

# **Co-location providers continue to revise power and per rack price points in Europe. Although there has been a slow-down in announced Data Centre build outs pricing of carrier neutral space continues to increase**

Submitted by: Tariff Consultancy Ltd  
Wednesday, 15 April 2009

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14th April 2009 – London: The latest edition of Tariff Consultancy Ltd's (TCL) 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)) published today shows a marginal increase in average Data Centre per rack prices across Europe. But the average cost of a rack for the Carrier Neutral Data Centre segment has risen from Euro 907 to Euro 919 per month over the last 3 months. Although the average cost of a rack for the Carrier Based Data Centre has declined over the last 3 month period.

A number of Data Centre providers in Germany, France and the Netherlands are revising their lowest per rack price points and are introducing new price points for higher bundles of power typically at 4 kVA and 6 kVA per rack rather than adopting a single per rack and power price.

The result of the price changes – with more differentiated pricing per rack according to power usage - is to raise the average cost to the end user. Previously, a number of operators offered low priced promotional rates for a rack of space which are now being withdrawn.

Although the cost of power in Europe has stabilized over the last six months, the average price per kilowatt per hour of industrial electricity remains relatively high and appears unlikely to be reduced significantly. Data Centre operators are now taking the opportunity to rebalance their products and are pricing more precisely for a range of Rack and power bundles.

The countries with the highest average per rack prices in our latest survey are Denmark, followed by a group of countries including Austria, Ireland, Switzerland and the UK, all of which have monthly per rack rates of above Euro 1,000. The country with the lowest per rack price in the Tariff Consultancy survey is Italy followed by the Czech Republic. Germany has now the third cheapest average Per Rack pricing in our survey.

Over the last year, new Data Centre space announcements have averaged around 31,000 square metres per quarter but for the last quarter (from January 2009 to April 2009) there has been no new build outs of Data Centre space. Although it is too soon to say whether the pause in new Data Centre build outs is part of a longer term trend it is clear that co location operators are taking a more cautious view of future growth prospects and are developing space in line with committed business.

Industrial electricity costs widely vary across Europe. The countries with the highest industrial electricity costs are Italy followed by the UK in our survey. The countries with the lowest industrial electricity costs remain Sweden, France and Switzerland which are up to half the costs of the highest cost countries.

Comments Margrit Sessions, Managing Director of Tariff Consultancy Ltd (TCL), "The Data Centre Price

Tracker continues to show that operators are finally taking the opportunity to rebalance their tariffs to reflect the Per Rack power costs incurred by their customers with high density IT applications. The Data Centre provider is now looking in most countries to charge a much more commercial rate for the first time, as they recognise that high power prices are here to stay.”

#### Notes to Editors

About Tariff Consultancy Ltd (TCL (<http://www.telecomspricing.com>): Based in London TCL is a specialised research and consultancy company focussed on tariffs for Data Centres, mobile and fixed line operators and offers a range of subscriber services and reports to a range of end user enterprises, regulators and operators all over the world. Further information is available on the TCL website at: [www.telecomspricing.com](http://www.telecomspricing.com)

About the Data Centre Price Tracker: Published every quarter the Data Centre Price Tracker is an annual subscription service which provides average Per Rack pricing by Country, Carrier Neutral Data Centre provider segment and Carrier Based Data Centre provider segment for 14 European countries. It also includes industrial electricity costs across 8 European countries based on information obtained from official sources such as Eurostat. It costs £895 GBP's for a one year single user licence. Further information is available on the TCL website at: [www.telecomspricing.com](http://www.telecomspricing.com)

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