



A Beginner's Guide to Co- Location Services





Table of contents

Introduction	03
Cost comparison	04
Security and Compliance Benefits	05
What to Look for in a Co-Location Provider	06
Business Continuity and Disaster Recovery	07
Conclusion	08



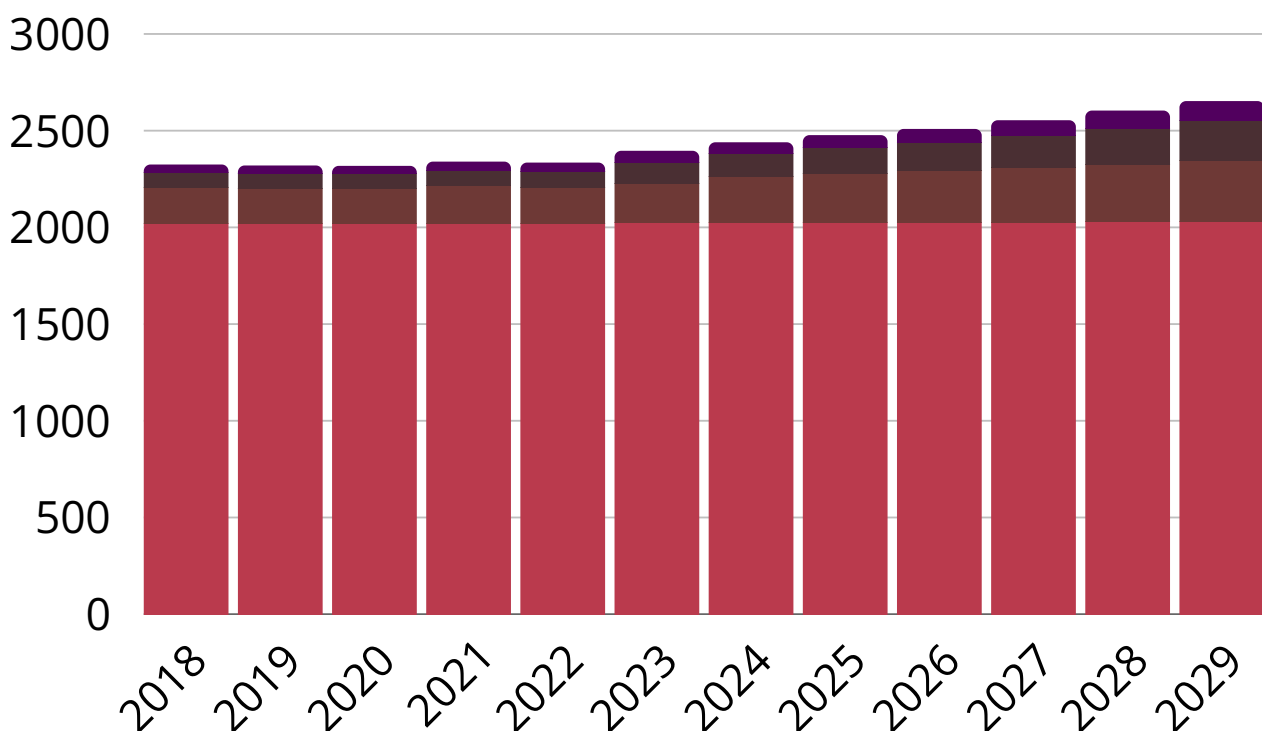
Introduction

As organisations demand more resilient, cost-effective, and secure infrastructure, co-location (colocation) has emerged as a strategic alternative to building or maintaining in-house data centers. Rather than investing in physical facilities, businesses can rent rack space, power, and bandwidth from a third-party colocation provider while retaining control over their own hardware.

This guide explains the basics of co-location, compares it to cloud and on-premises options, and outlines how it supports compliance, continuity, and growth.

Statista Market Insights forecasts a total market revenue of \$624bn by 2029, with 51% of that being driven by Network Infrastructure given a predicted CAGR of 7% across the last decade driven by highs in 2023 of 19% year on year growth.

Revenue in the data center market for different segments worldwide from 2018 to 2029 (in billion U.S. dollars)





Cost Comparison

Co-Location vs Cloud vs In-House Hosting

	CapEx / OpEx	Typical Use Case	Cost Considerations
Co-Location	Moderate CapEx, predictable OpEx	Mid-size firms, hybrid cloud setups	Lower long-term cost than in-house; fixed monthly fees
Cloud Hosting	OpEx only	Agile workloads, SaaS, startups	Pay-as-you-go; can become expensive at scale
In-House	High CapEx & OpEx	Regulated industries, full control	Infrastructure, staffing, power, cooling, security



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Security and Compliance Benefits

Colocation facilities offer enterprise-grade infrastructure with robust security and regulatory support:

- **24/7 physical security** with biometric access, CCTV, and mantraps
- **Redundant power and cooling** for maximum uptime (often >99.99%)
- Certifications including ISO 27001, SOC 2, PCI DSS, and more
- **Fire suppression and environmental monitoring** built in

Many businesses use colocation as part of their compliance strategy, particularly in finance, healthcare, and legal sectors, where data sovereignty and auditability are critical.





What to Look for in a Co-Location Provider

Choosing the right colocation partner means evaluating more than price:

Location

- Proximity to your operations (low latency, easy access)
- Avoiding regions prone to natural disasters

Scalability

- Can they support future rack space or power needs?
- Are there cross-connects to public cloud providers (for hybrid builds)?

Support and SLAs

- 24/7 remote hands availability
- Guaranteed uptime backed by strong SLAs

Compliance & Certifications

- Industry-standard certifications
- GDPR and local data protection alignment

Network Access

- Carrier-neutral facilities allow multi-network connectivity
- High-speed fibre and dark fibre options



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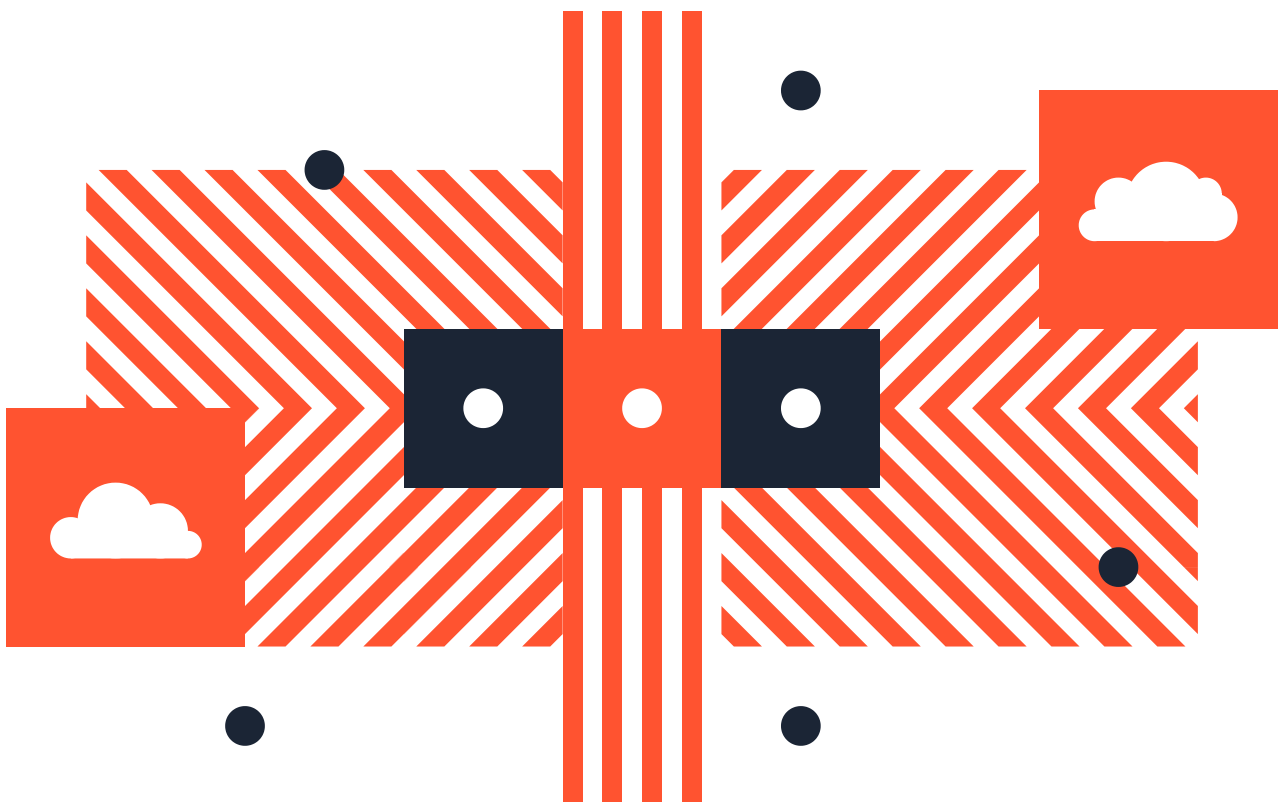


Business Continuity and Disaster Recovery

One of the biggest advantages of colocation is its role in resilience planning

For businesses without the capital to build a second data centre, colocation offers affordable peace of mind.

- **Offsite infrastructure** protects against physical disasters (fire, flood, power failure)
- **Georedundancy** across multiple facilities ensures data and application availability
- Many colocation facilities offer **disaster recovery suites**, backup power, and redundant networking





Conclusion

Colocation offers the best of both worlds: ownership of your infrastructure, and outsourcing of the costly physical layer. It provides the reliability, compliance, and scalability required for modern operations—without the headaches of building your own data centre.

Whether you're supplementing cloud infrastructure, retiring legacy hardware, or planning for disaster recovery, colocation remains a smart, scalable, and secure choice for businesses ready to modernise.

