DATA CENTER NEWS

HARPER HARRISON

Welcome to the fourth edition of Harper Harrison's Data Center News. We know how busy many of the industry leaders are in this thriving sector, so we thought we would highlight some of the months industry news into a bite size format.

DECEMBER WRAP-UP

December was another great month in the books for the industry and a positive way to end a challenging year for many. The usual announcements regarding tax incentives, investments and mergers lay the foundations for 2021, which many predict will be the best year to date.

Data Center Dynamics hosted their 2020 virtual awards evening and there were some notable triumphs. Cyrus One won Construction Team of the Year in collaboration with Mercury Engineering, Salute Mission Critical took the Data Center Operations Team of the Year award and the Hyperscale Innovation award went to Facebook.

Industry Insights

December saw the release of Turner & Townsend's annual Data Center Cost Index that can be found via the Turner & Townsend website. A well put together, concise document that quantifies the performance of the industry throughout 2020.

It is stated that '71% of respondents now consider the data center industry to be recession-proof, up from 50% last year.' This is largely due to the aggressive investment and construction demand that has been ever present throughout 2020. However, the jury is still out on whether the industry has managed to keep up with demand throughout the year.

It is expected that 2020 has set the data center construction market up to boom again in 2021. This is due to the number of site acquisitions made during 2020 and developers making up for lost time due to covid-19 related site restrictions (Turner & Townsend, 2020).

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Stream Expands Chicago Presence with Second Data Center

In a press release on the 9th of December, Stream Data Centers announced the acquisition of an industrial property set for redevelopment in Chicagoland's Elk Grove Village, Illinois. The release goes on to say "The new Chicago II data center will provide 30,000 SF of turnkey-ready capacity initially, with an ultimate total capacity of 130,000 SF and 32 MW. Construction is set to begin in February 2021, with early occupancy available for tenants in the third quarter of next year."

Source: Chicago Business Journal

Cologix Launches Cloud-First Digital Infrastructure in Ashburn

Cologix announced a new one million square foot data center to be built in Data Center Alley. They stated "Cologix's new one million square-foot, 120 MW hyperscale edge cloud campus in Ashburn brings together massive scale, interconnection, next generation infrastructure requirements, a new peering hub and the ability for hyperscalers to design their own space, representing a dramatic shift in the design and delivery of edge deployments." The site will boast 16 data halls with six being built in the first phase, these six will be across approximately 350k square feet are designed to meet Tier III standards.

Source: Datacenters.com

Covid Relief Bill Includes Data Center Efficiency Targets

The mammoth Consolidated Appropriations Act 2021 includes the Energy Act of 2020 which has sections focussing on data center energy efficiency. The act calls for a report on data center energy use and efficiency and should include "a comparison and gap analysis of the estimates and projections contained in the report with new data regarding the period from 2015 through 2019". According to the act, the report should take no longer than four years to complete.
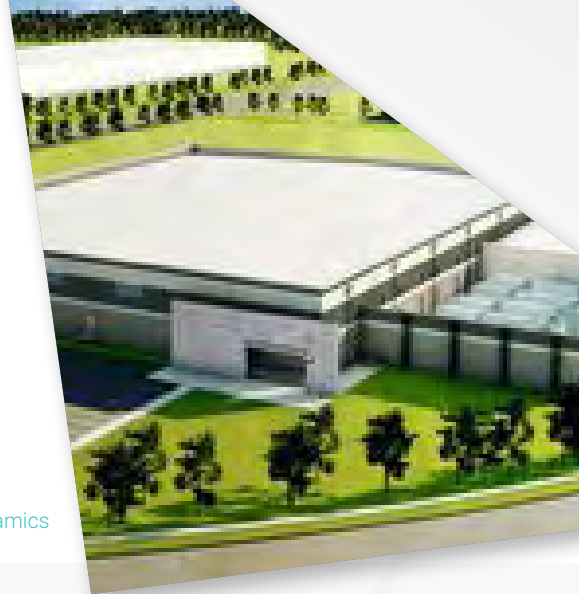
Source: Data Center Dynamics

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Flexential Plans to Grow Its Plano Site

The Dallas Morning News reported that Flexential plans to start work early in 2021 on a 146,000-square-foot addition to their Plano campus according to planning documents filed with the state of Texas. The new development will add 2.25 megawatts to the facility bringing it up to 18 megawatts. This news comes only months after they announces they would add 3 megawatts to their Alpharetta, GA DC in November.

Source: Data Center Dynamics

Virginia Records Record Tax Break Year For 2020

The Washington Business Journal reported that the state of Virginia gave $1.5 million in sales and usa taxes related to computer equipment, enabling software and other hardware used in data centers according to a report released by the state.

Data center tax incentives are obviously nothing new to Virginia with $92.2 million in 2019, $72.2 million in 2018 and $65.2 million tax abated in each fiscal year. There is no reason for this trend not to continue with the current trends of expansion in the data center capital of the world.

Source: Data Center Dynamics

Europe: NTT Opens Its 7th UK Data Center

The new London 1 data centre, located in Dagenham, East London, adds 25,600 square metres of IT space and up to 64 MW of IT load. The company says that it chose Dagenham based on the borough's reputation as being a media and digital innovation hub, and its proximity to the Docklands internet backbone. NTT's CEO Jason Goodall commented "This milestone data centre and large investment shows our commitment to the UK market as well as the demand from our customers for sustainable, secure and scalable data centres. We are headquartered in the UK and it is fundamental to our future growth plans,"

Source: Data Centre News

60 Seconds with... Tasha Harvey

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How did you get into the Data Center industry?

"My first exposure to the data center industry occurred while I was working abroad in Arup's London office. I was working with financial institution in and around their mission critical infrastructure, mainly in data centers and disaster recovery facilities. I was drawn to the industry by the highly complex puzzles the projects presented, particularly in existing facilities."

What makes the Data Center sector unique?

"I think today the sector is unique because there is a newfound dependency upon it. This year has been a solid example of how dependent both individuals and businesses are upon the services that the industry provides. Whether you're at home, at work, or even out and about using maps on your smart phone for choices of restaurants and shopping, we are all dependent on the exchange and flow of data and the expectation is that it happens instantly."

What 3 tips would you give to someone just getting started in the industry?

- "You have to be bold. In the words of Sheryl Sandberg, you must 'lean in', and listen to the feedback you're getting, even if it's critical."

- "Strive to surround yourself with knowledgeable people and ask a lot of questions. There are a lot of people in this industry with a wealth of knowledge who are very happy to share it."

- "Be an advocate for the industry. If you can find ways to help raise the industry's profile by digging into energy efficient, sustainable, and resilient solutions for data centers, there will be great opportunities to get 'stuck in'."

What do you think will be the biggest challenge in the next five years for the Data Center market?

"I think the biggest challenge is around growing talent for the industry. We all know the industry is growing and there is a lot of opportunity for fostering new talent. If you're an owner or operator, you're wanting to get projects on the ground and running. If you're a consultant or a contractor, you're wanting to service those projects. Getting enough people with the right knowledge level geared up and ready to go – this is the biggest challenge."

How do you believe we can overcome this challenge?

"We need a workforce that is made up of a much more diverse talent pool with varying skills and perspectives. For instance, digitization and automation skills are must-haves to keep up with the pace of the industry, and people who possess these skills may come from different backgrounds and experiences than those the industry is accustomed to seeing. We need to broaden our scope of where we're looking and take care of the new talent, making sure we are fostering the growth of people who are new to the industry. In any firm or sector, it is important to pass on gained knowledge to the next generation. It is important for the data center industry to meet this challenge head on, and to become known for its agility and methods of bringing up talent, whether this be through internships, apprenticeships, or even programs that partner with schools."

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December Round-Up

2020 is over but we will certainly feel the legacy of this year for quite some time. This applies to the data center industry as much as any other industry. The increased IT load caused by most of the world working from home at one point or another, meant that our IT infrastructure and capacity came under the spotlight in 2020 and by most accounts it delivered and showed how stable it is.

December saw many colocation providers continue to expand and grow across the US but also other parts of the world and set us up nicely for a busy start to 2021. Considering CBRE is predicting the US data center inventory will grow by 13.8%, there is certainly plenty of work to be done in all aspects of the industry to ensure this is delivered.

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