

>> 16

Much of that squeeze, of course, stems from e-commerce. In 2017's third quarter alone, JLL, a Fortune 500 real estate and investment-management firm, says of warehouse/distribution property: "Nearly 25% of total US leasing demand came from e-commerce companies expanding their existing market footprints."

Significantly, in a 64-page research report, "Industrial Outlook: e-commerce is helping propel the US industrial market to all-time highs," JLL says.

"E-commerce and its related logistics companies are looking to accelerate their investment in 'last-mile' warehouse spaces. Global and domestic tenants are expanding their presence

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-- Walter Kemmsies, JLL

will become challenging."

The next challenge—that pesky last mile—rests with trucks and drivers, especially the shortage of the latter.

WorkHound, which provides a mobile driver-retention platform, cites a 95% national turnover rate. Between that and an idle truck's average \$1,200 daily expense, WorkHound says: "With some 2 million long-haul drivers on US roads, employee turnover collectively costs the trucking industry \$15.5 billion annually."

Logistics. "New technologies like driverless vehicles on the open road could help, but it will likely be years away."

JLL's Walter Kemmsies, Managing Director,

Economist and Chief Strategist, Ports, Airports & Global Infrastructure, agrees. "It's still a bit too early to tell the impact, as the mandate doesn't go into full enforcement until April. The only trend I have detected so far is that importers are trying to locate closer to port and rail nexus."

Gulf Winds' Maher ties the regulatory and DC-location pieces together: "As the industry fully adopts the mandate, there will be an

increased need for both large DCs and smaller satellite cross docks. The average length of haul in the market may shrink, as smaller carriers adjust to the mandate within their existing networks."

Which circles back to last-mile.

As Singleton notes: "I anticipate it will continue to expand at a rapid pace, using geo-tools, like the Uber technology, to build networks with casual labor and smart applications. The huge parcel

carriers will continue to grow, as will the USPS, as a key provider.

"The space is growing so fast and so much, all those options will likely be changing and expanding at record speed to keep up," he adds. "E-commerce growth is driving unprecedented change in the supply chain, from how you source to how you move raw materials and goods to fabrication and then to the customer. Everywhere."



Gulf Winds at Port Houston. (Gulf Winds photo.)

beyond a single mega-warehouse facility to multiple US nodes, using logistics space to extend their reach to connect with customers.

"At the same time, distribution models are changing and location strategy is more focused on proximity to labor and customers. As e-commerce operations mature, tenants will seek smaller distribution

Regulations impose costs, too, such as the Electronic Logging Device mandate. The mandate started Dec. 18 with phased-in enforcement. Some trucking companies are complying already, but they all have until April to get on board.

"Driver shortages and new technology to enforce better compliance combine to increase costs and time in

"The need for industrial warehouse space continues to expand in response to population growth, plus the access to 70% of US consumers within two shipping days."

-- Patrick Maher, Gulf Winds

centers closer to urban cores, but finding the right location

the supply chain," says John Singleton, CEO. Wen-Parker

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