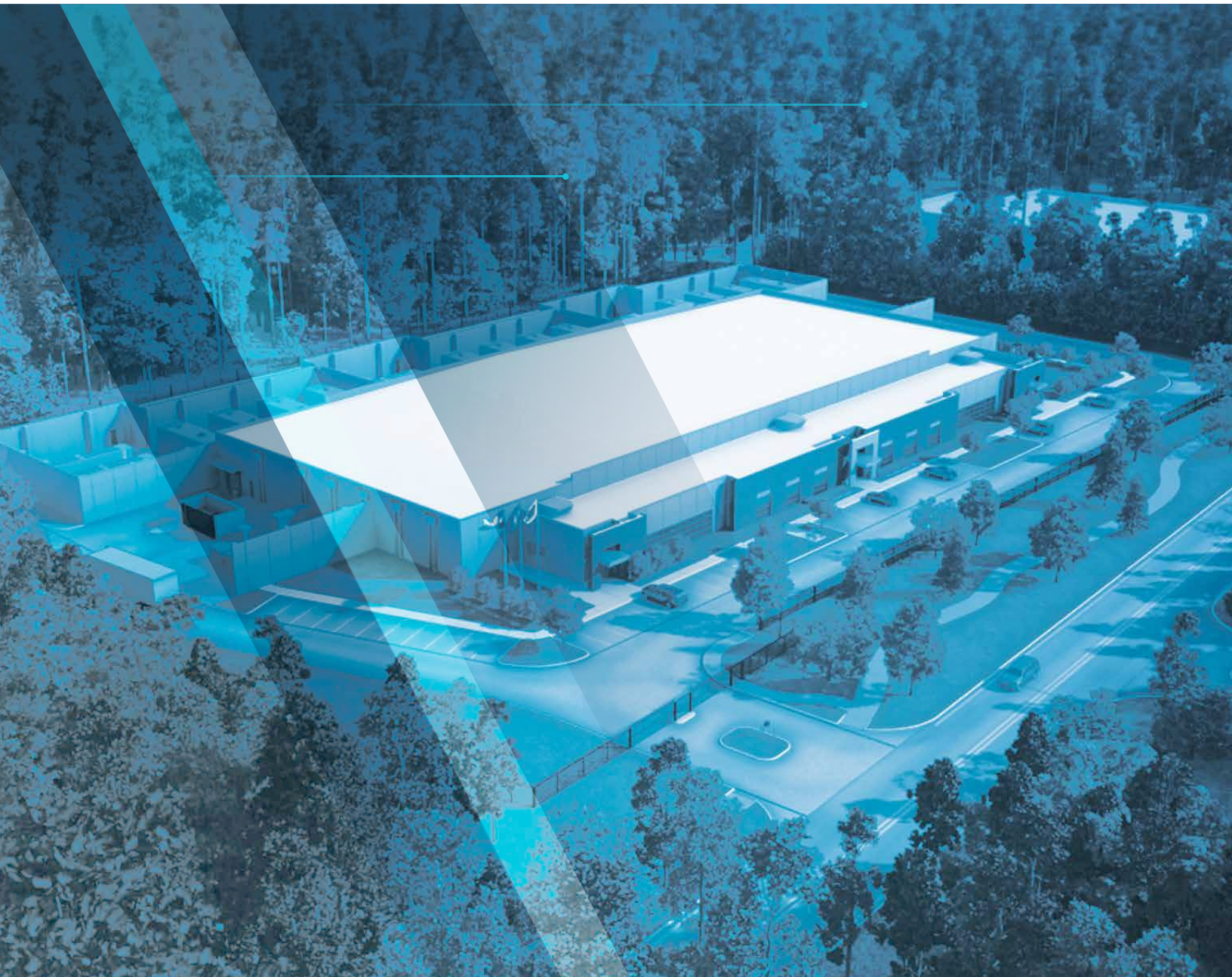


# Data Center Planning

## WHO'S ON FIRST — REAL ESTATE OR TECHNOLOGY?

*According to The Data Center Journal, data center investments in the U.S. reached record levels in 2017 — more than \$20 billion. But how should your company approach a data center investment? Is it a technology investment or a real estate investment? We asked Stream's Paul Moser, co-managing partner, and Michael Lahoud, COO and partner, to make a case for each. As you'll see, the two are hard to separate.*



**MICHAEL LAHOUD:** Well, it has to be a technology investment since a data center *is* technology. The underlying use is technology. Tech lives in the building. A data center houses the operations, fiber and equipment, with technology professionals in charge — it's all technology. Otherwise, a data center is just a building or piece of land. What's inside counts.

*“ Our understanding of infrastructure can save them **lot of time and money** while they figure out what they really need in a data center...”*

**- Paul Moser, Co-Managing Partner**

**PAUL MOSER:** You're exactly right, Michael — the data center houses technology. Without real estate, that tech has no place to go. Looking at the whole picture, the investment in real estate has to precede the investment in technology. And real estate isn't just property; infrastructure is crucial to create an environment that doesn't go

down and is secure 24/7. A data center has to be able to support redundant generators, HVAC, towers, chillers, fire protection and other equipment. It must have reliable connectivity and the capacity for raised floors, insulation and other environmental protection. All of those things are dependent on real estate. A lot of customers I've worked with have come to us because of our real estate expertise. Our understanding of infrastructure can save them lot of time and money while they figure out what they really need in a data center because they know reliability and redundancy are built-in.

**MICHAEL LAHOUD:** I see your point. But technology drives the decision, especially if a company is reevaluating what they need. Companies that are moving to the cloud are doing so solely because their technology needs are changing. They aren't entirely disinterested in where the servers are, but their main concern is accessibility and reliability of their data. That's what affects their top-line revenue. Besides, many companies own their own data centers, so the real estate investment is already made. As technology has evolved, they may have to reevaluate how to use what they have. For example, now more servers can fit into the same space.





*“...the bottom line: all involved parties should be at the table at the beginning of data center discussions.”*

**- Michael Lahoud, Chief Operating Officer and Partner**

**PAUL MOSER:** I think we're about to meet in the middle. A data center is two investments in one. Even if one side weighs more heavily in certain cases, failing to look at both sides can be a mistake. If real estate and finance managers tour sites without knowing the technical considerations, they could find what they think is the ideal data center location — but without the right infrastructure. And if tech managers fail to consult their real estate and financial managers, the result can be disastrous. Success depends on integrating all sides of the decision.

**MICHAEL LAHOUD:** That's the bottom line: all involved parties should be at the table at the beginning of data center discussions. You need input on all sides: strategy, finance, technology. Collaboration leads to success. And don't underestimate the importance of bringing in your data center consultants at the beginning of the process to answer questions and address concerns. Your provider can show you advantages that might not be immediately apparent, like converting capital expenditures into manageable operating expenses — an important lease vs. buy consideration.

**PAUL MOSER:** You'll also have access to locations that otherwise aren't available as land becomes scarce. Companies like Stream that started in real estate and evolved into data center specialists have control of large tracts of land that are suitable for data centers, outside the flood plain with access to power and connectivity. Without that access, customers have to pay a premium for the right location.

So, what's the best approach? Two out of two experts agree that combining the interests of real estate and technology leads to the ideal data center strategy for your company. Whatever you call the investment, make sure that your provider delivers the best possible solution that meets your needs today while offering flexibility for the future. In that scenario, all sides win.





## PAUL MOSER

Co-Managing Partner (Stream Data Centers) and Partner (Stream Realty)

Since joining Stream in 1999, Paul has successfully managed Stream's national portfolio of mission-critical investments and its tenured data center development practice. Drawing upon his strong background in accounting and finance, Paul brings an analytical perspective to each new opportunity as he shapes the strategic direction of the company and establishes operational strongholds in key markets for leading corporations and cloud innovators. His guidance has contributed to Stream's expansion into multiple product and service offerings and the acquisition and development of more than 2 million square feet of data center space nationally, representing more than 200 megawatts of power.

Paul is an alumnus of Texas A&M University and is both a certified public accountant and a certified commercial investment member.



## MICHAEL LAHOUD

Chief Operating Officer and Partner (Stream Data Centers)

Michael implements Stream's overall business strategies and go-to-market operations, including the expansion of Stream's hyperscale solutions and critical environments practice. He is well-versed in critical systems design and operations, as evidenced by his work with avionics platforms for military aircraft, solutions architecture for global power and cooling product manufacturers, and data centers. Michael joined Stream in 2010 and was named COO in 2017.

He holds an electrical engineering degree from Texas Christian University, as well as a master's degree in systems engineering and an MBA in finance from Southern Methodist University. Professional affiliations include leadership roles with the Infrastructure Masons networking organization and the 7x24 Exchange Lone Star chapter, a knowledge exchange focused on reliability among mission-critical information infrastructures.

## ABOUT STREAM DATA CENTERS

Stream Data Centers has been providing premium data center solutions to Fortune 500 companies since 1999. To date, Stream has acquired and developed over two million square feet of data center space nationally, representing more than 200 megawatts of power.

Product offerings include Hyperscale Data Centers, Private Data Center™ Suites, Ready-to-Fit™ Powered Shells, Retail Colocation and Build-to-Suit Data Centers – all with immediate connection to network carriers and public cloud providers. Above all, Stream is dedicated to improving the data center experience through exceptional people and service.

Stream Data Centers is a subsidiary of Stream Realty Partners, L.P., a full service commercial real estate investment, development and services company. Founded in 1996, Stream Realty has a staff of more than 750 real estate professionals with offices in 12 markets across the nation. The company manages 160+ million square feet of commercial properties and completes approximately \$3 billion in transactions annually. Learn more at [www.streamdatacenters.com](http://www.streamdatacenters.com).