

Intelligent Investment

# Global Data Center Trends 2025

Despite Persistent Power Constraints, Hyperscale Growth Accelerates

June 24, 2025 20 Minute Read



## Executive Summary

Summary

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- Limited power availability remains the prime inhibitor of global data center growth in certain core hub markets, leading to opportunities in new hotspots like Richmond (North America), Santiago (Latin America) and Mumbai (Asia-Pacific).
- Demand continues to outpace new supply across both core and emerging hubs. The global weighted average data center vacancy rate fell by 2.1 percentage points year-over-year in Q1 2025 to 6.6%. Paris led the tightening, with vacancy falling to 7.7% from 16.1%.
- Power capacity constraints are forcing aggressive preleasing and extending new construction timelines to 2027 and beyond. Across regions, cloud providers and AI-related companies are racing to lock in space early, leading to historically high net absorption.
- Global data center pricing rose 3.3% on a weighted inventory basis year-over-year in Q1 to \$217.30 per kilowatt (kW) per month—a more tempered increase than last year when volatile global currency markets were a factor. Northern Virginia (+17.6%), Chicago (+17.2%) and Amsterdam (+18%) had the biggest pricing increases, while smaller markets like São Paulo (–20.8%) and Santiago (–13.7%) had the biggest drops in pricing due to shifting supply dynamics.
- AI-related training workloads and high-density compute deployments are fueling multi-megawatt demand across Tokyo, Sydney and secondary hubs like Bogotá and Mumbai. Operators are quickly adopting liquid cooling, boosting rack density and investing in sovereign AI zones to stay competitive.

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## Inventory (MW)

### North America

North American inventory across the four largest data center markets—Northern Virginia, Chicago, Atlanta and Phoenix—increased 43% year-over-year in Q1. Atlanta and Phoenix were new entrants to the biggest inventory category, surpassing Dallas-Ft. Worth and Silicon Valley in the rankings. Northern Virginia remained the largest global market, adding 523.0 megawatts (MW) over the past year, while Atlanta more than tripled its capacity to 1,279.4 MW, driven by hyperscale, AI start-up and enterprise demand. Phoenix and Chicago also expanded their footprints with steady pipeline activity.

### Europe

Inventory across the four largest European data center markets—London, Frankfurt, Paris and Amsterdam—increased by 7.2% over the past year, down from the 20% increase between Q1 2023 and Q1 2024 due to challenges securing power. The relative slowdown in new supply was especially pronounced in Amsterdam, where none was added. Frankfurt and Paris had the biggest annual inventory growth, at 13.7% and 11.2%, respectively.

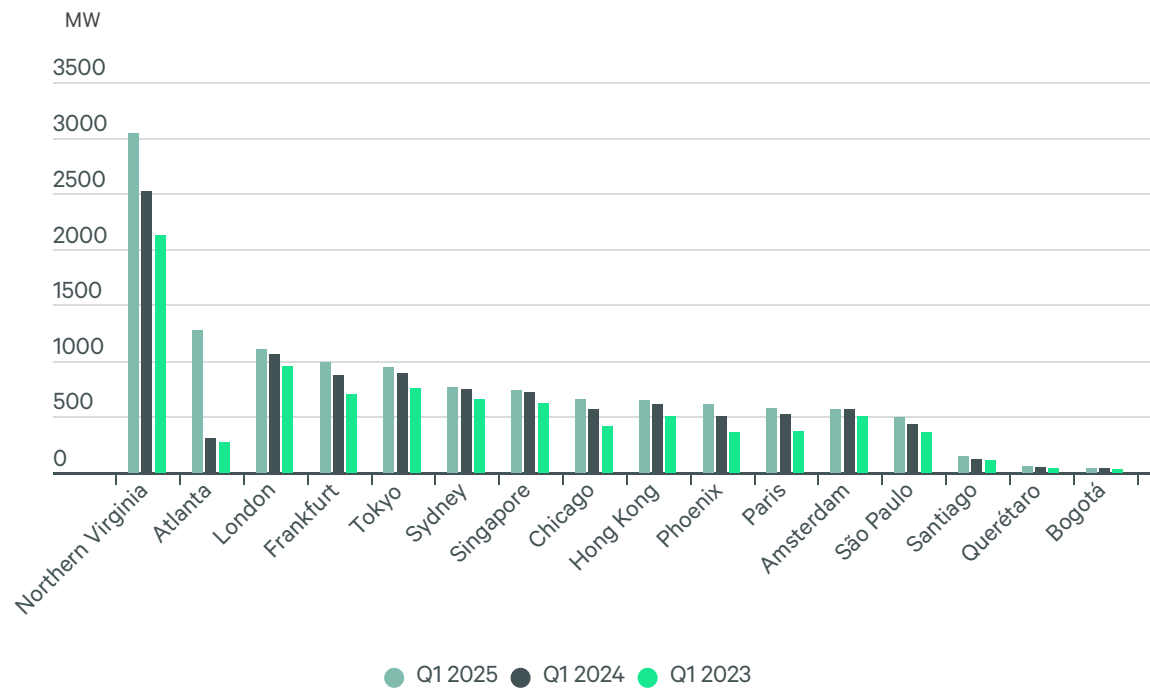
### Asia-Pacific

The Asia-Pacific region continues to see significant new deliveries. Inventory increased by 4.4% over the past year in Singapore, Hong Kong, Tokyo and Sydney combined. With supply-side constraints impacting new developments in major markets, focus is shifting toward secondary regional markets such as Johor, Malaysia and Melbourne, which are expanding at a rapid pace.

Latin America

Inventory across the four largest Latin American data center markets—São Paulo, Santiago, Bogotá and Querétaro, Mexico—increased by 13.7% year-over-year in Q1. Santiago had the biggest increase of 23%. São Paulo remains the largest market with 493 MW of inventory, followed by Santiago with 148 MW. Despite resilient cloud demand, markets have faced a temporary slowdown of new greenfield projects due to uncertainties about tariffs and energy procurement.

Figure 1: Data Center Inventory by Market



Source: CBRE Research, Q1 2025.

Vacancy

North America

North American data center vacancy remained relatively low in Q1, despite a 43% year-over-year increase in inventory among the top four U.S. data center markets. Northern Virginia remained the tightest market, with vacancy ticking up slightly to 0.76% from 0.1%. Atlanta posted the biggest vacancy rate reduction to 3.6% from 8.8%, as net absorption kept pace with robust new supply. Phoenix's vacancy rate dropped to 1.7% from 3.3%, while Chicago saw a modest increase to 3.1% from 2.4%.

Europe

The overall vacancy rate among Europe's top four data center markets fell by 3.2 percentage points year-over-year in Q1 to a record-low 7.4%, despite an increase in inventory. Robust demand continues to outpace new supply.

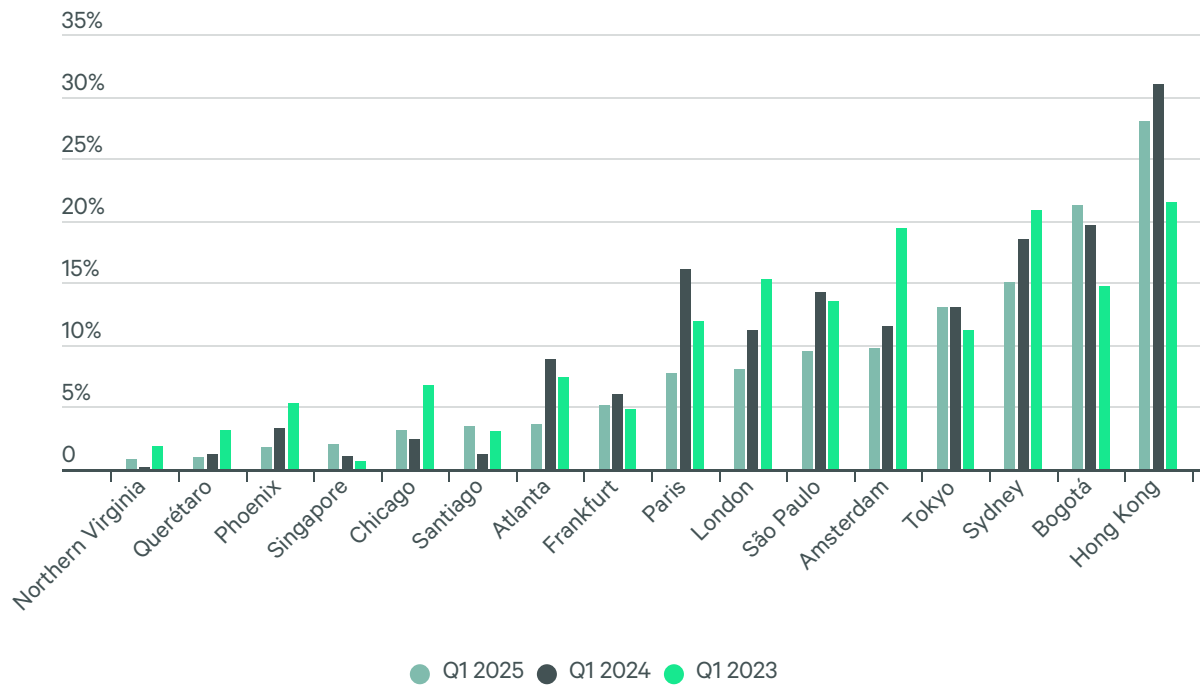
Asia-Pacific

The region's overall vacancy rate remained at 14% in Q1, despite the addition of new supply. Hong Kong's vacancy rate was a relatively high 28% due to the addition of new supply amid slightly softer demand. Singapore had the lowest vacancy rate at 2% due to persistently strong demand and government controls on new greenfield development.

Latin America

Vacancy rates across Latin America dropped significantly in Q1, led by São Paulo with a year-over-year decrease to 9.5% from 14.2%. Major markets like São Paulo, Santiago and Querétaro have near-record-low vacancy rates, confirming their strategic importance for global enterprises. Bogotá had a moderate increase in vacancy to 21.2% from 19.6%. New supply continued to be limited by supply chain and infrastructure constraints. Power availability is uneven, with some projects obtaining power in emerging markets where demand is not as strong.

Figure 2: Data Center Vacancy Rate by Market



Source: CBRE Research, Q1 2025.

# Net Absorption

## North America

Net absorption in the top four North American markets surged 101% year-over-year in Q1 to 1,668.5 MW, driven by continued strong demand in Northern Virginia and increased activity in Phoenix and Atlanta. Absorption was primarily driven by hyperscale expansion and new power availability across key submarkets, particularly in Atlanta's booming metro area.

## Europe

Net absorption among the top four European markets increased by 300.5 MW in Q1, down from an increase of 487.6 MW a year earlier. Demand easily outstripped new supply. Frankfurt and Paris accounted for most of the demand, both buoyed by new hyperscale and AI requirements.

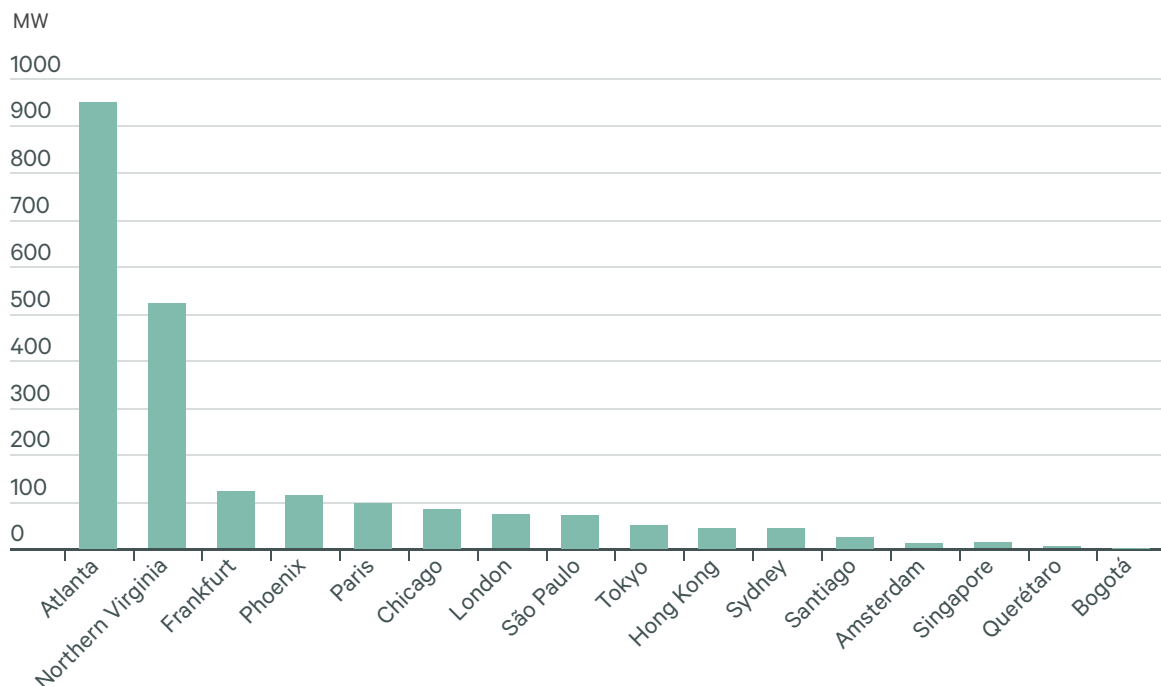
## Asia-Pacific

Asia-Pacific leasing demand remained stable in Q1, driven primarily by enterprise colocation and cloud services adoption. Demand from the AI segment is also contributing to absorption both for training workloads and larger IT capacity deployments. Major markets such as Tokyo and Sydney and secondary markets such as Osaka, Melbourne and Johor are well positioned to capitalize on future AI-related demand. There are numerous 20MW+ capacity engagements, representing a consistent trend toward large-scale, power-intensive deployments. Tokyo led the region for net absorption over the past 12 months with 49.8 MW as it continued to see demand from large technology companies and AI start-ups.

## Latin America

Demand remained resilient in Latin America with strong net absorption in Q1. São Paulo led the region with 71.2 MW of net absorption, followed by Santiago with 24.1 MW. Energy restrictions limited Q1 net absorption in Querétaro to 4.1 MW, while Bogotá recorded just 0.5 MW.

Figure 3: Data Center Net Absorption by Market, Q1 2024 to Q1 2025



Source: CBRE Research, Q1 2025.

## Rental Rates

### North America

Data center pricing continued to climb across North America in Q1, though the rate of increase moderated from last year's record highs. Among the top four markets, average asking rents grew by single-digit to mid-teen percentage rates year-over-year. Chicago and Northern Virginia led the pack with increases of 14.7% and 15.0%, respectively, while Atlanta pricing rose by 13.0%. Phoenix pricing was stable year-over-year at an average of \$190/kW/month following rapid gains in prior years. The rate of pricing increases appears to be moderating as new supply begins to catch up with demand.

### Europe

Rental rates continued to climb across the four key European markets in Q1 due to constrained supply and increased construction costs. London, Europe's largest data center market, had a rental rate range of \$180 to \$215 per kW per month, up from \$160 to \$195 a year ago.

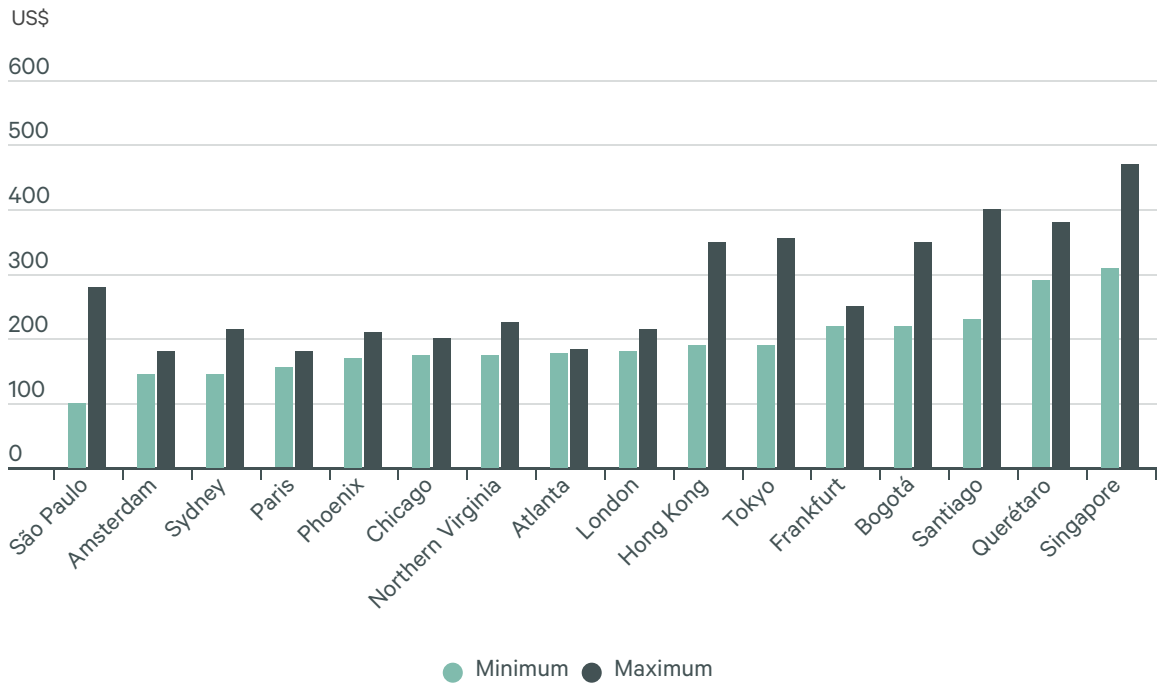
### Asia-Pacific

Asia-Pacific pricing has been broadly stable across major markets, albeit with currency exchange impacts for certain countries. Singapore pricing remained at \$310 to \$470 per kW, making it one of the world's most expensive markets. Tokyo pricing decreased slightly to \$190 to \$355 in Q1, down from \$200 to \$370 a year ago. Sydney saw a small decline to \$140 to \$215 per kW. Hong Kong pricing has declined slightly due to relatively softer supply and demand conditions and competitive pricing requirements of Chinese customers.

### Latin America

Rental rates across Latin America have shifted in response to evolving market conditions. Santiago and São Paulo had slight declines in pricing year-over-year in Q1, driven by increased data center capacity and a growing number of operators. Querétaro saw rising prices, fueled by power constraints and surging demand. In aggregate, markets have seen a reduction in their pricing range as the industry becomes more competitive. São Paulo had the lowest all-in colocation prices, offering multiple data center options, a variety of operators and lower energy costs.

**Figure 4: Monthly Pricing for 250-500kW Capacity by Market**



Source: CBRE Research, Q1 2025.

# Availability

## North America

Despite robust development pipelines, North American data center availability remains extremely limited. Atlanta added 18.4 MW of available supply year-over-year in Q1, slightly outpacing leasing activity. Chicago and Northern Virginia saw more modest availability gains of 6.6 MW and 1.1 MW, respectively. Phoenix was the only major market to record a decrease, with availability falling by 6.4 MW—a sign of strong leasing or project completion delays.

## Europe

Each of the four major European markets saw a decline in available inventory in Q1. Overall availability fell by more than 25% year-over-year. Although Frankfurt had the smallest decline of 1.6 MW, it had the lowest vacancy rate at 5.1%. In all markets, operators are adding new supply farther away from city centers to overcome power constraints.

## Asia-Pacific

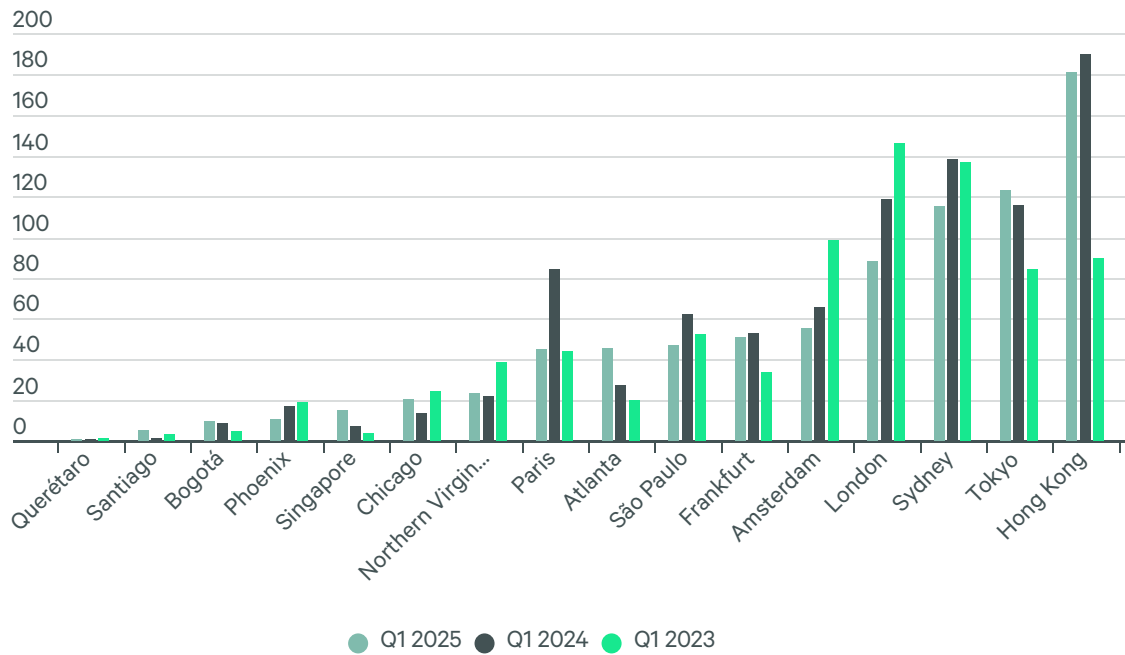
Availability increased across all major Asia-Pacific markets in Q1, except Sydney, due to completion of new developments. Availability in Tokyo and Sydney is generally in newer wholesale colocation facilities in suburban clusters. Singapore availability increased to 14.8 MW, although sourcing capacity for single large deployments remained a challenge. This has allowed secondary markets such as Johor and more recently Batam, Indonesia to capture sizable multi-MW transactions.

## Latin America

Availability remained tight in the major markets of São Paulo, Querétaro and Santiago in Q1, as demand outpaced new supply. Querétaro had less than 1 MW of available capacity. Bogotá offers moderate availability but requires infrastructural improvements to meet scaling needs. Overall, the region has limited vacant space, reflecting greater competition for strategic inventory and preleased expansions.

Figure 5: Data Center Availability by Market

MW



Source: CBRE Research, Q1 2025.

## North America Featured Markets

### Northern Virginia

The world's largest data center market expanded its inventory by 523 MW year-over-year in Q1 to 3,046.1 MW. Despite ongoing power supply challenges, Northern Virginia continued to see robust leasing activity, with net absorption totaling 521.9 MW from Q1 2024 to Q1 2025. The market's overall vacancy rate increased slightly to a still exceptionally low 0.76%. The average rental rate increased by 15%, driven by preleasing of facilities scheduled for delivery as far out as 2028.

#### Opportunities:

- Dominion Energy's ongoing transmission upgrades are expected to enhance power capacity by 2026, potentially alleviating current limitations and facilitating further development.
- Persistent low vacancy and strong preleasing activity suggest continued demand, prompting developers to explore opportunities in adjacent areas such as Central Virginia and Maryland.

#### Challenges:

- Persistent power supply constraints continue to affect construction timelines.
- Land scarcity in Loudoun and Prince William counties continues to result in rising land prices.

### Chicago

Chicago's data center market increased by 89.8 MW year-over-year in Q1. The market's overall vacancy rate slightly increased to 3.1%, reflecting a temporary lag in the lease-up of new space. The average rental rate jumped by 14.7%, driven by sustained demand from hyperscalers, enterprise users and financial services companies. Power procurement challenges are prompting development to extend westward to areas like Elk Grove, Northlake, Wood Dale, Hoffman Estates and Itasca.

#### Opportunities:

- Limited land availability in core areas is encouraging exploration of new submarkets and redevelopment opportunities.

#### Challenges:

- Affordable land remains scarce and power procurement continues to pose significant challenges, potentially impacting future growth.
- Power is more expensive than in South/Southeast U.S. markets.

## Phoenix

Phoenix became the fourth-largest data center market in North America in Q1 with a 20.8% year-over-year increase in its total inventory to 617.0 MW. Net absorption surged to 112.4 MW, a significant increase from the previous year. The market's overall vacancy rate was cut in half to 1.7%, indicating strong leasing activity. The average rental rate remained at \$190 per kW/month following rapid gains in prior years.

### Opportunities:

- The significant increase in inventory and absorption underscores Phoenix's growing appeal to hyperscale and AI-driven tenants, positioning it as a key market for future development.
- The availability of large land parcels and favorable tax incentives are driving developers to Phoenix and Tucson.

### Challenges:

- Power availability constraints and potential project delays by the market's two major utility companies may impact the pace of future developments.

## Atlanta

Atlanta more than tripled its total inventory year-over-year in Q1 to 1,279.4 MW. The market led North America in net absorption with 951.0 MW, significantly lowering its overall vacancy rate to 3.6%. Average rental rates increased by 13.0% year-over-year, driven by heightened demand from hyperscale and AI-related tenants.

### Opportunities:

- Atlanta's business-friendly environment, robust transmission infrastructure and strategic location along the East Coast make it an attractive destination for data center development.
- The substantial under-construction pipeline totaling 2,159.3 MW indicates strong future growth potential and investor confidence in the market.

### Challenges:

- Zoning restrictions and community concerns are emerging as potential obstacles, with new regulations limiting data center construction in certain areas.
- The surge in power demand is placing pressure on utility providers, necessitating careful coordination to ensure sustainable growth.

EMERGING MARKET

## Des Moines

Significant activity from leading cloud providers has transformed this market into a hub for next-generation data center expansion. With multiple large-scale campuses under construction and hundreds of acres secured for future builds, Des Moines offers scalability and speed to market. The metropolitan area benefits from abundant wind-powered energy, affordable land, minimal natural disaster risk and a central U.S. location ideal for low-latency reach. State and local government incentives continue to accelerate interest, positioning Des Moines for sustained growth in 2025 and beyond.

EMERGING MARKET

## Richmond

Richmond is quickly becoming a key alternative to legacy data center markets along the East Coast. With strategic proximity to major fiber corridors and transatlantic cable landings, Richmond offers global connectivity alongside robust infrastructure. Access to large-scale power, strong infrastructure fundamentals and supportive regulatory conditions make it a standout market for long-term expansion. As demand pressures intensify in traditional Virginia corridors, Richmond is rising to meet the next wave of hyperscale demand.

# European Featured Markets

## London

London is the only European data center market with over 1 GW of capacity, despite the constraints on power availability in many parts of the city. The local data center market is expanding geographically to offset the power limitations in West London, where the largest cloud providers are clustered in availability zones (AZ). Operators and cloud providers are willing to move up to 40 miles away from their preferred AZ due to the greater availability of power.

### Opportunities:

- The U.K. government has deemed data centers "critical national infrastructure," ensuring more support against cyber-security threats. More data center developments are planned north of London, where available power is more abundant within reach of West London AZs.



#### Challenges:

- Power availability is constrained in parts of London. The rapid growth in data center supply in West London has meant that new projects are delayed until 2030 or later as they await a new substation upgrade. A lack of suitable land for data centers means that sites with scalable power command a significant price premium.

### Frankfurt

Frankfurt is Europe's second-largest data center market and has grown rapidly due to wholesale and cloud demand. The financial center of Germany has become the main connectivity hub for Central and Eastern Europe due to its low connectivity costs and the size of its digital ecosystem. The city's aging grid infrastructure has led to power constraints amid high demand. As a result, operators are migrating to the west of Frankfurt, around 30 to 40 miles away from a cloud AZ, to meet power requirements.

#### Opportunities:

- Frankfurt continues to see increased demand from existing operators, including for sites farther away from the city. The status of Frankfurt as an interconnection hub for Central and Eastern Europe is bolstered by the DE-CIX IP Exchange, with peak annual traffic of 18.1 Tbit/s.

#### Challenges:

- New operators are being forced to look farther away from the city center for scalable power, with additional remedial costs for developing brownfield sites.
- Berlin is Frankfurt's main competitor in terms of available land and scalable power.

### Paris

Paris overtook Amsterdam last year as Europe's third-largest data center market. It has seen demand from sovereign cloud deployments and the emerging sovereign AI segment, as well as French quantum computing companies. The metropolitan area accounts for more than 80% of French data center supply and a similar percentage of French unicorn companies (start-ups of US\$1 billion valuation). Many of these companies have moved from cloud to colocation providers.

#### Opportunities:

- Demand from new AI and quantum computing companies has supported the Paris colocation market. As these companies add scale, several are migrating from their cloud provider to use dedicated data center capacity with a lower cost of ownership. French public sector and enterprises are starting to migrate to sovereign cloud and AI services as outsourcing becomes more common.

#### Challenges:

- Operators still face excessive red tape for permitting and regulatory permission across several government tiers for new data center developments.

### Amsterdam

With little new supply added last year due to power constraints, Amsterdam dropped from Europe's third- to fourth-largest data center market. As upgrades to some of the city's substations are expected this year, more new data center projects will be launched. However, a planning moratorium will remain for new data centers with an IT load of 70 MW or more, which will continue to restrict the market for large wholesale data center deployments. Large-scale developments will have to migrate north or to other European countries with available land and power.

#### Opportunities:

- Amsterdam's power constraints are gradually being resolved, which should lead to the addition of more inventory starting next year.

#### Challenges:

- The moratorium on large-scale data center developments is expected to continue. The city also faces competition from neighboring markets, particularly Brussels.

EMERGING MARKET

### Brussels

Brussels has traditionally been a retail market focused on enterprise demand; however, Kevlinx is expected to deliver a large wholesale project this year. As this new space is absorbed, available inventory is expected to decline from 2026 onward. Brussels is well located to attract more providers in the Benelux area (including Amsterdam) as it is one of the few cities with available scalable power in the region.

EMERGING MARKET

### Zurich

The city's data center market has grown despite a shortage of land with available power. Existing operators with scalable power remain in a strong position to

maximize their assets and maintain market position. Demand has grown from cloud operators allied with a strong enterprise segment. In turn, this drives demand for wholesale data centers.

# Asia-Pacific Featured Markets

## Singapore

While Singapore continues to attract strong demand for colocation deployments, additional inventory remains limited amid government environmental and sustainability regulations. The market's overall vacancy rate remains tight at just 2%. Consequently, operators are eagerly awaiting government allowance of an additional 300 MW of capacity in the near future. Meanwhile, the rise of nearby Johor continues at pace as developers seek to capitalize on the market's proximity to Singapore and more readily available land, power and lower overall cost of occupancy.

### Opportunities:

- Singapore offers political stability, a business-friendly environment and robust infrastructure and connectivity. The market is a leader in the Asia-Pacific region with technological innovation and decarbonization initiatives high on the agenda.

### Challenges:

- Limited new supply continues to hinder growth for both end users and developers. Demand for larger capacity deployments continues to spill over to nearby secondary markets that have fewer planning constraints and cheaper costs.

## Tokyo

Tokyo is one of Asia-Pacific's largest information technology markets, with strong demand from cloud service providers and AI-related deployments. Demand from enterprise colocation providers also remains stable, driven by domestic corporate digitization initiatives. The market's overall vacancy rate remained at 13% in Q1 despite several sizable development completions over the past year. Colocation pricing remains competitive, although it may come under pressure as the future supply pipeline is built.

### Opportunities:

- Tokyo is a leading data center market in Asia-Pacific, underpinned by political stability and regional connectivity. The market continues to see high adoption of cloud services and is well positioned to capture AI-related deployments seeking access to the latest chip technologies.

### Challenges:

- Land availability and power constraints have resulted in longer lead times for new developments, while competition for contractor services is pushing construction costs above the inflation rate. Accordingly, developers and operators continue to explore alternative locations beyond Greater Tokyo, such as Tsukuba and Osaka.

## Hong Kong

Hong Kong is a primary commercial center offering strong regional connectivity as a gateway to mainland China. Colocation demand has been relatively stable and driven predominantly by Chinese cloud service providers, large tech companies, content providers and domestic enterprise firms. Demand from U.S. hyperscalers has been relatively muted compared with other leading Asia-Pacific markets. The region has attracted a mix of both local and international operators with upcoming developments by SUNeVision, DayOne (formerly GDS), Goodman, Equinix and Vantage.

### Opportunities:

- While geopolitical challenges exist, Hong Kong remains a key entry point to mainland China that provides a strategic location for local and international cloud and MNC deployments. Current supply and demand conditions offer attractive opportunities for companies seeking market entry or expansions.

### Challenges:

- Hong Kong continues to face geopolitical headwinds impacting corporate data center deployment strategies, particularly among international firms. With limited land and power availability, developers and operators have been turning to brownfield sites to deliver new supply.

## Sydney

Sydney is one of the primary hyperscale hubs in the Asia-Pacific region. Benefiting from a stable political environment, robust infrastructure and strong regional connectivity, the market remains a preferred choice for domestic and regional deployments. Demand has been driven by a broad mix of enterprise digitization, cloud services, content, gaming and AI deployments. The country's geopolitical alignment has also enabled it to avoid U.S. chip sanctions, paving the way for the deployment of large-scale, high-powered compute infrastructure. With planning constraints increasing in Sydney, demand has shifted to Melbourne, which offers attractive land and power availability with multiple campus-styled developments underway geared toward

hyperscale and AI customers.

#### Opportunities:

- Sydney continues to see high adoption of cloud services underpinning demand. With geopolitical alignment, the market is well positioned to capture AI-related deployments seeking access to the latest high-compute chips. The market also offers access to renewable energy opportunities and a progressive stance toward development of energy-efficient data centers.

#### Challenges:

- While demand remains stable, the market has a large inventory pipeline that has the potential to impact occupancy levels in the short term. Planning constraints and access to power may increase development timelines for developers.

EMERGING MARKET

### Mumbai

Mumbai is India's financial capital and largest data center market, with a total capacity of approximately 670 MW. The market continues to expand rapidly, driven by strong demand from cloud, BFSI and large tech companies. With established connectivity and robust infrastructure, the market has attracted numerous domestic and international data center developers.

EMERGING MARKET

### Seoul

Seoul is South Korea's largest data center market, with 698 MW of inventory. Despite notable new supply, the market has seen healthy demand and a relatively low vacancy rate of less than 10%. Government planning policies for land and power remain restrictive, which is forcing developers to look outside of Greater Seoul for new pipeline opportunities. Existing options in Greater Seoul with secured power capacity of over 40 MW are expected to sell out soon. As a result, there is increasing interest in developing Edge data centers with relatively easy-to-secure power capacity of up to 10MW.

## Latin America Featured Markets

### São Paulo

São Paulo continues to strengthen its status as Latin America's leading data center hub, benefiting from consistent investment and technological advancements. Occupied capacity increased to 446.0 MW in Q1 2025 from 374.8 MW a year earlier, reflecting stable demand and efficient expansion with a majority of data center construction already preleased. Rental rates remain attractive, offering the most competitive pricing in Latin America. As some areas begin to face energy constraints and longer timelines to secure power, data center operators have started strategically acquiring land closer to the main substations in the region as a contingency.

#### Opportunities:

- São Paulo is Latin America's largest data center hub, offering operators the ability to scale inventory and strengthen connectivity infrastructure to meet the increasing demands of cloud and AI-driven workloads.

#### Challenges:

- Constrained power supply limits large-scale growth, along with scarcity of vacant land for new developments in some municipalities such as Barueri and Osasco.

### Santiago

Santiago is Latin America's second-largest data center market, with numerous expansion projects underway that are already fully leased. The market's overall vacancy rate stayed well below 5%, even with a 23% year-over-year increase in inventory in Q1. Chile benefits from being a key landing point for undersea cables and offers a viable path for future direct connections between Latin America and the Asia-Pacific region. Future expansions are expected, although land availability is limited.

#### Opportunities:

- Santiago benefits from strong connectivity, thanks to its advanced fiber networks and direct access to undersea cables, making it an attractive destination for data center expansion.
- Its strategic location enables businesses to serve the broader Latin American market efficiently.

#### Challenges:

- Operators face high rental costs and complex environmental permitting processes.
- Securing approvals for data center projects can be lengthy due to stringent sustainability regulations and concerns about energy and water consumption.

## Querétaro, Mexico

Querétaro remains a prime location for hyperscale development in Mexico due to its ample available land, relatively low earthquake risk, professional industrial park and strong connectivity. The region hosts cloud availability zones for AWS and Microsoft, with AWS planning to significantly expand its infrastructure. Despite these strategic features, power challenges continue to slow new data center development timelines. The data center industry is being organized and working together with local governmental entities to solve power constraints.

### Opportunities:

- Querétaro remains a cost-effective alternative for data center operators seeking affordability without compromising on quality. Its proximity to Mexico City enhances connectivity, while offering a lower-cost operating environment.

### Challenges:

- Ensuring reliable power capacity remains crucial for competitiveness.
- Operators must focus on strategic planning, infrastructure scaling and partnerships with local authorities to overcome these constraints. Investment in energy-efficient solutions and infrastructure could help optimize operations and drive market growth.

## Bogotá

Bogotá has emerged as a central hub for data center development in Colombia, accounting for more than 85% of the country's rack capacity. The local data center market is set for rapid expansion, with additional capacity expected to deliver within 12 months. However, the market has increased at a slow pace, with a lack of cloud adoption and dominated by small users. Power constraints, little available land inside free trade zones and difficulty in obtaining construction permits have slowed new data center developments and expansions.

### Opportunities:

- Bogotá's strategic importance and ongoing infrastructure investments indicate a promising future.
- As the market relies on limited space inside free trade zones with tax benefits, securing a presence could be a significant advantage for operators.

### Challenges:

- Land prices continue to increase.

#### EMERGING MARKET

## Rio de Janeiro

This market's strengths include proximity to key business hubs and increased demand for data center infrastructure. Its strategic location, proximity to undersea cables and growing investments make it an important market for greenfield projects, with securing power as an essential site selection priority. Rio de Janeiro is actively working to increase energy availability in new zones designated for data centers, broadening opportunities and strengthening market potential.

#### EMERGING MARKET

## Fortaleza, Brazil

Fortaleza is an excellent landing point for undersea cables, ensuring robust connectivity. Continued investment in local infrastructure and energy supply remains essential for sustained growth. The city uniquely combines undersea cable access with renewable energy production from solar and wind sources, enhancing its appeal for long-term digital expansion. Additionally, its proximity to the U.S. East Coast strengthens its position as a gateway for global data traffic.

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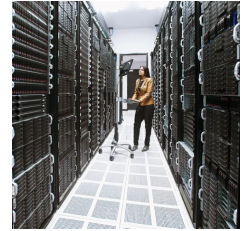
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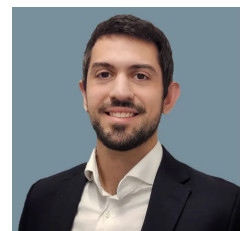


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