Builders see data centres as a big opportunity

Avik.Das1@timesgroup.com

Bengaluru: Data centres are becoming a focus area for commercial real estate players, with the government stressing on data localisation.

Hiranandani Group, through its subsidiary Yotta, is looking to invest about Rs 15,000 crore over the next 5-7 years in setting up data centres in Mumbai, Panvel and Chennai.

Bengaluru-based property developer Salarpuria Sattva is doing a joint development with Wadhwa Group on a 3.5-acre land in Mumbai to set up a data centre spanning 0.6 million sqft which is expected to be ready in three years.

The Adani Group has partnered with US-based Digital Realty to develop and operate data centres and data centre parks.

The RBI has mandated that financial data of Indian nationals must remain within the country. The government wants sensitive data about national to remain within the country. For all kinds of other data too, the government plans to ensure that at least a copy of the data is stored locally. So there's a huge demand emerging for local data centres.

Already, Amazon has started storing payments data in India locally without mirroring it in their over-

A NEW FOCUS AREA IN REAL ESTATE

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seas server, and MasterCard has started adhering to data localisation norms.

"It is still a nascent market and the scope depends on how much digitisation happens over the next few years," said Hiranandani Group chairman and managing director Niranjan Hiranandani. The company has already built two data centres for Netmagic, a unit of Japan's NTT. Now, it plans to build, manage and operate centres, including providing the power and building the racks. The buildings are expected to be about 1 million sqft each.

Hiranandani's data centre parks will be spread over 50 acres near major international fiber landing stations with server hall capacity of over 60,000 racks and 500 MW power. The first data centre park is supposed to begin operations next month at Hiranandani Fortune City town-ship in Panvel, followed by Chennai and Mumbai.

India is expected to become the second largest data centre market in Asia Pacific by next year, with the market set to double to $4.5 billion by 2020, from $2.2 billion in 2016, as per a report by property consultancy CBRE.

Currently, Mumbai has the largest number of data centres in the country at 35, followed by Bengaluru at 27, and New Delhi/NCR at 19. While all cities have strong office markets, Mumbai and Chennai, being coastal cities, have attracted data centre players because of easy access to submarine lines/cables. "The specifications for such centres are very different from other office spaces," said Abhinav Joshi, head of research at CBRE India, adding that builders need some element of technical knowledge to develop and operate them.