

DATA CENTRE MARKETBEAT

Spring 2020



CUSHMAN & WAKEFIELD

TOKYO

MARKET OVERVIEW

Tokyo has enjoyed the launch of several new projects over the past six months, with Equinix, MC Digital Realty, Colt, SoftBank, and KDDI all in progress on expansion to be completed by mid-2021. These projects are well-placed to coordinate with the recent increase in cloud software spend by large companies globally and including throughout Asia, as mid- and large-size enterprises modernize older infrastructure and scale accordingly. In the best-case scenario these enterprises will continue to move ahead with said expenditure, though unfortunate virus-driven economic headwinds have led to a national economy to a likely recession scenario. However, no significant postponements of the operators currently in development have been observed. Large players are still interested in obtaining better connectivity both to Greater Tokyo and throughout the country, with a new cable coming online shortly and data centre giant Megaport beginning service in-country.



“Several major operators are working on new phases, with nearly 100,000 square metres of new buildings in progress across greater Tokyo.”

MAJOR CONSTRUCTION UPDATE

OPERATOR	SITE	SIZE (SQM)	STAGE / EST. DELIVERY
KDDI	TAMA 5	3,800 (est)	Under Construction / Q2 2020
SoftBank	Fuchu	36,853	Under Construction / Q2 2020
Equinix	TY12x (Phase I)	2,787 (est)	Under Construction / Q4 2020
	TY11 (Phase II)	3,594 (est)	Under Construction / Q1 2021
Colt	INZAI 3	8,000	Under Construction / Q4 2020
MC Digital Realty	NRT10	37,780	Under Construction / Q2 2021

MORE INFORMATION:

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ECOSYSTEM DEVELOPMENTS

- Australian data center operator **AirTrunk** confirmed that it is searching for a site in Tokyo, adding the market to its projects in Singapore and Hong Kong. The company launched with large campuses in Sydney and Melbourne and plans to expand throughout Asia.
- Megaport** has launched operations in Tokyo, with the connectivity provider beginning services at two Equinix locations and the @Tokyo CC1 facility. Further expansion is planned at other Tokyo data centres, with Osaka following.
- RTI** confirmed that their JGA cable connecting Tokyo, Guam, and Sydney will terminate directly into Equinix data centres in both Tokyo (TY2) and Sydney (SY4). Both North and South portions of the cable are scheduled to go live within the year.

OSAKA ON THE RISE

As referenced in our last report, Osaka has emerged as a strong regional secondary market in comparison to the global powerhouse market in Tokyo. Osaka offers more affordable land (though good sites are rapidly becoming difficult to find), a large metropolitan area with many locally based clients, and a location as a possible disaster relief location for enterprises with their main facilities in Tokyo. AWS has announced their plan to expand its Osaka Local Region into a full suite of AWS Region by 2021, and NTT, MC Digital Realty, and @Tokyo have all announced new facilities in-market with similar amenities as to their Tokyo locations. As growing secondary markets in Asia, Osaka has been treated alongside Jakarta, Kuala Lumpur, Mumbai, Melbourne, and Seoul but the city might soon to receive its primary position in the near future.

GLOBAL DATA CENTER ADVISORY GROUP

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