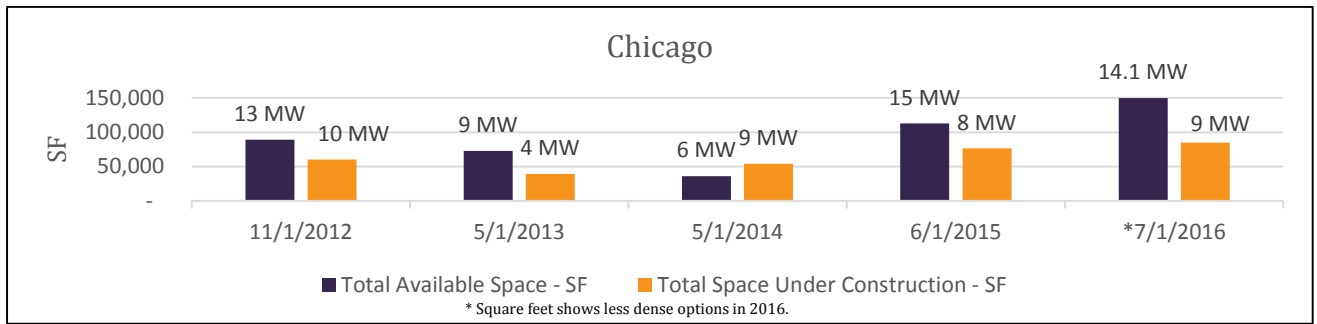


North American Data Centers

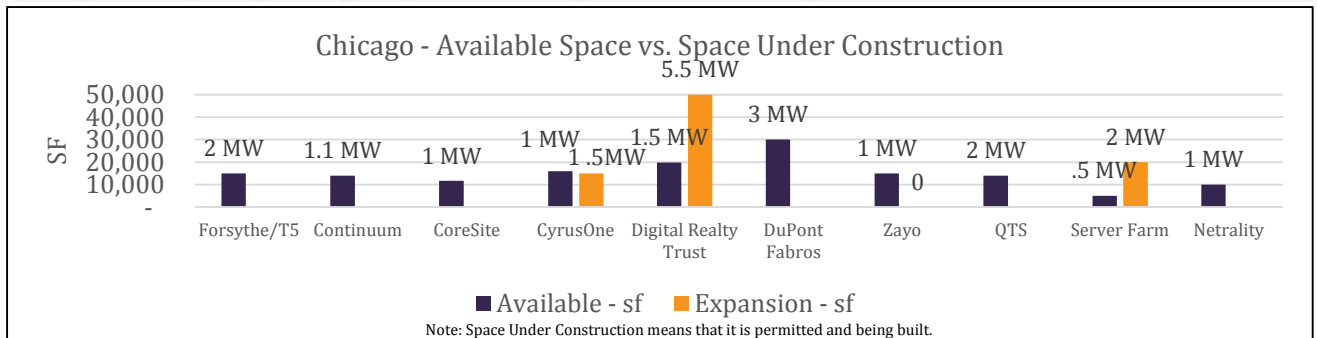


National Highlights

- Large cloud providers are signing transactions throughout the country highlighted by more than 55 MW of transactions for Microsoft and Oracle in Northern Virginia that have been signed or finalized during the past 30 days with several different Multi-Tenant Data Center (MTDC) providers.
- Overall leasing activity during the second quarter was modest but MTDC are positioning with entries into new markets.
- Tenants are taking advantage of the 16.2 MW of vacant space in Minnesota with Stream Data Centers and Databank leasing over 2 MW of new transactions.
- Enterprise users leasing wholesale space will continue to be slow through the election, but cloud providers will be active during 3rd quarter.

Limited Inventory Coupled with New Developers will Lead to Several New Options in 2017 in Chicago

- The Chicago area had the second largest absorption of MTDC during 2015 in the US.
- T5 finalizes purchase of 288,000 sf (9 MW) data center from Forsythe in Elk Grove Village.
- EdgeConneX, RagingWire and 1547 Realty are all trying to finalize new sites in the Chicago Area.
- Power will be the largest barrier to entry, particularly in Elk Grove Village as existing providers contemplate expansion and as ComEd purportedly has less than 40 MW of capacity until expansion of a substation is completed in 2018.
- There are a couple enterprise users contemplating sale-leasebacks which will further provide additional supply.
- Additional 7-12 MW of demand in the market that may/may not close by year end due to lack of existing options.
- QTS Downtown and CyrusOne in Aurora have less than 3 MW available of turn-key data centers space and much of their efforts thus far has been focused on base building construction.
- Wholesale rental rates have been between \$125-\$155/kW on last several transactions.
- Top transactions in 2015 were Microsoft (7.2 MW), Oracle (5.2 MW), Jump Trading (2.2 MW) all with DLR in Franklin Park, and Facebook (6 MW), Salesforce (2 MW) both with DFT in Chicago.
- In 2016 Comcast leased 2 MW in Northlake.
- Microsoft is finalizing site selection on over 25 MW with one of the new Chicago operators.
- Digital Realty is negotiating a buyout with Chicago Mercantile Exchange for 70,000 sf at 350 E. Cermak.



Note: These numbers do not reflect colocation offerings albeit often colocation and multi-tenant data center properties are often blended.

