

# Data Centre Rack pricing increased by an average of 8.5% across Europe during 2008, with more price increases forecast for 2009

Submitted by: Tariff Consultancy Ltd

Tuesday, 17 February 2009

---

The latest Data Centre Price Tracker survey of 14 European countries reveals that average per Rack pricing rose by 8.5% during 2008. Countries that saw the highest per Rack price rises in 2008 include Portugal (30%), Denmark (24%) and France (17%).

In all countries Data Centre operators are raising prices as newly refurbished space is introduced to the market and are introducing new types of Rack product which reflect the costs of providing enhanced power which increases the average price per rack. The main price determinant for a Data Centre operator is now the cost of power rather than the actual physical space cost.

There remains a large difference in average rack prices per country in the 14 country survey. Italy remains the lowest average priced country for rack space (545 Euro per month), followed by Germany (673 Euro per month).

By contrast, Denmark (1,300 Euro per month), Switzerland (1,040 Euro per month), France (1,029 Euro per month) and the UK & Austria (both on 1,024 Euro per month) have now the highest average rack prices in the survey.

Looking forward into 2009 it is likely that there will continue to be moderate price increases in most countries. Data Centre operators continue to report strong customer demand despite the downturn, as enterprises continue to outsource their IT infrastructure to a third party provider as the cost of managing their in-house facility continues to rise.

As new Data Centres enter service in 2009 operators will seek to ensure that they receive an economic return on the cost of their investment. The cost of new build facilities that are required to meet customer demand for space continues to increase.

The cost of recently announced new build facilities ranges from Euro 33 million (TelecityGroup's development in Stockholm) to Euro 110 million (Equinix's development in London) and underlines the scale of the investment now required.

Industrial electricity costs continue to rise - with an increase in price of more than 20% during the past 12 months. Overall, France, Sweden and Switzerland have consistently the lowest industrial electricity prices in Europe, and Italy, Spain and the UK have among the highest industrial electricity rates. Industrial electricity pricing is projected to continue to be volatile in the months ahead.

"Although there is an economic downturn taking place, there is no immediate sign of a slowdown in demand for Data Centre space," commented Margrit Sessions, Managing Director of Tariff Consultancy Ltd. "Strong customer demand is buoyed by the outsourcing of non-core activities and continues to support the development of new Data Centre space. This demand also allows the operator to selectively raise pricing across all of the main European markets, and we anticipate that average pricing will continue to rise,"

Sessions added.

Click here ([http://www.telecomspricing.com/news\\_detail.cfm?item=843](http://www.telecomspricing.com/news_detail.cfm?item=843))  
[http://www.telecomspricing.com/news\\_detail.cfm?item=843](http://www.telecomspricing.com/news_detail.cfm?item=843) for the chart.

Notes to Editors:

About the Data Centre Price Tracker

([http://www.telecomspricing.com/product.cfm?ds=telecomspricing\\_content&prod=286&dept=27&cfid=3810386&cftoken=5728](http://www.telecomspricing.com/product.cfm?ds=telecomspricing_content&prod=286&dept=27&cfid=3810386&cftoken=5728))

The Data Centre Price Tracker is a subscription service published every quarter by Tariff Consultancy Ltd. It surveys Data Centre pricing in 14 European countries (including Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland and the UK). It also provides a quarterly update of Industrial Electricity pricing in 8 countries (including France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland & the UK). A one year subscription single user licence costs £895.

Contact: Margrit Sessions, Tariff Consultancy Ltd, +44 208 993 6861, [info@telecomspricing.com](mailto:info@telecomspricing.com)