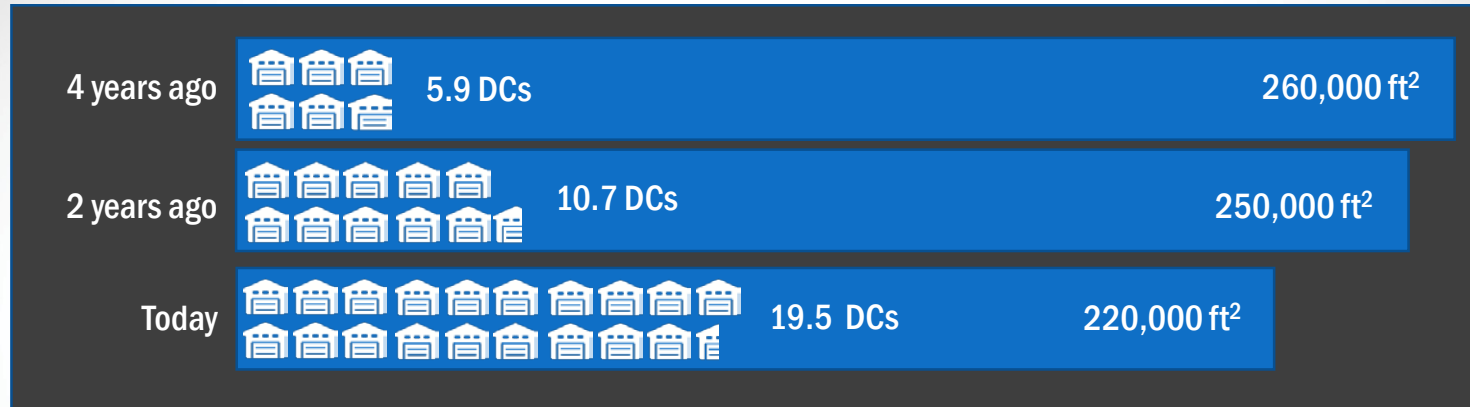


# BEYOND THE BORDER

*Eastern PA Freight Summit  
Bethlehem, PA*

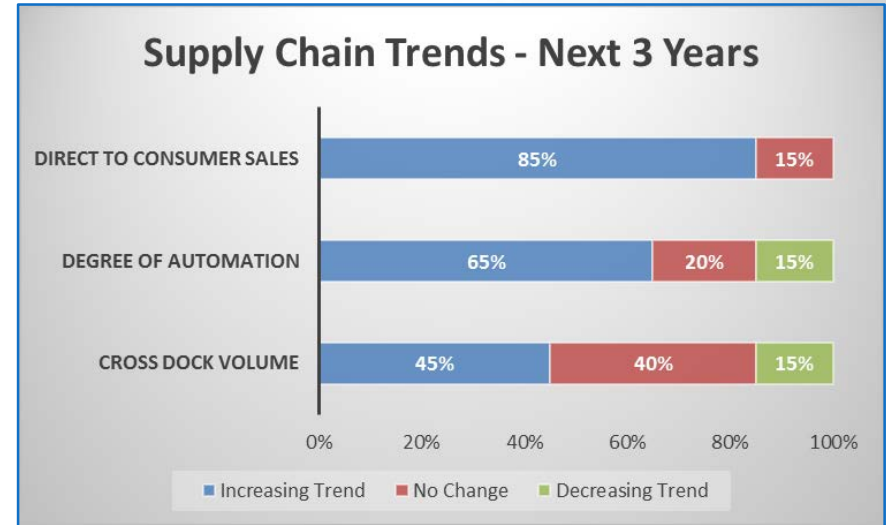
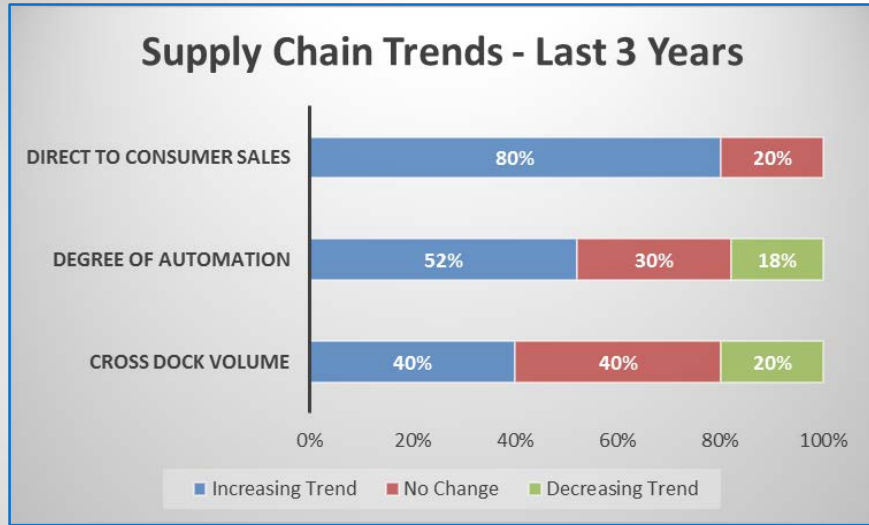
*Joseph Bryan, WSP  
June 2018*

# Proliferation of Distribution Centers



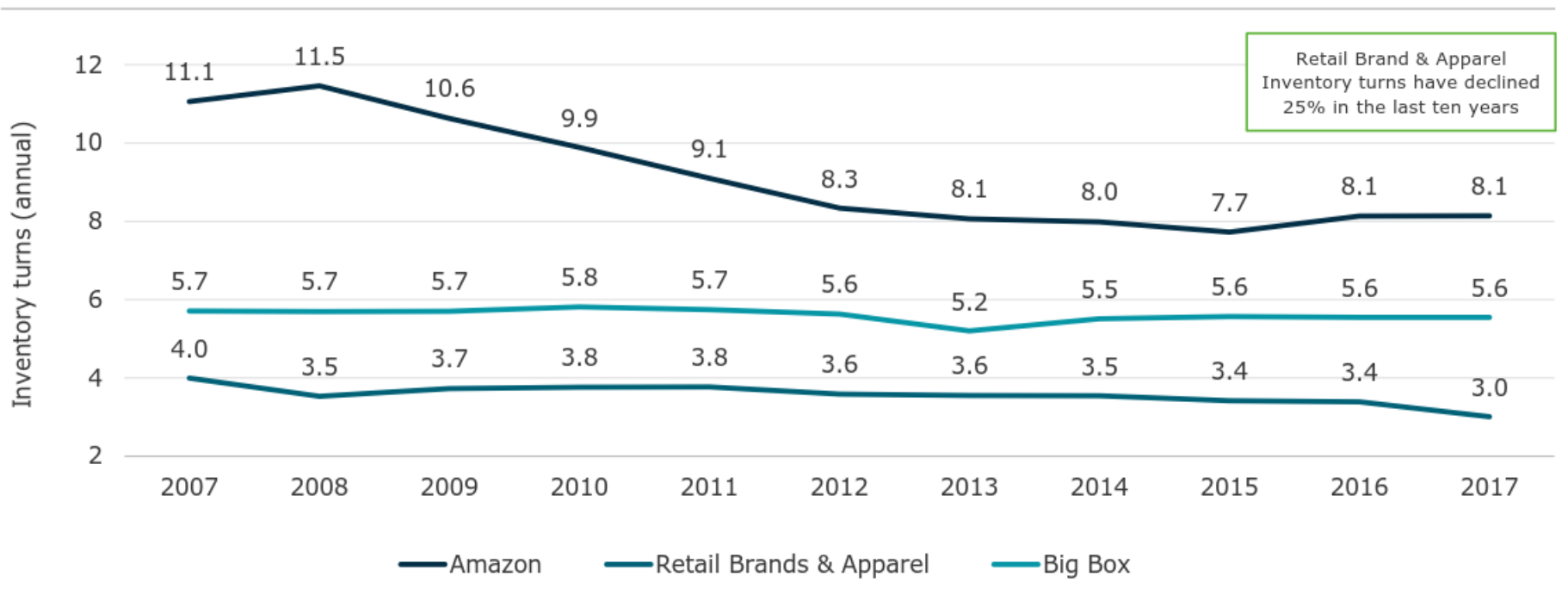
- DCs more than tripled in 4 years, almost doubled in 2
- Retail and manufacturing
- Average size is dropping: small paired with large
- ➔ Driven by need for faster time to market

# Underlying Trends: Recent Past & Near Future



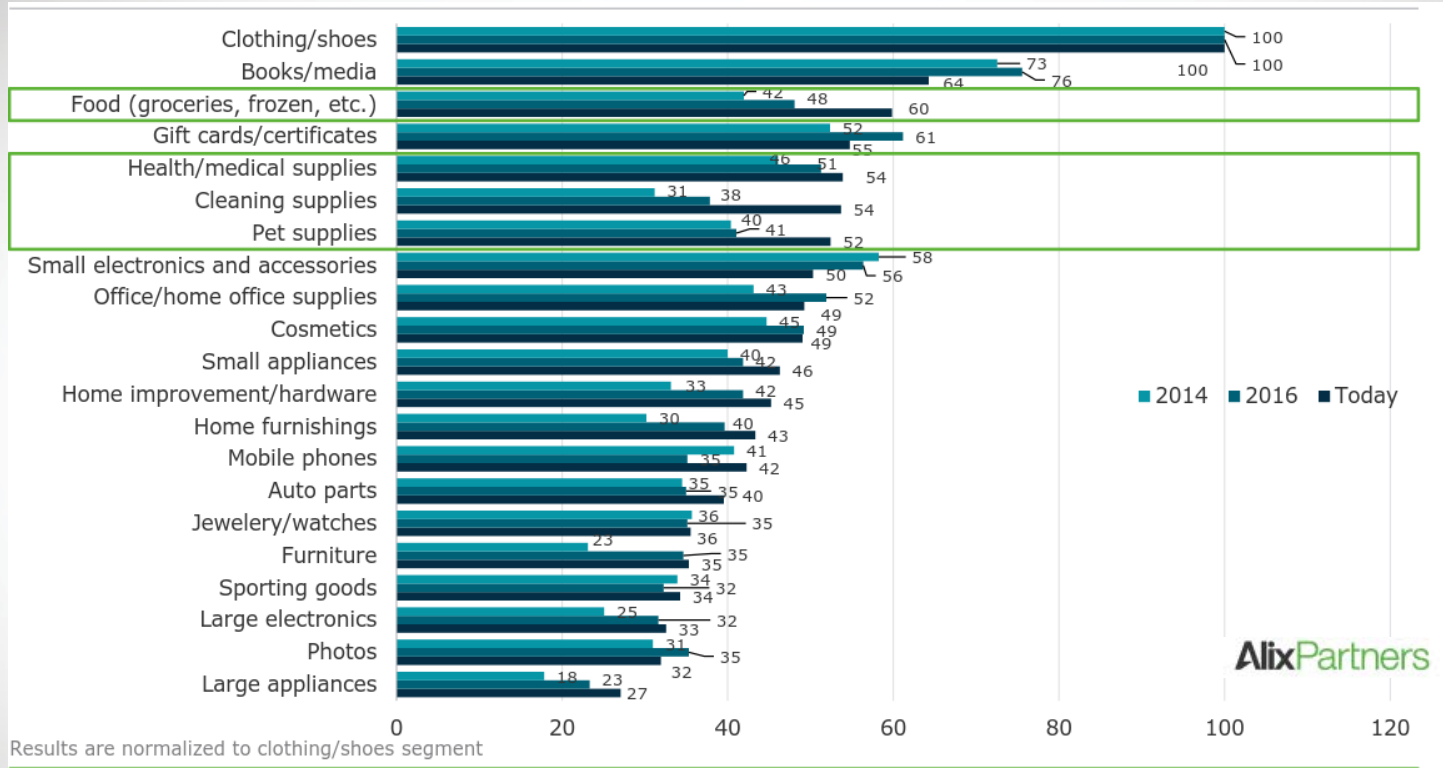
- More online sales for retailers and manufacturers
- More warehouse automation and cross-docking
- ➔ Distribution is growing and reconfiguring

# Amazon Influence Holds Down Retail Inventory Turns



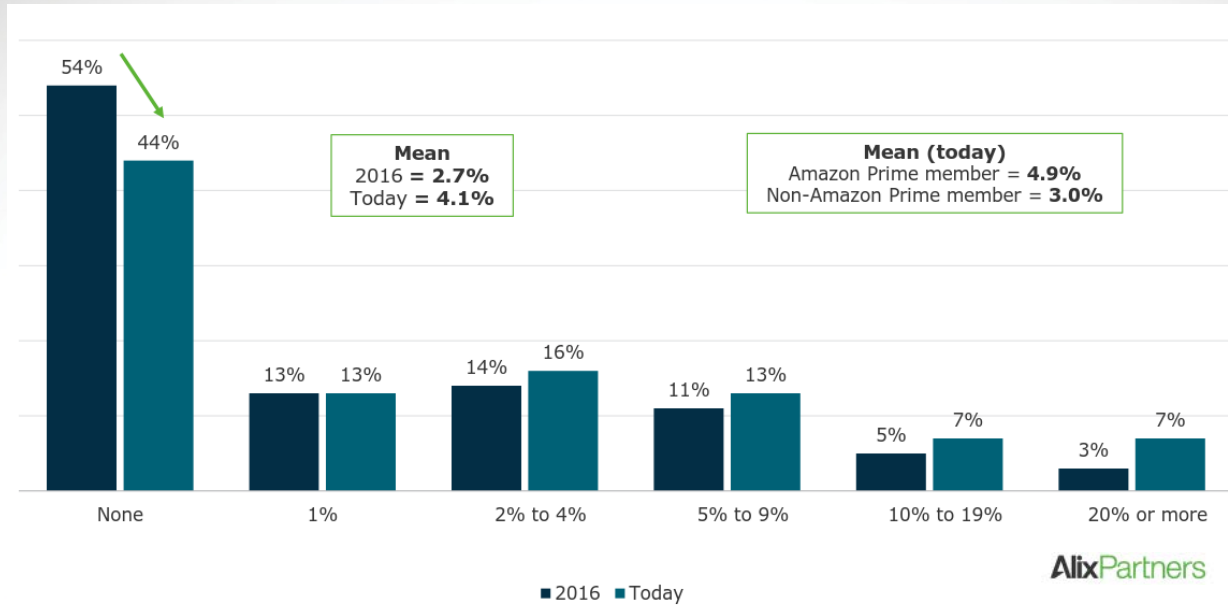
➔ Fewer turns mean more inventory and more room to hold it

# Products Purchased for Home Delivery Past 12 Months



➔ Increasing quantities of everyday household items, *before* Whole Foods effect takes hold

# Percentage of Online Orders with Same Day Delivery



- Same day is small but growing
- 56% of people surveyed are Amazon Prime members = free delivery
- Amazon cultivates fast by making it free
- ➔ Because fast closes the convenience gap vs. storefront retail

# New Prologis Seattle Multi-story Warehouse



- Opening 2018, 5 miles from downtown = fast delivery
- Designed for e-commerce fulfillment activities using 53' trailers
- 590,000 SF in 3 stories on 13.7 acres - vs. typical 47 acres
- ➔ Triples the volume of freight generated per acre – as can automation

# And now, the Neighbors

