

South Staffordshire Local Plan

Examination in Public

Matter 7, Issue 3 Statement on behalf of Bericote

April 2025

Land at Gravelly Way and Vicarage Road, Four Ashes

“Bericote Four Ashes” and previous site references E51a and E51b

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1. Introduction

1.1 Bericote are a specialist logistics developer. They control sites E51a and E51b at Four Ashes.

1.2 They are concerned that the Plan is unsound as drafted, on the following grounds that are relevant to this hearing session:

- 1) The approval of WMI is clearly a major economic boost for the area and will meet much wider market needs. With a supply of around 8m sqft of larger units, there is no real concern about larger unit supply. However, it is likely to have positive indirect economic effects on market demand- increasing the need for space to provide for smaller business that will service WMI- whether directly, through a supply chain or via regional or last mile services.
- 2) The market is already experiencing suppressed demand, and an under supply of both buildings and sites for the small to mid-box market. The lack of supply for this market segment is concerning. This is likely to get worse once WMI is up and running.
- 3) The proposed employment land supply is not suited to current “mid-box” logistics demand:
 - a. The key site at ROF Featherstone still has deliverability concerns due to high infrastructure costs (still unresolved after nearly 30 years);
 - b. WMI is only likely to provide for large scale (200,000 sqft plus) units, and;
 - c. i54 is limited to manufacturing only.
 - d. This leaves the new allocation at Dunston (site E30) as the main unconstrained site for this market. Dunston is unlikely to be available for development for 5 years from now.
- 4) Bericote do not consider that this land supply is adequate to meet current and foreseeable needs. Bericote are concerned that there is no choice and flexibility in the supply of Employment Land.
 - a. There are only 2 sites available for small to mid-box logistics units- at ROF Featherstone (Site E18) and the new allocation at J13, Dunstan (Site E30).
 - b. Neither of these sites is immediately available, but even if both Featherstone and Dunstan deliver, there is still not enough choice to meet market needs for this market segment. Having only 2 sites for the part of the market seriously limits choice for this market.
 - c. There are deliverability concerns around ROF Featherstone, which provides the majority of the supply for B8 development (36Ha) outside WMI. This site has been allocated for nearly 30 years and whilst permission was granted in October 2022 and positive moves are being made towards delivery, there remains a deliverability concern at Featherstone, as a result of the expensive infrastructure needed to open up the site. If this site does not deliver, then market choice for mid-box occupiers is limited to a single site.
 - d. Bericote’s sites are the 7th and 8th best performing employment sites in the District, as analysed by the Council.
 - e. Site E30 (Dunston) is the 14th best performing site in the District, as scored by the Council. It is less market attractive, less sustainable and does not fulfil strategic

planning considerations as well as Bericote's sites. Allocating site E30 in preference to E51a is illogical and counter to the employment land evidence supporting this Plan.

- f. Irrespective of the delivery concerns and scoring issues, the supply for this part of the market is extremely limited. Having just 2 sites for a market segment where there is acknowledged demand is both inflexible and inadequate to meet local needs.
- g. Bericote consider that, whilst WMI offers a considerable amount of space that is beyond local needs, this site only likely to deliver larger units and is not a substitute for a range of options suited to businesses serving WMI, or wanting choice that extends beyond Featherstone or Dunston.

- 1.3 The evidence base is clear that Bericote's sites are equal to, or better than, employment sites that are proposed for allocation.
- 1.4 Bericote have signed an agreement with an occupier in the food industry wanting to invest in a state-of-the-art mid-box multi-unit hub at Four Ashes Park. This opportunity would represent an investment of £150m into the local economy along with c120 new jobs including high tech operational roles. Additional Employment during the construction phase would be circa 200 hundred people, using local suppliers where possible. This is a fully ESG-compliant scheme and will support the government's national strategy to achieve food supply security and food safety.
- 1.5 No other local site can meet their requirements in terms of timing, scale, and programme. This highlights the issue being raised by Bericote: The Plan is not providing a suitable mix of sites, or flexibility of supply, that is suitable to meet local needs.
- 1.6 The Plan's evidence base clearly shows that logistics and warehousing is a strong market locally. The 2022 ENDA notes low losses of space and a lack of "grow on" space in the 25,000-100,000sqft range¹. It also notes² that:
- In particular, there is a lack of medium-sized 'grow-on' units (25,000-100,000sqft) within South Staffordshire*
- 1.7 Given that there is an acknowledged gap in supply; providing 2 sites for this market is clearly not enough choice or flexibility to meet needs. This results in issues around national policy compliance:
- NPPF expects account to be taken of both local business needs and wider opportunities for development (NPPF 85) and to allocate for both local and inward investment (NPPF 86b).
 - The Plan is over providing for strategic needs and under providing for local needs- on a qualitative basis, and in terms of site choice and availability.
 - The approach adopted to providing employment land should counter any weaknesses and address the challenges of the future (NPPF 85). Currently, the supply does not

¹ See 2022 EDNA paras 0.28; 0.29, Table 21 "recent performance" response summary, page 73 and Table 21 "gaps in provision" response summary, page 74

² 2022 EDNA Table 21 "gaps in provision" response summary, page 74

address market needs for small to medium operators, which is a weakness now³, and likely to increase once WMI is built and operational⁴.

- The land supply should also be flexible enough to meet unanticipated needs (NPPF86 d). It is likely that the supply is flexible enough in terms of quantum. However, there are qualitative deficiencies that need to be considered should any changed circumstance mean that a greater local need arises. This is particularly the case for the mid-box market, where it is foreseeable that:
 - WMI could change market dynamics and encourage local growth which generates a greater need for smaller and mid-box provision. Currently, these could only locate to 2 sites.
 - The Last Mile market is expected to grow considerably, with consumer demand rising and quicker delivery being a continued consumer expectation.
 - Mid-box provision is limited across the UK, with demand considerably suppressed across the regions⁵. Demand is increasing due to
 - e-commerce growth;
 - increasing trade flows, meaning more need to sort, package and distribute products; and
 - rising housing demand which drives consumer spending.

The Potter Space / Savills research on this market suggests that the West Midlands mid-box market is suppressed by some 41%; meaning that businesses are “making do” with the space that exists. The market has constrained supply across the board at 4.9% availability which limits availability, pushes up competition and rents and limits business growth.

1.8 It is clear that there are key national policy expectations which are not being addressed by the proposed approach to employment land delivery. This results in a soundness concern around Consistency with National Policy (NPPG 35 d)).

1.9 Bericote consider that the Plan, as currently drafted, is unsound. This could be rectified by allocating site 51a for employment purposes.

³ As noted in the EDNA quoted above

⁴ As a result of greater supply chain and service opportunities for occupiers that can't reach the minimum unit size of WMI itself.

⁵ [BIG things in SMALL boxes 2024 Report.pdf](#)

2. Question 1

Are the allocations for employment development underpinned by a robust evidence base that reflects existing business needs?

- 2.1 Bericote consider that the evidence base is broadly acceptable. However, their concerns are as follows:
- i. The site selection element of the evidence base is not properly reflected in the site allocations (which we cover at Question 2);
 - ii. There are qualitative issues about choice and flexibility for the small to mid-box market, and;
 - iii. more recent research suggests that the small to mid-box market is a critical part of the economic base which is not fully captured in that evidence base.
- 2.2 The evidence base is becoming dated. This is why NPPF encourages a flexible approach; and why it is normal to allow a decent flexibility allowance in employment land numbers (adding a further 5 year supply is now common practice)
- 2.3 PPG confirms⁶ that it is necessary to consider qualitative information on gaps in the market, in particular the needs of SME's operating in the logistics sector⁷.
- 2.4 As context, the 2022 EDNA notes that there has been a:
- ...trend of unprecedented growth in the commercial property market in South Staffordshire, particularly e-commerce, warehousing and logistics sectors – a trend which has been seen across the country and has been accompanied by increasing rental yields and land values. A number of the strategic employment sites in South Staffordshire are delivering quicker than expected with strong levels of demand, particularly for floorspace within Use Classes B2 and B8.*⁸
- 2.5 The logistics sector is clearly a strong local market, and the EDNA 2024 update does not change that general position.
- 2.6 The 2022 EDNA notes⁹ that there are low annual losses from B8 floorspace and that there is very little churn in existing stock¹⁰. It also notes¹¹ that:
- In particular, there is a lack of medium-sized 'grow-on' units (25,000-100,000sqft) within South Staffordshire*
- 2.7 Clearly, the evidence presented in the EDNA suggests that:
- 1) There is a continued demand for B8 space
 - 2) There are low losses and little churn in existing stock

⁶ PPG Housing and economic development needs assessment. Paragraph: 029 Reference ID: 2a-02920190220

⁷ PPG Housing and economic development needs assessment. Paragraph: 031 Reference ID: 2a-031-20190722

⁸ 2022 EDNA para 0.28

⁹ 2022 EDNA para 0.29

¹⁰ 2022 EDNA Table 21 "recent performance" response summary, page 73

¹¹ 2022 EDNA Table 21 "gaps in provision" response summary, page 74

- 3) There is a shortage of small to medium units (25,000 – 100,000 sqft) in South Staffordshire
- 2.8 In light of these market signals, Bericote are concerned that the small to mid-box market has extremely limited site choices available.
- 2.9 As currently proposed, there will be 2 sites that can provide for this market. Neither site is readily available. This offers no choice or flexibility for occupiers, and will stifle a part of the market that the evidence suggests is growing. The evidence suggests that more land is needed for this sector.
- 2.10 Whilst the quantum of land has been (broadly) provided for, the nature of space that can be made available to meet locally arising needs in the B8 market does not accord with the evidence in the EDNA. There is notable a gap in supply for smaller units across the Plan Period.
- 2.11 To add to this concern, it is foreseeable that:
- (a) WMI is likely to change market dynamics and encourage local growth which generates a greater need for smaller and mid-box provision.
 - (b) The Last Mile market is expected to grow considerably, with consumer demand rising and quicker delivery being a continued consumer expectation.
 - (c) Mid-box provision is limited across the UK, with demand considerably suppressed across the regions¹². Demand is increasing due to
 - e-commerce growth;
 - increasing trade flows, meaning more need to sort, package and distribute products; and
 - rising housing demand which drives consumer spending.
 - (d) The Potter Space / Savills research on this market suggests that the West Midlands mid-box market is suppressed by some 41%; meaning that businesses are “making do” with the space that exists. It notes that the market has constrained supply across the board at 4.9% availability, which limits availability, pushes up competition and thus limits business growth.
 - (e) Research by Savills¹³ shows that the West Midlands mid-box market is growing, with a 30% increase in demand since 2022, being driven by both market growth in e-commerce and supply chain restructuring, as well as a need for better performing new building stock, to meet occupiers desire for more energy efficient property. Supply has decreased and vacancy rates are low, indicating a constrained supply.
 - (f) Research undertaken by ICENI for Bericote (provided at Appendix 1) also shows that most vacancy is within poor quality building stock. There is no vacancy in grade A buildings, and rents are continuing to rise. This research also suggests that, using a space absorption approach, there is a local need of around 94Ha for the Plan Period for the mid-box market. The current supply for this market segment is limited to Featherstone (site E18 at

¹² [BIG things in SMALL boxes 2024 Report.pdf](#)

¹³ [Savills Blog | West Midlands mid-box industrial market gains momentum](#)

36Ha) and a site at Dunston (E30 at 17.6Ha). This is a supply of 53.6Ha for this market against a need of 94Ha.

- 2.12 These market trends are not being factored into the land supply.
- 2.13 ROF Featherstone (site E18) was allocated in 1996 and nearly 30 years later, still no development has taken place. The site is reliant on expensive infrastructure. Whilst progress has been made on reserved matters for part of the site, and also discharging conditions; there remains a material risk that it will not deliver. The ability to apply for the outstanding reserved matters will expire in October 2025; and the fully consented area will expire in November 2025 if not implemented. It is known that there are delivery concerns despite the progress being made, and this has resulted in occupiers looking elsewhere- Bericote have been approached by several occupiers who are not comfortable committing to Featherstone at this time.
- 2.14 A site outside the Green Belt (E30) has been allocated, despite being a poor performing option compared to Bericote's site. The lack of Green Belt designation on that site seems to have driven this, but the site is not one of the better performing employment sites. This creates a disparity between the employment land and Green Belt evidence.
- 2.15 WMI (E33) doesn't have units smaller than 200,000sqft, with only 3 units being illustrated between 200,000sqft and 300,000sqft¹⁴. Essentially this site is for bigger rail connected occupiers. It will not contribute to local market churn, nor will it provide for smaller businesses looking to locate to this area to support WMI.
- 2.16 Sites E44 and E24 (i54) are restricted to light and general industrial uses only.
- 2.17 The current allocations provide a highly restricted supply of land which is suitable to meet small to mid-sized B8 requirements across the 18 year Plan Period. Despite there being a (broadly) sufficient supply in quantitative terms- aided by the considerable scale of WMI- there are qualitative limitations which mean that smaller and local businesses have a very limited choice. Essentially, they can either go to Featherstone or Dunston.
- 2.18 The delivery of WMI is a major opportunity for the District. It is a foreseeable outcome that it will generate a need for smaller businesses that will support activities at WMI- most likely through direct business support and supply chain services. This was a point raised at a WMI stakeholder meeting in 2022¹⁵- where the concept was described as a "coalescence of small businesses supporting WMI".
- 2.19 It is clear that, in spatial terms, there is no smaller unit supply in close proximity to WMI which could easily meet that need. Bericote's sites could provide for that market.
- 2.20 The current position raises Soundness concerns. The supply of land proposed is clearly not flexible enough to:
- accommodate qualitative needs identified in the Plan Period;
 - to anticipate new working practices likely to be generated by a major new source of employment in South Staffordshire, nor;

¹⁴ [The Development | West Midlands Interchange](#)

¹⁵ A vision to change the logistics world: Building the largest logistics development in the UK, held on 1 November 2022 at the South Staffordshire Council Community Hub

- adequate enough to enable a response to changing economic circumstances.
- 2.21 Therefore, the Plan does not accord with the guidance at NPPF 86 d)¹⁶.
- 2.22 This shortage of supply will do little to address commuting patterns in the area. South Staffordshire has a low level of commuting self-containment¹⁷ and the strongest out-bound commuting flows are for commuters travelling out of South Staffordshire into Wolverhampton, Walsall, Dudley and Cannock Chase¹⁸.
- 2.23 Clearly, people drive out of South Staffordshire for work at the moment, and whilst WMI may help to address that, the provision of more space within the District would further contribute to reducing reliance on the private car and make working patterns more sustainable.
- 2.24 It is considered that there is a severe shortage of space for smaller B8 occupiers in the proposed land supply. Despite there being (broadly) enough supply in quantitative terms, there are qualitative limitations which mean that local businesses, looking for small to medium B8 buildings, have a very limited choice.
- 2.25 NPPF expects account to be taken of local business needs and wider opportunities for development (2023 NPPF 85) and to allocate land for both local businesses and inward investment (NPPF 86b). The Draft Plan is over providing for strategic needs and under providing for local needs- on a qualitative basis, and in terms of site choice and availability.
- 2.26 The approach to providing employment land should counter any existing weaknesses and try to address the challenges of the future (NPPF 85). Currently, the supply does not address market needs for small to medium operators, which is a weakness in the proposed supply.
- 2.27 The land supply should also be flexible enough to meet unanticipated needs (NPPF 86 d). It is likely that the supply is flexible enough in terms of quantum, given the significant amount of land available at WMI. However, relying on that site leaves qualitative deficiencies that need to be considered:
- i. WMI will not provide for this market directly
 - ii. WMI is likely to change market patterns, and this is not reflected in the supply of sites for smaller businesses looking to supply or service that major development site.
- 2.28 It is clear that there are key national policy points which are not being met. **This results in a soundness concern around Consistency with National Policy (NPPF 35 d)).**

¹⁶ December 2023 version of NPPF

¹⁷ Para 3.36 EDNA 2022, and verified in Para 3.10 + key points box in the 2024 EDNA update

¹⁸ ibid

3. Question 2

How were different sites considered for inclusion as employment allocations? a. What process did the Council follow in deciding which sites to allocate? b. How did the Council consider the viability and deliverability of sites in deciding where to allocate development?

- 3.1 The Council's response to Bericotes representations on this matter were unsatisfactory and did not engage with the points raised. The Council's response¹⁹ was:

Omission sites ref E51a and E51b have been assessed against a consistent set of planning criteria as set out in our Economic Strategy and Site Assessment Topic Paper 2024. The Council can meet its employment land requirement and make a proportionate contribution to cross boundary needs without release of Green Belt, and therefore the exceptional circumstances for its release do not exist as detailed in our Exceptional Circumstances Topic Paper 2024.

- 3.2 This addresses the quantum of supply; but not it's quality, or relationship to the market that is likely to be experienced during the Plan Period. This fails to reflect guidance in the 2023 NPPF:

- NPPF 87: Which requires them to make provision for storage and distribution operations at a variety of scales and in suitably accessible locations
- NPPF 85: Which places significant weight on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development

- 3.3 Bericote address the exceptional circumstances point in their Matter 6 statement. They also consider that the choice of sites allocated does not reflect the scoring exercise undertaken in the evidence base, which is a concern from an evidential perspective.

- 3.4 Bericote's sites were identified as:

- a) Sites E51a and E51b, in the 2018 EDNA, document EB46- see scoring schedule at Appendix B, page 25 of the pdf, page 22 as numbered in the document;
 - b) "Bericote Four Ashes" in the 2022 EDNA, document EB45- see Table 22, page 78 of the pdf and the document as numbered.
- and
- c) Sites E51a and E51b, in the 2024 economic Strategy Topic Paper, document EB42 (pages 75-79 of the pdf; pages 73-77 as numbered in the document.

- 3.5 In each case, the Bericote sites score higher than sites which have been selected for allocation.

- 3.6 The 2018 scoring exercise shows that Bericote's sites were ranked 2nd and 3rd in the District, following WMI. Allocated sites, including ROF Featherstone and i54, did not feature on that list.

- 3.7 The 2018 EDNA recommended²⁰ that:

¹⁹ Schedule of Publication Plan 2024 Representations and Responses December 2024

²⁰ See para 5.3 Stage 2 Report

*“... going forward, should there be a need to allocate new sites, where possible, **the focus should be on the best sites in the first instance**. These for example **should include**:*

- *West Midlands Interchange (Site E33) following the sites consent in 2020*
- ***Sites E51a and E51b given that these are very close to the consented WMI.; and***
- *Potentially site E30 at junction 13 given that it is strategic in scale and not in the Green Belt (although it is acknowledged that this site fell within the good rather than best category)”*

- 3.8 The Council have now elected to allocate Site E30, which was clearly acknowledged to be a poorer performing site than the Bericote sites, in the 2018 data analysis.
- 3.9 The 2022 Topic Paper verifies that finding. Bericote’s sites are ranked 7th and 8th in the District, with a score of 70. However, site E30 is ranked 14th in the District, with a score of 58.
- 3.10 The 2024 Topic Paper shows the same outcome. Site E30 scores considerably less well on Market attractiveness measures, Sustainability measures and Strategic Planning considerations.
- 3.11 It is illogical to allocate site E30 over Bericote’s sites given this evidence. This outcome is not supported by the employment land evidence, which is clearly a major soundness concern. This choice seems to have been made solely because E30 is not in the Green Belt, with E51a and b being discounted solely because they are Green Belt.
- 3.12 Some of the individual scores do not seem to be rational. For example:
- ROF Featherstone and Hobnock Road in Essington have the same score for “development constraints” (3) as WMI and Bericote’s sites. Both Featherstone and Hobnock Road have decades long histories of failure to deliver- They are clearly much more highly constrained than either WMI or Bericote’s land. This does not seem to represent logical or consistent scoring.
 - WMI, which surrounds and adjoins Bericote’s sites, scores much higher on market activity, (WMI = 5, Bericote = 2) which is surprising given that both are being pursued by nationally recognised logistics developers and are in exactly the same location- they literally adjoin each other on 3 sides of site E51a and 2 sides of E51b. This difference in scoring is not explained.
- 3.13 The evidence base is clear that the Bericote sites score better than Site E30- which is proposed for allocation. It is also unclear why the scoring of other sites seems to have been elevated to a degree which is plainly unrealistic- particularly where there are known delivery issues.
- 3.14 This raises a clear soundness concern. **The allocation of less sustainable and less market attractive sites is not “an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence”. The Justified soundness test (NPPF 35 b)) is therefore failed.**
- 3.15 In any event, as suggested under Question 1, it is likely that more sites are needed to provide for this segment of the market. The Bericote sites could help to address that gap, and would be a logical start point, given that it scores better than sites which are allocated/ proposed for allocation.

4. Question 3

Are the employment site allocations identified as gross or net hectares?

4.1 The Council are best placed to answer this, but they appear to be a mix of gross and net areas.

- ROF Featherstone is allocated for 36Ha, whereas the application area for the 2022 Outline, including the new road is 52.2Ha. This appears to be net.
- WMI has a total site area of 297Ha and this is the extent of allocated area. This appears to be gross.
- I54 west is allocated for 16.7Ha, but the 2019 permission has a gross site area of 28.8Ha

5. Question 4

Have site specific key requirements for each employment allocation been considered and identified within the Plan?

5.1 No comment

6. Question 5

Are any modifications necessary for reasons of soundness?

6.1 Yes.

6.2 Bericote seek the following amendments to the Plan to make it sound:

1. Amend the Green Belt boundary to remove both the Gravelly Way site (Site E51a) and the Vicarage Road site (E51b) from the Green Belt
2. Allocate the Gravelly Way site (Site E51a) as employment land

6.3 Bericote consider that the case for releasing the Vicarage Road site (E51b) is also strong. However, they propose to use that land for permanent biodiversity improvement and, landscaping, and thus it does not need to be allocated for employment purposes.

Appendix 1: ICENI Report for Bericote

Four Ashes: Economic Needs

Iceni Projects Limited on behalf of
Bericote Properties

April 2025

Contents

1. Introduction
2. Site Context
3. Employment Policy and Evidence
4. Market Review and Market Needs
5. Conclusions

1. Introduction

- 1.1 This short report has been prepared by Icen Projects Ltd for Bericote Properties in support of their site at Four Ashes. It considers planning evidence and commercial market dynamics to comment on the need for the site.

2. Site Context

- 2.1 The site is at Four Ashes, being an extension of an existing employment area that contains a range of smaller units as well as including two large units of around 40,000 and 50,000 sqm.
- 2.2 The site is adjacent to the strategic rail freight interchange West Midlands Interchange (WMI). It effectively forms a connecting parcel between phase 1 of WMI and the existing Four Ashes employment area, making a logical extension and best use of land.

Figure 2.1 Site location



Source: Bericote

3. Employment Policy and Evidence

Local

South Staffordshire Economic Development Needs Assessment Update March 2024

3.1 This EDNA report provides the latest needs assessment for the Local Plan. It concludes that (p9 13 headlines)

- “The requirement for future provision for land and floorspace should provide for minimum gross residual objectively assessed needs of 62.4ha for the period 2023- 2041” [18 years]
- This increases to 72.4ha inclusive of the apportionment of labour demand to WMI.
- Pipeline supply is equivalent to 89.95ha (split 81.7ha strategic and 8.2ha non strategic)

3.2 It is not within the scope of this Economic Needs report by Iceni to critique the Local Plan evidence in detail, which makes assumptions about inter relationships between local and regional need. However two concerns are raised:

- That only a cursory examination is made of the **market** activity and instead heavily focused on more uncertain employment forecasts.
- Of note, the revised WMSESS (see below) had not been published at the time of preparing the EDNA Update.

3.3 In the above regard, the evidence may be deficient.

Regional Evidence

West Midlands Strategic Employment Site Study 2024 ²¹

3.4 This study was prepared by Iceni Projects Ltd on behalf of the constituent local planning authorities of the West Midlands to identify the long term need for large employment sites. It was published in autumn 2024.

²¹ <https://www.hwa.uk.com/site/wp-content/uploads/2024/02/WMSESS-Final-Report-Phase-3-Aug-2024.pdf>

- 3.5 In particular the study reviewed market conditions, current supply and future demand for site that typically accommodate units over 9,300 sqm (100,000 sqft) and a often 25 ha or more, but can be smaller, particularly when extensions to existing larger sites.
- 3.6 The Study identifies that South Staffordshire M6/M54 area (Area 2) is an Opportunity Area for the development of future strategic supply as per figure 12.2.
- 3.7 Table 12.2 highlights the balance of strategic supply and demand. Regarding Area 2 South Staffs it notes that whist there is a good supply of purely B2 type space, based on past take up, for B8 there is expected to be only 10 years of supply which falls short of a 15-20 year plan period. The notes report that “WMI providing major strategic supply. Potential for additional road based supply later in the period. Constrained GB area.” Paragraph 12.29 reports that “new strategic employment site provision can contribute to addressing unemployment/ deprivation.”
- 3.8 Overall the report recognises the significant contribution that WMI makes to meeting strategic need however it also identifies that there is a further road based need.
- 3.9 Given that the proposed site is likely to include a mix of units, including potentially some over 100,000 sqft / 9,300 sqm, it provides an opportunity to help meet some of the shortfall of identified need.

4. Market Review and Market Needs

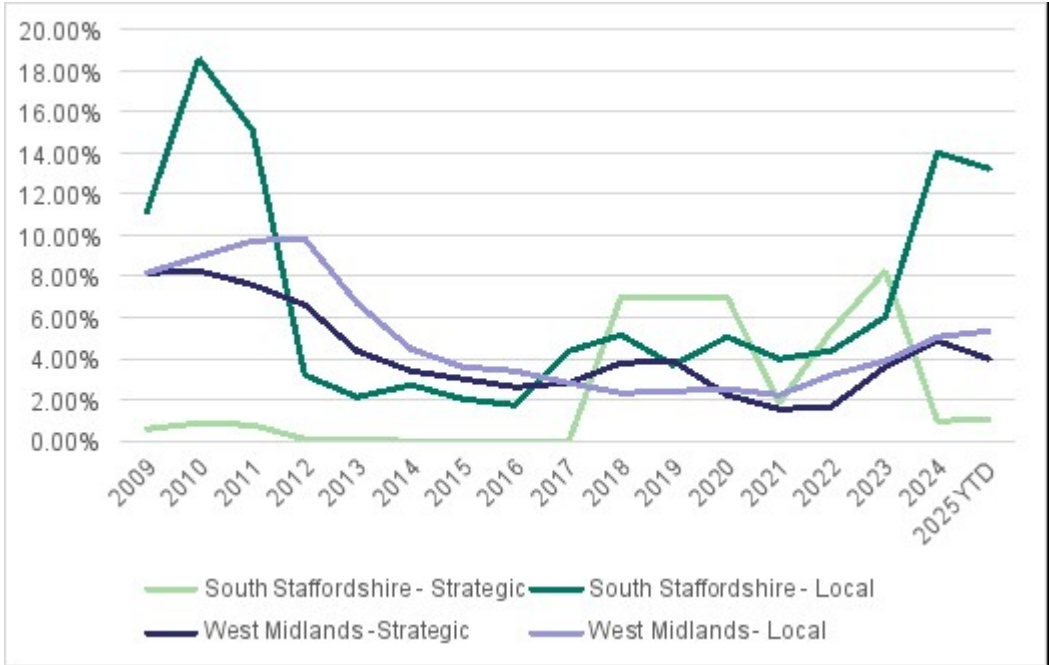
Market review

- 4.1 According to CoStar, all market indicators point to high levels of industrial demand in the South Staffordshire industrial market. Vacancy rates are currently low, at 4%, having declined 2.8% over the past 12 months. During this period, 460,000 sq.ft of industrial floorspace has been taken up, compared to deliveries of just 170,000 sq.ft. Rents have increased 4.5% over the past year. These indicators are explored in more detail below.
- 4.2 More widely in the West Midlands, Savills²² report that the mid-box industrial market is experiencing significant momentum with increasing demand for modern, high quality warehouse and logistics space. Since the end of 2022, enquiries for units below 100,000 sq ft have increased by around 30% in the West Midlands, demonstrating the strength of occupier demand in this segment. This demand is being driven by a combination of factors, including e-commerce growth, supply chain restructuring, and the need for more energy-efficient, ESG-compliant facilities.
- 4.3 Despite strong demand, available supply in the sub-100,000 sq ft segment has declined by 41% since 2009. Low vacancy rates further highlight the tight market conditions. Void rates currently stand at 5.4% for 20,000 - 50,000 sq ft units and 6.9% for 50,000 - 100,000 sq ft units, both below the regional average vacancy rate of 7.5%. With supply constrained, new high specification developments are playing an important role in supporting the continued growth of the market.
- 4.4 The figure below shows the vacancy rates for local and strategic units in South Staffordshire, compared to the wider region. Historically, rates for both local and strategic units in South Staffordshire have been far below the market optimum rate of 7.5%. Only in the past year has the vacancy rate for local industrial in risen to 14%, the market has been suppressed for over the past decade.
- 4.5 It should be noted that whilst the vacancy rate has risen, this is driven by aged, poor quality stock. There are only two vacant units that have been built post-2010, accounting for just

²² <https://www.savills.co.uk/blog/article/374073/commercial-property/west-midlands-mid-box-industrial-market-gains-momentum.aspx>

8% of vacant floorspace. None of the vacant units are regarded as Grade A or have a CoStar rating above 3.

Figure 4.1 Industrial Vacancy Rates – Local vs Strategic



Source: CoStar 2025

4.6 The figure below shows inflation-adjusted industrial rents. Rents have been consistently rising since 2013, indicating levels of high demand and a lack of market supply. Over the past decade, local industrial rents in South Staffordshire have risen at an average rate of 3.4%, slightly higher than the strategic market increase of 3.2%. Rents for local industrial units in South Staffordshire are currently £7.86 p.s.f, broadly in line with the West Midlands average of £7.96 p.s.f.

Figure 4.2 Inflation-adjusted Industrial Rents (£/sq.ft)



Source: CoStar 2025

Market Needs

- 4.7 Iceni considers that strategic needs are dealt with in the evidence presented above.
- 4.8 Iceni also here looks at local needs, which are identified as those being under 9,300 sqm industrial units.
- 4.9 In addition to completion trends and labour demand models, it is useful to look at space ‘absorption’, being new leases minus exits.
- 4.10 The table below models that 10 year past net absorption 2013-23, as an indication of future need, for local units (under 9,300 sqm) only.
- 4.11 When including a 5 year buffer, as per the Council’s evidence, it suggests a local need of 94 ha. This exceeds the total supply as well as the component of supply for small and mid size local units, which Four Ashes has the potential to contribute to.

Table 4.1 Market based local need (units up to 9,300 sqm)

Stage	Output
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Per annum average 10 yr net absorption to 2023 (sqm)	16,308
Per annum average 10 yr net absorption to 2023 (ha)	4.1
Annualised need for 18 years in Plan (ha)	73.4
Additional 5 year buffer (ha)	20.4
Notional total need (ha)	93.8

Source: IcenI analysis of CoStar 2025

5. Conclusions

5.1 Key conclusions of this short report are:

- A lack of recognition of the WMSESS 2024 study including a shortfall in strategic need, that the Four Ashes site may assist in delivering.
- Concerns that the local needs assessment fails to accurately consider market signals.
- Indication using a market take up based model that local needs may have been underestimated in the Council evidence