and Tamworth Logistics Park).

4.46. This restricted choice of sites also means that many of the larger requirements can no longer be accommodated. The average size of new units taken up along the M42/A42 corridor over the last five years is 400,000 sq. ft. In Area A/Area 2, only one site can accommodate a building of this size –Peddimore.

4.47. The Draft Local Plan allocates four sites for development, totalling 57.4 hectares, with the largest site to the south of MIRA Technology Park (42 hectares). None of these sites are suitable and available for Big Box development for B8 in the immediate future. The MIRA site is allocated principally for B1 (research and development) and B2 uses, whilst Proposal Sites E1 (Holly Lane, Atherstone) and E3 (Playing fields south of A5, Dordon) are also restricted as to use. In addition, Proposal Site E1 is not available (being safeguarded for Aldi) and Proposal Site E3 requires relocation of the playing fields prior to construction. Similarly, Proposal Site E2 (west of Birch Coppice) requires the relocation of allotments prior to construction.

4.48. The only land suitable and available for big box development in the Borough are the final phases of Hams Hall and Core 42. These total 15.8 hectares (net developable) and are being marketed for 800,000 sq ft. This represents less than 1 years' supply based on long term take-up trends for the Borough.

4.49. There is no land in the planning pipeline in the Borough to replace this supply once these three schemes are completed over the next 12-18 months. This is an alarming position and will lead to stunted growth and missed opportunities in inward investment in a sector of the economy which is growing.

5. Ability of Site to Meet Demand/Need

Principal Requirements for Development Land for Big Box Development

5.1. There are 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.

5.2. Quick access to the national motorway or strategic trunk road network is fundamental in order to provide certainty in the despatch and delivery of goods. Modern operators seek to be as risk averse as possible in order to function properly. Congested A or minor roads, particularly those that must route through built up and residential areas, are resolutely avoided by occupiers.

5.3. Available and serviceable sites that are directly served by motorway or strategic trunk road junctions are at a premium and represent the best and most sustainable means of serving manufacturers, retailers and logistics operators. Examples include Birch Coppice and Hams Hall in the Borough of North Warwickshire and i54, Ansty Park and Rugby Gateway in the wider West Midlands. All have attracted significant big box development in recent years, including some notable inward investment.

5.4. Land that can accommodate very large buildings (i.e. 30,000 sq. m / 300,000 sq. ft+) and/or a cluster of different sized buildings, and can operate without any restrictions, is in particularly high demand. This usually requires flat or level sites in excess of 25 hectares (62 acres).

5.5. Operators require premises away from housing because many modern industrial warehouse operators are run on a 24/7 basis. Buildings also require good eaves height (12m and above) with additional features sought such as sufficient yard space, docking and circulation, which are often unwelcome within otherwise built-up residential areas.

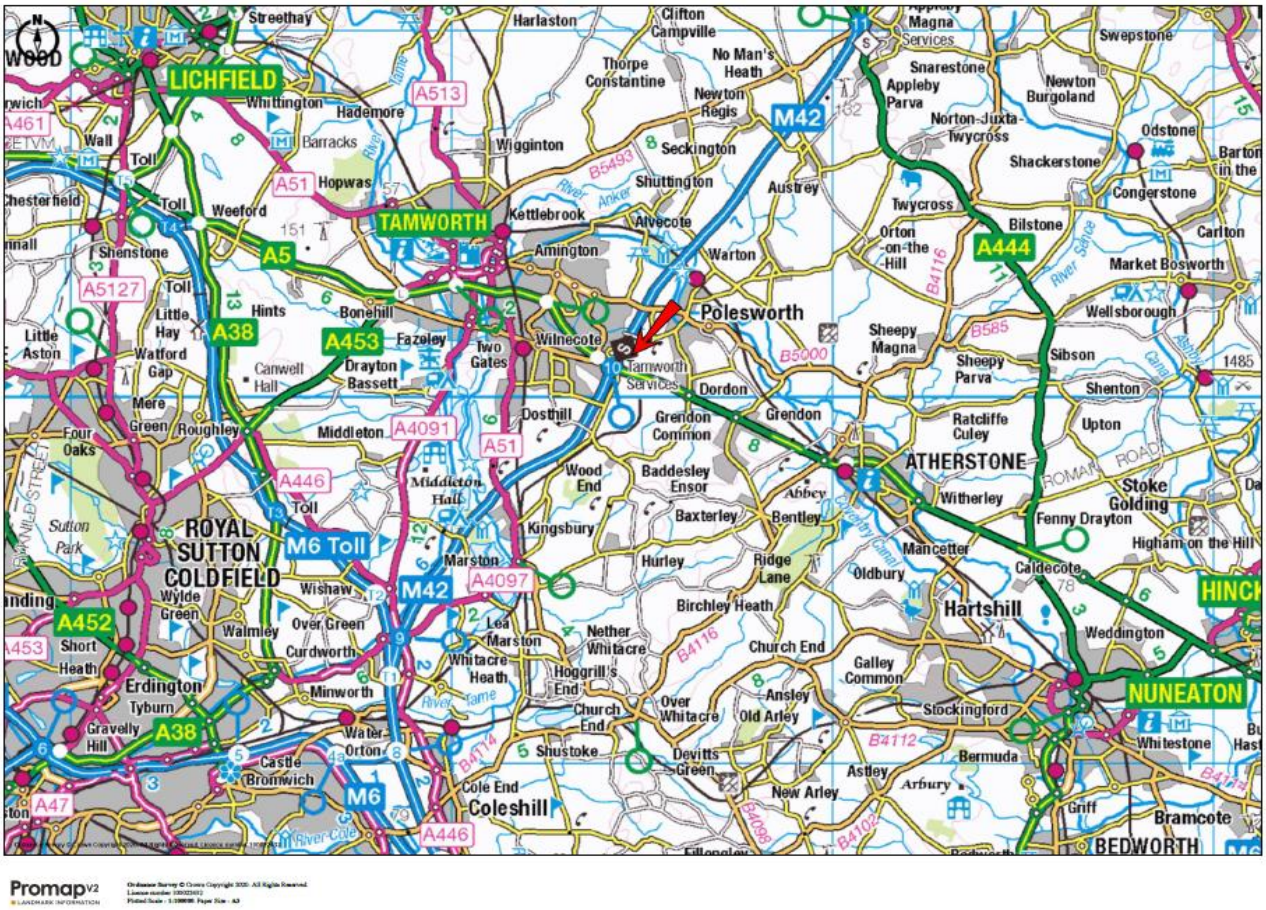
5.6. Whilst sites away from housing are sought, strategic employment land needs to be well related to existing built and proposed settlements. This is to ensure sufficient labour supply. In addition, the experience and availability of the local labour force to working shifts is attractive to many operators.

5.7. Finally, new strategic employment sites increasingly require a pleasant and well designed and landscaped setting. This is important in attracting and retaining staff.

Principal Characteristics of the Site

5.8. The location of the Site is shown on the plan below (Figure 4) with a red arrow pointing towards the Site.

Figure 4 – Location Plan



5.9. The Site is located at Junction 10 of the M42 motorway, at the intersection with the A5, with Junction 10 acting as the principal connection of Tamworth to the motorway network. Birmingham city centre is 17 miles to the south west, with Coventry 22.5 miles to the south east.

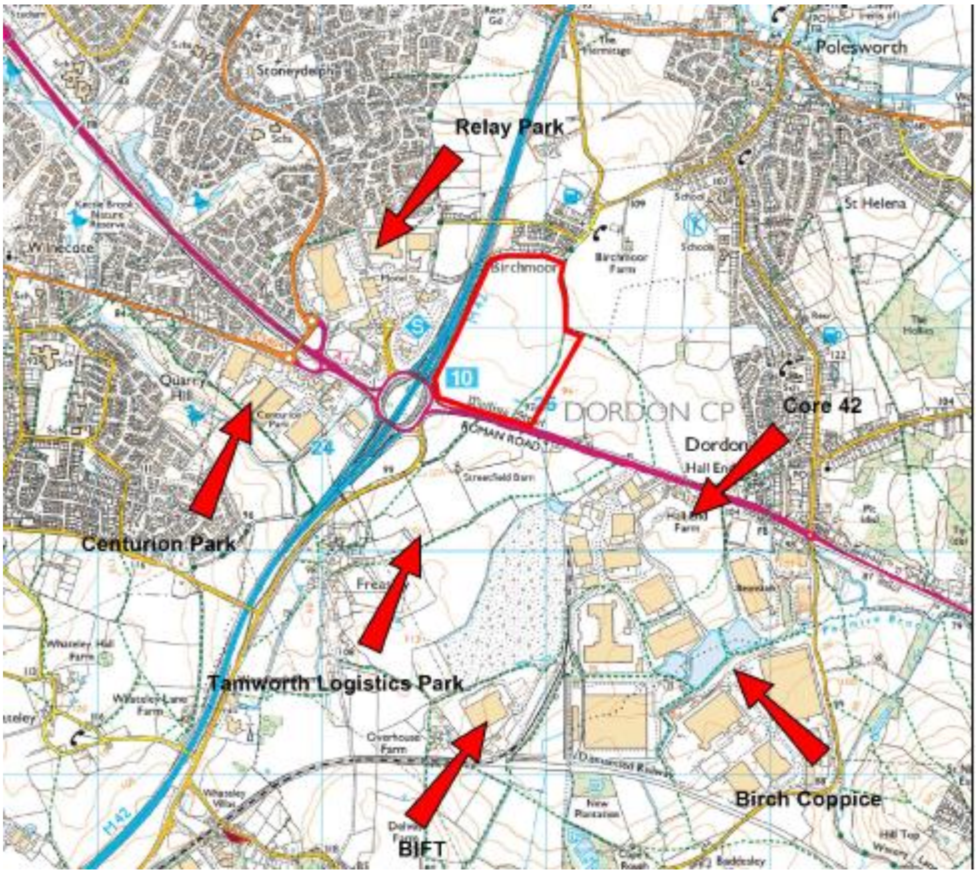
5.10. The M42 motorway provides connections to the M6, M6 toll, M5, M1 and M40. It also provides links to several important A roads, including the A5, A45 and A38.

5.11. Birmingham International Freight Terminal is located 2 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.

5.12. The Site is very well located in terms of labour, with a 30 minutes' drive time taking in large parts of the greater Birmingham conurbation as well as towns in Staffordshire and Warwickshire. According to the marketing details of St Modwen's Tamworth Logistics Park (see **Appendix 8**), there is a workforce of over 1.25 million within a 30 minutes' drive time of the Site.

5.13. The Site, and its immediate situation, is depicted in more detail in Figure 5 below. The extent of the Site is edged in red.

Figure 5 – Situation Plan



5.14. The Site is situated in an established location for Big Box development. Junction 10 of the M42 is the home for:

- Birch Coppice (incorporating BIFT)
- Core 42
- Tamworth Logistics Park
- Centurion Park
- Relay Park

5.15. These are marked on Figure 5. The Site is situated directly to the north east of Junction 10, the other side of the A5 from Tamworth Logistics Park. It measures 32.36 hectares (80.63 acres).

5.16. The Site is relatively flat and featureless. It is used for agricultural purposes and has little intrinsic ecological value.

5.17. The Site lies outside the Green Belt, which constrains all of the periphery to the West Midlands conurbation (i.e. Birmingham, Solihull, the Black Country and Coventry) and much of North

Warwickshire's administrative area. In addition, the Site is not designated for landscape or conservation purposes.

Proposed Development

5.18. The application proposes up to 100,000 sq. m (circa 1.1 million sq. ft) of Class B2, B8 and E(g)(iii) floor space, with ancillary offices, with the vast majority for large B8 big box development. An illustrative master plan, to inform the application, is provided below (Figure 6) and in **Appendix 9**.

Figure 6 – Illustrative Master Plan

5.19. The scheme will be accessed directly from the A5. This provides almost instant access to the M42 motorway at Junction 10.

5.20. The master plan is illustrative, but reflective of the likely market requirements should permission be granted. A 654,000 sq. ft unit and 350,000 sq. ft unit are shown. However, unit sizes could range from 100,000 sq. ft to 1,000,000 sq. ft.

5.21. In addition, a minimum of 7,000 sq. m (circa 75,000 sq. ft) of much smaller units, ranging from 5,000 sq. ft to 20,000 sq. ft, will be provided to cater for the needs of local SMEs. This is a direct response to the recommendations of the Coventry and Warwickshire Sub Regional Employment Market Signals Study 2019, which considers that large developments should enable the development of smaller units (as referred to in Section 2 of this Statement).

5.22. An overnight HGV parking area is also proposed. This area will be secure and will be serviced by an administration building of circa 2,000 sq. ft.

Principal Attributes of the Site

5.23. In market terms, the Site enjoys an almost unique combination of advantages for this area. These include: -

- A location directly to the north east of junction 10 of the M42 in a logistics hotspot in the West Midlands.
- Direct access to the A5, a key growth corridor and strategic east-west route which serves major ports for UK trade and industry.
- Clear and easy access to BIFT and other rail freight interchanges along the M42.
- Accessibility to the principal settlements of the area, giving good reach to local labour supply, but sufficiently distant to allow 24-hour operations without an adverse effect upon residential amenity.
- A close and complementary 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 floor plate buildings up to 1 million sq. ft.
- Well located to meet the needs of Tamworth, particularly for local SMEs.
- A regular shaped and flat site.
- The land is in the full control of a competent and experienced developer of industrial and distribution property (namely Hodgetts Estates).

5.24. The Site is free of constraints. There are no obvious physical limitations or problems that cannot be mitigated satisfactorily or otherwise overcome.

5.25. The Site is clearly suitable for the development proposals. It represents an obvious market opportunity which stands out locally, sub-regionally and regionally. We can think of no better site, which is not constrained by the Green Belt, which is served so well by both a motorway junction and a rail port, well related to large parts of the West Midlands' conurbation and located in the heart of the country.

5.26. This view is shared by the authors of the Stage 2 West Midlands Strategic Employment Sites Study. This study gives the highest rating to this site out of the 31 developer promoted sites appraised.

6. Conclusions and Summary

6.1. Policy LP6a of the recently adopted Local Plan places a positive presumption in favour of development proposals which meets an immediate need for employment land within Area A/Area 2 (i.e. M42 corridor) which cannot be met through current commitments (i.e. planning permissions or allocation). This Statement provides substantial evidence of a clear need and an immediate demand for new strategic employment development land in this area, relative to supply.

6.2. The need for new strategic employment development land, particularly for large scale logistics, is well established at a national, regional, and sub-regional level. This Statement refers to many of these policy documents and associated studies which point to the different characteristics of large-scale logistics and the importance of planning effectively to ensure a continuous pipeline of sites to meet the needs of this increasingly important sector of the economy.

6.3. The policy documents and associated studies we refer to include: -

- NPPF (as revised)
- PPG (as revised)
- What Warehousing Where?
- Better Delivery: The Challenge for Freight
- Stage 2 Regional Logistics Study Update
- Regional Spatial Strategy Panel Report
- Black Country and Southern Staffordshire Regional Logistics Sites Study
- West Midlands Strategic Employment Sites Study
- West Midlands Land Commission Land Report
- WMCA Spatial Investment and Delivery Plan
- West Midlands Strategic Employment Sites Study, Stage 2
- Leicester and Leicestershire Strategic Distribution Study
- Coventry and Warwickshire Employment Land Use Study
- Coventry and Warwickshire Sub Regional Market Signals Study.
- Report to Coventry and Warwickshire LEP Planning and Housing Business Group on Strategic Employment Land Supply.

6.4. These documents share several important themes, as follows: -

- The growing importance of the freight and logistics sector, the sector's particular operational requirements, and how these differ from traditional industrial land, especially with reference to location and scale.
- The imbalance between demand and supply for large strategic sites, particularly in logistic hotspots such as Area A/Area 2 (i.e. M42 corridor).

- The pressing and urgent need to identify and bring forward new sites in this area to replenish the existing and established sites which are complete or close to completion.

6.5. In addition, at a sub-regional level, it is acknowledged from the Local Plan process that Birmingham, Coventry and Tamworth do not contain sufficient urban capacity to accommodate their own development land needs for employment land. Instead, they must rely on neighbouring local planning authorities to help them meet their needs. Tamworth has agreed with North Warwickshire Borough Council that 8.5 hectares of its minimum shortfall will be located in North Warwickshire.

6.6. At a local level, the North Warwickshire Local Plan's principal evidence base is the 2013 Employment Land Review Update produced by G L Hearn. This study identified a need of between 190 hectares and 340 hectares for the Borough, based on labour demand and completions models respectively. Subsequently, in an Addendum to the Employment Land Review Update (April 2016), G L Hearn identified the need for employment land in the Borough would be 538 hectares (to 2031) based on past completions.

6.7. The Borough Council does not plan to accommodate this scale of need through defined allocations. Instead, it seeks to accommodate only 'locally' arising need, based on an updated labour supply model. For the purposes of the Local Plan, the local derived need is 100 hectares, of which 81 hectares is for B8 development.

6.8. This overall approach (i.e. of just planning for 'local' need) was accepted by the Inspector to the 2014 adopted Core Strategy, but only on the basis that the Core Strategy contained a clause requiring its review if further evidence produced at a regional level indicated a need to increase the provision. The Inspector concluded that the Employment Land Review Update identified a significant requirement for additional land for logistics use – a requirement that the Core Strategy did nothing at all to meet – and that taking a more positive approach to this unmet need would not conflict with the Council's aim to diversify its economy.

6.9. The Inspector to the recently adopted Local Plan has taken a similar position. He has concluded that, whilst there is no clear evidence as to what level of wider than local need should be delivered in the Borough, there is a clear requirement for the Local Plan to address this issue – hence, the incorporation of Policy LP6a as a Main Modification (Policy LP6 in the adopted version).

6.10. Since the Core Strategy was adopted, the West Midlands Strategic Employment Sites Study (Stage 1) has been published. This clearly signposts an imbalance of demand over supply in this area (i.e. Area A). This finding has been corroborated by other subsequent sub-regional studies and the Stage 2 West Midlands Strategic Employment Sites Study. The latter was published in 2021 and was not considered as part of the evidence base to the Local Plan. This Study concluded that there was a limited supply of available land and an urgent need for additional sites to be bought forward. It also identifies the M42 Corridor (Area 2) as the prime market facing location for strategic employment sites and with the shortest supply in terms of available land as a factor of take-up (i.e. only 0.71 years).

6.11. The essential position is that a substantial need for large scale employment land, particularly for big box logistics, for this area has been identified by various studies. These include those commissioned by the Council for the purposes of collating evidence to support its development plan making process. The Borough Council 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 Local Plan are 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 hectares). Nevertheless, this does not diminish the scale and urgency of the need to find new sites in this area (i.e. Area A) in order 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.

6.12. The Big Box market is a distinct sector. It caters principally for logistics and has its own requirements in terms of location, situation and siting of development land. It is a mature, but still growing and dynamic market. Particular growth has been witnessed over the last 8/9 years, with e-commerce a key market driver.

6.13. 2020 has seen record take-up levels. This is due to the strength of the market and as a response to the Covid-19 pandemic and resulting lockdown. The lockdown has accelerated trends in online shopping, increasing the proportion of goods purchased online from 20% in February 2020 to 26% in June 2021. There has been a particular spike in online grocery shopping.

6.14. This has translated into greater demand for big box logistics, and we see this trend continuing into the foreseeable future. In addition, the pandemic and the uncertainties caused to the movement of goods from abroad by Brexit is likely to lead to reshoring of industry and companies holding a greater inventory of buffer stock in order to mitigate supply chain risks.

6.15. Average take-up of Big Box floor space across the UK over the last five years has averaged 2.3 million sq. m (25 million sq. ft). At the end of 2020, supply of Grade A premises stood at 2.2 million sq. m (23.2 million sq. ft), of which about 1.4 million sq. m (15.1 million sq. ft) was new. Despite a real spike in speculative development over the last few years, the current supply at a national level represents only 11 months of demand.

6.16. The Midlands is the prime location for big box developments, accounting for between 35% to 54% of all UK take-up over the last five years. This is principally due to its centrality.

6.17. At its heart lies the Golden Triangle – the sweet spot for big box logistics in the UK. This area is generally defined by the M1, M6 and M42 motorways and takes in Northampton, Leicester, Coventry and the eastern edge of the Birmingham conurbation. The application site is located within this area.

6.18. Over the last five years, the Golden Triangle has seen 75 transactions for new space of 27.4 million sq. ft and 31 transactions for second-hand floor space of 6.9 million sq. ft. The high proportion of new units taken up (close to 80% of all floor space) is a further illustration of the strength of the market demand, relative to supply, and its continued growth.

6.19. A number of hotspots for new and existing premises have emerged over the last five years. These include Junction 11 M42 for new premises and Junction 10, M42 for existing premises. The latter is due to a lack of available sites.

6.20. Over the last 3-4 years, the extent of permitted and allocated supply in the Golden Triangle has been added to with large consents at Magna Park, Northampton Gateway and East Midlands Gateway. These are all situated in the eastern and southern points of the Golden Triangle. Conversely, there have been very few consents granted recently in the western point of the Golden Triangle (see Figure 3 in Section 4).

6.21. As a result, there is a real paucity of larger consented sites along the principal motorway corridors within the West Midlands – i.e. the M42 south of junction 11 and the M6 west of Coventry. Both of these areas have experienced good levels of take-up over the last five years and represent obvious gaps in the market in terms of supply.

6.22. The M42 is a key strategic road. It connects the principal conurbations in the West and East Midlands, is a vital element to the Golden Triangle providing 360° coverage to the UK and is served by three strategic rail freight interchanges. For these reasons, it has experienced substantial levels of demand.

6.23. Over the last five full calendar years, there have been 36 transactions totalling 13.3 million sq. ft along the M42/A42 Corridor, of which 10.35 million sq. ft was for new floor space. Transactional activity has clustered around four principal locations: -

- Eastern edge of Birmingham/Solihull
- Junction 10, M42, Tamworth
- Junction 11, M42, Appleby Magna
- Castle Donington

6.24. Enquiry levels remain high. JLL logged over 100 active requirements for big boxes in 2020 for the M42/A42 corridor. This is a very high level and has encouraged developers to speculatively build at nodal points along this motorway.

6.25. Active requirements for space along the M42/A42 Corridor have continued into 2021. This has led already to almost 4 million sq. ft being let in the first 7 months of this year, comfortably exceeding the annual 5 year average of 2.66 million sq. ft.

6.26. We have identified 8 schemes along the M42/A42 corridor, including existing second-hand big box units, which can deliver around 5.67 million sq. ft. This equates to 2.13 years' supply at current take-up levels (averaged over the last five years).

6.27. In Area A/Area 2 (i.e. that part of the M42 corridor which is situated within the West Midlands) we have identified a supply of 3.08 million sq. ft. Annual take-up in Area A/Area 2 in the last five years has averaged 1.22 million sq. ft. At this take-up rate, the current supply represents 2.52 years.

6.28. This is less than the 3.7 years' supply identified for Area A/Area 2 by the 2015 West Midlands Strategic Employment Sites Study and which led to the conclusion that planned supply of immediately available land in this area fell "severely short". It is to be noted that the 2015 West Midlands Strategic Employment Sites Study only included development land in its calculation. Taking the same approach, only 1.35 million sq ft is available immediately at Hams Hall, Core 42 and Peddimore. At current take-up rates, this represents only 1.1 years' supply.

6.29. This illustrates the shortage of development land in Area A/Area 2 capable of accommodating the increasing demand for Big Box development. It is evident proof backing the conclusions of a number of studies commissioned by local planning authorities and LEPs that there is an 'urgent' and 'pressing' need to identify more development land. This is particularly important as there is no land within the pipeline to accommodate future development pressures in Area A/Area 2 apart from the second phase of Peddimore.

6.30. A further demonstration of the imbalance of demand over supply are market signals such as rents and land values. Since 2013, land values for big box units in the Birmingham area have doubled.

6.31. Given the time lag in bringing forward big sites, a range and choice of additional sites need to be immediately identified. Already, the options available are limited, with most schemes either completed (i.e. Birch Coppice), or building out last phases (e.g. Hams Hall and Tamworth Logistics Park).

6.32. This restricted choice of sites also means that many of the larger requirements can no longer be accommodated. The average size of new units taken up along the M42/A42 corridor over the last five years is 400,000 sq. ft. In Area A/Area 2, only one site can accommodate a building of this size –Peddimore.

6.33. The Local Plan allocates four sites for development, totalling 57.4 hectares, with the largest site to the south of MIRA Technology Park (42 hectares). None of these sites are suitable and available for Big Box development for B8 in the immediate future. The MIRA site is allocated principally for B1 (research and development) and B2 uses, whilst Proposal Sites E1 (Holly Lane, Atherstone) and E3 (Playing fields south of A5, Dordon) are also restricted as to use. In addition, Proposal Site E1 is not available (being safeguarded for Aldi) and Proposal Site E3 requires relocation of the playing fields prior to construction. Similarly, Proposal Site E2 (west of Birch Coppice) requires the relocation of allotments prior to construction.

6.34. The only land suitable and available for big box development in the Borough are the final phases of Hams Hall and Core 42. These total 15.8 hectares (net developable) and are being marketed for 900,000 sq. ft. This represents less than 1 years' supply based on long term take-up trends for the Borough.

6.35. There is no land in the planning pipeline in the Borough to replace this supply once these three schemes are completed over the next 12-18 months. This is an alarming position and will lead to stunted growth and missed opportunities in inward investment in a sector of the economy which is growing.

6.36. The application site is suitable, available and deliverable to meet the immediate demand we have identified. It meets also the established criteria for a Big Box development, specifically: -

- It is located at a motorway junction in a logistics hotspot in the Golden Triangle.
- It enjoys direct access to the A5, a key growth corridor and strategic east-west route.
- It has good and easy access to BIFT and other strategic rail freight interchanges along the M42.
- It is within a strong and large labour catchment.
- It is complementary to the cluster of big box development at this location (e.g. Birch Coppice, Core 42, Tamworth Logistics Park and Centurion Park).
- It is well located to meet Tamworth's needs, particularly for local SMEs.
- It is situated away from housing.
- It has sufficient scale to accommodate very large floorplate buildings.
- It has a regular shaped and flat site.
- It is controlled and being promoted by a competent developer.

6.37. The 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 the Green Belt, to meet the immediate need and demand for this sector of the market in this location.

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.

3. Analysis

3.1 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.

3.2 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.

3.3 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.

3.4 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 sqft had been let to a European distribution company.

3.5 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 1million sqft 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 sqft located at "Prospero" Ansty.

3.6 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.

3.7 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.

4. For discussion

4.1 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 officers 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	~~0.988~~ **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

			AD52 Savills Submission	**NWBC's update**
YEAR	**SITE NAME**	**Original AREA – ha's**		
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 hectares.***
TOTAL		**57.20 ha**	**57.20**	73.2ha

Sites with Planning Permission

Table 7: Outstanding Sites with Planning Permission As At 31 March 2018 **as at 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 31st March 2019	NWBC's update
Total Completions Since 2011/12 – 2017/18 (Table 5)	**166.25** Ha	**154.58 ha**	**142.0**
Allocations In Draft Local Plan (Table 6)	**57.20** Ha	**57.20Ha**	**73.2**
Outstanding Sites With Planning Permissions (Table 7)	**78.00** Ha	**30.56Ha**	**78.0**
Total	**301.45 ha**	**242.34 ha**	**293.20 ha**

Appendix 3 – JLL's Big Box Industrial & Logistics Market, January 2021

Big Box

Logistics market update

January 2021

Source: DIRFT 535 Daventry

Overview

The key **takeaways** from this update are:

Occupier take-up in 2020 (35.8 million sq ft) recorded the highest total in history. Take-up in 2020 was 64% up on 2019 and 43% higher than the five-year annual average

Retailers were the most active source of take-up in 2020 accounting for 58% of Grade A take-up. E-commerce continued to drive demand accounting for 42% of total Grade A take-up last year

Grade A availability decreased 15% over the course of 2020, following a fall in both new and good quality second-hand supply. Nationally, our vacancy rate fell from 9% at end-2019 to 7% at end-2020

Nationally, distribution rents are forecast to grow by 0.8% in 2021

The **investment market** was strong in 2020 with the sector being one of the only sectors to record an increase in investment volumes in 2020 compared with 2019

JLL's market share was 40% of Grade A floorspace taken up 2020

JLL's figures include Grade A (new and good quality secondhand) logistics units of 100,000 sq ft +. Take-up includes new build to suit figures where the deal has both signed and the site has planning permission for the proposed building. For this update we have also retrospectively updated our take-up figures to include the total floorspace of units that have been signed for where a concrete mezzanine floor is being developed within the building.

"Welcome to the new edition of our Big Box Logistics report. The COVID pandemic has created huge volatility and uncertainty in many aspects of our lives, but at the same time a clear side-effect has been to highlight the importance of supply chains and the crucial role that the logistics property market plays in facilitating the movement of materials and goods across the country. Last year saw an unprecedented level of demand for modern logistics floorspace, as take-up hit a record high and exceeded 30 million sq ft for the first time ever.

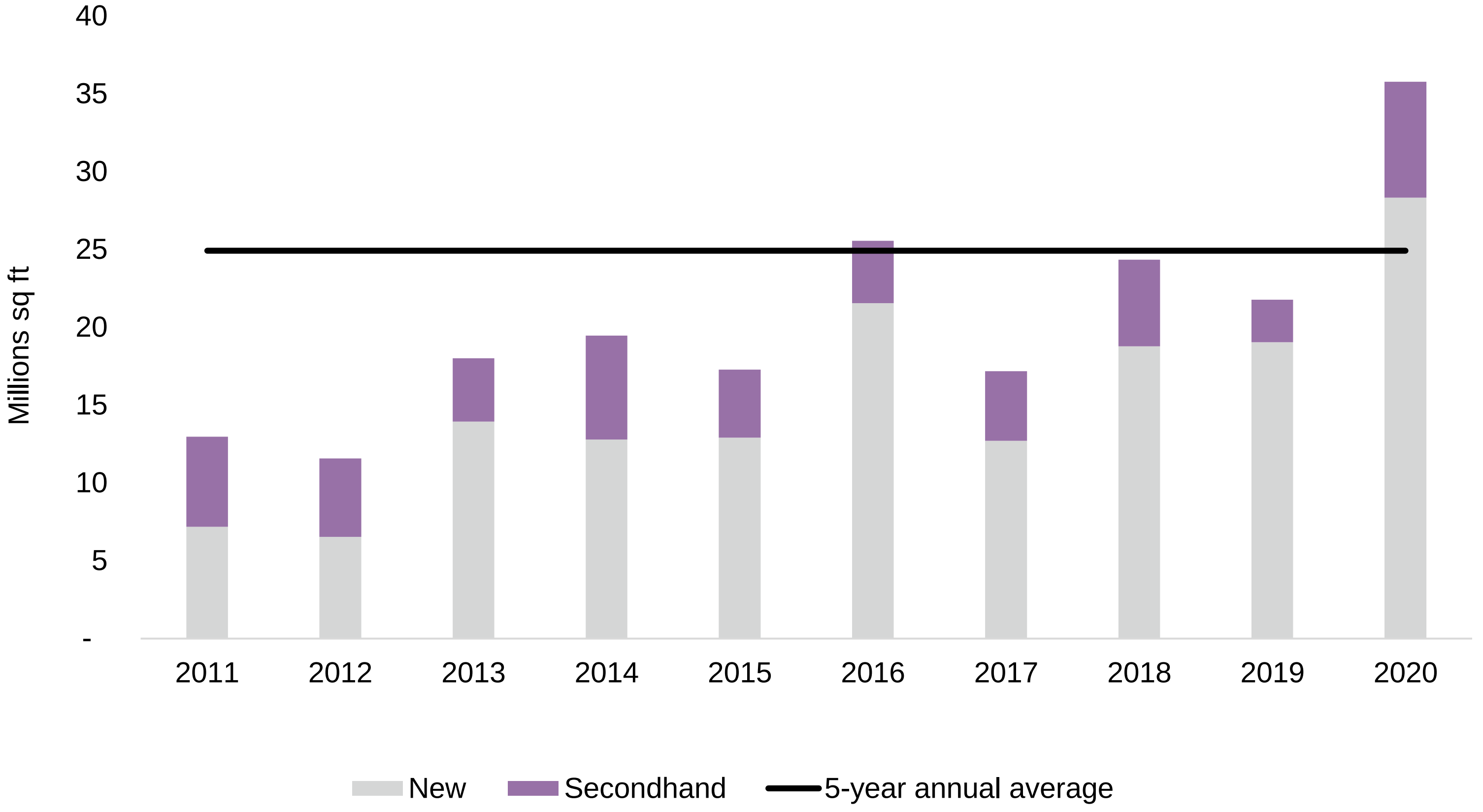
Looking ahead, and despite the twin uncertainties surrounding COVID and the Brexit aftermath, we expect another strong year of demand with a healthy level of active requirements already in the market and a number of buildings currently under offer. Vacancy rates have rarely been lower than now and set against the continuing demand there has never been a stronger case for speculative development in prime and under-served locations. I hope you enjoy reading this report and find it helpful for your decision-making, and we look forward to working with you this year."

Ed Cole,
Head of Logistics JLL

Occupier take-up and demand

JLL

Grade A take-up involving units of 100,000 sq ft +



Take-up:

Despite the pandemic and weak economic conditions, occupier demand for Grade A logistics floorspace boomed in 2020, with total take-up of 35.8 million sq ft for the year. This represented a 64% hike compared with 2019 (21.8 million sq ft) and was 44% higher than the five-year annual average (24.9 million sq ft).

In what was a turbulent year, the logistics sector saw a surge in demand from occupiers, as many companies sought to bolster their network capacity and acquire space to meet the explosion in online shopping.

This unprecedented level of take-up was boosted by a record breaking H2, when 23.0 million sq ft was taken-up. This was 79% up on H1 2020 and the highest half-yearly period on JLL's records going back to 2007.

Last year, 28.3 million sq ft of Grade A floorspace taken-up consisted of new space, representing 79% of the total; the other 7.5 million sq ft (21%) comprised good quality secondhand floorspace.
In addition to the 35.8 million sq ft of Grade A space taken up, a further 3.6 million sq ft of short-term Grade A floorspace was taken up in transactions where leases of less than 12 months were agreed.

Key deals for H2 2020

DIRFT Daventry – Project Lake 850,000 sq ft

Conneqt 153, Kingswood Lakeside Cannock – SuperSmart 153,635 sq ft

Sherburn Business Park – Clipper Logistics 666,898 sq ft

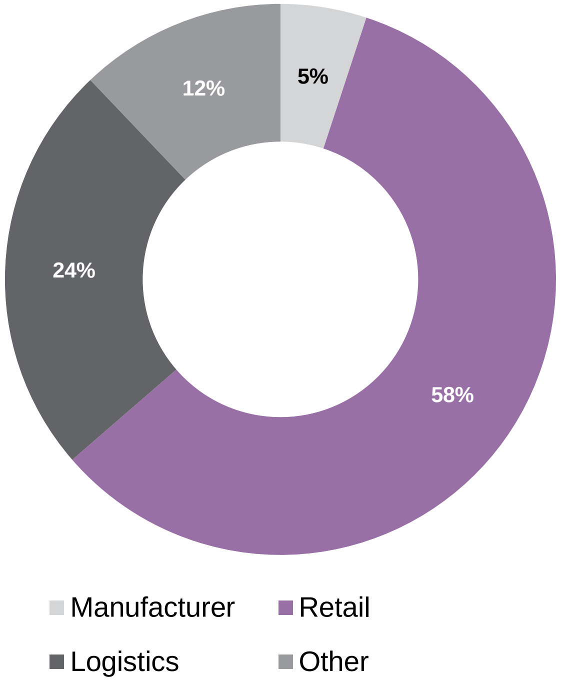
Mountpark Warrington – Gousto 307,807 sq ft

Basildon 117 – Swan Housing – 116,841 sq ft

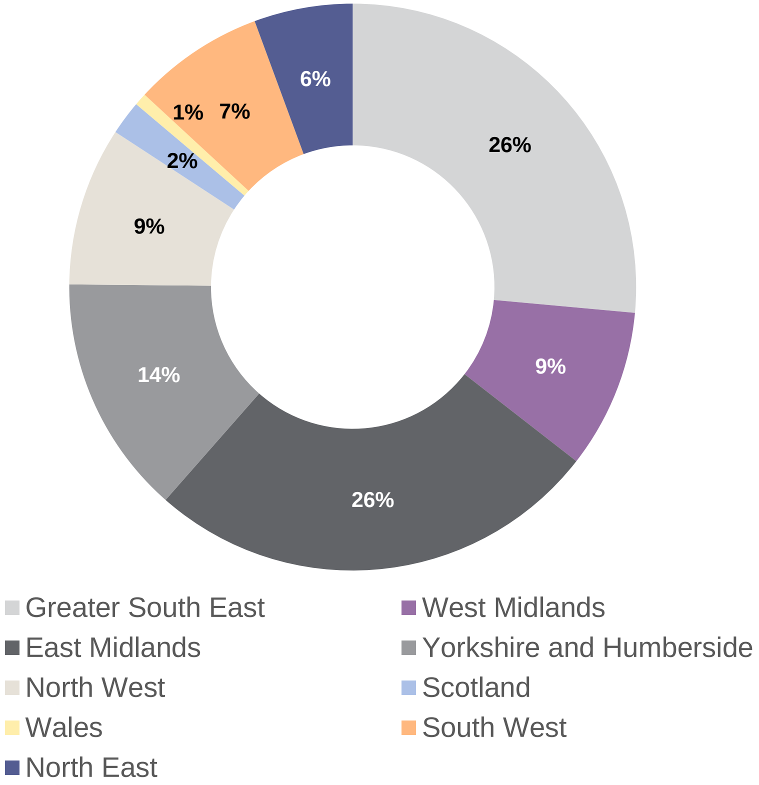
W248 Building 1000, Western Approach Bristol – Wincanton 248,000 sq ft

Occupier take-up and demand

Grade A take-up **by sector**: 2020



Grade A take-up **by region**: 2020



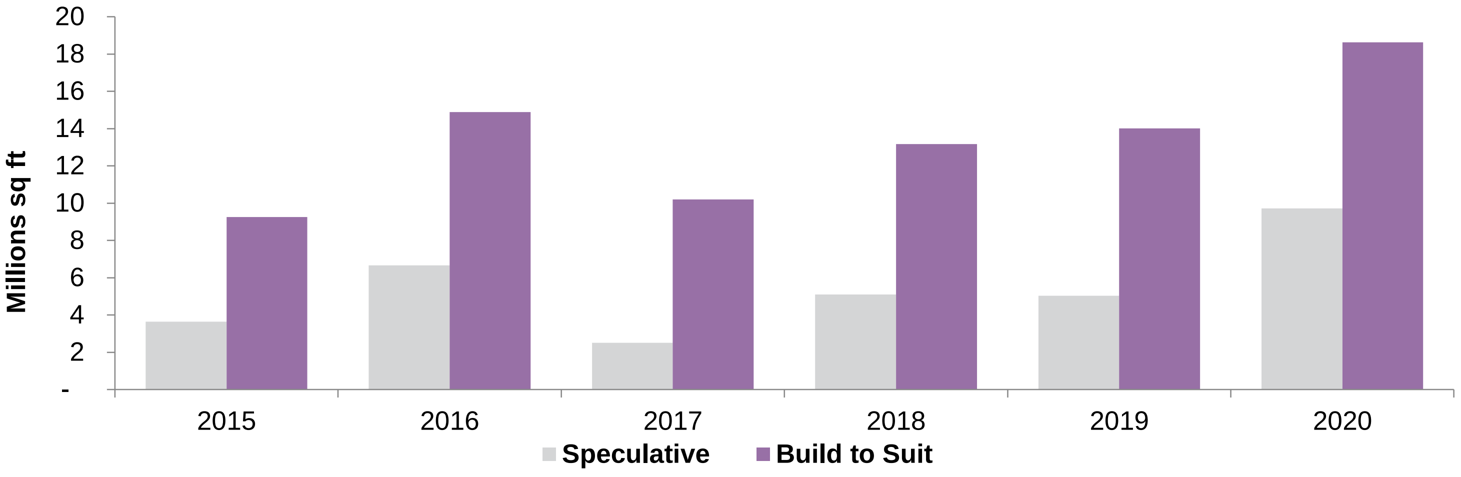
"Retailers continued to be the main driver of demand in 2020, accounting for 58% of total take-up. The accelerated shift to online shopping during the pandemic led retailers to alleviate their supply chain pressures by taking more logistics floorspace. In fact, 42% of total take-up in 2020 was directly linked to online fulfilment.

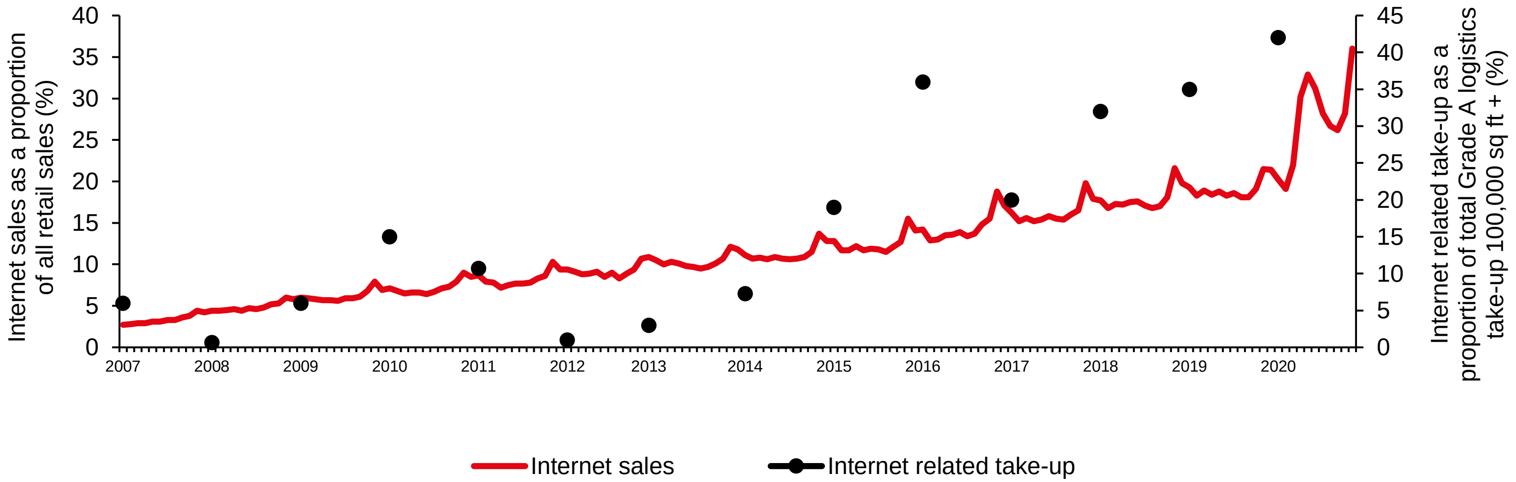
Regionally, it was a good year for the 'Greater South East' which equalled the 26% share accounted for by the East Midlands. In recent years we have seen a greater proportion of national take-up in the East Midlands, but last year we saw occupiers demand prime facilities located close to the southern M1 and the wider Greater South East region. Take-up in the Greater South East in 2020 was 91% up on 2019."

Oliver Jones,
Senior Research Analyst
Industrials, JLL

Occupier take-up and demand

New take-up: Speculative vs BTS





Take-up of new & e-com floorspace:

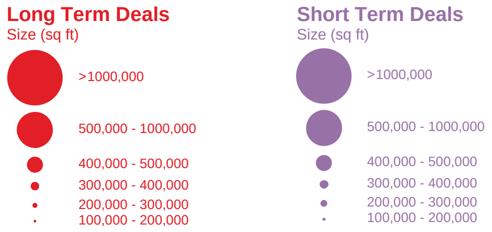
Around 28.3 million sq ft of new floorspace was taken-up in 2020, of which 9.7 million sq ft consisted of speculatively developed floorspace and 18.6 million sq ft was in build-to-suit units. The share of speculatively developed units represented 34% of the new floorspace transacted, a significant increase compared to the average speculative share of 24% over the previous three years (2017-2019).

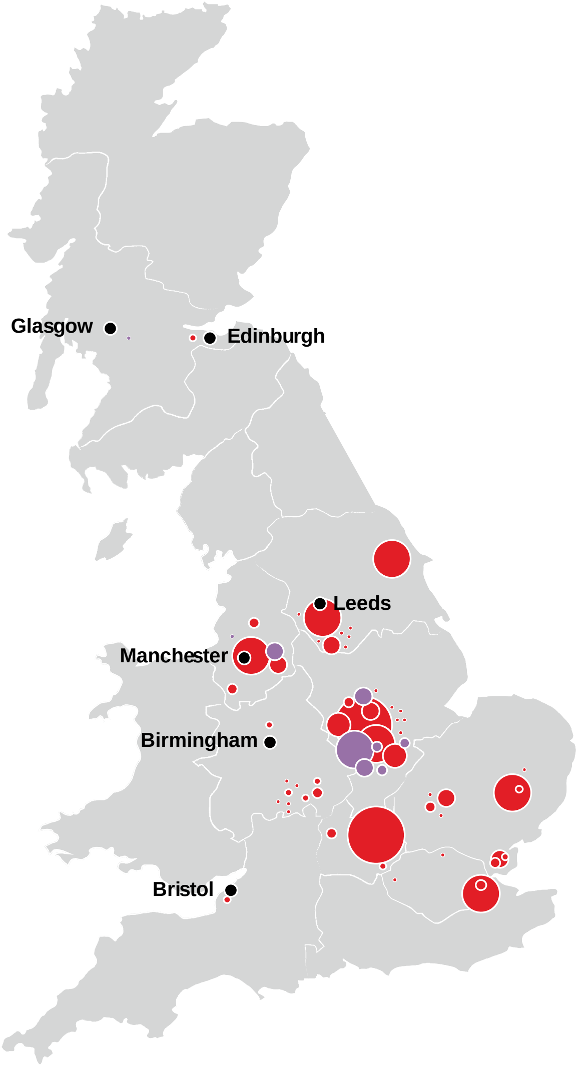
The market appeal of speculative buildings was in being able to quickly satisfy demand, particularly as there were critical logistics requirements from both the e-commerce operators and those involved with distributing personal protective equipment (PPE). More generally, the speculative development that was delivered in 2020 attracted strong interest. Indeed around 59% of the 6.9 million sq ft of speculative floorspace completed in 2020 had already been take-up, or placed under offer, by the year-end.

For much of 2020 non-essential retail stores were forced to close in an effort to prevent the spread of the virus. As this happened consumers were forced to shop online and there was a surge in demand for logistics floorspace from retailers looking to open dedicated online fulfilment centres and parcel operators needing to create additional capacity in their networks. Approximately 42% of all Grade A logistics take-up in 2020 was acquired for direct online fulfilment centres, the highest year on record in terms of both the share and the amount of floorspace taken-up. In addition, approximately 6% of total Grade A take-up came from parcel operators last year.

Talking point revisited

Long and short term deals





Short term deals in 2020:

2020 was a record breaking year in many ways, and on top of the 35.8 million sq ft of take-up recorded last year, we also recorded a further 3.6 million sq ft of short-term deals that took place in the market where a lease of less than one year was agreed.

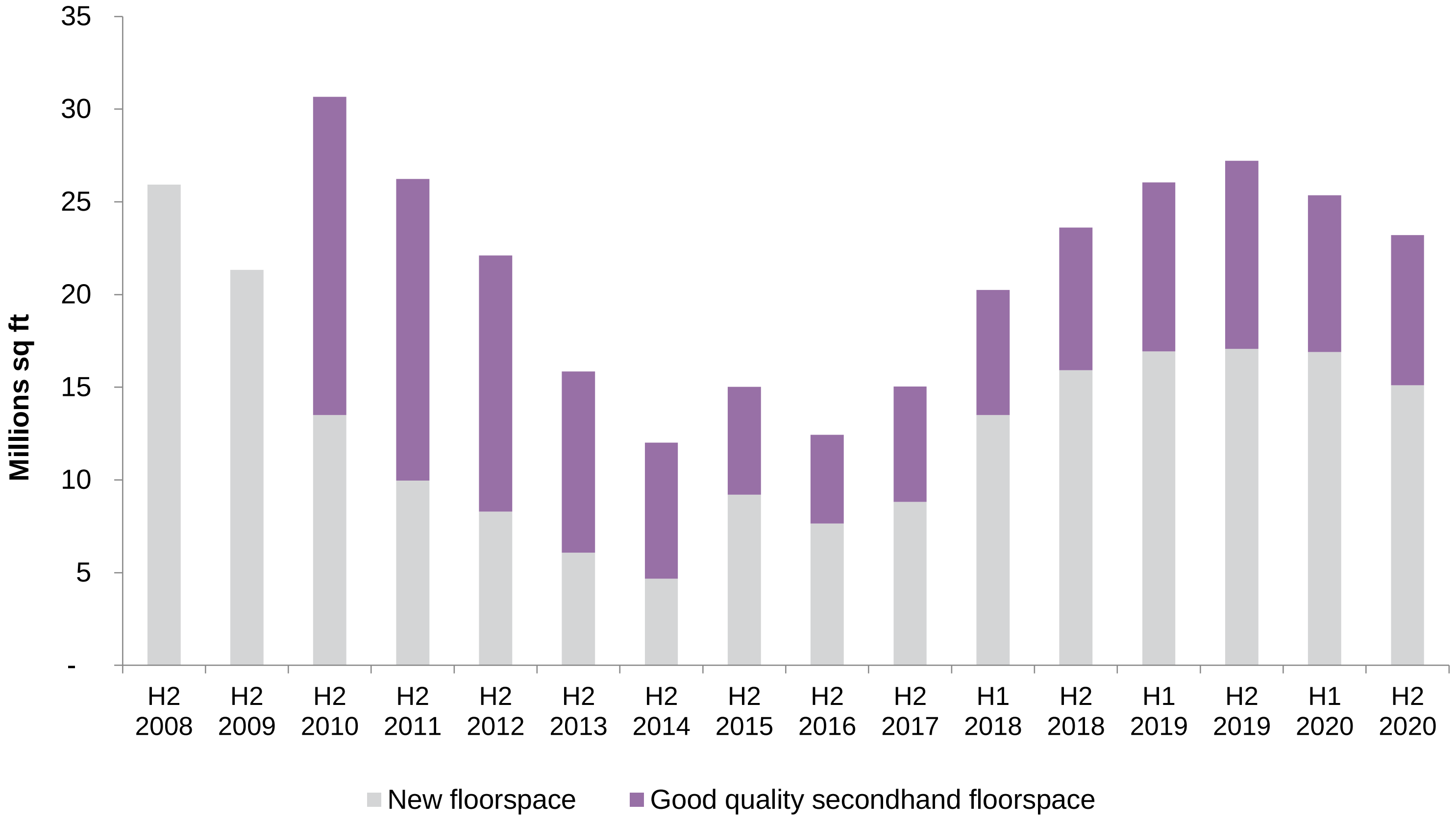
In the first half of last year we recorded 2.1 million sq ft of short term deals as occupiers needed to take on additional space in response to the national lockdown and the supply chain disruption caused from the COVID pandemic. But we also saw further units taken up in H2 as occupiers still needed to take space on a short term flexible basis.

"2020 was one of the busiest years my team has ever had where we acquired over 7 million sq ft of floorspace for our clients. We acted quickly to respond to a number of immediate requirements our clients had across various market sectors and as a result we were able to secure buildings for our clients on both long and short term leases. As a team, we were involved in 50% of the short-term Grade A big box transactions that took place last year."

Michael Alderton,
Director Industrial & Logistics

Available supply

Grade A supply involving units of 100,000 sq ft +



Supply:

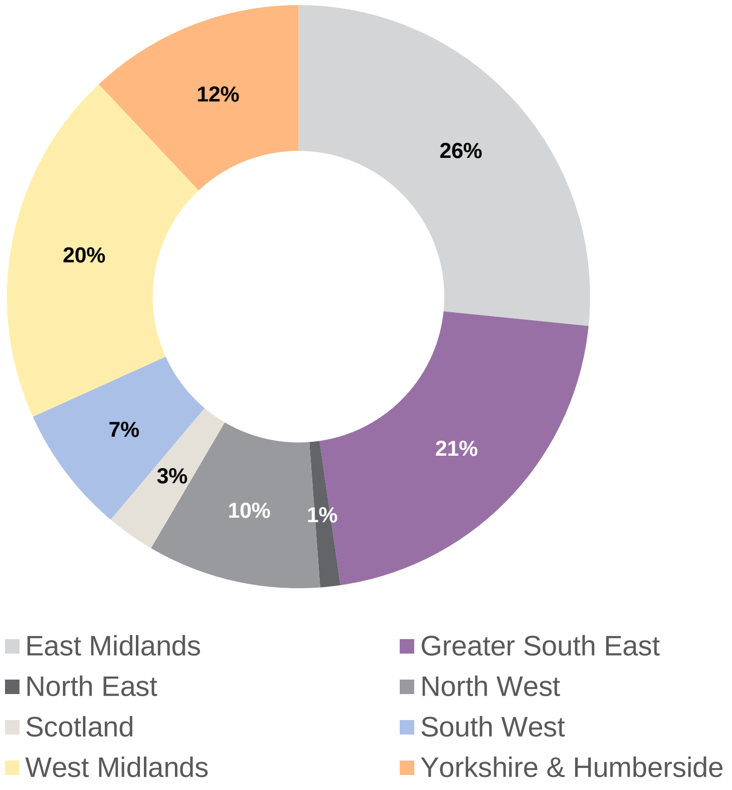
At the end of 2020, there was 23.2 million sq ft of Grade A floorspace available nationally, of which 15.1 million sq ft was available in new buildings. The remaining 8.1 million sq ft was in good quality secondhand facilities.

The 15.1 million sq ft of new floorspace comprised 9.4 million sq ft of new immediately available floorspace and 5.7 million sq ft which was speculatively under construction.

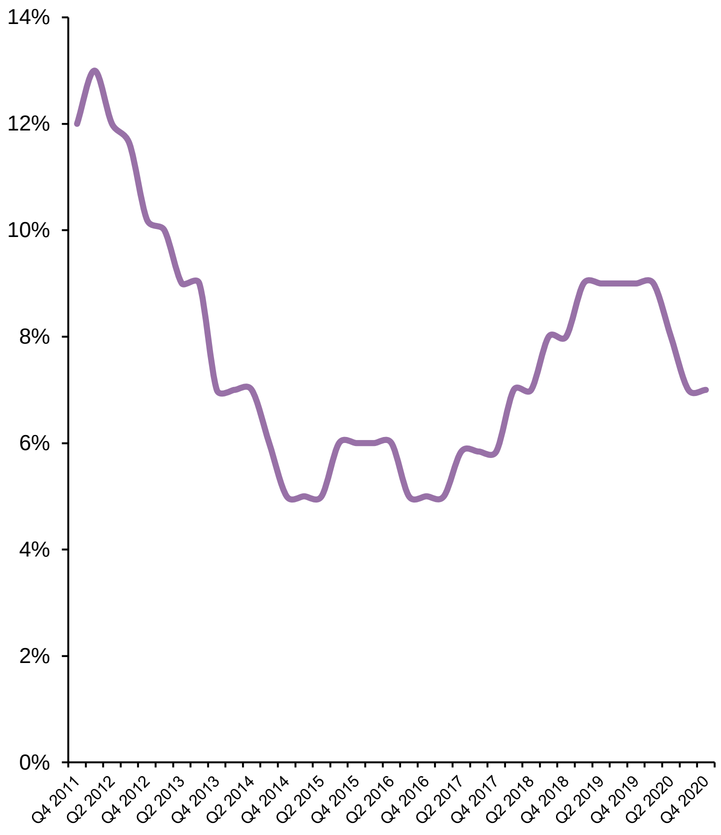
Grade A supply at the end of 2020 was 15% down on the end of 2019 (27.2 million sq ft). This reflected a fall in both new (-12%) and good quality secondhand floorspace (-20%).

Available supply

Grade A supply by region: 2020



Modern logistics vacancy rate



Update on the market:

The overall availability at the end of 2020 represented a national vacancy figure of 7% compared with our estimates of Grade A stock; this was down from 9% at the end of 2019. This vacancy rate includes units that were speculatively under construction at the end of 2020; if we exclude these, the vacancy rate was 5%.

"The East and West Midlands combined accounted for 35% of Grade A take-up last year, demonstrating the continued importance of this area as a location for national and regional hubs. At the end of the year the two regions accounted for 46% of supply, but there were a number of units within the regions that were under offer at the end of the year and in the short-term this could see a further reduction in supply."

Carl Durrant,
Director Industrial & Logistics JLL

Key availability at end of 2020

Wakefield 515, Knottingley, 512,850 sq ft

Gateway 385, Peterborough Gateway – 387,259 sq ft

Unit 1 Mustang Park Daventry – 108,975 sq ft

DC8 Prologis Park Ryton – 147,300 sq ft

Mountpark Bristol 360 – 359,500 sq ft

Mountpark Warrington – 203,180 sq ft

Talking point:

The case for speculative development in 2021

Despite an uncertain year, demand for logistics space skyrocketed in 2020. With an unparalleled level of demand many existing available buildings were snapped up and this has created a supply and demand imbalance in some locations across the country.

Nationally, at the end of 2020 there was less than one year (11 months) of supply in the market compared with the average annual level of take-up over the last five years (2016-2020). By contrast, at the end of 2019 the corresponding figure was 15 months of supply. Nationally, the vacancy rate fell from 9% at the end of 2019 to 7% at the end of 2020 – despite 6.9 million sq ft of new speculative floorspace being developed over the year, and 10 out of 12 regions saw a fall in their vacancy rate.

As one local example, Northampton in the East Midlands had five big box units available at the end of 2019 but over the course of 2020 four of these units were let and the remaining unit was under offer at the end of 2020.

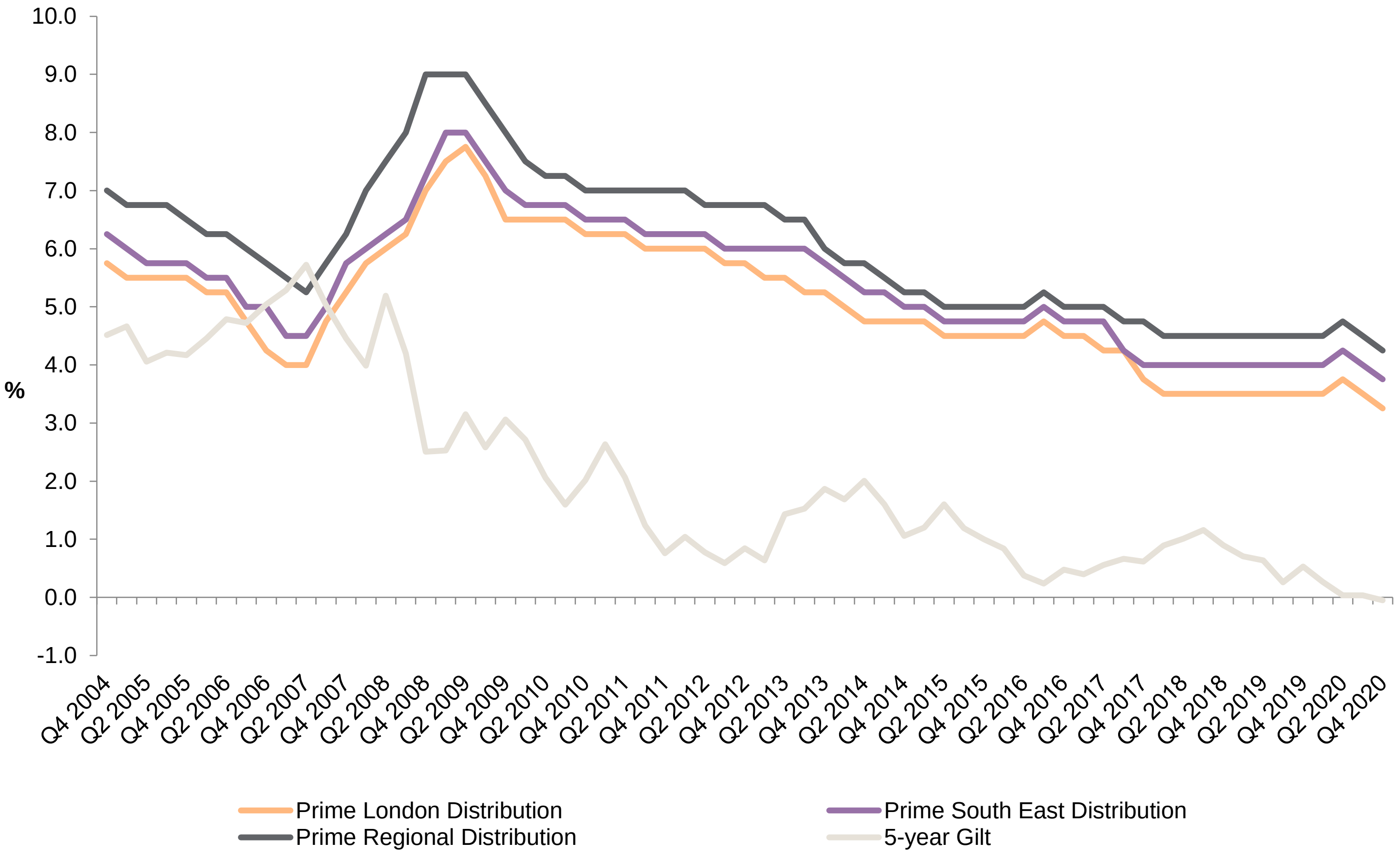
At the end of 2020 around a fifth of Grade A supply was under offer, and if all of this space is let then this will further reduce the available supply. Towards the end of last year some speculative development started as developers looked to address this imbalance. Again, Northampton is a relevant example as construction started on two speculative units in the final quarter of 2020.

In the second half of 2020 speculative development started on 24 new units totaling 5 million sq ft, 22% of total Grade A supply at the end of 2020. Looking forward this year, given that the vacancy rate was 7% and a fifth of floorspace was under offer at the end of last year, we think there is a case for further speculative development in locations where supply is limited. Our take-up numbers also show that the share of speculative take-up in new floorspace increased in the last couples of years. We believe that where speculative units are built in the right location and to the right specification, they will attract good levels of interest.

450 Powerhouse London, Tritax and Bericote have committed to speculatively developing a new 450,000 sq ft unit at Powerhouse with construction due to commence in January and expected PC in July 2021

Investment update

Prime logistics yields*



**Assuming a 15 year income and OMR*

Prime logistics yields:

Despite yields moving out in H1 2020 as a direct result of the initial shock of the pandemic, in the second half of 2020 the strength of the market and huge investment interest in the sector saw yields move back in. As gilts yields reached an all-time low last year, capital looked for other sources of investment and the industrial sector was a clear choice for investors looking for solid returns.

Assuming a 15-year income and open market reviews, at Q4 2020 prime logistics yields stood at 3.25% in London, 3.75% in the South East and 4.25% in major regional markets. In H2 2020 yields moved in across all three regions, and at the end of 2020 across all three regions yields were at an all-time historic low.

"The extraordinary fundamentals of the occupational market unpinned the investment market in 2020 and showed why the logistics sector continued to establish itself as the most resilient commercial property asset class last year. Despite a slower start to the year, total industrial investment volumes were up in 2020 compared with 2019; the only commercial property sector to record this last year. Overall, we estimate that around £7.5 billion was transacted in the industrial market in 2020. Volumes were 29% up on 2019 and around 4% up on the five-year annual average – showing the undeniable strength of the market."

Joel Duncan,
Director Capital Markets JLL

Key investment transactions: 2020

Blackstone

Contacts

[redacted]

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
				Optima Logistics	216,639	Q1 2018
				Gardman	416,000	Q1 2017
				CSM	215,000	Q4 2016
		DIRFT III	Prologis	Royal Mail	850,000	Q3 2020
				NHS	534,744	Q3 2020
				Kinaxia Logistics	115,000	Q3 2018
				Arcadia	400,000	Q2 2016
		AlcheM1 Eldon Way Crick	L&G	Clipper Logistics (Halfords)	196,268	Q3 2018
		G-Park	IDI Gazeley	Amazon	297,320	Q4 2016
		Subtotal			**3,670,971**	
	Bardon	Interlink South, Midas 22	Curtis Land	Aldi	1,301,658	Q3 2020
		Interlink 225, Bardon	Logicor	Oakland Foods	225,000	Q3 2020
		Mountpark Bardon	Mountpark	Countrywide	361,640	Q2 2020
				VF Corporation	579,000	Q2 2019
				Eddie Stobart	311,725	Q4 2017
				Amazon	1,000,000	Q1 2016
		Interlink 130 Bardon	Goodman/Wilson Bowden	Allport	130,000	Q4 2016
		Subtotal			**3,909,023**	
	Northampton	G Park	Gazeley	Whistl	155,227	Q3 2020
		Liberty 196	Liberty/Equation	James & James	197,216	Q2 2020
		Panattoni Park	Panattoni	Eddie Stobart	221,571	Q2 2019
				Eddie Stobart	309,631	Q2 2019
		C172K Brackmills	Cabot	Dachser	172,000	Q3 2018
		Brackmills Industrial Estate	Barjan	Decathlon	349,019	Q3 2017
			-	Stanley Black & Decker	250,000	Q4 2016
		Commercial Park	Goodman	Amazon	161,709	Q3 2016
		Prologis Park Pineham	Prologis	Cygnia	211,304	Q3 2020
			Prologis	BMV	150,000	Q2 2016
		Subtotal			**2,177,677**	
	Leicester	Commercial Park	Goodman/Wilson Bowden	4PX for Alibaba	335,000	Q1 2019
		Optimus 276	Wilson Bowden/M&G	Geodis	276,689	Q4 2018
		Optimus 205	Wilson Bowden/M&G	Mattel	205,120	Q4 2017
		Leicester Distribution Park	Blackrock/Graftongate	Power Tools	100,837	Q4, 2019
				Samworth Brothers	160,000	Q1 2017
		Optimus Point	Wilson Bowden	Boden	250,000	Q1 2016
		Subtotal			**1,327,646**	

Motorway	Location	Scheme	Developer	Tenant	Size (sqft)	Date
	East Midlands Gateway/Castle Donington	Logistics Park EMG	SEGRO/Roxhill	DHL	192,000	Q4 2020
				DHL	670,000	Q3 2020
				Games Workshop	177,599	Q4 2019
				Kuehne & Nagel	195,547	Q2 2018
				Shop Direct	552,274	Q1 2018
				XPO (for Nestle)	637,000	Q1 2018
				Amazon	550,000	Q1 2018
		East Midlands Airport	Manchester Airports Group	UPS	478,000	Q1 2018
		East Midlands Distribution Centre	Clowes	Moran Logistics	115,000	Q4 2016
		Subtotal			**3,567,420**	
	M1 Total				**14,652,737**	
A5	Lutterworth	Magna Park	Gazeley	Wayfair	186,097	Q4 2018
				Wayfair	1,000,000	Q4 2018
		Subtotal			**1,186,097**	
	Hinckley	Hinckley Park	IM Properties	Amazon	532,500	Q3 2020
				DPD	276,000	Q1 2018
		Subtotal			**808,500**	
	A5 Total				**1,994,597**	
M6	Coventry	Nuneaton 230	Goodman	Hello Fresh	230,000	Q3 2020
		Imperial Park	Ostrava Properties	Funko	350,000	Q3 2019
				Menzies	165,000	Q2 2019
		Prospero, Ansty	Opus Manse	Meggitt	490,000	Q2 2018
		Carbon Middlemarch	Blackrock & Stoford	World of Books	103,300	Q2 2018
				Zooplus	207,340	Q2 2018
		Lyons Park	Goodman	Jaguar Land Rover	135,000	Q1 2018
				Amazon	467,000	Q1 2017
		Scimitar Way	-	Kuehne & Nagel	214,000	Q4 2017
		Ansty Park	-	Fanuk	107,000	Q3 2016
		Whitley	-	JLR (Powertrain)	650,000	Q3 2016
		Prologis Park Ryton	Prologis	Jaguar Land Rover	327,730	Q2 2016
				Jaguar Land Rover	141,225	Q2 2016
		Subtotal			**3,587,595**	
	Rugby	Rugby Gateway	Roxhill/SEGRO	DHL	180,000	Q3 2017
				Amazon	290,000	Q4 2016
		Central Park	Hamdon Gate	Eddie Stobart	158,000	Q2 2017
		Subtotal			**628,000**	
	M6 Total				**4,215,595**	

Motorway	Location	Scheme	Developer	Tenant	Size (sqft)	Date
M42	Appleby Magna	Jn11	IM Properties	Jaguar Land Rover	2,900,000	Q3 2019
M42	Appleby Magna	Jn11	IM Properties	DSV	573,254	Q3 2019
M42	Appleby Magna	**Subtotal**			**3,473,254**	
M42	Solihull	Prologis Birmingham Interchange	Prologis	International Automotive Components	234,718	Q3 2019
M42	Solihull	Damson Parkway	Prologis	Jaguar Land Rover	988,126	Q1 2018
M42	Solihull	**Subtotal**			**1,222,844**	
M42	Coleshill	Hams Hall	Prologis	Jaguar Land Rover	411,000	Q4 2018
M42	Coleshill	Silver Bullet	Canmoor/Cordea Savills	Sertec	142,000	Q2 2016
M42	Coleshill	Black Velvet	Canmoor/Cordea Savills	The Works	172,215	Q1 2016
M42	Coleshill	**Subtotal**			**725,215**	
M42	Tamworth	Tamworth Logistics Park	St Modwen	Winit	318,500	Q4 2020
M42	Tamworth	Centurion Park	St Modwen	Pirelli	153,000	Q4 2018
M42	Tamworth	Core 42	Hodgetts Estates	Greencore	160,562	Q4 2019
M42	Tamworth	Core 42	Hodgetts Estates	Bond International	100,000	Q2 2017
M42	Tamworth	Birch Coppice	IM Properties	Beko	282,000	Q2 2017
M42	Tamworth	**Subtotal**			**1,014,062**	
M42	Minworth	Chrome 102 Midpoint	Rockspring/Bericote	DHL	102,750	Q1 2016
M42	Minworth	**Subtotal**			**102,750**	
M42	**M42 Total**				**6,538,125**	
Grand Total					**27,401,054**	

Source: JLL

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

SECONDHAND BIG BOX DEALS 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
			Clipper Logistics	205,000	Q1 2017
		Subtotal		**445,600**	
	Bardon	Mountpark, Bardon	Clipper Logistics (for NHS)	311,725	Q3 2020
		Hermitage IE, Coalville	Roca Bathrooms	150,000	Q2 2018
		Subtotal		**461,725**	
	Northampton	Panattoni Park	Royal Mail	309,631	Q4 2020
		Brackmills 112	Medicom (for NHS)	112,500	Q4 2020
		Brackmills 320	Refresco	320,041	Q3 2019
		Prologis Park Pineham	Morrisons	372,284	Q3 2018
		Brackmills Industrial Estate	Uniserve	192,299	Q2 2018
			The Pallet Network	164,500	Q1 2018
		Brackmills 112	Zenith Logistics	112,750	Q1 2017
		Subtotal		**1,584,005**	
	M1 Total			**2,491,330**	
A5	Lutterworth	Magna Park	Armstrong Logistics	377,070	Q3 2020
			Bleckmann	186,695	Q2 2020
			Eddie Stobart	236,459	Q2 2018
			CML	110,215	Q1 2017
			CML	104,539	Q3 2016
			Wayfair	258,000	Q2 2016
		Subtotal		**1,272,978**	
	A5 Total			**1,272,978**	
M6	Coventry	Godiva 170, Blue Ribbon Park	Neovia Logistics	171,513	Q2 2019
		Coventry Business Park	Martin Brower	210,682	Q4 2018
		100 Scimitar Way	Kuehne & Nagal	214,000	Q1 2017
		Middlemarch Business Park	Gist	165,785	Q3 2016
			Royal Mail	180,383	Q1 2016
			BOC	165,000	Q1 2016
		Subtotal		**1,107,363**	
	Rugby	Swift Point	BTM Travel and Trading	122,020	Q3 2020
		DC1, Central Park	XPO (for Amazon)	376,869	Q3 2020
		Subtotal		**498,889**	
	M6 Total			**1,434,739**	
M42	Solihull	Solihull 262	Farm Foods	262,114	Q3 2020
		Subtotal		**262,114**	
	Tamworth	Former BHS Unit, Atherstone	Royal Mail	380,000	Q3 2017
		Tamworth 594	XPO Logistics	645,000	Q2 2017
		Centurion Point	DB Schenker	141,770	Q1 2017
		Subtotal		**1,166,770**	
	Minworth	Minworth Central	Ricoh Logistics	164,311	Q2 2019

Motorway	Location	Scheme	Tenant	Size (sqft)	Date
		Midpoint 105	Alliance Parts	105,506	Q3 2018
		Subtotal		**269,817**	
	M42 Total			**1,698,701**	
Grand Total				**6,897,748**	

Source: JLL

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	Black Velvet	Canmoor	The Works	Retailer	172,215	Q1 2016
2	Chrome 102, Midpoint	Bericote	DHL	Logistics	102,750	Q2 2016
3	Silver Bullet, Birmingham	Canmoor	Sertec	Manufacturer	142,000	Q3 2016
4	East Midlands Distribution Centre, Castle Donington	Clowes	Moran Logistics	Logistics	115,000	Q4 2016
5	Centurion Point, Tamworth	Secondhand	DB Schenker	Logistics	141,770	Q1 2017
6	Primus 104, Wood Lane, Birmingham	Secondhand	Bosch	Manufacturer	104,000	Q1 2017
7	Birch Coppice, Dordon	IM Properties	Beko	Manufacturer	282,000	Q2 2017
8	Core 42, Dordon	Hodgetts Estates	Bond International	Other	100,000	Q2 2017
9	Tamworth 594, Tamworth	Secondhand	XPO Logistics	Logistics	645,000	Q2 2017
10	Fort Dunlop, Birmingham	Secondhand	JLR	Manufacturer	550,000	Q2 2017
11	Former BHS Unit, Atherstone	Secondhand	Royal Mail	Other	380,000	Q3 2017
12	The Hub, Birmingham	IM Properties	Kitchen Craft	Manufacturer	250,000	Q4 2017
13	Logistics Park, East Midlands Gateway, Castle Donington	SEGRO	Amazon	Retailer	550,000	Q1 2018
14	Logistic Park, East Midlands Gateway, Castle Donington	SEGRO	XPO (for Nestle)	Logistics	637,000	Q1 2018
15	Damson Parkway, Solihull	Prologis	JLR	Manufacturer	988,126	Q1 2018
16	East Midlands Airport, Castle Donington	MAG	UPS	Logistics	478,000	Q1 2018
17	Logistics Park, East Midlands Gateway, Castle Donington	SEGRO	Shop Direct	Retailer	550,000	Q1 2018
18	Logistics Park, East Midlands Gateway, Castle Donington	SEGRO	Kuehne & Nagel	Logistics	195,547	Q1 2018
19	Advanced Manufacturing Hub, Birmingham	Homes England/ Coltham	Y International	Manufacturer	124,000	Q2 2018
20	Midpoint 105, Minworth	Secondhand	Alliance Parts	Other	105,506	Q3 2018
21	Tetron 141, Swadlincote	Secondhand	Jenkins Shopping	Logistics	141,459	Q4 2018
22	Centurion Park, Tamworth	St Modwen	Pirelli	Manufacturer	153,000	Q4 2018

Ref	Scheme	Developer	Occupier	Sector	Floorspace (sq ft)	Date
23	Prologis Park, Hams Hall, Coleshill	Prologis	JLR	Manufacturer	411,000	Q4 2018
24	Birmingham 100, Walsall Road, Birmingham	First Industrial & Barwood	Primeflow	Retailer	100,511	Q1 2019
25	Minworth Central, Minworth	Secondhand	Rico Logistics	Logistics	164,311	Q2 2019
26	Prologis Birmingham, Interchange	Prologis	International Automobile Co	Manufacturer	234,718	Q3 2019
27	Mercia Park, Appleby Magna	IM Properties	JLR	Manufacturer	2,900,000	Q3 2019
28	Mercia Park, Appleby Magna	IM Properties	DSV	Logistics	573,254	Q3 2019
29	Logistics Park, East Mids Gateway, Castle Donington	SEGRO	Games Workshop	Retailer	177,399	Q4 2019
30	Tamworth CLX, Core 42, Dordon	Hodgetts Estates & M&G	Greencore	Retailer	160,562	Q4 2019
31	Hub 120, Birmingham	Secondhand	Bee Swift	Manufacturer	119,499	Q2 2020
32	Solihull 262, Solihull	Secondhand	Farm Foods	Retailer	262,114	Q3 2020
33	The Hub 100, Witton	IM Properties	UPS (for Polar Speed)	Logistics	100,000	Q3 2020
34	Logistics Park, East Mids, Castle Donington	SEGRO	DHL	Logistics	670,000	Q3 2020
35	Logistics Park, East Mids, Castle Donington	SEGRO	DHL	Logistics	192,000	Q4 2020
36	Tamworth Logistics Park	St Modwen	Winit	Logistics	318,500	Q4 2020
	Total				**13,291,441**	

Source: JLL

Appendix 7 – Marketing Details of Birch Coppice

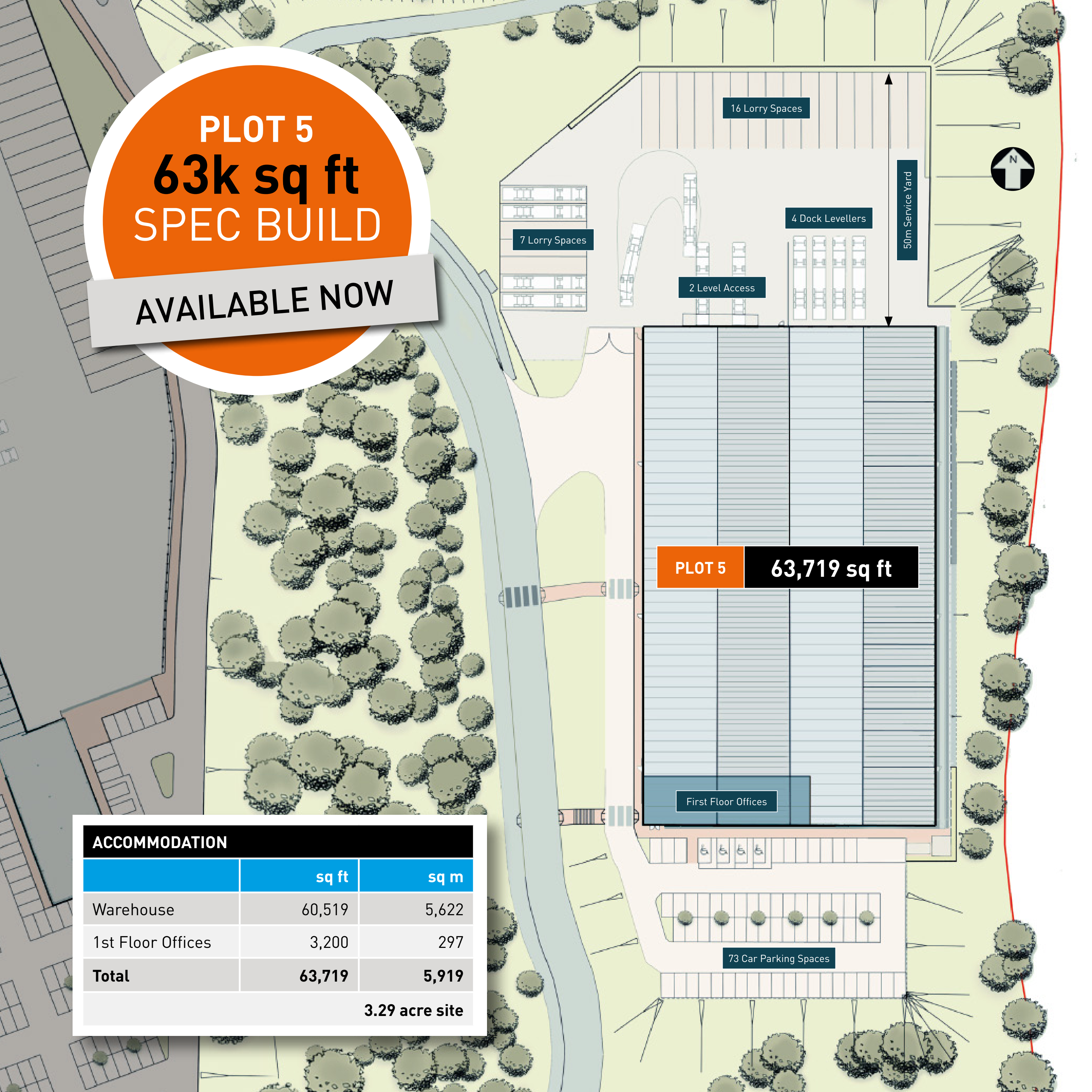
intermodal distribution **J10/M42**

birchcoppice

birchcoppice.co.uk

im PROPERTIES


intermodal distribution J10/M42
birchcoppice
Birch Coppice provides over 4 million sq ft of rail-served distribution facilities offering unrivalled B1, B2 & B8 space across the 400 acre site.
Go online to find out more
www.birchcoppice.co.uk



ACCOMMODATION

	sq ft	sq m
Warehouse	60,519	5,622
1st Floor Offices	3,200	297
Total	**63,719**	**5,919**
		3.29 acre site

PHASE 3
OF THIS OUTSTANDING DEVELOPMENT

OFFICE

- Raised floors
- Suspended ceilings
- Fully carpeted
- CIBSE LG7 Lighting
- Male, female and disabled WCs
- Comfort cooling

WAREHOUSE

- 4 dock levellers
- 2 level access doors
- 10m haunch height
- Target EPC rating of 'A'
- First floor offices

EXTERNAL

- Secure lighting
- 23 HGV spaces
- 73 car parking spaces
- 50m service yard

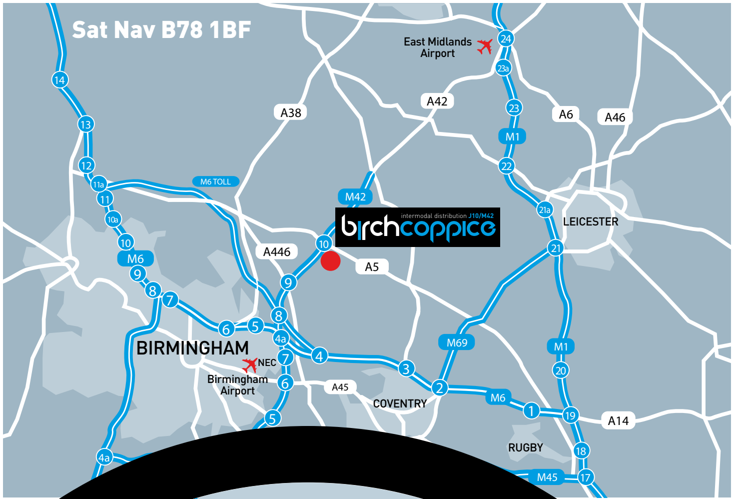
LOCATION

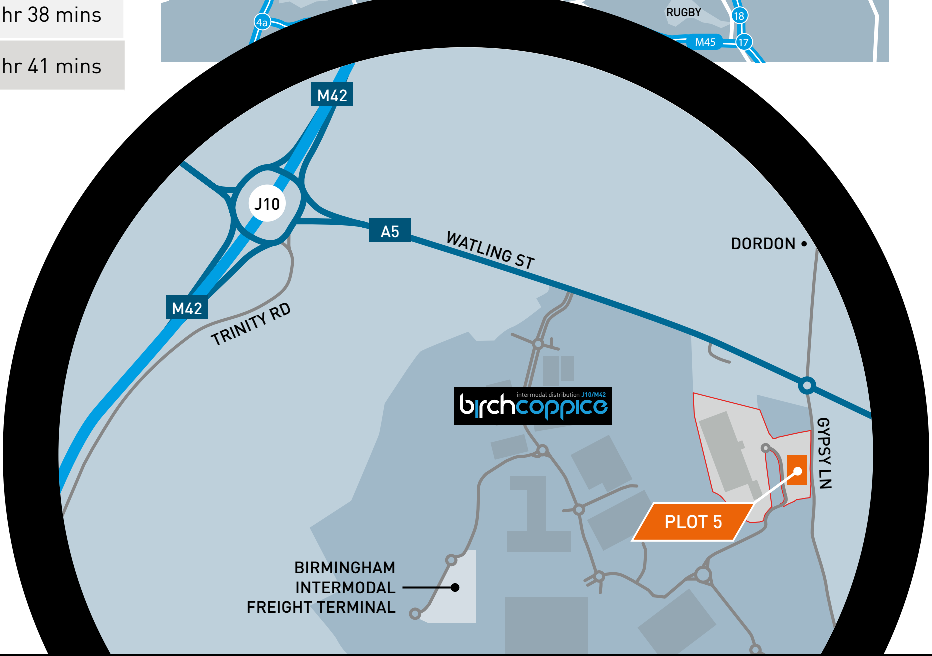
Prominently situated at junction 10 of the M42 close to Tamworth, Birch Coppice is at the heart of the Midlands providing easy access to no less than 6 motorways. 85% of the UK's population can be reached within a 4.5 hour HGV drive time.

DISTANCE/DRIVE TIMES	Miles	Time
London	111 miles	2hrs 4 mins
Birmingham	15 miles	23 mins
Bristol	145 miles	2hrs 34 mins
Leeds	103 miles	1hr 38 mins
Manchester	100 miles	1hr 41 mins

MOTORWAY ACCESS	
M42 J10	0.5 miles
M6 Toll Road	7 miles
M6 North 4a	8 miles
M6 South J4	9.5 miles
M5 South	18 miles
M69 North	21 miles
M1 North J23a	20 miles
M1 South J18	28 miles

birchcoppice.co.uk





For further information contact:

Chartered Surveyors
EAGLETON & CO.
All enquiries to Mike Eagleton
mje@eagletonandco.com
0121 236 1636

CBRE
0121 616 5555
www.cbre.co.uk

Colliers INTERNATIONAL
0121 265 7500
www.colliers.com/uk/industrial

mje@eagletonandco.com

richard.meering@cbre.com
marcus.phayer@cbre.com

simon.norton@colliers.com
peter.monks@colliers.com

Appendix 8 – Marketing Details of Tamworth Logistics Park

ST. MODWEN PARK TAMWORTH

PHASE 2

J10 M42
TAMWORTH
B78 2EY

stmodwenlogistics.co.uk

Build to suit opportunities available

Up to 318,500 sq ft

ST.MODWEN

Adjacent
J10 / M42

Over 1,273,000 workforce within a 30 minute drive

Large
labour pool

Build
to suit

Up to
7.5 MVA
of power supply

THE DEVELOPMENT

ST. MODWEN PARK TAMWORTH IS A 32 ACRE PRIME DISTRIBUTION SITE PROMINENTLY SITUATED ADJACENT TO JUNCTION 10 OF THE M42 MOTORWAY.

Providing occupiers with the opportunity to base themselves at the heart of the Midlands motorway network, the M42 provides direct access to the M6, M6 Toll, M1 and M40 motorways.

- **OUTLINE CONSENT FOR 705,000 SQ FT OF B1 B2 B8 DEVELOPMENT**
- **OVER 1,273,000 WORKFORCE WITHIN 30 MINUTES DRIVE TIME***
- **UP TO 7.5 MVA WITH CAPACITY FOR EXPANSION**
- **ON M42 JUNCTION 10**
- **5 MINUTES TO BIFT**

*Source: ons, myede, 2015

EXTERNAL

- Up to 50m deep service yards
- Security lighting – office car park / service yard
- Covered cycle shelter
- Up to 15m clear internal height

WAREHOUSE

- FM2 category floor
- 50 kN sq m floor loading
- Minimum BREEAM (2014) 'Very Good' accreditation
- Two-storey offices

OFFICE

- Comfort cooling to office accommodation
- Suspended ceilings
- Raised access floors

ESTATE AND BUILDING LAYOUT

ACCOMMODATION

T118	SQ FT	SQ M
Warehouse	111,250	10,355.5
Office	7,500	697
TOTAL	118,750	11,032.5

T63	SQ FT	SQ M
Warehouse	60,000	5,574
Office	3,000	279
TOTAL	63,000	5,853

T318	SQ FT	SQ M
Warehouse	300,000	27,870.5
Office	18,500	1,718.5
TOTAL	318,500	29,589

T46A/B*	SQ FT	SQ M
Warehouse	92,000	8,547
Office	5,600	520
TOTAL	97,600	9,067

*TLP 46A/B consists of two units.

24/7
hours use

Up to 15m
eaves height

Dock and
level loading

BREEAM
'VERY GOOD'
(2014) Target accreditation

50KN/m^2


M42
J10
A5 WATLING STREET
T49
T28
T12
PHASE 1
TRINITY ROAD
T318
213m
131m
T46A/B
64m
67m
67m
T118
152m
68m
PHASE 2
T63
64m
87m

ST. MODWEN PARK
TAMWORTH

T318	
Warehouse	300,000 sq ft
Offices	18,500
Haunch height	15m
Floor loading	50Kn
Dock doors	27
Level entry doors	3
Yard depth	53m
Dimensions	131m x 213m

T118	
Warehouse	111,250 sq ft
Offices	7,500
Haunch height	12.5m
Floor loading	50Kn
Dock doors	12
Level entry doors	4
Yard depth	50m
Dimensions	68m x 152m

*T46A/B	
Warehouse	92,000 sq ft
Offices	5,600
Haunch height	10m
Floor loading	50Kn
Dock doors	8
Level entry doors	4
Yard depth	Cross loading 2 x 40m
Dimensions	64m x 134m

T63	
Warehouse	60,000 sq ft
Offices	3,000
Haunch height	10m
Floor loading	50Kn
Dock doors	6
Level entry doors	2
Yard depth	45m
Dimensions	64m x 87m

*TLP 46A/B consists of two units.

LOCATION

ST. MODWEN PARK TAMWORTH IS LOCATED DIRECTLY ON J10 OF THE M42 MOTORWAY AND WITHIN 5 MINUTES OF BIRMINGHAM INTERMODAL FREIGHT TERMINAL.

Birmingham City Centre is approx. 15 miles to the south west via J4A of the M6 which in turn provides extensive access to the greater midlands area.

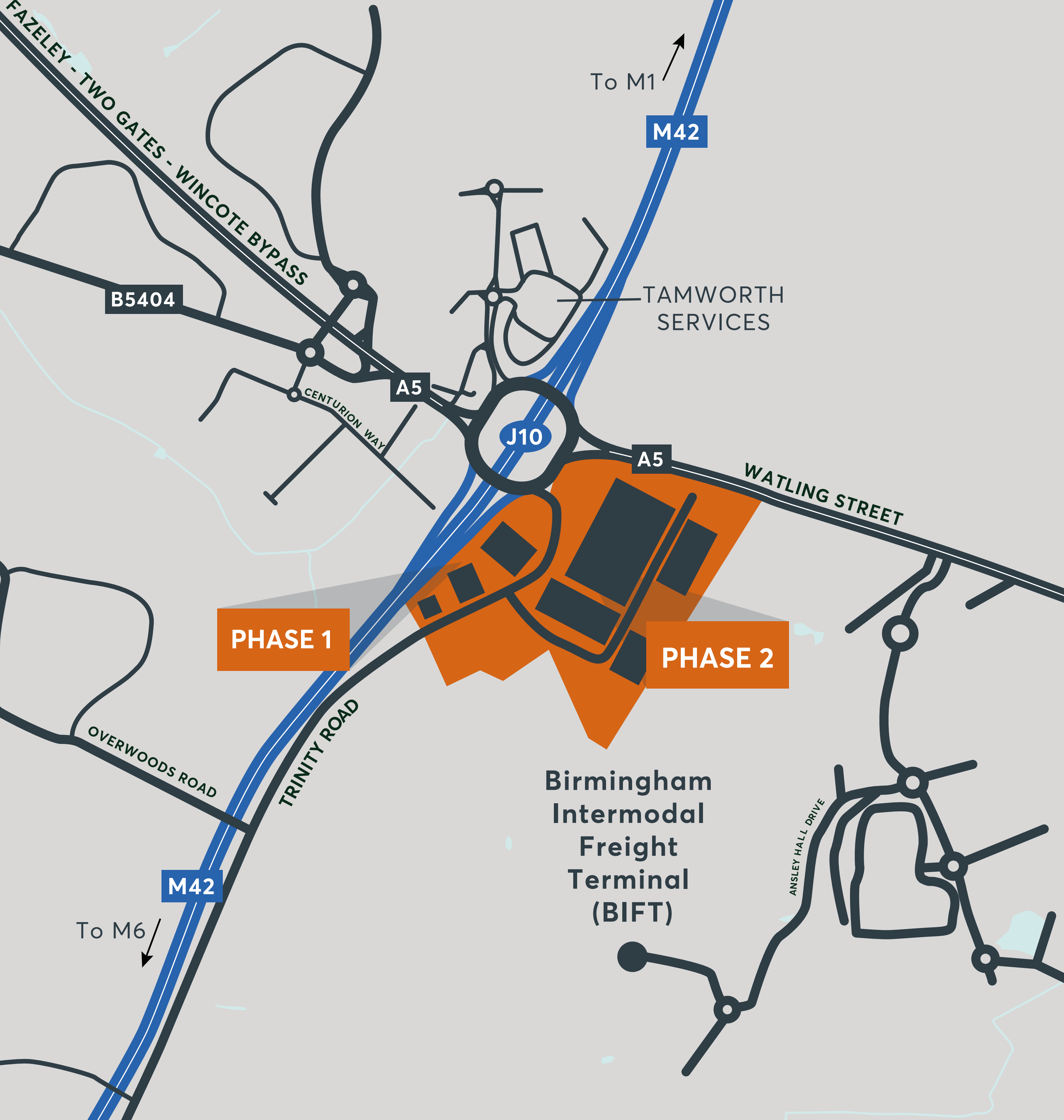
Open 24 hours per day, 7 days per week, BIFT is operated by the UK's foremost multimodal transport and container handling specialists, Maritime.

The 35 acre facility offers daily rail connections with Felixstowe and Southampton sea ports, and regularly handles 9'6" High Cube (W10 gauge) containers, with a capacity to securely store 3,000 units on site.

LOCAL OCCUPIERS INCLUDE:

ALDI dfs Speedy DB SCHENKER ups

SAT NAV: B78 2EY



BY CAR

M42 Junction 10	0.5 miles	1 min
BIFT	1.5 miles	5 mins
M6 Toll Road	7 miles	9 mins
Coventry	14 miles	24 mins
Birmingham Airport	14 miles	22 mins
Birmingham	15 miles	23 mins
East Midlands Airport	23 miles	27 mins
London	111 miles	2 hrs 4 mins

BY BUS

Over 350 buses a day serving not only the surrounding communities but also Birmingham City Centre, Solihull, Bromsgrove and the wider region.

THE DEVELOPER

ST. MODWEN IS A DIFFERENT KIND OF PROPERTY PARTNER TAKING A DIFFERENT VIEW. THIRTY YEARS' EXPERIENCE AS AN EXPERT DEVELOPER AND REGENERATION SPECIALIST, DEALING WITH COMPLEX AND CHALLENGING SITES, HAS TAUGHT US TO CHALLENGE THE NORM AND CREATE NEW AND SUSTAINABLE SOLUTIONS TO BENEFIT ALL THOSE INVOLVED.

Today, we continue to unlock value and deliver quality outcomes across a wide range of activities, from regeneration to the long-term planning and development of commercial and residential assets, as well as active asset management.

We combine end-to-end expertise - through our network of regional offices, our residential business and our central asset management team, and through joint ventures with public sector and industry leading partners - to deliver lasting results for all concerned.

St. Modwen's customers include a range of high quality global occupiers including Hellmann Worldwide Logistics, Grupo Antolin, Screwfix Direct, DPD and Amazon.

FOR FURTHER INFORMATION

Please contact the joint sole agents:

savills.co.uk savills
0121 634 8400

Katie Aitchison
kaitchison@savills.com

Ranjit Gill
rsgill@savills.com

Colliers INTERNATIONAL
0121 265 7500
www.colliers.com/uk/industrial

Simon Norton
simon.norton@colliers.com

Sam Robinson
sam.robinson@colliers.com

Appendix 9 – Indicative Masterplan of Proposed Development

SCHEDULE OF ACCOMMODATION
PLOT A

Unit HE 700		sq m	sq ft
Warehouse	:	57,582	619,807
Offices (2 Floors)	:	1,860	20,021
2 Goods in (2 Floors)	:	1,296	13,950
Gatehouse	:	20	215
TOTAL (GIA)	:	60,759	654,004
HGV Parking	:	156 (Excl. Loading)	
Car Parking	:	226 (Incl. 12 Accesible)	
Haunch Height	:	18 m	
Dock Wall Height	:	1.2m	
Dock Levellers	:	72	
Level Access	:	8	
DEMISE AREA	:	12.08 Ha /24.91acres	
SITE DENSITY	:	55.92%	

Unit HE 350		sq m	sq ft
Warehouse	:	30,794	331,467
Offices (2 Floors)	:	1,196	12,874
Goods in (2 Floors)	:	604	6,501
Gatehouse	:	20	215
TOTAL (GIA)	:	32,614	351,057
HGV Parking	:	75 (Excl. Loading)	
Car Parking	:	83(Incl. 6 Accesible)	
Haunch Height	:	18 m	
Dock Wall Height	:	1.2m	
Dock Levellers	:	24	
Level Access	:	4	
DEMISE AREA	:	5.87 Ha /14.50 acres	
SITE DENSITY	:	55.54%	

SITE AREA (ORANGE LINE)	:	18.39 Ha /45.47 acres
SITE DENSITY	:	53.07%

PLOT B
OVERNIGHT HGV PARKING

		sqm	sqft
Administration Building	:	182	1,959
Gatehouse	:	20	215
TOTAL (GIA)	:	202	2,174
HGV Parking	:	114	
Rigid HGV Parking	:	32	
Car Parking	:	5	
DEMISE AREA	:	2.07 Ha/5.11 acres	

SCHEDULE OF ACCOMMODATION
PLOT A2

UNIT A2.1		sq m	sq ft
Warehouse	:	1,863	20,053
TOTAL (GIA)	:	1,863	20,053
Car Parking	:	24 (Incl. 2 Accesible)	
Van Parking	:	8	
Haunch Height	:	TBC m	
Level Access	:	2	

UNIT A2.2		sq m	sq ft
Warehouse	:	1,397	15,039
TOTAL (GIA)	:	1,397	15,039
Car Parking	:	12 (Incl. 2 Accesible)	
Van Parking	:	4	
Haunch Height	:	TBC m	
Level Access	:	2	

UNIT A2.3		sq m	sq ft
Warehouse	:	1,397	15,039
TOTAL (GIA)	:	1,397	15,039
Car Parking	:	12 (Incl. 2 Accesible)	
Van Parking	:	4	
Haunch Height	:	TBC m	
Level Access	:	2	

UNIT A2.4		sq m	sq ft
Warehouse	:	931.5	10,026
TOTAL (GIA)	:	931.5	10,026
Car Parking	:	6 (Incl. 1 Accesible)	
Van Parking	:	1	
Haunch Height	:	TBC m	
Level Access	:	2	

UNIT A2.5		sq m	sq ft
Warehouse	:	931.5	10,026
TOTAL (GIA)	:	931.5	10,026
Car Parking	:	6 (Incl. 1 Accesible)	
Van Parking	:	1	
Haunch Height	:	TBC m	
Level Access	:	2	

UNIT A2.6		sq m	sq ft
Warehouse	:	465.8	5,013
TOTAL (GIA)	:	465.8	5,013
Car Parking	:	5 (Incl. 1 Accesible)	
Haunch Height	:	TBC m	
Level Access	:	1	

SITE AREA (ORANGE LINE)	:	1.66 Ha /4.09 acres
SITE DENSITY	:	44.57%

NOTES:

Contractors must verify all dimensions on site before commencing any work or shop drawings. This drawing is not to be scaled. Use figured dimensions only.

Subject to statutory approvals and survey.

Building areas are liable to adjustment over the course of the design process due to the ongoing construction detailing developments.

Please note the information contained within this drawing is solely for the benefit of the employer and should not be relied upon by third parties.

The CDM hazard management procedures for the Chetwoods aspects of the design of this project are to be found on the "Chetwoods - Hazard Analysis and Design Risk Assessment" and/or drawings. The full project design teams comprehensive set of hazard management procedures are available from the Principle Designer appointed for the project.

North

NB.
- **SUBJECT TO SURVEYS, CONSTRAINTS & PLANNING.**
- **LAYOUT TO BE TRACKED.**
- **RED LINE INDICATIVE ONLY.**

Rev	Revision Description	Date	Author/ Reviewer
	First Issue	25/11/20	PJB/NH

PRELIMINARY

32 Frederick Street,
Birmingham, B1 3HH
+44 (0)121 234 7500
www.chetwoods.com

Project
LAND WEST OF J10, M42

Client
HODGETTS ESTATES

Drawing Title
PROPOSED SITE LAYOUT
MULTI UNIT SCHEME
61,000+32,500 SQM

Scale	Size	Drawn	Checked	Date
1:1500	A1	PJB	NH	25/11/2020

Project	Originator	Zone	Level	Type	Role	Number	Rev.
4263	CA	00	00	DR	A	00078	P1

JLL

45 Church Street
Birmingham B3 2RT
+44 (0)121 233 2898
+44 (0)121 236 2563

Peter Leaver
Director
[redacted]

About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. A Fortune 500 company, JLL helps real estate owners, occupiers and investors achieve their business ambitions. In 2016, JLL had revenue of $6.8 billion and fee revenue of $5.8 billion and, on behalf of clients, managed 4.4 billion square feet, or 409 million square meters, and completed sales acquisitions and finance transactions of approximately $136 billion. At year-end 2016, JLL had nearly 300 corporate off ices, operations in over 80 countries and a global workforce of more than 77,000. As of December 31, 2016, LaSalle Investment Management has $60.1 billion of real estate under asset management. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated.