

Starwood Capital Group Unveils Strategic Investment in Echelon Data Centres



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Approximately \$850 Million Investment to Provide the Company with Significant Capital to Aid in its Continued Expansion

MIAMI, Feb. 15, 2024 /PRNewswire/ -- Starwood Capital Group ("Starwood Capital" or "the Firm"), a leading global private investment firm focused on real estate, today announced that a controlled affiliate had made a strategic investment in Echelon Data Centres ("Echelon" or "the Company").

Echelon was founded in 2016 and has grown to become one of the leading data centre developers in Ireland and the United Kingdom, providing large-scale facilities to support the growing global demand for data and computing resources – sustainably, responsibly and with due regard for the environment. Echelon currently has 140MW of capacity that is either operational or in late-stage construction, including a fully pre-committed 91.4MW hyperscale campus in Dublin. In addition, the company has a strategic landbank in excess of 500MW, of which 168MW is in advanced stages of agreement with occupiers and expected to commence construction in H1 2024.

The transaction will see Starwood Capital commit approximately \$850 million through Starwood Opportunity Fund XII and Starwood Real Estate Income Trust, Inc, becoming a 50% shareholder in Echelon and providing material capital for its continued growth. The investment values the Company at approximately €2.5bn Enterprise Value. The Company's capitalisation is further primed for growth through a new €900m debt facility provided by Morgan Stanley and United Overseas Bank ("UOB").

Over the past five years, Starwood Capital has built a significant global data centre business committing approximately \$8 billion of capital across 1.5 gigawatts of capacity in various stages of development, making it one of the largest privately held data centre developers in the United States and Europe. The firm recently launched Starwood Digital Ventures to oversee its data centre investment strategy and activities globally.

Lorcain Egan, Co-Head, Europe, Starwood Capital Group, commented: "Starwood Capital is delighted to announce this investment in Echelon. It is a testament to the business the Echelon team has built since 2016 to establish a leading European data centre platform. Echelon has been delivering critical infrastructure to support the growth of some of the

world's most dynamic technology companies and we look forward to continuing to partner with them in that mission. For Starwood Capital, this significant and strategic investment continues our long-term focus and capital deployment into a core sector for our European business."

David Smith, Managing Director and Head of Data Centres, Europe at Starwood Capital, added: "We are incredibly excited to continue our long-standing relationship with the Echelon team and to support the accelerated growth of its business. This investment builds on our expertise and track record in the sector, including our recent launch of Starwood Digital Ventures, a platform dedicated to our growing global data centre investment strategy."

"Data centres have been a core thematic for us in the United States and Europe over the last five years and we are delighted to grow our portfolio in a key sector with strong tailwinds. This transaction materially enhances our data centre footprint and capabilities in Europe. We are confident that with the Echelon team and Starwood Digital Ventures we will continue to find further opportunities to deploy capital into transactions with attractive risk adjusted returns for our investors, both in Europe and the United States, where we have an additional 600MW of projects in our pipeline, bringing our total global platform to ~1.5GW," said **Barry Sternlicht, Chairman and CEO of Starwood Capital**.

Niall Molloy, CEO & and Founder of Echelon Data Centres, said: "We are very pleased to enter into this transaction with our long-standing partner, Starwood Capital. Starwood Capital's scale, access to capital and track record position Echelon incredibly well to service our customers' growth requirements on a global basis. We look forward to the continued growth of the business and expansion into new European markets and beyond."

Trevor Whelan, CIO of Echelon Data Centres, said: "Today's announcement is a huge milestone for the Echelon team on the journey to establishing a global data centre platform centred around large-scale campuses, and vertical integration with power generation. It is also a milestone day for Starwood Digital Ventures, and we are excited to be one of the foundation blocks as they rapidly grow their Digital Infrastructure business."

Deutsche Bank acted as lead financial advisor and Morgan Stanley acted as financial advisor for Starwood Capital, while Kirkland & Ellis and Arthur Cox acted as legal counsel.

Eastdil Secured acted as lead financial advisor and Nomura acted as financial advisor for Echelon Data Centres, and William Fry acted as legal counsel.

Morgan Stanley and UOB acted as Mandated Lead Arrangers on the financing. Allen & Overy, Arthur Cox and A&L Goodbody acted for Echelon Data Centres on the financing and due diligence.

About Starwood Capital Group

Starwood Capital Group is a private investment firm with a core focus on global real estate. The Firm and its affiliates maintain 16 offices in seven countries around the world, and currently have 5,000+ employees. Since its inception in 1991, Starwood Capital Group has raised over \$75 billion of capital, and currently has ~\$115 billion of assets under management. Through a series of comingled opportunity funds and Starwood Real Estate Income Trust, Inc. (SREIT), a non-listed REIT, the Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Starwood Capital also manages Starwood Property Trust (NYSE: **STWD**), the largest commercial mortgage real estate investment trust in the United

States, which has successfully deployed over \$95 billion of capital since inception and manages a portfolio of over \$27 billion across debt and equity investments. Over the past 32 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. Additional information can be found at www.starwoodcapital.com.

About Echelon Data Centres

Echelon Data Centres is an international data centre infrastructure developer providing large-scale assets to support the growing global demand for data and computing resource - sustainably, responsibly and with due regard for the environment. The company currently has four Irish sites under development, with a combined potential capacity of more than 500MW (DUB10 - Clondalkin; DUB40 - Grange Castle; DUB20 and DUB30 - Arklow, Co Wicklow). Echelon's portfolio also includes a fully-let and operational 20MW data centre facility (LCY10) in London's Docklands (UK), and are under construction at LCY20, a 30MW data centre in Chesham, Buckinghamshire (UK).

Media Contacts

For Starwood Capital Group

Tom Johnson or Emma Prenn-Vasilakis, H/Advisors Abernathy

tom.johnson@h-advisors.global or emma.prenn-vasilakis@h-advisors.global

For Echelon Data Centres:

- Craig McKechnie | 4TC | +353 (0)87 621 8839 | craig@4tc.ie
- Jeremy Probert | 4TC | +353 (0)89 700 0792 | jeremy@4tc.ie

Echelon Image Resources are available here:

<https://echelon-dc.com/media-resources/>

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