London Industrial Land Supply Study 2020

Main Report

Greater London Authority

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Greater London Authority

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Table of Contents

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Abbreviations

Abbreviation	Definition
BEIS	Department for Business, Energy & Industrial Strategy
BRES	Business Register and Employment Survey
CAZ	Central Activities Zone
DLR	Docklands Light Railway
GLA	Greater London Authority
ha	Hectares
HMRC	HM Revenue & Customs
LB	London Borough
LDD	London Development Database
LILDS	London Industrial Land Demand Study
LLDC	London Legacy Development Corporation
LSOA	Lower Super Output Area
LSIS	Locally Significant Industrial Site
MDC	Mayoral Development Corporation
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle Super Output Area
NPPF	National Planning Policy Framework
NPPG	National Planning Policy Guidance
ONS	Office for National Statistics
OPDC	Old Oak Common and Park Royal Development Corporation
PAYE	Pay As You Earn
SIC	Standard Industrial Classification
SIL	Strategic Industrial Location
SNTB	Sub-national transport body
SPD	Supplementary Planning Document
SPG	Supplementary Planning Guidance
ft^2	Square feet
m^2	Square metres
VAT	Value Added Tax
VOA	Valuation Office Agency

1

Introduction

1. Introduction

1.1 Context

1.1.1 AECOM Limited (AECOM) with Avison Young and Maccreanor Lavington have been commissioned by the Greater London Authority (GLA) to undertake a comprehensive review and update of the London industrial land supply baseline. The study builds on the London Industrial Land Supply Study 2015 undertaken by AECOM. It has been commissioned alongside an assessment of the economic function, character and role of Strategic Industrial Locations (SILs) in the capital.

1.1.2 The role of planning policies and decisions is set out in the Government's **National Planning Policy Framework** (NPPF) in terms of creating the conditions in which businesses can invest, expand and adapt and to take an approach that allows each area to build on its strengths, counter any weaknesses and address the challenges of the future[1]. Associated Planning Practice Guidance (NPPG) advises strategic policy-making authorities to prepare and maintain up-to-date evidence about existing business needs in their areas, which would include assessing demand and allocating space for logistics and distribution uses, and likely changes in the market. It also explains that they can use this evidence to assess the need for land or floorspace for economic development; the existing and future supply of land available for economic development and its suitability to meeting the identified needs; and the likely availability and achievability of employment-led development having consideration for market signals[2].

1.1.3 The **London Plan 2021** sets out the Mayor's approach to industrial land management as to ensure that *"a sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions should be provided and maintained, taking into account strategic and local employment land reviews, industrial land audits and the potential for intensification, colocation and substitution"*[3].

1.1.4 Overall, London Plan 2021 Policies E4-E7 set out a plan-led and evidence-based approach to ensure adequate amounts of industrial capacity are provided and maintained through three types of locations:

- Strategic Industrial Locations (SILs) - are sites that contribute to a strategic resource that must be sustained as London's main reservoir of industrial capacity for industrial, logistics and related uses that support the functioning of London's economy;
- Locally Significant Industrial Sites (LSIS) - are sites that have particular local importance for industrial and related functions, which complement provision in SILs. Protection of these needs to be justified on the basis of strategic and local assessments of supply and demand for industrial land identified in Local Plans; and
- Non-designated industrial sites - sites that in some circumstances perform an important local and strategic role for industrial and related uses but in others can also contribute to meet other London Plan objectives via mixed-use schemes.

1.1.5 The London Plan 2021 supports a plan, monitor and manage approach to ensure the retention, enhancement and provision of additional industrial capacity to meet identified demands. The changes made via the Directions by the Secretary of State removed specific requirements from the London Plan and replaced them with the requirement for every individual borough to meet its demand locally, and following the Duty to Cooperate, consider accommodating the unmet demand of other boroughs, where they do not have sufficient capacity. They should also take into account the use of masterplans to facilitate intensification. Any release of industrial land in order to manage issues of long-term vacancy or to achieve wider planning objectives should be facilitated through the processes of industrial intensification, co-location and substitution as set out in London Plan policy E7[4]. Any release of industrial capacity should be prioritised in locations that are (or are planned to be) well-connected by public transport, walking and cycling and can contribute to other planning priorities including the delivery of housing[5].

1.1.6 The study has a wide range of **purposes**, including:

- Providing evidence to support the London Plan and Local Plan policy development and implementation;
- Supporting the preparation of Opportunity Area Planning Frameworks and local planning frameworks;
- Informing the development of London Plan Guidance;
- Supporting the monitoring of London's industrial land supply; and
- Underpinning the preparation of future studies to assess potential future demand for industrial and related functions.

1.2 Research objectives

1.2.1 The **objectives** of the study are:

- Updating the 2015 industrial land baseline and associated GIS database and mapping, and quantifying industrial and related floorspace across London.
- Estimating the current and potential future supply of industrial land and related floorspace in London, having regard to the proposals included in Local Plans and approved planning permissions, and comparing this to the historic time series of industrial supply.
- Providing a high-quality digital baseline of London's industrial land supply to be integrated with data derived from the new Planning London Datahub to allow a more responsive monitoring of industrial supply changes.
- Updating the employment and business estimates included in the London Industrial Land Supply Study 2015 (hereinafter referred to as 'the 2015 Study').
- Assessing industrial and related clusters of capacity in the Wider South East, also taking into account the potential for sustainable freight movements within the wider city-region.

[1] Ministry for Housing, Communities and Local Government (MHCLG), (2021); National Planning Policy Framework, paragraph 81.
[2] MHCLG, (2021); Planning Practice Guidance, Plan Making, paragraph 41, reference ID: 61-041-20190315.
[3] London Plan policy E4A
[4] See also GLA, (2018); Industrial intensification and co-location through plan-led and masterplan approaches. Available at: https://www.london.gov.uk/sites/default/files/practice_note_-_industrial_intensification.pdf
[5] London Plan policy E4C/E.

1.3 Definitions

1.3.1 The study makes reference to **three categorisations of industrial land** by type of use:

- Core industrial uses, which comprise of general industry, light industry, warehouses, open storage and self-storage. Core uses cover most types of industrial business activity.
- Wider industrial uses, which comprise wholesale markets, waste management and recycling (including secondary materials and aggregates), utilities, land for rail, land for buses, and airport related land and freight. Such uses are industrial in nature and support the functioning of London for instance by way of providing space for infrastructure. The wider definition also includes a category of 'Other industrial uses', covering industrial training facilities in most instances. Also, in a change from the 2015 Study, additional categories have been included which are considered to be 'emerging industrial sectors'. These are data centres, film and TV studios, industrial-related research and development[6], and 'dark kitchens'[7]. In another change, an additional category of Mixed-use (including industrial uses) has been included in this study in recognition of the increasing prevalence of such sites and their mostly different site characteristics compared to other uses.
- Vacant industrial land comprises sites, which are cleared or with derelict buildings, or land with vacant buildings capable of occupation. It does not include vacant cleared sites, which are already earmarked for non-industrial re-development via planning permissions or adopted Local Plan de-designation, which are categorised as 'Vacant land in non-industrial capacity'.

1.3.2 Relevant definitions of **sub-regions and Property Market Areas** (PMAs) are given in Table 1.1 and Table 1.2. They allow for two different interpretations of the data. Sub-regions can be identified based on a geographical logic (east, west, north, south, centre) and PMAs on a market/economic logic. PMAs include boroughs from different sub-regions e.g. Bexley and Bromley, both within the Thames Gateway PMA, which generally present similar market characteristics due to the comparable nature of their environment and strategic transport infrastructure.

1.3.3 For the purpose of this study, sub-regions within Greater London have been defined following the same definition used for the 2015 Study.

1.3.4 In this study, where figures for **Mayoral Development Corporations (MDCs)** have been presented, the corresponding figures have been deducted from the relevant boroughs which constitute the MDCs to avoid double counting. The exception to this is in Section 4 of the report and related to Floorspace and Property Indicators, where data is not available at the level of MDCs. In this section figures presented for the boroughs include their respective share of the Development Corporations figures (and no data is presented for MDCs). There is a further exception to this within **Appendix A - Quantity of Industrial Land in London** - where the land use figures include for relevant boroughs any MDC land use areas within them.

1.3.5 PMAs are defined by strategic transport hubs and routes through which products and services move. PMAs were defined by AECOM in the London Industrial Land Supply Study 2015, in consultation with the GLA. These have been agreed as being appropriate for use in this update. The PMAs are: Central Services Circle[8]; Thames Gateway; Lea Valley; Park Royal / A40 / Heathrow; and Wandle Valley. These are listed in Table 1.2 below and shown in Figure 1.2.

1.3.6 The definition and boundaries of Inner and Outer London and the Central Activities Zone (CAZ) are as in Figure A2.1 of the London Plan 2021 and are shown in Figure 1.3.

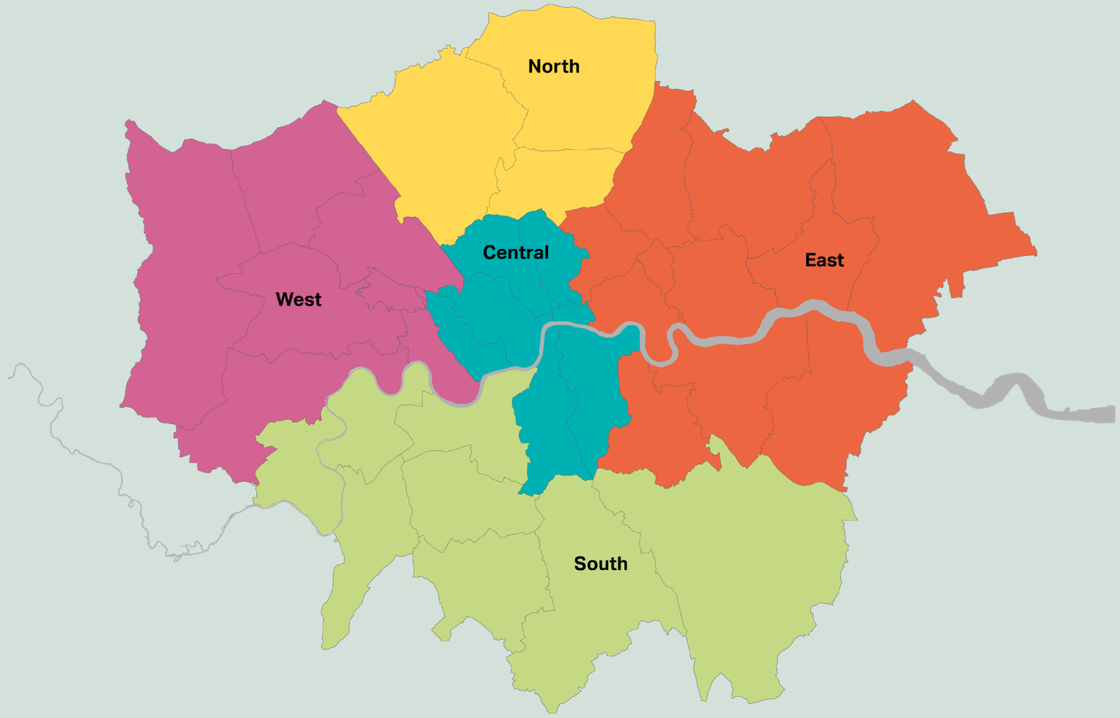
[6] Research and development of industrial processes and products.
[7] Purpose-built kitchens that serve only delivery customers.
[8] Equivalent to Central Services Area in London Plan Table 6.2.

Table 1.1: London Boroughs and Mayoral Development Corporations by sub-region

Sub-region	Boroughs / Mayoral Development Corporations
Central	Camden, City of London, Kensington and Chelsea, Islington, Southwark, Westminster, Lambeth
East	Barking and Dagenham, Bexley, Greenwich, Hackney, Havering, Lewisham, Newham, Redbridge, Tower Hamlets, Waltham Forest, London Legacy Development Corporation (LLDC)
North	Barnet, Enfield, Haringey
South	Bromley, Croydon, Kingston upon Thames, Merton, Richmond upon Thames, Sutton, Wandsworth
West	Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow, Old Oak and Park Royal Development Corporation (OPDC)

Source: London Industrial Land Supply Study (2015); AECOM

Figure 1.1: London sub-regions (2021)



Source: London Industrial Land Supply Study (2015); AECOM

Table 1.2: London Boroughs and Mayoral Development Corporations by Property Market Area

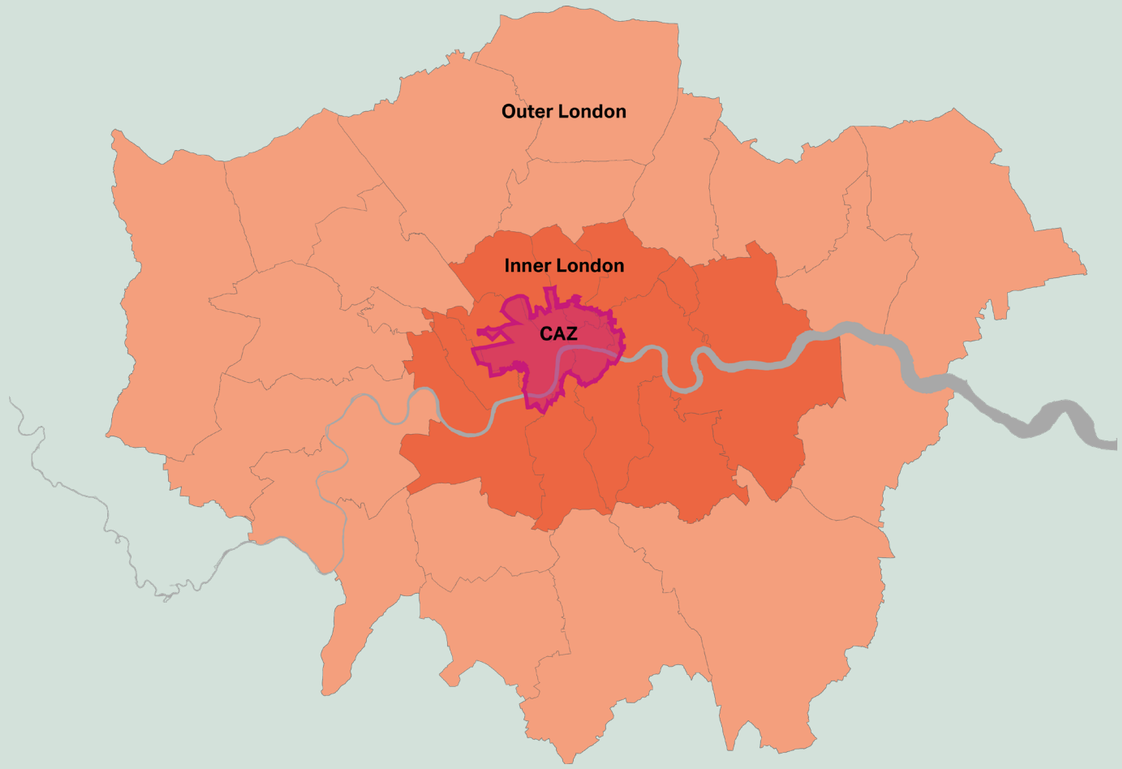
Property Market Area	Boroughs / Mayoral Development Corporations
Central Services Circle	City of London, Lambeth, City of Westminster, Islington, Camden, Kensington and Chelsea, Southwark, Lewisham, Tower Hamlets, Hackney
Thames Gateway	Bexley, Havering, Redbridge, Barking and Dagenham, Greenwich, Bromley, Newham (assumed to include half of Newham)
Lea Valley	Haringey, Enfield, Waltham Forest, Newham (assumed to include half of Newham), LLDC
Park Royal / A40 / Heathrow	Barnet, Hammersmith and Fulham, Brent, Richmond upon Thames, Ealing, Harrow, Hillingdon, Hounslow, OPDC
Wandle Valley	Croydon, Kingston upon Thames, Merton, Sutton, Wandsworth

Source: London Industrial Land Supply Study (2015); AECOM

Figure 1.2: Property Market Areas

Source: AECOM

Figure 1.3: Inner and Outer London and Central Activities Zone (2021)



Source: The London Plan 2021 (2021), Greater London Authority

1.4 Report structure

1.4.1 The report is structured as follows:

- Chapter 2 provides a synopsis of the key data and findings of the 2020 industrial land supply baseline including vacant industrial land and planned change to non-industrial use as well as new industrial land designations;
- Chapter 3 estimates the number of businesses whose primary activity is industrial in nature and employment associated with these businesses;
- Chapter 4 presents data on industrial floorspace, and property market dynamics including investment, rental values, take-up, capital values, vacancy, and land ownership;
- Chapter 5 provides a capacity analysis of strategically important industrial land clusters in the Wider South East; and
- Appendix A provides details on the quantity of industrial land use for different geographies over time, Appendix B provides a functional and character assessment of all of London's 55 SILs, and Appendix C sets out an intensification assessment approach for SILs. Appendix D includes details on statistical definitions of core and wider uses that have informed Chapter 3.

2

London's industrial land in 2020

2. London's industrial land in 2020

2.1 Introduction and methodology

2.1.1 The purpose of this chapter is to:

- Update and extend the 2015 study providing for 2020 an estimate of land (and floorspace, in **Section 4**) in **industrial and related uses and vacant industrial land**, broken down by borough and London sub-regions as defined in paragraph 1.3.3 and Table 1.1 (based on the 2015 Study); and
- Identify land uses in the **planning pipeline** that is potentially changing to/from industrial use as well as changing designation.

2.1.2 A **comparison** is provided with previous iterations of the baseline in 2001, 2006, 2010, and particularly 2015, to give a perspective on the degree and nature of change over time, and to highlight any trends or patterns in the supply of industrial land.

2.1.3 The **baseline year** for the land use data of this study is 2020. It relies on planning permissions data sourced from the Planning Datahub, which, at the time of writing, was complete for all boroughs only up to 31st March 2020. However, where more recent changes to land uses were observed in aerial or street-level photography, especially redevelopment to non-industrial uses, these were still captured in the land use baseline and mapping. The adopted Local Plan policy boundaries for designated areas (SIL and LSIS, as introduced in paragraph 1.1.4) are as they were on 31st March 2021 to ensure the baseline is as up-to-date as possible.

2.1.4 The main objective of this part of the study was to update the 2015 industrial land baseline and associated GIS mapping.

2020 Industrial land baseline update methodology

Desk-based update of 2015 industrial land use and policy designations

2.1.5 Using the 2015 industrial land **baseline map** of industrial and related land uses as a base position, the project team undertook a review of designated and non-designated industrial land within each borough. The approach was as follows:

- Mapping in GIS of 2015 industrial land uses and new/amended additional uses agreed with the GLA, (see Table 2.1);
- Collation and analysis of London Planning Datahub information to identify expected change of use since 1st January 2015, date representative of the 2015 baseline position. The data identified implemented planning permissions (either Completed or Started) included in the London Development Database (LDD) covering the period up until 31st March 2020, including prior approvals;
- Review of Google aerial, 3D and 'street view' photography to identify whether change has or has not occurred and/or to verify whether identified uses are correct; and
- Input of identified changes directly into a dedicated 'WebGIS' site for verification by the boroughs (see paragraph 2.1.11).

2.1.6 A list of the industrial and non-industrial **land use categories** mapped within the study are set out in Table 2.1 below. It includes industrial land use categories not previously mapped in the 2015 Study and several with changed definitions, as described in Section 2.2.

2.1.7 Land use categorisations for core industrial uses can be broadly associated with their **corresponding Use Classes**, with general industry representing Use Class B2, warehousing and storage representing Use Class B8 and light industry representing Use Class E(g)(iii). However, this study and its predecessors have not been based on a systematic review of registers of use class. Therefore, some sites may have a different land use category attributed in this study to what their use class is. A good example are builders' merchant warehouses. These are typically in sui generis use class but are categorised as warehouses by this study as they are functionally similar when observed in mapping taking account of the nature of the premises and their use of land.

2.1.8 The Use Class designation E(g)(iii) of some industrial land could have a significant impact on the future provision of industrial land in London due to the potential change of use from light industrial to other use categories, other than industrial, within Class E. These alternative non-industrial uses include commercial and businesses services such as retail, financial services, indoor sport and recreation or fitness, nursery, office or R&D space. Changes of use require that the existing lawful use is clearly established as within Class E. Further research, beyond the scope of this study, would be required to explore the impact of Class E on future gain or loss of industrial land in London (change of use within Class E without planning permission).

2.1.9 Similarly, the impacts of Permitted Development Rights such as the following should be addressed:

- PD Class PA - previous B1c (light industrial) to residential (C3) - time limited to prior approvals by 1 Oct 2020;
- PD Class P - Class B8 to residential (C3) - time limited to prior approvals by 10 June 2019;
- PD Class I - Class B2 to Class B8 (industrial conversions);
- PD Class MA - Class E including E(g)(iii) to residential (C3) - only came into force in 2021; and
- PD Class G/H - Class E including E(g)(iii) to mixed use and vice versa - only came into force in 2021.

2.1.10 Based just on LDD, it is estimated that loss of industrial land through Prior Approvals between 2015 and 2020 amounts to approximately 2-3 ha. Several London boroughs are putting into place Article 4 Directions to remove specific permitted development rights for specific geographical areas.

2.1.11 The spatial distribution/boundaries of designated SIL and LSIS were provided by the GLA. These were mapped in the WebGIS site for borough verification based on GIS information on adopted Local Plan designations held and provided by the GLA and reviewed by AECOM. These were as known/adopted at 31st March 2021.

Table 2.1: Industrial land use categorisations 2020

Land use categorisation by type
Core industrial uses
Light Industry (Use Class E(g)(iii))
General Industry (Use Class B2)
Warehouses (Use Class B8)
Self-storage (analagous to Use Class B8)
Open storage (Use Class B8)
Wider industrial uses
Wholesale markets
Waste management and recycling, secondary material and aggregates
Utilities
Land for rail (including DLR)
Land for buses
Airport related land and freight
Docks
Mixed-use (including industrial uses)
Data Centres
Film and TV Studios
Industrial-related Research and Development
Dark Kitchens
Other industrial
Vacant industrial land uses
Vacant industrial land (including vacant cleared sites and derelict industrial buildings)
Land with vacant building(s)
Non-industrial uses
Office
Retail
Residential
Recreation and leisure
Community services
Defence
Agriculture and fisheries
Mixed-use (non-industrial only)
Other non-industrial
Vacant land in Non-industrial capacity

Verification via engagement with Boroughs/MDCs

2.1.12 To ensure the robustness of the study, verification of the updated information was sought from each of the boroughs for their area given the unique local knowledge of sites and planning policy which they hold.

2.1.13 To undertake this, all boroughs/MDCs were sent a **request to check** the updated land use baseline and adopted policy boundaries via the dedicated WebGIS site using their own borough-specific login details. Specifically, they were requested to:

- Review the boundaries of adopted SIL and LSIS to confirm interpretation of these is correct. Where there was uncertainty of whether a borough-specific local designation would be consistent with the London Plan definition and policy protection recognised as LSIS this was considered on a case-by-case basis.
- Review the land uses attributed to sites within designated and non-designated areas on the WebGIS map and annotate any changes using the software tools.
- Consider whether there were sites in industrial and related use which were not mapped as any of the land uses listed in the key and which should be included.

2.1.14 They were advised to give particular consideration to verifying and identifying Vacant Industrial Land, and sites in Mixed-use (including industrial uses) given the challenges of accurately interpreting such uses at a strategic scale.

Production of 2020 industrial land baseline

2.1.15 The responses received to the verification exercise undertaken with boroughs were processed and resulted in changes to land uses and some changes to Local Plan policy designations boundaries. Once all updates were processed, mapping and schedules of land use were produced for all study geographies outlined in Section 1, representing the updated 2020 industrial land baseline (see Table 2.4 to Table 2.7 of this report).

Comparison with 2015, 2010, 2006 and 2001 position

2.1.16 Using the updated dataset on land uses prepared as a result of the above tasks, the absolute and percentage change in the supply of industrial land since 2015 and previous study time periods, i.e. 2001, 2006 and 2010 was calculated. This is presented in Table 2.8, Table 2.9 and Table 2.10.

Comparison with London Industrial Land Demand Study targets

2.1.17 Once calculated, analysis comparing the London Industrial Land Demand Study (LILDS) (2017) target/benchmark rate of industrial land release and the actual rate of release was undertaken (see Table 2.11).

Potential future changes to land in industrial and related uses methodology

Land in industrial and related uses that is potentially changing to non-industrial use

2.1.18 Supplementing the process undertaken to determine the 2020 industrial land baseline for London, the amount of industrial land potentially changing to non-industrial use (see Section 2.5) was also quantified to allow identification of industrial land that may be redeveloped for non-industrial uses. Proposed or anticipated industrial land release arising from various information sources utilised have been categorised broadly in order of the degree of certainty at which the release is likely to occur, as follows:

- Unimplemented Planning Permissions (not started) sourced from the London Development Database as at 31st March 2020;
- Previously designated industrial land;
- Emerging (not yet adopted) Local Plan policy proposals, including proposed changes in industrial site allocations (SILs/LSISs) separated out into:
  - » Regulation 19-21 (Reg 19+) proposals;
  - » Regulation 18 (Reg 18) proposals.

2.1.19 This information was mapped and verification then sought from boroughs through the engagement exercise outlined above. Subsequent to incorporating changes from this, the amount of land subject to release was then quantified in the GIS, with care taken not to double-count any planned release where more than one of the above categorisations apply.

2.1.20 Analysis of potential change resulting from Opportunity Areas, Area Action Plans and Industrial Area Masterplans, as was undertaken in the 2015 Study, was considered but excluded on the basis that it would add limited value but can be explored further via the GIS to specific geographies.

Proposed new land designations

2.1.21 In parallel to the process of identifying land potentially changing to non-industrial use outlined above, land which is either not currently in industrial use but proposed to be through designation, or land proposed for changing between SIL and LSIS designation was indentified from Local Plans (Reg 19-21 and Reg 18 proposals) and mapped. Verification of this was sought from the boroughs through the engagement exercise, with any comments or changes actioned within the GIS with the areas quantified and presented in this study.

2.2 Differences with and changes to the 2015 industrial land use baseline

2.2.1 The purpose of this section is to set out the methodological differences between the 2020 industrial land baseline update and the approach undertaken in the 2015 Study and any implications of the changes for the analysis.

2.2.2 Changes to definitions and methodology applied to the 2020 Study, new industrial land use categorisation and corrections to the 2015 baseline are summarised in Table 2.2. This indicates whether this has resulted in a change in the land use area recorded in the 2020 baseline and whether the change resulted in a retrospective update to the 2015 baseline to allow robust comparison.

Table 2.2: Changes to the 2015 industrial land use baseline

Land use	2015 Study definition*	2020 Study change	Impact on total area for this land use recorded in the 2020 baseline	Retrospectively applied to 2015 baseline?
Changes to definitions/methodologies				
Utilities	Land in use for utilities, defined as in use for energy production and distribution, water/wastewater supply and treatment, and telecommunications.	The update undertaken has highlighted a large quantum of utilities land to be included in the baseline which was not previously mapped as industrial land.	Increase	Yes - to show a proportionate change, allowing robust comparison with the 2020 baseline position given the sizeable degree of change
Land for rail (including DLR)	Land within designated industrial areas in use as either tracks, depots, railheads/terminals or yards as well as any related land lying within previously designated for industrial uses in 2010.	The update undertaken has highlighted a large quantum of land for rail (depots, railheads/ terminals, yards) to be included which was not previously mapped as industrial land due to not being previously designated. Areas of land for rail no longer designated for industrial uses in 2020 have been removed from the baseline, unless in use as railway depots, railheads/ terminals or yards.	Overall increase	Yes - to show a proportionate change, allowing robust comparison with the 2020 baseline position given the sizeable degree of change
Waste management and recycling, secondary materials and aggregates	Land in use for waste management and recycling defined as activities including refuse disposal facilities (tips, landfill sites and disposal plants), or recycling facilities and amenities. Handling of secondary materials and aggregates was categorised as being either in general industrial use or as open storage.	Definition expanded to include all land in use for handling of secondary materials and aggregates.	Increase	No - change of definition as opposed to change to quantum of use not previously accommodated
Airport related land and freight	Land in use for airport related activities and freight defined as ancillary land within the curtilage of an airport, that includes storage of planes and aero related parts, repair shops and other areas for cargo.	Some land within the boundaries of Heathrow Airport that was not identified in the 2015 Study as either in industrial use or within designated industrial areas is included, as it is verified as being within the definition of airport related land and freight use.	Slight increase	No
Docks	Land in use for marine infrastructure such as piers, jetties based on 2010 baseline land use mapping**. Study captured sites that were within this land use already in 2010 and where no recognisable change of use has taken place since. No exercise undertaken to identify additional sites in this use.	Same approach as in 2015, i.e. captures sites that had already been within this land use in 2010 and where no recognisable change of use has taken place since. Where change from this use has occurred, land use has been amended, but again no exercise was undertaken to identify additional sites.	No change	No
Land with vacant building(s)	Identification of land with vacant building(s) based on available data and verified with aerial and street-level photography, which represents only a snapshot in time.	Sites that were within this land use in 2015 were reviewed to identify and record whether a change of use has taken place since. In a change from 2015, no exercise was undertaken to identify new sites in this use given the limitations of the study approach in identifying vacant buildings.	No change	No
New industrial land use categorisations				
Emerging and 'hybrid' industrial-related sectors	Land use by emerging sectors (not yet identified in 2015) was generally categorised as being within core industrial uses.	Several emerging sectors have been identified as occupying industrial land and recorded as part of the 2020 Study under the wider industrial use definition, comprising: • Data centres; • Film and TV studios; • Industrial-related research and development; and • 'Dark kitchens'.	N/A - new categories	No
Mixed-use (including industrial use)	Not identified as a land use category.	Identified as its own land use within the wider definition of industrial.	N/A - new category	No
Vacant land in Non-industrial capacity	Not identified as a land use category.	Vacant land which is earmarked for non-industrial re-development via planning permission or an adopted Local Plan de-designation has been recorded as its own land use.	N/A - new category	No
Corrections				
Open storage	Land in use for open storage.	Additional sites were identified through consultation by LB Hillingdon not captured in the 2015 Study but likely to have been in use for this activity. Correction of categorisation for sites with Dagenham Dock / Rainham Employment area from self-storage to open storage. Correction of a small number of sites in use for aggregates processing categorised as open storage in 2015. Reclassified as within the waste management, recycling and aggregates land use as refined for 2020.	Overall slight increase	No

Source: AECOM

* Note that these also applied to the land use baselines for 2001, 2006 and 2010
** These land use areas are different from the safeguarded wharves designation

Table 2.3: Retrospective changes to the 2015 industrial land use baseline in 2020 study (ha)

Greater London	2015 (as per 2015 study) (ha)					2015 (post retrospective update) (ha)				
Land use categorisations	Designated industrial land			Non designated industrial land	Total	Designated industrial land			Non designated industrial land	Total
	SILs	LSIS	Total			SILs	LSIS	Total		
Industrial uses										
Wider										
Utilities	243.5	41.3	284.8	763.1	1,047.9	267.2	41.3	308.5	793.6	1,102.0
Land for rail (including DLR)	211.9	26.4	238.3	100.2	338.5	219.4	26.4	245.7	239.6	485.3
Total industrial	3,533.9	946.8	4,480.7	2,495.6	6,979.3	3,541.4	946.8	4,488.1	2,665.5	7,153.6
Total	3,891.6	1,156.9	5,048.5	2,495.6	7,544.1	3,899.1	1,156.9	5,056.0	n/a	7,721.5

Source: AECOM

Retrospective update to industrial land use baseline

2.2.3 As noted in Table 2.2, differences to the methodology undertaken in the 2015 study have resulted in a retrospective update to the 2015 industrial land use baseline as presented in this report to allow robust comparison. The land use categorisations for which this update has been applied are utilities and land for rail only as agreed with the GLA.

2.2.4 A comparison of the 2015 baseline for these two land uses as presented in the 2015 Study and this 2020 Study is shown in Table 2.3 below. It shows that the application of the 2020 Study methodology to the 2015 baseline results in land in utilities in London increasing by 54 ha and land for rail increasing by 147 ha.

Designation boundary / land use boundary refinement

2.2.5 In the 2015 Study, the border of industrial land use polygons as mapped in the GIS did not always align with SIL/LSIS boundaries such that areas of land use often extended beyond and were mostly recorded as being within SIL/LSIS based on the GIS data capture method.

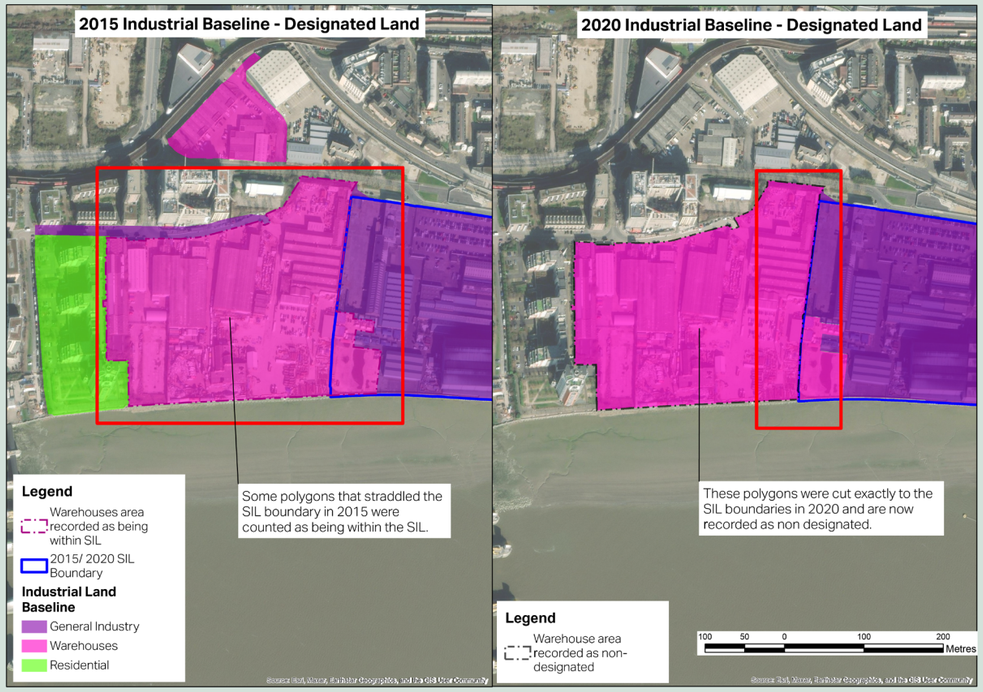
2.2.6 For example, in 2015, the total land use area recorded within SIL is 3,899 ha. This is compared to a SIL line boundary area of only 3,819 ha. The difference (80 ha) was in part accounted for by industrial land bordering but outside of SIL boundaries being captured as within the SIL totals due to land use polygons straddling these boundaries.

2.2.7 This was consciously not corrected as part of the 2015 Study owing to concern around the change comparison with 2010 being impacted. It was decided for the 2020 update however that refinements would be made such that any land use areas that straddled boundaries would be divided along the relevant boundary. This refinement is illustrated in Figure 2.1.

2.2.8 The update of land uses also identified that land use polygons sometimes extended beyond SIL/LSIS designation boundaries into areas which were not in industrial use but had been categorised as such in 2015. Again, it was decided for the 2020 update that refinements would be made such that land use boundaries where this applies would be refined to align with SIL/LSIS designation boundaries. This refinement is illustrated in Figure 2.2.

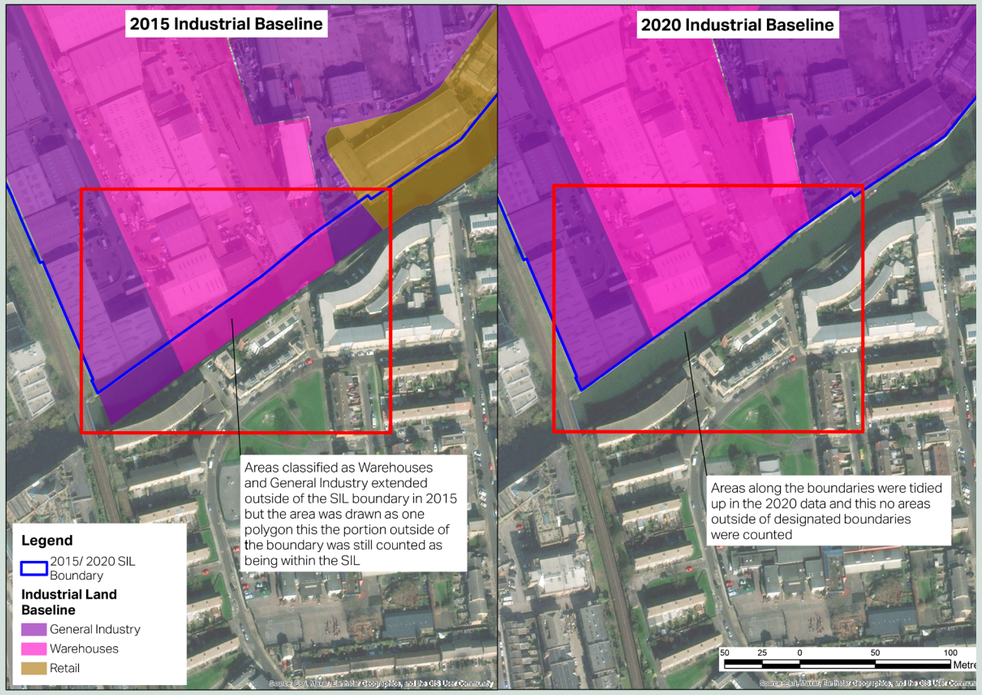
2.2.9 This resulted in a more accurate baseline in this respect both for industrial land within SIL/LSIS and non-designated industrial land. The implication of this refinement is that the amount of land use within designated areas has declined in some areas when there has been no change to adopted Local Plan boundaries, or by more than the actual contraction in boundary area where there have been changes. This change is more noticeable for SIL than LSIS with the degree of refinement needed for the latter being more limited and affecting a smaller land area.

Figure 2.1: Designation boundary / land use boundary refinement 1



Source: AECOM

Figure 2.2: Designation boundary / land use boundary refinement 2



Source: AECOM

2.2.10 The effect is that areas of industrial land subject to this are now correctly categorised as non-designated land where they have not been lost to non-industrial uses since 2015. Whilst the refinements provide an accurate baseline first and foremost, it is acknowledged that it may slightly impact on the comparison with the 2015 Study.

2.2.11 After the borough verification process, it was clarified that Kensington and Chelsea has no LSIS designations. This is not reflected in the land use tables of the following sections but has been appropriately caveated (see paragraph 2.5.6 and Tables 2.7 and 2.12).

2.3 Industrial land supply

2.3.1 The purpose of this section is to update and expand on the 2015 Study, providing an estimate of land in industrial and related uses, as well as vacant industrial land, broken down by borough and sub-region for 2020. An estimate of floorspace in industrial and related uses is provided in Section 4 of this study.

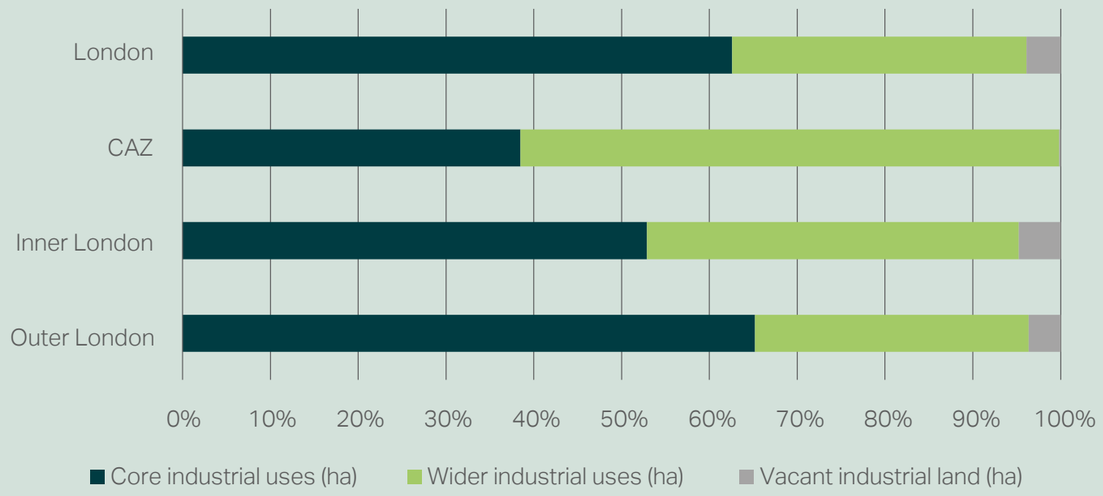
2.3.2 As noted in paragraph 1.3.1, industrial land can be categorised as core, wider, or vacant land. This is analysed in this section, and vacant land in more detail in section 2.4. Industrial land can also be categorised as designated, including SIL and LSIS (but with not all land uses being industrial), or non-designated industrial land, which is looked at in section 2.5.

Broad industrial land categorisations

2.3.3 In this section, the amount of land in industrial use in London is analysed, including designated land (SIL and LSIS), previously designated and non-designated land. It sets out the total amount of land used for industrial activities in London.

2.3.4 It should be noted that some changes, as explained in Section 2.2, have been made to the way land use data is presented since the 2015 study. Therefore, readers wishing to compare the two studies should read this table in conjunction with Section 2.2.

Figure 2.3: Industrial land in London by use in 2020 (%)



Source: AECOM

2.3.5 As shown in Table 2.4 below, in 2020 there are 6,798 ha of industrial land in London in industrial use. This is spatially illustrated in Map 2.1 below. 4,255 ha of the total is in core industrial use (63%); 2,280 ha is in wider industrial use (33%), and 263 ha is vacant industrial land (4%). The share of core industrial activities in industrial land is greater in Outer London (65%) - in particular within East and West London - than the London average (63%) but lower in Inner London (53%) and even lower in the CAZ (38.5%) (see Figure 2.3). Several boroughs within the East London sub-region account for a large proportion of total industrial land supply, namely Barking and Dagenham, Bexley, Havering, and Newham. Within West London, Brent, Ealing, Hillingdon, and Hounslow account for large proportions of industrial land in London, as does Enfield in the North sub-region.

Core industrial uses

2.3.6 Core industrial uses can be divided into two broad categories of activities: industry (general and light industry) (Use Classes B2 and E(g)(iii))[9], as well as warehousing and storage (Use Class B8). The latter represents the majority of land in core industrial uses in London as well as Outer London. The distribution of land between the two categories is even within Inner London; whilst there is a higher proportion of industry (compared to warehousing and storage) in the CAZ. At the sub-regional level, the highest proportions of land in core industrial use are in the East sub-region and West-sub-regions respectively. Together, these two sub-regions provide nearly 70% of all core industrial land in London and also account for the largest total shares of all industrial land respectively.

2.3.7 Barking and Dagenham is the largest host of core industrial uses, hosting 10% of the London total (in terms of land), followed by Bexley (8%), Enfield, Hillingdon and Hounslow (all 7%). Overall, core industrial uses tend to be concentrated in Outer London boroughs where the share of core industrial use is 61% on average, against 51% across Inner London, and 59% across the whole of London. Barking and Dagenham has a share of 76% of its industrial land used for core industrial activities. Some Outer London boroughs however have a small proportion of core industrial activities on their industrial land, such as Richmond upon Thames (31%) or Sutton (35%).

2.3.8 At PMA level, the Park Royal / A40 / Heathrow and Thames Gateway account for similar amounts of land in core use and together account for nearly two-thirds of the total. In these two PMAs, core uses also each account for nearly two-thirds of the total industrial land (65% and 63% respectively), with this proportion only being marginally higher in the Central Services Circle.

Wider industrial uses

2.3.9 For land in wider industrial use, at a sub-regional level, the highest proportion of land in this use (compared to total industrial use in the sub-region including vacant industrial land) is in the South sub-region, where it accounts for 43% of the stock of industrial land (468 ha). This is due to large utilities sites accounting for disproportionately large amounts of land in this sub-region compared with others. The North sub-region has the lowest share as a proportion of its stock at 29% (208 ha). The East and West sub-regions account for the highest amounts of such land in absolute terms (796 ha and 715 ha), which reflects that they accommodate most industrial land overall.

2.3.10 At PMA level, land in wider industrial use is most prominent in the Wandle Valley area where it accounts for 42% of the stock of industrial land. The area with the lowest proportion of wider industrial land as a share of total stock is the Thames Gateway at 26%. The Park Royal / A40 / Heathrow PMA has the greatest amount of wider industrial land in absolute terms (799 ha, which represents 35% of its total stock).

2.3.11 There is no noticeable trend in spatial location at a borough level when considering wider industrial activities although there is some concentration in the East and West sub-regions.

[9] While these often tend to be aggregated, given that Class E(g)(iii) uses are prone to loss to other uses within Class E (see also paragraph 2.1.8), which could have an impact on future provision of industrial uses, it is important to regard them as disaggregated in Table 2.5.

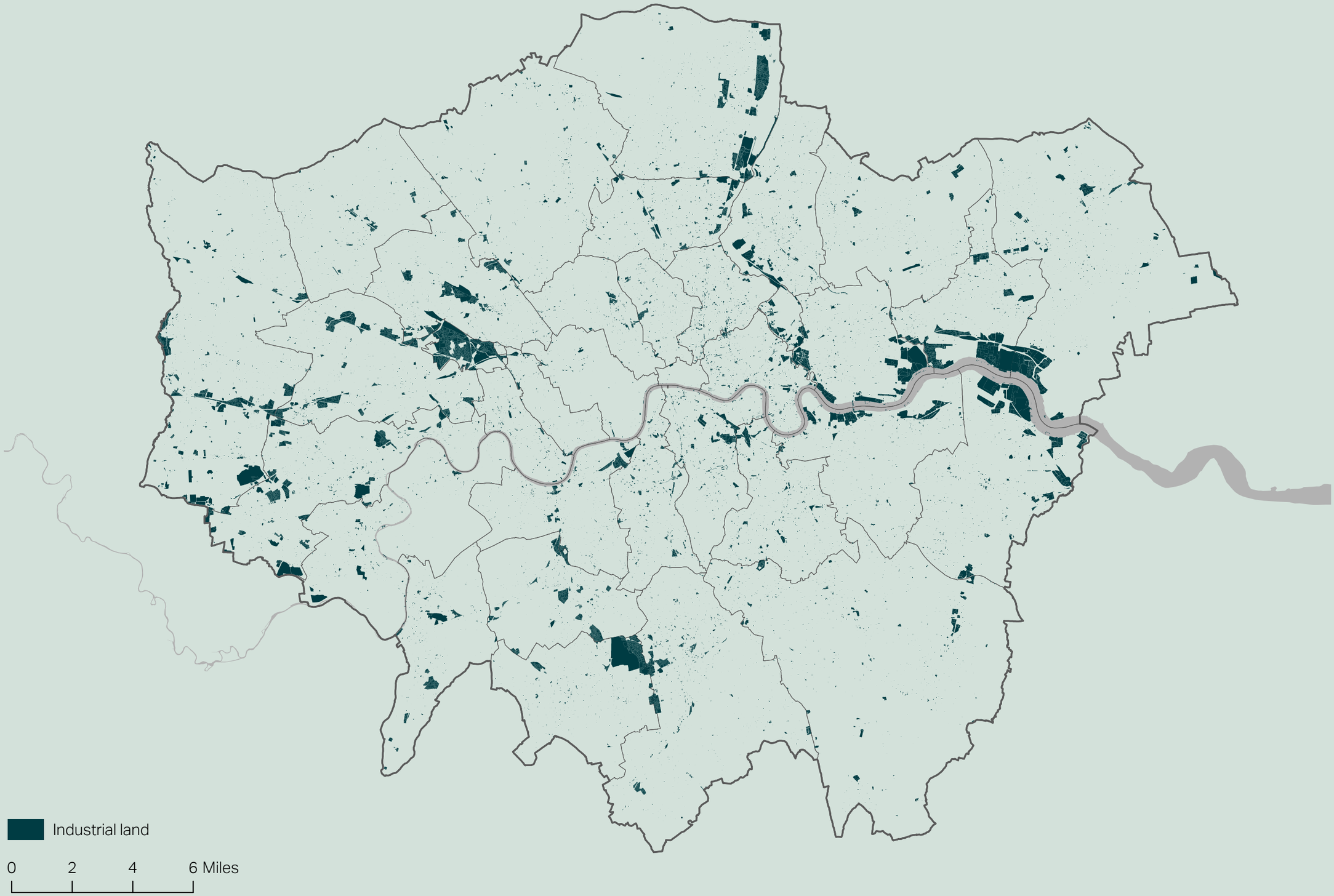
Table 2.4: Industrial land in London by broad industrial land use categorisation (2020) (ha)

Area	Borough	Core industrial uses (ha)			Wider industrial uses (ha)	Total core and wider uses (ha)	Vacant industrial land* (ha)	Total industrial land (ha)	Vacant rate (total)
		Industry (general and light Industry)	Warehouses, self storage and open storage	Total core uses					
London		1,770.9	2,484.1	4,255.0	2,280.1	6,535.1	263.1	6,798.2	3.9%
CAZ		13.2	9.0	22.2	35.4	57.6	0.1	57.7	0.2%
Inner London		378.4	378.2	756.5	605.8	1,362.3	67.9	1,430.2	4.7%
Outer London		1,392.6	2,105.9	3,498.5	1,674.3	5,172.8	195.2	5,367.9	3.6%
Central sub-region		99.5	93.9	193.4	94.1	287.5	5.3	292.8	1.8%
	Camden	9.0	17.8	26.8	9.2	36.1	0.0	36.1	0.0%
	City of London	-	-	-	2.3	2.3	-	2.3	na
	Kensington and Chelsea	4.6	6.2	10.8	4.6	15.4	1.0	16.4	5.8%
	Islington	7.2	13.1	20.3	11.9	32.2	0.2	32.4	0.5%
	Southwark	38.8	42.4	81.1	42.0	123.2	3.2	126.4	2.5%
	Westminster	1.5	1.4	2.9	7.4	10.3	-	10.3	na
	Lambeth	38.3	13.0	51.4	16.6	68.0	0.9	68.9	1.4%
East sub-region		787.7	832.1	1,619.8	796.0	2,415.8	190.5	2,606.3	7.3%
	Barking and Dagenham	242.0	173.7	415.7	65.6	481.3	46.6	527.9	8.8%
	Bexley	153.3	168.0	321.2	137.0	458.2	51.0	509.2	10.0%
	Greenwich	55.0	73.6	128.6	55.5	184.1	14.6	198.8	7.4%
	Hackney	27.2	6.6	33.8	9.9	43.7	0.8	44.5	1.8%
	Havering	75.8	200.4	276.3	106.3	382.5	31.2	413.7	7.5%
	Lewisham	18.8	37.9	56.7	34.1	90.8	4.2	95.0	4.4%
	Newham	65.1	98.0	163.1	214.9	378.0	36.5	414.5	8.8%
	Redbridge	30.4	14.1	44.5	28.1	72.6	0.4	73.0	0.5%
	Tower Hamlets	38.2	14.1	52.2	22.9	75.2	3.7	78.9	4.7%
	Waltham Forest	62.1	37.7	99.8	77.7	177.5	0.6	178.1	0.3%
	LLDC	19.8	7.9	27.7	44.0	71.7	1.0	72.7	1.4%
North sub-region		184.2	304.1	488.3	207.6	695.9	17.2	713.1	2.4%
	Barnet	16.7	41.8	58.6	26.5	85.1	0.0	85.1	0.0%
	Enfield	133.8	183.8	317.6	131.0	448.6	10.2	458.8	2.2%
	Haringey	33.6	78.4	112.1	50.1	162.1	7.0	169.1	4.1%
South sub-region		253.2	343.5	596.7	467.7	1,064.4	20.4	1,084.8	1.9%
	Bromley	34.5	43.7	78.2	42.8	121.0	6.6	127.6	5.2%
	Croydon	46.7	69.4	116.1	31.3	147.4	0.4	147.8	0.3%
	Kingston-upon-Thames	27.7	32.7	60.5	52.4	112.9	0.6	113.5	0.5%
	Merton	54.4	83.6	138.0	27.9	165.9	2.1	168.0	1.2%
	Richmond-upon-Thames	17.3	8.7	26.0	57.8	83.8	0.6	84.4	0.7%
	Sutton	32.2	82.6	114.7	195.7	310.5	10.1	320.6	3.2%
	Wandsworth	40.4	22.9	63.3	59.7	123.0	0.0	123.0	0.0%
West sub-region		446.4	910.4	1,356.9	714.6	2,071.5	29.7	2,101.2	1.4%
	Brent	92.4	83.4	175.8	78.1	253.8	1.9	255.7	0.8%
	Ealing	106.2	145.2	251.4	60.7	312.1	4.9	317.0	1.5%
	Hammersmith and Fulham	7.6	10.4	18.1	8.0	26.1	1.9	28.0	6.9%
	Harrow	11.8	28.7	40.5	7.8	48.3	0.0	48.4	0.1%
	Hillingdon	64.7	253.0	317.6	260.0	577.7	2.3	580.0	0.4%
	Hounslow	51.6	240.3	291.9	174.9	466.8	4.8	471.6	1.0%
	OPDC	112.1	149.5	261.6	125.1	386.7	13.9	400.6	3.5%
Central Services Circle		183.7	152.5	336.1	161.1	497.2	14.0	511.2	2.7%
Lea Valley		281.9	356.9	638.8	410.2	1,049.0	37.0	1,086.0	3.4%
Thames Gateway		623.5	722.6	1,346.1	542.7	1,888.8	168.6	2,057.4	8.2%
Wandle Valley		201.4	291.2	492.6	367.0	859.6	13.2	872.8	1.5%
Park Royal / A40 / Heathrow		480.5	961.0	1,441.4	799.0	2,240.4	30.3	2,270.7	1.3%

Source: AECOM

* including vacant cleared sites and derelict industrial buildings, and land with vacant buildings

Map 2.1: Geographic distribution of industrial land in London in 2020



Source: AECOM

Detailed industrial land use

2.3.12 Table 2.5 breaks the broad land use categories into more detailed land uses. The table also includes details about non-industrial uses specifically on designated industrial land. There is commentary on this included in paragraphs 2.5.3 to 2.5.5. The extent of industrial land use activities by sub-region is shown in Figure 2.4.

Industrial, warehouses and storage sectors

2.3.13 Barking and Dagenham and Bexley are particularly large providers of land for general industrial activities in Use Class B2, with 239 ha and 138 ha respectively, making them the two largest contributors in London before Enfield (130 ha) and the OPDC (106 ha).

2.3.14 There is less of a concentration of light industrial Class E(g)(iii) uses, but the largest contributors are Hillingdon and Wandsworth (20 ha each), Lambeth and Kingston (17 ha each), Bexley (15 ha) and Hounslow (14 ha). These industrial uses are more vulnerable to changes of use within Use Class E and through permitted development rights, as set out in paragraph 2.1.8.

2.3.15 There is also less of a concentration of activities when it comes to warehousing and storage, but it can be noted that Hillingdon hosts an important share of these activities (10%). This concentration is driven by the presence of Heathrow Airport in the Borough. Overall, warehousing activities are mainly located in the West sub-region (37%) and East sub-region (33%). The South and North sub-region each account for less than 15% of warehousing activities in London, whilst the Central sub-region represents only 4% of those activities.

Wholesale markets, waste and utilities

2.3.16 Wholesale markets represents 43 ha of London's industrial land, waste management and recycling, secondary materials and aggregates represent 378 ha and utilities with 1,094 ha account for the largest amount amongst this group of wider industrial uses.

2.3.17 Five London boroughs are particularly large hosts of these types of activities: Newham (12% of London's total), Sutton (12%), Hounslow (10%), Bexley (8%) and Enfield (8%). Together, they host 50% of all London activities in these categories and represent a large share of the total land in industrial use in these boroughs. Bexley has a large amount of industrial land occupied by waste management, aggregates and utilities (127 ha). Five boroughs host wholesale markets, with Wandsworth (New Covent Garden Market) comprising the largest land area at 16 ha (27% of the total area in this use in London).

Land for transport use

2.3.18 Land for transport use includes land for rail, land for buses, airport related land and freight and docks.

2.3.19 London has 655 ha of industrial land in these uses, with the vast majority being land for rail (384 ha) and airport related land and freight (169 ha).

2.3.20 At the borough-level, a large share of the land for transport use is located in Hillingdon (29% of London's total), which is driven by the presence of Heathrow Airport. Other areas in the West sub-region are important hosts to these types of activities too, such as the OPDC which has 16% of London's total and Brent with 9%, which is mostly land for rail (depots at Neasden and Stonebridge Park).

2.3.21 Interestingly, of the 78 ha of land categorised as land for buses (typically bus depots or storage areas), there are no boroughs which has more than 6 ha (or 8%) and only a few boroughs, where total industrial land is mostly small in extent, do not accommodate any land in this use. This may reflect the need for this land use to be widely and evenly distributed to meet operational requirements.

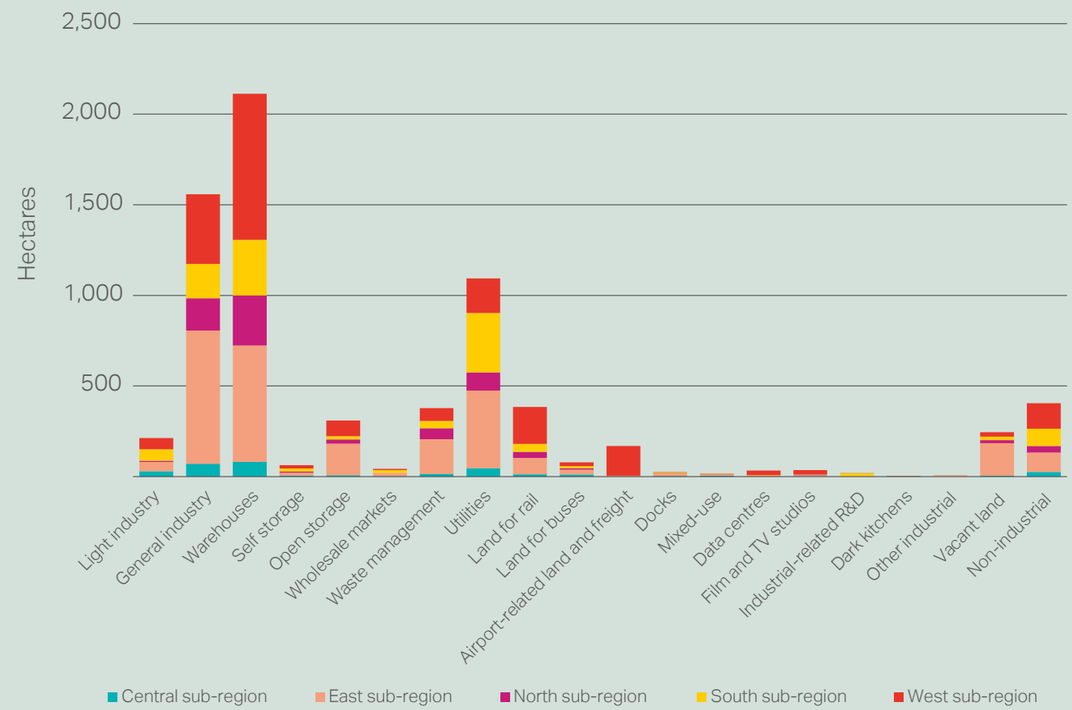
Emerging and hybrid industrial sectors

2.3.22 As noted above, several emerging and hybrid sectors have been identified as occupying wider industrial land uses in London. As shown in Table 2.6, almost 4 ha of wider industrial land in London is occupied by 'dark kitchens'. In the OPDC area in the West sub-region almost 2 ha of wider industrial land is occupied by dark kitchens, though representing only 2% of wider industrial land use within the area. Across London, 33 ha of wider industrial land is occupied by data centres. In Hillingdon, 16 ha of wider industrial land is occupied by this use, the most of any borough and representing 6% of wider industrial land use within it. Across London, 35 ha of wider industrial land is occupied by film and TV studios. Within Hounslow, almost 16 ha (9%) of wider industrial land is occupied by this use.

2.3.23 In terms of the PMAs, 60% of dark kitchens, 70% of film and TV studios, 78% of data centres, and all of the 18 ha of industrial land occupied by industrial-related research and development activities lie within the Park Royal / A40 / Heathrow area.

2.3.24 The spatial distribution of key industrial land categories is illustrated in Map 2.2.

Figure 2.4: Industrial activities by sub-region in 2020 (ha)



Source: AECOM

Table 2.5: Industrial land in London by detailed land use (2020) (ha)

Area	Borough	Core industrial uses (ha)						Wider industrial uses (ha)												
		Light industry	General industry	Warehouses	Self storage	Open storage***	Core sub-total	Wholesale markets	Waste management and recycling*	Utilities*	Land for rail*	Land for buses	Airport-related and freight*	Docks*	Mixed-use (including industrial uses)**	Data centres**	Film and TV studios**	Industrial-related Research and Development**	Dark kitchens**	Other industrial	Wider sub-total
London		213.0	1,558.0	2,112.3	62.5	309.3	4,255.0	42.5	377.8	1,093.6	384.2	77.5	169.1	23.7	15.8	32.6	35.3	17.7	3.8	6.5	2,280.1
CAZ		0.0	13.2	8.0	0.9	0.1	22.2	17.6	2.5	8.2	2.7	1.4	0.0	2.2	0.0	0.0	0.7	0.0	0.0	0.0	35.4
Inner London		78.6	299.8	306.4	19.6	52.2	756.5	23.2	119.6	244.7	144.3	29.4	4.7	13.5	12.8	1.9	6.0	0.0	1.4	4.2	605.8
Outer London		134.4	1,258.2	1,806.0	42.9	257.1	3,498.5	19.4	258.2	848.9	239.9	48.1	164.4	10.2	3.0	30.7	29.3	17.7	2.3	2.3	1,674.3
Central sub-region		28.7	70.7	80.9	6.5	6.6	193.4	1.9	13.0	45.7	12.3	11.4	0.0	3.7	4.7	0.0	0.8	0.0	0.7	0.0	94.1
	Camden	0.9	8.1	17.1	0.7	0.0	26.8	0.0	1.6	6.0	0.0	0.4	0.0	0.2	1.0	0.0	0.0	0.0	0.1	0.0	9.2
	City of London	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.0	0.3	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	2.3
	Kensington and Chelsea	2.2	2.4	1.1	0.6	4.5	10.8	0.0	0.0	4.1	0.1	0.0	0.0	0.3	0.2	0.0	0.0	0.0	0.0	0.0	4.6
	Islington	1.1	6.1	11.4	1.0	0.8	20.3	0.0	0.8	7.3	0.0	1.8	0.0	0.0	1.9	0.0	0.0	0.0	0.0	0.0	11.9
	Southwark	8.0	30.8	40.1	1.3	0.9	81.1	0.0	8.9	15.2	9.8	4.3	0.0	2.0	1.2	0.0	0.3	0.0	0.3	0.0	42.0
	Westminster	0.0	1.5	1.4	0.0	0.0	2.9	0.0	0.0	5.8	0.0	0.7	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	7.4
	Lambeth	16.5	21.8	9.8	2.9	0.4	51.4	0.0	1.6	7.0	2.4	4.2	0.0	0.2	0.5	0.0	0.5	0.0	0.3	0.0	16.6
East sub-region		51.9	735.7	643.0	14.7	174.4	1,619.8	17.7	192.5	428.8	90.8	26.4	4.7	12.7	8.2	4.1	6.4	0.0	0.3	3.3	796.0
	Barking and Dagenham	2.9	239.0	144.4	2.1	27.3	415.7	0.0	33.2	25.1	1.1	3.5	0.0	0.7	0.0	0.0	1.9	0.0	0.0	0.1	65.6
	Bexley	15.4	137.8	157.4	0.4	10.2	321.2	0.0	34.9	92.4	7.2	1.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	137.0
	Greenwich	10.5	44.5	55.6	2.0	16.0	128.6	0.0	29.4	13.4	6.5	3.6	0.0	2.6	0.0	0.0	0.0	0.0	0.0	0.0	55.5
	Hackney	4.0	23.2	5.9	0.6	0.1	33.8	0.0	1.5	5.8	0.0	2.5	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	9.9
	Havering	1.9	73.9	112.0	1.5	86.9	276.3	0.0	20.5	74.0	6.9	2.2	0.0	0.5	0.0	2.2	0.0	0.0	0.0	0.0	106.3
	Lewisham	1.0	17.8	32.5	2.0	3.3	56.7	0.0	5.4	7.3	17.4	3.1	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	34.1
	Newham	9.6	55.6	75.8	0.4	21.8	163.1	0.0	39.4	138.6	21.4	4.7	4.7	2.9	0.0	0.0	0.0	0.0	0.0	3.2	214.9
	Redbridge	0.1	30.3	12.8	0.3	1.1	44.5	0.0	4.3	10.7	11.5	1.3	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	28.1
	Tower Hamlets	2.8	35.4	10.8	0.4	2.8	52.2	5.4	1.7	8.1	2.3	0.7	0.0	3.3	0.0	1.0	0.0	0.0	0.3	0.0	22.9
	Waltham Forest	3.2	58.9	30.6	2.7	4.5	99.8	12.3	10.1	37.0	16.0	1.2	0.0	1.1	0.1	0.0	0.0	0.0	0.0	0.0	77.7
	LLDC	0.5	19.3	5.2	2.3	0.4	27.7	0.0	12.0	16.4	0.4	2.7	0.0	0.0	8.0	0.0	4.5	0.0	0.0	0.0	44.0
North sub-region		6.4	177.7	275.0	6.1	23.0	488.3	0.0	61.1	100.2	33.7	8.7	0.0	0.2	0.8	0.0	2.6	0.0	0.3	0.0	207.6
	Barnet	1.3	15.4	31.1	1.2	9.6	58.6	0.0	8.1	15.1	1.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.5
	Enfield	3.9	129.9	171.7	1.5	10.7	317.6	0.0	48.0	68.2	8.0	4.2	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	131.0
	Haringey	1.2	32.4	72.3	3.4	2.8	112.1	0.0	5.1	17.0	24.0	2.7	0.0	0.2	0.8	0.0	0.1	0.0	0.3	0.0	50.1
South sub-region		63.5	189.8	307.6	17.3	18.7	596.7	15.8	40.1	327.9	43.9	11.0	0.0	4.2	1.9	3.1	1.1	17.4	0.4	1.0	467.7
	Bromley	2.5	32.0	38.8	4.1	0.8	78.2	0.0	6.4	33.5	0.0	1.9	0.0	0.0	0.6	0.3	0.0	0.0	0.0	0.0	42.8
	Croydon	8.9	37.8	60.4	3.2	5.8	116.1	0.0	7.4	18.5	3.7	0.1	0.0	0.0	0.9	0.8	0.0	0.0	0.0	0.0	31.3
	Kingston-upon-Thames	16.5	11.2	31.9	0.8	0.0	60.5	0.0	2.5	47.3	1.8	0.0	0.0	0.1	0.0	0.7	0.0	0.0	0.0	0.0	52.4
	Merton	8.1	46.4	73.5	3.4	6.6	138.0	0.0	9.1	6.7	9.2	2.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	27.9
	Richmond-upon-Thames	0.8	16.5	5.9	0.4	2.3	26.0	0.0	1.7	29.5	2.8	2.6	0.0	3.5	0.3	0.0	0.0	17.4	0.0	0.0	57.8
	Sutton	7.2	24.9	78.8	1.6	2.1	114.7	0.0	3.4	185.7	3.8	1.6	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0	195.7
	Wandsworth	19.5	20.9	18.2	3.7	1.0	63.3	15.8	9.7	6.6	22.6	2.7	0.0	0.6	0.1	0.0	0.2	0.0	0.3	1.0	59.7
West sub-region		62.4	384.0	805.8	18.0	86.6	1,356.9	7.0	71.1	191.1	203.5	20.0	164.4	3.0	0.2	25.4	24.3	0.3	2.1	2.2	714.6
	Brent	2.6	89.8	71.2	3.1	9.0	175.8	0.0	8.7	12.4	50.5	5.3	0.0	0.0	0.1	0.0	1.1	0.0	0.0	0.0	78.1
	Ealing	11.5	94.7	132.6	4.0	8.6	251.4	0.0	4.4	17.3	30.1	5.8	0.0	0.1	0.1	0.0	2.9	0.0	0.0	0.0	60.7
	Hammersmith and Fulham	0.2	7.4	8.7	1.5	0.2	18.1	0.0	0.6	2.8	3.1	0.6	0.0	0.3	0.0	0.0	0.5	0.0	0.1	0.0	8.0
	Harrow	8.0	3.8	26.3	1.4	1.1	40.5	0.0	1.3	6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.8
	Hillingdon	20.1	44.6	193.4	2.6	57.0	317.6	0.0	29.8	20.1	18.8	3.7	164.4	1.8	0.0	16.1	3.0	0.3	0.0	2.2	260.0
	Hounslow	13.9	37.8	224.9	5.0	10.4	291.9	7.0	16.9	127.1	1.2	2.1	0.0	0.8	0.0	4.2	15.5	0.0	0.0	0.0	174.9
	OPDC	6.1	106.0	148.8	0.4	0.4	261.6	0.0	9.4	4.9	99.9	2.5	0.0	0.0	0.0	5.1	1.4	0.0	1.9	0.0	125.1
Central Services Circle		36.5	147.2	130.1	9.6	12.8	336.1	7.3	21.6	66.8	32.1	17.7	0.0	7.2	4.7	1.9	0.8	0.0	1.0	0.0	161.1
Lea Valley		13.6	268.3	317.6	10.1	29.1	638.8	12.3	94.8	207.8	59.1	13.1	2.3	2.7	8.9	0.0	7.1	0.0	0.3	1.6	410.2
Thames Gateway		38.2	585.3	558.9	10.5	153.2	1,346.1	0.0	148.5	318.4	44.0	15.9	2.3	6.6	0.7	2.5	1.9	0.0	0.0	1.7	542.7
Wandle Valley		60.2	141.2	262.9	12.8	15.5	492.6	15.8	32.0	264.9	41.1	6.5	0.0	0.6	1.0	2.8	1.1	0.0	0.4	1.0	367.0
Park Royal / A40 / Heathrow		64.5	416.0	842.8	19.5	98.6	1,441.4	7.0	80.8	235.6	208.0	24.3	164.4	6.6	0.5	25.4	24.3	17.7	2.1	2.2	799.0

Source: AECOM

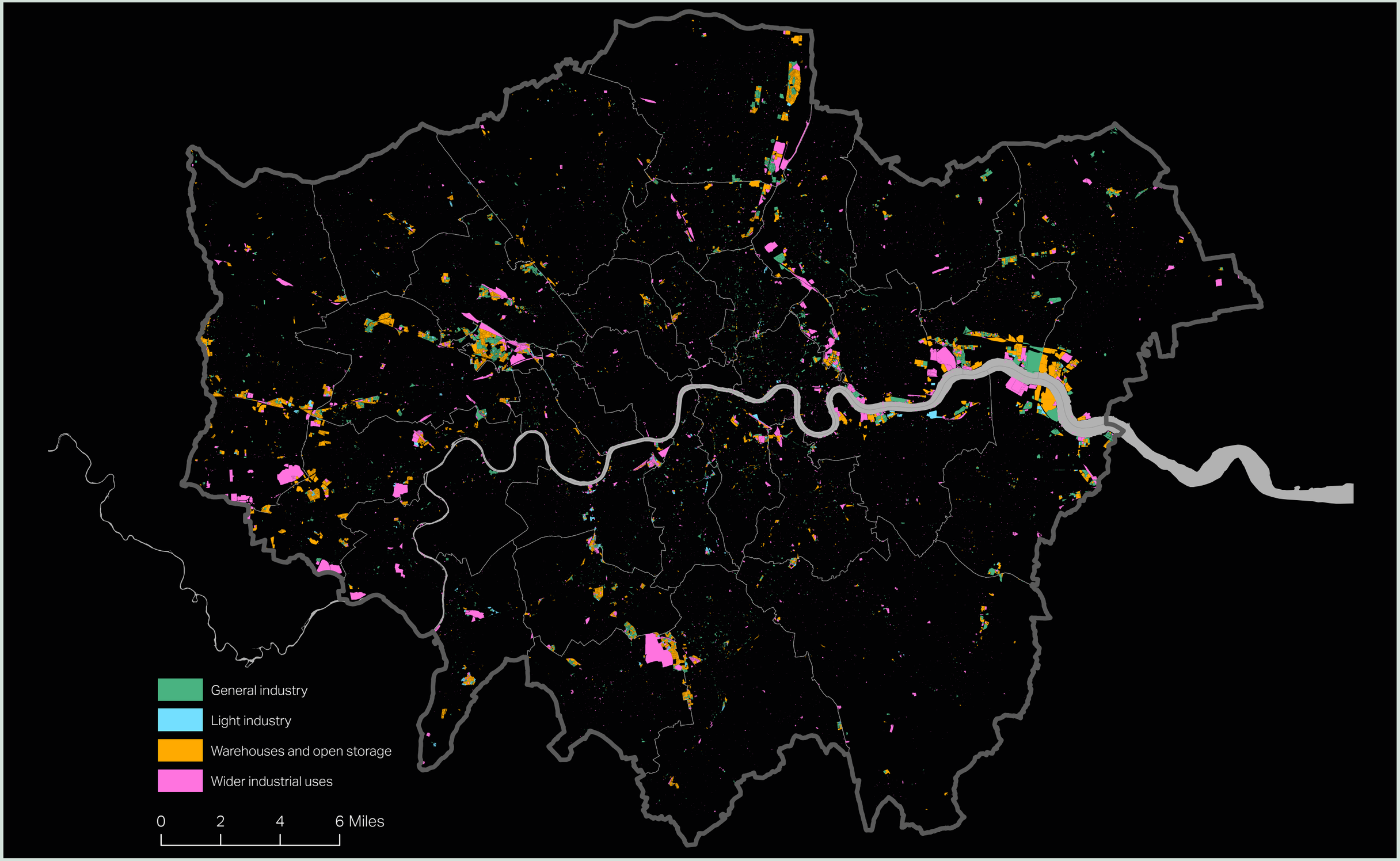
(continued from table above)

Area	Borough	Vacant land (ha)		Non-industrial uses on designated industrial land (ha)											Total core + wider (ha)	Total core + wider + vacant derelict land (ha)	Grand total (ha)
		Vacant industrial land (incl. vacant cleared sites and derelict industrial buildings)	Industrial land with vacant buildings*	Office	Retail	Residential	Recreation and leisure	Community services	Defence	Agriculture and fisheries	Mixed-use (non-industrial only)	Other non-industrial	Vacant land in non-industrial capacity**	Sub-total (non-industrial)			
London		244.8	18.2	104.4	136.9	43.5	25.5	17.2	0.0	0.0	32.9	41.6	2.3	404.3	6,535.1	6,798.2	7,202.5
CAZ		0.1	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	57.6	57.7	58.5
Inner London		62.2	5.7	16.3	11.3	6.7	6.7	2.5	0.0	0.0	10.4	2.0	0.5	56.5	1,362.3	1,430.2	1,486.7
Outer London		182.6	12.5	88.1	125.6	36.8	18.8	14.7	0.0	0.0	22.4	39.6	1.9	347.8	5,172.8	5,367.9	5,715.8
Central sub-region		4.5	0.8	12.7	1.6	1.9	0.4	1.1	0.0	0.0	6.5	1.1	0.0	25.2	287.5	292.8	318.0
	Camden	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	1.4	36.1	36.1	37.5
	City of London	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	2.3	2.3
	Kensington and Chelsea	0.9	0.0	4.6	0.7	0.5	0.0	0.0	0.0	0.0	3.8	0.2	0.0	9.8	15.4	16.4	26.2
	Islington	0.0	0.1	0.5	0.0	0.2	0.1	0.5	0.0	0.0	0.8	0.2	0.0	2.1	32.2	32.4	34.5
	Southwark	3.2	0.0	0.5	0.5	0.9	0.1	0.3	0.0	0.0	1.1	0.7	0.0	4.2	123.2	126.4	130.6
	Westminster	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.3	10.3	10.3
	Lambeth	0.3	0.6	5.9	0.4	0.3	0.2	0.3	0.0	0.0	0.6	0.0	0.0	7.6	68.0	68.9	76.6
East sub-region		179.6	11.0	24.9	27.8	13.6	8.4	6.2	0.0	0.0	6.7	16.9	2.1	106.6	2,415.8	2,606.3	2,712.9
	Barking and Dagenham	42.2	4.4	2.3	4.2	0.2	1.4	2.2	0.0	0.0	1.3	4.6	0.0	16.1	481.3	527.9	544.0
	Bexley	50.6	0.4	7.3	6.4	6.7	0.3	0.2	0.0	0.0	0.0	0.1	0.0	21.0	458.2	509.2	530.2
	Greenwich	14.6	0.0	0.0	1.8	0.0	2.1	0.6	0.0	0.0	0.0	0.0	0.0	4.4	184.1	198.8	203.2
	Hackney	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.7	44.5	44.6
	Havering	30.4	0.8	7.9	6.5	2.5	0.5	0.2	0.0	0.0	0.0	10.7	0.0	28.3	382.5	413.7	442.0
	Lewisham	3.2	0.9	1.0	0.3	0.7	0.2	1.0	0.0	0.0	0.6	0.2	0.0	4.1	90.8	95.0	99.1
	Newham	34.8	1.6	0.0	0.1	0.0	3.3	0.0	0.0	0.0	0.0	0.0	0.0	3.4	378.0	414.5	417.9
	Redbridge	0.2	0.2	4.3	1.3	0.7	0.1	0.1	0.0	0.0	0.4	0.2	0.0	7.1	72.6	73.0	80.0
	Tower Hamlets	2.0	1.7	0.0	0.0	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.5	1.7	75.2	78.9	80.6
	Waltham Forest	0.2	0.4	1.1	7.2	2.2	0.0	1.9	0.0	0.0	1.0	0.4	1.7	15.4	177.5	178.1	193.6
	LLDC	0.8	0.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3	0.7	0.0	5.1	71.7	72.7	77.8
North sub-region		17.0	0.1	11.4	10.8	1.2	4.6	0.4	0.0	0.0	6.3	1.8	0.0	36.4	695.9	713.1	749.5
	Barnet	0.0	0.0	5.9	0.8	0.2	0.3	0.4	0.0	0.0	6.3	0.7	0.0	14.5	85.1	85.1	99.6
	Enfield	10.2	0.0	5.0	9.6	0.7	4.4	0.0	0.0	0.0	0.0	0.8	0.0	20.4	448.6	458.8	479.2
	Haringey	6.8	0.1	0.5	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.3	0.0	1.5	162.1	169.1	170.7
South sub-region		18.8	1.6	19.9	45.6	12.0	1.1	3.2	0.0	0.0	1.5	12.7	0.0	95.9	1,064.4	1,084.8	1,180.7
	Bromley	6.6	0.0	4.3	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	10.8	121.0	127.6	138.4
	Croydon	0.0	0.4	6.4	16.8	8.3	0.0	1.2	0.0	0.0	1.5	9.3	0.0	43.5	147.4	147.8	191.3
	Kingston-upon-Thames	0.6	0.0	5.5	2.9	1.3	0.2	0.4	0.0	0.0	0.0	0.4	0.0	10.7	112.9	113.5	124.2
	Merton	1.7	0.4	2.7	12.7	1.3	0.3	1.6	0.0	0.0	0.0	0.0	0.0	18.6	165.9	168.0	186.5
	Richmond-upon-Thames	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	83.8	84.4	84.4
	Sutton	9.4	0.7	0.1	6.6	0.9	0.6	0.0	0.0	0.0	0.0	2.6	0.0	10.9	310.5	320.6	331.5
	Wandsworth	0.0	0.0	0.9	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	123.0	123.0	124.5
West sub-region		25.0	4.7	35.6	51.1	14.9	11.0	6.4	0.0	0.0	11.9	9.1	0.2	140.2	2,071.5	2,101.2	2,241.4
	Brent	0.3	1.6	5.2	24.4	0.3	0.0	0.8	0.0	0.0	8.8	3.1	0.0	42.6	253.8	255.7	298.3
	Ealing	3.6	1.2	7.2	5.4	5.1	1.0	4.7	0.0	0.0	0.0	2.7	0.0	26.1	312.1	317.0	343.1
	Hammersmith and Fulham	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.1	28.0	28.0
	Harrow	0.0	0.0	1.6	0.1	2.8	0.6	0.2	0.0	0.0	0.5	0.2	0.0	5.9	48.3	48.4	54.3
	Hillingdon	1.7	0.6	11.9	2.6	1.9	0.0	0.4	0.0	0.0	0.5	2.0	0.2	19.6	577.7	580.0	599.6
	Hounslow	3.5	1.3	7.1	3.0	0.2	1.0	0.3	0.0	0.0	0.0	0.3	0.0	11.9	466.8	471.6	483.5
	OPDC	13.9	0.0	2.6	15.6	4.7	8.4	0.0	0.0	0.0	2.0	0.8	0.0	34.0	386.7	400.6	434.6
Central Services Circle		10.2	3.8	13.7	1.9	3.2	1.2	2.1	0.0	0.0	7.1	1.3	0.5	31.0	497.2	511.2	542.3
Lea Valley		35.5	1.5	7.6	17.3	3.1	6.0	1.9	0.0	0.0	4.3	2.2	1.7	44.1	1,049.0	1,086.0	1,130.1
Thames Gateway		162.0	6.6	26.1	26.3	10.1	5.9	3.2	0.0	0.0	1.8	15.9	0.0	89.3	1,888.8	2,057.4	2,146.7
Wandle Valley		11.6	1.5	15.5	39.6	11.9	1.1	3.2	0.0	0.0	1.5	12.3	0.0	85.1	859.6	872.8	957.9
Park Royal / A40 / Heathrow		25.5	4.8	41.5	51.8	15.2	11.2	6.8	0.0	0.0	18.1	9.8	0.2	154.7	2,240.4	2,270.7	2,425.4

Source: AECOM

* Changes to definitions/ methodology from the 2015 study have occurred for these land uses, see corresponding section of Table 2.2 for details.
** New industrial land use categorisations, see corresponding section of Table 2.2 for details.
*** Includes corrections to uses incorrectly coded as other industrial land uses in 2015, see section of Table 2.2 for details.

Map 2.2: Industrial land in London by activity in 2020



Source: AECOM

2.4 Vacant industrial land

2.4.1 Vacant industrial land constitutes sites, which are either vacant and cleared or have derelict industrial buildings, or land with vacant buildings capable of occupation. It does not include vacant land in a non-industrial capacity.

2.4.2 As shown in Table 2.6, there is approximately 263 ha of vacant industrial land in London in 2020. This is spatially illustrated in Map 2.3 and equates to 6% of land when expressed in relation to land in core industrial use. This remains still slightly above the reasonable average rate of frictional vacancy of 5% set out in the GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG) (2012)[10].

2.4.3 As shown in Table 2.6 and illustrated in Figure 2.4, the East sub-region contains the highest amount (191 ha) and proportion of vacant industrial land (11% of the stock of land in core industrial use and 7% of land within core and wider industrial use). The West sub-region contains the lowest proportion of vacant industrial land, with 2% of land in core industrial use and 1% of land in core and wider industrial use (i.e. significantly below the frictional vacancy benchmark), whilst the Central sub-region contains the lowest absolute amount of vacant industrial land (5 ha).

2.4.4 Boroughs containing the largest proportions of vacant industrial land relative to core industrial land are located in the East sub-region and include Newham (18%), Bexley (14%) and Greenwich, Barking and Dagenham and Havering (all 10%). Some boroughs have a vacancy rate close to 0%. They include Camden, Barnet, Wandsworth, and Harrow (see Figure 2.5). Extremely low vacancy rates could present an issue for economic growth (of industrial activities) in these boroughs, where businesses wishing to expand will have no alternative than to relocate to another part of London (where industrial land is available to expand) or outside London.

2.4.5 The PMAs containing the largest proportions of vacant industrial land relative to core industrial land are the Thames Gateway (11%) and Lea Valley (5%) areas.

[10] Greater London Authority, (2012); Land for Industry and Transport SPG, p31, para 3.7.

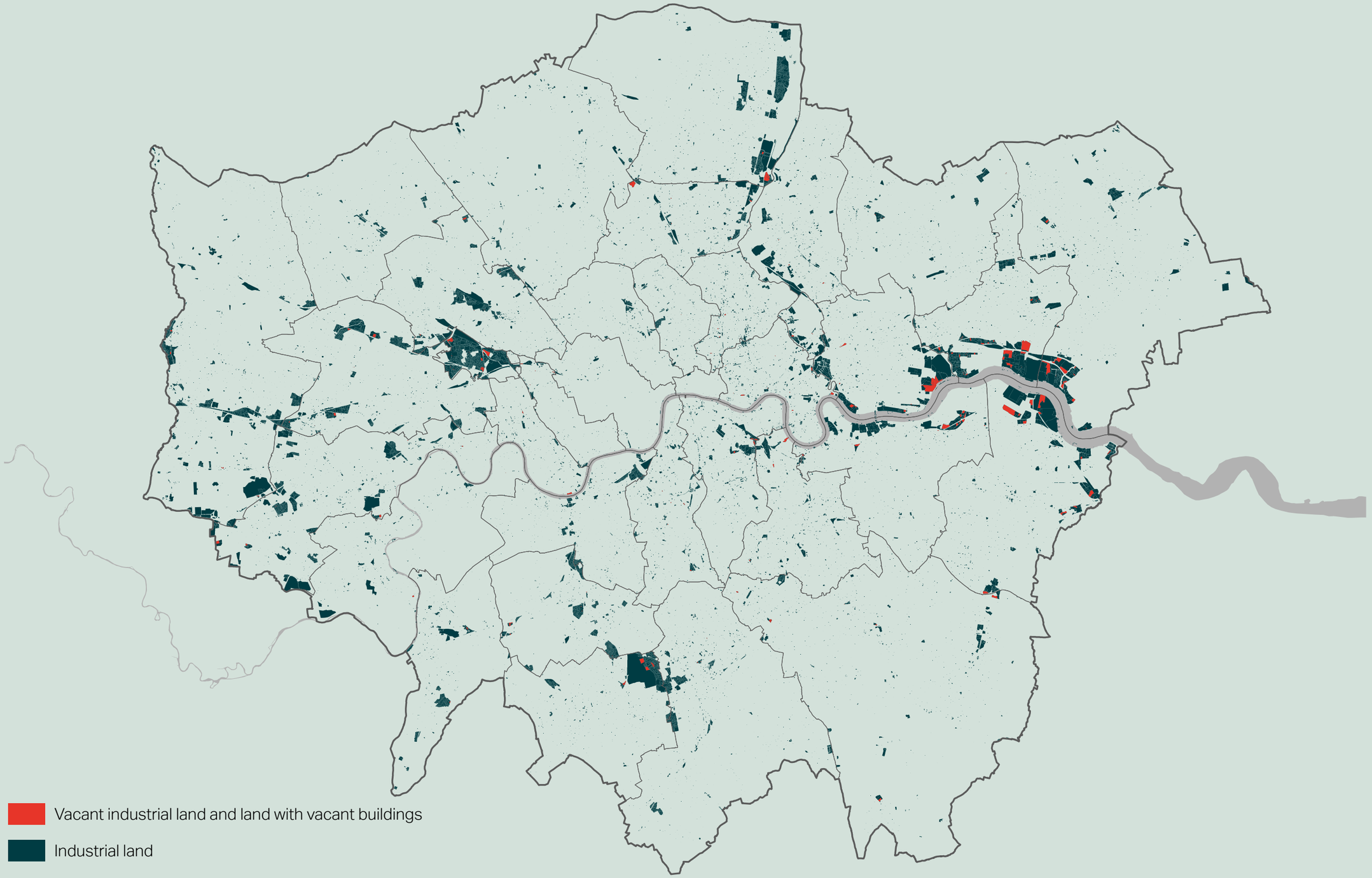
Table 2.6: Vacant industrial land in London (2020) (ha)

Area	Borough	Vacant cleared sites and derelict industrial buildings (ha)	Industrial land with vacant buildings (ha)	Total vacant industrial land (ha)	Vacant industrial land as a % of all land in core uses + vacant itself	Vacant industrial land as a % of all land in core and wider uses + vacant itself
London		244.8	18.2	263.1	5.8%	3.9%
CAZ		0.1	-	0.1	0.4%	0.2%
Inner London		62.2	5.7	67.9	8.2%	4.7%
Outer London		182.6	12.5	195.2	5.3%	3.6%
Central sub-region		4.5	0.8	5.3	2.7%	1.8%
	Camden	0.0	-	0.0	0.0%	0.0%
	City of London	-	-	-	na	na
	Kensington and Chelsea	0.9	0.0	1.0	8.1%	5.8%
	Islington	0.0	0.1	0.2	0.8%	0.5%
	Southwark	3.2	-	3.2	3.8%	2.5%
	Westminster	-	-	-	na	na
	Lambeth	0.3	0.6	0.9	1.8%	1.4%
East sub-region		179.6	11.0	190.5	10.5%	7.3%
	Barking and Dagenham	42.2	4.4	46.6	10.1%	8.8%
	Bexley	50.6	0.4	51.0	13.7%	10.0%
	Greenwich	14.6	0.0	14.6	10.2%	7.4%
	Hackney	0.4	0.4	0.8	2.3%	1.8%
	Havering	30.4	0.8	31.2	10.1%	7.5%
	Lewisham	3.2	0.9	4.2	6.8%	4.4%
	Newham	34.8	1.6	36.5	18.3%	8.8%
	Redbridge	0.2	0.2	0.4	0.8%	0.5%
	Tower Hamlets	2.0	1.7	3.7	6.7%	4.7%
	Waltham Forest	0.2	0.4	0.6	0.6%	0.3%
	LLDC	0.8	0.2	1.0	3.5%	1.4%
North sub-region		17.0	0.1	17.2	3.4%	2.4%
	Barnet	0.0	-	0.0	0.0%	0.0%
	Enfield	10.2	-	10.2	3.1%	2.2%
	Haringey	6.8	0.1	7.0	5.9%	4.1%
South sub-region		18.8	1.6	20.4	3.3%	1.9%
	Bromley	6.6	-	6.6	7.8%	5.2%
	Croydon	0.0	0.4	0.4	0.3%	0.3%
	Kingston-upon-Thames	0.6	-	0.6	0.9%	0.5%
	Merton	1.7	0.4	2.1	1.5%	1.2%
	Richmond-upon-Thames	0.5	0.0	0.6	2.1%	0.7%
	Sutton	9.4	0.7	10.1	8.1%	3.2%
	Wandsworth	-	0.0	0.0	0.1%	0.0%
West sub-region		25.0	4.7	29.7	2.1%	1.4%
	Brent	0.3	1.6	1.9	1.1%	0.8%
	Ealing	3.6	1.2	4.9	1.9%	1.5%
	Hammersmith and Fulham	1.9	0.0	1.9	9.7%	6.9%
	Harrow	0.0	0.0	0.0	0.1%	0.1%
	Hillingdon	1.7	0.6	2.3	0.7%	0.4%
	Hounslow	3.5	1.3	4.8	1.6%	1.0%
	OPDC	13.9	0.0	13.9	5.0%	3.5%
Central Services Circle		10.2	3.8	14.0	4.0%	2.7%
Lea Valley		35.5	1.5	37.0	5.5%	3.4%
Thames Gateway		162.0	6.6	168.6	11.1%	8.2%
Wandle Valley		11.6	1.5	13.2	2.6%	1.5%
Park Royal / A40 / Heathrow		25.5	4.8	30.3	2.1%	1.3%

Source: AECOM

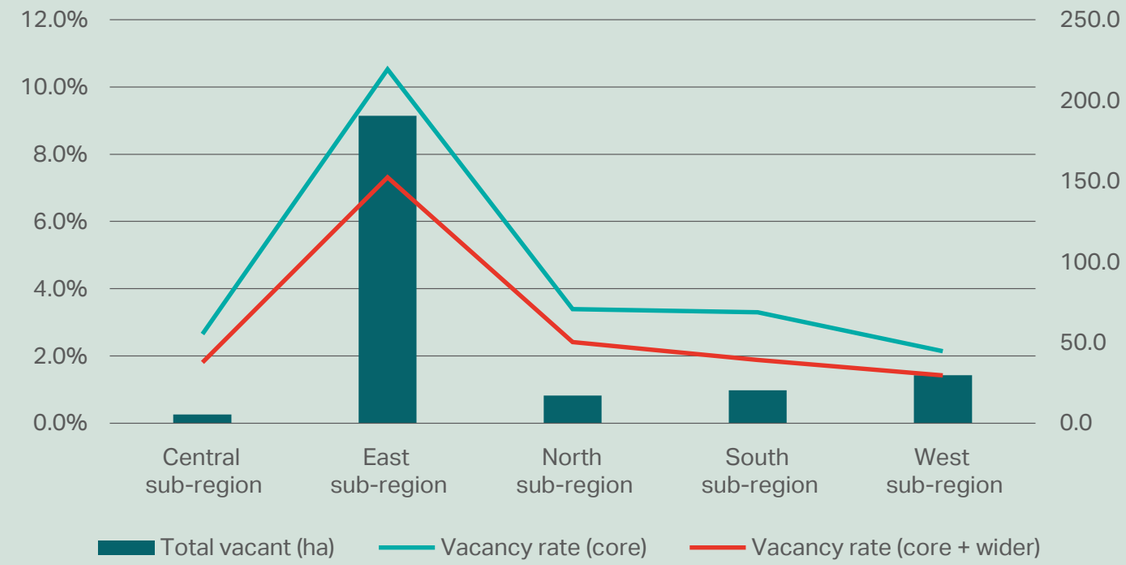
* Calculated as vacant industrial land diviided by total core and wider uses and vacant land

Map 2.3: Vacant industrial land and land with vacant buildings in 2020



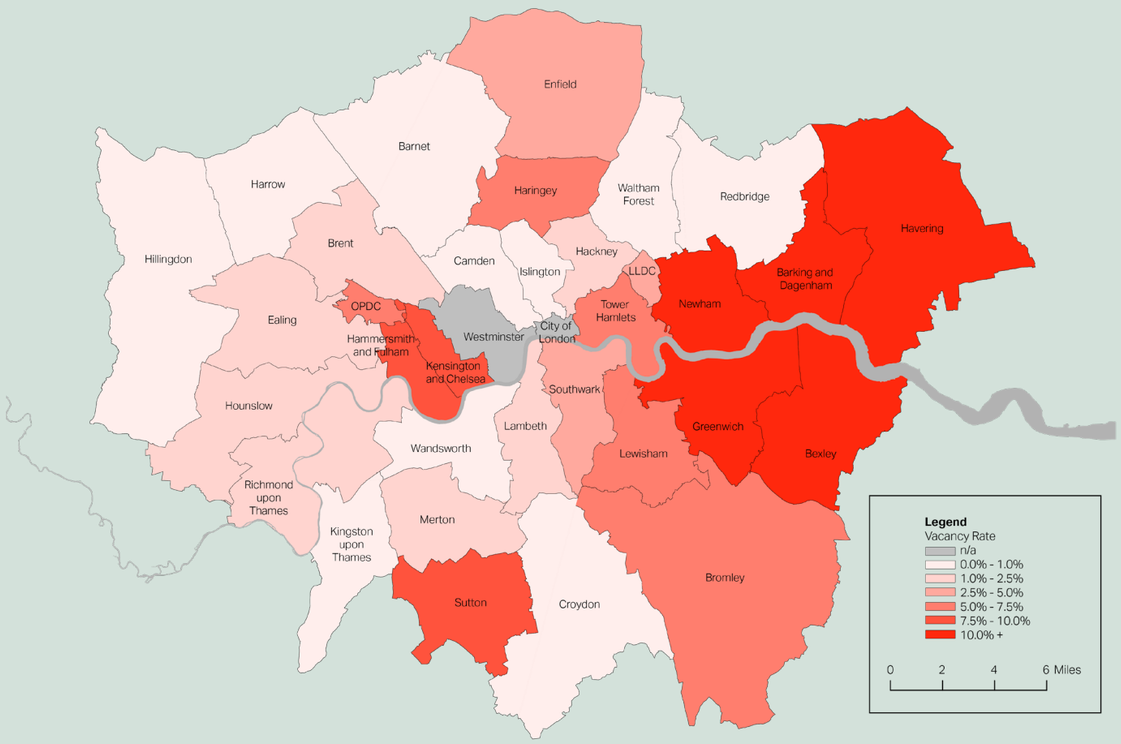
Source: AECOM

Figure 2.5: Core and wider industrial land vacancy rate, Greater London, 2020 (%)



Source: AECOM

Figure 2.6: Core industrial land vacancy rate by borough in 2020 (%)



Source: AECOM

2.5 Industrial land within designated areas

2.5.1 This section considers land in industrial and non-industrial use in London within designated land only (SIL and LSIS). It confirms the amount of designated land in London and provides additional information on the use (i.e. industrial vs non-industrial) of this designated land.

Designated industrial land

2.5.2 As shown in in Table 2.7, London has a total of 4,301 ha of designated industrial land in industrial use (i.e. land used for industrial activities and vacant industrial land), of which 3,355 ha are SIL designated (78%) and 947 ha are LSIS designated (22%). This compares to the 2,497 ha of non-designated land in industrial use. The sub-regions with the most land in industrial use within designated areas are the East and West sub-regions together accounting for 72% of the total. The boroughs with the largest extent of designated land in industrial use in London (Barking and Dagenham, Bexley and OPDC) also account for the three highest extents of SIL land in industrial use. At LSIS level, Hounslow accounts for more than twice the amount of land in industrial use in this designation than in any other borough.

2.5.3 It should be highlighted that the introduction of new non-industrial development in SIL is not acceptable in London Plan policy E7(B). However, in terms of the already existing land uses, there are a variety of **non-industrial uses** (such as office, retail, residential, recreation, etc.) both in SIL and LSIS (see Table 2.5 for breakdown into these different non-industrial uses). The respective totals for SIL and LSIS are included in Table 2.7. There are 404 ha of SIL and LSIS land in London used for non-industrial activities, the equivalent of 9% of all designated land (SIL and LSIS) or 6% of total industrial land (i.e. industrial designated land and non-designated land in industrial use). The majority of non-industrial uses is within SIL (274 ha or 8% as proportion of total SIL) compared to land in LSIS (130 ha or 12% of total LSIS). Appendix B maps the land uses within all of London's SILs, including non-industrial uses.

2.5.4 Figures vary widely from one sub-region to another, with the highest share of non-industrial activities on industrial land being observed in the Central sub-region (16%), which is not surprising given the nature of economic activity and land use in general in this sub-region. The South sub-region has the second highest proportion (14%) and the East sub-region has the lowest share of non-industrial activities on industrial designated land (5.5%).

2.5.5 Some boroughs have a particularly high share of designated land used for non-industrial activities, such as Barnet (45%) and Croydon (30%). This is mainly driven by land used by office in Barnet and by retail in Croydon (e.g. retail uses at Purley Way).

2.5.6 It should be noted that in contrast to the data presented in tables in this section, **Kensington and Chelsea** contains no land designated as LSIS, against the 14.6 ha identified. 4.7 ha of the area is in industrial use and should have therefore been categorised as non-designated industrial land for the purpose of this study, with the remainder being non-industrial and not relevant to record. These discrepancies are comparatively small in scale and do not significantly affect overall data/ conclusions – amounting to less than 1.5% of total LSIS land in London and less than 15% of the comparatively small LSIS land area in the Central London sub-region.

2.5.7 A functional and character assessment of London's 55 SILs has been undertaken and is included in **Appendix B**.

Table 2.7: Industrial land in London by designation (2020) (ha)

Area	Borough	Designated industrial land (ha)														
		SIL					LSIS					SIL + LSIS				
		Industrial	Vacant industrial land*	Non-industrial	Sub-total	Vacant land as a % of SIL	Industrial	Vacant industrial land*	Non-industrial	Sub-total	Vacant land as a % of LSIS	Industrial	Vacant industrial land	Non-industrial	Sub-total	Vacant land as a % of SIL + LSIS
London		3,184.1	170.4	274.3	3,628.8	4.7%	907.3	39.7	130.1	1,077.0	3.7%	4,091.4	210.1	404.3	4,705.8	4.5%
CAZ		-	-	-	-	na	1.6	-	0.8	2.4	0.0%	1.6	-	0.8	2.4	0.0%
Inner London		586.3	24.2	22.2	632.7	3.8%	189.8	1.8	34.3	226.0	0.8%	776.1	26.1	56.5	858.7	3.0%
Outer London		2,597.9	146.1	252.1	2,996.1	4.9%	717.4	37.9	95.7	851.1	4.5%	3,315.3	184.0	347.8	3,847.1	4.8%
Central sub-region		53.3	3.1	3.8	60.3	5.2%	80.8	0.5	21.4	102.7	0.5%	134.2	3.7	25.2	163.0	2.2%
	Camden	-	-	-	-	na	7.8	-	1.4	9.2	0.0%	7.8	-	1.4	9.2	0.0%
	City of London	-	-	-	-	na	-	-	-	-	na	-	-	-	-	na
	Kensington and Chelsea**	-	-	-	-	na	4.7	0.0	9.8	14.6	0.3%	4.7	0.0	9.8	14.6	0.3%
	Islington	-	-	-	-	na	11.7	0.1	2.1	13.9	1.0%	11.7	0.1	2.1	13.9	1.0%
	Southwark	53.3	3.1	3.8	60.3	5.2%	17.6	-	0.4	18.0	0.0%	71.0	3.1	4.2	78.3	4.0%
	Westminster	-	-	-	-	na	-	-	-	-	na	-	-	-	-	na
	Lambeth	-	-	-	-	na	39.0	0.4	7.6	47.0	0.8%	39.0	0.4	7.6	47.0	0.8%
East sub-region		1,419.0	126.2	70.2	1,615.4	7.8%	265.1	22.0	36.5	323.6	6.8%	1,684.2	148.1	106.6	1,938.9	7.6%
	Barking and Dagenham	353.6	25.5	7.8	386.9	6.6%	65.9	18.1	8.3	92.3	19.6%	419.5	43.6	16.1	479.2	9.1%
	Bexley	347.2	48.4	20.0	415.5	11.6%	26.1	2.6	1.0	29.7	8.6%	373.3	51.0	21.0	445.2	11.4%
	Greenwich	106.0	12.7	4.4	123.0	10.3%	-	-	-	-	na	106.0	12.7	4.4	123.0	10.3%
	Hackney	-	-	-	-	na	2.7	-	0.0	2.8	0.0%	2.7	-	0.0	2.8	0.0%
	Havering	223.5	30.7	26.3	280.6	10.9%	28.3	0.1	1.9	30.2	0.2%	251.8	30.8	28.3	310.8	9.9%
	Lewisham	34.8	-	1.2	36.0	0.0%	14.6	0.4	2.9	17.9	2.3%	49.4	0.4	4.1	53.9	0.7%
	Newham	241.2	7.8	-	249.0	3.1%	57.2	0.0	3.4	60.7	0.0%	298.5	7.8	3.4	309.7	2.5%
	Redbridge	27.4	0.3	3.8	31.6	1.1%	8.5	-	3.2	11.7	0.0%	35.9	0.3	7.1	43.3	0.8%
	Tower Hamlets	9.6	-	0.4	10.0	0.0%	5.1	0.9	1.3	7.3	11.9%	14.7	0.9	1.7	17.3	5.0%
	Waltham Forest	52.6	0.0	5.7	58.4	0.0%	48.6	-	9.7	58.3	0.0%	101.2	0.0	15.4	116.7	0.0%
	LLDC	23.1	0.7	0.4	24.2	2.9%	8.0	-	4.7	12.7	0.0%	31.1	0.7	5.1	36.9	1.9%
North sub-region		344.5	10.7	18.5	373.8	2.9%	87.5	6.1	17.9	111.5	5.5%	432.0	16.9	36.4	485.3	3.5%
	Barnet	-	-	-	-	na	17.8	-	14.5	32.3	0.0%	17.8	-	14.5	32.3	0.0%
	Enfield	302.2	10.2	18.5	330.9	3.1%	32.1	-	1.9	34.0	0.0%	334.4	10.2	20.4	364.9	2.8%
	Haringey	42.3	0.6	-	42.9	1.3%	37.5	6.1	1.5	45.2	13.6%	79.8	6.7	1.5	88.1	7.6%
South sub-region		416.5	12.0	69.0	497.5	2.4%	166.0	5.1	26.9	198.0	2.6%	582.5	17.1	95.9	695.5	2.5%
	Bromley	33.9	2.9	7.4	44.3	6.6%	33.7	1.5	3.3	38.5	3.8%	67.6	4.4	10.8	82.8	5.3%
	Croydon	81.3	0.0	37.1	118.4	0.0%	21.7	0.3	6.4	28.3	0.9%	103.0	0.3	43.5	146.7	0.2%
	Kingston-upon-Thames	38.7	0.3	2.6	41.6	0.8%	16.8	0.2	8.1	25.2	0.9%	55.5	0.6	10.7	66.8	0.9%
	Merton	105.9	0.1	11.6	117.7	0.1%	31.3	1.7	6.9	39.9	4.2%	137.2	1.8	18.6	157.6	1.1%
	Richmond-upon-Thames	-	-	-	-	na	30.0	-	-	30.0	0.0%	30.0	-	-	30.0	0.0%
	Sutton	115.2	8.6	9.3	133.2	6.4%	8.6	1.5	1.5	11.7	13.2%	123.9	10.1	10.9	144.9	7.0%
	Wandsworth	41.5	-	0.9	42.3	0.0%	23.8	-	0.6	24.5	0.0%	65.3	-	1.5	66.8	0.0%
West sub-region		950.8	18.4	112.7	1,081.9	1.7%	307.8	5.9	27.4	341.1	1.7%	1,258.6	24.3	140.2	1,423.1	1.7%
	Brent	120.5	0.2	32.5	153.3	0.1%	45.1	1.7	10.1	56.9	2.9%	165.7	1.9	42.6	210.2	0.9%
	Ealing	159.3	3.0	22.2	184.6	1.6%	65.3	1.8	3.9	70.9	2.5%	224.6	4.8	26.1	255.5	1.9%
	Hammersmith and Fulham	-	-	-	-	na	-	-	-	-	na	-	-	-	-	na
	Harrow	13.1	0.0	1.3	14.5	0.0%	18.1	-	4.6	22.8	0.0%	31.3	0.0	5.9	37.2	0.0%
	Hillingdon	189.9	1.2	19.6	210.8	0.6%	14.4	-	-	14.4	0.0%	204.3	1.2	19.6	225.1	0.5%
	Hounslow	96.6	0.1	3.0	99.7	0.1%	164.9	2.5	8.9	176.2	1.4%	261.5	2.5	11.9	275.9	0.9%
	OPDC	371.2	13.9	34.0	419.1	3.3%	-	-	-	-	na	371.2	13.9	34.0	419.1	3.3%
Central Services Circle		97.8	3.1	5.5	106.3	2.9%	103.3	1.8	25.6	130.7	1.4%	201.0	4.9	31.0	237.0	2.1%
Lea Valley		540.8	15.4	24.6	580.8	2.6%	154.9	6.1	19.5	180.6	3.4%	695.8	21.5	44.1	761.4	2.8%
Thames Gateway		1,212.3	124.4	69.8	1,406.5	8.8%	191.1	22.2	19.5	232.8	9.5%	1,403.4	146.6	89.3	1,639.3	8.9%
Wandle Valley		382.5	9.1	61.6	453.2	2.0%	102.4	3.7	23.5	129.6	2.8%	484.9	12.7	85.1	582.8	2.2%
Park Royal / A40 / Heathrow		950.8	18.4	112.7	1,081.9	1.7%	355.6	5.9	42.0	403.4	1.5%	1,306.3	24.3	154.7	1,485.3	1.6%

Source: AECOM

(continued from table above)

Area	Borough	Non-designated industrial land (ha)					Total designated + non-designated (ha)				
		Previously designated	Non-designated industrial land	Vacant industrial land*	Sub-total	Vacant land as a % of non-designated	Industrial	Vacant industrial land*	Non-industrial	Total	Vacant land as a % of total designated + non-designated
London		478.2	1,965.5	53.0	2,496.7	2.1%	6,535.1	263.1	404.3	7,202.5	3.7%
CAZ		-	56.0	0.1	56.1	0.2%	57.6	0.1	0.8	58.5	0.2%
Inner London		206.8	379.4	41.9	628.1	6.7%	1,362.3	68.0	56.5	1,486.8	4.6%
Outer London		271.5	1,586.0	11.1	1,868.6	0.6%	5,172.8	195.1	347.8	5,715.7	3.4%
Central sub-region		22.2	131.2	1.6	155.0	1.0%	287.5	5.3	25.2	318.0	1.7%
	Camden	6.5	21.8	0.0	28.3	0.0%	36.1	0.0	1.4	37.5	0.0%
	City of London	1.9	0.4	-	2.3	0.0%	2.3	-	-	2.3	0.0%
	Kensington and Chelsea**	6.9	3.9	0.9	11.7	7.8%	15.4	1.0	9.8	26.2	3.7%
	Islington	0.0	20.5	0.0	20.6	0.2%	32.2	0.2	2.1	34.5	0.5%
	Southwark	5.1	47.1	0.1	52.3	0.2%	123.2	3.2	4.2	130.6	2.5%
	Westminster	-	10.3	-	10.3	0.0%	10.3	-	-	10.3	0.0%
	Lambeth	1.7	27.3	0.6	29.6	1.9%	68.0	0.9	7.6	76.6	1.2%
East sub-region		230.0	501.6	42.4	774.0	5.5%	2,415.8	190.5	106.6	2,712.9	7.0%
	Barking and Dagenham	13.6	48.2	3.0	64.8	4.6%	481.3	46.6	16.1	544.0	8.6%
	Bexley	45.2	39.7	0.0	85.0	0.0%	458.2	51.0	21.0	530.2	9.6%
	Greenwich	48.9	29.3	2.0	80.1	2.4%	184.1	14.6	4.4	203.2	7.2%
	Hackney	0.2	40.8	0.8	41.8	1.9%	43.7	0.8	0.0	44.6	1.8%
	Havering	23.6	107.2	0.4	131.1	0.3%	382.5	31.2	28.3	442.0	7.1%
	Lewisham	8.6	32.8	3.8	45.1	8.3%	90.8	4.2	4.1	99.1	4.2%
	Newham	45.6	34.0	28.6***	108.2	26.5%	378.0	36.5	3.4	417.9	8.7%
	Redbridge	0.1	36.5	0.0	36.7	0.1%	72.6	0.4	7.1	80.0	0.5%
	Tower Hamlets	0.1	60.3	2.9	63.3	4.5%	75.2	3.7	1.7	80.6	4.6%
	Waltham Forest	19.6	56.7	0.6	76.9	0.8%	177.5	0.6	15.4	193.6	0.3%
	LLDC	24.5	16.0	0.3	40.9	0.7%	71.7	1.0	5.1	77.8	1.3%
North sub-region		31.8	232.1	0.3	264.2	0.1%	695.9	17.2	36.4	749.5	2.3%
	Barnet	1.4	65.9	0.0	67.3	0.0%	85.1	0.0	14.5	99.6	0.0%
	Enfield	10.3	104.0	-	114.3	0.0%	448.6	10.2	20.4	479.2	2.1%
	Haringey	20.2	62.1	0.3	82.6	0.3%	162.1	7.0	1.5	170.7	4.1%
South sub-region		34.2	447.7	3.2	485.2	0.7%	1,064.4	20.4	95.9	1,180.7	1.7%
	Bromley	1.2	52.1	2.3	55.6	4.0%	121.0	6.6	10.8	138.4	4.8%
	Croydon	0.6	43.8	0.1	44.5	0.3%	147.4	0.4	43.5	191.3	0.2%
	Kingston-upon-Thames	0.3	57.0	-	57.4	0.0%	112.9	0.6	10.7	124.2	0.5%
	Merton	0.6	28.1	0.3	28.9	0.9%	165.9	2.1	18.6	186.5	1.1%
	Richmond-upon-Thames	0.0	53.9	0.6	54.4	1.0%	83.8	0.6	-	84.4	0.7%
	Sutton	1.6	185.0	0.0	186.6	0.0%	310.5	10.1	10.9	331.5	3.1%
	Wandsworth	29.9	27.8	0.0	57.7	0.1%	123.0	0.0	1.5	124.5	0.0%
West sub-region		160.1	652.8	5.5	818.4	0.7%	2,071.5	29.7	140.2	2,241.4	1.3%
	Brent	15.9	72.2	0.0	88.2	0.0%	253.8	1.9	42.6	298.3	0.6%
	Ealing	42.7	44.7	0.1	87.5	0.1%	312.1	4.9	26.1	343.1	1.4%
	Hammersmith and Fulham	19.4	6.6	1.9	28.0	6.9%	26.1	1.9	-	28.0	6.9%
	Harrow	0.4	16.7	0.0	17.1	0.1%	48.3	0.0	5.9	54.3	0.1%
	Hillingdon	62.8	310.6	1.1	374.4	0.3%	577.7	2.3	19.6	599.6	0.4%
	Hounslow	8.3	197.1	2.3	207.6	1.1%	466.8	4.8	11.9	483.5	1.0%
	OPDC	10.5	5.0	0.0	15.6	0.1%	386.7	13.9	34.0	434.6	3.2%
Central Services Circle		31.0	265.2	9.1	305.2	3.0%	497.2	14.0	31.0	542.3	2.6%
Lea Valley		97.4	255.8	15.5	368.8	4.2%	1,049.0	37.0	44.1	1,130.1	3.3%
Thames Gateway		155.4	330.1	22.0	507.4	4.3%	1,888.8	168.6	89.3	2,146.7	7.9%
Wandle Valley		33.0	341.7	0.4	375.2	0.1%	859.6	13.2	85.1	957.9	1.4%
Park Royal / A40 / Heathrow		161.4	772.6	6.0	940.1	0.6%	2,240.4	30.3	154.7	2,425.4	1.2%

* Including vacant cleared sites and derelict industrial buildings, and land with vacant buildings
** The land recorded as LSIS in Kensington and Chelsea has since been confirmed as being non-designated. The corresponding LSIS areas in this row should therefore read as ‘na’. 4.7 ha of this land is in industrial use.
*** 22.7 ha of this forms part of S01 Beckton Riverside Strategic Site for mixed use.

Source: AECOM

Non-designated industrial land

2.5.8 As shown in Table 2.7, London has a total of 2,497 ha of non-designated industrial land. The majority of non-designated industrial land are located in the West sub-region (33% of all non-designated land in London) and the East sub-region (31%). This is less than their combined contribution to designated land in London (72%).

2.5.9 Non-designated industrial land represents 34% of all industrial land in London, with 50% of the designated land in SIL and 16% in LSIS (see Figure 2.7). This proportion varies at the sub-regional level between 49% in the Central sub-region and 29% in the East sub-region being not designated.

2.5.10 Boroughs providing a large amount of industrial land (total designated and non-designated) tend to have a lower share of non-designated land (below the London average), such as Barking and Dagenham (total of 544 ha of industrial land, of which 12% is non-designated) or Bexley (530 ha of which 16% is non-designated). This is not surprising and land designation (SIL or LSIS) would provide some protection against use for alternative activities, whilst non-designated land is at greater risk of being released for alternative uses. There are however some exceptions, with Hillingdon (600 ha of which 62% are non-designated land) and Hounslow (484 ha, of which 43% are non-designated). This is particularly driven by the amount of non-designated land used for airport related activities and open storage in Hillingdon and for utilities in Hounslow.

2.5.11 Whilst not being protected through designation, non-designated land in these types of uses (i.e. airport activities, utilities) may not be the most suitable to be used for alternative uses due to potentially significant viability constraints (i.e. decontamination costs, proximity to airport generating excessive noise, etc.). This could explain why a large proportion of non-designated land remains in industrial use in these two boroughs.

2.5.12 Together, land within designated industrial areas, both industrial and non-industrial uses, and non-designated industrial land total 7,203 ha. This represents London's current potential industrial capacity.

Industrial land within previously designated industrial areas

2.5.13 Land in industrial use that lies within previously designated areas has been identified through consideration of designations, which formed part of adopted Local Plans in 2010 and 2015 that have since been de-designated through changes within adopted Local Plans, so that they are no longer within either SIL or LSIS.

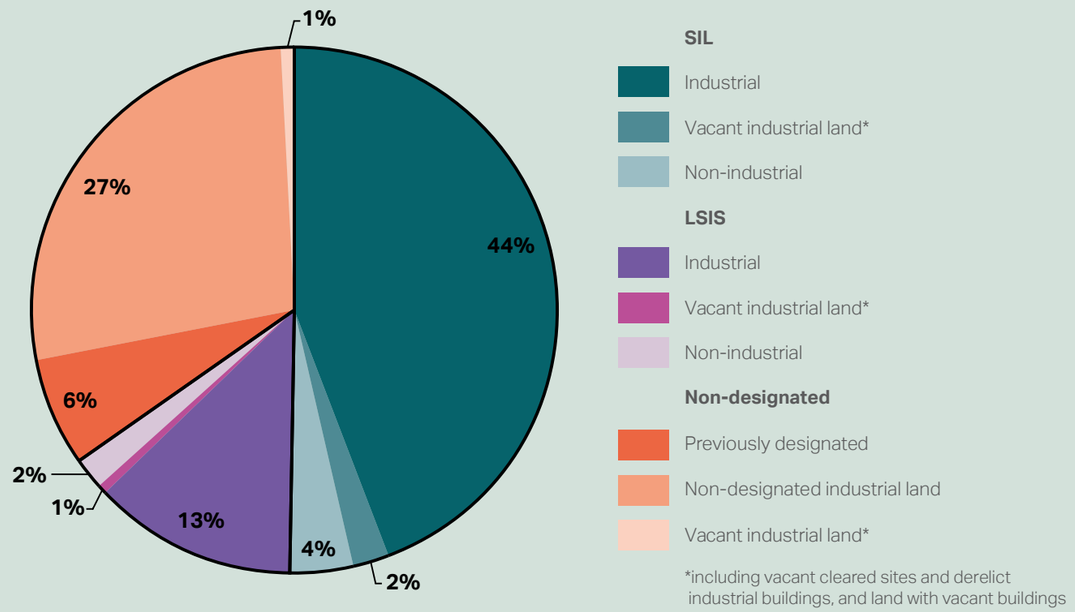
2.5.14 As shown in Table 2.7, in 2020, 478 ha of industrial land in London was previously designated industrial land. The sub-region where industrial land in previously designated industrial areas represents the greatest proportion of total land in industrial use is the East sub-region (9%), where it also represents the most such land of any sub-region in absolute terms (230 ha). In the West sub-region, 8% of total land in industrial use lies within previously designated industrial land.

2.5.15 In consideration of the PMAs, the largest amount of industrial land within previously designated industrial areas as a proportion of total land in industrial use are found in the Lea Valley (97 ha) and Thames Gateway (155 ha) areas, which represent 9% and 8% of total industrial land stock in the areas respectively. The PMA where industrial land in previously designated industrial areas accounts for the smallest proportion of total industrial land stock is the Wandle Valley area with 4% of land in industrial use. The Central Services Circle includes the smallest amount of such land of all PMAs (31 ha).

Vacant industrial land

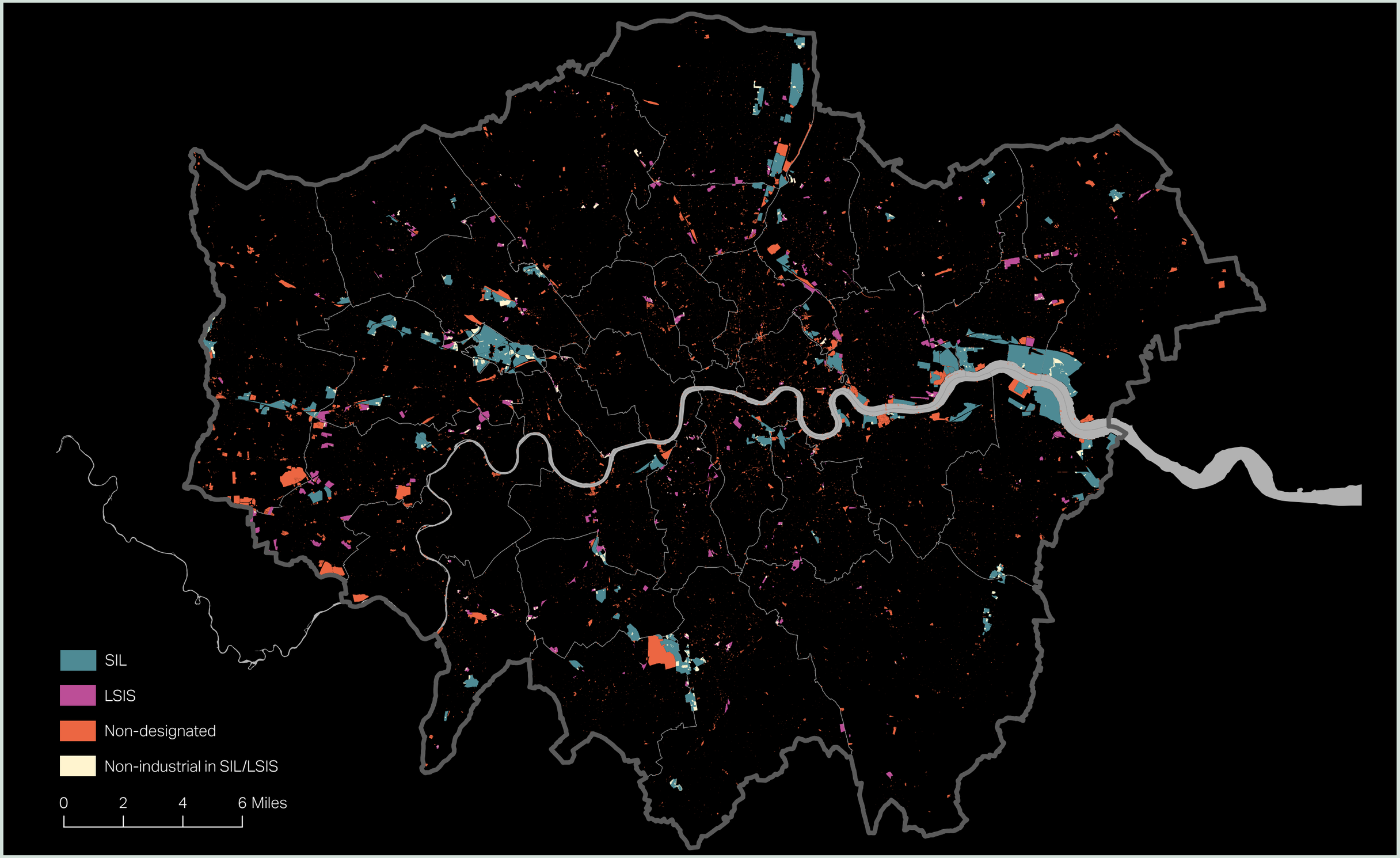
Of the 263 ha of vacant industrial land, 170 ha is on SIL (4.7% of all SIL), 40 ha is in LSIS (3.7% of all LSIS) and 53 ha is on non-designated land (2.1% of all non-designated land).

Figure 2.7: Share of designated and non-designated industrial land in London - 2020



Source: AECOM

Map 2.4: Industrial land in London by designation in 2020



Source: AECOM

2.6 Change of industrial land over time

2.6.1 As explained in Section 2.2, the 2015 industrial land use baseline has undergone a partial retrospective update. This is to account for changes in the methodology agreed for the update of industrial land use in 2020 in respect of utilities and land for rail uses that would otherwise make incompatible comparisons of change between 2015 and 2020, which are a key purpose of the study. Analysis of change in this section therefore accommodates this updated 2015 position.

2.6.2 Overall, the total stock of industrial land in London has been declining over the past two decades, as can be seen in the following tables and figures.

2.6.3 As set out in Table 2.8 and illustrated in Figure 2.8, the total stock in 2001, in industrial use (including vacant industrial land), was estimated to be 8,282 ha. This declined to 7,841 ha in 2006, 7,505 ha in 2010, 7,154 ha in 2015 and to 6,799 ha in 2020. This means that 1,483 ha of industrial land has been lost to non-industrial uses over a 19-year period. This equates to a 18% contraction in the stock of industrial land from 2001. The rate of decline between years 2001 to 2006 was 5% (441 ha in total or 88 ha per annum on average), 4% (336 ha or 67 ha per annum) between 2006 to 2010, 5% (341 ha or 70 ha per annum) between 2010 and 2015, and 5% (355 ha or 71 ha per annum) between 2015 and 2020. Table 2.9 includes the changes over time in hectares and Table 2.10 as percentages. Map 2.5 illustrates the loss of industrial land by time series since 2001.

2.6.4 The total area of **land designated** in SILs (including its non-industrial uses) has contracted from 4,280 ha in 2006[11] to 3,629 ha in 2020, a decline of 15%. Between 2015 and 2020 it contracted by 7%. The area of industrial land lying within the SILs, once non-industrial land are discounted, has reduced from 3,837 ha in 2006 to 3,355 ha in 2020, representing a decline of 13%. Between 2015 and 2020 this area contracted by 5%.

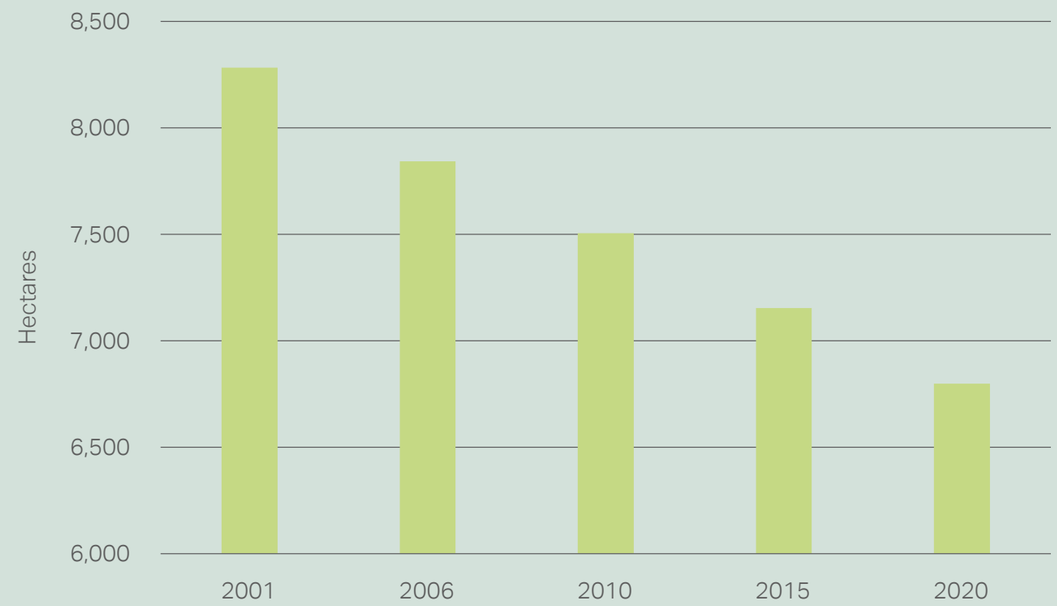
2.6.5 The total area of land designated as LSIS (including its non-industrial uses) has decreased from 1,492 ha in 2006 to 1,077 ha in 2020, representing a contraction of 28%. Between 2015 and 2020 it contracted by 7%. The area of industrial land lying within LSIS only decreased from 1,184 ha in 2006 to 948 ha in 2020, a fall of 20% over the 14-year period. Between 2015 and 2020 this area contracted by 5%. It should be noted that these are net figures. On the one hand, the actual amount of land lost from LSIS is greater than the contractions noted in this time snapshot analysis. This is owing to de-designations from SIL to LSIS occurring too, which result in incremental increases to the overall area of industrial land lying within LSIS. On the other hand, expansions in boundaries of LSIS or designation of new LSIS since 2015 have themselves contributed to an increase in the land area of LSIS by around 123 ha.

2.6.6 There has been a greater decline in total LSIS designated areas (-28%) than total SIL designated areas (-15%) since 2006. This suggests that the higher level of protection offered by SIL has likely been effective. However, there are other factors that can go towards explaining the greater decline including that LSIS release can entail industrial intensification within new mixed-use area designations, which provide some provision for retention of industrial uses but are not considered as designated land in this study.

2.6.7 Between 2006 and 2020, the area of **non-designated land in industrial use** (including previously designated industrial land) recorded in London reduced by 323 ha compared to a reduction of 482 ha in SIL (in industrial use) and 237 ha in LSIS (in industrial use). There is 478 ha of non-designated industrial land in London in 2020 that was designated in 2010. This provides a perspective on the gradual pace of the change of such land.

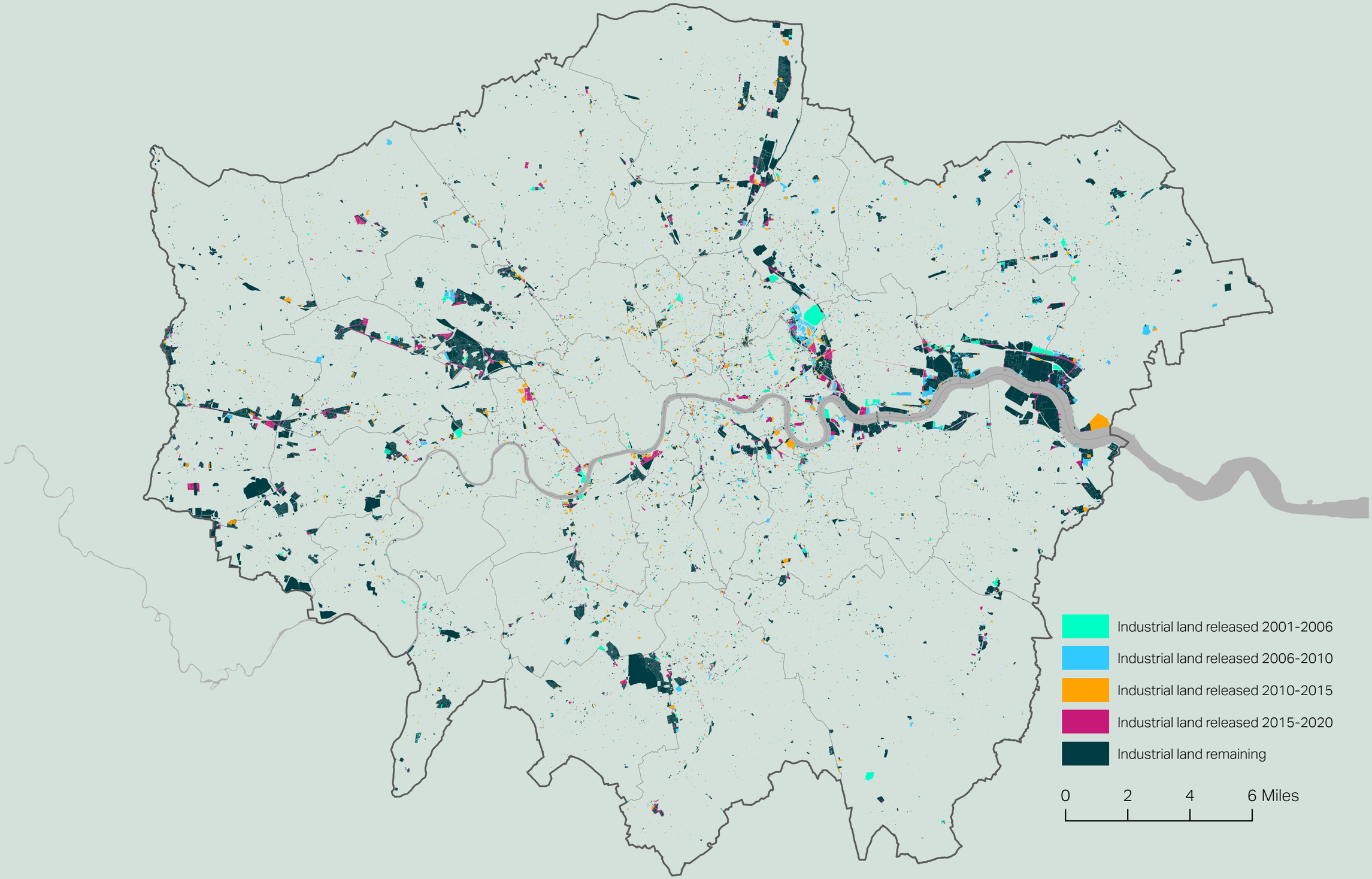
[11] Analysis relating to land designations preceding 2006 is not possible as the London Plan and SIL Framework were not in existence and as such no comparable SIL / LSIS designations are available from this time period.

Figure 2.8: Land in industrial use in London 2001 to 2020 (ha)



Source: AECOM

Map 2.5: Industrial land change: release to non-industrial, 2001 - 2020



Source: AECOM

Table 2.8: Industrial employment land in London: Years 2001, 2006, 2010, 2015 and 2020 (ha)

Greater London	2001					2006					2010					2015					2020					
GLA land use categorisations	Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)	Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)	Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)	Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)	Designated employment land (ha)			Previously designated industrial land (ha)	Non designated industrial land (ha)	Total (ha)
	SILs	LSIS	Total			SILs	LSIS	Total			SILs	LSIS	Total			SILs	LSIS	Total			SILs	LSIS	Total			
Industrial uses																										
Core industrial uses																										
Light industry	n/a	n/a	n/a	239.2	239.2	131.1	81.4	212.5	25.4	237.9	131.3	77.9	209.2	28.0	237.2	128.8	72.9	201.7	56.2	257.9	102.7	67.2	169.6	27.0	16.0	213.0
General industry	n/a	n/a	n/a	2,623.9	2,623.9	1,111.7	329.4	1,441.1	871.7	2,312.8	1,034.2	310.7	1,344.9	788.5	2,133.4	933.5	252.9	1,186.5	585.3	1,771.8	848.9	248.1	1,091.9	95.7	365.3	1,558.0
Warehouses	n/a	n/a	n/a	2,333.1	2,333.1	1,386.6	465.5	1,852.2	565.2	2,417.4	1,418.7	479.4	1,898.1	497.1	2,395.3	1,410.0	395.7	1,805.7	438.3	2,244.0	1,379.1	388.7	1,767.2	119.7	224.9	2,112.3
Self storage	n/a	n/a	n/a	42.3	42.3	19.1	20.7	39.8	7.0	46.7	23.4	21.0	44.3	13.6	57.9	36.0	24.1	60.1	22.5	82.7	18.4	23.9	41.8	7.0	13.2	62.5
Open storage***	n/a	n/a	n/a	111.0	111.0	61.1	14.6	75.7	26.7	102.3	100.8	19.3	120.2	33.2	153.4	94.7	14.0	108.7	87.4	196.2	139.9	32.7	172.2	35.7	101.0	309.3
Sub total	n/a	n/a	n/a	5,349.5	5,349.5	2,709.5	911.6	3,621.1	1,496.0	5,117.1	2,708.4	908.3	3,616.7	1,360.5	4,977.2	2,603.1	759.7	3,362.8	1,189.8	4,552.5	2,488.9	760.7	3,242.8	285.1	720.4	4,255.0
Wider industrial uses																										
Wholesale markets	n/a	n/a	n/a	53.7	53.7	22.0	16.3	38.3	14.9	53.2	2.5	37.0	39.4	14.9	54.3	2.2	14.4	16.7	39.0	55.6	0.0	12.3	12.3	17.6	12.6	42.5
Waste management and recycling† *	n/a	n/a	n/a	281.4	281.4	122.4	37.1	159.5	117.6	277.1	125.0	42.2	167.2	113.1	280.3	155.0	20.1	175.2	99.4	274.5	208.8	32.3	231.0	46.5	90.2	377.8
Utilities*	n/a	n/a	n/a	1,109.0	1,109.0	283.8	51.9	335.7	766.4	1,102.1	264.8	54.6	319.3	751.5	1,070.8	267.2	41.3	308.5	793.6	1,102.0	226.7	32.0	267.1	79.1	755.7	1,093.6
Land for rail (including DLR)*	n/a	n/a	n/a	347.7	347.7	249.4	56.9	306.3	44.5	350.8	232.8	60.6	293.4	44.6	337.9	219.4	26.4	245.7	239.6	485.3	181.4	18.4	199.4	36.4	148.0	384.2
Land for buses	n/a	n/a	n/a	46.0	46.0	21.4	12.7	34.1	11.9	46.0	19.6	14.2	33.8	9.5	43.2	32.5	12.0	44.5	27.6	72.1	25.8	15.4	38.6	3.8	32.4	77.5
Airport related land and freight*	n/a	n/a	n/a	33.4	33.4	0.0	3.4	3.4	30.0	33.4	0.0	3.4	3.4	30.0	33.4	0.0	3.4	3.4	43.0	46.4	0.0	4.3	4.3	0.0	164.9	169.1
Docks*	n/a	n/a	n/a	40.4	40.4	1.1	0.1	1.2	39.0	40.2	1.0	0.0	1.0	30.9	31.9	0.9	0.1	1.0	31.4	32.4	0.0	1.1	1.1	0.2	22.5	23.7
Mixed-use (including industrial uses)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9.0	5.3	6.3	0.0	1.5	15.8
Data centres**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15.4	4.3	19.7	4.5	8.4	32.6
Film and TV Studios**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25.2	0.7	25.9	4.1	5.3	35.3
Industrial-related Research and Development**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.3	17.4	17.7	0.0	0.0	17.7
Dark kitchens**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.8	0.6	2.4	0.0	1.4	3.8
Other industrial	n/a	n/a	n/a	7.2	7.2	7.7	0.0	7.7	0.0	7.7	3.7	12.8	16.5	0.1	16.6	0.1	1.0	1.1	3.2	4.3	0.8	2.6	3.3	1.0	2.2	6.5
Sub total	n/a	n/a	n/a	1,918.9	1,918.9	707.8	178.3	886.1	1,024.3	1,910.4	649.2	224.8	874.0	994.5	1868.4	677.4	118.6	796.0	1,276.8	2,072.8	695.2	146.6	829.1	193.2	1,245.0	2,280.1
Vacant industrial uses																										
Vacant industrial land ††	n/a	n/a	n/a	874.4	874.4	365.7	82.4	448.1	270.8	719.0	316.8	75.5	392.3	180.6	572.9	221.6	36.5	258.0	138.3	396.3	164.3	34.6	198.3	20.5	25.5	244.8
Land with vacant building(s)	n/a	n/a	n/a	138.8	138.8	53.8	12.0	65.8	29.0	94.8	60.6	20.6	81.1	5.1	86.2	39.4	32.0	71.4	60.7	132.0	6.1	5.1	11.3	0.8	6.3	18.2
Total industrial	n/a	n/a	n/a	8,281.5	8,281.5	3,836.8	1,184.3	5,021.2	2,820.2	7,841.4	3,735.0	1,229.1	4,964.1	2,540.7	7,504.7	3,541.4	946.8	4,488.1	2,665.5	7,153.6	3,354.5	947.0	4,281.6	499.5	1,997.2	6,798.2
Non-industrial uses																										
Office	n/a	n/a	n/a	n/a	n/a	103.6	124.5	228.1	n/a	228.1	106.9	140.5	247.4	n/a	247.4	85.8	109.6	195.4	n/a	195.4	63.6	40.8	104.4	n/a	n/a	104.4
Retail	n/a	n/a	n/a	n/a	n/a	165.4	47.6	213.0	n/a	213.0	163.1	54.5	217.6	n/a	217.6	128.5	28.4	156.9	n/a	156.9	107.5	29.4	136.9	n/a	n/a	136.9
Residential	n/a	n/a	n/a	n/a	n/a	13.9	37.1	50.9	n/a	50.9	22.6	36.6	59.2	n/a	59.2	22.2	33.0	55.3	n/a	55.3	26.9	16.6	43.5	n/a	n/a	43.5
Recreation and leisure	n/a	n/a	n/a	n/a	n/a	39.9	33.9	73.8	n/a	73.8	35.5	38.4	74.0	n/a	74.0	33.0	10.9	43.8	n/a	43.8	17.7	7.8	25.5	n/a	n/a	25.5
Community services	n/a	n/a	n/a	n/a	n/a	29.7	18.2	47.8	n/a	47.8	28.6	18.8	47.3	n/a	47.3	16.3	5.2	21.5	n/a	21.5	10.6	6.6	17.2	n/a	n/a	17.2
Defence	n/a	n/a	n/a	n/a	n/a	0.4	0.0	0.4	n/a	0.4	0.0	0.0	0.0	n/a	0.0	0.0	0.1	0.1	n/a	0.1	0.0	0.0	0.0	n/a	n/a	0.0
Agriculture and fisheries	n/a	n/a	n/a	n/a	n/a	5.5	0.0	5.5	n/a	5.5	5.2	0.0	5.3	n/a	5.3	0.0	0.0	0.0	n/a	0.0	0.0	0.0	0.0	n/a	n/a	0.0
Mixed-use (non-industrial only)	n/a	n/a	n/a	n/a	n/a	33.8	26.9	60.7	n/a	60.7	19.0	15.9	34.9	n/a	34.9	24.9	11.5	36.4	n/a	36.4	12.0	20.8	32.9	n/a	n/a	32.9
Other non-industrial	n/a	n/a	n/a	n/a	n/a	51.1	19.2	70.3	n/a	70.3	69.2	14.7	83.9	n/a	83.9	47.0	11.4	58.5	n/a	58.5	35.7	5.8	41.6	n/a	n/a	41.6
Vacant land in non-industrial capacity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.2	2.1	2.3	n/a	n/a	2.3
Total non-industrial	n/a	n/a	n/a	n/a	n/a	443.3	307.3	750.6	n/a	750.6	450.3	319.3	769.6	n/a	769.6	357.7	210.1	567.8	n/a	567.8	274.3	130.1	404.3	n/a	n/a	404.3
TOTAL	n/a	n/a	n/a	8,281.5	8,281.5	4,280.1	1,491.6	5,771.8	2,820.2	8592.0	4,185.2	1,548.5	5,733.7	2,540.7	8,274.4	3,899.1	1,156.9	5,056.0	2,665.5	7,721.5	3,628.8	1,077.0	4,685.9	499.5	1,997.2	7,202.5

Source: AECOM

* Changes to definitions/methodology from the 2015 study have occurred for these land uses, see corresponding section of Table 2.2 for details. Only for utilities and land for rail has the 2015 baseline been changed retrospectively. This has to be taken into account when considering the land use area changes to 2020.

** New industrial land use categorisations not recorded in the land use baseline position in the previous 2015, 2010, and 2006 studies, see corresponding section of Table 2.2 for details.

*** Includes corrections to uses incorrectly coded as other industrial land uses in 2015, see section of Table 2.2 for details. This has to be taken into account when considering the land use area changes to 2020.

† Including secondary materials and aggregates

†† Including vacant cleared sites and derelict industrial buildings

Table 2.9: Change in the industrial land quantity by use, 2001 to 2020 (ha)

Greater London		2001 to 2006					2006 to 2010					2010 to 2015					2015 to 2020				
GLA land use categorisations		Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)	Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)	Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)	Designated employment land (ha)			Non designated industrial land (ha)	Total (ha)
		SILs	LSIS	Total			SILs	LSIS	Total			SILs	LSIS	Total			SILs	LSIS	Total		
Industrial uses																					
Core industrial uses																					
	Light industry	n/a	n/a	n/a	n/a	-1.4	0.2	-3.5	-3.3	2.6	-0.6	-2.5	-5.0	-7.5	28.1	20.7	-26.1	-5.7	-32.1	-40.2	-44.9
	General industry	n/a	n/a	n/a	n/a	-311.0	-77.5	-18.7	-96.2	-83.2	-179.4	-100.6	-57.8	-158.4	-203.2	-361.6	-84.6	-4.8	-94.6	-220.0	-213.8
	Warehouses	n/a	n/a	n/a	n/a	84.3	32.1	13.9	46.0	-68.1	-22.1	-8.6	-83.7	-92.4	-58.9	-151.3	-31.0	-7.0	-38.5	-213.3	-131.7
	Self storage	n/a	n/a	n/a	n/a	4.4	4.3	0.3	4.6	6.6	11.2	12.7	3.1	15.8	8.9	24.7	-17.6	-0.2	-18.3	-9.4	-20.2
	Open storage***	n/a	n/a	n/a	n/a	-8.7	39.8	4.7	44.5	6.5	51.0	-6.2	-5.3	-11.4	54.2	42.8	45.2	18.7	63.5	13.6	113.2
	Sub total	n/a	n/a	n/a	n/a	-232.3	-1.1	-3.3	-4.4	-135.5	-139.9	-105.3	-148.6	-253.9	-170.7	-424.7	-114.2	1.0	-120.0	-469.3	-297.5
Wider industrial uses																					
	Wholesale markets	n/a	n/a	n/a	n/a	-0.5	-19.5	20.7	1.2	0.0	1.2	-0.2	-22.5	-22.8	24.1	1.3	-2.2	-2.1	-4.3	-26.4	-13.1
	Waste management and recycling†*	n/a	n/a	n/a	n/a	-4.3	2.6	5.1	7.7	-4.5	3.2	30.1	-22.1	8.0	-13.8	-5.8	53.7	12.2	55.9	-9.2	103.3
	Utilities*	n/a	n/a	n/a	n/a	-6.9	-19.0	2.7	-16.3	-15.0	-31.3	2.5	-13.3	-10.8	42.1	31.3	-40.5	-9.3	-41.4	-37.8	-8.4
	Land for rail (including DLR)*	n/a	n/a	n/a	n/a	3.0	-16.7	3.7	-12.9	0.1	-12.8	-13.4	-34.2	-47.6	195.0	147.4	-38.0	-8.0	-46.3	-91.6	-101.1
	Land for buses	n/a	n/a	n/a	n/a	0.0	-1.8	1.5	-0.3	-2.4	-2.7	12.9	-2.2	10.7	18.2	28.9	-6.7	3.4	-5.9	4.8	5.4
	Airport related land and freight*	n/a	n/a	n/a	n/a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.0	13.0	0.0	0.8	0.8	121.8	122.7
	Docks*	n/a	n/a	n/a	n/a	-0.2	-0.1	0.0	-0.1	-8.2	-8.3	-0.1	0.0	0.0	0.5	0.5	-0.9	1.0	0.1	-8.9	-8.6
	Mixed-use (including industrial uses)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9.0	5.3	6.3	1.5	15.8
	Data centres**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15.4	4.3	19.7	8.4	32.6
	Film and TV Studios**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25.2	0.7	25.9	5.3	35.3
	Industrial-related Research and Development**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.3	17.4	17.7	0.0	17.7
	Dark kitchens**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.8	0.6	2.4	1.4	3.8
	Other industrial	n/a	n/a	n/a	n/a	0.5	-4.0	12.8	8.8	0.1	8.9	-3.6	-11.8	-15.4	3.1	-12.3	0.7	1.6	2.3	-1.0	2.2
	Sub total					-8.5	-58.5	46.4	-12.1	-29.8	-41.9	28.1	-106.1	-78.0	282.3	204.3	17.9	28.0	33.1	-31.7	207.3
Vacant industrial uses																					
	Vacant industrial land††	n/a	n/a	n/a	n/a	-155.4	-48.9	-7.0	-55.9	-90.2	-146.1	-95.2	-39.0	-134.2	-42.3	-176.5	-57.3	-1.8	-59.7	-112.9	-151.5
	Land with vacant building(s)	n/a	n/a	n/a	n/a	-44.0	6.7	8.6	15.3	-24.0	-8.6	-21.2	11.4	-9.8	55.6	45.8	-33.3	-26.9	-60.0	-54.4	-113.8
Total industrial		n/a	n/a	n/a	n/a	-440.2	-101.9	44.8	-57.1	-279.6	-336.6	-193.6	-282.4	-476.0	124.9	-351.1	-186.8	0.2	-206.5	-668.3	-355.5
Non-industrial uses																					
	Office	n/a	n/a	n/a	n/a	n/a	3.3	16.0	19.3	n/a	19.3	-21.1	-30.9	-52.0	n/a	-52.0	-22.2	-68.8	-91.0	n/a	-91.0
	Retail	n/a	n/a	n/a	n/a	n/a	-2.3	6.9	4.6	n/a	4.6	-34.6	-26.1	-60.7	n/a	-60.7	-21.0	1.1	-20.0	n/a	-20.0
	Residential	n/a	n/a	n/a	n/a	n/a	8.8	-0.5	8.3	n/a	8.3	-0.4	-3.5	-4.0	n/a	-4.0	4.7	-16.5	-11.8	n/a	-11.8
	Recreation and leisure	n/a	n/a	n/a	n/a	n/a	-4.4	4.6	0.2	n/a	0.2	-2.6	-27.6	-30.1	n/a	-30.1	-15.3	-3.1	-18.4	n/a	-18.4
	Community services	n/a	n/a	n/a	n/a	n/a	-1.1	0.6	-0.5	n/a	-0.5	-12.3	-13.5	-25.8	n/a	-25.8	-5.7	1.4	-4.3	n/a	-4.3
	Defence	n/a	n/a	n/a	n/a	n/a	-0.4	0.0	-0.4	n/a	-0.4	0.0	0.1	0.1	n/a	0.1	0.0	-0.1	-0.1	n/a	-0.1
	Agriculture and fisheries	n/a	n/a	n/a	n/a	n/a	-0.3	0.0	-0.3	n/a	-0.3	-5.2	0.0	-5.3	n/a	-5.3	0.0	0.0	0.0	n/a	0.0
	Mixed-use (non-industrial only)	n/a	n/a	n/a	n/a	n/a	-14.8	-11.0	-25.8	n/a	-25.8	5.9	-4.4	1.5	n/a	1.5	-12.9	9.4	-3.5	n/a	-3.5
	Other non-industrial	n/a	n/a	n/a	n/a	n/a	18.1	-4.6	13.5	n/a	13.5	-22.2	-3.2	-25.4	n/a	-25.4	-11.3	-5.6	-16.9	n/a	-16.9
	Vacant land in non-industrial capacity**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.2	2.1	2.3	n/a	2.3
Total non-industrial		n/a	n/a	n/a	n/a	n/a	7.0	12.0	19.0	n/a	19.0	-92.6	-109.2	-201.8	n/a	-201.8	-83.4	-80.1	-163.5	n/a	-163.5
TOTAL		n/a	n/a	n/a	n/a	n/a	-94.9	56.8	-38.1	n/a	-317.6	-286.2	-391.6	-677.7	n/a	-552.9	-270.3	-79.9	-370.1	n/a	-519.0

Source: AECOM

* Changes to definitions/methodology from the 2015 study have occurred for these land uses, see corresponding section of Table 2.2 for details. Only for utilities and land for rail has the 2015 baseline been changed retrospectively. This has to be taken into account when considering the land use area changes to 2020.

** New industrial land use categorisations not recorded in the land use baseline position in the previous 2015, 2010, and 2006 studies, see corresponding section of Table 2.2 for details.

*** Includes corrections to uses incorrectly coded as other industrial land uses in 2015, see section of Table 2.2 for details. This has to be taken into account when considering the land use area changes to 2020.

† Including secondary materials and aggregates

†† Including vacant cleared sites and derelict industrial buildings

Table 2.10: Change in the industrial land quantity by use, 2001 to 2020 (%)

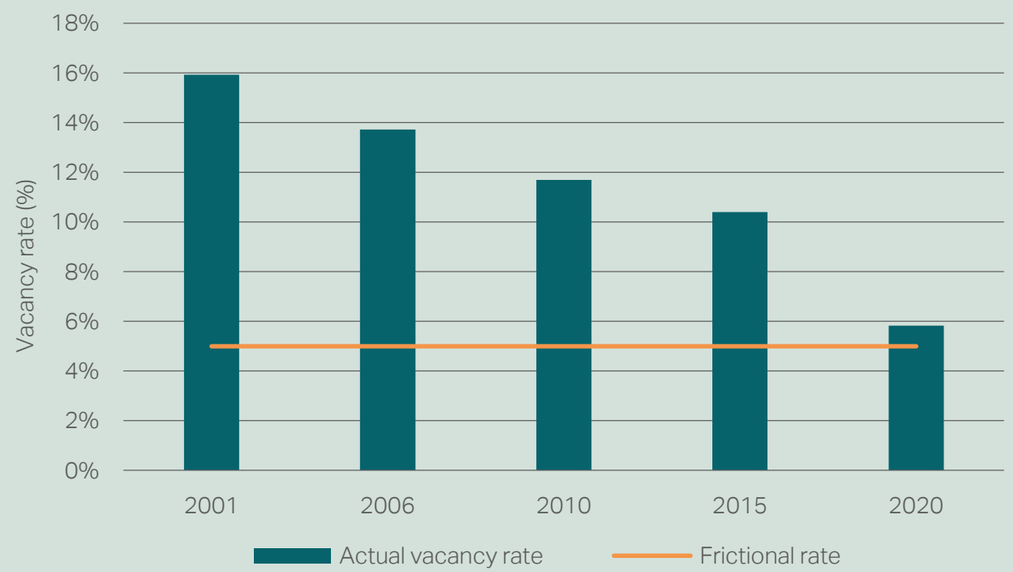
Greater London		Percentage change			
GLA land use categorisations		Total industrial land			
		2001 to 2006	2006 to 2010	2010 to 2015	2015 to 2020
Industrial uses					
Core industrial uses					
	Light industry	-1%	0%	9%	-17%
	General industry	-12%	-8%	-17%	-12%
	Warehouses	4%	-1%	-6%	-6%
	Self storage	11%	24%	43%	-24%
	Open storage***	-8%	50%	28%	58%
	Sub total	-4%	-3%	-9%	-7%
Wider industrial uses					
	Wholesale markets	-1%	2%	2%	-24%
	Waste management and recycling† *	-2%	1%	-2%	38%
	Utilities*	-1%	-3%	3%	-1%
	Land for rail (including DLR)*	1%	-4%	44%	-21%
	Land for buses	0%	-6%	67%	7%
	Airport related land and freight*	0%	0%	39%	264%
	Docks*	-1%	-21%	1%	-27%
	Mixed-use (including industrial uses)**	n/a	n/a	n/a	n/a
	Data centres**	n/a	n/a	n/a	n/a
	Film and TV Studios**	n/a	n/a	n/a	n/a
	Industrial-related Research and Development**	n/a	n/a	n/a	n/a
	Dark kitchens**	0%	0%	0%	0%
	Other industrial	7%	115%	-74%	51%
	Sub total	0%	-2%	11%	10%
Vacant industrial uses					
	Vacant industrial land††	-18%	-20%	-31%	-38%
	Land with vacant building(s)	-32%	-9%	53%	-86%
Total industrial		-5%	-4%	-5%	-5%
Non-industrial uses					
	Office	n/a	8%	-21%	-47%
	Retail	n/a	2%	-28%	-13%
	Residential	n/a	16%	-7%	-21%
	Recreation and leisure	n/a	0%	-41%	-42%
	Community services	n/a	-1%	-55%	-20%
	Defence	n/a	na	na	na
	Agriculture and fisheries	n/a	-5%	na	na
	Mixed-use (non industrial only)	n/a	-42%	4%	-10%
	Other non-industrial	n/a	19%	-30%	-29%
	Vacant land in non-industrial capacity**	n/a	n/a	n/a	n/a
Total non-industrial		n/a	3%	-26%	-29%
TOTAL		n/a	-4%	-7%	-7%

Source: AECOM

* Changes to definitions/methodology from the 2015 study have occurred for these land uses, see corresponding section of Table 2.2 for details. Only for utilities and land for rail has the 2015 baseline been changed retrospectively. This has to be taken into account when considering the land use area changes to 2020.
** New industrial land use categorisations not recorded in the land use baseline position in the previous 2015, 2010, and 2006 studies, see corresponding section of Table 2.2 for details.
*** Includes corrections to uses incorrectly coded as other industrial land uses in 2015, see section of Table 2.2 for details. This has to be taken into account when considering the land use area changes to 2020.
† Including secondary materials and aggregates
†† Including vacant cleared sites and derelict industrial buildings

2.6.8 In terms of **vacant land**, this can be derived from Table 2.8. The share of vacant industrial land across London and land with vacant buildings (as % of core and wider uses) has constantly decreased over time, from 12% in 2001, to 10% in 2006, to 9% in 2010, to 7% in 2015, to finally reach 4% in 2020. This is lower than the reasonable average frictional vacancy rate of 5% recorded in the GLA SPG (see paragraph 2.4.2). Figure 2.9 below sets out the change of just the core industrial land vacancy rate in London over the period 2001 to 2020. Compared with the vacancy rate in 2015 at nearly 11%, it has halved over the 5-year period. The steadily declining trend, which is accelerating between 2015 and 2020. Compared with the vacancy rate in 2015 at nearly 11%, it has halved over the recent 5-year period.

Figure 2.9: Core industrial land vacancy rate in London - 2001 to 2020 (%)



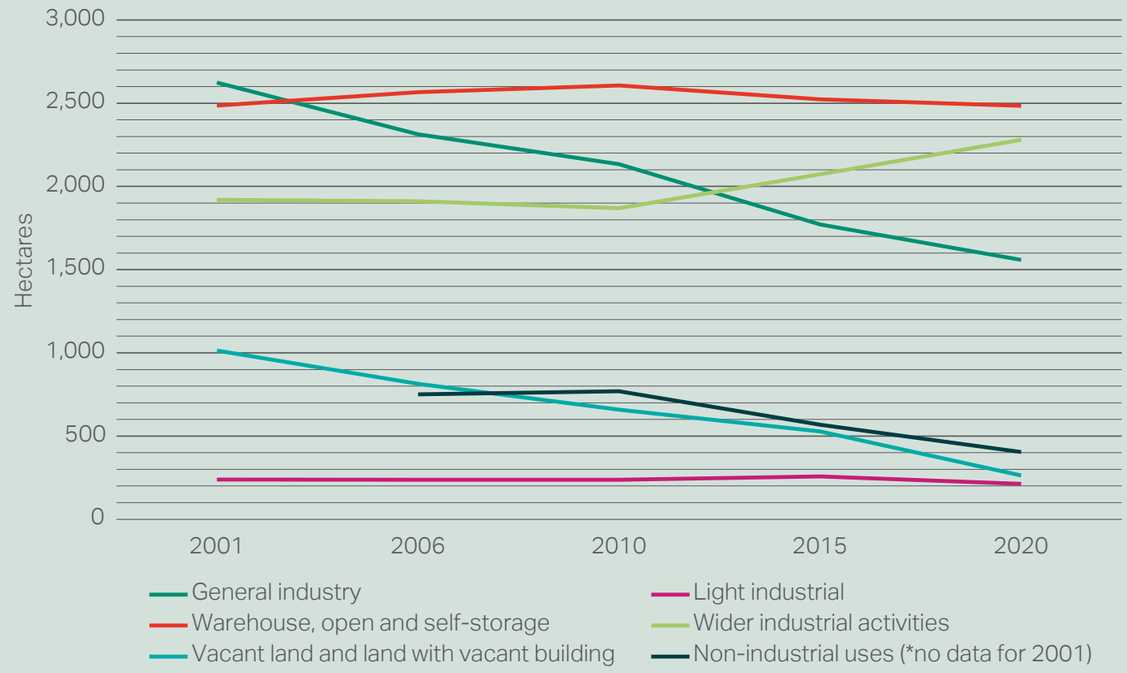
Source: AECOM

2.6.9 Figure 2.10 shows the change in industrial land use by broad categories between 2001 and 2020. Land for most broad categories has declined over the period. The decline has been particularly steep for general industry (over 1,000 ha or 41% over the whole period) and vacant land (750 ha or 74%). The exception is land for wider industrial activities.

2.6.10 The amount of land has specifically increased more recently for open storage (from 196 ha in 2015 to 309 ha in 2020), waste management and recycling, secondary materials and aggregates (275 ha to 378 ha) and airport related land and freight (46 ha to 169 ha). As noted in Section 2.2, these increases are at least in part impacted by methodological changes that has resulted in some reclassification of uses and recognition of previously non-industrial areas as industrial land. A specific limitation is that based on the process undertaken to update the baseline in this study, it is in general not possible to quantify the extent of land use change accounted for by methodological changes in definition or corrections as opposed to genuine changes in use.

2.6.11 Other uses have seen notable decreases in the land they occupy, particularly general industry (1,772 ha to 1,558 ha), warehousing (2,244 ha to 2,112 ha), vacant industrial land (incl. vacant cleared sites) (396 ha to 245 ha) and land with vacant building(s) (132 ha to 18 ha). As explained in Section 2.2, this study only recorded land with vacant buildings that were within this land use already in 2015 and discounted sites where an obvious change of use had been observed (i.e. site cleared, brought back in use or redeveloped). No effort was made to identify additional sites in this use given the limitations in data available to identify those sites – therefore this number has logically gone down.

Figure 2.10: Change of broad industrial land use categories in London 2001 to 2020 (ha)



Source: AECOM

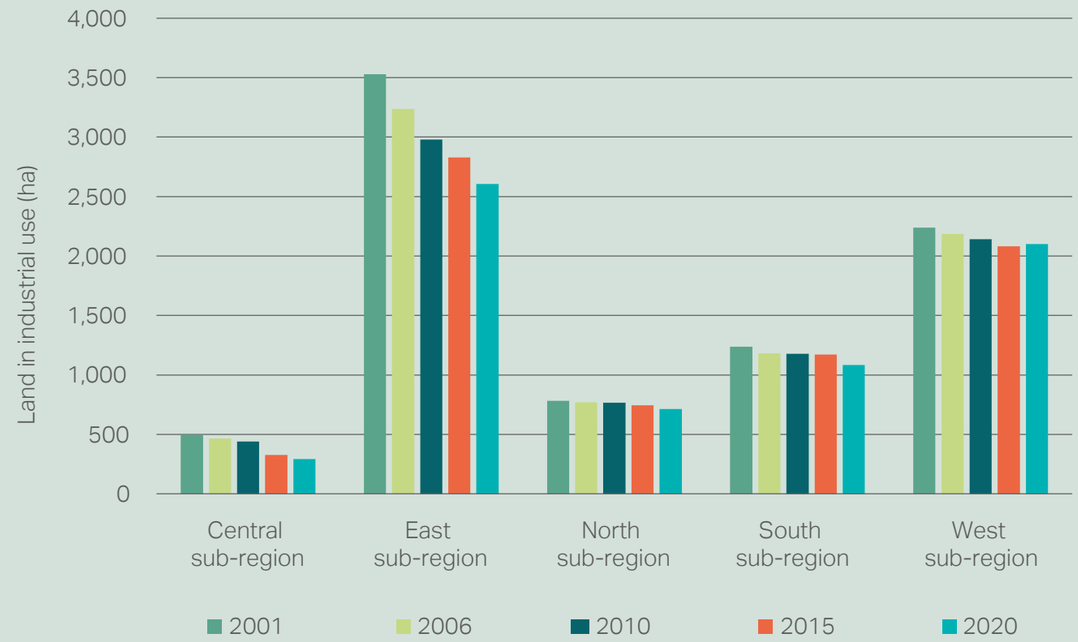
2.6.12 At the **sub-regional level**, all regions have witnessed a contraction in the supply of land in industrial use between 2001 and 2020. Over the entire timeframe, 2001 to 2020, the Central sub-region has witnessed the largest reduction in supply in proportion to its stock, contracting by 41% (204 ha). The East sub-region contracted by 26% (921 ha). Supply contracted by 12% in the South sub-region (152 ha), 9% in the North sub-region (70 ha) and 6% in the West sub-region (137 ha). The evolution of land in industrial use between 2001 and 2020 by sub-region is shown in Figure 2.11.

2.6.13 Over the last reporting period (2015 to 2020), the Central sub-region recorded the largest proportionate decline in industrial land at 11%. Decline in other sub-region ranges from 8% for the East sub-region to 1% for the West sub-region, with the North and South sub-regions registering a decline of 4% and 7% respectively.

2.6.14 Similarly to what is observed at the sub-regional level, land in industrial use has declined over all the **PMAs** over time, as shown in Figure 2.12. The change in land in Park Royal / A40 / Heathrow between 2015 and 2020 is the exception, with an observed increase. However, this is primarily due to changes made to the definitions of land uses and corrections since the 2015 Study (particularly airport related land and freight), as explained in Section 2.2.

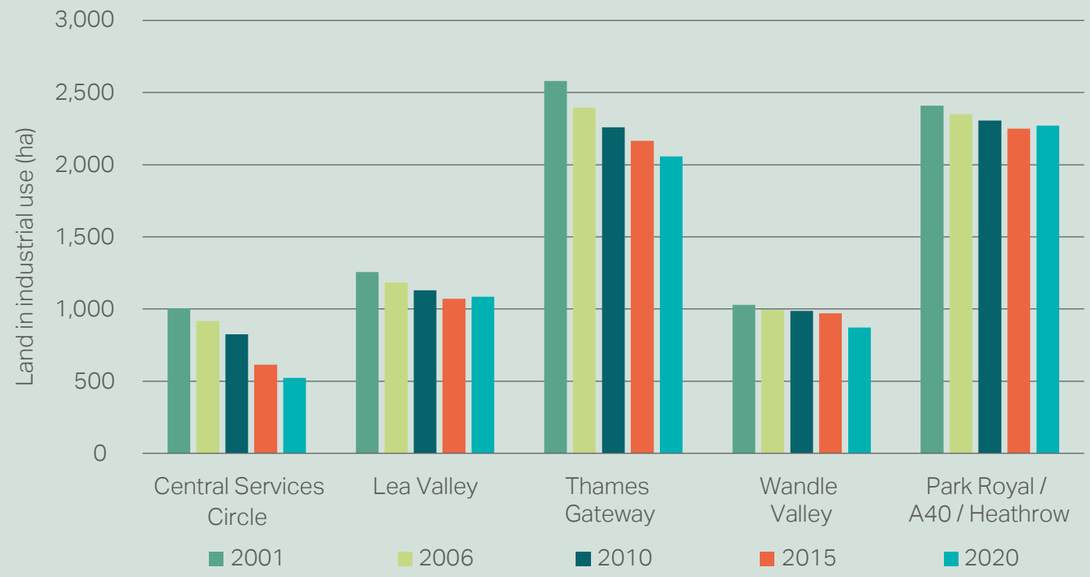
2.6.15 **Appendix A** provides details on the quantity of industrial land use for the years 2001, 2006, 2010, 2015 and 2020 for each of the following study geographies: Inner and Outer London; CAZ; sub-regions; PMAs; and boroughs/MDCs.

Figure 2.11: Change in industrial land stock 2001 to 2020 by sub-region (ha)



Source: AECOM

Figure 2.12: Change in industrial land stock 2001 to 2020 by Property Market Area (ha)



Source: AECOM

Comparison of release with London Industrial Land Demand

2.6.16 The GLA commissioned a **London Industrial Land Demand Study** (2017)[12] (LILDS), which established targets or benchmarks for the release of industrial land over the period 2016 to 2041, taking account of industrial land supply, vacancy and the different components of demand.

2.6.17 The LILDS estimated that 232.6 ha of industrial land could be released in London between 2016 and 2041 (the release benchmark), or 9.3 ha per annum on average and 46.5 ha over a 5-year period. The release benchmark is published at the borough level and has been aggregated to derive the figure at the sub-regional level. Based on the LILDS, the Central, and East sub-regions could release respectively 12 ha and 49.4 ha of industrial land over a 5-year period, whilst the other three sub-regions are expected to marginally increase their industrial land hold (+5.7 ha for the North sub-region, +5.9 ha for the South and +3.3 ha for the West) over a 5-year period.

2.6.18 A comparison of the industrial land use change within London between 2015 and 2020 against the industrial land benchmark release targets set out in the LILDS is given in Figure 2.13 at the sub-region and London levels. A breakdown at the borough level is provided in Table 2.11.

2.6.19 It should be noted that to **compare actual release to the benchmark release** as calculated in the LILDS, change between 2015 and 2020 in land in industrial use (both core and wider uses) has been considered but **excluding the following uses to ensure alignment** and comparability between the data presented in this section (actual release) and the figures set out in the LILDS:

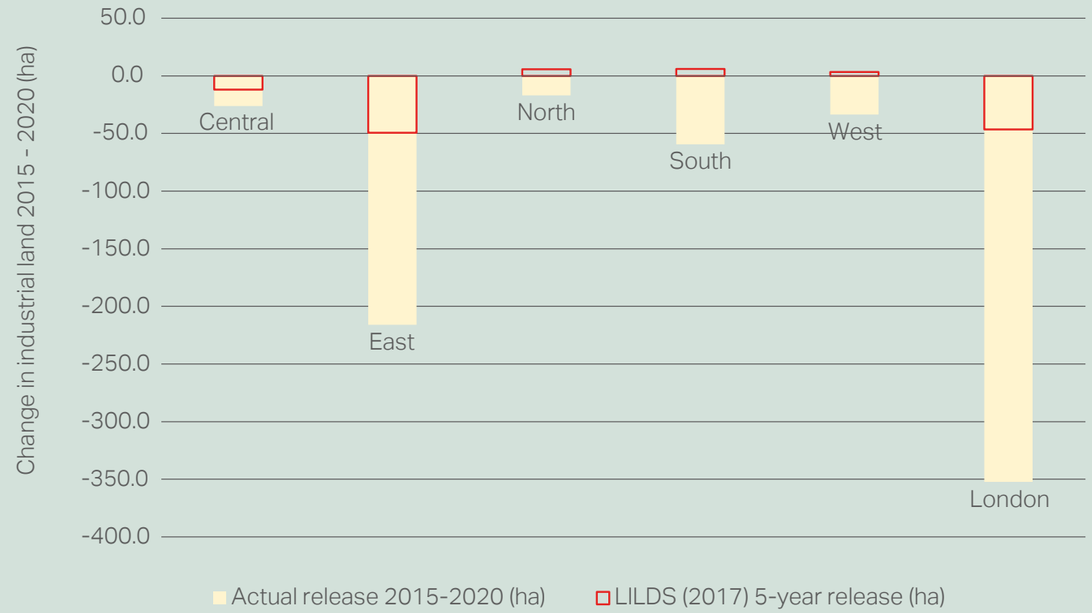
- Wholesale markets;
- Utilities;
- Land for rail;
- Land for buses;
- Airport related land and freight; and
- Docks.

2.6.20 Comparing with the actual release between 2015 and 2020 (5-year period) as estimated in this study at the London level, it can be seen that the actual 5-year release is estimated at 352.2 ha against a recommended benchmark release of 46.5 ha. Also, all sub-regions have released in excess of their benchmark. The East sub-region is the worst performer in terms of absolute numbers with an actual release of 215.9 ha over 5-years against a benchmark of 49.5 ha, an excess release of 166.5 ha. At the borough level, only Kensington and Chelsea, Islington, Barking and Dagenham, Hackney and Hillingdon have released less than their 5-year benchmark guidance, or gained more in boroughs where such a target applies.

2.6.21 It should also again be noted that some changes, as explained in Section 2.2, have been made to the way the data is calculated and presented since the 2015 Study, some of which impact the way figures are presented between 2015 and 2020.

[12] Greater London Authority, (2017); London Industrial Land Demand Study.

Figure 2.13: Change in quantity of industrial land: London Industrial Land Demand Study (2017) industrial benchmark release five-year equivalent vs actual release 2015 to 2020 (ha)



Source: AECOM

Table 2.11: Change in quantity of industrial land: London Industrial Land Demand Study (2017) industrial benchmark release five-year equivalent vs actual release 2015 to 2020 (ha)

Area	Borough	London Industrial Land Demand Study benchmark release / gain 2016 to 2041 (ha)	London Industrial Land Demand Study 5-year benchmark release / gain	Actual change 2015 to 2020 (ha)
London		-232.6	-46.5	-352.2
Inner London		-92	-18.4	-166.8
Outer London		-140.4	-28.1	-186.1
Central sub-region		-59.9	-12	-26.2
	Camden	-8.4	-1.7	-3.5
	City of London	1.6	0.3	0.0
	Kensington and Chelsea	-6	-1.2	3.7
	Islington	-13.1	-2.6	-1.3
	Southwark	-21.5	-4.3	-16.9
	Westminster	-0.7	-0.1	-2.0
	Lambeth	-11.8	-2.4	-6.2
East sub-region		-246.9	-49.4	-215.9
	Barking and Dagenham	-30.1	-6	20.4
	Bexley	-15.9	-3.2	-20.9
	Greenwich	28.8	5.8	-41.0
	Hackney	-17.8	-3.6	-0.7
	Havering	-40.8	-8.2	-26.3
	Lewisham	-12.4	-2.5	-14.9
	Newham	-112.5	-22.5	-62.6
	Redbridge	-0.7	-0.1	-4.5
	Tower Hamlets	-51.7	-10.3	-50.4
	Waltham Forest	6.2	1.2	-15.0
North sub-region		28.4	5.7	-17.1
	Barnet	5.1	1	-13.6
	Enfield	52	10.4	5.8
	Haringey	-28.7	-5.7	-9.3
South sub-region		29.3	5.9	-59.4
	Bromley	8.5	1.7	-4.0
	Croydon	-9.9	-2	-12.0
	Kingston-upon-Thames	-7.2	-1.4	-33.0
	Merton	-5	-1	-7.6
	Richmond-upon-Thames	12	2.4	18.2
	Sutton	14.5	2.9	-4.6
	Wandsworth	16.4	3.3	-16.5
West sub-region		16.7	3.3	-34.3
	Brent	46.9	9.4	-27.4
	Ealing	35.6	7.1	-10.5
	Hammersmith and Fulham	4.6	0.9	-17.1
	Harrow	-0.9	-0.2	-15.2
	Hillingdon	-50.2	-10	44.8
	Hounslow	-19.3	-3.9	-8.7
Central Services Circle		-141.8	-28.4	-92.2
Lea Valley		-26.8	-5.4	-49.9
Thames Gateway		-106.5	-21.3	-107.6
Wandle Valley		8.8	1.8	-73.6
Park Royal / A40 / Heathrow		33.8	6.7	-29.6

Source: AECOM

2.7 Potential future changes to land in industrial and related uses

Land that is potentially changing to non-industrial use

2.7.1 The purpose of this section is to identify land in industrial and related uses which is within the "planning pipeline" and as such could potentially change to non-industrial uses. The approach to this has involved analysis of the following **sources**:

- Unimplemented planning permissions including prior approvals for change to non-industrial use as identified from the GLA Planning Datahub, complete as of 31st March 2020. Permissions for change to industrial use from non-industrial use were also identified, which were much smaller both in number and scale and were included resulting a net change being provided;
- Land in industrial use within previously designated industrial areas (former SILs / LSISs as recorded in either 2010 or 2015) as identified by this study; and
- Emerging (not yet adopted) borough local plan policy proposals, which include proposed changes to boundaries or de-designations of designated industrial areas (current SILs / LSISs) separated out in Regulation 18 (Reg 18) proposals and Regulation 19-21 (Reg 19+) proposals[13], as identified by AECOM and the GLA based on status as of 31st March 2021[14].

2.7.2 The details of unimplemented planning permissions and emerging local plan policy proposals were confirmed via a verification exercise undertaken with the boroughs and MDCs in June and July 2021 (see paragraph 2.1.11).

2.7.3 It should be noted that this study has identified industrial land subject to potential release through emerging Local Plan policy proposals to provide a perspective on the potential degree of change arising from these. Identification strictly should not be taken to mean or infer that the GLA accept or support any of these proposals. They are also subject to change and can only provide a snapshot of potential change at a point in time.

2.7.4 Also, sites and designations associated with these sources of potential change are subject to varying degrees of certainty as to whether, when, and precisely how much industrial land within them is likely to change to non-industrial uses. As such the quantum of loss may not accurately reflect the actual loss of industrial land recorded within these areas once change has been realised. A hierarchy based on degree of certainty can be set out as follows, in order of most certainty and with justification provided:

1. Unimplemented Planning Permissions (only requires implementation);
2. De-designated industrial sites (required permission and implementation);
3. Reg 19+ stage Local Plan policies changes (require adoption, permission and implementation); or
4. Reg 18 stage Local Plan policies changes (require Reg 19, adoption, permission and implementation).

2.7.5 Owing to the possibility that unimplemented permissions could be on previously designated industrial land or within areas of proposed release in emerging Local Plans, care has been taken to remove double-counting from the analysis through use of GIS analysis.

2.7.6 Table 2.12 sets out the outcome from the analysis. In respect of potential change as a result of **unimplemented permissions**, the East sub-region, accounts for 75 ha or 70% of the total of 108 ha of such land found in total across London.

[13] Regulation stages relate to the stage at which the progress of emerging Local Plan policies has reached. Regulation 18 relates to policies / proposals at consultation stage, and Regulation 19-21 relate to proposed submission through to proposed adoption draft plans.

[14] An exception was made in respect of Bexley's Reg 19 policy proposals based on these being published shortly after the deadline, in May 2021, and containing potential material changes.

Table 2.12: Land in industrial and related uses in the planning pipeline that is potentially changing to non-industrial use (ha) (2021)

Area	Borough	Unimplemented planning permissions*				Previously designated industrial land**	Local Plan release							
		SIL	LSIS	Non-designated	Sub-total		Reg 19+ (SIL)	Reg 19+ (LSIS)	Sub-total Reg 19+	Reg 18 (SIL)	Reg 18 (LSIS)	Sub-total Reg 18	Sub-total Local Plan release	Total
London		11.2	84.4	12.7	108.3	403.1	178.6	43.6	222.1	2.1	0.2	2.2	224.4	735.7
Inner London		10.8	66.5	1.2	78.4	184.2	123.0	8.4	131.4	1.2	-	1.2	132.6	395.2
Outer London		0.5	17.9	11.5	29.9	218.9	55.6	35.2	90.7	0.9	0.2	1.0	91.8	340.5
Central sub-region		0.3	2.9	0.8	3.9	22.0	21.2	8.4	29.6	-	-	-	29.6	55.6
	Camden	-	1	0.2	1.2	6.1	-	-	-	-	-	-	-	7.3
	City of London	-	-	-	-	1.9	-	-	-	-	-	-	-	1.9
	Kensington and Chelsea***	-	0.1	0.3	0.5	6.9	-	-	-	-	-	-	-	7.4
	Islington	-	0.1	-	0.1	0.0	-	-	-	-	-	-	-	0.1
	Southwark	0.3	0.6	0.1	0.9	5.2	21.2	6.0	27.2	-	-	-	27.2	33.3
	Westminster	-	-	-	-	-			-	-	-	-	-	-
	Lambeth	-	1.1	0.2	1.2	1.9		2.4	2.4	-	-	-	2.4	5.5
East sub-region		6.2	61.6	7.7	75.5	173.4	44.3	35.2	79.5	1.2	-	1.2	80.8	329.7
	Barking and Dagenham	-	-	0	0.0	3.8	34.6	24.9	59.5	-	-	-	59.5	63.3
	Bexley	-	0.2	-	0.2	43.7	9.6	2.5	12.2	-	-	-	12.2	56.1
	Greenwich	5.6	53.9	-	59.5	10.3	-	-	-	-	-	-	-	69.8
	Hackney	-	0.3	-	0.3	0.1	-	-	-	-	-	-	-	0.5
	Havering	-	1.5	1.9	3.4	15.3	-	6.3	6.3	-	-	-	6.3	25.0
	Lewisham	-	0.6	-	0.6	8.6	-	-	-	1.2		1.2	1.2	10.4
	Newham	0.4	0.3	-	0.7	47.2	-	-	-	-	-	-	-	47.9
	Redbridge	-	0	-	0.0	0.3	-	-	-	-	-	-	-	0.3
	Tower Hamlets	-	1.8	0.2	2.0	0.1	-	-	-	-	-	-	-	2.1
	Waltham Forest	-	0.3	5.7	6.0	19.9	0.2	1.5	1.6	-	-	-	1.6	27.5
	LLDC	0.2	2.6	-	2.8	24.1			-	-	-	-	-	26.8
North sub-region		-	2.2	0.5	2.6	27.2	-	-	-	-	0.2	0.2	0.2	30.0
	Barnet	-	0.5	0.3	0.8	1.4	-	-	-	-	0.2	0.2	0.2	2.4
	Enfield	-	0.5	0	0.5	5.8	-	-	-	-	-	-	-	6.4
	Haringey	-	1.2	0.1	1.2	20.0	-	-	-	-	-	-	-	21.2
South sub-region		0.2	13.7	0.6	14.5	31.1	-	-	-	0.9	-	0.9	0.9	46.4
	Bromley	-	2.9	0	3.0	0.6	-	-	-		-	-	-	3.5
	Croydon	-	0.8	0.2	1.0	0.6	-	-	-	0.9	-	0.9	0.9	2.5
	Kingston-upon-Thames	0.0	0.6	-	0.6	0.3	-	-	-	-	-	-	-	1.0
	Merton	-	0.3	0.3	0.6	0.6	-	-	-	-	-	-	-	1.2
	Richmond-upon-Thames	-	7.2	-	7.2	0.0	-	-	-	-	-	-	-	7.2
	Sutton	-	0.7	-	0.7	1.6	-	-	-	-	-	-	-	2.3
	Wandsworth	0.2	1.1	0	1.3	27.4	-	-	-	-	-	-	-	28.6
West sub-region		4.5	4.1	3.2	11.7	149.3	113.0	0.0	113.0	-	-	-	113.0	274.0
	Brent	0.3	0.4	0.5	1.2	15.3	2.7	-	2.7	-	-	-	2.7	19.3
	Ealing	0.1	1.1	2.5	3.7	39.2	-	-	-	-	-	-	-	42.9
	Hammersmith and Fulham	-	1.6	-	1.6	13.3	-	-	-	-	-	-	-	15.0
	Harrow	0	0.2	0.2	0.4	0.4	-	-	-	-	-	-	-	0.8
	Hillingdon	0.1	0.7	-	0.8	62.1	-	-	-	-	-	-	-	62.9
	Hounslow	-	-	-	-	8.3	8.5	0.0	8.5	-	-	-	8.5	16.7
	OPDC	4.0	-	-	4.0	10.7	101.8	-	101.8	-	-	-	101.8	116.5
Central Services Circle		0.3	5.6	0.9	6.9	30.9	21.2	8.4	29.6	1.2	0.0	1.2	30.8	68.5
Lea Valley		0.4	4.7	5.8	10.9	74.1	0.2	1.5	1.6	0.0	0.0	-	1.6	86.6
Thames Gateway		5.8	58.7	1.9	66.4	78.3	44.2	33.7	77.9	0.0	0.0	-	77.9	222.6
Wandle Valley		0.2	3.5	0.5	4.3	30.5	0.0	0.0	-	0.9	0.0	0.9	0.9	35.7
Park Royal / A40 / Heathrow		4.5	11.8	3.5	19.8	140.0	113.0	0.0	113.0	0.0	0.2	0.2	113.1	273.0

Source: AECOM

* Net calculations including gains in land at sites not in industrial use.
** Not including land which is subject to unimplemented planning permission

*** Land recorded as LSIS in Kensington and Chelsea has since been confirmed as being non-designated. The corresponding LSIS area in this row should therefore read as 'na' and be recorded within the non-designated category.

2.7.7 In Greenwich this source of potential change accounts for 59 ha recording greater amounts of such land than the North, South, West and Central sub-regions combined. In the case of Greenwich, it was agreed with the GLA that site allocations in Charlton Riverside and North Greenwich Peninsula would be captured as pipeline losses on the basis that they had been advised of by the borough.

2.7.8 The PMA with the highest potential future changes to industrial and related uses from unimplemented permissions is the Thames Gateway (66 ha).

2.7.9 Across London, 403 ha of land in industrial and related uses is on **previously designated industrial land** and not subject to unimplemented permissions. This represents around half (55%) of all land in industrial and related uses that has the potential to be redeveloped for non-industrial uses.

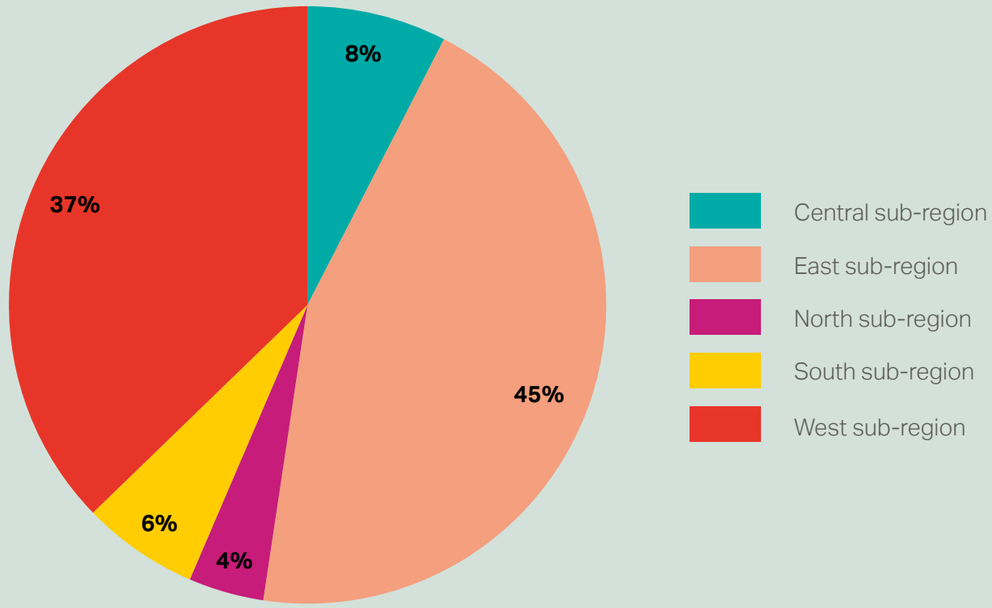
2.7.10 With 173 ha, the greatest amount of previously designated industrial land is found in the East sub-region. The West sub-region accounts for the 2nd largest area with 149 ha, whereas potential loss from this source is notably lower in the South (31 ha), and North sub-regions (27 ha). At borough-level, Hillingdon (62 ha) accounts for the most previously designated land with Newham recording the next highest (47 ha) amount, followed by Bexley (44 ha).

2.7.11 Review of **emerging Local Plans** across London indicates that an additional 224 ha of land in industrial and related uses could be released over the duration of the Plan periods. Of this land, only 2 ha is identified in Local Plans at Reg 18 stage, with the remaining 221 ha in Plans at Reg 19+ stage, predominantly on SIL land. Land that could be released over the period of the emerging local plans at Reg 19+ stage is concentrated in the West (113 ha), particularly OPDC, and East sub-regions (81 ha), particularly Barking and Dagenham, respectively, together accounting for 87% of land within this category.

2.7.12 Of the existing designation of land subject to potential release through Local Plans, 181 ha is within SIL and 44 ha is within LSIS.

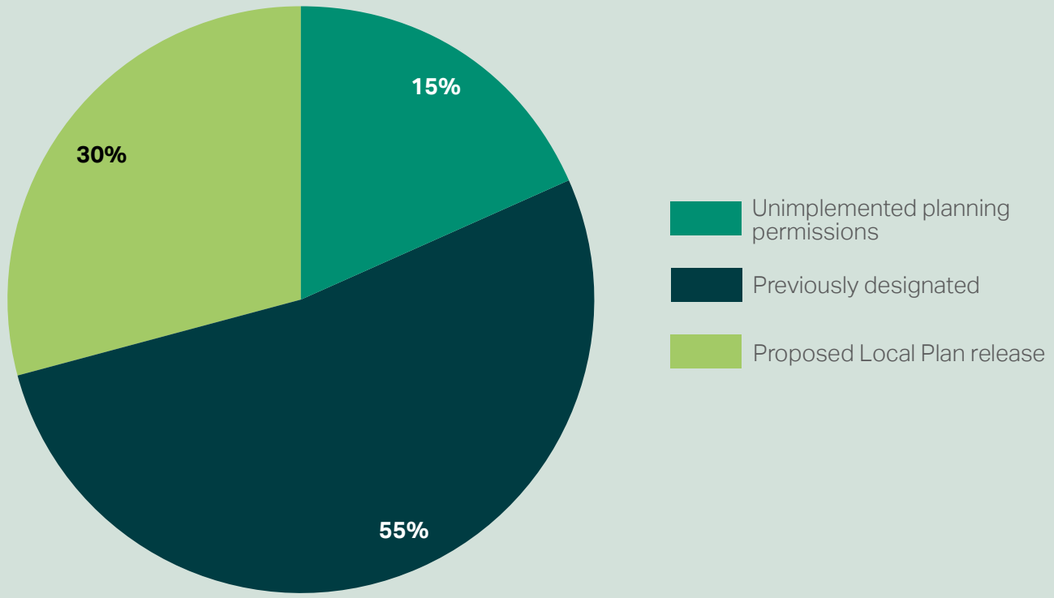
2.7.13 From the **total pipeline** of potentially changing uses (736 ha - 10.8% of the total stock in 2020) the majority is in Inner London (54%) and the East sub-region (45%) (see Figure 2.14). 108 ha is within unimplemented planning permissions (only 15%, but most likely to be realised), 403 ha (55%) is previously designated industrial land and the remaining 224 ha within emerging Local Plan policy proposals (30%) – see Figure 2.15. If only unimplemented planning permissions were realised, this would be equivalent to 1.5% of London's industrial land stock (6,797 ha), rising to 8% if previously designated industrial land is included, which is the other of the more certain release categories. Although no practical analysis of likely timeframes for this release is possible, the scale of release associated with unimplemented planning permissions (108 ha) is likely to occur within five years (indicatively, 21.6 ha per annum), noting that some planning permissions are likely to lapse. If realised, such a rate would account for 60% annually of the industrial land release set out in the LILDS (36.6 ha per annum), including once permissions containing the uses excluded from that analysis are discounted for comparison purposes.

Figure 2.14: Share of land in industrial and related uses that could potentially change to non-industrial use in 2021



Source: AECOM

Figure 2.15: Share of industrial land that could potentially change to non-industrial use in 2021 by type of change



Source: AECOM

Proposed new industrial land designations

2.7.14 This section considers the amount and distribution of land for which new industrial land designations are proposed, as shown in Table 2.13. The approach to this has involved analysis of emerging (not yet adopted) borough local plan policy proposals, which include either:

- entirely new proposed designated industrial areas (future SILs / LSISs); or
- proposed changes between designations namely SIL to LSIS or LSIS to SIL.

2.7.15 This is as identified by AECOM and the GLA based on status as of 31st March 2021, and as mentioned above, identification should strictly not be taken to mean or infer that the GLA accept or support any of these proposals, and they are subject to change and can only provide a snapshot of potential change at a point in time.

2.7.16 Land within proposed new industrial designations has been categorised separately as either already in industrial use or in non-industrial use. The latter represents genuine additional future industrial capacity. The former does not provide such an actual gain, although the capacity it provides will at least become more protected if the proposal is adopted.

2.7.17 Across London 96 ha of **non-designated land in industrial use** is proposed for designation as either SIL or LSIS. The majority, 56 ha (59% of the total) is to be found in the East sub-region. Elsewhere, 27 ha is found in the West sub-region (28%), and 10 ha is found in the Central sub-region (10%).

2.7.18 A total of 112 ha of **non-designated land in non-industrial use** is proposed for designation as either SIL (two thirds) or LSIS, the vast majority of which totalling 82 ha (or 86%) is found in the West sub-region. The East and North sub-regions account for 12% and 10% of this land respectively.

2.7.19 The proposed increase in Barking and Dagenham is supported by two main designations: Dagenham East (a proposed LSIS designation which was SIL in 2015) and (west of) Chequer's Lane (a proposed LSIS designation).

2.7.20 The proposed increase in Bexley comprises two main changes to designations: an extension to the SIL at Crossness STW, and Erith Riverside (extension to north-west to include existing non-designated industrial land).

2.7.21 In Hounslow the proposed increase is supported by several designations: one expanded SIL area at Great West Road and, a number of new or expanded LSIS, including a large area at North Feltham.

2.7.22 In respect of proposed **changes between designations**, a total of 28 ha is currently within SIL and proposed to become LSIS, representing a loss of its stronger protection from change to non-industrial use if realised. The majority is within the East sub-region, solely within Bexley (20 ha), with Southwark, Barnet and Brent also including such areas. There is one instance of LSIS land being proposed to become SIL and thus subject to stronger protection. This is in Wandsworth in the South sub-region and amounts to 10 ha.

Overview of proposed changes to industrial land designations

2.7.23 This section provides an overview of the proposed changes to industrial land designation identified above to provide a rounded picture of the proposed downgrading/upgrading of designations for each of the study geographies. This is to provide insights on whether designated industrial land might be strengthened or weakened by the proposed changes.

2.7.24 At a London-wide level, proposed changes to industrial land designations if realised would result in a decrease of 131 ha in the extent of land subject to SIL protection, and an increase of 95 ha of that protected within LSIS. Overall, there could be a potential decrease of land within designated areas of 17 ha. This can be calculated from Table 2.14.

2.7.25 Amongst the proposed changes is that 26 ha of non-designated non-industrial land in London is proposed for SIL, representing a relatively sizeable area of land becoming entirely new industrial capacity with the strongest level of protection if realised. In contrast, the 181 ha of SIL recorded as being subject to potential release in emerging Local Plans represents a removal of protection of significant extent. This is concentrated in nine boroughs, with over 85% being within just three; Southwark, Barking and Dagenham and OPDC, of which the latter alone accounts for over half of the London total.

2.7.26 The Central and the East sub-region would experience a net decrease of 15 ha and 13 ha respectively in their extent of land protected by designation. The North sub-region would experience an increase of 12 ha in the extent of land protected by designation.

2.7.27 Change to level of protection is generally uneven, with a reduction of 110 ha in Inner London compared to a gain of 94 ha in Outer London. There are significant changes at the borough level, with at the two extremes OPDC (-97 ha – mainly through Local Plan release at Old Oak Common) and Hounslow (+89 ha – mainly non-designated land proposed for LSIS most notably at locations around North Feltham and at Southall Lane, Cranford).

Table 2.13: Proposed new industrial land designations (2021) (ha)

Area	Borough	Non-designated land in industrial use proposed for SIL	Non-designated land in non-industrial use proposed for LSIS	Total	Non-designated land in non-industrial use proposed for SIL	Non-designated land in non-industrial use proposed for LSIS	Total	Proposed change from SIL to LSIS (industrial only)	Proposed change from LSIS to SIL (industrial only)
London		43.2	52.8	95.9	25.5	86.0	111.5	28.2	9.5
Inner London		4.1	8.1	12.1	6.2	3.8	10.0	5.2	9.5
Outer London		39.1	44.7	83.8	19.3	82.2	101.5	22.9	0.0
Central sub-region		1.5	7.9	9.5	1.8	3.4	5.2	5.2	-
	Camden	-	-	-	-	-	-	-	-
	City of London	-	-	-	-	-	-	-	-
	Kensington and Chelsea	-	-	-	-	-	-	-	-
	Islington	-	5.6	5.6	-	2.6	2.6	-	-
	Southwark	1.5	-	1.5	1.8	-	1.8	5.2	-
	Westminster	-	-	-	-	-	-	-	-
	Lambeth	-	2.3	2.3	-	0.8	0.8	-	-
East sub-region		36.3	20.1	56.4	5.8	6.0	11.8	19.6	-
	Barking and Dagenham	0.3	20.0	20.3	0.0	3.2	3.2	-	-
	Bexley	21.5	-	21.5	2.8	-	2.8	19.6	-
	Greenwich	-	-	-	-	-	-	-	-
	Hackney	-	-	-	-	-	-	-	-
	Havering	14.5	-	14.5	0.4	-	0.4	-	-
	Lewisham	-	0.2	0.2	2.6	0.4	3.0	-	-
	Newham	-	-	-	-	-	-	-	-
	Redbridge	-	-	-	-	-	-	-	-
	Tower Hamlets	-	-	-	-	-	-	-	-
	Waltham Forest	-	0.0	0.0	-	2.4	2.4	-	-
	LLDC	-	-	-	-	-	-	-	-
North sub-region		-	2.7	2.7	8.6	1.4	10.0	1.4	-
	Barnet	-	2.7	2.7	-	1.4	1.4	1.4	-
	Enfield	-	-	-	8.6	-	8.6	-	-
	Haringey	-	-	-	-	-	-	-	-
South sub-region		0.1	-	0.1	2.2	-	2.2	-	9.5
	Bromley	-	-	-	-	-	-	-	-
	Croydon	0.1	-	0.1	2.2	-	2.2	-	-
	Kingston-upon-Thames	-	-	-	-	-	-	-	-
	Merton	-	-	-	-	-	-	-	0.0
	Richmond-upon-Thames	-	-	-	-	-	-	-	-
	Sutton	0.0	-	0.0	-	-	-	-	-
	Wandsworth	-	-	-	-	-	-	-	9.5
West sub-region		5.3	22.0	27.3	7.1	75.2	82.4	2.0	-
	Brent	1.1	1.2	2.3	4.0	0.3	4.3	2.0	-
	Ealing	-	-	-	-	-	-	-	-
	Hammersmith and Fulham	-	-	-	-	-	-	-	-
	Harrow	-	-	-	-	-	-	-	-
	Hillingdon	-	-	-	-	-	-	-	-
	Hounslow	1.6	20.8	22.5	1.3	75.0	76.3	-	-
	OPDC	2.5		2.5	1.8	-	1.8	-	-
Central Services Circle		1.5	8.1	9.6	4.4	3.8	8.2	5.2	-
Lea Valley		-	0.0	0.0	8.6	2.4	11.0	-	-
Thames Gateway		36.3	20.0	56.2	3.2	3.2	6.4	19.6	-
Wandle Valley		0.1	-	0.1	2.2	-	2.2	-	9.5
Park Royal / A40 / Heathrow		5.3	24.7	30.0	7.1	76.6	83.7	3.4	-

Source: AECOM

Table 2.14: Proposed changes to protection of London's industrial land designations (2021) (ha)

Area	Borough	SIL designation (ha)						LSIS designation (ha)			
		Strengthening in level of protection			Weakening in level of protection		Total net change to level of protection of SIL designations	Strengthening in level of protection		Weakening in level of protection	Total net change to level of protection for LSIS Designations
		Non-designated land in non-industrial use proposed for SIL	Non-designated land in industrial use proposed for SIL	Proposed change from LSIS to SIL (industrial only)	Local Plan release SIL	Proposed change from SIL to LSIS (industrial only)		Non-designated land in non-industrial use proposed for LSIS	Non-designated land in industrial use proposed for LSIS	Local Plan release LSIS	
London		25.5	43.2	9.5	180.6	28.2	-130.7	86	52.8	43.7	95
Inner London		6.2	4.1	9.5	124.2	5.2	-109.7	3.8	8.1	8.4	3.5
Outer London		19.3	39.1	-	56.4	22.9	-20.9	82.2	44.7	35.4	91.5
Central sub-region		1.8	1.5	-	21.2	5.2	-23.1	3.4	7.9	8.4	2.9
	Camden	-	-	-	-	-	-	-	-	-	-
	City of London	-	-	-	-	-	-	-	-	-	-
	Kensington and Chelsea	-	-	-	-	-	-	-	-	-	-
	Islington	-	-	-	-	-	-	2.6	5.6	-	8.2
	Southwark	1.8	1.5	-	21.2	5.2	-23.1	-	-	6	-6
	Westminster	-	-	-	-	-	-	-	-	-	-
	Lambeth	-	-	-	-	-	-	0.8	2.3	2.4	0.7
East sub-region		5.8	36.3	-	45.6	19.6	-23.1	6	20.1	35.2	-9.1
	Barking and Dagenham	0	0.3	-	34.6	-	-34.3	3.2	20	24.9	-1.7
	Bexley	2.8	21.5	-	9.6	19.6	-4.9	-	-	2.5	-2.5
	Greenwich	-	-	-	-	-	-	-	-	-	-
	Hackney	-	-	-	-	-	-	-	-	-	-
	Havering	-	14.5	-	-	-	15	-	-	6.3	-6.3
	Lewisham	2.6	-	-	1.2	-	1.3	0.4	0.2	-	0.6
	Newham	-	-	-	-	-	-	-	-	-	-
	Redbridge	-	-	-	-	-	-	-	-	-	-
	Tower Hamlets	-	-	-	-	-	-	-	-	-	-
	Waltham Forest	-	-	-	0.2	-	-0.2	2.4	0	1.5	0.9
	LLDC	-	-	-	-	-	-	-	-	-	-
North sub-region		8.6	-	-	-	1.4	7.2	1.4	2.7	0.2	3.9
	Barnet	-	-	-	-	1.4	-1.4	1.4	2.7	0.2	3.9
	Enfield	8.6	-	-	-	-	8.6	-	-	-	-
	Haringey	-	-	-	-	-	-	-	-	-	-
South sub-region		2.2	0.1	9.5	0.9	-	10.9	-	-	-	-
	Bromley	-	-	-	-	-	-	-	-	-	-
	Croydon	2.2	-	-	0.9	-	1.4	-	-	-	-
	Kingston-upon-Thames	-	-	-	-	-	-	-	-	-	-
	Merton	-	-	-	-	-	-	-	-	-	-
	Richmond-upon-Thames	-	-	-	-	-	-	-	-	-	-
	Sutton	-	-	-	-	-	0	-	-	-	-
	Wandsworth	-	-	9.5	-	-	9.5	-	-	-	-
West sub-region		7.1	5.3	-	113	2	-102.6	75.2	22.0	0	97.2
	Brent	4	1.1	-	2.7	2	0.4	0.3	1.2	-	1.4
	Ealing	-	-	-	-	-	-	-	-	-	-
	Hammersmith and Fulham	-	-	-	-	-	-	-	-	-	-
	Harrow	-	-	-	-	-	-	-	-	-	-
	Hillingdon	-	-	-	-	-	-				
	Hounslow	1.3	1.6	-	8.5	-	-5.6	75	20.8	0	95.4
	OPDC	1.8	2.5	-	101.8	-	-97.4	-		-	-
Central Services Circle		4.4	1.5	-	22.4	5.2	-21.8	3.8	8.1	8.4	3.5
Lea Valley		8.6	0	-	0.2	-	8.4	2.4	0	1.5	0.9
Thames Gateway		3.2	36.3	-	44.2	19.6	-24.3	3.2	20	33.7	-10.6
Wandle Valley		2.2	0.1	9.5	0.9	-	10.9	-	-	-	-
Park Royal / A40 / Heathrow		7.1	5.3	-	113	3.4	-103.9	76.6	24.7	0.2	101.1

Source: AECOM

3

Businesses and employment

3. Businesses and employment

3.1 Introduction

3.1.1 The purpose of this chapter is to:

- Estimate the total number of jobs in industrial activities and designated industrial areas;
- Estimate the number of industrial enterprises (business units) across London and those in designated industrial areas;
- Estimate the average size of industrial business premises in terms of employment;
- Estimate employment density across London on industrial land.

3.1.2 Economic data used to measure businesses and employment is defined according to the Standard Industrial Classification (SIC) 2007. SIC determines the economic sector a business operates in, and hence the employment associated with that sector. The availability of economic data can vary by both geographical breakdown and SIC disaggregation.

3.1.3 The accuracy of the calculations presented in this chapter relies on defining a suitable subset of SIC sectors that represent economic activity on industrial land. The definition provided by Appendix A of the London Office Floorspace Projections Update (2014) has been applied[15]. Analysis of these sectors indicates that they characterise core industrial activities, covering industry (general industry; and light industry) and warehousing (warehouses, self-storage, and open storage). However, as a broader range of activities are typically found on industrial land, an additional set of SIC groups has been defined, which include both core and 'wider' industrial activities[16]. **Appendix D of this report** lists the SIC uses included in the agreed definition of Core and Wider Industrial Uses.

3.2 Industrial employment in London and on industrial land

3.2.1 The purpose of this section is to provide estimates of industrial employment in London by activity and employment on industrial land in London.

Total employment in industrial activities

3.2.2 Employment in industrial activities in London can be derived from the Office for National Statistics' (ONS) Business Register and Employment Survey (BRES), which provides workplace employee and employment estimates at geographical and sectoral levels. BRES estimates **employment in businesses registered for Value Added Tax (VAT)** and / or Pay As You Earn (PAYE). The latest version of BRES considers employment as of September 2019[17]. Table 3.1 presents a geographical breakdown of industrial activities across London.

3.2.3 Approximately 7% of all employment in London (343,200 jobs) is in industrial activities, of which 83% is associated with core industrial activities. The majority of employment in industrial activities in London is concentrated in Outer London, with only about 18% of this employment in Inner London. Following the sub-regional geography, the West and East sub-regions each have industrial employment over 100,000 and account for the majority of employment in industrial activities (67%) (see Figure 3.1).

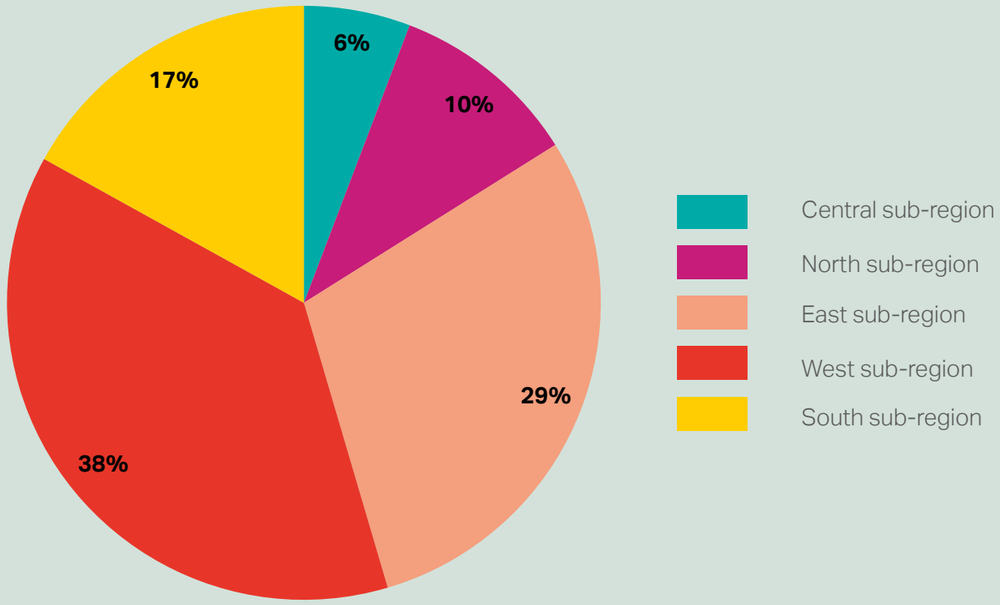
[15] Peter Brett Associates, (2014); London Office Floorspace Projections Update 2014. This source allocates 354 of the 729 SIC Sub-Groups to industrial land.
[16] Wider industrial sectors are defined as the following SIC Divisions, exclusive of the sectors defined as core industrial: 10-39; 43-46; 52.
[17] Whilst a release of the 2020 BRES Survey is available, this is only provisional at the time of writing and the 2019 survey was unaffected by estimating issues arising from disruption to business activity as a result of Covid-19.

Table 3.1: Employment in core and wider industrial activities in London (2019) (jobs)

Area	Borough	Core industrial employment	Wider industrial employment	Total employment in industrial activities	Total employment (all sectors)	Industrial share of total employment (%)
London		285,800	57,400	343,200	5,277,800	6.5%
CAZ		4,600	1,100	5,700	2,131,800	0.3%
Inner London		50,700	12,100	62,800	3,297,100	1.9%
Outer London		235,100	45,300	280,400	1,980,700	14.2%
Central sub-region		16,800	3,100	19,900	2,456,300	0.8%
	Camden	2,300	300	2,600	379,200	0.7%
	City of London	0	300	300	543,500	0.1%
	Kensington and Chelsea	1,500	100	1,600	139,300	1.2%
	Islington	2,300	200	2,400	238,200	1.0%
	Southwark	6,100	700	6,700	251,700	2.7%
	Westminster	300	300	600	754,600	0.1%
	Lambeth	4,300	1,200	5,500	149,900	3.7%
East sub-region		82,100	18,700	100,800	1,060,900	9.5%
	Barking and Dagenham	14,000	1,900	15,900	55,800	28.5%
	Bexley	14,300	2,400	16,800	75,700	22.2%
	Greenwich	8,600	2,300	10,900	84,300	12.9%
	Hackney	3,000	1,100	4,100	128,200	3.2%
	Havering	11,500	1,700	13,200	84,200	15.6%
	Lewisham	4,100	700	4,800	64,600	7.5%
	Newham	8,300	3,600	11,900	83,900	14.2%
	Redbridge	3,700	800	4,600	77,700	5.9%
	Tower Hamlets	3,900	800	4,700	301,400	1.5%
	Waltham Forest	7,400	1,100	8,500	68,100	12.5%
	LLDC	3,200	2,300	5,500	36,900	14.9%
North sub-region		31,600	3,700	35,300	299,000	11.8%
	Barnet	5,700	600	6,300	129,700	4.8%
	Enfield	18,100	1,800	19,900	103,700	19.2%
	Haringey	7,800	1,400	9,200	65,500	14.0%
South sub-region		48,500	9,700	58,200	652,800	8.9%
	Bromley	6,400	1,500	7,900	105,100	7.5%
	Croydon	10,500	1,600	12,100	121,600	10.0%
	Kingston-upon-Thames	6,100	300	6,400	77,500	8.3%
	Merton	8,700	1,900	10,600	79,500	13.4%
	Richmond-upon-Thames	2,900	800	3,800	81,100	4.6%
	Sutton	6,600	1,800	8,400	69,700	12.1%
	Wandsworth	7,100	1,900	9,000	118,300	7.6%
West sub-region		106,900	22,200	129,100	808,800	16.0%
	Brent	14,100	2,300	16,400	101,200	16.3%
	Ealing	20,200	2,700	22,900	107,700	21.3%
	Hammersmith and Fulham	1,600	600	2,200	121,000	1.8%
	Harrow	4,900	200	5,100	69,700	7.3%
	Hillingdon	22,800	6,000	28,700	187,900	15.3%
	Hounslow	19,700	6,200	25,900	160,700	16.1%
	OPDC	23,600	4,200	27,800	60,700	45.8%
Central Services Circle		30,000	5,900	35,900	2,958,200	1.2%
Lea Valley		48,200	10,500	58,800	480,300	12.2%
Thames Gateway		58,600	10,600	69,200	482,900	14.3%
Wandle Valley		39,100	7,400	46,600	466,600	10.0%
Park Royal / A40 / Heathrow		109,800	23,000	132,800	889,900	14.9%

Source: ONS Business Register and Employment Survey (2019); AECOM Calculations

Figure 3.1: Share of industrial employment in London in 2019 by sub-region



Source: ONS Business Register and Employment Survey (2019); AECOM Calculations

3.2.4 The ONS BRES data presented in Table 3.1 does not capture employment from those **businesses that are not registered for either VAT or PAYE**. This is because the data is derived from self-assessment submissions only by businesses that are registered for this as recorded by HM Revenue & Customs (HMRC) and ONS Labour Force Survey. But not-registered businesses either operate in a VAT-exempt industry or are below the VAT threshold while not operating a PAYE scheme.

3.2.5 A means of estimating the number of businesses which are below the threshold is via the Department for Business, Energy, and Industrial Strategy's (BEIS) Business Population Estimates series which provides an annual estimate of employment across all businesses in London. Assuming that Manufacturing, Construction and Transportation & Storage sectors best represent 'industrial' activity, the BEIS data records that approximately 23% of industrial employment is provided in VAT / PAYE unregistered businesses and is therefore not included in the BRES estimates. On this basis, overall total industrial employment may be 30%[18] higher than the BRES estimate presented in Table 3.1.

3.2.6 There are however further limitations within the datasets to estimating total industrial employment that need to be recognised. 'Total Employment in Industrial Activities' in Table 3.1 excludes any employment associated with industrial sector activities in Lower Super Output Areas (LSOAs) where no industrial land is present. Also 'Total Employment (All Sectors)' is a measure of employment, not workforce jobs, and may exclude employment associated with businesses not registered for VAT and / or PAYE. Taking account of these considerations, a best estimate of total employment in industrial activities could be as high as circa 445,000 across London, although it is likely that the true extent of employment may vary from this estimate and also depends on employment densities, which tend to be comparatively lower for industrial uses.

3.2.7 These limitations lead to a difference in employment presented in this study (total of 5.3m jobs for Greater London) and the **ONS Workforce jobs estimate** for Greater London (which was of 6.1m jobs in December 2019 (seasonally adjusted)). Total employment presented in this study is circa 13% lower than the ONS estimate which could suggest that total industrial employment is also slightly under-estimated.

3.2.8 CAZ totals were estimated at a Middle Super Output Area (MSOA) level in accordance with GLA Economics Working Paper 68 (Table A1).

[18] 100% divided by 77% (i.e. the obverse of the 23% of industrial employment is provided in VAT / PAYE unregistered businesses) = 129.9%, or 30% higher than ONS data.

Total employment in designated industrial areas

3.2.9 In this section, Table 3.2 presents industrial employment in designated industrial areas and Table 3.3 presents non-industrial employment in designated industrial areas.

3.2.10 BRES data records approximately 244,800 individuals employed in **industrial activities** on designated land out of a total of 343,200 in industrial activities (across all areas, including non-designated industrial land). Approximately 71% of all industrial employment is located on designated land, of which approximately two-thirds (68%) is within SILs.

3.2.11 Table 3.2 demonstrates that the proportion of industrial jobs which are in designated industrial areas in Outer London is greater (76%) than in Inner London areas (50%).

3.2.12 The share of total industrial employment that is within designated industrial areas is greatest in the West and North sub-regions (75% and 74% respectively), and the lowest in the Central sub-region (53%). The West sub-region accounts for 39% of all industrial employment in designated industrial areas across London.

3.2.13 Employment in designated industrial areas is not limited to the industrial sectors set out in Appendix D. Businesses involved in **non-industrial activities** are also found in designated industrial areas, as those areas generally provide a reservoir of affordable space for activities such as professional services, places of worship, gyms and rehearsal rooms, education and training centres, banqueting and other event facilities, galleries and studios, builders merchants, and hardware shops.

3.2.14 In order to capture the extent of non-industrial employment in designated industrial areas, we applied a series of assumptions relating to the employment associated with different non-industrial land uses. These estimates are constrained to ensure compatibility with published employment data at a LSOA level and are intended to provide a broad-brush estimate of the contribution of non-industrial activities to overall employment in designated areas.

3.2.15 The estimate in Table 3.3 indicates that approximately 148,500 are employed in non-industrial activities in designated industrial areas (SIL and LSIS), contributing 38% of employment at these locations. The Central sub-region has the highest percentage of non-industrial jobs, where 62% of employment in the designated industrial areas are non-industrial in nature. The East sub-region has the lowest proportion of non-industrial employment within its designated industrial areas with 33% (see Figure 3.2) .

3.2.16 This indicates that there is a significant amount of employment in non-industrial activities which takes place in industrial areas. This can also be partly explained by the fact that industrial land tends to be cheaper (capital value or rental value) than alternative employment land, therefore providing affordable space for a wide range of start-ups, including start-ups in non-industrial activities. As industrial land value increases across London (see **Section 4**), those businesses may be forced out.

3.2.17 Comparison with Table 3.1 suggests that 3% of London's total non-industrial employment occurs within designated industrial areas. It also indicates that total employment (both industrial and non-industrial activities) in designated industrial areas (393,300 jobs) contributes approximately 7% of total employment in London.

Table 3.2: Industrial employment in designated locations in London (2019) (jobs)

Area	Borough	Industrial employment in SIL*	Industrial employment in LSIS*	Industrial employment in SIL / LSIS	Total employment in industrial activities	% of Total industrial employment in SIL / LSIS
London		167,500	77,200	244,800	343,200	71.3%
CAZ		1,100	200	1,300	5,700	22.9%
Inner London		20,400	11,200	31,600	62,800	50.2%
Outer London		147,100	66,100	213,200	280,400	76.0%
Central sub-region		3,100	7,300	10,500	19,900	52.7%
	Camden	0	400	400	2,600	14.8%
	City of London	0	0	0	300	0.0%
	Kensington and Chelsea	0	700	700	1,600	46.4%
	Islington	0	1,600	1,600	2,400	63.7%
	Southwark	3,000	1,000	4,000	6,700	59.3%
	Westminster	0	0	0	600	0.0%
	Lambeth	100	3,700	3,800	5,500	68.6%
East sub-region		53,200	16,900	70,100	100,800	69.6%
	Barking and Dagenham	10,800	3,300	14,100	15,900	88.5%
	Bexley	12,900	2,100	15,100	16,800	89.7%
	Greenwich	5,700	0	5,700	10,900	52.3%
	Hackney	0	200	200	4,100	4.0%
	Havering	6,400	2,500	8,900	13,200	67.6%
	Lewisham	1,700	1,300	3,100	4,800	63.3%
	Newham	7,600	1,800	9,300	11,900	78.6%
	Redbridge	2,000	1,000	3,000	4,600	64.4%
	Tower Hamlets	600	200	800	4,700	16.2%
	Waltham Forest	4,000	2,400	6,400	8,500	75.0%
	LLDC	1,500	2,200	3,700	5,500	67.8%
North sub-region		17,700	8,300	26,000	35,300	73.7%
	Barnet	0	3,000	3,000	6,300	47.6%
	Enfield	14,600	2,800	17,500	19,900	87.9%
	Haringey	3,100	2,500	5,600	9,200	60.8%
South sub-region		27,700	13,800	41,600	58,200	71.4%
	Bromley	2,400	2,800	5,300	7,900	66.7%
	Croydon	6,600	2,300	9,000	12,100	73.9%
	Kingston-upon-Thames	3,900	1,500	5,400	6,400	84.0%
	Merton	6,000	2,400	8,300	10,600	78.5%
	Richmond-upon-Thames	0	2,100	2,100	3,800	56.1%
	Sutton	5,400	800	6,200	8,400	73.2%
	Wandsworth	3,500	1,900	5,400	9,000	59.8%
West sub-region		65,800	30,800	96,600	129,100	74.8%
	Brent	8,700	4,700	13,400	16,400	81.2%
	Ealing	12,600	6,200	18,700	22,900	81.9%
	Hammersmith and Fulham	0	100	100	2,200	5.4%
	Harrow	1,200	2,400	3,600	5,100	71.0%
	Hillingdon	13,700	3,200	16,900	28,700	58.7%
	Hounslow	4,100	14,100	18,200	25,900	70.4%
	OPDC	25,600	0	25,600	27,800	92.2%
Central Services Circle		6,900	9,100	16,000	35,900	44.7%
Lea Valley		29,300	14,600	43,900	74.7%	74.7%
Thames Gateway		40,200	11,800	51,900	69,200	75.0%
Wandle Valley		25,300	8,900	34,200	46,600	73.5%
Park Royal / A40 / Heathrow		65,800	32,900	98,700	132,800	74.3%

Source: ONS Business Register and Employment Survey (2019); AECOM Calculations

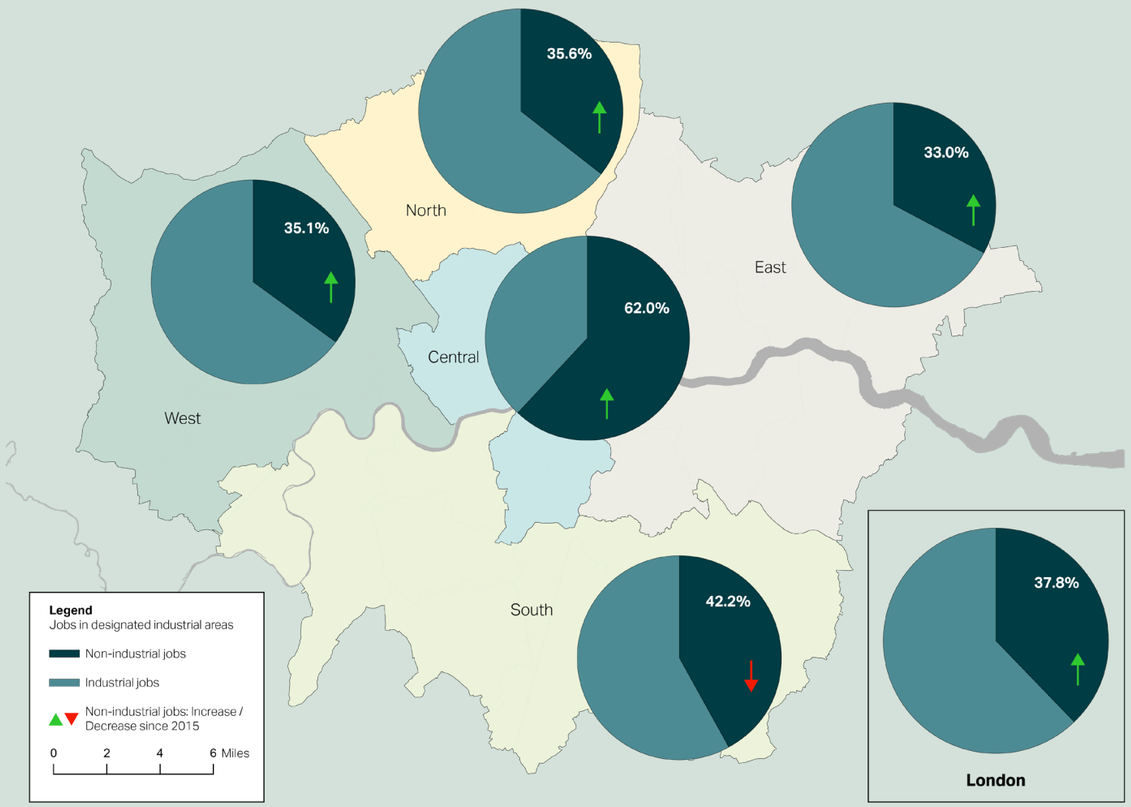
* 'Industrial employment in SIL/LSIS' includes employment activities observed in designated locations that are not classified as industrial.

Table 3.3: Non-industrial employment in designated locations in London (2019) (jobs)

Area	Borough	Non-industrial employment in SIL	Non-industrial employment in LSIS	Non-industrial employment in SIL / LSIS	Total employment (industrial and non-industrial) in designated areas	% of non-industrial employment in SIL / LSIS
London		93,700	54,800	148,500	393,300	37.8%
CAZ		0	800	800	2,100	38.0%
Inner London		5,200	17,700	22,900	54,500	42.1%
Outer London		88,500	37,200	125,600	338,800	37.1%
Central sub-region		1,400	15,600	17,000	27,500	62.0%
	Camden	0	1,100	1,100	1,500	73.9%
	City of London	0	0	0	0	N/A
	Kensington and Chelsea	0	5,000	5,000	5,700	87.1%
	Islington	0	3,000	3,000	4,600	66.2%
	Southwark	1,400	500	1,900	5,900	31.8%
	Westminster	0	0	0	0	N/A
	Lambeth	0	6,000	6,000	9,800	61.4%
East sub-region		23,400	11,100	34,500	104,600	33.0%
	Barking and Dagenham	3,100	3,100	6,200	20,300	30.5%
	Bexley	9,100	600	9,700	24,800	39.3%
	Greenwich	1,400	0	1,400	7,100	20.1%
	Hackney	0	0	0	200	10.1%
	Havering	5,400	300	5,700	14,600	39.0%
	Lewisham	400	1,300	1,800	4,900	36.6%
	Newham	0	500	500	9,800	5.2%
	Redbridge	2,500	2,300	4,800	7,800	61.9%
	Tower Hamlets	0	0	0	800	3.2%
	Waltham Forest	1,100	1,800	2,900	9,300	31.6%
	LLDC	200	1,200	1,400	5,100	27.8%
North sub-region		7,600	6,800	14,400	40,400	35.6%
	Barnet	0	5,400	5,400	8,400	64.6%
	Enfield	7,500	500	8,000	25,500	31.5%
	Haringey	0	900	900	6,500	14.0%
South sub-region		20,000	10,400	30,400	72,000	42.2%
	Bromley	4,900	1,200	6,100	11,400	53.8%
	Croydon	8,100	1,100	9,200	18,200	50.7%
	Kingston-upon-Thames	1,900	3,600	5,500	10,900	50.6%
	Merton	2,600	2,700	5,300	13,600	38.9%
	Richmond-upon-Thames	0	500	500	2,600	19.3%
	Sutton	1,700	800	2,500	8,700	29.2%
	Wandsworth	900	300	1,200	6,600	17.9%
West sub-region		41,400	10,800	52,200	148,800	35.1%
	Brent	8,900	3,400	12,300	25,700	48.0%
	Ealing	7,000	700	7,700	26,400	29.2%
	Hammersmith and Fulham	0	0	0	100	0.0%
	Harrow	1,200	800	2,000	5,600	35.6%
	Hillingdon	11,600	0	11,600	28,500	40.7%
	Hounslow	2,100	5,700	7,800	26,000	30.0%
	OPDC	10,600	200	10,700	36,300	29.5%
Central Services Circle		2,100	17,200	19,300	35,300	54.6%
Lea Valley		8,700	10,200	18,900	62,800	30.1%
Thames Gateway		26,500	7,500	34,000	85,900	39.5%
Wandle Valley		15,100	8,600	23,700	57,900	41.0%
Park Royal / A40 / Heathrow		41,400	11,300	52,700	151,400	34.8%

Source: ONS Business Register and Employment Survey (2019); AECOM Calculations

Figure 3.2: Employment in designated industrial areas in 2019 and trend (%)



Source: AECOM

Trends in employment in industrial activities

3.2.18 Changes in employment in industrial activities across London between 2015 and 2019 (latest data available) are presented in Table 3.4 and Figure 3.3.

3.2.19 The data demonstrates that industrial employment has increased by 14% across London between 2015 and 2019. This growth is observed in all London sub-regions, albeit a slightly lower rate in the Central sub-region (11%). The increase is likely due to a combination of factors, including the reduction in vacant industrial land where this has resulted in industrial development, gain in industrial land area in some locations, and increases in the intensity of industrial activity.

3.2.20 Table 3.4 shows that employment in industrial activities has increased at a faster rate than total employment across London. This is particularly true for the North, South and West sub-regions, where total employment only increased slightly.

3.2.21 Industrial employment has increased at a slightly higher rate on designated industrial land across London between 2015 and 2019 (14%) than on non-designated land (13%). However, there is faster growth in industrial employment on non-designated land recorded in the East, South and West sub-regions.

3.2.22 Figure 3.3 shows that industrial employment has increased in London and all its sub-regions between 2015 and 2019. This confirms the continuation of the up-turn in employment observed between 2010 and 2015, reversing the previous longer-term trend of decline in industrial employment, although for the South and East sub-regions this upwards trend is more recent.

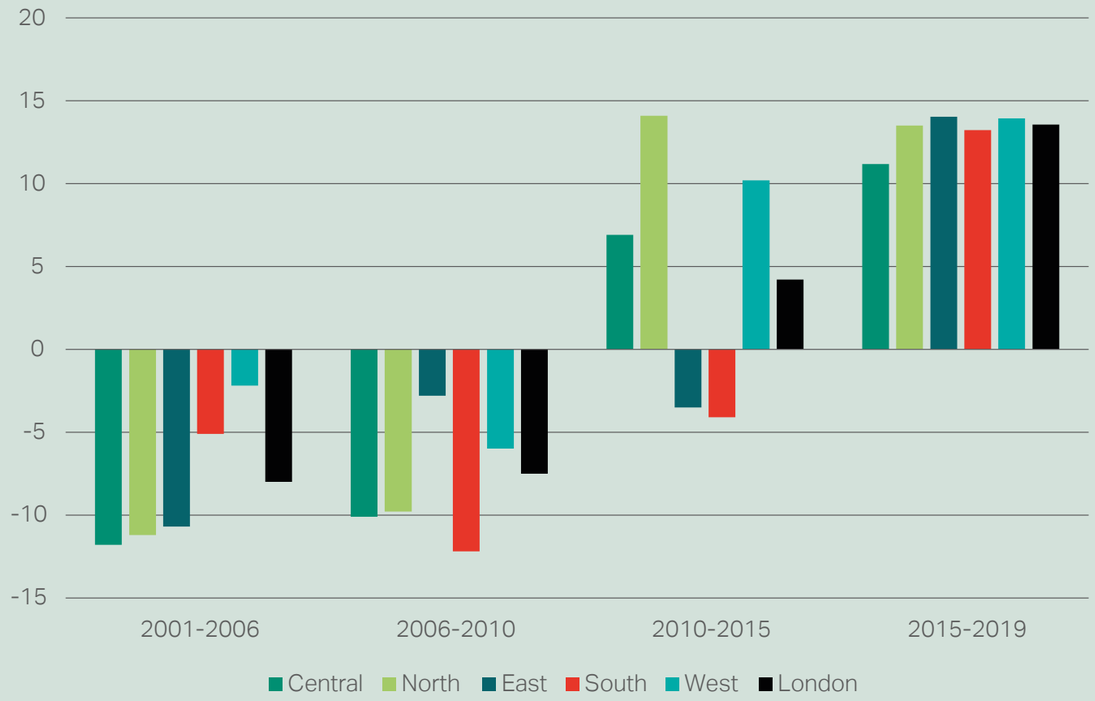
3.2.23 The growth of non-industrial employment on designated industrial land between 2015 and 2019 is particularly significant in several boroughs including Islington (+25%), Barking and Dagenham (+17%), Brent (+14%) and Harrow (+11%).

Table 3.4: Change in industrial employment between 2015 and 2019 (2019) (%)

Area	Borough	Total Employment Change	Total Industrial Employment Change	Total Industrial Employment on Designated Industrial Land Change	Total Industrial Employment on Non-designated Industrial Land Change	Total Non-industrial Employment on Designated Industrial Land Change
London		6.4%	13.6%	13.9%	12.7%	2.3%
CAZ		10.3%	-3.4%	-7.1%	-2.2%	0.0%
Inner London		8.0%	12.3%	15.3%	9.5%	0.4%
Outer London		3.8%	13.8%	13.7%	14.3%	2.6%
Central sub-region		8.2%	11.2%	18.0%	4.4%	2.4%
	Camden	8.6%	4.0%	33.3%	0.0%	0.0%
	City of London	19.9%	0.0%	n/a	0.0%	n/a
	Kensington and Chelsea	6.3%	23.1%	16.7%	28.6%	-3.8%
	Islington	6.3%	4.3%	23.1%	-20.0%	25.0%
	Southwark	9.6%	19.6%	33.3%	3.8%	0.0%
	Westminster	4.1%	0.0%	n/a	0.0%	n/a
	Lambeth	-4.6%	3.8%	5.6%	0.0%	0.0%
East sub-region		9.3%	14.0%	13.6%	15.0%	3.6%
	Barking and Dagenham	12.3%	17.8%	15.6%	38.5%	17.0%
	Bexley	8.9%	19.1%	19.8%	13.3%	-2.0%
	Greenwich	6.2%	22.5%	26.7%	18.2%	0.0%
	Hackney	20.6%	17.1%	100.0%	14.7%	n/a
	Havering	7.0%	9.1%	6.0%	16.2%	9.6%
	Lewisham	-2.0%	0.0%	-3.1%	6.3%	0.0%
	Newham	8.7%	25.3%	24.0%	30.0%	0.0%
	Redbridge	3.9%	27.8%	20.0%	45.5%	-2.0%
	Tower Hamlets	9.8%	0.0%	0.0%	0.0%	n/a
	Waltham Forest	8.6%	9.0%	10.3%	5.0%	-3.3%
	LLDC	15.0%	-5.2%	-9.8%	5.9%	0.0%
North sub-region		1.3%	13.5%	18.2%	2.2%	0.7%
	Barnet	2.7%	16.7%	25.0%	10.0%	-3.6%
	Enfield	2.3%	18.5%	19.9%	9.1%	2.6%
	Haringey	-3.0%	3.4%	9.8%	-5.3%	0.0%
South sub-region		2.0%	13.2%	12.7%	14.5%	-0.7%
	Bromley	1.0%	14.5%	10.4%	23.8%	7.0%
	Croydon	5.7%	19.8%	23.3%	10.7%	-4.2%
	Kingston-upon-Thames	-5.7%	10.3%	12.5%	0.0%	-1.8%
	Merton	3.8%	17.8%	15.3%	27.8%	0.0%
	Richmond-upon-Thames	1.1%	0.0%	-4.5%	6.3%	-16.7%
	Sutton	1.9%	9.1%	8.8%	10.0%	-3.8%
	Wandsworth	4.0%	12.5%	12.5%	12.5%	0.0%
West sub-region		3.1%	13.9%	13.1%	16.5%	3.6%
	Brent	6.1%	6.5%	6.3%	7.1%	13.9%
	Ealing	4.2%	19.3%	16.9%	31.3%	0.0%
	Hammersmith and Fulham	0.5%	10.0%	-50.0%	16.7%	n/a
	Harrow	0.6%	6.3%	2.9%	15.4%	11.1%
	Hillingdon	3.2%	5.5%	3.0%	9.3%	1.8%
	Hounslow	1.3%	22.2%	27.3%	11.6%	-1.3%
	OPDC	9.6%	17.8%	13.8%	100.0%	0.0%
Central Services Circle		8.6%	6.8%	6.7%	7.0%	2.7%
Lea Valley		4.8%	14.0%	17.1%	5.7%	0.5%
Thames Gateway		5.8%	17.1%	15.3%	22.7%	4.9%
Wandle Valley		2.3%	14.5%	14.4%	14.8%	-2.1%
Park Royal / A40 / Heathrow		2.9%	13.4%	12.7%	15.6%	3.3%

Source: ONS Business Register and Employment Survey (2019); AECOM Calculations

Figure 3.3: Change in industrial employment across London between 2001 and 2019 (%)



Source: ONS Business Register and Employment Survey (2019); AECOM Calculations

3.3 Number of industrial businesses on industrial land

3.3.1 The purpose of this section is to estimate the number of businesses in London, the number across designated locations, and split by micro, small, medium, and large enterprises.

Number of industrial businesses in London

3.3.2 The number of industrial businesses may consider both the count of enterprises and local business units. Enterprises capture all individuals working for a given company, while local business units are defined by the location of work. For instance, a worker at a given location is recognised as working at that location within a local unit estimate, but the location of the company's head office for the enterprise estimate.

3.3.3 The Office for National Statistics (ONS) Business: Activity, Size and Location[19] data series publishes estimates of both enterprises and local units registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE). In 2020, there were approximately 56,700 industrial local units in London, 11% of the overall total of 514,500 local units, as shown in Table 3.5.

3.3.4 Local units provide a more accurate reflection of the location of business activity, and this has therefore been considered to be a more suitable measure of business counts across different geographies than enterprises.

3.3.5 In terms of geographical breakdown of industrial local units, approximately 74% of industrial local units are found in Outer London. At the sub-region level, the East and West sub-regions together accommodate the majority of local units (32% and 26% respectively of London total). There are significantly fewer local units in the other three sub-regions (South 16%, Central 13%, North 12%).

[19] Office for National Statistics, (2020); UK Business, Activity, Size and Location: 2020.

Table 3.5: Number of VAT / PAYE registered industrial businesses in London (2020) (business units)

Area	Borough	Core ind. local units	Wider ind. local units	All ind. local units**	All local units	% of ind. local units by area
London		49,525	7,180	56,700	514,500	11.0%
CAZ*		n/a	n/a	6,920	157,025	4.4%
Inner London		11,600	2,960	14,560	269,800	5.4%
Outer London		37,925	4,220	42,145	244,705	17.2%
Central sub-region		5,215	2,275	7,490	184,640	4.1%
	Camden	1,355	235	1,590	34,340	4.6%
	City of London	0	700	700	27,515	2.5%
	Kensington and Chelsea	505	105	610	14,120	4.3%
	Islington	1,170	200	1,370	21,465	6.4%
	Southwark	890	180	1,070	16,620	6.4%
	Westminster	595	760	1,355	57,240	2.4%
	Lambeth	700	95	795	13,340	6.0%
East sub-region		16,530	1,625	18,155	116,390	15.6%
	Barking and Dagenham	1,915	235	2,150	6,650	32.3%
	Bexley	1,885	90	1,975	8,075	24.5%
	Greenwich	1,310	70	1,380	9,465	14.6%
	Hackney	1,430	145	1,575	20,940	7.5%
	Havering	2,715	210	2,925	9,455	30.9%
	Lewisham	825	40	865	9,060	9.5%
	Newham	1,515	155	1,670	9,210	18.1%
	Redbridge	1,650	215	1,865	13,305	14.0%
	Tower Hamlets	1,010	270	1,280	15,765	8.1%
	Waltham Forest	1,790	150	1,940	9,645	20.1%
	LLDC	485	45	530	4,820	11.0%
North sub-region		6,370	580	6,950	46,305	15.0%
	Barnet	2,710	250	2,960	22,545	13.1%
	Enfield	2,350	235	2,585	12,570	20.6%
	Haringey	1,310	95	1,405	11,190	12.6%
South sub-region		8,380	840	9,220	71,265	12.9%
	Bromley	1,790	130	1,920	13,975	13.7%
	Croydon	2,015	220	2,235	14,230	15.7%
	Kingston-upon-Thames	850	85	935	8,490	11.0%
	Merton	1,250	235	1,485	10,615	14.0%
	Richmond-upon-Thames	650	60	710	12,850	5.5%
	Sutton	1,500	105	1,605	7,835	20.5%
	Wandsworth	975	65	1,040	16,120	6.5%
West sub-region		13,030	1,860	14,890	95,905	15.5%
	Brent	2,295	235	2,530	12,780	19.8%
	Ealing	2,150	230	2,380	14,340	16.6%
	Hammersmith and Fulham	590	75	665	11,685	5.7%
	Harrow	1,670	180	1,850	13,615	13.6%
	Hillingdon	2,640	510	3,150	13,260	23.8%
	Hounslow	1,860	410	2,270	12,755	17.8%
	OPDC	1,175	160	1,335	4,620	28.9%
Central Services Circle		8,610	2,740	11,350	231,905	4.9%
Lea Valley		10,030	920	10,950	68,480	16.0%
Thames Gateway		11,265	950	12,215	60,925	20.0%
Wandle Valley		6,590	710	7,300	57,290	12.7%
Park Royal / A40 / Heathrow		13,030	1,860	14,890	95,905	15.5%

Source: ONS Business, Activity, Size and Location (2020); AECOM Calculations

* CAZ totals were estimated at a MSOA level in accordance with GLA Economics Working Paper 68, Table A5
** 'All Industrial Local Units' assumes, due to restrictions on data availability below SIC Broad Industrial Group level, the following sectors are taken to represent industrial activity: Manufacturing, Construction, and Transport and Storage

3.3.6 However, the ONS data presented above does not capture **businesses not registered for either VAT or PAYE**, a proportion of which will be self-employed. According to BEIS, in 2020 it was estimated that approximately 54% of London's 1,133,765 businesses were unregistered according to this definition[20]. This source provides a breakdown of the number of businesses in London by 16 SIC divisions. Although this information does not align precisely with this study's definition of industrial SIC groups, it forms the best representation of the typical proportion of unregistered businesses in industrial-type sectors. Assuming the Manufacturing, Construction, and Transportation & Storage sectors as best representing activity in industrial locations, this source suggests that nearly two-thirds (65%) of London private sector industrial businesses are not registered for either VAT or PAYE. However, as businesses which are not VAT or PAYE registered would generally have a low revenue threshold, it is likely that only a small proportion will conduct their businesses from rented premises or land. Data from the same source indicates that the total turnover of non-registered industrial businesses in London represents only 3% of the total turnover generated by all industrial businesses in London (both registered and non-registered).

Number of industrial businesses in designated industrial areas

3.3.7 The limitation in the available data described in paragraph 3.3.6 does not allow for accurately calculating the number of industrial businesses at a local authority level and numbers presented at this level are subject to under-estimation.

3.3.8 Taking into account this limitation, Table 3.6 presents the industrial local units in designated locations.

3.3.9 Table 3.6 demonstrates that a minority of industrial local units are located in designated locations in London (36%). This proportion is relatively higher in Outer London but lower in Inner London, while the share of local units located in designated industrial areas is the highest in the West sub-region (47%).

3.3.10 Comparing Table 3.6, which shows that 36% of industrial businesses are in designated areas, with Table 3.2, which estimates that 71% of industrial employment is in designated areas, suggests that industrial businesses outside designated areas may employ fewer people on average than those in the designated areas. However, the way that data on employment and enterprises is reported at geographical and sector levels can lead to over or under-counting the amount of employment in one location, for example if employees are registered there but mostly work elsewhere or the opposite, make it impossible to verify this conclusion and there may also be many other factors at play.

Number of industrial businesses by size of enterprise

3.3.11 The ONS provides data on the breakdown of businesses by size, measured based on the number of employees. Due to suppressions in the data at a smaller geographical level, the size of industrial businesses is presented across London only.

3.3.12 A breakdown of industrial enterprises by ONS standard size bands is presented in Table 3.7. The table demonstrates that industrial enterprises have a similar size composition to all enterprises in London with a slightly higher share of micro industrial enterprises (92%) than all enterprises (91%).

[20] Department for Business, Energy and Industrial Strategy, (2020); Business Population Estimates for the UK and Regions 2020 (https://www.gov.uk/government/statistics/business-population-estimates-2020)

Table 3.6: Number of industrial businesses in designated industrial locations (2020) (business units)

Area	Borough	Core Industrial Units in SIL / LSIS	Wider Industrial Units in SIL / LSIS	All Industrial Local Units in Designated Locations	All Industrial Local Units	% of Designated Industrial Units (%)
London		19,213	955	20,168	56,705	35.6%
CAZ*		n/a	n/a	n/a	n/a	n/a
Inner London		1,991	70	2,061	14,560	14.2%
Outer London		17,222	885	18,108	42,145	43.0%
Central sub-region		765	18	783	7,490	10.5%
	Camden	43	0	43	1,590	2.7%
	City of London	0	0	0	700	0.0%
	Kensington and Chelsea	123	0	123	610	20.1%
	Islington	81	0	81	1,370	5.9%
	Southwark	224	10	233	1,070	21.8%
	Westminster	0	0	0	1,355	0.0%
	Lambeth	295	9	304	795	38.2%
East sub-region		6,111	285	6,396	18,155	35.2%
	Barking and Dagenham	1,149	86	1,236	2,150	57.5%
	Bexley	957	28	985	1,975	49.9%
	Greenwich	310	22	332	1,380	24.1%
	Hackney	11	0	11	1,575	0.7%
	Havering	1,149	43	1,192	2,925	40.7%
	Lewisham	287	8	295	865	34.1%
	Newham	489	48	537	1,670	32.2%
	Redbridge	582	8	590	1,865	31.6%
	Tower Hamlets	68	0	68	1,280	5.3%
	Waltham Forest	860	14	874	1,940	45.0%
	LLDC	251	26	277	530	52.2%
North sub-region		1,936	70	2,006	6,950	28.9%
	Barnet	396	10	406	2,960	13.7%
	Enfield	1,093	55	1,148	2,585	44.4%
	Haringey	447	5	452	1,405	32.2%
South sub-region		3,810	157	3,967	9,220	43.0%
	Bromley	731	14	745	1,920	38.8%
	Croydon	736	49	784	2,235	35.1%
	Kingston-upon-Thames	489	23	512	935	54.8%
	Merton	831	51	882	1,485	59.4%
	Richmond-upon-Thames	300	0	300	710	42.3%
	Sutton	674	11	685	1,605	42.7%
	Wandsworth	350	9	359	1,040	34.5%
West sub-region		6,591	426	7,017	14,890	47.1%
	Brent	1,277	79	1,356	2,530	53.6%
	Ealing	1,088	46	1,135	2,380	47.7%
	Hammersmith and Fulham	7	0	7	665	1.0%
	Harrow	937	5	942	1,850	50.9%
	Hillingdon	972	97	1,068	3,150	33.9%
	Hounslow	922	81	1,003	2,270	44.2%
	OPDC	1,089	117	1,206	1,335	90.3%
Central Services Circle		1,213	30	1,243	11,350	11.0%
Lea Valley		3,452	155	3,607	10,950	32.9%
Thames Gateway		4,878	202	5,079	12,215	41.6%
Wandle Valley		3,079	144	3,222	7,300	44.1%
Park Royal / A40 / Heathrow		6,591	426	7,017	14,890	47.1%

Source: ONS Business, Activity, Size and Location (2020); AECOM Calculations

* For the CAZ area, due to limitations in the availability of data, it is not possible to determine the proportion of industrial businesses

Table 3.7: Number of industrial businesses in London by size of enterprise (# of employees)

	Core industrial enterprises, share of total (%)	Wider industrial enterprises, share of total (%)	All industrial enterprises, share of total (%)	All enterprises, share of total (%)
Micro (up to 9 employees)	92.2%	91.3%	92.1%	90.8%
Small (10 to 49 employees)	6.7%	6.9%	6.7%	7.3%
Medium (50 to 249 employees)	1.0%	1.2%	1.0%	1.5%
Large (250+ employees)	0.2%	0.6%	0.2%	0.4%
Total (number)	**79,005**	**9,530**	**88,535**	**1,062,275**

Source: Source: ONS Business, Activity, Size and Location (2020); AECOM Calculations

3.4 Intensity of employment on industrial land

3.4.1 Average intensity of use of industrial land can be measured by dividing the stock of total industrial land (excluding vacant industrial land and land with vacant building(s)) by the count of total employment on this land (core and wider industrial activities and non-industrial activities) to get employment per hectare. This is shown in Table 3.8 below.

3.4.2 Total employment on industrial land (SIL, LSIS and non-designated) in London is estimated to be 494,100 in 2019, of which 343,200 are in industrial activities.

3.4.3 The table demonstrates that on average in London each hectare of industrial land is associated with the employment of 73 individuals. This estimate only captures employment in businesses over the VAT / PAYE threshold, representing approximately 77% of employment across industrial sectors (see also paragraphs 3.2.4 to 3.2.6). If 23% of employment in industrial activities lies under the VAT / PAYE threshold, the intensity of employees per hectare could increase to 95 (assuming that employment densities are the same for businesses below the threshold than businesses above it). Given these uncertainties the intensity of employment in industrial activities is only presented at the London level, sub-regional level and PMA level.

3.4.4 The intensity of employment is illustrated in Figure 3.4. It is lowest in the East sub-region, while the intensity is on average higher in the West sub-region where industrial land values are higher than in the other parts of Outer London. Similarly, the intensity of use in the CAZ and Central sub-region is higher than in all other areas. This likely reflects partly the capital value of land, with areas where industrial land is more expensive having a higher job density. The higher proportion of non-industrial land also contributes to the overall higher use intensity.

3.4.5 As was also recorded in the 2015 Study, one cause of the relatively high intensity of use in the CAZ and Central sub-region may be 'the company headquarters issue'. This is where SIC data does not accurately represent the type of workplace of employees. For instance, while the activity of a manufacturing company may be overall industrial in character, those employed within its headquarters are likely to be in an office-based environment. It is challenging to robustly estimate the impact of this limitation owing to the lack of robust evidence from which to derive a benchmark of the likely average proportion that such office-based employment comprises.

Table 3.8: Intensity of use of industrial land in London (2019) (jobs/ha)

Area	Total employment (industrial and non-industrial)	Total industrial land (ha)*,**	Intensity of use (employment per ha)
London	494,100	6,771	73
CAZ	6,500	70	93
Inner London	88,100	1,022	86
Outer London	406,000	5,749	71
Central sub-region	36,900	318	116
East sub-region	137,600	2,553	54
North sub-region	49,700	723	69
South sub-region	84,300	1,065	79
West sub-region	185,500	2,112	88
Central Services Circle	55,100	600	98
Lea Valley	77,600	1,400	57
Thames Gateway	105,500	1,800	58
Wandle Valley	70,300	900	75
Park Royal / A40 / Heathrow	185,500	2,100	88

Source: ONS Business Register and Employment Survey, (2019). AECOM Calculations

* Including non-designated but excluding vacant industrial land and land with vacant building(s)
** No discount is applied to the land use values to take account of real estate roads and communal amenity space.

Figure 3.4: Employment intensity of use in 2019 (jobs/ha)

Source: ONS Business Register and Employment Survey (2019); AECOM Calculations

4

Floorspace and property indicators

4. Floorspace and property indicators

4.1 Introduction

4.1.1 The analysis presented in this section, prepared by Avison Young and AECOM, provides a robust understanding of the industrial property market in London. This section has been broken down into the following sub-sections:

- Market Overview;
- Industrial floorspace and property by Borough and sub-region (Floorspace, stock by size band, stock by age, and vacancy rates);
- Property and land values;
- Industrial floorspace/property and ownership dynamics within Strategic Industrial Locations (SIL).

4.1.2 Where possible, comparisons with the 10-year average to enable analysis of trends / change over time have been provided.

4.1.3 Whilst analysis of capital values has been split by secondary use type (Table 4.12), all other data has been provided considering industrial stock in the main. The reasons for this are twofold. Firstly, this is reflective of the reduced reliability of data when reducing sample size to secondary uses. Secondly, whilst sub-division of uses presents a useful indicator of activities driving transactional values and the role of high growth sectors such as logistics and e-fulfilment in the wider capital value picture, such an approach is deemed less relevant for other datapoints considered.

4.2 Market overview

National market overview

4.2.1 Data and charts set out below are sourced from Avison Young's Big Box Bulletin[21], a quarterly review of occupier and investment activity in the UK industrial market.

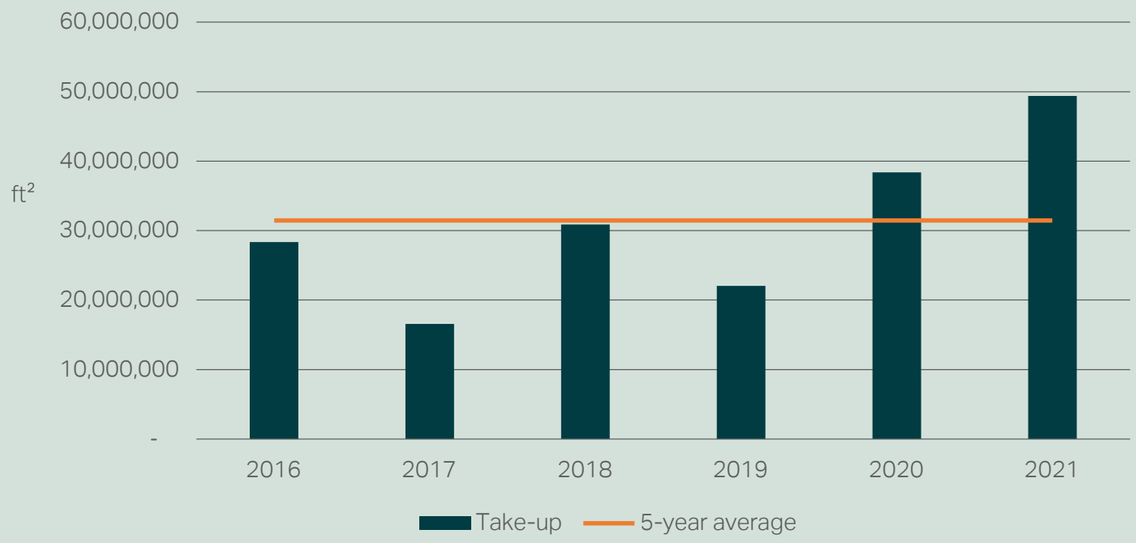
4.2.2 For the **UK industrial letting market**, 2021 was another record year, as take-up of Grade-A space[22] over 100,000 ft² (c.9,300 m²) surpassed 49 million ft² (4.5 million m²) (see Figure 4.1) making up 90% of all industrial and warehouse take-up. Overall, over 55 million ft² (c.5.1 million m²) was let in 2021, an increase of 29% over 2020 – which in itself was a record-breaking year in terms of industrial demand – with large units increasing 28% on 2020 and 57% up on the 5-year average.

4.2.3 In both 2020 and 2021 **e-commerce** continued to dominate the occupier market. The huge increase in demand has led to a reduction of stock, and a surge in land and rental values.

4.2.4 Once again, Amazon dominated the market, accounting for almost 9 million ft² (c.840,000 m²) of take-up, however this is a 23% decline compared to the amount of space it acquired in 2020 due to competition intensifying between occupiers. Its two largest deals were design & build (D&B) facilities, providing occupiers with the flexibility to shape space coming forward to suit their requirements. These units, situated in Yorkshire and the North East accounted for over 4 million ft² (c.370,000 m²) and are scheduled to complete in summer 2022.

[21] https://www.avisonyoung.co.uk/big-box-bulletin
[22] This represents the highest quality categorisation available, and generally indicates delivery of newly built, or recently refurbished stock.

Figure 4.1: UK Grade A Big Box (over 100,000 ft²) take-up (ft²)



Source: Avison Young (2022)

4.2.5 Across the country there was an increase in demand from non-food retailers, who accounted for 48% of all take-up (see Figure 4.2), compared with 41% in 2020. Third-party logistics (3PL)[23] accounted for 27% of all market activity throughout the year, again reinforcing the influence of e-commerce on the market, but also reflecting a business to business need as domestic manufacturing etc returns.

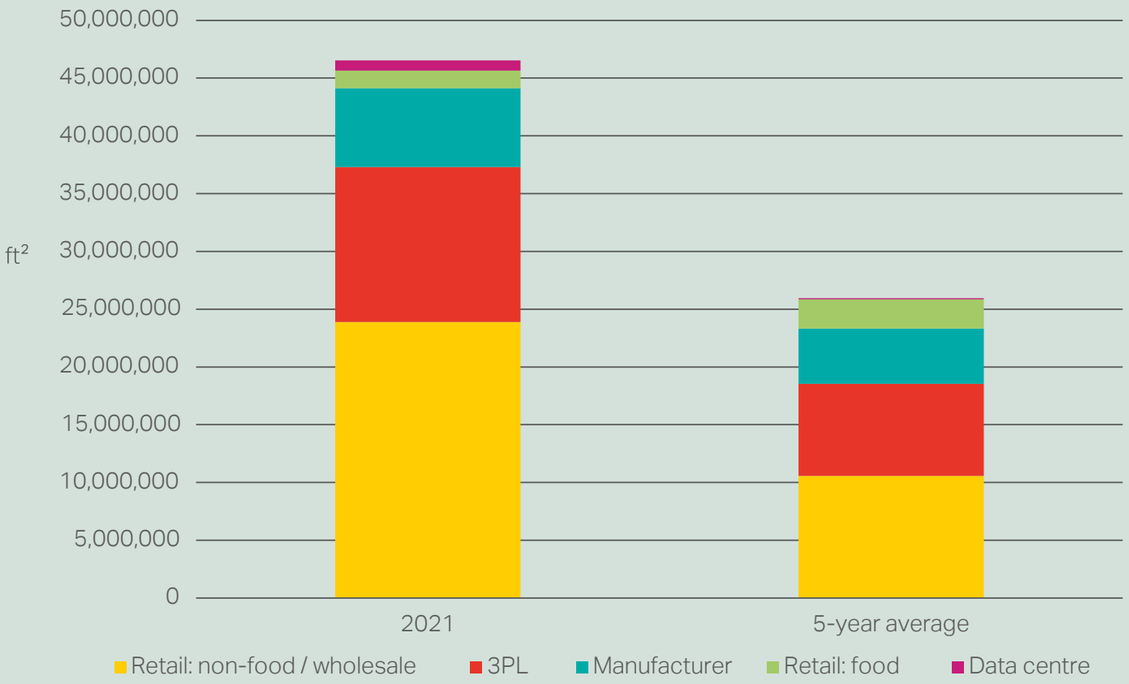
4.2.6 There has also been some demand for "other" types of space in 2020, well above the 5-year average. Whilst there is no breakdown of space within this category, it would include spaces such as film studios amongst others.

4.2.7 The East and West Midlands has the highest levels of demand taking up c.25 million ft² (2.3 million m²) in 2021 (see Figure 4.3). Strong demand here is underpinned by excellent connectivity to the strategic road network, providing fast linkages to the north, and south towards London. The South East and London have continued to demonstrate strong levels of take-up despite challenges around availability of land.

4.2.8 High demand has meant availability is challenging nationally, with the most acute challenges facing occupiers looking for large units, as shown in Figure 4.4. Availability of large industrial or warehouse space totalled 24.2 million ft² (c.2.2 million m²) at the end of 2021, which is 6% lower than at the end of 2020 and meaning, for the second consecutive year, there is less than a year's supply of available stock. With D&B developments accounting for almost half of all take-up last year, the market is likely to see a continued rise in the number of speculative developments in order to meet their growing requirements.

[23] A 3PL (third-party logistics) provider offers outsourced logistics services, which encompass anything that involves management of one or more facets of procurement and fulfilment activities. 3PL service may be a single provider, such as transportation or warehouse storage, or it can be a systemwide bundle of services capable of handling supply chain management.

Figure 4.2: UK Grade A Big Box (over 100,000 ft²) take-up by key sectors (million ft²)



Source: Avison Young (2022)

Figure 4.3: UK Grade A Big Box (over 100,000 ft²) take-up by region (million ft²)

Source: Avison Young (2022)

Figure 4.4: Availability of large industrial or warehouse space by region and size band (2021) (ft²)

Source: Avison Young (2022)

4.2.9 However, despite their dominance within the market e-commerce occupiers and linked distribution activity is not the only driver of demand for space, with manufacturing and production still a strong presence in many local markets. This is being expanded by range of **new activities and sectors** have emerged in recent years and look set to become major new components of the economy in the future. For example:

- The drive towards net zero has led to demand for more sustainable methods of construction. As a result, the UK has seen significant new demand for offsite construction manufacturing facilities, with the likes of TopHat, Swan Housing and Countryside all seeking or occupying major units in the last 18 months.
- As we move towards greater use of electronic vehicles (EVs) there is new demand for 'gigafactories' where vehicles and their batteries are developed, for example with Coventry City Council and Coventry Airport securing consent for 5.7 million ft² (c.530,000 m²) facility.
- Home working and increasing demand for video streaming, social media, downloaded content for home entertainment, for 'big data' solutions and cloud-based computing have driven a rapid expansion in datacentre demand, with an expectation of 10% growth per annum over the next 5 years.
- The growth of the Film and TV production sector in the UK, with new facilities required in areas with a strong skill base.
- Activities such as vertical farming are also expected to expand significantly.

4.2.10 The above all reflect different forms of production-based activity that require similar types of space and, coupled with a constrained supply picture, has put immense upwards pressures on land values, with sites in London commanding up to (and in excess of) £10 million per acre. Rents have also increased significantly during 2021, rising by an average 20% across all UK regions.

4.2.11 Allied to new demand there is increasing pressure from occupiers, owners, and consumers to improve **sustainability credentials and focus on decarbonisation**. This presents a challenge for both occupiers and landlords as it is mandatory for all non-domestic buildings to meet EPC Band B by 2030. 63% of existing industrial buildings have been built before the 1990s and will require significant refurbishment. A number of leading developers are setting the pace of change[24]. For example, SEGRO has created a concept called pocket parks which pushes for greener space around existing and new developments to maintain and preserve the environment, as well as retain talent. However, it is not expected that this would lead to an increase in land requirement or density of developments to deliver comparable floorspace.

4.2.12 Looking forward, despite the negative outlook for the UK economy, there is unlikely to be a slowdown in demand for industrial and distribution space across all UK regions. This is due to the constrained basis of supply for industrial stock in particular in London, and the continued shift in consumer behaviours, new entrants to the market (such as Q-commerce, which combines the merits of traditional e-commerce with innovations in last-mile delivery, generally focussing on micro goods which are small and easily transportable to enable highly efficient delivery times) and a refocussed and expanding manufacturing sector. Demand for high-quality sustainable buildings is expected to be a key factor moving forward, taking account of the already mentioned Minimum Energy Efficiency Standards (MEES). More detail on the property market outlook and industrial occupier/investment performance can be found in Avison Young's Economic and Property Market review[25].

4.2.13 **Longer term**, whilst rates may slow, there is little expectation that the sector will see a fundamental decline in demand. From an e-commerce perspective Experian projects that online sales will continue to grow as a share of total sales, reaching 37% by 2040[26] - which in turn will continue to drive demand for distribution space.

[24] https://avison-young.foleon.com/marketing-uk/building-zero/building-zero/
[25] https://www.avisonyoung.com/experience/research-uk/epmr-may-2022/
[26] Retail Planner Briefing Note 14, 2022

4.2.14 Similarly other growth sectors are expected to continue to grow, potentially more significantly than historic rates would suggest. As sectors continue to adapt and change to new technology and methods of production, consumer habits evolve and supply chains are refocussed, there will be new demand in the construction, energy storage, data and content production sectors – adding further need for industrial space.

4.2.15 As such, whilst growth in e-commerce-led space needs may slow as supply chains are satisfied, other activities are likely to expand – indicating that nationally we will need to consider to grow our stock of modern industrial and logistics space.

Regional market overview

4.2.16 The national trends set out above reflect some of the dynamics being found in the London market. London has experienced growing take-up of larger units in recent years against the 2016-2021 average. There was a significant level of take-up seen in 2021, equating to c. 1.4 million ft² (130,000 m²). This is illustrated in Figure 4.5. As indicated at the national level, key sectoral growth in E commerce, Q commerce, data centres, and Film and TV production has underpinned this strength in take-up.

4.2.17 This growth in take-up correlates with steadily growing availability of London stock through 2020 and 2021 as a result of a steady development pipeline. Latest data indicates availability of premises of over 100,000 ft² of just over 1 million ft² (93,000 m²), split across 7 units, as indicated below in Figure 4.6. Notwithstanding growth in supply, demand remains unmet, driving continued upward pressure on rental values and capital values. This is illustrated in more detail in section 4.8.

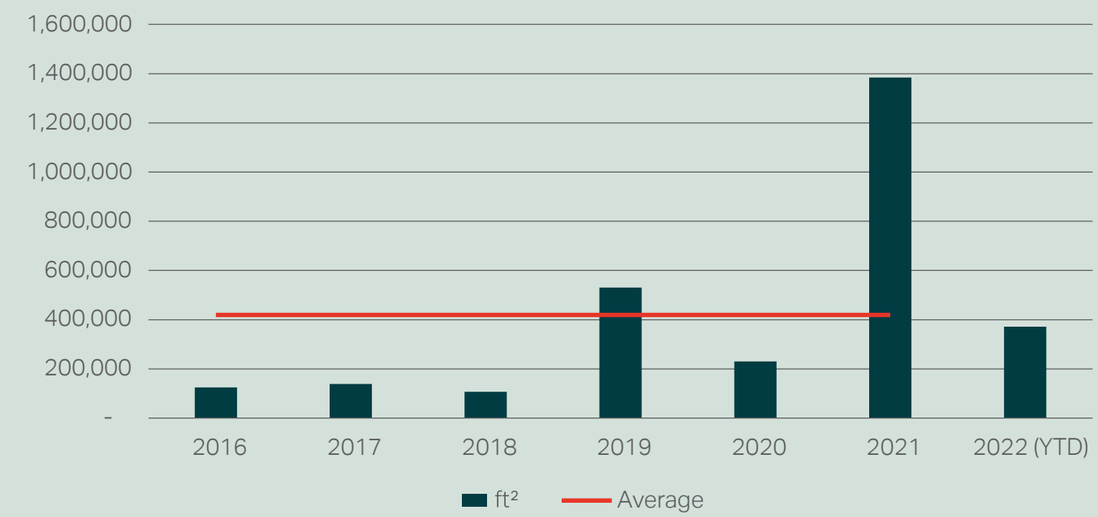
4.2.18 Unsurprisingly, the largest quantum of **big box space** coming forward in London sits within outer-London boroughs, owing to the greater availability of space and fast connections to the strategic road network. Conversations with agents indicate key locations for future stock are within Barking and Dagenham and Ealing.

4.2.19 In London in particular further occupier demand is coming from 'new' entrants to the industrial market that aren't necessarily logistics orientated, including the growing market for **Film and TV production / post-production**. The Troubadour Film Studio coming forward at Meridian Water, Netflix locating in Enfield, the existing activity in Hackney Wick as well as the announcement of the new Sunset Studios in Broxbourne, just outside London, signals that this is a new focus and opportunity that will likely drive heightened requirements for large floorplate industrial stock in outer London boroughs.

4.2.20 The growth in **'Q-Commerce' and final-mile distribution** is another key emerging trend that will likely have significant implications for industrial demand and pipeline delivery. This will reflect smaller floorplate demand than is the case for traditional distribution activity, with a key focus on locations in close proximity to residential areas. This generally presents a shift from traditional industrial typologies and locations and will therefore require a suitable policy response to maximise delivery of stock of this nature.

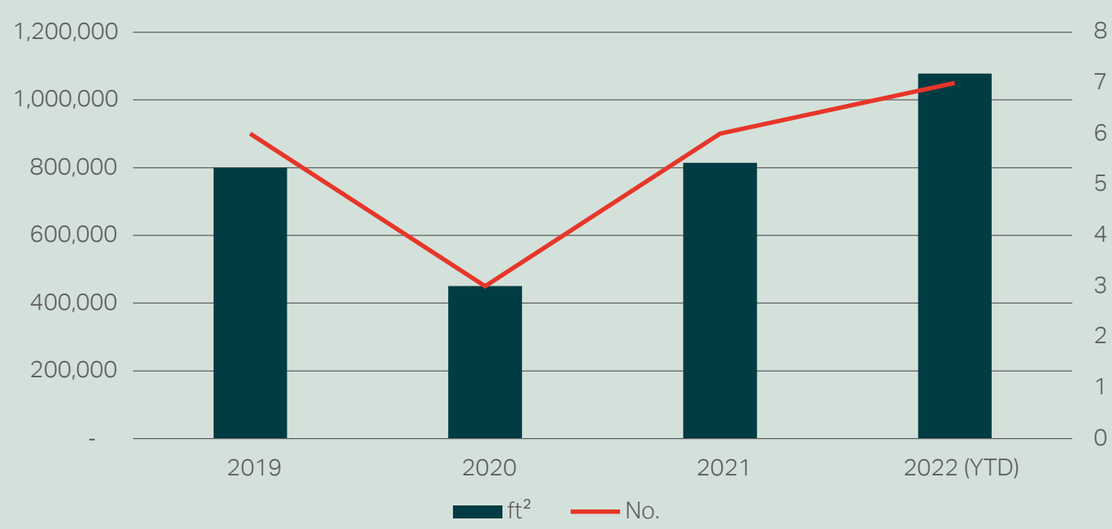
4.2.21 The added consideration that will be at the top of the agenda for occupiers and owners of both existing and pipeline stock is the **minimum energy efficiency standards** (MEES), and the requirement for all stock to present an EPC rating of B by 2030. Given the dated nature of much of London's industrial stock, this could have an impact on industrial supply but will also drive a significant requirement for refurbishment across London to bring stock up to standard. The tight time horizons mean that this work must be carried out expeditiously to minimise risk of obsolescence.

Figure 4.5: London Grade A Big Box (over 100,000 ft²) take-up (ft²)



Source: Avison Young (2022)

Figure 4.6: Availability of large industrial or warehouse space, London (2019-2022)



Source: Avison Young (2022)

4.3 Industrial floorspace and property

4.3.1 Table 4.1 sets out the quantum of industrial floorspace and number of industrial buildings for the relevant geographies of this study. For the purpose of the study, industrial floorspace data by CoStar does not include yard or storage space, although this is essential for a range of industrial uses such as distribution.

4.3.2 In terms of **floorspace**, there is currently c. 209,760,000 square feet (ft²) / 19,485,000 m² of industrial floorspace across London. This is slightly below the 10-year average of 210,370,000 ft² / 19,542,000 m².

4.3.3 The largest quantum of floorspace is within the East sub-region (71,370,000 ft² / 6,630,000 m²) and the West sub-region (69,595,000 ft² / 6,465,000 m²).

4.3.4 PMA level analysis indicates that there is a high concentration of properties within the Park Royal / A40 / Heathrow (3,222) and Central Services Circle (2,575) areas. Interestingly, this translates into high floorspace figures at Park Royal / A40 / Heathrow (73,745,000 ft² / 6,850,000 m²), but the Central Services Circle presents just 30,560,000 ft² / 2,840,000 m², the second lowest out of all PMAs within the dataset. This can be understood when taking account of the low average property size at the Central Services Circle of 11,870 ft² / 1,140 m².

4.3.5 At the borough level, there are significant floorspace clusters at Ealing (27,110,000 ft² / 2,520,000 m²), Hillingdon (15,250,000 ft² / 1,415,000 m²), Hounslow (13,200,000 ft² / 1,225,000 m²), and Enfield (14,450,00 ft² / 1,340,000 m²), as well as Barking and Dagenham (13,570,000 ft² / 1,260,000 m²) and Bexley (11,220,000 ft² / 1,040,000 m²) where there is a notable presence of large-scale distribution activity.

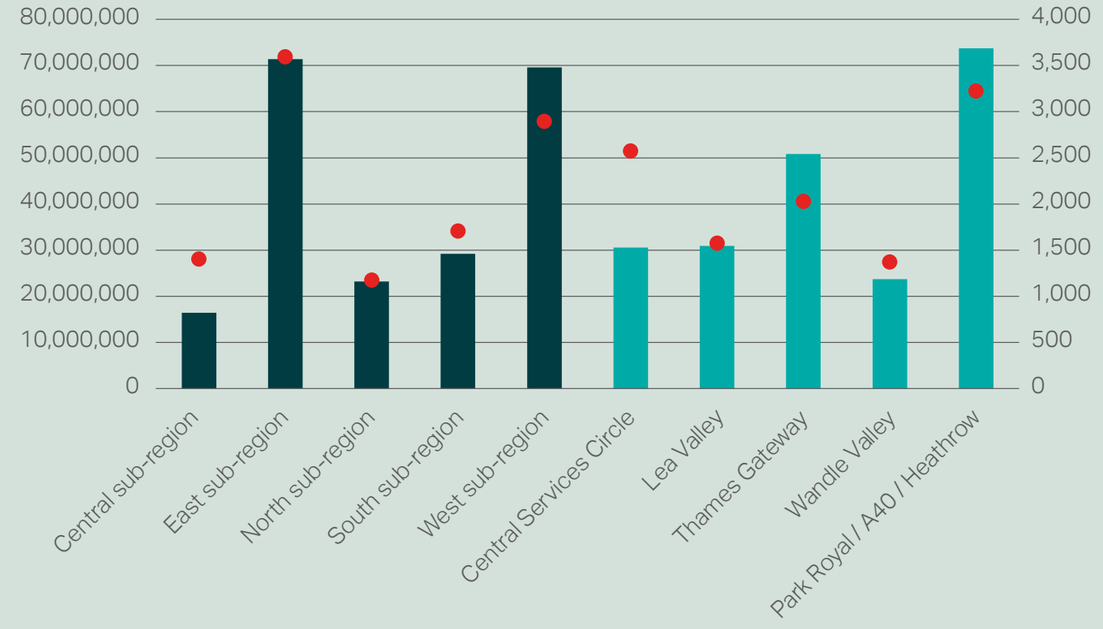
4.3.6 The data indicates that this floorspace is found across c.10,770 **industrial buildings**[27] in London. This reflects a minor reduction of 45 industrial buildings on the 10-year average and at c. 0.4% less is broadly in line with the reduction in industrial floorspace in London.

4.3.7 There is a reasonable spread of industrial buildings across London as a whole, with particularly strong concentrations in Ealing (990 buildings), followed by Hillingdon (577), Brent, Enfield, Tower Hamlets, Hounslow and Southwark (all around 500 buildings), reflecting the larger amounts of floorspace that are found in most of these boroughs compared with others. Figures 4.7 and 4.8 below provide an illustration of industrial development density through the scale of and relationship between buildings and floorspace for different geographies.

4.3.8 Average **floorspace per building** in London is 17,740 ft² / 1,650 m². Averages across all boroughs range from under 10,000 ft² / 1,000 m² in in particular in some Central London boroughs, up to c.37,300 ft² / 3,465 m² in Barking and Dagenham, reflecting variances in strategic transport accessibility, land availability and values relative to other competing uses.

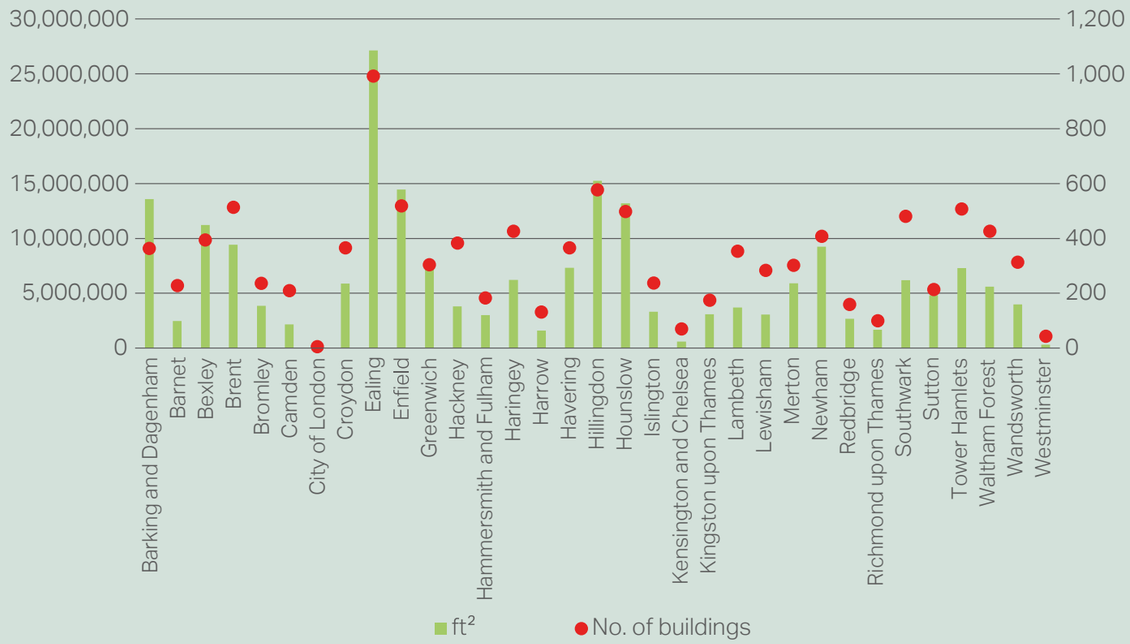
[27] Broadly analagous to core industrial uses as defined in Section 2.

Figure 4.7: Industrial floorspace and buildings by sub-region and Property Market Area in 2021 (ft² and buildings)



Source: CoStar Data (2021)

Figure 4.8: Industrial floorspace and buildings by borough in 2021 (ft² and buildings)



Source: CoStar Data (2021)

Table 4.1: Existing stock in 2021 vs 10-year average

Area	Borough	No. of buildings		ft²			m²			Vacancy	
		Existing buildings	10-year average	Existing ft²	10 Year Average	Average ft²	Existing m²	10 Year Average	Average m²	Vacancy rate	10-year average
London		10,769	10,814	209,759,990	210,267,794	17,739	19,487,180	19,534,495	1,648	3.25%	3.39%
Inner London		3,783	3,855	54,419,557	56,644,235	14,385	5,055,700	5,262,422	1,336	2.70%	2.50%
Outer London		6,986	6,959	155,340,433	153,623,559	20,454	14,431,480	14,272,075	1,900	3.65%	3.98%
Central sub-region		1,401	1,432	16,425,729	17,400,731	11,724	1,525,987	1,616,581	1,089	2.10%	2.20%
	Camden	210	214	2,164,523	2,244,374	10,307	201,089	208,509	958	3.00%	1.80%
	City of London	6	6	129,171	129,171	21,529	12,000	12,000	2,000	0.00%	-
	Kensington and Chelsea	70	71	594,087	598,845	8,487	55,192	55,635	788	1.30%	1.70%
	Islington	237	243	3,315,028	3,479,248	13,987	307,974	323,233	1,299	3.00%	1.40%
	Southwark	481	496	6,198,545	6,611,338	12,887	575,859	614,213	1,197	2.60%	3.80%
	Westminster	44	44	312,780	312,780	7,109	29,058	29,058	660	0.00%	-
	Lambeth	353	358	3,711,595	4,024,975	10,514	344,816	373,932	977	4.90%	2.40%
East sub-region		3,595	3,610	71,370,699	69,649,412	19,853	6,630,500	6,470,642	1,844	3.50%	2.90%
	Barking and Dagenham	364	365	13,570,724	12,604,868	37,282	1,260,751	1,171,031	3,464	3.50%	3.50%
	Bexley	394	390	11,217,698	10,838,017	28,471	1,042,150	1,006,885	2,645	2.30%	4.00%
	Greenwich	304	307	7,600,744	7,739,240	25,002	706,126	718,999	2,323	5.00%	2.80%
	Hackney	383	397	3,798,269	4,074,703	9,917	352,868	378,552	921	0.80%	1.60%
	Havering	366	355	7,324,597	6,377,276	20,013	680,472	592,468	1,859	3.50%	3.00%
	Lewisham	284	289	3,054,845	3,110,672	10,756	283,802	288,991	999	2.90%	2.70%
	Newham	408	419	9,254,394	9,508,175	22,682	859,754	883,338	2,107	4.40%	3.70%
	Redbridge	159	158	2,670,355	2,635,411	16,795	248,082	244,838	1,560	3.40%	2.00%
	Tower Hamlets	507	504	7,283,032	7,049,613	14,365	676,610	654,930	1,335	3.70%	2.50%
	Waltham Forest	426	426	5,596,041	5,711,437	13,136	519,885	530,610	1,220	5.30%	3.10%
North sub-region		1,173	1,177	23,157,840	23,055,698	19,742	2,151,416	2,141,944	1,834	3.70%	3.10%
	Barnet	228	229	2,478,902	2,489,242	10,872	230,296	231,258	1,010	4.00%	2.10%
	Enfield	519	520	14,451,456	14,275,783	27,845	1,342,573	1,326,264	2,587	4.50%	4.90%
	Haringey	426	428	6,227,482	6,290,673	14,619	578,547	584,423	1,358	2.70%	2.20%
South sub-region		1,706	1,712	29,211,766	29,586,696	17,123	2,713,839	2,748,694	1,591	4.20%	3.70%
	Bromley	236	227	3,845,440	3,592,500	16,294	357,250	333,754	1,514	7.30%	6.90%
	Croydon	366	376	5,883,240	5,948,251	16,074	546,566	552,611	1,493	4.50%	2.50%
	Kingston-upon-Thames	175	174	3,092,859	3,087,678	17,673	287,334	286,855	1,642	2.90%	3.90%
	Merton	302	308	5,919,697	6,120,976	19,602	549,953	568,657	1,821	2.70%	3.70%
	Richmond-upon-Thames	100	102	1,673,971	1,679,227	16,740	155,516	156,005	1,555	0.40%	1.40%
	Sutton	214	206	4,815,553	4,707,759	22,503	447,376	437,365	2,091	8.30%	5.00%
	Wandsworth	313	319	3,981,006	4,450,305	12,719	369,844	413,447	1,182	3.20%	2.70%
West sub-region		2,894	2,883	69,593,956	70,575,257	21,201	6,465,437	6,556,634	1,970	2.85%	4.98%
	Brent	513	519	9,420,732	9,799,947	18,364	875,207	910,445	1,706	4.10%	3.30%
	Ealing	991	990	27,114,310	27,573,246	27,361	2,518,981	2,561,638	2,542	3.00%	6.10%
	Hammersmith and Fulham	183	188	3,021,538	3,310,796	16,511	280,708	307,583	1,534	3.10%	2.40%
	Harrow	132	134	1,589,377	2,295,354	12,041	147,657	213,245	1,119	1.70%	7.30%
	Hillingdon	577	561	15,248,700	14,459,610	26,428	1,416,639	1,343,331	2,455	4.00%	5.80%
	Hounslow	498	491	13,199,299	13,136,304	26,505	1,226,245	1,220,392	2,462	1.20%	5.00%
Central Services Circle		2,575	2,622	30,561,875	31,635,719	11,869	2,839,268	2,939,053	1,103	1.90%	1.90%
Lea Valley		1,575	1,584	30,902,176	31,031,981	19,620	2,870,882	2,882,966	1,780	4.20%	3.20%
Thames Gateway		2,027	2,012	50,856,755	48,541,400	25,090	4,724,708	4,509,644	2,356	4.20%	3.70%
Wandle Valley		1,370	1,383	23,692,355	24,314,969	17,294	2,201,073	2,258,935	1,607	4.30%	3.60%
Park Royal / A40 / Heathrow		3,222	3,214	73,746,829	74,743,726	19,353	6,851,249	6,943,897	1,798	2.69%	4.18%

Source: CoStar Data (2021)

Headline vacancy rates

4.3.9 The vacancy rate for industrial floorspace provides an indication of the supply that is available to meet demand and is a key indicator of how property markets are operating. This differs from vacant industrial land, discussed in Section 2, which considers vacant and cleared sites, or sites with derelict industrial buildings, in addition to buildings capable of occupation. Floorspace vacancy rates can vary more significantly in relatively short spaces of time, in particular if businesses with large units move in and out, or where the floorspace of new development is not immediately taken up.

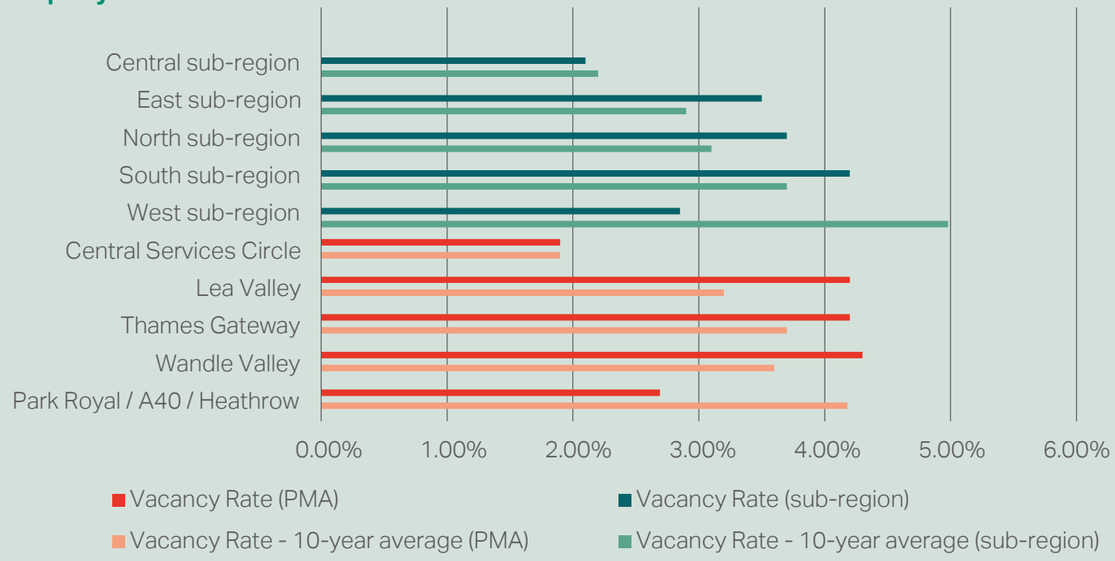
4.3.10 As shown in Table 4.1, the vacancy rate across London in 2021 is 3.25%, reflecting a 0.15% reduction on the 10-year average of 3.4%. This is considerably lower than the reasonable average level of floorspace vacancy of 8% as per the GLA SPG (see paragraph 2.4.2) allowing for churn. This points to there being a tight supply of floorspace and buildings across London as a whole.

4.3.11 Highest occupancy levels are seen within the Central sub-region, with vacancy of just 2%. In the West sub-region, the vacancy rate has come down significantly from 5% to the 10-year average rate of 3%. The South sub-region presents a vacancy rate of over 4%, reflecting the highest level of vacancy across the sub-regions (see Figure 4.9). This differs from analysis of vacancy of industrial land, set out in Section 2, where the highest levels of vacancy are seen in the East sub-region (7.3%) and the lowest are seen in the West sub-region (1.4%). The differential between vacant industrial buildings and vacant industrial land in the West sub-region suggests a very low proportion of vacant/cleared sites, or sites with derelict buildings relative to comparator areas.

4.3.12 PMAs follow a similar trend of low vacancies with a range of 2% (Central Services Circle) to over 4% (Wandle Valley) with ultimately all these areas therefore recording rates notably below the reasonable average frictional vacancy level of 8% as set out in the GLA SPG, indicating limited supply. However, it is worth noting the differing trends recorded between some areas as evident from 10-year averages, with Lea Valley, Thames Gateway and Wandle Valley experiencing growth in the vacancy rate ranging from 0.5 to 0.7%, and Park Royal / A40 / Heathrow experiencing a fall by c.1.5%.

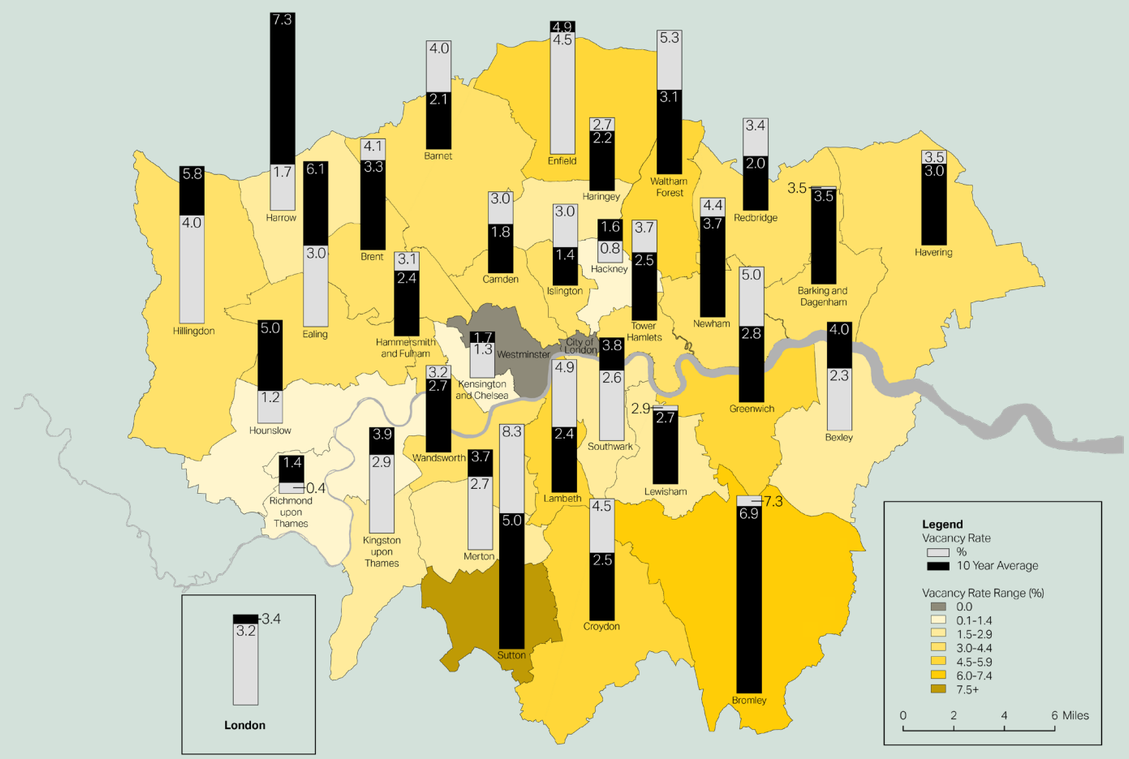
4.3.13 Borough level data indicates a vacancy rate range from lower than 2% in Hackney, Harrow, Hounslow, Kensington and Chelsea and Richmond-upon-Thames to as high as 7% in Bromley and 8% (Sutton) (see Figure 4.10). Despite the high rate of vacancy recorded in Sutton, it is notable that there has been marginal growth in the number of buildings and floorspace in this borough compared to the 10-year average, whereby most boroughs have experienced a reduction in their stock of buildings and floorspace.

Figure 4.9: Floorspace vacancy rate 2021 vs 10-year average for London, sub-regions and Property Market Areas



Source: CoStar Data (2021)

Figure 4.10: Floorspace vacancy rate 2021 vs 10-year average by borough (%)



Source: CoStar Data (2021)

4.4 Land and floorspace

4.4.1 Table 4.2 builds on the information considered in Section 2 on land (Table 2.4) and within Table 4.1 above. The table considers the overall intensity of the industrial use, i.e. industrial floorspace relative to land supply.

4.4.2 The total industrial land supply and total land supply in core industrial uses only have both been used but both have their limitations in alignment with the floorspace data. Some wider industrial uses do not register floorspace in property records by their nature e.g. utilities sites such as sewage treatment works, leading to inaccuracies when all industrial land is used. Similarly, supply in core uses only, includes land in use as open storage where there would typically be no floorspace which limits analysis of plot coverage. Further, supply in core uses only, includes some sites in bespoke industrial use (e.g. chemical processing/manufacturing works), which also may not register floorspace in property records by their nature.

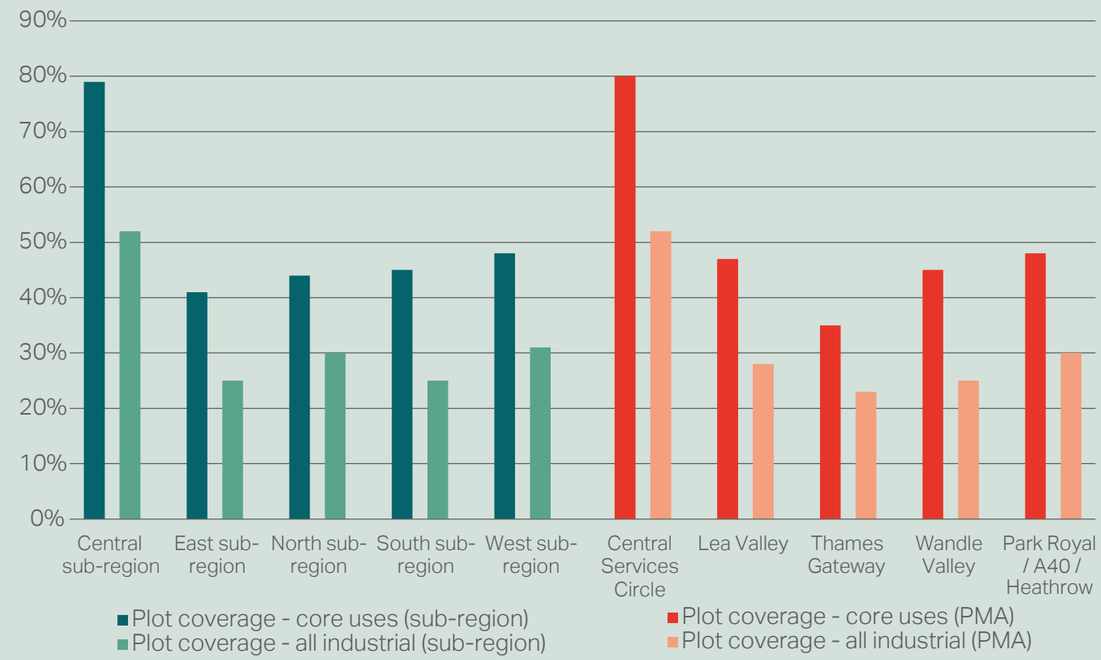
4.4.3 Data indicates an average plot coverage across London of 29% when all land in industrial use is considered rising to 46% when only land in core uses is considered.

4.4.4 As might be expected, given the constrained nature of land supply in London, the highest plot coverages are found in the Central sub-region at 52% when all industrial land is considered, rising to a notably high 79% in relation to land in core uses only (see Figure 4.11). Outer London locations with often greater quanta of distribution activity, requiring increased servicing areas and yard space, reflect less intense usage of industrial land. This is demonstrated in the figures for the West sub-region in particular (31% for all land or 48% for core uses only).

4.4.5 These plot coverage figures only provide a broad assessment of land and floorspace on a borough by borough basis, and so these figures present a high-level indication of intensity of land-use only.

4.4.6 This broadly matches standard plot ratio assumptions, which also vary based on the nature of industrial use being considered. Generally, lower density uses such as distribution and open storage, often seen outside the Central sub-region require a greater proportion of operational yard space, and for those, relatively low plot ratio assumptions might be considered reasonable. Conversely, uses with less requirement for yard space such as data centres or light industrial uses arranged over multiple storeys may present higher plot ratio assumptions.

Figure 4.11: Plot coverage (floorspace/ha) by sub-region and Property Market Area in 2021 (%)



Source: CoStar Data (2021)

Table 4.2: Existing land and floorspace, borough-level analysis (various)

Area	Borough	Existing ft²	Existing m²	Total industrial land - core uses (ha)	Plot coverage	Total industrial land (ha)	Plot coverage
London		209,759,990	19,486,703	4,255	46%	6,798	29%
Inner London		54,419,557	5,055,577	757	67%	1,430	35%
Outer London		155,340,433	14,431,126	3,499	41%	5,368	27%
Central sub-region		16,425,729	1,525,950	193	79%	293	52%
	Camden	2,164,523	201,084	27	75%	36	56%
	City of London	129,171	12,000	-	-	2	51%
	Kensington and Chelsea	594,087	55,191	11	51%	16	34%
	Islington	3,315,028	307,966	20	151%	32	95%
	Southwark	6,198,545	575,845	81	71%	126	46%
	Westminster	312,780	29,057	3	101%	10	28%
	Lambeth	3,711,595	344,807	51	67%	69	50%
East sub-region		71,370,699	6,630,338	1,620	41%	2,606	25%
	Barking and Dagenham	13,570,724	1,260,720	416	30%	528	24%
	Bexley	11,217,698	1,042,124	321	32%	509	20%
	Greenwich	7,600,744	706,109	129	55%	199	36%
	Hackney	3,798,269	352,859	37	95%	56	63%
	Havering	7,324,597	680,455	276	25%	414	16%
	Lewisham	3,054,845	283,795	57	50%	95	30%
	Newham	9,254,394	859,733	173	50%	453	19%
	Redbridge	2,670,355	248,076	45	56%	73	34%
	Tower Hamlets	7,283,032	676,594	67	102%	99	69%
	Waltham Forest	5,596,041	519,872	100	52%	181	29%
North sub-region		23,157,840	2,151,363	488	44%	713	30%
	Barnet	2,478,902	230,290	59	39%	85	27%
	Enfield	14,451,456	1,342,540	318	42%	459	29%
	Haringey	6,227,482	578,533	112	52%	169	34%
South sub-region		29,211,766	2,713,773	597	45%	1,085	25%
	Bromley	3,845,440	357,241	78	46%	128	28%
	Croydon	5,883,240	546,553	116	47%	148	37%
	Kingston-upon-Thames	3,092,859	287,327	60	48%	113	25%
	Merton	5,919,697	549,940	138	40%	168	33%
	Richmond-upon-Thames	1,673,971	155,512	26	60%	84	18%
	Sutton	4,815,553	447,365	115	39%	321	14%
	Wandsworth	3,981,006	369,835	63	58%	123	30%
West sub-region		69,593,956	6,465,279	1,357	48%	2,101	31%
	Brent	9,420,732	875,186	289	30%	407	22%
	Ealing	27,114,310	2,518,919	380	66%	481	52%
	Hammersmith and Fulham	3,021,538	280,701	38	75%	112	25%
	Harrow	1,589,377	147,653	41	36%	48	31%
	Hillingdon	15,248,700	1,416,604	318	45%	580	24%
	Hounslow	13,199,299	1,226,215	292	42%	472	26%
Central Services Circle		30,561,875	2,839,198	354	80%	543	52%
Lea Valley		30,902,176	2,870,812	616	47%	1,035	28%
Thames Gateway		50,856,755	4,724,592	1,351	35%	2,077	23%
Wandle Valley		23,692,355	2,201,020	493	45%	873	25%
Park Royal / A40 / Heathrow		73,746,829	6,851,080	1,441	48%	2,270	30%

Source: CoStar Data (2021)

4.5 Existing stock size

4.5.1 Looking at existing stock graded by size band is beneficial in providing a perspective on what size buildings are the most typically found in different areas and how these vary geographically. This information is presented in Table 4.3 and broadly illustrated in Figures 4.12 and 4.13.

4.5.2 This shows that there is a reasonable size spread across London as a whole, with no individual size category holding more than 25% of buildings. However, it is worth noting the particular concentration of small to medium sized buildings, with 84% of all buildings sized between 1,000 and 50,000 ft². By comparison, 7% of London's industrial and light industrial stock is below 1,000 ft², and 9% is above 50,000 ft².

4.5.3 This trend is echoed at the sub-regional level, with regions displaying proportions of buildings under 1,000 ft² ranging from 4% (West sub-region) up to 13% (Central sub-region). Above 50,000 ft², the range reflects 4% (Central sub-region) up to 12% (West sub-region).

4.5.4 Data at the PMA level also reflects the broader trends across London, with the majority of stock small to medium in size. The Central Service Circle PMA presents the highest proportion of buildings under 1,000ft², with 13% all buildings being within this size band. This compares with 10% of those in the Lea Valley, 5% in Park Royal / A40 / Heathrow, and only 4% in the Wandle Valley and in the Thames Gateway.

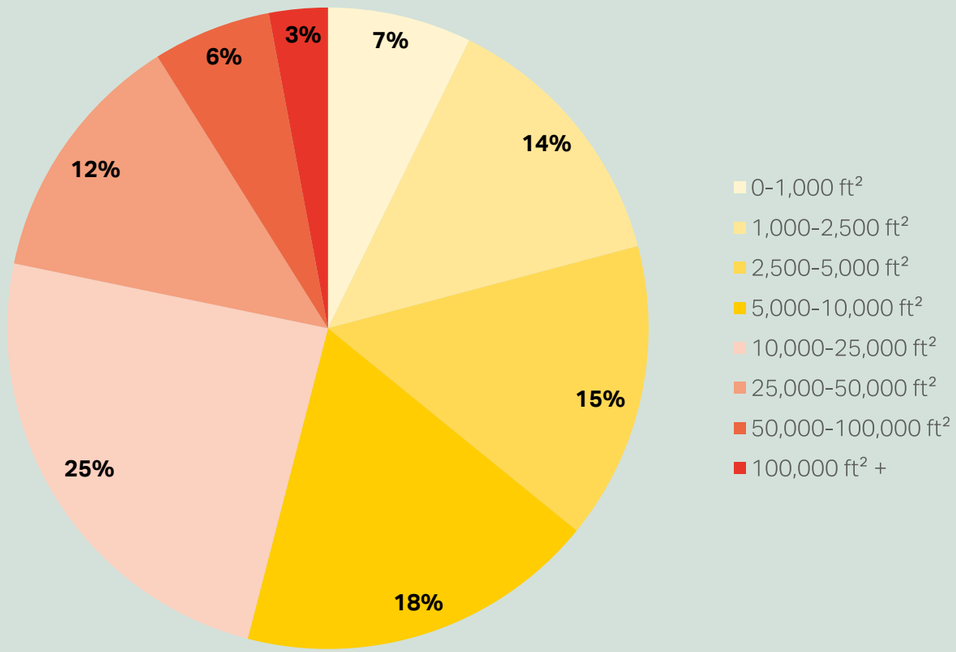
4.5.5 The largest proportion, by borough, of buildings under 1,000 ft² is contributed by Waltham Forest, with approximately 9% (72 buildings) of the 781 buildings in this size band across London. The largest proportion, by borough, of buildings over 100,000 ft² is contributed by Ealing, with approximately 15% (41 buildings) of the 271 buildings in this size band across London. The boroughs of Hillingdon, Enfield and Barking and Dagenham also make noteworthy contributions to the total quantum of buildings over 100,000 ft² in London, with each comprising approximately 10% of the buildings in this size band.

4.5.6 In the post-Covid 19 era, in line with growth in the e-commerce and distribution sectors, there has been record levels of occupational demand for grade A stock over 100,000 ft² [28] (see section 4.2 for further detail). The impact of these trends will likely be felt through a growing development pipeline for large scale, grade A stock. Constrained supply indicated by persistent low vacancy rates is expected to see this trend continuing in the short and medium-term.

4.5.7 It is worth noting that given the variability in industrial occupiers, there is no proportionate correlation between the size of stock and the number of jobs provided. For example, whilst a data centre may present demand for significant floorspace, this may not correlate with a large quantum of jobs.

[28] Avison Young, (2022); Big Box Bulletin. Available at: https://assets.foleon.com/eu-west-2/uploads-7e3kk3/44754/12466_insight_big_box_2021.f4788a6507db.pdf

Figure 4.12: Share of buildings by size band in 2021



Source: CoStar Data (2021)

Figure 4.13: Number of properties by size band

Source: CoStar Data (2021)

Table 4.3: Existing stock (buildings) by size band

Area	Borough	Floorspace (ft²) (buildings)								Floorspace (ft²) (% of total)							
		0 - 1,000	1,000 - 2,500	2,500 - 5,000	5,000 - 10,000	10,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000 +	0 - 1,000	1,000 - 2,500	2,500 - 5,000	5,000 - 10,000	10,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000 +
London		781	1,476	1,571	1,927	2,632	1,347	669	271	7%	14%	15%	18%	25%	13%	6%	3%
Inner London		414	819	619	643	736	323	148	58	11%	22%	16%	17%	20%	9%	4%	2%
Outer London		367	657	952	1,284	1,896	1,024	521	213	5%	10%	14%	19%	27%	15%	8%	3%
Central sub-region		179	328	249	231	256	96	43	12	13%	24%	18%	17%	18%	7%	3%	1%
	Camden	41	46	38	31	29	17	6	1	20%	22%	18%	15%	14%	8%	3%	0%
	City of London	1	0	1	1	1	1	1	0	17%	0%	17%	17%	17%	17%	17%	0%
	Kensington and Chelsea	22	11	13	10	11	2	1	1	31%	15%	18%	14%	15%	3%	1%	1%
	Islington	47	48	26	41	41	22	8	2	20%	20%	11%	17%	17%	9%	3%	1%
	Southwark	27	112	93	82	113	31	16	4	6%	23%	19%	17%	24%	6%	3%	1%
	Westminster	8	13	6	9	6	1	1	0	18%	30%	14%	20%	14%	2%	2%	0%
	Lambeth	33	98	72	57	55	22	10	4	9%	28%	21%	16%	16%	6%	3%	1%
East sub-region		299	591	511	608	844	416	210	100	8%	17%	14%	17%	24%	12%	6%	3%
	Barking and Dagenham	4	14	37	53	109	72	47	25	1%	4%	10%	15%	30%	20%	13%	7%
	Bexley	8	27	53	82	110	66	30	17	2%	7%	13%	21%	28%	17%	8%	4%
	Greenwich	14	33	36	49	92	44	20	15	5%	11%	12%	16%	30%	15%	7%	5%
	Hackney	65	100	54	61	56	24	10	2	17%	27%	15%	16%	15%	6%	3%	1%
	Havering	16	32	53	83	109	42	26	7	4%	9%	14%	23%	30%	11%	7%	2%
	Lewisham	36	84	38	43	48	22	12	0	13%	30%	13%	15%	17%	8%	4%	0%
	Newham	30	75	65	62	80	54	23	18	7%	18%	16%	15%	20%	13%	6%	4%
	Redbridge	9	19	24	30	49	13	11	3	6%	12%	15%	19%	31%	8%	7%	2%
	Tower Hamlets	45	129	85	85	104	37	16	8	9%	25%	17%	17%	20%	7%	3%	2%
	Waltham Forest	72	78	66	60	87	42	15	5	17%	18%	16%	14%	20%	10%	4%	1%
North sub-region		111	148	177	195	275	148	88	30	9%	13%	15%	17%	23%	13%	8%	3%
	Barnet	33	43	50	34	39	17	9	1	15%	19%	22%	15%	17%	8%	4%	0%
	Enfield	33	46	67	76	138	81	56	25	6%	9%	13%	15%	26%	16%	11%	5%
	Haringey	45	59	60	85	98	50	23	4	11%	14%	14%	20%	23%	12%	5%	1%
South sub-region		78	196	289	345	441	214	97	26	5%	12%	17%	20%	26%	13%	6%	2%
	Bromley	5	29	36	54	67	25	15	2	2%	12%	15%	23%	29%	11%	6%	1%
	Croydon	15	50	72	75	89	39	16	7	4%	14%	20%	21%	25%	11%	4%	2%
	Kingston-upon-Thames	11	17	26	31	48	23	15	2	6%	10%	15%	18%	28%	13%	9%	1%
	Merton	5	25	38	54	99	56	18	3	2%	8%	13%	18%	33%	19%	6%	1%
	Richmond-upon-Thames	16	17	25	16	12	8	4	2	16%	17%	25%	16%	12%	8%	4%	2%
	Sutton	4	14	31	42	61	32	16	9	2%	7%	15%	20%	29%	15%	8%	4%
	Wandsworth	22	44	61	73	65	31	13	1	7%	14%	20%	24%	21%	10%	4%	0%
West sub-region		114	213	345	548	816	473	231	103	4%	7%	12%	19%	29%	17%	8%	4%
	Brent	30	44	87	103	132	74	24	12	6%	9%	17%	20%	26%	15%	5%	2%
	Ealing	10	42	87	201	309	199	94	41	1%	4%	9%	20%	31%	20%	10%	4%
	Hammersmith and Fulham	23	26	31	39	35	15	11	2	13%	14%	17%	21%	19%	8%	6%	1%
	Harrow	18	14	28	25	30	10	4	1	14%	11%	22%	19%	23%	8%	3%	1%
	Hillingdon	20	44	65	99	160	92	50	26	4%	8%	12%	18%	29%	17%	9%	5%
	Hounslow	13	43	47	81	150	83	48	21	3%	9%	10%	17%	31%	17%	10%	4%
Central Services Circle		325	641	426	420	464	179	81	22	13%	25%	17%	16%	18%	7%	3%	1%
Lea Valley		165	221	226	252	363	200	106	43	10%	14%	14%	16%	23%	13%	7%	3%
Thames Gateway		71	192	272	382	576	289	161	78	4%	9%	13%	19%	29%	14%	8%	4%
Wandle Valley		57	150	228	275	362	181	78	22	4%	11%	17%	20%	27%	13%	6%	2%
Park Royal / A40 / Heathrow		163	273	420	598	867	498	244	106	5%	9%	13%	19%	27%	16%	8%	3%

Source: CoStar Data (2021)

4.6 Existing stock age

4.6.1 Table 4.4 sets out existing stock by age. It is worth noting that it was not possible to source build completion dates for a fairly large proportion of the dataset, due to constraints with CoStar's data collection techniques. As a result, information provided below should be read with caution. Notwithstanding this, the data provided presents a good high-level indicator of age and condition and associated geographical distribution.

4.6.2 Data indicates that industrial stock across London is generally fairly dated, with at least 60% of buildings completed, or last renovated prior to 2000. Conversely, approximately 4% of stock was completed/last renovated post-2010, however, for over 25% the age is unknown. This is shown in Figure 4.14. The stock age combined with high levels of occupancy across all size categories would generally indicate the need for new stock. However, compared with the 10-year average, the number of industrial buildings across London has fallen.

4.6.3 The trends set out above are also reflected at the sub-regional level with no sub-region, bar the North sub-region, presenting more than 6% of stock completed or last renovated since 2010. Lack of new build stock is most evident within the Central sub-region where just 2% of industrial stock is categorised post-2010. The lack of new build stock within the Central sub-region can be attributed to the area containing the lowest proportion of designated industrial land where conditions for long-term investment are relatively more favourable particularly within SIL areas. Older stock proliferates in other areas due to an array of often varying factors from high rates of owner occupancy of small sized buildings, to leasing arrangements.

Figure 4.14: Share of age of industrial stock in 2021

Source: CoStar Data (2021)

Table 4.4: Existing stock age (buildings)

Area	Borough	Age category										
		Pre-War	1940 - 1949	1950 - 1959	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2009	2010 - 2019	2020 - 2029	Un-known
London		1,238	39	706	1,333	953	1,606	895	695	406	54	2,749
Inner London		724	13	244	362	219	415	190	163	90	5	1,335
Outer London		514	26	462	971	734	1,191	705	532	316	49	1,414
Central sub-region		277	8	90	100	76	101	49	27	26	1	639
	Camden	40	2	10	14	12	12	8	4	4	1	102
	City of London	2	0	0	1	0	1	0	1	0	0	1
	Kensington and Chelsea	21	0	2	3	3	11	3	2	1	0	25
	Islington	40	1	14	13	14	13	5	3	4	0	128
	Southwark	82	1	38	37	27	43	19	12	7	0	212
	Westminster	9	0	2	6	2	0	2	0	1	0	22
	Lambeth	83	4	24	26	18	21	12	5	9	0	149
East sub-region		462	7	261	348	281	425	210	210	118	8	1,249
	Barking and Dagenham	0	0	0	0	0	0	0	0	0	0	361
	Bexley	8	0	28	55	75	46	45	51	12	0	73
	Greenwich	47	0	16	46	23	43	32	47	8	1	40
	Hackney	92	0	32	27	15	17	6	11	3	1	168
	Havering	16	1	38	37	48	64	26	24	38	2	74
	Lewisham	36	2	24	28	18	32	10	2	16	1	114
	Newham	53	0	21	37	31	82	34	44	14	0	91
	Redbridge	11	1	32	20	8	24	11	5	5	1	40
	Tower Hamlets	142	2	35	53	25	53	20	9	10	1	159
	Waltham Forest	57	1	35	45	38	64	26	17	12	1	129
North sub-region		131	13	77	212	129	188	72	55	50	14	231
	Barnet	31	5	18	29	19	29	15	9	2	0	69
	Enfield	62	7	29	99	61	99	33	36	33	11	52
	Haringey	38	1	30	84	49	60	24	10	15	3	110
South sub-region		181	8	124	201	198	322	190	122	58	13	269
	Bromley	24	1	19	18	29	30	28	18	16	2	48
	Croydon	61	5	41	51	34	54	34	21	10	0	52
	Kingston-upon-Thames	14	0	13	13	15	49	18	17	2	1	31
	Merton	11	0	18	37	55	66	40	34	5	3	29
	Richmond-upon-Thames	18	0	5	9	10	18	11	6	1	1	21
	Sutton	10	1	12	23	36	41	31	14	14	6	21
	Wandsworth	43	1	16	50	19	64	28	12	10	0	67
West sub-region		187	3	154	472	269	570	374	281	154	18	361
	Brent	35	1	65	145	36	91	43	26	10	3	51
	Ealing	61	2	42	227	92	198	149	111	53	8	40
	Hammersmith and Fulham	34	0	10	21	12	23	11	11	3	0	57
	Harrow	16	0	8	16	16	35	6	4	1	0	28
	Hillingdon	16	0	18	33	63	120	94	67	52	3	90
	Hounslow	25	0	11	30	50	103	71	62	35	4	95
Central Services Circle		547	12	181	208	134	203	85	49	55	4	1,080
Lea Valley		184	9	105	247	164	264	100	85	67	15	337
Thames Gateway		133	3	144	195	199	248	159	167	86	6	682
Wandle Valley		139	7	100	174	159	274	151	98	41	10	200
Park Royal / A40 / Heathrow		236	8	177	510	298	617	400	296	157	19	451

Source: CoStar Data (2021)

4.7 Vacancy rates by stock size and age

4.7.1 Whilst headline vacancy rates are considered within Table 4.1, more detailed analysis, considering vacancies by unit size has been provided below in Table 4.5. This helps to build an understanding of the demand for different unit typologies.

4.7.2 Data generally indicates low levels of vacancy across London, with all **size categorisations** presenting vacancy rates below 4.5%. Highest levels of vacancy are seen within the 25,000-50,000 ft² and 100,00+ ft² category (4.1%), whilst units sized 2,500-5,000 ft² present the highest levels of occupancy (vacancy rates c.1.7%) (see Figure 4.15).

4.7.3 Generally, all of the London-level rates would be considered below a reasonable average vacancy rate as per the GLA SPG that allows for churn.

4.7.4 This trend is also reflected at the sub-regional level, with high levels of occupancy for the majority of size categories in each sub-region. The only departure from this trend is apparent within the 50,000-100,000 ft² category within the North sub-region, where vacancy is 8%. This arises due to higher vacancy rates of 14% and 10.5% in Barnet and Enfield, which may include new-build premises yet to be occupied.

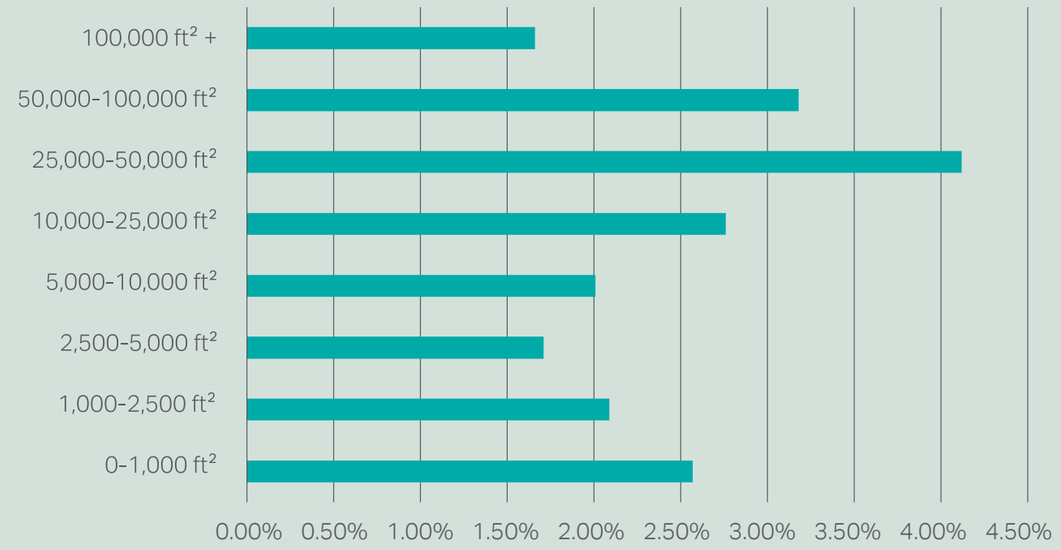
4.7.5 Considering PMAs, vacancy rates are fairly low across the board. The highest rates to note are located within the Thames Gateway, where buildings between 25,000 and 50,000 ft² present vacancies of nearly 6%.

4.7.6 Analysing levels of vacancy by **age of stock** has limitations compared with considering vacancy for all stock. This is because breaking down the number of buildings into categories leads to the resulting numbers being subject to greater levels of fluctuation. In particular, and to exemplify, vacancies appear high for stock completed after 2020, with this stock likely not yet let in at least some instances or in other cases still being under construction but actively marketed.

4.7.7 Similarly, there is no data in the 1940-49 age category for a number of boroughs, and this impacts reporting outputs.

4.7.8 Notwithstanding this, data for London as a whole generally indicates low vacancies, both for new and dated stock. This is also reflected at the sub-regional level and within property market areas also shown in Table 4.6.

Figure 4.15: Building vacancy rate by size band in 2021 (%)



Source: CoStar Data (2021)

Table 4.5: Vacancy rate by borough and size band

Area	Borough	Floorspace (ft^2)								
		0 - 1,000	1,000 - 2,500	2,500 - 5,000	5,000 - 10,000	10,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000 +	All sizes
		Vacancy rate								
London		2.57%	2.09%	1.71%	2.01%	2.76%	4.12%	3.18%	1.66%	3.25%
Inner London		2.45%	3.14%	2.24%	2.31%	2.39%	3.49%	1.59%	1.06%	2.71%
Outer London		2.66%	1.31%	1.32%	1.78%	3.03%	4.58%	4.35%	2.10%	3.65%
Central sub-region		1.93%	2.99%	0.59%	2.53%	1.86%	3.63%	0.94%	0.00%	2.11%
	Camden	1.67%	0.00%	0.00%	3.23%	3.15%	9.75%	0.67%	0.00%	3.00%
	City of London	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Kensington and Chelsea	1.80%	8.55%	0.00%	2.18%	1.85%	0.00%	0.00%	0.00%	1.30%
	Islington	0.58%	0.78%	0.00%	1.03%	0.00%	2.61%	0.00%	0.00%	3.00%
	Southwark	3.29%	4.37%	2.17%	6.50%	2.59%	1.41%	1.41%	0.00%	2.60%
	Westminster	1.12%	3.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Lambeth	5.02%	3.36%	1.92%	4.81%	5.41%	11.61%	4.47%	0.00%	4.90%
East sub-region		3.32%	2.62%	3.26%	2.79%	3.69%	3.49%	3.87%	2.35%	3.48%
	Barking and Dagenham	2.21%	0.00%	0.00%	0.61%	2.65%	4.71%	0.90%	4.00%	3.50%
	Bexley	3.71%	0.00%	1.89%	3.35%	6.35%	3.56%	3.33%	0.00%	2.30%
	Greenwich	3.26%	1.01%	0.68%	2.04%	5.95%	4.41%	0.00%	7.14%	5.00%
	Hackney	2.04%	1.97%	6.18%	0.00%	0.87%	3.21%	1.26%	0.00%	0.80%
	Havering	2.89%	0.00%	0.06%	2.44%	3.75%	1.12%	11.94%	0.00%	3.50%
	Lewisham	4.46%	3.09%	8.65%	5.30%	5.95%	6.41%	3.21%	0.00%	2.90%
	Newham	1.41%	1.35%	0.46%	1.47%	2.02%	0.47%	5.73%	2.14%	4.40%
	Redbridge	1.96%	0.00%	0.00%	3.33%	2.04%	1.44%	8.31%	0.00%	3.40%
	Tower Hamlets	5.74%	10.42%	8.06%	3.85%	2.73%	0.40%	2.33%	5.63%	3.70%
	Waltham Forest	5.48%	8.34%	6.57%	5.51%	4.56%	9.19%	1.67%	4.61%	5.30%
North sub-region		2.20%	0.00%	0.60%	1.70%	1.96%	5.32%	8.36%	4.09%	3.73%
	Barnet	1.05%	0.00%	0.28%	0.00%	0.00%	5.88%	13.84%	0.00%	4.00%
	Enfield	3.66%	0.00%	1.52%	2.82%	3.41%	2.82%	10.53%	12.26%	4.50%
	Haringey	1.90%	0.00%	0.00%	2.27%	2.46%	7.26%	0.69%	0.00%	2.70%
South sub-region		2.71%	2.22%	1.60%	1.31%	2.71%	6.42%	2.19%	0.08%	4.19%
	Bromley	5.71%	0.00%	0.00%	1.85%	7.11%	25.09%	8.42%	0.00%	7.30%
	Croydon	1.73%	2.00%	1.39%	0.00%	2.97%	1.11%	1.54%	0.00%	4.50%
	Kingston-upon-Thames	0.81%	2.33%	0.00%	0.00%	0.76%	2.33%	0.65%	0.00%	2.90%
	Merton	2.43%	4.00%	2.63%	1.85%	1.83%	4.22%	0.66%	0.54%	2.70%
	Richmond-upon-Thames	3.36%	5.88%	4.00%	1.10%	0.92%	0.95%	0.00%	0.00%	0.40%
	Sutton	2.81%	0.00%	0.00%	2.38%	3.47%	8.12%	0.95%	0.00%	8.30%
	Wandsworth	2.11%	1.30%	3.18%	1.97%	1.91%	3.13%	3.14%	0.00%	3.20%
West sub-region		2.10%	1.04%	1.14%	1.06%	2.70%	2.44%	3.19%	3.10%	2.85%
	Brent	2.05%	0.00%	1.15%	2.57%	2.19%	1.42%	7.06%	9.16%	4.10%
	Ealing	2.10%	2.38%	2.30%	0.90%	1.89%	2.95%	4.27%	0.00%	3.00%
	Hammersmith and Fulham	1.73%	3.85%	0.00%	0.00%	0.99%	5.40%	0.00%	0.00%	3.10%
	Harrow	2.03%	0.00%	0.00%	0.00%	5.48%	0.00%	0.00%	0.00%	1.70%
	Hillingdon	2.35%	0.00%	1.49%	0.14%	2.08%	2.99%	4.94%	9.41%	4.00%
	Hounslow	2.34%	0.00%	1.88%	2.78%	3.57%	1.90%	2.87%	0.00%	1.20%
Central Services Circle		2.45%	2.99%	0.59%	2.53%	1.86%	3.63%	0.94%	0.00%	1.85%
Lea Valley		3.11%	2.42%	2.14%	3.02%	3.11%	4.94%	4.66%	4.75%	4.23%
Thames Gateway		3.02%	0.34%	0.44%	2.15%	4.27%	5.83%	5.52%	1.90%	4.20%
Wandle Valley		1.98%	1.93%	1.44%	1.24%	2.19%	3.78%	1.39%	0.11%	4.32%
Park Royal / A40 / Heathrow		2.13%	1.51%	1.39%	0.94%	2.14%	2.68%	4.12%	2.32%	2.69%

Source: CoStar Data (2021)

Table 4.6: Vacancy rate by age of stock

Area	Borough	Age category										
		Pre-War	1940 - 1949	1950 - 1959	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2009	2010 - 2019	2020 - 2029	All ages
		Vacancy rate										
London		3.9%	8.7%	2.0%	2.0%	3.1%	2.9%	4.6%	2.2%	5.5%	49.2%	3.2%
Inner London		4.8%	8.0%	3.1%	2.3%	4.1%	3.3%	5.7%	1.9%	6.0%	33.2%	2.7%
Outer London		3.2%	9.1%	1.3%	1.9%	2.5%	2.7%	3.8%	2.4%	5.2%	53.5%	3.6%
Central sub-region		4.3%	0.0%	1.5%	2.0%	3.5%	2.5%	9.8%	2.5%	6.8%	0.0%	2.1%
	Camden	2.5%	0.0%	4.5%	0.0%	3.0%	0.8%	7.0%	1.0%	25.0%	0.0%	3.0%
	City of London	0.0%	-	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%
	Kensington and Chelsea	0.0%	-	0.0%	0.0%	0.0%	1.8%	28.5%	10.9%	0.0%	-	1.3%
	Islington	0.8%	0.0%	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%	9.4%	-	3.0%
	Southwark	7.5%	0.0%	4.7%	3.8%	8.4%	3.1%	10.5%	2.8%	6.4%	-	2.6%
	Westminster	5.6%	-	0.0%	0.0%	-	-	0.0%	-	0.0%	-	0.0%
	Lambeth	13.9%	0.0%	0.0%	6.1%	5.9%	9.3%	12.5%	0.0%	0.0%	-	4.9%
East sub-region		6.2%	20.0%	2.1%	2.7%	4.7%	4.4%	2.2%	3.3%	5.4%	72.1%	3.5%
	Barking and Dagenham	0.0%	-	0.0%	0.4%	1.8%	3.7%	2.9%	5.0%	0.0%	94.5%	3.5%
	Bexley	8.9%	-	0.0%	1.8%	10.6%	0.7%	3.4%	3.7%	10.4%	-	2.3%
	Greenwich	4.5%	-	5.2%	4.3%	0.0%	3.4%	1.0%	3.9%	12.5%	37.6%	5.0%
	Hackney	4.9%	-	1.8%	0.1%	6.9%	0.0%	0.0%	3.9%	4.2%	95.2%	0.8%
	Havering	5.9%	0.0%	0.0%	0.0%	2.6%	3.9%	1.0%	5.2%	7.1%	85.8%	3.5%
	Lewisham	9.5%	0.0%	8.3%	3.3%	0.0%	11.0%	7.0%	0.0%	12.9%	0.0%	2.9%
	Newham	1.9%	-	1.2%	3.2%	0.4%	1.6%	1.4%	0.9%	7.1%	-	4.4%
	Redbridge	0.0%	0.0%	0.0%	0.9%	0.0%	8.3%	0.0%	0.0%	0.0%	91.5%	3.4%
	Tower Hamlets	12.7%	0.0%	0.7%	6.1%	22.6%	3.6%	0.4%	0.0%	0.0%	-	3.7%
	Waltham Forest	14.0%	100.0%	4.0%	6.5%	2.3%	7.8%	5.1%	10.6%	0.0%	100.0%	5.3%
North sub-region		2.7%	0.0%	0.6%	1.2%	0.5%	1.9%	6.6%	1.2%	5.1%	49.5%	3.7%
	Barnet	3.7%	0.0%	0.0%	0.0%	0.0%	1.1%	6.2%	0.0%	0.0%	-	4.0%
	Enfield	1.8%	0.0%	1.9%	1.9%	0.8%	0.9%	10.6%	3.6%	6.4%	65.7%	4.5%
	Haringey	2.6%	0.0%	0.0%	1.7%	0.7%	3.7%	2.9%	0.0%	8.9%	33.3%	2.7%
South sub-region		1.7%	14.0%	1.1%	1.4%	2.4%	2.1%	4.8%	1.4%	7.2%	39.1%	4.2%
	Bromley	0.0%	0.0%	0.1%	0.6%	4.3%	3.3%	0.8%	3.8%	50.1%	100.0%	7.3%
	Croydon	1.6%	0.0%	7.7%	0.5%	0.1%	0.2%	2.1%	0.0%	0.0%	-	4.5%
	Kingston-upon-Thames	0.0%	-	0.0%	0.0%	0.8%	1.9%	1.9%	0.0%	0.0%	0.0%	2.9%
	Merton	9.1%	-	0.0%	7.5%	0.2%	0.4%	3.0%	0.1%	0.0%	63.9%	2.7%
	Richmond-upon-Thames	1.0%	-	0.0%	0.0%	10.1%	0.6%	18.9%	0.0%	0.0%	0.0%	0.4%
	Sutton	0.0%	0.0%	0.0%	0.0%	1.0%	2.5%	2.9%	4.7%	0.0%	31.8%	8.3%
	Wandsworth	0.0%	55.9%	0.0%	0.9%	0.0%	6.1%	4.2%	1.3%	0.0%	-	3.2%
West sub-region		2.5%	0.0%	4.0%	2.3%	2.4%	2.4%	1.9%	1.4%	2.6%	34.1%	2.9%
	Brent	3.7%	0.0%	0.3%	1.4%	3.1%	1.0%	4.8%	2.5%	5.9%	18.1%	4.1%
	Ealing	1.6%	0.0%	0.0%	0.7%	0.7%	4.3%	1.5%	1.3%	2.6%	48.2%	3.0%
	Hammersmith and Fulham	2.9%	-	13.2%	0.0%	1.8%	2.0%	1.5%	0.0%	0.0%	-	3.1%
	Harrow	0.0%	-	0.0%	7.3%	3.0%	2.9%	0.0%	0.0%	0.0%	-	1.7%
	Hillingdon	6.3%	-	10.8%	3.7%	1.3%	1.1%	1.0%	2.0%	7.3%	19.9%	4.0%
	Hounslow	0.7%	-	0.0%	0.5%	4.8%	3.0%	2.7%	2.7%	0.0%	-	1.2%
Central Services Circle		3.2%	0.0%	1.5%	1.7%	3.8%	1.3%	8.6%	2.5%	6.8%	0.0%	1.9%
Lea Valley		4.0%	33.3%	1.8%	2.6%	0.7%	2.8%	3.7%	1.1%	6.5%	49.7%	4.2%
Thames Gateway		3.2%	0.0%	0.9%	1.3%	3.2%	3.9%	1.5%	3.6%	13.4%	81.9%	4.2%
Wandle Valley		2.1%	18.6%	1.5%	1.8%	0.4%	2.2%	2.8%	1.2%	0.0%	31.9%	4.3%
Park Royal / A40 / Heathrow		2.5%	0.0%	3.0%	1.7%	3.1%	2.0%	4.6%	1.1%	2.0%	27.3%	2.7%

Source: CoStar Data (2021)

4.8 Rents and capital values

4.8.1 This section considers some of the key value sets underpinning industrial stock in London; rents, both headline and average rental values and; capital values, indicating the average sale prices achieved. Analysis is presented by study geography area and for different sized premises.

4.8.2 The value trends set out below should be considered against the wider context of the industrial sector in London. It is important to note that values (capital ones in particular) are not solely a reflection of demand and supply dynamics, but also reflect the performance of the wider property investment market.

4.8.3 In recent years significant amounts of investment capital have flowed into the UK's industrial property market both from within and outside the UK. To some extent the sector has been seen as a 'safer' investment than other commercial property sectors such as retail or offices given the diverging demand dynamics. This has impacted capital values which in turn have an impact on rents required to generate a return on investment.

4.8.4 The interaction of demand and supply of space also impact the rental pressure in London. Principally the rapid increase in rents is seen as a supply side dynamic – with a lack of appropriate space in the locations businesses wish to be based within. This is at its most extreme in Inner London which has increasingly become a location where supply is constrained but demand has grown/remained strong – principally driven by final mile delivery needs and servicing of Central London.

4.8.5 This supply challenge has been exacerbated by a loss of space in non-designated or local employment areas outside of the protection of SIL policy. This has left businesses with little choice but to seek space on protected sites, even if they do not necessarily need to be in a SIL-type environment. For example, many creative businesses do not need to be separated from other uses given the limited (or non-existent) noise, air quality or other impacts they would have on any neighbouring use.

4.8.6 As observed within the Places that Work research[29] and more recently Making Space[30] a diversification of London's space portfolio in locations other than SIL could help alleviate the pressure on space in SIL and help temper future rental growth or deliver more affordable spaces for businesses in a range of suitable places.

Headline rents and capital values

4.8.7 **Rental values** and capital values have been derived utilising CoStar's analytics tab, providing averages for each defined geographical area. Both metrics are presented against the 10-year average, providing an indication of value growth, shown in Table 4.7.

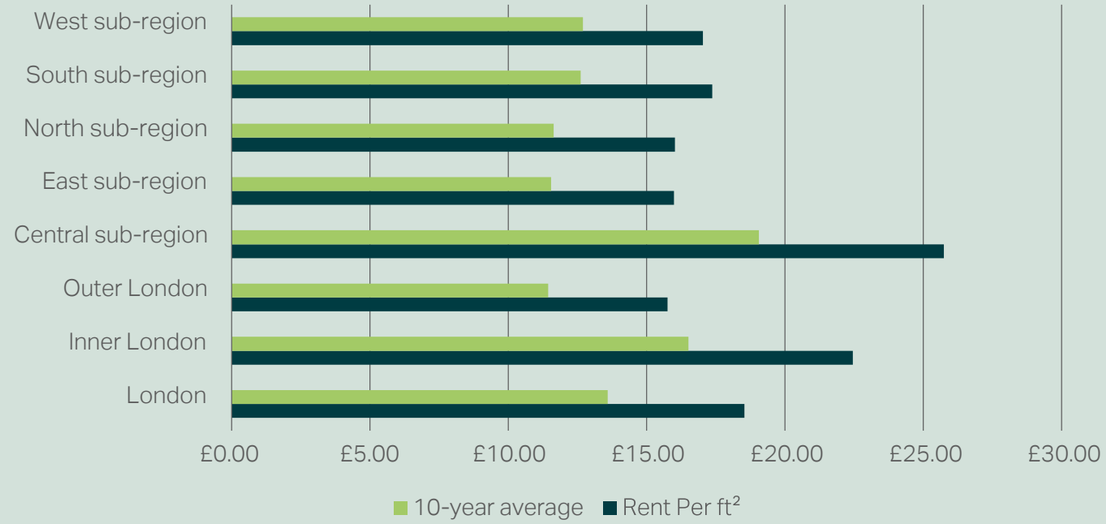
4.8.8 The average rent for industrial and light industrial property in London is £19 per square foot (p/ft²), or £200 per square metre (p/m²). This reflects a 36% uplift on the 10-year average at £14 p/ft² / £145 p/m².

4.8.9 At the sub-regional level, the highest rental values are located within the Central sub-region, at £26 p/ft² / £280 p/m². This is also illustrated in Figure 4.16. It reflects the dominance of small buildings in this area, demand from higher-value occupiers for space close to the markets and attractions of the CAZ and/or those servicing it and requiring close proximity to it. The lowest rental values are within the East sub-region, indicating an average of c.£16 p/ft² / £170 p/m², reflecting the larger amount of supply, generally larger average size of buildings and the continuing availability, albeit reduced, of vacant land.

4.8.10 At the borough level, the highest rental values are recorded in Camden £28 p/ft² / £302 p/m² (excluding those Central London boroughs with typically very few transactions). The lowest rental values are recorded in Bexley, at £12 p/ft² / £130 p/m² (see Figure 4.17).

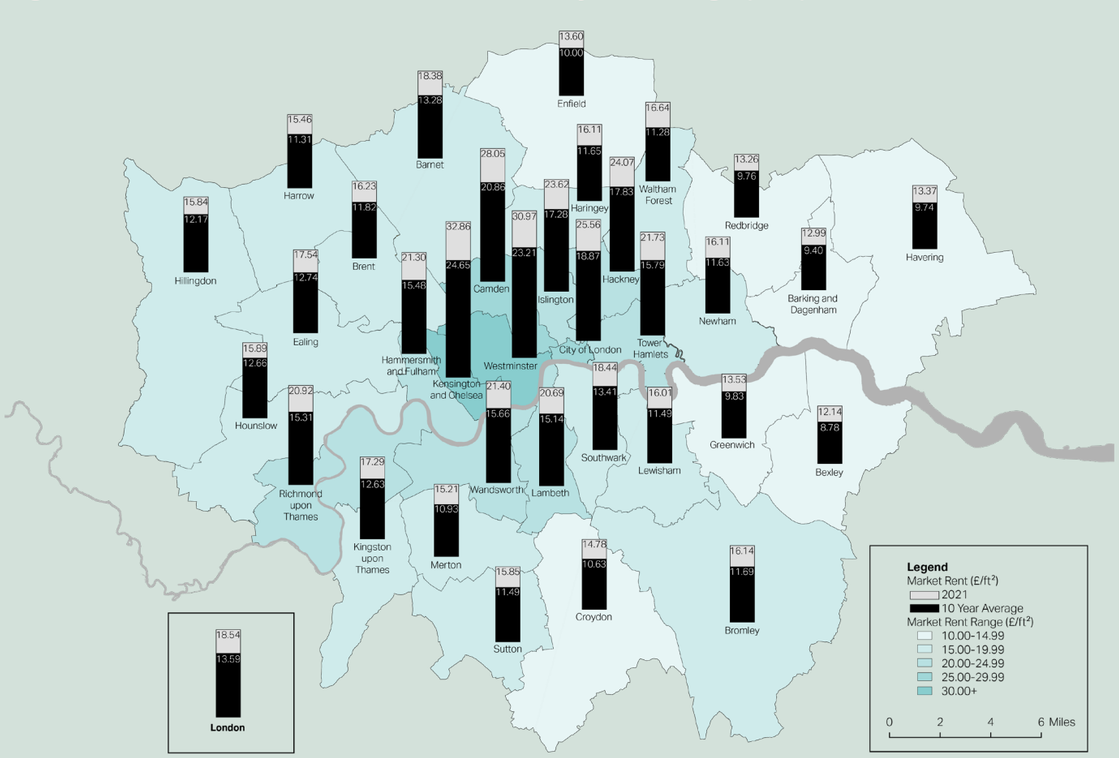
[29] https://www.centreforlondon.org/publication/places-that-work/
[30] https://www.centreforlondon.org/publication/london-industrial-future/

Figure 4.16: Rental values by sub-region for 2021 vs 10-year average



Source: CoStar Data (2021)

Figure 4.17: Headline rental values 2021 vs 10-year average (£/ft²)



Source: CoStar Data (2021)

Table 4.7: Headline rents and capital values

Area	Borough	ft²				m²			
		QTD[40] rent per ft²	10-year average	QTD capital value pft²	10-year average	QTD Rent per m²	10-year average	QTD capital value pm²	10-year average
London		£18.54	£13.59	£324.52	£198.18	£199.62	£146.26	£3,493.08	£2,133.23
Inner London		£22.45	£16.51	£366.57	£232.50	£241.65	£177.71	£3,945.73	£2,502.61
Outer London		£15.67	£11.44	£293.53	£172.89	£168.62	£123.09	£3,159.52	£1,861.04
Central sub-region		£25.74	£19.06	£417.43	£264.00	£277.08	£205.16	£4,493.16	£2,841.67
	Camden	£28.05	£20.86	£462.00	£294.00	£301.93	£224.54	£4,972.93	£3,164.59
	City of London	£25.56	£18.87	£364.00	£244.00	£275.13	£203.11	£3,918.06	£2,626.39
	Kensington and Chelsea	£32.86	£24.65	£583.00	£354.00	£353.70	£265.33	£6,275.36	£3,810.42
	Islington	£23.62	£17.28	£383.00	£238.00	£254.24	£186.00	£4,122.58	£2,561.81
	Southwark	£18.44	£13.41	£308.00	£194.00	£198.49	£144.34	£3,315.28	£2,088.20
	Westminster	£30.97	£23.21	£492.00	£313.00	£333.36	£249.83	£5,295.84	£3,369.10
	Lambeth	£20.69	£15.14	£330.00	£211.00	£222.71	£162.97	£3,552.09	£2,271.19
East sub-region		£15.99	£11.55	£274.10	£173.80	£172.06	£124.36	£2,950.39	£1,870.77
	Barking and Dagenham	£12.99	£9.40	£238.00	£151.00	£139.82	£101.18	£2,561.81	£1,625.35
	Bexley	£12.14	£8.78	£238.00	£152.00	£130.67	£94.51	£2,561.81	£1,636.11
	Greenwich	£13.53	£9.83	£256.00	£165.00	£145.64	£105.81	£2,755.56	£1,776.05
	Hackney	£24.07	£17.83	£371.00	£239.00	£259.09	£191.92	£3,993.41	£2,572.57
	Havering	£13.37	£9.74	£261.00	£166.00	£143.91	£104.84	£2,809.38	£1,786.81
	Lewisham	£16.01	£11.49	£265.00	£169.00	£172.33	£123.68	£2,852.44	£1,819.10
	Newham	£16.11	£11.63	£258.00	£163.00	£173.41	£125.18	£2,777.09	£1,754.52
	Redbridge	£13.26	£9.76	£225.00	£142.00	£142.73	£105.06	£2,421.88	£1,528.48
	Tower Hamlets	£21.73	£15.79	£337.00	£212.00	£233.90	£169.96	£3,627.44	£2,281.95
	Waltham Forest	£16.64	£11.28	£292.00	£179.00	£179.11	£121.42	£3,143.06	£1,926.74
North sub-region		£16.03	£11.64	£298.00	£134.33	£172.55	£125.33	£3,207.65	£1,445.95
	Barnet*	£18.38	£13.28	£328.00	£62.00	£197.84	£142.94	£3,530.56	£667.36
	Enfield	£13.60	£10.00	£275.00	£162.00	£146.39	£107.64	£2,960.08	£1,743.75
	Haringey	£16.11	£11.65	£291.00	£179.00	£173.41	£125.40	£3,132.30	£1,926.74
South sub-region		£17.37	£12.62	£300.71	£189.14	£186.97	£135.84	£3,236.86	£2,035.92
	Bromley	£16.14	£11.69	£290.00	£178.00	£173.73	£125.83	£3,121.53	£1,915.98
	Croydon	£14.78	£10.63	£244.00	£158.00	£159.09	£114.42	£2,626.39	£1,700.70
	Kingston-upon-Thames	£17.29	£12.63	£284.00	£184.00	£186.11	£135.95	£3,056.95	£1,980.56
	Merton	£15.21	£10.93	£281.00	£174.00	£163.72	£117.65	£3,024.66	£1,872.92
	Richmond-upon-Thames	£20.92	£15.31	£346.00	£210.00	£225.18	£164.80	£3,724.31	£2,260.42
	Sutton	£15.85	£11.49	£252.00	£166.00	£170.61	£123.68	£2,712.51	£1,786.81
	Wandsworth	£21.40	£15.66	£408.00	£254.00	£230.35	£168.56	£4,391.68	£2,734.03
West sub-region		£17.04	£12.70	£341.17	£204.50	£183.45	£136.67	£3,672.32	£2,201.24
	Brent	£16.23	£11.82	£303.00	£186.00	£174.70	£127.23	£3,261.46	£2,002.09
	Ealing	£17.54	£12.74	£322.00	£201.00	£188.80	£137.13	£3,465.98	£2,163.55
	Hammersmith and Fulham	£21.30	£15.48	£315.00	£205.00	£229.27	£166.63	£3,390.63	£2,206.60
	Harrow	£15.46	£11.31	£273.00	£174.00	£166.41	£121.74	£2,938.55	£1,872.92
	Hillingdon	£15.84	£12.17	£410.00	£226.00	£170.50	£131.00	£4,413.24	£2,432.66
	Hounslow	£15.89	£12.66	£424.00	£235.00	£171.04	£136.27	£4,563.94	£2,529.54
Central Services Circle		£22.03	£16.27	£355.80	£225.60	£237.13	£175.13	£3,829.80	£2,428.34
Lea Valley		£15.62	£11.14	£279.00	£170.75	£168.13	£119.91	£3,003.13	£1,837.94
Thames Gateway		£13.93	£10.12	£252.29	£159.57	£149.99	£108.92	£2,715.58	£1,717.61
Wandle Valley		£16.91	£12.27	£293.80	£187.20	£182.02	£132.07	£3,162.44	£2,015.00
Park Royal / A40 / Heathrow		£17.70	£13.10	£340.13	£187.38	£190.47	£140.97	£3,661.11	£2,016.90

Source: CoStar Data (2021)

* The 10-year average capital values recorded for this borough are recognised as being an outlier with no further investigation of the source data possible to identify reasons.
** QTD = Quarter to Date (Quarter 4 2021)

4.8.11 **Capital Values** follow an even steeper trend, with London recording a total average of £325 p/ft² / £3,493 p/m². This reflects an uplift of c. 64% on the 10-year average (£198 p/ft² / £2,133 p/m², demonstrating strong value growth. As indicated in the market overview at the outset of this section, the continued growth in demand for big box space against a backdrop of constrained supply will be a significant factor driving this trend.

4.8.12 At the sub-regional level, capital values range from £270 p/ft² / £2,950 p/m² in the East sub-region at the lower end to £420 p/ft²/ £4,490 p/m² in the Central sub-region as shown in Figure 4.18.

4.8.13 At borough level, Camden records the highest average value across the borough at £462 p/ft² / £4,972 p/m² (excluding other Central London boroughs with typically few transactions), and with £225 p/ft² / £2,422 p/m² Redbridge records the lowest (see Figure 4.19).

Average rents

4.8.14 Greater detail on rental values is provided in Table 4.8, setting out achieved rents over the last five years. Values have been derived through achieved rents detailed on CoStar. Where possible, net-effective rent has been utilised, taking account of the impact of incentives such as rent-free periods.

4.8.15 Data indicates average rents achieved in London over the timeframe reflect c.£17 p/ft²/ £183 p/m², based on 3,582 deals. This represents c.32.4m ft² / 3m m² of industrial floorspace. Average floorspace leased is 9,040 ft²/ 840 m².

4.8.16 Perhaps unsurprisingly given the concentration of buildings here, the most active market has been the West sub-region, with 1,189 lease transactions in the last 5 years, reflecting a total floorspace of c.13.2m ft² / 1.2m m².

4.8.17 By comparison, the Central sub-region has only seen 276 lease transactions, accounting for c.1.4m ft² / 100,000 m² of industrial floorspace. At borough level, the most active market in terms of number of transactions has been in Ealing, where a total of around 360 transactions representing c.4.4m ft² / 400,000 m² of industrial floorspace achieving an average rent of £15 p/ft² / £160 p/m².

4.8.18 The boroughs with the lowest levels of activity as measured by transactions are all within the Central sub-region. Outside this, Barnet (37) and Harrow (38) account for the fewest transactions during the timeframe, reflective of these both being small markets when measured in terms of number of buildings and floorspace area.

4.8.19 Average rents achieved at a sub-regional level are found to be highest by some margin in the Central-sub region at £26.50 p/ft² / £285 p/m². Values across the other areas are similar to each other, with £15 p/ft² / £160 p/m² the average achieved in both the East and West sub-regions, with £14.50 p/ft² / £155 p/m² in the South, and the North sub-region recording somewhat lower at £13 p/ft² / £135 p/m². This indicates that outside the Central area, with its smaller market mostly focused on light industrial property and storage, rents achieved over the last 5 years in London have been broadly similar across London when looked at in aggregate.

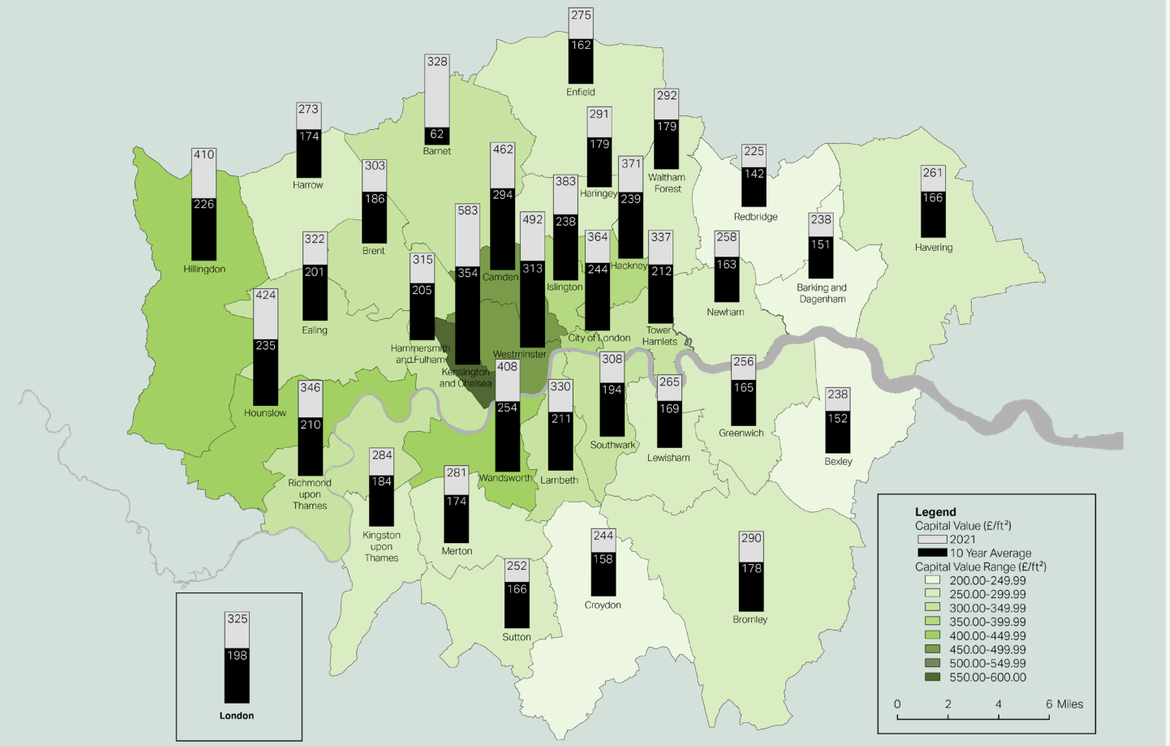
4.8.20 At a local level, when boroughs with 10 or fewer transactions are set aside (i.e. City of London and Westminster), the boroughs with the highest average rental values since 2017 are all in Inner London. These are led by Islington (£25 p/ft² / £270 p/m²) Camden and Lambeth (each at £21 p/ft² / £230 p/m²) in the Central sub-region, and Hackney (£23 p/ft² / £250 p/m²) and Tower Hamlets (£21 p/ft² / £230 p/m²) in the East. Whilst Enfield and Barking and Dagenham (both £11 p/ft² / £120 p/m²) recorded the lowest average achieved rents during the timeframe, the average size of transaction by floor area were the two highest in London (24,200 ft² / 2,250 m² and 16,041 ft² / 1,490 m² respectively) in those two boroughs and their comparatively high number of transactions points to strong demand for the available floorspace.

4.8.21 The highest number of transactions by PMA was recorded within Park Royal / A40 / Heathrow, with 1,266 transactions, over 80% more than the next most, Thames Gateway with 690. Nearly 43% of the floorspace (13.9m ft² / 1.3m m²) accounted for by these was within Park Royal / A40 / Heathrow, again with Thames Gateway accounting for the next highest amount (6.9m ft² / 640,000 m²).

Figure 4.18: Capital values by sub-region for 2021 vs 10-year average

Source: CoStar Data (2021)

Figure 4.19: Capital values 2021 vs 10-year average (£/ft²)



Source: CoStar Data (2021)

Table 4.8: Achieved rents (2017-2021)

Area	Borough	Number of deals	ft²			m²		
			Floorspace (ft²)	Average floorspace (ft²)	Average rent (£/ft²/year)	Floorspace (m²)	Average floorspace (m²)	Average rent (£/m²/year)
London		3,582	32,384,023	9,041	£17.03	3,008,549	840	£183.28
Inner London		890	5,157,339	5,795	£22.84	479,132	445	£245.86
Outer London		2,692	27,226,684	10,114	£13.18	2,529,421	940	£141.91
Central sub-region		276	1,378,811	4,996	£26.55	128,096	2,498	£285.81
	Camden	23	63,336	2,754	£21.48	5,884	275	£231.21
	City of London	2	3,248	1,624	£39.50	302	151	£425.17
	Kensington and Chelsea	10	24,004	2,400	£22.96	2,230	223	£247.14
	Islington	26	137,026	5,270	£25.27	12,730	490	£272.00
	Southwark	127	770,661	6,068	£17.55	71,597	564	£188.91
	Westminster	10	42,280	4,228	£37.93	3,928	393	£408.28
	Lambeth	78	338,256	4,337	£21.18	31,425	403	£227.98
East sub-region		1,131	8,757,407	7,743	£14.89	813,590	7,027	£160.27
	Barking and Dagenham	110	1,764,507	16,041	£11.19	163,928	1,490	£120.45
	Bexley	165	1,814,433	10,997	£10.12	168,566	1,022	£108.93
	Greenwich	100	848,014	8,480	£11.09	78,783	788	£119.37
	Hackney	45	183,089	4,069	£23.42	17,010	378	£252.09
	Havering	129	936,613	7,261	£12.61	87,014	675	£135.73
	Lewisham	86	339,230	3,945	£15.50	31,515	367	£166.84
	Newham	103	1,138,136	11,050	£14.48	105,736	1,027	£155.86
	Redbridge	62	305,944	4,935	£12.94	28,423	458	£139.29
	Tower Hamlets	120	583,328	4,861	£21.40	54,193	452	£230.35
	Waltham Forest	211	844,113	4,001	£16.15	78,421	372	£173.84
North sub-region		278	4,092,945	14,723	£12.51	380,247	3,921	£134.66
	Barnet	37	443,657	11,991	£12.42	41,217	1,114	£133.69
	Enfield	121	2,924,333	24,168	£11.40	271,679	2,245	£122.49
	Haringey	120	724,955	6,041	£13.71	67,351	561	£147.57
South sub-region		708	4,918,138	6,947	£14.41	456,910	4,646	£155.06
	Bromley	72	640,803	8,900	£11.66	59,533	827	£125.51
	Croydon	103	932,200	9,050	£12.99	86,604	841	£139.82
	Kingston-upon-Thames	77	670,581	8,709	£15.07	62,299	809	£162.21
	Merton	201	1,156,053	5,752	£13.66	107,401	534	£147.04
	Richmond-upon-Thames	40	208,427	5,211	£15.01	19,364	484	£161.57
	Sutton	100	761,205	7,612	£12.81	70,718	707	£137.89
	Wandsworth	115	548,869	4,773	£19.64	50,992	443	£211.40
West sub-region		1,189	13,236,722	11,133	£14.79	1,229,721	1,034	£159.23
	Brent	144	1,274,372	8,850	£14.43	118,393	822	£155.32
	Ealing	358	4,363,848	12,190	£15.03	405,415	1,132	£161.78
	Hammersmith and Fulham	45	137,862	3,064	£20.01	12,808	285	£215.39
	Harrow	38	202,967	5,341	£12.99	18,856	496	£139.82
	Hillingdon	276	3,958,502	14,342	£12.77	367,754	1,332	£137.44
	Hounslow	328	3,299,171	10,058	£13.53	306,500	934	£145.59
Central Services Circle		527	2,484,458	4,714	£22.48	230,814	438	£241.97
Lea Valley		504	5,062,469	10,055	£13.94	470,319	934	£150.05
Thames Gateway		690	6,879,382	9,977	£12.01	639,115	927	£129.31
Wandle Valley		596	4,068,908	6,827	£14.83	378,014	634	£159.63
Park Royal / A40 / Heathrow		1266	13,888,806	10,971	£14.52	1,290,302	1,019	£156.33

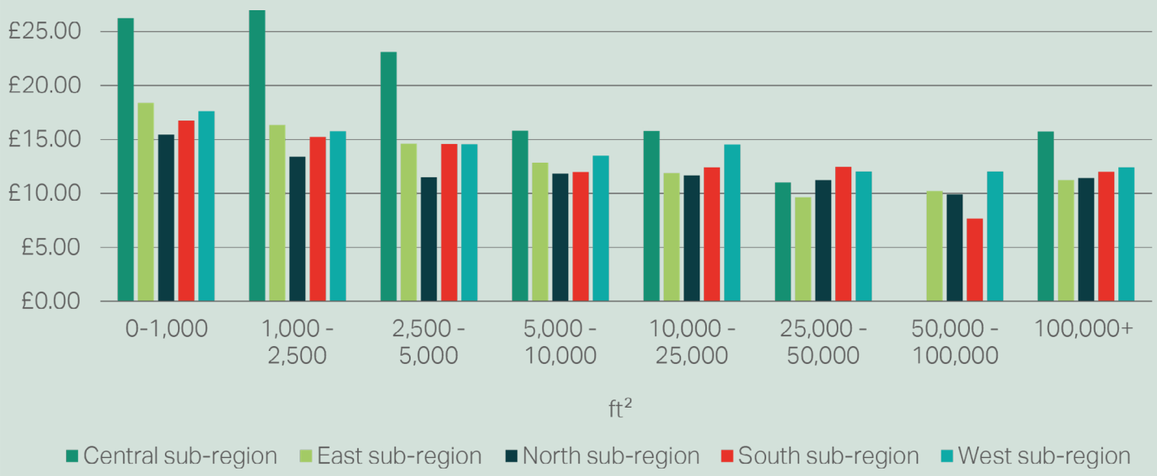
Source: CoStar Data (2021)

4.8.22 Table 4.9 presents **average rents by size band**, based on transactions between 2017 and 2021. In instances where no transactions have taken place and an average cannot therefore be derived, 'N/A' is stated. As would generally be expected, the data indicates that smaller units command higher rental values on average in London, with values progressively falling as size bands increase, notwithstanding a premium being paid for 100,000+ ft² units compared with generally the next two smaller size bands (see Figure 4.20). Again, this reflects the significant demand for big box distribution uses set out earlier within the chapter.

4.8.23 This trend is broadly followed at the sub-regional level, again, with highest values displayed at the Central sub-region (£11-£26 p/ft²), and lowest values at the North sub-region (£10-£15 p/ft²) and South sub-region (£7-16 p/ft²).

4.8.24 Property market areas also follow this trend, with the Thames Gateway presenting a range from around £10 p/ft² to £14 p/ft² while at the higher end the Central Services Circle presents a range from £10 p/ft² to £25 p/ft².

Figure 4.20: Average rent per size band in 2021 by sub-region (£/ft²)



Source: CoStar Data (2021)

Table 4.9: Average rent by size band (2017-2021)

Area	Borough	Size band (ft²)							
		0 - 1,000	1,000 - 2,500	2,500 - 5,000	5,000 - 10,000	10,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000 +
		Average rent (£/ft²)							
London		£19.08	£18.46	£15.90	£13.16	£13.12	£11.15	£9.84	£12.58
Inner London		£24.31	£24.07	£19.95	£15.30	£15.62	£11.34	£9.91	£14.53
Outer London		£17.90	£15.91	£15.14	£12.67	£12.93	£10.52	£8.53	£12.04
Central sub-region		£26.23	£30.45	£23.10	£15.80	£15.77	£11.00	N/A	£15.73
	Camden	£20.27	£22.55	£26.39	£12.94	£15.64	N/A	N/A	£15.64
	City of London	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Kensington and Chelsea	£31.76	£25.58	£19.12	N/A	N/A	N/A	N/A	N/A
	Islington	£16.90	£39.94	£24.06	£21.42	£20.71	N/A	N/A	£20.71
	Southwark	£17.66	£20.43	£16.39	£15.73	£13.62	£11.00	N/A	£13.40
	Westminster	£50.03	£51.00	£32.60	£11.50	£11.59	N/A	N/A	£11.59
	Lambeth	£20.76	£23.20	£20.03	£17.43	£17.31	N/A	N/A	£17.31
East sub-region		£18.38	£16.37	£14.63	£12.84	£11.88	£9.64	£10.24	£11.25
	Barking and Dagenham	£15.53	£13.15	£12.52	£9.99	£9.89	£9.27	£6.78	£8.86
	Bexley	£10.47	£12.57	£9.97	£9.56	£8.85	£7.75	£7.75	£8.36
	Greenwich	£16.87	£11.83	£9.44	£10.46	£8.92	£8.10	£8.97	£8.62
	Hackney	£23.97	£29.92	£20.71	£20.20	£12.50	£17.75	N/A	£13.55
	Havering	£16.96	£14.88	£11.37	£9.79	£8.96	£9.43	£8.71	£8.99
	Lewisham	£19.55	£15.31	£16.05	£13.21	£5.29	£9.38	N/A	£6.65
	Newham	£15.83	£15.38	£13.43	£14.25	£13.96	£12.57	£19.01	£13.47
	Redbridge	£13.39	£14.55	£14.27	£10.14	£12.02	N/A	N/A	£12.02
	Tower Hamlets	£30.18	£20.29	£24.40	£16.67	£24.76	£3.00	N/A	£19.87
	Waltham Forest	£21.00	£15.87	£14.11	£14.15	£13.68	£9.51	N/A	£12.08
North sub-region		£15.45	£13.42	£11.49	£11.84	£11.67	£11.25	£9.92	£11.42
	Barnet	£17.79	£15.77	£6.42	£11.05	£13.58	£13.53	N/A	£13.58
	Enfield	£12.81	£11.49	£12.12	£11.75	£11.65	£9.44	£9.92	£10.68
	Haringey	£15.75	£13.01	£15.94	£12.71	£9.78	£10.79	N/A	£10.00
South sub-region		£16.73	£15.24	£14.59	£12.01	£12.41	£12.49	£7.68	£12.02
	Bromley	£11.75	£11.22	£12.27	£11.16	£10.10	£15.02	£12.92	£11.51
	Croydon	£17.15	£15.82	£12.51	£11.33	£10.66	£10.14	£6.00	£10.30
	Kingston-upon-Thames	£13.74	£16.00	£19.51	£11.85	£11.71	£11.90	£10.03	£11.69
	Merton	£15.76	£15.43	£13.31	£11.54	£11.58	£10.77	N/A	£11.45
	Richmond-upon-Thames	£18.84	£14.38	£11.94	£11.84	£13.23	N/A	N/A	£13.23
	Sutton	£12.95	£14.23	£13.06	£12.41	£11.42	£10.16	N/A	£10.92
	Wandsworth	£26.93	£19.58	£19.55	£13.98	£18.19	£16.94	£1.76	£15.04
West sub-region		£17.65	£15.76	£14.54	£13.51	£14.52	£12.04	£12.04	£13.41
	Brent	£18.00	£16.36	£13.58	£13.53	£11.66	£12.67	£11.43	£12.13
	Ealing	£18.75	£17.50	£16.14	£15.18	£12.99	£12.25	£11.29	£12.66
	Hammersmith and Fulham	£25.25	£17.95	£17.13	£15.83	£25.00	£12.00	N/A	£18.50
	Harrow	£15.79	£12.51	£12.92	£12.84	£13.34	£11.00	N/A	£12.75
	Hillingdon	£12.51	£14.46	£13.17	£11.30	£11.87	£12.36	£13.39	£12.16
	Hounslow	£15.59	N/A	£14.27	£12.36	£12.25	£11.94	N/A	£12.26
Central Services Circle		£22.32	£25.33	£19.48	£14.05	£12.08	£9.53	N/A	£12.36
Lea Valley		£16.35	£13.94	£13.90	£13.21	£12.27	£10.57	£14.46	£11.56
Thames Gateway		£14.40	£13.37	£11.89	£10.77	£10.39	£10.35	£10.69	£10.26
Wandle Valley		£17.30	£16.21	£15.59	£12.22	£12.71	£11.98	£5.93	£11.88
Park Royal / A40 / Heathrow		£17.82	£15.56	£13.20	£12.99	£14.24	£12.25	£12.04	£13.41

Source: CoStar Data (2021).

Capital values

4.8.25 Analysis of capital values provides a perspective on performance of the market for industrial land and floorspace from sales transactions. Some national context has been considered below to provide a view of overarching trends before analysis of key trend in London arising from the data.

National context

4.8.26 In 2021 **investment volumes** for distribution industrial assets significantly increased compared to 2020. Investment volumes totalled £11 billion across the UK compared to almost £5 billion the previous year, as shown in Figure 4.21.

4.8.27 Blackstone was the largest investor, acquiring industrial assets including Project Alaska, a portfolio of Asda warehouses, which sold for £1.7 billion, and the Defender portfolio for £272 million. LondonMetric acquired £435 million worth of stock during 2021 including a portfolio of 15 industrial assets from Savills Investment Management for £122 million.

4.8.28 The attractiveness of the UK industrial market drew substantial demand from overseas investors during the year. In total, overseas investment made up 57% of total volumes, similar to the 55% recorded in the previous year but higher in absolute terms. US investors accounted for the highest share of overseas investment.

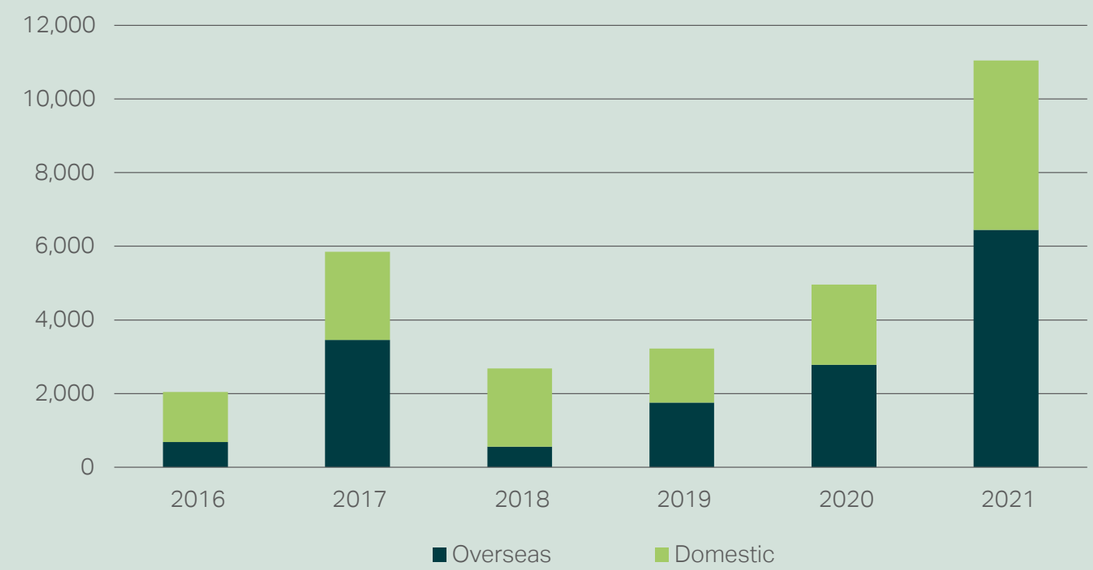
4.8.29 London and the South East saw the highest volume of activity, totalling £2.3 billion. There was also a significant level of activity in the East Midlands, where volumes reached over £1.4 billion.

4.8.30 As incomes from investment are observed to become more secure and likely to grow, the resulting strong investor demand is driving significant compression in **yields**, as shown by the recent trends illustrated in Figure 4.22. According to the latest MSCI monthly index, which provides monthly real estate performance data, equivalent yield came in (decreased) by 99bps[31] over the last 12 months from 5.34% to 4.35%.

4.8.31 Investors continue to be attracted to the industrial sector, driven by strong market fundamentals, and a desire for greater exposure to a market which offers the opportunity for strong rental growth. These trends are supported by Figure 4.21 and Figure 4.22 and are expected to continue in 2022.

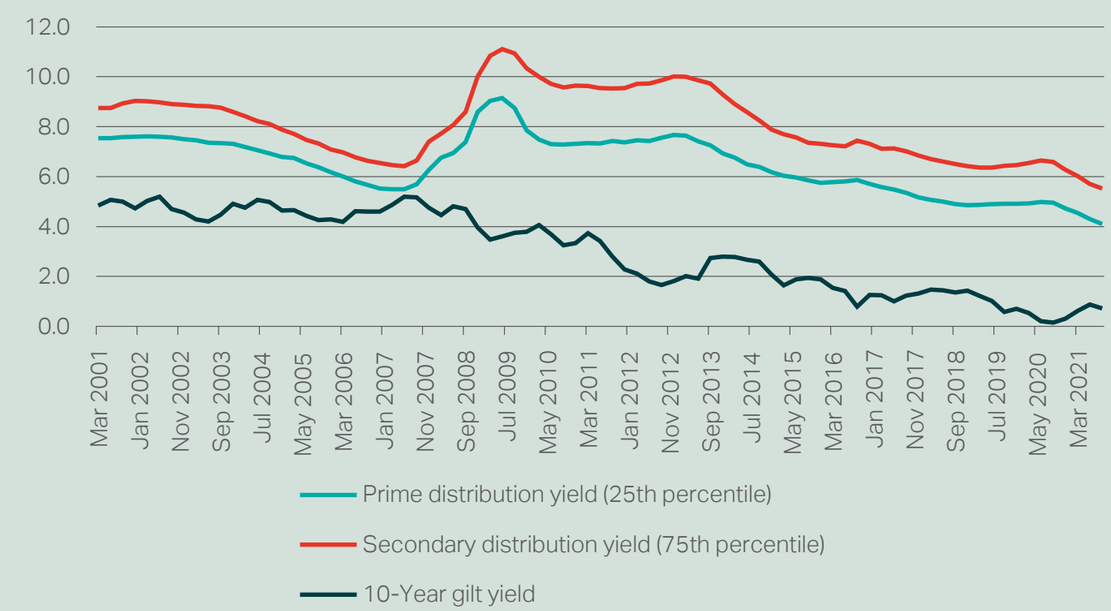
[31] Basis points (BPS) refers to a common unit of measurement for yields. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Figure 4.21: Distribution investment volumes (£million)



Source: Avison Young (2022)

Figure 4.22: Yields (%)



Source: Avison Young (2022)

* Prime yields reflect the sales of the highest quality stock, with the lowest risk profile within a defined location; secondary yields present a sale of property that present a slightly higher risk profile; a gilt yield reflects the interest rate paid on British Government bonds.

Data analysis

4.8.32 Information presented in Table 4.10, Table 4.11 and Table 4.12 sets out average capital values by size, stock type and age, based on sales transactions in the last five years.

4.8.33 Given the infrequency of industrial sales transactions at the borough level, averages have only been presented at the sub-regional level. In instances where there were no transactions recorded, the table is marked with 'N/A.'

4.8.34 As with rental values, data indicates a general downward trend in capital **values as building size category** increases. These trends are shown in Table 4.10 for:

- London – £834 p/ft² for the smallest units and £320 p/ft² for the largest units (or £8,977 p/m² and £3,443 p/m² respectively)
- Sub-regional level – where the East sub-region, representing the most acute example of the trend, records £1,150 p/ft² for the smallest units, and £260 p/ft² for the largest units (or £12,379 p/m² and £2,691 p/m² respectively)
- Property market areas – where Park Royal / A40 / Heathrow, representing the most acute example of the trend, records £602 p/ft² for the smallest units and £400 p/ft² for the largest units (or £6,488 p/m² and £4,310 p/m² respectively).

4.8.35 There are some significant geographic variations, but as might be expected and as the data indicates, the most valuable units are those that are small in size and are located centrally. Notwithstanding this, stock over 100,000ft² in Outer London locations tends to achieve a premium over smaller size categorisations, and this is likely to reflect the strength in the distribution sector, as highlighted with the national context above as well as these often being newer, or fit for purpose stock, as they are delivered to cater for 'new' demand; the evolving nature of the logistics sector, and continued innovation leads to updated requirements for stock, with existing stock struggling to keep pace with updated thinking on design, and location.

4.8.36 Average **values by age category** are set out within Table 4.11. The data indicates fluctuations in values across London based on age. Some of the fluctuation for more dated stock may reflect property being valued on its development potential. This is certainly the case in the Central sub-region.

Table 4.10: Average capital value of transaction by size band (2017-2021)

Area	Size band (ft²)							
	0 - 1,000	1,000 - 2,500	2,500 - 5,000	5,000 - 10,000	10,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000 +
	Average capital value (£/ft²)							
London	£834.26	£466.42	£507.55	£331.30	£316.46	£278.72	£290.74	£319.89
Inner London	£1,327.62	£542.86	£698.86	£444.55	£450.34	£336.61	£409.89	£231.39
Outer London	£505.35	£420.56	£387.98	£258.02	£242.08	£241.27	£214.14	£349.40
Central sub-region	£1,218.91	£521.35	£644.57	£598.85	£478.64	£264.75	N/A	N/A
East sub-region	£1,154.71	£387.01	£496.69	£232.63	£324.51	£300.16	£261.55	£250.21
North sub-region	£314.00	£333.85	£555.79	£309.93	£201.27	£367.40	£135.67	£261.63
South sub-region	£223.92	£563.39	£478.38	£260.47	£298.44	£255.69	£243.01	£473.77
West sub-region	£699.30	£480.96	£421.35	£339.18	£266.58	£250.90	£306.77	£400.51
Central Services Circle	£840.54	£433.07	£711.93	£427.55	£407.87	£265.91	£355.90	N/A
Lea Valley	N/A	£263.68	£497.84	£257.24	£289.26	£374.30	£252.64	£254.22
Thames Gateway	£1,003.91	£322.26	£246.97	£229.23	£228.89	£211.62	£325.62	£273.75
Wandle Valley	£61.84	£695.10	£534.96	£260.02	£277.38	£244.21	£227.73	£473.77
Park Royal / A40 / Heathrow	£602.98	£462.39	£388.37	£364.88	£279.33	£266.70	£306.77	£400.51

Source: CoStar Data (2021)

Table 4.11: Average capital value of transaction (2017-2021) by age category

Area	Age category									
	Pre-War	1940 - 1949	1950 - 1959	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2009	2010 - 2019	2020 - 2029
	Average capital value (£/ft²)									
London	£374.40	£826.30	£500.99	£390.62	£377.11	£322.38	£290.32	£332.02	£416.71	£408.22
Inner London	£545.10	£1,424.28	£587.94	£642.37	£592.70	£456.22	£350.31	£460.20	£440.62	N/A
Outer London	£240.29	£228.31	£440.13	£228.78	£253.92	£235.78	£260.32	£282.72	£414.54	N/A
Central sub-region	£633.95	£1,424.28	£710.47	£744.53	£486.47	£584.89	£450.32	£268.89	N/A	N/A
East sub-region	£368.28	N/A	£438.80	£262.89	£481.37	£291.30	£223.33	£286.72	£156.15	N/A
North sub-region	£202.23	N/A	£1,227.25	£166.54	£293.66	£179.35	£259.93	£285.23	£410.61	N/A
South sub-region	£171.11	£245.97	£195.21	£478.63	£248.16	£308.45	£290.62	£209.01	£320.77	£408.22
West sub-region	£403.95	£210.65	£416.64	£283.77	£280.19	£276.59	£285.56	£546.92	£687.16	N/A
Central Services Circle	£606.37	£949.52	£690.41	£515.49	£352.04	£423.41	£337.74	£134.44	N/A	N/A
Lea Valley	£309.23	N/A	£873.28	£239.10	£295.92	£267.51	£296.89	£293.56	£322.34	N/A
Thames Gateway	£204.34	N/A	£149.81	£165.42	£278.14	£280.56	£202.85	£293.57	£192.82	N/A
Wandle Valley	£208.06	£245.97	£197.30	£585.71	£213.66	£296.18	£316.78	£208.50	£353.24	£408.22
Park Royal / A40 / Heathrow	£330.30	£210.65	£416.64	£283.77	£292.11	£275.70	£285.56	£546.92	£687.16	N/A

Source: CoStar Data (2021)

4.8.37 Table 4.12 details capital **value by stock type**. Analysis of secondary uses (i.e. more specific use types below the general umbrella of 'industrial property' in CoStar) presents a useful indicator of activities driving transactional values and the role of high growth sectors such as logistics and e-fulfilment in the wider capital value picture. CoStar data indicates that of sales transactions between 2017 and 2021, c.95% were for the following stock types: 'Warehouse'[32] (52%),'Service' (20%), Light Manufacturing (16%) and 'Distribution'[33] (9%) units (see Figure 4.23).

4.8.38 Across London, buildings used for service activity attracted the highest capital values (£464 p/ft² / £4,988 p/m²), whilst distribution attracted the lowest (£267 p/ft² / £2,868 p/m²). This reflects the common trend that larger stock generally attracts lower values on a p/ft² basis. Notwithstanding this, some of the higher value units supporting the distribution average will present values above and beyond some of the more dated distribution stock, reflecting the new-build premium discussed earlier within this Section.

4.8.39 Similarly, buildings used for service activity reflected the highest capital values in the Central sub-region (c.£745 p/ft² / £8,019 p/m²) relative to more suppressed values within the North sub-region (c.£340 p/ft² / £3,660 p/m²). In most instances, these values exceeded those for Warehouse, Distribution and Light Manufacturing. However, it is worth noting contradictions to this trend, with Light Manufacturing properties presenting the highest values in the East-sub region (£400 p/ft² / £4,306 p/m²). There is no clear trend driving this, with data indicating the highest capital values are supported by a mixture of plots that have been sold at high values for residential development[34], small units which generally attract a higher value p/ft², and larger sub-divided units which are fully let and present strong investment opportunities.

4.8.40 PMAs display similar trends, with Service buildings showing the highest values in the Central Services Circle (£620 p/ft² / £6,674 p/m²), the Wandle Valley (£430 p/ft² / £4,628 p/m²) and Park Royal / A40 / Heathrow (£437 p/ft² / £4,705 p/m²) and Light Manufacturing presenting the highest values in the Lea Valley (£400 p/ft² / £4,306 p/m²) and the Thames Gateway (£350 p/ft² / £3,800 p/m²).

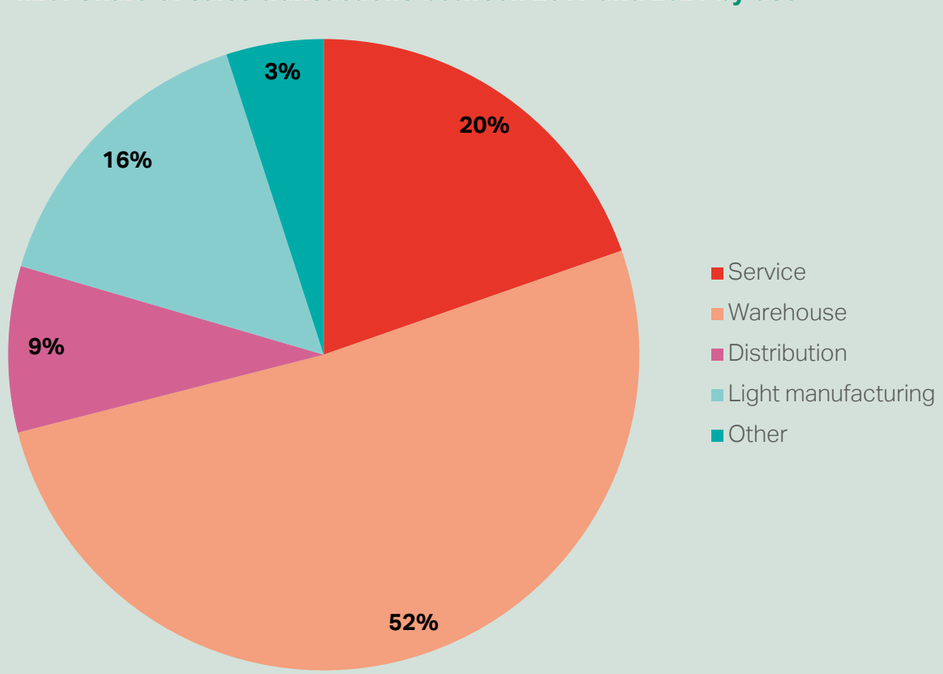
[32] Warehouses: Premises primarily used to store finished goods.
[33] Distribution: Sites used typically as hubs to strategically store finished goods, streamline the picking and packing process, and to ship goods out to another location or final destination.
[34] Potentially as part of longer-term redevelopment plans.

Table 4.12: Average capital value of transaction (2017-2021) by stock type (£ per ft²)

Area	Stock type			
	Service	Warehouse	Distribution	Light manufacturing
	Average capital value (£/ft²)			
London	£463.54	£327.28	£266.59	£430.98
Inner London	£629.80	£449.72	£202.09	£581.94
Outer London	£336.41	£245.65	£298.83	£333.30
Central sub-region	£744.63	£521.36	£332.04	£564.67
East sub-region	£375.60	£288.50	£133.86	£492.82
North sub-region	£340.06	£237.53	£313.86	£335.21
South sub-region	£425.01	£297.20	£259.06	£343.90
West sub-region	£406.42	£303.69	£404.24	£392.10
Central Services Circle	£620.61	£409.01	£209.08	£485.14
Lea Valley	£263.62	£305.10	£188.99	£398.69
Thames Gateway	£309.08	£239.01	£163.94	£353.27
Wandle Valley	£433.69	£289.38	£193.28	£369.28
Park Royal / A40 / Heathrow	£437.30	£300.76	£441.85	£348.27

Source: CoStar Data (2021)

Figure 4.23: Share of sales transactions between 2017 and 2021 by use



Source: CoStar Data (2021)

4.9 Land values

4.9.1 Table 4.13 details average industrial land values by Borough, in 2019, based on **data from MHCLG**[35] in August 2020 to underpin policy appraisal. These are provided for hypothetical sites, assuming:

- A typical urban, brownfield location with nearby uses likely to include later, modern residential developments.
- All services are available to the edge of the site.
- Use is restricted to industrial/warehouse and full planning consent is in place.
- There are no abnormal site constraints or contamination and/or remediation issues.

4.9.2 This represents anticipated land values at a point in time, and reliance on this data for more than a 'high-level' understanding of land values across London is not recommended.

4.9.3 Therefore, this has been supplemented by conversations with **Avison Young's industrial agency team**. In analysing land values on such a large scale, agents indicated the importance of providing a range of values across a broader area to reflect local market dynamics and the wide range of factors that can influence land values on a deal-by-deal basis.

4.9.4 The land values provided below in Table 4.12 are assessed on the basis that a site could be acquired in the open market, but subject to competitive bidding. It is also assumed that sites are level, serviced, remediated, accessible and free from legal and physical constraints. Land values provided work on the assumption that sites are allocated / consented and brownfield. Given the infrequency of industrial land trades in Central London which results in a small sample size of available data, the Central sub-region has been omitted here.

4.9.5 Values indicate a range from £2,500,000 per ha to £5,700,000 per ha, with the lowest land values in East London and South London, and the highest in North London and West London (see Figure 4.24). This indicates a correlation with the land values considered in the MHCLG report, although they are generally lower than those by MHCLG.

4.9.6 The variances in values are likely to reflect the challenges associated with providing overarching land values across boroughs/sub-regions, most specifically that such an approach can never fully account for site-specific details that underpin land values. The values cited should therefore be used as a high-level indication only.

Table 4.13: Industrial land values by borough, 2019

Borough	Price per ha (£)
Barking and Dagenham	£4,500,000
Barnet	£6,000,000
Bexley	£4,250,000
Brent	£6,000,000
Bromley	£4,250,000
Camden	£6,000,000
City of London	£6,000,000
Croydon	£4,250,000
Ealing	£6,000,000
Enfield	£4,500,000
Greenwich	£4,250,000
Hackney	£4,500,000
Hammersmith and Fulham	£6,000,000
Haringey	£4,500,000
Harrow	£6,000,000
Havering	£4,500,000
Hillingdon	£6,000,000
Hounslow	£6,000,000
Islington	£6,000,000
Kensington and Chelsea	£6,000,000
Kingston upon Thames	£4,000,000
Lambeth	£6,000,000
Lewisham	£4,250,000
Merton	£4,000,000
Newham	£4,500,000
Redbridge	£4,500,000
Richmond upon Thames	£4,000,000
Southwark	£6,000,000
Sutton	£4,000,000
Tower Hamlets	£4,500,000
Waltham Forest	£4,500,000
Wandsworth	£6,000,000
Westminster	£6,000,000

Source: Ministry of Housing, Communities and Local Government (2020)

[35] https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2019.

Table 4.14: Industrial land values by sub-region

Sub-region	Price per ha (£)
North London	£4,000,000 - £4,850,000
East London	£2,500,000 - £3,650,000
South London	£2,850,000 - £3,650,000
West London	£4,000,000 - £5,700,000

Source: Avison Young (2022)

Figure 4.24: Industrial land value ranges in 2022 (£/ha)

Source: Ministry of Housing, Communities and Local Government (2020)

4.10 Industrial floorspace and properties within SIL sites

4.10.1 SIL are defined within the London Plan as 'London's main reservoir of industrial land comprising approximately 50 per cent of London's total supply.' Typically, SILs are located close to the strategic road network and many are also well located with respect to access to rail and waterways, which can provide competitive advantage and address broader transport objectives. Given their importance, this section identifies the number of industrial properties, floorspace and vacancy rates. In addition, a functional and character assessment of all SIL has been carried out and is included as **Appendix B**, and building on that, **Appendix C** explores an approach to assess the theoretical intensification potential of ten example SILs. Three distinct industrial intensification typologies are applied and result in theoretical capacity uplift ranges. It should be noted that these potential uplift ranges require further detailed local considerations to ensure that only appropriate and viable typologies are applied, and all relevant local circumstances are taken into account.

4.10.2 Table 4.15 sets out headline data for all **industrial stock within SIL sites**, comprising the number of industrial buildings, existing floorspace, average floorspace and vacancy rates. The average floorspace and vacancy rate for all industrial buildings from Table 4.1 is provided again for comparison and helps set the SIL data within the wider context of industrial property trends in London.

4.10.3 Data indicates that there are 3,711 industrial buildings within London's SILs, presenting a total floorspace of c. 110m ft² / 10.3m m². This means an average unit size of c.29,870 ft² / 2,770 m². Vacancy rates across London SIL sites are at 3.7%.

4.10.4 When placed in the **context of trends across all of London's industrial stock** (as indicated in Table 4.1), where average unit sizes are 17,740 ft² / 1,650 m² this suggests that SIL sites host much larger units. Whilst trends at the borough level indicate that in most instances this is true, a single 504,000 ft² / 46,800 m² cultural campus situated at Here East in Hackney accentuates this trend and provides a wider margin of difference than is reflected in most boroughs.

4.10.5 Referring back to Table 2.5, it is interesting to note that the East sub-region contains the largest quantum of **industrial land** within SIL sites (1,419 ha), with the West-sub region presenting the second largest (950 ha). However, Table 4.15 indicates that the West sub-region SIL sites hold a greater number of units, and a greater quantum of floorspace. This signals a higher density of industrial property situated within the West-sub region.

4.10.6 Similarly, considering PMAs, the Thames Gateway holds the greatest quantum of industrial land in SIL sites (1,212 ha) against Park Royal / A40 / Heathrow (950 ha). However, Park Royal / A40 / Heathrow holds significantly more buildings (1,499 versus 840) and floorspace (42,708,122 ft² / 3,967,681 m² versus 29,563,530 ft² / 2,746,542 m²). Again, this indicates a higher density of industrial property and efficiency of land use.

4.10.7 Considering **vacancies**, trends are reasonably comparable, with vacancy rates across London industrial property 0.4% lower than the rate at the SIL level.

4.10.8 Higher vacancy rates within SIL areas than prevailing overall rates for industrial floorspace at the borough level can often be explained by temporary events such as the arrival on the market of a large quantum of new space. This underpins the 20% vacancy rate recorded for SIL areas within Bromley which contributes to the higher vacancy rate recorded for the South sub-region.

4.10.9 Even taking account of this, vacancy rates across SIL sites are generally very low, with 5% recorded for the South sub-region presenting the highest levels of vacancy across the dataset. This compares to 4% each in the East and North sub-regions, and 3% in the West sub-region.

4.10.10 Looking in more detail at **different geographies** for SILs, there are 3,100 buildings within SILs in Outer London boroughs, compared to 610 within Inner London. A slightly higher vacancy rate at 4% is recorded for Outer London, compared to that within Inner London 3.1%, with both rates being notably lower than the reasonable average rate of frictional vacancy of 8% as set out in the GLA SPG.

4.10.11 At the sub-regional level, the West sub-region and East sub-region accommodate the majority of property within SIL areas with the West sub-region presenting 1,500 industrial units (c.42.7m ft² / 4m m²) and the East sub region presenting 1,070 units (c.36m ft² / 3.45m m²).

4.10.12 Considering PMAs, the highest concentrations of industrial buildings are within the Park Royal / A40 / Heathrow (1,500) and Thames Gateway (840) areas. As with data at the borough level, vacancies remain low within SIL in all PMAs, with the highest level of vacancy being recorded within the Thames Gateway area (7%).

4.10.13 **Looking ahead**, and taking for example low vacancy rates as an indicator, it is likely that strategically designated industrial sites will continue to play an important role in ensuring that demand for industrial land can be met. This includes SIL designated sites, which do not only need to accommodate the demand for large scale distribution, but also for wider industrial functions including for example large-scale waste management, as SIL sites are expected to accommodate activities, which can raise tensions with other land uses, although the Agent of Change principle set out in policy D13 of the London Plan places the responsibility for mitigating any impacts from existing nuisance-generating industrial activities on any new development.

4.10.14 In addition, trends indicate that demand is growing for final mile distribution space in close proximity to residential areas[36], and appropriate locations for these have to be identified and could include **LSIS locations**, although they have not been analysed in more detail. Generally, they present much smaller areas with fewer properties. Analysis on this scale is more susceptible to fluctuation and may compromise the quality of the dataset and analysis. In addition, a wider mix of property types is involved, often extending beyond pure industrial stock.

[36] https://www.knightfrank.com/research/article/2021-10-21-how-much-space-is-needed-to-service-the-lastmile-and-where-is-consumer-demand-greatest

Table 4.15: Industrial land supply - SIL sites

Area	Borough	Existing buildings	ft²			m²			Vacancy rate (%)	Vacancy rate - all industrial sites (%)
			Existing ft²	Average building size ft²	Average building size ft² - all industrial sites	Existing m²	Average building size m²	Average building size m² - all industrial sites		
London		3,711	110,838,767	45,628	17,739	10,297,173	4,239	1,648	3.67%	3.25%
Inner London		610	18,269,400	29,950	14,385	1,697,283	2,782	1,336	3.10%	2.70%
Outer London		3,101	92,569,367	29,851	20,454	8,599,904	2,773	1,900	3.98%	3.65%
Central sub-region		133	2,620,862	19,706	11,724	243,486	1,831	1,089	2.27%	2.10%
	Camden	-	-	-	10,307	-	-	958	-	3.00%
	City of London	-	-	-	21,529	-	-	2,000	-	0.00%
	Kensington and Chelsea	-	-	-	8,487	-	-	788	-	1.30%
	Islington	-	-	-	13,987	-	-	1,299	-	3.00%
	Southwark	121	2,415,026	19,959	12,887	224,363	1,854	1,197	4.50%	2.60%
	Westminster	-	-	-	7,109	-	-	660	-	0.00%
	Lambeth	12	205,836	17,153	10,514	19,123	1,594	977	0.00%	4.90%
East sub-region		1,068	36,683,811	34,348	19,853	3,408,038	3,191	1,844	3.52%	3.50%
	Barking and Dagenham	103	4,700,800	45,639	37,282	436,719	4,240	3,464	4.00%	3.50%
	Bexley	269	9,329,372	34,682	28,471	866,727	3,222	2,645	3.60%	2.30%
	Greenwich	108	4,018,375	37,207	25,002	373,319	3,457	2,323	7.30%	5.00%
	Hackney	1	503,980	503,980	9,917	46,821	46,821	921	0.00%	0.80%
	Havering	167	5,072,280	30,373	20,013	471,230	2,822	1,859	2.90%	3.50%
	Lewisham	58	858,489	14,802	10,756	79,756	1,375	999	3.70%	2.90%
	Newham	153	7,143,238	46,688	22,682	663,629	4,337	2,107	4.70%	4.40%
	Redbridge	61	1,472,604	24,141	16,795	136,809	2,243	1,560	3.40%	3.40%
	Tower Hamlets	41	733,326	17,886	14,365	68,128	1,662	1,335	0.00%	3.70%
	Waltham Forest	107	2,851,347	26,648	13,136	264,899	2,476	1,220	5.60%	5.30%
North sub-region		361	12,563,559	34,802	19,742	1,167,193	3,233	1,834	4.39%	3.70%
	Barnet	-	-	-	10,872	-	-	1,010	-	4.00%
	Enfield	349	12,377,526	35,466	27,845	1,149,910	3,295	2,587	4.20%	4.50%
	Haringey	12	186,033	15,503	14,619	17,283	1,440	1,358	4.50%	2.70%
South sub-region		650	16,262,413	25,019	17,123	1,510,828	2,324	1,591	5.35%	4.20%
	Bromley	55	1,398,480	25,427	16,294	129,923	2,362	1,514	19.90%	7.30%
	Croydon	128	3,662,021	28,610	16,074	340,213	2,658	1,493	0.70%	4.50%
	Kingston-upon-Thames	71	1,962,546	27,641	17,673	182,326	2,568	1,642	1.30%	2.90%
	Merton	184	4,407,859	23,956	19,602	409,504	2,226	1,821	1.10%	2.70%
	Richmond-upon-Thames	-	-	-	16,740	-	-	1,555	-	0.40%
	Sutton	144	4,005,835	27,818	22,503	372,154	2,584	2,091	3.60%	8.30%
	Wandsworth	68	825,672	12,142	12,719	76,707	1,128	1,182	5.50%	3.20%
West sub-region		1,499	42,708,122	28,491	21,201	3,967,681	2,647	1,970	2.50%	2.85%
	Brent	211	5,564,567	26,372	18,364	516,965	2,450	1,706	2.50%	4.10%
	Ealing	729	22,164,613	30,404	27,361	2,059,160	2,825	2,542	1.90%	3.00%
	Hammersmith and Fulham	48	1,565,458	32,614	16,511	145,436	3,030	1,534	2.20%	3.10%
	Harrow	20	540,804	27,040	12,041	50,242	2,512	1,119	2.70%	1.70%
	Hillingdon	360	9,077,085	25,214	26,428	843,282	2,342	2,455	2.40%	4.00%
	Hounslow	131	3,795,595	28,974	26,505	352,619	2,692	2,462	3.30%	1.20%
Central Services Circle		233	4,716,657	20,243	11,869	438,191	1,881	1,103	1.60%	1.90%
Lea Valley		545	18,986,525	34,870	19,620	1,763,907	3,239	1,780	4.80%	4.20%
Thames Gateway		840	29,563,530	35,216	25,090	2,746,542	3,272	2,356	6.90%	4.20%
Wandle Valley		595	14,863,933	24,981	17,294	1,380,904	2,321	1,607	2.40%	4.30%
Park Royal / A40 / Heathrow		1,499	42,708,122	28,436	19,353	3,967,681	2,642	1,798	2.50%	2.69%

Source: CoStar Data (2021)

4.11 Ownership dynamics within SIL sites

4.11.1 Industrial areas tend to have complex ownership patterns, often with fragmented freehold ownership and also multiple leases and sub-leases stacked on top of these freeholds. This section provides an overview of ownership dynamics across all SIL areas in London and presents this within Table 4.16. Data has been compiled using Nimbus maps, which utilises Land Registry data to provide details on freehold and leasehold owners (with minimum lease term of 7 years).

4.11.2 Data gives an indication of average freehold sizes, and the ratio of freeholders to leaseholders within each SIL area. Areas with high Freehold : Leasehold ratios have greater proportions of owner occupiers. Conversely, areas with low ratios reflect higher proportions of leases, often presenting more complex ownership dynamics.

4.11.3 The **largest freehold ownership** across the dataset is found within Hackney Wick (average 34.2 ha) although this relates to one site and one freeholder. Other notable areas include Dagenham Dock/Rainham Employment area (average 14.3 ha with 20 freeholders) and Barwell Business Park (10.0 ha), again relating to just one freeholder.

4.11.4 As might be expected given the size of these freehold ownerships, there are generally high proportions of leaseholders relative to freeholders. Barwell Business Park presents a Freehold : Leasehold ratio of 0.03, Hackney Wick a ratio of 0.05, and Dagenham Dock/ Rainham Employment area a ratio of 0.34.

4.11.5 Key freeholders here include Barwell Business Park Nominees Limited at Barwell Business Park, Ford Motor Company Limited at Dagenham Dock/Rainham Employment Area and LLDC at Hackney Wick.

4.11.6 As a point of comparison, the **smallest average freehold ownerships** are found at Empson Street (0.41 ha), Hainault Industrial Estate (0.44 ha), and Honeypot Lane Stanmore (0.42 ha). These generally reflect higher Freehold : Leasehold ratios, indicating the likely presence of larger numbers of owner occupiers. Empson Street and Honeypot Lane have a ratio of 1.33, Hainault Industrial Estate has a ratio of 0.86.

4.11.7 Whilst it is helpful to understand the freehold pattern, as this can support/ease coordinated investment within an area, there is **not always a direct correlation**. Often the freehold only shows part of the ownership structure and a number of long-term leases could exist within a single freehold site. Examples include many Council-owned sites where 999-year leases were granted to businesses or industrial operators. This means that the delivery process would be as complex as any other multiple ownership site. Also, many industrial freeholds are held by the businesses occupying the site making the future of that site intrinsically linked to the future of the business operation.

4.11.8 Therefore, whilst understanding the level of consolidation in the underlying ownership of sites can assist in identifying potential opportunities for redevelopment and investment in the future, the wider complexity underlines the need to consider the detailed characteristics of each site.

4.11.9 Considering London as a whole, average freehold size is 3.11 ha. Data indicates that there are 970 freeholders within SIL sites, set against 2,500 leaseholders. This presents a ratio of 0.39, demonstrating the complexity of industrial ownership dynamics. The average size of freeholds are notably larger in the East sub-region (4.2 ha) than any other sub-region (recording between 1.8 ha and 2.8 ha), which is likely to be a legacy of its traditional focus as an area of industrial activity within Greater London.

Table 4.16: SIL sites ownership dynamics

Ref	Location	Borough	Average freehold size (ha)	Number of freeholders	Number of leaseholders	Freehold : leasehold
1	Barwell Business Park	Kingston upon Thames	10.02	1	30	0.03
2	Beckton Riverside	Newham	9.59	17	13	1.31
3	Belvedere Industrial Area (part)	Bexley	5.42	26	51	0.51
4	Bermondsey / Old Kent Road / Surrey Canal Area	Southwark / Lewisham	2.70	32	100	0.32
5	Blackhorse Lane	Waltham Forest	4.56	6	22	0.27
6	Great West Road / Brentford – Transport Avenue	Hounslow	1.73	42	38	1.11
7	Brimsdown	Enfield	5.86	46	58	0.79
8	British Gas Site/Cody Road (part)	Newham	3.55	12	40	0.30
9	Bromley Road	Lewisham	2.98	6	28	0.21
10	Central Leaside Business Area (parts)	Enfield / Haringey / Waltham Forest	3.40	16	66	0.24
11	Charlton Riverside (part)	Greenwich	2.49	13	60	0.22
12	Chessington Industrial Estate	Kingston upon Thames	1.67	20	24	0.83
13	Dagenham Dock / Rainham Employment Area	Barking and Dagenham / Havering	14.29	22	65	0.34
14	East Lane	Brent	4.38	6	13	0.46
15	Empson Street (part)	Tower Hamlets	0.41	16	12	1.33
16	Erith Riverside (part)	Bexley	2.19	22	37	0.59
17	Fish Island / Marshgate Lane (parts)	Newham / Tower Hamlets	0.66	7	6	1.17
18	Foots Cray Business Area	Bexley / Bromley	1.32	22	51	0.43
19	Freezywater / Innova Park (part)	Enfield	2.63	10	13	0.77
20	Great Cambridge Road (part)	Enfield	1.30	25	86	0.29
21	Great Western (part)	Ealing	1.65	16	29	0.55
22	Greenwich Peninsula West	Greenwich	2.10	10	36	0.28
23	Hackney Wick (part)	Hackney	34.20	1	21	0.05
24	Hainault Industrial Estate	Redbridge	0.44	18	21	0.86
25	Harold Hill Industrial Estate	Havering	0.84	20	35	0.57
26	Hayes Industrial Area	Hillingdon	1.53	46	116	0.40
27	Honeypot Lane, Stanmore (part)	Harrow	0.42	12	9	1.33
28	Kimpton Industrial Area	Sutton	1.65	10	62	0.16
29	King George Close Estate, Romford	Havering	0.90	9	10	0.90
30	Lea Bridge Gateway	Waltham Forest	1.22	26	29	0.90
31	London Industrial Park	Newham	1.19	13	36	0.36
32	Marlpit Lane	Croydon	0.84	25	20	1.25
33	Morden Road Factory Estate and Prince George's Road	Merton	0.98	21	72	0.29
34	Nine Elms (part)	Wandsworth	0.61	20	52	0.38
35	North Feltham Trading Estate	Hounslow	1.29	29	83	0.35
36	North Uxbridge Industrial Estate	Hillingdon	1.24	12	21	0.57
37	North Wimbledon (part)	Merton	1.91	16	52	0.31
38	Northolt, Greenford, Perivale (parts)	Ealing	2.83	35	134	0.26
39	Park Royal (part)	Brent / Ealing / Hammersmith & Fulham	2.41	50	154	0.32
40	Purley Way and Beddington Lane Industrial Area	Croydon / Sutton	2.62	21	54	0.39
41	Rippleside	Barking and Dagenham	3.36	12	55	0.22
42	River Road Employment Area	Barking and Dagenham	1.68	29	65	0.45
43	Southend Road Business Area	Redbridge	1.11	8	27	0.30
44	St Mary Cray	Bromley	0.99	16	51	0.31
45	Staples Corner	Brent	1.44	13	61	0.21
46	Stonefield Way / Victoria Road	Hillingdon	1.69	6	28	0.21
47	Thames Road, including Crayford Industrial Area	Bexley	2.62	18	101	0.18
48	Thameside East	Newham	2.89	7	7	1.00
49	Thameside West	Newham	2.84	7	12	0.58
50	Tottenham Hale (part)	Haringey	0.84	9	5	1.80
51	Uxbridge Industrial Estate	Hillingdon	1.00	19	69	0.28
52	Wealdstone Industrial Area	Harrow	1.47	2	19	0.11
53	Wembley (part)	Brent	2.06	15	26	0.58
54	West Thamesmead / Plumstead Industrial Area	Greenwich	3.34	17	38	0.45
55	Willow Lane, Beddington and Hallowfield Way	Merton	1.42	16	64	0.25
Total			3.11	971	2,487	0.39

Source: Nimbus Maps, Land Registry (2022)

5

Industrial capacity in the Wider South East

5. Industrial capacity in the Wider South East

5.1 Introduction

5.1.1 The purpose of this chapter is to present strategically important capacity for industrial, logistics and related uses in the wider South East (WSE) outside London, covering the authorities located within the South East and East of England statistical regions.

5.1.2 The London Plan underscores the importance of close co-operation to address 'the wider needs for freight, logistics and port facilities', and exploring 'the scope for substitution of business and industrial capacity where mutual benefits can be achieved' (policy SD2E). It is also well-established that many industrial, logistics, and related activities that serve London and its economic functions are historically located beyond Greater London boundaries. It is therefore considered important, as context for industrial capacity within London and corresponding market dynamics, to factually identify the extent of industrial capacity outside the capital, including key locations, stock and availability levels.

5.1.3 The objective is to identify strategically important capacity within the WSE and, whilst areas beyond this are not within the scope of the analysis, it is acknowledged that such areas could also contain strategically important capacity for London.

5.2 Identifying strategically important industrial capacity

Strategically significant transport infrastructure

5.2.1 As a starting point, strategically significant transport infrastructure for London within the WSE was identified and mapped on the basis that the connectivity provided by this would define what locations within the area were likely to be capable of providing strategically important industrial capacity. To identify what is significant and to map this, the following steps were undertaken:

- review of the following evidence and analysis from the relevant Sub-national transport bodies (SNTBs):
  - » England's Economic Heartlands - 'Connecting People, Transforming Journeys' (Transport Strategy) (2021), and The Heartland in Context (Regional Evidence Base) (2020);
  - » Transport East - Investment and Delivery Plan (2020), and Regional Evidence Base (2019).
  - » Transport for the South East - Transport Strategy for the South East (2020) and Evidence Base (2019).
- identification from this evidence of the key transport infrastructure within each area. This infrastructure included cargo ports, airports, strategic rail freight corridors, rail freight terminals, motorways and A-roads[37];
- consideration of the infrastructure's connectivity to London and related PMAs (as defined in Section 1) to confirm its strategic significance. This involved determining whether or not the above provided a direct connection with Greater London (rail freight corridor or motorway/A-road) or was likely to be benefitting or relying on such a connection (i.e. cargo ports, airports), based on the SNTB evidence reviewed.

5.2.2 The SNTBs were asked to review the infrastructure included within their area identifying any significant additional, including planned new, transport infrastructure or any incorrect information.

Strategic clusters of industrial land

5.2.3 Online Google Open Source mapping was used to identify the spatial distribution of existing strategic clusters of land in industrial use in the WSE. Small clusters of land (less than a contiguous or near-contiguous area of 5 ha in size) or those not well connected to strategically significant transport infrastructure were discounted as unlikely to play a strategic role for London.

5.2.4 Following this, local authorities considered to contain strategic industrial capacity were identified to verify the draft mapping, based on two criteria for inclusion:

- Criteria 1 - Strategic Clusters of Industrial Land
  - » The local authority must contain one or more strategic 'clusters' of industrial land, considered to be industrial areas (as identified by Google Open Source mapping) constituting:
    - a contiguous area greater than 5 ha in area; or
    - two or more smaller areas in close proximity to each other, but not contiguous, which total greater than 5 ha in area.
  - » At least one of these clusters must be located near to (within 5 km) either Strategic Transport Infrastructure (Ports, Airports, Rail Freight Terminals or Motorways), or along 'A' Roads with suitable connectivity to London - see next criteria.
- Criteria 2 - Connectivity to London
  - » At least one of the following must apply to the local authority:
    - its location is within or in close proximity to (within 10 km of) a PMA that also includes parts of London;
    - it contains Motorways or Rail Freight Terminals which provied a direct connection to London; or
    - it contains 'A' roads which provide a connection to Motorways or Rail Freight Terminals directly connected to London.

5.2.5 Local authorities where both criteria applied, and all relevant county councils within the WSE area[38], were contacted to review the accuracy of both the strategic transport infrastructure and strategic clusters of industrial land included.

5.2.6 The feedback received from this verification process was considered and the mapping was updated accordingly to reflect this. This resulted in a number of changes, mostly to the cluster mapping. Examples of changes included identification of a local authority (Guildford) as containing strategically important clusters based on more accurate information received; adding clusters and amending the boundaries of a cluster (Stevenage); and

[37] Whilst all infrastructure was identified, from a policy perspective, sustainable modes of freight transport should be prioritised for moving freight in/out of London.

[38] On the basis of the study identifying that no district-level authorities were likely to be strategically important within Norfolk, Norfolk County Council were not included in this process.

removal of clusters based on information regarding their use (Reigate & Banstead, Elmbridge).

5.2.7 Figure 5.1 below shows the strategic transport infrastructure relevant to London and the spatial distribution of the strategically important clusters of industrial land. This also included proposed clusters based on consultation feedback which were:

- Chelmsford (2 sites - 1: north of the A138 and Generals Lane, as part of the Strategic Site Allocation 6 - North East Chelmsford (Beaulieu) and 2: Channels Business Park, Essex Regiment Way);
- Eastleigh (adjacent to Southampton Airport); and
- Reigate and Banstead (Horley Strategic Business Park).

5.2.8 It also highlights the 67 local authorities identified to contain strategic industrial capacity.

5.3 Industrial stock

5.3.1 Table 5.1 below shows the number of industrial buildings, and the total amount of land and floorspace within the strategically important clusters identified for each of the relevant WSE local authorities. Vacancy rates are also set out which show prevailing rates at the local authority level only. The rates therefore represent vacancy for industrial stock as a whole including stock not identified as being within strategically important clusters. This is due to vacancy data not being accurately and consistently available at cluster level.

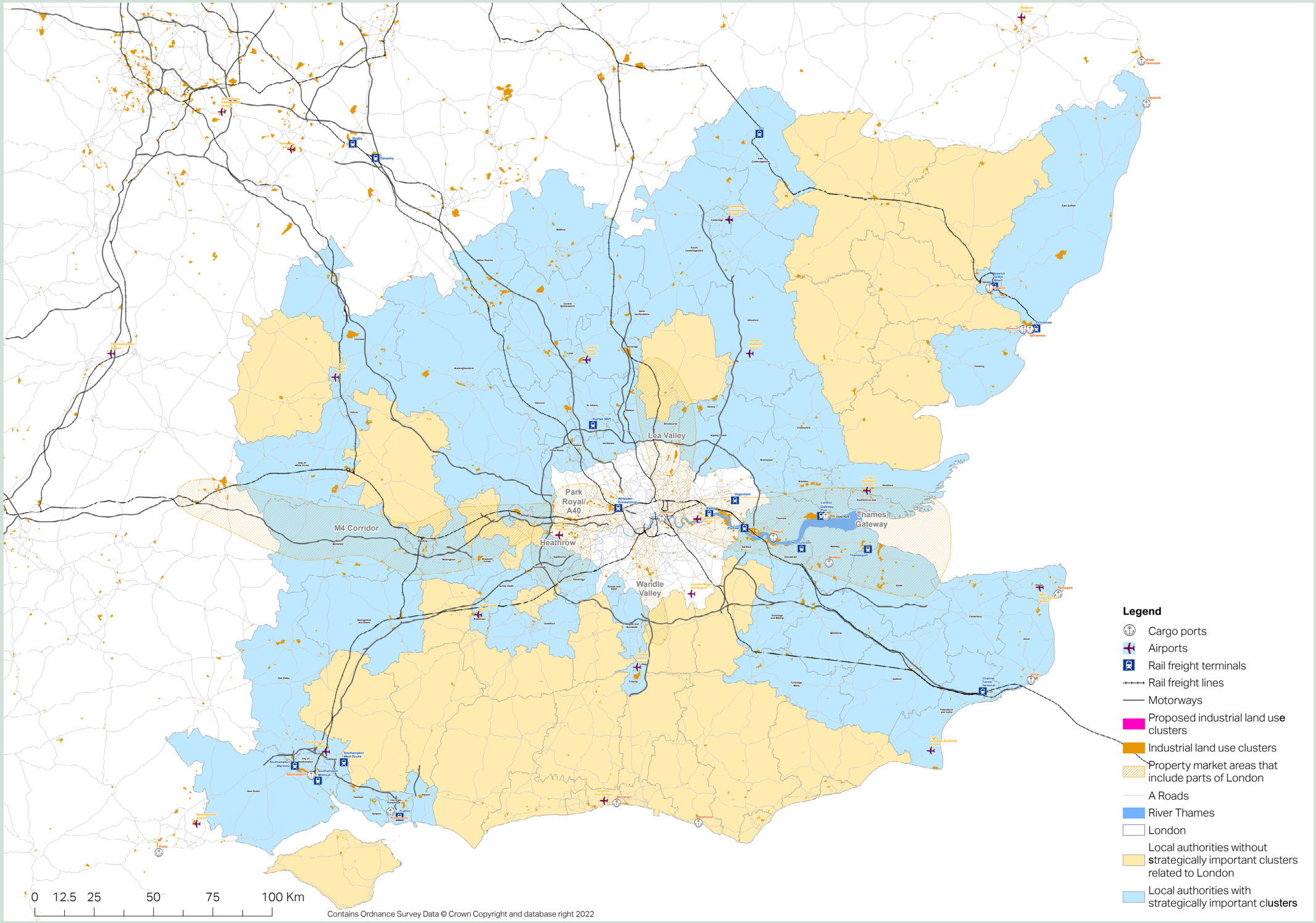
5.3.2 There is approximately 17,250 ha of industrial land within strategically important clusters in the WSE. Thurrock contains the largest stock of land (1,500 ha), followed by East Suffolk (1,000 ha), Milton Keynes (900 ha), Cherwell (700 ha), New Forest (600 ha), and Swale (600 ha). There is approximately 30,810,000 m² / 331,630,000 ft² of industrial floorspace across 10,400 buildings lying within these clusters. The average size of premises is 2,960 m² / 31,850 ft² compared to 1,624 m² / 17,480 ft² for London.

5.3.3 The local authorities with the highest number of industrial buildings within its strategically important clusters are Milton Keynes (520 units), Buckinghamshire (430 units) and Cherwell (390), reflecting the prominence of England's Economic Heartland's transport area as a store of industrial capacity in distribution and logistics, followed by Basildon (370) and Luton (320). Milton Keynes contains the largest stock of floorspace (2,825,000 m² / 30,410,000 ft²), reflecting its position as containing the most buildings, followed by Thurrock (1,615,000 m² / 17,385,000 ft²), Cherwell (1,125,000 m² / 12,110,000 ft²) and Central Bedfordshire (1,115,000 m² / 12,000,000 ft²) The distribution of floorspace across the WSE is illustrated in Figure 5.2. The highest average sizes of premises are recorded within authorities with smaller amounts of buildings or floorspace, namely Oxford (6,200 m² / 66,750 ft²) and the Vale of White Horse (5,800 m² / 62,431 ft²), albeit Thurrock (5,500 m² / 59,200 ft²) and Milton Keynes (5,400 m² / 58,125 ft²) do record the next highest average sizes.

5.3.4 Overall, within relevant local authorities, 2021 vacancy rates are highest in Gravesham (10%), St Albans (9%) Dartford (8%) and Dover (8%). However, the average overall vacancy rate is 4% pointing to a tight market for strategic industrial floorspace within the WSE. The 10-year average vacancy rate for the relevant local authorities within the WSE is 4.5% demonstrating that availability is even tighter than it has been typically in recent years, broadly reflecting trends within Greater London.

5.3.5 The relatively high rates recorded in Gravesham and Dartford are higher than recorded overall in the London portion of the Thames Gateway PMA within which they also sit. It can be noted though that London boroughs south of the River Thames in this market tend towards having higher rates of vacancy than those to the north. Although lying to the west of it, the vacancy rate in St Albans is considerably higher than recorded for the Lea Valley PMA within London.

Figure 5.1: Strategically important industrial capacity in the Wider South East



Source: AECOM

Table 5.1: Industrial stock within strategically important clusters and vacancy within Local Authorities in the WSE (various)

Location	Land (ha)	Industrial buildings	Floorspace (ft^2)	Average floorspace (ft^2)	Floorspace (m^2)	Average floorspace (m^2)	Vacancy (%)*	10-year average vacancy* (%)
Ashford	102.5	304	5,537,891	18,217	514,483	1,692	4.3%	3.9%
Basildon	292.3	448	13,536,154	30,215	1,257,539	2,807	1.7%	3.5%
Basingstoke and Deane	189.0	326	8,526,565	26,155	792,137	2,430	3.1%	2.2%
Bedford	376.8	386	13,190,559	34,172	1,225,433	3,175	5.9%	6.0%
Bracknell Forest	131.6	113	4,363,432	38,614	405,373	3,587	6.9%	7.7%
Brentwood	67.7	107	1,610,609	15,052	149,629	1,398	2.7%	6.8%
Broxbourne	184.2	177	5,491,647	31,026	510,186	2,882	3.2%	2.2%
Buckinghamshire	635.0	876	16,047,557	18,319	1,490,854	1,702	4.7%	4.8%
Cambridge	28.9	210	3,295,638	15,694	306,172	1,458	1.8%	5.0%
Canterbury	124.9	170	3,184,362	18,732	295,834	1,740	5.6%	4.5%
Castle Point	108.7	134	1,373,302	10,249	127,583	952	4.6%	1.9%
Central Bedfordshire	597.6	460	17,503,448	38,051	1,626,110	3,535	6.8%	4.7%
Chelmsford	116.0	301	5,379,805	17,873	499,796	1,660	1.7%	2.8%
Cherwell	744.3	496	15,256,339	30,759	1,417,348	2,858	3.7%	5.4%
City of Portsmouth	162.1	301	7,759,145	25,778	720,842	2,395	2.4%	3.5%
City of Southampton	422.6	367	6,926,882	18,874	643,523	1,753	1.6%	3.5%
Crawley	227.7	239	7,832,004	32,770	727,611	3,044	3.1%	2.9%
Dacorum	226.1	285	8,678,176	30,450	806,222	2,829	1.1%	3.6%
Dartford	192.0	260	10,658,134	40,993	990,165	3,808	8.6%	3.6%
Dover	265.5	89	1,982,841	22,279	184,210	2,070	8.0%	6.7%
East Cambridgeshire	242.6	157	3,844,225	24,486	357,137	2,275	0.6%	3.2%
East Suffolk	980.5	121	2,922,453	24,153	271,503	2,244	0.2%	1.8%
Eastleigh	114.6	248	8,291,538	33,434	770,303	3,106	3.0%	5.4%
Elmbridge	48.6	148	3,038,837	20,533	282,315	1,908	4.4%	6.0%
Epping Forest	121.9	171	3,199,517	18,711	297,242	1,738	5.0%	1.7%
Epsom and Ewell	38.6	53	621,683	11,730	57,756	1,090	4.6%	4.9%
Fareham	132.3	245	4,688,543	19,137	435,576	1,778	6.3%	4.5%
Folkestone and Hythe	162.3	155	1,901,062	12,265	176,613	1,139	5.7%	6.7%
Gosport	69.2	98	2,061,867	21,039	191,552	1,955	3.0%	7.2%
Gravesham	179.0	125	2,652,828	21,223	246,454	1,972	2.1%	3.2%
Guildford	76.9	229	3,393,289	14,818	315,244	1,377	10.4%	6.8%
Harlow	222.9	264	8,949,051	33,898	831,387	3,149	2.3%	3.7%
Havant	131.5	164	3,814,067	23,257	354,335	2,161	6.0%	4.3%
Hertsmere	121.9	153	3,579,429	23,395	332,537	2,173	7.3%	3.8%
Ipswich	265.4	299	7,329,874	24,515	680,962	2,277	5.7%	4.8%
Luton	229.6	539	9,614,786	17,838	893,235	1,657	6.0%	3.0%
Maidstone	110.1	292	6,558,386	22,460	609,289	2,087	1.1%	2.2%
Medway	570.8	381	10,327,815	27,107	959,477	2,518	2.5%	3.3%
Milton Keynes	884.7	597	31,870,612	53,385	2,960,852	4,960	4.0%	5.7%
New Forest	643.0	283	5,134,596	18,143	477,016	1,686	5.8%	5.1%
North Hertfordshire	200.4	273	5,250,930	19,234	487,823	1,787	5.6%	3.7%
Oxford	124.2	132	7,134,526	54,049	662,814	5,021	0.3%	2.3%
Reading	132.4	390	8,754,958	22,449	813,355	2,086	3.4%	7.0%
Reigate and Banstead	66.7	131	1,624,244	12,399	150,896	1,152	0.1%	3.7%
Rochford	112.8	119	1,898,260	15,952	176,353	1,482	5.1%	3.9%
Runnymede	87.0	97	1,478,416	15,241	137,348	1,416	3.2%	5.2%
Rushmoor	143.4	182	3,290,453	18,079	305,691	1,680	7.6%	4.1%
Slough	302.4	329	9,990,770	30,367	928,165	2,821	7.4%	10.1%
South Cambridgeshire	322.0	294	6,553,525	22,291	608,837	2,071	6.0%	7.4%

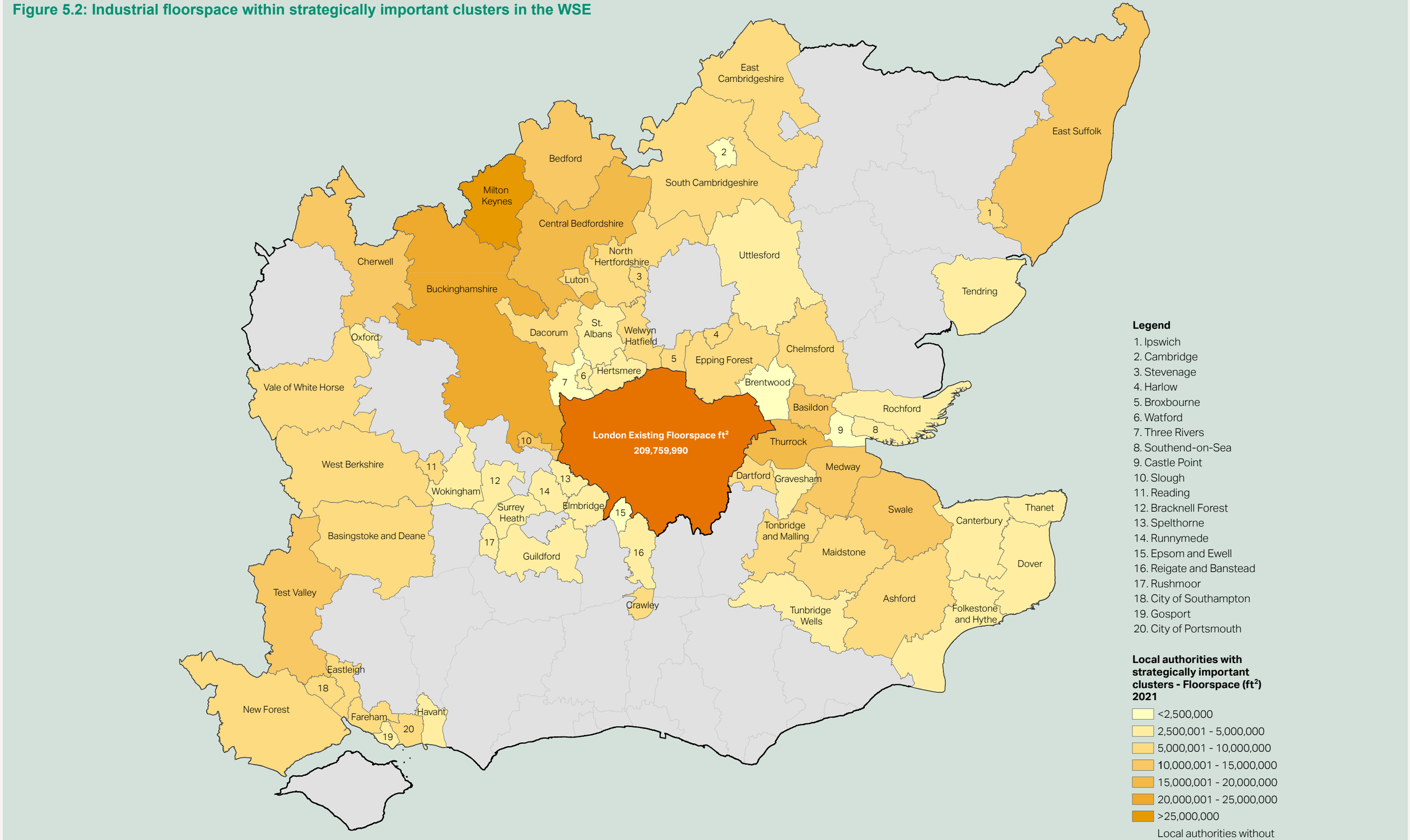
(continued from above)

Location	Land (ha)	Industrial buildings	Floorspace (ft²)	Average floorspace (ft²)	Floorspace (m²)	Average floorspace (m²)	Vacancy (%)*	10-year average vacancy* (%)
Southend-on-Sea	75.8	186	3,054,225	16,421	283,744	1,526	2.4%	3.1%
Spelthorne	56.1	103	1,820,321	17,673	169,112	1,642	5.5%	4.9%
St. Albans	73.4	142	3,678,321	25,904	341,724	2,407	9.1%	10.0%
Stevenage	250.5	192	4,688,647	24,420	435,586	2,269	1.0%	3.0%
Surrey Heath	91.5	118	2,704,843	22,922	251,286	2,130	5.9%	6.9%
Swale	604.6	288	7,985,915	27,729	741,910	2,576	4.7%	2.2%
Tendring	222.2	112	2,069,682	18,479	192,278	1,717	1.1%	3.4%
Test Valley	433.5	349	10,367,226	29,706	963,139	2,760	2.7%	5.6%
Thanet	85.8	156	2,945,926	18,884	273,683	1,754	7.1%	3.9%
Three Rivers	77.1	79	1,241,638	15,717	115,351	1,460	1.4%	2.4%
Thurrock	1,531.9	340	18,480,582	54,355	1,716,888	5,050	0.8%	4.6%
Tonbridge and Malling	335.6	269	7,679,048	28,547	713,401	2,652	1.8%	4.6%
Tunbridge Wells	173.6	177	3,229,986	18,249	300,073	1,695	4.7%	3.2%
Uttlesford	49.8	173	3,165,208	18,296	294,055	1,700	4.0%	5.3%
Vale of White Horse	438.4	266	8,548,149	32,136	794,142	2,985	5.3%	7.0%
Watford District	58.3	252	3,979,502	15,792	369,705	1,467	1.5%	3.1%
Welwyn Hatfield	180.6	202	7,029,683	34,800	653,073	3,233	0.5%	3.7%
West Berkshire	370.0	402	8,786,846	21,858	816,318	2,031	4.1%	4.8%
Wokingham	113.5	205	3,388,949	16,531	314,841	1,536	4.6%	6.5%
Total	17,255.4	16,729	432,749,727	1,648,279	40,203,426	2,252	4.0%	4.5%

Source: CoStar Data (2021)

* Vacancy rates are for industrial stock as a whole in the Local Authority therefore including stock not identified as being within strategically important clusters.

Figure 5.2: Industrial floorspace within strategically important clusters in the WSE



Legend

1. Ipswich
2. Cambridge
3. Stevenage
4. Harlow
5. Broxbourne
6. Watford
7. Three Rivers
8. Southend-on-Sea
9. Castle Point
10. Slough
11. Reading
12. Bracknell Forest
13. Spelthorne
14. Runnymede
15. Epsom and Ewell
16. Reigate and Banstead
17. Rushmoor
18. City of Southampton
19. Gosport
20. City of Portsmouth

Local authorities with strategically important clusters - Floorspace (ft²) 2021

- <2,500,000
- 2,500,001 - 5,000,000
- 5,000,001 - 10,000,000
- 10,000,001 - 15,000,000
- 15,000,001 - 20,000,000
- 20,000,001 - 25,000,000
- >25,000,000
- Local authorities without strategically important clusters related to London

Source: AECOM, Avison Young (2021)

5.3.6 Table 5.2 below provides an indication of floorspace trends over time. Please note that these trends are presented at the local authority level rather than strategically important clusters. This is due to data limitations whereby it is not possible to access and interrogate a snapshot of live data at a defined spatial level through previous years.

5.3.7 The local authorities experiencing the greatest change in floorspace include Thurrock (20% growth against 10-year average), Rochford (12% growth against 10-year average) and Uttlesford (10% growth against 10-year average). Conversely, Harlow (9% reduction against 10-year average), Welwyn Hatfield (8% reduction against 10-year average) and Cambridge (8% reduction against 10-year average) have seen the greatest contractions in floorspace. Figure 5.3 provides an overview of the changes compared to the 10-year average across the WSE.

Table 5.2: Properties and floorspace against 10-year average

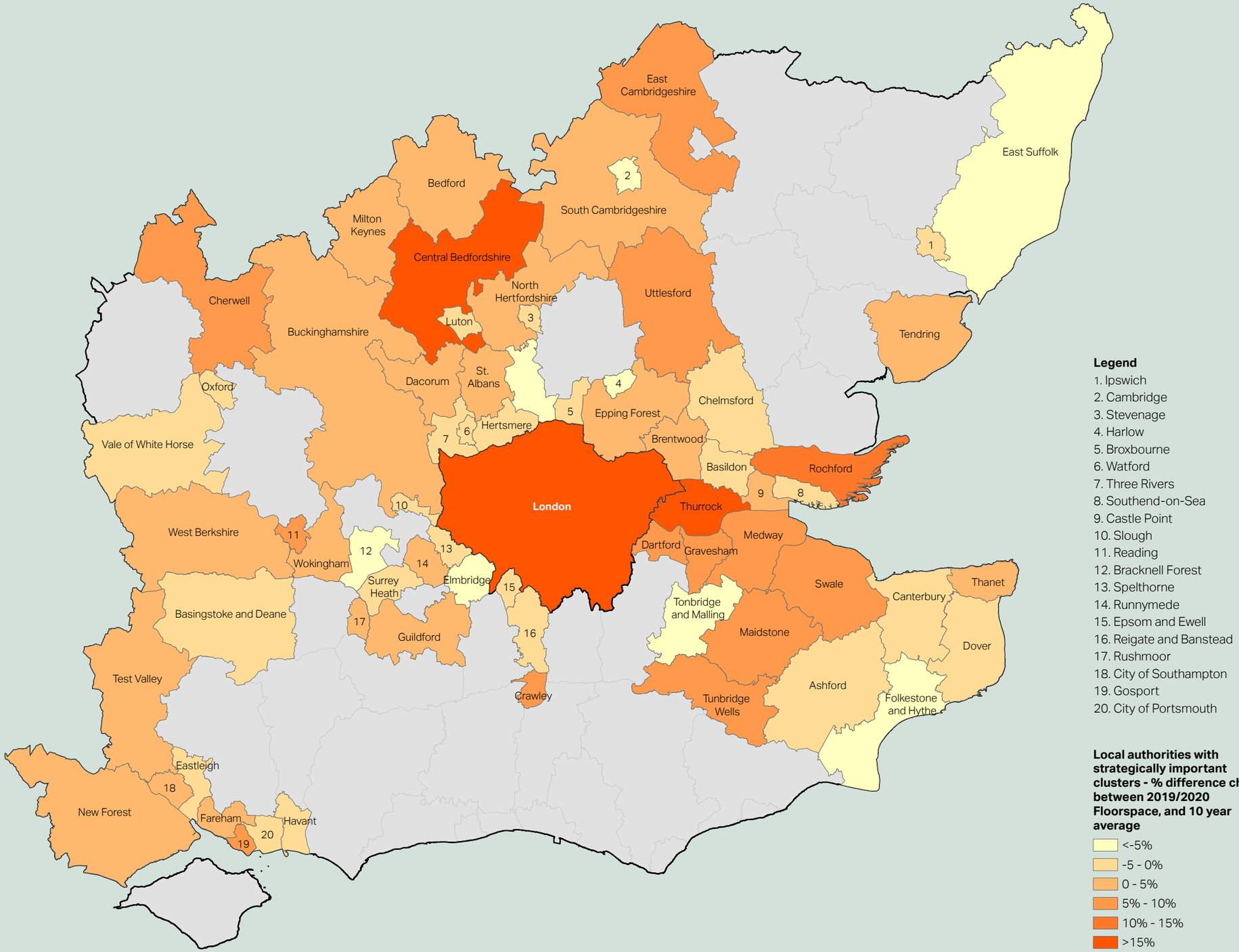
Location	2019-2020 units	10-year average units	2019-2020 floorspace (ft²)	2019-2020 floorspace (m²)	10-year average floorspace (ft²)	10-year average floorsapce (m²)
Ashford	1,520	1,402	6,770,556	629,000	6,854,515	636,800
Basildon	1,930	1,899	13,637,988	1,267,000	13,687,502	1,271,600
Basingstoke and Deane	1,160	1,121	9,375,444	871,000	9,656,384	897,100
Bedford	1,720	1,626	12,744,576	,184,000	12,294,641	1,142,200
Bracknell Forest	430	437	3,379,896	314,000	3,570,419	331,700
Brentwood	640	544	2,346,552	218,000	2,250,752	209,100
Broxbourne	770	749	7,007,364	651,000	7,221,568	670,900
Buckinghamshire	4,430	4,299	22,163,076	2,059,000	21,700,224	2,016,000
Cambridge	510	519	2,486,484	231,000	2,702,840	251,100
Canterbury	1,260	1,141	4,101,084	381,000	4,177,508	388,100
Castle Point	680	657	2,260,440	210,000	2,224,919	206,700
Central Bedfordshire	460	433	17,503,448	1,626,123	15,199,731	1,412,101
Chelmsford	1,550	1,490	6,921,252	643,000	7,049,344	654,900
Cherwell	1,430	1,344	13,487,292	1,253,000	12,737,041	1,183,300
City of Portsmouth	1,410	1,327	8,923,356	829,000	9,047,142	840,500
City of Southampton	1,430	1,411	7,534,800	700,000	7,197,887	668,700
Crawley	840	805	7,567,092	703,000	7,174,206	666,500
Dacorum	1,080	1,136	7,545,564	701,000	7,477,751	694,700
Dartford	710	686	6,555,276	609,000	6,065,514	563,500
Dover	940	876	4,122,612	383,000	4,248,551	394,700
East Cambridgeshire	790	722	5,608,044	521,000	5,190,401	482,200
East Suffolk	2,370	2,271	13,368,888	1,242,000	14,170,806	1,316,500
Eastleigh	1,010	984	8,955,648	832,000	9,190,303	853,800
Elmbridge	620	637	3,347,604	311,000	3,579,030	332,500
Epping Forest	1,500	1,390	5,199,012	483,000	5,101,060	473,900
Epsom and Ewell	230	219	850,356	79,000	880,495	81,800

(continued from above)

Location	2019-2020 units	10-year average units	2019-2020 floorspace (ft²)	2019-2020 floorspace (m²)	10-year average floorspace (ft²)	10-year average floorsapce (m²)
Fareham	1,020	986	5,920,200	550,000	5,815,789	540,300
Folkestone and Hythe	930	963	3,067,740	285,000	3,262,568	303,100
Gosport	690	615	2,615,652	243,000	2,478,949	230,300
Gravesham	550	541	3,648,996	339,000	3,472,466	322,600
Guildford	870	866	4,337,892	403,000	4,168,897	387,300
Harlow	850	803	8,051,472	748,000	8,839,397	821,200
Havant	750	701	4,488,588	417,000	4,695,257	436,200
Hertsmere	750	681	4,090,320	380,000	4,291,607	398,700
Ipswich	890	886	7,050,420	655,000	7,052,573	655,200
Luton	1,410	1,435	9,052,524	841,000	9,436,799	876,700
Maidstone	1,350	1,310	7,954,596	739,000	7,558,481	702,200
Medway	1,880	1,884	11,474,424	1,066,000	10,726,326	996,500
Milton Keynes	2,190	2,104	31,323,240	2,910,000	29,892,704	2,777,100
New Forest	1,720	1,609	6,953,544	646,000	6,750,104	627,100
North Hertfordshire	1,440	1,373	7,373,340	685,000	7,356,118	683,400
Oxford	530	462	3,444,480	320,000	3,486,460	323,900
Reading	940	918	7,954,596	739,000	7,503,584	697,100
Reigate and Banstead	810	752	3,100,032	288,000	3,162,463	293,800
Rochford	1,140	852	3,476,772	323,000	3,098,956	287,900
Runnymede	650	598	3,046,212	283,000	3,032,219	281,700
Rushmoor	530	510	3,541,356	329,000	3,450,938	320,600
Slough	1,000	1,033	12,098,736	1,124,000	12,230,057	1,136,200
South Cambridgeshire	1,580	1,485	9,806,004	911,000	9,543,362	886,600
Southend-on-Sea	1,160	1,156	4,402,476	409,000	4,609,145	428,200
Spelthorne	610	563	3,422,952	318,000	3,456,320	321,100
St. Albans	710	699	4,477,824	416,000	4,344,350	403,600
Stevenage	540	506	6,533,748	607,000	6,597,256	612,900
Surrey Heath	660	629	3,573,648	332,000	3,628,544	337,100
Swale	1,600	1,473	10,505,664	976,000	9,858,748	915,900
Tendring	1,750	1,595	4,876,092	453,000	4,756,612	441,900
Test Valley	2,040	1,894	12,733,812	1,183,000	12,136,410	1,127,500
Thanet	1,370	1,198	4,929,912	458,000	4,798,591	445,800
Three Rivers	470	467	1,571,544	146,000	1,613,524	149,900
Thurrock	1,640	1,462	17,825,184	1,656,000	14,890,918	1,383,400
Tonbridge and Malling	1,010	1,013	8,751,132	813,000	9,219,366	856,500
Tunbridge Wells	920	902	4,542,408	422,000	4,236,710	393,600
Uttlesford	1,080	971	4,940,676	459,000	4,514,422	419,400
Vale of White Horse	970	1,003	9,149,400	850,000	9,153,706	850,400
Watford District	760	772	4,284,072	398,000	4,485,359	416,700
Welwyn Hatfield	790	781	7,631,676	709,000	8,325,954	773,500
West Berkshire	1,680	1,506	9,407,736	874,000	9,150,476	850,100
Wokingham	1,310	1,201	4,897,620	455,000	4,857,793	451,300

Source: CoStar Data (2021)

Figure 5.3: Industrial floorspace difference to 10-year average within local authorities in the WSE



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16. Reigate and Banstead
17. Rushmoor
18. City of Southampton
19. Gosport
20. City of Portsmouth

Local authorities with strategically important clusters - % difference change between 2019/2020 Floorspace, and 10 year average

- <-5%
- -5 - 0%
- 0 - 5%
- 5% - 10%
- 10% - 15%
- >15%
- Local authorities without strategically important clusters related to London

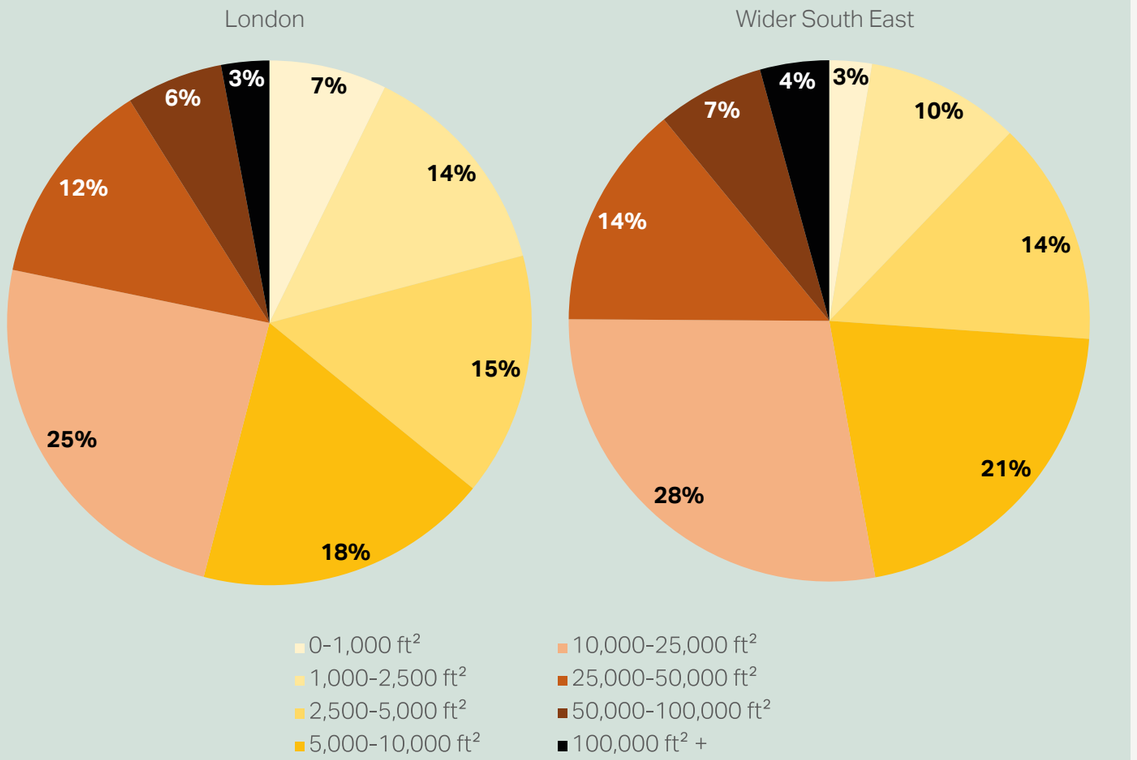
Source: AECOM, Avison Young (2021)

5.3.8 Table 5.3 sets out stock by size band in each of the relevant WSE local authorities at the local authority level.

5.3.9 As with London, data indicates a mix of industrial typologies across the WSE, with no size category holding over 30% of the total stock. Like London, the best represented size category is 10,000-25,000 ft², holding 28% of stock, compared to 25% in London as shown in Table 4.3.

5.3.10 As might be expected given the greater availability of space, 11% of stock in the WSE authorities considered is over 50,000 ft², compared to 8% in London. By contrast, London is home to a greater proportion of small-sized stock with 21% of stock under 2,500 ft² compared to 13% in the WSE (see Figure 5.4).

Figure 5.4: Building stock size proportions in London and WSE



Source: Avison Young (2021)

Table 5.3: Stock by size band in the WSE (buildings)

Location	Floorspace (ft²)							
	0 - 1,000	1,000 - 2,500	2,500 - 5,000	5,000 - 10,000	10,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000 +
Ashford	8	32	52	76	81	35	12	7
Basildon	3	30	58	92	137	68	40	20
Basingstoke and Deane	5	29	44	64	91	54	22	17
Bedford	14	46	50	69	106	53	26	22
Bracknell Forest	5	10	14	19	32	14	10	8
Brentwood	1	10	20	20	35	7	4	1
Broxbourne	0	12	23	29	61	31	10	11
Buckinghamshire	30	85	133	177	257	143	37	13
Cambridge	18	28	43	41	54	16	5	4
Canterbury	2	25	21	46	50	15	7	5
Castle Point	2	21	31	28	39	12	1	0
Central Bedfordshire	5	26	51	100	117	78	42	41
Chelmsford	8	41	42	74	84	36	10	6
Cherwell	10	88	51	92	115	57	48	35
City of Portsmouth	7	18	23	69	88	62	18	11
City of Southampton	7	48	63	79	94	48	19	9
Crawley	1	11	13	33	80	52	31	13
Dacorum	5	27	36	55	72	52	18	20
Dartford	8	28	28	31	74	48	27	16
Dover	2	6	14	23	25	7	8	4
East Cambridgeshire	7	19	23	34	22	14	12	8
East Suffolk	2	13	26	30	24	11	4	10
Eastleigh	1	6	30	42	79	47	32	11
Elmbridge	4	12	24	34	40	14	18	2
Epping Forest	6	35	31	45	32	13	5	4
Epsom and Ewell	6	4	9	9	21	3	1	0
Fareham	2	29	35	59	70	36	8	6
Folkestone and Hythe	15	23	23	35	38	15	5	1
Gosport	2	5	13	28	36	2	5	5
Gravesham	6	11	21	36	30	9	7	5
Guildford	10	33	29	41	54	29	6	1
Harlow	1	15	24	56	78	42	33	15
Havant	1	7	22	52	46	20	8	8
Hertsmere	10	22	24	20	35	29	11	6
Ipswich	4	28	49	57	82	43	23	11
Luton	18	55	89	119	151	66	31	10
Maidstone	8	34	49	73	74	28	14	12
Medway	9	30	50	81	118	46	29	18
Milton Keynes	11	23	35	70	159	139	85	74
New Forest	7	24	43	68	93	27	14	7
North Hertfordshire	3	37	46	70	70	27	13	7
Oxford	7	7	25	32	30	19	2	8
Reading	22	28	42	83	125	57	24	9
Reigate and Banstead	8	14	23	39	28	16	2	1
Rochford	7	20	14	27	33	9	6	3
Runnymede	9	12	15	8	34	16	3	0
Rushmoor	3	16	20	36	73	22	7	4

(continued from above)

Location	Floorspace (ft²)							
	0 - 1,000	1,000 - 2,500	2,500 - 5,000	5,000 - 10,000	10,000 - 25,000	25,000 - 50,000	50,000 - 100,000	100,000 +
Slough	2	13	33	76	100	61	28	16
South Cambridgeshire	2	39	46	53	85	37	22	9
Southend-on-Sea	10	25	37	42	46	16	2	2
Spelthorne	2	16	13	19	32	14	4	2
St. Albans	1	10	13	31	44	27	11	5
Stevenage	1	16	40	39	44	32	12	8
Surrey Heath	5	10	13	31	29	20	7	3
Swale	6	17	34	80	78	37	25	11
Tendring	3	14	29	29	22	6	3	6
Test Valley	4	20	53	55	108	62	32	15
Thanet	8	16	25	48	31	17	5	6
Three Rivers	0	5	12	21	30	6	5	0
Thurrock	3	18	33	63	91	52	32	48
Tonbridge and Malling	5	24	27	67	62	44	29	10
Tunbridge Wells	15	15	32	41	41	20	7	4
Uttlesford	7	22	35	43	35	18	8	5
Vale of White Horse	6	23	45	46	78	35	14	20
Watford District	12	28	46	41	77	32	13	2
Welwyn Hatfield	3	15	20	36	73	26	13	16
West Berkshire	12	42	60	98	99	54	25	12
Wokingham	2	18	25	45	75	19	8	4
Total	439	1,589	2,315	3,505	4,647	2,322	1,108	713

Source: CoStar Data (2021)

5.4 Rents and capital values

5.4.1 Building on this, headline rents and capital values in relevant Local Authorities across the WSE have been considered below in Table 5.4. As with vacancy rates, the data sets out prevailing rents and capital values at the local authority level only, including stock not identified within strategically important clusters, owing to the data not being accurately and consistently available at the cluster level.

5.4.2 As might be expected across such a broad geography, data indicates significant variance in both rents and capital values. Average rents are £10.50 p/ft² / £114.50 p/m², with a range from £7.50 p/ft² / £79.50 p/m² in Thanet, up to £20 p/ft² / £216.50 p/m² in Surrey Heath. Capital Values present a range from £68.00 p/ft² / £732 p/m² in East Cambridgeshire, up to £214.00 p/ft² / £2,303 p/m² in Runnymede.

5.4.3 When compared against London headline values considered in Table 4.5, the majority of rents and capital values in the WSE fall below the London average rent of £19 p/ft² / £200 p/m² and capital value of £320 p/ft² / £3,420 p/m². There is a general trend of rental and capital value peaks in areas in close proximity to London, with more suppressed value sets in areas slightly further afield (see Figure 5.5), although proximity to London will not be the only factor determining value.

5.4.4 In line with market trends considered in the previous chapter, value growth in the WSE authorities has been strong against the 10-year average, with 30% rental value growth and 53% capital value growth. However, this falls below the growth rate experience in London (37% rental value growth, 62% capital value growth - see Section 4.8).

Table 5.4: Headline rents and capital values in the WSE

Location	ft²				m²			
	QTD* rent per ft²	10-year average	QTD capital value p/ft²	10-year average	QTD rent per m²	10-year average	QTD capital value p/m²	10-year average
Ashford	£8.68	£6.57	£104.00	£64.00	£93.44	£70.73	£1,119.56	£688.96
Basildon	£10.49	£7.63	£114.00	£68.00	£112.92	£82.14	£1,227.21	£732.02
Basingstoke and Deane	£9.46	£7.47	£124.00	£81.00	£101.84	£80.41	£1,334.86	£871.97
Bedford	£8.01	£6.08	£122.00	£80.00	£86.23	£65.45	£1,313.33	£861.20
Bracknell Forest	£12.99	£10.43	£181.00	£124.00	£139.84	£112.28	£1,948.47	£1,334.86
Brentwood	£10.32	£7.48	£112.00	£69.00	£111.09	£80.52	£1,205.68	£742.79
Broxbourne	£10.82	£8.22	£144.00	£94.00	£116.48	£88.49	£1,550.16	£1,011.91
Buckinghamshire	£10.46	£7.89	£141.00	£94.00	£112.60	£84.94	£1,517.87	£1,011.91
Cambridge	£12.33	£9.95	£114.00	£78.00	£132.73	£107.11	£1,227.21	£839.67
Canterbury	£8.25	£6.30	£115.00	£73.00	£88.81	£67.82	£1,237.98	£785.85
Castle Point	£8.14	£6.04	£91.00	£56.00	£87.63	£65.02	£979.62	£602.84
Central Bedfordshire	£8.61	£6.47	£130.00	£76.00	£92.69	£69.65	£1,399.45	£818.14
Chelmsford	£11.37	£8.31	£120.00	£74.00	£122.40	£89.46	£1,291.80	£796.61
Cherwell	£8.16	£6.39	£98.00	£66.00	£87.84	£68.79	£1,054.97	£710.49
City of Portsmouth	£9.23	£7.40	£97.00	£66.00	£99.36	£79.66	£1,044.21	£710.49
City of Southampton	£8.79	£6.99	£110.00	£74.00	£94.62	£75.25	£1,184.15	£796.61
Crawley	£13.98	£10.81	£205.00	£139.00	£150.49	£116.37	£2,206.83	£1,496.34
Dacorum	£11.75	£8.92	£173.00	£113.00	£126.49	£96.02	£1,862.35	£1,216.45
Dartford	£11.42	£8.40	£163.00	£109.00	£122.94	£90.43	£1,754.70	£1,173.39
Dover	£7.83	£6.09	£100.00	£64.00	£84.29	£65.56	£1,076.50	£688.96
East Cambridgeshire	£6.54	£5.06	£68.00	£46.00	£70.40	£54.47	£732.02	£495.19
East Suffolk	£7.06	£5.25	£71.00	£47.00	£76.00	£56.52	£764.32	£505.96
Eastleigh	£10.03	£7.92	£110.00	£75.00	£107.97	£85.26	£1,184.15	£807.38
Elmbridge	£14.72	£10.91	£204.00	£133.00	£158.46	£117.45	£2,196.06	£1,431.75
Epping Forest	£12.53	£9.18	£172.00	£108.00	£134.89	£98.82	£1,851.58	£1,162.62
Epsom and Ewell	£15.37	£11.81	£199.00	£126.00	£165.46	£127.13	£2,142.24	£1,356.39
Fareham	£8.89	£7.07	£99.00	£68.00	£95.70	£76.11	£1,065.74	£732.02
Folkestone and Hythe	£7.86	£6.02	£100.00	£62.00	£84.61	£64.81	£1,076.50	£667.43
Gosport	£8.51	£6.76	£85.00	£62.00	£91.61	£72.77	£915.03	£667.43
Gravesham	£10.42	£7.96	£122.00	£79.00	£112.17	£85.69	£1,313.33	£850.44
Guildford	£13.43	£10.23	£175.00	£111.00	£144.57	£110.13	£1,883.88	£1,194.92
Harlow	£11.61	£8.45	£135.00	£87.00	£124.98	£90.96	£1,453.28	£936.56
Havant	£8.92	£7.13	£98.00	£68.00	£96.02	£76.75	£1,054.97	£732.02
Hertsmere	£12.60	£9.70	£170.00	£108.00	£135.64	£104.42	£1,830.05	£1,162.62
Ipswich	£7.85	£5.92	£78.00	£52.00	£84.51	£63.73	£839.67	£559.78
Luton	£9.24	£6.99	£124.00	£79.00	£99.47	£75.25	£1,334.86	£850.44
Maidstone	£9.66	£7.22	£143.00	£87.00	£103.99	£77.72	£1,539.40	£936.56
Medway	£9.53	£7.12	£139.00	£86.00	£102.59	£76.65	£1,496.34	£925.79
Milton Keynes	£8.83	£6.42	£144.00	£89.00	£95.05	£69.11	£1,550.16	£958.09
New Forest	£9.11	£7.23	£114.00	£76.00	£98.07	£77.83	£1,227.21	£818.14
North Hertfordshire	£9.27	£7.12	£103.00	£69.00	£99.79	£76.65	£1,108.80	£742.79
Oxford	£16.41	£12.89	£116.00	£77.00	£176.65	£138.76	£1,248.74	£828.91
Reading	£11.12	£8.82	£143.00	£98.00	£119.71	£94.95	£1,539.40	£1,054.97
Reigate and Banstead	£13.14	£9.94	£158.00	£102.00	£141.45	£107.00	£1,700.87	£1,098.03
Rochford	£9.44	£6.94	£107.00	£63.00	£101.62	£74.71	£1,151.86	£678.20
Runnymede	£15.13	£11.50	£214.00	£133.00	£162.87	£123.80	£2,303.71	£1,431.75
Rushmoor	£11.50	£9.20	£127.00	£85.00	£123.80	£99.04	£1,367.16	£915.03
Slough	£14.96	£12.01	£192.00	£138.00	£161.04	£129.29	£2,066.88	£1,485.57
South Cambridgeshire	£7.98	£6.33	£88.00	£59.00	£85.90	£68.14	£947.32	£635.14
Southend-on-Sea	£8.12	£5.98	£95.00	£59.00	£87.41	£64.37	£1,022.68	£635.14

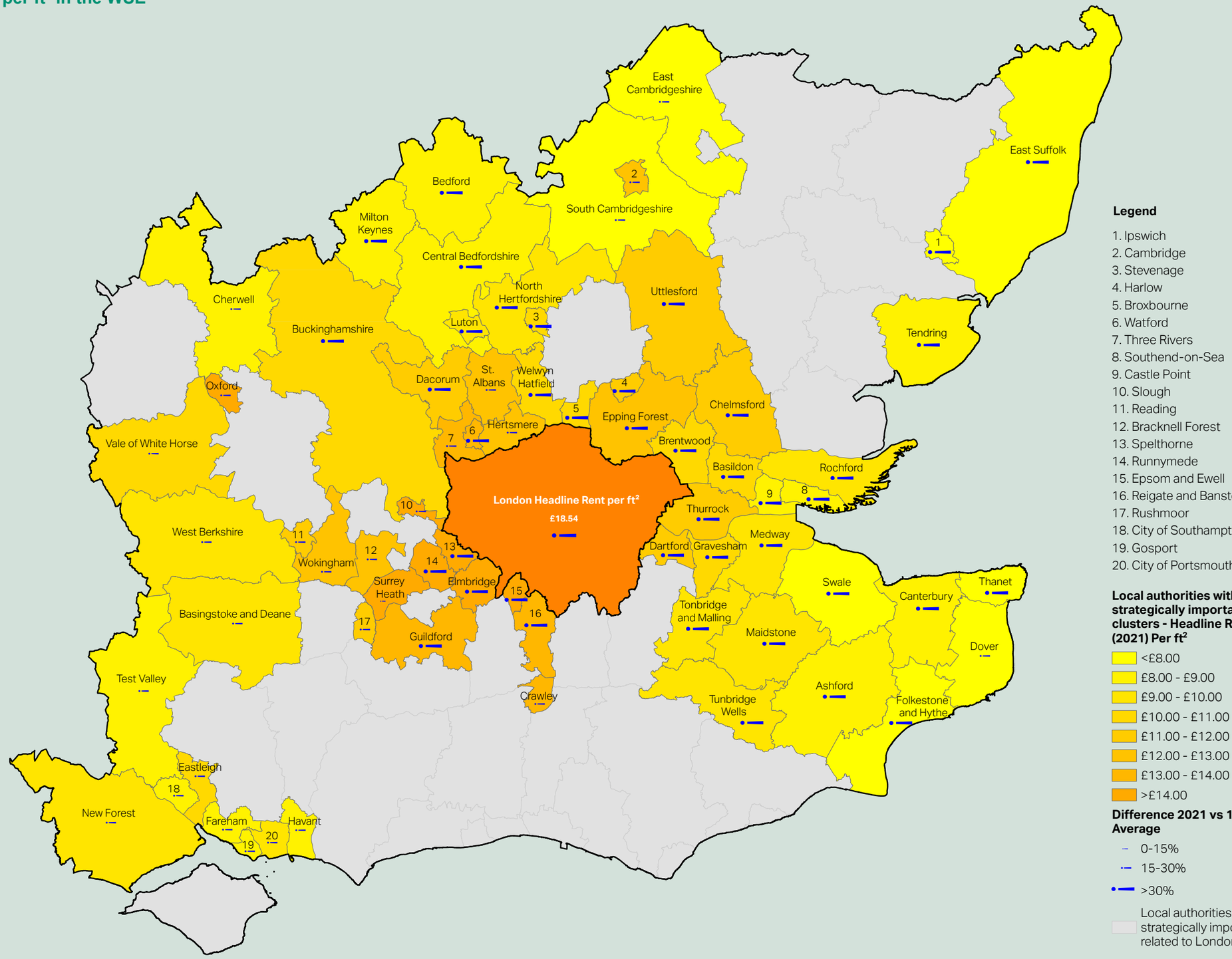
(continued from above)

Location	ft²				m²			
	QTD* rent per ft²	10-year average	QTD capital value p/ft²	10-year average	QTD rent per m²	10-year average	QTD capital value p/m²	10-year average
Spelthorne	£15.03	£11.31	£192.00	£126.00	£161.80	£121.75	£2,066.88	£1,356.39
St. Albans	£12.33	£9.54	£158.00	£103.00	£132.73	£102.70	£1,700.87	£1,108.80
Stevenage	£10.64	£8.16	£123.00	£82.00	£114.54	£87.84	£1,324.10	£882.73
Surrey Heath	£20.10	£18.24	£252.00	£211.00	£216.38	£196.35	£2,712.78	£2,271.42
Swale	£7.97	£5.94	£106.00	£65.00	£85.80	£63.94	£1,141.09	£699.73
Tendring	£8.09	£5.97	£93.00	£59.00	£87.09	£64.27	£1,001.15	£635.14
Test Valley	£8.39	£6.71	£130.00	£76.00	£90.32	£72.23	£1,399.45	£818.14
Thanet	£7.37	£5.65	£95.00	£61.00	£79.34	£60.82	£1,022.68	£656.67
Three Rivers	£13.60	£10.49	£155.00	£100.00	£146.40	£112.92	£1,668.58	£1,076.50
Thurrock	£11.74	£8.49	£140.00	£90.00	£126.38	£91.39	£1,507.10	£968.85
Tonbridge and Malling	£9.78	£7.26	£166.00	£100.00	£105.28	£78.15	£1,786.99	£1,076.50
Tunbridge Wells	£9.97	£7.55	£145.00	£89.00	£107.33	£81.28	£1,560.93	£958.09
Uttlesford	£11.18	£8.10	£123.00	£79.00	£120.35	£87.20	£1,324.10	£850.44
Vale of White Horse	£10.15	£8.22	£134.00	£89.00	£109.26	£88.49	£1,442.51	£958.09
Watford District	£13.41	£10.29	£160.00	£104.00	£144.36	£110.77	£1,722.40	£1,119.56
Welwyn Hatfield	£10.99	£8.34	£161.00	£106.00	£118.31	£89.78	£1,733.17	£1,141.09
West Berkshire	£9.67	£7.62	£125.00	£84.00	£104.10	£82.03	£1,345.63	£904.26
Wokingham	£12.09	£9.88	£140.00	£96.00	£130.15	£106.36	£1,507.10	£1,033.44
Total	£10.64	£8.19	£133.07	£86.97	£114.52	£88.13	£1,432.54	£936.24

Source: CoStar Data (2021)

* Quarter 4 2021.

Figure 5.5: Headline rents per ft² in the WSE



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Legend

1. Ipswich
2. Cambridge
3. Stevenage
4. Harlow
5. Broxbourne
6. Watford
7. Three Rivers
8. Southend-on-Sea
9. Castle Point
10. Slough
11. Reading
12. Bracknell Forest
13. Spelthorne
14. Runnymede
15. Epsom and Ewell
16. Reigate and Banstead
17. Rushmoor
18. City of Southampton
19. Gosport
20. City of Portsmouth

Local authorities with strategically important clusters - Headline Rent (2021) Per ft²

- <£8.00
- £8.00 - £9.00
- £9.00 - £10.00
- £10.00 - £11.00
- £11.00 - £12.00
- £12.00 - £13.00
- £13.00 - £14.00
- >£14.00

Difference 2021 vs 10 yr Average

- 0-15%
- 15-30%
- >30%

Local authorities without strategically important clusters related to London

Source: AECOM, Avison Young (2021)

Appendices

Appendix A: Quantity of industrial land in London

Appendix A is available here.

Appendix B: Economic function, character and role of SILs

Appendix B is available here.

Appendix C: SIL intensification assessment approach

Appendix C is available here.

Appendix D: Industrial use SIC definition

This section provides details on statistical definitions of core and wider uses that have informed Section 3 of the report, based on the Standard Industrial Classification (SIC) 2007. Table D.1 comprises industrial activities considered to be core industrial uses, and Table D.2 those which are wider industrial uses.

Table D.1: Definition of core industrial uses by SIC 2007 code

SIC 2007 Class	Core industrial use
1011	Processing and preserving of meat
1012	Processing and preserving of poultry meat
1013	Production of meat and poultry meat products
1020	Processing and preserving of fish, crustaceans and molluscs
1031	Processing and preserving of potatoes

(continued from above)

SIC 2007 Class	Core industrial use
1032	Manufacture of fruit and vegetable juice
1039	Other processing and preserving of fruit and vegetables
1041	Manufacture of oils and fats
1042	Manufacture of margarine and similar edible fats
1051	Operation of dairies and cheese making
1052	Manufacture of ice cream
1061	Manufacture of grain mill products
1062	Manufacture of starches and starch products
1071	Manufacture of bread; manufacture of fresh pastry goods and cakes
1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products
1081	Manufacture of sugar
1082	Manufacture of cocoa, chocolate and sugar confectionery
1083	Processing of tea and coffee
1084	Manufacture of condiments and seasonings
1085	Manufacture of prepared meals and dishes
1086	Manufacture of homogenised food preparations and dietetic food
1089	Manufacture of other food products n.e.c.
1091	Manufacture of prepared feeds for farm animals
1092	Manufacture of prepared pet foods
1101	Distilling, rectifying and blending of spirits
1102	Manufacture of wine from grape
1103	Manufacture of cider and other fruit wines
1104	Manufacture of other non-distilled fermented beverages
1105	Manufacture of beer
1106	Manufacture of malt
1107	Manufacture of soft drinks; production of mineral waters and other bottled waters
1200	Manufacture of tobacco products
1310	Preparation and spinning of textile fibres
1320	Weaving of textiles
1330	Finishing of textiles
1391	Manufacture of knitted and crocheted fabrics
1392	Manufacture of made-up textile articles, except apparel
1393	Manufacture of carpets and rugs
1394	Manufacture of cordage, rope, twine and netting
1395	Manufacture of non-wovens and articles made from non-wovens, except apparel
1396	Manufacture of other technical and industrial textiles
1399	Manufacture of other textiles n.e.c.
1411	Manufacture of leather clothes
1412	Manufacture of workwear
1413	Manufacture of other outerwear
1414	Manufacture of underwear
1419	Manufacture of other wearing apparel and accessories
1420	Manufacture of articles of fur
1431	Manufacture of knitted and crocheted hosiery
1439	Manufacture of other knitted and crocheted apparel
1511	Tanning and dressing of leather; dressing and dyeing of fur
1512	Manufacture of luggage, handbags and the like, saddlery and harness

(continued from above)

SIC 2007 Class	Core industrial use
1520	Manufacture of footwear
1610	Sawmilling and planing of wood
1621	Manufacture of veneer sheets and wood-based panels
1622	Manufacture of assembled parquet floors
1623	Manufacture of other builders' carpentry and joinery
1624	Manufacture of wooden containers
1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting
1711	Manufacture of pulp
1712	Manufacture of paper and paperboard
1721	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
1722	Manufacture of household and sanitary goods and of toilet requisites
1723	Manufacture of paper stationery
1724	Manufacture of wallpaper
1729	Manufacture of other articles of paper and paperboard n.e.c.
1811	Printing of newspapers
1812	Other printing
1813	Pre-press and pre-media services
1814	Binding and related services
1820	Reproduction of recorded media
1910	Manufacture of coke oven products
1920	Manufacture of refined petroleum products
2011	Manufacture of industrial gases
2012	Manufacture of dyes and pigments
2013	Manufacture of other inorganic basic chemicals
2014	Manufacture of other organic basic chemicals
2015	Manufacture of fertilisers and nitrogen compounds
2016	Manufacture of plastics in primary forms
2017	Manufacture of synthetic rubber in primary forms
2020	Manufacture of pesticides and other agrochemical products
2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics
2041	Manufacture of soap and detergents, cleaning and polishing preparations
2042	Manufacture of perfumes and toilet preparations
2051	Manufacture of explosives
2052	Manufacture of glues
2053	Manufacture of essential oils
2059	Manufacture of other chemical products n.e.c.
2060	Manufacture of man-made fibres
2110	Manufacture of basic pharmaceutical products
2120	Manufacture of pharmaceutical preparations
2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres
2219	Manufacture of other rubber products
2221	Manufacture of plastic plates, sheets, tubes and profiles
2222	Manufacture of plastic packing goods
2223	Manufacture of buildersÆ ware of plastic
2229	Manufacture of other plastic products
2311	Manufacture of flat glass
2312	Shaping and processing of flat glass
2313	Manufacture of hollow glass
2314	Manufacture of glass fibres

(continued from above)

SIC 2007 Class	Core industrial use
2319	Manufacture and processing of other glass, including technical glassware
2320	Manufacture of refractory products
2331	Manufacture of ceramic tiles and flags
2332	Manufacture of bricks, tiles and construction products, in baked clay
2341	Manufacture of ceramic household and ornamental articles
2342	Manufacture of ceramic sanitary fixtures
2343	Manufacture of ceramic insulators and insulating fittings
2344	Manufacture of other technical ceramic products
2349	Manufacture of other ceramic products
2351	Manufacture of cement
2352	Manufacture of lime and plaster
2361	Manufacture of concrete products for construction purposes
2362	Manufacture of plaster products for construction purposes
2363	Manufacture of ready-mixed concrete
2364	Manufacture of mortars
2365	Manufacture of fibre cement
2369	Manufacture of other articles of concrete, plaster and cement
2370	Cutting, shaping and finishing of stone
2391	Production of abrasive products
2399	Manufacture of other non-metallic mineral products n.e.c.
2410	Manufacture of basic iron and steel and of ferro-alloys
2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
2431	Cold drawing of bars
2432	Cold rolling of narrow strip
2433	Cold forming or folding
2434	Cold drawing of wire
2441	Precious metals production
2442	Aluminium production
2443	Lead, zinc and tin production
2444	Copper production
2445	Other non-ferrous metal production
2446	Processing of nuclear fuel
2451	Casting of iron
2452	Casting of steel
2453	Casting of light metals
2454	Casting of other non-ferrous metals
2511	Manufacture of metal structures and parts of structures
2512	Manufacture of doors and windows of metal
2521	Manufacture of central heating radiators and boilers
2529	Manufacture of other tanks, reservoirs and containers of metal
2530	Manufacture of steam generators, except central heating hot water boilers
2540	Manufacture of weapons and ammunition
2550	Forging, pressing, stamping and roll-forming of metal; powder metallurgy
2561	Treatment and coating of metals
2562	Machining
2571	Manufacture of cutlery
2572	Manufacture of locks and hinges
2573	Manufacture of tools
2591	Manufacture of steel drums and similar containers

(continued from above)

SIC 2007 Class	Core industrial use
2592	Manufacture of light metal packaging
2593	Manufacture of wire products, chain and springs
2594	Manufacture of fasteners and screw machine products
2599	Manufacture of other fabricated metal products n.e.c.
2611	Manufacture of electronic components
2612	Manufacture of loaded electronic boards
2620	Manufacture of computers and peripheral equipment
2630	Manufacture of communication equipment
2640	Manufacture of consumer electronics
2651	Manufacture of instruments and appliances for measuring, testing and navigation
2652	Manufacture of watches and clocks
2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment
2670	Manufacture of optical instruments and photographic equipment
2680	Manufacture of magnetic and optical media
2711	Manufacture of electric motors, generators and transformers
2712	Manufacture of electricity distribution and control apparatus
2720	Manufacture of batteries and accumulators
2731	Manufacture of fibre optic cables
2732	Manufacture of other electronic and electric wires and cables
2733	Manufacture of wiring devices
2740	Manufacture of electric lighting equipment
2751	Manufacture of electric domestic appliances
2752	Manufacture of non-electric domestic appliances
2790	Manufacture of other electrical equipment
2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
2812	Manufacture of fluid power equipment
2813	Manufacture of other pumps and compressors
2814	Manufacture of other taps and valves
2815	Manufacture of bearings, gears, gearing and driving elements
2821	Manufacture of ovens, furnaces and furnace burners
2822	Manufacture of lifting and handling equipment
2823	Manufacture of office machinery and equipment (except computers and peripheral equipment)
2824	Manufacture of power-driven hand tools
2825	Manufacture of non-domestic cooling and ventilation equipment
2829	Manufacture of other general-purpose machinery n.e.c.
2830	Manufacture of agricultural and forestry machinery
2841	Manufacture of metal forming machinery
2849	Manufacture of other machine tools
2891	Manufacture of machinery for metallurgy
2892	Manufacture of machinery for mining, quarrying and construction
2893	Manufacture of machinery for food, beverage and tobacco processing
2894	Manufacture of machinery for textile, apparel and leather production
2895	Manufacture of machinery for paper and paperboard production
2896	Manufacture of plastics and rubber machinery
2899	Manufacture of other special-purpose machinery n.e.c.
2910	Manufacture of motor vehicles
2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
2931	Manufacture of electrical and electronic equipment for motor vehicles
2932	Manufacture of other parts and accessories for motor vehicles

(continued from above)

SIC 2007 Class	Core industrial use
3011	Building of ships and floating structures
3012	Building of pleasure and sporting boats
3020	Manufacture of railway locomotives and rolling stock
3030	Manufacture of air and spacecraft and related machinery
3040	Manufacture of military fighting vehicles
3091	Manufacture of motorcycles
3092	Manufacture of bicycles and invalid carriages
3099	Manufacture of other transport equipment n.e.c.
3101	Manufacture of office and shop furniture
3102	Manufacture of kitchen furniture
3103	Manufacture of mattresses
3109	Manufacture of other furniture
3211	Striking of coins
3212	Manufacture of jewellery and related articles
3213	Manufacture of imitation jewellery and related articles
3220	Manufacture of musical instruments
3230	Manufacture of sports goods
3240	Manufacture of games and toys
3250	Manufacture of medical and dental instruments and supplies
3291	Manufacture of brooms and brushes
3299	Other manufacturing n.e.c.
3311	Repair of fabricated metal products
3312	Repair of machinery
3313	Repair of electronic and optical equipment
3314	Repair of electrical equipment
3315	Repair and maintenance of ships and boats
3316	Repair and maintenance of aircraft and spacecraft
3317	Repair and maintenance of transport equipment n.e.c.
3319	Repair of other equipment
3320	Installation of industrial machinery and equipment
3700	Sewerage
3811	Collection of non-hazardous waste
3812	Collection of hazardous waste
3821	Treatment and disposal of non-hazardous waste
3822	Treatment and disposal of hazardous waste
3831	Dismantling of wrecks
3832	Recovery of sorted materials
4321	Electrical installation
4322	Plumbing, heat and air-conditioning installation
4329	Other construction installation
4331	Plastering
4332	Joinery installation
4333	Floor and wall covering
4334	Painting and glazing
4339	Other building completion and finishing
4391	Roofing activities
4399	Other specialised construction activities n.e.c.
4520	Maintenance and repair of motor vehicles
4540	Sale, maintenance and repair of motorcycles and related parts and accessories

(continued from above)

SIC 2007 Class	Core industrial use
4611	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods
4612	Agents involved in the sale of fuels, ores, metals and industrial chemicals
4613	Agents involved in the sale of timber and building materials
4614	Agents involved in the sale of machinery, industrial equipment, ships and aircraft
4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery
4616	Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
4617	Agents involved in the sale of food, beverages and tobacco
4618	Agents specialised in the sale of other particular products
4619	Agents involved in the sale of a variety of goods
4621	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
4622	Wholesale of flowers and plants
4623	Wholesale of live animals
4624	Wholesale of hides, skins and leather
4631	Wholesale of fruit and vegetables
4632	Wholesale of meat and meat products
4633	Wholesale of dairy products, eggs and edible oils and fats
4634	Wholesale of beverages
4635	Wholesale of tobacco products
4636	Wholesale of sugar and chocolate and sugar confectionery
4637	Wholesale of coffee, tea, cocoa and spices
4638	Wholesale of other food, including fish, crustaceans and molluscs
4639	Non-specialised wholesale of food, beverages and tobacco
4641	Wholesale of textiles
4642	Wholesale of clothing and footwear
4643	Wholesale of electrical household appliances
4644	Wholesale of china and glassware and cleaning materials
4645	Wholesale of perfume and cosmetics
4646	Wholesale of pharmaceutical goods
4647	Wholesale of furniture, carpets and lighting equipment
4648	Wholesale of watches and jewellery
4649	Wholesale of other household goods
4651	Wholesale of computers, computer peripheral equipment and software
4652	Wholesale of electronic and telecommunications equipment and parts
4661	Wholesale of agricultural machinery, equipment and supplies
4662	Wholesale of machine tools
4663	Wholesale of mining, construction and civil engineering machinery
4664	Wholesale of machinery for the textile industry and of sewing and knitting machines
4665	Wholesale of office furniture
4666	Wholesale of other office machinery and equipment
4669	Wholesale of other machinery and equipment
4671	Wholesale of solid, liquid and gaseous fuels and related products
4672	Wholesale of metals and metal ores
4673	Wholesale of wood, construction materials and sanitary equipment
4674	Wholesale of hardware, plumbing and heating equipment and supplies
4675	Wholesale of chemical products
4676	Wholesale of other intermediate products
4677	Wholesale of waste and scrap
4690	Non-specialised wholesale trade

(continued from above)

SIC 2007 Class	Core industrial use
4941	Freight transport by road
4942	Removal services
5210	Warehousing and storage
5221	Service activities incidental to land transportation
5224	Cargo handling
5310	Postal activities under universal service obligation
5320	Other postal and courier activities
8292	Packaging activities
9511	Repair of computers and peripheral equipment
9512	Repair of communication equipment
9521	Repair of consumer electronics
9522	Repair of household appliances and home and garden equipment
9523	Repair of footwear and leather goods
9524	Repair of furniture and home furnishings
9525	Repair of watches, clocks and jewellery
9529	Repair of other personal and household goods

Table D.2: Definition of wider industrial uses by SIC 2007 code

SIC 2007 Class	Wider industrial use
3511	Production of electricity
3512	Transmission of electricity
3513	Distribution of electricity
3514	Trade of electricity
3521	Manufacture of gas
3522	Distribution of gaseous fuels through mains
3523	Trade of gas through mains
3530	Steam and air conditioning supply
3600	Water collection, treatment and supply
3900	Remediation activities and other waste management services
4311	Demolition
4312	Site preparation
4313	Test drilling and boring
4511	Sale of cars and light motor vehicles
4519	Sale of other motor vehicles
4531	Wholesale trade of motor vehicle parts and accessories
4532	Retail trade of motor vehicle parts and accessories
4910	Passenger rail transport, interurban
4920	Freight rail transport
4931	Urban and suburban passenger land transport
4932	Taxi operation
4939	Other passenger land transport n.e.c.
4950	Transport via pipeline
5222	Service activities incidental to water transportation
5223	Service activities incidental to air transportation
5229	Other transportation support activities