



WHAT IS INDUSTRIAL? A LOOK AT OUR ECONOMY'S MOST VALUABLE PLAYER

DECEMBER 14, 2023

in SHARE

For those who work in the industrial sector, there's one question that comes up time and time again: what is industrial?

And it's not hard to see why, given the multitude of industries that fall under the 'industrial' umbrella.

So, we spoke with Women in Industrial (WIN) committee members Sinead McKerr and Sass J-Baleh to clarify what industrial is, how it supports our economy – and why it's the perfect industry for ambitious women.

Industrial: a common touchpoint

To properly understand what industrial is, we need to talk about where it sits in the broader economic landscape.

The economy is divided into sectors, each containing businesses with related products, services and activities. One of those sectors is known as industrial.

Industrial acts as a critical go-between for other parts of the economy. It takes the raw materials produced by the primary sector – through agriculture, mining, forestry, etc – and processes, stores and transports them to other sectors, which then sell those products to consumers.

This means there are many industries that fall under the industrial sector banner. And that's where confusion can kick in.

A common misconception is that industrial is made up entirely of heavy construction and manufacturing,' says Sass J-Baleh, WIN committee member and Head of Industrial & Logistics Research Australia at CBRE. 'These industries are part of industrial; however, they're not the only parts.'

One of those lesser-known industries is industrial property – the common link between all players in the industrial sector. And where WIN's membership is concentrated.



Property – industrial's quiet achiever

Industrial property is the largest non-residential property sector by size in Australia. And it's a valuable component of Australia's industrial domain.

'We design and project manage the build of properties to suit specific customers' needs,' explains Sinead McKerr, WIN committee member and Senior Cost Planner at Frasers Property Industrial. 'We also lease and manage them.'

Those properties include data centres and state-of-the-art facilities for e-commerce, manufacturing and logistics. All serve an incredible array of clients that encompass some of the world's largest, most well-known brands.

'Industrial property is so diverse,' says Sinead. 'We take care of clients involved in everything from retail goods to pharmaceuticals, manufacturing to third-party logistics, e-commerce to mining. The list is endless!'

So, too, are the possible job titles within this corner of industrial.

'The most common roles in industrial property are Sales and Leasing Agent, Property Manager, Project Manager, Project Marketing Coordinator, Cost Planner and Site Engineer. There are also other roles involved in research and marketing,' Sass shares.

Keeping Australia moving

It's not an exaggeration to suggest that without the industrial sector, the economy collapses.

'Almost every single product goes through the industrial sector at some point of its lifecycle before it reaches the end consumer,' Sinead explains.

That means that industrial is integral to economic growth. Through it, the economy has enjoyed increased productivity and access to overseas products, faster – thereby improving our living standards and lifestyle choices.

'The industrial sector not only supports the economy via exportation and importation of goods,' says Sass. 'It also offers diverse employment opportunities to people of all different skill sets.'

That means greater employment opportunities to support the higher forecast population levels in Australia.



COVID as a catalyst for industrial growth

The COVID pandemic was a catalyst for Australia's industrial sector, launching activity levels to new highs.

'COVID ushered in extraordinary growth in e-commerce,' Sass explains. 'So, with consumers having to purchase items online, we needed to focus on building a resilient supply chain.'

Sinead couldn't agree more.

'Stores had to deliver products and services without coming into contact with customers,' she explains. 'This meant increased warehouse space for storage and last-mile delivery hubs was needed. And this really impacted the industry.'

The figures speak for themselves. According to CBRE, 82% of Australian households made an online purchase in 2022, compared with 73% in 2018. It's a trend set to stay, as traditional brick-and-mortar retailers invest in state-of-the-art e-commerce warehouses and logistics facilities – just to keep up with customer demand.

In fact, CBRE Research forecasts Australia needs an additional 13 million square metres of dedicated e-commerce and logistics space over the coming four years to meet the needs of growing internet sales.

Another factor driving industrial's growth post-COVID? A shift in national priorities to shore up sovereignty and security.

'There's a particular focus on manufacturing pharmaceutical and medical goods onshore now – mitigating the dependencies on offshore markets for critical goods,' explains Sass. 'There's also a growing appetite for sensitive data to be stored in Australian facilities, which is driving data centre growth across the country.'



A secure, prosperous career choice

If you only take one point away from this article, let it be this: industrial is an essential service. Which means it isn't going anywhere. But the allure of stable employment is just the beginning of industrial's career benefits.

'The myriad of sub-sectors within industrial makes it an ideal place to build your career,' Sass says. 'There are so many possible career paths available for you, including in middle and senior leadership. Especially in industrial property.'

And if putting customers first is your passion, you'll be in good company.

'We're dedicated to maximising our customers' businesses through collaboration, design and problem solving,' Sinead explains. 'The huge focus on constructing healthy buildings and sustainable communities for the end users always gets me excited.'

'The most exciting part? There has never been a better time to join the sector than right now.'

Now that you know what industrial is, it's time to meet the women within it. Head to Women in Industrial's LinkedIn page to say hello and join the conversation.

ONE
FINE
ONE
PROPERTY

CBRE

Charter Hall

FRASERS
PROPERTY

Goodman

gpt

TMX

LOGOS

VAUGHAN
CONSTRUCTIONS

REALTERM

ESR

CUSHMAN & WAKEFIELD

Knights
Frank