

Warehouse employees at Prologis Park Kettering enjoy a stroll around the Park during their lunch hour.

TECHNICAL INSIGHT

Delivering the future: the changing nature of employment in distribution warehouses.

SEPTEMBER 2019



INTRODUCTION

The UK logistics sector is thriving, however, there is often confusion about the type and number of jobs created within this key sector of the British economy. At Prologis UK we conduct snapshot surveys with our customers to determine the changing nature of employment within our buildings. This data enables us to better support our customers in the attraction and retention of employees and helps us provide valuable data to local planning authorities when discussing proposed developments.

We have been monitoring employment within our buildings since 2006, surveying a different cross-section of customers every four years. Although different customers form our sample for each survey, the data collected provides us with valuable data around employment density, hours worked and the types of roles available. For the first time, the 2018 survey also asked customers about the gender of the employees within their buildings.

In 2018, customers in 33 distribution centres located on Prologis Parks in the Midlands, South East and London, were asked to provide data relating to the type and number of jobs within their buildings. The 2018 survey asked:

- How many people do you employ?
- Of these employees, what is the split between male and female workers?
- How many of these employees are employed on a full or part time basis?
- How many of these employees are employed in the following area: Warehouse, Office, Drivers, Managerial, Other?
- Does your business operation run 24 hours a day?

Changing nature of employment within the logistics sector 2006 – 2018

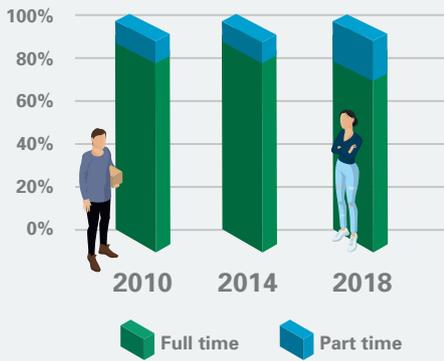


Types of jobs

In 2006, research carried out by Prologis revealed that 68% of employees within logistics buildings worked on the warehouse floor, with office staff making up 11%, drivers representing a further 12% and managerial staff accounting for 7%.* Subsequent surveys undertaken by Prologis in 2010 and 2014 saw the number of people employed in the warehouse fall to 43% in 2010, rising slightly in 2014 to 50%. By comparison, the number of people employed within the office, as drivers or in managerial positions during this period remained

relatively stable. The only exception to this was in the 'other category, where numbers increased from 1% to 25% in 2010, falling slightly to 21% in 2014. In 2018, roles within the businesses surveyed had changed, in some cases significantly. The number of people employed in an office-based role, for example, had risen from 13% in 2014 to 25%. Warehouse roles in 2018 reduced slightly to 49% of the overall workforce, from 50% in 2014 whilst the number of drivers employed remained stable at 8% of the overall workforce.

Full-time v part-time jobs



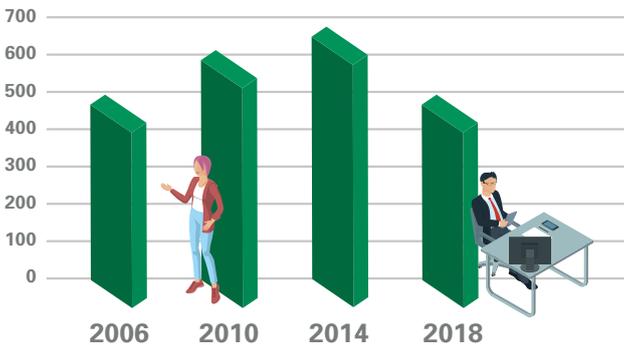
In our 2010 and 2014 surveys, the percentage of employees in full-time and part-time positions remained relatively stable, with 88% of employees working full-time in 2010 and rising slightly to 89% in 2014. Our 2018 survey shows a marked

difference from previous surveys, with the number of employees engaged on a full-time basis falling from 89% in 2014 to 78% in 2018 and the number of part-time employees rising from 11% to 22% in 2018.

Number of Jobs

In 2006, Prologis calculated that, on average, its customers employed one person for every 95m² of floor space within its 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. In 2018, this figure had changed to 1 person for every 95m² of floor space.

Absolute Number of Employees: Based on a 500,000 sq ft building (46,450 sq m)



Gender of employees

In our 2018 survey we gave customers the option of providing us with information about the gender of employees working within their buildings. 25 customer provided us with this data, representing 6,211 employees. Of this number, 66% of employees were male and 34% female.



Gender of employees 2018

Absolute Number of Employees Based on a 500,000 sq ft building (46,450 sq m)



Customer Employment Survey 2018

Building Area* (Sq ft)	Office	Warehouse	Drivers	Managerial	Other	Full time	Part time	Total
543,000	16	102	15	0	8	115	26	141
86,000	25	35	6	0	0	64	2	66
165,000	40	185	10	5	10	120	130	250
995,000	10	390	0	0	0	390	10	400
64,000	7	29	2	2	0	40	0	40
225,000	630	20	140	40	20	360	490	850
37,000	11	12	4	3	0	30	0	30
47,000	30	51	9	0	0	72	18	90
610,000	26	229	15	164	106	252	288	540
225,000	106	130	10	4	0	247	3	250
133,000	16	88	16	78	15	197	16	213
150,000	5	25	8	14	0	36	16	52
220,000	58	20	20	25	0	123	0	123
180,000	7	38	10	32	0	42	45	87
175,000	48	160	52	222	0	482	0	482
96,000	0	0	2	0	26	28	0	28
6,000	8	1	2	0	3	14	0	14
250,000	30	220	45	150	55	500	0	500
105,000	40	70	50	40	200	240	160	400
86,000	20	395	0	5	10	390	40	430
240,000	5	175	20	0	0	200	0	200
100,000	51	30	9	3	0	93	0	93
50,000	43	37	5	0	0	81	4	85
405,000	136	34	8	0	11	114	75	189
430,000	93	125	8	3	1	227	3	230
225,000	32	52	18	8	0	109	1	110
220,000	100	200	20	30	0	200	150	350
11,500	2	13	3	0	0	18	0	18
460,000	20	175	12	0	0	207	0	207
370,000	68	99	8	10	0	140	45	185
225,000	111	269	50	11	0	441	0	441
215,000	2	20	0	2	0	18	6	24
130,000	21	105	18	11	0	155	0	155
7,479,500	1817	3534	595	862	465	5745	1528	7273
	25%	49%	8%	12%	6%	78%	22%	

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