

Intermodal Logistics Park North Ltd

INTERMODAL LOGISTICS PARK NORTH (ILPN)

Intermodal Logistics Park North (ILPN) Strategic Rail Freight Interchange (SRFI)

Project reference TR510001

Strategic Rail Freight Interchange (SRFI) Needs Assessment

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◆ EXECUTIVE SUMMARY

This report has been prepared on behalf of Intermodal Logistics Park North Ltd for the development of a Strategic Rail Freight Interchange (SRFI) and supporting infrastructure, incorporating up to 745,000 sqm of rail-served logistics floorspace (i.e., the 'Proposed Development'). It objectively assesses the need for the Proposed Development and evidences the following key findings:

- **Strong National Policy Support:** There is clear national policy support for the delivery of SRFIs and rail-served logistics facilities, with a particular emphasis on initiatives aimed at expanding rail freight, driven by environmental objectives.
- **Critical Role of Rail Freight:** Rail freight plays a vital role within the UK's logistics ecosystem. There is broad consensus that the most efficient solution for long-haul and high-volume freight movements is a combination of rail and road as part of an intermodal approach. The delivery of additional SRFIs will significantly improve access to the rail network, crucial for supporting the movement of freight, while optimising use of the existing National Rail Freight Network.
- **Infrastructure Gap in the North West:** Despite supporting the second-largest regional Industrial and Logistics (I&L) market with significant volumes of freight originating and terminating within the region, the North West remains significantly underserved by rail freight infrastructure.
- **Need for Investment:** Without new SRFI capacity, the North West risks being constrained in its ability to accommodate future growth in intermodal freight and respond to evolving market requirements. There is therefore a clear need for further SRFI capacity, and large scale rail-served logistics floorspace which is critical to its functioning. **At the moment the North West does not have any available mega large warehousing units over 69,700 sqm (750,000 sq.ft) which are also rail-served.**
- **Market Evidence of Supply Constraints:** This conclusion is supported by our comprehensive market assessment, which indicates that the large-scale and mega large I&L market segments, which by their nature encompasses rail-served logistics facilities, are highly supply-constrained. Indicators include low availability, net absorption consistently exceeding historic delivery rates, and sustained rental growth. These dynamics are mirrored across both the local authorities that the Proposed Development has a presence in, and the wider Property Market Area (PMA).
- **Quantified Need:** Based on an objective analysis of demand and supply, the Applicant's team estimates a need of approximately 831,120 to 1,032,790 sqm of rail-served logistics space within the PMA over the next 20 years.
- **Residual Shortfall Despite Proposed Development:** Even with the Proposed Development, which would deliver approximately 745,000 sqm of rail-served logistics space (including mezzanine space), **a residual shortfall of 86,100 and 287,800 sqm would remain.**
- **Evidence-Based Need:** This analysis provides robust quantitative evidence of the substantial need for additional rail-served logistics floorspace within the PMA - a need that the Proposed

Development would make a significant contribution toward meeting. Critically, the Proposed Development includes the delivery of three 'mega-large' I&L units (over 69,700 sqm / 750,000 sq.ft). **These units will not only offer scale but will also benefit from being rail-served, an offer which is not available anywhere else in the region.**

Section 1 ◆ Introduction

REPORT AUTHORS

- 1.1 This report has been jointly prepared by Mark Powney (Savills Economics) and David Baker (Baker Rose).
- 1.2 Mark Powney leads the Savills Economics London team and its national market assessment service. He brings over 25 years' experience in viability modelling and commercial market assessments. He is highly experienced in analysing market conditions, evidencing need, and quantifying the economic impact of industrial and logistics (I&L) developments. Mark has a proven track record of advising on major projects across the UK, ranging from strategic employment land promotions and regeneration-led schemes, to nationally significant infrastructure projects requiring Development Consent Orders (DCOs). He is also a member of the British Property Federation's Industrial Committee and was the lead author of a number of I&L-related publications such as 'Levelling Up – The Logic of Logistics'¹ and the annual 'Big Things in Small Boxes'² publications.
- 1.3 David Baker is a Fellow of the Royal Institution of Chartered Surveyors and a Fellow of the Chartered Institute of Logistics & Transport, as well as mediator member of the Chartered Institute of Arbitrators. He specialises in the complex issues around property, transport, investment and development. He has advised on the Needs Case for schemes such as the original Daventry International Rail Freight Terminal (DIRFT) and for the development of the port of London Gateway, with its associated intermodal rail and logistics park. He also advised, in conjunction with Mark Powney, on the Needs Case for the Hinckley National Rail Freight Interchange, which was accepted by both the Examining Authority and the Secretary of State. He primarily acts for major developers, institutions and occupiers.

REPORT PURPOSE

- 1.4 This report has been prepared on behalf of Intermodal Logistics Park North Ltd (referred to as the 'Applicant' from hereon in).
- 1.5 The Applicant is promoting proposals for a Strategic Rail Freight Interchange (SRFI) and associated rail-served logistics floorspace (the Proposed Development), on land to the east of Newton-le-Willows, in the Boroughs of St Helens and Wigan. The proposals also include land for highway and other mitigations within Warrington Borough. Further details in respect of the potential highway mitigation can be found in Appendix 7.2 of the PEIR published as part of the statutory consultation material - Highways Option Mitigation Report.
- 1.6 Under the Planning Act 2008, the proposals qualify as a Nationally Significant Infrastructure Project (NSIP). Accordingly, an application for a Development Consent Order (DCO) is to be

¹ Available here: <https://bpf.org.uk/our-work/research-and-briefings/levelling-up-the-logic-of-logistics/>

² Available here: <https://www.potterspace.co.uk/big-things-small-boxes>

made to the Planning Inspectorate (PINS), which will examine the DCO application on behalf of the Secretary of State (SoS) for Transport.

- 1.7 This report, in support of the Proposed Development, provides an evidence-based and objective assessment of the need for an SRFI and associated rail-served logistics floorspace at the DCO Site.

DEFINITIONS

- 1.8 The following definitions have been adopted throughout this report.

Industrial & Logistics (I&L)

- 1.9 The I&L industry and market comprises two predominant land uses: industrial and logistics. Industrial refers to those uses which take place in B2 (general industrial) and E(g)(iii) (light industrial) planning land uses, comprised of largely manufacturing and industrial processes. Logistics refers to those uses which take place in B8 (storage or distribution) planning land uses, comprised of the storage and distribution of goods.
- 1.10 The I&L industry is increasingly seen as a continuum or a spectrum as opposed to a strict binary distinction. For example, a single occupier might use a site for light assembly (B2), storage (B8), and office/R&D (E(g)). Planning authorities often grant flexible consents to reflect this. We explain this further in the reader note below.

Strategic I&L Units

- 1.11 Within the I&L market, strategic units are broadly recognised as comprising more than 9,300 sqm (100,000 sqft) of gross internal area (GIA). Owing to their substantial size, they have the capacity to store and distribute significant volumes of goods across extensive geographic areas. This definition is widely recognised across the industry and is supported by numerous strategic employment land assessments, including:
- GL Hearn, MDS Transmodal, and Icen Projects (2021). *Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change*;
 - Icen Projects (2022). *Warehousing and Logistics in the South East Midlands*; and
 - Icen Projects, Mace Ltd, Knight Frank and MDS Transmodal (2024). *West Midlands Strategic Employment Sites Study*.

Strategic Rail Freight Interchange (SRFI)

- 1.12 Strategic rail freight interchanges (SRFIs) are distribution centres that seek to optimise the use of rail freight journeys by connecting to both the rail and strategic road network. The Government supports the creation of a series of SRFIs across the UK, to reduce lorry movements from roads and transfer them onto the rail network, reducing both road traffic congestion and carbon emissions.
- 1.13 According to paragraph 2.15 of the Government's National Policy Statement for National

Networks 20243 ('the 2024 NPSNN'):

'The aim of a strategic rail freight interchange (SRFI) is to optimise the use of rail in the freight journey by maximising the long-haul primary trunk journey by rail and minimising some elements of the secondary distribution (final delivery) leg by road, through co-location of other distribution and freight activities. SRFIs need to be supported at both ends by connections to rail infrastructure and logistics terminals'.

1.14 Furthermore paragraph 3.85 of the 2024 NPSNN states:

'The logistics industry provides warehousing and distribution networks for UK manufacturers, importers and retailers - currently this is predominantly a road-based industry. As freight and logistics operators seek to reduce their carbon emissions, they are increasingly looking to modal shift to rail for the middle journey of goods, for example, ports to warehouses and warehouses to distribution centres. This requires the logistics industry to develop new facilities that need to be located alongside the major rail routes, close to major trunk roads as well as near to the conurbations that consume the goods'.

1.15 The requirement for SRFIs, where possible, is to be able to service trains of up to 775m in length, with minimal shunting movements, ideally with access to the rail network from either direction, with a minimum capability to serve 4 trains per day (NPSNN 2024 paragraph 4.89).

1.16 Further details of the policy context and strategic rationale for SRFIs are provided in **Section 2 and 3** of this report.

Rail Terminal, Railport, Reception Sidings and Western Chord

1.17 For the purpose of the DCO Application, the **Rail Terminal** describes all the rail elements of the scheme.

1.18 The **Railport** is the operational element of the Rail Terminal comprising sidings adjoining a container yard used for storing containers and shifting them between transport modes, to and from road and rail. The Railport definition includes all dedicated offices, security and operational provisions and associated car and HGV parking.

1.19 The **Receptions Sidings** allow trains to arrive and depart from both directions onto the Chat Moss line, directly for routes connecting Liverpool to the west and connecting east to the TransPennine route to the East Coast Main Line.

1.20 Connections to the South and the deep-sea ports of Felixstowe, London Gateway and Southampton are via the Chat Moss Line and the Earlestown and Winnick Junction to the West Coast Main Line.

1.21 Connections to the north and Scotland are via the Newtown-le-Willows and Golborne

³ National Policy Statement for National Networks (2024). Available here: <https://assets.publishing.service.gov.uk/media/65e9c5ac62ff48001a87b373/national-networks-national-policy-statement-web.pdf>

Junctions.

- 1.22 Trains to and from the south and east will go into the reception sidings connected directly to the Railport. Trains from the north and east will need to use the **Western Rail Chord** to arrive and depart and will be shunted through the main reception sidings to and from the Railport.

Rail Connected, Served and Accessible Buildings

- 1.23 The following definitions relate to the logistics (B8 use) floorspace and specific buildings proposed as part of the Proposed Development. For clarity, the same definitions have been used for the relationship between the railway and individual buildings as set out in the Examining Authorities' reports for the West Midlands Rail Freight Interchange⁴, and in the Hinckley National Rail Freight Interchange DCO application⁵.
- **Rail Connected** - A warehouse or other building either with its own dedicated rail siding or which is sufficiently close to the rail terminal to allow containers to be moved from the rail waggons into the warehouse by overhead cranes or reach stackers without the need for them to be loaded onto a HGV or Tug master vehicle.
 - **Rail Served** - A warehouse forming part of the strategic rail freight interchange development, but which would require containers to be moved from or to the rail terminal by means of an HGV or Tugmaster vehicle.
 - **Rail Accessible** - Potential either for a direct rail connection (rail connected) or to be rail-served.
- 1.24 All of the logistics accommodation forming part of the Proposed Development will be capable of being **Rail Served**.
- 1.25 In addition, buildings adjoining the Railport will be capable of being Rail Connected, either with direct rail into or alongside the building; or direct connections to the adjoining Railport yard, using reach stackers or gantry cranes. These would be Rail Accessible, also having the ability to use the HGV's and or Tugmasters to move containers to and from the Railport.
- 1.26 As a result, this assessment demonstrates the need for an SRFI, with buildings which are rail-served and comprising logistics floorspace, at the DCO Site.

SITE CONTEXT AND PROPOSED DEVELOPMENT

- 1.27 The Proposed Development is broadly split over three component parts:
- **The Main Site of the DCO Site** - comprises the delivery of a rail freight terminal and approximately 580,000 sqm of rail-served logistics floorspace, and up to 165,000 sqm of mezzanine space⁶. It is a NSIP, that is linked by both road and rail. The majority of land contained within the Main Site is made up of land to the east of the M6 motorway, to

⁴ Available here: <https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/TR050005>

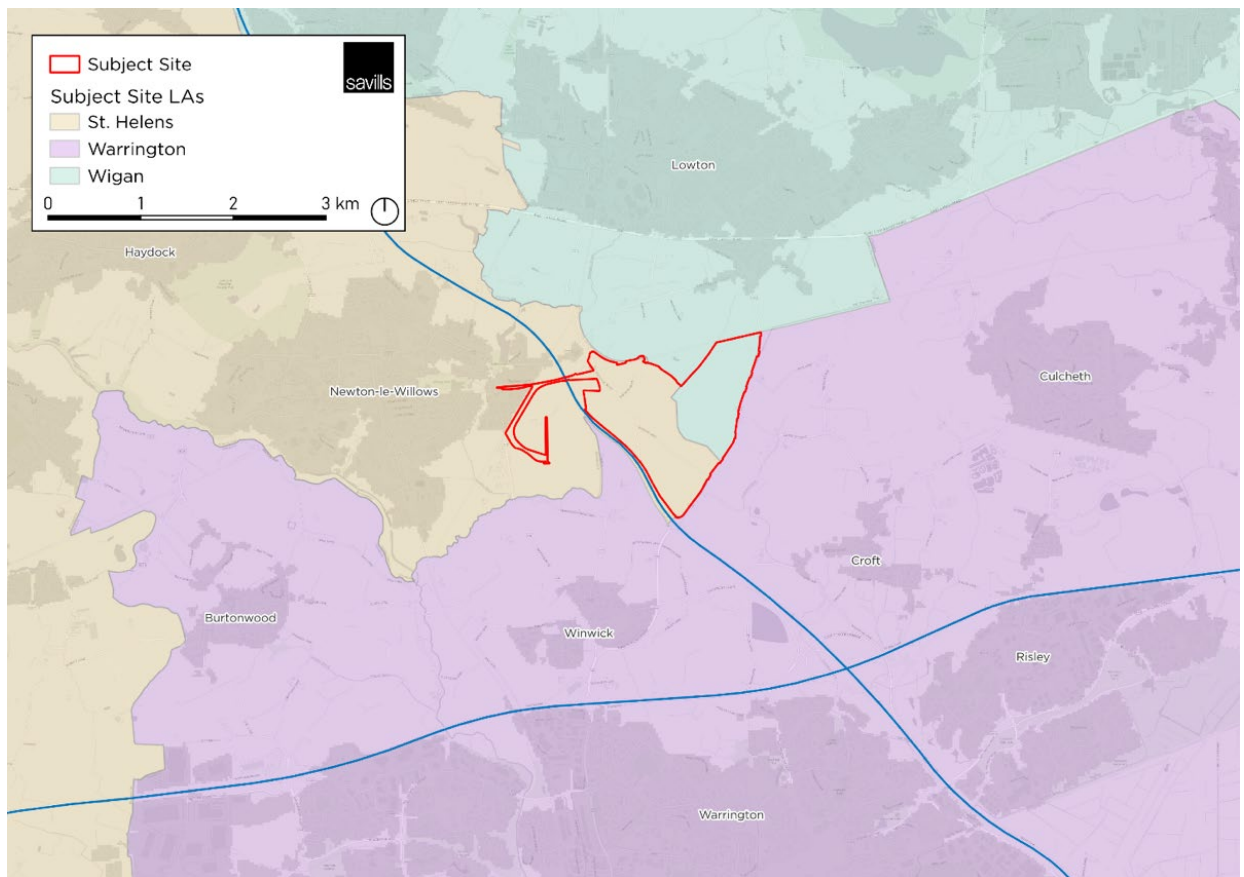
⁵ Available here: <https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/TR050007>

⁶ ILPN Illustrative Masterplan Ref No 7275-095

the south of the Chat Moss Line (Liverpool-Manchester railway line) and to the west of Winwick Lane, covering approximately 145 hectares. It also incorporates the triangular parcel of land located to the west of Parkside Road and to the north of the Chat Moss Line. The Main Site is distributed across the local authorities of St Helens and Wigan.

- **The Western Rail Chord of the DCO Site** – Land to the west of the M6 motorway and to the east of the West Coast Mainline where the rail chord for the SRFI will be located. It covers approximately 8 hectares and is located in the local authority of St Helens.
- **Remote Highway Works** - Land contained within the draft Order Limits that includes the potential options that are being considered to inform a package of potential highway mitigation measures. These are located out of the Main Site and the Western Rail Chord, in the local authorities of St Helens, Wigan and Warrington. .

1.28 **Figure 1.1** illustrates the location of the Proposed Development (DCO Main Site and the Western Rail Chord). It should be noted that the portion of the Proposed Development located in St Helens is a designated employment allocation in the St Helens Local Plan, adopted in 2022. The Plan identifies the site — referred to as the Parkside East allocation (LPA09) — as a 'transformational' employment opportunity which is considered suitable for development of an SRFI. This designation aims to significantly contribute to the economic development of the North West region and beyond.

Figure 1.1 Scheme Location (DCO Main Site and Western Rail Chord)

Source: Savills 2025

- 1.29 The proposals will not seek approval for details of layout or design for the Main Site component of the Proposed Development. The DCO Application will include a parameters plan that sets out designated areas and design criteria for the various components of the SRFI. This parameters plan will be secured through the DCO. The draft illustrative masterplan (illustrated in Figure 3.2 of the Preliminary Environmental Information Report (PEIR)) indicates how the Main Site component of the Proposed Development could come forward in accordance with the development parameters. It currently illustrates an opportunity to deliver units ranging in size from 6,048 sqm to 120,095 sqm. The application seeks to achieve the required heights of up to 30 metres for some of these units. Ultimately the scheme will respond to the requirements of future occupiers and the constraints and features of the site, in accordance with the Parameters Plan.

- 1.30 The full description of the Proposed Development is set out in detail in Chapter 3 of the PEIR and summarised in the Planning Statement. It is therefore not repeated in detail here.

REPORT STRUCTURE

- 1.31 The remainder of the report is structured as follows:

- **Section 2 – SRFI Policy Context** - demonstrates the support for an SRFI and rail-served logistics facilities at the Main Site from a national policy perspective.
- **Section 3 – National Need for a Network of SRFIs** - identifies the commercial and logistical pressures to use more intermodal rail freight services and establishes the importance of a national network of SRFIs.
- **Section 4 - The North West Context** - sets the foundation for understanding the commercial and logistical opportunity for expanding intermodal rail freight in the North West region.
- **Section 5 – Operational Requirements** - identifies the commercial and operational requirements of rail-served logistics buildings, with a particular focus on the importance of building height in meeting modern logistics needs.
- **Section 6 – Review of Councils Employment Evidence** - provides a high-level review of the employment evidence for the three local authorities which the Proposed Development is located within. Specifically, this section reviews each council’s approach to estimating future industrial and logistics (I&L⁷) land demand, which by its nature includes rail-served logistics floorspace.
- **Section 7 – I&L Market Assessment** - Objectively assesses overall I&L market demand and supply signals within the St Helens, Wigan and Warrington local authority boundaries (collectively referred to as the ‘Proposed Development LAs’ from hereon in), as well as the wider Property Market Area (PMA) the Proposed Development is located within. The aim of this analysis is to gauge the relevant market strength for overall I&L development within these geographies, which by its nature includes rail-served logistics development.
- **Section 8 – Quantify Rail-served Logistics Floorspace Need** - objectively quantifies the need for overall I&L land in the PMA, before apportioning this need to rail-served logistics facilities specifically. This demonstrates a clear need for the Proposed Development.
- **Section 9 – Conclusions** – summarises the main findings of the report.

⁷ Please see Reader Note.

1.32 In addition, this report is supported by the following appendices:

- **Appendix A** – provides a detailed review of the employment evidence first presented in **Section 6**;
- **Appendix B** – details Savills’ full methodology for estimating future overall I&L land demand in the PMA and the Proposed Development LAs specifically. These demand estimates are then apportioned to rail-served logistics floorspace in **Section 8**;
- **Appendix C** - presents Savills’ review of I&L supply in the PMA, and the Proposed Development LAs specifically. The quantum of rail-served future supply is identified in **Section 8**; and
- **Appendix D** – presents the key trends driving the I&L sector at the national level via a 3-page infographic.

READER NOTE

- 1.33 The Proposed Development is for an SRFI, which incorporates B8 (i.e., logistics) premises only. The B8 premises at the Proposed Development will all be **rail-served**. B8 logistics uses are part of the wider industrial and logistics (I&L) sector. The I&L sector also includes light industrial and manufacturing uses which fall under the E and B2 planning use classes respectively and together form the ‘industrial’ component of the I&L market.
- 1.34 Throughout this report we use the term logistics to describe the primary uses at the Proposed Development, referring to the B8 uses that will primarily take place within its premises. Logistics uses primarily include businesses involved in the storage and distribution of goods and operate from warehouse premises.
- 1.35 However, most planning applications for B8 uses also include B2 and E class uses as part of flexible planning permissions, as the type of built floorspace is often very similar, using large steel framed clad structures of varying heights. As such, we also need to consider the wider I&L sector as a whole when considering demand and supply side dynamics (**Section 7 and Section 8**).
- 1.36 Linked to this is the fact, that many I&L companies include storage and distribution operations alongside R&D, office type functions, and manufacturing. These form part of the dynamic logistic services required to create and support resilient supply chains.
- 1.37 This effectively means that industrial and logistics uses share the same types of premises, consented land, and buildings. Therefore, we use the term 'logistics' to refer specifically to the Proposed Development and its logistics-only uses, while 'I&L' is used when discussing the broader sector, of which logistics is the largest and most integral component.

Section 2 ◆ SRFI Policy Context

- 2.1 This section outlines national policy support for SRFIs and rail-served logistics facilities, with a particular emphasis on initiatives aimed at expanding rail freight, driven by environmental objectives.

NATIONAL POLICY TO GROW RAIL FREIGHT

- 2.2 There is a well-established national policy to grow rail freight in the UK as confirmed and set out in the government's extensive report the Future of Freight: A long-term plan, published in June 2022⁸.
- 2.3 The Plan notes on page 50 that the Strategic Freight Unit within Great British Railways will have a duty to promote rail freight and help drive growth. The Great British Railways Transition Team (GBRTT) made a call for evidence on designing and delivering rail freight growth target options for the rail network in July 2022. The conclusions of this were published in December 2023 in the document 'Developing Options for a Rail Freight Growth Target to 2050'. It consequently went on to inform the previous Government's decisions and set a rail freight growth target of a 75% increase in net tonnes moved by 2050⁹.
- 2.4 That target is predicated on the selected option 2a/2b from the evidence pack, with the major investment being in new SRFIs. The evidence pack denotes the following in regard to this:
- 'Option 2a and 2b both assume a relatively modest amount of additional public sector capital expenditure on rail network enhancements beyond those cited as committed. The assumed public sector spending in options 2A and 2B is higher than option 1 as tactical capacity and capability schemes are assumed to be delivered to complement the private sector activity. It is assumed however that the additional services on the key main lines is primarily accommodated within existing freight paths or opportunities.*
- The assumed private sector spend is higher than option one and most of it refers to the development of new SRFIs and complementary intermodal rail freight interchanges. It is assumed that the coverage of rail-served warehousing expands considerably'.*
- 2.5 The current Government continues to support this rail freight growth target policy, both as part of economic growth and in order to move to Net Zero by 2050. In an exchange in the UK House of Lords on 14th July 2025¹⁰, Lord Harper, who served as Secretary of State for Transport from 2022 to 2024 and was awarded life peerage in the Prime Minister's Resignation Honours in April 2025, questioned:

'I am grateful that the Minister confirmed the 75% increase in rail freight—the target that I

⁸ The Future of Freight: a long-term plan. Department for Transport June 2022

⁹ Rail Freight Growth Target. Secretary of State for Transport Dec 2023

¹⁰ Rail Freight. House of Lords Debate 14th July 2025. Hansard Volume 847

set in December 2023. I listened carefully to his Answer, in which he talked about the Secretary of State setting a target for GBR. Can I confirm that he is intending that Great British Railways will have that 75% rail freight increase—or more—target and will not set a lower one?’

2.6 To this, Lord Hendy of Richmond Hill, the Minister of State for Rail since July 2024, replied:

‘.... I confirm that the 75% will remain. There is no intention of setting a lower target. Of course, it has to be achieved over time, which he will know all about since he had a hand in the previous target’.

2.7 Concurrently, Network Rail is continuing to develop and promote its Strategic Freight Network of core trunk routes and diversionary routes to expand connectivity and provide improvements to the rail gauge. The rail gauge refers to the maximum height and width of a train to enable it able to pass through all the stations, tunnels and under bridges without hitting these structures. Each route is constrained by the lowest, narrowest structure. Network Rail has an ongoing programme of works to enhance the gauge along its routes.

2.8 The ideal loading rail gauge for intermodal trains is either W10 or W12¹¹. W12 is marginally wider to allow European refrigerated traffic to use the network, and both provide the capacity to use even the tallest high cube (9’ 6”) ISO containers used internationally. The Main Site is accessible at both gauges as illustrated in Figure 2.1. It should be noted, while the West Coast Main Line is shown as W10 in Figure 2.1, with careful timetabling, trains at W12 can be run north of Bletchley by avoiding some gauge compromising station platforms.

¹¹ These are UK rail freight loading gauge standards.

Figure 2.1 Network Rail's Strategic Freight Routes

Source: Network Rail

- 2.9 The NPSNN 2024 further recognises the need to grow rail freight and SRFI capability, noting at paragraph 2.15 that:

‘For many freight movements, rail is unable to undertake a full end-to-end journey for the goods concerned. The aim of a strategic rail freight interchange (SRFI) is to optimise the use of rail in the freight journey by maximising the long-haul primary trunk journey by rail and minimising some elements of the secondary distribution (final delivery) leg by road, through co-location of other distribution and freight activities. SRFIs need to be supported at both ends by connections to rail infrastructure and logistics terminals. SRFIs are also typically associated with intermodal traffic. A fully effective network of SRFIs, supported by smaller-scale rail freight interchanges, will help to enable the sector to reach its full potential’.

CLIMATE CHANGE POLICY AND RAIL FREIGHT

- 2.10 The detail of Climate Change Policy is dealt with in Chapter 17 and is not repeated here. This subsection relates specifically to the impact of freight movements on climate change, and the resulting rationale for the Government’s policy to shift more freight onto rail.

- 2.11 In the ‘Future of Freight: A long-term plan’ (2022) report, paragraph 4.1 identifies that:

‘Transport is the largest contributor to UK domestic greenhouse (GHG) emissions, producing 99 MtCO₂e of carbon in 2020. The transition to zero emission technology is already well underway, particularly in our towns and cities. Increasingly sustainable forms of freight transport, including small commercial vehicles and e-cargo bikes, are already delivering goods and services sustainably. Zero-emission HGVs are currently available to purchase, with more and more coming to market, and our railway system already offers a greener means of transporting goods that will further decarbonise in future’¹².

- 2.12 This plan recognised the environmental benefit of rail freight over HGV’s citing on page 55:

‘Rail freight trains currently emit around ¼ of the CO₂e emissions of HGVs per tonne mile travelled.’

- 2.13 On page 59, the plan sets out the following three core aims for encouraging and supporting the shift to rail freight:

1. Cross Modal:

- *‘Support and encourage modal shift of freight from road to more environmentally sustainable alternatives such as rail, cargo bike and inland waterways.’*

2. Road Freight:

- *‘Support and encourage modal shift of freight from road to rail, cargo bike and inland waterways’; and*

¹² The Future of Freight: a long-term plan. Department for Transport June 2022

- *‘Take forward measures to transform last mile deliveries.’*

3. Rail Freight

- *‘A net zero railway network by 2050, with sustained carbon reductions in rail along the way’;*
- *‘Ambition to remove all diesel-only trains from the network by 2040’;*
- *‘Introduce a rail freight growth target - this should not become a ceiling’;*
- *‘Incentivise the early take up of low carbon traction for rail freight’; and*
- *‘Build extra capacity on our rail network to meet growing freight demand and support significant shifts from road and air to rail.’*

- 2.14 As discussed earlier, the current Government has adopted the freight growth target to encourage a minimum increase of 75% net tonnes moved by 2050. It recognises the environmental benefits of road over rail and has continued to financially support the rail freight industry with Modal Shift Revenue Support (MSRS) grants.
- 2.15 The MSRS grant is designed to enable rail freight operators to compete with road haulage pricing, recognising that the marginal costs of the two transport modes are not equivalent. HGV transport has a lower cost of entry (involving vehicles and VED) compared to rail (involving traction, wagons, track access charges and rail terminal handling costs).
- 2.16 The policy to decarbonise rail is actively being researched by academics and industry in collaboration with government organisations, including:
- The Department of Transport (DfT), and the non-ministerial department of the Office of Road and Rail, as the regulator;
 - Rail UK Research & Innovation (UKRI) sponsored by the Department for Science, Innovation and Technology (DSIT);
 - Department for Energy Security and Net Zero (DESNZ); and
 - Membership organisations such as Railway Safety and Standards Board (RSSB) and the Rail Freight Group (RfG).
- 2.17 The rail freight sector is privately owned and operators as such have sought to compete with road on operational performance and environmental credentials, recognising that for intermodal rail freight, the ability to offer lower carbon logistics solutions, reliably and cost effectively, is critical to a growing number of major businesses seeking long term sustainable transport solutions.
- 2.18 The RSSB has been developing research, understanding, and models to assist the industry with the Sustainable Rail Blueprint as an industry-wide framework, with the Rail Sustainable

Development Principles defining what sustainable development means to the rail industry¹³.

- 2.19 This identifies that all rail customers have two basic preconditions to use rail, being accessibility and safety, with freight users' requirements centring around cost and connectivity, speed, distance and flexibility. This is identified via the following extracts:

'For Freight services, the location and connectivity of distribution centres and ports is critical. The closer a hub is to the ultimate customer and the fewer the interfaces, the better. Addressing these issues will help to remove barriers to travel by rail encouraging all sectors of the freight transport freight transporters to see rail as a potential part of their journey.'(page 9)

'However, people travel from door to door and freight from producer to customer. By its nature rail can deliver only part of these journeys. An integrated transport system, linking modes and enabling each to use its strength to deliver the most sustainable journey, is key to achieving modal shift and bringing economic benefits.'(page 10)

'We can also make a significant contribution to reducing the carbon footprint of travel and logistics in Great Britain by encouraging a shift of passengers and freight from more carbon intense modes and accommodating increased demand for rail.'(page 13)

- 2.20 This identifies the fundamental principles embodied in the NSPNN of creating SRFI's in locations that will serve their markets. SRFIs should optimise the integration of associated logistics facilities, enabling rapid delivery and late cut-off times by being located in close proximity to, or adjoining, a rail terminal.
- 2.21 They should provide access to the surrounding market. Distributing and collecting goods within a radius of approximately 20 miles of ILPN, not only covers the whole of the Liverpool City Region and the Greater Manchester Combined Authority as far east as Trafford Park, it also optimises the use of electric HGV's and number of drops that can be undertaken in a day. This intermodal combination with long distance haulage by rail provides the most efficient, least carbon intense solution for a high volume movement of products and goods into and out of the North West.
- 2.22 The rail freight train operating companies (FOCs) have also been working with traction designers to develop engineering solutions to resolve the fact that the rail network in the UK is not fully electrified. Whilst further electrification schemes are a recognised priority, the industry is pushing to achieve the lowest carbon impact possible.
- 2.23 In October 2023, RSSB published the outcome of a project to develop a bespoke model to calculate the energy requirements for existing freight services that has provided valuable insight into the understanding of tractive effort and energy requirements for future freight locomotive needs.

'The results indicate significant industry benefits in terms of energy demand and carbon reduction by transitioning to longer trains with greater axle loads. Significant carbon

¹³ Rail Sustainable Development Principles – RSSB May 2016

reductions are also achievable through a transition to electric freight¹⁴.

- 2.24 The industry has become a significant user of Hydrogenated Vegetable Oil (HVO) in legacy diesel engines. Some FOCs are changing engines at key locations to use electric trains for the sections with power provided by Overhead Line Equipment (OLE). The latest development is the bi-modal Class 99 locomotive, developed by GB Railfreight with Stadler and Beacon Rail which is a hybrid able to run on electric power or HVO. This first trains are due to come into service in 2025.

CONCLUSION

STRATEGIC SUPPORT

- 2.25 This section has summarised the strong national policy support, alongside research undertaken by a range of stakeholders, for expanding rail freight across the country. The evidence highlights a clear strategic commitment to shifting freight from road to rail, recognising its environmental, economic, and logistical benefits.
- 2.26 The NNNPS and the Government's Rail Freight Growth Policy, clearly supports the need for the Proposed Development at a strategic level.
- 2.27 This is set out in detail in the Applicant's Planning Statement.

EMERGING BENEFITS

- 2.28 The combination of research insights, emerging technologies, and innovative engineering solutions is transforming rail freight logistics. What was already a greener alternative to road transport is now evolving into a vital component of the national strategy to achieve significant and sustainable reductions in carbon emissions. Advances in intermodal handling and technological advancements are further enhancing the efficiency and environmental performance of rail freight. We explore this further in **Section 5**.

LOCATIONAL IMPORTANCE

- 2.29 However, for rail freight to operate most effectively, SRFIs must be located in markets they can serve efficiently and competitively. These facilities must provide seamless intermodal transfer to and from end customers - whether for exports, imports, or inter-regional movement of goods, components, and finished products. Strategically located SRFIs not only maximise the environmental and economic benefits of rail freight but also support the broader integration of sustainable logistics into regional and national supply chains. This is vital for a sustainable regional economy. We consider this further in the following section.

¹⁴ Bespoke freight model confirms viability of low-carbon locomotives – Project T1229 -Oct 2023

Section 3 ◆ The National Need for a Network of SRFIs

- 3.1 This section sets out the principles of the UK's logistics ecosystem. It identifies the commercial¹⁵ and logistical pressures to use more intermodal rail freight services and establishes the importance of a national network of SRFIs.

THE LOGISTICS PRINCIPLES

- 3.2 Intermodal rail freight involves the movement of goods, materials, products and parts in standard ISO shipping containers or European standard containers and swap bodies, also known as unitised freight. The purpose is to be able to readily move these standard sized boxes on and off and between different modes of transport; between ship and rail; and rail and road.
- 3.3 Logistics is the life blood of the economy and now recognised as critical infrastructure of national importance, having been brought into sharp focus during the Covid 19 pandemic. **Appendix D** examines the key trends underpinning the sector in more detail.
- 3.4 Virtually everything we receive and use in our daily lives and workplaces must be moved, processed, assembled or manufactured at some point, as part of often complex national and international supply chains.
- 3.5 The last mile delivery of food and products to individual homes and stores is clearly most suited to road vehicles. The much more consolidated flows of parts and products from manufacturers and producers going to distribution centres, are suitable for delivery by rail, providing suitable infrastructure is in place, in suitable locations. Increasingly consolidated flows between national and regional distribution centres as well as to local delivery hubs, can be suitable for rail.
- 3.6 A simple definition of a suitable location in logistics terms is one that maximises operational efficiencies and minimises unnecessary costs to the overall supply chain. Logistics is essentially driven by the mathematics of time, volume and distance – each with their own cost. Into this matrix is now added the urgent need to reduce the environmental impact of supply chains, not least in terms of CO2 emissions and the drive to achieve Net Zero (**Section 2**).

¹⁵ The ISO standard for deep-sea shipping containers are 20 ft and 40 ft long and 8'6", 9' and 9'6" high. A TEU is a Twenty-foot Equivalent Unit and is a measurement used to calculate capacity and throughput. A 40' container is 2 TEU. These are all top lifted. European Containers are also available at 45' long, increasing their volume, but only suitable for short-sea shipping where they are not normally stacked. A swap body is a lighter constructed container, including soft sided units, which must be lifted from their base only and normally cannot be stacked (or stacked high).

THE UK'S & NORTH WEST'S LOGISTICS ECOSYSTEM

- 3.7 The UK is fundamentally dependent on its seaports for the flow of all goods into and out of the country, with a small volume of high value products going via airports; and the potential to have some come via the Channel Tunnel.
- 3.8 The logistics network for the UK has developed an ecosystem of warehousing and distribution centres that hold, sort, and sometimes part assemble products for onward transportation to end users, or manufacturers. Until relatively recently this was predicated on a system of delivering 'just in time', with reliable and predictable supply chains minimising the need to hold stock 'just in case'.
- 3.9 The move to more internet-based purchases and direct delivery, accelerated during the Covid-19 pandemic, had already caused, and continues to cause a considerable growth in demand for warehousing, distribution hubs, and associated growth in freight vehicle movements. We consider this structural growth driver further in **Section 6**.
- 3.10 Current changes in logistics are also being driven by geopolitical uncertainty, national operational shortages of equipment and people, and an increased demand for regionalised stock holding for distribution direct to end consumers.
- 3.11 The growing demand for logistics space is driven by the need to enhance supply chain resilience, with stock strategically held in key locations to enable 'just in time' deliveries to manufacturers, and on-demand fulfilment for end consumers. The requirement for regional 'just in case' warehousing has increased significantly, reflecting both the rise of next-day and same-day delivery for online shopping and the tendency of manufacturers and distributors to hold a broader range of stock locally. This approach helps protect core business operations and reduces the risk of disruption from external factors.
- 3.12 The Midlands is the central hub for the UK's distribution activity, often referred to as the Golden Triangle, primarily because it is located within a 4-hour road trip to serve most of the UK's consumer and production centres. It consequently attracts a large number of national distribution centres (NDCs), in addition to the regional distribution centres (RDCs) required to serve the country.
- 3.13 Despite this, the West Midlands and East Midlands are smaller individual markets than the North West in terms of import value. In July 2025 imports into the West Midlands were valued at £59.5 billion (6.7% of the UK total), and those into the East Midlands at £44 billion (4.9%), compared with £71.2 billion (8%) for the North West¹⁶.
- 3.14 Similarly, in terms of manufacturing and export value, the North West is the largest region outside London and the South East, with £68.5 billion (8.1% of total), compared with £52.9 billion (6.2%) in the West Midlands and £36.2 billion (4.3%) in the East Midlands. This highlights the North West's critical role in handling and distributing imports and exports, acting as a key gateway into and out of the country. It is supported by key infrastructure such as the Port of Liverpool, which is discussed in more detail in **Section 4**. These figures

¹⁶Department for Business & Trade - UK Trade in Numbers – updated 18th July 2025

underscore the strategic importance of logistics activity to the region.

- 3.15 The geography of the UK means that, aside from the freight handled directly through the Port of Liverpool, the North West's exports and imports must be transported across the country. This will put the region at a competitive disadvantage, particularly for exporters, if they cannot access viable efficient and cost-effective transportation to and from a range of ports. It is also crucial that the capacity and efficiency of short and long-haul transport network is maintained sufficiently to support the region's overall economy.
- 3.16 The efficiency and capacity of the region's transport networks - roads, rail, and inland logistics - directly influence the speed, reliability, and cost of moving goods in and out of the region's markets. The importance of the North West's manufacturing base and export potential plays a central role in the country's overall economic wellbeing. Supply chains and logistics, acting as both a gateway for international trade and a vital link in domestic freight circulation are critical infrastructure.
- 3.17 50% of the North West's manufacturing is going to the European Union, 18% to North America and 17% to Asia & Oceania market outside London, the South East and the Midlands. As at May 2025 the North West's manufacturing order book was double that of the UK average, at 18% up on the previous year.

*'Bolstering this optimistic view for the future of the region is its average investment intentions balance figure, which has topped the charts out of all UK regions and nations contained in Regional Outlook. The year's investment intentions balance figure reported at +28%, representing a keen confidence in capital expenditure from the manufacturers within the North West to invest over the coming year'*¹⁷

- 3.18 Most UK imports and exports by volume come through the UK's ports. The UK's ports handled 425.9 million tonnes in the year March 2024-2025¹⁸. The air freight industry moves less than 1% of this by tonnage, but is 30% by trade value¹⁹.
- 3.19 Around 50% of trade is with the European Union and comes via a combination of flows through the Dover Straits and a growing proportion through eastern and northern ports, particularly Tilbury and Teesport, both expanding; and with Immingham being developed for container handling. This approach has been driven in part by the pressure on driver accompanied freight, with fewer EU nationals willing to deal with post Brexit border delays. This has enabled major manufacturers to consider unitising freight to enable it to be moved by rail both within the EU and the UK. This is part of the changing short-sea shipping market.
- 3.20 Trade with the rest of the world is primarily by deep-sea routes with parts, products and completed goods (except cars) primarily transported in containers. This is referred to as deep sea shipping. This market is driven by economies of scale, with increasingly large container ships making no more than a single stop at the UK, on a global circuit. These ships will serve a number of Northern European ports on route and as such will only call at the largest deep

¹⁷Regional Manufacturing Outlook 2025 – North West – Make UK July 2025

¹⁸ Department of Transport - Port freight quarterly statistics: Jan 2025 to March 2025 – rolling annual summary published 5th June 2025

¹⁹ Logistics UK – Air freight in the UK – web page Sept 2025.

sea container ports in the south of England, at Southampton, London Gateway and Felixstowe.

- 3.21 Transshipment from European ports and some direct dedicated services are able to access the North West via the expanded Port of Liverpool, which was specifically developed to take post Panamax sized ships.
- 3.22 The geography of the UK means that other than for volumes through the Port of Liverpool, the North West's vital exports and imports have to be moved across the country, either to the east coast ports, such as Teesport and Immingham, or southern ports such as London Gateway, Felixstowe, Southampton and Tilbury.

THE UK'S ROAD AND RAIL LOGISTICS TRANSPORT MARKET

- 3.23 The UK's road and rail freight industry had a combined current annual turnover of £40.7bn (£39.3bn²⁰ road, £1.4bn²¹ rail) and is critical to all aspects of UK life. From the movement of raw materials through manufacturing supply chains of parts and equipment and on to end consumers in the UK and via the ports, international; connections.
- 3.24 In terms of tonnes moved the rail freight sector comprises 8% of the UK freight transport market, with water at 12% and road at 81%²². It therefore has the potential to increase market share in accordance with Government policy outlined above in **Section 2**.
- 3.25 The road freight sector continues to grow, primarily driven by the move to more internet shopping and associated delivery patterns, including local hubs and last mile delivery solutions. It has though suffered from a number of pressures. There remains a driver shortage, which whilst eased through Government intervention is still a systemic problem. This relates to both the shortage of continental European drivers willing to work in the UK due to border delays and easier jobs across Europe; as well as a combination of retirement and a younger cohort less willing to drive long distances and be away from family and local ties.
- 3.26 There is a move to alternative fuels but the dynamics of electric HGV's is that they are comparatively expensive (at c. 3 times the cost of a diesel HGV) and challenging for long-haul work, due to their charge times and cost of charging on a commercial network outside of haulier's own contracts and bases.
- 3.27 The heavy haul of materials has long been established as a primary market for rail, but with the collapse of the use of coal this sector has diminished, apart from the growing demand for the movement of biomass into power stations. The intermodal sector, moving unitised freight in containers and swap bodies that can be loaded onto road trailers and rail wagons has grown significantly and is the most significantly expanding sector of the rail freight market.
- 3.28 The optimal solution for long haul and high-intensity moves is to use rail with road as an intermodal solution. This works particularly well for ports, where it is simpler and more

²⁰IBIS World H49.410 Road Freight Transport in the UK industry report– March 2025

²¹ IBIS World H49.200 Rail Freight Transport in the UK industry report – November 2024

²²Department for Transport – Transport Statistics Great Britain 2023 – published December 2024

efficient to load a train than multiple HGV trailers. It works well for high volume consistent flows between manufacturing plants.

- 3.29 It works well when linked to a SRFI, where multiple businesses can access and share rail services with more route choice as a result too. Those on site at or very close to an SRFI achieve the best economies by being near the rail terminal. This minimizes the cartage cost and allows for the latest cut off times and early collection, as well as permitting an element of stock holding in containers within the terminal, to add ready flexibility.
- 3.30 There is a growing concern within industry and politically as to the environmental impacts and sustainability of relying on fossil fuels without a resilient approach to using different fuels and modes of transport as part of delivering overall supply chain resilience. Including in this metric is the reliability of timetabled and now generally reliable and predictable rail services, compared with the issues of congestion and emergency road closures that HGV's have to deal with.
- 3.31 It is, however, a practical reality that intermodal rail needs handling equipment in regional locations which can load, unload and store containers. The North West has had these for many years (Trafford Park, Widnes, Garston and Liverpool Port) which of themselves have proven that the North West is one of the most viable locations for rail freight in the UK, with a combination of distances and demand.
- 3.32 However, these terminals sit within historic settings and have restricted abilities to handle longer trains or expand (an SRFI should be able to handle up to 775m long trains). They do not have that ability to provide associated logistics buildings of the form and size required for highly efficient supply chains and large volume throughputs, as seen at new SRFI's elsewhere in the UK.
- 3.33 As they cannot readily handle trains of up to 775m length, if at all, this prohibits the better utilisation of the rail network and reduces the viability of new train services. With more intensive utilisation of wagon space coming from an SRFI's ability to consolidate flows from multiple business, the volume throughput of a new SRFI can be significantly higher for the same number of trains and associated train paths. This means that the construction of additional SRFIs (or in the North West's case, any SRFI) will significantly increase the access to rail, critical for imports and exports, whilst utilising the existing rail capacity on the National Rail Freight Network.
- 3.34 The North West region currently has no SRFIs and the North of England only has one, at iPort Doncaster.

Section 4 ◆ The North West Context

INTRODUCTION

- 4.1 This section builds on **Section 3**, providing an overview of the wider Industrial and logistics property market ('I&L market') within the North West. It sets the foundation for understanding the commercial and logistical opportunity for expanding intermodal rail freight in the region.
- 4.2 The quantitative analysis explores the composition of the North West's existing I&L floorspace and the apparent need for new high quality floorspace. This section also identifies key structural challenges in the region's I&L stock, including a high proportion of poor-quality buildings, limited provision of large-scale modern units, and a significant share of stock that will become non-compliant under upcoming Minimum Energy Efficiency Standards (MEES) regulations. These constraints underscore the need for modern, logistics infrastructure.
- 4.3 Finally, this section evaluates the North West's current and future provision of SRFIs, demonstrating a clear under-provision relative to the scale of I&L stock and freight activity in the region.

THE I&L SECTOR IS A KEY DRIVER OF THE NATIONAL ECONOMY

- 4.4 As eluded to in **Section 3**, the I&L sector facilitates nearly all other economic activities. Without this sector, the physical goods cannot be produced, nor transferred from the various freight modes (i.e. road, water, air and increasingly rail) to end customers, whether that be businesses, homes, or essential social infrastructure such as hospitals.
- 4.5 The sector's role as a key facilitator is evidenced by the fact that all eight growth sectors identified in the recent UK Industrial Strategy²³ are underpinned, to a greater or lesser degree, by I&L. This can be, either, directly through providing the physical premises for where these growth sectors will operate within, indirectly via the transport of their physical goods and data, or a combination of both.
- 4.6 Not only is the I&L sector a key facilitator of other sectors of the economy, but it also generates significant economic benefits in its own right. The sector employs at least 4.5 million people in the UK²⁴, and produces £268 billion of Gross Value Added (GVA) annually²⁵. The sector is also the fastest growing commercial sector in the UK and has been for over a decade. Between 2015 Q1 and 2024 Q1, the number of jobs in the logistics sector grew by

²³The UK's Modern Industrial Strategy (2025). Available at: <https://www.gov.uk/government/publications/industrial-strategy>

²⁴ONS (2024), Workforce Jobs by Region and Industry – Jobs in C: Manufacturing, and H: Transportation and Storage for September 2023 - UK

²⁵ Oxford Economics (2024) GVA by Sector for Manufacturing and Transportation and Storage – UK

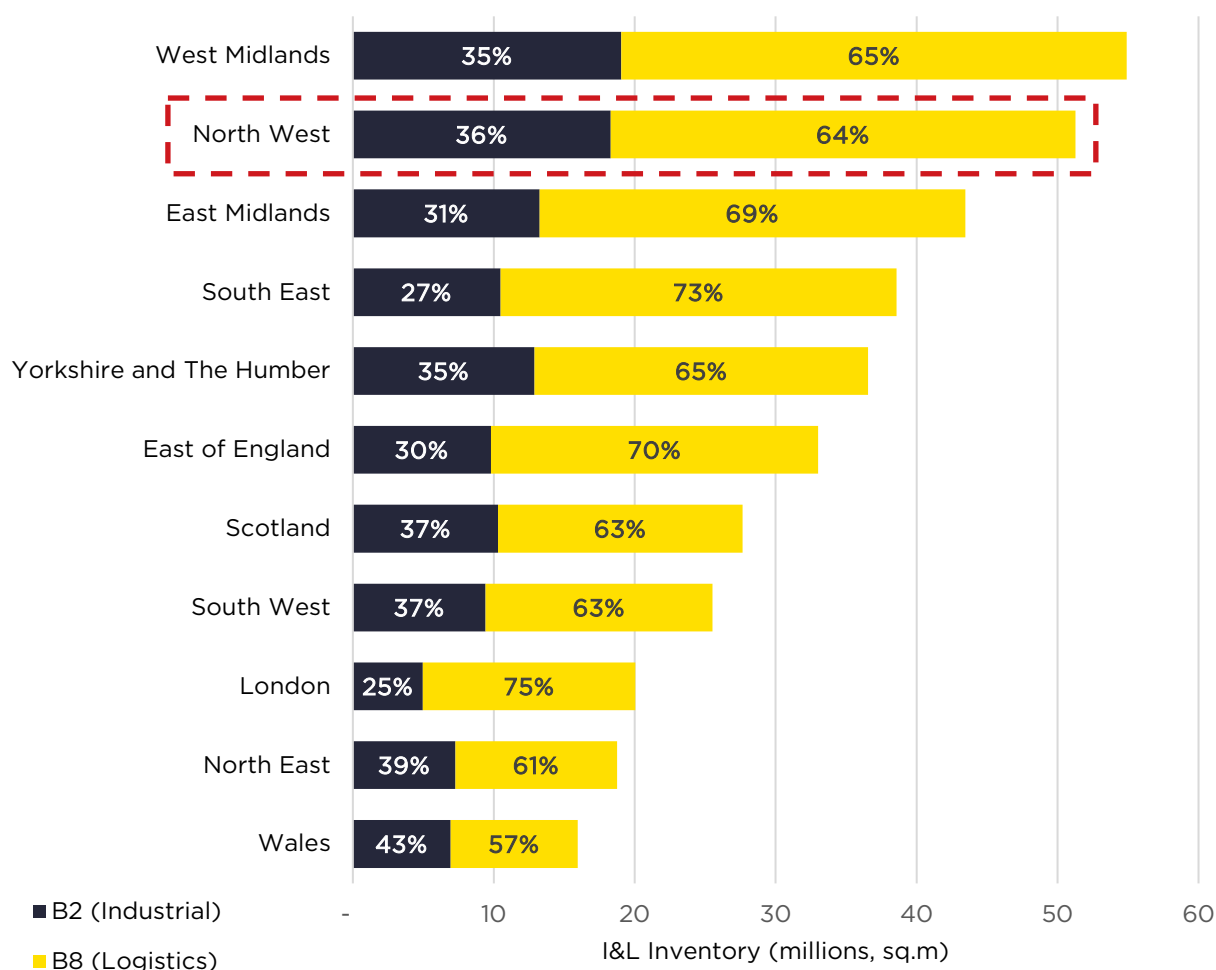
27%, compared to only 10% across the economy as a whole.

- 4.7 Beyond these benefits, logistics jobs median pay is £3,900 greater than the median pay of all jobs in the North West, and there is an increasing occupational diversification of the jobs it generates and provides. Further key trends and benefits of the sector are presented in **Appendix D**.
- 4.8 We now go on to explore the make-up of the I&L sector at a regional level, before considering the interplay it has with strategic rail infrastructure.

THE NORTH WEST IS THE SECOND LARGEST I&L MARKET IN GREAT BRITAIN

- 4.9 The North West has the second largest regional I&L market in Great Britain with approximately 51.3 million sqm of built-out I&L floorspace (Savills analysis of CoStar data²⁶, 2025). This places it just behind the West Midlands, which has approximately 54.9 million sqm, and significantly ahead of the East Midlands, at approximately 43.5 million sqm.
- 4.10 Compared to other major regional I&L markets, the North West also has a larger proportion of I&L units in the B2 use class (industrial and manufacturing), compared to B8 (logistics and storage) uses. In the North West, B2 uses account for 36% of total I&L floorspace, whereas in the West Midlands, East Midlands, Yorkshire and the Humber and East of England this share stands lower. The result is that the North West supports the second largest B8 (logistics and storage) market, at 33.0 million sqm, as well as the second largest B2 (industrial and manufacturing) market, at 18.3 million sqm.
- 4.11 This is shown in **Figure 4.1** below.

²⁶ CoStar is a leading commercial property data and intelligence platform, widely regarded as one of the most comprehensive sources of information on the UK's commercial real estate market. It provides verified, continuously updated data on property transactions, occupier activity, floorspace availability, lease terms, ownership, and market performance across all major sectors.

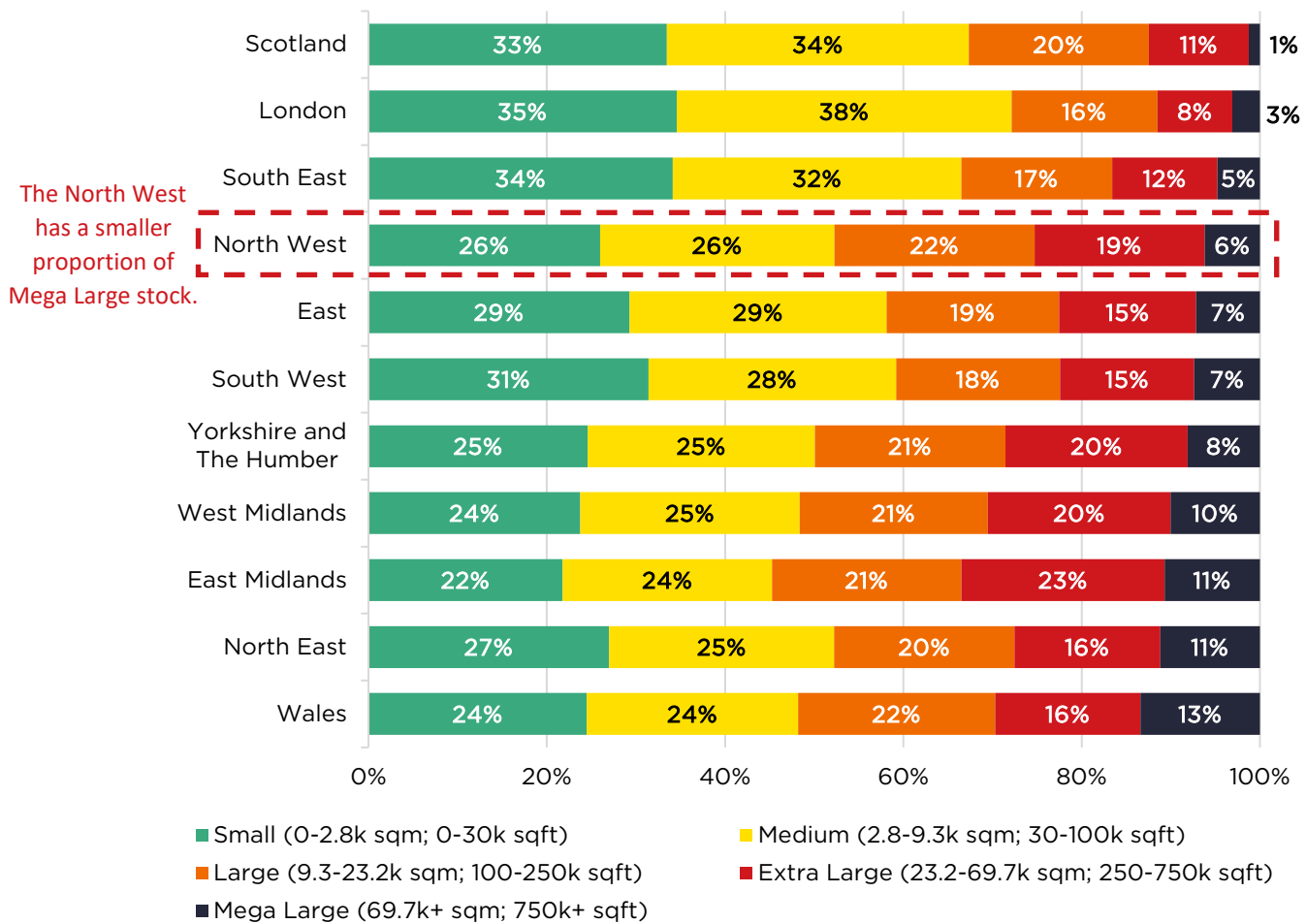
Figure 4.1 Regional I&L Market Size and Stock Split Between B2 and B8

Source: Savills analysis of CoStar data, 2025.

THE NORTH WEST PROPORTIONALLY HAS LESS MEGA LARGE UNITS

4.12 Analysis of the North West's I&L stock by size band shows that the region has the fourth-lowest proportion of floorspace in 'Mega Large' units, defined as those exceeding approximately 69,700 sqm (750,000 sq.ft), representing just 6% of total inventory. Together with 'Extra Large' units, ranging from 23,200 sqm to 69,700 sqm (250,000 sq.ft to 750,000 sq.ft) which account for 19% of the region's I&L stock, these two categories collectively comprise around 12.6 million sqm of floorspace, equivalent to 24.7% of the North West's total I&L stock. This is notably lower than in comparable regions: the West Midlands has 29.3% of its I&L stock in Extra Large and Mega Large units, Yorkshire and the Humber has 28.3%, and the East Midlands 33.5%.

4.13 This analysis is shown in **Figure 4.2** below

Figure 4.2 Regional I&L Stock Size Band Breakdown (sqm)

Source: Savills analysis of CoStar data, 2025.

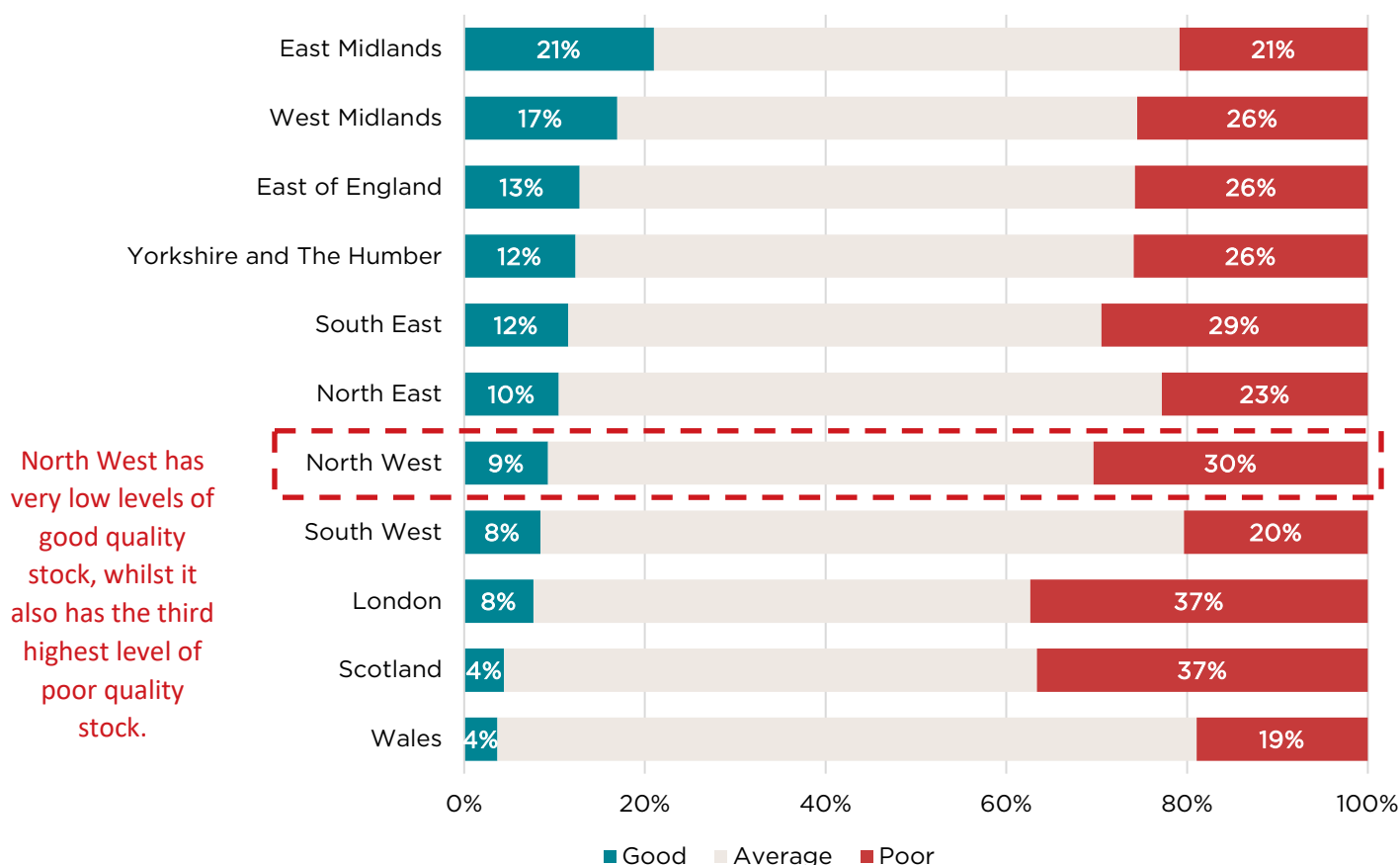
- 4.14 Linked to this the North West Region has no availability of Mega Large units. This is a consistent theme across the entire UK where availability for Mega Large units is just 1.1% relating to just 2 units (both in the East Midlands).
- 4.15 The Proposed Development will be able to deliver three Mega Large units, directly meeting this unmet demand and providing occupiers with the additional space needed to support and expand their operations. **Importantly, these units will not only offer scale but will also benefit from being rail-served, an offer which is not available anywhere else in the region.** Further analysis of the underlying demand and supply dynamics influencing the mega-large market segment is presented in **Section 7**.

THE NORTH WEST LACKS HIGH QUALITY I&L SPACE

- 4.16 CoStar assigns quality ratings to commercial properties in its database using a 1–5 scale, enabling consistent comparison across the national market. These ratings assess key building attributes, including structural features (e.g., loading capacity, **clear heights**, and dock provision), the presence of modern systems, **property location**, site layout, and certifications such as BREEAM.

- 4.17 Under this system, we understand buildings rated 4 or 5 are classified as above average or 'good' quality; a rating of 3 indicates average quality; and ratings of 1 or 2 signify below average or 'poor' quality.
- 4.18 Despite being the second-largest regional I&L market in Great Britain, the North West has one of the poorest quality stock profiles in the country. Of the 11 regions (including Scotland and Wales), the North West ranks seventh for its proportion of good-quality stock, with only 9% of buildings rated as good quality. In contrast, the East Midlands and West Midlands have 21% and 17% of their I&L stock rated as good quality, respectively. Furthermore, the North West has the third-highest proportion of poor-quality stock, with 30% of its buildings rated as poor - surpassed only by London and Scotland, each with 37%.
- 4.19 Given the scale of its market, the North West holds the largest absolute volume of poor-quality I&L stock in the country, with approximately 15.5 million sqm classified as poor quality. In contrast, the West Midlands and East Midlands have the highest absolute volumes of good-quality I&L stock, at 9.3 million sqm and 9.1 million sqm, respectively. Despite having a comparable overall market size, the North West has just 4.8 million sqm of good-quality stock, nearly half the amount found in the East and West Midlands. This comparison is illustrated in **Figure 4.3** below.

Figure 4.3 Regional Quality Breakdown of I&L Stock



Source: Savills analysis of CoStar data, 2025.

- 4.20 The building quality analysis is reinforced when considering the breakdown of EPC rating per

building stock within each region, which demonstrates that the North West falls well behind other regions with this regard. Consequently, the North West will be heavily impacted by the new Minimum Energy Efficiency Standards (MEES) regulations which denotes that:

- From 1st April 2027, a commercial property cannot be let unless it achieves an EPC rating of at least a 'C'; and
- From 2030, a commercial property cannot be let unless it achieves an EPC rating of at least a 'B'.

4.21 As shown in **Figure 4.4** below, 41% of the North West's I&L stock falls below the C rating (i.e. D, E, F, or G). This is the third highest proportion in England, behind only the North East (41%), and the South West (43%). Concurrently, it has only 23% of stock rated at B or above (i.e. A+, A, or B), the second lowest level behind only the North East at 22%.

4.22 The effect of this is that from April 2027, 41% of the region's stock will be un-lettable, the third highest proportion in England. From 2030, 78% of the region's stock will be un-lettable, the second highest level in England. Consequently, significant refurbishment of the existing stock or significant new build stock (which is of high environmental credentials) is vitally needed. The Proposed Development will aid in this by providing high quality rail-served logistics units.

Figure 4.4 Regional EPC Breakdown of I&L Stock

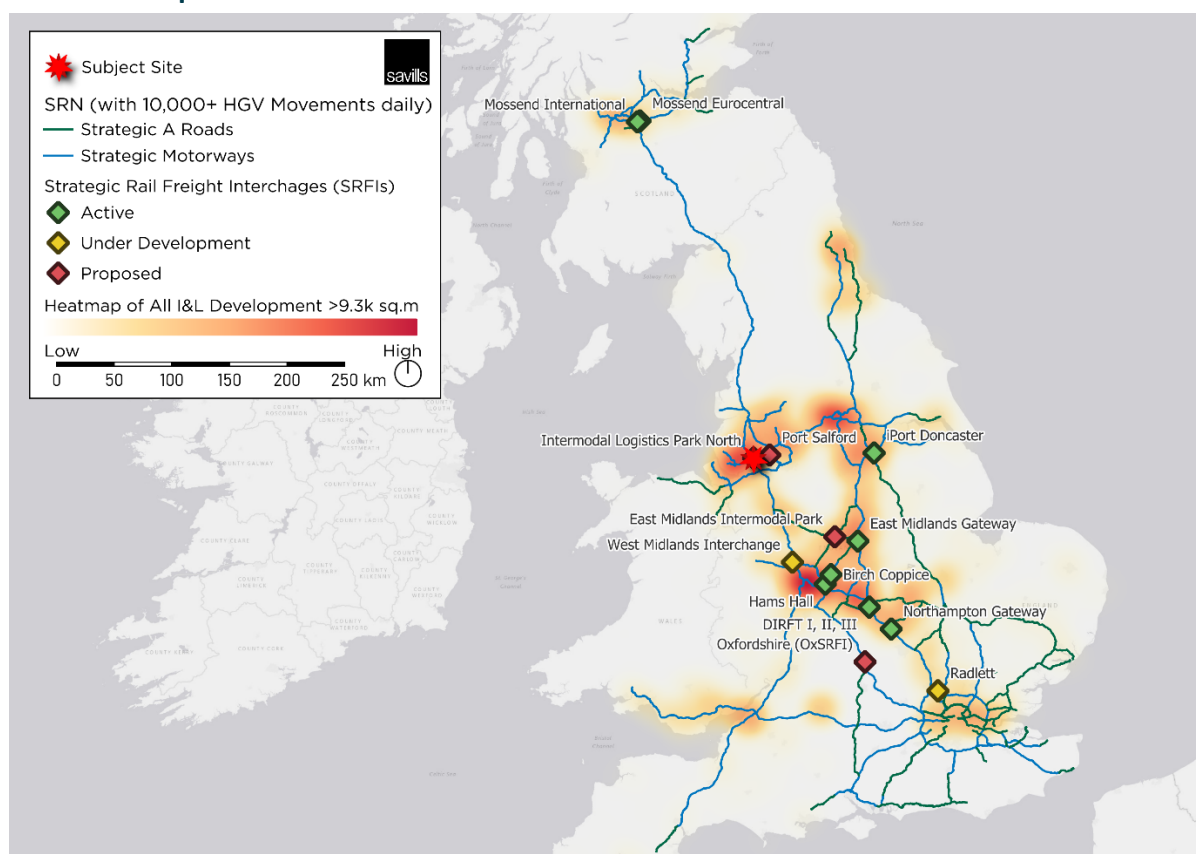


Source: Savills analysis of EPC data, 2025

THE NORTH WEST'S I&L STOCK PER SRFI: A REGION PLAYING CATCH-UP

- 4.23 Having assessed the overall structural dynamics influencing the North West's I&L stock, we now move our attention to its SRFI capability.
- 4.24 **Currently, the North West has no active SRFIs.** However, there are two proposed SRFIs. One with consent, which is Port Salford, and the other being the Proposed Development (i.e., Intermodal Logistics Park North), which is part allocated in the St Helens Local Plan. In total, across the UK, there are 8 active SRFIs (i.e., built-out and operational), 2 under development (i.e., approved and being constructed), and 4 proposed (i.e. in planning or pre-planning). **Figure 4.5** illustrates the locations of the 14 SRFIs (either active, under development, or proposed²⁷) within the UK, alongside the Strategic Road Network (SRN) and all I&L inventory over 9,300 sqm (100,000 sq.ft) (presented as a heat map). Unsurprisingly, given their strategic importance, there is a strong correlation between the I&L inventory hotspots, the SRN and the SRFIs. Indeed, it is estimated that approximately 3% of all I&L inventory over 9,300 sqm in the UK is supported at the 8 active SRFIs, rising to around 5% when taking into account the floorspace that is set to come forward at the proposed or under development SRFIs.

Figure 4.5 Map of SRFI Locations, Strategic Road Network and I&L inventory over 9,300 sqm

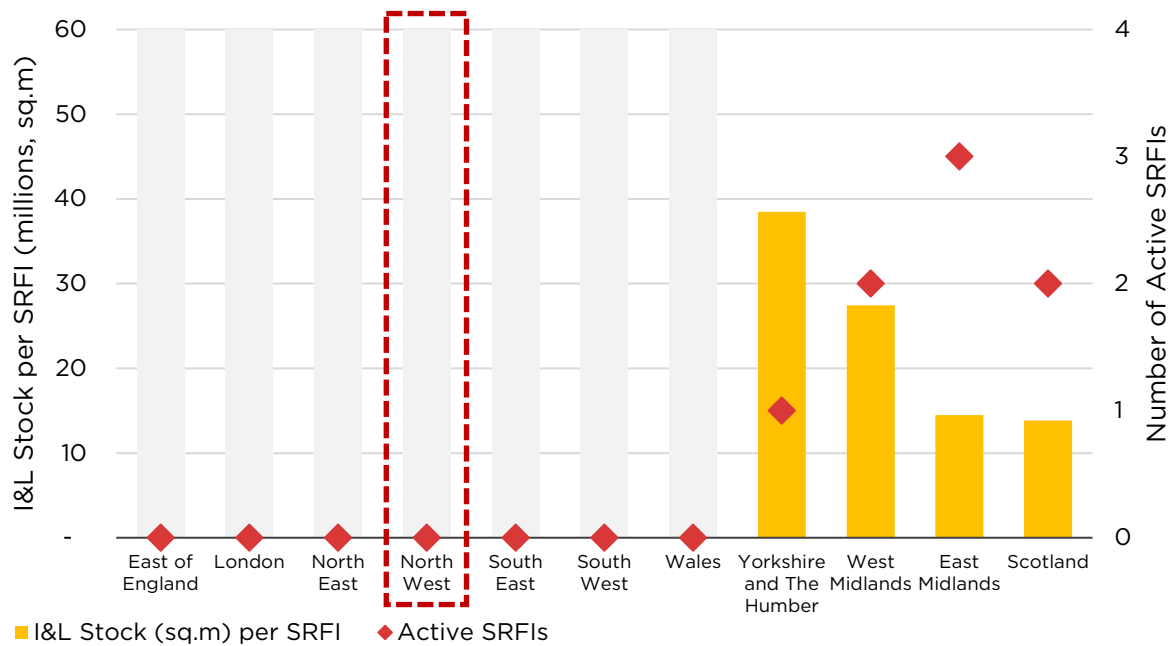


Source: CoStar (2025), Savills (2025)

²⁷ Network Rail Freight Map – intermodal sector. Available here: <https://www.networkrail.co.uk/industry-and-commercial/rail-freight/freight-site-opportunities/>

- 4.25 When considering those regions that do have active SRFIs, the East Midlands²⁸ supports three, whilst the West Midlands²⁹ and Scotland³⁰ each have two, and Yorkshire and the Humber³¹ has one. This results in Scotland ranking top in terms of overall I&L stock per SRFI, where there is 13.8 million sqm of I&L floorspace per active SRFI; the East Midlands sits closely behind this at 14.5 million sqm of I&L floorspace per active SRFI. The Yorkshire and Humber has the weakest ratio with 38.5 million sqm of I&L floorspace per SRFI. The North West is excluded from this analysis, alongside most other regions, due to the lack of active SRFIs. This analysis is shown in **Figure 4.6**. Please note that the yellow bar charts in Figure 4.6 represent the ratio of I&L floorspace to SRFIs, where a smaller bar indicates a more favourable position (i.e. a lower ratio).

Figure 4.6 Regional Quantum of I&L Stock per Active SRFI



Source: Savills analysis of CoStar data, 2025.

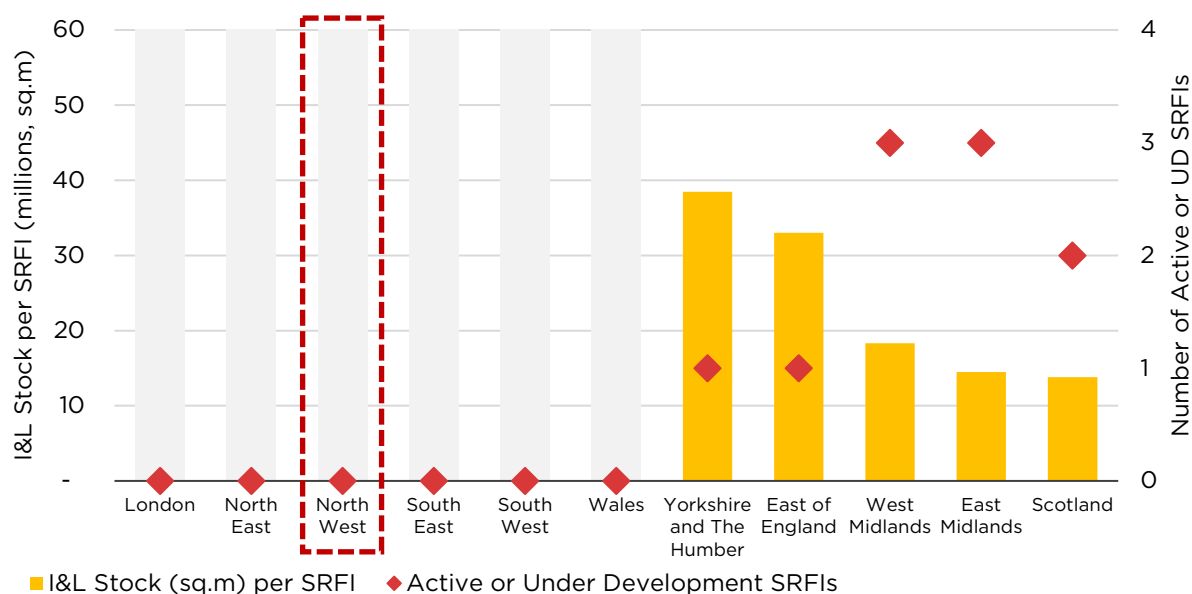
- 4.26 When considering, both, active and under development SRFIs, the picture changes. This analysis considers Radlett (technically in the East of England, but actually within the M25) and West Midlands Interchange (in the West Midlands). The North West is still not considered, whilst the East of England is now placed ahead of Yorkshire and the Humber, and the West Midlands position improves. The East Midlands and West Midlands sit at 14.5 million sqm and 18.3 million sqm of I&L floorspace per SRFI respectively, whilst Scotland continues to rank highest at 13.8 million sqm of floorspace per SRFI. This is shown in **Figure 4.7** below.

²⁸ These are East Midlands Gateway, DIRFT, and Northampton Gateway.

²⁹ These are Hams Hall and Birch Coppice

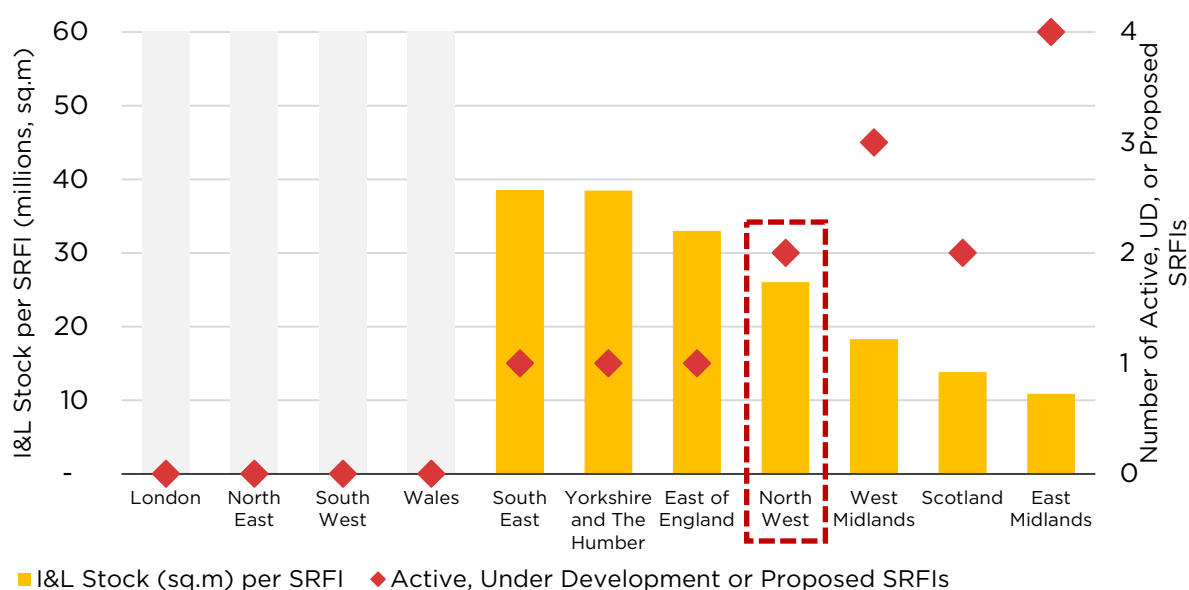
³⁰ These are Mossend International and Mossend Europcentral

³¹ This is iPort Doncaster.

Figure 4.7 Regional Quantum of I&L Stock per Active or Under Development SRFI

Source: Savills analysis of CoStar data, 2025.

- 4.27 Finally, when proposed SRFIs are also considered – alongside those that are currently operational or under development – the regional picture shifts once again. This expanded analysis includes ILP North (i.e. the Proposed Development in the North West), East Midlands Intermodal Park (East Midlands), OxSRFI (South East), and Port Salford (in the North West) which is facing ongoing deliverability challenges. Under this scenario, the North West moves into play, with approximately 26 million sqm of I&L floorspace per SRFI, but still falls behind comparable I&L markets such as the East Midlands and West Midlands. The East Midlands has the strongest ratio at 10.9 million sqm per SRFI, followed by Scotland (13.8 million sqm), the West Midlands (18.3 million sqm). This is illustrated in **Figure 4.8** below.

Figure 4.8 Regional Quantum of I&L Stock per Active, Under Development, or Proposed SRFI

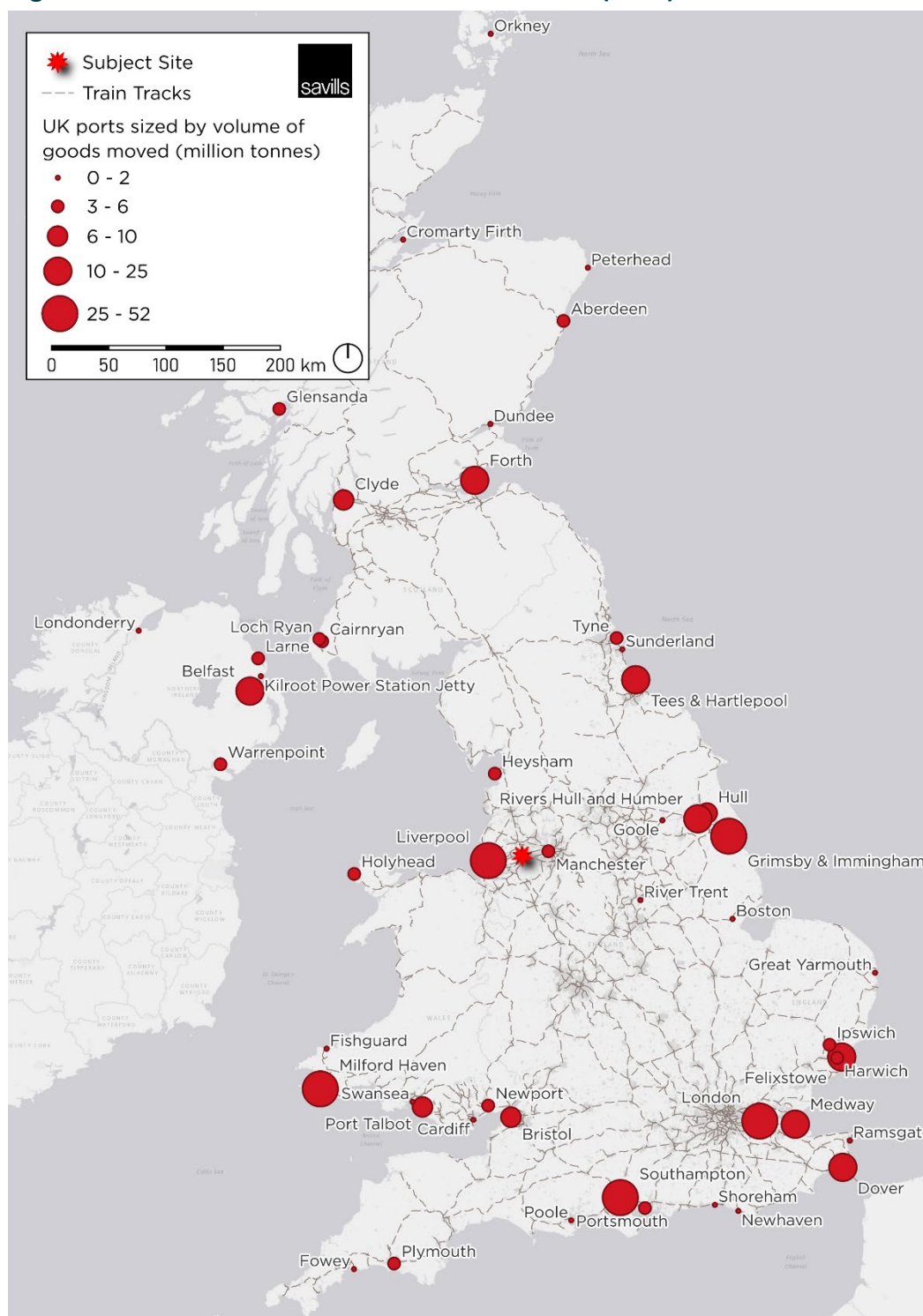
Source: Savills analysis of CoStar data, 2025

THE NORTH WEST IS A MAJOR REGION FOR GOODS MOVEMENTS AND FREIGHT HANDLING

- 4.28 The under-provision of SRFIs relative to I&L stock in the North West contrasts sharply with the substantial volume of freight moving through the region. While **Section 3** examined this in terms of import and export value, we now turn to the actual volume of goods, which provides a more accurate measure of a region's freight handling capacity.
- 4.29 **Figure 4.9** presents data from the Department for Transport's Port Freight Statistics (Maritime Statistics) for the most recent year available (2023). It provides a spatial representation of the volume of goods, measured in tonnage, moving into and out of the UK's major ports.
- 4.30 The data highlights that the Proposed Development is strategically located in close proximity to the Port of Liverpool³². This contains deep sea ports which, as we discuss in **Section 3**, are fundamental to the UK's ability to trade with other countries. Non-EU international trade in particular is heavily reliant on deep sea ports. In 2023, the UK's largest deep-sea ports—Southampton, London Gateway, Felixstowe, and Liverpool—handled up to 133 million tonnes of freight, representing around 31% of the national total. Liverpool Port alone handled the fifth highest volume of freight of any maritime port in the UK, with 28.6 million tonnes (9%) of goods imported and exported, all within close proximity to the Main Site. It is important to note that these figures refer exclusively to maritime freight movements.

³² Refers to a collection of ports at Liverpool comprised of Liverpool, Birkenhead, Bromborough, Seaforth, and Tranmere.

Figure 4.9 UK Ports and Volume of Goods Moved (2023)



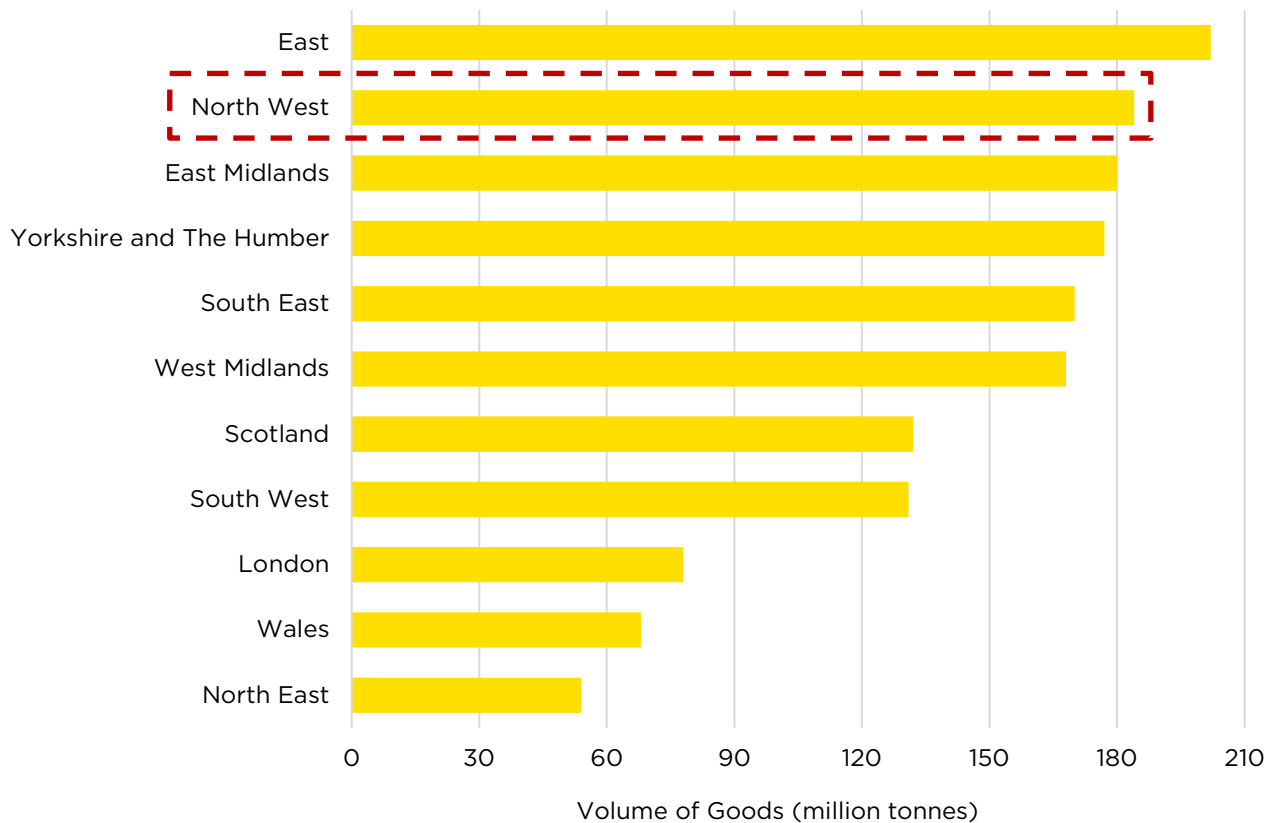
Source: DfT (2024) Maritime Statistics. Port Freight Statistics, Table PORT0101.

- 4.31 When also considering road freight³³, the North West is the second largest region of origin of road freight goods in terms of volume. Approximately 184 million tonnes of road freight goods originate in the North West, ahead of regions such as the East Midlands (180 million tonnes), Yorkshire and the Humber (177 million tonnes), and the West Midlands (168 million tonnes).

³³ DfT (2024) Road Freight Statistics. Domestic road haulage survey, Table RFS0122.

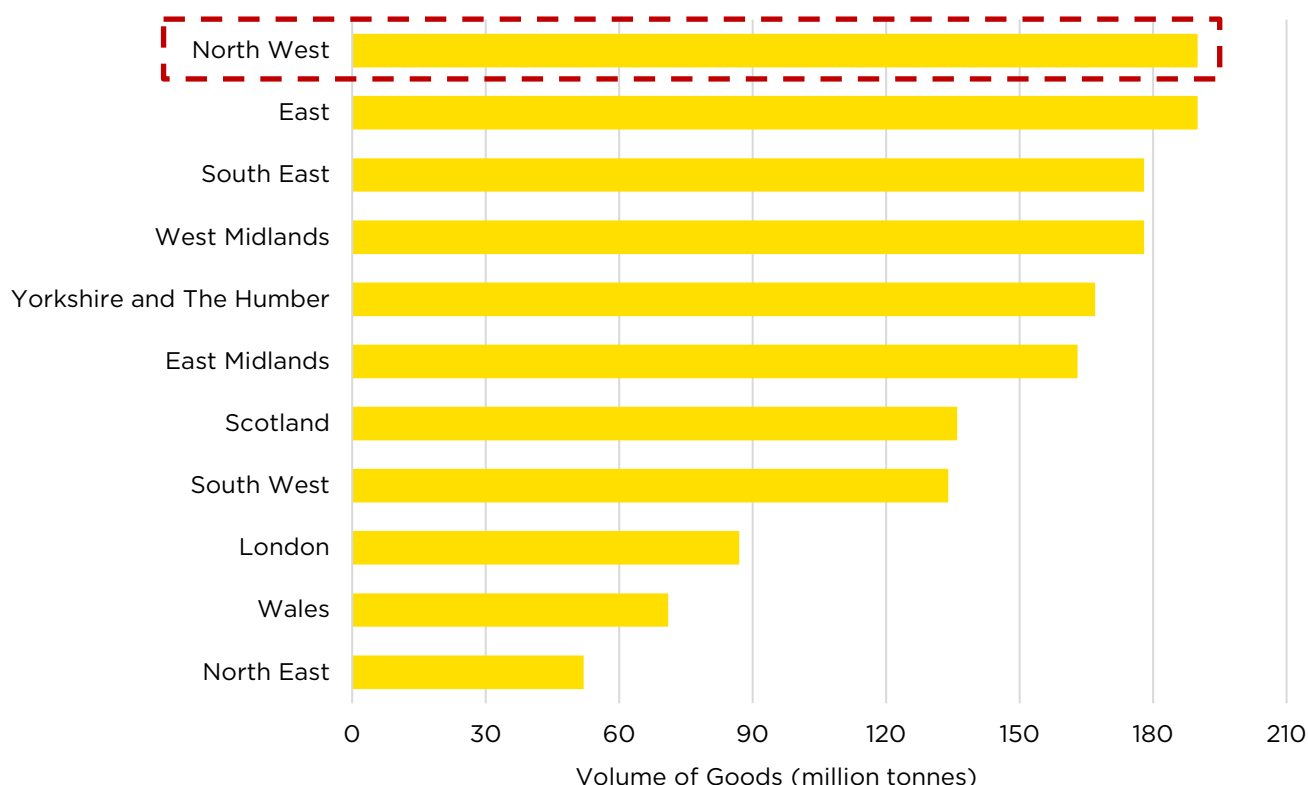
The East of England maintains the highest level of road freight goods by origin at 202 million tonnes. This is shown in **Figure 4.10** below.

Figure 4.10 Regional Breakdown of the Origin of Goods Moved by Road



Source: DfT (2024) Road Freight Statistics. Domestic road haulage survey, Table RFS0122.

- 4.32 In terms of road freight destinations, the North West is the region of destination with the highest volume of road freight goods, joint with the East of England, at 190 million tonnes. This is shown in **Figure 4.11**.

Figure 4.11 Regional Breakdown of the Destination of Goods Moved by Road

Source: DfT (2024) Road Freight Statistics. Domestic road haulage survey, Table RFS0122

- 4.33 The above analysis (**Figures 4.9 - 4.11**) illustrate that the North West is a nationally significant region for both the generation and receipt of freight, with significant volumes transported by road and maritime modes. Yet as has been demonstrated, it is critically underserved by rail freight infrastructure in comparison to other comparable regions.

CONCLUSION

- 4.34 This section highlights the critical importance of delivering the Proposed Development. While the North West is the second-largest regional I&L market by total floorspace, and benefits from strong access to maritime ports and significant volumes of freight originating and terminating within the region, it remains significantly underserved by rail freight infrastructure. Even with the addition of the Proposed Development, the region would still fall well behind other I&L-intensive areas such as the East Midlands, West Midlands, and Yorkshire and the Humber when measured by I&L floorspace per SRFI. Without investment in new SRFI capacity, the North West risks being constrained in its ability to support future growth in intermodal freight and meet evolving market demands.
- 4.35 Moreover, the analysis identifies key structural challenges in the region's I&L stock, including a high proportion of poor-quality buildings, limited provision of large-scale modern units, and a significant share of stock that will become non-compliant under upcoming Minimum Energy Efficiency Standards (MEES) regulations. These constraints further underscore the need for modern, rail-served logistics infrastructure.

Section 5 ◆ Operational Requirements

INTRODUCTION

- 5.1 Before considering the underlying market dynamics and need for rail-served logistics space (**Sections 6 - 8**), this section examines the evolving operational requirements of I&L buildings, with a particular focus on the implications of building height, floorplate, volume, and internal configuration for modern occupiers. The objective is to identify the commercial and logistical drivers that are reshaping the design and functionality of new logistics developments, including those linked to SRFIs, and to demonstrate the necessity of a forward-looking approach to building height and internal volume. These considerations must be accounted for at the Proposed Development, given the 30 metre unit heights sought, as set out in **Section 1**.
- 5.2 Our analysis is supported by case studies illustrating how leading occupiers, including recent precedents from other DCO SRFI schemes, are consolidating operations into taller, larger and more technologically advanced buildings to enhance efficiency and future-proof their logistics strategies. These examples underline the growing market preference for larger volumetric capacity in single buildings, impacting both footplate and height, which should inform the Proposed Development.

ADVANCED TECHNOLOGY CREATES A NEED FOR GREATER BUILDING HEIGHT

- 5.3 Building height and overall volume plays a critical role in the functionality and appeal of modern logistics facilities, and continues to be a key factor in occupier investment decisions. Advancements in automation and warehouse technology have significantly increased the efficiency of vertical and horizontal space utilisation. As a result, the 'height premium' has become a major driver of occupier demand, making taller I&L buildings especially attractive in today's market.

Occupier Demand and Requirement

- 5.4 'Height premium' refers to the added efficiency and desirability of industrial buildings with greater internal clear heights. Taller I&L units offer significant operational advantages, including:
- Higher pallet density through increased racking height;
 - Compatibility with automated systems, which often require vertical clearance for cranes and shuttles;
 - Lower operating costs per unit stored, improving economic capability and throughput; and
 - Future-proofing, as tenant requirements evolve rapidly toward automation-ready space.

- 5.5 Research by Savills (2021)³⁴ shows a consistent upward trend in average building heights within new logistics developments. This reflects a fundamental shift in the overall market: even smaller occupiers are now evaluating space based on cubic volume and adaptability rather than solely on gross internal area, signalling a strong and growing preference for taller buildings.
- 5.6 To ensure efficient development - particularly in the context of land constraints and net zero targets - building height and evolving industry requirements must be considered from the outset. Constructing facilities that fail to meet future occupier expectations, particularly in terms of height, risks under-utilisation or even premature obsolescence. It is therefore essential to deliver buildings aligned with long-term market demand trends that satisfy occupier requirements, avoiding the environmental and economic costs of early demolition and redevelopment.
- 5.7 I&L buildings that lack sufficient clear internal height face a heightened risk of early vacancy or lease termination, regardless of their age or floor area, due to their inability to meet modern operational standards.
- 5.8 Below we provide a series of case studies demonstrating examples where large occupiers have moved to buildings with greater internal clear heights.

AstraZeneca – Macclesfield

- 5.9 AstraZeneca’s pharmaceutical logistics facility in Macclesfield serves as a leading example of the growing importance of ultra-high-bay and clear height warehouse design. Constructed as part of a broader consolidation and efficiency strategy, the facility comprises approximately 21,000 sqm (225,000 sq.ft) of internal floorspace and features a fully automated high-bay warehouse with a clear internal height of 30 metres. This significant vertical expansion enabled AstraZeneca to accommodate over 12,500 pallet locations within a compact footprint, delivering substantial gains in volumetric efficiency.
- 5.10 The facility was designed to support the storage and rapid movement of temperature and humidity sensitive pharmaceutical products, many of which are exported to over 130 markets globally. Integration of narrow-aisle cranes, shuttle systems, and air-handling units, all positioned within the high-bay envelope, allowed for a tightly controlled internal environment, including hypoxic fire suppression systems tailored to pharmaceutical storage standards. The combination of vertical storage and integrated automation enabled AstraZeneca to reduce horizontal land take while increasing throughput and operational resilience.

La Doria – Sroughton Enterprise Park, Ipswich

- 5.11 In early 2020, Italian food-processing specialist LDH (La Doria) took occupancy of an industry-wide tall, bespoke warehousing facility developed by Panattoni at Sroughton Enterprise Park, Ipswich. Encompassing approximately 24,000 sqm (260,000 sq.ft), the building is

³⁴ Savills (2021), ‘The size and make-up of the UK warehousing sector – 2021’. Available at: https://www.savills.co.uk/research_articles/229130/315446-0

distinguished by high bay storage elements reaching up to 40 metres in clear internal height. This is one of the tallest purpose-built logistics structures in the UK.

- 5.12 The unit was conceived to fulfil LDH's precise automation requirements, integrating multi storey office hubs with high density storage infrastructure. The internal volume accommodates advanced pallet stacking machinery, conveyor systems, and potentially shuttle or crane retrieval systems which enables vertical pallet stacking beyond 30 metres. Such vertical capability delivers substantial volumetric advantages: the facility can store significantly more pallets per square metre of land, reducing overall footprint and maximising throughput.
- 5.13 This built to suit warehouse exemplifies the increasing shift among specialised occupiers toward ultra tall logistics facilities. For LDH, the internal height was fundamental to integrating its automated operations while maintaining vertical flexibility for future technological enhancements.

B&M Home Bargains – Unity, Doncaster and Omega, Warrington

- 5.14 The Omega Distribution Centre in Warrington, completed in 2024 for TJ Morris (Home Bargains), exemplifies the new generation of ultra-high-bay automated logistics facilities in the UK. The development totals approximately 79,000 sqm (850,000 sq ft), comprising high- and low-bay warehouse zones, integrated offices, and automated material-handling infrastructure designed and installed by Witron.
- 5.15 The high-bay section provides around 38 m of clear internal height (c. 41 m to ridge), accommodating over 470,000 pallet, tray, and tote locations, 100+ stacker cranes, and more than 15 km of conveyor systems. This vertical design achieves exceptional storage density and throughput within a limited footprint, significantly improving volumetric efficiency and operational resilience compared with conventional low-rise warehouses.
- 5.16 Following the success of the Omega facility, Home Bargains commenced construction of a second large-scale automated distribution centre at Unity, Doncaster (J5 M18) in 2025. Delivered by McLaren Construction for the developer Waystone Hargreaves Land, the scheme will provide around 93,000 sqm (1 million sq ft) of internal floorspace, including a 43 m-high bay warehouse (among the tallest in the UK) alongside lower-bay, chilled, and office components.
- 5.17 The new facility replicates the Omega design, integrating fully automated storage and retrieval systems, stacker cranes, and high-capacity conveyor networks. Completion is targeted for 2026 (shell) and full operation by 2028, supporting more than 300 retail outlets. The development demonstrates how increasing verticality enables significant gains in capacity and efficiency while minimising land take, underscoring the strategic importance of building height in modern industrial and logistics design.

DCO SRFI Case Precedent for Tall I&L Buildings

- 5.18 There is also precedent within recent DCO SRFI schemes for building heights to reach over 30m in height.

- The **West Midlands Interchange** is a DCO SRFI (ref. TR050005) which was consented in 2020. It received consent in a greenbelt location, with parameter plans indicating that 17% of the development area can support a maximum building height of 30m which covers up to four warehouse units (units 3030, 4010, 4020, and 4030).
- **East Midlands Gateway** is a DCO SRFI (ref. TR050002) which was consented in 2016. It is consented with consequential planning applications to North West Leicestershire Council for Plot 02 (ref. 17/01165/FULM) and Plot 12 (ref. 20/00718/FULM) having maximum accepted building heights of 35m and 36.3m. This clearly demonstrates the need for the DCO to seek to accommodate occupier height requirements from the outset, aiming to avoid the need for variations to fixed parameters.
- **DIRFT III** is a DCO SRFI (ref. TR050001) which was consented in 2014. It received consent with maximum allowed building heights of up to 27.6m in Zone B, 27.5m in Zone G, and 29.5m in Zone H.

5.19 Building heights over 30 meters are not only appropriate but necessary for facilities with substantial footprints. Their scale is critical to fulfilling the strategic function of these sites which is to enable high-volume storage and allow distribution occupiers to operate efficiently to achieve strategic business fulfilment. If SRFI developers fail to deliver units that meet these operational requirements, the likelihood of securing occupiers diminishes significantly, as sub-optimal building heights directly compromise functionality and render the units commercially unviable. Accordingly, if the Proposed Development does not achieve these building heights, it will be disadvantaged against other SRFIs around the country, as demonstrated by the above examples.

5.20 The result of these building heights, alongside their strategic locations and improved building functionality, has resulted in an exceptional speed of take-up. For example:

- **East Midlands Gateway** – had an original timeline of 10 years for completion, with construction starting in 2018 and the first completions in 2019. After 5 years, by the end of 2023, the approximately 435,000 sqm of rail-served I&L floorspace was entirely built and let out. Take up at the scheme was far quicker than envisaged and averaged approximately 86,800 sqm per annum from 2019 to 2023, at its peak it reached 143,200 sqm per annum.
- **DIRFT III** – the first units were completed in 2015 amounting to approximately 112,000 sqm and were immediately let out. Following this, large scale deliveries were completed in 2019 and 2022, amounting to approximately 187,000 sqm with units being quickly let out. Over 2016-2025 YTD, following the initial delivery of units, approximately 288,000 sqm of further floorspace was delivered, of which approximately 263,000 sqm was let out, with only one unit left to let.

5.21 As demonstrated in this subsection, occupier expectations around building height have grown, alongside advancements in technology designed to enhance operational efficiency. I&L buildings that meet modern requirements for clear internal heights tend to let quickly and consistently attract strong, sustained demand.

Volumetric Re-distribution

- 5.22 To further this point we provide analysis on the volumetric implications of hypothetical building height reductions at the Proposed Development, quantifying the additional land that would be required to compensate for lost internal volume. This reinforces that taller buildings not only support more efficient operations but also reduce pressure on land resources, an increasingly critical consideration in the context of sustainable development and greenbelt protection.
- 5.23 The Proposed Development is delivering approximately 745,000 sqm of logistics floorspace (including mezzanine) across a building footprint of approximately 570,000 sqm, with building heights of up to 30 metres. A one metre reduction in clear height across the development would translate to a loss of approximately 570,000 m³ of operational storage space for occupiers.
- 5.24 To calculate the footprint of buildings required to support this in typical warehouses requires an understanding of typical clear heights within the Property Market Area (PMA) relevant to the DCO Site. This is defined in **Section 6**. Within the PMA, the average clear height of I&L buildings over 9,300 sqm is 10.1m (Savills analysis of CoStar data, 2025).
- 5.25 To calculate the footprint of space required to hold 570,000 m³ of storage volume requires this volume to be divided by the clear height of the building taking on this lost volume. For a clear height of 10.1m, this results in a footprint of 56,203 sqm.
- 5.26 This then needs to be translated into land requirements. For this, a plot ratio (of building footprint to land area) is assumed to be 35%, based on an extensive review of case studies (see **Table 6.2** in **Section 6**). This then needs to be translated into hectares from square metres.
- 5.27 This results in around 16 ha of land. It can thus be deduced that for every one metre in building height lost from the Proposed Development, 16 ha of land would need to be delivered across an I&L building with an average clear height of 10.1 m to account for the loss of storage volume. We present the work-through of this in **Table 5.1** below.

Table 5.1 Calculation for Land Required to Support Volume Lost Due to 1 m Clear Height Loss

Step	Metric
a) Proposed Development Footprint	570,000 sqm
b) Storage volume for every 1m of clear height (1 * a)	570,000 m ³
c) Average clear height of existing I&L premises	10.1m

Step	Metric
in PMA	
d) Footprint required to accommodate this lost volume (b / c)	56,203 sqm
e) Typical plot ratio	3,500 sqm
f) Land required to support loss of 1 m building height across Proposed Development in PMA average height building (d / e)	16.1 ha

Source: CoStar (2025); Savills (2025)

- 5.28 Whilst the average clear height of I&L buildings in the PMA is 10.1 m, this does not reflect current market requirements or the height of buildings to come forward in future. It is also not relevant for buildings of a highly strategic nature.
- 5.29 As set out in **Section 4**, I&L buildings within the North West are of a poorer quality compared to other regions. One component of this is their reduced clear heights. SRFIs, due to their strategic nature, often support buildings with much greater clear heights as demonstrated in the case studies above. Furthermore, I&L buildings often increase their building height in incremental steps of 3 metres. This is due to the racking and pallet requirements and the need to accommodate the technology within these racks. As a result, reducing a 30 m tall building to 29 m can often have the same effect on storage volume capacity as reducing a 30 m tall building to 27 m.
- 5.30 Consequently, we repeat the above analysis for buildings accommodating the lost volume, iteratively between 18 m and 30 m below in **Table 5.2** and **Table 5.3**.

Table 5.2 Calculation for Land Required For Volume Loss Due to 3 m Clear Height Loss

Step	Metric
a) Proposed Development Footprint	570,000 sqm
b) Storage volume for every 3m of clear height (3 * a)	1,710,000 m ³
c) Clear height of I&L unit accommodating the lost volume	X m [see Table 5.3 first column]

Step	Metric
d) Footprint required to accommodate this lost volume (b / c)	[1,710,000 / X] sqm
e) Typical plot ratio per hectare	3,500 sqm
f) Land required to support loss of 3 m building height across Proposed Development within taller units (see Table 5.3) (d / e)	Y ha [see Table 5.3 second column]

Source: CoStar (2025); Savills (2025)

Table 5.3 Land Required to Support Volume Loss Across the Proposed Development from Loss of 3 m in Clear Height

Clear Height (m) [X in Table 5.2]	Land Required (ha) [Y in Table 5.2]
18m	27.14
21m	23.27
24m	20.36
27m	18.10
30m	16.29

Source: CoStar (2025); Savills (2025)

- 5.31 This analysis has highlighted that a reduction of just one metre in clear internal height can lead to the loss of an entire pallet level in typical racking systems. As each racking tier often requires 1.2 to 1.5 metres of vertical clearance, this can significantly impact usable storage capacity. Most occupiers think of functional internal heights in 3-metre increments, which is roughly equivalent to two-pallet levels.
- 5.32 If three metres of clear height were lost across the Proposed Development, the displaced volume would need to be delivered elsewhere to meet the demand shortfall. **The amount of land required to provide this displaced volume depends on the clear height of the alternative facility.**

5.33 For illustrative purposes and based on **Table 5.3**:

- If the displaced 3-meter volume at the Proposed Development was accommodated in an 18-meter tall building elsewhere, approximately 27.1 hectares of additional land would be required.
- If accommodated in a 24-meter tall building elsewhere, approximately 20.3 ha would be required.
- If accommodated in a 30-meter tall building elsewhere, approximately 16.3 ha would be required.

5.34 This analysis underlines the significance of maintaining the proposed clear internal heights (30 meters) at the Proposed Development in ensuring that the development can meet identified logistics capacity requirements efficiently and land-effectively. Taller buildings enable occupiers to consolidate operations more efficiently, reducing land take. Overall, building vertically supports a more sustainable and space-efficient approach to logistics development.

CONCLUSION

5.35 In this section, we have highlighted the significant advancements within the I&L sector that are enabling more efficient and intensified use of space. These innovations, particularly in automation, robotics, and racking systems, have transformed how developers and occupiers utilise their buildings, placing far greater emphasis on building height and internal volume.

5.36 As occupiers adopt advanced technologies to optimise operations within their sites, the vertical dimension of buildings is becoming increasingly important. Companies such as AstraZeneca, LDH (La Doria), and Home Bargains illustrate how modern I&L buildings are being used more efficiently, with operations consolidated into taller facilities, between 30 and 40 metres, to reduce land take while also enhancing productivity. Though these facilities still require substantial footprints, they would need to be significantly larger, or functionally compromised, if constrained by lower building heights.

5.37 There is also a clear precedent within recent DCO approved SRFI schemes for building heights of around 30 metres and above. This is highly relevant given that the Proposed Development is seeking to deliver unit heights up to 30 metres. It is a reflection of the strategic national importance of such developments and the operational necessity for substantial volumetric capacity.

5.38 The ability to store and distribute high volumes of goods from strategically located, rail-linked facilities allows occupiers to operate more efficiently. Reducing building heights would not remove the need for this space, it would simply displace that volume across a larger footprint, placing additional pressure on limited land supply. For example, a reduction of just one metre in clear height across the Proposed Development would result in the loss of an entire pallet level in typical racking systems (potentially equivalent to approximately three metres of usable storage height). To compensate, an estimated 27ha of additional land would be

required, within an 18 m tall unit elsewhere to maintain the same capacity. Any such additional land requirement would lack the SRFI capacity that would be delivered as part of the Proposed Development.

- 5.39 As demonstrated through the case studies and SRFI DCO precedent, building height is a market requirement for strategic modern facilities, with some achieving heights of over 40 metres due to the operational need. As such, there is a critical need for building heights of up to 30 metres to be supported at the Proposed Development.

Section 6 ♦ Review of Council Employment Evidence

INTRODUCTION

- 6.1 This section provides a high-level review of the most recent employment evidence covering the three local authorities of St Helens, Wigan and Warrington, which the Proposed Development has a presence in. Specifically we review the St Helens Employment Land Needs Study Addendum (ELNS Addendum, 2019), the Wigan Economic Market and Employment Land Assessment (EMELA, 2024) and the Warrington Economic Development Need Assessment Refresh (EDNA 2021). We also consider the findings of the Warrington Local Plan Inspectors Report, which supersedes the findings of the EDNA Refresh 2021.
- 6.2 Our review evaluates the methodologies used in the employment evidence to forecast future demand for I&L floorspace and land, including the provision of rail-served logistics space required to support SFRIs. A comprehensive summary of this evidence is provided in **Appendix A**. As will be demonstrated, the methodological issues identified in the employment evidence underpin our rationale for producing independent demand estimates for I&L land and specifically rail-served logistics space, which are set out in **Section 8** and **Appendix B**.

SUMMARY OF EMPLOYMENT EVIDENCE

- 6.3 **Table 6.1** below summarises the three main employment evidence bases concerning overall I&L demand in the local authorities of St Helens, Wigan, and Warrington, in terms of their respective scopes, estimation methods used, their future I&L demand recommendations and Savills view of each report's methodological weaknesses. A full and comprehensive review of each study's underlying methodology is available in **Appendix A**.

Table 6.1 Local Employment Studies

Study	Scope	Recommendations	Methodological Issues (Savills View)
St Helens Employment Land Needs Study (2015) and Employment Land Needs Study Addendum (2019) <i>Prepared by BE</i>	- Geographic scope: St Helens Local Authority - Uses: I&L (B1c/B2/B8) land - Time period: 2012-2037	I&L uses (B1c/B2/B8): <u>180 ha – 245 ha (gross)</u> Of this between 55 ha – 65 ha is forecasted for major projects and large-scale logistics projects including the Parkside SRFI (now	Preferred employment needs methodology is a 'past completions' methodology. Past land completions (or take-up) is not an indicator of future demand, but rather a backwards facing supply measure. It ignores key logistics growth driver such as housing and business growth, increasing expenditure online, increasing freight flows and the desire for rapid parcel deliveries.

Study	Scope	Recommendations	Methodological Issues (Savills View)
<i>Group</i>		known as ILP North) .	Market evidence for St Helens and the wider Property Market Area (PMA) it sits within illustrates that the I&L sector is supply constrained (Section 7). The forward projection of historic supply trends as the employment evidence has done only serves to further continue a supply constrained ('tight') market The look back periods used to extrapolate future demand are too long (1997-2012 and 1997-2017). Over these periods the demand drivers underpinning I&L need, and the characteristics of the sector itself, have changed significantly. 'Suppressed demand' (or unfulfilled demand due to a lack of supply) is not accounted for. The need for rail-served logistics floorspace is not explicitly considered.
Wigan Economic Market and Employment Land Assessment (2024) <i>Prepared by Aecom</i>	- Geographic scope: Wigan Local Authority - Uses: I&L (B1b/B2/B8) land - Time period: 2023 - 2040	I&L uses (B1c/B2/B8): <u>93.9 ha (gross)</u>	Preferred demand estimation method is based on a labour demand model provided by Experian which is adjusted to take account of the Borough's growth ambitions. The use of statistical employment models typically underestimate the I&L sector's performance, and therefore the future need for I&L land. This is mainly because they reflect the continuing restructuring of the economy away from industry (particularly manufacturing) towards services and do not take into account market signals or current drivers of I&L demand. The adjustments made to the labour demand forecast to reflect Wigan Borough's policy aspirations are not evidenced or substantiated. Greater

Study	Scope	Recommendations	Methodological Issues (Savills View)
			transparency behind these adjustments are required. Suppressed demand is again not accounted for. Nor is the need for rail-served logistics floorspace explicitly.
Warrington Economic Development Need Assessment Refresh (2021) <i>Prepared by BE Group</i>	- Geographic scope: Warrington Local Authority - Uses: I&L uses (B1c/B2/B8) - Time period: 2021-2038	I&L uses (B1c/B2/B8): <u>242 ha (overall 316 ha)</u> <i>(based on strategic/local past completions model)</i>	The same methodological flaws identified in the St Helens ELNS Addendum are applicable for the Warrington EDNA, given it is also based on a past completions methodology. However the look back period which future trends are extrapolated on are even longer in the Warrington EDNA (1996-2020) further undermining its results.
Warrington Local Plan Inspectors Report³⁵	- Geographic scope: Warrington Local Authority - Uses not distinguished. - Time period: 2021-2038	Overall employment land requirement: <u>168 ha.</u>	Despite the findings of EDNA Refresh, the position on employment land need was not accepted by the Local Plan Inspectors who considered that it overestimated the employment demand position. Rather, as set out in paragraphs 52 – 104 of the Planning Inspector's Report on the Examination of the Warrington Local Plan, the Inspectors recommendation, which was subsequently taken forward in the Warrington Adopted Local Plan 2021/22 – 2038/39, was to reduce the Plan's employment land requirement from 316 ha to 168 ha. The figure of 168 ha was reached by principally seeking to balance the number of homes in Warrington with the number of jobs that those homes could generate. The Planning Inspector report

³⁵ Available here: <https://www.warrington.gov.uk/sites/default/files/2023-10/Warrington%20Local%20Plan%20-%20Inspectors%27%20Report%20-%20October%202023.pdf>

Study	Scope	Recommendations	Methodological Issues (Savills View)
			did not provide a breakdown of the 168 ha across use classes.

SAVILLS' OBSERVATIONS

- 6.4 The above summary demonstrates that the three primary employment studies have adopted one of either a past completions or labour demand methodology to estimate future I&L employment land needs. While there are variations in how these have been applied, in terms of their geographic scope and forecasting time period, neither methodology is appropriate for estimating future I&L land needs. Neither methodology is based on market signals in accordance with Paragraph 32 of the National Planning Policy Framework (NPPF), and therefore its Savills view that they routinely underestimate 'true' market demand for I&L land.
- 6.5 The approach adopted by the Warrington Local Plan Inspectors, in preference to the method proposed in its own employment evidence, is similarly flawed. It is principally concerned with linking employment growth to local labour growth, and as such ignores other market signals evident in Warrington. This approach overemphasises a position that a Council should principally be meeting the employment needs of the labour supply within its own boundaries. Moreover this Local Plan Examination (October 2023) was determined under the previous NPPF. Since this time, a new NPPF and Government are in place with clear objectives to grow the national economy, support economic growth and increase housing delivery, all of which will require more employment floorspace and jobs.
- 6.6 Notwithstanding the above methodological flaws which we will explore in more detail below, the critical thing to note is that none of the three local employment evidence base documents (nor the Warrington Inspector's Local Plan Report) distinguish between the overall need for I&L land and the specific need for rail-served logistics land. Nor do they provide an analysis of the demand for an Strategic Rail Freight Interchange (SRFI) in the area. Instead they adopt a broader approach, estimating the overall requirement for I&L land - an approach that, by its nature, encompasses rail-served facilities within the B8 use class. **However, it follows that if the overall I&L land demand has been underestimated, the demand for rail-served logistics floorspace will likewise be underestimated within the Councils' evidence base.**
- 6.7 Below we outline what we consider to be some of the key observations regarding the demand methodologies used in the various employment evidence base documents, and why they will have led to an underestimation of I&L land demand.
- 1. Historical Completions method (or past development rates) is not a measure of future demand**
- 6.8 The St Helens ELNS Addendum and Warrington EDNA Refresh both use a historical completions method as their preferred methodology for estimating employment land requirements.
- 6.9 The key point to make is that a 'historical completions' method is not an indicator of future

demand, but rather is a supply measure. The leading demand measure of floorspace is 'net absorption' which indicates the quantum of net floorspace occupied over a period of time (i.e. move-in minus move-outs) based on leasing deals. Development completions on the other hand is a supply measure (rather than a demand measure) which calculates new floorspace delivered. While new floorspace can be delivered on existing sites through redevelopment and intensification, it mainly depends on new employment sites being made available (allocated) for development via the planning system. If insufficient land has been allocated for employment, build out rates will be depressed.

- 6.10 In effect, by using the historical completions rate, the employment evidence for St Helens and Warrington is saying that the Council's respective ability, or willingness, to allocate employment land (new supply) historically is an accurate measure of 'true' market demand.
- 6.11 Market evidence for St Helens and Warrington, and the wider Property Market Area (PMA) it sits within illustrates that the I&L sector is supply constrained (**Section 7**). The forward projection of historic supply trends as the employment evidence has done only serves to further continue a supply constrained ('tight') market. If the same approach to housing need was adopted (i.e. just the projection forward of past housing completions plus a margin), the Local Plan would likely be found unsound.
- 6.12 In addition, to compound the underlying flaws to the historical completions approach, the look back periods used in the both the St Helens ELNS and Warrington EDNA Refresh to extrapolate future demand on are far too long. The ELNS uses a combination of past take up in the period 1997-2012 and 1997-2017, while the EDNA Refresh uses an even longer time period of 1996-2020. This is far too long a period, over which the demand drivers underpinning I&L need, and the characteristics of the sector itself, have changed significantly. These changes have resulted in increasing demand for I&L floorspace, as well as critically, the growing requirement to move more freight by rail (see **Section 2 and 3**). This in turn is increasing the demand for rail-served logistics floorspace explicitly, a dynamic which will not have been accounted for in past trends going as far back at the 1990s and 2000s.

2. Current and Future Growth Drivers are not accounted for

- 6.13 Another key flaw of the past completions method in particular is that it is 'backwards-facing' and therefore takes limited account of current and future growth drivers, that are, and continue to underpin I&L demand. These include housing growth, increased online retailing, growing freight volumes, increased desire for next day/same day deliveries and more recently, the take up and acceleration of I&L floorspace for data centres. We discuss some of these major growth drivers below.

Growth in online retailing

- 6.14 The exponential growth in online retail is one of the major structural changes driving growth in the I&L sector. Statistics collected by the ONS show that the share of internet sales has consistently increased over time from 2.5% in November 2006, to 19% before the onset of the Covid-19 Pandemic³⁶. During the Pandemic, due to lockdowns and restrictions, this figure

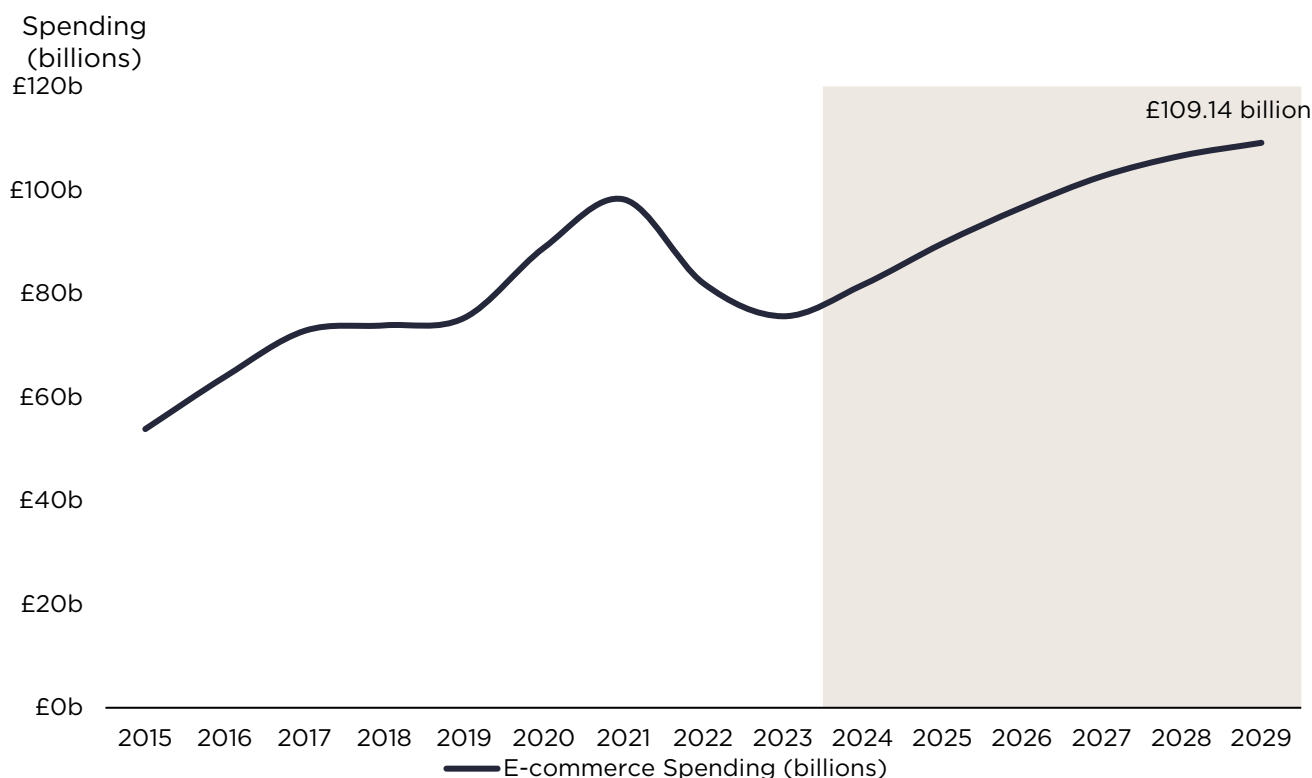
³⁶ ONS (2024) Internet sales as a percentage of total retail sales (ratio) (%)

increased to around 40%. While it has since fallen back from this peak, it is around 27% as of January 2025. The growth in online retailing has significant implications on future I&L demand given that e-commerce requires around 3 times the logistics space of traditional bricks-and-mortar retailers³⁷.

- 6.15 Most commentators agree that online retailing will continue to grow from a higher base than before the Pandemic due to behavioural changes such as increased home working, and continued demand for rapid parcel deliveries. For instance, the National Infrastructure Commission are predicting e-commerce to comprise up to 65% of total expenditure by 2050 for non-food items³⁸.
- 6.16 However, an arguably more relevant statistic than the percentage of online sales is the total amount spent online in pound terms. This is because the percentage of online sales doesn't pick up, for example, the fact that online spending in pound terms can increase even if the online percentage remains static. This is because the total pounds spent online will likely continue to increase into the future as we build more homes. This relationship is shown in **Figure 6.1** below based on Statista data. We have used real prices in order to remove the effect of inflation by rebasing all data back to 2015 using GDP Deflators from OBR March 2024. **Figure 6.1** below shows that following a brief drop in total online spending from the Covid-19 lockdown induced peak in 2021, the growth trend is set to continue. This modern day trend will not have been accounted for in the St Helens ELNS Addendum and Warrington EDNA Refresh, given their future demand estimates rely on past completions over a time period when online retail penetration was much lower.

³⁷ Prologis (2016), Global E-Commerce Impact on Logistics Real Estate. Online article: <https://www.prologis.com/about/logistics-industryresearch/global-e-commerce-impact-logistics-real-estate>

³⁸ Better Delivery: The Challenge for Freight, 2019, The National Infrastructure Commission (NIC). Available here: <https://nic.org.uk/app/uploads/Better-Delivery-April-2019.pdf>

Figure 6.1 Internet Sales as a % of Retail Sales (2015-2029)

Source: Statista 2025, Savills 2025

Housing Growth

- 6.17 This exponential growth in online retailing is both a function of the UK's increasing housing supply, and the fact that each individual house on average is spending more online. As shown in **Figure 6.2** below, housing growth at the national level has broadly tracked the growth in online retailing before the onset of the Covid-19 Pandemic, during which time online retailing has spiked even higher.
- 6.18 Between 2001 (furthest date that data was available) and 2023, the number of homes across St Helens, Warrington and Wigan has increased by 15%, 20% and 18%³⁹ respectively. This trend is expected to continue under the Government's new standard method⁴⁰ for calculating local housing need. Online retailing relies on increased choice for the consumer and also increased delivery speeds to a location of people's choosing. This means that more inventory is required to be located nearer to the general population which has been increasing. This in turn has meant that more warehouse space is required both by online retailers but also traditional bricks-and-mortar retailers who are adapting their supply chains to compete.

³⁹ MHCLG (2022): Table 125: Dwelling stock estimates by local authority district, 2001-2023

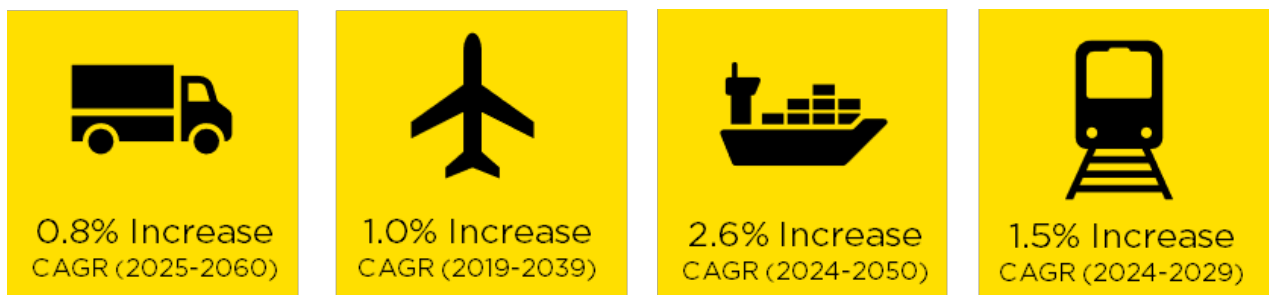
⁴⁰ Department for Levelling Up, Housing and Communities - Housing and economic needs assessment – new standard methodology. Available here: <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need>

Figure 6.2 Internet Sales as a % of Retail Sales and Dwelling Completions Since 2007

Source: ONS, MHCLG, Savills

Growth in UK Freight

- 6.19 Freight volumes are another key growth driver of I&L floorspace. Freight arriving and leaving the UK needs to be stored, packaged, and distributed via a network of freight handling infrastructure (i.e. ports, freight handling airports, rail freight interchanges, and motorways), and conveniently located I&L premises in order to reach end customers.
- 6.20 As set out in **Sections 2 and 3**, there is clear national policy to grow rail freight in particular. Freight volumes are forecast to grow significantly across all freight modes (**Figure 6.3**), which will increase demand for I&L space in the UK, and in particular rail-served logistics floorspace. Again the growth in UK freight volumes will not have been accounted for in the past completions method.

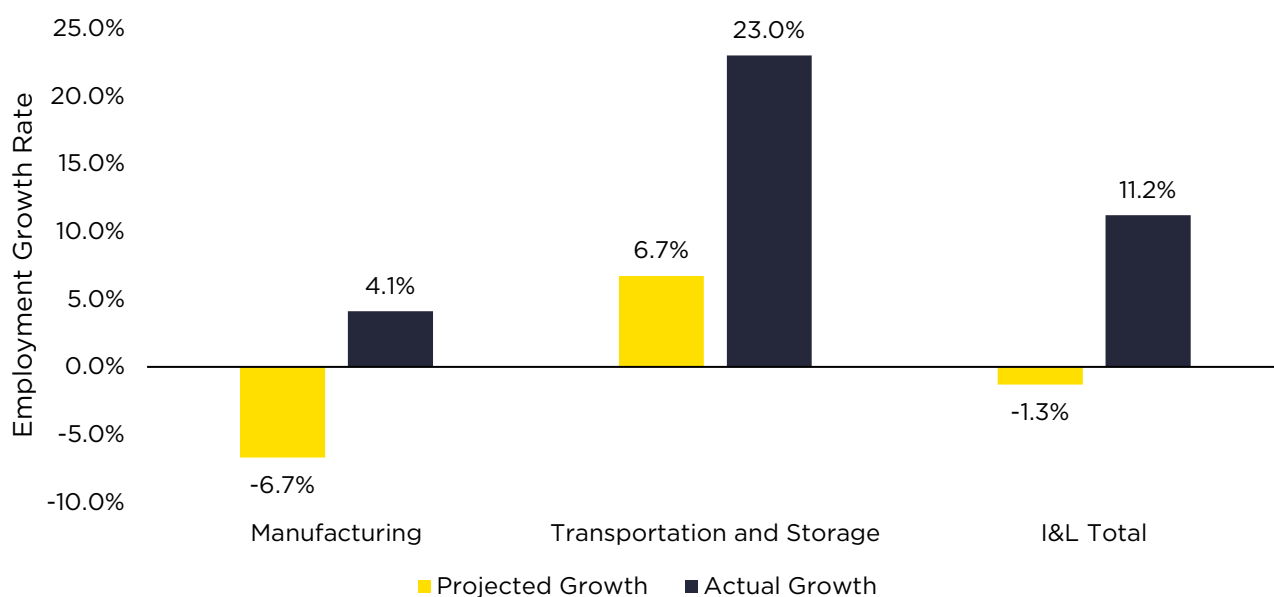
Figure 6.3 Forecast Increase in Freight by Transport Mode

Source: DfT, MDS Transmodal for Network Rail, Boeing

3. Labour Demand methods typically underestimate future demand for I&L

- 6.21 The preferred employment methodology for estimating employment land requirements in the Wigan EMELA is a 'Policy-on' Labour Demand methodology. This is derived from employment forecast scenarios provided by Experian which are then adapted in line with the Borough's growth ambitions.
- 6.22 The first point to make is the use of statistical employment models provided by forecasting houses such as Experian typically underestimate the I&L sector's performance, and therefore the future need for I&L demand. This is mainly because they reflect the continuing restructuring of the economy away from industry (particularly manufacturing) towards services and do not take into account market signals or current drivers of I&L demand.
- 6.23 For example, if you compare historic employment projections from the 'Working Futures 2010-2020, Evidence Report' by the UK Commission for Employment and Skills against actual growth in employment in industries associated with I&L, it can be seen that the historic projections significantly underestimated what actually happened (**Figure 6.4**).

Figure 6.4 Estimated Employment Growth Lagged Behind Actual Employment Growth



Source: UKCES 2012, ONS Workforce by Industry (SIC, 2007) 2022, Savills

- 6.24 There is also a wider issue where the use of 3rd party job projections from statistical houses such as Experian, which are regularly used by local authorities in their employment evidence bases, results in little transparency and therefore limited scrutiny of their results. For example it is not possible to determine whether they have accounted for future growth drivers which are driving demand in the sector, as discussed above.
- 6.25 Moreover the adjustments made to the labour demand forecast to reflect Wigan Borough's policy aspirations are not evidenced or substantiated, other than to say they have been made

based on professional judgement. Greater transparency behind these adjustments are required. This is particularly pertinent given the adjustment results in fastest growth in employment for E(g)(i) uses (office space). This is in direct contrast to market signals and brings into question the validity of the employment land demand forecasts.

4. 'Suppressed Demand' is not accounted for

- 6.26 When supply, as signalled by floorspace availability, is low, demand is 'suppressed' as prospective tenants can't find space in a market. 8% is typically referred to as the equilibrium level at a national level when I&L supply and demand are broadly in balance at the whole market level (as sourced in publications such as the GLA's Land for Industry and Transport SPG (2012), and the BPF's Levelling Up – The Logic of Logistics report). Below this level, available supply becomes tight and rents increase as strong occupier demand compete for limited available stock.
- 6.27 Neither the past completions method used in the St Helens ELNS Addendum or Warrington EDNA Refresh, or the 'Policy-on' labour demand scenario used in the Wigan EMELA, have taken account of demand that has been lost due to supply constraints, and therefore represents a demand profile based on a supply constrained historic trend (or 'suppressed demand'). As we show in **Figure 7.3** from **Section 7**, availability in St Helens, Wigan, Warrington and the wider PMA has been below the 8% equilibrium for almost all of the last decade, and currently stands at 5.3%, 3.2%, 0.7% and 5.2% respectively.
- 6.28 This clearly indicates that the markets have been supply constrained for a large part of the last decade, with not enough available supply for the market to operate efficiently. A confirming factor of this conclusion is that rental growth has outpaced inflation in the PMA (see **Figure 7.5** in **Section 7**). This is a by-product of strong occupier demand competing with one another for limited available stock. This competition pushes up rents.
- 6.29 The St Helens ELNS itself notes the limitations that the past completions methodology has in failing to take account of demand which has been suppressed due to a lack of supply at paragraph 2.24: *"It is also noted that these forecasts are based on past trends (1997-2017) that include a significant recession, periods where supply was constrained and thus limiting take-up as well as periods of strong economic growth. It would be expected that once the constraints on land supply are released that there would be a spur on development above the forecast average rate to 2037."*
- 6.30 Savills have developed a methodology that estimates a market's suppressed demand when supply is below the equilibrium rate (i.e. when supply and demand are in balance). This can be added to historic demand projections to give a more realistic picture of future demand. We address this in **Section 8** and **Appendix B** of this report.

5. Plot Ratio assumptions are too high

- 6.31 The plot ratio assumptions used in Wigan EMELA to convert industrial floorspace areas to land requirements are too high. The EMELA applies a 40% plot ratio to convert the Light Industrial E(g)(iii) and General Industrial B2 floorspace to land, and a 45% plot ratio for Storage and Distribution (B8) floorspace.

- 6.32 From Savills' experience, and based on recent developments across the country, a plot ratio of around 35% is more reflective of modern I&L occupier requirements. This is evidenced via the case studies in **Table 6.2** which illustrate that changes in the I&L sector means that occupiers are moving towards larger building footprints and requiring lower site coverage to allow for adequate yard space, cross-docking, sustainable urban drainage, ecological mitigations, outdoor amenity facilities for staff, and other strategic landscaping. These modern occupier requirements imply a lower plot ratio, typically in the region of 30% to 35%.
- 6.33 These modern occupier requirements (and resulting lower plot ratios) will also not be accounted for in the St Helens ELNS' estimates, nor the Warrington EDNA Refresh, which simply project forward land requirements based on the historical completions data.

Table 6.2 Plot Ratio Case Studies

Local Authority	Site Name	Plot Ratio (%)
Bassetlaw	South of Harworth, A1 Industrial & Logistics Park	30%
Blaby	Optimus Point Plot 80	31%
Bristol	Ocado, St Modwen Park, Avonmouth	36%
Buckinghamshire	Symmetry Park Aston Clinton	31%
Central Bedfordshire	Symmetry Park Biggleswade	30%
Charnwood	Unit 2, Rowena Park – Rothley	33%
Doncaster	Nimbus Park	37%
Harborough	Symmetry Park, Lutterworth opt.1	29%
Harborough	Magna Park North (Lutterworth) Extension	29%
Mid Sussex	GAL at St Modwen Park Gatwick	34%
Newport	Amazon, St Modwen Park, Newport	26%

Local Authority	Site Name	Plot Ratio (%)
North Kesteven	St Modwen Park, Lincoln	32%
North Northamptonshire	West End, Raunds, Northamptonshire	29%
North Warwickshire	St Modwen Park, Tamworth	26%
North Warwickshire	Land North East of Sewage Works, Atherstone	36%
North Warwickshire	BIFT - Plot 7, Birch Coppice Business Park	34%
Oadby and Wigston	Wigston Industrial Estate	34%
Swindon	Symmetry Park Swindon	30%
Uttlesford	Land north of Taylor's Farm, Takeley Street	29%
Warrington	Mountpark Warrington Omega II	36%
Warrington	The Quadrant South	34%

Source: Savills 2025

6. Warrington Local Plan Inspector

- 6.34 The Warrington Inspectors Report on the Examination of the Warrington Local Plan (October 2023) (paragraphs 52 – 104) sought to balance the number of homes in Warrington with the number of jobs that those homes could generate. Such an approach is not enshrined in the NPPF or PPG. This approach does not recognise the role that Warrington plays in the regional and national economy and the market signals for economic development as required by the NPPF and PPG. This resulted in an overall lower level of employment land demand than identified in the EDNA Refresh, which itself is likely to be an underestimate given it is based on the forward projection of past development rates.

7. The employment evidence does not distinguish between strategic and non-strategic land

- 6.35 As stated at the outset of this review, the critical thing to note is that none of the three local employment evidence base documents distinguish between the overall need for I&L land and the specific need for rail-served logistics land. Nor do they provide an analysis of the demand for an SRFI in the respective local authority areas.

- 6.36 In addition, the employment evidence does not distinguish between demand for strategic I&L land (i.e. defined as units greater than 9,300 sqm+) and non-strategic I&L land (less than 9,300 sqm). This is pertinent given the nature of the Proposed Development and the size of the rail-served logistics units proposed to come forward (**Section 1**).
- 6.37 The St Helens ELNS Addendum does advise that there is additional demand for between 55 ha and 65 ha for large-scale logistics projects, above those estimated by the baseline past completion demand. These projects include the Liverpool SuperPort and Parkside East SRFI (now known as ILP North and for which this need assessment is prepared for). However this adjustment doesn't represent a wider future demand estimate for strategic I&L land in St Helens, rather an uplift based on known projects which are coming forward.
- 6.38 The Wigan EMELA also does not distinguish between strategic and non-strategic land within its demand estimates, nor does it include an allowance for large scale logistics projects coming forward. Indeed while the Wigan EMELA concludes that there is a qualitative need for more I&L employment land, there is no mention of the land which forms part of the Main Site at ILP North, nor wider strategic needs around Rail Freight / multi-modal facilities.
- 6.39 The Warrington EDNA Refresh does not explicitly advise on the requirements for strategic employment land either. However, reviewing the results of the two different past completion models used – a strategic/local model and a local only model – it can be inferred the level of strategic demand that makes up the overall demand figure (i.e. by subtracting the local employment land results from the strategic/local results). But this approach itself is flawed, given the Local model only discounts past completions at the Omega development which is now completely built out. It does not consider any other strategic past completions in the borough. This further compounds the drawbacks of using a past completions model to estimate employment demand as we have outlined above. The fact that the EDNA Refresh itself does not explicitly advise on strategic land demand across the plan period also suggests it is not confident in its own modelling.
- 6.40 The above review demonstrates that the evidence bases for the local councils which the Proposed Development has a presence in are not identifying the need for strategic I&L demand appropriately. This is at odds with the NPPF and specifically paragraph 86b which states:

*Planning policies should set criteria, and **identify strategic sites**, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.*

(Savills emphasis in bold)

- 6.41 The Liverpool City Region Strategic Housing & Employment Land Market Assessment (SHELMA), prepared by GL Hearn in 2018, did forecast the land use requirements to 2043 of the large-scale B8 sector, defined as units in excess of 9,000 sqm (approximately 100,000 sq.ft) in size. Based on a Replacement and Growth Build Model, the SHELMA forecasted a need for up to 512 ha across the Liverpool City region for strategic I&L land. No commentary was made in the report as to the division of this floorspace by local authority within the

Liverpool City Region⁴¹, for example to St Helens. In addition, similar to the three core employment evidence bases reviewed, the need for rail-served logistics land specifically has not been accounted for, nor the need for an SRFI. Moreover, the Study has now been superseded by the 2019 ELNS, and no other equivalent regional studies have been published, or are known to be in preparation which cover the Proposed Development LAs.

6.42 In Savills view, demand for strategic I&L land should be distinguished from non-strategic I&L land given the differing characteristics, requirements, and role that strategic I&L land plays within the sector and wider economy. These include:

- **Different Market Drivers** - Strategic I&L land is critical for regional, national, and international supply chains, supporting large-scale distribution centres, logistics hubs, and critically for this assessment. SRFI developments. Conversely non-strategic I&L land typically serves more localised needs, such as small and mid-box scale warehousing, last-mile delivery, and light industrial activities. The two segments of the market have different occupiers and customer basis, and support differing economic roles.
- **Different Locations and Infrastructure Needs** - Strategic sites require proximity to key transport infrastructure (motorways, ports, rail freight terminals, etc.), to facilitate large-scale logistics operations. Non-strategic sites conversely can be more dispersed and often serve urban or suburban areas with lower infrastructure demands. Linked to this is differing levels of infrastructure needs. Strategic I&L land requires significant capital investment in infrastructure, utilities, and planning due to its larger land footprints and higher operational capacity. Non-strategic I&L land conversely involves smaller plots and generally lower infrastructure investment
- **Competition and Occupier Profile** - The occupiers and investors for strategic I&L land (e.g. national logistics companies, large e-commerce firms) differ from those in non-strategic I&L land (e.g. local manufacturers, last mile logistics etc). Evaluating demand separately ensures a more accurate understanding of their market dynamics.

6.43 This view is seemingly held by other local planning authorities across the country. This has resulted in the joint commission of several regional strategic industrial land studies in recent years. These include those presented in **Table 6.3**. These studies work in conjunction with the studies of the individual local authorities which define more localised I&L needs for non-strategic units (under 9,300 sqm), to provide a holistic demand estimate.

Table 6.3 Regional Strategic I&L employment land studies

Study	Uses	Geographic Scope
Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change (2021) <i>Prepared by GL Hearn, MDS Transmodal</i>	Strategic B8 land (9,000+ sqm)	Leicester City and Leicestershire Region, comprising the following local authorities: Blaby, Charnwood, Harborough, Hinckley &

⁴¹ Comprising St Helens, Halton, Knowsley, Liverpool, Wirral, Sefton and West Lancashire.

Study	Uses	Geographic Scope
<i>and Icen</i>		Bosworth, Melton, North West Leicestershire, Leicester City, Leicestershire County Council, Oadby & Wigston.
Warehousing and Logistics in the South East Midlands (2022) <i>Prepared by Icen Projects</i>	Strategic B8 land (9,000+ sqm)	South East Midlands Local Enterprise Partnership (SEMLEP) comprising the following local authorities: Bedford, Central Bedfordshire, Luton, Milton Keynes, North Northamptonshire and West Northamptonshire.
West Midlands Strategic Employment Sites Study (WMSESS) (2024) <i>Prepared by Icen Projects, Mace Ltd, Knight Frank and MDS Transmodal.</i>	Strategic (9,000+ sqm) warehouse and manufacturing Sites	West Midlands Study Area comprising 25 Local Authorities: Coventry, North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford-on-Avon, Warwick, Birmingham, Bromsgrove, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth, Wyre Forest, Shropshire, Cannock Chase, Newcastle Under Lyme, South Staffordshire, Stafford, Staffordshire Moorlands, Stoke on Trent, Dudley, Sandwell, Walsall, and Wolverhampton

SAVILLS DEMAND APPROACH

- 6.44 Our review of the employment evidence indicates a high variance in approach with limited regard given to market signals as required by Paragraph 32 of the NPPF. As a result, they have underestimated the future need for I&L land generally, **and the need for rail-served logistics land specifically.**
- 6.45 Savills has developed their own demand methodology which takes a market signals approach, and which supplements the econometric approach undertaken by the various employment studies to provide a complete picture of future I&L demand. This overall level of I&L demand can then be apportioned to rail-served logistics land for the purpose of this Study.

6.46 The Savills approach is widely regarded as industry best practice and is NPPF/NPPG compliant as evidenced in **Appendix B**. It has been considered on numerous different occasions, including:

- Endorsed by the British Property Federation ('BPF') in the 'Levelling Up – The Logic of Logistics' report.
- 'Levelling Up – The Logic of Logistics' report was shortlisted for an RTPI Award for Research Excellence 2022.
- 'Levelling Up – The Logic of Logistics' report was referenced as part of the previous Government's 'Future of Freight Plan.'
- Considered as one of the estimation methods in the Warehousing and Logistics in the South East Midlands Study (September 2022).
- Considered as part of the West Midlands Strategic Employment Sites Study (August 2024).
- Considered as part of the South West Hertfordshire Economic Study (2024) whereby the preferred employment estimates are based on Savills Suppressed Demand method. At paragraph xvii, Hatch the authors of the Study state: *'Tables 2 and 3 present a summary of the various scenarios for future industrial and storage & distribution requirements. Our preferred scenario is based on the trend in net absorption, with an upward adjustment made to account for latent demand which could have arisen if the supply of space had not been constrained. This adjustment has used a method recommended by Savills in a report for the British Property Federation (BPF). Again, this is our preferred scenario as it is the only scenario based on actual evidence of demand.'*
- Supported the need case for the Hinckley National Rail Freight Interchange (HNRFI). While the SoS eventually rejected the overall proposals in March 2025, the need case for the development was accepted in a 'Minded to Refuse' letter dated 10th September 2024 from Gareth Leigh Head of the Transport and Works Act Orders Unit, Department for Transport. Paragraph 25 of this letter states that the Secretary of State: *'notes that the ExA concluded that on the evidence before it, there is a compelling need for the project in line with paragraph 2.10 of the NPSNN which the Application must be assessed against, and further notes paragraph 2.36 in respect of SRFIs. The ExA concluded that there was little evidence presented that there was not a need for the Proposed Development [ER 3.2.87]'*.
- This conclusion was reiterated in the final Refusal Letter dated 10th March 2025, which stated at paragraph 96 that the ExA was satisfied that the need case weighed in favour of the Proposed Development: *'The ExA recommended that the need for the Proposed Development and choice of the site through the site selection process should carry substantial positive weight [ER 5.2.7]. The Secretary of State agrees'*. Paragraph 103 of this letter goes on to state *'As set out in paragraph 96 above, the Secretary of State is satisfied that there is a compelling need for the Proposed Development both nationally and in the south-west Leicestershire area, and that the creation of job opportunities, the*

facilitation of the transfer of freight from road to rail and the energy that will be produced by the Applicant for onsite use all carry substantial weight in favour of the Proposed Development’.

- Supported the planning application and subsequent appeal for an I&L scheme in Theale, Berkshire. The appeal (APP/W0340/W/25/3360702) was allowed in July 2025.
- Supported the need case for a planning application called Basingstoke Gateway, for 920,000 sq.ft of B8 floorspace with ancillary offices in Basingstoke and Deane Borough Council. The application was approved at Planning Committee in November 2024. (Planning Ref: 23/03120/FUL in Basingstoke and Dean)
- Used to support numerous adopted and proposed site allocations in Local Plans, including Crawley, South Staffordshire, Wigan and Bassetlaw:
 - a) The Crawley Local Plan was adopted on 16th October 2024 and includes a new strategic employment allocation known as ‘Gatwick Green’ which Savills promoted via an I&L Needs Assessment and written representations following the Council’s ‘call for sites’ process. Savills analysis demonstrated the need for additional B2/B8 land across the borough which led to the new strategic site being allocated. The Planning Inspector’s Report on the Crawley Local Plan noted that the Council’s need for I&L land to be 26 ha, with further sensitivity testing resulting in the need for 48 ha as an upper bound. The 48 ha was informed by a Market Signals Assessment undertaken by Lichfields as part of their Crawley Local Plan 2024-2040: Market Signals Assessment for Industrial and Warehousing Needs. This assessment was clearly based on the Savills Suppressed Demand Model, with Savills referenced throughout the report. For instance, they note at paragraph 2.6: ‘In the absence of further detailed national guidance on how market signals should be used and applied for the purposes of forecasting industrial and warehousing needs specifically, the approach set out below has had regard to recent research including a report by the British Property Federation (BPF) authored by Savills in 2022 which sets out some broad principles’ and also paragraph 3.2: ‘It is also consistent with the approach set out in the BPF/Savills report noted above which combines both warehousing and industrial demand.’ Moreover, it appears that Lichfields are increasingly adopting a ‘Market Signals’ approach in their recent employment land studies, shifting away from reliance on past development rates. For instance, in their 2025 Basildon Employment Land Needs Assessment, Lichfields consider demand under three scenarios: labour demand, labour supply, and market signals. While the latter is not explicitly referenced, it is evidently based on the Savills Suppressed Demand Approach.
- Supported the need case for an appeal relating to the refusal of planning permission for 251,900 sq.ft of office floorspace at land south of the A428, Wyboston Lakes Complex in Bedford. The Council considered that the Applicant had failed to demonstrate there was not alternative available land to meet the requirements of the business/industrial sector in the Borough and it had not been demonstrated there was demand and need at the proposed location for the development proposed. Savills Economics undertook a

detailed needs assessment of Bedford's office and I&L market, including using our Suppressed Demand model to estimate future demand. We also reviewed Bedford's employment land strategy in the draft Local Plan to demonstrate that the majority of allocations, although designated for office and R&D uses, were likely to be developed for industrial and logistics (I&L) uses, in line with historic and current trends. This would leave Bedford without good quality standalone office supply in a prime location (outside of Bedford Town Centre). The appeal was allowed on 25 March 2024 (ref: APP/K0235/W/23/3332469).

- 6.47 We present our own view of future I&L demand based on the Savills demand approach in **Section 8** and **Appendix B**. In **Section 8** we then apportion our overall I&L demand estimates to rail-served logistics land specifically.

Section 7 ◆ I&L Market Assessment

INTRODUCTION

- 7.1 Within this section we first define an appropriate Property Market Area (PMA) for the I&L market assessment.
- 7.2 We then go on to assess market demand and supply signals within the PMA's overall I&L market, and specifically St Helens, Wigan and Warrington (i.e. the Proposed Development LAs). The aim of this analysis is to gauge the relevant market strength for overall I&L development within these geographies. We focus our analysis on units above 9,300 sqm, given this aligns with the size of units proposed to come forward at the Proposed Development. We also conduct a complimentary analysis of the mega large market segment (69,700 sqm+ / 750,000 sq.ft) due to the Proposed Development delivering three units of this size.
- 7.3 While the analysis is based on the overall I&L market, this inherently encompasses rail-served logistics floorspace within the B8 use class (see **Section 1 – Reader Note**). As a result, the analysis also reflects the key market dynamics influencing the demand and supply of rail-served logistics space which is proposed at the Main Site of the Proposed Development.

DEFINING A PROPERTY MARKET AREA

- 7.4 Before we can consider market demand and supply signals, we first need to define an appropriate Property Market Area (PMA) for the assessment.
- 7.5 The PMA needs to be relevant to the Proposed Development, namely it is the broad 'area of search' the Main Site sits within that prospective I&L occupiers of large units above 9,300 sqm will consider when looking to lease space. Effectively the PMA includes the competitor locations to the Main Site for attracting occupier demand. However, given the Proposed Development relates to nationally significant infrastructure, it is also essential our PMA captures key operational and supply chain linkages in addition to competitor locations from a market perspective.
- 7.6 Where possible (and if appropriate), we use a Council defined Functional Economic Market Area (FEMA) as a proxy for the PMA for I&L uses. **A FEMA is a collection of administrative areas which share economic linkages as defined by travel to work patterns, housing market areas, shared infrastructure, labour skills, etc.** They are typically defined in a council's employment evidence base.
- 7.7 As discussed in **Section 1**, the Main Site element of the Proposed Development extends across both St Helens and Wigan, while the Proposed Development also entails highway works in the local authority of Warrington. We have reviewed the council defined FEMA's which cover St Helens, Wigan and Warrington as defined within their respective employment evidence

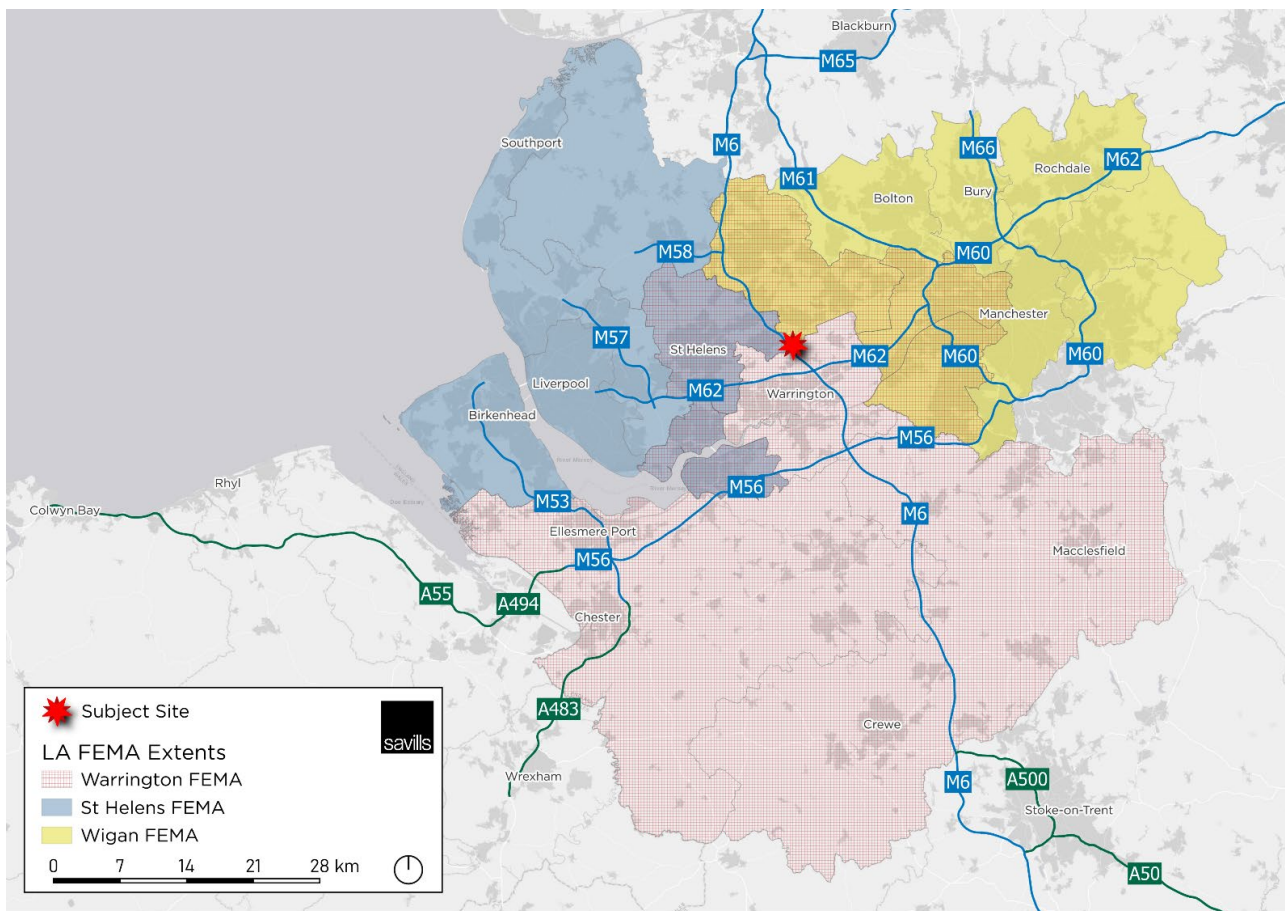
bases. In Savills view, none of the defined FEMAs are considered to be a suitable PMA for the Proposed Development:

- The St Helens FEMA as adopted in the St Helens Local Plan extends west from St Helens towards Liverpool and the Wirral, and north towards Sefton and West Lancashire. In total it comprises seven local authorities⁴². Critically it does not encompass the key stretch of the M6 corridor that proposed I&L occupiers will view as a key strategic advantage of the area, **and which will serve as the primary route for collecting and distributing goods from the rail terminal at the Main Site**. It also does not encompass the key industrial markets of Bolton, Salford and Trafford located east of the Main Site, which the M62 and M61 dissect.
- In a similar vein, the FEMA defined in the Places for Everyone Plan, which encompasses Wigan, also omits the key stretch of the M6 corridor. It is made up of the 9 Greater Manchester local authorities⁴³, extending eastwards from the Main Site. It omits the key industrial markets of St Helens, Knowsley and key freight infrastructure including Liverpool Port.
- Warrington's FEMA is based on a best-fit geography as discussed in the EDNA Refresh (2021), which includes the local authorities of St Helens, Wigan, Salford, Trafford and Halton. This area does encompass key industrial markets located along major transport corridors including the M6 and M62. However, the FEMA also extends south from Warrington towards the lesser established I&L markets of Cheshire East and Cheshire West and Chester. It also does not extend as far as Liverpool.

7.8 The three FEMAs (illustrated in **Figure 7.1**) extend in opposite directions from the Main Site. While each FEMA covers areas that we consider to be part of the PMA for the Main Site, they don't in isolation, or combined, form an appropriate PMA.

⁴² St Helens, Halton, Knowsley, Liverpool, Wirral, Sefton and West Lancashire.

⁴³ Wigan, Bolton, Trafford, Salford, Manchester, Bury, Rochdale, Oldham and Tameside.

Figure 7.1 St Helens, Wigan and Warrington Council defined FEMA

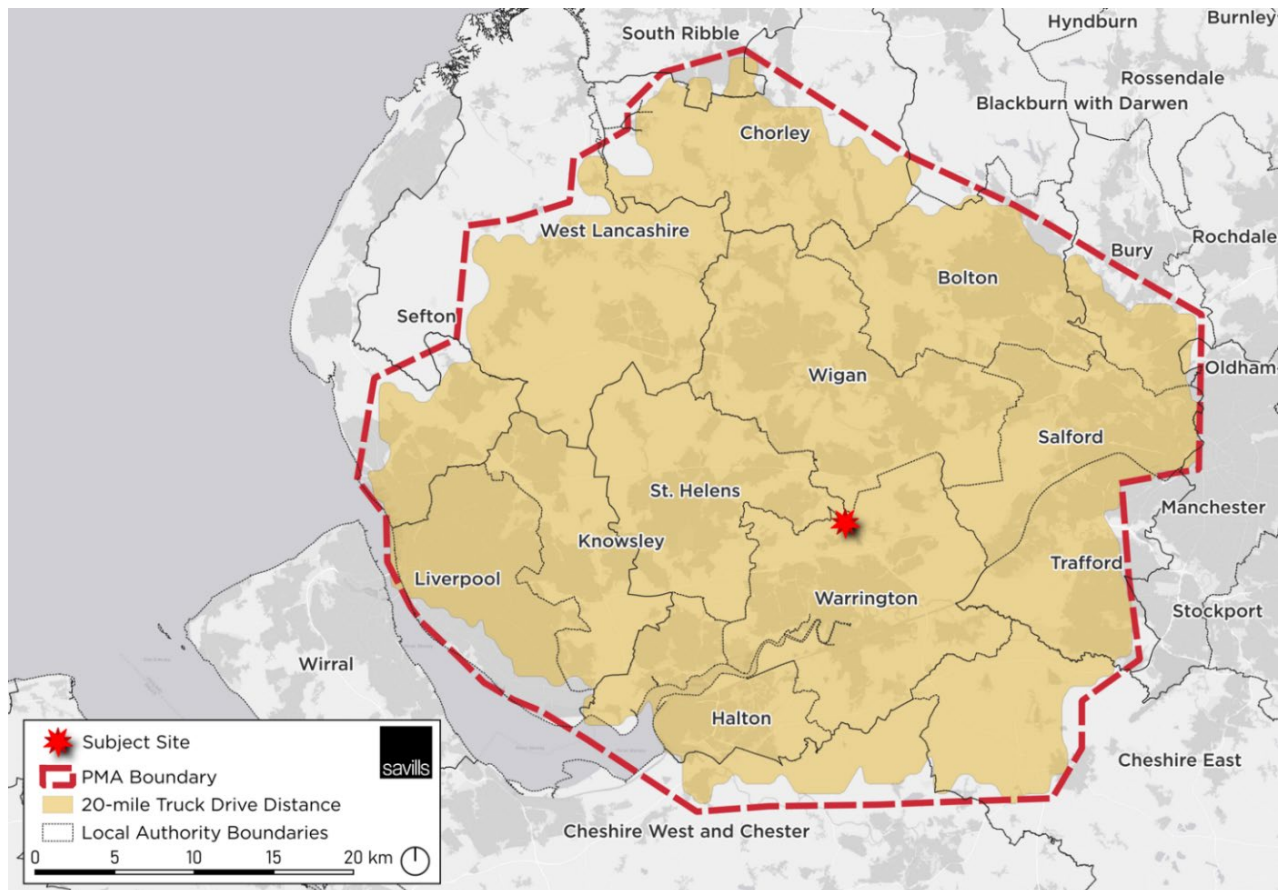
Source: Savills, 2025

- 7.9 As a result, we have instead defined a bespoke PMA which does not follow local authority boundaries. Based on discussions with rail freight operators, Savills Industrial agents, and the Applicant, it was agreed that a 20-mile truck distance isochrone from the middle of the Main Site is a suitable catchment that captures the key competitor locations (see bullet points below) to the Proposed Development. This is considered a reasonable distance which most I&L occupiers will travel from to use the rail freight interchange to either collect or drop off materials and goods as part of their supply chain.
- 7.10 The extent of the PMA is shown in **Figure 7.2** – marked by the red line boundary which is considered to be a ‘line of best fit’ for the 20-mile truck-drive isochrone. The PMA covers both a key section of the M6 corridor on a north-south axis, as well as part of the M62 corridor on an east/west axis. It also covers a stretch of the M61 in Bolton. Pertinently the PMA also encompasses Liverpool Port, as well as key industrial sites which could be considered competitor locations to the Main Site in terms of the provision of larger I&L premises. These include:
- The Speke Industrial area in Liverpool;
 - The Widnes Industrial area in Halton;
 - The Skelmersdale Industrial Estate in West Lancashire; and

- Part of Trafford Park in Salford.

7.11 In terms of local authorities, the PMA covers fully the local authorities of St Helens, Wigan, Warrington, Knowsley, Halton, and in great part – albeit not fully – the local authorities of Chorley, Bolton, Salford, and Trafford. The PMA also extends into areas of Sefton, West Lancashire, Cheshire East and Cheshire West and Chester. In terms of regions, the PMA is wholly contained within the North West region.

Figure 7.2 Property Market Area for Assessment



Source: Savills, 2025

MARKET SUPPLY AND DEMAND INDICATORS CONCERNING LARGER UNITS

- 7.12 Having defined an appropriate PMA for this assessment, we now consider market demand and supply signals within the PMA's I&L market, and specifically the local authorities of St Helens, Wigan and Warrington.
- 7.13 We focus our analysis on units above 9,300 sqm (100,000 sq.ft)⁴⁴. Units above this size are considered to be large and strategic, and will be the focus of the Proposed Development (see **Section 1**). While our focus in this Section is large units, we also consider demand and supply dynamics for the mega large market segment (69,700 sqm+ / 750,000 sq.ft) from paragraph

⁴⁴ As per the reader note in Section 1, this market assessment considers all I&L units above 9,300 sqm, meaning both industrial (formerly B1c now Use Class E (light industrial) and B2) and logistics uses (B8).

7.41 due to the Proposed Development delivering three such units. This provides further context to the assessment.

- 7.14 **Table 7.1** below presents a summary of the key market indicators for the local authorities of St Helens, Wigan and Warrington, and the PMA more widely. The consideration of market signals is a key requirement of the NPPF (Paragraph 32) for underpinning the preparation and review of all Local Plan policies. As we discussed in **Section 6 and Appendix A**, one of the main concerns with the local employment evidence is that it has limited regard to market signals.
- 7.15 The three Proposed Development LAs have relatively equally sized inventories in I&L units above 9,300 sqm. St Helens supports the largest, with a total large unit inventory of 1.3 million sqm. This is followed by Wigan (1.2 million sqm) and Warrington (1 million sqm). Together these three local authorities equate to approximately 35% of the PMA's inventory in large units (9.7 million sqm).
- 7.16 The current availability rates across St Helens (5.3%), Wigan (3.2%), Warrington (0.7%) and the wider PMA (5.2%) are all lower than the level at which a market is considered to be broadly in balance between supply and demand. This is defined as the 8% equilibrium rate and is discussed in further detail below. All three local authorities and the PMA are below this level and therefore are considered to be supply constrained.
- 7.17 Rental growth has been strong in St Helens, Wigan, Warrington, and the PMA between 2012 and 2024, growing by over 90% across all four geographies. These growth rates are far higher than the rate of inflation over the same time period (37%), indicating strong demand is competing for limited available stock.
- 7.18 Each of these indicators are discussed in more detail in the following sub-sections.

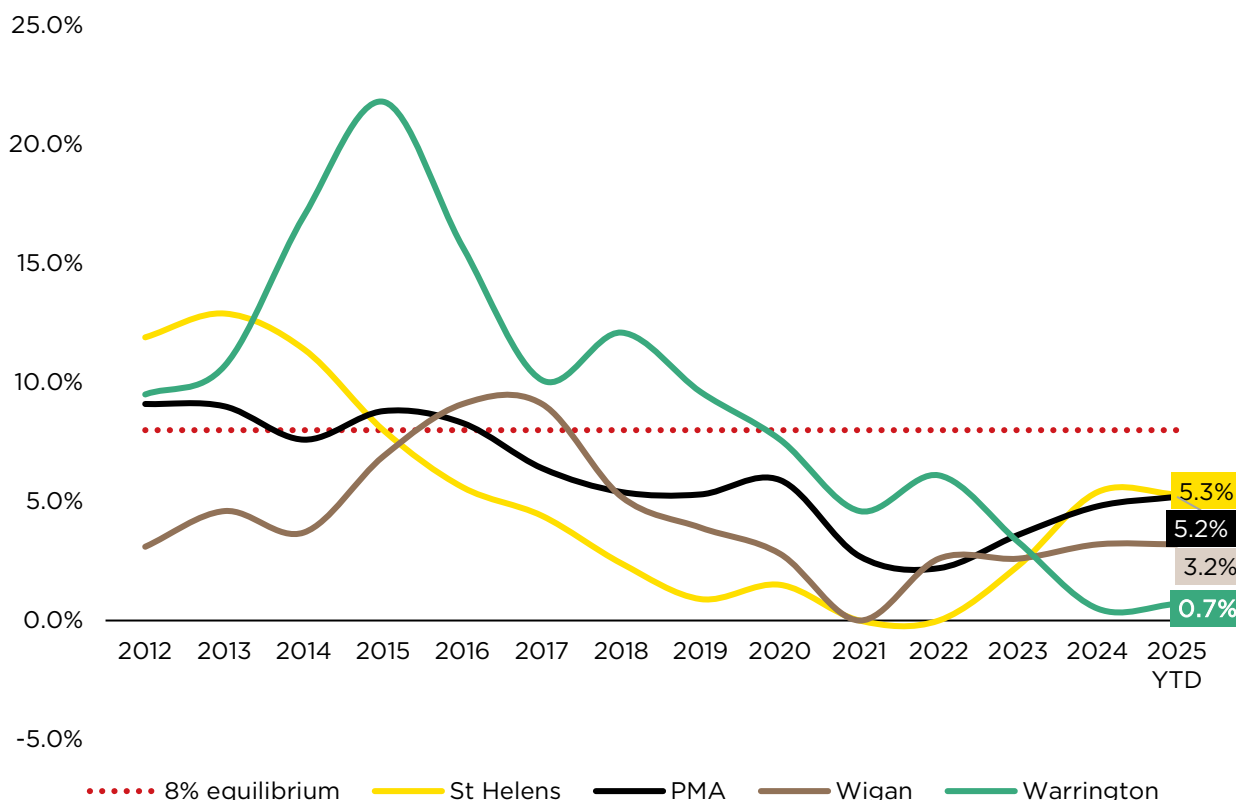
Table 7.1 Summary of Key Market Demand and Supply Indicators – Units over 9,300 sqm

Local Authority	Inventory (2025 YTD) (sqm)	Availability Rate (2025 YTD) (%)	Rental Growth (2012-2024)
St Helens	1,262,493	5.3%	101%
Wigan	1,158,542	3.2%	95%
Warrington	1,031,081	0.7%	103%
PMA	9,736,595	5.2%	100%

Source: Savills, CoStar 2025

Large Units are Supply Constrained

- 7.19 At the national level, 8% availability across all size bands is commonly referred to as the level where a market is broadly in balance (i.e. equilibrium frictional capacity) in terms of supply and demand, as sourced in publications such as the:
- GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG) (2012);
 - London Plan (2021); and
 - British Property Federation's ('BPF') 'Levelling Up – The Logic of Logistics' Report.
- 7.20 Below this level, available supply becomes tight and rents increase as strong occupier demand compete for limited available stock. We discuss the evidence behind the 8% equilibrium rate in further detail in **Appendix B**.
- 7.21 As shown in **Figure 7.3**, availability in St Helens, Wigan and the PMA has been below the 8% equilibrium for every year since 2018, and currently stands at 5.3%, 3.2% and 5.2% respectively (2025 YTD). Availability in St Helens and Wigan in this period has often reached critically low levels. For example there was no availability of large (9,300+ sqm) units in St Helens across 2021-2022, and none in Wigan in 2021. While availability for large units has risen from these lows, it remains below the equilibrium level across these local authorities.
- 7.22 Warrington's availability rate has historically been higher than St Helens and Wigan, peaking at 21.2% in 2015. This peak came on the back of a significant amount of I&L floorspace delivered in 2015 (nearly 150,000 sqm).
- 7.23 Despite the significant quantum of new floorspace delivered, it was taken up quickly. This is reflected in the steep drop in availability in 2016 and 2017. Consequentially availability on the whole has trended downwards since the high of 2015, as net deliveries of new floorspace have failed to keep pace with the strong demand (see **Figure 7.4**). Availability now stands at only 0.7%, the lowest level when compared to St Helens, Wigan and the wider PMA, and well below the 8% equilibrium rate when supply and demand are considered to be broadly in balance for large units.
- 7.24 The fact that availability has been trending downwards since 2015 and has been below the 8% equilibrium level for almost a decade shows that the I&L markets in St Helens, Wigan and the PMA have been supply-constrained for a considerable period of time. While this trend has been more recent in Warrington, it is clear that this I&L market is now also supply constrained and has been for the last 5 years.
- 7.25 This dynamic in turn suppresses 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 area to find suitable premises elsewhere, taking the jobs and investment they generate with them.

Figure 7.3 Figure 6.3 I&L Availability Rate (2012-2025 YTD) – units over 9,300 sqm

Source: Savills, CoStar 2025

- 7.26 **Figure 7.3** presents the historic availability rate in the 9,300 sqm + market segment. Breaking this market segment down further illustrates that across the PMA, availability diminishes across the larger size bands (**Table 7.2**).

Table 7.2 PMA Availability by Size Band (2024)

Size Band	Availability Rate (%)
Large (9.3k – 23.2k sqm)	5.9%
Very Large (23.2k – 46.4k sqm)	5.3%
Largest (46.4k sqm+)	1.6%

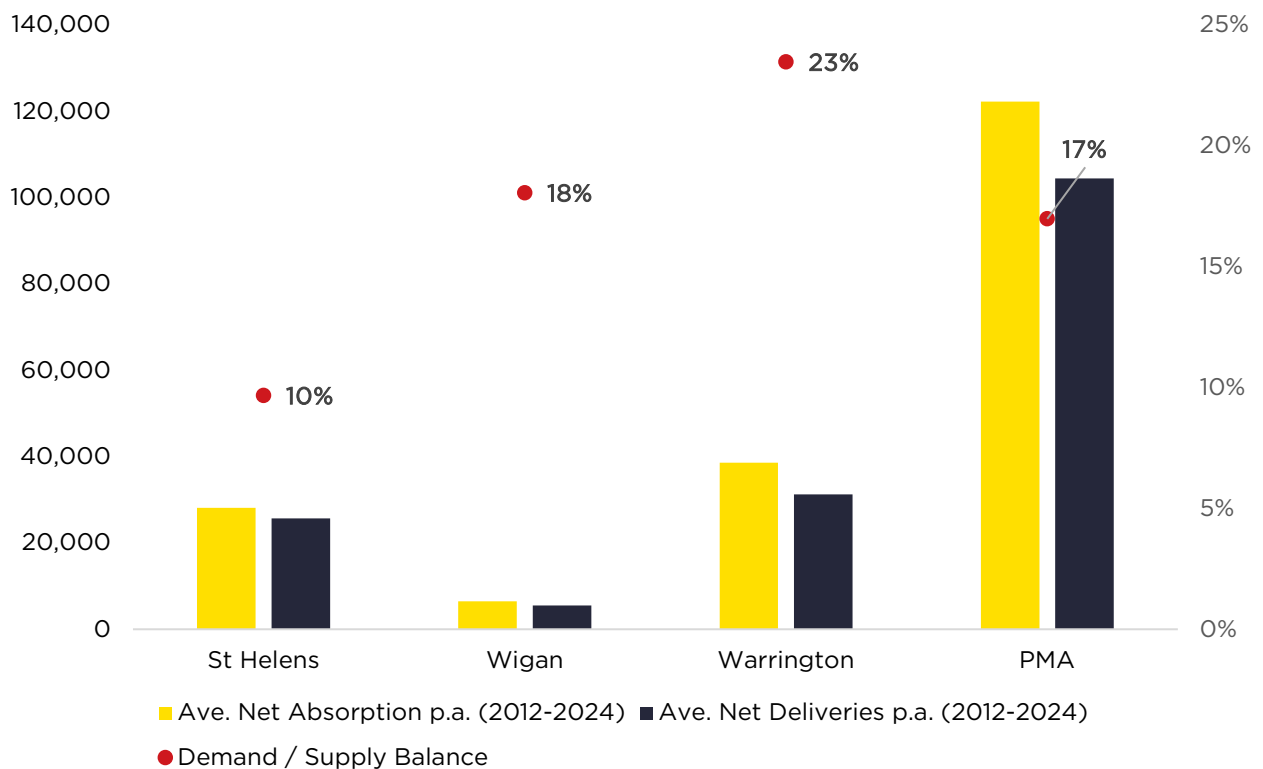
Source: Savills, CoStar 2025

- 7.27 The Proposed Development will respond to these market signals by providing 14 rail-served logistics units over the 9,300 sqm threshold, including a number of rail-connectable units and reaching up to and over 93,000 sqm.

Demand for Large Units Exceeds Supply

- 7.28 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) related primarily to new developments.
- 7.29 Focussing on large units above 9,300 sqm, again to align with those proposed at the Main Site of the Proposed Development, **Figure 7.4** demonstrates that demand has been higher than supply across St Helens, Wigan, Warrington, as well as the wider PMA.
- 7.30 Across the period 2012-2024, average levels of net absorption (demand) have exceeded average levels of net deliveries (supply) for large units by 10% in St Helens, 18% in Wigan, 23% in Warrington and 17% in the PMA.

Figure 7.4 Net Absorption and Net Deliveries p.a. (sqm) (2012-2024) – units over 9,300 sqm



Source: Savills, CoStar 2025

- 7.31 The historic demand/supply balance across each geography is significant and points to highly supply constrained market dynamics where by demand has exceeded supply for over a decade. This explains the low availability across these geographies and clearly evidences the needs for new supply capable of accommodating larger units over 9,300 sqm.

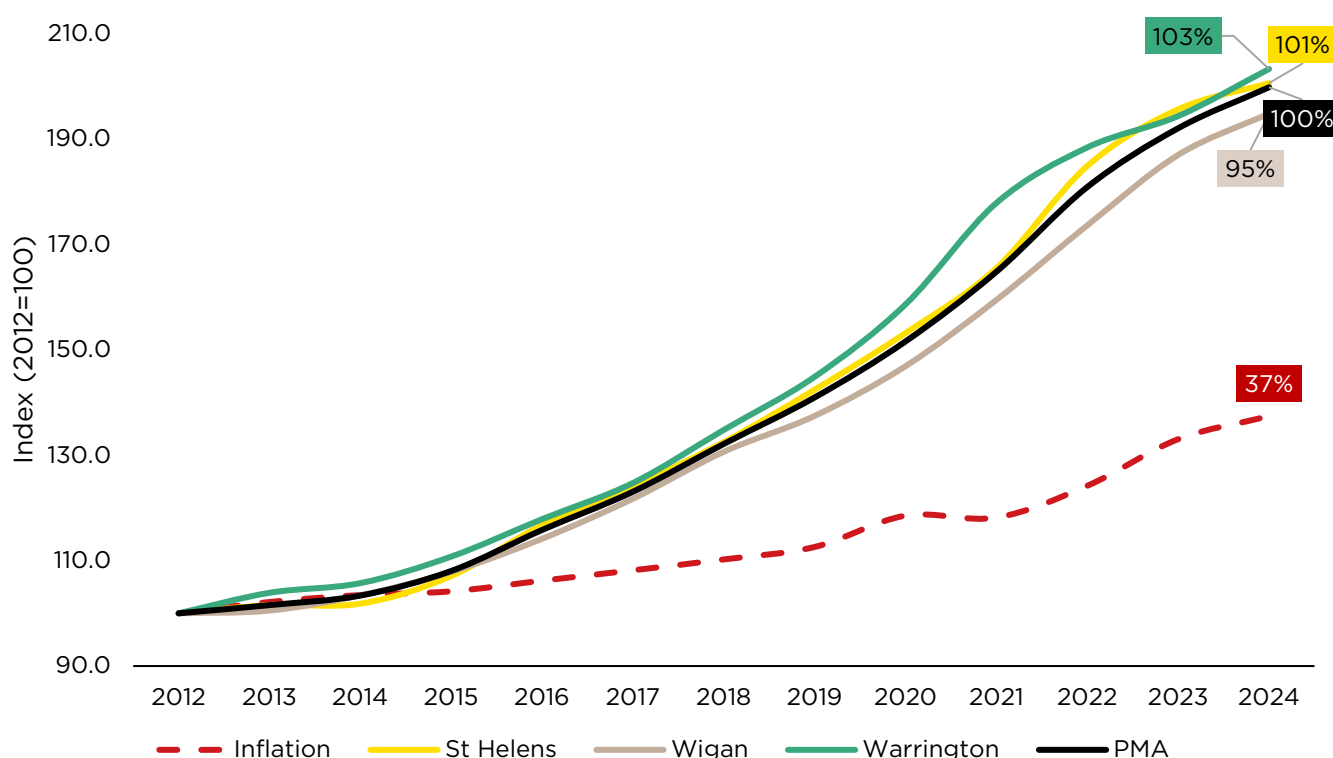
Strong Rental Growth within Large Units

- 7.32 Another key market indicator for understanding the relationship between supply and demand is rental growth. When demand outstrips supply, rental growth is typically higher as occupiers

compete for limited available stock. This in turn drives up rents. Conversely, when there is sufficient supply to accommodate demand, rental growth is lower, typically tracking inflation more closely.

- 7.33 The lack of available floorspace overall in the PMA and the three local authorities in question (see **Figure 7.3**) as well as demand being higher than supply (see **Figure 7.4**) has contributed to rapid rental growth. **Figure 7.5** shows that rents in St Helens grew by 101% between 2012 and 2024, 95% in Wigan, 103% in Warrington and 100% in the wider PMA. This means rental growth rates across the four geographies is well over double the rate of inflation (37%) over the same period.

Figure 7.5 Rental Growth v Inflation (2012-2024) – units over 9,300 sqm



Source: Savills, CoStar 2025

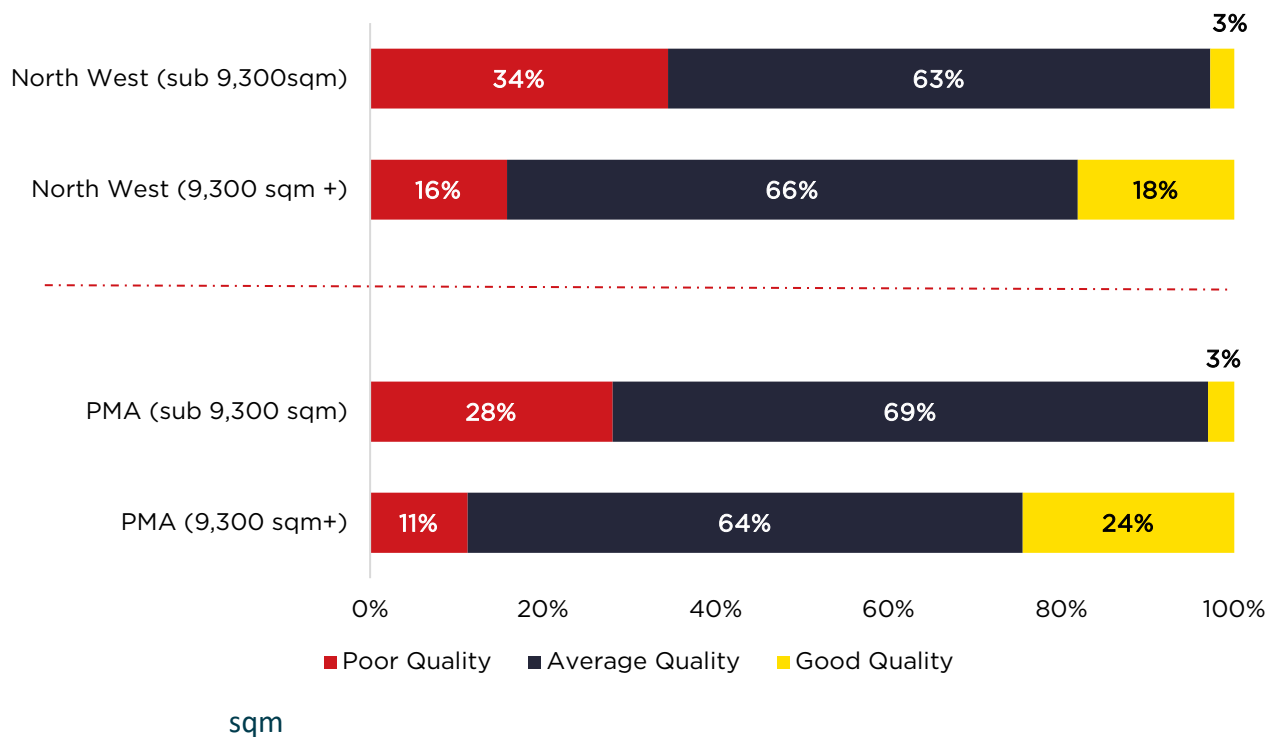
More High Quality Large Units Needed

- 7.34 The I&L sector is increasingly focused on environmental sustainability, with modern I&L buildings delivering on Environmental, Social and Governance (ESG) objectives across all stages of a property's life cycle. Occupiers are being driven by strategic decision-making and a desire to improve the ESG credentials of their real estate portfolios, not only to support the decarbonisation of the sector, but also from an efficiency and cost saving point of view.
- 7.35 As a result, it comes as no surprise that occupiers are gravitating towards better quality buildings, with better (ESG) features with demand strongest for Grade A properties that achieve high BREEAM and EPC ratings. As discussed in **Section 4**, such properties are assigned a rating of 4 or 5 by CoStar. Properties that don't meet these standards are typically given either a 3 star rating which denotes average quality, or a 1 or 2 star rating indicating below

average quality.

- 7.36 **Figure 7.6** compares the quality of I&L stock by CoStar rating within the PMA for units both above 9,300 sqm and below 9,300 sqm. For context, we also present the breakdown of stock by quality and size for the North West region. The chart illustrates that across the PMA, the proportion of good quality stock in large units (24%), is significantly higher than it is for small and mid-box units (3%). Concurrently there is a much greater proportion of poor quality stock in small and mid-box units below 9,300 sqm (28%) compared to in the large unit market segment (11%). This dynamic is mirrored in the North West region. This is not surprising. The size and scale of investment in large I&L units allow for higher-quality materials, better technology, and superior sustainability features to be incorporated compared to smaller units, which are often built speculatively or for more generic uses. Larger units also typically incorporate more advanced infrastructure (e.g. docking facilities) and are of a higher spec quality.

Figure 7.6 Quality of I&L Stock within the PMA and North West – 9,300 sqm + / sub 9,300



Source: Savills, CoStar 2025

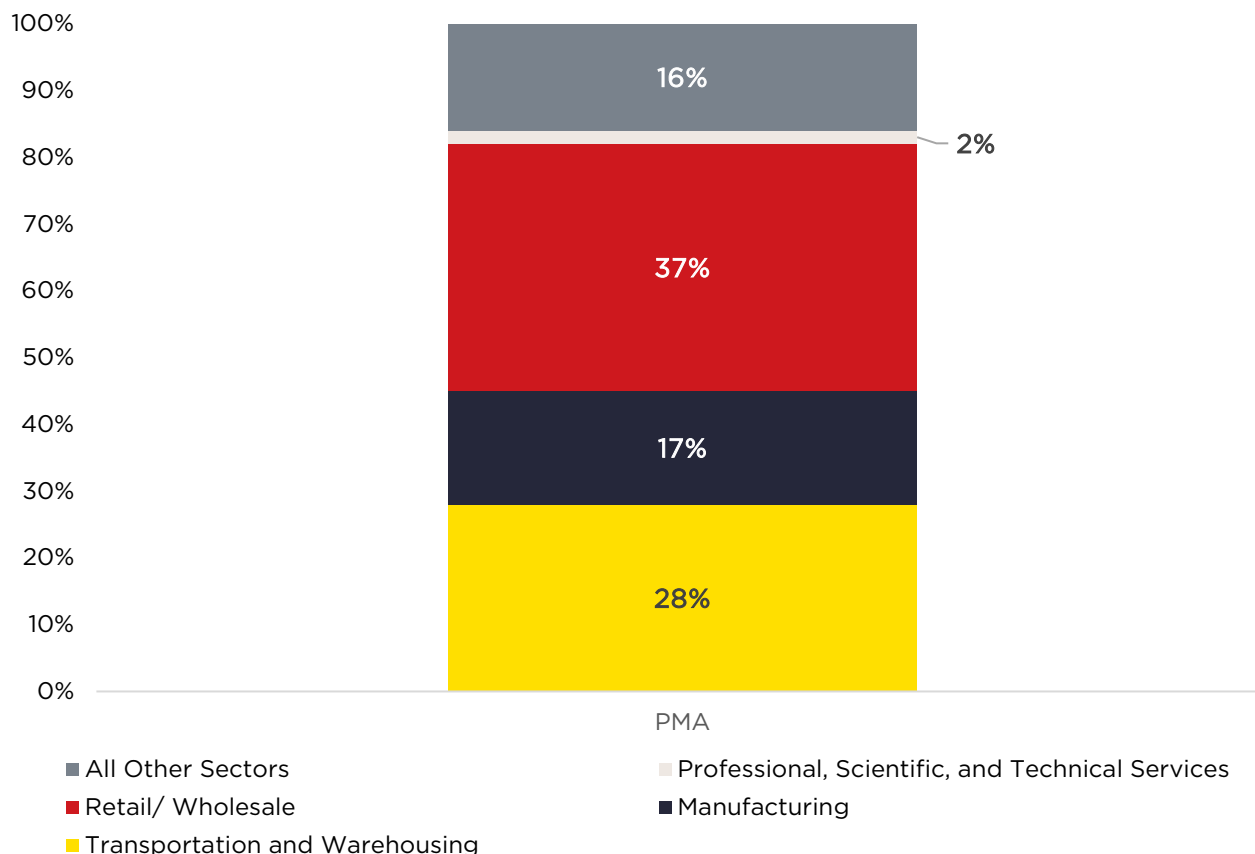
- 7.37 However, that said, the **majority of large units within the PMA are still considered to be of only average or poor quality (75%)**. The Proposed Development will help to continue to raise the overall quality of the PMA's I&L stock by delivering a series of logistics units across a range of large unit sizes, including in the mega large size band (upwards of 69,700 sqm). These units will be best in class premises with high ESG credentials.

E-Commerce Demand the Main Demand Driver for Large Units

- 7.38 To better understand the nature of demand over the last decade (2015-2024), we look at lease transactions by sector since 2015, in properties over 9,300 sqm. The top 5 sectors by

floorspace leased have been Retail / Wholesale, Transportation and Warehousing, Manufacturing, and Professional, Scientific and Technical Services, across the PMA. This analysis is illustrated in **Figure 7.7** below.

Figure 7.7 Share of Floorspace Leased by Sector (2015-2024) – units above 9,300 sqm



Source: Savills, CoStar 2025

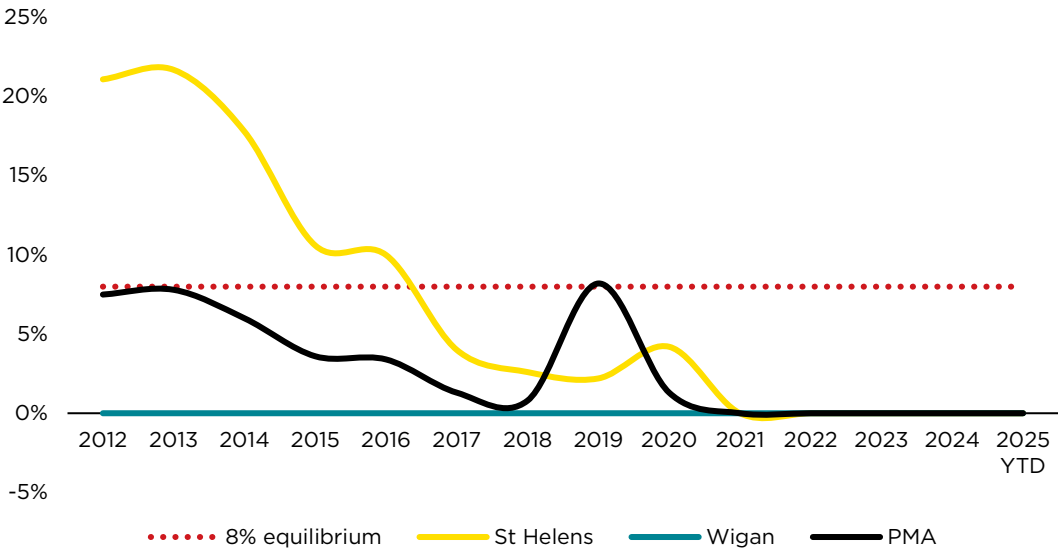
- 7.39 The sectors which are typically linked to e-commerce are Retail, Transport & Warehousing and Wholesale. Across the PMA these sectors account for 65% of leasing demand, suggesting that e-commerce is a strong driving force for demand across the PMA. This is pertinent, given as we discussed in **Section 6**, the increase in e-commerce is one of the main growth drivers for the I&L sector. Not only is the UK continuing to build more homes, each individual home is spending more online. Furthermore, Savills analysis of CoStar data demonstrates that every new home will result in approximately 6.9 sqm of additional I&L floorspace. The increasing need for I&L floorspace is a by-product of this trend as is the growth in freight flows given more freight, both in terms of weight (tonnage) and value, is moved in, out and within the country. These freight flows break down without the I&L premises themselves given their critical role in storage, sorting and distribution of goods throughout the country.
- 7.40 It should also be noted that a significant share of leased floorspace in units over 9,300 sqm across the PMA comes from the manufacturing sector (17%). This is a symptom of a healthy and diverse economic base across the PMA for large (9,300 sqm+) properties. It is a positive signal for the Proposed Development, as this means that the SRFI can link into various types of downstream users, rather than rely on one type of occupier base. While manufacturers

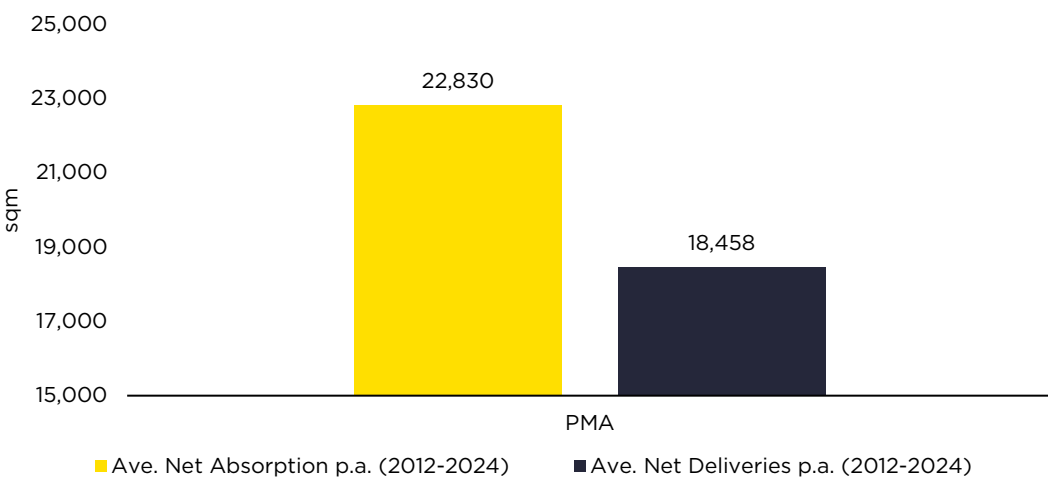
primary function is to produce goods, they too play an important role in the distribution & storage sector – requiring on-site and/or off-site storage solutions - and can themselves be users of rail freight interchange.

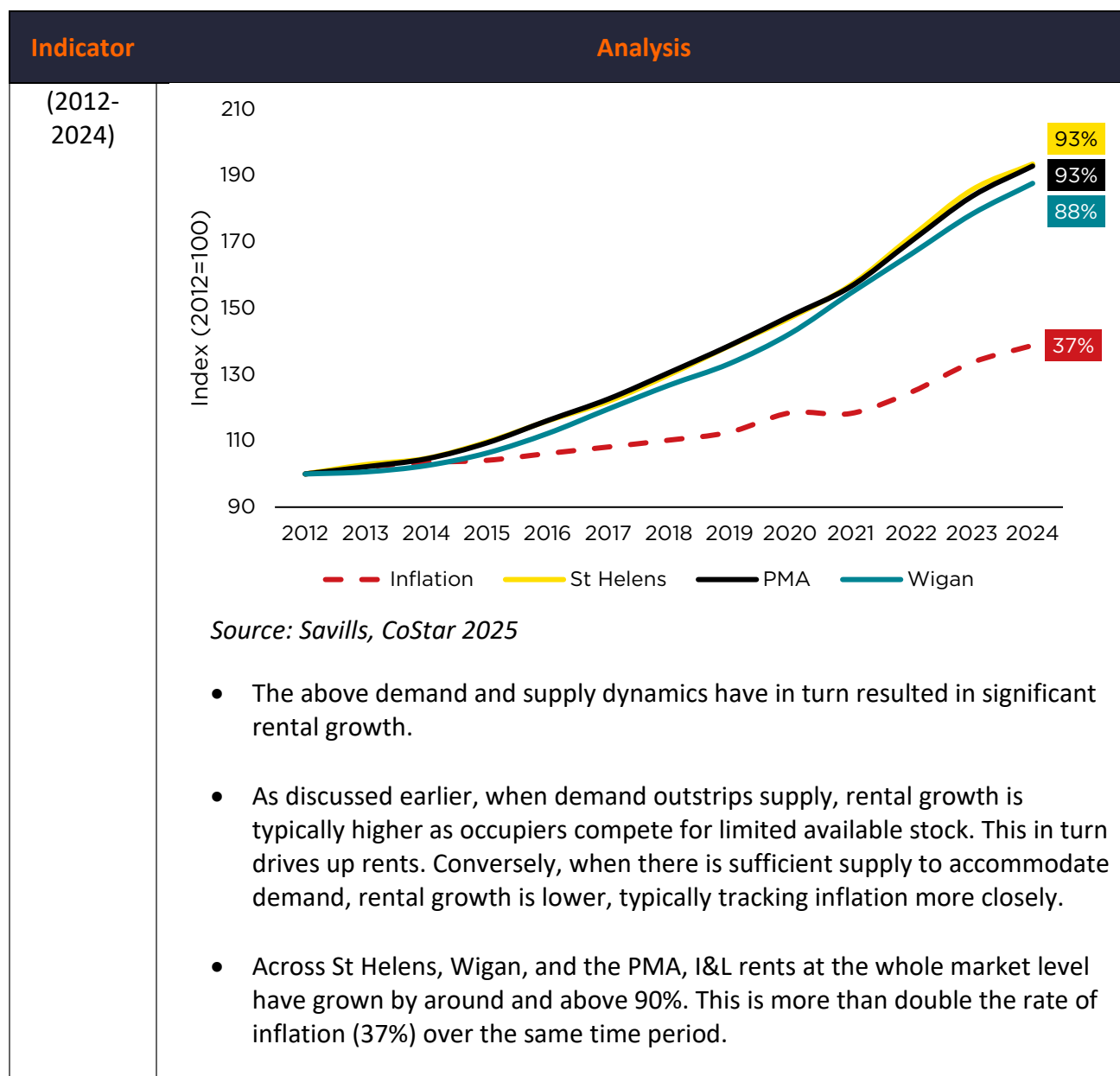
MARKET SUPPLY AND DEMAND INDICATORS FOR MEGA LARGE UNIT SIZES

- 7.41 As discussed above, we have focussed this market assessment on the 9,300 sqm+ market segment, which aligns with the unit mix to come forward at the Proposed Development.
- 7.42 As further context, it is also helpful to consider demand and supply dynamics for mega large units (69,700 sqm+ / 750,000 sq.ft+), given the Proposed Development is seeking to deliver three such units. This enables us to establish whether the demand and supply dynamics within the mega large unit market segment (69,700 sqm+) mirrors that of the large unit market segment (9,300 sqm+), or whether its underlying market signals are acting independently.
- 7.43 We consider the further analysis for the mega large market segment (69,700 sqm+) as being supplementary to the detailed market analysis undertaken for the 9,300 sqm+ market segment detailed above. As such, we have not gone into the same level of detail, instead focusing on the main market supply and demand signals being:
- Availability;
 - Net absorption and net deliveries; and
 - Rental growth;
- 7.44 **Table 7.3** below presents the supply and demand indicators for the mega large market segment (69,700 sqm+) for St Helens, Wigan, Warrington, and the PMA. Our analysis finds that the key trends outlined in the 9,300 sqm+ market segment are mirrored but are more severe for the 69,700 sqm+ market.
- 7.45 Warrington has been excluded from the graphs for this analysis as it does not contain any mega large (69,700 sqm+) I&L units. The largest unit within Warrington LA is approximately 63,700 sqm.

Table 7.3 Supply and Demand Indicators – Mega Large (69,700+ sqm) Market

Indicator	Analysis
Availability (2012-2025 YTD)	Figure 7.8 I&L Availability Rate (2012-2025 YTD) – Mega Large (69,700+ sqm) Market  Source: Savills, CoStar 2025 - As shown in Figure 7.8 above, availability across St Helens, Wigan and the PMA has been below the 8% equilibrium level (whole market equilibrium level) for most of the last decade. Across Wigan, St Helens and the PMA, availability has been at 0% since 2021. This is an exceedingly low level of availability which prevents healthy market dynamics from being able to operate. - While St Helen’s availability rate has tracked above the comparator geographies, it has been on a downward trajectory since 2013, and fell below the 8% equilibrium level in 2017 where it has remained ever since. Its current availability rate of 0%, also points to an exceedingly supply constrained market. - These trends mirror those seen at the 9,300sqm+ market segment, and demonstrate that the I&L markets across St Helens, Wigan, Warrington and the wider PMA are all being inhibited by a lack of supply.

Indicator	Analysis
Net absorption v Net deliveries (2012-2024)	Figure 7.9 Net Absorption and Net Deliveries p.a. (sqm) (2012-2024) – Mega Large (69,700+ sqm) Market  Source: Savills, CoStar 2025 • Across the period 2012-2024, average levels of net absorption (demand) of I&L floorspace have exceeded average levels of net deliveries (supply) by 24% across the whole PMA (Figure 7.9). • Net deliveries equate to around 18,500 sqm annually over our analysis period, effectively resulting in the delivery of one 69,300 sqm+ unit roughly every three years. • The significant difference between demand and supply will constrain and hamper the market, with knock-on detrimental impacts to the wider economy. This illustrates the critical need for more I&L land in the immediate term.
Rental Growth	Figure 7.10 Rental Growth v Inflation (2012-2024) – Mega Large (69,700+ sqm) Market



CONCLUSION

- 7.46 Our market assessment has demonstrated that the I&L markets in the PMA and the Proposed Development LAs are severely supply constrained. This is evidenced by low availability, high rental growth, and demand (net absorption) exceeding supply historically.
- 7.47 A complementary analysis of the mega-large market segment (69,700 sqm+) indicates that this sector has also been severely supply-constrained over the past decade, with 0% availability since 2021. Evidence suggests that this constraint has deeper historical roots, with availability exhibiting a consistent downward trend across the PMA and relevant local authorities throughout the period. This analysis corroborates the analysis undertaken in **Section 4**, which demonstrated that there are no mega-large units currently available within the wider North West region (see **Section 4**).

- 7.48 Accordingly, it follows that the market dynamics underpinning rail-served logistics space, which by its nature is a sub-set of the overall I&L sector, are also characterised by limited supply, and further development is needed to meet current and future demand.
- 7.49 In **Section 8**, we provide a quantitative assessment of overall I&L land need within the PMA and subsequently apportion this requirement specifically to rail-served logistics facilities.

Section 8 ◆ Quantify Rail-Served Logistics Need

INTRODUCTION

- 8.1 The purpose of this section is to objectively assess the need for rail-served logistics floorspace across the PMA. In order to do this, we first quantify the overall I&L need across the PMA, before identifying the proportion of that need attributable specifically to rail-served logistics floorspace. Rail served logistics floorspace is a sub-set of the overall I&L market.

APPROACH TO ESTIMATING RAIL-SERVED LOGISTICS FLOORSPACE DEMAND

- 8.2 To quantify the demand for rail-served logistics floorspace across the PMA, we have followed a structured, multi-stepped methodology, summarised as follows:
- **Step A – Quantifying Overall I&L Demand:** We begin by estimating the overall demand for I&L land across the PMA over a 20-year forecasting period, using the Savills Suppressed Demand methodology. Full details of this approach, including step-by-step guidance, is provided in **Appendix B**.
 - **Step B – Cross-checking via Replacement Demand methodology:** To validate the outputs of the Savills Suppressed Demand model (Step A), we apply an alternative Replacement Demand methodology as a sense-check. This method considers when older stock becomes functionally obsolete and needs to be replaced to meet modern occupier requirements.
 - **Step C – Calculating overall I&L Need:** Having established overall I&L demand, we quantify 'I&L need'. This involves comparing the I&L demand estimates (from **Step A** and **Appendix B**) with the available land supply (**Appendix C**). When demand is higher than supply, a 'need' shortfall exists. In other words, more land is needed to help meet estimated levels of future demand. Our 'I&L need' estimates are for the PMA defined in **Section 7** over a 20-year period.
 - **Step D – Apportioning to rail-served logistics floorspace:** Building on Step C, we apportion the total I&L demand, to rail-served logistics floorspace. As outlined in **Section 1**, the I&L sector includes all B2 and B8 use classes including rail-served B8 use class facilities which are the focus of this DCO application. To move from an estimate of overall I&L demand to rail-served logistics specifically, we apply industry-accepted apportionment ratios.
 - **Step E – Calculating rail-served logistics need:** We then assess the specific need for rail-served logistics space by comparing estimated demand (Step D) with the identified pipeline supply of rail-served floorspace, drawing upon the overall I&L supply assessment from **Appendix C**. This provides a 'need' estimate specific to rail-served

logistics floorspace across the PMA, as opposed to the overall I&L sector detailed in **Step C**.

- **Step F – National and Regional Validation exercise:** As a final sense-check of Step E, we conduct a top-down validation exercise by estimating rail-served logistics demand at the national and regional level. This involves extrapolating annual demand for rail-served warehousing based on national rail freight forecasts.

8.3 The end result is a robustly derived set of shortfall figures for both overall I&L land across the PMA and for rail-served logistics floorspace specifically. The following sub-sections detail the steps undertaken.

STEP A: QUANTIFYING OVERALL I&L DEMAND IN THE PMA - SAVILLS SUPPRESSED DEMAND MODEL

- 8.4 Savills review of the employment evidence for the three Proposed Development LAs (**Section 6** and **Appendix A**) indicates that limited regard is given to market signals concerning market demand and supply factors as required by Paragraph 32 of the NPPF. Rather they rely on labour demand and past development rate methods to forecast future land needs. Both approaches, whilst consistent with the high level guidance in the NPPG, have drawbacks which have resulted in an underestimation of the future demand for I&L land in St Helens, Wigan and Warrington. We discuss these drawbacks in detail within **Section 6**.
- 8.5 As a result, there is a need for an alternative market-led view that puts at its heart the needs of the local and regional economy and that can be compared with the Councils' demand estimates. Savills has developed a robust and widely credited demand methodology (**Appendix B**) which takes a market signals approach and which accounts for the level of 'suppressed' (or unfulfilled) demand due to historic supply constraints. The Savills methodology supplements the econometric approaches undertaken by the Councils' evidence bases to provide a more complete picture of future I&L demand.
- 8.6 Based on Savills' suppressed demand methodology, over a 20 year period, we estimate the level of overall I&L demand in the PMA to be between **1,600 ha and 1,842 ha**. The latter is our baseline (upper) estimate which we consider best represents 'true' market demand based on trends from the last 12 years (2012-2024). The former is our lower demand estimate based on a series of more pessimistic sensitivity tests, as detailed in **Appendix B**.
- 8.7 Apportioning the PMA's overall I&L demand range down to the three local authorities which the Proposed Development has a presence in, results in a total future demand of between 253-291 ha for St Helens, 122-141 ha for Wigan, and 298-343 ha for Warrington.
- 8.8 **Table 8.1** compares Savills demand estimates with those presented in the local employment evidence reviewed in **Section 6**. It should be noted that the local employment evidence provides future demand estimates across a range of different time periods. In order to compare our demand estimates on a like for like basis, we have pro-rated the demand estimates in the local authorities employment evidence to be over a 20-year period. The results of this analysis are presented below.

Table 8.1 Comparing Savills I&L demand estimates to the local employment evidence base

	Time Frame	Council Demand Estimates (Ha)	Council Demand Estimates (Ha) pro-rated to 20-year period	Savills Demand Estimates (Lower and Baseline)	Are Savills Estimates above the local employment evidence base?
St Helens ELNS Addendum	2012-2037 (26 years)	180 - 245	138 - 188	253 - 291	Yes
Wigan EMELA	2023-2040 (18 years)	93.9	104	122 - 141	Yes
Warrington EDNA Refresh ⁴⁵	2021–2038 (18 years)	242	269	298 - 343	Yes

Source: Savills, CoStar 2025

- 8.9 With reference to **Table 8.1**, Savills overall I&L demand estimates for the three local authorities are higher than those estimated in their respective employment evidence, under both our baseline and lower demand estimates.
- 8.10 The magnitude of difference is greatest for St Helens, where Savills estimates are between 103 ha and 115 ha higher than those in the St Helens ELNS Addendum. Concurrently Savills estimates are between 18 ha and 37 ha higher than those in the Wigan EMELA, and between 29 ha and 74 ha higher than those in the Warrington EDNA. **Our analysis illustrates that the local employment evidence has underestimated the demand for I&L land over a 20 year period.**
- 8.11 Finally, of Savills overall I&L demand in the PMA (**i.e., 1,600 ha and 1,842 ha**), we estimate the majority of this is for large units (over 9,300 sqm). In order to do this, we apply the average of three metrics. These are the share of large-scale inventory of overall I&L inventory, the share of net absorption by large units of overall I&L net absorption, and the share of large-scale I&L net deliveries of overall I&L net deliveries. This results in an apportionment figure of 55% (see **Appendix B**). Consequently, we determine large-scale I&L land demand in the PMA to be **881 ha – 1,015 ha**. This is relevant given the DCO Application is focused on larger units above the 9,300 sqm threshold. We discuss how we arrive at these numbers for railed served

⁴⁵ Based on demand estimates in Warrington EDNA Refresh, rather than those in the Warrington local Plan Inspectors Report given the latter are not disaggregated to I&L uses.

logistics in **Step D** below.

STEP B : CROSS CHECKING OF SAVILLS SUPPRESSED DEMAND ESTIMATES IN THE PMA WITH REPLACEMENT DEMAND METHODOLOGY

- 8.12 Here, we apply a Replacement Demand methodology to cross-check the Savills Suppressed Demand approach and its associated demand estimates. We consider this a worthwhile exercise to undertake given the replacement demand methodology has been adopted by other consultants, such as GL Hearn and Icen Projects⁴⁶, to assess future I&L demand.
- 8.13 The replacement demand methodology is based on the premise that typical I&L buildings have historically had an average lifespan of approximately 30 years. As a result, there is a continual requirement to build new stock to replace assets that have reached the end of their functional life and therefore no longer meet modern occupier requirements. It should be noted that while we have used 30 years as the average lifespan of typical I&L buildings for the purpose of this modelling exercise, there are exceptions. For example the buildings at the Proposed Development will be built to have a lifespan of 50 years, reflective of their scale and strategic importance.
- 8.14 While older buildings may remain physically and structurally sound, they often become functionally obsolete due to evolving market requirements and operational standards (e.g. increasing building heights). For example, such buildings may be unable to accommodate modern technologies, including automated stock-handling systems, HGV double-deck trailer access, or other advanced logistics infrastructure. Although older facilities can sometimes be refurbished or repurposed, they typically fall short of meeting these modern industry standards. This limits their competitiveness, productivity and utilisation. Accordingly, there is a need for the direct replacement of outdated stock with newly constructed, fit-for-purpose facilities.
- 8.15 Consultants such as GL Hearn and Icen typically accompany their replacement demand methodology with an assumption about future freight traffic growth. This approach estimates how much freight activity is expected to increase over time and translates that growth into additional floorspace requirements. However, we consider this methodology to be problematic due to both its forecasting assumptions and limitations in the underlying data. That said, analysis of studies that adopt this approach - such as GL Hearn (2021)⁴⁷ - shows that it generally results in an uplift of approximately 10% to 20% to the initial replacement demand estimate. While we do not incorporate this freight traffic growth step into our own 'sense-check', it is reasonable to assume that our replacement demand estimates would rise by 10% to 20% if a freight traffic growth adjustment were included.
- 8.16 To determine the proportion of stock requiring replacement, we first quantify the current level of warehouse floorspace within the PMA. To do this we use data from the Valuation

⁴⁶ Such as GL Hearn, MDS Transmodal, and Icen Projects (2021), 'Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change'; Icen Projects (2022), 'Warehousing and Logistics in the South East Midlands'; Icen Projects and MDS Transmodal (2022), 'Nottinghamshire Core & Outer HMA Logistics Study'.

⁴⁷ GL Hearn, MDS Transmodal, and Icen Projects (2021), 'Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change'.

Office Agency (VOA), consistent with the approach of others such as GL Hearn. This analysis identifies approximately 12.6 million sqm of existing warehousing floorspace across 7,856 units within the PMA.

- 8.17 We base the replacement demand methodology over a 20-year forecast period, to ensure consistency with the Savills Suppressed Demand estimation method (**Appendix B**).
- 8.18 Standard industry assumptions used when applying a replacement demand methodology utilise between 20-year and 40-year periods as their replacement windows⁴⁸ (i.e. upper and lower bound estimates between the 30-years discussed above). This assumes that warehouse units need to be replaced every 20 to 40 years, due to infrastructure decline, changing occupier requirements, and changing technology, amongst other factors. This is a baseline assumption only and it is important to note that modern warehouse facilities can achieve longer lifespans through higher build quality and refurbishments. For example, as noted above, the buildings at the Proposed Development will be built to have a lifespan of 50 years. To provide conservative estimates, we follow the approach used by GL Hearn (2021) opting for 30 and 40-year replacement windows. The 30-year replacement window effectively serves as a higher replacement scenario (where stock needs to be replaced more regularly) and is more indicative of market expectations, whilst the 40-year replacement window serves as a low replacement scenario (where stock is replaced less regularly).
- 8.19 To calculate the proportion of stock that will be redundant over our 20-year estimation period, we divide the forecast period (20-years) by the replacement period (30 or 40 years). This results in proportions of 67% and 50% respectively. This effectively means that within the 20-year forecast period, under a higher replacement scenario, 67% of the current stock within the PMA will need to be replaced by the end of the forecast period. Under a lower replacement scenario, 50% of the current stock within the PMA will need to be replaced. These proportions are considered appropriate given as assessed in **Section 4**, only 9% of the North West's current I&L stock is considered to be of good quality.
- 8.20 Next we multiply the current stock level (12.6 million sqm) by the proportion of stock that needs to be replaced (50% or 67%). This results in the demand required in order to replace expiring I&L stock.
- 8.21 For the upper overall I&L replacement demand estimate, this results in a demand for approximately 8.4 million sqm. For our lower overall I&L replacement demand estimate, this results in a demand for approximately 6.3 million sqm. Converting these floorspace estimates to land areas, based on a 35% plot ratio (again to ensure consistency with the Savills Suppressed Demand methodology), results in demand for between 1,800 ha and 2,400 ha of I&L land over a 20-year forecasting period. This analysis is shown in **Table 8.2**.

⁴⁸ Ibid.

Table 8.2 Replacement Demand Methodology Worked Steps (All I&L in PMA)

	High Replacement Demand Scenario	Low Replacement Demand Scenario
(a) Calculate level of stock within the PMA	12,609,595 sqm	
(b) Replacement period	30-years	40-years
(c) Forecast period	20-years	
(d) Stock replacement proportion (c / b)	67%	50%
(e) Demand estimation (a * d)	8,406,397 sqm	6,304,798 sqm
(f) Convert to land requirements (assuming a 35% plot ratio)	2,402 ha	1,801 ha

Source: VOA (2025) Savills (2025)

- 8.22 The application of the Replacement Demand methodology as a validation exercise indicates that the Savills Suppressed Demand approach produces a broadly similar, albeit more conservative, estimate of I&L land demand within the PMA. The Savills methodology identifies a requirement of between **1,600 and 1,842 ha**, whereas the Replacement Demand approach suggests a higher range, estimating demand between **1,800 and 2,400 ha**.
- 8.23 Accordingly, we retain the estimates derived from the Savills Suppressed Demand methodology, as they represent a more conservative basis for assessing future I&L land needs. Moreover we maintain that the Savills Suppressed Demand methodology is the most appropriate and robust method for estimating future I&L land demand, based on market signals in accordance with Paragraph 32 of the NPPF. We detail where the Savills approach has been considered as part of the planning process in **Section 6** of this report.

STEP C: CALCULATING OVERALL I&L LAND NEED IN THE PMA

- 8.24 As detailed above and in **Appendix B**, Savills estimate total I&L demand across the PMA to be between **1,600 ha and 1,842 ha** of land over a 20-year period.
- 8.25 Next we consider 'need' which is 'demand' less 'available supply'. To establish future I&L needs we have compared Savills demand estimates with Savills review of available supply (**Appendix C**).

8.26 Our detailed assessment of supply in **Appendix C** indicates a total existing supply across the PMA at approximately 1,387 ha. Against Savills demand estimates (**Appendix B**), this indicates a shortfall of between 213 and 455 ha across the PMA. This analysis alone quantitatively demonstrates the need for more overall I&L land across the PMA.

8.27 **Table 8.3** below summarises Savills view of unmet I&L need across the PMA.

Table 8.3 Demand and supply balance within the PMA (20-year period)

	Demand (Ha) (Appendix B)	Savills Supply (Ha) (Appendix C)	Savills Need Shortfall (Ha)
PMA	1,600 – 1,842	1,387	213 – 455

Source: Savills (2025)

8.28 Given this shortfall in overall I&L land, the floorspace at the Proposed Development cannot be disaggregated or re-distributed across other identified sites in the PMA (**Appendix C**). Fundamentally, there is not enough supply to meet future demand across the PMA.

8.29 However, if the shortfall is not agreed, then there is theoretically potential to accommodate the quantum of floorspace at the Proposed Development across other sites identified in our supply review (**Appendix C**) as follows:

- The 580,000 sqm (plus 165,000 sqm of mezzanine space) proposed at the Main Site of the Proposed Development could theoretically be accommodated within the Northern Gateway Heywood / Pilsworth allocation in Bury which has capacity for up to 856,000 sqm of I&L floorspace over 201 ha of land. However, this allocation is located just outside of the northeastern section of the PMA and consequently is likely to be serving a different market to that of the Proposed Development. In addition, it is part of the Greater Manchester Combined Authority's (GMCA) Atom Valley scheme, and so a portion is being targeted specifically for Advanced Manufacturing uses;
- Alternatively, the Proposed Development's floorspace could be disaggregated across Fiddlers Ferry Power Station allocation in Warrington (which also has planning permission) and the New Carrington allocation in Trafford. However, Fiddlers Ferry is in a secondary market location and not considered a prime site near motorway junctions, and is therefore unlikely to be seen as attractive to many larger occupiers. Additionally, New Carrington requires considerable highway works in order to be brought forward.
- Alternatively, the Proposed Development could be disaggregated across multiple smaller sites being delivered. The following list of twelve permissions (**Table 8.4**) would in total deliver approximately 766,000 sqm of I&L floorspace (i.e. approximately equivalent to the Proposed Development) across approximately 230 ha. However only three of these sites are considered strategic in size (being over 25ha) and none are over 50ha meaning many of these sites are not appropriate for very large units.

Table 8.4 Selected Small Supply Sites Required for the Quantum of I&L Development at the Main Site (taken from Table 12.1 and 12.3 in Appendix C)

Site Name	Local Authority	Remaining Land (Ha)	Remaining Floorspace (sqm)
West of Wingates (Hexagon Park: Planning Permission)	Bolton	33	100,000
Cutacre	Bolton	6.5	32,000
South Lancashire Industrial Estate, Ashton	Wigan	26.16	91,509
Land South of M62 (Merseyside Phase 2)	Knowsley	17.63	75,135
Land west of Millfield Lane, south of Liverpool Road and north of Clipsley Brook, Haydock	St Helens	17.07	68,291
Atlantic Park	Sefton	15.98	41,644
CE2B Carrington (Voltage Park)	Trafford	26.6	62,442
Plot CE2A Carrington (part)	Trafford	26.43	62,057
Lostock Industrial Estate (Mansell Way)	Bolton	7.06	33,189
Plot CE1B (Carrington Gateway)	Trafford	7.4	23,690
Allied Business Centre Potter Place West Pimbo Up Holland (TWO45)	West Lancashire	4.8	23,601

Site Name	Local Authority	Remaining Land (Ha)	Remaining Floorspace (sqm)
G Park Skelmersdale	West Lancashire	17	20,746
G Park Manchester	Trafford	3.72	20,540
Land West of Haydock Industrial Estate, Haydock	St Helens	3.64	14,571
Former Northern Airfield (Winward Drive)	Liverpool	2.81	12,210
	Total	228.7	765,739

Source: Savills (2025) analysis of relevant planning applications.

- 8.30 Irrespective of the sites identified above (of which only a handful could possibly accommodate mega large units over 67,200 sqm), the **critical point to note is that none of these alternative supply sites can deliver rail-served logistics facilities**. The only site identified within our supply review (**Appendix C**) within the PMA which has the ability to deliver rail-served I&L space is Port Salford (and its extension). None of the alternative sites identified above or in **Appendix C** can replace the SRFI element of the Proposed Development at the Main Site. In other words, these sites are primarily road based and offer none of the sustainability and supply chain benefits associated with the SRFI and rail served logistics at the Proposed Development. PEIR Chapter 4 details the alternative rail sites review.
- 8.31 Port Salford represents the third largest site, after Northern Gateway Heywood / Pilsworth and ILP North (i.e. the Proposed Development) identified in our Supply review (**Appendix C**). The main permitted site at Port Salford has approximately 114,700 sqm of floorspace remaining to be delivered (on 80.35 ha of land). Its allocated extension will deliver approximately 380,100 sqm of floorspace (on 106.6 ha of land). In total, this is approximately 494,800 sqm, still significantly below the 745,000 sqm at the Proposed Development. **Therefore, if Savills' overall shortfall estimate is not accepted, it is important to note that no alternative sites within the PMA are capable of delivering the scale of rail-served logistics floorspace earmarked at the Proposed Development.**
- 8.32 Furthermore, Port Salford faces ongoing deliverability challenges. It has yet to commence work on any rail infrastructure and is not currently able to do so. Due to the position of the building which has been built-out as well as the configuration of the terminal and mainline rail connections, it is not currently commercially viable to develop the trimodal scheme (connecting road, rail, and water). This does not withstand it being commercially viable at a future opportunity. Consequently, we assume that it will be brought forward at a point in the future and consider it within our list of development supply.

- 8.33 As demonstrated in the following sub-sections, the need for rail-served logistics space specifically within the PMA is clear. Like with I&L space overall, there is a clear ‘need’ shortfall which the Proposed Development will help to fill.

STEP D: SAVILLS SUPPRESSED DEMAND ESTIMATES APPORTIONED TO RAIL-SERVED DEMAND

- 8.34 Having quantified the demand, supply, and resulting ‘need’ shortfall for overall I&L land across the PMA, we now apportion these figures to rail-served logistics floorspace specifically. This aligns with the uses to come forward at the Proposed Development. As discussed in **Section 1**, overall I&L land, by its nature, encompasses rail-served facilities within the B8 use class.
- 8.35 To estimate the demand for rail-served logistics, we adopt industry accepted rail-served warehousing apportionments, detailed within reports such as the ‘*Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change*’ 2021 study from GL Hearn, MDS Transmodal Ltd, and Icen Projects Ltd. The report was commissioned by a consortium of local authorities comprised of Blaby, Charnwood, Harborough, Hinckley & Bosworth, Melton, North West Leicestershire, Leicester City, Leicestershire County Council, Oadby & Wigston, and the Leicester and Leicestershire Local Enterprise Partnership.
- 8.36 The GL Hearn (2021) study adopt apportionment rates of 26%, 43%, and 60% from overall large-scale warehousing demand to rail-served warehousing demand.
- 8.37 The 26% apportionment originally stems from an MDS Transmodal study for Network Rail in 2019 (revised 2020) titled ‘*Rail freight forecasts: Scenarios for 2033/34 & 2043/44*’.
- 8.38 The GL Hearn study from 2021, with MDS Transmodal and Icen, advises that the 26% figure is no longer the top range estimate. Policy aspirations, efficient transportation of freight goods, market expectations, and carbon net-zero aspirations have extended this top range apportionment to 60%. We consider many of these factors in **Section 2** of this report.
- 8.39 We agree that 26% is no longer an appropriate apportionment figure to use as it stems from evidence which no longer reflects market realities (see **Section 2** for more details). We are however sceptical of the 60% apportionment as it estimates an exceptionally high level of demand to be rail-served. Whilst in theory this is desirable, bringing forward SRFI are difficult and require significant levels of capital expenditure.
- 8.40 This is not to say, a higher proportion of rail served logistics isn’t desirable, nor possible, but it is important to set an ambitious yet realistic target. In this regard, we consider 60% too high currently as a baseline assumption. In the same vein, the lower 26% apportionment rate for rail served logistics is not considered reflective of the Government’s agenda for increasing rail freight use and the associated sustainability benefits.
- 8.41 The use of the 43% apportionment rate (the mid-point used in the GL Hearn Study) is therefore considered an appropriate baseline apportionment rate, and is further supported by the following analysis undertaken earlier in this report:
- The exceptional pace of delivery and take-up at other SRFI sites, such as EMG and DIRFT III (see **Section 5**).

- The increasing share of total I&L floorspace within units over 9,300 sqm. Since 2009 across the UK, inventory in units below 9,300 sqm has grown by 10.6%, whilst inventory in units above 9,300 sqm has grown by 20.5%⁴⁹. Effectively floorspace within large units, which are typically associated with SRFI developments, has grown at twice the rate of smaller units.
- **Section 2** outlines the national policy focus on decarbonising supply chains, the strategic backing for SRFI schemes, and the coordinated support and long-term vision of government, industry, and infrastructure providers to expand rail freight capacity.

- 8.42 Whilst the above analysis provides a general indication as to the appropriateness of the 43% rail-served apportionment, to understand whether this apportionment level can be evidenced, we conduct further analysis below. Here we analyse the average net absorption at the recently completed East Midlands Gateway (EMG) SRFI as a proportion of the net absorption of large-scale I&L from within a 20-mile radius of EMG. We have chosen a 20 mile catchment consistent with the Property Market Area (PMA) defined for the Proposed Development.
- 8.43 According to CoStar data, there was approximately 434,000 sqm of B8 net absorption between 2019 and 2023 at EMG itself. Over the same time period, there was approximately 1.4 million sqm of net absorption of 9,300 sqm+ I&L floorspace (i.e. B2 and B8 use class) within a 20-mile radius of EMG.
- 8.44 Discussions with Savills agents reveal that around 70-75% of transactional activity is for B8 premises, whilst around 25-30% is for B2 premises. This is further evidenced by the fact analysis of CoStar data demonstrates that around 31% of stock is within B2 premises, whilst 69% is in B8 premises. We consequently discount the total amount of I&L net absorption within a 20-mile radius by 25-30% based on the Savills industrial agent assumptions. This results in a figure of 1.0 million–1.1 million sqm of net absorption of B8 premises within a 20-mile radius of EMG.
- 8.45 Dividing EMG's net absorption (approximately 434,000 sqm) by the 20-mile radius B8 net absorption (approximately 1.0 million–1.1 million sqm), results in a range of 40.4% to 43.3%. It can consequently be deduced that around 40% to 43% of all net absorption within the 20-mile radius of EMG was the net absorption of EMG units. This is presented in **Table 8.5** below and helps to demonstrate the 43% baseline assumption of overall large-scale warehousing demand to be rail-served warehousing demand as being reasonable.

Table 8.5 Rail-Served I&L Apportionment Value Calculation

⁴⁹ Savills (2025) analysis of historical CoStar data.

Calculation Step	Sqm	
A) Sum of EMG net absorption over (2019-2023)	433,880	
B) Sum of I&L net absorption within 20-mile radius of EMG (2019-2023)	1,432,590	
C) Proportion of I&L stock within B8 premises	70%	75%
D) Sum of B8 net absorption within 20-mile radius of EMG (B * C)	1,002,800	1,074,440
E) Proportion of EMG net absorption of 20-mile radius B8 net absorption (A / D)	43.3%	40.4%

Source: Savills analysis of CoStar (2025) data.

- 8.46 Given the above analysis, we use 43% as our figure for apportioning the large-scale I&L demand that exists within the PMA to large-scale rail-served warehousing demand that exists within the PMA.
- 8.47 As evidenced in **Step A** above and in **Appendix B**, we estimate over a 20-year forecast period there is demand for between **881 and 1,015** ha of strategic I&L land (i.e., suitable for larger units above 9,300 sqm+). Based on a 35% plot ratio, this equates to 3.1 million sqm and 3.6 million sqm of floorspace.
- 8.48 Applying the 43% rail-served apportionment ratio to these floorspace figures, results in a rail-served logistics demand across the PMA of between **1.3 million sqm and 1.5 million sqm over a 20-year period**.
- 8.49 **Table 8.6** details these various figures and calculations.

Table 8.6 PMA Rail-served Logistics Demand derived from Savills Suppressed Demand over 20 year forecast period

	Ha	Sqm
Overall I&L Demand	1,600 – 1,842	5,600,000 – 6,447,000
Strategic (9,300 sqm+) I&L Demand	881 – 1,015	3,083,500 – 3,552,500

	Ha	Sqm
Rail-served Logistics Demand – based on 43% apportionment rate	N/A*	1,325,910 – 1,527,530

*Source: Savills (2025). *NB: Floorspace demand cannot be directly converted to land demand for SRFI developments, due to the differing plot ratios that exist. The inclusion of a rail freight terminal and rail infrastructure results in a smaller conversion ratio which can vary based on the local context of the rail infrastructure and the site conditions. Figures rounded to nearest ten.*

STEP E: CALCULATING RAIL-SERVED LOGISTICS NEED IN THE PMA

- 8.42 As with the broader I&L need analysis in **Step A**, the assessment of rail-served logistics need is calculated by subtracting available supply from estimated future demand.
- 8.43 The Savills Supply Review (**Appendix C**) identified a single rail served site – Port Salford and the Port Salford Extension – within the PMA. The site is anticipated to provide approximately 494,786 sqm of rail-served logistics floorspace, but none are designed to be rail connected. We discuss in **Step C** the current status of Port Salford.
- 8.44 When compared against our projected future demand for rail served logistics from **Table 8.5 (i.e., 1.3 million – 1.5million sqm)**, this results in a shortfall of approximately **831,120 to 1,032,790 sqm** of rail-served logistics space across the PMA over the 20-year forecasting period.
- 8.45 Even when accounting for the delivery of Intermodal Logistics Park North (the Proposed Development), which will contribute approximately 745,000 sqm of rail-served logistics floorspace (including mezzanine space), a residual shortfall of between **86,120 and 287,790 sqm** would remain.
- 8.46 This analysis, presented in **Table 8.7**, provides clear quantitative evidence of the significant need for additional rail-served logistics floorspace within the PMA, need that the Proposed Development would directly help to address. Indeed, even with the combined delivery of Port Salford and Intermodal Logistics Park North, a shortfall in rail-served capacity would persist. This underscores the importance of both schemes being brought forward to meet the growing demand for rail-served logistics floorspace in the PMA.

Table 8.7 Shortfall Calculation of Rail-Served Logistics Floorspace within the PMA across

20-year forecast period

	High Replacement Demand Scenario	Low Replacement Demand Scenario
(a) PMA Rail-served Logistics Demand	1,325,910	1,527,530
(b) PMA Rail-served Supply (Port Salford only)	494,790	
Savills Upper Shortfall range (a – b)	831,120	1,032,790
(c) PMA Rail-served Supply (including the Proposed Development at ILP North)	1,239,790	
Savills Lower Shortfall range (a – c)	86,120	287,790

Source: Savills (2025)

STEP F: SENSE CHECK ON RAIL-SERVED I&L DEMAND ESTIMATION

8.47 As with the broader I&L demand analysis in **Step A** and **Step B**, we conduct a validation exercise to cross-check the rail-served demand estimates derived from the Savills Suppressed Demand methodology and the 43% apportionment rate. This validation exercise uses an alternative, top-down methodology and independent data sources to produce a second range of demand estimates which can be compared with the Savills estimates. The aim of this exercise is to further interrogate our findings and thereby strengthening the accuracy and robustness of the overall analysis.

National rail-served logistics floorspace need estimation

8.48 In 2019 (revised 2020), MDS Transmodal published a study, 'Rail freight forecasts: Scenarios for 2033/34 & 2043/44'. This was commissioned by Network Rail and provided a series of rail freight forecasts. The initial report⁵⁰, based on MDST (2013)⁵¹, provided freight estimates up to 2023/23, 2033/34, and 2043/44. The MDS Transmodal (2019) report updated these rail freight forecasts up to 2033/34 and 2043/44. **As part of this work, they also forecast the**

⁵⁰ Network Rail (2013), 'Long Term Planning Process: Freight Market Study'

⁵¹ MDS Transmodal (2013), 'Rail freight forecasts: Scenarios for 2023/24, 2033/34 & 2043/44'

levels of rail-served warehousing to be built out.

- 8.49 This study denotes that, based on their analysis of long-term trends, around 1 million sqm of large-scale warehousing (both rail served and non-rail services) is built each year in Britain. Of this, between 130,000 sqm and 260,000 sqm of large-scale rail-served warehousing will need to be built annually. This assumes that between 13% (in the rail ‘dis-favouring’ scenario) and 26% (in the ‘rail-favouring’ scenario) of this large-scale warehousing stock will be rail-served.
- 8.50 In 2022, this analysis was updated again by MDS Transmodal (*‘2028/29 Rail freight demand forecasts with capacity constraint for Network Rail’*) to re-base the forecasting to a base calendar-year of 2021 and forecasting instead to 2028/29 for CP7⁵². Within this freight forecasting study, assumptions are made regarding the levels of rail-served warehousing that is needed to be delivered, and what they are planning to be able to support. They detail five scenarios, two high scenarios, two low scenarios, and one central scenario. Under these scenarios they estimate between 2.7 million sqm and 4.4 million sqm of rail-served warehousing to be delivered between the base year, 2021, and 2028/29. This is set out in **Table 8.8** below.

Table 8.8 MDS Transmodal (2022) Additional Rail-Served Warehousing Estimates to 2028/29

Scenario	Additional rail-served large warehousing to be built between base year (2021) and 2028/29
Scenarios A & B (High)	4.4 million sqm
Scenarios C and D (Low)	2.7 million sqm
Scenario E (Central)	3.6 million sqm

Source: MDS Transmodal (2022).

- 8.51 Based on these scenarios, the level of rail-served demand to be delivered each year can be linearly interpolated, shown in **Table 8.9** below. We do this so we can project forward these annualised demand figures to 2045 so as to align with the Savills demand estimates.

Table 8.9 Interpolation of Annual Rail-Served Warehousing Demand (base year of 2021)

⁵² CP7 is Network Rail’s Control Period 7, referring to the period from April 2024 to March 2029. It connects to their five-year funding and delivery plan for strategic decision making.

(sqm)

Scenario	2022	2023	2024	2025	2026	2027	2028
Low Scenario	385,714	771,429	1,157,143	1,542,857	1,928,571	2,314,286	2,700,000
Mid Scenario	514,286	1,028,571	1,542,857	2,057,143	2,571,429	3,085,714	3,600,000
High Scenario	628,571	1,257,143	1,885,714	2,514,286	3,142,857	3,771,429	4,400,000

Source: Savills analysis of MDS Transmodal (2022).

- 8.52 The interpolation exercise effectively results in an annualised quantum of rail-served warehousing to be brought forward in Britain. Under the low scenario, this value is approximately 385,700 sqm per annum. Under the high scenario, this value is approximately 628,600 sqm per annum. Under the midpoint scenario, this value is approximately 514,300 sqm per annum.
- 8.53 Additionally, in the 2022 study, it is stipulated that between 1 million and 2 million sqm of large-scale warehousing (i.e., both rail served and non-rail serviced) is built in Britain each year, based on their analysis of long-term historic trends, upscaled from 1 million sqm in the 2019 study. The annualised rail-served warehousing demand in the future assumed under the low scenario is almost three times greater in the MDS Transmodal (2022) study compared with the respective low scenario in the MDS Transmodal (2019) study. Under the high scenario it is approximately 2.5 times greater than the respective high scenario in the 2019 report. Evidently, MDS Transmodal expect there to be increasing demand for rail-served warehousing based on the fact that these assumptions and forecasts have been significantly scaled up within the space of three years between the 2019 and 2022 studies.
- 8.54 We project the interpolated MDS Transmodal (2022) annualised large-scale rail-served warehousing demand (low and high scenario) to the end of our forecast period to 2045. We consider that these represent appropriate upper and lower bounds over the same 20-year period used in the Savills Suppressed Demand estimates. This results in a demand estimate for between approximately **9.3 million sqm and 15.1 million sqm** of rail-served warehousing, at the national level.
- 8.55 In order to determine the 'need' level (i.e., demand less available supply), we quantify the level of known rail-served supply that has been and will be brought forward between 2021 and 2045 in Great Britain. Excluding the Proposed Development and non-confirmed SRFIs, this results in a value of 2.3 million sqm of rail-served logistics floorspace as set out in **Table 8.10** below.

Table 8.10 Confirmed⁵³ SRFI Rail-Served Warehousing Supply (2021 to 2045)

SRFI Name	Quantum of rail-served logistics floorspace (sqm)
Mossend International	210,000
DIRFT III ⁵⁴	405,280
Northampton Gateway	623,000
Radlett	335,000
West Midlands Interchange	743,200
Total	2,316,480

Source: Savills review of build outs and relevant planning and DCO applications.

8.56 We also consider the potential SRFI developments which may come forward. This includes refused applications, under the assumption that they may be re-visited in the future, as well as those potentially to be re-submitted. We also include the Proposed Development at ILPN. These account for approximately 3.2 million sqm of rail-served logistics floorspace. When you sum these two values, the confirmed and the potential supply, the quantum of rail-served logistics floorspace consequently rises to approximately 5.5 million sqm. This is set out in **Table 8.11**.

Table 8.11 Assumed Potential SRFI Rail-Served Warehousing Supply (2022 to 2045)

SRFI Name	Quantum of rail-served logistics floorspace (sqm)
ILP North (the Proposed Development)	745,000
East Midlands Intermodal Park	483,000

⁵³ Here, 'confirmed' refers to all developments which are either completed or under construction during the period 2021 to 2045. Non-confirmed refers to developments which have not been completed or commenced construction, but which have the potential to be delivered and are currently in planning or actively being considered by developers.

⁵⁴ The quantum of floorspace delivered after 2021, not the total quantum of DIRFT III floorspace.

SRFI Name	Quantum of rail-served logistics floorspace (sqm)
Oxfordshire SRFI	600,000
Hinckley NRFI	850,000
Port Salford	494,790
Sub-total	3,172,790
Confirmed SRFI sites (see Table 8.10)	2,316,480
Total	5,489,270

Source: Savills review of build outs and relevant planning applications and DCO applications.

8.57 As previously stated, by 2045 we estimate between **9.3 million sqm and 15.1 million sqm** of rail-served warehousing will need to be built, nationally. We have identified that 5.5 million sqm of rail-served warehousing is likely to come forward, nationally. Consequently, this leaves a shortfall of between approximately 3.8 million sqm and 9.6 million sqm of rail-served warehousing. This is after accounting for the Proposed Development and refused DCO applications (such as Hinckley). This is presented in **Table 8.12** below.

8.58 This analysis clearly indicates more SRFI and rail served logistics floorspace is needed at the national level.

Table 8.12 Rail-Served SRFI National Demand Shortfall

Calculation Step	Quantum of rail-served logistics floorspace (sqm)
National rail-served Demand	9,257,140 – 15,085,710
National potential supply of rail-served sites	5,489,270
Shortfall	3,767,880 – 9,596,450

Source: Savills (2025), based on MDS Transmodal (2022)

Regional rail-served logistics floorspace need estimation

- 8.59 Next, we apportion the ‘need’ analysis from the national level down to the regional level, based on the best data we have available. Attempting to apportion down further to the ILPN PMA would risk conflating figures and misaligning geographic boundaries, thereby compromising the accuracy and integrity of the analysis.
- 8.60 In order to apportion the national level rail served logistics need to the North West Region where the Proposed Development is located, we identify what proportion of national I&L stock is located within the North West. As discussed in **Section 4**, the North West contains approximately 51.3 million sqm of I&L stock. This represents approximately 14.7% of Great Britain’s (349.9 million sqm) I&L stock.
- 8.61 **Table 8.13** shows what 14.7% of the national rail served demand from **Table 8.7** equates to for the North West Region. This results in a demand estimate of between approximately **1.4 million sqm and 2.2 million sqm** of rail-served warehousing.

Table 8.13 Rail-Served Warehousing Demand for the NW Region (14.7% of National Level)

National rail-served demand	North West Region (Based on 14.7% share) (sqm)
Scenarios A & B (High)	1,356,663
Scenarios C and D (Low)	1,808,883
Scenario E (Central)	2,210,858

Source: Savills (2025), based on MDS Transmodal (2022)

- 8.62 In order to determine the ‘need’ level (i.e., demand less available supply), we quantify the level of rail-served supply that has been and will be brought forward between 2021 and 2045 in the North West Region.
- 8.63 Savills review of supply (**Appendix C**) identifies only one other rail-served site within the PMA, which is Port Salford. Deliverability challenges surrounding Port Salford are discussed in **Step C**. However, we include it as potential supply to account for the ‘worst case scenario’, i.e. the impact of development on land need if all development goes ahead. As such, Port Salford and the Proposed Development serve as the only two rail-served I&L sites being delivered in the PMA. Combined these deliver approximately 1.2 million sqm of rail-served I&L floorspace. These are presented in **Table 8.14**.

Table 8.14 Potential SRFI Rail-Served Warehousing Supply in North West (2022 to 2045)

SRFI Name	Quantum of rail-served logistics floorspace (sqm)
ILP North (the Proposed Development)	745,000
Port Salford	494,790
Total	1,239,790

8.64 Source: Savills review of build outs and relevant planning applications and DCO applications

8.65 As previously stated, by 2045 we estimate between 1.4 million sqm and 2.2 million sqm of rail-served warehousing will need to be built in the North West region. We have identified that approximately 1.2 million sqm of rail-served warehousing has the potential to be brought forward within the North West. Consequently, this leaves a shortfall of between approximately 117,000 sqm and 970,000 sqm of rail-served warehousing. This is presented in **Table 8.15** below.

Table 8.15 Rail-Served SRFI North West Demand Shortfall

Calculation Step	Quantum of rail-served logistics floorspace (sqm)
Regional (North West) rail-served Demand	1,356,660 – 2,210,860
Regional (North West) supply of rail-served sites	1,239,790
Regional (North West) Shortfall	116,880 – 971,070

Source: Savills; MDS Transmodal.

8.66 This exercise demonstrates that the shortfall in rail-served logistics floorspace within the PMA, identified using the Savills Suppressed Demand methodology (**Step E**), is reflected at both the national and regional level when considering ‘top-down’ demand estimates and rail freight forecasts provided by MDS Transmodal.

8.67 Within the North West, an estimated shortfall of between 117,000 sqm and 970,000 sqm remains, even after accounting for the delivery of the Proposed Development (ILP North) and Port Salford. This highlights that both SRFI sites are required – and potentially more – in order to meet existing market demand. While the scale of shortfall differs between the two

methodologies due to variations in geography and approach, both clearly point to strong underlying market dynamics and a sustained need for additional rail-served logistics capacity in the PMA and the wider region.

CONCLUSION

- 8.68 There is a critical need for additional large-scale rail-served warehousing across the PMA, which the Main Site at the Proposed Development will help to deliver.
- 8.69 Savills Suppressed Demand methodology demonstrates that there is a demand for approximately **1,600 ha to 1,842 ha** of overall I&L land within the PMA over a 20-year period (**Appendix B**). A cross-reference of these demand estimates using a warehousing replacement demand methodology demonstrates a demand for between 1,800 and 2,400 ha of I&L land. This indicates Savills demand estimates generated by our Suppressed Demand methodology are arguably conservative.
- 8.70 Savills Supply Review (**Appendix C**) has identified approximately 1,387 ha of I&L supply within the PMA. This consequently results in an estimated shortfall of between 213 and 455 ha of overall I&L land within the PMA over the forecast period when compared against Savills Suppressed Demand estimates.
- 8.71 Having estimated the overall I&L demand within the PMA, we next go on to estimate the level of demand attributed to rail-served logistics specifically. Due to the differential plot ratios of rail-served logistics sites, we use floorspace values rather than land values for this demand and subsequent need estimation. By adopting the midpoint apportionment level from the GL Hearn (2021) study of 43%, we identify that there is demand for between approximately **1.3 million sqm and 1.5 million sqm** of rail-served logistics floorspace within the PMA.
- 8.72 Savills Supply Review identifies approximately 495,000 sqm of rail-served logistics floorspace in the PMA, relating to one scheme (Port Salford and the Port Salford extension). This is considered to be optimistic scenario giving the ongoing deliverability issues at the site as discussed above.
- 8.73 When compared against our projected future demand, this results in a shortfall of approximately **831,120 to 1,032,790 sqm** of rail-served logistics space across the PMA.
- 8.74 The Proposed Development will deliver approximately 745,000 sqm of rail-served logistics floorspace, inclusive of mezzanine areas. As outlined in **Section 4**, there is currently a significant shortfall of large-scale units across the North West. The Proposed Development will address this gap by providing a balanced mix of large-scale unit sizes, including three 'mega-large' units exceeding 69,700 sqm. Importantly, all of these units will be rail-served, offering a unique capability that is presently unavailable within the PMA or the wider region, thereby enhancing the diversity and competitiveness of the regional logistics market.
- 8.75 Even when accounting for the delivery of the Proposed Development, a residual shortfall of between approximately 86,100 and 287,800 sqm would remain.

- 8.76 A high-level sense check of this shortfall level, based on rail-freight forecasting from MDS Transmodal (2022), demonstrates that within the North West Region as a whole, there is a demand for between approximately 1.4 million and 2.2 million sqm of rail-served logistics floorspace to 2045. Savills Supply Review demonstrates that there is a supply of approximately 1.2 million sqm. Consequently, within the North West, there is a shortfall of between approximately **117,000 sqm and 970,000 sqm** of rail-served logistics floorspace. This again, validates the Savills analysis.
- 8.77 Overall the above analysis provides clear quantitative evidence of the significant need for additional rail-served logistics floorspace within the PMA and the North West Region. This is need that the Proposed Development would directly help to address. Indeed, even with the combined delivery of Port Salford and Intermodal Logistics Park North (the Proposed Development), a shortfall in rail-served capacity would persist. This underscores the importance of both schemes being brought forward to meet the growing demand for rail-served logistics floorspace in the PMA.

Section 9 ◆ Conclusions

CONCLUSIONS

- 9.1 This report has highlighted the compelling case for the delivery of a Strategic Rail Freight Interchange (SRFI) and rail-served logistics facilities at the Proposed Development.
- 9.2 Government initiatives continue to prioritise the expansion of rail freight, driven by environmental objectives and the need to decarbonise the logistics sector. Rail freight is recognised as a critical component of the UK's logistics ecosystem, particularly for long-haul and high-volume freight movements. An intermodal approach which combines rail and road, is widely regarded as the most efficient solution, and the development of additional SRFIs will significantly enhance access to the rail network, optimising the use of the existing National Rail Freight Network.
- 9.3 Despite the North West supporting the second-largest regional industrial and logistics (I&L) market in the UK, it remains significantly underserved by rail freight infrastructure. This is particularly concerning given the substantial volumes of freight that originate and terminate within the region. Without new SRFI capacity, the North West risks being constrained in its ability to accommodate future growth in intermodal freight and to respond effectively to evolving market demands. **There is a clear and pressing need for further SRFI capacity, alongside the delivery of large-scale rail-served logistics floorspace**, which is essential to the functioning of such infrastructure.
- 9.4 Our comprehensive market assessment provides robust evidence of supply constraints within the large-scale I&L sector, which inherently includes rail-served logistics facilities. Indicators such as low availability, net absorption consistently outpacing historic delivery rates, and sustained rental growth all point to a highly constrained market. These dynamics are evident across both the local authorities in which the Proposed Development is situated and the wider Property Market Area (PMA). Notably, there is currently no availability of mega large units (69,700 sqm / 750,000 sq.ft and above) within the PMA or the wider North West region, further underscoring the scale of the supply gap. The Proposed Development can deliver three such units. Importantly, these units will not only offer scale but will also benefit from being rail-served, an offer which is not available anywhere else in the region.
- 9.5 Based on an objective analysis of demand and supply, Savills estimate a requirement for approximately 831,120 to 1,032,790 sqm of rail-served logistics space within the PMA over the next 20 years. Even with the delivery of the Proposed Development (i.e., Intermodal Logistics Park North), which would provide around 745,000 sqm of rail-served logistics space (including mezzanine floorspace), a residual shortfall of between 86,100 and 287,800 sqm rail-served floorspace would remain within the PMA.
- 9.6 This analysis offers clear, evidence-based justification for the substantial need for additional rail-served logistics floorspace in the PMA, a need to which the Proposed Development would make a significant and meaningful contribution.

Appendix A ♦ Full Review of Evidence Base

INTRODUCTION

- 10.1 This Appendix reviews the most recent employment evidence covering the three local authorities which the Proposed Development has a presence in (St Helens, Wigan and Warrington).
- 10.2 The studies reviewed are as follows:
- The St Helens Employment Land Needs Study (2015) and Employment Land Needs Study Addendum (2019);
 - The Wigan Economic Market and Employment Land Assessment (2024); and
 - The Warrington Economic Development Needs Assessment Refresh (2021).
- 10.3 We also review the Warrington Local Plan Inspectors Report (October 2023) which dismissed the findings of the Warrington EDNA Refresh 2021.
- 10.4 Our review seeks to understand the future demand methodologies used within the employment evidence and the various results they produce for I&L floorspace and land. We provide our own view of each of the Studies methodological weaknesses in **Section 6**.

ST HELENS BOROUGH COUNCIL – EMPLOYMENT LAND NEEDS STUDY (2015) AND EMPLOYMENT LAND NEEDS STUDY ADDENDUM (2019)

- 10.5 In 2019, BE Group published the Employment Land Needs Study Addendum (ELNS Addendum) on behalf of St Helens Council. The ELNS Addendum was prepared to update the 2015 Employment Lands Needs Study, also prepared by BE Group. This was in order to account for the most up to date evidence and market conditions which inform the employment land demand forecasts
- 10.6 Both the 2015 ELNS and 2019 ELNS Addendum provides employment land demand forecasts for St Helens in the period 2012-2037.

Future Demand

- 10.7 In terms of estimating future demand, the ELNS Addendum adopts the same preferred methodology as that used in the 2015 ELNS, namely based on projecting forward the ‘past completions’ or ‘past take-up’ trends in employment land in St Helens. Both reports also take into account additional demand for employment land generated by major projects in the region. These include the Parkside SRFI (now known as ILP North) and the Liverpool City Region SuperPort project.
- 10.8 The 2015 ELNS generated several employment demand scenarios based on projecting forward annual levels of take-up over different historic time periods. The following scenarios

were tested (**Table 10.1**)

Table 10.14 Summary of employment land need scenarios in 2015 ELNS

Scenario	Land Need (including 5-year buffer)	Assumptions
Period 1997-2015	147.0	Based on 4.9 ha/yr, the average for 1997-2015
Period 1997-2012	174.0	Based on 5.8 ha/yr, the average for 1997-2012
Growth Period 1998-2008	225.0	Based on 7.5 ha/yr, the average for growth period 1998-2008

Source: ELNS (2015)

- 10.9 The ELNS considered that the land need based on the longer historical take-up periods were the most appropriate for the forecasting of the Objectively Assessed Need (OAN) of employment land demand.
- 10.10 It was considered that using the growth period only (1998-2008) as the forecasting base would not sufficiently take into account the typical peaks and troughs of economic cycles. The 1997-2012 scenario was considered the more appropriate of the two longer historical take-up period scenarios, as from 2011/2012 to 2015 there was a significant decline in employment land take-up in the Borough, which was considered to be reflective of a lack of 'adequate market-attractive supply'. The 1997-2015 scenario was taken forward as the lower end of the estimate range.
- 10.11 The additional demand for employment land generated by major projects in the region (SuperPort, Parkside SRFI) and the additional spur of activity in the logistics sector above past trends was also forecast. As a result, the 2015 ELNS forecast a demand for employment land of between **177 and 214 ha in the period 2012-2037**. This is illustrated in **Table 10.2** below.

Table 10.2 ELNS St Helens employment land demand forecast (ha) (2012-2037)

Scenario	Employment Land Needs (Ha)
Baseline (land take-up scenario)	147 – 174
Additional land demand major projects	30 - 40
Total Employment Land Needs	177 - 214

Source: ELNS (2015)

- 10.12 The 2019 ELNS Addendum had access to more recent employment land and floorspace take-up data for 2015/16 (1.65 ha gain) and 2016/17 (0.334 ha gain). This illustrates that take up of land was low across this time period, limited by a lack of immediately available sites.
- 10.13 Adding the additional two years of take-up information enables the average take-up levels used in the ELNS to be updated in the Addendum. This results in a forecasted demand for 135 ha in the period 2012-2037, as summarised in **Table 10.3**.

Table 10.3 Updated employment land requirements (2012-2037)

Take-up Period	Average Take-up (ha per annum)	Forecast (2012-2037) (Ha)	Forecast (2012-2037) including 5-year buffer
1997 - 2017	4.5	112.5	135.0

Source: ELNS Addendum (2019)

- 10.14 The ELNS Addendum notes at paragraph 2.19 that the lack of take-up in recent years has been due “the lack of appropriate land, particularly for the growing warehousing sector, which has seen considerable growth in the region and sub-region, for example at Omega North and South. This land constraint has been apparent in the take-up data in recent years, particularly since about 2011/12”.
- 10.15 As a result, the ELNS Addendum advises that the take-up scenario in the 2015 ELNS based on the period 1997-2012 is likely to be a better representation of growth unencumbered by land shortages. Therefore the upper end of the baseline range from the 2015 ELNS does not change. The lower end of the forecast (now based on historical take-up data in the period 1997-2017 period) falls from 147 ha in the 2015 ELNS to 135 ha.
- 10.16 **Table 10.4** illustrates the baseline employment demand forecasts in the 2019 ELNS Addendum.

Table 10.4 Baseline employment land demand in St Helens (2012-2037)

Take-up Period	Average Take-up (ha per annum)	Forecast (2012-2037) (Ha)	Forecast (2012-2037) including 5-year buffer
Upper Scenario	1997 - 2012	5.8	174.0
Lower Scenario	1997 - 2017	4.5	135.0

Source: ELNS Addendum (2019)

10.17 As was the case in the 2015 ELNS, the ELNS Addendum advises that the additional land required from the major projects and large-scale logistics projects is forecast to be a net additional 30-40 ha of land in St Helens over and above baseline growth. However, the ELNS Addendum also notes that given the sustained strength of the logistics market and the growing momentum around sites in St Helens particularly around Haydock, there is renewed interest from occupiers for strategic locations in St Helens. **The ELNS Addendum therefore revises up the demand estimates for major projects to 55 – 65 ha.**

10.18 This results in an overall employment land demand forecast for St Helens in the period 2012-2037 of between **190 ha and 239 ha (Table 10.5)**, marginally higher than those presented in the 2015 ELNS (177 ha – 214 ha).

10.19 The employment land demand forecasts presented in the ELNS Addendum have been taken forward in the St Helens Adopted Local Plan.

Table 10.5 Overall employment land demand in St Helens (2012-2037)

	Employment Land Needs (Ha)
Baseline (land take-up scenario)	135 - 174
Additional land demand major projects	55 – 65
Total Employment Land Needs	190 - 239

Source: ELNS Addendum (2019)

10.20 The ELNS Addendum then goes on to provide the breakdown of employment land demand by B-class use. This is presented in **Table 10.6** below.

Table 10.6 Breakdown of employment land demand by use

Employment Type	Employment Land Needs (Ha)
B1(a) Office	10 – 15
B1(b) Research and Development	1 – 4
B1(c) Light Industry	15 – 20
B2 General Industrial	55 – 70
B8 Storage and Distribution	110 – 155
Total Employment Needs	190 - 239

Source: ELNS Addendum (2019)

10.21 The ELNS Addendum estimates that in the period 2012-2037, there will be demand for between **180 ha and 245 ha of I&L (B1c/B2/B8) land in St Helens⁵⁵**.

WIGAN BOROUGH ECONOMIC MARKET AND EMPLOYMENT LAND ASSESSMENT (2024)

10.22 The Wigan Borough Economic Market and Employment Need Assessment (EMELA) was published in 2024 by Aecom, on behalf of Wigan Council. The study sets out a detailed evidence base to support the Local Plan 2040, and specifically the borough's future approach to the provision, protection, release and enhancement of employment land and premises in the period 2023 – 2040.

10.23 In terms of estimating future employment land demand, the EMELA has regard to three different estimation methods:

- **Scenario 1 – Labour Demand.** This scenario relies on an econometric model provided by Experian to estimate future job growth. The growth in jobs is translated into floorspace estimates using employment densities from the HCA Employment Density Guide, and then translated into future land requirements using an appropriate plot ratio (40% - 45% for I&L uses).

⁵⁵ The ELNS Addendum notes that the sum of the individual floorspace ranges do not add to the total employment needs as they are approximate ranges and represent the likely mix of employment uses in the market given current information

- **Scenario 2 – Past Trends.** A trend-based scenario based on the continuation of historical net absorption rates, sourced from CoStar. This scenario analyses the net absorption of floorspace – i.e. the quantum of net floorspace occupied over a period of time (i.e. move-ins minus move-outs) based on lease deals by use class over the period 2013-2022 and extrapolates these trends over the assessment period.
- **Scenario 3 – ‘Policy on’.** This scenario applies adjustments to the employment forecasts under Scenario 1, in line with Wigan Council’s aspirations to create a more inclusive economy and a high quality place to live, work, invest and visit. The employment adjustments are based on improvements to three key domains: Infrastructure; Labour Availability and Skills; and Environment.

10.24 The EMELA advises that ‘**Scenario 3 – Policy on**’ is the preferred scenario for future floorspace needs and employment land requirements for all employment land uses in Wigan Borough over the new Local Plan period to 2040. We consider this methodology and the results it generates now.

Scenario 3 - ‘Policy on’

- 10.25 The Policy-On scenario (Scenario 3) considers the employment levels that could be possible, in line with Wigan Council’s aspirations to create a more inclusive economy and a high quality place to live, work, invest and visit. Chapter 7 of the EMELA considered a range of potential influences on demand and development which are viewed as key factors determining levels of economic prosperity and growth in Wigan Borough. These were grouped into three main factors: Infrastructure; Labour Availability and Skills; and Environment.
- 10.26 The Policy-On scenario considers an outcome whereby the influence of these factors is optimised by supporting policy to maximise investment and/or the prevalence of good conditions for growth. This in turn impacts the job forecasts provided by Experian in Scenario 1.
- 10.27 Each factor is allocated a weighted value based on an assessment of the degree to which adjustments/ improvements to these factors could influence the demand for employment floorspace in the borough. This is in the format of either higher (↑) demand than the baseline forecasts presented in Scenario 1, lower (↓) demand than the baseline forecasts or comparable demand to the baseline forecasts (→). Each of these indicators is given a weighting of 0.25%. The EMELA advises that the value of the adjustment was derived from professional judgement and experience from other studies, given there being no official guidance on which to base such an analysis. The adjustments realised under the Policy On scenario are set out in **Figure 10.1** below.

Figure 10.1 Demand Adjusted Forecasts

	Office	Light Industrial	General Industrial	I&W
Baseline Forecast (per annum)	0.4%	-1.0%	-0.9%	0.6%
Infrastructure	↑	↑	↑↑	↑↑
Labour Availability & Skills	↑↑	↑↑	↑↑	↑
Environment	↑	↑	↑	↑
Uplift (per annum)	1.0%	1.0%	1.25%	1.25%
Adjusted Growth (per annum)	1.4%	0.0%	0.3%	1.8%

Source: EMELA (2024)

- 10.28 Applying the above adjustments generates updated employment forecasts for office and industrial jobs compared to those under Scenario 1. Translating the updated employment forecasts into floorspace schedules based on the HCA Employment Density Guide results in demand for **357,001 sqm⁵⁶ of gross industrial floorspace in the period 2023-2040**.
- 10.29 Applying a 40% plot ratio to convert the Light Industrial E(g)(iii) and General Industrial B2 floorspace to land, and a 45% plot ratio for Storage and Distribution (B8) floorspace, results in demand for 79.7 ha over the Plan Period (2023-2040)⁵⁷.
- 10.30 The EMELA then goes on to make an allowance to take into account replacement of losses i.e. the requirement to replace employment floorspace which will be converted or redeveloped into alternative uses. The EMELA acknowledges that not all floorspace losses need to be replaced as some will reflect restructuring in the local economy. As such the EMELA assumes that over the plan period (2023-2040) 50% of industrial losses will be replaced each year. This is justified by the limited spare capacity and age of stock in line with precedent studies undertaken in the borough. This equates to 3,431 sqm per annum, or 58,327 sqm (14.2 ha) over the Local Plan period.
- 10.31 Combining the employment demand requirements from Scenario 3 and the loss replacement factor, results in 415,327 sqm of gross industrial floorspace demand in Wigan in the period 2023-2040. This equates to a gross demand of **93.9 ha of industrial land**.

Supply / Demand Balance

- 10.32 Having assessed the gross demand for industrial land in the period 2023-2040, the EMELA then forecasts the net requirement for industrial floorspace and land. **Table 10.7** identifies all the parameters which are used to inform the supply/demand balance in the EMELA. Specifically, the existing supply position is informed by CoStar data. The current supply of available floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate, which is assumed to be 8%. This is because vacant, available

⁵⁶ Based on an employment density of 1 job per 47 sqm of E(g)(iii) floorspace, 1 job per 36 sqm of B2 floorspace, and 1 job per 95 sqm of B8 floorspace.

⁵⁷ See Table 37 in Wigan EMELA

employment floorspace could help to meet some of the identified needs.

Table 10.7 Supply/demand balance for industrial floorspace 2023 to 2040

Parameters	Scenario 3 (Policy On)
A. Supply of occupied industrial floorspace	1,987,866
B. Current vacant industrial floorspace	49,773
C. Total stock of industrial floorspace [A+B]	2,037,639
D. Gross Floorspace demand to 2040	415,327
E. Optimum frictional vacancy at 2040 [8% of A+D]	192,255
F. Surplus/deficit of vacant floorspace in 2040 [E-B]	142,482
G. Gross requirement for industrial floorspace 2023-2040 [C+D+F]	2,595,448
H. Net requirement for industrial floorspace 2023-2040 [G-C]	557,809
Land Requirement (ha)	126.0

Source: EMELA (2024) – Table 44

- 10.33 With reference to Table 10.7, the EMELA predicts a net requirement for 557,809 sqm of industrial floorspace in the period 2023-2040 in Wigan. This translates to a net land requirement for industrial uses of approximately **126.0 ha**.

WARRINGTON ECONOMIC DEVELOPMENT NEEDS ASSESSMENT – REFRESH (2021)

- 10.34 In 2021, BE Group published the Warrington Economic Development Needs Assessment Refresh (EDNA Refresh) on behalf of Warrington Brough Council (WBC). The EDNA Refresh updates the analysis in the 2019 EDNA, also prepared by BE Group. It provides updated employment land demand estimates in the borough for the period 2021-2038.
- 10.35 In terms of estimating future employment land demand, the EDNA Refresh has regard to two different estimation methods: Labour Demand and Past Take-up.

EDNA Refresh Labour Demand Method

- 10.36 The **labour demand method** looks at (local) jobs growth, using economic forecasts from Oxford Economics and Cambridge Econometrics. The resulting jobs based forecast models suggest that WBC has low employment land needs, with Oxford Economics job forecasts indicating a need of just 12.88 ha and Cambridge Econometrics forecasts indicating a need of 23.53 ha of employment land over the plan period (2021 -2038).
- 10.37 It is acknowledged that these projections are “policy-off”, i.e. they do not account for any public-sector plans or strategies for growth above the baseline. “Policy-on” modelling and sensitivity testing was undertaken in the EDNA Refresh, producing greater demand estimates compared to the Oxford Economics “Policy-Off” model, but still below the estimates based on Past Take-Up method.
- 10.38 The EDNA concludes that the market assessment and a review of the historic trends in employment change and land take up suggest that the labour demand forecasts underestimate land needs significantly and therefore was not taken forward by the EDNA Refresh.

EDNA Past Take-up methodology

- 10.39 This method is preferred by the EDNA Refresh.
- 10.40 Under the past take-up method, historic land take-up is projected forward to produce a combined strategic & local needs projection and a local-only projection. The local-only projection model excludes past development at Omega, which accounted for 42% of all completions since 1996. The rationale for creating a ‘local-only’ model is that Omega is considered to be a strategic site with a market which is regional and national in scope, delivering B2 and B8 properties of an exceptional size in the local context.
- 10.41 Under both the strategic/local-only models, past take-up is based on a schedule of completions between 1996 and 2020 provided by the Council, which is used to derive an average of completions per annum. In this section, we discuss both the strategic/local model as it covers all completions in WBC, as well as the Local only model. In this way we can infer the level of strategic demand that is estimated to be needed, which aligns with the units to come forward at the Proposed Development.
- 10.42 The average take-up per annum is 14.22 ha under the strategic/local take-up model which totals 341.29 ha of completions over the 24-year historic look-back period. Projecting forward

these historic trends over the 18 year Local Plan period, from 2021 to 2038, yields a need of 255.96 ha (14.22 ha/year x 18 years) of strategic/local take-up.

- 10.43 Concurrently the average take-up per annum is 8.20 ha under the local only take-up model which totals 196.8 ha of completions over the 24-year historic look-back period. Projecting forward these historic trends over the 18 year Local Plan period, from 2021 to 2038, yields a need of 147.6 ha (8.22 ha/year x 18 years) of local take-up.
- 10.44 A buffer of 3 years is applied on top of the estimated plan period demand under both models to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the plan period. For the strategic/local model this equates to 42.66 ha. For the local only model this is 24.6 ha.
- 10.45 A 17.64 ha allowance is also added to both models to account for business displacement associated with Warrington Masterplan projects. The EDNA Refresh recognises that the displaced businesses of Central Warrington, if office tenants are excluded, are almost exclusively industrial. For the purposes of the EDNA, the need these businesses generate (17.64 ha) is split evenly between E(g)(iii), B2 and B8 storage uses.
- 10.46 The addition of the 3 year buffer and masterplan allowance increases the land demand to **316.26 ha** based on the strategic/local take-up model, and **189.84 ha** under the local only model as shown **Table 10.8**.

Table 10.8 Summary of overall employment land demand (ha) (2021 – 2038)

Step	Strategic /Local Employment Model - Land Demand (Ha)	Local Only Employment Model - Land Demand (Ha)
Historic take-up	255.96	147.6
3-year buffer	42.66	24.6
Displacement Allowance	17.64	17.65
Total	316.26	189.9

Source: EDNA Refresh (2021)

- 10.47 Taking the preferred estimate method based on past take-up, I&L uses account for **242.26 ha⁵⁸** of future employment land needs in WBC under the strategic/local model and **112.96 ha⁵⁹** under the local only model. We have assumed that I&L past take-up includes Classes E(g)(iii), B2, B8 and mixed. Our inclusion of mixed might therefore overestimate I&L take up

⁵⁸ Table 22 EDNA Refresh 2021, p. 144

⁵⁹ Table 23 EDNA Refresh 2021, p. 145

as a portion might be for offices.

10.48 The EDNA Refresh does not explicitly state the requirement for strategic I&L land only, but comparing the results under the strategic/local model and local only model, it can be inferred that approximately **129.3 ha** is for strategic I&L land.

10.49 Inspector's Report on the Examination of the Warrington Local Plan

10.50 Despite the findings of EDNA Refresh, the position on employment land need was not accepted by the Local Plan Inspectors who considered that it overestimated the employment demand position. Paragraph 102 of the Inspectors report on the Warrington Local Plan states: *"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".*

The Inspectors recommendation, which was subsequently taken forward in the Warrington Adopted Local Plan 2021/22 – 2038/39, was to reduce the Plan's employment land requirement from **316.26 ha to 168 ha**. The figure of 168 ha was reached via the steps outlined in paragraph 91 – 98 in the Planning Inspector's Report. It entailed principally seeking to balance the number of homes in Warrington with the number of jobs that those homes could generate. It rejected the EDNA refresh's methodology, in favour of an approach which seeks to provide a broad alignment between employment land provision, estimated jobs growth and labour supply. The Planning Inspector report did not provide a breakdown of the 168 ha across use classes, but paragraph 4.2.13 of the Warring Adopted Local Plan notes that "the proposed Local Plan provision is heavily focussed on Class B8 uses"

Appendix B ◆ Savills Overall I&L Demand Estimates

SAVILLS SUPPRESSED DEMAND METHODOLOGY

11.1 We present below Savills' full methodology for estimating future I&L land demand. Our methodology is considered to address the issues we raised against the various employment studies in **Section 6** and **Appendix A**.

Compliance with National Policy and Guidance

11.2 Our methodology is considered to be compliant with the requirements of the Planning Practice Guidance ('PPG') as it:

- Analyses 'market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies'⁶⁰. If a market is identified as being supply constrained (i.e. demand exceeds supply) such as the PMA, the Savills model supplements the historic demand profile accounting for suppressed demand (i.e. demand lost due to historic supply constraints).
- Applies 'economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector'⁶¹. The Savills' method quantifies how much I&L floorspace growth is linked to current and future e-commerce growth which is the major growth driver for the sector, driving both demand for the supply-chain, and also the manufacturing of goods.

11.3 Based on the above, we consider our approach to estimating future I&L demand to be NPPF/NPPG compliant and industry best practice. It has been endorsed by the British Property Federation ('BPF') in the 'Levelling Up – The Logic of Logistics' report, which was shortlisted for an RTPI Award for Research Excellence in 2022. The report has also been referenced as part of the Government's recently published 'Future of Freight Plan', and has been the focus of several discussions with senior officers at DLUHC and DfT. Our approach has also been recently considered in the Warehousing and Logistics in the South East Midlands Study.

11.4 Having regard to market signals and facilitating growth in the I&L sector are key priorities of the NPPF, namely:

- Paragraph 32 which states: 'The preparation and review of all policies should be underpinned by **relevant and up-to-date evidence**. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and **take into account relevant market signals**'.
- Paragraph 85 which states: 'Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt...The approach taken should allow each area to build on its strengths, counter any weaknesses and address

⁶⁰ In accordance with PPG, Paragraph: 031 Reference ID: 2a-031-20190722

⁶¹ Ibid

the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential’.

- Paragraph 87 which states: ‘Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for **storage and distribution operations at a variety of scales and in suitably accessible locations**’.

(Savills emphasis in bold).

Taking a Sub-Regional Approach to Estimating Demand

- 11.5 I&L occupiers typically have distribution networks linking their customers and suppliers of between 1 to 4 hours’ travel time, sometimes longer, depending on their size i.e. up to 4 hours plus is more typical of very large companies with a national reach (such as those which are likely to come forward at the Proposed Development), while 1 to 2 hours’ drive time is ideal for the majority of companies.
- 11.6 As a result of this, potential I&L occupiers will look at a wider geographic area (or Property Market Area) rather than just a local authority when looking for suitable properties. For this reason we will use the PMA (defined in **Section 6.1**) to analyse supply and demand forces.
- 11.7 We consider the full market for I&L units in the first instance, estimating demand for all unit sizes and relevant planning use classes covering light industrial, manufacturing and warehousing (B1c/B2/B8). This is considered a more robust approach as it relies on a larger pool of data and the fact light industrial, manufacturing and warehouse occupiers desire similar types of premises. The PMA’s overall I&L demand is then apportioned to I&L units over 9,300sqm. The latter aligns with the size of units proposed at the Main Site.
- 11.8 This layered approach to estimating demand, comprises of the following stages:
- **Calculate the PMA’s historic and suppressed demand, with e-commerce uplift:** First we consider future demand from within the PMA. Our future demand calculations within the PMA project forward historic demand (average annual net absorption⁶²), but include an adjustment to account for ‘suppressed demand’ or demand lost historically due to supply constraints. We also consider increases in demand associated with future e-commerce growth which is a major growth driver for the sector, driving both demand for the supply-chain, and also the manufacturing of goods. Together this forms **Savills’ baseline (upper) demand estimate** which we consider to be a reflection of true I&L demand within the PMA.
 - **Sensitivity Testing:** Whilst we consider our future baseline demand estimates to be robust and reflective of market signals looking back 12 years (2012-2024), it is important

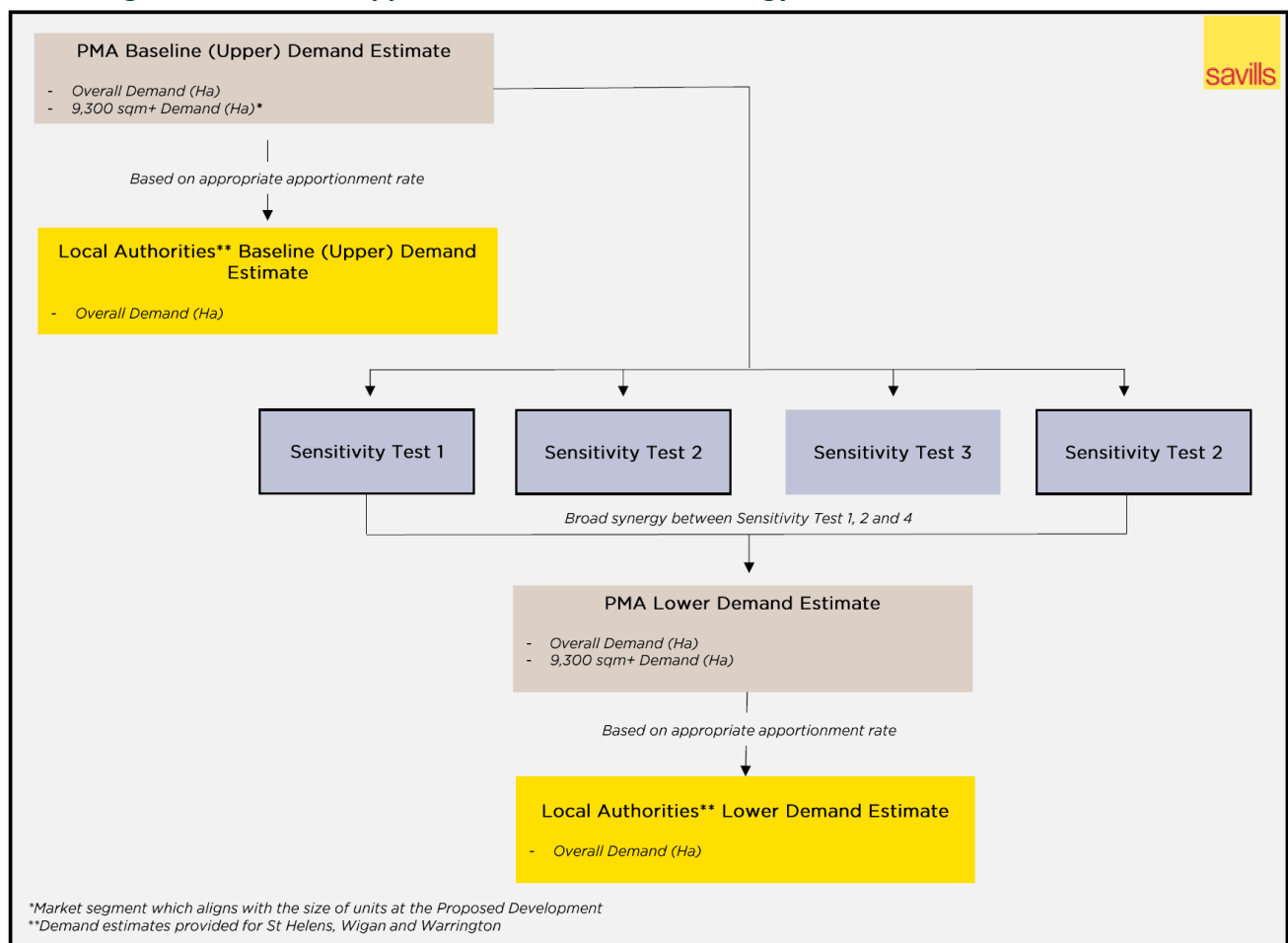
⁶² Savills considers net absorption to be the leading measure of demand for floorspace as it indicates the quantum of net floorspace occupied over a period of time (i.e. move-ins minus move-outs) based on lease deals.

we take account of the fact that the I&L sector has gone through a period of unprecedented growth in recent years, with a number of structural growth drivers accelerating as a result of the Covid-19 pandemic. To ensure our modelling process is robust, we carry out a series of pessimistic sensitivity tests to understand what will happen to future I&L demand in the PMA, should the sector's historic demand performance weaken. Despite us seeing no evidence of this occurring in reality currently, it is important we seek to test different scenarios. The results of our sensitivity testing form our PMA lower demand estimate.

- **Apportion Overall Demand Estimates to specific market segments:** We apportion our total PMA I&L demand estimates under both the baseline and lower demand scenarios, to strategic I&L units over 9,300 sqm. This aligns with the size of units proposed at the Main Site.
- **Apportion Demand Estimates to the three local authorities:** Finally we apportion the overall demand estimates for the PMA (baseline and lower) to the local authorities of St Helens, Wigan and Warrington.

11.9 **Figure 11.1** provides a visual representation of our approach to employment land needs modelling.

Figure 11.1 Savills Suppressed Demand Methodology



Source: Savills (2025)

11.10 The steps we follow in estimating future I&L demand are set out in detail below.

CALCULATE THE PMA HISTORIC AND SUPPRESSED DEMAND, WITH E-COMMERCE UPLIFT

Step 1 – Historic and Suppressed Demand

- This demand estimate builds upon historic take-up (net absorption), 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 trend as a top-up.
- We estimate PMA I&L demand (historic + suppressed) to be 5,809,043 sqm over a 20-year period.
- The steps are detailed below.

Step 1A: Estimating Demand over the Local Plan Period

11.11 We assume a 20-year forecasting period, which is a typical local plan period. 20-years broadly aligns with the average of the time periods used in the latest employment evidence for St Helens, Wigan and Warrington (Section 6)⁶³.

Step 1B: Estimation of Historic Demand

11.12 This is based on the average annualised net absorption in the PMA at **229,608** sqm per annum for the overall I&L market between 2012 and 2024. 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 lease deals.

Step 1C: Estimation of Suppressed Demand

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

11.14 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

⁶³ St Helens ELNS Addendum (2012-2037) – 26 years; Wigan EMELA (2023-2040) – 18 years; and Warrington EDNA Refresh (2021-2038) – 18 years.

occupy space that is not entirely suitable for their operational needs impacting productivity.

- 11.15 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 7**, the PMA's I&L rents, as well as the rents in St Helens, Wigan and Warrington, have all increased by over 90% between 2012 and 2024, indicating new supply has struggled historically to keep pace with the strong demand. This is over double the rate of inflation over the same time period (37%)⁶⁴.
- 11.16 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 at the whole market level. We discuss the evidence behind the 8% equilibrium rate in the boxout below.

Why is 8% Equilibrium Level Applied?

This 8% equilibrium level is found in a number of prominent publications such as the GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG), the London Plan (2021) and the British Property Federation's 'Levelling Up – Logic of Logistics' report.

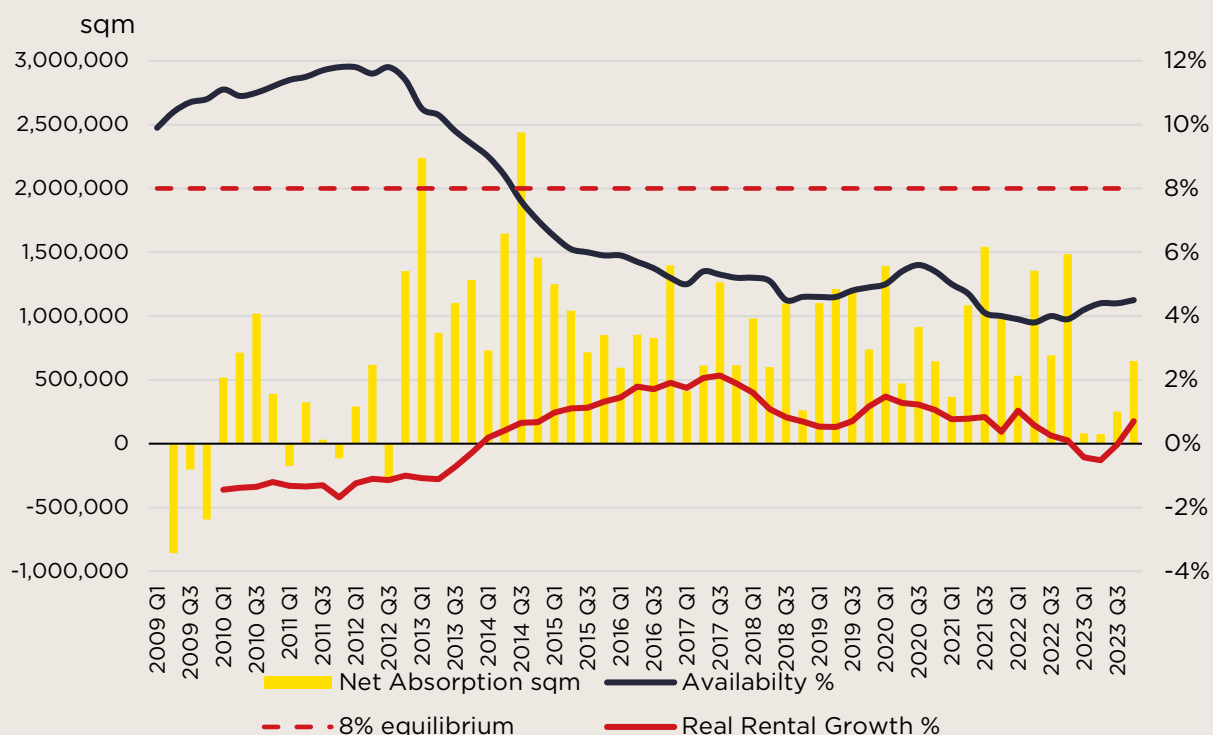
Below this level available supply becomes tight and rents increase as strong occupier demand compete for limited available stock. This is reflected in national trends seen across the last 15 years.

Indeed, if one studies real rental growth (i.e. rental growth adjusted for inflation) over the past 15 years 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 in Figure 11.2 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.

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, net absorption has been lower than the 2009-2014 period despite the I&L sector going from strength to strength (see Section 3). This clearly shows the suppressing nature tight availability (below 8%) has had on I&L demand nationally.

⁶⁴ OBR November 2024 Economic and Fiscal Outlook: Economy Supplementary Tables – Table 1.7. Available at: <https://obr.uk/economic-and-fiscal-outlooks/>

Figure 11.2 Historic Net Absorption (sqm), Availability (%) and Real Rental Growth (%) in England



Source: CoStar, OBR, Savills

The 8% benchmark is also applicable to the PMA area given its I&L market has broadly followed the same trajectory as the national market. Within the PMA, I&L availability has been below the 8% equilibrium for the majority of the last decade and has been trending downwards since 2012 (Figure 7.3), similar to the national market. In terms of I&L rents, the PMA began outpacing inflation from around 2015 when availability dropped below 8% (Figure 7.5), again similar to the national market.

The 8% equilibrium level is also widely used in employment land studies, including in recent strategic studies including the

and Logistics in the South East Midlands Study (2022), the West Midlands Strategic Employment Sites Study (2024) and in the local employment evidence reviewed. For example the Wigan EMELA applies a 8% 'optimal frictional vacancy rate' on the basis that 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. The 8% equilibrium rate, at the whole market level, is a widely held and accepted assumption.

11.17 The individual steps for calculating the PMA's suppressed demand are as follows:

- **Step 1C(i):** For years where availability has been below the 8% equilibrium threshold, we

calculate the quantum of floorspace necessary to achieve 8% availability (Column 'Av. To EQ (sqm)' in **Table 8.1**, calculation F);

- **Step 1C(ii):** We then take the average of the ratio between net absorption and available floorspace for every year over the past decade (Calculation E averages 18% based on Column 'Net Absorption/Availability');
- **Step 1C(iii):** We apply this average to the estimated floorspace required to reach 8% availability in each year where the market is below the 8% availability threshold to estimate each period's suppressed demand (Calculation F*E in Column 'Suppressed Net Absorption (sqm)');
- **Step 1C(iv):** 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 60,844 sqm per annum between 2012 and 2024.

11.18 **Table 11.1** shows the relevant calculations for the PMA.

Table 11.1 Suppressed Demand Calculations within the PMA

	A	B	C=(A*B)	D	D/C	F=(8%-B)*A	F*E
Step	Inventory (sqm)	Availability (%)	Available (sqm)	Net absorption (sqm)	Net absorption / Availability	Av- to Eq (sqm)	Suppressed Net Absorption
2024	20,976,567	5.3%	1,111,758	-194,047	-17%	566,367	0
2023	20,808,552	4.0%	832,342	161,385	19%	832,342	151,368
2022	20,561,462	3.1%	637,405	205,765	32%	1,007,512	183,224
2021	20,536,474	3.3%	677,704	189,742	28%	965,214	175,532
2020	20,252,645	5.9%	1,194,906	174,861	15%	425,306	77,345
2019	20,126,684	5.8%	1,167,348	302,620	26%	442,787	80,524

	A	B	C=(A*B)	D	D/C	F=(8%-B)*A	F*E
Step	Inventory (sqm)	Availability (%)	Available (sqm)	Net absorption (sqm)	Net absorption / Availability	Av- to Eq (sqm)	Suppressed Net Absorption
2018	19,918,420	5.9%	1,175,187	320,375	27%	418,287	76,069
2017	19,841,015	6.7%	1,329,348	291,815	22%	257,933	46,907
2016	19,669,558	8.2%	1,612,904	276,227	17%	-39,339	0
2015	19,376,792	8.6%	1,666,404	315,378	19%	-116,261	0
2014	19,124,020	9.1%	1,740,286	387,772	22%	-210,364	0
2013	19,066,437	10.6%	2,021,042	367,761	18%	-495,727	0
2012	19,066,199	12.3%	2,345,142	185,253	8%	-819,847	0

Source: Savills, CoStar 2025

11.19 Step 1D: The final step requires adding the combined annualised historic and suppressed demand figures, and multiplying this by the number of years in the estimated period (20 years) as shown in **Table 11.2**. This gives a total floorspace demand of 5,809,043 sqm for I&L over the 20-year plan period.

Table 11.2 PMA Future Demand Estimates and Calculations (sqm)

Step	PMA (sqm)
Annualised Historic Demand	229,608
Annualised Suppressed Demand	60,844

Step	PMA (sqm)
Total Annualised Demand (A+B)	290,452
Total Demand Over 20-Year Plan Period (C*20)	5,809,043

Source: Savills 2025; Figures may not sum due to rounding

Step 2 – Adding an E-Commerce Uplift

- Savills' demand estimate factors in future e-commerce growth which is the major growth driver for the sector, driving both demand for the supply-chain, and also the manufacturing of goods.
- After including an e-commerce uplift, we estimate the PMA's I&L demand to increase to 6,461,782 sqm of floorspace over a 20-year period.
- The additional steps to add in an e-commerce uplift are detailed below.

Step 2A: Adjusting for Increases in Online Retail

- 11.20 As discussed in **Section 6**, 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 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 as expressed as pounds spent at the UK level.
- 11.21 Focusing on total online spend in pound terms is considered more effective than the percentage of online sales. This is because the percentage of online sales will fail to pick up future growth drivers such as population growth and expected increases in consumption. In this regard, using the total online spend projections will enable these future e-commerce growth drivers to be included within our future I&L demand estimates. This enables a better representation of the increased demand for floorspace needed to process this online spending.
- 11.22 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 typically

linked to e-commerce are Retail, Transport and Warehousing, and Wholesale. These sectors accounted for 44% of all floorspace leased in the PMA between 2015 and 2024 according to CoStar data⁶⁵.

- 11.23 We have considered Statista's⁶⁶ online retail forecasts for the UK to 2029 as a proxy for future online spending growth. Statista is a leading provider of market and consumer data with over 2 million registered users. Statista's data only goes back to 2017 meaning only 3 years of data (i.e., 2017, 2018 and 2019) are available before the Covid-19 Pandemic began. We consider at least 5 years of data to be robust for understanding historic trends. In order to extend Statista's historic series we have discounted their online spending figure for 2017 by the ONS online growth rates in order to derive an estimate for 2015 and 2016.
- 11.24 Next we compare the historic online spending figures (i.e. 2015-2019) with Statista's future online spend forecasts (i.e. 2023-2029). To ensure that we are comparing like for like, we convert both the historic and future forecast data into real prices in order to remove the effect of inflation. We do this by rebasing all data back to 2015 using GDP Deflators from OBR November 2024 .
- 11.25 As shown in **Table 11.3** below, between 2015 and 2019 online retail sales averaged £68.0 billion per annum. We accept that 2020, 2021 and 2022 were exceptional years due to the Covid-19 Pandemic, and exclude them from our calculations. During the period between 2023 and 2029, online sales are predicted to average £94.6 billion per annum based on the Statista forecasts. This suggests a 39% uplift from the pre-pandemic (2015-2019) online spend average of £68.0 billion per annum based on the Statista data.

Table 11.3 UK Online Sales Forecasts (£ billion)

Year	Online Sales Real Prices (£b)	Annual Increase (£b)	
2015	53.8	-	2015-2019 Average Annual Online Sales Value in Real Prices: £68.0 billion
2016	64.0	10.1	
2017	72.8	8.9	
2018	73.9	1.1	
2019	75.3	1.4	
Average 2015-19	68.0	5.4	

⁶⁵ Please note this differs from the share of leasing demand for large units (9,300sqm +) linked to e-commerce, which as stated in **Section 6** was 65%.

⁶⁶ A prominent retail forecasting house

2020	88.9	13.6	Excluded from calculations as these were atypical years due to the Covid-19 pandemic
2021	98.2	9.3	
2022	82.0	-16.2	
2023	75.6	-6.4	2023-2029 Average Annual Online Sales Value in Real Prices: £94.6 billion (+39% uplifted compared to 2015-2019)
2024	81.7	6.1	
2025	89.7	8.0	
2026	96.7	7.0	
2027	102.7	6.0	
2028	106.7	4.0	
2029	109.1	2.5	
Average 2023-29	94.6	3.9	

Source: Statista, ONS, Savills (2025)

- 11.26 The increase in online spending indicates that the volume of shipped goods will increase. This in turn will increase the need for I&L floorspace to handle, store and distribute the increased volume of goods.
- 11.27 Some of this increase will likely be dealt with by more efficient operations in the future. Advancements in technology and fulfilment solutions will lead to increased productivity in the sector. According to Oxford Economics, the productivity per worker within the I&L sector, specifically the key e-commerce related sectors being Transport and Storage, Retail and Wholesale is predicted to grow by 18% between 2021 and 2040. We assume that these productivity gains will reduce the need for additional floorspace. To account for this productivity growth in the I&L sector, we adjust down the 39% online spend increase from **Table 11.3** above, by the 18% productivity increase. This yields a final online update of 32% as shown in **Table 11.4** below.

Table 11.4 Productivity Adjustment

Predicted Increase in Future Online Spend	Future Productivity Gains in the I&L Sector	Uplift Adjusted for Productivity Gains
39%	18%	$39\% * (1-18\%) = 32\%$

Source: Statista, ONS, Oxford Economics, Savills (2025)

- 11.28 Applying this 32% uplift to the historic demand from e-commerce sectors equates to an uplift of 652,739 sqm for the PMA over the 20-year period (**Table 11.5**).

Table 11.5 Adjusting for Increases in Online Retail within the PMA

Demand	Annual (sqm)	Over 20-year Plan Period (sqm)
E-commerce related (44% of historic)	101,990	2,039,809
E-commerce related after 32% uplift	134,627	2,692,548
E-commerce demand uplift	32,637	652,739

Source: Savills 2025; Figures may not sum due to rounding

Step 2B: Adding E-Commerce Uplift to the Historic and Suppressed Demand Estimates

- 11.29 Adding the e-commerce uplift to the combined historic and suppressed demand estimates yields a total demand of 6,461,782 sqm for the PMA area over the 20-year period, as summarised in **Table 11.6** below.

Table 11.6 Summary of Future Demand (Over 20-Year Period) within the PMA (sqm)

	PMA
(A) Historic Demand (Net Absorption) over 20-years	4,592,164
(B) Suppressed Demand over 20-years	1,216,877
(C) E-commerce Uplift over 20-years	652,739
(D) Total demand over 20-year period (A+B+C)	6,461,782

Source: Savills 2025; Figures may not add up due to rounding

Step 3 – Translating floorspace demand into land requirements

- This step entails translating the above floorspace figures into a land requirement using an appropriate plot ratio.
- The steps are detailed below.

11.30 The above floorspace figures need to be translated into a land requirement using an appropriate plot ratio.

11.31 As discussed and evidenced in **Section 6 (Table 6.2)**, we believe a 30% - 35% plot ratio is reflective of modern I&L occupier requirements. As a result we have applied a 35% ratio as appropriate, on a conservative basis.

11.32 The results of using a 35% plot ratio to translate our floorspace demand estimates are shown in **Table 11.7** below.

Table 11.7 PMA Land Demand Estimates (ha)

	Floorspace Demand Estimates (sqm)	Land Demand Estimates (ha)
Total	6,461,782	1,842

Source: Savills 2025; Figures may not add up due to rounding

11.33 Within the PMA, we estimate the true level of I&L demand over a 20 year period is **1,842 ha**. This represents Savills' baseline (upper) demand scenario which we consider to be a reflection of true I&L demand within the PMA, assuming no supply constraints.

SENSITIVITY TESTING

Step 4 – Sensitivity Testing

- To ensure our modelling process is robust, we carry out a series of sensitivity tests to understand what will happen to future I&L demand in the PMA should future demand weaken below historic trends.
- The steps are detailed below.

11.34 We have undertaken four sensitivity tests in order to try to understand what weaker future I&L demand may look like. It is important to note that we currently do not see any evidence that indicates the below scenarios are likely. Despite this, the future is uncertain and

downside risks are always possible.

- **Sensitivity Test 1: Removing the e-commerce uplift** – under this scenario we remove the e-commerce uplift applied in Savills’ baseline scenario (Step 2). This assumes that the currently forecasted growth of e-commerce does not materialise, and that the growth in the value of online retail sales begins to weaken. As a result e-commerce will no longer be considered a significant structural driver of I&L demand. This could be triggered by various exogenous macroeconomic events such as a recession, changes in consumer behaviour, shifts in technology or even regulatory issues. This scenario would therefore have an adverse effect on demand for I&L land.
- **Sensitivity Test 2: Remove e-commerce uplift and lower the equilibrium availability rate to 7%** - Under this sensitivity test, as well as removing the e-commerce uplift, we assume that the market equilibrium rate within the PMA is at 7%, rather than 8%. While 8% is commonly accepted as the rate when demand and supply are broadly in balance at the whole market level, the I&L market in England and within the PMA has not reached this level since 2014. Therefore, this scenario seeks to recognise the market is likely to remain supply constrained for the foreseeable future. We have chosen 7% as a new equilibrium availability rate based on the fact that the average availability rate in the PMA between 2012-2024 has been around 6.8%, reflecting a supply constrained market. The result of this change is that additional suppressed demand is only calculated when availability drops below 7% rather than 8% under the baseline scenario. This results in a significant drop in suppressed demand between 2012 to 2024.
- **Sensitivity Test 3: Remove e-commerce uplift and lower the equilibrium availability rate to 6%** - this sensitivity test follows the same rationale as above but projects suppressed demand based on an even lower equilibrium rate.
- **Sensitivity Test 4: Remove e-commerce uplift and discount Covid years**– under this scenario we use a look back period from 2012-2019 and 2023-2024. In other words we discount the Covid-19 years (2020-2022) when net absorption (i.e. demand) in the sector was strong (see **Section 3**). In effect we are removing some of the I&L sector’s strongest growth years over the last decade, meaning the forward projection of the historic net absorption trend is lower. Under this scenario we also remove the e-commerce uplift.

11.35 Under all four scenarios we assume a 35% plot ratio to convert floorspace to land requirements. The results of the four sensitivity tests are presented in **Table 11.8** below.

Table 11.8 PMA Land Demand Estimates over 20-year period - Sensitivity Testing Results

	Savills Baseline Demand (upper) Scenario	Sensitivity Test 1 – No e-commerce	Sensitivity Test 2 – No e-commerce + 7% equilibrium	Sensitivity Test 2 – No e-commerce + 6% equilibrium	Sensitivity Test 3 – no- ecommerce + discount Covid years
PMA (sqm)	6,461,782	5,809,043	5,411,626	5,053,067	5,751,737
PMA (Ha)	1,842	1,656	1,543	1,440	1,640

Source: Savills 2025

11.36 Sensitivity Tests 1, 2 and 4 provide a broad synergy around a lower demand estimate for the PMA of around 1,600 ha over a 20 year period⁶⁷. Therefore, our two demand scenarios are:

- Savills Baseline (Upper) Demand Scenario – **1,842 ha** (6,461,782 sqm)
- Savills Lower Demand Scenario – **1,600 ha** (5,612,984 sqm⁶⁸)

APPORTION DEMAND ESTIMATES TO 9,300 SQM + MARKET SEGMENT

Step 5 – Apportioning total demand to market segments

- We apportion our total I&L demand estimates for the PMA to the market segment which align with the Proposed Development.
- Specifically we apportion the total PMA demand to strategic I&L uses (B1c/B2/B8 uses over 9,300 sqm).

Step 5A – Apportion PMA demand to strategic (over 9,300 sqm) uses

⁶⁷ Average of Sensitivity Test 1, 2 and 3 is 1,613 ha.

⁶⁸ Based on a 35% plot ratio

11.37 As discussed at the beginning of this section, our approach is to first consider overall I&L demand regardless of unit size and planning use class. This is because using a larger pool of data allows for a more accurate assessment of market trends and the fact light industrial, manufacturing and warehouse occupiers desire similar types of premises with similar locational characteristics. We have then segmented the total demand to estimate strategic I&L floorspace demand for units above 9,300 sqm in the PMA.

11.38 We have considered a number of market signal indicators to apportion demand within the 9,300 sqm segment based on CoStar data. These consist of:

- The current proportion of 9,300 sqm inventory in the PMA relative to total I&L inventory;
- The proportion of 9,300 sqm average demand per annum (net absorption) between 2012 and 2024 in the PMA relative to total I&L demand; and
- The proportion of 9,300 sqm average net deliveries of stock per annum between 2012 and 2024 in the PMA relative to total I&L deliveries.

11.39 The results of these comparisons are detailed in **Table 11.9** below.

Table 11.9 9,300 sqm+ I&L Market Share across the PMA

	9,300 sqm + units share of PMA
I&L Inventory (2025 YTD)	46%
Ave. Net Absorption (2012-2024)	53%
Ave. Net Deliveries (2012-2024)	66%
Average	55%

Source: Savills 2025

11.40 Based on an average of these metrics, we assume that 9,300 sqm + units will account for 55% of future I&L demand in the PMA. Applying this apportionment rate to our PMA baseline (upper) and lower demand estimates, equates to between 1,015 ha and 881 ha of demand for strategic (9,300 sqm +) uses over the 20-year forecast period.

11.41 **Table 11.10** illustrates our demand estimates for the PMA under both our baseline (upper) and lower demand estimates.

Table 11.10 Summary of PMA demand estimates over 20-year period

	Savills Baseline (Upper) Demand	Savills Lower Demand
Overall Demand (Ha)	1,842	1,600
Strategic (9,300 sqm +) Demand (Ha)	1,015	881

Source: Savills 2025

APPORTION DEMAND ESTIMATES TO PROPOSED DEVELOPMENT LAS

Step 6 – Apportioning demand estimates to Proposed Development local authorities

- We apportion our overall I&L demand estimates for the PMA (baseline and lower) to the local authorities of St Helens, Wigan and Warrington. To do this, we use apportionment rates that are reflective of each local authority's I&L market performance over the last decade.
- The steps as to how we split the total demand are detailed below. We compare our demand estimates to those in the respective local authorities employment evidence bases in **Section 6**.

11.42 Within this section we seek to apportion the total PMA demand estimates (baseline and low scenarios) to the local authorities of St Helens, Wigan and Warrington.

11.43 To estimate each local authority's share of the PMA demand for each market segment, we consider the following three property market metrics:

- Local Authority's share of the PMA's total inventory (2025 YTD);
- Local authority's share of the PMA's historic average net absorption (2012-2024); and
- Local authority's share of the PMA's average net deliveries per annum (2012-2024).

11.44 We have taken the average of the above measures to arrive at an appropriate apportionment rate for each local authority. The results of this comparison are illustrated in **Table 11.11**.

Table 11.11 Local Authorities I&L Market Share of PMA

	St Helens share of PMA	Wigan share of PMA	Warrington share of PMA
I&L Inventory (2025 YTD)	10%	11%	11%
Ave. Net Absorption (2012-2024)	18%	7%	21%
Ave. Net Deliveries (2012-2024)	20%	5%	24%
Average	16%	8%	19%

Source: Savills 2025

11.45 Based on the above apportionment rates, **Table 11.12** below illustrates our demand estimates for the three local authorities of St Helens, Wigan and Warrington over a 20-year period, as well as the PMA.

Table 11.12 Savills I&L Demand Estimates over 20-year period– Summary

	PMA	St Helens	Wigan	Warrington
Overall Demand (Ha)	1,842 – 1,600	291 - 253	141 – 122	343 – 298

Source: Savills 2025

Appendix C ◆ Savills Review of Supply

APPROACH

- 12.1 We have reviewed the supply of land and buildings within the wider PMA which includes the 3 Proposed Development LAs (St Helens, Wigan and Warrington) as well as the authorities of Knowsley, Halton, Chorley, Bolton, Salford, Trafford, Sefton, West Lancashire, Cheshire East and Cheshire West and Chester (those parts which fall within the defined PMA in **Figure 7.2**). We have included sites with a proposed draft allocation, adopted allocation, or planning permission for B8 development of a comparable scale to the Proposed Development. Data collection was undertaken in February / March 2025 and represents a snapshot in time.
- 12.2 In order to objectively assess the level of supply within the PMA we have considered all sites of 2.5 ha and above. This threshold ensures a comprehensive approach with many sites included which, whilst having potential to accommodate strategic scale B8, are unlikely to provide accommodation of a comparable scale to the Proposed Development. Sites below this size generally accommodate small-medium scale units, being infill plots on existing estates often located within the urban area. The small scale of such plots mean that they will therefore make only a modest contribution to the overall supply of new land and are also not comparable to the proposals for the Main Site.
- 12.3 We consider three sources of supply:
- I. Land with planning permission, being sites of 2.5 ha or more with planning permission for B8 development;
 - II. Adopted allocations for B8 development of 2.5 ha or more (i.e. those which do not yet benefit from planning permission); and
 - III. Draft allocations for B8 development of 2.5 ha or more (where these are not already accounted for within category II. or III.)
- 12.4 Speculative developer promotions that fall outside these categories are not included within the supply. The assessment of supply includes those sites which can accommodate B8 development (the majority of which can also accommodate B2 and or Eg(iii) use and so the actual amount of B8 that is accommodated may be less than the total site area).

LAND WITH PLANNING PERMISSION

- 12.5 We have analysed the supply of land with planning permission for B8 use within the PMA. We have included sites of 2.5 ha or more within our assessment. A schedule of available sites with planning permission is included at **Table 12.1** below.

Table 12.1 Land with Planning Permission within the PMA (Sites of 2.5 ha or more with planning permission for B8)

Ref.	Name	Authority	Remaining Land (ha)	B8 Capacity (sq. m)
1	1 Chesford Grange, Warrington	Warrington	2.83	11,441
2	M6 Junction 25 (Tritax Park)	Wigan	54.40	133,966
3	Warrington Road, Hawkley	Wigan	3.80	11,421
4	South Lancashire Industrial Estate, Ashton	Wigan	26.16	91,509
5	Land to the West of Haydock Industrial Estate, Haydock	St Helens	3.64	14,571
6	Land west of Millfield Lane, south of Liverpool Road and north of Clipsley Brook, Haydock	St Helens	17.07	68,291
7	Parkside West, Newton-le-Willows	St Helens	19.33	92,813
8	Horwich Loco Works	Bolton	4.38	17,520
9	Cutacre	Bolton	6.5	32,000
10	Lostock Industrial Estate (Mansell Way)	Bolton	7.06	33,189
11	West of Wingates	Bolton	33.00	100,000
12	Land South of M62	Knowsley	17.63	75,135
13	Former Contract Chemicals Site	Knowsley	3.80	18,554
14	35 Wilson Road, Huyton	Knowsley	4.73	19,116

Ref.	Name	Authority	Remaining Land (ha)	B8 Capacity (sq. m)
15	Land at Alchemy Way	Knowsley	2.79	9,768
16	Former Northern Airfield (Winward Drive)	Liverpool	2.81	12,210
17	G Park Skelmersdale	West Lancashire	17.00	20,746
18	Allied Business Centre Potter Place West Pimbo Up Holland (TWO45)	West Lancashire	4.80	23,601
19	Duo Park, Gillibrands Road, Skelmersdale	West Lancashire	2.79	9,638
20	Port Salford	Salford	80.35	114,686
21	Atlantic Park	Sefton	15.98	41,644
22	CE2B Carrington (Voltage Park)	Trafford	26.60	62,442
23	Plot CE1B (Carrington Gateway)	Trafford	7.40	23,690
24	Plot CE2A Carrington (part)	Trafford	26.43	62,057
25	G Park Manchester	Trafford	3.72	20,540
26	3MG (West) Land north of Ditton Junction	Halton	7.32	33,519
		3 Proposed Development LAs	127.24	424,012
		Total	402.33	1,154,067

Source: Savills 2025

- 12.6 There is a total of 402 ha of land with planning permission across 26 sites within the PMA, with a total capacity of 1.15 million sqm (13.3 million sq.ft). Of this total, 7 sites totalling 127 ha are located within the 3 Proposed Development LAs and have capacity for c. 424,000 sqm of floorspace (4.56 million sq.ft).
- 12.7 The majority of allocated sites are of a relatively small scale and cant deliver mega large I&L units. The following sites (**Table 12.2**) are those which are of strategic scale (generally assumed to be at least 25 ha).

Table 12.2 Adopted allocations (25 ha plus)

Site	LPA	Remaining land (ha)	Capacity (sqm)
Port Salford	Salford	80.35	114,686
M6 Junction 25	Wigan	54.40	133,966
West of Wingates	Bolton	33.00	100,000
CE2B Carrington (Voltage Park)	Trafford	26.60	62,442
Plot CE2A Carrington (part)	Trafford	26.43	62,057
South Lancashire Industrial Estate, Ashton	Wigan	26.16	91,509

Source: Savills 2025

ADOPTED ALLOCATIONS

- 12.8 We have also assessed the supply of sites that benefit from an allocation (or are designated within an existing employment area) but do not have planning permission. The assessment includes sites of 2.5 ha or more, with an allocation for B8 use, consistent with the assessment of consented land supply above. Where possible we have based the floorspace capacity of each site on indicative proposals for the site, application documents, or specified floorspace limits within the relevant local plan policies. Where there is no information available, we have assumed a density of 35% based on the gross developable site area.
- 12.9 A schedule of allocated sites within the PMA is provided below in **Table 12.3**.

Table 12.3 Allocated sites with the PMA (Sites of 2.5 ha or more with planning permission for B8)

Ref.	Name	Authority	Remaining Land (ha)	B8 Capacity (sq. m)
1	Fiddlers Ferry Power Station	Warrington	101.00	353,500
2	South of Hindley	Wigan	12.00	42,000
3	East of Atherton	Wigan	12.00	42,000
4	Pocket Nook	Wigan	3.75	13,125
5	West of Gibfield	Wigan	11.40	39,900
6	West of Leigh Road, Hindley Green	Wigan	22.50	78,750
7	Westwood Park, Wigan	Wigan	21.30	74,550
8	South Lancashire Industrial Estate, Ashton	Wigan	13.04	45,640
9	Parkside West, Newton-le-Willows	St Helens	48.42	154,612
10	Land to the West of Sandwash Close, Rainford	St Helens	7.70	30,800
11	Watermead	Bolton	3.79	15,160
12	Bewshill Farm	Bolton	5.60	21,000
13	West of Wingates	Bolton	151.00	334,551
14	Eastern Compound Land, Speke Boulevard, Halewood	Knowsley	17.61	61,635
15	Depot Road	Knowsley	3.2	11,200
16	Britonwood	Knowsley	4.25	14,875
17	Moss End Way (West)	Knowsley	2.57	8,995
18	North Perimeter Road / Moss End	Knowsley	5.3	18,550

Ref.	Name	Authority	Remaining Land (ha)	B8 Capacity (sq. m)
	Way			
19	NW corner of Gilmooss Industrial Estate, Stonebridge Lane/Carraway Road	Liverpool	2.73	9,555
20	Garston Tannery (King Street/Window Lane)	Liverpool	2.84	9,940
21	Former Northern Airfield (Dakota Drive)	Liverpool	5.1	17,850
22	Dingle Bank, Garston	Liverpool	4.75	16,625
23	Land at Former Spekeland Road Sidings	Liverpool	4.15	14,525
24	Land to North East of M61 Junction (Gale Moss)	Chorley	6.9	24,150
25	Cowling Farm	Chorley	3.5	12,250
26	The Revolution	Chorley	2.9	10,150
27	Land east of Wigan Road	Chorley	8.56	29,960
28	Port Salford Extension	Salford	108.6	380,100
29	Land East of Maghull	Sefton	18.06	63,210
30	Senate Business Park	Sefton	8.90	31,150
31	New Carrington	Trafford	84.50	181,476
32	Land between Chester Road and the Rail Line	Halton	2.55	8,925
33	Land between Warrington Road and Oxmoor Wood	Halton	2.57	8,995

Ref.	Name	Authority	Remaining Land (ha)	B8 Capacity (sq. m)
34	Land off Blackheath Lane	Halton	4.47	15,645
35	Land north of Six Acres Lane	Halton	6.87	24,045
36	Moss Lane Nursery	Halton	9.26	32,410
37	Land off Six Acre Lane	Halton	5.72	20,020
38	Land to the south of Dans Road	Halton	3.80	13,300
39	St Michaels	Halton	6.24	21,840
40	Easternmost section of 3MG (east) Foundry Lane	Halton	13.67	47,845
41	Former Thermphos site	Halton	5.07	17,745
42	Former Muspratt site	Halton	4.44	15,540
43	Northern Gateway Heywood / Pilsworth	Bury	201.00	856,000
44	Eton Hill Road, Radcliffe	Bury	2.90	10,150
		3 Proposed Development LAs	253.11	874,877
		Total	976.48	3,254,244

Source: Savills 2025

- 12.10 Across the PMA, there is a total of **44 allocated sites** (without planning permission) with remaining land totalling **c.976 ha** with a total capacity of c. 3.25 million sqm (35.03 million sq.ft). *The Main Site allocation of 65 ha within St Helens (Parkside East allocation) is excluded from this total.*
- 12.11 Within the 3 Proposed Development LAs there are **10 allocated sites** which total **253 ha** with capacity for c. 874,877 sqm (9.4 million sq. ft) of floorspace.
- 12.12 Similarly to the assessment of sites with planning permission, the majority of allocated sites

are of a relatively small scale. The following sites (**Table 12.4**) are those which are of strategic scale (generally assumed to be at least 25 ha).

Table 12.4 Adopted allocations (25 ha plus)

Site	LPA	Remaining land (ha)	Capacity (sqm)
Northern Gateway Heywood / Pilsworth	Bury	201.00	856,000
West of Wingates	Bolton	151.00	334,551
Port Salford Extension	Salford	108.60	380,100
Fiddlers Ferry Power Station	Warrington	101.00	353,500
New Carrington	Trafford	84.50	181,476
Parkside West, Newton-le-Willows	St Helens	48.42	154,612

Source: Savills 2025

PROPOSED DRAFT ALLOCATIONS

12.13 We have also assessed the ‘pipeline’ supply of sites that benefit from a draft allocation. The assessment includes sites of 2.5ha or more, with a draft allocation for B8 use, consistent with the assessment of consented land supply above.

12.14 There are two draft allocations within the PMA which are not already accounted for within the categories already assessed (i.e. sites which don’t have planning permission and are not carried over adopted allocations):

- Salford: Boysnope Wharf and Clubhouse, Higher Irlam and Peel Green (4.60ha); and
- Trafford: Land at Dairyhouse Lane, Broadheath (3.44ha).

12.15 These sites are subject to varying degrees of risk around delivery and timescales but overall make a minimal contribution to additional future land supply.

QUALITATIVE ASSESSMENT

12.16 The Proposed Development is a strategic scale opportunity to provide rail-served large scale B8 units to address national and regional demand. The vast majority of other sites within the supply are of a much smaller scale and therefore not able to offer the same flexibility or

strategic scale of floorspace. A number of other sites in the supply are subject to various constraints/remediation requirements. There is therefore a very limited supply of high quality, unconstrained, strategic scale sites in the context of the scale of demand across the PMA.

SUPPLY SUMMARY

12.17 The overall supply position within the PMA is summarised in **Table 12.5** below.

Table 12.5 Existing Supply Summary

	Planning Permission		Allocated		Draft Allocation		Land only Total	
Local Authority	Ha	Sqm	Ha	Sqm	Ha	Sqm	Ha	Sqm
Warrington	2.83	11,441	101.00	353,500	-	-	103.83	364,941
Wigan	84.36	236,896	95.99	335,965	-	-	180.35	572,861
St Helens	40.05	175,675	56.12	185,412	-	-	96.17	619,287
Bolton (part)	50.94	182,709	160.39	370,711	-	-	224.23	614,622
Knowsley	28.95	122,573	32.93	115,255	-	-	61.88	256,378
Liverpool (part)	2.81	12,210	19.57	68,495	-	-	22.38	80,705
Chorley (part)	-	-	21.86	76,510	-	-	21.86	76,510
West Lancashire (part)	24.59	53,985	-	-	-	-	24.59	53,985
Salford	80.35	114,686	108.60	380,100	4.60	16,100	193.55	510,886
Trafford (part)	64.15	168,729	84.50	181,476	3.44	12,040	152.09	362,245

	Planning Permission		Allocated		Draft Allocation		Land only Total	
Local Authority	Ha	Sqm	Ha	Sqm	Ha	Sqm	Ha	Sqm
Halton	7.32	33,519	64.66	226,310	-	-	71.98	259,829
Cheshire East (part)	-	-	-	-	-	-	-	-
Cheshire West and Chester (part)	-	-	-	-	-	-	-	-
Bury (part)	-	-	203.90	866,150	-	-	203.90	866,150
Sefton (part)	15.98	41,644	26.96	94,360	-	-	42.94	158,916
Total	402.1	1,154,067	976	3,254,244	8	28,140	1,387.1	4,797,315
3 Proposed Development LAs	127	424,012	253	874,877	-	-	380	1,557,089

12.18 Key points are summarised below:

- There is a total of **1,387.1 ha of supply within the PMA**. This comprises land which benefits from a planning permission, or an existing allocation plus draft allocations. This is made up as follows:
 - Land with Planning Permission: 415 ha
 - Allocated sites: 976 ha (*excluding the Proposed Development allocation (Parkside East) of 65 ha in St Helens*)
 - Draft allocations: 8 ha
- There is a total of 380 ha of supply within the 3 Proposed Development LAs.

Appendix D ♦ Savills Analysis of I&L Sector Key Trends

INTRODUCTION

- 13.1 Over the next three pages we provide an infographic, which evidences some of the key trends and characteristics exhibited by the overall I&L sector.
- 13.2 The key conclusions can be summarised as follows:
- The I&L sector is highly resilient, with take-up continuing to rise on pre-covid levels despite recent macroeconomic challenges. Additionally, I&L productivity is expected to rise more than other sectors such as office or retail.
 - The wider I&L network forms critical national infrastructure, acting as the backbone on which the production and movement of goods within the rest of the economy relies upon.
 - I&L growth is being driven by the rise of e-commerce, growth in global freight flows, and increased housing development, among other drivers in a changing world.
 - The logistics sector is one of the fastest growing sectors in the economy with jobs growing by 22% between 2015 and 2023. It employs at least 4.5 million people and produces at least £268 billion per annum.
 - Logistics jobs pay £3,900 more than the median income for all jobs in the North West, whilst manufacturing jobs pay £7,200 more.
 - The I&L sector has seen a significant diversification of the occupations it supports within the North West. Elementary and Process, Plant and Machine Operatives are down 42% and 13%, respectively, in 2024 against 2004 levels, whilst Professional Occupation, and Associate Professional & Technical Occupations are up 109% and 26%, respectively, in the same time period.
 - Indirect GVA generation is 3.5 times higher than direct GVA generation for the I&L industry, demonstrating its overall contributions to the economy extend beyond its direct and apparent impact - it is a sector that facilitates all other sectors.

A Resilient Sector

National Take-up exceeds pre-Covid average in 2024

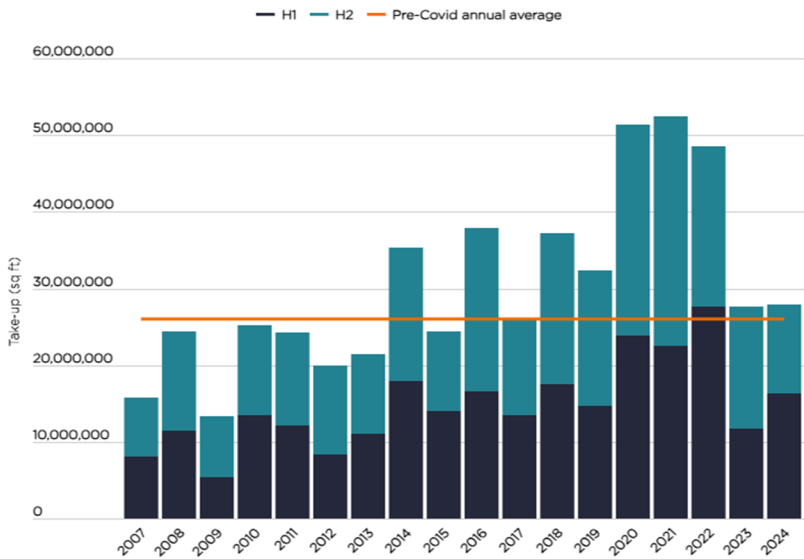


Savills' January 2025 Big Shed Briefing (which assesses large I&L premises above 9,300 sqm/100,000 sq.ft) found that at the national level, take-up in 2024 reached 2.6 million sqm (27.9 million sq.ft) across 116 transactions. This is a modest 1% increase year on year, but 8% above the pre-covid demand average. Overall, 2024 was the fifth best year ever for take-up, outside of the pandemic period. In the long-term context, this is a healthy outcome given the wider economic and geopolitical situation over the last year, which has hindered quick decision-making, both in occupier and capital markets.

With the fundamental growth drivers underpinning the I&L sector set to remain strong (as discussed further on the following page), and market confidence improving as the outlook for the wider economy improves, it is expected take-up levels will continue to improve into 2025.

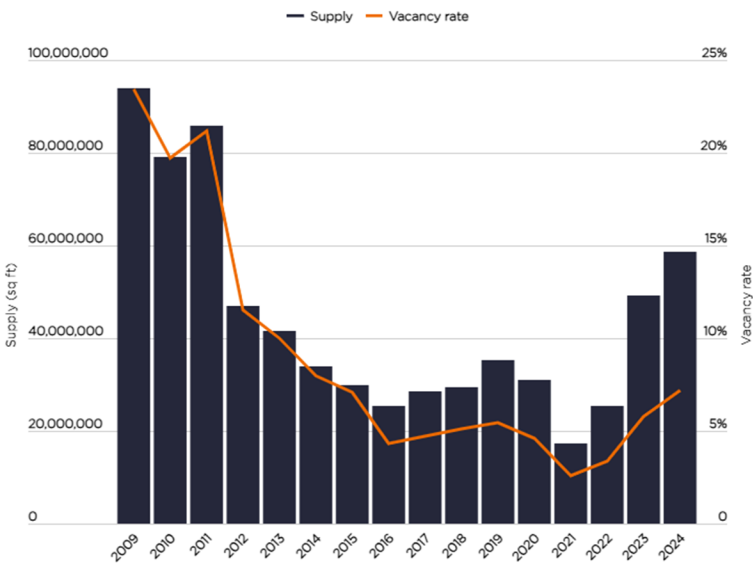
Our regional analysis shows that the North West specifically continues to see strong demand for best-in-class quality units from a variety of occupiers.

I&L Sector Take-up (9,300 sqm+)



Source: Savills 2025 Big Shed Briefing

I&L Supply and Vacancy Rate



Source: Savills 2025 Big Shed Briefing

Rising Supply at the National Level

The supply of premises nationwide (in units above 9,300 sqm / 100,000 sq.ft) has risen to almost 5.5 million sqm (59 million sq.ft) reflecting a vacancy rate of 7.1%. Despite rising, this level remains much lower than in the period after the Global Financial Crisis ('GFC') when the vacancy rate used to be well above the 10% mark.

While all regions have seen a rise in supply over the last year, there remains a shortage in supply of high-quality Grade A space, with only around half of this supply considered to be of Grade A quality. Given the increasing costs associated with running warehouses, it comes as no surprise that occupiers are gravitating towards better quality buildings with better Environmental, Social and Governance ('ESG') features.

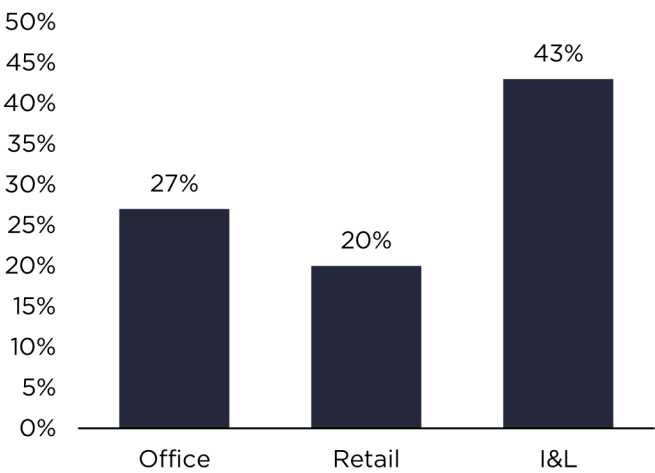
Within the North West specifically, the market is comparatively under-supplied in the largest size bands (300,00 sq.ft +). The Proposed Development is expected to provide 9 units above this threshold.

Highest Expected Productivity Growth

Successive UK Governments have failed to address the productivity issues that have plagued the UK economy. In this regard, productivity growth within the I&L sector is predicted to grow at a faster pace (43% between 2021 and 2040), compared with other major commercial uses, which have much lower productivity growth. Office based employment is expected to see productivity growth of 27% between 2021 and 2040, with retail productivity only expected to grow by 20%. What this effectively means is that the value of outputs related to the I&L sector, relative to the cost of inputs, is estimated to grow faster than the rest of the UK economy.

As a result, wage growth and wider investment within the sector will also likely outpace the wider economy. However, the positive contribution that the I&L sector can make will be restricted if supply continues to fail to keep pace with demand.

Expected Productivity Increases (2021-2040)



I&L Growth is Structural, Not Cyclical

Critical National Infrastructure

The past decade has seen the I&L sector undergo a remarkable transformation, reshaping operating models and occupier requirements. The sector should be considered as 'critical national infrastructure' that supports the functioning of our economy and the way we live our lives.

The I&L sector enables the movements of goods across a multi-modal network of road, rail, air, and water routes. Most businesses draw on supply chains that rely upon these multiple modes of transport and on the transfer between freight nodes to warehouses, and then finally onto the end customer.

Without these facilities, the delivery of our purchases would be much slower, more expensive and we would have less choice.

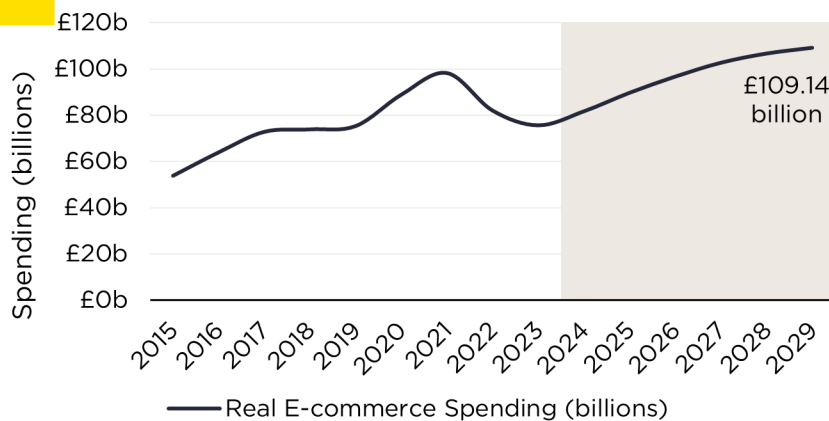
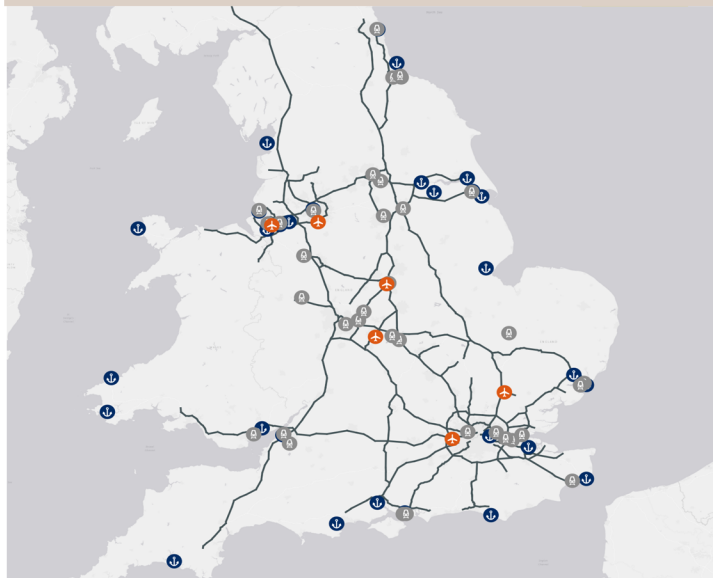
The sector's performance is being driven by a number of key structural growth drivers including:

1. The Rise of E-Commerce

E-commerce has grown substantially over the past decade, with the Covid-19 pandemic accelerating this trend. Statista, a respected source of online retail projections, estimate that inflation adjusted online retail will grow to £109 billion by 2029.

The growth in online shopping has significant implications on future I&L demand given that e-commerce requires around 3 times the logistics space of traditional bricks-and-mortar retailers (Prologis, 2016).

Significant Freight Infrastructure in the UK



Source: ONS (Historic), Statista (Forecast)

2. Growth in Global Freight Flows

Freight flows are another key driver of I&L floorspace demand. Significant growth is forecast across all freight modes. Freight arriving and leaving the UK needs to be sorted, packaged and distributed via a network of freight handling infrastructure (i.e. ports, airports, rail freight interchanges and motorways) and conveniently located I&L premises to reach end customers.

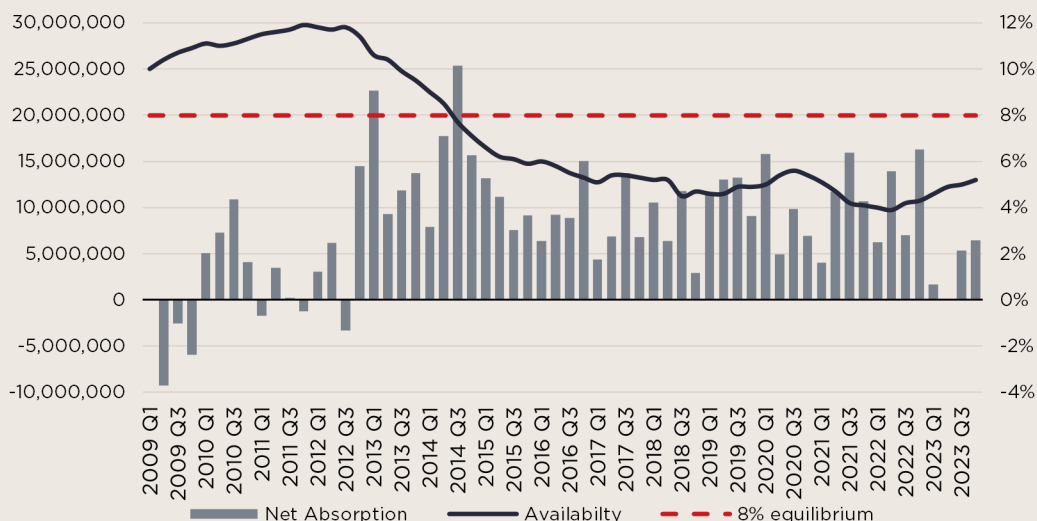
3. Increased Housing Development

Real Estate Implications

Continued strong demand for I&L land has meant availability has remained below the 8% equilibrium rate at the national level for much of the last decade.

When new development is built it is quickly occupied. The lack of available supply means demand is 'suppressed' as not all occupiers can find the space they need.

To eliminate this supply-demand imbalance, more development is needed at a rate above historic levels.



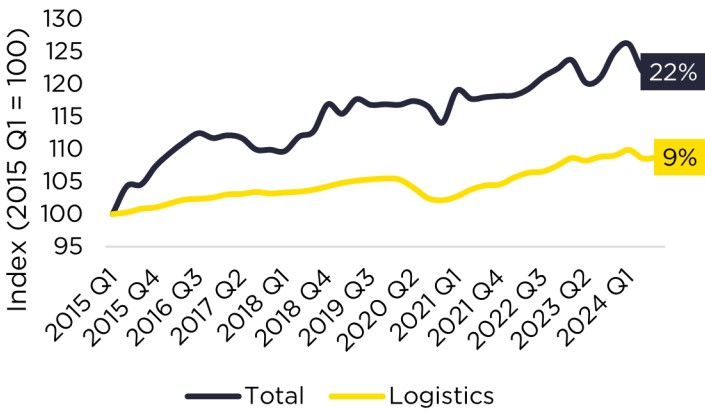
The I&L Sector Employs Many People in High Quality Jobs

It's the fastest growing sector of the economy

The logistics sector is the fastest growing segment of our economy, both in recent years and over the long term. Between 2015 Q1 and 2023 Q3 the number of jobs in the logistics sector grew by 22% in the UK compared to only 9% across the economy as a whole.

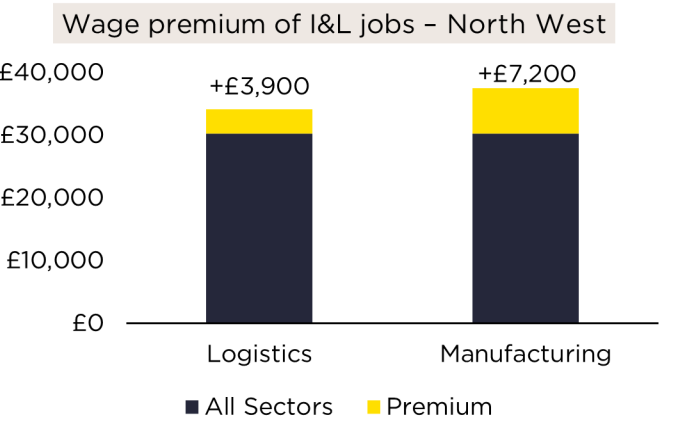
As a result, the I&L sector has become a major contributor to the national economy, employing at least 4.5 million people in the UK and producing £268 billion of Gross Value Added (GVA) annually.

Logistics vs All Jobs Growth



Source: ONS Workforce Jobs by Industry

I&L Jobs Pay More than Average

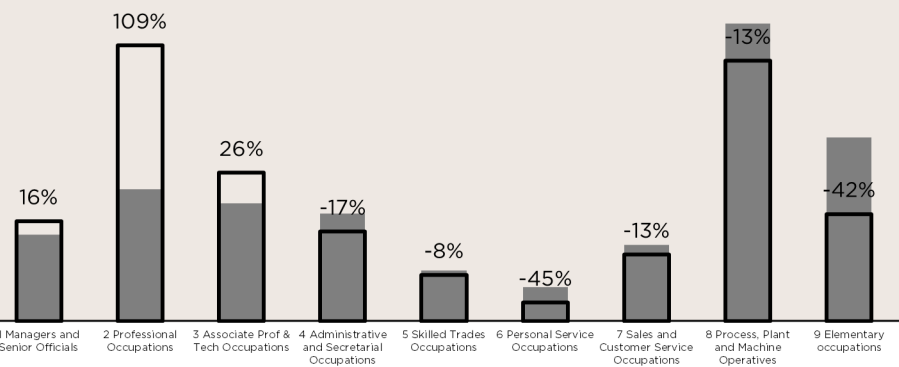


Source: ONS ASHE

Notwithstanding its importance in terms of employment and GVA contribution, the I&L sector is subject to a number of misconceptions about average pay levels and skills.

Compared to the All-Sector average, Logistics and Manufacturing sectors' annual median wages are +£3,900 per annum higher and +£7,200 per annum higher respectively in the North West. In addition, entry-level jobs in logistics are relatively well-paid, with median annual pay being 47% higher than across jobs in the same occupational category (Frontier Economics, 2022).

Occupational Distribution in Logistics Sector: North West



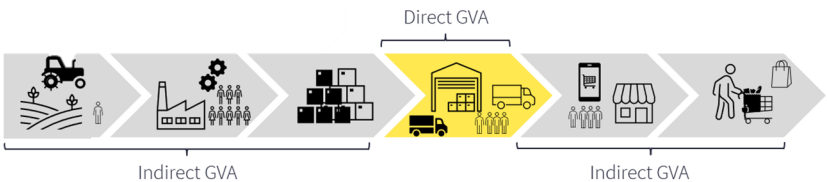
Source: ONS Annual Population Survey

It provides high quality jobs

The jobs offered within the sector are becoming higher skilled and more diverse. Within the Transportation and Storage industry, the highest skilled occupations (Groups 1-3) have increased by 17% between 2004 and 2024 in the North West. These roles are associated with engineering and technological professions in response to automation and robotics and increased office collocation.

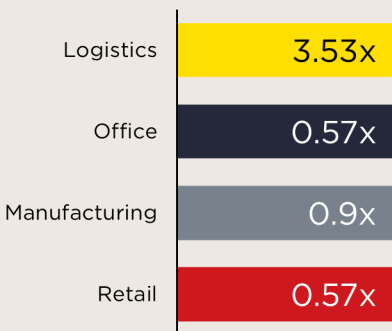
Economic Contribution is Much Larger Than On-Site Jobs

Common misconception about the I&L sector being a low-density employer, fails to recognise the wider role it plays in supporting jobs which are not physically within a warehouse but are enabled by its operations. For every 10 new warehousing jobs created onsite, another 7 to 12 jobs are created offsite.



The indirect GVA of logistics in the UK is 2.0 times the direct GVA, vastly greater than other sectors. This effectively measures the role it plays in supporting other business sectors and the economy more generally.

Indirect GVA Generation (compared to direct GVA)



Source: ONS Input Output Tables 2019