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Data Centre Construction Market Report – UK 2011 – 2015 Analysis

New AMA report provides a major review of the UK Data Centre Construction Market

"The prospects for the data centre construction market in the medium term are relatively bright and it is expected that in 2012, the market will show strong growth. This will be driven by, among other factors, an expected surge of activity ahead of the implementation of the government's planned consolidation of its hundreds of data centres into just a handful. In addition, while some client sectors have been facing difficult times during the recession, demand in some key client sectors, such as online content and media providers and SaaS providers have seen strong growth and this is likely to continue in the near future."

A brief summary of the report is included on the following page.

Priced at £665, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Keith Taylor on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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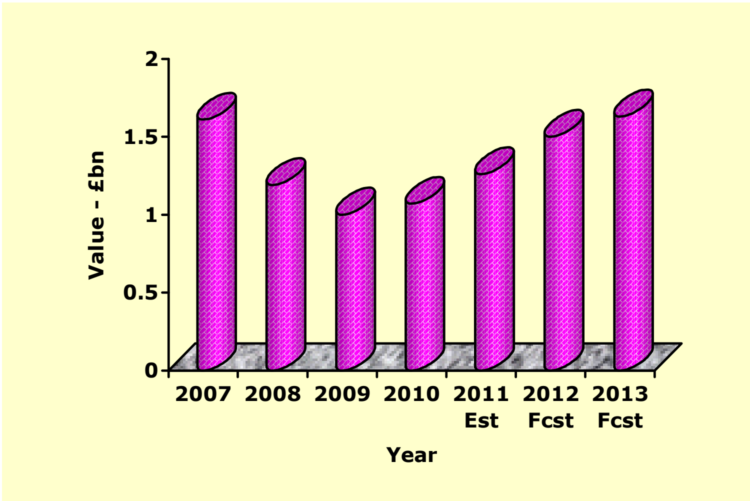
UK Market for Data Centre Construction 2007-2013 by Value (£bn)



The market for data centre construction has experienced variable performance, with strong growth between 2005 and 2007, driven by growing levels of outsourcing, an increase in data volumes and internet activity, and a continuing demand for modern and efficient data centre space. The value of the market fell substantially in 2008 and 2009 due to the general economic downturn affecting a number of key sectors for data centres, such as financial services and retail. In addition, financing such large projects became increasingly difficult as the recession took hold.

Market values continued to be sustained by ongoing replacement and maintenance work and demand has continued to grow due to ever increasing usage of online services and media, and as a result 2010 saw an increase in output as projects that had been on hold previously were released amid signs of economic recovery. The market for data centre construction is estimated to be valued at around £1.26bn in 2011, significantly below values seen at its recent peak in 2007.

Modular data centre units and complete pods have become increasingly popular in the past 3-5 years with a large number of new suppliers entering the market. This is driving demand as modular builds provide a quick way of meeting demand for data centre space without the large capital costs incurred by building in a traditional way. Modules are also often more energy efficient and allow the client to scale the construction according to demand.

Energy efficiency is a key driver of market growth. Data centres utilise incredibly large amounts of power and in many traditionally built data centres, a lot of energy is wasted. The effects of improving energy efficiency in data centres can be seen immediately, bringing the additional benefit of substantial savings on operational costs, of which power accounts for a large share.

Ever increasing levels of online activity, and changes in the way online services are delivered with the growing interest in cloud computing technology seen at present are also driving demand.

The government owns a large number of data centres and as such have a significant influence on the replacement and maintenance sector of the market. While commercial developers, such as co-location providers, account for a significant share of newbuilds due to their large scale and the high specifications, the majority of the existing data centre estate belongs to private businesses.

In terms of contractors, the data centre market is extremely fragmented. While most large M&E contracting businesses are key players, companies involved in data centre construction range from major building contracting groups and commercial developers, to data centre specialists, modular building manufacturers and IT equipment suppliers.

The prospects for the data centre construction market in the medium term are relatively bright and it is expected that in 2012, the market will show strong growth. This will be driven by, among other factors, an expected surge of activity ahead of the implementation of the government's planned consolidation of its hundreds of data centres into just a handful. In addition, while some client sectors have been facing difficult times during the recession, demand in some key client sectors, such as online content and media providers and SaaS providers have seen strong growth and this is likely to continue in the near future. It is estimated that the market may reach £1.66bn by the end of 2015, representing a slight decline on 2014 following a period of sustained growth between 2010 and 2014.

AMA Research's report **"Data Centre Construction Market Report - UK 2011-2015 Analysis"** is available in hard copy or electronic format for £665 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.