

# Commercial Property Cash-flow Masterclass

## How Online Retail is Making Warehouses A Good Investment

Welcome to your Masterclass series. This Masterclass we are focusing on “How Online Retail is Making Warehouses A Good Investment”

Reference article: <https://www.realcommercial.com.au/news/why-online-retail-is-making-warehouses-iron-clad-investments> July 2019

### Global Online Retailers Are Pushing Warehousing Demand

“Amazon’s vast warehouses are helping push global demand for space to warehouse automated logistics facilities.


Major cities worldwide could be hit by a shortage of warehouse space due to surging demand from online retail giants and their bricks and mortar rivals that are overhauling their supply chains as they struggle to catch up.

With e-commerce companies growing much faster than traditional industries — and in some cases being far more attractive tenants — developers are scrambling to fill the shortfall...”

https://www.realcommercial.com.au/news/why-online-retail-is-making-warehouses-iron-clad-investments

## Why online retail is making warehouses iron-clad investments

NEWS BY BEN WILMOT | 15 JULY 2019 SHARE




Amazon's vast warehouses are helping push global demand for space to house automated logistics facilities. Picture: Getty Images.

Major cities worldwide could be hit by a shortage of warehouse space due to

### Commercial Properties

New



**CUSHMAN & WAKEFIELD**

**TILT SLAB WAREHOUSING**  
2/6 Radium Street  
Crestmead Qld 4132

Type: Industrial/Warehouse, Offices  
1,428 m<sup>2</sup>

[View Property](#)

**realcommercial.com.au**  
Australia's No.1 commercial property site

Headlines

# Warehouse Space Growth

## **UBS Bank research findings:**

- .....warehouse space — including super-sized warehouses would grow by 7% around the world in the next one to two years, but e-commerce users expect to increase space by 13%.
- In the Asia-Pacific it suggested that demand for space across all tenants was growing at 6 per cent, compared with 10 per cent in the United States.
- But demand growth had slowed to 4% in Europe.

## **Greg Goodman from Australia's biggest warehouse operator Goodman Group...**

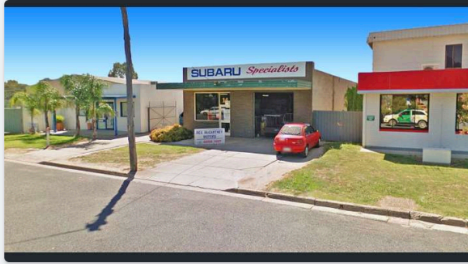
- “....Goodman predicts that in the next 10 years, the Warehouse landscape will become “very different” again with the number of people in the world's top cities increasing by a collective 65 million every year.
- “E-commerce is already growing at a double-digit pace around the world, but by 2030, its predicted that about 75 per cent of the global population will both have mobile and internet access,”
- He sees a future in which advances in artificial intelligence and big data will make ideas such as predictive shopping and shipping more commonplace.”

## **Upcoming Trends:**

Amazon has already taken space in Sydney and Melbourne and more established players are also spending on brand new automated warehousing facilities in order to compete.

The investment bank's Global Warehouse Occupier survey found that demand for space from top e-commerce and logistics companies was outstripping the supply provided by major listed developers.

Companies that managed to secure space were also dramatically boosting the automation inside warehouses, which in turn meant they were taking longer leases in top locations.



14 Hovell Street  
Wodonga, VIC 3690



Contact Agent

320.0m<sup>2</sup> Warehouse, Factory & Industrial

> VIEW

☆ SAVE

✉ EMAIL



15-17 Industrial Place  
Geelong, VIC 3220



Contact Agent

2000.0m<sup>2</sup> 30 Warehouse, Factory & Industrial

> VIEW

☆ SAVE

✉ EMAIL



**Bravo!**

• Part of Pakenham's newest business park • Modern tilt-panel factories. • Container-height electric roll...



**Bravo Business Park, 1 Bravo Loop**  
**Pakenham, VIC 3810**

Mark Bond, Cameron Jay

\$214,500 - \$508,950

132.0 - 377.0m<sup>2</sup> Warehouse, Factory & Industrial

> VIEW

☆ SAVE

✉ EMAIL

# Case Study

## **29 Antimony Street, Carole Park, QLD 4300**

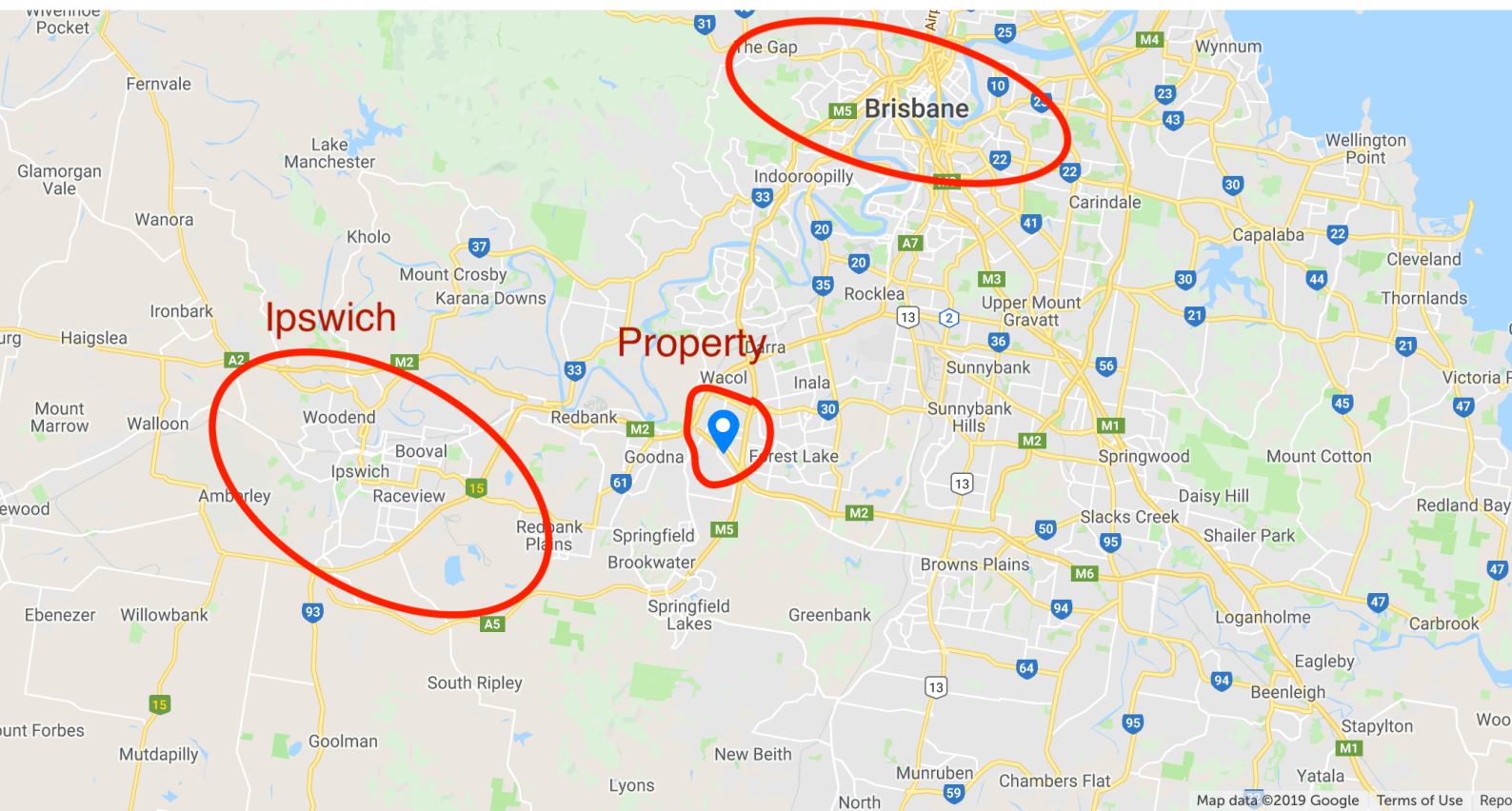
Land area. 3804.0m<sup>2</sup>

Floor area. 1500.0m<sup>2</sup>

Tenanted Investment







### **8% Plus Return - Land Rich Investment**

This property is situated in Carole Park which is approximately 24 kilometres south west from the Brisbane CBD and offers excellent access to major arterials such as the Centenary, Ipswich and Logan Motorways.

#### Key features:

- Brand new 3 + 3 year lease
- Returning \$150,000 net
- 3 month security bond
- Outgoings 100% paid by tenant
- 2.5% annual increases

#### Building + Land break up:

- 1,500m<sup>2</sup>\* of floor area
- 3,804m<sup>2</sup>\* of industrial land

Price is around **\$1.875 Million** based on net rent and yield quoted here.