

## Online retail sales driving logistics demand, report finds

Dublin at centre of major pick-up in demand for parcel delivery specialists



AIB's report suggests operators are generally seeking larger out-of-town distributions centres and a network of smaller logistics properties near final delivery markets. Photograph: iStock

The growth in online retail has spawned an adjacent industry in logistics as retailers become increasingly reliant on distribution and transport networks to deliver products to customers, according to an analysis by [AIB](#).

The bank also found that Dublin is experiencing a major pick-up in demand for parcel delivery specialists and third-party logistics companies from e-commerce operators.

AIB's *Transport and Logistics Outlook* report, which focuses on the impact of online retail on the logistics sector, utilises the bank's card spending data. This shows there was a 25 per cent increase in the volume of online retail transactions in the 12 months to the end of February with Dublin now accounting for 30 per cent of all online transactions.

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### ***Increasing pressure***

"Retailers and distributors are under increasing pressure to deliver consumer product and perishables into major global cities, often within narrow timeframes," Garrett McClean of property group CBRE Ireland said.

"As a result, adequate delivery sites in and around urban population centres are needed to accommodate changing consumer demand patterns," he said.

“This is also the case for Dublin, a city of around 1.3 million inhabitants and the primary logistics and supply chain hub for the rest of the country. However, in the current market, demand is outstripping supply and that will have to be addressed.”

Property group Green Reit has amassed a significant logistics land bank near Dublin Airport in anticipation of the growth in online retail.

“We are starting to see some speculative development happening in a couple of locations in southwest Dublin on the M7 corridor, which is the main traditional industrial and logistics route linking Dublin with Cork, [Waterford](#) and [Limerick](#),” Mr McClean said.

“The other growth area is around Dublin Airport between the M1 motorway and the M2 which is the other side of Dublin Airport,” he said.

Separately, the Irish Exporters’ Association estimates that an additional 15,500 workers will be needed by 2020 to cope with the pick-up in demand across the sector.