



Central London and M25

Retail Colocation Market Structural Changes and Trends 2015

Report Summary

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Report Outline

The aim of the 2015 edition of the Colo-X report is to update the reader on the significant changes that have taken place in the London and M25 retail colocation market over the last two years as well as provide our perspectives on the significant corporate activity of 2015. To do this the report is broken into three key sections:

1. Overview of the UK Colocation Industry

- Highlights the key markets in the UK being Central London, M25 and the regional colocation market
- Review of the significant changes in the supply mix across the entire UK retail colocation market from 2005 to 2015 and shift in market shares
- Discussion as to how the structure of the UK retail colocation marketplace is changing, evolving from a geographic focus to the massive growth in “undifferentiated capacity” and the value becoming apparent in key colocation ecosystems
- What has happened to retail colocation pricing over the past two years?
- What is the likely impact of the Equinix bid for Telecity on the market? Will the resulting “Equicity” market share raise the interest of regulators? Will the transaction make a similar impact as the Telecity bid for Redbus in 2006? What next for Interxion?

2. The Central London Retail Colocation Market

- The Market Overview section provides a detailed update on the state of the central London market covering key developments from all operators, including new entrants and the smaller central London operators
- An analysis of the situation with the Central London wholesale operators is provided
- Analysis of the announced future capacity additions to the market, from whom and when, what the total amount of potential supply equates to
- The report then looks at an estimate of what demand is in this market and puts the supply estimate into context, as well as providing further analysis of the threat posed by capacity around the M25

- Our review of LINX port distribution continues to emphasis the strength of key Central London colocation network ecosystem and our “league table” highlights our opinions on the strength of specific facilities.
- The review of colocation pricing in Central London shows how the picture has changed over the past few years and examines the price premium now attached to leading colocation ecosystems
- Finally we also look at some longer term themes including product definitions and the outlook for pricing

3. The M25 Retail Colocation Market

- The report provides a review of source of retail colocation supply and summarises current capacity and pricing
- A detailed overview is given highlighting specific areas of growth around the M25 and activities by the key operators
- A contrast is provided comparing the market in the M25 with the Central London market, looking at market shares and network choice
- Retail colocation pricing in the M25 is examined including an analysis of recent Colo-X price points and comparison of the convergence between retail and wholesale pricing
- We examine how operators are looking at service and industry verticals to differentiate themselves in the market

4. Report Summary

Methodology

Colo-X's independent position in the UK colocation industry and our interaction with providers of all shapes and sizes, gives us a unique ability to assess the retail colocation market. Our price findings are based upon information we believe to be reasonably available in the market, or which could be fairly easily discovered by an external consultant. Where pricing is used it should be considered "our opinion" on pricing rather than company specific price quotes. Unless specifically mentioned pricing information in the report is always quoted on a power included basis.

Colo-X has been involved in the industry since 1999, meaning we have access to a wealth of in-house historic data from both actual transactions and quotations. We are able to utilise this information together with our overall experience, market intelligence and impressions gathered through numerous meetings, conversations and dealings.

The author of this report also owns and operates Crosspoint Colocation Ltd, a 50 rack colocation business that uses capacity in London Telehouse, Telecity Harbour Exchange, Volta and a couple of other regional M25 based sites. Crosspoint spends over £0.75m per year on colocation services.

List of companies mentioned in the report

4D Data Centres Ltd	Ark Data Centres Ltd	City Lifeline Data Centre Ltd
Daisy Group Ltd	Datum Datacentres Ltd	Docklands Data Centre Ltd
Digital Realty Trust Inc	Equinix Inc	EuroHub Hosting Ltd
Everest Data Centres	Global Switch Holdings Ltd	Gryon Internet Ltd
Infinity SDC Ltd	Interxion Holding NV	IO Data Centers, LLC
Iomart Group plc	LDex Group Ltd	Level3 Communications, LLC
NTT Communications Corp	Optimum Data Centres	Pulsant Ltd
Redcentric plc	ServerChoice Ltd	TeleCity Group plc
Telehouse Europe	Telstra Ltd	Virtus
Telstra	Virtus Data Centres Ltd	Virtustream UK Ltd
Volta Data Centres Ltd		

Table of contents

Report Executive Summary	5
UK Retail Colocation Market: Summary and Structural Changes	9
UK Market Summary	9
Structure of the UK Carrier Neutral Colocation Market	11
The Changing Mix of the UK Retail Colocation Market	13
Retail Colocation Pricing Trends	15
Annual Supply Growth Analysis explains Pricing Trends	17
Colo-X Analysis Summary and Conclusions	19
2015 Corporate Activity – the pending arrival of “Equicity”	20
Market Implications	21
A longer term market turning point?	21
“Equicity” Market Share Analysis	22
Colo-X Analysis Summary and Conclusions	24
The Central London Retail Colocation Market	25
Key Central London Data Centres Map	25
Market Overview	25
Smaller Central London Colocation Providers	28
Wholesale Capacity in Central London	30
Announced Future Capacity additions to the Central London Market	32
Central London Colocation Market Overview Summary	35
Colo-X Market Analysis - What is typical demand in Central London?	35
Competitive Threat from low cost capacity around the M25	36
Colo-X Analysis Summary and Conclusion	37
Colo-X Analysis of the Central London Colocation Market	37
LINX Port Distribution reinforces key Ecosystem Status	37
Colo-X Analysis: London Colocation Ecosystems	40
London Data Centres - Colo-X Ecosystem League Table	41
Ecosystems set to become a very specialist part of the market	42
Retail Colocation Pricing in the Central London Colocation Market	42
Price Trends show the value in proven “ecosystems”	45
Indexation Clauses – widening premiums versus generalist pricing	46
Colo-X Analysis: Long Term Market Evolution Thoughts	47
Colo-X Analysis Summary and Conclusions	48
The M25 Retail Colocation Market	49
Summary of Capacity and Current Pricing in the M25 Marketplace	50
Overview of the M25 Colocation Market around London	51
Comparison of capacity within Central London and around London	53
Retail Colocation pricing in the M25 market around London	56
Pricing Compression in the M25 marketplace	58
Challenge of Differentiation in the M25 – People and Service can make the difference	58
Colo-X Analysis Summary and Conclusions	59
Central London and M25 Report Summary	60
Central London Carrier Neutral Data Centre Space Estimates – March 2015	62
M25 Carrier Neutral Space from the Premium Operators Estimates – March 2015	62
Colo-X M25 Price Quotations	63
Resold Carrier Owned Central London Capacity	64
New Entrant Facilities in the M25 Orbital Market	64

List of Figures

1. Retail Colocation Pricing Colo-X Estimates March 2012
2. UK Colocation Market 2005
3. UK Colocation Market 2013
4. UK Colocation Market 2015
5. UK Colocation Market 2015
6. Shift in London Retail Colocation Pricing 2012-2014
7. Key Central London Data Centres Map
8. 2015 Central London Carrier Neutral Colocation Capacity
9. LINX Port Distribution Analysis by Site March 2012
10. LINX Port Distribution Analysis Nov 2014
11. LINX Port Distribution Changes 2012-2014
12. Price Quote Trends from One London Operator 2008-2012
13. Central London Pricing from one Operator 2008-2015
14. Average Central London Retail Colocation Price Changes 2012-14
15. Colocation Capacity Around Central London – Estimates Mar 2012
16. M25 Colocation Market by Source 2015
17. Network Count by Facility and Location
18. Colo-X M25 Price Quotes 2014/15 (£/kW/month)

List of Tables

1. Estimated Colocation Capacity Across the UK Q2 2015
2. “Equicity” Market Share Analysis
3. Summary of small scale colocation sites in Central London
4. Key Wholesale Facilities in Central London
5. Announced Future Capacity Additions to Central London Market
6. London Data Centres – Colo-X Ecosystem League Table
7. Summary of Capacity and Current Pricing in M25 Marketplace
8. Composition of Colocation Option in the M25
9. Market Segmentation by Colocation Providers
10. Central London Carrier Neutral Data Centre Space Estimates March 2015
11. M25 Carrier Neutral Space from the Premium Operators – March 2015
12. Colo-X M25 Price Quotations
13. New Entrant Facilities in the M25 Orbital Market

The report is 67 pages and over 17,000 words.