Data Centers Market Report

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PRAXI VALUATIONS
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Data Centers

Europe

The European data centre market is experiencing robust growth, driven by increasing demand for cloud services, AI applications, and digital transformation initiatives across the region. Major markets like London, Frankfurt, Amsterdam, Paris, and Milan—collectively known as the FLAP-D markets—continue to lead the way, representing over 46% of operational data centre capacity in EMEA.

A strong development pipeline exists across the continent, with over 2.6GW of capacity under construction and an additional 8GW in planning stages. Despite challenges like high energy costs and limited land availability, the influx of investment is creating a dynamic and competitive market.

Rental prices for data centre space across Europe reflect these growth dynamics. In major markets like London, Frankfurt, and Paris, rental prices for high-quality colocation services continue to rise due to high demand and limited availability. As of the first half of 2024, vacancy rates are dropping below 10% in key locations like Dublin, Amsterdam, and Frankfurt. Smaller markets and emerging hubs such as Athens and Milan offer more competitive pricing, with Athens still seeing a relatively lower cost per square meter despite its growing presence in the sector.

Numbers

Recent available data center sales for properties and sites in Europe reveal significant variations in cost per square meter, with **the UK leading in higher prices, especially in London and surrounding areas.**

In London, UK data center buildings prices average around €6,500/sqm, while site prices average around €2,000/sqm. Meanwhile, Sweden offers more economical options, with site prices average around €150/sqm and data center buildings averaged around €2,500/sqm. Madrid, Spain also demonstrates cost-effectiveness, with site prices averaging €600/sqm.

Overall, the available sale prices for properties related to data centers, underscoring a trend where urban UK locations remain premium, while **northern and southern Europe offer more affordable data center expansion opportunities**.

Leading Markets by MW of Data Centers	
North Virginia	2,552
Beijing	1,799
London	1,053
Tokyo	865
Frankfurt	864

According to industry insights,

Europe's data center industry faces unique constraints due to high power demands. Regions like Dublin have halted new data center developments due to grid pressures. In response, the industry is exploring alternative locations with stable power availability.

Ongoing digitalization trends mean that demand will likely continue to grow, particularly for hyperscale data centers in both urban and remote locations to meet the needs of European users and enterprises.

According to the most recent data,

By 2030, Europe's data centers are projected to require around 180 terawatt-hours (TWh) of electricity - about 5% of the continent's total consumption in 2023.

This growth will necessitate robust energy investments, especially in sustainable sources, as many data centers aim to operate on renewable or low-carbon energy to meet regulatory and sustainability goals.

Greece

The data center market in Greece is growing rapidly, driven by the increasing adoption of digital technologies. Besides the immediate economic benefits, this growth is expected to generate jobs in construction phases and highly skilled positions during the operation phase.

Greece's abundant renewable energy resources, including solar and wind, allow data centers to operate in an environmentally friendly manner. This combination of renewable energy availability and advanced digital infrastructure makes Greece an ideal location for data center development, minimizing environmental impact.

The establishment of the first cloud region in the Athens area will contribute to economic growth, potentially adding €2 billion to the national GDP by 2030. This investment will also support over 19,000 new jobs.

Data center market value in Greece was at €675 million in 2022, and the market is expected to almost double by 2028, with a projected annual growth rate of 8.8%, reaching approximately €1.11 billion

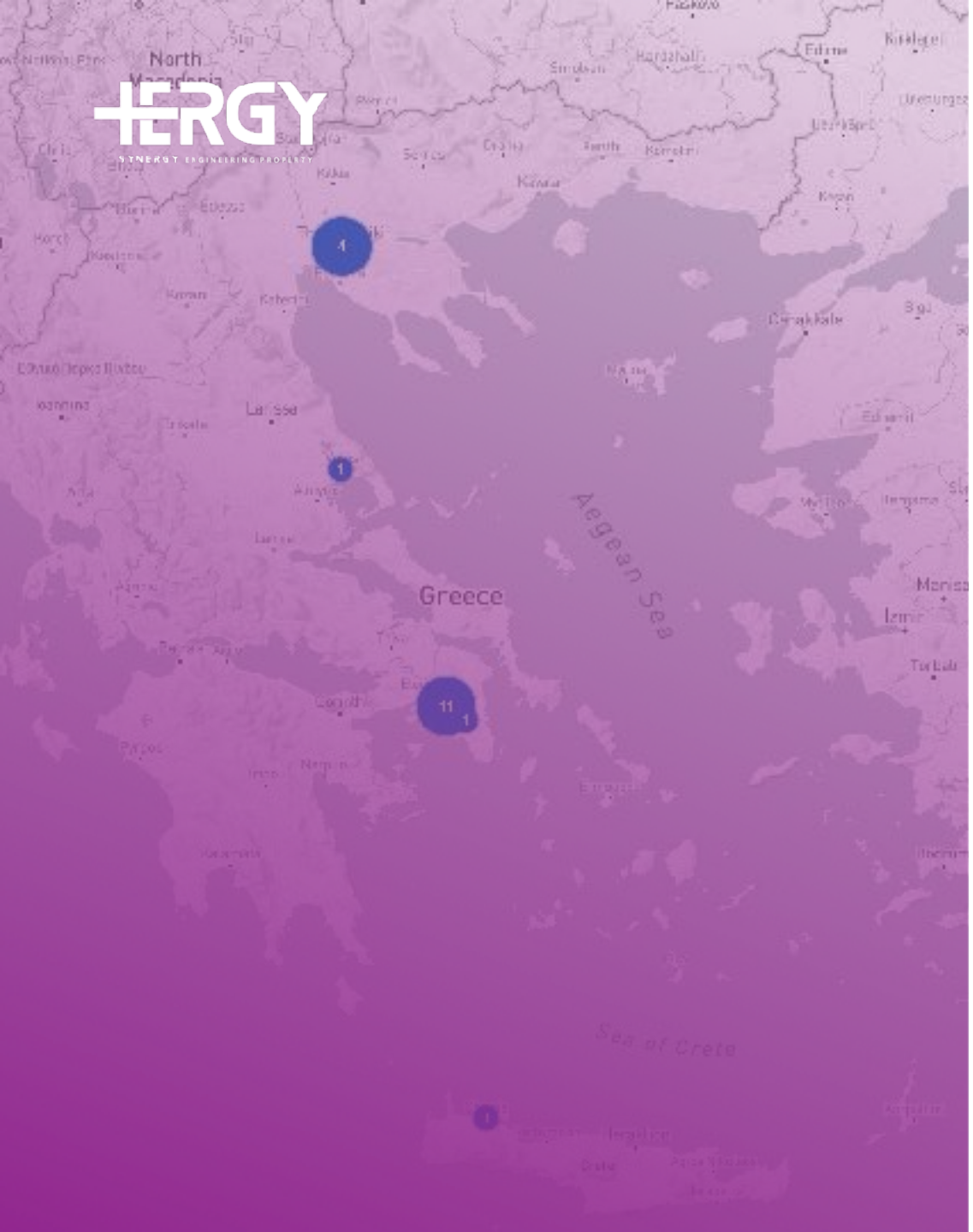
The local market is seeing new investments and expansion efforts from both international and local players, aiming to solidify Greece’s position as a data hub. Since the acquisition of a leading Greek data center company by a global firm in 2020, new facilities have been developed, including data centers in Athens and Crete. A major new project in eastern Attica is also under construction, marking Greece as the first country in Southeastern Europe to acquire a regional data center hub of interconnected facilities.

Data Centers

Data Centers per Region	
Attica	12
Central Macedonia	4
Thessaly	1
Crete	1

The data center market in Greece is expanding rapidly. Investments in data centers, especially near Athens, are expected to create thousands of jobs. This surge in infrastructure, supported by Greece's solar and wind resources, provides an environmentally sustainable foundation for data centers, making the country an attractive destination for cloud services in the Mediterranean.

With the market value of the data center sector set to nearly double by 2028, Greece is positioned to become a significant regional data hub. The strategic location and renewable energy potential have drawn both international and local firms to expand Greece’s role in this sector, marking it as a key player in Southeastern Europe's digital landscape.



Data centers in Greece are concentrated in strategic areas. The **Athens Metropolitan Area** is the primary hub, with significant investments mainly in Eastern Attica (Koropi, Paiania & Spata). Several facilities around Athens are also being developed by local and international firms to meet rising digital demands. **Thessaloniki**, Greece's second-largest city, is also a key location for data center growth due to its access to northern Balkan markets and broader European connectivity.

Crete has seen recent expansions, particularly in Heraklion, making the island a critical point for data traffic between Europe, the Middle East, and Africa. **Patras**, a major port city in western Greece, is another growing location for data centers, given its proximity to fiber optic networks and status as a gateway to Europe. **Larissa** in central Greece is emerging as a secondary hub, providing distributed support for the country's digital infrastructure needs.

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