

Amazon opens biggest Perth warehouse in Dexus airport estate

Larry Schlesinger *Reporter*



Nov 5, 2023 – 3.59pm



Listen to this article
3 min

Amazon has ramped up its storage capacity in Western Australia by 500 per cent after it opened a 20,000-square-metre fulfilment centre in the Dexus-managed Jandakot Airport industrial hub in Perth's southern suburbs.

The \$70 million warehouse can house 3 million items and is around the same size as the WACA cricket ground. It's more than double the size of the company's former fulfilment centre near Perth Airport

The Jandakot centre will also improve the speed at which online orders can be delivered to Perth residents.

Amazon's landlord, a fund managed by ASX-listed property heavyweight Dexus, paid \$1.5 billion in September 2021 to acquire the 622-hectare Jandakot Airport precinct, which includes a 200-hectare industrial and commercial estate.

The airport is co-owned by Dexus, Cbus Super and the Dexus Industria REIT.



Amazon's new Perth fulfilment centre is about the size of the WACA cricket ground.

RELATED QUOTES



Amazon's expansion in Perth is part of a wider rollout of new fulfilment centres designed to cater for the online retailer's strong growth in Australia. Local turnover is forecast to more than double to \$5.5 billion this financial year, according to broker Jarden. [<https://www.afr.com/link/follow-20180101-p5de19>]

Amazon reported local revenue of \$2.63 billion

[<https://www.afr.com/companies/retail/amazon-australia-sales-jump-48pc-20230224-p5cndj>] in the year to December 31, 2022, up 47.7 per cent from \$1.78 billion a year earlier, according to the company's most recently lodged accounts.

“Amazon is maintaining momentum in a slowing market, taking greater than 10 per cent of incremental sales excluding food. Amazon thrives as consumers seek out value,” Jarden’s head of research Ben Gilbert said.

According to the monthly NAB Online Retail Sales Index, Australians spent \$54.2 billion on online retail in the year to September, equal to around 12.8 per cent of total retail trade.



The new fulfilment centre can hold up to 3 million items sold on Amazon.com.au.

“Many Perth Prime members have already experienced next-day delivery on an Amazon order, and our investment in this site will increase the selection of items that can be shipped directly to local customers more quickly,” Amazon Australia country manager Janet Menzies said.

Sustainability features of the new warehouse include a 1.5 megawatt solar panel system that, once operational, is expected to generate up to 80 per cent of the site’s energy needs.

It also contains a disaster relief hub that stores thousands of essential items including toiletry bags and clean-up kit. These are available for immediate dispatch to those affected by natural disasters and extreme weather events in WA.

Last month, Amazon reported a 13 per cent rise in third quarter revenue to September 30 of \$US143.1 billion (\$220 billion), ahead of analyst’s expectations.

Operating income increased to \$US11.2 billion, compared with \$US2.5 billion in the period a year ago following heavy cost-cutting efforts. [<https://www.afr.com/world/north->



RELATED

Amazon revenue jumps on web sales, cost cuts

<https://www.afr.com/world/north-america/amazon-revenue-jumps-on-web-sales-cost-cuts-20231027-p5efib>



RELATED

Why Microsoft jumped and Google slumped when both beat expectations

<https://www.afr.com/technology/why-microsoft-jumped-and-google-slumped-when-both-beat-expectations-20231025-p5eesv>

Larry Schlesinger writes on real estate, specialising in commercial and residential property. Larry is based in our Melbourne newsroom. *Connect with Larry on [Twitter](#). Email Larry at larry.schlesinger@afr.com*