



Multi-level industrial in London:

Up in the air?

Turley

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Introduction

Multi-level industrial development – the stacking of industrial and logistics floorspace across two or more floors, typically accessed by heavy-duty service ramps, goods lifts, or a combination of both – represents a distinctive approach to the intensification of employment land.

Unlike conventional single-storey schemes, multi-level developments accommodate one or more industrial and logistics occupier(s) on ground and upper levels, with the design of access and servicing arrangements being critical to their operational viability. While the typology is well established in parts of Asia, North America and continental Europe – most notably in Hong Kong, Singapore, and certain German and Dutch cities, where land constraints have long driven a vertical approach to logistics and manufacturing – it is a relatively recent phenomenon in the United Kingdom.



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While examples of multi-level industrial development had begun to emerge in and around London in the preceding years – most notably the 2-storey X2 scheme at Hatton Cross, near Heathrow Airport – it was the publication of the London Plan in 2021 that first explored industrial intensification in depth, largely in response to the significant loss of industrial land across the capital over the preceding two decades. As part of this, Policy E7 (Intensification, Co-location and Substitution of Land for Industry, Logistics and Services) identified multi-level development as one of the tools through which London’s employment land could be used more efficiently. In doing so, it helped to raise the profile of the typology among Local Planning Authorities (LPAs), developers, and the wider industry.

An increasing number of LPAs across the capital have subsequently embraced multi-level industrial development as a practical mechanism for squaring a difficult circle: namely, meeting the need to protect and re-provide employment floorspace, while simultaneously accommodating the residential development required to address London’s chronic housing shortage. Accordingly, the typology is increasingly referenced in Local Plans, area-based Masterplans, and other Supplementary Planning Documents (SPDs), with LPAs positioning it as a means of reconciling competing demands on scarce brownfield land.

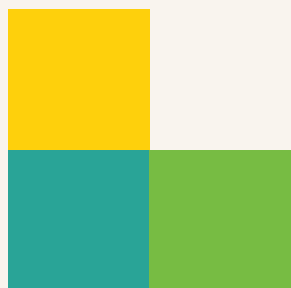
Despite its growing momentum in policy terms, however, multi-level industrial development remains subject to a degree of scepticism from developers and occupiers alike. For many industrial and logistics occupiers, the operational advantages of ground-floor access – namely, the seamless and efficient movement of vehicles and goods directly to and from units without the constraints of ramps or booking time slots for lifts – remain highly valued.

As such, many occupiers, where given the choice, have historically shown a preference for single-storey accommodation with level access and adequate servicing yards for unrestricted HGV circulation. The additional cost and complexity of ramp- or lift-based access, combined with the significant cost of engineering upper floors to withstand the substantial loading demands associated with industrial uses, can also affect scheme viability, with many developers/funds still finding the business case for multi-level industrial developments difficult to underwrite.

Looking ahead, however, the landscape may be shifting. The Government’s renewed focus on housing delivery will not only increase pressure on industrial land across the capital – particularly where sites sit in locations attractive to residential development – but will itself generate significant additional demand for industrial and logistics floorspace. Recent analysis by the British Property Federation estimates that the Government’s 1.5 million homes target will require approximately 6.9 sq m of logistics floorspace per new household¹. Should pressure on the supply of existing industrial stock tighten as a result, the importance of multi-level typologies may become greater than ever, possibly representing an economic and operational necessity for developers and occupiers seeking a presence in the capital.

It is in this context that we have sought to take stock of where multi-level industrial development is happening across the capital, what the schemes coming forward are delivering in practice, and whether the typology is beginning to translate from planning permission into actual delivery.

¹ British Property Federation (2026) Industrial and Logistics: The Infrastructure of Everything



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Methodology

This report provides a comprehensive overview of planning applications for multi-level industrial schemes in London that are referable to the Mayor of London, in his role as strategic planning authority for the capital (i.e. those referred to the Greater London Authority (GLA) for Stage 1 and/or Stage 2 sign-off).

For the purposes of this research, multi-level industrial schemes are defined as those proposing industrial and/or logistics floorspace (Use Classes E(g)(iii), B2, and/or B8) across two or more storeys. Schemes providing industrial accommodation exclusively at ground floor level – with/without mezzanines – have not been included in the research.



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Section 1: Pipeline overview





Planning status of assessed schemes

Our research has identified 24 referable multi-level industrial schemes submitted across London over the past five years (i.e. since 1 January 2021), spanning 12 Local Planning Authorities (LPAs).

Of the multi-level industrial schemes in the pipeline, more than two-thirds (67%) have received planning approval. A further 25% are currently at GLA Stage 1, with 8% at Stage 2 awaiting final determination. This distribution reflects the growing maturity of multi-level industrial as a planning concept in London.

Distribution across London

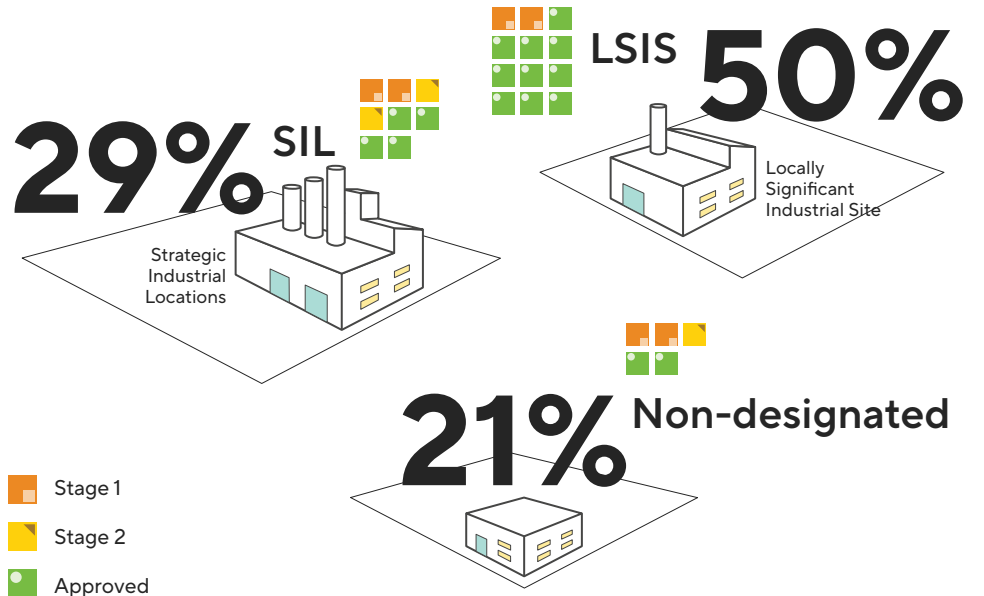
Multi-level industrial development is concentrated in a relatively small number of London boroughs. The London Borough of (LB) Ealing accounts for the highest number of schemes (six), reflecting the concentration of industrial land within the borough, particularly around the South Acton Locally Significant Industrial Site (LSIS), its connectivity to Heathrow Airport to the west and central London (alongside a large residential population), and the volume of regeneration activity that has come forward in that area over recent years. LB Enfield and LB Barking and Dagenham also feature prominently, perhaps unsurprisingly given both boroughs combine a substantial industrial land base with some of the most explicitly supportive policy environments for multi-level industrial intensification in London.



Designations

Surprisingly, the majority of referable multi-level industrial schemes are located on land designated as LSIS, accounting for 50% of the schemes. Strategic Industrial Locations (SIL), generally the first tier of industrial designations in London, host a further 29% of schemes, with the remaining 21% located on non-designated industrial land. The prevalence of LSIS sites may reflect the fact that smaller and typically more accessible LSIS sites tend to accommodate lighter industrial and logistics uses – such as smaller light industrial workshops (Class E(g)(iii)) and last-mile delivery hubs (Class B8) – which are broadly more compatible with upper-floor access than the heavier industrial uses (e.g. Class B2) more typical of SIL.

Designation of sites



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Section 2: Policy approach



Policy approach

At the local level, the picture is one of growing – albeit still far from universal – policy support. As shown on the map below, nine LPAs have currently adopted policies that explicitly reference or support multi-level industrial development, while a further six have published draft or emerging policies addressing the typology in some form.

A number of additional boroughs also acknowledge the concept in adopted or emerging SPDs and masterplans, while several LPAs have also adopted or – intend to adopt – site allocations which recognise the potential for development proposals to incorporate multi-level industrial typologies.

The geography of policy support broadly mirrors the spatial distribution of schemes: those boroughs that have invested most in developing a clear policy position on multi-level industrial tend also to be those that have seen the greatest volume of applications come forward. Whether policy is driving applications, or applications are prompting policy responses, however, is not always straightforward to unpick, and in practice, the relationship is likely to run in both directions.

What is clear is that the policy framework is still evolving. The Mayor is currently preparing a new London Plan, expected to be published in summer 2026, which is widely anticipated to build on the industrial intensification agenda established by its predecessor. While the detail of any new or revised policies remains to be seen, it would be reasonable to expect the emerging London Plan to maintain – and potentially strengthen – its support for multi-level industrial development as a tool for addressing the capital’s industrial land needs.







Section 3:

Employment floorspace



Quantum and uplift

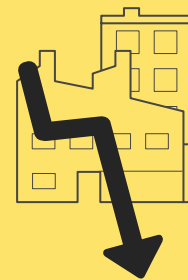
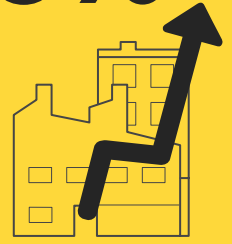
Across the identified schemes, the total existing employment floorspace on site amounts to approximately 201,291 sq m. The aggregate proposed employment floorspace across the same schemes totals 321,430 sq m, representing an overall net increase of 120,139 sq m (equivalent to a 59.6% uplift on the existing provision).

More than four in five schemes (83%) deliver a net uplift in industrial floorspace compared to the existing provision on their respective sites. This is a notable figure: it suggests that, in the majority of cases, the transition to a multi-level format is delivering additional employment floorspace, rather than simply re-configuring the existing provision in a more land-efficient form.

However, in many instances, multi-level typologies replace existing sites with a high plot ratio but limited space for vehicular circulation or servicing zones/operational yards. In such cases, although a multi-level format is introduced, it may result in no net or limited increases in employment floorspace, instead providing a more efficient use of the site.

59.6%

Cumulative uplift in industrial floorspace delivered by all schemes



Only 17%

of schemes result in a net reduction in floorspace

321,430 sq m

c.120,139 sq m uplift

Total proposed industrial floorspace in approved and submitted schemes

+52.5%

Average uplift in industrial floorspace of schemes compared to existing on-site provision

Employment use classes

Existing industrial / employment uses

E(g)iii

28%



B2

33%



B8

39%



Proposed industrial / employment uses

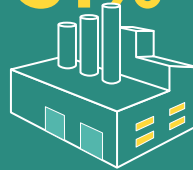
E(g)iii

↑ 35%



B2

31% ↓



B8

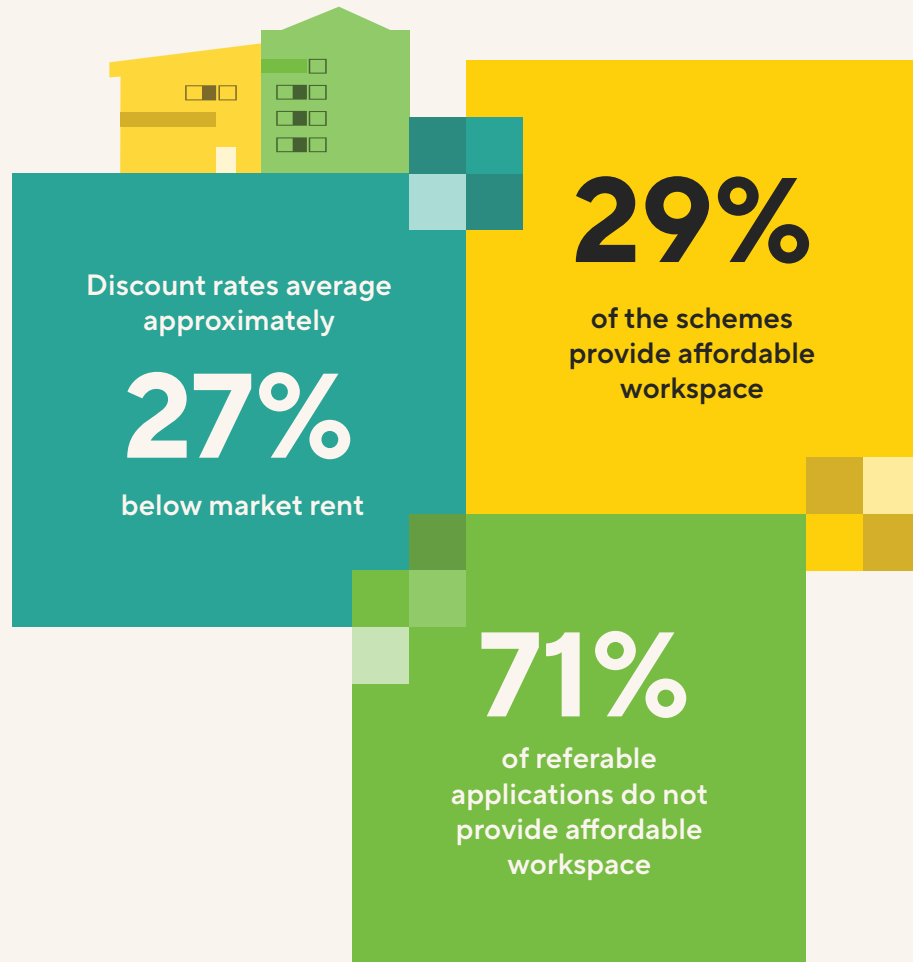
34% ↓



The pattern of use classes proposed in multi-level schemes reflects wider trends in the industrial planning landscape. Light industrial (Class E(g)(iii)) is the most frequently proposed use, accounting for 35% of proposed uses across referable schemes, while B2 (general industrial) appears in 31% and B8 (storage and distribution) in 34%. The prevalence of E(g)(iii) is consistent with a broader shift towards lighter, more neighbour-friendly uses, a trend particularly evident on LSIS – where stacked industrial floorspace is often co-located with residential uses. This pattern is also visible across the wider dataset, potentially reflecting both the challenges of intensifying industrial land in more sensitive, constrained urban locations and the practical reality that heavier industrial uses are inherently more difficult to accommodate on upper floors.

Affordable workspace

Affordable workspace requirements – typically secured through Section 106 agreements – feature in approximately 29% of schemes. Where affordable workspace is provided, it represents an average of around 27% of total workspace floorspace, albeit this masks significant variation (ranging from 6% to 100% of total workspace provision). Discount rates, where specified, average approximately 27% below market rent, with terms ranging from 12.5% to 50% discount and over a typical timeframe of 15-20 years.



The majority of schemes – 71% of referable applications – do not include affordable workspace, which may reflect the viability challenges associated with multi-level industrial development, where the additional construction costs of ramps, structural reinforcement, and goods-handling infrastructure can compress margins significantly. It may also reflect the difficulty of providing affordable workspace within more B2/B8-oriented schemes, where units are less easily subdivided or adjusted in size late in the application process as is the case in more office- or workspace-led schemes. Financial contributions in lieu of on-site provision have been secured in some cases.

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Section 4: Design and form



Height and massing



Across the referable dataset, 2-storey schemes are by far the most common, accounting for 58% of schemes. 3-storey schemes make up a further 21%, with 4-, 5-, and 6-storey schemes each accounting for around 4-13% of the total. The predominance of 2-storey formats may reflect both the practical constraints of industrial servicing (which become increasingly complex at higher levels) and the viability pressures associated with more ambitious multi-level typologies. The average height of multi-level industrial premises across the dataset is approximately 20.6 metres; however, this ranges from single-digit heights on some smaller

schemes – often where industrial floorspace is provided within the lower levels of a vertically-stacked co-location development – to upwards of 35 metres at the higher end.

Within the height distribution, approximately 30% of schemes fall in the 10-19.9 metre range, 26% in the 20-29.9 metre range, and a further 22% at 30 metres or above. The latter category is dominated by outline applications proposing substantial multi-storey buildings, where maximum parameters are set to allow for maximum flexibility during the development of detailed designs at the reserved matters stage.

Height (metres)

-  Stage 1
-  Stage 2
-  Approved



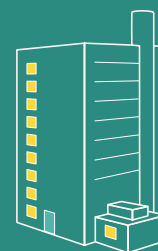
1-9



10-19



20-29



30-39



No. of storeys



2



3



4



5



6





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Parking

57
spaces



Car parking provision varies considerably across the dataset, averaging approximately 57 spaces per scheme across referable applications, though this figure is heavily influenced by a small number of large-format logistics schemes with significant staff parking requirements. A number of inner-London schemes, particularly those in higher-PTAL locations, are delivered on

a car-free or near car-free basis for staff, with provision limited to blue badge and operational vehicle spaces. Overall, parking provision appears to be determined largely on a site-by-site basis, reflecting the specific operational requirements of each scheme and its accessibility by more sustainable modes of transport.

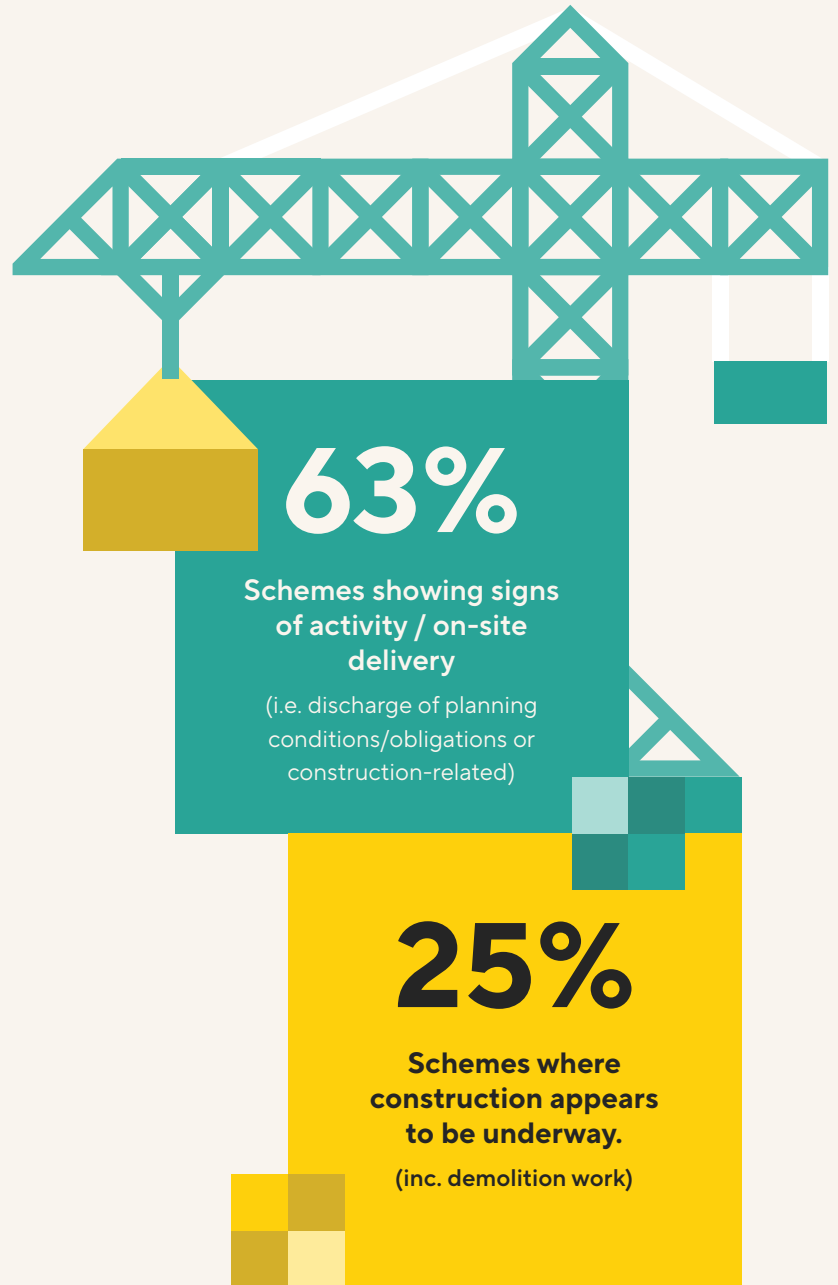
Section 5: Delivery





Delivery

Of the approved referable schemes, evidence of post-permission activity – including the discharge of planning conditions – has been recorded in 63% of cases, while evidence of physical construction on site has been recorded in 25% of cases. The relatively high proportion of approved schemes yet to progress to construction is perhaps unsurprising: multi-level industrial development is, in many cases, a more complex and capital-intensive proposition than conventional single-storey development, and schemes may only be viable to deliver where there is clear occupier interest or pre-let activity to underpin the investment case. The rate at which approved schemes translate into built development – and the timescales involved – remains an important indicator that will be monitored in future editions of this report.



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Conclusion

Several headline findings emerge from this first assessment of multi-level industrial development in London. The typology is predominantly coming forward on LSIS land, which is perhaps unsurprising, given that smaller and typically more accessible LSIS sites tend to accommodate lighter industrial and logistics uses that are generally more compatible with upper-floor access than the heavier industrial operations more typical of SIL. This is reflected in the use class distribution across the dataset, with light industrial (Class E(g)(iii)) comprising the most common use proposed as part of multi-level developments. Crucially, where schemes are coming forward, they are delivering a meaningful uplift in industrial floorspace (59.6% compared to the existing situation), with the average scheme delivering an uplift of 52.5%. Nevertheless, the majority of schemes appear to be relatively modest in their vertical ambition: 58% of referable applications propose buildings of just 2-storeys, highlighting that multi-level industrial development in London remains, at this stage, a relatively cautious interpretation of the typology.

This report is intended as a baseline or starting point from which to track the evolution of multi-level industrial development in London over time. The schemes assessed here represent the early stages of what may prove to be a more significant shift in how industrial land is used across the capital, with future change likely to be influenced by the pressure that ambitions to accelerate housebuilding will place on the industrial land supply. We intend to revisit and update this research annually.

For now, relatively few of the schemes in our dataset have progressed to construction, with the pre-let activity often needed to underwrite build-out frequently proving difficult to secure; however, as the competing pressures on London's land intensify, this typology may start to stack up.



Crucially, where schemes are coming forward, they are delivering a meaningful uplift in industrial floorspace



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Strategic Communications

Sustainability and ESG

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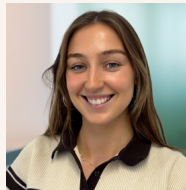
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