

DATA CENTRE MARKETBEAT

Winter 2019



CUSHMAN & WAKEFIELD

TOKYO

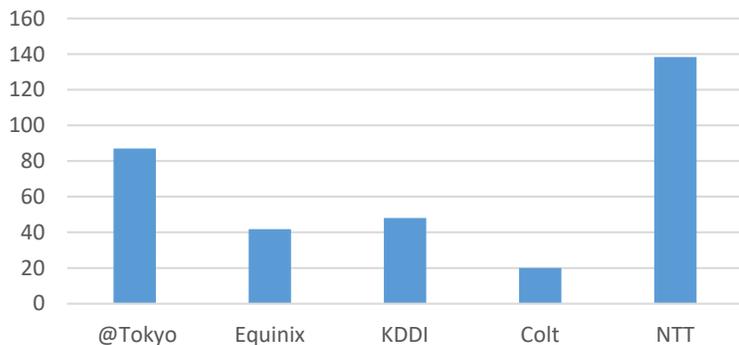
MARKET OVERVIEW

Tokyo remains a global megalopolis, considered the largest economic metropolitan area in the world and home to 38 million people. Finance, technology, and transportation are key drivers of the economy, with the city acting as the access point between Japan and the world. These multinational organizations command sizable data center capacity, and the data center operators serving them come from verticals as varied as telcos or their remnants (NTT, KDDI, Evoque, Cyxtera, SingTel, Colt), the greater electronics industry (Hitachi, Fujitsu, NEC, Mitsubishi), alongside operators as their core business (Equinix, @Tokyo). Fiber is generally strong throughout Tokyo, and as such data centers can be found in a variety of neighborhoods. Construction costs remain among the highest in the world, with all buildings required to be designed to the highest seismic standards due to Japan's propensity to strong earthquakes.

NEW PARTNERSHIPS IN THE TOKYO ECOSYSTEM

Several new agreements have been signed with international tenants of late, with American and Chinese multinationals closing partnerships for more investment in Tokyo. Silicon Valley companies led the way, with Juniper Networks and ServiceNow both reaching agreements with BroadBand Tower and NTT, respectively. Juniper has provided their routing platform and ethernet switches to assist in the upcoming deployment of 5G networks throughout the city. BroadBand Tower recently opened their new facility in Otemachi with the intention of connecting directly to Otemachi Station by 2020. ServiceNow will be opening two new data centers in Tokyo and Osaka within NTT data centers by mid-2019, providing access for local customers to their Nonstop Cloud platform. Lastly, Alibaba has opened their second facility in Tokyo with the goal of targeting e-commerce, gaming, and IoT tenants based locally.

Major Tokyo Operator Capacity (MW)



“Juniper Networks, ServiceNow, and Alibaba have all expanded their relationships in Tokyo of late and four new projects are under construction.”

MAJOR CONSTRUCTION UPDATE

OPERATOR	LOCATION	SIZE (SQM)	STAGE / EST. DELIVERY
Equinix	TY11	2,787	Under Construction / Q1 2019
NEC	Nagoya	1,161	Under Construction / Q2 2019
KDDI	Tama	3,345 (est)	Under Construction / Q2 2020
SoftBank	Fuchu	11,148	Under Construction / Q2 2020

MORE INFORMATION:

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GLOBAL DATA CENTER ADVISORY GROUP

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