Laydeez an' gennelmen – place your bets

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In a sector designed for stable and predictable cash flows, safe bets placed on sound business cases… why does it feel these days like the industry's studying form at the paddock?

Speaking to people in the market this week sent a shiver down this infra hack's spine as every last person contacted delighted in reporting that – frankly – Sweet Fanny Adams was going on out there beyond "nose-to-the-grindstone" and "pushing deals through to close in Q4".

Whoop-dee-bloody-doo. Best of luck with that. That's no darned use when you're trying to write an editorial.

In such an environment, it rather leaves one casting around for what stands out… anything really… to write about.

Two things caught the eye this… the first secondary market trade in the Greek PPP market and an interesting development for data centres.

It's all Greek to me…

This Greek secondary deal impacted 10 facilities in the Attica Schools PPP programme.

This is an interesting development in a market that – as the economy groaned under the global financial crisis – continued to deliver a steady flow of deals… granted with a lot of support from the JESSICA Fund and the EIB.

Today, we report that Greek PPP developer Avax sold equity in the operational schools (the second to make it to financial close) to Swedish real estate and social infra investor Sterner Stenhus.

And while the price tag was not one to set tongues a-wagging, it's an interesting development, setting the scene for more to follow… maybe not the roads though… yet.

According to the *IJGlobal* database, 14 PPP deals have closed since 2006 in Greece across transport and social infrastructure – from Thessaloniki Submerged Tunnel in the early days to Ilia Waste Treatment Plant earlier this year.

Now, what were you saying about data centres…?

Data centres

Perhaps more interesting is data centres which has witnessed an interesting development this week with ING underwriting the £450 million financing of Ark Data Centres' latest loan.

Hats off to ING, by the way, the Netherlands-based team under Sicco Boomsma has now closed more than 100 deals in this space, with clients including the likes of EdgeConnex, Equinix, Green Data Centres and NLDC/TDCG.

This latest deal involved the refi of £300 million of existing senior loan facilities that closed last year, building on a further £150 million to partially-fund expansion capex.

The lenders on the original debt package included ING, Lloyds, NIBC, HSBC and AIB. The new facility brought more lenders to the table alongside original MLAs: Crédit Agricole, Investec, HCOB (HSH Nordbank as was), Sabadell, KommunalKredit and Siemens Bank.

The debt is structured on a 2+5 basis with amortisation starting after the first two years.

Ark Data Centres is a solid player in the industry, boasting a range of clients across private and public sectors, providing highly secure co-

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location services.

It enjoyed a coup in 2015 when it won the UK Government Crown Hosting Framework Agreement that is operates through a JV known as Crown Hosting Data Centres Limited (CHDCL). It has facilities in Corsham, Farnborough and a third site currently under construction in London.

Booming centre

If people continue uploading to everything from Instagram to Facebook photos of their exciting lunches and hideous duck faces – and sadly there's no sign of that relenting any time soon – the need for data from personal use alone is going to continue to spiral.

In the US alone, it is anticipated that the amount of energy data centres use will to rise from today's 2% of national production to a staggering 15-20%. As such, it's rather good news that all these data centres seem to be tagging on renewable energy resources… but that's a bit of a fig leaf as they use this energy for a (largely) useless purpose.

Here's to muppets taking photos of their fish suppers and contorted fizzogs to the delight of absolutely nobody… all of which has to be saved somewhere.

There is no sign of a let-up in this space and we can only expect to see more deals like this close in the coming years as data centres embed themselves in critical infrastructure.

The underlying drivers are technology and communications… and as long as idiots keep taking pictures of their idiotic faces, ING's going to be filling its boots!

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