

## Data gobbling up space in North Texas centers

BY JEFF BOUNDS | STAFF WRITER

Even with economic uncertainty clouding the horizon, it's good to be in the data center market in North Texas right now.

Consider Colo4Dallas LP, which supplies co-location services. The business has a new 40,000-square-foot data center coming online and is about to acquire more space for the same purpose, according to Paul VanMeter, president and chief technology officer.

"It's because of increased demand in the co-location market," he says. "The market's healthy. Everybody (in the local co-location sector) is focused on profitability, and on doing good business."

The fervent demand for co-location services is leading to a crunch in North Texas data center space.

Data centers are industrial buildings with heavy infrastructure that house servers and other gear for storing data and moving it from point A to B.

There's currently about 800,000 square feet of data-center space available in the Dallas-Fort Worth area, according to Pat O'Keefe, senior vice president at CB Richard Ellis' Dallas office. "It's realistic to assume that six months to a year from now, all (that space) will be committed, either in the form of a lease or a purchase," he says. "There are several capable companies circling all those opportunities right now."

Several factors have combined to make data centers a hot space, those in the industry say.

Companies of all sizes, especially health care and financial services concerns, are facing tough new regulations that require stronger record-keeping. Another factor: More services are being provided online, and fancy, bandwidth- and storage-gobbling applications are being offered to small and mid-sized businesses who weren't customers just a few years ago.

VanMeter of Colo4Dallas says most of his clientele is made up of employers with fewer than 200 employees.

"Today, the thought of losing e-mail and Web pages is just devastating," he says.

The cost of servers has declined, giving more companies access to them. What's more, corporations are changing out their servers on average every three years — and sometimes less than that. When technology changes so quickly, there are new requirements for space, weight, location, power, cooling and other factors, says Peter Gross, general manager of EYP Mission Critical Facilities, a California-based unit of Hewlett-Packard that designs and operates data centers.

"Having a data center that can (adapt) to these dynamic and frequent changes is a challenge," he says.

The hot-and-heavy demand for data center space is not limited to Dallas-Fort Worth, Gross said.

"It's not a local trend," he says. "It's a worldwide trend. It has to do with the role the data center is playing in the (information technology) infrastructure. The data center is becoming the centerpiece of the entire IT domain."

### And so it goes

All of this demand is prompting operators to build out new data center space at a strong clip.

Dataside LLC, a Dallas co-location shop, plans to open its seventh data center next month. The 14,000-square-foot facility is already sold out, and president and CEO Jim deVenny says Dataside plans to expand its existing footprints in Austin, Las Vegas and Dallas this year. Those shops could range from 10,000 to 50,000 square feet, deVenny says.

Dataside itself is in what deVenny calls "the final stages" of being bought out. He declined to provide any specifics.

CyrusOne, a Houston data-center operator, confirms in an e-mail that it has recently completed a Dallas-area lease for data-center space.

"The facility is currently under construction with customer installations planned for later this year. More details regarding the facility will be available next month," CyrusOne said in a statement to the *Dallas Business Journal*.

The company is being represented by Brant Bernet, partner at Dallas-based Rackhouse Group LLC, which handles data-center searches and also is involved in developing and owning the facilities.

He said the CyrusOne facility in Lewisville will total 40,000 square feet.

"The activity from a demand perspective has been higher and more robust than I've ever seen it," Bernet said.

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