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## **If You Build It, They May Not Come Anymore.**

July 29, 2011 by [Brad Walz](#)

Over the years, the increase in Internet use and projections for future Internet use caused a boom in the construction of data centers. Data centers house and link the servers and other hardware that form the backbone of the Internet. And many companies and states want a part of the action. Minnesota, for example, passed a bill during its special session giving tax exempt status to “qualified” data centers. There was a time when the construction of data centers could not keep up with demand, but now the data center space may have reached a peak.

In key markets for data centers, there are signs that supply is catching up with demand. For the tenant of data center space or the end user of a cloud computing service this should be a welcome sight. As supply and demand in the data center space approach equilibrium, prices will fall. As an end user of a cloud computing service, the hope would be that the cloud provider will pass these lower prices on to the end user of its service and most likely this will happen if competition exists for the cloud service. These are all signs of an industry that continues to mature.

