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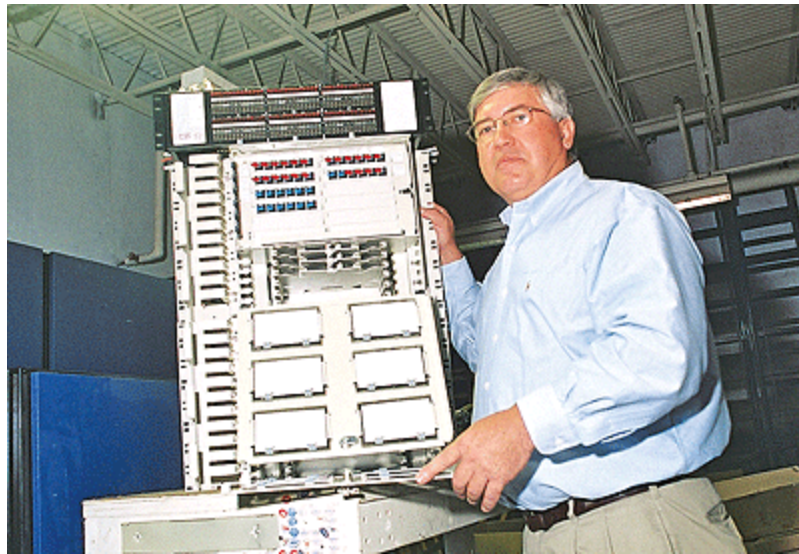
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David Spink Photo

Wayne Sawchuk is a co-founder and CEO of ColoSpace Inc. of Rockland, a managed services provider opening its fifth data center this fall.

Data centers show signs of growth

09/12/2005 08:31 AM

By [Ethan Forman](#)

Not long ago, amid the dot-com bust and a glut of rack space, companies were getting out of — not into — the data center market. Now data center companies such as ColoSpace Inc. of Rockland are filling those racks as more and more companies outsource disaster recovery or IT services, experts say.

"We are probably the only data center company that is here from their original roots," said ColoSpace chief executive officer Wayne Sawchuck.

ColoSpace officials plan to open a fifth data center in Rockland this fall in a building that used to house the former Northeast headquarters of AAA off Route 3 at Exit 14. The nearly 10-year-old company aims to tap into the lack of data center space on the South Shore.

"There's really nothing else down in that area," said Aaron Sawchuck, Wayne's son and the chief technical officer and co-founder of ColoSpace, which operates data centers in Somerville, Marlborough, Quincy and Manchester, N.H.

While the company owns its facilities in Quincy, Rockland and Manchester, ColoSpace leases space from InterNap Network Services Corp. in Somerville and from a NEESCom data center in

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Marlborough. ColoSpace counts more than 200 customers, including the Boston Celtics and venture capital firm Atlas Venture.

"We are privately held, privately funded, and have no debt — and we are profitable," Wayne Sawchuk said. The company's racks at its four operational data centers are 85 percent full, running nearly 4,000 servers.

Rival data centers include publicly traded NaviSite Inc. in Andover and Boston DataCenters Inc. of Charlestown. Companies say their racks are filling up, though nowhere near the rate of five years ago.

Last year was the first year since 2000 that data centers saw an uptick in business, according to Minneapolis, Minn.-based Tier 1 Research, which tracks 987 standalone data centers at 258 companies with 28.4 million square feet of available floor space. The nearly 700,000 racks out there are 46 percent full, said Tier 1 president Andrew Schroepfer.

The co-location market, where companies rent rack space for their servers, is worth \$2 billion, he said, while data centers represent a \$6 billion to \$7 billion industry. Disaster recovery and co-location services are the growth engines, Schroepfer said.

Vincent J. Bono, chief operating officer of Boston DataCenters, said his customer base is growing at a rate of 10 percent a month. The entire facility, once owned by HarvardNet and then Allegiance Telecom Inc. before it went belly-up, is about 25 percent occupied.

Bono said disaster recovery is a driver of his business. Some companies are using his servers to stream video to cell phones. Many companies do not want the hassle of building data centers, with their raised floors, enormous power requirements and backup generators, Bono said.

ColoSpace's heritage dates back nearly a decade. It was an Internet service provider named Dream Communications Inc., one of the first on the South Shore. Aaron Sawchuck, a Middlebury College graduate, founded the business.

"We got into co-location by accident," said Wayne Sawchuck. The Sawchucks built a separate facility with lockable cages and a security system when a customer wanted to co-locate in their Quincy facility.

As ISPs began to fail, the Sawchucks sold off the web design and ISP clients and got into the data center business. They renamed the business ColoSpace in January 2001.

For his part, Wayne Sawchuck knows the requirements of how to build a data center because he worked in commercial real estate construction and built computerized central offices for Verizon Communications Inc.

Sawchuck said his company survived the Bubble burst by attracting brick-and-mortar companies and small software developers.

A New York-based startup and one of ColoSpace's customers, Amplify.com, offers a product that enables users to make an electronic clip book from a web page. Sawchuck said ColoSpace handles "every aspect of their computer infrastructure."

Eric Goldstein, the CEO of Amplify LLC, said ColoSpace gives him access to a virtual IT department. "I go to sleep at night and I don't have to worry about anything," he said.

Denis Martin, the executive vice president and chief technology officer at NaviSite, said his company operates 14 data centers, including nine from NaviSite's purchase of Colo.com.

The company's racks are about 35 percent full, but that number is growing.

Major players in the data center game

Boston Datacenters Inc.
Charlestown

ColoSpace Inc.
Rockland, Marlborough (NEESCOM), Somerville (InterNap),
Manchester, N.H. and Quincy

InterNap Network Services Corp.
Somerville

NaviSite Inc.
Andover

New England Data Services
Waltham

Northeast Data Vault
Marlborough

Savvis
Waltham

VeriCenter Inc.
Boston

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