Industrial & Logistics: Can London Deliver?

nla

The industrial and logistics sector is a key component of the infrastructure that keeps London running and is increasingly becoming a more integral part of discussions about the future of our city.

This NLA research paper looks at the latest trends, challenges and opportunities in the industrial and logistics sector. From co-location to multi-level, the report presents alternative responses to pressing issues. The project showcase in this publication also evidences the innovation and ambition of a sector that wants to deliver more for London.

In partnership with

aukett swanke

GLP

PROLOGIS

Turley

This research paper was published by New London Architecture (NLA) in February 2023. It forms part of NLA's year-round Industrial & Logistics programme.

nla.london | #NLAIndustrial

Contents

Foreword

By Peter Murray OBE,
Co-founder, New London Architecture

Jules Pipe, Deputy Mayor of London for Planning, Regeneration and Skills, opened the NLA's exhibition *WRK-LDN — shaping London's future workplaces* back in 2016 soon after Sadiq Khan had been elected as Mayor. As we toured the show, I remember discussing with the Deputy Mayor the findings of the research which showed that land and space for commercial and industrial uses were under threat due to massive demands for housing and higher land values. Uncontrolled office-to-residential developments had resulted in the loss of thousands of square metres of office and industrial spaces across the capital.

About 50 per cent of industrial land in central London had disappeared since 2001, and vacancy rates for industrial spaces were nearing unsustainable levels. Although the exhibition took place some time before COVID, even then it was obvious that greater demand for online retailing meant that people expected purchases to be delivered in ever shorter timescales, and so good locations with easy access to central London were increasingly sought after.

We recommended expanding exemptions to permitted development rights to protect London's designated industrial and commercial land and spaces as a priority.

We highlighted the new types of buildings that integrate living, working, making, logistics, manufacturing and leisure that were starting to appear in major cities worldwide.

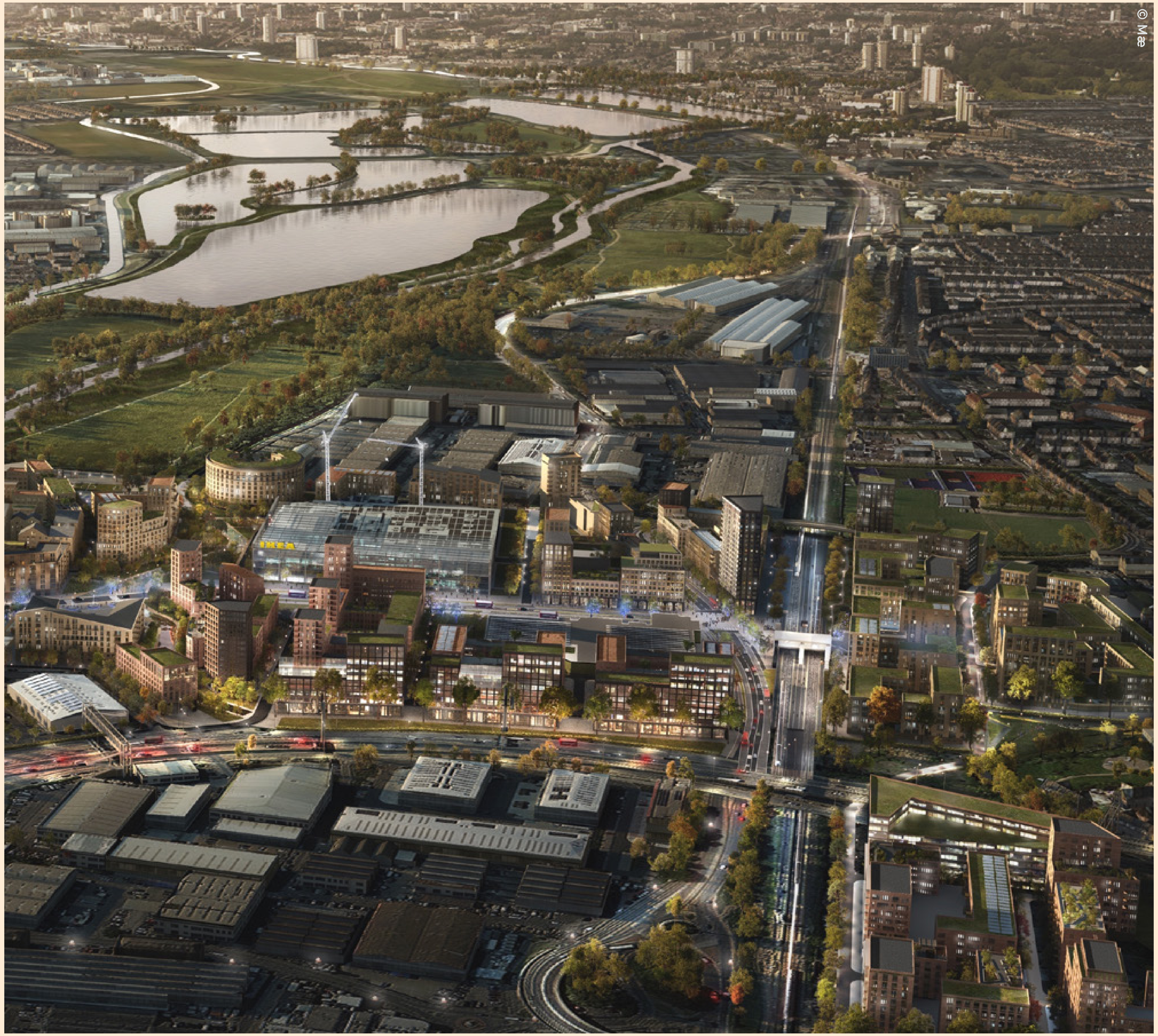
We suggested that, as land costs remained high, the need to accommodate more uses in less space required greater density and intensification of development. Bold steps were needed, the research found, to ensure that workspace was integrated within new mixed-use building types, and not lost to higher-value uses.

Local authorities should encourage discussions, we said, between developers, space managers and occupiers to create more mixed-use schemes and more innovative typologies of design and development that accommodate diverse uses. Design-led solutions for industrial schemes could address the critical need to accommodate industrial and logistical uses closer to the potential customer at a time when land values are increasing.

The Draft London Plan published nearly a year later in July acknowledged that the capital had released industrial land three times faster than planned. It included directives to boroughs and developers, with clear instructions to "support and sustain Strategic Industrial Locations (SIL) by considering opportunities to intensify and make more efficient use of land in SIL" (in accordance with Policies E4 to E7) specifically in Opportunity Areas to ensure their growth and regeneration potential was fully realised. It suggested that development proposals should be proactive and encourage the intensification of business uses in Use Classes B1c, B2 and B8 occupying all categories of industrial land by introducing small units, developing multi-storey schemes, and generally using land more efficiently through higher plot ratios.

What neither NLA nor the Mayor foresaw was the rapid increase in demand for home deliveries as a result of COVID and the dramatic shift in the value of residential and industrial land.

This report builds on NLA's studies of seven years ago and updates its thinking in light of these fast-changing circumstances. It shows how the design and development community is responding positively to the needs of the industrial and logistics sector and its vital role in supporting London's economy.



Meridian Water Masterplan by Mæ for London Borough of Enfield

Executive summary

The industrial and logistics sector is a key component of the infrastructure that keeps the UK and London running. In fact, it is integral to the UK economy with £232 billion of GVA (a 14 per cent share of the total economy) and 2.8 million industrial and logistics jobs in England.[1]

The logistics industry has increased over the pandemic and the rate has been normalised, with 39 per cent of road freight firms planning to increase the size of their fleets.[2] In London, this growth is driven by consumer demand, commercial realities and other factors:

Logistics is growing because...

London's population is rising: the capital's population passed 9 million for the first time in 2021

E-commerce is on a surge and it comes with behavioural changes: same-day delivery, click and collect, returns and other consumer behaviours have changed the way logistics work

Our homes are changing: in car-free developments with smaller kitchens, more people rely on goods being delivered to them, powered by evolving delivery apps

More people are shopping more online: Online purchases made up 34.6 per cent of total UK retail sales in February 2021, compared to 18.3 per cent in February 2019.[3] Mintel expects online retail sales to account for 30 per cent of all retail sales by 2025

British manufacturers are bringing production back to the UK: logistics in the UK has doubled in size since 2012, adding 190,000 workers between 2019 and 2021

However, in the last 20 years, London has released 24 per cent of its industrial floor space to other uses. In this report, we present three key questions for the capital and explore possible solutions:

How can London deliver enough of the right sort of industrial space?

In this section, we look at strategies to rethink industrial uses, including:

Co-location: housing logistics facilities with other uses

Intensification: making the few sites in existence work harder

Re-use: reworking existing buildings

Last-mile hubs: setting up more depots nearer to where people live

Land designation rethink: alternative options to free up more land within the M25

How can we rethink the logistics network?

In this section we look at a few examples of how to reimagine the logistics network:

-Electric: Using electric modes of transport where possible

-Reduce vehicle size: Reducing vehicle size is more achievable than adapting buildings

-Consolidation centers: To reduce delivery time

-Integration: Logistics operators working together with planners.

Can logistics be a good neighbour and employer?

Logistics hasn't always been seen as a good neighbour among politicians, local authorities and the public.

But things are changing; thoughtful architecture, placemaking and landscaping are proving to be part of the answer, alongside varied job opportunities for local residents.