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Supply and demand

CURRENTLY, THE DATA center market in New Jersey is balanced between supply and demand, said **Michael Seeve**, president of Clifton's **Mountain Development Corp.** In 2000, the company redeveloped the former **Givaudan Roure** headquarters property into the Mountain Technology Center, a seven-story, 211,036-square-foot data center in Clifton, and signed a 30,000-square-foot lease with New York-based co-location provider **Telx** in early 2009.

"There are truly enormous barriers to entry," he said. "It's very difficult to make arrangements for the power ... it's definitely limited on a speculative basis." Also, it is difficult for new providers in the market to find tenants, because "the customer base is really discriminating," he said. "You really have to have an expertly developed facility before they even come and look at it."

Mountain Development, which is starting demolition work in preparation for building a second data center in Clifton, is interested in developing more mission-critical facilities, "but it's very hard to get it done," Seeve said. "It's hard to put together a site that will have the power, fiber and connectivity that you can build on."

With an increasing number of data center providers in the Garden State, others are concerned about overcrowding.

"The thing that we're always worried about is, does everyone in the world want to do data centers, is it going to get overheated?" said **Michael Pembroke**, senior vice president of leasing and marketing at **Russo Development**, in Carlstadt.

As one of the few bright spots in the commercial real estate market, "it's got everyone's attention," he said; 1.5 million square feet of data center space is under construction or to be delivered within the next 12 to 18 months in New Jersey. "When you start hearing so much about data centers, it makes you a little cautious." ♦

- Evelyn Lee