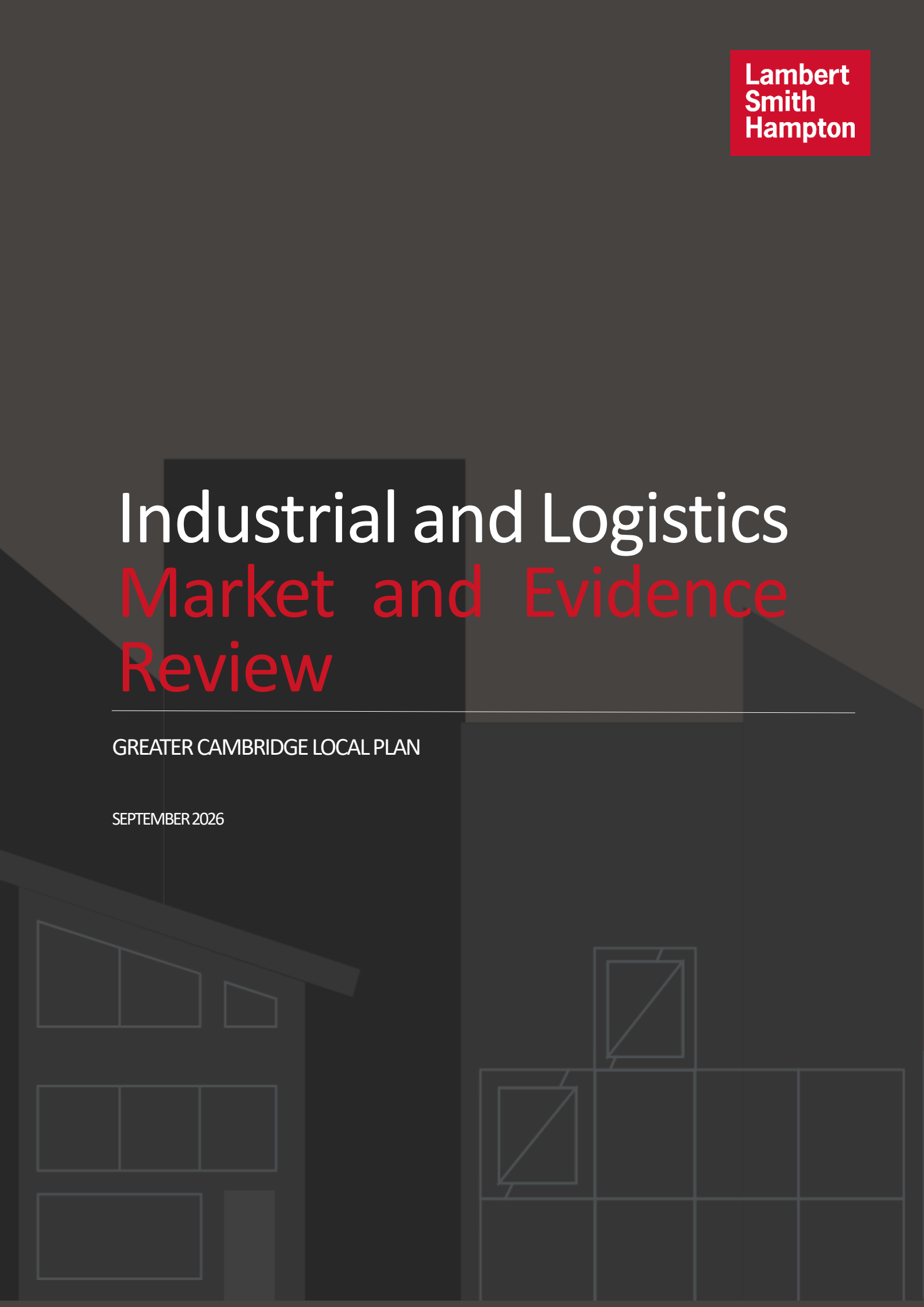
Lambert Smith Hampton

Industrial and Logistics Market and Evidence Review

GREATER CAMBRIDGE LOCAL PLAN

SEPTEMBER 2026



DOCUMENT CONTROL

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EXECUTIVE SUMMARY

The evidence establishes a genuine need for additional warehousing and logistics provision. The principal soundness concern is not whether more space is needed overall, but whether the Plan provides a transparent and justified route from the Councils' logistics evidence to the type, scale and location of the allocations selected.

The Councils recommend approximately 317,000 sq m of combined industrial and warehouse floorspace. That figure is derived from a market-absorption model of about 270,000 sq m, increased by flexibility and vacancy allowances. It is best understood as a broad planning allowance, not a precise or wholly B2/B8 requirement.

Distribution is the largest identified component, at approximately 126,800 sq m or 40% of the total. The evidence distinguishes strategic distribution, local distribution and final-mile functions, but does not quantify those submarkets separately.

The evidence identifies the A14 and M11 for strategic distribution and the A14, A428 and urban fringe for local distribution. It also states that junctions on the A14, M11 and potentially the A428 are optimum locations for deliveries serving Cambridge's population and business supply chains.

The Plan's principal response is concentrated at Bar Hill and land south of Cambridge Services. The Cambridge Services scheme is scoped for about 90,000 sq m of B2 or B8 floorspace and about 150 HGV parking spaces. Bar Hill permits a mix of E(g), B2 and B8 within its overall commercial quantum, without a clearly identified minimum B2 or B8 floorspace requirement in the policy evidence reviewed.

The Plan is not fully justified because the evidence does not provide a sufficiently transparent reconciliation between the identified distribution requirement, the distinct logistics submarkets, the corridor analysis and the logistics role secured through each allocation. This is not a technical accounting issue: if the portfolio does not provide commercially effective sites in the right locations, Greater Cambridge risks constraining the infrastructure needed to support its growth sectors, retain expanding businesses and maintain resilient supply chains.

1.0 NATIONAL PLANNING POLICY AND GUIDANCE

1.1 The soundness of the Greater Cambridge Local Plan will be assessed against the National Planning Policy Framework (December 2024). The NPPF requires strategic policies to make sufficient provision for employment development (paragraph 20), address the specific locational requirements of different sectors of the economy (paragraphs 61 and 87), be sufficiently flexible to accommodate changing economic needs (paragraph 85) and set out a clear economic vision which positively and proactively supports sustainable growth (paragraph 86). The Planning Practice Guidance reinforces this approach by requiring strategic policy-making authorities to develop an understanding of future economic needs from a range of current and robust evidence, including sectoral and employment forecasts, labour supply, past take-up, future property-market requirements, business trends and consultation with relevant organisations (PPG, paragraph 027, Reference ID: 2a-027-20190220).

1.2 These requirements are particularly relevant to warehousing and logistics development, where occupier requirements are strongly influenced by strategic road connectivity, HGV accessibility, labour market access, servicing arrangements and operational flexibility. The Councils' own evidence recognises these issues and identifies distinct warehousing and distribution requirements together with preferred locations associated with the Strategic Road Network. The PPG requires authorities assessing and allocating space for logistics to recognise that logistics has distinct market areas and locational requirements, and to use appropriate evidence—including economic forecasts, past take-up, anticipated changes in population and housing, and the requirements of the freight and logistics sector—to establish need and identify suitable locations (PPG, paragraph 031, Reference ID: 2a-031-20190722).

1.3 The key issue is therefore not whether employment land has been allocated in aggregate, but whether the allocation strategy provides a sufficient range, choice and distribution of sites capable of meeting the specific requirements of industrial, warehousing and logistics occupiers. Consistent with paragraphs 61, 85, 86 and 87 of the Framework, the allocation strategy should demonstrate how the identified logistics requirement has been translated into suitable and deliverable sites and how the locational requirements identified by the evidence base have informed the final strategy. The PPG further advises that assessments should take account of commercial property market signals (paragraph 026, Reference ID: 2a-026-20190220) and compare market supply with demand by market segment (paragraph 029, Reference ID: 2a-029-20190220). Read together, these provisions require more than an aggregate floorspace balance: the evidence should explain whether the portfolio provides the right types, sizes and locations of premises for the distinct logistics markets identified.

2.0 THE ROLE OF THE LOGISTICS SECTOR IN THE ECONOMY

2.1 The industrial and logistics (I&L) sector is a fundamental component of the UK economy, providing the infrastructure necessary for the production, storage and movement of goods across a wide range of sectors. It supports the speed, resilience and scalability of modern supply chains and plays an important role in facilitating economic growth, productivity and competitiveness. Industrial and logistics development should therefore be regarded as enabling infrastructure that supports wider economic activity rather than simply a discrete land-use category.

2.2 The British Property Federation's report *Industrial & Logistics Sector: The Infrastructure of Everything* highlights the increasingly strategic role of industrial and logistics development in supporting economic growth. The report identifies the sector as a significant contributor to productivity and economic resilience, underpinning the operation of manufacturing, retail, healthcare, technology, construction, public services and numerous other industries.

2.3 The report estimates that the industrial and logistics sector supports approximately 4.5 million jobs across the UK and contributes around £287 billion annually to the national economy, equivalent to approximately 13% of UK GDP. The scale of this contribution demonstrates the importance of industrial and logistics activity to the functioning of the national economy and supports the proposition that the sector performs an infrastructure function of strategic importance.

2.4 The industrial and logistics sector supports a broad and increasingly skilled workforce. While the sector continues to provide substantial opportunities for entry-level employment, advances in technology, automation and digital systems have generated increasing demand for technical, engineering, managerial and professional roles. Modern logistics facilities increasingly require employees capable of operating sophisticated warehousing systems, automation technologies and data-driven supply chain management processes. As a result, the sector provides a diverse range of employment opportunities and contributes to workforce upskilling.

2.5 The sector is also recognised as one of the more productive components of the UK economy. Higher levels of productivity are associated with investment in technology, automation and modern accommodation, which improve operational efficiency and supply chain performance. The industrial and logistics sector also supports significant levels of innovation and research activity, particularly in areas such as advanced manufacturing, engineering, pharmaceuticals and technology.

2.6 Industrial and logistics property continues to attract substantial domestic and international investment. This reflects the sector's strong occupational demand, long-term growth prospects and critical role within supply chains. Investment in industrial and logistics development generates wider economic benefits through construction

activity, employment creation, productivity improvements and enhanced supply chain efficiency.

2.7 The importance of the industrial and logistics sector extends beyond its direct economic contribution. Industrial and logistics infrastructure supports many of the sectors identified as important drivers of future economic growth. By facilitating the production, storage and distribution of goods and services, the sector underpins a broad range of economic activities and contributes to national economic resilience.

ADVANCED MANUFACTURING

2.8 Advanced manufacturing businesses require modern industrial premises for research and development, testing, assembly, production and distribution activities. Manufacturers increasingly rely on efficient logistics networks capable of managing inventory, delivering components and distributing finished products to regional, national and international markets. Industrial and logistics development therefore forms an integral part of manufacturing supply chains.

CLEAN ENERGY AND GREEN INDUSTRIES

2.9 The transition to a low-carbon economy is supported by industrial and logistics infrastructure. Renewable energy technologies, battery technologies, electric vehicle components and other low-carbon products require modern industrial facilities for manufacturing, assembly, storage and distribution. Logistics networks are also essential in supporting the deployment and maintenance of these technologies.

LIFE SCIENCES AND PHARMACEUTICALS

2.10 The life sciences sector relies upon specialist industrial facilities for research, manufacturing, storage and distribution activities. The production and movement of medicines, medical devices and healthcare products require high-quality premises, specialist storage facilities and reliable distribution networks capable of supporting secure and time-sensitive operations.

CREATIVE INDUSTRIES

2.11 Creative industries including film production, media, exhibitions, cultural events and related activities frequently utilise industrial-style accommodation for production, fabrication, storage and operational functions. Logistics networks play an important role in facilitating the movement of equipment, materials and specialist assets required by these sectors.

DEFENCE AND STRATEGIC INDUSTRIES

2.12 Defence and other strategic sectors depend upon industrial and logistics infrastructure for manufacturing, assembly, storage and distribution activities. Modern supply chains require reliable logistics networks capable of supporting the efficient movement of equipment, materials and components throughout the production process.

DIGITAL AND TECHNOLOGY SECTORS

2.13 The digital economy is increasingly supported by industrial and logistics infrastructure, including data centres, specialist manufacturing facilities and advanced storage accommodation. The movement of electronic components, hardware and technology products relies upon efficient logistics networks, whilst data centres have become a significant form of industrial development, providing critical infrastructure for cloud computing, digital communications and modern business operations.

2.14 Overall, the available evidence demonstrates that industrial and logistics development provides essential infrastructure that supports the operation and growth of a broad range of economic sectors. The sector contributes to economic output, employment, productivity, innovation and investment while strengthening the resilience of national supply chains. Planning for sufficient industrial and logistics capacity is therefore not solely a matter of meeting the needs of a single sector, but of supporting the wider economic ecosystem upon which businesses, consumers and public services depend.

2.15 Demand for industrial and logistics accommodation has evolved significantly over recent decades as a consequence of changing consumer behaviour, technological advancement, supply chain restructuring and operational requirements. Continuing growth in e-commerce, increasing automation, the need for greater supply chain resilience and the transition to net-zero emissions have all contributed to growing demand for modern logistics accommodation.

2.16 Occupiers increasingly utilise sophisticated supply chain modelling to identify optimal distribution locations. Such assessments typically consider customer and supplier locations, transport costs, labour availability and service requirements in order to maximise operational efficiency and minimise costs. Consequently, strong connectivity to strategic transport infrastructure remains a fundamental requirement for many logistics occupiers. Locations capable of providing efficient access to key markets, labour pools and customers are generally preferred because they reduce distribution costs and improve operational performance.

2.17 Demand has also increased for buildings capable of supporting higher throughput and increasingly automated operations. Modern logistics facilities typically require larger floorplates, greater building heights, enhanced service yards, increased loading provision, substantial employee and HGV parking areas and sufficient flexibility to accommodate evolving technologies and operational requirements.

2.18 Environmental performance has become a further significant driver of demand. Occupiers are increasingly seeking energy-efficient buildings that reduce operational costs and support environmental, social and governance objectives. As a result, modern industrial and logistics development increasingly incorporates renewable energy generation, high-performance building fabric, electric vehicle infrastructure, sustainable drainage systems and biodiversity enhancements. These requirements are accelerating the transition away from older and less efficient premises towards modern

accommodation capable of supporting both operational efficiency and net-zero objectives.

2.19 The available evidence demonstrates that the industrial and logistics sector is a significant contributor to the UK economy and an important enabler of growth across numerous sectors. Ongoing changes in technology, supply chains, consumer behaviour and sustainability requirements are expected to sustain demand for modern, well-located industrial and logistics accommodation. Ensuring an adequate supply of suitable sites and premises therefore remains an important planning and economic development objective, supporting productivity, investment, employment growth and supply chain resilience.

3.0 COMMERCIAL MARKET ASSESSMENT

INTRODUCTION AND METHODOLOGY

3.1 This review provides a high-level assessment of the industrial and logistics market serving Greater Cambridge, set within the wider East of England and national context. It draws on Lambert Smith Hampton Industrial & Logistics Market 2026, LSH Research data for Cambridgeshire and current local agency intelligence. Its purpose is to establish the commercial market context when reviewing the Local Plan and supporting evidence.

3.2 The datasets use more than one geography and market definition. Local agency indicators relate to the Cambridge market, while the LSH Research transaction and supply schedules are Cambridgeshire-wide and focus principally on units above 50,000 sq ft. These measures are complementary indicators and are not treated as directly interchangeable.

KEY COMMERCIAL MARKET FINDINGS

3.3 The commercial evidence should be read in the context established in Section 1. Industrial and logistics premises are not simply another category of employment floorspace: they provide enabling infrastructure for the production, storage and movement of goods and support manufacturing, life sciences, technology, construction, healthcare, retail and public services. The sector's contribution to employment, productivity, investment and supply-chain resilience means that a shortage of suitable accommodation can constrain activity well beyond the logistics sector itself.

3.4 This is particularly important in Greater Cambridge because the local economy generates a hybrid requirement for conventional distribution alongside production, assembly, testing, storage and supply-chain functions associated with science, technology, advanced engineering and manufacturing. These activities often need modern buildings with strategic-road access, HGV servicing, adequate yards, power capacity and operational flexibility. If the Plan provides employment land only in aggregate, without securing sites capable of meeting those requirements, the nominal supply may not constitute effective market supply, and growth businesses may be displaced to less suitable locations or prevented from scaling locally.

3.5 The significance of the market findings is therefore twofold. First, constrained availability, substantial identified requirements, rising rents and the absence of larger modern units in Cambridge indicate a risk that demand is being suppressed by lack of suitable product rather than an absence of occupier need. Secondly, the national policy requirement to plan positively for economic growth and the specific locational needs of different sectors requires the allocation strategy to provide genuine choice by market segment, location and building type. The relevant test is not simply whether the Plan allocates a sufficient headline quantum, but whether it can deliver the right industrial and logistics accommodation in commercially functional locations, including appropriate access to the strategic road network and the A428 corridor.

3.6 The commercial evidence is material to the soundness assessment because national policy requires the Plan to support economic growth and respond to the specific locational requirements of different sectors. Section 1 establishes that industrial and logistics floorspace performs an enabling infrastructure role across manufacturing, life sciences, technology, construction, healthcare, retail and public services. A failure to provide suitable premises would therefore affect not only logistics operators, but the productivity, resilience and growth capacity of the wider Greater Cambridge economy.

Table 1

Indicator	Cambridge / Greater Cambridge position
H1 2026 take-up	Approximately 221,000 sq ft
Under offer at mid-year	Approximately 63,000 sq ft
Identified occupier requirements	Approximately 1.39m sq ft
Overall availability	Approximately 5.6%
Prime standard industrial rent	Approximately £21.00 per sq ft
Prime mid-tech rent	Approximately £27.50 per sq ft

Source: LSH Cambridge agency market intelligence, H1 2026 / mid-2026.

3.7 Local agency evidence points to a constrained Cambridge market, with positive take-up, further space under offer, substantial identified requirements and limited availability. This matters because occupiers that cannot secure suitable premises may defer investment, operate inefficiently, relocate functions outside Greater Cambridge or be prevented from scaling locally, with consequences for employment, productivity and supply-chain resilience.

3.8 UK take-up reached 40.2m sq ft in 2025, while Grade A accommodation accounted for 73% of activity. The UK availability rate was 7.9%, with the XL segment tighter at 5.9% and 1.5 years of average take-up.

3.9 The East recorded lower 2025 take-up, but supply equated to only 1.7 years of average activity and the available development pipeline reduced materially.

3.10 Cambridgeshire supply above 50,000 sq ft is concentrated in Peterborough and Huntingdon. The reviewed schedule contains no available 100,000 to 250,000 sq ft unit and no listed unit in Cambridge.

3.11 Greater Cambridge has a hybrid demand profile combining conventional industrial and logistics activity with production, assembly, testing, storage and distribution requirements generated by science, technology, advanced engineering and manufacturing businesses. The provision of suitable industrial and logistics premises is

therefore integral to the commercialisation and scaling of the knowledge economy, rather than separate from it.

3.12 Strategic-road connectivity, HGV access, labour, plot scale, power, operational flexibility and delivery timing materially affect whether a site or building represents effective supply.

3.13 The A428 corridor forms part of the wider functional market serving Cambridge and provides commercially relevant strategic connectivity. Its importance lies in combining access to the Cambridge economy and labour market with the road connectivity required by industrial, distribution and supply-chain occupiers. The corridor should therefore be considered as part of the Plan's economic infrastructure response, rather than only as an alternative employment location.

NATIONAL INDUSTRIAL AND LOGISTICS CONTEXT

3.14 LSH Industrial & Logistics Market 2026 records UK-wide take-up of 40.2m sq ft in 2025, 5% above 2024 and the strongest annual total for three years. The clearest national theme is occupier preference for quality. Grade A space accounted for 73% of 2025 take-up, while secondhand activity fell to its lowest level on record. Availability stated only as a floorspace total can therefore overstate effective choice where buildings do not provide the energy performance, power, clear height, floor loading, yard configuration or automation readiness required by modern operations.

Table 2

National indicator	2025 / 2026 position
UK take-up 2025	40.2m sq ft
Grade A share of take-up	73%
UK availability rate	7.9%
Years of average take-up	1.9
XL availability / years supply	5.9% / 1.5 years
Speculative space under construction, end-2025	9.0m sq ft
Forecast average prime rental growth 2026	3.1%

3.15 UK supply reached 97.0m sq ft at the end of 2025, equivalent to 1.9 years of average annual take-up. The position varied by size, with XL accommodation the tightest supplied segment. The speculative pipeline also reduced sharply, with 9.0m sq ft under construction and available at the end of 2025, 46% below the previous year.

EAST OF ENGLAND CONTEXT

3.16 The East recorded 2.3m sq ft of take-up in 2025, 42% lower year-on-year and 47% below its ten-year annual average. The regional total was materially influenced by two XL build-to-suit commitments, while take-up in the large segment was particularly subdued. These lower transaction volumes should not automatically be interpreted as evidence of weak market need, because achieved take-up also depends on the availability of suitable sites and premises with a realistic route to delivery. A shortage of deliverable land and suitable product can therefore suppress recorded take-up.

Table 3

Indicator	UK	East
Availability rate	7.9%	8.7%
Years of average take-up	1.9	1.7
2025 take-up	40.2m sq ft	2.3m sq ft
Take-up versus ten-year average	-20%	-47%
Speculative space under construction	9.0m sq ft	778,371 sq ft

Source: LSH Industrial & Logistics Market 2026.

3.17 Regional supply rose to 8.4m sq ft but remained equivalent to only 1.7 years of average annual take-up, tighter than the UK average. At the end of 2025, 778,371 sq ft was under construction and available across seven units, 46% below the previous year. Prime rents for units of around 50,000 sq ft increased by an average of 3.1% during 2025.

3.18 The national market review describes Cambridge as constrained by competition from higher-value land uses, with limited supply above 50,000 sq ft pushing occupiers to consider locations further afield. It also records increasing mid-tech provision alongside softer take-up in that product, reinforcing the importance of distinguishing market segments rather than treating all employment accommodation as equivalent.

CAMBRIDGESHIRE MARKET EVIDENCE

TAKE UP

3.19 For this analysis, mid box comprises 50,000 to 99,999 sq ft, large comprises 100,000 to 249,999 sq ft and XL comprises 250,000 sq ft and above. The Cambridgeshire transaction series demonstrates that annual totals can move materially when individual large or XL transactions complete.

Table 4

Period / year	Take-up above 50,000 sq ft
2015-2025 annual average	Approximately 1.12m sq ft
2021-2025 annual average	Approximately 1.18m sq ft
2021	1.91m sq ft
2022	2.45m sq ft
2023	0.81m sq ft
2024	0.32m sq ft
2025	0.40m sq ft

3.20 Recent lower transaction totals should be considered alongside requirements and availability evidence. In a supply-constrained market, achieved take-up may be limited by the absence of suitable product as well as by occupier appetite. Historic take-up is therefore one market indicator rather than a complete measure of demand.

SUPPLY AND AVAILABILITY

3.21 The reviewed Cambridgeshire supply schedule identifies 863,696 sq ft across five units above 50,000 sq ft. Approximately 639,005 sq ft is XL accommodation and 224,691 sq ft is mid box. The schedule contains no available unit in the 100,000 to 250,000 sq ft large segment. The listed opportunities are in Peterborough and Huntingdon, with no unit in Cambridge itself. The largest listed unit is refurbished XL accommodation in Peterborough, while another large option is older stock in Huntingdon.

Table 5

Property	Market	Size	Grade / status	Size band
Novus 387	Peterborough	387,259 sq ft	Existing refurbished; vacant	XL
Crosslink 252	Huntingdon	251,746 sq ft	Existing; vacant	XL
Peterborough 87	Peterborough	87,591 sq ft	Existing; vacant	Mid box

Plot 302b Waterworth Road	Peterborough	80,000 sq ft	New-build specification	Mid box
Cardinal 57	Huntingdon	57,100 sq ft	Under refurbishment	Mid box

RENTAL PERFORMANCE

Table 6

Cambridge product	H2 2018	H1 2026	Approximate increase
20,000 sq ft prime industrial unit	£13.00 per sq ft	£18.00 per sq ft	38%
50,000 sq ft prime industrial unit	£11.50 per sq ft	£17.00 per sq ft	48%

Source: LSH Cambridge rental evidence, H2 2018 and H1 2026.

3.22 Current agency evidence places prime standard industrial rents at approximately £21.00 per sq ft and prime mid-tech accommodation at approximately £27.50 per sq ft. These figures relate to different property products from the standardised rental series and should not be treated as directly like-for-like. Taken together, the evidence indicates sustained upward pricing and a premium for modern or specialist accommodation.

NATURE OF OCCUPIER DEMAND

3.23 Greater Cambridge has a distinctive hybrid demand profile. Conventional logistics, distribution, servicing and manufacturing activity sits alongside demand generated by the science, technology, advanced engineering and manufacturing economy. The distinction becomes increasingly blurred as knowledge-economy occupiers move from research and development towards commercialisation and scaled production.

3.24 In practical property terms, such businesses can require space for prototyping, assembly, testing, production, storage and distribution alongside research functions. Their accommodation may therefore require loading, servicing, yards, enhanced power, clear internal volumes and operational flexibility that are materially different from conventional offices or laboratories.

3.25 National evidence reinforces this broader profile. Manufacturing represented 30% of UK industrial and logistics take-up in 2025. Onshoring, defence manufacturing, the low-carbon transition and automation are identified as important influences on demand entering 2026.

OCCUPIER LOCATION AND PROPERTY REQUIREMENTS

3.26 For industrial and logistics occupiers, site selection is strongly influenced by operational requirements. The relative weighting varies by business, but recurring considerations include:

- direct and reliable strategic-road access, including HGV accessibility;
- access to an appropriate labour catchment;
- plot scale and the ability to provide buildings of the required size;
- adequate yards, servicing and vehicle circulation;
- power availability and capacity for automation or production processes;
- operational flexibility and compatibility with neighbouring uses; and
- the ability to deliver within the occupier's required programme.

FUNCTIONAL MARKET GEOGRAPHY AND THE A428 CORRIDOR

3.27 Industrial and logistics markets do not operate according to local authority boundaries. Occupier searches reflect transport networks, labour catchments, customer and supplier locations, land values, deliverability and the availability of suitable buildings. The Greater Cambridge market consequently interacts with Huntingdon and St Neots to the west and north-west, Bedford and Milton Keynes further west, Peterborough to the north and the wider A14 and M11 network.

3.28 This commercial geography should not be interpreted as defining a planning-policy or functional economic market area boundary. It describes observed occupier search behaviour and competing property locations.

3.29 Within that geography, the A428 provides a strategic connection between Cambridge, St Neots and Bedford and links onward into the wider road network. For occupiers whose operations depend on road freight, servicing or regional distribution, that connectivity can materially influence location choice.

3.30 Dry Drayton combines proximity to the Cambridge economy and labour market with access to the A428. Whether a particular site can meet individual occupier requirements is a separate site-specific matter, but the corridor location is consistent with the strategic accessibility factors.

COMMERCIAL CONCLUSIONS AND DATA SCOPE

3.31 Market activity and supply. Current agency monitoring shows strong occupier interest, supported by positive take-up in the first half of 2026 and further space under offer. However, effective choice remains constrained: availability in Cambridge is limited, larger modern units are scarce, and the reviewed county-wide supply includes no available unit of between 100,000 and 250,000 sq ft.

3.32 Rental pressure and changing demand. The LSH rental series and current agency evidence indicate sustained rental growth and a premium for modern or specialist premises. Demand extends beyond conventional logistics to science, technology, advanced engineering and manufacturing businesses requiring space for production, assembly, testing, storage and distribution.

3.33 Location, specification and the A428. Headline capacity represents effective supply only where sites meet occupier requirements for strategic-road connectivity, HGV access,

labour, scale, power, yards, operational flexibility and delivery timing. The A428 is therefore commercially relevant: it connects Cambridge with St Neots, Bedford and the wider strategic road network and forms part of the functional industrial and logistics market.

4.0 EVIDENCE REVIEW AND SOUNDNESS ASSESSMENT

OVERVIEW

4.1 This chapter tests how effectively the Councils' evidence on industrial and logistics need has been translated into the Local Plan's allocation strategy. It begins by examining the construction and limitations of the 317,000 sq m headline requirement, before considering the demand attributed to different market typologies, the distinct requirements of strategic, local and final-mile logistics, and the extent to which the proposed allocations provide commercially effective supply.

4.2 The review supports the Councils' broad conclusion that additional provision is required, but finds that aggregate floorspace totals alone do not demonstrate a sound response. The key issue is whether the Plan secures the right types of premises in the right locations, with the strategic-road access, HGV servicing, labour catchment, power, plot scale, yards, operational flexibility and delivery timing required by occupiers. The chapter therefore audits the proposed contribution of Bar Hill and Cambridge Services, the treatment of the A428 corridor and the evidential link between identified demand and secured supply. It concludes by assessing whether the strategy is positively prepared, justified and effective, and by identifying the modifications needed to provide a transparent and deliverable industrial and logistics portfolio.

EMPLOYMENT NEEDS

THE CALCULATION

4.3 The Councils' preferred figure begins with an absorption-based estimate of approximately 270,000 sq m derived from a ten-year CoStar trend. The figure is then increased through a 10% flexibility margin and a 7.5% future vacancy allowance to approximately 317,000 sq m. The purpose is to respond positively to market pressure, provide choice and allow for delays and churn.

Table 7

Stage	Approximate floorspace	Comment
Labour-demand scenarios before adjustments	90,200 to 112,200 sq m	Considered too low in the context of market signals and replacement demand.
Ten-year CoStar absorption model	270,000 sq m	Preferred market-led starting point.
Final plan requirement	317,000 sq m	Includes flexibility and vacancy adjustments.
Net committed supply at April 2024	28,595 sq m	Council records a substantial residual shortfall before proposed allocations.

First Proposals additional provision	About 91,200 sq m	Earlier allocation package considered in the needs study.

MAIN LIMITATIONS

4.4 The CoStar dataset does not capture every transaction, particularly smaller deals, and does not consistently distinguish industrial, warehouse, office and R&D activity.

4.5 The final 47,000 sq m uplift is created by the combined flexibility and vacancy assumptions. These may be reasonable, but they are planning judgements rather than observed demand. Applying a single broad adjustment also obscures potentially different trends and requirements across the individual market segments.

4.6 Replacement demand is treated as embedded in the final figure, but the evidence does not provide a simple numerical bridge separating net growth, replacement, vacancy and flexibility.

4.7 The models generate materially different results. The preferred point estimate is therefore a judgement between divergent methods rather than an inevitable mathematical outcome.

4.8 The final figure is subsequently divided into market typologies using indicative proportions, not independent forecasts for each segment.

DEMAND BY TYPOLOGY

Table 8

Typology	Share	Floorspace	Indicative unit size	Preferred location
Manufacturing / advanced manufacturing B2	15%	47,550 sq m	500 to 5,000 sq m	Cambridge commutable
General industrial B2/B8/E(g), including trade and wholesale	20%	63,400 sq m	500 to 2,500 sq m	Urban / urban fringe
Distribution B8	40%	126,800 sq m	2,000 to 5,000+ sq m	SRN / urban fringe for last mile
Mid-tech B2/B8/E(g)	10%	31,700 sq m	100 to 2,000 sq m	Urban fringe / science-park proximity

Other uses, including leisure	15%	47,550 sq m	Not specified	Urban / urban fringe
Total	100%	317,000 sq m		

Source: Table 0.3 / Table 6.4. The study describes the distribution as indicative and notional.

GAPS AND INCONSISTENCIES

4.9 The typology breakdown appears to distribute the overall requirement between market segments rather than derive each component from a separate assessment of need. This is particularly important for mid-tech space, where the evidence assigns a precise floorspace figure despite mixed stakeholder views and substantial overlap with modern B2, B8 and E(g) premises.

4.10 Distribution is the largest component of the requirement, but the evidence does not distinguish between final-mile, Cambridge-serving, strategic and wider regional functions. Without this distinction, it is difficult to determine whether the identified floorspace reflects local operational requirements, broader strategic demand or a combination of the two.

4.11 The manufacturing allowance is also sensitive to assumptions about business retention and inward investment. The evidence indicates that demand could materially exceed the notional component if existing businesses expand locally or Greater Cambridge attracts further investment.

4.12 More fundamentally, the headline figure is not wholly an industrial and warehousing requirement. It includes 47,550 sq m for other uses, including leisure, while the general industrial and mid-tech components combine B2, B8 and E(g) uses. The total cannot therefore be treated as a secured B2/B8 requirement without further disaggregation.

4.13 Removing the 47,550 sq m allocated to other uses leaves 269,450 sq m. Of that remainder, 95,100 sq m is within mixed B2/B8/E(g) categories. The evidence does not identify a single pure B2/B8 requirement against which supply can be directly measured.

WAREHOUSING AND LOGISTICS EVIDENCE

DISTINCT LOGISTICS MARKETS

4.14 The Councils identify more than one logistics market. Larger strategic distribution facilities generally serve a wider customer base and require strong Strategic Road Network access. Local distribution and final-mile functions serve Cambridge consumers and businesses and place greater weight on proximity to the urban market as well as access to both strategic and local roads.

Table 9

Market segment	Evidence of demand	Locational preference	Evidence gap
Strategic distribution	Reported demand from occupiers serving Cambridgeshire and the wider market	M11 / A14 and Strategic Road Network	The Cambridge-specific share is not quantified.
Local distribution	Reported demand from occupiers serving the Cambridge market	A14 / A428 / urban fringe	No separate floorspace requirement is stated.
Final-mile / parcel delivery	Three to four operators suggested, each potentially seeking 5,000 to 10,000 sq m or more	Urban fringe with efficient access to Cambridge	Not reconciled to specific allocations.
Industrial supply-chain logistics	Demand linked to science, technology, advanced engineering and manufacturing	Cambridge labour and business access plus operational road connectivity	Spans use classes and is not isolated within the headline figure.

4.14.1 Distribution is the largest identified typology, accounting for approximately 126,800 sq m. The evidence also identifies junctions on the A14, M11 and potentially the A428 as optimum locations for deliveries serving Cambridge's population, businesses and supply chains.

4.14.2 The Councils' evidence recommends revisiting or expanding existing A14 provision and considering a secondary location. Bringing forward two locations at the same time could improve occupier choice and competition, while helping to address the outstanding need for final-mile premises serving Cambridge consumers and businesses.

4.14.3 Although larger distribution requirements are also acknowledged, the evidence is less clear about the extent to which they arise from a specifically Cambridge-based customer market. That uncertainty does not diminish the wider economic role of warehousing: as set out elsewhere in this report, industrial and logistics premises support multiple sectors and should therefore be treated as part of the Plan area's critical economic infrastructure. The planning response should distinguish Cambridge-serving demand from wider strategic warehousing while making appropriate provision for both.

TRANSLATION INTO ALLOCATIONS

4.14.4 The Plan's principal new logistics and mixed industrial provision is concentrated at Bar Hill and land south of Cambridge Services. The total headline capacity is close to the 317,000 sq m plan requirement, but the use-class composition and logistics function differ materially between the two sites.

Table 10

Allocation	Headline quantum	Permitted / proposed uses	Logistics role	Audit conclusion
Land north of A1307, Bar Hill (Slate Hall Farm)	About 220,000 sq m commercial floorspace	E(g), B2 and B8	Major strategic mixed employment site	Potentially substantial, but no minimum B2 or B8 quantum identified in the evidence reviewed.
Land south of Cambridge Services, A14	About 90,000 sq m	B2 or B8, plus about 150 HGV parking spaces	Dedicated industrial / logistics scheme	Clearly countable as potential B2/B8 capacity, subject to planning and delivery.

Source: Draft Greater Cambridge Local Plan allocation policies and supporting evidence reviewed in this report.

CAPACITY VERSUS SECURED LOGISTICS SUPPLY

4.14.5 If the full Bar Hill and Cambridge Services quantums are counted, the headline capacity is approximately 310,000 sq m, about 7,000 sq m below the 317,000 sq m requirement. This comparison is not like-for-like because Bar Hill includes E(g), and the need figure itself includes mixed categories and other uses.

Table 11

Scenario	Bar Hill contribution	Cambridge Services contribution	Total	Difference from 317,000 sq m
Maximum employment capacity	220,000	90,000	310,000	7,000 shortfall
Strict secured B2/B8 test	No minimum identified	90,000	90,000 secured / quantified	227,000 not secured by a stated minimum
Illustrative 50% Bar Hill B2/B8 sensitivity	110,000	90,000	200,000	117,000 shortfall

Source: The second and third rows are audit scenarios, not Council forecasts. Their purpose is to demonstrate the sensitivity created by the absence of a stated minimum B2/B8 mix at Bar Hill.

ALLOCATION EVIDENCE GAP

EVIDENCE-CHAIN GAP

4.15 The Plan identifies a substantial distribution requirement but does not provide a clear allocation schedule showing how much B8 floorspace each site is expected or required to deliver, which segment of demand it serves, and how the corridor strategy is reflected in that distribution.

4.16 The evidence consistently identifies the A428 as relevant to industrial, warehousing and local distribution activity. The Councils' logistics evidence recognises the A14, A428 and urban fringe as preferred locations for Cambridge-serving distribution, while the strategic options evidence confirms that industrial and warehousing uses depend on strategic-road access and would benefit from the A428 connection. The commercial market review also identifies the Cambridge–St Neots–Bedford corridor as part of the functional market.

4.17 The Plan does not, however, identify an allocation expressly intended to provide the A428 local-distribution response or reconcile its employment allocations on a corridor-by-corridor basis.

4.18 This creates a gap between the evidence and the policy response. The Councils distinguish Cambridge-serving distribution from wider strategic logistics and recognises that multiple sites could improve choice and competition, yet the allocation policies do not specify how floorspace will be divided between these market segments.

SOUNDNESS ASSESSMENT

POSITIVELY PREPARED

4.19 The Plan responds positively to an acknowledged supply shortage by identifying major new employment capacity. The weakness is that the evidence does not demonstrate, with sufficient precision, how local distribution, final-mile logistics and wider strategic warehousing requirements will each be met.

JUSTIFIED

4.20 The strategy is not fully justified because the evidential route from need to allocation is incomplete. The 126,800 sq m distribution component is not split by logistics market; the plan does not state the minimum B8 contribution from Bar Hill; and the A428's recognised market role is not transparently reconciled with the A14-focused allocation package.

EFFECTIVE

4.21 Effectiveness requires more than theoretical employment capacity. The Plan should show which sites will deliver the distribution component, in what form, and with what policy safeguards. Without a minimum B2/B8 mix or a segment-specific trajectory, the intended logistics outcome cannot be readily monitored or secured.

CONSISTENCY WITH THE EVIDENCE BASE

4.22 The Councils' evidence is nuanced and distinguishes market segments and corridors. The policy response is less explicit. A sound strategy should retain that nuance rather than rely on aggregate floorspace totals that may include materially different land uses and commercial products.

5.0 OVERALL CONCLUSION

5.1 There is a clear and continuing need for additional industrial, warehousing and logistics provision in Greater Cambridge. This is not simply to fulfil a specific land-use requirement. Modern industrial and logistics premises provide enabling infrastructure for manufacturing, life sciences, technology, advanced engineering, construction, healthcare, retail and public services. A shortage of suitable accommodation would therefore constrain business investment, the commercialisation and scaling of knowledge-economy activity, employment growth, productivity and supply-chain resilience.

5.2 The commercial market evidence reinforces that conclusion. Current agency monitoring identifies approximately 1.39 million sq ft of occupier requirements, positive take-up in the first half of 2026 and further space under offer, against overall availability of approximately 5.6%. Larger modern units are particularly scarce: the reviewed Cambridgeshire schedule contains no available unit of between 100,000 and 250,000 sq ft and no listed unit in Cambridge. Sustained rental growth and the premium achieved by modern and specialist premises provide further evidence of market pressure. Recent lower transaction volumes should not therefore be interpreted in isolation, because take-up in a constrained market is limited by the availability of deliverable, commercially suitable product.

5.3 The Councils' evidence responds positively by identifying a combined requirement of approximately 317,000 sq m. However, this is a broad planning allowance rather than a precise or wholly B2/B8 requirement. It is derived from an absorption-based estimate, adjusted for flexibility and vacancy, and includes other uses as well as mixed B2, B8 and E(g) categories. Distribution is the largest component, at approximately 126,800 sq m, but the evidence does not separate Cambridge-serving distribution, final-mile logistics, industrial supply-chain activity and wider strategic warehousing into quantified requirements. That limits the ability to test whether the proposed allocations provide the right type, scale and location of space.

5.4 This distinction matters because effective supply cannot be measured by headline floorspace alone. Greater Cambridge has a hybrid demand profile in which conventional logistics and manufacturing sit alongside production, assembly, testing, storage and distribution associated with science, technology and advanced engineering. Occupiers require sites that combine strategic-road connectivity and HGV access with labour availability, power, adequate yards, plot scale, operational flexibility and realistic delivery timescales. The commercial review also confirms that the A428 forms part of the functional market linking Cambridge with St Neots, Bedford and the wider strategic network. The Councils' own evidence identifies the A14, A428 and urban fringe as relevant to local distribution, yet the allocation strategy is principally focused on A14 locations and does not clearly explain how the recognised A428 role has been addressed.

5.5 The principal soundness concern is therefore the incomplete link between identified need and secured supply. Cambridge Services provides a clearly countable potential B2/B8 contribution of approximately 90,000 sq m, but Bar Hill permits a wider mix of E(g), B2 and B8 uses without a stated minimum industrial or logistics quantum. The near-equivalence between the headline capacity of the two allocations and the 317,000 sq m requirement is consequently not a like-for-like comparison and does not demonstrate that the distinct market segments will be met. Nor does the evidence establish which site will serve each logistics function, how local and strategic demand have been balanced, or how delivery will be monitored.

5.6 Overall, the Plan is positive in recognising the need for substantial new employment capacity, but it is not yet fully justified or effective in translating the evidence into a transparent and deliverable industrial and logistics portfolio. The Plan should therefore identify the intended market function and minimum B2/B8 contribution of each mixed allocation, distinguish local, final-mile and strategic warehouse demand, explain how the A428 corridor has informed the spatial strategy, and monitor delivery by use, unit size, location and market segment. This would provide a clearer basis for demonstrating that sufficient commercially effective sites will be available in suitable locations to meet the requirements of the market.

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