

BASSETLAW LOCAL PLAN

EXAMINATION OF THE BASSETLAW LOCAL PLAN 2020 – 2038

Response to Matters, Issues and Questions for the Examination

Submitted on behalf of Caddick Developments Ltd

MATTER 3

EMPLOYMENT LAND

POLICIES ST7, 9, ST10 AND ST11

Introduction

- 1.1 This submission is made on behalf of Caddick Developments Ltd. Caddick is promoting land at Apleyhead Junction (site SEM001) for approximately 4.7m sqft of employment uses (predominantly B8, with elements of B2, and ancillary offices), which is identified as a strategic allocation in the draft plan. Caddick has made representations at all stages of the plan, and this MIQ response should be read in conjunction with those representations.
- 1.2 A signed Statement of Common Ground between Caddick and the Council is available in the Examination Library.

ISSUE 3 – ARE THE PROVISIONS OF THE PLAN IN RELATION TO THE PROVISION OF EMPLOYMENT LAND JUSTIFIED AND CONSISTENT WITH NATIONAL POLICY? WOULD THE ALLOCATIONS BE DEVELOPABLE, DELIVERABLE AND OTHERWISE SOUNDLY BASED?**3.1 Is the supply of 183 ha of local employment land justified in order to provide for future employment needs in the district? How were the sites selected? Were they selected in comparison with possible alternatives using a robust and objective process?**

- 1.3 Caddick consider the local employment land supply is justified but reserves the right to comment further on the matter following MIQ responses by the Council and others. Caddick's main comments relate to Apleyhead and the strategic employment land matters relevant to policies ST7 and Policy 9.

3.2 Is the restriction to B2, B8 and Class E (g) justified for new employment allocations?

- 1.4 Caddick consider the emerging policies should, as required by the NPPF (paragraphs 81 to 83), be flexibly worded to allow for a range of uses which can respond to market needs.
- 1.5 With particular reference to Apleyhead (and therefore Policy ST7 and Policy 9), it is anticipated the site will be predominantly occupied for B8 Uses (as noted in ST7 and Policy 9). However, it remains an occupier may have particular operational requirements which fall outside of the 'traditional' employment uses, and the site could accommodate large scale manufacturing which by nature of its size or particular operational characteristics cannot be located elsewhere. Indeed, as noted in the appended Savills report there has been previous interest in this site for a gigafactory type operation. Modern manufacturing occupier requirements are rapidly evolving, meaning that limiting a strategic site to only B8 Uses would not keep pace with the market, needs, and demands.

- 1.6 Policy ST7 and Policy 9 seek to restrict the proposed uses at Apleyhead to B8 Uses only, which is considered to be overly constraining and means the policy is not sufficiently flexible to respond to future changes in the market at a time when there is significant unmet demand for larger industrial and logistics premises (as detailed in the appended Savills report.
- 1.7 It is relevant to note the Savills report on Industrial & Logistics Needs shows (based on their latest methodology which has been accepted elsewhere):
- The future demand for large B8 specific units, over 100,000 sqft, over the plan period, is anticipated to be approximately 46.6m sqft.
 - This demand rises to approximately 53.9m sqft for all industrial and logistics uses.
 - This 46.6m sqft B8 Use only demand is 86% higher than available supply (approx. 25m sqft excluding Apleyhead).
 - Savills' update to the Icenis analysis in the Bassetlaw A1 Logistics Assessment Update (document TI-016) shows a supply of only 7.1 years', improving to 8.4 years if Apleyhead is included.
 - As such, there is a lack of supply across the defined property market area for the Bassetlaw Plan Period.
 - New strategic sites are needed to reduce this significant demand and supply imbalance.
- 1.8 Whilst these figures largely relate to B8 Uses as a means of quantifying a need, there is a clear synergy between the various employment uses which is reflected in the fact that many employment sites benefit from a flexible B1(c) / B2 / B8 allocations or planning permissions.
- 1.9 On this basis, the Savills report first considers the full extent of the industrial and logistics (I&L) market for units above 100k. This is considered a more robust approach as it relies on a larger pool of data and is based on the fact that industrial and logistics occupiers desire similar types of premises in terms of location and design. Following this, the analysis then segments a proportion of overall I&L demand for large units for B8 Uses.
- 1.10 In this context, the report shows a clear lack of supply across the I&L sector characterised by the fact that vacancy levels remain low, rental growth performs strongly, and there is a lack of available and suitable land.
- 1.11 It is recognised that Part 4 of ST7 allows for 'ancillary' uses however the extent a use can be described as 'ancillary' can often be open to interpretation. For example, Apleyhead could readily accommodate a significant B1(c) or B2 Use building of sub-regional / regional scale and importance that could not be provided on other 'General Employment' sites in the District. The unit itself may be of such a scale that it is in effect 'ancillary' to the wider B8 Use of the site

but the use in itself would be a standalone use (i.e., not directly ancillary to the B8 uses). Yet ST7 does not allow for such an eventuality in restricting Apleyhead to B8 Uses only, even though a non-B8 Use as described above would achieve the overall policy aims of sub-regional / regional scale development.

- 1.12 Policy ST7 and Policy 9 should be modified to introduce greater flexibility and allow for a wider range of uses at Apleyhead whilst remaining predominantly a B8 Use (logistics) site.

3.3 In relation to strategic employment needs:

3.3(a) Is the allocation of 119ha at Apleyhead, in addition to land identified for "General and Larger Unit Employment Sites" justified and consistent with national policy?

- 3.4 As detailed in the Matter 2 response (question 2.8) Caddick consider the allocation of Apleyhead is consistent with national policy. The A1 Corridor Logistics Assessment (document TI-014) clearly sets out at paragraphs 3.2 to 3.8 the clear national need for well-located large scale employment development. Furthermore, the A1 Corridor Logistics Assessment Update (document TI-016) recognises the role Apleyhead will play in meeting employment land needs across the plan period (as required by national policy).
- 3.5 As noted in the Matter 2 response, the NPPF advocates (in summary) a proactive approach to; economic growth, identifying sites for inward investment, meeting needs, and providing a flexible approach which responds to changing circumstances (paragraphs 81 and 82). NPPF paragraph 83 is then clear:

'Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for... storage and distribution operations at a variety of scales and in suitably accessible locations'

- 3.6 The Matter 2 response sets out the NPPF and PPG approach to large scale employment uses and development, noting the PPG (Paragraph: 031 Reference ID: 2a-031-20190722) states:

'The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).

'Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour...'

- 3.7 Apleyhead is a strategic opportunity which is entirely consistent with national policy, and it is entirely sound for the plan to identify the site for strategic employment which is capable of supporting the plan wide ambitions for a 'step change' in economic conditions in the District.
- 3.8 The justification for the allocation of Apleyhead, and therefore the additional strategic employment land supply, is set out principally in the Council's Housing & Economic Development Needs Assessment (May 2022) (document SS-024), Site Selection Methodology Update (document SS-025), the A1 Corridor Logistics Assessment and Update (documents TI-014 and TI-016), the Land Availability Assessment, (document BG-030), the Savills Report submitted with Caddick's representations to the initial Publication Plan consultation (October 2021), and the Updated Savills report appended to these Matter responses.
- 3.9 In particular, the latest Savills report (appended) shows a clear need for Apleyhead in market terms in order to meet growing demand and provide longer term security of supply in the forthcoming plan period. The Savills report also shows ongoing strong take-up of existing sites meaning there remains a clear market requirement for such uses and units.
- 3.10 Indeed, the allocation of large strategic employment sites through the local plan process is entirely common, and such an approach has been taken by neighbouring authorities. Recent examples of large sites allocated through the local plan process include Doncaster Sheffield Airport GatewayEast (Doncaster), iPort (Doncaster), Thorne North (Doncaster), and land at M18 J1 (Rotherham). In each case the local plan was found sound.
- 3.11 The site is available and deliverable, and is entirely suitable for the proposed use, hence it follows it is entirely reasonable for the site to be allocated for the proposed uses.

3.3(b) What factors led to its allocation? Is it based on up-to-date evidence?

- 3.12 It is relevant to note at this stage there is active occupier interest in the site and the potential occupier is undertaking detailed site assessment and appraisal work. Should this interest be secured it would lead to a detailed planning application on part of the site (likely as part of a Hybrid planning application across the entire site) within the coming months, with an almost immediate start and delivery of early infrastructure subject to planning. This demonstrates the clear interest in the site and the deliverability.
- 3.13 Apleyhead is a significant and unique opportunity (on account of the scale, location, and deliverability of the site as detailed elsewhere in this MIQ response) for Bassetlaw to secure significant growth and major inward investment in a suitable (in terms of proximity to the A1), market facing, and deliverable location which is largely unconstrained (as detailed elsewhere in this response) in terms of the main developable area.

- 3.14 Caddick's representations have been clear that occupiers of the type and scale that could be accommodated at Apleyhead will identify preferred locations based on the characteristics of a site and where a site meets key characteristics it will be attractive to the market. These characteristics, which Apleyhead can meet, include:
- Availability of a sufficient parcel of land capable of accommodating the requirement (based on a 500,00sqft unit, a minimum 10ha plot would be needed plus access land).
 - A site which is relatively unconstrained (i.e., it is generally level).
 - Proximity to a suitably skilled workforce capable of accessing the site via sustainable and public transport.
 - Proximity to suitable junctions on the strategic road network.
 - Proximity to key freight facilities (i.e., ports, airports, rail freight interchanges).
 - Capacity (in infrastructure and utilities terms) to accommodate the development.
- 3.15 Furthermore, there is a growing requirement for units of 1m sqft +, and such a building would require a site of some 23ha in the correct configuration. The Savills report (as appended) demonstrates Apleyhead is unique in that can accommodate a single building of up to 4m sqft. There are no other sites in the District which can meet this need. Sites that provide for this scale of development are needed to ensure that future market requirements can be met with the available supply.
- 3.16 The appended Savills report shows that a properly functioning market requires a continual supply of suitable land, and Apleyhead is ideally placed to meet a wide range of market requirements and particularly for larger units.
- 3.17 These types of occupiers are very fleet of foot, meaning they are not bound by administrative boundaries and instead will identify sites which meet their requirements. As such, there is a general scarcity of such sites owing to the clear occupier requirements.
- 3.18 For example, the types of occupiers for Apleyhead would not necessarily consider an alternative site within the District (or indeed the wider sub-region / region) if it did not meet their particular requirements (those requirements being detailed above). The Council's evidence base (notably the A1 Corridor Logistics Assessment and Update (documents TI-014 and TI-016), and the Land Availability Assessment (document BG-030)) identify Apleyhead as a unique opportunity in this regard and is clear that other locations in the District such as sites close to junctions to the south of the A1 in Bassetlaw, e.g., Markham Moor, are not comparable in market terms to Apleyhead due to the smaller nature of the sites and the distance from large populations in particular which makes these sites significantly less attractive to the market.

- 3.19 Where these basic factors can be met, occupiers will be attracted from both a sub-regional and regional catchment. Individual occupier interest will depend on the nature and extent of that occupier's property needs and their existing geographical market penetration.
- 3.20 The key limitation in these factors is that available land supply is now restricted, as evidenced in the appended Savills report. Indeed, recent data shows employment land supply in the property market area is insufficient to meet needs and vacancy levels remain low, there is strong rental growth, and consented units are continually taken up by occupiers. In order to keep pace with the market there is a need for strategic scale sites which can provide longer term supply through the plan period. The emerging plan therefore correctly allocates Apleyhead as a strategic allocation capable of meeting these needs.
- 3.21 In this regard, and as noted in BDC-02, TI-014, TI-016, and Caddick's representations, Apleyhead is capable of meeting these unique needs. Furthermore, the A1 Corridor in Bassetlaw is recognised as a strong and growing logistics location as evidenced by developments at Symmetry Park and Mulberry Logistics Park (both A1(M) junction 34) and growth along the A57 south of Worksop (the A57 corridor) which includes the established B&Q and Wilko main offices and distribution hubs alongside the ongoing DHL development.
- 3.22 These factors are assessed in further detail in the Savills reports appended to this Response.

3.3(c) – Has the allocation had appropriate regard to the potential wider strategic impact of the development?

- 3.23 Caddick consider this is a matter for the Council. However, we note the site has been discussed with neighbouring authorities and Statements of Common Ground have been agreed which cover the wider strategic (cross-boundary) effects of this site, as detailed in the Matter 1 and Matter 2 responses. These Statements of Common Ground confirm:
- Apleyhead would meet identified needs that cannot be met elsewhere (as detailed previously in this Matter 3 response).
 - Apleyhead can also assist in contributing to addressing a sub-regional / regional need for large scale logistics uses.
 - It is a suitable site for the proposed uses, and the uses can be accommodated.
 - The proposed scale of development is appropriate.
 - The allocation would not impact on existing growth strategies in those authorities.
- 3.24 With this in mind, neighbouring authorities have agreed to the principle and scale of an allocation (and therefore development) at Apleyhead.

3.25 It is also relevant to note that in wider property market terms there is a clear need for Apleyhead and that development in this location can have a significant strategic benefit (positive impact) in terms of the supply of strategic sites which are attractive to occupiers. In turn, this brings jobs, growth, and new investment into the wider area, thereby creating further beneficial impact.

3.26 The question 3.4 response (below) addresses infrastructure matters.

3.4 Are the requirements of policies ST7 and Policy 9 clear, and would the criteria identified to assess proposals on these sites be likely to be effective? In particular: (see questions a to c as responded to in turn)

3.4(a) Is the requirement of 3(e) necessary and what does it seek to achieve?

3.27 Caddick consider ST7 Part 3 as a whole is arguably unnecessary and as a minimum should, subject to modifications, be better placed within Policy 9 as the site specific policy. We have addressed, elsewhere, the need for flexibility and that the opening paragraph of ST7 Part 3 should refer to a more flexible range of uses (and not just B8 Uses).

3.28 Taking each criteria with ST7 Part 3 in turn.

a) be in accordance with Policy ST9

3.29 The site is allocated under Policy 9 therefore it follows that a planning application should be assessed principally against Policy. Part (a) of ST7 Part 3 is repetitive and unnecessary.

b) provide evidenced support from the D2N2 LEP in relation to delivery

3.30 It is unclear how this would be assessed in any further detail than is already being considered as part of the local plan process, given the D2N2 support for the draft plan and the allocations within the plan (which therefore includes Apleyhead). Evidently D2N2 support the allocation and it would be unreasonable to then depart from this position during the planning application process if the proposals accord with Policy 9.

3.31 Our response to criteria (e) provides further detail on this matter, in respect of existing common ground with other organisations and authorities.

c) be supportive of the role of key urban centres, such as Worksop

3.32 The local plan and the relevant evidence (particularly the Sustainability Appraisal (document PUB-024), Site Selection Methodology Update (document SS-025), the A1 Corridor Logistics Assessment and Update (documents TI-014 and TI-016), the Land Availability Assessment, (document BG-030)) all define and explain how a major development at Apleyhead can support

the role of Worksop as the nearest key urban centre (along with other urban centres). Not least this includes the ability to attract significant investment to the site and Worksop which promotes the role of Worksop and the economic ambitions of the area, the provision of a significant number of jobs which are accessible to local people, the economic output of this investment and jobs, and the growth in local expenditure as a result of access to secure and good quality employment.

3.33 Therefore, the local plan has already accepted the importance of Apleyhead in this regard, and is fully supportive of the principle, location, and scale of development. In this context, this criteria serves no meaningful planning purpose.

d) demonstrate ability to deliver significant economic development benefits in terms of development value and gross value added for the District, and the wider property market area

3.34 As detailed under the criteria (c) response the economic benefits of this site are enshrined in the local plan and the evidence base, particularly in respect of the benefits to the district. Wider sub-regional and property market benefits are also detail in the plan, and the benefits of allocating the Apleyhead site form a key part of the various Statements of Common Ground between the council and its neighbours.

e) not adversely impact upon the economic growth strategies and/or compromise the deliverability of other employment allocations in this Local Plan and/or within Local Plans adopted within the property market area in relation to large scale logistics

3.35 Part 3(e) is unnecessary and Caddick has been consistent on this point throughout the various local plan representations.

3.36 Turning first to the suggestion in ST7 Part 3(e) that development at Apleyhead should not undermine Bassetlaw Local Plan growth strategies; the need for Apleyhead is clearly set out and justified in ST1 and therefore it is inconceivable the allocation would undermine the growth strategies within this plan in particular given that Apleyhead is part of the growth strategy. Similarly, the local plan strategy and the evidence base (notable the SA), confirm the allocation of Apleyhead will not undermine other allocations.

3.37 Turning then to cross-boundary matters. Alignment with other adopted local authorities' plans and strategies is a matter for the local plan process and not the planning application process. We note in this regard and with reference to various Statements of Common Ground between neighbouring authorities (critically, the Bassetlaw A1 Corridor Logistics Assessment Property Market Area Authorities Statement of Common Ground (June 2022) (document SCG-019)):

- Apleyhead would meet identified needs that cannot be met elsewhere (as detailed previously in this Matter 3 response).

- Apleyhead can also assist in contributing to addressing a sub-regional / regional need for large scale logistics uses.
- It is a suitable site for the proposed uses, and the uses can be accommodated.
- The proposed scale of development is appropriate.
- The allocation would not impact on existing growth strategies in those authorities.

3.38 With this in mind, neighbouring authorities have agreed to the principle and scale of an allocation (and therefore development) at Apleyhead and have accepted the development would meet the criteria within Part 3(e). If other authorities had significant concerns it is reasonable to conclude SCG-019 would not have been agreed. It is unreasonable for other authorities to then require an application specific assessment of matters that have been agreed through the local plan. Such an approach would undermine the purpose of the allocation and therefore the plan.

3.39 There is a clear need for development at Apleyhead as defined in the plan and the evidence base (notably the A1 Corridor Assessment, documents TI-014 and TI-016), and these conclusions are supported in the appended Savills report. The need for Apleyhead has been accepted throughout the plan making stage and is subject to agreement with neighbouring authorities through various Statements of Common Ground.

3.40 Furthermore, from a developer and occupier perspective, ST7 part 3(e) currently creates unnecessary risk that an adjacent authority could unreasonably object to the application, which in turn gives other authorities greater control over how the site is delivered and therefore how the plan as a whole is delivered (as Apleyhead forms part of the local plan growth ambitions).

f) be satisfactorily accommodated by critical infrastructure, in terms of capacity and timescales associated with investment works

3.41 The Matter 13 response demonstrates the site can be delivered and that delivery naturally includes critical infrastructure. However, Caddick understand this could be seen as a development specific matter and therefore could be included within a modified Policy 9 as the site specific policy. Nevertheless, this criterion should be deleted from ST7.

g) have good access to key strategic transport routes

3.42 The locational benefits of Apleyhead have been accepted throughout the local plan process and the plan evidence base (i.e., the documents listed under the criteria (c) and (e) responses above), and are reinforced by the appended Savills report. Fundamentally, the location means the site has good access to key strategic transport routes. As such, this criterion is unnecessary and should be deleted from ST7.

h) provide for a significant number of new permanent jobs including skilled employment.

- 3.43 The local plan and the associated evidence (the relevant documents as detailed above) accept the site will deliver a significant number of jobs in a range of roles and, whilst the exact mix of jobs is typically only known once an occupier is in place and this is often post-planning, it is evident this site will provide a significant number of jobs including skilled roles. Indeed, the typical jobs mix for a site of this nature has been detailed in previous local plan representations.
- 3.44 The job creation has already been considered by the Council in setting the housing target, therefore it is unnecessary to include a development management type criteria within what is a strategic employment policy. Furthermore, job creation and skills are already considered under ST7 Part 5 and Policy 9.
- 3.45 As such, criterion h is unnecessary for soundness.

Summary on ST7 Part 3 criteria

- 3.46 Caddick consider the criteria in ST7 Part 3 are unnecessary and unreasonable. Furthermore, the criteria make ST7 Part 3 unworkable, and in the case of Part 3(b) and Part 3(e) effectively place the Council in a position of requiring support from other authorities in order to approve what would be an entirely acceptable application. This creates unnecessary risk and is unsound.
- 3.47 The criteria can be removed from ST7 without harming the overall intent and purpose of the policy, not least as Apleyhead specific matters are addressed in Policy 9.

3.4(b) - Is there sufficient evidence to demonstrate that the site can be implemented and that all necessary infrastructure and mitigation measures required to support it are achievable and can be delivered?

- 3.48 Caddick has undertaken significant technical work to understand the site requirements in terms of access, infrastructure, and other constraints (such as trees, ecology, drainage etc.) and this work has informed both the EIA Screening Opinion (Bassetlaw Council ref: 20/01426/SCO) and a draft Outline planning application. The technical work demonstrates the site, whilst of a significant scale, is not unduly constrained and the level of infrastructure works are not disproportionate to the scale of development. Whilst there will inevitably be a lead-in time from initial start on site to the delivery of the first unit, the development can be implemented and indeed delivered during the plan period.
- 3.49 The EIA Scoping Report submitted to Bassetlaw Council provide an overview of the key constraints and demonstrates the range of mitigation options which can be delivered, including, for example:

- Highways – provision of access from the A57, with works to relevant junctions on the A57 including the A1/A57 junction later in the development programme.
- Drainage – potential for infiltration with an alternative of offsite drainage being agreed with statutory providers.
- Utilities (including foul drainage) – can all be provided to the site.
- Trees – locating the proposed access within the area of poorer quality trees to the western edge of the site (see the local plan tree surveys (document CD-006)) and retaining better quality trees in the eastern area of the site.
- Ecology – with better quality areas of habitat being retained, with biodiverse features added to the site such as sustainable drainage and swales.
- Landscaping – retaining the existing boundary woodland to the south, west, and within the eastern boundary, with planting to the north to partially screen the site.
- Heritage – heritage assessments and initial archaeology appraisals show the site can be developed in an appropriate manner.
- Noise / amenity – the development is unlikely to cause issues of noise or impact amenity of nearby sensitive receptors.
- Air quality – the site is deliverable and appropriate air quality mitigation can be incorporated as part of the wider development package.

3.50 Turning specifically to highways matters, and addressing points raised in INS-01 and Matter 3.4b, a highways note (by Fore consulting) is appended to the Matter 13 representations. The Note confirms that all necessary infrastructure and mitigation measures required for the development can be delivered, and that as part of the agreed approach to assessing the impact on the road network an overall package of works has been discussed which focusses on the A57/A1/A614 junction to the east and the A57/B6040 junction to the west. This reflects the current draft wording of Policy 9 and particularly part H(ii) in the context of highway mitigation. Our Matter 13 response deals with highways matters in further detail.

3.4(c) – What assumptions have been made in relation to the timescale for delivery and are these justified?

3.51 The site is deliverable in the plan period and, subject to planning and occupier requirements, the following timescales are generally reasonable:

- Start on site – late 2023.
- Infrastructure and first phase enabling works (e.g., access from A57) – mid-2024.

- Completion of the first unit for occupation – mid to late 2025.
- Phased delivery to meet market requirements – potential site completion 2033 / 2034.

(Note: the indicative completion date is based on a potential 500,00sqft average annual delivery rate, with the average being used as in some years completion of a single large unit could skew the figures).

3.52 The relevant infrastructure would be provided at agreed points during the development programme.

3.5 In relation to policy ST10 is the policy based on up-to-date evidence and is the policy consistent with national policy?

3.53 Caddick has no comments on this matter at this stage but reserves the right to comment following MIQ responses by the Council and others.

3.6 In relation to policies ST11 and ST12, are the policies justified by appropriate available evidence, having regard to national guidance, and local context? Do the policies provide clear direction as to how a decision maker should react to a development proposal? In relation to camping, caravanning and chalets, do the proposals pay appropriate regard to the biodiversity impacts of such proposals?

3.54 Caddick has no comments on this matter at this stage but reserves the right to comment following MIQ responses by the Council and others.

3.7 Are there any omissions in the policies and are they sufficiently flexible?

3.55 If the question relates to ST11 and ST12 only, Caddick has no comments on this matter.

3.56 However, if the question relates to wider employment policies Caddick consider ST7 and Policy 9 should include a greater level of flexibility and enable other complementary (but potentially non-ancillary uses) at Apleyhead. See Caddick’s response to Matter 3.2.

3.8 Are the Council’s proposed modifications to these policies and the supporting text necessary for soundness?

3.57 Caddick consider the modifications are not required for soundness and, in reality, the proposed modification to ST7 Part 3(e) is unnecessary as Part 3(e) itself should be omitted along with a wider set of modification to ST7 and Policy 9 as appended. See the response to Matter 3.4(a).

APPENDIX 1

Bassetlaw

Industrial & Logistics Needs Assessment

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1. Introduction

1.1. Purpose & Summary

- 1.1.1. Savills have been instructed by the Caddick Group to assess market demand and supply for large logistics (B8) units above 100k sqft within the A1 Corridor which is the relevant Property Market Area (PMA) for this analysis.
- 1.1.2. To estimate future demand we have used Savills' Suppressed Demand and E-Commerce Uplift Model. Our approach quantifies the impact historic supply constraints have had on 'suppressing' demand, and factors the likely increase in floorspace needs from future e-commerce growth.
- 1.1.3. As we explain within, the Savills Model is considered to be NPPF/NPPG compliant and industry best practice, having been endorsed by the British Property Federation in our recent publication '*Levelling Up – The Logic of Logistics*'. The report is also mentioned in DfT's recently published '*Future of Freight Plan*'.
- 1.1.4. In terms of supply we have reviewed and where necessary updated the position outlined in the A1 Corridor Logistics Assessment (2021) and Update Addendum (2022).
- 1.1.5. Savills conclude, over an 18-year plan period consistent with the Draft Bassetlaw Local Plan, future demand for B8 units over 100k sqft across the PMA is **46.6 million sq.ft.** This level of demand is 86% higher than current supply of **25.0 million sq.ft.**

1.2. Report Structure

- 1.2.1. The report is structured as follows:
 - **Section 1** sets out the introduction;
 - **Section 2** confirms the appropriate PMA for the demand and supply analysis to be that presented in the A1 Corridor Logistics Assessment: Bassetlaw Council (2021) prepared by Icen Projects Limited;
 - **Section 3** assesses I&L demand and supply factors in the relevant PMA in order to provide a sense of whether or not historic supply has kept pace with demand;
 - **Section 4** reviews and updates the supply analysis included within the A1 Corridor Logistics Study (2021) and Update Addendum (2022);
 - **Section 5** provides Savills' estimate of future I&L demand, firstly for all I&L units over 100k sqft and then secondly for logistics (B8) units specifically; and
 - **Section 6** summarises the main conclusions.

1.3. Reader Note

- 1.3.1. When we refer to the industrial and logistics (I&L) sector we mean Light Industrial (formerly B1c use class now part of Class E), General Industry (B2 use class) and Logistics (B8 use class). Effectively the primary use classes that require shed-type units (including ancillary offices) and associated yard spaces. These use classes typically cover the diverse range of industrial, manufacturing and logistics companies that operate within England.

2. Defining a Property Market Area

2.1. Introduction

2.1.1. With this section we define the appropriate Property Market Area (PMA). This is the geography within which we will consider market supply and demand factors.

2.2. Property Market Area

2.2.1. I&L companies typically have far reaching supply chains of 1 to 4 hours travel time depending on their size and the location of the end customer base. For this reason a sub-regional approach is needed when estimating future I&L demand and available supply. Bassetlaw like all local areas is part of a wider sub-regional market, or PMA, and this is subject to supply and demand forces which need to be assessed beyond its local authority boundaries.

2.2.2. We consider the PMA defined in the A1 Corridor Logistics Assessment: Bassetlaw Council (Iceni, 2021) to form an appropriate study area for this analysis.

2.2.3. The Study states that B8 logistics occupiers considering units of above 100k sqft can cover wider areas of search that go beyond typical travel to work areas or general Functional Economic Market Areas (FEMA) boundaries. In light of this, Iceni go beyond the FEMA definitions set out in planning policy evidence, and have sought to engage with commercial agents who regularly deal with enquiries from occupiers looking for space of this nature. Whilst every occupier has different requirements in terms of the customer/supplier locations, network access and workforce needs, there is a general consistency from agents that the A1 corridor centred around Bassetlaw stretches from Doncaster to Nottingham.

2.2.4. We broadly agree with this commentary, and the indicative PMA outlined by Iceni is presented in **Figure 2.1**.

Figure 2.1 Property Market Area (PMA)



Source: A1 Corridor Logistics Assessment: Bassetlaw Council (Iceni, 2021)

3. Key Market Indicators

3.1. Introduction

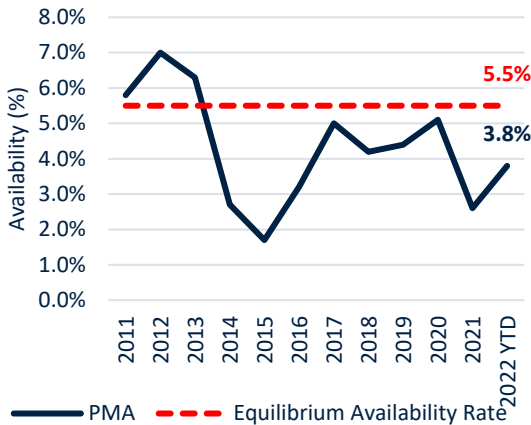
- 3.1.1. Within this section we consider supply and demand indicators for I&L floorspace within units above 100k sqft. The aim of this analysis is to gauge the relevant market strength for larger I&L units within the PMA.
- 3.1.2. This market assessment considers all I&L units above 100k sqft, meaning both industrial (Egii and B2) and logistics (B8) uses. While the focus of the Savills supply and demand assessments in the following chapters is for large B8 units, most planning permissions in the PMA and England are for flexible Egii, B2 and B8 use classes. This means that a site or building that is currently occupied by an industrial user could revert to B8 or vice versa without planning permission. Segmenting the market assessment to only large B8 units would ignore this reality.

3.2. Market Supply and Demand Indicators

- 3.2.1. At the national level, the market equilibrium level, where supply and demand are broadly in balance and rents are more stable, is around 8% availability. This relates to I&L units of all sizes. This benchmark rate is found in several prominent publications such as the GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG) and the London Plan (2021).
- 3.2.2. We have calculated the equilibrium availability rate for 100k sqft properties across the PMA and found it to be around 5.5%. To reach this conclusion we consider real rental growth (i.e. adjusted for inflation) over the past decade to find the point at which it was close to zero and/or transitioned from negative to positive rental growth.
- 3.2.3. Establishing a PMA-specific availability rate for large units over 100k sqft is extremely important. Below this level the large unit market is considered to be supply-constrained meaning there is not enough available supply to meet demand. The figures below clearly demonstrate that demand has been outpacing supply in the PMA.
- 3.2.4. As shown in **Figure 3.1**, availability across the PMA has been below the 5.5% equilibrium level since 2014, and has remained low ever since currently at 3.8% in 2022 YTD. This means that the PMA's large unit market has been supply-constrained for a considerable period of time which in turn suppressed demand as not all occupiers can find space to meet their needs. As a result they are either forced to remain in their existing premises, even if not ideal for their operational requirements, or alternatively have to leave the PMA to find suitable premises elsewhere, taking the jobs and investment they generate with them.
- 3.2.5. **Figure 3.2** shows that rents have grown well above inflation, demonstrating that occupiers have been competing with one another for available stock, pushing up rents.

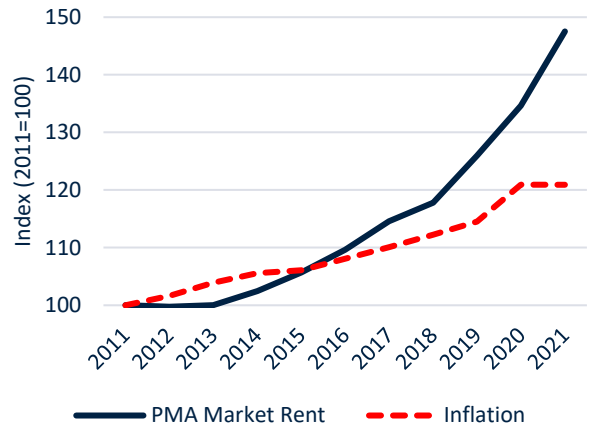


Figure 3.1 Availability Rate (%) Since 2011



Source: CoStar, Savills

Figure 3.2 Rental Growth vs. Inflation (2011-2021)

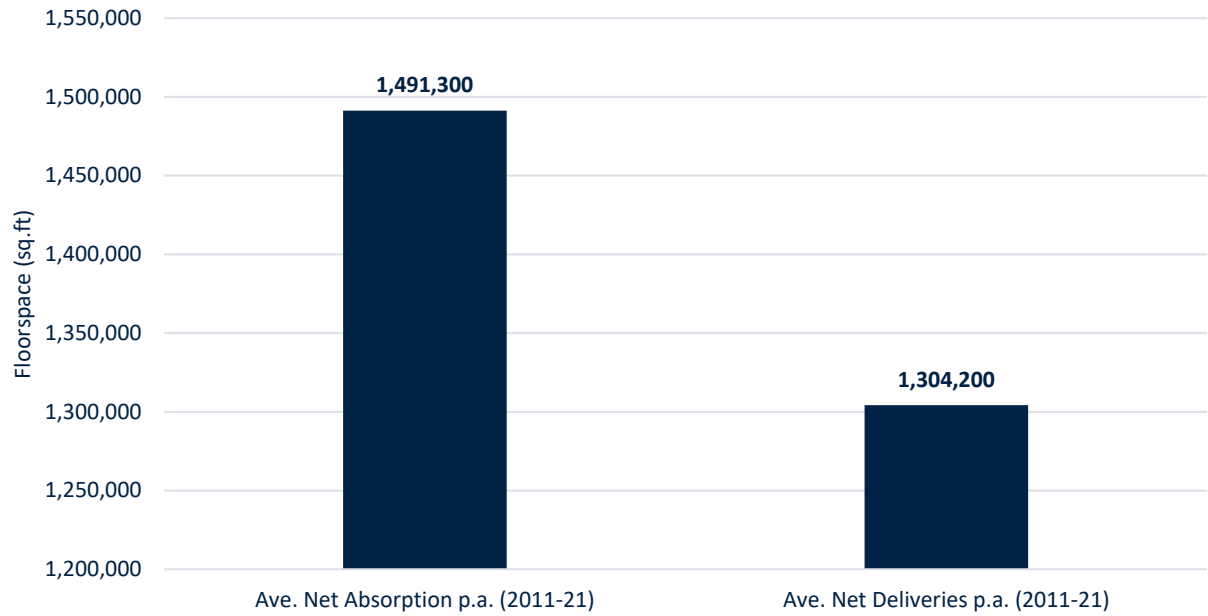


Source: CoStar, Savills

3.2.6. Net absorption is a leading measure of demand based on lease deals. It compares occupied space (move-ins) versus vacated space (move-outs). On the other hand, net deliveries is a measure of supply and registers the change in inventory (floorspace). **Figure 3.3** shows that new I&L floorspace across the PMA has lagged demand, as measured by net absorption between 2011 and 2021.

3.2.7. These results reach the same conclusions as the comparison between the average 5 year take up versus average 5 year delivery statistics in the Icen Report, namely demand has been much higher than supply historically.

Figure 3.3 Net Absorption and Net Deliveries p.a. (sq.ft) (2011-2021)



Source: CoStar, Savills

4. Savills Supply Assessment

4.1. Introduction

4.1.1. This section reviews and updates the supply analysis included within the A1 Corridor Logistics Study (2021) and Update Addendum (2022). A qualitative analysis of supply within the Property Market Area (PMA) is also provided.

4.2. Quantitative Supply Analysis

4.2.1. Icenis April 2022 supply update concluded the following supply position, which includes the proposals at Apleyhead:

Table 4.1 Icenis Supply Update Summary

Status	Total sqft	Av 5 yr Take Up (sqft)	Av 5yr Deliveries (sqft)	Years supply (5yr annual av. take up)	Years supply (5yr annual av. delivery)
Existing units (Chpt 4)	0.9m	3.5m	2.4m	0.3	0.4
Planning Pipeline (App. A)	30.0m			8.6	12.5
All	30.9m			8.8	12.9
All (exc unallocated / exc PP)*	29.7m			8.5	12.4

Source: Table 2.2, A1 Corridor Logistics Assessment: Addendum

4.2.2. We have reviewed the supply of land and buildings across the PMA defined by Icenis. Supply on many sites has reduced considerably as a result of rapid take up on the back of record breaking levels of occupier demand. However, some additional sites have come through the planning pipeline which had not been included within the Icenis review, for example Land South of Doncaster Sheffield Airport which has consent for 3.3 million sq.ft of floorspace. Strong market conditions have prompted developers to undertake speculative development and the supply of buildings (existing and under construction) has increased accordingly.

4.2.3. Our assessment concludes the following position:

- Units – there is **4.6 million sq. ft of Grade A space** available or under construction across the PMA within 18 units, ranging in size up to 629,417 sq. ft under construction at Panattoni Park, Rotherham.
- Planning pipeline – including Apleyhead, there is **24.6 million sq. ft of capacity on sites** within the planning pipeline (either benefiting from planning permission or an allocation/draft allocation. Excluding Apleyhead, there is 20.2 million sq. ft in the planning pipeline.

4.2.4. This gives a **total of 29.4 million sq. ft including Apleyhead**, (or 25.0 million sq. ft excluding Apleyhead), compared to 30.9 million assumed by Icenis.

4.2.5. Supply in Bassetlaw is considerably less than included within the Icenis Update, at 153 ha (including Apleyhead), compared to 263 ha. Excluding Apleyhead, there is now just 34 ha of land available at Mulberry Logistics Park. Supply has reduced as a result of very strong take up including:

- The former Bevercotes Colliery (Vertical Park) has been sold to an occupier and is no longer available;
- At Mulberry Logistics Park (Snape Lane), Eddie Stobart has pre-let a 565,000 sq ft unit and Mulberry has developed a further speculative unit of 568,000 sq. ft to complete Phase 1;
- There is no land remaining at Symmetry Park, a unit of 132,750 sq. ft is under construction on the last plot;
- There is no land available at Manton Wood Extension – the remaining consented land is owned by DHL and not available to meet occupier requirements.

4.3. Qualitative Supply Analysis

4.3.1. These headline figures do not take account of the qualitative characteristics of the supply in terms of deliverability, target market of the proposals, and scale of opportunity. A number of the sites are subject to significant constraints; most are not of a strategic scale and some are of a much smaller scale and will therefore target a very different market. There are very few site that can accommodate the largest units over 1 million sqft plus similar to Apleyhead. These issues are considered below.

Maximum Unit Size

4.3.2. There are a number of sites which, whilst they have potential to accommodate a unit in excess of 100,000 sq. ft., proposals are predominantly for a smaller unit scheme and therefore will not be targeting the same market as Apleyhead. This includes:

- Former Hartington Colliery, Staveley (c. 15 ha);
- Riverside, Nottingham (9.2 ha)
- Riverdale Park in Doncaster (6.5 ha); and
- Roseland Business Park at Newark/Grantham (c. 5 ha with potential to accommodate larger units).
- Land at Waleswood Way, Rotherham, adjacent to Vector 31 (16.1 ha allocation)

4.3.3. These sites will not be competing with Apleyhead for the vast majority of occupiers given the proposals are focused on a much larger, strategic scale of development.

Scale of Site

4.3.4. Given the scale of the PMA and its prime location at the heart of the UK including both the M1 and A1 corridors, there are relatively few sites which can currently offer a strategic scale opportunity, comparable to the proposals at Apleyhead. Whilst there is no formal definition of what constitutes a strategic scale site, other studies have concluded that a site must be of at least 25 ha (and preferably 50 ha) in order to perform a strategic role¹. Site of this scale in the PMA are:

- Land to the West of Doncaster Sheffield Airport (J3, M18) – 86.30 ha;
- Thorne North, Doncaster (J6, M18) – 74 ha;
- Newark Gateway, Newark – 37.1 ha net developable;
- Mulberry Logistics Park, Doncaster/Bassetlaw (A1) – 34 ha of land remaining;
- Horizon 29, Bolsover (J29A, M1) – 29 ha;
- Phase 2, Gateway 36, Barnsley (J36, M1) – 28.2 ha; and

¹ West Midlands Strategic Employment Sites Study (Peter Brett, 2015)



- I-Port, Doncaster (J3, M18) – 28 ha of land remaining.

4.3.5. Due to the very significant size of units which can be accommodated at some of these sites, the rate of take-up could be very quick. For example, around half of Mulberry Park is being built out, leaving capacity for 2-3 more units depending on layout.

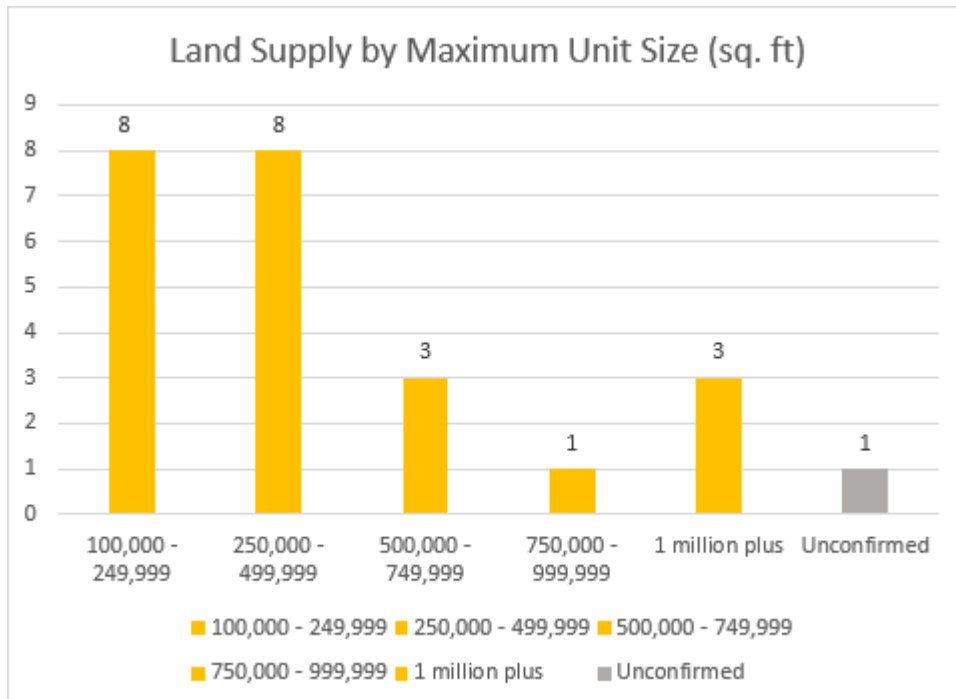
4.3.6. New Stanton Park in Erewash (J25,M1) has been granted planning permission for 2.8 million sq. ft of employment use of which an estimated c. 1.2 million sq. ft is likely to be within large units due to significant site constraints as a result of the site’s previous use. Whilst this site is of a strategic scale, it is poorly connected to the national highway network and will therefore not be able to meet the requirements of most strategic scale logistics occupiers seeking to serve a regional and national catchment.

Ability to Accommodate a Unit in Excess of 92,900 sq.m

4.3.7. Given the Apleyhead site has the capability to respond to demand for units in excess of 92,900 sq. m (1 million sq. ft.), it is important to analyse the land supply to establish which other sites in the PMA can also meet this demand.

4.3.8. The majority of available sites can accommodate units at the smaller size ranges as illustrated by the chart at **Figure 4.1**. There are very few sites which can respond to the increasing level of occupier demand for the largest units.

Figure 4.1 Land Supply by Maximum Unit Size (sq. ft.)



4.3.9. There are only three sites in the PMA which have planning permission to accommodate a requirement of over 1 million sq. ft., two of which are in Doncaster: Land to the West of Doncaster Sheffield Airport (Doncaster) and Thorne North. Indicative masterplans demonstrate that a unit of 1 million sq. ft can also be accommodated at New Stanton Park. However, as noted above, this site is subject to access constraints

which are likely to limit demand, particularly from the logistics sector.

- 4.3.10. I-Port is the only site within the PMA that can accommodate a unit of between 750,000 – 999,999 sq. ft.
- 4.3.11. The options available for an occupier seeking a unit of 750,000 sq. ft plus are therefore extremely limited and do not offer sufficient flexibility in terms of geographical spread of sites, generally being in Doncaster to the north east of the PMA.

4.4. Supply Conclusions

- 4.4.1. Many sites within the supply are theoretically suitable for a larger unit, but in reality are much more likely to come forward for a small unit or 'mid-box' scheme given their scale, location and accessibility. There is a particular shortage of strategic scale sites across the PMA which can accommodate the largest units and meet a range of occupier requirements. Strategic scale supply is disproportionately focused in Doncaster to the north of the PMA with the only two sites with 50 ha plus of land available for large units both located here.

5. Savills Future Demand Assessment

5.1. Introduction

- 5.1.1. The purpose of this section is to estimate future demand within the PMA for large B8 units greater than 100k sqft.
- 5.1.2. Based on the Savills' demand methodology, over an 18-year plan period, consistent with the Draft Bassetlaw Local Plan, we estimate future demand within the PMA for large B8 units to be 46.6 million sq.ft.

5.2. Savills Estimate of Future I&L Demand

- 5.2.1. We present below Savills' full methodology for estimating future I&L demand.
- 5.2.2. Our methodology is NPPG-compliant as it builds upon historic take-up (demand), adjusting past trends for historic supply shortages and the subsequent loss in demand. We refer to this as 'suppressed demand' which is added to the historic demand trends as a top-up. We also factor in future e-commerce growth which is a key growth driver for the sector.
- 5.2.3. The rationale for accounting for suppressed demand is that when sufficient supply isn't available, demand cannot be accommodated. This is the top-up figure to be added to the historic demand trend to account for years when the market was supply constrained, and not keeping up with demand. Limited supply in a strong performing market means that demand cannot be fully satisfied, typically resulting in strong rental growth.
- 5.2.4. Our overarching approach to demand estimation first considers the full market for I&L units above 100k sqft (i.e. light industrial, industrial and logistics so not just B8 uses). This is considered a more robust approach as it relies on a larger pool of data and is based on the fact that industrial and logistics occupiers desire similar types of premises in terms of location and design.
- 5.2.5. After running our model at this level, it is then possible to segment what proportion of overall I&L demand for large units relates specially to just B8 uses.

Step 1: Estimating Demand over the Local Plan Period

- 5.2.6. Here we assume an 18-year plan period which is consistent with the Draft Bassetlaw Local Plan 2020-2038.

Step 2: Estimation of Historic Demand

- 5.2.7. This is based on the average annualised net absorption for the PMA at 1.5 million sq.ft per annum between 2011 and 2021. Savills considers net-absorption to be the leading measure of demand for floorspace as it indicates the quantum of net floorspace occupied over a period of time (i.e. move-ins minus move-outs) based on leasing deals.

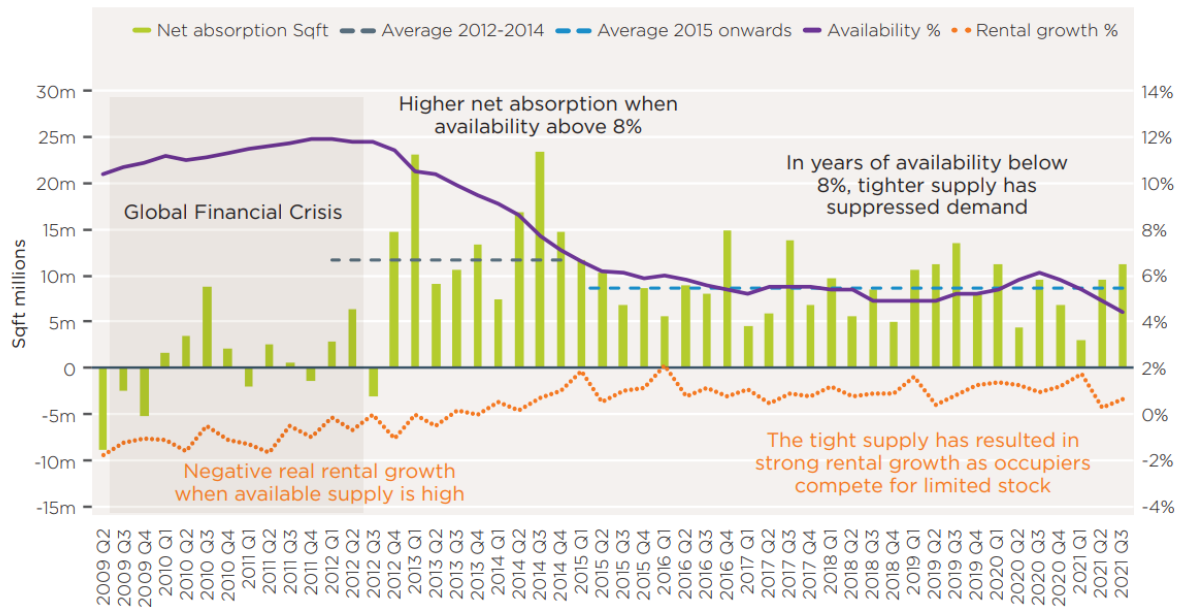
Step 3: Estimation of Suppressed Demand

- 5.2.8. The rationale for accounting for suppressed demand is that when sufficient supply isn't available, demand cannot be accommodated. This is the top-up figure to be added to the historic demand (net absorption) trend to account for years when the market was supply-constrained.

- 5.2.9. Supply and demand are inextricably linked across all commercial property sectors. Put simply, if demand exceeds supply, rents typically rise more quickly as occupiers compete for limited available stock. This can have a number of wider implications. For example, new companies aren't able to move into a market area, nor are existing companies able to find new space if their floorspace needs change, for instance due to expansion. It may also happen that some existing local companies get priced out of the market as they can't afford the increasing rents. As a result, companies have to locate to areas that are not ideal in terms of serving their customer base, thereby increasing travel times and the costs of doing business, not to mention environmental impacts. The lack of supply may also mean companies are forced to occupy space that is not entirely suitable for their operational needs impacting productivity.
- 5.2.10. We describe a market where supply doesn't keep up with demand as being 'supply-constrained'. Limited supply in a strongly performing market, such as the PMA's I&L sector, means that demand cannot be fully satisfied, typically resulting in strong rental growth. As demonstrated in **Section 3**, the PMA's I&L rents for large units have increased by 48% since 2011, indicating new supply has struggled historically to keep pace with the strong demand. This is more than double the rate of inflation over the same period².
- 5.2.11. At the national level for all unit sizes, the market equilibrium level where supply and demand are broadly in balance and rents are more stable, is around 8% availability. This benchmark rate is found in a number of prominent publications such as the GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG).
- 5.2.12. If one studies real rental growth (i.e. rental growth adjusted for inflation) over the past decade at the national level and observes its relationship to availability, it becomes clear that I&L rents begin to grow strongly when availability is below 8%. This relationship is clearly illustrated as **Figure 5.1** below. When availability was above 8% between 2009 and 2014 real rental growth (net of inflation) was either negative or only slightly positive. This enabled demand to be accommodated as sufficient supply was available.
- 5.2.13. However since 2014, as availability dipped below 8% and has stayed below this level ever since at the national level, real rents have grown strongly year-on-year. During this period average net absorption has been lower than the 2009-2014 period, despite the I&L sector going from strength to strength. This clearly shows the suppressing nature tight availability (below 8%) has had on I&L demand nationally.

² According to the Bank of England inflation calculator between 2011 and 2021 (<https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>)

Figure 5.1 Historic Net Absorption (sq.ft), Availability (%) and Real Rental Growth (%) in England



Source: Savills

Source: CoStar, OBR, Savills

5.2.14. The equilibrium rate varies across different units sizes and market geographies. As discussed in **Section 3**, we found that for the 100k+ sqft unit market across the PMA, the equilibrium availability rate is 5.5%. This was established by looking at real rental changes (i.e. rental growth less inflation). The transition between negative rental growth and sustained positive rental growth is around 5.5% availability.

5.2.15. The individual steps for calculating the PMA’s suppressed demand are as follows:

- **Step 3a:** For years where availability has been below the 5.5% equilibrium threshold, we calculate the quantum of floorspace necessary to achieve 5.5% availability (Column ‘Av. To EQ (sq.ft)’ in **Table 5.1**, calculation F);
- **Step 3b:** We then take the average of the ratio between net absorption and available floorspace for every year over the past decade (Calculation E averages 52% based on Column ‘Net Absorption/Availability’);
- **Step 3c:** We apply this average to the estimated floorspace required to reach 5.5% availability in each year where the market is below the 5.5% equilibrium threshold to estimate each period’s suppressed demand (Calculation F*E in Column ‘Suppressed Net Absorption (sq.ft)’);
- **Step 3d:** We calculate average suppressed net absorption over the past decade. This gives the annualised suppressed demand figure to be used as a top-up to the historic trend. The estimated average suppressed demand figure for the PMA is 574,000 sq.ft per annum since 2011.

Table 5.1 shows the relevant calculations.

Table 5.1 Suppressed Demand Calculations within the PMA

	A	B	C=(A*B)	D	D/C	F=(5.5%-B)*A	F*E
Years	Inventory (sqft)	Availability (%)	Availability (sqft)	Net Absorption (sqft)	Net Absorption / Availability	Av. To EQ (sqft)	Suppressed Net Absorption (sqft)
2021	88,349,495	2.6%	2,297,087	2,479,921	108%	2,562,135	1,336,153
2020	87,669,368	5.1%	4,471,138	3,101,611	69%	350,677	182,878
2019	83,970,102	4.4%	3,694,684	2,136,325	58%	923,671	481,694
2018	81,417,539	4.2%	3,419,537	1,601,879	47%	1,058,428	551,970
2017	80,856,333	5.0%	4,042,817	1,188,292	29%	404,282	210,833
2016	78,170,760	3.2%	2,501,464	1,452,737	58%	1,797,927	937,619
2015	76,027,172	1.7%	1,292,462	432,171	33%	2,889,033	1,506,630
2014	75,745,827	2.7%	2,045,137	3,140,629	154%	2,120,883	1,106,040
2013	75,333,308	6.3%	4,745,998	473,991	10%	-602,666	0
2012	75,183,308	7.0%	5,262,832	478,577	9%	-1,127,750	0
2011	74,097,189	5.8%	4,297,637	-81,575	-2%	-222,292	0

E=Average
Suppressed Demand=Average

Source: Savills, CoStar

- Step 3e:** The final step requires adding the combined annualised historic (1.5 million sq.ft per annum) and suppressed demand (574,000 sq.ft per annum) figures totalling 2.1 million sq.ft (rounded) per annum, and multiplying this by a 18-year plan period (2.1 million x 18 years). This gives a total floorspace demand of **37.2 million sq.ft** over an 18-year plan period.

Table 5.2 Total Historic and Suppressed Demand Calculations

	PMA
(A) Annualised historic demand	1,491,323
(B) Annualised suppressed demand	573,983
(C) Total annualised demand (A+B)	2,065,307
(D) Total demand over 18 year plan period (C*18)	37,175,522

Source: Savills, figures may not sum due to rounding

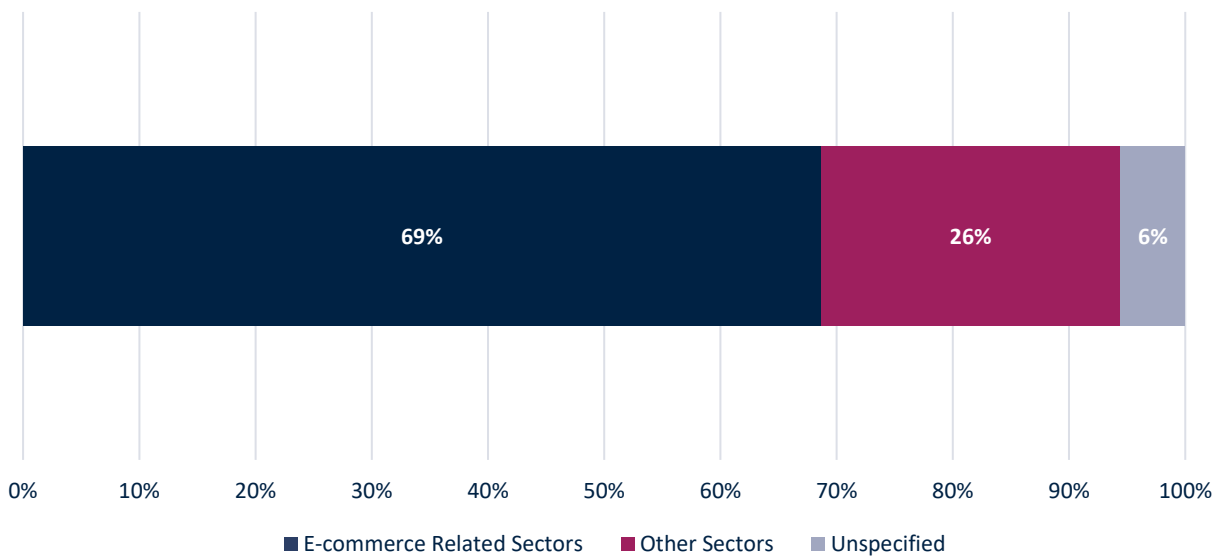
Step 4: Adjusting for Increases in Online Retail

5.2.16. There are a number of factors driving future growth in demand for I&L uses which are not captured by historic trend based projections. Attempting to factor them all in is a challenging exercise prone to errors and overestimation due to the uncertainty around major events such as Brexit and the risk of double counting the impacts of different growth factors. The strongest growth drivers are population growth and the move to online shopping, which the Covid-19 pandemic has accelerated. We consider demand arising from population growth to be largely captured by increases in online sales which are a function of household spending and household growth. For this reason, in our work we focus on the move to online shopping.



5.2.17. In order to estimate future increases in I&L demand linked to e-commerce growth, we first need to establish the share of demand that has historically been linked to e-commerce and then determine how much higher this is likely going to be in the future. The sectors which are typically linked to e-commerce are Retail, Transport and Warehousing, and Wholesale. Across the PMA these sectors account for 69% of leasing demand, as shown in **Figure 5.2**. If we assume that this share remains the same to the end of the 18-year plan period, 69% of projected future demand corresponds to 25.5 million sq.ft (69% x 37.2 million sq.ft) over the plan period.

Figure 5.2 PMA Leasing Activity by Sector (2011-2021)



Source: Savills (2022); CoStar (2022)

5.2.18. We have considered Forrester’s³ online retail forecasts for the UK to 2025 and compared the annual increase in online spending over this period to that seen over the last 10 years. As shown in **Table 5.3**, between 2011 and 2019 online retail sales increased at an average rate of £5.95 billion per annum. 2020 marked a departure from the historic trend, bringing total online sales above £100 billion, up from £79 billion in 2019 (a £26 billion annual increase). If we accept that 2020 and 2021 were exceptional years due to the Covid-19 pandemic and exclude them from our calculations, and focus on the period between 2022 and 2025, online sales growth is predicted to average £9.86 billion per annum. This suggests a 66% uplift from the 2011-2019 growth trend.

Table 5.3 UK Online Sales Forecasts to 2025 (£ million)

Year	Online Sales (£m)	Annual Increase (£m)	
2011	£29,946	+£4,337	2011-2019 Average Annual Increase +£5,950 million
2012	£34,417	+£4,471	
2013	£38,908	+£4,491	

³ A prominent retail forecasting house

2014	£43,905	+£4,997	
2015	£49,212	+£5,307	
2016	£56,549	+£7,338	
2017	£64,505	+£7,955	
2018	£72,014	+£7,509	
2019	£79,157	+£7,143	
2020	£104,827	+£25,670	<i>Excluded from calculations as these were atypical years due to the Covid-19 pandemic</i>
2021	£122,831	+£18,003	
2022	£134,005	+£11,174	<i>2022-2025 Average Annual Increase +£9,860 million (+66% uplifted compared to 2011-2019)</i>
2023	£143,267	+£9,262	
2024	£152,722	+£9,455	
2025	£162,271	+£9,549	

Source: Forresters, Savills

- 5.2.19. Applying this 66% uplift to the historic suppressed demand from e-commerce sectors yields a future demand of 42.3 million sq.ft over the plan period. This equates to an uplift of 16.8 million sq.ft (**Table 5.4**).

Table 5.4 Adjusting for Current and Future Increases in Online Retail within the PMA

Demand	Annual (sq. ft)	Over Plan Period (sq. ft)
E-commerce related (69% of historic + suppressed)	1,417,607	25,516,927
E-commerce related after 66% uplift	2,349,275	42,286,941
E-commerce demand uplift	931,667	16,770,014

Source: Savills

Step 5: Savills Estimate of Future I&L Demand Across the PMA

- 5.2.20. Adding the e-commerce uplift to the combined historic and suppressed demand estimates yields a total demand of 53.9 million sq.ft over a 18-year plan period, as summarised in **Table 5.5**.

Table 5.5 Summary of Future Demand (Over Plan Period) within the PMA

PMA	
(A) Historic Demand (Net Absorption) over 18 years	26,843,822
(B) Suppressed Demand over 18 years	10,331,699
(C) E-commerce Uplift	16,770,014
(D) Total demand over 18 year plan period (A+B+C)	53,945,536

Source: Savills; Figures may not sum due to rounding

5.3. Estimating B8 Demand across PMA (100k + sqft units)

- 5.3.1. As discussed at the beginning of this sector, our approach is to first consider overall I&L demand (i.e. all I&L uses) across the 100k+ sqft segment. This is because using a larger pool of data allows for a more



accurate assessment of market trends, plus industrial and logistics occupiers, while having different operations, have similar preferences in terms of location and the sorts of premises they desire. For these reasons, investigating overall market demand in the first instance and then interrogating the results by use class is considered a preferable approach.

5.3.2. We have considered a number of indicators to apportion B8⁴ demand within the 100k + sqft unit segment. These consist of:

- The current proportion of B8 inventory relative to overall I&L uses;
- The proportion of B8 average demand per annum (net absorption) between 2011 and 2021 (i.e. 10-year demand trend) relative to overall I&L uses; and
- The proportion of B8 average gross deliveries of stock per annum between 2011 and 2021 (i.e. 10-year supply trend) relative to overall I&L uses.

5.3.3. The results of these comparisons are detailed in **Table 5.6** below. Inventory gives the lowest metric at 68% share, while demand (net absorption) and new supply (net deliveries) over the last decade are higher at 96% and 95% respectively.

Table 5.6 B8 I&L Market Share Across the PMA (100k + sqft)

	B8 %
Inventory (2022 YTD)	68%
Average Net Absorption p.a. 2011-2021	96%
Average Gross Deliveries p.a. 2011-2021	95%
Average	86%

Source: CoStar, Savills

5.3.4. Based on the average of the above metrics, we assume the B8 uses will account for 86% of future I&L demand across the PMA for the 100k + sqft unit segment. This equates to 46.6 million sq.ft over the 18-year plan period.

⁴ To define B8 we have used the following CoStar secondary uses: Distribution, Light Distribution, Refrigeration/Cold Storage, Telecom/Data Hosting, Truck Terminal, Warehouse, and Showroom.

6. Summary and Recommendations

- 6.1.1. The I&L sector is booming nationally. Even before the pandemic, the I&L market had been growing strongly with demand outstripping supply. The Covid Pandemic has merely accelerated a number of growth drivers that were already in place such as online shopping and the desire for quick deliveries. Brexit too is increasing I&L demand as companies consider bringing part of their operations back to the UK to guard against future supply chain shocks, as well as increasing their inventory levels. Significant growth is also forecast across all freight modes, which could be increased further by the Government's Freeport programme.
- 6.1.2. The Savills approach focuses directly on market signals as required by Paragraph 31 of the NPPF. The Savills methodology is NPPG-compliant as it builds upon historic demand (net absorption), adjusting past leasing trends for historic supply shortages and the subsequent loss in demand. We refer to this as 'suppressed demand' which is added to the historic demand trend as a top-up. We also factor in future e-commerce growth which is a key growth driver for the sector.
- 6.1.3. Based on Savills demand methodology, we estimate future demand for large B8 units over 100k sqft to be 46.6 million sqft over a 18 year plan period. This is 86% higher than available supply, which following the Savills supply assessment stands at 25.0 million sq.ft excluding Apleyhead. This clearly indicates further strategic sites such as Apleyhead are needed to help reduce this significant imbalance between demand and supply.
- 6.1.4. The above conclusions are further corroborated by Icen's past take up⁵ analysis when compared to Savills' updated supply which gives only 7.1 years' supply, improving to 8.4 years if Apleyhead is included. Local Plan's typically cover a 15 to 20 year planning horizon, in the case of Bassetlaw it is 18 years. This clearly indicates that the PMA does not have enough land for larger B8 units above 100k sqft to cover a typical planning horizon.

⁵ Icen uses gross absorption while Savills prefer net absorption which takes into account move ins versus move outs



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