



Land availability in London

As the capital continues to experience a shortage of land, the issue surrounding the sustainability of freight transport operations looks set to accelerate unless appropriate action is taken.

The economic competitiveness and success of London, together with the quality of life of its residents, workers and visitors, relies on the provision of a wide range of goods and services as and when required, efficiently and sustainably. This involves providing these goods and services to companies, residents and visitors with as little road freight traffic activity as possible, and also that these traffic movements impose as few environmental and other negative impacts as can be achieved. However, attaining these economic, traffic and environmental objectives has become increasingly difficult to achieve as land

for logistics activities in London has become scarcer and more expensive as a result of the capital's increasing working and resident population and the demand for land this has resulted in.

At the same time, many businesses that rely on goods and services for their day-to-day functioning have been reducing the amount of storage space (and hence stockholding levels) that exists in their buildings to maximise their revenue-earning space. Such reductions in on-site storage space result in a growing demand for smaller, but more frequent deliveries and hence ever-growing quantities of goods vehicle

movements, especially those involving vans. Meanwhile, the rapid growth in online shopping, together with highly responsive, free or underpriced deliveries is similarly fuelling a substantial increase in small order sizes being delivered to homes and workplaces across London. In addition, online fulfilment is estimated to require three times as much warehousing space as retail store-based fulfilment.¹

These trends are important factors in the growth of van activity in London, which is the vehicle of choice for the last mile provision of goods and services in London. While van traffic in London has



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continued to increase since the start of the Millennium, HGV traffic has remained largely stable. Car traffic peaked in London in 1999, since when it has fallen, as more people make use of public transport and cycling.

A report commissioned by the Mayor of London in 2012 identified that greater consideration needed to be given to logistics land requirements within London, rather than continuing to allow market forces to result in warehouses and depots relocating to the edge of, and outside, London.² This is often referred to as logistics sprawl. However, industrial land loss is continuing to occur in London, as sites are redeveloped for residential use and real estate speculation continues.^{3, 4} As a result, the space available for logistics depots in London is becoming increasingly constrained and unaffordable. The location of logistics depots from which goods and services are despatched to businesses and homes in London has become increasingly suburbanised over time, due to increases in land rental values that the freight sector, with its limited profitability, is unable to compete for. More central, and hence more

strategically useful sites from an operational and transport sustainability perspective, have become unaffordable.

In Greater London, warehousing floor space fell substantially in all central and many inner London boroughs over the decade from 1998–2008, while it increased in outer London boroughs over the same period.⁵ This trend has continued over the period 2008–15.⁶ A report commissioned by the Mayor in 2016 noted that if logistics depots continue to be forced to relocate to outer London and beyond then freight journey distances, traffic levels and associated carbon emissions when serving central and inner London will increase.⁷

A workshop about the issue of logistics land availability and affordability in London was held at the University of Westminster in April 2017, attended by 25 invited representatives from the private sector, the public sector and academics. Participants were asked to vote on various questions concerning logistics sprawl in London. All but one of the participants viewed the sprawl of logistics depots and warehousing as an important factor in increases in total

freight vehicle-km by light goods vehicles in London in the last five years. All participants believed that it is caused by the affordability and availability of logistics land in London, rather than a positive choice by freight operators to relocate their depots near the urban fringe and beyond.

Three-quarters of participants felt that the affordability and availability of logistics land in London as a whole is already a substantial problem in terms of its negative effect on the reliability and cost of goods and service provision in the city, with an even greater proportion viewing the current situation in relation to logistics land in central London as severe. All respondents expected the situation to worsen in Greater and central London over the next five years.

Current Transport for London (TfL) forecasts indicate growing traffic congestion and journey time delays and unreliability on the road network in the coming years. This is likely to have important negative consequences for the reliability of goods and service provision, and hence London's economy and the quality of life of its inhabitants, as well as the environmental impacts of delivery →

An increase in people using public transport and bicycles has helped alleviate the traffic issues in the city



→ activities in terms of air quality and greenhouse gas emissions. It is therefore important that London's policy-makers, in conjunction with the private sector, address the problem of logistics sprawl, as it represents a major factor in the increasing freight intensity of van activity. This will require that attention is given to the role that more active and stringent land-use planning could play in improving the efficiency and sustainability of freight transport operations.

Actions that could be taken by the Mayor of London and London boroughs, together with other public and private sector organisations, to prevent further logistics sprawl include: additional safeguarding efforts for logistics sites; making available inner city public sector land at affordable rents for sustainable last mile collaborative delivery solutions using electric and other clean vehicles from so-called micro-consolidation centres; and strategic consideration of the needs for larger outer London urban consolidation centres, which may be shared-use existing warehousing sites to make them economically viable.

Other actions that could be taken to enhance the sustainability of freight transport operations in relation to new buildings include: far greater scrutiny of freight trip generation calculations in planning applications; requirements concerning the quantity of on-site storage space; and the imposition of planning conditions to ensure such sites put in place suitable freight mitigation strategies, which could include times of freight operations, noise amelioration actions, requirements to put in place sustainable procurement practices; the mandated use of off-site consolidation and micro-consolidation facilities; and the imposition of internal in-house logistics services for large multi-tenanted buildings.

The current Mayor of London has noted the importance of micro-consolidation centres to serve inner and central London in his Draft Transport Strategy. However, the same document also states that surplus TfL land will be made available for residential development.⁸ This indicates the extent of change in current thinking and practice if the sustainability of freight transport in London is to be improved through integrated land use and transport planning.

Acknowledgements

The workshop on logistics land availability and affordability in London held at the University of Westminster on 26th April 2017 was organised as part of three research projects the university is currently working on: the VREF Centre of Excellence for Sustainable Urban Freight Systems; the Freight Traffic Control 2050 project; and the CITYLAB project. It came about through an initial conversation at a meeting of the Central London Freight Quality Partnership in January 2017.

The VREF Centre of Excellence for Sustainable Urban Freight Systems (CoE-SUFS) is dedicated to investigating new ways of infusing sustainability and efficiency into the way businesses send and receive goods:

www.coe-sufs.org

Freight Traffic Control 2050 is an EPSRC-funded research project involving several UK universities, parcel carriers, TfL and central London boroughs that is investigating how collaboration and other behavioural change can help to improve the traffic, operational and environmental sustainability of urban freight transport activities:

www.ftc2050.com

CITYLAB is an EU-funded urban freight project of which the university is a partner:

www.citylab-project.eu

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