

Colocation Data Centres 2025 Outlook: Markets on the Rise

Scarcity, soaring rental rates plus emerging AI demand and readiness to characterise the year ahead.

February 2025



Five for 2025



Colocation & Self-Build
Capacity Approaching
Double Digits



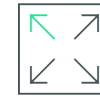
Vacancy Rate to Hit
New Low



Hyperscaler pricing on
the rise



AI landing points to
emerge



Development radius to
widen further

Hyperscaler spending on data centre capacity to grow

Demand signals from the data centre industry's largest customers remain strong.

Amazon, Microsoft Keep Data Center Spending Spree Going

Hyperscaler capex to reach \$300bn

Microsoft to spend \$80bn on AI data centers in 2025

Meta plans \$60-65bn capex on AI data center boom, will bring ~1GW of compute online this year

Microsoft to build data center campus on former power station site in North Yorkshire, UK

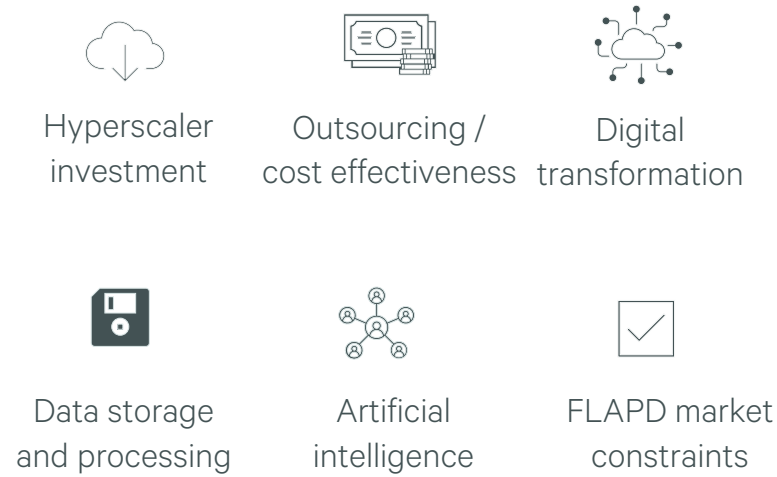
Two-building campus coming to Eggborough

AWS plans to invest £8 billion in the UK, supporting 14,000 jobs annually in local businesses

AI-Ready Data Centers Are Poised for Fast Growth

Data Centre Construction Boom to Continue Unabated This Year

Top Data Centre Market Drivers



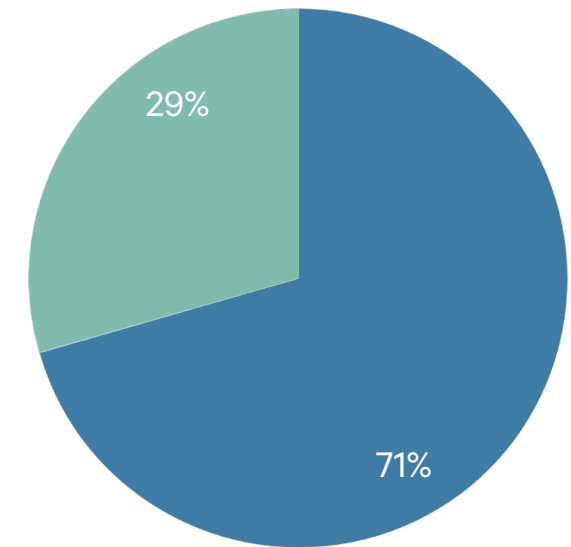
5.8 GW
COLOCATION
SUPPLY

3.3 GW
HYPERSCALER
SELF-BUILD SUPPLY

+22% YoY

2025F

■ Primary ■ Secondary



Five secondary markets expected to feature double-digit supply growth and sub-15% vacancy rates in 2025

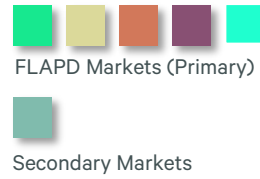


Source: CBRE Research, 2025

Estimated per MW cost of the 1GW of colocation data centre supply to be delivered in the 15 European markets CBRE tracks

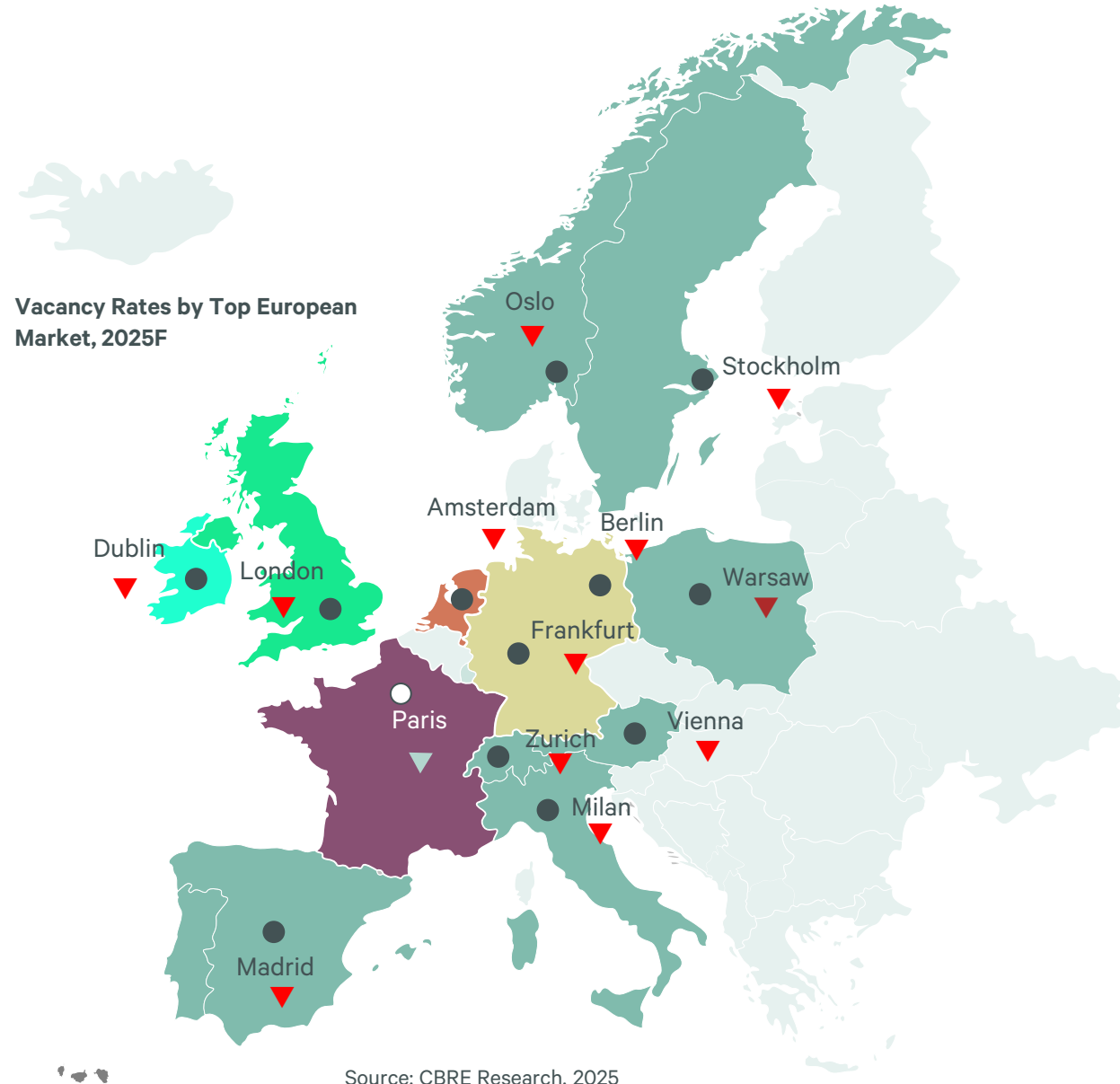
€12mn

Vacancy rates on the decline making it harder to find capacity at scale across Europe



9%
FORECASTED 2025
EUROPEAN VACANCY
RATE

Vacancy Rates by Top European Market, 2025F

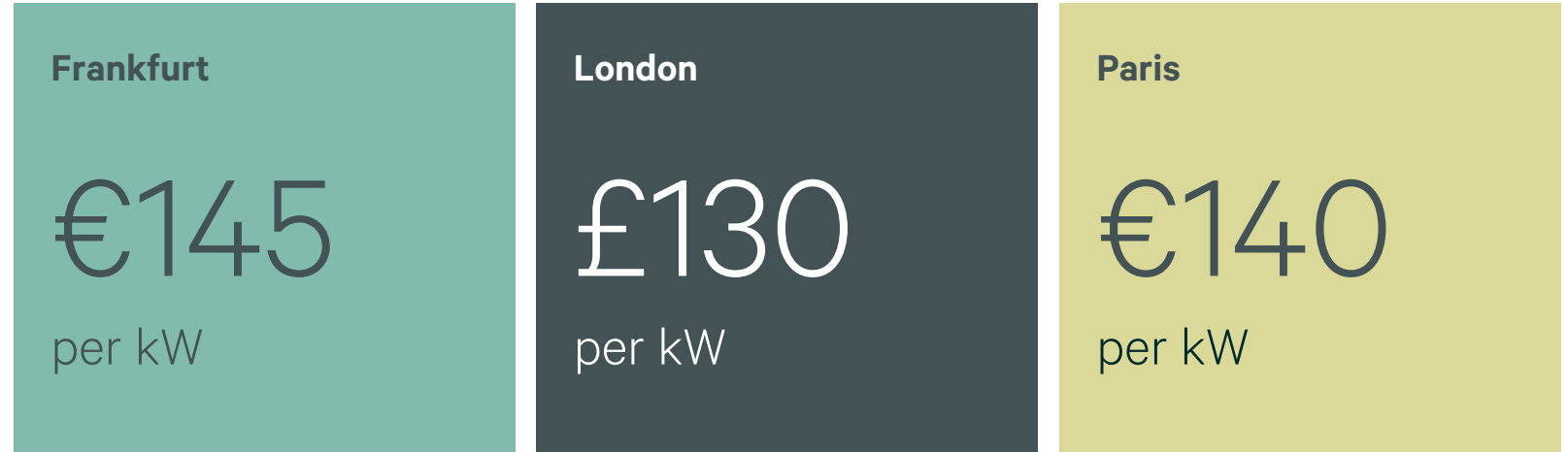


Source: CBRE Research, 2025

Rental Rates Are On the Rise Across Europe

Several reasons why the cost per kW (multi-MW) will grow substantially in the largest European markets.

Europe data centre pricing



Labour



Equipment



Power



Materials

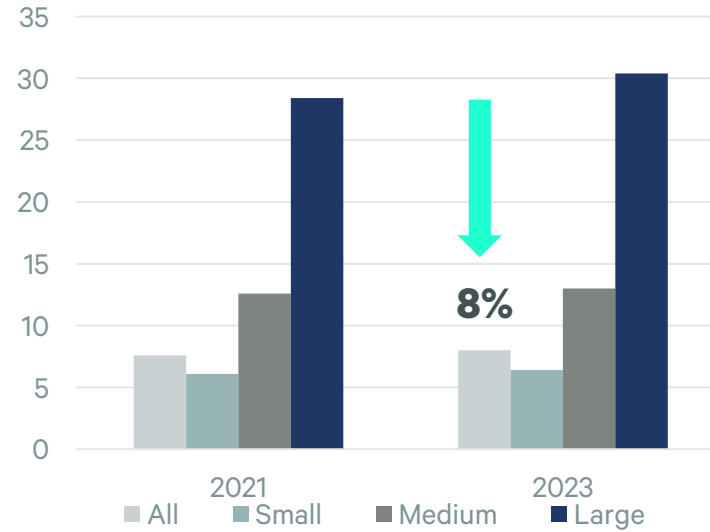


Regulation

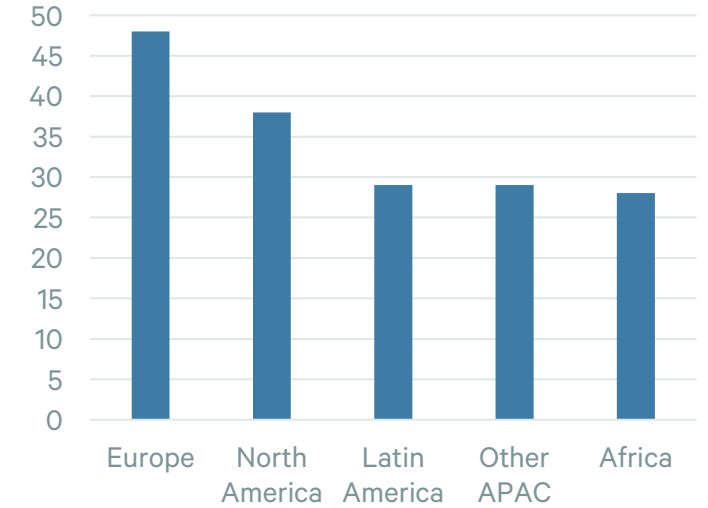
Source: CBRE Research, 2025

Limited AI adoption manageable despite aged electricity grids

EU enterprises using AI technologies
by size, 2021 and 2023



Europe has the oldest power grids in
the world (average number of years)



Lack of Power in Primary Markets Leading Developers Further Afield

Development radius considered is widening given market constraints

Blackstone to Buy Britishvolt Site for Massive QTS Data Center

Microsoft to build data center campus on former power station site in North Yorkshire, UK

Two-building campus coming to Eggborough

How new AI demands are fueling the data center industry in the post-cloud era



DESIGN > ARTIFICIAL INTELLIGENCE

AI Expectations in the Data Center Are High but Still Unproven

“The looming data centre crunch”

NTT to develop 500MW data center campus on former Army base outside Frankfurt, Germany – report

Amazon puts generative AI at centre of latest Alexa upgrades”

Thank you

CBRE

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