Digital Realty Announces Results Of Annual North American Data Center Demand Survey

Independent study commissioned by Digital Realty indicates continued strong growth driven by industry demand for increased security, energy efficiency, new applications/services, and more space.

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SAN FRANCISCO, April 8, 2013 /PRNewswire/ -- Digital Realty Trust, Inc. (NYSE: DLR), a leading global provider of data center solutions, has released key findings from its annual study of the North American data center market. The research was conducted on behalf of Digital Realty by Campos Research & Analysis, an independent research firm.

The survey of senior leadership at large corporations in North America indicates continued strong growth for the data center industry in 2013 and 2014:

- Nearly all respondents, 98 percent, indicate that they plan to expand their data centers in 2013 or 2014. This is the highest percentage in the seven years that Digital Realty has sponsored the survey;
- The most important reasons given for data center expansion are (in order of priority) the need for increased security, energy efficiency, new applications/services, and more space;
- One of the key motivators for expansion is implementing an internal (private) cloud. Three in five (61 percent) said that this is an extremely important reason for expanding their data centers;
- The trend is toward larger data centers with the following attributes:
  - More raised floor space (18,500 square feet on average, compared to 17,200 square feet in last year’s survey);
  - More power (62 percent want 2.0MW or more, compared to 49 percent a year ago);
  - Cooling efficiency is getting more attention. Specifically, more are using hot or cold aisle containment (80 percent) this year than in 2012 (74 percent); and
- Data center budgets continue to grow. The average increase in data center budgets is 7.7 percent, compared to 7.2 percent in last year's survey.

In a March 2013 research report, Server and Data Center Predictions for 2013, Forrester Research, Inc. Vice President and Principal Analyst Richard Fichera writes, "Newer workloads like analytics, big data, and online web services such as search, social/digital media, and gaming are driving requirements for computing, storage, and networking at an accelerating pace."

"Data center demand is driven by the combination of a number of trends, including big data, cloud, virtualization, the need for greater energy efficiency, and data center consolidation," said Michael F. Foust, chief executive officer of Digital Realty. "Data center executives face the need for cost optimization as well as the support of important existing and emerging business initiatives. The strong demand revealed by this survey indicates that senior leaders recognize the importance of data center strategies in meeting these requirements."

While the survey respondents indicate a preference for U.S. locations for their new data centers, they did not rule out Europe and APAC.

- Two-thirds of respondents would rather see the data center in the city where they work;
- U.S. target locations cited were New York, Los Angeles, Dallas, Chicago, the San Francisco Bay Area, and Phoenix;
- London and Hong Kong led in popularity of non-U.S. sites, with some mentions of Tokyo, Singapore, Mumbai, Paris, Barcelona, and Madrid.

For Further Information

A summary of the Campos survey results can be found at the company Knowledge Center at www.digitalrealty.com via the "Thought Leadership" dropdown menu.

About the Methodology

Research was commissioned by Digital Realty and carried out independently by Campos. Results of this study are based
on surveys of 300 IT decision makers at large corporations in North America with annual revenues of at least $1.0 billion and/or at least 5,000 employees. All survey participants are directly involved in the process of managing, implementing or expanding existing data centers. All participants were senior level executives or management, including CxOs, in IT, MIS, IS or Finance. The survey was conducted in January 2013.

About Campos Research & Analysis

Campos Research & Analysis conducts consumer research and business-to-business research, using qualitative and quantitative methodologies, to address the business issues of client companies. Campos Research & Analysis was founded in 1988 by Rusty Campos. Ellen Campos became a principal in the firm in 2000. Between them, the principals have nearly 50 years of research experience, both client-side in Fortune 500 companies and supply-side with Homomichl 50 market research companies. For more information, visit www.cr-a.com.

About Digital Realty

Digital Realty Trust, Inc. focuses on delivering customer driven data center solutions by providing secure, reliable and cost effective facilities that meet each customer's unique data center needs. Digital Realty's customers include domestic and international companies across multiple industry verticals ranging from information technology and Internet enterprises, to manufacturing and financial services. Digital Realty's 121 properties, excluding three properties held as investments in unconsolidated joint ventures, comprise approximately 22.2 million square feet as of February 28, 2013, including 2.4 million square feet of space held for redevelopment. Digital Realty's portfolio is located in 32 markets throughout Europe, North America, Asia and Australia. Additional information about Digital Realty is included in the Company Overview, which is available on the Investors page of Digital Realty's website at www.digitalrealty.com.

Safe Harbor Statement

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially, including statements related to futures data center demand growth and requirements. These risks and uncertainties include, among others, the following: the impact of the recent deterioration in global economic, credit and market conditions, including the downgrade of the U.S. government's credit rating; current local economic conditions in our geographic markets; decreases in information technology spending, including as a result of economic slowdowns or recession; adverse economic or real estate developments in our industry or the industry sectors that we sell to (including risks relating to decreasing real estate valuations and impairment charges); our dependence upon significant tenants; bankruptcy or insolvency of a major tenant or a significant number of smaller tenants; defaults on or non-renewal of leases by tenants; our failure to obtain necessary debt and equity financing; increased interest rates and operating costs; risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements; financial market fluctuations; changes in foreign currency exchange rates; our inability to manage our growth effectively; difficulty acquiring or operating properties in foreign jurisdictions; our failure to successfully integrate and operate acquired or redeveloped properties or businesses; risks related to joint venture investments, including as a result of our lack of control of such investments; delays or unexpected costs in development or redevelopment of properties; decreased rental rates or increased vacancy rates; increased competition or available supply of data center space; our inability to successfully develop and lease new properties and space held for redevelopment; difficulties in identifying properties to acquire and completing acquisitions; our inability to acquire off-market properties; our inability to comply with the rules and regulations applicable to reporting companies; our failure to maintain our status as a REIT; possible adverse changes to tax laws; restrictions on our ability to engage in certain business activities; environmental uncertainties and risks related to natural disasters; losses in excess of our insurance coverage; changes in foreign laws and regulations, including those related to taxation and real estate ownership and operation; and changes in local, state and federal regulatory requirements, including changes in real estate and zoning laws and increases in real property tax rates. For a further list and description of such risks and uncertainties, see the reports and other filings by the Company with the U.S. Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2012 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For Additional Information:

A. William Stein  Pamela M. Garibaldi
Chief Financial Officer and  Vice President, Investor Relations and
Chief Investment Officer  Corporate Marketing
Digital Realty Trust, Inc.  Digital Realty Trust, Inc.
+1 (415) 738-6500  +1 (415) 738-6500

Media Inquiries: pr@digitalrealty.com

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