

Business Standard

India set to cross 1800 MW in data centre capacity by 2026: CBRE report

Report adds that India has highest DC capacity among major APAC countries, likely to add another 850 MW in next 2 years

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The country's data centre (DC) capacity is expected to cross 1,800 megawatts (Mw) by the end of 2026, with the country likely to record additional capacity of 850 Mw during 2024-26, according to a report by real estate consultancy CBRE South Asia.

According to the CBRE report, India currently had the highest DC capacity of around 950 Mw in the Asia-Pacific region (excluding China). "After India, Japan recorded the second-highest DC capacity with 892 MW, followed by Australia at 773 Mw, Singapore at 718 Mw, Hong Kong at 613 Mw and South Korea at 531 Mw", the report added.

According to the report, the sector has witnessed significant investments from global operators, real estate developers, and private equity funds eager to tap into the country's thriving market.

“India secured investment commitments exceeding \$40 billion from both global and domestic investors between 2018 to 2023”, the report added.

Global investors retain a strong interest in the market, with many exploring partnerships and joint ventures with local operators. Merger and acquisition (M&A) activity among operators is anticipated to increase in the coming years to mitigate market fragmentation, according to the CBRE study.

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Highlighting the growth potential of the data centre sector, Amit Sarin, managing director, Anant Raj Limited announced plans to invest over Rs 10,000 crores to develop a 307 MW data centre across three locations in Manesar, Rai, and Panchkula.

The report adds that while Mumbai and Chennai account for around 68 per cent of the total DC stock in India, several Tier 2 cities such as Kochi, Jaipur, Ahmedabad, Lucknow, Patna and Visakhapatnam are emerging as DC markets.

Speaking on the reason behind the growth in India's data centre sector, Anshuman Magazine, chairman and chief operating officer (CEO), India, South-East Asia, Middle East & Africa, CBRE, said that India with its favourable market conditions, is attracting multinational corporations (MNCs) seeking to expand their digital services and relocate from other Asian markets due to supply constraints.

“Sustained demand is expected from BFSI firms, technology corporations and cloud service providers as they explore alternative solutions such as colocation and hyperscale facilities”, he added.

The report further states that India's appeal to global hyperscalers for expansion is evident, with many opting for customised build-to-suit (BTS) facilities. “In 2023, more than 85 per cent of the US\$ 27 billion committed investment targeted the development of hyperscale facilities”, the report added.

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