

DATA CENTER MARKETBEAT

Spring 2019



CUSHMAN & WAKEFIELD

ATLANTA

MARKET OVERVIEW

Atlanta gained attention early in 2018 after a package of ten-year sales and use tax exemptions were signed into law throughout the state of Georgia for investments greater than \$100 million. Facebook followed this with a new hyperscale campus announcement outside the city, and colocation operators took note. QTS and Switch are underway on new developments, with future phases already in planning. QTS in particular secured a large 55-acre site in October for \$80 million, with plans to redevelop the warehouses currently onsite to data center space. CyrusOne and the newly-created Stack Infrastructure are also in planning on large sites of their own.

One recent project that gained market and national attention was the completion of the DataBank Coda data center with Georgia Tech as key tenant. The university pre-leased 2 MW and will be expanding further as required. The development reiterated the strength of neighborhoods such as Midtown and Downtown as strong data center locations alongside the sprawling campus plans in Alpharetta and Douglasville.

Atlanta is slowly approaching primary market status, albeit at a slower pace than other emerging markets such as Phoenix. As several projects reach completion and hyperscale interest grows, the area aims to become the regional hub for the southeast.

ABSORPTION

Market absorption remains low with just over 1 MW taken up over the previous six months. Multiple large projects are currently in planning or under development.



“Several large campus developments are under development or in planning, with new operators and tenants entering the market in the past few months.”

KEY INDICATORS



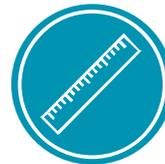
UNDER CONSTRUCTION

123 MW



VACANCY

13%



ABSORPTION (6 MOS)

1 MW

LEASING AND INVESTMENT HIGHLIGHTS

- **Facebook** has secured over 200 MW of solar power for their upcoming data center project in Newton County. Silicon Ranch and Strata have signed up to provide 102.5 MW and 100 MW, respectively, accounting for \$230 million of the \$750 million in total planned to be spent on this site by the social media giant. Facebook plans to run all data centers on renewable energy by the end of 2020.
- MobiTV announced a new partnership with **Digital Realty**, with the video delivery service choosing Atlanta to be their East Coast location. MobiTV already operates a West Coast site in Sacramento.
- **Colo Atl** announced a new tenant early in 2019, with Seimitsu Business Technology Solutions signing on for colocation space. This was soon overshadowed by much bigger news, as Colo Atl itself has been acquired by American Tower, a longtime infrastructure investor. Colo Atl operates a 26,000-square-foot data center at 55 Marietta Street.
- GigSouth has signed on at **Southern Telecom's** data center in downtown Atlanta at 270 Peachtree. The agreement included colocation services along with access to dark fiber.

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CONSTRUCTION UPDATE

OPERATOR	LOCATION	SIZE (SF)	POWER (MW)	STAGE / EST. DELIVERY
Flexential	Alpharetta	58,000	8.7	Under Construction / Q2 2019
QTS	Atlanta (Metro)	20,000	4 (est)	Under Construction / Q2 2019
	Atlanta (1010)	488,900	50 (est)	In Planning
Switch	Atlanta	1,000,000	110	Under Construction / Q4 2019
H5	Atlanta	22,000	.75	Under Construction
CyrusOne	Douglasville	440,000	50	In Planning
Stack Infrastructure	Lithia Springs	130,000	10	In Planning

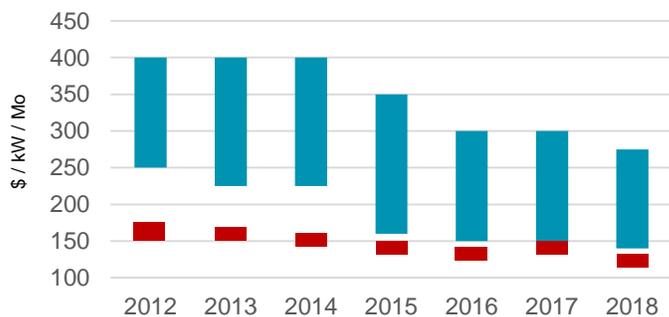
RECENT LAND SALES

PROPERTY	SIZE (ACRES)	SALE DATE	SALE PRICE	BUYER	SELLER
1010 Marietta St NW, Atlanta	55	Oct-18	\$80,000,000	QTS	WestRock Co

RECENT PROPERTY SALES

PROPERTY	SIZE (SF)	SALE DATE	SALE PRICE	BUYER	SELLER
6 W Druid Hills Dr NE, Atlanta	80,757	Jan-19	\$8,120,000	Pacific Century Realty Group LLC (Hao Zong)	Crawford Media Services

ATLANTA DATA CENTER PRICING



Source: datacenterHawk

0-250 kW 250 kW+

MORE INFORMATION:

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“Google has long had a presence in the Atlanta area, with Facebook under construction and further hyperscale development coming thereafter.”

GLOBAL DATA CENTER ADVISORY GROUP

Cushman & Wakefield's [Data Center Advisory Group](#) is a global team of elite professionals delivering specialized real estate solutions for mission critical users, owners, and environments. With scalability, reliability, and security as a driving force, our highly knowledgeable and responsive professionals guide clients to make effective financial decisions. Our expertise ranges includes colocation facilities, control centers, greenfields, powered shell, and trading floors. We lend additional value through our understanding of global dynamics and their impact on local markets.