# Grubb & Ellis National Data Center Practice

# NEWSLETTER | Southeast Region

November 2010

## National Highlights

- Google is reportedly purchasing 111 Eighth Ave. in New York for a 5-percent capitalization rate.
- Allied Fiber is nearing completion of its 1,200 mile + dark fiber platform between New York, Chicago and Ashburn. Engineering work on Phase 2 (Ashburn - Knoxville - Chattanooga - Atlanta - Jacksonville - Miami) will commence in early 2011. Allied is completing the designs of several co-builds from both carrier and non-carrier network operators.

## Spotlight: Georgia

- Nearly 500,000 square feet of collocation space will become available through new development and lease expirations. Atlanta has a total of more than 2.5 MSF of internet data center space.
- Quality Technology Services recently completed its 180,000-square-foot expansion at Metro and will deliver 2 MW by Dec. 1st for a new customer at its Suwannee facility.
- Google will vacate Digital Realty Trust's 313,580-square-foot facility in Lithia Springs upon expiration of its current lease. This could be good timing for DLR, as its facility at 375 Riverside is fully leased. No word from DLR as to how it will reposition this asset.
- Equinix has completed phase one of its 60,000-square-foot expansion (started earlier this year by Switch and Data).
- T5 Partners has placed 12 acres under contract in Alpharetta to build a 10 MW speculative data center.

## Spotlight: Tennessee

- Zayo Colocation (zColo) expanded to the Southeast with a new 9,000-square-foot colo facility located in Downtown Nashville.

## Spotlight: North Carolina

- The diversification of generation assets (nuclear and coal each at 50 percent), the 12.5-percent renewables mandate, by 2021, inexpensive power, as well as four-year utility incentives and tax advantages, have helped put North Carolina at the forefront of data center build-to-suits in the U.S.
- In the last few months, North Carolina has added American Express, Wipro Technologies and Facebook to its already-impressive list of major data center facilities, including Apple, Google and Yahoo.
- Five 9's Digital has secured eight data center-ready sites. Three are powered shells and five are pre-vetted land sites.
- Welsh, Carson, Anderson & Stowe has successfully purchased a majority interest in N.C.-based Peak 10. Peak 10 also recently closed a new credit facility for $155 million.

## Spotlight: Florida

- Six/Ten Corp. kicked off of a 40,000-square-foot data center colocation facility adjacent to its existing carrier hotel and colocation facilities in Winter Haven, Florida. The new facility will include wholesale suites ranging in size from 5,000 to 10,000 square feet.

## Major Recent Deals/Expansions

- In May, American Express announced a 500,000+-square-foot, $600 million data center project in Rock Creek Center, Guilford County, N.C.
- In November, Facebook announced a 400,000+-square-foot, $450 million data center property in Forest City in Rutherford County, N.C.
- In November, Wipro Technologies announced a $75 million data center in Cleveland County, N.C.
- T5 Partners sold a 215,000-square-foot powered shell at the company's Kings Mountain Park just outside Charlotte. T5 immediately plans to kick off a new 150,000-square-foot (expandable to 480,000 square-feet) powered shell in the same park.

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