

**INDUSTRIAL /
WAREHOUSE UNITS**

**TO
LET**

Coventry & Warwickshire

**Employment Land
Report**



Coventry & Warwickshire
Chamber of
Commerce
The Ultimate Business Network

Coventry and Warwickshire Chamber of Commerce has enjoyed excellent working relationships with our Local Authority partners for 120 years. Together we have laid the foundations for businesses to grow, to create jobs and to export products and services across the world.



Coventry and Warwickshire Chamber of Commerce has been monitoring and measuring the total employment land supply across the sub-region for the last seven years.



As a Chamber of Commerce, we have been consulting with our members and partners on the Local Plans of our Local Authorities, District and Borough Councils.

It is vital we resolve the critical matter of employment land supply and the provision of commercial premises for all sectors of our economy. This needs to be done through a co-ordinated, cross-boundary, cross-authority approach.

This is now reaching a crucial phase because it is stifling the opportunities of businesses to expand and boost our local economy as well as attract inward investors who are choosing to locate in neighbouring counties where there is a greater supply of infrastructure-ready employment land of all types.

We have summarised our initial findings in this new report which includes proposals on a unified approach to tackling these urgent issues and suggesting ways of resolving some of the time-sensitive employment land problems that the area is currently facing.

Much more detailed information and considerations have been presented in our separate and larger response to the Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA) study to your officers.

This study strongly supports the Chamber's long-promoted position that the existing Plans' targets (2011-2031) are, and have been, inadequate in responding to real need and demand by significantly increasing the employment land targets for the 20-30 years to 2051. The Chamber welcomes this positive response.

This document has been produced with the help of the Chamber's Employment Land Panel which is drawn from members along with our advisers and consultants.

We would welcome an opportunity to continue to engage and input to the hugely important strategic planning of the sub-region for the 30 years to 2050. We are aware that all the C&W local authorities are now addressing development plan reviews.

As we have done in the past, the Chamber is keen to be an active partner as this work of strategic, geographical and economic planning proceeds, and we recognise that the recently published HEDNA study – which was commissioned jointly by all the Local Authority partners in Coventry and Warwickshire and carried out by consultants Icenii Projects – is a hugely important “starting point” for these discussions.

The Chamber views the HEDNA as an important document which needs to be explored further.

Once you have read this document, we would be very keen to meet to discuss a joined-up approach during the early stages as the new Local Plans are formulated throughout our sub-region to grasp the challenges and opportunities.

To arrange a meeting, please contact me at corinc@cw-chamber.co.uk and through a co-ordinated-approach, we will all aim to identify land availability and infrastructure for employment use for effective delivery throughout Coventry and Warwickshire.

Corin Crane

Chief Executive,
Coventry and Warwickshire Chamber of Commerce

This wide-ranging review of infrastructure-ready employment land is vital for Coventry and Warwickshire's future prosperity.

The results – as this report reveal – are a major concern and reinforce feedback received from commercial property agents throughout Coventry and Warwickshire. Local Plans are now being prepared until 2050 which will have a massive importance and impact on the sub-region.

David Penn, Partner, Bromwich Hardy, said: “It's been clear that we've had a chronic shortage of land for jobs for many years.

“There has been insufficient construction of factories and warehouses of all sizes and insufficient land for storage uses such as haulage, wood yards, coach companies, waste and recycling, builders' merchants, timber merchants and many others.

This is at the same time as strong demand for such uses, particularly since Covid because of higher levels of online shopping and direct delivery.

“Those sites that have been allocated through Local Authority Local Plans have inevitably been taken up in bulk for large scale logistics, leaving very little for the development of buildings for small to medium sized companies.

“Lack of construction of new units means less churn in the marketplace and less second-hand units becoming available to rent or to buy. High demand against low supply means we at Bromwich Hardy have seen rampant inflation in rents and prices which sees no sign of abating, despite current economic turmoil.

“Units become available and get snapped up very quickly. Offices are a particular problem as restricted land supply means very high land values which are unviable for the development of offices where construction costs are exceptionally high due to inflationary pressures.

“I am delighted that the Chamber of Commerce as the leading voice of business is taking up the challenge to get policymakers to release more land as it is absolutely vital for our sub-regional economy and for jobs.”

David Penn Partner, Bromwich Hardy

“Continuous monitoring of availability and take-up is required so that we have a true picture, and local authorities need to allocate sufficient land supply, not just for “big sheds”, but also for companies of all sizes and sectors.

“Our local economy is exceptionally resilient, but a short-sighted approach to this urgent matter is a real threat to a promising future.”

Shortage of land highlighted in Coventry & Warwickshire

This table, based on a much more detailed assessment, illustrates the current pool of employment land presently available in Coventry and Warwickshire.

"OVEN READY" EMPLOYMENT SITES - immediately available	Currently available land (Ha) est at allocation	Status	Progress (est)
Radio Station Site (Houlton) (RBC)	12	Allocated. Not started (N/S)	
"Prospero" Rolls Royce Campus, Ansty (RBC)	5	Under construction (U/C)	50%
SW Rugby SUE Employment Area (Symmetry Park) (RBC)	45	U/C. Committed	N/S
Tournament Fields (WDC)	1	Largely complete	85% plus complete.
Abbey Park, Business Park (WDC)	3	Allocated. Part complete. U/C	60% complete
Friargate, Coventry (CCC)	6	Allocated. Phase 1 complete	60% complete
Warwickshire Gateway (north -ext to Whitley South BP) (WDC?CCC)	4	Allocated adopted Plan	U/C
Whitmore Park, Holbrook (CCC)	Update 4	Allocated submitted Plan	U/C
Birch Coppice (Core 42) (NWBC)	0.3	Near complete	Near complete
Hams Hall (NWBC)	2	Allocated. Part complete. U/C	60% complete
Arden Rd, Alcester (SDC)	4	Allocated adopted Plan	U/C. Near complete
Winyates Tri, Mappleborough Green (nr Redditch) (SDC)	0	Committed	U/C
Faultlands Employment area (N&BBC)	16	Allocated. N/S	Pre-let and housing
Sub Total	98.3		
"Imminent Sites" likely to be available to market in next 12 months			
Warwickshire Gateway (South) (WDC/CCC)	35	Allocated. U/C	
Alcester Road, Stratford (SDC)	12	U/C	
Sub total (rounded)	47		
"Advanced" allocated Local Plan Sites-timing dependant on ownership, infrastructure and demand.			
South of Horiba Tech Park (EZ) (NWBC)	42	Allocated. N/S	
West of Birch Coppice (NWBC)	5	Allocated. N/S	
E Polesworth and Dordon (NWBC)	7	Allocated. N/S	
Eastern Green, Coventry (CCC)	15	Allocated. N/S	
Land east of Kenilworth -Thickthorne (WDC)	8	Allocated. N/S	
Stratford Road, Warwick (WDC)	12	Allocated. N/S	
Stoneleigh Park, Warwick (WDC)	tbc	Allocated. N/S	
Atherston Airfield (SDC)	10	Allocated. N/S	
Canal Quarter, Stratford (part) (SDC)	2	Allocated adopted plan	
Long Marston "Eco town" new settlement (SDC)	13	Allocated. N/S	
Coton Park Eas (RBC)	8	Allocated. N/S	
Pheonix Way/Wilsons Lane, Nuneaton (N&BBC)	18	Allocated	
Bowling Green Lane, Nuneaton (N&BBC)	26	Allocated. N/S	
Coventry Rd, Nuneaton (N&BBC)	9	Allocated. N/S	
Sub total	177		
Other strategic sites. May contribute to C&W supply but constraints or dedicated users so not formal part of open market.			
Coventry Airport (CCC)	124	Consent for Gigafactory	
Wellesbourne Campus - University of Warwick (WDC)	20		
JLR Works at Gaydon (SDC)	100		
Aston Martin at Gaydon (SDC)	5		
Sub Total (Ha)	249		

There is only 96 hectares of "oven-ready" employment land available across the whole sub-region and only one site of strategic scale

The table highlights that there is only a further 47 hectares likely to be available in the next 12 months, with 177 hectares at the advanced stage along with 105 hectares at Coventry Airport and Wellesbourne which are allocated but unlikely to proceed at this stage.

Coventry and Warwickshire is sorely lacking sufficient serviced land, both qualitatively and quantitatively, to encourage inward investment into the sub-region.

This means bringing forward the right land in the right location (e.g., future manufacturing near to renewable energy sources and logistics close to road and rail infrastructure).

Consequences of the land supply problem

There are many knock-on effects if Coventry and Warwickshire does not resolve the current situation by planning a positive and pro-active response to the lack of suitable employment land for this and future generations of businesses.

We acknowledge all the work the Local Authorities have done to bring forward reviews of their Local Plans looking ahead towards 2050 but given the nature of this problem, urgent action is required in areas where there are no good sites available for inward investors or expansion of local businesses.

Here is a summary of the Chamber's main points of concern:

1. Affecting the local labour market. Companies already based in Coventry and Warwickshire will look elsewhere to grow, which will have a detriment on their employees and the local economy which, in some cases, will mean highly-skilled jobs moving to other parts of the country.
2. Discouraging inward investment. UK-wide and internationally-based businesses will be attracted to neighbouring counties and sub-regional areas because of the disincentive to move here despite our world-renowned automotive expertise and globally-recognised universities.
3. Small and medium sized enterprises (SMEs). If there is no new land for employment uses the market doesn't function correctly. This affects SMEs since they are squeezed out of an opportunity to expand since they often can't afford high-quality land which is bought by larger businesses.
4. The sub-region is currently at a disadvantage. Apart from the major logistics and distribution site at South West Rugby called Symmetry Park there is no large-scale employment land available over 20 hectares throughout the entire sub-region. The absence of such large employment sites is putting Coventry and Warwickshire at a competitive disadvantage.
5. The number of sites which remain unavailable because of major infrastructure requirements and investment. There's a huge amount of construction currently underway at the Coventry & Warwickshire Gateway, with very strong take-up, lettings having been

agreed with DHL and Syncreon, but other employment land in Kenilworth, Stratford Road in Warwick and Eastern Green in Coventry show little signs of moving forward a number of years after allocation.

6. Pressures on new housing land across urban and built areas. Due to value differentials, there is a significant loss of employment land and premises to higher value uses, particularly housing. This removes important commercial opportunities from the marketplace which impacts on local businesses seeking premises at lower rental or being able to buy units on cost-affordable employment land.
7. Targeting particular types of employment. The broad-brush allocation of a wide range of possible employment uses leads to a shortage of industrial land as the limited space is snapped up by the warehouse and distribution sector.
8. Annual Monitoring Reports. Coventry City Council, Warwickshire County Council and the District and Borough Councils need to agree to standardise the collection of monitoring information to make it easier to compare the land that is available or could be made available across wider employment areas. A co-ordinated partnership approach could track the progress of all the major site allocations in the Local Plans for Coventry and Warwickshire.



Proposals to improve the provision of the right amount and types of employment land

Land has been taken up more quickly than anticipated because Coventry and Warwickshire's economy has been more successful and buoyant than was predicted since the last Local Plans were drawn up.

This is also partly due to a rise in warehouse distribution businesses which has benefited Coventry and Warwickshire more than other areas because of the 'Golden Triangle' and the sub-region's proximity to the M6, M1, M42 and A5 which is particularly attractive to this sector.

This has also spilled over into areas such as Ansty and Coventry Airport because these types of warehousing, distribution and logistics businesses are land hungry. They require access for lorries, lighting, parking, infrastructure and landscaping over a larger area compared to conventional factories. This has led to distribution hubs squeezing the value of the land since it can be sold for a similar amount to those for housing.

The Chamber's Employment Land Panel has a number of recommendations to deliver new sites:

1. Encourage more smaller business units to be built alongside large warehouses. This approach has been pioneered in neighbouring local authorities such as Hinckley and Bosworth.
2. All sub-regional Local Authorities have or are starting their Local Plan reviews but the slowness of the plan making process means more urgent action is needed. The Chamber is calling on our Local Authorities to take special measures to fast-track employment site allocation development plans and support planning application proposals wherever possible to provide more land for immediate use.
3. Improving monitoring so that there is clear and easily accessible evidence about how much land is or isn't available throughout Coventry and Warwickshire. Individual Local Authorities produce an Annual Monitoring Report which

details the granting and taking up of employment land on a local basis but there is no overview and much inconsistency in the way data is collected, hampering an opportunity to look at overall trends and performance.

4. Allocate 20 per cent more land than recommended by HEDNA calculations to provide scope for more variety in the quality and quantity of land. This will enable the market to function more efficiently and allow a vacancy rate that will assist market mechanisms in all employment sectors as well as give greater choice for businesses.
5. Develop a more disaggregated approach to the allocation of employment sites. This would include some allocations dedicated to a single-use class, or in the case of warehousing and distribution (class B8) uses the identification of both rail served and non-rail served sites. This has been suggested by Stratford and Warwick in their new joint plan where they have allocated separate designations for warehousing and distribution.
6. Introduce policies that give high levels of 'protection' to current employment land from change of use applications including a set of robust tests before changes can be introduced that might lead to the loss of employment allocations.
7. To address the problem of areas which have been allocated but have not come forward for development due to infrastructure, funding or other constraints, the Chamber is calling upon the Local Authorities to establish a public sector fund or funds and become more pro-active in bringing forward employment opportunities. This will increase the pool of serviced available sites and benefit the sub-region.

A way forward

Employment land should be given equal priority to housing land which currently isn't a requirement. The Chamber strongly believes this needs to be introduced to support the continued growth of the local economy.

Such an approach could be delivered quickly and developed in a co-ordinated way across all local authorities to support essential economic growth in an environmentally friendly and sustainable fashion – particularly in the areas of the sub-region which need it most. The Chamber recognises that it is important to make planned new employment sites supporting the Climate Change agenda to encourage and support green technologies, and we would like to work with local industry and Local Authorities to explore this further.

Analysis of the HEDNA study indicates that insufficient employment land has been allocated in the Local Plans in Coventry and Warwickshire historically, which backs-up the research of our Employment Land Panel, and the land which has been allocated has been used up far faster than ever anticipated. Furthermore, establishing future need for employment land based on projections of suppressed past take up rates will always underestimate the true requirement for employment land.

The Chamber believes the next – and urgent – steps are to forensically assess all the employment sites in the existing Local Plans to determine:

- What's the real scale of readily-available land for employment now and the next five years?
- What allocated land hasn't moved forward in the last ten years and be clear about why?
- What needs to happen for this allocated but undeveloped land to be brought forward quickly? Is this a problem with planning, land ownership, infrastructure, economic viability? Then determine how and when this land will actually be developed to contribute towards the sub-region's urgent needs.

There is a "once in a decade" opportunity to put these measures in place **now** since the Local Plans in Coventry and Warwickshire are being reviewed

up to 2050. This long-term view is welcome but in the short-term, urgent measures are needed alongside the reviews of the Local Plans.

The Chamber welcomes the South Warwickshire Local Plan because it has taken really positive steps to address some of the issues and we look forward to a specific discussion on the issues that have been raised.

The Chamber would like other Local Authorities, District and Borough Councils in the sub-region to talk to each other during the review of their Local Plans because a partnership-approach will help to tackle the issues the area is facing.

Some of the issues are cross-boundary including a West Midlands Gigafactory at Coventry Airport which has had its outline planning application approved by Warwick District Council and Coventry City Council because there will be a wider impact in the area.

The Chamber believes it is important for a strategic land perspective right across the region and the continued cooperation created by the Memorandum of Understanding.

During and following Covid-19, the business community has demonstrated great resilience with their ways of working and the economy has shown encouraging signs but it is vital these roots of growth are not stifled.

This is an opportunity which the Local Authorities can grasp on behalf of businesses in Coventry and Warwickshire – and, therefore, their residents – by working together to produce a strong range of new employment land opportunities that meet long-term requirements and create economic growth.

Corin Crane

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