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EXECUTIVE OVERVIEW



The third quarter of 2009 in the European Carrier Neutral Hotel (CNH) market has shown an encouraging improvement compared with the first half of the year. Take-up across the five Tier 1 data centre markets this quarter was 18,190 m², an increase of 730 m² on the first two quarters of the year combined.

The Retail and Wholesale Colocation markets have continued to show encouraging levels of take-up. Wholesale Colocation take-up for Quarter 3 was 13,080 m² (72%); this represents the strongest quarter for Wholesale Colocation take-up this year and an increase on the

previous quarter of 12,380 m². Retail Colocation accounted for 5,110 m² (28%) of take-up which was a slight drop on the previous quarter.

As with the first half of the year there were no Self-build transactions in the Tier 1 data centre markets with end-users lacking sufficient budgets to commit to such capital-intensive schemes. We do not expect to see any Self-build transactions in Quarter 4 and we feel it is unlikely that there will be many of a significant scale in 2010.

During Quarter 3 we saw an increase in supply in two of the five Tier 1 markets (London & Paris). This was due to the introduction of two new facilities in each market. We also saw the former Data 110 site in Frankfurt being acquired by Equinix which will expand Retail Colocation supply in this market. This facility represented the last of the large legacy fully-fitted Frankfurt data centres which were built in the original dotcom boom, and as such we can expect to see new build facilities coming to market in Frankfurt over the next 12-18 months.

As a consequence of new buildings coming to the market, overall CNH market vacancy increased marginally to 23.63%. The Fully-fitted vacancy rate this quarter stands at 10.86% and the Shell & Core vacancy rate is 55.96%.

2010 will see the implementation of the CRC Energy Efficiency Scheme (formerly Carbon Reduction Commitment) in the UK. This is a mandatory climate change energy saving scheme, due to start in April 2010.

The CRC's main objective is to provide financial incentives to reduce energy use by putting a price on carbon emissions. Organisations are eligible for the CRC if their total half hourly electrical consumption (including subsidiaries) exceeded 6,000 MWh for 2008. As discussed in our Quarter 1 bulletin this will have a significant impact on the data centre market the UK. If you require further information regarding the impact of the CRC legislation on the data centre sector then please contact us.

SUPPLY

CNH SUPPLY

Total CNH stock stood at 637,880 m², an increase in supply of 15,680 m² during Quarter 3. This was the result of two new Retail Colocation facilities coming to market in both London & Paris.

Of the 637,880 m² total, 457,200 m² (72%) was Fully-fitted space and 180,680 m² (18%) was Shell & Core space.

Total stock was apportioned across the five Tier 1 cities as follows: 266,360 m² (42%) in London; 177,020 m² (28%) in Frankfurt; 95,100 m² (15%) in Paris; 63,160 m² (10%) in Amsterdam and 36,240 m² (6%) in Madrid.

COLOCATION EXPANSION CONTINUES WITH CAUTION

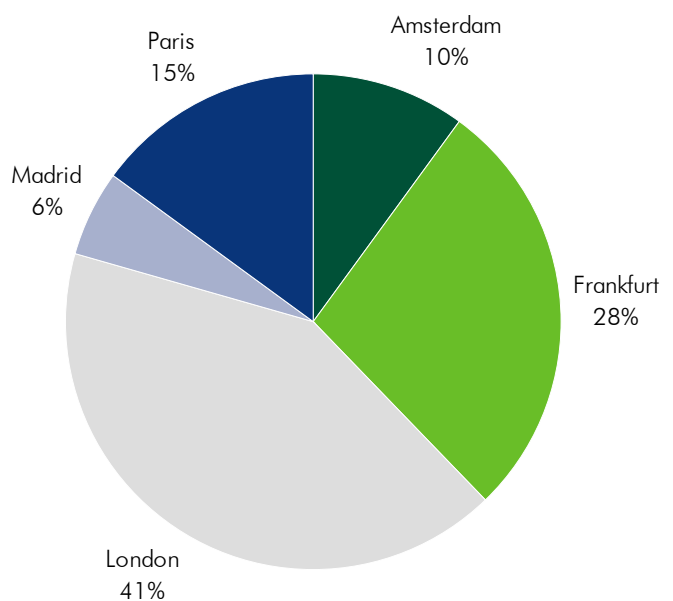
Reported expansion plans amongst European carrier-neutral colocation companies have remained relatively muted during the autumn of 2009, continuing the trend seen since the start of the year. Notably, the main announced expansions involve the largest and more established colocation companies in Tier 1 locations. Whether this is due to their ability to raise finance in difficult debt markets where less-well known companies struggle, or their use of established clients to pre-let a development, it will be encouraging that the threat of oversupply of colocation space controlled by companies with less experience of difficult market conditions appears not to have emerged.

A continued understanding of this supply and demand balance amongst colocation providers will help to ensure that the European data centre industry remains relatively healthy compared to other real estate markets. Indeed, latest research from analyst group **IDC** suggests that the outlook remains positive for carrier neutral providers across Europe, with forecasts of a compound annual growth rate of some 23% from end 2008 to 2013 across UK, Germany, France and the Netherlands, increasing market value from €725 million to just over €2 billion.

Some of the most notable announcements in the autumn included **Equinix's** plans to build a new 4,500 m² centre in Geneva, Switzerland – its second in the city – whilst **Interxion** reported its intentions to build its 6th data centre in Frankfurt, Germany, increasing its gross floorspace in the city to 15,000 m². The same company also announced an investment of some €12 million in Dublin, Ireland to create a 2,455 m² gross data centre ready for customers from April 2010. Meanwhile, **TelecityGroup** reported the opening of the second phase of its Amstel Business Park facility, Amsterdam, creating another 2,400 m², increasing the facility's capacity to 4,000 m² and taking their total data centre space in Amsterdam to 13,000 m².

Smaller announcements saw **Custodian Data Centre** report the expansion of its data centre, which now offers up to 900 m² of data centre space on a former TV studio campus in Kent, whilst **Node4** revealed plans to expand its Derby facility by 80 racks, and establish its fourth data centre in the UK. The new DC4, which will be located in Northampton, offers space for up to 600 racks ready for customers by the end of 2010.

TOTAL CNH STOCK PER TIER 1 MARKET



Source: CB Richard Ellis Research

DEVELOPERS AND INVESTORS CONTINUE INTEREST

Interest in the data centre sector amongst real estate developers and investors continued through the third quarter of 2009, although with only a few announcements of previously unreported development schemes. Actual build activity is likely to remain fairly subdued, at least until major pre-lettings are secured at current well-publicised schemes.

A significant announcement in the UK market saw The **Stockley Park Consortium** – comprising **Kajima Properties, Prupim** and the Reuben brothers' **Aldersgate** – resubmit their planning application for development on its 30 acres of Trident site in West London. The plan features a 450-bed hotel, 3,800 m² amenities and office building, a 19,500 m² data centre and 27,000 m² of offices.

In Scotland, **Centaur Group** have identified a former **Compaq** electronics plant in Ayr for a proposed 40,000 m², £25 million data centre whilst **Dumfries and Galloway Council** planning officers had recommended approval of **Lockerbie Data Centres'** £800 million Peelhouses Farm development. In England, data centre developer **Ark Continuity** announced the opening of the first phase of its Spring Park, Corsham data centre, whilst **Highbridge Properties** broke ground on their speculative Colbalt Business Park scheme. Indeed the shell building has now 'topped out' with fitout due to commence in the New Year.

With no abatement in the tough capital-raising environment, news of successful debt securing has been limited during the autumn period. **Next Generation Data** reported that it had secured "significant" debt financing from Lombard, a unit of the **Royal Bank of Scotland**, which will help it build its 75,000 m² facility in Newport, South Wales.

One positive element of the recent economic downturn for owners of data centres has been the reduction in construction costs. A recent survey by **Environmental Systems Design** suggested that the cost of building a new data centre is lower today than at any time since late 2007. The costs of labour, data centre equipment and building materials are all lower than was the case two years earlier. Most notably, the study reported that the prices of feeder and cable have dropped by more than half, major data centre equipment by 12%, labour and materials by 19.6%, and shipping and handling by 15% from the fourth quarter of 2007 to July 2009.

AVAILABILITY

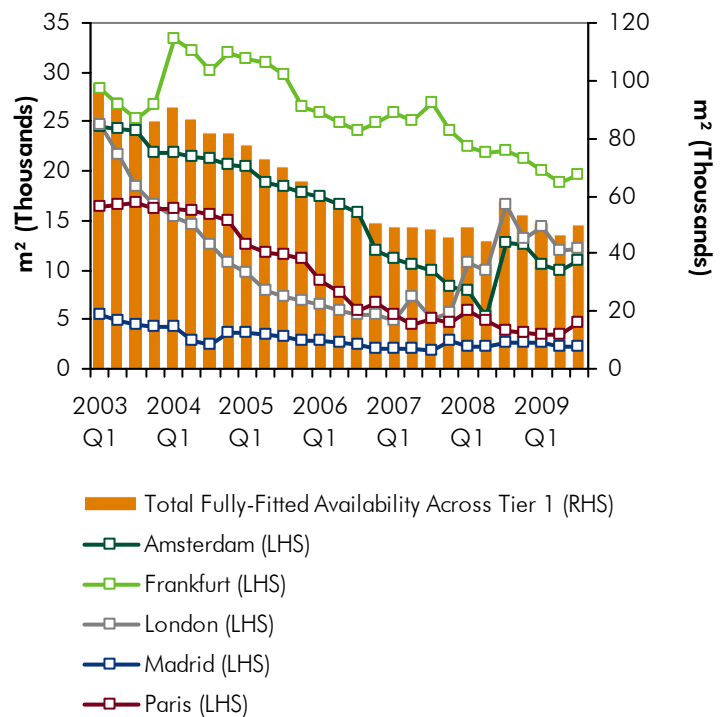
CNH AVAILABILITY

Total market availability rose this quarter by 5% from 143,270 m² to 150,740 m². Of the total availability 101,100 m² (67%) was Shell & Core space and 49,640 m² (33%) was Fully-fitted space.

CNH overall market vacancy stood at 23.63%, an increase from 23.03% on the previous quarter.

The Fully-fitted vacancy rate this quarter was 10.86% and the Shell & Core vacancy rate was 55.96%.

FULLY-FITTED CNH STOCK AVAILABLE PER TIER 1 MARKET



Source: CB Richard Ellis Research

TAKE-UP AND DEMAND

MARKET TAKE-UP AND DEMAND

Total take-up this quarter rose by 11,750 m² to 18,190 m², which represents the strongest quarter for take-up this year. Once again, all take-up was apportioned in the CNH market. This is the third successive quarter with no Self-build transactions. Of this take-up, 9,420 m² (52%) was in Frankfurt; 5,260 m² (29%) was in London; 3,090 m² (17%) was in Paris and 420 m² (2%) was in Amsterdam. There was no recorded take-up in Madrid this quarter.

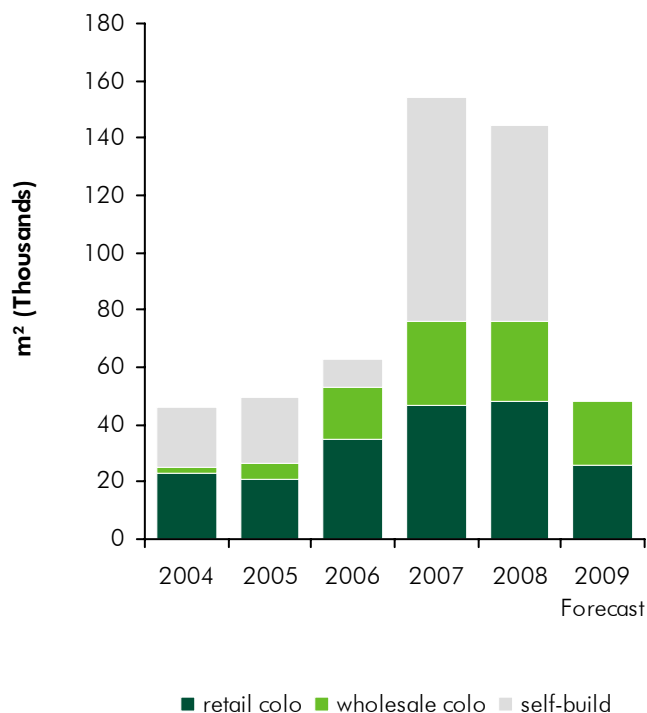
In terms of the source of this quarter's take-up across the five Tier 1 markets: 9,880 m² (54%) was to the technology sector, 5,110 m² (28%) was made up of retail transactions and 3,200 m² (18%) was to corporates.

In Quarter 3 we witnessed an encouraging level of Wholesale Colocation take-up (13,080 m²), an increase on the previous quarter of 12,380 m². This was apportioned as follows: 8,950 m² (68%) in Frankfurt and 4,130 m² (32%) in London. This represents the highest Wholesale Colocation take-up in London since Quarter 2 2007.

The remainder of the take-up was in the Retail Colocation market: 5,110 m². Retail Colocation take-up was apportioned as follows: 3,090 m² (60%) in Paris; 1,130 m² (22%) in London; 470 m² (9%) in Frankfurt and 420 m² (8%) in Amsterdam.

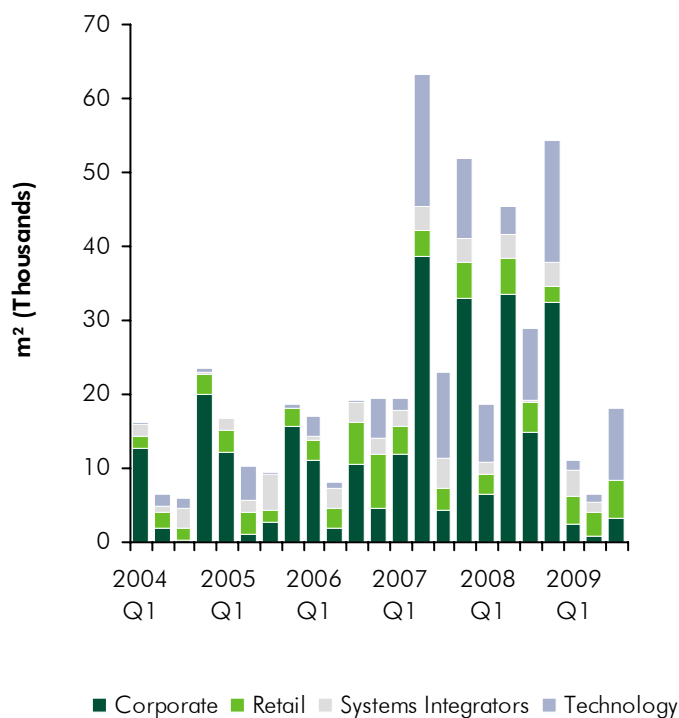
It is important to note, however, when analysing Wholesale Colocation take-up this quarter, that 8,950 m² was in a single transaction in Frankfurt. This was the purchase of the former Data 110 facility by Equinix. The Data 110 facility represented the final large standalone fully-fitted data centre built in the dotcom boom in Frankfurt which had remained vacant since construction. Given this was the final building of its kind in that market this means we can expect to see new build facilities coming to market over the next 12-18 months as we have witnessed in the other Tier 1 markets over the last few years.

TOTAL ANNUAL TAKE-UP BY MARKET SECTOR



Source: CB Richard Ellis Research

TOTAL QUARTERLY TAKE-UP ACROSS ALL TIER 1 MARKETS



Source: CB Richard Ellis Research

IT SERVICES STILL IN DEMAND

As has been seen over the course of 2009, IT integrators and managed hosting companies continue to play a leading role in the data centre occupational market, although the usual dearth of information on actual technical floor space use means it remains difficult to quantify. For instance, the largest outsourcing deal reported in the third quarter of 2009 saw **Zurich Financial Services Group** sign a master service agreement with IT services company **CSC** for data centre and IT infrastructure managed services. The contract is estimated to be worth up to \$2.9 billion over ten years, with the master agreement covering data centre centralisation and server virtualisation for Europe and North America. It is difficult to quantify how much original European data centre space will be used, how much new data centre space will be commissioned and who will own it, but with a contract value of that size its significance on data centre availability and take-up should not be overlooked.

Therefore, analysis of the volume of reported IT outsourcing activity combined with announcements of third party data centre management contracts and the growth in corporate take-up of cloud computing all underpin the sector's influence on supply and demand of wholesale and retail data centre space. Indeed, **Forrester's** "Enterprise and SMB Networks and Telecommunications Survey" suggests that in the face of the current tough economic conditions where corporations have reduced overall IT spending, some 20% of companies are currently allocating more on managed solutions. This is likely to be driven by a combination of factors: companies looking to emerge from the current economic downturn more successful and competitive than when they entered it, and because managed service solutions offer a good way of dealing with the current unpredictable business volumes, tight credit conditions and rapid technological change.

Some of the most notable reported data centre transactions in Quarter 3 which have expanded IT service company's data centre footprints include **IBM's** signing of a commitment agreement with **Global Switch** for the pre-letting of technical space over a number of floors at its proposed 6-storey, 17,000 m², Paris 2 facility in Clichy, France, whilst **Sungard** announced that they would expand their London Heathrow and Docklands facilities by building out a further 1,000 m²

of space. In addition, hosting company, **UK2**, acquired a fully-fitted data centre in the Docklands, East London from **Virgin Media**, and **Logicalis** reported that they would invest £7.5 million in the development of their own data centre within their Slough headquarters.

Away from Tier 1 locations, **British Telecom** has become the first announced customer at **Next Generation Data's** 75,000 m² centre in Newport, Wales, where they will occupy 380 racks, whilst **IFP**, the internet services provider, has reported it is developing a 1,400 m² data centre in Aberdeen, Scotland. In Swindon, not-for-profit IT services company, **eduServe**, announced the launch of its 4,000 m² facility dedicated to developing technology solutions for universities, colleges and public sector organisations, and **Slovak Telecom** reported it is building a 1,200 m² facility, its fifth overall and second in the city of Bratislava, Slovakia. In Sweden, IT services company, **Tieto**, has begun construction of a new 20,000 m² gross data centre in one of the storage caverns previously used by the **Swedish Fortifications Agency**, and in Novosibirsk, Siberia, telecommunications company **Sibirtelecom** launched its new €3 million data centre.

As has been the case throughout the year, IP resellers and IT network providers have been active to ensure that they benefit from increased IP traffic between data centres. Spanish Internet Exchange, **Espanix**, implemented a new point of presence at Interxion's Madrid data centre, **Abovenet** has connected into the London data centres of **Iomart** and **Interxion**, **Hurricane Electric** linked **Equinix's** Zurich 1 facility and Irish internet peering point, **INEX**, agreed to connect its infrastructure with **Interxion's** existing Dublin data centre and its recently announced second facility.

PUBLIC SECTOR DEALS CONTINUE

Some caution remains as to whether IT budgets that have already seen a reduction over the course of 2009 will be supported for all but the essential projects whilst the economic downturn prevails amongst Europe's largest economies. **Forrester's** September predictions suggested that overall tech spending in western and central Europe will have declined some 6.9% during 2009 – following a 0.8% reduction in the previous year – although still representing total spend of some €297 billion on computer and communications equipment, software, consulting and outsourcing services. Germany, the UK and France represent 55% of the European IT market, according to the analyst group, with the UK faring worse with a predicted 12% decline during 2009 compared to a 3% reduction across the other two countries. Cautious optimism prevails, however, with a predicted 4% average rise in IT spending for 2010 across Europe.

Public sector organisations stand out as some of the most notable transactions that we have tracked in the UK over the third quarter of 2009, although this may be, in part, due to the necessary transparency of public sector contracts rather than their dominance as occupiers. These include **Scolocate's** 4 year, £5 million deal to host the technology behind the **Scottish Government's** website at its Edinburgh facility, whilst **Ordnance Survey** have leased 219 m² of data centre space from the **Land Registry** at their data centre in Gloucester. Other active public bodies include **NHS Hounslow**, who have outsourced their data centre, network and help desk services to **Capita** under a £3.3 million, 3 year contract, whilst Rackspace have announced that they are to supply consolidated managed hosting for the **Ministry of Defence, Army, Navy and Air Force**.

Bet365's announcement of its agreement to take 250 m² of colocation space at **IFL's** new data centre in Manchester, and DIY group **Kingfisher's** data centre take-up at **SSE Data Centres'** recently acquired 8,000 m² Fareham facility provide evidence of activity amongst corporate bodies in the UK. Elsewhere in Europe, search website **Pirate Bay** has moved its data centre operations into The CyberBunker, a former Cold War bunker in the Netherlands, and **Kenexa**, a business solutions company, has given a €600k managed hosting contract with **Servecentric** in Dublin, Ireland, whilst **Iomart** have also contracted with **Servecentric** to provide disaster recovery services to one of their clients at the London City data centre.

As highlighted in our IT integrators section, whilst it is difficult to quantify data centre take-up as a result of corporate outsourcing, there have been some notable corporate outsourcing contracts which will influence data centre stock. Dutch health insurance provider, **Unive-VGZ-IZA-Trias**, reported that it would outsource server management to **Atos Origin**, which includes the migration of 1,500 servers to **Atos Origin's** Netherlands data centre; **Hewlett Packard** announced a 4 year, €78 million ICT contract with **Department of Health, Social Services and Public Safety** in Northern Ireland, to include provision of a resilient platform for delivery of services and business continuity, and **Sagecom** announced a contract with **Orange Business Services** which will see the ICT group take over all of **Sagecom's** global IT infrastructure operations, including the migration of systems to **Orange's** two Paris data centres.

The rate of adoption of cloud computing is likely to also be key to the increase in corporate IT budgets, although according to a report sponsored by managed service provider, **Colt**, levels of understanding are paramount to the adoption rate. Their latest research across 13 European countries indicated that some 77% of CIOs who are familiar with cloud computing are currently evaluating, implementing, or have already implemented, cloud computing services. Interestingly overall levels of familiarity with the service (56%) are low, which suggests that as knowledge, awareness and understanding grows amongst corporate IT decision makers, take-up of cloud computing services could flourish.

THEORY VERSUS REALITY

Despite the well-aided concerns regarding energy cost and energy demand increases across Europe, and the push towards 'greener' computing, evidence still suggest that there remains a large gap between the theory and reality of efficiently running a data centre day-to-day.

Recent research by **Loughborough University** and data centre management firm, **on365**, shows that data centre managers continue to struggle with any real understanding of their IT infrastructure energy costs and demands they are placing on it. More than half of respondents claimed electricity budgets were mainly held by finance managers with just over half of IT personnel not actually seeing their data centres' electricity bills. As a consequence nearly three out of five said they could not easily measure data centre efficiency metrics and more than half of interviewees said they provided no information whatsoever to individual data centre customers or users.

A survey by analysts **Gartner** provides some hope for more efficiency in the data centre environment, reporting that "reducing IT costs" is now the second most important strategy for CIOs – a rise from 10th position a year previously. For UK occupiers, if the financial benefits of investing in research and technologies to confront rising energy demand are not enough to persuade organisations, then the UK government's Carbon Reduction Commitment which comes into force in April 2010 as the first mandatory UK carbon-trading scheme, should increase interest in energy efficient products.

THE CONTAINER SOLUTION

Perhaps one solution for cost conscious data centre users who may be reluctant to commit to the immediate major capital outlay of a new facility is the "containerised data centre" solution. Having increased its profile over 2009, a number of companies have now put forward their own versions, including **Sun Microsystems, SGI, Hewlett-Packard, Microsoft** and most recently **IBM**. At present, there are questions regarding the wide scale adoption of the concept. In the short term it may be that containerised data centres fill specific niche requirements for users, for instance offering the flexibility to move to any geographical territory "on-demand", or their ability to be compounded relatively quickly to form scalable processing units. However, with site security, access to multiple IP networks, and space efficiency all high priorities on a data centre managers list, it may take some time for the concept to prove its worth as a permanent solution before a more widespread use is adopted.

FORECAST

Over the next 12-18 months we expect take-up levels to grow steadily from those seen this year. In terms of total take-up, we expect the current positive sentiment to continue into the new year and the Retail Colocation market to outperform 2009. The Wholesale Colocation market should match this year's performance, however this is likely to involve fewer but larger transactions. We expect the Self-build market to remain stymied to begin with but show signs of recovery over the course of 2010. We are aware of a handful of deals that will come to fruition in late 2010 or early 2011.

The predicted growth in take-up is representative of the corporate market emerging from the short term buffer created by a combination of limited IT budgets, headcount reduction and virtualisation. This has helped fuel Retail Colocation take-up this year as organisations have opted for short term, tactical OPEX solutions. As this dynamic is unlocked by a wider economic recovery and businesses start to grow, so we can expect to see increased take-up across all sectors.

LONDON

The London market will remain in healthy equilibrium with two large Retail Colocation facilities coming to market in 2010 to meet demand. In terms of Wholesale Colocation there are a number of potential schemes being worked up and it will be interesting to see which operators are able to secure the debt finance necessary to get these schemes 'out of the ground'.

MADRID

The Madrid market has traditionally been fragmented with limited local demand sustaining the retail sector. This has been evident over the last 6 months with one transaction last quarter resulting in its second highest quarter recorded, compared to Quarter 3 with no recorded take-up. Over the next 12 months we expect local demand patterns to remain similar to this year.

Wholesale Colocation transactions will be unlikely and although we are aware of a large technology company requirement over the next 6 months, it will be outside the existing CNH market.

AMSTERDAM

In Amsterdam the Retail Colocation providers will continue to procure space in order to meet pipeline demand. However, there is limited Shell & Core space and we are aware of a number of medium sized requirements (300-500 m²) in this market. However, due to a lack of appropriate wholesale space they are having to take higher priced Retail Colocation space.

FRANKFURT

In Frankfurt we have seen take-up of the final large scale legacy stock from the original dotcom buildout with the purchase of Data 110. Over the next two years we will begin to see new build stock come to market.

PARIS

There has been a need in Paris for new supply to come to market in both Retail and Wholesale Colocation sectors, in order to meet demand. The Fully-fitted vacancy rate for Paris is currently 6.19%. We are aware of a number of Retail Colocation schemes coming to market that will increase supply to meet demand in 2010.

'MIDI' MARKET

A further dynamic we expect to see in 2010 is the emergence of the 'Midi' market. This is for requirements of between 200-700 m² (300-700 KW) looking to benefit from cost savings offered by shared infrastructure, at high power densities but at pricing levels more aligned to wholesale offerings.

Whilst we feel this is a somewhat short term dynamic whilst the economy fully recovers, it will be interesting to see how the market approaches these requirements in the short term.

MARKET FOCUS

LONDON

Over the course of 2009 we have witnessed a gradual improvement in the London market. Total take-up for Quarter 3 was 5,260 m², an increase on the previous quarter of 2,140 m² (69%).

Corporate take-up this quarter was 3,200 m², which was 61% of overall take-up in the London market. Of the remainder, 1,130 m² (21%) was in retail transactions and 930 m² (18%) was to the technology sector.

A renewed level of confidence is evidenced by the increase in wholesale deals in the London market this quarter. In Quarter 3 there were 4,300 m² of Wholesale Colocation transactions compared to 700 m² last quarter. The remaining 1,130 m² was in the Retail Colocation market.

Total stock increased by 6,450 m² to 266,360 m² of which 197,480 m² (74%) was Fully-fitted space and 68,880 m² (26%) was Shell & Core space.

Total availability increased over the quarter from 61,960 m² to 64,110 m². Of this, 51,890 m² (81%) was Shell & Core space and 12,220 m² (19%) was Fully-fitted space.

The overall vacancy rate increased this quarter from 23.84% to 24.07%. The Fully-fitted vacancy rate remained steady at 6.19%.

FRANKFURT

Total take-up in Frankfurt this quarter was 9,420 m². On first appearances it appears to be a significant increase on the previous quarter (1,290 m²). However, take-up in Quarter 3 was fuelled by Equinix's purchase of the Data 110 facility. If we strip out this transaction from our quarterly figures, take-up in Quarter 3 was 470 m² in Frankfurt, a decrease on the previous quarter of 820 m². All of the 470 m² of take-up was in Retail Colocation transactions.

Total stock in Frankfurt remained steady at 177,020 m². Of the total stock, 115,170 m² (65%) was Fully-fitted space and 61,880 m² (35%) was Shell & Core space.

Total availability in Quarter 3 stood at 37,160 m², a decrease on the previous quarter of 470 m². Of this availability, 19,700 m² (53%) was Fully-fitted space and the remaining 17,460 m² (47%) was Shell & Core space.

The overall vacancy rate was 20.99% and the Fully-fitted vacancy rate was 17.11%.

AMSTERDAM

Take-up in the Amsterdam market declined in Quarter 3. Total take-up was 420 m² which represents a decline on the previous quarter of 21%. All of the recorded take-up was made up of Retail Colocation transactions.

Total stock remained unchanged this quarter at 63,160 m² of which 52,200 m² (83%) was Fully-fitted space and 10,960 m² (17%) was Shell & Core space.

Total availability in Quarter 3 was 11,330 m² of which the majority was Fully-fitted space – 10,830 m² (96%) – and the remaining 500 m² (4%) was Shell & Core space.

The overall vacancy rate in Amsterdam decreased from 18.57% to 17.94% and the Fully-fitted vacancy rate increased from 19.46% to 20.75%.

The Shell & Core vacancy rate in Amsterdam now stands at 4.56% demonstrating the need for new supply in this market.

TOTAL TAKE-UP

Take-up (m ²)	2009 Q2	2009 Q3	Total 2009
Amsterdam	530	420	3,050
Frankfurt	1,290	9,420	11,940
London	3,120	5,260	10,960
Madrid	1,300	0	1,460
Paris	200	3,090	8,240
Total	6,440	18,190	35,650

Source: CB Richard Ellis Research

PARIS

Total take-up in the Paris market in Quarter 3 was 3,090 m², all of which was made up of Retail Colocation transactions. This represents a significant increase on the previous quarter.

Total stock increased by 9,230 m² to 95,100 m² following the opening of 2 new facilities. 74,440 m² (78%) was Fully-fitted space and 20,660 m² (22%) was Shell & Core space.

Overall Paris availability stood at 25,280 m², of which 4,620 m² (18%) was fully-fitted space and 20,660 m² (82%) was Shell & Core space. The overall market vacancy rate stood at 26.58% with the fully-fitted vacancy rate at 6.21%, an increase from 4.79% in the previous quarter.

MADRID

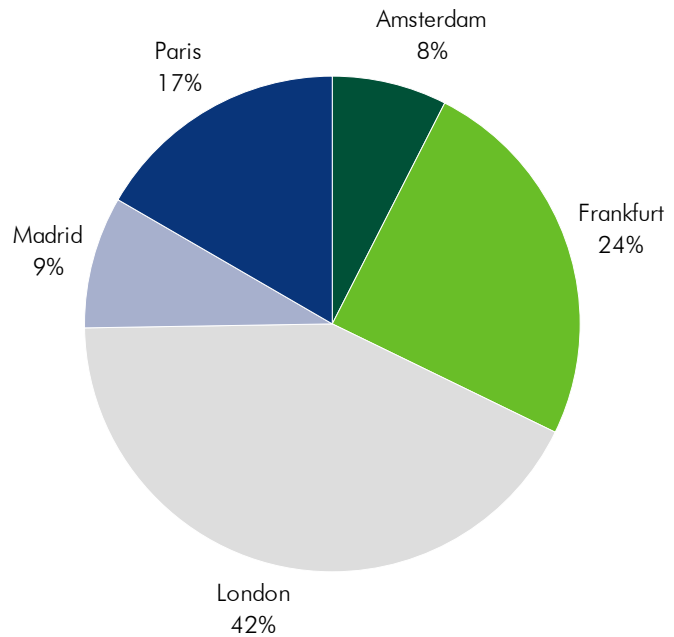
The Madrid market had a hiatus in Quarter 3 with no take-up recorded. This is the first time we have recorded no take-up in the Madrid market, however, we have witnessed periods of low take-up before. We must also note that the previous quarter was one of the best quarters witnessed in the Madrid market. Compared to the other Tier 1 data centre markets, Madrid is a relatively small market with a small number of providers.

There was no change in total stock (36,240 m²) of which 17,910 m² was Fully-fitted space and 18,330 m² was Shell & Core space.

Availability also remained the same at 12,860 m² of which 2,270 m² (18%) was Fully-fitted space and 10,590 m² (82%) was Shell & Core space.

Both overall market vacancy rate (35.49%) and the Fully-fitted vacancy rate (12.67%) were unchanged on the previous quarter.

AVAILABLE CNH SPACE ACROSS ALL TIER 1 MARKETS



Source: CB Richard Ellis Research

DATA SOURCE

CB Richard Ellis in association with Jonathan Heap, Director, iXNewsSearch

iXNewsSearch is the leading daily news research service developed for organisations with a strategic interest in the data centre and mission critical facility industries. Groundbreaking at its inception in 2001, the interactive e-mailed document is packed with global news providing invaluable and timely insights into the business of data centres.

CBRE Technology Practice Group

CB Richard Ellis formed a Technology Practice Group (TPG) in 1994 to address the specialised technical real estate needs of high-tech firms such as telecommunications companies, data centre operators and corporates.

Core technical real estate services provided by the TPG include:

- Investment
- Disposal – one-off assignments, multi-site marketing campaigns
- Acquisition – one-off assignments, worldwide network rollouts
- Consultancy – consolidation strategies, Mergers & Acquisitions
- Asset Valuation – Bank, Corporate
- Project Management, Development Monitoring, Due Diligence, Building and M&E surveys
- Research – market reports, statistics, take-up forecasting

CB Richard Ellis has monitored worldwide Carrier Neutral Hotel supply statistics since 1999. This bulletin relates only to the European Carrier Neutral Hotel Tier 1 markets. Additional market statistics are available on request.

DEFINITIONS

Stock Type

Carrier Neutral Hotel (CNH) Colocation stock: data centres where the operator allows any carrier to connect into the facility and to connect to third parties within the facility, not discriminating between different carriers and charging only nominal fees for interconnection. This is split into two distinct offerings:

- **Retail Colocation:** targets smaller requirements in terms of floor space/IT power and offering an element of colocation/managed services.
- **Wholesale Colocation:** targets larger requirements in terms of floor space/IT power and offering real estate FM services only.
- **Self-build:** typically land for development or modern empty warehouse which is acquired for conversion to a data centre for use by an end-user who will use the space for their own purposes, i.e. a corporate.

Space Type

Shell & Core: Shell & Core space is the base real estate of a data centre, a wind and watertight structure with exposed floor and ceiling slabs and exposed finishes to the walls. The landlord would obtain permissions for data-centre use and make provisions for tenants to install their own chillers and back-up power generating equipment. In addition, an incoming diverse raw HV (high voltage) power supply would usually be provided.

Fully-fitted: Fully-fitted space is ready for tenant IT equipment to be installed almost immediately or subject only to minor works being carried out to account for bespoke equipment and layouts.

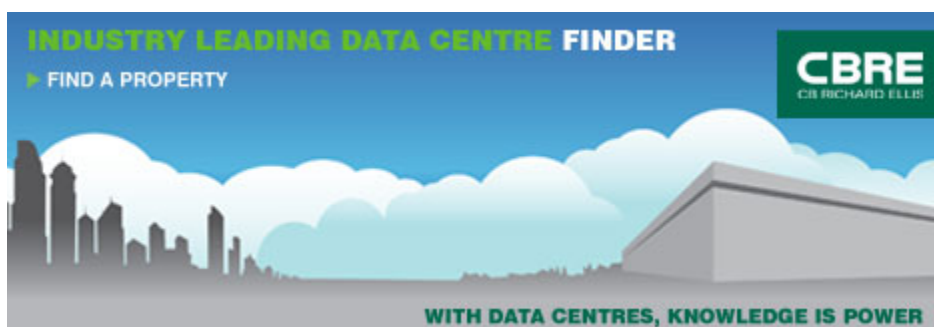
Transaction Type

Retail Transaction: individual letting smaller than 185 m² (2,000 ft²).

Wholesale Transaction: individual letting greater than 185 m² (2,000 ft²).

Tier 1 Markets

Amsterdam, Frankfurt, London, Madrid, Paris



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