



Distribution warehouses deliver more jobs

When discussing proposals for new developments with local planning authorities, Prologis is often asked about the type and number of jobs that its distribution centres will bring to an area. In order to answer these questions as accurately as possible, Prologis regularly surveys its customers and because this data is proving useful more widely within the UK logistics industry, it has decided to publish the results.

The first survey was carried out in 2006¹. Prologis repeated the exercise in 2010² and again in 2014. In 2010², customers provided employment statistics for 28 distribution centres across the country. This survey represented 6,800 employees working in 5.65 million sq ft. By 2014, the survey data had increased to 8,187 employees and to over 6 million sq ft.

The 2014 survey asked:

- How many people do you employ?
- How many employees are full time and how many are part time?

• Can you split the jobs your employees carry out into these five areas:

- Office
- Warehouse
- Drivers
- Managerial
- Other?

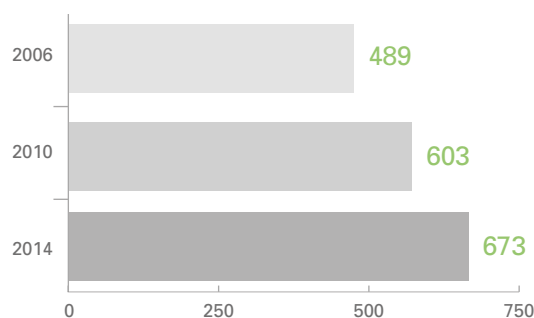
Using the data provided by the three surveys, Prologis found that job numbers are rising and that the nature of employment within distribution warehouses is changing.

1. Prologis, Not Just Stacking Shelves, Spring 2006
2. Prologis, Do Distribution Warehouses Deliver Jobs? September 2010

Numbers of Jobs

In 2006, Prologis calculated that on average, its customers employed one person for every 95m² of floor space within its logistics facilities. By 2010, this ratio had increased to one person for every 77m² and by 2014 it had risen again to one person for every 69m². The 2014 survey also shows an increase in full time jobs from 88% in 2010 to 89% in 2014 and a corresponding decrease in part time employment from 12% to 11%.

Number of Employees



Types of Jobs

Research carried out by Cranfield University shows that in 2003 68% of logistics workers were staff who work on the warehouse floor. Of the remaining employees 13% were drivers; 11% were administrative or support staff; 7% were managerial and the remaining 1% were categorised as 'other'.³

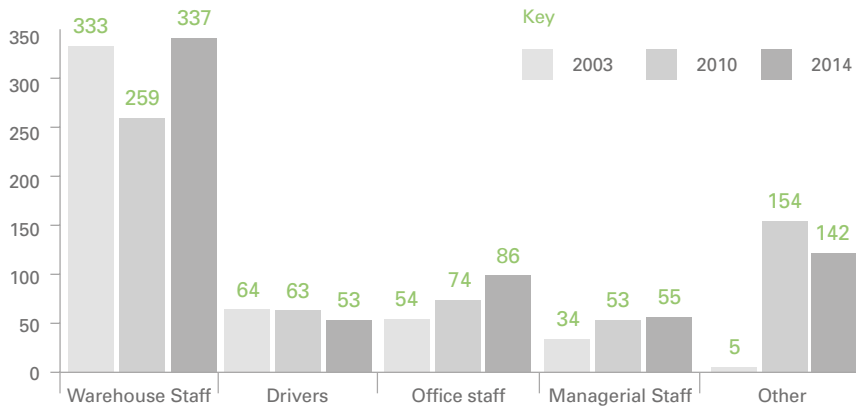
By 2010, the employment picture was more complex. The proportion of people who worked in the warehouse was 43%, while the number of drivers was down to 10%. The proportion of administrative and support staff, however, was 12% and while the number of employees at a managerial level had increased to 9%. Those employed in 'other' categories had jumped to 25% and subsequent discussions with customers indicated that these jobs

included IT and customer services along with sales and marketing.

By 2014, the pattern had changed once again. The number of people working in the warehouse itself was 50%, while the proportion of drivers was 8%. The numbers of office-based jobs continued its steady rise to 13%, while the proportion of people working in managerial roles decreased slightly to 8%. The 'other' category dropped back to 21%.

³ Cranfield University School of Management, Bedford and King Sturge, Future Trends in the Demand for Warehouse Property, April 2003

Absolute Number of Employees

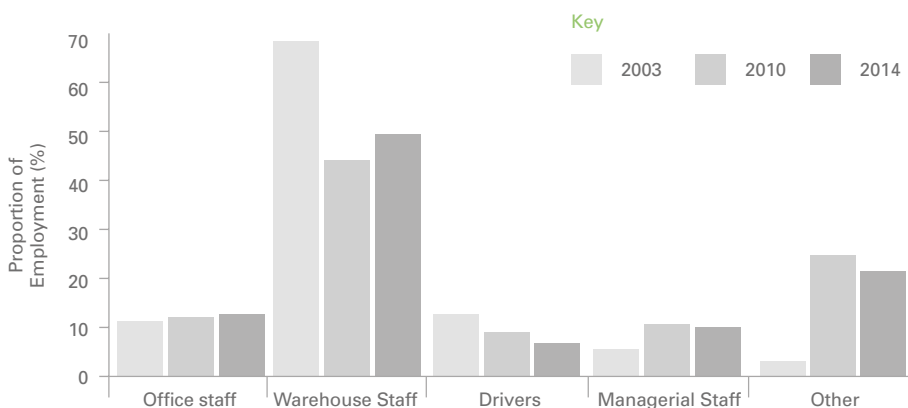


Customer Employment Survey 2014

Building Area* (Sq ft)	Office	Warehouse	Drivers	Managerial	Other	Full time	Part time	Total
370,000	42	166	32	10	0	250	0	250
65,000	30	50	25	15	2	120	2	122
90,000	10	25	0	1	0	36	0	36
85,000	149	71	0	106	0	295	31	326
305,000	82	459	7	69	649	1266	0	1266
310,000	50	400	100	100	25	650	25	675
185,000	6	38	15	8	1	67	1	68
325,000	128	202	0	20	0	350	0	350
165,000	8	42	5	0	12	45	22	67
385,000	30	60	10	10	0	110	0	110
95,000	15	31	9	4	1	60	0	60
175,000	33	129	141	42	0	345	0	345
530,000	10	515	0	30	20	300	275	575
240,000	10	114	0	8	8	89	51	140
70,000	10	43	45	25	377	500	0	500
400,000	136	64	8	0	65	133	140	273
45,000	10	28	0	5	0	43	0	43
55,000	16	8	0	14	7	44	1	45
195,000	49	43	53	18	0	157	6	163
230,000	25	110	70	17	3	225	0	225
85,000	3	27	2	0	30	49	13	62
140,000	57	207	24	1	2	291	0	291
185,000	15	7	0	20	224	264	2	266
545,000	22	613	41	107	0	763	20	783
130,000	0	115	1	5	0	121	0	121
250,000	6	102	24	12	0	136	8	144
260,000	54	220	19	17	200	310	200	510
135,000	41	218	12	0	100	301	70	371
Total(s)	6,050,000	4,107	643	664	1,726	7,320	867	8,187
% of Total		12.79%	50.17%	7.86%	8.12%	21.09%	89.4%	10.6%

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

Changing nature of employment within the logistics sector 2003-2014



Summary

The first three Prologis customer employment surveys, which were carried out at four year intervals in 2006, 2010 and 2014, indicated that the logistics industry can offer an increasing number of jobs. The data shows that the majority of these jobs are full time and that opportunities for full time employment are growing. A comparison between the 2003 Cranfield University research and both the 2010 and 2014 customer employment surveys demonstrates that logistics offers an increasingly diverse range of jobs. This is a dynamic employment sector and as the data shows, it continues to make a significant contribution to the UK economy.