



# The Future of Warehousing in the UK

Space Constraints, Compliance Pressures  
& Strategic Retrofit Solutions



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## Space Constraints, Compliance Pressures & Strategic Retrofit Solutions

The UK warehousing sector is facing unprecedented demand - driven by the growth of e-commerce, rising consumer expectations, and evolving supply chain models. Yet while the need for space has surged, land availability, labour costs, and regulatory pressures are putting pressure on operators to do more with what they already have.

This whitepaper explores the state of UK warehousing in 2025 and beyond. It examines the macroeconomic, logistical, and compliance trends shaping the sector, and outlines how retrofitting existing warehouse infrastructure - including racking, layouts, mechanical and electrical (M&E) systems, and fire safety - is becoming a strategic alternative to new build. Drawing from SOL Services' experience across logistics estates, this paper provides a roadmap for warehouse operators looking to enhance efficiency, safety, and future scalability without expanding footprint.





## Demand Continues to Outpace Supply

### Warehousing Shortages

The rise in e-commerce and 24/7 fulfilment has led to a sharp increase in warehouse demand. According to Savills, the UK's industrial and logistics vacancy rate fell to just 3.4% in 2024, with Grade A space even scarcer. Yet new build activity has slowed due to high costs, planning restrictions, and material shortages.

As a result, occupiers are turning to retrofit strategies to unlock more capacity, improve flow, and comply with modern standards - without relocating or building new.

Prologis estimates that for every £1 billion of e-commerce spend, an additional 775,000 sq ft of warehouse space is needed.





## Strategic Challenges in Existing Facilities

### Ageing Infrastructure

Many UK warehouses are over 20 years old and were not built for today's high-density storage, automation, or ESG demands.

Common issues include:

- Inefficient layouts
- Legacy lighting and HVAC systems
- Non-compliant fire protection
- Poor insulation and ventilation
- Limited EV charging or grid capacity

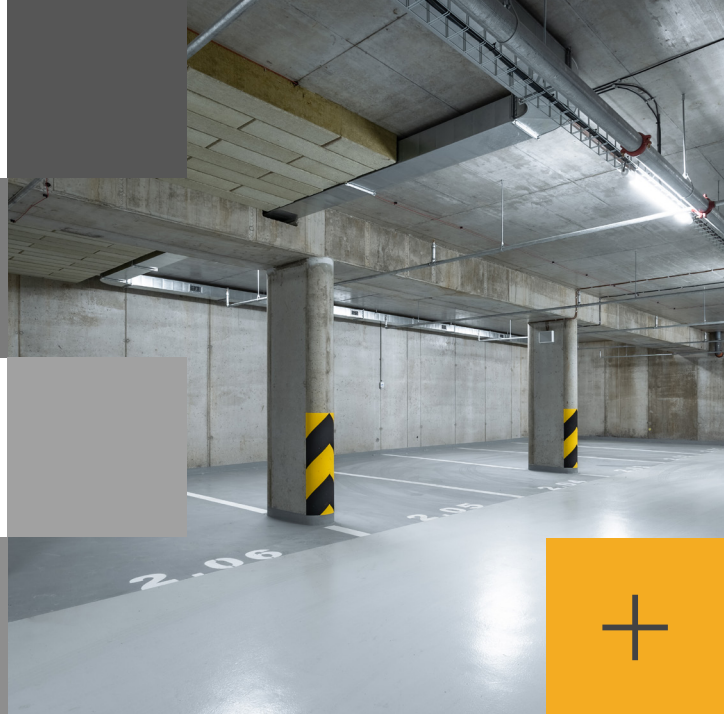
SOL Services supports warehouse operators in identifying and addressing these limitations through structured refurbishments and phased upgrade programmes.

### Compliance & Safety Pressures

Warehouses face tightening regulation in areas such as:

- **Fire safety**  
(following recent high-profile incidents)
- **Racking integrity and inspection**  
(SEMA guidelines)
- **Building energy efficiency**  
(Part L, MEES standards)
- **Working at height and plant operation safety**

SOL Services helps ensure compliance with proactive inspections, remedial works, and system upgrades that meet Health and Safety Executive (HSE) and insurance requirements.



## Retrofitting: A Cost-Effective Solution

### Why Retrofit?

Retrofitting delivers many of the benefits of new construction - increased capacity, improved safety, better working conditions - without the capital expense, downtime, or planning hurdles.

Common retrofit solutions delivered by SOL Services include:

- Tailored pallet racking and layout reconfiguration
- Installation of energy-efficient lighting (e.g. LED, daylight-linked)
- HVAC system upgrades and smart controls
- Fire door installation and emergency lighting
- Resurfacing, line marking, and segregation zones
- Integration of EV charging infrastructure

According to CBRE, retrofitting an existing warehouse can be up to 40% cheaper and 50% faster than building a new facility.



## Sustainability, Energy, and ESG Alignment

Warehouse operators are under increasing pressure from clients, investors, and regulators to decarbonise operations. Upgrades to existing facilities offer fast wins on:

- **Energy savings** through modern lighting and heating
- **Carbon reduction** by avoiding demolition and rebuild
- **Improved EPC ratings** and MEES compliance
- **Social value delivery** through local labour and waste recycling

SOL Services incorporates ESG reporting into all major retrofit projects, helping logistics providers meet the expectations of modern tenders and contracts.





## Adapting for Automation & Scalability

The growth of robotics, conveyor systems, and smart inventory management requires a warehouse infrastructure that is flexible and future-ready.

Retrofitting allows:

- + Clear pick zones and traffic flow optimisation
- + Mezzanine or multi-level storage to increase vertical utilisation
- + Small power and data integration for conveyors and scanners
- + Reinforced floors and racking rated for automation equipment

SOL Services works closely with clients and third-party automation providers to prepare sites for seamless technology integration.







## Case Example: Scalable Retrofit in Action

**Client:** National Logistics Distributor

**Challenge:** Ageing 80,000 sq ft facility with inefficient layout and outdated M&E

- Strip-out of legacy racking
- Install of new racking with increased SKU capacity
- Upgrade to LED lighting with motion sensors
- Fire safety upgrades and emergency signage
- External works including resurfacing and access control

### Result:

- 35% increase in usable storage
- 28% reduction in energy use
- Full compliance with fire safety and EPC standards

### Conclusion

The future of UK warehousing isn't just about building more - it's about making existing space work harder, safer, and smarter. Retrofitting provides a powerful, cost-effective path to unlock capacity, boost compliance, and prepare for automation without compromising operations.

With SOL Services, logistics operators gain a trusted partner who understands the pressure points and opportunities of modern warehousing - delivering upgrades with minimal disruption and maximum long-term value.