

Data Center Market Overview 2017 – Q2

Phoenix is ranked 6th among top data center markets in the US with over 1 million SF of data center space in the area.

As of Q2 2017, Phoenix has seen nearly 15 MWs of absorption driven by hyperscale cloud deployments, social media, and the enterprise sector. Phoenix witnessed 18 MWs of total absorption in 2016 which shows that 2017 stands to eclipse this number based upon current activity.

Phoenix Data Center Snapshot Q2 2017

Total Inventory

1 MSF / 140 MWs

Wholesale Data Center Pricing

Low
(kW/pm)

\$115

High
(kW/pm)

\$140

PRICING TREND



Tenant Demand

Data Center Supply



Notable Phoenix Data Center Activity

IO Data Centers is adding 2 MWs to its current Phoenix data center holdings in the area which will be available by end of 2017.

Digital Realty Trust (DRT) completed its acquisition of Dupont Fabros (DFT) which will add to its current Phoenix data center footprint as a result of DFT's acquisition of 56 acres earmarked for new development.

CyrusOne (CONE) commenced construction on three new data centers at its Chandler data center campus.

Aligned Data Centers completed Phase I of its new data center development in North Phoenix.

EdgeConnex acquired 47 acres with the intent to develop a new data center in Mesa, just north of Phoenix.

Digital Realty Trust (DRT) will have 3 MWs completed at its Tempe facility by end of 2017.

Summary

The Phoenix data center market is witnessing record demand so far in 2017 and currently has a number of projects under construction. A total of 38 MWs in underway with varied completion dates stretching into 2018.

We anticipate the Phoenix deal activity to continue its current pace of absorption for the rest of the 2017 projecting total absorption of 25-35 MWs for the year with much of the activity driven by the cloud providers such as Oracle, Microsoft, Apple, and Amazon/AWS.

For full market report or if we can help you with your data center needs, please visit www.Five9sDigital.com for contact information