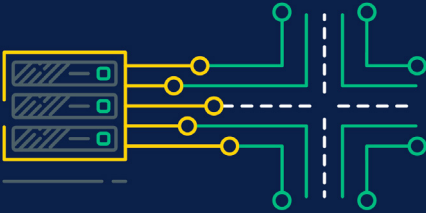


# Data Centers

Real Estate, Infrastructure & Energy

June 2024



The data center market which was long considered a niche market, is now an established and attractive asset class offering investors opportunities which should not be underestimated in a dynamic and rapidly growing market environment.

Whether company data, social media, online transactions, sensor data or other digital information – economic, private and public life works with huge amounts of data. Private individuals, companies and even government agencies are increasingly using cloud services for their IT applications

(cloud computing). Innovative technologies such as artificial intelligence and machine learning are developing at breathtaking speed. The Internet of Things (IoT) is shaping complex, data-intensive technology worlds.

All of this actually takes place in data centers which clearly underlines their importance for a functioning digital world. Demand is increasing in Germany, in Europe and worldwide. The rising demand for storage capacity for data and data processing is creating a growing need for data centers which in turn creates a need for suitable real estate.

Data centers are a central pillar of digitalisation, which is becoming an essential part of everyday life in more and more areas and is fundamental to the competitiveness of companies. Sufficient storage capacities and a sufficient number of secure and powerful data centers are an indispensable prerequisite for the maintenance, further development and digitalisation of business models and work processes. The development of digital technologies and the resulting development of new business areas is leading to exponential growth in data volumes and therefore to a dynamic increase in demand for data center capacities.

Data centers present all stakeholders – be they investors, operators, real estate companies or energy suppliers – with a variety of economic and legal challenges. Comprehensive specific market and specialist knowledge as well as legal expertise are essential. Increasing sustainability requirements, reduced space availability, high demands on the infrastructure and its reliability as well as on the security of data and information make a multidisciplinary team essential to the success of data center projects.



Taylor Wessing is one of the leading legal advisors for data centers, cloud technologies and digital infrastructures. Our lawyers from all relevant areas of law have many years of in-depth expertise and can support in the development of business models, site selection, planning, development, financing and operation of data centers - in Germany and throughout Europe. We have extensive experience in all core markets (e.g. in the FLAP markets). Whether you intend to buy, sell, finance or build a data center, supply it with electricity, use the waste heat or develop a suitable operator model - we can advise you based on our experience from over 15 years in the data center market. Our excellent team of experts makes us your central point of contact for all legal issues relating to data centers across all areas of law.

Our team of experts advises owners, developers, operators, IT service providers, energy suppliers, network operators and users of data centers on a wide range of projects - from construction to use and operation, including IT infrastructure. We work closely with our clients to assess investment risks and opportunities from a legal perspective and find practical solutions for you - be it in traditional project development, strategic investment or financial investment.

We offer comprehensive legal advice in all areas, particularly in the context of contract drafting and negotiation. Our expertise ranges from colocation, enterprise data centers, managed service data centers and cloud computing to hyperscalers and build-to-suit data centers.

The legal challenges are individual to each project. Increasingly important are, for example, the specific provisions for the use and equipment of the space as well as the power supply available on site, electricity costs, grid connection, cooling and the possibility of utilising the waste heat generated. Greater demands on the sustainability of this asset class require legal contracts to be adapted accordingly.

**Our multidisciplinary team consists of lawyers specialising in the following areas of law and practice:**

- Real estate law
- Energy and infrastructure / energy law
- Projects, energy and infrastructure / plant construction
- Technology, media and communications
- Environment, planning and regulation
- Banking and finance law
- Corporate law / M&A
- Data protection and cybersecurity
- Employment, pensions and mobility
- IP
- Tax law
- Restructuring and insolvency law
- Restructuring & Insolvency



We work with our clients to assess investment risks and opportunities from a legal perspective, to find appropriate and practical solutions and to make even the most challenging data center projects a success. We regularly advise on the following aspects in particular:

### Real Estate and Infrastructure

- Project development
- Financing
- Lease agreements (for existing data centers or built-to-suit)
- Purchase agreements (asset and share deal)
- Forward deals (forward purchase and forward funding)
- Public law, e.g. urban development contracts

### Energy

- Regulatory issues and energy supply contracts
- Energy supply / green long-term electricity supply contracts / PPAs
- Reliable energy concepts
- Grid connection contracts
- Waste heat utilisation contracts
- Grid charges
- Liability issues (in the event of a faulty grid connection)

### Services

- MSA for data center services
- Hosting
- Cloud-computing
- Outsourcing
- Colocation

### Hardware and Software

- Server and storage systems
- Applications/Apps
- Cloud computing
- Data protection
- Contracts
- Disaster recovery

### Finance

- Structuring of complex financing concepts including the integration of subsidies
- Project financing
- Real estate financing
- Corporate financing
- Fund structures

## Selected References

### **World-leading US online company and cloud service provider (Hyperscaler)**

Advice on various data center projects, from colocation to powered shell. In addition, negotiation of capacity reservations, grid connection contracts at different voltage levels, grid charges including unique operating resources with the responsible grid operator.

### **World-leading US online company (Hyperscaler)**

Advice and support for various large data center projects, e.g. renting a "powered shell" data center, construction of built-to-suit data centers, colocation, etc.

### **World-leading US software and cloud service provider (Hyperscaler)**

Advice on the strategic data center for the rollout of cloud services, in particular new leasing and operation.

### **Telefónica**

Advising on setting up a JV structure for an investment in digital infrastructure (FTTH) totalling several billion EUR.

### **World-leading US software and cloud service provider (Hyperscaler)**

Advising on the conclusion of a long-term partnership for the introduction of sovereign cloud solutions (essentially: management of data centers).

### **Global Investment Firm**

Advising EQT on the sale of a minority stake in Global Connect, a provider of fibre-based data communications and data center services, to Mubadala.

### **Data center developer**

Legal advice to the Norwegian data center company Green Mountain, owned by Azrieli Group Ltd on an agreement with Kraftwerke Mainz-Wiesbaden AG on the construction of a new 54 MW data center site in Mainz. In particular, negotiating the construction/expansion of a closed distribution network, grid utilisation agreements and electricity supply concept as well as waste heat utilisation agreements.

### **Nationwide distribution network operator**

Advising a nationwide distribution system operator as industrial park grid operator for a data center project: In particular advice and negotiation of grid usage contracts with the operators as well as drafting and negotiation of contracts with the upstream grid operators including construction contracts for an industrial park power grid as well as advice on waste heat usage contracts

### **Germany's largest public transport company**

Advice on outsourcing the data center infrastructure (primary data center and emergency data center).

### **Distribution network operator**

Legal advice to a distribution grid operator operating in the Griesheim Chemical Park (in future WESTSIDE) on the grid connection of a data center and a significant increase in capacity as well as the associated negotiations with the upstream grid operator in the form of production and grid connection contracts.

### **Leading German IT service provider for data centers**

Contract law advice to the IT service provider of the North German administrations on the construction of two new data centers, including drafting and negotiating lease agreements, IT operating agreements and SLAs.

## Selected References

### **German international project developer and data center operator**

Advising on the construction of several edge data centers in Germany.

### **Multinational information technology services and consulting company**

Comprehensive advice in all legal areas, including the establishment of smaller local data centers; M&A advice regarding data center in Fürth.

### **International asset manager**

Advising a multinational investment company focused on sustainable investments on the drafting of contractual documentation for this business unit and on a first data center project in Spain.

### **Multinational provider of payment card services**

Advising Visa on a bespoke data center agreement with one of the largest acquirers, developers and operators of data centers with a focus on the provision of a data center, colocation and networking solutions to domestic and international clients.

### **German telecommunications services provider**

Advising T-Mobile and other telecommunications providers on various environmental issues relating to the telecommunications providers' data centers.

### **Planners and operators of data centers**

Legal advice to a leading data center developer and operator on a contract for the construction and management of a fibre optic network for a large data center park.

### **Leading British company for the construction and operation of data centers**

Legal advice to a leading UK data center developer and operator on the acquisition and development of four large data centers.

### **Real estate company**

Legal advice on the energy concept and asset structuring for two large data centers powered by renewable energy.

### **Operator of data centers**

Legal advice and due diligence support for the acquisition of data center infrastructure in Amsterdam.

### **German private bank**

Legal advice on various financing projects, including fibre-to-the-home projects and related investments in fibre infrastructure.

### **Largest mobile network operator in the world**

Legal advice to the world's largest mobile network operator on various data center acquisitions in the UK.

### **Multi-channel bank insurer**

Legal advice on the planning and construction of two data centers (twin data centers).

### **International Data Center Operator**

Advice on the planning and construction of a data center in Frankfurt am Main. Planned completion in 2024.

### **Real Estate/Property Developer**

Building law advice on the construction of a data center in Frankfurt am Main. Expected completion in 2025/2026.

# Your International Team

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Project development & plant construction ★★★★★  
 Planning and environmental law ★★★★★  
 Energy sector transactions ★★★★★  
 Real estate law ★★★★★

**JUVE 2023/2024**

Taylor Wessing works in a very client-oriented way; the colleagues there are always available for their clients, with very short response times. The firm has lawyers with specialist knowledge who offer comprehensive advice in all areas of law.

**Legal 500 Deutschland 2022**

Top ranking in the areas of project development and plant construction

**Legal 500 Germany 2024**

First-class commercial real estate department. Commercial approach to complex matters, getting to the heart of issue with limited reading in time.

**Legal 500 United Kingdom 2023**

They are extremely proactive and hard-working. The team members have gone above and beyond for us on transactions.

**Legal 500 United Kingdom 2023**



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**300+ partners**  
**28 offices**  
**17 jurisdictions**

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