



Houlihan
Lokey

Real Estate Market Update: Data Centers

Summer 2024



General Trends in the Data Center Sector

01

Hyperscale Spend Driving Growth

Data center development has shifted to focus on large-scale facilities for hyperscale customers—5 to 10 hyperscale companies represent most of the wholesale colocation consumption, and they favor a limited number of well-known and well-capitalized developers/operators. Each hyperscale cloud provider is projecting significant increases in capex in 2024.

05

Rent and Capitalization Rate Trends

Real estate capitalization rates in the data center industry have remained stable, supported by strong investor interest and confidence in the sector's long-term growth. Market rent trends are on an upward trajectory, driven by the increasing demand for data storage and processing due to the expansion of cloud computing and digital services. This robust demand has led to competitive pressures for high-quality assets, further solidifying the sector's attractiveness to investors.

Sources: CBRE, Goldman Sachs. Press Releases.

02

AI/ML Drives HPC Builds

AI/ML applications have the potential to become the fastest-growing customer segment; applications/hardware require an evolution in data center design in terms of density, flexibility, and sustainability. AI adoption and an acceleration in requirements are leading to a new phase of large-scale hyperscale growth, with several new operators deploying GPU-based services that are driving significant demand for data center capacity.

06

Development Trends

As of late 2023, a record 3,077 MW of data center capacity is under construction in primary markets, representing a 46% year-over-year increase. Data center developments are rapidly expanding, with a notable rise in hyperscale facilities to meet the growing demand for cloud computing and digital services. Additionally, there is an increasing focus on sustainability, incorporating renewable energy and efficient cooling technologies to minimize environmental impact.

03

Focus on Power and Sustainability

The U.S. has lagged Europe and other regions on ESG-focused mandates; however, that is changing. There will be increased focus on directly fed renewables, other sustainability measures, and, ultimately, on-site power generation. AWS recently acquired Talen's nuclear data center campus in Pennsylvania which has 960 MW of available clean, carbon-free power provided by Talen's on-site nuclear power station.

07

New Investor Categories

Infrastructure funds, real estate investors, and even funds traditionally focused on energy have entered the sector, pushing down yields and increasing multiples (before the current debt markets) as they expand the definition of "infrastructure" and chase new categories given the cyclical nature of their traditional sectors, among other issues.

04

Site Selection Criteria Evolving

"Edge" applications, access to power, network strategies, sustainability, and geo-agnostic applications are expanding where and how data centers are deployed. Master-planned data center parks have become an increasingly utilized strategy to solve land and power supply constraints as companies look for new markets with large quantities of land, power, and renewables.

08

Data Centers Forecast

The increasing influence of AI, expanding global demand, and a deceleration in energy efficiency improvements are expected to drive a significant rise in global power demand from data centers, more than doubling by 2030. Goldman Sachs anticipates a 15% compound annual growth rate in data center power consumption from 2023 to 2030, suggesting that by the end of the decade, data centers could account for approximately 8% of total U.S. electricity demand, compared to around 3% at present.

Major Data Center Markets

The location of data centers is crucial, often strategically chosen near major urban centers or network hubs to optimize connectivity and minimize latency for digital services.

Factors Contributing to Markets' Prominence

- **Power Availability:** Availability and reliability of electrical power in a location, including the capacity of the local power grid to supply the high energy demands of data centers.
- **Connectivity:** Network infrastructure available at a location, including internet bandwidth, fiber optic networks, and proximity to major internet exchange points.
- **Cost Efficiency:** Cost of operating a data center in a particular location, including real estate, energy prices, taxes, and labor costs.
- **Environmental Stability:** Physical and climatic conditions of a location, including the risk of natural disasters and the ambient climate.
- **Land Costs:** Lower land costs reduce initial capital expenditure and make it easier to acquire large plots for future growth. This often leads to data centers being located in less central but more affordable areas.
- **Tax Incentives:** Tax incentives lower the overall cost of operating a data center by reducing taxes on property, sales, and income. They are a key factor in making certain locations more attractive for data center investment.

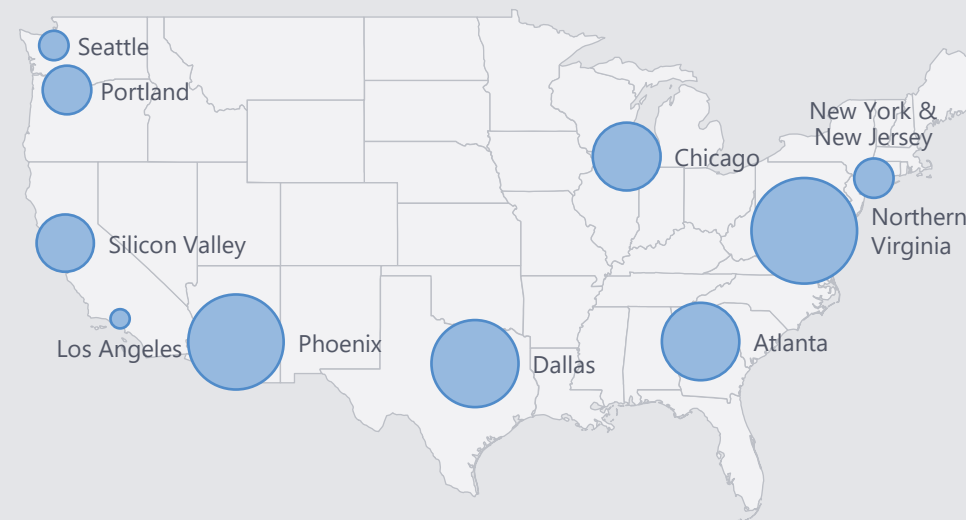
Opportunities

- **Virginia:** Greater power capacity is available outside Northern Virginia, such as in Central Virginia.
- **Silicon Valley, California:** Expanding into new local markets could help address the capacity issues Santa Clara and Silicon Valley Power face.
- **Dallas/Fort Worth, Texas:** Markets are experiencing delays due to supply chain and power supply issues. Developer demand has been strongest in South Dallas.
- **Chicago, Illinois:** Cloud service providers (CSPs) prefer close proximity to end-users, so Chicago is expected to see additional demand.

Sources: Dgtl Infra, CBRE Global Data Center Trends 2023.

Major Data Center Markets

Digital Infra: U.S. Data Centers (2024)	Data Centers	Megawatts
Northern Virginia, Virginia	300	3,945
Phoenix, Arizona	100	1,380
Dallas, Texas	150	1,125
Atlanta, Georgia	80	1,065
Chicago, Illinois	110	805
Northern California (Silicon Valley), California	160	790
Portland (including Hillsboro), Oregon	50	540
New York and New Jersey	145	450
Seattle (including Quincy), Washington	70	395
Los Angeles, California	65	220
Total	1,230	10,715



New Strategies Emerging to Solve Power and Land Constraints

Data center site selection has been meaningfully disrupted by power and land constraints, resulting in new strategies solely focused on unlocking land and power for data center development.

HISTORICAL DATA CENTER SITE SELECTION CRITERIA



- Historically, data center developers' selection criteria have been focused on:
 1. Economic incentives.
 2. Proximity of major internet exchange points in major metropolitan areas.
 3. Metro fiber availability, fiber latency, and workforce availability.
 4. Utility power costs and capacity.
 5. Land cost.
- Initially, site selection was primarily focused on fiber connectivity and proximity to an IX, and as a result, data centers became concentrated in major markets.
- As data center developments continued to grow in size and cost, developers began pushing into newer, secondary markets, in search of more favorable development economics.
- Developers rarely ran into issues with power availability at sites that fit the above criteria and, therefore, assumed the power utility would always serve electrical power upon their request.

DEMAND CREATING POWER AND LAND CONSTRAINTS



- In 2023, data center demand hit an all-time high with more than 4.8 GW of absorption across primary and secondary markets in North America.
- New demand from generative AI and machine learning requires tremendous amounts of power, prompting a fundamental shift in the design and site selection approach for data centers.
- With power requirements for data centers growing exponentially, North America is seeing a scarcity of supply driven by regional power limitations which is a threat to slow down industry growth.
 - Power has become increasingly hard to acquire with utilities warning of shortfalls even for already provisioned customers.
- As a result, data center developers are being forced to be more creative, focusing their site selection search primarily on the availability of power on the grid.

NEW STRATEGIES TO UNLOCK POWER AND LAND SUPPLY



- New operating platforms have been formed to develop master-planned data center campuses in response to the rapidly increasing requirements of hyperscale infrastructure amid power and land constraints throughout North America.
 - Operators pursuing this model, such as Quantum Loophole, are focused on solving the industry's capacity constraints by acquiring large quantities of real estate, power, and water, and taking care of the difficult predevelopment work, such as permitting and regulatory, that is now a multi-year process.
 - These companies plan to monetize parts of their campuses by selling them to a hyperscaler or data center operator, who will then focus on the construction and operations of the data center.
- As power utilities remain short on available power, on-site power generation remains another alternative for data center developers to resort to.
 - AWS recently acquired Talen Energy's 960-MW, nuclear-powered data center campus in Susquehanna, Pennsylvania. This transaction validates the trend of data center operators seeking alternative strategies to obtain large amounts of power capacity needed to fulfill AI demand.

Rapid Growth of Data Centers

The data center industry is experiencing rapid growth, driven by soaring demand for cloud computing and digital services, with significant investments in hyperscale facilities and sustainable technologies.

General Trends

- **Cloud Computing, Big Data, and IoT:** These technologies require massive amounts of data processing and storage, necessitating more data centers to handle the workload.
- **Advancements in AI and Machine Learning:** These technologies rely on vast datasets and computational power, driving the need for specialized infrastructure like data centers.
- **Demand Vastly Outpacing Supply:** The exponential growth in digital activities and data creation has created a significant gap between the supply of data center capacity and the increasing demand for it.
- **Rising Rental Rates:** The pricing of North American data centers is rapidly increasing due to strong demand and a supply shortage. Average asking rates for a standard 250–500 kW capacity in all four major North American markets rose by 20% year-over-year, marking the highest global increase
- **Lucrative Development Opportunities:** The expanding need for data centers presents profitable opportunities for developers and investors due to sustained demand and high occupancy rates.
- **Unlevered Returns (IRRs) Highest Among All Property Types:** Data centers offer attractive investment returns due to their critical role in supporting digital infrastructure and the consistent demand for their services.

Sources: S&P Capital IQ, PitchBook, Wall Street Equity Research, CBRE Global Data Center Trends 2024.

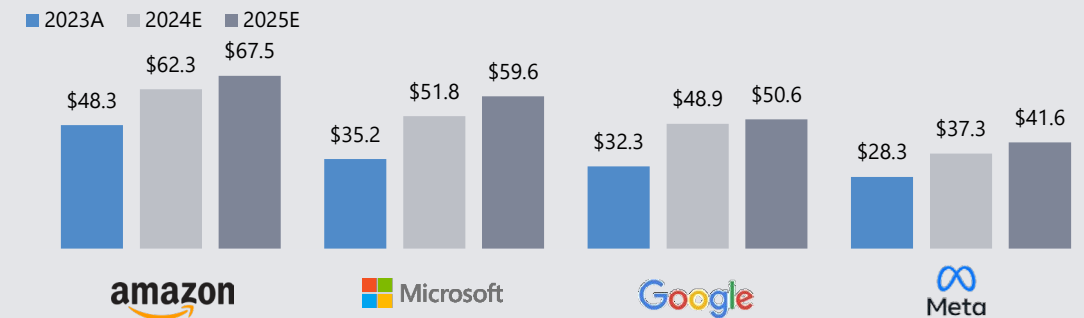
Note: This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such.

Nvidia Stock Price Performance and Other Key AI Investment Milestones



Capex Spend by Hyperscalers

The top four hyper scalers are projected to invest \$213 billion in 2025, a 1.5x increase and 23% CAGR from 2023.



Data Center Transaction and Capitalization Rate Trends

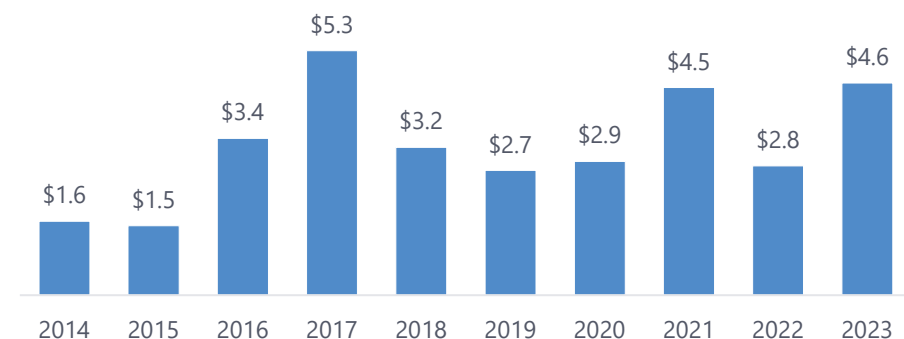
Transaction volume and investor interest in data centers have been high, with significant activity driven by the increasing demand for digital infrastructure and the strategic importance of data centers in supporting cloud services and online activities.

Market Update

- Total transaction volume of all North American data center asset sales was \$4.8 billion in 2023, a 29% year-over-year increase.
- 2024 is expected to see an uptick in capital markets activity due to growing development pipelines and improving lending markets.
- Supply constraints for potential buyers revolve around the balance of in-place inventory and pre-leasing demand for new development.
- Through May 2024, there have been about \$4 billion in ABS issuances related to data centers globally. Borrowing rates have trended around a 150–250 bps spread compared to risk-free rates.
- Notable market participants in the second half of 2023 include Blackstone, TPG Real Estate, Brookfield, and Realty Income.
- 6.00% cap rates are feasible despite a 5.3% debt base rate due to AI-driven rent increases, which have caused rates to double, reversing the historical trend of flat or declining rates in the data center market.

North America Data Center Transaction Volume (\$ in Billions)

Data center transaction volume for 2023 was up 67% from 2022.



Data Center Capitalization Rate Transactions and Investments

Market Transactions	City	State	Sale Date	Sale Price	Cap Rate
Buyer/Investor					
Amazon (CBRE)	Sterling	VA	Jun-2024	\$135,750,000	N/A
CenterSquare Investment Management	West Jordan	UT	Apr-2024	\$600,000,000	N/A
Mitsubishi	Dallas	TX	Mar-2024	\$200,000,000	N/A
Amazon (Talen Energy)	Salem Township	PA	Mar-2024	\$650,000,000	N/A
Starwood Capital Group (Echelon)	Dublin	IR	Feb-2024	\$850,000,000	N/A
GI Partners JV	Chicago	IL	Jan-2024	\$900,000,000	6.50%
Realty Income JV	Northern Virginia	VA	Nov-2023	\$249,717,000	6.90%
TPG Real Estate Partners JV	Northern Virginia	VA	Jul-2023	\$1,500,000,000	6.00%
GI Partners JV	Chicago	IL	Jul-2023	\$900,000,000	6.50%
Dallas Powered Shell	Dallas	TX	Jun-2023	\$150,000,000	5.50%
Ashburn Turn-Key Data Center	Ashburn	VA	Apr-2023	\$150,000,000	5.50%
NoVA Powered Shell Portfolio	Various	U.S.	Jan-2023	\$275,000,000	5.50%
NoVA Powered Shell Portfolio	Various	U.S.	Aug-2022	\$205,000,000	4.50%
Switch Data Centers	Various	U.S.	May-2022	\$10,700,000,000	5.90%
Manassas, VA Data Center (DC-6)	Manassas	VA	Jan-2022	\$225,000,000	5.10%
CyrusOne Houston Portfolio	Houston	TX	Jan-2022	\$670,000,000	6.50%
Low					4.50%
High					6.90%
Median					5.90%
Mean					5.85%

Sources: JLL Research Reports, Evercore Research Reports, S&P Capital IQ, Confidential National REIT Research Company, Digital Realty 3Q23, 4Q23, and 1Q24 Financial Results, CBRE Insights.

Historical Data Center Private Transaction Multiples

Historical data center private transaction multiples have shown resilience and growth, reflecting sustained investor confidence in the sector’s robust demand and strategic importance in the digital economy.

TEV/LTM EBITDA

(\$ in Millions)

Year	2020	2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2022	2022	2022	2022	2022	2023	2023	2023	2023	2024	2024
Target TEC	\$3,500	\$2,500	\$326	\$420	\$10,000	\$300	\$204	\$15,000	\$10,100	\$3,000	\$1200	\$858	\$3,500	\$670	\$10,500	\$4,400	\$1,800	\$3,800	\$5,500	\$1350	\$1500	\$575	\$1300



Sources: S&P Capital IQ, 451 Research, public filings, other publicly available information.
 (1) Data4 valuation multiple was approximately 21x on an NTM EBITDA basis. The 35x multiple displayed above is on an LTM EBITDA basis.

Data Center Development, Discount Rates and Yield on Cost Market Update

The data center development pipeline is robust, with numerous projects underway globally to meet the escalating demand for cloud computing and digital services, supported by advancements in technology and infrastructure.

Data Center Development Market Update

- As of late 2023, a record 3,077 MW of data center capacity is under construction in primary markets, representing a 46% year-over-year increase.
- Despite challenges with power supply, the inventory of North American data centers expanded by 24% year-over-year in Q1 2024, with an addition of 807 MW across Northern Virginia, Chicago, Dallas, and Silicon Valley.

Data Center Construction Costs

- Costs per market vary greatly for data centers.
- Typically, constructing a data center ranges from \$600 to upwards of \$1,100 per gross square foot or between \$7 million and \$12 million per megawatt of commissioned IT Load.

Data Center Capitalization Rates

- Most recent data center deals are trading between a 5.5% and 7.5% cap rate range, depending on the asset type.

Yield on Costs

- Digital Realty's Q4 2023 financial results and recent engagements by Houlihan Lokey have indicated data center development yields ranging from 9.5% to 10.5%.

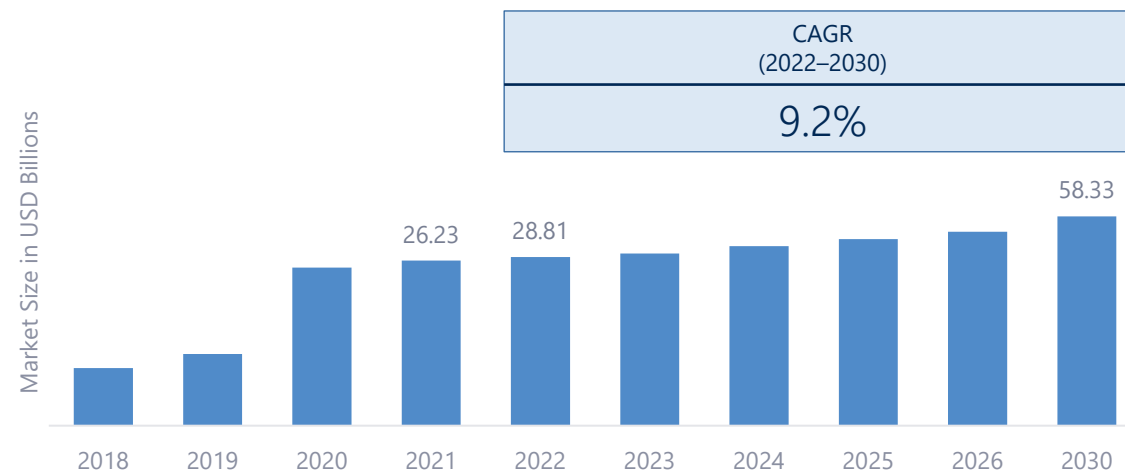
Development Discount Rates

- Recent engagements completed by Houlihan Lokey have indicated development discount rates ranging from 17% to 20%.
- RCLCO reported that developers target stabilized leveraged IRRs ranging from 12% to 19% or more, depending on the risk profile of the opportunity.
- Equinix anticipates achieving intern rates of return (IRR) in the mid-to-high teens for hyperscale deals underwritten.

Development Profit Margins

- Recent engagements completed by Houlihan Lokey have indicated development profit margins in the 50% to 65% range for colocation and hyperscale facilities.

Data Construction Market



Data Center Development Economics



Sources: Newmark, Costar, CBRE, Digital Realty 4Q23 Financial Results, RCLCO, Data Center Knowledge, Precedent Research.

Case Study | Arkon Energy

Houlihan Lokey provides extensive and specialized support across a broad spectrum of transactions across the global data center industry. This includes expertise in mergers and acquisitions, strategic restructuring, capital raising, valuation, and a wide array of additional essential services tailored to meet the unique needs of clients worldwide.

Client Profile

Founded in 2021, Arkon Energy stands out as a prominent digital infrastructure firm specializing in the acquisition, development, and operation of data centers crucial for supporting the Bitcoin network. The company distinguishes itself through a strong emphasis on efficiency and flexibility, crucial attributes for navigating the dynamic market cycles inherent in the digital infrastructure sector. Arkon Energy is dedicated to establishing itself as a leader in shaping the future of digital infrastructure, driven by its commitment to innovation and sustainable growth in the rapidly evolving landscape of digital currencies and data management.

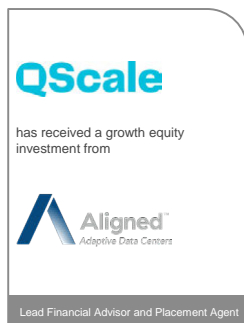
Our Role

Houlihan Lokey's report involved analysis, market research, and pricing conclusions on the current state of Arkon Energy's owned bitcoin mining facilities. Houlihan Lokey further analyzed the potential costs to convert the current properties into Tier-3 data centers and the respective pro forma changes that would occur for the properties to operate under the use of a hyperscale tenant. Overall, prospective and illustrative value conclusions were provided for the data centers if they were to continue operations as bitcoin mining facilities through the prospective development phase into Tier-3 data centers, and upon completion of the hypothetical conversion and development process.

Case Study | QScale

Strategic Investment for Leading High-Performance Compute Data Center Developer

June 2023



Company Overview

- QScale, founded in 2018, is a world-class, sustainable, high-performance computing data center developer and operator headquartered in Levis, Quebec, Canada. It is led by executives with decades of experience and relationships across the global digital infrastructure ecosystem.
 - QScale develops environmentally responsible, high-density data centers (HDDC) for applications such as high-performance computing (HPC) and machine learning. Its technology infrastructure helps meet the growing computing needs of global companies while enabling them to achieve their ESG objectives.
 - HPC deployments have very different needs and require designs differentiated from traditional hyperscale and enterprise data centers in terms of density, space, redundancy, and cooling, all built around flexibility and scalability.
- QScale is actively constructing its first data center campus, with the first 12 MW phase being completed in April 2023. Given significant customer demand, Phase 2 (12 MW) construction has commenced and is expected to be completed in 2024.
 - The first campus is being built in Quebec, a geographically advantageous market where power, connectivity, climate, real estate, and political benefits converge to drive optimal data center unit economics and scalability.
 - The company owns the right to acquire parcels in additional markets with similar characteristics in which it plans to develop its future deployments.

Transaction Overview

- QScale has received a strategic investment from Aligned Data Centers, a leading hyperscale data center developer in North America and portfolio company of Macquarie Asset Management. The investment will support the development of future phases of QScale's flagship Q01 facility and the development of future campuses.
- The transaction offers compelling value for the company and significantly de-risks various areas of execution by providing access to:
 - Hyperscale customers with a playbook for deployments;
 - A large balance sheet and cheap debt in a high-interest rate environment;
 - Key vendor relationships to accelerate the purchase of materials and equipment as supply chain challenges persist; and
 - A trusted, experienced partner in Aligned that has best-in-class facilities and operational expertise.
- This transaction closed in June 2023.

Houlihan Lokey was the lead financial advisor and placement agent for QScale.

Key Stats

142 MW

Secured Power Capacity

96 MW

Projected IT Capacity
(8 Phases of 12 MW)

68+

Acre Campus

April 2023

Commissioning of
Phase 1

\$1B+

Expected Cumulative
Capital Expenditures

100%

Liquid and Air Cooling

Case Study | Colohouse

Acquisition Financing and Buyside Advisory for Leading Retail Colocation Platform

March 2024



Acquisition Financing

Company Profile

Colohouse is a retail colocation, cloud, security, and managed service provider with more than 25 locations in over 20 cities in North America, Europe, and Asia. The company offers a full suite of services giving customers the flexibility to customize their IT infrastructure needs to meet their business objectives. Valterra formed the Colohouse platform in 2020, and the Hivelocity acquisition represents the seventh acquisition since 2021. Colohouse’s acquisition strategy has been focused on acquiring regional colocation and managed service providers to create a national platform to provide customers with a full set of digital infrastructure solutions.

Hivelocity is one of the largest and fastest-growing pure-play, bare metal cloud providers in North America. The company owns and operates a modern inventory of more than 11,000 servers across over 30 data center locations around the world. Colohouse’s acquisition of Hivelocity adds a highly complementary bare metal product offering that has been one of the fastest-growing segments within the data center sector. The combined platform of Colohouse and Hivelocity creates a retail colocation, cloud, managed services, and bare metal platform of significant scale with more than 40 locations and over 7,000 customers, rivaling a scarce number of middle-market players within the data center sector. This strategic move combines the portfolio of two well-established providers with a focus on cloud and bare metal services to meet growing market demand.

Our Role

Houlihan Lokey served as the buyside advisor and exclusive placement agent to Colohouse, assisting the company in arranging, structuring, and negotiating the financing to support its acquisition of Hivelocity.

Transaction Snapshot

The financing highlights Houlihan Lokey’s success and momentum in simultaneously raising debt and equity capital to arrive at an optimal capital structure solution. Together, the Capital Markets Group and Digital Infrastructure Group were able to achieve exceptional results for the client, including (i) obtaining a committed financing package within a tight time frame to adhere to Hivelocity’s sellside M&A process, (ii) driving a highly competitive financing process that maximizes proceeds and liquidity to Colohouse at close, (iii) structuring the deal to minimize cash debt service requirements for Colohouse so the company could focus on growth initiatives post-merger, and (iv) minimizing dilution and the cost of capital for existing equity investors in Colohouse.

Case Study | Quantum Loophole

Building the Largest Data Center Campus in North America

2020



Process Background

- Quantum Loophole, Inc. (QL) is a developer of gigawatt-scale data center campuses for hyperscale cloud, colocation, and related service providers. QL’s model is building the first-of-its-kind master-planned data center community allowing customers to reduce deployment times and costs while achieving scalability often unavailable in traditional deployment markets. QL will provide its customers with land, fiber, power, and water at massive scale to accommodate 15–20 years of data center development.
- Financing milestones:
 1. Seed—two separate seed financings in 2020 to fund the initial stages of the company, including assembling a top-tier management team and beginning site selection.
 2. LandCo—in June 2021, QL entered into a joint venture agreement with TPG Real Estate Partners (TREP) to close on a 2,100-acre plot of land in Frederick, Maryland, where the first campus development will launch (LandCo). In connection with this venture, TREP has also acquired a minority stake in QL.
 - JV formed with a GP/LP structure with a 90%/10% pro-rata split and includes a real estate promote structure that increases the GP’s profit share as the project surpasses higher return hurdles.
 3. FiberCo—in April 2023, QL entered into a joint venture agreement with TREP to build a hyperscale fiber ring called QLoop with the goal of providing mass-scale connectivity to the Leesburg and Ashburn markets from QL’s Frederick campus. The ring will use a patented conduit and duct system that will extend more than 40 miles, cross 90 feet beneath the Potomac River, and include more than 200,000 strands of fiber.
 - JV formed with a similar GP/LP structure as the LandCo JV but with a 70%/30% pro-rata split. Also includes a similar real estate promote structure that increases the GP’s profit share as the project surpasses higher return hurdles.

Houlihan Lokey served as the exclusive financial advisor to Quantum Loophole in all three financings.

2021



Process Challenges

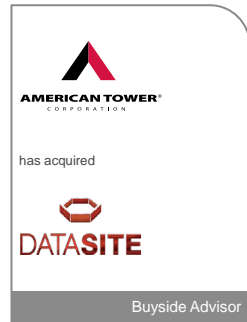
- Raised more than \$200 million of capital to date for a first-of-its-kind business model, centering around a property and fiber ring of unprecedented scale in a nontraditional data center geography.
- TPG funded the acquisition of the Frederick property long before the property had been properly entitled and before having contracts with customers.
- Houlihan Lokey has leveraged various firm resources to drive exceptional outcomes for the client including (i) Real Estate Group: deal and legal structuring for land sale, (ii) Financial Sponsors Group: extensive investor knowledge for market outreach, (iii) Power & Utilities Group: consulting on planned power entity, and (iv) Tax Advisory: consulting on proper tax accounting for the transaction.

Case Study | American Tower

Creating a First-of-Its-Kind Converged Infrastructure Platform

Houlihan Lokey's Digital Infrastructure team added significant value in helping American Tower (AMT) execute its data center growth strategy, including educating AMT on retail colocation, interconnection, and regional as the edge. Houlihan Lokey played a key advisory role in the valuation, deal execution, and negotiations of two transformative transactions in 2021.

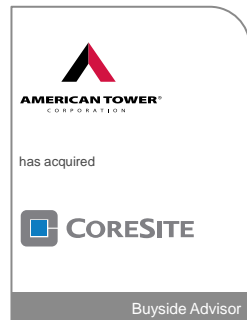
October 2021



- On October 6, 2021, American Tower announced the acquisition of DataSite, a premier retail colocation provider for corporate enterprises in growing markets.
- DataSite owns and operates two world-class data center facilities located in Orlando, Florida, and Atlanta, Georgia, that are expertly managed to meet the increasingly demanding requirements of modern computing environments.
- The acquisition complements American Tower's existing edge and interconnect data center facilities in the region while advancing its platform expansion strategy.

Houlihan Lokey served as the exclusive financial advisor to American Tower.

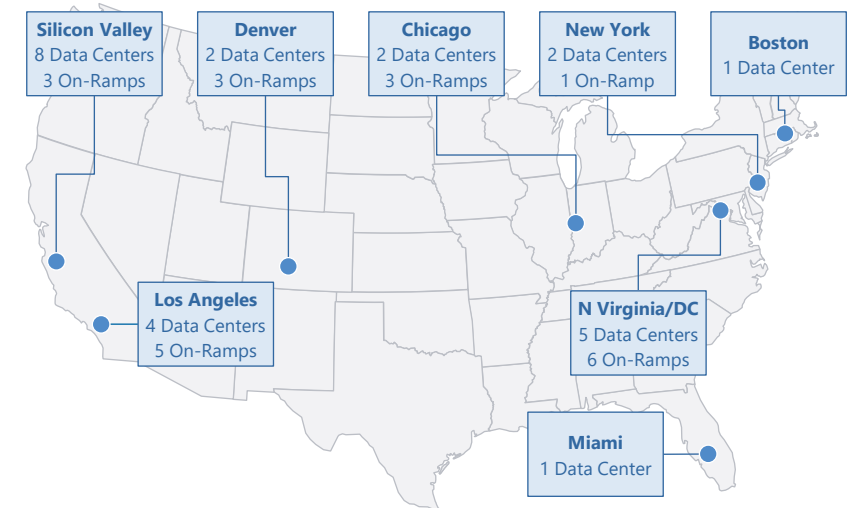
November 2021



- On November 15, 2021, American Tower announced the acquisition of CoreSite, a Denver, Colorado-headquartered real estate investment trust that owns, develops, and operates strategically located data centers, for a total consideration of \$10.1 billion, including CoreSite's existing debt.
- The transaction brings together American Tower's wireless connectivity at the mobile edge and CoreSite's highly interconnected data center facilities at the core edge.
- The transaction represents the most notable and transformative concept of tower/data center convergence under a single ownership umbrella.

Houlihan Lokey served as a financial advisor to American Tower.

CoreSite Footprint & Key Stats



24 Facilities	~4.6M NRSF	42 On-Ramps	252 MW Power Capacity	1,375+ Customers	32k+ Interconnects
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Key strategic benefits of the combination include:

- ✓ Strengthened ability to win at the edge; approximately \$3 billion TAM (by 2026E).
- ✓ Establishes American Tower as a leader across multiple classes of communications real estate as 5G and wireless/wireline convergence accelerates.
- ✓ Couples CoreSite's interconnection and CSP relationships with American Tower's existing distribution capabilities to pursue the edge opportunity with potential for international expansion.
- ✓ Revenue opportunity by connecting American Tower's existing tower sites to CoreSite's data center and edge facilities.

Houlihan Lokey's Real Estate Expertise

Houlihan Lokey has a successful track record of assisting its clients—comprising real estate investors, owners, and other stakeholders—with various transaction, special situation, and valuation needs.

Investment Banking



We have a track record of structuring and executing **value-optimizing transactions** for our clients.



We run efficient, momentum-driven processes that drive results in **M&A and capital raising** for both healthy corporate finance and restructuring transactions.



We advise clients on **strategic alternatives** that enable them to accomplish next-level strategic goals—whether the aim is accelerated growth or divestiture—for PropCo and/or OpCo structures.



Our team of experienced investment bankers has **extensive and expansive reach** of traditional and nontraditional real estate debt and equity investors around the world.



We are well versed in crafting tailored solutions to achieve client objectives, with deep experience **across sectors, company types, and market cycles**.



We are uniquely positioned to help address special situations, ranging from **liquidity management to recapitalizations**.

Valuation and Advisory Services



We have deep **valuation expertise** in investment, financial reporting, and tax matters.



We advise **boards of directors and special committees** as they navigate a range of strategic situations and challenges.



We value **large portfolios** of real estate equity and debt positions and offer **bespoke valuation services** (e.g., positive assurance) to help clients mitigate valuation risk.



Leveraging our accounting and real estate expertise, we help clients with **transaction advisory services** related to real estate equity and debt investments.



Our bench of experts includes **dispute resolution counselors** to advise on valuation matters involving disputes, mediation, arbitration, and litigation.



We provide **fairness opinions, solvency opinions, and valuation opinions** to clients across a variety of property- and entity-level transactions.

Leadership

Gary Gordon

Managing Director
Real Estate, Lodging,
and Leisure
GGordon@HL.com
+1 212.497.4258

Brian Pryor

Managing Director
Technology
BPryor@HL.com
+1 650.996.7295

Jeffrey Andrews, MAI

Director
Head of Real Estate
Valuation and Advisory
JAndrews@HL.com
+1 310.788.5364

Prashant Kamath

Director
Real Estate Valuation
and Advisory
PKamath@HL.com
+1 718.249.577

Josh Schainker

Director
Real Estate, Lodging,
and Leisure
JSchainker@HL.com
+1 212.497.4178

Nick Way, CPA

Director
Real Estate Valuation
and Advisory
NWay@HL.com
+1 650.619.0430

Leo Kao, MAI

Senior Vice President
Real Estate Valuation
and Advisory
LKao@HL.com
+1 310.383.1231

Abe Bui

Vice President
Technology
ABui@HL.com
+1 206.949.3842

Contact us

Please reach out to one of our team members to discuss this quarter's market update or to explore how we can serve your business needs.

Contributing Authors: Joseph Hobbs

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