

King of the Nordics

He has been doing it for 25 years and it was during the most critical period in internet's history that he launched himself into the data centre ecosphere craving his name in the Nordic's history books. João Marques Lima reports.

"I brought the concept of outlet shopping to Europe in the early nineties, and when the internet came rolling up on the European shores in late '99 and 2000, by that point, I had 13 outlet centres dotted around Europe, and I thought: Why don't I go transactional with the internet and just sell goods out the back door of my outlet centres?"

So says Byrne Murphy, co-owner and chairman of data centre operator Digiplex, who adds that selling out the backdoor of the outlet centres turned out to be a "good idea".

"I stepped back and said, 'where does the old world, the property world, meet the new world, the virtual world?'"

"The answer was data centres. Within 30 days, I had launched a data centre effort."

That data centre effort came in the form of still privately-owned Digiplex, which has grown to be the largest local player in the Nordic region offering both co-location and wholesale and competing with the likes of Equinix, Digital Realty and Interxion.

"The Nordics have several very strong advantages going for them. One is that cool air can be used to cool down the hot servers, and you save about 20-25% on your annual power bill. In addition, the cost of the renewable power up in the Nordics, hydroelectric power, is dramatically less. It's about one third the cost of the coal-fired in

Germany, and one quarter of what it is in the UK.

"[The Nordics] are becoming the global data centre hub as we speak. Every one of the largest, including the ten largest Silicon Valley, Seattle or Washington, companies like Amazon and Microsoft, have either already committed a billion to two billion dollars of investment in the region, or are in the process and about to announce it. And three or four of them have now announced their second or their third centre."

The Nordic region has established itself as one of the booming markets of Europe and research shows that tax incentives and a green energy policy is paying off.

According to BroadGroup's "Datacenter Nordics III" report, investment in the data centre sector in the Nordics has reached around \$3bn since mid-2016.

Explaining the Nordic's journey, Murphy says that the growth the world has witnessed and will continue to see is part of a long-term market transformation and evolution that started in the West Coast of the US.

"If we look back to Q4 2015 in America, 2015 was a good, robust year in terms of total number of megawatts that were sold or leased. And then 2016 came on and blew the doors off by a multiple of two or three across America.



"Then at the end of 2016, 2017, we've seen the big markets in Europe, Frankfurt, to a lesser extent Paris, London, and of course Amsterdam, and they've had huge years.

"As is true - as is almost always true with new concepts - it starts in the west coast of America, it rolls across America, gets bigger and bigger, washes up on the shores of the UK, and then travel to the Nordics.

"We're already seeing large investments coming into the Nordics, as the dominant local player we are very well placed to receive them. I think 2018 is going to be a very robust year, and we're looking forward to it."

DIGIPLEX 2020

With the Nordic region expanding itself at speed, Digiplex's footprint is also set for expansion into new markets.

The company operates today 322,000 sqf of data centre space across four sites: one in Sweden and three in Norway.

According to Murphy, the next steps will be Denmark and Finland, and the ribbon cutting ceremonies are due before the end of 2020.

"We have several in Norway, we have a campus in Sweden, and all I can say is, watch this space. We have a lot of plans," he says.

"We've been doing this for 17 years, same two shareholders the whole time. We don't take profits out, we reinvest, reinvest, reinvest. We're very fortunate to be able to do that, and so far, it's working."

Byrne Murphy



2001 – Present

Chairman, Founder, Co-Owner DigiPlex

2000-Present

Owner and CEO Kitebrook Partners

1992-2000

President; co-Founder McArthurGlen Europe

1986-1992

Senior Vice President, Development Kaempfer Company