

# DP Partners to sell parcels of its giant N.J. industrial park

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LOGAN, N.J. — DP Partners, a national industrial development company that bought 1,100 acres here for the development of a massive distribution hub, has decided to sell undeveloped land in the park.

In addition to land, DP Partners will also sell build-to-suit or properties that it constructs for a company. Its decision to sell parcels in the LogistiCenter ranging in size from four to 100 acres continues a shift in strategy that DP Partners made three years ago when it sold a 25 million-square-foot portfolio to ProLogis of Denver.

Prior to that, DP Partners, which is part of Dermody Properties of Reno, Nev., had been a long-term holder of its real estate.

"We are an entrepreneurial and opportunistic company," said Steve Bailey, partner in DP Partner's eastern division.

An acre at the Gloucester County center runs between \$125,000 and \$165,000 and the ranges depend on the land's proximity to rail and highway, said Marie Connell, a broker with Cushman & Wakefield who is marketing the land along with colleague Paul Torosian. The property sits off of I-295 and Route 130 and is equidistant from New York and Washington.

"We hit that population right in the middle," said Matt Marshall, an associate partner in DP Partners.



CURT HUDSON

Matthew Marshall (left) and Stephen Bailey of DP Partners at one of the facilities at the 1,100-acre LogistiCenter in Logan, Gloucester County.

It can handle up to 7.4 million square feet at build out and so far 3.4 million square feet in three buildings has been constructed, leaving 4 million square feet that can be built. Uses range from manufacturing to distribution to warehouse as well as research and development.

The company has already started to unload some of the properties it constructed. It has under agreement to sell a 600,000-square-foot distribution facility it completed last August for Kimberly-Clark Corp. DP started the building on

speculation in 2008 and soon thereafter the toilet paper company decided to consolidate other distribution centers into LogistiCenter. Bailey declined to say who has the property under agreement and for how much but estimated the transaction will likely close in the third quarter. It also has made two land sales, selling 32 acres to ADS Pipe and about 20 acres to KMT Brrr!

At the same time, DP Partners is looking to boost its presence in the region. It put under agreement a vacant 260,000-

square-foot Linens 'N Things distribution center at 1109 Commerce Blvd. in Logan. It's also close to breaking ground on a new speculative building as it begins to increasingly see more requirements from national companies for large distribution centers. In addition, Class A distribution space is tight in the South Jersey market and tenants are looking to move into modern, efficient space that saves them time and money.

"We're keeping a close eye on the economy and market," Bailey said, adding that the company might move forward early next year on a 400,000-square-foot distribution center.

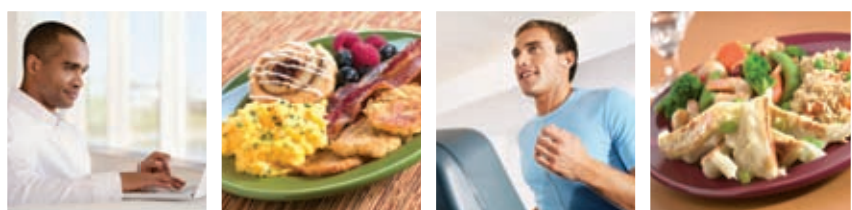
LogistiCenter was DP Partner's first foray into New Jersey. When it bought the site for the project it was considered the largest land transaction in South Jersey since 2003, when the property was bought by Harvey Development Co. of New Castle, Del., from Crow Holdings of Dallas. Harvey then bought the property for an estimated \$14 million. Crow Holdings acquired the land in 1996 from Shell Oil.

As the company's presence in South Jersey has grown, DP Partners decided to relocate after seven years its regional office to West Conshohocken from Harrisburg and leases 1,600 square feet in One Tower Bridge.

"The center of gravity has moved toward Philadelphia," Bailey said.

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