

CoreSite Realty Corp
Form 424B7
November 10, 2011
Table of Contents

**Prospectus Supplement
(To Prospectus dated October 11, 2011)**

**Filed Pursuant to Rule 424(b)(7)
Registration No. 333-177052**

889,610 Shares

CoreSite Realty Corporation

Common Stock

The selling stockholder named in this prospectus supplement is selling 889,610 shares of our common stock. We will not receive any proceeds from the sale of the shares by the selling stockholder.

Our common stock is listed on the New York Stock Exchange under the symbol **COR**. The last reported sale price of our common stock on the New York Stock Exchange on November 8, 2011 was \$17.02 per share.

Investing in our common stock involves risks. See **Risk Factors beginning on page 2 of the accompanying prospectus.**

The underwriter has agreed to purchase the shares of our common stock from the selling stockholder at a price of \$16.59 per share. The proceeds to the selling stockholder from the sale will be \$14,758,629.

The shares may be offered by the underwriter from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on the New York Stock Exchange, in the over-the-counter market or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. See **Underwriting**.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the shares to purchasers on or about November 15, 2011.

Sole Book-Running Manager

Citigroup

November 8, 2011.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	Page S-ii
<u>SELLING STOCKHOLDER</u>	S-3
<u>UNDERWRITING</u>	S-5
<u>LEGAL MATTERS</u>	S-6

Prospectus

<u>FORWARD-LOOKING STATEMENTS</u>	Page ii
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	iii
<u>INCORPORATION OF CERTAIN INFORMATION</u>	iv
<u>OUR COMPANY</u>	1
<u>RISK FACTORS</u>	2
<u>USE OF PROCEEDS</u>	5
<u>SELLING STOCKHOLDERS</u>	6
<u>PLAN OF DISTRIBUTION</u>	8
<u>DESCRIPTION OF SECURITIES</u>	10
<u>RESTRICTIONS ON OWNERSHIP AND TRANSFER</u>	12
<u>DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF CORESITE, L.P.</u>	15
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	22
<u>EXCHANGE OF PARTNERSHIP UNITS FOR COMMON STOCK</u>	26
<u>FEDERAL INCOME TAX CONSIDERATIONS</u>	34
<u>LEGAL MATTERS</u>	53
<u>EXPERTS</u>	53

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which they relate, and this prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or solicitation. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

You should read this prospectus supplement along with the accompanying prospectus, as well as the information incorporated by reference herein and therein, carefully before you invest in our common stock.

The accompanying prospectus contains information about our securities generally, some of which does not apply to the common stock covered by this prospectus supplement. This prospectus supplement may add, update or change information contained in or incorporated by reference in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with any information contained in or incorporated by reference in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the inconsistent information contained in or incorporated by reference in the accompanying prospectus.

Unless this prospectus supplement otherwise indicates or the context otherwise requires, all references in this prospectus supplement to we, us, and our and our company collectively refer to CoreSite Realty Corporation, a Maryland corporation, CoreSite, L.P., and any of our other subsidiaries. CoreSite, L.P. is a Delaware limited partnership of which we are the sole general partner and to which we refer in this prospectus supplement as our operating partnership, and CoreSite Services, Inc., a Delaware corporation, is our taxable REIT subsidiary, or TRS.

Table of Contents

SELLING STOCKHOLDER

The selling stockholder is the entity set forth in the following table. As of the date of this prospectus supplement, the selling stockholder does not hold any shares of our common stock, but rather holds units representing common limited partnership interests, or partnership units, in CoreSite, L.P., our operating partnership. Under the limited partnership agreement for our operating partnership, the selling stockholder has the right to redeem its partnership units for cash or, at our election, shares of our common stock. Prior to the closing of this offering, the selling stockholder has agreed to exercise its right to tender all of its partnership units for redemption and we have agreed to acquire such partnership units in exchange for shares of our common stock.

TCG Holdings, L.L.C. is an investment fund affiliated with The Carlyle Group. Upon completion of this offering, investment funds affiliated with The Carlyle Group will continue to hold 25,275,390 partnership units in our operating partnership that they may elect to redeem in whole or in part for cash or, at our option, and we may elect to acquire those operating partnership units submitted for redemption in exchange for shares of our common stock on a one-for-one basis. If, upon completion of this offering, all such operating partnership units were tendered for redemption and, if we elected to acquire such units in exchange for shares of our common stock, investment funds affiliated with The Carlyle Group would own an aggregate of 54.9% of the our issued and outstanding common stock.

The following table provides:

the name of the selling stockholder;

the maximum number of shares of our common stock issuable to such selling stockholder upon the exchange;

the aggregate number of shares of our common stock that will be owned by such selling stockholder after the exchange;

the number of shares of our common stock offered by such selling stockholder in the offering; and

the aggregate number of shares of our common stock that will be owned by such selling stockholder after the offering.

Name	Shares of Our Common Stock Owned Prior to the Exchange	Maximum Number of Shares of Our Common Stock Issuable in the Exchange and Available for Resale	Shares of Our Common Stock Owned Following the Exchange ⁽¹⁾⁽²⁾		Maximum Number of Shares of Our Common Stock to be Resold	Shares of Our Common Stock Owned after Resale ⁽²⁾⁽³⁾	
			Shares	Percent		Shares	Percent
TCG Holdings, L.L.C. (4)		889,610	889,610	4.29%	889,610		
Total		889,610	889,610		889,610		

(1) Amounts assume that all partnership units are exchanged for shares of our common stock. Also assumes that no transactions with respect to our common stock or partnership units occur other than the exchange.

Edgar Filing: CoreSite Realty Corp - Form 424B7

- (2) Based on a total of 19,848,795 shares of our common stock outstanding as of November 3, 2011.

- (3) Assumes the selling stockholder sells all of its shares of our common stock offered pursuant to this prospectus supplement.

- (4) Based on information provided to us by The Carlyle Group. CoreSite CRP II/CP II Holdings, LLC, CoreSite CRP II Holdings (VCOC I), LLC, and CoreSite CRP II Holdings (VCOC II) LLC are the record holders of 743,874, 48,404 and 97,332 partnership units of CoreSite, L.P., respectively. TCG Holdings, L.L.C. exercises investment discretion and control over these partnership units through its indirect subsidiary, Carlyle Realty II, L.P., which is the manager of CoreSite CRP II/CP II Holdings, LLC and the general partner of each of Carlyle Realty Qualified Partners II(A), L.P. and Carlyle Realty Qualified Partners II, L.P. Carlyle Realty Qualified Partners II(A), L.P. is the managing member of CoreSite CRP II Holdings (VCOC I), LLC. Carlyle Realty Qualified Partners II, L.P. is the managing member of CoreSite CRP II Holdings (VCOC II) LLC.

S-3

Table of Contents

TCG Holdings, L.L.C. is the managing member of TC Group, L.L.C. TC Group, L.L.C. is the managing member of DBD Investors III, L.L.C. DBD Investors III, L.L.C. is the general partner of Carlyle Realty II, L.P. TCG Holdings, L.L.C. is managed by a three person managing board, and all board action relating to the voting or disposition of these partnership units requires approval of a majority of the board. William E. Conway, Jr., Daniel A. D'Aniello and David M. Rubenstein, as the members of the TCG Holdings, L.L.C. managing board, may be deemed to share beneficial ownership of the partnership units beneficially owned by TCG Holdings, L.L.C. Such persons disclaim any such beneficial ownership. TCG Holdings, L.L.C. can be reached c/o The Carlyle Group, 1001 Pennsylvania Ave NW, Suite 220 South, Washington, DC 20004.

S-4

Table of Contents

UNDERWRITING

We, our operating partnership, the selling stockholder and Citigroup Global Markets Inc., or the underwriter, have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, the underwriter has agreed to purchase an aggregate of 889,610 shares.

The underwriter is committed to take and pay for all of the shares being offered, if any are taken.

The underwriter may receive from purchasers of the shares normal brokerage commissions in amounts agreed with such purchasers. The underwriter proposes to offer the shares of common stock from time to time for sale in one or more transactions on the New York Stock Exchange, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. The underwriter may effect such transactions by selling shares of common stock to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriter and/or purchasers of shares of common stock for whom they may act as agents or to whom they may sell as principal. The difference between the price at which the underwriter purchases shares and the price at which the underwriter resells such shares, which may include a commission equivalent of up to \$0.05 per share, may be deemed underwriting compensation.

We, our operating partnership, the selling stockholder and certain of its affiliates have agreed with the underwriter, subject to certain exceptions, not to dispose of or hedge any common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus supplement continuing through the date 30 days after the date of this prospectus supplement, except with the prior written consent of the underwriter.

If the underwriter is unable to publish or distribute research reports on our company pursuant to Rule 139 under the Securities Act because our company is not an issuer with actively traded securities (as defined in Regulation M) and (1) during the last 17 days of the restricted period our company issues an earnings release or announces material news or a material event; or (2) prior to the expiration of the restricted period, our company announces that it will release earnings results during the 15-day period following the last day of the period, the restricted period described in the preceding paragraph may be extended by the underwriter by written notice to us and the selling stockholder, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

Our common stock is listed on the New York Stock Exchange under the symbol COR.

In connection with the offering, the underwriter may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriter of a greater number of shares than it is required to purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriter in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriter for its own account, may have the effect of preventing or retarding a decline in the market price of our stock or may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

The underwriter will not confirm sales to any accounts over which it exercises discretionary authority without the prior written approval of the customer.

We will pay all of the expenses of the offering, excluding any underwriting discounts and commissions of the selling stockholder. We estimate that our total expenses with respect to the offering, excluding underwriting discounts and commissions, will be approximately \$110,000.

We, our operating partnership and the selling stockholder have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

From time to time, the underwriter and its affiliates have performed commercial banking, investment banking and advisory services for us and our affiliates for which they have received customary fees and reimbursement of expenses. The underwriter is a lender under our revolving credit facility and was the lead joint book-running manager in our initial public offering in September 2010 and received customary fees and

reimbursement of expenses for its services in such capacities.

S-5

Table of Contents

LEGAL MATTERS

Certain legal matters of Maryland law will be passed upon for us by Venable LLP, Baltimore, Maryland. Certain legal matters will be passed upon for us and the selling stockholder by Latham & Watkins, LLP, Washington, District of Columbia. Certain legal matters will be passed upon for the underwriter by Mayer Brown LLP, New York, New York.

S-6

Table of Contents

PROSPECTUS

26,165,000 Shares

CoreSite Realty Corporation

Common Stock

This prospectus relates to the possible issuance of up to 26,165,000 shares of our common stock in exchange for units representing common limited partnership interests, or partnership units, in CoreSite, L.P., our operating partnership, upon any redemption by one or more of the limited partners pursuant to their contractual rights, and the possible resale from time to time of some or all of such shares of common stock by the selling stockholders named in this prospectus. We will not receive any cash proceeds from any issuance of the shares of our common stock covered by this prospectus to the selling stockholders or from any resale of such shares by the selling stockholders, but we have agreed to pay certain registration expenses relating to such shares of our common stock. We will, however, acquire partnership units from any redeeming unitholders, which will consequently increase our percentage ownership interest in CoreSite, L.P.

At September 28, 2011, as the sole general partner of CoreSite, L.P., we owned approximately 43% of our operating partnership's outstanding partnership units. The 26,165,000 units that may be redeemed by the selling stockholders were issued as part of the restructuring transactions that were effected on September 28, 2010, in connection with our initial public offering. We are registering the applicable shares of our common stock to provide the selling stockholders with freely tradable securities. The registration of the shares of our common stock covered by this prospectus does not necessarily mean that any of the holders of partnership units will redeem their units, that upon any such redemption we will elect, in our sole and absolute discretion, to exchange some or all of the partnership units for shares of our common stock rather than cash, or that any shares of our common stock received in exchange for partnership units will be sold by the selling stockholders. The selling stockholders from time to time may offer and sell the shares held by them directly or through agents or broker-dealers on terms to be determined at the time of sale, as described in more detail in this prospectus.

To assist us in complying with certain federal income tax requirements applicable to real estate investment trusts, or REITs, among other purposes, our charter contains certain restrictions relating to the ownership and transfer of our capital stock. See "Restrictions on Ownership and Transfer" beginning on page 12 of this prospectus.

Our common stock currently trades on the New York Stock Exchange, or NYSE, under the symbol "COR." On October 11, 2011, the last reported sales price of our common stock on the NYSE was \$14.18 per share.

You should consider the risks that we have described in "Risk Factors" on page 2 before making a decision to invest in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 11, 2011

Table of Contents

TABLE OF CONTENTS

	Page
<u>FORWARD-LOOKING STATEMENTS</u>	ii
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	iii
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	iv
<u>OUR COMPANY</u>	1
<u>RISK FACTORS</u>	2
<u>USE OF PROCEEDS</u>	5
<u>SELLING STOCKHOLDERS</u>	6
<u>PLAN OF DISTRIBUTION</u>	8
<u>DESCRIPTION OF SECURITIES</u>	10
<u>RESTRICTIONS ON OWNERSHIP AND TRANSFER</u>	12
<u>DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF CORESITE, L.P.</u>	15
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	22
<u>EXCHANGE OF PARTNERSHIP UNITS FOR COMMON STOCK</u>	26
<u>FEDERAL INCOME TAX CONSIDERATIONS</u>	34
<u>LEGAL MATTERS</u>	53
<u>EXPERTS</u>	53

References in this prospectus to we, our, us and our company collectively refer to CoreSite Realty Corporation, a Maryland corporation, CoreSite, L.P., and any of our other subsidiaries. CoreSite, L.P. is a Delaware limited partnership of which we are the sole general partner and to which we refer in this prospectus as our operating partnership, and CoreSite Services, Inc., a Delaware corporation, is our taxable REIT subsidiary, or TRS.

You should rely only on the information contained in or incorporated by reference into prospectus. Neither we nor any of the selling stockholders have authorized anyone to provide you with information or make any representation that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which it relates, and this prospectus does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or solicitation. The information contained in this prospectus is accurate only as of the date of this prospectus.

We may provide a prospectus supplement containing specific information about the terms of a particular offering by the selling stockholders. The prospectus supplement may add, update or change information in this prospectus. If the information in this prospectus is inconsistent with a prospectus supplement, you should rely on the information in that prospectus supplement. You should read both this prospectus and, if applicable, any prospectus supplement, as well as the other information contained or incorporated by reference in this prospectus or in any prospectus supplement hereto. See **Where You Can Find More Information** and **Incorporation of Certain Information by Reference** for more information.

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus, any applicable prospectus supplement and the documents that we incorporate by reference in each contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act). Also, documents we subsequently file with the Securities and Exchange Commission, or the SEC, and incorporate by reference will contain forward-looking statements. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, our pro forma financial statements and our statements regarding anticipated growth in our funds from operations, or FFO, and anticipated market conditions, demographics and results of operations are forward-looking statements. Forward-looking statements involve numerous risks and uncertainties, and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise, and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, pro forma, estimates or any of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

the geographic concentration of our data centers in certain markets and any adverse developments in local economic conditions or the demand for data center space in these markets;

fluctuations in interest rates and increased operating costs;

difficulties in identifying properties to acquire and completing acquisitions;

the significant competition in our industry and an inability to lease vacant space, renew existing leases or release space as leases expire;

lack of sufficient customer demand to realize expected returns on our investments to expand our property portfolio;

decreased revenue from costs and disruptions associated with any failure of our physical infrastructure or services;

our ability to lease available space to existing or new customers;

our failure to obtain necessary outside financing;

our failure to qualify or maintain our status as a REIT;

financial market fluctuations;

changes in real estate and zoning laws and increases in real property tax rates;

Edgar Filing: CoreSite Realty Corp - Form 424B7

delays or disruptions in third-party network connectivity;

inability to renew net leases on the data center properties we lease; and

other factors affecting the real estate industry generally.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section in this prospectus entitled "Risk Factors," including the risks incorporated therein from our most recent Annual Report on Form 10-K filed with the SEC on March 11, 2011, as updated by our subsequent filings.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the public reference room of the SEC, 100 F Street, N.E., Washington, DC 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0330. Copies of all or a portion of the registration statement can be obtained from the public reference room of the SEC upon payment of prescribed fees. Our SEC filings, including our registration statement, are also available to you on the SEC's website, www.sec.gov.

We have filed with the SEC a registration statement on Form S-3, of which this prospectus is a part, including exhibits, schedules and amendments filed with, or incorporated by reference in, this registration statement, under the Securities Act of 1933, as amended, or the Securities Act, with respect to the shares of our common stock registered hereby. This prospectus and any applicable prospectus supplement do not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to our company and the shares of our common stock registered hereby, reference is made to the registration statement, including the exhibits to the registration statement. Statements contained in this prospectus and any applicable prospectus supplement as to the contents of any contract or other document referred to in, or incorporated by reference in, this prospectus and any applicable prospectus supplement are not necessarily complete and, where that contract is an exhibit to the registration statement, each statement is qualified in all respects by the exhibit to which the reference relates.

Table of Contents

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information that we file with it, which means that we can disclose important information to you by referring you to those documents. The incorporated documents contain significant information about us, our business and our finances. Any information contained in this prospectus or in any document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to have been modified or superseded to the extent that a statement contained in this prospectus, in any other document we subsequently file with the SEC that is also incorporated or deemed to be incorporated by reference in this prospectus or in the applicable prospectus supplement, modifies or supersedes the original statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to be a part of this prospectus. We incorporate by reference the following documents we filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on March 11, 2011;

our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 4, 2011, as amended on May 6, 2011;

our Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2011 filed with the SEC on May 6, 2011 and August 5, 2011, respectively;

our Current Reports on Form 8-K or 8-K/A, as applicable, filed with the SEC on January 6, 2011, February 11, 2011, February 25, 2011, March 1, 2011, May 24, 2011 and August 15, 2011;

the description of our common stock included in our registration statement on Form 8-A filed with the SEC on September 21, 2010; and

all documents filed by us with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of the offering of the underlying securities.

We also specifically incorporate by reference any documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement and prior to effectiveness of the registration statement.

To the extent that any information contained in any current report on Form 8-K, or any exhibit thereto, was furnished to, rather than filed with, the SEC, such information or exhibit is specifically not incorporated by reference in this prospectus.

We will provide without charge to each person, including any beneficial owner, to whom a prospectus is delivered, on written or oral request of that person, a copy of any or all of the documents we are incorporating by reference into this prospectus, other than exhibits to those documents unless those exhibits are specifically incorporated by reference into those documents. A request should be addressed in writing to CoreSite Realty Corporation, at 1050 17th Street, Suite 800, Denver, CO 80265 or by telephone at (866) 777-2673.

Table of Contents

OUR COMPANY

We are an owner, developer and operator of strategically located data centers in some of the largest and fastest growing data center markets in the United States, including Los Angeles, the San Francisco Bay and Northern Virginia areas, Chicago and New York City. Our data centers feature advanced power, cooling and security systems, including twenty-four hours a day, seven days a week security staffing, and many are points of dense network interconnection. We are able to satisfy the full spectrum of our customers' data center requirements by providing data center space ranging in size from an entire building or large dedicated suite to a cage or cabinet. We lease our space to a broad and growing customer base ranging from enterprise customers to less space-intensive, more network-centric customers. Our operational flexibility allows us to selectively lease data center space to its highest and best use depending on customer demand, regional economies and property characteristics.

The first data center in our portfolio was purchased in 2000 and since then we have continued to acquire, redevelop, develop and operate these types of facilities. Our properties are self-managed, including with respect to construction project management in connection with our redevelopment and development initiatives. As of June 30, 2011, our property portfolio included 11 operating data center facilities, one data center under construction and one development site, which collectively comprised over 2.0 million net rentable square feet, or NRSF, of which approximately 1.1 million NRSF represented existing data center space.

The first data center in our portfolio was purchased in 2000 through an investment by a real estate fund affiliated with The Carlyle Group, or Carlyle. Since the acquisition of that data center, we have expanded our portfolio through additional investments by various Carlyle real estate funds or their affiliates. Although our data center portfolio has been owned by these various Carlyle real estate funds or their affiliates, all of our data centers have been operated or managed by our management team since they initially were acquired or developed.

We are a fully integrated, self-administered, and self-managed real estate investment trust, or REIT. As the sole general partner of our operating partnership, we are engaged in the business of ownership, acquisition, construction and management of technology-related real estate.

CoreSite Realty Corporation was formed as a Maryland corporation on February 17, 2010. While we initially elected to be treated as an S corporation for federal income tax purposes, we terminated our S corporation status shortly before completion of our initial public offering (thereby ending the S corporation tax year), elected to be a REIT for federal income tax purposes for our short taxable year ended on December 31, 2010 and intend to qualify as a REIT for federal income tax purposes for subsequent taxable years. We also conduct certain activities through our TRS, CoreSite Services, Inc., a Delaware corporation.

Our corporate offices are located at 1050 17th Street, Suite 800, Denver, CO 80265. Our telephone number is (866) 777-2673. Our website is www.coresite.com. The information contained on, or accessible through, our website is not incorporated by reference into and should not be considered a part of this prospectus or any applicable prospectus supplement.

Table of Contents

RISK FACTORS

*An investment in our common stock involves risks. You should carefully consider the risk factors incorporated by reference to our most recent Annual Report on Form 10-K, the risks discussed below and the other information contained in this prospectus, as updated by our subsequent filings under the Exchange Act, before exchanging partnership units for shares of our common stock or purchasing shares of our common stock from the selling stockholders. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled *Forward-Looking Statements*.*

Risks Related to Exchange of Partnership Units for Common Stock

The exchange of partnership units for our common stock is a taxable transaction.

The exchange of partnership units for shares of our common stock (which may occur following the tender of such partnership units for redemption if we elect to acquire such units for shares of our common stock) will generally be treated for federal income tax purposes as a sale of such partnership units by the limited partner making the exchange. A limited partner will realize gain or loss for federal income tax purposes in an amount equal to the fair market value of the shares of our common stock received in the exchange, plus the amount of our operating partnership's liabilities allocable to the partnership units being exchanged, less the limited partner's adjusted tax basis in the partnership units exchanged. The recognition of any loss resulting from an exchange of partnership units for shares of our common stock is subject to a number of limitations set forth in the Internal Revenue Code of 1986, as amended, or the Code. It is possible that the amount of gain recognized or even the tax liability resulting from the gain could exceed the value of the shares of our common stock received upon the exchange. In addition, the ability of a limited partner to sell a substantial number of shares of our common stock in order to raise cash to pay tax liabilities associated with the exchange of the partnership units may be restricted and, as a result of stock price fluctuations, the price the limited partner receives for the shares of our common stock may not equal the value of the partnership units at the time of the exchange.

An investment in our common stock is different from an investment in partnership units.

If a limited partner exchanges his or her partnership units for shares of our common stock, he or she will become one of our stockholders rather than a limited partner in our operating partnership. Although the nature of an investment in our common stock is similar to an investment in partnership units, there are also differences between ownership of partnership units and ownership of our common stock. These differences include:

form of organization;

management control;

voting and consent rights;

liquidity; and

federal income tax considerations.

Following an exchange of partnership units for shares of our common stock, a unitholder will forgo certain rights, including, among others, certain voting rights with respect to specified matters related to the operating partnership. See *Exchange of Partnership Units for Common Stock* for a more detailed description of the differences between ownership of partnership units and ownership of our common stock.

Risks Related to Ownership of Our Common Stock

Our cash available for distribution to stockholders may not be sufficient to pay distributions at expected levels, nor can we assure you of our ability to make distributions in the future, and we may need to borrow in order to make such distributions or may not be able to make such

distributions at all.

All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, our REIT qualification and other factors as our board of directors may deem relevant from time to time. We may not be able to make

Table of Contents

distributions in the future and may need to borrow funds to make distributions to maintain our qualification as a REIT. In addition, some of our distributions may include a return of capital.

Market interest rates may have an effect on the value of our common stock.

One of the factors that will influence the price of our common stock will be the dividend yield on our common stock (the amount of the dividend as a percentage of the price of our common stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our common stock to expect a higher dividend yield and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common stock to decline.

The number of shares available for future sale could adversely affect the market price of our common stock.

We cannot predict whether future issuances of shares of our common stock or the availability of shares for resale in the open market will decrease the market price per share of our common stock. Sales of substantial amounts of shares of our common stock in the public market, or upon exchange of partnership units under this prospectus, or the perception that such sales might occur could adversely affect the market price of our common stock.

The exchange of partnership units for our common stock, the exercise of any options or the vesting of any restricted stock granted to certain directors, officers and other employees under the 2010 Equity Incentive Plan of CoreSite Realty Corporation and CoreSite, L.P., the issuance of our common stock or partnership units in connection with property, portfolio or business acquisitions and other issuances of our common stock could have an adverse effect on the market price of our common stock, and the existence of partnership units, options, shares of our common stock reserved for issuance as restricted shares of our common stock or upon exchange of partnership units or conversion of any subsequently issued preferred stock, convertible debt securities or other securities may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future sales of shares of our common stock may be dilutive to existing stockholders.

Our earnings and cash distributions will affect the market price of shares of our common stock.

We believe that the market value of a REIT's equity securities is based primarily upon market perception of the REIT's growth potential and its current and potential future cash distributions, whether from operations, sales, acquisitions, development or refinancing, and is secondarily based upon the value of the underlying assets. For these reasons, shares of our common stock may trade at prices that are higher or lower than the net asset value per share. To the extent we retain operating cash flow for investment purposes, working capital reserves or other purposes rather than distributing the cash flow to stockholders, these retained funds, while increasing the value of our underlying assets, may negatively impact the market price of our common stock. Our failure to meet market expectations with regard to future earnings and cash distributions would likely adversely affect the market price of our common stock.

Our share price could be volatile and could decline, resulting in a substantial or complete loss on our stockholders' investment.

The stock markets, including the NYSE, on which we list our common stock, have experienced significant price and volume fluctuations. As a result, the market price of our common stock could be similarly volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including:

our operating performance and the performance of other similar companies;

actual or anticipated differences in our operating results;

changes in our revenue or earnings estimates or recommendations by securities analysts;

Edgar Filing: CoreSite Realty Corp - Form 424B7

publication of research reports about us or our industry by securities analysts;

changes in market valuations of similar companies;

Table of Contents

adverse market reaction to any additional debt we incur in the future;

additions and departures of key personnel;

strategic decisions by us or our competitors, such as acquisitions, divestments, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments that adversely affect us or our industry;

speculation in the press or investment community;

the realization of any of the other risk factors presented or incorporated by reference in this prospectus;

actions by institutional stockholders;

changes in accounting principles;

terrorist acts; and

general market conditions, including factors unrelated to our performance.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources.

Future offerings of debt, which would be senior to our common stock upon liquidation, and/or preferred equity securities which may be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our common stock.

In the future, we may increase our capital resources by making offerings of debt or preferred equity securities, including trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will be entitled to receive distributions of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

If the Carlyle real estate funds and their affiliates tendered all of their partnership units for redemption and we elected to acquire such units in exchange for shares of our common stock, these funds would currently own approximately 57% of our issued and outstanding common stock, and the resale of such shares into the market could have an adverse effect on the trading price of our common stock and our ability to engage in concurrent capital raising initiatives.

If all of the partnership units currently held by the real estate funds affiliated with The Carlyle Group are tendered for redemption and we elected to acquire such units in exchange for shares of our common stock, these funds would currently own approximately 57% of our common stock. See Selling Stockholders. The interests of the Carlyle real estate funds and their affiliates as investors in our securities may differ from or conflict with the interests of our other stockholders. The registration statement of which this prospectus forms a part registers the resale of any

Edgar Filing: CoreSite Realty Corp - Form 424B7

shares of our common stock issued as consideration in exchange for partnership units tendered for redemption by the Carlyle real estate funds and their affiliates. Accordingly, following the date the SEC declares the registration statement effective, any shares so issued by us will be freely tradable. The Carlyle real estate funds and their affiliates may seek to sell such shares of our common stock into the public market as soon as market conditions are favorable and, if the Carlyle real estate funds and their affiliates sell a large number of their shares into the public market, such sales could reduce the trading price of our common stock and/or impede our ability to engage in concurrent capital raising initiatives.

Table of Contents

USE OF PROCEEDS

We are filing the registration statement of which this prospectus forms a part pursuant to our contractual obligation to the holders of our common stock and partnership units named in the section entitled Selling Stockholders. We will not receive any of the proceeds from the issuance of shares of our common stock to such holders or the resale of shares of our common stock from time to time by such selling stockholders; however, we will acquire partnership units from any redeeming unitholders, which will increase our percentage ownership in our operating partnership.

The selling stockholders will pay any underwriting discounts and commissions and expenses they incur for brokerage, accounting, tax or legal services or any other expenses they incur in disposing of the shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus. These may include, without limitation, all registration and filing fees, NYSE listing fees, fees and expenses of our counsel and accountants, and blue sky fees and expenses.

Table of Contents

SELLING STOCKHOLDERS

The shares of common stock being registered for resale under this prospectus may be acquired upon redemption of partnership units issued to the selling stockholders as part of our restructuring transactions that were effected on September 28, 2010 in connection with our initial public offering.

Each of the selling stockholders may from time to time offer and sell, pursuant to this prospectus and any accompanying prospectus supplement, post-effective amendment or filing we make with the SEC under the Exchange Act that is incorporated by reference in this prospectus, the common shares set forth opposite his, her or its name in the table below under the heading **Maximum Number of Shares of Our Common Stock to be Resold**.

The following table sets forth, as of September 28, 2011, the maximum number of shares of our common stock that may be issued to, and resold by, each selling stockholder should we elect to issue shares of our common stock to such selling stockholder in exchange for all of the selling stockholder's partnership units. The information is based on information provided by or on behalf of the selling stockholders. The selling stockholders are not required to tender their partnership units for redemption, nor are we required to issue shares of common stock (in lieu of our operating partnership redeeming the partnership units for cash) to any selling stockholder who elects to tender partnership units. To the extent we do issue shares of common stock upon redemption, the selling stockholders may offer all, some or none of the common shares shown in the table. Because the selling stockholders may offer all or some portion of the shares of common stock, we have assumed for purposes of completing the last two columns in the table that all shares of common stock offered hereby will have been sold by the selling stockholders upon termination of sales pursuant to this prospectus. In addition, since the date on which they provided the information, the selling stockholders identified below may have sold, transferred or otherwise disposed of all or a portion of their partnership units or common stock in transactions exempt from the registration requirements of the Securities Act. Any changed information given to us by the selling stockholders will be set forth in prospectus supplements, post-effective amendments or in filings we make with the SEC under the Exchange Act that are incorporated by reference in this prospectus if and when necessary.

Additional selling stockholders, including transferees, successors and donees of identified selling stockholders, not named in this prospectus will not be able to use this prospectus for resales until they are named in the selling stockholder table by prospectus supplement, post-effective amendment or in a filing we make with the SEC under the Exchange Act that is incorporated by reference in this prospectus. If required, we will add transferees, successors and donees by prospectus supplement, post-effective amendment or in a filing we make with the SEC under the Exchange Act that is incorporated by reference in this prospectus in instances where the transferee, successor or donee has acquired its shares from holders named in this prospectus after the effective date of this prospectus.