

DATA CENTERS

REAL ESTATE ACQUISITIONS REPORT

YEAR IN REVIEW

2012



FIVE 9S DIGITAL



DATA CENTERS

REAL ESTATE ACQUISITIONS REPORT

Five 9s Digital – www.five9sdigital.com
2012 Review

In 2012, the industry witnessed a slew of data center real estate acquisitions made by institutions, real estate investment trusts (REITs) and private companies seeking to either increase their holdings or enter the marketplace. Increasing market activity and investments have shown that data center real estate has quickly become its own significant asset class with numerous noteworthy transactions crossing the wire in 2012.

The following pages highlight some of the data center real estate transactions which occurred in 2012 including single tenant properties, multi-tenant assets and campus/ data center park acquisitions.

The pace is quickening for acquisitions, and 2013 is off to a fast start, setting the pace for a very high volume year. Investment firms have made no secret of their intentions to acquire quality data center assets to bolster their portfolios and stake their claim in the data center marketplace. The long term nature of leases, substantial tenant investment, and tenant credit profiles often prove to be reliable investments for many real estate investment groups. Long term sale-leaseback opportunities in 2013 will certainly have a voice as corporations consider utilizing unleashed capital to upgrade their aging data center infrastructure to meet current design standards and operational efficiencies.

With the addition of new players with substantial investment capital, the ensuing competition for high quality, well located data centers will put downward pressure on cap rates as 2013 progresses. Speculative building acquisitions and ground-up development activity in Tier 1 and Tier 2 markets will continue to increase in 2013 as a result of the limited supply of existing available space and investment opportunities.

The purchase prices of the data centers on the following pages range considerably as do the price per sq ft of each. The variations are related, but not limited, to variables such as terms of lease, tenant credit, building shell rent vs. turnkey rents, and location. This outline is only meant to be a sampling of acquisitions based upon information obtained by public record and publications and is not meant to be a full representation of details involved in any specific transaction. The information herein used for any purposes other than a general example of the overall marketplace shall need to be verified.

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PROPERTY	SIZE	PRICE	PRICE PSF	DATE
New Jersey Data Center Totowa, New Jersey [Redevelopment]	271,000 SF	\$16.8 Million	\$62	November 2012
360 Spear St. Data Center San Francisco, CA	155,000 SF	\$85 Million	\$548	January 2012
Northwoods Data Center Norcross, GA	33,000 SF	\$5.3 Million	\$161	March 2012
Richardson, TX Data Center	20,000 SF	\$28.9 Million	\$1,445	May 2011
Vanguard Data Center Philadelphia, PA	121,000 SF	\$65 Million	\$540	November 2012
Atos Data Center Arlington, TX	90,000 SF	\$25.9 Million	\$327	August 2012
Internap Data Center Plano, TX	55,000 SF	\$20 Million	\$364	August 2012

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PROPERTY	SIZE	PRICE	PRICE PSF	DATE
Equinix Data Centers	280,000 SF	\$75 Million	\$268	October 2012
Durham, NC Data Center [Redevelopment]	420,000 SF	\$24 Million	\$57	October 2012
Atlanta, GA Data Center	334,000 SF	\$63 Million	\$189	January 2012
Lightwave Data Centers San Diego, CA	166,892 SF	\$52.5 Million	\$315	December 2012
Liberty Park Data Center Northern Virginia	225,038 SF	\$93.5 Million	\$415	December 2012
Level 3 Data Center Southfield, MI	53,000 SF	\$7.25 Million	\$137	May 2012
Irvine, CA Data Center	420,000 SF	\$47 Million	\$112	January 2012

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PROPERTY	SIZE	PRICE	PRICE PSF	DATE
Data Center Campus Lewisville, TX	819,000 SF	\$123 Million	\$150	February 2012
Austin, TX Data Center	62,000 SF	\$12.5 Million	\$202	June 2012
ViaWest Data Center Aurora, CO	286,000 SF	\$90 Million	\$315	September 2012
Qwest Data Center Raleigh-Durham, NC	50,000 SF	\$4.6 Million	\$92	October 2012
Kansas City Data Center 1102 Grand Avenue	194,000 SF	\$25 Million	\$129	October 2012
Sentrum Portfolio Greater London Area	761,000 SF	\$1.1 Billion	\$1,445	June 2012
AT&T Wireless Spokane, WA	155,830 SF	\$40 Million	\$257	February 2012

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DATA CENTER REAL ESTATE ACQUISITIONS 2012 SUMMARY

AVERAGE SF PER DEAL

236,750 SF

AVERAGE PRICE PER DEAL

\$ 95.4 MILLION

AVERAGE PRICE PER SF

\$ 403 PSF

Figures are based solely on information contained in this report. This summary provides a snapshot, and is not intended to represent the totality of data center real estate acquisitions for the year 2012.

This overview shows over 4.5 million SF of data center real estate acquisitions, valued at just over \$2 Billion, and does not include all transactions from 2012.

The largest transaction, based upon square footage, was the Lewisville, TX data center campus acquisition. The deal was completed in February of 2012, and totaled 819,000 SF.



The largest transaction, based upon the total cost, was acquisition of the Sentrum Portfolio in London. The deal was completed in June of 2012 and was reportedly worth \$1.1 Billion.

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Five 9s Digital specializes in investment advisory services for data center real estate transactions in North America including value-add opportunities, multi-tenant facilities, and long term single-tenant investment assets.

Please contact us with your investment criteria, geographic preference, or if you are considering a sale of your current mission critical holdings.

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