
Land to the North of the A4, Theale

Industrial and Logistics (I&L) Needs Assessment – Rebuttal Proof

Prepared for CP Logistics UK Reading Propco Limited

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Table of Contents

1 Introduction..... 2

1.1 Purpose of Report..... 2

1.2 Suppressed Demand vs Past Completions..... 3

1.3 NPPF / PPG compliance..... 5

1.4 Warrington 5

1.5 Net absorption as a measure of demand 6

1.6 8% availability rate 7

1.7 London displaced demand 9

1.8 E-commerce uplift..... 10

1.9 Supply review..... 11

2 Appendix A – External Material..... 22

1 Introduction

1.1 Purpose of Report

- 1.1.1 I have now had the benefit of reading Mr Pestell's Economic Proof of Evidence [CD5.12]. The purpose of this report is to rebut matters raised in Mr Pestell's evidence that I feel have mischaracterised my initial 2025 I&L Need Assessment in February 2025 [CD3.2].
- 1.1.2 I am conscious a lot of detail has been produced by both parties on the topic of Economic Need. Therefore, I have tried to keep this rebuttal as succinct as possible and in doing so cross-reference to my Proof of Evidence [CD5.6], which already addresses a number of the issues raised in Mr Pestell's Proof of Evidence [CD5.12].
- 1.1.3 Before I get into the detail, it should be remembered both Mr Pestell and I agree there is a need for additional I&L capacity in West Berkshire and this need is greater than that provided by the allocated sites in the draft Local Plan Review and the Appeal Site.
- 1.1.4 However, we disagree on the overall quantum of this need shortfall based on the deployment of our different methodologies with mine estimating higher I&L demand into the future – 167,548 sqm by Mr Pestell vs 325,700 sqm by myself under baseline testing, reducing to 243,100 sqm under my lowest sensitivity test (see Table 7.12 of 2025 I&L Needs Assessment [CD3.2]).
- 1.1.5 It was confirmed to me in an email from Mr Pestell on the 3rd of June that: *'The identified local plan need quantum of 162,000sqm gross over the 18-year plan period (2023-2041) is the minimum need of industrial and warehouse floorspace for West Berkshire.'*
- 1.1.6 This is important to note for two reasons: 1) the new Local Plan is failing to meet even the Council's minimum needs for I&L; and 2) the slightly lower number compared to that quoted in the ELR is due to the reduced Plan Period (2023-41) determined through the Local Plan Review EIP. If this adjustment is made to my demand estimate it reduces to circa 308,000 sqm. As Mr Pestell notes in his Proof of Evidence, these minor adjustments have a limited impact regarding the magnitude of the difference between our respective demand estimates.
- 1.1.7 It is also important to note that I reran my demand numbers at the West Berkshire level only as part of my Proof of Evidence. This was in response to the Council disagreeing with the geography of my initial assessment. Whilst I don't consider West Berkshire an appropriate geography to assess I&L needs, this produced similar results to my original demand estimates.
- 1.1.8 Whilst Mr Pestell and I broadly agree on the overall supply of available I&L land in West Berkshire I do not consider it realistic to assume all of this available capacity will be delivered in the first part of the plan period as the Council appear to.
- 1.1.9 I am not questioning that this supply is right to be allocated as developable over the

entire 18 year Local Plan period, just that some of these sites will take a longer period of time to be delivered based on a combination of:

- Some of the sites having identified constraints;
- None can be considered prime I&L sites as they are not adjacent to a motorway junction like the Appeal Site; and
- They are primarily small-scale sites and/or by way of their location cater for a similar profile of demand being smaller occupiers with more localised supply chains.

1.1.10 I also note Mr Pestell in his Proof of Evidence [CD5.12] at paragraph 6.53 notes viability constraints. I agree the recent inflationary period has resulted in elevated build costs and this has placed additional pressure on bringing forward development, particularly smaller developments for the time being. His reference to this in his Proof of Evidence appears to support my view that West Berkshire's I&L supply, which is primarily composed of smaller sites, will take longer to deliver (see Section 1.9 below).

1.1.11 Therefore, given the fact that there is an agreed minimum shortfall and it is unrealistic to assume all of the supply can come forward in the first half of the Plan period, I consider the need case for the Appeal Site to be extremely strong. This is particularly so given it is a prime site for I&L uses that will cater for a profile of demand currently not being catered for in West Berkshire. It is also important that the circa 9,000 homes being planned for in West Berkshire are supported by an increase in local jobs otherwise these new residents will be forced to travel longer distances to work generating unsustainable commuter patterns and lost economic output for West Berkshire.

1.1.12 Facilitating a strong and growing I&L sector will be key to this given the struggles other commercial sectors such as offices are facing, a view shared in Mr Pestell's own ELRs. The allocation of only one new employment site (Land adjacent to Padworth IWMF at 3.1 ha) in the recent Local Plan Review, with no certainty that any more supply will be found as part of the next Local Plan, further underlines the strong need case for the Appeal Site now.

1.2 Suppressed Demand vs Past Completions

1.2.1 As I state in my Proof of Evidence [CD5.6], and earlier in the 2025 I&L Needs Assessment [CD3.2], I consider the historic past take up approach to have deficiencies, the main one being that it does not respond to market signals when there is clear evidence of tight supply. When supply is tight some demand can't find a home.

1.2.2 Mr Pestell has previously acknowledged the limitations of the past take-up approach in estimating future employment land needs. In paragraph 7.1 of the South Hampshire Economic, Employment and Commercial Needs (including logistics) Study prepared by Stantec (2021) (Appendix A – Figure 2.1) which he approved, he describes this method as a "crude" approach to assessing future demand.

- 1.2.3 Furthermore, in the Employment Land and Premises Needs Assessment for the London Borough of Richmond upon Thames (2021), also approved by Mr Pestell, he states at paragraph 4.33: *“The PPG requires us to estimate future need using a past take-up approach, however this would not appear practical. The Borough has been growing jobs while losing floorspace.”* (Appendix A – Figure 2.2).
- 1.2.4 These statements demonstrate Mr Pestell’s awareness of the methodological deficiencies inherent in the past take-up approach. This is a view held by other consultants who have prepared similar employment land studies, including:
- Test Valley Employment Needs Further Analysis Study (2023), prepared by DLP Planning Ltd – paragraph 6.34 – *“there are disbenefits of this approach (past completions trend): It potentially models forward historic or existing supply-side constraints; and it reflects the market context of the time period considered which may not be representative of the forecasting period”*. (Appendix A – Figure 2.3).
 - Wiltshire Employment Land Review Update (2023), prepared by Hardisty Jones Associates – paragraph 4.1.1 – *“PPG suggests that one method of assessing future demand for sites and premises is to look at past take-up. Whilst straightforward, this approach does not take account of future changes in the structure of the economy, changing demand for types of premises in the future, or trends such as increasing flexible working”*. (Appendix A – Figure 2.4)
 - Tandridge Economic Needs Assessment Update (2017), prepared by GL Hearn – paragraph 4.3 – *“past take-up is based on actual delivery of employment development; but does not take account of any differences in economic performance relative to the past. It is also potentially influenced by past land supply policies”*. (Appendix A – Figure 2.5).
- 1.2.5 In contrast, the suppressed demand approach I have adopted seeks to address these shortcomings by capturing unmet needs due to historic supply constraints. Critically this approach considers market signals that may not be evident in past take-up data.
- 1.2.6 My suppressed demand approach aims to estimate how much demand is lost which can then be added to the historic leasing of floorspace (net absorption trend). It is important to note, in a situation where a market is not supply constrained (ie availability is 8% or above, or alternatively 6% or above under my sensitivity testing) no suppressed demand is added. In other words, the historic net absorption trend is considered appropriate.
- 1.2.7 In West Berkshire’s case, it is clear that its I&L market is supply constrained, as is the wider Thames Valley Berkshire LEP. This is evidenced in Table 4.1 of my Proof of Evidence [CD.5.6] by 4 different market signals –
- Availability in West Berkshire has been below the 8% availability rate for over a decade;

- Net leasing demand (net absorption) has been higher than the net increase in floorspace (net deliveries) which helps to explain the continuous low availability;
- Rental growth in West Berkshire and the wider Thames Valley Berkshire LEP is not far off 3 times the rate of inflation clearly indicating demand is outpacing available supply. I see in his proof Mr Pestell tries to argue rising rents is a product of increased build costs. This is partly true but, given most of the stock in West Berkshire is existing, its influence is modest. Plus, it is a fundamental economic principle when demand exceeds supply, prices rise; and
- The immediately available supply of existing stock (excluding planning pipeline) is low especially for better quality buildings. This indicates new built stock is needed in the short term.

1.2.8 I consider the above factors clearly indicate West Berkshire is a tight market in need of more I&L floorspace than has historically been developed, a view held by Mr Pestell in his ELRs and Proof of Evidence [CD5.12]. Given this, my view is the projection forward of past trends as the ELRs do will only serve to continue the historic supply constraints. My approach seeks to address this issue by uplifting the historic net absorption trend to take account of demand lost due to these historic supply constraints, as well as factor in current day market drivers such as e-commerce and the fact some occupiers are relocating from London.

1.3 NPPF / PPG compliance

1.3.1 Mr Pestell's Proof of Evidence [CD5.12] refers to the PPG [CD2.17] noting it does not reference the word / concept 'suppression' and therefore indicates my approach is not PPG compliant. I do not agree with this interpretation. The PPG sets out broad approaches to consider when assessing economic needs. It does not set out a specific stepped approach.

1.3.2 Mr Pestell will be as familiar as I am, of the fact that different economic advisors deploy different methods to estimate future employment land needs. For example, labour demand, labour supply, past completions, GVA growth, traffic replacement and also variations of my approach, examples of which I detail in Section 3.4 of my Proof of Evidence [CD5.6].

1.3.3 I also detail in paragraph 7.1.3 to 7.1.5 of my 2025 I&L Needs Assessment [CD3.2] how I consider my method complies with the NPPF / PPG.

1.4 Warrington

1.4.1 Mr Pestell in his evidence makes reference to the inspector's letter in relation to the Warrington Local Plan [CD8.6]. What he failed to reference is the inspectors' view of past take-up at Paragraph 102:

'Having taken account of a wide range of data, we therefore conclude that the employment land requirement of 316.26ha, based on a simple projection forward of total past take up rates in Warrington is not justified. There needs to be a broad alignment

between employment land provision, estimated jobs growth and labour supply, in order for the local economy and housing market to function effectively and to avoid substantial increases in unsustainable commuting patterns. This is particularly important in the context of a Local Plan which proposes alterations to the Green Belt to allocate land for employment and housing.'

- 1.4.2 Mr Pestell was not involved in this EIP process to my knowledge which may explain his oversight of the above reference.

1.5 Net absorption as a measure of demand

- 1.5.1 Mr Pestell's Proof of Evidence [CD5.12], with reference to Warrington, seeks to discredit my use of net absorption as a measure of demand. Although the Warrington Inspectors acknowledge that it can be "a useful indicator of demand", the conclusion of the Inspectors is that utilising net absorption will include relocations to and from second hand space and is therefore "likely to over-estimate the demand for new build accommodation".
- 1.5.2 With respect to Mr Pestell and the Warrington inspector, this conclusion is flawed. The net absorption calculation factors in re-occupation of existing space to ensure the calculation is a true 'net' picture of demand. If there are more move-ins over a period demand is positive indicating more floorspace and land is needed, especially when this coincides with low availability. Conversely, if move-outs exceed move-ins over a period demand is effectively negative meaning there is not a need for more floorspace and land, especially if availability is also high.
- 1.5.3 By way of an example, if a new I&L building was built of say 10,000 sqm floorspace in year 2020 and Company A let this space that would represent 10,000 sqm of positive net absorption. If Company A then vacated that building in 2024 that would represent 10,000 sqm of negative net absorption. If that building lay vacant from 2020 to 2025 the buildings contribution to net absorption is zero over the 5 year period.
- 1.5.4 If we consider the above example in terms of the past take up of land, it is this approach which results in more demand not the above net absorption approach as Mr Pestell and the Warrington inspector wrongly conclude. For instance, a 10,000 sqm building requires 2.5 ha to 2.85 ha of land depending on whether you use a 35% or 40% plot ratio. If this building was constructed in 2020, the entire land parcel is counted as demand (take up) regardless of whether it is let or lies vacant. It stays positive even if it was initially occupied by a tenant but then vacated in 2024 and then lies vacant. In fact, it remains a positive demand regardless of whether it was ever occupied or not.
- 1.5.5 Leasing activity / the occupation of buildings is the truest reflection of demand. It is occupiers who take leases over buildings, employ people, manufacture goods and distribute them hence why I consider net absorption to be the lead measure of demand. This is a view, in my experience, which is commonly shared amongst industrial agents, investors and the industry in general. It also better acknowledges the fact available land is a finite resource in England with numerous competing pressures for its use. Only when the existing stock of buildings is demonstrated to be not enough or fit for purpose should

new land supply be considered.

- 1.5.6 I also consider it important to note that the term ‘past take’ up is not explicitly defined in the PPG [CD2.17]. Mr Pestell rightly references in his Proof of Evidence that the PPG under the section ‘how can market signals be used to forecast future need’ states:

‘analysis based on the past take-up of employment land and property and/or future property market requirements’ Paragraph: 027 Reference ID: 2a-027-2019022

- 1.5.7 Net absorption measures the past take up of ‘property’ as detailed in the above reference while I consider my application of an e-commerce uplift ‘a future property requirement.’

1.6 8% availability rate

- 1.6.1 One of the main points of contention in Mr Pestell’s employment evidence is my use of an 8% equilibrium level to calculate suppressed demand. The justification for accounting for suppressed demand in my employment land modelling is detailed across paragraphs 3.3.5 – 3.3.9 in my Proof of Evidence [CD5.6].

- 1.6.2 At paragraph 6.7 of his Proof of Evidence [CD5.12], Mr Pestell states: *“In reality, despite the 8% driving the model, there is little, if any, robust evidence to support it. Savills seek support in ‘traditional’ evidence but the 8% (or similar) is not used in this way.”*

- 1.6.3 I find this assertion surprising, as it appears Mr Pestell has overlooked paragraphs 7.1.12 to 7.1.20 (and Figure 7.1) of my 2025 I&L Needs Assessment [CD3.2], which provide a detailed analysis of market signals over the past 15 years. This analysis offers clear empirical support for the use of an 8% availability rate at which to calculate suppressed (or unfulfilled) demand, aligning with planning policy documents where this threshold is also referenced. This includes for example, the Greater London Authority’s Land for Industry and Transport Supplementary Planning Guidance (SPG). It is also detailed in the Levelling Up – Logic of Logistics report which I prepared alongside the British Property Federation’s Industrial Committee [CD2.33].

- 1.6.4 The 8% equilibrium rate (or similar) is also a widely held and accepted assumption, consistently reflected in employment land studies prepared by other consultants. For example:

- Cannock Chase Economic Development Needs Assessment (2024), prepared by Lichfields – notes at paragraph 4.27 that a figure of around 7.5%/ 8% is typically applied to calculate the normal, or equilibrium vacancy rate. Lichfield do note however that it is sensible to apply a degree of flexibility to allow for market fluctuations. (Appendix A – Figure 2.6).
- Wigan Borough Economic Market and Employment Land Assessment (2024), prepared by Aecom – at footnote 131 applies a 8% ‘optimal frictional vacancy rate’. (Appendix A – Figure 2.7).

- Coventry & Warwickshire Housing & Economic Development Needs Assessment (2022), prepared by Icení – at paragraph 3.62 and footnote 8 notes that some vacant space is required to facilitate moves within a functioning market – typically 7.5%. (Appendix A – Figure 2.8).
- North West Leicestershire – The Need for Employment Land (2020), prepared by Stantec – applies a ‘normal’ or ‘natural’ vacancy rate of 7.5% (paragraph 3.33). (Appendix A – Figure 2.9).
- Charnwood Employment Land Study (2018), prepared by Peter Brett Associates – a vacancy rate of 7.5% is adopted to allow for ‘market choice, churn and friction’ – paragraph 6.15. (Appendix A – Figure 2.10).

1.6.5 Moreover, in paragraph 6.3 of his own Proof [CD5.12], Mr Pestell acknowledges: *“I recognise that many of our reports recognise an 8% vacancy rate in the floorspace market as being ‘healthy’ (5% for land) and, following standard practice in plan-making evidence, make an allowance for the vacancy rate to align with 8% (or similar, often 7.5%).”*

1.6.6 Indeed, the Council’s own evidence adopts a comparable benchmark. The Employment Land Review (ELR) Update (2024) [CD2.28] applies an 8.1% vacancy factor in its labour demand scenario to allow for “a little choice and flexibility in the market.” Whilst I consider this one-off adjustment to be insufficient to compensate for the prolonged period during which the market has operated below the 8% equilibrium — as illustrated in Figure 4.4 of my Proof of Evidence [CD5.6], its application directly supports the use of an 8% threshold to measure suppression. Where there is insufficient choice, occupiers are unable to find suitable premises and demand is suppressed (or unfulfilled).

1.6.7 Elsewhere in his Proof, Mr Pestell advises that consultants Icení disagree with Savills’ application of an 8% equilibrium rate, referring to their 2024 West Midlands Strategic Employment Sites Study (WMSESS) [CD8.7]. In my view, this is a misleading and inaccurate claim. The WMSESS presents employment floorspace estimates using both 5% and 8% equilibrium rates as sensitivity tests. Notably, these scenarios are based on net absorption and suppressed demand calculations that follow the Savills methodology. I find it hard to believe that these sensitivity tests would have been included in the final study by Icení if they did not consider the Savills method without merit.

1.6.8 I acknowledge that Icení in the WMSESS expresses a preference for a 5% rate and view 8% as ‘optimistic’ — but this reflects the nature of the study, which is focused on strategic employment sites. As such, Mr Pestell’s reference to Icení’s comments in this context is not relevant to the more general I&L (ie all size band) demand modelling I have undertaken for West Berkshire. That being said, and as demonstrated in the 2025 I&L Needs Assessment [CD3.2], within my modelling I have included a sensitivity test using a 6% equilibrium scenario (which also discounts the e-commerce uplift). As shown in Table 7.12 of the 2025 I&L Needs Assessment [CD3.2], this still produces a significantly higher level of demand than Mr Pestell estimates.

1.6.9 As a final point, Mr Pestell also draws attention to Icení’s view in their WMSESS [CD8.7]

that the 8% equilibrium is considered ‘optimistic’ due to it not reflecting the fact that occupiers looking for new floorspace have a choice of both available floorspace and also land – commonly called ‘build to suit’. Mr Pestell states at paragraph 3.40 that *“Build to Suit is a highly relevant source of supply that is simply ignored by Savills”*. With respect to Icen and Mr Pestell, build-to-suit (BTS) developments by definition are tailored to the specific needs of an identified occupier. They are therefore not available to the open market. In saying this, when a BTS occupier physically moves into the unit it counts in the net absorption figures. If and when the original BTS occupier vacates the building, it will be placed on the open market as available. Therefore, any assumption BTS is not captured in my demand figures is not accurate.

1.7 London displaced demand

- 1.7.1 A fundamental point of contention in Mr Pestell’s evidence [CD5.12] concerns the geographic scope at which employment land modelling should be undertaken. While he advocates for a West Berkshire-only approach, I maintain that modelling should be carried out at a wider sub-regional level – and in the case of West Berkshire, the Thames Valley Berkshire LEP area.
- 1.7.2 Reflecting this broader perspective, my employment modelling also takes into account unmet demand in London that is likely to be displaced to the Thames Valley Berkshire LEP area, given the established economic and transport linkages between the areas. Mr Pestell disagrees with this adjustment, on the basis that in his view, demand should be assessed solely at the local authority level. I find this somewhat inconsistent, given in the relatively recent Employment Land and Premises Assessment for the London Borough of Richmond upon Thames, which Mr Pestell reviewed and approved, states at paragraph 1.4 that: *“The Borough is increasingly reliant on industrial and logistics space outside the Borough to service its population”*. (Appendix A – Figure 2.11). This suggests that Mr Pestell has, in the past, acknowledged London’s I&L needs are in part serviced from areas outside of London.
- 1.7.3 Section 4 of my Proof of Evidence [CD5.6] sets out in detail why it is both appropriate and necessary to assess I&L demand at a broader geographic scale. In the case of West Berkshire, this includes factoring in displaced demand from London. The rationale for this approach is supported by reference to:
 - The Council’s 2023 Employment Background Paper [CD2.25], which explicitly acknowledges West Berkshire’s connections to both London and Reading (see my Proof of Evidence [CD5.6] at paragraphs 4.1.9 – 4.1.11)
 - Research which corroborates my assumption – based on discussions with Savills Industrial agents and I&L occupiers – that I&L companies typically have supply chains larger than a single local authority (see my Proof of Evidence [CD5.6] at paragraphs 4.1.5 – 4.1.8).
 - Employment evidence supporting the London Plan, which identifies West Berkshire as playing a significant role in helping to meet London’s industrial land

needs. For example, the London Industrial Land Supply Study [CD2.30] (a key evidence base document for the Plan) classifies West Berkshire - along with all other local authorities within the Thames Valley Berkshire LEP, excluding Windsor and Maidenhead - as strategically important industrial clusters in relation to London (see my Proof of Evidence [CD5.6] at paragraphs 4.1.12 – 4.1.26); and

- Real-world examples of London-based businesses relocating to surrounding areas, as well as a broader trend of firms moving west along the M4 corridor (see my Proof of Evidence [CD5.6] at paragraphs 4.1.27 – 4.1.29).

1.7.4 Rather than reiterate these points further in this rebuttal, I instead draw attention to the additional sensitivity testing I undertook in response to concerns raised in the Council's Statement of Case. Appendix A of my Proof of Evidence [CD5.6] presents employment land demand results based on modelling conducted solely at the West Berkshire level, as preferred by Mr Pestell. In this alternative scenario, I consider only I&L demand arising within West Berkshire, using the same methodology as in my original analysis, with the exception of removing the uplift for displaced London demand. All data inputs are limited to West Berkshire. As shown in Table 5.2 of my Proof of Evidence [CD5.6], the results of this sensitivity testing are broadly consistent with my original demand estimates, which were based on sub-regional (LEP-level) demand, which was then apportioned to West Berkshire based on a range of market signals.

1.7.5 While I continue to maintain that sub-regional modelling is the most appropriate and robust approach, this exercise nonetheless reinforces the validity of my overall conclusions. Namely, that there is a clear and compelling need for additional I&L land in West Berkshire. A need which the Appeal Site is well placed to help meet, especially in comparison to the other sites identified in my supply review which I consider to primarily cater for a more localised demand profile (see Section 1.9 below).

1.8 E-commerce uplift

1.8.1 Mr Pestell, in his Proof of Evidence [CD5.12], raises concerns regarding the e-commerce uplift applied in my demand modelling. At paragraph 6.35, he suggests that no consideration has been given to whether the trend in e-commerce growth will continue. In paragraphs 3.3.10 to 3.3.18 of my Proof of Evidence [CD5.6], I set out in detail the rationale and justification for applying the e-commerce uplift. This includes a review of relevant research and data, none of which indicate that e-commerce will cease to be a structural driver of I&L demand. On the contrary, the evidence supports the view that e-commerce will remain a key contributor to future demand, particularly in light of the projected population and housing growth in West Berkshire and England over the next 20 years and societies' desire for rapid parcel deliveries.

1.8.2 This research aligns with recent analysis undertaken by Mr Pestell himself. For example, in the London Borough of Hounslow Employment Land Review Update (2024), which he approved, paragraph 5.28 states: "*Logistics growth is generated by the major upturn in e-tailing demand, particularly for last mile delivery – associated with the needs of a growing population.*" (Appendix A – Figure 2.12). Similar trends are also evidenced in Stantec's report *The Changing Face of Freight and Logistics* (2017), which was published

during Mr Pestell's tenure as a Director (Appendix A – Figure 2.13). To now question the validity of this trend appears inconsistent with his own previous findings.

- 1.8.3 Mr Pestell also questions the credibility of Statista, noting that neither he nor his retail team are familiar with it as a data source. It is not for me to question his familiarity or not with Statista as a product, but I note the company themselves claim to have over four million registered users globally. Savills used to subscribe to Forrester, another provider of ecommerce trend data, but we found its estimates to be too ambitious hence now using Statista. As can be seen in Table 7.3 of the 2025 I&L Needs Assessment [CD3.2], the e-commerce growth rates we apply into the future based on Statista are lower than the historic pre-Covid trend: 9.0% per annum growth pre-Covid (2015 to 2019) versus 4.3% per annum post-Covid (2023 to 2029).
- 1.8.4 It also worth noting we only apply our e-commerce uplift to those sectors most linked to e-commerce such as Retail, Transport and Warehousing, and Wholesale. In other words, we do not apply the e-commerce uplift to all of the historic net absorption (demand) profile. We also reduce our e-commerce uplift by accounting for estimated productivity improvements in the future based on the fact automated processes are becoming more prevalent and supply chains more efficient. In effect, we are taking account of the fact I&L premises will be able to handle more throughput in the future than they can today due to these productivity improvements. The productivity metrics we apply are published by Oxford Economics.
- 1.8.5 Notwithstanding this, the sensitivity testing presented in both the 2025 I&L Needs Assessment [CD3.2] and my Proof of Evidence [CD5.6] includes a scenario which excludes the impact of the e-commerce uplift. Even without this adjustment, the resulting level of need remains significant (see Table 7.12 of the 2025 I&L Needs Assessment [CD2.3] and Table 6.8 of my Proof of Evidence [CD5.6]).

1.9 Supply review

- 1.9.1 As detailed in the Statement of Common Ground – Employment Need, Mr Pestell and I broadly agree on the overall quantum of supply. Despite this, he raises issues with my treatment of planning applications in his Proof of Evidence which I address below. Further to my Proof of Evidence, I also consider below how the Appeal Site caters for a different profile of demand compared to the existing supply of employment land.

Qualitative review of new employment allocations within the Local Plan Review

- 1.9.2 My 2025 I&L Needs Assessment [CD3.2] included a detailed review of competing I&L supply across West Berkshire. Before considering the relative merits of each site for I&L uses in comparison to the Appeal site, it is important to highlight that four of the five employment allocations in the new Local Plan are re-allocations from the previous Local Plan. In addition, Greenham Business Park - the other key employment site identified which could accommodate I&L uses - has also been retained as a designated employment area (DEA) in the new Local Plan.
- 1.9.3 Effectively, the new Local Plan is planning for circa 9,000 homes but a shortfall in

employment floorspace with only one new employment allocation plus a minor extension to an existing employment area.

- 1.9.4 Not only can the Appeal Site help address the need shortfall, it represents a different proposition compared to Local Plan allocations and planning pipeline. It benefits from several strategic advantages that make it a prime location for I&L development (see Section 2.2 of the 2025 I&L Needs Assessment [CD3.2]). Chief among these is the Site's adjacency to the nationally significant M4 corridor, with direct access provided via Junction 12. This proximity to the strategic road network ensures excellent accessibility for suppliers, end customers, and the workforce alike. Furthermore, the Appeal Site extends to approximately 5.43 hectares, providing capacity to accommodate approximately 9,600 sqm of I&L floorspace across two units, as planned for by the Proposed Development.
- 1.9.5 In contrast, my review of the available supply in West Berkshire - outlined in Appendix B of the 2025 I&L Needs Assessment [CD3.2], reveals a supply profile that offers a fundamentally different proposition to that of the Appeal Site.
- 1.9.6 As illustrated in my Proof of Evidence [CD5.6] (Section 5 and Figure 5.1), with the exception of land to the south of Trinity Grain (ESA3), all other employment allocations are situated away from the nationally significant M4 corridor. These sites are predominantly located off the A4 (Bath Road), which connects to the M4 as I detail in Table 1 below.
- 1.9.7 Further, the majority of employment allocations, including ESA3, are considerably smaller in scale than the Appeal Site. Four of the five allocations identified in my supply review have less than 7,200 sqm of floorspace remaining and therefore wouldn't be able to accommodate the Proposed Development.
- 1.9.8 The one new allocation at land adjacent to Padworth IWMF (ESA6) - is also located a significant distance from J12 of the M4 (approximately 7km) and is unlikely to appeal to larger occupiers.
- 1.9.9 Table 1 provides a high level review of the five allocations, building upon the analysis provided as part of my 2025 I&L Needs Assessment [CD3.2] and Proof of Evidence [CD5.6].

Table 1 – Savills review of adopted allocations

Site	Savills Remarks
ESA1 – Land east of Colthorp Industrial Estate	<p>This is not a new site but a reallocation from the previous local plan.</p> <p>Given the below planning application activity I only consider 0.9 ha (3,600 sqm) to be available of the wider 5.1 ha site. This position is consistent with Mr Pestell's supply list in Table 2. This remaining land has reasonable prospects of being delivered in the first part of the Plan period.</p>

	<p>Outline Planning Application (21/02130/OUTMAJ) was approved 13th May 2022 for commercial B2 (general industrial) and/or B8 (storage and distribution) covering the 5.1 ha site.</p> <p>The subsequent Planning Application (23/02965/FULMAJ) was then submitted by Thames Valley Police covering 4.2 ha of the site which was approved on 13th May 2024 for a purpose built facility so is no longer considered available supply to the wider market.</p> <p>The minutes from the planning committee mention construction would be expected to start towards the end of 2024 and would take 18–24 month to complete (Appendix A – Figure 2.14). Thames Valley Polices’ commitment to bringing forward the site is also evidenced in a news article (UK Property Forums) from last year where a spokesman for the police is quoted as saying (Appendix A – Figure 2.15):</p> <p><i>“We’ve been doing this (search) for four years and we had largely given up when this site came onto the market. It was just very much the last site search we were doing.”</i></p> <p>As a result of the Thames Valley Policy application, there is only 0.90 ha of land (3,600 sqm of floorspace) available with planning permission at ESA1 with 4.20 ha being taken up by Thames Valley Police.</p> <p>This remaining land is too small to accommodate the Proposed Development.</p>
ESA3 - Land to the south of Trinity Grain – Membury Industrial Estate	<p>This site is mainly a reallocation from the previous local plan but with a 0.8ha extension.</p> <p>I cannot see any recent planning applications over the site meaning 0.8 ha (3,200 sqm) remains available. This position is consistent with Mr Pestell’s supply list in Table 2. The site is also restricted to Eg(iii)/B2 which will narrow the range of potential occupiers and likely slow its delivery. The site also appears to be covered by mature trees (see below in blue outline). Given the above and lack of planning activity it is unlikely the site will come forward in the next few years and potentially not in the first 10 years of the Plan period.</p>



In terms of site characteristics, the site appears better located than the other allocated sites, given its relative proximity to the M4, as illustrated in Figure 5.1 of my Proof of Evidence [CD5.6]. However, it does not benefit from direct access via a motorway junction. Instead, as advised in the Employment Land Review (ELR) Addendum (2022) [CD2.27], the site is *“7kms to M4 J14 via Ermin Street, a Local access route for freight”*.

In my view, this limits the site’s strategic accessibility and likely undermines its attractiveness for certain occupiers. The site is also small in scale, with only 3,200 sqm of remaining floorspace. As such, it would be unable to accommodate the Proposed Development and can only physically accommodate smaller unit(s) meaning it represents a different market offering compared to the Appeal Site, which is targeted towards larger mid-box occupiers. It is also an irregular shaped site.

This view is consistent with the Employment Land Review (ELR) Addendum (2022) [CD2.27] which notes in Appendix C that the site would *“be attractive for small-scale industrial and / or possibly local distribution”*.

Finally, as noted in paragraph 5.1.8 of my Proof of Evidence [CD5.6], the site is restricted to Eg(iii)/B2 uses. This restriction is significant given that B8 is currently the most in-demand sub-sector within the wider I&L sector. Limiting the site to Eg(iii)/B2 uses materially reduces its capacity to meet prevailing market needs and may impact the pace at which it is delivered.

<p>ESA4 - Beenham Landfill, Pips Way, Beenham</p>	<p>This is not a new site but a reallocation from the previous local plan.</p> <p>Given the below planning application activity I do not consider the 1.8ha (7,200 sqm) to be available. This position is consistent with Mr Pestell's supply list in Table 2.</p> <p>Planning application (24/00782/FULMAJ) approved July 2024 for continued use on a permanent basis of the existing laydown area for outside storage and light fabrication (B2/B8) with erection of an ancillary workshop, wash bay, welfare and office unit. 2.4 ha site including access. Useable area 1.7 ha. Grundon Waste Management was the applicant indicating this is not available supply to the wider market.</p> <p>Screening opinion (24/02508/SCREEN) in December 2024 for proposed concreting of land to provide an area for outside storage and light fabrication (B2/B8) together with wash bay. Grundon Waste Management also the applicant. Complementary uses proposed to above planning permission. This screening opinion covered the remaining available land.</p> <p>24/02808/FULMAJ - application submitted for proposed creation of an outside storage facility for materials and light fabrication operations (B2/B8) with erection of ancillary workshop, wash bay and welfare. The applications covers the screening opinion land from above plus a small portion of additional land (2.48 ha in total). Awaiting decision. Again, the applicant is Grundon Waste Management.</p> <p>Based on the above it is unlikely the remainder of the site will come forward as available supply given it is for the incumbent waste use.</p> <p>In terms of site characteristics, its access to the M4 is approximately 7.5 km away via Bath Road (the A4), which is a single carriageway for much of its length. Access onto the A4 is itself via Pips Way and the A340 roundabout. Pips Way is a narrow, local access road with limited turning space for HGVs, potentially making it unsuitable for high-volume logistics operations. Consequently, the site is unlikely to appeal to occupiers requiring significant freight movements.</p> <p>The Employment Land Review (ELR) Addendum (2022) [CD2.27] also notes in Appendix C that <i>"there is high risk at southern border of site of surface water flooding"</i> which may inhibit deliverability.</p>
<p>ESA5 - Northway Porsche, Grange Lane, Beenham</p>	<p>This is not a new site but a reallocation from the previous local plan.</p> <p>I cannot see any recent planning applications over the remaining 1.6 ha (6,400 sqm) meaning it remains available. This position is consistent with Mr Pestell's supply list in Table 2. The site is restricted to Eg(iii)/B2 which will narrow the range of potential occupiers and likely slow its delivery. Given this and the lack of planning activity, it is unlikely the site will come forward in the next few years and potentially not in the first 10 years of the Plan period.</p>

	<p>In terms of site characteristics, its location is set back from the M4, approximately 7km from Junction 12. The Employment Land Review (ELR) Addendum (2022) [CD2.27] notes in Appendix C that the site <i>“has low prominence along rural lane off the A4”</i>, which in my view will likely undermine its suitability for larger-scale logistics operations.</p> <p>Moreover, similar to ESA3 above, the site is restricted to Eg(iii)/B2 uses. This restriction is significant given that B8 is currently the most in-demand sub-sector within the wider I&L sector. Limiting the site to Eg(iii)/B2 uses materially reduces its capacity to meet prevailing market needs and may impact the pace at which it is delivered.</p> <p>With approximately 6,400 sqm of remaining floorspace, the site does not have sufficient capacity to accommodate the Appeal Development.</p>
ESA6 – Land adjacent to Padworth IWMF, Padworth Lane.	<p>A new employment allocation of 3.1 ha (12,400 sqm of floorspace).</p> <p>I cannot see any recent planning applications over the site. Given the lack of planning application activity, the site’s identified constraints discussed below and the fact I cannot see that it is being actively marketed, it is unlikely the site will come forward in the next few years and potentially not in the first 10 years of the Plan period.</p> <p>Similar to ESA4 and ESA5, the site is situated away from the nationally significant M4 corridor. The site is located approximately 6km from J12 of the M4.</p> <p>The Employment Land Review (ELR) Addendum (2022) [CD2.27] notes in Appendix C that the site has low prominence <i>“due to its location on a rural lane”</i>.</p> <p>As with ESA5, it is my view this will likely undermine its suitability for larger-scale operations.</p> <p>It also has a number of deliverability constraints as identified in the Flood Risk Sequential Assessment [CD3.3], prepared by Turleys on behalf of the Appellant, and now accepted by the Council. These constraints, as I detail in Section 5 of my Proof of Evidence, include highway concerns, risk of contamination, and the site’s rectilinear nature. Given these constraints, I consider this site should be considered a longer term supply opportunity and not directly comparable to the Subject Site.</p>

Greenham Business Park

- 1.9.10 In addition to the allocated sites referenced in Table 1 above, the 2025 I&L Needs Assessment [CD3.2] and my Proof of Evidence [CD5.6] also considered the role of Greenham Business Park in meeting future I&L demand. Greenham Business Park is an established employment area within West Berkshire, and as such has been identified as a Designated Employment Area (DEA) in the new Local Plan review. While it benefits

from a Local Development Order (LDO), which is helping to facilitate its ongoing regeneration, its location and relative lack of strategic accessibility limit its appeal, to larger I&L occupiers. This is despite the site having 45,369 sqm of net floorspace permitted for B8 use, and so could physically accommodate the Appeal Development.

- 1.9.11 It is the most distant of all identified sites from the M4, situated approximately 11.5 km from Junction 13. The Employment Land Review (ELR) Addendum (2022) [CD2.27] notes in Appendix C that the site is *“remote from the Strategic Road Network (SRN)”*.
- 1.9.12 I agree with this conclusion and therefore consider it more suited to businesses serving a predominantly local catchment or operating within localised supply chains, consistent with the character of sites outlined in Table 1 above. Whilst I note there are units on the park of a comparable size to the Appeal Development, as demonstrated in my Proof of Evidence [CD5.6] at paragraph 5.1.11, the average size of unit across the park is much smaller at approximately 2,741 sqm. This is much smaller than the two units that make up the Appeal Development.
- 1.9.13 While the pace of development has accelerated since the introduction of the Local Development Order (LDO), it is important to note that the Park has been available for development for several decades. The fact that it has not been fully built out reinforces my view that it is a less attractive location for I&L uses. Furthermore, the LDO permits a broader range of employment and non-employment uses on the site, including offices, research and development, retail, and other commercial activities. In this context, my conclusion - as set out in my Proof of Evidence [CD5.6] (paragraph 5.1.9 -5.1.11) - that only 75% of the Park is likely to come forward for I&L uses within the next 10 years remains a reasonable, if not generous, assumption.

Review of existing employment sites and planning applications

- 1.9.14 During discussions on the Statement of Common Ground, Mr Pestell and I reached the conclusion we are broadly aligned on the overall quantum of available supply. Therefore, I am surprised that supply is raised as an issue, namely via paragraph 2.13 of his Proof that states Savills do not *“provide any evidence regarding the over 30 schemes with planning permission that the plan and Inspector rely on and were noted in the December 2022 Addendum that was used at the EiP”*.
- 1.9.15 My 2025 I&L Needs Assessment [CD3.2] was undertaken in January 2025, so over two years later. At the time I reviewed planning applications as well existing employment sites with available land without planning permission. For both sources of supply, I applied a minimum site area above 0.5 ha. I considered this to be a low threshold that would pick up the majority of the major sources of I&L supply in addition to the new Local Plan allocations and Greenham Business Park.
- 1.9.16 During the discussions, Mr Pestell provided me with an updated list of supply inclusive of a revised, presumably updated, planning applications list. This updated list is included as Table 2 below. I have boxed the updated planning application list in red given this appears to be the primary difference in our supply numbers. As can be seen, the other

sources of supply are fully aligned.

Table 2 – Mr Pestell's schedule of supply vs mine

Land Supply		Savills I&LNA Feb 2025 Sq m (GIA)	Rapleys May 2025 Sq m (GIA)	PA ref
Savills ref				
1. With Planning permission				
Tab 8.1.1	Thatcham Business Village Colthrop Way Thatcham RG19 4LW	3,282	3,282	23/01241/FULMAJ
Tab 8.1.2	Thatcham Business Village Colthrop Way Thatcham RG19 4LW	2,363	2,363	24/01501/FULMAJ
Tab 8.1.3	Land east of Colthrop IE (land south of TVP site)	3,600	3,600	-
Tab 8.1.4	Blacks Lake Track Racing, Blacks Lake, Paices Hill, Aldermaston	15,917	15,917	20/02527/OUTMAJ
	Sub-total	25,162	25,162	
	Land to the South of Tower Works, west of Ramsbury Road, Lambourn Woodlands		10,381	19/02979/OUTMAJ
	Land at Charnham Park		5,992	93/43201/ADD
	Innovation House, Abex Road, Newbury, RG14 5EY		1,218	23/00073/FUL
	Apollo House, Newbury Business Park, Newbury, RG14 2PZ		920	23/02644/FUL
	The Grain Store, Wyld Court Farm, Hampstead Norreys RG18 0TN		510	22/01437/FUL
	East Barn, Manor Farm Barns, Newbury Hill, Hampstead Norreys, RG18 0TR		375	22/01670/FUL
	Unit 6, Northfield Farm Industrial Estate, Wantage Road, Great Shefford, Hungerford, RG17 7B		325	23/01675/FUL
	Units A7 and A9, Faraday Road, Newbury, RG14 2AD		315	21/02777/FUL
	Membury Airfield, Lambourn Woodlands, Hungerford, RG17 7TJ		225	18/01320/COMIND
	Thatcham Business Village, Colthrop Way, Thatcham, RG19 4LW		216	23/01241/FULMAJ
	IKFA, Pincents Kiln, Calcot, Reading, RG31 7SD		180	23/01642/FUL
	Bradford's Farm, Bath Road, Halfway, Newbury		169	23/02129/PACOU
	Barn at Wellingtons Road, Kintbury, Hungerford		146	23/02361/CLASSR
	Total Planning Permissions	25,162	46,133	
2. Adopted Allocations (ie scope in the former PEAs)				
Tab 8.2.1	Land to the south of Trinity Grain, Membury	2,000	2,000	
Tab 8.2.2	Beenham land fill (Been3&5)	7,200	7,200	
Tab 8.2.3	Beenham Porche B10)	6,400	6,400	
	Total adopted allocations	15,600	15,600	
3. Draft Allocations				
Tab 8.3 ESA1	Land east of Colthrop IE	[3,600]		
Tab 8.3 ESA2	Land west of Ramsbury Road (Tower Works), Membury Industrial Estate, Lambourn Woodlands			see PP 19/02979/OUTMAJ above
Tab 8.3 ESA3	Land to the south of Trinity Grain, Membury	3,200	3,200	
Tab 8.3 ESA4	Beenham land fill (Been3&5)	[7,200]		
Tab 8.3 ESA5	Beenham Porche B10)	[6,400]		
Tab 8.3 ESA6	Land adjacent Padworth IWMF	12,400	12,400	
		15,600	15,600	
4. Greenham Business Park				
Tab 8.4 line 4	Greenham Business Park	57,433	57,433	
TOTAL SUPPLY		113,795	134,766	

Source for Savills: Tables 8.1-4 of the Industrial and logistics Needs Assessment Feb 2025

Source for Rapleys May 2025 update: WBDC Plan monitoring

1.9.17 I then communicated with Mr Pestell that some of this supply is not appropriate to include for various reasons. I thought this issue had been resolved until the above reference in his Proof of Evidence [CD5.12].

1.9.18 The key issues I have with Mr Pestell's updated planning applications list (red box in Table 2 above) include:

- Land to the South of Tower Works, west of Ramsbury Road (19/02979/OUTMAJ) – 10,381 sqm – reviewed at the time of my I&L Needs Assessment (January 2025). Proposals were for a museum and military vehicle storage area and new logistics warehouse building (for occupation by Walker Logistics). Outline planning permission was approved in May 2021 and Reserved Matters approved in February 2023. I excluded this from the supply total due to it not being available to the wider market; the unit is specifically intended for a known end user.

- Land at Charnham Park (93/43201/ADD) – 5,992 sqm – Planning permission for this site was approved in 1996. My review indicates that the majority of the land has since been developed as a small-unit business park. In any case, if there is an undeveloped portion of land which has not come forward in the nearly three decades since the planning permission was approved, it is highly unlikely it will do so now. This conclusion was corroborated through discussions with my development colleagues.
- Innovation House, Abex Road, Newbury, RG14 5EY (23/00073/FUL) – 1,218 sqm - This proposal relates to an extension of an existing warehouse and production facility and therefore does not represent new supply to the market.
- Apollo House, Newbury Business Park, Newbury, RG14 2PZ (23/02644/FUL) – 920 sqm - Planning permission has been granted for a change of use of the ground floor from office (Class E) to a data centre (Class B8), and thus does not provide new comparable market supply to the traditional B2/B8 uses proposed at the Appeal Site.
- The Grain Store, Wyld Court Farm, Hampstead Norreys, RG18 OTN (22/01437/FUL) – 510 sqm – This application proposes the change of use of an existing grain storage building to Class B8 use. While technically this constitutes new B8 supply, no new floorspace is being created. Furthermore, the planning application documents do not make it clear whether the site will remain associated with the existing farm operations. Regardless of this, the site is located in a rural location, over 10km from J13 of the M4. As such, I find it difficult to regard this as a genuine addition to market supply, and it is certainly not comparable to the Appeal Site.
- East Barn, Manor Farm, RG18 OTR, (22/01670/FUL) – 375 sqm - This application seeks planning permission for conversion and adaptation of a Grade II listed barn with addition of lean-to for 'Class E g(i-iii)' commercial use (Change of use from Agriculture). The wider site was granted planning permission (08/01099/FULEXT) for the re-development of a number of Grade II listed barns in the old farmyard, which included East Barn, to be converted to B1 office use. Since 2008 a number of phases of the development have been completed under the Original Permission. The Application Statement mentions the use of the building is to be for a local craft gin business called Hawkridge. A Google Maps search indicates Hawkridge's address is in fact the application site. This indicates the site is not available nor in B8 use.

1.9.19 I haven't reviewed the remaining planning applications in Mr Pestell's updated planning application list given their small size. Given their contribution would be minimal to overall supply and given the above findings, I consider my assessment of overall supply, inclusive of existing employment areas, allocations and planning applications at 113,795 sqm to be robust.

The Appeal Site caters for a different segment of the market

- 1.9.20 In my view none of above reviewed supply can be considered prime in terms of their location for I&L uses and most are small in size or are focused on smaller units. As such none are comparable to the Appeal Site in terms of location nor in terms of their capacity / attractiveness to provide larger mid box units. The site allocations, planning applications and Greenham Business Park effectively all cater for a similar segment of the market being smaller companies with more localised supply chains who are less dependent on convenient access to the nationally significant M4.
- 1.9.21 Furthermore, as acknowledged by Mr Pestell in his own Proof of Evidence [CD5.12] at paragraph 6.53, smaller sites often face viability challenges. Therefore, it is reasonable to assume they will come forward more slowly further evidencing my view that it is unrealistic to assume that all of this available capacity will be delivered in the first part of the plan period as the Council appear to believe.
- 1.9.22 As detailed in my Proof of Evidence [CD5.6] at paragraph 5.1.12, I consider a maximum of 87,000 sqm to be deliverable in the first 10 years of the Local Plan. This is based on me discounting ESA6 as being deliverable in the first part of the plan period and that it is not considered realistic to assume that all of the remaining land at Greenham Business Park will come forward for B8 in the first part of the Plan period. Whilst I have not discounted ESA3 and ESA5 from this calculation, the fact I cannot see any recent planning activity, and given they are restricted to Eg(iii)/B2 uses, mean there is a strong possibility of them being longer term propositions as well.
- 1.9.23 This pace of delivery analysis, further evidences the need for the Appeal Site. It will also serve a different segment of the market compared to the existing supply. The location of the Appeal Site - directly adjacent to the M4 - makes it highly attractive to larger occupiers. This is reflected in the profile of existing occupiers located nearby, particularly within Theale Commercial Estate to the south. Notable occupiers at the estate include Amazon (occupying a 12,551 sqm unit), John Lewis (occupying a 7,403 sqm unit), and Westcoast (occupying a 11,083 sqm unit), all of which are major national or regional operators.
- 1.9.24 This attractiveness is further demonstrated by the current availability rate for I&L floorspace across Theale Commercial Estate, which stands at just 2.3% (2025 YTD) - lower than the wider West Berkshire average of 3.4%. This low availability rate highlights strong demand and limited supply in this strategically located area.
- 1.9.25 The Local Plan's concentration of identified supply on smaller-scale uses is indicative of a broader pattern in West Berkshire, where the I&L market is primarily oriented towards smaller units. To illustrate this, I have assessed the overall distribution of I&L floorspace in West Berkshire, using a threshold of 4,600 sqm (50,000 sq.ft) which broadly corresponds to the size of each unit proposed within the Appeal Development.
- 1.9.26 In West Berkshire, there is an approximate 50%/50% split between floorspace below and above this threshold. However, in Swindon, the adjacent authority to the west of West

Berkshire along the M4 corridor, the balance is markedly different, with around 75% of I&L floorspace in units exceeding 4,600 sqm. This helps to demonstrate West Berkshire's existing and emerging supply is relatively underrepresented in terms of larger units. As such, the scale and format of the Proposed Development would fill a clear and demonstrable gap in the local market, and one that is not addressed by any other allocated sites.

2 Appendix A – External Material

Figure 2.1 – South Hampshire Economic, Employment and Commercial Needs (including logistics) Study (2021) – prepared by Stantec



Economic, Employment and Commercial Needs (including logistics) Study



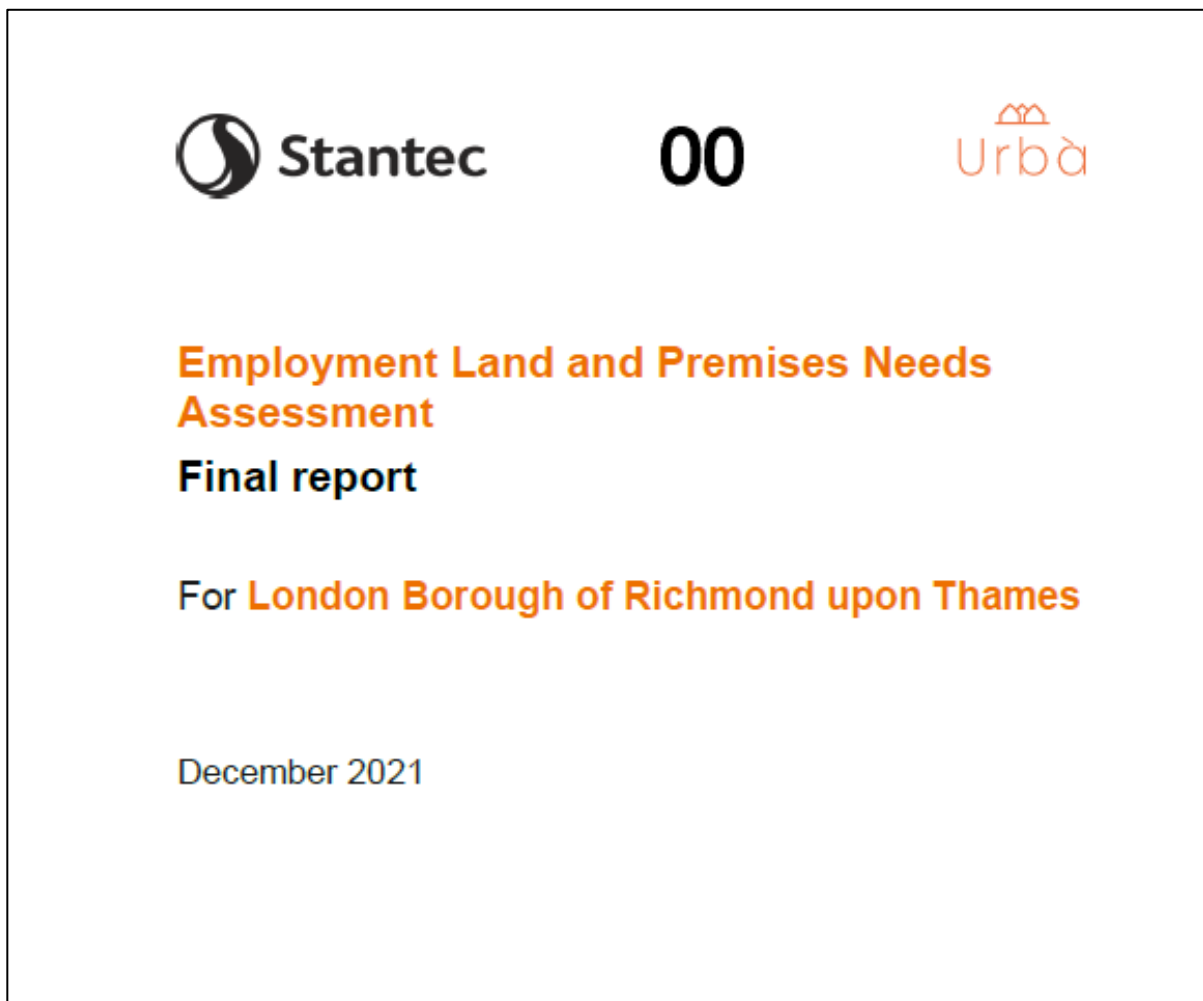
7 Past Take-up

Introduction

- 7.1 The first, and probably most crude but simplest approach to assessing future demand is simply to project forward the past. As with any approach to 'need' set out in the PPG there is no guarantee that there is land to accommodate this projection, but the logic flows that if land was taken up in the past there is at least evidence of demand that similar may be taken up again in the same market area (that may be in a different district).

Available here: <https://www.push.gov.uk/wp-content/uploads/2021/04/Economic-Employment-and-Commercial-inc-Logistics-Needs-Study-March-2021.pdf>

Figure 2.2 – London Borough of Richmond upon Thames – Employment Land and Premises Needs Assessment (2021) – prepared by Stantec

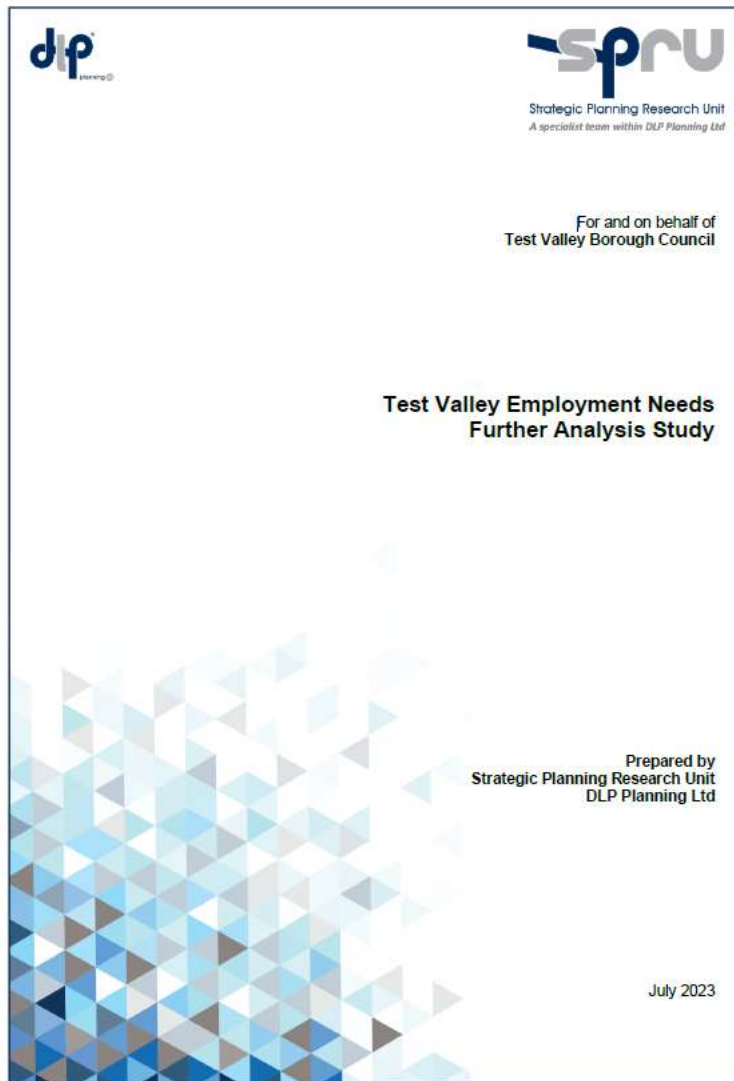


Summary

- 4.33 The PPG requires us to estimate future need using a past take-up approach, however this would not appear practical. The Borough has been growing jobs while losing floorspace. This pressure is now so extreme that there is only 7 sq m per office worker and around 20 sq m per industrial worker.

Available here: https://www.richmond.gov.uk/employment_research

Figure 2.3 Test Valley Employment Needs Further Analysis Study (2023) – prepared by DLP Planning Ltd



- 6.33 Estimating future employment land needs based on a simple extrapolation of past completion trend data has the benefit of being straightforward and transparent. It is easy to understand the implications in terms of delivery rates being a continuation of existing patterns.
- 6.34 However, there are disbenefits of this approach: It potentially models forward historic or existing supply-side constraints; and it reflects the market context of the time period considered which may not be representative of the forecasting period. Additionally, Test Valley has a historically sporadic completions trend, as identified in the previous sub-sections of this assessment. This must therefore be considered with a degree of awareness for this

Available here: <https://www.testvalley.gov.uk/planning-services/planningpolicy/evidence-base/evidence-base-local-economy>

Figure 2.4 Wiltshire Employment Land Review Update (2023) – prepared by Hardisty Jones Associates



4.1 Extrapolation of historic take-up

- 4.1.1 PPG suggests that one method of assessing future demand for sites and premises is to look at past take-up. Whilst straightforward, this approach does not take account of future changes in the structure of the economy, changing demand for types of premises in the future, or trends such as increasing flexible working.

Available here: https://www.wiltshire.gov.uk/media/12022/Wiltshire-Employment-Land-Review-2023/pdf/Wiltshire_Employment_Land_Review_2023.pdf?m=638313427894100000

Figure 2.5 Tandridge Economic Needs Assessment Update (2017) – prepared by GL Hearn

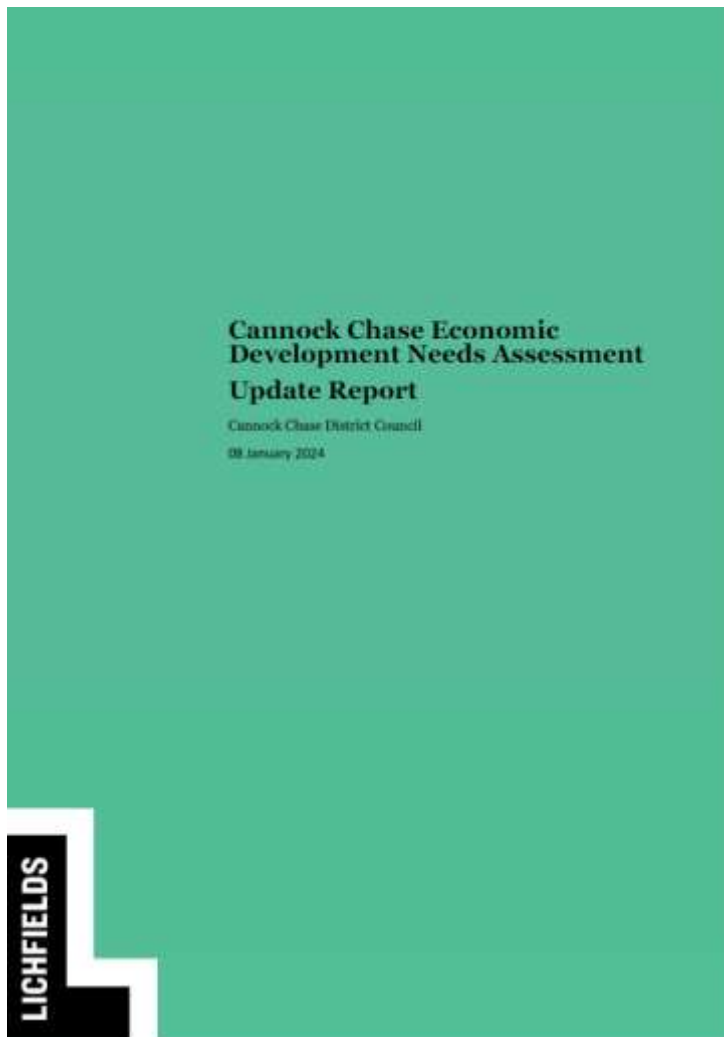


- 4.3 There are relative benefits of each approach. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past, overall and in regard to the sectoral composition of growth. However, a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements. In contrast, past take-up is based on actual delivery of employment development; but does not take account of any differences in economic performance relative to the past. It is also potentially influenced by past land supply policies.

Available here:

<https://www.tandridge.gov.uk/Portals/0/Documents/Planning%20and%20building/Planning%20strategies%20and%20policies/Local%20plan/Local%20plan%202033/Examination%20library/ECONOMY%20%26%20RETAIL/ECRT4-Tandridge-Economic-Needs-Assessment-Update-2017.pdf>

Figure 2.6 – Cannock Chase Economic Development Needs Assessment (2024) – prepared by Lichfields

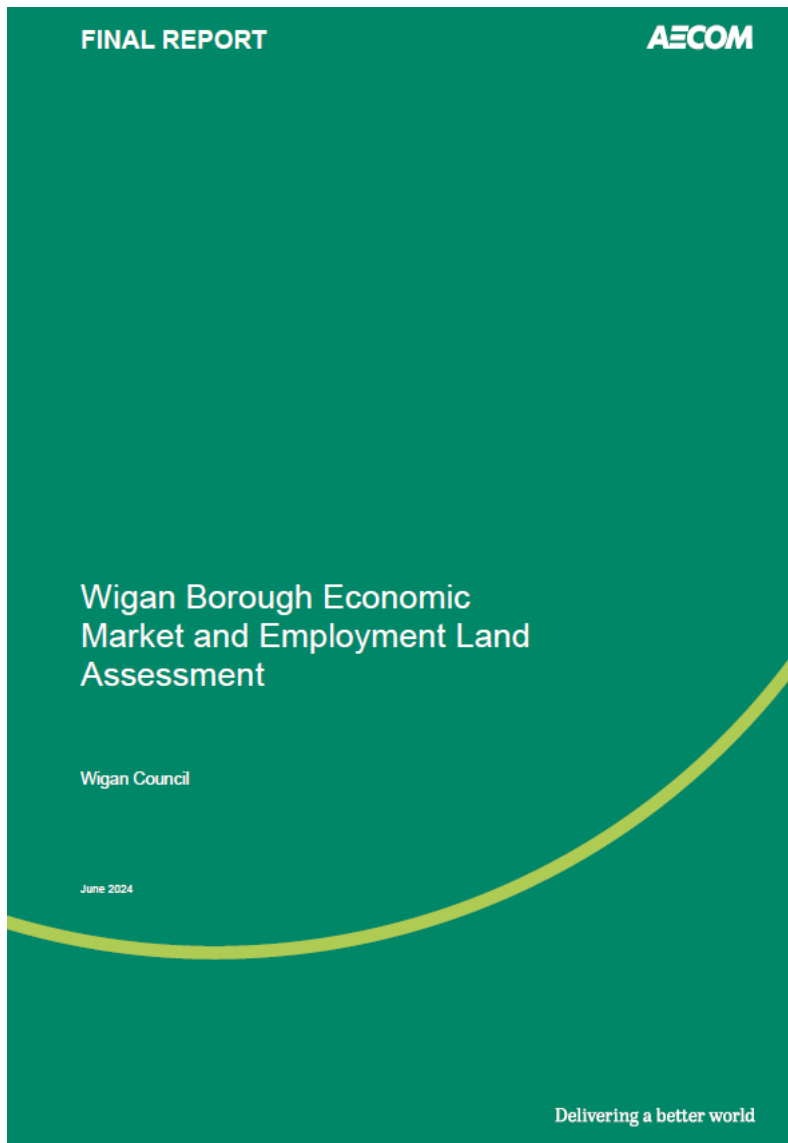


4.27

An adjustment has also been made to reflect the fact that a proportion of employment floorspace will always be vacant. Many sources are now suggesting that a figure of around 7.5%¹¹ / 8% should be used to calculate the normal, or equilibrium vacancy rate. However, CoStar data indicates that as of 2023 very little office, industrial and warehousing units are available in Cannock Chase (with vacancy rates equalling 1.1%, 2.5% and 4.2% respectively). These current levels of vacancy are historically low, with industrial/warehousing vacancies averaging 5.3% over the 10-year period 2014-2023 with commercial office at around 3.1% over the same period. Therefore, it is sensible to apply a degree of flexibility to allow for market fluctuations.

Available here: <https://www.cannockchasedc.gov.uk/sites/default/files/document-library/Economic%20Development%20Needs%20Assessment%20Update%2008.01.24.pdf>

Figure 2.7 Wigan Borough Economic Market and Employment Land Assessment (2024), prepared by Aecom



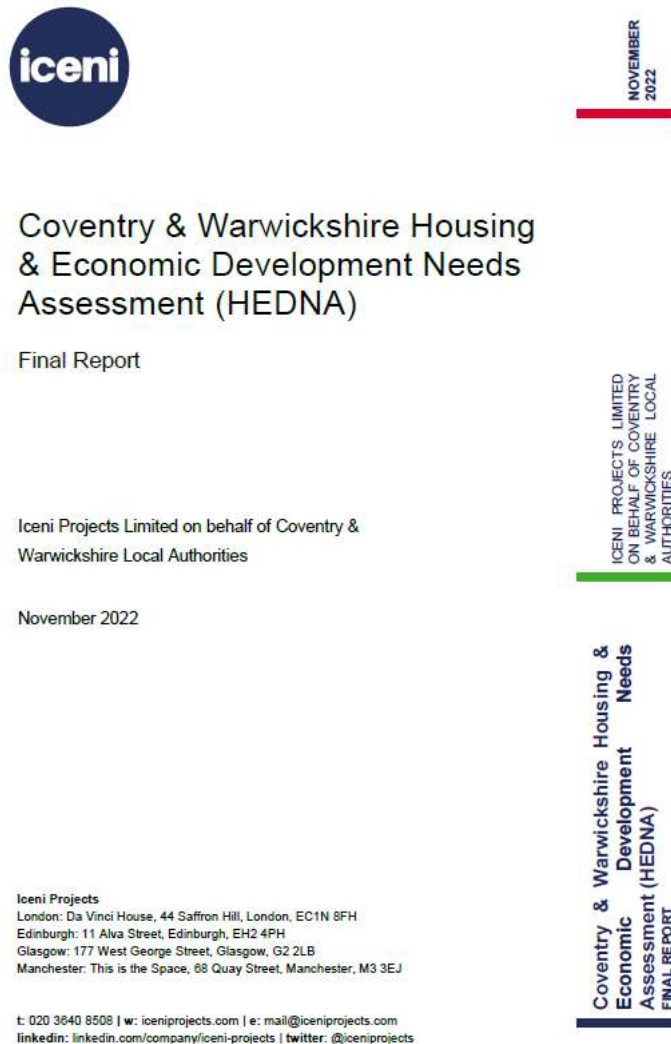
¹³¹ An allowance for frictional floorspace has been included in our assessment. To operate efficiently a property market requires a small proportion of total floorspace to be readily available for take-up to allow businesses expanding or contracting to move to suitable premises. This available space is called frictional floorspace, the optimal rate of which we assume to be currently around 8%.

Prepared for: Wigan Council

AECOM
118

Available here: <https://www.wigan.gov.uk/Docs/PDF/Council/Strategies-Plans-and-Policies/Planning/Local-plan/Wigan-EMELA.pdf>

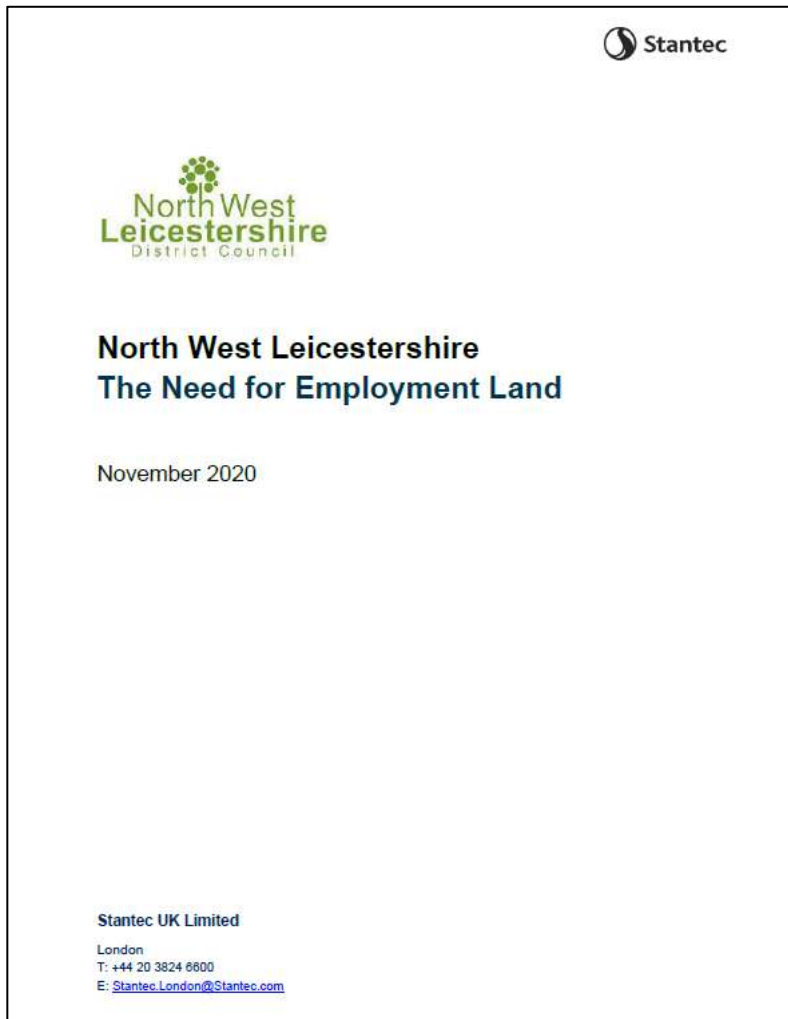
Figure 2.8 Coventry & Warwickshire Housing & Economic Development Needs Assessment (2022)
– prepared by Icení



3.62 In 2019 the vacancy rate across Coventry and Warwickshire was 4.4%. This is lower than what is generally deemed appropriate for effective functioning of the market at around 7.5% (to allow for churn and new demand). It can be seen that in 2019, Coventry and Warwick had a significantly higher rate of vacancy than Coventry and Warwickshire as a whole, whereas the vacancy rate in North Warwickshire, Nuneaton and Bedworth and Stratford upon Avon was lower.

Available here: <https://www.coventry.gov.uk/downloads/download/7374/coventry-and-warwickshire-housing-and-economic-development-needs-assessment-hedna->

Figure 2.9 North West Leicestershire – The Need for Employment Land (2020), prepared by Stantec

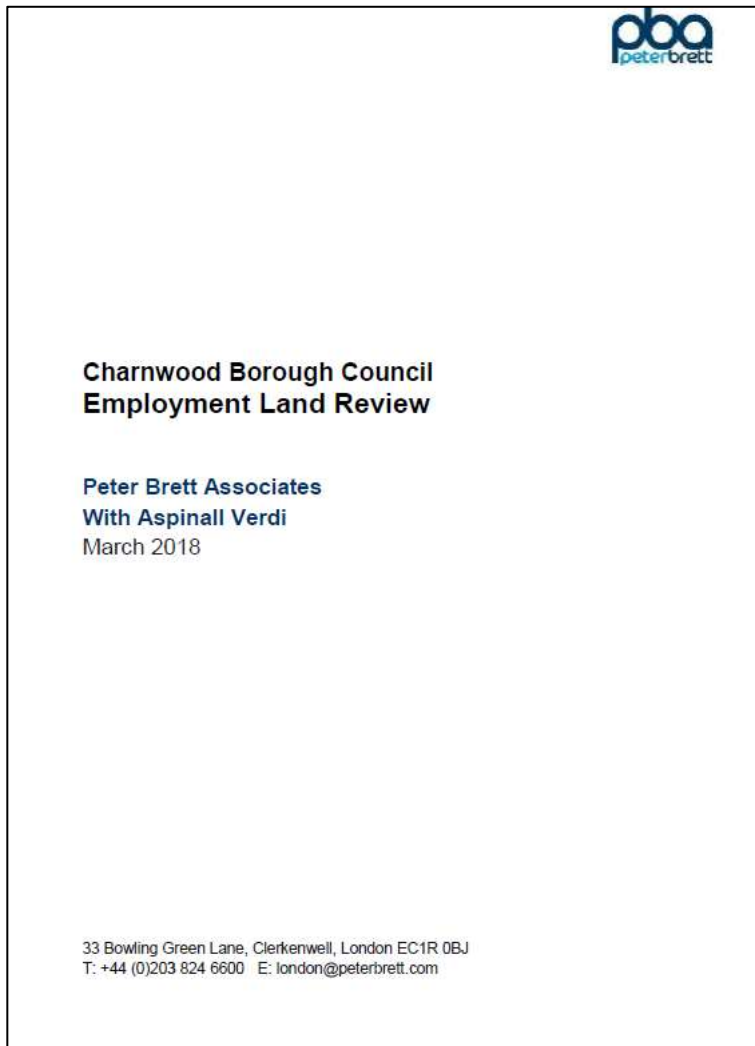


- 3.33 To these figures we apply vacancy adjustments. The reason for the adjustments is that, in a healthy property market, there should always be some vacant floorspace, to allow for units that are empty between tenancies (perhaps while they are being refurbished) and generally for choice and competition. As a rule of thumb, property agents generally agree that this 'normal' or 'natural' vacancy should be between 5% and 10% of the floorspace stock. We have set our vacancy allowance at the average of these figures, 7.5%. In our calculation, if the actual vacancy rate is below this level

Available:

https://www.nwleics.gov.uk/files/documents/need_for_employment_land_report/North%20West%20Leicestershire%20Need%20for%20Employment%20Land%20%28November%202020%29.pdf

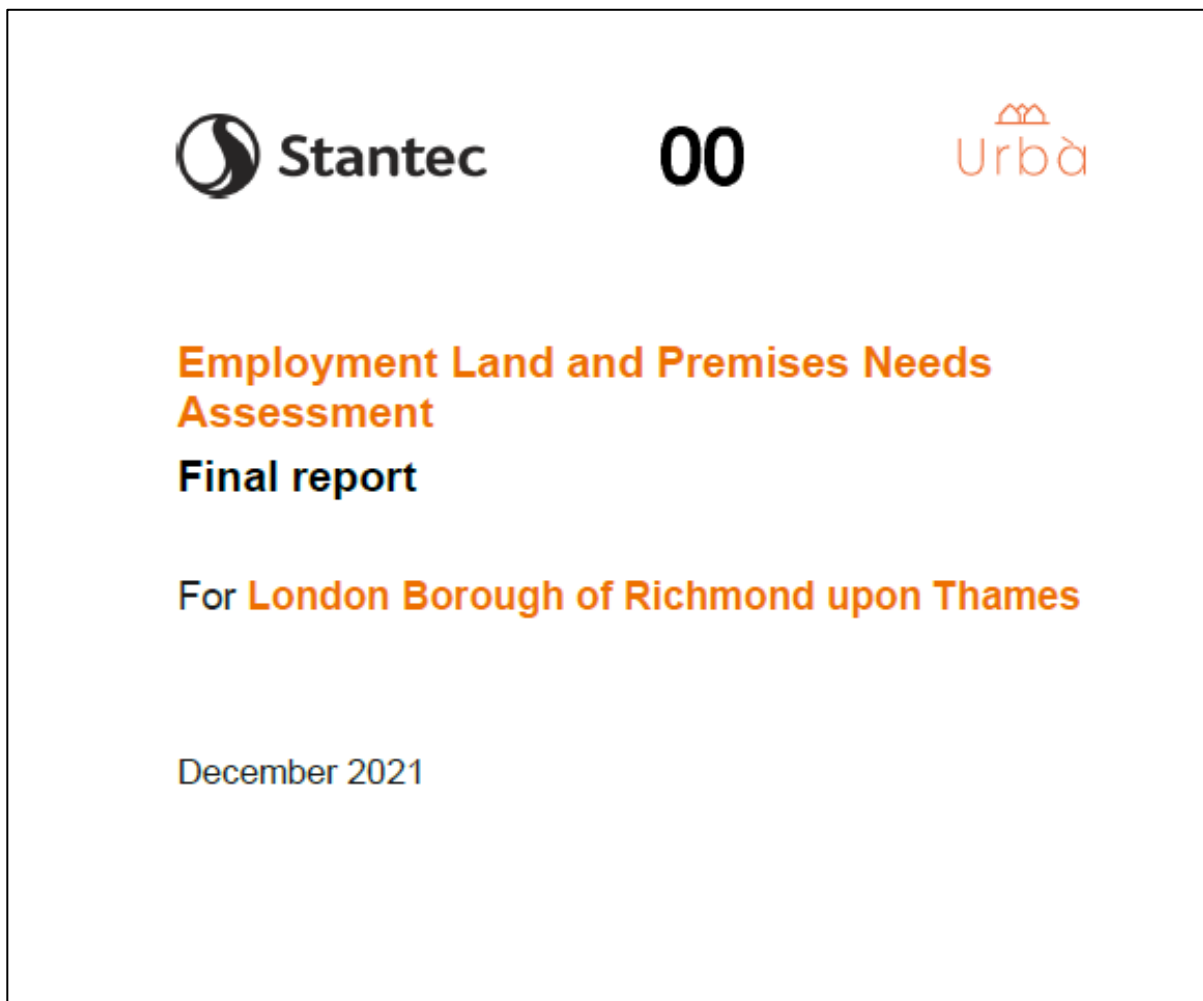
Figure 2.10 Charnwood Employment Land Study (2018), prepared by Peter Brett Associates



- 6.15 How much space is needed for 'market choice, churn and friction' is a matter of judgement. In our experience estimates vary between 5%-10%. For this study we have assumed vacancy should be in the middle of this range (7.5%). Reflecting the fact that vacancy rates are lower than 7.5%, and agents concerns that the HEDNA estimate of past take-up may be too low we propose a small adjustment to the demand estimate.

Available here: <https://www.chnwood.gov.uk/pages/employmentlandreview>

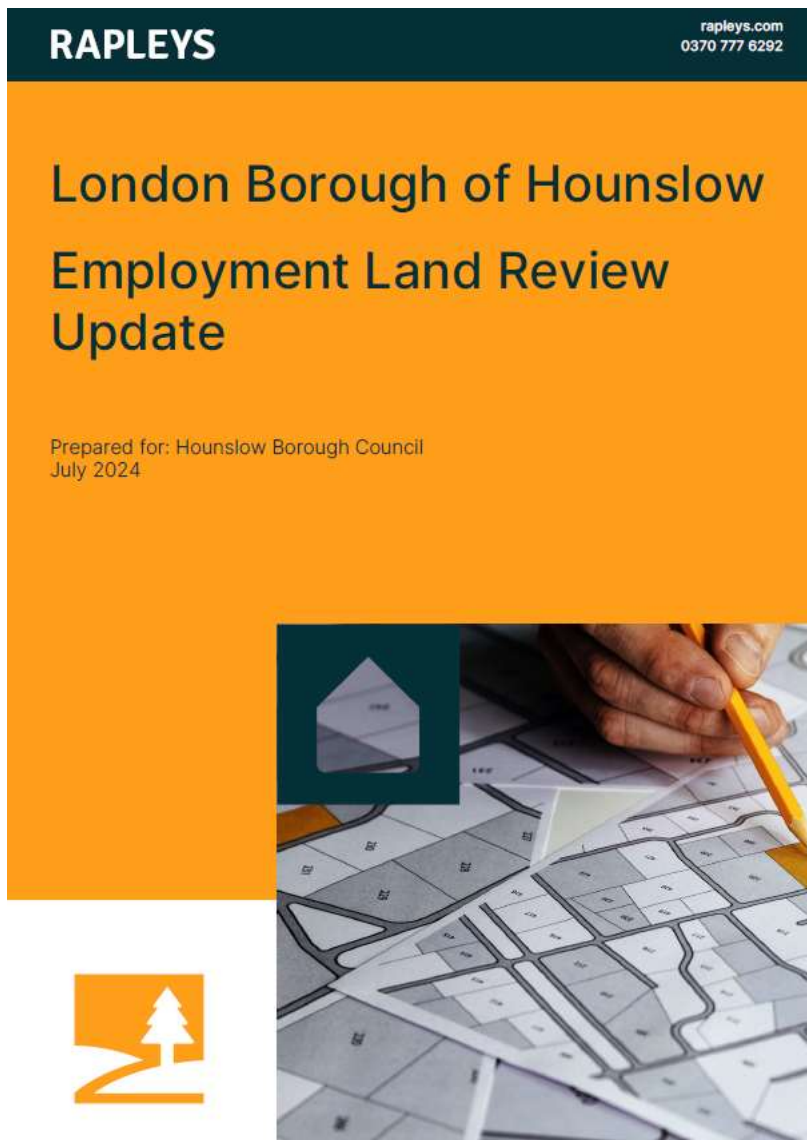
Figure 2.11 - London Borough of Richmond upon Thames – Employment Land and Premises Needs Assessment (2021) – prepared by Stantec



- 1.4 At the other end of the employment land spectrum there is positive industrial demand. Importantly in the current context there is almost no new space for logistics firms. The decline of traditional high street retail is well underway and may never fully recover – this decline is moving goods from the high street into logistics space for delivery to the end consumer. Here there is no supply of logistics space to accommodate this switch. The Borough is increasingly reliant on industrial and logistics space outside the Borough to service its population.

Available here: https://www.richmond.gov.uk/employment_research

Figure 2.12 – London Borough of Hounslow – Employment Land Review Update (2024) – prepared by Rapleys

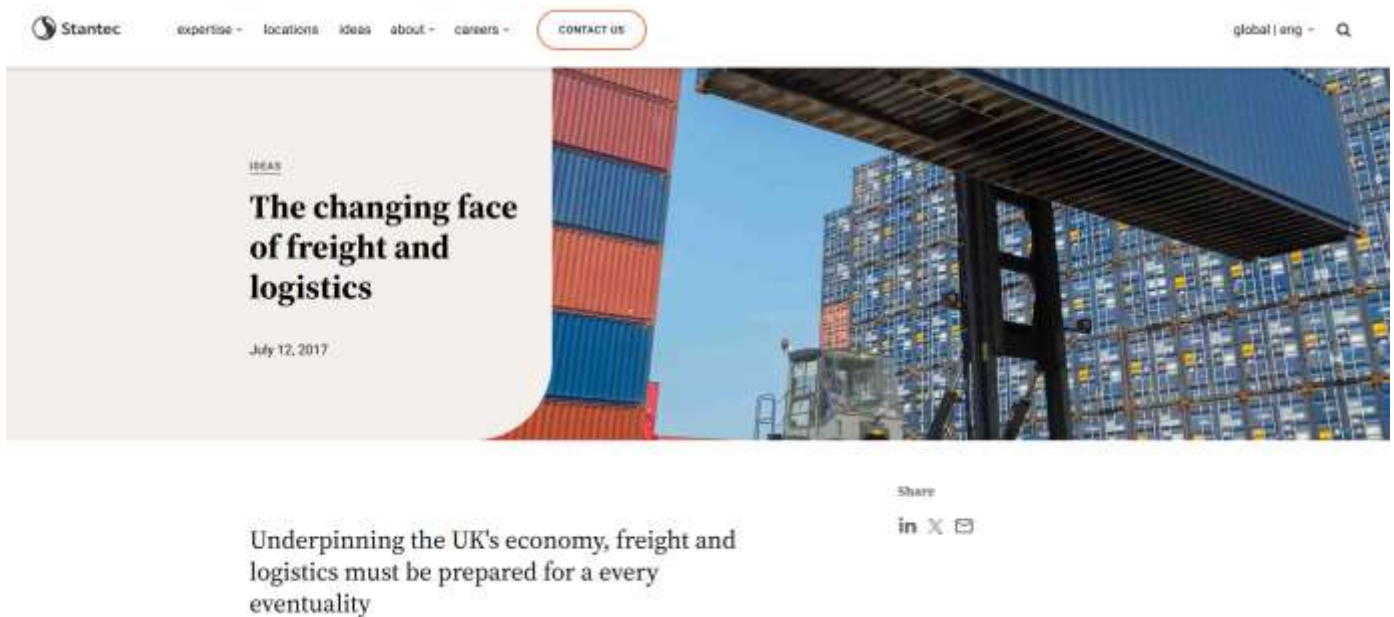


Demand conclusions

- 5.27 The latest economic forecast shows much stronger job change compared to that presented in the 2020 ELR – 186 jobs pa compared to 109 pa. The positive job growth is driven largely by logistics/distribution activities undertaken in warehouses.
- 5.28 The logistics growth is generated by:
- Major upturn in e-tailing demand particularly for last mile delivery – associated with the needs of a growing population.

Available here: https://www.hounslow.gov.uk/info/20167/local_plan/2541/evidence_base

Figure 2.13 The changing face of freight and logistics (2017) – Stantec



A range of factors are influencing supply chains and driving the trends that have been seen over the past five to ten years. The challenges facing the industry look set to increase in particular in urban logistics. Through a combination of market intelligence and consultation with stakeholders, the points below are an attempt to summarise the vast array of factors shaping the industry:

- Rising demand: increasing population and quality of life
- Customer demand: pushing service levels up—next day delivery, same day delivery, one-hour delivery, and returns
- E-commerce: increasing demand, greater breadth of products and commodities, showrooms not shops

Available here: <https://www.stantec.com/uk/ideas/the-changing-face-of-freight-and-logistics>

Figure 2.14 Eastern Area Planning Committee – minutes of meeting held on Wednesday 8 May 2024

EASTERN AREA PLANNING COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY, 8 MAY 2024

Councillors Present: Richard Somner (Vice-Chair, in the Chair), Jeremy Cottam, Paul Kander, Geoff Mayes, Justin Pemberton, Vicky Poole, Clive Taylor and Joanne Stewart (Substitute) (In place of Ross Mackinnon)

Also Present: Simon Till (Development Control Team Leader), Sharon Armour (Legal Services Manager), Gareth Dowding (Principal Engineer (Traffic and Road Safety)), Gemma Kirk (Senior Planning Officer), Lydia Mather (Principal Planning Officer), Gordon Oliver (Principal Policy Officer (Scrutiny and Democratic Services)) and Thomas Radbourne (Apprentice Democratic Services Officer)

Apologies for inability to attend the meeting: Councillor Alan Macro and Councillor Ross Mackinnon

PART I

1. Minutes

The Minutes of the meeting held on 6 March 2024 were approved as a true and correct record and signed by the Chairman subject to the inclusion of the following amendment:

- Correction of typographical error 'Lanford' to 'Langford'.

2. Declarations of Interest

There were no declarations of interest received.

3. Schedule of Planning Applications

(1) Application No. and Parish: 23/02965/FULMAJ, Midgham

1. The Committee considered a report (Agenda Item 4(1)) concerning Planning Application 23/02965/FULMAJ in respect of a proposed Logistics Hub comprising a three-storey block of approximately 7,800 square metres Gross Internal Area (GIA) accommodating offices, laboratories and associated ancillary uses; a yard; a garage and storage building; a single storey gatehouse; and associated internal access roads, car and cycle parking, landscaping, lighting, drainage and boundary treatments at land east of Goddards Way, Thatcham.
2. Ms Gemma Kirk (Senior Planning Officer) introduced the report to Members, which took account of all the relevant policy considerations and other material planning considerations. In conclusion the report detailed that the proposal was acceptable in planning terms and officers recommended that the Development Manager be authorised to grant planning permission subject to the conditions outlined in the main and update reports.
3. Mr Gareth Dowding confirmed that he had no further comments in relation to Highways matters.
4. In accordance with the Council's Constitution, Mr Anthony Fenn, Parish Council representative, Mr Simon Pike, adjacent Town Council representative, Ms Tracey

- If the application was approved, construction would be expected to start towards the end of 2024 and would take 18–24 month to complete.

Available here: <https://decisionmaking.westberks.gov.uk/ieListDocuments.aspx?CId=154&MId=7453>

Figure 2.15 UK Property Forums article – Police logistics hub approval set to prevent warehouse scheme



The site was a last-ditch opportunity for the police.

A manager from the estates team told the meeting: "We've been doing this (search) for four years and we had largely given up when this site came onto the market. It was just very much the last site search we were doing.

Available here: <https://ukpropertyforums.com/police-logistics-hub-approval-set-to-prevent-warehouse-scheme/>

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