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Seeking to capitalize on data center demand in the New York area, Russo Development of Hackensack is marketing a 316,000 square foot Mahwah property as a build-to-suit data center opportunity. The company bought the [Brookline Corporate Center](#) in 2005, with plans to develop it as an office park. Two years later, the property is still available and Russo is positioning it as a corporate data center. The company's plans for the site were profiled in the [Bergen Record](#) last week.



New Jersey has been an active market for data center development, driven by demand from New York financial institutions. "Most New York companies that are building data centers are building them outside Manhattan," Jeff Hipschman, a senior VP in the Technology Practice Group at CB Richard Ellis, said earlier this year. "We're seeing the majority of our data centers in the region in New Jersey." Hipschman gave a presentation on the New Jersey data center market at the DataCenterDynamics New York event in March.

Hipschman and colleague Jason Shepard noted that data center development in New Jersey is increasingly focused in the center of the state, tracking the fiber routes along major highways and the service area of PSE&G, the state's largest utility. As properties close to New York become harder to find, the data center action is moving south in this corridor.

That trend has been a boon to Piscataway, the Middlesex County town that houses many corporate office parks and several campuses of Rutgers University. [Digital Realty Trust](#) (DLR) and Savvis (SVVS) are each developing major new data centers in Piscataway.

The state's largest new project is the [Equinix data center in Secaucus](#), known as NY4, a 340,000 square foot data center that will be able to host 1,700 customer racks. Other companies expanding their New Jersey data centers include hosting providers [Datapipe](#), [CI Host](#), [FiberNet](#), the banking giant [HSBC](#) and publisher [McGraw-Hill](#).

New Jersey has a large supply of industrial and factory sites located along transportation corridors, which include the Northeast Corridor rail line as well as the Jersey Turnpike and Route 1. These sites vary widely

in their power capacity, and not all utilities are created equal. Russo Development's Mahwah property is close to the New York state line and gets its power from Rockland Electric, and features "the potential to provide redundant 138kV transmission lines to the site."

What's clear, the CBRE execs say, is that demand for new space is strong enough to give new life to existing sites with adequate infrastructure. "Every different industry across the country is dealing with regulatory issues that are driving demand for data center space," said CBRE's Shepard. "We're only seeing the tip of the iceberg of data center demand."