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Land adjacent to M65 J3, Stanworth, Chorley

Regulation 19 Representations

Iceni Projects Limited on behalf of
FI Real Estate Management Ltd

April 2025

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ON BEHALF OF FI REAL
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Chorley
REGULATION 19 REPRESENTATIONS

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1. EXECUTIVE SUMMARY

Although this report has been prepared for the 2025 Consultation on the Central Lancashire Local Plan, our position reflects the pre-2024 NPPF and PPG guidelines because the Local Plan Review was initially developed under the transitional arrangements.

- 1.1 This report provides a brief update to the strategic needs assessment produced by Icen Projects Ltd on behalf of FI Real Estate Management Ltd in support of the application for Land adjacent to M65 J3, Stanworth, Chorley.
- 1.2 The updated report has been made to respond to the regulation 19 consultation version of the Central Lancs Local Plan in March / April 2025.
- 1.3 Key matters arising from the update that are relevant to the regulation 19 Plan consultation are outline below and are specifically addressed in section 4, as well as in the overall report conclusions:
- The progression of BEG employment evidence updates supporting the plan are illogical. Specifically, through the use of different data and historic periods of assessment, the reported employment need has fallen. This contradicts market signals for industrial need which identify ongoing low vacancies rates and rising rents, pointing to an increased rather than decreased requirement. The inconsistency in methodology is unsuitable and opaque in terms of Plan making.
 - The employment evidence does not consider strategic employment needs which the PPG expects that plan-making authorities should undertake (Paragraph: 031 Reference ID: 2a-031-20190722). This requirement is explicitly stated in past iterations of the evidence is absent in the 2024 work. The exclusion of strategic *supply* from the balancing implies that strategic need is also not considered. The Icen evidence does consider strategic need through the lens of a wider property market areas assessment and identifies a high level of need that the BEG work overlooks.
 - Icen's assessment of strategic needs taking into account demand and supply, highlights the need for additional large scale facilities in Central Lancashire, particularly in Chorley. This need is defined as focusing on larger units of 9,300 sqm (100,000 sqft) and above, over a property market area larger than Central Lancashire, deemed suitable for the occupiers of such units.

2. INTRODUCTION

- 2.1 This report, produced by Icen Projects Ltd on behalf of FI Real Estate Management, considers the requirements for strategic industrial & logistics floorspace and employment land need in Chorley and Central Lancashire. This emphasises the requirements for large scale space in particular the need for strategic units (+9,300 sq.m / +100,000 sq.ft). Need and demand for this space is less readily captured in local employment land studies and has not been acknowledged in the Regulation 19 Central Lancashire Local Plan.
- 2.2 This representation is made in the context of a proposed development of a 40.3ha site located at M65 Junction 3. The site currently has a pending application to provide much needed, high quality employment, primarily delivering up to 119,318 sqm (1.28 million sq.ft) of Class B8 floorspace. The site is understood to be capable of accommodating two large single footprint buildings of 49,480 sq m (532,626 sq ft) and 69,837 sqm (751,748 sq ft). Large scale units at this location are therefore optimally situated for serving the M65 towns including, Preston, Blackburn and Burnley.
- 2.3 Icen Projects is a market leader in the assessment of strategic need. Studies include 'A1 Logistics Study 2021/22' (Bassetlaw), 'South East Midlands Logistics Study 2022' (SEMLEP) and 'Liverpool City Region Strategic Housing & Economic Development Needs Assessment 2023' (Liverpool City Region). Each of these recognises the importance of 'above local' level consideration of strategic need, as does the Planning Practice Guidance (para 031).
- 2.4 The report considers the following:
- The policy and evidence position;
 - Review of the employment evidence;
 - Geography of the property market area;
 - Industrial and strategic unit market dynamics;
 - The need for strategic units in Chorley, Central Lancashire and the PMA;
 - The supply of strategic units;
 - Overall supply-demand balance.

3. POLICY CONTEXT

3.1 This section sets out the key policies and evidence of national and local planning frameworks.

National Planning Policy Framework (NPPF) (December 2023)

3.2 The Local Plan Review was prepared under transitional NPPF arrangements, therefore the planning context follows pre-2024 NPPF policy.

3.3 The NPPF sets out the Government's planning policies and how these should be applied. It provides a framework within which locally-prepared plans can provide for housing and other development in a sustainable manner and how planning applications should be considered.

3.4 Para 8: 'achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives)', [one of which is]:

- a) 'an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;'

3.5 Para 16: 'plans should: "b) be prepared positively, in a way that is aspirational but deliverable'.

3.6 Para 85: 'planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development'.

3.7 Para 86: 'planning policies should:

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy and any relevant Local Industrial Strategies and other local policies for economic development and regeneration;
- b) set criteria, and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

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- d) be flexible enough to accommodate needs not anticipated in the plan, and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances'

3.8 Para 87: 'planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

Planning Practice Guidance (PPG) – Housing and Economic Needs Assessment, 2019

3.9 Whilst the PPG was updated in 2024, the Local Plan Review was prepared under the previous PPG. Paragraph 026:

3.10 How can strategic policy making authorities prepare and maintain evidence about business needs?

3.11 ... They will need to assess:

- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;

Paragraph: 027:

3.12 How can market signals be used to forecast future need?

3.13 Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)
- analysis based on the past take-up of employment land and property and/or future property market requirements

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- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

3.14 Authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios.

Para 029:

3.15 How can current market demand be analysed?

3.16 It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.

3.17 Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied.

Paragraph: 030

3.18 How can employment land requirements be derived?

3.19 When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements:

- Standard Industrial Classification sectors to use classes;
- Standard Industrial Classification sectors to type of property;
- employment to floorspace (employment density); and
- floorspace to site area (plot ratios based on industry proxies).

3.20 Paragraph: 031

How can authorities assess need and allocate space for logistics? ...Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. This can be informed by:

- engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;
- analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;
- analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and
- engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.

3.21 Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).

3.22 Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets. A range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.

Central Lancashire Local Plan 2023-41 – Regulation 19

Policy EC1 (Strategic Policy): Scale of Economic Growth

3.23 Over the Plan period, provision will be made for a minimum of **173 hectares** of employment land to support both local and wider strategic employment needs. The objectively assessed need is summarised below:

Local Authority Area	OAN offices (hectares)	OAN industrial/warehouse (hectares)	Combined employment OAN (hectares)
Chorley	6.48	34.97	41.45
Preston	6.00	68.43	74.43
South Ribble	5.76	51.23	56.99

3.24 Economic growth and employment land supply will be provided for through existing and new employment allocations and extant planning permissions...

3.25 ...Policies EC2-6 identify employment and mixed-use allocations, which will meet the need for additional office accommodation and provide sufficient quantity, range and choice of sites to meet industrial/warehouse needs throughout the Plan period and help deliver economic growth.

3.26 The Samlesbury Advanced Engineering and Manufacturing Enterprise Zone will continue to be a regionally significant site for employment. Local Development Order(s) (LDOs) will continue to help deliver the Samlesbury Enterprise Zone. Development likely to compromise its delivery or operation of the Enterprise Zone will not be supported.

Policy EC2: Employment Allocations Chorley

3.27 The following sites are allocated and protected for employment development in Chorley.

Ref	Location	Total Site Area (ha)	Use Class
EC2.1	Land East of M61, Chorley #	6.92	E(g), B2, B8
EC2.2	Former Gas Works, Bengal Street, Chorley	0.76	E(g)
Total		7.68	

Policy EC5: Mixed Use Allocations Chorley

3.28 A further 2.66ha is allocated for employment development within mixed use allocations in Chorley.

Ref	Location	Total Site Area (ha)	Site Area for Housing (ha)	Number of Dwellings	Site Area for Employment (ha)	Employment Use Class
EC5.1	Southern Commercial, Buckshaw Village	2.04	1.50	41	0.54	E(g), B2, B8
EC5.2	Cowling Farm, Chorley*	9.50	9.20	242	0.30	E(g), B2, B8
EC5.3	Land at Bagganley Lane, Chorley* #	13.32	10.67	200	2.65	E(g), B2, B8
EC5.4	Land adjacent to Northgate Drive, Chorley	0.75	0.37	10	0.38	E(g), B2, B8
EC5.5	Botany Bay/ Great Knowley, Blackburn Road, Chorley	12.14	5.44	100	6.70	E(g), B2, B8
EC5.6	Woodlands, Southport Road, Chorley	5.16	4.26	97	0.90	E(g)
EC5.7	Land south west of The Green and Langton Brow, Eccleston	2.38	1.19	32	1.19	E(g), B2, B8
Total		45.29	32.63	722	2.66	

The Lancashire Growth Plan 2025-35, Consultation Version, February 2025

- 3.29 The Growth Plan provides a platform to restate Lancashire’s ambition, potential, innate strengths and unique contribution to the national growth mission.
- 3.30 The plan notes that there is a strong correlation between sectors identified in the Growth Plan and those identified in the emerging national Industrial Strategy.
- 3.31 The priority opportunities are:
- UK Security – capability to manufacture military aircraft, produce nuclear fuel and develop emerging capabilities in the cyber domain.

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- Clean Growth / Nuclear – nuclear lifecycle, fuel production, opportunity to generate nuclear fuels and energy systems.
 - Sustainable Digital and AI – recognise that data processing has a high consumption of water and power, access to transatlantic connectivity and wind power.
 - Supporting the continued success of Advanced Engineering & Manufacturing – key sectors include military and civil aerospace, energy, chemicals and commercial vehicles; with action focused on support prime sectors with a strong supply chain capabilities which are equally important to the development of new, high value, low-carbon goods.
 - A Re-Imagined Coast – driving local partnerships, forging strong relationships with government, seeding investment in new attractions and town centre development opportunities.

3.32 The plan identifies Lancashire’s Central Belt, which runs along the M55-M65 corridor as its primary economic focus. It notes that the west/east corridor is vital for the movement of workers and goods. The Growth Plan aims to develop the Central Belt into a cohesive economic area, leveraging existing strengths, future opportunities, workforce concentrations and strategic transport routes.

3.33 *Iceni note that the proposed site at M56 J3 is optimally located within the Central Belt economic area. The strategic unit offer that the site presents provides an opportunity to support the growth of the key priority sectors, especially advanced manufacturing, defence manufacturing or supply chain businesses.*

Central Lancashire - Employment Land Update 2022, BE Group (CLELU)

3.34 This report provides an Employment Land Study for the Central Lancashire sub-region and its component local authority areas of Preston, Chorley and South Ribble, supporting to 2021-38 Central Lancashire Local Plan. This evidence has now been superseded by the latest 2024 BEG Update however elements of the 2022 Study are still relied on.

Market Review

3.35 P87 notes that “Industrial and warehousing demand has remained consistently strong across Central Lancashire over the Covid-19 Pandemic and continues to do so. This is partly driven by increased needs for storage and logistics premises as businesses have moved more of their trading online, however, demand for production space is also strong.”

Supply

3.36 The report identifies that as of 2022, Central Lancashire has an employment land supply of 190.78ha, up from 177.63 in 2017. This comprises of a range of small and large office, industrial and warehouse sites:

- Chorley: 56.28ha
- Preston 82.52 ha (71.31 ha allocations + 11.21 ELR sites)
- South Ribble: 51.98ha – this does not include Cuerden Strategic Site and Samlesbury Enterprise Zone as they are marketed to occupiers outside of the district.

3.37 The report identifies that 25.6% of the supply is likely to provide larger B2 General Industry and/or B8 warehousing. This includes larger sites in North East Preston which would suit motorway linked logistics and industry. In South Ribble, the 22.20 ha E1(g): Farington Hall Estate, West of Lancashire Business Park is proposed for a major logistics development, expected to be developed in the next year (so 2023). The report suggests that this could point to an oversupply of land suitable for large industrial/warehouse units against the identified need for smaller units in the study. However, the report notes that 60.9 percent of the supply is flexible enough to support the full mix of B-Class options, including E(g)(i) offices and light industrial space.

Table 3.1 Use Class Assessment (Realistic Supply) - Central Lancashire - Employment Land Update 2022, BE Group

Area	Use Class*								Total	
	E(g)(i)		E(g)(iii)/B2		B2/B8		E(g)/B2/B8			
	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)
Chorley	2	3.68	4	20.86	2	3.86	5	27.88	13	56.28
Preston – EP1	-	-	-	-	3	22.67	4	48.64	7	71.31
Preston – ELR	3	0.66	-	-	1	0.11	3	10.44	7	11.21
South Ribble	1	0.45	-	-	1	22.2	5	29.33	7	51.98
Total	6	4.79	4	20.86	7	48.84	17	116.29	34	190.78

Source: BE Group, 2021

*To avoid double counting sites have been placed into one Use Class category only.

3.38 **Cuerden Strategic Site (Lancashire Central)** – 65ha located at western terminus of the M65. Previous development plans set out in the Central Lancashire Employment Land Study have been discarded due to key occupier Ikea pulling out of the scheme in 2018. The Council are now working with Maple Grove to produce a new masterplan and it is expected to be focussed on B-Class employment.

3.39 **Samlesbury Enterprise Zone** – the net developable area is approximately 44.46 ha, with 35ha falling within South Ribble. The site has been operation for over a decade and is occupied by BAE. In October 2021 it was announced that the zone will be home to a £5 billion campus for the National

Cyber Force, developed by 2030. Marketing is ongoing for plots which could support units of 250 – 35,000 sqm

3.40 The report authors BE Group identify that the **FEMA** for Central Lancashire includes Blackpool, Fylde, Wyre, Blackburn with Darwen, Ribble Valley, West Lancashire, Bolton and Wigan.

3.41 The following models are used to develop the 'need' for Central Lancs:

Model One: Historic Land Take-up - Uses Council completions data dating back 30 years 1991-2021. The take-up rates projected forward (which do not differentiate office and industrial / logistics) produce the following requirements, totalling 225.06 ha. This includes a 5 year buffer to account for choice of sites by size, quality and location and to make an allowance for the loss of further employment land to other uses.

Under this scenario, against a supply of 190.78ha there is a shortfall of **45.74ha**. This does not take account of the strategic supply at Cuerden (65ha) and Salmesbury (30ha).

Model two: Employment Forecasts - Floorspace needs have been estimated using employment forecasts in two ways – the net change in employment and only considering growing sectors. This provides the following need, which has been converted to land at 3,900 sqm per hectare. The total for Central Lancashire is **10.4 – 21.9ha**, significantly lower than the land take-up scenario.

3.42 By comparing historical trends of employment growth and land take-up it is concluded that employment-based models are not accurate, and the **historic take-up model is most appropriate**.

3.43 When split by use class, the report identifies the following gaps:

- Chorley – need for land suitable for larger B8 options and primarily office land, in particular there is a shortage of 21.03 ha of B8 land.
- Preston – need for land for offices, light industrial/industrial and warehouse options. Overall Preston has a surplus of land to meet mixed range of needs.
- South Ribble – sites suiting larger B8 and office

3.44 For Chorley specifically it is recommended that less constrained sites with M61 access should be considered as options, specifically, if they offer scope to provide larger B2/B8 properties which remain in high demand - due to issues with EP1.1 Great Knowley coming forward.

Table ES3 – Central Lancashire Land Forecast Models – Summary

Local Authority	Model	A: Land Stock 2016, ha – Strategic and/or Local Supply*	B: Land Need 2021-2038, ha	C: Buffer (five years further need), ha	D: Surplus (Shortfall), ha <i>D=A-(B+C)</i>	Assumptions
Chorley	Local Take Up	56.28 ha of Local Supply	58.99	17.35	(20.06)	Based on historic (30 years) take-up of 3.47 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	56.28 ha of Local Supply	Growth: +6.4 Change: +2.7	+1.78 +0.75	1) 48.10 2) 54.33	Based on 1) projected growth sectors 2) projected employment change across sectors
Preston	Local Take Up	82.52 ha of Local Supply (with ELR Sites)	54.91	16.15	11.46	Based on historic (28 years) take-up of 3.23 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	82.52 ha of Local Supply (with ELR Sites)	Growth: +7.9 Change: +3.7	+2.19 +1.03	1) 72.43 2) 77.79	Based on 1) projected growth sectors 2) projected employment change across sectors
South Ribble	Local Take Up	51.98 ha of Local Supply	60.01	17.65	(25.68)	Based on historic (30 years) take-up of 3.53 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	51.98 ha of Local Supply	Growth: +7.8 Change: +4.2	+2.17 +1.17	1) 42.01 2) 46.61	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2021

Chorley Market Update 2022, BE Group

- 3.45 Taking account of the findings in the 2022 CLELU, this update report by BE Group finds the strongest need in Chorley Borough is for B8 warehouse options (21.03ha).
- 3.46 The report notes that “throughout the Covid-19 Pandemic, and on into 2022, national and regional markets have boomed in the face of growing manufacturing and logistics sectors. Chorley has been no exception with units of 50-1000 sqm most frequently traded. Although, in the last decade, there has been reasonable market activity for all premises sizes up to 5,000 sqm. Both stakeholders and transactional data agree that Buckshaw Village, extending to include Euxton Lane, has been a focus of market activity and interest. Indeed, it is of specific interest to major employer GA Pet Foods which is seeking to expand from Revolution Park onto land on Euxton Lane, delivering 40,000 sqm of new

floorspace. This requirement reflects a lack of available expansion land within Buckshaw Village more directly”.

- 3.47 “Against this demand Chorley only had 15 available industrial units [at the time of writing], comprising 18,581 sqm, on the market, early in 2022. Little of this supply was in the size range or locations most needed. Against the average premises take up rate of 17 units/year or 23,939 sqm/year the marketed premises only provide 9-10 months of available property supply to meet the Borough’s needs. A vacant supply of 15 units, comprising 18,581 sqm means that Chorley Borough’s total industrial stock is 98.6% occupied by premises number and 96.9% by floorspace. High occupancy rates (above 95%) may be an indicator of supply shortfall, and businesses having difficulty in finding premises.”
- 3.48 Reflecting on the findings of the report, it is clear that Chorley requires additional deliverable employment sites beyond its current portfolio.

Central Lancashire Employment Land Study – Land Supply and OAN Update 2024 – BE Group (February 2025)

- 3.49 Following the work done in 2022, a further update was commissioned in 2024, reviewing potential future employment land and revised and updated objectively assessed needs ‘to reflect a different forecast period..., changing macro-economic conditions, updated forecast methodologies and the latest population projections’.

Market Findings

- 3.50 Industrial Market:
- Market has proved resilient in 2023, despite growing economic uncertainties, evidenced by the recent commencement/completion of several private sector schemes.
 - Industrial demand is projected to remain strong in the short term even if macro-economic conditions prove worse than forecast.
 - Against demand, and even with recent completions of new schemes, the subregion has a limited supply of premises to meet forward needs, some 8.8 months of forward industrial supply by units, 6.5 months by floorspace, based on past average rates of take up per year. Against total stock, vacancy rates across Central Lancashire are well below 5 percent, which also suggests supply shortages.

3.51 Warehousing:

- Across the UK, demand for logistics premises increased significantly in 2020- 2022 in response to the changing consumer behaviour. After three years of record breaking take up, stakeholders expect transaction rates in 2023 to be more moderate, but still well above the 10-year average.
- Reduced consumer spending may inhibit demand from retailers moving forward, logistics requirements are now coming from an increasingly diverse range of occupiers.
- While logistics growth will continue to be focused on prime locations on the motorway corridors, supply shortages will encourage the take up of good secondary locations as well. In Central Lancashire, all three local authorities have large sites close to motorway junctions which can benefit from ongoing demand for larger B8 uses.

Objectively Assessed Needs

3.52 Employment needs were forecasted for the 2023-41 period. Three models have been considered; 1) Past take-up since 2010/11; 2) Labour Demand model (baseline forecasts); and 3) Labour Supply model.

3.53 Further assumptions on land have been considered:

- Additional allocation to achieve a vacancy rate of 7.5% in local industrial;
- 5 year buffer to allow for choice ad potential change in needs during the plan period; &
- Consideration of past losses – no replacement demand adjustment for Chorley or South Ribble.

3.54 Previous modelling in the 2022 Study used data for the 1991-2021 period for the historic take-up model. The 2024 Study has reduced this to the 2010/11-2022/23 period. It is recognised that industrial and warehouse needs are driven by needs for production and storage space than the need to accommodate changing staffing levels. Thus, such companies may have ongoing property requirements even when they are reducing the numbers they employ, particularly if automation is improving productivity per worker. This results in a weaker link to the jobs-based Labour Demand modelling that was true for offices.

3.55 Additionally, the Labour Demand model forecasts negative or negligible land needs in the industrial sector, in Central Lancashire, which is at odds with identified market demand. Here, therefore, the Past Take Up model is preferred as it is independent of jobs change projections and based on real world trends.

3.56 The Labour Supply model is also not been relied on as it represents the employment land requirement specifically for extra jobs and is not a forecast for the whole Central Lancashire economy.

Table 25 – Recommended OAN for Industrial/Warehouse

Local Authority Area	OAN Figure, hectares	Assumptions Applied
Chorley	34.97	Baseline in the Take Up modelling, Net of Losses, for Industrial/Warehouse Uses only = 19.61 ha A further Buffer of 5 years is applied on the Baseline figure An additional 9.35 ha is included to achieve a vacancy rate of 7.5 percent and give greater choice for businesses
Preston	68.43	Baseline in the Take Up modelling, Gross of Losses (to provide allowance for the scale of industrial/warehouse losses recorded), for Industrial/Warehouse Uses only = 44.80 ha A further Buffer of 5 years is applied on the Baseline figure An additional 11.79 ha is included to achieve a vacancy rate of 7.5 percent and give greater choice for businesses
South Ribble	51.23	Baseline in the Take Up modelling, Net of Losses, for Industrial/Warehouse Uses only = 27.29 ha A further Buffer of 5 years is applied on the Baseline figure An additional 16.67 ha is included to achieve a vacancy rate of 7.5 percent and give greater choice for businesses
Total	154.63	

Source: BE Group, 2024

3.57 Including the need for office (derived by the labour demand model) results in a total employment land need of:

- **Chorley – 41.45 ha**
- **Preston – 74.43 ha**
- **South Ribble – 56.99 ha**
- **Central Lancashire combined – 172.87 ha.**

3.58 This is a reduction of 52ha compared to the 2022 study, where 225.06ha of need was identified for Central Lancashire. Chorley’s employment land needs have reduced from 76.34ha to 41.45ha.

3.59 Comparing this to the 2022 supply picture (Chorley: 56.28ha, Preston: 82.52ha and South Ribble: 51.98ha), means that:

- Chorley: sufficient land to meets its needs;
- South Ribble: 5ha shortfall, but supply excludes Cuerden Strategic Site; &
- Preston: small shortfall but further supply identified through SHELAA.

Employment Land Monitoring Report, Chorley Council 2023/24

3.60 The monitoring report considers there to be a residual employment land requirement of 69.95 ha up to 2026 derived from a need of 112ha, against 45.02ha of completions.

3.61 As of April 2024, there was an employment land supply of 63.6ha, of which only 19.72ha is committed; the rest is within allocations without planning permission.

Table 3.2 Available Employment Land (ha), April 2024

Commitments on allocated sites	11.36 Ha
Commitments on non-allocated sites	8.63 Ha
Allocated sites without planning permission	43.56 Ha
Total Supply	63.55 Ha

Source: Employment Land Monitoring Report, Chorley Council 2024

3.62 The Great Knowley site is the only substantial well located site that would be suitable for strategic B8 development, however this is not listed as being B8 suitable and its deliverability is questionable. No sites over 20ha are identified within the supply.

3.63 Chorley's previous Local Plan allocations have under delivered the required employment land and did not place it well for strategic investment and job creation.

Table 3.3 Availability of Chorley Local Plan 2012-26 Employment Allocations, April 2023

Site Ref	Site Location	Site Size (Ha)	Use Class	Completed to 1 April 2024 (Ha)	Completed/ Under Construction for Other Uses (Ha)	Remaining Employment Land (Ha)
EP1.1	Great Knowley, Chorley#	14.10	B2, E(g)	-	-	14.10
EP1.2	Botany Bay, Chorley#	5.90	B2, B8, E(g), C1	0.69	-	5.21
EP1.3	Land to North East of M61 Junction (Gale Moss), Chorley	6.90	B2, B8, E(g)	-	-	6.90
EP1.5	North of Euxton Lane, Chorley	13.10	B2, B8, E(g)	6.46	5.63	1.01
EP1.6	Cowling Farm, Chorley#	3.50	B2, B8, E(g)	-	-	3.50
EP1.7	Land at Ackhurst Business Park, Chorley	0.50	B2, B8, E(c), E(g)	-	0.50	0
EP1.8	Lyons Lane Mill, Townley Street, Chorley	0.50	B2, E(g)	0.17	-	0.33
EP1.9	Woodlands Centre, Southport Road, Chorley	0.80	E(c), E(g)	-	-	0.80
EP1.10	Stump Lane, Chorley	0.28	B2, E(g)	0.28	-	0
EP1.11	The Revolution, Buckshaw Village	13.80	B2, B8	10.54	-	3.26
EP1.12	Group 1, Buckshaw Village	5.40	B2, E(g)	-	5.40	0 ¹
EP1.13	Southern Commercial, Buckshaw Village	7.76	B2, B8, E(g)	2.45	3.27	2.04
EP1.14	Fairport, Market Place, Adlington#	0.60	B8, E(g)	0.60	-	0
EP1.15	Land east of Wigan Road, Clayton-le-Woods#	15.0	B2, B8, E(g)	-	-	15.00
EP1.17	Rear of New Street, Mawdesley	0.60	E(g)	-	0.60	0
TOTAL		88.74		21.19	15.40	52.15

forms part of a mixed-use site

Source: Employment Land Monitoring Report, Chorley Council 2023

4. CONSIDERING CENTRAL LANCASHIRE’S EMPLOYMENT LAND EVIDENCE 2024

Reduction of Industrial Need

- 4.1 Icení agrees with the premise that the labour demand model should be discounted for the forecasting of industrial needs. The lack of linear relationship between jobs and floorspace is demonstrated in table 14 of the 2024 Study (published in 2025). In Chorley there was an estimated net take-up of 5.8ha and 18.4ha of industrial and warehousing land respectively. Using job density estimates this should have generated 644 and 1,050 jobs respectively, however, actual jobs growth was only 225 and 20 over the 2010-2022 period. This shows the breakdown of job density for the industrial and warehousing market – need is increasingly being driven by automation, productivity and the need to replace aging stock.
- 4.2 Whilst Icení agrees with the premise of using a past take-up model, it is not appropriate or accurate that the identified industrial need for the plan period has been reduced between the 2022 and 2024 reports. The PPG (para 026) requires that analysis of market signals and evidence of market demand should feed into the employment land evidence base. Section 2 of the 2024 BEG Study provides very limited commercial market analysis and fails to offer any time series analysis of vacancy, net absorption or rental rates.
- 4.3 These commercial market indicators are detailed in Section 6 of this report and show that industrial vacancy rates have been below the optimum 7.5% since 2016 in Chorley, only increasing in the past year due to delivery at Botany Bay, which is assumed to only temporarily inflate vacancy rates whilst the units are let. Vacancy rates across Central Lancashire continue to be below 5%. Industrial rents have continuously increased at an average rate of 5.7% in Chorley and 3.9% across Central Lancashire and at an even greater rate of 7.0% and 6.8% respectively for strategic units. It is therefore inappropriate for an updated study to reduce the forecasted industrial needs, with no regard to market signals.

Table 4.1 Employment Land Needs Comparison

	2022 Study (2021-38) – 17 years		2024 (2023-41) – 18 years	
	Chorley	Central Lancashire	Chorley	Central Lancashire
Total Need	76.34	225.06	41.45	172.87
Model	All: Take-up (1991-2021 avg.) + 5 year margin		Office: Labour demand Industrial: Take-up (2010-2022) + 7.5% vacancy + 5 year margin	

Source: BE Group 2022/2024

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- 4.4 It is also of note that the 2023/24 Employment Land Monitoring Report highlights that there is a residual employment land requirement of 69.95ha to be completed by 2026. Whilst there is 63.6ha of identified supply, 43.65ha is on allocated sites with no planning permission. This is highly unlikely to all come forward before the end of 2026 and therefore there has been an under provision of employment development over the previous Local Plan period. It would therefore be suitable to make some provision for any unmet need within the new Local Plan, in addition to the forecasted need for the new Plan Period.
- 4.5 Icenl also disagree that no adjustment should be made for replacement demand in Chorley. It is best practice to make adjustments for replacement or lost and ageing stock. This should take the form of making a future provision for a proportion of historical losses or alternatively make provision to replace a proportion of stock that will become functionally obsolete by the end of the plan period, relying on stock age data.
- 4.6 Industrial units are considered to have a lifespan of 30-40 years, therefore within the plan period pre-2000 units will need replacement. Reducing the lookback period from a 1991 start date to 2010 increases the need to consider the replacement of older stock within the future requirements modelling. The pre-2010 period had significantly higher delivery rates than the post-2010 period. Basing future employment land needs on post-2010 trends fails to acknowledge that there is a significant proportion of stock that was delivered post-1990 that will need replacement within the plan period.

Failure to Quantify Strategic Need

- 4.7 The modelling within the 2024 Study **fails to acknowledge strategic unit need** (+9,300 sq.m). It is understood that the industrial / warehouse modelling is only providing for a local industrial market, drawing on local trends and not considering the strategic needs of a wider market area. Paragraph 031 of the PPG recognises the importance of identifying a need for strategic logistics facilities through engagement with developers and occupiers; analysis of market signals; and analysis of economic forecasts. The 2024 BEG Study makes no specific reference to the strategic logistics market in its market analysis or employment needs modelling.
- 4.8 The previous 2017, 2019 and 2022 studies recognised that the employment forecasts presented within the report were for local employment needs and that strategic requirements were not considered and so strategic sites (Samlesbury Enterprise Zone and Cuerden Strategic Site) have been removed from the supply picture.
- 4.9 Despite not specifically quantifying the need for strategic units, historical iterations of the study have recognised a need for strategic B8 in Chorley:

-
- 2019 Study (para 4.10) – identifies a gap of ‘larger B8 options’ in Chorley.
 - 2022 Study (para 9.13) – *‘if less constrained sites can be found with M61 access they should be considered as options to meet needs, particularly if they offer scope to provide the larger B2/B8 properties which remain in demand’.*
- 4.10 Despite this continued recognition for large scale B8, no further provision has been provided and therefore it is not appropriate that this qualitative recommendation has been removed in the 2024 Study iteration as it still remains a market requirement.
- 4.11 Market analysis as per 2024 Study (para 2.55-2.58) recognises that there has been unprecedented demand for B8 warehousing space – ‘demand for this service [3PLs] is expected to grow as companies look to outsource more their supply chain processes in light of energy price uncertainties’. However this does not seem to be reflected in the recommendations which just roll forward historical take-up.
- 4.12 In particular the report recognises that ‘all three local authorities have large sites close to motorway junctions...which can benefit from ongoing demand for larger B8 uses’ (para 2.58). The proposed site at M65 J3 benefits from strong strategic road network connections and would prevent supply from being directed to secondary locations.
- 4.13 The need for strategic units should be considered at a market level broader than individual authorities. The property market area for strategic units has been defined in section 5, and strategic unit needs for the plan period are estimated in section 7 for Chorley, Central Lancashire and the Property Market Area (consisting of the boroughs of Chorley, Preston, South Ribble and Blackburn with Darwen, Hyndburn and Burnley - see para 5.2).

Review of Chorley Supply

- 4.14 In terms of supply, there is very limited choice for strategic logistics in Chorley given that of sites over 5 ha within the existing and new allocations:
- Land to the North East of M61 – 6.9ha – application shows no intent to provide strategic units, max unit size 3,484 sq.m¹.
 - Botany Bay – 8.82ha – scheme is under construction and only provides one strategic unit.
 - Botany Bay / Great Knowley – 6.7ha – site is not of a larger scale, typically 25ha+ sought for major logistics proposals. The 2022 CLELU also notes that “land is in multiple ownerships,

¹ Design and Access Statement for 17/00713/OUTMAJ

and is likely to see land lost to housing” and furthermore “In practice, viability, topography, adjacent housing and landowner intentions are likely to be significant barrier to any employment development”.

- Land east of Wigan Lane, Clayton-Le-Woods is not well suited for logistics given its residential adjacency and asymmetrical parcel shape.

4.15 Therefore, only one strategic unit at Botany Bay is available, along with 11.7ha for larger logistics at Great Knowley. This is unlikely to be sufficient given the market focus on this type of requirement. Furthermore, the Great Knowley site is not large enough to achieve a strategic market offering, and its deliverability is highly questionable.

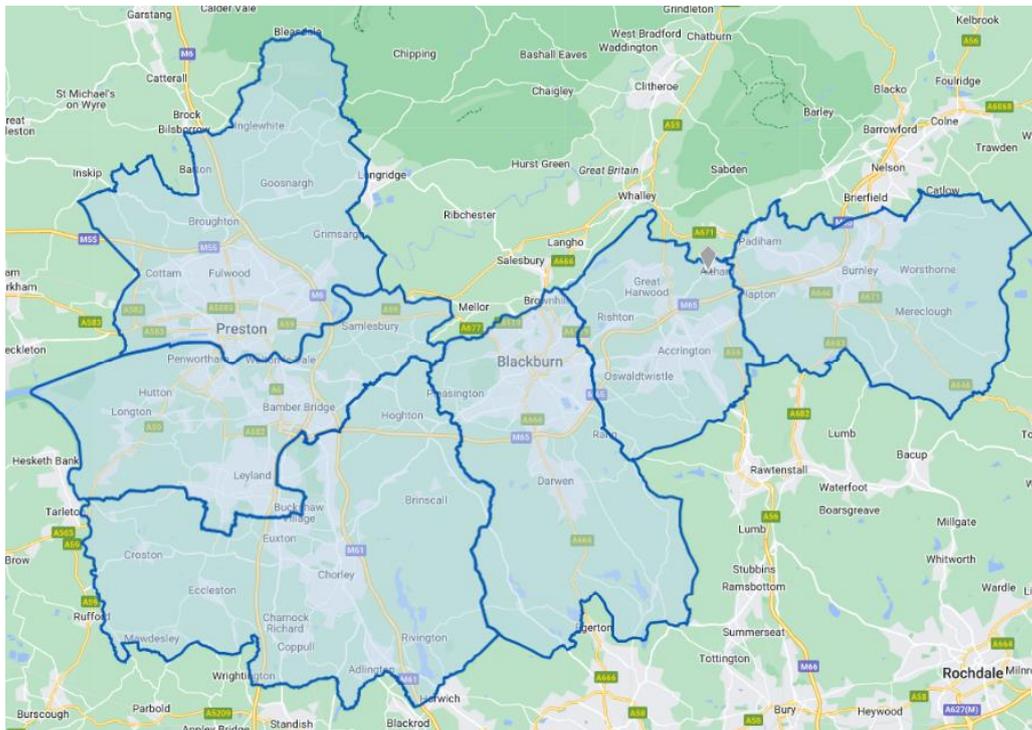
4.16 The strategic unit supply across Central Lancashire and Property Market Area is assessed in more detail in Section 8.

5. SETTING THE GEOGRAPHY

5.1 It is important to consider the wider property market outside of Chorley and Central Lancashire due to the nature of the proposed development and relevant occupiers. Strategic logistics occupiers tend to have a broad area of search across the multiple motorway corridors and districts.

5.2 The Property Market Area (PMA) is illustrated in the map below which has been developed in conjunction with commercial agents Fisher German. It consists of the boroughs of Chorley, Preston, South Ribble and Blackburn with Darwen, Hyndburn and Burnley. This essentially covers the Central Lancashire area in addition to the boroughs that follow the M65 corridor east through Blackburn and Burnley.

Figure 3.1 Map of Property Market Area



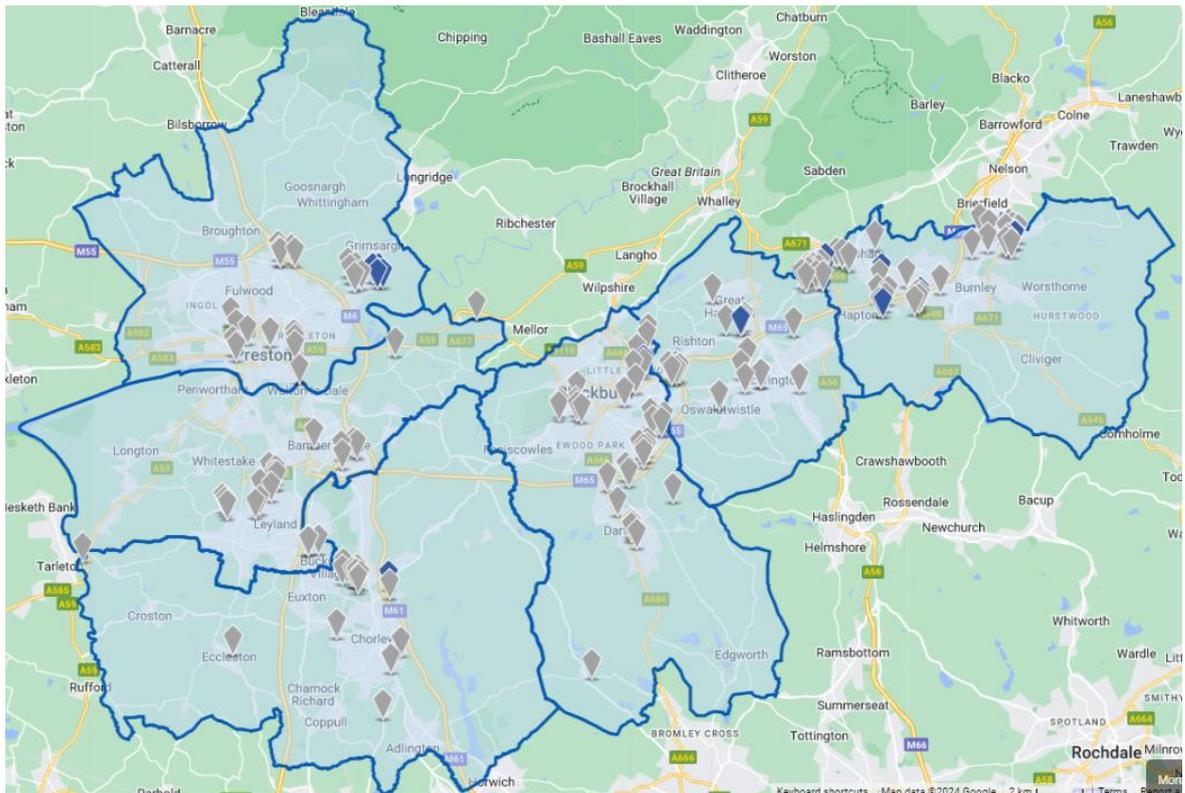
5.3 The PMA focuses on the main motorway network outside of the Manchester and Liverpool conurbations and which appropriately reflects a realistic area of search for logistics or industrial occupiers looking at the proposed site location. It covers the following sections of the strategic road network:

- M65 travelling east of Chorley through Blackburn with Darwen, Hyndburn and Burnley;
- M61 travelling north into South Ribble; &

- M6 travelling north into Preston.

5.4 The figure below includes the distribution of large industrial units. Blue markers are advertised as available, grey are occupied, with the vast majority let. Clusters are distributed in the urban areas on motorway network on the M6, M61 and M65. Logistics occupiers prefer network connections whilst industrial and manufacturing occupiers tend to seek urban / population located units. Of note, the M65 Blackburn – Preston link is one of the starkest gaps in the unit network distribution.

Figure 3.2 Map of Property Market Area – Large Industrial Units



6. MARKET INDICATORS

6.1 The following section considers the market dynamics of the industrial market (all unit sizes) and strategic unit (+9,300 sqm) market in Chorley, Central Lancashire and the Property Market Area (PMA). Stock includes both logistics and general industrial uses.

UK Industrial Market Overview (April 2025)

6.2 In recent years there has been a surge in demand for industrial space. There are a number of reasons for the recent and anticipated continual demand for new B2 and B8 space, notably²:

- i. The ongoing growth in online retailing. Covid 19 impacted traditional retailing resulting in a focus in online shopping. This brought about an immediate need for additional logistics facilities to store and distribute goods currently in transit and accommodate the change/demand for e-commerce fulfilment. Whilst this has abated post pandemic, the long term trend has been a steady and continuous move towards further online shopping.

Table 6.1 Internet sales as a percentage of total retail sales (ratio) (%)



Source: ONS 2025

² Adapted from 'Warehousing and Logistics in the South East Midlands' Icenis Projects Limited on behalf of South East Midlands Local Economic Partnership (2022) (CD 13.7)

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- ii. As online retailing has grown so has the returns structure, with online retail returns around 20%, double traditional retailing³. This requires a disproportionate increase in space as goods now flow both ways to a greater extent.
 - iii. Trade disruptions and supply chain uncertainty caused by Brexit has caused a surge in 'just-in-case' warehousing to allow companies to hold large inventories to minimise supply chain disruptions. This demand is particularly driven by manufacturing businesses which increasingly require additional warehouse capacity to store additional stock to prevent delays in production. Similarly, as a result of Brexit, the UK has seen a trend of 'on-shoring' which has seen UK businesses move their manufacturing and subsequent supply chain back to within the UK. This trend is due to continue with ongoing geo-political economic shocks such as Trump's uncertain tariff changes and increasing volatile geo-political tensions.
 - iv. The automation equipment requires significant levels of electrical power which some older units are not capable of providing. Electrical vehicle charging is also a demand on modern units.
 - v. Industry is increasingly concerned with their sustainability credentials. Older units may not be suitable to retrofit or provide the level of sustainability required by investors and shareholders.

Latest National Market Context

- 6.3 In recent years, the industrial and logistics sector has reached all time high demand, driven by COVID-19 impact e-commerce delivery requirements for both direct and third party operators. The manufacturing and industrial market has also seen some renaissance with on shoring of activities to increase stock holding and avoid supply chain shocks. However, this high demand has since faded, and space take-up now more closely reflects the pre COVID period. Savills⁴ reported in December 2024 that the logistics market remains in a transitional phase as data shows that occupiers remain active driven by strategic reasons rather than business growth alone. In turn this is leading to deals taking longer to complete and often older space returning to the market, with Grade A space preferred.
- 6.4 Savills consider that the UK economy remains in a fragile position. However, several indicators continue to support growth in the logistics sector, such as rising consumer spending and an increase in disposable incomes. Whilst an economic soft landing remains the consensus amongst forecasters', we need to be mindful of what is on the horizon, such as prolonged higher inflation and the impact of US tariffs on global economies.

³ 2020 Data for the US, Consumer Returns in the Retail Industry 2020, National Retail Federation

⁴ 'Big Shed Prospects: Key Takeaways & Conclusions', Savills (December 2024) (CD 13.8)

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- 6.5 CoStar reports (April 2025) that tenant appetite for greener buildings is offering support to rental growth. Industrial properties with the highest energy-efficiency ratings continue to post stronger rent growth than their lower-rated or unrated counterparts and are expected to continue to do so as occupiers seek space that meets their ESG requirements. Sector-wide rent gains have decelerated to 4.4% year-over-year as vacancies have inched up and occupiers face ongoing cost pressures. Rents are expected to keep growing, however, driven by relatively tight supply-demand conditions in some segments of the market.

North West Logistics Market – Savills, January 2025

- 6.6 Savills consider that the region sees strong demand for best-in-class quality units from a variety of occupiers. Savills expects rental growth in this region to outperform the rest of the UK, with their baseline forecast predicting a 5.3% rental growth per annum over the next five years. In their positive scenario, this growth rises to 5.6% per annum.
- 6.7 Analysis of activity by grade shows that 31% of the space transacted in 2024 was new speculative development, 28% was built-to-suit space, and 41% was second-hand space. Despite the increase in second-hand space transacted, there remains a clear preference for best-in-class quality buildings. In total, 83% of the space transacted was grade A, while 17% was grade C.

The Role of Defence in the North West

- 6.8 The North West has a distinct role in supporting the UK's defence sector. The region benefits from defence contracts of £2.5bn a year, supporting 16,000 jobs⁵.
- 6.9 Key assets and businesses include MBDA in Bolton Missile Systems Factory, supporting 800 engineering jobs⁶; BAE Systems - supporting 22,000 jobs in the North West, 57% of the company's UK workforce. The Lancashire Growth Plan⁷ recognises the regions role in supporting the UK's security and resilience, with its strengths in military aircraft, nuclear fuel, and cyber capabilities. BAE's military air sector work contributed £5 billion to UK GDP, £2.6 billion in export and £200m in tax revenue.
- 6.10 In order to continue growth and success within the sector it is necessary that the right employment space is available – both large-scale manufacturing sites as well as distribution and warehousing

⁵ <https://www.defenceonline.co.uk/2024/01/15/north-west-companies-vital-to-uk-defence/>

⁶ <https://www.hays.co.uk/market-insights/article/defence-engineering-north-west-today>

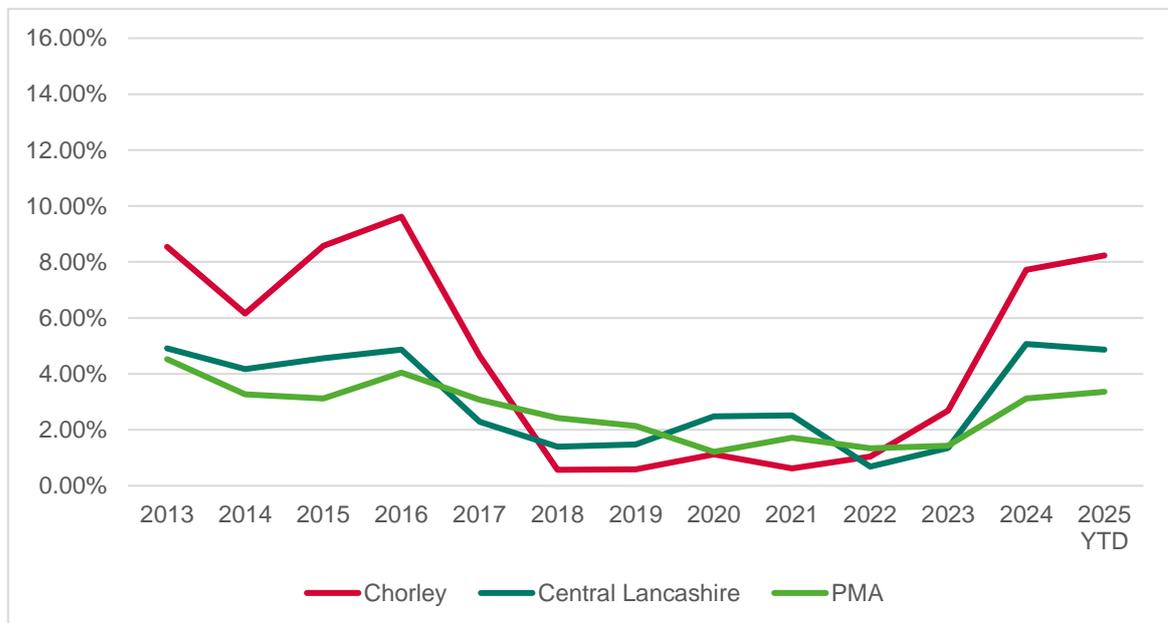
⁷ <https://lancashire-cca.gov.uk/sites/default/files/2025-03/Lancashire%20Growth%20Plan%20consultation%20version%20Feb%202025.pdf>

premises to support the supply-chain within the industry – BAE have partnered with 1,4000 suppliers⁷ across the UK, demonstrating the scale of importance the supply chain has within the sector.

Market Assessment: Chorley, Central Lancashire and the PMA

- 6.11 This section considers a number of statistics for the different market areas. It also looks at all market data as well as for the strategic market of large units of 100,000 sqft or 9,300 sqm. This strategic unit market is more readily considered at the wider Central Lancs and PMA level.
- 6.12 The figure below shows vacancy rates for all industrial stock in Chorley, Central Lancashire and the PMA - vacancy rates are currently 8.2%, 4.8% and 3.4% respectively. In Chorley vacancy rates have risen in recent years from an all time low of 0.6% in 2021, a similar trend has been seen across Central Lancashire and the PMA notwithstanding that rates have been below 5% since 2017 which has seen a sustained suppression of the market and is effectively a market failure position with insufficient supply for business needs.
- 6.13 Vacancy rates have been pushed up over the last 12 months in Chorley by the completion of units at Botany Bay. This rise in vacancy is expected to be temporary whilst the units are leased; given the historical market suppression demand is high and the new completions will be absorbed by the market immediately.

Figure 4.1 All Industrial Vacancy Rates



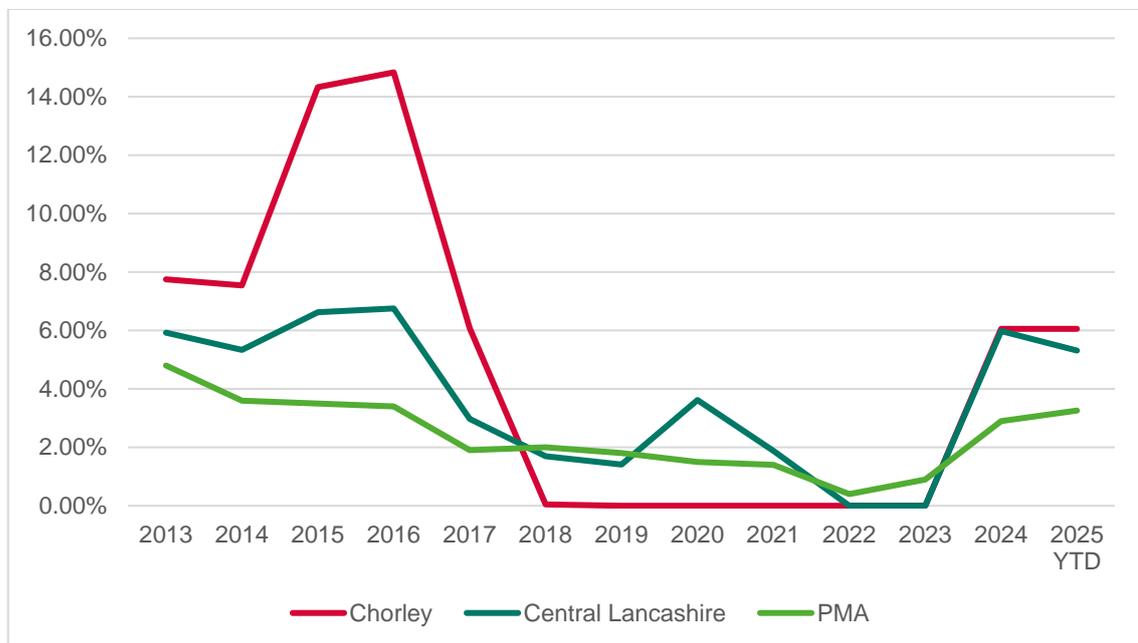
Source: CoStar (2025)

- 6.14 The figure below shows vacancy rates for strategic unit stock in Chorley, Central Lancashire and the PMA. Vacancy rates are significantly lower in this segment of the market and were at an all time low across all three areas – Chorley and Central Lancashire had a rate of 0% and the PMA has a rate of

0.9% in 2023. The vacancy rate remained at 0% in Chorley between 2018 and 2023, indicating a historical undersupply of strategic units. More recently the vacancy rate has risen to 6.1%, again driven the completion of a single strategic unit at Botany Bay, demonstrating the volatility of the strategic unit market in Chorley.

6.15 It is considered that a 'healthy' market has a vacancy rate of 7.5-10% to allow for market churn and occupier choice – the rate has not exceeded 7.5% since 2016 for Central Lancashire and the PMA. Overall the ultra-low vacancy rates signal significant undersupply of strategic units across the whole Property Market Area and suggests that the occupier and investor market has been suppressed in recent years.

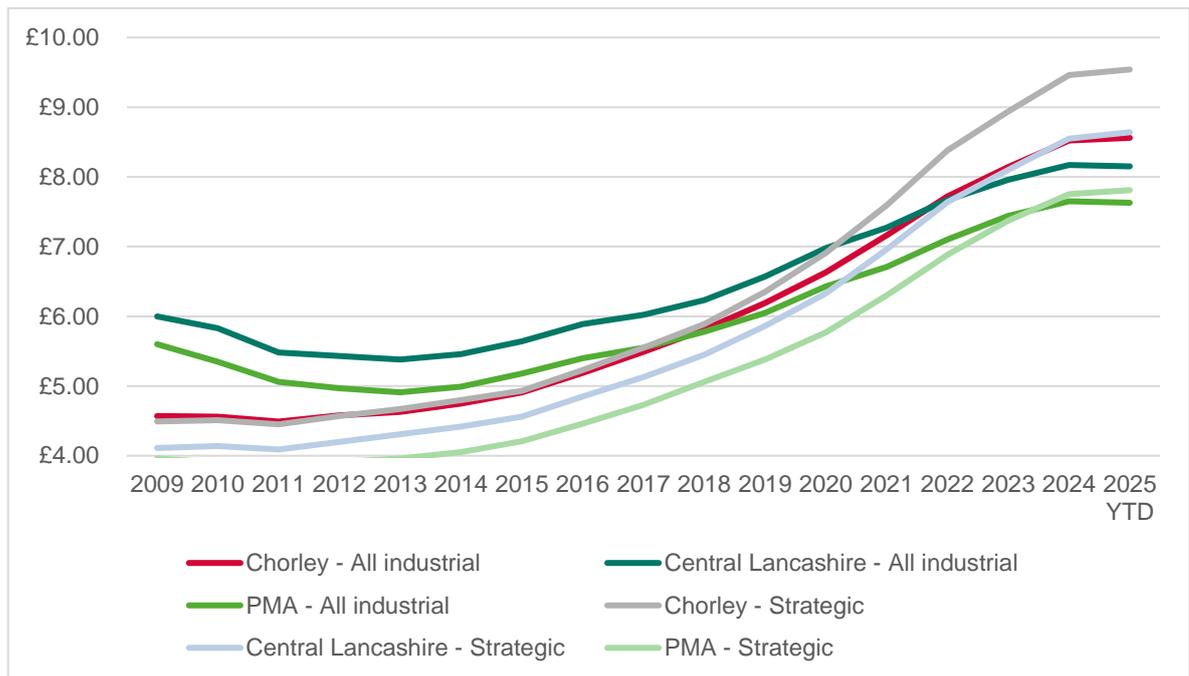
Figure 4.2 Strategic Stock Vacancy Rates



Source: CoStar (2025)

6.16 The figure below shows inflation-adjusted average market rents for all industrial and strategic units for each of the areas. Rents have been steadily rising year on year since 2014 at an average rate of 3.9-5.7% per annum for all industrial stock. This rate is higher when considering only strategic unit stock, 6.7% in Chorley, 6.4% in Central Lancashire and 6.3% in the PMA. Across all areas rents for strategic stock are higher than the industrial average. Rents for strategic stock in Chorley were £9.54 per sq.ft in Spring 2025, higher than Central Lancashire average (£8.64 p.s.f) and the PMA average (7.81 p.s.f). Increasing rents indicate rising levels of demand in addition to a restriction of supply.

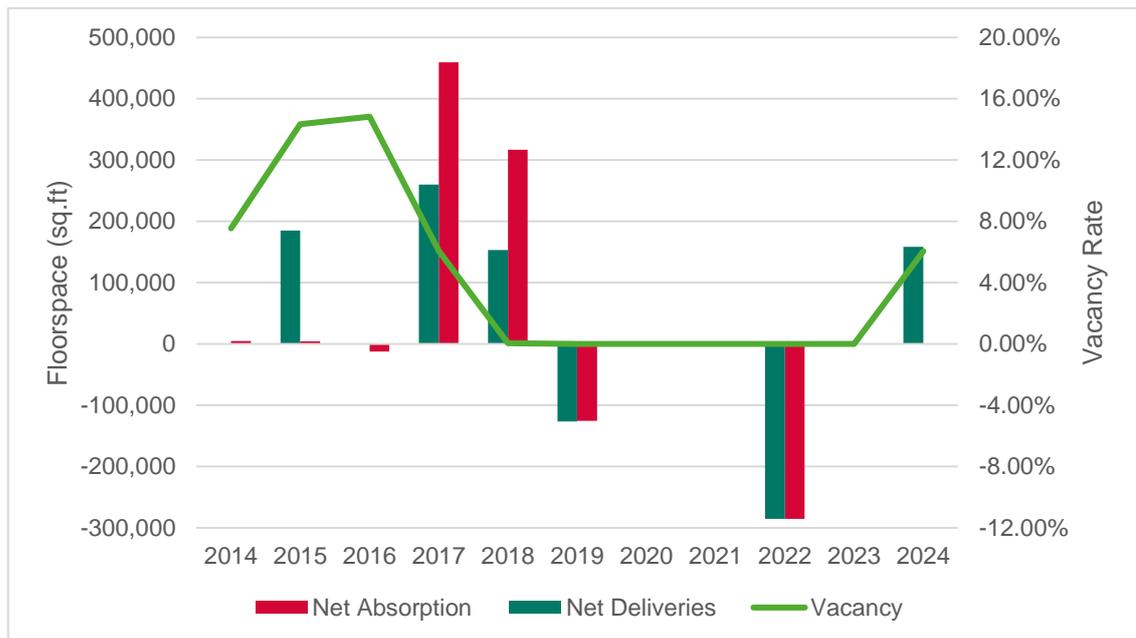
Figure 4.3 Inflation-adjusted average market rent – All industrial and strategic units



Source: CoStar (2025)

- 6.17 The three figures below shows net absorption, net deliveries and the vacancy rate for the strategic unit market in Chorley, Central Lancashire and across the PMA.
- 6.18 Since 2018, net absorption in Chorley has been negative or zero. Corresponding negative net deliveries indicates that move outs were caused by the demolition of units rather than a lack of demand in the market. The vacancy rate was 0% between 2018 and 2023. The vacancy rate has only recently been driven up by the completion of a single strategic unit at Botany Bay – once this is occupied the vacancy rate will return to 0%, demonstrating the lack of strategic unit supply in Chorley and sustained historical suppression of demand.

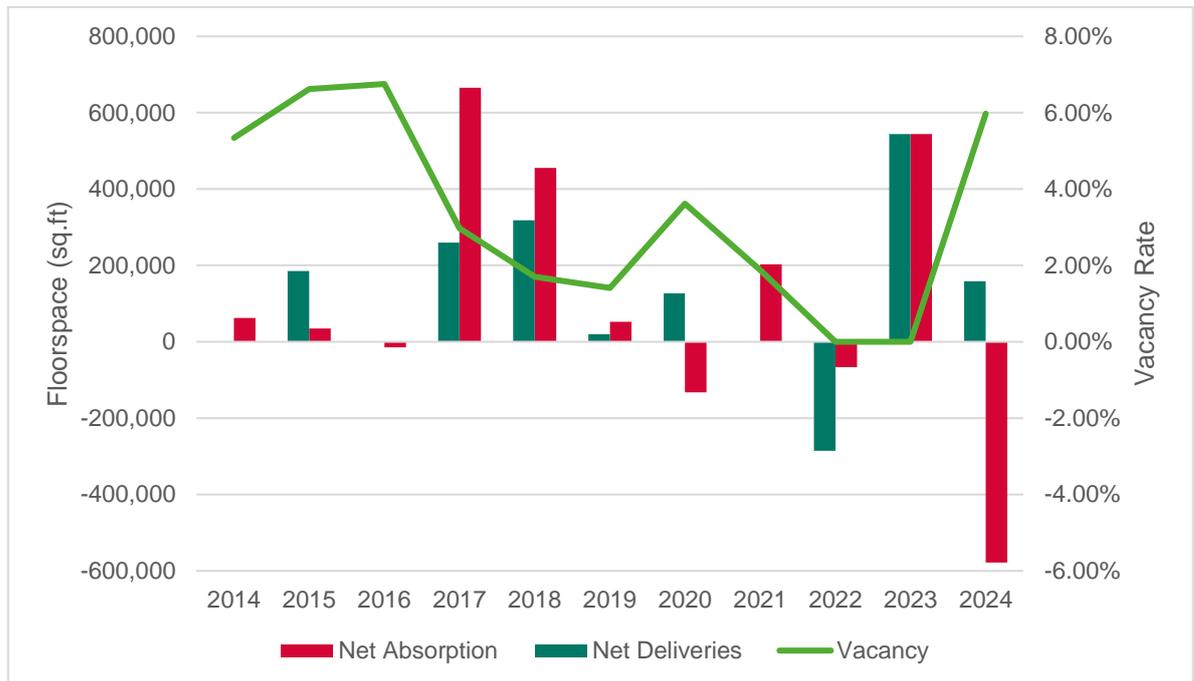
Figure 4.4 Chorley Strategic Units - Net Absorption, Net Deliveries and Vacancy Rate



Source: CoStar (2024)

6.19 In Central Lancashire net absorption has been positive on average over the past decade with an average take-up of 111,500 sq.ft over the past 10 years. Since 2018 net absorption has reduced – a lack of deliveries and a sub-5% vacancy rate indicates that the market has restricted by a lack of supply. 2023 saw a large take-up of 544,000 sq.ft which is assumed to be a newly built unit due to corresponding net delivery. Vacancy rates have been pushed up in 2024, however still remain at just 6.0%, due to a move-out equal to 578,000 sq.ft. Given the low levels of market supply, this can be assumed to be temporarily vacant.

Figure 4.5 Central Lancashire Strategic Units - Net Absorption, Net Deliveries and Vacancy Rate

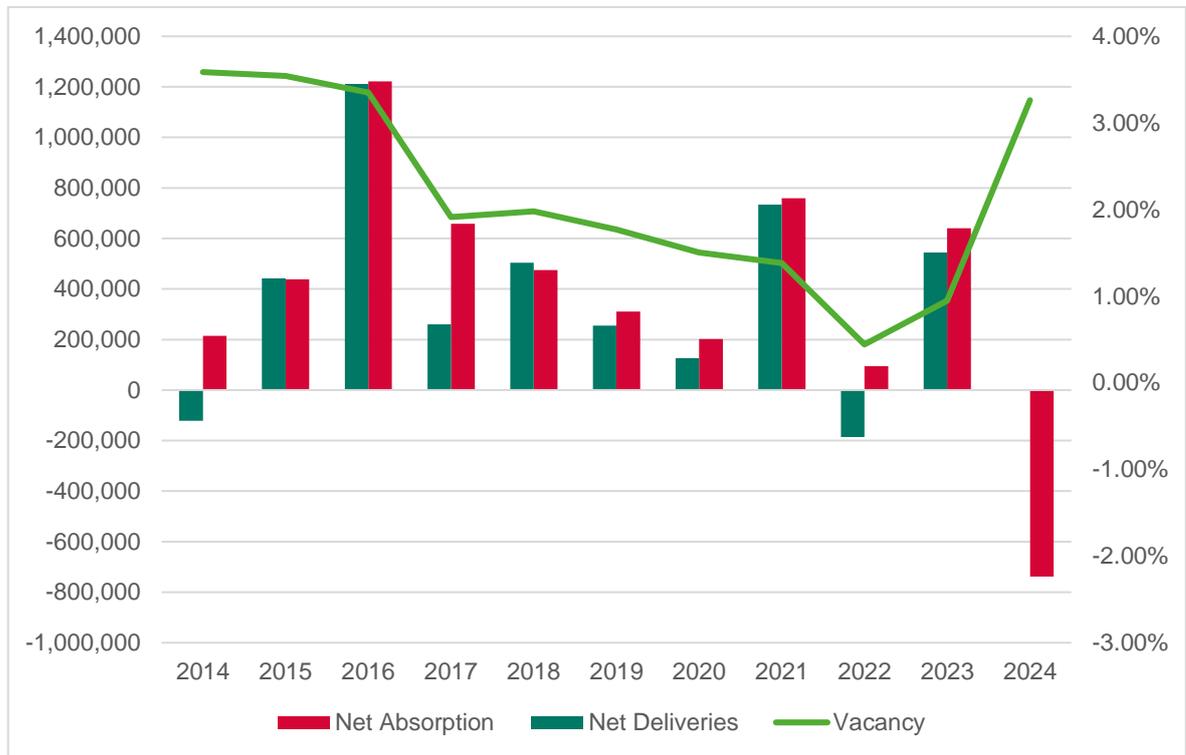


Source: CoStar (2024)

6.20 Across the PMA net absorption has outweighed deliveries over the past decade, with a total of 4.3 million sqft of net absorption compared to 3.8 million sqft of delivery of strategic unit floorspace. Over time this has driven down the vacancy rate towards 1% in 2023. Net absorption has been significantly constrained since 2018, compared to the previous period, due to suppressed demand caused by a lack of supply – vacancy rates have been below 5% since 2013, which does not allow market churn and occupier choice. As a result, existing occupiers remaining in their units due to a lack of alternative stock and potential occupiers looking to move into the market go elsewhere. Only within the past year has the market eased, with 738,100 sq.ft released back onto the market, however this has only lifted vacancy rates to 3.3%, remaining significantly below the optimum 5-7.5%.

6.21 Where units are delivered (constructed) they are immediately absorbed (let out) as can be seen below. More deliveries are needed in the market to improve business choice and increase inward investment.

Figure 4.6 Property Market Area Strategic Units - Net Absorption, Net Deliveries and Vacancy Rate



Source: CoStar (2024)

Availability

6.22 According to CoStar, there are a limited number of strategic units **immediately available** across the whole Property Market Area:

- Botany 185, Botany Bay Business Park – 158,360 sq.ft – completed 2024 (Chorley);
- Revolution 185, M61 J8 – 185,191 sq.ft (Chorley) – 2015 unit;
- India Mill, Furthergate Business Park – 121,309 sq.ft, 1980s unit (Blackburn);
- 1 Oliver’s Place – 1979 unit, M6 J32 (Preston); &
- FP3 – Frontier Park – new build 2025 – 158,360 sq.ft.

6.23 Of these units, only Botany Bay and Revolution 185 represent realistic alternatives to the Stanworth site at M65 J3 as those other units have poor access to the strategic road network or are severely aged and do not meet modern occupier requirements for best in class, energy efficient stock.

6.24 There are a further 12 units advertised as available on CoStar however these are proposed or under construction and therefore not considered immediately available. These schemes are explored in more detail in Section 8.

Conclusions

- The industrial and logistics market continues to perform strongly. Occupier demand has leant towards better quality units.
- Industrial vacancy has remained very low since 2018 in Chorley, Central Lancs and beyond. This is particularly the case for strategic scale units. Recent rises in vacancy has been driven by a much needed supply injection and are temporarily inflated due to a lag in take-up.
- Inflation-adjusted rents have increased by 50% over the last decade, indicating a demand / supply imbalance. Across the PMA absorption has outweighed deliveries with any new units immediately let. Demand is high.
- There are only a handful of available units listed on the market across the PMA. There remains a desperate need for more units.

7. STRATEGIC UNIT EMPLOYMENT LAND NEEDS

7.1 This section assesses the employment land need for strategic (+9,300 sqm) units in Chorley, Central Lancashire and the PMA. The Central Lancashire Employment Land evidence has failed to identify the need for strategic units. .

7.2 Three models are considered here:

- Completions – a useful method for identifying need but can be restricted if land is not provided for development or viability is weak.
- Net absorption – the occupation of units after discounting for occupier exits. **This is our preferred method for identifying need** because it represents market demand and is less prone to supply side constraint than completions data, although absorption can be constrained if there are no vacant units to move into.
- Suppressed demand - a method which seeks to estimate how much absorption would have occurred in a market where availability is not suppressed at all (so over 8%) and this is added to net absorption. There is some uncertainty about the validity of this model in PPG terms.

Net absorption

7.3 The table below shows the average annual net absorption (space occupied) for strategic industrial units for Chorley, Central Lancashire and the Property Market Area using 2010-2023 data, in line with the 2024 Employment Land Study. This has been rolled forward 18 years over the 2023-41 plan period to forecast a floorspace need. A margin equivalent to 5 years of average annual net absorption to account for delays in sites coming forward, errors in forecasting and market choice. This has been converted to hectares using a plot ratio of 0.35 which is more realistic for large units compared to the typical 0.4 ratio for the whole market (see Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change 2021 Appendix E⁸).

7.4 Whilst data is presented for Chorley and Central Lancs this is for reference only. The key statistic is for the PMA requirement, given that occupiers seeking units of this size will typically have a wider area of search than a single authority. It suggests that Chorley requires 62ha of land for strategic units in addition to its local need. For the Property Market Area 337 ha is required for strategic units.

8

https://www.nwleics.gov.uk/files/documents/warehousing_and_logistics_in_leicester_and_leicestershire_managing_growth_and_change_april_2021/Warehousing%20Report%20Leics%20FINAL%2021%2002%2022%20V4.pdf

Table 7.1 Net Absorption Trend Need – Strategic Units Only (+9,300 sqm)

	Chorley	Central Lancashire	Property Market Area
Average Annual Net Absorption (sqm)	9,825	22,861	53,667
Rolled forward over Plan period (2023-41)	176,846	441,489	966,186
Need + 5 year absorption margin	225,970	525,792	1,234,571
Land (Ha)*	65	150	353

Source: Icen analysis of CoStar data (2024)

*using a plot ratio of 0.35

Completions

7.5 Using data from CoStar we have calculated the quantum of floorspace delivered within strategic units (+9,300 sqm) in Chorley, Central Lancashire and the PMA. CoStar's database dates back to 2010. The table below indicates that in the 2010-23 period, an average of 2 hectares per annum was delivered. Rolled forward over the Plan Period and applying a margin, equivalent to 5 years of average completions, indicates a strategic need in Chorley of 38ha. In Central Lancashire the need for land for strategic units is estimated to be 133ha and cross the wider PMA the need is equivalent to 322ha.

Table 7.2 Completions Trend 2010-23

		Average deliveries (2010-23)	Rolled forward over plan period (2023-41)	+ 5 year margin
Chorley	Floorspace (sqm)	5,855	105,392	134,668
	Land (Ha)	2	130	38
Central Lancashire	Floorspace (sqm)	20,280	365,048	466,451
	Land (Ha)	6	104	133
Property Market Area	Floorspace (sqm)	49,027	882,481	1,127,614
	Land (Ha)	13	252	322

Source: Icen Analysis of CoStar data (2024)

Suppressed Demand

- 7.19 The British Property Federation working with Savills have set out a model which considers how historic low rates of availability can be used to adjust future property needs to account for market undersupply, see Levelling Up - The Logic of Logistics⁹. They deem that 8% is an appropriate equilibrium rate between supply and demand. The availability rate has been below 8% since 2015 across the PMA, indicating that the market has been supply constrained a number of years.
- 7.20 IcenI does not wholly subscribe to the Supressed Demand model as there are uncertainties in the way in which unknown historic market suppression can truly represent the future. However it is considered an insightful model to run.
- 7.21 Using the Supressed Demand model (calculations can be found in Appendix 2), the estimated suppressed demand for Chorley, Central Lancashire and the PMA are detailed in the table below.

Table 7.3 Supressed Demand

Area		Estimated Average Supressed Demand	Supressed Demand for Plan Period
Chorley	Floorspace (sqm)	17,352	312,345
	Land (Ha)	5	89
Central Lancashire	Floorspace (sqm)	20,685	372,330
	Land (Ha)	6	106
PMA	Floorspace (sqm)	31,292	563,249
	Land (Ha)	9	161

Source: IcenI Analysis of CoStar Data, Savills methodology

- 7.22 The estimated suppressed demand is added to the historic net absorption. Supressed demand is driving up the study area strategic unit demand need due to historic low availability rates. In Central Lancashire and the PMA it is estimated that suppressed demand drives 41% and 31% of the need respectively.

⁹ <https://bpf.org.uk/media/4772/levelling-up-the-logic-of-logistics-bpf-report.pdf>

Table 7.4 Net Absorption Trend – Supressed Demand Adjustment

	Chorley	Central Lancashire	Property Market Area
Net Absorption	65	150	353
Supressed Demand Adjustment	146	257	514

Source: IcenI Analysis of CoStar Data, Savills methodology

Conclusions

- 7.23 IcenI has revisited the needs based modelling for strategic needs for Chorley, Central Lancs and the wider Property Market Area. IcenI recommends that the net absorption model plus margin is used to represent the needs of **strategic units** over the PMA. This is 353 ha. The completions model at 322 ha of need is useful but may be less effective in this circumstance – for example as very few large units have been built in the past in Chorley but this is not to say there is no demand for them in the future. Completions therefore at the PMA are also likely to underestimate needs.
- 7.24 Following this approach indicates that there is an approximate need for **150ha in Central Lancashire** of which **65ha should be met in Chorley** as a minimum, given the historic undersupply of strategic stock.

Table 7.5 Summary of Strategic Unit Needs 2023-41 (Ha)

	Chorley	Central Lancashire	Property Market Area
Gross Completions + margin	38	133	322
Net Absorption + margin	65	150	353
Net Absorption + Supressed Demand Adjustment	146	257	514

Source: IcenI analysis of CoStar 2025

8. SUPPLY

- 8.1 The table below collates the supply of land for strategic units across the Property Market Area, including existing Local Plan allocations and extant permissions for strategic units. Overall there is a total supply of 120ha of land for strategic units, of which 76ha is within Central Lancashire and 10ha in Chorley. This compares to a requirement of up to 353ha of strategic need for the PMA.
- 8.2 A considerable amount of employment land is tied up within strategic site draft allocation SS5: Preston West. Only 24% of the dwellings are planned to come forward within the plan period and the site requires significant infrastructure investment including the delivery of a new railway station and highways works. The 63.3ha of employment land within the allocation has therefore been excluded at this stage as it is unlikely that employment development will come forward within the plan period.
- 8.3 The strategic site at Salmesbury (72 ha) has not been included as it provides land for advanced engineering and manufacturing only and is considered as a specialist market segment.

Table 8.1 Pipeline Supply of Strategic Units in Property Market Area

Site Name	Planning Ref/ Allocation	Local Authority	Strategic Site Area (ha)	Notes
Botany Bay – EP1.2	21/00439/FULMAJ	Chorley	3.3	Part complete / under construction - 37,661 sqm across 8.8ha site – 10 independent blocks of development containing 33 units – only one strategic unit (Block E – c.14,200 sqm, which is 38% of total floorspace) – assumed 38% land
Botany Bay / Great Knowley	Existing Allocation / Draft Allocation	Chorley	6.7	No application on site despite being an allocation since 2015
11 Roman Road Farm - Policy EP1.1	06/2022/0745 Existing / Draft Allocation – Reg 19	Preston	12.5	Outline permission for employment area (25ha) comprising of general industrial (Class B2), warehouse (Class B8) and ancillary business (Class E(g)(i)) - for 822,851 sqft across 12 units ranging from 25,500 - 147,000 sqft – assumed 50% site is strategic units
EP1.10: Preston East Junction 31A M6	No application Existing / Draft Allocation – Reg 19	Preston	25.3	Greenfield site on J31A of the M6 with an allocation for industrial.

SS5: Preston West	Draft Allocation – Reg 19	Preston	exc	63.3ha of employment land allocated for B2, B8 and E(g) use as part of residential led mixed use site. Site requires significant infrastructure with only 24% of the homes to be delivered within the plan period. Employment development is highly unlikely to be built out within plan period
E1(d): North of Lancashire Business Park, Farington	No application Existing / Draft Allocation – Reg 19	South Ribble	9.2	Ownership means it is likely to be held as expansion for Leyland Trucks but could be made available to other occupiers.
Cuerden Strategic Site	LCC/07/2022/00044	South Ribble	18.5	Zone B will deliver 65,000 sqm of B2 and B8 floorspace and Zone C will deliver 18,000 sqm of B2 and B8 floorspace. Masterplan shows 4 non-strategic units in Zone C. It is assumed Zone B will deliver strategic units – 18.5 ha using a plot ratio of 0.35
J5 M65 - Policy E179	10/23/1075 (pending)	Blackburn with Darwen	10.5	Pending outline planning application for employment development (22ha) comprising a mix of B2 and B8 - 7 units totalling 55.981 sq.m. Two units over 9,300 sqm - 12,988 sqm and 13,737 sqm – land calculated on this basis (48%)
Frontier Park / Land South of Network 65	OUT/2020/0366	Burnley	9.9	Outline permission for up to 50,000m2 B1b&c, B2 and B8 industrial units (13 hectares) - 76% of floorspace is within units over 9,300 sqm
Land to South of Altham Business Park (EMP3)	No application	Hyndburn	exc	Draft allocation (Regulation 19) – range of constraints suggests not suitable for logistics inc. access through existing business park, sloping land, building heights restricted, preserve the character and setting of Grade II listed Canal Bridge, south of site should be kept free of development
Land between Blackburn Rd, Sidebeet Lane, Leeds & Liverpool Canal and railway (EMP5)	No application	Hyndburn	Assume 9 ha of 18.1 identified	Draft allocation (Regulation 19) – acknowledge uncertain effect of pylons running across the site, farm buildings listed
Land N. of railway line between Sidebeet Lane and Leeds & Liverpool Canal (EMP6)	No application	Hyndburn	Assume 15 ha of 20.7 identified	Draft allocation (Regulation 19) - acknowledge uncertain effect of slope, pylons running across part of the site, farm buildings listed
Chorley Total			10	

Central Lancashire Total	76	
PMA Total	120	

Source: Central Lancashire Employment Land Study Update 2022; Icen / Fisher German research (2025)

9. EMPLOYMENT SITE SUPPLY AND BALANCE

- 9.1 The table below summarises the forecasted need for strategic units for the three models explored in section 7. For Chorley, Central Lancashire and the PMA, the relevant strategic supply has been taken account of and the residual need has been calculated.
- 9.2 The net absorption and completions model are best practice, PPG compliant and widely accepted; the suppressed demand model has been used for illustrative purposes.
- 9.3 Taking into account the completions and absorption models, the residual need for strategic units in Chorley is 28-55ha. In Central Lancashire the shortfall is 57-74ha and across the PMA the shortfall is 202-233ha. This indicates that there is an unmet need across all three geographies of assessment.
- 9.4 IcenI recommends that the PMA is the most appropriate geography to use when considering strategic need and the net absorption method is also most appropriate as it gives an improved market perspective beyond the completions supply side restrictions. **This suggests that there is around 233 ha of additional strategic need to be met, and indicatively Chorley should provide around 55 ha of this. Therefore there is a need for proposed site of 40.3ha at M65 J3.** The completions model also indicates a substantial shortfall.

Table 9.1 Supply Demand Balance (Ha)

	Net Absorption Model (Preferred)	Completions Model	Net Absorption Model + Supressed Demand (illustrative)
Chorley			
Need	65	38	146
Supply		10	
Residual Need	55	28	136
Central Lancashire			
Need	150	133	257
Supply		76	
Residual Need	74	57	181
PMA (Preferred)			
Need	353	322	514
Supply		120	
Residual Need	233	202	394

Source: IcenI Analysis of CoStar and Central Lancashire Employment Land Study Update 2022 Data

10. CONCLUSIONS

- 10.1 The identified industrial need for Chorley has been reduced between the 2022 and latest 2024 Employment Land Studies. This reduction in need is inappropriate given the heightened industrial demand Chorley and Central Lancashire has seen over the past decade. Market signals point to suppressed demand resulting from a lack of supply coming forward. The previous local plan failed to deliver a sufficient amount of employment development towards 2026 and this unmet need should be reflected in the next Plan Period.
- 10.2 Additionally, the Central Lancashire employment needs evidence only reflects local employment land need and does not consider providing a strategic sub-regional site. There are few if any options for strategic sites in Chorley.
- 10.3 Across the North West, the UK's defence sector has become increasingly important to the economy, both in terms of manufacturing and the supporting supply-chain. It is essential that employment land is provided to support the sector as geopolitical uncertainty becomes increasingly volatile.
- 10.4 The PMA is defined in this report as the boroughs of Chorley, Preston, South Ribble and Blackburn with Darwen, Hyndburn and Burnley, following the M6 north, the M61 north and M65 east out of Chorley. Analysis of market indicators reveals that vacancy and availability rates for strategic units have been historically low across Chorley, Central Lancashire and the PMA and have been below 1%, only rising within the past year due to much needed deliveries. As a result of low vacancy and availability rates, net absorption has been noticeably suppressed since 2018, exacerbated by a lack of deliveries.
- 10.5 Taking account of allocations and draft allocations (up to regulation 19), there is 120ha of supply of land for strategic units across the PMA, of which of which 76ha is within Central Lancashire and 10ha in Chorley.
- 10.6 The net absorption and completion model for strategic units reveals a need for 38-65ha of land in Chorley; 133-150ha in Central Lancashire and 322-353ha in the PMA. Taking account of pipeline land supply the residual need for employment land for strategic units is:
- Chorley: 28-55 ha
 - Central Lancashire: 57-74ha
 - PMA: 202-233ha
- 10.7 Icenl recommends that the need for strategic units be considered at the wider PMA level and that the net absorption model is accurate for this work, as it suffers less from historic under delivery. As a result, the requirement would be up to 233ha across the PMA.

10.8 Overall there is an evident demand for providing strategic units within Chorley but also within Central Lancashire and across the wider PMA. This is not being recognised in the Central Lancashire Employment evidence base or draft Local Plan. The proposed development of 40.3ha would contribute to meeting this immediate need for strategic units.

A1. SUPRESSED DEMAND

Table A1.1 Chorley Supressed Demand

Period	A: Inventory (Sq ft)	B: Availability %	D: Net Absorption (Sq ft)	C=(A*B) Availability (Sq ft)	F=(8%-B)*A Av. To EQ (Sq ft)	D/C = Net absorption /Availability	F*E Supressed Net Absorption
2023	2,458,351	6.1%	-	149,959	46,709	0%	61,427
2022	2,458,351	0.0%	- 285,386	-	196,668	0	258,641
2021	2,743,737	0.0%	-	-	219,499	0%	288,666
2020	2,743,737	0.0%	-	-	219,499	0%	288,666
2019	2,743,737	0.0%	- 125,194	-	219,499	0%	288,666
2018	2,870,231	0.2%	316,742	5,740	223,878	0%	294,425
2017	2,717,251	0.6%	459,400	16,304	201,077	0%	264,438
2016	2,457,251	0.7%	- 12,383	17,201	179,379	-72%	235,904
2015	2,457,251	17.0%	4,183	417,733	-	1%	-
2014	2,272,251	10.6%	4,700	240,859	-	2%	-
2013	2,272,251	10.1%	- 151,562	229,497	-	-66%	-
2012	2,272,251	1.3%	- 6,300	29,539	152,241	-21%	200,214
2011	2,272,251	1.0%	493,012	22,723	159,058	2170%	209,179
2010	2,272,251	22.6%	466,083	513,529	-	91%	-
2009	2,272,251	40.9%	1,100	929,351	-	0%	-
					Average	132%	153,228

Source: Icen Analysis of CoStar Data, Savills methodology

Table A1.2 Central Lancashire Supressed Demand

Period	A: Inventory (Sq ft)	B: Availability %	D: Net Absorption (Sq ft)	C=(A*B) Availability (Sq ft)	F=(8%-B)*A Av. To EQ (Sq ft)	D/C = Net absorption /Availability	F*E Supressed Net Absorption
2023	11,916,428	1.3%	544,000	154,914	798,401	351%	598,850
2022	11,372,428	3.8%	-	432,152	477,642	-15%	358,261
2021	11,657,814	4.6%	202,810	536,259	396,366	38%	297,299
2020	11,657,814	7.5%	-	874,336	58,289	-15%	43,720

2019	11,531,275	10.6%	52,800	1,222,315	-	4%	-
2018	11,511,197	6.5%	455,427	748,228	172,668	61%	129,512
2017	11,192,917	2.8%	665,534	313,402	582,032	212%	436,560
2016	10,932,917	4.5%	-	491,981	382,652	-3%	287,013
2015	10,932,917	9.8%	34,927	1,071,426	-	3%	-
2014	10,747,917	8.9%	62,803	956,565	-	7%	-
2013	10,747,917	9.1%	-	978,060	-	-13%	-
2012	10,395,917	2.7%	921,668	280,690	550,984	328%	413,272
2011	9,556,484	3.5%	364,577	334,477	430,042	109%	322,558
2010	9,556,484	7.9%	480,983	754,962	9,556	64%	7,168
2009	9,556,484	10.6%	-	1,012,987	-	-6%	-
					Average	75%	192,948

Source: IcenI Analysis of CoStar Data, Savills methodology

Table A1.3 Property Market Area Supressed Demand

Period	A: Inventory (Sq ft)	B: Availability %	D: Net Absorption (Sq ft)	C=(A*B) Availability (Sq ft)	F=(8%- B)*A Av. To EQ (Sq ft)	D/C = Net absorption /Availability	F*E Supressed Net Absorption
2023	43,717,773	1.2%	642,704	524,613	2,972,809	123%	949,369
2022	43,173,773	2.1%	174,470	906,649	2,547,253	19%	813,467
2021	43,213,770	1.4%	394,938	604,993	2,852,109	65%	910,824
2020	42,933,072	3.8%	623,195	1,631,457	1,803,189	38%	575,850
2019	42,806,533	6.2%	-271,163	2,654,005	770,518	-10%	246,065
2018	43,305,252	5.3%	1,263,950	2,295,178	1,169,242	55%	373,398
2017	42,365,581	4.7%	1,221,242	1,991,182	1,398,064	61%	446,473
2016	41,693,795	7.3%	336,733	3,043,647	291,857	11%	93,205
2015	40,221,105	9.2%	580,846	3,700,342	-	16%	-
2014	39,518,049	7.2%	314,074	2,845,300	316,144	11%	100,961
2013	39,504,539	7.7%	18,666	3,041,850	118,514	1%	37,847
2012	39,152,539	7.3%	964,275	2,858,135	274,068	34%	87,524
2011	38,478,383	7.5%	1,332,620	2,885,879	192,392	46%	61,441
2010	38,207,641	9.7%	268,519	3,706,141	-	7%	-
2009	38,074,682	8.5%	65,902	3,236,348	-	2%	-
					Average	31.9%	313,095

Source: IcenI Analysis of CoStar Data, Savills methodology