

Data Centers Offering Prime Space

By [Lena Smirnova](#)

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DataSpace's six generators can keep it running for three days of power outage, in line with Tier III certification. **Lena Smirnova**

Although it's still daunting to find a parking space for your car in Moscow, finding a space to park your computer just got easier.

The market for data centers is booming as multiple facilities are set to open in the coming months. But even though the quality of the centers is improving, prospective clients still have a lot to watch out for, experts say.

The centers rent out space for computer-intensive businesses, such as banks, airlines, insurers and small companies that don't need their own data centers. Commercial data centers take up 34,800 square meters in Russia and are valued at \$231 million. An estimated 80 percent of the centers are located in Moscow.

The collocation of companies in data centers is a fairly new trend for Russia, said Vladimir Lvov, director of strategic development at I-Teco, which has built a collocation data center

in Moscow. Large companies traditionally prefer to build their own data centers, but even they are now looking to rent backup space in domestic data offices.

Data center representatives claim that collocation is a better option for businesses because it offers them additional safety and saves them from a difficult construction process.

Clients don't have to struggle to get electricity, real estate space and qualified personnel if they rent space from a commercial center, said David Hamner, chief executive of DataSpace, which plans to open six data centers in Moscow.

Renting space is also more economically viable for smaller operations, said Owen Kemp, chairman of the advisory board of DataSpace Partners. A company study found that it will cost a small operator \$2.5 million more to run his own data center over five years than to rent the space. The cost will be even higher when electricity is added to the equation.

But businesses have to be on their guard when picking a data center for their computers. Hamner recommended checking that the center operator owns the building and subscribes to the electricity supply directly.

Certification fraud is still a major risk in Russia.

Most of the country's data centers are certified as Tier II or lower by the Uptime Institute, the global data center authority. DataSpace expects to open the first Tier III facility in Russia in the fall, yet many centers are falsely advertising themselves, said Kenneth Brill, Uptime Institute founder.

Unlike the lower levels, Tier III facilities don't need to shut down to do maintenance work. The problem is that many Tier II managers skip such work to avoid upsetting customers, Brill said.

"If you're in a Tier II facility, you're basically in a run to failure strategy," he said. "At some point, you will have an explosion or some catastrophic event."

Global real estate consultant Cushman & Wakefield released a study on June 15 that ranked 20 countries in terms of their data center risks.

Russia ranked 15th, above China and India. The study noted that the country received high scores for its labor and power costs, but scored low in terms of its bandwidth speed and ease of doing business.

Despite these drawbacks, demand for data space remains high in Russia.

DataSpace was able to attract clients without any advertising or web presence. The company now has a list of prospective customers that exceeds its site capacity three times, Hamner said.

Being able to check up on the center is another bonus.

"It is important for our Russian clients that his personnel can reach this center and check for themselves that everything is working," Lvov said.

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