



NEWS RELEASE

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DESPITE INCREASES IN CLOUD COMPUTING, COMPANIES HAVE LONG-TERM PLANS TO INVEST IN DATA CENTERS

SURVEY SHOWS RISK MANAGEMENT IS BIGGEST CONCERN IN DATA CENTER LOCATION DECISIONS

ATLANTA (December X, 2011) – A new survey conducted by CoreNet Global and Newmark Knight Frank shows that despite increases in cloud computing, 50 percent of companies are investing and planning over the long term to build or expand data centers that they manage as a corporate entity.

The survey pointed out that companies are most concerned with risk management and business continuity when deciding where to locate their data centers. One result is a preference for most companies to maintain management of data center operations internally, and not to outsource the function.

“Data centers are the digital-age equivalent of the engine room driving today’s globally networked corporate enterprise,” observes **Bryan Loewen**, Senior Managing Director—Data Centers, for Newmark Knight Frank Global Corporate Services. “The reliable, secure, continuous and efficient operation of data centers has thus become a function vital to the profitability of many companies in today’s and tomorrow’s worlds of e-commerce.”

Nearly two-thirds (62%) of executives surveyed from 30 multinational corporations emphasize the selection of low-risk areas for their data center sites. A majority of the respondents (52%) also identified redundant power sources as a key location decision factor, along with access to high-speed fiber optic networks (57%).

The two primary drivers for opening data centers are lack of existing capacity (48%) and company growth (47%).

The joint survey points out the still-relatively low adoption of LEED-certified facilities and outsourced operations. For example, only 5% rate LEED-certified centers as a top criterion for

data center site selection. Yet a strong majority (57%) thinks LEED-certified owned or leased data centers are important in terms of future occupancy.

At the same time, very few companies (6%) currently outsource their entire data center computing to the Cloud. Nearly one-fourth (24%) do not use the Cloud at all. Conversely, nearly three-fourths (71%) say their companies outsource at least some of their data center computing to the Cloud. Almost one-third (29%), however, expressed a willingness to use outsourced partners to handle future data center requirements.

The survey shows that companies are also increasingly consolidating or combining their data centers, and that some of the biggest concerns are:

- Cost of relocation (32%)
- Disaster recovery limitations (26%)
- Need for infrastructure upgrades (26%)
- Future rent escalations on leased centers (5%)
- Growth and expansion limited by power supply (5%)
- Growth limited by cooling capacity (5%)

Power usage effectiveness (PUE) is also a strategic priority in most data center cases. Survey participants rated a wide range of ways to improve their PUE, including:

- Dedicated cooling infrastructure
- IT loads with higher efficiency
- Increasing control functionality with aim of improving efficiency
- Increasing efficacy of server usage
- Buying more efficient equipment for the future/meter current equipment more proficiently

About CoreNet Global

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About Newmark Knight Frank

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