

# Interconnected & Shared Warehouses: a Real Estate Perspective

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# Warehouse solutions



## TRADITIONAL SOLUTIONS

## MORE RECENT SOLUTIONS

**Own**

**Lease**

**Outsource**

**Operate  
inhouse**

**Operate  
inhouse**

**Dedicated  
contract**

**Outsource  
operation**

**Outsource  
operation**

**Shared user  
contract**

**Fulfilment by Amazon**

**On-demand warehousing**


# Drivers supporting a growth in shared warehousing



 **Business cultural shift:** more collaboration, businesses less precious about ownership.

 **Improve customer service:** increasing requirements for more flexible warehouse capacity.

 **Reduce logistics costs:** shared warehouse agreements may enable companies to reduce their logistics costs by 12% to 15% (World Economic Forum).

 **Technology:** platform providers connect owners and operators with spare capacity with operators needing additional capacity.

 **Land constraints and sustainability:** growing demand for last mile distribution space close to points of final consumption but land often constrained + public policy objectives to minimise adverse impacts.

# Shared warehousing - UK case studies



## Regents Street, London

Clipper operates a consolidation centre for the Crown Estate to consolidate deliveries to retailers on Regents Street and in the West End. It uses electric vehicles and has reduced vehicle movements to participating stores by up to 85%.



## Gazeley's Magna Park, Lutterworth + Stowga

Magna Park Lutterworth has partnered with Stowga to help companies find additional warehousing capacity or sell under-utilised space for additional revenue.



## City of London Corporation Transport Strategy

May 2019

The City of London Corporation will:

- work with a partner haulier to provide a consolidation service for the Square Mile by 2022.
- use the planning process to require all new major developments to use a consolidation service to reduce deliveries to their buildings.
- develop a sustainable logistics centre to serve the City by 2030 - this will co-locate major suppliers in a single warehouse + consolidation, waste collection and couriating services.