

# NORTH AMERICAN MULTI-TENANT DATACENTER SUPPLY

Top 10 Markets – 2013

## DATACENTER

### KEY FINDINGS

- Top markets continue to be competitive: The top five markets in North America continue to be the most competitive, with over 30 competitors in each market, on average. Commanding market shares of greater than 25% for the top provider in each market do not start appearing until the second five markets covered in this report.
- Some markets have an excess of supply: Silicon Valley and Atlanta are two areas with an excess supply of wholesale space and Silicon Valley also has excess retail colocation capacity. This has led to pricing pressure in these markets. Other areas experiencing pricing pressure include Dallas, Northern Virginia and New York/New Jersey, although we believe this is due more to competitors' trying to take market share than to sustained oversupply.
- M&A opportunities available: Given the number of smaller datacenter providers in each market (from a single facility to a handful of facilities), increasing utilization of built capacity, continued lack of access to capital for the smaller datacenter providers to expand and increasing demand for emerging major markets, several of the smaller companies in these markets make attractive acquisition targets for companies looking to expand into additional emerging major markets more quickly than by building.

DECEMBER 2013

# REPORT SNAPSHOT

<b>TITLE</b>	North American Multi-Tenant Datacenter Supply: Top 10 Markets – 2013
<b>ANALYSTS</b>	Kelly Morgan, Research Manager, Multi-Tenant Datacenters  Glenn Ford, Senior Analyst, Multi-Tenant Datacenters  Rick Kurtzbein, Research Analyst, Multi-Tenant Datacenters  Michael Levy, Analyst, Multi-Tenant Datacenters  Stefanie Beaubien, Research Associate, Multi-Tenant Datacenters
<b>RELEASE DATE</b>	December 2013
<b>LENGTH</b>	94 pages

## ABOUT THIS REPORT

The North American Multi-Tenant Datacenter Supply: Top Markets 2013 report gives readers an overview of the top 10 datacenter markets in North America, including metrics for geographies and specific providers. In this report, ‘multi-tenant datacenters’ are considered multi-customer colocation and wholesale facilities. Single-user enterprise datacenters and single-tenant wholesale datacenters are specifically excluded from this analysis.

The report provides current supply, demand and utilization metrics, as well as market-specific analysis similar to our previous supply report series. We size each market by existing supply levels, include maps of datacenter locations and identify all providers as well as identify the top three datacenter providers in each market.

## COMPANIES INCLUDED IN THIS REPORT

1025Connect	China Telecom	Cyberverse
2020 Live Oak MFC	China Unicom	CyrusOne
360TCS	ClearDATA	Dallas Data Center/High Touch Technologies
365 Main	Clearview International	DataBank
AiNet	CME Colocation Services (CME Group)	Datagram
Alchemy Communications	CNS Colo	DataGryd
Alpheus	Cogent Communications	Datapipe
AlteredScale	Colo Atl	DCI Technology Holdings / ASB Capital Management (INFOMART)
American Internet Services	ColocateUSA	Digital Capital Partners
Another 9	ColocationDallas	Digital Fortress
Aperisys	ColoCenters	Digital Hub USA
Arbinet	Cologix	Digital Realty Trust
Ascent	ColoGuard	DLS Internet Services
AT&T	ColoGuys	Downtown Colo
Atjeu Hosting	ColoServe/GoGrid	DuPont Fabros Technology
Atlantic Metro Communications	ColoSpace	EarthLink
Bay Area Internet Solutions	Continuum Data Centers	Enterhost
Benaroya Company	COPT	Equinix
Bothell Data Services	CoreSite	EvoSwitch
BroadRiver	CoreSpace	Excalibur Technology
ByteGrid	CoreXchange	Expedient Communications
Capital Internet	Corporate Colocation	Experis Data Centers
Carpathia Hosting	Cousins Properties	Facebook
Cervalis	Cyber Wurx	Facility Gateway Corpo-
	CyberTrails	

## COMPANIES INCLUDED IN THIS REPORT

ration	Internap Network Services	NTT Communications
Fast Serv Networks	InterServer	OneNeck/TDS
FDCServers	IO	onShore Networks
FiberCloud	ISOMEDIA	Open Data Centers
FiberMedia Group	ISWest/Key Information Systems	Optic Fusion
First Potomac Realty Trust		OPUS-3
Fisher Plaza	IX2 Networks	Peak 10
FOGO Data Centers	Lam Cloud	PEER 1 Hosting
Fortune Data Centers	Latisys	Phoenix NAP
Future Hosting	Layer42 Networks	QTS Realty Trust
GigeNET	Level 3 Communications	Quadrant Data Systems
Global IP Networks	Lighttower Fiber Networks	RagingWire/NTT
Global Net Access (GNAX)	Limestone Networks	Reliant Access
Google	Markley Group	Sabey Data Centers
Gotham Bus	MFXchange Holdings	Saddleback Communica- tions
Granite Block Global Data Center	mindSHIFT Technologies/ Best Buy	Sago Networks
H5 Colo	Multacom	Savvis/CenturyLink
Highwinds Network Group	Natcoweb	Secured Network Services
HOSTING	NationalNet	Sentinel Data Centers
Hostway Corporation	NaviSite/Time Warner Cable	Server Farm Realty
Hqhost.net	Net Access Corporation	ServerCentral
HugeServer	Net2EZ	ServerPhase
Hurricane Electric Internet Services	NetRiver	Sidera Networks
Integra Telecom	NetSource Communica- tions	Silicon Valley Colocation
		Silicon Valley Telecom &

## COMPANIES INCLUDED IN THIS REPORT

Internet Exchange	University of Phoenix
SiteSouth	US Signal Company
Skae Power Solutions	Vantage Data Centers
SMH Colocation	Vastnet
Solutrix	VAZATA
Sprocket Networks	Verizon Terremark
Steadfast Networks	Vertex SSX
Stream Data Centers	ViaWest
SunGard Availability Services	Virtustream
Superb Internet/HopOne Internet	Waymark Communications
T5 Data Centers	Webair
Tata Communications	WebNX Internet Services
Telehouse America	WebRunners
TelePacific Communications	Westin Building Exchange
Telx	Windstream Hosted Solutions
New York Internet	Worknet Inc
Thorn Communications	Worldlink Internet Services
TierPoint	Xand
Tulip Systems	Xilogix
TULIX	XNet Information Systems
tw telecom	XO Communications
U.S. Colocation Services	YourNet Connection
UnitedLayer	zColo

# TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>1</b>
METHODOLOGY . . . . .	2
 <b>MAJOR MARKET TRENDS</b>	 <b>5</b>
SOME OVERSUPPLY IN CERTAIN MARKETS . . . . .	5
CORRELATION TO MSA SIZE OR GDP . . . . .	6
<i>Figure 1: Top 50 Metropolitan Areas in the United States . . . . .</i>	<i>6</i>
<i>Figure 2: Top 50 Metropolitan Areas in North America by GDP . . . . .</i>	<i>8</i>
<i>Figure 3: Comparing GDP and Population to Top 10 Datacenter</i>	
Market Size . . . . .	9
<i>Figure 4: Multi-Tenant Datacenter Major Markets –</i>	
Market Share of Market Leader . . . . .	10
M&A OPPORTUNITIES . . . . .	11
 <b>MAJOR MARKET PROFILES</b>	 <b>12</b>
ATLANTA . . . . .	12
<i>Figure 5: Multi-Tenant Datacenter Providers – Atlanta . . . . .</i>	<i>13</i>
<i>Figure 6: Multi-Tenant Datacenter Market Share Leaders – Atlanta . . . . .</i>	<i>14</i>
<i>Figure 7: Multi-Tenant Datacenter Map – Downtown Atlanta . . . . .</i>	<i>15</i>
<i>Figure 8: Multi-Tenant Datacenter Map – Atlanta Suburbs . . . . .</i>	<i>16</i>
<i>Figure 9: Multi-Tenant Datacenter Supply and Demand – Atlanta . . . . .</i>	<i>17</i>
<i>Figure 10: Multi-Tenant Datacenter Utilization – Atlanta . . . . .</i>	<i>17</i>
<i>Figure 11: Multi-Tenant Datacenter Pipeline – Atlanta . . . . .</i>	<i>18</i>
BOSTON . . . . .	19
<i>Figure 12: Multi-Tenant Datacenter Providers – Boston . . . . .</i>	<i>20</i>
<i>Figure 13: Multi-Tenant Datacenter Market Share Leaders – Boston . . . . .</i>	<i>20</i>
<i>Figure 14: Multi-Tenant Datacenter Map –</i>	
Downtown Boston and Somerville . . . . .	21
<i>Figure 15: Multi-Tenant Datacenter Map – Boston Suburbs . . . . .</i>	<i>22</i>
<i>Figure 16: Multi-Tenant Datacenter Supply and Demand – Boston . . . . .</i>	<i>23</i>
<i>Figure 17: Multi-Tenant Datacenter Utilization – Boston . . . . .</i>	<i>23</i>
<i>Figure 18: Multi-Tenant Datacenter Pipeline – Boston . . . . .</i>	<i>24</i>

CHICAGO . . . . .	25
<i>Figure 19: Multi-Tenant Datacenter Providers – Chicago . . . . .</i>	<i>27</i>
<i>Figure 20: Multi-Tenant Datacenter Market Share Leaders – Chicago . . . . .</i>	<i>28</i>
<i>Figure 21: Multi-Tenant Datacenter Map – Downtown Chicago . . . . .</i>	<i>29</i>
<i>Figure 22: Multi-Tenant Datacenter Map – Chicago Suburbs . . . . .</i>	<i>30</i>
<i>Figure 23: Multi-Tenant Datacenter Supply and Demand – Chicago. . . . .</i>	<i>31</i>
<i>Figure 24: Multi-Tenant Datacenter Utilization – Chicago . . . . .</i>	<i>31</i>
<i>Figure 25: Multi-Tenant Datacenter Pipeline – Chicago . . . . .</i>	<i>32</i>
DALLAS. . . . .	33
<i>Figure 26: Multi-Tenant Datacenter Providers – Dallas . . . . .</i>	<i>34</i>
<i>Figure 27: Multi-Tenant Datacenter Market Share Leaders – Dallas. . . . .</i>	<i>36</i>
<i>Figure 28: Multi-Tenant Datacenter Map – Downtown Dallas. . . . .</i>	<i>37</i>
<i>Figure 29: Multi-Tenant Datacenter Map – Dallas Suburbs. . . . .</i>	<i>38</i>
<i>Figure 30: Multi-Tenant Datacenter Supply and Demand – Dallas . . . . .</i>	<i>39</i>
<i>Figure 31: Multi-Tenant Datacenter Utilization – Dallas . . . . .</i>	<i>39</i>
<i>Figure 32: Multi-Tenant Datacenter Pipeline – Dallas . . . . .</i>	<i>40</i>
LOS ANGELES . . . . .	41
<i>Figure 33: Multi-Tenant Datacenter Providers – Los Angeles . . . . .</i>	<i>42</i>
<i>Figure 34: Multi-Tenant Datacenter Market Share Leaders – Los Angeles . . . . .</i>	<i>43</i>
<i>Figure 35: Multi-Tenant Datacenter Map – Downtown Los Angeles . . . . .</i>	<i>44</i>
<i>Figure 36: Multi-Tenant Datacenter Map – Los Angeles Suburbs . . . . .</i>	<i>45</i>
<i>Figure 37: Multi-Tenant Datacenter Map – Orange County. . . . .</i>	<i>46</i>
<i>Figure 38: Multi-Tenant Datacenter Supply and Demand – Los Angeles . . . . .</i>	<i>47</i>
<i>Figure 39: Multi-Tenant Datacenter Utilization – Los Angeles . . . . .</i>	<i>47</i>
<i>Figure 40: Multi-Tenant Datacenter Pipeline – Los Angeles . . . . .</i>	<i>48</i>
NEW YORK CITY . . . . .	49
<i>Figure 41: Multi-Tenant Datacenter Providers – New York City . . . . .</i>	<i>50</i>
<i>Figure 42: Multi-Tenant Datacenter Market Share Leaders –</i> <i>New York City . . . . .</i>	<i>52</i>
<i>Figure 43: Multi-Tenant Datacenter Map – New York City. . . . .</i>	<i>53</i>
<i>Figure 44: Multi-Tenant Datacenter Map –</i> <i>Lower Manhattan and New Jersey. . . . .</i>	<i>54</i>
<i>Figure 45: Multi-Tenant Datacenter Map – Midtown Manhattan. . . . .</i>	<i>55</i>
<i>Figure 46: Multi-Tenant Datacenter Map – New Jersey . . . . .</i>	<i>56</i>

Figure 47: Multi-Tenant Datacenter Map – Hudson Valley . . . . .	.57
Figure 48: Multi-Tenant Datacenter Supply and Demand – New York City . . . . .	.58
Figure 49: Multi-Tenant Datacenter Utilization – New York City. . . . .	.58
Figure 50: Multi-Tenant Datacenter Pipeline – New York City. . . . .	.59
NORTHERN VIRGINIA . . . . .	.60
Figure 51: Multi-Tenant Datacenter Providers – Northern Virginia . . . . .	.61
Figure 52: Multi-Tenant Datacenter Market Share Leaders – Northern Virginia . . . . .	.62
Figure 53: Multi-Tenant Datacenter Map – Greater Washington DC. . . . .	.63
Figure 54: Multi-Tenant Datacenter Map – Ashburn, Virginia . . . . .	.64
Figure 55: Multi-Tenant Datacenter Map – Reston, Virginia . . . . .	.65
Figure 56: Multi-Tenant Datacenter Map – McLean, Vienna, and Falls Church, Virginia . . . . .	.66
Figure 57: Multi-Tenant Datacenter Supply and Demand – Northern Virginia . . . . .	.67
Figure 58: Multi-Tenant Datacenter Utilization – Northern Virginia . . . . .	.67
Figure 59: Multi-Tenant Datacenter Pipeline – Northern Virginia . . . . .	.68
PHOENIX . . . . .	.69
Figure 60: Multi-Tenant Datacenter Providers – Phoenix . . . . .	.70
Figure 61: Multi-Tenant Datacenter Market Share Leaders – Phoenix . . . . .	.71
Figure 62: Multi-Tenant Datacenter Map – Downtown Phoenix . . . . .	.72
Figure 63: Multi-Tenant Datacenter Map – Phoenix Suburbs . . . . .	.73
Figure 64: Multi-Tenant Datacenter Supply and Demand – Phoenix. . . . .	.74
Figure 65: Multi-Tenant Datacenter Utilization – Phoenix . . . . .	.74
Figure 66: Multi-Tenant Datacenter Pipeline – Phoenix . . . . .	.75
SAN FRANCISCO/SILICON VALLEY. . . . .	.76
Figure 67: Multi-Tenant Datacenter Providers – San Francisco/Silicon Valley . . . . .	.78
Figure 68: Multi-Tenant Datacenter Market Share Leaders – San Francisco/Silicon Valley . . . . .	.79
Figure 69: Multi-Tenant Datacenter Map – Silicon Valley . . . . .	.80
Figure 70: Multi-Tenant Datacenter Map – Santa Clara. . . . .	.81
Figure 71: Multi-Tenant Datacenter Map – San Francisco/Oakland . . . . .	.82



Figure 72: Multi-Tenant Datacenter Supply and Demand – San Francisco/Silicon Valley . . . . .	.83
Figure 73: Multi-Tenant Datacenter Utilization – San Francisco/Silicon Valley . . . . .	.83
Figure 74: Multi-Tenant Datacenter Pipeline – San Francisco/Silicon Valley . . . . .	.84
SEATTLE . . . . .	.85
Figure 75: Multi-Tenant Datacenter Providers – Seattle . . . . .	.86
Figure 76: Multi-Tenant Datacenter Market Share Leaders – Seattle . . . . .	.87
Figure 77: Multi-Tenant Datacenter Map – Downtown Seattle . . . . .	.88
Figure 78: Multi-Tenant Datacenter Map – Seattle Suburbs . . . . .	.89
Figure 79: Multi-Tenant Datacenter Supply and Demand – Seattle . . . . .	.90
Figure 80: Multi-Tenant Datacenter Utilization – Seattle . . . . .	.90
Figure 81: Multi-Tenant Datacenter Pipeline – Seattle . . . . .	.91

<b>MULTI-TENANT DATACENTER TAXONOMY</b>	<b>92</b>
MULTI-TENANT DATACENTERS . . . . .	92
COLOCATION . . . . .	92
WHOLESALE DATACENTER . . . . .	93
INTERCONNECTION . . . . .	93
MANAGED HOSTING . . . . .	93

## ABOUT 451 RESEARCH

451 Research is a leading global analyst and data company focused on the business of enterprise IT innovation. Clients of the company — at end-user, service-provider, vendor and investor organizations — rely on 451 Research's insight through a range of syndicated research and advisory services to support both strategic and tactical decision-making.

© 2013 451 Research, LLC and/or its Affiliates. All Rights Reserved. Reproduction and distribution of this publication, in whole or in part, in any form without prior written permission is forbidden. The terms of use regarding distribution, both internally and externally, shall be governed by the terms laid out in your Service Agreement with 451 Research and/or its Affiliates. The information contained herein has been obtained from sources believed to be reliable. 451 Research disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although 451 Research may discuss legal issues related to the information technology business, 451 Research does not provide legal advice or services and their research should not be construed or used as such. 451 Research shall have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof. The reader assumes sole responsibility for the selection of these materials to achieve its intended results. The opinions expressed herein are subject to change without notice.

