

# Real Estate to go

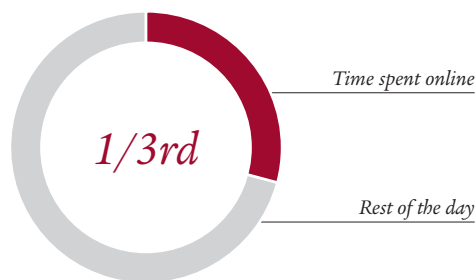
## The Rise of Data Centres

Issue 4 – April 2021

### Living on the web

According to a global survey from 2020, the average amount of time spent using the internet worldwide amounts to almost seven hours a day per person (6H 54M). The Swiss spend on average 5H 40M on the internet and the Germans 5H 26M. Every minute internet users spend 800 000 EUR online, apply for 70 000 jobs on LinkedIn and send 41.7 million messages on WhatsApp. Living on the web requires digital infrastructure – infrastructure that data centres provide.

Average time spent online per day per person

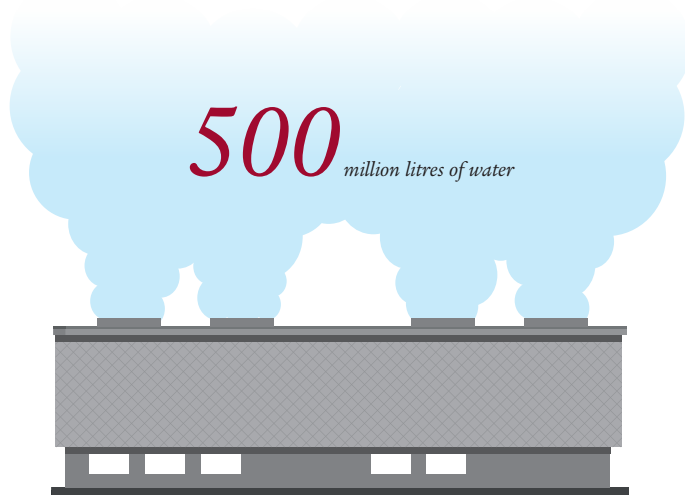


Sources: We Are Social Inc. (2021); Visual Capitalist/Domo

### Taking a splash

Data centres need to be kept cool. To prevent data centres from overheating, billions of litres of water must be used. The approximate annual water usage of a 15-megawatt data centre is almost 500 million litres. That equates to 200 Olympic swimming pools. So how does a data giant like Microsoft handle the cooling issue? Easy! They sink it in the North Sea.

A cool(ed) data centre



### A market with momentum

The global cloud computing market is expected to grow by a compounded annual growth rate (CAGR) of 17.5% between 2020 to 2025, from EUR 308 bn to EUR 690 bn. Cloud services are powered by data centres, which provide the physical location of servers, storage and networking equipment needed to build and run the cloud.

# 17.5%

Source: MarketsandMarkets Research Private Ltd.

### The more data centres the merrier

As of 2019, there are more than 2 300 data centres in Europe. The European countries with the highest number of data centres were Germany (444), the United Kingdom (433) and the Netherlands (259). However, the largest data centre in Europe is located in Portugal, where a Telecom complex spans some 800 000 square feet, the equivalent of roughly 17 football fields. The world's largest data centre is situated in China and occupies 6.3 million square feet of space – that is 130 football fields.

European data centre landscape



Sources: Statista Research Department (2020); World's Top Data Centers; Datacenters.com

## Green data

Data consumes significant energy. By 2025, the estimated share of data centres of global carbon emissions is forecast to be 5.5%. In 2017, the share was 0.3%. However, data can be sustainable and data centres are moving in that direction. By 2030, European data and cloud providers have committed to climate neutrality. Sunken oceanic data centres are one way to get there.

### Target until 2030



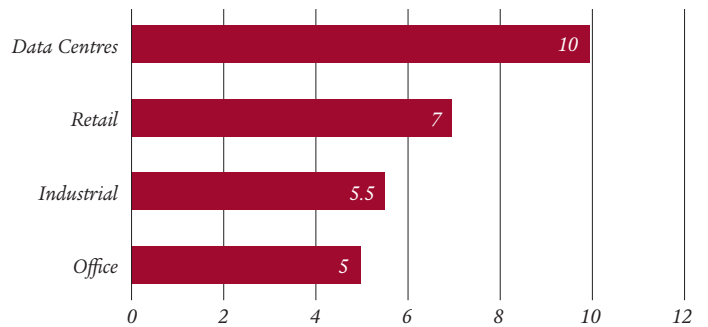
# 2030

Sources: Nature; Conference "Global Forecasting of ICT footprints" (2017); Microsoft

## Long income property

Data centres are a complex asset class, as is their migration. Consequently, data centres providers tend to occupy their real estate for a significant period of time and at least ten years. Thus, the average lease length of data centres is significantly longer than for other commercial property supporting a predictable, long income stream.

### UK average lease length in years by sector in 2020



Sources: CoStar; Savills

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