



ALGA ROADS  
CONGRESS 2025

LOCAL ROADS • TRANSPORT • INFRASTRUCTURE

# Local logistics and the significance of industrial land

*Supporting local areas and cost of living*

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# How successful places look early morning from a supply and demand perspective

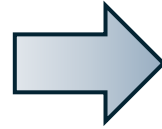


- Significant quantities of freight are synonymous with successful places, supporting the day's economic and social activity
- Competition for space can be at a premium to complete the task efficiently
- **Value it and plan for it!**...but look for how it can be done efficiently to support your local economy and its people.

# "People/City serving" freight flows

## 28% of the NSW freight task

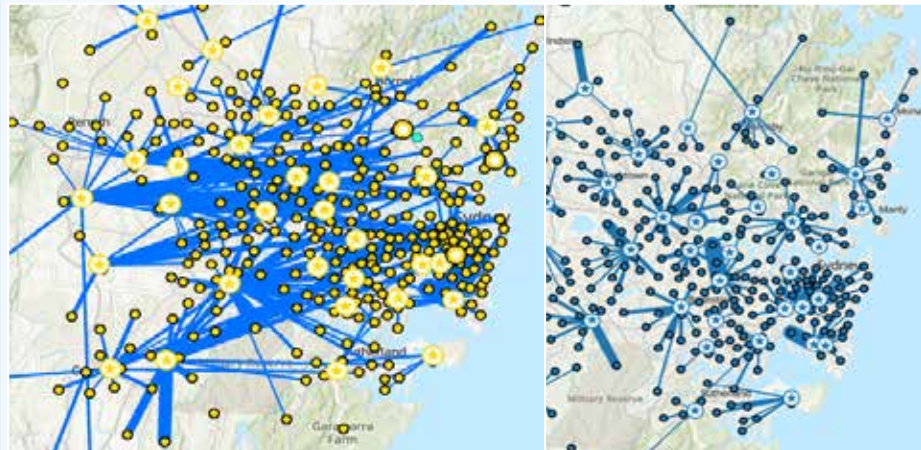
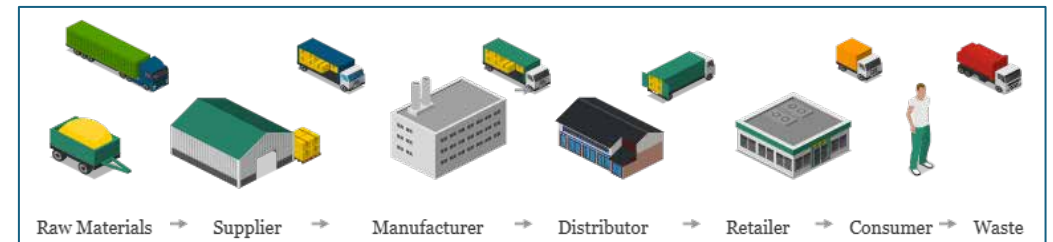
- Greater Sydney: 76kg of freight moved per person, per day
- Rest of NSW: 56 kg moved per person, per day.



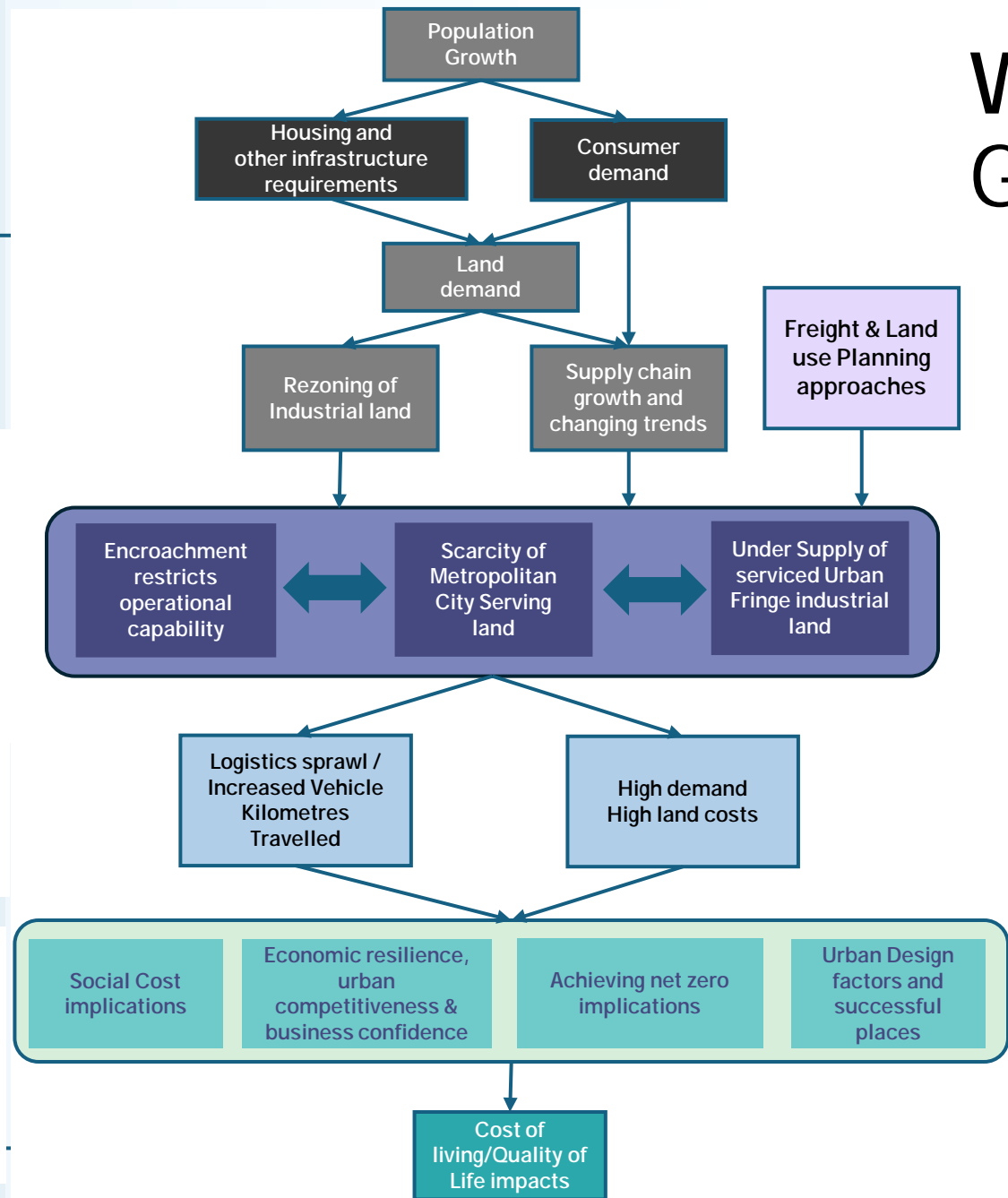
This is mostly manufactured goods, construction materials, consumer products and waste.



Multiple legs add up to 76kg of freight



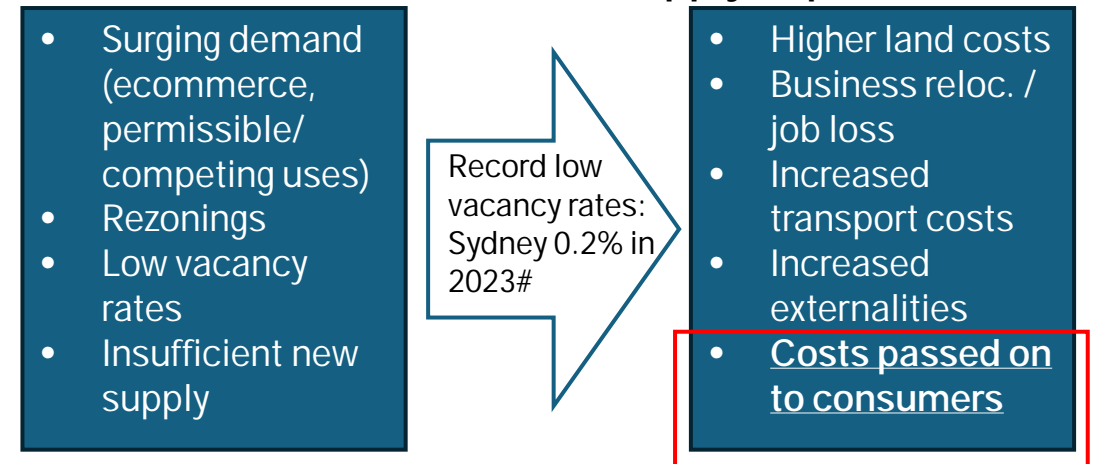
Trips criss-cross a city, heavily influenced by key *nodal and link infrastructure*, like ports and industrial land provision.



# What's the challenge?: City Growth and logistics networks

- Each new home needs 10.68m<sup>2</sup> of industrial land for goods distribution\* (& other uses)
- *93% of "Australians are concerned about the rising cost of living and using ecommerce to find better value > generating more deliveries\*\**
- Delivery cost is no1 factor for customer delivery preference\*\*\*

## Urban Industrial Land Supply Impact



\* Based on figures from the British Property Federation

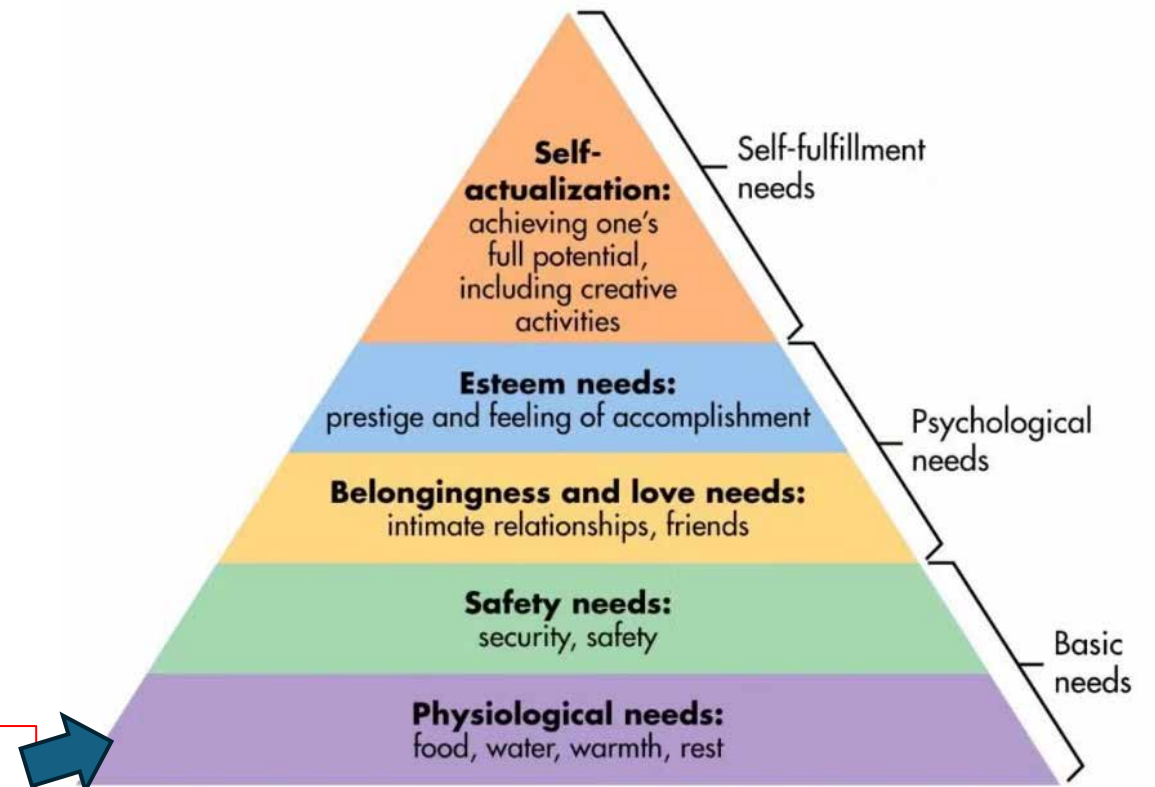
\*\* Auspost e-commerce report 2025

\*\*\* McKinsey July 2024

#CBRE

# Physiological needs... We can't just think about housing...

- Affordable housing provision is of vital importance
  - There are plans to address it
- All physiological needs are of vital human importance (food, warmth, etc.)
  - Cost of Living
  - Sustainable outcomes
- Aside from housing, we're typically skipping these other basic needs
  - Brief attention during COVID... lessons now forgotten?
- More attention is needed to the efficiency of logistics networks and their impacts on cost-of-living
  - Rezoning urban "industrial" land for "*higher and better use*" is long-term counterintuitive
  - "Industrial" is a misleading land use term?



# Logistics facilities: we need both... and various things in between.

## National/state-level logistics provision



Sydney Industrial land



### Challenges:

- Key infrastructure provision
- Utilities connectivity
- New design principles

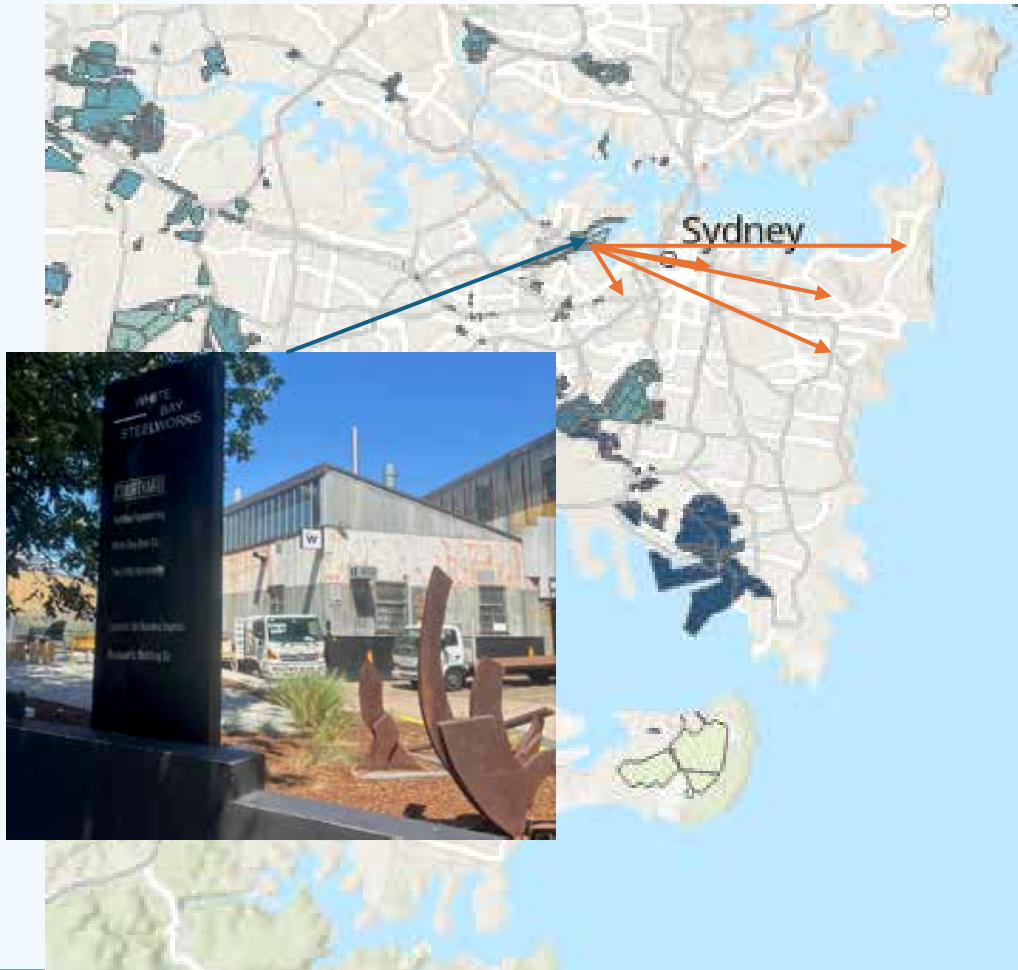
## Local logistics: being close to the customer



### Challenges:

- Competition for space
- Land use zoning
- Environmental considerations

# Case Study: Challenges of local-level logistics networks to satisfy consumer demand



- Inner-West council location, closest industrial zoned land to Sydney CBD and Eastern Suburbs (North)
- Logistics businesses want to develop good service, decarbonised and sustainable last-mile logistics
- This land itself is scheduled for rezoning as part of Bays Precinct Plan
- This Precinct (IL4 zoned) also has many tenants of economic and social relevance
- Achieving low-cost, sustainable and discrete last-mile logistics services is increasingly difficult with Industrial land retreating from areas of high demand.
- Meanwhile: Businesses ask operators, "What is your roadmap to reducing emissions?"

## Increasing challenges in our urban areas:

More Kms travelled

Increasing negative Externalities

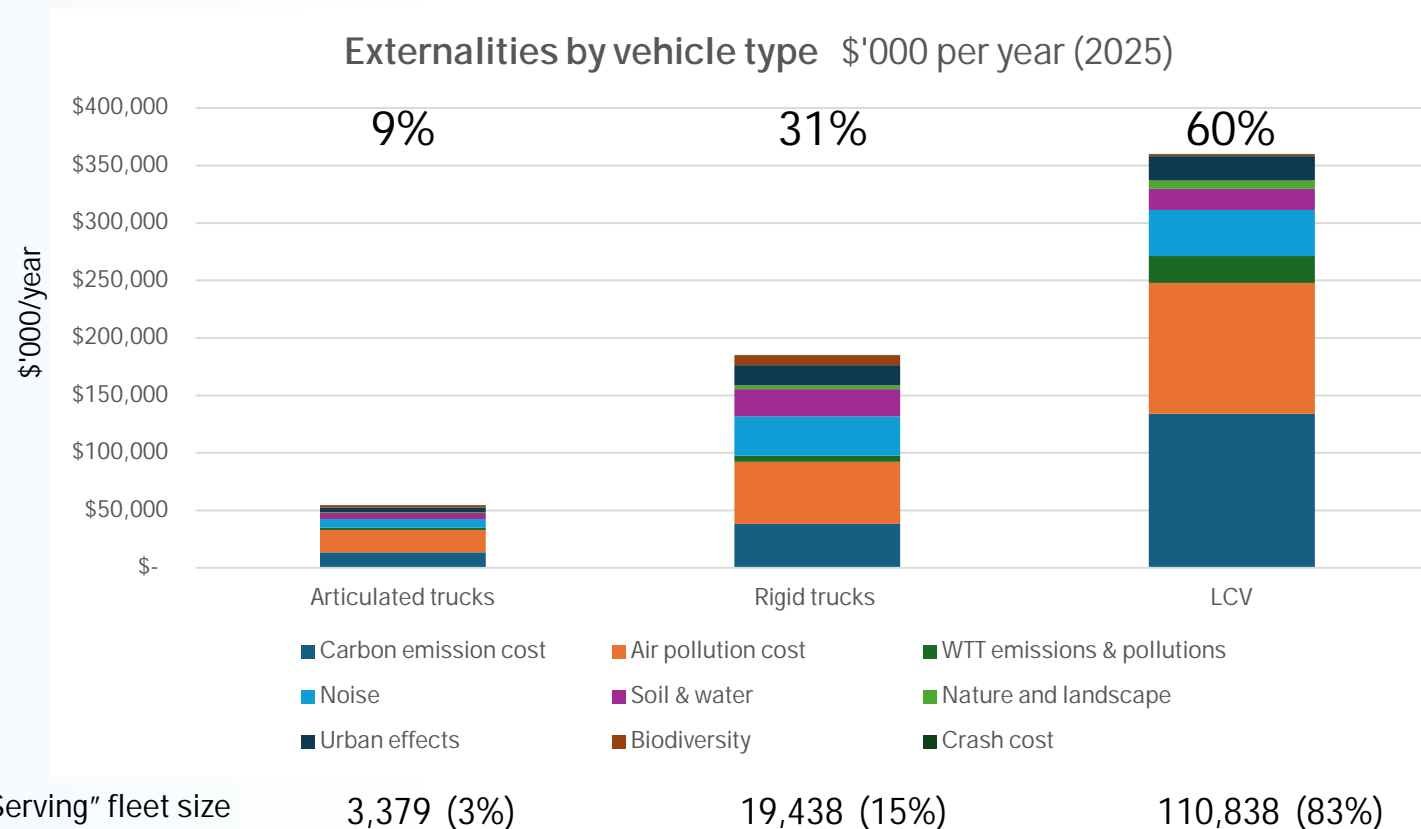
Less flexibility on local access provision

Increased cost of living

Poorer service to customers

# Logistics Network: city serving fleet externalities (Sydney)

- Light commercial vehicles are typically the fastest-growing class of vehicles by registration. NSW 55% growth in 10 years to 2022. total vehicle population growth 23%



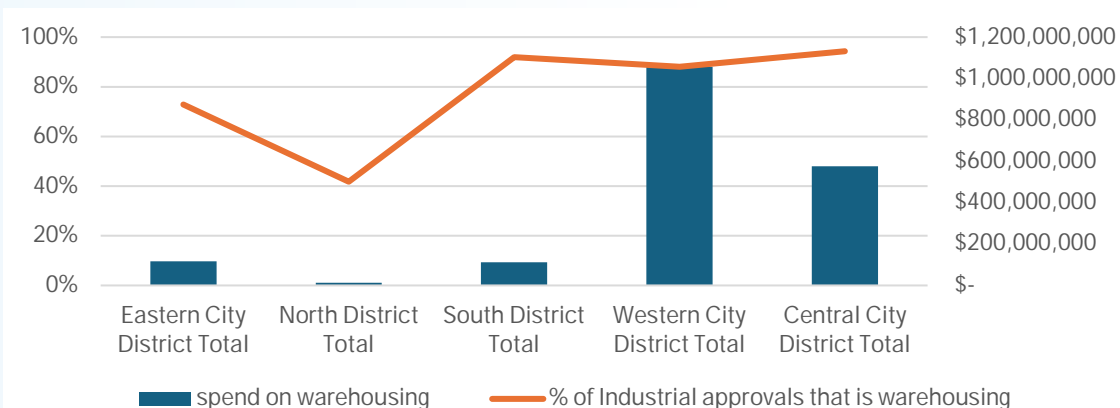
ILUF/TfNSW Modelling

# Logistics Network: Industrial land use across Sydney

City District	Average IL Rental price (March 2025)	Percent of IL used for distribution of goods*	Developed IL	Undeveloped IL supply
Central City	\$ 207.17	42%	81%	19%
Eastern City	\$ 363.86	49%	84%	16%
North	\$ 273.50	24%	80%	20%
South	\$ 261.14	47%	100%	0%
Western City	\$ 203.00	50%	46%	54%

Total Hectares (2025) 20,207

## 2021: 88% of all IL approvals was for warehousing



IL is contributing to the local social fabric (and job provision). Some other uses of IL zoned land:

- Manufacturing (incl Food)
- Big box retail
- Specialist retail
- Circular economy activity
- Automotive services
- Exercise/Pilates studios, Dance studios, Pottery studios, Axe throwing, Climbing, Taekwondo
- Back of house kitchens
- Coffee roasters, distillers, microbreweries
- Churches
- Business HQs

Loss of IL doesn't just impact the efficiency of logistics...

*Is the "industrial" definition right for some of these areas?*

\*SA1 Property.com

# Conclusions and Outlook

- Population growth, changing social trends, and achieving sustainable outcomes...
  - 9.8m Australian households (almost all?) shopped online in 2024. Higher growth rate in regional areas. (Auspost ecommerce report 2025). New records for deliveries are continually being set.
  - It is inevitable that Logistics activity will grow. Lower car use/ownership will accelerate it further.

Year	A Sydney LGAs Households	DAILY commercial vehicle trips/calls generation to households*	Housing/drop density (40.65 sqkm)
2021	50,844	10,118	1,250 / 249
2046	84,236	21,986	2,072 / 541

Where will these deliveries originate? Locally or from 50km away?

- Local industrial land provision:
  - Reduces kilometres travelled (and congestion).
  - Enables better local logistics placemaking-friendly & sustainable logistics solutions
- Poor attention to logistics networks is a significant hidden economic, environmental and ultimately social cost to the city and its people

X LGA commercial vehicle (logistics and service) trips to households. ILUF Planning 2025

# Recommended action: look for cost-of-living, placemaking and sustainable outcomes

- **System thinking** across urban logistics networks (nodes and arcs)
  - Logistics is a vital utility... & in the emerging thinking of leading global cities
  - Serves basic physiological needs alongside housing
  - Cost-of-living and State GSP benefits of better network planning
  - Improvements in productivity, safety and sustainable outcomes
- Appreciate the **value of local urban “industrial” land**. Don't lose it completely!
  - As part of “the logistics system” **and** in other economic and social ways
  - Achieving local sustainable/placemaking-friendly logistics approaches
  - Yes, it also handles some ugly but essential “city serving” tasks in some locations
- **State and local government opportunities:**
  - Relevant actions appear in state planning documents
    - TfNSW Freight Policy Reform, Victoria Freight Plan, SA Freight and Supply Chain Strategy, Industrial land Action Plan (DPHI NSW), National Freight and Supply Chain Strategy, (WA, QLD plans under development?)
  - Local government action can support better local economic, social and place outcomes
    - Encourage sustainable local logistics approaches that align with your values and local vision
    - Speaking in unison as a collective of councils is even better

## Paris Local Urbanism Plan (2106)

- Recognises logistics management as a vital utility to achieve common city objectives
- Preserves 62 sites across city exclusively to encourage sustainable local logistics approaches

25 Dutch cities zero zero-emission zone for logistics vehicles commenced in 2025



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# Thankyou

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