

DATA CENTER MARKETBEAT

Spring 2019



CUSHMAN & WAKEFIELD

CHICAGO

MARKET OVERVIEW

Chicago has seen continued strong performance over the past several months, with five projects under construction and more under serious consideration. The biggest operators have continued to vouch for the market with their capital expenditure, including Digital Realty, Equinix, QTS, CoreSite, CyrusOne, Iron Mountain, and many others. A new theme that has emerged in recent months are smaller operators acquiring their own facilities for future expansion, with New Continuum, Element Critical, and 1547 all making these investments.

ABSORPTION

Absorption totaled 10 MW over the last six months, following a 4 MW third quarter. Fourth quarter take-up was the best quarter locally since the near 14 MW taken in the second quarter of 2017.

LEASING, SALE, AND INVESTMENT HIGHLIGHTS

- **Hilco Redevelopment Partners** is looking to acquire the former Fisk Generating Station from NRG Energy, with plans for up to one million square feet of data center space. The prospective project will spread over 23 acres and provide much needed investment to a plant that closed in 2012.
- **CyrusOne** announced a new agreement with Country Financial in December, with the financial services and insurance company electing to outsource their data center needs to the listed REIT. CyrusOne's Aurora data center will manage all colocation and infrastructure for Country from now on.
- **Vapor IO** recently deployed two micro edge data centers in the Chicago area, with each offering 150 kW of power available for clients. Chicago is the company's sixth market in the US, with connections in each to mobile towers.
- **QTS** has launched a new interconnection platform at their downtown Chicago data center, with the United Internet Exchange creating the third such connectivity hub in QTS facilities behind Richmond and Sacramento. The property has received continued investment, with a 125 MW substation currently under construction onsite.
- **New Continuum** has seen a busy 2019, buying their previously-leased premises in West Chicago and following this up with news that fiber and network provider ISI Communications has moved in and will partner on infrastructure.

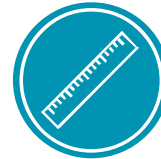
KEY INDICATORS



UNDER CONSTRUCTION
24 MW

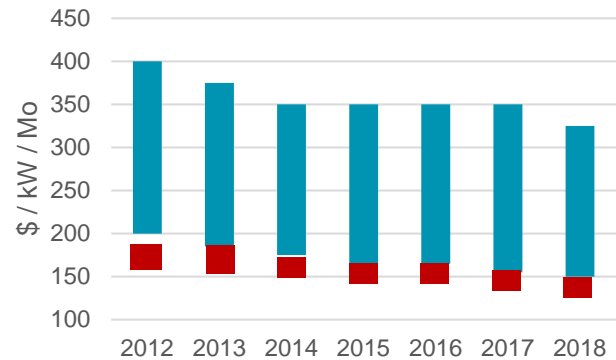


VACANCY
15%



ABSORPTION (6 MOS)
10 MW

CHICAGO DATA CENTER PRICING



Source: datacenterHawk

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“Strong absorption has led to expansion downtown and new projects in the suburbs, with the potential for another 24 MW coming online this year.”

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CONSTRUCTION UPDATE

OPERATOR	LOCATION	SIZE (SF)	POWER (MW)	STAGE
Equinix	Elk Grove Village	14,000	2.2	Under Construction / Q2 2019
Indiana NAP	Hammond	105,000	10	Under Construction / Q3 2019
QTS	Chicago	20,000	4 (est)	Under Construction / Q4 2019
CoreSite	Chicago	58,000	6	Under Construction / Q2 2020
ServerFarm	Chicago	20,000	2	Under Construction
Digital Realty	Franklin Park	45,000	6.4	Under Construction
1547/CIM Group	Chicago	52,000	5	In Planning
James McHugh Construction	Chicago	363,000	16	In Planning
Iron Mountain	Des Plaines	330,000	36	In Planning

RECENT PROPERTY SALES

PROPERTY	SIZE (SF)	SALE DATE	SALE PRICE	BUYER	SELLER
361 Haynes Dr, Wood Dale	44,520	Jan-19	\$13,500,000	Element Critical	Landmark Infrastructure
711 N Edgewood Ave, Wood Dale	115,000	Jan-19	\$5,000,000	Element Critical	Sungard
603 Discovery Dr, West Chicago	80,000	Jan-19	\$13,800,000	New Continuum Data Centers	CenterPoint Properties
725 S Wells St, Chicago	50,900	Dec-18	\$15,908,000	CIM Group, 1547 Realty	Digital Capital Partners
90 Half Day Rd, Lincolnshire	343,000	Oct-18	\$17,300,000	The Saint James	Medline Industries

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“Five data centers have sold in Chicago of late for over \$65 million and planning is underway on another potential 60 MW.”

MORE INFORMATION:

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GLOBAL DATA CENTER ADVISORY GROUP

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