451 Research

EXECUTIVE OVERVIEW

MARKET FORECAST

Dublin

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Multi-Tenant Datacenter Market

Penny Jones, Principal Analyst - MTDC & Managed Services

This report provides an overview of the competitive dynamics in the Dublin market, a 451 Research Market Map™ of the competitors in the area, market share of the dominant providers, supply-demand and utilization trends, and discussion of planned multi-tenant datacenter builds.

ABOUT 451 RESEARCH

451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, we provide essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory services and live events to over 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group.

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Penny Jones is a Principal Analyst for the Multi-Tenant Datacenter channel and the Managed Services & Hosting channel. Penny provides insight into the European multi-tenant datacenter markets; European managed services and hosting markets; and European cloud (IaaS, PaaS & SaaS) markets.

Key Findings

The Dublin multi-tenant datacenter (MTDC) market, where providers typically position themselves around the T50 fiber ring circling the city, currently has 11 providers with 25 facilities. Collectively, these operate with a utilization rate of 65%. There are currently 86MW commissioned in the market today.

The market has seen increased build activity in recent years, with international providers, including Interxion, Equinix and Digital Realty, building out. There has also been an increase in interest from the investment community and a rising appetite for M&A, and new entrants – including US providers CyrusOne and EdgeConneX – have entered the market.

Providers have typically won contracts on the back of the country's geographic positioning, which makes Ireland an ideal fiber stepping stone between the US, the UK and Europe. This has drawn interest from leading public cloud providers, many of which have large estates in Ireland, and they in turn have attracted a growing ecosystem of systems integrators and second-tier service providers, as well as colocation operators.

MTDC providers believe that a new wave of demand could be about to enter the market, with Dublin offering a similar legal and business environment to the UK while operating as part of the European Union post-Brexit.

While the market remains positive, concerns have been raised about the ability of Dublin's power infrastructure to meet high-energy demands from datacenter operators. To overcome this, many new builds have incorporated on-site gas plants, built and operated at a cost to the datacenter provider. Reservations also exist around Ireland's lengthy processes for offering new build approvals, which have come under increased scrutiny in recent times and even hindered the time frame for some major cloud provider buildouts.

Executive Summary

THE 451 TAKE

Dublin is by far the largest of the second-tier datacenter markets in Europe. Unlike Madrid, or even Milan, Dublin providers see few local opportunities for growth, but like Amsterdam, the market is used as a strategic location for the exchange of data and access to services. This is particularly true of cloud services, with most of the major cloud providers having significant service estates in the country that they use as bases to distribute services across Europe. Brexit will make Ireland even more attractive for US-based cloud providers and others seeking a familiar, English-speaking business environment from which to serve Europe once the UK exits the European Union. The market does have some challenges in regards to the distribution of power – challenges many providers are overcoming by building their own gas-fueled power plants.

METHODOLOGY

The data in this report was assembled in part through the use of 451 Research's Datacenter KnowledgeBase, which tracks hundreds of companies in the space, including product mix and regional market shares. Our methodology includes tours of many of the datacenters in the markets, surveys of datacenter providers, phone briefings and data collection from competitors. 451 Research also interviews real estate professionals as part of our research.

This report was written by:

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451 Research client input and comments on this report are encouraged. Any questions about the methodology should be addressed to datacenter@451research.com.

In cases where metrics are not available from the company, we have used general industry averages and assumptions. The report identifies all datacenter providers discovered by 451 Research in each market, except for those with less than 1,000 square feet of space, and estimates market share for the top three to five providers in each area. Market share is calculated based on operational square footage. For wholesale providers that also lease to retail colocation providers, such space is counted only once in the retail listing – as the retail colocation provider's space – since it is selling to the end customer. In other words, this report depicts market share from the viewpoint of the customer that leases space. The only exception is for the wholesale market share graphs, where retail space is not subtracted in order to give a clearer sense of the true wholesale market share.

This report uses the most up-to-date information received from datacenter providers to estimate market size, supply, demand and utilization. Figures in this report represent year-end numbers and can differ from previous editions of our reports due to more disclosures received from more providers. The maps in this report may not reflect all datacenter facilities in a particular market because not all datacenter providers disclose addresses. The datacenter market includes facilities located within roughly a 50-mile radius from each city center.

Datacenter supply and demand is often referred to in the industry in terms of power available (typically in megawatts, MW), and we expect to convert our graphs to MW eventually. However, not all datacenter providers have given us power metrics and, even when obtained, such metrics can be difficult to confirm (particularly for utilization). Thus, for the time being, we continue to show supply and demand in terms of operational square footage.

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