

Warehousing sector poised for 5% growth by 2027

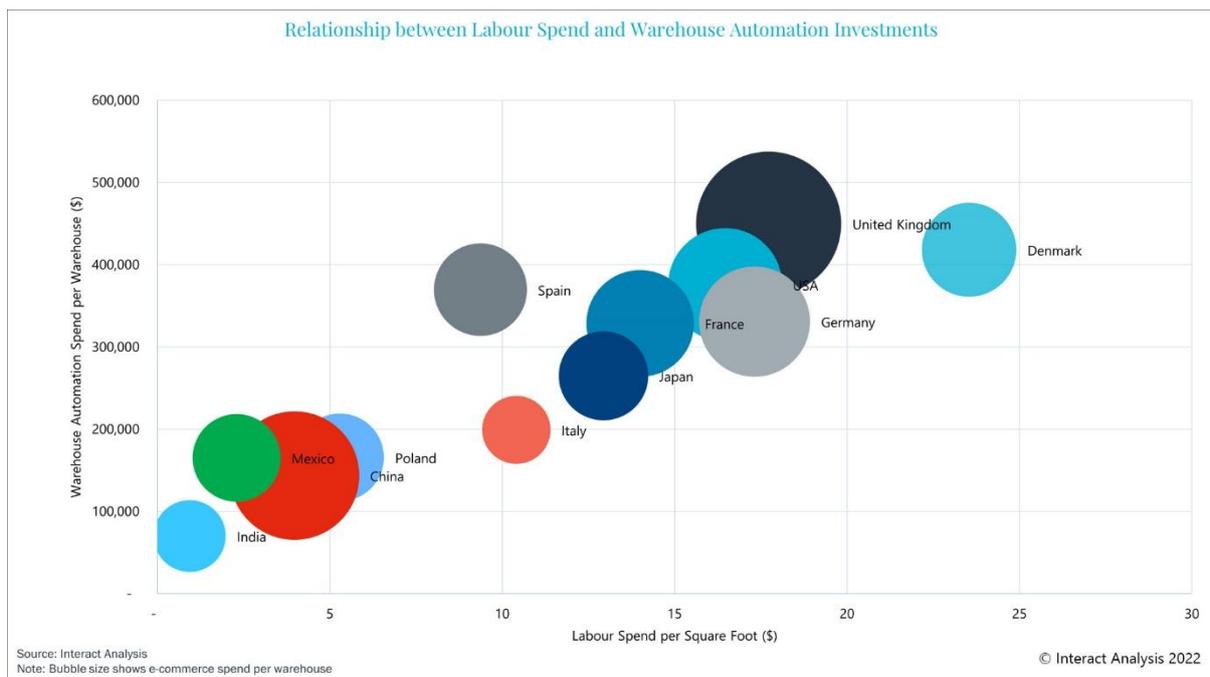
- **By 2027 there will be 214,000 warehouses of >50,000 ft² globally**
- **20% of global warehouses will be fulfillment centers by 2027**
- **There is a strong positive correlation between labor costs and rates of automation**

London, 03 August 2022 – Updated research from Interact Analysis shows that there will be 214,000 warehouses of >50,000 ft² globally by 2027, up from 163,000 in 2021. The Warehouse Building Stock Database tracks and aggregates a myriad of publicly available datasets and uses a model-based approach to fill in the blanks to provide an up-to-date and detailed analysis of all sectors of the warehousing market.

A total of 50,000 extra warehouses of >50,000 ft² are projected to be added to the global warehouse stock between 2022 and 2027. By that year, 20% of all warehouses will be fulfillment centers, largely as a result of the rise in e-commerce. The research also shows a very tight positive correlation between labor costs and rates of automation – the more expensive the labor cost, the greater the automation spend. Currently, 3PL companies and general merchandise vendors account for the lion share of global warehouses, but the food and beverage and durable manufacturing sectors are strong contenders.

Rueben Scriven, Senior Analyst at Interact Analysis comments, “Whilst distribution centers currently make up the greatest share of the warehousing sector, over the next five years direct to consumer fulfillment centers are an area of the market which will enjoy significant growth. Currently they account for only 11% of warehousing facilities but by 2027 this will rise to 18% as e-commerce continues to flourish.

The other standout finding was the strength of the positive correlation between labor costs and automation spending. While such a correlation was only to be expected, its tightness surprised us. In the next quarterly update to our research, we will further investigate this and analyze labor by job role and also by warehouse operation type.”



About the Report:

With vacancy rates at an all-time low, the warehousing sector is booming. With the rise in e-commerce, along with the shift from 'just-in-time' to 'just-in-case' supply chains, warehouse vacancy rates are at an all-time low. To this end, we forecast the global warehouse stock will increase from 163k facilities in 2021 to 214k, growing with a CAGR of 4.6%.

We've consolidated and analyzed more than 60 data sources including government statistics agencies, market reports from real estate providers, and company financials to provide the ONLY report that estimates global warehouse count, footprint, size, and labour demand. Furthermore, in collaboration with a global real estate investment fund, we've developed a proprietary model to predict the warehouse stock for markets with no reliable sources.

About Interact Analysis:

With over 200 years of combined experience, Interact Analysis is the market intelligence authority for global supply chain automation. Our research covers the entire automation value chain – from the technology used to automate factory production, through inventory storage and distribution channels, to the transportation of the finished goods. The world's leading companies trust us to surface robust insights and opportunities for technology-driven growth. To learn more, visit www.InteractAnalysis.com