



## ARTICLE FROM:

**Ginovus is a recognized leader in the economic development field. Its team of experienced professionals provide location modeling, site selection, incentives procurement and compliance management services to companies exploring expansion or relocation options.**

## 2019 Economic Development Trends: What's Relevant in the Year Ahead

There are few things that have disrupted the retail world more than e-commerce. Online shopping has changed the way Americans shop for everything from clothing to groceries. Well-known retailers like Sears and Toys ‘R Us have dealt with declining sales and bankruptcy, while online giants like Amazon continue to expand.

As the online marketplace has grown, so have customer expectations. Shoppers want to receive their items quickly, sometimes even in a few hours. How can retailers meet these high demands? One way is through last-mile warehouses.

Traditionally, warehouses are large, sprawling affairs that are located outside of highly populated areas in a city, where real estate is less expensive. They have lots of room to store products, but because of their location, it takes longer for those products to get to the customer.

Last-mile warehouses are almost the inverse of a traditional warehouse. Last-mile warehouses are smaller spaces located in more populated areas. Because they’re so close to the population they serve, items can get to consumers quickly, even on the same day in some cases.

In a bit of an ironic twist, many former big-box retail sites are being turned into last-mile warehouse spaces. Across the country in cities such as Atlanta, Baltimore, Milwaukee, and Detroit, spaces that once housed shopping malls or department stores are being converted into product distribution centers. Retail spaces like these often have the high ceilings and freight access needed for product storage and distribution.

In New Jersey, [a real estate investment firm has purchased a former brewery with plans to convert the space to a last mile distribution hub](#). The property is only 9 miles from Manhattan and 3 miles from the Port of Newark, which means it can serve a high number of people in a short time frame. The firm believes it will be able to serve 17 million people who live in a one-hour radius from the site.

This strategy of converting urban and suburban spaces into last-mile warehouses is not without its drawbacks. One concern is the price of real estate; property located in populated areas will almost always be more expensive than properties located outside of these hubs. Another comes with the conversion of retail spaces, which can bring zoning challenges, changes in lease rates, and other concerns.

Savvy retailers looking to take advantage of this e-commerce trend will want to be intentional and deliberate with site selection and development, so they can make the most of their prime, last-mile placement. That's where the Ginovus team can help. We can help you find or develop a site that meets your needs and fits your budget.

Are you interested in learning more about this trend? Be sure to check out our [Economic Development Trends Report](#). We take a closer look at how last-mile warehouses are changing Chicago real estate, and we also dive into some other big changes that could affect your business in 2019. E-Commerce is moving faster than ever; don't let your business get left behind. If you need help determining where to place distribution centers in cost-effective locations, [Ginovus](#) can help you secure the incentives to offset project and operation costs.

LINK: <https://ginovus.com/index.php/2019/02/26/last-mile-warehouses-are-revolutionizing-e-commerce/>