

# PRESS RELEASE

## CB RICHARD ELLIS REPORTS SIGNIFICANT EUROPEAN DATA CENTRE MARKET GROWTH

**London, 16 October, 2008** – CB Richard Ellis, the world's leading real estate advisor, has announced that in the second quarter of 2008 take-up in the European Data Centre market has shown a positive response to the stagnation that took place in the first quarter, particularly in the London market.

Total market take-up for Q2 was 45,520 sq m, an increase on the previous quarter of 144 per cent. This was driven by a large shell transaction in the outer London market resulting in the second quarter representing the third highest recorded take-up since monitoring the five European tier 1 cities began in 1999.

Take-up in Q2 was largely within the shell market, 27,410 sq m (60 per cent); Carrier Neutral Hotel (CNH) take-up was 16,990 sq m (37 per cent) and threat stock was 1,120 sq m (three per cent). This was representative of the impact of wholesale shell take-up on the wider marketplace. In terms of take-up by market sector, 33,620 sq m (74 per cent) was from the corporate sector; 4,640 sq m (10 per cent) was in retail transactions; 3,820 sq m (8 per cent) was in the technology sector and 3,440 sq m (8 per cent) was from system integrators.

Andrew Jay, Head of Technology Practice Group, CB Richard Ellis, said: "Although we witnessed a slow start to 2008 in the London market, we continued to see demand in the other European tier 1 cities. In London this quarter, we have seen take-up levels return, both in the CNH and shell markets. The continued growth in the CNH market is illustrative of underlying demand in the data centre market."

"The difficulty in the capital markets has helped to constrain supply and as such the market has not been flooded with stock, which has helped maintain a healthy market equilibrium. The difficulty in obtaining funding for projects means that pre-lets are a prerequisite for any large scale build-outs, given the capital-intensive nature of any such project and as such we expect the equilibrium to continue in the medium term."

"Whilst the full impact of the credit crunch is unclear it is evident that the consequential restraint it will place on IT budgets will lead to occupiers procuring on a less capital intensive basis. A requirement for opex solutions to support sagging balance sheets means that the market opportunities open to third party CNH operators and systems integrators will undoubtedly grow."