

Tritax Big Box's 'Future Space Focus' spotlights issues of Labour and Power for UK logistics real estate

- Occupiers look to technology as a solution to labour market challenges
- Automation drives greater need for energy resilience among asset owners and developers
- Trends show the role of high-quality logistics real estate in critical UK infrastructure

London, 10 June 2025 – Tritax Big Box, owner of the UK's largest logistics investment and land development portfolio, has launched 'Future Space Focus', which will share insights into the critical issues shaping UK logistics and its supporting infrastructure.

The first Future Space Focus, which complements the Future Space Annual event, survey and report, examines the impact of UK labour challenges and their implications for UK logistics real estate. These include the criticality of power resilience as occupiers look to increase their use of energy intensive technologies as a solution, and the importance of site features in attracting a changing labour force.

This paper highlights that:

- **The labour market isn't working.** COVID-19 precipitated a noticeable decline in economic activity among the working-age population, worsened by rising long-term sickness. This has intensified competition for a shrinking labour pool, with 62% of occupiers now facing labour challenges, up from 41% in 2023 (source: Tritax Big Box and Savills *Future Space Annual* survey). Adding to this strain are rising employment costs owing to increases in employers' National Insurance and the minimum wage, impacting UK retailers by an estimated £5.6 billion (source: Retail Economics).
- **Technology adoption is raising the energy stakes.** Many UK companies are investing, or planning to invest, in new technologies to protect margins, with around a third of respondents in a British Retail Consortium survey linking NI increases to further automation. This will mean a significant increase in the need for power.
- **A changing mix of talent.** A common perception that warehouse work is low-paid and low-skill doesn't reflect reality. Many firms now place an emphasis on progression and opportunity. Our recent employment survey showed that 60% of our occupiers have an eye on the future talent pipeline and offer apprenticeship

programmes. Warehouse-based roles are also becoming more diverse to include software and hardware engineers (with increasing automation), with head office functions like HR, finance and IT increasingly onsite as companies consolidate properties.

- **Safety and the working environment.** The work environment is a major priority for occupiers. Our employment survey found that 90% of surveyed occupiers now offer flexible working. Modern site features can also enhance employee retention and productivity. These include health and wellbeing amenities like showers, canteens, gyms and recreational space and, for next-level offerings, free EV charging and 5-a-side football pitches.
- **Utilising more technology and adding automation is a driver of logistics real demand:** *Future Space Annual* finds that occupiers typically identify 2 to 3 key factors in driving demand, including increasing automation. 28% are looking to realign their warehouse networks over the next three years, up from 17% in 2024. New space has accounted for two-thirds of logistics real estate demand since 2010, and so bringing forward well located, newly developed buildings is important.

Henry Stratton, Head of Research at Tritax, said: *“As logistics real estate occupiers look to plug the labour gap, they’re turning to technologies such as automation that are energy intensive. A large-scale, fully automated warehouse might use five times the electricity of a traditional warehouse on a per square foot basis. This increasing demand sits within a broader drive towards electrification, and as a result power resilience is increasingly top of mind for occupiers.*

Power, people, planning and – as ever – place are priorities for logistics occupiers and, by extension, for investors looking to future-proof their assets. Buildings must meet these requirements today, with the flexibility to accommodate more change tomorrow.”

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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About Tritax Big Box

The Tritax Big Box brand encompasses both Tritax Big Box REIT plc, a FTSE 250 company which serves as our UK logistics real estate investment platform, and Tritax Big Box Developments Limited, a Tritax Big Box REIT associated company.

Together, we deliver critical supply chain infrastructure that is key to the UK economy. As owners of the UK's largest logistics development and investment portfolio, we can provide established and emerging businesses with the space they need to succeed in the most in-demand locations. We use our sector specialism and deep market insights to stay ahead of trends and meet our clients' evolving needs. Our approach is personal and hands-on, focused on leaving long-term positive legacies.

Website: <http://tritaxbigbox.co.uk/>

Further information on Tritax Big Box REIT is available at: tritaxbigbox.co.uk