

Key Indicators



Under Construction
172 MW



Vacancy
13%

MORE INFORMATION

Dave Fanning
Executive Managing Director
Global Data Center Advisory Group
+1 303 818 7376
dave.fanning@cushwake.com

Kevin Imboden
Director of Research
Global Data Center Advisory Group
+1 408 436 3622
kevin.imboden@cushwake.com

GLOBAL DATA CENTER ADVISORY GROUP

Cushman & Wakefield's Data Center Advisory Group is a global team of elite professionals delivering specialized real estate solutions for mission critical users, owners, and environments. With scalability, reliability, and security as a driving force, our highly knowledgeable and responsive professionals guide clients to make effective financial decisions. Our expertise ranges includes colocation facilities, control centers, greenfields, powered shell, and trading floors. We lend additional value through our understanding of global dynamics and their impact on local markets.

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Market Overview

London continues to be the primary hub and largest data centre market in Europe, mirroring global powerhouses Northern Virginia or Singapore with their constant demand despite ever-increasing site costs and considerable competition. The city serves as a crucial primary deployment point for cloud services both major and minor, with Google, IBM, and Alibaba adding new options in-market throughout 2020 and operators adding further onramps and connectivity to assist. Interconnection in several locations both in Slough and the Docklands submarkets remains key for many clients, with the largest financial institutions and other corporations interested in local compute and backhaul connectivity to the continent.

While several construction phases have completed throughout recent months, international operators Equinix, NTT, and Telehouse are all working on newly-announced expansion projects, alongside new builds from locally-based Virtus. Two mega-projects have also been mooted by non-traditional data centre operators, with the Columbia Threadneedle mixed-used campus in Langley and the proposed Stratus Cromwell site likely growing to market leadership sizing at full buildout. With power availability not currently as constrained as in other European cities and sizable take-up continuing, the future remains bright for London heading into 2021.

Ecosystem Developments

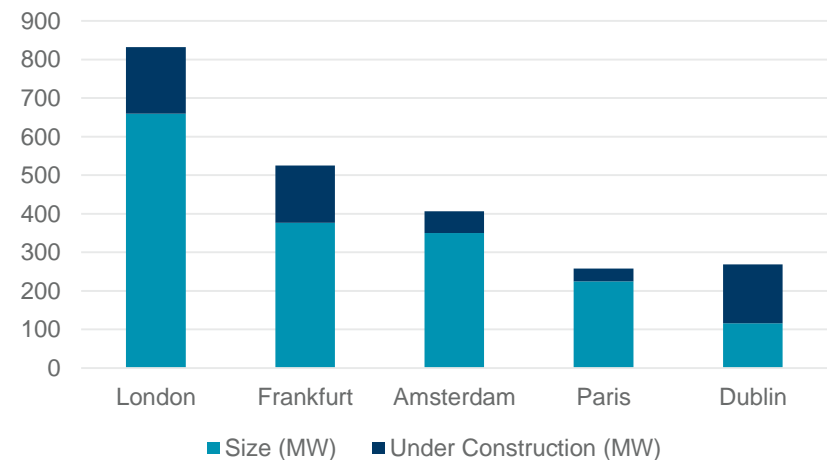
- **Interxion** announced the successful deployment of EkkoSense monitoring tools at their West Drayton data centre in the summer, with an immediate reduction in cooling energy by 20 percent. Further sites throughout the greater Digital Realty/Interxion portfolio will now use the program in the future to derive efficiencies. Digital Realty also announced a further collaboration with Nvidia and Core Scientific at their Docklands location, with the companies now offering an artificial intelligence platform for local financial tenants.
- **Equinix** announced the availability of Alibaba Cloud to their clients in the summer, with London and 16 other major markets providing this service at launch. Alibaba Cloud now offers full integration with Platform Equinix and the Equinix Cloud Exchange (ECX) Fabric. euNetworks also signed an agreement with the global REIT, offering their services on ECX Fabric in London and four other European markets. The US REIT remains committed to London, with four expansion projects underway locally.
- **Google Cloud** announced that their Bare Metal Solution is now available in several new regions, with London joining Los Angeles, Northern Virginia, Frankfurt, and Sydney. Google is intending for this service to assist enterprises who would otherwise not utilize their usual cloud product suite.
- Global hosting provider **Leaseweb** opened their third UK data centre inside the Iron Mountain facility in Slough, with plans to offer a variety of colocation and disaster recovery options to clients. The 200 kW data centre is the 20th location for Leaseweb, with the company also operating in Frankfurt and Amsterdam on the continent.
- **Crosslake Fibre** is underway on the new CrossChannel Fibre network, with the 550-kilometre route to connect London and Paris. Due for completion by the end of 2021, the system will be the first new cable to cross the English Channel in the past two decades.

Ecosystem Developments

- **Cyxtera** has launched a new partnership with Unitas Global for their London data centres, providing Cyxtera customers with a variety of new connectivity options. The access will allow clients to simplify their multi-cloud architecture. The operator later announced its own partnership with Nvidia, providing artificial intelligence and machine learning options for users in London and two US markets.
- **Iron Mountain** established a new agreement with the London Internet Exchange (LINX) to become a ConneXions reseller, providing a new array of peering services at their local data centre. The global storage company is in progress on three expansions at two different sites, adding 13 MW to their local portfolio.
- **Colt PrizmNet** announced new fibre options in summertime, with an upgraded route now connecting the local Equinix LD4 data centre to Equinix FR2 in Frankfurt, Interxion London, and the London Stock Exchange, and a second upgraded route among Interxion London, Equinix FR2, Equinix ZH4 in Zurich, and the BME stock exchange in Madrid.
- **Cloudflare** recently released their Cloudflare Network Interconnect product, allowing users to directly connect to Cloudflare services rather than utilizing the public cloud. The company is partnering with several global providers to offer this platform, and London is joining 22 other major metros to have this service at launch.
- **Pulsant** announced Megaport connectivity across their portfolio, with the South London location joining Milton Keynes and Edinburgh data centres offering the service. Megaport and Pulsant Cloud Connect together provide direct access between Pulsant and the Megaport network.
- **SSE Enterprise** announced a plethora of newly enabled sites across the United Kingdom, alongside updated services at four existing locations including three in London. This includes Global Switch 2, Interxion at Hanbury Street, and Equinix LD5 in Slough. SSE operates a telecoms network and offers a variety of connectivity options in dozens of national data centres.
- The global acquisition of **Zayo** data centres by DataBank has a local component, with their 3.2 MW Feltham outpost to become a DataBank site once the deal closes. This will be the inaugural data centre in the UK for DataBank, who has until this time focused on secondary and tertiary markets across the United States.
- **RETN** has upgraded its fibre network across London, now offering dual-ring architecture connecting leading international operators such as Digital Realty, Equinix, Global Switch, Telehouse, and Equinix. The company also offers long-haul connectivity throughout Europe and Central Asia, with additional leased fibre in southern Europe and the Balkans.
- The **PCCW** ConsoleConnect platform now offers direct on-ramps to IBM Cloud, with London an initial market for this connectivity. The partnership enables access to the entire IBM portfolio including compute and storage infrastructure options.

FLAP-D Construction Update

As reviewed periodically in our FLAP-D reports, construction continues across all five markets, the smallest of which will still be approaching 300 MW after all current phases are complete. London remains far and away the largest, with plans to surpass 800 MW by mid-2022. Frankfurt has quickly surpassed Amsterdam thanks to the continued development moratorium, although certain phased projects have been able to continue. Although Paris has regained some recent interest, the rapid build-out of Dublin could have it edge ahead over the next couple of years.



Construction Update

OPERATOR	LOCATION	SIZE (SQM)	POWER (MW)	STAGE / EST. DELIVERY
Ark Data Centres	Meridian Park	35,200	16	Under Construction / Q4 2020
	Longcross Park	35,768	16 (est)	Under Construction / Q4 2021
	Union Park	56,000	25 (est)	In Planning / 2021
Iron Mountain	LON-1 Phase 2	887	2	Under Construction / Q4 2020
	LON-1 Phase 3	887	2	Under Construction / Q1 2021
	LON-2	8,000 (est)	9	Under Construction / Q2 2022
CyrusOne	London III	1,765	6	Under Construction / Q1 2021
Echelon Data Centres	LCY 10	12,000	20	Under Construction / Q1 2021
Equinix	LD7 Phase 1B	1,545	2 (est)	Under Construction / Q1 2021
	LD11x Phase I	10,000 (est)	10	Under Construction / Q2 2021
	LD8 Phase 4	971	1 (est)	Under Construction / Q2 2021
	LD7 Phase 2	4,017	5 (est)	Under Construction / Q2 2022
Virtus	London 8	7,000	16	Under Construction / Q4 2021
	London 11	5,500	13	Under Construction / Q4 2022
NTT	Hemel Hempstead 4	9,600	24	Under Construction / Q4 2021
Telehouse	Docklands	31,000	30	Under Construction / Q1 2022
Columbia Threadneedle	Langley	93,000	100 (est)	In Planning
Stratus Cromwell	London	90,000 (est)	100	In Planning

The volatile pandemic economy has not harmed the London data centre market, with several new phases announced in recent months and another 200 MW in serious planning.

Recent Property Sales

PROPERTY	SIZE (SQM)	SALE DATE	SALE PRICE	BUYER	SELLER
Stanhope Rd, Camberley	13,500	Nov-20	£35,000,000 (est)	Lincoln Rackhouse, Sprott	Bank of America

Recent Site Sales

PROPERTY	SIZE (Hectares)	SALE DATE	SALE PRICE	BUYER	SELLER
Park Royal	2.2	Sep-20	£39,000,000	Ark Data Centres	Renault