

Market Assessment

The West Midlands Rail Freight Interchange Order 201X

Regulation 5 (2) (q)

Savills - June 2018

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EXECUTIVE SUMMARY

1.1 Introduction

- 1.1.1 Four Ashes Ltd is seeking Development Consent for a Strategic Rail Freight Interchange (SRFI), referred to as West Midlands Interchange (WMI) at Four Ashes in South Staffordshire.
- 1.1.2 There is an acknowledged and identified unmet need for a SRFI in the North West Midlands to serve the Birmingham and Wolverhampton conurbation, and the South Staffs corridor. The Alternative Site Assessment (ASA) [Document 7.2] has concluded that “there is a compelling case that the WMI proposal represents the only SRFI development option that can meet the identified need and there are no more suitable or appropriate alternative sites within the search area.”
- 1.1.3 It is also necessary to demonstrate that there is a market demand for the scale of warehousing proposed. The purpose of this document is therefore to consider the dynamics of the distribution market, assessing the demand for, and supply of, competing floorspace, and the supply of land which might compete in the market area.

1.2 Economic Value of the Logistics Sector

- 1.2.1 The logistics sector has an important role to play in the UK economy, being a key component of both existing and emerging economic activity.
- 1.2.2 The UK logistics sector is an important provider of jobs, both directly and indirectly, and makes a significant and increasing contribution to the UK economy, as well having a role in a wide range of other sectors, including manufacturing and retail. Distribution floorspace generates a range of high quality employment opportunities, which are often underestimated in terms of number and quality.

1.3 Logistics Sector Trends

Growth of Rail Freight

- 1.3.1 Government policy recognises that moving freight from road to rail has significant environmental benefits and, in order to realise these benefits, and support the modal shift from road to rail, it has been concluded that there is a compelling need for an expanded network of SRFIs.
- 1.3.2 The Government's agenda, together with increasing awareness of the cost savings and environmental benefits of rail freight by occupiers, means that there is forecast to be significant growth in rail-linked and rail-served warehousing, supported by an expanded network of SRFIs.
- 1.3.3 Demand for rail-linked or served accommodation at SRFIs is currently principally from retail and third-party logistics operators based on inbound supply chain movements from the ports. Demand is particularly focussed on National Distribution Centres (NDCs), which have a higher volume of goods going through the warehouse and can therefore maximise the benefits of rail due to regular volumes of sufficient scale.

Other Trends in the Logistics Sector

- 1.3.4 Trends in the retail industry, and particularly e-commerce in more recent years, have driven the changing nature of logistics and led to a significant increase in demand for floorspace, which is often bespoke and large scale. Customers now expect delivery of goods within increasingly short time frames and this has reformed the way in which supply chains are managed.
- 1.3.5 The way in which manufacturers distribute goods has also changed and occupiers in this sector now often also have a need for dedicated storage floorspace in order to meet customer requirements, or to ensure efficiency of supply.
- 1.3.6 Other changes in the sector include the development of 'palletline' networks, a further source of demand.

1.3.7 The West Midlands is particularly well-placed to meet demand from all sectors of distribution, and also benefits from a strong manufacturing base which is a further source of demand.

Implications for the Property Market

1.3.8 Implications for the property market include:

- An increased demand for rail-served and rail-linked warehousing which allows occupiers to maximise the cost savings and environmental benefits of rail freight.
- A significantly increased demand for employment land and floorspace which can meet the needs of the on-line retail sector, i.e. large, well-located sites which allow the construction of bespoke units and enable occupiers to achieve the fastest possible fulfilment times.
- A significant proportion of demand is now for larger units and correspondingly larger plot sizes.
- Consequently, a direct impact on the size of overall schemes capable of accepting these larger buildings and the speed at which sites are taken-up.
- A choice of sites is required which can accommodate a range of bespoke requirements in terms of location, scale and configuration of unit.

1.3.9 In order to maximise the economic potential of the logistics sector, it is essential to provide the appropriate accommodation and sites to deliver the required accommodation.

1.4 National and Regional Market Context

1.4.1 Very strong demand resulted in exceptionally high levels of take-up nationally in 2016, which was driven particularly by the online retail sector. Whilst nationwide take-up so far in 2017 has unsurprisingly been slower

than the preceding record-breaking year, take up in the first half of the year was still above the long term average.

- 1.4.2 As a result of high levels of take-up and muted speculative development, supply of floorspace nationally was critically low at the end of 2016. Supply has increased marginally over the course of 2017 but there remains a severe shortage of premises nationwide, and particularly of the largest units and units in prime locations, such as the West Midlands.
- 1.4.3 The region sees very high levels of demand from both the logistics and manufacturing sectors, which has resulted in a critical undersupply of floorspace, evidenced by ongoing rental increases above the long term trend. Despite an increase in supply during 2017, there remains an acute shortage of premises in the region, with **less than 1.2 years of supply** as at November 2017.
- 1.4.4 It is therefore vitally important that additional, well-located sites, which are capable of accommodating larger units, are brought forward in order to help meet demand and deliver high quality floorspace via either speculative development or by offering occupiers build to suit opportunities.

1.5 Market Area Assessment

- 1.5.1 In order to ensure a comprehensive approach and to cover the economic areas (defined by Local Enterprise Partnership (LEP) areas) which make up the catchment of WMI, our market area assessment includes the following areas:
 - the Stoke and Staffordshire LEP;
 - the Black Country LEP; and
 - the Greater Birmingham & Solihull LEP.

Market Area Demand

- 1.5.2 The market area has seen strong take-up over the period 2012-2016. On average over the last five years, take-up has been c. 248,000 sq. m (2.67 million square feet) per annum but in our view has been constrained by a lack of supply overall and particularly in prime locations and of larger buildings. The majority of take-up has been in the Stoke & Staffordshire LEP area. The Black Country has seen the lowest number of transactions and the least floorspace taken up (due to a severe shortage of supply).
- 1.5.3 The overall average size of unit transacted in the market area over the last five years was 18,501 sq. m (200,000 sq. ft), again limited by a lack of supply of larger units.
- 1.5.4 Actual latent demand is therefore likely to be higher than the take-up figures suggest.

Supply of Rail-served Buildings and Sites

- 1.5.5 There are no rail-served units available in the market area.
- 1.5.6 There is only one rail-linked site in the market area (Chatterley Valley West), which is subject to a number of significant constraints and is not of sufficient scale to be classed as a SRFI. With the exception of WMI, there are no rail-linked sites in the pipeline and there is very limited land available at rail-linked schemes adjacent to the market area.

Market Area Building Supply

- 1.5.7 As at November 2017, there was 293,722 sq. m (3.16 million sq. ft) of floorspace available in the market area, within 23 buildings.
- 1.5.8 Despite the supply of floorspace in the market area increasing by c. 60% over the course of the last 9-12 months, there remains only **1.2 years' supply**, based on average annual take-up figures. However, supply is not distributed evenly - there is virtually no floorspace available in the Black Country with just one second-hand unit on the market over 9,290 sq. m (100,000 sq. ft).

1.5.9 The recent increase in supply can be attributed to the appetite of developers/funds for speculative development, in response to clear market signals. Eight speculative units are available, compared to just three in Q1 2017. Three of these units are in Cannock (serving the A5/M5 Toll Corridor). This demonstrates the level of market confidence in this location, which will also be served by the Development Proposals, which comparatively offer much better links to the M6, with Junction 12 immediately adjacent.

1.5.10 The ongoing shortage of floorspace means that occupiers have to consider Build to Suit options and the supply of unconstrained, 'oven-ready' sites is therefore very important.

Market Area Land Supply

1.5.11 In total, there is **341 ha** (843 acres) of land (either with planning permission, or with an established employment use) within the market area spread over **40 sites**. However, a significant proportion of the sites are subject to constraints and the true, unconstrained, supply position is therefore significantly less:

- Almost 40% of land is located in Stoke-on-Trent, to the north of the market area. The majority of these sites would be unlikely to compete with WMI in most cases, due to their location and often poor accessibility to the motorway network.
- There is a particularly severe shortage of land in Birmingham, Solihull and the Black Country, which will focus additional demand on those areas adjoining, such as South Staffordshire and Cannock.
- There is a significant amount of land which is not serviced and is likely to require public sector funding to do so.
- There are no deliverable sites which could be classed as strategic (i.e. being over 25 ha/60 acres).
- The majority of sites can only cater for smaller units up to 18,580 sq. md (200,000 sq. ft), which does not offer sufficient choice to occupiers

and precludes the development of larger units, for which there is a significant demand.

- The supply of land in the pipeline is limited, and there are no sites forthcoming that will be served by rail.

1.5.12 The actual supply of competing, high quality serviced land, able to accommodate the largest requirements is therefore very limited.

1.6 Conclusions

1.6.1 The WMI proposals meet an identified need for a SRFI and also meet a clear need for high quality, well-located sites, capable of accommodating large occupier requirements and enabling the use of rail, of which there is a severe shortage, regionally and within the market area.

1.6.2 It is essential to provide suitable sites and premises to support the logistics sector, which plays a vital role in the UK economy. Our market assessment demonstrates that there is a critical shortage of land and that WMI would make a vital contribution to the supply of sites currently available and in the pipeline.

2. INTRODUCTION

2.1.1 Four Ashes Ltd is seeking Development Consent for a Strategic Rail Freight Interchange (SRFI), referred to as West Midlands Interchange (WMI) at Four Ashes in South Staffordshire.

2.1.2 The Development Proposals comprise the following:

- An intermodal freight terminal with direct connections to the West Coast Main Line, capable of accommodating up to 10 trains per day and trains of up to 775m long, including container storage, Heavy Goods Vehicle parking, rail control building and staff facilities;
- Up to 743,200 square metres (gross internal area) of rail served warehousing and ancillary service buildings;
- New road infrastructure and works to the existing road infrastructure;
- Demolition of existing structures and earthworks to create development plots and landscape zones;
- Reconfiguring and burying of electricity pylons and cables; and
- Strategic landscaping and open space, including alterations to public rights of way and the creation of new ecological enhancement areas and publicly accessible open areas.

2.1.3 There is an acknowledged and identified unmet need for a SRFI in the north west Midlands to serve the Birmingham and Wolverhampton conurbation and the South Staffordshire corridor dating back to the publication of the Government's Strategic Rail Freight Interchange Policy, published in March 2004 and being confirmed by a number of studies and policy documents since this time. The Alternative Site Assessment (ASA) [Document 7.2] has considered the suitability of potential alternative sites which could accommodate a SRFI to meet this need and has concluded that "there is a compelling case that the WMI proposal represents the only SRFI development option that can meet the identified need and there are no more suitable or appropriate alternative sites within the search area."

- 2.1.4 It has been established by the ASA that WMI is the only suitable site to meet the need for an SRFI but it is also necessary to demonstrate that there is a market demand for the scale of warehousing proposed.
- 2.1.5 The market for rail-served distribution warehousing is a sub-sector of the general distribution market. An increasing number of occupiers want to use rail, or want to have the option to use rail in the future. Given that occupiers do not have to pay a premium for rail-served warehousing, it follows that there will be a greater level of demand for such sites, over and above non-rail-served sites as there is no cost deterrent. However, notwithstanding the benefits of the rail-link, WMI will also compete with non-rail linked sites as a potential location for National and Regional Distribution Centres.
- 2.1.6 The purpose of this document is therefore to consider the dynamics of this wider market, assessing the demand for, and supply of, competing floorspace, and the supply of land which might compete in the market area. The document is structured as follows:
- An overview of the logistics market and latest trends (including the shift towards rail freight) which impact on the level of demand for warehousing and the type and scale of warehousing required by occupiers, is provided at Section 3;
 - The economic value of the logistics sector is reviewed at Section 4;
 - The national and regional market context is assessed at Section 5;
 - The market dynamics of the WMI market area are analysed at Section 6, including the demand for and supply of buildings, and the supply of sites;
 - Summary and conclusions are provided at Section 7.

3. ECONOMIC VALUE OF THE LOGISTICS SECTOR

3.1.1 An overview of the logistics sector and its contribution to the economy, as well as the quality and quantity of jobs provided by the sector, is set out below.

3.2 Logistics sector overview

3.2.1 Distribution can be considered as a separate economic function which delivers economic value and generates jobs through the storage, transportation and delivery of goods. Whilst manufacturing still has an important role to play in the region, the Midlands has undergone a shift in economic emphasis to a more service-orientated employment market. Logistics is recognised as an integral part of both existing and emerging economic activity and is a critical element of the manufacturing process.

3.2.2 The growth in the service industries has fuelled the UK's logistics industry and the creation of a distinct logistics sector; with an increase in distribution requirements and changing distribution patterns. As a consequence, industrial property demand for the UK (and mirrored in the regions) has shifted from factories (B2 and B1c use) towards distribution warehouses (B8 use). In the West Midlands, approximately two thirds of new large scale industrial and distribution floorspace is taken up by the logistics sector.

3.2.3 The logistics and distribution market essentially consists of four different types of organisation that are involved directly:

- *Manufacturers/producers* – provide semi-finished goods for input into another production process and finished goods for sale to either retailers or suppliers. Increasingly, the distinction between manufacturing and distribution is becoming blurred, with many manufacturing firms adopting multiple supply chain strategies.

- *Suppliers* – buy semi finished or finished goods before selling them on to other manufacturers or retailers, often the UK distributor of overseas manufacturing products.
- *Retailers* – organisation that sell goods to the general public, either through retail stores or directly via the internet, or, a combination
- *Logistics Operators* (Third Party Logistics, 3PLs) – these organisations undertake the movement and handling of goods on behalf of the above.

3.2.4 The 'hub' of most medium to large sized logistics operations is the distribution centre, of which there are basically two types. *National Distribution Centres (NDC)* act as inventory holding points for imported and nationally sourced goods, before re-distribution to other stages in the supply chain, serving the whole of the UK from one site. *Regional Distribution Centres (RDC)* are similar to NDCs in that they receive, hold and then re-distribute goods to other stages in the supply chain, normally multiple retail outlets. However, they have a regional hinterland, defined by suppliers and customers and their primary role is to consolidate and re-distribute goods in shorter periods of time, rather than acting as inventory holding locations.

3.3 Economic Value of Distribution

3.3.1 There is difficulty in accurately assessing the scale of the distribution and warehousing sector and the contribution to the national economy; the distribution industry is complex and comprises more than just the storage and movement of goods. The full scale of distribution warehouse contribution is therefore disguised under alternative sector classifications. This is mainly the case with companies that carry out a number of operations. For example, the distribution warehouse element of a supermarket chain will fall under the category of retail.

3.3.2 It has been estimated by the British Property Federation (Delivering the Goods, December 2015) that:

- The logistics sector directly supports a minimum of 56,000 businesses and 710,000 employees in the UK.

- Employment in the sector is estimated at 2.2 million, or 8% of UK's workforce, when including logistics operations of other sectors.
- Employment in warehousing operations increased by 40% between 2009 and 2013.
- Economic productivity in the sector is estimated at £100 billion Gross Value Added (GVA) per year.
- The rate of employment growth in the sector (31%) is projected to exceed the national average (20%) between 2013 and 2035.
- The economic productivity of the sector is projected to grow by 83% between 2013 and 2035.

3.3.3 Overall, there has been a definitive link between the growth in the distribution sector and the general economic growth in the UK by a growth factor larger than one. This is indicative of the role distribution has in a wide range of sectors in the economy. The level of warehouse stock has increased simultaneously with the reduction in factory stock. De-industrialisation has influenced the diminishing demand and consequently supply of factory stock. Warehouse stock has grown at the fastest rate of all the main property sectors over the last five years.

3.3.4 The rise in output has led to higher employment levels as the demand for distribution warehouse property has increased. Economic growth, driven by business sector growth and a strengthening consumer market demand; changes in the way supply chains are managed; and the drive for efficiency within the supply chain, have resulted in much larger distribution warehouses being developed over the past decade.

3.4 Logistics Employment

3.4.1 The logistics industry is an important provider of jobs. Estimates of employment in the logistics sector vary as it is hard to quantify those jobs which are within other sectors, but have logistics operations, for example retail and e-commerce. As noted above (paragraph 3.3.2), it has been estimated that 2.2 million people are employed in logistics in the UK, or 8% of the total workforce (Understanding Skills and Performance

Challenges in the Logistics Sector, UK Commission for Employment and Skills, October 2014 and BPF, 2015).

- 3.4.2 In employment terms this puts logistics at approximately the same size as the construction industry and just under half the size of the manufacturing sector; it is an increasingly vital part of the UK economy.
- 3.4.3 UK distribution-related employment has grown considerably during the past decade. The forecasts suggest that this growth will continue to accompany demand for distribution warehouses. The logistics sector proved to be resilient during the recession, and it was estimated that employment gains in warehousing operations were equivalent to a 40% increase between 2009 and 2013 (BPF, 2015).
- 3.4.4 As a service-led industry where price is constrained, the logistics sector is adding value by including other processes within the logistics envelope. Logistics companies are now broadening the services they provide to include production, transport and short-term finance. In combination with technological advancement, this means that the nature of warehouse employment is changing.
- 3.4.5 In general, shifts in technology and logistics methods mean that the proportion of overall warehouse staff who work in administration and office-based positions has been increasing – and is likely to continue to do so. This includes positions such as IT specialists, data analysts, engineering, sales and customer service (See Technical Insight Note: Distribution Warehouses Deliver More Jobs, Prologis, May 2015).
- 3.4.6 The vast majority of jobs are full time jobs, and there is a significant proportion of office and managerial posts. Approximately 15% of employees in the sector work part-time, compared to 32% on average across all sectors (Business Register and Employment Survey, 2013).
- 3.4.7 Wages are above the national average and have grown at a faster rate than the overall average wage (BPF, 2015).
- 3.4.8 The employment density on-site and exact proportions of each type of job will depend on the future tenant and how the warehouse space is used. The proportion of warehousing, managerial, administration and

sales staff will vary. Further detail about the employment density assumptions that could apply to WMI are set out in the Socio-Economics Chapter of the Environmental Statement [Document 6.2].

3.5 Conclusions

- 3.5.1 The logistics sector has a vital role to play in the UK economy, being made up of retailers, third party logistics operators, manufacturers and suppliers – it is the means by which goods are delivered to their final destination, the consumer. The sector is an important component of both existing and emerging economic activity.
- 3.5.2 The sector is a valuable provider of jobs, both directly and indirectly and makes a significant and increasing contribution to the UK economy, as well having a key role in a wide range of other sectors, including manufacturing and retail.
- 3.5.3 Distribution floorspace generates a range of high quality employment opportunities. Research shows that the number and quality of jobs provided by distribution development is generally underestimated and is consistently increasing.

4. LOGISTICS SECTOR TRENDS

4.1.1 The key trends in the logistics sector are reviewed below, together with their implications for the characteristics and amount of demand for both land and premises. One of the most important trends is the growth in rail freight and this has been considered first.

4.2 The Growth of Rail Freight

4.2.1 There has been considerable growth in the amount of freight transported by rail. The Government's National Policy Statement for National Networks (NPS, 2014) states that it grew by 75% from 1994 – 2004 and it has been estimated that domestic intermodal rail freight could increase by 12% per annum between 2011 and 2033 (Network Rail, *Freight Market Study*, October 2013).

4.2.2 Government policy in relation to rail freight and SRFIs is considered within the Alternative Site Assessment and the Planning Statement. However, key points are that it is recognised that moving freight from road to rail has significant benefits in terms of reducing CO₂ emissions and reducing congestion on the road network; improving quality of life; and, helping to address climate change.

4.2.3 In order to meet these aspirations and support the modal shift from road to rail, the Government has concluded that there is a compelling need for an expanded network of SRFIs, close to the areas which they will serve. The forecast level of growth cannot be sustained unless rail-linked distribution parks are built and expanded. This is because the goods passing through warehouses on such sites are much more likely to use rail because they avoid the cost of onward delivery to a warehouse not on such a site.

4.2.4 Historically, most National Distribution Centres (NDCs) to date have located on non rail-served sites. However, the supply of potential sites is now supplemented by the establishment of three (current) Strategic Rail Freight Interchanges in the Midlands: DIRFT (J18, M1); Hams Hall (J9, M42); and, Birch Coppice (J10, M42). In addition, more recently, East Midlands Gateway is under construction at Junction 24 of the M1.

- 4.2.5 This has opened up the opportunity for occupiers to use multi-modal solutions. There is growing demand from occupiers to acquire rail-linked or served warehouses, not simply to insure against the future (as may previously have been the case) but to actively use connections to the rail freight network as a key component of their distribution solutions. (N.B. In this context rail-linked means direct connection of a building by rail, and rail-served means provision of rail freight services on the wider sites, normally through an intermodal terminal).
- 4.2.6 Market demand has been driven by a growing understanding by occupiers of the potential for rail to deliver key benefits: a sustainable transport solution which offers better energy efficiency, reduced emissions and a reduction in road congestion; and economic and operational cost, reliability, flexibility and journey time benefits. Between Q1 2006 and Q1 2011, intermodal rail freight within Great Britain grew by 29% over a period in which overall road freight declined by 10%, demonstrating that the logistics market is now persuaded that rail offers significant benefits.
- 4.2.7 Hence, what is emerging is demand for a network of strategically located terminals built to modern specifications, with significant sidings capacity and with a critical mass of distribution warehousing on-site and close-by which will generate demand for regular and frequent trains with a choice of destinations.
- 4.2.8 The demand for distribution warehouses with access to rail, whether directly by rail siding serving the building, or through an on-site intermodal terminal, is a sub-set of the overall market for distribution warehousing in the UK. Demand in this sub-sector is driven by the same factors which influence any decision taken to occupy a building; the fundamental factor being efficiency, which can generally be thought of in terms of minimising cost and having certainty of delivering goods on time.
- 4.2.9 The balance between the primary haul costs (the cost of transporting goods in bulk from their origin, which might be a manufacturer or a port) and the secondary distribution costs incurred in supplying goods to the market (for example a chain of shops) is an important factor in determining location. The availability of rail as a part of an overall logistics solution, and its comparative cost, is now an important factor which helps to determine the choice of location.

4.2.10 Additional key factors are:

- The availability of suitable buildings / land;
- The diversity of routes available from a location;
- The availability of labour;
- Road congestion;
- Reliability of the transport solution (and available alternatives);
- The growth in carbon taxes;
- Social responsibility and corporate governance – which is an increasingly important motivator in decision taking (for example M&S Plan A whereby the retailer’s ultimate goal is to become the world’s most sustainable major retailer).

4.2.11 Demand for rail-linked or served accommodation at SRFIs is currently principally from retail and third-party logistics operators based on inbound supply chain movements from the ports. The cost advantage of rail is greater in this instance as containers can be unloaded almost directly. However, there is significant further scope for occupiers to utilise rail in their supply chains and retailers are increasingly doing so in order to maximise cost benefits and improve their ‘green credentials’, thereby maximising market share. Demand is currently particularly focussed on NDCs, which have a higher volume of goods going through the warehouse and can therefore maximise the benefits of rail due to regular volumes of sufficient scale.

4.2.12 However, there is considerable scope to utilise rail at the next stage of the supply chain between NDCs and Regional Distribution Centres (RDCs). Tesco is one company which is switching to an intermodal delivery solution, citing dramatic fuel savings and CO₂ reductions of up to 80%. The company has located a number of its RDCs in locations near to rail terminals.

- 4.2.13 Their most recent building has been the development on DIRFT 2 of a building of 78,038 sq. m (840,000 sq. ft). Tesco took a bespoke building rather than a vacant unit, based on their need for rail connectivity. It is directly rail connected and has its own intermodal terminal, and is also within 1km of the private road network that serves the current rail freight terminal. This provides them with significant cost benefits. Tesco currently receives and dispatches up to a total of six of their own rail freight trains every day, running between a number of locations in the UK and Europe. This practice highlights the shift that logistics operators are seeking to make in order to deliver sustainability benefits and cost savings.
- 4.2.14 Other occupiers are also utilising rail freight. M&S has taken occupation of an 86,400 sq. m (930,000 sq. ft) unit at East Midlands Distribution Centre with its own dedicated rail freight terminal. As part of the M&S Plan A commitment they are actively pursuing initiatives that reduce their CO2 usage.
- 4.2.15 Asda has also utilised rail for a number of years between their National Distribution Centre in Lutterworth (via DIRFT) and their Scottish Distribution Centre in Grangemouth, and between Grangemouth and Aberdeen.
- 4.2.16 Whilst occupier rail usage will change over time, according to business requirements, the above demonstrates the growing significance of rail.
- 4.2.17 In practice, as older warehousing reaches the end of its economic life, it is likely to be replaced by new stock on rail connected sites, particularly where existing warehousing is located on sites that are too small for individual modern buildings and which, being on isolated sites, and also remote from the rail network, cannot be economically rail connected. Warehousing has a typical life of 30 years, so that even without economic growth some 1.3 million sq. m of new warehousing in the UK is likely to be built (on an annual basis), providing the opportunity for the SRFI programme to gradually promote rail freight expansion by replacing older warehousing. As more SRFIs are developed and the network is expanded, the range of journeys which are possible and more viable by rail (as opposed to road) will increase, resulting in an increasing demand for rail-served floorspace from occupiers.

4.3 Other trends in the logistics sector

- 4.3.1 The ability to hold, consolidate and distribute goods in HGV-size loads from one location is the most efficient method of organising supply chains, hence the development of both NDCs and RDCs. This is not only in terms of pure costs - the ability to consolidate and distribute 'mixed loads'¹ results in fewer HGV journeys being required, resulting in environmental benefits.
- 4.3.2 Trends in the retail industry have driven the changing nature of logistics. Goods are now ordered by retailers from manufacturers and suppliers on a just in time (JIT) basis when required rather than in anticipation of demand. Consequently, the responsibility of holding inventory to ensure product supply has been placed with manufacturers and suppliers, rather than the retailers.
- 4.3.3 E-Commerce has revolutionised the sector in recent years. The effects have particularly been seen in the UK as a high proportion of the population have access to Wi-Fi and are within easy reach for delivery. On-line sales account for 14.3% of UK retail (ONS, August 2016) and are projected to grow to 21.5% by the end of the decade (Centre for Retail Research's Retail Futures 2018). On-line retailers are increasingly competing on speed of delivery to win customers and this comes at a considerable extra cost in terms of additional warehousing requirements and delivery fleets, which can only be absorbed by the largest companies.
- 4.3.4 Customers now expect delivery of goods within increasingly short time frames, with next day delivery and even same day delivery commonplace and this has reformed the way in which supply chains are managed. The transfer of delivery costs from the consumer to the retailer means that location and accessibility to the consumer is increasingly important. According to research by Prologis², three times as much warehousing space is required for online fulfilment compared with store-based fulfilment. Highly specified, bespoke units, with particular requirements in relation to configuration, height and scale are necessary to meet the requirements of on-line retailers.

¹ 'A 'mixed load' is a load which comprises a mixture of different types of goods.

² Prologis (July 2014) *Inside the Global Supply Chain: E-Commerce and a New Demand Model for Logistics Real Estate*, p. 4

- 4.3.5 Whilst the sector is dominated by the retail and third-party logistics operators, manufacturers also make up an important component of the sector. Manufacturers located in Britain are more likely to store and distribute goods to suppliers or retailers direct from a production site. However, some manufacturers do occupy distribution centres where there is limited space on site or where they have a number of factories and there are benefits to consolidating storage. In addition, some manufactures locate their storage facilities close to their customers, in order to meet their strict JIT delivery arrangements, particularly in the automotive industry.
- 4.3.6 Other changes in the sector include the development of 'palletline' networks. Some logistics operators lease/own and operate their own distribution centres, independent of any out-sourcing contracts they may hold. Normally such facilities will be multi-user, and will handle the goods of a number of shippers under one roof. A palletline network involves a number of logistics providers combining their operations to offer overnight express deliveries for pallet-load quantities of goods.
- 4.3.7 They operate using 'hub and spoke' systems, with pallets trunked into distribution centres where they are 'cross-docked' for onward deliveries. The nature of the operations and the geographical location of the West Midlands have resulted in the region being a popular location for palletline hubs, providing a further source of demand for land and premises.

4.4 Implications for the property market

- 4.4.1 The location and excellent motorway network in the Midlands region mean that the vast majority of the UK population can be reached within a 4 hour drive time from a well-connected site (close to a motorway junction), and the region is therefore an important sub-set of the national market and a key focus for demand for companies seeking to serve it. The concentration of population in the urban areas of the West Midlands region³ means that there is also strong demand for sites located within, or close to, the major urban areas, which meet the need for 'last-mile distribution'; distributing goods to their final destination.

³ All references to the West Midlands in this document refer to the West Midlands Region, which includes the counties of Herefordshire, Shropshire, Staffordshire, Warwickshire, Worcestershire and the Unitary Authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

- 4.4.2 The continuing shift away from manufacturer/suppliers delivering direct to their customers and the emergence of RDCs and NDCs, which dominate the large distribution warehouse market, and which have seen a continuing rise in the average size of buildings, has led to an increase in plot sizes necessary to accommodate larger buildings. For example, a RDC in the early 1990s might typically have been 13,900 sq. m (150,000 sq. ft), which would require a plot of c. 3.04 ha (7.5 acres). RDCs are now likely to be in the range 32,480 sq. m – 46,400 sq. m (350,000 sq. ft – 500,000 sq. ft), requiring a plot size of 7.08 ha – 10.12 ha (17.5 – 25 acres).
- 4.4.3 The long-term trend has been an increase in eaves heights provided to allow greater occupier flexibility. Specifically, greater eaves heights allow for increased racking capacity. More recently an increase in height has been driven by the e-commerce sector and the need to install mezzanine floors to aid storage and stock picking.
- 4.4.4 There is growth in demand for rail served warehousing, predominantly from retailers, and this also generates demand for larger units, which can maximise the benefits of rail in terms of volume and consistency.
- 4.4.5 The significant scale of recent distribution warehouses is illustrated by these examples:
- East Midlands Distribution Centre - Marks & Spencer (93,000 sq. m/1 million sq. ft), December 2011.
 - DIRFT II – Tesco (76,500 sq. m/823,450 sq. ft), September 2011.
 - DIRFT II – Sainsbury's (92,900 sq. m/1 million sq. ft), February 2015.
- 4.4.6 Clearly this also has a direct impact on the size of overall schemes capable of accepting these larger buildings and the speed at which sites are taken-up.
- 4.4.7 More recently, the growth of the on-line retail sector has led to a rapid growth in demand for floorspace for larger, often bespoke distribution facilities, in highly accessible locations, as online retailers seek out well-located sites that allow them to compete on fulfilment times. Savills' data

shows that take up for H1 2016 by on-line retailers was almost equal to that seen between 2010 and 2015.

4.4.8 In order to maximise the economic potential of the logistics sector, it is vital for the property market to provide the appropriate accommodation to meet the needs of companies seeking efficiency and cost savings in terms of their distribution requirements (which also results in increased competition and lower costs for the consumers and manufacturing businesses). Developers of distribution warehouses are increasingly having to respond to a more sophisticated and demanding client base, providing users with reliability and flexibility in their product. Their requirements therefore are highly diverse, dependent on type and scale of use. It is therefore particularly important that a range of different sites are available which offer flexibility in terms of scale and configuration of unit.

4.5 Conclusion

4.5.1 The Government's agenda to facilitate the growth of the intermodal rail freight industry and encourage a modal shift from rail to road, together with increasing awareness of the cost savings and environmental benefits of rail freight by occupiers, mean that there is forecast to be significant growth in rail-linked and rail-served warehousing, supported by an expanded network of SRFIs.

4.5.2 Trends in the retail industry, and more recently in particular e-commerce, have driven wholesale changes in the logistics sector and led to a significant increase in demand for floorspace. The requirements of the sector make the West Midlands region an ideal location for distribution floorspace due to the region's central location, giving access to the majority of the UK within one day's drive (from a well-located site), and the densely populated areas within close proximity.

4.5.3 Implications for the property market include:

- An increased demand for rail-served and rail-linked warehousing which allows occupiers to maximise the cost savings and environmental benefits of rail freight.

- A significantly increased demand for employment land and floorspace which can meet the needs of the on-line retail sector, i.e. large, well-located sites which allow the construction of bespoke units and enable occupiers to achieve the fastest possible fulfilment times;
- A significant proportion of demand is now for larger units and plot sizes;
- Consequently, a direct impact on the size of overall schemes capable of accepting these larger buildings and the speed at which sites are taken-up.
- A choice of sites is needed which can accommodate a range of bespoke requirements in terms of location, scale and configuration of unit.

4.5.4 In order to maximise the economic potential of the logistics sector, it is essential to provide the appropriate accommodation and sites to deliver the required accommodation.

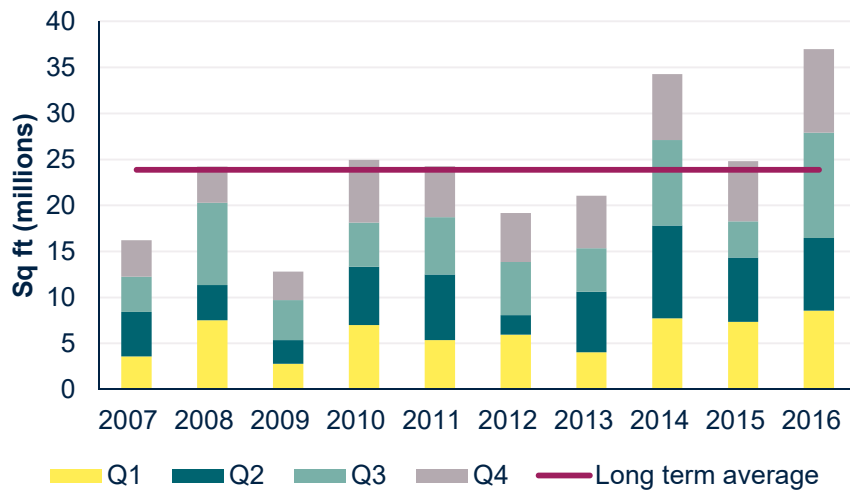
5. NATIONAL & REGIONAL MARKET CONTEXT

- 5.1.1 In order to provide the market context for the WMI proposals, this section reviews the market dynamics for 'big sheds' (industrial and warehousing units of 9,290 sq. m/100,000 sq. ft and above) at a national and regional level. The analysis was undertaken in November 2017.
- 5.1.2 Data has been sourced from Savills' national internal database of transactions and availability of units over 9,290 sq. m (100,000 sq. ft) and also from a detailed review of current supply at a local level.
- 5.1.3 As part of this market assessment, take-up is analysed as a key market indicator. Take-up is often used as a surrogate for demand but that can be misleading, particularly where land supply or availability of buildings is constrained. Take-up is, in effect, the minimum manifestation of demand and supply, but take-up will be constricted in circumstances where demand (in quantitative terms) exceeds supply and (in qualitative terms) where the nature of demand (location, use, scale, quality) is not capable of being met by the actual supply of employment land and buildings available. As will be considered below, this is an acute problem nationally, regionally and locally.
- 5.1.4 Whilst the dominant sector is take-up by distribution warehouses (B8) the statistics used below include industrial (B1c / B2) uses.

5.2 National Market Context

- 5.2.1 Very strong demand resulted in exceptionally high levels of take-up in 2016. In total, 3.44 million sq. m (37 million sq. ft) of space was transacted in the UK, representing a new high (see Figure 5.1). Take-up in 2016 was driven particularly by the on-line retail sector which accounted for 29% of all floorspace transacted.

Figure 5.1: UK Big Shed Take-up (sq. ft) (source: Savills Research)

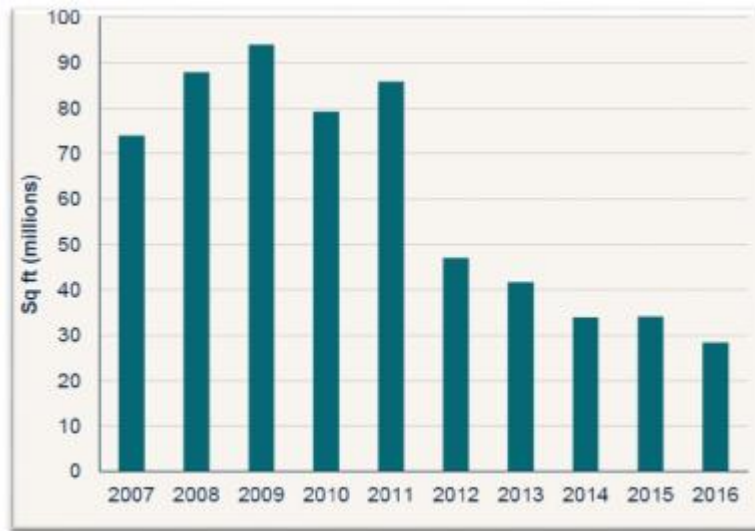


5.2.2 Whilst nationwide take-up so far in 2017 has unsurprisingly been slower than the preceding record-breaking year, take up in the first half of the year was still above the long term average at 1,096,256 sq. m (11.8 m sq. ft) and market indicators are that latent demand should see take-up levels increase through the second half of the year (data for year end is not available at the time of writing). Savills’ research suggests that 55% of occupiers consider that they will require additional warehouse space over the next two years.

5.2.3 As a result of high levels of take-up and muted speculative development, supply of floorspace nationally was critically low at the end of 2016, at just 2.56 million sq. m (27.6 million sq. ft), having fallen by approximately 70% since 2009 (Figure 5.2, overleaf). Supply increased marginally over the course of 2017 and now stands at just over 2.60 million sq. m (28.0 million sq. ft)⁴ but there remains a severe shortage of premises nationwide, and particularly of the largest units and units in prime locations, such as the West Midlands.

⁴ Savills Research Data, November 2017

Figure 5.2: UK Total Supply of Big Sheds (source: Savills Research)



5.3 Regional Market Context

5.3.1 As described in Section 4, the location and excellent motorway network in the West Midlands mean that the region is an important sub-set of the national distribution market and a key focus for demand for companies seeking to serve the national market. There is strong demand for buildings and sites which maximise this locational advantage and are situated as close as possible to the motorway network. The concentration of population in the urban areas of the West Midlands means that there is also strong demand for sites located within or close to the major urban areas, which meet the need for 'last-mile distribution'; distributing goods to their final destination.

5.3.2 Whilst logistics makes up the majority of demand - approximately two thirds of regional take up of 'big sheds' (over 9,290 sq. m/100,000 sq. ft) - manufacturing still has an important role to play in the region. UK manufacturing has undergone a renaissance over recent years with growth being seen, particularly in the advanced manufacturing sectors. The Purchasing Managers' Index recorded its highest level for 51 months in November 2017 and manufacturing production expanded at the fastest pace since September 2016, with companies increasing staffing levels to

respond to demand and over 50% of manufacturers maintaining a positive outlook for the coming year.⁵

- 5.3.3 Demand from manufacturers is particularly focused around the urban areas, where a skilled workforce and established supply chains are present, such as Birmingham, Coventry and the Black Country (where approximately 15% of the UK's high value manufacturing is carried out)⁶. Key sectors in the West Midlands include automotive and aerospace.
- 5.3.4 In recent years, growth has particularly been driven by the automotive sector, and specifically by Jaguar Land Rover's (JLR's) ongoing expansion and investment in the region. This has generated significantly increased demand, both directly from JLR and indirectly from the extensive supply chain network and associated logistics operations. As a result, in contrast to the national trend, a significant element of take up in the West Midlands is from manufacturers and the automotive sector (the automotive sector accounted for 46% of space transacted so far in 2017).
- 5.3.5 The region is therefore experiencing very high demand from both the logistics and manufacturing sectors (both direct and via supply chain companies) which is culminating in a critical shortage of employment land and premises. Take-up in 2016 was 511,000 sq. m (5.5 million sq. ft), up 27% from the previous year.
- 5.3.6 Total supply fell by 25% over the course of 2016 in the West Midlands, and totalled just 278,700 sq. m (3 million square feet) in 20 units at the end of the year. Increased speculative development in response to the severe shortage of floorspace, has led to an increase in supply during 2017. At November 2017, there was 448,800 sq. m (4.83 million sq. ft) of floorspace available in the region, over half of which was Grade A⁷. Six speculative units reached practical completion during the first half of the year. However, as illustrated by Figure 5.3 (overleaf), despite the increase in

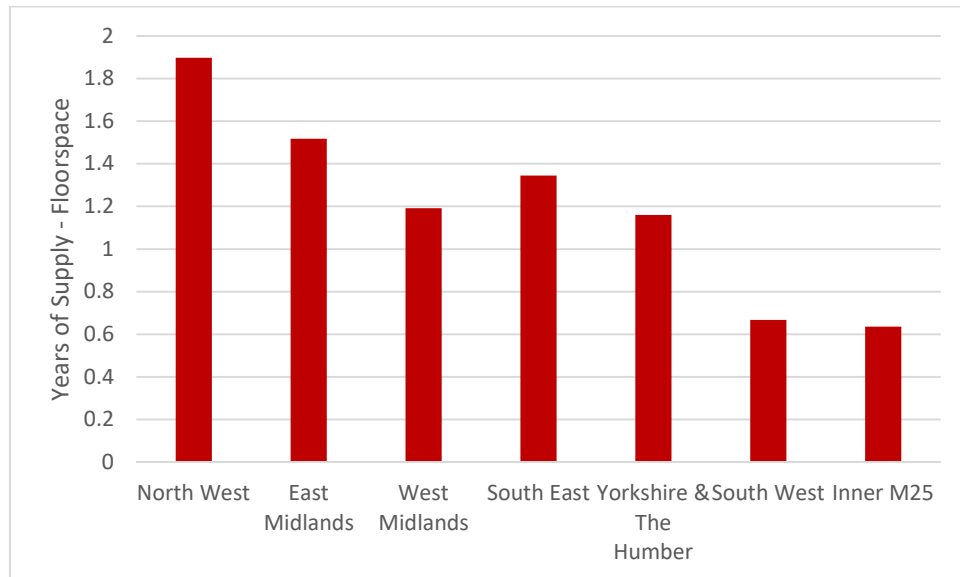
⁵ PMI/IHS Markit, CIPS (1st December 2017), *News Release – Purchasing Managers' Index*

⁶ WECD (May 2017) Black Country Economic Development Needs Assessment (Stage 1 Report), para. 3.11

⁷ Grade A units are those which are either new, or refurbished to meet the latest institutional standards in terms of: location, servicing; floor loading; height; number and location of loading doors; energy efficiency; yard depth and efficiency; and, high specification ancillary office space. A Grade B unit would generally be an older unit which would previously have been Grade A but is now out-dated in terms of specification, or a new unit in a secondary location.

supply there remains a shortage of premises in the region, with **less than 1.2 years of supply** as at November 2017.

Figure 5.3: Supply Position by Region - November 2017 (source: Savills Research)



5.3.7 The strong demand and low levels of supply in the region continue to put upward pressure on rents, with Grade A quoting rents now at £7.00 per sq. ft, up 7.7% year on year.

5.4 Conclusion

5.4.1 Increasing take-up, against a backdrop of limited speculative development in 2016 resulted in falling supply and a critical shortage of floorspace both nationally and regionally, particularly of those larger, well-located, high specification units which are increasingly the focus of demand.

5.4.2 Whilst supply of premises has now begun to increase slightly nationally and regionally, predominantly due to an increase in speculative development in response to market signals, there remains an undersupply of floorspace in prime locations nationwide. In the West Midlands there is an acute undersupply, with less than 1.2 years' supply of floorspace.

5.4.3 The majority of supply in the region is relatively small in size and there is a severe shortage of the higher quality, large scale units.

- 5.4.4 This imbalance between demand and supply is evidenced by ongoing rental increases, considerably above the long-term trend.
- 5.4.5 The shortage of high quality floorspace means that it is vitally important that additional, well-located sites, which are capable of accommodating larger units, are brought forward in order to help meet demand and deliver high quality floorspace via either speculative development or by offering occupiers Build to Suit opportunities.

6. MARKET AREA ASSESSMENT

6.1.1 The WMI site is located approximately 10km to the north of Wolverhampton, immediately to the west of Junction 12 of the M6, and is bounded by the A5 to the north and the A449 to the west. It therefore benefits from excellent accessibility to the national and regional road network. WMI is located in Southern Staffordshire but also relates closely to, and will serve, the Black Country and Birmingham markets. The West Coast Main Line ('WCML') (western branch) runs through the Site, with Penkrige railway station located approximately 3 kilometres (2 miles) north of the Site, on the A449.

6.1.2 The site extends to approximately 297 ha (734 acres) gross, with potential for 743,200 sq. m (approximately 8 million sq. ft) of warehousing on 193 ha (477 acres) of net developable site area. Warehousing on the site will be focused on larger floorplates which can maximise the benefits of the rail connection, and will therefore be targeted towards National Distribution Centres and Regional Distribution Centres (NDCs and RDCs) which will benefit from the location, scale and multimodal accessibility of the proposals. Indicative proposals show units from c. 19,000 sq. m (205,000 sq. ft) up to 94,300 sq. m (1.02 million sq. ft).

6.1.3 Benefits of WMI for occupiers will include:

- The intermodal terminal and rail-linked plots offering a multimodal logistics solution;
- Proximity to the Black Country and Greater Birmingham conurbation giving access to a high density of potential customers and supply chain companies;
- Proximity to West Midlands manufacturers, including Jaguar Land Rover's engine manufacturing plant at i54, which makes WMI very well-placed to meet demand from supply chain companies (Gestamp at Bericote, Four Ashes are a good example);
- Access to a high-quality labour pool in South Staffordshire and the Black Country;

- The excellent accessibility to the national road network via Junction 12 of the M6; and
- The scale of the opportunity, which allows for the largest requirements to be accommodated.

6.1.4 The market area includes those locations which potentially would compete with the proposals at WMI i.e. locations which an occupier might consider alongside WMI when looking for new floorspace. Occupiers in the B8 sector can be footloose to a certain extent. However, they are driven by cost efficiency based on their supply chain dynamics. Whilst relatively wide search areas might be initiated by occupiers, they inevitably get narrowed down once the above dynamics are taken into account. The core search area specified will vary between occupiers, depending on individual business needs, locations of suppliers or retail stores etc.

6.1.5 In order to ensure a comprehensive approach and to cover the economic areas (defined by LEP areas) which make up the catchment of WMI, the market area assessment includes the following areas:

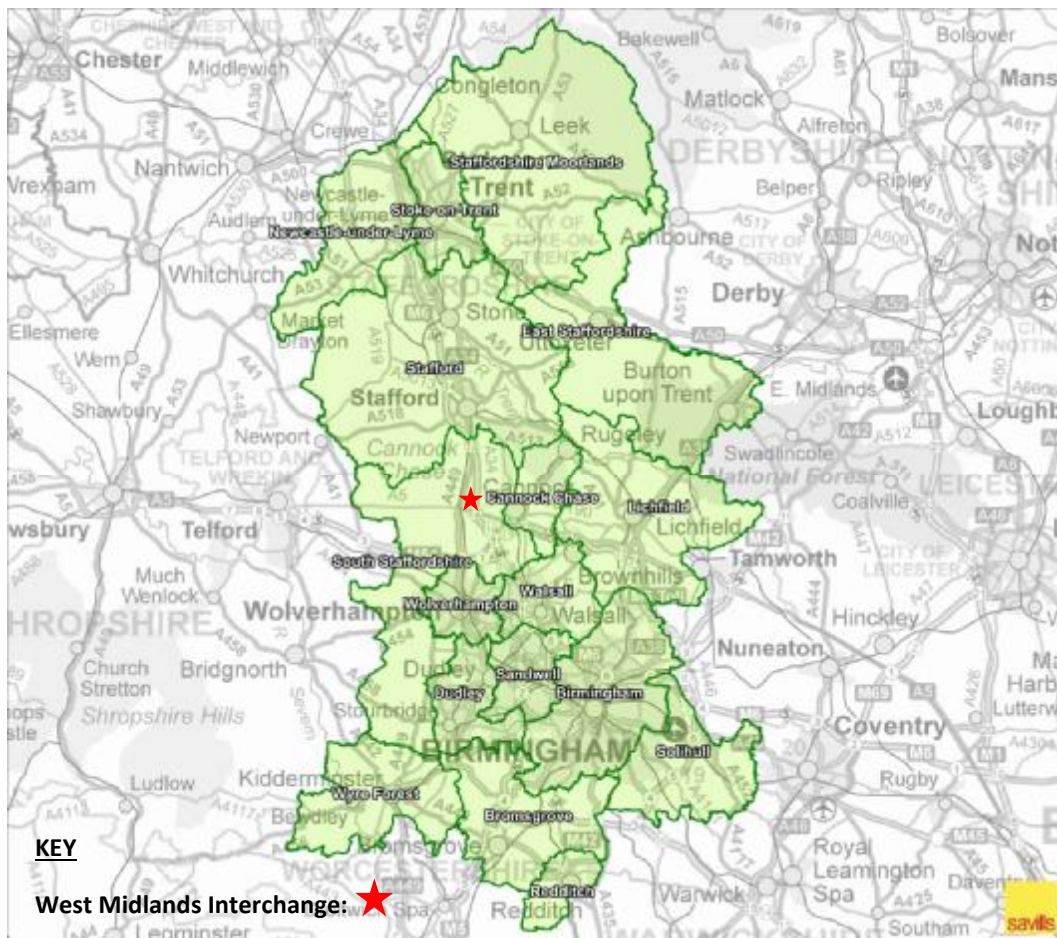
- the Stoke and Staffordshire LEP;
- the Black Country LEP; and
- the Greater Birmingham & Solihull LEP.

6.1.6 The market area therefore broadly includes:

- Junctions 4 – 16 of the M6;
- Junctions 1 – 6 of the M42;
- Junctions 1 – 3 of the M54; and
- Junction 1 – 4 of the M5

6.1.7 A plan of the market area is included below (Figure 6.1) and at Appendix 1.0.

Figure 6.1: WMI Market Area Plan



6.1.8 The warehousing proposed at WMI will compete with schemes further afield than the search area used in the Alternative Site Assessment (ASA) [Document 7.2], which utilises a market area derived from the likely catchment of the SRFI and the identified gap in the network of existing and proposed rail severed facilities. The ASA considers the most appropriate location for an SRFI, whereas this document considers the supply and demand for warehousing, irrespective of it being rail connected.

6.1.9 The supply of, and demand for, units of over 9,290 sq. m (100,000 sq. ft) or sites which can accommodate a unit of at least this size, has been assessed. Whilst the masterplan is indicative at this stage, this is likely to be the minimum size of unit which will be developed at WMI.

6.2 Market Area Demand

6.2.1 Take-up of units within the market area has been assessed using Savills internal database of transactions⁸. As noted in Section 5, take up is a surrogate for demand but becomes less reliable when there is a restricted supply, as is the case in prime areas such as the West Midlands, including much of the market area.

6.2.2 Total take-up by year is set out in Table 6.1. Our analysis was undertaken is based on the years 2012 – 2016 inclusive⁹. There has been consistently strong levels of take-up over the period, with an average of c. **248,000 sq. m (2.67 million square feet) per annum.**

Table 6.1: Market Area Building Take up (2012-2016)

YEAR	TOTAL TAKE-UP WITHIN THE MARKET AREA (SQ. M)	TOTAL TAKE-UP WITHIN THE MARKET AREA (SQ. FT)
2012	205,843	2,215,745
2013	275,910	2,969,965
2014	269,903	2,905,303
2015	196,928	2,119,790
2016	290,972	3,132,098

6.2.3 The following table analyses take-up in the market area over the last five years, by location and by size. Plans showing the boundaries of each LEP area are provided at Appendix 2.0.

⁸ Savills Research collects and analyse data on key indicators (relating to units of 9,290 sq. m and above) including take-up, supply of built stock, development pipeline, and speculative development. The supply and take up database is updated on a monthly basis coordinating input from local agency teams around the UK and cross referencing nationwide and regional databases and constant monitoring of news releases.

⁹ Analysis undertaken in November 2017. Figures for 2017 take-up were therefore not available.

Table 6.2: Market Area Take up Analysis

LEP AREA	FIVE YEAR TOTAL TAKE-UP (SQ. M PER ANNUM)	AVERAGE ANNUAL TAKE-UP (SQ. M PER ANNUM)	%	NO. OF TRANSACTIONS	AVERAGE SIZE (SQ. M)
Stoke & Staffs	592,459	118,492	47.8%	27	21,943
Black Country	291,533	58,307	23.5%	16	18,221
Birmingham	355,605	71,121	28.7%	24	14,817
TOTAL:	1,239,555	247,911		67	18,501

6.2.4 The majority of take-up by floorspace over the five year period has been in the Stoke & Staffordshire LEP area. There were almost as many transactions in the Greater Birmingham & Solihull LEP area, but the average size has been smaller. The Black Country has seen the lowest number of transactions and the least floorspace. In our view this is a result of the severely constrained supply position in this area.

6.2.5 The overall average size of unit transacted in the market area over the last five years was 18,501 sq. m (200,000 sq. ft). Again, it is likely that that this is reflective of a lack of supply of buildings in the larger size brackets. The true level of demand is therefore likely to be higher than the take-up figures suggest.

6.2.6 Recent transactions in the market area include:

- FP126, Fradley Park, Lichfield – 11,760 sq. m second-hand unit let to Geodis in June 2017.
- Campbell Road, Stoke on Trent – 12,728 sq. m Build to Suit unit let to Michelin in March 2017.
- Prologis Park, Fradley – 52,212 sq. m (562,000 sq. ft) Build to Suit unit let to Screwfix in December 2016;

- Centrum 260, Burton upon Trent – 24,000 sq. m (258,370 sq. ft) Build to Suit unit let to Palletforce in November 2016;
- DC2, Prologis Park, Sideway – 10,081 sq. m (108,511 sq. ft) Build to Suit unit let to DSV in October 2016;
- Bericote, Four Ashes (adjacent to West Midlands Interchange)– 50,510 sq. m (543,692 sq. ft) Build to Suit unit let to Gestamp Talent in August 2016;
- Acanthus Park, Redditch – 10,219 sq. m (110,000 sq. ft) Build to Suit unit let to Amco in May 2016; and
- Chrome 102, Minworth, Birmingham – 9,546 sq. m (102,750 sq. ft) speculative unit, let prior to completion to DHL in March 2016.

6.3 Market Area Building Supply

6.3.1 As at November 2017, there was **293,722 sq. m (3.16 million sq. ft)** of floorspace available in the market area, within 23 buildings (source: Savills database, Estates Gazette Property Link, agents' websites). The table below (table 6.3) analyses the available supply by location. A schedule of available buildings, together with location plans, is included at Appendix 3.0.

Table 6.3: Market Area Building Supply by Location

LEP AREA	TOTAL FLOORSPACE (SQ. M)	TOTAL FLOORSPACE (SQ. FT)	% FLOORSPACE	NUMBER OF UNITS
Stoke & Staffs	181,583	1,954,543	61.8	13
Black Country	11,170	120,233	3.8	1
Birmingham & Solihull	100,969	1,086,821	34.4	9
TOTAL	293,722	3,161,597		23

- 6.3.2 Supply of floorspace in the market area has increased by 60%, c. 114,500 sq. m (1.2 million sq. ft), over the course of the last 12 months. However, despite the recent bolstering of supply, there is currently only **1.2 years' supply of floorspace in the market area**, based on average annual take-up figures.
- 6.3.3 Specifically, in relation to the WMI proposal, there are no rail-linked or rail-served warehouses available in the market area.
- 6.3.4 The recent increase in supply can be attributed to the appetite of developers/funds for speculative development, in response to clear market signals: increasing demand, a shortage of supply, and resultant consistently rising rents and low vacancy rates. There were only three Grade A buildings available in the market area in Q1 2017; this figure has now increased to eight:
- *Jupiter, Watling Street, Cannock* – a speculative unit extending to 13,233 sq. m (142,438 sq. ft) is under construction here by Canmoor. The unit sits on the A5 and is conveniently located for Junctions 11 and 12 of the M6 (as well as T7 and T8 of the M6 Toll). The unit is due to complete in Q1 2018.
 - *Conneqt, Kingswood Lakeside, Cannock* – a speculative unit is under construction by Opus Land, due to complete in 2018. Conneqt Alpha extends to 14,273 sq. m (153,633 sq. ft). Kingswood Lakeside is located adjacent to the M6 Toll and the unit will be accessible to the A5, M6 (Junctions 11 and 12) and M6 Toll (T7 and T8). A further plot (Conneqt Beta) has full planning permission for a unit of 12,035 sq. m (129,544 sq. ft).
 - *M6DC, Kingswood Lakeside, Cannock* – Graftongate has recently completed construction of this speculative unit, which at 34,560 sq. m (372,000 sq. ft), is the largest Grade A unit available in the market area (and the West Midlands). Similarly to the above units, M6DC benefits from accessibility to the M6 Toll, M6 and A5.
 - *Birmingham 100 (former Tuckers Fasteners site), Perry Barr, Birmingham* – Barwood Capital and First Industrial have recently

completed this speculative unit, which extends to 9,297 sq. m (100,072 sq. ft). The unit is located on the A34 in Perry Barr, approximately 4.9 kilometres (3 miles) from Junction 6 of the M6.

- *Unit 1, The Hub, Witton (Hub 120)* – refurbished modern unit extending to 11,162 sq. m (120,000 sq. ft). The Hub is approximately 3 kilometres (2 miles) from Junction 6 of the M6.
- *DC3, Prologis Park, Fradley* – a 19,834 sq. m (213,491 sq. ft) speculative unit is under construction by Prologis and is due to complete in February 2018. Fradley Park is an established logistics location on the A38, to the north of Lichfield.
- *Triton, Redhill Business Park, Stafford* – Trebor Developments completed a speculative unit here in December 2016. The unit extends to 10,545 sq. m (113,505 sq. ft) and is c. 2.4 kilometres (1.5 miles) from the M6, Junction 14 via the A34;
- *Unit 2, Campbell Road, Stoke-on-Trent* – a 13,016 sq. m (140,103 sq. ft) speculative unit is under construction by London Metric Property, due for completion in Q1 2018. The unit is located adjacent to the A500, which gives direct access to the M6, Junction 15 (3.3 kilometres/2.1 miles).

6.3.5 A significant proportion of the new supply is located in Cannock, on the A5/M6 Toll corridor. This demonstrates the quality of this location for logistics development and its attractiveness to developers and funders. WMI is located in relatively close proximity, to the west of Cannock and would also serve the A5 corridor but offer much better links to the M6, with Junction 12 immediately adjacent. It is clear that there is a significant level of market confidence in this general location.

6.3.6 As a result of the recent speculative development, there is now a reduced land supply at Cannock (13.6 ha developed over the last six months) and the last two remaining plots at Kingswood Lakeside have also both recently been granted full planning permission for speculative development (Conneqt Beta – Opus Land, and Rapida – Trebor Developments).

6.3.7 As set out in Table 6.3 (page 38), approximately two thirds of the available floorspace is located within the Stoke and Staffordshire LEP area and a third is located within the Birmingham and Solihull LEP area. The Stoke and Staffordshire area is the largest in terms of size, so it is to be expected that the majority of supply is located here. Despite the recent increase in supply across the Region and Market Area, there is virtually no floorspace available in the Black Country (over 9,290 sq. m/100,000 sq. ft).

6.3.8 Table 6.4 illustrates the supply position by location and quality.

Table 6.4: Market Area Supply Position by Location

LEP AREA	SUPPLY (SQ. M)	% OF FLOORSPACE WHICH IS GRADE A	YEARS' SUPPLY OF BUILDINGS (BASED ON 5 YEAR AVERAGE TAKE UP RATE)
Stoke & Staffs	181,583	58.1	1.5
Black Country	11,170	0.0	0.2
Birmingham & Solihull	100,969	20.2	1.4
TOTAL:	293,722		1.2

6.3.9 This analysis shows that all areas have a severe shortage of floorspace in relation to historic take up levels but that the shortage is particularly acute in the Black Country. Whilst this analysis quite properly compares take-up of all grades of premises to supply of all grades, it does not reflect the subjective point which is the trend over time for occupiers to re-locate from poorer quality space to Grade A (or possibly Grade B) space. The low proportion of Grade A space available in Birmingham & Solihull (see Table 6.4 above) suggests that the building supply issue in this area is actually worse than the headline figures suggest.

6.3.10 The critically low level of floorspace available in the market area, means that occupiers must consider Build to Suit options and the supply of unconstrained, 'oven-ready' sites is therefore very important. The supply of sites is considered at Section 6.4 below.

6.4 Market Area Land Supply

6.4.1 The supply of land in the market area has been assessed, to include those sites which could accommodate a requirement for a distribution unit of 9,290 sq. m (100,000 sq. ft) or above and have planning permission for B8 use, or are located within an established existing employment area where B8 use would be permitted. A detailed schedule of sites is included at Appendix 3.0 (with accompanying location plans) and the position is summarised in Table 6.5 below.

Table 6.5: Market Area Land Supply by Location

LOCATION	LAND SUPPLY (HA)	SITES	% (AMOUNT OF LAND)	% (NUMBER OF SITES)
Stoke & Staffs	256.73	24	75%	60%
Black Country	43.86	10	13%	25%
Great Birmingham & Solihull	40.89	6	12%	15%
Total	341.48	40		

6.4.2 In total, there is **341 ha** (843 acres) of land within the market area spread over **40 sites**. However, a significant proportion of the sites are subject to constraints in terms of:

- sub-optimal location;
- physical characteristics including infrastructure requirements, adjoining uses, access and configuration;
- maximum unit size that can be accommodated;

6.4.3 The true, unconstrained, supply position is therefore significantly less. A qualitative assessment of the available sites is undertaken below.

Supply of Rail-served Sites

- 6.4.4 There are no existing, operational rail-served logistics sites within the market area. Pentalver operates a container depot at Cannock and obtained planning permission for a rail connection in 2015. This has not yet been progressed and the site currently serves Pentalver's customers via road. The container depot extends to 12 ha and does not have on-site warehousing.
- 6.4.5 There are two rail-served schemes adjacent to the market area, in North Warwickshire at Hams Hall (Coleshill) and Birch Coppice (Dordon).
- 6.4.6 Hams Hall (together with DIRFT) is one of the major SRFI in the Midlands, principally serving the West Midlands conurbation and handling a relatively high volume of manufactured goods. The terminal at Hams Hall provides daily rail services to and from the ports at Southampton, Felixstowe, Ipswich, Mossend and international services via the Channel Tunnel.
- 6.4.7 Birch Coppice responds to a similar market but, as a rail terminal, is of a smaller scale.
- 6.4.8 The availability at these sites is summarised in Table 6.6 below:

Table 6.6: Supply at Rail-served Schemes

SCHEME NAME	DEVELOPER/OWNER	REMAINING LAND (HA)	MAX SIZE (SQ. M)
Hams Hall, Coleshill (J9 M42/M6T)	Canmoor	No land.	Nil.
Prologis Park, Hams Hall (Hams Hall Power Station B)	Prologis	20	74,322
Birch Coppice, Dordon (J10 M42/A5)	IM Properties	No land.	Nil.
Birch Coppice, Dordon (J10 M42/A5)	Aberdeen Asset Management	No land.	Nil.
Core 42, Dordon (J10 M42/A5)	Hodgetts Estates	13.03	32,090

- 6.4.9 Located immediately to the north of the Hams Hall development, the 'B Station' site extends to approximately 20 hectares (49.4 acres) and is the last remaining part of the former Hams Hall Power Station that has not been redeveloped following the final closure of the power station in 1992. North Warwickshire DC resolved to grant planning permission for up to 74,322 sq. m (800,000 sq. ft) of B2/B8 floorspace in November 2016, subject to Section 106 Agreement. Outline planning permission was granted in June 2017 and the site is now being marketed as Prologis Park, Hams Hall. Based on this site's prime location, there is likely to be strong demand from occupiers.
- 6.4.10 There is no land remaining at Birch Coppice and the last two speculatively constructed units have been sold by IM Group to Aberdeen Asset Management. Both these units have now been taken by Beko.
- 6.4.11 Core 42 at Dordon is adjacent to Birch Coppice but is in different ownership and has a separate access from the A5. The scheme has outline planning permission for total floorspace of 63,000 sq. m (678,126 sq. ft), with up to 90% within use class B8 and 10% within use class B1c and B2. Two units have been granted detailed planning permission to date: CORE 1 extends to 32,090 sq. m/345,414 sq. ft (proposals to develop speculatively) and CORE 2 extends to 9,800 sq. m/105,486 sq. ft (to be developed on behalf of an occupier). Once these two units are constructed, there will only be 14,810 sq. m (159,413 sq. ft) of capacity remaining for B8 use at the site. A new access to the scheme from the A5 was completed in February this year and a programme of infrastructure works is now underway.
- 6.4.12 Both of these sites are significantly smaller in scale than the application proposals. Core 42 has very limited capacity remaining and it is anticipated that the final plot at Hams Hall will be taken up quickly, given the relatively small scale of the site, the quality of the location and the shortage of employment land.
- 6.4.13 The only potential rail served site within the market area is Chatterley Valley West in Newcastle Under Lyme, which extends to 38 ha (94 acres) and has a live rail siding that connects to the West Coast Mainline. However, the site is too small to be considered an SRFI and the rail connection only allows access to and from the south, which places limits on it operationally. The site is controlled by Harworth Estates. It is subject

to constraints in relation to topography, access and infrastructure. There are also significant reserves of Etruria Marl around the perimeter which will require extraction prior to development.

6.4.14 Advantage West Midlands gained planning permission for the development of the Chatterley Valley Regional Employment Site, which includes Chatterley Valley West (formerly known as Chatterley Sidings) in 2007 (ref. 04/00546/OUT). A Section 73 application (ref. 07/00995/OUT) was then subsequently granted to amend the conditions relating to this site to increase the amount of B8 floorspace permitted from 50,000 sq. m (538,196 sq. ft) to 83,000 sq. m (893,405 sq. ft) due to the significant works required to bring the sites forward (in particular a condition requiring 530,000 tonnes of marl to be extracted, resulting in large scale remodelling of the site). At this time the site was being promoted by Prologis who had an Option to purchase the land.

6.4.15 The site has yet to be developed and is now within the Ceramic Valley Enterprise Zone. There are proposals to try to obtain public sector funding for the Phase 2 infrastructure works which would assist in bringing the site forward. Timescales for delivery of this site are therefore uncertain.

6.4.16 This is the only site in the market area land supply which is served by rail but would be too small to classify as an SRFI and is subject to constraints in terms of the rail link, as well as physical constraints on delivery.

Location

6.4.17 As set out in Table 6.5, three quarters of available land is located within the Stoke and Staffs LEP area. There is a significant undersupply of land in the Black Country. (This is confirmed by the Black Country Economic Development Needs Assessment (WECD, 2017, para. 8.2) which concludes that there is a shortfall of 537 ha of employment land in the Black Country up to 2036, equivalent to 27 ha per annum). There is also very little land in Greater Birmingham and Solihull.

6.4.18 Nearly 40% of the total supply of land in the market area (133 ha/329 acres) is located in Stoke-on-Trent, to the north of the LEP. To put this into context, there is more land available in Stoke-on-Trent than in both the Black Country and Greater Birmingham and Solihull LEP areas combined.

6.4.19 Stoke-on-Trent is on the northern periphery of the area which would compete with the Proposed Development. It is therefore likely that, whilst occupiers may include both locations within an initial search area, only a minority of occupiers would seriously consider both.

6.4.20 A significant proportion of the land in Stoke is in sub-optimal locations with poor access to the motorway network. Take up is generally much slower with sites often taking a number of years to gain momentum. Sites which have been successful include Trentham Lakes (St Modwen) where there is now limited land remaining, and Prologis Park at Sideway where the last remaining plot was taken by DSV in 2016.

6.4.21 In general, accessibility in and around the city is relatively poor due to high levels of congestion on the A50 and A500. This will be alleviated to some extent by the Etruria Valley Link Road which is due for completion in 2019, subject to planning, and will open up the third phase of the Etruria Valley scheme, where there is just under 20 ha (49 acres) of land remaining.

6.4.22 As a result of the above factors, some sites within Stoke which are effectively 'oven-ready' and not subject to any significant physical constraint, are still available despite having been actively marketed for a considerable length of time. Examples include:

- *Fenton 25, Dewsbury Road, Stoke-on-Trent (10.1 ha/25 acres)* – this site is an extension to Fenton Industrial Estate. It has planning permission and has been actively marketed since 2007, which suggests a lack of market demand. When the Newcastle-under-Lyme BC and Stoke-on-Trent CC Joint Employment Land Review was undertaken in 2011, the view was taken that sites in Fenton were unlikely to come forward before Etruria Valley, Chatterley Valley and Sideway (Employment Land Review, 2011, paragraph 3.2.30) due to a lack of strategic accessibility. Given that there is a significant amount of land still available at Etruria and Chatterley Valley, the timescales for delivery of this site are uncertain.
- *G-Park, Stoke/Stoke Distribution Centre (8.65 ha/21 acres)* – this site (the former Johnson Matthey UK factory) is located to the south east of Stoke-on-Trent on the A50. It has a frontage to the A50 but is surrounded by residential properties to the south and west. It has been actively marketed since Gazeley obtained detailed planning

permission for redevelopment in 2010. Whilst it does not have the physical constraints seen by some of the other sites, it is located almost 10km from the nearest motorway junction (Junction 15 of the M6). To date, the site has suffered from poor market demand. The location, accessibility and proximity of residential properties, together with the availability of numerous alternative sites in Stoke-on-Trent, are all potential reasons for the lack of demand to date.

Physical constraints

6.4.23 Furthermore, a number of the sites in Stoke-on-Trent have constraints which have prevented them coming forward thus far, and this has resulted in large amounts of land being technically available for employment use but not delivered for a number of years. Constraints include infrastructure requirements, contamination, other abnormal site costs, and accessibility.

6.4.24 Constrained sites total c. 70 ha (173 acres) and include:

- *Chatterley Valley West, Newcastle Under Lyme (38 ha/94 acres)* – as described at paragraph 6.4.13, this site is subject to a number of significant constraints on delivery which have so far meant that no development has occurred here to date, despite having had planning permission since 2007. It is likely that some form of public subsidy will be required in order to bring the site forward for development.

Chatterley Valley East, Stoke on Trent (18.2 ha/45 acres) – this area is made up of a number of smaller sites of varying quality and is within the Ceramic Valley Enterprise Zone. Constraints include high voltage power lines, pylons, mineral reserves, topographical issues and historic landfill. The net developable area is therefore likely to be significantly less than 18.2 ha and available across a number of small sites, thereby limiting the total floorspace and the scale of individual buildings that could be accommodated and potentially making the site more suitable for smaller floorplate B1 uses. Since being granted planning permission in 2007, development has primarily been restricted to the Genesis Centre (a serviced office scheme targeted at SMEs). The deliverability of the remainder of the site is uncertain in terms of timescales and quantum of land.

- *Ravensdale, Stoke on Trent (14.62 ha/36 acres)* – outline planning permission has recently been granted for a B8 unit of 15,328 sq. m (165,000 sq. ft) on this site which is within the Ceramic Valley Enterprise Zone. This site is therefore available for development. However, accessibility is severely constrained, with the A500 being reached via a single lane, non-adopted bridge over the railway. It is proposed to signalise the bridge in order to manage two way traffic flow and funding has been approved for repairs to the bridge to allow increased traffic movement. However, this access will limit marketability for B8 uses due to its operational constraints.

Scale

6.4.25 The average size of site available in the market area is very small (see Table 6.7 below). The small size of plots available means that the portfolio of land does not offer choice or flexibility to occupiers.

Table 6.7: Market Area Land Supply by Scale

LOCATION	AVERAGE SIZE OF SITE (HA)	LARGEST SITE AVAILABLE (HA)
Stoke & Staffs	10.70	38.00
Black Country	4.39	7.09
Great Birmingham & Solihull	6.82	8.09

6.4.26 The largest site available in the market area is Chatterley Valley West (38 ha/94 acres) which as noted above is subject to significant constraints and therefore cannot be considered immediately available for development. The provision of serviced plots is likely to be reliant on public funding in relation to infrastructure works and potentially also remediation and ground works.

6.4.27 The West Midlands Strategic Employment Sites Study (Jones Lang LaSalle & Peter Brett Associates, September 2015) reviewed current and historic policy and concluded that a strategic site is one of at least 25 ha/62 acres (and ideally 50 ha/124 acres). There are no immediately available

sites of this scale available in the market area and, given that this includes three LEP areas in one of the locations of highest demand in the UK, it is clear that additional sites of scale are urgently needed in order to meet demand.

6.4.28 Other larger sites which would not be classed as strategic, in order of size, are:

- *Phase 2 & 3, Etruria Valley (21.7 ha/54 acres)* – this site is being delivered by St Modwen. It is subject to infrastructure constraints, but these will be improved by the Etruria Valley Link Road. Funding has been secured for the road and, subject to planning, construction is expected to start in 2018 and be completed late in 2019. A planning application for the road, which has funding, has recently been submitted. An outline application was submitted in August 2017 for B1c, B2, B8 uses on all remaining land at Etruria Valley Phases 2 & 3, comprising two parcels of 0.8 ha and 20.9 ha. Indicative proposals are for 61,476 sq. m (661,722 sq. ft) of floorspace in nine units ranging in size up to 27,174 sq. m (292,500 sq. ft).
- *Burton Gateway, Burton upon Trent (20.38 ha/50 acres)* – St Modwen has developed one speculative unit of 8,083 sq. m (86,520 sq. ft) and has recently secured reserved matters planning permission for two more speculative units of 10,033 sq. m (108,000 sq. ft) and 20,439 sq. m (220,000 sq. ft). A further planning application for three smaller units has also recently been submitted. This is indicative of the current strength of demand for high quality floorspace in the market area.
- *Branston Locks, Burton upon Trent (20.23 ha/218 acres)* – this site benefits from outline planning permission for 92,903 sq. m (1 million sq. ft) of employment floorspace. A new link road is being constructed by Staffordshire County Council which will open up this site and is due for completion late 2017/early 2018.
- *Chatterley Valley East (18.2 ha/45 acres)* – this site is effectively made up of a number of smaller sites, many of which have physical constraints to delivery and/or are unsuitable for large scale B8 development.

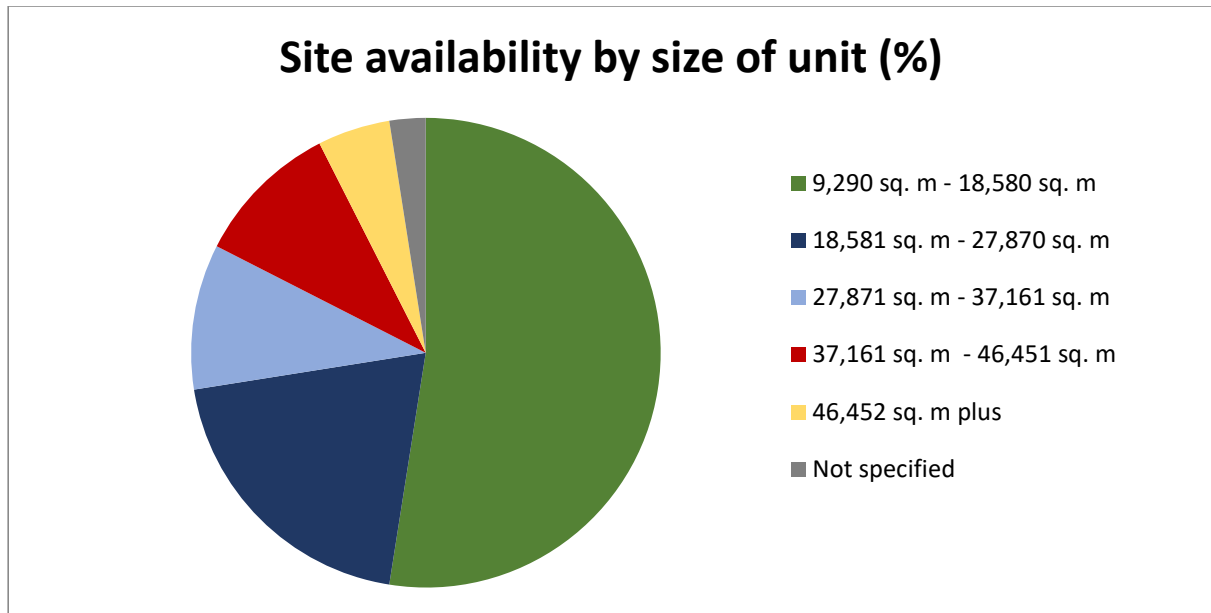
6.4.29 Analysis of the actual (maximum) unit sizes deliverable shows that opportunities become limited. Where the unit size that can be accommodated is not specified, an average plot development ratio of 40% has been assumed. Chatterley Valley East is comprised of a number of smaller sites which may be developed for a range of uses so an assumption on floorspace has not been made in this case as it is not possible to accurately do so at this stage.

6.4.30 There is a particular shortage of sites capable of accommodating units of 27,870 sq. m. (300,000 sq. ft) plus. As set out in the table and chart below (Table 6.8 and Figure 6.2), the majority of sites can only accommodate units at the smaller end of the spectrum with over half the sites only able to meet requirements of 18,580 sq. m (200,000 sq. ft) or less.

Table 6.8: Market Area Land Supply by Capacity

SIZE	NUMBER OF SITES	%
9,290 sq. m - 18,580 sq. m	21	52.5%
18,581 sq. m - 27,870 sq. m	8	20.0%
27,871 sq. m - 37,161 sq. m	4	10.0%
37,161 sq. m - 46,451 sq. m	4	10.0%
46,452 sq. m plus	2	5.0%
Not specified	1	2.5%
Total	40	100%

Figure 6.9: Site Availability by Unit Size (%)



6.4.31 Only 2 sites have the potential for a unit of 46,450 sq. m (500,000 sq. ft) or above:

- *Meaford Business Park, Stone* – the indicative masterplan shows a predominantly smaller unit scheme with one unit of 65,032 sq. m (700,000 sq. ft). However, the outline planning permission limits the amount of B8 to 60,000 sq. m (645,835 sq. ft). Local Growth Deal funding was secured to improve the surrounding road infrastructure and access including a new roundabout on the A34 and a new roundabout to directly serve the site. These works were completed in August 2016.
- *Chatterley Valley West* – indicative masterplan proposals demonstrate that a unit of c. 50,000 sq. m (538,195 sq. ft) could be accommodated here but this is subject to overcoming the significant site constraints noted above.

6.4.32 There is an identified shortage, nationally and regionally, of the higher quality, large scale, strategic sites and larger units (Section 5). This is against a backdrop of current trends in the logistics sector, including the

growth of e-commerce and the shift to rail freight, resulting in occupiers increasingly seeking larger buildings (Section 3).

6.4.33 The land supply in the market area is predominantly made up of smaller sites and there are very few sites which can deliver the largest units. Only Meaford Business Park is capable of delivering a unit of over 46,450 sq. m and no strategic sites are available over 25 ha (62 acres) which can be delivered short term. The supply in the market area is therefore not well-placed to meet potential demand from occupiers and does not offer sufficient choice.

Pipeline Supply

6.4.34 There is a limited supply of competing sites in the pipeline which will provide B8 floorspace of significant scale. A summary of the key sites in the pipeline which could deliver B8 floorspace in the market area is included below:

- *Peddimore, Birmingham* – a site of 71 ha (175 acres) to the north of Birmingham has been allocated in the Birmingham Development Plan (January 2017). A 'Visioning Document' published in March 2017 states that the site could potentially comprise of 11 buildings with a combined floorspace of 265,000 sq. m (2.85 million sq. ft) individually ranging from 7,500 sq. m to 55,000sq. m (80,730 sq. ft – 592,015 sq. ft).

A preferred developer will be selected in 2018 to bring forward the first phase. The development partner will deliver the infrastructure for the whole site and then take approximately half the site to develop for B1, B2 and B8 uses. Birmingham City Council will retain the remainder of the site for major manufacturers. Overall, a minimum of 40 ha (99 acres) must be dedicated to B2 use.

- *Royal Ordnance Factory, Featherstone, Staffordshire* –a 24 ha (60 acre) site, which includes 10 ha (25 acres) of landscaping planting, is allocated for B1 and B2 development. It is proposed to allocate an additional 12 ha (30 acres) of land and this is being promoted via South Staffordshire's emerging Site Allocation Document (January 2017). The draft allocation is for B1, B2 and B8 use. Significant

highways works are required in order to bring this site forward and to enable B8 use. Consultation is currently underway as to the preferred solution. The site is in multiple ownerships.

- *Redditch Eastern Gateway, Redditch* – a planning application has been submitted by Stoford for employment development on this site to the east of Redditch. The site is in two parts, comprising 10.3 ha (25.5 acres) and 21.2 ha (52.4 acres), which are adjacent to the A435, which gives access to the M42, Junction 3. The planning application is for up to 90,000 sq. m (968,750 sq. ft) of B1/B2/B8 floorspace.
- *Land South of Fradley, Staffordshire* – a site of 18.2 ha (45 acres) is included as a draft allocation in the Lichfield District Site Allocations Document which was consulted upon in May 2017. The site includes land owned by Prologis and Evans of Leeds. This site would be suitable for B8 development and part already has planning permission as an expansion to Prologis Park Fradley (5.11 ha/12.6 acres).
- *Phoenix 10, Darlaston* – the site of the former IMI copper works and a waste tip, it extends to 13.2 ha/33 acres (gross, including an area allocated for a park). It is located in the Black Country at Junction 10 of the M6 and is within the Black Country Enterprise Zone. Significant remediation is required in order to deliver the site and this is likely to be dependant upon public sector funding. Timescales are therefore uncertain.

6.4.35 The overall amount of land coming forward is insufficient to balance the existing shortage of supply. Notably, none of the sites in the pipeline are rail-linked and there are no immediately deliverable sites coming forward in the Black Country, which is the area with the most critical undersupply.

6.5 Conclusions

6.5.1 There is only one rail-linked site in the market area, which is subject to a number of significant constraints and is not of sufficient scale to be classed as a SRFI. With the exception of WMI, there are no rail-linked sites in the pipeline. Adjacent to the market area there is one plot of 20 ha remaining at Hams Hall which has recently gained planning permission. There is also

limited capacity at Core 42, a separate but adjacent scheme to Birch Coppice.

- 6.5.2 On average from 2012-2016, take-up in the market area has been c. **248,000 sq. m (2.67 million square feet) per annum** but true levels of demand are likely to be higher, with take-up constrained by supply.
- 6.5.3 Take-up by location has been influenced by supply, with very little take up in the Black Country as a result. Stoke and Staffordshire has seen the highest levels of take up. The majority of take up has been of smaller units, again likely reflecting the extreme shortage of larger units.
- 6.5.4 There has been an increase in the supply of floorspace over the last 9-12 months, as developers and funders have responded to the market signals of consistently rising rents, low vacancy rates, and increasing take up, by commencing construction of a number of speculative units. Whilst the majority of supply is still within secondary units, there are now eight Grade A units available within the market area. This compares to three Grade A units in Q1 2017.
- 6.5.5 Much of the new development has been focused in Cannock, close to the A5/M6 Toll junctions and in close proximity to the Proposed Development. This reinforces the suitability of this location for logistics development and demonstrates a significant level of market confidence in occupier demand. WMI benefits from a much better level of accessibility to the M6, with Junction 12 immediately adjacent.
- 6.5.6 Notwithstanding the recent increase in supply, there remains a severe shortage of floorspace (over 9,290 sq. m) in the market area. Compared to average annual take-up figures, there is just over a year's supply. In the Black Country the shortage is even more critical at c. 0.2 year's supply (one second-hand unit).
- 6.5.7 This critical undersupply means that the supply of immediately available, unconstrained serviced land in the market area is vitally important in order to meet demand via Build to Suit solutions. However, whilst there is c. **341 ha** of land available, much of this is not serviced and/or is subject to constraints in terms of scale; infrastructure; remediation; and accessibility. Features of the land supply are:

- There are no immediately deliverable rail-served/rail-linked sites available;
- Almost 40% of land is located in Stoke-on-Trent, to the north of the market area. The majority of these sites would be unlikely to compete with WMI for most occupiers due to their location and accessibility to the motorway network.
- There is a particularly severe shortage of land in Birmingham, Solihull and the Black Country, which will focus additional demand, over and above that which would normally be expected, on those areas adjoining, such as South Staffordshire and Cannock.
- There is a significant amount of land which is not serviced and is likely to require public sector funding to do so.
- Despite including three LEP areas in one of the areas of highest demand for logistics in the UK, there are no deliverable sites which could be classed as strategic (i.e. being over 25 ha/c. 60 acres).
- Over 50% of sites can only cater for smaller units up to 18,580 sq. m (200,000 sq. ft), which does not offer sufficient choice to occupiers and precludes the development of larger units, for which there is a significant demand.
- The supply of land in the pipeline is limited, and there are no sites forthcoming that will be served by rail.

6.5.8 The actual supply of competing, high quality serviced land, able to accommodate the largest requirements is therefore very limited.

7. SUMMARY & CONCLUSIONS

- 7.1.1 Four Ashes Ltd is seeking Development Consent for a Strategic Rail Freight Interchange (SRFI), referred to as West Midlands Interchange (WMI) at Four Ashes in South Staffordshire. It has been established by the Alternative Site Assessment [Document 7.2] that WMI is the only suitable site to meet the identified need for a SRFI.
- 7.1.2 It is also necessary to demonstrate that there is a market demand for the scale of warehousing proposed. The market for rail-served distribution warehousing is a growing sub-sector of the general distribution market. An increasing number of occupiers want to use rail, or want to have the option to use rail in the future. Given that occupiers do not have to pay a premium for rail-served warehousing, it follows that there will be a greater demand for such sites, over and above non-rail-linked sites as there is no cost deterrent. However, WMI will also compete with non-rail linked sites as a potential location for National and Regional Distribution Centres.
- 7.1.3 This document has therefore considered the dynamics of this wider market, assessing the demand for, and supply of, competing floorspace, and the supply of land which might compete in the market area.

7.2 The Logistics Sector

- 7.2.1 The logistics sector has a key role to play in the UK economy, being an important provider of jobs, contributing to UK GVA and underpinning a range of other sectors. Trends in the retail industry, and more recently in particular e-commerce, have driven wholesale changes in the logistics sector and led to a significant increase in demand for floorspace. The requirements of the sector make the West Midlands an ideal location for distribution floorspace due to the region's central location, giving access to the majority of the UK within one day's drive (from a well-located site), and to the densely populated areas within close proximity.
- 7.2.2 The Government's agenda to facilitate the growth of the intermodal rail freight industry and encourage a modal shift from road to rail, together with increasing awareness of the cost savings and environmental benefits of rail freight by occupiers, mean that there is forecast to be significant growth

in rail-linked and rail-served warehousing, supported by an expanded network of SRFIs.

- 7.2.3 Implications for the property market include a significantly increased demand for large, well-located sites. Occupiers are seeking larger units and this is having a direct impact upon the scale of overall schemes capable of accepting these requirements and the speed at which sites are being taken up. The growth in rail freight, as well as leading to an increase in demand for rail-served sites, also further supports demand for larger units, which can maximise the cost savings and environmental benefits of rail.
- 7.2.4 In order to maximise the economic potential of the logistics sector, it is essential to provide the land and premises required, of sufficient scale and in the right locations.

7.3 National and Regional Market Context

- 7.3.1 Increasing take-up, against a backdrop of limited speculative development in 2016 resulted in falling supply and a critical shortage of floorspace both nationally and regionally, particularly of those larger, well-located, high specification units which are increasingly the focus of demand.
- 7.3.2 Whilst supply has now begun to increase nationally and regionally, predominantly due to an increase in speculative development in response to market signals, there remains a severe undersupply of floorspace in many prime locations nationwide. In the West Midlands there is an acute undersupply, with less than 1.2 years' supply of floorspace.
- 7.3.3 The majority of supply in the region is relatively small in size and there is a severe shortage of the higher quality, large scale units.
- 7.3.4 This imbalance between demand and supply is evidenced by ongoing rental increases, considerably above the long-term trend.
- 7.3.5 The shortage of high quality floorspace means that it is vitally important that additional, well-located sites, which are capable of accommodating larger units, are brought forward in order to help meet demand and deliver

high quality floorspace via either speculative development or by offering occupiers Build to Suit opportunities.

7.4 Market Area Assessment

7.4.1 The WMI site is located in Southern Staffordshire but also relates closely to, and will serve, the Black Country and Birmingham markets. In order to take a comprehensive approach, demand and supply in the three LEP areas has been assessed: Stoke and Staffordshire; the Black Country; and Greater Birmingham and Solihull.

Market Area Demand

7.4.2 The market area has seen strong take-up over the period 2012-2016. Take up has been focussed in the Stoke and Staffordshire LEP area and has predominantly consisted of units of 18,500 sq. m (200,000 sq. ft) or less. This is likely a reflection of supply and illustrates the severe shortage of buildings in the Black Country and Birmingham and Solihull, and the shortage of larger units. Actual latent demand is therefore likely to be higher than the take-up figures suggest.

Market Area Building Supply

7.4.3 Despite a recent increase in supply, predominantly due to an increase in speculative development over the last 12 months, there is still only **1.2 years' supply of floorspace** in the market area. The shortage is particularly evident in the Black Country, where there is only 0.2 years' supply (one secondary building). The majority of available units are within the smallest size brackets.

7.4.4 There are now eight speculative units available or under construction (compared to three in Q1 2017) and three of these units are at Cannock, serving the A5 Corridor, demonstrating the strength of this location for logistics and the market confidence in occupier demand. WMI also serves the A5 corridor but with much better accessibility to the M6, being immediately adjacent to Junction 12.

7.4.5 There are no rail-served buildings available in the market area.

Market Area Land Supply

7.4.6 The shortage of floorspace means that the supply of serviced land is critically important. However, the supply of high quality sites, capable of accommodating larger requirements is very limited. Land supply in the market area can be characterised as follows:

- There is only one rail served site available (Chatterley Valley West), which faces a number of constraints in terms of delivery and is too small to be comparable with WMI.
- There is limited capacity at existing rail-served schemes outside the market area.
- There are no unconstrained 'strategic' sites available (over 25ha/60 acres).
- The majority of sites are only able to accommodate smaller units, whereas there is significant demand for larger units.
- The supply is focused to the north of the market area, in Stoke-on-Trent, often in locations with poor accessibility to the motorway network, which does not reflect the bulk of demand and is on the periphery of the area which would be served by West Midlands Interchange.
- There is a significant amount of land which is not serviced and is likely to require public sector funding to do so.
- There is a particular shortage of land in Birmingham & Solihull & the Black Country, which will further increase demand for those areas immediately adjoining.
- The supply of land in the pipeline is limited, and there are no sites forthcoming in the market area that will be served by rail.

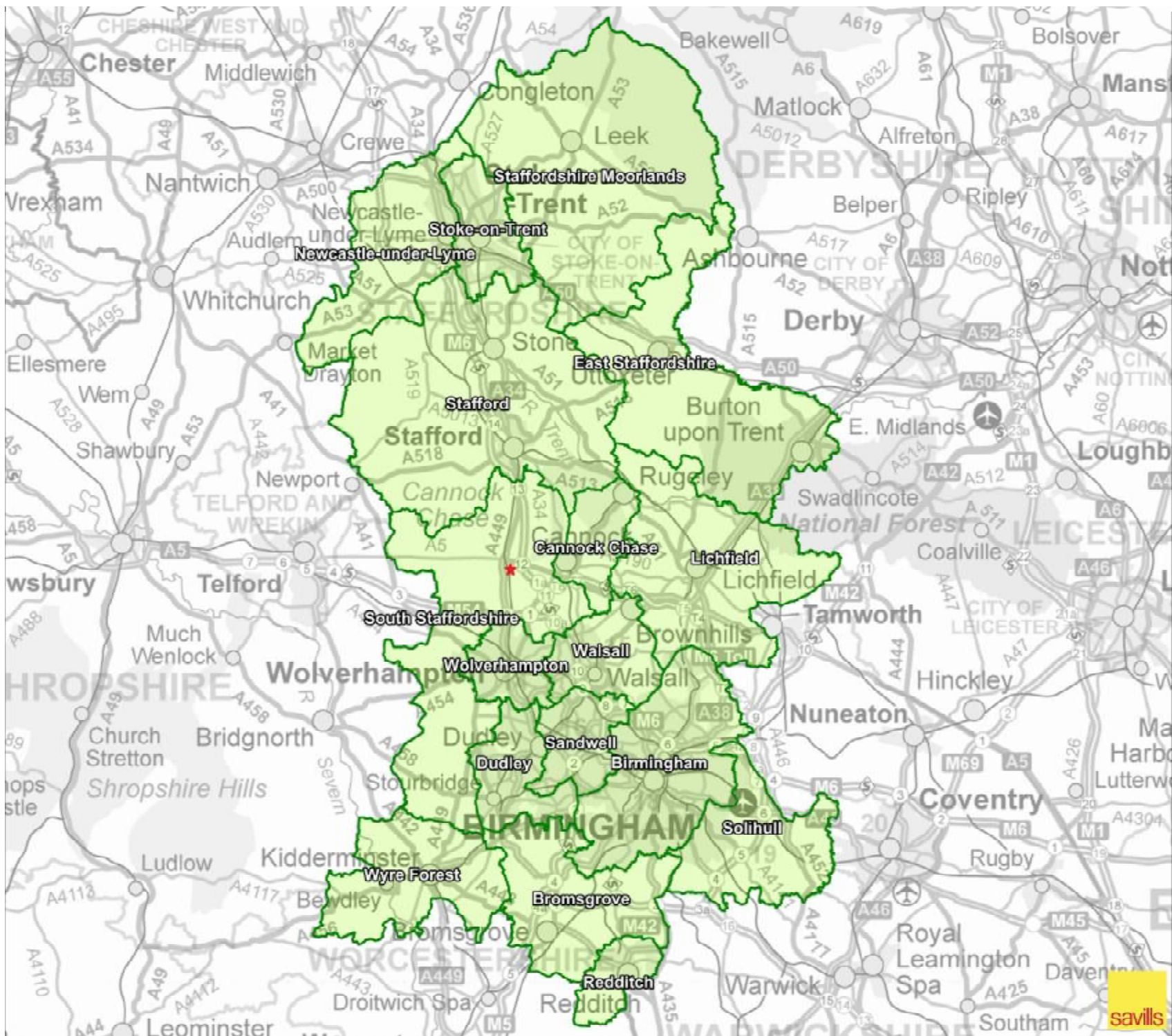
7.4.7 The actual supply of competing, high quality serviced land, able to accommodate the largest requirements is therefore very limited and does not match demand.

7.5 Conclusion

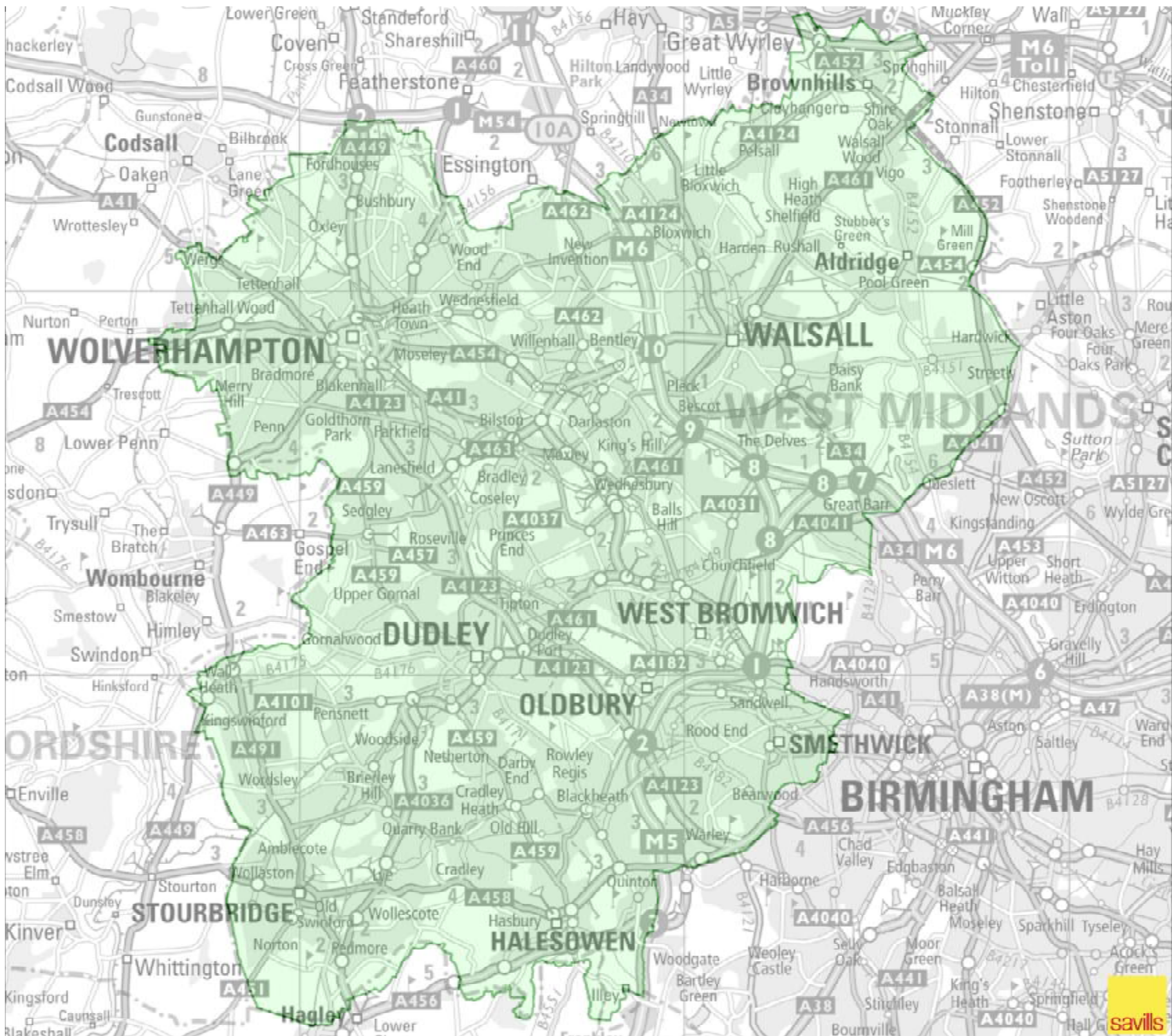
7.5.1 The WMI proposals meet an identified need for a SRFI and also meet a clear need for high quality, well-located sites, capable of accommodating large occupier requirements and enabling the use of rail.

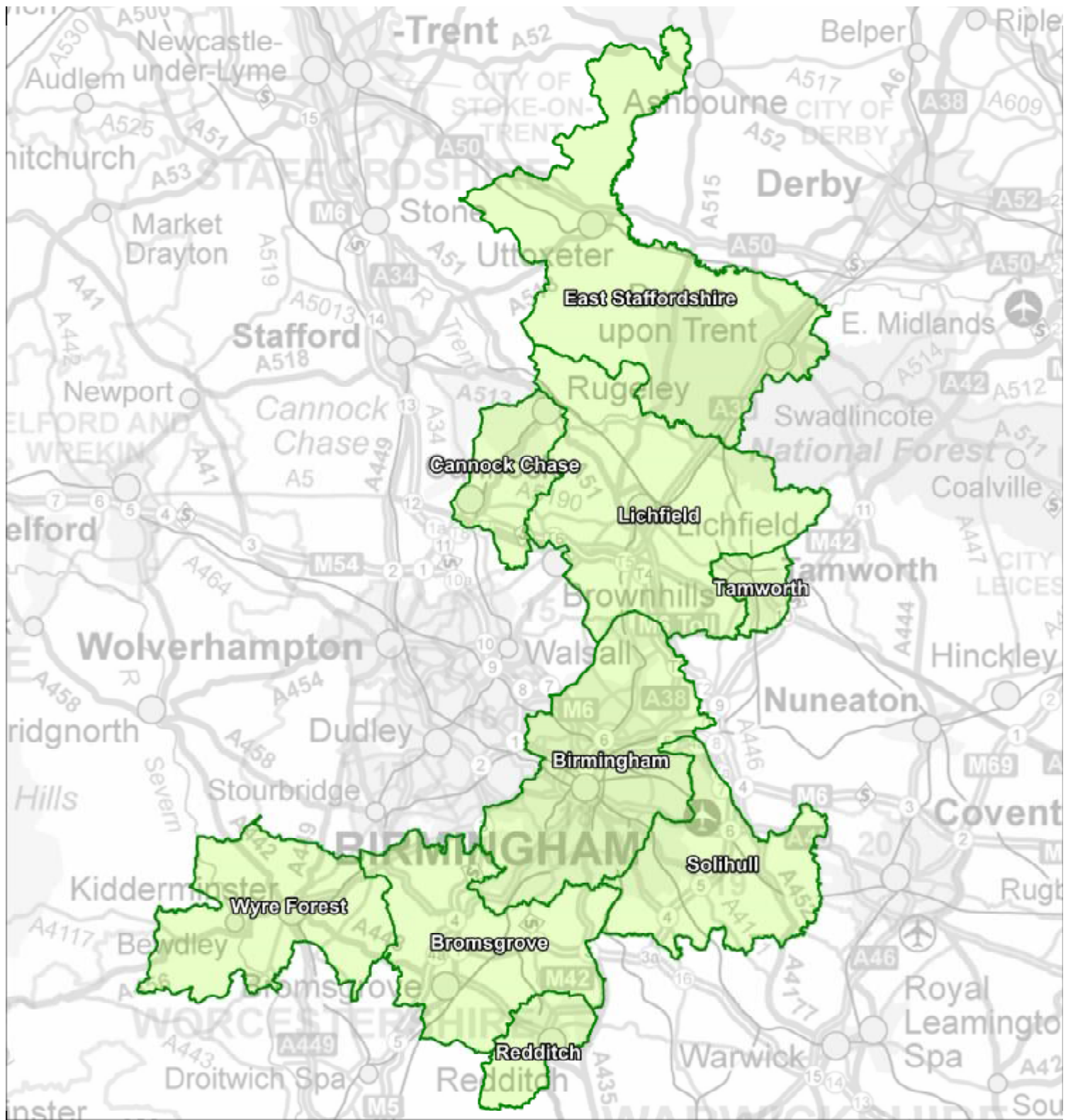
7.5.2 It is essential to provide suitable sites and premises to support the logistics sector, which plays an important role in the UK economy. Our market assessment demonstrates that there is a critical shortage of land and that WMI would make a vital contribution to the supply of sites currently available and in the pipeline.

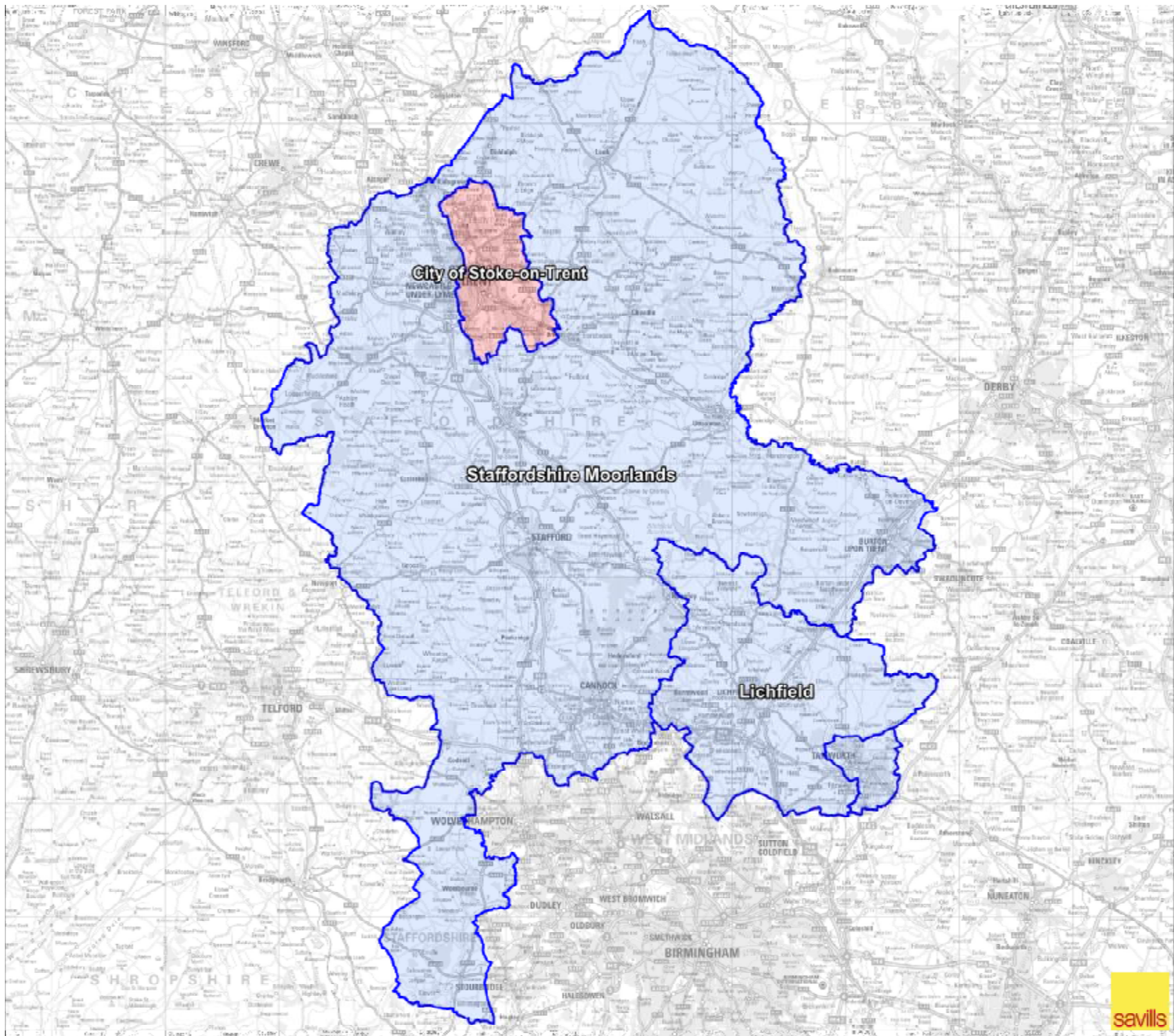
APPENDIX 1 – MARKET AREA PLAN



APPENDIX 2 – LEP PLANS







APPENDIX 3 – BUILDING AND LAND SUPPLY SCHEDULES AND PLANS

WMI Land Availability Schedule

Sites capable of accommodating a B8 unit of 9,290 sq. m or above.

Research Date: Q4 2017

Ref.	Scheme Name	Developer/ Owner	Remaining	Max Size (sq. m)	Comments
Greater Birmingham & Solihull LEP					
1	Birmingham Business Park, Solihull	Canmoor	6.33	13,006	Two plots remaining - 2.40 ha - 13,006 sq. m. 2.91 ha - 5,100 sq. m and 10,542 sq. m. Total capacity 28,468 sq. m.
2	Prologis Park, Birmingham International, Solihull	Prologis	6.50	14,400	7.42 ha gross site area, 6.50 ha net developable. RM planning permission for two B2/B8 units - 19,498 sq. m and 6,610 sq. m.
3	Plot A, Blythe Valley Park, Solihull (M42, J4)	IM Properties	3.91	15,640	Hybrid planning application for mixed use development, which can include a maximum of 39,900 sq. m of B2/B8 floorspace on two plots - A & B. Plot B developed out for B2/B8 five unit spec scheme, total floorspace 19,416 sq. m/largest unit 5,203 sq. m. Part Plot A pre-let to Rybrook for car servicing centre, completion due early 2018 - site area 0.78 ha, 1,416 sq.m. Assumes 40% site density.
4	The Hub, Witton	IM Properties	8.06	27,870	-
5	Signal Point, Battery Way, Tysley (Mucklow Park)	Mucklow	8.00	16,723	Phase 1: 2.46 ha, Phases 2 & 3: 5.18 ha Planning: B1c/B2/B8. Indicative scheme shows Unit 1: 60,000 sq. ft, Unit 2: 70,900 sq. ft, Unit 3: 108,000 sq. ft, Unit 4: 102,000 sq. ft.
6	Velocity 42, Old Forge Road/Nash Road	St Francis Group	8.09	13,178	Park Farm Industrial Estate. Acquired in May 2016, ground works undertaken. Hybrid planning application for up to 30,745 sq m B1, B2, B8 approved March 2017. Indicative plans show 4 units which total 30,658 sq. m - Unit 1 = 3,652 sq.m; Unit 2 = 4,223 sq.m; Unit 3 = 9,693 sq.m; Unit 4 = 13,178 sq.m. B1/B2/B8.
Sub-total			40.89		
Average			6.82		
Stoke & Staffordshire LEP					
Lichfield/Fradley (A38)					
7	Prologis Park, Fradley (Prologis Park, Lichfield)	Prologis	8.46	32,888	Net Site Area available 7.19 ha (2.33 ha DC2 and 4.86 ha DC3). DC3 now under construction speculative unit - see building schedule. DC2 has detailed planning consent for unit of 32,888 sq. m. on expanded site including 5.11 ha of additional land, total app site area 8.46 ha for B8 unit of 32,888 sq. m. Plot DC1 now taken for 52,212 sq. m unit to Screwfix.
8	Liberty Park, Lichfield (Boley Park Extension, Burton Old Road)	Liberty Property Trust/Stoford	12.90	32,516	Indicative masterplan shows largest unit of 15,329 sq. m. Unit of maximum size would be limited in terms of potential configuration. Reserved matters planning permission for 40,970 sq. m of floorspace, maximum unit size 9,290 sq. m. Stoford has submitted a planning application for three unit scheme (2,926 sq. m, 2,564 sq. m and 9,476 sq. m) on a site of 6.23 ha. - resolution to grant, subject to Section 106 (October 2016).
9	Land at Halifax Close, Fradley Park (Nucleus)	Evans of Leeds	8.90	39,948	Unit D105 - full planning permission for B8 unit of 4,645 sq. m. Unit D104 - full planning permission for unit of 39,948 sq. m. Marketed as having capacity for up to 41,341 and max unit size 39,948 sq. m with potential to expand to 4,645 sq. m.
10	Land North of Wood End Lane, Fradley Park (Plot B100)	Evans of Leeds	3.51	9,663	Full planning permission for B8. Not being actively marketed.
11	Wood End Lane, Fradley Park (part of Harrier Centre/FP210)	L & G	5.26	21,388	LPA expect revised planning application. Full planning permission was granted on part site (1.7 ha) for the erection of two portal framed industrial buildings comprising transport workshop, industrial unit and offices (B2, B8) and associated works. Planning permission previously granted for small unit scheme on 5.26 ha site. Max unit size proposed STP 21,368 sq. m. Within allocated employment area.
Burton upon Trent (A38)					
12	Quintus, Branton Locks, Burton upon Trent	Nurton	20.23	18,580	92,903 sq. m of employment floorspace proposed. Outline planning permission granted 2016. Infrastructure works have recently completed. Indicative masterplan shows design & Build opportunities available from 2,322 sq. m - 18,580 sq. m.
13	Burton Gateway, Burton upon Trent	St Modwen	20.29	39,043	Total size 25.9 ha gross/22.12 ha net. Capacity: up to 93,003 sq. m. Speculative unit of 8,083 sq. m completed (BG87 - let to Hellmann Logistics in Q3 2017). Planning application approved for speculative unit of 10,034 sq. m. Planning application approved for speculative unit of 20,325 sq. m - BG220. Application submitted in October 2017 for three small units - 5,017 sq. m, 3,716 sq. m, 2,323 sq. m.
Cannock and South Staffs (J11-12, M6 & M54)					
14	Wobaston Road, Wolverhampton, South Staffs (J2, M54)	Trebor Developments	7.08	28,320	Former MOOG site. Redevelopment potential. Planning for B1/B2/B8 uses. Existing building extends to 43,249 sq. m. Planning application submitted for new building on part of site 2,076 sq. m. Assume 40% site density.
15	Rapida, Site E, Kingswood Lakeside, Cannock (M6 Toll)	Trebor Developments	1.80	9,476	Trebor Developments granted planning permission for speculative unit of 9,476 sq. m in November 2017.
16	Connect Beta, Kingswood Lakeside, Cannock, M6 Toll	Opus Land	2.70	12,035	Full planning permission for B1/B2/B8 unit. Connect Alpha under construction. Proposals to develop Beta speculatively once Alpha is let.
17	Vernon Park Phase 2, Cannock Road, Featherstone, South Staffs (J1, M54)		1.98	11,148	A further 0.8 ha storage area available. Planning permission for B2/B8. D&B up to 11,148 sq. m.
18	Bericote Four Ashes (Junction 12, M6)	Bericote	10.16	41,806	Pre-let secured to Gestamp with forward funding from Tritax Big Box REIT for 543,692 sq ft unit with expansion land for a further 101,139 sq ft. Adjacent to West Midlands Interchange. Detailed planning consent for B2/B8 - 3 units: Unit 2 16,388 sq. m on 3.21 ha; Unit 3 25,111 sq. m on 6.11 ha, Unit 4 3,444 sq. m on 0.84 ha. Marketing as having potential for unit of 41,806 sq. m (subject to detailed planning).
Stafford/Stone (Junction 13-14, M6)					
19	Meaford Business Park, Stone (A34)	St Modwen	17.40	65,032	Outline planning permission granted in 2007 for 111,484 sq. m on 34 ha. Site is 6 miles from J14 and J15. 12 month infrastructure works completed. DCO granted for Meaford Energy Centre Gas Fired power station on 16.6 ha (July 2016). A unit of 3,530 sq. m unit has been granted planning consent on 1.57 ha - under construction speculatively, scheduled for completion June 2017. £5m Local Growth Deal funding. Masterplan shows predominantly small unit scheme with one unit over 9,290 sq. m, which extends to 65,032 sq. m. Outline PP limits B2 to 40,000 sq. m and B8 to 60,000 sq. m. Proposals to spec build a 40,000 sq. ft unit.
20	Redhill Business Park, Stafford (Junction 14, M6)	Trebor Developments	3.78	10,545	Plots 5, 6 & 7 - Alstom HQ. Plots 4 & 6 - spec unit of 10,545 sq. m (Triton). Plot 1 (2.25 ha) and Plot 2 (1.53 ha) available.
Stoke on Trent (Junction 15 & 16, M6)					
21	Etruria Valley, Stoke on Trent	St Modwen/Tata Steel	21.70	27,174	Part of Festival Park. Phase 3 has outline planning permission for 47,670 sq. m (20% B2, 80% B8). Phase 3 A area 5.85 ha. Phase 3B area 14.55 ha. Phase 2A outline pp granted in 2012 for business park (20.4 ha). Ceramic Valley Enterprise Zone. Ambulance Hub planning permission 0.9 ha on Phase 2A. B&S5 application on 0.95 ha on Phase 2A - under construction, due to complete 2018. Infrastructure requirements, new bridge over railway and junction improvements to A500 - Etruria Valley link road secured public funding and first phase due for completion 2019 - construction started March 2017. Outline application submitted in August 2017 for all remaining land @ Etruria Valley Phase 2A and Phase 3 (21.7 ha) - two parcels: 0.8 ha and 20.9 ha. Indicative proposals are for nine units from 690 sq. m - 27,174 sq. m - B1c/B2/B8. Total floorspace 61,476 sq. m.
22	Chatterley Valley East, Stoke on Trent	Stoke on Trent City Council/Churchill China	18.20	Not specified.	Ceramic Valley Enterprise Zone. Area 1 to the west of Marlborough Way - 3.07 ha - high voltage line, pylon, uneven ground, historic landfill, minerals. Area 2 north of Genesis Centre - 3.11 ha but net developable c. 2.10 ha potential minerals but good access. Area 3 south of Genesis Centre - 1.05 ha likely to be suitable for offices as per surrounding use. Outline planning permission granted 2004.
23	Chatterley Valley West, Newcastle-under-Lyme	Harworth Estates	38.00	Not specified - estimate c. 50,000 sq. m.	Current live rail siding which connects to the West Coast Mainline. Outline planning permission for 80,000 sq. m of B2/B8 floorspace. Ceramic Valley Enterprise Zone. Constraints: topography, access, infrastructure requirements and significant reserves of Etruria Marl at site boundaries (estimated by NuLBC £10m abnormal costs). Phase 2 off-site infrastructure proposed to be funded via borrowing to be repaid by future business rates.
24	Fenton 25, Dewsbury Road, Stoke on Trent	St Modwen	10.10	14,381	Extension of Fenton Industrial Estate. B1/B2/B8. Existing units range from 213 - 669 sq. m. Number of planning permissions - 2006 permission is for B8 unit of 14,381 sq. m plus three smaller B2 units and a B2/B8 unit of 1,345 sq. m. Planning permission has been implemented so remains extant. Been marketed since 2007. Lack of strategic accessibility and is therefore likely to come forward after Chatterley Valley/Etruria Valley (2011 ELR).
25	Highgate, Stoke on Trent	CWC	2.89	11,560	Former Johnson Tiles Highgate Works, planning permission (59876/FUL) for Tile Mountain unit of 9,011 sq. m on 2.61 ha. Under construction. Highgate remaining site area 2.89 ha - assume 40% site density.
26	Ravensdale, Chemical Lane, Stoke on Trent	CWC	14.62	13,934	Former Johnson Tiles playing fields. Access to A500 is constrained by weight limited single lane bridge over the railway. 95% of site is historic landfill. Ceramic Valley Enterprise Zone. Planning permission for 13,934 sq. m B8 unit plus bridge signalisation. Additional land owned by Land Recovery Limited - area/planning status/availability tbc.
27	Brownhills, Stoke on Trent	CWC	5.04	20,160	Brownhills site 5.04 ha. Assume 40% site density.
28	Cliffe Vale, Stoke on Trent	Stoke on Trent City Council	6.20	24,800	Ceramic Valley Enterprise Zone. Brownfield site in need of remediation and demolition of former factory buildings. A temporary planning permission was granted for the use of the majority of this site as a helicopter landing pad. The permission is for two years from June 2016. Assume 40% site density.
29	Trentham Lakes, Stoke on Trent	St Modwen	6.88	27,520	Outline planning permission for B1, B2, B8. Trentham North (5.26 ha) - trade counter/high value uses/smaller units - adjacent to residential, Trentham West (3.64 ha) - narrow site unsuitable for large unit, Trentham West (9.71 ha) - residential planning consent, Trentham Central (2.43 ha) - potential for big shed, Trentham South (4.45 ha ha) - potential for big shed but height constrained by adjoining resi. plus 0.81 ha. Assume 40% site density.
30	Stoke Distribution Centre (G-Park), Meir Park, Stoke on Trent	Gazeley	8.65	42,921	Former Johnson Matthey factory. Detailed planning consent for unit of 42,921 sq. m, B1/B2/B8 obtained in 2010. Adjacent to Meir Park Industrial Estate to the south east of Stoke, on the A50, approximately 10km from Junction 15 of the M6.
Sub-total			256.73		
Average			10.70		
Black Country LEP					
31	Seven Stars Road, Oldbury (J2, M5)		2.48	9,920	Established employment area, former metal recycling works. Lapsed residential planning consent. Awaiting info from LSH. Assume 40% site density.
32	Parallel 9/10, Walsall (Junction 9, M6)	St Francis Group	2.83	10,219	Subject to the Darlaston LDO supports development for research and development (B1) light industrial, storage and distribution (B8) and general industry (B2). Within 1 mile of Junction 9.
33	Helix Park, Engine Lane, Lye, Stourbridge	Buccleuch Property	2.83	12,077	Junction 3, M5 - 5 miles.
34	Reedswood Park, Reedswood Way, Walsall (Junctions 9/10, M6)	Antringham/Brackley Properties	4.10	18,580	Prominent location adjacent to retail park. Indicative small unit scheme, including trade counter use. Potential for single unit of up to 18,580 sq. m.
35	Lupus Park, Wolverhampton (Junction 2, M54)	Canmoor	4.25	18,580	Adjacent to i54/JLR. Greenfield site located in Wolverhampton MBC. Design and build opportunities from 3,716 sq. m. B1c/B2/B8.
36	Focus 10, Willenhall Lane, Bloxwich		4.45	18,580	Within area zoned for B1/B2/B8 development. Subject to planning. J10 M6 is 1.6km to the south of the site.
37	Mercury, Hilton Cross, Wolverhampton (Junction 1, M54)	Langtree/Homes & Communities Agency	4.93	3,755	B1/B2/B8. Two sites of 2.48 ha and 2.45 ha. Plans show three units - 9,755 sq. m, 4,065 sq. m, 5,576 sq. m.
38	Whitehall Road, Tipton		5.13	20,520	Cleared site. Previous industrial use. Allocated employment site - Sandwell MBC. Residential properties adjoin. Assumes 40% site density.
39	Middlemore Lane, Aldridge, Walsall	St Francis Group	5.77	18,850	Screening Opinion submitted in relation to application for 22,000 sq. m of B1(c), B2 & B8. Existing employment area.
40	Pantheon Park, Wednesbury (Junction 10, M6)	Stoford & Bridges Ventures	7.09	37,161	Full planning permission for B1/B2/B8 unit. 6km from motorway junction. 17.54 acres.
Sub-total			43.86		
Average			4.29		
TOTAL			341.48		

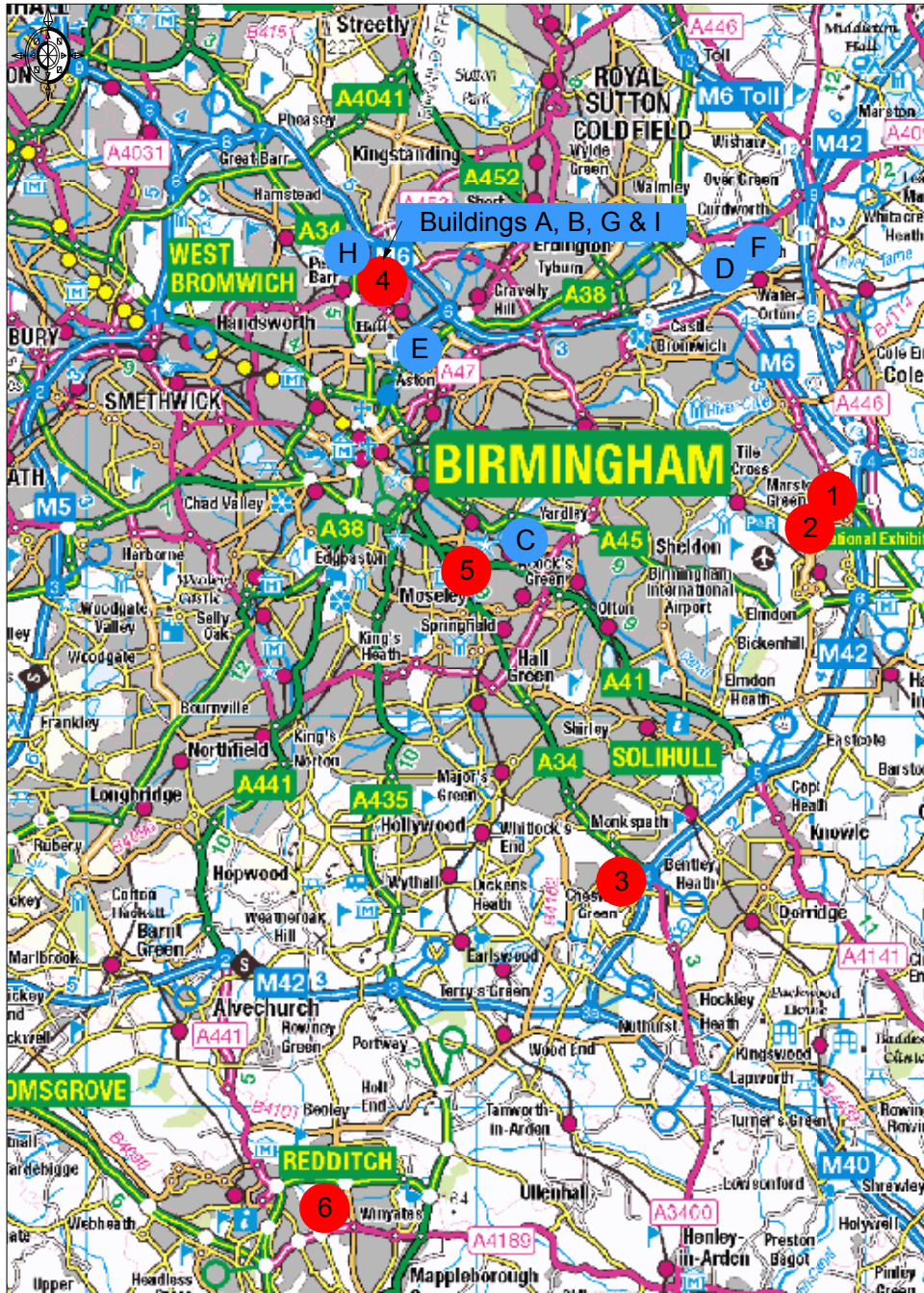
WMI Building Availability Schedule

All units 9,290 sq. m and above

Research Date: Q4 2017

	Building Name	Size (sq. m)	Grade	Comments
Ref.	Birmingham & Solihull			
A	Unit G, Nexus Point, 3 3 Elliot Way, Birmingham	11,243	B	Modern, 2 bay warehouse with 2 storey offices. (Grade B) Quoting rent £5.75 per sq. ft.
B	Unit F, Nexus Point, Elliot Way, Birmingham	9,826	B	Grade B
C	Unit 3, Kingpin Industrial Park, Tyseley, Birmingham	11,148	A	New speculative unit under construction. Grade A/B. PC due Q2 2018.
D	Minworth Central (Betterware unit/Stanley House), Park Lane, Minworth	15,773	B	Industrial warehouse plus expansion land. Grade B. High office content.
E	Aston Works, Birmingham	11,167	B	B2 secondary unit. Grade B.
F	Midpoint 105, Minworth	9,802	B	Unit constructed in 1996. Grade A/B. Refurbished.
G	Hub 120, The Hub, Witton	11,102	A	Modern unit, 12m eaves. Grade A.
H	Birmingham100, Walsall Road, Birmingham (former Tucker Fasteners site)	9,297	A	New speculative unit. Grade A/B.
I	Unit 12, Holford Industrial Park, Birmingham	11,611	B	Grade B unit - refurbished, 8.25m eaves.
Sub total		100,969		
Stoke & Staffs				
South Area (Cannock, South Staffs)				
J	Jupiter, Cannock (A5)	13,223	A	Speculative unit under construction - due to complete Q1 2018.
K	Conneqt Alpha, Kingswood Lakeside, Cannock	14,273	A	Speculative unit.
L	M6DC, Kingswood Lakeside, Cannock (M6 Toll, T7)	34,560	A	Site size 8.09 ha. Speculative unit. Graftongate & Exeter Properties
East Area (Lichfield, East Staffs)				
M	FP108, Fradley Park, Lichfield	10,079	B	Existing unit. LSH/GVA marketing. Undergoing refurbishment.
N	DC3, Prologis Park, Fradley	19,834	A	Speculative unit under construction - due to complete Q1 2018.
O	Unit 33, Marchington Industrial Estate, Staffordshire, East Staffs	9,311	C	Secondary industrial units. Combination of units can cater for requirements up to 37,161 sq. m.
P	Unit 34, Marchington Industrial Estate, Staffordshire, East Staffs	9,314	C	Secondary industrial units. Combination of units can cater for requirements up to 37,161 sq. m.
Q	Unit 38, Marchington Industrial Estate, Staffordshire, East Staffs	9,305	C	Secondary industrial units. Combination of units can cater for requirements up to 37,161 sq. m.
North Area (Stafford, Moorlands, Newcastle-under-Lyme, Stoke)				
R	Triton, Redhill Business Park, Stafford	10,545	A	Spec unit PC December 2016. 12.5m eaves. Site area 6.25 acres/2.53 ha.
S	Talke 16, Pit Lane, Stoke on Trent	16,732	B	Fully refurbished warehouse / distribution / manufacturing facility. 19 dock-level access doors, 5 ground level doors. Quoting £4.75. Under Offer.
T	Unit 1, Rosevale Business Park, Newcastle-under-Lyme	11,746	B	Recent refurb. Grade B. 8m eaves. 6 level access doors.
U	Unit 2, Campbell Road, Stoke-on-Trent	13,016	A	New speculative unit, under construction. Due for completion Q1 2018. Adjacent to Michelin.
V	Fenton 104, Oldfields Business Park, Fenton, Stoke-on-Trent	9,645	B	Secondhand unit. Site area 2.07 ha. 6.95m eaves. Grade B.
Sub total		181,583		
Black Country				
W	Unit 4, The Woodbank Trading Estate, Woden Road West, Wednesbury	11,170	B	Detached single storey warehouse building, 17 level access doors, 5.2-7m working height, potential to split into units from 1,613 sq. m. Grade B.
Sub total		11,170		
TOTAL		293,722		

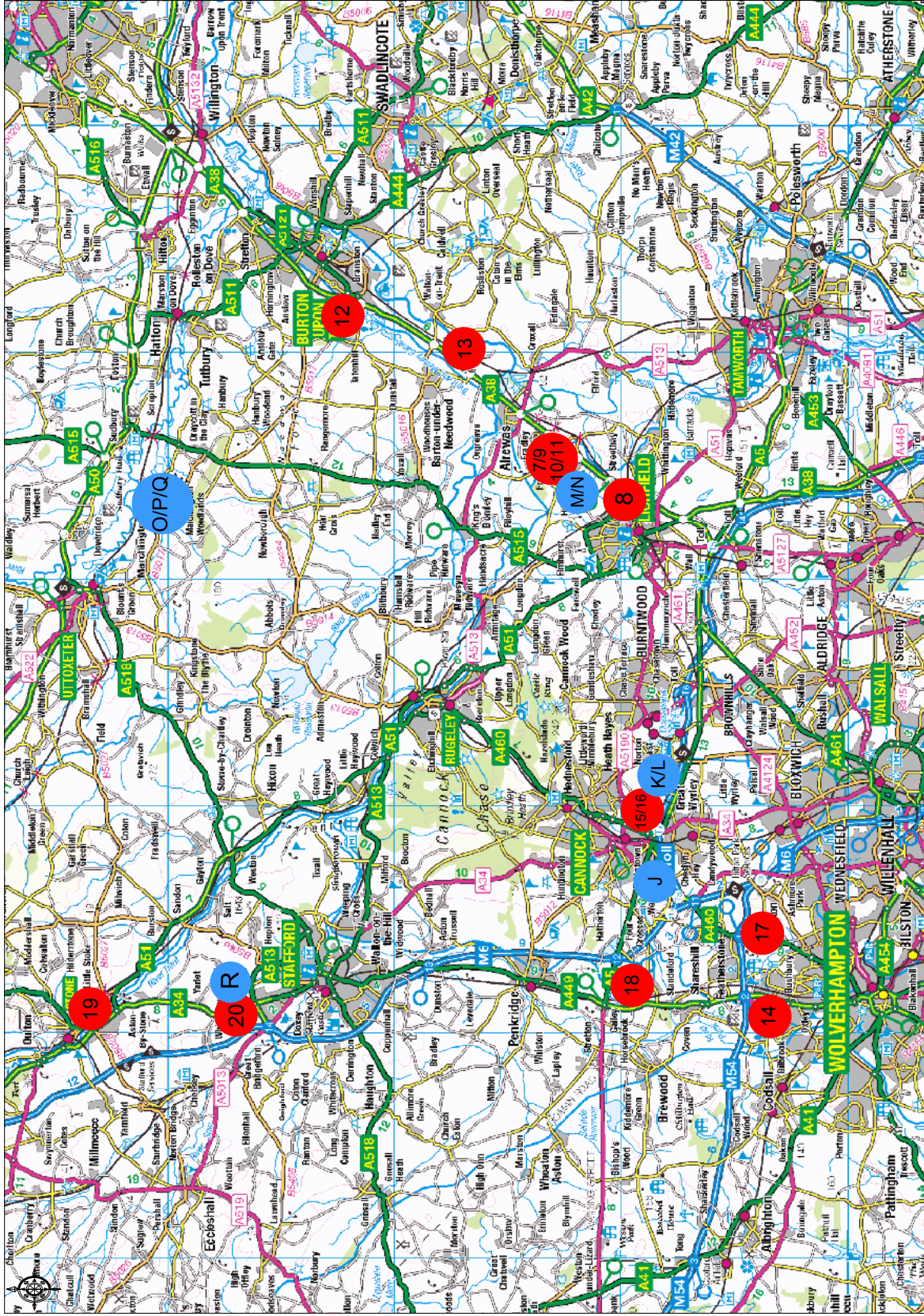
Greater Birmingham & Solihull Land & Building Supply Plan



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Staffordshire
Land & Building Supply Plan



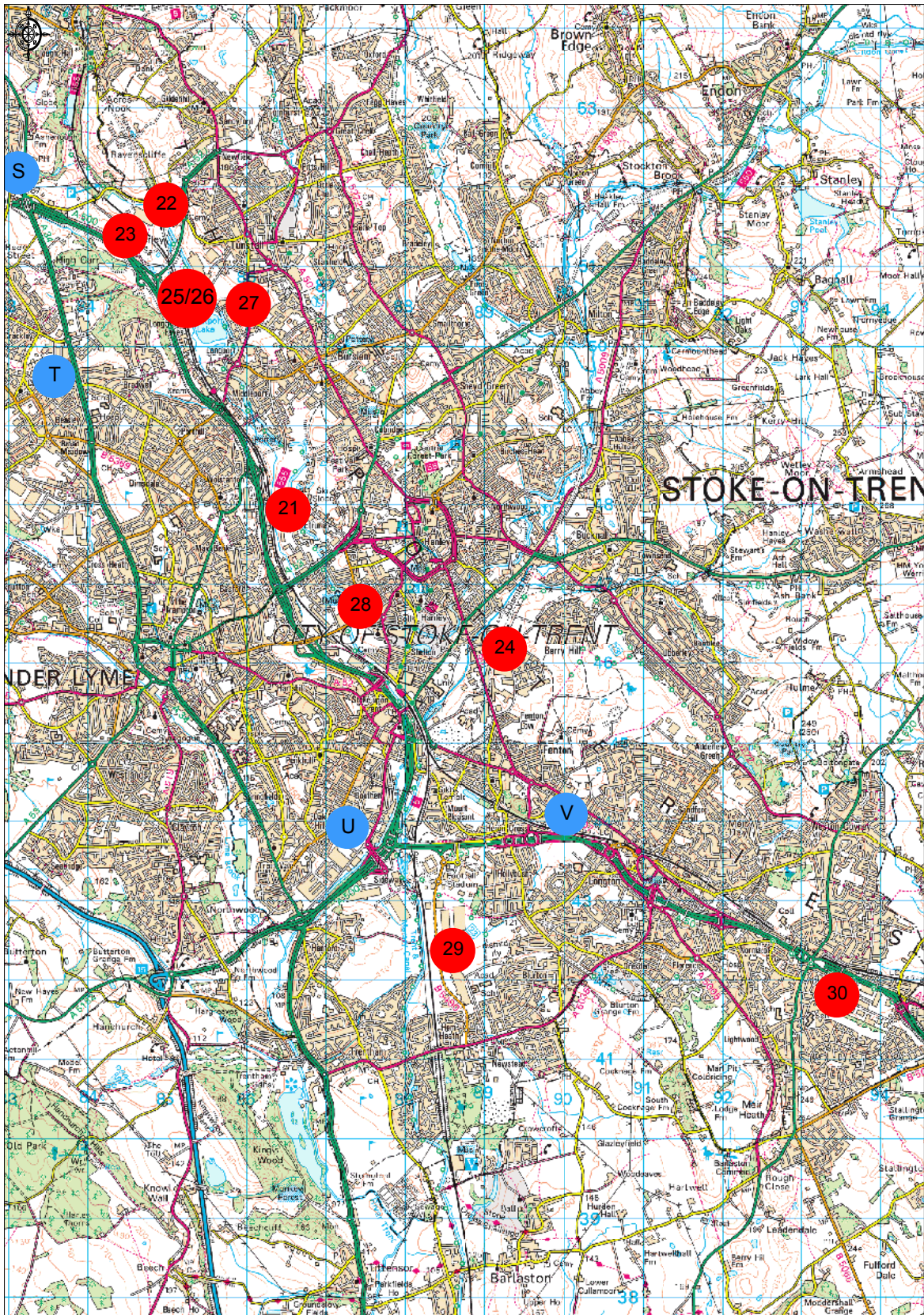
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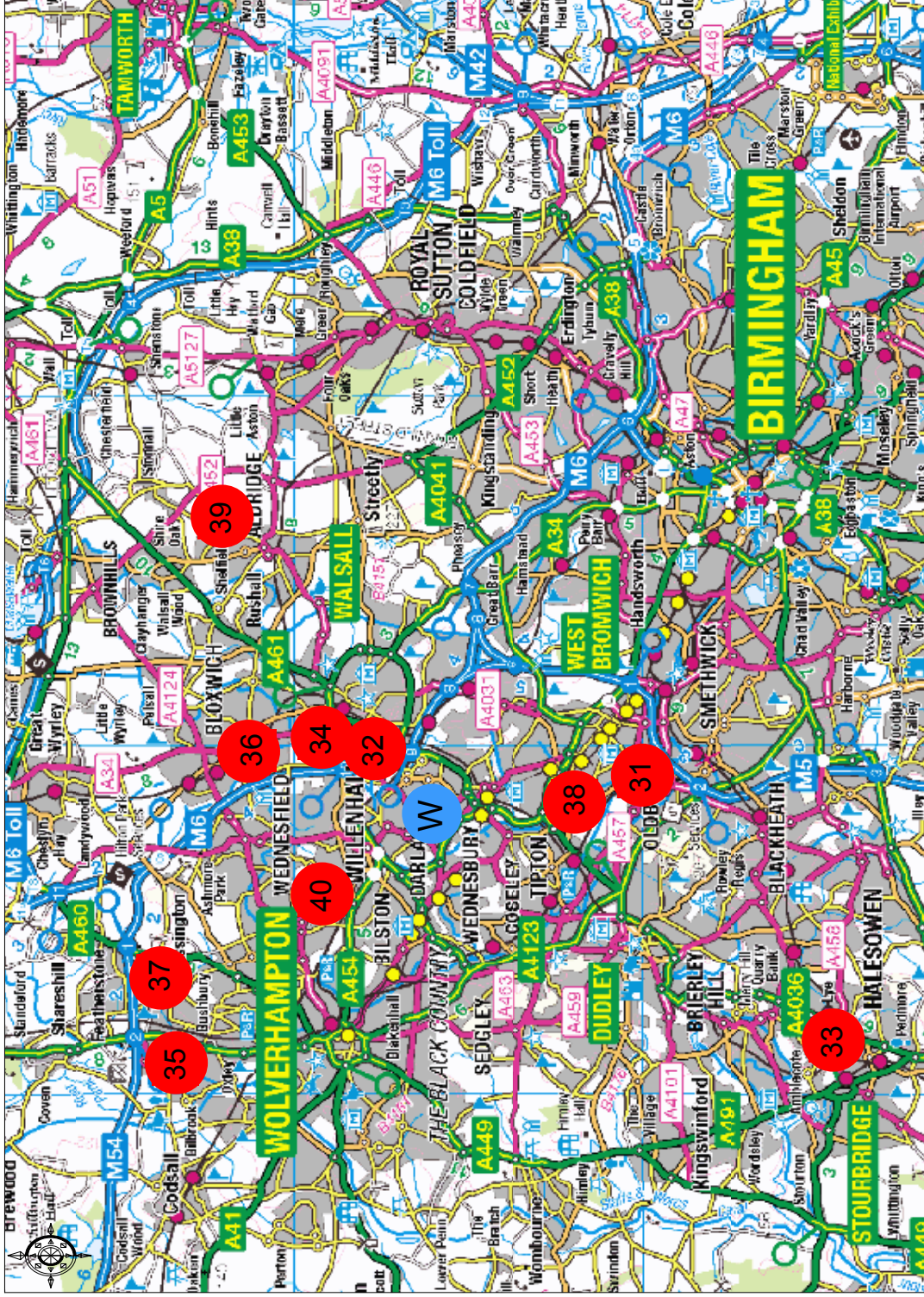
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Stoke-on-Trent
Land & Building Supply Plan



Black Country
Land & Building Supply Plan



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