

Where is Colocation going?

Mark Jones | September 2020



With Cloud growth and expansion continuing unabated and the increasing ease with which the uninitiated can grab themselves an entry-level cloud landing zone, you could be forgiven for wondering what the future might look like for Colocation providers.

According to a report published earlier this year, the future of Colo is golden.

The report valued the global Colo market in 2019 at \$31bn and forecasts virtually 100% growth by 2025 to more than \$58bn.

So, what's driving this forecasted growth?



It's pretty simple really – and obvious.

Increasing online activity means increasing generation of data.

This, in turn, is raising the demand for data centres and rack space across the globe.

Cloud service providers and the IT industry as a whole are behind much of this demand and it's estimated that, by the end of 2021, global data centre IP traffic will reach 20.6 zettabytes.

Compare that with 6.8 zettabytes in 2016 and you can see the scale of growth.

(And if you're not sure how much a zettabyte is, it's equal to one billion terabytes or one trillion gigabytes.)

This all works out at around 35% growth in data generated every year, all of which requires growth in hosting capability to match and outstrip the pace.

This is great news for the Colocation industry, placed as it is to enable such growth without the overheads that come with storing servers in-house and maintaining optimum environmental conditions and data access.



Why the digitisation of healthcare is great news for data centres

Over the next five years, the healthcare sector is predicted to be behind much of this increased demand for Colocation capacity.

In the UK and across the globe, increasing digitisation of healthcare, patient services and clinical trials is generating more and more data, as well as the development of advanced systems to collect and analyse that data for clinical and operational outcomes.

However that may be, the operational and technical infrastructure in many of our healthcare sites isn't yet at the same place, especially when it comes to data protection and server capacity and house room.

In the current climate, when it's never been more important to have timely access to accurate data from Covid-19 patients and vaccination trials, data centres can play a critical role in supporting humanitarian objectives.

Europe: the next big Colocation market

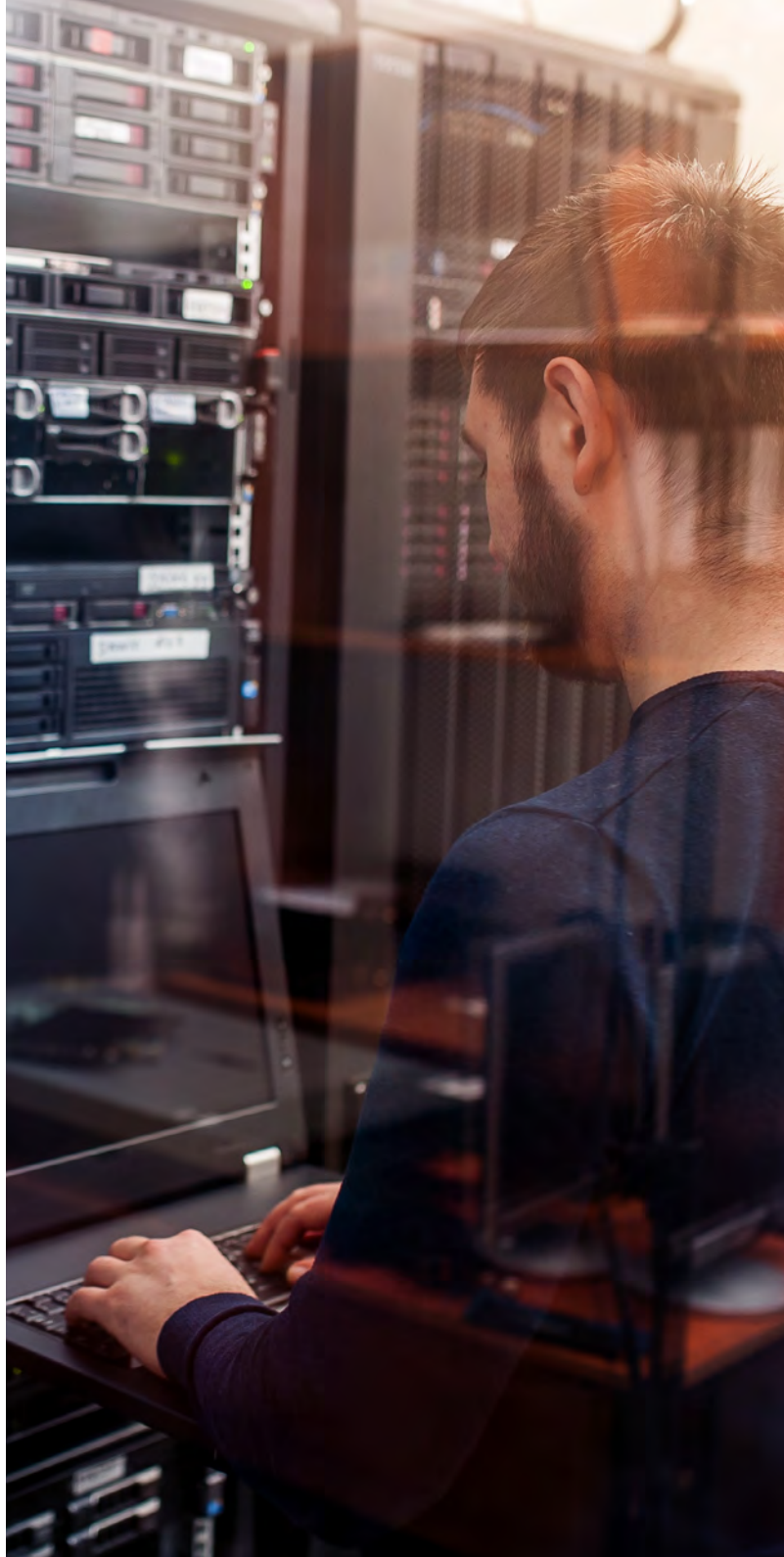
Traditionally, the largest markets for Colocation have been North America and Asia, providing over three quarters of global capacity, and much of the demand.

However, with Europe now driving more and more of the demand, this area is set for exponential growth in capacity, from the 2000+ plus individual data centres already located here. In fact, with the increasing number of data centre investments being made in Europe, it's expected to be one of the fastest growing markets in the period up to 2025.

So, to return to our original question: where is Colocation going?

The answer is both “off the chart” and “absolutely nowhere”.

Forecasts from the “Global Data Center Colocation Market (2020 – 2025) – Growth, Trends, and Forecast”



To find out more about Colocation from Safe Hosts or anything else we can help you with, please get in touch with our Sales team at sales@safehosts.co.uk.

Talk to us about:

- › Network connectivity
- › Colocation
- › Dedicated servers
- › Managed and unmanaged options
- › Professional services