



Under Construction
130 MW

“Investment and hyperscale development continue across greater Tokyo with new operators now entering.”

MORE INFORMATION

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

Hideaki Suzuki
Director of Research, Japan
Tel: +81 3 3596 7804
hideaki.suzuki@cushwake.com

Yuko Kamei
Research & Consulting, Japan

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.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

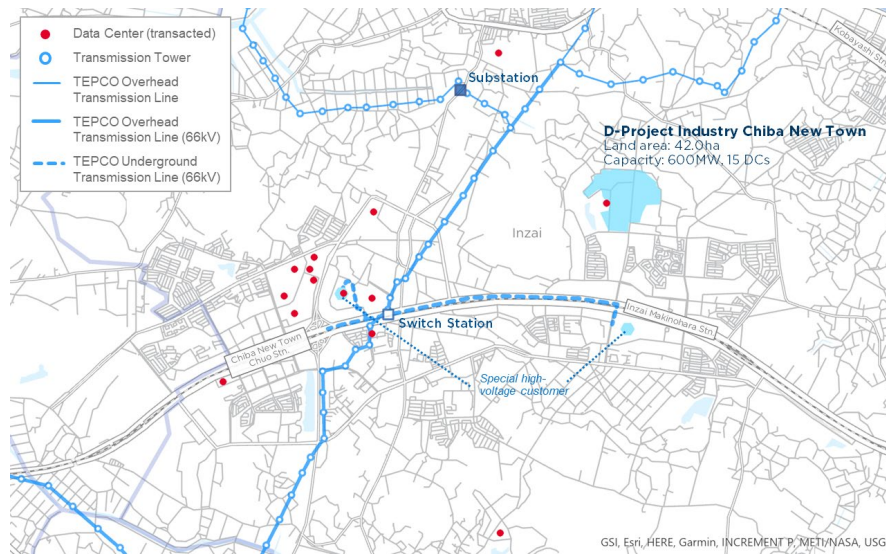
Market Overview

Tokyo continues to attract new investment, beginning with the entry of Princeton Digital Group and Vantage with their initial projects locally, bringing the under-construction total in-market to 130 MW, mainly aimed at hyperscale tenants marketing their platforms to large corporations and government entities. While hardly a low-cost market for land acquisition, land (and associated zoning and permitting) is available for major builds, a considerable advantage in comparison to rapidly constrained markets regionally and globally. As noted in our last report, investment in operational facilities has continued with three buildings trading, two leased to Arteria and acquired by recent entrant Digital Edge, and a third sold by IIF REIT with tenants NTT Docomo and Hitachi. With the continued upgrades in connectivity and further cloud services options, expect impressive performance leading into 2022 and more development and investment coming in Tokyo and regionally.

Ecosystem Developments

- **Amazon** has agreed to purchase 22 MW of solar energy from Mitsubishi subsidiary MC Retail Energy, as the cloud computing giant continues its global push toward fully renewable energy. The deal is the first renewable energy acquisition in Japan for Amazon.
- **Tencent** added another location in Tokyo, bolstering their local Northeast Asia Pacific region. The major cloud service continues expansion across the world, with new sites in Bangkok, Frankfurt, and Hong Kong also coming online.
- The Softbank-owned **BBIX** internet exchange now offers access to IBM Cloud, adding to previous availability with Amazon Web Services, Microsoft Azure, Google Cloud, and several other major platforms. The exchange followed this with further access available at the Softbank Tokyo Number 4 data centre.
- **Zenlayer** added a new bare metal cloud zone in Tokyo at mid-year, joining Atlanta, Istanbul, and Guangzhou as cities gaining additional capacity. Two additional cloud networking links also came online locally, connecting Tokyo to both Seattle and Hong Kong.
- The Pan-Asia acquisition of Agile Data Centers by **Vantage** provides instant access to major markets Tokyo, Osaka, and Melbourne, with a large project currently underway in Sagami-hara. Vantage is now active in fifteen markets globally spanning North America, Europe, and Asia.
- **Tata Consultancy Services** and Google Cloud are partnering to establish TCS Google Garages in three global cities, with Tokyo joining New York and Amsterdam acting as locations for co-innovation and research. Cloud solutions, artificial intelligence (AI), and much else will be on offer for companies to evaluate.
- **@Tokyo** announced further service offerings locally, first collaborating with PCCW on for further connectivity via the Console Connect platform to link to further markets across the greater Asia-Pacific region. This was followed by the addition of Megaport availability within the @Tokyo Cloud Lab for further Network-as-a-Service (NaaS) options.

INZAI MARKET CLUSTER



While other primary data center markets across the world have suffered from a lack of available power, the Inzai cluster located 40 kilometres outside of central Tokyo looks set to thrive thanks to continued support from utility TEPCO and robust transmission lines across the area. The Mitsubishi-Digital Realty joint venture recently completed a new building in Inzai, joining Colt and new construction by the Equinix-GIC xScale joint venture and AirTrunk on their initial foray into Japan. Despite other builds announced in Saitama and Sagami-hara, expect Inzai to continue its prominence as hyperscalers continue to battle for market share locally, thanks to the strong connectivity and power available.

Source: TEPCO, Real Capital Analytics

Recent Site Sales

PROPERTY	SIZE (Hectares)	SALE DATE	BUYER	SELLER
2-1917 Nisshin-cho (Kita ward, Saitama)	3.3	Jul-21	Princeton Digital Group	Marelli

Recent Property Sales

PROPERTY	SIZE (SQM)	SALE DATE	BUYER	SELLER
4-31-18 Nishigotanda (Shinagawa ward)	10,479	Sep-21		IIF REIT
1-5-3 Nihonbashi-Horidomecho (Chuo ward)	3,641	Jun-21	Digital Edge	Marubeni Corp
2-16-9 Kabukicho (Shinjuku ward)	9,336	Mar-21	Digital Edge	Marubeni Corp

Construction Update

OPERATOR	SITE	SIZE (SQM)	POWER (MW)	STAGE / EST. DELIVERY
AirTrunk	TOK1	56,000	60	Under Construction / Q4 2021
Equinix	TY12x (Phase II)	8,000 (est)	10	Under Construction / Q1 2022
	TY11 (Phase III)	1,853	3 (est)	Under Construction / Q2 2022
Princeton Digital Group	Saitama	29,430	48.5	Under Construction / Q2 2024
Vantage	HND1	28,000	8	Under Construction / Q2 2024