

# Global Colocation Market Trends

April 2016

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Digital Realty/TeleGeography Joint Webinar

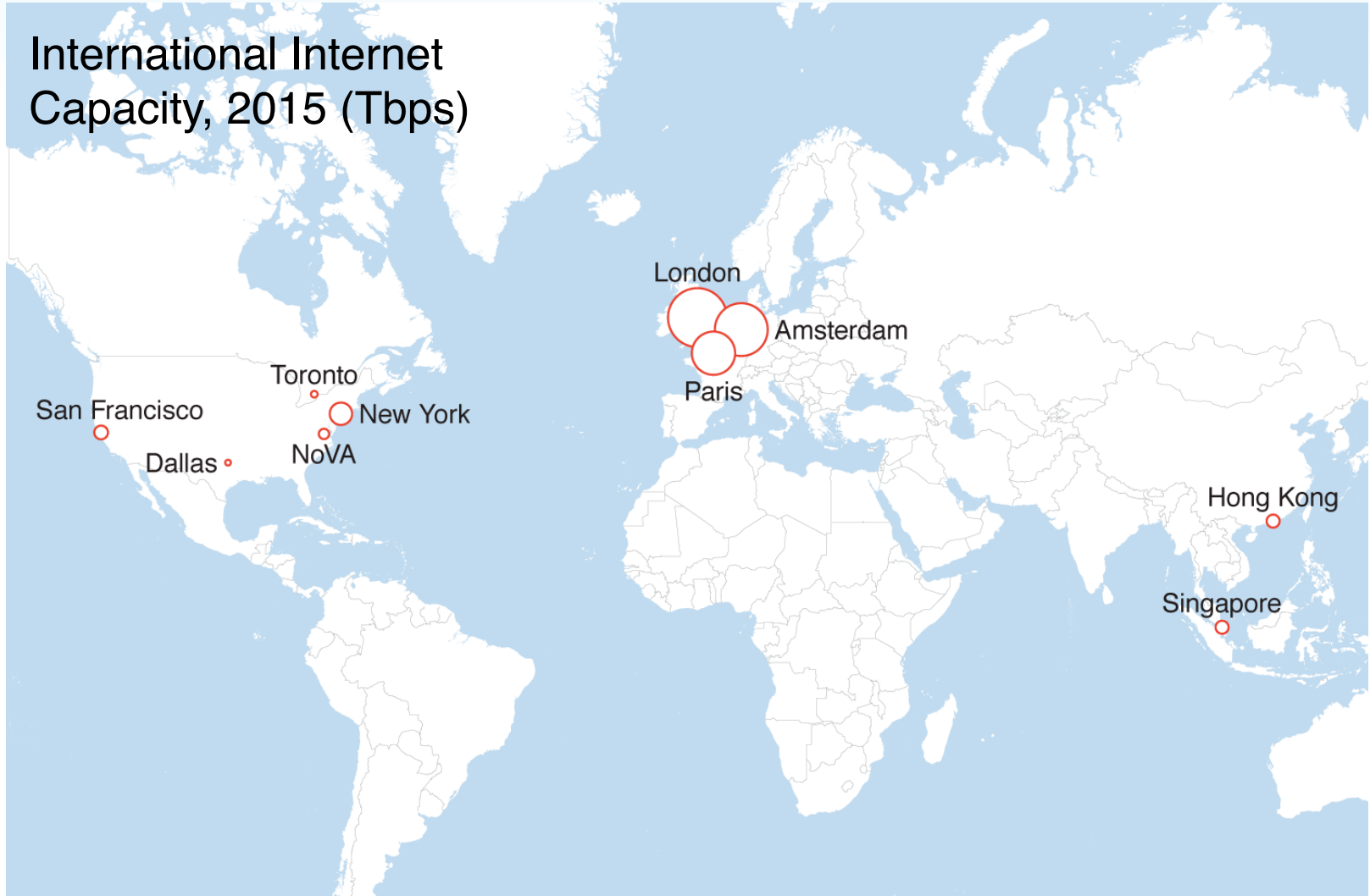
# Outline

- Colocation Develops
  - where networks interconnect
  - at nodes of content distribution
- Colocation Market Growth
  - Capacity and five-year growth rates
- Colocation Pricing Trends
  - Baseline, cross-connect, and total cost trends
  - Historical price trends
- Conclusion

# Colocation Develops

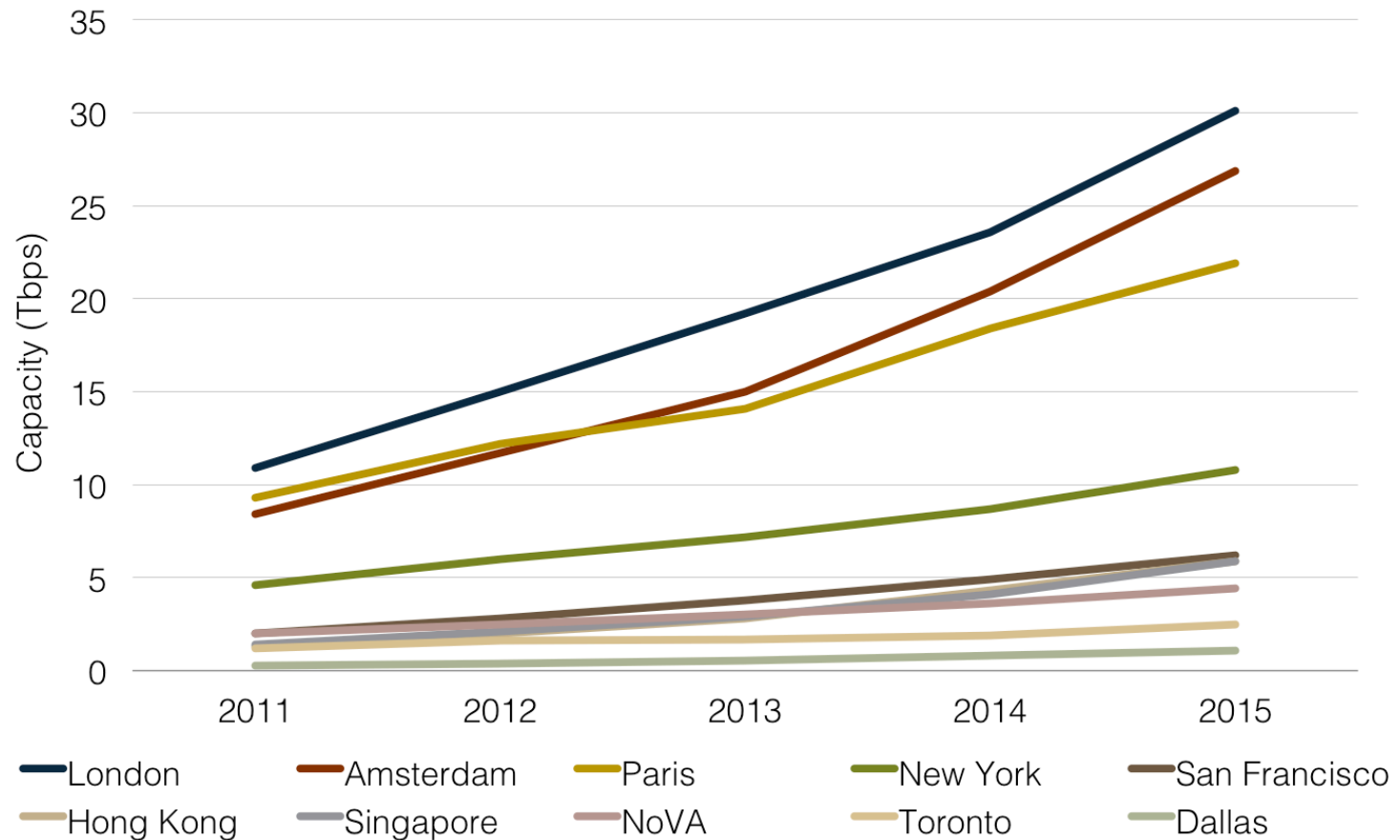
# Where networks interconnect

International Internet  
Capacity, 2015 (Tbps)

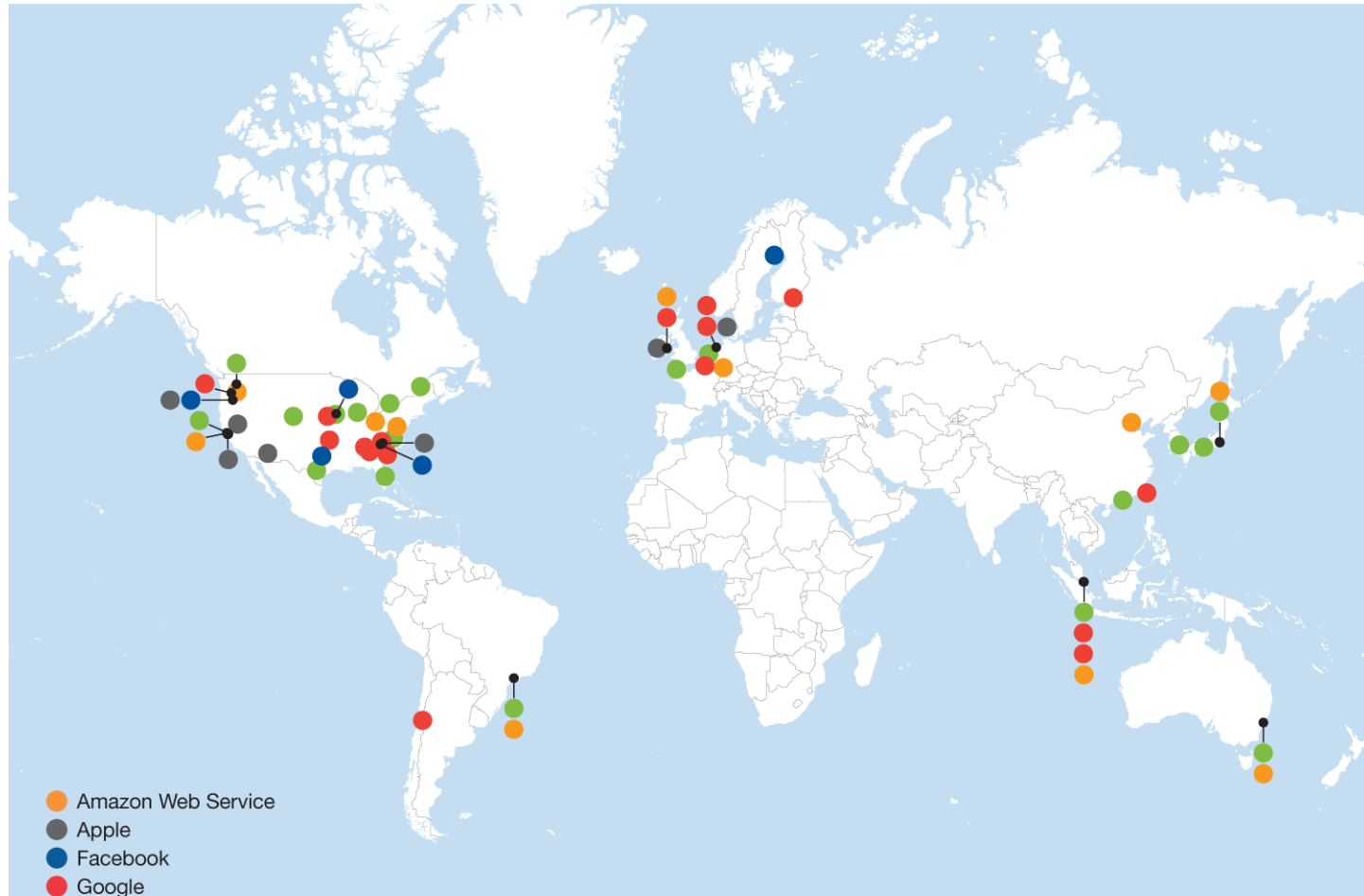


# Where there is increased network demand

International Internet Capacity, 2011-2015



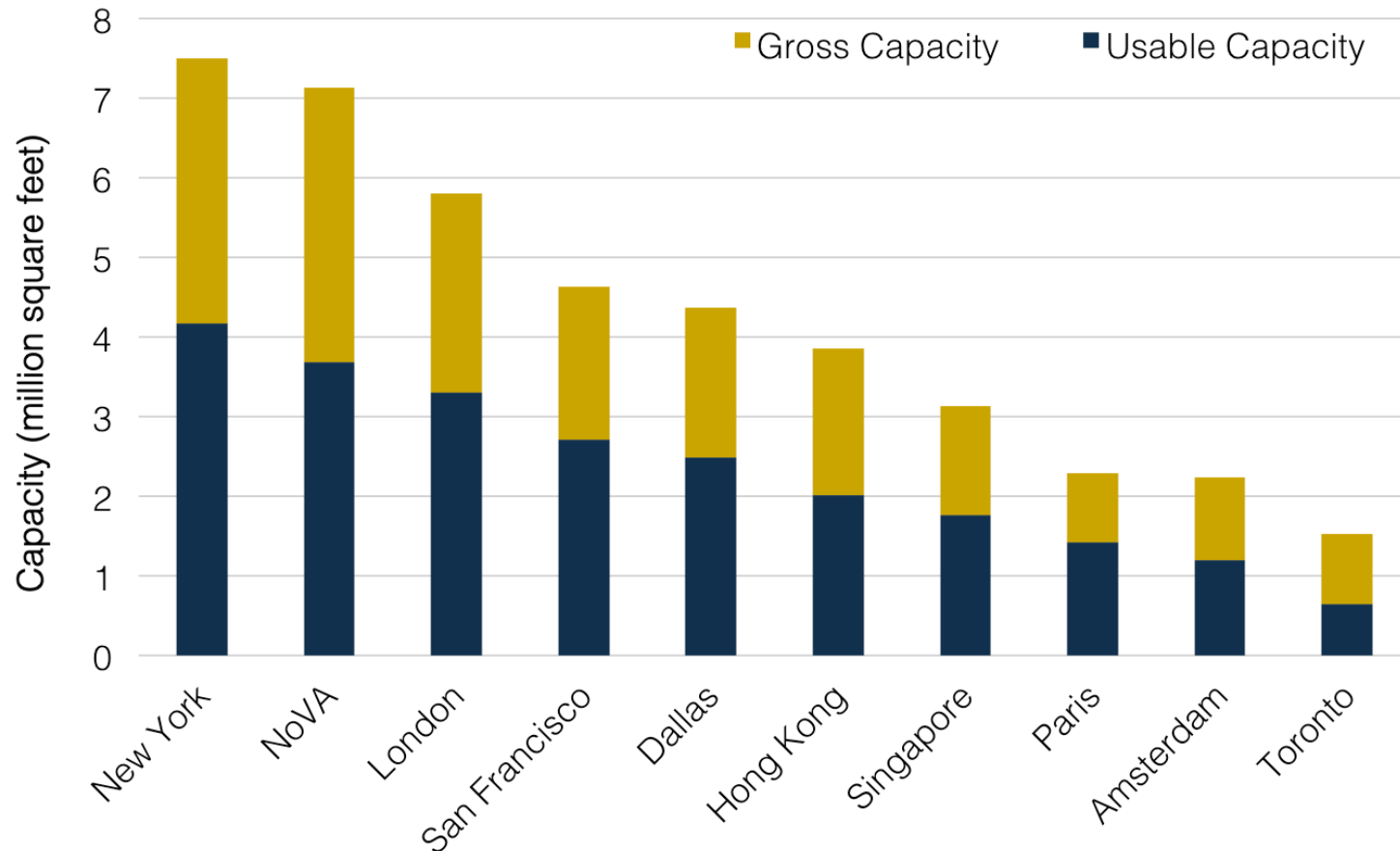
# At nodes of content distribution



# Colocation Market Growth

# Varying capacity in core markets

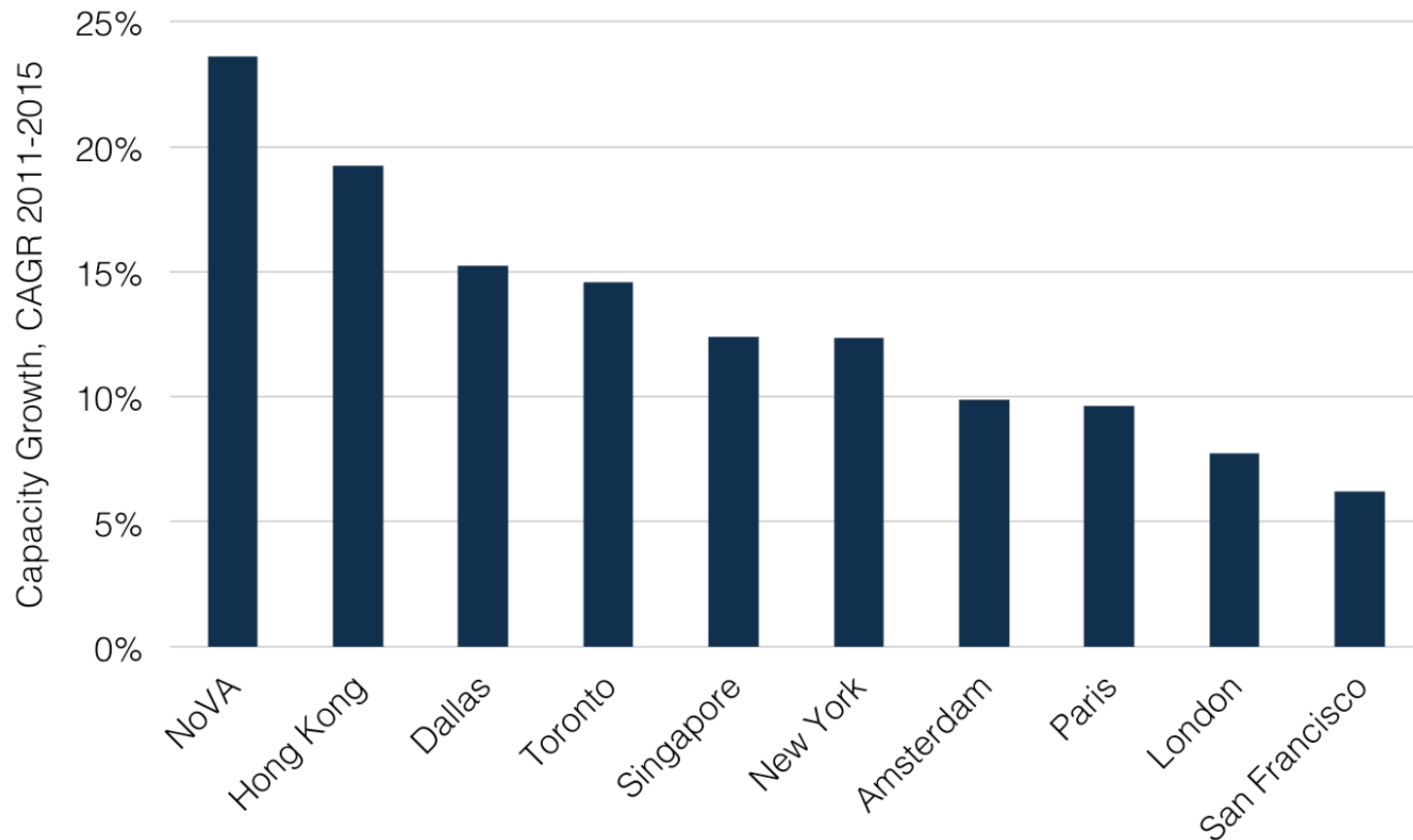
## Retail Colocation Floor Space, 2015





# Varying rates of growth

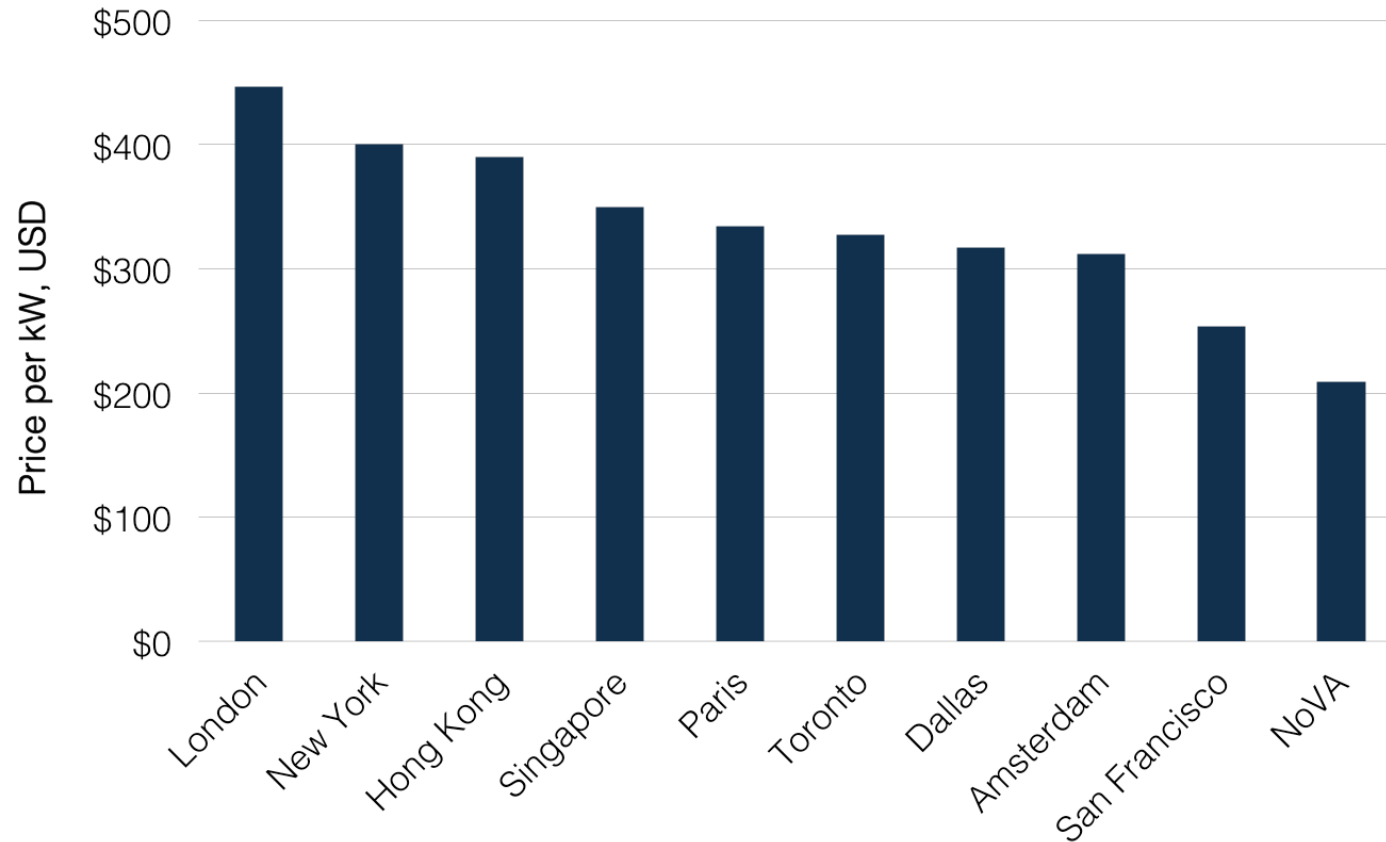
Growth in Retail Colocation Floor Space, 2011-2015



# Colocation Pricing Trends

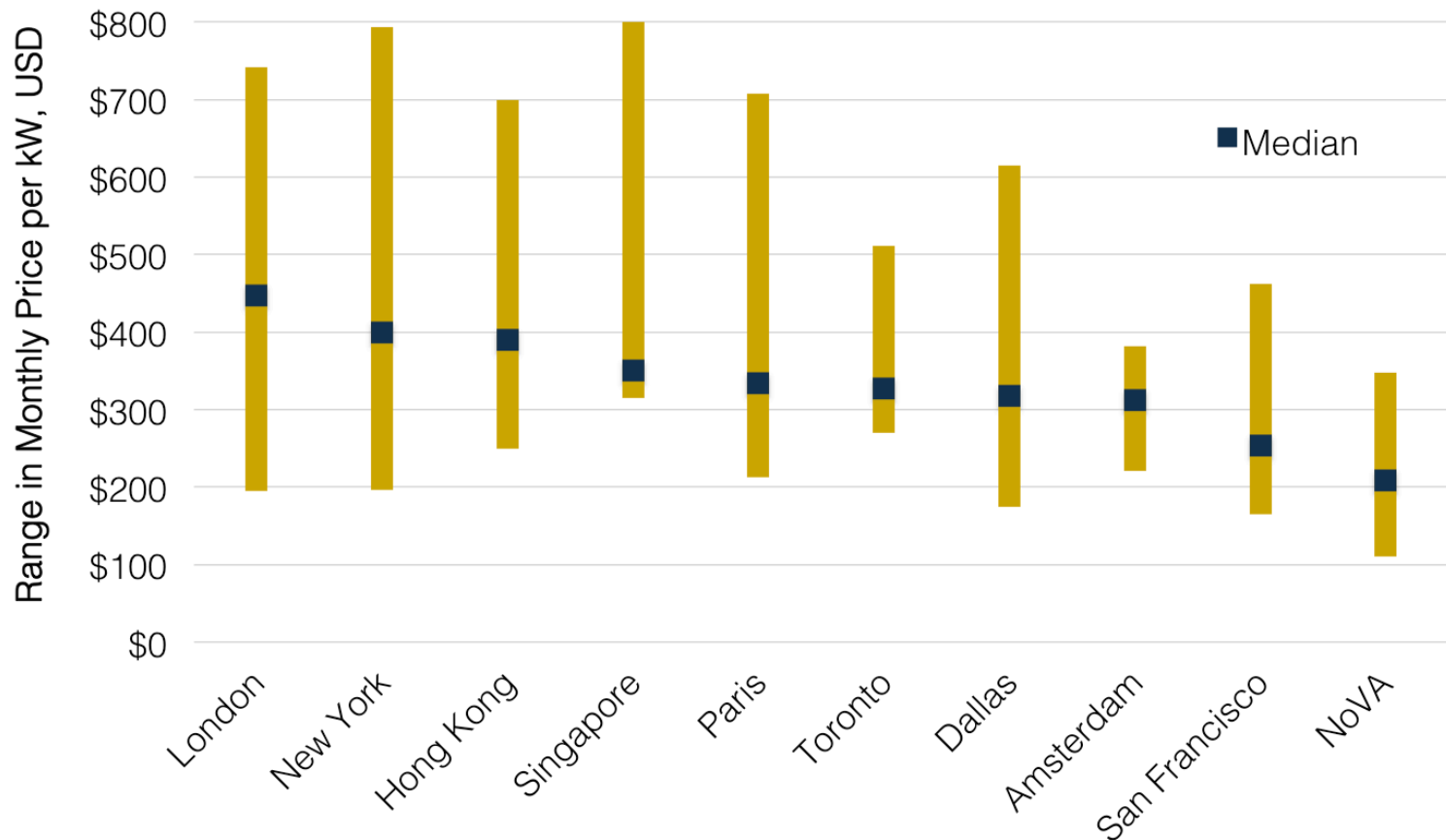
# Premium prices for premium locations

Median Monthly Price per Kilowatt at 4-Kilowatt Density, H2 2015



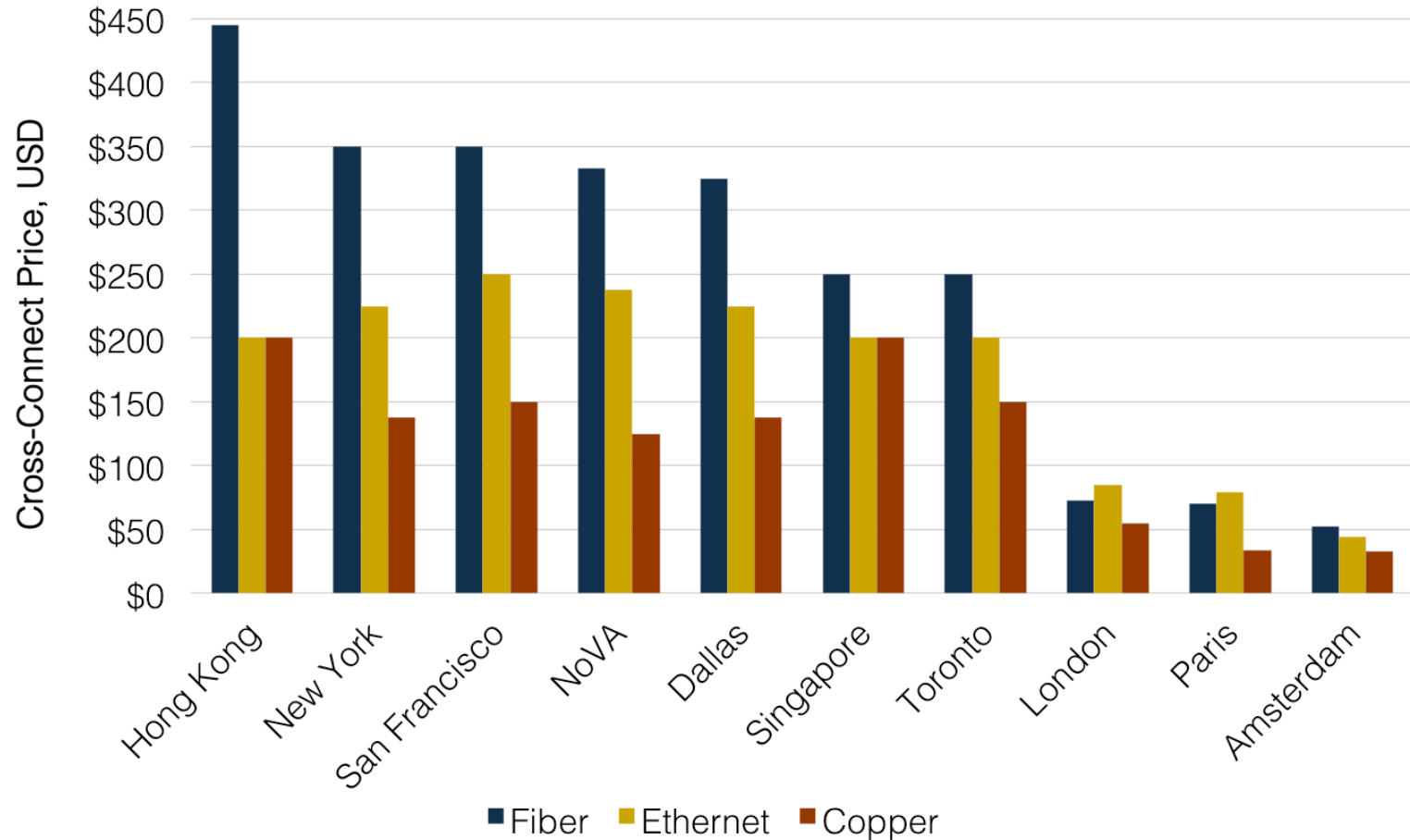
# Lots of variance within markets

Range in Monthly Price per Kilowatt at 4-Kilowatt Density, H2 2015



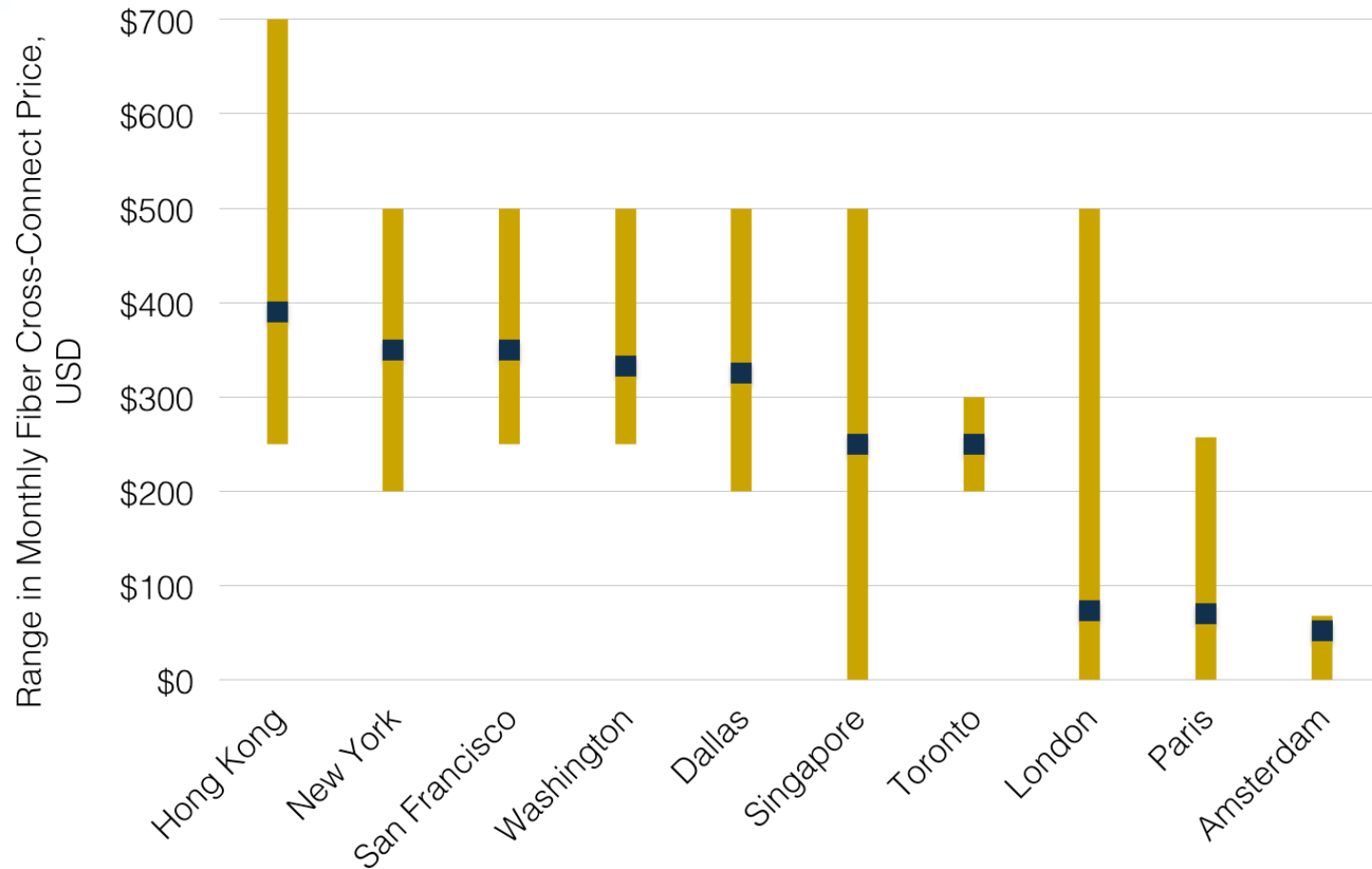
# Stark contrasts in connectivity rates

Median Monthly Cross-Connect Price, H2 2015



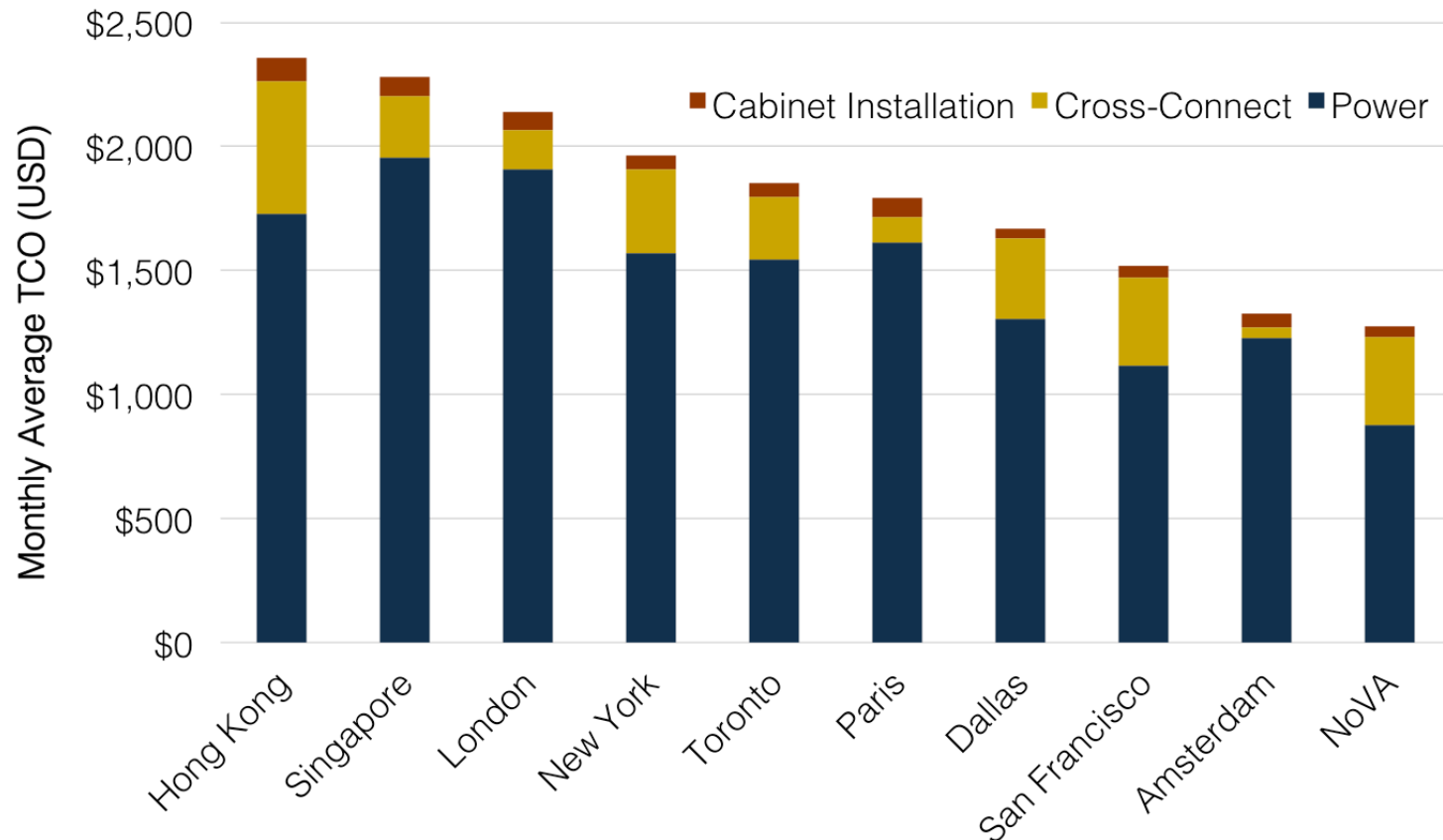
# Wide ranges within markets too

Range in Monthly Fiber Cross-Connect Price, H2 2015



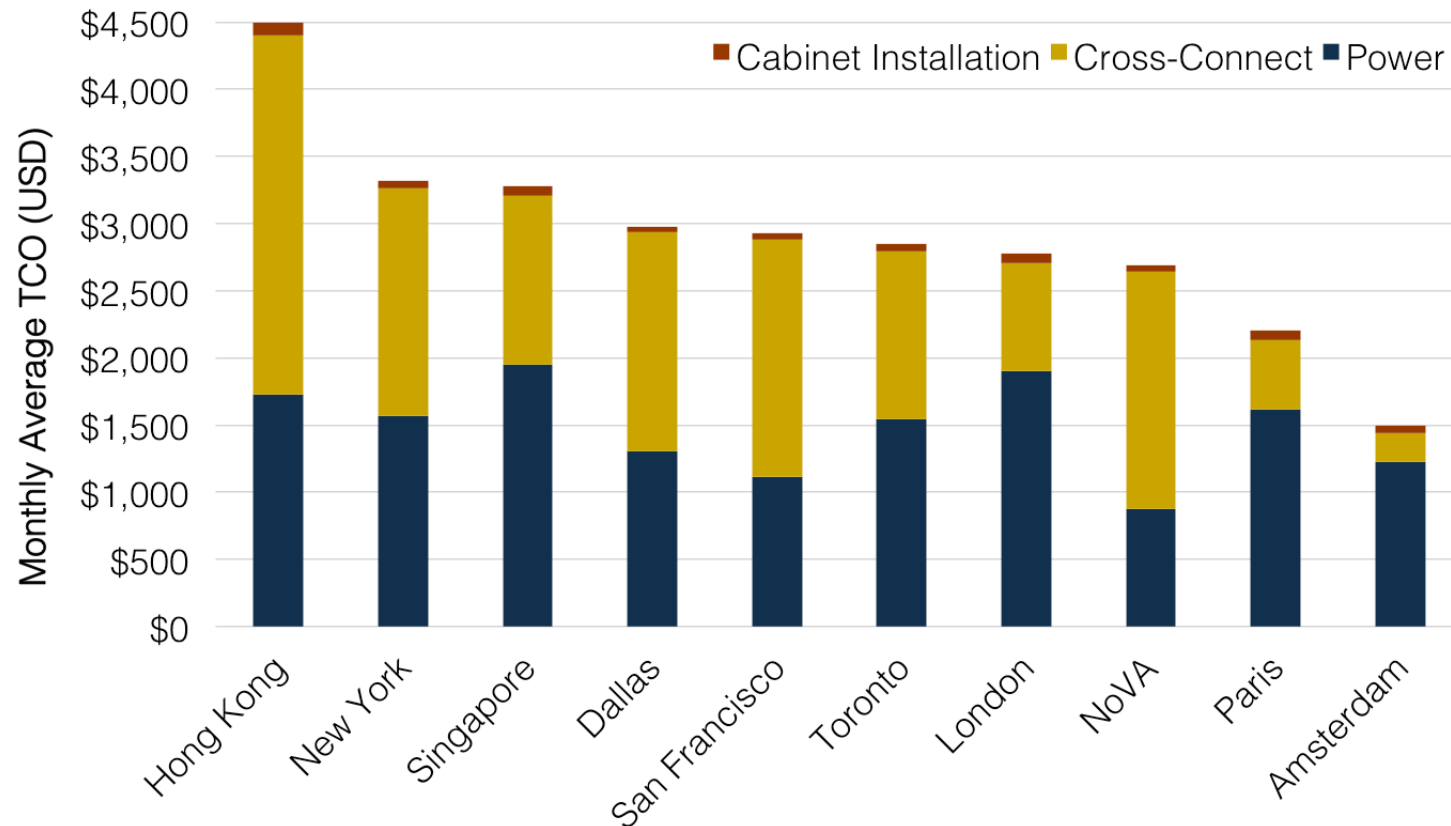
# Putting it all together

Total Cost of Ownership per Month, One Cross-Connect, H2 2015



# Connectivity can become the priciest part

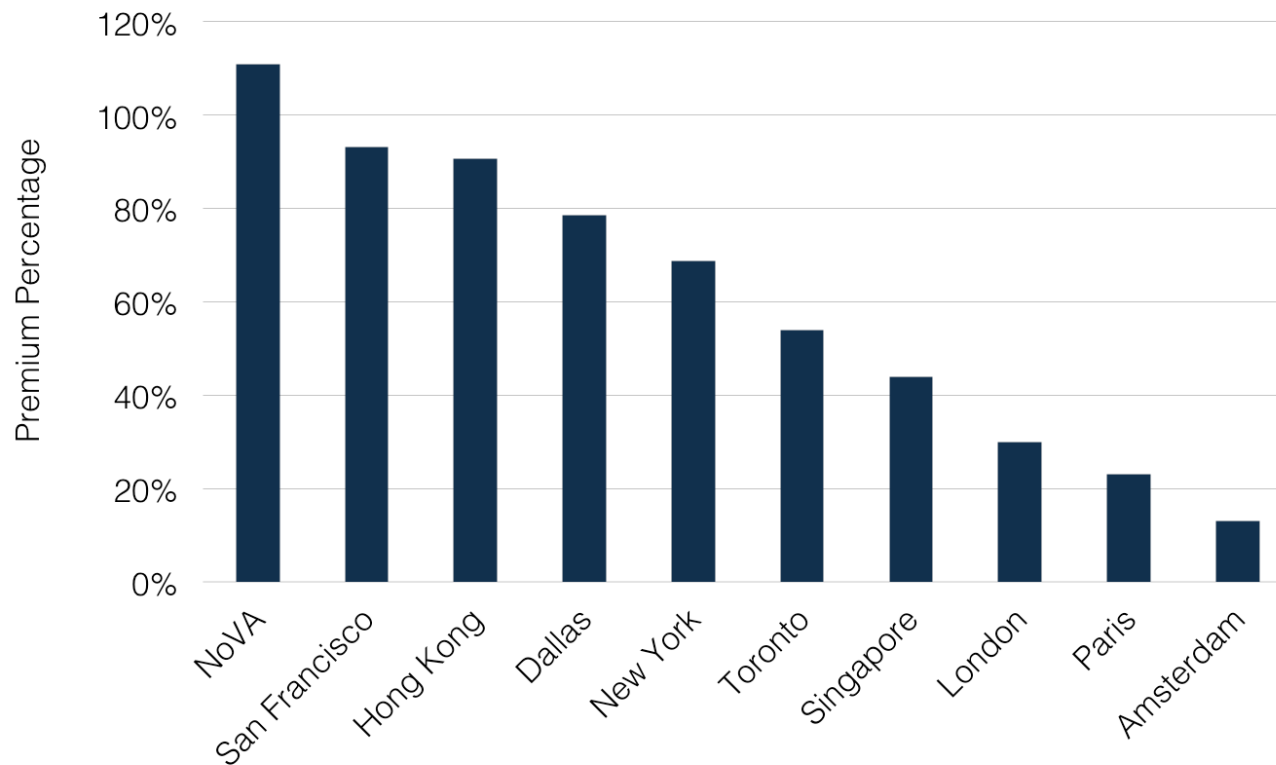
Total Cost of Ownership per Month, Five Cross-Connects, H2 2015





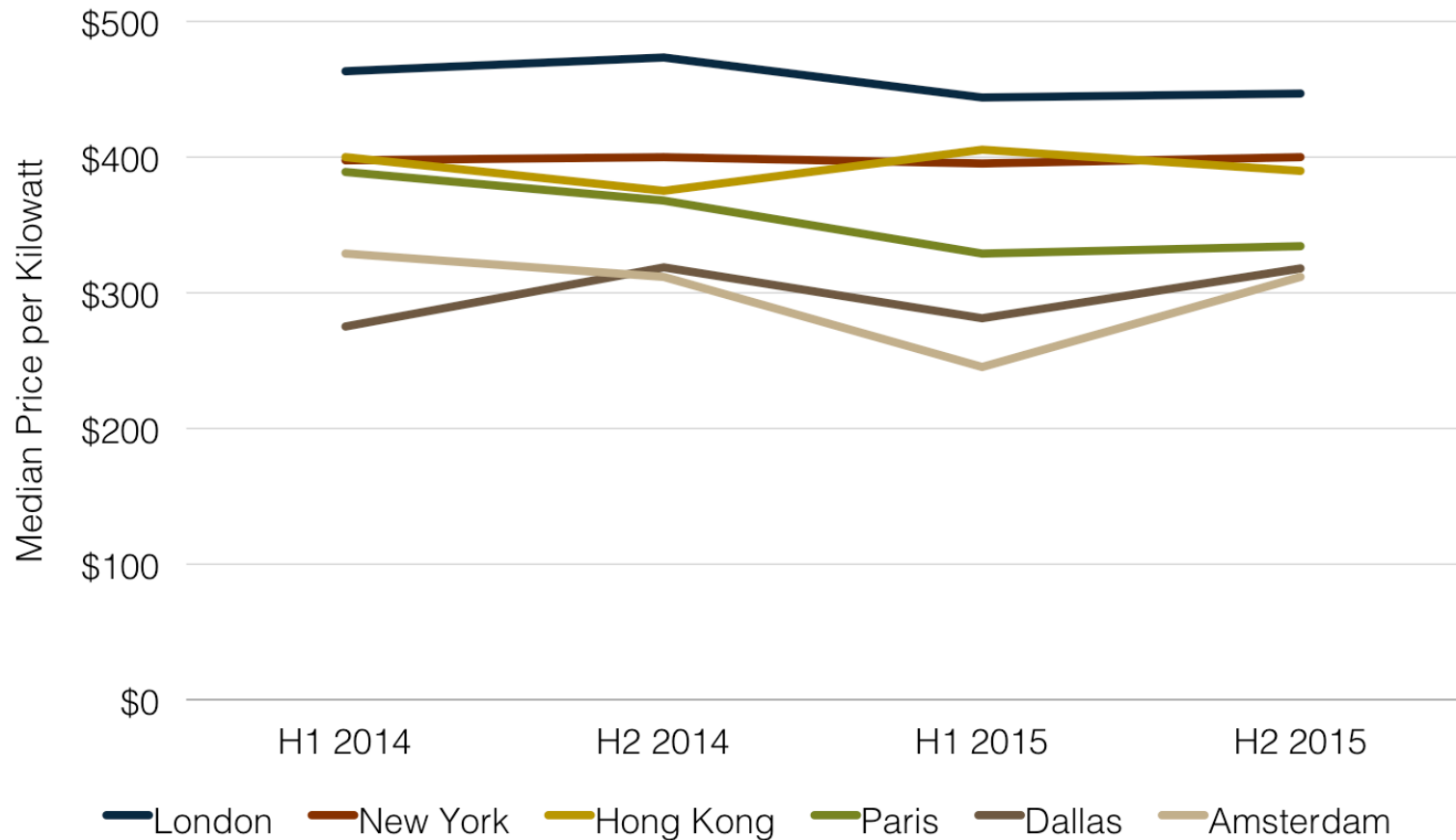
# ...and it can dramatically change your colo budget

Premium of Average Monthly TCO, Five Cross-Connects vs. 1 Cross-Connect



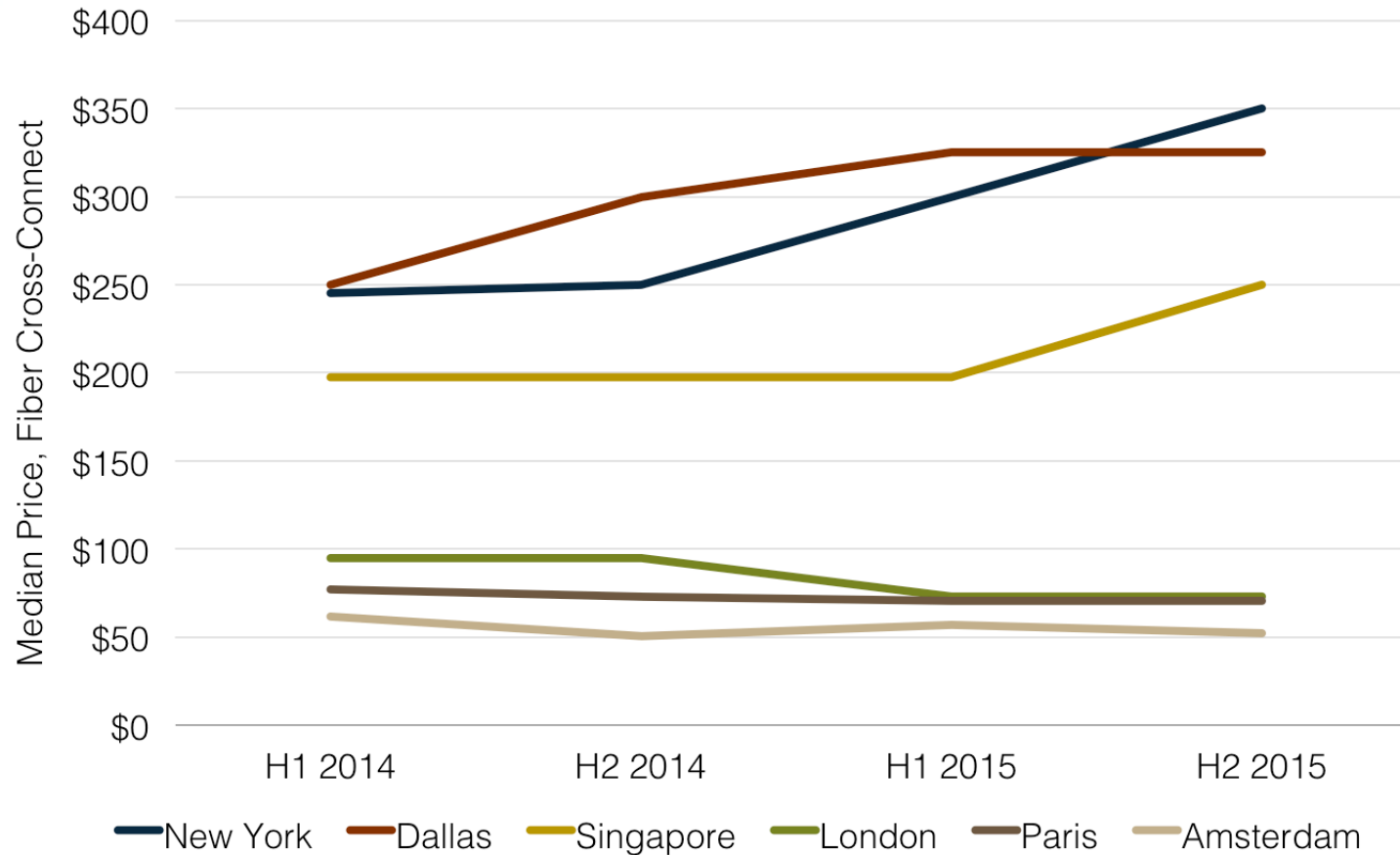
# Baseline rates are stable

Monthly Price per Kilowatt at 4-Kilowatt Density, H1 2014-H2 2015



# ...and so are cross-connect rates

## Monthly Fiber Cross-Connect Prices, H1 2014-H2 2015



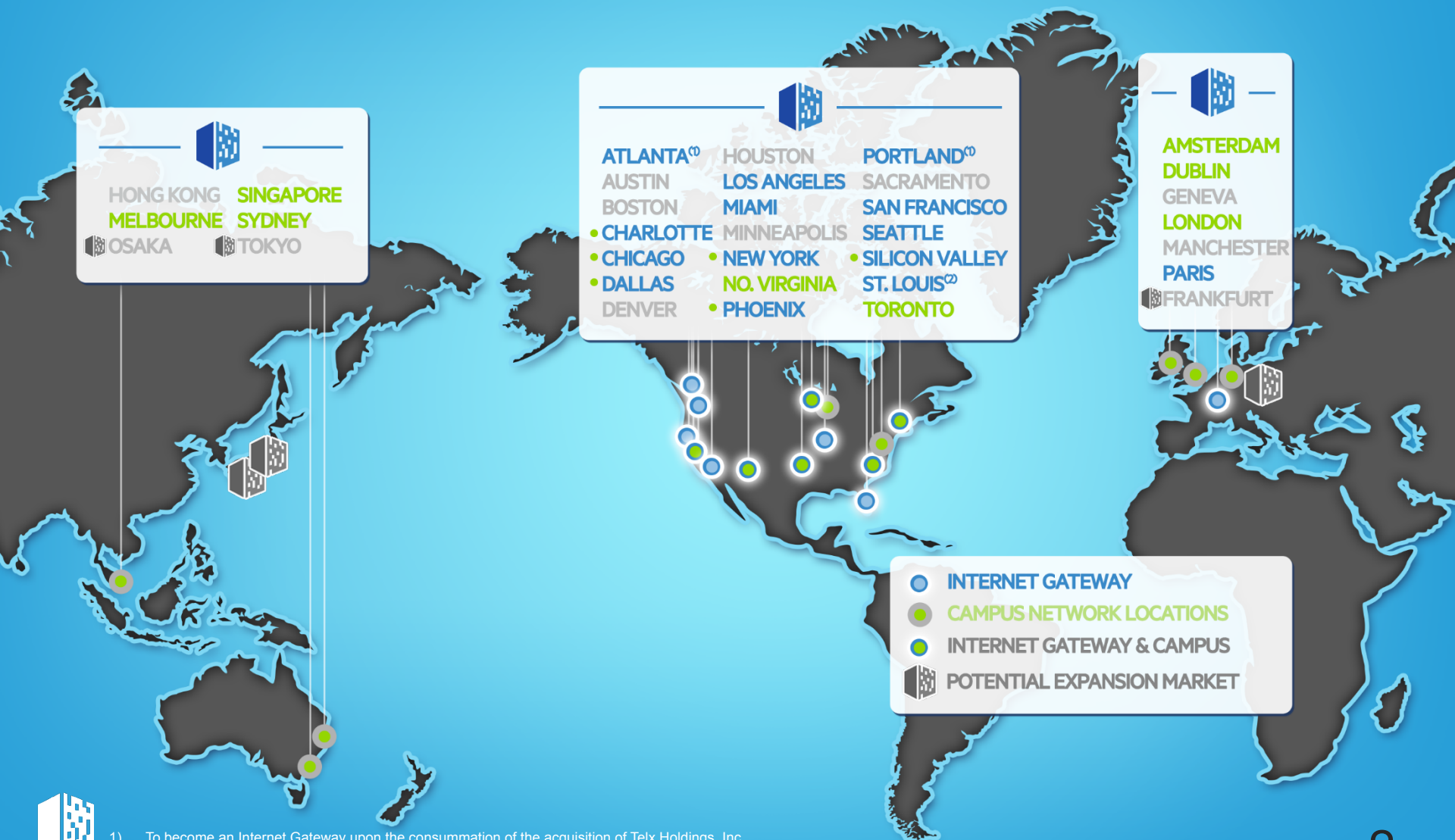
# Conclusion

- As long as network and content demand continue grow in core markets, so will the colocation market.
- Colo pricing will not erode quickly, and hub market premiums will persist.

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# The Foundation for the Digital World

## Global Scale, Colocation and Connectivity



1) To become an Internet Gateway upon the consummation of the acquisition of Telx Holdings, Inc.  
2) Under Letter of Intent to be sold.

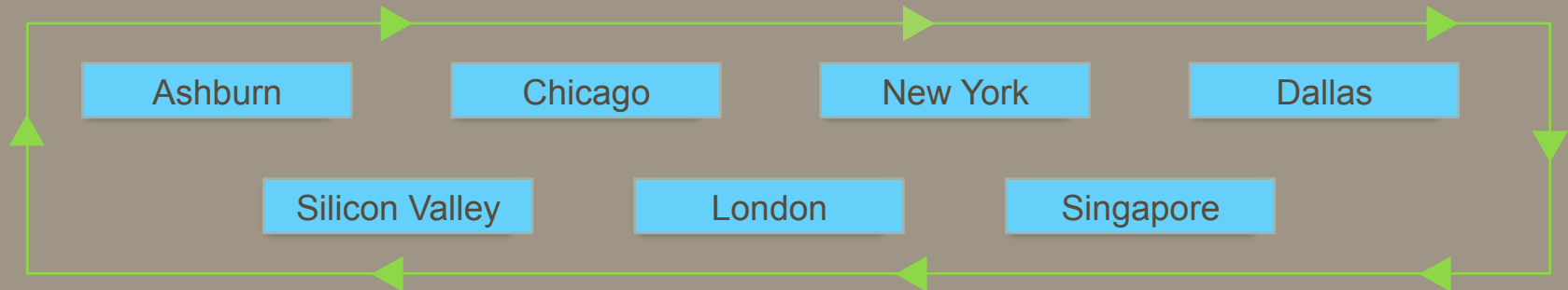
# Digital Realty Connected Campus Solutions

## Attractive Environments to Land and Grow

### DIGITAL REALTY SOLUTION

- **Campus Scale – Share Suites**
  - Flexible solutions from 300kW to 1.2MW
- **Campus Scale – Dedicated Suites**
  - Capacity on campus to grow to a dedicated suite
  - Depending on Campus, suites are 1.2 or 3.6Mw
  - Depending on Campus, option for Power Shell

### CAMPUS LOCATIONS





# Focused Pursuit

## Comprehensive Customer Focused Product Suite

### SCALE



DIGITAL REALTY

Solution to scale from a medium 300+ kW to very large compute deployments

Can execute a solution for medium to large deployment in weeks, contracting for 5-10+ years

Customize data center environment to specific deployment needs

Due to size of deployments, customers sometimes opt to have their own on-site staff

### COLOCATION



the interconnection & data center company

Enabling small (1 Cab) to medium (75 Cab) data center deployments

Provides agility to quickly deploy computing infrastructure in days, contract for 2-3 years

Consistent designs and operational environment and consistent power expenses

Leverage optional skilled remote hands and on-site customer support

### CONNECTIVITY



the interconnection & data center company

Connecting customers & partners inside the data center

Connecting across data centers in the same metropolitan area

Privately and securely connecting to cloud services

Enabling Internet peering and multi-cloud access



# Q&A

Thanks for joining us!

TeleGeography  
Digital Realty