

Wokingham Borough Review of the 2023 Employment Land Need Review

Planning for:
Wokingham Borough Council
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1 INTRODUCTION

- 1.1 The Council’s employment evidence – the Employment Land Needs Review (the ELNR) - was prepared in March 2023, and over the intervening period there has been market ‘turbulence’ as markets recovered from Covid and respond to other ‘shocks’ such as the Ukraine War and more recently US tariffs. In light of this it is therefore appropriate to review if the March 2023 evidence remains fit for purpose.
- 1.2 In this paper we review the latest data in the datasets that underpinned the 2023 ELNR –data on jobs and floorspace delivery to explore if these data align with the position in 2023 or indicate a different trend.
- 1.3 To recap the 2023 ELNR identified a plan period (2022-40) need for:
- Future office minimum need of 30,761 sq m¹ based on forecast future job change (320 new jobs per annum, plus a correction to replace office losses);
 - Future industrial minimum need of 73,756 sq m or 18 ha² (light and general industrial and warehousing combined), based on past trends in floorspace delivery (a five-year trend period 2017/18-21/22), with an allowance made for a Shinfield Studios indirect jobs related boost, and
 - An ‘aspirational’ combined industrial need for 213,000 sq m³ or 53 ha based on past trends in job change over the 2009-19 period (a period prior to Shinfield Studios and Covid when industrial jobs increased by an average of 259 jobs per annum).
- 1.4 It must also be noted that in the course of this review the Council have made some corrections to the completions data that mainly effect years in the more distant past (prior to 2014/15) For the purposes of this review these corrections are not significant because they impact years that are much more historic than the years over the past decade that are much more reflective of future employment need trends. The corrected completions data differs to that in the published AMR, and for completeness we append a table showing the corrected data to this report.

¹ Table 5.9 2023 ELNR

² Paragraph 5.91 2023 ELNR

³ Table 5.6 2023 ELNR

2 REVIEW OF THE 2023 ELNR'S NEED ASSESSMENTS

2.1 In this section we use the latest available data to review the assessments of need for office and industrial floorspace as set out in the 2023 ELNR.

2.2 To do this we have reviewed the latest available data:

- jobs data - official Business Register and Employment Survey (BRES) published by the Office for National Statistics (ONS) in 2023⁴, and
- floorspace completions data - provided by the Council for the period up to 31st March 2025

2.3 This latest available data is used to compare with the trends identified in the 2023 ELNR.

CAVEATS

2.4 The general principle is that more recent data is preferable. But the LPA and ONS data increasingly now spans the deep Covid years – when the market was abnormally disrupted. More recent data has also been influenced by the Ukraine war – which resulted in a rapid increase in construction costs, and particularly steel products that are heavily energy dependent, and which are very relevant to economic development.

2.5 Our previous report 'ended' at the onset of Covid (2019) because the available data was unreliable and in a state of flux. Nationally the industrial and warehouse market was at a high point of its cycle, driven by Covid induced demand for warehouse space, the rapid increase in e-commerce as firms moved activity from the high street resulting in large closures of retail stores and a spike in building, in response to the crisis. However, not all was positive when we last reported because the Ukraine war had driven a spike in construction costs.

2.6 There was also a large amount of uncertainty regarding the office market with many firms not enforcing a return to work and office firms re-configuring their space.

2.7 There are now signs that the warehouse and logistics markets did overbuild in the last few years, with major agents reporting that availability is the highest it has been in 10 years and the market is moving to an 'occupier's market'⁵. The 2025 Lambert Smith Hampton Industrial and Logistics report is titled 'keeping faith', this follows a very poor 2024 which they considered a 'tricky year' for the occupier market, with take-up slipping to an eleven-year low of 39.3m sq ft, 8% below the pre-pandemic average.

2.8 While it is normal for agents' reports to present a positive 'spin' on the market, the latest commercial data illustrates the challenges facing the combined industrial market as it re-adjusts to a 'new normal'. This gives us cause to reflect on the past trend periods considered in this work.

2.9 However, as regards offices, firms are increasingly requiring workers to return to their offices, and evidence that workers are indeed returning is that passenger numbers on the Transport for London network have been recovering. Many firms have now reconfigured their space needs for post-Covid working. While the outlook for the office market remains challenging in the short-term, Wokingham's Local Plan will need to take a long-term plan period view and provide flexibility for the sector to return to growth.

2.10 With these caveats in mind, we look to update the analysis, drawing in the most recent data.

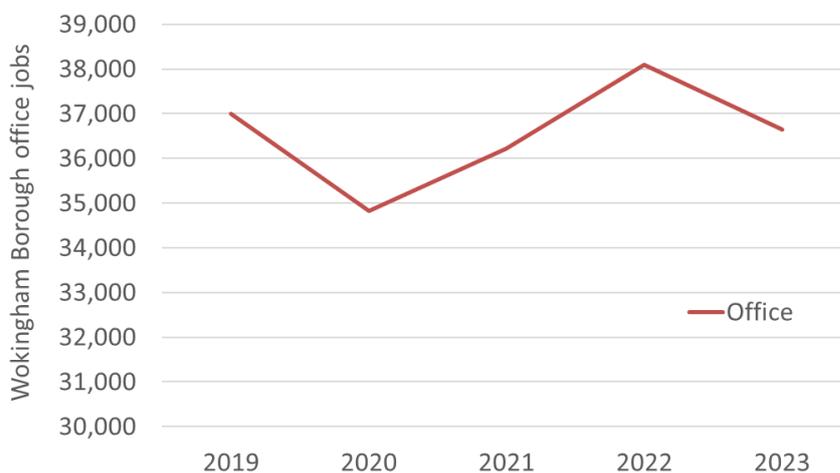
⁴ BRES is an official survey based estimate of jobs that provides an annual snapshot of jobs at a very fine grained employment sector level and can be interrogated at various geographies including borough level.

⁵ [Savills UK | UK industrial and logistics market outlook](#)

OFFICE

- 2.11 The 2023 ELNR identified the future need for office floorspace based on a 2022 economic forecast, and this estimated that over the lifetime of the Local Plan an average of 320 additional office jobs would be generated per annum.
- 2.12 The 2023 ELNR noted that job change in the recent past, prior to Covid had been strongly positive – with office job change over the decade to 2019 being c1,000 new jobs per annum, but the longer term forecast to 2040 and beyond was less positive (an average of 320 additional jobs per annum).
- 2.13 The consideration in the 2023 study regarding plan period office floorspace need, was whether to base this on a continuation of this very rapid, 1,000 jobs a year office gain reflective of the past decade; or to base it on the Economist’s economic forecast, which suggested much lower growth over the plan period.
- 2.14 Our review of the property market clearly showed this lower (economic forecast) growth scenario better matched the lack of developer interest in new offices at the time, general market sentiment and the post-Covid note of caution.
- 2.15 Looking at the more recent data (presented in the chart below), and considering the caveats noted above, Wokingham Borough appeared to recover its office sector jobs quickly – recovering the 2020 job losses by 2022 and adding a further 1,000 jobs. But this gain was reversed in 2023 and the number of office jobs in Wokingham Borough now stands at c37,000, broadly the same number as pre-Covid.
- 2.16 It is important to note that the ONS reports job numbers – irrespective of whether those jobs/workers are based in office accommodation or whether they work from home. So, homeworking, which indications from recent House of Lords research suggest⁶ may no longer be growing as a work practice, nevertheless will disrupt the demand for new office space to accommodate any job growth.

Jobs traditionally requiring office floorspace – Wokingham Borough



Source: BRES data from the ONS and Rapleys analysis

- 2.17 With very limited post 2019 data available, and noting that any post 2019 data may not represent a plan period trend, we retain a cautious outlook for office-based growth. The low job growth set out in the forecast, low by comparison with past job change, remains the most appropriate choice to base the plan on. A low outlook reflects current market signals and limited market demand (and site promotion) for new office space over the plan period.

⁶ [Home-based Working Committee - Publications - Committees - UK Parliament](#)

- 2.18 Our advice is therefore to remain guided by the economic forecast, which generates a small positive requirement for new office space (c30,000 sq m 2022-40⁷) and the Council should continue to monitor take-up.
- 2.19 The 2023 ELNR identified sufficient supply of land within designated employment areas that could provide more than double the office floorspace requirement over the plan period to 2040. However, this supply is concentrated in just four sites⁸, which over the course of the plan period may not offer future occupiers' appropriate choice and competition in the market. To allow the market to function appropriately, and to be ready should investment opportunities arise, all of this supply should be retained, and no land should be released for alternative uses.
- 2.20 This approach may not align with short-term market signals, which remain pessimistic towards any office positivity but, with indications being that homeworking has 'peaked' and given 'spaceless' job growth cannot continue indefinitely, and 'readiness' for future direct investment opportunities, the plan needs flexibility to respond to a change in market conditions and the future need for more office floorspace.

INDUSTRIAL

- 2.21 Turning to the need for industrial floorspace (a combined need for all industrial and warehousing activity), the 2023 ELNR identified a minimum need for 73,756 sq m (or 18 ha) based on past trends in floorspace delivery plus an allowance for a Shinfield Studios indirect jobs related boost.
- 2.22 The need calculation was based on net delivery of industrial floorspace over the most recent five year trend period 2017/18-21/22 that identified a per annum net industrial floorspace change of +1,518 sq m. .
- 2.23 The corrected completions data is set out in the table below with period averages. It is important to note that as was the case in the 2023 ELNR this data excludes completions directly associated with Shinfield Studios because this form of development is considered very unlikely to repeat over the next plan period at the same scale. The data does include all other industrial floorspace completions, including the storage for the British Museum. The data is net change in floorspace as it accounts for losses as well as gains in floorspace.

⁷ Table 5.9, Employment Land Needs Review, March 2023.

⁸ Table 5.10 *ibid*

Wokingham industrial floorspace change – past trend averages

Year	B1c/ E((g)iii)	B2	B8	Total industrial
07/08	-2,279	-10,210	4,970	-7,519
08/09	-5,816	131	1,740	-3,945
09/10	3,087	-455	1,077	3,709
10/11	-335	475	-2,993	-2,853
11/12	-1,319	1,366	-24,406	-24,359
12/13	-775	2,156	17,231	18,612
13/14	1,155	-18,250	-12,871	-29,966
14/15	1,046	644	4,727	6,417
15/16	245	1,008	2,362	3,615
16/17	3,584	-1,815	-826	943
17/18	-767	-6,851	7,433	-185
18/19	-238		52	-186
19/20	261	-1,648	76	-1,311
20/21	-361	1,237	3,583	4,459
21/22	303	3,735	3,281	7,319
22/23		15,628	240	15,868
23/24	7,242	1,511	5,358	14,111
24/25	130	816	292	1,238

Trend period averages:	sq m per annum
18 year (2007/08 - 2024/25)	331
10 year (2015/16 - 2024/25)	4,587
5 year (2020/21 - 2024/25)	8,599
5 year (2017/18 - 2021/22)	2,019

Source: WBC Plan monitoring data and Rapleys analysis

- 2.24 The table shows that the corrected data for average over the original five year period (2017/18-21/22) period is higher at c2,000 sq m per annum, but the most recent five year average - taking in the immediate post-Covid years – at c8,600 sq m per annum is much higher driven by 2022/23-23/24 in particular, albeit the 2024/25 figure indicates slowdown that may reflect the market commentary referred to earlier. The longer term (18 year) trend period average is close to zero, reflecting in the main two very large industrial losses at the Berkshire Brewery, Imperial Way and the Former Linpac Metal Packaging Site Headley Road East Woodley. Thus, given the nature of the Borough’s existing floorspace stock, it is unlikely that this scale of losses is likely to repeat over the plan period. The most recent ten year period (back to 2015/16) is likely to be more representative of current and future trends in industrial stock in that it spans a period of accelerated Covid related growth and years before and after that saw lower rates of development and as the market reports – lower take-up.
- 2.25 The past ten years averages to c4,600 sq m per annum. This is considerably higher than the 1,518 sq m per annum used in the 2023 ELNR, because it is based on a period that includes more recent post-Covid accelerated growth, but a longer period, likely to reflect a longer span of an economic cycle.
- 2.26 This corrected data now aligns with market signals, which was a cause for concern in the 2023 study, and for the above mentioned reasons our advice is to use this ten year trend period annual average (c4,600 sq m pa for the 2015/16–2024/25 period) is the recommended basis for calculating future need for industrial floorspace / land.

Assessing minimum need

- 2.27 Below, we apply this updated average into the future requirement calculation (row a) to determine the overall need for industrial floorspace (and land).

Revised and updated industrial need 2022-2040 – Wokingham Borough

	Plan period Sq m	Per annum Sq m
a Floorspace change (GIA sq m) (2022-40)	82,800	4,600
b Stock vacancy adjustment (sq m GIA)	22,264	
c Net demand (sq m GIA) [a+b]	105,064	
d Allowance for Shinfield Studios job dividend	24,513	
e Net demand	129,577	
f Net demand (hectare) [c @40% plot ratio]	32	2

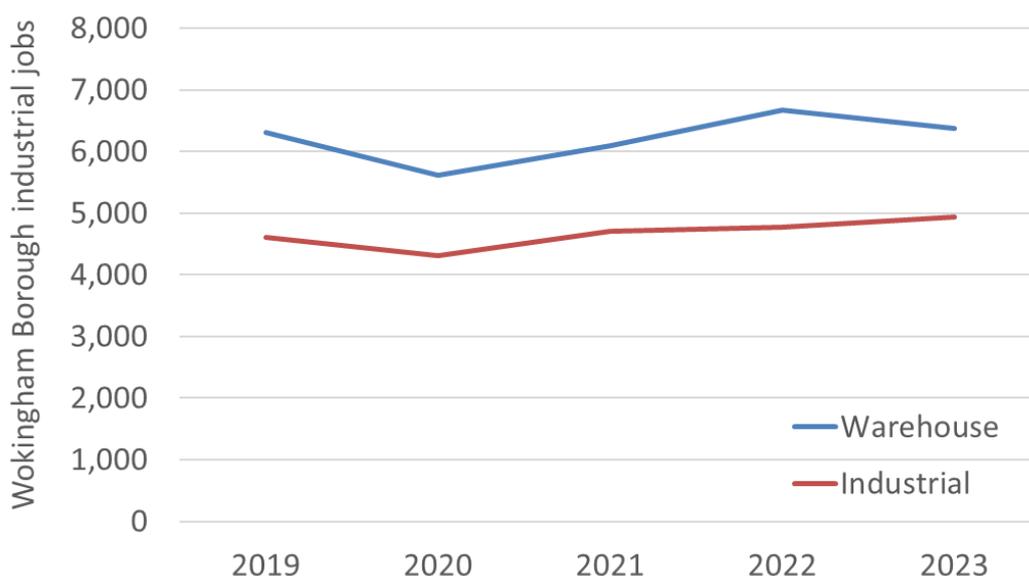
Source: WBC Plan monitoring data and Rapleys analysis

- 2.28 The implication of this adjustment (as worked through in the table) increases industrial need by 14 ha over the plan period (from 18 ha to 32 ha).

Assessing aspirational need

- 2.29 As noted above, in 2023 we identified that the industrial assessment, based simply on a projection of past land take-up did not align with market signal evidence, and we considered it to be too low, albeit it represented a minimum consistent with the PPG requirements. .
- 2.30 Reflecting this concern the 2023 ELNR provided a higher ‘aspirational’ scenario. This scenario was based on past job change, as opposed to floorspace change, because the assessment recognised that job growth had been outstripping floorspace change.
- 2.31 That higher version of need summed to 213,000 sq m and was based on job change over the ten year period 2009-19 (averaging to 259 additional industrial jobs per annum).
- 2.32 This 53 ha was cited in the 2023 study as ‘aspirational’ – it exceeded the amount of land required to meet past floorspace trends and assumed that jobs delivery would continue. Also, unlike the past, this job delivery would be matched by a parallel increase in floorspace.
- 2.33 It was aspirational because all evidence available at the time showed that jobs were still being generated in Wokingham, but without new floorspace – possibly resulting in high job densities ‘overused’ industrial space.
- 2.34 With three more years economic data we have looked to update this analysis. We find that recent job delivery in the industrial sectors has been much lower than the 2009-19 average (259 industrial jobs per annum) we used as the basis for the 2023 aspirational need calculation, averaging to only 101 jobs per annum.
- 2.35 We have considered whether to update this scenario, reducing need to reflect the much lower job growth over 2019-23 and reducing the 2009-19 trend we previously used to c210 new jobs per annum. But, on balance, knowing that most of this update period was ‘deep Covid’ we do not consider this justified.
- 2.36 The data for the recent period (shown in the chart below) does show that warehouse-based employment saw almost no growth; which may reflect the weakening logistics market, but even in a weaker market almost no growth in warehouse-based employment does not align with market intelligence, which still reports positive demand for new space.

Industrial job change - Wokingham Borough



Source: Experian Economics (March 2022) and Rapleys analysis

- 2.37 While the long-term outlook remains unclear, the rapid growth in e-commerce and the associated decline of high street retail, which is embedded in the trend periods considered in this review, cannot be sustained over a long period; nor can the rate of industrial land losses seen in some markets over the past ten years or so, be maintained looking over the whole plan period.
- 2.38 While 2023 warehousing job numbers dipped below the 2022 figure after two years of rapid growth⁹, the property market’s perspective remains that future warehouse growth will be needed. We may not as yet see this need in the ONS jobs data as things stand, but market sentiment is a very strong indicator of how the market may move.
- 2.39 As a result, on balance, we do not reduce this higher scenario, but note that the weak job performance recorded in these three years demonstrates why we consider the scenario ‘aspirational’ for Wokingham Borough.

CONCLUSIONS ON NEED

- 2.40 We have reviewed job numbers and floorspace change since 2019.
- 2.41 We have increased our assessment of the quantum of industrial need in light of the corrected floorspace completions data. This increases total industrial minimum need over the 2022-40 plan period by 14 ha to 32 ha.
- 2.42 We have considered updating the higher, aspirational scenario on the basis that recent job delivery, especially for warehouses have been very poor. Including these years of lower job delivery would reduce this scenario from 53 ha to 45 ha. But there is a need to be cautious because the majority of the new years’ data that reduces the need, are ‘deep Covid’ years, and we only have ‘actual’ job data from the economic forecast up to March 2021, which is why we obtain the qualitative view from the market to make sure the level of need identified is realistic and market deliverable.
- 2.43 We therefore suggest retaining the 53 ha with the caveat that this is also aspirational because it relies on the Wokingham industrial (and warehouse) sectors reverting to the strong rates of job delivery seen in the mid-term past; whereas this recent data may suggest a slowing.
- 2.44 For both forecast office floorspace change and projected industrial floorspace growth the recent past has been slower than anticipated and has been negative in the case of office

⁹ April 2023 is the date of the most recent BRES data, which is derived from a comprehensive survey.

jobs. In our view ‘events’ such as Covid have in recent years had a major dampening effect on the UK economy, and that of the Borough. However, over the course of the Plan period the economic outlook is likely to improve, and to be in a position to potentially attract investment in the Borough it is necessary to retain a positive outlook.

- 2.45 As a result, we find the office floorspace need figure, the adjusted industrial need figure and the aspirational industrial need figure, as set out in this review, are robust in this context and necessary to provide opportunity to compete for future inward investment.



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