

# Striving for a long-standing partnership

DHG (David Hart Group) is a well-known real industrial real estate investor and developer that with its SmartLog concept has set ground on various Dutch logistics and industrial hubs. Now, the company has also set foot on Zeeland soil.

Last year, DHG acquired a 31ha terminal from Verbrugge International consisting of 22ha of open storage space and

around 55,000m2 of warehouses.

All images courtesy of DHG, unless mentioned otherwise





Jelle van den Akker is head of asset management of DHG.



Logistics director of DHG, Hans van Driel.

Last year, the company announced having acquired a 31ha terminal from Verbrugge International. The terminal, located at the Quarleshaven, consists of 22ha of open storage space and around 55,000m² of warehouses. In an interview with PortNews, the company states that this acquisition is not the last achievement of DHG at North Sea Port.

## Opportunities

"As investor and developer of industrial real estate, we are constantly looking for opportunities says Hans van Driel, logistics director of DHG. "We started our activities more than 25 years ago in the Rotterdam port area and since then we have expanded towards the province of Noord-Brabant and the province of Limburg. Throughout the years, land positions have become scarce in the Netherlands, and thus being able to acquire a large terrain with warehouses at North Sea Port was an opportunity we could not waste. We took over the terminal from Verbrugge International, that with various terminals in both the Terneuzen and Vlissingen part of North Sea Port has a strong position as a logistics service provider. With the acquisition we are striving for a long-standing partnership with them, the port authority, and with the customers we hope to attract with this excellent location."

# Containerised goods

According to Hans van Driel, the terminal is a perfect location for the handling and storage of containerised goods. "One of our goals," he states, "is to develop our Vlissingen terminal for the transshipment of containerised breakbulk. This makes us quite unique at North Sea Port as this port, apart from the food logistics, is mainly known for its many bulk activities. North Sea Port is located more or less in between Antwerp and Rotterdam, and there are various barge services from those two ports to North Sea Port. At our terminal, and with the assistance of Verbrugge, the containers can easily be unloaded from the barges and transported to the warehouses on our terrain. From there, the goods can be efficiently released from the containers for storage or further transport. Having warehouses literally on the terminal and with multimodal connections to the hinterland is a proposition not many terminals in Western Europe can offer." Hans van Driel continues, "Our core business lies in the development of warehouses facilities though at North Sea Port we keep the option open to rent out part of the terrain for storing and handling project cargo, as North Sea Port has a large track record in offshore wind. In November of last year, we leased back the existing 55,000m<sup>2</sup> of warehouses to Verbrugge, which they use for accommodating their customers. We are planning the construction of new warehouses next to these warehouses. However, the first ones will not be realised on the existing terminal, but on an adjacent 12ha of land that we are leasing from North Sea Port since the start of this year.

### SmartLog

"The new warehouses will be set up according to our successful SmartLog concept", explains Jelle van den Akker, head of asset management of DHG. "SmartLog," he elaborates, "is a contraction of smart and logistics and it stands for state-of-the-art XXL warehousing and distribution for consumer goods, healthcare, hi-tech, automotive, industrial materials, and packed chemicals. For this type of



With its SmartLog concept DHG has set ground on various Dutch logistics and industrial hubs, such as SmartLog Moerdijk in the Province of Noord-Brabant.

goods, with the warehouse facilities in the port of Rotterdam becoming scarce, Vlissingen is the ideal solution. One of the markets we are aiming at is the storage of lithium-ion batteries, and as Vlissingen has ample opportunities for chemicals and chemical-related storage and handling, we can meet the growing demand for battery storage with our SmartLog concept.

In Vlissingen, we are also looking at producing companies in that area. Using our warehouses for storing their products will, for example, give them additional space at their own location for expanding their production capacity. An extraordinary aspect is that we develop at own risk, which means we construct the warehouses even before we have customers that are going to use them. So no matter when or what kind of customers we will attract for Vlissingen, the construction of the warehouses will start as soon as all permits are granted. We hope the first 70,000m<sup>2</sup> will be available by the end of next year."

### Brownfield development

DHG started its activities around 25 years ago in the port area of Rotterdam, where they bought and renovated old offices and warehouses in the Waalhaven. "Since we began our activities we have always focussed on the (re)development of existing, so-called brownfield areas", Jelle van den Akker explains. "We acquire existing property or we buy unused terrains and use these for the construction of new warehouses and offices. Today, we have 1.3m2 million SmartLog warehouses and another 300,000m<sup>2</sup> is under development. Of course, expanding in the Netherlands is becoming increasingly difficult, not in the least because of growing competition, also from foreign real estate developers, and the discussion on the need for more generic DCs in the landscape. One of the advantages of our way of developing is that it is more efficient compared to developing vacant greenfield sites. Developing brownfield areas fits in the goals of the authorities to make use



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of existing industrial locations as efficiently as possible. This makes permitting procedures easier, as not a lot of people will be against the (re)development of existing sites instead of developing in environmentally-sensitive areas."

# High standards

"Some ten years ago," Hans van Driel states, "we decided to start developing large-scale distribution centres and introduced our SmartLog concept. These are constructed according to the highest standards and with large flexibility. For developing our warehouses, we highly value the opinion of our prospects and customers, and we build our warehouses with the market demands in mind. In recent years this has resulted in using sustainable solutions such as the installation of solar panels. We do not see our customers as tenants, but we work closely together with them as long-term business partners. We truly believe that making their business better will ultimately be profitable for us as well. In Vlissingen too, creating partnerships is important, not only with our customers, but with Verbrugge and North Sea Port as well. A SmartLog centre at North Sea Port with the collaboration of an experienced partner like Verbrugge will really create a unique offer that proves one plus one really does equal three!"

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