Warehouse Stats & Facts



DID YOU KNOW?

The Bureau of Labor Statistics estimates that there were 1.14M people employed in the Warehousing & storage Industry Group in 2018.

According to ACS estimates, the number of people employed in the Warehousing & storage Industry Group has been growing at a rate of 9.3%, from 756k people in 2017 to 827k people in 2018.

The following graphic shows the share of employment in Warehousing & storage by various occupations according to ACS estimates. Laborers & freight, stock, & material movers, hand represent the largest share of positions held in Warehousing & storage at 21.4%, followed by Industrial truck & tractor operators with 11.6% and Stockers and order fillers with 8.7%.

Reason for increase

Analysts offer two main reasons for the increase in warehousing in the United States. First is the general improvement in the manufacturing sector following the great recession, although this has started to decline in recent months due to increasing friction between China and the United States over trade. Second is the continued growth of e-commerce, which has a particular need for warehousing services owing to its lack of retail space.

Warehousing in the United States

Warehousing in the United States is a large industry, employing around 6 million people in 2018 (if transportation services are included). This number is expected to decline in coming years though, with the increasing automation of many tasks formerly reserved for human staff. There are two main drivers behind the adoption of technology. First is to reduce costs, with over 90 percent of warehouse operators reporting they are actively taking cost-cutting measures. Second is the difficulty in attracting and retaining qualified hourly workers, which was reported as the leading challenge for the industry in 2019.

Warehouse automation stats show that automation is making a big impact on warehouses and distribution centers. There are many driving forces behind the automation trend, from rising labor costs to rapid growth in ecommerce sales and a growing demand for rapid order fulfillment, such as two-day and even same-day delivery. Labor availability is also a concern, as well as workplace safety.

1. **The number of private warehouses is growing.** According to data from the U.S. Bureau of Labor Statistics, there are 18,182 private warehousing establishments as of 2018, up from 15,203 in 2008.
2. **Warehouses are increasing in size, as well.** The average size of warehouses in 2000 was about 65,000 square feet, compared to about 181,370 square feet in 2017, according to a 2017 report from Westernacher Consulting. According to the report, "The increase in size helps warehouses to cope with higher volumes and a growing number of SKUs. However, rising costs and long traveling distances in large warehouses are making size expansion less effective in addressing operational challenges."

Warehouse automation stats: A growing number of DCs have multiple buildings. Among distribution centers with three or more buildings, 28% had six or more buildings in 2016, 22% had six or more buildings in 2017, and 27% had six or more buildings in 2018, according to Logistics Management.

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4. **Distribution centers are growing in size.** The average square footage of distribution centers in 2016 was 539,000, increasing to 473,400 in 2017 and 672,080 in 2018. The median square footage of distribution centers was 240,410 in 2016, 176,600 in 2017, and 305,000 in 2018.

Warehouse automation stats: Distribution centers are expanding vertically, as well. According to Logistics Management, the average clear height of distribution centers was 32.7 feet in 2018, an increase from 31.1 feet in 2016.

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6. **Ecommerce demand drives up U.S. domestic revenue for UPS.** According to a 2017 press release from UPS, "The Domestic segment benefited from strong demand for ecommerce deliveries and revenue was up 5% over Q1 2016. The U.S. consumer continues to transform retail consumption due, in part to the simplicity, personal convenience and reliable delivery solutions offered by UPS."

Warehouse automation stats: The demand for warehouse space drives up prices. Westernacher Consulting explains, "As warehouses demand more space, this naturally pushes up price. In fact, between 2011 and 2015, warehouse renting rates were up by a whopping 28.7%. This trend is likely to continue as the US Industrial Space vacancy rate falls to 5.3% in Q1 2017, the lowest since 2008."

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8. **Average warehouse capacity utilization among manufacturers is about 68%.** "However, 15% reported that they were at 100% capacity, while 19% were at 81% to 99% capacity. Looking forward for the next two years, 53% expect increased utilization, while only 5% expect a decrease," according to a 2018 survey by Logistics Management and Peerless Research Group (PRG).

Warehouse automation stats: More warehouses and distribution centers are investing in automation and robotics thanks to a positive economic outlook. "Peerless Research

Group’s (PRG) annual survey, conducted in January of this year, found that 42% of respondents were proceeding with investments given the state of the economy, up from a 35% response to the same question in early 2017. Similarly, only 9% said they were ‘holding off’ on investments, well under the 16% in 2017,” the report explains.

9. **More warehouses and distribution centers are investing in automation and robotics thanks to a positive economic outlook.** “Peerless Research Group’s (PRG) annual survey, conducted in January of this year, found that 42% of respondents were proceeding with investments given the state of the economy, up from a 35% response to the same question in early 2017. Similarly, only 9% said they were ‘holding off’ on investments, well under the 16% in 2017,” the report explains.
10. **Vacancy and availability rates are on the decline.** “CBRE’s third-quarter 2018 industrial and logistics indicators were over-performing nationwide, in most markets, both primary and secondary. The overall availability rate declined 10 basis points to 7.1 percent, the lowest level since the fourth quarter of 2000. This marked the 34th consecutive quarter of positive net absorption, the longest streak since 2001. The national vacancy rate edged down to 4.3 percent, the lowest level since at least 2002. Vacancy rates in key transportation hubs and seaport cities were even lower,” according to a report from JOC.com.

Warehouse automation stats: Net asking rents continue to rise, as well. According to JOC.com’s report on CBRE’s findings, net asking rents rose to $7.21 per square foot in Q3 2018. It’s the highest level since CBRE started tracking rents in 1989. Since 2012, rents have increased by 5.6% annually.

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12. **Suppliers face pressure under rising ecommerce sales.** “As U.S. e-commerce sales continue to grow at over 15% annually, suppliers feel the pressure to satisfy e-commerce customers by delivering a variety of goods in smaller sizes at a faster pace,” Westernacher Consulting explains.