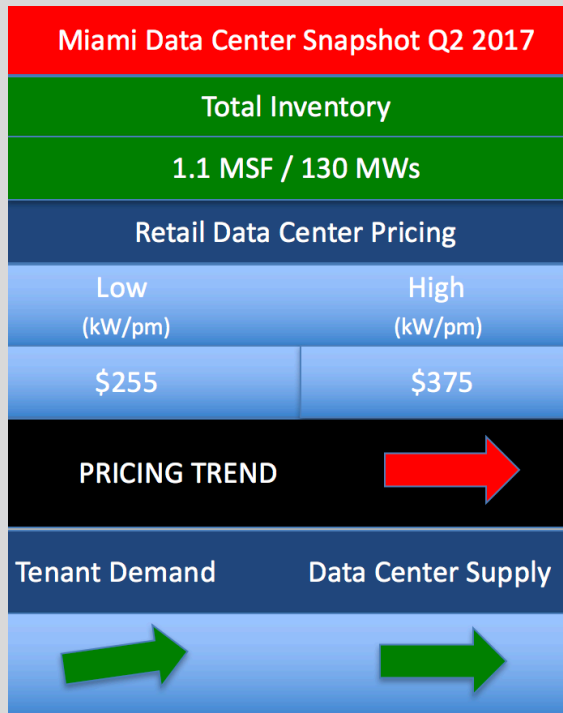


Data Center Market Overview 2017 – Q2

The Miami data center market is a steady growth retail colocation and interconnectivity market and remains an important international gateway city. The city has the 8th largest MSA by population and the 12th largest metro GDP in the US.

The growth of the Miami population and it's strong local, regional and international business community continues to drive the need for data center services along with serving as an international connectivity hub with Latin America, the Caribbean, and many other countries. Recent data center activity has ramped up with Google lighting it's ultra high-speed fiber connecting Santos and Fortaleza, Brazil by 2018.

Miami has limited current supply of data center space due to current power constraints in the Equinix Miami NAP and virtually no wholesale footprint opportunities in the market. Historically, the Miami market sees 1.5–2 MWs of absorption per year.



Notable Miami Data Center Activity

Equinix acquired 29 data centers from Verizon which included the 750,000 flagship Miami NAP. The Equinix Miami NAP currently has very limited supply due to the data center nearing its current power capacity.

Equinix intends to have 1 MW available by early 2018 and 5 MWs by end of 2018 in the NAP facility. An additional 125,000 SF of shell space exists in the building offering future expansion opportunity as the power situation is resolved.

Equinix is contemplating wholesale footprints in the NAP to offer larger solutions to the hyperscale, content delivery and enterprise sector leveraging the imbedded connectivity profile of the NAP.

Digital Realty Trust is nearly fully occupied in the 36 NE 2nd Street with operator/telecom tenants and it's DRT/TelX operations is nearing capacity in the building.

EdgeConnex announced its 2nd data center in the Miami area in 2017 acquiring a 65,500 SF facility with an initial phase of 11,400 Sf of raised floor to be available by end of 2017.

Summary

The Miami data center market is in growth mode due to its connectivity profile as the nexus of metro, long-haul and multiple high-speed international subsea fiber landings. We anticipate data center activity to exceed historic absorption levels heading into 2018.

With the Google Monet subsea fiber to be lit in the near term and others to follow, international connectivity will continue to attract content delivery networks (CDNs), interconnectivity, cloud and colocation deployments to service the US and international enterprise sector.

The Equinix NAP has the largest potential supply of data center space in the Miami area; however, Equinix needs to address the power constraint issues with the facility which we anticipate to be resolved by 2018.