

DATA CENTRE MARKETBEAT

Fall 2019



CUSHMAN &
WAKEFIELD

TOKYO

MARKET OVERVIEW

Tokyo remains one of the largest data center markets in the world, with an economy deeply rooted in finance, technology, and other sectors requiring heavy compute capacity. After a relatively slower end to 2018, Equinix, Colt, and the Mitsubishi and Digital Realty partnership all launched new projects in greater Tokyo with completions expected throughout 2020 and 2021. Inzai in Chiba Prefecture is rapidly becoming a new regional data center market with these developments, and IIJ launched a new campus in nearby Shiroy at mid-year. Inzai is not only home to colocation, as Google closed on a site in May with plans to develop their own large campus, their first data center development in Japan. Purchased from Australian developer Goodman Group, the facility will slot in among warehouses on the greater Goodman Business Park. Similar to most developed markets, public cloud spend is expected to grow by at least 20-25% over the next several years as mid- and large-size Japanese firms modernize their infrastructure and migrate workloads. Combined with the continued development of Osaka as a data center destination, overall outlook remains positive for the nationwide industry.

ECOSYSTEM DEVELOPMENTS

- **Oracle** has added Tokyo to its Cloud Infrastructure platform, creating the new region in response to the continued growth in cloud investment throughout Japan. The new region is the company's fourth throughout the Asia Pacific theater, after Mumbai, Seoul, and Sydney.
- **Reveal Data** opened a new data center in Tokyo in August, continuing a long international expansion that now totals 19 similar facilities across the globe. The company creates eDiscovery software for the legal sector and offers a variety of related solutions for law firms.
- **NTT** announced a dramatic rebrand across their extended platform, with Dimension Data, RagingWire, e-shelter, NetMagic, and all others joining together under the NTT brand in 2020. The restructure will create an \$11 billion data center powerhouse with operations across 20 countries.

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“Three major new projects have been announced, stimulated by international interest in the strong client base Tokyo has to offer.”

RECENT LAND SALES

PROPERTY	SITE	SIZE	SALE DATE	BUYER	SELLER
Future Google Data Center Development Site	Within Goodman Business Park, Inzai	Not disclosed	May-19	Alphabet	Goodman

MAJOR CONSTRUCTION UPDATE

OPERATOR	SITE	SIZE (SQM)	STAGE / EST. DELIVERY
IIJ	SHIROI DCC	40,000	Completed / Q2 2019
KDDI	TAMA 5	3,800 (est)	Under Construction / Q2 2020
SoftBank	Fuchu	36,853	Under Construction / Q2 2020
Equinix	TY12	2,787	Under Construction / Q4 2020
Colt	INZAI 3	8,000	Under Construction / Q4 2020
MC Digital Realty	NRT10	20,000 (est)	Under Construction / Q2 2021

MORE INFORMATION:

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GLOBAL DATA CENTER ADVISORY GROUP

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