

# Do Distribution Warehouses Deliver Jobs?

When talking to local planning authorities, Prologis is often asked about the number and type of jobs created by its distribution centres. In order to answer these questions accurately, a survey of Prologis customers was carried out in 2006 and then again in 2010.<sup>1</sup> In 2006, 33 companies were asked how many people they employed. Then in 2010, Prologis sent a survey to 38 businesses occupying its warehouses, of which 19 replied. This equates to 6,800 employees and 5.65 million sq ft of logistics space.

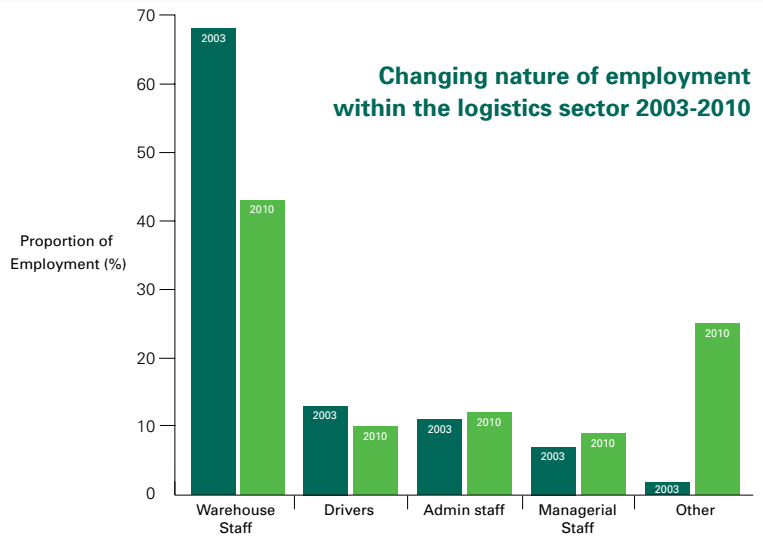
### The 2010 survey asked:

- How many people do you employ?
- Can you split the jobs your employees carry out into these five areas:
  - Warehouse operatives
  - Drivers
  - Administrative or support staff
  - Managerial
  - Other?

Using the 2006 customer survey and the logistics employment research carried out by Cranfield University in 2003 as benchmarks, Prologis was then able to determine that employment numbers are rising and that the range of jobs appears to be increasing.<sup>2</sup>

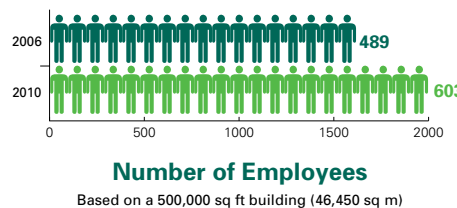
Prologis has presented this data to property agents and because it was advised that this would be useful to the wider industrial property sector, it has agreed to publish the information it has collated in the form of a brief Technical Note.

<sup>1</sup> Prologis, Not Just Stacking Shelves, Spring 2006  
<sup>2</sup> Cranfield University School of Management, Bedford and King Sturge, Future Trends in the demands for Warehouse Property, April 2003  
<sup>3</sup> Skills for Logistics, Sector Skills Assessment, December 2010



### Numbers of Jobs

Using the number of employees listed by customers in the 2006 survey, Prologis calculated that its customers employed one person for every 95m<sup>2</sup> of space within their distribution centres. The subsequent survey shows that by 2010, this ratio had increased to one person for every 77m<sup>2</sup>. The 2010 customer survey also showed that 88% of the jobs listed are full time and that 12% are part time. This predominance of full time over part time employment is supported by Sfl's Sector Skills Assessment, which shows that across the UK, part time workers make up 14% of employees in the logistics sector.<sup>3</sup>



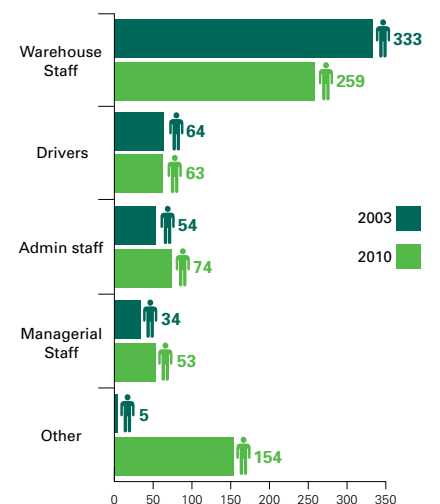
### Types of Jobs

The Cranfield University research that was carried out in 2003 classifies 68% of logistics workers staff who work on the warehouse floor. The remaining employees were broken down into the following categories: 13% as drivers; 11% as administrative or support staff; 7% as managerial and 1% as 'other'.

The Prologis 2010 customer survey indicates that the nature of employment within a distribution centre is more varied. The proportion of people who work on the warehouse itself has changed from 68% to 43%, while driver numbers have moved from 13% to 10%. However, the proportion of administrative or support staff jobs has risen from 11% to 12%; managerial roles from 7% to 9% and 'other' from 1% to 25%. From subsequent discussions with a number of occupiers we understand that IT, customer service, sales and engineering functions, predominantly make up the 'other' category.

### Absolute Number of Employees

Based on a 500,000 sq ft building (46,450 sq m)



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## Customer Employment Survey 2010

Building Area* (Sq ft)	Warehouse Staff	Drivers	Admin Staff	Managerial Staff	Other	Full time	Part time	Total
305,000	459	7	82	69	649	1266	0	1,266
65,000	50	25	30	15	0	118	2	120
95,000	31	9	15	4	1	60	0	60
85,000	71	0	149	106	0	295	31	326
55,000	8	0	16	14	6	43	1	44
250,000	102	24	6	12	0	136	8	144
380,000	103	0	15	7	0	125	0	125
310,000	400	100	50	100	100	725	25	750
185,000	38	15	6	8	0	66	1	67
325,000	202	0	128	20	0	350	0	350
160,000	166	32	42	10	0	140	110	250
175,000	129	141	33	42	79	345	79	424
90,000	25	0	10	1	0	36	0	36
220,000	58	17	20	25	0	120	0	120
530,000	240	0	10	30	20	275	25	300
240,000	116	0	10	8	6	87	53	140
165,000	24	0	2	4	0	24	6	30
160,000	12	12	4	4	3	33	2	35
85,000	31	7	7	5	50	40	60	100
65,000	43	45	10	25	377	403	97	500
45,000	28	0	10	5	0	43	0	43
180,000	5	0	15	20	224	262	2	264
185,000	43	53	49	18	0	157	6	163
230,000	110	70	25	17	3	190	35	225
280,000	115	1	0	5	0	105	16	121
130,000	44	73	20	3	0	140	0	140
260,000	208	19	46	16	215	298	206	504
385,000	60	60	30	10	0	110	50	160
<b>Total(s)</b>	<b>5,651,510</b>	<b>710</b>	<b>840</b>	<b>603</b>	<b>1,733</b>	<b>5,992</b>	<b>815</b>	<b>6,807</b>
<b>% of Total</b>	<b>42.91%</b>	<b>10.43%</b>	<b>12.34%</b>	<b>8.86%</b>	<b>25.46%</b>	<b>88.03%</b>	<b>11.97%</b>	<b>100%</b>

Note: \*Building areas have been rounded to protect confidentiality. Total(s) and analysis is based on actual numbers.

### Conclusion

In summary, the Prologis customer survey data suggests that between 2006 and 2010, the logistics industry was able to offer an increasing number of employment opportunities. Also, as the 2010 customer survey indicates, the majority of these jobs are full time. Further, by comparing the results of the 2010 customer survey with the 2003 Cranfield University research, it is clear there has been a shift in the range of jobs available. These positive trends in both the quantity and breadth of jobs imply that distribution warehouses continue to make an increasingly useful contribution to the UK economy.