



451 Research: Data Center Colocation Market Annualized Revenue Projected to Reach \$33bn Worldwide by End of 2018

Equinix and Digital Realty are market leaders among more than 1,200 worldwide colocation suppliers.

NEW YORK, March 31, 2016 – [451 Research](#) projects the global colocation market will reach \$33.2bn by 2018 in its latest quarterly Datacenter Knowledgebase (DCKB) release, which tracks nearly 4,800 datacenters operated by 1,286 companies worldwide.

In Q4 2015, the [data center colocation market](#) saw \$27.0bn in annualized revenue. The majority of this revenue (54.6%) continues to be derived from local providers with sub-\$500m in annualized colocation revenues.

“2015 was a record year for the datacenter, hosting, and managed services sector, with the highest number of deals since we began tracking it. But there are still hundreds of datacenter providers around the world that will continue to consolidate, either to gain scale or add services or both,” noted Kelly Morgan, Research Director, North American Datacenters, 451 Research. “This is not because the industry is in trouble; the move to cloud continues to drive strong demand for leased datacenter space. It is because the industry is maturing, and providers are becoming more strategic in their approach to customers.”

Among the largest providers, Equinix is the market leader in the combined wholesale and retail colocation market with a share of 8.1% of global annualized wholesale and retail colocation revenue. Digital Realty, primarily a wholesale provider, is the second largest supplier in terms of revenue at 5.6%, but leads the global market in terms of operational square feet with a 7.8% share globally. 451 Research estimates that the global colocation market will grow in terms of total operational square feet from today’s 132.4 million square feet to 176.5 million by the end of 2018.

“Colocation is quickly becoming the nexus of both cloud and enterprise IT,” says Katie Broderick, Research Director, 451 Research. “The colocation market is serving as datacenter arms dealer to both enterprises and the cloud. In this process, colocation is often becoming the strategic connection point between the two.”

Global Top 10 Colocation Companies by Operational Square Feet and Annual Revenues

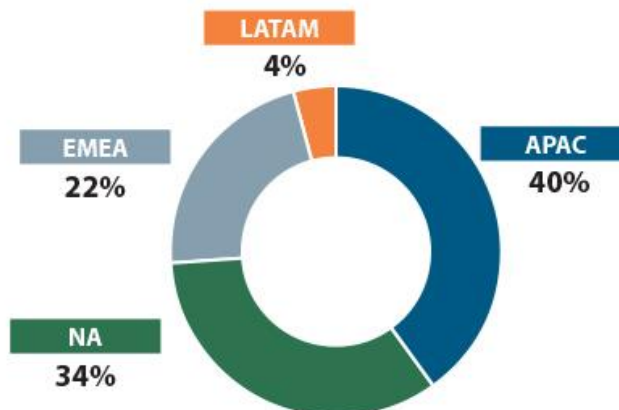
SQUARE FEET		ANNUAL REVENUES	
Digital Realty	7.8%	Equinix	8.1%
Equinix	3.8%	Digital Realty	5.6%
NTT Communications	1.9%	CenturyLink	2.4%
Verizon	1.6%	Telecity	2.0%
Level 3 Communications	1.5%	Verizon	1.9%
Global Switch	1.3%	Global Switch	1.7%
DR Peng	1.3%	Dupont	1.7%
China Telecom	1.2%	Interxion	1.6%
LINKTOM	1.2%	CyrusOne	1.6%
CenturyLink	1.2%	AT&T	1.4%

Source: 451 Research's Datacenter KnowledgeBase March 2016



451 Research estimates that today, the world's largest region in terms of total operational space for colocation (space supporting IT equipment) is Asia Pacific (40.1%). Growth in APAC has been fueled by the sheer size of the economy and a less entrenched installed base of enterprise facilities with which colocation providers must compete. In addition, some Asian countries have been supporting their colocation industries with special zones and tax treatment. North America is second largest with 33.7% of total, global operational square feet, while Europe, Middle East and Africa accounts for another 22.1%. The remaining 4.1% of space is in Latin America.

Regional Share of Global Colocation Market Total Operational Square Footage



Source: 451 Research's Datacenter KnowledgeBase March 2016



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About Datacenter KnowledgeBase

The DCKB database covers 4,799 individual datacenters operated by 1,286 datacenter companies serving North America, Europe, Middle East and Africa (EMEA), Asia Pacific (APAC) and Latin America (LATAM). 451 Research is a preeminent information technology research and advisory company with a focus on technology innovation and market disruption.

The Datacenter KnowledgeBase tracks colocation and wholesale datacenter facilities globally, and provides insight into facility capacity and capability, investment and expansion opportunities, and future facility builds. This unique database provides the industry's most authoritative and comprehensive set of datacenter intelligence, covering more than 100 metrics per facility. The 451 Research team gathers data from primary sources including on-site visits, assessments and direct outreach, to validate and collect this data directly from datacenter operators.

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About 451 Research

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