THRAPSTON BUSINESS PARK

Employment Land, Labour Supply & Economic Benefits Statement

April 2022












Land Requirement, Labour Supply and Economic Benefits Report

Thrapston Business Park

Prepared on behalf of IM Properties

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CONTENTS

EXECUTIVE SUMMARY

i. This report establishes the socio-economic case for employment led mixed-use development on land north-east of Thrapston, a site referred to as Thrapston Business Park. To that end, industrial employment land policy, the industrial property market, the labour market, and likely economic benefits have been examined, the key findings as follows.

Employment Land Policy Review

ii. The JCS is over five years old and the evidence that underpins the approach to employment land need and allocation is up to nine years old. Not only in the evidence dated, but the approach is inconsistent with economic need planning practice guidance because it fails to address market signals, nor does it reflect the elevated status afforded to logistics by PPG.

iii. Accordingly, the JCS is not supported by an assessment of industrial and logistics floorspace demand against which the sufficiency and suitability of its employment land supply can measured. In the circumstances, the market signals based floorspace demand assessment presented in Section 3 of this report and the accompanying (appendix 1) Carter Jonas 'Market Analysis and Response to Market Need' report should be used in its absence .

iv. Notwithstanding, our review of the allocated and commitment sites identified in the JCS reveals that none meet the requirements of DSV. Moreover, addressing industrial and logistics in general, the former district of East Northamptonshire is particularly poorly served and the strategically important A14 ignored completely. This means that only Symmetry Park in Kettering can accommodate industrial and logistics occupiers on the A14 corridor across North Northamptonshire, but not on terms acceptable to DSV.

The Industrial Property Market

v. North Northamptonshire's strategic warehousing inventory has increased by 26% over the last ten years, during which time 16 buildings have been added averaging 42,500 sqm each. Despite this growth, vacancy rates remain low at 3.6% (3.2% across Northamptonshire), and signal undersupply.

vi. Year on year, construction activity in North Northamptonshire has increased, such that by the end of 2021, 14 buildings were under construction that will bring about 220,000 sqm floorspace to the market, breaking all previous records. This has contributed to a spike in industrial

availability that nevertheless remains below the level (8%) of notional equilibrium between supply and demand, also signalling undersupply.

vii. Availability in North Northamptonshire's existing strategic warehousing size stock (excluding under construction) was significantly below the equilibrium threshold at the end of 2021. An availability rate of 4.1% (of existing stock) signals significant undersupply and acts as a constraint on sustainable economic growth, tempered but not eradicated by developer and investor confidence in the market, indicated by high levels of development activity in its historic context.

viii. We find that over the ten-year period 2012 to 2021 inclusive that actual demand for industrial floorspace amounted to 150,906 sqm per annum (151,000 sqm rounded). Examined in isolation, actual demand for logistics floorspace amounts to 118,851 sqm per annum (119,000 sqm rounded).

ix. This level of actual demand means that across North Northamptonshire, there is 2.4 years of available supply (c370,000 sqm), and 6.0 years of total pipeline supply (under construction and proposed), which we estimate to amount to c899,000 sqm industrial floorspace.

x. Demand observed over the last 10 years is likely to be a reasonable and balanced basis for forecasting future floorspace demand. **A trend rate of demand for 151,000 sqm of industrial floorspace, projected over the next 15 years, results in a need for 566 ha of industrial land**. Even if the trend rate halves after ten years, need would amount to 472 ha.

Labour Supply and Local Economic Value

xi. Within a 20-minute drivetime (catchment area) of Thrapston Business Park, there is a working age population of 168,000, which accounts for 72% of the total working age population in North Northamptonshire.

xii. Of this working age population, 123,000 live in the built-up areas to the south and west of Thrapston and a further 10,000 in Thrapston and the settlements in its immediate environs.

xiii. The catchment area labour supply comprises up to 116,000 residents who are currently employed plus at least 4,500 currently unemployed residents. In addition, a further 6,100 catchment area residents who are currently economically inactive but nevertheless want a job.

xiv. Over a six-year period, the construction of Thrapston Business Park will support 500 direct construction jobs and a further 480 indirect jobs in the supply chain and local services. The competed development will support the creation of about 2,100 jobs on site, the overall effect of which will be to increase North Northamptonshire employment by about 2,800, a value to the local economy, expressed as GVA, of £118m per annum.

Conclusions

xv. In the context of significant floorspace demand, Thrapston Business Park will deliver a masterplan that responds to the full spectrum of market demand from starter units to meet localised need to 'mid box' and 'big box' units to deliver space required at the regional and national levels.

xvi. As such, it will help to realise suppressed market demand by delivering space to give businesses the chance to expand and provide a range of building sizes that mostly differ to others that are proposed across North Northamptonshire and providing accommodation for the manufacturing sector that is otherwise overlooked.

xvii. Furthermore, it will provide space in a sought-after location with an almost direct connection to the A14, rectifying the undersupply of existing 50,000 sq. ft. buildings on the A14 corridor and helping to relieve suppressed market demand by delivering space to give businesses the chance to expand.

xviii. Thrapston Business Park will almost double the amount of sub 25,000 sq. ft. space available in the local market adding much needed starter / small business space to the area, helping to rectify the fact that the former East Northamptonshire district has one of the lowest levels of existing available space across North Northamptonshire.

xix. The foregoing analysis and key findings bring into sharp focus the need to ensure a sufficient supply of strategically located sites of sufficient size to accommodate both strategic and local industrial and logistics demand.

xx. Thrapston Business Park is well-placed to respond this demand. Furthermore, the local catchment area includes a significant number (4,500) of unemployed resident who are immediately available and a significant number (6,100) of economically inactive residents who want to work, for whom the jobs created at Thrapston Business Park offer could deliver real social value.

1.0 INTRODUCTION

1.1 This report has been prepared by Barton Willmore, now Stantec Development Economics on behalf of IM Properties to support a hybrid planning application for employment led mixed-use development on land north-east of Thrapston, North Northamptonshire, a site referred to here as Thrapston Business Park.

1.2 The purpose of this report is to establish the socio-economic case for development, having regard to the following:

- The North Northamptonshire industrial floorspace and land requirement.
- Current and projected labour supply.
- Economic benefits and the local economic value.

1.3 Industrial land is defined within this report as use classes Eg(iii), B2 and B8 and whilst industrial land is addressed 'in its entirety', the focus is primarily on B8 (logistics uses).

1.4 The Report is structured as follows:

- Section 2: **North Northamptonshire Employment Land Policy Review,** seeks to establish whether, based on the evidence gathered and analysis employed (i.e., on its own merits), the Council's employment land evidence provides a robust and full objective assessment of need for industrial employment land in North Northamptonshire.

- Section 3: **The Market for Industrial and Logistics Floorspace**, assesses the market for floorspace in North Northamptonshire in its Northamptonshire property market area context, through examination of a range of industrial and logistics market indicators, culminating in an assessment of actual demand (observed net take-up plus supressed demand) to date.

- Section 4: **Labour Market Supply,** identifies the relevant labour market catchment area and estimates the supply of labour available to the site. In addition, this section sets out the socio-economic context for the catchment area, reporting on the population, employment, skills, wage, and occupational profile.

- Section 5: **The Value of Logistics**, seeks to demonstrate how the value of the logistics sector has increased over recent years and sets to remain a key UK sector in future years.

- Section 6: **Economic Benefits,** sets out the gross and net economic benefits of the proposed development in respect of employment generation and economic output (GVA) over both the construction and operational phases of development; and

- Section 7: **The Case for Development,** provides a concise summary of the key findings of the report.

2.0 NORTH NORTHAMPTONSHIRE EMPLOYMENT LAND POLICY REVIEW

2.1 The North Northamptonshire Joint Planning Committee (JPC) formally adopted the Joint Core Strategy (JCS) in July 2016. The JCS, now 5.7 years old (March 2022), sets the latest overarching industrial and logistics planning context for North Northamptonshire.

2.2 The pertinent JCS Policies are set within Section B, Spatial Policies, Chapter 4, Delivering Economic Prosperity. The overarching aim of which is to *'make North Northamptonshire more self-reliant by achieving a sustainable balance between local jobs and workers and a more prosperous and diverse economy.'* [1]

2.3 Achievement of the overarching aim is said to turn on the following:

a. Planning for enough jobs to match the forecast growth in labour force plus an additional number in the southern area to reduce further reliance on out-commuting, hence targeting 31,100 additional jobs over the period 2011 to 2031.

b. Ensuring that the right amount and type of employment land is available in locations that balance the demands of the market with the capacity of infrastructure and the need to protect, and where possible enhance the environment. To that end:
   i. **Safeguarding existing and committed employment sites** - of the right quality and suitably located, and in support of sustaining a balanced economy.
   ii. **Allocating new sites** - particularly to meet the needs of small and medium sized businesses and identified growth sectors.

c. Supporting the enhancement of skills in the local workforce through improved opportunities for education and training to provide a more dynamic and flexible labour market and providing the infrastructure required to support skills delivery at all ages.

d. Promoting the provision of infrastructure and services needed to provide a competitive business environment, including transport and electronic communications infrastructure.[2]

2.4 The most relevant spatial policies are:

e. **Policy 22** 'Delivering Economic Prosperity', addresses all aspects of the overarching 'stronger sustainable economy' aims, including identifying new employment sites,

[1] JCS page 112
[2] JCS page 112

protecting commitments, and recognising the opportunity provided by Logistics, a priority sector.

f. **Policy 23** 'Distribution of New Jobs', splits the jobs target by former district. The achievement of the jobs target rests in part upon reducing out commuting (increasing the number / proportion of residents who work locally). The assumption being that East Northamptonshire's 'self-containment' rate (of the resident labour force) increases from 70% to 85%, and North Northamptonshire's rate increase from 85% to 90%. Thus 6,800 workers (2011 base) who already live in the district support job creation there, without the need for additional homes.[3]

g. **Policy 24** 'Logistics' reflects the fact that:

> **North Northamptonshire's central location and excellent strategic road connections has made it a centre for the logistics (B8) industry with a substantial increase in the stock of buildings over the last 10 years. Technical studies and market analysis have identified that this sector remains strong and that failure to meet this demand in North Northamptonshire through the provision of suitable sites will lead to activity being displaced away from the area and opportunities to capture investment, unlock other uses and the potential for high quality investment will be lost.[4]**

2.5 Policy 24 acknowledges and responds to the rise in demand for 'strategic distribution' sites serving national markets. Logistics is said to include large scale strategic distribution developments, defined as 'sites with individual units of over 100,000 sq ft (9,300 sqm).

2.6 The JCS allocates several strategic employment sites that supplement committed strategic sites intended to enable North Northamptonshire to accommodate growth sectors, including logistics, and provide for choice and flexibility.

2.7 Proposed (JCS allocations) and committed sites are identified on a JCS Key Diagram and listed beneath it. The JCS states that the list of sites is not exhaustive, recognising that employment need may arise that necessitates the assembly and delivery of alternative strategic sites.

2.8 We can see that during preparation of the JCS, a requirement for additional B8 land was identified in Kettering Borough. Sites on the A14, at Junction 9 (proposed site) and Junction

[3] Employment Background Paper, page paragraph 4.2c
[4] JCS page 118, paragraph 8.18

10 (committed site) are identified as meeting the shortfall *and* recognising the important role of logistics to the economy.[5]

2.9 The two A14 sites are not an exhaustive response to logistics need and demand, rather they represent what was thought to be a proportionate response to a requirement identified at the time. A requirement that should be periodically reviewed.

2.10 A comprehensive review is needed now, noting the time that has elapsed since the JCS was adopted, the evolved policy framework and associated guidance pertinent to employment land needs and logistics, and last, but not least, material changes to the economic context.

2.11 The JCS approach of allocating employment land in line with a jobs target is fundamentally unsound. Not only is the evidence that underpins this approach dated[6] (the EEFM employment forecast used is from 2013) it fails to address market signals, the principal reason why it does not accord with the approach recommended in planning practice guidance (PPG).

2.12 The PPG Economic Need advice, updated in 2019, makes it clear that strategic policy making authorities should prepare an evidence base which will need to be kept under review to reflect local circumstances and market conditions[7].

2.13 It advises that policy makers should assess the stock of employment land, patterns of supply and loss, evidence of market demand, wider market signals and any evidence of market failure. Market signals introduced as the basis for forecasting future need, using data that is current and robust, including analysis based on past take up and / or future property requirements.[8]

2.14 Specific guidance relating to logistics has also been published. Logistics is afforded an elevated status underlining the sector's importance to the UK economy:

> **The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land)**.[9]

2.15 We consider the market and future need in Section 3 and in the accompanying (appendix 1) Carter Jonas 'Market Analysis and Response to Market Need' report. Here we address whether

[5] JCS page 116, paragraph 8.16
[6] Table 8, page 9, North Northamptonshire Joint Core Strategy 2011 – 2031 Pre- Submission Plan Employment Background Paper, January 2015
[7] PPG ID 2a-025-20190220
[8] PPG ID 2a-026-20190220 and 2a-026-20190220
[9] PPG ID 2a—031-2019-0722

the proposed and committed JCS sites (the stock of employment land) can fulfil the requirement of DSV and clearly demonstrate that they do not obviate the necessity to deliver Thrapston Business Park.

2.16 Each site is considered in turn, on a legacy district by district basis. Site suitability is summarised in terms of availability (of buildings / floorspace) and or compatibility. Compatibility encompasses the following themes:

a. Uses (whether logistics uses are consented)
b. Scale and configuration (whether the available space is of sufficient size)
c. Location (whether the sites are within the DSV search area)
d. Terms (whether freehold is available)

2.17 These themes are criteria for assessing whether the sites will fulfil DSVs requirement for logistics floorspace (B8 uses permitted), which we set out more fully below.

a. **SCALE AND CONFIGURATION**: A single site of 18-20 hectares to be developed to include the following:

i) A c100,000 sqm logistics facility with dock level loading on both sides of the facility
ii) 2,000 sqm office content
iii) Minimum 93,000 sqm

b. **LOCATION**: most products handled would be through Port of Felixstowe and distributed across the Midlands as well as London area. Thrapston, on the A14 is an optimum location because it is located in-route to final users and minimises haulage mileage.

i) Sensitivity analysis and GIS mapping work of the staff along with analysis of logistical factors related to DSV's customer base and requirements studies confirmed that only Kettering and Thrapston locations were viable from a staff retention and customer perspective, with Corby proving unviable from a staff relocation perspective.
ii) Thrapston is ideally located for connections to the A14 leading onto the A1, M11, M1 and M6, which is a huge benefit for deliveries to DSV customers around the country, while also being only two hours from Harwich docks, where a proportion of customer goods originate from.

iii) DSV employ nearly all their staff from the local area (within 12 miles) and about 40 are local to Thrapston and close by villages, with some staff cycling or walking into work every day.

c. **TERMS**: Freehold tenure. Symmetry Park Kettering was explored at length but, critically, freehold tenure is not available at that location and the alternative lease financials proved economically unviable.

Suitability of Sites allocated in the JCS

2.18 The Corby allocations that comprise employment land are set out in Table 2.1. Policy 27 addresses the Rockingham Enterprise Area, comprising a wide range of potential employment uses across c300ha in both Corby and East Northamptonshire. We have identified Rockingham Logistics Hub as the only large scale B8 area that falls under Policy 27, however its use – automotive logistics (primarily open storage) - and location are incompatible with DSV's requirement.

2.19 Similarly, the employment land proposed as part of the West Corby SUE (Policy 32) and Land at Cockerel Road, is incompatible by virtue if uses (small scale industrial /trade counter only) and location. Further, all three Corby allocations would be incompatible with large scale / heavy logistics occupier requirements, by virtue of the type and scale of uses proposed.

Table 2.1: Corby JCS 2016 Allocated SUEs and Strategic Sites

Site	Scale	Uses	Suitability
Rockingham Logistics Hub **Policy 27** (part)	100 ha	B8 (storage of vehicles, vehicle parts, refurb of vehicles and ancillary vehicle auctions)	**Incompatible** (uses, location)
West Corby SUE **Policy 32** (4,500 homes)	290 ha (inc. 11 ha employment uses - 46,850 sqm)	B1 (offices) and B2 (small units)	**Incompatible** (uses)
Land at Cockerel Road **Policy 34** (former British Steel)	9.5 ha	B1 (office), B2, B8 (small scale inc. trade counter and retail warehouse (Wickes))	**Incompatible** (uses, scale, location)

2.20 The Kettering allocations that comprise employment land are set out in Table 2.2. Whilst Symmetry Park (Kettering South B, policy 37) is of a scale and in a location that could be expected to attract large scale logistics occupiers, it does not offer freehold terms and is therefore incompatible with DSV's requirement. The remaining sites are incompatible with DSV's requirement by virtue of the proposed uses (Rothwell North and Kettering South A) and the small scale B8 operations (Kettering North) envisaged, meaning that they would not be able to meet the needs of large-scale logistics occupiers.

Table 2.2: Kettering Allocated SUEs and Strategic Sites

Site	Scale	Uses	Suitability
Kettering North (east of Kettering Business Park) **Policy 36**	75 ha (minimum 40 ha employment plus leisure and GI?). 5 plots (23ha) subject to planning.	B1 (office), B2 and B8 (small scale)	**Incompatible** (scale)
Kettering South A **Policy 37** (A14 J9)	16 ha	B1 (office) and B2	**Incompatible** (uses, scale)
Kettering South B **Policy 37** (A14, J9) **Symmetry Park** KET/2018/0965 NK/2021/0751	63 ha, 40.54 ha developable Outline approval for 214,606 sqm. Max single building 129,000 sqm Spec building of 29,067 sqm available Q4 2022 Reserved matters for two further units, 46,644 cross dock (or 46,603 single sided) and 11,456 single sided sqm GIA. Single unit of 100,000 sqm can still be accommodated	B8 plus ancillary uses	**Incompatible** (terms)
Rothwell North SUE **Policy 38** (700 homes)	33.7 ha (inc. 2.8 ha employment, 12,800 sqm floorspace)	B1 (offices) and B2	**Incompatible** (uses, scale)

2.21 In East Northamptonshire, the largest of the two allocations is Rushden East SUE (Policy 33), which is being promoted as High Hayden Garden Community. The JCS policy text promotes a broad range of employment uses, as follows: *A mix of employment opportunities that will make a significant contribution to delivering an enhanced balance between new homes and jobs in Rushden, including offices and industrial premises as well as local centre, small-scale business space and dwellings suitable for home working or business start-ups*. East Northamptonshire

Council note the proposed as 'various'[10], the Council's most recent Employment Land Review assumes light industrial uses[11].

2.22 Taylor Wimpey and BDW's planning application (20/01453/OUT), submitted in 2020, contemplates 73,000 sqm B8 floorspace. This is currently being considered by the Council. The Regulation 19 Submission version (February 2021) of the Rushden East Sustainable Urban Extension Masterplan Framework Document (MFD) notes that the Council does not support the provision of large buildings/units (9,300 sqm+) for warehousing and distribution uses (B8) at the SUE. As things stand, the implication is that large scale logistics units will not be available at Rushden East.

2.23 Land at Nene Valley Farm (Policy 35) now being promoted as Rushden Gateway. Permission was refused for the application referenced in Table 2.3. As things stand, Rushden Gateway is incompatible with DSV's requirement and would not be suitable for large scale logistics operators both in terms of the uses proposed (excludes B8) and scale of development envisaged.

Table 2.3: East Northamptonshire Allocated SUEs and Strategic Sites

Site	Scale	Uses	Suitability
Rushden East SUE **Policy 33** (Identified as a broad location in the JCS)	According to 20/01453/OUT: 30 ha (22.75 ha for employment uses) 110,000 sqm	The JCS envisages a mix of employment uses but is not specific. Class E (17,000 sqm) B2 (17,000 sqm) and B8 (73,000 sqm) proposed in the application. Reg 19 MFD opposes large scale logistics	**Incompatible** (scale, location)
Land at Nene Valley Farm **Policy 35**	12 ha Not consented, likely to be small scale industrial (18,260 sqm total in 18/00982/FUL)	B1 (office) and B2	**Incompatible** (uses, scale)

[10] Local Plan Employment Policies, Background Paper 2, Annex 2, January 2021
[11] East Northamptonshire District Employment Land Review, March 2019, Page 30, paragraph 4.3

Suitability of JCS Committed Sites

2.24 The JCS allocations (policy 27 and policies 32 to 37) add to existing commitments, the main contributions to logistics floorspace envisaged from sites listed in Tables 2.4 to 2.7., their status based on a review of the latest (at the time of writing) published information, including LPA monitoring, developer marketing material and CoStar.

2.25 Of the three Corby committed sites (see Table 2.4), we note that the uses at Priors Hall (SUE A) do not include B8 and the scale of residual employment land is less than 5ha. The proposed rail freight terminal at Geddington Road (Strategic Site 1) has not come forward, the land is currently leased by BCA Vehicle Remarketing and a significant proportion of the site is used for open storage (for vehicles being auctioned etc.). Midlands Logistics Park (Strategic Site 2) has come forward for industrial and logistics but is complete and fully let.

2.26 In summary, the Corby committed sites are unsuitable for DSV because they are outside the DSV search area. In any event, the only site suitable for large scale logistics uses – Midlands Logistics Park – has no available buildings or floorspace.

Table 2.4 Corby Committed SUEs and Strategic Sites

Site	Scale	Uses	Suitability
SUE A North East Corby SUE (5,100 homes) **Priors Hall**	(inc. 4.4 ha remaining employment land)	B1 and B2	**Incompatible** (uses)
Strategic Site 1 Gefco, Geddington Road. Most recently promoted as **Midlands Logistics Park Rail Freight Terminal**	28.94 ha. 135,890 sqm rail enabled envisioned. First proposed in 2004 – **stalled / undeliverable?**	Predominately B8	Stalled / not coming forward
Strategic Site 2 Stanion Lane Plantation **Midlands Logistics Park**	96.34 ha. Completed and fully let (256,000 sqm since 2019)	Predominately B8	No availability

2.27 Turning to Kettering's committed sites (Table 2.5), we see that of the two sites that could accommodate B8 uses, Cransley Court (Strategic Site 4) has no large scale units available and only small units remain to be built, and Segro Park Kettering Gateway (Strategic Site 11) has

only one remaining plot available. This remaining plot is being speculatively developed to provide a c9,500 sqm building, expected Autumn 2022. Whilst this may suit a strategic warehousing operator, it is not of the scale required by DSV.

Table 2.5: Kettering Committed SUEs and Strategic Sites

Site	Scale	Uses	Suitability
Strategic Site 4 Cransley Court	12.7 ha. Larger units all completed and let Small units under construction	B1, B2, B8	No availability, **incompatible** (uses, scale)
Strategic Site 5 Station Quarter	A new gateway for the town, masterplan being progressed	Offices and commercial	**Incompatible** (uses)
Strategic Site 11 A14 Junction 10 **Segro Park Kettering Gateway**	Last available unit (9,525 sqm) completes Sept 2022	B2 and B8	**Incompatible** (scale)

2.28 Industrial and logistics units are expected as part of the Wellingborough East SUE, known as Stanton Cross (at St Modwen Park Wellingborough) and the ongoing development of Prologis Park Wellingborough (Strategic Site 10). Both sites are incompatible with DSVs requirements; they fail to meet their locational requirements, nor do they offer plots (or contiguous floorspace) of sufficient size.

Table 2.6: Wellingborough Committed SUEs and Strategic Sites

Site	Scale	Uses	Suitability
SUE C Wellingborough East **Stanton Cross** (3,650 homes) **St Modwen Park Wellingborough**	Phase 1: 2 units available to let 9,000 sqm 4,000 sqm 1 unit available as build to suit 16,000 sqm Phase 2 and 3: is expected to offer similar sized units	B2, B8	**Incompatible** (scale, location, terms)
Strategic Site 10 Appleby Lodge **Prologis Park Wellingborough East**	65.31 ha site 233,000 sqm total floor area, part completed. Remaining plots: Zone B 32,000 sqm available consented	B2, B8	**Incompatible** (scale, location)

Site	Scale	Uses	Suitability
	Zone C 52,000 sqm subject to planning Zone D 28,200 sqm subject to planning		

2.29 The Wellingborough committed sites add to the stock of general industrial and logistics floorspace, including a number of buildings of a scale (9,300 sqm+) that will meet the requirements of some logistics operators. The extent to which this (and all other) proposed industrial and logistics supply measures up to demand is addressed in Section 3 of this report.

2.30 Finally, turning to the former East Northamptonshire district, we see that there is the prospect of one further 9,300 sqm+ building coming forward and no existing sites or proposed developments suitable for DSV, either because developments are complete and fully occupied, the permitted uses or scale.

Table 2.7 East Northamptonshire Committed SUEs and Strategic Sites

Site	Scale	Uses	Suitability
Strategic Site 7 Warth Park	Completed and fully let (c93,000 sqm since 2017)	B2, B8	No availability
	A hub for the small business community in East Northamptonshire Completed 2021 inc c.885 sqm across 14 workshops	B1a serviced, B1c /E workshops	**Incompatible** (uses, scale)
Strategic Site 9 Islip Vehicle Depot Site **Primark**			No availability
Strategic Site 12 West End Raunds (allowed at appeal September 2021)	24,000 sqm over 4 buildings proposed Largest available 12,000 sqm	B1c, B2, B8	**Incompatible** (scale)
SUE F Irthlingborough West (700 homes) P112 local plan part 2	Includes 7.5ha employment land	B1, B2, B8 There is ongoing uncertainty over development viability	Not available **Incompatible** (scale)

Summary

2.31 The JCS is over five years old and the evidence that underpins the approach to employment land need and allocation is up to nine years old. Not only in the evidence dated, but the approach is also inconsistent with economic need planning practice guidance because it fails to address market signals, nor does it reflect the elevated status afforded to logistics by PPG.

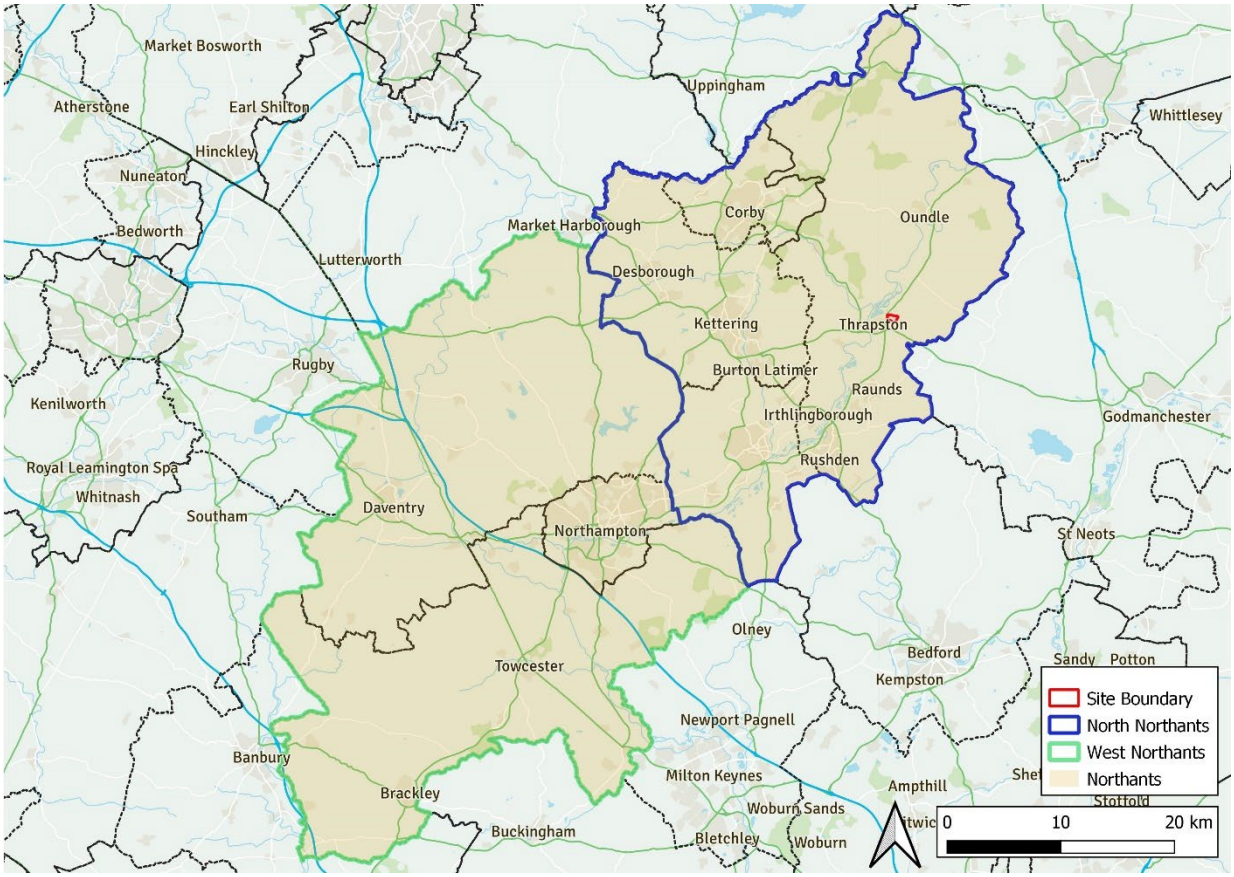
2.32 Accordingly, the JCS is not supported by an assessment of industrial and logistics floorspace demand against which the sufficiency and suitability of its employment land supply can measured. In the circumstances, the market signals based floorspace demand assessment presented in Section 3 of this report and the accompanying (appendix 1) Carter Jonas 'Market Analysis and Response to Market Need' report should be used in its absence.

2.33 Notwithstanding, our review of the allocated and commitment sites identified in the JCS reveals that none meet the requirements of DSV. Moreover, addressing industrial and logistics in general, the former district of East Northamptonshire is particularly poorly served and the strategically important A14 ignored completely. This means that only Symmetry Park in Kettering can accommodate industrial and logistics occupiers on the A14 corridor across North Northamptonshire, but not on terms acceptable to DSV.

3.0 THE MARKET FOR LOGISTICS FLOORSPACE

3.1 The market for industrial floorspace in North Northamptonshire is examined here in the context of the Northamptonshire industrial market area. The Northamptonshire market area comprises North Northamptonshire and West Northamptonshire. These areas are coterminous with the new unitary authorities that combine Corby, East Northamptonshire, Kettering and Wellingborough (North Northamptonshire); and Daventry, Northampton Borough and South Northamptonshire (West Northamptonshire). Each area is depicted in Figure 3.1.

Figure 3.1: North Northamptonshire Industrial Market Context



Source: Barton Willmore, now Stantec

3.2 This section examines a range of market indicators and provides insight into the extent to which the demand for floorspace is being satisfied across North Northamptonshire. It is the basis for assessing actual floorspace demand across the Unitary Authority of North Northamptonshire, filling a gap in the Council's evidence base and providing the quantitative context for development at Thrapston Business Park.

3.3 This section should be read in conjunction with the Carter Jonas report (appendix 1), 'Thrapston Business Park, Market Analysis and Response to Market Need' which establishes the case for development, based on market demand for industrial land at Thrapston, having regard

to the growth in the logistics market, regional trends and localised need. We reflect on the conclusions of the Carter Jonas report at the end of this section.

3.4 The data we have used is derived from a single source, CoStar's Commercial Real Estate Market Analytics (CoStar Analytics). This provides access to an extensive and comprehensive database of verified property-level data, including type, status, floorspace, use and year built or renovated.

3.5 CoStar Analytics collates, categorises and aggregates the property data, updates it on a quarterly basis, and provides a platform for bespoke area analysis, by property type and size, of relevant metrics such as floorspace inventory, deliveries, leasing activity and vacancy rates.

3.6 For this review we have analysed CoStar Analytics data tagged as relating to the Industrial and Light Industrial property type, referred to as Industrial property / floorspace hereafter. In addition, we have filtered the data by the following secondary building types; distribution (including light distribution) warehouse and no secondary type.

3.7 Our secondary type filter provides for an estimate of logistics floorspace. Where no secondary type is recorded, we have reviewed individual records. Those buildings that are clearly not put to logistics uses have been excluded from our logistics floorspace analysis.

3.8 In addition, we have filtered Industrial and the logistics subset to create analysis of the market for buildings of 9,300 sq. m or more (equating to 100,000 sq. ft). The latter is defined within the Joint Core Strategy as large units/ strategic distribution warehouses. Strategic distribution units of this size meet size threshold set by JCS Policy 24 - Logistics.

3.9 The characteristics we have examined are:

a. Change in floorspace inventory and characteristics of the existing stock,
b. Vacancy rates (across the inventory) and availability (of floorspace to potential occupiers, whether presently vacant or not),
c. Floorspace delivery (of new buildings or additional space), gross absorption (move-ins) also known as take-up and net absorption (move-ins less move-outs), also known as net take-up.

3.10 We address each in turn below.

i) Industrial floorspace inventory

3.11 Across Northamptonshire, the inventory of industrial floorspace sums to 9.7m sq. m (104.3m sq. ft) as at 2021 quarter four end. Of this total, 4.7m sq. m is in North Northamptonshire. The remaining floorspace inventory, within West Northamptonshire, stands at 5.0m sq. m.

3.12 Logistics is the dominant use across all industrial floorspace in each of the three areas. Net change in floorspace is overwhelmingly driven by logistics. Across North Northamptonshire, 98% of net floorspace growth is accounted for by logistics.

3.13 Similarly, addressed by building size, the net change in floorspace in buildings 9,300 sq. m or more dominates the delivery of new inventory (by floorspace) in all three areas, accounting for 85% of industrial inventory growth and entirely for logistics uses in North Northamptonshire over the last ten years. This bears witness to demand for larger buildings gradually changing the composition of the industrial inventory.

3.14 The figures discussed above are summarised in Table 3.1, which shows inventory 'today' across the three areas. Table 3.2 shows change in inventory over the ten-year period 2011 Q4 to 2021 Q4.

Table 3.1: Inventory, 2021 Q4 END (figures in sq. m)

	Northants	North Northants	West Northants
All industrial floorspace (buildings)	9.7m (2,007)	**4.7m (957)**	5.0m (1,050)
Of which logistics floorspace (buildings)	7.6m (1,212)	**3.5m (558)**	4.2m (654)
All industrial in (buildings) over 9,300 sq. m	6.3m (230)	**3.0m (100)**	3.3m (130)
Of which logistics in (buildings) over 9,300 sq. m	5.0m (190)	**2.2m (75)**	2.8m (114)

Source: CoStar Analytics, March 2022

Table 3.2: Change in Inventory, 2011 Q4 to 2021 Q4 (figures in sq. m)

	Northants	North Northants	West Northants
All industrial floorspace (buildings)	+1.6m (+115)	**+0.8m (+43)**	+0.8m (+72)
Of which logistics floorspace (buildings)	+1.6m (+104)	**+0.8m (+40)**	+0.8m (+64)
All industrial in (buildings) over 9,300 sq. m	+1.4m (+44)	**+0.7m (+16)**	+0.7m (+28)
Of which logistics in buildings over 9,300 sq. m	+1.4m (+46)	**+0.7m (+16)**	+0.7m (+30)

Source: CoStar Analytics, March 2022

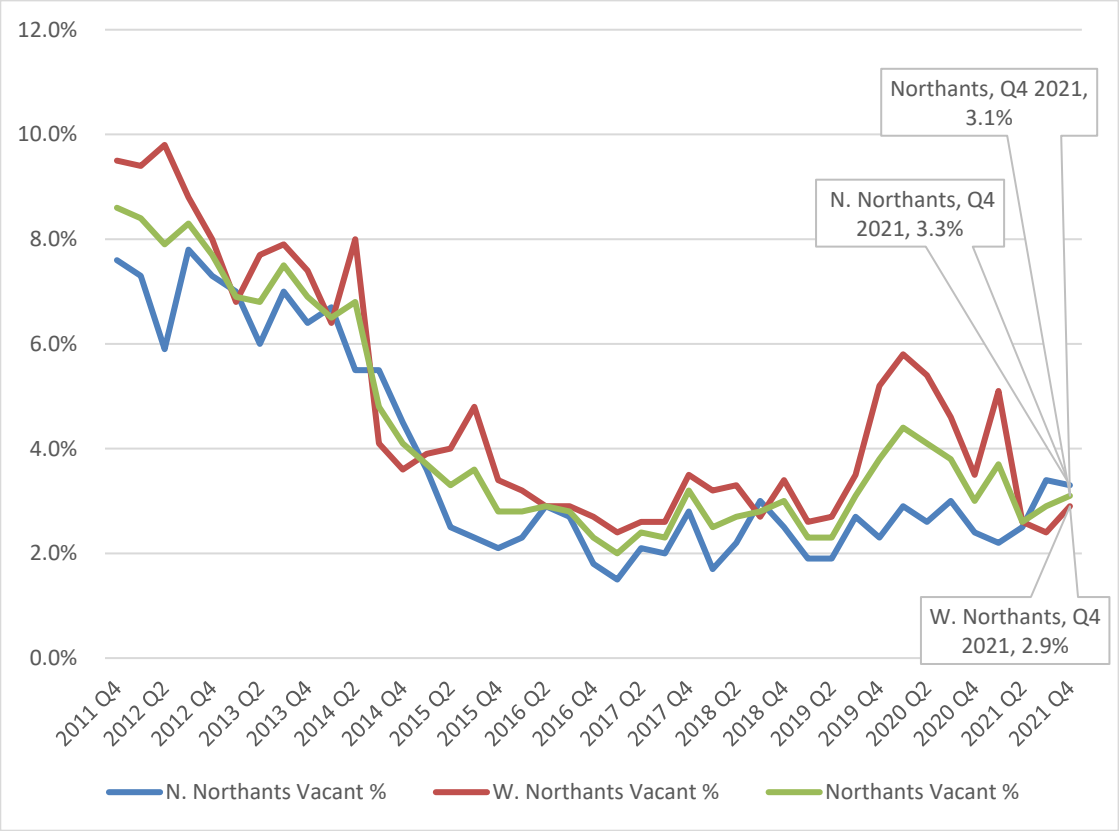
ii) Vacancy rates and availability

3.15 Vacancy rates are a measure of floorspace utilisation. Across Northamptonshire, vacancy remains low in its historic context, despite the steady increase in inventory since 2021 and the economic disruption caused by the coronavirus pandemic, standing at 3.1% of all industrial floorspace (3.3% in North Northamptonshire), and 3.8% of all logistics floorspace (4.3% in North Northamptonshire), as at 2021 quarter 4.

3.16 There is currently about 140,000 sqm of vacant floorspace space across 24 logistics buildings in North Northamptonshire. Half of this space (70,000 sqm) is in 13 vacant buildings that are completely vacant, only three of which have been built in the last ten years.

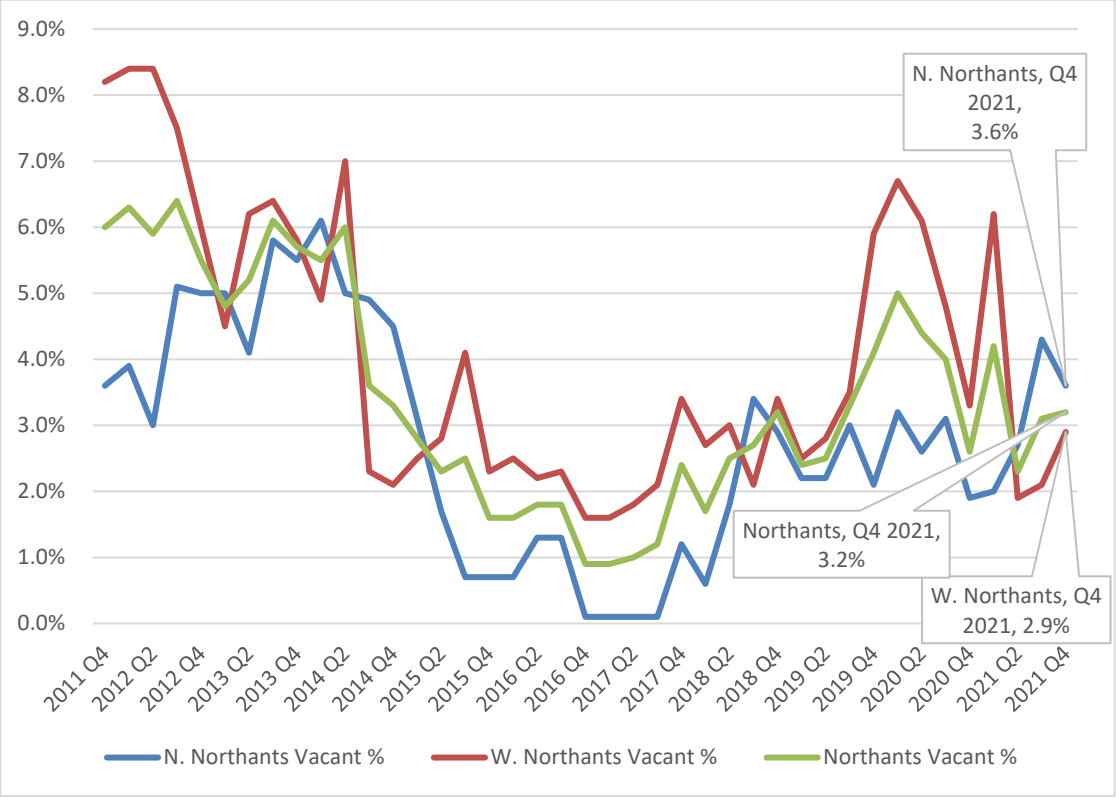
3.17 The bulk of floorspace inventory growth is accounted for by the development of strategic warehousing, in buildings of greater than 9,300 sqm in size. Despite a 23% increase in North Northamptonshire's strategic warehousing inventory, vacancy rates remain low at 3.6% (3.2% across Northamptonshire), matching the rate observed ten years ago (2011 Q4) despite the net addition of 16 buildings, averaging 42,500 sqm each.

Figure 3.2: Vacancy Rates, Industrial 2011 Q4 to 2021 Q4



Source: Costar Analytics, March 2022 and Barton Willmore, now Stantec

Figure 3.3: Vacancy Rates, Industrial 9,300 sqm +, 2011 Q4 to 2021 Q4



Source: Costar Analytics, March 2022 and Barton Willmore, now Stantec

3.18 A healthy market is generally considered to be one that caried a vacancy rate of about 7.5%, with some commentators preferring to quote the range 5% to 10%. Whichever benchmark is preferred, the vacancy rate in North Northamptonshire, in common with the wider Northamptonshire market, signals undersupply.

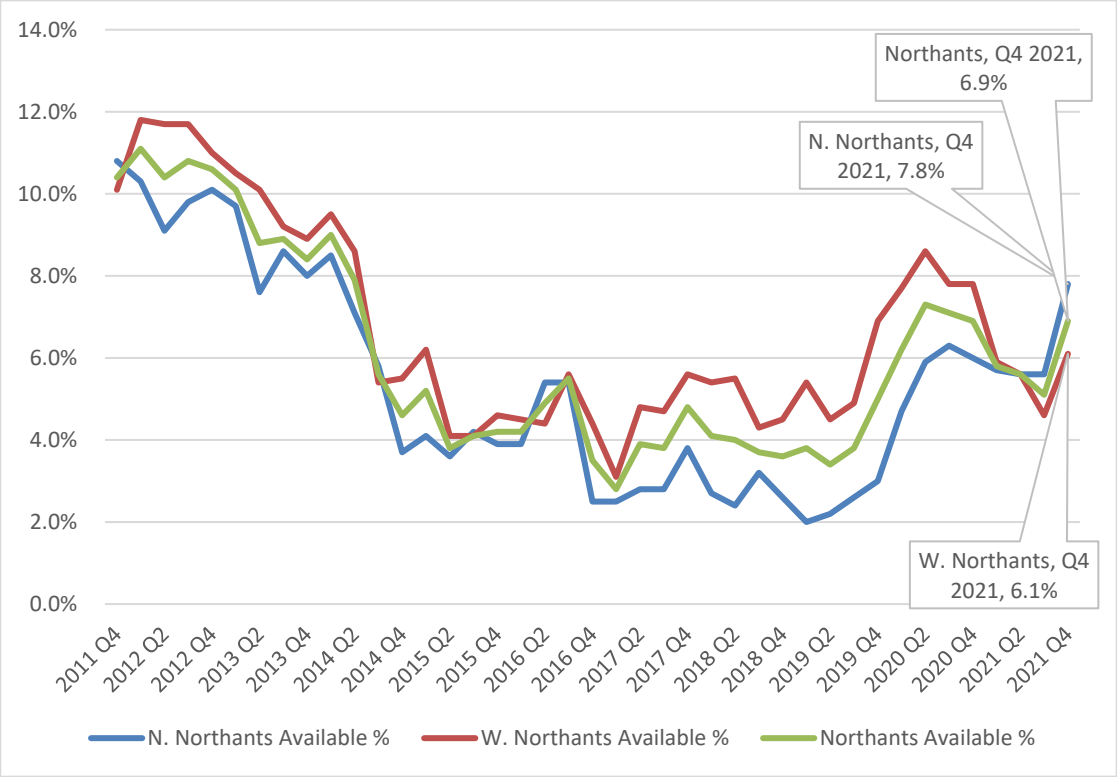
3.19 Whereas vacancy is a measure of the utilisation of existing floorspace, availability relates both to existing floorspace that is available to the market (whether vacant or not) and space that is under construction and being marketed for occupation on completion.

3.20 Year on year, construction activity in North Northamptonshire has increased, such that by the end of 2021, 14 buildings were under construction that will bring about 220,000 sqm floorspace to the market, substantially more than the year before and passing the previous peak observed in 2018 when 192,000 sqm were under construction across 6 buildings (coinciding with the development of Midlands Logistics Park in Corby).

3.21 Lettings to Deichmann Shoes and Smyths Toys (both in Corby) take about 40,000 sqm of the space under construction, with 180,000 sqm available to the market, the majority of which is at Symmetry Park in Kettering where over 121,000 sqm is listed as under construction. This creates a spike in the availability rate, as can be seen in Figure 3.4 (Industrial) and most prominently of all in Figure 3.5 (industrial buildings of 9,300 sqm or more), because most of the available supply under construction is assumed to be strategic warehousing.

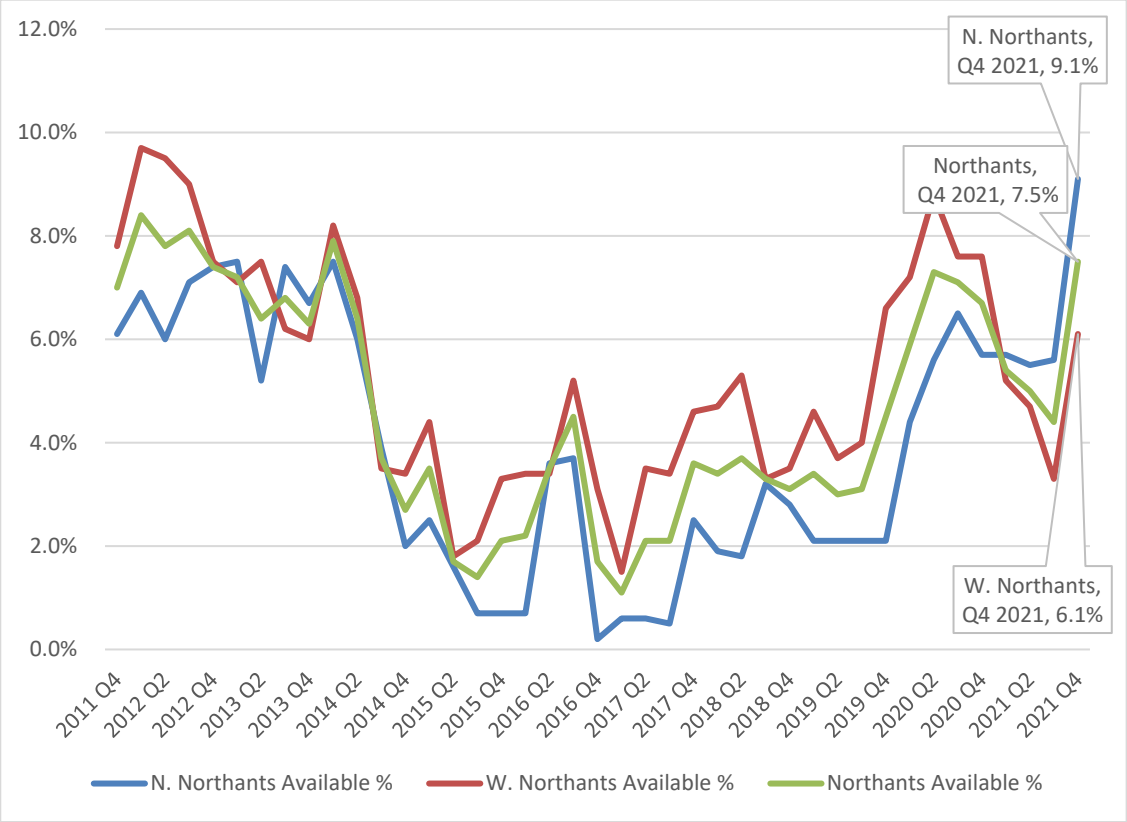
3.22 We observe that the availability rate in North Northamptonshire's existing strategic warehousing size stock (excluding under construction) was 4.1% at the end of 2021 (see figure 3.6), with only two such buildings vacant and available now. This helps illustrates a number of points: the underpinning strength of the market; developer and investor confidence in the market; consequentially high levels of development activity in their historic context.

Figure 3.4: Availability Rates, Industrial, 2011 Q4 to 2021 Q4



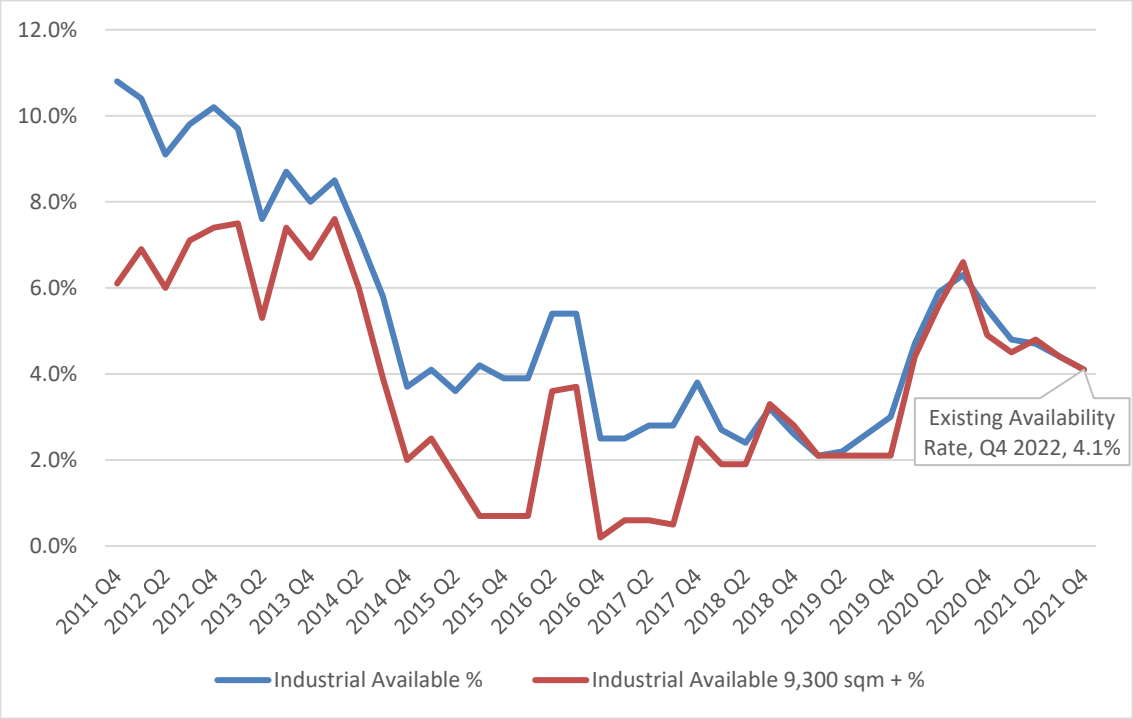
Source: Costar Analytics, March 2022 and Barton Willmore, now Stantec

Figure 3.5: Availability Rates, Industrial 9,300 sqm +, 2011 Q4 to 2021 Q4



Source: Costar Analytics, March 2022 and Barton Willmore, now Stantec

Figure 3.6: Availability Rates, Industrial, 2011 Q4 to 2021 Q4



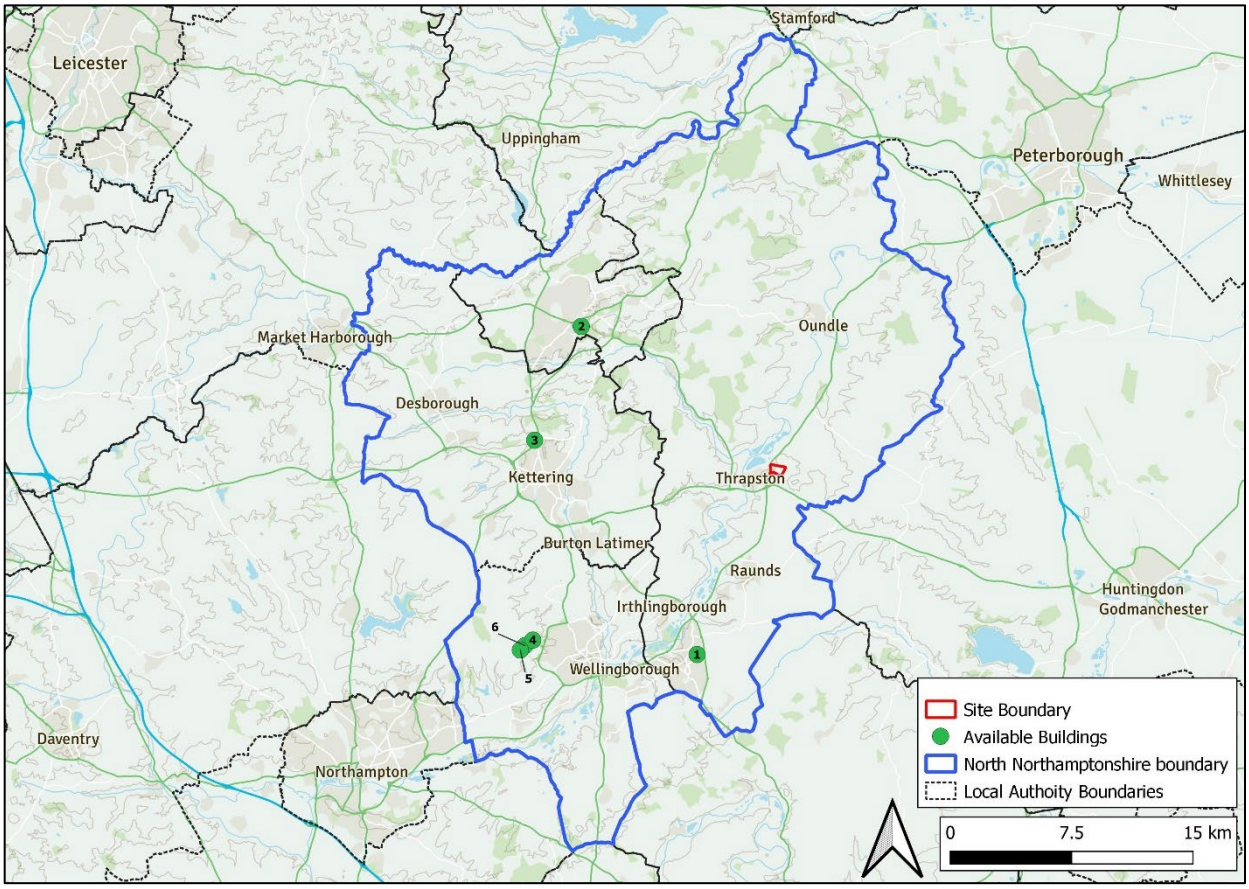
Source: Costar Analytics, March 2022 and Barton Willmore, now Stantec

iii) Available existing stock

3.23 We consider availability in the existing stock more detail below by commenting on the suitability for logistics uses. Figure 3.7 maps North Northamptonshire industrial properties with a floor area of 9,300 sq. m or more, listed as existing and available to the market at the current time. None are in the immediate vicinity of the A14.

3.24 Table 3.3 lists the six buildings identified in Figure 3.7. There are six completely available buildings (as opposed to part available) of which only three and completely available and vacant. None of the buildings are on the A14 and none are of the scale required by DSV.

Figure 3.7: Available Logistic Buildings, 9,300 sq. m plus, North Northamptonshire



Source: CoStar Analytics, March 2022, Barton Willmore, now Stantec

Table 3.3: Available Industrial Floorspace, 9,300 sq. m plus, North Northamptonshire

Map Ref	Location	Use Class (as listed)	Floorspace (sqm)	Available Floorspace	Year Built
1	John Clark Way (Rushden, East Northants)	B2	13,144	100%, with occupancy in 120 days	2008
2	Corby 150, Long Croft Rd (Eurohub, Corby)	B8	13,979	100%, for immediate occupancy	2011
3	North Kettering Business Park	B8	14,555	100%, for immediate occupancy	2017
4	Wellingborough 170, Davy Close	B2	15,835	100%, with occupancy from July 2022	Unknown ('modern')
5	Prologis Park Wellingborough West (Zone B and Zone C Plot 2)	B8	58,999	100% with occupancy imminently	2021
6		B2	10,513	100% with occupancy imminently	2017

Source: CoStar Analytics, March 2022

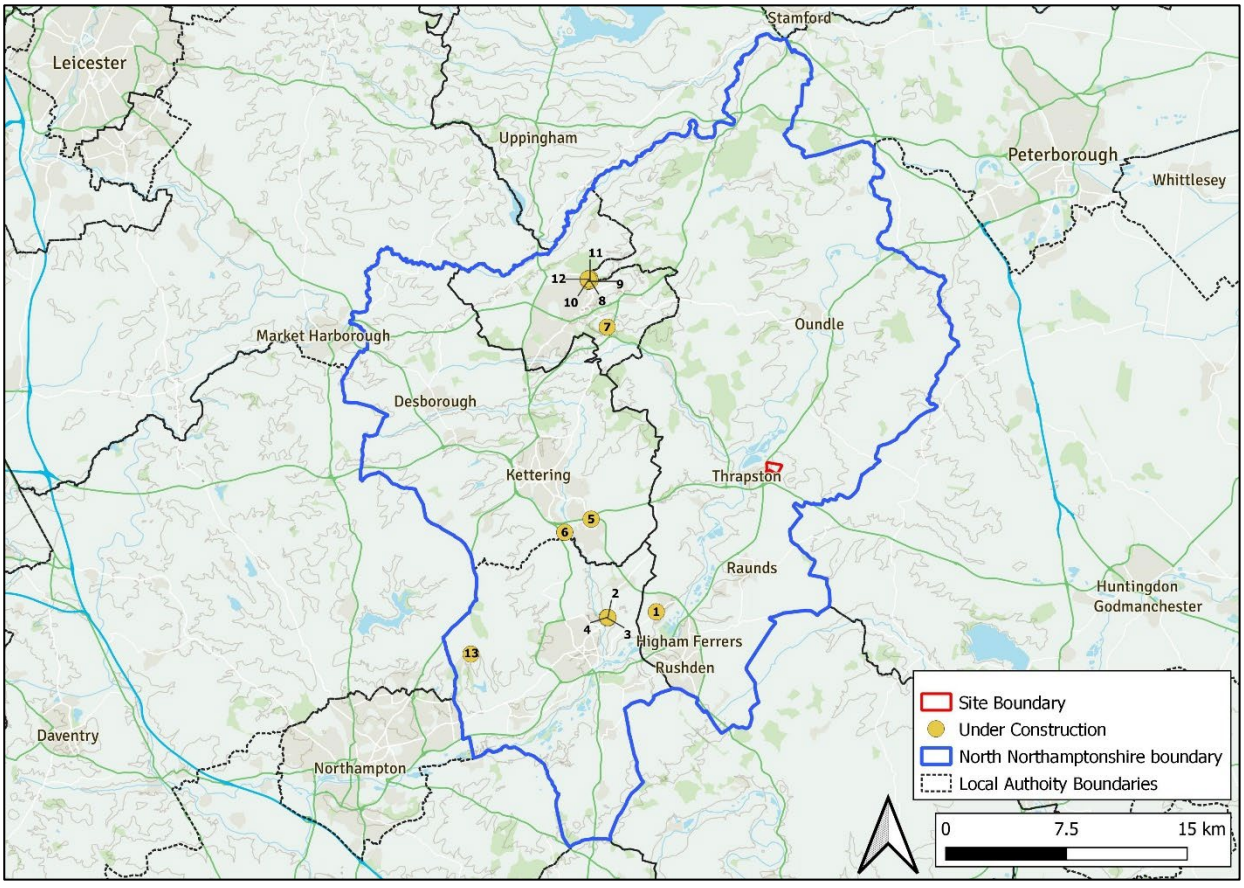
iv) Available Under Construction

3.25 Across North Northamptonshire, according to CoStar Analytics, there is c233,000 sqm of industrial floorspace across 13 buildings of all sizes which is currently under construction, of which c.179,000 sqm is currently available to the market (see Figure 3.8 and Table 3.4). Only three locations offer buildings of 9,300 sqm floorspace or more:

a. St Modwen Park Wellingborough, part of the Wellingborough East (Stanton Cross) SUE, where the largest units available will be less than 16,000 sqm.
b. Segro Park Kettering Gateway on Junction 10 of the A14, the last available unit of 9,525 sqm is now under construction.
c. Symmetry Park on Junction 19 of the A14, with outline consent for 214,606 sqm, reserved matters for three building of 46,644 sqm, 29,067 sqm (spec build expected Q4 2022) and 11,456 sqm respectively. Evidently, only one building is currently under construction

3.26 For the reasons set out in Section 2 of this report, none of these locations suit DSV's property requirement.

Figure 3.8: Available Under Construction



Source: Costar Analytics, March 2022 and Barton Willmore, now Stantec

Table 3.4: Available Under Construction

Map Ref	Location	Type	Floorspace sqm	Available Space sqm	Year Expected
1	Wellingborough Road	No Type Listed	265	**Pre let**	2023
2	St Modwen Park Wellingborough (Stanton Cross)	Warehouse	4,041	4,041	2022
3		Warehouse	8,658	8,658	2022
4		Warehouse	15,989	15,989	2022
5	Segro Park Kettering Gateway	Warehouse	9,523	9,523	2022
6	Symmetry Park	Warehouse	Up to 120,774 Design and build	Up to 120,774 Design and build	2023 onwards
7	Midlands Logistics Park	Distribution	23,040	**Pre let**	2021
8	Centrix Business Park	Distribution	15,096	**Pre let**	2023
9		Warehouse	9,453	9,453	2022
10		Warehouse	4,878	4,878	2022
11		Warehouse	3,130	3,130	2022
12		Warehouse	2,563	2,563	2022
13	Sywell Aerodrome, Wellingborough Road	Warehouse	898	**Pre let**	2022

Source: CoStar Analytics, March 2022

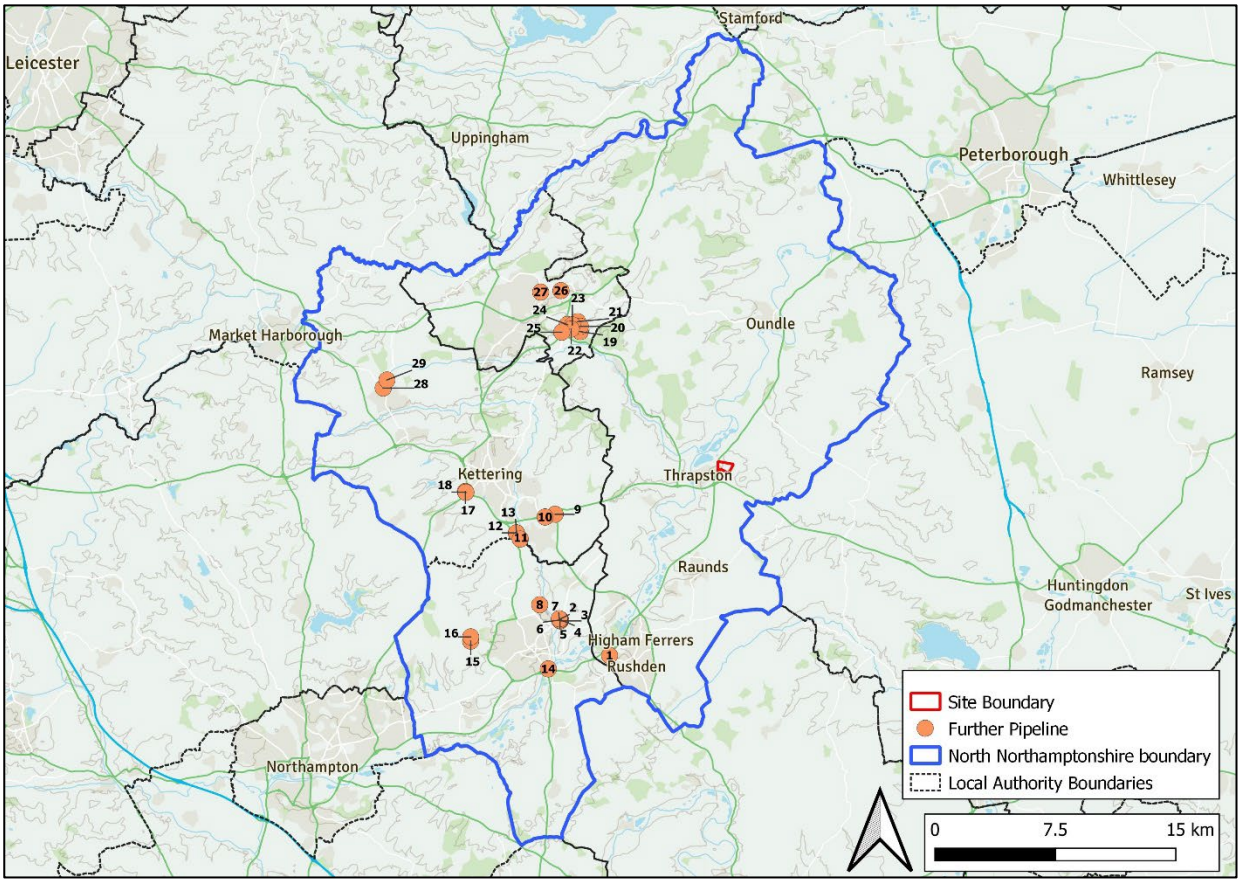
v) Further Potential Pipeline

3.27 Across North Northamptonshire, according to CoStar Analytics, there is a potential pipeline for an additional c665,000 sqm of industrial floorspace across 28 proposed buildings of all sizes. These developments are mapped at Figure 3.10 and listed in Table 3.5.

3.28 On the face of it, Mulberry Logistics Park, Symmetry Park and Prologis Park Wellingborough West provide for the needs of for strategic distribution operators (9,300 sqm plus). However, as established in Section 2 of this report only Symmetry Park could accommodate a single unit of c93,000 sqm as required by DSV, but not on the terms sought by DSV.

3.29 Furthermore, whilst the greatest concentration of proposed space (c.382,000 sq. m across six buildings, 19 to 24 on the map) space falls within Mulberry Logistics Park in Corby, it is both of insufficient scale and outside DSV's area of search. The smaller Prologis Park Wellingborough West also fails to satisfy these key criteria.

Figure 3.10: Further Pipeline



Source: Costar Analytics, March 2022 and Barton Willmore, now Stantec

Table 3.5: Further Pipeline

Map Ref	Location	Type	Floorspace (sqm)	Year Expected
1	Francis Court, Wellingborough Road	Warehouse	3,857	2022
2	Apollo Technology Park	No Type Listed	1,575	2022
3		Manufacturing	1,232	2022
4		Manufacturing	1,140	2022
5		Manufacturing	1,078	2022
6		Manufacturing	1,004	2022
7		Manufacturing	960	2022
8	Ogee Business Park, Finedon Road	Warehouse	9,383 multi occupancy / small units	2023
9	SEGRO Park Kettering Gateway	Warehouse	21,545 Pre let	2023
10		No Type Listed	13,935 Pre let	2023
11	Symmetry Park	Warehouse	9,290	2022
12		Warehouse	27,871	2023
13		Warehouse	46,452	2022

Map Ref	Location	Type	Floorspace (sqm)	Year Expected
14	Victoria Mills, London Road	Flour Production for Whitworths	6,721 Pre let	2022
15	Prologis Park Wellingborough West Zone C Plot 1 and Zone D	Distribution	35,217	2023
16		Warehouse	27,813	2023
17	Cransley Court	Warehouse	1,161	2022
18		Warehouse	348	2022
19	Mulberry Logistics Park Corby, Stamford Road	Warehouse	81,699	From 2022
20		Warehouse	50,572	From 2022
21		Warehouse	64,080	From 2022
22		Warehouse	49,308	From 2022
23		Warehouse	49,842	From 2022
24		Distribution	86,456	From 2022
25	Stamford Road	Self-Storage	5,713 Pre let	2022
26	NewCold Cold Storage Warehouse, Curver Way	Cold Storage	58,529 Pre let	2022
27	Cockerell Road	Showroom	3,403	2022
28	Magnetic Park, Site A Bear Way	Warehouse	5,180	-

Source: CoStar Analytics, March 2022

vi) Industrial and Logistics Floorspace Demand in North Northamptonshire

3.30 All things being equal, net absorption (net take up) is a leading indicator of the market appetite for industrial floorspace. Over time, positive net absorption is indicative of demand increasing. Of course, occupiers can only move into space that is available, which means that it is wholly undesirable to have no space available, which would only serve to supress demand and create a barrier to economic growth.

3.31 In a functioning market, to provide for occupier choice and competition in the property market, we would expect availability – floorspace that is available to would be occupiers at any point in time - to be no less than 8% of the total inventory.

3.32 Studied over time, net absorption and change in availability provides a basis for concluding whether the market is under supplied or not and for making floorspace demand projections based on past trends.

3.33 We can observe that since the end of 2011 (Q4), over the ten-year period to 2021 (end of Q4), North Northamptonshire's industrial inventory has increased by about 799,300 sqm. During

that time, 943,200 sqm of floorspace has been absorbed (taken up, net of moves out) and 818,000 sqm of new floorspace has been delivered.

3.34 Net absorption and deliveries in North Northamptonshire are in the context of sub optimal availability in absolute and relative terms (as a percentage of the industrial floorspace inventory). The availability rate fell below 8% in 2014 and has remained below 8% during 2021, implying that demand pressures are suppressed.

3.35 The figures discussed above are set out in Table 3.6, the period during which availability has remained below 8% are highlighted in red, signalling a period when demand is being constrained by a lack of available supply.

Table 3.6: North Northants Industrial - Net Absorption, Deliveries and Availability

Period	Inventory (sqm)	Floorspace Net Absorption (sqm)	Floorspace Delivered (sqm)	Available Floorspace (sqm)	Availability Rate
2021	4,726,531	58,870	104,406	368,669	7.8%
2020	4,622,125	121,552	140,214	277,328	6.0%
2019	4,495,365	199,884	195,863	134,861	3.0%
2018	4,299,502	27,100	16,204	111,787	2.6%
2017	4,283,299	21,826	64,125	162,765	3.8%
2016	4,219,949	162,415	153,736	105,499	2.5%
2015	4,066,214	131,619	38,213	158,582	3.9%
2014	4,031,941	115,079	41,119	149,182	3.7%
2013	3,990,822	88,261	57,709	319,266	8.0%
2012	3,933,113	16,609	6,476	397,244	10.1%
END Q4 2011	3,927,216				
Change 2012 to 2021	**+ 799,315**	**+ 943,215**	**+ 818,065**	**- 35,701**	**- 3%**
Annual Average	+61,486	+94,322	+81,807	N/A	N/A

Source: CoStar Analytics, March 2022

Industrial Floorspace Demand, 2012 to 2021

3.36 To scale of supressed demand associated with availability at less than 8% of total inventory is revealed by the calculation set out in Table 3.7. The pertinent figures and calculations are as follows:

i. Available space is inventory multiplied by the availability rate (b.)
ii. Average net absorption is 94,322 sqm per annum (d.)

iii. On average, net absorption is 43% of available space per annum (e.)

iv. The amount of additional available floorspace needed to achieve equilibrium (8% availability) equals 8% minus availability rate, multiplied by floorspace inventory; an average of 131,092 sqm per annum over the period 2012 to 2021 inclusive (f.)

v. (e.) (43%) multiplied by (f.) (131,092 sqm) equals average supressed demand of 56,585 sqm per annum (g).

3.37 Having estimated supressed net absorption**,** actual demand can be calculated by adding average net absorption to average supressed net absorption; (d.) (94,322 sqm) plus (g.) (56,585 sqm). Thus, we arrive at **actual demand for 150,906 sqm per annum industrial floorspace over the 10-year period 2012 to 2021 inclusive**.

Table 3.7: North Northants Industrial - Supressed Net Absorption, 2009 to 2021

	a.	b.	c.	d.	e.	f.	g.
Period	**Inventory (sqm)**	**Available Floorspace (% of inventory)**	**Available Floorspace (sqm)**	**Net Absorption (sqm)**	**Net Absorption as a % of Available Floorspace (sqm)**	**Floorspace Required to Reach 8% Availability**	**Suppressed Net Absorption**
Annual Average	**N/A**	**N/A**	**N/A**	**+94,322**	**43%**	**+131,092**	**+56,585**
2021	4,726,531	7.8%	368,669	58,870	16%	9,453	4,080
2020	4,622,125	6.0%	277,328	121,552	44%	92,443	39,902
2019	4,495,365	3.0%	134,861	199,884	148%	224,768	97,019
2018	4,299,502	2.6%	111,787	27,100	24%	232,173	100,215
2017	4,283,299	3.8%	162,765	21,826	13%	179,899	77,652
2016	4,219,949	2.5%	105,499	162,415	154%	232,097	100,183
2015	4,066,214	3.9%	158,582	131,619	83%	166,715	71,961
2014	4,031,941	3.7%	149,182	115,079	77%	173,373	74,835
2013	3,990,822	8.0%	319,266	88,261	28%	0	0
2012	3,933,113	10.1%	397,244	16,609	4%	0	0

Source: CoStar Analytics, March 2022 and Barton Willmore

Logistics Floorspace Demand, 2012 to 2021

3.38 Alternatively, we can address actual demand from a logistics property market perspective, by excluding buildings that are not associated with warehousing and distribution activities. The logistics supressed net absorption calculation is set out in Table 3.8.

Table 3.8: North Northants Logistics - Supressed Net Absorption, 2009 to 2021

	a.	b.	c.	d.	e.	f.	g.
Period	**Inventory (sqm)**	**Available Floorspace (% of inventory)**	**Available Floorspace (sqm)**	**Net Absorption (sqm)**	**Net Absorption as a % of Available Floorspace (sqm)**	**Floorspace Required to Reach 8% Availability**	**Suppressed Net Absorption**
Annual Average	**N/A**	**N/A**	**N/A**	**+85,754**	**45%**	**+73,500**	**+33,097**
2021 YTD	3,476,549	10.3%	358,085	61,514	17%	0	0
2020	3,372,143	7.7%	259,655	101,975	39%	10,116	4,555
2019	3,254,893	3.8%	123,686	202,954	164%	136,706	61,559
2018	3,063,330	3.3%	101,090	22,876	23%	143,977	64,834
2017	3,047,127	4.9%	149,309	17,572	12%	94,461	42,536
2016	2,987,686	2.8%	83,655	158,134	189%	155,360	69,959
2015	2,833,951	4.5%	127,528	133,515	105%	99,188	44,665
2014	2,799,678	4.6%	128,785	73,969	57%	95,189	42,864
2013	2,758,559	9.3%	256,546	78,999	31%	0	0
2012	2,700,849	11.7%	315,999	6,028	2%	0	0

Source: CoStar Analytics, March 2022 and Barton Willmore

3.39 The pertinent figures and calculations are as follows:

i. Available space is inventory multiplied by the availability rate (b.)
ii. Average net absorption is 85,754 sqm per annum (d.)
iii. On average, net absorption is 45% of available space per annum (e.)
iv. The amount of additional available floorspace needed to achieve equilibrium (8% availability) equals 8% minus availability rate, multiplied by floorspace inventory; an average of 73,500 sqm per annum over the period 2012 to 2021 inclusive (f.)
v. (e.) (45%) multiplied by (f.) (73,500 sqm) equals average supressed demand of 33,097 sqm per annum (g.).

3.40 Actual demand is calculated by adding average net absorption to average supressed net absorption ((d.) (85,754 sqm) plus (g.) (33,097 sqm)). Thus, we arrive at actual demand for **118,851 sqm per annum logistics floorspace over the 10-year period 2012 to 2021 inclusive.**

Key Findings

3.41 North Northamptonshire's strategic warehousing inventory has increased by 26% over the last ten years, during which time 16 buildings have been added averaging 42,500 sqm each. Despite this growth, vacancy rates remain low at 3.6% (3.2% across Northamptonshire), and signal undersupply.

3.42 Year on year, construction activity in North Northamptonshire has increased, such that by the end of 2021, 14 buildings were under construction that will bring about 220,000 sqm floorspace to the market, breaking all previous records. This has contributed to a spike in industrial availability that nevertheless remains below the level (8%) of notional equilibrium between supply and demand.

3.43 Availability in North Northamptonshire's existing strategic warehousing size stock (excluding under construction) was significantly below the equilibrium threshold at the end of 2021. An availability rate of 4.1% (of existing stock) signals significant undersupply and acts as a constraint on sustainable economic growth, tempered but not eradicated by developer and investor confidence in the market, indicated by high levels of development activity in its historic context.

3.44 We find that over the ten-year period 2012 to 2021 inclusive that actual demand for industrial floorspace amounted to 150,906 sqm per annum (151,000 sqm rounded). Examined in isolation, actual demand for logistics floorspace amounts to 118,851 sqm per annum (119,000 sqm rounded).

3.45 This level of actual demand means that across North Northamptonshire, there is 2.4 years of available supply (c370,000 sqm), and 6.0 years of total pipeline supply (under construction and proposed), which we estimate to amount to c899,000 sqm industrial floorspace.

3.46 Demand observed over the last 10 years is likely to be a reasonable and balanced basis for forecasting future floorspace demand. **A trend rate of demand for 151,000 sqm of industrial floorspace, projected over the next 15 years, results in a need for 566 ha of industrial land (assuming a 40% plot ratio). Even if the trend rate halves after ten years, need would amount to 472 ha**.

3.47 Our floorspace and industrial land demand projection provides a strong quantitative case for development, augmented by the conclusions reached by Carter Jonas, specific to the delivery of Thrapston Business Park which they conclude will:

- Deliver a masterplan that responds to the full spectrum of market demand from starter units to meet localised need to 'mid box' and 'big box' units to deliver space required at the regional and national levels.
- Provide space in a sought-after location with an almost direct connection to the A14.
- Rectify the undersupply of existing 50,000 sq. ft. buildings on the A14 corridor.
- Help untap suppressed market demand in the regional area by delivering space to give businesses the chance to expand
- Deliver modern, fit for purpose, space with high energy performance rating enabling businesses to reduce overheads in a comfortable environment.
- Almost double the amount of sub 25,000 sq. ft. space available in the local market adding much needed starter / small business space to the area.
- Rectify the fact that East Northamptonshire has one of the lowest levels of existing available space across North Northamptonshire.
- Address the fact that there are currently no consented and proposed developments within East Northamptonshire with scope to provide more than 60,000 sq. ft.
- Provide a range of building sizes that mostly differ to others that are proposed across North Northamptonshire helping to also provide accommodation for the manufacturing sector that is otherwise overlooked.[12]

[12] Thrapston Business Park, Market Analysis and Response to Market Need, Carter Jonas 2022, page 21, paragraph 5.30 bullet points

4.0 LABOUR MARKET SUPPLY

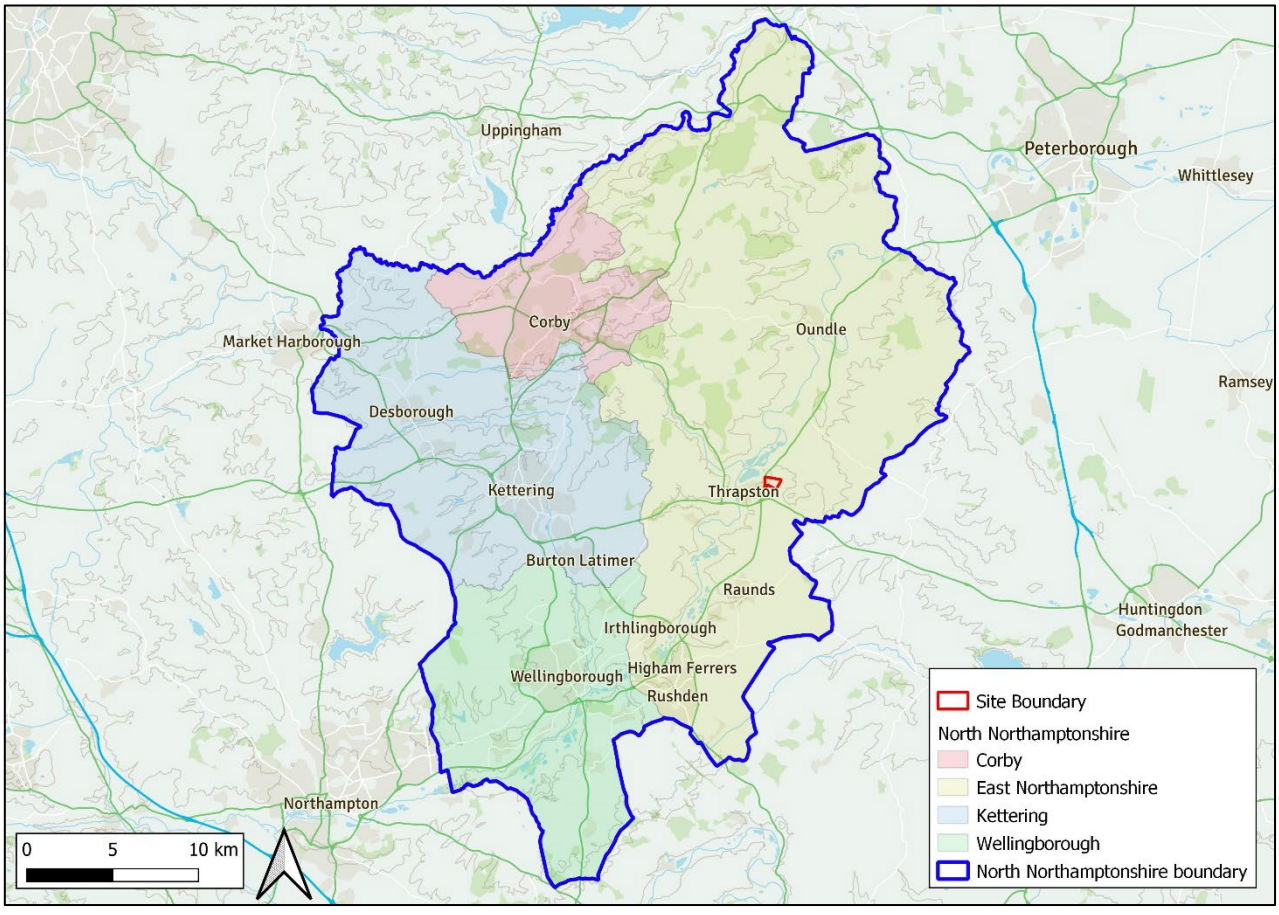
i) Geographical Context

4.1 The Site is located to the northeast of Thrapston and southwest of Titchmarsh. The local area surrounding the Site is a mix of industrial development to the south and residential development to the southwest and northeast. To the south of the Site and the existing industrial area is access to the A14.

4.2 Figure 4.1 illustrates the Site location of the Development. The Site is located within the unitary authority of North Northamptonshire (formed in 2021). North Northamptonshire comprises the four previously individual local authorities of East Northamptonshire, Corby, Kettering, and Wellingborough.

4.3 The Site is located to the south and east of the former authority of East Northamptonshire and to the east of the new unitary authority of North Northamptonshire.

Figure 4.1: Site Location Plan



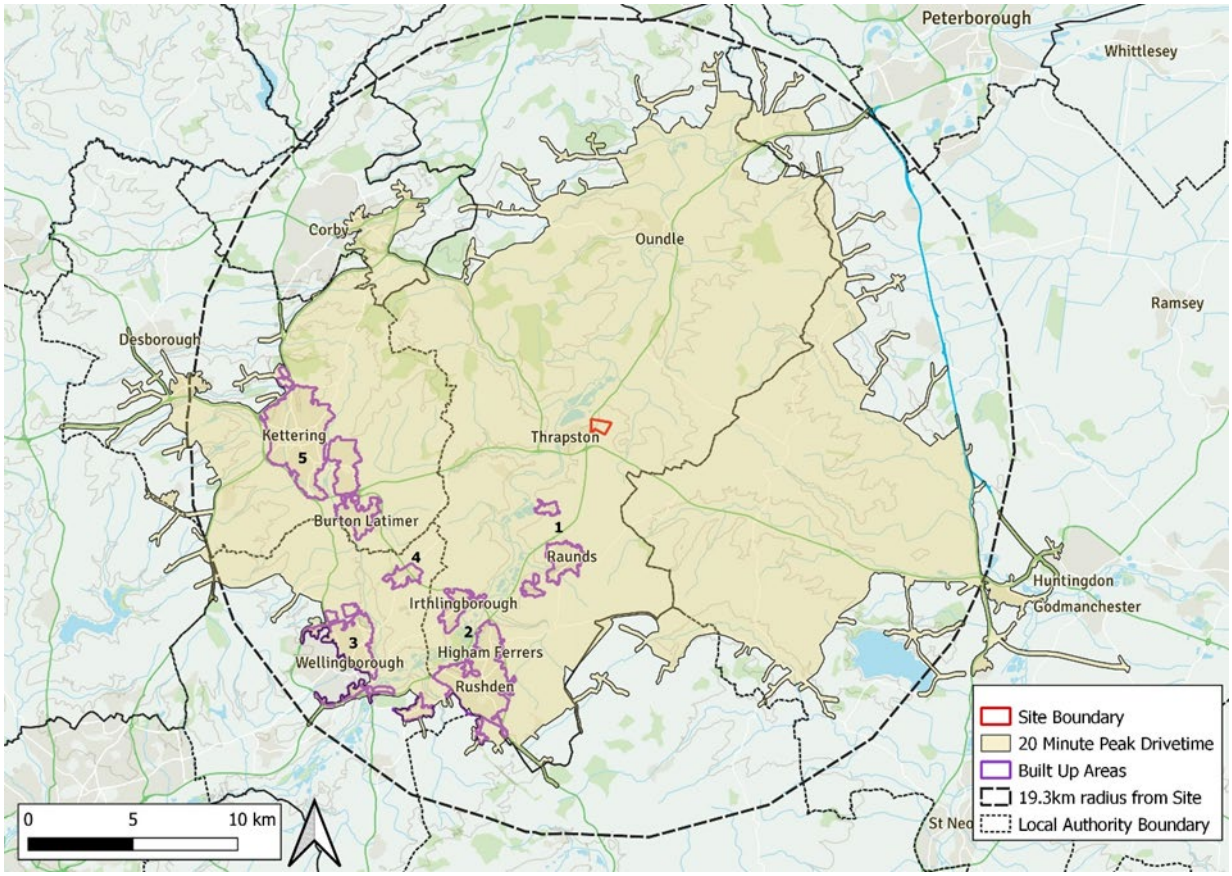
Source: Barton Willmore, now Stantec, January 2022

ii) Labour Market Catchment Area

4.4 Having established the geographical location of the Site, we now turn to Thrapston Business Park's area of socio-economic influence. This is coterminous with the catchment area from which Thrapston Business Park's workforce is most likely to be drawn, and where much of its supply chain (that will service businesses there) is likely to be based.

4.5 We delineate the catchment area by mapping the extent of the area, a) that can be reached within 20 minutes peak drivetime from the site and, b) that falls within the average distance travelled to work by residents of the former East Northamptonshire district (19.3km, according to the 2011 Census). The latter is used as a sense check of the former. Both the drivetime and commuting distance are plotted on Figure 4.2.

Figure 4.2: 20 Minute Peak Drivetime and Average Commute Distance (20.6km)



Source: Experian [2020]

4.6 Thrapston is at the crossroads of the strategic east west A14 corridor (of national importance, providing access to the Haven Ports) and the north-east to south-west A605/A45. This results in a regular shaped drive time catchment area, albeit a catchment area within which the

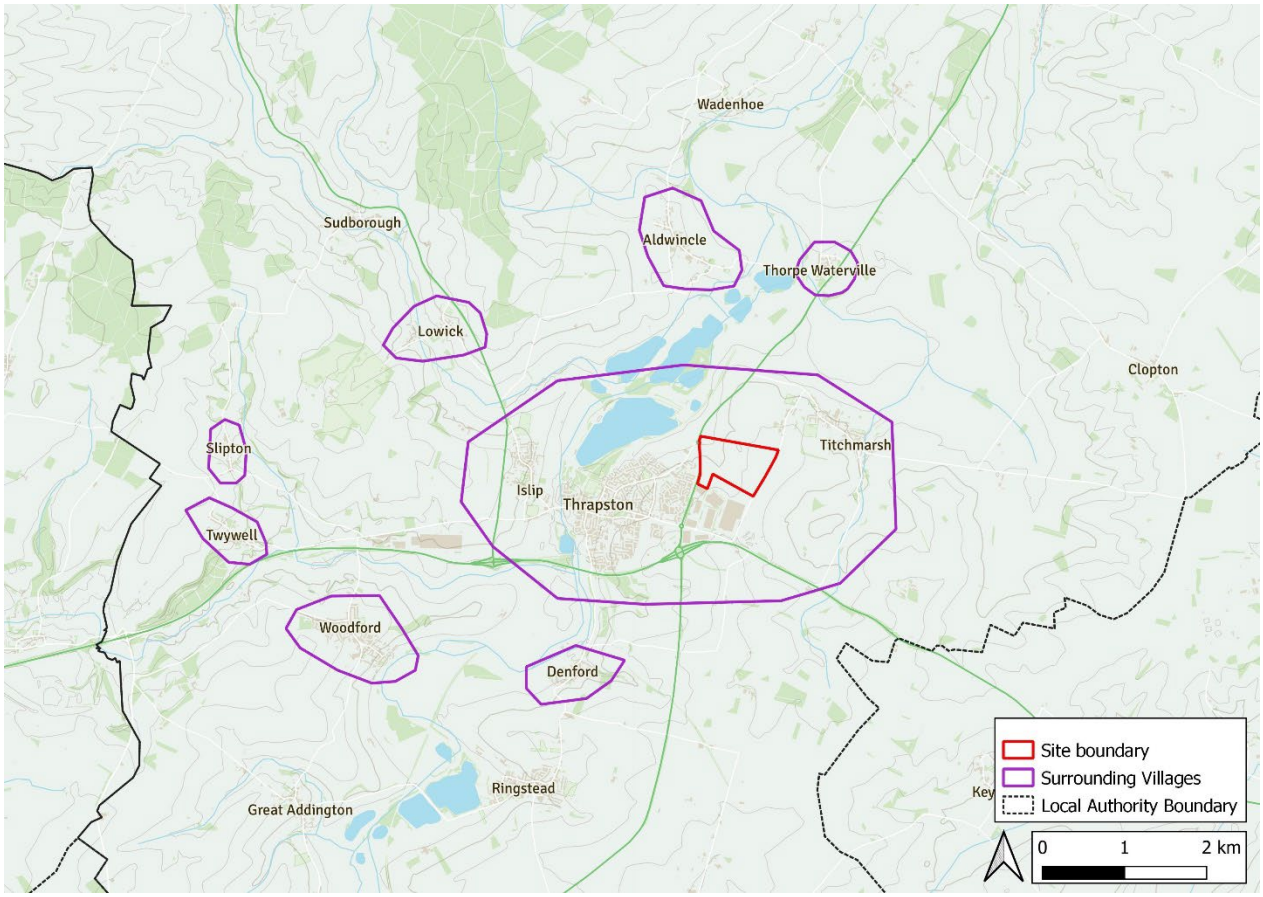
population (about 70% of the catchment population) is concentrated in the south-west quadrant, accessed west along the A14 and south (to south-west) along the A45.

4.7 These 'built-up area' populations are shown on Figure 4.2 and comprise the following broad groupings (as numbered on the map):

1 Raunds BUA: Raunds, Ringsted and Stanwick, population 12,255
2 Rushden BUA: Rushden, Higham Ferris, Irthlingborough and Irchester, population 51,382
3 Wellingborough BUA: Part of Wellingborough, population 23,056
4 Finedon BUA: Finedon, population 4,533
5 Kettering BUA: Kettering and Burton Latimer, population 66,566

4.8 In addition, the population of Thrapston, Islip and Titchmarsh is 8,740, with a further 2,545 living in Denford, Woodford (population 1,415), Twywell, Slipton, Lowick. Aldwincle and Thorpe Waterville. This amounts to a population of 11,285 within and in the environs of Thrapston. The town of Thrapston and the surrounding settlements are highlighted in Figure 4.3.

Figure 4.3: Thrapston and surrounding villages



Source: Experian [2020]

iii) Socio-Economic Profile

4.9 Below, we present an appraisal of the catchment area's socio-economic characteristics, in its local authority (North Northamptonshire Unitary), county (Northamptonshire County) and regional (East Midlands) context.

4.10 The appraisal has been informed through reference to data published by Experian. Experian data allows analysis for bespoke geographical areas, for example, the Thrapston Business Park catchment area, which is not available from official statistics published by the Office for National Statistics (ONS).

4.11 Nonetheless, Experian's data is derived from ONS' data and is consistent with ONS data published for higher geographies, for example, local authorities or regions. Despite this, there may appear to be differences between Experian and ONS data at local authority, county, regional and national level; this is due to differences in the frequency of data (annual/quarterly), the level of detail (for example, sector breakdown) and the reporting of age groups (16 to 74 years/16 to 64 years/16+ years).

4.12 Experian disaggregate/aggregate the ONS data to provide the level of detail required by Experian. Therefore, whilst the appraisal is predominately informed by Experian data (to report on characteristics for the catchment area), ONS data has also been incorporated for some indicators, to provide a sense-check of the Experian estimates.

4.13 The socio-economic characteristics considered in this appraisal include:

- **The People**
  - **Population –** the number of residents and their age profile.
  - **Committed Developments –** housing allocations.

- **Labour Supply**
  - **Participation –** the adult population that is economically active, including employment, unemployment, and claimant count estimates.
  - **Skills and Occupations –** the current skill level and occupational profile of the resident working age population.
  - **Industry of Employment –** an analysis of the industry of employment at broad sector level of the resident population.

- **Labour Demand**
  - **Workplace jobs –** the number of jobs and the industries of employment

a) The People

4.14 The population of North Northamptonshire Unitary in 2020 is estimated to be c349,000, of which c235,000 (67%) live within Thrapston Business Park's catchment area. The population of North Northamptonshire accounts for 46% of Northamptonshire's population and about 7% of the population of East Midlands.

4.15 Table 4.1 provide a breakdown of the total population in 2020 by area and Table 4.2 provides a breakdown of the projected population in 2030. We observed that over a ten-year period, the catchment area population is projected to increase by about 17,500 or 7.5%; slightly lower than the rate of growth projected for North Northamptonshire (8.6%) and Northamptonshire (8.3%) but higher than the average for the East Midlands region (6.4%).

Table 4.1: Residential Population (2020)

Population	Thrapston Business Park Catchment Area	North Northants	Northants	East Midlands
Total	234,765	348,751	759,283	4,891,576
16-74	167,972	248,805	544,133	3,548,019
Of which resident Thrapston and environs [see Figure 4.3] …				
16-74	9,866	NA		
Of which resident Built Up Areas to South and West [See 4.2] …				
16-74	122,668	NA		

Source: Experian – 2011 Census-based Current Year Estimates, 2020

Table 4.2: Residential Population Projections (2030)

Population	Thrapston Business Park Catchment Area	North Northants	Northants	East Midlands
Total	252,262	378,772	822,239	5,206,274

Source: Experian – 2011 Census-based Population Projections, 2030

4.16 North Northamptonshire has an age profile akin to Northamptonshire's. The catchment area age profile is slightly older with a lower proportion of 0-9 year olds, and a higher proportion of people aged 45-64 and 65+ years old.

4.17 Whereas, the East Midlands region has a slightly younger age profile with a higher proportion of people aged 18-24 (young adults) when compared to North Northamptonshire and Northamptonshire, as shown within Table 4.3.

Table 4.3: Age Profile (2020)

Age (Years)	Thrapston Business Park Catchment Area	North Northants	Northants	East Midlands
0-9	12%	13%	13%	12%
10-17	10%	10%	10%	9%
18-24	7%	7%	7%	9%
25-44	24%	25%	25%	24%
45-64	28%	27%	27%	26%
65-69	6%	5%	5%	5%
70-74	6%	5%	5%	5%
75+	9%	8%	8%	9%

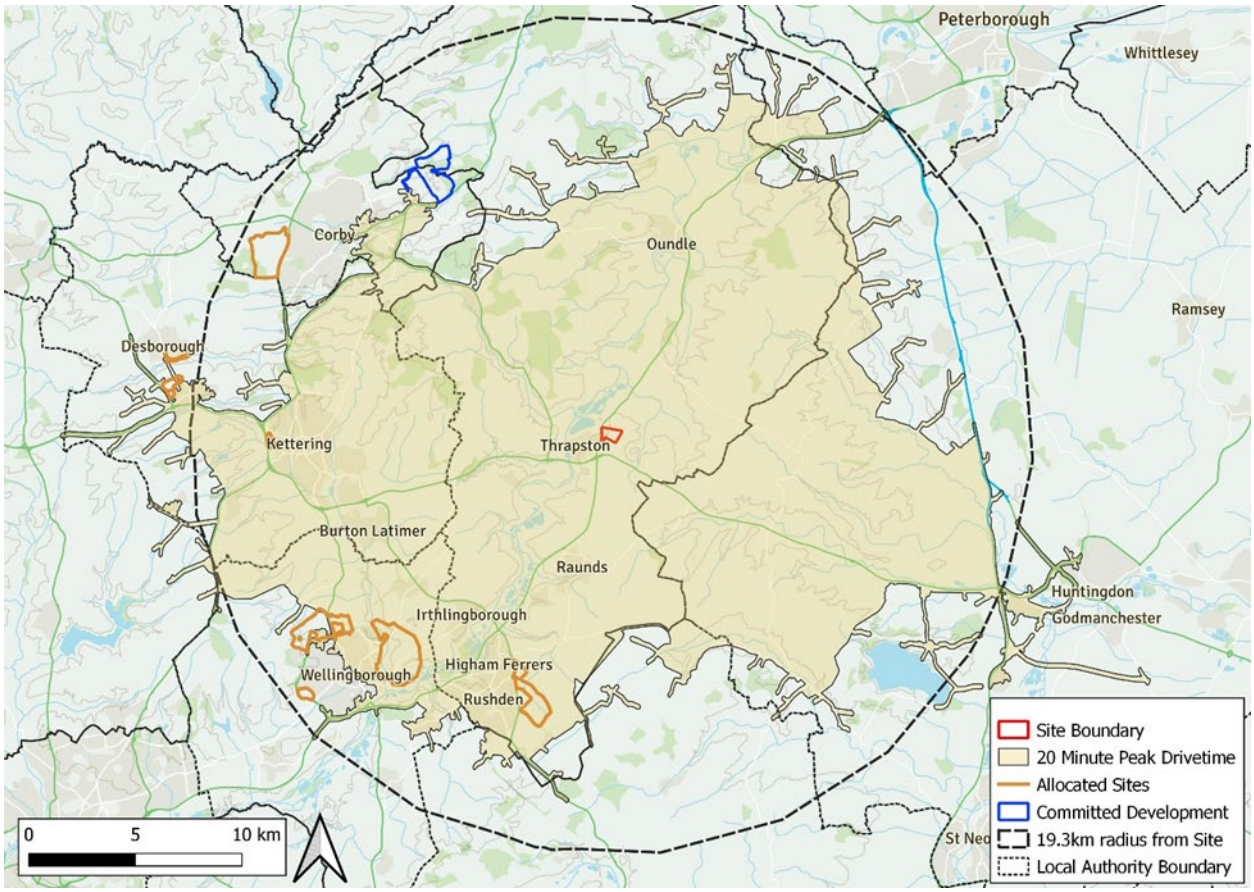
Source: Experian, 2011 Census-based Current Year Estimates, 2020

4.18 Figure 4.3 presents the future housing allocations within the Thrapston Business Park Catchment Area, the average commute distance (19.3km), and the immediate surrounding area. There are currently 20,904 homes allocated for development, of which 10,500 are located within the Thrapston Business Park Catchment Area and 19,250 within the average commuter distance of 19.3km.

4.19 Thrapston itself has grown significantly since 2001, the East Northants Submission Plan recording a 31% increase in the population, adding 1,506 residents over the period 2001 to 2016[13]. This has been enabled by new housing development on the north-east and southern fringes of the town[14]. The adopted North Northamptonshire JCS sets a requirement of 680 new dwellings to be delivered in Thrapston over the period 2011 to 2031[15], facilitating the town's continued growth. As at the end of 2020, 474 of the requirement had been delivered of which 223 were completed in the year ending March 31st 2020[16].

[13] East Northants Submission Plan March 2021, Table 1, page 23
[14] East Northants Submission Plan, March 2021, paragraph 2.34, page 29
[15] East Northants Submission Plan, March 2021, Table 3, page 45
[16] North Northamptonshire Authorities Monitoring Report 2019/20, Table 1, Page 18

Figure 4.4: Future Housing Allocations



Source: Experian (2020)

b) Labour Supply (Resident Labour Force)

Economic Activity

4.20 Our catchment area estimates of economic activity are derived from Experian (explained in paragraph 4.8) and use the population age 16 to 74 years as their base. This differs from the approach taken by the Annual Population Survey (APS), published by ONS on a quarterly basis, whose equivalent analysis is based on the population age 16+ and 16-64 years.

4.21 As discussed above, we use Experian because the ONS data is not available at catchment area level, and for consistency we continue to use the Experian economic activity (employment and unemployment) estimates at local authority, county and regional level. However, at local authority, county and regional level we also review the alternative APS data, as a sense check.

4.22 As can be seen at Table 4.4, a comparison of Experian 16-74 based data and APS 16+ data suggests only marginal, insignificant differences in the respective estimates of economic

activity at unitary and regional level. At county level the difference is appreciable and could be taken to imply that the Experian overestimates economic activity.

4.23 On balance, looking across the three areas for which both Experian and APS data is available, we do not have sufficient cause to doubt the Experian estimate of catchment area economic activity. At 72% (of the population age 16-74) catchment area economic activity is relatively high in the regional context and aligns with relatively high rates of economic activity at unitary and county level. The APS shows similarly high economic activity at unitary and county level, relative to the regional benchmark.

4.24 **Catchment area employment is estimated by Experian to be 70% of the population age 16-74, a total of about 117,200 employed catchment area residents**. Experian's unitary, county, and regional employment estimates are all higher than their APS counterparts.

4.25 As a percentage of the APS economically active population age 16 and over, the APS employment rates are: 96.1% (North Northamptonshire), 95.3% (Northamptonshire) and 95.0% (East Midlands). By comparison, the Experian range is 97.1% (North Northamptonshire), 97.2% (Northamptonshire) and 96.9% (East Midlands).

4.26 If the difference to APS estimates implies that Experian is likely to be overestimating catchment area employment and underestimating unemployment, then the **alternative APS based catchment area estimates are a maximum 116,000 employed and a minimum 4,500 unemployed of which 2,420 reside in the built-up areas to the south and west of Thrapston and 270 live in Thrapston and its environs**.

4.27 The economically inactive population in the catchment area numbers about 47,500 persons, or 28% of the population aged 16-74, according to Experian. The corollary of economic activity, catchment area inactivity is low in its regional context and in line with unitary and county proportions, a relationship that is also observed in the APS inactivity data. According to APS, 19.3% of North Northamptonshire's population age 16-64 is economically inactive, compared to 15.6% of the county 16-64 population and 18.8% of the regions 16-64 population.

4.28 The APS also provides an indication of the proportion of economically inactive people aged 16-64 who want a job. This estimate differs (and is distinct from) the unemployment estimate, which addresses the number of people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks (and are economically active).

Table 4.4: Economic Activity (residents aged 16 to 74 years)

	Thrapston Business Park Catchment Area	North Northants	Northants	East Midlands
Economically Active APS 16+ in blue APS 16-64 in red	**72%** **120,468** Of which 88,320 in the built-up areas to the south and west and 7,103 in the environs of Thrapston	**72%** **(178,217)** 63.9% (178,500) 80.7% (170,100)	**72%** **(394,385)** 63.5% (377,800) 79.5% (365,300)	**68%** **(2,406,458)** 61.8% (2,393,200) 78.3% (2,301,100)
Employed	***70%*** ***(117,187)***	***70%*** ***(173,003)*** *61.4%* *(171,500)* *77.5%* *(163,200)*	***70%*** ***(383,523)*** *60.5%* *(360,000)* *75.6%* *(347,500)*	***66%*** ***(2,332,130)*** *58.7%* *2,274,400* *74.2%* *(2,183,300)*
Unemployed *APS denominator is the economically active*	***2.0%*** ***(3,280)*** *Of which 1,766 in the built-up areas to the south and west and 197 in Thrapston and environs*	***2.1%*** ***(5,214)*** *3.9%* *(6,900)* *4.1%* *(6,900)*	***2.0%*** ***(10,862)*** *4.7%* *(17,800)* *4.9%* *(17,800)*	***2.1%*** ***(74,328)*** *5.0%* *(118,800)* *5.1%* *(117,800)*
Economically Inactive	**28%** **(47,503)**	**28%** **(70,588)** *36.1%* *(101,000)* *19.3%* *(40,600)*	**28%** **(149,748)** *36.5%* *(217,400)* *20.5%* *(94,200)*	**32%** **(1,141,561)** *38.2%* *(1,481,800)* *21.7%* *(639,400)*
Economically Inactive – Want a Job (as a % of economically inactive age 16-64)		16.1% (6,500)	15.6% (14,700)	18.8% (6,900)

Source: Experian, 2011 Census-based Current Year Estimates, 2020 and APS October 2020 to September 2021 (extracted from NOMIS on 28 February 2022)

4.29 In contrast the want a job estimate is a subset of the economically inactive population; those adults without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks. Across North Northamptonshire 6,500 such economically inactive residents aged 16-64 (about 16%) nevertheless want a job. A similar proportion

(15.6%) who live in Northamptonshire want a job. Across the East Midlands, the proportion of economically inactive residents who want a job is 18.8%.

4.30 All other things being equal the APS 'want a job' estimates imply that **at least 6,100 economically inactive catchment area residents want a job.**

4.31 In conclusion, the **catchment area labour supply** comprises up to **116,000 residents who are currently employed** (some in vulnerable sectors, such as retail) plus at least **4,500 currently unemployed** residents. In addition, a **further 6,100 catchment area residents who are currently economically inactive but nevertheless want a job**, some of whom, with assistance to help them participate would be available to work**.**

Occupation Profile

4.32 The greatest proportion of the catchment area's working resident population are employed in professional occupations (15.3%, c17,700 people). This is a pattern that is consistent across Northamptonshire (15.3%) and the East Midlands (15.8%), albeit in North Northamptonshire professional occupations only accounts for 13.9% of employment, with elementary occupations accounting for the largest proportion of resident employment in North Northamptonshire (14.4%), as shown in Table 4.5.

4.33 Elementary occupations, such as those occupations that will be created by the Development, are the second highest proportion of employment in the catchment area, accounting for 12.5% of resident employment; lower than the average for North Northamptonshire (14.4%), Northamptonshire (13.7%) and the East Midlands (13.1%). This highlights an intensity across the Region's labour force for elementary occupation types. These occupations account for a workforce of over 24,000 across North Northamptonshire, over 51,000 across Northamptonshire and nearly 300,000 across the East Midlands, highlighting an existing labour force to support the Development.

Table 4.5: Occupation Profile of Residents

	Thrapston Business Park Catchment Area	North Northants	Northants	East Midlands
Professional occupations	15.3%	13.9%	15.3%	15.8%
Elementary occupations	12.5%	14.4%	13.7%	13.1%
Associate professional and technical occupations	12.1%	11.2%	12.0%	11.5%
Managers, directors and senior officials	11.9%	10.9%	11.6%	10.8%
Skilled trades occupations	11.7%	11.5%	10.9%	11.3%
Administrative and secretarial occupations	10.9%	10.7%	11.4%	10.6%
Caring, leisure and other service occupations	9.3%	9.1%	8.9%	9.4%
Process, plant and machine operatives	9.1%	10.6%	8.8%	9.4%
Sales and customer service occupations	7.2%	7.5%	7.4%	8.1%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Experian, 2011 Census-based Current Year Estimates, 2020

Industry of Employment

4.34 The wholesale and retail sector is the highest resident employing industry across all four study areas. Within the 20-minute drivetime, the wholesale and retail sector accounts for 17.1% of all resident employment; a lower proportion than in North Northamptonshire (18.1%) and Northamptonshire (17.2%), albeit greater that the average in the East Midlands (15.8%), as shown in Table 4.6.

4.35 The second highest employing industry, again, across all four study areas, is the manufacturing sector, closely followed by the human health and social work activities sector. The manufacturing sector accounts for 14.1% of all resident employment in the catchment area (c16,300 people); lower than the average for North Northamptonshire (16.7%) but higher than the county (13.8%) and regional (14.0%) averages.

4.36 The transport and storage sector accounts for 6.6% of resident employment in the catchment area; slightly lower than the average for North Northamptonshire (7.2%) and Northamptonshire (7.3%), albeit higher than the regional average (5.8%).

Table 4.6: Resident Industry of Employment

	Thrapston Business Park Catchment Area	North Northants	Northants	East Midlands
Wholesale and retail; repair of motor cycles and vehicles	17.1%	18.1%	17.2%	15.8%
Manufacturing	14.1%	16.7%	13.8%	14.0%
Human health and social work activities	12.7%	11.9%	12.1%	13.4%
Education	9.5%	9.0%	9.2%	9.9%
Construction	7.8%	7.4%	7.2%	7.3%
Transport and storage	6.6%	7.2%	7.3%	5.8%
Professional, scientific and technical activities	6.1%	5.2%	5.9%	5.5%
Accommodation and food service activities	4.5%	4.5%	5.0%	6.2%
Administrative and support service activities	4.1%	4.2%	4.3%	3.8%
Public administration, defence, compulsory social security	4.0%	3.5%	3.6%	4.3%
Industry: Other	3.9%	3.5%	3.9%	3.9%
Information and communication	3.2%	2.9%	3.4%	2.7%
Financial and insurance activities	2.1%	1.9%	2.9%	1.9%
Real estate activities	2.0%	1.9%	2.0%	2.1%
Water supply; sewerage, waste mgt. and remediation	1.1%	1.1%	0.9%	1.0%
Agriculture, forestry and fishing	0.7%	0.6%	0.7%	1.1%
Electricity, gas, steam and air conditioning supply	0.4%	0.4%	0.6%	1.1%
Mining and quarrying	0.0%	0.0%	0.0%	0.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Experian, 2011 Census-based Current Year Estimates, 2020

People Seeking Employment

4.37 Data on the number of people claiming out of work-related benefits provides an indication of the number of people who are actively seeking employment. This is referred to as the Claimant Count and represents all people who are claiming either Jobseekers Allowance (JA), National Insurance (NI) Credits or Universal Credit (UC) principally for the reason of being unemployed.

4.38 In February 2022, 80 residents within the Thrapston built-up area, were claiming unemployment related benefits. This is equivalent to 1.7% of all residents aged 16 to 64 years, significantly lower than that of North Northamptonshire's 3.7% (7,845 claimants). Across North Northamptonshire, the Claimant Count has increased by about 1.5 times since February 2020, from 5,595 to 7,845 in February 2022.

Table 4.7: Claimant Count

Claimant Count	February 2022
Thrapston	80 (1.7%)
Increase on February 2020	+30
North Northamptonshire	7,845 (3.7%)
Increase on February 2020	+2,250

Source: ONS, download from Nomis (15th March 2022)

Skills Profile

4.39 The profile of highest qualification level across each of the study areas is shown in Table 4.8. On average, residents within the catchment area have a higher level of educational attainment than the average for North Northamptonshire and the East Midlands. 20% of residents within the catchment area have no qualifications compared to 21% in both North Northamptonshire and the East Midlands.

4.40 Across all four areas, the largest proportion of residents are qualified to Level 4 and above (degree or higher or professional qualification, see Table 4.9 for further explanation of qualification levels). However, within the catchment area, 27% of residents (approximately 51,700 people) qualified to level 4+; a higher proportion than the average for North Northamptonshire (25%); a lower proportion than Northamptonshire (28%) but equivalent to the East Midlands (27%).

4.41 28% of residents in the catchment area are educated to GCSE level (qualification levels 1 and 2 combined); lower than the average for North Northamptonshire and Northamptonshire (both 29%) but as stated above, the catchment area has a larger proportion of residents educated

to Level 4 and above. Around 7,600 residents of the catchment area (4%) have undertaken an apprenticeship, accounting for 67% of the total in North Northamptonshire (c.11,300).

Table 4.8: Profile of Highest Qualification Level

	Thrapston Business Park Catchment Area	North Northants	Northants	East Midlands
No qualifications	20%	21%	19%	21%
Level 1	13%	14%	14%	12%
Level 2	15%	15%	15%	14%
Apprenticeship	4%	4%	4%	4%
Level 3	15%	15%	15%	16%
Level 4 and above	27%	25%	28%	27%
Other	5%	5%	6%	5%

Source: Experian, 2011 Census-based Current Year Estimates, 2020

Table 4.9: Qualification Summary

Highest Qualification	Summary Description
No Qualifications	No Formal Qualification
Level 1	1-4 GCSEs, Scottish Standard Grade or equivalent qualifications
Level 2	5 or more GCSEs, Scottish Standard Grade or equivalent qualifications
Level 3	2 or more A-levels, HNC, HND, SVQ level 4 or equivalent qualifications
Level 4	First or higher degree, professional qualifications or other equivalent higher education qualifications
Other Qualification	Other vocational/work related qualifications and non-UK/foreign qualifications
Apprenticeships	Apprenticeships

Median Wage Levels

4.42 Utilising the ONS, Annual Survey of Hours and Earnings (ASHE), Table 4.10 sets out the median weekly wage across North Northamptonshire and the East Midlands. Data for the catchment area and Northamptonshire is not available. Median wage levels for residents are compared to median wage levels for the workforce.

Table 4.10: Median Wage Levels

	Resident	Workforce
North Northamptonshire	£579.70	£554.60
East Midlands	£573.40	£559.80

Source: Annual Survey of Hours and Earnings (2021), download from Nomis (15th December 2021)

4.43 Median wages for residents in North Northamptonshire are marginally higher than the median wage for people who work in North Northamptonshire. This suggests a degree of out commuting to higher paid employment opportunities by residents in higher paid occupations than are available locally. The East Midlands shares this characteristic. However, both resident and workforce wages are lower than in North Northamptonshire.

c) Workplace Employment (Labour Demand)

Number of Workplace Jobs and Industry of Employment

4.44 Earlier in this section we identified that according to Experian estimates, 173,000 residents in North Northamptonshire are in employment. Data from the ONS Business Register and Employment Survey (BRES) identifies that there are 151,000 jobs in North Northamptonshire excluding people who are self-employed, government-supported trainees and HM Forces. This characterises North Northamptonshire as an exporter of labour, where there are fewer jobs in North Northamptonshire that there are residents in employment. Data for the catchment area is not available from the BRES.

4.45 Table 4.11 shows that within North Northamptonshire the single largest sector (by employment) is Transport and Storage (inc postal) services. This industry accounts for 15% of all employment in North Northamptonshire, marginally lower than in Northamptonshire (14%), but significantly higher than East Midlands (7%). The Transport & Storage sector supports c22,000 jobs in North Northamptonshire accounting for 45% of the jobs within this industry across Northamptonshire and 15% across the East Midlands.

4.46 A further c20,000 jobs within North Northamptonshire are within the Manufacturing sector, accounting for 13% of total employment within North Northamptonshire. The manufacturing industry represents a smaller proportion of employment in Northamptonshire (10%) and the East Midlands (12%). Manufacturing jobs in North Northamptonshire represent 54% of the manufacturing jobs across Northamptonshire and 8% across the East Midlands.

Table 4.11: Percentage of Workforce (workplace-based) by Industrial Sector

Industry	North Northants	Northants	East Midlands
Transport & storage (inc postal) (H)	22,000	49,000	145,000
Manufacturing (C)	20,000	37,000	252,000
Health (Q)	17,000	42,000	273,000
Retail (Part G)	14,000	29,000	187,000
Wholesale (Part G)	14,000	27,000	105,000
Business administration & support services (N)	11,000	29,000	145,000
Education (P)	11,000	26,000	188,000
Professional, scientific & technical (M)	9,000	24,000	147,000
Accommodation & food services (I)	8,000	19,000	130,000
Construction (F)	6,000	15,000	92,000
Arts, entertainment, recreation & other services (R,S,T and U)	5,000	14,000	76,000
Motor trades (Part G)	3,500	8,000	43,000
Information & communication (J)	3,000	10,000	64,000
Property (L)	2,250	6,000	36,000
Public administration & defence (O)	2,500	10,000	80,000
Agriculture, forestry & fishing (A)	1,000	2,250	22,000
Mining, quarrying & utilities (B,D and E)	1,250	2,500	29,000
Financial & insurance (K)	1,250	10,000	35,000
Total	**151,000**	**360,000**	**2,049,000**

Source: BRES, 2020. Columns may not sum due to rounding.

iv) Key Findings

4.47 Within a 20-minute drivetime of Thrapston Business Park (the catchment area) there is a working age population of c.167,972, which accounts for 72% of the total working age population in North Northamptonshire.

4.48 Of this working age catchment area population, 122,668 live in the built-up areas to the south and west of Thrapston and a further 9,866 in Thrapston and the settlements in its immediate environs.

4.49 Growth in the catchment area's labour supply and that of its immediate environs is enabled by the fact that there are currently 20,904 homes allocated for development, of which 10,500 are located within Thrapston Business Park's catchment area and 19,250 within the average commuter distance of 19.3km.

4.50 The Development will create jobs in the transport and storage and manufacturing sectors. The transport and storage sector is the single largest sector (by employment) in North Northamptonshire, accounting for 15% of all employment (c. 22,000 jobs). This is closely followed by the manufacturing sector (13% = c. 20,000 jobs).

4.51 Currently, North Northamptonshire is a net exporter of labour, meaning that there are fewer jobs than there are residents in employment. The Development will increase employment within North Northamptonshire, providing jobs for residents, thereby potentially reducing out-commuting, a stated aim of the JCS.

4.52 Furthermore, there are at least 4,500 catchment area residents currently unemployed and seeking employment and a further 6,100 catchment area residents who are currently economically inactive but nevertheless want a job, some of whom, with assistance to help them participate in the labour market, would be available to work.

5.0 THE VALUE OF LOGISTICS

5.1 Logistics is an essential part of the UK and North Northamptonshire economy and its supporting infrastructure and is crucial to the supply chain both in terms of business-to-business and business-to-consumer.

i) Market Snapshot

5.2 A recent market report by Lambert Smith Hampton stated that 'in the face of a major COVID-driven recession, the logistics sector performed with remarkable strength in 2020. It more than weathered the storm, as the pandemic stimulated new demand and accelerated structural changes, pushing the occupier and investment markets to new highs'. The strength of the market's performance in 2020 is all the more impressive when set against the backdrop of a severe, lockdown-induced recession. GDP contracted by 9.9% in 2020, the worst year for the UK economy in more than three centuries[17].

5.3 While the pandemic suppressed demand in other parts of the property market, it actually stimulated logistics sector activity. The pandemic had both a direct impact on demand, as significant volumes of additional warehouse space; and indirect impacts, with increased online retail activity encouraging major ecommerce businesses to push ahead with expansion plans[18].

5.4 While logistics property demand has been boosted in the short term by trends arising from the pandemic, the sector is also set to see long term gains as a result of accelerated structural changes. Logistics property has a secure role to play in supporting post pandemic economic activity, which puts it in stark contrast with other property sectors where the longer-term impacts on demand remain clouded with uncertainty.

5.5 Following the impressive year for the UK industrial and logistics market in 2020, Lambert Smith Hampton discuss how growth in 2021 has been accelerated by structural changes triggered by the pandemic. They refer to 2021 H1 being the strongest half-year on record, and 21% up on the previous six months[19].

5.6 Figure 5.1 details take-up by tenant across 2021 H1. Retail and wholesale occupiers continued to be the most active in H1 2021, accounting for 39% of take-up. Strong demand emanated from a variety of other sources, including 3PLs and manufacturing occupiers, which accounted for 21% and 19% of H1 take-up respectively. As shown in Figure 5.1, there was a healthy array of activity within the manufacturing sector, including Ball Packaging's acquisition of a 650,000

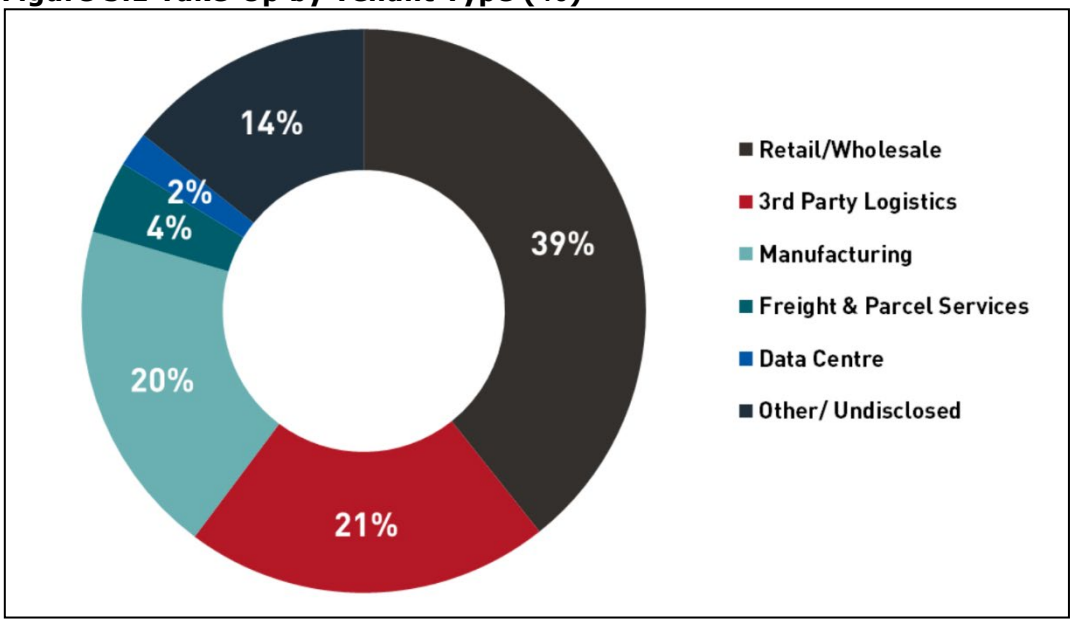
[17] Scaling New Heights ILM 2021 Industrial and Logistics Market, Lambert Smith Hampton
[18] Scaling New Heights ILM 2021 Industrial and Logistics Market, Lambert Smith Hampton
[19] Lambert Smith Hampton, Occupier Market Summary 2021

sq ft build-to-suit unit at Kettering Gateway and Oatly's 385,000 sq ft lease at Gateway 385, Gateway Peterborough[20].

5.7 Over the last five years (2017 to 2021 inclusive), 90% of new UK industrial floorspace delivered has been for logistics uses and 94% of UK industrial net take up has been by logistics occupiers. Whereas manufacturing floorspace (a proxy for B2 uses) only accounted for 8% of UK new floorspace delivered and 2% of net take up[21].

5.8 In December 2021, Knight Frank reported that UK take up reached a record 66m sq ft in 2021 for units over 50,000 sq ft, 27% higher than 2020's record take-up of 52m sq ft. Demand for space has expanded with occupiers seeking 'XXL' 'big box' (i.e. large warehouse) floorspace, to smaller finale mile space. Vacant XXL big box logistics warehouses have proved hard to come by in recent times. The desires of occupiers are evolving with plans to maximise economies of scale depleting the few larger units available.

Figure 5.1 Take-Up by Tenant Type (%)



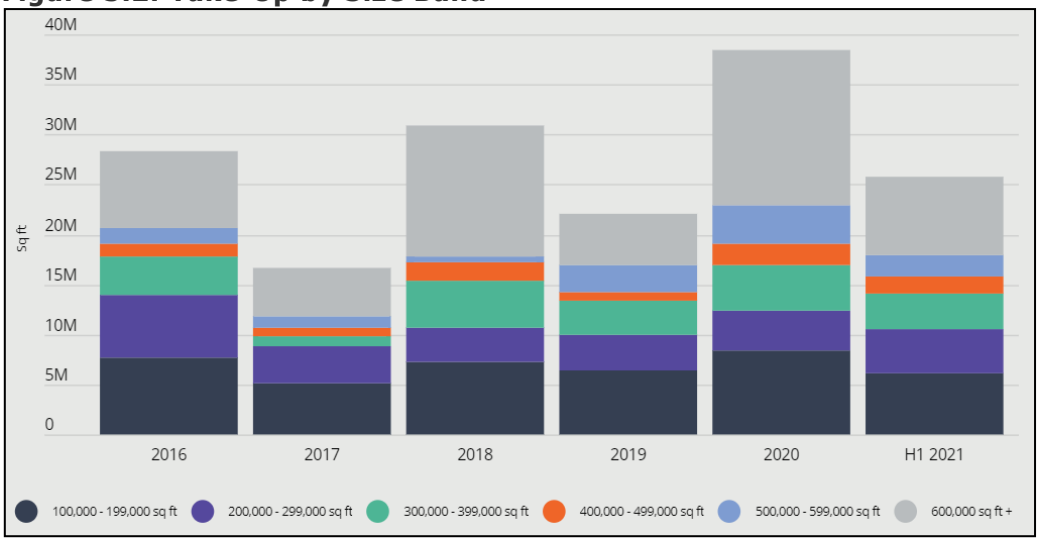
Source: Lambert Smith Hampton, Occupier Market Summary 2021

5.9 This scarcity of available large units leads to an unusual lack of XXL deals in H1 2021 meaning occupiers have been taking smaller units. The increased importance of last mile logistics, also a contributing factor of the inflated take-up of smaller units in recent quarters. The largest proportion of floorspace taken in H1 2021 was for smaller big box units between 100k - 300k sq ft, resulting in an average deal size of just 257,655 sq ft[22].

[20] Lambert Smith Hampton, Occupier Market Summary 2021
[21] Costar Analytics, January 2022
[22] Market Update, UK Logistics 2021

5.10 For the first half of 2021 (H1), Avison Young report that occupational activity for big box warehousing reached record levels, continuing the e-commerce fuelled momentum gathered during the second half of 2020. Take-up of large grade A warehouses (> 100,000 sq ft) amounted to 25.8 million sq ft during H1, 73% up on the five-year, six-monthly average and a staggering 46.1 million sq ft of take-up over the past 12 months. During this time, there have been 162 transactions, which compares to a five-year annual average of 100[23].

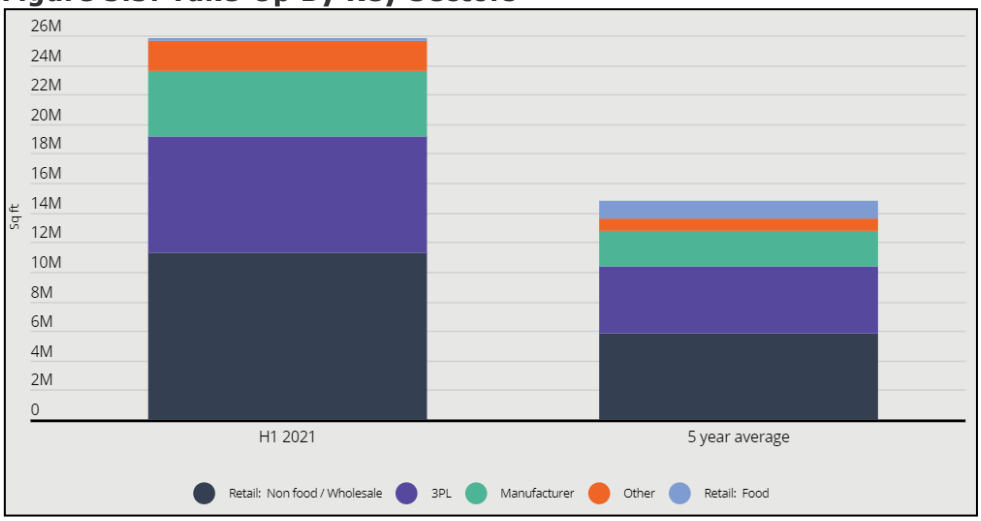
Figure 5.2: Take-Up by Size Band



Source: Big Box Bulletin, H1 2021 Review, Avison Young

5.11 Throughout the period, online retail sales continue at high levels, and the majority of activity has been driven by ecommerce, whether from retailers directly or third-party logistics providers. The non-food retail sector accounted for 44% of H1 demand. There has also been a return to activity from the manufacturing sector, which amounted to over 4.4 million sq ft for only the third time in five years.

Figure 5.3: Take-Up By Key Sectors



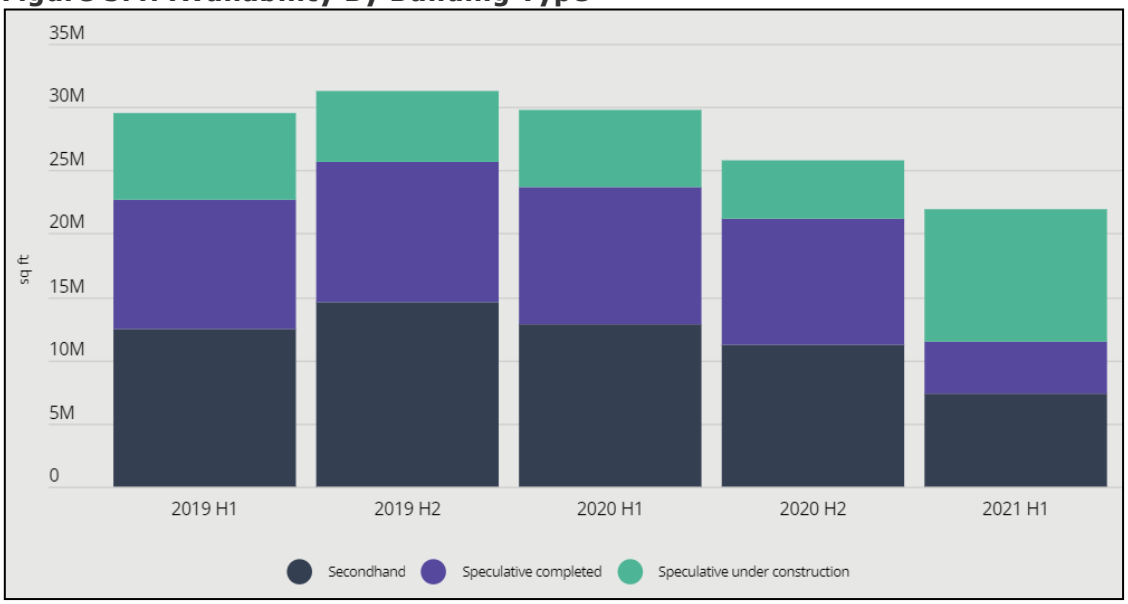
[23] Big Box Bulletin, H1 2021 Review, Avison Young

Source: Big Box Bulletin, H1 2021 Review, Avison Young

5.12 According to Avison Young[24], design and build activity continued to account for around half of take-up, a similar level to the last five years. The largest six deals of the half year (>700,000 sq ft) were all design and build. With the diminishing supply of second-hand space over the past 12 months, the proportion of take-up of speculative units increased to about a third from 20% for the previous five years.

5.13 The exceptional demand has reduced supply of big box units to 22 million sq ft. This compares to 25 million sq ft at the end of 2020 and 31 million sq ft at the end of 2019. Furthermore, the make-up of this supply has changed, as both standing second-hand and speculative space have fallen by 43% since the end of last year. Speculative space under construction has increased to 10.4 million sq ft, 48% of the supply figure – which has doubled since the end of last year[25].

Figure 5.4: Availability By Building Type



Source: Big Box Bulletin, H1 2021 Review, Avison Young

5.14 Avison Young comments that 'with a considerable amount of space under offer and there being no let-up in demand, supply levels are expected to fall further. This creates a greater reliance on space under construction to satisfy requirements, whether speculative or D&B'

5.15 Further to this the most recent DTRE 'Big Box Logistics Occupier and Investment Market Review' (October 2021) further emphasises the sector's growth over the last year, commenting that over the 'year-to-date there has been nearly 33 million sq ft of take-up, 34% ahead of the

[24] Big Box Bulletin, H1 2021 Review, Avison Young
[25] Big Box Bulletin, H1 2021 Review, Avison Young

average level of take-up we have witnessed over the first 9 months of the year since 2016'. By the end of September 2021 DTRE observed 17% more deals than in the same period in 2020[26].

5.16 DTRE state that whilst they are currently tracking 12.2 million sq ft of speculatively development due to complete in the next 6 months (as of October 2021), the stock of up and built and readily available supply remains at a critical low. DTRE note that 'with the occupational markets continuing to see sustained levels of requirements and demand, rental growth firmly on the agenda, there's no reason to assume, barring any unforeseen macro-economic headwinds, that the direction in which logistics sector is heading will change course anytime soon'[27]

5.17 CBRE refer to the UK vacancy rate, as of Q3 2021, to have fallen to a record low of 1.53% after ready to occupy supply fell by a further 25% QoQ to another new low of 7.1m sq ft[28]. In addition to this CBRE comment that 'the Southeast has seen a shift in available space this year. As of Q3 2021, availability has now fallen to 3.9m sq ft in the region, with 59% of available space currently speculatively built'[29].

ii) Challenging Perceptions

5.18 Market performance and changing operational strategies has had a significant impact on employment demand within the sector. There is a degree of misunderstanding over the type of employment accessible within the logistics industry. Different sectors have evolving employment profiles, challenging perceptions in an effort to meet shifting client and cultural expectations.

5.19 There are approximately 205,380 logistics enterprises in the UK[30]. The sector contributes 127 billion Gross Value Added to the UK economy.

5.20 As of Q2 2021 the wider logistics industry employed 2.56m people[31]. As set out in Table 5.1, Just over 12% of this workforce are employed within manager or director roles, equating to 316,331 people across the wider logistics industry. Table 5.5 highlights the range of occupational opportunities within the sector.

[26] Big Box Logistics Occupier and Investment Market Review, DTRE, October 2021
[27] Big Box Logistics Occupier and Investment Market Review, DTRE, October 2021
[28] United Kingdom Logistics, Market Summary, CBRE, October 2021
[29] United Kingdom Logistics, Market Summary, CBRE, October 2021
[30] The Logistics Report Summary 2021, Logistics UK, Page 4
[31] Skills and Employment Report 2021, Logistics UK Policy, Page 11

Figure 5.5: Logistics Industry Occupation Profile

Occupation	Employment (thousands)			
	Logistics sector	All other sectors	Total	%
Purchasing managers and directors	10,922	84,977	95,899	3.7%
Managers and directors in transport and distribution	39,632	81,114	120,746	4.7%
Managers and directors in storage and warehouse	30,196	69,490	99,686	3.9%
Importers and exporters	4,705	3,214	7,919	0.3%
Transport and distribution clerks and assistants	32,675	52,341	85,016	3.3%
Large goods vehicle drivers	145,087	90,542	235,629	9.2%
Van drivers	108,390	194,613	303,003	11.8%
Forklift truck drivers	23,917	34,916	58,833	2.3%
Postal workers, mail sorters, messengers and couriers	129,403	42,734	172,137	6.7%
Elementary storage occupations	177,341	255,138	432,479	16.9%
Other occupations within the logistics sector	953,339		953,339	37.2%
Total	**1,655,607**	**909,079**	**2,564,686**	**100.0%**

Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q2 2021

5.21 A further report published by Prologis in 2019[32] reviewed the changing nature of employment within the sector across 33 distribution centres. The sites were located on Prologis Parks across the Midlands, Southeast and London. Each provided data on the type and number of jobs within their buildings.

5.22 The report revealed that in 2006, 68% of employees within logistics buildings worked on the warehouse floor, with office staff making up 11%, drivers representing a further 12% and managerial staff accounting for 7%. Subsequent surveys undertaken by Prologis in 2010 and 2014 saw the number of people employed in the warehouse fall to 43% in 2010, rising slightly in 2014 to 50%. By comparison, the number of people employed within the office, as drivers or in managerial positions during this period remained relatively stable. The only exception to this was in the 'other' category, where numbers increased from 1% to 25% in 2010, falling slightly to 21% in 2014. In 2018, roles within the businesses surveyed had changed, in some cases significantly. The number of people employed in an office-based role, for example, had risen from 13% in 2014 to 25%. Warehouse roles in 2018 reduced slightly to 49% of the overall

32 Prologis, Delivering the future: the changing nature of employment in distribution warehouses, September 2019

workforce, from 50% in 2014 whilst the number of drivers employed remained stable at 8% of the overall workforce.

5.23 Table 5.1 sets out the employment profile as of 2018 across the surveyed distribution centres. It demonstrates a variety of occupation types across the employment profile, 37% of which are within office and managerial roles.

Table 5.1: Job Generation in Distribution Centres by Occupation Type

	Occupation type as a proportion of all jobs
Warehouse	49%
Office	25%
Drivers	8%
Managerial	12%
Other	6%

Source: Prologis

5.24 Traditionally, the industry is perceived to offer a lack of office-based employment, affecting perceptions of wage and skill requirement. This is not reflective of the modern logistics industry. Research conducted on behalf of Michael Page Logistics[33] studied the average wage by employment role across the UK. Figure 5.5 sets out the wage range across a number of logistics advertised job titles throughout the UK. Figure 5.5 demonstrates that the sector offers a competitive range of wage opportunities.

5.25 In addition, research conducted by the BPF[34] refers to median salaries in the sector being £6,700 higher than the average for all sectors, at £31,600 compared to £24,900. This is an increase from £28,000 in 2014. There are now a number of logistics sub-sectors where the average salary is above £35,000 a year.

33 A Guide to Salaries and Skills 2020, Logistics, PageGroup
34 BPF, Delivering the Goods in 2020 – The Economic Impact of UK Logistics Sector, Page 5

Figure 5.6: Wage Profile

	MIDLANDS & NORTH			LONDON & SOUTH EAST			SOUTH WEST & SOUTH WALES		
Top advertised job titles	**Low**	**Average**	**High**	**Low**	**Average**	**High**	**Low**	**Average**	**High**
Logistics/Operations Director	85,000	95,000	120,000	85,000	110,000	140,000	85,000	93,000	120,000
Regional General Manager	70,000	85,000	100,000	70,000	85,000	100,000	60,000	80,000	100,000
General Manager	65,000	75,000	85,000	65,000	78,000	95,000	50,000	68,000	90,000
Depot Manager	50,000	55,000	60,000	45,000	52,000	60,000	35,000	45,000	55,000
Warehouse Operations Manager	40,000	48,000	60,000	45,000	55,000	65,000	35,000	41,000	50,000
Warehouse Shift Manager	30,000	36,000	45,000	30,000	36,000	45,000	25,000	28,000	32,000
Warehouse Supervisor	20,000	25,000	30,000	25,000	28,000	32,000	20,000	22,000	25,000
Inventory/Stock Manager	35,000	43,000	50,000	35,000	44,000	52,000	25,000	28,000	32,000
Inventory/Stock Planner	20,000	25,000	30,000	25,000	28,000	32,000	18,000	21,000	25,000
Transport Manager	40,000	48,000	60,000	45,000	55,000	65,000	32,000	40,000	50,000
Fleet Manager	40,000	50,000	60,000	40,000	50,000	60,000	32,000	40,000	50,000
Fleet Administrator	20,000	24,000	30,000	22,000	26,000	30,000	18,000	21,000	25,000
Transport Shift Manager	30,000	36,000	45,000	30,000	36,000	45,000	27,000	30,000	35,000
Transport Supervisor	20,000	25,000	30,000	25,000	28,000	32,000	22,000	27,000	32,000
Transport Planning Manager	40,000	48,000	60,000	40,000	50,000	60,000	35,000	45,000	55,000
Transport Planner	25,000	30,000	35,000	25,000	31,000	40,000	22,000	26,000	32,000
Logistics Manager (Head Office)	40,000	53,000	70,000	45,000	60,000	75,000	35,000	48,000	65,000
Logistics Coordinator (Head Office)	25,000	30,000	35,000	25,000	30,000	35,000	18,000	23,000	30,000
Import/Export Manager	30,000	43,000	60,000	40,000	50,000	60,000	30,000	40,000	50,000
Import/Export Coordinator	20,000	25,000	30,000	22,000	28,000	35,000	18,000	23,000	28,000
Programme Manager (Logistics)	60,000	70,000	80,000	60,000	75,000	90,000	50,000	45,000	100,000
Project Manager (Logistics)	50,000	56,000	65,000	48,000	59,000	70,000	38,000	47,000	60,000
Solutions Design Manager (Logistics)	50,000	55,000	60,000	45,000	55,000	65,000	38,000	47,000	60,000

Data correct as of December 2019

Source: Wage Profile, A guide to Salaries and Skills 2020 – Logistics

5.26 In addition, research conducted by the BPF[35] refers to median salaries in the sector being £6,700 higher than the average for all sectors, at £31,600 compared to £24,900. This is an increase from £28,000 in 2014. There are now a number of logistics sub-sectors where the average salary is above £35,000 a year.

5.27 In order to retain existing staff and attract new drivers, logistics companies have raised pay levels. Various sources of driver gross pay increases are now outlined ranging from 7.8% in Q2 2021 to 18.3%, in the nine months to end of Q3 2021 with some classes of HGV drivers averaging 28.8% growth in advertised salaries. Figure 5.7 sets out the median driver salary by region, demonstrating these roles pay above the UK average salary (£31,285). As set out in Figure 5.8, the demand for these positions is having a positive impact on Jobseeker's Allowance levels up to Q2 2021.

35 BPF, Delivering the Goods in 2020 – The Economic Impact of UK Logistics Sector, Page 5

Figure 5.7: Median Driver Salary by Region

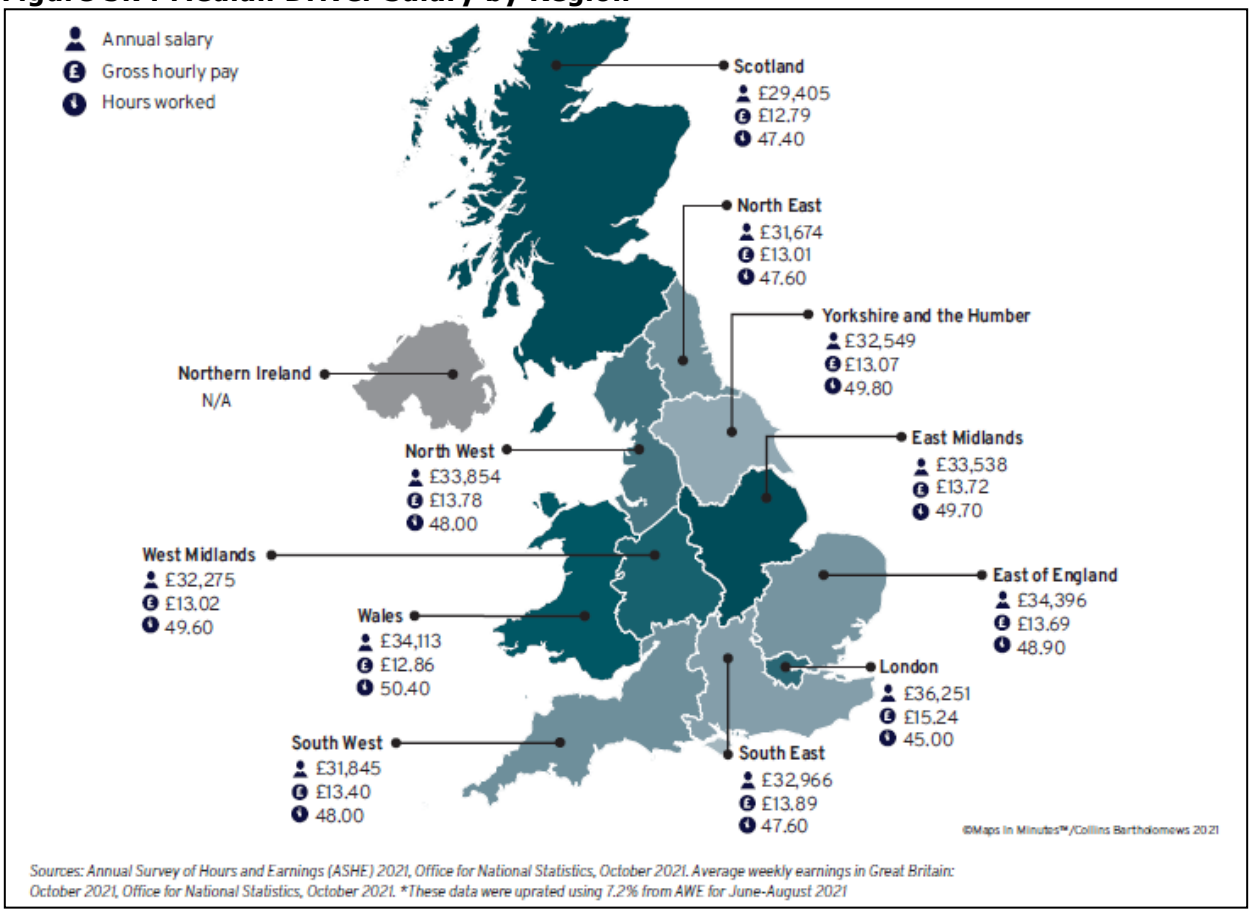
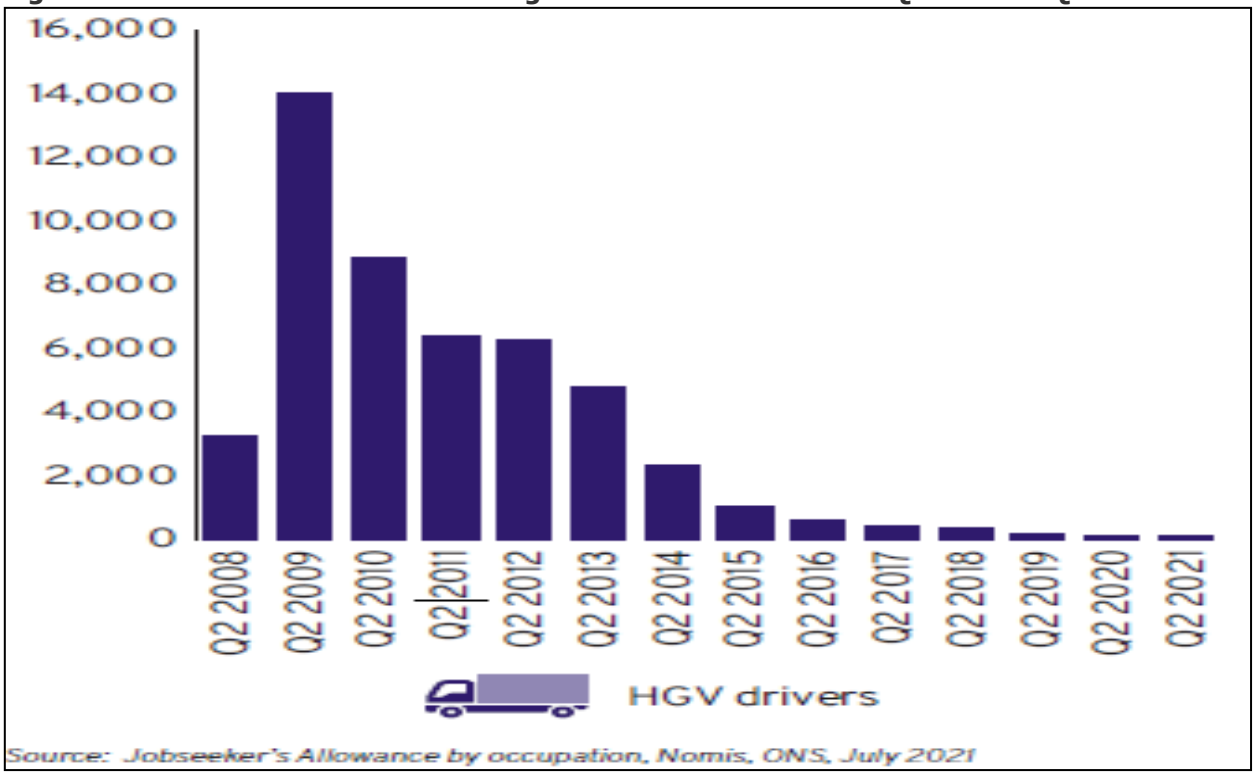


Figure 5.8: No. HGV Drivers Claiming Jobseeker's Allowance Q2 2008 – Q2 2021[36]

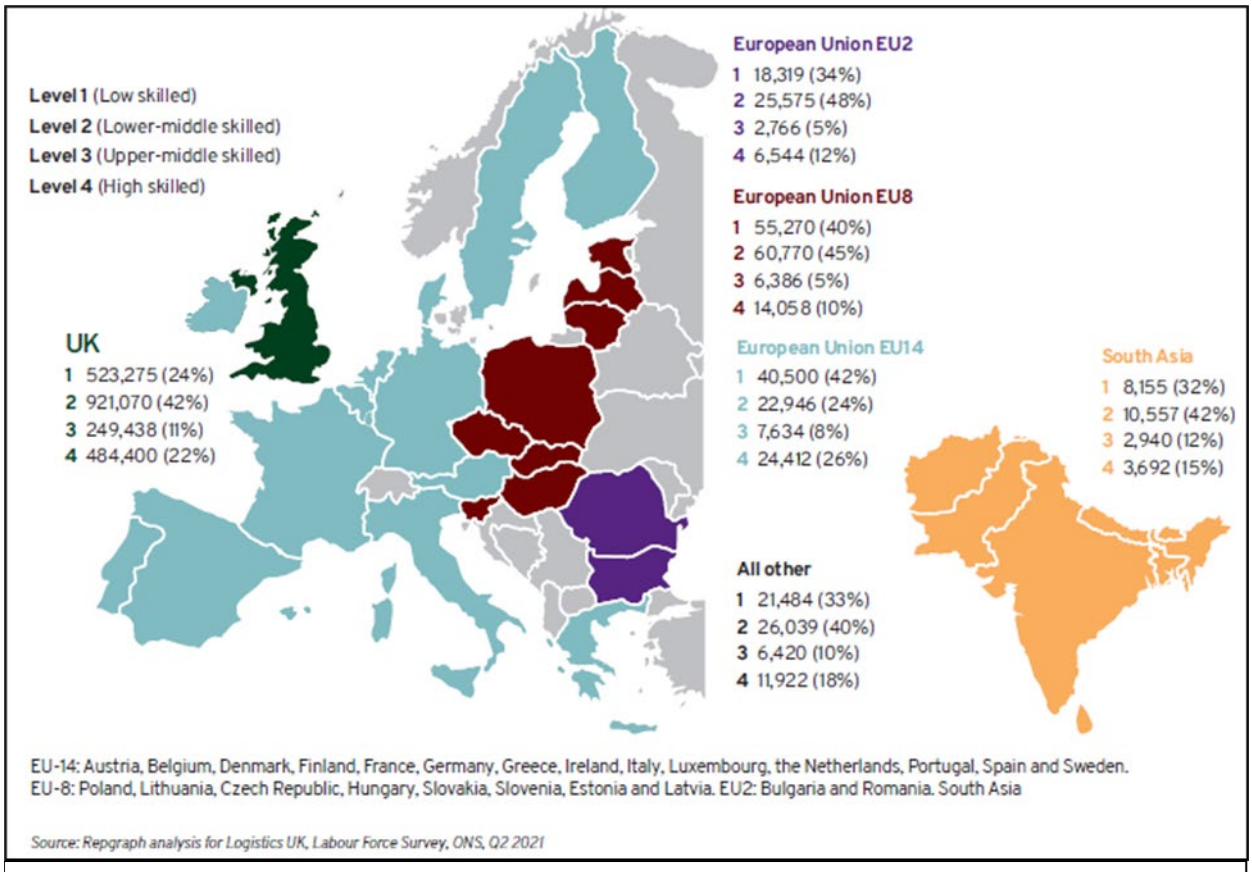


[36] Skills and Employment Report 2021, Logistics UK Policy, Page 22

iii) Skill Profile

5.28 According to Logistics UK Skills and Employment Report 2021, 22% of the logistics workforce is highly skilled (level 4), higher in comparison to areas of Europe, South Asia and other global locations (see Figure 5.9). The greatest proportion of logistics jobs are level 2, classified as low to middle-skilled (41.8%). This emphasises a skills range within the industry, highlighting a variety of employment opportunities.

Figure 5.9: International Skills Logistics Skill Profile



Legend Level 1 - Low Skilled, Level 2 - Lower-Middle Skilled, Level 3 - Upper-Middle Skilled Level 4 – High Skilled

5.29 Table 5.2 sets out the top ten most in-demand skills across the sector, according to the research conducted on behalf of Michael Page Logistics. Importantly this demonstrates the need for a range of skill sets to ensure successful operations and adapt to future requirements.

5.30 It is notable that some of the skills discussed within Table 5.2 are not necessarily academic based. There is strong demand for experience and practical based skills, along with personality attributes.

Table 5.2: Skill Demand Across the Industry

Skills in Demand	Skill Description
Cross-border dispute resolution	Professionals who are skilled in dispute resolution are highly prized within logistics for the way they negotiate to reach the desired outcome. Those responsible for managing projects are key in minimising the effects of disputes on productivity and costs, which can spiral if disagreements are not resolved effectively.
Continuous improvement	Continuous improvement in logistics helps boost employee engagement, minimises waste, and ensures businesses are running efficient processes. This is why professionals who are experienced in managing a continuous improvement approach to drive innovation and change within processes are highly sought after.
Budget management	Logistics represents a significant cost for any organisation, which is why the effective management of these costs in line with budgets is a key skill for logistics managers. Looking forward, these skills are only set to become more crucial as businesses navigate the aftermath of Brexit.
Diverse talent development	Diversity is key when hiring to build a strong team that drives an efficient logistics operation. Acquiring the right mix of skills, personalities, and talent that will perfectly match a shorter long-term project is a crucial skill. Hiring teams of diverse talent is one thing, but inclusive management to ensure effective collaboration is what propels these teams to excel.
Warehouse layout optimisation	Today, as peak periods fluctuate and the need for efficient processes to maintain lean operations increases, utilising various layout options is key. This enables logistics businesses to optimise workflows and develop warehouse processes and standard operating procedures. The end goal is improving long-term productivity, and, ultimately, boosting the bottom line.
Warehouse management systems (WMS) experience	As part of ensuring warehouse optimisation and efficient management of day-to-day logistical operations, WMS knowhow is key. This includes the centralised management of tracking inventory levels and stock locations. As e-commerce experiences sustained growth and retail evolves to become ever more digitalised, the need for more efficient WMS systems has never been more important.
Driving transport efficiencies	From April 2018 to March 2019, domestic road freight activity increased by 4% in goods lifted and 2% in goods moved. International road freight increased by a significant 19% in goods lifted and 12% in the number of goods moved. Post-Brexit, the need for more efficient transport operations will be key to ensuring continued lean logistics operations.
Contingency planning	Throughout 2019, there was an air of caution surrounding the logistics sector. As the full effects of Brexit begin to unravel in 2020, there will be the potential for huge disruptions. This is why professionals, skilled and experienced in contingency planning, will remain highly valuable.
Employee engagement	Professionals who possess the key skills required for their role, and also have a proven track record of boosting employee engagement, will be vital assets for any logistics business. Not only is employee engagement key to productivity, but engaged employees are also happier and, therefore, less likely to seek opportunities elsewhere.
Peak planning and execution	Peak season is a lucrative time of the year for the industry, so it is imperative it is executed well. Data-led processes are becoming increasingly important, which is why professionals skilled in performance analysis and forecasting are vital.

iv) Working Hours

5.31 Approximately 85% of the roles across the sector offer full-time employment, with 15%[37] creating flexible working options. Research conducted by Prologis referred to a shift in the proportion of part-time roles. 2018 surveys noted a decrease in full-time positions falling from 89% in 2014 to 78% in 2018 and the number of part-time employees rising from 11% to 22% in 2018[38]. This emphasises a change in culture across the industry, introducing more flexible work patterns that could support a wider spectrum of workers.

v) Future Development

5.32 As set out within BPF's Delivering the Goods in 2020, technology is becoming ever more prevalent within the sector including vehicle technology, big data paired with artificial intelligence for load optimisation, multi-shuttle systems, smart storage, 3-D printing, swarm autonomous vehicle robots, smart glasses and picking robotics[39].

5.33 These advances are changing operating systems and the skill set required by operators. IT, engineering and analytics are just some of the key skill sets required as a result of developments within the industry. Logistics companies are increasingly hiring technical staff or up-skilling existing staff in IT skills to adapt to this change in operational approach[40].

5.34 New service-orientated logistics companies are entering the market, working within 'on demand space matching service' and app-based third party logistics solution for smaller businesses, fuelling the need for range of skill sets within the industry.

5.35 The most recent Logistics UK Skills and Employment Report 2021 notes that, since 2011, the most notable shifts in job growth are among purchasing managers and directors, followed by van drivers and managers and directors in transport and distribution, reflecting the changing shopping habits and a shift to online retailing, which in turn leads to demand for more warehouse space.

vi) Levelling Up – The Logic of Logistics

5.36 The recently published Levelling Up - The Logic of Logistics[41] (referred to as the 'report'), further highlights the changing nature of the industry. It emphasises the industry's active development in terms of social value credentials and contribution to a green recovery.

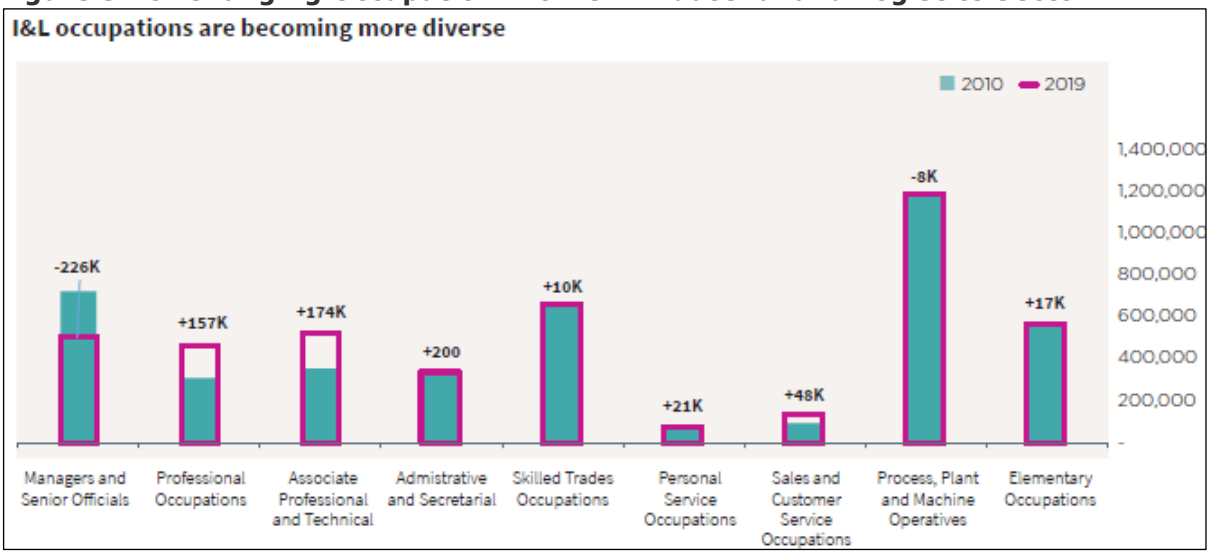
37 BPF, Delivering the Goods in 2020 – The Economic Impact of UK Logistics Sector,
38 Prologis, Delivering the Future: The Changing Nature of Employment in Distribution Warehouse

40 BPF, Delivering the Goods in 2020 – The Economic Impact of UK Logistics Sector
41 Levelling Up - The Logic of Logistics, BPF and Savills ,Page

5.37 The report contributes to denouncing misconceptions regarding industry pay levels, skills required, and types of spaces provided. As highlighted in the report it is not a low paid, low skilled employer. The average pay across the industry is higher than the UK average. According to the report, data from the Office for National Statistics (ONS) show annual wages above average at +£4,600 for Manufacturing and +£4,900 for Logistics.

5.38 Figure 5.10[42] reinforces how industrial and logistics roles have become more diverse over the last decade. As noted in the report 'at the beginning of the decade the sector had a much more polarised distribution, with a higher share of managers at one end of the spectrum and more plant and machinery operatives and elementary occupations at the other end. Today we see a higher share of Professional and Associate Professional and Technical roles, typically associated with higher-skilled engineering and technological professions'[43]

Figure 5.10: Changing Occupation Profile – Industrial and Logistics Sector



Source: Levelling Up - The Logic of Logistics, BPF and Savills ,Page 17

5.39 Another key message within the report relays the growing social value credentials within the sector. Industrial and logistics development delivers jobs and economic benefits as part of their wider supply chains in addition to onsite employment. In turn, these economic benefits create social value in the form of apprenticeships, training and upskilling opportunities for local people[44].

5.40 The sector generates significant construction and apprenticeship roles. The report forecasts that future demand, if facilitated via the bringing forward of ample land supply, will give rise to a vast construction programme that will support 45,400 jobs per annum. Of these, 400

[42] Levelling Up - The Logic of Logistics, BPF and Savills ,Page 17
[43] Levelling Up - The Logic of Logistics, BPF and Savills ,Page 17
[44] Levelling Up - The Logic of Logistics, BPF and Savills ,Page 23

construction apprenticeships will be created each year, delivering a social value of over £7.8 million per annum[45]. The report states that this construction programme could generate £440 million of social value benefits for local communities. The sector could also deliver on average 41,100 apprenticeships starts per annum[46].

5.41 The report references how modern design is beginning to reflect the sectors commitment to health and wellness. Developers and occupiers are increasingly adopting the WELL Building Standard which is delivering a more human-centric approach to the design[47].

5.42 It is also evident from the report there is an emphasis on 'a green recovery' throughout the sector, aiming to reduce carbon emissions and provide innovations across a property's life cycle. This drive to low emissions is forcing the sector to revaluate the efficiency during operations, reduce energy demand, improve energy supply, and develop net carbon initiatives to reduce embodied carbon[48].

5.43 Industrial and logistics development is also increasingly being required to deliver landscape improvements that enhance the biodiversity of an area. The delivery of 'pocket parks' is becoming more popular, along with the provision of outside relaxation space for workers and the wider local community. As emphasised with the report, the sector must now consider the need to deliver biodiversity net gain (BNG).

5.44 In summary the Levelling Up–The Logic of Logistics report emphasises the sectors commitment to the following:

- Net cardon reduction.
- Biodiversity and sustainable environments.
- Health and wellbeing; and
- Responsible operating practices and partnership.

[45] Levelling Up - The Logic of Logistics, BPF and Savills ,Page 24
[46] Levelling Up - The Logic of Logistics, BPF and Savills ,Page 24
[47] Levelling Up - The Logic of Logistics, BPF and Savills ,Page 28

[48] Levelling Up - The Logic of Logistics, BPF and Savills ,Page 34

6.0 ECONOMIC BENEFITS

6.1 The Proposed Development is on land to the east of Thrapston known as Thrapston Business Park, within North Northamptonshire Council (NNC - formed on 1st April 2021). Previously it was situated within East Northamptonshire Council (ENC).

6.2 The maximum built development floorspace is 185,975 sqm (GIA), to be delivered across four plots. Plots 1 to 3 are proposed as flexible B8 and B2 uses, the floorspace subdivided as follows (maximum floorspace per plot). 100,480 sqm on plot 1, 40,244 sqm on plot 2, and 41,251 sqm on plot 3. Plot 4 will accommodate small industrial units across a maximum of 4,000 sqm floorspace.

6.3 Whilst the development parameters are flexible, the Site will predominantly be developed as B8 floorspace and the economic benefits presented in this section are based on the Plot 1 being delivered as B8 floorspace, Plots 2 and 3 being delivered as 70% B2 and 30% B2 uses, and Plot 4 as E Class Use and B2/B8.

Construction Phase

a) Direct Employment and Associated GVA

6.4 The number of direct jobs generated during the construction period is calculated using the Construction Industry Training Board (CITB) Labour Forecasting Tool (LFT). Utilising the value, a start date, duration and location, the LFT predicts labour demand on a month-by-month and trade-by-trade basis. Forecasts are based on historic data from past projects and updated as new data becomes available, taking account of time and location.

6.5 For the purposes of estimating the number of construction jobs, these have been calculated on the basis of a £179m on-site construction cost. This has been calculated by applying build cost (per sqm) estimates from Costmodelling Limited for the type of commercial floorspace of the Proposed Development. A construction period of 72 months (6 years) has been adopted. The LFT has then been run using the indicative construction cost over the 36-month construction programme. **Based on this the LFT estimates that 500 direct construction jobs could be supported each month over this period.**

6.6 The LFT accounts for 28 occupation groups, split into the following work types:

- Design - those involved in design process, including senior managers and support staff with design organisations.
- Management of construction - those staff involved with the management of the delivery of the construction or installation. This includes professionals employed for the construction stage or the projects; and
- Construction operatives - those operatives involved in the delivery of the construction or installation.

6.7 Table 6.1 sets out the split across the three groups that make up the occupations assessed within the LFT. It emphasises the varied occupation profile and skill requirements across the sector. Demand for each occupation type will vary throughout the construction period.

Table 6.1: Construction Employment – Occupational Profile

Group	Occupation Category	Average Number
Design	Senior, executive and business process managers	5
	Civil engineers	7
	Other construction professionals and technical staff-Design	39
	Architects	9
	Surveyors	5
	Non-construction professional, technical, IT and other office-based staff (excl. managers)	11
	DESIGN TOTAL	**77**
Management	Senior, executive and business process managers	29
	Civil engineers	3
	Other construction professionals and technical staff-Design	13
	Architects	3
	Surveyors	16
	Non-construction professional, technical, IT and other office-based staff (excl. managers)	60
	MANAGEMENT TOTAL	**123**
Operatives	Construction project managers	12
	Other construction process managers	42
	Construction trades supervisors	9
	Wood trades and interior fit-out	53
	Bricklayers	12
	Building envelope specialists	19
	Painters and decorators	6
	Plasterers	6

Group	Occupation Category	Average Number
	Roofers	6
	Floorers	4
	Glaziers	4
	Specialist building operatives nec	7
	Scaffolders	5
	Plant operatives	10
	Plant mechanics/fitters	12
	Steel erectors/structural fabrication	7
	Labourers nec	11
	Electrical trades and installation	38
	Plumbing and HV&C trades	28
	Logistics	4
	Civil engineering operatives nec	0
	Non-construction operatives	5
	OPERATIVES TOTAL	**300**

Source: LFT (Figures may not sum due to rounding)

6.8 Direct employment activity throughout the construction phase will generate economic output, measured through the generation of GVA. GVA is a measure of economic output, distributed through retained profit and wages. Based on an average GVA per construction worker of around £52,157 per annum for North Northamptonshire Council sourced from Oxford Economics[49], the Development could generate a direct GVA of approximately £26.2m per annum over the construction period (equivalent to £157m in total over the construction phase).

b) Indirect Employment and Associated GVA

6.9 In addition to the direct jobs created as a result of the construction and management of the Development, further indirect employment would be created as a result of spin-off and multiplier effects.

6.10 The level of indirect employment generated during the construction period has been calculated by applying the ONS Type 1 Employment Multiplier (2015) for construction (1.97) to the number of direct construction jobs. This could result in a further 484 indirect jobs being supported per month over the construction period. These supply chain jobs could support employment on a local to national scale.

[49] Oxford Economics, January 2022 Global Forecasting and Quantitative Analysis (2015-2019 average)

6.11 The indirect jobs are expected to generate £26.8m in economic output per annum, based on applying the UK average GVA per worker figure of £55,332[50]. This would equate to £161m in total over the six-year construction period.

c) Total Employment and Associated GVA

6.12 Construction of the Development could therefore support 984 jobs per month (direct and indirect). This would provide a combined GVA of £53m per annum, and £318m in total over the six-year construction period.

Operational Phase

d) Gross Employment (on-Site) and Associated GVA

6.13 Our estimate of the number of jobs that will be accommodated across the four plots at Thrapston Business Park is informed by:

- Estimates provided by DSV, who are expected to occupy Plot 1
- The Employment Density Guide (2015) sense checked against more recent research concerning logistics employment densities (Oxford Economic and Prologis, 2020)

6.14 The jobs to floorspace ratios (employment densities) published in the Density Guide (Employment Density Guide, 3rd Edition, November 2015) are frequently used as a basis for calculating the number of jobs that could be accommodated in new industrial developments, where the end occupier is unknown.

6.15 The Density Guide confirms that the published employee ratios "*allow for usual hours of operation, such as 24 hours working within many distribution activities, and therefore do not require adjustment to allow for these trends*." [para 5.20 of the Density Guide]

6.16 Thus, employee estimates calculated using the Density Guide are equivalent to the employee estimates provided DSV. That is, 670 permanent employees operating across three 8-hour shifts, 120 hours per week (Sunday 22.00 to Friday 22.00).

6.17 It is expected that 99% of all permanent DSV employees will be full-time (663 in total) and that the remainder (7) will be part time. To avoid spurious accuracy, we have assumed that all 670 employees will be full time equivalent. This amounts to a significant expansion of DSV's

[50] Oxford Economics, January 2022 Global Forecasting and Quantitative Analysis (2015-2019 average)

activities in Thrapston, where the company currently employs 212 people, a quarter of whom live within five miles of the site. In addition to employing a significant number of local people, DSV at Thrapston also supports local businesses, amounting to about £1.5m expenditure on products and services from Thrapston businesses per annum. This is likely to increase if DSV expands its Thrapston operation.

6.18 About 300 seasonal workers will be employed at the new premises, for up to 8 weeks each year, during peak season months of October to December and March to May. To understand economic impact, these 300 seasonal workers are converted to an additional 52 full time equivalent employees (40 days worked divided by 232 working days per annum), meaning that full time equivalent employment increases from 670 to 722.

6.19 Table 6.1 sets out the employee numbers (full time equivalent), shift patterns, contracted hours and the DSV derived employment density.

Table 6.2. Plot 1 DSV employee numbers, shift patterns and employment density

24-hour period	DSV permanent employee numbers	Hours per 5-day week
2200 to 0600	335 (50%)	40
0600 to 1400	201 (30%)	40
1400 to 2200	134 (20%)	40
Total	**722 (670 + 52 FT equiv. seasonal workers)**	**120**
Floorspace occupied	100,480 sqm GIA, 102,489 sqm GEA (Plot 1 maximum parameter)	-
DSV Employment Density (GEA, derived)	**142 sqm per FTE**	**-**

6.20 For Plots 2, 3 and 4, where the occupiers are not yet known, the job/floorspace densities set out in the Homes and Communities Agency (HCA) Employment Density Guide, 3rd Edition (2015) have been applied. The HCA Density Guide provides a range of densities for some uses classes, and where this is the case (B8), the density that results in the lowest number of jobs (the highest value density published) is applied to represent a realistic yet conservative estimate of operational employment. Table 6.2 sets out the values applied, the plots concerned, the floorspace and the resultant job estimates. For illustrative purposes, we have used the B1(c)/E Class light industrial employment density to estimate Plot 4 job numbers.

Table 6.3: Employment Density by Use Class, Plot, Floorspace and FTE Jobs

Use Class, Plot and Floorspace Split	Employment Density	FTE Job
B8 Storage and Distribution* across 70% (**57,047 sqm**) of the combined Plot 2 and Plot 3 maximum parameter of 81,495 sqm GIA	95 sqm (GEA) per FTE job	613 Class B8 on plots 2 and 3
B2 Manufacturing 30% (**24,449 sqm**) of the combined Plot 2 and Plot 3 maximum parameter of 81,495 sqm GIA	36 sqm (GIA) per FTE job	679 Class B2 on plots 2 and 3
B1(c)/E Light Industrial across the Plot 4 maximum parameter of **4,000 sqm** GIA	47 sqm (GIA) per FTE job	77 Class E on plot 4

Source: HCA Employment Density Guide, 3rd Edition, November 2015 and Barton Willmore, now Stantec
* Density Guide value for Use Class B8 ranges from 70 sqm for 'Final Mile' Distribution to 95 sqm for National Distribution Centres

6.21 The HCA Density Guide of 95 sqm per FTE job for B8 Storage and Distribution uses has been sense checked against more recent publications. First, the Economic Impact of Operations in Prologis Warehouses, published by Oxford Economics[51]. Looking across 19 countries, including the United Kingdom where 32,500 people were directly employed in Prologis warehouses, employment densities were found to vary from 93 to 177 sqm per employee. Second, a more focused survey of Prologis UK customers in 33 distribution centres located in the Midlands, South East and London carried out in 2018[52]. This revealed that on average, one person was employed for every 95 sqm of floor space.

6.22 Applying the Plot 1 DSV FTE job numbers set out in the Table 6.2 and the HCA Density Guide to the remaining floorspace, in the proportions set out in Table 6.3, we estimate that Thrapston Business Park could accommodate **2,090 FTE jobs on site, comprised of 1,334 Class B8 floorspace jobs** (722 DSV + 613[53])**, 679 Class B2 floorspace jobs, and 77 Class E floorspace jobs**.

6.23 The 1,334 FTE jobs accommodated on site by the Class B8 floorspace could **generate a total GVA of £40.3m per annum** based on an average GVA per worker across the transportation and storage logistic sector in North Northamptonshire of £30,236 according to Oxford Economics[54]. In addition, the **679 FTE jobs** accommodated by B2 floorspace and the 77 FTE jobs accommodated in the small industrial units could between them generate **£48.3m per annum** based on an average GVA per worker across the manufacturing sector in North

[51] Oxford Economics, Economic Impact of Operations in Prologis Warehouses, Q2 2020 Update
[52] Prologis (September 2019) Delivering the Future: The Changing Nature of Employment in Distribution and Warehouses
[53] Note that the figures do not sum due to rounding to nearest whole number.
[54] Oxford Economics, Global Forecasting and Quantitative Analysis (2015-2019 average)

Northamptonshire of £63,889. In total, the combined GVA of the direct operational employees equates to **£88.6m per annum.**

6.24 Our estimate assumes that the Thrapston premises (on Haldens Parkway) vacated by DSV will be occupied by new tenants employing the same number of staff (212).

e) Estimating the Net Direct Employment Effect to North Northamptonshire

6.25 Whilst the Development will support about 2,056 FTE jobs on-site, guidance from the HCA, Additionality Guide[55] ("Additionality Guide") and more recently, HM Treasury Green Book[56] ("The Green Book") establishes that the on-Site jobs created by the Development would most likely be subject to the following factors[57]

- **Substitution** - where firms substitute one type of labour for another to benefit from an intervention but do not increase employment or output;
- **Displacement** – the extent to which an increase in economic activity or other desired outcome is offset by reductions in economic activity or other desired outcome in the area under consideration or in areas close by; and
- **Leakage** - the extent to which effects "leak out" of a target area into others. For an intervention designed to increase employment in a particular area, leakage could take the form of increased employment in neighbouring areas.

6.26 The above factors applied are based on the nature of the uses envisaged, professional judgement and having regard to published data and or guidance in the Additionality Guide and Green Book. Based on this, the following assumptions have been made:

- The nature of the proposed uses is not likely to result in one type of labour being substituted for another (e.g., a full-time employee substituted for a government funded trainee) therefore **substitution is not considered relevant.**
- The logistics and transport sector is a durable and essential industry, particularly throughout the last two years despite the COVID-19 pandemic. Given the importance of the storage, logistics and transport sector and the perceived future demand, it is assumed that **displacement will be low** and therefore the Additionality Guide's low displacement factor of 25% has been applied**.**

[55] HCA, Additionality Guide, 4th edition, 2014
[56] HM Treasury, The Green Book: Central Government Guidance on Appraisal and Evaluation, 2020
[57] HM Treasury The Green Book: Central Government Guidance on Appraisal and Evaluation, 2020, Page 95, Paragraph A2.9

- Commuting data drawn from the 2011 Census (Table WU01UK Location of usual residence and place of work) has identified that around 77% of jobs available in Thrapston are taken by people who live in North Northamptonshire. Based on this, leakage is considered to be a relevant factor and it assumed that **23% of the jobs created by the Development will be taken by people travelling in from places outside of North Northamptonshire.**

f) Estimating the Net Indirect Employment Effect

6.27 The direct employment effect described above addresses a series of potential discounts to the jobs created total, in this case to arrive at an estimate of the number of jobs created that will be filled by North Northamptonshire residents.

6.28 The indirect effect addresses employment opportunities that will be created elsewhere in North Northamptonshire or beyond, for example, in convenience or food and drink induced by employee expenditure, or, through businesses supply chain expenditure.

6.29 Indirect employment effects result from jobs created in 'tradable' sectors only. Tradable is defined as a sector that produces goods and services which are produced locally but mostly sold and consumed outside the local area. Conversely, the outputs of 'non-tradable' sectors, are mostly delivered locally and do not create indirect employment effects.

6.30 The Development will deliver entirely tradable uses, maximising the indirect employment effect across both tradeable and non-tradable sectors. High, central and low place-based employment multipliers are provided by The Green Book to reflect a different extent of supply-chain 'spin-off' employment effects which are detailed in Table 6.4. For calculating the multiplier effect of the Development, it is considered appropriate to use the central multipliers.

Table 6.4: Place Based Employment Multipliers

Direct Employment Category	Tradable	Tradable	High Tech Tradable	High Skilled Tradable	Public Sector
Effect on Employment Sectors	**Non-tradable**	**Tradable**	**Non-tradable**	**Non-tradable**	**Private Sector**
Central	0.9	0.4	1.9	2.6	0.25
Low	0.1	0.3	0.7	2.5	-0.7
High	1.6	0.6	4.9	3.0	1.3

Source: HM Treasury the Green Book 2020, Annex A2: Place Based Analysis, Box 26

g) Bringing it All Together: The Total Employment Effect and Associated GVA

6.31 The factors described above (substitution, displacement, leakage and multipliers), are collectively referred to as 'additionality' factors. Table 6.5 details the application of the additionality factors to the Development's creation of 2,090 FTE gross jobs on-Site to derive a net direct and indirect employment effect.

6.32 Of the 2,090 FTE jobs created on-Site by the Development, it is calculated that 522 of these jobs will have been displaced from elsewhere within North Northamptonshire and therefore **net direct job creation of the Development is 1,567 FTE jobs to North Northamptonshire**.

6.33 It is calculated that 361 of the net direct jobs created by the Development will be filled by people who live outside of North Northamptonshire and therefore the **direct employment effect to North Northamptonshire residents is 1,207 FTE jobs**.

6.34 A **further 1,569 North Northamptonshire residents will benefit from employment** opportunities created within the district as a result of supply chain and other expenditure by Thrapston Business Park occupiers and their employees.

6.35 **Summing the direct and indirect effects, the Proposed Development is shown to have the effect of increasing the number of North Northamptonshire residents employed within North Northamptonshire by 2,776.**

Table 6.5: Total Net Employment Effect of the Development

	FTE	GVA per annum
JOB CREATION, LOSS AND DISPLACEMENT		
Gross Jobs Created	**2,090**	**£88.6m**
Substitution	n/a	-
Displacement (25%)	522	£22.2m
Net Direct Job Creation	**1,567**	**£66.5m**
DIRECT EMPLOYMENT EFFECT		
Leakage (23%)	361	£15.3m
Direct North Northants Employment Effect	**1,207**	**£51.2m**
INDIRECT EMPLOYMENT EFFECTS		
Multiplier Non-tradable sector, central effect (x 0.9)	1,086	£46.5m
Multiplier Tradable sector, central effect (x 0.4)	483	£20.7m
Indirect North Northants Employment Effect	**1,569**	**£67.2m**
TOTAL NET EMPLOYMENT EFFECT		
North Northants Employment Effect	**2,776**	**£118.3m**

Numbers subject to rounding

6.36 If the average GVA per worker per annum figures across the transport and storage logistic, and manufacturing sectors in North Northamptonshire are applied to the total net direct employment figure of 1,207, we arrive at GVA of £51.2m per annum. The additional 1,569 residents employed as an indirect effect of Thrapston Business Park support a further £67.2m GVA per annum, assuming the districts average GVA per FTE of £42,802 per annum.

6.37 In total, therefore, the **2,776 net additional resident employment opportunities** created by the Development will generate **£118.3m in GVA per annum**.

7.0 KEY FINDINGS AND CONCLUSIONS

7.1 The North Northamptonshire Joint Core Strategy (JCS) is over five years old and the evidence that underpins the approach to employment land need and allocation dates to 2013. Not only in the evidence dated, but the approach is inconsistent with planning practice guidance (PPG) relating to economic because it fails to address market signals, nor does it reflect the elevated importance that PPG attaches to meeting the needs of the logistics sector.

7.2 Accordingly, we conclude that the JCS is not supported by an assessment of industrial and logistics floorspace demand against which the sufficiency and suitability of its employment land supply can measured. Notwithstanding, our review of the allocated and commitment sites identified in the JCS reveals that none are suited to the requirements of the proposed occupier of Plot 1 at Thrapston Business Park.

7.3 Moreover, addressing industrial and logistics in general, the former district of East Northamptonshire is particularly poorly served with only one site (West End Raunds) adding to the inventory and the strategically important A14 ignored completely, offering no land supply. This means that only Symmetry Park in Kettering can accommodate industrial and logistics occupiers on the A14 corridor across North Northamptonshire, but not on terms acceptable to DSV.

7.4 We find that over the ten-year period 2012 to 2021 inclusive, actual demand for industrial floorspace amounts to 151,000 sqm per annum. This actual demand figures is based on observed net floorspace absorption (occupier moves in *less* occupier moves out) plus a margin for suppressed demand based on the assumption that availability below 8% (of the floorspace inventory) is a constraint on demand.

7.5 All the indications are the market is undersupplied in the context of strong occupier demand. This is signalled by falling vacancy and availability rates, and an availability rates that remains below 8%, implying that the market is undersupplied. This is in the context of deliveries averaging about 81,800 sqm per annum.

Drivers of Future Floorspace Demand

7.6 Having established strong and sustained actual demand for industrial floorspace in North Northamptonshire, that has been supressed by a lack of available, we now consider whether the observed level of demand is likely to be sustained in the medium to longer term (for example over a plan period).

7.7 Freight is central to the functioning of the country, operating around the clock to enable everyday life. In 2017, the UK's freight system transported 1.6 billion tonnes of goods by road, rail and water, delivering to businesses and consumers.

7.8 As the population rises, the demand for freight will grow. Over the next 30 years, the weight of goods lifted by heavy freight transport could increase by between 27 and 45 per cent. The nature of this demand will also change, with expected increases in same day delivery, more just-in-time manufacturing, and continued growth of internet shopping[58].

7.9 North Northamptonshire is at the heart of the UK's freight transport network, and it is also part of the Oxford Cambridge Arc. The Arc is recognised by Government as having the potential to be one of the most productive places in the world, creating new jobs, improving the standard of living and the quality of life for local communities. Such growth drives demand for logistics.

7.10 In 2016 prices, The Arc's economic output increased from £81 billion in 2000 to £108 billion in 2018 with its economy growing at a faster rate within this period, than any other region in England, excluding the East of England and London.

7.11 The Arc has a total population of approximately 3.7 million people. This has grown from approximately 2.8 million in 1991. Population growth is expected to increase to close to 4 million by 2043, an increase of over 10%.

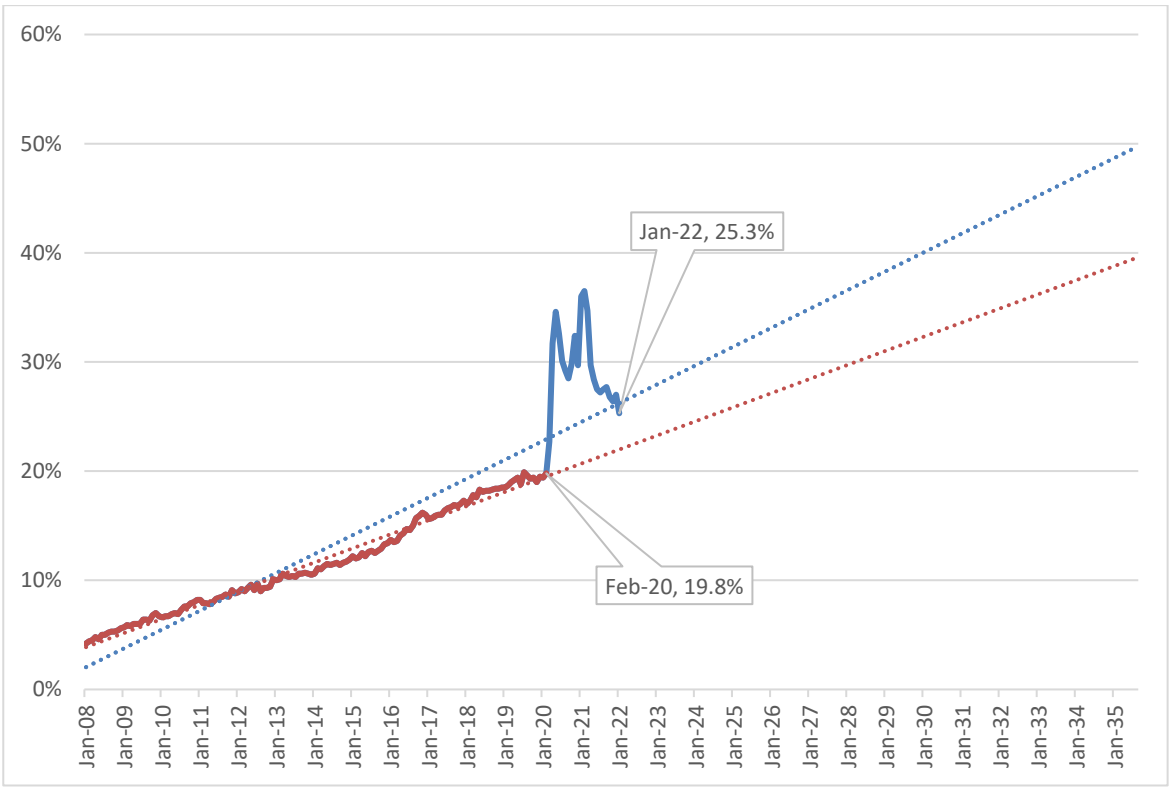
7.12 Forecasts vary, but successive studies have found that there is a clear transformational opportunity. With the right interventions and investment, economic forecasts suggest that by 2050 we would see economic output growing by between £80.4 billion and £163 billion per annum, with between 476,500 and 1.1 million additional jobs. This will drive population and household growth.[59]

7.13 Growth in households equates to growth in household consumption, which is increasingly through online retailers. A lockdown induced uptick in online retail sales (25.3% of all sales in January 2022, compared to 19.7% in February 2020) has increased activity in final mile / journey logistics, such that according to ONS, recruitment to the sector has recovered more rapidly than other sectors as it attempts to keep step with the surge in demand.

[58] Freight Study Final Report, NIC April 2019
[59] Oxford Cambridge Arc Spatial Framework, Sustainability Appraisal Scoping Report (July 2021) and; Creating a vision for the Oxford-Cambridge Arc, Consultation (July 2021)

7.14 Arguably, this is a change in consumer behaviour that will not be wholly reversed, on the basis that the pandemic has accelerated or exacerbated a trend that was already taking place. Internet sales today are where we might otherwise have expected to be in five years' time. We illustrate the divergence in 'pre pandemic' (red dotted line) and 'post pandemic' (blue dotted line) in Figure 7.1.

Figure 7.1: Internet Sales as a Proportion of All Sales (Seasonally Adjusted)



Source: ONS, March 2022

7.15 The implication is that the pressure to accommodate logistics operations on sites with good access to all regions of the UK and the wider supply chain will further intensify.

Conclusions

7.16 Based on the foregoing analysis and having regard to the drivers of demand, it is reasonable to assume that the observed level of actual demand for industrial floorspace will be sustained over time.

7.17 Floorspace demand based on actual demand observed over the last thirteen years is a reasonable basis for predicting future, unconstrained demand. The basis for this assessment is past net absorption, or occupier move ins less occupier moves out (net take up) plus a

margin to ensure that supply and demand remains in equilibrium and sustains an availability rate of 8%.

7.18 A trend rate of demand for 151,000 sqm per annum of industrial and logistics floorspace over the past 10 years, projected over the next 15 years, results in a need for 566 ha industrial land. Even if demand halves after ten years, need will amount to 472 ha over the next 15 years.

7.19 In the context of significant floorspace demand, Thrapston Business Park will deliver a masterplan that responds to the full spectrum of market demand from starter units to meet localised need to 'mid box' and 'big box' units to deliver space required at the regional and national levels.

7.20 Furthermore, it will provide space in a sought-after location with an almost direct connection to the A14, rectifying the undersupply of existing 50,000 sq. ft. buildings on the A14 corridor and helping to relieve suppressed market demand by delivering space to give businesses the chance to expand.

7.21 Moreover, Thrapston Business Park will almost double the amount of sub 25,000 sq. ft. space available in the local market adding much needed starter / small business space to the area, helping to rectify the fact that the former East Northamptonshire district has one of the lowest levels of existing available space across North Northamptonshire.

7.22 The foregoing analysis and key findings bring into sharp focus the need to ensure a sufficient supply of strategically located sites of sufficient size to accommodate both strategic and local industrial and logistics demand.

7.23 Thrapston Business Park is well-placed to respond this demand. Furthermore, the local catchment area includes a significant number (4,500) of unemployed resident who are immediately available *and* a significant number (6,100) of economically inactive residents who want to work, for whom the jobs created at Thrapston Business Park offer could deliver real social value.

7.24 Planned housing growth in Thrapston and in the south and west of the catchment area, will enable continued population and labour supply growth, where labour market characteristics are suited to a proposed development that will deliver good quality employment opportunities and can be expected to realise the economic benefits summarised below.

Table 7.1: Summary of Economic Benefits of the Development

Phase	Benefit		GVA
Construction	Direct jobs	500	£26.2m per annum
	Indirect jobs	484	£26.8m per annum
	Total jobs (72-month construction period)	984	**£318m in total over 6 years**
Operational effect on direct jobs	Direct job creation	2,090 jobs on site	£88.6m per annum
	Net direct job creation	**1,567 jobs across North Northamptonshire**	**£66.5m per annum**
Operational effect on district wide employment	Direct North Northamptonshire employment	1,207 residents employed	£118.3m per annum
	Indirect (multiplier effect) North Northamptonshire employment	1,569 residents employed	£67.2m per annum
	Total North Northamptonshire employment effect	**2,776 residents employed**	**£118.3m per annum**

APPENDIX 1

Market Analysis and Response to Market Need, Carter Jonas, 2022

THRAPSTON BUSINESS PARK

MARKET ANALYSIS & RESPONSE TO MARKET NEED

Prepared on behalf of IM Properties

Thursday, 07 April 2022

Carter Jonas

Reference: Thrapston Business Park – Market Analysis & Response to Market Need

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CONTENTS

EXECUTIVE SUMMARY

- The market report has set out the need for the development at Thrapston Business Park – a development which directly responds to the full spectrum of market demand.

- The site is strategically located on the A14 corridor in an established employment hub with scope to cater for businesses seeking not only warehouse & logistics space but also industrial and manufacturing accommodation.

- Nationally, the industrial & logistics market is thriving with accelerated demand, increasing take up rates, falling void periods, rising rents and an undersupply of fit for purpose accommodation.

- **Market demand is strong with 90% of businesses reporting a need for more, or the same, amount of warehouse space over the next two years** equating to around 870m sq. ft. of space sought since January 2020.

- National availability rates are now well below the level considered sustainable resulting in suppressed demand – especially so in the areas around Thrapston.

- **The East Midlands has recorded the highest regional take up rate against the long term annual average.**

- There is an under supply of 'mid-box' space across North Northamptonshire with 84% of existing available units offering no more than 40,000 sq. ft.

- **The amount of existing and available space across the area is limited with Corby, East Northamptonshire and Kettering all having an availability rate of 2.8% or less.**

- **Regional vacancy rates have generally fallen since 2012 with no buildings available in East Northamptonshire since the beginning of 2017 in buildings of 100,000 sq. ft. plus.**

- **Kettering and East Northamptonshire have the lowest levels of existing available space across North Northamptonshire.**

- Only 30% of buildings in North Northamptonshire have been built since the year 2000 – most buildings are likely to be dated, reaching the end of its useful life, and disadvantaged by a low energy performance credentials.

- There is a lack of existing industrial & logistics buildings that are available along the A14 corridor that offer 50,000 sq. ft. or more of space.

- **There are no consented and proposed developments within East Northamptonshire that can provide more than 60,000 sq. ft. each.**

- Most of the proposed buildings across North Northamptonshire are seeking to deliver buildings that are considerably larger than those proposed at Thrapston Business Park.

- **Around 63% of the leasehold deals to occur across Northamptonshire have fallen within the bracket of space available at Thrapston Business Park.**

1.0 INTRODUCTION

1.1. This report has been prepared by Carter Jonas LLP on behalf of IM Properties to support a hybrid planning application for employment led mixed-use development on land north-east of Thrapston, North Northamptonshire, a site referred to here as Thrapston Business Park.

1.2. The purpose of this report is to establish the case for development based on the market demand for industrial land in this location having regard to the following:

- The growth of the industrial and logistics market
- Regional trends for North Northamptonshire and along the A14 corridor
- Localised need

1.3. Industrial land is defined within this report as use classes Eg(iii), B2 and B8 and whilst industrial land is addressed 'in its entirety', the focus is primarily on B8 (logistics uses). Accordingly, a local requirement for logistics floorspace is assessed separately from a requirement for all industrial land.

1.4. The Report is structured as follows:

- **Section 1:** Introduction
- **Section 2:** An overview of Thrapston Business Park.
- **Section 3:** The importance of the A14 corridor connection.
- **Section 4:** Thrapston Business Park - The Case For Development
- **Section 5:** Conclusions

- **Appendix 1:** Industrial & Logistics Market Analysis – National Overview
- **Appendix 2:** Industrial & Logistics Market Analysis – Regional Overview
- **Appendix 3:** Industrial & Logistics Market Analysis – Localised Need

2.0 AN OVERVIEW OF THRAPSTON BUSINESS PARK

2.1 Thrapston Business Park (the site) extends to 120 acres (gross) in total as outlined in Figure 1 below.

2.2 The site is split into four development plots with varying maximum potential development floor areas:

- **Plot 1:** Developable Area: 15.56 hectares (38.45 acres). Maximum Built Development Floor Space (GIA): 99,781 sq. m. (1,074,042 sq. ft.) (64% of developable area)
- **Plot 2:** Developable Area: 8.30 hectare (20.51 acres). Maximum Built Development Floor Space (GIA): 36,194sq.m (389,592 sq. ft.) (43% of developable area)
- **Plot 3:** Developable Area: 9.53 hectare (23.55 acres). Maximum Built Development Floor Space (GIA): 42,000 sq. m (452,088 sq. ft.) (44% of developable area)
- **Plot 4:** Developable Area: 1.45 hectare (3.59 acres). Maximum Built Development Floor Space (GIA): 7,226 sq. m. (77,780 sq. ft.) (50% of developable area).

2.3 The site has a total potential gross built development floor space of 181,975 sq. m. (1,958,778 sq. ft.).

Figure 1 - Thrapston Business Park – Site *(Source: IM Properties)*

2.4 The site is located circa 0.6 miles to the north of Junction 13 of the A14. It sits adjacent to eight existing logistics buildings occupied by Morrisons Distribution Centre, Primark, DSV Solutions Ltd, Paperchase, Saica Pack, Caddick, Simplehuman DC and WH Thrapston.

2.5 The site is 12 miles east of Kettering, 12 miles southeast of Corby, 19 miles southwest of Peterborough, 24 miles north of Bedford and 30 miles northwest of Cambridge.

2.6 Felixstowe port is circa 100 miles to the southeast (around 1 hour 40 minutes' drive).

2.7 The site is accessed from the A605 which links south to J13 of the A14 and north to Peterborough.

Figure 2 - Thrapston Business Park – Immediate Area Context Plan *(Source: Google Earth)*

Figure 3 - Thrapston Business Park – Local Context Plan *(Source: Google Maps)*

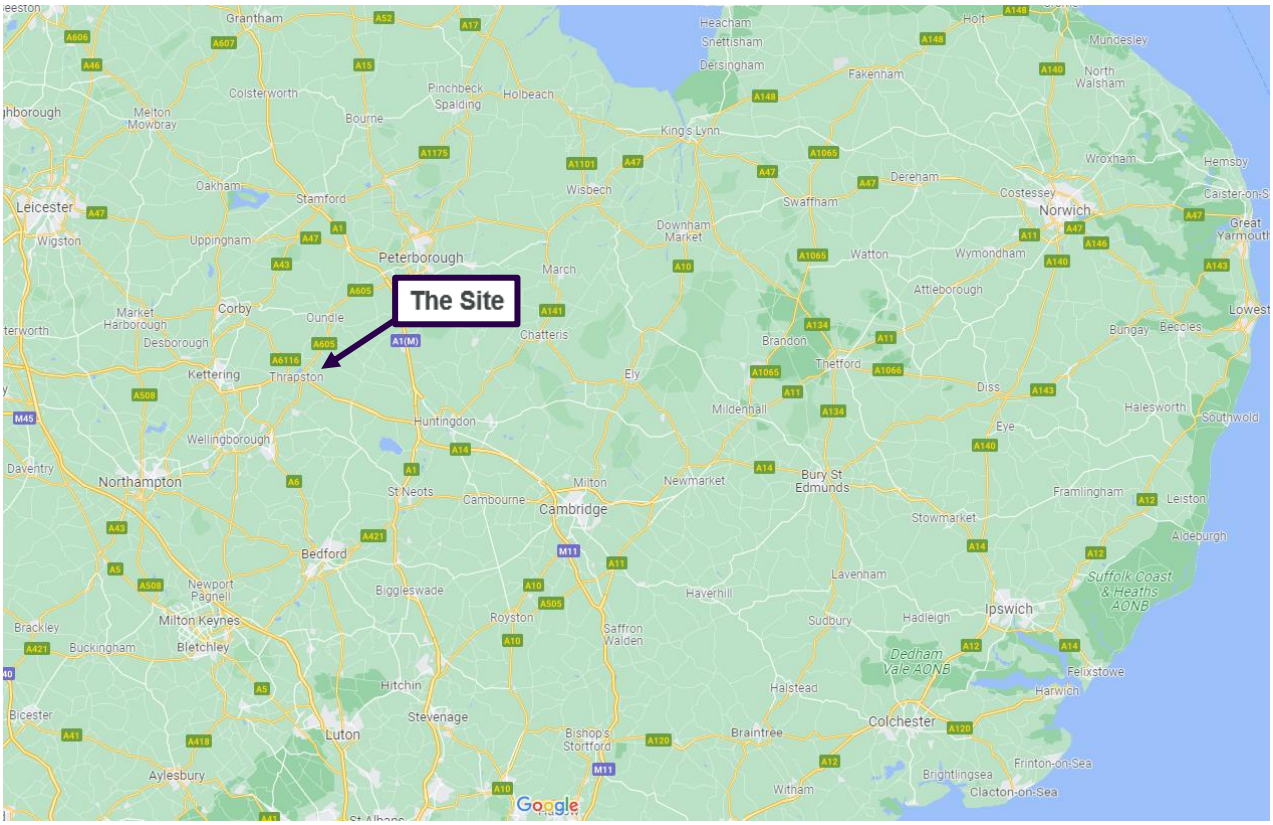

Figure 4 - Thrapston Business Park – Regional Context Plan *(Source: Google Maps)*

3.0 THE IMPORTANCE OF AN A14 CORRIDOR CONNECTION

3.1 Thrapston sits adjacent to Junction 13 of the A14 – an important strategic road within the UK network offering occupiers excellent transport links to the national motorway and trunk road network across the UK and into Europe from Felixstowe Port (101 miles / 1 hour 50 minutes' drive).

3.2 The A14 was built specifically to link Felixstowe to the national motorway network at the junction with the M1 and M6, opening access to the Midlands and the North.

3.3 This key logistics corridor has been substantially upgraded and its junction with the two motorways completely redesigned to reduce journey times between Felixstowe and key markets.

3.4 The A14 forms part of the 'Trans-European Transport Network' – a series of interconnected road, rail, air and water connections across Europe and linking into the UK at various ports and airports across the country.

3.5 The A14 (linking in with the M6 and other such motorways) forms part of the 'priority axis' across England connecting Felixstowe to Holyhead. Recent improvements to the A14 between Huntingdon and Cambridge have significantly shortened journey times for passengers and freight whilst also increasing the road capacity.

3.6 The Port of Felixstowe is Britain's busiest container port and, as far as nationwide distribution is concerned, the most important. Around 95% of trade by volume in and out of the UK is handled by ports with over 40% of the nation's containerised trade passes through Felixstowe port which, thanks to its location, provides strong connections to domestic and global markets.

3.7 Thanks to the A14 connectivity, the site can fully benefit from its position giving it excellent connectivity across the UK and enabling occupiers to reach around most of the UK population within a four hour drive from the area.

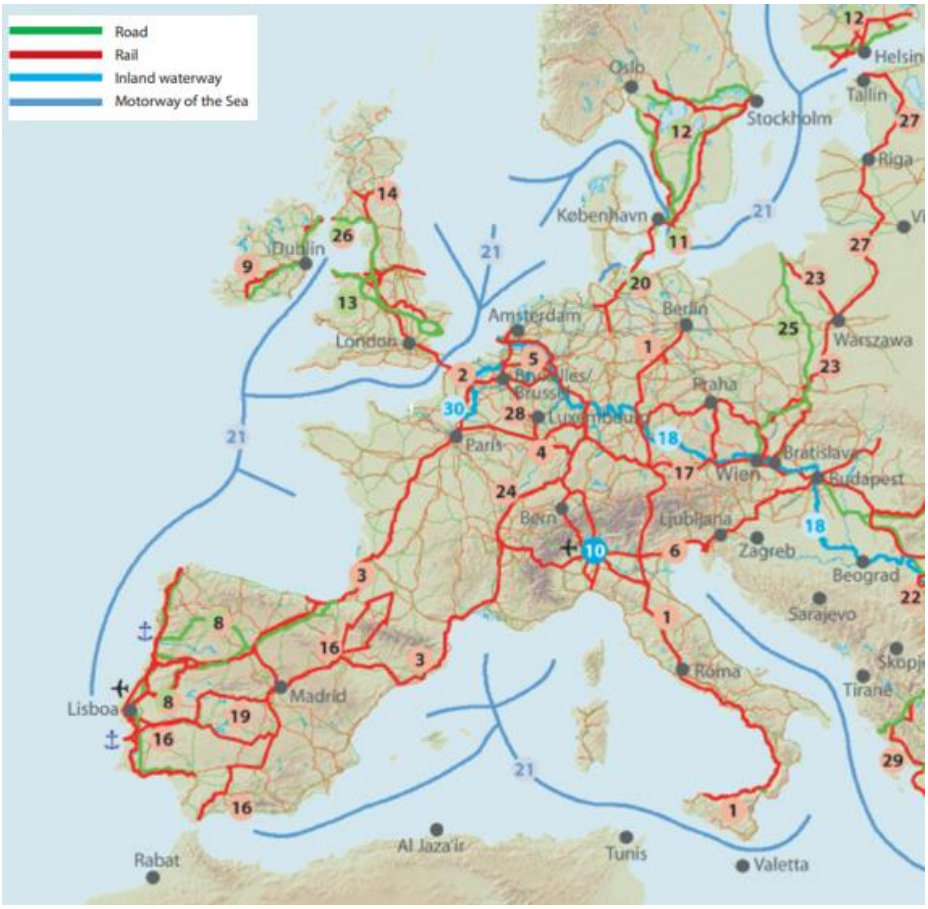

Figure 5 - Trans-European Transport Network *(Source: Trans-European Transport Network Report 2005)*

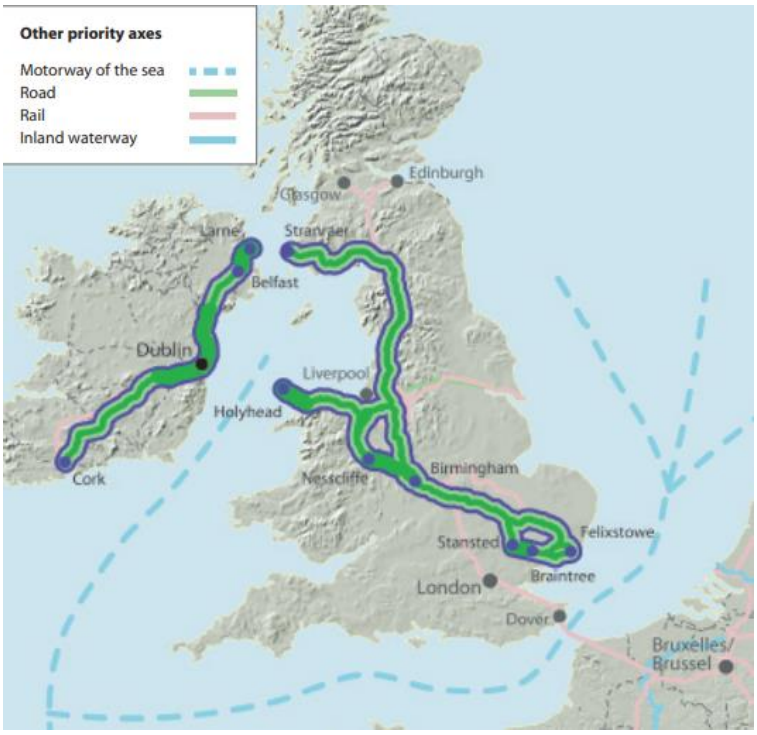

Figure 6 - Trans-European Transport Network UK Connections and Routes *(Source: Trans-European Transport Network Report 2005)*

3.8 In recent years the A14 corridor has flourished with several new industrial, logistics and manufacturing developments occurring along its length. As it stands there are 11 properties under construction along the corridor totalling 2.1m sq. ft. with these buildings varying in size from 28,900 sq. ft. to 1.3m sq. ft.

3.9 Demand for this space is strong with 1.6m sq. ft. leased throughout the course of 2021 surpassing the 1.3m sq. ft. leased in 2020. This demand for space has helped fuel the rise in market rent along the corridor which has risen from £4.36 per sq. ft. in Q1 2012 to £7.29 per sq. ft. in Q1 2022. It is forecast to exceed £8.00 per sq. ft. by Q1 2023.

3.10 Net absorption rates are forecast to remain high throughout 2022 and 2023 with around 730,000 sq. ft. due to the taken in Q2 2022 and a further 660,000 sq. ft. in Q1 2023. These quarterly net absorption rates exceed even the highest peaks seen in recent years.

3.11 The development of Suffolk Park, Bury St Edmunds is a good example of a development that has captured the market demand successfully. The park, at inception, had outline planning permission for up to 2 million sq. ft. (185,806 sq. m.) of B1 and B8 uses.

3.12 Development plots were sold to Sealey (land for a 150,000 sq. ft. logistics facility) and Treatt (a 112,000 sq. ft. global manufacturing and distribution HQ delivered in 2020) with speculative development commencing soon after receipt of planning. This included the delivery in 2018 of SP206 (a 206,866 sq. ft. building leased to MH Star before completion) and SP14 (a 147,636 sq. ft. B8 warehouse let to Unipart Group). These developments were quickly followed by the sale of 870,500 sq. ft. (completion of the building in 2021) to Weerts Group with tenants now including Blechmann and Skechers) alongside the pre-let of 76,822 sq. ft. to Hermes Parcelnet Ltd which is currently under construction for them.

3.13 160,708 sq. ft. is now being speculatively built with a further 47,657 sq. ft. available from December 2022. Finally, a 26,000 sq. ft. ‘make ready facility’ is soon to be delivered for East of England Ambulance Service.

3.14 Over the course of 5 years a total of 1,589,850 sq. ft. has disposed of on the site. This sits in the context of average leasehold take up in Bury St Edmunds of 77,000 sq. ft. per annum (or 385,000 sq. ft. over 5 years) up to 2017 when these deals occurred and 117,600 sq. ft. per annum (588,000 sq. ft.) of sales.

3.15 Evidently, there is significant demand for space on the A14 corridor which has been proven by the seismic shift in take up rates seen in Bury St Edmunds since the delivery of these new logistics and warehouse units.

3.16 The proposed development at Thrapston Business Park will deliver further sought after space on this strategic distribution route tapping into this untapped demand – as seen by the exceptional market reaction to the delivery of space in Bury St Edmunds.

4.0 THRAPSTON BUSINESS PARK - THE CASE FOR DEVELOPMENT

4.1 LOCATION

4.1.1 The site is situated in a strong position circa 0.6 miles to the north of Junction 13 of the A14 - a major 'cross axis' link road that links the site to the 'Trans-European Transport Network'. This road network has been recently and locally enhanced thanks to the new Huntingdon to Cambridge road works.

4.1.2 The A14 corridor is becoming increasingly popular with a wide range of road reliant businesses with demand for accommodation along the route strong. This demand has been demonstrated by the example of Suffolk Park, Bury St Edmunds where 1.59m sq. ft. of speculatively build or build to suit warehouse / production type spaces have been leased / sold over a 5 year period. This is over three times more than is typically taken up over the Bury St Edmunds market, as a whole, over the same period. This significant amount of space taken up on the back of securing planning consent and delivering buildings goes to show the pent up demand for accommodation along the A14 corridor.

4.1.3 This demand is partly linked to the connections that the A14 bring with Felixstowe Port which sits at the end of the A14 corridor (around 101 miles (1 hour 50 minutes' drive) from the site).

4.1.4 Felixstowe Port is Britain's busiest container port handling around 40% of the nation's containerised trade. Overall, around 95% of trade in and out the UK by volume is handled by ports. The site's A14 connection taps directly into the passage of freight based goods transported from Felixstowe into this area of the UK. The area around the site is commonly seen as the principal distribution hub in the country given the ability to serve wide parts of the UK market onwards from this area.

4.1.5 Not only does the A14 link well with Felixstowe Port it also provides onward connections to the broader road network including the M1 and M6 resulting in further strong connections to additional ports, railways and airports as well as proximity to major conurbations. As a result, the location has become a well-established employment area with major national and international logistics businesses choosing to situate themselves there.

4.1.6 Although a number of these are within the retail and e-commerce sectors, there is still a large presence within the manufacturing sectors with over 600 businesses leasing buildings that operate within the manufacturing sector across Northamptonshire (according to CoStar research). Undoubtably, there will be more in addition to those identified by CoStar including those that are owner occupiers of buildings. Delivering a consented site that can provide space for the manufacturing businesses will be hugely beneficial in ensuring this well represented sector is not overlooked in favour of just the logistics sector.

4.1.7 The delivery of Thrapston Business Park will deliver sought after accommodation in the right location for a range of businesses that are already present or looking to relocate with the required road links to the rest of the UK.

4.2 NATIONAL MARKET ACTIVITY & NEED

4.2.1 The UK industrial and distribution market continues to be highly dynamic with a broad base of demand.

4.2.2 On a national level, the growth in e-commerce sales (accelerated by the COVID 19 pandemic) has driven the demand for well-located logistics space with the take-up of space remaining exceptionally strong throughout 2021.

4.2.3 There has been a clear trend in the take up of 'big box' (500,000 sq. ft. +) logistics buildings over the past three years which has been accelerated in the last 12 months. There have been several notable transactions involving some of the largest businesses trading in the UK. This includes Amazon, who remain active, taking space totalling more than 4 million sq. ft. last year in a range of locations.

4.2.4 JLL data reported this month in Property Week highlighted that take-up in the UK logistics sector hit 10-year highs in the past two years. In 2020, 35.8m sq. ft. of grade-A space in units of 100,000 sq. ft. and larger was taken up, a 64.4% leap on 2019 levels, while in 2021, take-up was marginally lower, at 35.4m sq. ft.

4.2.5 Savills Research has echoed this with an 86% increase in the amount of logistics space taken up in 2021 by comparison to long term annual average. The East Midlands has recorded the highest regional take up rate at 114% above the long term annual average.

4.2.6 Research undertaken by Analytiqa found that 90% of occupiers approached reported that they will require more, or the same, amount of warehouse space over the next two years indicating that this demand for warehouse / logistics space is not set to diminish soon. The same can be said for the manufacturing sector who reported the same need for equal amounts or more in the next two years.

4.2.7 Demand in the market is prevalent with occupiers seeking around 870m sq. ft. of space since January 2020. This demand for space has filtered through to diminishing void periods on speculatively built units which have fallen sharply in recent years – especially in 2021 where there were there was a significant amount of space pre-let before completion.

4.2.8 The national supply of space available has fallen sharply since 2011 with around 13.7m sq. ft. less now than this time last year. Vacancy rates have plummeted from around 21% in 2011 to 4.8% by the end of 2021.

4.2.9 This imbalance between the supply of industrial and logistics space and the demand for it has fallen well below the level that is considered sustainable (8%) resulting in significant suppressed demand.

4.2.10 Strong rental growth has now been seen consistently since 2015 (the point at which availability dropped below 8%) indicating that since then the supply of space was not enough to meet demand pushing up rents as tenants vied for space.

4.2.11 The Carter Jonas prime industrial index shows echoes this with prime rents recorded as increasing by an average of 21.5% across the UK in 2021 – a significantly higher increase than was seen in 2020. This pace has quickened in the last 12 months far exceeding the 3 and 5 year average percentage increases. The midlands have seen the third highest increase (just behind the Northeast / North West region and London / M25) with around a 19% increase in prime rents.

4.2.12 The delivery of Thrapston Business Park will help address the imbalance in the supply of space in the national market at present and respond to occupiers with suppressed demand for accommodation that cannot be satisfied due to the lack of availability in the most appropriate locations.

4.3 REGIONAL MARKET ACTIVITY & NEED

4.3.1 Although the regional market has been greatly influenced by the need for warehouse and logistics accommodation driven by the areas strong connectivity it still has a thriving manufacturing base with hundreds of tenants of buildings in the area operating in this field. Across Northamptonshire around 15% of the total inventory falls within the manufacturing use class.

4.3.2 Over North Northamptonshire there is a total general industrial inventory (i.e. existing, proposed, under development etc.) of 50.9m sq. ft. of which around 9.63m sq. ft. falls within the light manufacturing and manufacturing uses.

4.3.3 East Northamptonshire has around 10.5m sq. ft. as a total inventory (up marginally over the last 12 months) with around 1.3m sq. ft. of manufacturing, light manufacturing, and industrial uses in the area.

4.3.4 Around 84% of existing available units over North Northamptonshire offer no more than 40,000 sq. ft. – a scale of space that is not generally suited to larger scale distribution activities. This under supply of 'mid box' units can be corrected by Thrapston Business Park which can deliver buildings at the scale required (i.e. 40,000 sq. ft. plus).

4.3.5 The amount of existing and available space across the area is limited with Corby, East Northamptonshire and Kettering all having an availability rate of 2.8% or less.

4.3.6 Importantly, Kettering and East Northamptonshire have the lowest levels of existing available space across North Northamptonshire with around 267,000 sq. ft. to 295,000 sq. ft. respectfully.

4.3.7 There is a lack of existing and available space in the areas surrounding Thrapston with only five existing and available units in East Northamptonshire offering between 4,761 sq. ft. and 141,480 sq. ft. which are in the Rushden area with a focus on the A6 connection as opposed to the A14 connection. Of these, there are only two buildings with availability of over 50,000 sq. ft. and only one offering more than 100,000 sq. ft. of space.

4.3.8 Across all existing industrial buildings over Northamptonshire the average date of construction (where known) is 1984 which compares to an average date of construction of 1988 in North Northamptonshire. Moreover, only 30% of buildings in the North Northamptonshire area have been built since the year 2000. This oversupply of dated buildings is likely to come with low EPC ratings which could well require significant refurbishment works to raise EPC levels to the required, increasing, minimum standards. The current but sustained increase in commercial energy prices is adding greater focus to these ratings. As such occupiers and purchasers are putting greater focus on the need for energy efficient buildings to replace aging stock that is quickly falling below par.

4.3.9 The average size of building being built across Northamptonshire equates to 167,000 sq. ft. There are a range of units proposed at Thrapston Business Park which, on average, will deliver around 140,000 sq. ft. (broadly in line with the average unit size under construction).

4.3.10 There is a clear lack of existing industrial & logistics buildings that are available along the A14 corridor that offer 50,000 sq. ft. or more of space. Delivering space at Thrapston Business Park will help readjust the imbalance in available space against current (and continued) demand for accommodation that taps into the A14 corridor.

4.3.11 Although across Northamptonshire there are 33 warehouse / distribution properties under construction there are no buildings within East Northamptonshire that are being built. There is evidently a severe lack of development in the area that is hampering the growth prospects of businesses seeking space in the area which benefits from the A14 corridor and wider national connectivity.

4.3.12 The space that is being delivered over Northamptonshire falls within the distribution and warehouse sectors with no space being provided that is targeted at the manufacturing industries. This is despite the strong representation of manufacturing businesses in the area. Given this, it is important to address this lack of supply by delivering buildings that benefit from a manufacturing use class in addition to the warehouse and distribution use classes to help support this well represented market.

4.3.13 Across North Northamptonshire there are 17 proposed industrial and manufacturing buildings with potential to provide more than 60,000 sq. ft. each (a scale in line with the smallest warehouse / distribution / manufacturing buildings at Thrapston Business Park). These proposed buildings are mostly situated on five development sites in Corby, Kettering, and Wellingborough.

4.3.14 There are no consented and proposed developments within East Northamptonshire which again highlights the severe lack of pipeline development opportunities for businesses seeking space in the area.

4.3.15 Only two of seventeen proposed developments include proposed manufacturing facilities with the remainder focused on the warehouse and distribution sectors. Thrapston Business Park proposes to deliver buildings that can cater for this manufacturing sector that has otherwise been overlooked elsewhere.

4.3.16 Several the proposed buildings are at a considerably larger scale than the majority of those to be delivered at Thrapston Business Park given their sole focus on the logistics and distribution sectors.

4.3.17 In the last 10 years some 56.35m sq. ft. of general industrial stock has been leased across Northamptonshire. Most of this space leased over this period falls within the distribution and warehouse sectors with some 51.38m sq. ft. falling within these use types.

4.3.18 Around 71% of total space leased involved deals of at least 100,000 sq. ft. over the last 10 years demonstrating the dominance of demand for large scale, predominantly warehouse / distribution buildings, in the area. These deals have mostly occurred in clusters around the core transport routes including the M1 (Northampton / Daventry), A45 (Wellingborough), A14 corridors (Thrapston / Kettering) and A43 (Corby).

4.3.19 The 20 lease deals that involved more 500,000 sq. ft. of space being taken have been mostly around East Northamptonshire including three along the A14, two on the A45 and one on the A43 (both leading to the A14). Others were centred around Corby and Wellingborough – likely driven by the delivery of speculative development in these locations.

4.3.20 The strong clustering across East Northamptonshire further demonstrates the suitability of this location for large scale logistics buildings in the area especially where direct (or close) links to the major A roads (such as the A14) is deliverable.

4.3.21 The buildings at Thrapston Business Park will range from 5,000 sq. ft. to 1m sq. ft. Most of the buildings proposed at Thrapston Business Park will deliver between 60,000 and 220,000 sq. ft. of space. Across Northamptonshire around 14.59m sq. ft. has been leased within this size bracket (60,000 to 220,000 sq. ft.) representing around 26% of all the deals to occur. The proposed buildings at Thrapston Business Park can therefore cater for a large proportion of the typical market demand seen in the area.

4.3.22 The BPF & Savills report on 'Levelling Up – The Logic of Logistics' prepared methodology built upon the principle of 'suppressed demand' that accounts for demand that has been lost due to supply shortages. It found that surrounding areas to Thrapston Business Park had between a 9% and 70% suppressed demand uplift. This is a significant suppressed demand that the site is well placed to rectify on delivery.

4.3.23 Vacancy rates for buildings across Northamptonshire have generally fallen since 2010 with a peak in 2020 linked with the speculative development of space. Vacancy rates for East Northamptonshire have, since the beginning of 2017 been at 0% in the 100,000 sq. ft. bracket demonstrating the demand for space in this location at this scale with available accommodation being disposed of either immediately or no coming to the market in the first place. The proposed development at the site will help deliver much needed space large scale units of 100,000 sq. ft. where there has been such a noticeable lack of vacancy.

4.3.24 Market rent across Northamptonshire has increased rapidly from £4.13 per sq. ft. on average to £7.37 per sq. ft. This surge in rent is partly driven by the lack of supply in the area which is below the equilibrium required to satisfy demand and maintain rental growth at a more tolerable level for occupiers.

4.3.25 The masterplan for Thrapston Business Park directly responds to the full spectrum of market demand delivering:

- starter units to cater for interest in the sub 25,000 sq. ft. bracket (where 8.1m sq. ft. has been leased over the last 10 years)
- two buildings within the 50,000 to 100,000 sq. ft. bracket (where there was 4.5m sq. ft. of take up)
- four buildings within the 100,000 – 200,000 sq. ft. bracket (where there was 8.9m sq. ft. of take up)
- one 1m sq. ft. building (responding to demand for larger units - 14m sq. ft. worth of lettings took more than 500,000 sq. ft.).

4.3.26 These unit size and deal size brackets equate to around 63% of the total market take up. The fact that Thrapston Business Park can cater to most of the market demand is a significant positive contribution as it does not just focus on the larger end of the market which other pipeline (and proposed) sites do. Importantly, the proposed buildings will be well suited to the manufacturing sector that is currently underrepresented in the market when it comes to the delivery of new accommodation.

4.4 LOCAL MARKET ACTIVITY & NEED

4.4.1 The market for industrial floorspace in the local area has been examined with a focus on sub 25,000 sq. ft. buildings in a 10 mile radius of the site.

4.4.2 Thrapston Business Park proposes to deliver much needed space, at a scale that is highly sought after, to support the growth of local small to medium scale businesses. In total there will be six units of 2,500 sq. ft. each with one at 13,803 sq. ft. and one at 17,779 sq. ft.

4.4.3 The buildings will appeal to a wide range of businesses covering a variety of types from local trades to those within the light industrial, manufacturing and distribution sectors.

4.4.4 The units will be available on a freehold basis. Given their scale and therefore anticipated asking price it is more than likely that they will fall within the typical purchasing power of a Self-Investment Personal Pension allowing businesses to own the business premises from which they are operating from. This is a highly desirable option and one that is often sought after at this scale of business space.

4.4.5 New developments of this scale are rare with only one proposed comparable development in the search area and two others within the wider North Northamptonshire area. These comparable developments offer similar scale space to that proposed at Thrapston Business Park.

4.4.6 Although there is around 3.94m sq. ft. of existing space within the local search area offering no more than 25,000 sq. ft. there is limited availability with around 104,850 sq. ft. on the market. The amount of available space has been generally in decline since Q1 2012 falling from 544,800 sq. ft. at that point.

4.4.7 These existing buildings are, for the most part, very dated with only 22% delivered since 2000.

4.4.8 There are no new buildings under construction in the local search area and only one proposed scheme located near Wellingborough which comprises of 5 units in a terrace format. The lack of development in the local area highlights the need to bring forward much needed modern facilities for businesses in need of good quality, small scale, space to support local trades within the general industrial sectors.

4.4.9 Nearly half of all space leased over the last 10 years took no more than 2,500 sq. ft. with around 1/3 taking between 1,500 and 3,000 sq. ft.

4.4.10 The proposed development at the site includes eight buildings to support this localised need providing a total of 43,600 sq. ft. of space. Six of the eight will provide 2,500 sq. ft. each. This is in direct response to the market conditions - an acute lack of units of this size in existence, a lack of modern or proposed small scale space and a large share of market demand seeking this size of accommodation.

4.4.11 The proposed accommodation will almost double the amount of sub 25,000 sq. ft. space available in the market adding much needed starter / small business space to the local area.

5.0 CONCLUSION

5.1 The market report has set out the need for the proposed development at Thrapston Business Park. The site extends to 120 acres (gross) with potential to deliver around 181,975 sq. m. (1,958,778 sq. ft.) of much needed logistics warehouse and manufacturing space.

5.2 The masterplan for Thrapston Business Park directly responds to the full spectrum of market demand delivering starter units of 2,500 sq. ft. up to 1.07m sq. ft.

5.3 It is a strategically located site in an area that is well established employment hub where a wide range of international, national, and regional logistics, distribution and manufacturing orientated businesses have chosen to locate themselves.

5.4 The A14 corridor is a well-established route from Felixstowe Port to the midlands resulting in strong demand from occupiers to relate to it. Such demand was seen in the quick delivery of Suffolk Park, Bury St Edmunds where the park has rapidly developed through a combination of speculative development (mostly pre-let/sold during the construction process or very soon after) or build to suit development.

5.5 The industrial & logistics market at a national level is thriving with accelerated demand for and take up of space across the board hitting 10-year highs in the past two years with an 86% increase in take up in 2021 by comparison to long term annual average.

5.6 The East Midlands has recorded the highest regional take up rate at 114% above the long term annual average.

5.7 There is strong market demand with 90% of businesses reporting a need for more, or the same, amount of warehouse space over the next two years. This has equated to 870m sq. ft. of space sought since January 2020.

5.8 This continued demand is resulting in sharply falling void periods on speculatively built units with significant amounts of space pre-let before completion.

5.9 National availability rates are now well below the level considered sustainable (8%) resulting in an imbalance between the supply of industrial and logistics space and the demand for it forcing businesses to remain in situ rather than move to expand.

5.10 Strong rental growth has now been seen consistently since 2015 – linked to the point at which the national availability rate fell below 8%. There has been an average increase of 21.5% in prime rents across the UK in 2021 with the midlands recording the second highest increase outside of London.

5.11 Although the regional market has been greatly influenced by the need for warehouse and logistics accommodation driven by the areas strong road connectivity it still has a thriving manufacturing base with around 15% of the total inventory of space falling into that category.

5.12 There is an under supply of ‘mid-box’ space across North Northamptonshire with 84% of existing available units offering no more than 40,000 sq. ft.

5.13 The amount of existing and available space across the area is limited with Corby, East Northamptonshire and Kettering all having an availability rate of 2.8% or less.

5.14 Kettering and East Northamptonshire have the lowest levels of existing available space across North Northamptonshire with only 295,000 sq. ft. available in East Northamptonshire.

5.15 There are only five existing and available units in East Northamptonshire offering between 4,761 sq. ft. and 141,480 sq. ft. These are not located in the immediate Thrapston area and instead are situated in Rushden making use of the A6 (as opposed to A14) connection.

5.16 Only 30% of buildings in the North Northamptonshire area have been built since the year 2000 meaning that the majority are likely to be dated, reaching the end of its useful life and disadvantaged by a low EPC rating resulting in occupiers having to make use of energy inefficient space. Businesses across the region will be increasingly aware of the energy performance of their buildings and will welcome the opportunity to relocate to a modern, fit for purpose, development with high EPC ratings.

5.17 There is a clear lack of existing industrial & logistics buildings that are available along the A14 corridor that offer 50,000 sq. ft. or more of space. This is despite the attractiveness of the A14 connection and the demand to be located adjacent to it. Furthermore, even though there are 33 warehouse / distribution properties of varying sizes under construction across Northamptonshire there are there are no buildings within East Northamptonshire that are being built.

5.18 Across North Northamptonshire there are 17 proposed industrial and manufacturing buildings with potential to provide more than 60,000 sq. ft. each (a scale in line with the smallest warehouse / distribution / manufacturing buildings at Thrapston Business Park). However, there are no consented and proposed developments within East Northamptonshire.

5.19 Most of the proposed buildings are seeking to deliver buildings that are considerably larger than those proposed at Thrapston Business Park which primarily look to respond to the logistics / warehouse need in the area as opposed to the manufacturing base as well.

5.20 There remains strong demand for industrial and logistics space across the region with examples of 20 leasehold disposals involving more than 500,000 sq. ft. of space occurring predominantly in the East Northamptonshire area demonstrating the suitability of this part of the region for this type of accommodation.

5.21 Around 63% of the leasehold deals to occur across Northamptonshire have fallen within the bracket of space available at Thrapston Business Park.

5.22 Despite strong levels of take up, the area is experiencing considerable suppressed demand brought about by due to supply shortages with 9% and 70% suppressed demand uplift capable of being tapped into.

5.23 Vacancy rates for buildings across Northamptonshire have generally fallen since 2010 with no vacancy in East Northamptonshire since the beginning of 2017 in buildings of 100,000 sq. ft. plus.

5.24 Market rent across Northamptonshire has increased rapidly which is partly driven by the lack of supply but increased demand.

5.25 New developments that respond to localised need and support the growth of small to medium scale businesses are rare with only one proposed comparable development within 10 miles of the site.

5.26 There is limited and falling availability across the existing inventory with around 104,850 sq. ft. on the market (around 2.66% availability rate) as it stands.

5.27 These existing buildings are, for the most part, very dated with no new buildings under construction in the local search area. The average age of these buildings will come hand in hand with low EPC ratings and energy inefficient spaces.

5.28 There is only one proposed scheme of sub 25,000 sq. ft. in the area located near Wellingborough.

5.29 There is an acute lack of units of the scale sought by the local market (typically 2,500 sq. ft. to 3,000 sq. ft.).

5.30 The delivery of Thrapston Business Park can address a number of these matters. It will:

- deliver a masterplan that responds to the full spectrum of market demand from starter units to meet localised need to ‘mid box’ and ‘big box’ units to deliver space required at the regional and national levels.
- provide space in a sought after location with an almost direct connection to the A14.
- rectify the undersupply of existing 50,000 sq. ft. buildings on the A14 corridor.
- help untap suppressed market demand in the regional area by delivering space to give businesses the chance to expand.
- deliver modern, fit for purpose, space with high energy performance rating enabling businesses to reduce overheads in a comfortable environment.
- almost double the amount of sub 25,000 sq. ft. space available in the local market adding much needed starter / small business space to the area.
- rectify the fact that East Northamptonshire has one of the lowest levels of existing available space across North Northamptonshire.
- address the fact that there are currently no consented and proposed developments within East Northamptonshire with scope to provide more than 60,000 sq. ft.
- provide a range of building sizes that mostly differ to others that are proposed across North Northamptonshire helping to also provide accommodation for the manufacturing sector that is otherwise overlooked.

Figure 7 – Masterplan for Thrapston Business Park *(Source: IM Properties)*

Figure 8 – Masterplan – Innovation Centre – Thrapston Business Park *(Source: IM Properties)*

APPENDIX 1:

INDUSTRIAL & LOGISTICS MARKET ANALYSIS – NATIONAL OVERVIEW

6.0 INDUSTRIAL & LOGISTICS MARKET ANALYSIS – NATIONAL OVERVIEW

6.1 GENERAL OVERVIEW OF INDUSTRIAL & LOGISTICS MARKET

6.1.1 The UK industrial and distribution market continues to be highly dynamic, and our 2022 update examines the latest trends and outlook for demand, rents, and land values. Data is derived from the Carter Jonas Industrial Index, which monitors values in 50 key markets across the UK.

6.2 OVERVIEW OF DEMAND

6.2.1 The industrial sector continues to enjoy a broad base of demand. The growth of e-commerce and supply chain challenges have been among the biggest drivers of demand growth for logistics space, and take-up remained exceptionally strong in 2021. This has been mainly fuelled by growth as online sales continues to support demand from 3PL companies and e-commerce retailers. This growing market share of online retailing is a trend that has only accelerated since the COVID 19 pandemic.

6.2.2 In response to a shift in retail habits, many retailers have had to enhance their digital platforms and physical infrastructure along with reshaping the nature of their warehouse representation and supply chain operations (e.g. distribution networks, fulfilment centres, urban logistics hubs).

6.2.3 There has been a clear trend in the take up of ‘big box’ logistics (i.e. demand for warehouse space of 500,000 sq. ft. +) over the past three years and especially the past 12 months, exacerbated by COVID 19 and the effect this has had on online retail.

6.2.4 There were several sizable transactions from this sector last year, such as Eddie Stobart taking just over 1.1 million sq. ft. across two equal-sized units at Mulbery Logistics Park in Doncaster, while DHL pre-let 700,000 sq. ft. at Axis J10 in Bicester.

6.2.5 Amazon has remained active, taking space totalling more than 4 million sq. ft. last year in locations including Lutterworth, Liverpool, Bristol, Milton Keynes, and Gloucester.

6.2.6 Whilst e-commerce is one of the primary drivers of the ongoing large scale warehousing demand, we are also seeing third party logistics providers transitioning to larger multiuser facilities. The theory being they can take advantages of considerable economies of scale.

6.2.7 JLL data reported this month in Property Week that take-up in the UK logistics sector hit 10-year highs in the past two years. In 2020, 35.8m sq. ft. of grade-A space in units of 100,000 sq. ft. and larger was taken up, a 64.4% leap on 2019 levels, while in 2021, take-up was marginally lower, at 35.4m sq. ft.

6.2.8 Savills, on the other hand, have recorded higher logistics take up rates by comparison to those reported by JLL with an estimated 55m sq. ft. of logistics space taken up in 2021 some 86% above the long term annual average.

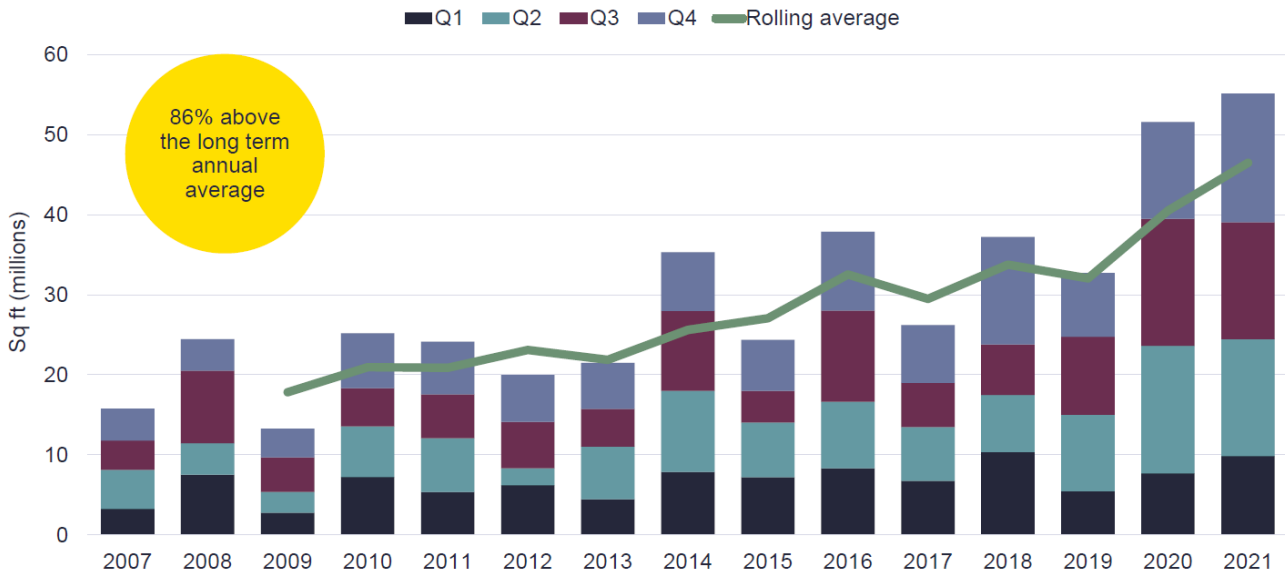

Figure 9 – Logistics Take Up *(Source: Savills)*

6.2.9 Specifically assessing logistics take up on a regional basis, it is apparent that the East Midlands have recorded the highest take up rates at just over 12m sq. ft. (some 114% above the long term annual average) with the West Midlands not far behind.

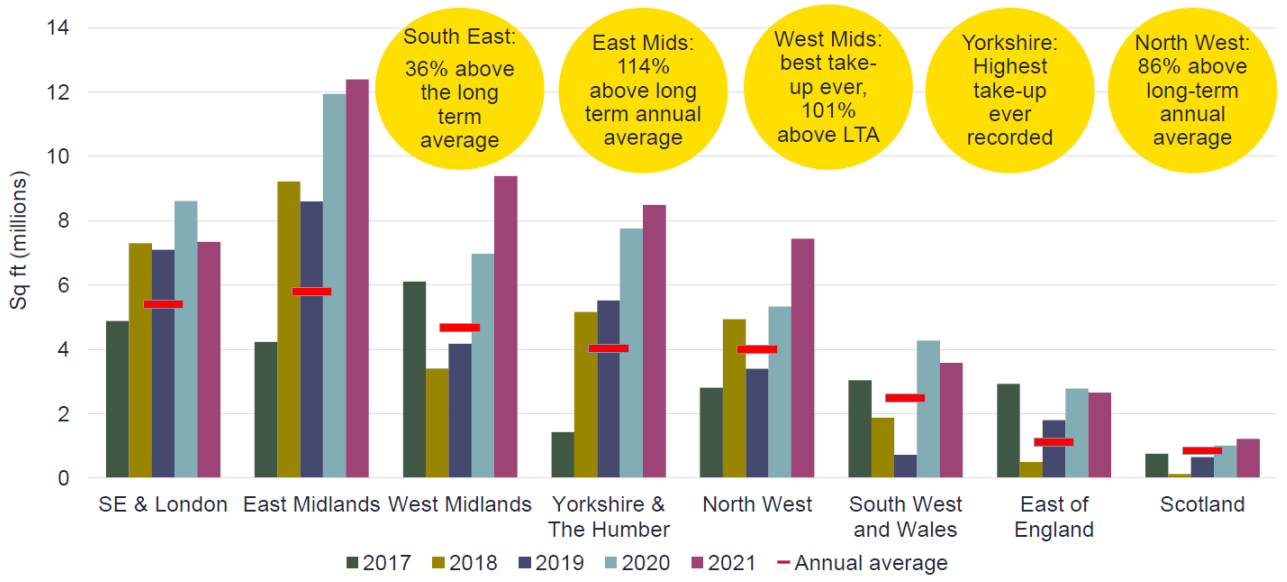

Figure 10 - Logistics Take Up by Region *(Source: Savills)*

6.2.10 Research undertaken by Analytiqa looked at the demand for warehousing posing the question “in respect to warehouse space, what do you envisage over the next two years”? The research found that “over 90% of occupiers will require more, or the same, amount of warehouse space over the next two years”.

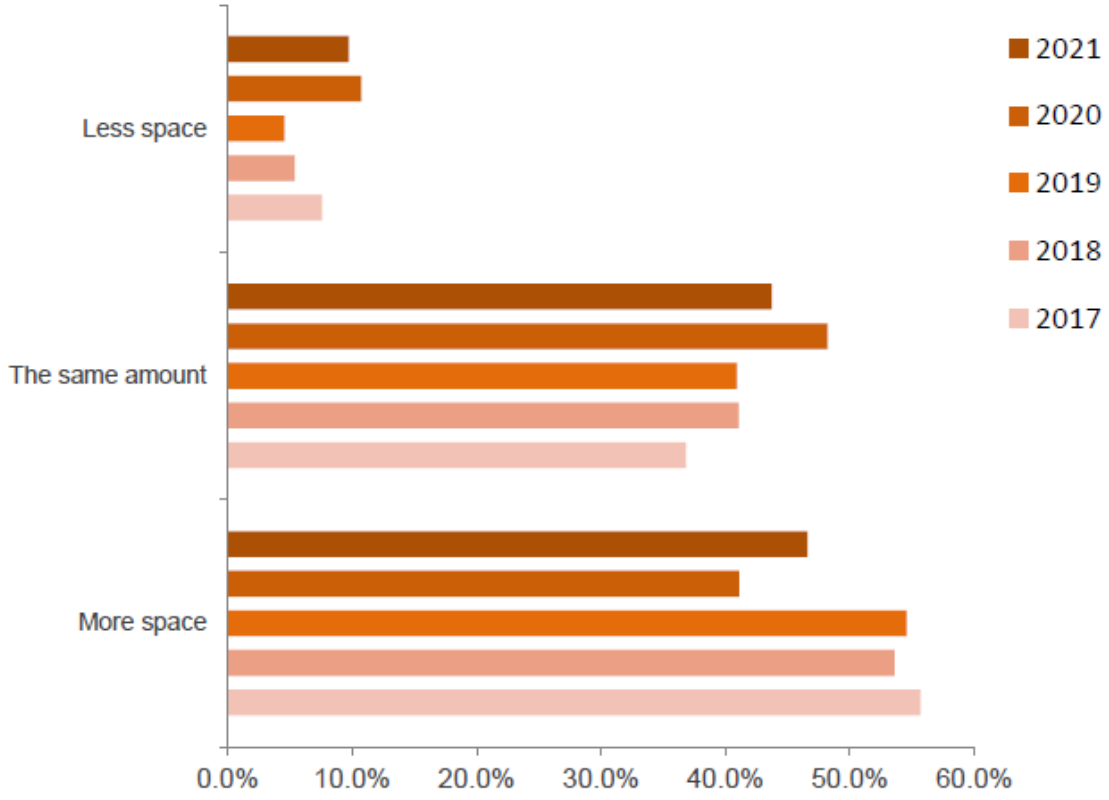

Figure 11 – Demand for Warehousing *(Source: Analytiqa / Savills)*

6.2.11 Looking at this on a sector specific basis, it is apparent that manufacturers and logistics businesses broadly require the same amount of space with retailers and logistics companies requiring more space.

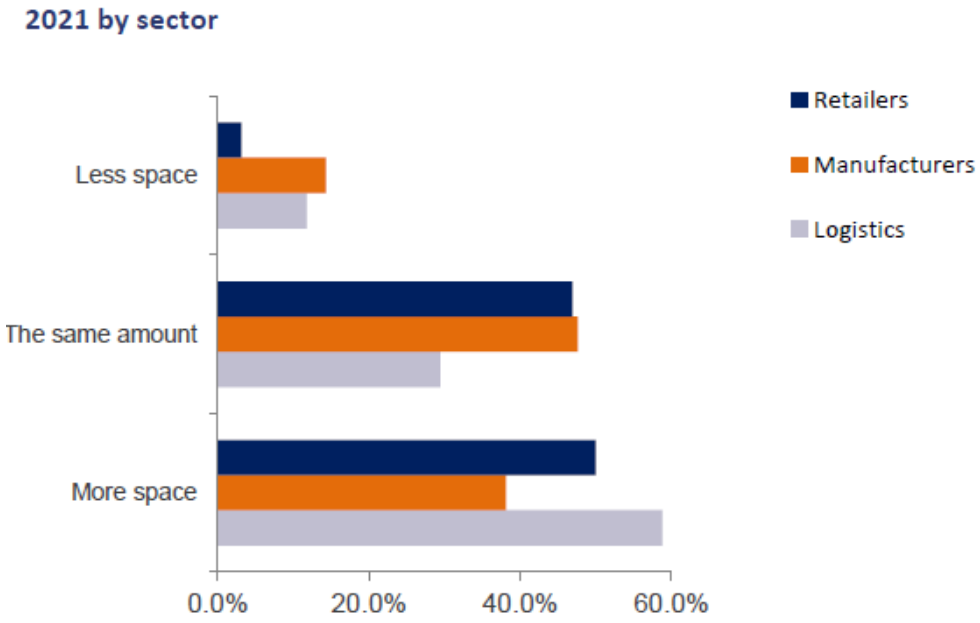

Figure 12 – Demand for Warehousing *(Source: Analytiqa / Savills)*

6.2.12 Considering wider sectors, it is apparent that the manufacturing sector has seen a slight increase in the amount of space being taken up since 2020 with online retail take up expanding significantly since 2013. Automotive, grocery retail and food production have declined.

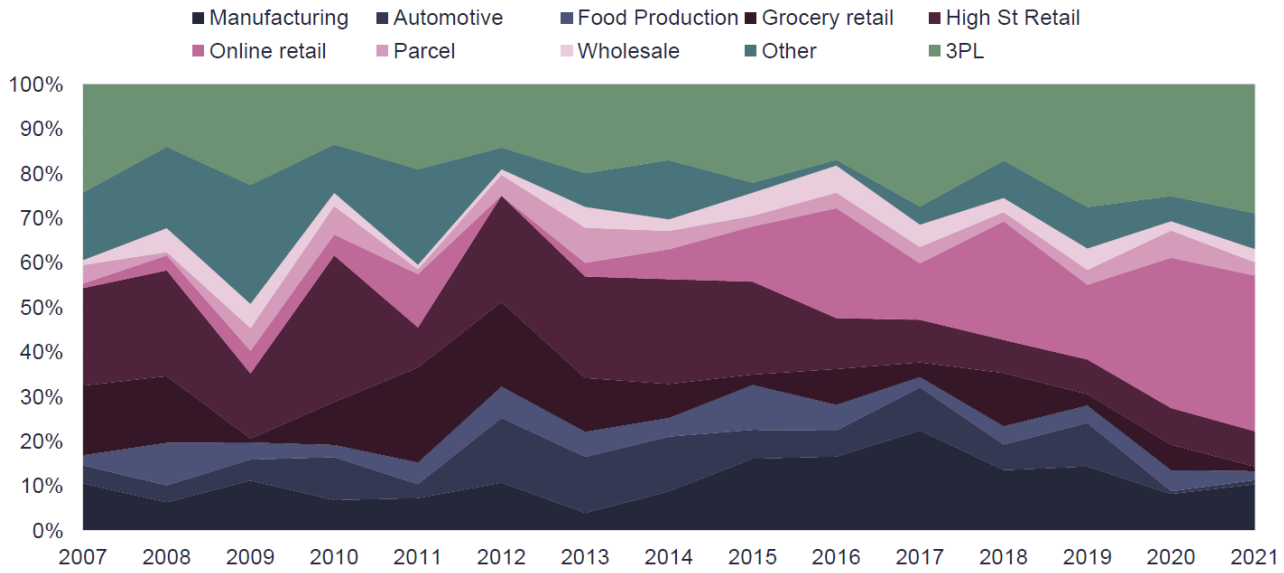

Figure 13 – Breakdown of Business Types Taking Space *(Source: Savills)*

6.2.13 The need for space continues to rise with around 870m sq. ft. of requirements in the market since January 2020 with the highest percentage seeking more than 500,000 sq. ft. and the second highest between 100,000 and 200,000 sq. ft.

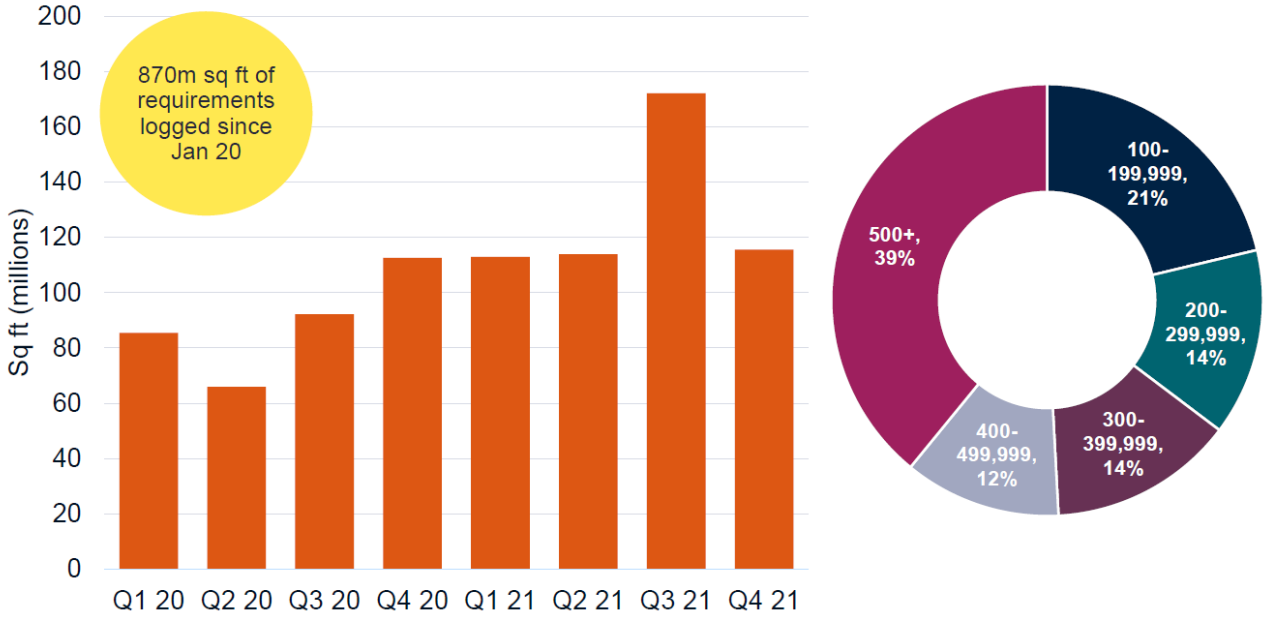

Figure 14 – Requirements in the Market *(Source: Savills)*

Void rates for speculatively built units that have let have fallen sharply in recent years and especially in 2021 where there was a significant amount of space pre-let before completion resulting in the average void in 2021 of -2months.

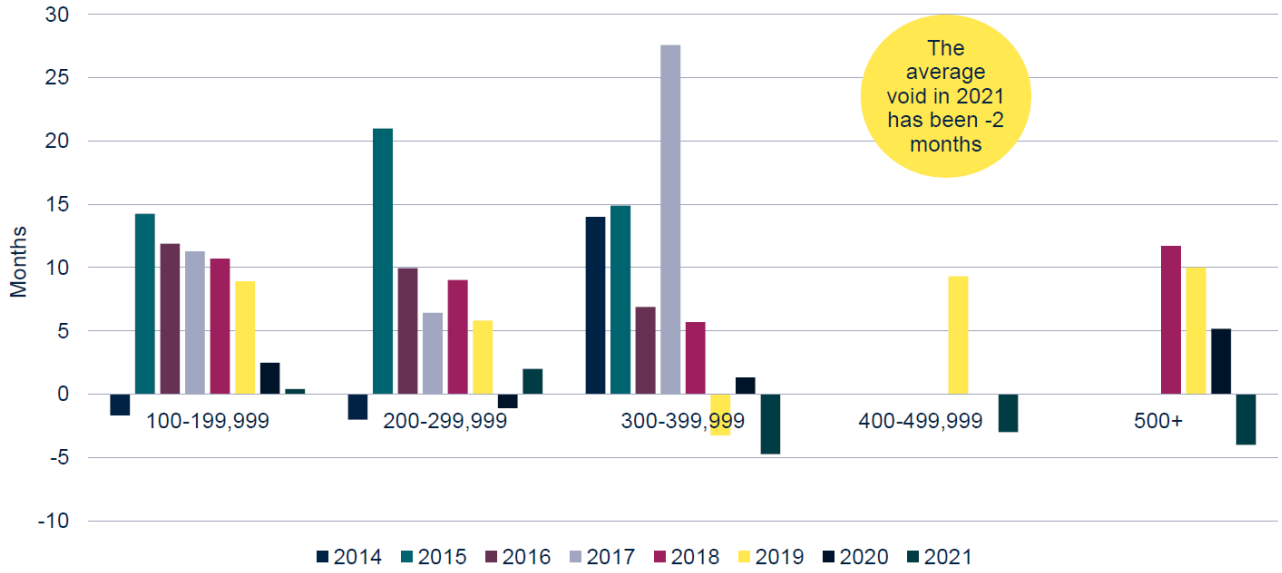

Figure 15 – Void Rates by Size Bracket *(Source: Savills)*

6.3 SUPPLY

6.3.1 Nationwide supply and vacancy rates have fallen sharply since 2011 with supply standing at around 18m sq. ft. (down by 13.7m sq. ft. in 2021). Vacancy rates are now around 4.8% - a fall from around 21% in 2011.

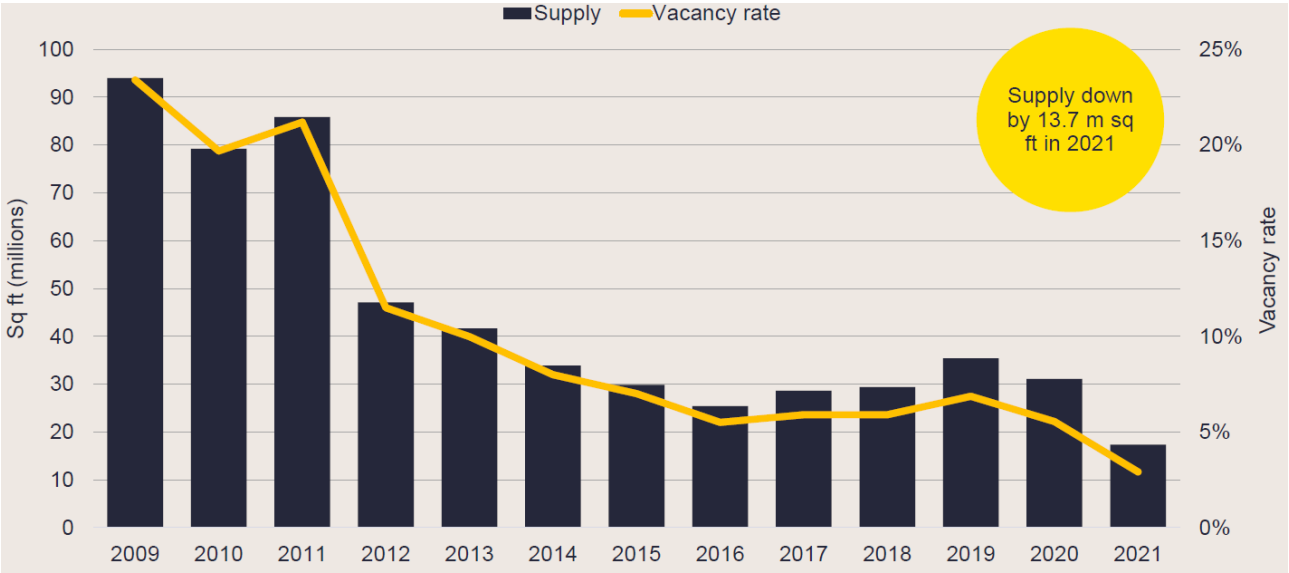

Figure 16 – Supply & Vacancy Rates *(Source: Savills)*

6.3.2 The BPF & Savills report on 'Levelling Up – The Logic of Logistics' highlighted that *"at a national level the, the market equilibrium level where supply and demand are broadly in balance and rents are more stable is around 8% availability. England's industrial and logistics market has been below this level for over seven years."*

6.3.3 The report goes on to state that the *"this relationship between supply and demand is clearly shown in the chart below. When available supply was higher at around 10%-12% in 2012-2014 net absorption averaged 47 million sq. ft. per annum (net). This is higher than the average net absorption more recently from 2015-2020 at 34 million sq. ft. (net) despite the UK only having just emerged from the Global Financial Crisis (GFC). The key reason why leasing demand was higher in 2012-2014, despite the impact of the GFC, is that sufficient available supply existed to accommodate demand, even though overall demand was weaker compared to the more recent period post 2015. After 2015, available supply has been well below the equilibrium rate of 8% which has suppressed overall demand as it could not all be accommodated."*

It added *"a further clear indicator of demand exceeding supply is strong rental growth. As can be seen from the bottom part of the chart real rents have been growing strongly since 2015 when availability dropped below 8%. This is distinct from the period after the GFC (2012-2014) when real rental growth was either negative or zero, indicating there was more than enough supply to meet demand."*

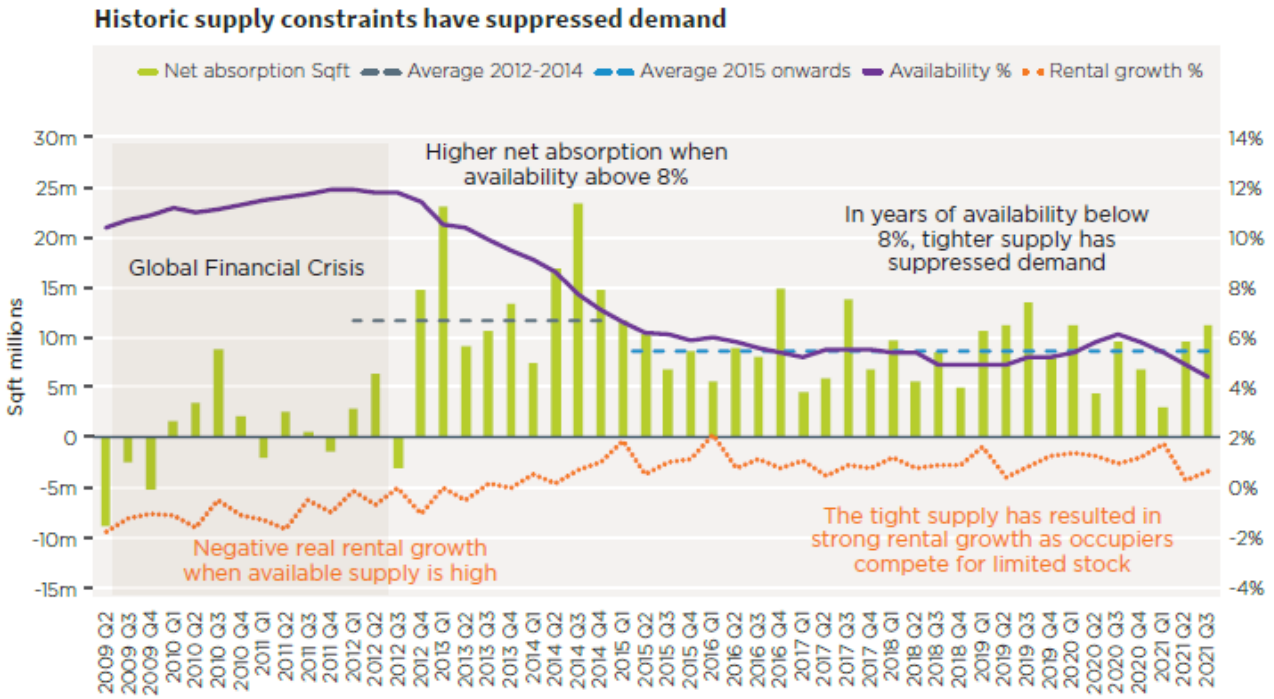

Figure 17 – Historic Supply Constraints – Suppression on Demand *(Source: Savills)*

Prime Rent and Land Value Trends

6.3.4 The Carter Jonas prime industrial index shows the remarkable impact that the supply / demand imbalance is having on prime rents, which increased by an average of 21.5% across the UK in 2021. However, even this stellar performance was greatly outpaced by the increase in UK industrial land values, which rose by an incredible 33.6% during the year.

6.3.5 These rates of growth are considerably above those achieved in 2020, when prime rents rose by an average of 2.7%, and land values increased by 8.7% across the UK. The last five years to the end of 2021 have seen continuous growth in values – prime rents increased by an average of 6.1% per annum, and land values rose by 13.1% per annum.

6.3.6 Industrial performance has therefore significantly outpaced inflation. CPI was 5.4% pa during 2021 and has averaged 2.5% per annum over the last five years.

UK prime industrial rental and land value growth

Source: Carter Jonas Industrial Index

	2021	3 years to end 2021 (% per annum)	5 years to end 2021 (% per annum)
Prime rents	21.5%	8.3%	6.1%
Land values	33.6%	17.8%	13.1%

Figure 18 – UK Prime Industrial Rental and Land Value Growth *(Source: Carter Jonas Industrial Index)*

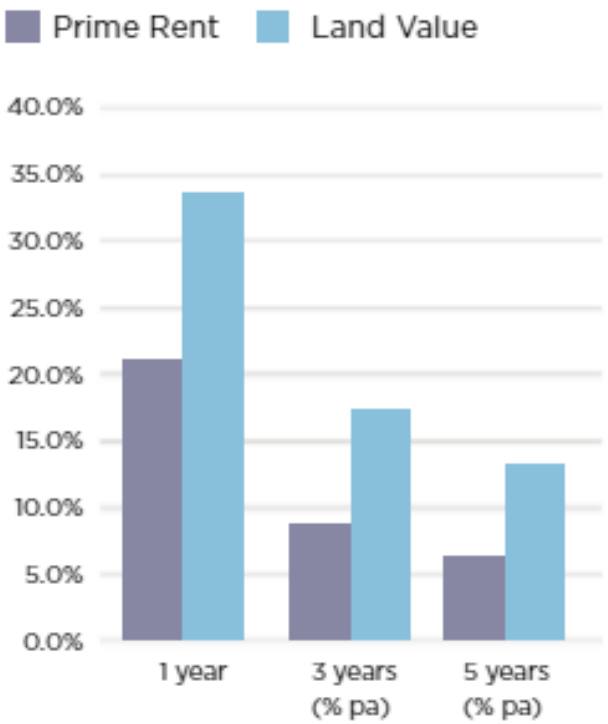

Figure 19 - Rental And Land Value Growth Rates *(Source: Carter Jonas Industrial Index)*

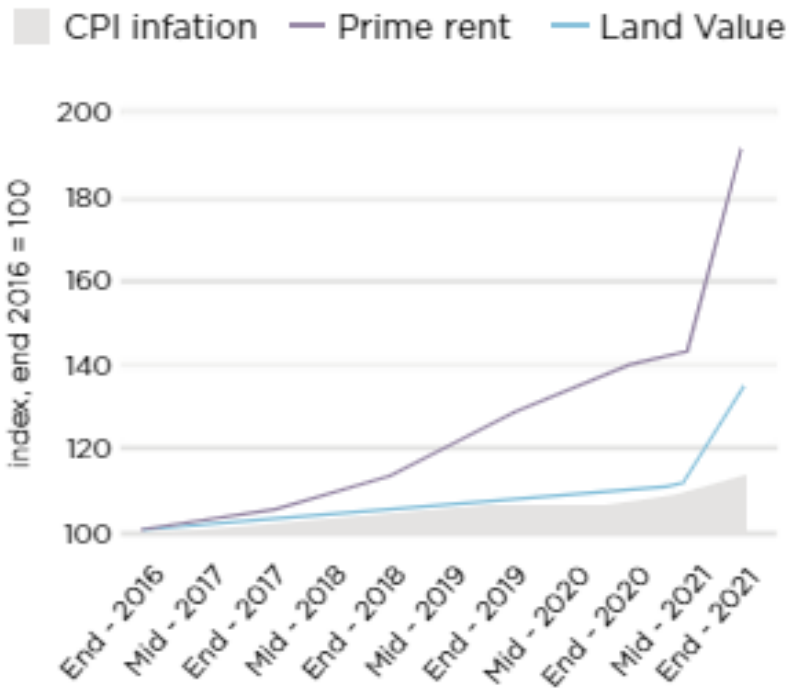

Figure 20 - Prime rent and land value index *(Source: Carter Jonas Industrial Index)*

6.3.7 We have analysed rates of rental growth using five geographical areas, as shown in Figure 21. The market inside and around the M25 saw extremely strong prime rental growth of 49.3% during 2021, well above the UK average. Yorkshire & the Humber saw the next highest growth rate at 25.9%. The lowest rate of growth was in the Southwest and Wales, which still saw a well-above inflation 8.8%.

6.3.8 The increase in values continues apace and the market is moving ahead rapidly, particularly for land values. Where possible, our land values figures are based on comparable evidence. However, it should be noted that values are also based on the underlying tone and our market knowledge, to provide a view of the values that investors and occupiers would be prepared to pay.

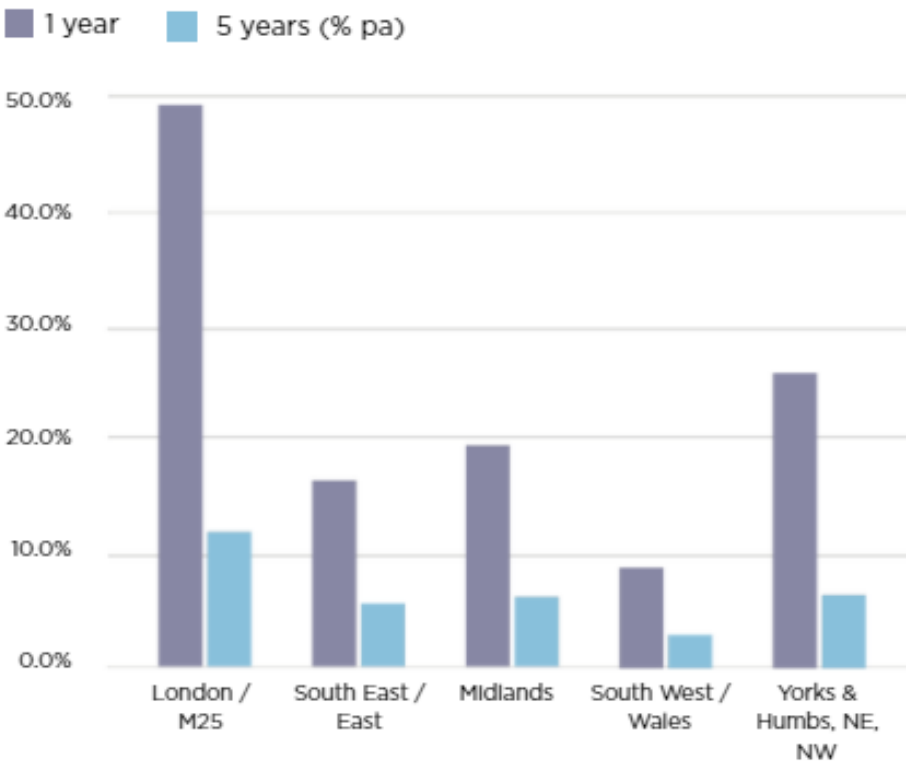

Figure 21 - Change in prime rents to December 2021 *(Source: Carter Jonas Industrial Index)*

6.4 OUTLOOK FOR PRICING

6.4.1 With ongoing high levels of occupier demand, tight vacancies, and potentially delayed projects, together with higher levels of general inflation and rising building costs, rents and land values will remain under upward pressure during 2022 and into 2023.

6.4.2 We therefore expect all major industrial markets to experience continued robust rental growth, with London positioned to outperform as growing demand for urban logistics and last-mile warehouses coincides with the lack of supply and the shortage of construction materials.

6.4.3 As rents continue to rise, affordability for occupiers will decrease further, and rising occupational costs will be exacerbated by the rating revaluation due in April 2023. Industrial rental values have outperformed the overall commercial market in the period up to the antecedent valuation date of April 2021, and therefore many industrial occupiers can expect to see an increase in their rating liabilities. They will need to build this into their budget equations when acquiring property today.

6.4.4 The sector's positive rental growth story continues to encourage investors, who deployed a record amount of money, and more than £17.6bn (according to Property Data) was spent on industrials in 2021. Yields have compressed in tandem with growing investor demand and are now as low as 3% in regional markets for long-dated income and as low as 2% in some parts of London.

6.4.5 Looking at the year ahead we expect investors to embrace a greater level of risk, given tight pricing along with the industrial sector's strong fundamentals of high demand, tight supply, and robust rent growth.

APPENDIX 2:

INDUSTRIAL & LOGISTICS MARKET ANALYSIS – REGIONAL OVERVIEW

7.0 INDUSTRIAL & LOGISTICS MARKET ANALYSIS - REGIONAL OVERVIEW

7.1 GENERAL OVERVIEW - NORTHAMPTONSHIRE INDUSTRIAL & DISTRIBUTION MARKET

7.1.1 Northamptonshire is a well-established logistics and industrial hub which taps into the 'golden triangle' – the area of the East Midlands that has become renowned for its high density of distribution facilities.

7.1.2 The area is now well established as 'the go to' location for businesses with a heavy dependence on distribution to take advantage of the motorway access routes including the M1 and M6 (merging in to the A14) with access to ports, railways, and airports as well as proximity to major conurbations. Indeed, around 90% of the UK population can be reached within four hours from the 'Golden Triangle' which is a huge advantage to companies who ship or distribute products. This is particularly important when it comes to fulfilling same or next day delivery pledges given by companies such as Amazon, Argos and Next.

7.1.3 Over time, the area has become home to several well-known names including Marks and Spencer (who delivered a 1m sq. ft. fulfilment centre at Castle Donington), Disney and Asda (located at Magna Park) and Tesco (who have a substantial operation at Daventry International Rail Freight Terminal). In addition, a series of leading 3PL's, couriers and manufacturers have invested heavily in the area over recent years, meaning there is a large take up of new logistics facilities and competition is high.

7.1.4 Within the manufacturing sector there are around 611 businesses leasing space in the Northamptonshire area – 285 of which are situated within the North Northamptonshire area. There is evidently a good market representation in the area and a need for space that is suitable for not only the warehouse & distribution sector but also the manufacturing sector given the number of businesses choosing to base themselves in the area.

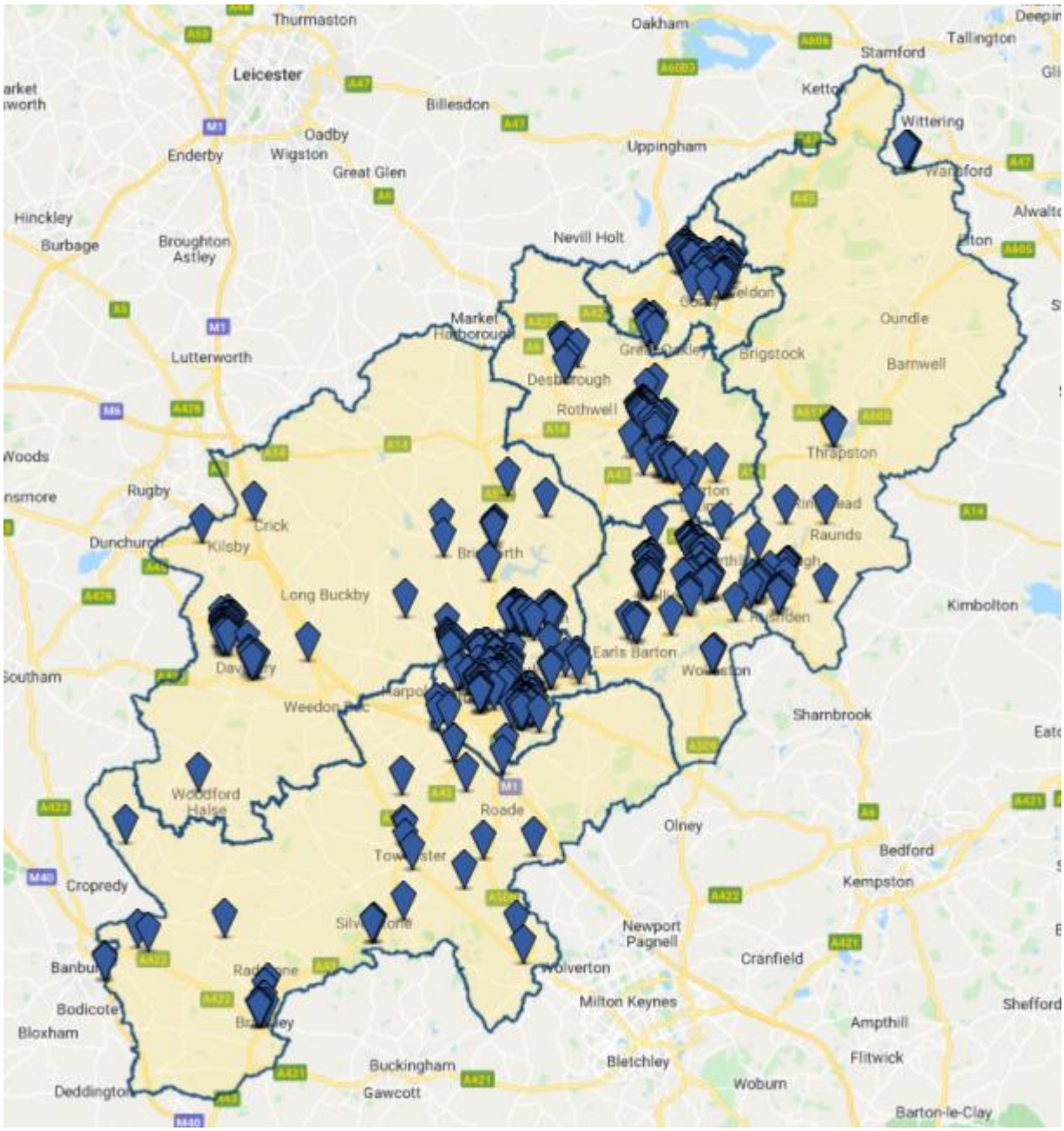

Figure 22 – Northamptonshire Manufacturing Businesses Leasing Space *(Source: CoStar)*

7.2 NORTH NORTHAMPTONSHIRE INDUSTRIAL & DISTRIBUTION MARKET TRENDS

7.2.1 The following market data is provided by CoStar (March 2022).

7.2.2 Thrapston is located within the North Nothamptonshire district which comprises of Corby, East Northamptonshire, Kettering, and Wellingborough submarkets. Specifically, Thrapston falls within East Northamptonshire submarket. The following market analysis is focused on the North Nothamptonshire market with specific commentary on the East Northamptonshire submarket where appropriate.

Figure 23 – North Northamptonshire District *(Source: CoStar)*

7.2.3 The East Northamptonshire submarket links with the A14 corridor which connects the M1 to the west (providing for north south connections) and Felixstowe to the east. It also provides access to the A1(M) providing links to Peterborough and London.

Figure 24 – East Northamptonshire Submarket *(Source: CoStar)*

7.3 GENERAL INVENTORY

7.3.1 Northamptonshire has an inventory of 104m sq. ft. of general industrial floorspace with a 2.9% increase over the last 12 months (previously recorded at 101m sq. ft.). This includes some 2,359 properties.

7.3.2 76% of overall industrial stock in Northamptonshire falls within the distribution and warehouse subcategories representing some 79.64 sq. ft. of space. Across Northamptonshire, there is a clear dominance in the warehouse and distribution unit types which is evidently reflective of the location's suitability for this type of accommodation and demonstrates a strong link to the 'golden triangle' credentials. It is though important to note the combined amount of manufacturing type spaces in the area equating to around 16.1m sq. ft. or around 15% of the total inventory for Northamptonshire.

Type	No.	Av. Star Rating	NIA (Sq. Ft.)	Sq. Ft. % of Total
Warehouse	942	3	44,008,024	42
Distribution	159	3	35,631,873	34
Manufacturing	62	3	11,333,671	11
Other / Unknown	113	3	5,392,305	5
Light Manufacturing / Industrial	182	2	4,764,188	5
Service	518	2	3,056,371	3
Total	**1,976**		**104,186,432**	**100**

Table 1 – Northamptonshire Inventory – By Type *(Source: CoStar)*

7.3.3 North Northamptonshire has an inventory of 50.9m sq. ft. of general industrial floorspace recorded with a 2.3% increase over the last 12 months (previously recorded at 49.8m sq. ft.). Within this there is around 9.63 m sq. ft. of light manufacturing and manufacturing space.

7.3.4 This total inventory is made up of the various submarkets as summarised below:

- **Corby:** 19.2m sq. ft. inventory (up 0.1% over the last 12 months)
- **Wellingborough:** 11.5m sq. ft. inventory (up 6.6% over the last 12 months)
- **East Northamptonshire:** 10.5m sq. ft. inventory (up 0.6% over the last 12 months)
- **Kettering:** 9.7m sq. ft. inventory (up 3.6% over the last 12 months)

7.4 SUPPLY – EXISTING

7.4.1 Looking at the North Nothamptonshire area in more detail, it is apparent that, on a submarket basis warehousing makes up most of the building uses within East Northamptonshire, Kettering, and Wellingborough in terms of the quantum of space. In Kettering and Wellingborough the amount of warehouse space is roughly double that of distribution space however in East Northamptonshire (where the site is located) there is a much more even split between warehouse and distribution accommodation.

7.4.2 The average distribution unit size in East Northamptonshire is around 300,500 sq. ft. compared to 54,000 sq. ft. for warehouse units. This is higher than the average in Corby (252,000 sq. ft.) and Wellingborough (216,000 sq. ft.) although slightly below Kettering. This average size of existing distribution units in the East Northamptonshire helps demonstrate where market demand has been previously and gives a good indication of the size of space sought in this location going forwards by comparison to adjoining sub-districts.

7.4.3 Manufacturing, light manufacturing and industrial uses are relatively well represented in these areas with around 5.2m sq. ft. in Corby (more than warehouse space), 1.3m sq. ft. in East Northamptonshire, 2.1m sq. ft. in Kettering and 1.3m sq. ft. in Wellingborough.

7.4.4 Around 84% of existing, available space provides no more than 40,000 sq. ft. of industrial accommodation highlighting a sever undersupply in the market for businesses seeking space of this size or above.

7.4.5 The amount of available space in these submarkets is limited. Corby has the lowest availability rate at around 1.7% with East Northamptonshire and Kettering at similar levels (2.7%-2.8%). Wellingborough has the highest availability rate within the existing stock pool at 9.3%.

7.4.6 Kettering and East Northamptonshire have the lowest levels of available space in the areas assessed with around 267,000 sq. ft. to 295,000 sq. ft. respectfully.

7.4.7 Within East Northamptonshire, there are five existing and available units ranging from 4,761 sq. ft. to 141,480 sq. ft. with an average unit size of 59,000 sq. ft. Of these, there are only two buildings with availability of over 50,000 sq. ft. and only one offering more than 100,000 sq. ft. of space. These units are all located within the Rushden area linking into the A6.

7.4.8 There is no existing space available in the wider Thrapston area as shown in Figure 25.

Figure 25 – Existing Industrial Units – North Northamptonshire – Available Units Only

(Source: CoStar)

7.4.9 Within North Northamptonshire there are only 13 existing general industrial spaces available that offer at least 50,000 sq. ft. of space and 11 that offer at least 100,000 sq. ft. of space.

7.4.10 There is a clear lack of existing industrial & logistics buildings that are available along the A14 corridor that offer 50,000 sq. ft. or more of space.

Figure 26 – North Northamptonshire Available & Existing Industrial Units 50,000 sq. ft. + *(Source: CoStar)*

7.5 STOCK AGE

7.5.1 Across all existing industrial buildings over Northamptonshire the average date of construction (where known) is 1984. Some 46.65m sq. ft. has been built since 2000 which is around 45% of all existing space in the area.

7.5.2 In North Northamptonshire there is an oversupply of old space with the average date of construction being 1988. A number of these buildings will be beyond their useful life with existing occupiers requiring modern, energy efficient, fit for purpose spaces to be moving into. However, only 30% of buildings in the area have been built since the year 2000 and despite this, a number of these are likely to now be falling behind when it comes to energy efficiency.

7.5.3 Most of the proposed buildings at Thrapston Business Park are between 60,000 and 220,000 sq. ft. Within this scale of space, the average build date for existing buildings in the North Northamptonshire area is 1994 with only 21% of buildings having been built in the last 10 years. Evidently, there is a lack of modern accommodation in the area within the scale of space proposed.

7.5.4 As it stands, it is illegal to let a commercial property that has an EPC rating of F or G under a new lease or lease renewal. This is being extended to existing leases from April 2023. Furthermore, from April 2027 landlords must ensure that commercial properties have an Energy Performance Certificate of falling within Band C or above increasing to a Band B from 2030. If a property falls below this level, then landlords must obtain another EPC to show that the building has been improved to a Band C or have achieved the best available taking a reasonable view as to cost.

7.5.5 The requirement to upgrade buildings to achieve a Band B will have significant cost implications for landlords which, in turn, may in part be passed to tenants. This is likely to result in tenants seeking alternative buildings that are already at the required standard to avoid the burden of the cost of upgrades or the disruption to their operations as works are undertaken around them or before they can take occupation of the building under a new lease.

7.5.6 Ever increasing energy costs and the greater focus on a buildings energy efficiency from an occupier and purchasers perspective will add greater focus on the need for energy efficient buildings to replace aging stock that falls below par.

7.6 SUPPLY – UNDER CONSTRUCTION

7.6.1 Across Northamptonshire there are 33 properties under construction totalling around 6.2m sq. ft. There has been a significant increase in buildings under construction over the last 12 months as developers seek to respond to market demand for this type of accommodation in the area.

7.6.2 Around 85% of this space under construction is classified as warehouse accommodation with the remainder within the distribution sector. This highlights the dominance of these sectors in the area and the delivery of such space answering the demand for it.

7.6.3 Within East Northamptonshire there no buildings recorded on CoStar as being under construction highlighting the severe lack of pipeline development in the area. This lack of space being delivered hampers the growth prospects of businesses in the East Northamptonshire and particularly those that require space along the A14 to benefit from the national connections that it delivers.

7.6.4 The space that is being delivered over this area falls within the distribution and warehouse sectors with no space being provided that is targeted at the manufacturing industries. This is despite the strong representation of manufacturing businesses in the area. Given this, it is important to address this lack of supply by delivering buildings that benefit from a manufacturing use class in addition to the warehouse and distribution use classes to help support this well represented market.

Secondary Type	No	NIA	Total Available Space (SF)	Year Built	Submarket Name
Distribution	2	410,490		2021-2023	Corby
Warehouse	5	378,031	215,531	2022	
Manufacturing	-	-	-	-	
Other / Unknown	-	-	-	-	
Light Manufacturing / Industrial	-	-	-	-	
Service	-	-	-	-	
TOTAL	**7**	**788,521**	**215,531**		
Distribution	-	-	-	-	East Northamptonshire
Warehouse	-	-	-	-	
Manufacturing	-	-	-	-	
Other / Unknown	-	-	-	-	
Light Manufacturing / Industrial	-	-	-	-	
Service	-	-	-	-	
TOTAL	**0**	**-**	**-**	**-**	
Distribution	-	-	-	-	Kettering
Warehouse	2	1,402,500	1,402,500	2022-2023	
Manufacturing	-	-	-	-	
Other / Unknown	-	-	-	-	
Light Manufacturing / Industrial	-	-	-	-	
Service	-	-	-	-	
TOTAL	**2**	**1,402,500**	**1,402,500**		
Distribution	-	-	-	-	Wellingborough
Warehouse	4	318,455	308,793	2022	
Manufacturing	-	-	-	-	
Other / Unknown	-	-	-	-	
Light Manufacturing / Industrial	-	-	-	-	
Service	-	-	-	-	
TOTAL	**4**	**318,455**	**308,793**		

Table 2 – Units Under Construction - North Northamptonshire *(Source: CoStar)*

Figure 27 – Industrial Units Under Construction – North Northamptonshire Sub-Market
KEY: Available Space (Dark Diamond). No Availability (Light Diamond). *(Source: CoStar)*

7.7 SUPPLY – PROPOSED

7.7.1 Across North Northamptonshire there are 17 proposed industrial and manufacturing buildings with potential to provide more than 60,000 sq. ft. each (a scale in line with the smallest warehouse / distribution / manufacturing buildings at Thrapston Business Park).

7.7.2 These proposed buildings are mostly situated on five development sites:

- Mulberry Logistics Park, Corby
- Symmetry Park, Kettering
- Segro Park, Kettering Gateway, Kettering
- Magnetic Park, Kettering

- Prologis Park, Wellingborough West, Wellingborough

7.7.3 The remaining proposed schemes are either standalone buildings or smaller scale development sites located at:

- 15 Princewood Road, Corby
- Ogee Business Park, Finedon Road, Wellingborough
- Stamford Road, Kettering

7.7.4 There are no consented and proposed developments within East Northamptonshire. This again highlights the severe lack of pipeline development opportunities for businesses seeking space in the area with strong A14 connections. Furthermore, only two of these proposed developments (Princewood Road and Ogee Business Park) include proposed manufacturing facilities with the remainder focused on the warehouse and distribution sectors. This again highlights the need for consented space that can deliver much needed accommodation for the manufacturing sectors that a prevalent in the area.

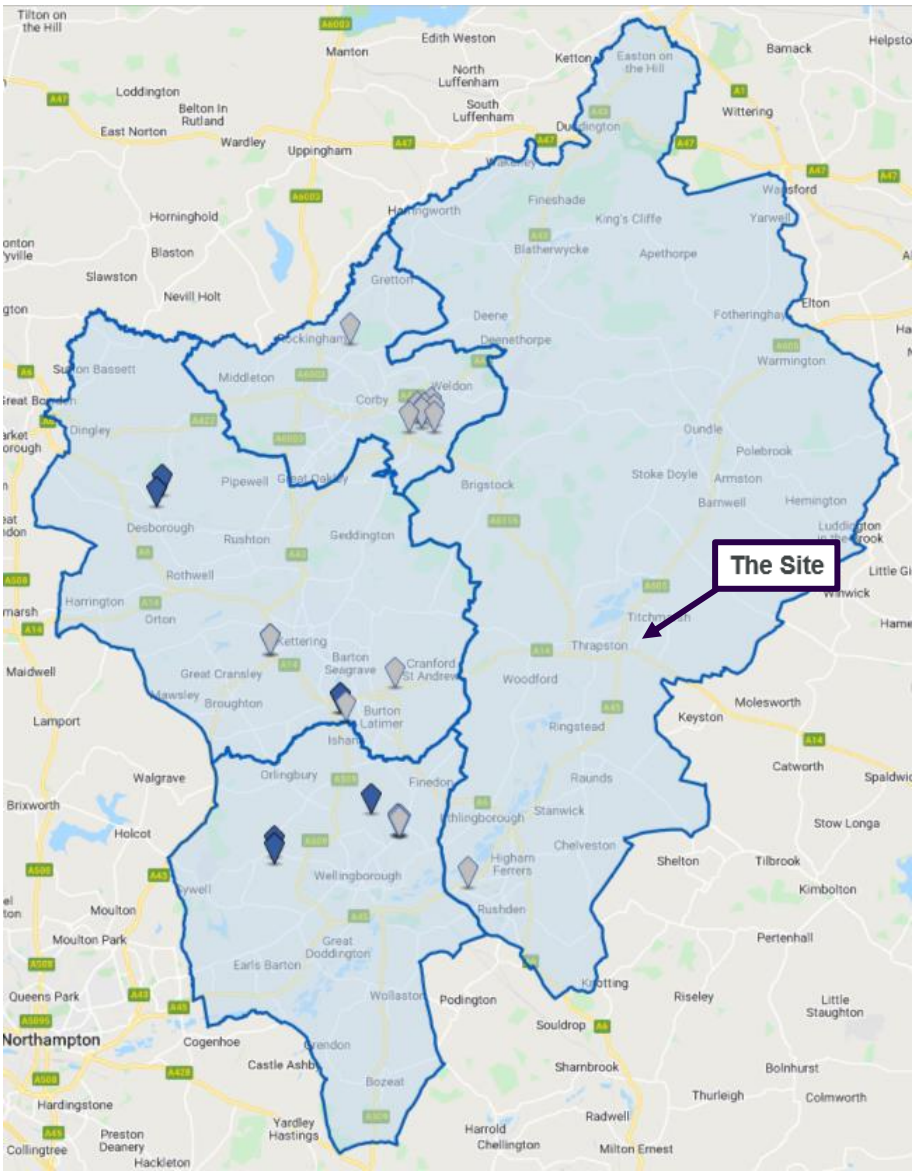

Figure 28 – Industrial Units Proposed – North Northamptonshire

KEY: Available Space (Dark Diamond). No Availability (Light Diamond). *(Source: CoStar)*

7.7.5 A review of parks with pipeline land supply has been undertaken and summarised below.

Mulberry Logistics Park, Corby

7.7.6 The site is located to the east of Midland Logistics Park and east of the A43. In total around 4.14m sq. ft. of storage and distribution space can be delivered on the site split over 6 buildings.

7.7.7 The site is not an allocated site although did have outline planning permission approved in September 2020.

7.7.8 The masterplan shows individual buildings of between 536,500 sq. ft. to 956,600 sq. ft. The site is being marketed with 600,000 sq. ft. under offer. This reduces the available space to 3.54m sq. ft. The balance is in discussion with potential occupiers prior to construction – this space is likely to be pre-let.

7.7.9 The proposed buildings at Mulberry Logistics Park are significantly larger than those proposed (and left available) at Thrapston Business Park with an average building size of 689,900 sq. ft. compared to 141,000 sq. ft. at Thrapston Business Park (ignoring the 1,074,042 sq. ft. building that is allocated to and end occupier). This differentiation in average scale highlights the difference in the type of target businesses sought at each park with Thrapston Business Park providing a range of building sizes that are not competing with those proposed at Mulberry Logistics Park.

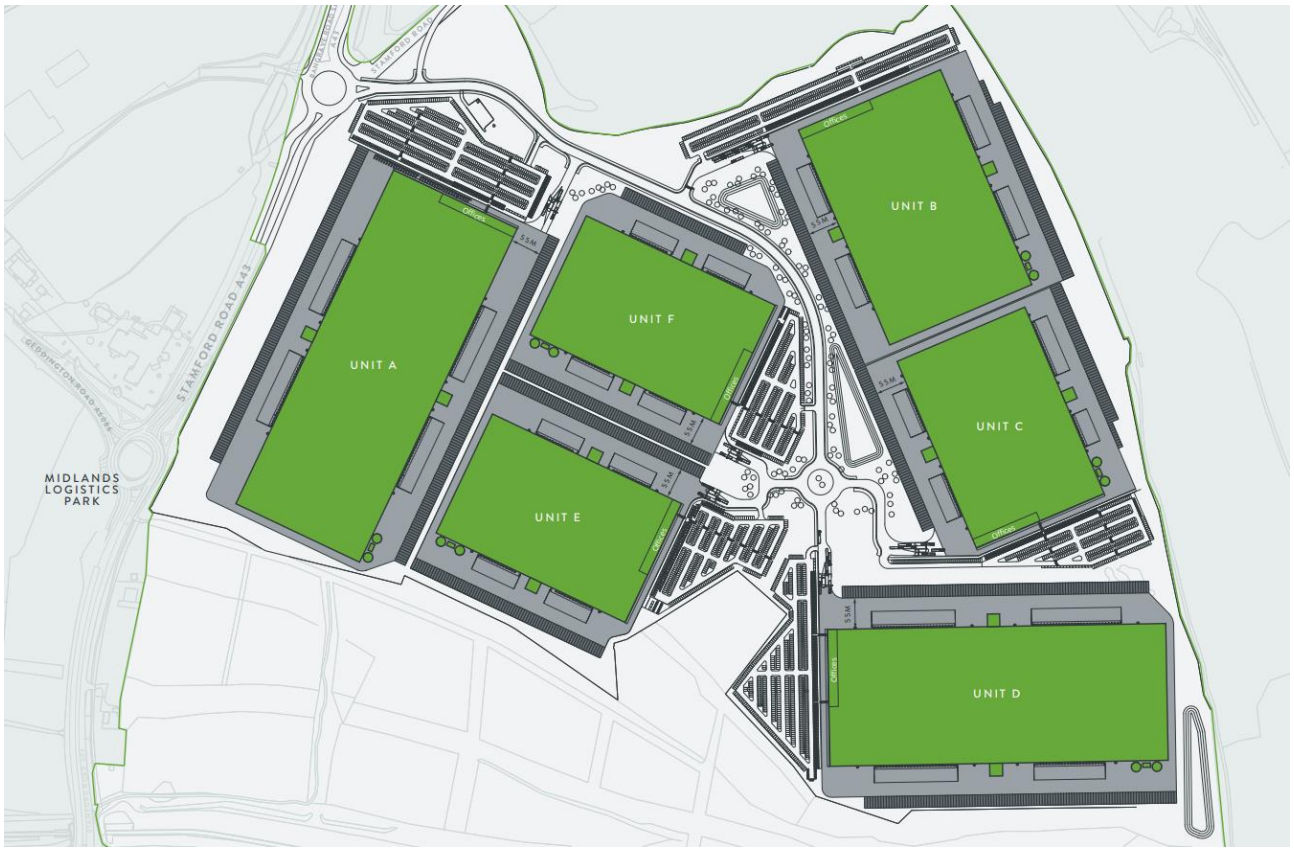

Figure 29 – Mulberry Logistics Park, Corby *(Source: Mulberry Logistics Park)*

Symmetry Park, Kettering

7.7.10 The site, located to the southeast of Kettering and adjacent to the A14, benefits from outline planning permission for up to 2.31m sq. ft. of logistics space including a max single building of 1.39m sq. ft. (129,000 sqm).

7.7.11 The onsite infrastructure works to deliver a single development plateau will conclude in the spring of 2022, with construction starting on the speculative development of a first building of 312,875 sq. ft., which will be completed by in December Q4 2022.

7.7.12 Reserved Matters Consent has also been obtained for two further buildings of 500,000 sq. ft. (cross-dock or single sided option) and 123,000 sq. ft. which could be delivered in less than 12 months from agreeing terms. Design and Build occupations requirements can be delivered to meet an occupation date during 2023.

7.7.13 There is not an updated masterplan available for the site showing the buildings under delivery (i.e. the 312,875 sq. ft.) and the three with reserved matters consent (i.e. the two 500,000 sq. ft. units and the 123,000 sq. ft. unit). Despite this, it is apparent that three of the

four buildings proposed are at between 187,000 and 282,000 sq. ft. larger than those proposed (and left available) at Thrapston Business Park. This again highlights how Thrapston Business Park is catering for a different sector of the market than is targeted by Symmetry Park especially when the manufacturing element is factored in – a use that is not being targeted at by them.

Segro Park, Kettering Gateway

7.7.14 The site, which extends to circa 70 acres, is located adjacent to J10 of the 14. Interest in the park has been strong with Plot 4B (621,803 sq. ft.) sold, Plot 4A (231,394 sq. ft.) let, Plot 3 (150,000 sq. ft.) let to Bunzl.

7.7.15 A 102,500 sq. ft. building remains available and is due to reach practical completion in September 2022 having been speculatively built. This building, and two of the others built and let / sold are of a comparable scale to those proposed at Thrapston Business Park. The fact that these completed buildings have been disposed of quickly with the last one remaining being speculatively built goes to highlight the demand in the market for this scale of space. The speculative development of the final buildings highlights Segro's confidence in disposing of it before or soon after practical completion and again reinforces the demand for this comparable scale of space in the market.

Figure 30 - Segro Park, Kettering Gateway *(Source: Segro)*

Magnetic Park, Kettering

7.7.16 Plot D is a 3.2 acre allocated, fully serviced, employment site to the rear of an established park. It can accommodate a single 60,000 sq. ft. warehouse / industrial building.

7.7.17 The building is smaller than the proposed larger format buildings at Thrapston Business Park.

Figure 31 - Magnetic Park, Kettering *(Source: Magnetic Park)*

Prologis Park, Wellingborough West

7.7.18 The site extends to 111 acres and is located off the A509. The remaining plots have detailed planning consent. It can deliver two units ranging from 113,000 – 174,000 sq. ft. or a single 334,000 sq. ft. building. These are available on a build to suit basis. Building works can commence given that infrastructure works are complete. There are two additional plots (Zone C and Zone D) however these do not have planning consent. These two zones have the long term potential to deliver circa 950,000 sq. ft. of space split between three buildings of around 154,000 – 414,000 sq. ft.

7.7.19 The site has previously delivered comparable sized buildings to those proposed on Zone B which have been disposed of to Linkline and NNR. The continuation of this scale of development reinforces the need for space around the 100,000 – 200,000 sq. ft. bracket – a scale that is proposed on several the buildings at Thrapston Business Park.

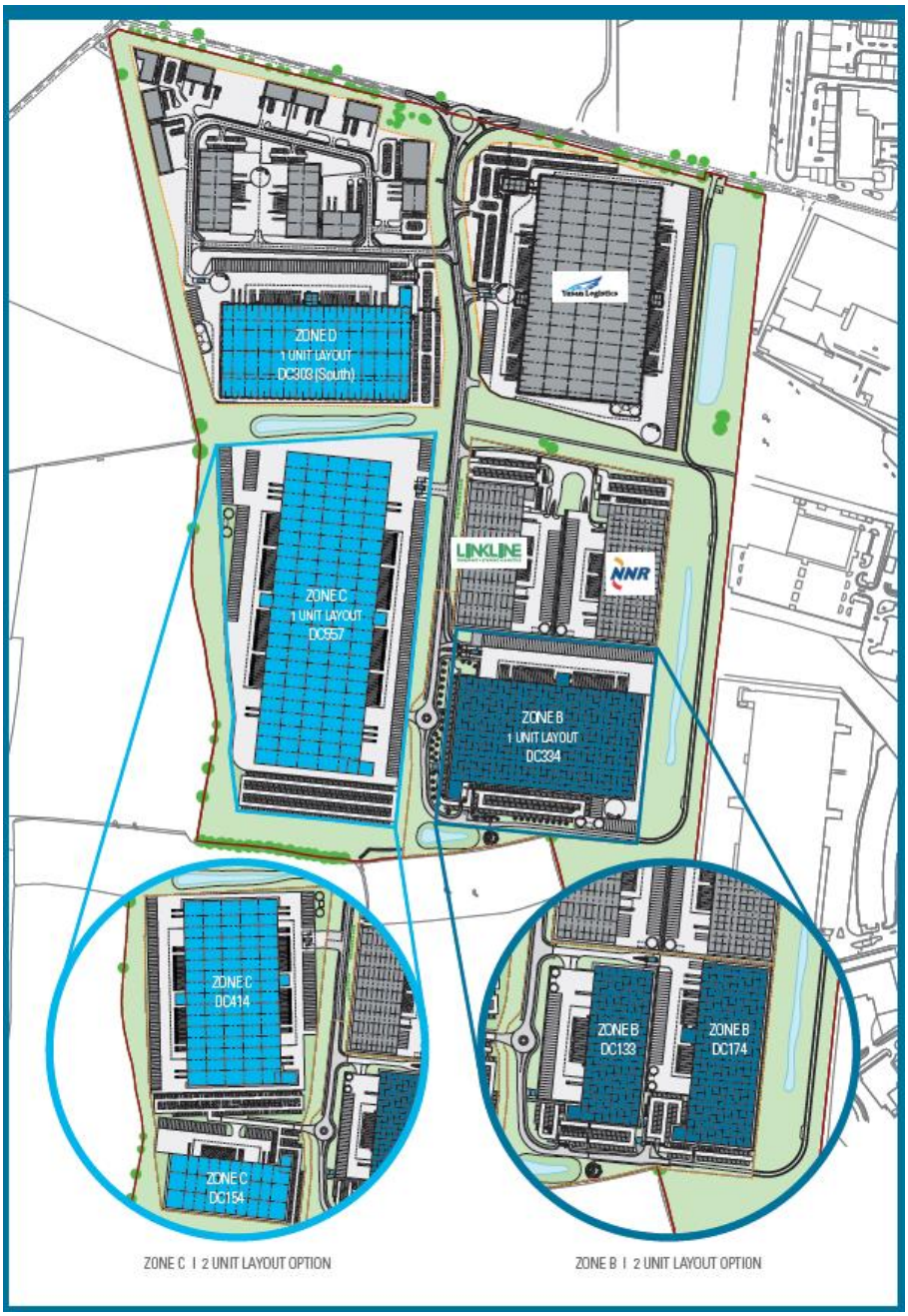

Figure 32 - Prologis Park, Wellingborough West *(Source: Prologis)*

Park Address	Pipeline Supply (Sq. Ft.)	Availability (Sq. Ft.)
Mulberry Logistics Park, Corby	4,140,000	3,700,000
Symmetry Park, Kettering	2,310,000	1,436,000
SEGRO Park, Kettering Gateway	102,500	102,500
Magnetic Park, Kettering	60,000	60,000
Prologis Park, Wellingborough West	334,000	334,000
Total	**6,945,000**	**5,632,500**

Table 3 – Pipeline Sites, Northamptonshire *(Source: Carter Jonas)*

7.8 TAKE UP

7.8.1 In the last 10 years some 56.35m sq. ft. of general industrial stock has been leased across Northamptonshire. This includes around 5.75m sq. ft. throughout 2021 and the quarter to date in 2022. On average, around 1.36m sq. ft. is taken on a quarterly basis.

7.8.2 Most of this space leased over this period falls within the distribution and warehouse sectors with some 51.38m sq. ft. falling within these use types. This includes around 5.28m sq. ft. throughout 2021 and the quarter to date in 2022. On average, around 1.25m sq. ft. is taken on a quarterly basis within the distribution and warehouse sectors.

7.8.3 Around 83% of deals (by number) involved no more than 25,000 sq. ft. of space being taken however most of the space leased in any one bracket was the 500,000 sq. ft. plus one.

7.8.4 Around 71% of total space leased (39.7m sq. ft.) involved deals of at least 100,000 sq. ft. over the last 10 years demonstrating the dominance of demand for large scale, predominantly warehouse / distribution buildings, in the area.

7.8.5 Most of the buildings proposed at Thrapston Business Park will deliver between 60,000 and 220,000 sq. ft. of space. Across Northamptonshire around 14.59m sq. ft. has been leased within this size bracket representing around 26% of all the deals to occur. The proposed buildings at Thrapston Business Park can therefore cater for a large proportion of the typical market demand seen in the area.

Size Bracket (Sq. Ft.)	Total Leased	No. of Deals	Average Deal Size
25,000 or less	8,134,608	1,496	5,438
25,001 - 50,000	3,913,064	108	36,232
50,001 - 100,000	4,566,508	62	73,653
100,001 - 200,000	8,957,001	63	142,175
200,001 - 300,000	8,124,724	33	246,204
300,001 - 400,000	3,298,353	10	329,835
400,001 - 500,000	5,354,934	12	446,245
500,000 plus	13,999,973	20	699,999
Total	**56,349,165**	**1,804**	

Table 4 – All Leasehold Take Up – Northamptonshire (Last 10 Years) *(Source: CoStar)*

7.8.6 There has been a clustering of deals of more than 100,000 sq. ft. across the core transport routes including the M1 (Northampton / Daventry), A45 (Wellingborough), A14 corridors (Thrapston / Kettering) and A43 (Corby).

7.8.7 The 20 lease deals more than 500,000 sq. ft. have been mostly around East Northamptonshire including three along the A14, two on the A45 and one on the A43 (both leading to the A14). Others were centred around Corby and Wellingborough – likely driven by the delivery of speculative development in these locations.

7.8.8 The strong clustering across East Northamptonshire further demonstrates the suitability of this location for large scale logistics buildings in the area especially where direct (or close) links to the major A roads (such as the A14) is deliverable.

Figure 33 – General Industrial Leasehold Deals of 100,000 sq. ft. Plus *(Source: CoStar)*

Figure 34 – General Industrial Leasehold Deals of 500,000 sq. ft. Plus *(Source: CoStar)*

7.8.9 The BPF & Savills report on 'Levelling Up – The Logic of Logistics' prepared methodology built upon the principle of 'suppressed demand' that accounts for demand that has been lost due to supply shortages. The calculation of suppressed demand can then be added to historic demand projections to give a more accurate picture of likely demand into the future.

7.8.10 The suppressed demand model was used to examine 19 key industrial and logistics markets in England - many of which have historically experienced leasing demand well beyond the supply of available land and floorspace. The percentages on the table below indicate how much additional demand (as a minimum) should be planned for in the future within each market above historic levels.

7.8.11 For the area in question, the report found that surrounding areas to Thrapston Business Park had between a 9% and 70% suppressed demand uplift (A14/A1M: 9%. Northampton: 20%. Corby: 70%). This is a significant suppressed demand that the site is well placed to rectify on delivery.

7.8.12 The report added that "The above suppressed demand figures should be considered minimums as their focus is on correcting past trends by accounting for lost demand due to historic supply constraints. This more accurate historic trend should also be uplifted further to account for current day and future demand drivers (e.g. online retailing growth and growth in freight volumes).

Market	Supressed demand uplift %
A1/A614	38%
A14/A1(M)	9%
Birmingham/M65	29%
Blackburn/M65	30%
Corby	70%
Coventry	21%
Derby	30%
Leeds	42%
Liverpool	7%
Luton	72%
Manchester	35%
Northampton	20%
Nottingham/M1	28%
Preston	32%
Sheffield/Doncaster	27%
Stoke/Stafford	29%
The Humber	24%
Warrington	6%

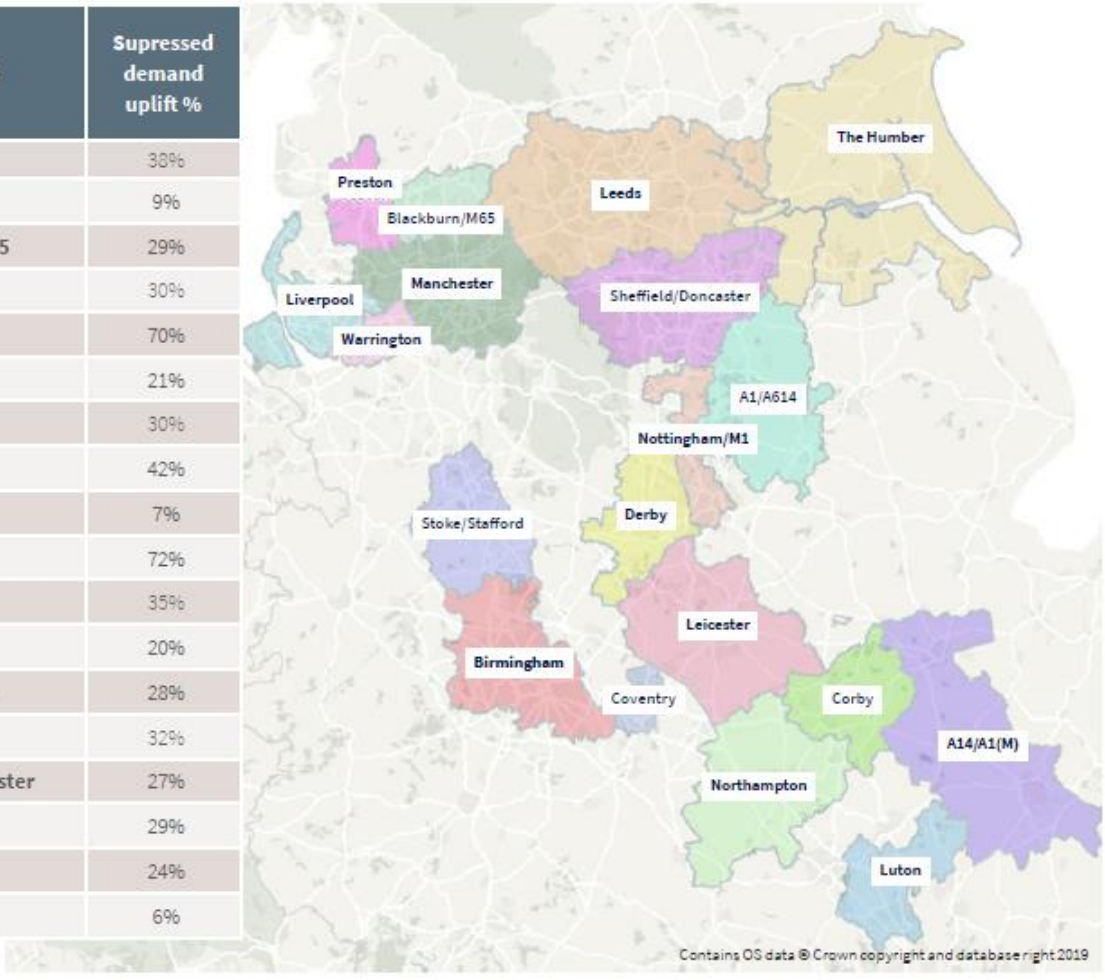

Figure 35 – Supressed Demand Uplift % *(Source: Savills 2021)*

7.9 AVAILABILITY & VACANCY RATES

7.9.1 The vacancy rate has fallen from a peak of 13.3% in Q2 2010 to a low in Q1 2017 of 2.3%. Vacancy rates subsequently increased to 5.4% in Q1 2020 although have fallen since to 2.6% by the end of Q1 2022.

7.9.2 Since Q2 2015 the vacancy rate has remained below 4% (apart from one small increase in Q1 2020 to 5.4% (driven by the delivery of speculatively built space).

7.9.3 Availability rates have fallen from 15.6% in Q3 2009 to a low of 3.2% in Q1 2017. Availability rates broadly remained at that level until Q3 2019.

7.9.4 Availability rates increased to 9.0% by Q2 2020 – driven principally by the speculative development of space in response to market demand and historically low availability rates. Availability rates subsequently fell as this speculatively built space was disposed of and now remain at 4.3%.

7.9.5 As have been addressed in Section 6.3. there is significant importance around the availability rate. Although that reports findings considered suppression of demand at a national level when availability rates fall below 8%, the principal still applies at a regional and local level where an under supply of space suppresses demand and absorption rates in the market.

7.9.6 For several years now, the availability rate has been well below 6% across Northamptonshire only recently going over that rate on the back of speculative development in the area. If additional space is not brought into the market demand will remain suppressed in the area.

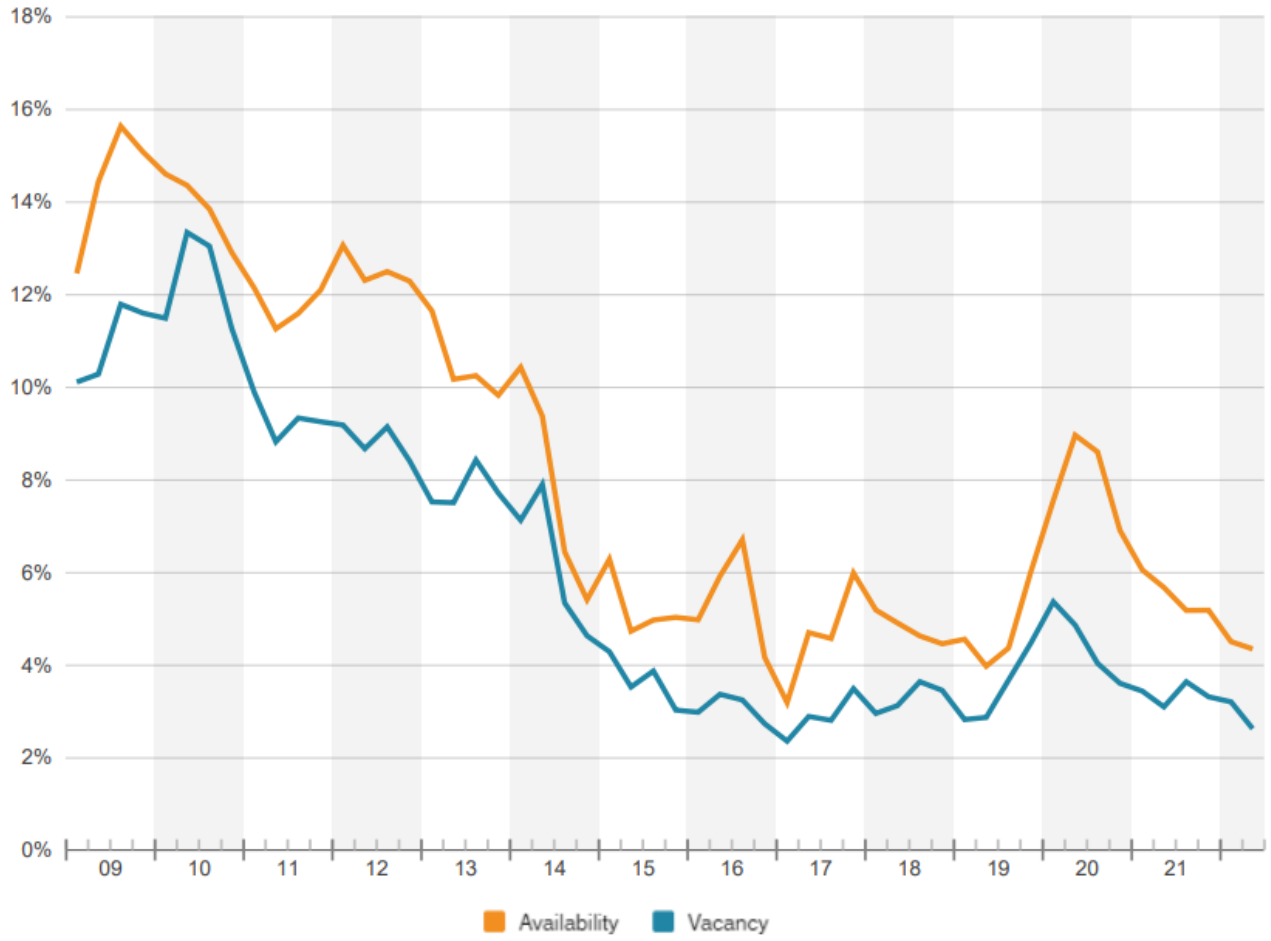

Figure 36 – General Existing Industrial Availability & Vacancy Rates – Northamptonshire (All Sizes) *(Source: CoStar)*

7.9.7 Vacancy rates for large units (i.e. those over 100,000 sq. ft.) currently stand at 2.1% in Q1 2022 which follows a decline since a recent high of 6.5% in Q2 2020. Generally these large units have seen a low vacancy rate of between 2% and 4% since Q1 2015 dropping to a 10 year low of 1.2% in Q1 2017.

7.9.8 Throughout 2017 and onwards there was around 7.3m sq. ft. built of which 5.66m sq. ft involved buildings of at least 100,000 sq. ft. each. This resulted in the spike in the availability rate although the strong demand for space quickly saw this speculatively built space taken helping to bring down the vacancy rate once more to the in line with the 5 year vacancy rate average.

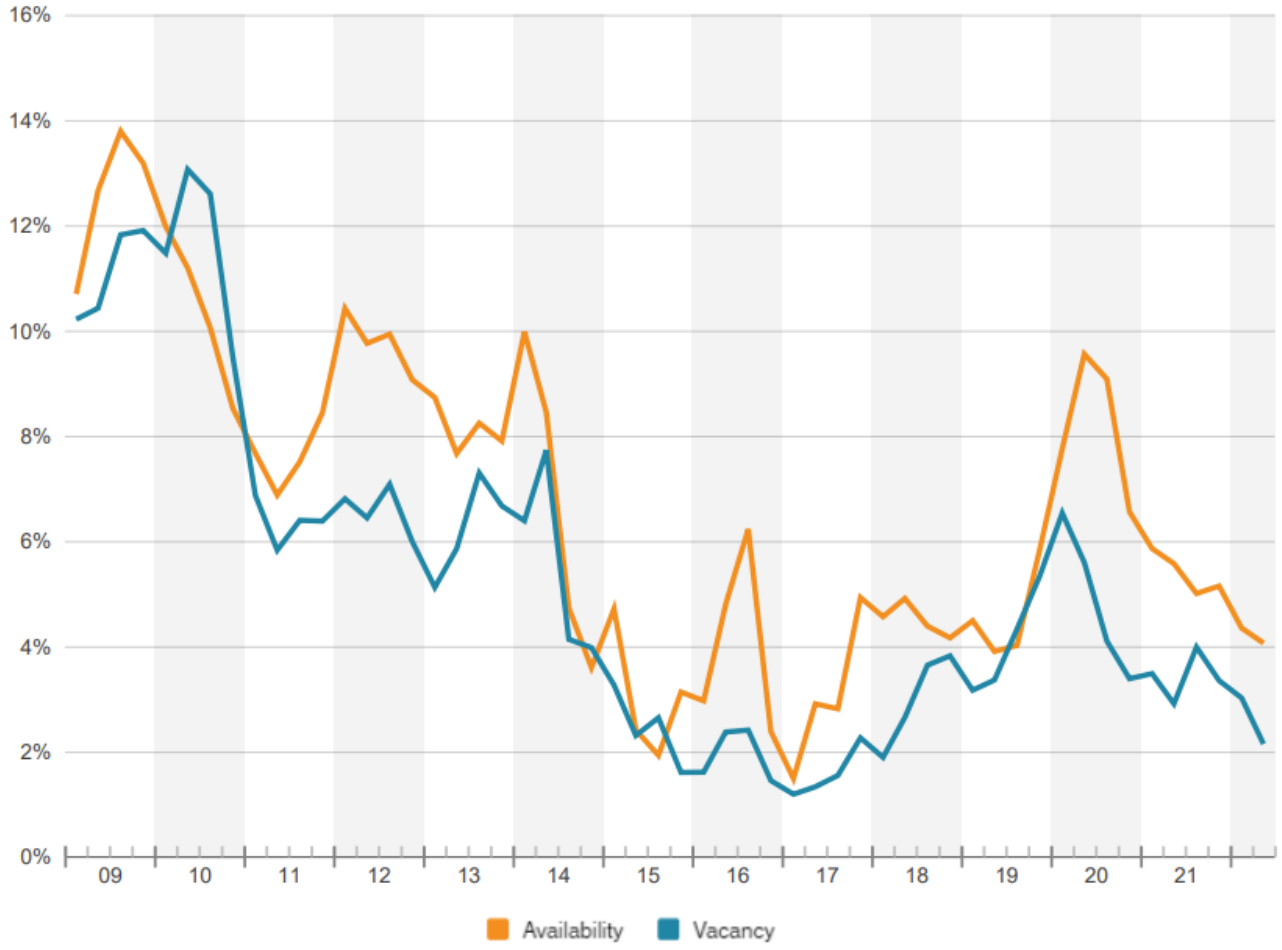

Figure 37 – General Existing Industrial Vacancy Rate – Northamptonshire (100,000 sq. ft. plus) *(Source: CoStar)*

7.9.9 The vacancy rate for buildings over 100,000 sq. ft. in East Northamptonshire is the lowest across the board currently standing at 0.3%. This follows a long stretch of 0% vacancy rate from Q1 2017.

7.9.10 The demonstrates that demand for space in East Northamptonshire is strong with any new space delivered in the area most likely delivered on a fully pre-let basis with limited churn of existing space becoming available to existing or new occupiers. This very low vacancy rate sits in contrast with that of Northamptonshire and North Northamptonshire where levels here have generally been around 2-3%.

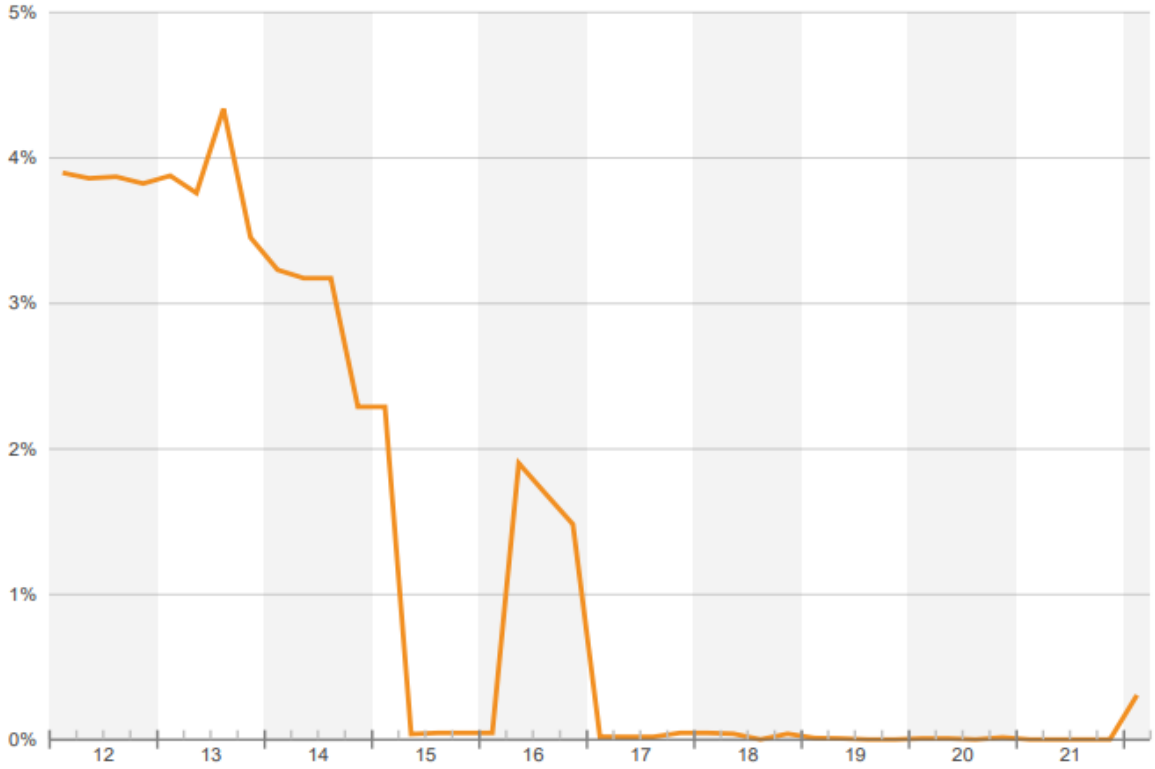

Figure 38 – General Industrial Vacancy Rate – East Northamptonshire (100,000 sq. ft. plus) *(Source: CoStar)*

7.10 MARKET RENT

7.10.1 Northamptonshire wide market rents have increased rapidly from Q1 2012 where they were at £4.13 per sq. ft. on average. Market rent for warehouse / distribution units over Northamptonshire now stand at an average of £7.37 per sq. ft. – significantly higher than they were 10 years ago.

7.10.2 When demand cannot be fully satisfied occupiers vie for limited available space pushing up rents. The rapidly rising rents seen in Northamptonshire is a clear indication of an in balance between demand exceeding supply.

7.10.3 Units of 100,000 sq. ft. plus have nearly directly mirrored the average rent trend for Northamptonshire rising from £4.19 per sq. ft. in Q1 2012 to £7.43 per sq. ft. by Q1 2022.

7.10.4 Market rents for units of 100,000 sq. ft. across the North Northamptonshire area are broadly similar with Kettering seeing the highest average rent and Wellingborough the lowest. On a blended basis this equates to £7.76 per sq. ft. for the area.

- Kettering: £7.34 per sq. ft.
- Corby: £6.76 per sq. ft.
- East Northamptonshire: £6.69 per sq. ft.
- Wellingborough: £6.41 per sq. ft.

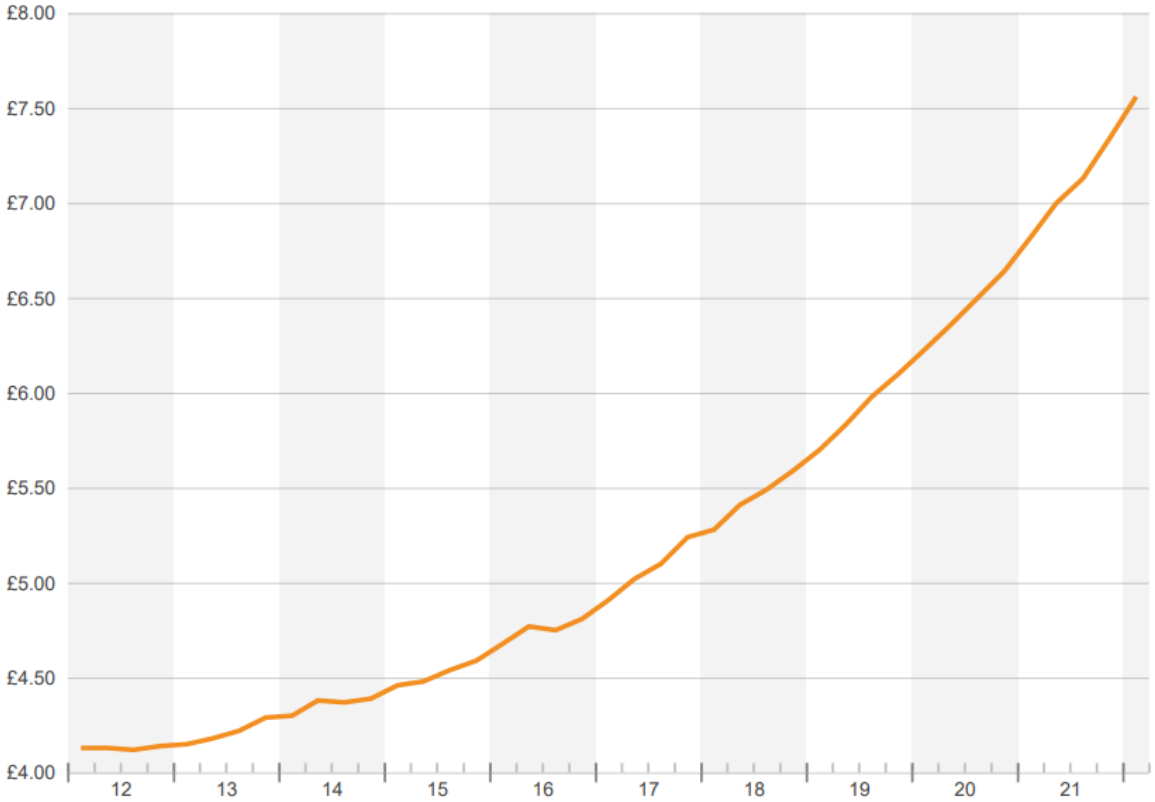

Figure 39 – Market Rent – Northamptonshire (All Unit Sizes) *(Source: CoStar)*

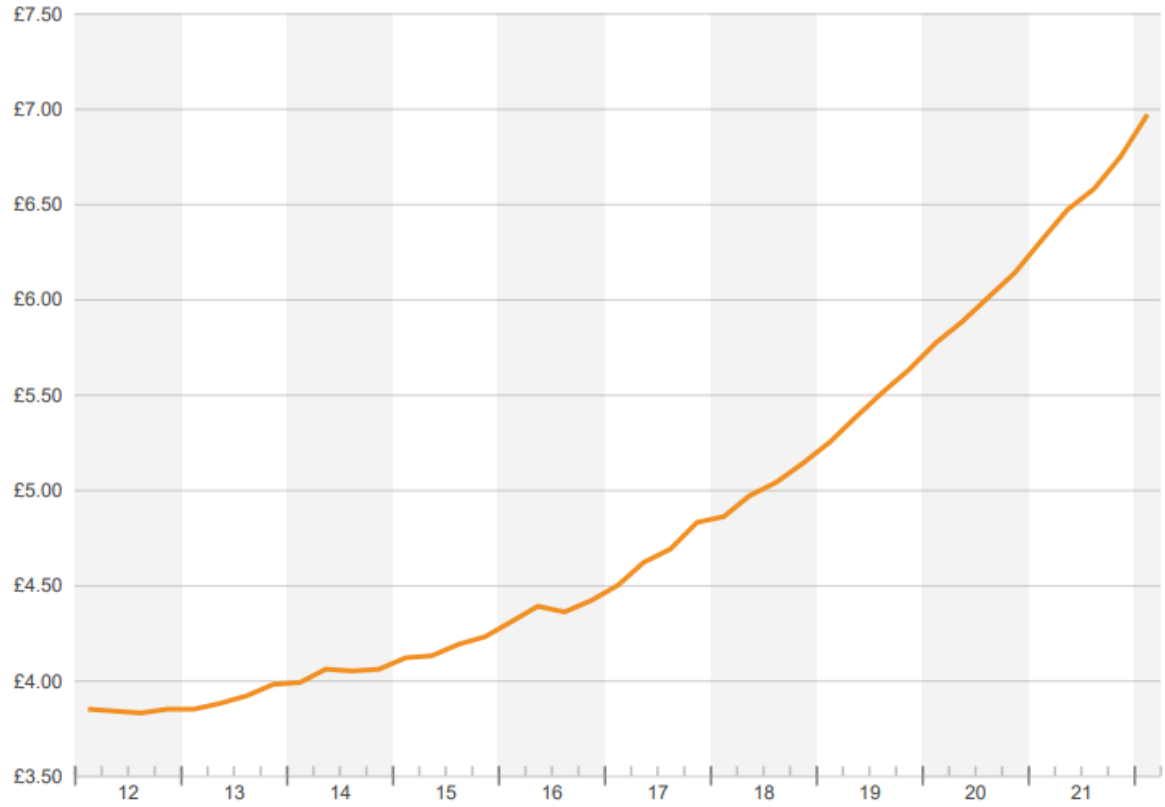

Figure 40 – Market Rent – North Northamptonshire (100,000 sq. ft. plus) *(Source: CoStar)*

APPENDIX 3:

INDUSTRIAL & LOGISTICS MARKET ANALYSIS – LOCALISED NEED

8.0 INDUSTRIAL & LOGISTICS MARKET ANALYSIS – LOCALISED NEED

8.1 OVERVIEW

8.1.1 The market for industrial floorspace in the local area is examined here in the context of the 'local industrial market area'. The 'local industrial market area' in this context is outlined in Figure 43. It is based on a 10 mile radius from Thrapston encompassing Thrapston, Corby, Kettering, Wellingborough, Spaldwick and Oundle. The search circumference looks to capture the area in which small to medium scale business are currently based around Thrapston with the distance a realistic distance to relocate within.

8.1.2 Market analysis has been limited to buildings of 25,000 sq. ft. or less within the distribution, warehouse, light industrial, light manufacturing, manufacturing, and service sub sectors. Buildings up to this size are most sought after by small to medium scale businesses in the sectors focused on.

8.1.3 Thrapston Business Park proposes to deliver much needed space, at a scale that is highly sought after, to support the growth of local small to medium scale businesses. In total there will be six units of 2,500 sq. ft. each with one at 13,803 sq. ft. and one at 17,779 sq. ft.

8.1.4 The buildings will appeal to a wide range of businesses covering a variety of types from local trades to those within the light industrial, manufacturing and distribution sectors.

8.1.5 These flexible and adaptable units will deliver exactly the market requires. The largest two units will benefit from HGV access with all units fitted with roller shutter door access and capped services allowing end occupiers to fit out the space to suit their needs.

8.1.6 The units will be available on a freehold basis. Given their scale and therefore anticipated asking price it is more than likely that they will fall within the typical purchasing power of a Self-Investment Personal Pension allowing businesses to own the business premises from which they are operating from. This is a highly desirable option and one that is often sought after at this scale of business space.

8.1.7 In addition, consideration is being put towards all-inclusive leases to take the hassle out of renting a unit freeing up time for small businesses to focus purely on their business growth rather than having to worry about dealing with matters arising with the running of the building and estate.

8.1.8 New developments of this scale are rare with only one proposed comparable development in the search area and two others within the wider North Northamptonshire area. These wider developments include six units (3 x 1,302 sq. ft. units and 3 x 5,076 sq. ft. units) at Boundary Road, Brackley (43 miles from the site) and the other at Cransley Court, Kettering (11 miles from the site) which comprises of 12,500 sq. ft. (c. 3,215 sq. ft. each) divided between four units in a similar format to that proposed at Thrapston Business Park.

Figure 41 - Cransley Court, Kettering *(Source: Cransley Court)*

8.1.9 There are only seven developments under construction offering space up to 25,000 sq. ft. across the whole of North Northamptonshire. One of these developments is Deer Park, Molton Park, Northampton where eight units will be delivered ranging in size from 1,075 sq. ft. to 5,115 sq. ft. These developments that are under construction follow a very similar same format to those proposed at Thrapston Business Park – typically terrace(s) with adjacent car parking spaces and minimal yard areas in front of the unit mainly for ease of delivery and collection of goods.

Figure 42 - Deer Park, Molton Park, Northampton *(Source: Deer Park)*

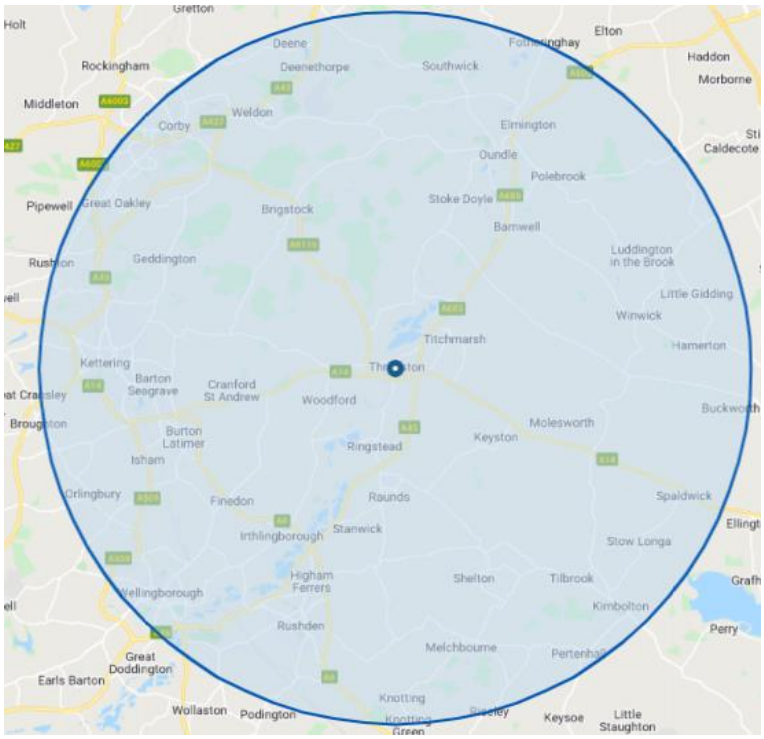

Figure 43 - Local Industrial Market Area *(Source: CoStar)*

8.2 GENERAL INVENTORY

8.2.1 Within the local market area there is around 4m sq. ft. of space as a total inventory (i.e. existing / proposed / under construction etc.) with clusters of buildings around Thrapston, Corby, Kettering, Wellingborough, Spaldwick and Oundle. This is divided between 422 properties falling within the general industrial categories listed.

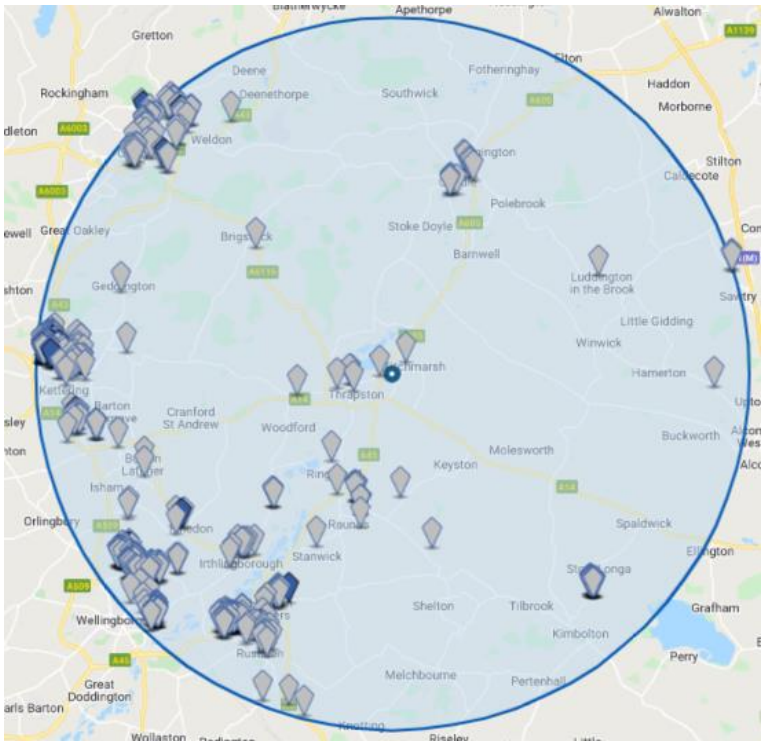

Figure 44 - General Inventory Local Industrial Market Area *(Source: CoStar)*

8.3 SUPPLY – EXISTING

8.3.1 There is around 3.94m sq. ft. of existing space within the local search area divided between 417 properties.

8.3.2 There are 128 units below 5,000 sq. ft. representing the largest number of units within any one size bracket group followed by 124 units within the 5,001 – 10,000 sq. ft. bracket.

8.3.3 The largest amount of existing space falls within the 10,001 – 15,000 sq. ft. bracket at some 1.07m sq. ft. This represents around 27% of the total existing supply.

8.3.4 The number of larger units (i.e. those of 15,000 sq. ft. plus) is low by comparison to the other size brackets.

Existing Unit Size Breakdown			
Size (Sq. Ft.)	**Number of Units**	**Total Amount (Sq. Ft.)**	**Average Size**
0-2,500	45	69,752	1,550.04
2501 - 5,000	83	309,018	3,723.11
5,001 - 10,000	124	903,484	7,286.16
10,001 - 15,000	85	1,065,267	12,532.55
15,001 - 20,000	40	709,670	17,741.75
20,001 - 25,000	40	886,200	22,155.00
TOTAL	**417**	**3,943,391**	

Table 5 – Existing Unit Size Breakdown *(Source: CoStar)*

8.4 STOCK AGE

8.4.1 The average date of construction (where known) for all general industrial properties in the local search area is 1981. Given this, it is likely that a large proportion of the existing stock will have low EPC ratings, will be made up of energy inefficient buildings and require significant expenditure to bring them up to the required minimum standards by the deadlines set. Local businesses will be in real need of modern, fit for purpose, and energy efficient accommodation that is currently lacking in the area.

8.4.2 Only 68 buildings have been delivered since the year 2000 representing around 813,000 sq. ft. (or 22% of the total inventory of buildings with a known construction date). This is a relatively small amount – further highlighting the lack of modern buildings in the area.

8.4.3 These buildings (i.e. those built from 2000 onwards) average 11,950 sq. ft. in size. There has been a steady trend towards buildings larger buildings over the years with a jump from around 7,300 sq. ft. (on average in the 1960's or earlier), 7,600 sq. ft. in the 1970's, 10,200 in the 1980's and 10,500 sq. ft. in the 1990's. The trend towards building larger buildings is putting less focus on smaller 'start up' spaces sought by local trades to sit alongside the large scale logistics hubs so prevalent in the wider area.

8.5 SUPPLY – UNDER CONSTRUCTION

8.5.1 According to CoStar there are no buildings under construction within 10 miles of Thrapston Business Park that will deliver no more than 25,000 sq. ft. of space (although there are examples further afield). The lack of development in the local area highlights the need to bring forward much needed modern facilities for businesses in need of good quality, small scale, space to support local trades within the general industrial sectors.

8.5.2 The examples of developments in the wider area echo the design proposed at Thrapston Business Park reinforcing the fact that the development is aligned with the wider market response to this scale of space and the needs of future occupiers.

8.6 SUPPLY – PROPOSED

8.6.1 Across the search area there are 5 proposed buildings. These are all within a single terrace development referred to as Apollo Technology Park, Wellingborough. The last phase of development (Phase 2 – comprising of 10 x 1,600 sq. ft. units) was completely sold out before completion of the construction. It is anticipated that construction of Phase 3 will be starting on site within 2022.

Figure 45 – Apollo Technology Park, Wellingborough *(Source: Apollo Park)*

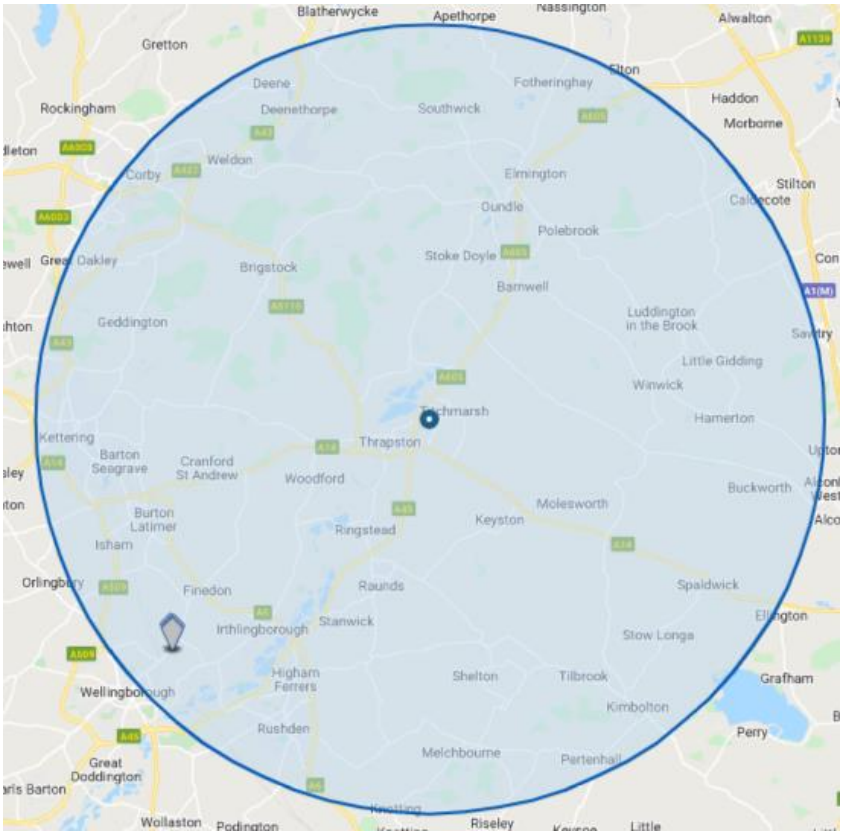

Figure 46 – Proposed Buildings Local Industrial Market Area *(Source: CoStar)*

8.7 TAKE UP

8.7.1 Leasing activity over the last 10 years within the general industrial use classes has fluctuated at between 25,000 sq. ft. and 40,000 sq. ft. take up a quarter. There have been peaks in activity in Q2 2018, Q1 2020 and Q3 2020 – this last peak seeing 83,400 sq. ft. leased in that quarter.

8.7.2 Around 2.2m sq. ft. has been leased involving deals of up to 25,000 sq. ft. over the last 10 years with around 113,000 sq. ft. leased within 2021 compared to around 248,000 sq. ft. in 2020.

8.7.3 43% of deals involved no more than 2,500 sq. ft. of space with 32% taking between 1,500 and 3,000 sq. ft.

8.7.4 The level of activity in the market has been partly constrained by the amount of available space – explored further in the following section.

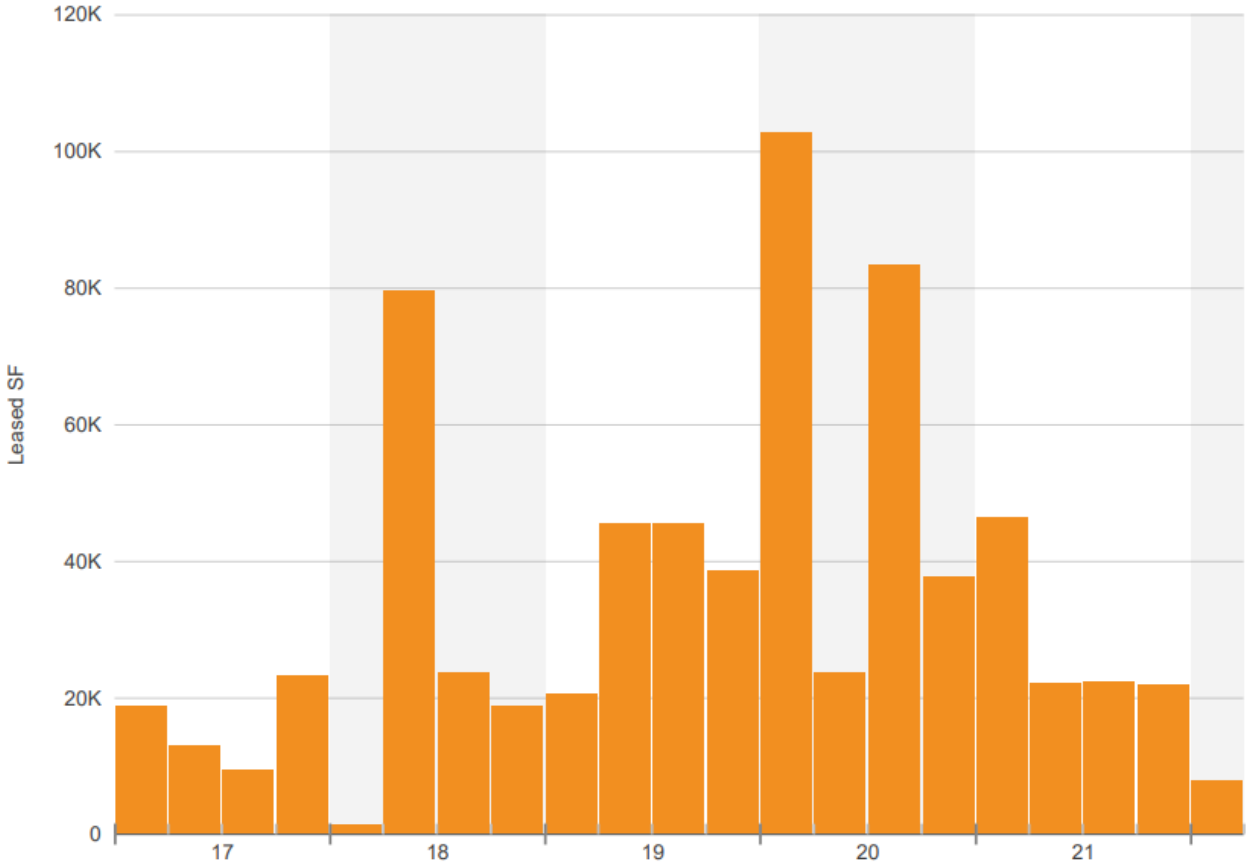

Figure 47 – Leasing Activity – Local Industrial Market Area *(Source: CoStar)*

8.7.5 The net absorption rate over the last 10 years has generally hovered between 25,000 and 50,000 sq. ft. however there has been drop during 2021 to around 10,000 – 25,000 sq. ft. per quarter. This is forecast to change in the latter part of 2022 with around 9,000 – 10,000 sq. ft. positive net absorption rate in Q2 and Q3.

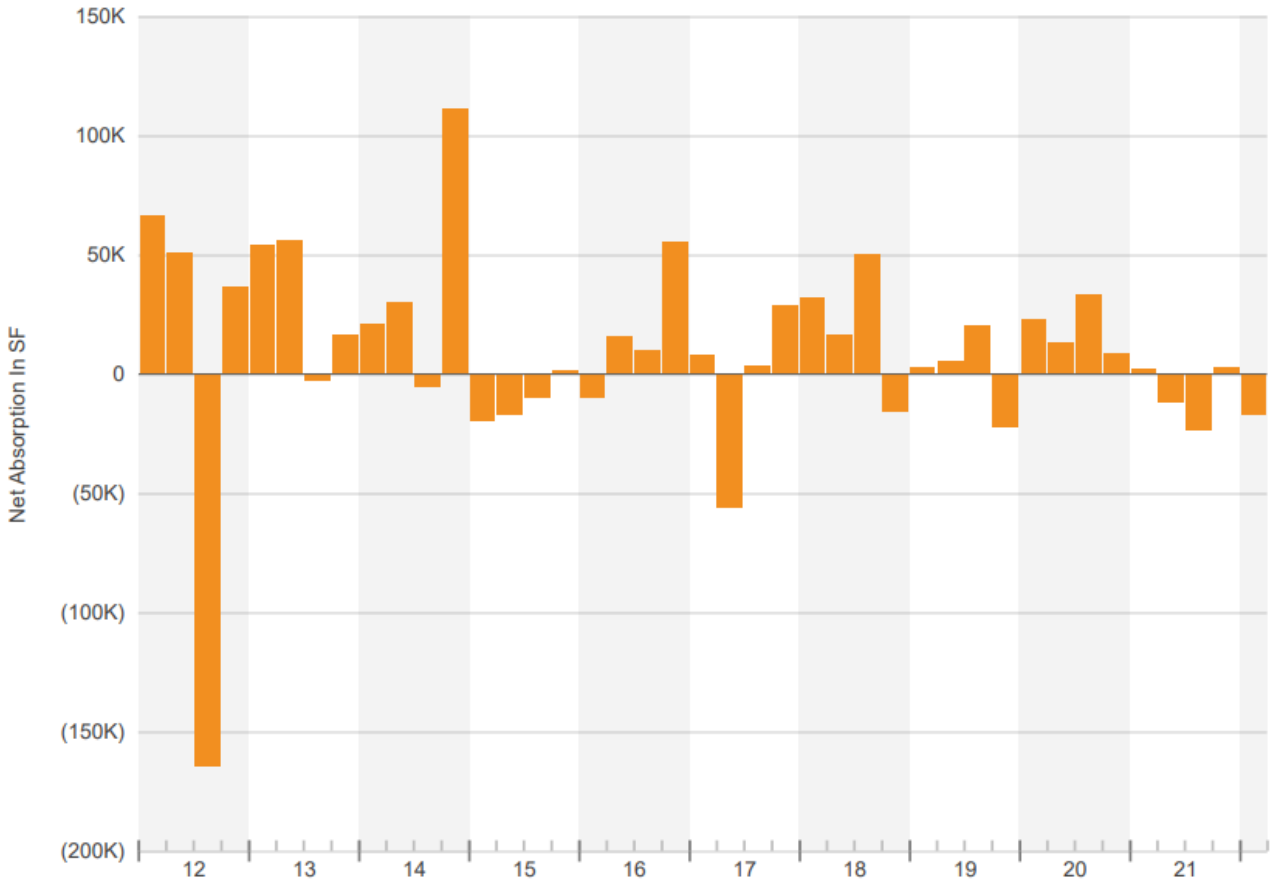

Figure 48 – Net Absorption Rate – Local Industrial Market Area *(Source: CoStar)*

8.8 AVAILABILITY / VACANCY RATES

8.8.1 As it stands there is around 104,850 sq. ft. currently available within the general industrial sectors within the local search area of which around 85,000 sq. ft. is vacant.

8.8.2 The amount of available space has been generally in decline since Q1 2012 falling from 544,800 sq. ft. (322,000 sq. ft. vacant) at that point. There was a slight rise in availability in Q4 2020 (243,600 sq. ft.) although that peak has subsided to levels typically seen since Q1 2019.

8.8.3 The availability rate has increased recently from 5.6% in Q2 2021 to 11% in Q4 2021 although it has subsequently started to fall (now at 10.5% in Q1 2022). The vacancy rate stands at 4.5%.

8.8.4 The available space within the local search area ranges in scale from 1,686 sq. ft. to 20,539 sq. ft. All these buildings are existing. The proposed buildings at Apollo Technology Park are not recorded on CoStar as available.

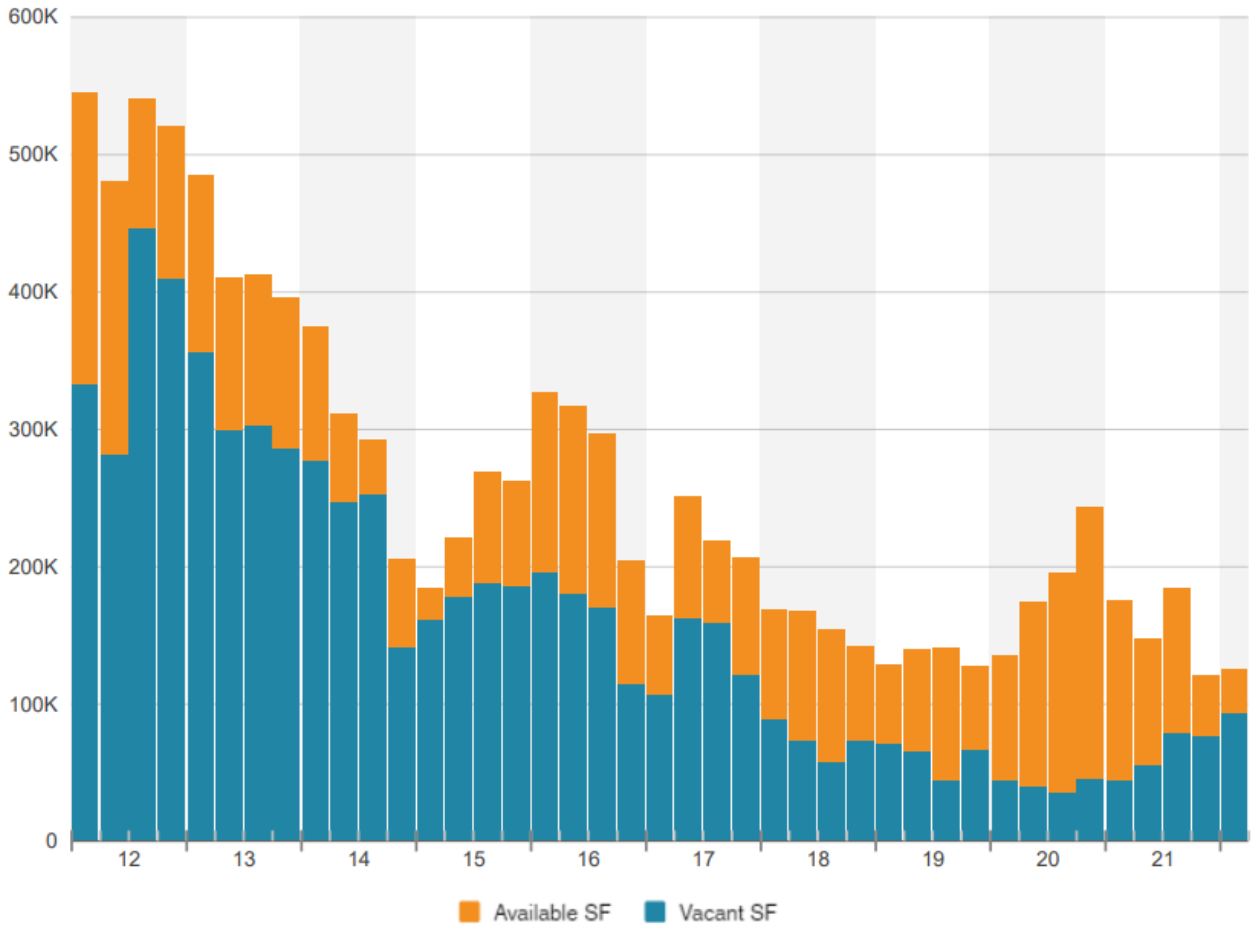

Figure 49 – Available and Vacant Sq. Ft. – Local Industrial Market Area *(Source: CoStar)*

8.8.5 There are four buildings offering up to 5,000 sq. ft. providing a total of 12,948 sq. ft. with two or less buildings within the 10,001 sq. ft. plus brackets.

8.8.6 There is evidently a lack of available space across the board but particularly within the pipeline or under construction.

Available Unit Size Breakdown			
Size (Sq. Ft.)	**Number of Units**	**Total Amount (Sq. Ft.)**	**Average Size**
0-2,500	1	1,686	1,686
2,501 - 5,000	3	11,262	3,754
5,001 - 10,000	3	27,608	9,202
10,001 - 15,000	2	25,900	12,950
15,001 - 20,000	2	17,855	8,927
20,001 - 25,000	1	20,539	20,539
TOTAL	**12**	**104,850**	

Table 6 - Available Unit Size Breakdown *(Source: CoStar)*

8.8.7 This available space is located on the periphery of the search area in locations such as Corby, Kettering, Rushden, and Wellingborough. There is no available space in the immediate surrounding areas to the site offering a good opportunity to provide much needed accommodation to this part of the local market. Moreover, given the lack of availability elsewhere it is likely that the catchment for the proposed space would go across the 10 mile search radius, if not further, as local businesses look for modern and fit for purpose space.

8.8.8 The average date of construction of these available spaces is 1979 with only one built in 2020 and one other in 2008. The remaining spaces have an average construction of 1972. This type of accommodation is likely to be reaching the end of its usable life and unlikely to be fit for purpose.

Figure 50 – Available Space - Local Industrial Market Area *(Source: CoStar)*

8.9 MARKET RENT

8.9.1 Market rent within the local search area has consistently climbed since the start of 2012 rising from £4.24 per sq. ft. to £7.23 per sq. ft. in Q1 2022. Rents are forecast to continue to grow to £7.75 per sq. ft. in Q1 2023 and £8.37 per sq. ft. by the start of 2025. This continued rent increase trend further supports the strength of the market and demand for space which is supporting this consistent rental growth trend. It is also a strong sign of a lack of supply with tenants vying for space in a heavily constrained market.

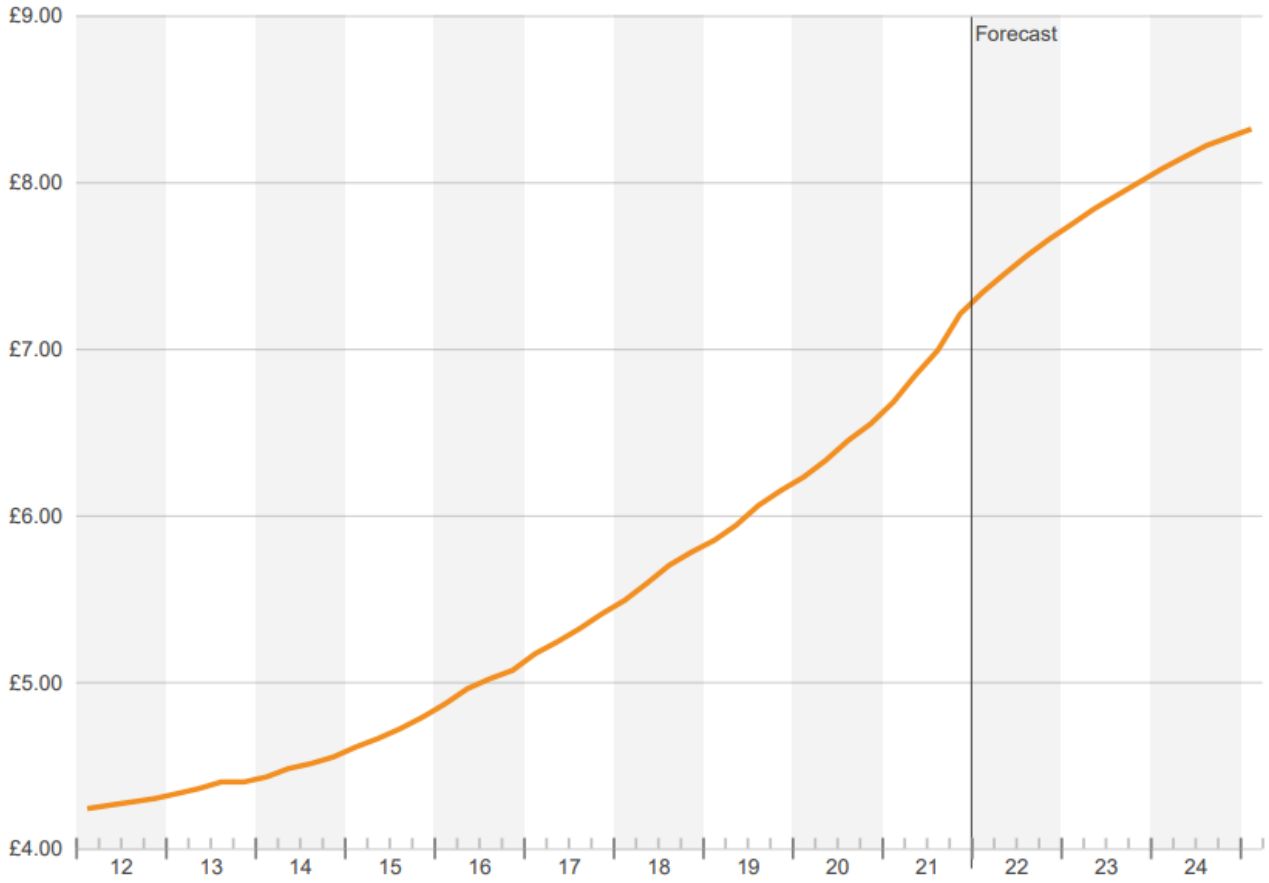

Figure 51 – Market Rent - Local Industrial Market Area *(Source: CoStar)*

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