

2<sup>nd</sup> December 2021

# What distinguish the Nordic and Swedish market and what are the latest trends affecting it?

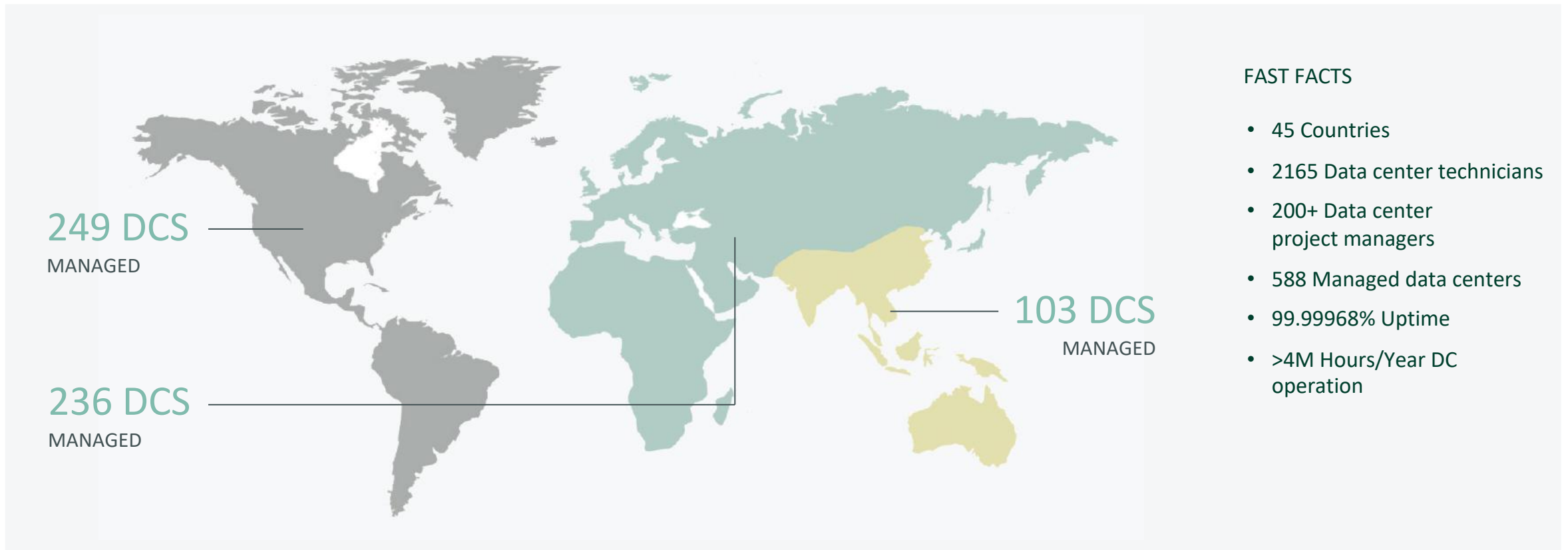
Isabelle Kemlin

Business Unit Director

CBRE

# Global reach combined with local expertise

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Market Stats FLAP

## Definitions

### Supply

- Retailer colocation supply - comprises fitted data centre space only; unbuilt shell phases of the data centre are excluded.
- Wholesaler colocation supply – includes both fitted and shell data centre space. Typically, wholesaler operators sell shell space which is built out to suit customers.

### Availability

- Retailer availability – is based on fully fitted space that is vacant and available to sell.
- Wholesaler availability – is based on all vacant space.

### Vacancy Rate

- Measured by available supply divided by total supply.

### Colocation take-up

- Data centre space sold at operational retail and wholesale colocation facilities in the relevant quarter.

## Heading for another record year of take-up and new supply!

- By far the largest quarter of take-up ever registered by CBRE!
- High number of pre-lets came online in Frankfurt and Amsterdam.
- Activity regained pace in Q3 – challenges in supply chain for IT, mechanical and electrical equipment have continued to push out deals and deployments

2,143  
MW!

+ 23% compared  
to Q3 2020

Colocation Total Supply

383 MW

+15% compared  
to Q3 2020

Colocation Availability

134 MW

92 MW in Q1,  
2021

(+138%) 48 MW  
in Q2, 2021

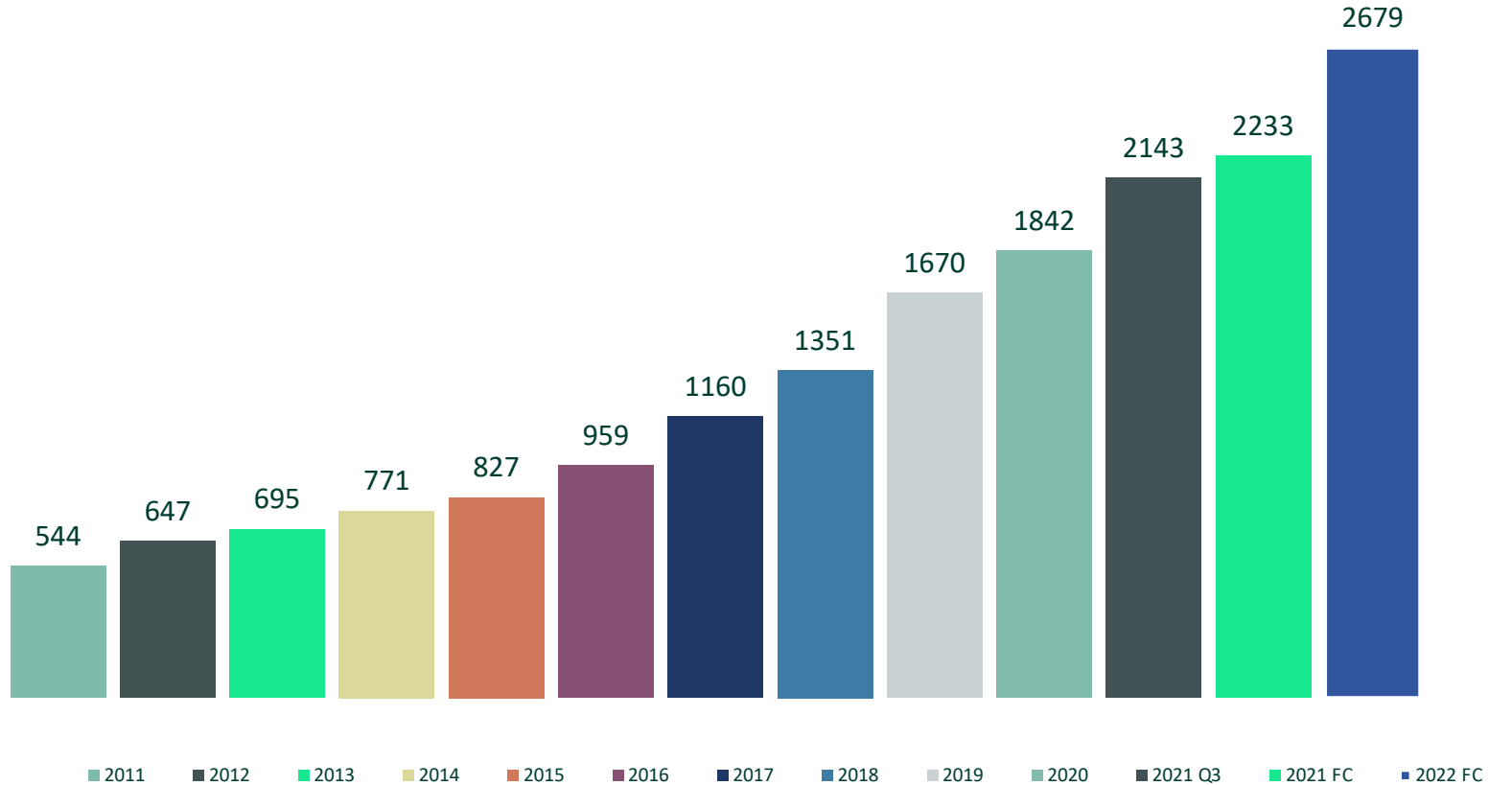
Quarterly Take-up

# A Rapidly Growing Market

Supply is now growing at twice the speed

- 2011-2016 (five years) 415 MW added
- 2016-2020 (four years) 883 MW added
- 2020-2022 (two years) 837 MW added

FLAP Market Total Supply (MW)



# Frankfurt

- Total supply: 545 MW
- Expected to surplus 600 MW this year
- Number of large projects including a 25 MW build in Sossenheim by Colt.
- Massive new supply increase in 2021 (expected over 140 MW)
- Opportunities: Driven by hyperscale cloud opportunities as well as connectivity and content providers
- Challenges: Possible government restrictions (energy conservation measures), increasing construction costs and lack of supply



# London

- Total supply: 814 MW
- Only 4 MW came online – but CBRE believes new build activity will jump in 2022 with up to 200MW forecasted to come online
- Greater interest from enterprises namely firms in the financial services, media, gaming and healthcare sector
- Opportunities: Increased enterprise interest in London as companies digitize estates and move to new architectures that accommodate post-COVID working models
- Challenges: Hyperscaler self-builds finding land, supply chain constraints, inflation and high construction costs,





# Amsterdam

- Total supply: 497 MW
- A big hyperscaler build to suit was launched in Amsterdam in Q3
- Driven by retail colocation demand for connectivity-focused deployments
- Opportunities: Increasing interest from cloud platform providers building out availability zones, AI, IoT, media and hosting companies
- Challenges: power and planning related challenges



# Paris

- Total supply: 287 MW
- Record take-up in Q1 of 43 MW, 10 MW in Q3 and expected additional 10 MW in Q4
- Interxion opened what will be a 12MW facility in Ferrieres-en-Brie called PAR12.
- Significant levels of pre-lets in Paris next year.
- Both hyperscale and enterprises are very active as well as government customers
- Opportunities: High number of sub-2MW requirements - French companies requiring dual sites and need options
- Challenges: Competitive site selection and access to power in



## Continuous growth in Q3 and individual pledges regarding Sustainability announced during Q2

### Market Highlights

- **Frankfurt:** Four new data centres came online in Frankfurt in Q3 including **Equinix's** first xScale site (18MW). Separately, **Maincubes** announced a 20MW second build outside of Frankfurt. **Iron Mountain** said it will buy a 10MW data centre from **Keppel Group**; **Google** announced expansion of its Cloud Region in Frankfurt with a Hanau facility and new region in Berlin- Brandenburg with €1bn investment.
- **London:** **Equinix** announces a fifth site in Manchester that will launch in 2022. Elsewhere in the UK, edge data centre operator **Proximity Data Centres** said it will open a facility in Swindon.
- **Amsterdam:** A large, new 50MW data centre came online in the Schiphol region in Q3. Separately, **Interxion** finished the expansion of its AMS17 facility at Amsterdam Science Park.
- **Paris:** **Interxion** has opened a data centre in Ferrieres-en-Brie called PAR12 that will be a 12MW facility when it is fully built out.
- **Elsewhere in EMEA:** **EdgeConneX** agreed to acquire Israel-based **Global Data Center**; **Global Technical Realty** is building a new 10.5MW data centre in Petah Tikva, Israel and **Digital Realty** struck a partnership with Pembani Remgro Infrastructure Fund to enter Nigeria. It also made a strategic investment in **Atlas Edge** and is planning two new data centres in Dublin – DUB15 and DUB16. Also, **Equinix** filed for a data centre in Ireland's Profile Park.

### Climate-conscious Commitments and Pacts

The **European Climate Neutral Data Centre Pact** took its proposals to the EU with a pledge to make the sector climate neutral by 2030

Providers that made individual pledges include:

- **Equinix** - commitment to be climate-neutral across operations and supply chain by 2030
- **CyrusOne/Colt** - 100% renewable power
- **DATA4** - joined French Planet Tech'Care manifesto to reduce environmental impact
- **Iron Mountain** - tracking renewable power use by the hour
- **Digital Realty** - signed up to Science-Based Targets Initiative for sustainability

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Market Trends

## Covid-19 emphasised things... and created challenges



- Demand for connectivity-focused colo and hyperscale wholesale supply grew
- Increased investor interest
- Pushed enterprises to rethink IT strategies, with a focus on cloud
  
- Access to sites/ new build pipelines
- Delayed customer/ enterprise interest
- Increased competition for M&A, land and for customers leading to margins under pressure

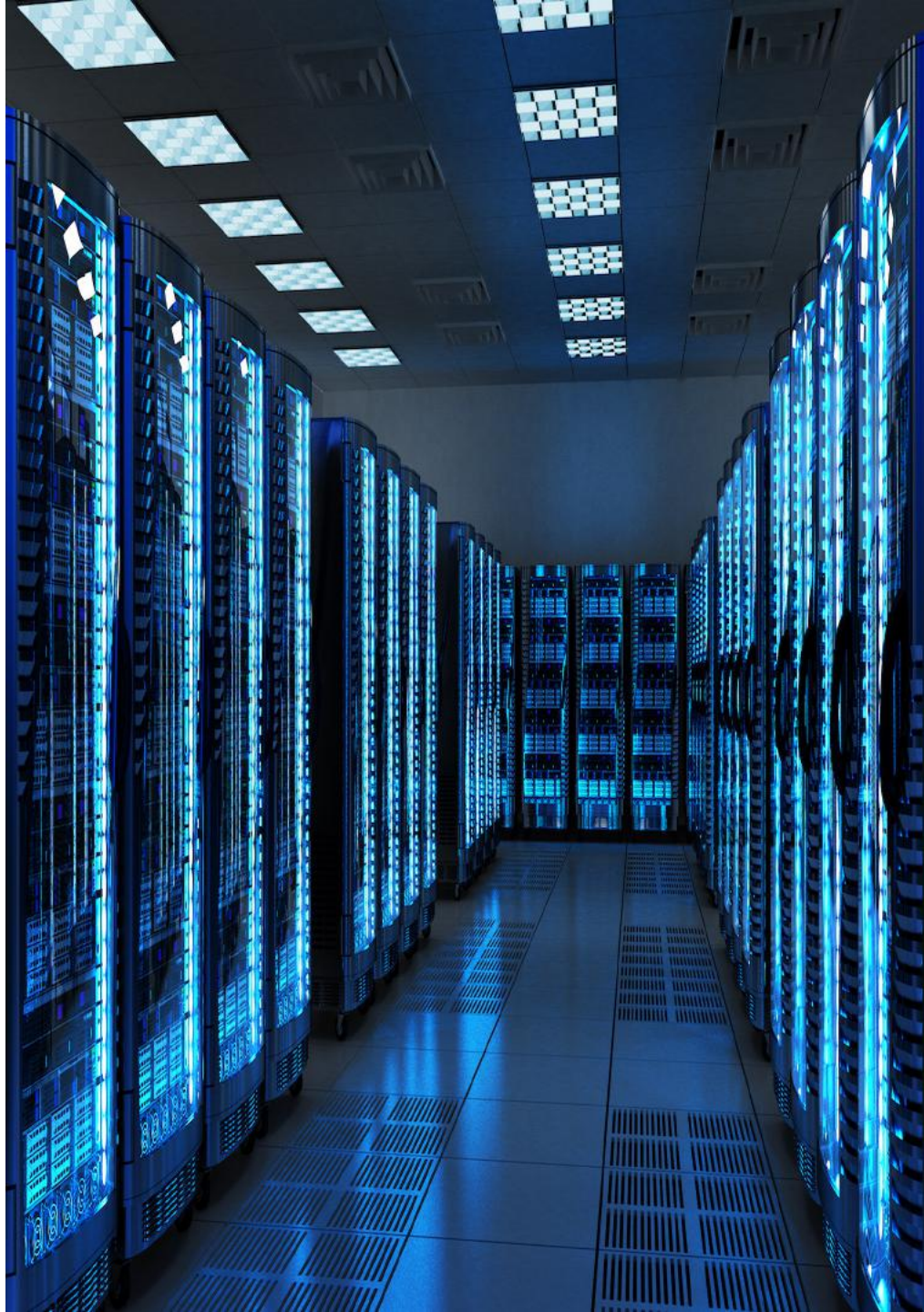
## What is happening right now?



- Business models are changing
- Build-to-suit is growing
- Hyperscalers are encouraging build-to-suit and are exploring self-builds further

Supply requirements are growing...

... and Demand is shifting

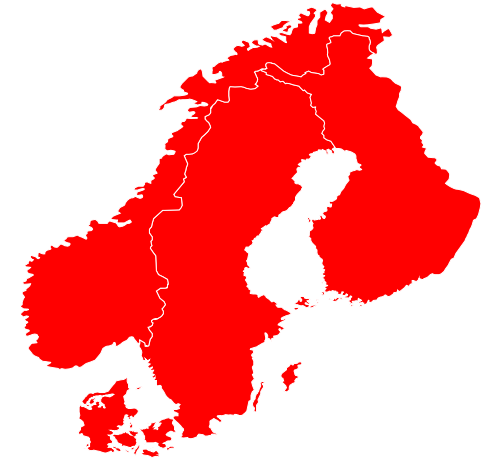


- Campus growth
- Higher density builds
- Introduction of build-to-suit
- Increasing appetite for investor and provider investment
- Hyperscalers accounted for around 80% of leased DC demand

# 3

What's going on in the Nordics and Sweden?





## Increasing investment and M&A activity in the Nordics

### Denmark

Sentia

DigiPlex

Bulk Infrastructure

Google

Facebook

### Norway

Lefdal Mine

DigiPlex

Bulk Infrastructure

Green Mountain

### Finland

Equinix

Hyperco

CSC

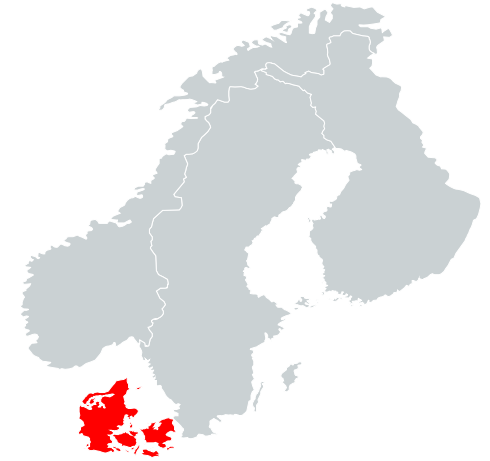
Digita

### Sweden

DigiPlex

Conapto

EcoDC



## Increasing investments and M&A in Denmark

### Sentia Denmark

Penta Infra has announced its expansion into the Nordics

(announced 14<sup>th</sup> June 2021)

### DigiPlex

Now owned 100% by IPI Partners

(announced 27<sup>th</sup> July 2021)

Acquired land for expansion in Copenhagen area

(announced 22<sup>nd</sup> Feb 2021)

### Bulk Infrastructure

Partnership with BentallGreenOak (BGO), a global real estate investment manager, as a strategic partner and investor

(announced 22<sup>nd</sup> Dec 2020)

### Google

Google buys additional land in Fredericia – to be able to expand their campus in Denmark

(announced 12<sup>th</sup> October 2021)

### Facebook

Facebook buys 212 hectar land in Esbjerg

(announced 13<sup>th</sup> Oct 2021)



## Increasing investment and M&A activity in Norway

### Lefdal Mine

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Now majority owner is  
Columbia Threadneedle  
  
(announced 5<sup>th</sup> June 2020)

UBS Asset Management  
Infrastructure Debt Platform  
financing arrangement

(announced 31<sup>st</sup> May 2021)

### DigiPlex

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Now owned 100% by IPI  
  
(announced 27<sup>th</sup> July 2021)

### Green Mountain

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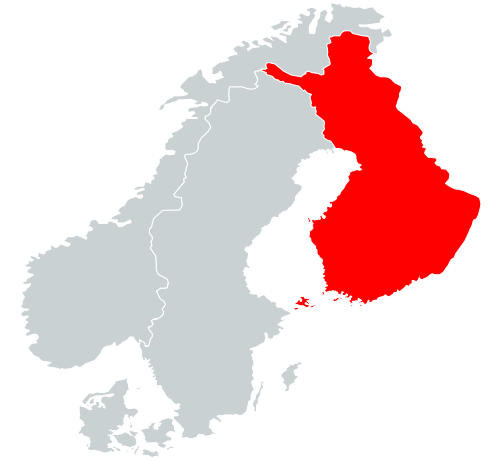
Now owned 100% by Azrieli  
  
(announced 19<sup>th</sup> July 2021)

### Bulk Infrastructure

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Partnership with  
BentallGreenOak (BGO), a global  
real estate investment manager,  
as a strategic partner and  
investor

(announced 22<sup>nd</sup> Dec 2020)



## Increasing investment activity in Finland

### Equinix

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Equinix is investing an additional € 180 million in their data center facilities in Finland, doubling its investments.

(announced 15<sup>th</sup> June 2021)

### Hyperco

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Hyperco plans to invest approximately EUR 200 million in existing and new data centers over the next two years. In five years, Hyperco aims to manage more than one billion euros worth of data centers in the Nordic countries.”

(announced 4<sup>th</sup> June 2021)

### CSC

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LUMI, one of the EuroHPC world-class supercomputers, will be located at CSC’s data center in Kajaani, Finland. Operations will start in 2021.

The budget for the EuroHPC JU in 2019–2020 is over 960 million Euros, 202 million Euros in Finland

(announced 21<sup>st</sup> October 2020)

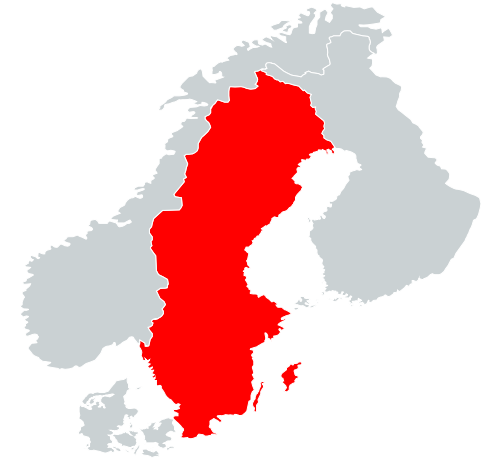
### Digita

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Digita Oy has unveiled plans for a “significant investment in its data centre business” in the form of a new facility to be built in Helsinki, Finland. Set to come online in 2023.

(announced 5<sup>th</sup> Oct 2021)

## Increasing investment and M&A activity in Sweden



### DigiPlex

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Now owned 100% by IPI  
(announced 27th July 2021)

### Conapto

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The European infrastructure fund, Marguerite II, acquires the Swedish data center operator Conapto.  
  
(announced 9<sup>th</sup> July 2021)

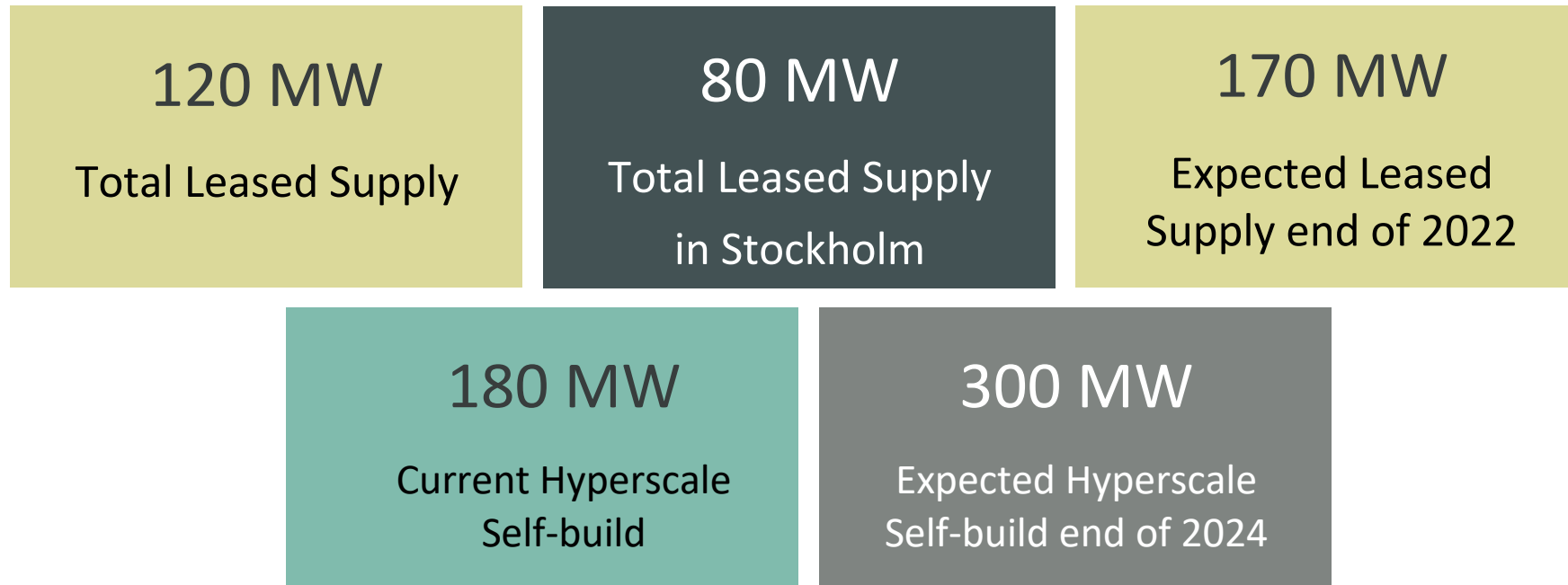
### EcoDC

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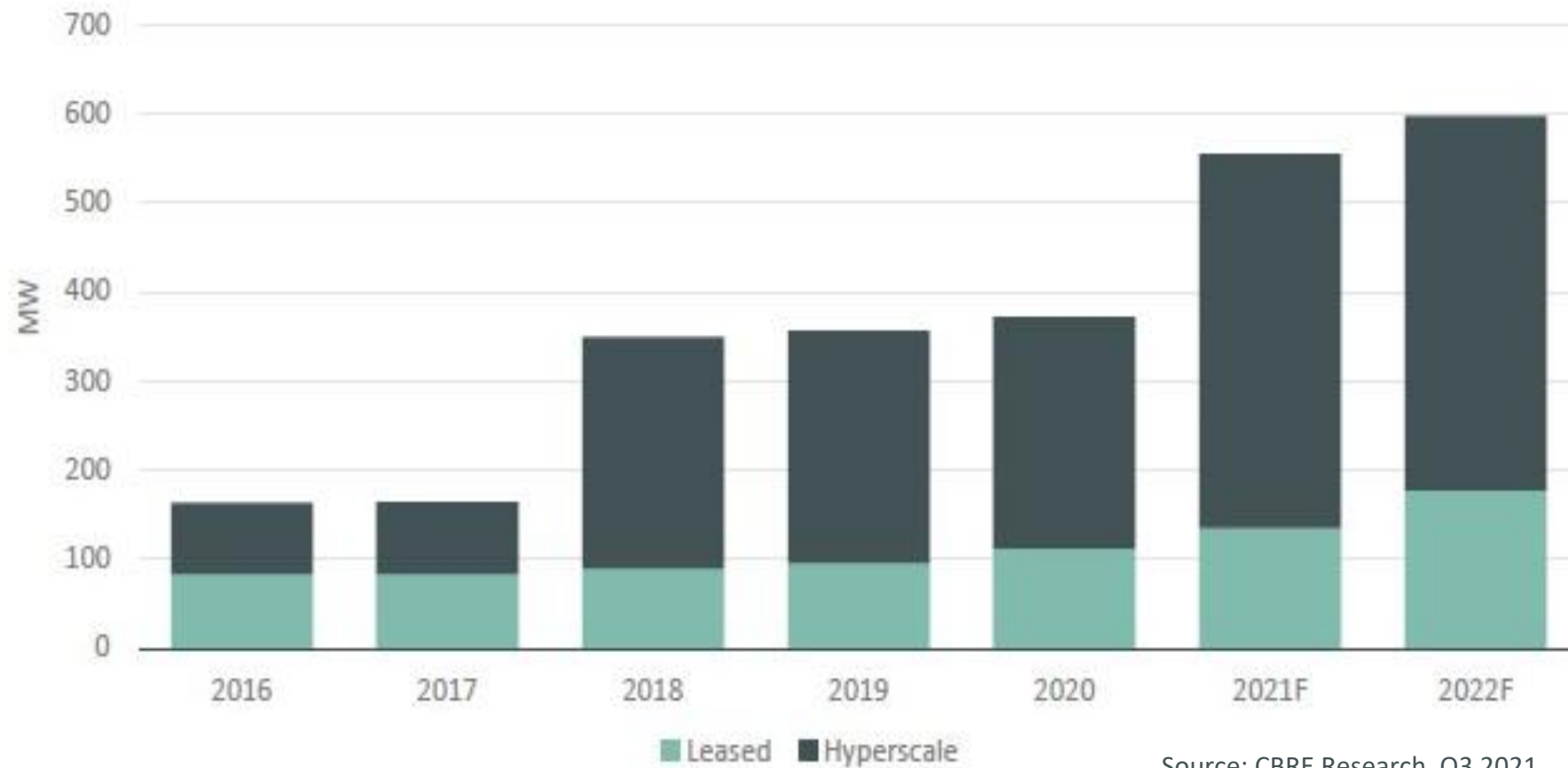
EcoDataCenter continues its growth, and as of October 23<sup>th</sup>, an additional SEK 400 million is raised through a directed equity issue  
  
(announced 4<sup>th</sup> Nov 2020)

# Sweden - the largest leased and hyperscale self-build data centre market in the Nordics

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# Sweden – leased data centre supply and hyperscale self-build forecast, 2016-2022F



Source: CBRE Research, Q3 2021

WHAT'S GOING ON IN THE NORDICS?

**A surplus of  
renewable energy**

**High-speed  
fibre  
connectivity**

**One of the lowest  
energy pricing in  
Europe**

**High-quality  
digital  
infrastructure**

**Highly reliable  
power supply with  
great redundancy**

**Carbon-neutral  
energy**

**Crucial connectivity and  
data centre hub**

**Cool climate**

**District-heating networks**



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## Who to contact?



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Tack  
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